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Financial update

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CFO
Alfa Laval Group

Financial update

“The menu for today”

- * Repurchase of shares
- * Dividends
- * Group funding
- * Amortisation of step-up
- * Headcount development
- * Currency effects
- * Order backlog
- * Gross profit margin
- * Cash flow

Repurchase of shares

Status as per November 14,

Mandate to repurchase 5 percent of the issued shares

	New mandate	Total held
Number of repurchased shares	4,285,050	5,737,450
Percentage of outstanding shares	1.0	1.3
Decrease of equity capital*		456

**In parent company and in the Group (SEK million)*

Unrestricted equity in the parent company as per September 30, 2008: SEK 4,287 million

Alfa Laval India Ltd.

- public offer for purchase of minority shares launched

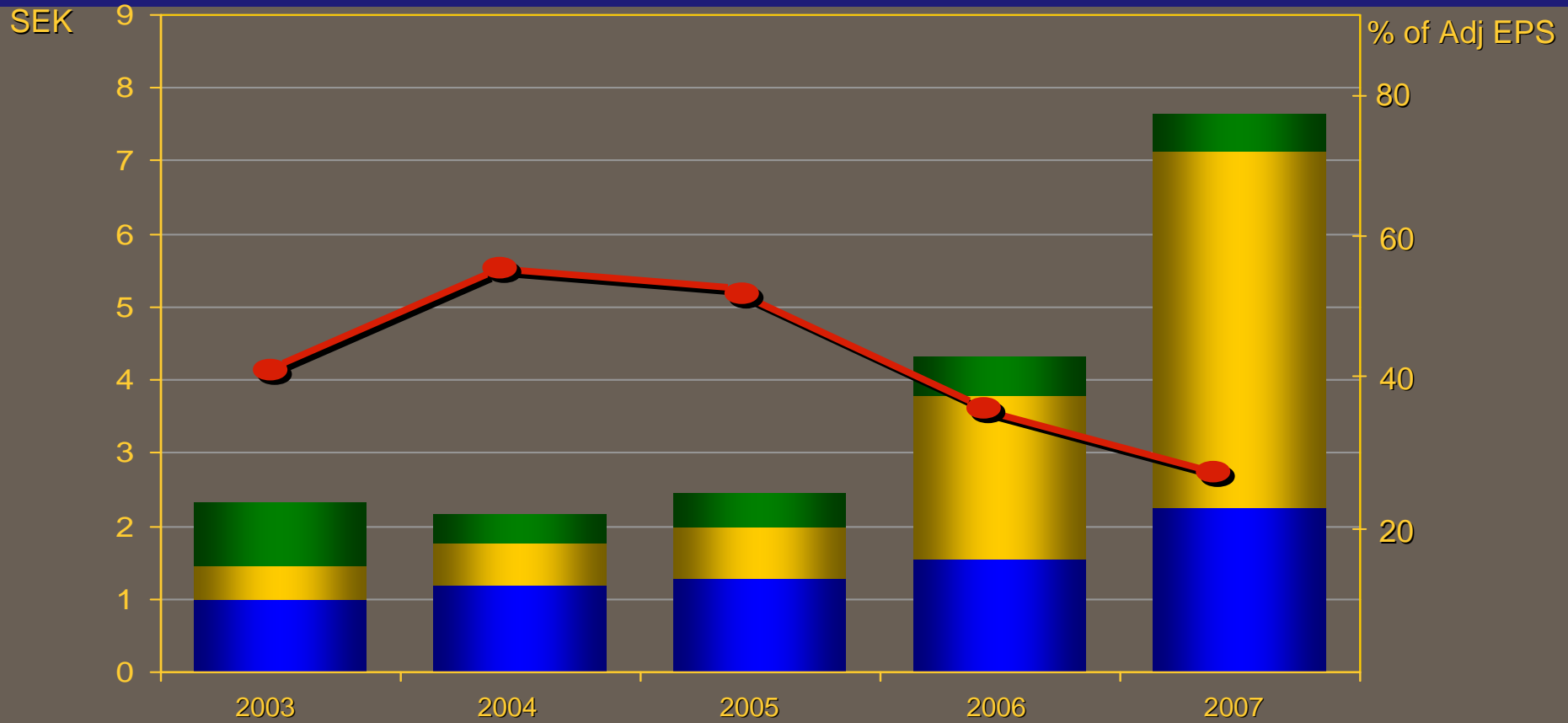
	Targeted	Currently held
Number of shares, millions	2.4	13.9
Percentage of outstanding shares	13.26	76.73
Value of targeted shares in USD m*	49.7	

**Based on an offer price of INR 950 / share and a rate of USD / INR 46:-*

Status of the offer:

- **Offer documents filed with Indian authorities**
- **Anticipated offer period December 18 – January 6**
- **Expected settlement date January 21**

EPS and dividends



Adjusted EPS, (excl step up)

EPS

Dividend

Dividend as % of adjusted EPS

Group funding

Summary of credit facilities as per September 30, 2008

	Committed	Utilised	Maturity
	SEKm	SEKm	Year
Senior Facility	<hr/>	<hr/>	
- "Revolver" USD 348 million	4,981	1,775	2012
- "Revolver" EUR 168 million			
- "Bullet" EUR 100 million			
US Private Placement USD 110 million	748	748	2016
SHB bi-lateral loan EUR 25	244	244	2014
	<hr/>	<hr/>	
Sub total:	5,973	2,767	
Local facilities	-	559	
Total:	5,973	3,326	
Cash and deposits	-	+ 1,156	

