



ALFA  
ROMEO

The image features the Alfa Romeo logo in a stylized, white, blocky font on a dark blue background. The logo is composed of two lines of text: "ALFA" on top and "ROMEO" on the bottom. The letters are thick and have a slightly irregular, hand-drawn appearance. A thin white horizontal line runs through the middle of the logo, separating the two lines of text. The background is a solid dark blue.



# Interim Report Q3 2008

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström  
President and CEO  
Alfa Laval Group

# Key figures

## July – September 2008

- Orders received decreased 3.4% to SEK 6,784 million.
- Net sales rose 4.9% to SEK 6,632 million.
- Adjusted EBITA up 7.8% at SEK 1,444 million.  
*- Negative currency effect SEK 94 million.*

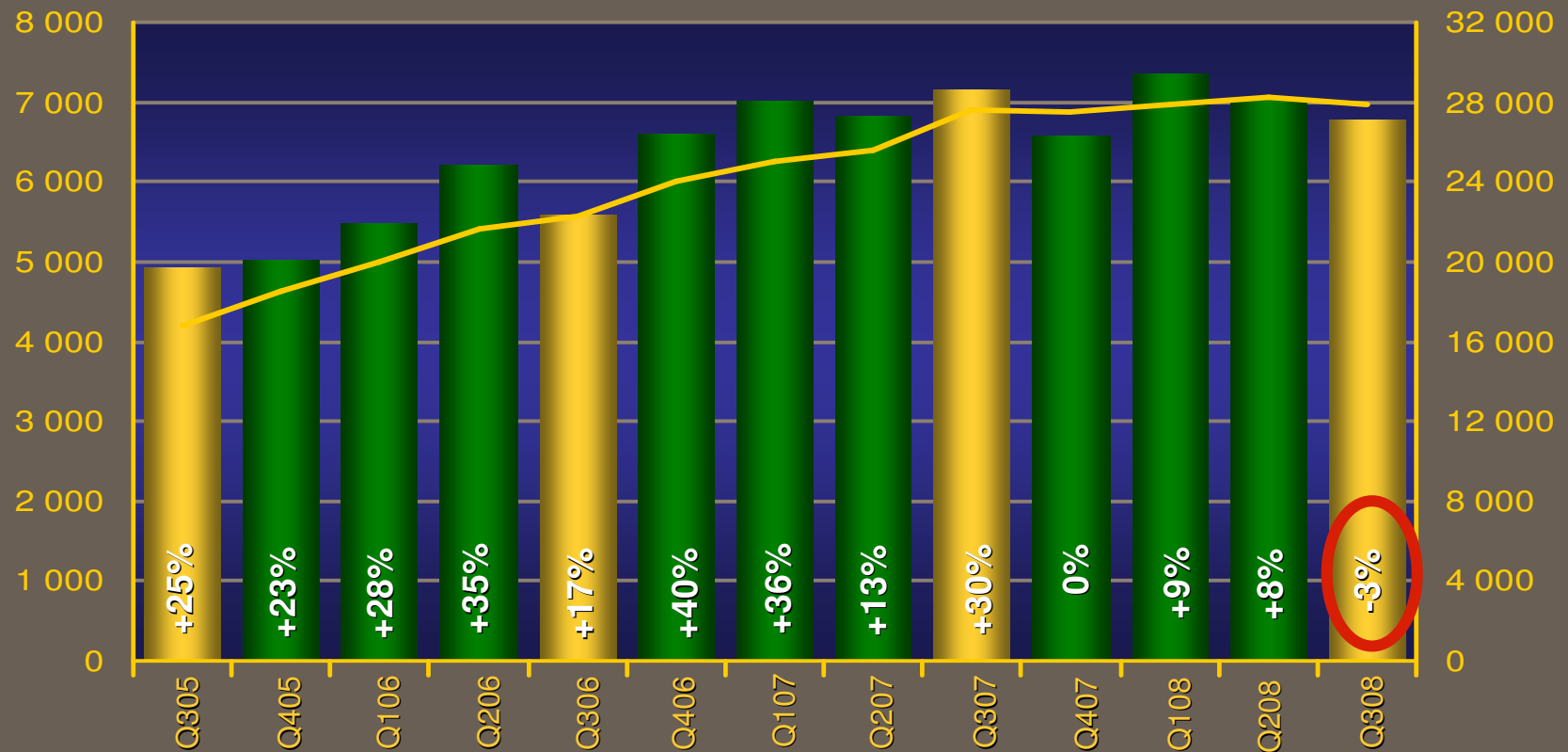
## January – September 2008



- Orders received up 4.3% at SEK 21,283 million.
- Net sales up 14.5% at SEK 19,754 million.
- Adjusted EBITA up 34% at SEK 4,439 million.  
*- Negative currency effect SEK 226 million.*

