



ALFA
LAT



Report for Q3 2009

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

Mr. Lars Renström
President and CEO
Alfa Laval Group

Key figures

July – Sep 2009

- Orders received dropped 30% to SEK 5,071 million.
- Net sales down 18% at SEK 5,814 million.
- Adjusted EBITA down 31% at SEK 1,002 million.
- Positive currency effect SEK 108 million.

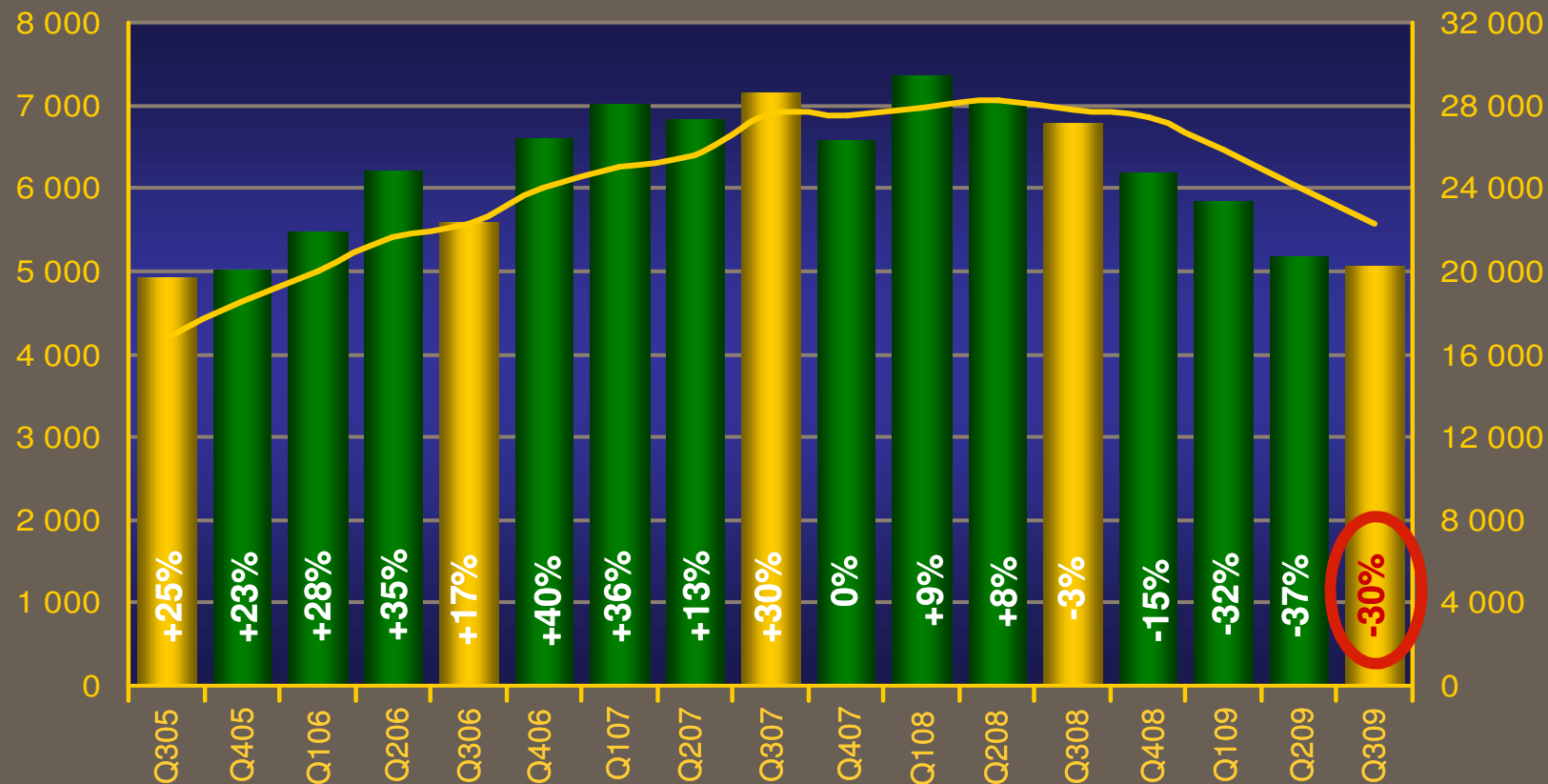
January – Sep 2009

- Orders received dropped 33% to SEK 16,112 million.
- Net sales down 13% at SEK 19,483 million.
- Adjusted EBITA down 23% at SEK 3,432 million.
- Positive currency effect SEK 306 million.