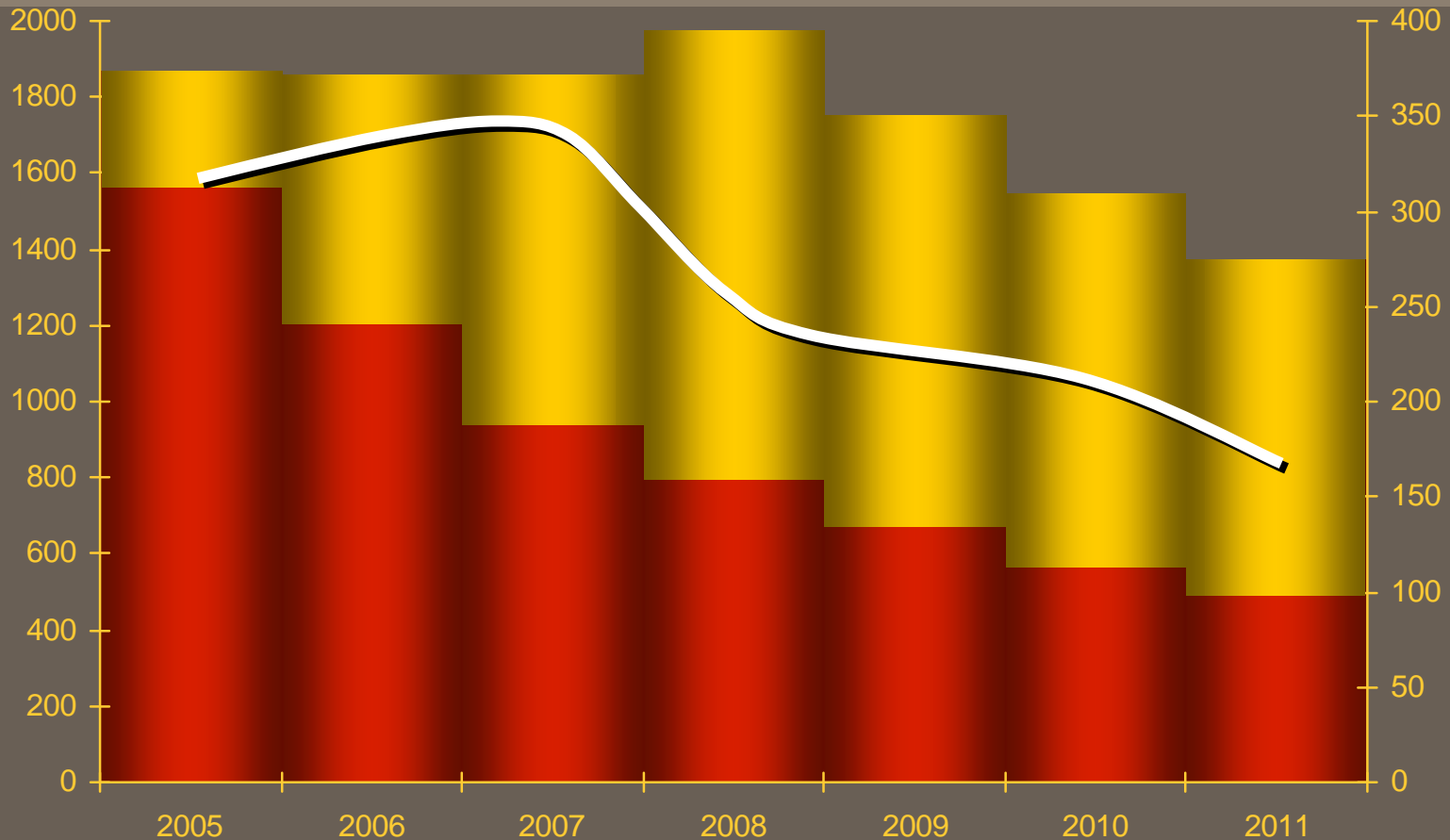
In addition, uncommitted facilities are available to an amount of approx. SEK 1.2 Bn