# Orders received

SEK million

SEK million R 12



 = rolling twelve months value  
 = order intake per quarter

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

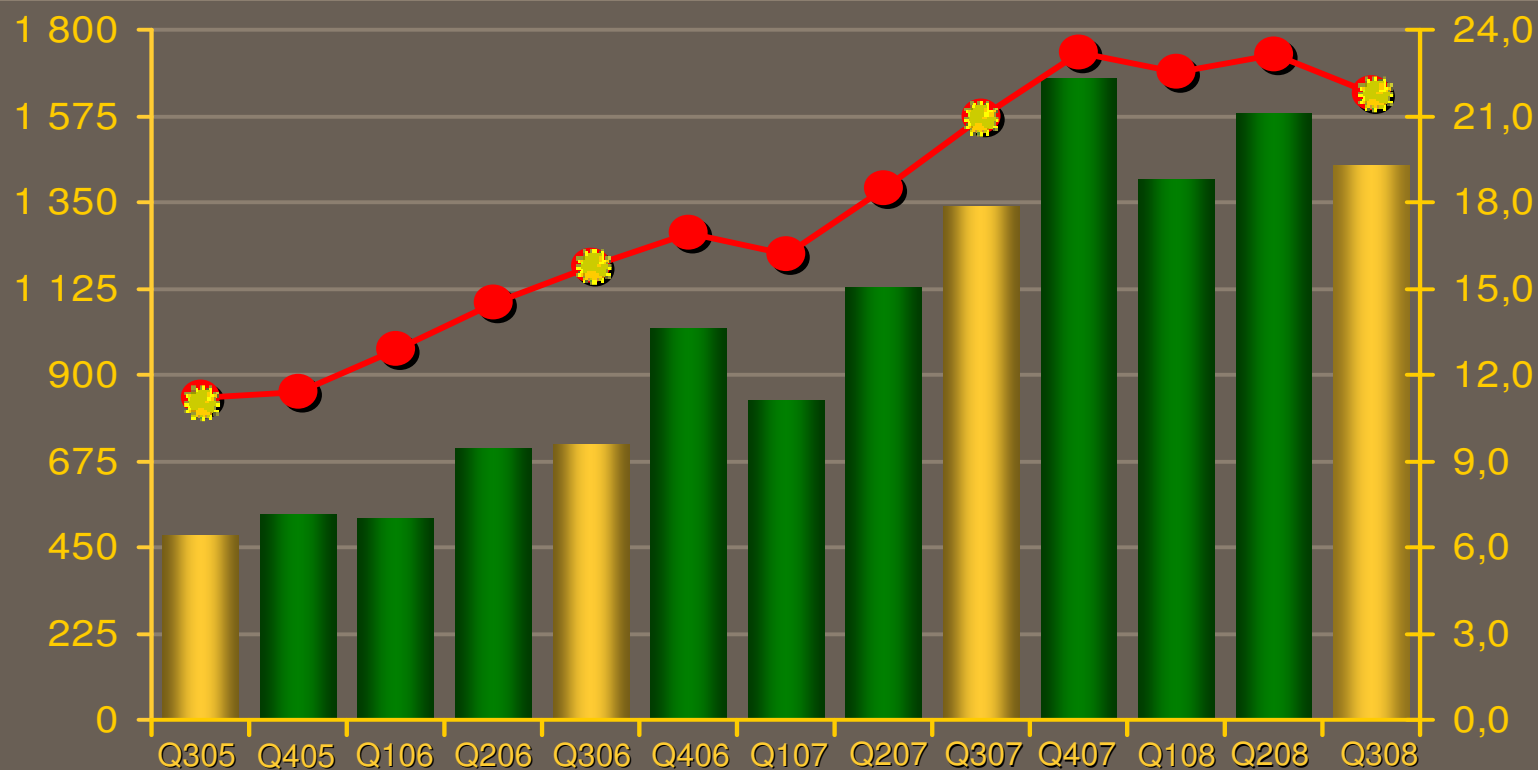
# Order analysis

July – September 2008

<b>2007</b> (SEK millions)	<b>7,150</b>
Structural change, %	+ 2.8
Currency effects,%	- 1.7
Organic development, %	- 6.2
Total, %	- 5.1
<b>2008</b> (SEK million)	<b>6,784</b>

# 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."



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# Highlights during the quarter

Large orders, total SEK 200 million (360)

✱ Power order in Russia.

Order value SEK 50 million. Delivery during 2009.



# Highlights during the quarter

Large orders, total SEK 200 million (360)

