



ALFA
LAW



Report for Q4 and full year 2009

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

Mr. Lars Renström
President and CEO
Alfa Laval Group

Key figures

October – December 2009

- Orders received dropped 12.2% to SEK 5,427 million.
- Net sales down 19% at SEK 6,556 million.
- Adjusted EBITA down 33% at SEK 1,153 million.
- Adjusted EBITA margin 17.6%
- *Negative currency effect SEK 140 million.*

January – December 2009

- Orders received dropped 21.6% to SEK 21,539 million.
- Net sales down 6.5% at SEK 26,039 million.
- Adjusted EBITA down 25.6% at SEK 4,585 million.
- Adjusted EBITA margin 17.6%
- *Positive currency effect SEK 166 million.*

Board proposals to the AGM

Dividend and share buy-back

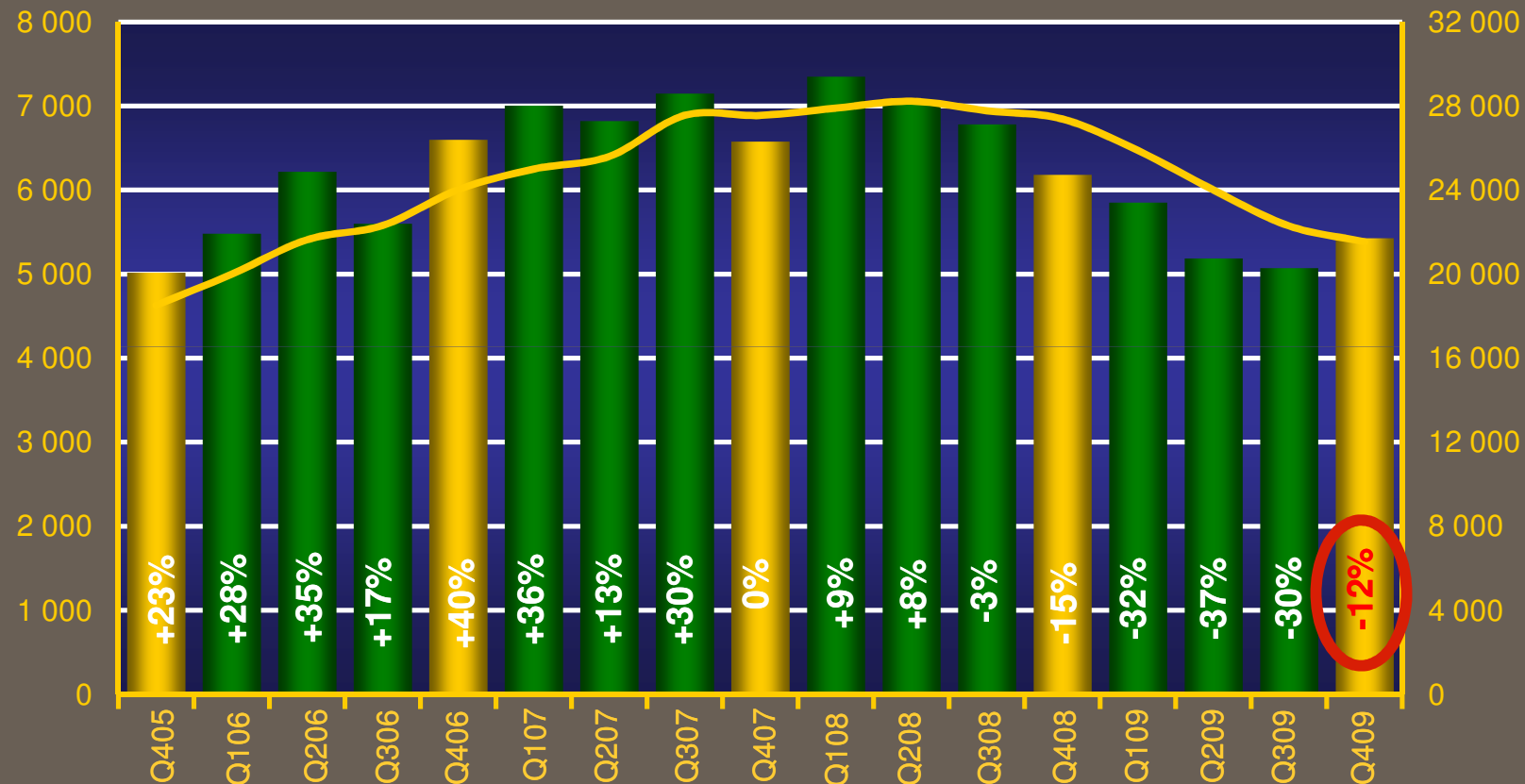
The Board of Directors proposes

- a dividend of 2:50 SEK (2:25).
- a mandate for buying back up to 5 percent of the number of outstanding shares.

