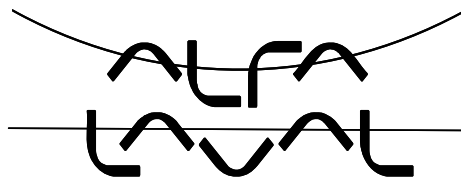


First quarter 2011



“The demand developed positively during the first quarter of the year. The order intake increased by 27 percent to SEK 6.5 billion, compared to the corresponding period last year. Increases are reported by all segments and regions.

Within oil and gas extraction the high energy prices contributed to continued investments in new capacity. At the same time Process Industry developed well and petrochemicals did particularly well, characterized by high capacity utilisation among customers. Marine & Diesel also had a strong development, especially in China, due to last year’s good order intake for the shipyard industry. Furthermore, a very good development was seen for Food Technology as well as Sanitary, amongst other driven by a structural demand in the fast growing regions of the world.

Sales increased to SEK 5.9 billion at the same time as the operating result was SEK 1.1 billion, corresponding to an operating margin of 19.2 percent.”

Lars Renström, President and CEO

Summary

SEK millions	First three months			
	2011	2010	%	% *
Order intake	6,455	5,089	27	38
Net sales	5,899	5,381	10	19
Adjusted EBITA	1,134	1,012	12	
- adjusted EBITA margin (%)	19.2	18.8		
Result after financial items	1,007	900	12	
Net income for the period	726	615	18	
Earnings per share (SEK)	1.71	1.45	18	
Cash flow from operating activities	438	1,007	-57	
Impact on EBITA of:				
- foreign exchange effects	-85	95		

* excluding exchange rate variations

The Board of Directors propose a dividend of SEK 3.00 (2.50) per share and a mandate for repurchase of up to 5 percent of the issued shares to the Annual General Meeting.

Outlook for the second quarter

“We expect demand during the second quarter 2011 to be somewhat higher than the second quarter of 2010.”

Earlier published outlook (February 8, 2011): “We expect demand during the first quarter 2011 to be on about the same level as during the fourth quarter 2010.”

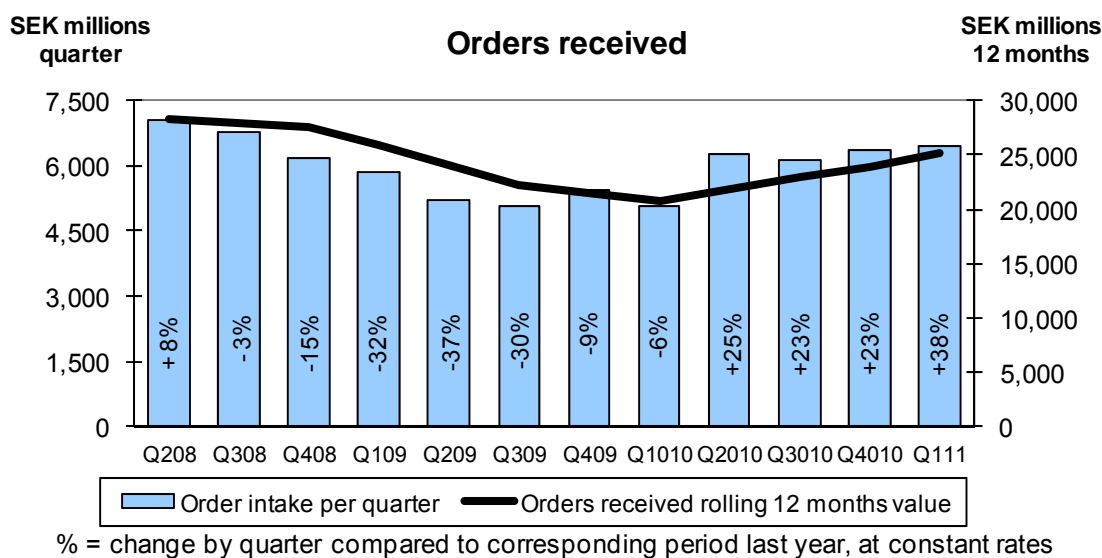
The interim report has not been subject to review by the company’s auditors.

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Management's discussion and analysis



Order bridge

SEK millions	First quarter 2010	Structural change (%)	Currency effects (%)	Organic development (%)	Total (%)	First quarter 2011
Order intake	5,089	4.4	-11.4	33.8	26.8	6,455

Orders received amounted to SEK 6,455 (5,089) million for the first quarter. Excluding exchange rate variations, the order intake for the Group was 38.2 percent higher than the first quarter last year. Adjusted for acquisitions of businesses¹⁾, the corresponding figure is an increase by 33.8 percent.

