

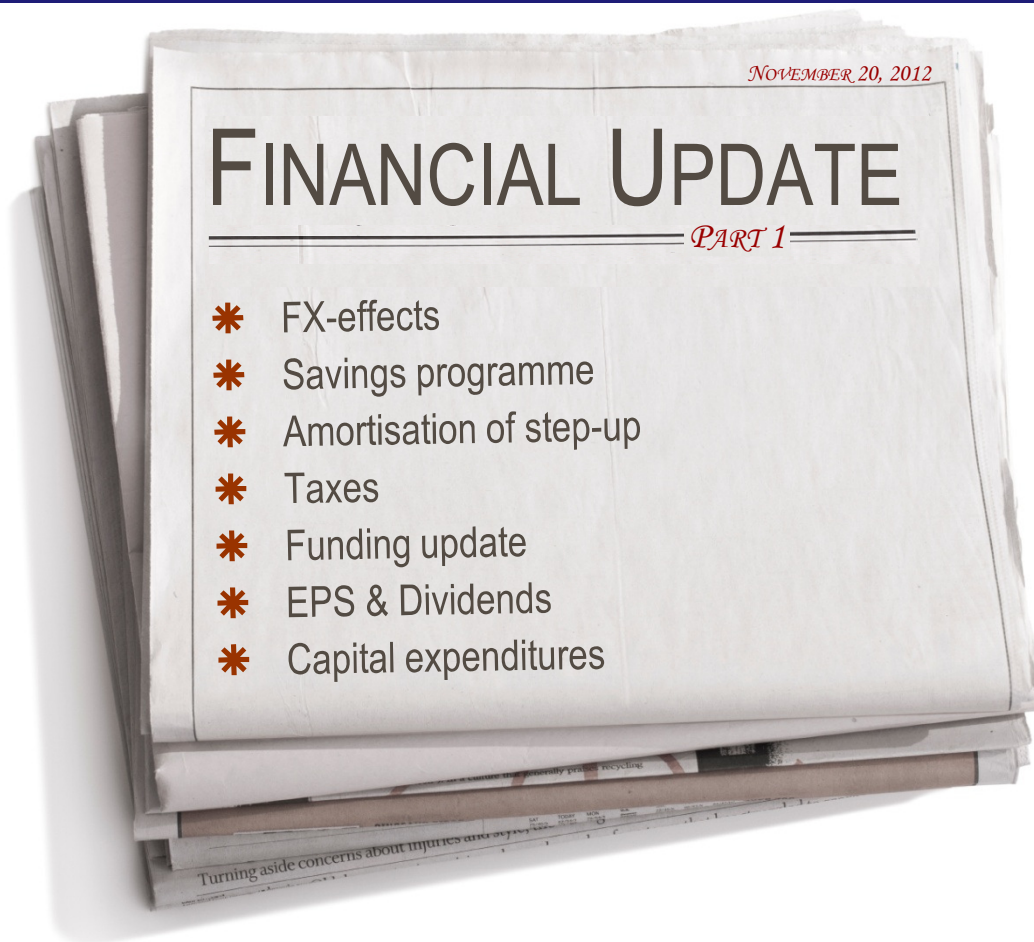


ALFA  
LAW



# Financial update

Thomas Thuresson  
CFO  
Alfa Laval Group



# Foreign exchange

Exchange rate differences in the financial net, January - September

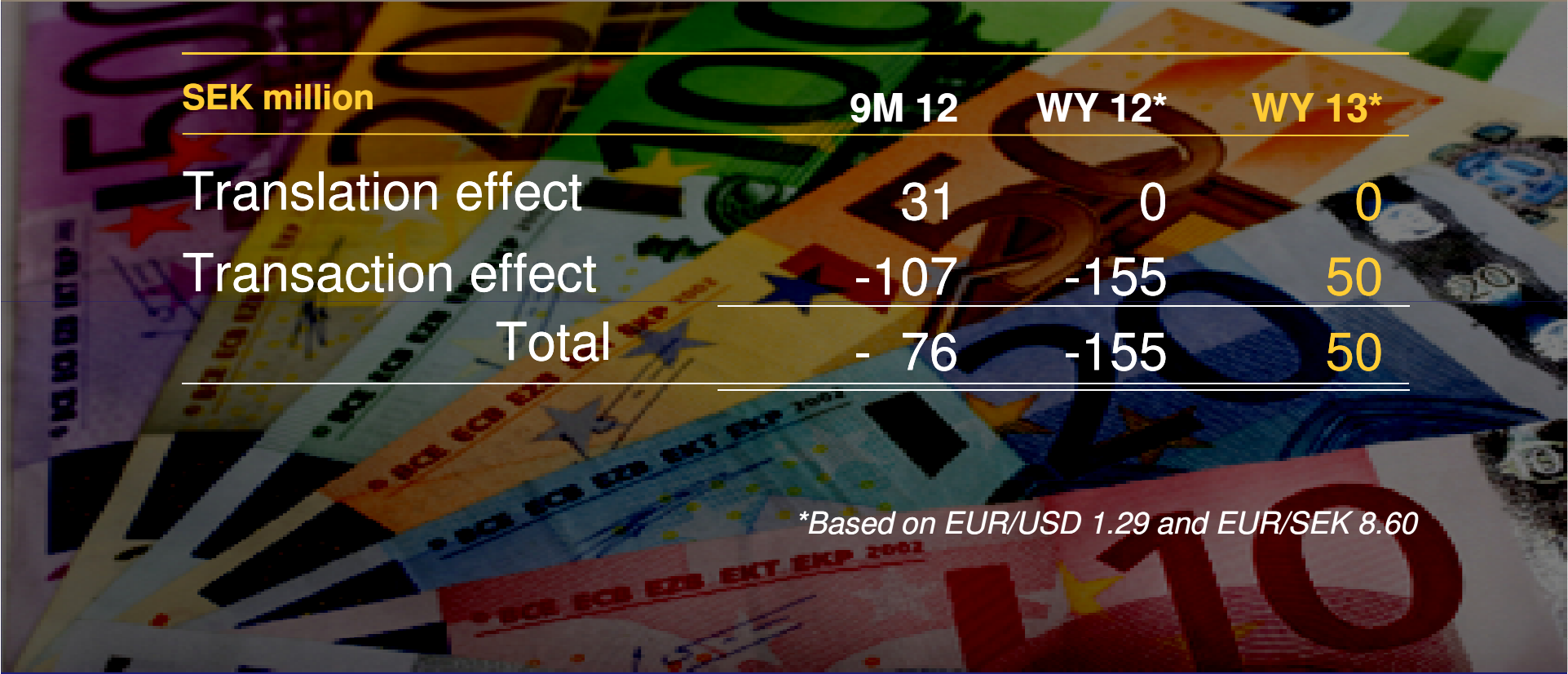


SEK million	Realized	Unrealised	Total
Gains	209	111	320
Losses	- 31	- 55	- 86
Total	178	56	233

Movements in exchange rates during Q4 will obviously have an impact on the unrealised part!

# Foreign exchange

Estimated impact on adjusted EBITA from FX fluctuations



SEK million	9M 12	WY 12*	WY 13*
Translation effect	31	0	0
Transaction effect	-107	-155	50
Total	- 76	-155	50

*\*Based on EUR/USD 1.29 and EUR/SEK 8.60*

# Saving measures initiated in Q4-11

- Update as per September 30, 2012

Communicated with the Q4-11 report:

- Non-recurring charge in Q4-11	SEK	90 M
- Targeted savings in 2012	SEK	200 M
- Savings to give full impact from H2 2012		

Realized savings by September 30, 2012:

- Q1 and Q2	SEK	40 - 50 M
- Q3	SEK	80 M
Total:	SEK	120-130 M

Implemented measures annualized:

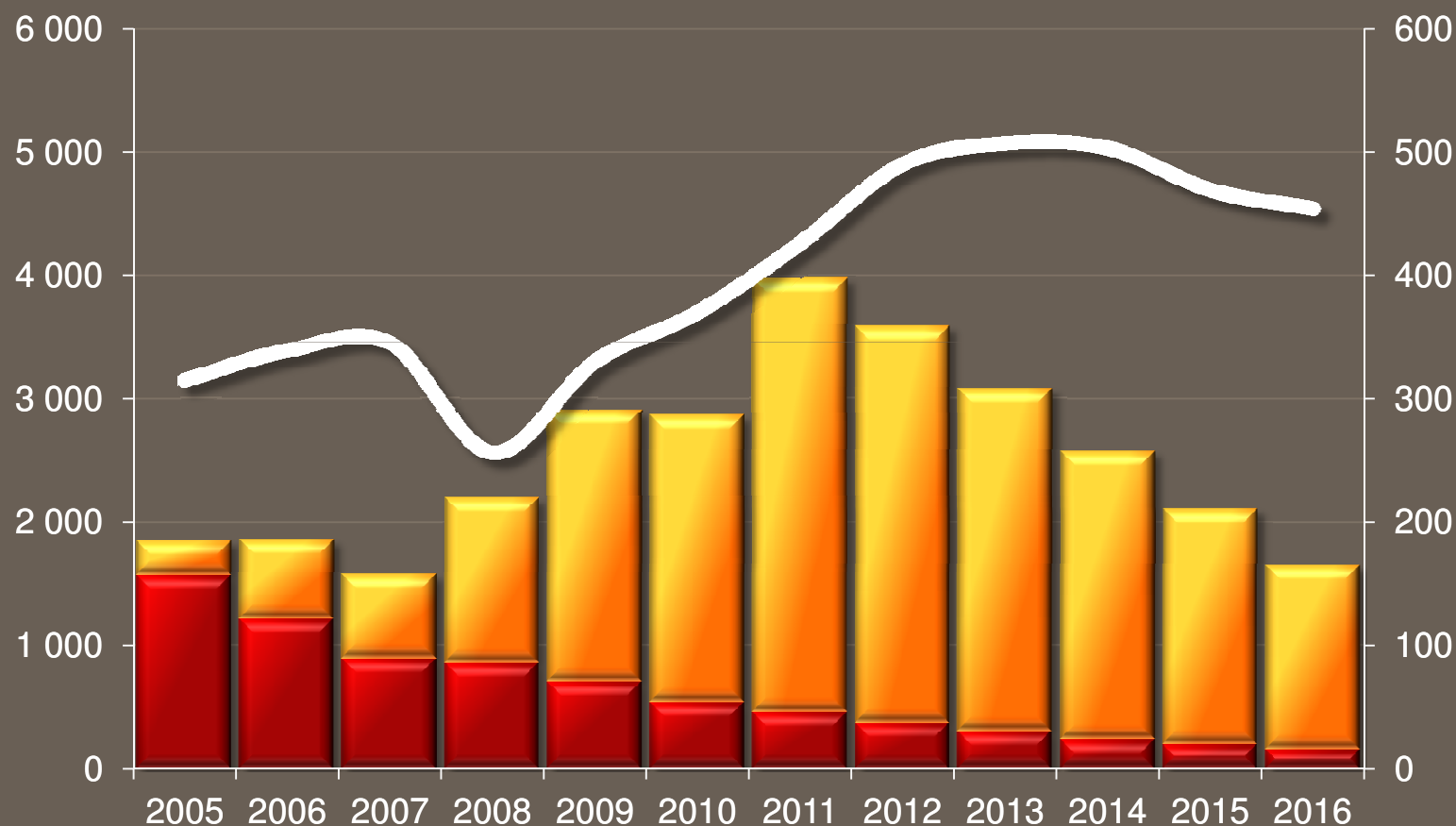
- Q4	=< SEK	80 M
- H1-13	appr SEK	100 M

# Step-up values up to 2014

Closing balance and depreciations according to plan, SEK million

Closing balance

Amortisation



LBO-related

Acquisitions

Depreciations acc to plan

[www.alfalaval.com](http://www.alfalaval.com)

# Taxes

- Sweden



- \* Corporate income tax is 26.3 % right now
- \* Proposal from the government to reduce to 22 %

Implications given a decision before year-end:

- \* A non-recurring effect of approx. SEK 100 million positive in quarter 4
- \* A reduction of the tax bill in Sweden with at least SEK 30 million per annum from 2013



# Taxes

## - General guidance

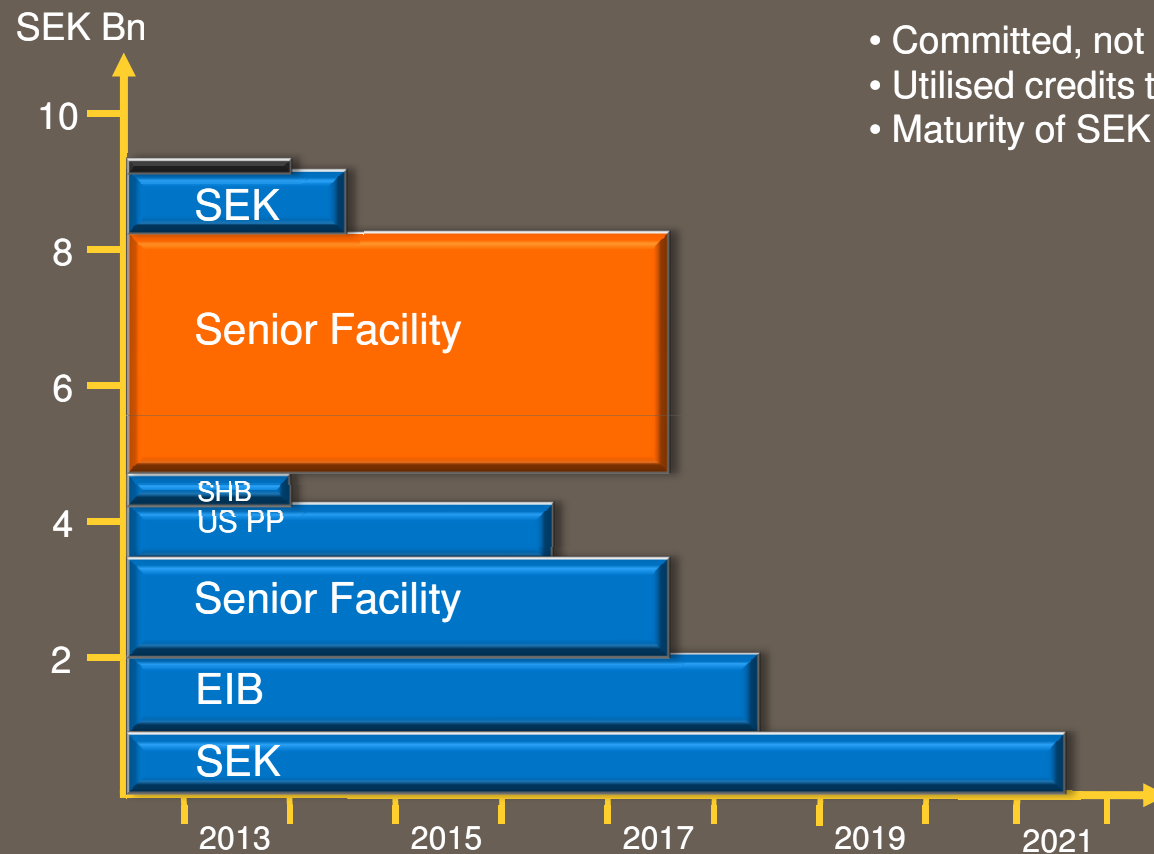
- \* Guidance for taxes in the P&L has been 30 % of PBT up to now
- \* Assuming the proposal to reduce corporate income taxes in Sweden is decided in the parliament before end of the year and effective from January 1, 2013