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

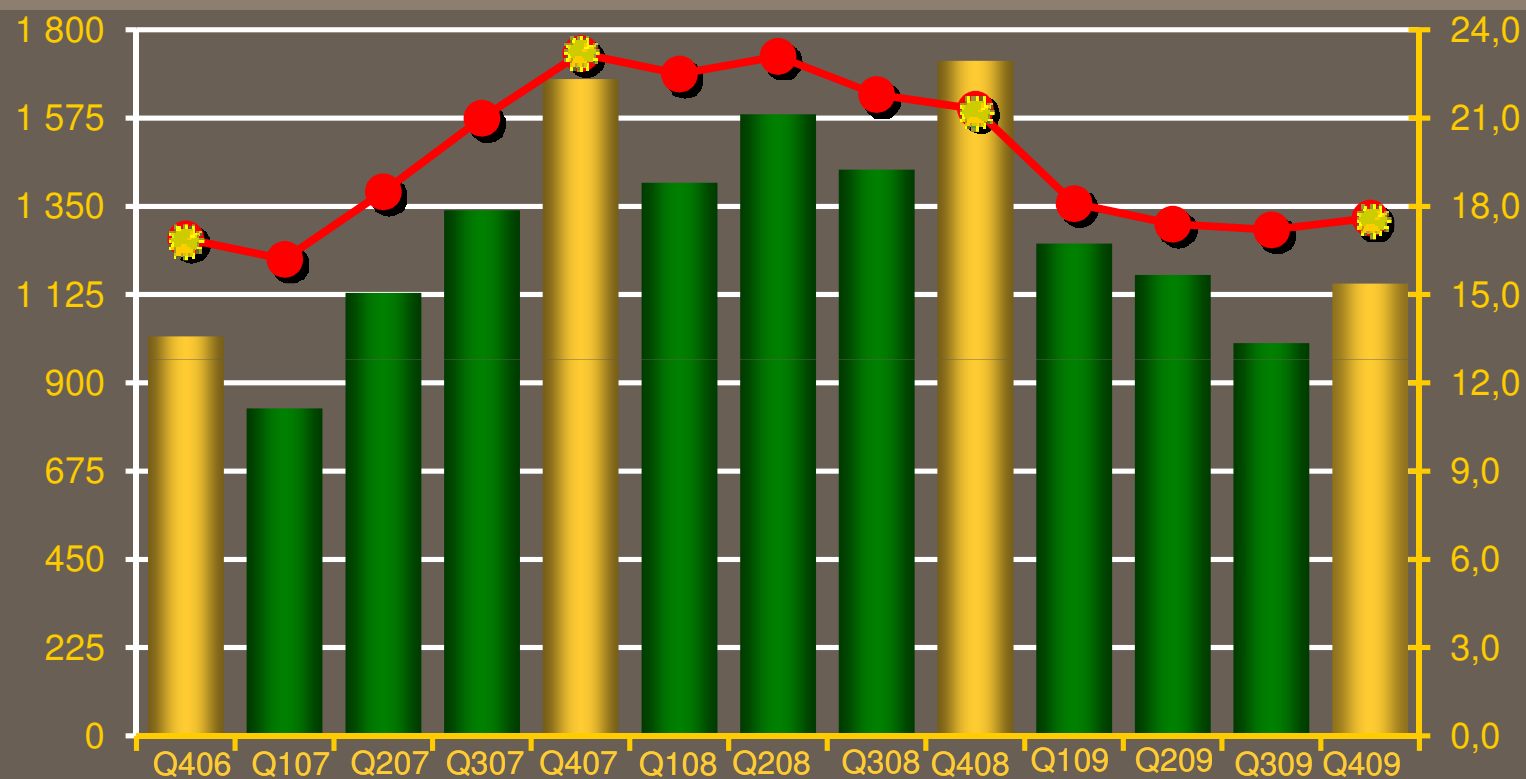
Order analysis

Oct. – Dec. 2009

2008 (SEK millions)	6,181
Structural change, %	+ 3.1
Currency effects, %	- 2.8
Organic development, %	- 12.5
Total, %	- 12.2
2009 (SEK million)	5,427

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 480 million (335)

✱ Refinery order in Algeria.

Order value SEK 60 million. Delivery in 2011.

Highlights during the quarter

Large orders, total SEK 480 million (335)

- * Refinery order in Algeria.

- * Petrochemical order in China.

Order value SEK 90 million. Delivery in 2010.

Highlights during the quarter

Large orders, total SEK 480 million (335)

- * Refinery order in Algeria.
- * Petrochemical order in China.
- * Nuclear power order in China.
Value SEK 130 million. Delivery in 2011.

Highlights during the quarter

Large orders, total SEK 480 million (335)

- * Refinery order in Algeria.
- * Petrochemical order in China.
- * Nuclear power order in China.
- * Two cleantech orders for biofuel plants in Vietnam.
Value SEK 200 million. Delivery in 2010.

Large orders in 2009

Large orders, total SEK 900 million (1 135)

SEK million	Country	Application	Industry	Delivery
75	Russia	Heat transfer	Power	2010
65	India	Heat transfer	Aluminum	2010
50	US	Heat transfer/filtration	Enzyme production	2010
55	Brazil	Heat recovery	Refinery	2011
110	Russia	Energy efficiency	Refinery	2010
65	Russia	Heat transfer	Refinery	2010
90	China	Heat transfer	Petrochemical	2010
130	China	Cooling	Nuclear power	2011
100	Vietnam	Heat transfer/separation	Ethanol	2010
100	Vietnam	Heat transfer	Ethanol	2010
60	Algeria	Heat transfer	Refinery	2011

Acquisitions in 2009

Name	Country	Business	Sales 2008
LHE Co. Ltd	South Korea	PHE for offshore O&G, marine, nuclear, process industry and HVAC - channel	750
PHE	Brazil	PHE service provider - geography	45
HES GmbH	Germany	Spiral heat exchangers for process industry - channel	85
Onnuri Industrial Machinery	South Korea	System provider to the shipbuilding and diesel power markets - product	150
Two P&S providers		P&S for a variety of products - channels	300
Total			1,330



