Report for Q2 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

**April – June 2013**

- Orders received declined 4% to SEK 7,558 million.
- Net sales dropped 3% to SEK 7,549 million.
- Adjusted EBITA declined 4% to SEK 1,237 million.
- Adjusted EBITA margin 16.4% vs 16.5%  
  - Negative currency effect SEK 63 million.

**January – June 2013**

- Orders received declined 7% to SEK 14,718 million.
- Net sales dropped 4% to SEK 14,084 million.
- Adjusted EBITA declined 5% to SEK 2,304 million.
- Adjusted EBITA margin 16.4% vs 16.5%  
  - Negative currency effect SEK 95 million.

---

# Report for Q2 2013

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

<table>
<thead>
<tr>
<th>SEK million</th>
<th>SEK million R 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 13</td>
<td>28 000</td>
</tr>
<tr>
<td>Q3 13</td>
<td>24 000</td>
</tr>
<tr>
<td>Q2 13</td>
<td>20 000</td>
</tr>
<tr>
<td>Q1 13</td>
<td>16 000</td>
</tr>
<tr>
<td>Q4 12</td>
<td>12 000</td>
</tr>
<tr>
<td>Q3 12</td>
<td>8 000</td>
</tr>
<tr>
<td>Q2 12</td>
<td>4 000</td>
</tr>
<tr>
<td>Q1 12</td>
<td>0</td>
</tr>
</tbody>
</table>

Order analysis

Q2 2013 versus Q2 2012 and versus Q1 2013 (MSEK)

| Structural change, % | +2.2 |
| Organic development, % | -1.4 |
| Total | +0.8 |
| Currency effects,% | -5.2 |
| Total, % | -4.4 |
| Q2 2013 | 7,558 |
| Q2 2012 | 7,904 |
| Q1 2013 | 7,160 |

© Alfa Laval
Adjusted EBITA / margin*

SEK millions and in percent of sales

Q111 Q112 Q113 Q211 Q212 Q213 Q311 Q312 Q313 Q411 Q412 Q413
450 15,0 6,0 0,0 18,0 24,0 21,0 18,0 15,0 12,0 9,0 6,0

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

www.alfalaval.com

Report for Q2 2013

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

Process Technology
Alfa Laval Packniox heat exchangers to a petrochemical plant in the Middle East. Value: SEK 85 million.


Marine & Diesel
Alfa Laval PureSOx systems to MAN Diesel & Turbo for two new cruise ships. Value: SEK 55 million.

Alfa Laval PureSOx exhaust gas cleaning systems for retrofit installation. Value: SEK 170 million.

Report for Q2 2013
- Key figures
- Orders received and margins
- Development per segment
- Geographical development
- Financials
- Outlook
Orders received by customer segment

April – June 2013, at constant rates and like for like

- 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

Order Sales Backlog Q2 2013 2,510 2,387 1,735 Q2 2012 2,573 2,363 1,710

Equipment division

Highlights and sequential comments

- Sanitary saw good demand for products for beverage and dairy applications.
- Significant growth for Industrial Equipment due to seasonal effects.
- OEM grew, boosted by demand from manufacturers of heat pumps and air conditioning units, as the season for making heating and cooling installations took off.

<table>
<thead>
<tr>
<th>Order</th>
<th>Sales</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>2,510</td>
<td>2,387</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>2,573</td>
<td>2,363</td>
</tr>
</tbody>
</table>

© Alfa Laval
Process Technology division

Highlights and sequential comments

**Food** reported growth for base business and large contracts alike. Brewery and Food Solutions both developed well. Vegetable oil declined somewhat, but still strong activity level in Asia and CEE.

**Energy & Environment** down partly due to non-repeats, partly as the very high activity in O&G industry strained industry resources, leading to certain projects being postponed.

**Process Industry** supported by the base business. Large orders were unchanged from first quarter.

<table>
<thead>
<tr>
<th></th>
<th>Order</th>
<th>Sales</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>3,239</td>
<td>3,496</td>
<td>8,508</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>3,553</td>
<td>3,366</td>
<td>7,936</td>
</tr>
</tbody>
</table>

Marine & Diesel division

Highlights and sequential comments

**Marine & Diesel Equipment** saw base business growth, reflecting an increase in yard contracting.

**Marine & Offshore Systems** lifted by a strong base business development as well as two large contracts for Alfa Laval PureSOx.

