



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.



# Report for Q2 2009

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

Mr. Lars Renström  
President and CEO  
Alfa Laval Group

# Key figures

## April – June 2009

- Orders received dropped 37.3% to SEK 5,188 million.
- Net sales down 15.1% at SEK 6,746 million.
- Adjusted EBITA down 25.9% at SEK 1,175 million.
  - *Positive currency effect SEK 74 million.*

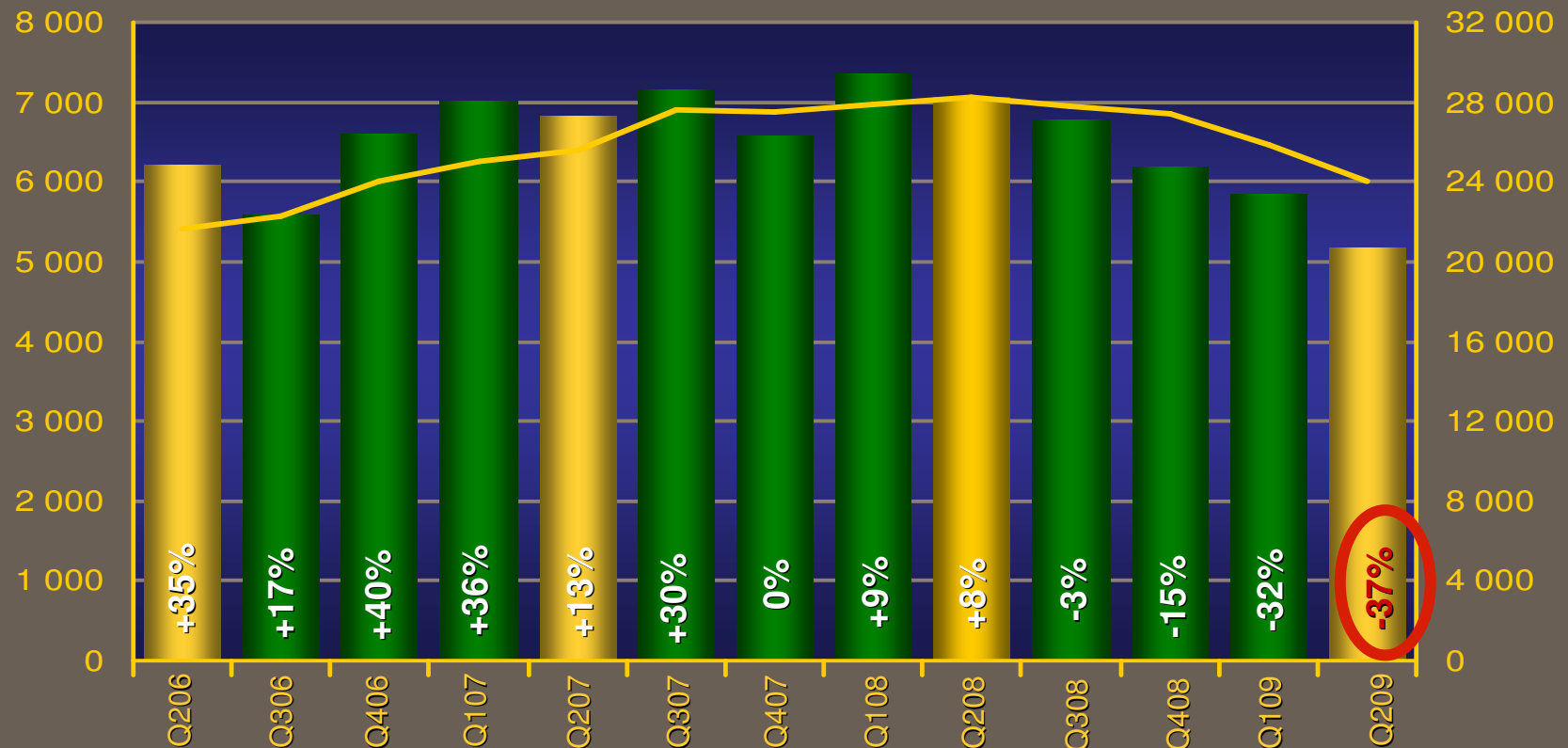
## January – June 2009




- Orders received dropped 34.4% to SEK 11,041 million.
- Net sales down 10.3% at SEK 13,669 million.
- Adjusted EBITA down 18.9% at SEK 2,430 million.
  - *Positive currency effect SEK 198 million.*

