Capital Markets Day 2010

November 23, 2010 in Copenhagen

10:30  Business update and Q&A
Lars Renström, Svante Karlsson, Susanne Pahlen Åklundh and Thomas Thuresson

13:15  Innovative technologies; 5 parallel sessions
- Heat Transfer, Nish Patel
- Separation, Torbjörn Westberg
- Quality and safety in the food and pharmaceutical industries, Ole Petersen & Mats Skogman
- How to turn waste water into pure water, Sammy Hulpiau
- Heat recovery in the process industry, Hans Dahlen

15:55  Q&A and closing remarks
Lars Renström
Update from Q3 report

Orders received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>SEK million</th>
<th>% Development at Constant Rates by Quarter, Year on Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q306</td>
<td>+17%</td>
<td></td>
</tr>
<tr>
<td>Q406</td>
<td>+40%</td>
<td></td>
</tr>
<tr>
<td>Q107</td>
<td>+36%</td>
<td></td>
</tr>
<tr>
<td>Q207</td>
<td>+13%</td>
<td></td>
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<tr>
<td>Q307</td>
<td>+30%</td>
<td></td>
</tr>
<tr>
<td>Q407</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Q108</td>
<td>+9%</td>
<td>+8%</td>
</tr>
<tr>
<td>Q208</td>
<td>+3%</td>
<td>-3%</td>
</tr>
<tr>
<td>Q308</td>
<td>-15%</td>
<td>-27%</td>
</tr>
<tr>
<td>Q408</td>
<td>-32%</td>
<td>-4%</td>
</tr>
<tr>
<td>Q109</td>
<td>-4%</td>
<td>+9%</td>
</tr>
<tr>
<td>Q209</td>
<td>-30%</td>
<td>-12%</td>
</tr>
<tr>
<td>Q309</td>
<td>-13%</td>
<td>+21%</td>
</tr>
<tr>
<td>Q409</td>
<td>+12%</td>
<td>+21%</td>
</tr>
<tr>
<td>Q110</td>
<td>+21%</td>
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Update from Q3 report

Adjusted EBITA / margin *

SEK millions and in percent of sales

Q108  Q109  Q409  Q110  Q210  Q310

* Adjusted EBITA – “Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items.”
Highlights so far Q410

* Petrochemical order in India.
  Order value SEK 110 million. Delivery in 2011
Highlights so far Q410

- Petrochemical order in India.

- Acquired Definox – leading fluid handling company
  Independent channel to the market with a sales of about SEK 200 million and some 120 employees. Consolidated into the Alfa Laval group from November 1, 2010.
Highlights so far Q410

- Petrochemical order in India
- Acquired Definox – leading fluid handling company
- Refinery order in India
  Order value SEK 50 million. Delivery in 2011
Reasons to invest in Alfa Laval

Alfa Laval’s position

No. 1 in all three product areas

Excellent global presence

Energy • Environment • Food

3-4% acquired growth p.a.
Reasons to invest in Alfa Laval

**Structural demand**
- Long-term growth drivers

- Energy
- Environment
- Improved living standard
- Globalization
Profitable growth

MSEK 35 000

Invoicing, constant rates

CAGR = 8.0%

0309-1009

www.alfalaval.com
Investments in the aftermarket

Parts & Service total sales, MEUR

- 2005: 455 MEUR
- 2006: 520 MEUR
- 2007: 590 MEUR
- 2008: 615 MEUR
- 2009: 550 MEUR
- 2010E: 658 MEUR

Profitable growth +45 %
Profitable growth

Complementary acquisitions

- In last five years Alfa Laval has made 27 acquisitions adding 4.3 BSEK in sales at the time of the acquisition
- Bolt-on acquisitions adding 3-4% annual sales growth
- Continue to acquire companies that complement Alfa Laval in terms of geography, channels or products
Wider range of products and services

- Profitable growth
- Technology barriers
- Selected niches with significant entry barriers
- Distribution barriers
  - Champ
- Leadership with Multi-Brand
  - WCR
  - LHE
- The heat exchanger market
  - Global Market = 10 B€
- Dry-cooler as a core product
  - Manufacturing India and Russia
  - Evaluating China and Brazil

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## Profitable growth Opportunities

<table>
<thead>
<tr>
<th>Oil and gas E&amp;P</th>
<th>Refining</th>
<th>Petrochemicals</th>
<th>Biofuels</th>
<th>Power</th>
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<td><img src="image4" alt="Biofuels" /></td>
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<td>Gas to Liquids</td>
<td>Coal Gasification/Liquefaction</td>
<td>CO₂ Sequestration and Storage</td>
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<td><img src="image8" alt="Gas to Liquids" /></td>
<td><img src="image9" alt="Coal Gasification/Liquefaction" /></td>
<td><img src="image10" alt="CO₂ Sequestration and Storage" /></td>
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[www.alfalaval.com](http://www.alfalaval.com)
Profitable growth

Fast growing regions = 45%

BRIC countries = 23%
Profitable growth

Moving west

www.alfalaval.com
Chongqing

Facts & Figures

- Population: 31.4 m
- GDP: 585 billion RMB
- Urban: 52%
- Traditional Economic base: Consumer goods production in foods, textiles, automotive products, agriculture
A substantial development of presence and products to meet growing local demands!
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