Alfa Laval KK 2006

- Japan Macro Overview
- ALKK presence and structure
- Orders and invoicing WY 2006
- Highlights
- Strategies
- Outlook 2007
Facts about Japan

- Chief of State: Emperor Akihito
- Prime minister: S. Abe
- Population: 127 Million
- Location/Size: East Asia/379.293 Km²
- Capital: Tokyo, Kanto region 32 Million inh.
- Main religion: Shinto, Buddhism
- GDP Growth: 2006 + 2.2% annumised
Japan

Summary indicators

+ Japan shows "good" growth GDP grew +4.8% in Q4.

+ Profits are up in most Japanese companies – 18 straight quarters - longest streak in 36 years

+ Export, private consumption and investments are main contributors to the growth

- Governmental spendings in infrastructure due to very high deficit (150% of GDP)

- Job market
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History and Milestones in Japan

1925 Start of separator sales
1930 First joint venture
1962 Start of separator manufacturing
1970 Start of heat exchanger manufacturing
1975 Alfa Laval with limited company status
1984 Shonan centre established
1996 New heat exchanger factory inaugurated
2003 Distribution centre opened
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Orders received by Region
January – December 2006, at constant rates

ALKK have around 5% of AL’s turnover and about 15% of Asia
Order Development

MEUR, Constant rates

Year | Orders
-----|-------
2002 | 60
2003 | 70
2004 | 80
2005 | 100
2006 | 120
# Large Orders 2006

<table>
<thead>
<tr>
<th>Value, MEUR</th>
<th>Country</th>
<th>Product</th>
<th>Industry</th>
<th>Delivery</th>
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<tr>
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<td>PHE</td>
<td>Oil &amp; Gas</td>
<td>2007</td>
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<td>Life Science</td>
<td>2007</td>
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Orders Received by Segment

January – December 2006, at Constant Rate

- Parts & Service
- Life Science
- Process Industry
- Energy & Environment
- Food
- Comfort & Refrigeration
- Fluids & Utility
- OEM
- Sanitary
- Marine & Diesel

Orders by Segment:

- Parts & Service: +
- Comfort & Refrigeration: +
- Fluids & Utility: +
- OEM: +
- Sanitary: -
- Marine & Diesel: +
- Energy & Environment: +
- Process Industry: +
- Life Science: -
- Food: -

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Orders Received by Segment
January – December 2006, at Constant Rate, Equipment Division

- **Comfort & Refrigeration.** Larger building: Complex Tokyo Mid town, Shiodome Semiconductor industry
- **OEM** - new accounts for heat pumps and engine manufacturers
- **Fluids & Utility** - cleaning of washing liquids more than tripled due to new partner

- **+** Comfort & Refrigeration
- **+** Fluids & Utility
- **+** OEM
- **-** Sanitary
- **+** Marine & Diesel
Orders Received by Segment

January – December 2006, at Constant Rate, Process Technology Division

- Energy & Environment had a record year. Launch of products to environmental protection milestone order achieved.
- Process Industry had record sales. Refineries & Export portion grew.

Life Science
Process Industry
Energy & Environment
Food
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Highlights 2006

- Secured ALKK’s largest order ever for a project in the middle east
- Marine showed no sign of slowing down
- OEM grew faster than expected into new fields
- Offices and plant constructions in high pace
- Energy sector increasingly good
- Strong development of Service sales
- Successful introduction of new products
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Priorities in Existing strategy

- Profitable Growth in selected Market places
- Presence
- Parts & Service
- Time to Market
A vision has been formulated

World leading supplier in ...

...of heat transfer and separation equipment
Outstanding offer to Refineries

New!
PureBallast, System Overview
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Outlook for the near future

“In most of the markets, geographical as well as customer segments, that Alfa Laval serves a continued very strong demand is expected.”
Assumptions

• Japanese main contractors and large multinational companies will continue to grow and start more overseas activities

• Investments in Japan will continue to be strong due to a combination of old machine parks and an increasing export

• More investments in new technologies: Energy, Life Science and Environment