

ALFA
LFA



"Going east" – Alfa Laval in Asia and Russia

*"Controllerdagarna"
Teknikföretagen, May 25*

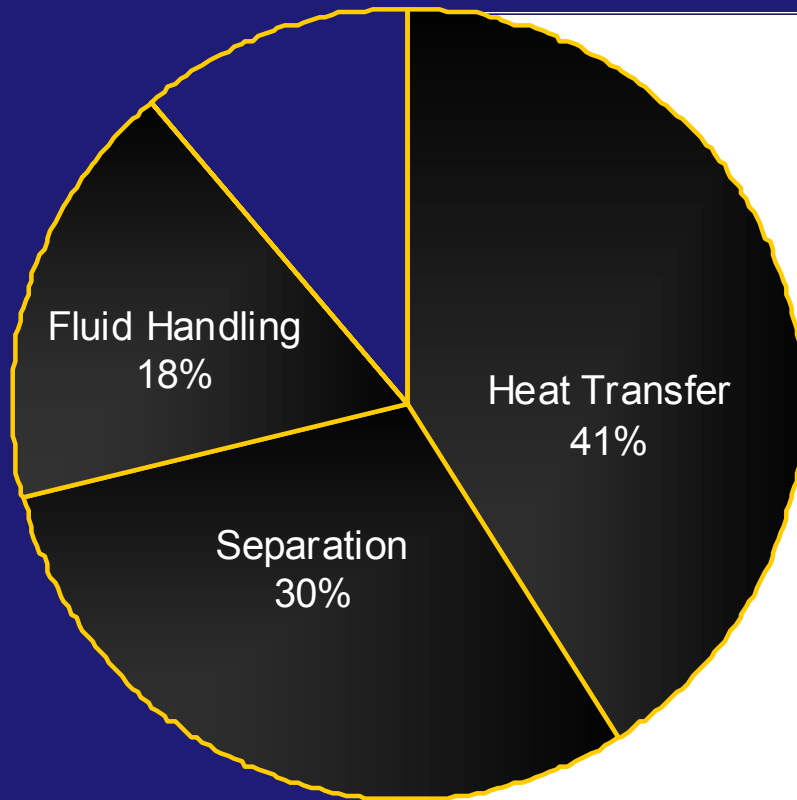
Peter Leifland
Executive VP
Region Asia, Latin America, Africa and Oceania

A global company

Year 2003

- Total sales: MSEK 14,000
- No. of employees: 9,400
- 20 production units
- 70 service centres
- Sales Companies in 50 countries
- Other sales representation in more than 45 countries

Capital sales/core product group



Heat Transfer



Market share
36%

Separation



Market share
24%

Fluid Handling



Market share
10%

Alfa Laval Group

President and CEO

-Support functions

Operations-division

- Purchasing
- Logistics
- Manufacturing

Process Technology Division

- Food Technology
- Energy & Environment
- Process Industry
- Life Science
- Parts & Service