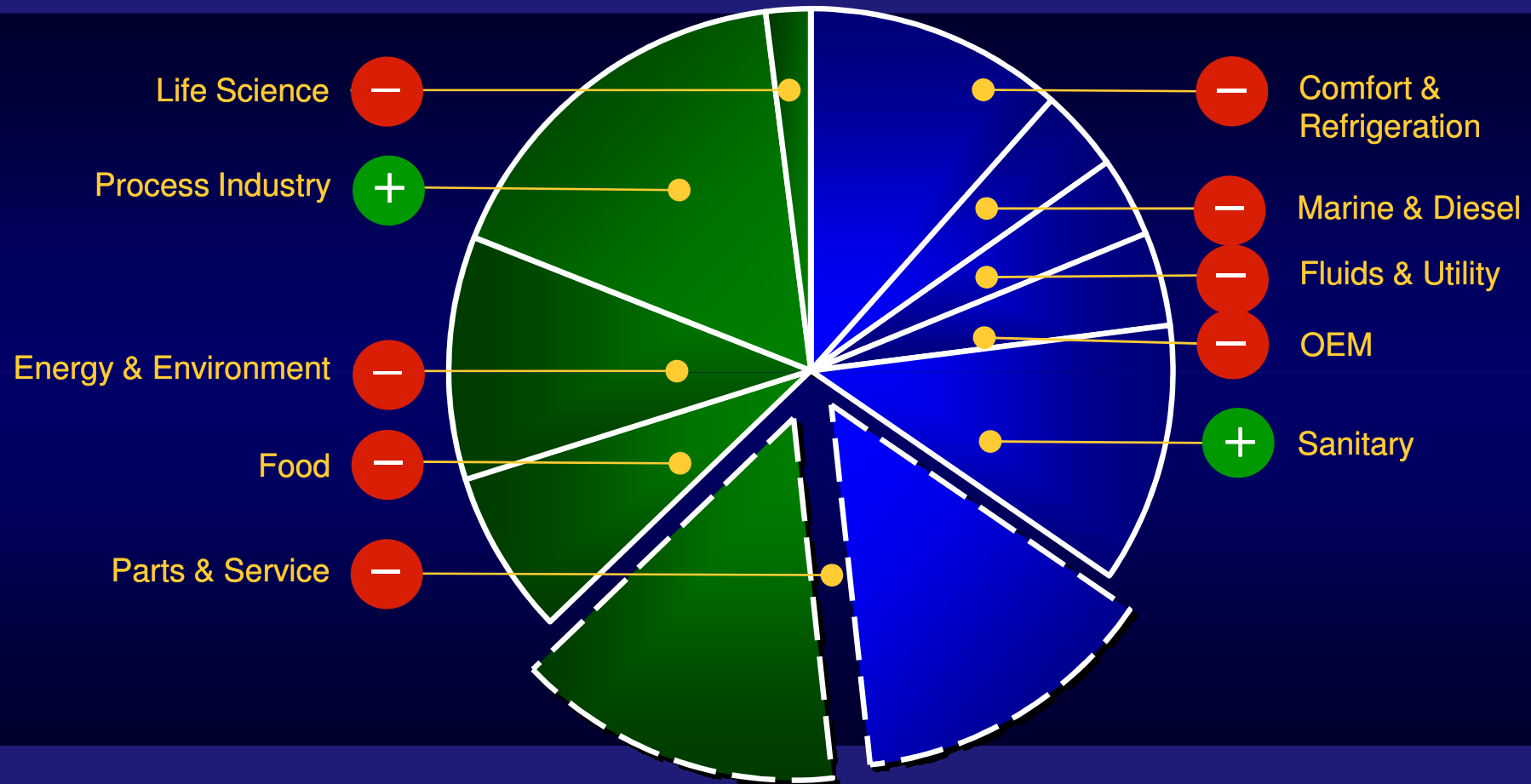
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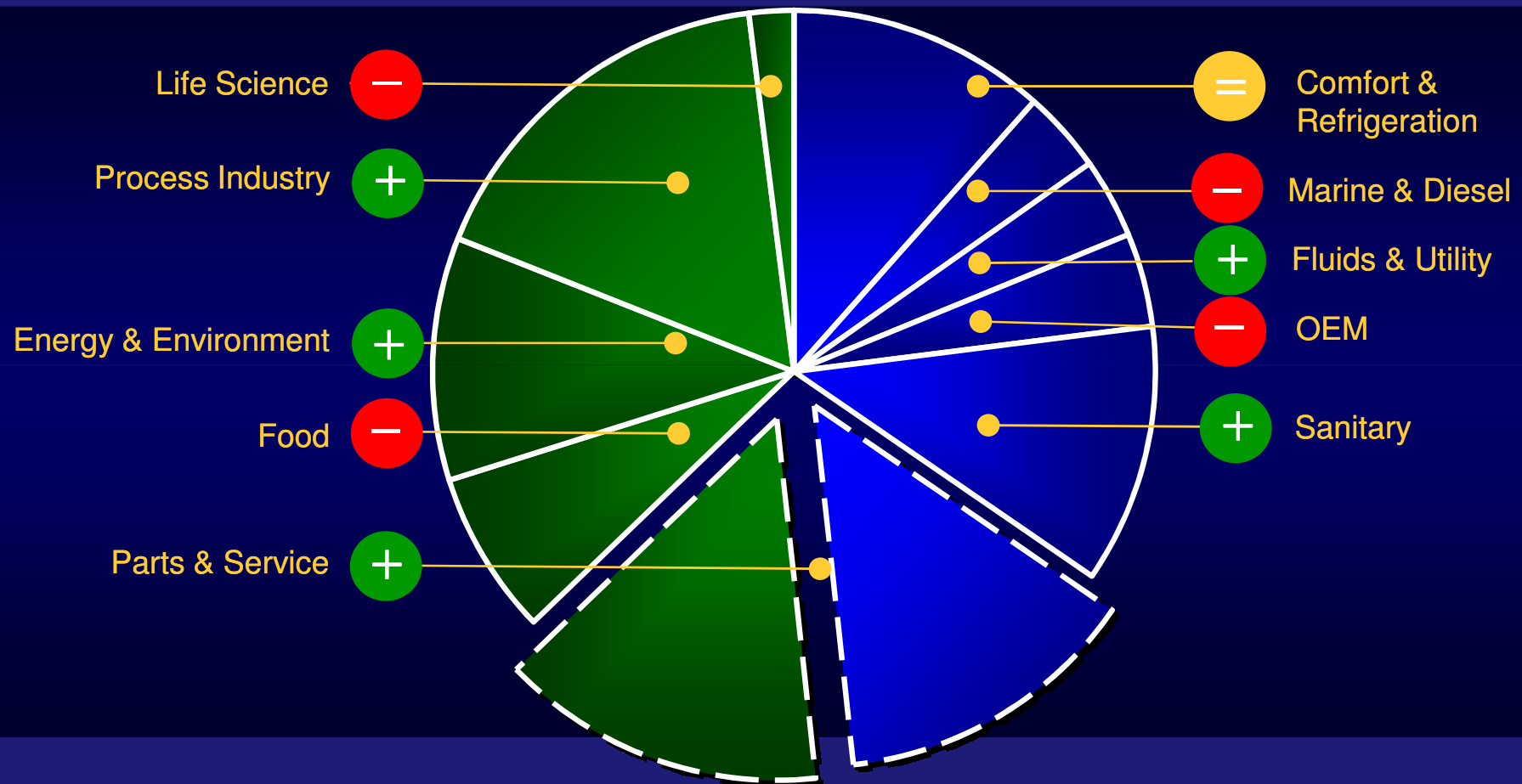
Orders received by customer segment