Orders received

SEK million

SEK million R 12



 = rolling twelve months value

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

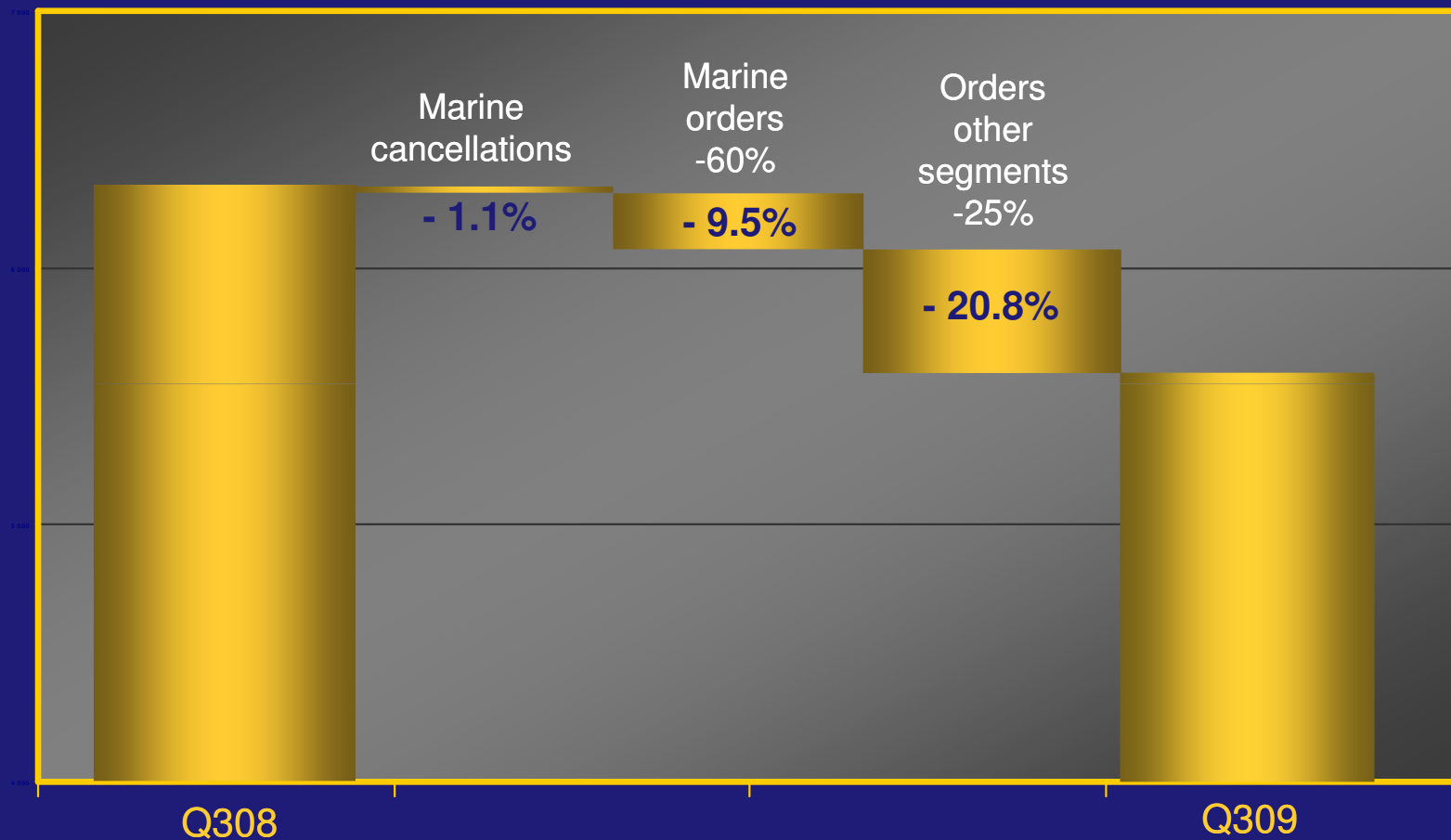
  = order intake per quarter

Order analysis

July – Sep. 2009

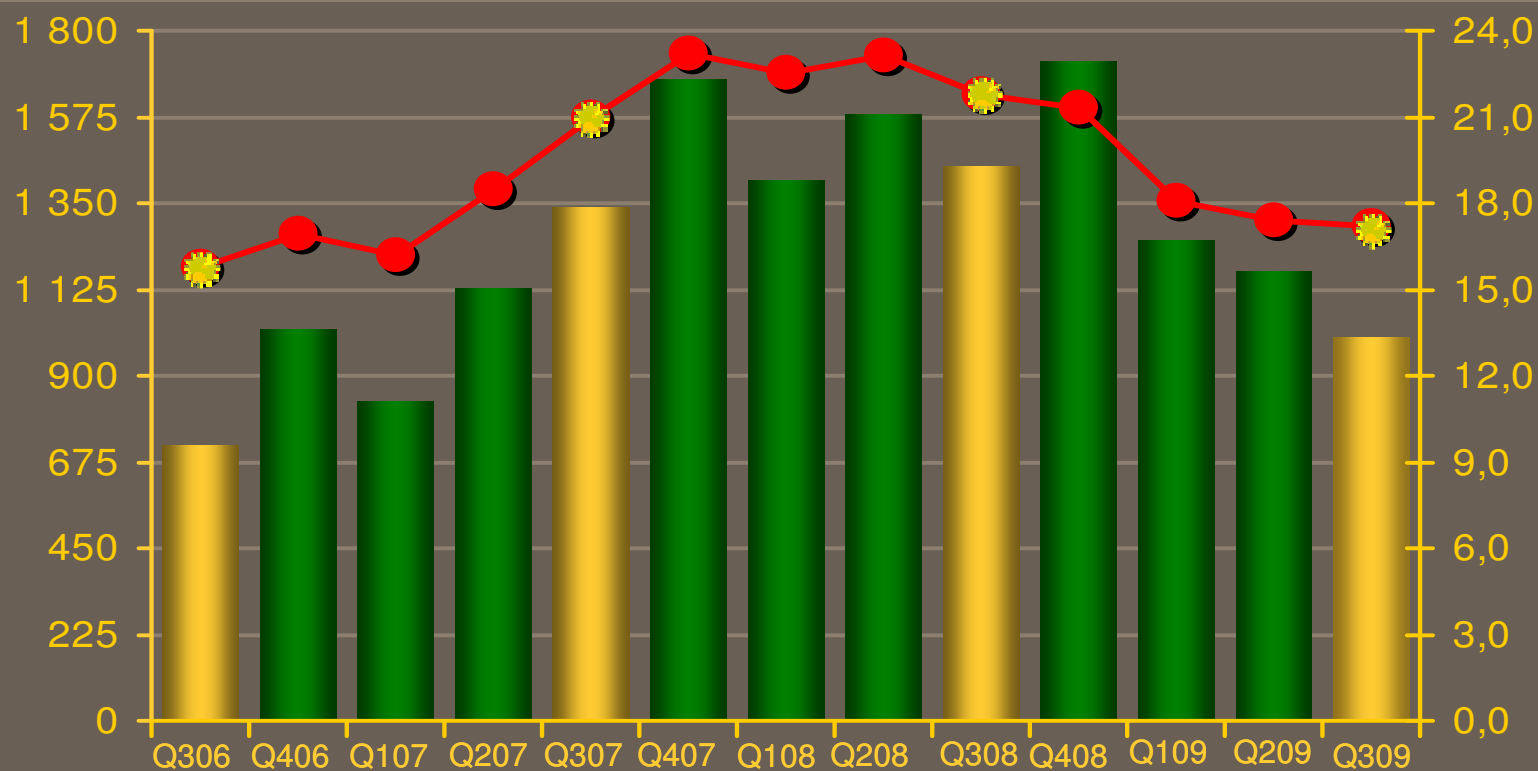
2008 (SEK millions)	6,784
Structural change, %	+ 1.4
Currency effects,%	+ 4.7
Organic development, %	- 31.4
Total, %	- 25.3
2009 (SEK million)	5,071

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."



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Highlights during the quarter

Large orders, total SEK 175 million (200)

✱ Refinery order in Russia.

Order value SEK 110 million. Delivery in 2010.

Highlights during the quarter

Large orders, total SEK 175 million (200)

- * Refinery order in Russia.

- * Order for spiral heat exchangers from Russian refinery.

Value SEK 65 million. Delivery in 2010.

Highlights during the quarter

Acquisitions

- ✱ PHE Indústria e Comércio de Equipamentos – Brazilian service company.

PHE services plate heat exchangers in a variety of industries. The company had sales of about SEK 45 million in 2008 and some 35 employees.

Highlights during the quarter

Acquisitions

- * PHE Indústria e Comércio de Equipamentos – Brazilian service company.
- * LHE – South Korean heat exchanger company.

LHE targets the market for compact and welded heat exchanger. The company had sales of about SEK 750 million in 2008 and some 170 employees.