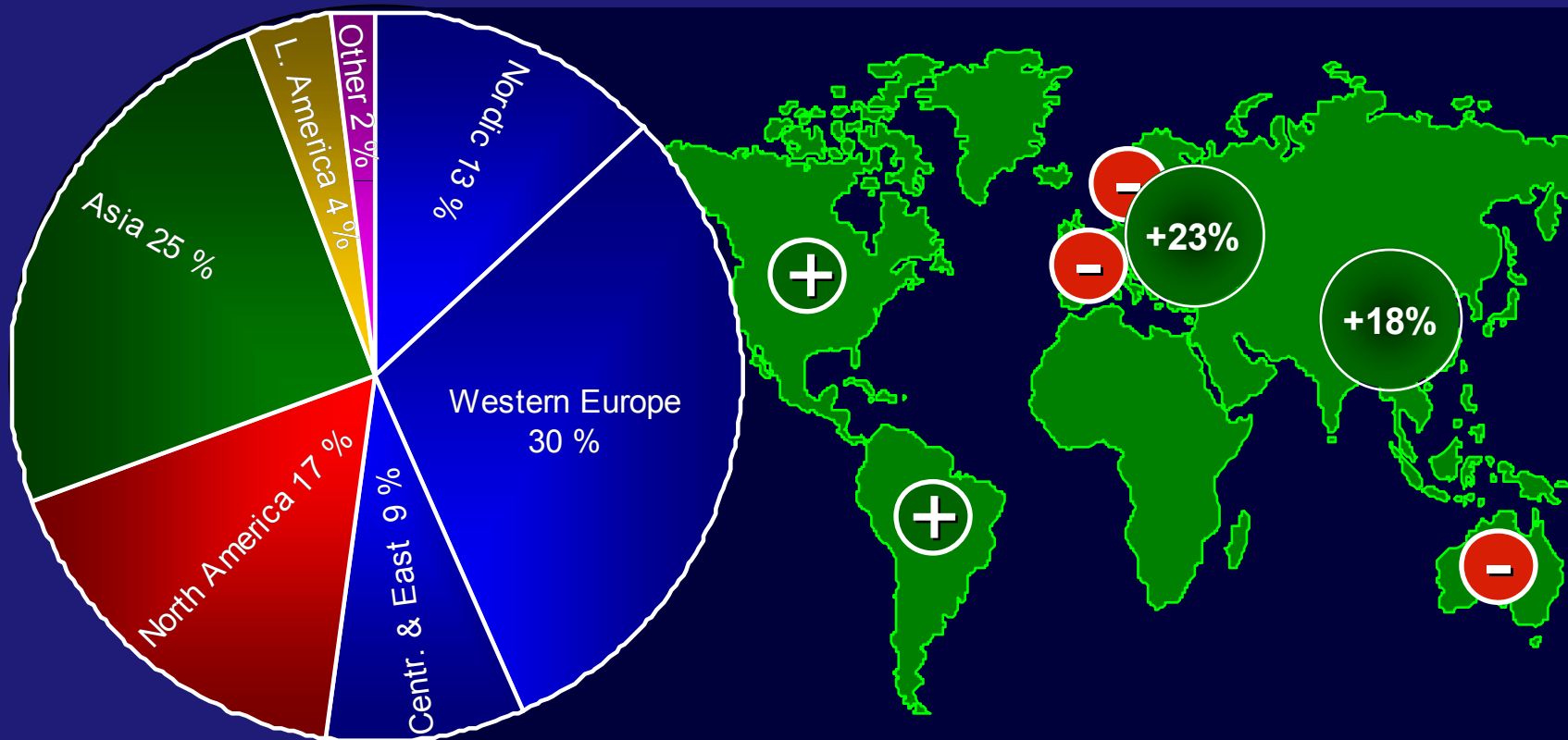
Equipment Division

- Marine & Diesel
- Sanitary
- Comfort & Refrigeration
- Fluids & Utilities
- OEMs
- Parts & Service

Sales companies

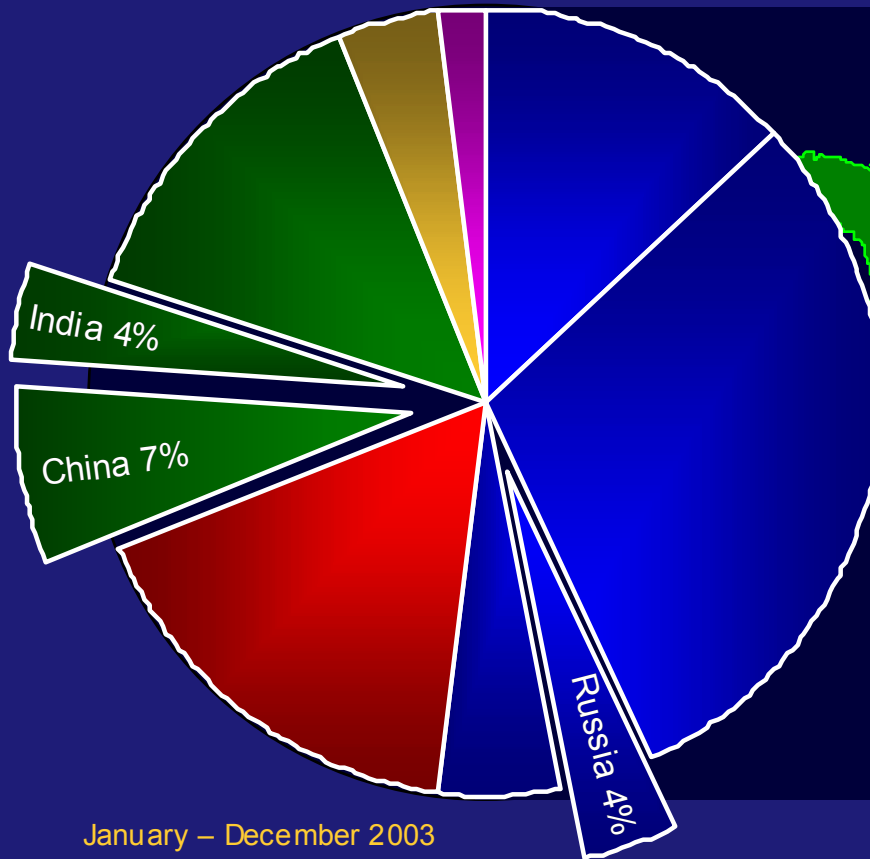
- Asia, Oceania, Africa, Latin America
- Europe
- North America