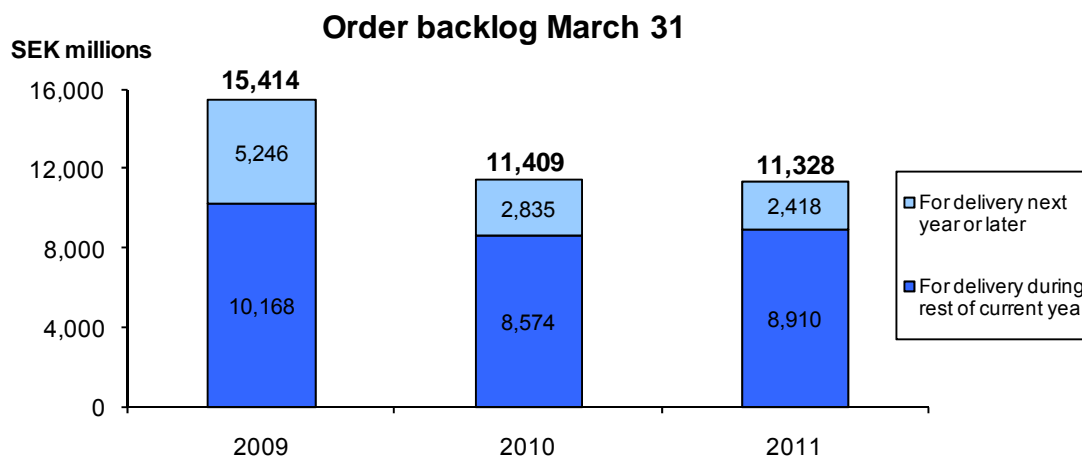
Orders received from the aftermarket "Parts & Service" constituted 25.2 (31.9) percent of the Group's total orders received in the first quarter. Excluding exchange rate variations, the "Parts & Service" order intake increased by 14.3 percent during the first quarter 2011 compared to the corresponding quarter last year.

1. Acquired businesses are: Olmi S.p.A at December 6, 2010, Definox at November 1, 2010, Si Fang Stainless Steel Products Co. Ltd at April 1, 2010, Astepo S.r.l. at April 1, 2010.

Large orders ¹⁾ in the first quarter:

During the first quarter 2011 Alfa Laval received large orders for SEK 185 (140) million:

- An order for a complete solution, including Alfa Laval's separators, mixers and heat exchangers, to a vegetable oil plant in India. The order value is about SEK 50 million and delivery is scheduled for 2011.
- An order for Alfa Laval Packinox heat exchangers to a refinery in Saudi Arabia. The order value is about SEK 75 million and delivery is scheduled for 2012.
- An order in Germany for oil treatment modules to a big diesel power plant project. The order value is about SEK 60 million and delivery is scheduled for 2012.



The order backlog at March 31, 2011 was SEK 11,328 (11,409) million. Excluding exchange rate variations and adjusted for acquisitions of businesses the order backlog was 2.7 percent higher than the order backlog at March 31, 2010 and 5.7 percent higher than the order backlog at the end of 2010.

Net sales**Sales bridge**

	First quarter 2010	Structural change (%)	Currency effects (%)	Organic development (%)	Total (%)	First quarter 2011
SEK millions	5,381					5,899
Net sales	5,381	4.4	-9.4	14.6	9.6	5,899

Net invoicing was SEK 5,899 (5,381) million for the first quarter. Excluding exchange rate variations, the net invoicing was 19.0 percent higher than the first quarter last year. Adjusted for acquisitions of businesses, the corresponding figure is an increase by 14.6 percent.

Net invoicing relating to "Parts & Service" constituted 25.5 (28.2) percent of the Group's total net invoicing in the first quarter.

1. Orders with a value over EUR 5 million.

CONSOLIDATED COMPREHENSIVE INCOME

SEK millions	First three months		Full year
	2011	2010	2010
Net sales	5,899	5,381	24,720
Cost of goods sold	-3,599	-3,178	-15,029
Gross profit	2,300	2,203	9,691
Sales costs	-779	-764	-3,156
Administration costs	-267	-252	-1,224
Research and development costs	-150	-141	-625
Other operating income *	102	65	494
Other operating costs *	-156	-195	-779
Operating income	1,050	916	4,401
Dividends and changes in fair value	2	2	2
Interest income and financial exchange rate gains	118	136	327
Interest expense and financial exchange rate losses	-163	-154	-366
Result after financial items	1,007	900	4,364
Taxes	-281	-285	-1,248
Net income for the period	726	615	3,116
Other comprehensive income:			
Cash flow hedges	144	-13	122
Translation difference	-509	-81	-554
Deferred tax on other comprehensive income	-13	4	-36
Comprehensive income for the period	348	525	2,648
Net income attributable to:			
Owners of the parent	718	610	3,088
Non-controlling interests	8	5	28
Earnings per share (SEK)	1.71	1.45	7.34
Average number of shares **	419,456,315	422,039,466	420,494,001
Comprehensive income attributable to:			
Owners of the parent	340	512	2,625
Non-controlling interests	8	13	23

* The line has been affected by comparison distortion items, see separate specification on page 6.

