





Alfa Laval in China

Market & Sales Performance

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Alfa Laval China

- China – macro views
- Presence and Structure
- Sales Statistics
- Strategies
- Summary

Macroeconomic Indicators

	2004	2005e	2006f	2007f	2008f
Population (bn)	1.30	1.30	1.31	1.32	1.33
GDP Per Capita (US\$)	1,489	1,705	1,998	2,351	2,761
Real GDP Growth (%)	10.1	9.9	9.3	9.4	9.5

Economic Outlook

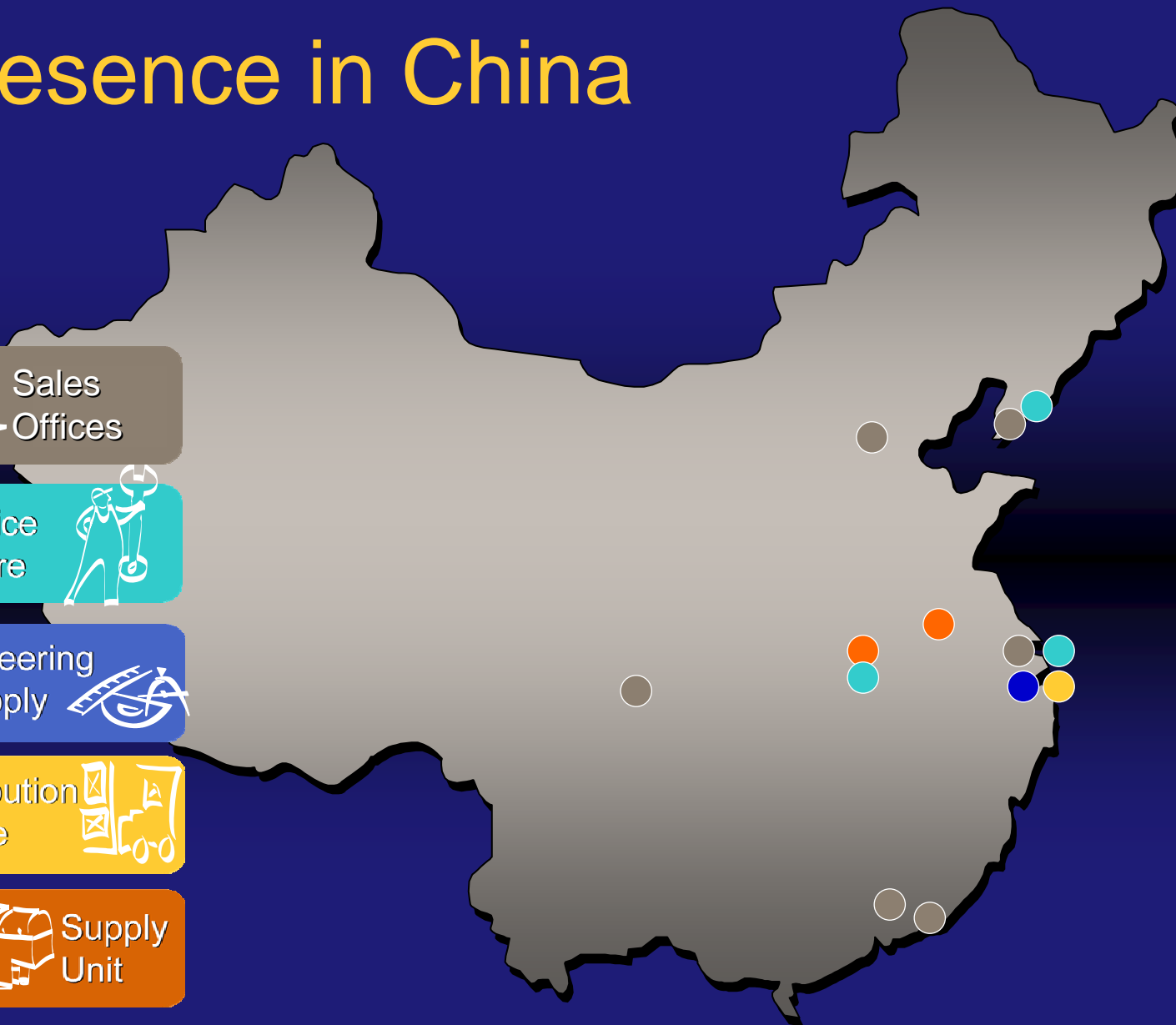
- China continues to be the fastest growing major economy in the world
- Consumption and exports start to contribute more to the overall growth
- Continued record levels of Foreign Direct Investments (US\$ 60bn in 2004) and growing Outward FDI
- Further need to reduce level on non-performing loans in the banking sector
- Continues fears that the current high growth rate is unsustainable
- Continued pressure on revaluation of the Yuan

