

ALFA
LAW

Alfa Laval KK 2006

- Japan Macro Overview
- ALKK presence and structure
- Orders and invoicing WY 2006
- Highlights
- Strategies
- Outlook 2007

Mr. Anders Pentelius
President and
Representative Director
Alfa Laval KK

Facts about Japan

- Chief of State: Emperor Akihito
- Prime minister: S. Abe
- Population: 127 Million
- Location/Size: East Asia/379.293 Km²
- Capital: Tokyo, Kanto region 32 Million inh.
- Main religion: Shinto, Buddhism
- GDP Growth: 2006 + 2.2% annulised



Japan

Summary indicators

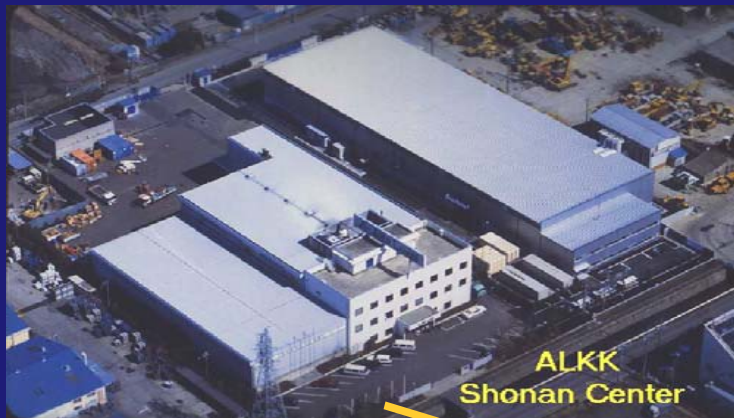
- + Japan shows "good" growth GDP grew +4.8% in Q4.
- + Profits are up in most Japanese companies – 18 straight quarters - longest streak in 36 years
- + Export, private consumption and investments are main contributors to the growth
- Governmental spendings in infrastructure due to very high deficit (150% of GDP)
- Job market

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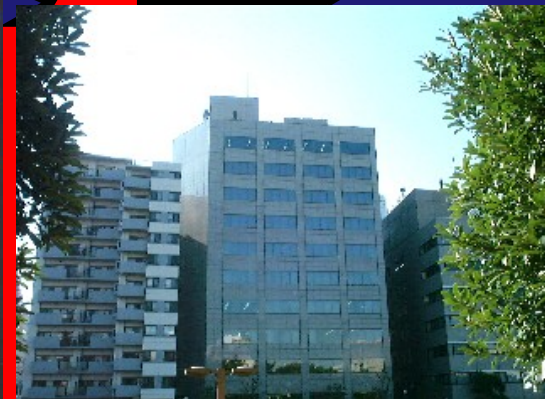
ALKK's Presence in Japan



Osaka
Sales Service
Office



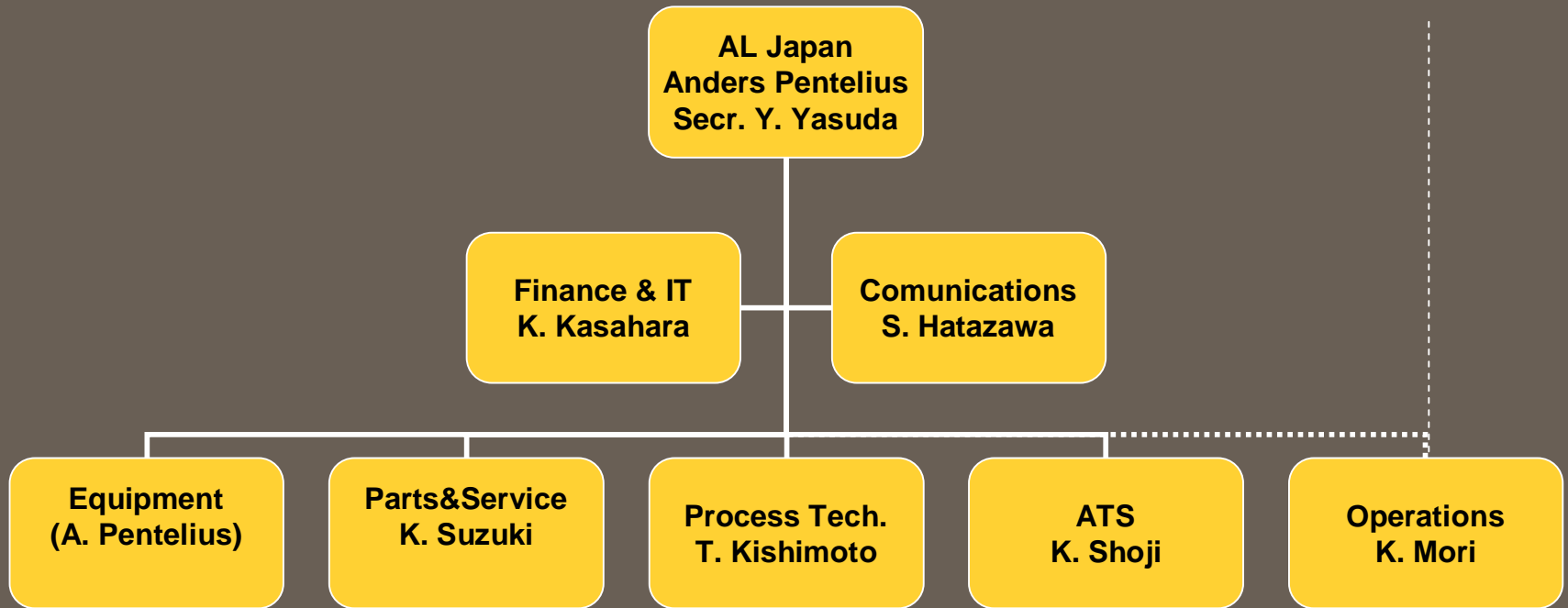
Shonan Centre
Production/Administration/Sales