** Average number of shares has been affected by repurchase of shares.

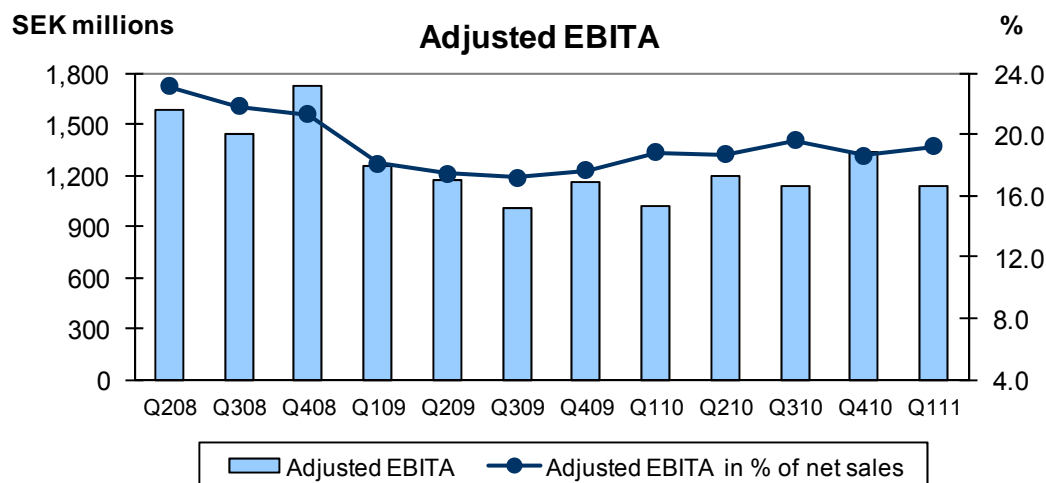
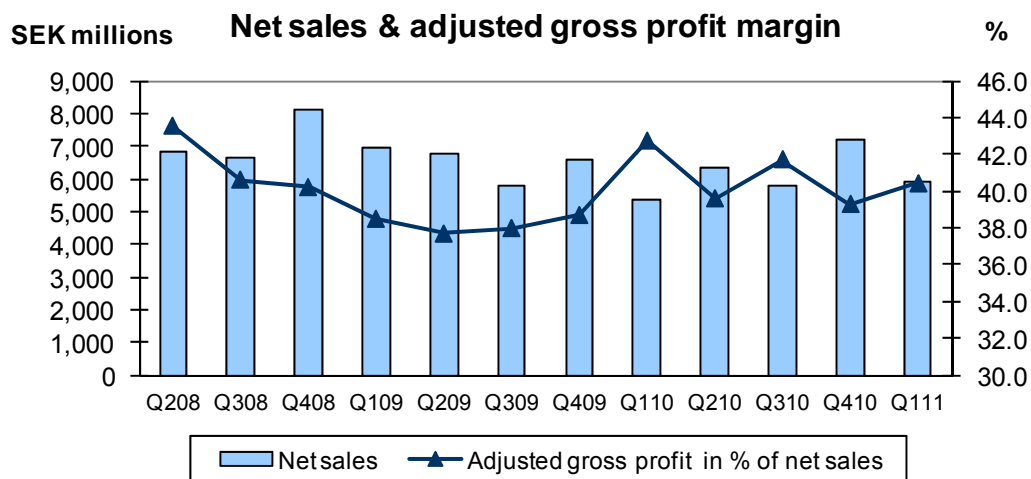
Sales and administration expenses amounted to SEK 1,046 (1,016) million during the first quarter 2011. Adjusted for exchange rate variations and acquisitions of businesses, sales and administration expenses were 8.4 percent higher than the corresponding period last year.

The costs for research and development have amounted to SEK 150 (141) million during the first quarter 2011, corresponding to 2.5 (2.6) percent of net sales. Adjusted for exchange rate variations and acquisitions of businesses, the costs for research and development have increased, by 11.4 percent compared to the corresponding period last year.

Consolidated SEK millions	Income analysis		
	First three months		Full year
	2011	2010	2010
Net sales	5,899	5,381	24,720
Adjusted gross profit *	2,384	2,299	10,062
- in % of net sales	40.4	42.7	40.7
Expenses **	-1,146	-1,185	-4,955
- in % of net sales	19.4	22.0	20.0
Adjusted EBITDA	1,238	1,114	5,107
- in % of net sales	21.0	20.7	20.7
Depreciation	-104	-102	-425
Adjusted EBITA	1,134	1,012	4,682
- in % of net sales	19.2	18.8	18.9
Amortisation of step up values	-84	-96	-371
Comparison distortion items	-	-	90
Operating income	1,050	916	4,401

* Excluding amortisation of step up values. ** Excluding comparison distortion items.

The net income attributable to the owners of the parent, excluding depreciation of step-up values and the corresponding tax, is SEK 1.83 (1.62) per share.



Consolidated	Comparison distortion items		
	First three months		Full year
	2011	2010	2010
SEK millions			
Operational			
Other operating income	102	65	404
Comparison distortion income	-	-	90
Total other operating income	102	65	494
Other operating costs	-156	-195	-779
Comparison distortion costs	-	-	-
Total other operating costs	-156	-195	-779

The operating income for the first quarter 2011 has not been affected by any comparison distortion items. When applicable these are reported gross in the comprehensive income statement as a part of other operating income and other operating costs.

Consolidated financial result and taxes

The financial net has amounted to SEK -20 (-48) million, excluding realised and unrealised exchange rate losses and gains. The main elements of costs were interest on debt to the banking syndicate of SEK -0 (-1) million, interest on the private placement of SEK -4 (-8) million and a net of dividends and other interest income and interest costs of SEK -16 (-39) million. The net of realised and unrealised exchange rate differences amounts to SEK -23 (32) million.

Consolidated	Key figures		
	March 31		December 31
	2011	2010	2010
Return on capital employed (%) *	38.3	31.7	37.4
Return on equity capital (%) *	24.6	22.3	24.4
Solidity (%) **	49.7	48.3	50.0
Net debt to EBITDA, times *	-0.19	-0.02	-0.11
Debt ratio, times **	-0.07	-0.01	-0.04
Number of employees **	12,812	11,490	12,618

* Calculated on a 12 months' revolving basis.

