



NEWS RELEASE

Lund, Sweden – November 18, 2008

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Summary of Alfa Laval's Capital Markets Day

During Alfa Laval's Capital Markets Day in Copenhagen today, the company communicated its resilience in downturns. "Alfa Laval is diversified when it comes to customer segments, geographical presence as well as applications," said Lars Renström, President and CEO of the Alfa Laval Group. "We have improved our pricing skills and have continuous growth in our aftermarket business, driven by increased resources and a fast-growing installed base."

At Alfa Laval's Capital Markets Day, the company focused on the structural changes that influence and drive the demand within different industries, with special focus on the BRIC countries (Brazil, Russia, India and China). Increased globalization, improved standard of living, higher environmental demands and an increased demand for energy are four factors that will continue to have an impact on the Ethanol, Refinery, Food and Marine industries.

Brazil – Ethanol

Brazil is the world's biggest exporter of ethanol and the second biggest producer. The market is expected to grow concurrently with the increase in demand and tightened environmental legislation. Alfa Laval has a strong position within ethanol and is a leading supplier of heat exchangers and separators to the Brazilian ethanol industry.

The Brazilian ethanol market is growing rapidly as pure ethanol or ethanol blended with petrol is the main fuel for the Brazilian car fleet. Growth is expected to continue during the coming years as well, in order to meet the greater demand. In Brazil, there are plans for a large increase in the number of ethanol plants.

Stronger environmental legislation and political decisions have stimulated research and development around new versions of biofuel, such as cellulose-based ethanol and biodiesel. The process technology is under continuous development and Alfa Laval is involved in a number of projects within this area.

Torbjörn Westberg, Product Centre Manager for separator systems, presented the new module-based separator that will be launched in the beginning of next year. "The ethanol industry, as well as the whole biofuel industry, is continuously looking for more efficient process solutions. We have noted a great interest in our newest separator that can reduce the energy consumption by up to 30%."

Russia – Refinery

The energy sector is playing an important role in the Russian economy. But the energy industry, built up during the Soviet era, is in urgent need of modernization. Huge investments are needed to increase the energy efficiency in the oil refineries and the work is in progress.

Russia is the second largest oil producer in the world (after Saudi Arabia) and has more than 30 big refineries around the country. The five biggest oil companies in Russia (Rosneft, Lukoil, TNK-BP, Surgutneftegaz and Gazprom) account for 80% of the country's total oil supply – and all five of them are customers to Alfa Laval.

Today, few new refineries are being built in Russia. Lasting recent years focus has instead been on streamlining production and upgrading existing plants. Alfa Laval has the technical know-how and the efficient products to support this technology conversion.

One of the products for the refinery industry is the new and powerful compact heat exchanger, Alfa Laval Compabloc "XL", which will be launched early 2009. Maryne Lemvik, Product Center Manager for welded heat exchangers, described its advantages: "By replacing traditional shell-and-tube technology with Alfa Laval's compact plate heat exchangers, a refinery can reduce its energy consumption and at the same time cut CO₂ emission by 30 000 tons annually. The payback time for such an investment is approximately six months."

India – Food

Economic growth and a higher standard of living lead to increased demand for food in India. The food industry in the country shows a good development and the Federation of Indian Chambers of Commerce and Industry (FICCI) believes in an annual growth rate of 10% during the next few years. Alfa Laval is the biggest supplier of equipment and systems for the Indian food industry and the company's products are used in processes for fruit, beer, vegetables and vegetable oils.

In recent years, India has experienced strong economic growth, which has improved the standard of living for millions of people and increased the middle-class part of the population. In 2025, the middle-class population of India is expected to equal to the entire population of the European Union. As people's standard of living improve, the need for and consumption of processed foods and beverages will increase. The economic growth is expected to continue during the coming years and investment needs within the food industry will remain on a high level.

Alfa Laval holds a strong position in the market – approximately 40% of Alfa Laval's order intake in India relates to food. Alfa Laval offers a complete range of products in India. At the Capital Markets Day a newly launched pump was presented – Alfa Laval Optilobe. "The value of the Indian food industry is expected to triple to approximately USD 300 billion by 2015," says Nish Patel, Managing Director for Alfa Laval in India. "Optilobe is our latest addition to Alfa Laval's comprehensive product range, that has established Alfa Laval as number one in this market."

China – Marine

China has one of the biggest shipbuilding industries in the world. Based on the number of ships built, China is in fact number one. The country is expected to establish this position even further, and by 2010 every third ship is expected to come from China. Alfa Laval has a strong position in the marine market; three out of four ocean-going vessels have Alfa Laval equipment onboard.

Energy savings have for a long time been a driving force for the marine industry but environmental aspects are expected to become increasingly important. Sea transports have for a long time been exempted from many of the strict environmental demands and regulations that affect transports on land. However, new laws and directives from the IMO are under discussion in order to limit the environmental effects of seaborne transports.

Alfa Laval has developed a number of environmental products for the marine industry. Three solutions are included in the concept "Alfa Laval Pure Thinking":

Pure Ballast – the first IMO-certified chemical-free solution, for cleaning ballast water.

Pure Bilge – a separator that purifies the oil-mixed waste water in the engine rooms to far below the regulated level.

Pure Vent – a separator that purifies crankcase gases from the ship's diesel engines.

At the Capital Markets Day one of the latest products for the marine industry was presented: the freshwater generator Alfa Laval Aqua, launched in September this year. "Alfa Laval Aqua requires only half as much seawater as other models to produce the same amount of freshwater. This in turn allows smaller pumps to be installed, less energy to be used and in the end cuts the CO₂ emissions," says Peter Carlberg, who is responsible for the customer segment Marine & Diesel within Alfa Laval.

About Alfa Laval

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies: 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.

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Alfa Laval AB (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 16.30 on November 18, 2008.