Oct – Dec 2009, at constant rates



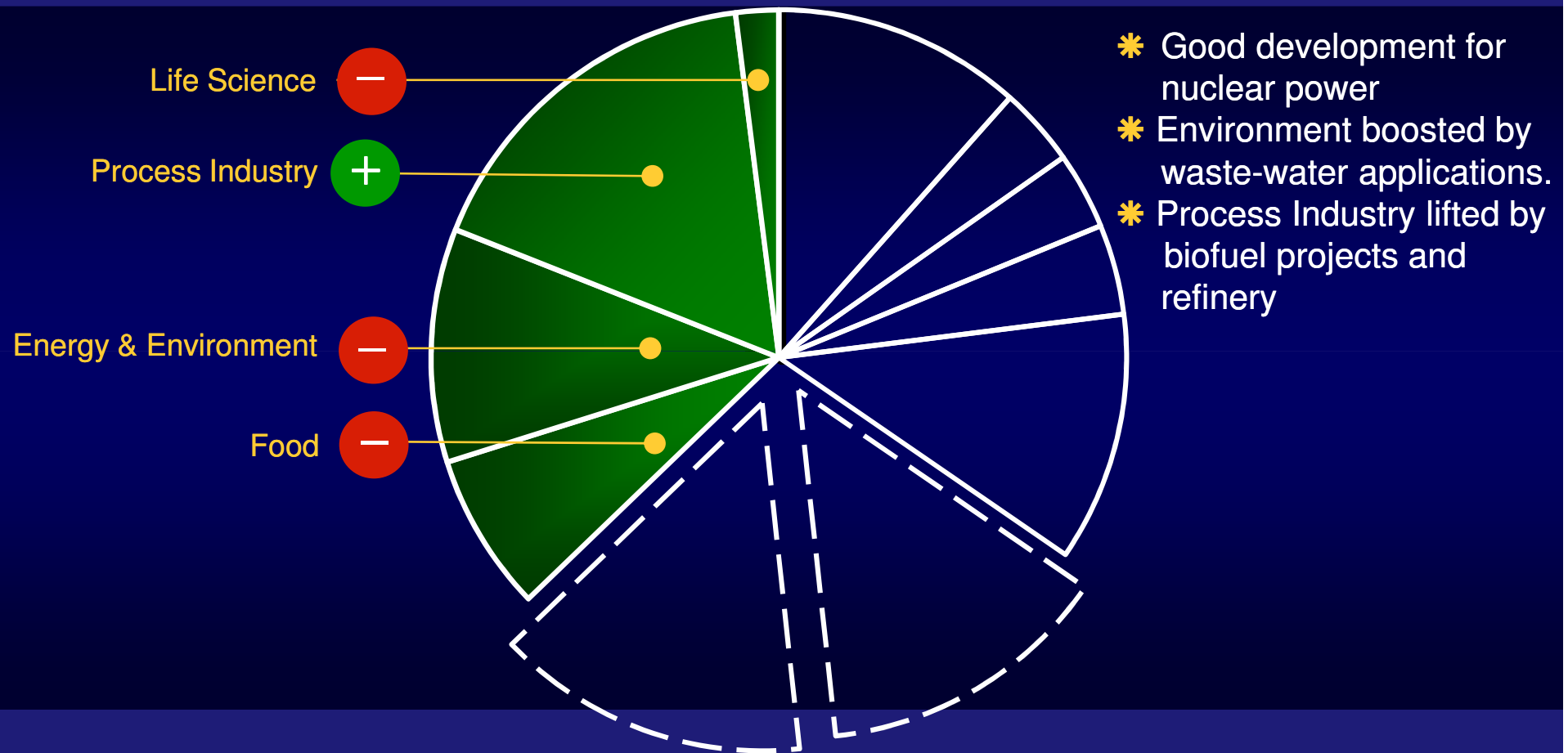
Orders received by customer segment

Sequential development 4Q versus 3Q, at constant rates



Orders received by customer segment

Process Technology Division Oct – Dec 2009, at constant rates

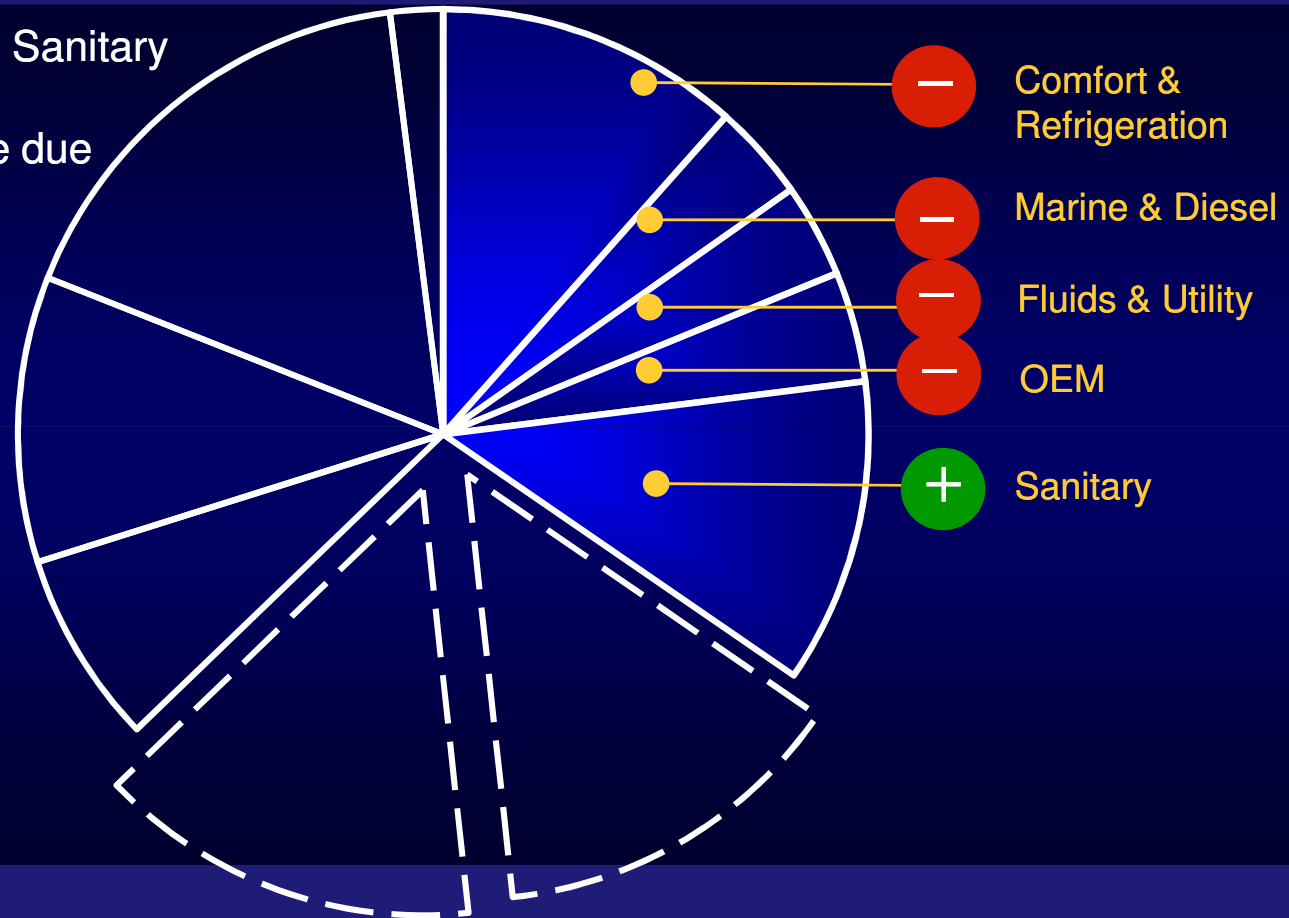


Orders received by customer segment

Equipment Division, Oct – Dec 2009, at constant rates

