Report for Q1 2013

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

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

January – March 2013

- Orders received declined 9% to SEK 7,160 million.
- Net sales dropped 4% to SEK 6,535 million.
- Adjusted EBITA declined 5% to SEK 1,067 million.
- Adjusted EBITA margin 16.3% vs 16.5%
  - *Negative currency effect SEK 32 million.*

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Orders received

Order analysis

Q1 2013 versus Q1 2012 and versus Q4 2012 (MSEK)

<table>
<thead>
<tr>
<th>Q1 2012</th>
<th>7,895</th>
<th>Q4 2012</th>
<th>7,252</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural change, %</td>
<td>+ 3.2</td>
<td>+ 1.7</td>
<td></td>
</tr>
<tr>
<td>Organic development, %</td>
<td>- 8.0</td>
<td>- 0.7</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>- 4.8</td>
<td>+ 1.0</td>
<td></td>
</tr>
<tr>
<td>Currency effects,%</td>
<td>- 4.5</td>
<td>- 2.3</td>
<td></td>
</tr>
<tr>
<td>Total, %</td>
<td>- 9.3</td>
<td>- 1.3</td>
<td></td>
</tr>
<tr>
<td>Q1 2013</td>
<td>7,160</td>
<td>Q1 2013</td>
<td>7,160</td>
</tr>
</tbody>
</table>
Adjusted EBITA / margin*

SEK millions and in percent of sales

- Q1 2010
- Q2 2010
- Q3 2010
- Q4 2010
- Q1 2011
- Q2 2011
- Q3 2011
- Q4 2011
- Q1 2012
- Q2 2012
- Q3 2012
- Q4 2012
- Q1 2013

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

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Highlights in the quarter

### Process Technology

- Compact heat exchangers for processing of shale gas in the U.S. Value: **SEK 55 million**.
- Heavy fuel oil treatment systems to a power plant in the Middle East. Value: **SEK 90 million**.
- Compact heat exchangers to a new gas plant in Russia. Value: **SEK 60 million**.
- Heat exchangers for oil cooling applications in Canada. Value: **SEK 60 million**.

### Marine & Diesel

- Alfa Laval Aalborg heaters to Daewoo for an FPSO vessel. Value: **SEK 130 million**.
- Pure Ballast systems to a yard in South Korea. Value: **SEK 50 million**.
- Acquisition of a gas combustion activity. Expected to generate sales of **SEK 40 million** in 2013.

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Orders received by customer segment

Jan. – March 2013, at constant rates and like for like

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

Equipment division

Highlights and sequential comments

- Sanitary affected by non-repeat of larger projects.
- Industrial Equipment somewhat lower as rising demand for refrigeration did not manage to compensate for slow development in district heating.
- OEM unchanged as the long winter led to lower demand for air conditioning units while demand from boiler manufacturers grew.
- P&S had an overall good development.

<table>
<thead>
<tr>
<th></th>
<th>Q1 2013</th>
<th>Q1 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order</td>
<td>2,257</td>
<td>2,339</td>
</tr>
<tr>
<td>Sales</td>
<td>2,178</td>
<td>2,233</td>
</tr>
<tr>
<td>Backlog</td>
<td>1,598</td>
<td>1,501</td>
</tr>
</tbody>
</table>

*Share of Group total
### Process Technology division

#### Highlights and sequential comments
- **Food Tech.** 7%*
- **Energy & Environ.** 14%*
- **Process Industry** 11%*
- **Parts & Service** 14%*

<table>
<thead>
<tr>
<th></th>
<th>Order</th>
<th>Sales</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2013</td>
<td>3,288</td>
<td>2,842</td>
<td>8,636</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>3,600</td>
<td>2,778</td>
<td>7,723</td>
</tr>
</tbody>
</table>

*Share of Group total

### Marine & Diesel division

#### Highlights and sequential comments
- **Marine & Diesel Equipment** 8%*
- **Marine & Offshore Systems** 6%
- **Parts & Service** 10%

<table>
<thead>
<tr>
<th></th>
<th>Order</th>
<th>Sales</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2013</td>
<td>1,615</td>
<td>1,515</td>
<td>4,457</td>
</tr>
<tr>
<td>Q1 2012</td>
<td>1,956</td>
<td>1,820</td>
<td>5,665</td>
</tr>
</tbody>
</table>

*Share of Group total

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© Alfa Laval
New test and training centre

- Alfa Laval PureSOx
- Alfa Laval WHR
- Alfa Laval PureBallast

Alfa Laval boilers, scrubbers, separators, heat exchangers, filters, tank equipment, control and automation systems to the marine industry

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**Orders received by Region**

**January – March 2013, development at constant rates**

- **Asia**: 31%
- **North America**: 21%
- **Western Europe**: 22%
- **Latin America**: 7%
- **Central and Eastern Europe**: 6%
- **Nordic**: 9%

**Highlights Asia**

**January – March 2013, at constant rates, sequential comments**

**Asia:**

- **Marine & Diesel Division** performed the best, P&S was unchanged, while Process Technology declined due to fewer large projects than in the fourth quarter.
- **China** declined somewhat, affected by a continued wait-and-see mode among customers. South Korea, Malaysia and Japan were among the best performers.
**Highlights Europe**

January – March 2013, at constant rates, sequential comments

- **Western Europe incl. Nordic:**
  - Fewer large contracts explain the decline. Base business and Parts & Service had a positive development.

- **Central and Eastern Europe:**
  - Strong increase, driven by oil & gas and refinery in Russia.
  - The base business was stable and Parts & Service saw a very good development.