** At the end of the period.

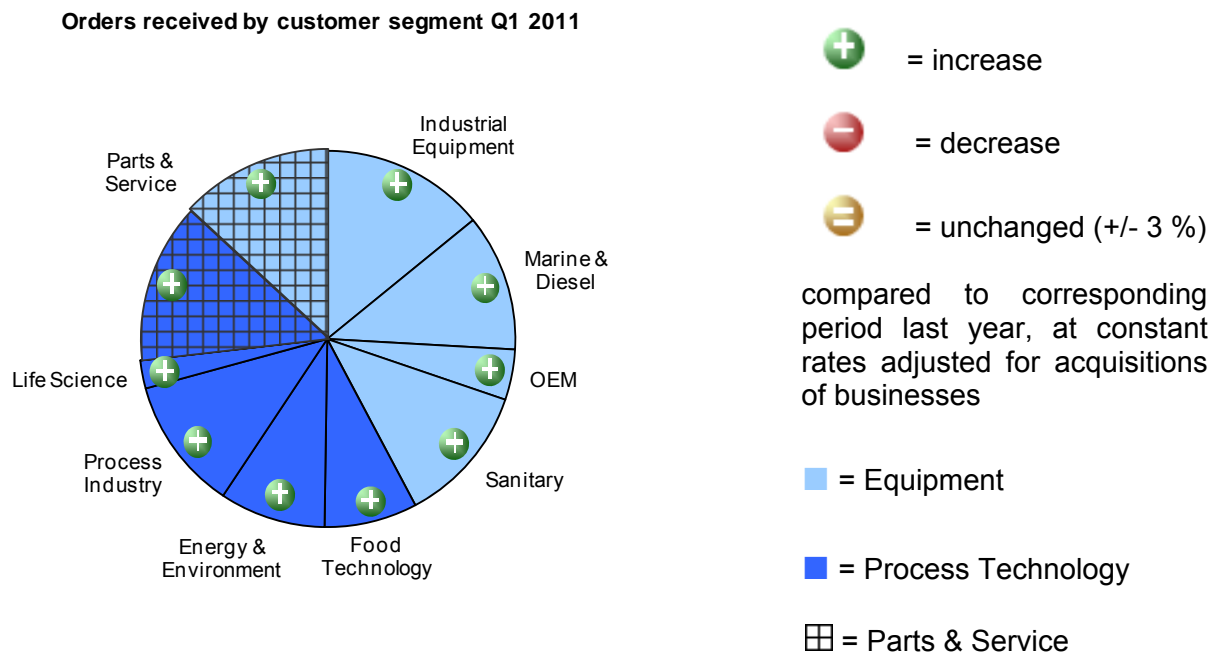
Operating segments

Consolidated	Orders received		
	First three months		Full year
	2011	2010	2010
SEK millions			
Equipment	3,587	2,852	12,945
Process Technology	2,868	2,230	10,923
Other	0	7	1
Total	6,455	5,089	23,869

For the first quarter 2011 orders received for Equipment increased by 37.3 percent and net sales increased by 15.9 percent excluding exchange rate variations compared to the corresponding period last year. Adjusted for acquisitions of businesses, the corresponding figures are an increase by 33.3 percent and 12.7 percent respectively.

For the first quarter 2011 orders received for Process Technology increased by 39.8 percent and net sales increased by 24.2 percent excluding exchange rate variations

compared to the corresponding period last year. Adjusted for acquisitions of businesses, the corresponding figures are an increase by 34.9 percent and 17.9 percent respectively.



Equipment *(all comments are after adjustment for exchange rate fluctuations)*

The first quarter continued to show strong demand across all segments in the Equipment Division, which reported an overall and substantial increase in order intake versus the first quarter of last year.

The Industrial Equipment segment experienced strong demand for refrigeration and engine applications. Meanwhile, investments in district heating and district cooling contributed to generate orders for heat transfer products in the Middle East as well as Western and Eastern Europe. Also OEM saw orders increase, due to strong demand for air conditioners, heat pumps and boilers. Demand for products sold by the Sanitary segment to the food and pharmaceutical industries continued to grow at a high pace, as they have done for the last five quarters. This development has led to an order intake level for the last twelve months equal to the levels seen at the last peak 2007/2008. In the marine industry, the increase in last year's ship contracting levels had a positive impact, with strong demand for the entire Marine scope of supply. Furthermore, after a long period of hesitant behaviour and low investment levels in the diesel market, activity picked up during the quarter, resulting in the booking of some large orders.

The utilization rate of the installed base of products for all segments was high, generating a continued increase in order intake for Parts & Service.

Process Technology *(all comments are after adjustment for exchange rate fluctuations)*

The Process Technology Division showed a strong order intake in the first quarter, compared with the same quarter last year. The trend was positive across the line with good growth for Parts & Service and an even stronger demand for capital equipment and solutions. The latter saw a positive contribution from large contracts, but the base business* also delivered good growth. From a geographical perspective, the growth was similar in the different regions.

* Base business and base orders refer to orders with an order value of less than EUR 0.5 million.

Governments and municipalities in many countries started to ease investment restrictions and the market is returning to a more normal investment activity. This contributed to a recovery in demand for waste-water cleaning solutions in the Energy & Environment segment. The oil & gas market unit continued to benefit as the economic recovery and high energy prices reinforced the customers' investments in new capacity. The power market unit had a continued stable development. Process Industry noted strong growth over last year in all end markets. Particularly noticeable was the development in petrochemicals, which was characterized by increased utilization rates among customers. The refinery market unit also did very well and the inorganics, metals & paper market unit noted an increased activity. Western Europe was the region with the strongest performance. Food Technology delivered very strong growth in the quarter, partly driven by industry-wide investments in vegetable oil and partly by a strong growth in brewery. Improvements could be seen in most geographical areas, with the emerging markets standing out as demographic changes continued to contribute to boost demand there. The order intake for Life Science was up significantly, boosted by the development in industrial fermentation.