- \* Power order in Russia.
- \* Thermal evaporation systems order in India.  
Order value SEK 150 million. Delivery during 2009.

# Highlights during the quarter

## Acquisitions

- German company Pressko AG.

*Specialist company providing fully welded heat exchangers.*

*Estimated sales of about SEK 50 million in 2008.*

# Highlights during the quarter

## Acquisitions

- German company Pressko AG.
- U.S. company Hutchison Hayes Separation.

*Provider of separation equipment, parts and services mainly to the U.S. energy-related industries. Sales of about SEK 150 million in 2007.*



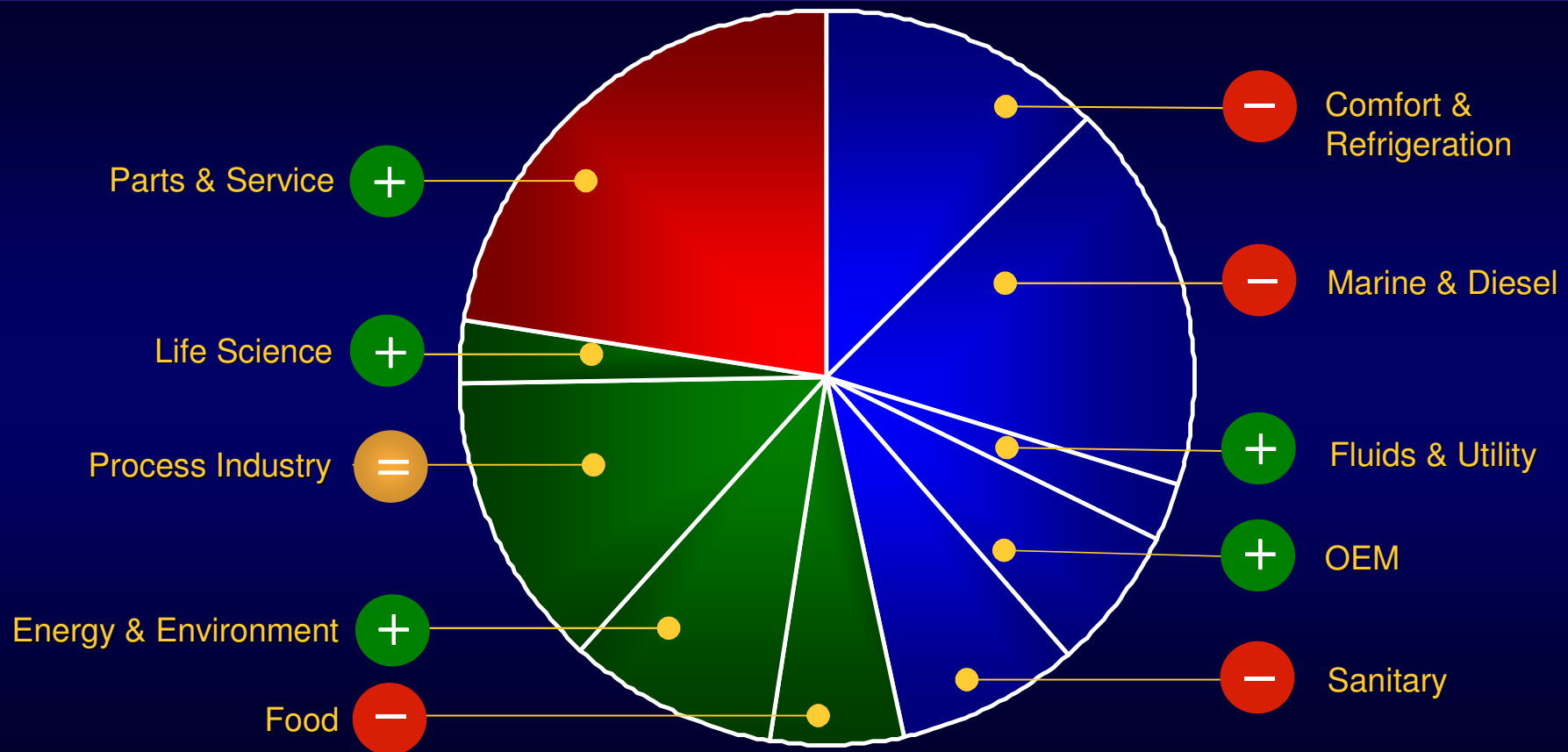
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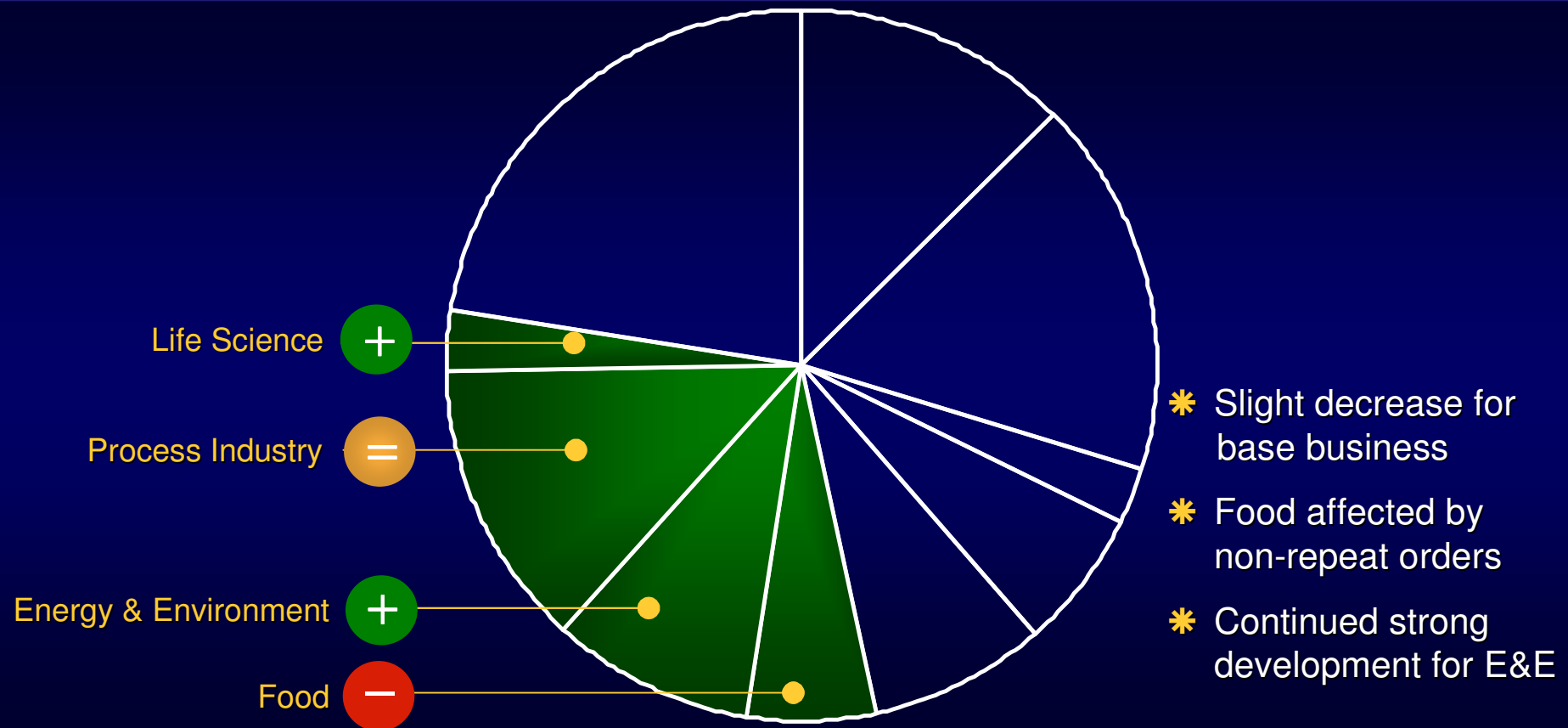
# Orders received by Segment