Guidance for Taxes based on PBT  
is 28 % from 2013

# Group funding

Utilisation and maturity structure, status as per September 30, 2012



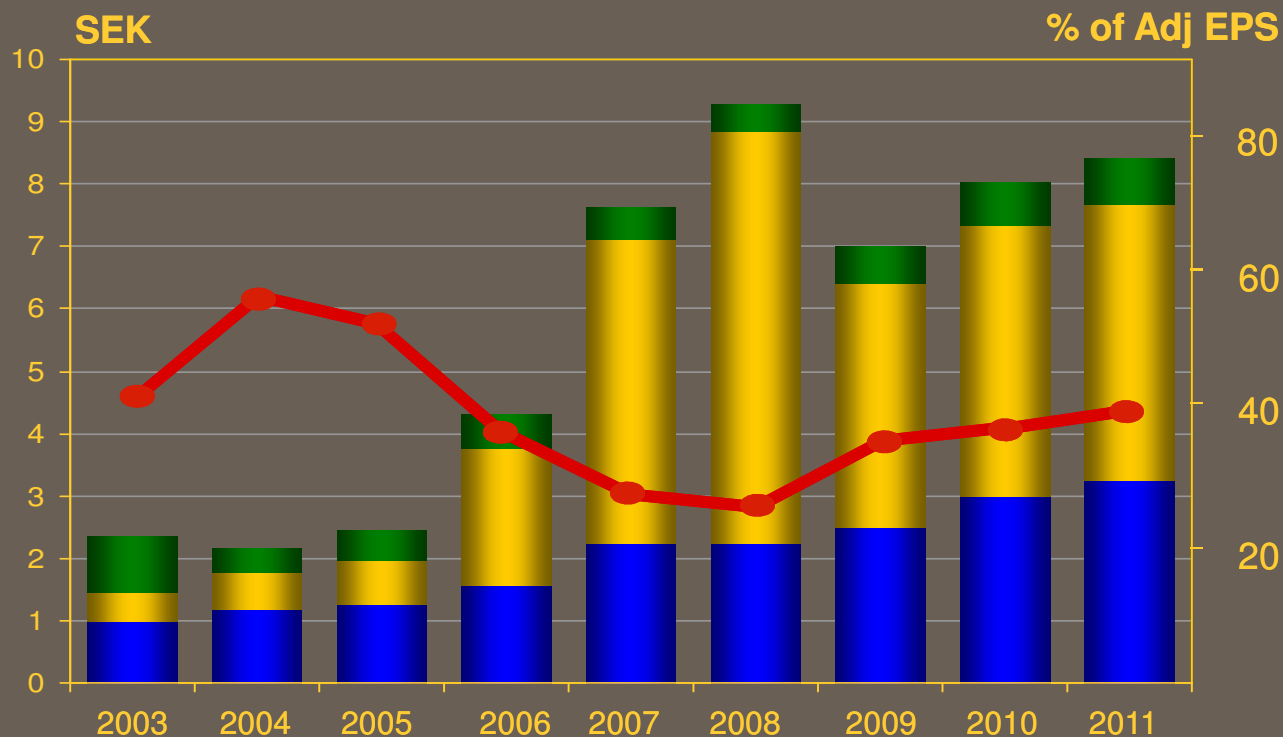
- Committed, not utilised SEK 3.6 Bn
- Utilised credits to > 70 % outside banking group
- Maturity of SEK 7.7 Bn  $\geq$  6 years

- Committed and utilised
- Committed, not utilised
- Not committed, utilised

# EPS and dividends

“The Board of Directors intends to regularly propose dividends that reflects the performance, the financial position, the funding arrangements and expected capital needs of the Alfa Laval Group.

Considering the cash generating capacity of the Group a dividend of 40 – 50 % of net income, adjusted for step-up depreciations, calculated over a business cycle is targeted”



Adjusted EPS, (excl step up)