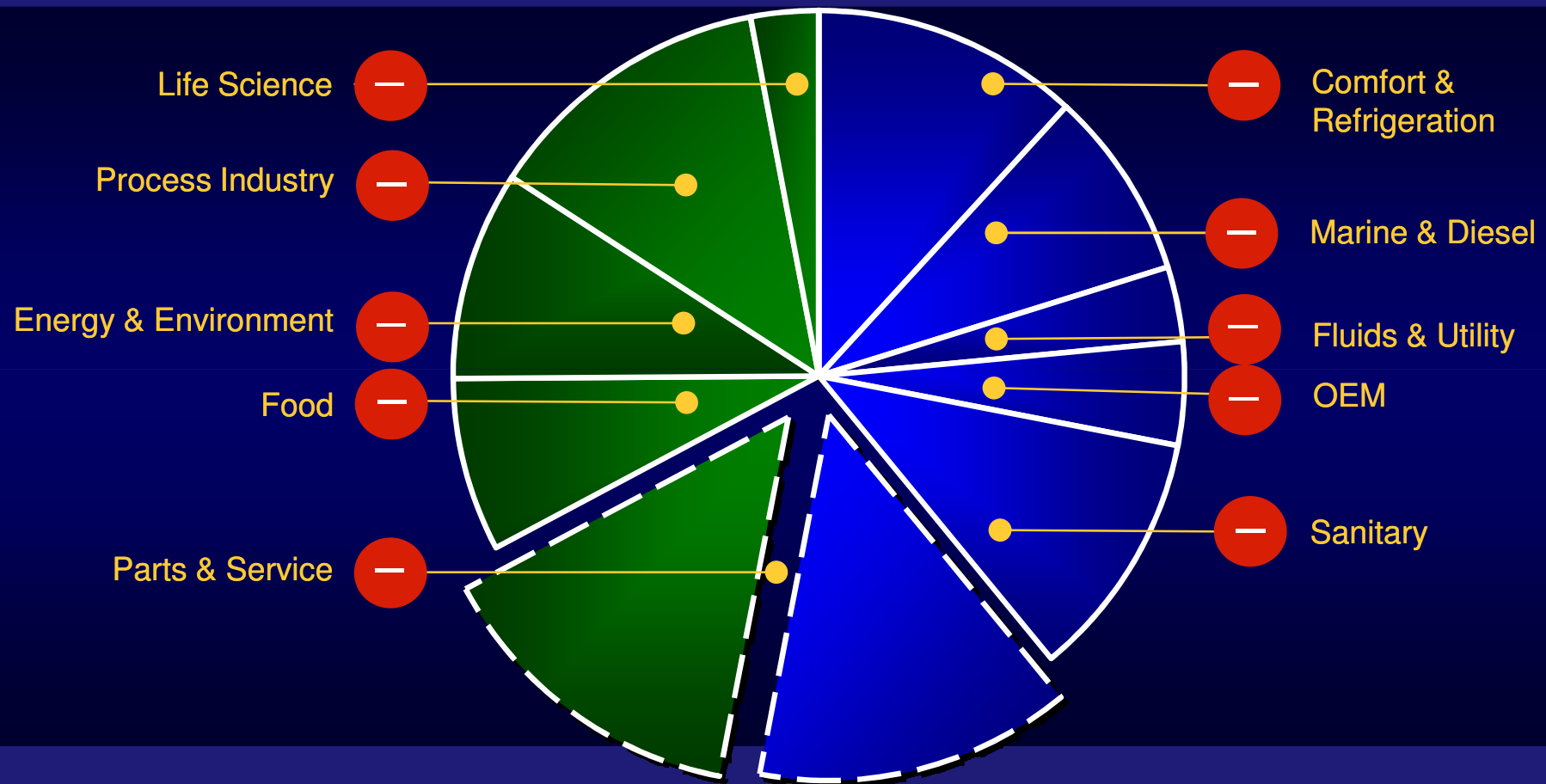
* Strong development for Sanitary

* Slight sequential decline due to the development in Marine & Diesel and Comfort & Ref



Orders received by customer segment

Jan – Dec 2009, at constant rates





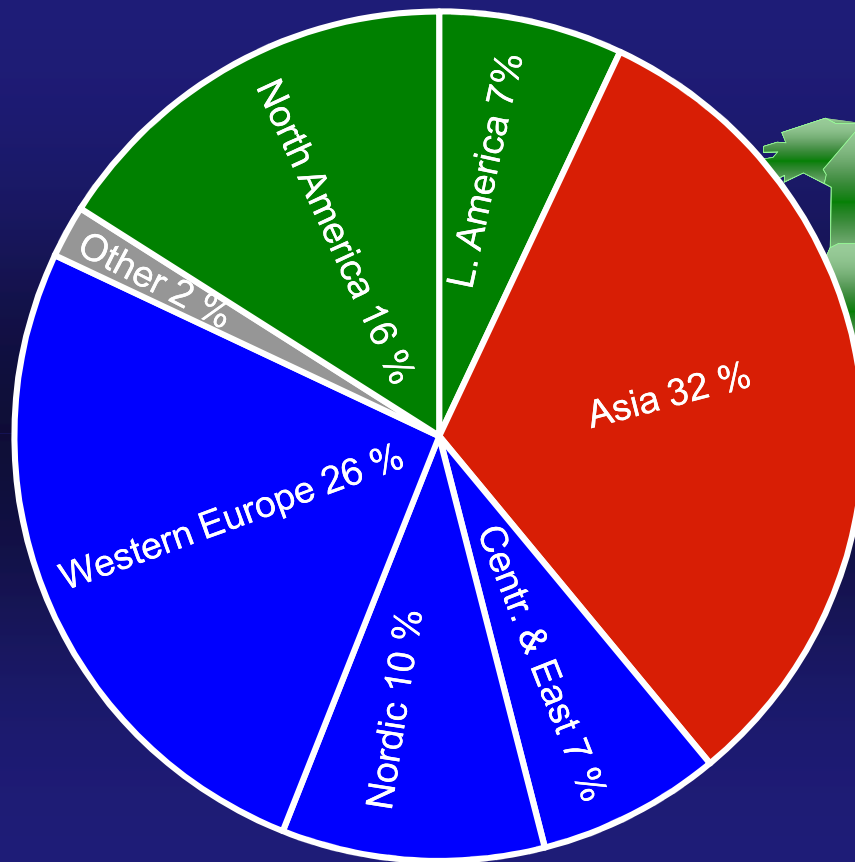
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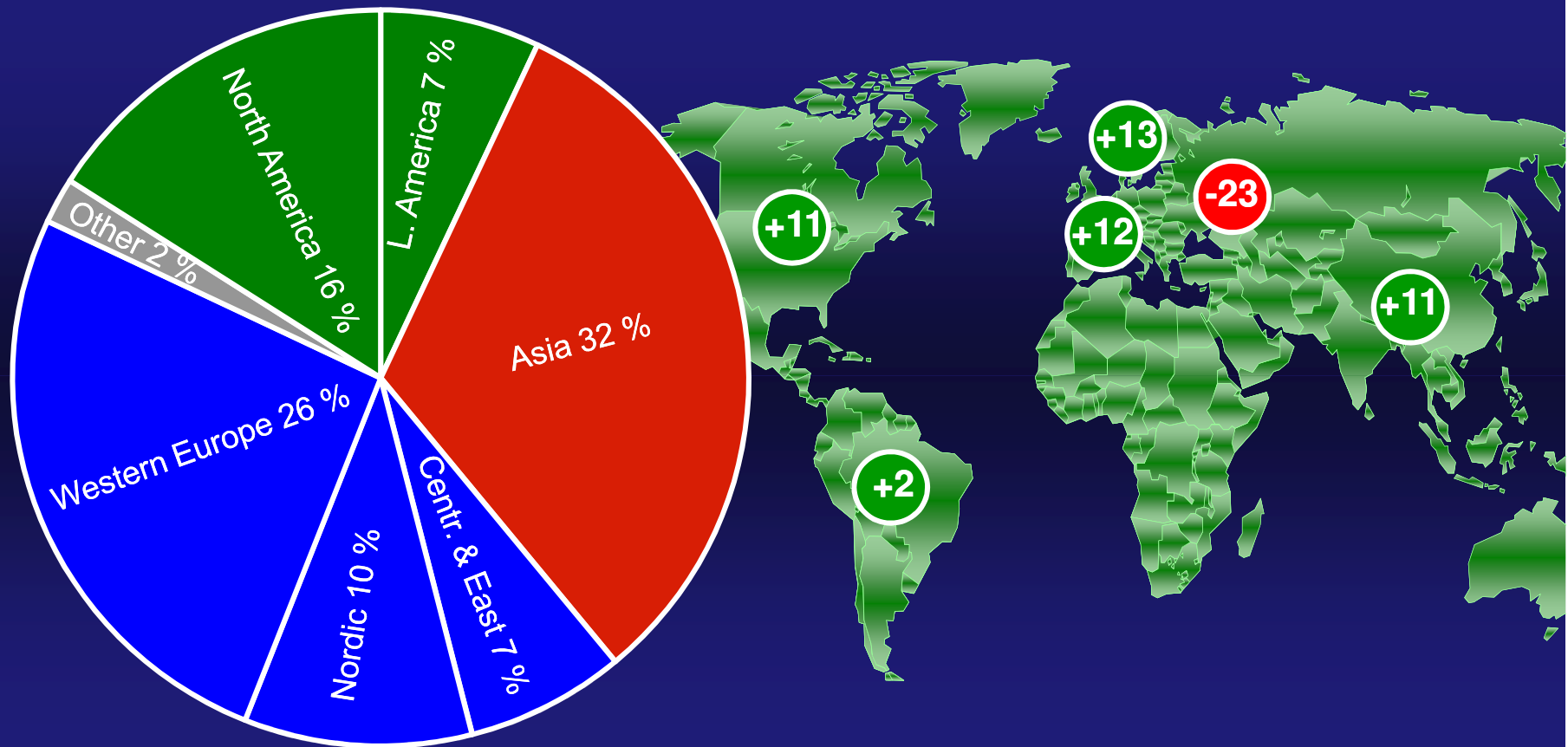
Orders received by Region