# Orders received

SEK million

SEK million R 12



 = rolling twelve months value  
  = order intake per quarter

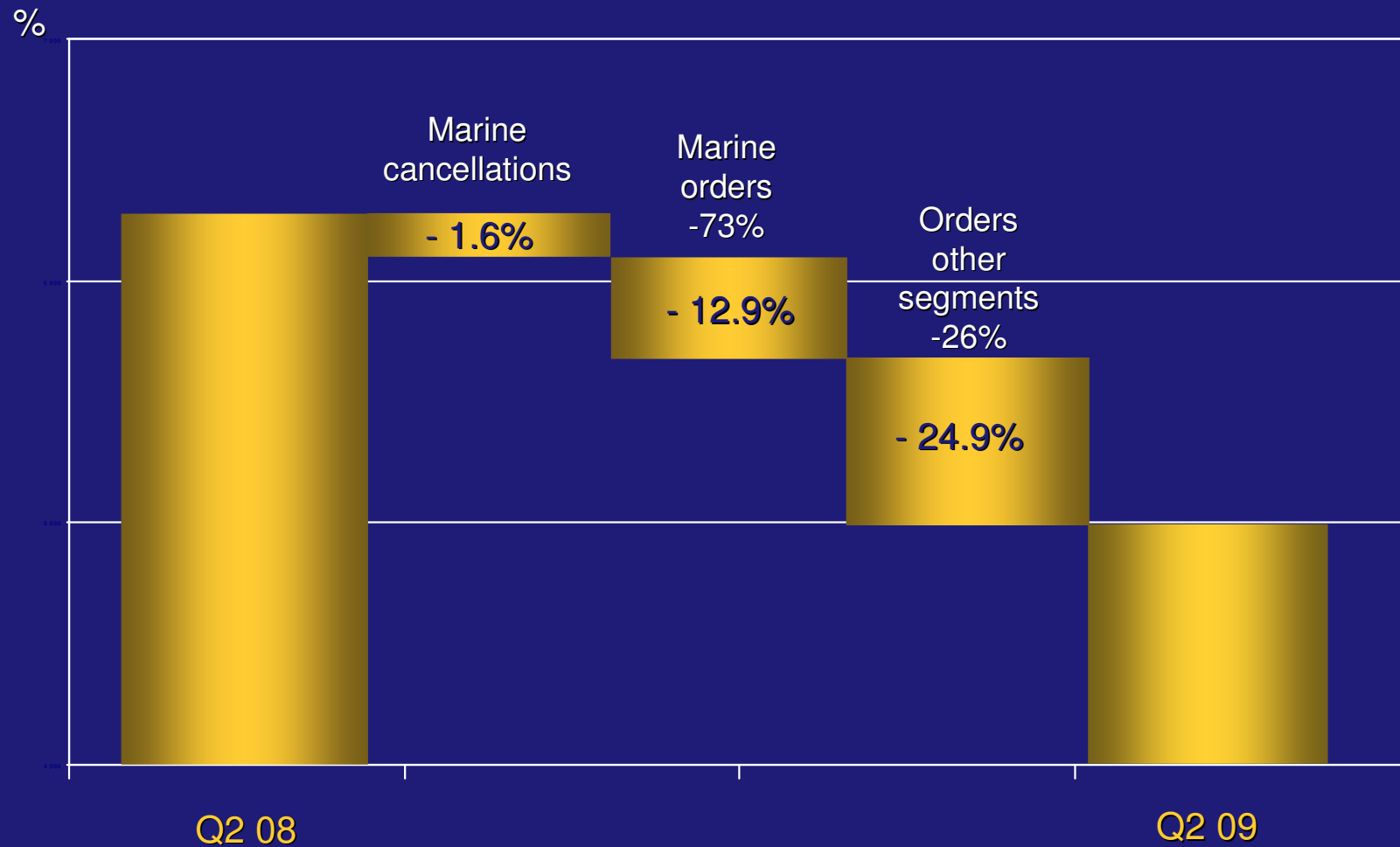
+xx% = % development at constant rates by quarter, year on year

# Order analysis

April – June 2009

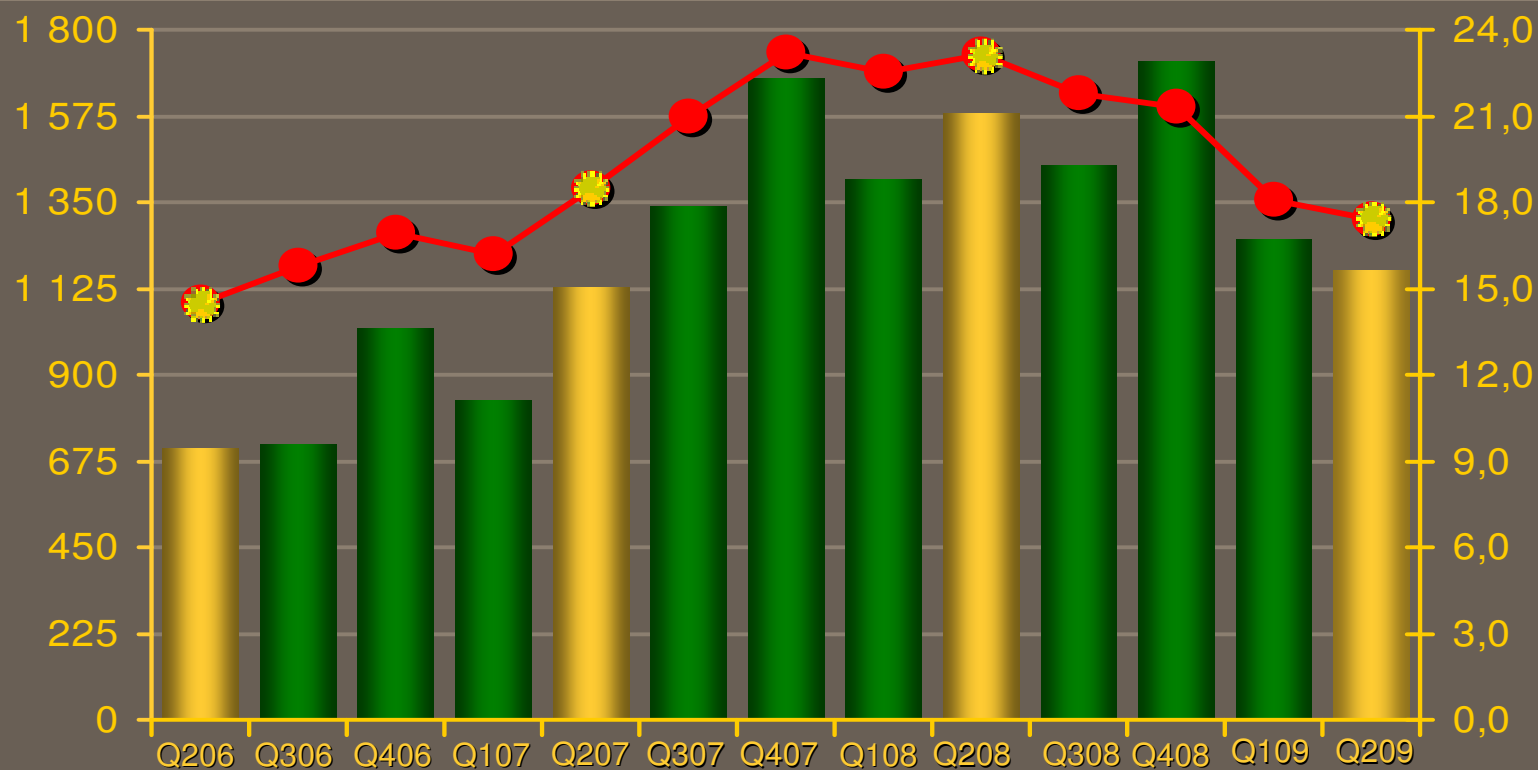
<b>2008</b> (SEK millions)	<b>7,066</b>
Structural change, %	+ 2.1
Currency effects, %	+10.7
Organic development, %	-39.4
Total, %	- 26.6
<b>2009</b> (SEK million)	<b>5,188</b>

# Organic development



# 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."



# Interim Report Q2 2009

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# Highlights during the quarter

Large orders, total SEK 105 million (210)

✱ Order for enzyme production in the U.S.

Order value SEK 50 million. Delivery in 2010.

# Highlights during the quarter

Large orders, total SEK 105 million (210)

\* Order for enzyme production in the U.S.