Orders received by Region



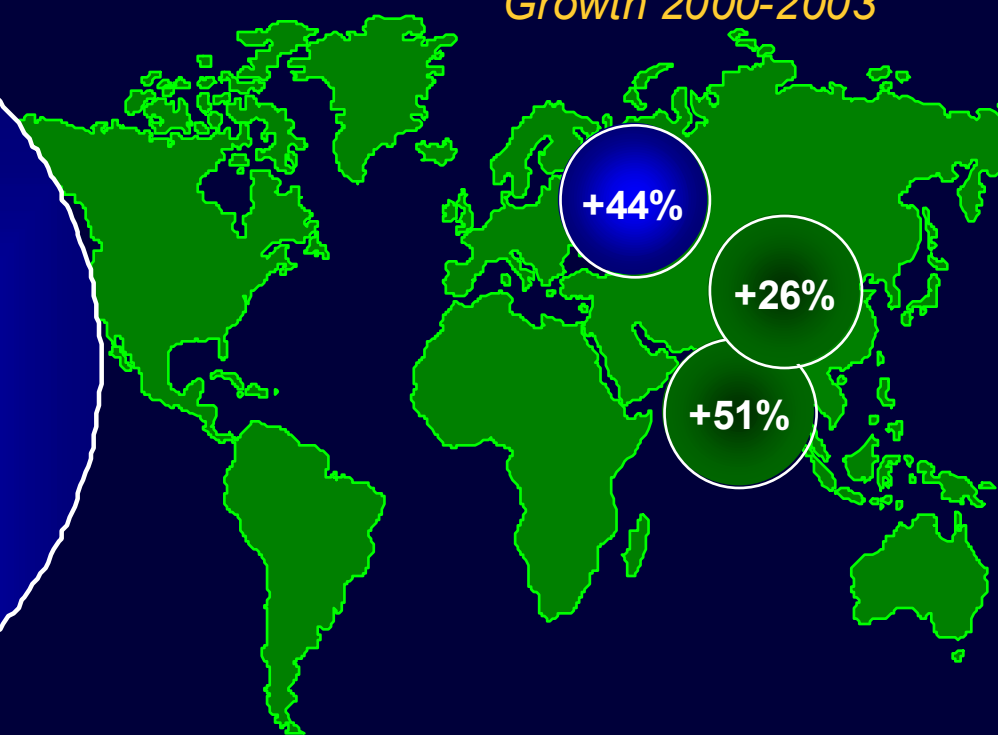
January – December 2003

Orders received by Country



January – December 2003

Growth 2000-2003



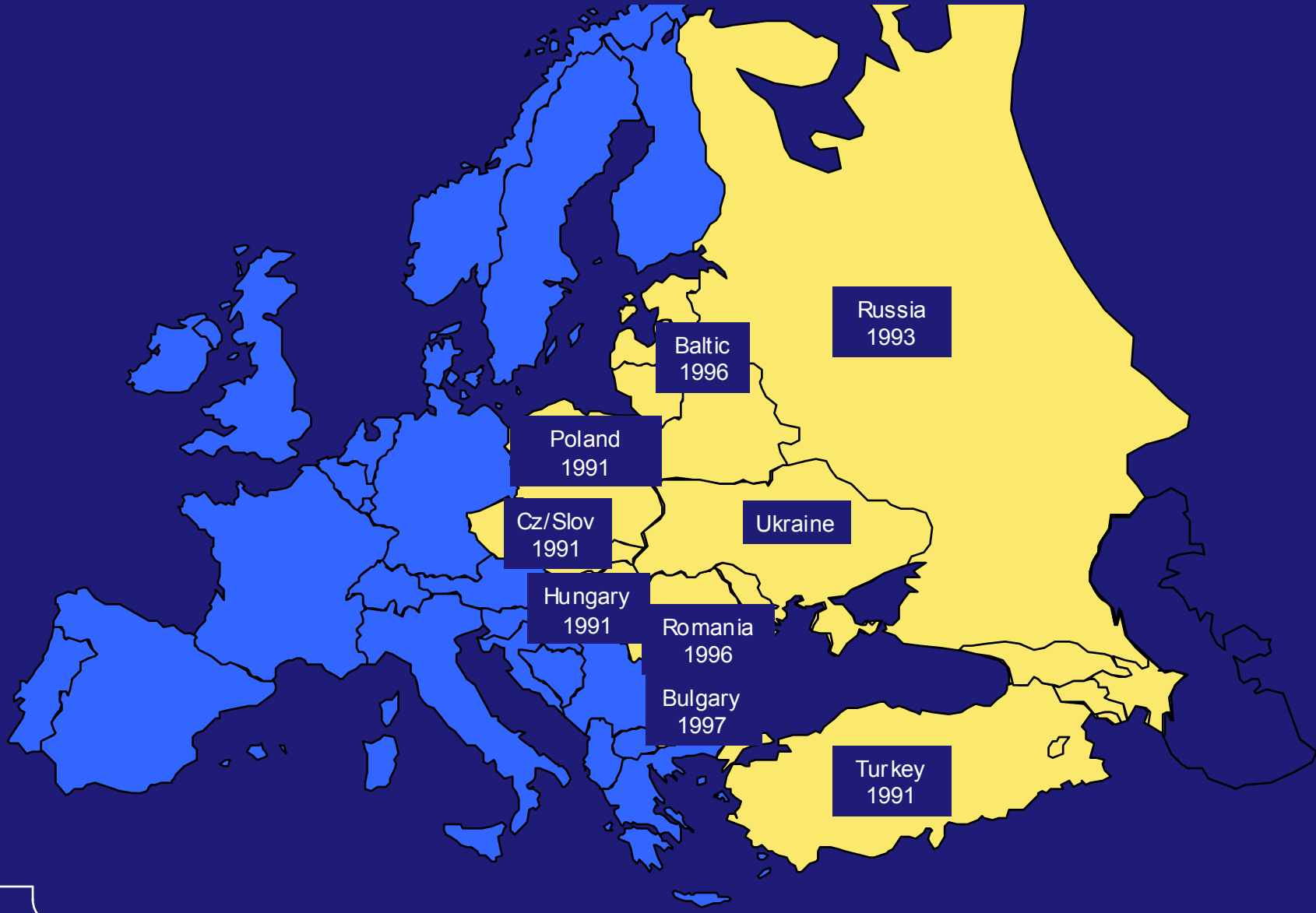
Performance Asia and CEE

- Same gross margin-level as West Europe and Americas
- Lower sales and administration cost
- Shorter payment terms

