

ALFA
LAVIA



Report for Q1 2010

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

Mr. Lars Renström
President and CEO
Alfa Laval Group

Key figures

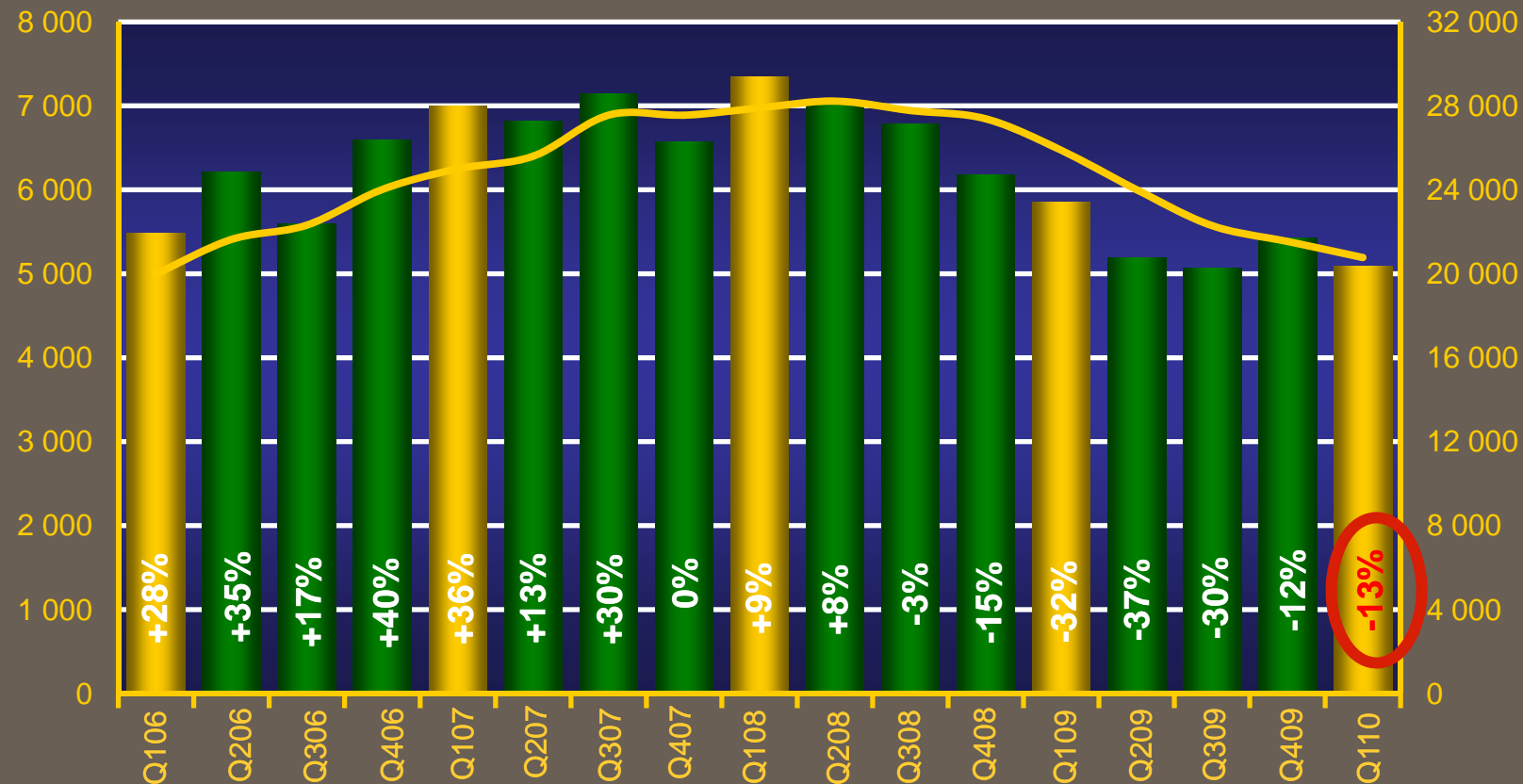
January – March 2010

- Orders received dropped 13.1% to SEK 5,089 million.
- Net sales down 22.3% at SEK 5,381 million.
- Adjusted EBITA down 19% to SEK 1,012 million.
- Adjusted EBITA margin increased to 18.8%
 - *Positive currency effect SEK 95 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