Tokyo
Head Office &
Sales

++Distributors

Organisation



History and Milestones in Japan

- 1925 Start of separator sales
- 1930 First joint venture
- 1962 Start of separator manufacturing
- 1970 Start of heat exchanger manufacturing
- 1975 Alfa Laval with limited company status
- 1984 Shonan centre established
- 1996 New heat exchanger factory inaugurated
- 2003 Distribution centre opened



Factory / Overview

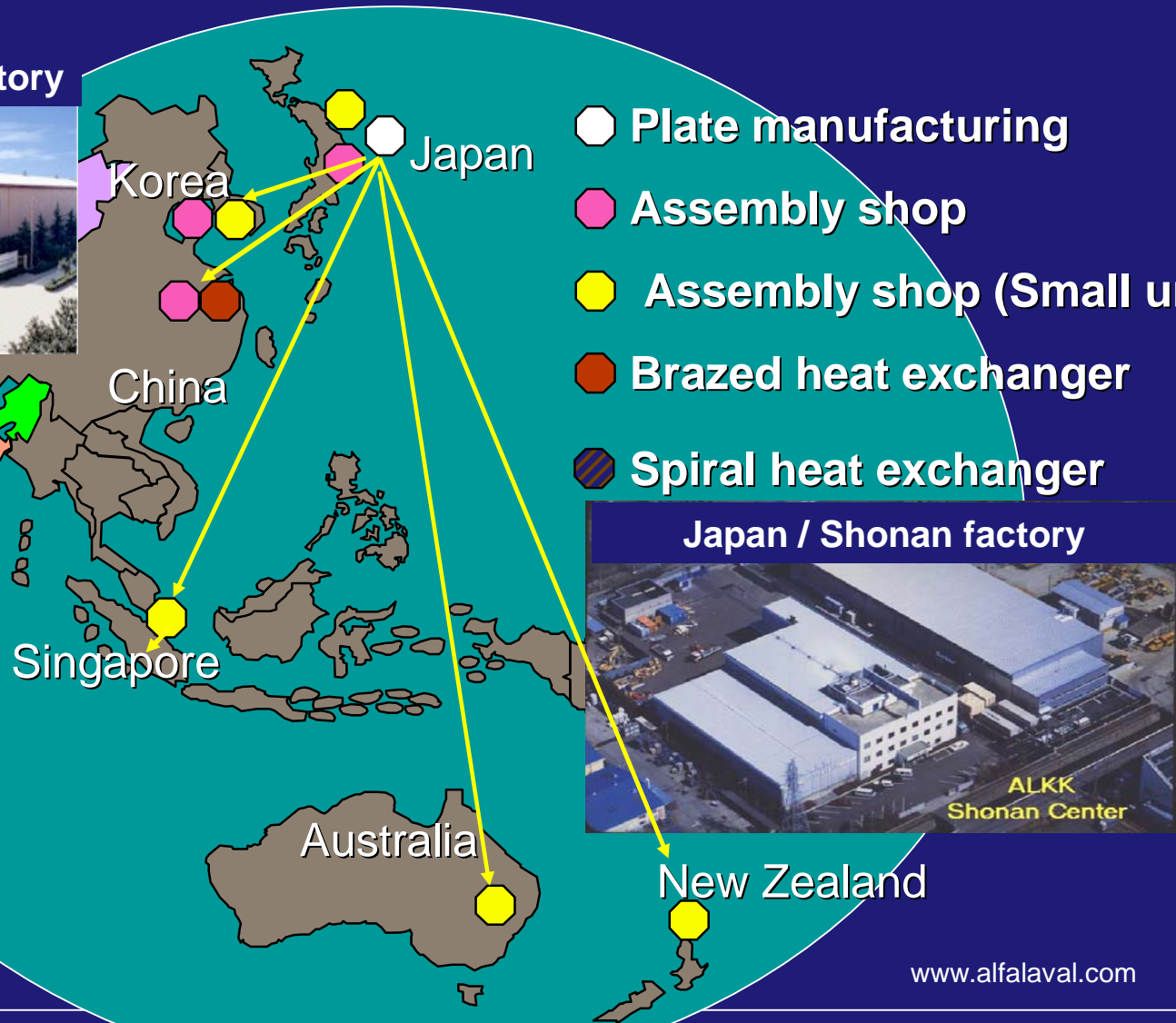


Group supply

China Jiang Yin Factory



India Satara Factory



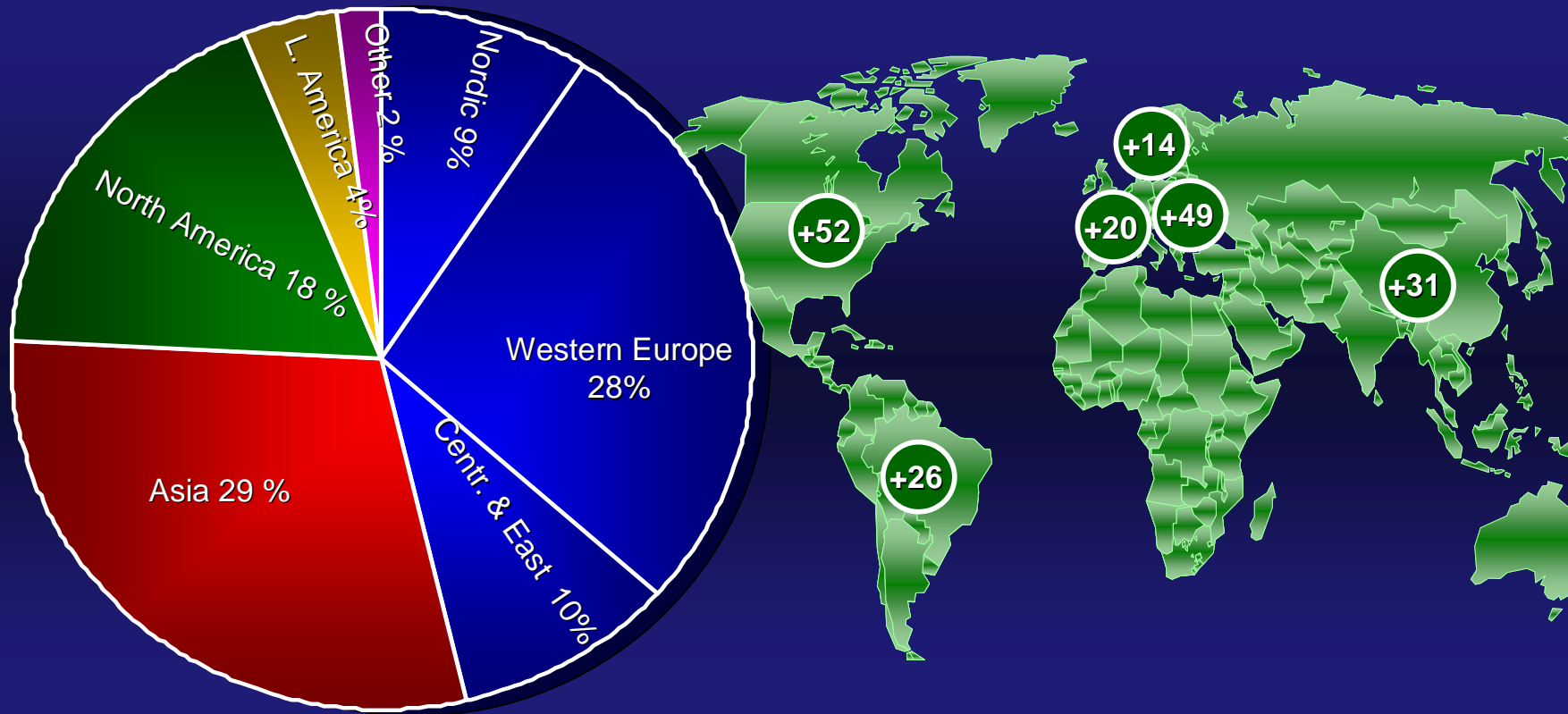
Japan / Shonan factory



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Orders received by Region

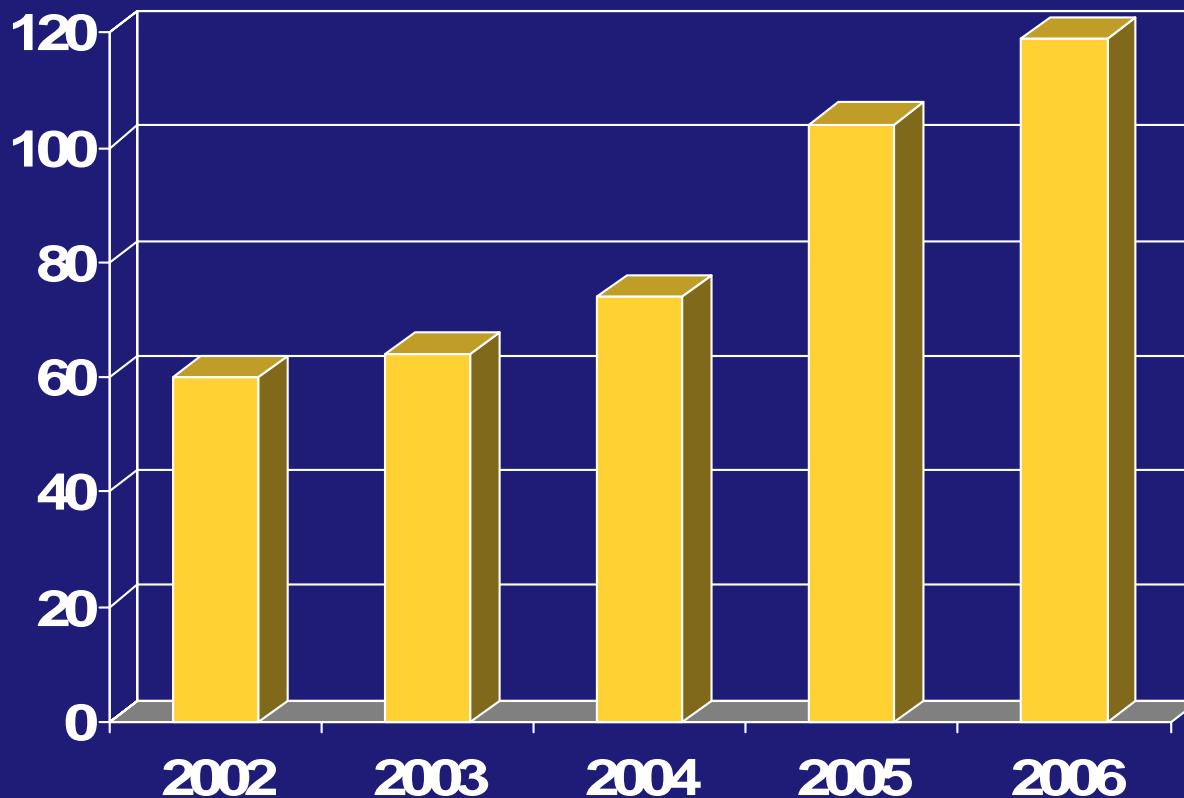
January – December 2006, at constant rates