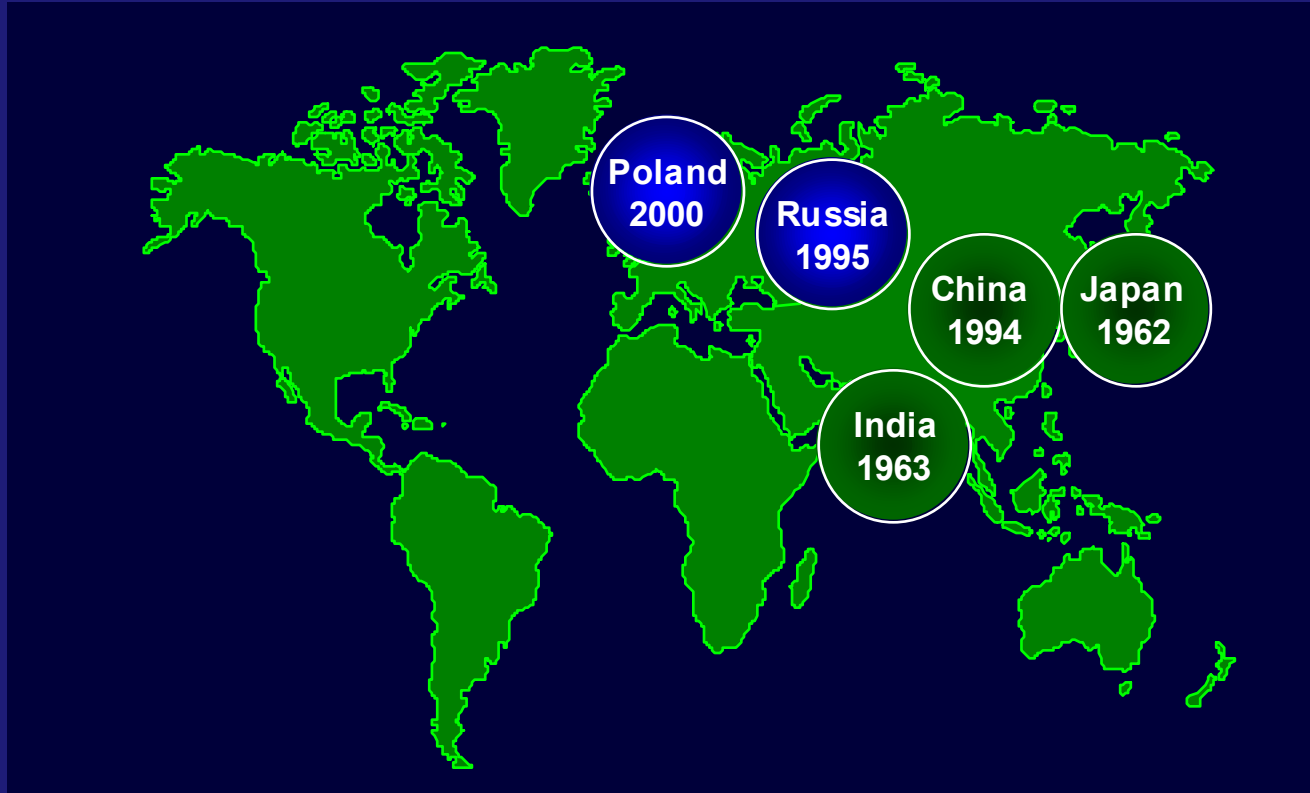
Establishment of sales companies



Establishment of sales companies



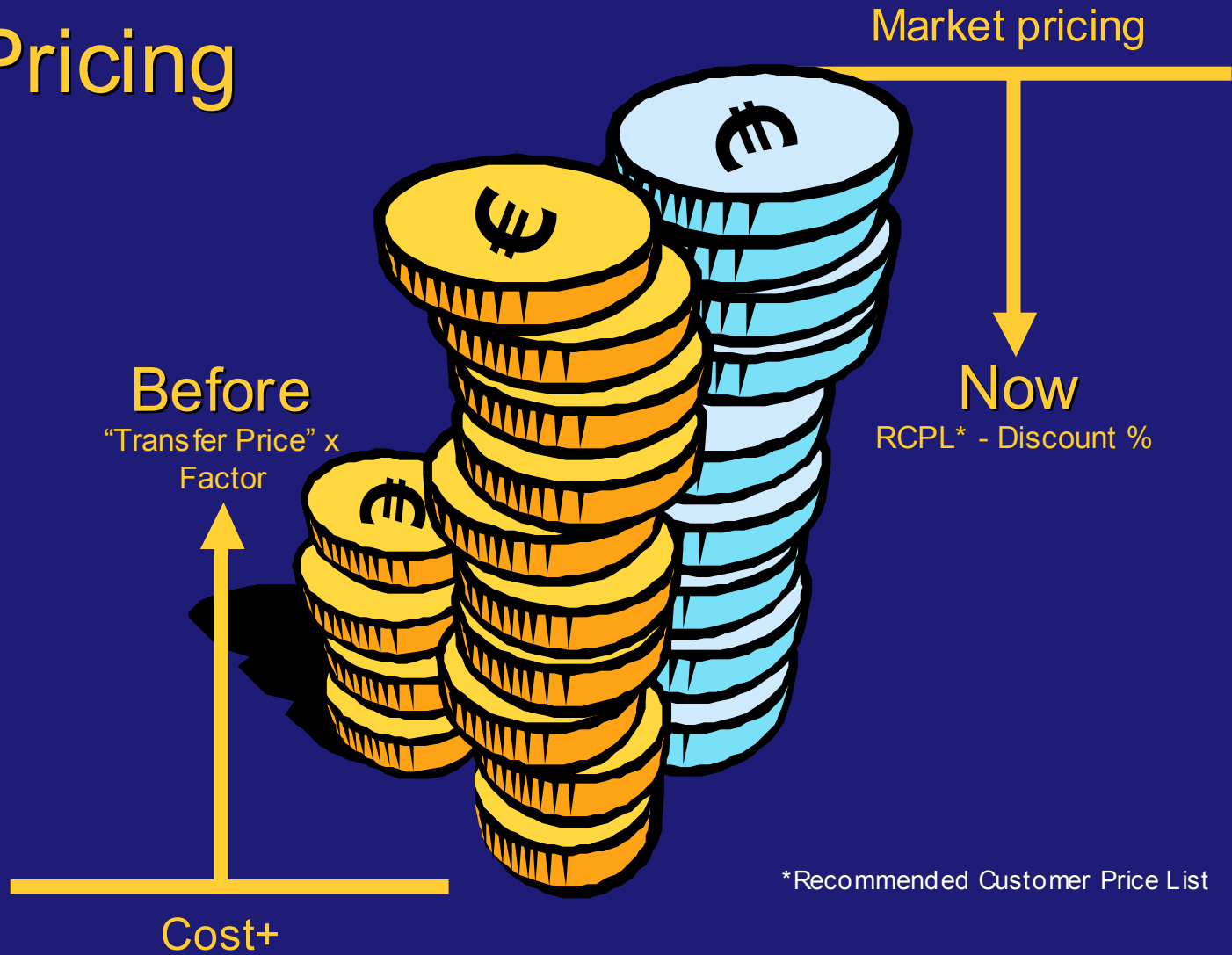
Manufacturing in Asia and CEE



