Ladies and gentlemen, shareholders and colleagues,

**Resilient earnings in 2009**
During a year that was characterised by challenging conditions, a substantial order backlog and early implementation of savings measures helped to bolster sales and earnings. Revenues totalled 26.0 billion while operating income reached 4.6 billion. The operating margin was 17.6 percent.

During the year, two savings programs were initiated to reduce costs by more than 900 million crowns from 2010. The programs included a reduction in staff, corresponding at year-end to 1,400 full-time positions. The non-recurring cost for the two programs was 525 million.

Order intake decreased by 28 percent to 21.5 billion, affected by the negative investment climate that arose in the wake of the global financial crisis. Following a sharp decline during the first six months of the year, order intake stabilised at the same absolute level as in the second quarter. During the second half of the year a recovery in demand was noted in Asia and Latin America, partly driven by a healthy demand situation in China and India as well as increased raw material prices.

The Power and Environment business units continued to show healthy demand, partly due to the continued expansion of nuclear power in China. In addition the Parts & Service business segment displayed good resilience and the service workshops had a satisfactory workload.

At year-end the aftermarket business, which remains a top priority, accounted for 29 percent of the Group’s order intake.

We are now reaping the rewards of increasing the number of employees in aftermarket by 35% since 2005.

It is gratifying to be able to observe continued major interest in Alfa Laval. The number of shareholders increased to almost 34,000 – a threefold increase in five years. Interest also continues to grow among analysts, with more than 20 analysts monitoring Alfa Laval on a continuous basis.

**Continued acquisitions**
Acquisitions added 5 percent growth to the turnover in 2009 and an additional 1 percent in January 2010. The average level of annual growth for the last five years was almost 4 percent. We intend to maintain our plan of adding 3-4 percent annually to the Group’s volume growth through acquisitions.

Through the acquisition of two companies in the aftermarket business, Alfa Laval gained access to supplementary sales channels. The companies, with combined sales of 300 million in 2008, added approximately 5 percent to our aftermarket sales.
The acquisition of a South Korean system provider, with sales of 150 million crowns, expanded the Group’s local presence and provided a supplementary sales channel for the key shipbuilding and diesel power markets in Asia. In South Korea we also acquired 90 percent of the shares in LHE, a company in the market for plate heat exchangers. This acquisition strengthens our presence in the country and opens up for further market penetration in the rest of Asia. LHE reported sales of 650 million crowns in 2009.

**Sustainability initiatives – part of our daily business**
Alfa Laval's broad offering includes products and services that can help our customers to save energy, reduce their emissions and produce food and pharmaceuticals hygienically. Ultimately, our ambition is that our products help to create better conditions in people’s everyday lives. One example of this is a 2009 order from one of Russia's biggest oil refineries. Alfa Laval’s energy-efficient heat exchangers reduced the refinery’s energy consumption, and thus also its emissions, by an amount corresponding to the emissions from all the passenger cars in Stockholm in one year.

However, the aim of creating better conditions for people isn't limited to offering efficient and clean products. It includes all aspects of our operations. Alfa Laval is also governed by its environmental impact, social responsibility, business ethics and transparency.

The same applies to our suppliers, who we have reviewed regularly since 2004, focusing on environmental impact and social responsibility in India, China, Mexico and Eastern Europe. We use both our own and external resources to ensure that our suppliers adhere to Alfa Laval's business principles.

More than 200 suppliers are reviewed, and during 2009 over 150 inspections regarding social responsibility were made. For example, in India at the end of 2008 we had 27 suppliers who failed to meet our minimum criteria. At the end of 2009, 7 of these suppliers had been dropped, while 14 now met the minimum criteria. We see it as our social responsibility to primarily try to improve their sense of responsibility through education and by setting goals for improvement.

**Continued belief in long-term driving forces**
Over the last five years investments in research and development have increased by 46 percent in absolute terms, with energy and the environment being assigned special priority.

New and efficient products serve as the foundation for profitable growth. For example, we can see the difference in gross margin in the decanter product group, between products that are less than five years old, which follow the blue curve, and more than five years old, which follow the yellow curve. The difference between the curves amounts to several percentage points and is fundamental to profitable growth.

We include more customer value in our new products. The products shall
- have greater capacity
- be more energy-efficient
- be easier and safer to use
- meet new hygienic demands.

We will take a closer look at three new products, of which two are examples of greater capacity and one of new hygienic demands.

Among other effects, this has led to the introduction of heat exchangers with double the heat-recovery capacity in the processing industry and products that enable even more efficient fluid separation in oil extraction, which reduces the environmental impact. These new products also lower the total investment costs for our customers.

And now it’s time for what we’ve all been waiting for! Let’s have a look at our new products.

**PAUSE FOR PRODUCT DISPLAY**

**Optimising processes, time and time again**
It is also crucial that our operations are continuously renewed and streamlined. To this end, during 2009 we have implemented extensive activities, both globally and locally, to make our internal processes simpler, faster and even more reliable. We will halve the turnaround times for the prioritised processes. This will further improve the quality level experienced by our customers, while also making the company more competitive.

The Group executive board has a new addition – Svante Karlsson, who is responsible for the Process Technology division. Svante was previously responsible for our other business division Equipment, where he was succeeded by Susanne Pahlén Åklundh. Susanne was previously responsible for the Nordic sales company.

Furthermore, during the past two years new executives have been appointed to more than half of Alfa Laval’s 100 top positions.

These positions are advertised internally, giving our employees the opportunity to take part in an open recruitment process. This opens up new development opportunities for many employees, which is important, because as our employees develop, so does the company.

With the prioritised activities and measures we have implemented during the economic downturn, I am convinced that Alfa Laval has strengthened its positions as demand picks up once again.

Finally, I would like extend my warm and heartfelt thanks to all employees in the Alfa Laval Group for their excellent performance under extraordinary conditions.

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A few hours ago we released the report for the first three months of 2010. The report shows that Alfa Laval’s profitability continues to be good.

Our order intake was 5.1 billion crowns in absolute terms.
Invoices totalled 5.4 billion crowns.

The operating profit was 1.0 billion crowns, which corresponds to an operating margin of an impressive 18.8 percent.

Finally, our future prospects:
“We expect that demand during the second quarter will be at approximately the same level as during the first quarter of 2010.”

THANK YOU!