



NEWS RELEASE

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Alfa Laval's Capital Markets Day

“Our base business is growing at a good rate in Western Europe and North America.”

- Our base business is growing at a good rate in Western Europe and North America. Base business is fundamental since it stands for 80 % of the total order intake and it's more stable than large orders to its character, said Lars Renström, President and CEO of the Alfa Laval Group when he did his business update at Alfa Laval's Capital Markets Day in Copenhagen.

Lars Renström also confirmed Alfa Laval's focus on complementary acquisitions with the objective to get new products, new sales channels or increased presence in a specific geographical market.

Thomas Thuresson, CFO of the Alfa Laval Group made a financial update including the following expectations:

- EBITA margin 2006 – will exceed the 14.5% for the first 9 months of 2006.
- Free cash-flow 2006 – will be in excess of SEK 1.5 billion.
- Invoicing 2007 – the order backlog as per 30 September 2006 is supporting an increase in sales 2007 of SEK 1.4 billion, everything else the same.
- Capital expenditure 2007 – will increase to 2.5% of sales

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