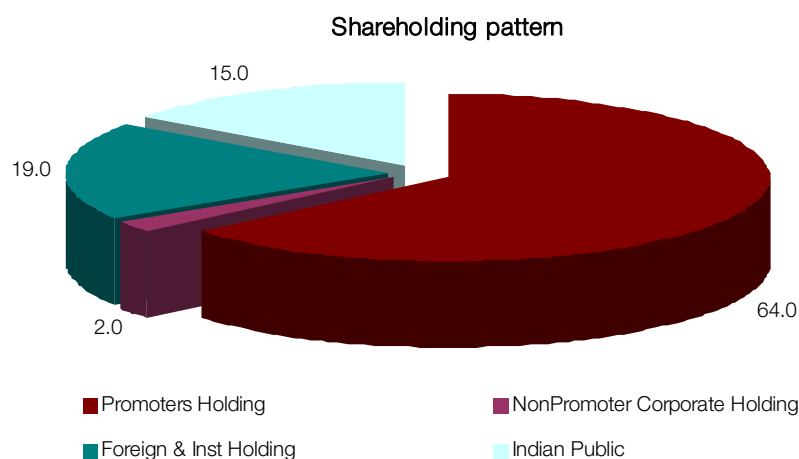


ALFA LAVAL REVISED OPEN OFFER

Alfa Laval AB has revised the offer price for buying 26% stake in Alfa Laval India to INR 1,300 per share from the earlier offer price of INR 875 per share. The offer price is at 8% premium to the current prevailing market price of INR 1,200. The chart below shows the shareholding pattern in Alfa Laval. If we assume that all holdings are eligible to be tendered in the open offer, *the minimum acceptance ratio works out to be 72%.*



The total mutual fund holding in the stock as of March 2007 stand at around 15.7% (detailed list is given on page 2). The acceptance ratio could go well above the minimum level if any of the institution decide not to tender the shares in the offer. The table below gives the returns from the trade at various levels of acceptance ratios and post offer price.

Post offer price	Acceptance Ratio				
	72%	75%	80%	90%	100%
1000	1.3%	2.1%	3.3%	5.8%	8.3%
1050	2.5%	3.1%	4.2%	6.3%	8.3%
1100	3.7%	4.2%	5.0%	6.7%	8.3%
1150	4.8%	5.2%	5.8%	7.1%	8.3%
1200	6.0%	6.3%	6.7%	7.5%	8.3%
1250	7.2%	7.3%	7.5%	7.9%	8.3%

Returns are not annualized

The offer has opened on 7th May, 2007 and will go on till 26th May, 2007. The payment of consideration for the accepted shares would be done by 9th Jun, 2007. *At an acquisition cost of INR 1,200 and acceptance level of 72% (minimum acceptance level), the post offer break even price works out to be INR 943.*

May 16, 2007

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Alfa Laval

Bloomberg Code	NALFA
Cash Price	1,200
Market Cap	19,000
52 Week High/Low	740/1,135

* Mkt. Cap & Volume in INR mn

Existing time line

Opening of offer	07-May-07
Closure of offer	26-May-07
Consideration Payment for shares accepted	09-Jun-07

Mutual Fund Holding in Alfa Laval as on 31st March, 2007

	Apr-07	% hldg
LIC of India	555,931	3.06%
New India Assurance Company	475,858	2.62%
ICICI Prudential	475,001	2.62%
Franklin India	443,973	2.44%
GIC of India	418,632	2.31%
Birla Mutual Fund	321,650	1.77%
UTI	119,019	0.66%
ING Vysya	20,651	0.11%
Tata Mutual Fund	19,998	0.11%
Total	2,850,713	15.70%

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Naresh Kothari – 2286 4246

Head, Institutional Equities

Vikas Khemani – 2286 4206

Head, Institutional Equities

INDIA RESEARCH	SECTOR	INSTITUTIONAL SALES
Shriram Iyer - 2286 4256	Head – Research	Nischal Maheshwari - 2286 4205
Gautam Roy - 2286 4305	Airlines, Textile	Rajesh Makharia - 2286 4202
Ashutosh Goel - 2286 4287	Automobiles, Auto Components	Shabnam Kapur - 2286 4394
Vishal Goyal, CFA - 2286 4370	Banking & Finance	Balakumar V - (044) 4263 8283
Revathi Myneni - 2286 4413	Cement	Ashish Agrawal - 2286 4301
Sumeet Budhraj - 2286 4430	FMCG	Nikhil Garg - 2286 4282
Harish Sharma - 2286 4307	Infrastructure, Auto Components, Mid Caps	Swati Khemani - 2286 4266
Priyanko Panja - 2286 4300	Infrastructure, Engineering, Telecom	Neha Shaha - 2286 4276
Hitesh Zaveri - 2286 4424	Information Technology	Priya Ramchandran - 2286 4389
Parul Inamdar - 2286 4355	Information Technology	Anubhav Kanodia - 2286 4361
Priyank Singhal - 2286 4302	Media, Retail	Tushar Mahajan - 2286 4439
Prakash Kapadia - 4097 9843	Mid Caps	Harsh Biyani - 2286 4419
Niraj Mansingka - 2286 4304	Oil & Gas, Petrochemicals	Nirmal Ajmera - 2286 4258
Nimish Mehta - 2286 4295	Pharmaceuticals, Agrochemicals	Ankit Doshi - 2286 4671
Manika Preamsingh - 4019 4847	Economist	Dipesh Shah - 2286 4434
Sunil Jain - 2286 4308	Alternative & Quantitative	Vikrant Oak - 4019 4712
Yogesh Radke - 2286 4328	Alternative & Quantitative	Abhijit Chakraborty - 4019 4823

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unless otherwise specified

RATING INTERPRETATION

Buy	Expected to appreciate more than 20% over a 12-month period	Reduce	Expected to depreciate up to 10% over a 12-month period
Accumulate	Expected to appreciate up to 20% over a 12-month period	Sell	Expected to depreciate more than 10% over a 12-month period
Trading Buy	Expected to appreciate more than 10% over a 45-day period	Trading Sell	Expected to depreciate more than 10% over a 45-day period

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