



ALFA
LAW



J.P. Morgan Cazenove Capital Goods CEO Conference

Pennyhill Park Hotel, June 10th, 2010

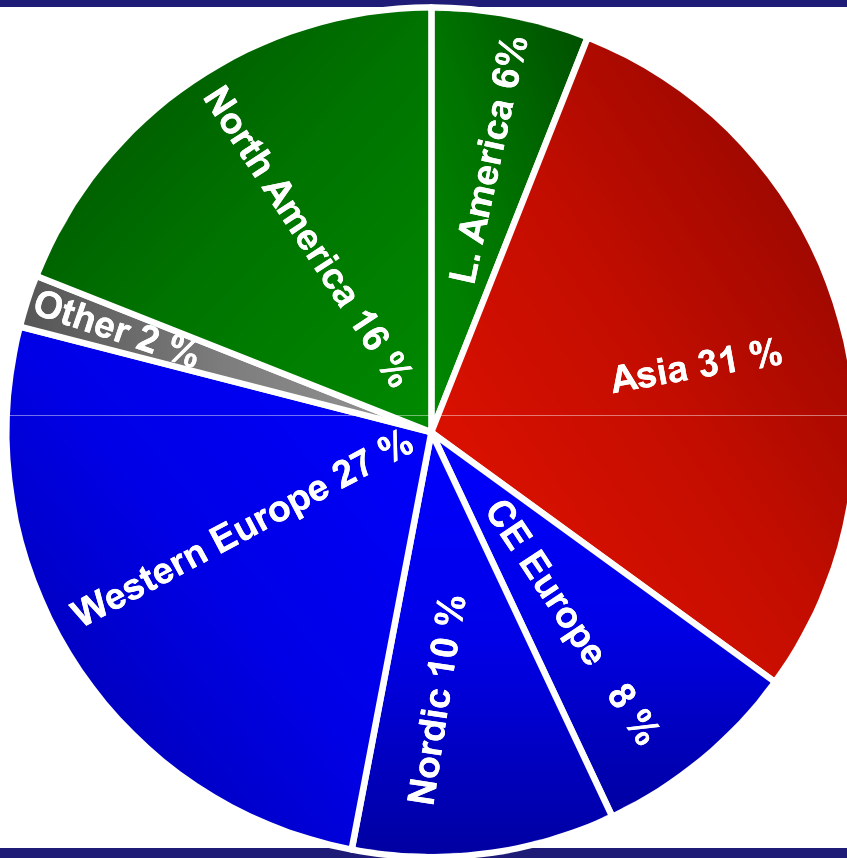
Lars Renström
President and CEO

Alfa Laval in brief



- Sales: SEK 26.0 B
- Order intake: SEK 21.5 B
- Employees: 11,400
- Sales companies in 55 countries, sales representation in another 45
- 28 major production units
- More than 70 service centres

A global reach



- Asia, Central & Eastern Europe and Latin America made up 45 percent of order intake in 2009

With a no 1 market position

- for all three key technologies

Heat Transfer



Market share
30%

Separation



Market share
25-30%

Fluid Handling



Market share
10-12%



Meeting needs in most industries



Heating

Cooling

Separation

Fluid handling

Solutions to make a difference



*** Optimize production and use of energy**

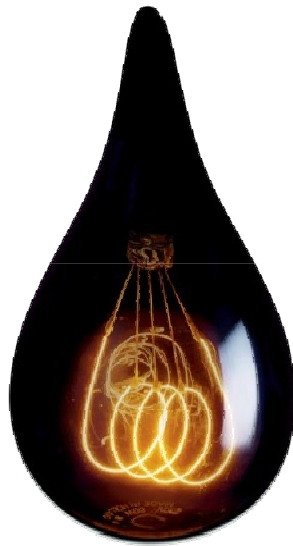


*** Reduce emissions and water pollutions**



*** Safe food and pharmaceuticals**

Our core areas



Energy



Environment



Food

The way forward

- Focus on R&D
- Efforts to explore profitable growth through structural changes
- Focus on the aftermarket to best serve our installed base
- Acquisitions