Oct – Dec 2009, at constant rates



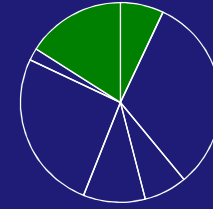
Orders received by Region

Sequential development Q4 versus Q3, at constant rates



Highlights Americas

Oct – Dec 2009, at constant rates

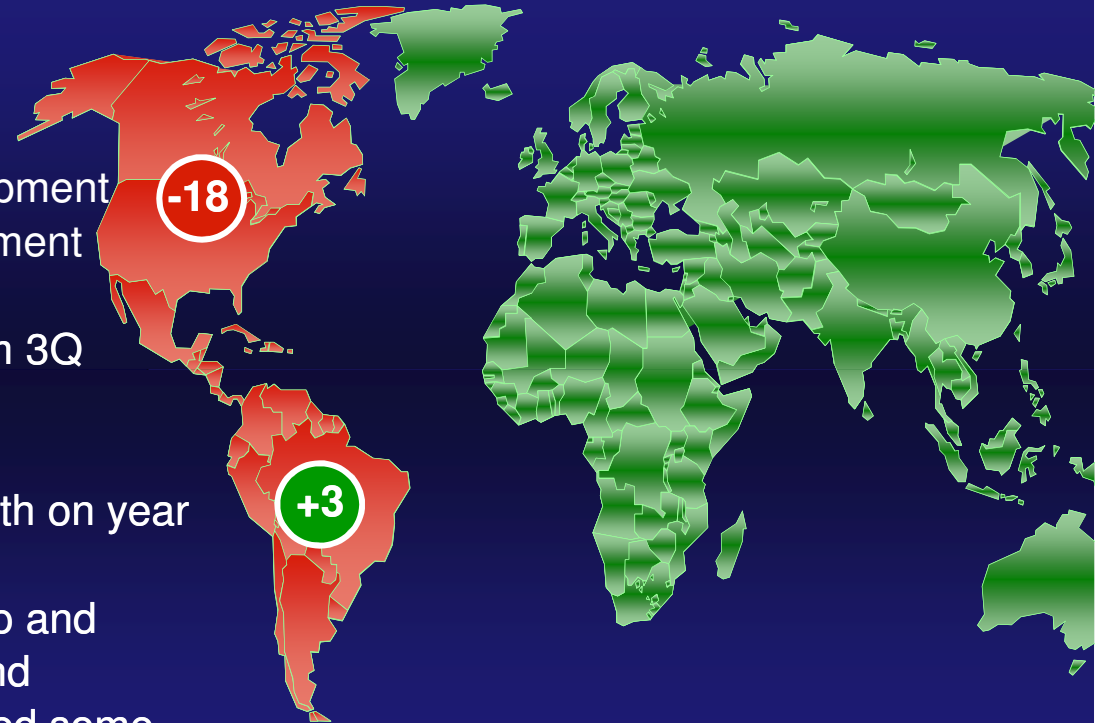


North America

- * Order intake grew from third quarter, driven by good development for Sanitary, Energy & Environment and Process Industry
- * Base business unchanged from 3Q

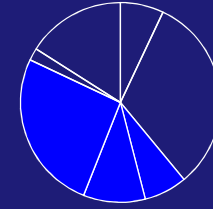
Latin America

- * Order intake was slightly up both on year and sequentially
- * Positive development in Mexico and Brazil due to growth in Food and Process Industry, which received some large orders



Highlights Europe

Oct – Dec 2009, at constant rates

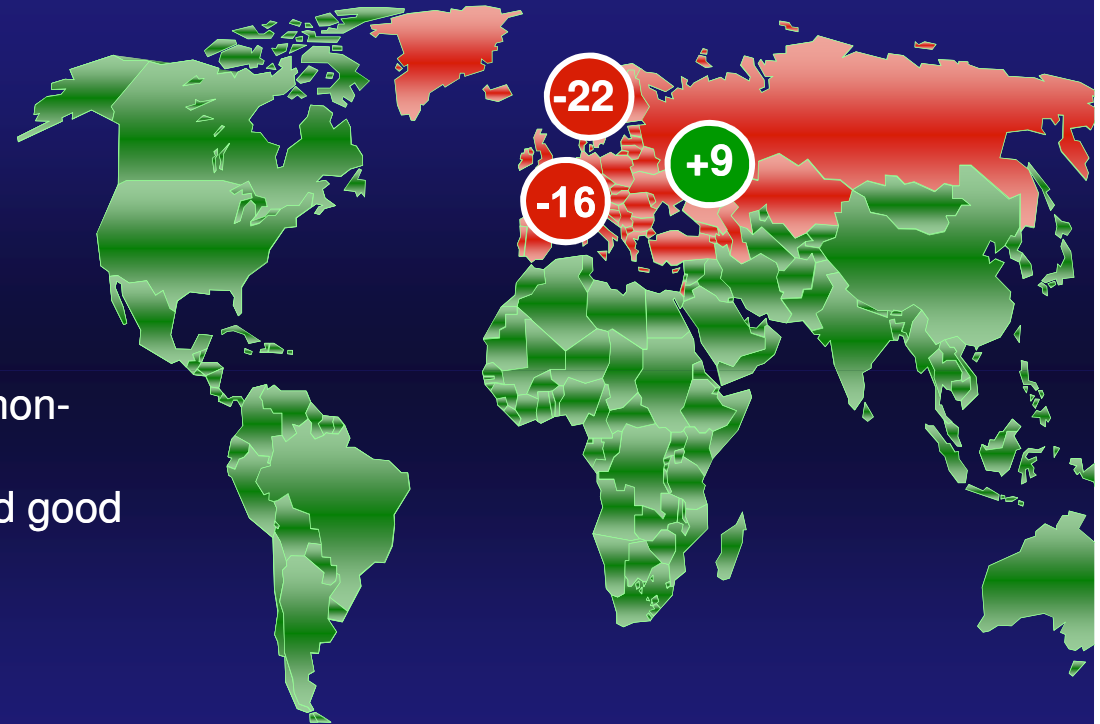


Western Europe incl. Nordic

- * Sequential increase in order intake
- * Base business had a positive development

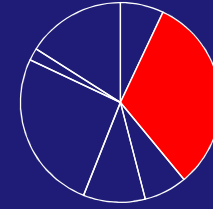
Central and Eastern Europe

- * Orders declined on quarter due to non-repeat large projects
- * Comfort & Ref and Sanitary showed good development



