



## NEWS RELEASE

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### Summary of the business update during Alfa Laval's Capital Markets Day

Today at Alfa Laval's Capital Markets Day in Copenhagen, Denmark, the company started with a business update.

**"We have raised the operating margin from its historical level in two steps, first by creating "one company", focusing on the scope of supply and a cost reduction of more than SEK 850 million", said Lars Renström, CEO and President of Alfa Laval Group under the headline "Alfa Laval resilience in downturns". "In the second step, initiated in 2005, we developed our pricing skills, increased the R&D investments including focus on time-to-market and consolidation of the industry through a multibrand strategy."**

During the business update Lars Renström also focused on the aftermarket opportunities. "Capital sales in aftermarket intensive areas such as Marine, Energy and Environment have more than doubled during the last four years, representing a significant increase in the installed base". Alfa Laval has during the same period increased the number of service engineers globally with about 30 percent.

Svante Karlsson, Executive Vice President and head of the Equipment division, repeated that the order intake in the Marine business in 2009 will be affected by the decline in orders to the shipyards, which started already at the end of 2007. Deliveries of Alfa Laval equipment to the shipyards will however increase during 2009. Alfa Laval has significantly strengthened its position and offering in the Diesel Power business, for example through the acquisition of Fincoil. The order intake in Diesel Power has more than doubled this year and represents today about 15 percent of the customer segment Marine & Diesel.

Ulf Granstrand, Executive Vice President and head of the Process Technology division, said that energy and environmental related customers are expected to continue to invest. He mentioned as one example the fast growing nuclear power industry in China, where Alfa Laval has a strong position. "To meet China's rapidly growing energy demand the government plans to increase its nuclear power generating capacity to at least 50 GWe by 2020, corresponding to some 40 new reactors," said Ulf Granstrand. The rapidly increasing investments in nuclear power are also to be seen in other countries, like Russia.

Thomas Thuresson, Executive Vice President and Chief Financial Officer, said that the impact on adjusted EBITA from foreign exchange fluctuations are estimated to be SEK +95 million and SEK +350 million in 2009 and 2010 respectively. He also said that the capital expenditure will return to a maximum of 2.5 percent of sales. Thomas Thuresson finished by stating, "We believe we have the opportunity to generate a free cash-flow of approximately SEK 2.5 billion in 2009."

All presentations can be found on [www.alfalaval.com](http://www.alfalaval.com) – "Investors".

### **About Alfa Laval**

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol.

Alfa Laval's products are also used in power plants, aboard ships, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena.

Alfa Laval is listed on the Nordic Exchange, Nordic Large Cap, and, in 2007, posted annual sales of about SEK 25 billion (approx. 2.7 billion Euros). The company has some 12,000 employees.

[www.alfalaval.com](http://www.alfalaval.com)

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