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 Debruyn, 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

+90%
Orders received

- **SEK million R 12**
- **SEK million**

**Orders received**

- **Q1** 2004: +15%
- **Q2** 2004: +5%
- **Q3** 2004: +5%
- **Q4** 2004: +9%
- **Q1** 2005: +25%
- **Q2** 2005: +23%
- **Q3** 2005: +28%
- **Q4** 2005: +35%
- **Q1** 2006: +17%
- **Q2** 2006: +40%
- **Q3** 2006: +36%
- **Q4** 2006: +13%
- **Q1** 2007: +30%
- **Q2** 2007: +xx%
- **Q3** 2007: +17%
- **Q4** 2007: +36%

**Notes:**
- **+xx%** = % development at constant rates by quarter year on year
- **= rolling twelve months value**
- **= order intake per quarter**
## Large orders 2007

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Country</th>
<th>Application</th>
<th>Industry</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Canada</td>
<td>Water treatment</td>
<td>Environment</td>
<td>2008</td>
</tr>
<tr>
<td>180</td>
<td>China</td>
<td>Evaporation</td>
<td>Pulp and paper</td>
<td>2007</td>
</tr>
<tr>
<td>55</td>
<td>China</td>
<td>Processing</td>
<td>Food</td>
<td>2007</td>
</tr>
<tr>
<td>50</td>
<td>Vietnam</td>
<td>(Various)</td>
<td>Marine</td>
<td>2007-2008</td>
</tr>
<tr>
<td>100</td>
<td>USA/Taiwan</td>
<td>Central cooling</td>
<td>Oil refining</td>
<td>2008</td>
</tr>
<tr>
<td>50</td>
<td>Belgium</td>
<td>Processing</td>
<td>Bio ethanol</td>
<td>2008</td>
</tr>
<tr>
<td>190</td>
<td>Saudi Arabia</td>
<td>Central cooling</td>
<td>Petrochemical</td>
<td>2009</td>
</tr>
<tr>
<td>135</td>
<td>Europe</td>
<td>Processing</td>
<td>Food</td>
<td>2008</td>
</tr>
<tr>
<td>60</td>
<td>India</td>
<td>Clean technology</td>
<td>Pulp and paper</td>
<td>2008</td>
</tr>
<tr>
<td>50</td>
<td>Latin America</td>
<td>Processing</td>
<td>Petrochemical</td>
<td>2008</td>
</tr>
<tr>
<td>50</td>
<td>Ukraine</td>
<td>Processing</td>
<td>Food/brewery</td>
<td>2008</td>
</tr>
<tr>
<td>65</td>
<td>USA</td>
<td>Evaporation</td>
<td>Process Industry</td>
<td>2008</td>
</tr>
<tr>
<td><strong>835</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Orders received by Region

January – September 2007, at constant rates

- Asia: 31%
- North America: 17%
- Western Europe: 27%
- Centr. & East: 9%
- L. America: 5%
- Nordic: 9%
- Other: 2%

January – September 2007:
- Asia: +36
- North America: +27
- Western Europe: +57
- Centr. & East: +19
- L. America: +18
- Nordic: +9
- Other: +19
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

MSEK

+50%
Time To Market targets 2009

“Time to million”

25% DOWN

L5Y “Newness”

50% UP
N12M Rolling Launch Plan

37 product launches (+30%)

- Q3-07: 6
- Q4-07: 8
- Q1-08: 11
- Q2-08: 12
Investments in capacity/new products

- Machinery
- Buildings
- TOTAL

Year:
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008

MSEK:
- 0
- 100
- 200
- 300
- 400
- 500
- 600
- 700
Orders received first nine months, SEK million

- 2004: 2900 (growth: +5%)
- 2005: 3100 (growth: +13%)
- 2006: 3500 (growth: +19%)
- 2007: 3900

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# Acquisitions

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th>Annual Sales, MSEK</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranter, China</td>
<td>100</td>
<td>C/G</td>
</tr>
<tr>
<td>Helpman</td>
<td>200</td>
<td>P</td>
</tr>
<tr>
<td>DSO</td>
<td>50</td>
<td>C/G</td>
</tr>
<tr>
<td>Alfa Laval India (64 → 77%)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>AGC Engineering</td>
<td>65</td>
<td>C/G</td>
</tr>
<tr>
<td>Fincoil</td>
<td>375</td>
<td>P</td>
</tr>
<tr>
<td></td>
<td><strong>790</strong></td>
<td>~ 3% of sales</td>
</tr>
</tbody>
</table>

*C = Channel  G = Geography  P = Product*
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