Parts & Service had a good development compared to the first quarter of last year with solid demand not only for spare parts, but for repair, maintenance and upgrades as well. All geographical regions and industry sectors did well, with a particularly strong development noted for oil & gas.

Consolidated	Net sales		
	First three months		Full year
	2011	2010	2010
SEK millions			
Equipment	3,400	3,180	14,065
Process Technology	2,499	2,188	10,632
Other	0	13	23
Total	5,899	5,381	24,720

The orders received and the net invoicing during the period have resulted in the following order backlog:

Consolidated	Order backlog		
	March 31		December 31
	2011	2010	2010
SEK millions			
Equipment	4,847	5,969	4,983
Process Technology	6,481	5,425	6,569
Other	0	15	0
Total	11,328	11,409	11,552

Consolidated	Operating income		
	First three months		Full year
	2011	2010	2010
SEK millions			
Equipment	609	567	2,604
Process Technology	524	378	2,159
Other	-82	-33	-405
Subtotal	1,051	912	4,358
Comparison distortion items	-	-	90
Consolidation adjustments *	-1	4	-47
Total	1,050	916	4,401

* Difference between management accounts and IFRS.

The increase in operating income for both Equipment and Process Technology during the first quarter 2011 compared to the corresponding period last year is mainly explained by increased volume, mitigated by a change of mix in the sales, higher costs and negative foreign exchange effects.

Consolidated	Assets			Liabilities		
	March 31 2011	March 31 2010	December 31 2010	March 31 2011	March 31 2010	December 31 2010
SEK millions						
Equipment	8,864	9,508	9,283	1,981	1,958	2,166
Process Technology	8,158	8,253	8,482	4,084	4,800	4,127
Other	4,590	4,489	4,456	2,305	1,998	2,286
Subtotal	21,612	22,250	22,221	8,370	8,756	8,579
Corporate	6,409	4,140	4,948	5,721	4,880	5,008
Total	28,021	26,390	27,169	14,091	13,636	13,587

Consolidated	Depreciation		
	First three months 2011	First three months 2010	Full year 2010
SEK millions			
Equipment		59	256
Process Technology		56	198
Other		73	342
Total		188	796

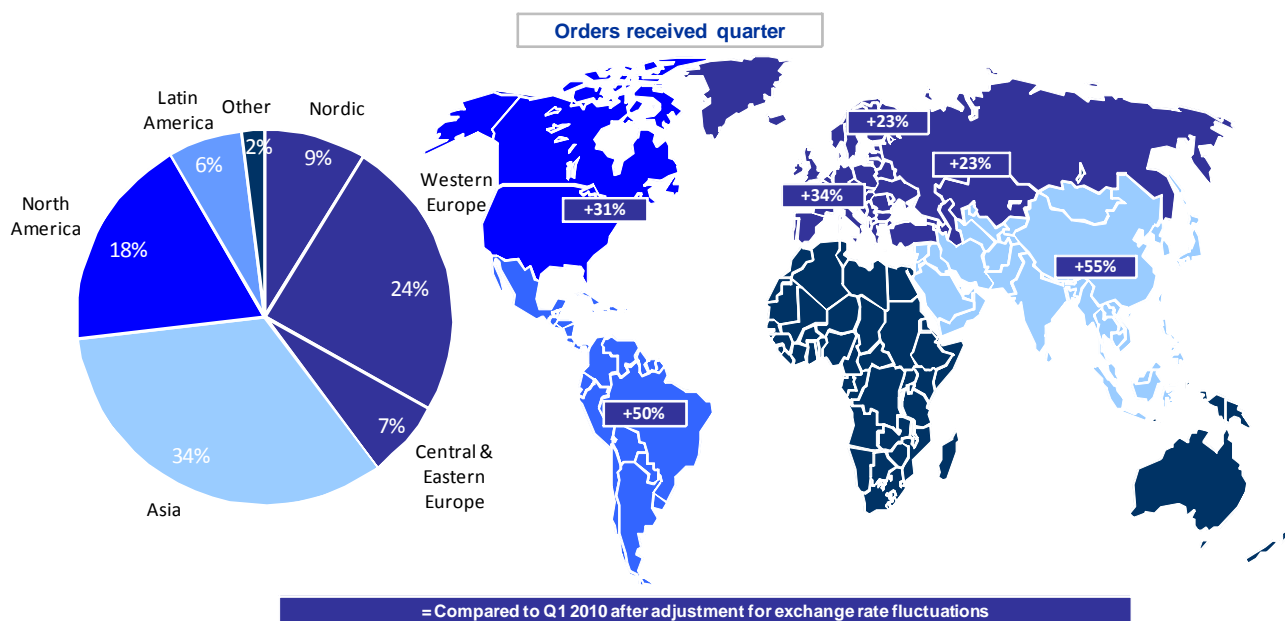
Consolidated	Investments		
	First three months 2011	First three months 2010	Full year 2010
SEK millions			
Equipment		13	75
Process Technology		20	85
Other		28	269
Total		61	429

Information about products and services

Consolidated	Net sales by product/service *		
	First three months 2011	First three months 2010	Full year 2010
SEK millions			
Own products within:			
Separation		1,478	6,043
Heat transfer		2,972	13,092
Fluid handling		757	2,700
Other		168	550
Associated products		257	1,144
Services		267	1,191
Total		5,899	24,720

* The split of own products within separation, heat transfer and fluid handling is a reflection of the current three main technologies. Other is own products outside these main technologies. Associated products are mainly purchased products that compliment Alfa Laval's product offering. Services cover all sorts of service, service agreements etc.