July – September 2008, at constant rates



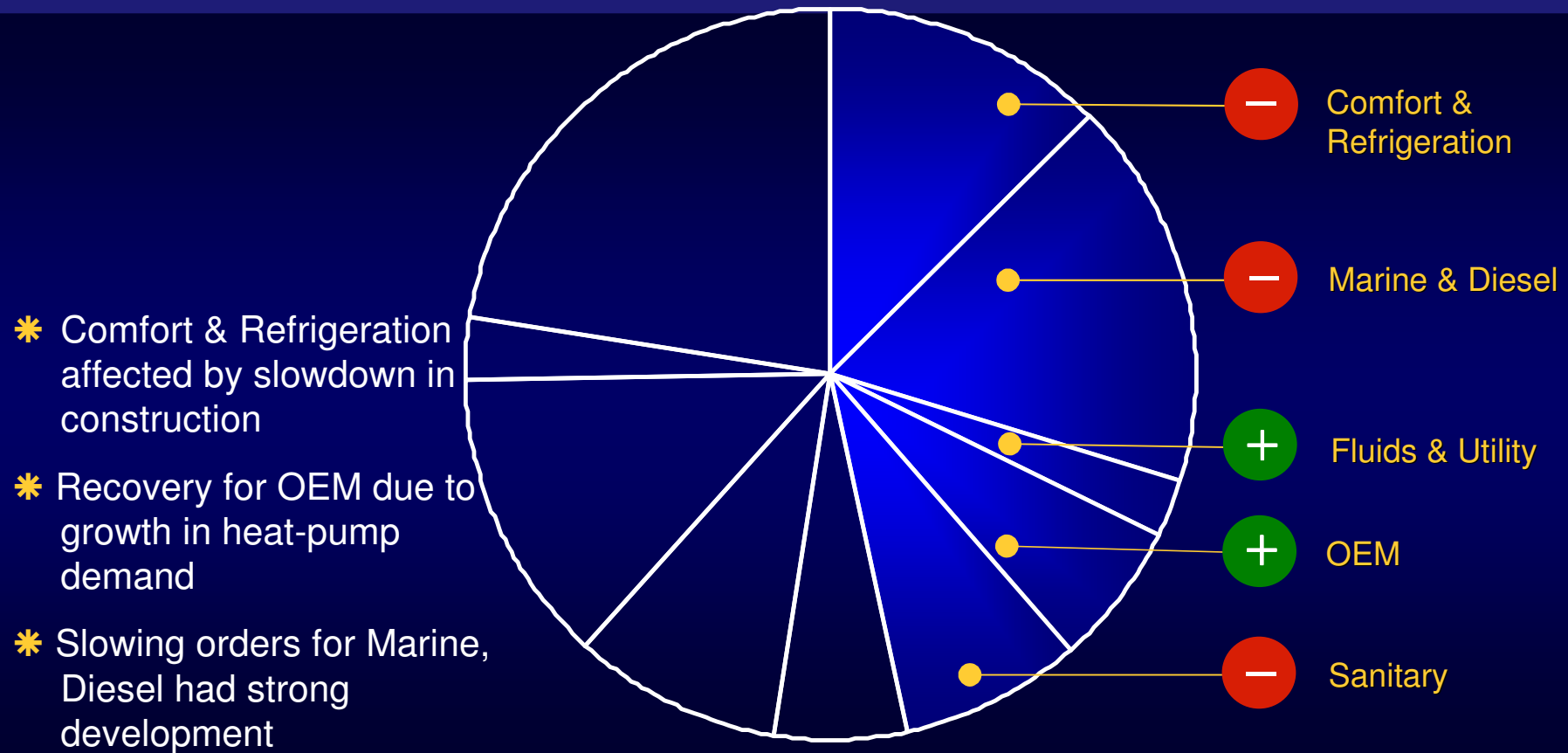
# Orders received by Segment

The Process Technology Division, July – September 2008, at constant rates



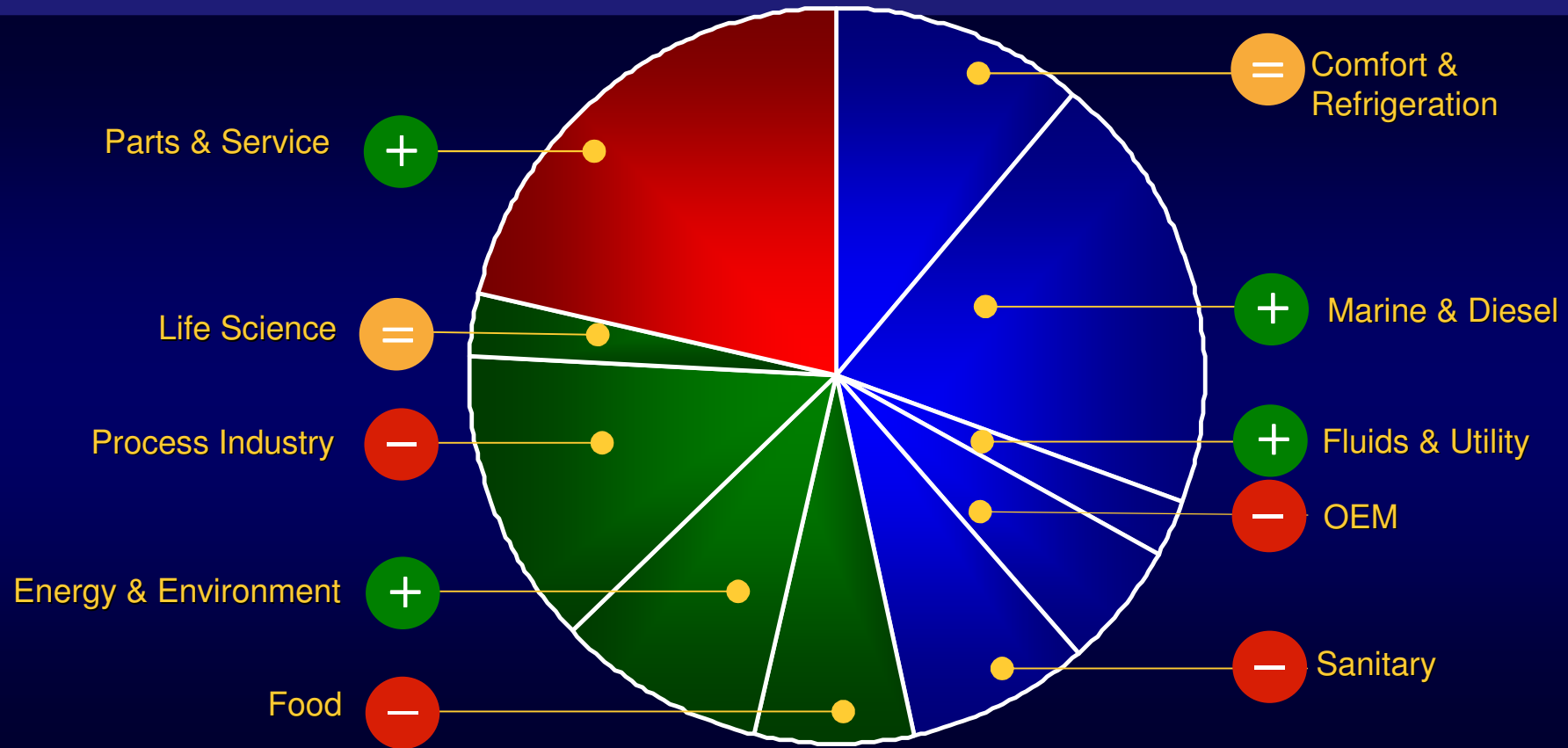
# Orders received by Segment

The Equipment Division, July – September 2008, at constant rates



# Orders received by Segment

January – September 2008, at constant rates







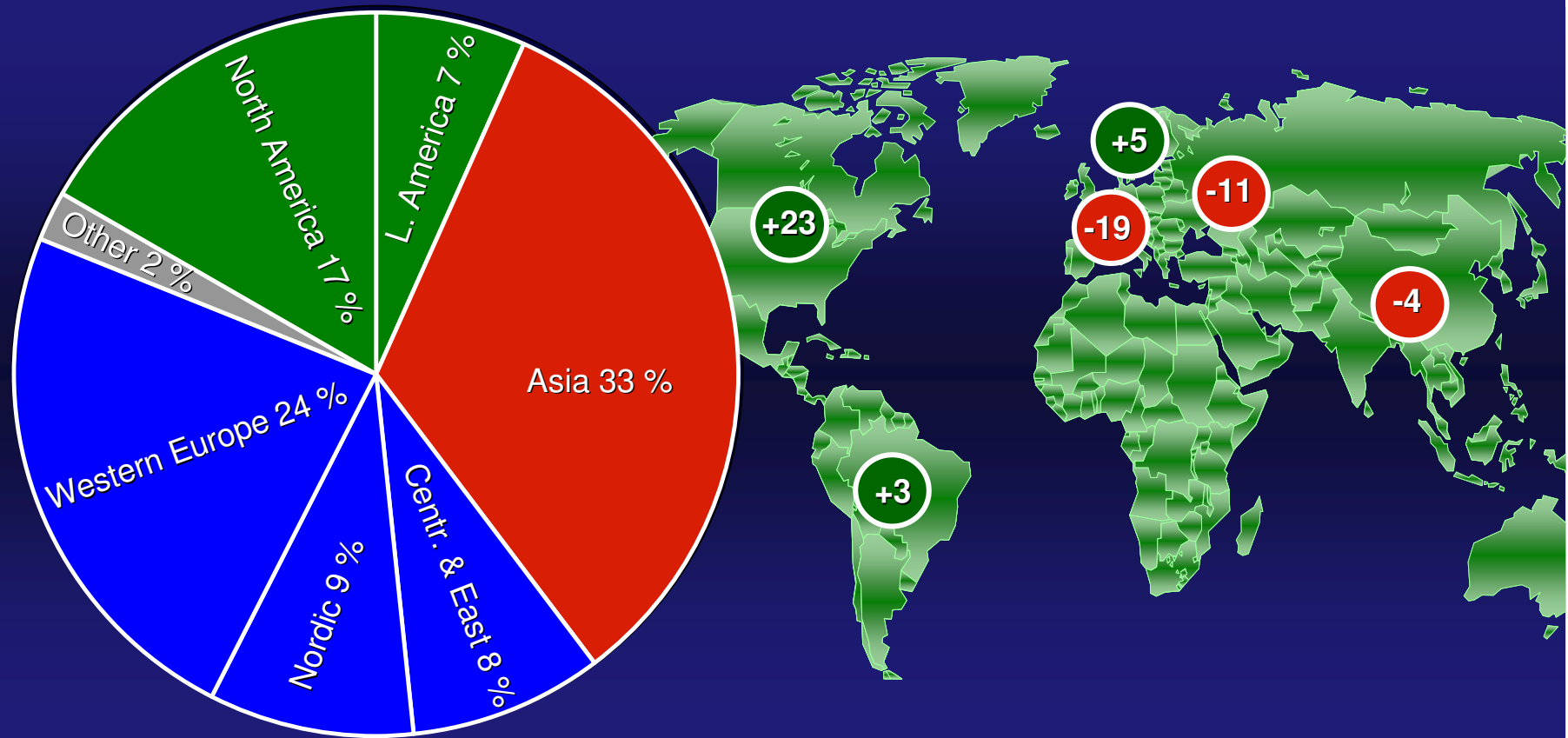