Step-up values up to 2011

Closing balance and depreciations according to plan, SEK million

Closing balance

Depreciations

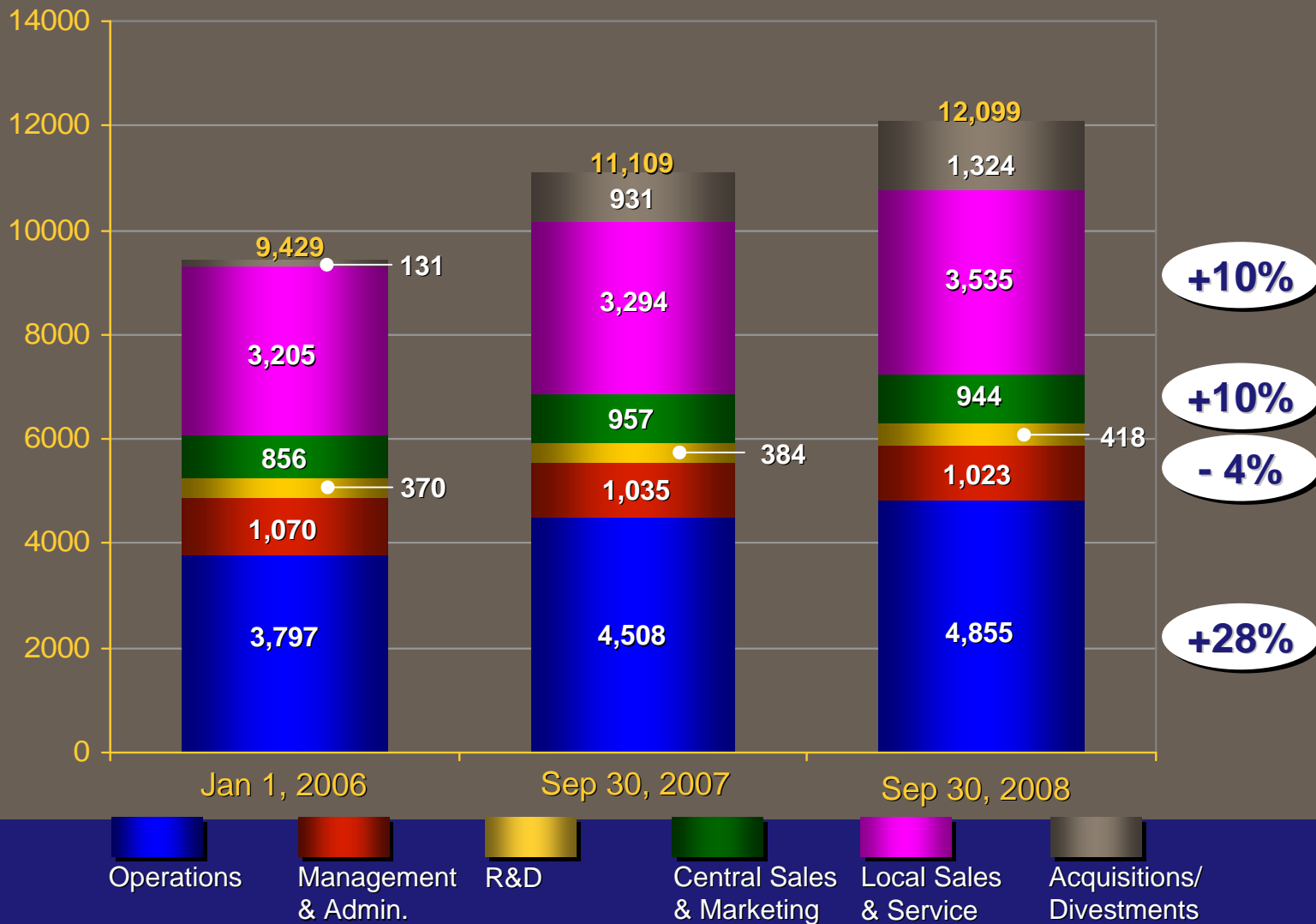


LBO-related

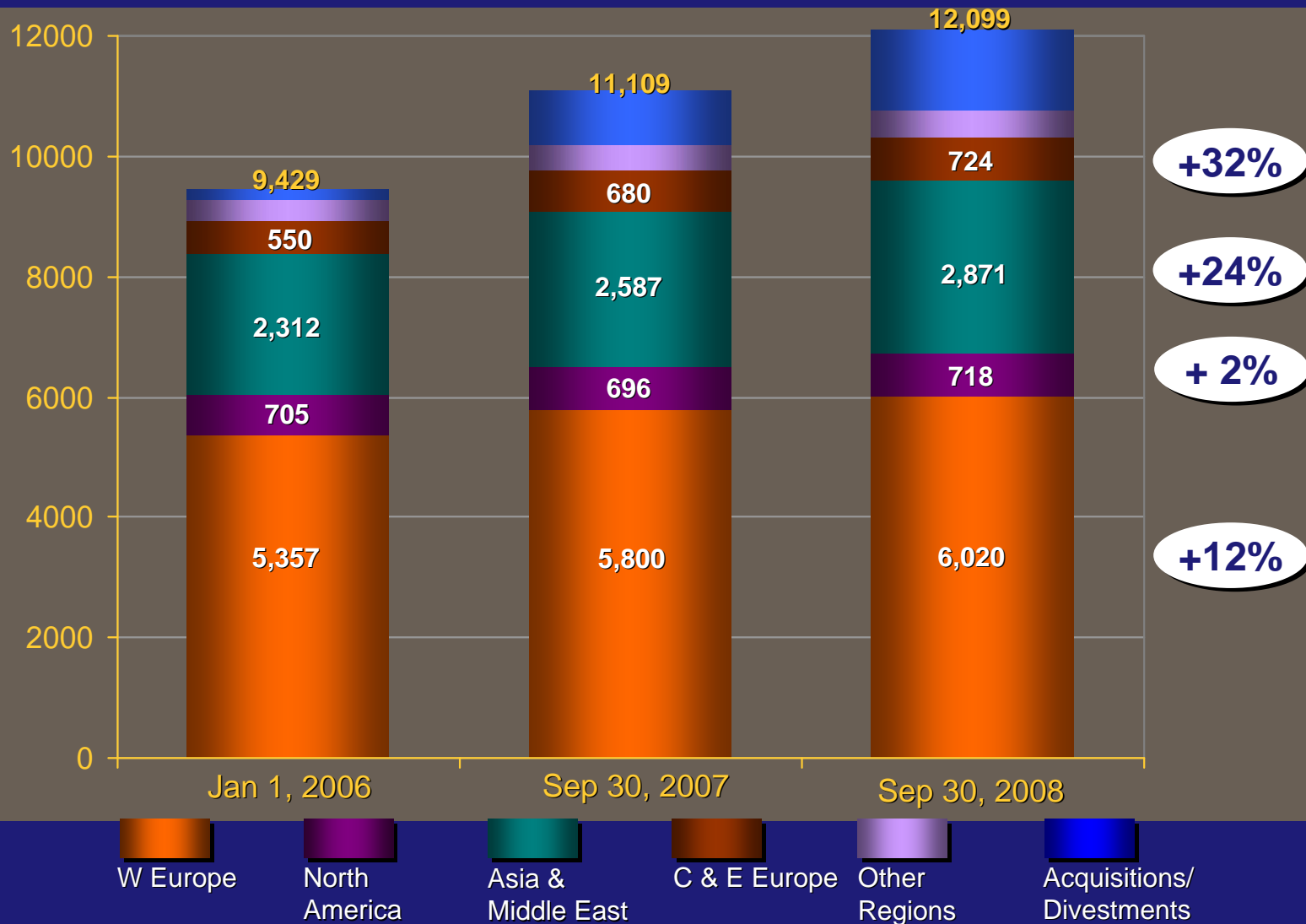
Acquisitions

Depreciations acc to plan

Employees – by category



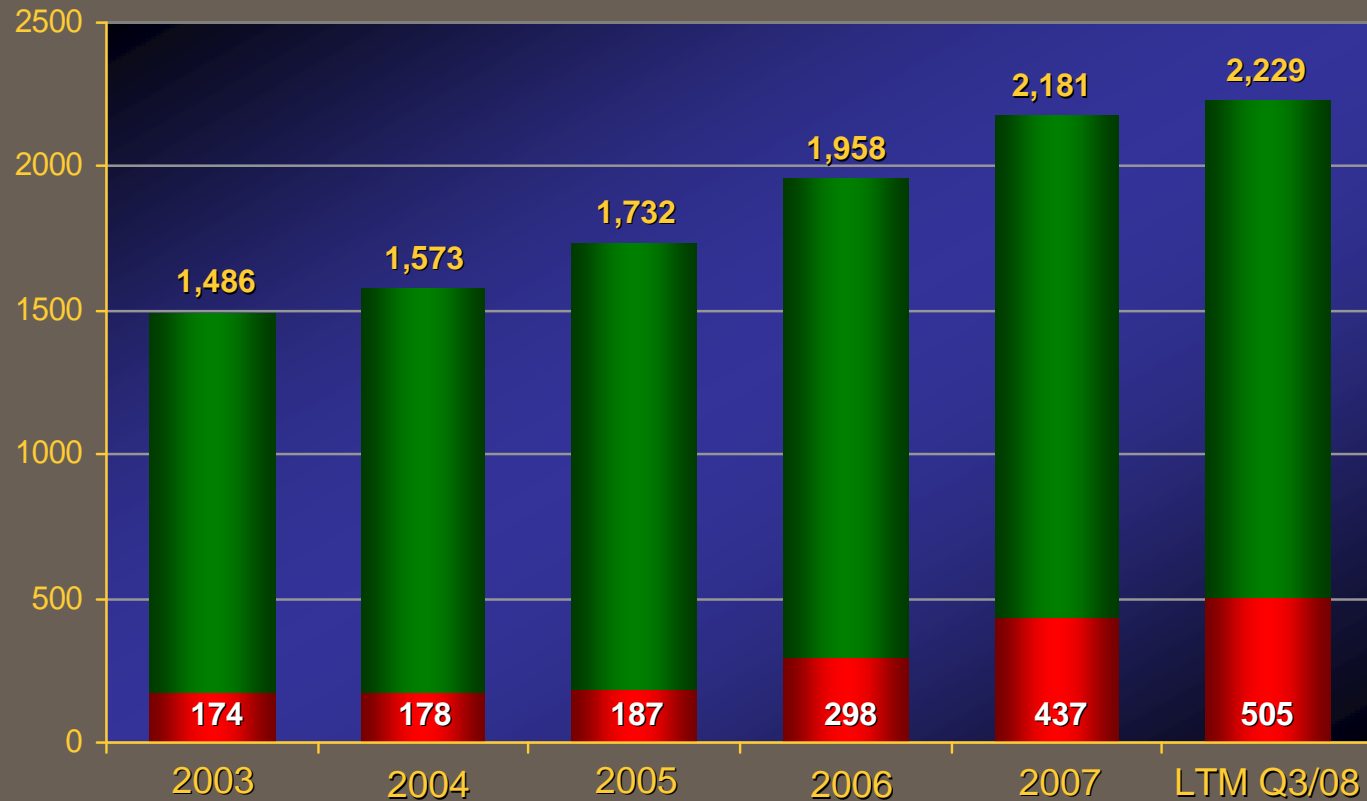
Employees – by region





Employees

Productivity development

KSEK



 Sales/employee end of year
 EBITA/employee end of year

Foreign exchange

Estimated impact on adjusted EBITA from Fx. fluctuations

SEK million	9 m 08	WY 08	WY 09	WY 10
Translation effect	- 109	- 90	+ 55	-
Transaction effect	- 117	- 180	+ 40	+ 350
Total	- 226	- 280	+ 95	+ 350