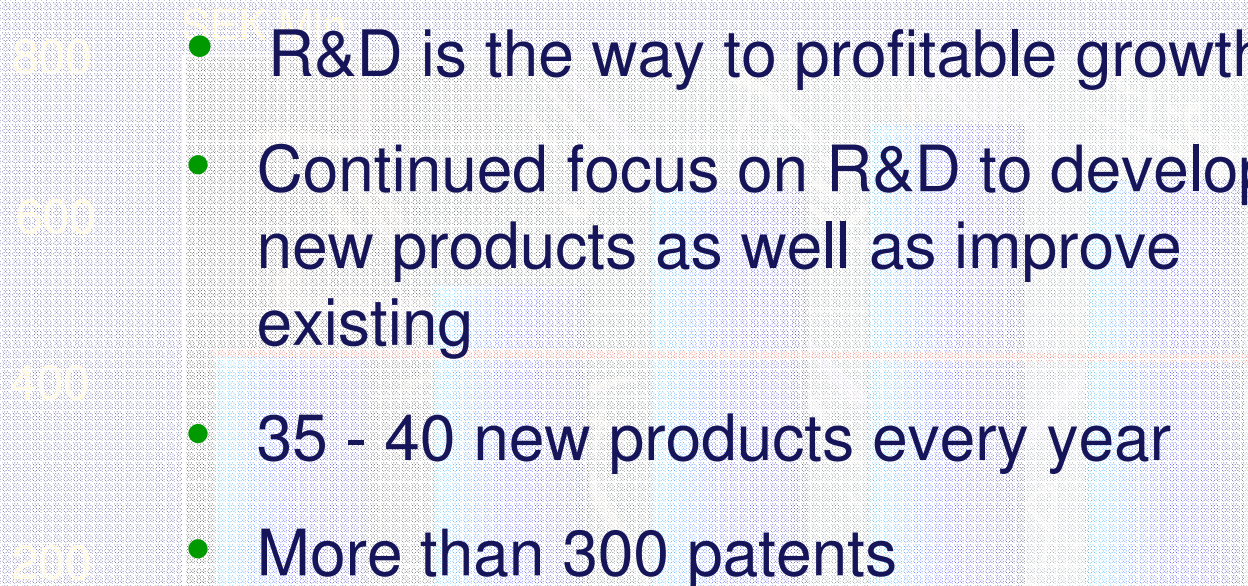
Focus on R&D

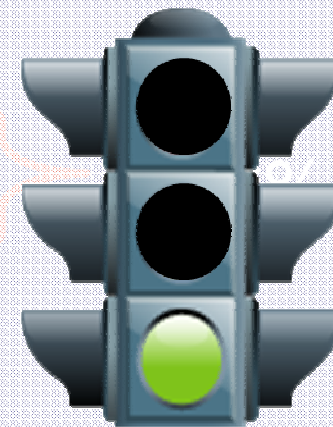
- Finding new values for customers which drive demand



Focus on R&D

- investments

- 
- SEK million
- R&D is the way to profitable growth
 - Continued focus on R&D to develop new products as well as improve existing
 - 35 - 40 new products every year
 - More than 300 patents