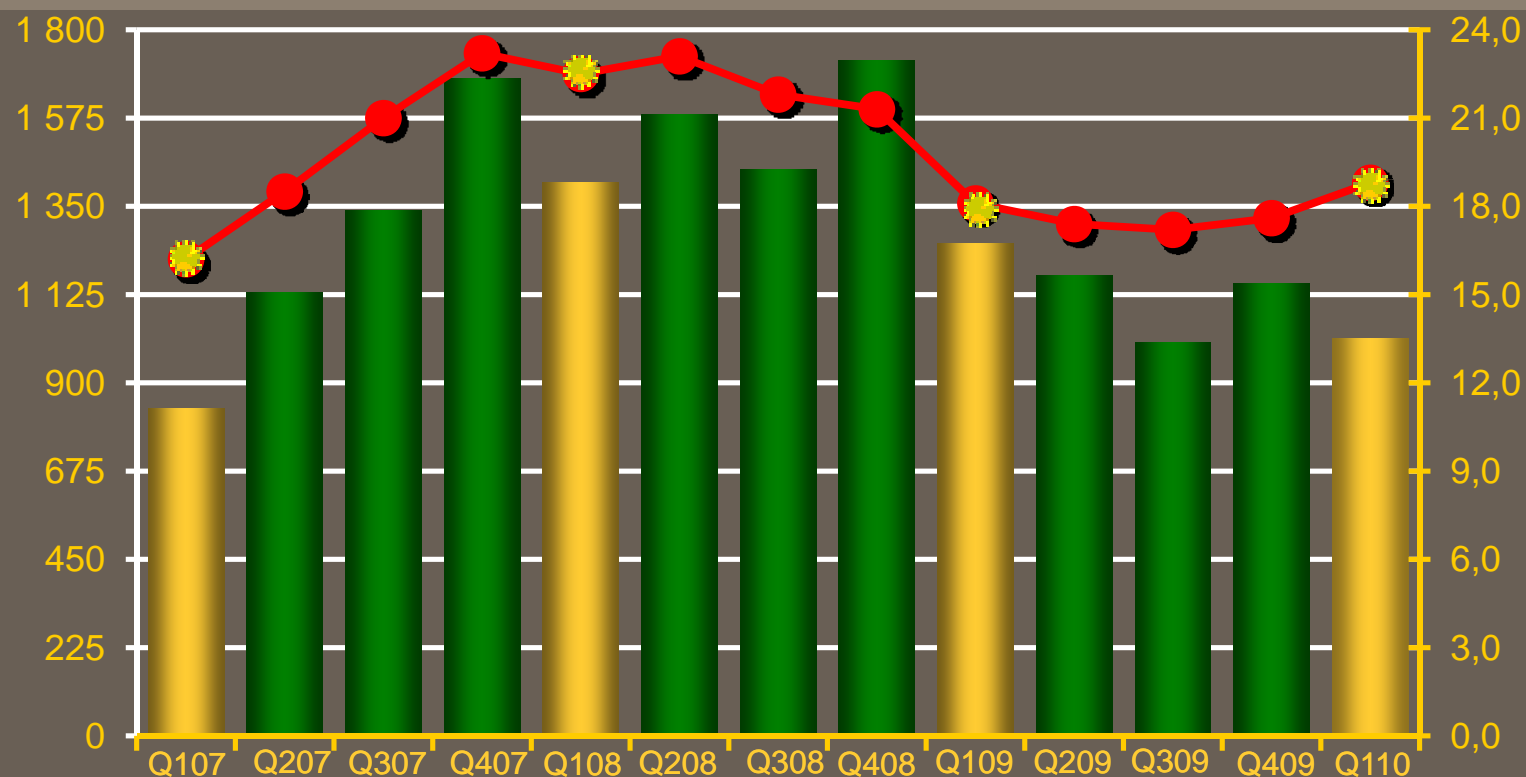
Order analysis

January – March 2010

2009 (SEK millions)	5,853
Structural change, %	+ 3.2
Currency effects,%	- 7.1
Organic development, %	- 9.2
Total, %	- 13.1
2010 (SEK million)	5,089

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 140 million (140)

✱ Cleantech order in Malaysia.

Order value SEK 50 million. Delivery in 2011.

Highlights during the quarter

Large orders, total SEK 140 million (140)

- * Cleantech order in Malaysia.

- * Refinery order in Saudi Arabia.

Order value SEK 90 million. Delivery in 2011.

Highlights during the quarter

Acquisitions

* Champ – U.S. supplier of cooling equipment.

Leading supplier of engine cooling solutions to the North American market.

Sales of about SEK 100 million in 2009 and some 75 employees.

Highlights during the quarter

Acquisitions

- * Champ – U.S. supplier of cooling equipment.
- * U.S. service provider for plate heat exchangers.

The company adds sales of about SEK 100 million and will remain a separate brand.

Highlights during the quarter

Acquisitions

- * Champ – U.S. supplier of cooling equipment.
- * U.S. service provider for plate heat exchangers.
- * Astepo – Italian provider of aseptic products.

The company, which makes bag-in-box fillers and heat exchangers had sales of about SEK 70 million in 2009 and about 20 employees.



