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Today's program

Capital Markets Day, November 13, 2007

- **Business update and Q&A**

Lars Renström, Svante Karlsson, Ulf Granstrand, Göran Mathiasson and Thomas Thuresson

Lunch

Structural growth

- **Geography**

Lars Renström, Jan Debruyne, Nish Patel and Peter Leifland

- **Energy and energy related industries**

Ulf Granstrand

- **Clean technologies**

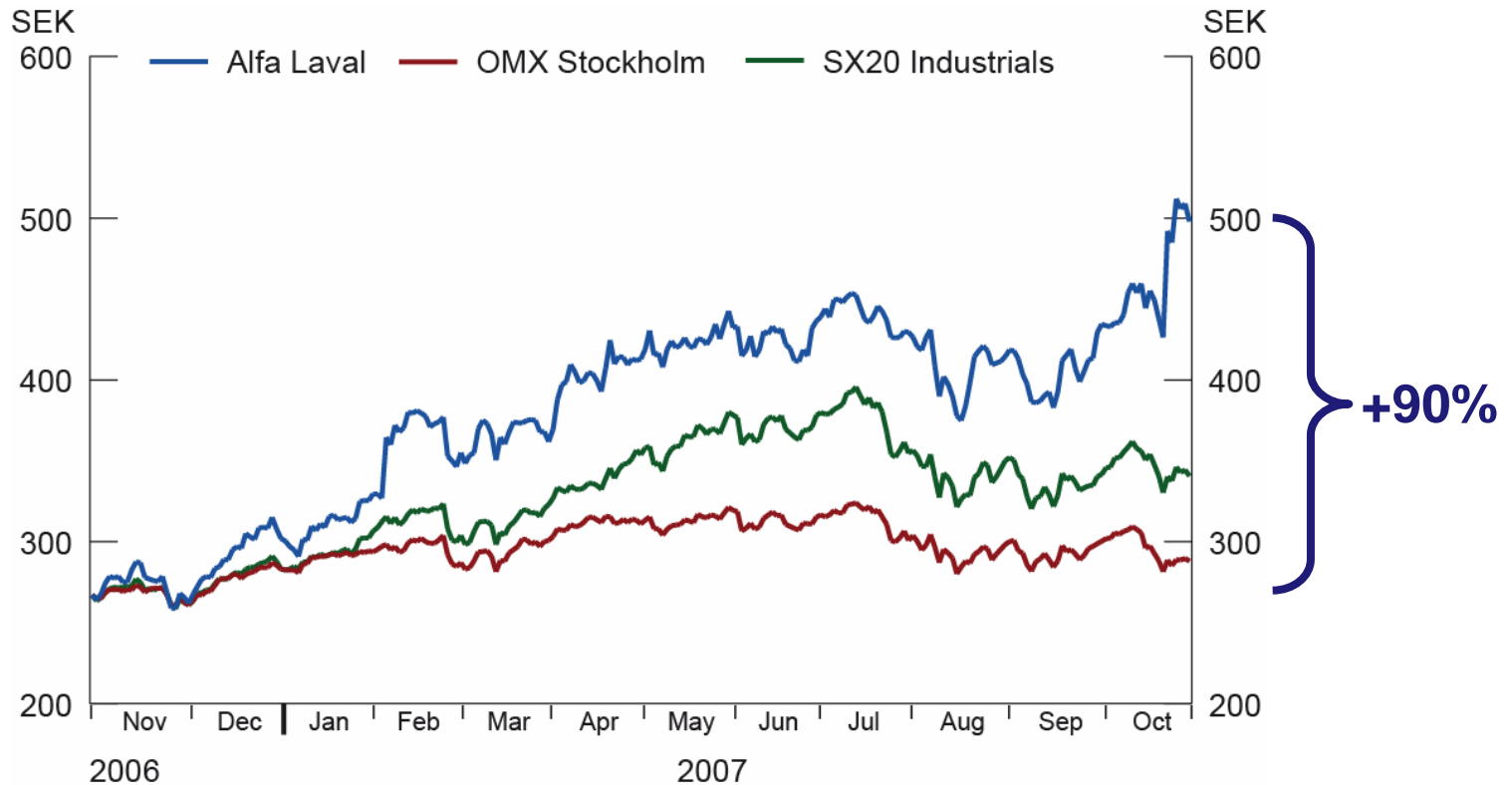
Svante Karlsson, Maryne Lemvik, Ulf Granstrand and Peter Carlberg