ALKK have around 5% of AL's turnover and about 15% of Asia

Order Development

MEUR, Constant rates

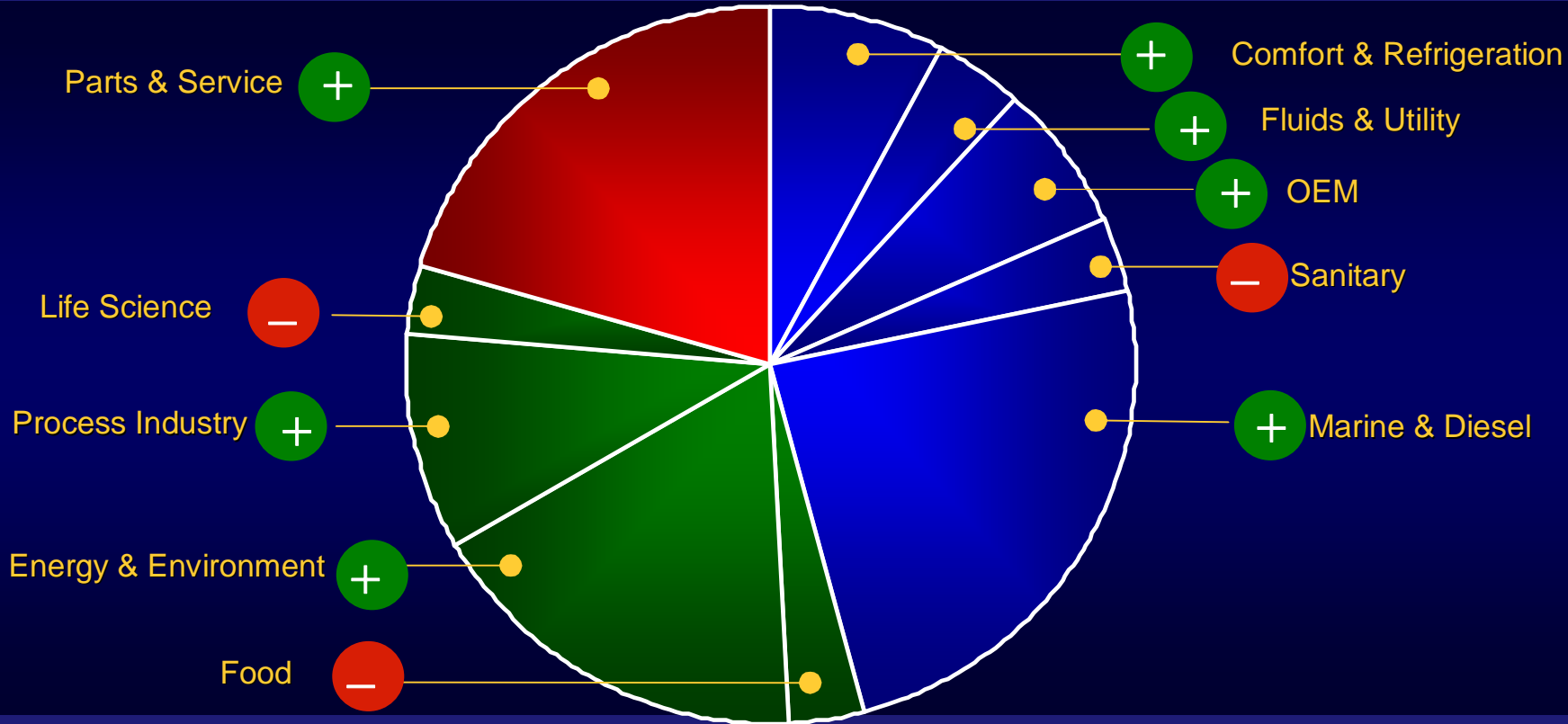


Large Orders 2006

Value, MEUR	Country	Product	Industry	Delivery
9.6	Qatar	PHE	Oil & Gas	2007
7.7	Qatar	PHE	Oil & Gas	2007
4.0	Qatar	PHE	Oil & Gas	2007
3.0	Saudi Arabia	PHE	Process Ind.	2007
1.3	Japan	PHE	Shipbuilding	2009
0.7	Japan	PHE	Shipbuilding	2009
0.7	Japan	PHE	OEM	2007
0.7	Japan	HSS	Shipbuilding	2007
0.6	Japan	PHE	Shipbuilding	2008
0.6	Japan	HSS	Life Science	2007