Rates applied for open exposures

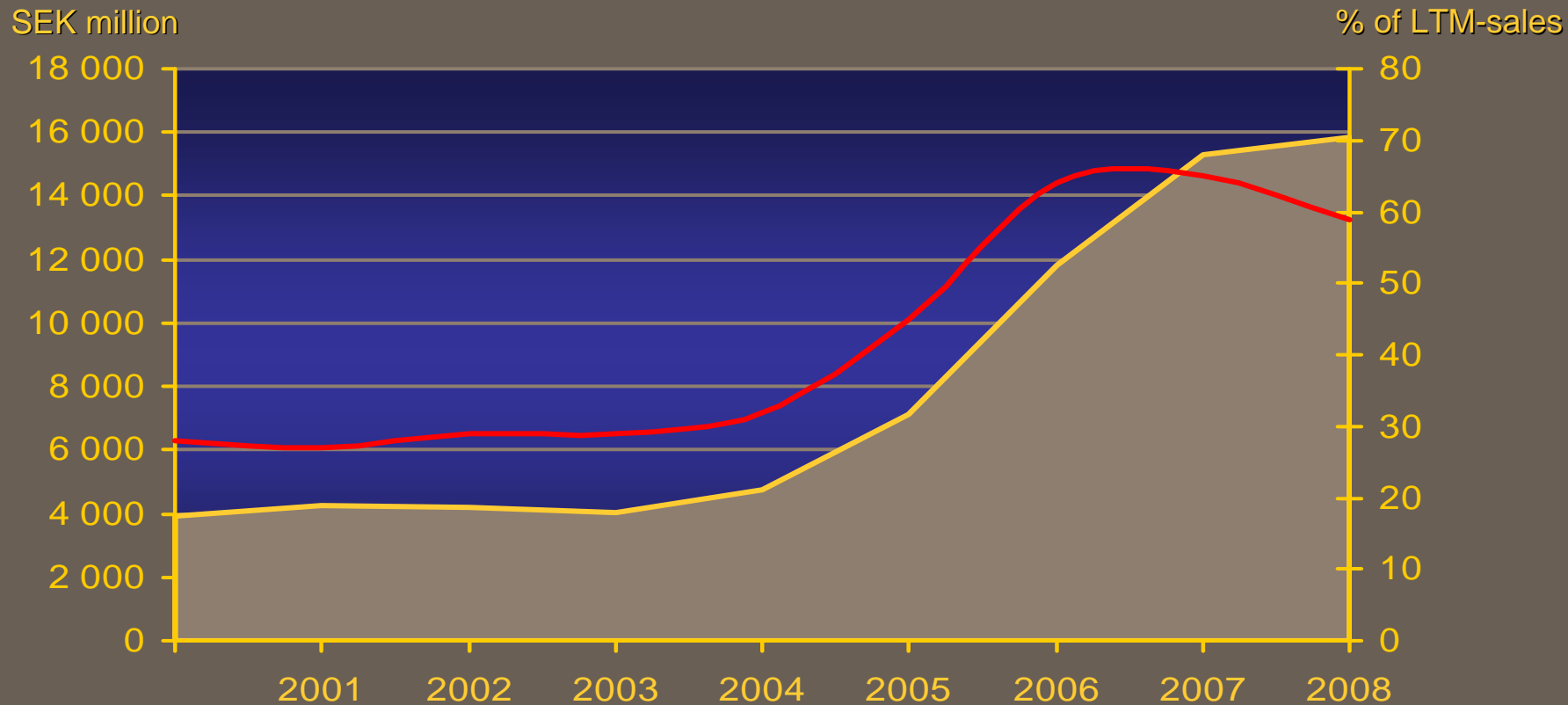
EUR / SEK 9:80

EUR / USD 1:30

EUR / JPY 130

USD / JPY 100

Order backlog development



Order backlog % of LTM (last twelve months) sales

Order backlog as per Sept 30

For delivery after December 31

SEK millions



Order backlog as per Sept 30

SEK millions



Y-o-Y +0.4 Bn!

- For delivery during rest of current year
- For delivery next year or later
- For delivery next year

Sales

2008 and 2009

	<u>BnSEK</u>	
LTM Q308		27.0
Change order backlog Q4, y-o-y	+	0.3
Fx. Translation	+	0.1
Acquisitions	+	0.1
Demand Q408	=/-	
Full year 2008	>	<u>27.2</u>

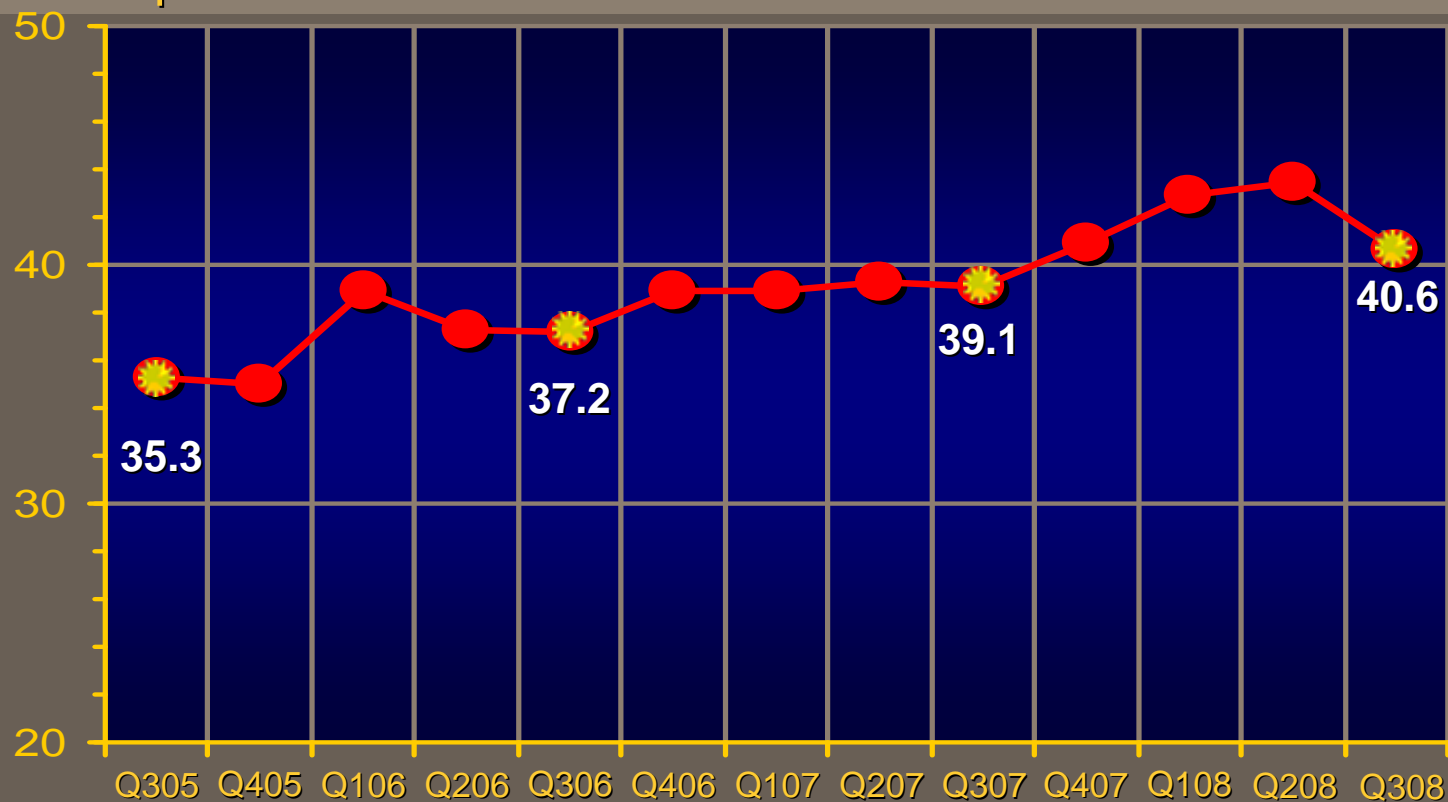
Sales

2008 and 2009

	BnSEK	
Full year 2008	>	27.2
Change order backlog y-o-y	+	0.4
Fx. Translation	+	0.4
Acquisitions	+	0.3
	<hr/>	
Subtotal:		28.3
Price	-	?
Demand		?
	<hr/>	
Full year 2009:		