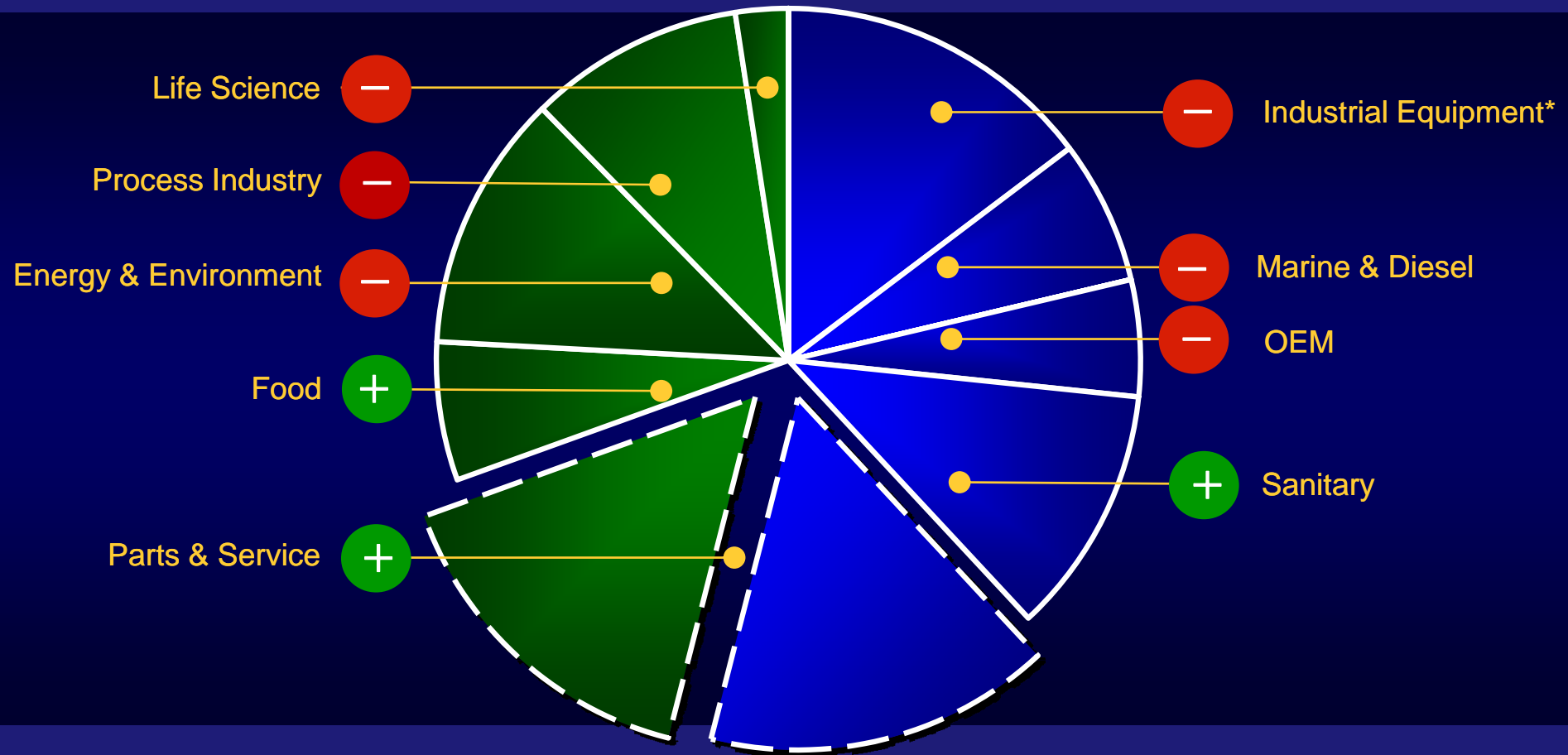
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Orders received by customer segment