Information about geographical areas



All comments are after adjustment for exchange rate fluctuations.

Western Europe including Nordic

The order intake was strong in the first quarter, lifted by substantial growth in the base business*. Large orders also had a solid development compared with the same period last year. All segments, except Life Science, grew substantially versus the first quarter last year, with the best development seen in Process Industry, Food Technology and Marine & Diesel. In Process Industry the development was particularly noticeable in petrochemicals, which was characterized by increased utilization rates among customers, but refinery also did very well. From a geographical perspective a particularly good order intake was noted in Iberica and Benelux.

Central and Eastern Europe

Order intake rose in the first quarter compared with the same quarter last year, driven by a very strong development for both the base business and Parts & Service. Most segments showed growth, with Sanitary and Food Technology doing particularly well. From a geographical perspective, countries like Russia, the Baltic States and the Czech Republic did well.

North America

Order intake grew substantially in the first quarter compared with the first quarter last year, with a good contribution coming from the base business. All segments except Marine & Diesel grew substantially compared to last year.

Latin America

Order intake in Latin America had an excellent development in the first quarter with growth reported across the line for the base business, Parts & Service and large orders alike. Segments in the Process Technology Division all developed very well, while the Equipment Division was flat. Countries with particularly strong growth include Brazil, Mexico and Chile.

* Base business and base orders refer to orders with an order value of less than EUR 0.5 million.

Asia

Order intake in the first quarter showed a very strong development compared to the same period last year. The base business did particularly well, but large orders and Parts & Service for both divisions also met a solid demand. The positive development was broad-based both in terms of geography and segment. The Equipment and Process Technology Divisions were strong, with the best segment performance seen in Marine and Process Industry. Marine rose on the back of orders logged at the yards during the course of last year. Both Sanitary and Food Technology also showed a good development across the region's fast-growing economies. A very strong development was noted in China, Korea and Taiwan. Alfa Laval in South East Asia and Japan also enjoyed good growth. The catastrophe in Japan in March has this far had a limited effect on the operations.

Consolidated SEK millions	Net sales		
	First three months		Full year
	2011	2010	2010
To customers in:			
Sweden	215	186	849
Other EU	1,603	1,490	6,879
Other Europe	390	391	1,953
USA	883	731	3,354
Other North America	192	152	757
Latin America	446	362	1,531
Africa	43	52	242
China	691	702	3,144
Other Asia	1,355	1,240	5,648
Oceania	81	75	363
Total	5,899	5,381	24,720

Net sales are reported by country on the basis of invoicing address, which is normally the same as the delivery address.

Consolidated SEK millions	Non-current assets		
	March 31		December 31
	2011	2010	2010
Sweden	1,571	1,683	1,598
Other EU	4,547	4,434	4,679
Other Europe	340	375	349
USA	1,838	2,206	2,016
Other North America	118	132	125
Latin America	153	169	167
Africa	1	1	1
Asia	2,860	3,145	3,045
Oceania	90	93	97
Subtotal	11,518	12,238	12,077
Pension assets	224	130	235
Deferred tax asset	1,174	1,336	1,301
Total	12,916	13,704	13,613

Information about major customers

Alfa Laval does not have any customer that accounts for 10 percent or more of net sales. Tetra Pak within the Tetra Laval Group is Alfa Laval's single largest customer with a volume amounting to about 4 percent of net sales.

CONSOLIDATED CASH FLOWS

SEK millions	First three months		Full year
	2011	2010	2010
Operating activities			
Operating income	1,050	916	4,401
Adjustment for depreciation	188	198	796
Adjustment for other non-cash items	-12	-5	145
	1,226	1,109	5,342
Taxes paid	-435	-252	-1,215
	791	857	4,127
Changes in working capital:			
Increase(-)/decrease(+) of receivables	6	133	360
Increase(-)/decrease(+) of inventories	-333	-71	-536
Increase(+)/decrease(-) of liabilities	22	162	332
Increase(+)/decrease(-) of provisions	-48	-74	-185
Increase(-)/decrease(+) in working capital	-353	150	-29
	438	1,007	4,098
Investing activities			
Investments in fixed assets (Capex)	-61	-55	-429
Divestment of fixed assets	0	3	31
Acquisition of businesses	-55	-278	-1,019
	-116	-330	-1,417
Financing activities			
Received interests and dividends	16	16	52
Paid interests	-32	-35	-139
Realised financial exchange differences	167	67	3
Repurchase of shares	-	-	-253
Dividends to owners of the parent	-	-	-1,055
Dividends to non-controlling interests	-	-	-9
Increase(-)/decrease(+) of financial assets	-1,533	-76	-389
Increase(+)/decrease(-) of borrowings	1,108	-568	-641
	-274	-596	-2,431
Cash flow for the period	48	81	250
Cash and bank at the beginning of the period	1,328	1,112	1,112
Translation difference in cash and bank	-58	6	-34
Cash and bank at the end of the period	1,318	1,199	1,328
Free cash flow per share (SEK) *	0.77	1.60	6.38
Capex in relation to sales	1.0%	1.0%	1.7%
Average number of shares **	419,456,315	422,039,466	420,494,001

* Free cash flow is the sum of cash flows from operating and investing activities.