- **Q&A and closing remarks**

Lars Renström

approx 16.30

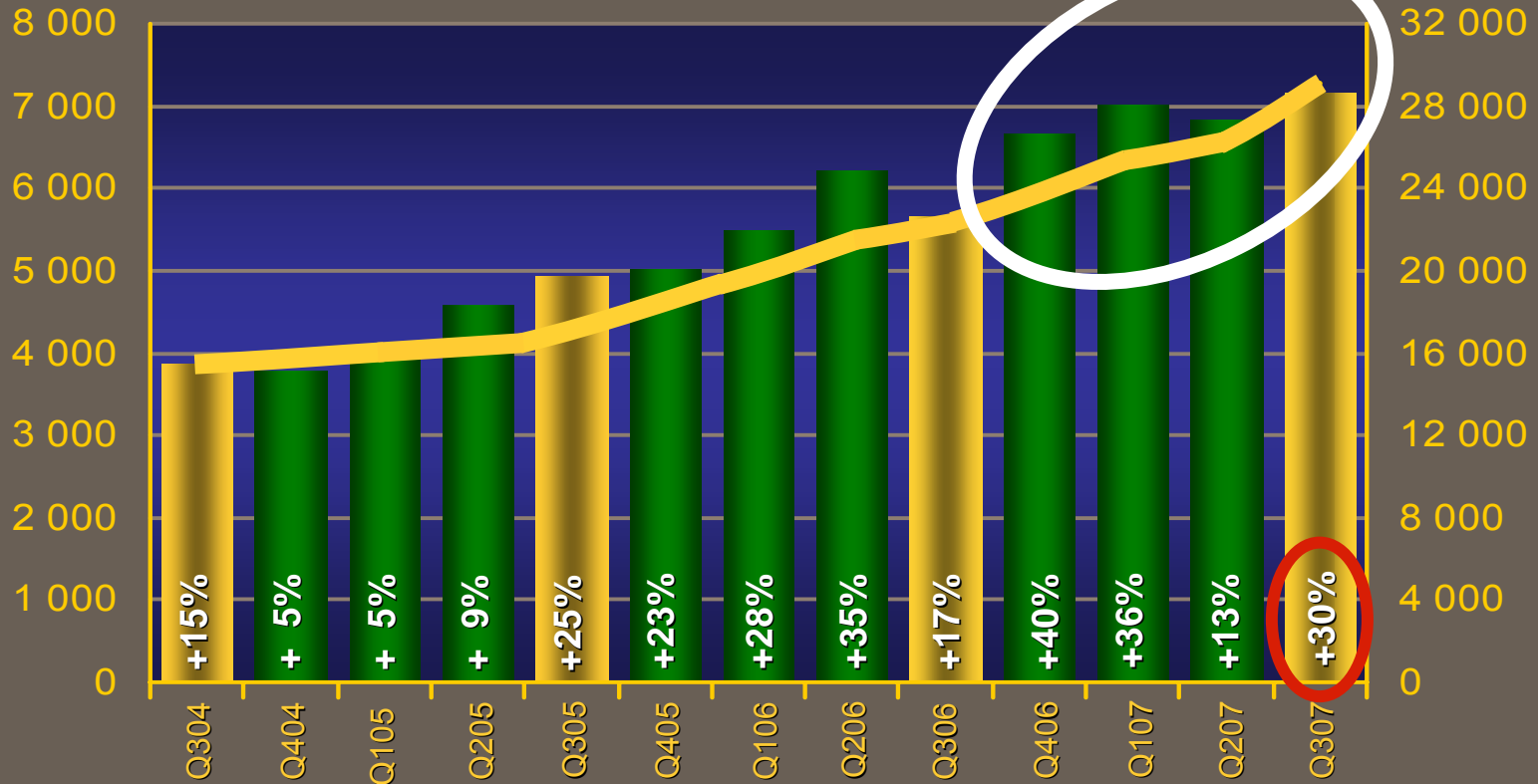
Share development






Orders received

SEK million

SEK million R 12



 = rolling twelve months value
  = order intake per quarter

+xx% = % development at constant rates by quarter year on year

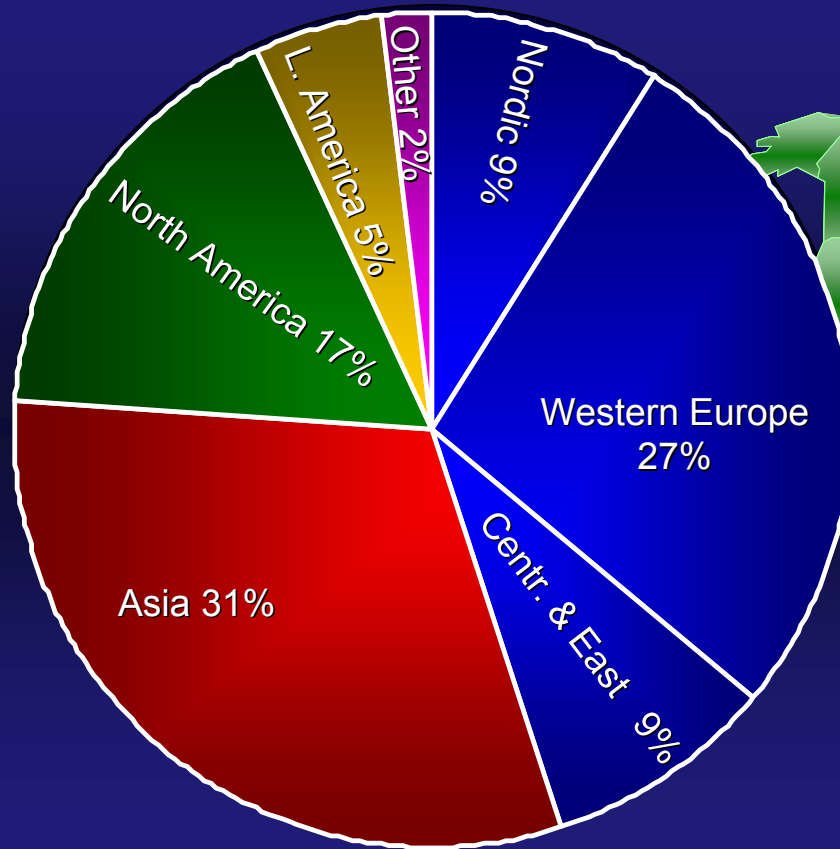
Large orders 2007

SEK million	Country	Application	Industry	Delivery
50	Canada	Water treatment	Environment	2008
180	China	Evaporation	Pulp and paper	2007
55	China	Processing	Food	2007
50	Vietnam	(Various)	Marine	2007-2008
100	USA/Taiwan	Central cooling	Oil refining	2008
50	Belgium	Processing	Bio ethanol	2008
190	Saudi Arabia	Central cooling	Petrochemical	2009
135	Europe	Processing	Food	2008
60	India	Clean technology	Pulp and paper	2008
50	Latin America	Processing	Petrochemical	2008
50	Ukraine	Processing	Food/brewery	2008
65	USA	Evaporation	Process Industry	2008