EPS

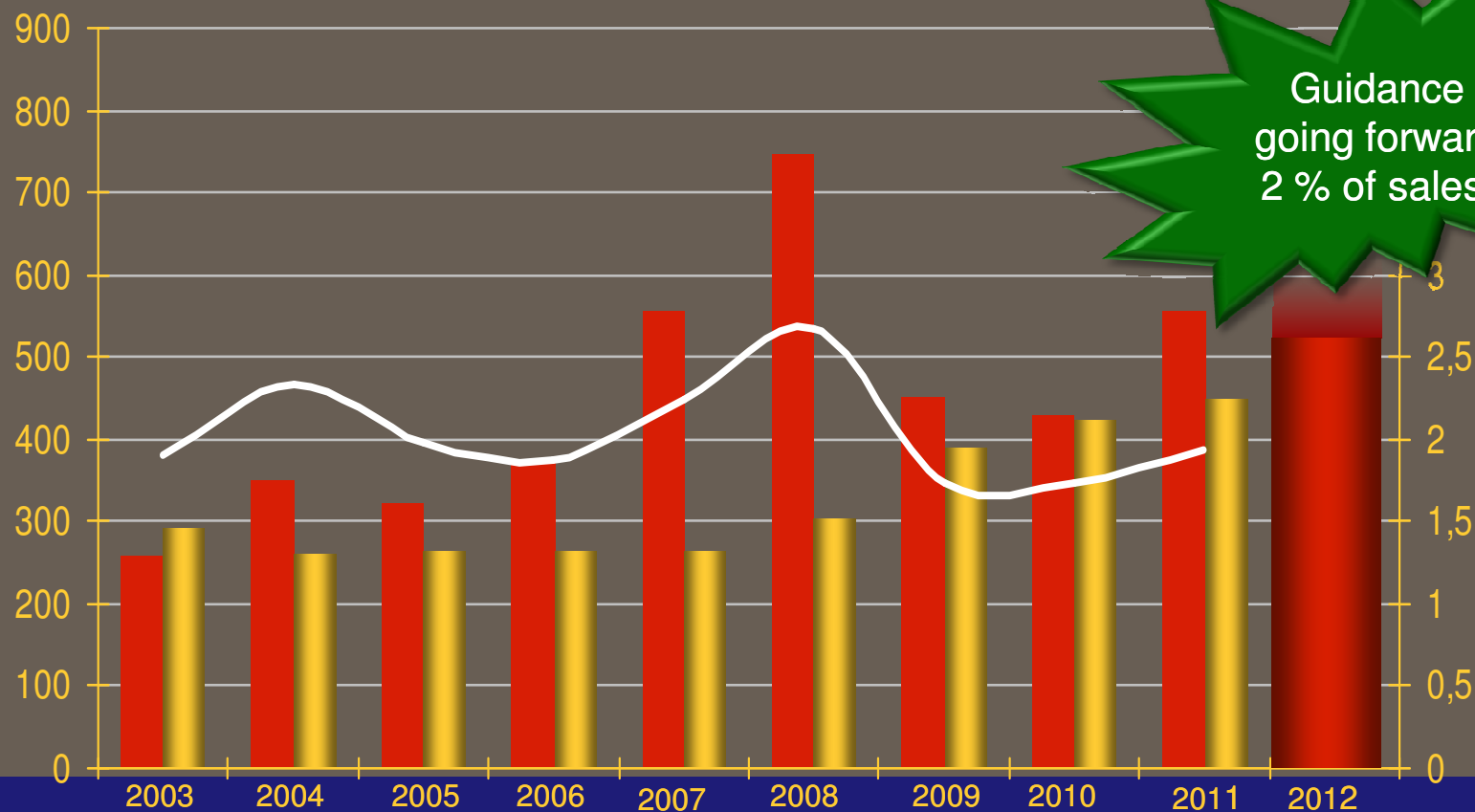
Dividend

Dividend as % of adjusted EPS

# Capital expenditure

SEK million

Percent of sales



Cap ex

Depr acc to plan (excl step-up)

Percent of sales

Guidance  
going forward  
2 % of sales!