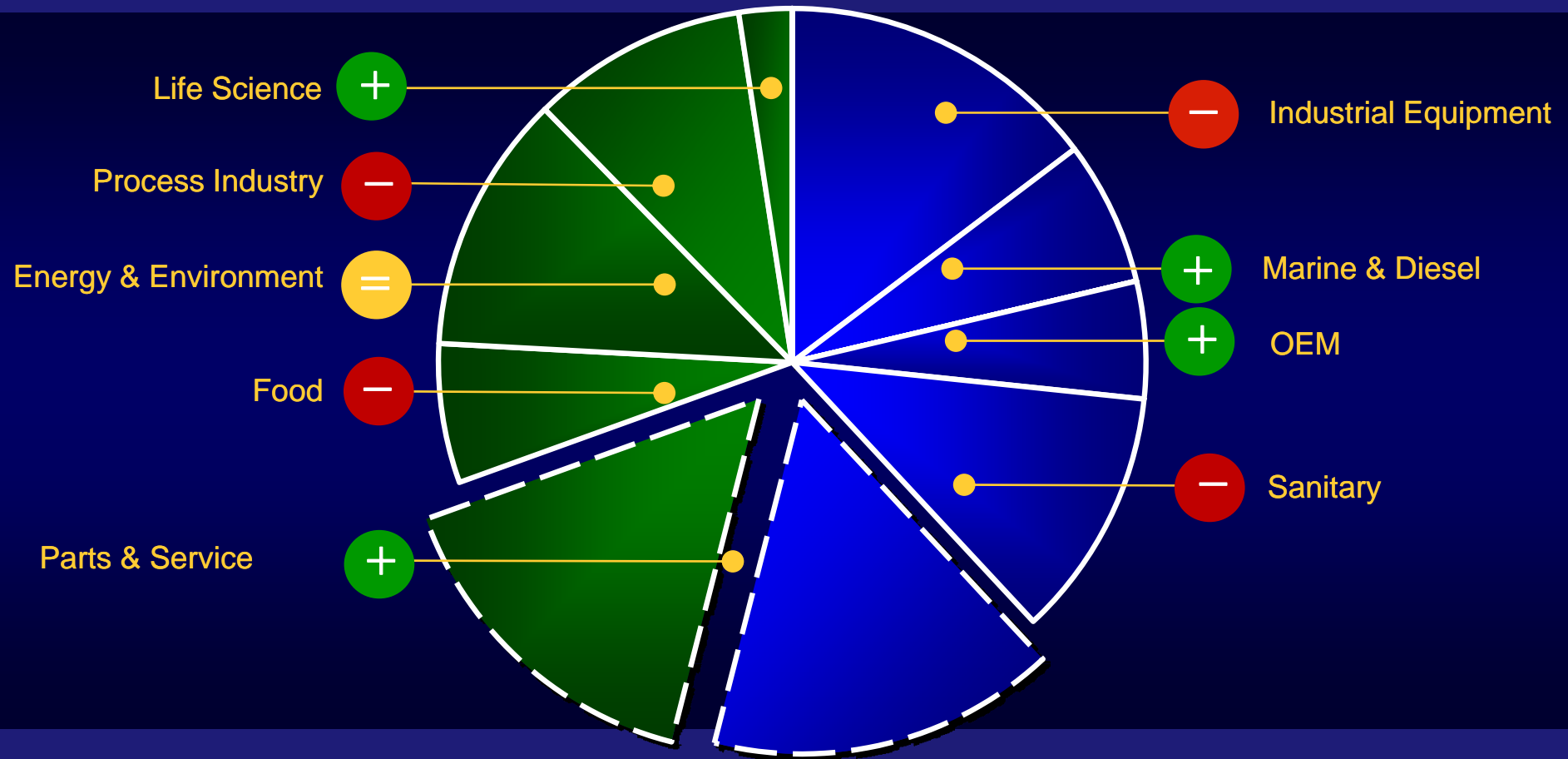
January – March 2010, at constant rates



* Industrial Equipment is a new customer segment, a combination of the two former segments Comfort & Refrigeration and Fluids & Utility.