\* Refinery orders from Petrobras in Brazil

Value SEK 55 million. Delivery in 2011.



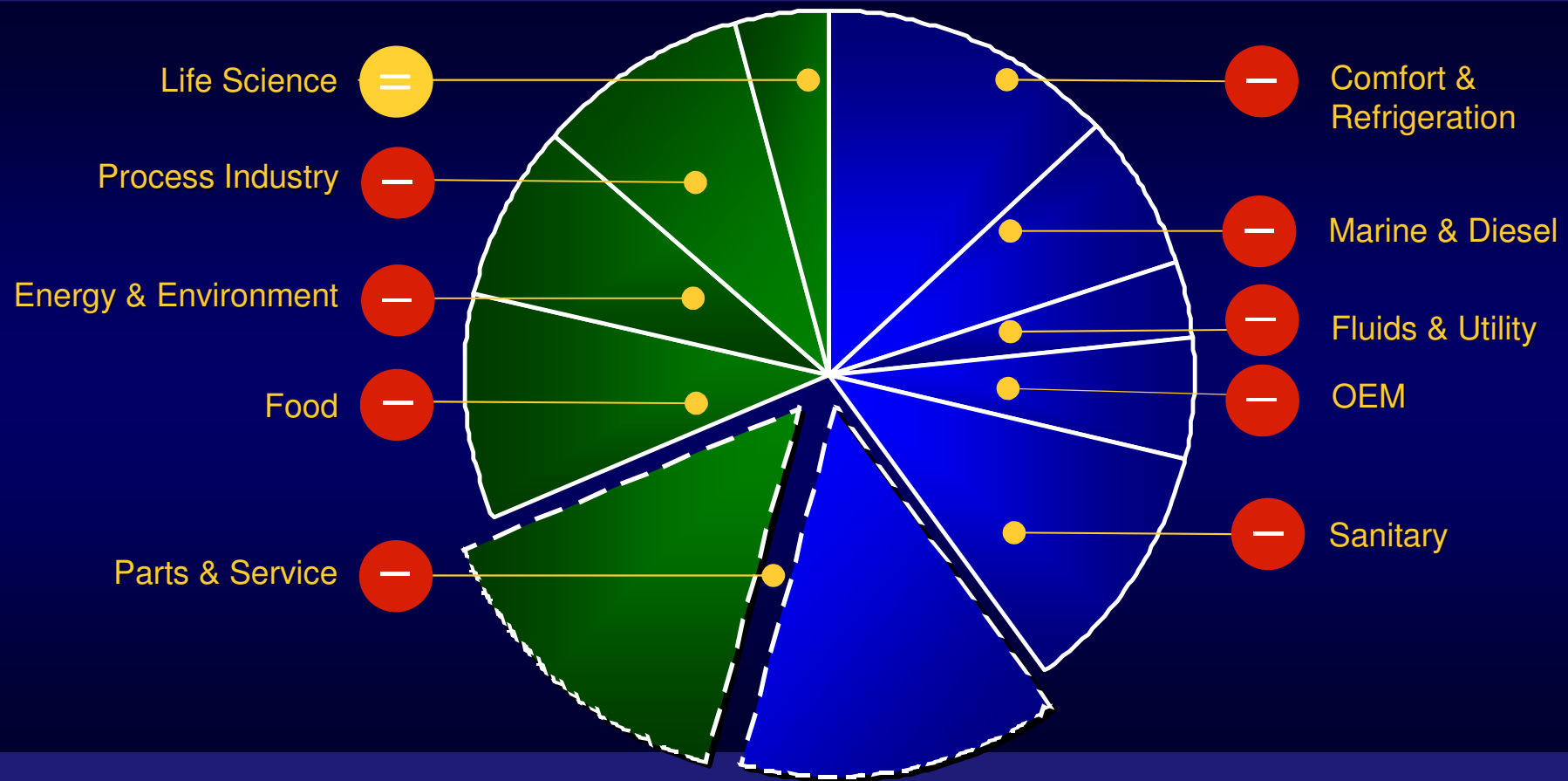
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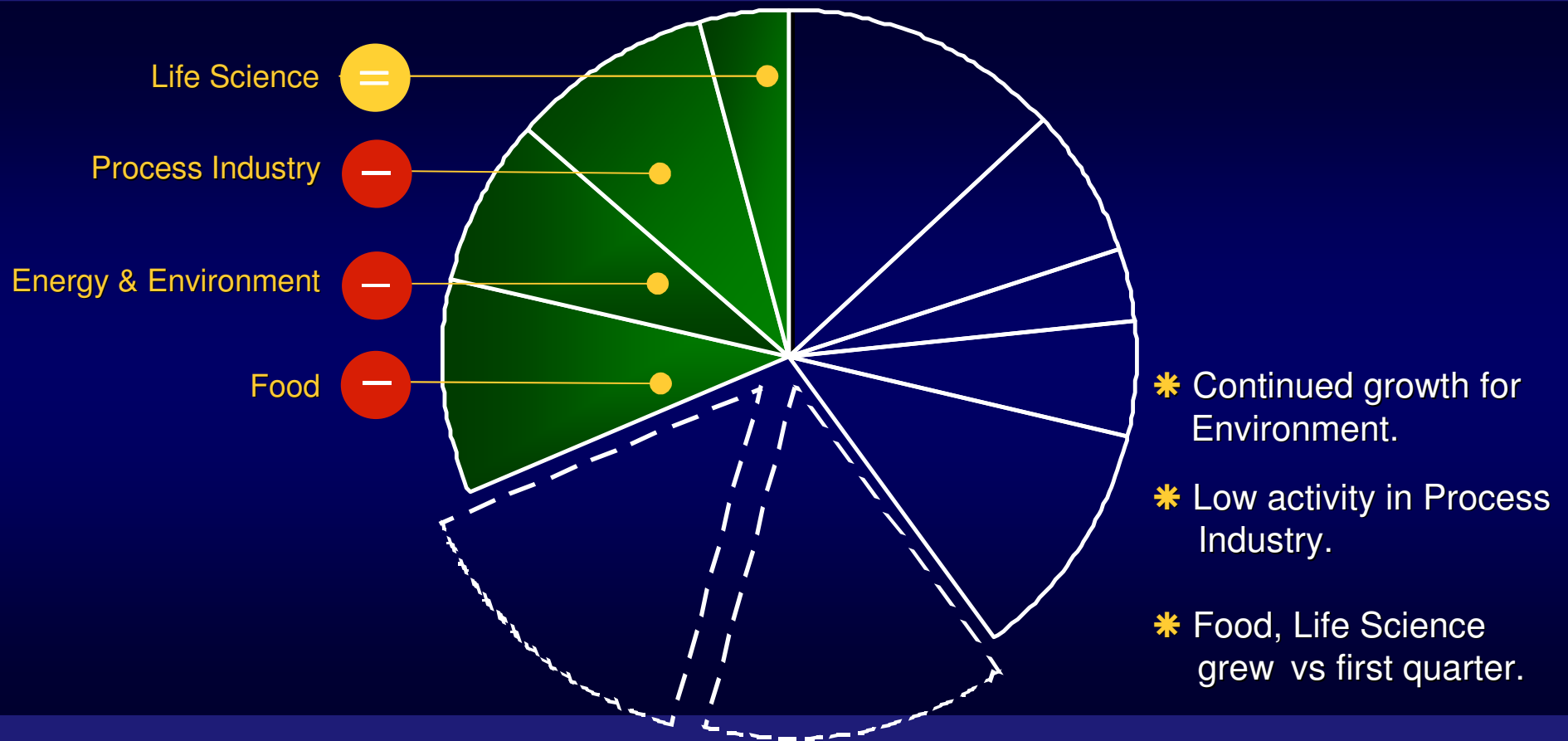
# Orders received by customer segment