** Average number of shares has been affected by repurchase of shares.

During the first quarter 2011 cash flows from operating and investing activities amounted to SEK 322 (677) million. The increase in working capital is mainly a result of increased metal prices. The increased tax payments are explained by timing differences in the payments. Depreciation, excluding allocated step-up values, was SEK 104 (102) million during the first quarter, whereas investments in fixed assets were SEK 61 (55) million.

CONSOLIDATED FINANCIAL POSITION

SEK millions	March 31 2011	March 31 2010	December 31 2010
ASSETS			
Non-current assets			
Intangible assets	8,110	8,780	8,533
Property, plant and equipment	3,368	3,431	3,512
Other non-current assets	1,438	1,493	1,568
	12,916	13,704	13,613
Current assets			
Inventories	4,920	4,500	4,769
Accounts receivable	4,177	4,260	4,181
Other receivables	1,993	1,955	2,059
Derivative assets	615	370	644
Other current deposits	2,082	402	575
Cash and bank *	1,318	1,199	1,328
	15,105	12,686	13,556
TOTAL ASSETS	28,021	26,390	27,169
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Owners of the parent	13,767	12,625	13,427
Non-controlling interests	163	129	155
	13,930	12,754	13,582
Non-current liabilities			
Liabilities to credit institutions	284	346	292
European Investment Bank	1,161	-	-
Private placement	693	798	749
Provisions for pensions and similar commitments	766	910	847
Provision for deferred tax	1,468	1,359	1,617
Other provisions	626	420	632
	4,998	3,833	4,137
Current liabilities			
Liabilities to credit institutions	124	219	173
Accounts payable	2,185	1,782	2,239
Advances from customers	1,447	2,151	1,357
Other provisions	1,469	1,866	1,496
Other liabilities	3,750	3,511	4,035
Derivative liabilities	118	274	150
	9,093	9,803	9,450
Total liabilities	14,091	13,636	13,587
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	28,021	26,390	27,169

* The item cash and bank is mainly relating to bank deposits.

Cash, bank and current deposits include bank and other deposits in the publicly listed subsidiary Alfa Laval (India) Ltd of SEK 276 (314) million. The company is not a wholly owned subsidiary of the Alfa Laval Group. It is owned to 88.8 percent.

Consolidated SEK millions	Borrowings and net debt		
	March 31		December 31
	2011	2010	2010
Credit institutions	408	565	465
European Investment Bank	1,161	-	-
Private placement	693	798	749
Capitalised financial leases	130	140	137
Interest-bearing pension liabilities	1	2	1
Total debt	2,393	1,505	1,352
Cash, bank and current deposits	-3,400	-1,601	-1,903
Net debt	-1,007	-96	-551

Alfa Laval has a senior credit facility with a banking syndicate of EUR 268 million and USD 348 million, corresponding to SEK 4,585 million. At March 31, 2011 the facility was not utilised. The facility matures in April 2012.

The loan from the European Investment Bank of EUR 130 million matures in 2018. The private placement of USD 110 million matures in 2016.

CHANGES IN CONSOLIDATED EQUITY

SEK millions	First three months		Full year
	2011	2010	2010
At the beginning of the period	13,582	12,229	12,229
Changes attributable to:			
Owners of the parent			
Comprehensive income			
Comprehensive income for the period	340	512	2,625
Transactions with shareholders			
Repurchase of shares	-	-	-253
Increase of ownership in subsidiaries with non-controlling interests	-	-	-3
Dividends	-	-	-1,055
	-	-	-1,311
Subtotal	340	512	1,314
Non-controlling interests			
Comprehensive income			
Comprehensive income for the period	8	13	23
Transactions with shareholders			
Decrease of non-controlling interests	-	-	-2
Non-controlling interests in acquired companies	-	-	27
Dividends	-	-	-9
	-	-	16
Subtotal	8	13	39
At the end of the period	13,930	12,754	13,582

Ownership and legal structure

Alfa Laval AB (publ) is the parent company of the Alfa Laval Group. The company had 36,514 (35,071) shareholders on March 31, 2011. The largest owner is Tetra Laval B.V., the Netherlands who owns 18.7 (18.7) percent. Next to the largest owner there are nine institutional investors with ownership in the range of 8.6 to 0.9 percent. These ten largest shareholders own 44.2 (48.2) percent of the shares.

Material factors of risk and uncertainty

The main factors of risk and uncertainty facing the Group concern the price development of metals, fluctuations in major currencies and the business cycle. It is the company's opinion that the description of risks made in the Annual Report for 2010 is still correct.

Asbestos-related lawsuits

The Alfa Laval Group was as of March 31, 2011, named as a co-defendant in a total of 647 asbestos-related lawsuits with a total of approximately 733 plaintiffs. Alfa Laval strongly believes the claims against the Group are without merit and intends to vigorously contest each lawsuit.

Based on current information and Alfa Laval's understanding of these lawsuits, Alfa Laval continues to believe that these lawsuits will not have a material adverse effect on the Group's financial condition or results of operation.

Purchase of businesses

In a press release on December 21, 2010, Alfa Laval announced that an agreement had been signed to acquire Aalborg Industries Holding A/S for a total cash consideration of SEK 5.0 billion, on an enterprise value basis, from Altor 2003 Fund, LD Equity and the Company's management. Aalborg Industries has some 2,600 employees and is expected to generate sales of about SEK 3.3 billion in 2010. The acquisition will be accretive to EPS from 2011. The closing of the transaction is subject to clearance from regulatory authorities. For further information reference is made to the issued press releases. At the time of publishing this interim report the clearances from all concerned regulatory authorities except the Chinese have been received.

