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Acquisition of Aalborg Industries

Lars Renström
President and CEO
Alfa Laval Group

Thomas Thuresson
CFO
Alfa Laval Group

Acquisition of Aalborg Industries

- ★ Alfa Laval has signed an agreement to acquire Aalborg Industries from the Nordic private equity firm Altor 2003 Fund, LD Equity and management
- ★ Total cash consideration of SEK 5.0 billion on an enterprise value basis
- ★ Aalborg Industries is a world leading manufacturer and supplier of marine boiler systems as well as a major provider of inert gas systems, thermal fluid systems, and shell and tube heat exchangers
- ★ Aalborg Industries has some 2,600 employees, is expected to generate sales of about SEK 3.3 billion in 2010 and an EBITA margin which is well in line with Alfa Laval's target (the company had a 16.4% margin in 2009)
- ★ The acquisition will be accretive to EPS from 2011
- ★ Closing of the transaction is subject to clearance from regulatory authorities

Strategic rationale

- ★ Acquire a world leader in specialized heat transfer equipment for the marine and off-shore markets , but also to the power industry and other industrial end markets
- ★ It's products and solutions complements Alfa Laval 's key competence; enjoys strong barriers to entry
- ★ Manufacturing and engineering presence in key markets such as China, Vietnam and Brazil with a global service network enabling quick turnaround services
- ★ Well positioned for structural growth based on attractive underlying trends such as globalization, energy efficiency and environment

Excellent fit



Sanitary Industrial Eqt. OEM Marine & Diesel Food Energy & Environment Life Science Process Industry Parts & Service