April – June 2009, at constant rates



# Orders received by customer segment

Process Technology Division April – June 2009, at constant rates

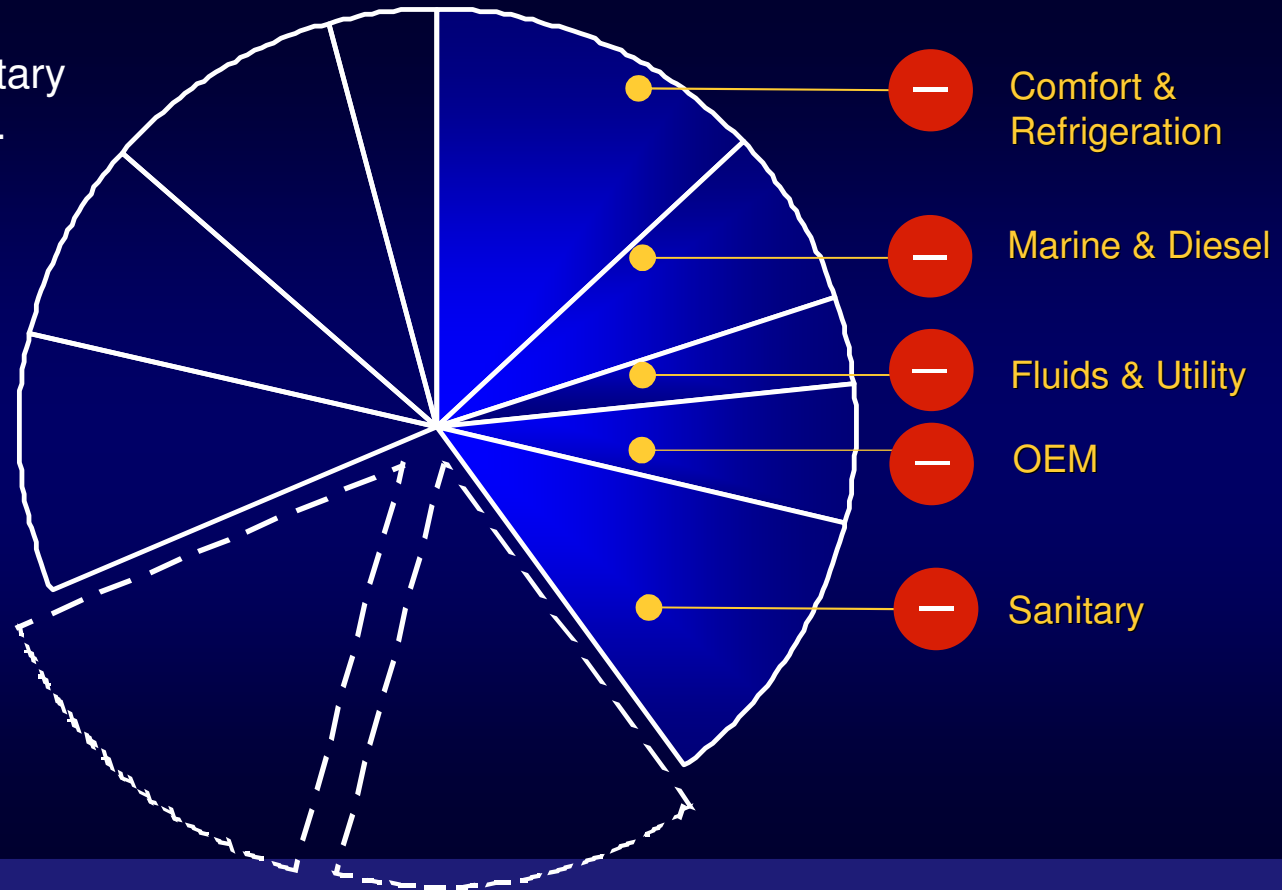


# Orders received by customer segment

Equipment Division, April - June 2009, at constant rates

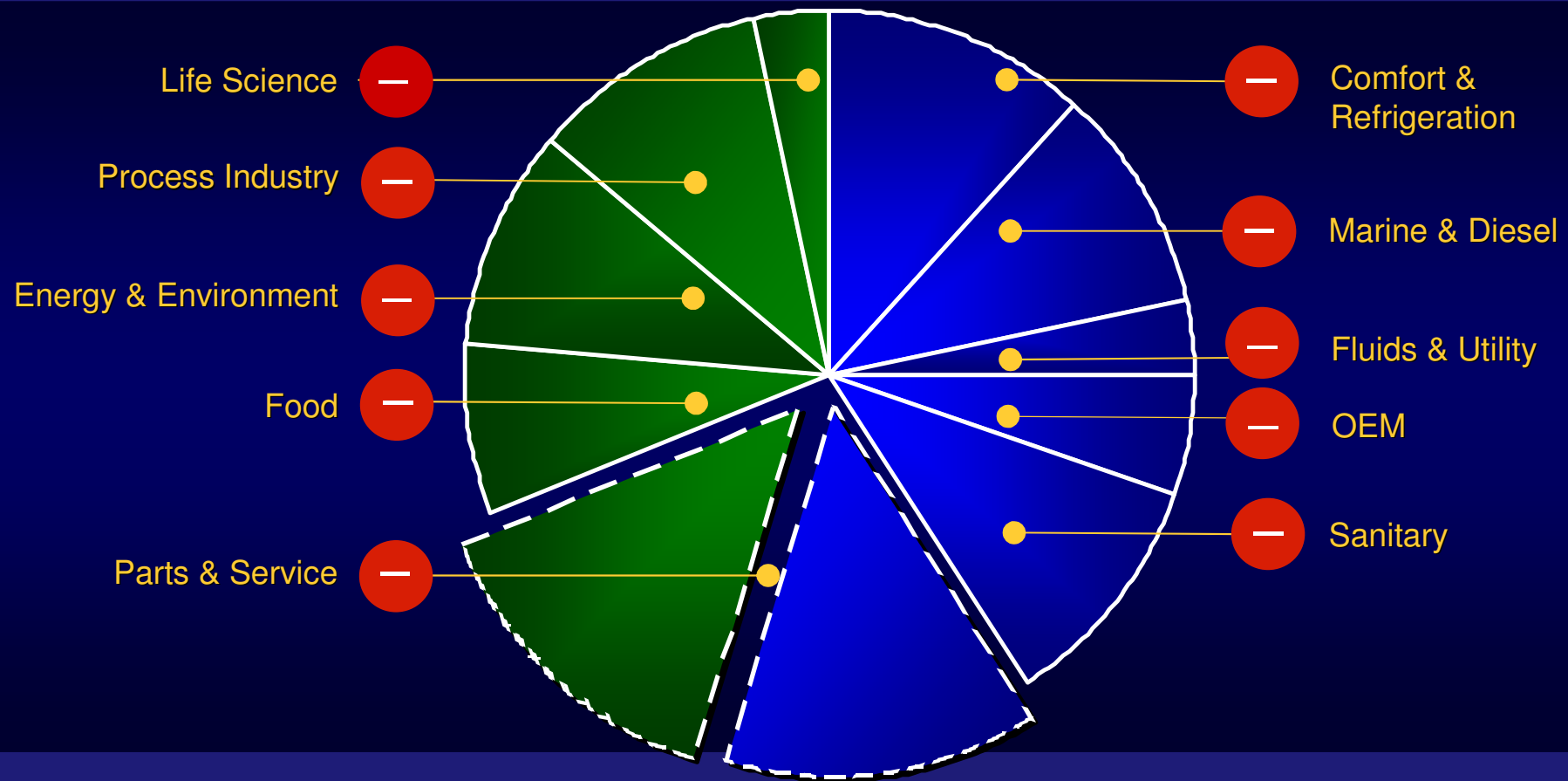