Parent company

The parent company's result after financial items was SEK 22 (-1) million, out of which net interests SEK 20 (0) million, realised and unrealised exchange rate gains and losses SEK -0 (-2) million, costs related to the listing SEK -1 (-1) million, fees to the Board SEK -2 (-2) million, cost for annual report and annual general meeting SEK -1 (-0) million and other operating income and operating costs the remaining SEK 6 (4) million.

PARENT COMPANY INCOME *

SEK millions	First three months		Full year
	2011	2010	2010
Administration costs	-4	-3	-12
Other operating income	6	4	0
Other operating costs	0	0	-12
Operating income	2	1	-24
Revenues from interests in group companies	-	-	3,442
Interest income and similar result items	20	0	17
Interest expenses and similar result items	0	-2	-4
Result after financial items	22	-1	3,431
Appropriation to tax allocation reserve	-	-	-232
Tax on this year's result	-6	-	-248
Net income for the period	16	-1	2,951

* The statement over parent company income also constitutes its statement over comprehensive income.

PARENT COMPANY FINANCIAL POSITION

SEK millions	March 31		December 31
	2011	2010	2010
ASSETS			
Non-current assets			
Shares in group companies	4,669	4,669	4,669
Current assets			
Receivables on group companies	8,192	6,246	8,265
Other receivables	43	47	6
Cash and bank	-	-	-
	8,235	6,293	8,271
TOTAL ASSETS	12,904	10,962	12,940
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Restricted equity	2,387	2,387	2,387
Unrestricted equity	8,980	7,320	8,964
	11,367	9,707	11,351
Untaxed reserves			
Tax allocation reserves, taxation 2005-2011	1,434	1,202	1,434
Current liabilities			
Liabilities to group companies	87	53	100
Accounts payable	0	0	1
Tax liabilities	16	-	54
	103	53	155
TOTAL EQUITY AND LIABILITIES	12,904	10,962	12,940

Proposed disposition of earnings

The Board of Directors propose a dividend of SEK 3.00 (2.50) per share corresponding to SEK 1,258 (1,055) million and that the remaining income available for distribution in Alfa Laval AB (publ) of SEK 7,706 (6,266) million be carried forward.

Repurchase of shares

The Annual General Meeting 2010 gave the Board a mandate to decide on repurchase of the company's shares – if the Board deems this appropriate – until the next Annual General Meeting. The mandate referred to repurchase of up to 5 percent of the issued shares with the purpose to cancel the repurchased shares and reduce the share capital. The repurchase would be made through purchases on OMX Nordic Exchange Stockholm. Until March 31, 2011 Alfa Laval has made the following repurchases:

Specification of repurchase of shares	2010			2011	
	Second quarter	Third quarter	Fourth quarter	First quarter	Total
Number of repurchased shares	2,583,151	-	-	-	2,583,151
Percentage of outstanding shares	0.6%	0.0%	0.0%	0.0%	0.6%
Cash-out and decrease in parent company and consolidated equity (SEK millions)	-253	-	-	-	-253

Proposal to cancel repurchased shares and make a bonus issue

The Board will propose the Annual General Meeting 2011 to cancel the repurchased shares. Currently 2,583,151 shares are held by the company. Cancellation of these shares means that the share capital will decrease with SEK 7 million. At the same time the Board will propose that the share capital is increased by a bonus issue with the same amount decided by the Annual General Meeting. In this way the size of the share capital is restored and the company avoids to have to obtain permission from Bolagsverket or if disputed the local court to cancel the repurchased shares.

Proposal on repurchase of shares

Alfa Laval's financial position is very strong. In order to adjust this to a more efficient structure while maintaining financial flexibility, the Board of Directors will propose the Annual General Meeting to mandate the Board to decide on repurchase of the company's shares – if the Board deems this appropriate – until the next Annual General Meeting. The mandate will refer to repurchase of up to 5 percent of the issued shares with the purpose to cancel the repurchased shares and reduce the share capital. The repurchase will be made through transactions on OMX Stockholm Stock Exchange.

Accounting principles

The interim report for the first quarter 2011 is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting principles are according to IFRS (International Financial Reporting Standards) as adopted by the European Union.

First quarter refers to the period January 1 to March 31. Full year refers to the period January 1 to December 31.

In the report the measures adjusted EBITA and adjusted EBITDA are used. Adjusted EBITA is defined as earnings before interests, taxes, amortisation of step up values

and comparison distortion items. Adjusted EBITDA is defined as earnings before interests, taxes, depreciation, amortisation of step up values and comparison distortion items.

The accounting and valuation principles of the parent company comply with the Swedish Annual Accounts Act and the recommendation RFR 2.3 "Accounting for legal entities" issued by the Council for Financial Reporting in Sweden.

Date for the next financial reports

Alfa Laval will publish interim reports during 2011 at the following dates:

Interim report for the second quarter	July 19
Interim report for the third quarter	October 21

Events after the closing date

As of April 1 the Process Technology division has been reorganized. This entails the Life Science segment being incorporated, mainly into the Process Industry segment, but to a smaller extent also to the Food Technology and Energy & Environment segments. The reorganization is made so that we better serve our customers.

The interim report has been issued on April 27, 2011 at CET 13.45 by the President and Chief Executive Officer Lars Renström by proxy from the Board of Directors.

Lund, April 27, 2011,

Lars Renström
President and Chief Executive Officer
Alfa Laval AB (publ)