Profitability

2005

2006

2007

2008

2009

Structural changes

- an opportunity



Energy



Environment

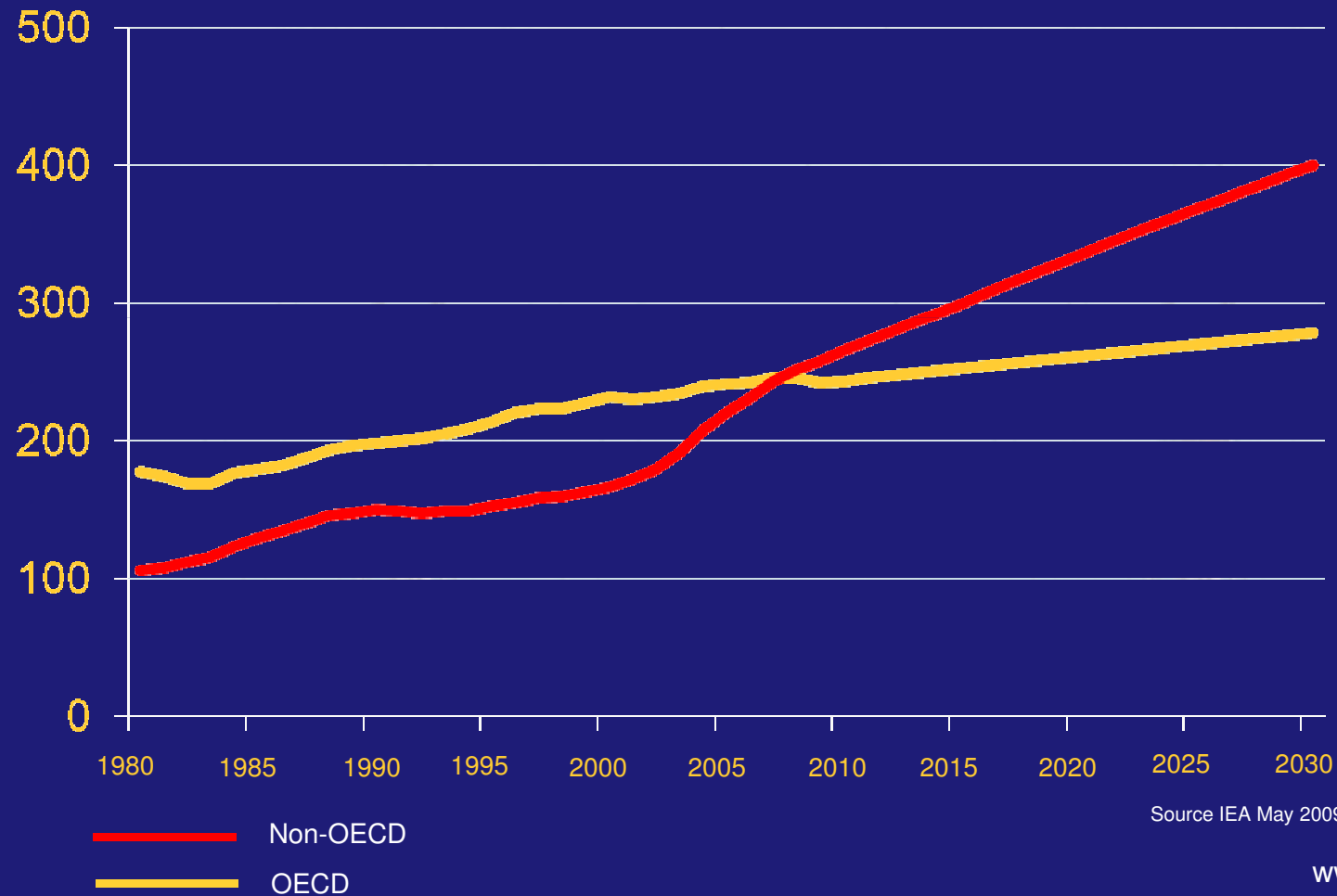


Food



Energy demand seen rising - especially in non-OECD countries

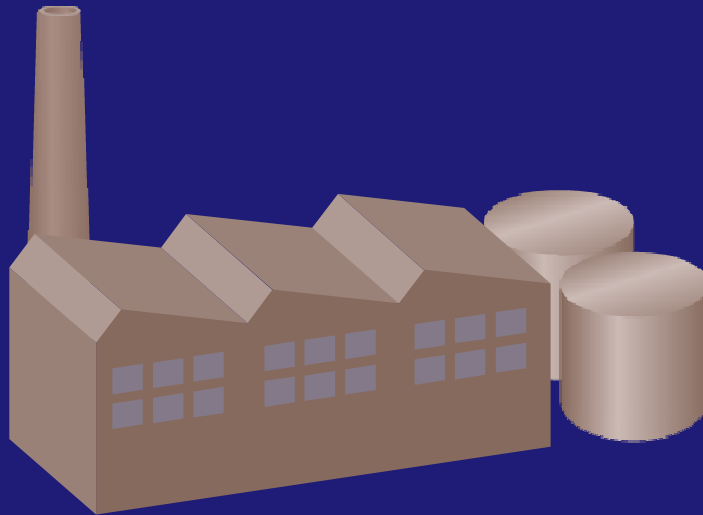
Quadrillion Btu



Energy efficiency

- * cuts fuel costs
- * increases competitiveness
- * reduces greenhouse gas emissions, pollution
- * saves natural resources, which are limited

What is waste heat?