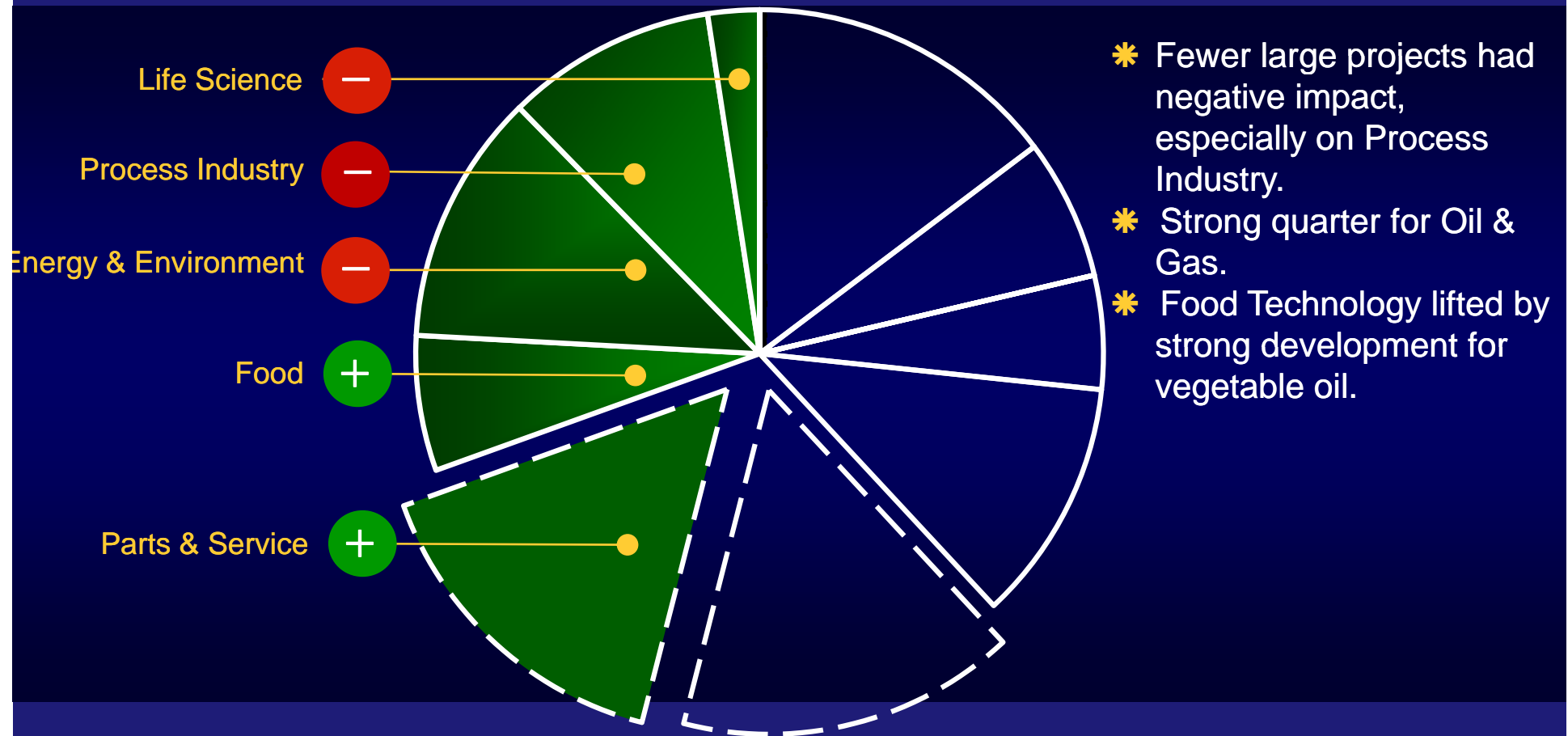
Orders received by customer segment

Sequential development 1Q versus 4Q, at constant rates



Orders received by customer segment

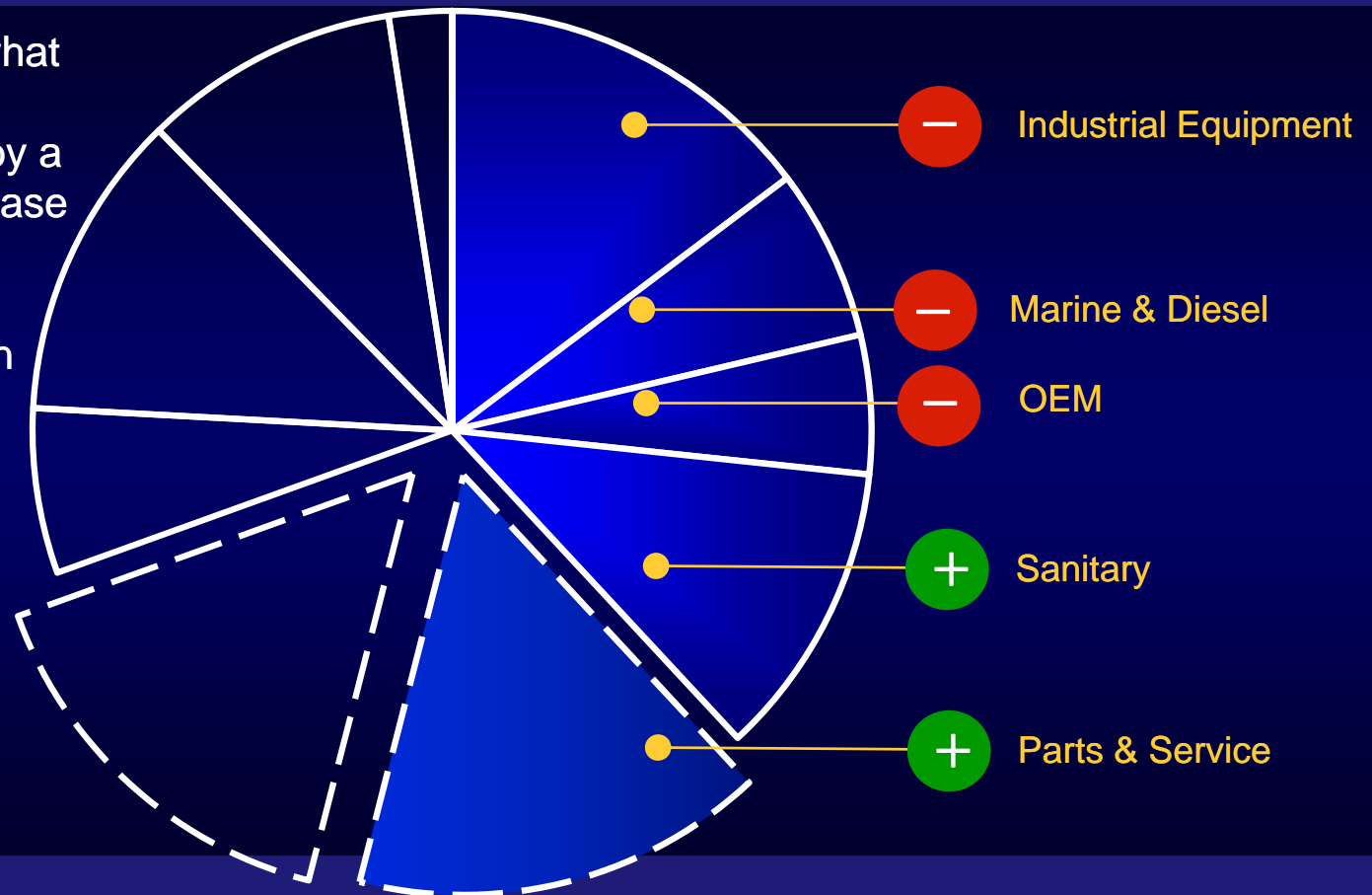
Process Technology Division January – March 2010, at constant rates



Orders received by customer segment

Equipment Division, January – March 2010, at constant rates

- * Order intake up somewhat sequentially.
- * Sanitary grew, driven by a broad increase in the base business.
- * Increased demand for Parts & Service both on year and sequentially.