835

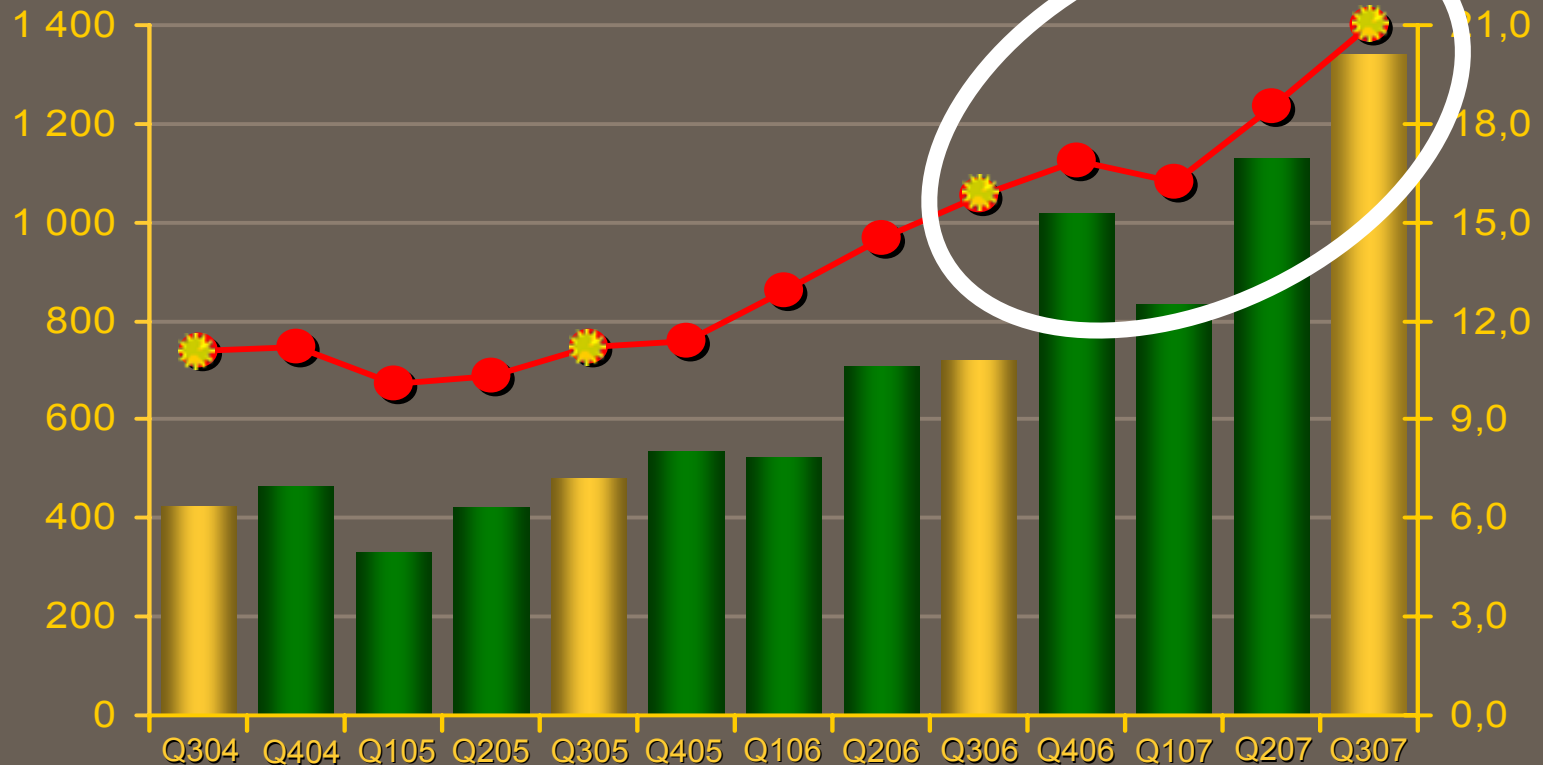
Orders received by Region

January – September 2007, at constant rates



Adjusted EBITA / margin *

SEK million and in percent of sales



* Adjusted EBITA – "Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items."