Orders Received by Segment

January – December 2006, at Constant Rate



Orders Received by Segment

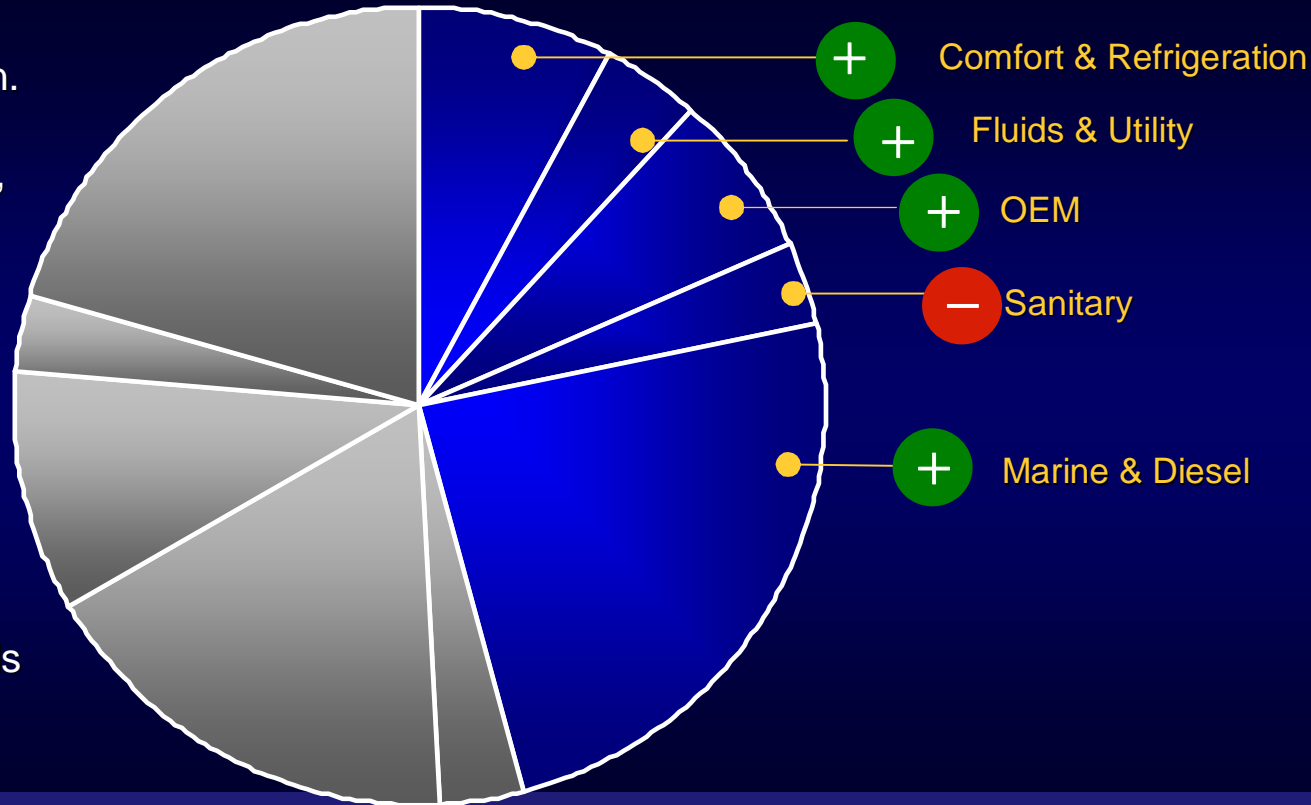
January – December 2006, at Constant Rate, Equipment Division