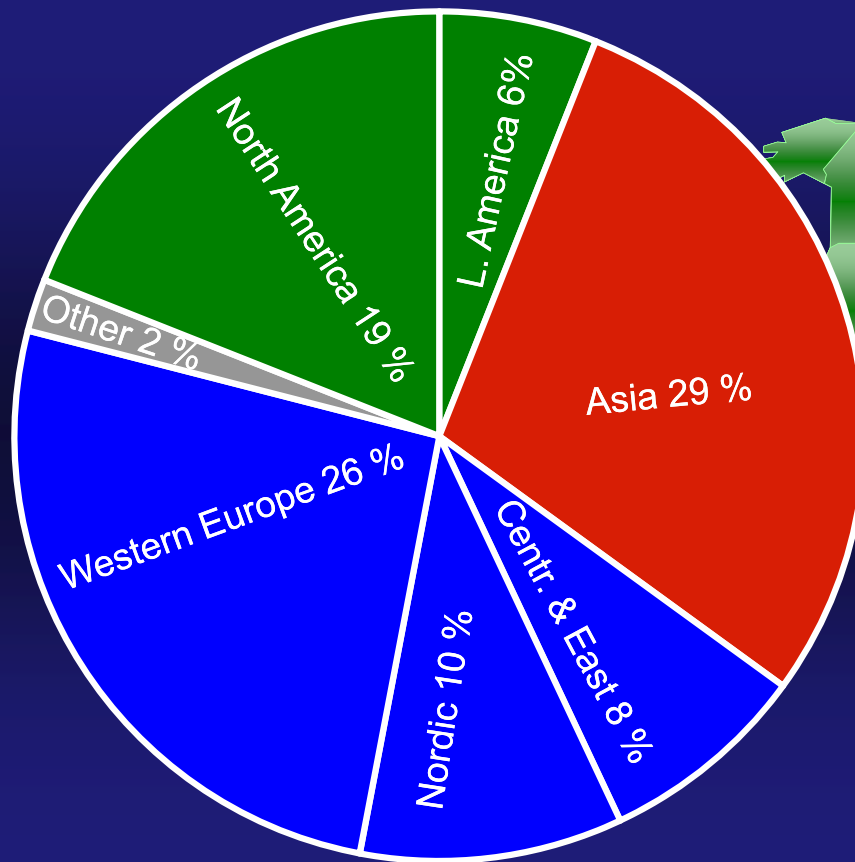
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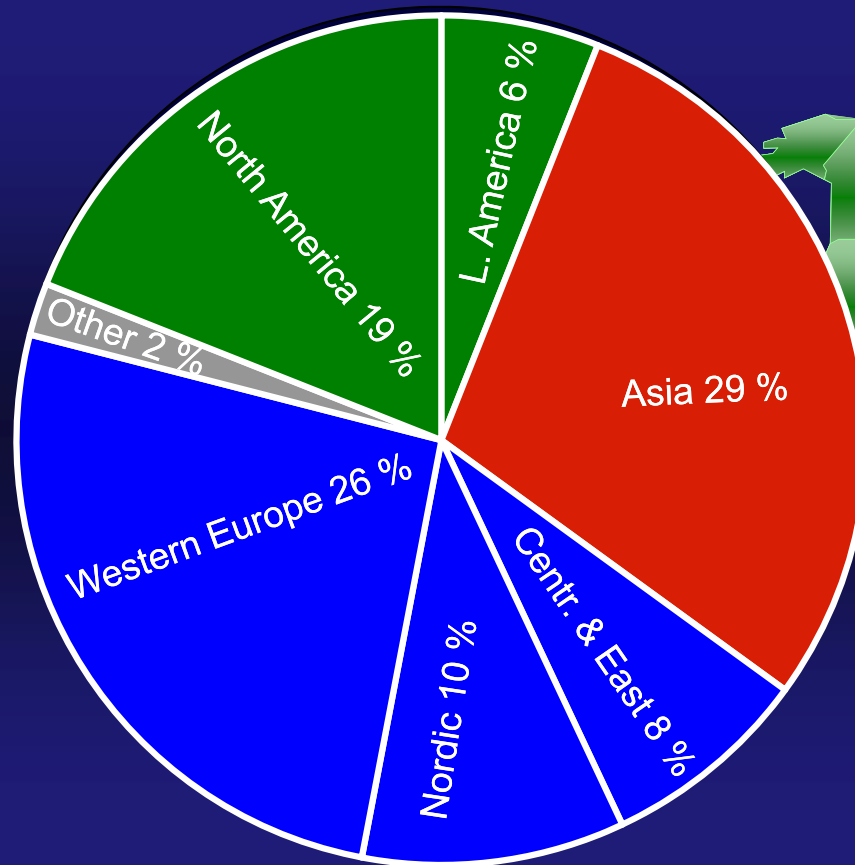
Orders received by Region

January – March 2010, at constant rates



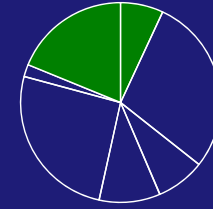
Orders received by Region

Sequential development Q1 versus Q4, at constant rates



Highlights Americas

January – March 2010, at constant rates



North America

- * Order intake grew both sequentially and on year.
- * Best development seen in Industrial Equipment, Energy & Environment and Parts & Service, sequentially and on year.

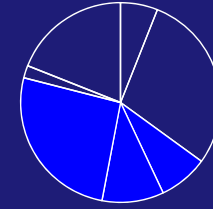
Latin America

- * Good development for almost all segments.
- * Base business developed strongly both sequentially and year on year.



Highlights Europe

January – March 2010, at constant rates



Western Europe incl. Nordic

- * All segments declined versus last year except Life Science and Marine & Diesel.
- * Sequentially order intake was slightly lower.

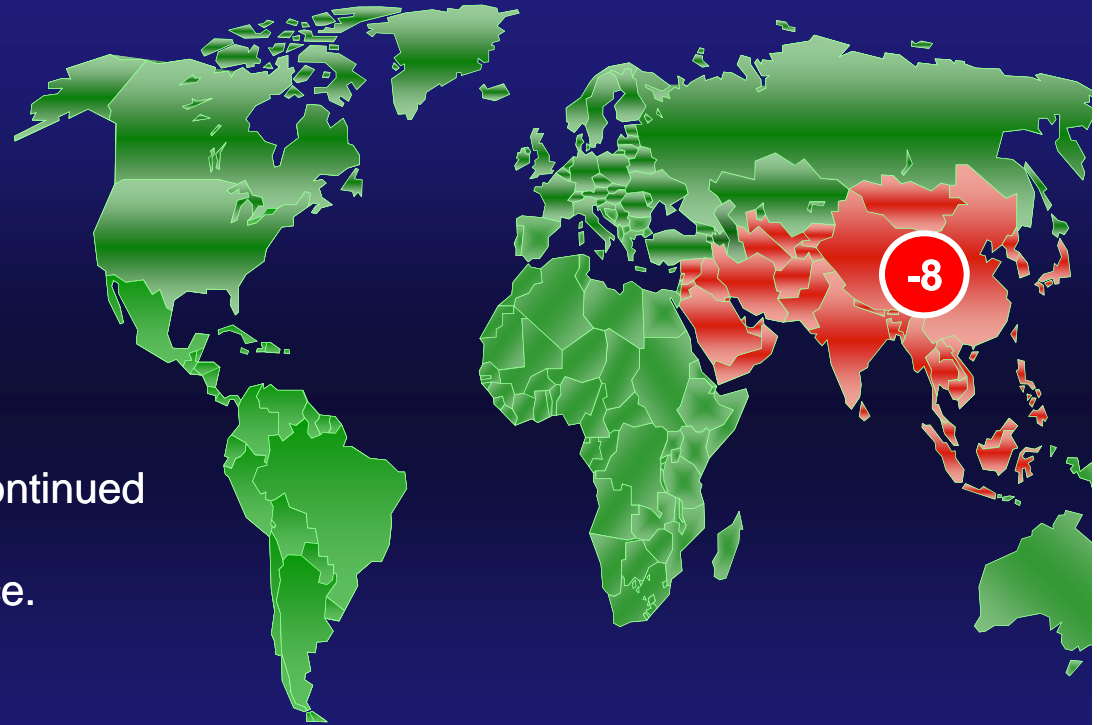
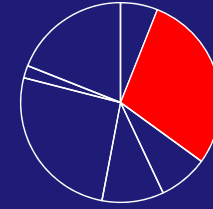
Central and Eastern Europe