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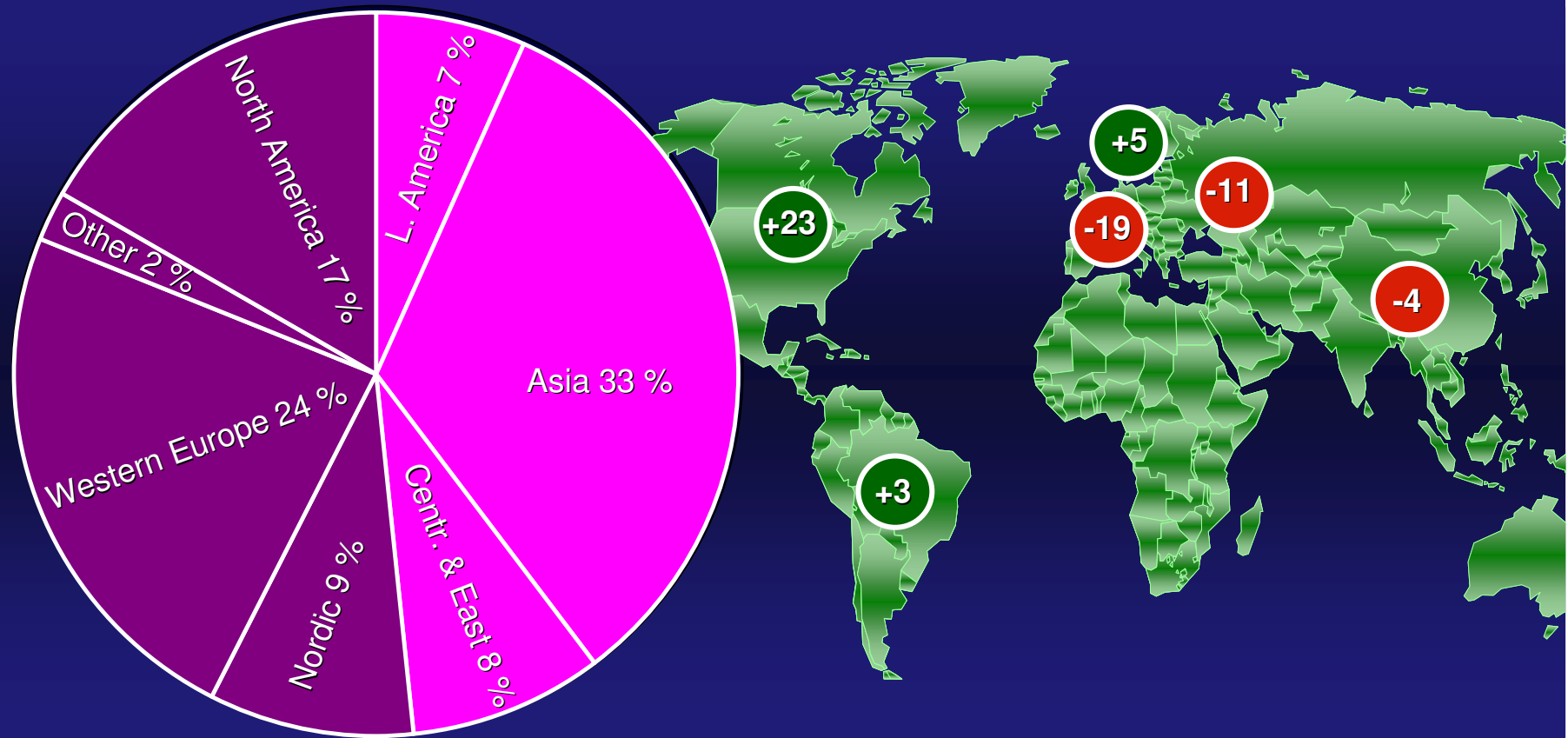
# Orders received by Region

July – September 2008, at constant rates



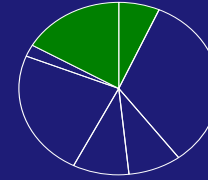
# Orders received by Region

July – September 2008, at constant rates



# Highlights Americas

July– September 2008, at constant rates

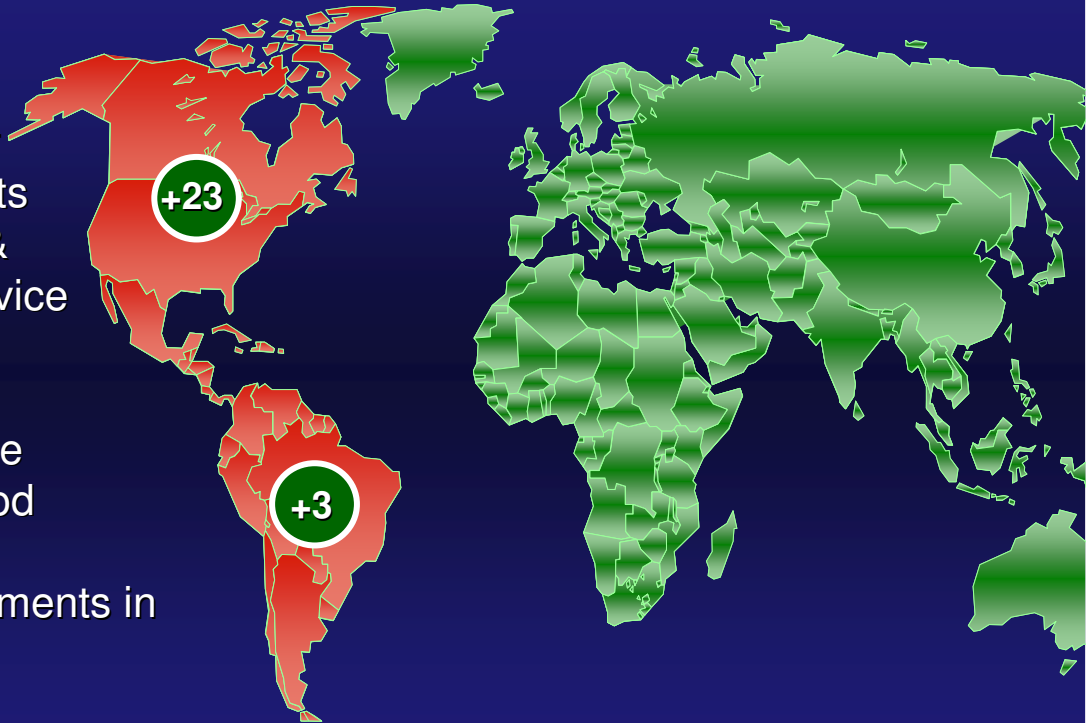


## North America

- \* Base orders up from last year
- \* Growth in majority of segments
- \* Best performance in Energy & Environment and Parts & Service