Sulphur burning
acid plant
Around **65 MW** heat is
evolved

1/3 waste

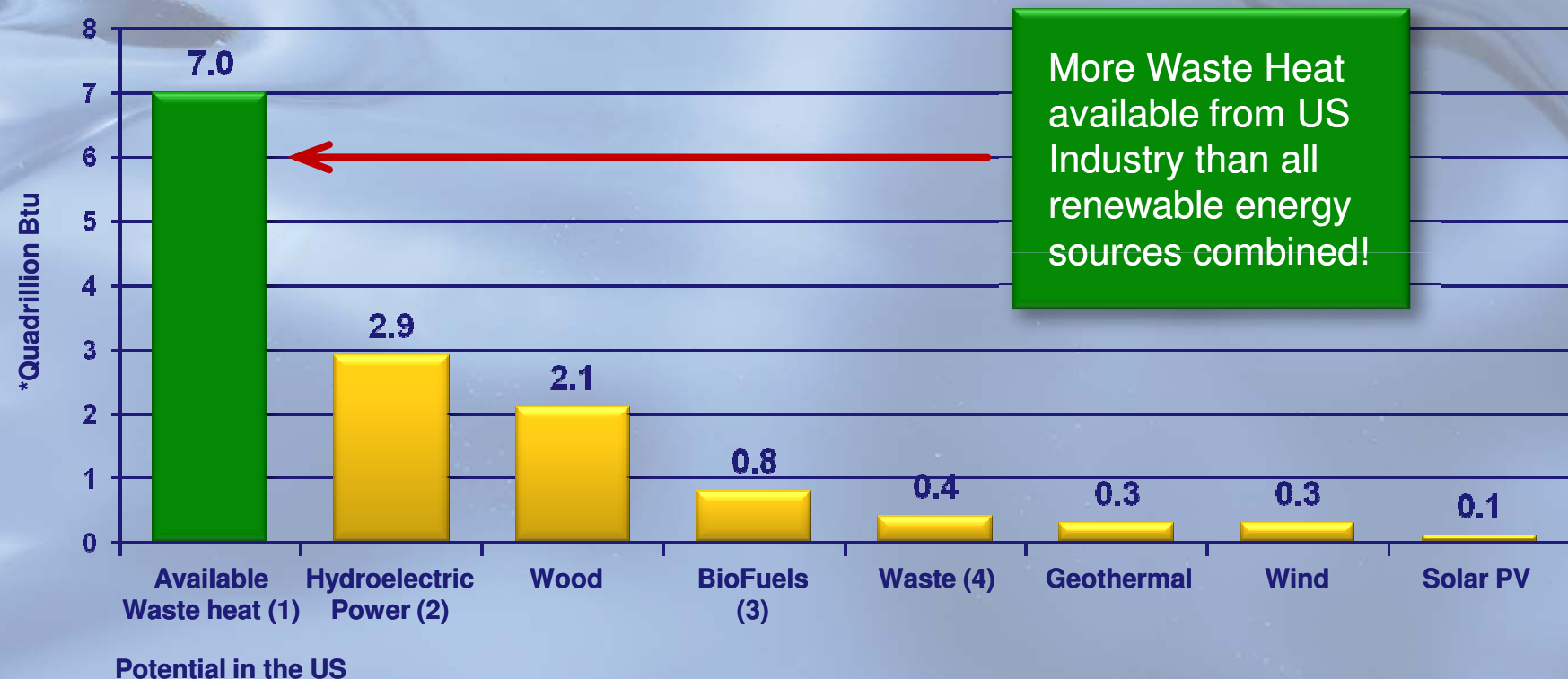


2/3 steam



Waste heat – an untapped potential!

Renewable Energy Consumption by Source



Source: US DOE / EIA Annual Energy Survey 2006.

Environment

By 2020:

- * 900 million more people on the planet
- * 700 million more people in urban areas
- * 2,1 billion m³/yr fresh water gap
- * Tighter legislation