- * Equipment Division was flat, Process Technology Division dropped due to non-repeat large orders.



Highlights Asia

January – March 2010, at constant rates



Asia

- * Order intake negatively affected by continued weakness in Marine.
- * Good development for Parts & Service.



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Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

SEK millions

January – March 2010

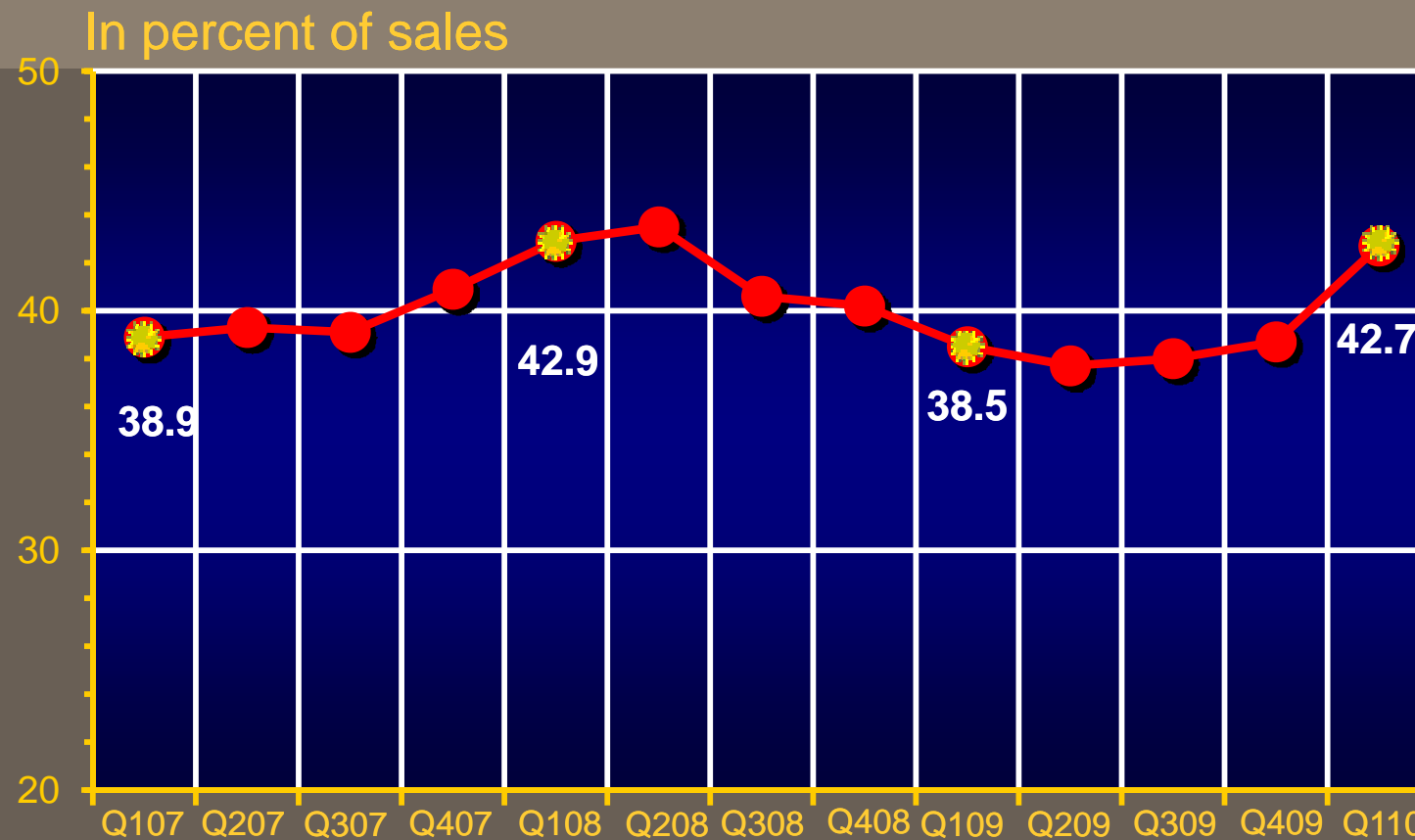
Order intake

5,089

Net sales

5,381

Gross profit margin



Gross Profit Margin

- analysis year-on-year and sequentially

In percent	Q1 2009	Q4 2009
Actual	38.5	38.7
- Foreign exchange, transaction	+ 2.8	+ 2.8
- Change in product mix	+ > 1.5	+ > 2.0
Sub.total:	43.0	43.5
-Procurement (pos)		
-Productivity (pos)		
-Price adjustments (pos)		
-Margin in order backlog (neg)		
-Volume (neg)		
Actual for Q1 2010:	42.7	42.7