Alfa Laval
Key
Technologies

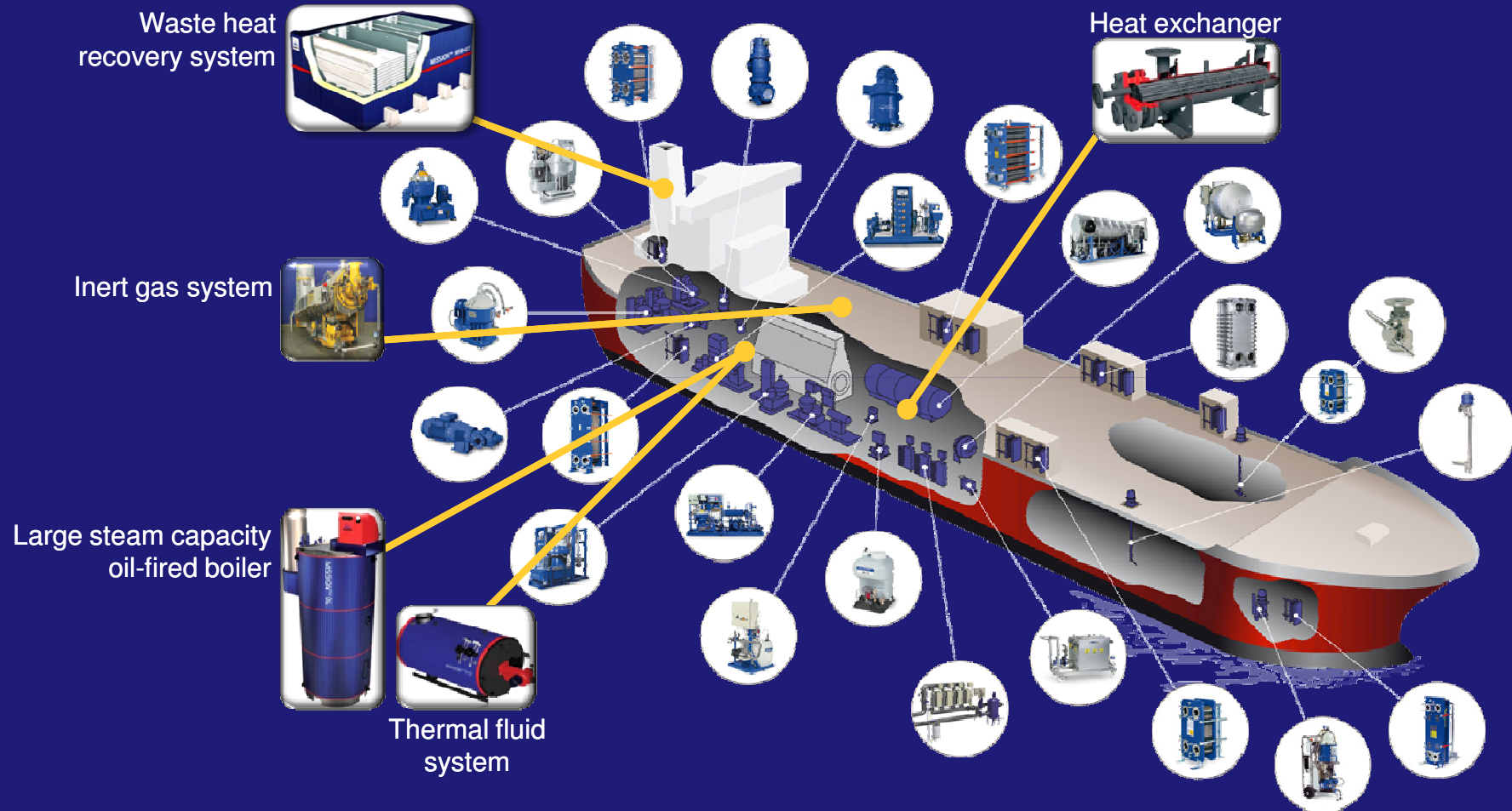


Heat
Transfer



Alfa Laval will further strengthen its offer in heat transfer

Complementary offering



Aalborg Industries: gradual transfer of footprint already completed



297 employees
10.9% of total



592 employees
21.8% of total



212 employees
7.8% of total



1 108 employees
40.8% of total

Gradual transfer of production, engineering and after sales services :

- * Cost-efficient supply chain
- * Access to critical markets where local presence is key

Attractive structural growth drivers

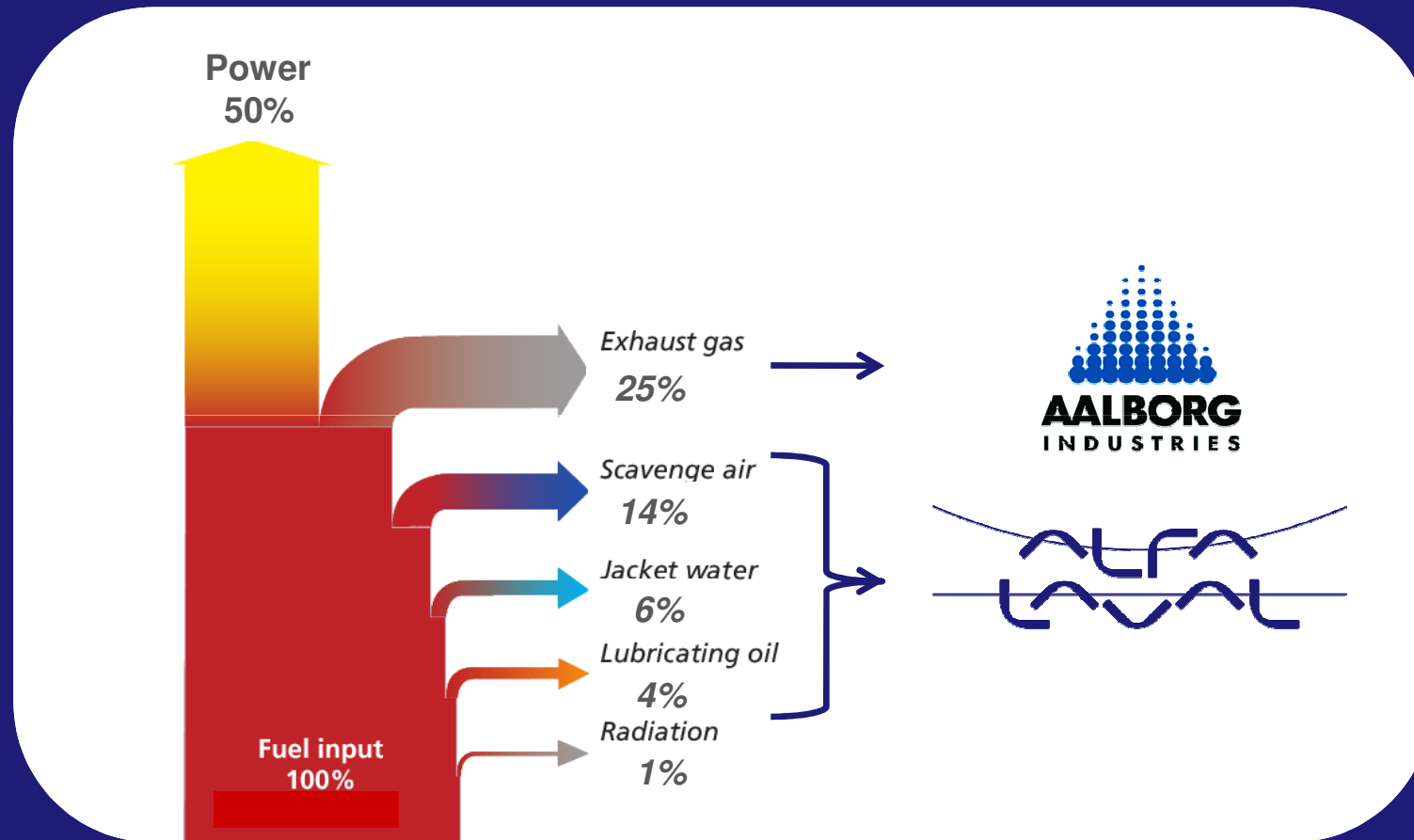


To optimise the performance of our customers' processes.
Time and time again.