**Increased
Waste Water
Treatment
Investments**

Environment - driver

Legislation



Food

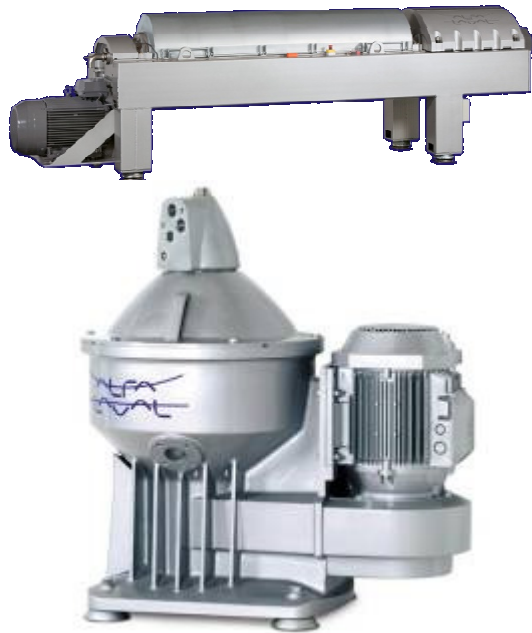


Food

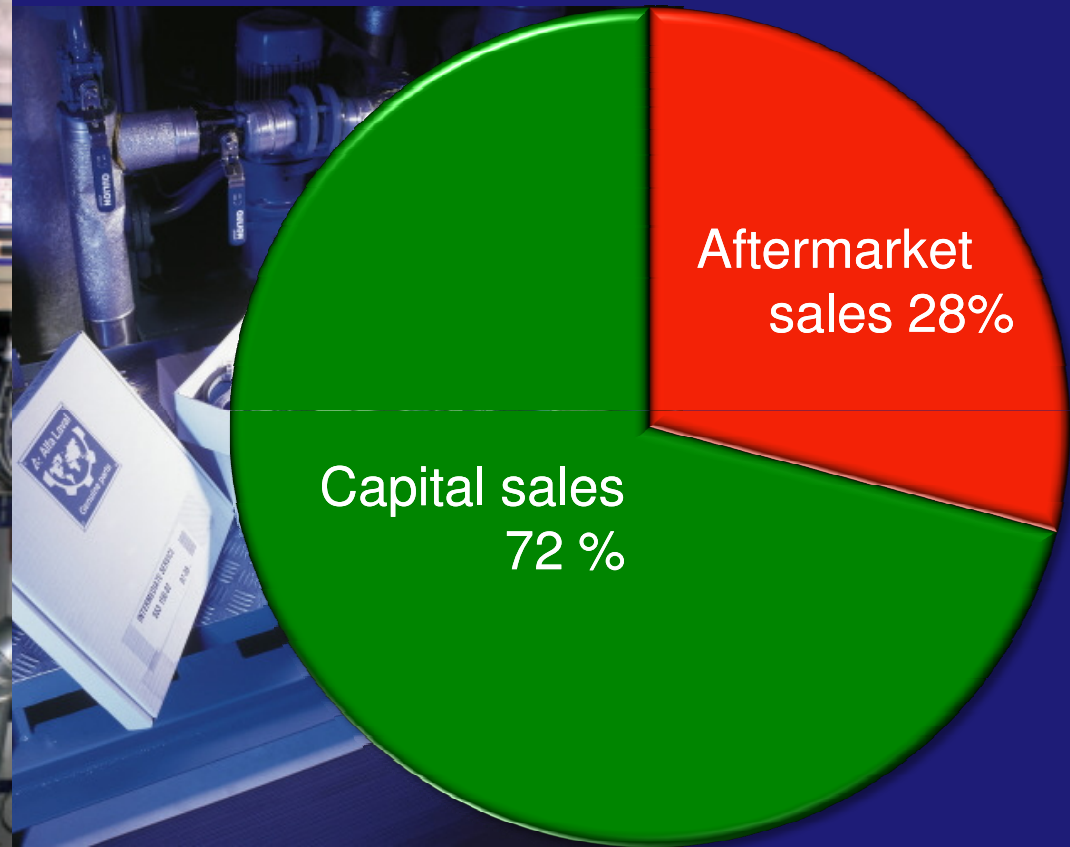


**Population growth
Urbanization and
Living standard**

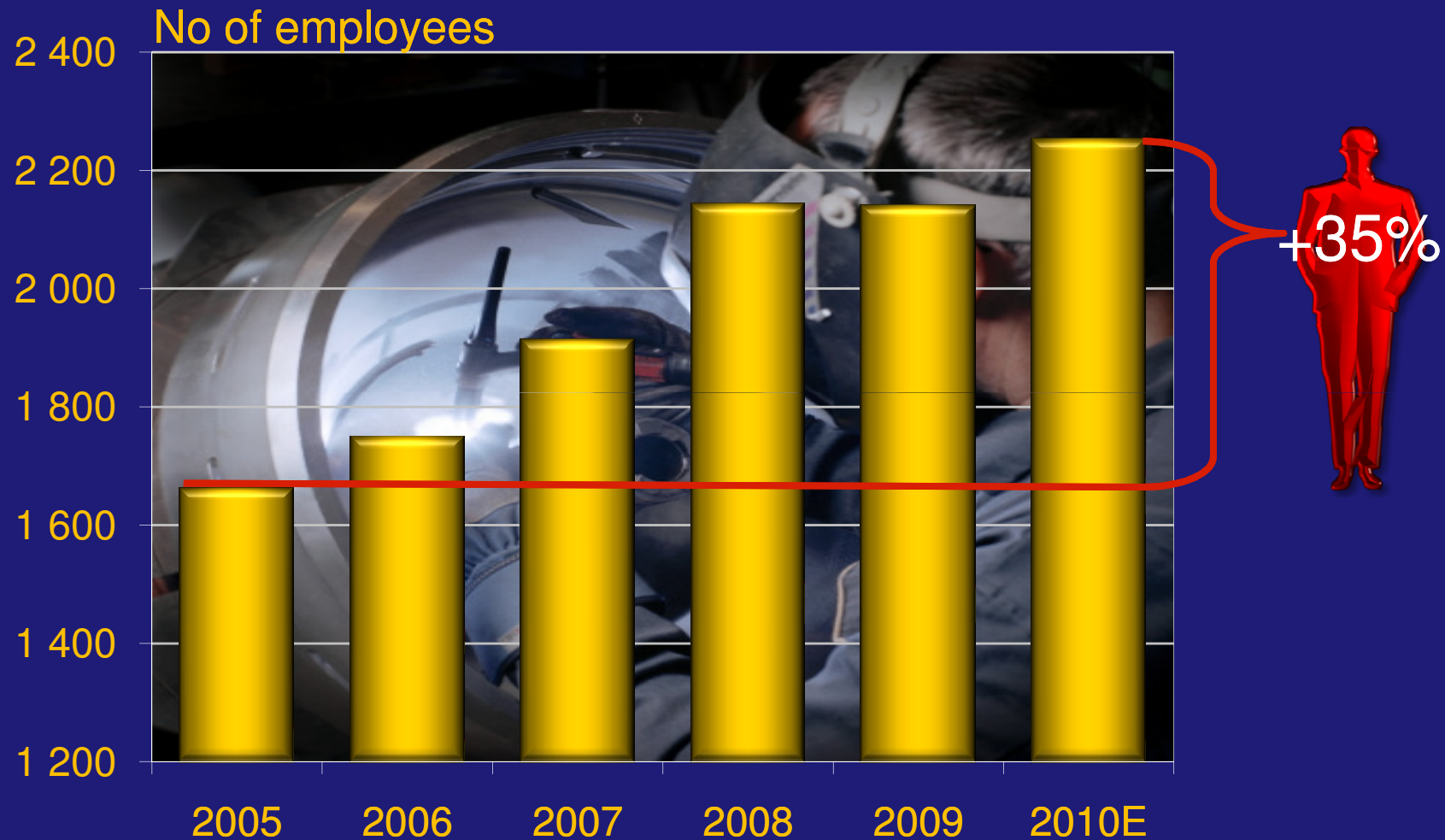
Food – our offering



Focus on the aftermarket