Highlights Asia

Oct – Dec 2009, at constant rates



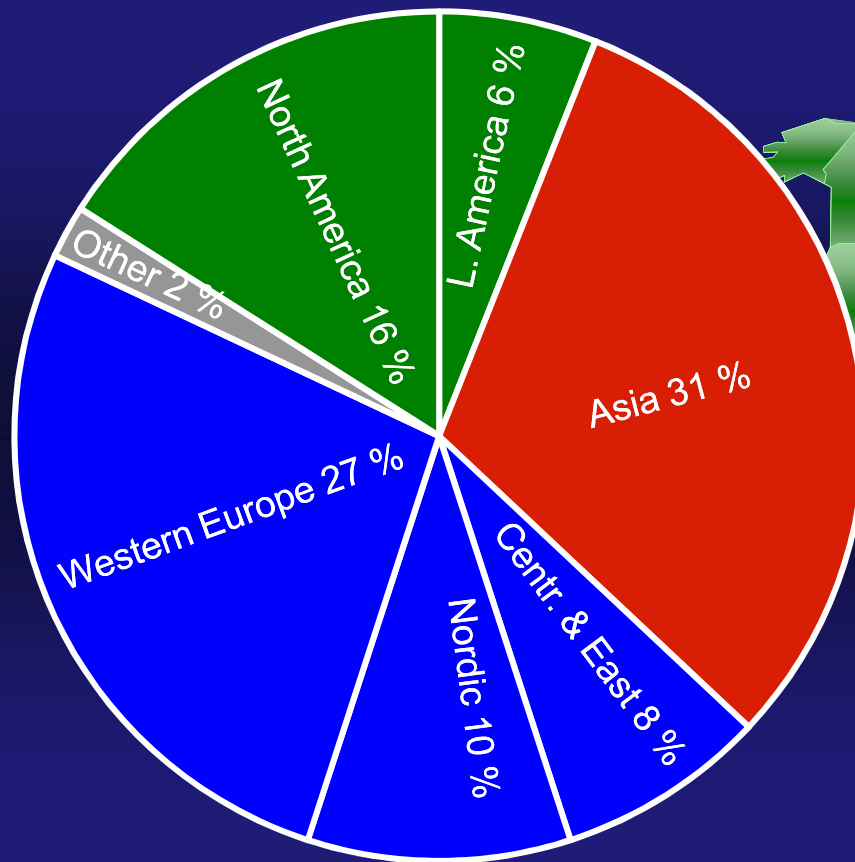
Asia

- * Good development in Sanitary, Food and Process Industry
- * High activity level in nuclear power in China
- * Slight decline in the base business sequentially, due to Marine



Orders received by Region

Jan– Dec 2009, at constant rates





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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK millions

Oct – Dec 2009

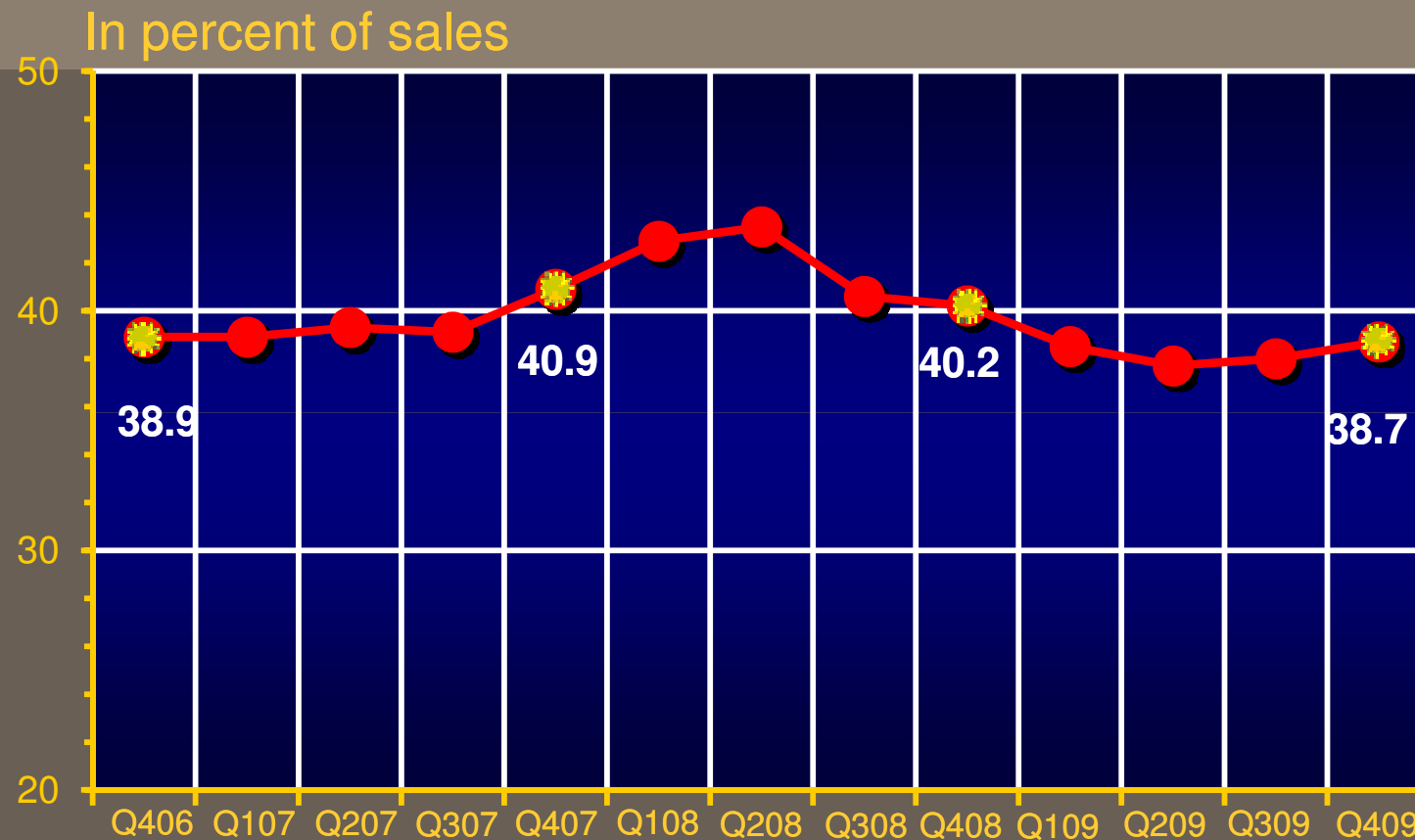
Order intake

5,427

Net sales

6,556

Gross profit margin



Highlights

SEK millions

Oct – Dec 2009

Order intake	5,427
Net sales	6,556
Adjusted EBITA	1,153
Adjusted EBITA-margin	17.6%
Profit before tax	899

Overview cost and capacity adjustment

- update as per December 31st, 2009

In SEK million		Q4 2009	2009	Target
Sales & Administration	}	260	725	> 900
Research & Development				
Indirect Personnel in COGS				
<hr/>				
<div>- Full impact from January program achieved in Q4 2009</div> <div>- Savings from further measures – full impact from Q1 2010</div>				
Capacity reduction targeted with initiated savings: 25 - 35 %				

Total estimated reduction in FTE's:	1,700
Reductions as per December 31 st	1,400
- of which work-sharing represents approx. 150 FTE's	

Earnings per share

	Oct – Dec		Jan – Dec	
	2009	2008	2009	2008
Earnings	1.48	2.03	6.42	8.83
Earnings, excluding step-up	1.65	2.15	7.00	9.26

Highlights

SEK millions

Oct – Dec 2009

Order intake	5,427
Net sales	6,556
Adjusted EBITA	1,153
Adjusted EBITA-margin	17.6%
Profit before tax	899
Cash flow from operating activities	1,566
ROCE	33.6%
ROE	24.5%

Cash-flow statement

SEK millions	Jan – Dec 2009	Jan – Dec 2008
Cash flow from		
- operating activities	5,347	4,062
- investing activities	- 2,620	-1,333
Financial net paid	-265	- 292
Dividends	-955	- 983
Total	1,507	1,454