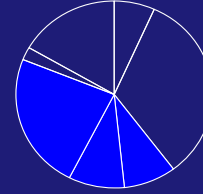
## Latin America

- \* Brazil boosted by growth in the ethanol industry as well as food industry investments
- \* Mexico benefitted from investments in oil and gas industry



# Highlights Europe

July – September 2008, at constant rates

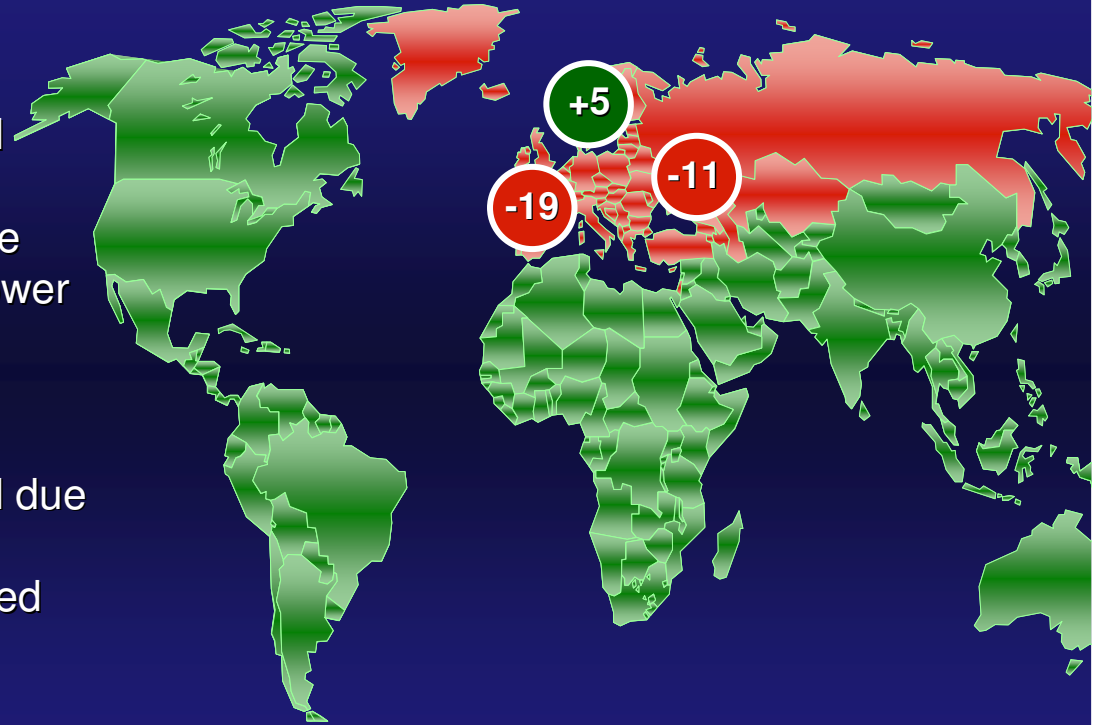


## Western Europe incl. Nordic

- \* Process Technology dropped due to fewer large orders
- \* Equipment division was stable
- \* Base business was slightly lower

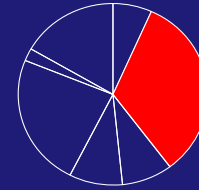
## Central and Eastern Europe

- \* Process Technology dropped due to fewer large orders
- \* Base business had a continued positive development