Highlights

SEK millions

January – March 2010

Order intake	5,089
Net sales	5,381
Adjusted EBITA	1,012
Adjusted EBITA-margin	18.8%
Profit before tax	900

Overview cost and capacity adjustment

- update as per March 31st, 2010

In SEK million	Q1 2010	Target
Sales & Administration	195	> 900
Research & Development		
Indirect Personnel in COGS		
		Achieved
<ul style="list-style-type: none">- Full impact from January program achieved in Q4 2009- Savings from further measures – full impact from Q1 2010		
Capacity reduction targeted with initiated savings: 25 - 35 %		
Reductions as per March 31 st	1,460	
- of which work-sharing represents approx. 160 FTE's		

Earnings per share

	Jan – March	
	2010	2009
Earnings	1.45	1.80
Earnings, excluding step-up	1.62	1.93

Highlights

SEK millions

January – March 2010

Order intake	5,089
Net sales	5,381
Adjusted EBITA	1,012
Adjusted EBITA-margin	18.8%
Profit before tax	900
Cash flow from operating activities	1,007
ROCE	31.7%
ROE	22.3%

Cash-flow statement

SEK millions	Jan – March 2010	Jan – March 2009
Cash flow from		
- operating activities	1,007	1,058
- investing activities	- 330	-1,205
Financial net paid	+ 48	- 133
Total	725	- 280

Pro Forma Free-cash-flow*	1,000	835
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**Incl. operating activities, capital expenditure and financial net paid.*

Foreign exchange

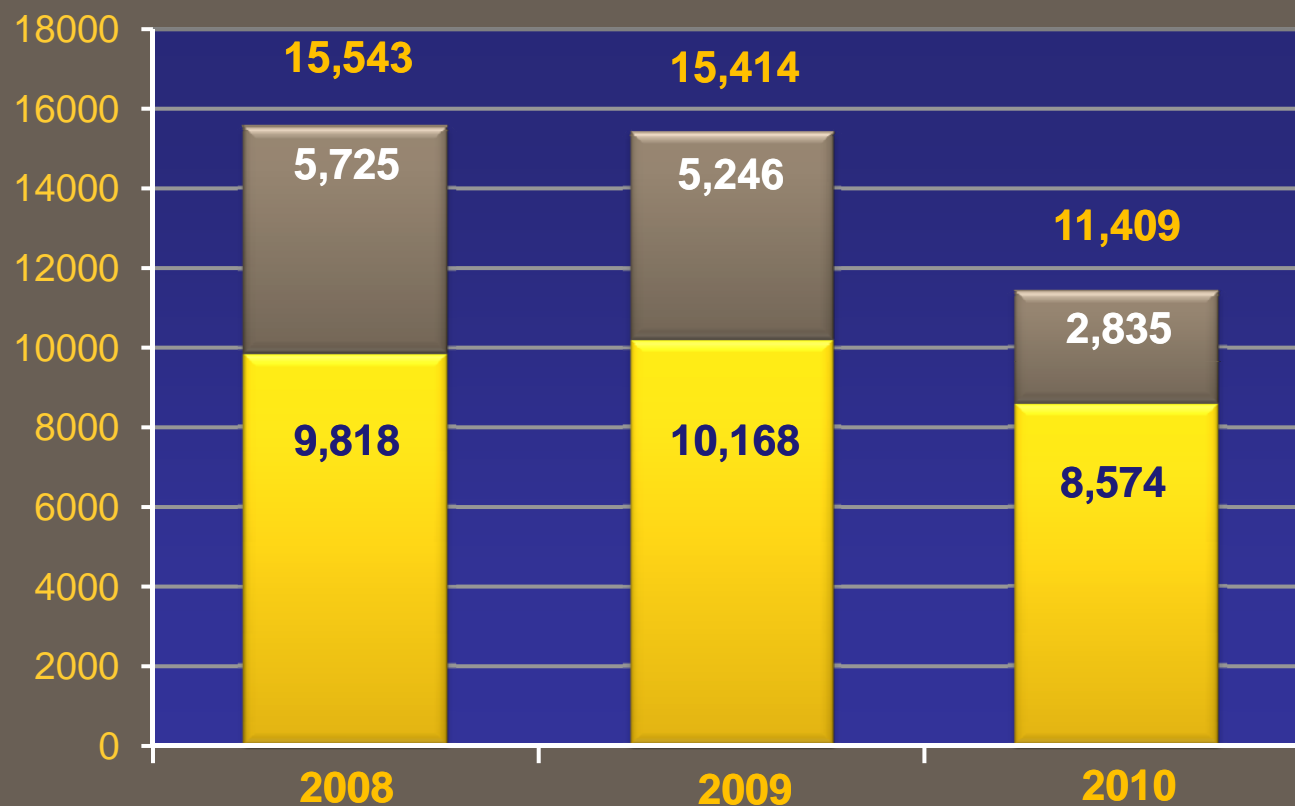
Estimated impact on adjusted EBITA from FX fluctuations

SEK million	Q1 10	WY 10	WY 11*
Translation effect	-54	-75	-
Transaction effect	+149	+450	-155
Total	+95	+375	-155

**Based on EUR/USD 1.36 and EUR/SEK 9.75*

Order backlog as per March 31

SEK millions



For delivery later than 2010
For delivery 2010



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Outlook for the second quarter

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

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