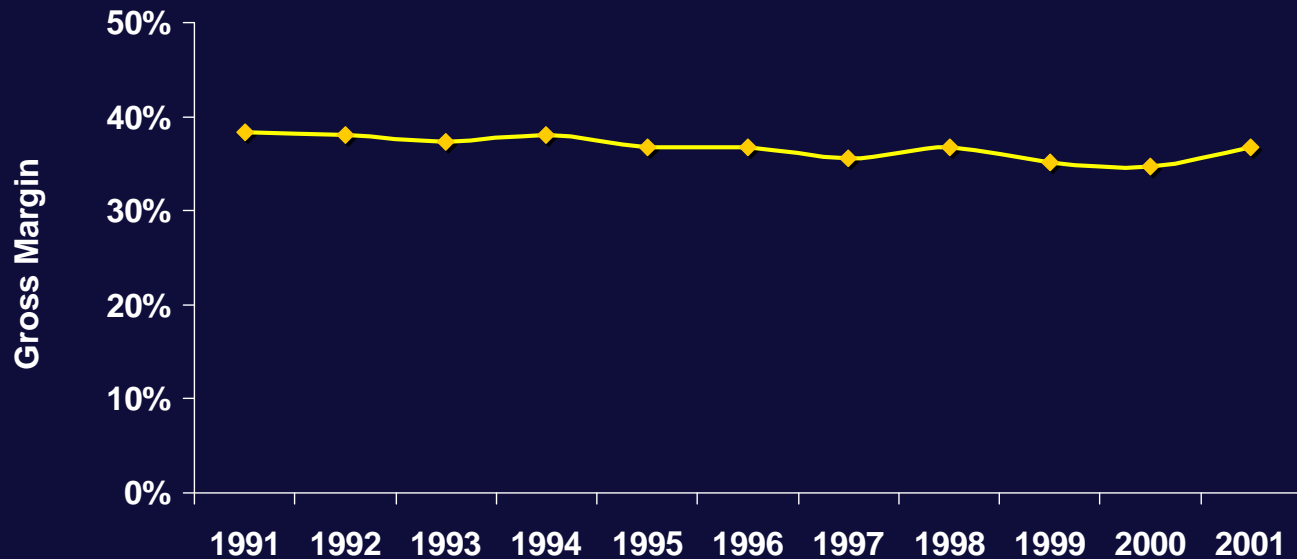
Gross profit margin

In percent of sales



Long term stability

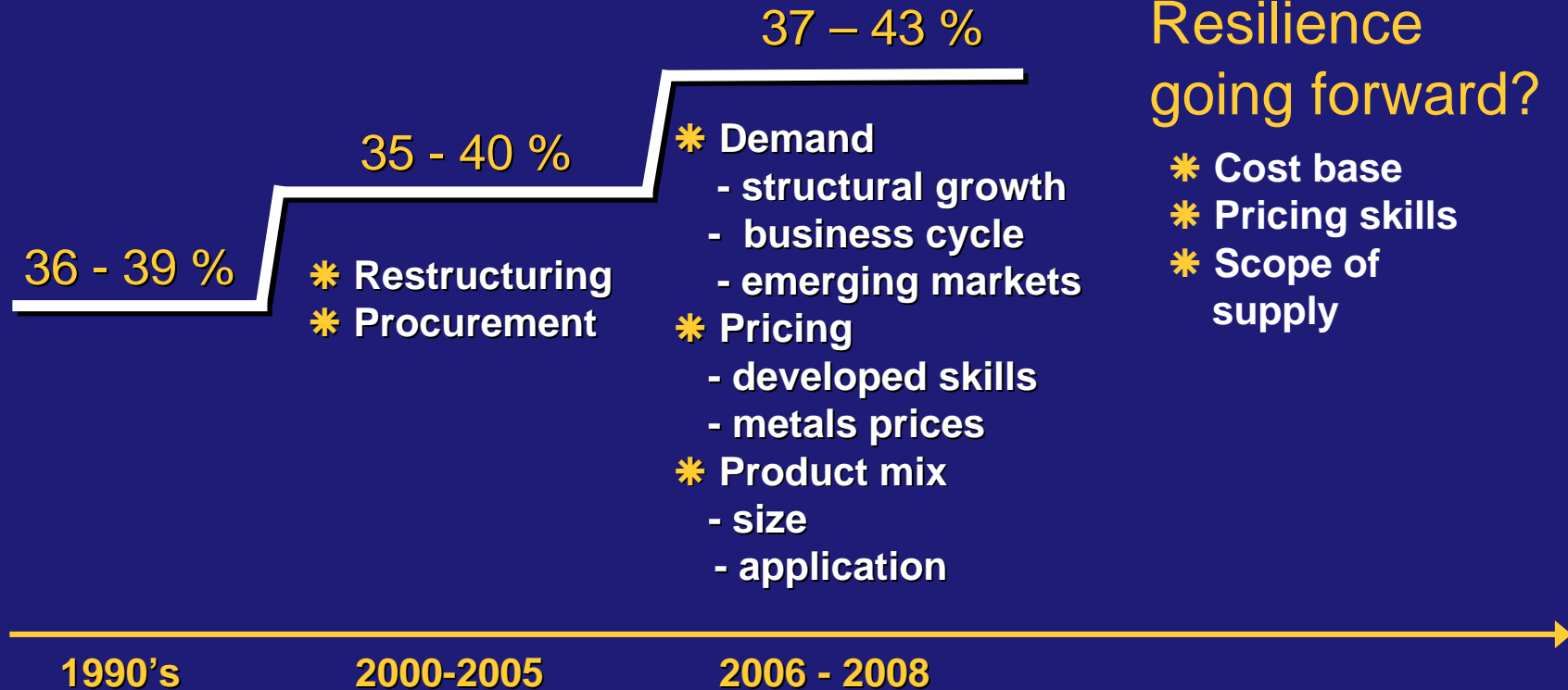
Gross Margin Development 1991 - 2001



Source: Statutory accounts 1998-2001, management accounts for current businesses prior to 1998