Improved EBITA-margin

- * Very high capacity utilization
- * Very favourable product mix
- * Focus on profitability
- * Improved internal efficiency

Revised financial targets



Growth:

**At least 5% over a business cycle
(unchanged)**

EBITA-margin:

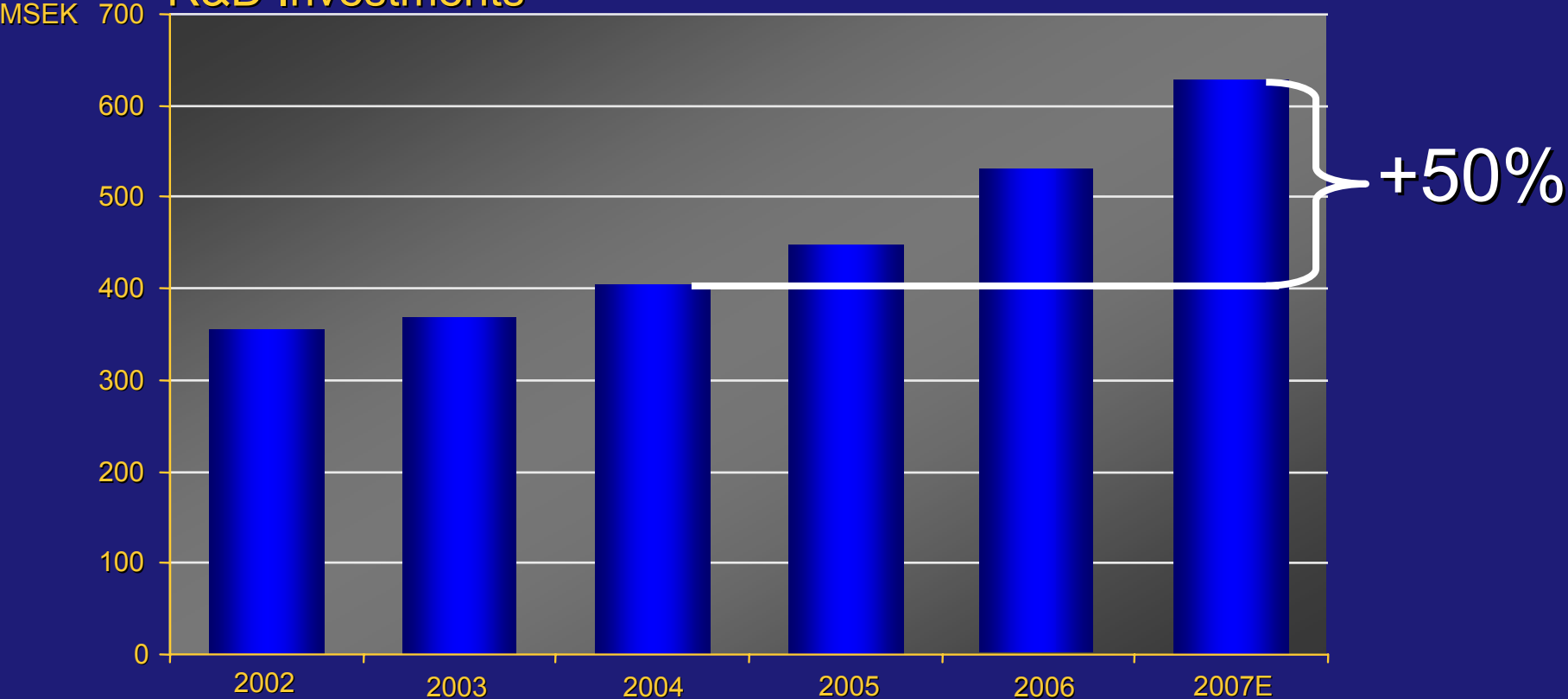
15% over a business cycle (12-15%)

ROCE:

Minimum 25% (min. 20%)

Increased investments in R&D

R&D Investments



Time To Market targets 2009

“Time to million”