**Highlights Americas**

January – March 2013, at constant rates, sequential comments

- **North America:**
  - Growth in both the U.S. and Canada, following the development for large contracts. The base business also grew.
  - Energy & Environment did particularly well.

- **Latin America:**
  - A slight increase due to project orders in the Process Technology Division. Orders for capital equipment declined in Equipment and Marine & Diesel divisions.
  - Parts & Service saw an overall good development.
Top 10 markets*

SEK million at prevailing rates

- United States
- China
- Nordic
- Korea, South
- South East Asia
- Mid Europe
- Russia
- Adriatic
- Brazil
- Canada

- R12 as per end of March
- WY 2012

*The development of the 2012 top ten markets.

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

<table>
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<tr>
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<th>January – March 2013</th>
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<tbody>
<tr>
<td>Order intake</td>
<td>7,160</td>
</tr>
<tr>
<td>Net sales</td>
<td>6,535</td>
</tr>
</tbody>
</table>

### Gross profit margin

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q110</td>
<td>42.7</td>
</tr>
<tr>
<td>Q210</td>
<td>40.4</td>
</tr>
<tr>
<td>Q310</td>
<td>40.4</td>
</tr>
<tr>
<td>Q410</td>
<td>40.4</td>
</tr>
<tr>
<td>Q111</td>
<td>38.5</td>
</tr>
<tr>
<td>Q211</td>
<td>38.2</td>
</tr>
<tr>
<td>Q311</td>
<td>38.2</td>
</tr>
<tr>
<td>Q411</td>
<td>38.2</td>
</tr>
<tr>
<td>Q112</td>
<td>38.2</td>
</tr>
<tr>
<td>Q212</td>
<td>38.2</td>
</tr>
<tr>
<td>Q312</td>
<td>38.2</td>
</tr>
<tr>
<td>Q412</td>
<td>38.2</td>
</tr>
<tr>
<td>Q113</td>
<td>38.2</td>
</tr>
</tbody>
</table>
## Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>January – March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>7,160</td>
</tr>
<tr>
<td>Net sales</td>
<td>6,535</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,067</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>16.3%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>927</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>1.67</td>
</tr>
<tr>
<td>Earnings per share, excl step-up</td>
<td>1.94</td>
</tr>
<tr>
<td>ROCE</td>
<td>25.8%</td>
</tr>
<tr>
<td>ROE</td>
<td>21.4%</td>
</tr>
</tbody>
</table>

## Cash-flow statement

<table>
<thead>
<tr>
<th>Category</th>
<th>Jan – March 2013</th>
<th>Jan – March 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- operating activities</td>
<td>974</td>
<td>1,037</td>
</tr>
<tr>
<td>- investing activities</td>
<td>- 150</td>
<td>- 694</td>
</tr>
<tr>
<td>Financial net paid</td>
<td>43</td>
<td>- 13</td>
</tr>
<tr>
<td>Total</td>
<td>867</td>
<td>330</td>
</tr>
<tr>
<td>Pro Forma Free cash-flow*</td>
<td>935</td>
<td>930</td>
</tr>
</tbody>
</table>

*Incl. operating activities, capital expenditure and financial net paid.
Change in IAS

Accounting for Employee Benefits – IAS 19

Implications on Alfa Laval in short:

- a restatement of the closing balance sheet as per Dec. 31st, 2011, giving a reduction in equity for Alfa Laval of SEK 791 million.

- that any changes in unrecognized actuarial gains/losses from Jan. 1st 2012 are to be charged to the P&L, as part of “other comprehensive income”, i.e. below net income and impacting equity.

- that the impact on Alfa Laval under the restatement was a negative SEK 164 million for 2012.

Foreign exchange

Estimated impact on adjusted EBITA from FX fluctuations

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q1 13</th>
<th>FY 13</th>
<th>FY 14*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>-42</td>
<td>-165</td>
<td>0</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>10</td>
<td>-30</td>
<td>-100</td>
</tr>
<tr>
<td>Total</td>
<td>-32</td>
<td>-195</td>
<td>-100</td>
</tr>
</tbody>
</table>

*Based on EUR/USD 1.30 and EUR/SEK 8.35

Projected FX-effect for 2013 as communicated with the Q4 report SEK -140 million
Order backlog as per March 31

<table>
<thead>
<tr>
<th>SEK millions</th>
<th>For delivery later than 2013</th>
<th>For delivery in 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q109</td>
<td>14,889</td>
<td>14,889</td>
</tr>
<tr>
<td>Q110</td>
<td>4,174</td>
<td>10,715</td>
</tr>
<tr>
<td>Q111</td>
<td>1.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Q112</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Q113</td>
<td>1.6</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Book to bill

Sales

<table>
<thead>
<tr>
<th>Full year 2013</th>
<th>SEK (bln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year 2012</td>
<td>29.8</td>
</tr>
<tr>
<td>Order backlog, like-for-like</td>
<td>- 0.1</td>
</tr>
<tr>
<td>FX-translation</td>
<td>- 1.2</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+ 0.7</td>
</tr>
</tbody>
</table>

Subtotal | 29.2

Orders “in-for-out” | ?
Price | ?

Full year 2013

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Outlook for the second quarter

“We expect that demand during the second quarter will be on about the same level as in the first quarter.”
Cautionary statement

This presentation contains forward-looking statements that are based on the current expectations of the management of Alfa Laval Group.

Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment, other government actions and fluctuations in exchange rates. Alfa Laval undertakes no obligation to publicly update or revise these forward-looking statements, other than as required by law or other regulations.