- Comfort & Refrigeration.

Larger building:
Complex Tokyo Mid town,
Shiodome
Semiconductor industry

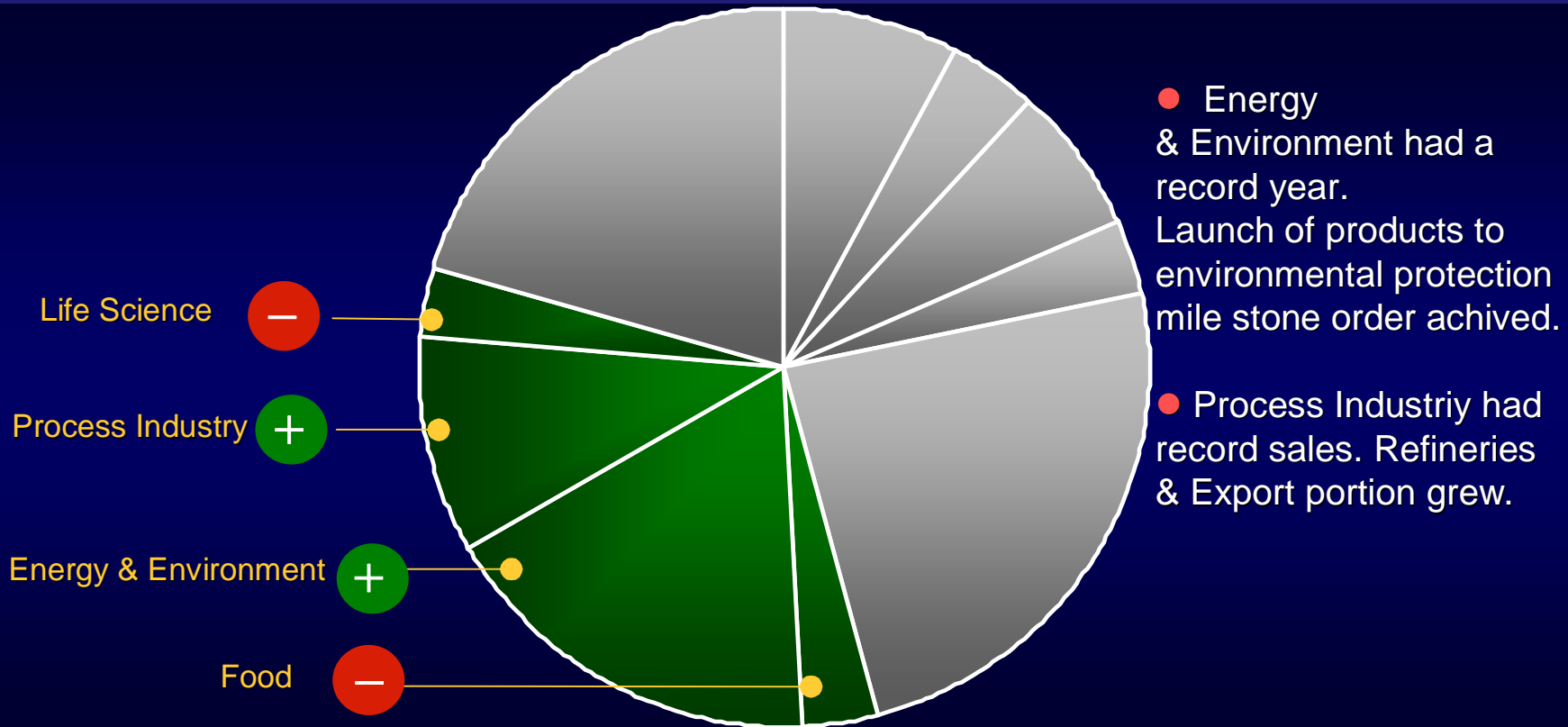
- OEM - new
accounts for heat pumps
and engine
manufacturers