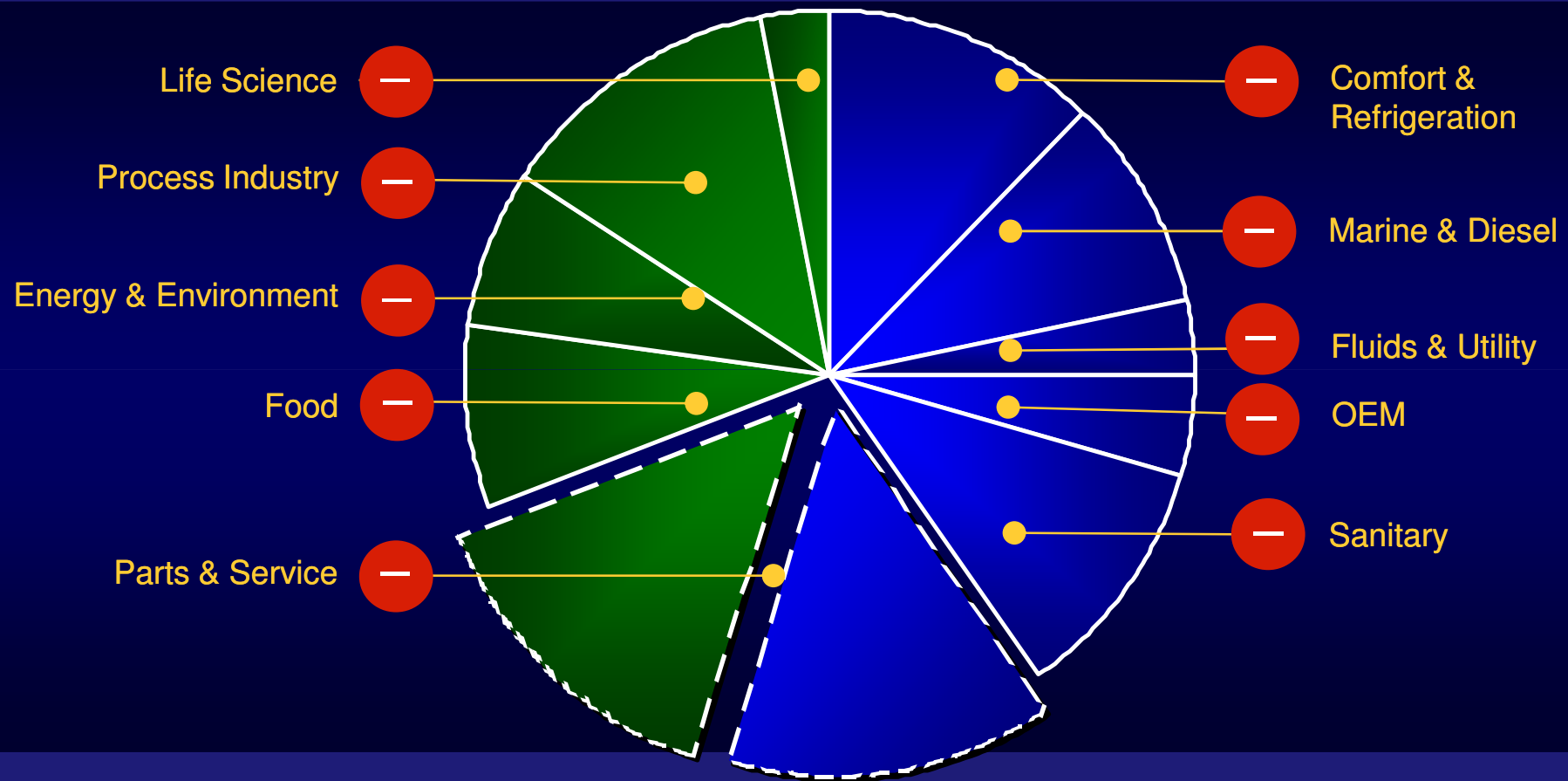
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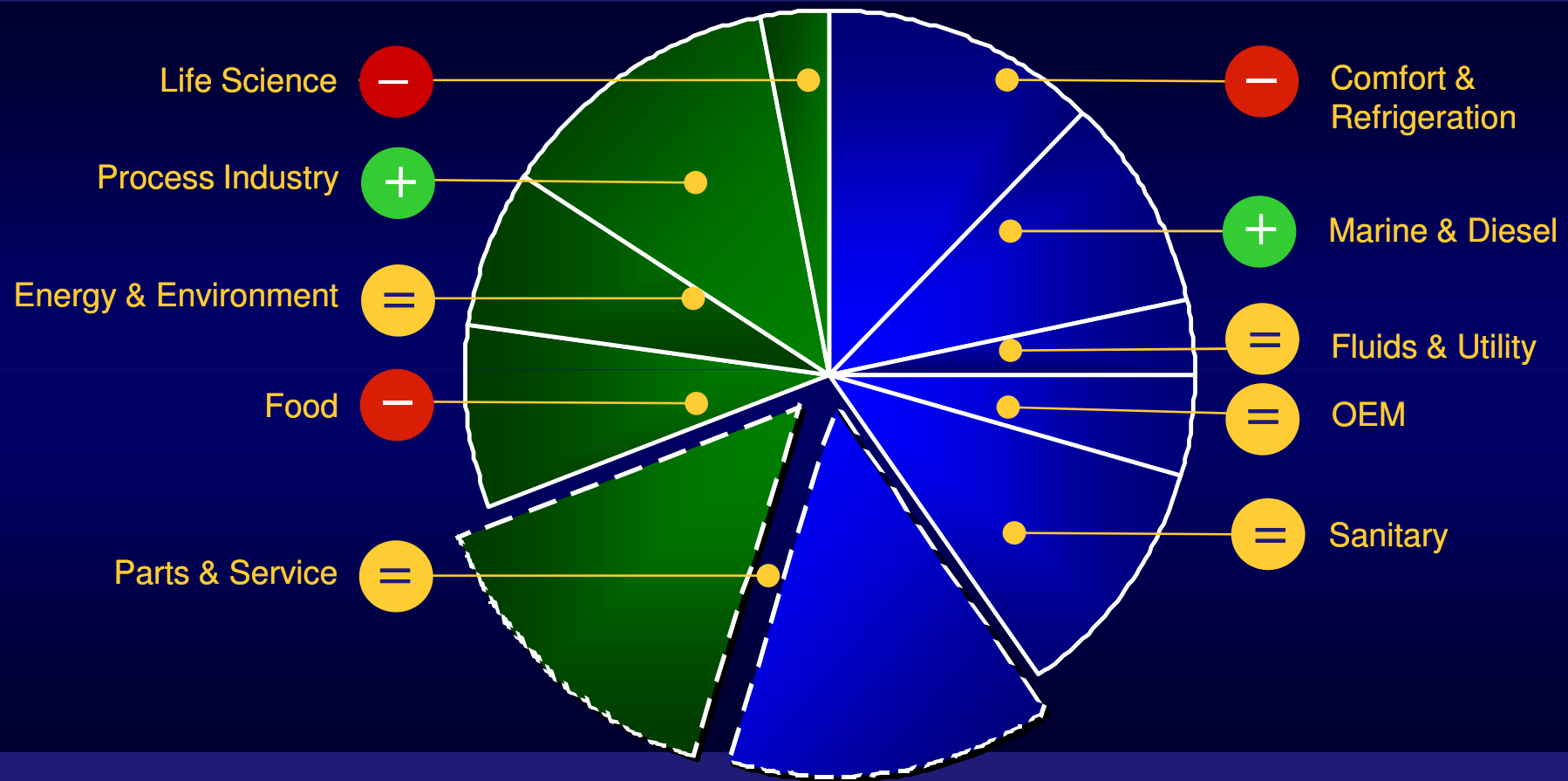
Orders received by customer segment

