Alfa Laval in brief

+ Sales in 2010: SEK 24.7 billion
+ Order intake: SEK 23.9 billion
+ Employees: 12,600
+ Sales companies in 55 countries, sales’ representation in another 45
+ 30 major production plants
+ A global service network

www.alfalaval.com
Key technologies
- with leading, global positions

More than 30% of the world market
25-30% of the world market
10-12% of the world market

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Solutions to make a difference

- Optimize production and use of energy
- Reduce emissions and water pollutions
- Safe food and pharmaceuticals
Increased demand for energy can be met in two ways – through increased energy efficiency and/or an increase in production. Both alternatives boost demand for Alfa Laval’s products.
Structural changes
– Environment

Coming years:

- More people on the planet
- More people in urban areas
- Fresh water deficit
- More rules and regulations
- Higher demand for products that can cut environmental impact

Alfa Laval’s products can reduce CO2 emissions, purify liquids and reduce the consumption of water and energy.
Structural changes
– Improved living standard

Alfa Laval has focused on food applications since 1883. Today, the company’s products can contribute by getting:

* More out of the raw material
* Less waste
* More out of the process
* A better end product
Structural changes
– Globalization

Globalization

Increased demand for transportation solutions

Alfa Laval offers specialized products and solutions for use on board vessels.
Focus on the aftermarket

57 service centers to provide parts and services to the installed base of Alfa Laval products around the globe

P&S makes up 28% of group order intake
Focus on R&D

* Continued focus on R&D to develop new products as well as improve existing
* 35-40 new products every year
* More than 300 patents
* New products key for profitable growth
* Investments in R&D totalled SEK 625 million in 2010 (2.5% of sales)
Focus on R&D
- Finding new values for customers which drive demand
Complementary acquisitions

- In the last five years Alfa Laval has made 29 acquisitions adding SEK 8.3 billion in sales at the time of the acquisition.
- Bolt-on acquisitions adding 3-4% annual sales growth. On top of that major acquisitions (> 10%).
- Continue to acquire companies that complement Alfa Laval in terms of geography, channels or products.
# Key figures

## October – December 2010

- Orders received rose 18% to SEK 6,379 million.
- Net sales increased 9% to SEK 7,169 million.
- Adjusted EBITA up 16% at SEK 1,337 million.
- Adjusted EBITA margin 18.6% vs 17.6%
  - *Positive currency effect SEK 32 million.*

## January – December 2010

- Orders received increased 11% to SEK 23,869 million.
- Net sales declined 5% to SEK 24,720 million.
- Adjusted EBITA rose 2% to SEK 4,682 million.
- Adjusted EBITA margin 18.9% vs 17.6%
  - *Positive currency effect SEK 356 million.*
Revised growth target

At least 8% average sales growth per year, over a business cycle.
Financial Targets

- Growth (sales) $\geq 8\%$
- EBITA $\sim 15\%$
- ROCE $> 25\%$
Orders received

= rolling twelve months value

= order intake per quarter

+xx% = % development at constant rates by quarter, year on year
Orders received by customer segment

January – December 2010, at constant rates
Orders received by Region
January – December 2010, at constant rates

Asia 32%
- L. America 6%
- Western Europe 24%
- Nordic & East 8%
- Other 2%
- North America 19%

January – December 2010:
- Asia +36%
- L. America +18%
- Western Europe +14%
- Other +9%
- North America +7%
- Nordic & East -14%
## Foreign exchange

Estimated impact on adjusted EBITA from FX fluctuations

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q4 10</th>
<th>WY 10</th>
<th>WY 11*</th>
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</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>-24</td>
<td>-95</td>
<td>-130</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>+56</td>
<td>+451</td>
<td>-180</td>
</tr>
<tr>
<td>Total</td>
<td>+32</td>
<td>+356</td>
<td>-310</td>
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</table>

*Based on EUR/USD 1.33 and EUR/SEK 8.95*
## Sales

### Full year 2011

<table>
<thead>
<tr>
<th>Description</th>
<th>SEK (bln)</th>
</tr>
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<tbody>
<tr>
<td>Full year 2010</td>
<td>24.7</td>
</tr>
<tr>
<td>FX-translation</td>
<td>- 1.1</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>23.6</td>
</tr>
<tr>
<td>Orders “in-for-out”</td>
<td>?</td>
</tr>
<tr>
<td>Price</td>
<td>?</td>
</tr>
<tr>
<td>Acquisitions (incl Olmi)</td>
<td>+ 0.4</td>
</tr>
<tr>
<td>Aalborg (9 months as 2010)</td>
<td>+ 2.3</td>
</tr>
</tbody>
</table>

### Full year 2011

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“We expect demand in the first quarter to be on about the same level as in the fourth quarter.”