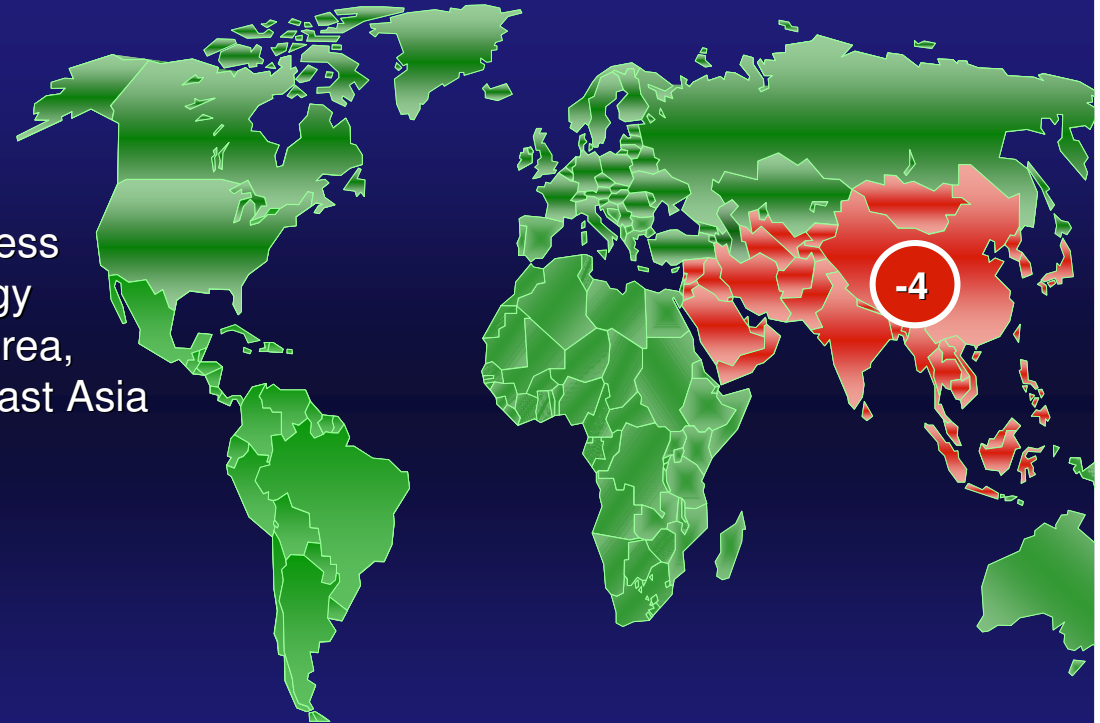
# Highlights Asia

July – September 2008, at constant rates



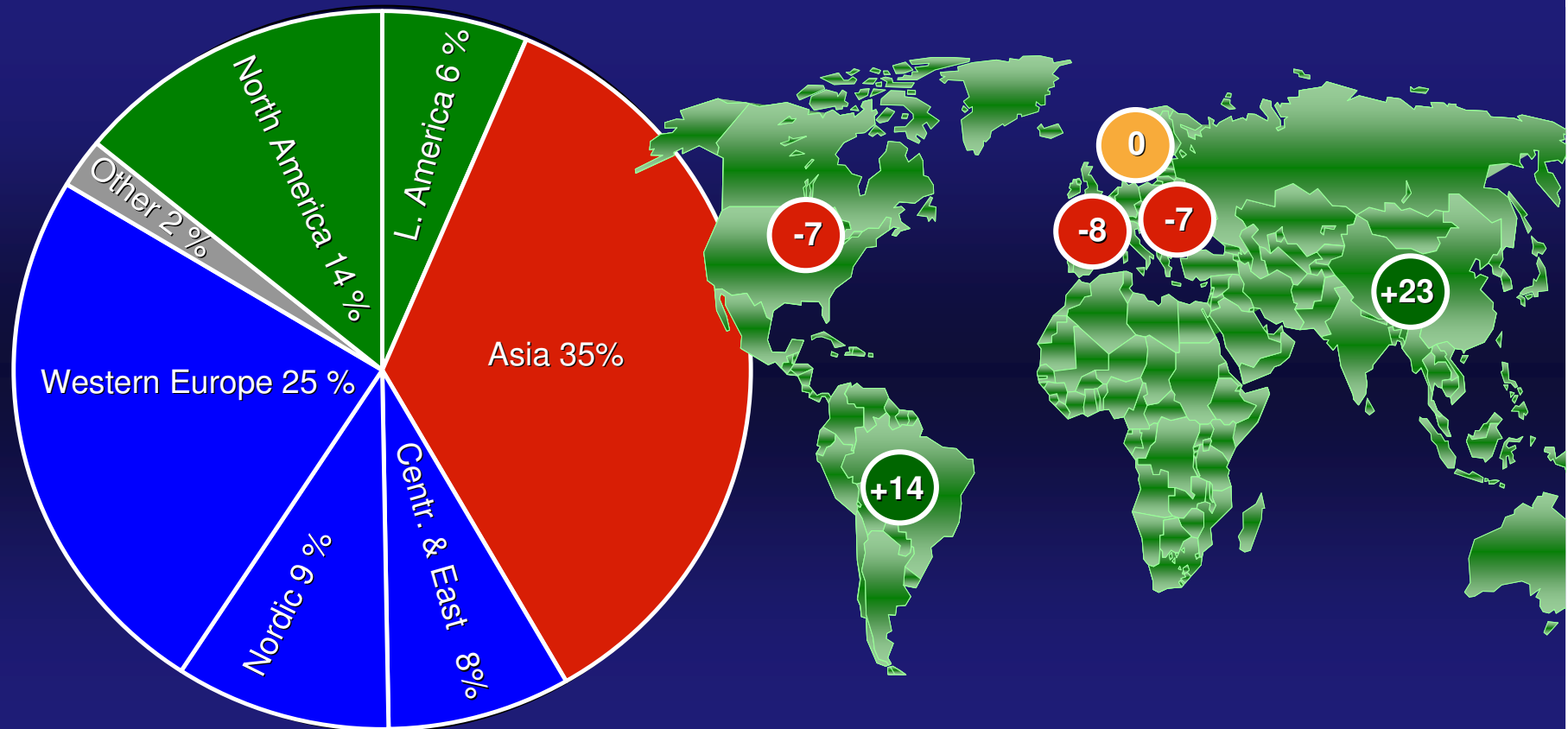
## Asia

- \* Decline due to slowing Marine market
- \* Strong development for Process Industry and Food Technology
- \* Best performance seen in Korea, the Middle East and South East Asia



# Orders received by Region

January – September 2008, at constant rates





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Mr. Thomas Thuresson  
CFO  
Alfa Laval Group



# Highlights

**SEK millions**

**July – September 2008**

Order intake

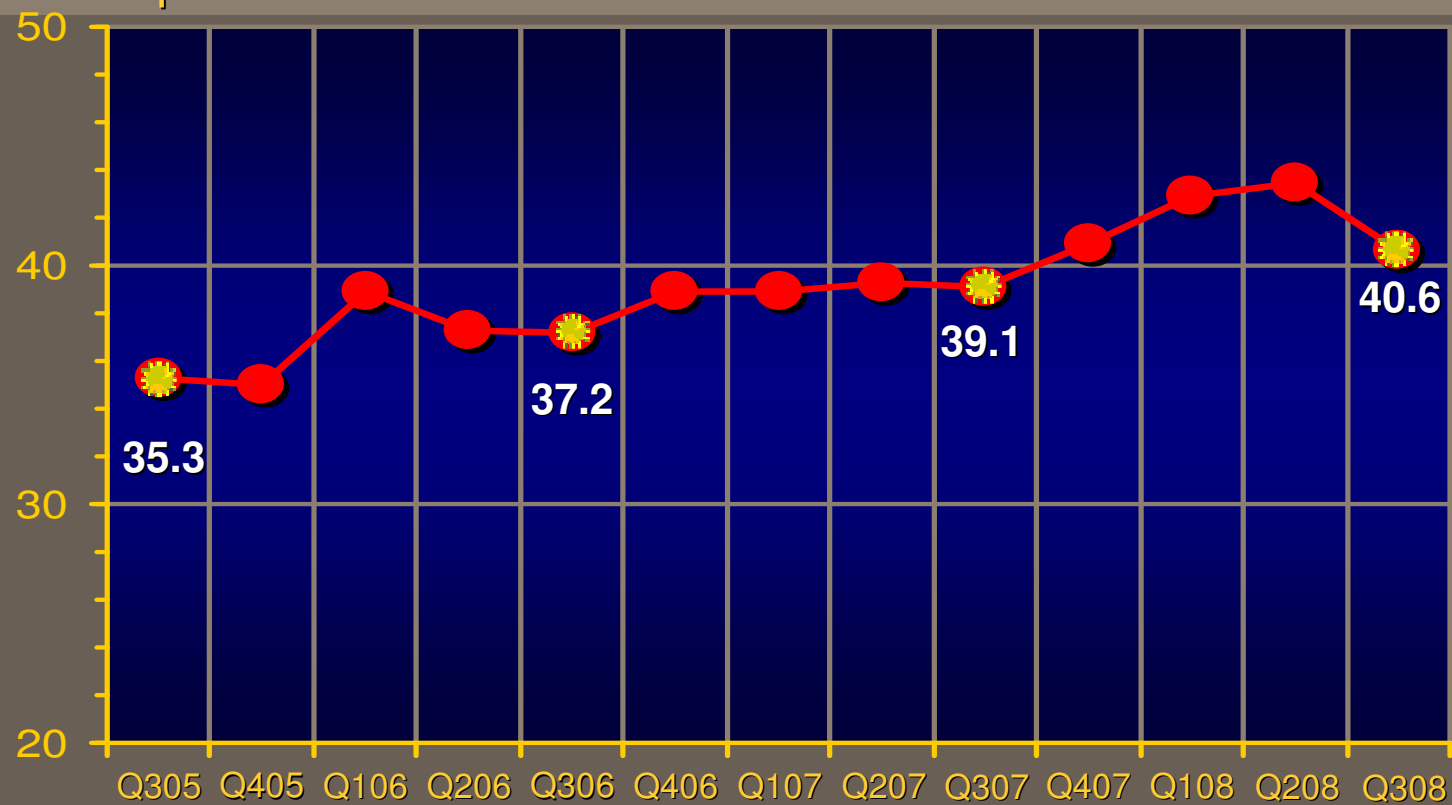
**6,784**

Net sales

**6,632**

# Gross profit margin

In percent of sales



# Highlights

**SEK millions**

**July - September 2008**

Order intake	6,784
Net sales	6,632
Adjusted EBITA	1,444
Adjusted EBITA-margin	21.8%
Profit before tax	1,418