\* Comfort & Ref and Sanitary improved from first quarter.

\* Continued decline for Marine.



# Orders received by customer segment

January – June 2009, at constant rates





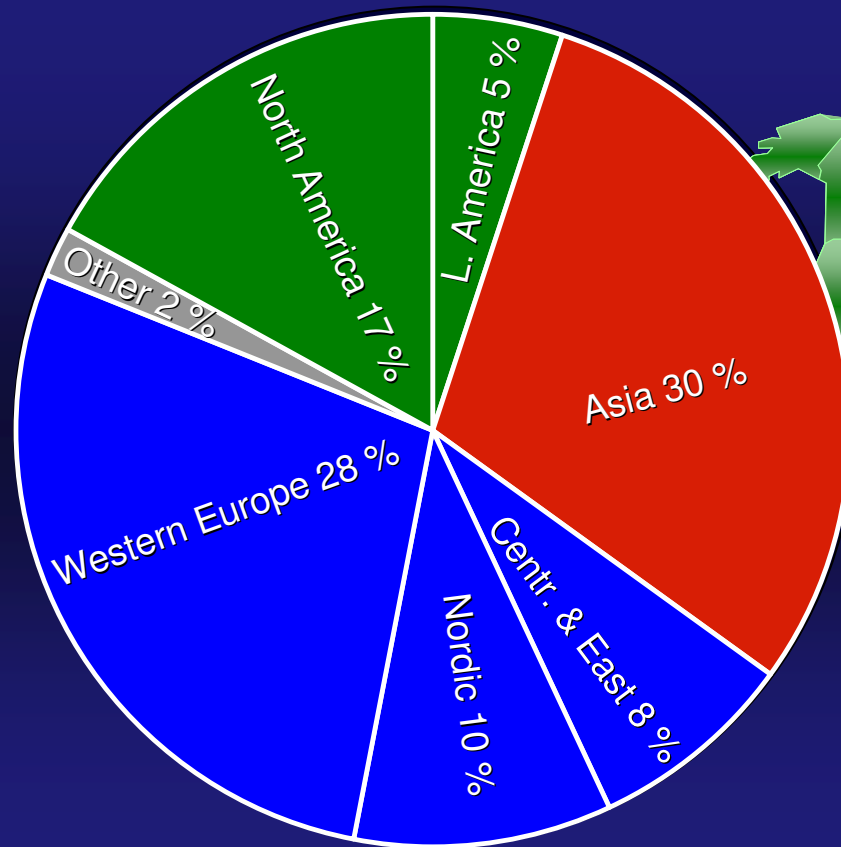
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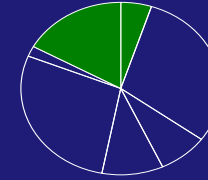
# Orders received by Region