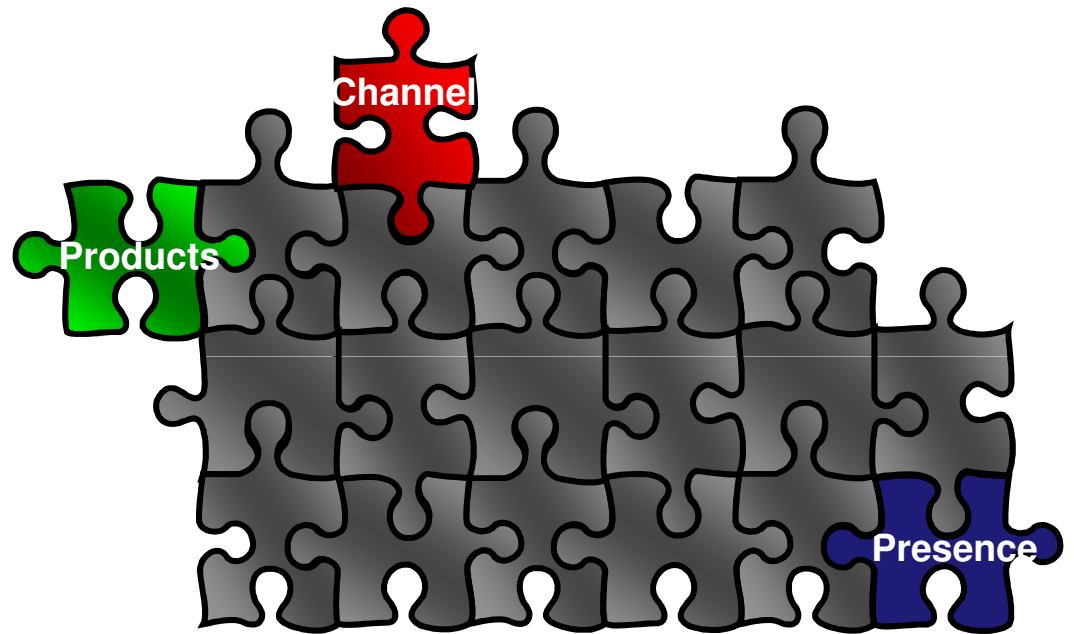
Investments in the aftermarket



Complementary acquisitions

Alfa Laval

* will continue to acquire companies that complement the existing business in terms of geographic presence, sales' channels or products



Continued acquisitions

- * Acquired 6 companies in 2009, adding 5% growth