World wide uniform standards – our key to success

- Global product catalogues and pricelists

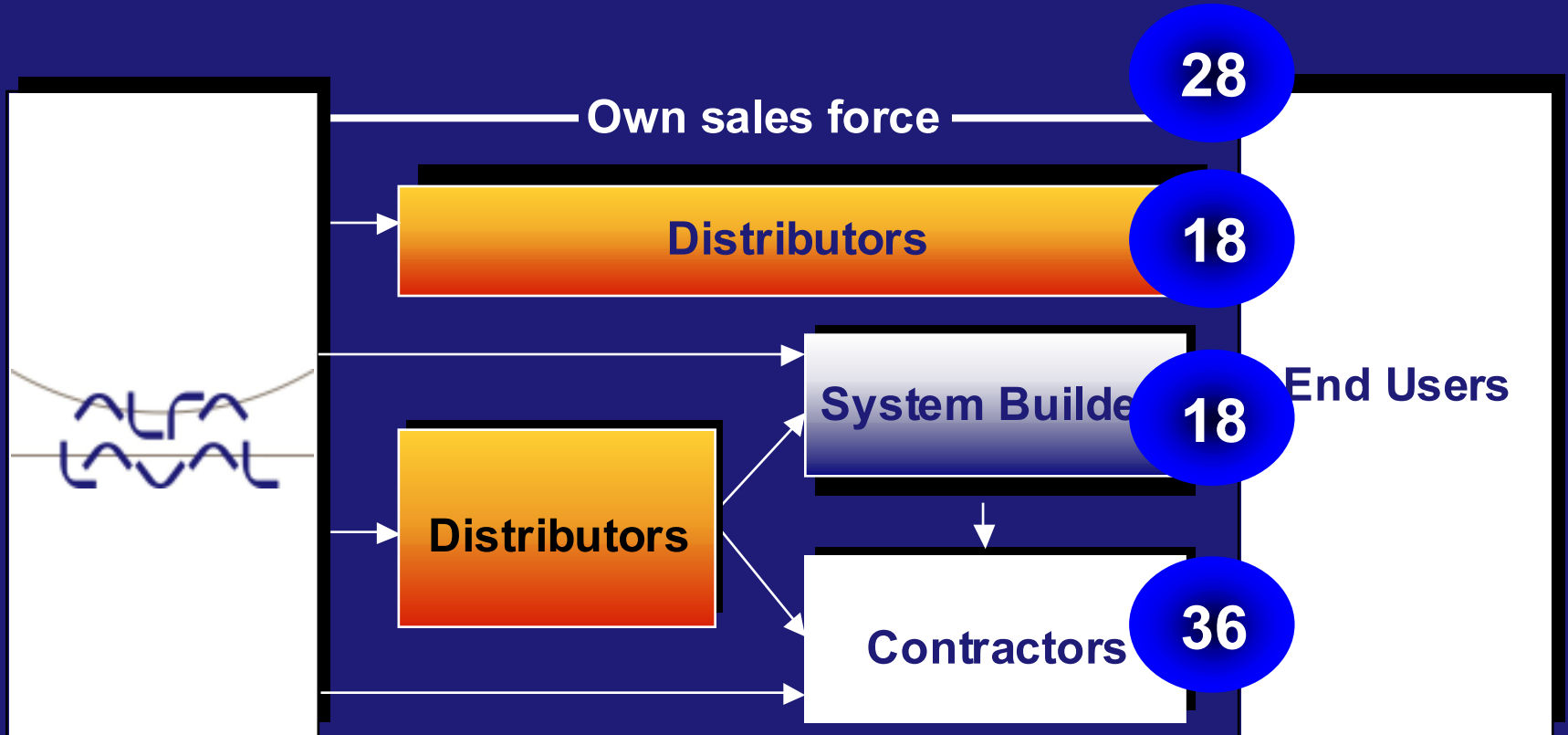
Pricing



World wide uniform standards – our key to success

- Global product catalogues and pricelists
- Sales channels

Sales channels



Distribution in % per type of channel
Equipment Division, last 12 months June 2003