July – Sept 2009, at constant rates



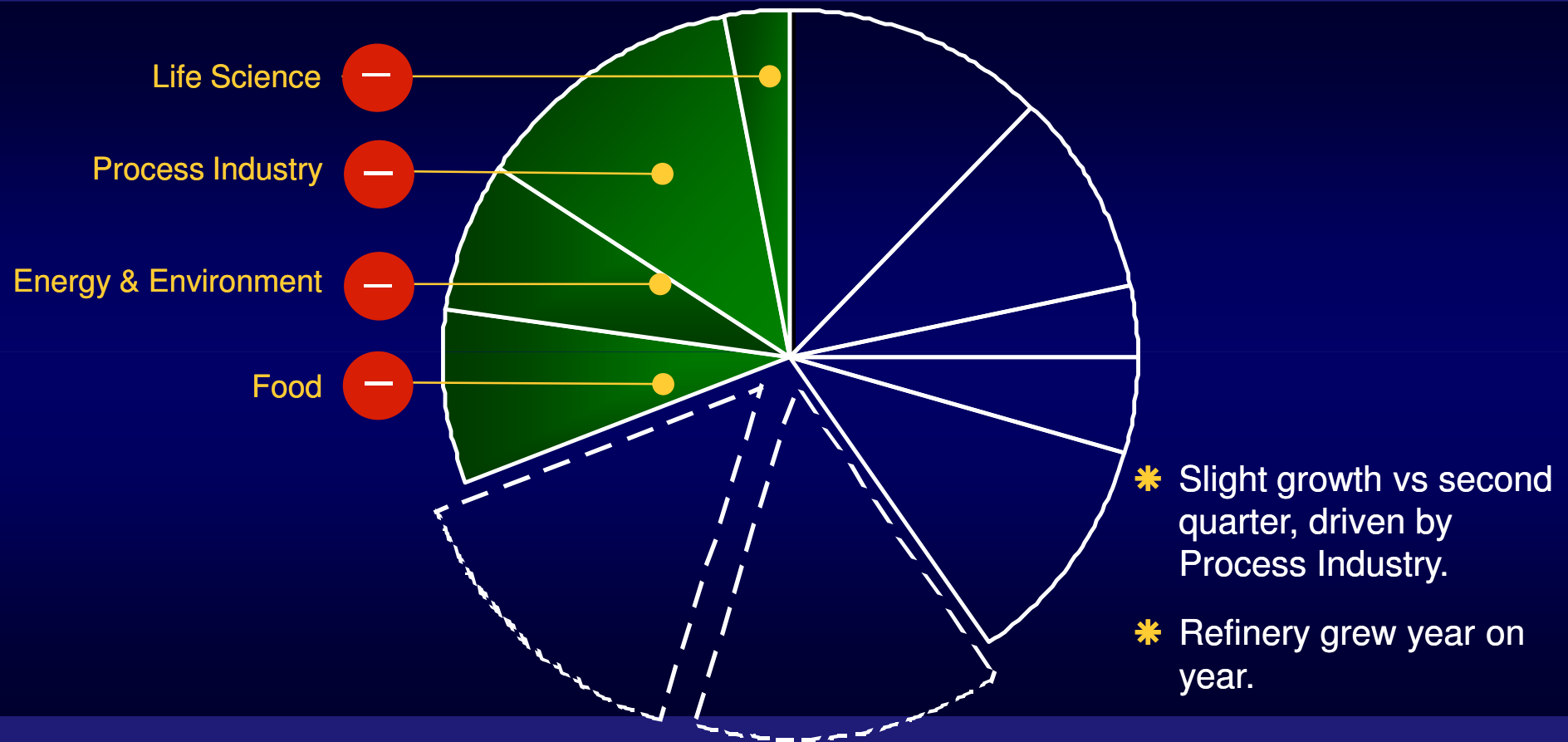
Orders received by customer segment

Sequential development 3Q versus 2Q, at constant rates



Orders received by customer segment

Process Technology Division July – Sept 2009, at constant rates