- * Target add 3-4 % sales growth/year



1Q highlights

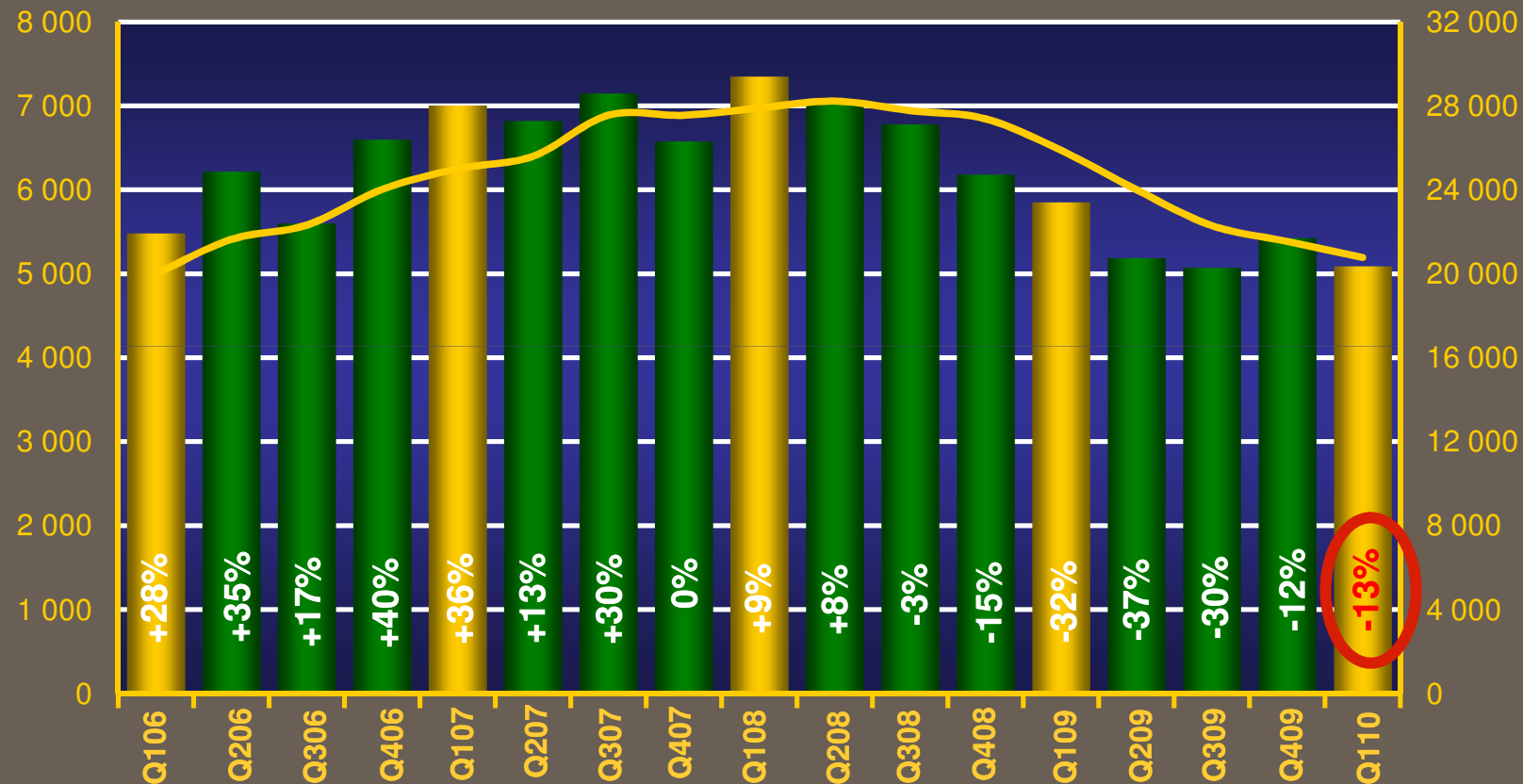
- Orders received dropped 13.1% to SEK 5,089 million.
- Net sales down 22.3% at SEK 5,381 million.
- Adjusted EBITA down 19% to SEK 1,012 million.
- Adjusted EBITA margin increased to 18.8%
- *Positive currency effect SEK 95 million.*