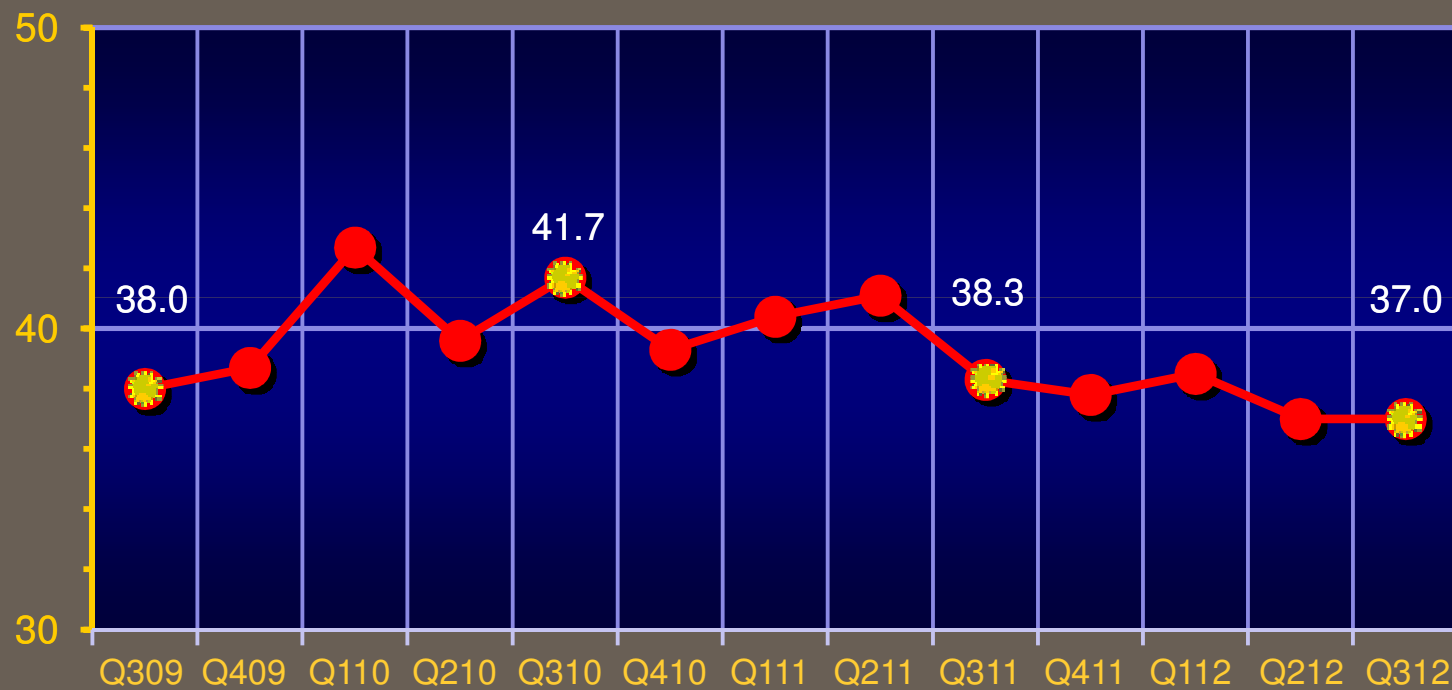
# Alfa Laval Group

## Orders received by Division – distribution Capital Equipment and P & S

(In SEK million)	LTM September 2012
Process Technology, capital equipment	74 %
Process Technology, parts & service	26 %
<b>PTD - orders received and as % of the Alfa Laval Group</b>	<b>13,503 / 45 %</b>
Equipment, capital equipment	84 %
Equipment, parts & service	16 %
<b>EQD – orders received and as % of the Alfa Laval Group</b>	<b>9,456 / 32 %</b>
Marine & Diesel, capital equipment	61 %
Marine & Diesel, parts & service	39 %
<b>M&amp;D - order received as % of the Alfa Laval Group</b>	<b>6,900 / 23 %</b>
<b>Alfa Laval Group:</b>	<b>29,843</b>