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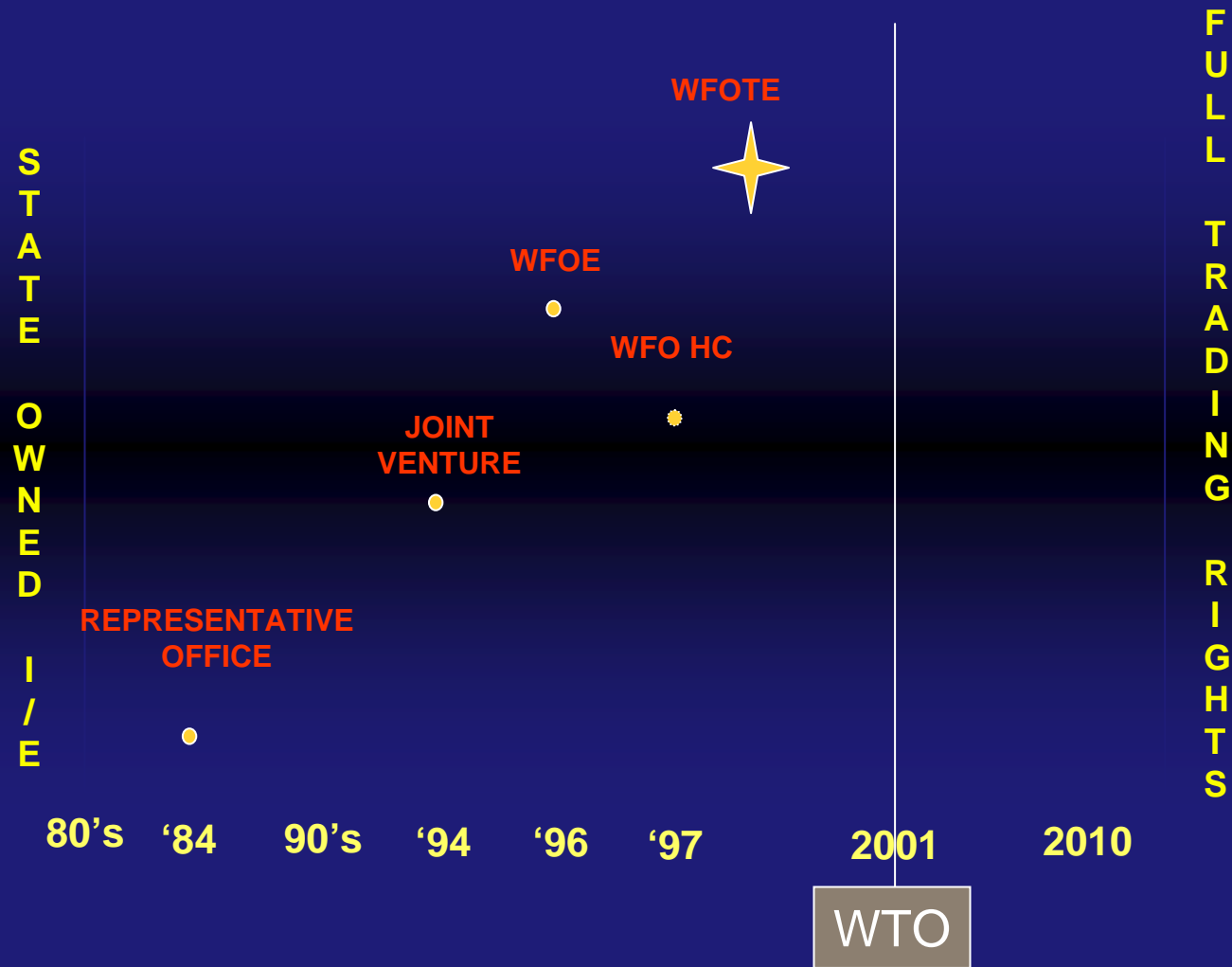
Presence in Asia