April – June 2009, at constant rates



# Highlights Americas

April – June 2009, at constant rates

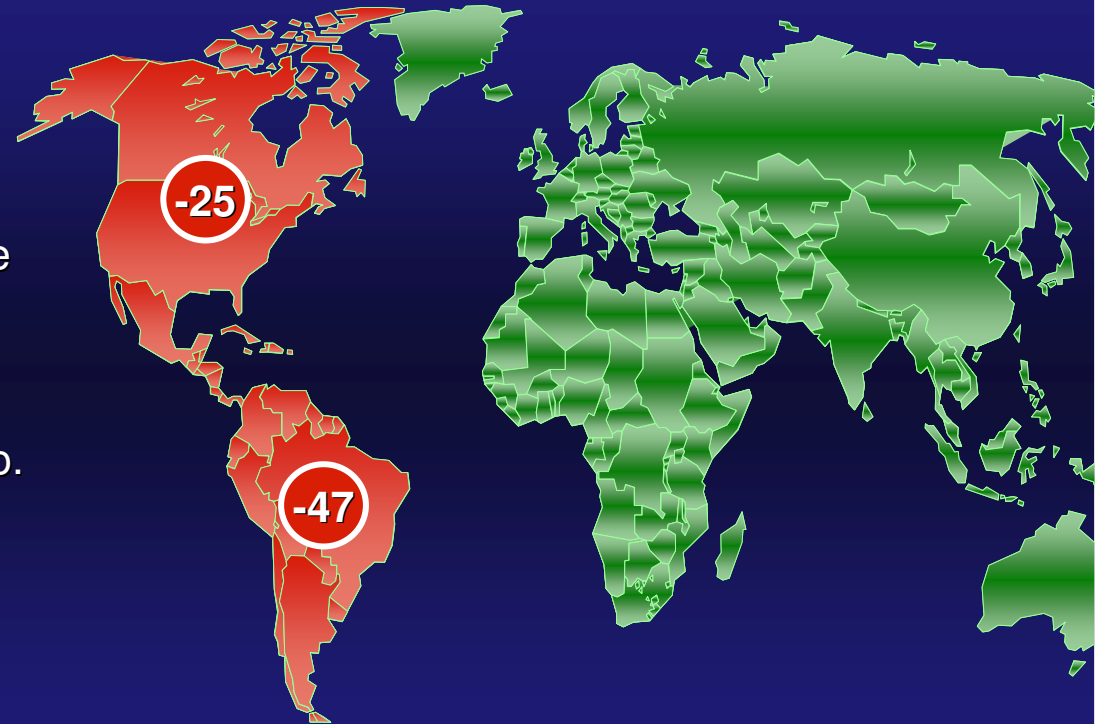


## North America

\* U.S. order intake on about the same level as in the first quarter.

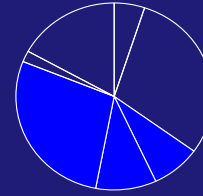
## Latin America

\* All countries declined except Mexico.  
\* Demand in the region on about the same level as in the first quarter.



# Highlights Europe

April – June 2009, at constant rates

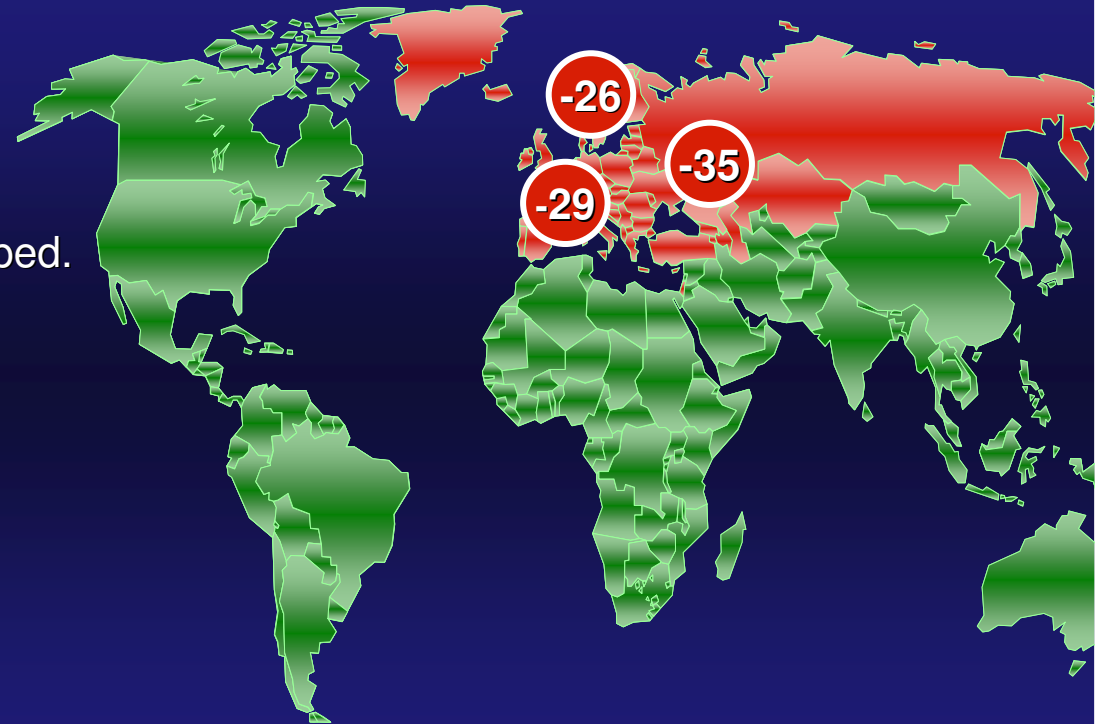


## Western Europe incl. Nordic

\* All segments, except Life Science, dropped.

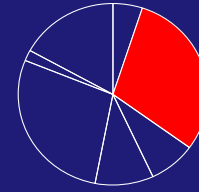
## Central and Eastern Europe

\* Overall decline with the exception of Energy & Environment, which grew compared to last year.