Orders received

SEK million

SEK million R 12



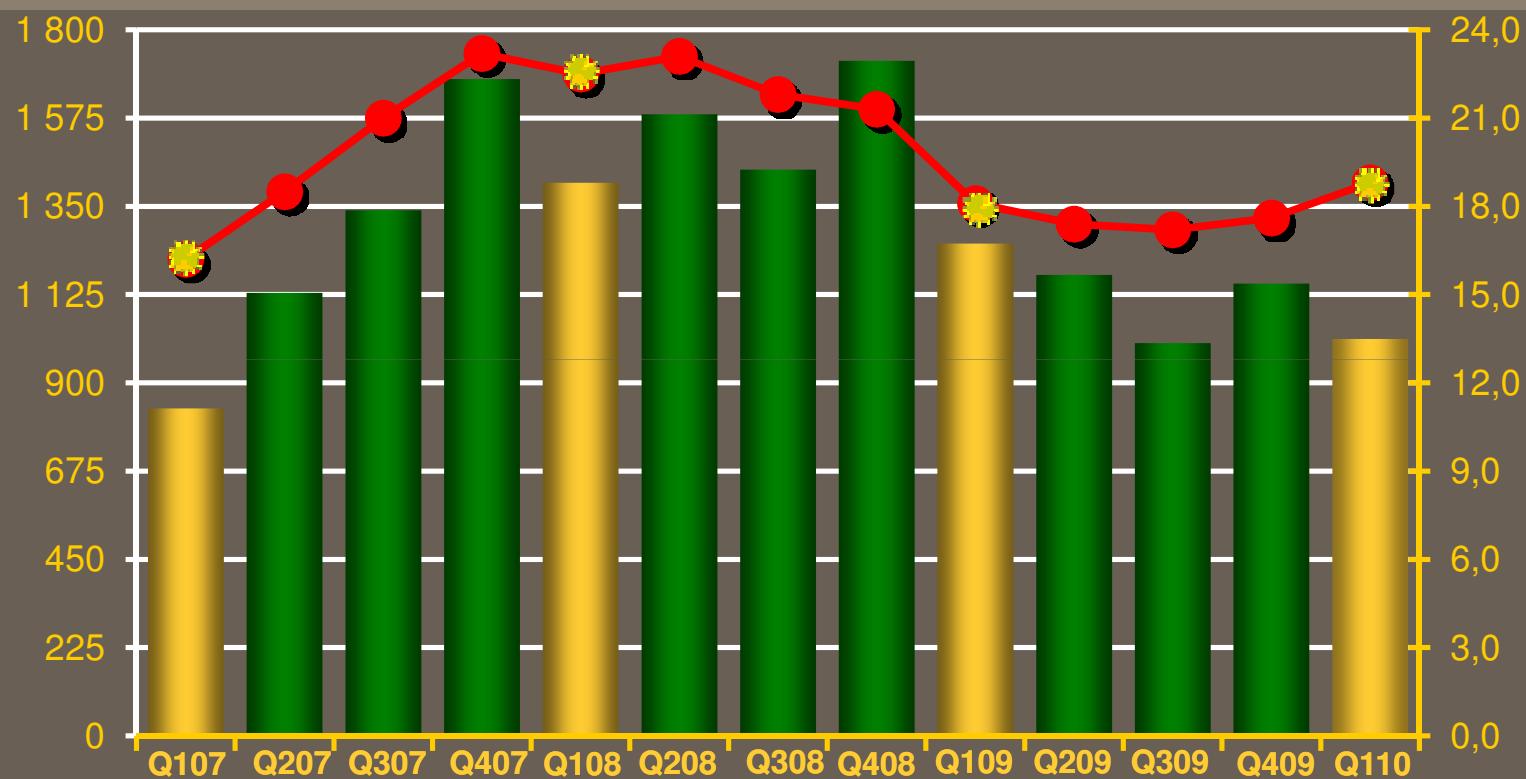
 = rolling twelve months value

+xx% = % development at constant rates by quarter, year on year

  = order intake per quarter

Adjusted EBITA / margin *

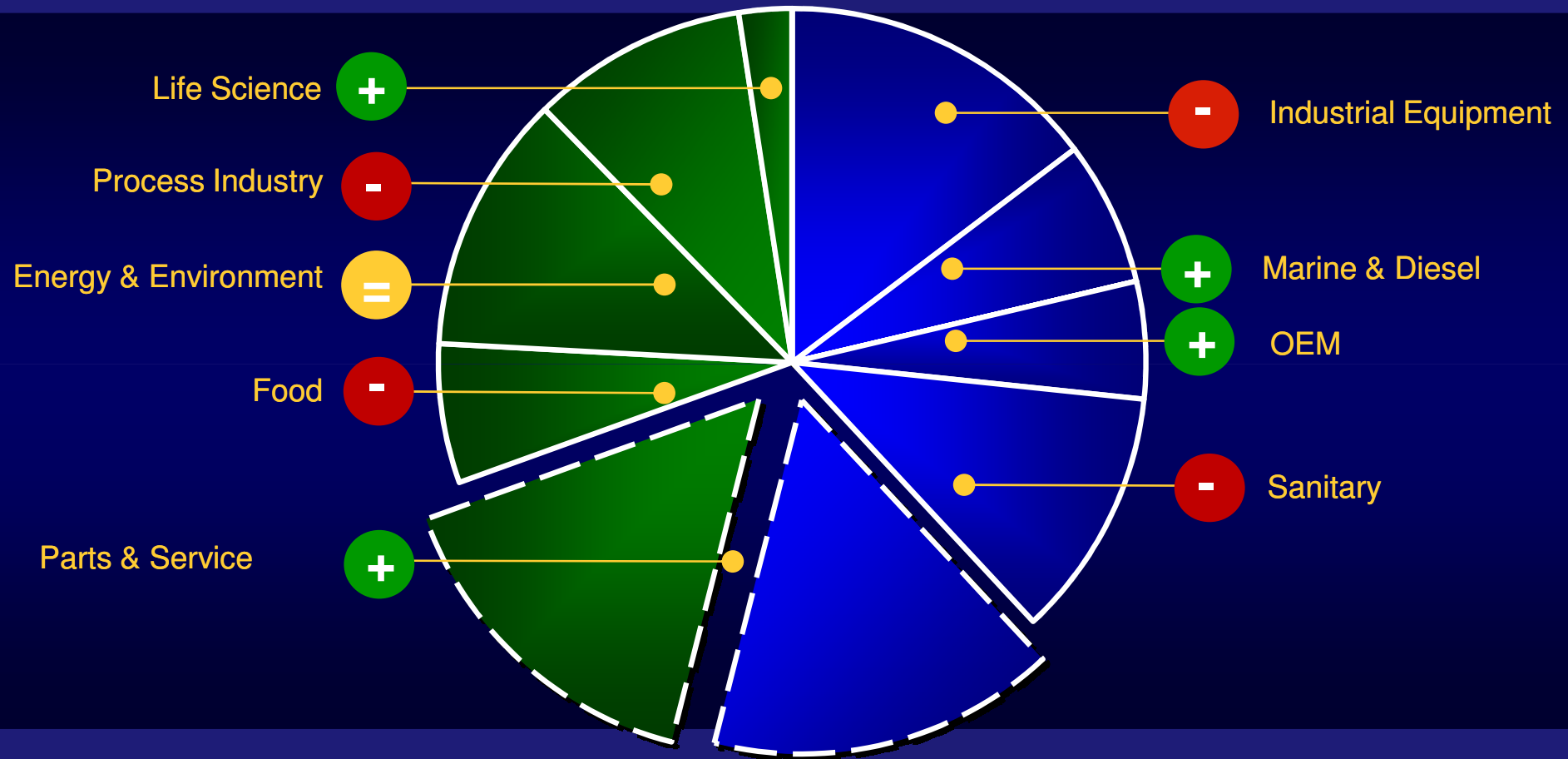
SEK millions and in percent of sales



* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

Orders received by customer segment

Sequential development 1Q versus 4Q, at constant rates



Highlights

Acquisitions in 2010

- * **Champ – U.S. supplier of cooling equipment.**
- * **U.S. service provider for plate heat exchangers.**
- * **Astepo – Italian provider of aseptic products.**
- * **Si fang – Chinese supplier of sanitary products**

ALFA
LAW