Presence in China



Legal Structure - Evolution



Alfa Laval Factory in Jiang Yin



Product Scope

2004



2005



2006



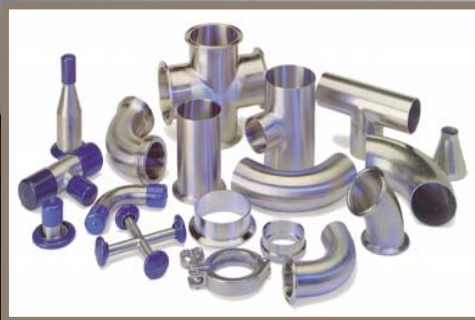
Factory Area

- Founded in 1994
- Total site area: 23000 m²
- Total Staff: 210
- Codes & Approvals
- 2005 Production Volumes: appr. 24 M EUR
- 70% Local Market, 30% Export

Alfa Laval Factory in Kunshan



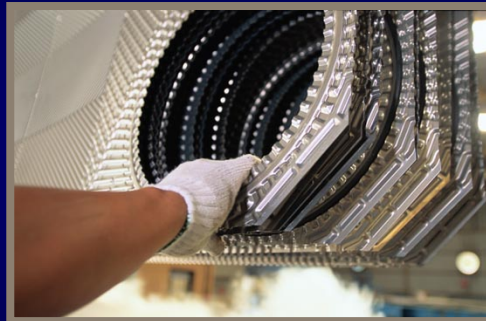
Alfa Laval Factory in Kunshan



Alfa Laval Factory in Kunshan

- Founded in 1997
- Total site area: 15000 m²
- Total Staff: 230
- Codes & Approvals
- 2005 Production Volume: appr. 16 M EUR
- 18% Local Market, 82% Export