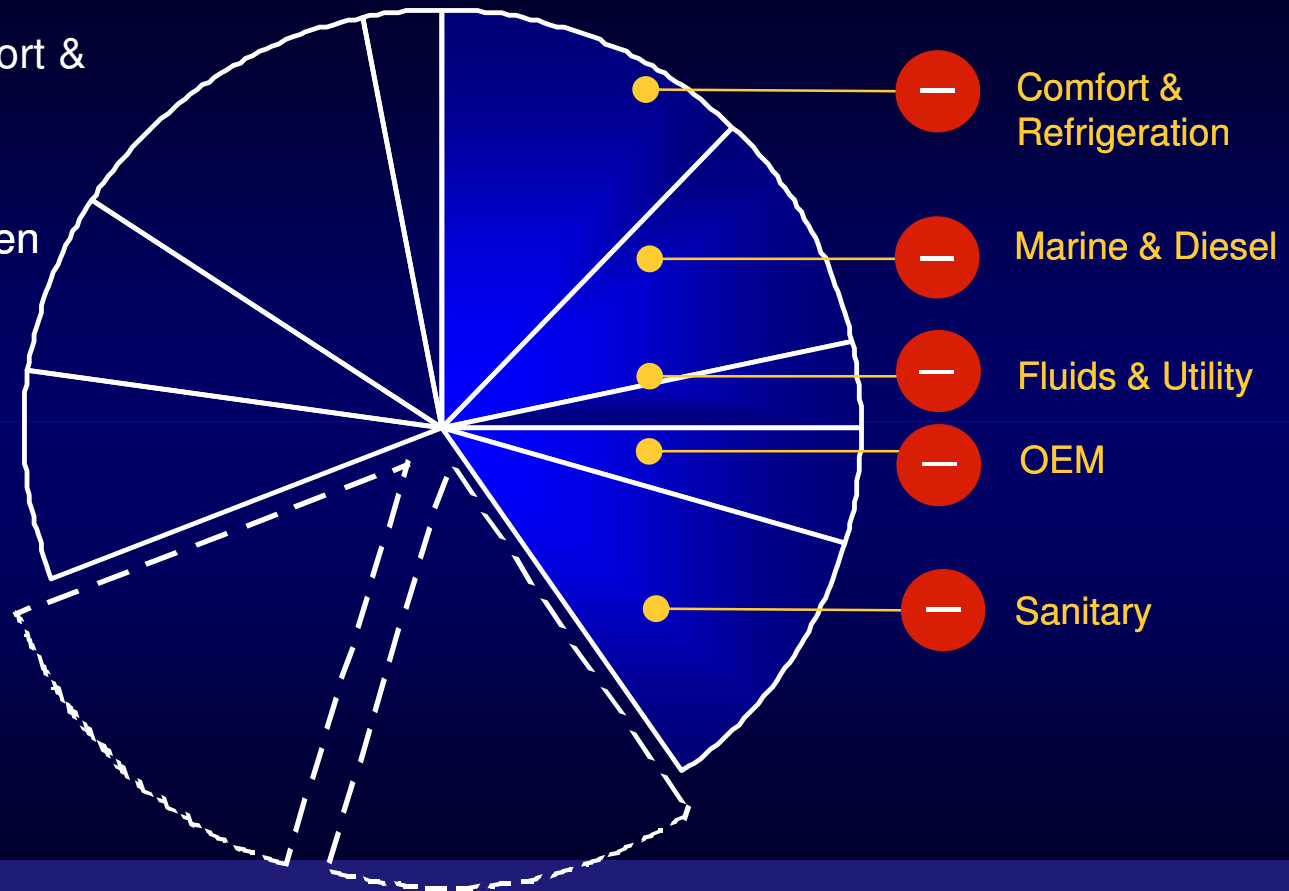


Orders received by customer segment

Equipment Division, July – Sept. 2009, at constant rates

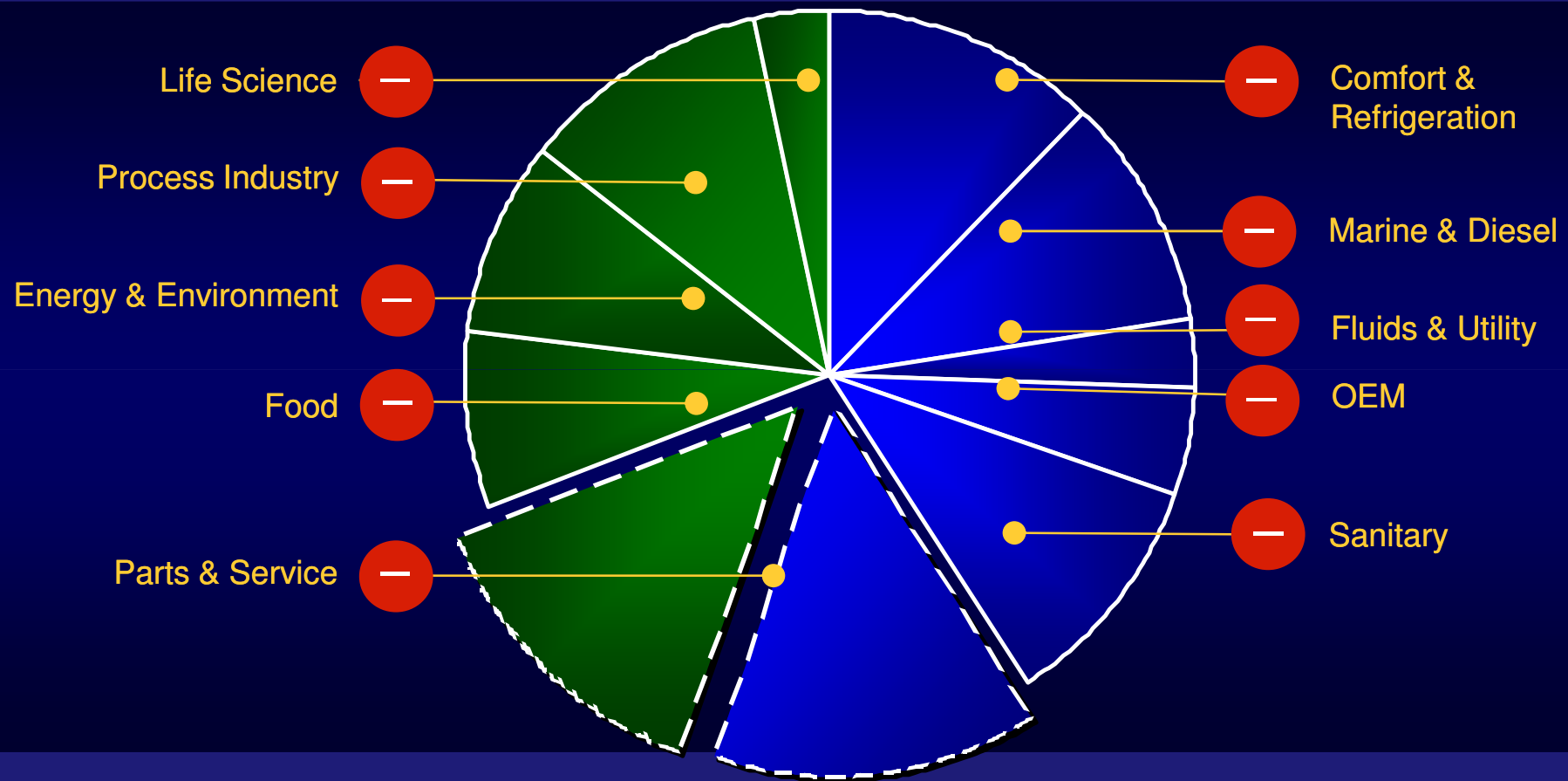
* Weak demand in Comfort & Refrigeration