# Highlights Asia

April – June 2009, at constant rates



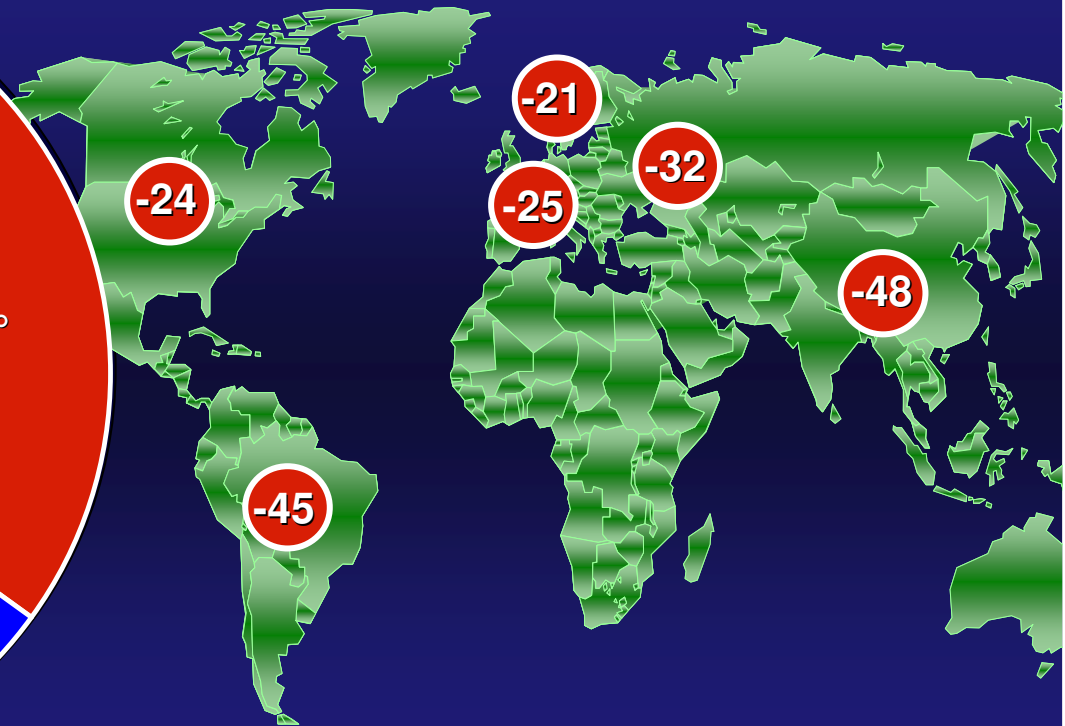
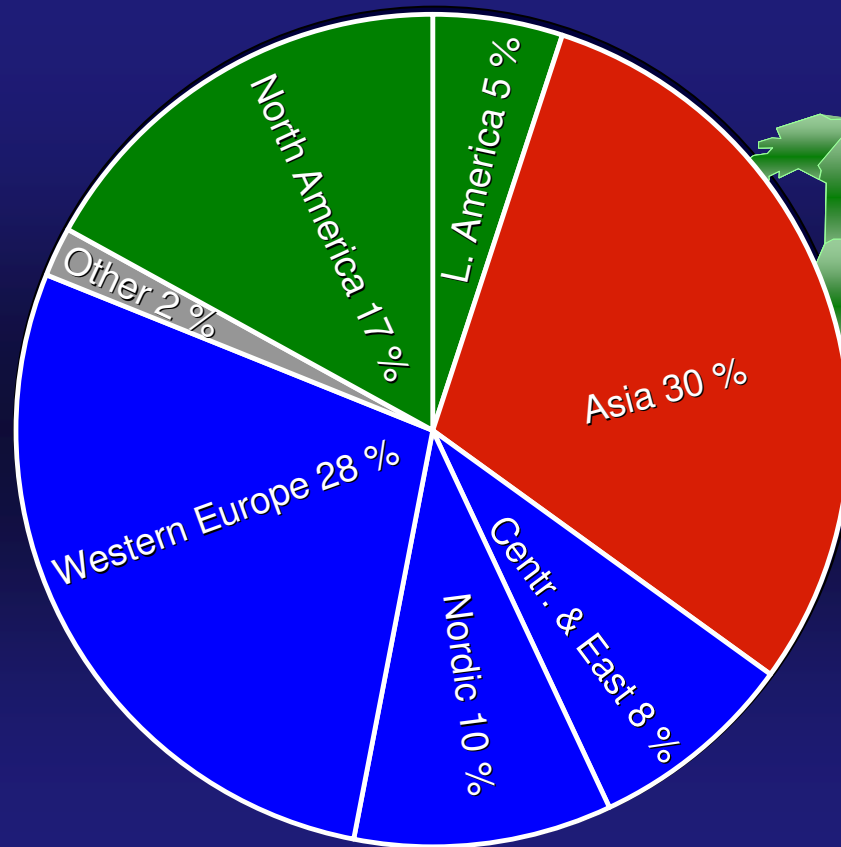
## Asia

- \* Continued negative effect from Marine.
- \* Base business, excluding Marine, up slightly compared to the two previous quarters.



# Orders received by Region

January – June 2009, at constant rates





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Mr. Thomas Thuresson  
CFO  
Alfa Laval Group