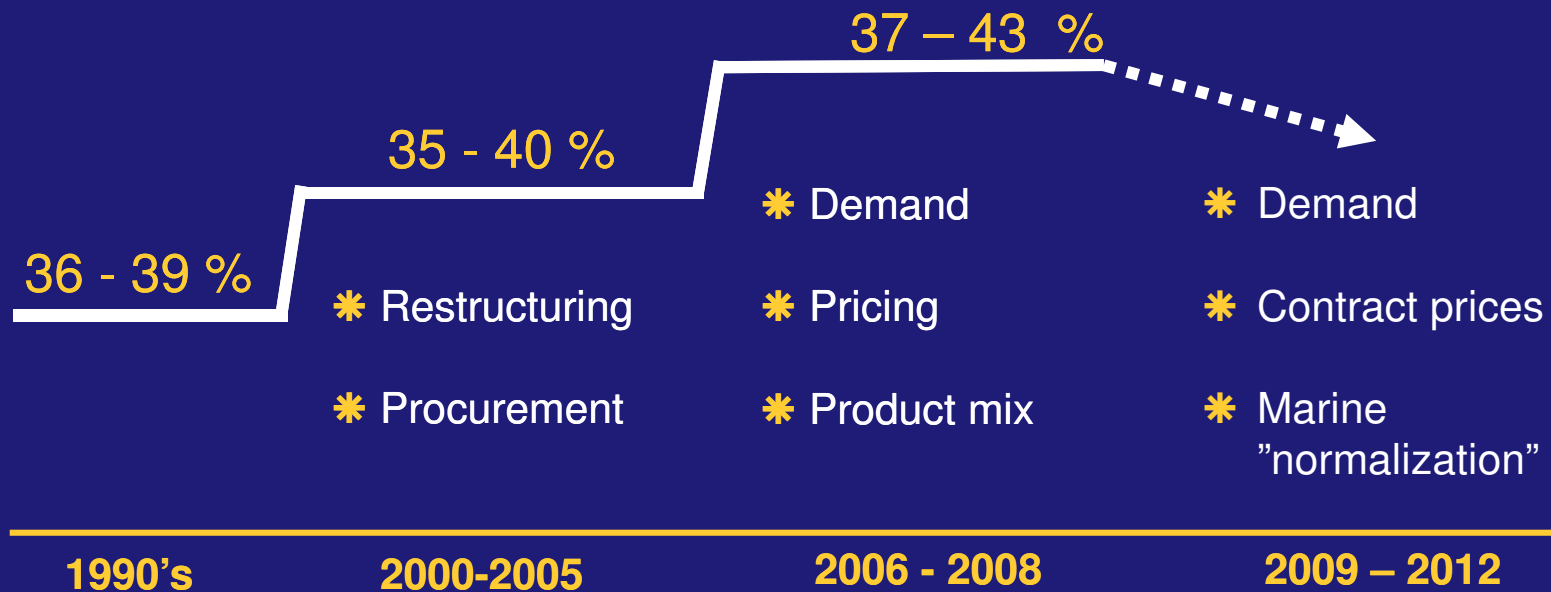
# Gross profit margin

In percent of sales



# Gross profit margin

Evolution over the last 20 years



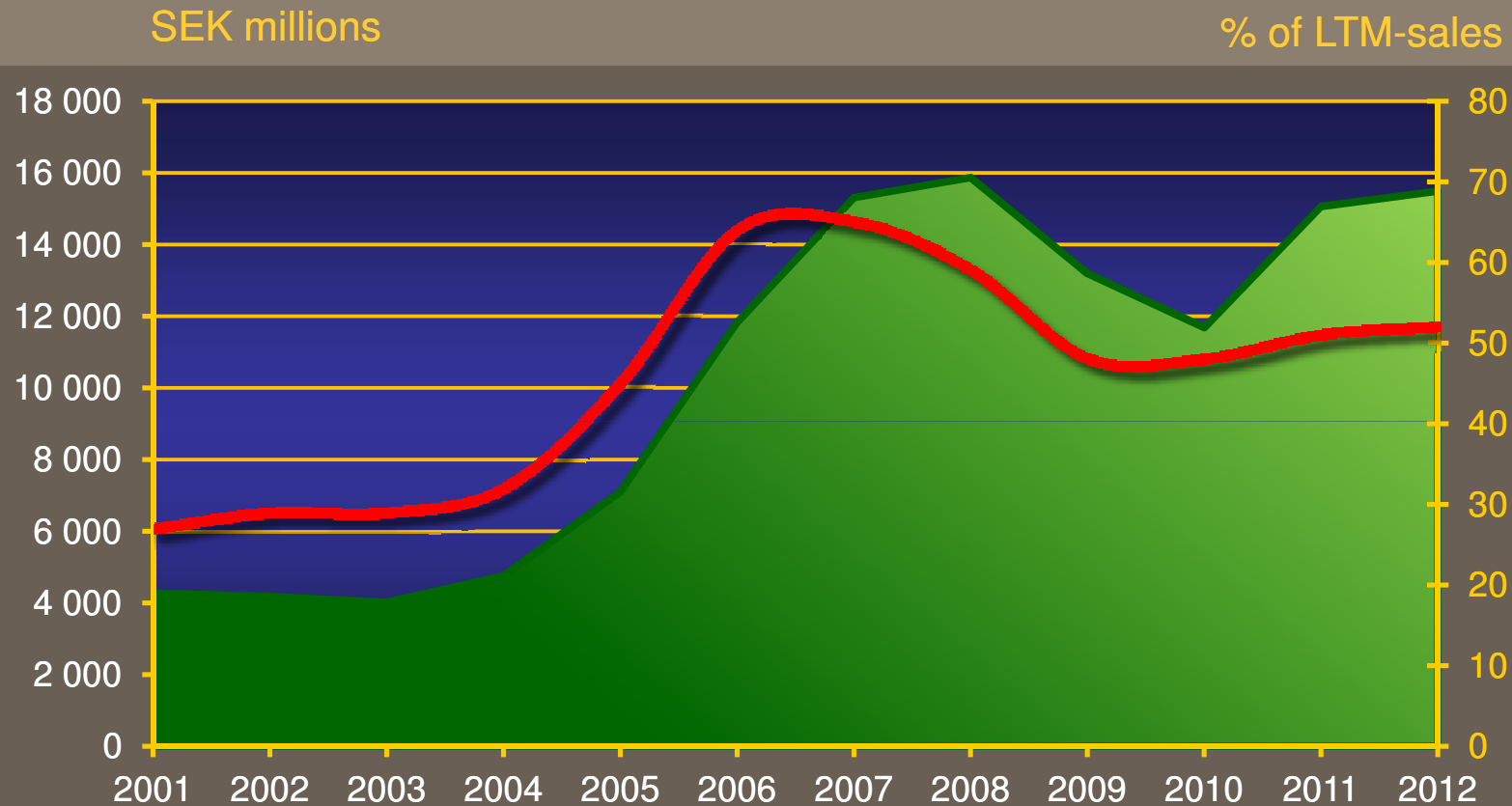


# Gross profit margin

Gross Margin Development 1991 – YTD 2012



# Order backlog development

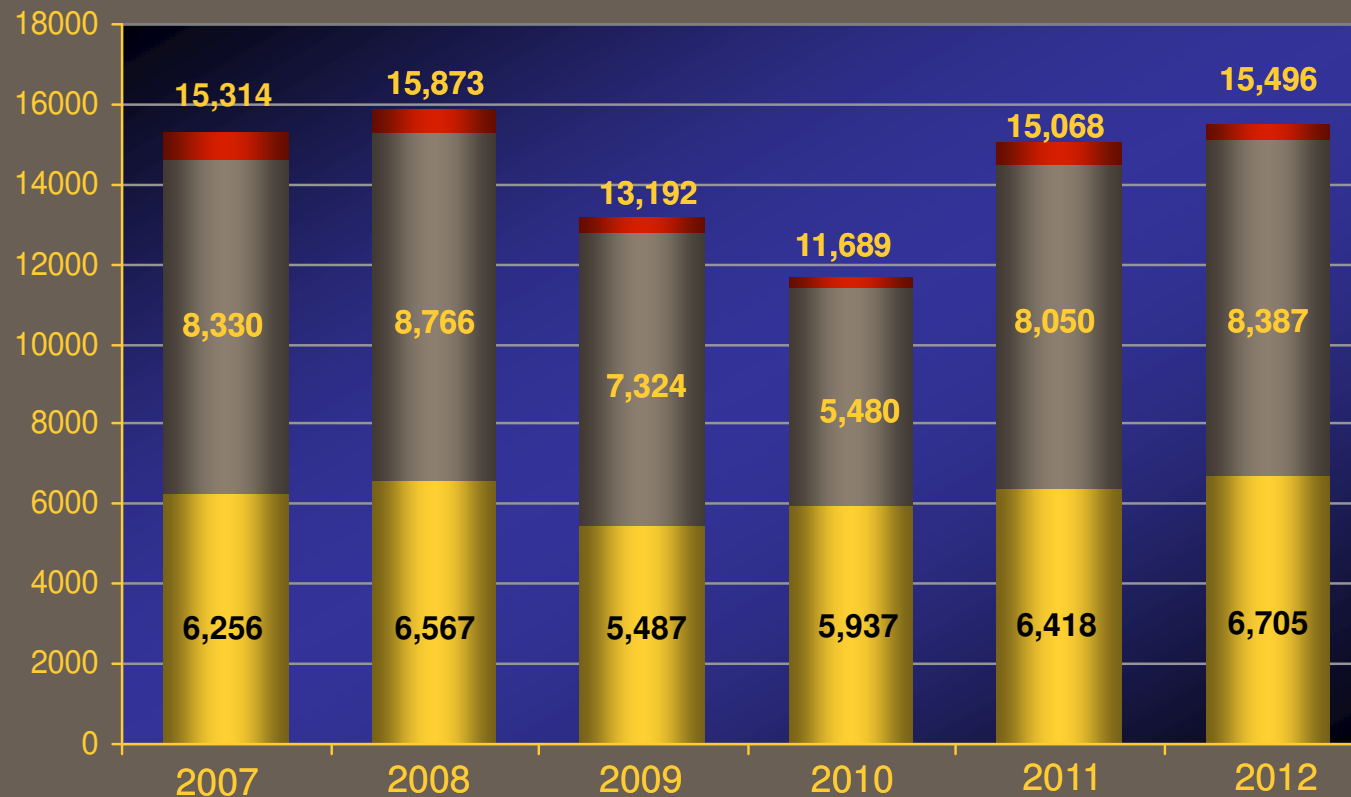


Order backlog

% of LTM (last twelve months) sales

# Order backlog as per Sept 30

SEK millions