* Slight growth in total vs second quarter, driven by Marine & Diesel



Orders received by customer segment

January – Sept 2009, at constant rates





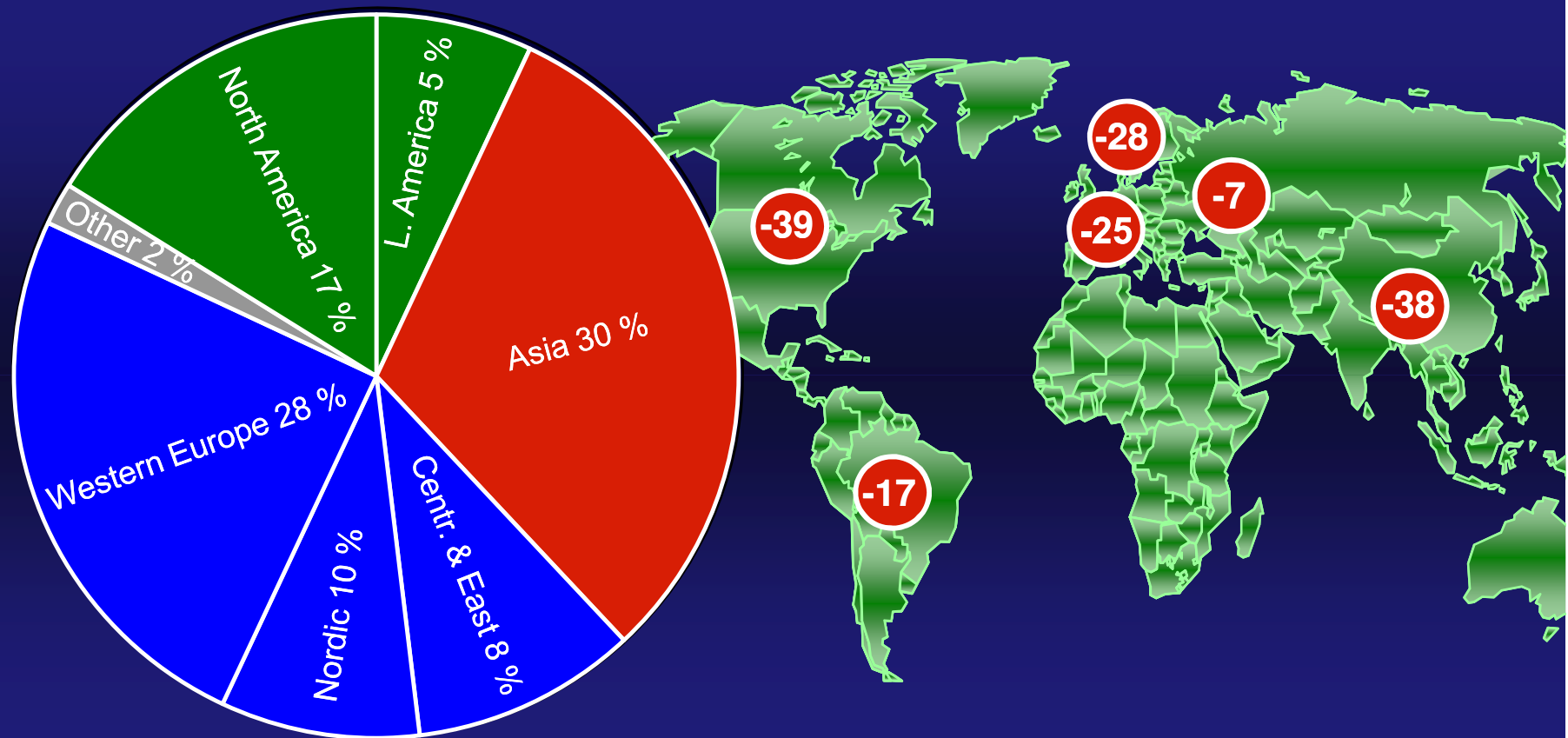
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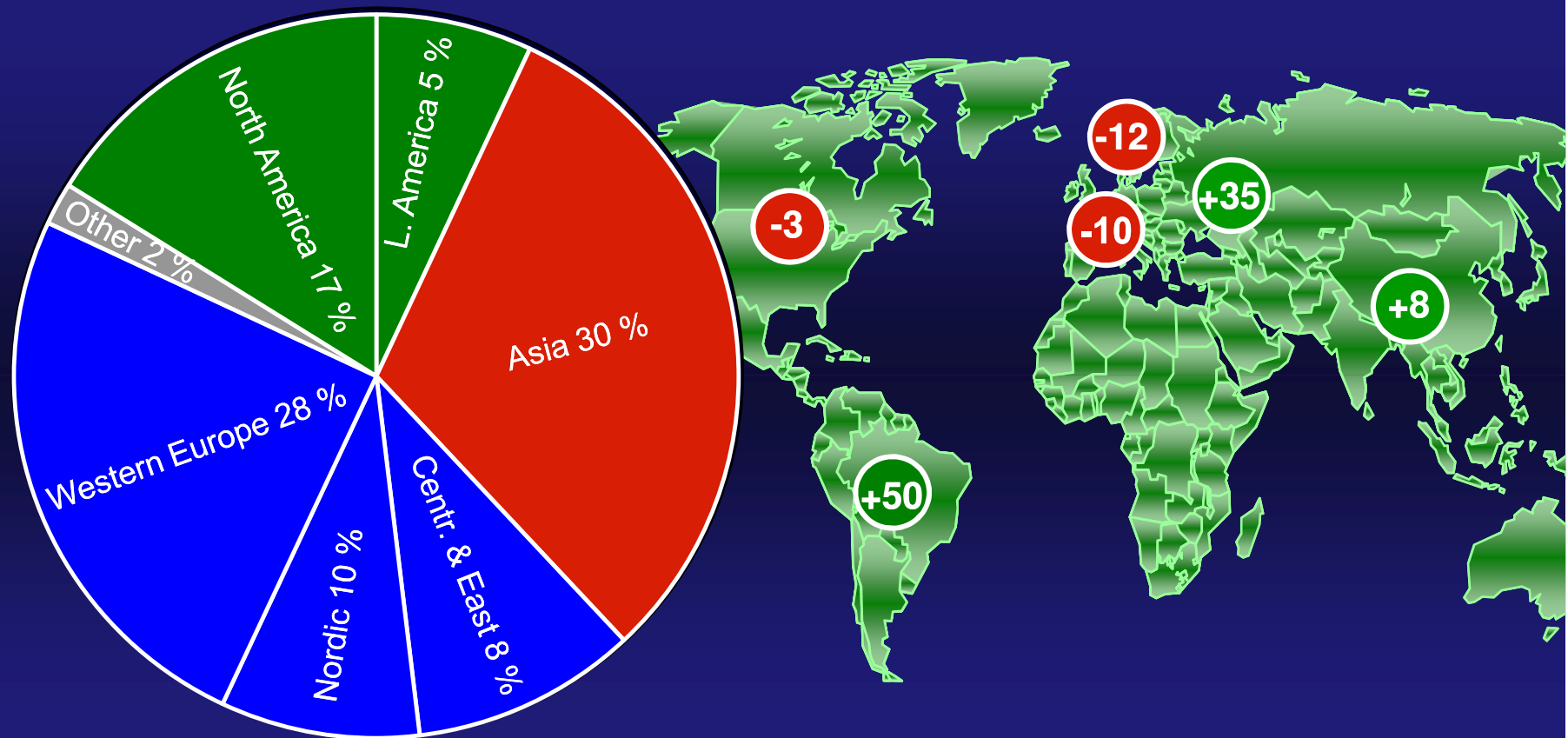
Orders received by Region

July – Sept 2009, at constant rates



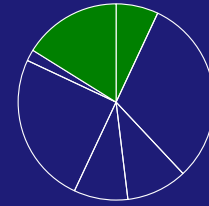
Orders received by Region

Sequential development Q3 versus Q2, at constant rates



Highlights Americas

July – Sept. 2009, at constant rates

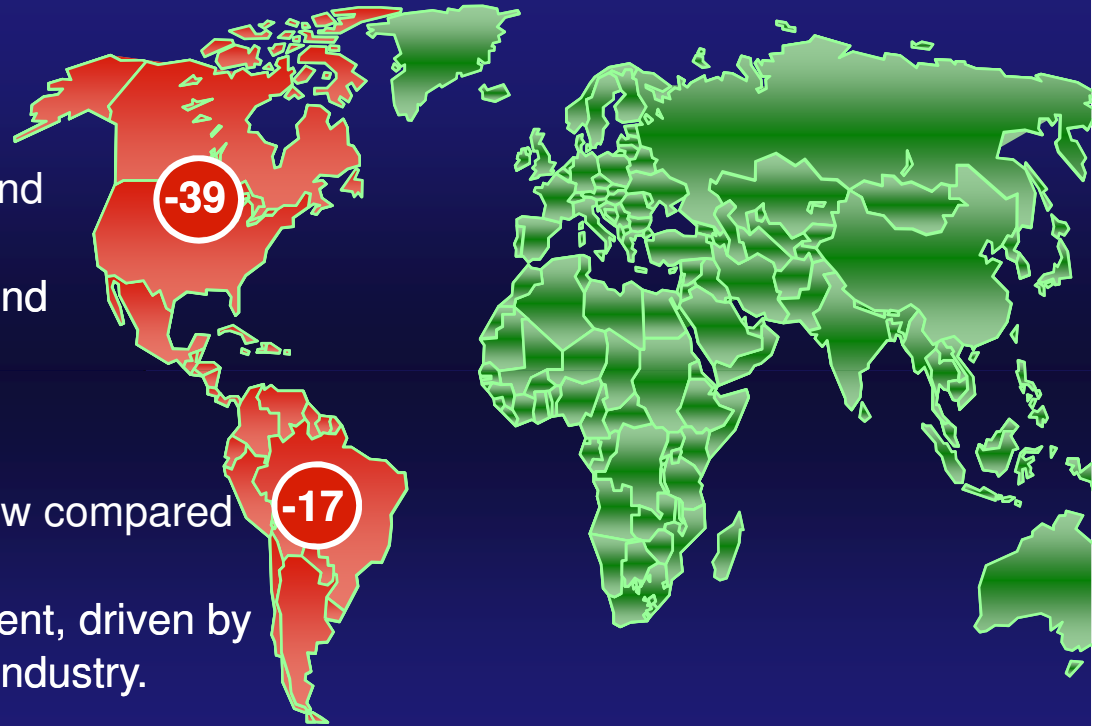


North America

- * U.S. order intake on about the same level as in the second quarter.
- * Parts & Service grew vs second quarter.