# Highlights

**SEK millions**

**April – June 2009**

Order intake

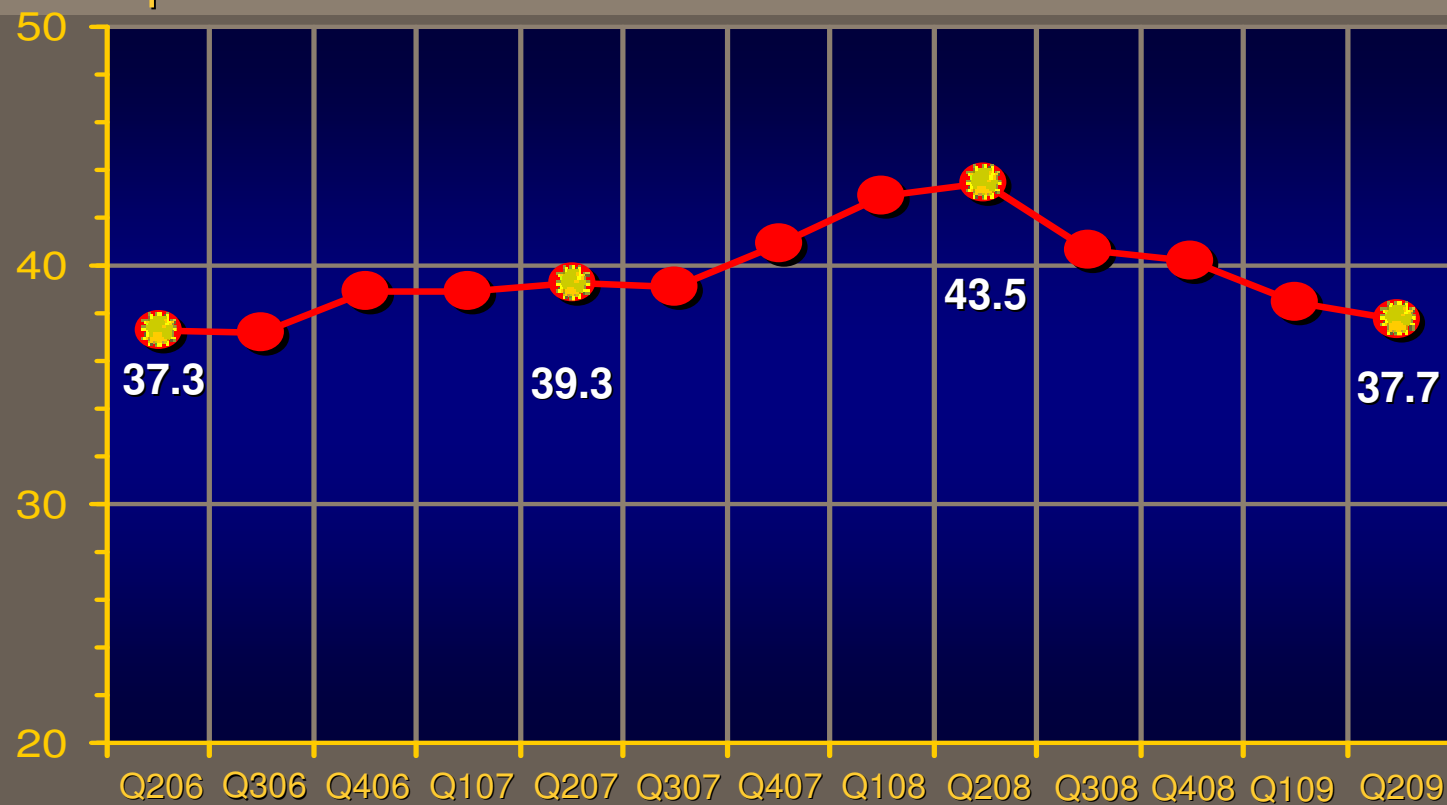
**5,188**

Net sales

**6,746**

# Gross profit margin

In percent of sales



# Highlights

**SEK millions**

**April – June 2009**

Order intake	5,188
Net sales	6,746
Adjusted EBITA	1,175
Adjusted EBITA-margin	17.4%
Profit before tax	846

# Overview cost and capacity adjustment

- update as per June 30<sup>th</sup>, 2009

Total non-recurring charges:	SEK 495 m
Non-recurring charges Q2:	SEK 225 m

Total estimated savings:	SEK 850 m
Savings achieved in Q2:	SEK 170 m

- Savings from January program – full impact from Q4 2009
- Savings from further measures – full impact from Q1 2010

Capacity reduction targeted with initiated savings: 25 - 35 %

Total estimated reduction in FTE's:	1,700
Reductions as per June 30 <sup>th</sup>	900
- of which work-sharing represents approx. 30 FTE's	

# Earnings per share

	April – June		Jan – June	
	2009	2008	2009	2008
Earnings	1.49	2.41	3.29	4.47
Earnings, excluding step-up	1.62	2.49	3.55	4.68

# Highlights

SEK millions

April – June 2009

Order intake	5,188
Net sales	6,746
Adjusted EBITA	1,175
Adjusted EBITA-margin	17.4%
Profit before tax	846
Cash flow from operating activities	1,295
ROCE	42.5%
ROE	32.8%

# Cash-flow statement

SEK millions	Jan – June 2009	Jan - June 2008
Cash flow from		
- operating activities	2,353	1,929
- investing activities	- 1,336	-687
Financial net paid	-188	-63
Total	829	1,179

Pro Forma Free-cash-flow*	1,967	732
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*\*Incl. operating activities, capital expenditure and financial net paid.*

# Foreign exchange

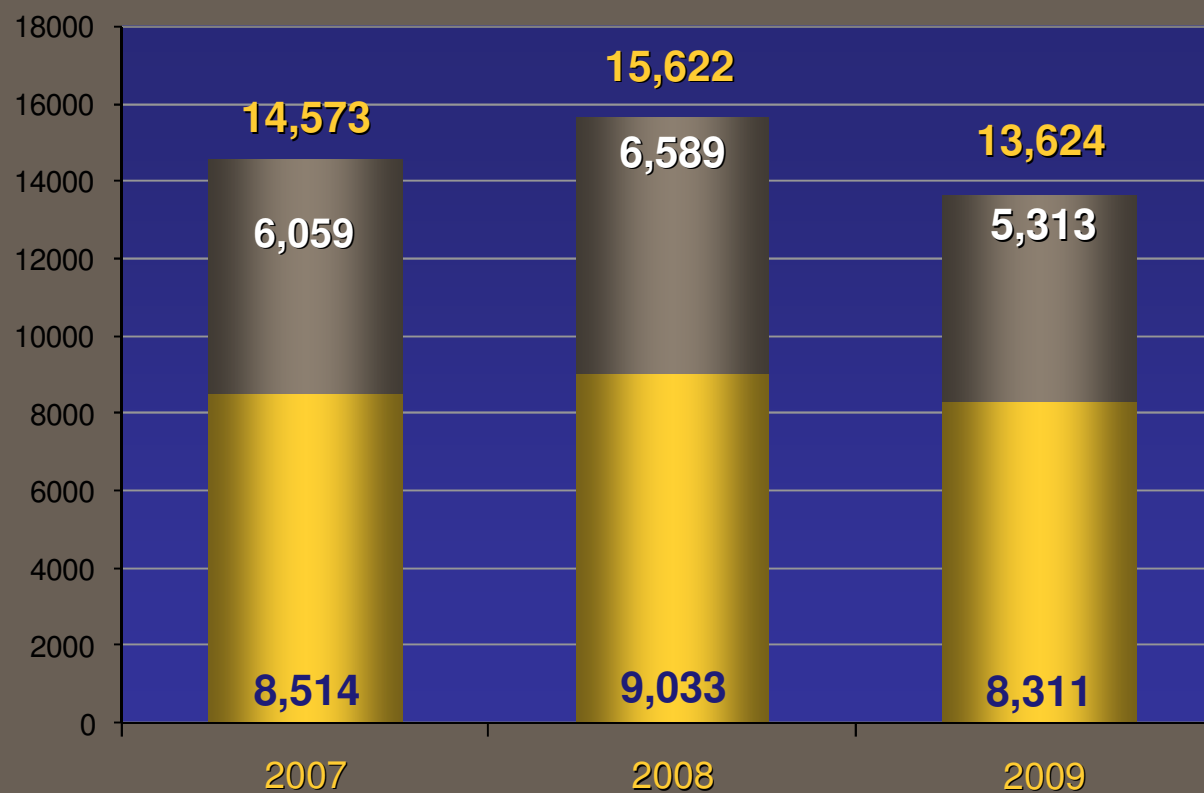
## Estimated impact on adjusted EBITA from FX fluctuations



SEK million	Q2 09	H1 09	WY 09	WY 10*
Translation effect	153	298	465	-
Transaction effect	- 79	- 100	10	500
Total	74	198	475	500

*\*Based on EUR/USD 1.40 and EUR/SEK 10.75*

# Order backlog as per June 30

SEK millions



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



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# Outlook for the third quarter

“We expect demand during the third quarter to be on about the same level as during the second quarter 2009.”

ALFA  
LAW