Report for Q2 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
# Key figures

**April – June 2009**

- Orders received dropped 37.3% to SEK 5,188 million.
- Net sales down 15.1% at SEK 6,746 million.
- Adjusted EBITA down 25.9% at SEK 1,175 million.
  - *Positive currency effect SEK 74 million.*

**January – June 2009**

- Orders received dropped 34.4% to SEK 11,041 million.
- Net sales down 10.3% at SEK 13,669 million.
- Adjusted EBITA down 18.9% at SEK 2,430 million.
  - *Positive currency effect SEK 198 million.*
Orders received

- Orders received in SEK million
- Orders received in SEK million R 12
- % development at constant rates by quarter, year on year

Legend:
- = rolling twelve months value
- = order intake per quarter

Q106: +35%
Q206: +17%
Q306: +40%
Q406: +36%
Q107: +13%
Q207: +30%
Q307: 0%
Q407: +9%
Q108: +8%
Q208: -3%
Q308: -15%
Q408: -32%
Q109: -37%
Q209: -37%
Q309: -15%
Q409: -8%
Q110: 0%
Q210: +9%
Q310: +8%
Q410: +30%

Note: The graph shows the development of orders received from Q106 to Q408, with percentage changes provided for each quarter. The green bars represent the rolling twelve months value, and the orange bars represent the order intake per quarter.
## Order analysis

<table>
<thead>
<tr>
<th></th>
<th>April – June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008 (SEK millions)</strong></td>
<td>7,066</td>
</tr>
<tr>
<td>Structural change, %</td>
<td>+ 2.1</td>
</tr>
<tr>
<td>Currency effects, %</td>
<td>+10.7</td>
</tr>
<tr>
<td>Organic development, %</td>
<td>-39.4</td>
</tr>
<tr>
<td><strong>Total, %</strong></td>
<td>-26.6</td>
</tr>
<tr>
<td><strong>2009 (SEK million)</strong></td>
<td>5,188</td>
</tr>
</tbody>
</table>
Organic development

- Marine cancellations: -1.6%
- Marine orders: -12.9%
- Orders other segments: -24.9%

Q2 08

Q2 09
Adjusted EBITA / margin *

SEK millions and in percent of sales

* Adjusted EBITA – “Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items.”
Interim Report Q2 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
Highlights during the quarter

Large orders, total SEK 105 million (210)

∗ Order for enzyme production in the U.S.
   Order value SEK 50 million. Delivery in 2010.
Highlights during the quarter

Large orders, total SEK 105 million (210)

* Order for enzyme production in the U.S.

* Refinery orders from Petrobras in Brazil
  Value SEK 55 million. Delivery in 2011.
Interim Report Q2 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
Orders received by customer segment

April – June 2009, at constant rates

- Comfort & Refrigeration
- Marine & Diesel
- Fluids & Utility
- OEM
- Sanitary
- Food
- Energy & Environment
- Process Industry
- Life Science
- Parts & Service
Orders received by customer segment

Process Technology Division April – June 2009, at constant rates

- Life Science
- Process Industry
- Energy & Environment
- Food

- Continued growth for Environment.
- Food, Life Science grew vs first quarter.
Orders received by customer segment

Equipment Division, April - June 2009, at constant rates

- Comfort & Ref and Sanitary improved from first quarter.
- Continued decline for Marine.
Orders received by customer segment

January – June 2009, at constant rates

- Life Science
- Process Industry
- Energy & Environment
- Food
- Parts & Service
- Comfort & Refrigeration
- Marine & Diesel
- Fluids & Utility
- OEM
- Sanitary

at constant rates
Interim Report Q2 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
Orders received by Region
April – June 2009, at constant rates

- North America 17%
- Western Europe 28%
- Asia 30%
- Centr. & East 8%
- Nordic 10%
- L. America 5%
- Other 2%

Changes:
- North America: -26%
- Western Europe: -47%
- Asia: -51%
- Centr. & East: -29%
- Nordic: -35%
North America
- U.S. order intake on about the same level as in the first quarter.

Latin America
- All countries declined except Mexico.
- Demand in the region on about the same level as in the first quarter.
Highlights Europe
April – June 2009, at constant rates

Western Europe incl. Nordic
* All segments, except Life Science, dropped.