Focus on customer service



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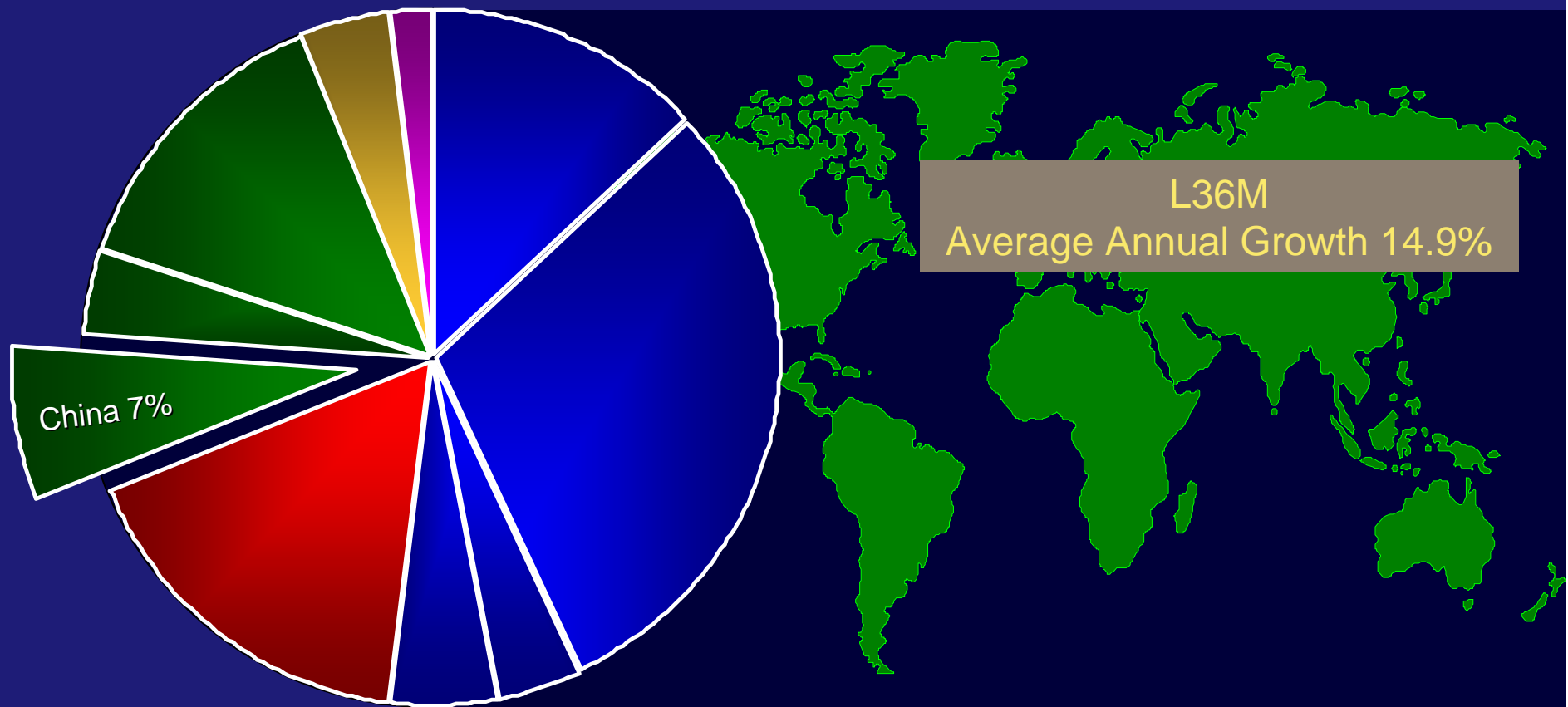
Facts on AL China

2005

● Order intake, MEUR	145
● Employees	
● Sales & Services	173
● Regional support	26
● Service centers	2
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● Production facilities	2
● Employees	440

