Alfa Laval in brief

• Sales: SEK 26.0 B
• Order intake: SEK 21.5 B
• Employees: 11,400
• Sales companies in 55 countries, sales representation in another 45
• 28 major production units
• More than 70 service centres
A global reach

- Asia, Central & Eastern Europe and Latin America made up 45 percent of order intake in 2009
With a no 1 market position
- for all three key technologies

Heat Transfer
Market share 30%

Separation
Market share 25-30%

Fluid Handling
Market share 10-12%
Meeting needs in most industries

Heating  Cooling  Separation  Fluid handling

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Solutions to make a difference

- Optimize production and use of energy
- Reduce emissions and water pollutions
- Safe food and pharmaceuticals
Our core areas

Energy  Environment  Food
The way forward

- Focus on R&D
- Efforts to explore profitable growth through structural changes
- Focus on the aftermarket to best serve our installed base
- Acquisitions
Focus on R&D
- Finding new values for customers which drive demand

Biggest capacity
More energy efficient
Simpler and safer
Focus on R&D
- investments

• R&D is the way to profitable growth
• Continued focus on R&D to develop new products as well as improve existing
• 35 - 40 new products every year
• More than 300 patents

Profitability
Structural changes
- an opportunity

Energy

Environment

Food
Energy demand seen rising - especially in non-OECD countries

Quadrillion Btu

Source IEA May 2009

Non-OED
OECD

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Energy efficiency

* cuts fuel costs
* increases competitiveness
* reduces greenhouse gas emissions, pollution
* saves natural resources, which are limited
What is waste heat?

Sulphur burning acid plant
Around 65 MW heat is evolved

1/3 waste

2/3 steam
Waste heat – an untapped potential!

Renewable Energy Consumption by Source

- Available Waste heat (1)
- Hydroelectric Power (2)
- Wood
- BioFuels (3)
- Waste (4)
- Geothermal
- Wind
- Solar PV

Potential in the US

More Waste Heat available from US Industry than all renewable energy sources combined!

By 2020:

- 900 million more people on the planet
- 700 million more people in urban areas
- 2.1 billion m$^3$/yr fresh water gap
- Tighter legislation

Increased Waste Water Treatment Investments
Environment - driver

Legislation
Food
Food

Population growth
Urbanization and
Living standard

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Food – our offering
Focus on the aftermarket

Aftermarket sales 28%

Capital sales 72%
Investments in the aftermarket

No of employees

2005 2006 2007 2008 2009 2010E

+35%
Complementary acquisitions

Alfa Laval

* will continue to acquire companies that complement the existing business in terms of geographic presence, sales’ channels or products
Continued acquisitions

* Acquired 6 companies in 2009, adding 5% growth

* Target add 3-4% sales growth/year
1Q highlights

- Orders received dropped 13.1% to SEK 5,089 million.
- Net sales down 22.3% at SEK 5,381 million.
- Adjusted EBITA down 19% to SEK 1,012 million.
- Adjusted EBITA margin increased to 18.8%
  - Positive currency effect SEK 95 million.
Orders received

- Rolling twelve months value
- Order intake per quarter
+XX% = % development at constant rates by quarter, year on year

Q106: +28%
Q206: +35%
Q306: +17%
Q406: +40%
Q107: +36%
Q207: +13%
Q307: +30%
Q407: 0%
Q108: +9%
Q208: +8%
Q308: -3%
Q408: -15%
Q109: -32%
Q209: -37%
Q309: -30%
Q409: -12%
Q110: -13%
Adjusted EBITA / margin *

* Adjusted EBITA – “Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items.”
Orders received by customer segment
Sequential development 1Q versus 4Q, at constant rates

- Life Science
- Process Industry
- Energy & Environment
- Food
- Parts & Service
- Industrial Equipment
+ Marine & Diesel
+ OEM
- Sanitary

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Highlights

Acquisitions in 2010

* Champ – U.S. supplier of cooling equipment.
* U.S. service provider for plate heat exchangers.
* Astepo – Italian provider of aseptic products.
* Si fang – Chinese supplier of sanitary products.