# Earnings per share

	July - Sept		Jan - Sept	
	2008	2007	2008	2007
Earnings	2.32	2.08	6.79	4.72
Earnings, excluding step-up	2.43	2.21	7.11	5.10

# Group Funding

– Summary of credit facilities as per September 30, 2008

	Committed SEKm	Utilised SEKm	Maturity Year
<b>Senior Facility</b>			
- “Revolver” USD 348 million	4,981	1,775	2012
- “Revolver” EUR 168 million			
- “Bullet” EUR 100 million			
US Private Placement USD 110 million	748	748	2016
SHB bi-lateral loan EUR 25	244	244	2014
<b>Sub total:</b>	<b>5,973</b>	<b>2,767</b>	
<b>Local facilities</b>	-	559	
<b>Total:</b>	<b>5,973</b>	<b>3,326</b>	
<b>Cash and deposits</b>	-	<b>+ 1,156</b>	

In addition, uncommitted facilities are available to an amount of approx. SEK 1.2 Bn

# Share repurchases

Sept 30

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## Mandate from AGM 2007

Number of repurchased shares Jan 1 - March 31*	1 452 400
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Percentage of outstanding shares	0.3
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## Mandate from AGM 2008

Number of repurchased shares April 1 – Sept 30	2 658 900
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Percentage of outstanding shares	0.6
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Total amount spent on shares held, SEK 364 million

\* Remaining after cancellation.

# Highlights

SEK millions

July – September 2008

Order intake	6,784
Net sales	6,632
Adjusted EBITA	1,444
Adjusted EBITA-margin	21.8%
Profit before tax	1,418
Cash flow from operating activities	1,256
ROCE	58.2%
ROE	48.8%

# Cash-flow statement

SEK millions	Jan – Sept 2008	Jan - Sept 2007
Cash flows from		
- operating activities	3,185	2,014
- investing activities	- 1,174	- 947
Financial net paid	- 192	-166
Total	1,819	901

Pro Forma Free-cash-flow*	2,539	1,607
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*\*Incl. operating activities, capital expenditure (excl. product rights), provisions and financial net paid.*



# Foreign exchange

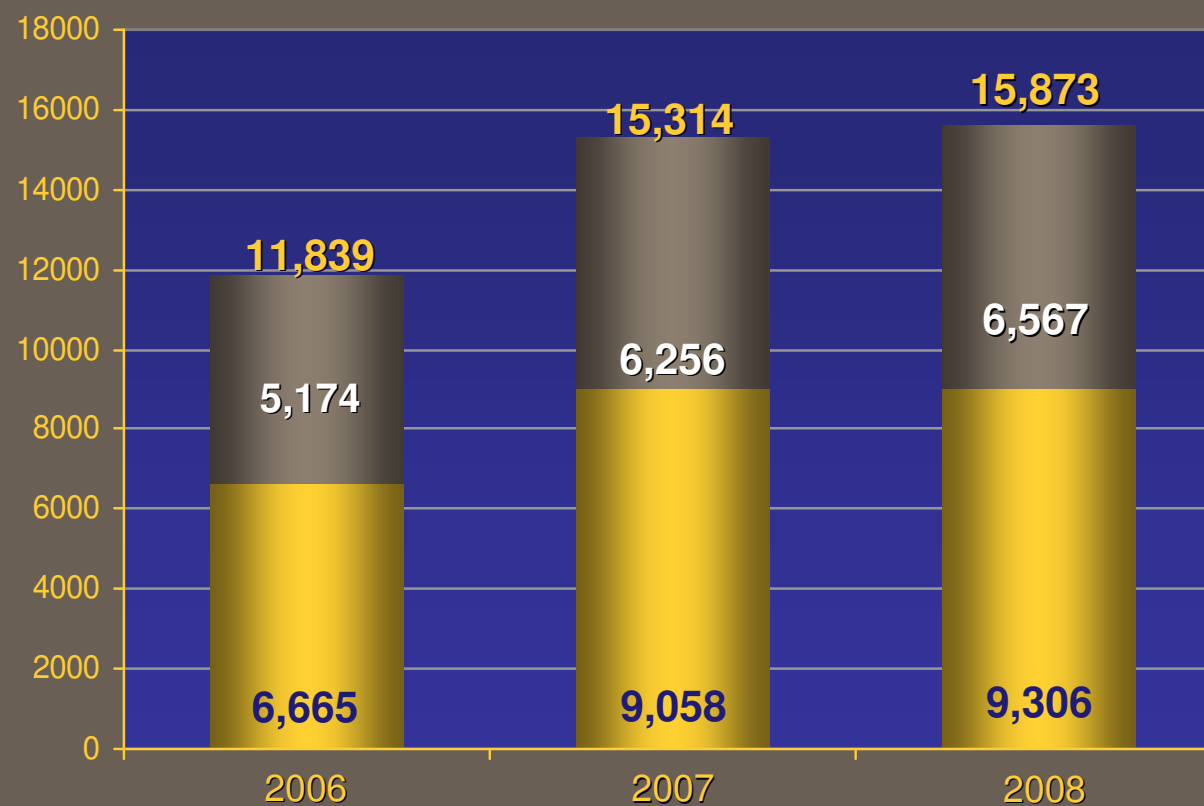
## Estimated impact on adjusted EBITA from Fx. fluctuations

SEK million	Q3 08	9M 08	WY 08*	WY 09*
Translation effect	- 29	- 109	- 120	-
Transaction effect	- 65	- 117	- 180	- 100
Total	- 94	- 226	- 300	- 100

*\*Based on EUR/USD 1.40 and EUR/SEK 9.50*

# Order backlog as per Sept 30

SEK millions



For delivery during rest of current year  
For delivery next year or later

# Capital Markets Day, Nov. 18

- \* Hilton Hotel Copenhagen Airport, Denmark
- \* 10:30 a.m. - 4:30 p.m. CET
- \* Business update
- \* Structural growth presentations



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# Outlook for the fourth quarter

“We expect demand during the fourth quarter to be in line with, or somewhat lower, compared to the same period 2007”

ALFA  
LAW