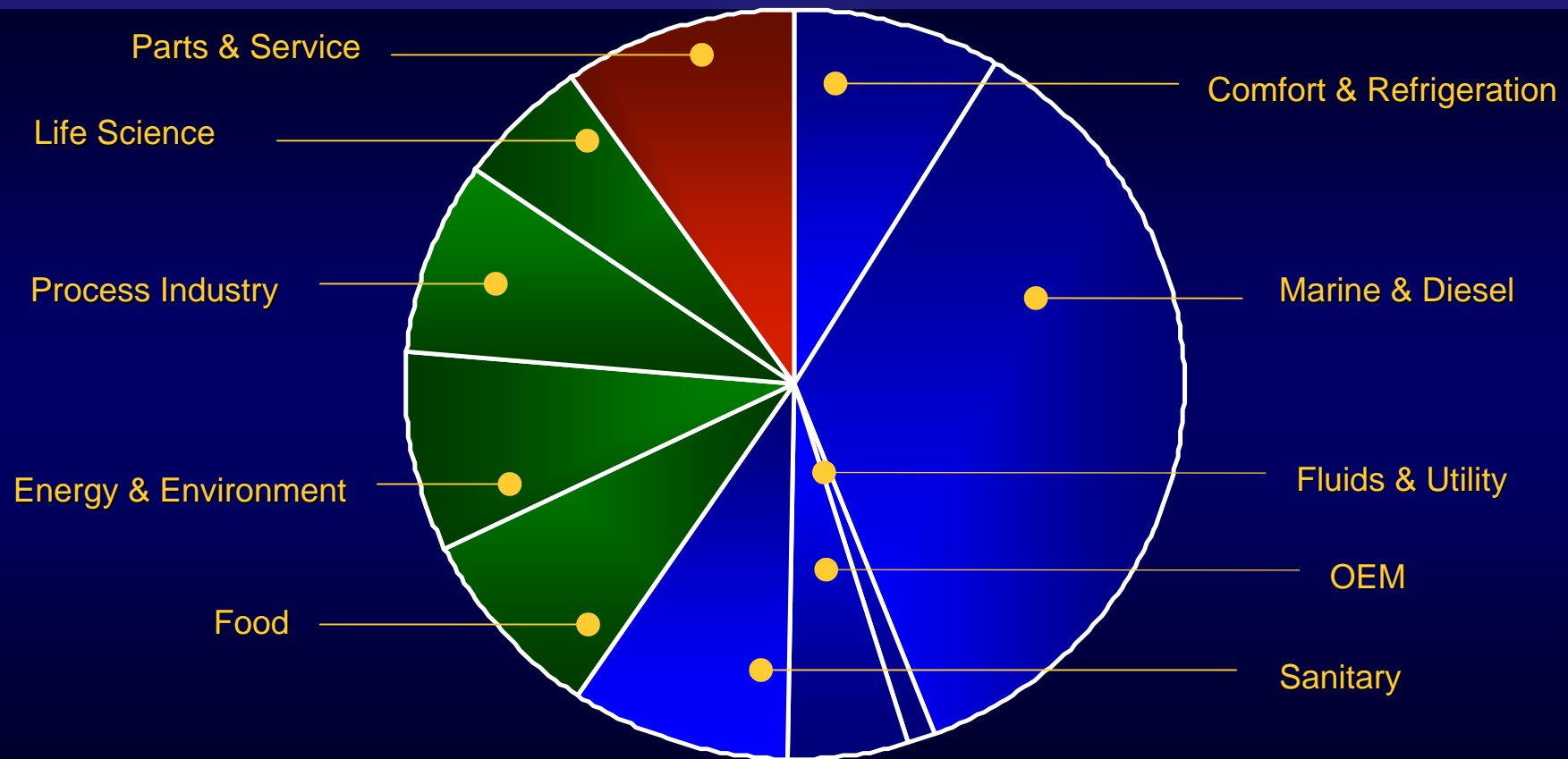


Orders received by Country



Orders received by Segment

China, April 2005 – March 2006



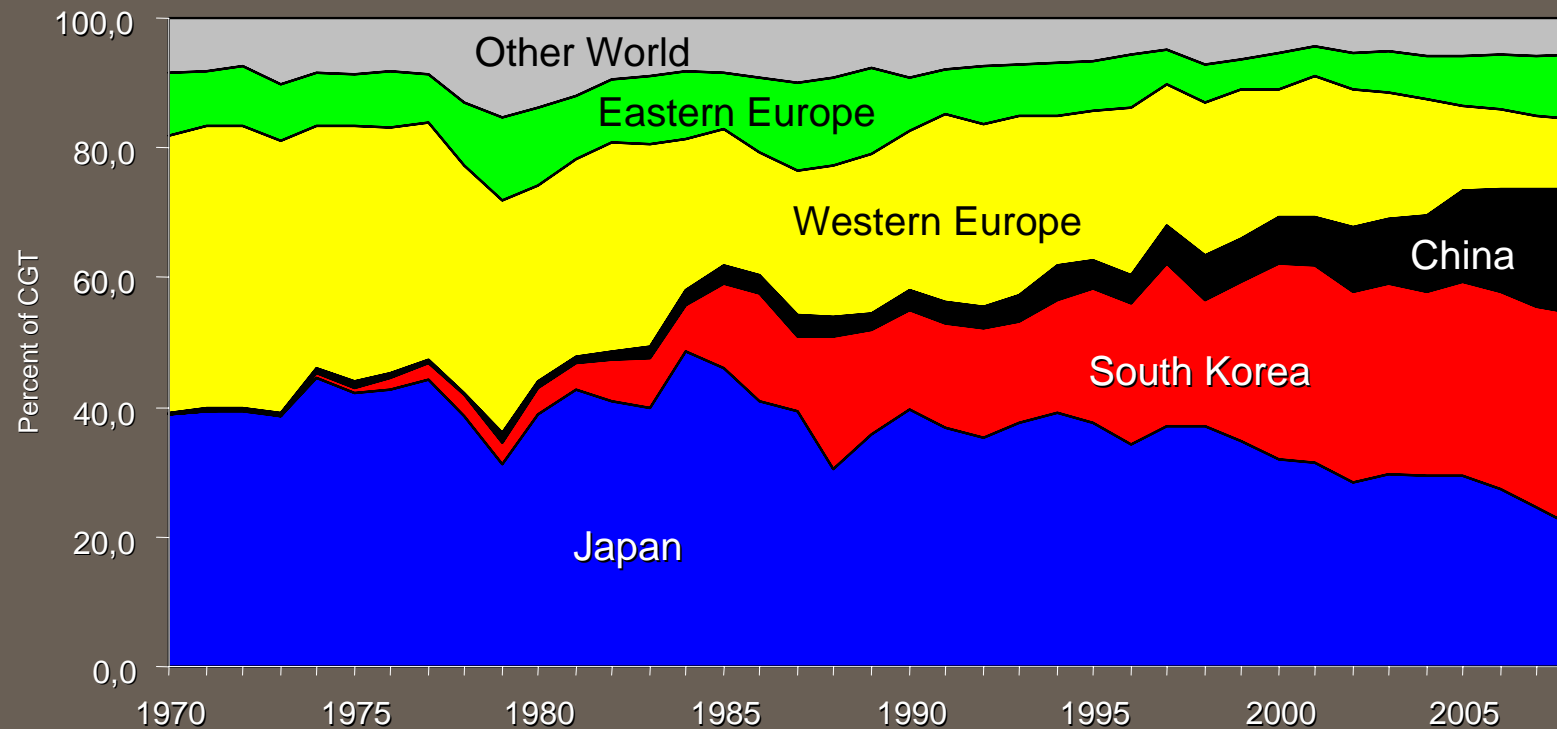
The markets we are in ...

a few highlights

- **Nuclear Power** – China will build 30 more nuclear power units and increase its installed capacity to 40GW by 2020
- **Fuel Ethanol** – production is expected to increase from 0.4 to 3.5 MTPA over next 10 years
- **Refining** – By 2020 capacity is expected to be up by 85% to 450MTPA which means 10-12 new refineries and petrochemical facilities
- **Refrigeration** – Both industrial and commercial refrigeration markets are expected to continue to grow at rates between 15-20%
- **Shipbuilding** - China is expanding its shipbuilding capacity and is today with 14% the third largest player in the market

Distribution of shipbuilding

Geographical split



Trends and Medium Term Forecast
Source: MSR May 2003

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Priorities within existing strategy



- Profitable Growth
- Presence
- Aftermarket
- Product Management
- Time to Market



ALFA
ROMEO

The image features the Alfa Romeo logo in white on a dark blue background. The logo is composed of two horizontal stripes. The upper stripe contains the word "ALFA" in a stylized, bold, sans-serif font. The lower stripe contains the word "ROMEO" in the same font style. A thin white horizontal line separates the two stripes. The letters are slightly offset from the center of the stripes, creating a dynamic, asymmetrical appearance. The background is a solid dark blue.