**Demand for parts and services** declined as large repair orders were not repeated.

<table>
<thead>
<tr>
<th></th>
<th>Order</th>
<th>Sales</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>1,809</td>
<td>1,666</td>
<td>4,649</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>1,776</td>
<td>2,082</td>
<td>5,410</td>
</tr>
</tbody>
</table>
Orders received by customer segment

January – June 2013, at constant rates and like for like

- 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

Report for Q2 2013

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

April – June 2013, at constant rates, sequential comments

Asia:
- Strong base-business in all three divisions. As a whole, Marine & Diesel and Equipment grew, while Process Technology declined somewhat due to non-recurring orders.
- Marine saw a positive impact from new ship contracting in general, and for oil & gas transportation vessels in particular.
- China reported broad-based growth, for base business and large orders alike, as “wait-and-see” approach to investments seemed to have eased somewhat.
### Highlights Europe

**April – June 2013, at constant rates, sequential comments**

**Western Europe incl. Nordic:**
- Positive development for base business and large orders alike. Parts & Service was unchanged versus the first quarter.
- Growth across most countries and sales regions.

**Central and Eastern Europe:**
- Growth explained by a very good base business development. Central Europe, Poland and the Baltic states all did well.
- Russia was flat as a decline in large orders was compensated by growth in the base business.

### Highlights Americas

**April – June 2013, at constant rates, sequential comments**

**North America:**
- Decline explained by non-repeat large contracts. Base business and Parts & Service remained unchanged.
- Oil & Gas affected by customers delaying projects due to lack of resources.

**Latin America:**
- Large orders in the food and oil & gas sectors contributed to the development. The base business also reported growth.
Orders received by Region

January – June 2013, development at constant rates

Top 10 markets*

*The development of the 2012 top ten markets.

www.alfalaval.com
Report for Q2 2013

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

Mr. Thomas Thuresson
CFO
Alfa Laval Group

Highlights

<table>
<thead>
<tr>
<th></th>
<th>April – June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>7,558</td>
</tr>
<tr>
<td>Net sales</td>
<td>7,549</td>
</tr>
</tbody>
</table>
### Highlights

<table>
<thead>
<tr>
<th></th>
<th>April – June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>7,558</td>
</tr>
<tr>
<td>Net sales</td>
<td>7,549</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>1,237</td>
</tr>
<tr>
<td>Adjusted EBITA-margin</td>
<td>16.4%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>969</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>1.53</td>
</tr>
<tr>
<td>Earnings per share, excl step-up</td>
<td>1.81</td>
</tr>
<tr>
<td>ROCE</td>
<td>26.2%</td>
</tr>
<tr>
<td>ROE</td>
<td>22.0%</td>
</tr>
</tbody>
</table>
Cash-flow statement

<table>
<thead>
<tr>
<th></th>
<th>Q2 2013</th>
<th>Q2 2012</th>
<th>1H 2013</th>
<th>1H 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- operating activities</td>
<td>1,038</td>
<td>640</td>
<td>2,012</td>
<td>1,677</td>
</tr>
<tr>
<td>- investing activities</td>
<td>-541</td>
<td>-803</td>
<td>-691</td>
<td>-1,497</td>
</tr>
<tr>
<td>Total</td>
<td>435</td>
<td>-202</td>
<td>1,302</td>
<td>128</td>
</tr>
<tr>
<td>Pro Forma Free cash-flow*</td>
<td>876</td>
<td>450</td>
<td>1,811</td>
<td>1,380</td>
</tr>
</tbody>
</table>

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

Foreign exchange

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>Q2 13 -96</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>1H 13 3</td>
</tr>
<tr>
<td>Total</td>
<td>FY 13 30</td>
</tr>
</tbody>
</table>

*Based on EUR/USD 1.30 and EUR/SEK 8.75

Projected FX-effect for 2013 as communicated with the Q1 report SEK -195 million
Order backlog as per June 30

<table>
<thead>
<tr>
<th>Quarter</th>
<th>For delivery in 2013</th>
<th>For delivery later than 2013</th>
<th>Q213</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q209</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q210</td>
<td>2,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q211</td>
<td>4,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q212</td>
<td>6,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q213</td>
<td>8,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q214</td>
<td>10,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q215</td>
<td>12,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q216</td>
<td>14,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Book to bill: Book to bill = 14,892 / 9,791 = 1.51

Sales

Full year 2013

<table>
<thead>
<tr>
<th></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>0.9</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>29.5</strong></td>
</tr>
</tbody>
</table>

Orders “in-for-out” ?
Price ?

Full year 2013
Report for Q2 2013
- Key figures
- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group

Outlook for the third quarter

“We expect that demand during the third quarter will be on about the same level as in the second 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.