World wide uniform standards – our key to success

- Global product catalogues and pricelists
- Sales channels
- Sales & Market planning

How we drive growth



Salesman

Accelerator

Activities & Competence

Key performance indicators

Sales Company
segment

Customer pyramid & grid

Central segment

Connect

Key growth drivers

Gap analysis & Targets

AL Group

Gearbox

The six gears

World wide uniform standards – our key to success

- Global product catalogues and pricelists
- Sales channels
- Sales & Market planning
- Performance measurements

Financial performance measurements

Country performance

- Total orders received per country
- Profit factor = Consolidated gross margin / Local cost
- Net DSO = Outstanding A/R less advances in no of days of invoicing

Continuous improvements of rolling twelve months' values

Activity measurements

	Expand Customer Base	Increase Customer Share	Sales Productivity
Segments	No 1: # of customers No 2: # of quotes	No 4: order volume/ # of customers	No 6: hit ratio
Sales Person	No 3: # of orders	No 5: # of orders/ # of customers	No 7: order volume

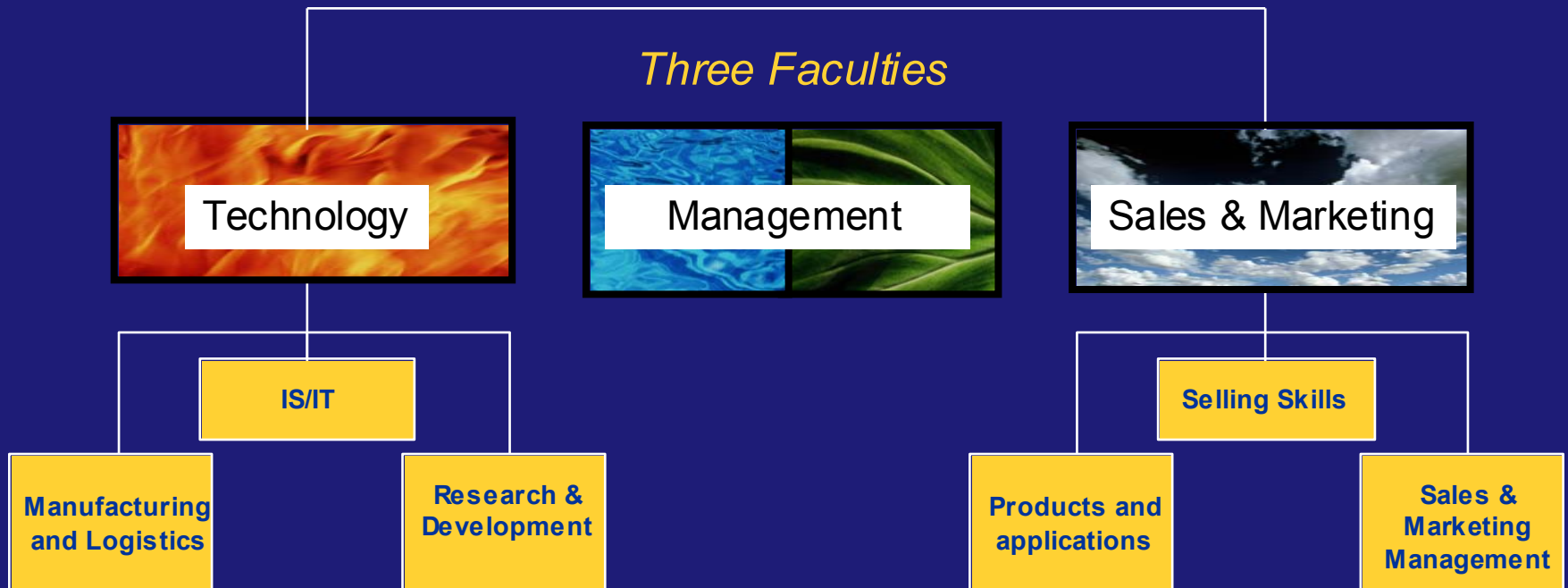
World wide uniform standards – our key to success

- Global product catalogues and pricelists
- Sales channels
- Sales & Market planning
- Performance measurements
- Competence development

Alfa Laval University

One Mission

To optimise our employees' competence. Time and time again.