- Fluids&Utility -
cleaning of washing liquids
more than tripled
due to new partner



Orders Received by Segment

January – December 2006, at Constant Rate, Process Technology Division



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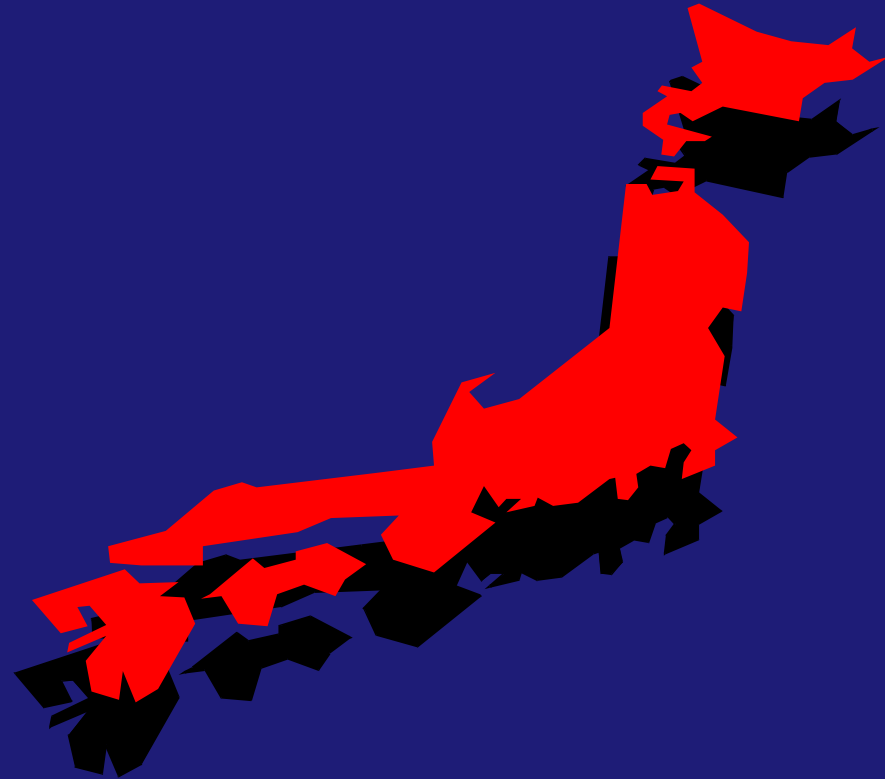
Highlights 2006

- Secured ALKK's largest order ever for a project in the middle east
- Marine showed no sign of slowing down
- OEM grew faster than expected into new fields
- Offices and plant constructions in high pace
- Energy sector increasingly good
- Strong development of Service sales
- Successful introduction of new products

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Priorities in Existing strategy

- Profitable Growth in selected Market places
- Presence
- Parts & Service
- Time to Market



A vision has been formulated

World leading supplier in ...