Gross profit margin

Evolution over some 15 years

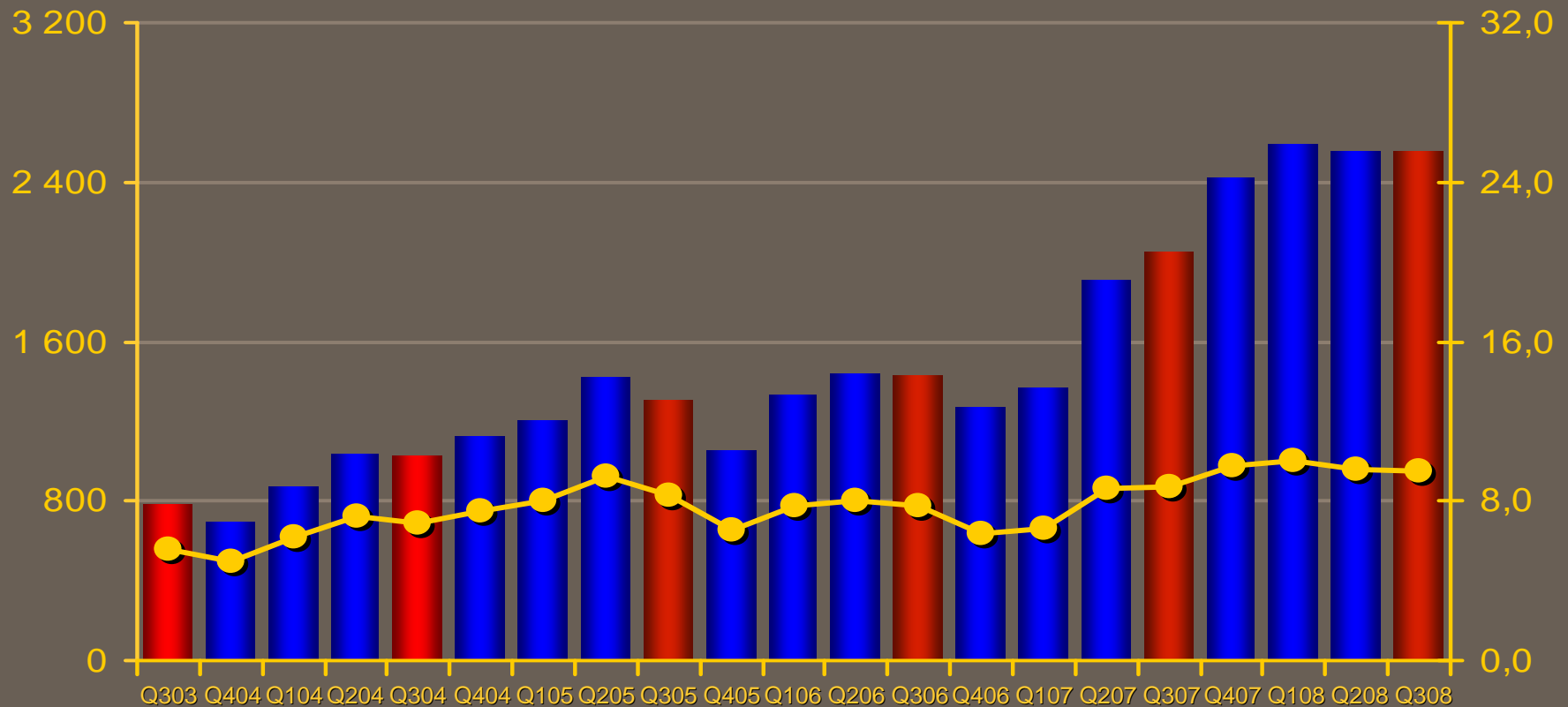


Working capital

Development over five years

SEK million

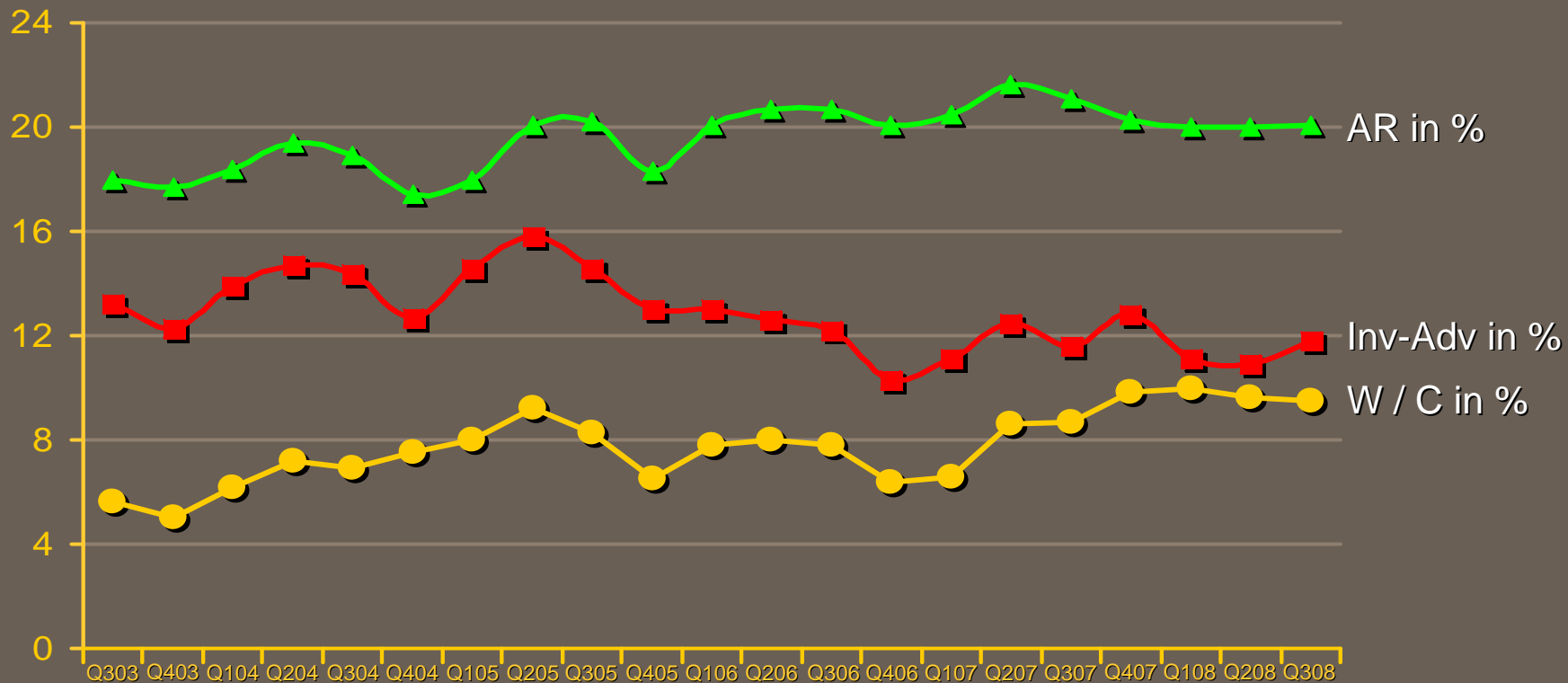
Percent of sales



Working capital

Development of main components

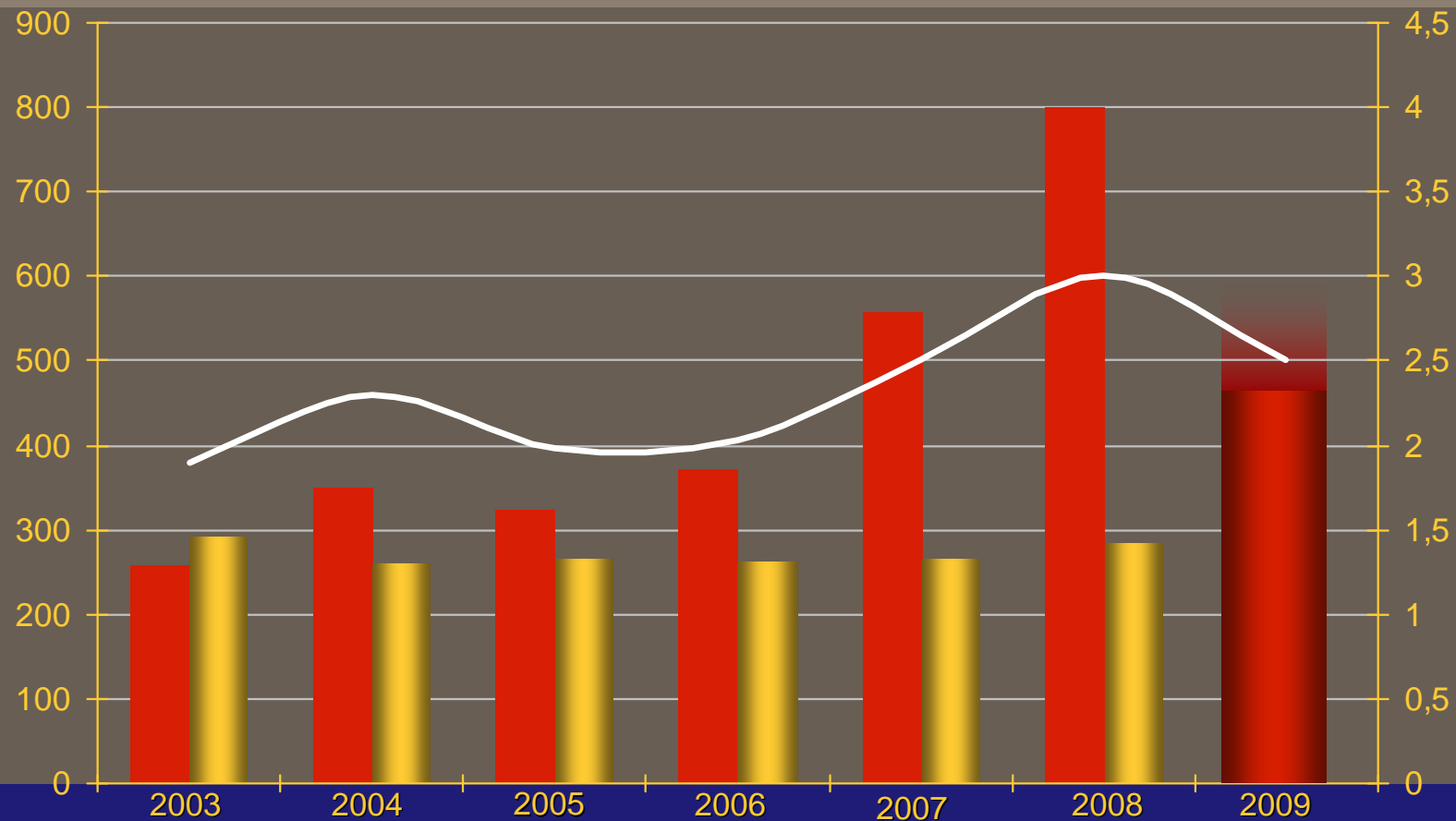
Percent of sales



Capital expenditure

SEK million

Percent of sales



Cap ex Depr acc to plan (excl step-up) Percent of sales

Cash-flow statement

SEK million	Jan – Sep 2008	Jan – Sep 2007	Jan – Sep 2006
Cash flows from			
- operating activities	3,185	2,014	1,624
- investing activities	- 1,147	- 947	-1,411
Financial net paid	- 192	- 166	- 52
Dividends	- 974	- 716	- 587
Total	185	185	- 426

Pro Forma Free-cash-flow*	2,539	1,607	1,380
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*Incl. operating activities, capital expenditure (excl. product rights), provisions and financial net paid.

“We believe we have the opportunity to generate a free cash-flow of approximately SEK 2.5 billion in 2009!”

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