World wide uniform standards – our key to success

- Global product catalogues and priceslists
- Sales channels
- Sales & Market planning
- Performance measurements
- Competence development
- IS / IT

IS/IT Standardisation

- Standardisation and centralised management & operation of hardware and systems
- Similar data definitions, processes and system configurations for ERP in each country
- Common data warehouses for analysis
- CRM in the pipeline

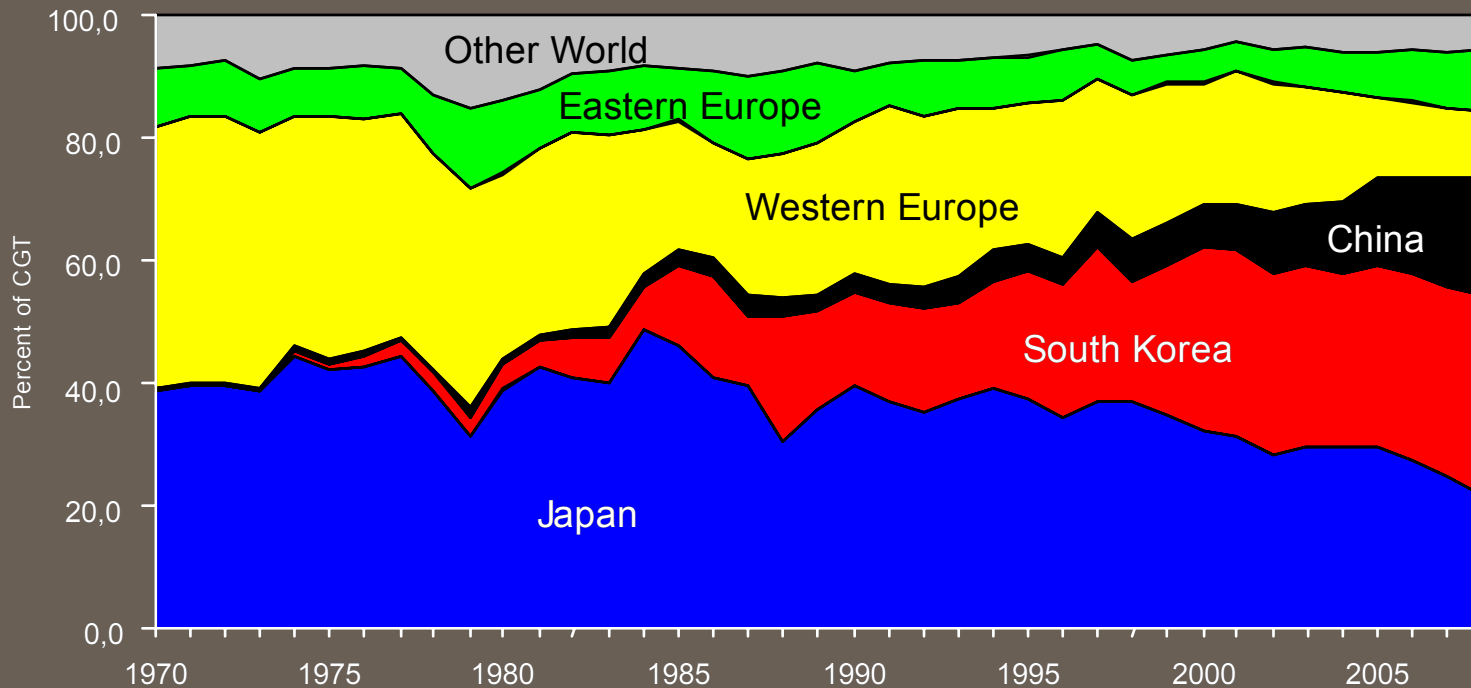
What is next?

Hyundai



Distribution of shipbuilding

Geographical split



Trends and Medium Term Forecast
Source: MSR May 2003

“Business is moving east”

- Customers in Asia and Central & Eastern Europe will set new product standards - product management and R&D in the region?
- Production and engineering in Asia and Central & Eastern Europe - closer to customers and lower cost
- New global competitors will emerge with domestic base in China, India, South Korea and Russia

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