Capital Markets Day 2011

Lars Renström
President and CEO
Alfa Laval Group
# Capital Markets Day 2011

**November 22, 2011 in Copenhagen**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30</td>
<td>Business update and Q&amp;A</td>
<td>Lars Renström, Svante Karlsson, Susanne Pahlen Åklundh, Peter Leifland</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and Q&amp;A</td>
</tr>
<tr>
<td></td>
<td><strong>Lunch</strong></td>
<td></td>
</tr>
<tr>
<td>13:00</td>
<td>Innovative technologies; 3 parallel sessions and 5 topics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The Aalborg product range (Sameer Kalra)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Fluid Handling (Bjarne Søndergaard)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Marine &amp; Diesel (Joakim Thölin)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Oil &amp; Gas (Sammy Hulpiau)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Refinery (Mats Skogman)</td>
<td></td>
</tr>
<tr>
<td>15:45</td>
<td>Financial update</td>
<td>Thomas Thuresson</td>
</tr>
<tr>
<td>16:15</td>
<td>Q&amp;A and closing remarks</td>
<td>Lars Renström</td>
</tr>
</tbody>
</table>
New division
Strategic drive – Divisions

Equipment Division
“Component” Driven

31%

Marine & Diesel Division
“Marine and Diesel Industry” Driven

26%

Process Technology Division
“Process Solution” Driven

43%

www.alfalaval.com
New division

Strategic drive – Divisions

Equipment Division

“Component” Driven
Sales Channels, e-Business, OEM

Marine & Diesel Division

“Marine and Diesel Industry” Driven
Products Customised systems, Modules, Service solutions

Process Technology Division

“Process Solution” Driven
Product solutions, Systems/Modules, Process lines

www.alfalaval.com
Focus on customer segments
Orders received January – September 2011, Pro-forma

- PTD Parts & Service
- Process Industry
- Energy & Environment
- Food Technology
- Industrial Equipment
- OEM
- Sanitary Equipment
- EQD Parts & Service
- Marine & Offshore Systems
- Marine & Diesel Equipment
- MDD Parts & Service

www.alfalaval.com
Orders received January – September 2011
SEK 5,873 million*

*) Pro-forma
Group Management

Peter Leifland
Executive Vice President
Marine & Diesel Division

Nish Patel
Executive Vice President
Western Europe and North America
Growth

Growth target: At least 8% per annum over a business cycle, including acquisitions of small and medium-sized companies.
Structural growth

- Energy
- Environment
- Improved living standard
- Globalization

www.alfalaval.com
Strong presence in fast-growing markets

- Western Europe and North America
- Asia, Latin America and Central & Eastern Europe

www.alfalaval.com
Top 10 markets
Order intake 2011 YTD

United States
China
Nordic
Mid Europe
Korea, South
India
Russia
Adriatic
Brazil
Japan

SEK at prevailing rates
Investments in fast-growing markets

- **Capacity**
  - China and India

- **Wider product offering**
  - China, India, Brazil and Russia
    - e.g. Air HEX, decanters, large GPHE

- **Sales presence**
  - China and India

- **Service presence**
Product differentiation

Basic functionality
Basic performance
Basic design
Basic price
Alfa Laval quality

Premium functionality
Premium performance
Premium design
Premium price
Alfa Laval quality

www.alfalaval.com
Case: Pumps in China

Clear differentiation will avoid cannibalization
Creating an acquisition culture

- Bolt-on acquisitions adding 3-4% annual sales growth
- Major acquisitions like Aalborg come on top of that
- In last five years Alfa Laval has made 30 acquisitions adding MEUR 885 (BnSEK 8,4) in sales
- About 10% of Group sales will come long-term from multi-brands (12% in 2010)
**Alfa Laval multi branding strategy**

**Given**
- High enough profit margin to justify multi brands
- Mature products
- High Market Shares

**When**
- Product differentiation
- Channel Positioning

**How**

5 years = from 1 to 12%
## Bäst totalavkastning i Norden 2006–2011

<table>
<thead>
<tr>
<th>Företag</th>
<th>Land</th>
<th>Bransch</th>
<th>Totalavkastning % per år</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kongsberggr.</td>
<td>Norge</td>
<td>Industri</td>
<td>28,1 15,7</td>
</tr>
<tr>
<td>Seadrill</td>
<td>Norge</td>
<td>Oljeservice</td>
<td>26,6 60,1</td>
</tr>
<tr>
<td>Novo Nordisk</td>
<td>Danmark</td>
<td>Läkemedel</td>
<td>23,9 32,2</td>
</tr>
<tr>
<td>Yara</td>
<td>Norge</td>
<td>Gödsel</td>
<td>23,0 30,3</td>
</tr>
<tr>
<td>Alfa Laval</td>
<td>Sverige</td>
<td>Industri</td>
<td>21,8 25,5</td>
</tr>
<tr>
<td>Swedish Match</td>
<td>Sverige</td>
<td>Konsum.</td>
<td>20,0 34,5</td>
</tr>
<tr>
<td>Mekonomen</td>
<td>Sverige</td>
<td>Konsum.</td>
<td>19,9 57,0</td>
</tr>
<tr>
<td>Kone</td>
<td>Finland</td>
<td>Industri</td>
<td>19,4 45,7</td>
</tr>
<tr>
<td>Ratos</td>
<td>Sverige</td>
<td>Finans</td>
<td>18,5 18,0</td>
</tr>
<tr>
<td>Golar LNG</td>
<td>Norge</td>
<td>Oljeservice</td>
<td>17,8 70,8</td>
</tr>
</tbody>
</table>


*) Dagens Industri, November 7, 2011
Highlights

- New Marine & Diesel Division
- Structural growth
- Fast-growing markets
- Product differentiation for growth
- Acquisition for value creation