Central and Eastern Europe
* Overall decline with the exception of Energy & Environment, which grew compared to last year.
Asia

- Continued negative effect from Marine.
- Base business, excluding Marine, up slightly compared to the two previous quarters.
Orders received by Region

January – June 2009, at constant rates

North America 17%
South America 5%
Central & Eastern 8%
Asia 30%
Western Europe 28%
Nordic 10%
Other 2%

-24
-25
-32
-48
-45
-21
Interim Report Q2 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Thomas Thuresson
CFO
Alfa Laval Group
### Highlights

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>April – June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,188</td>
</tr>
<tr>
<td>Net sales</td>
<td>6,746</td>
</tr>
</tbody>
</table>
Gross profit margin

In percent of sales

- Q206: 37.3%
- Q306: 39.3%
- Q406: 43.5%
- Q107: 37.3%
- Q207: 37.7%
- Q307: 43.5%
- Q407: 39.3%
- Q108: 39.3%
- Q208: 37.7%
- Q308: 37.3%
- Q408: 39.3%
- Q109: 43.5%
- Q209: 37.3%
## Highlights

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>April – June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,188</td>
</tr>
<tr>
<td>Net sales</td>
<td>6,746</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,175</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>17.4%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>846</td>
</tr>
</tbody>
</table>
## Overview cost and capacity adjustment

- update as per June 30th, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (SEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total non-recurring charges:</td>
<td>495 m</td>
</tr>
<tr>
<td>Non-recurring charges Q2:</td>
<td>225 m</td>
</tr>
<tr>
<td>Total estimated savings:</td>
<td>850 m</td>
</tr>
<tr>
<td>Savings achieved in Q2:</td>
<td>170 m</td>
</tr>
<tr>
<td>- Savings from January program – full impact from Q4 2009</td>
<td></td>
</tr>
<tr>
<td>- Savings from further measures – full impact from Q1 2010</td>
<td></td>
</tr>
<tr>
<td>Capacity reduction targeted with initiated savings:</td>
<td>25 - 35 %</td>
</tr>
<tr>
<td>Total estimated reduction in FTE’s:</td>
<td>1,700</td>
</tr>
<tr>
<td>Reductions as per June 30th</td>
<td>900</td>
</tr>
<tr>
<td>- of which work-sharing represents approx. 30 FTE’s</td>
<td></td>
</tr>
</tbody>
</table>

www.alfalaval.com
## Earnings per share

<table>
<thead>
<tr>
<th></th>
<th>April – June</th>
<th></th>
<th>Jan – June</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Earnings</td>
<td>1.49</td>
<td>2.41</td>
<td>3.29</td>
<td>4.47</td>
</tr>
<tr>
<td>Earnings, excluding step-up</td>
<td>1.62</td>
<td>2.49</td>
<td>3.55</td>
<td>4.68</td>
</tr>
</tbody>
</table>
## Highlights

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>April – June 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>5,188</td>
</tr>
<tr>
<td>Net sales</td>
<td>6,746</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,175</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>17.4%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>846</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>1,295</td>
</tr>
<tr>
<td>ROCE</td>
<td>42.5%</td>
</tr>
<tr>
<td>ROE</td>
<td>32.8%</td>
</tr>
</tbody>
</table>
# Cash-flow statement

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>Jan – June 2009</th>
<th>Jan - June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- operating activities</td>
<td>2,353</td>
<td>1,929</td>
</tr>
<tr>
<td>- investing activities</td>
<td>-1,336</td>
<td>-687</td>
</tr>
<tr>
<td>Financial net paid</td>
<td>-188</td>
<td>-63</td>
</tr>
<tr>
<td>Total</td>
<td>829</td>
<td>1,179</td>
</tr>
</tbody>
</table>

Pro Forma Free-cash-flow* | 1,967 | 732

*Incl. operating activities, capital expenditure and financial net paid.
## Foreign exchange

### Estimated impact on adjusted EBITA from FX fluctuations

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q2 09</th>
<th>H1 09</th>
<th>WY 09</th>
<th>WY 10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>153</td>
<td>298</td>
<td>465</td>
<td>-</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>-79</td>
<td>-100</td>
<td>10</td>
<td>500</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>198</td>
<td>475</td>
<td>500</td>
</tr>
</tbody>
</table>

*Based on EUR/USD 1.40 and EUR/SEK 10.75*
Order backlog as per June 30

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK millions</td>
<td>14,573</td>
<td>15,622</td>
<td>13,624</td>
</tr>
</tbody>
</table>

- **For delivery next year or later**
- **For delivery during rest of current year**
Interim Report Q2 2009

- Orders received and operating margin
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
Outlook for the third quarter

“We expect demand during the third quarter to be on about the same level as during the second quarter 2009.”