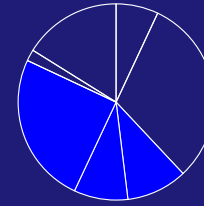
Latin America

- * Order intake in the region grew compared to second quarter.
- * Broad and general improvement, driven by food in general and Process Industry.



Highlights Europe

July – Sept. 2009, at constant rates



Western Europe incl. Nordic

* All segments, except Food and Life Science, declined.

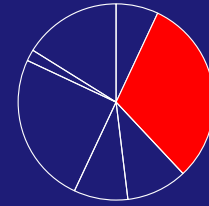
Central and Eastern Europe

* Growth compared to second quarter, due to large orders in Russia.



Highlights Asia

July – Sept. 2009, at constant rates



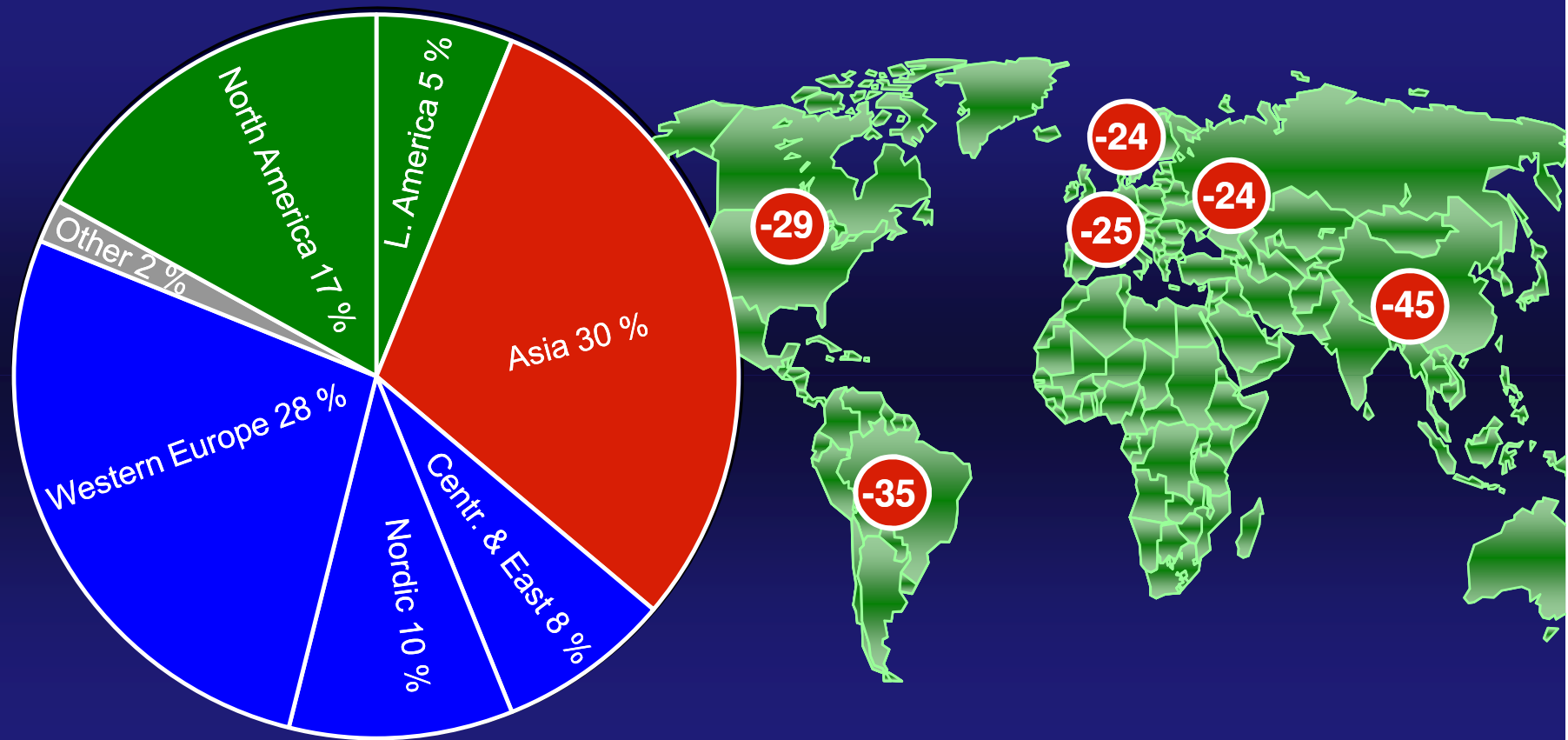
Asia

- * Continued negative effect from Marine.
- * Good development in Sanitary and Energy & Environment.
- * Order intake in the region grew compared to second quarter.



Orders received by Region

January – Sept 2009, at constant rates





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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK millions