Pro Forma Free-cash-flow*	4,631	3,023
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**Incl. operating activities, capital expenditure and financial net paid.*

Foreign exchange

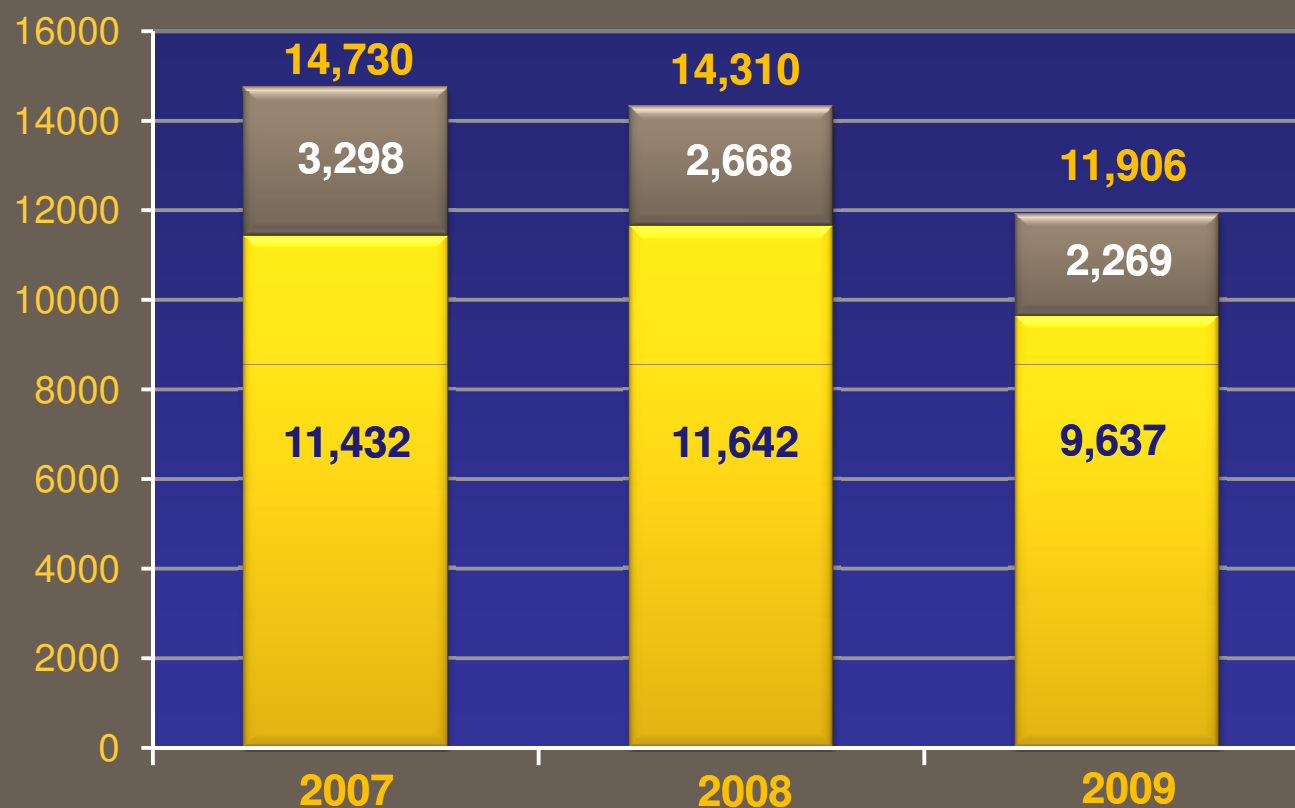
Estimated impact on adjusted EBITA from FX fluctuations

SEK million	Q4 09	WY 09	WY 10*
Translation effect	-20	344	-150
Transaction effect	-120	- 178	450
Total	-140	166	300

**Based on EUR/USD 1.44 and EUR/SEK 10.20*

Order backlog as per Dec 31

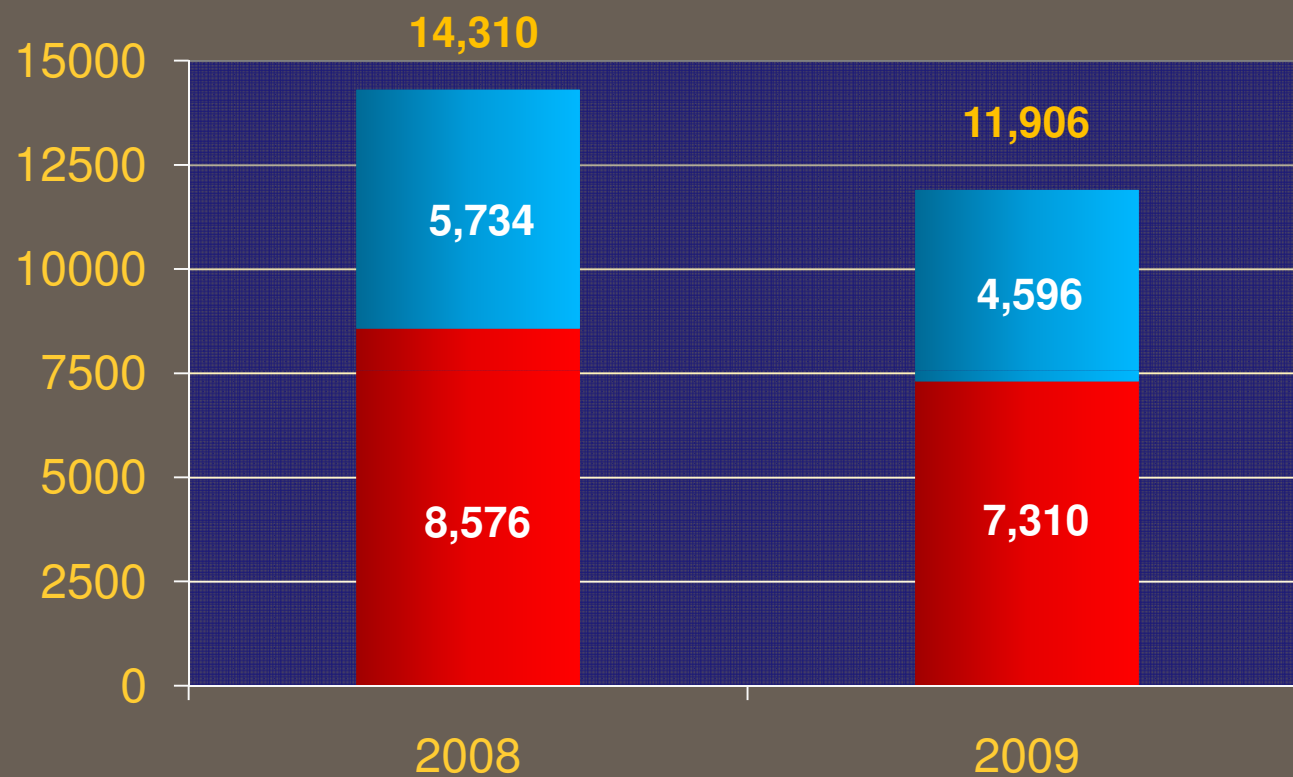
SEK millions



For delivery later than 2010
For delivery 2010

Order backlog as per Dec 31

SEK millions



■ Other segments
■ Marine



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Outlook for the first quarter

“We expect demand during the first quarter 2010 to be on about the same level as during the fourth quarter 2009.”

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