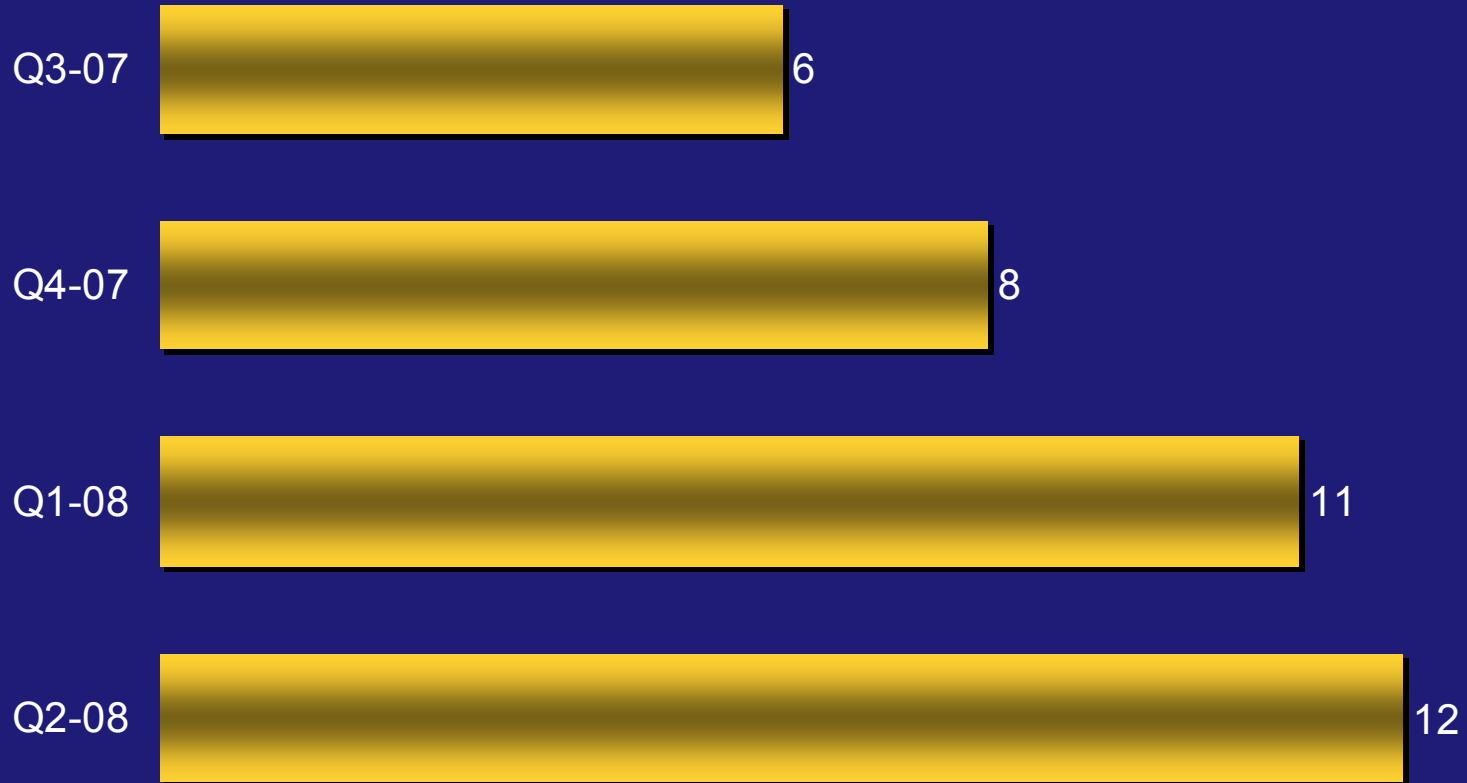
25% DOWN

L5Y “Newness”