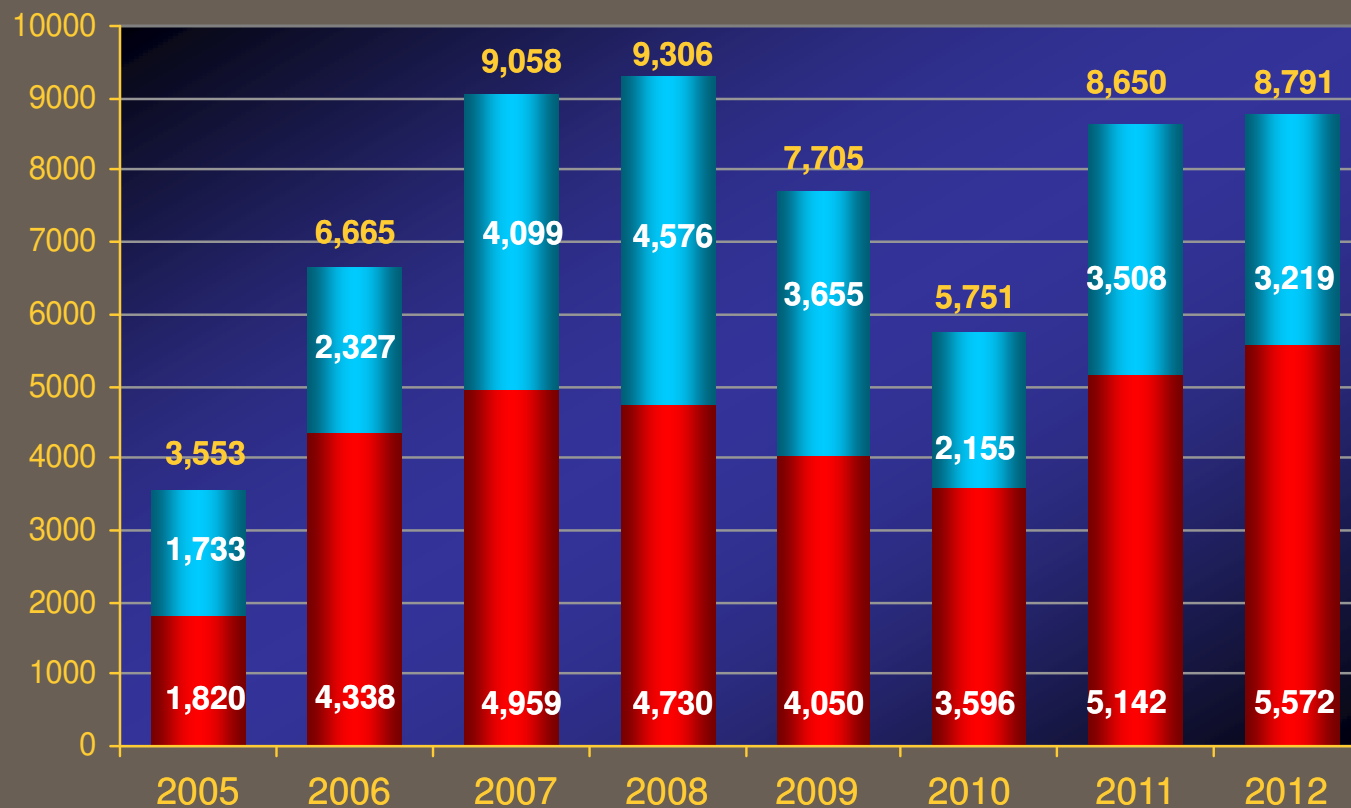
For next year,  
**SEK 8.4 Bn!**

- For delivery later than next year
- For delivery next year
- For delivery during the rest of current year

# Order backlog as per Sept 30

For delivery after December 31

SEK millions



Aalborg added SEK 2.0 Bn to Marine in 2011!

Marine & Diesel  
Other Segments

# Sales

2012 and 2013

	BnSEK	
LTM Q312		29.8
Change order backlog Q4, y-o-y	+	0.3
Fx. Translation	-	0.3
Acquisitions (in-for-out)	+	0.1
Demand Q412	-	0.1
Full year 2012	appr	29.8

# Sales

2012 and 2013

	BnSEK	
Full year 2012	appr	29.8
Change in order backlog y-o-y	+	0.3
Fx. Translation	-	0.3
Acquisitions to date	+	0.2
Subtotal:		30.0
Price	+ / -	?
Demand	+ / -	?
Further acquisitions	+	?
Full year 2013:		



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LFA