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Energy efficiency

– Waste heat recovery



Financing of the transaction

The acquisition will be funded through available cash and the following credit facilities:

- ✳ Existing Syndicated Credit Facility with a credit limit of approx SEK 4.8 billion, as at September 30 the facility was not utilised
- ✳ Existing Credit Commitment from European Investment Bank (EIB) of EUR 130 million
- ✳ Fully committed bridge facility of SEK 2.5 billion from SEB



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Aalborg Industries:


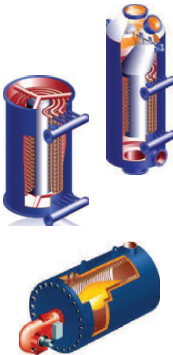



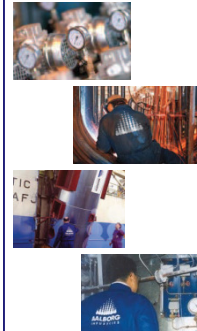


A leader in specialized equipment

HQ: Aalborg, Denmark
Employees: c. 2,600
2009 Sales: DKK 2,761 MM
2009 EBITA: DKK 452 MM
2009 EBITA Margin: 16.4%



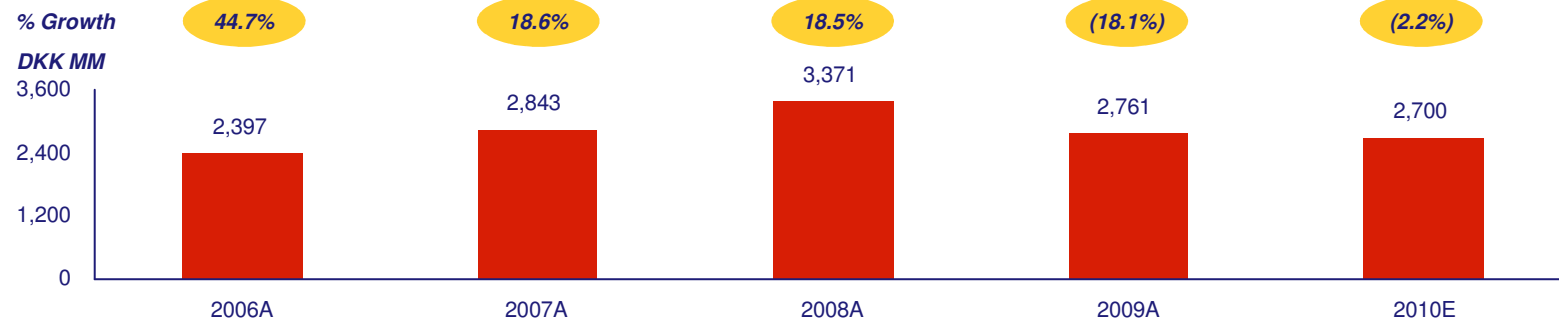
2009 Sales Breakdown



Marine Boilers & Heat Exchangers	Thermal Fluid Systems	Inert Gas Systems	Floating Production Systems	Industrial Boilers	Global After Sales	Water Treatment Systems	Exhaust Gas Cleaning
<ul style="list-style-type: none"> * Boilers * Heat exchangers * Waste heat recovery * Burners * Control systems 	<ul style="list-style-type: none"> * Oil-fired thermal fluid heating systems * Exhaust gas fired thermal fluid heating systems * Heating systems 	<ul style="list-style-type: none"> * Inert gas generators * Nitrogen generators 	<ul style="list-style-type: none"> * Boilers * Burners * Heat exchangers * Waste heat recovery * Thermal fluid systems * Inert gas systems 	<ul style="list-style-type: none"> * 3-pass boilers * Thermal fluid systems * Waste heat recovery for power plants * Heat exchangers 	<ul style="list-style-type: none"> * Commissioning * Training * Inspections * Repair * Upgrades * Spare parts 	<ul style="list-style-type: none"> * Aqua Tri Comb water treatment system 	<ul style="list-style-type: none"> * Exhaust gas scrubbers 

Strong financial track record through cycle

Sales



EBITA