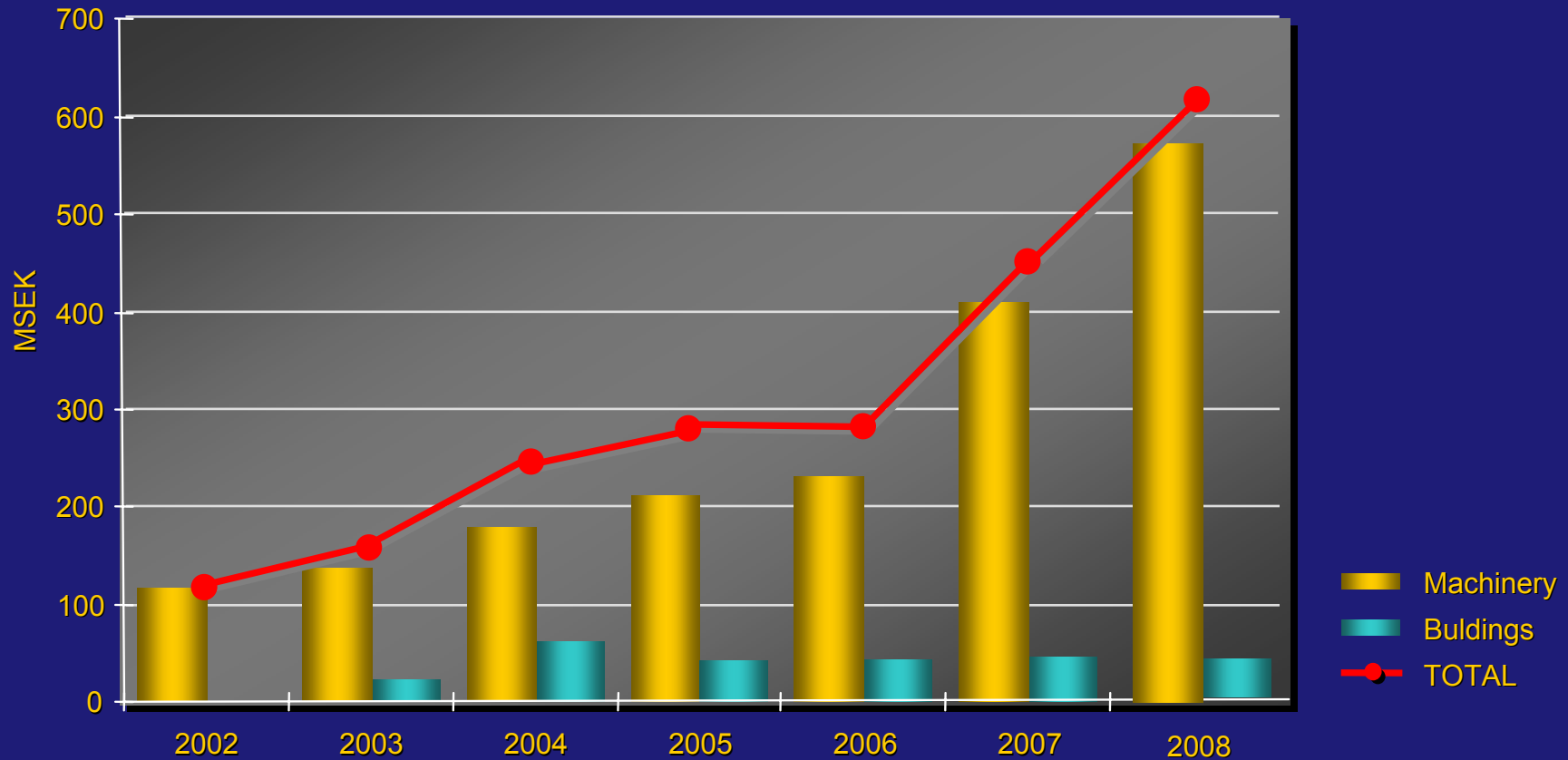
50% UP

N12M Rolling Launch Plan

37 product launches (+30%)