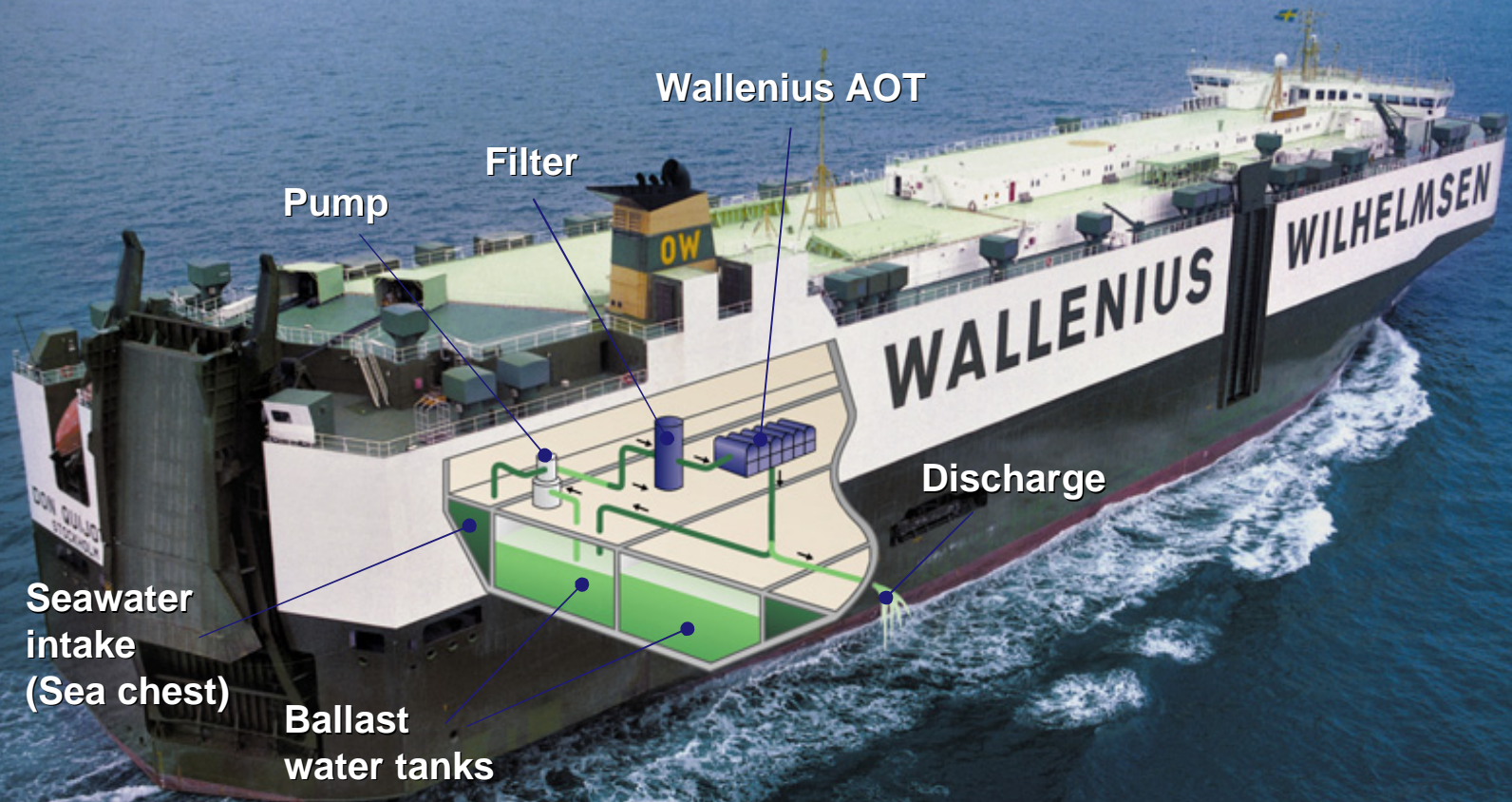


...of heat transfer and separation equipment

Outstanding offer to Refineries



PureBallast, System Overview



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Outlook for the near future

“In most of the markets, geographical as well as customer segments, that Alfa Laval serves a continued very strong demand is expected.”

Assumptions

- Japanese main contractors and large multinational companies will continue to grow and start more overseas activities
- Investments in Japan will continue to be strong due to a combination of old machine parks and an increasing export
- More investments in new technologies: Energy, Life Science and Environment



ALFA
ROMEO

The image features the Alfa Romeo logo in a stylized, white, blocky font. The logo is centered on a dark blue background. The word "ALFA" is positioned above the word "ROMEO". A thin white horizontal line runs across the middle of the logo, separating the two words. The letters are composed of thick, rounded strokes, giving the logo a modern, geometric appearance. The background is a solid dark blue, and there are some faint white lines and curves in the upper and lower portions of the image, suggesting a stylized horizon or a road.