July – Sep. 2009

Order intake

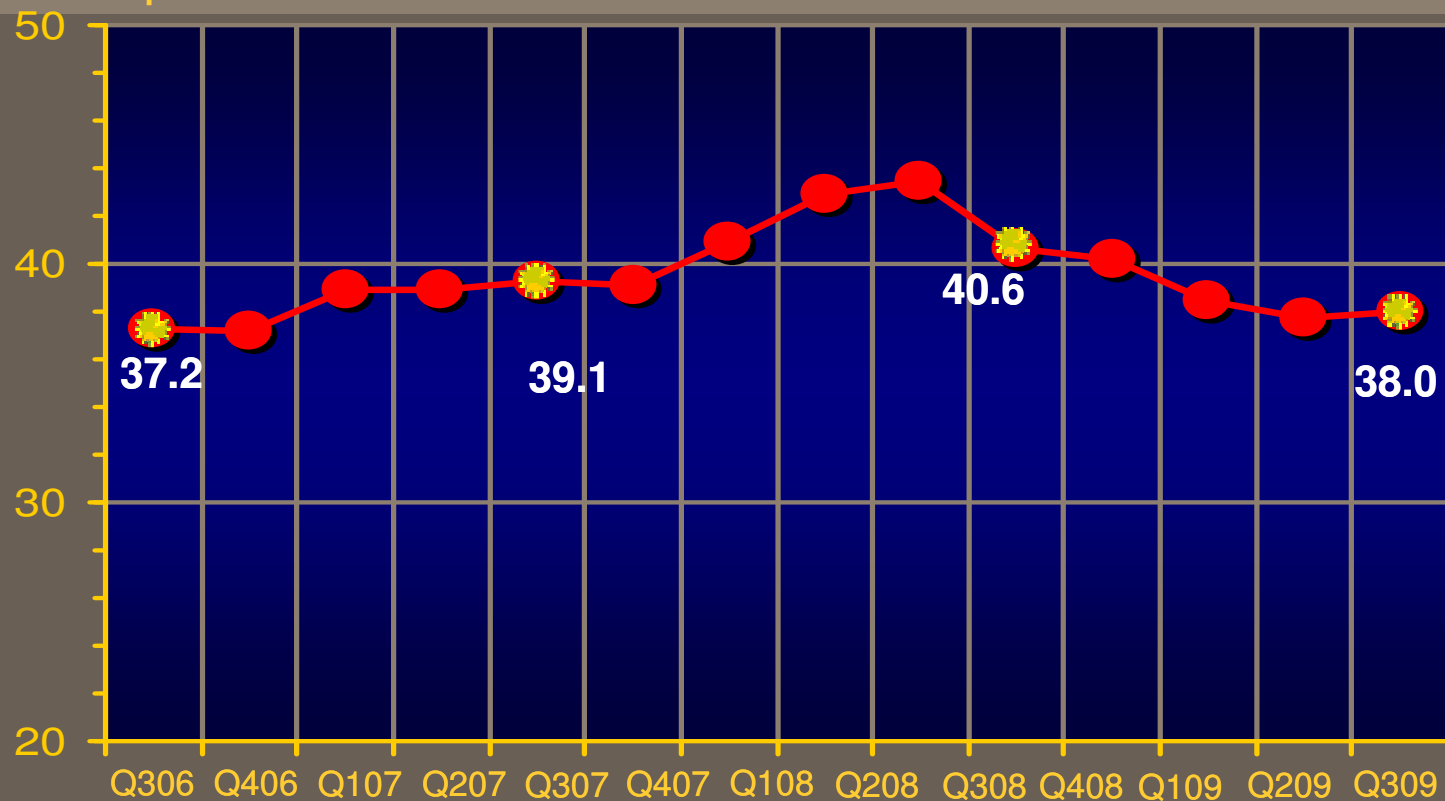
5,071

Net sales

5,814

Gross profit margin

In percent of sales



Highlights

SEK millions

July – Sep. 2009

Order intake	5,071
Net sales	5,814
Adjusted EBITA	1,002
Adjusted EBITA-margin	17.2%
Profit before tax	901

Overview cost and capacity adjustment

- update as per September 30th, 2009

Total estimated savings:	SEK > 900 m
Savings achieved in Q3:	SEK 220 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 September 30 th	1,150
- of which work-sharing represents approx. 80 FTE's	

Earnings per share

	July – Sep.		Jan – Sep.	
	2009	2008	2009	2008
Earnings	1.65	2.32	4.94	6.79
Earnings, excluding step-up	1.80	2.43	5.35	7.11

Highlights

SEK millions

July – Sep. 2009

Order intake	5,071
Net sales	5,814
Adjusted EBITA	1,002
Adjusted EBITA-margin	17.2%
Profit before tax	901
Cash flow from operating activities	1,428
ROCE	37.4%
ROE	28.1%

Cash-flow statement

SEK millions	Jan – Sep. 2009	Jan – Sep. 2008
Cash flow from		
- operating activities	3,781	3,185
- investing activities	- 2,541	-1,174
Financial net paid	-153	-192
Total	1,087	1,819

Pro Forma Free-cash-flow*	3,324	2,539
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**Incl. operating activities, capital expenditure and financial net paid.*

Foreign exchange

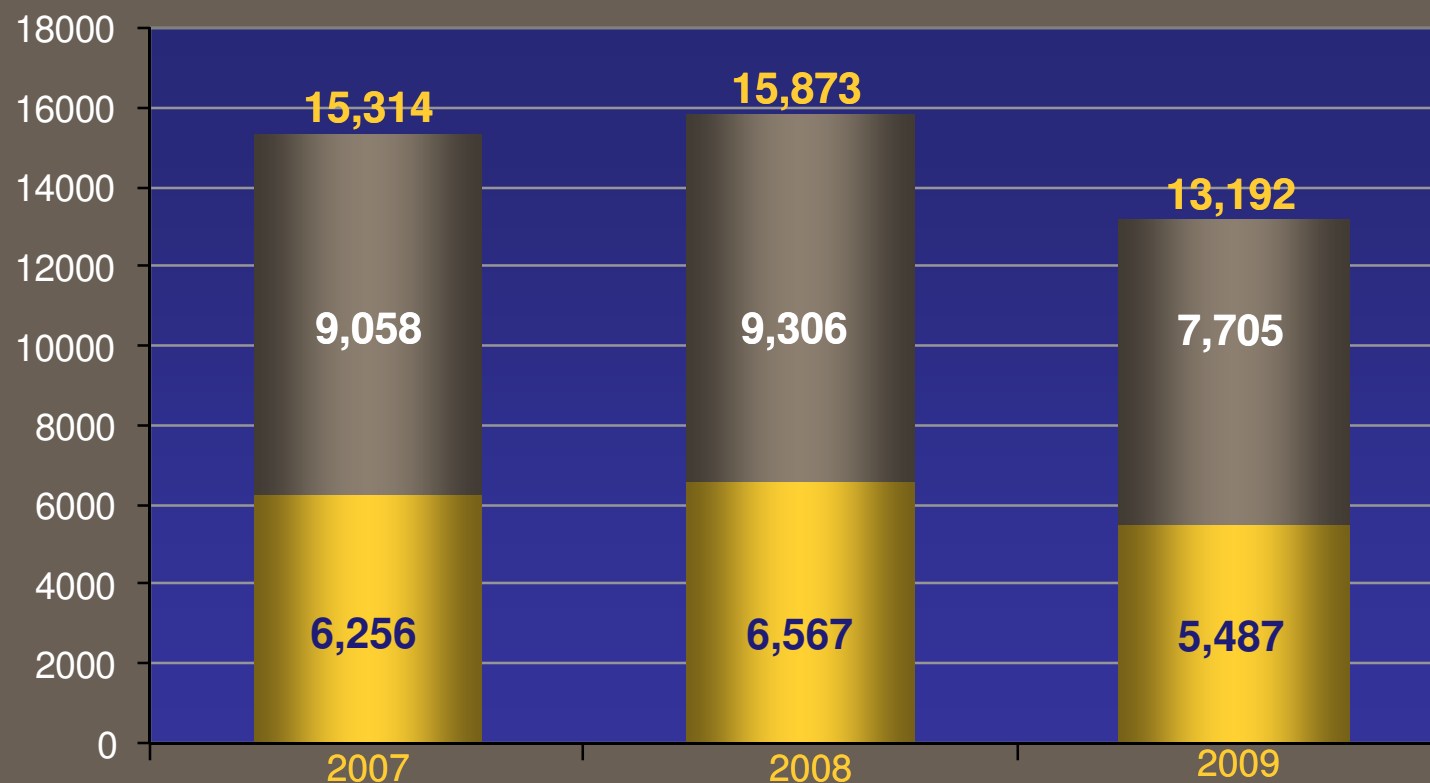
Estimated impact on adjusted EBITA from FX fluctuations

SEK million	Q3 09	9M 09	WY 09	WY 10*
Translation effect	66	364	425	-
Transaction effect	42	- 58	- 70	340
Total	108	306	355	340

**Based on EUR/USD 1.46 and EUR/SEK 10.20*

Order backlog as per Sep. 30

SEK millions



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



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Outlook for the fourth quarter

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

Capital Markets Day, Nov 17

- * Hilton Hotel, Copenhagen Airport, Denmark
- * 10:30 a.m. – 4:30 p.m. CET
- * Business update
- * Divisional presentations, including new environmental technology trends – such as carbon capture and heat pumps using carbon dioxide as a refrigerant.



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