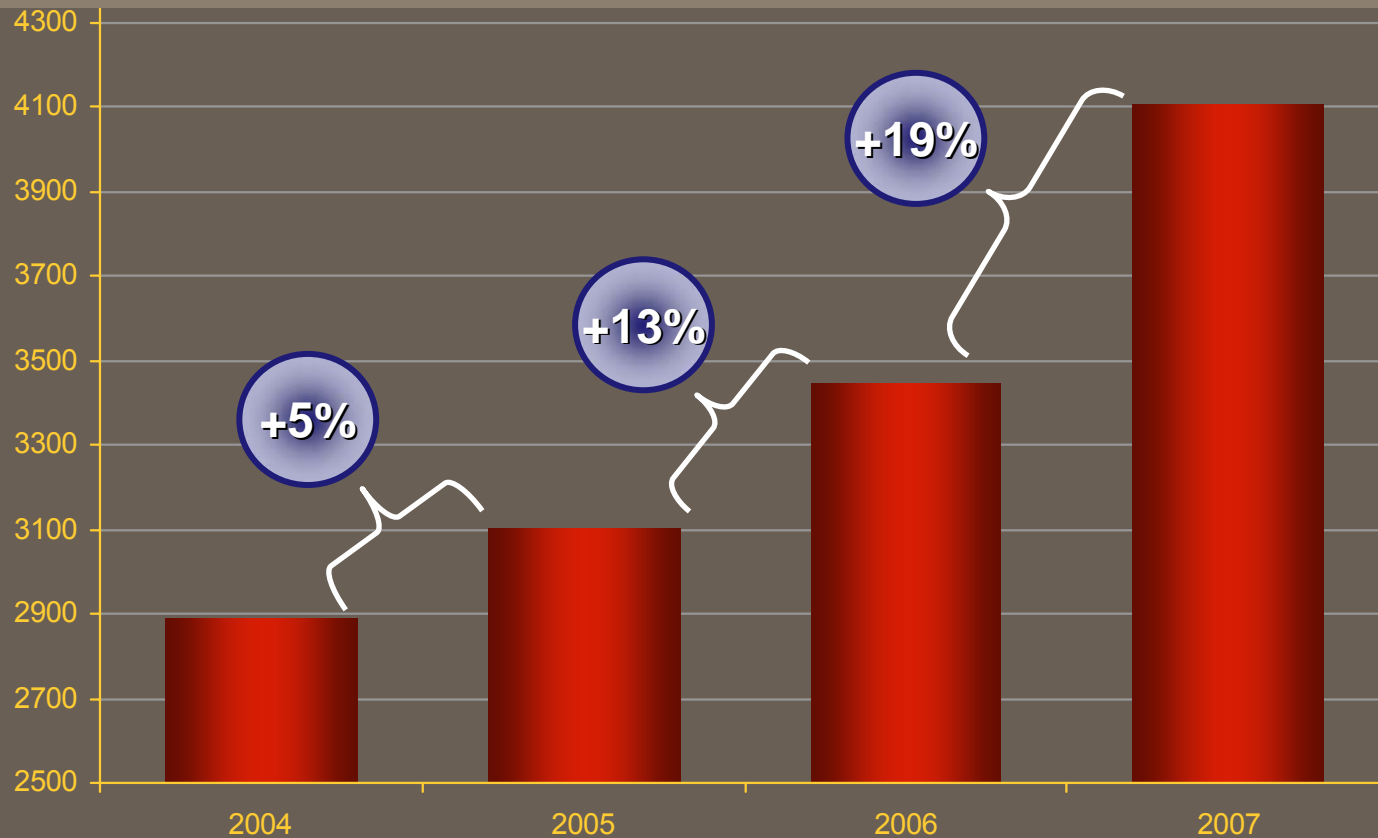


Investments in capacity/new products



Parts & Service

Orders received first nine months, SEK million



Acquisitions

	<u>Annual Sales, MSEK</u>	<u>Dimension</u>
* Tranter, China	100	C/G
* Helpman	200	P
* DSO	50	C/G
* Alfa Laval India (64 → 77%)	—	
* AGC Engineering	65	C/G
* Fincoil	375	P
	790	~ 3% of sales

C= Channel G= Geography P= Product

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