



NEWS RELEASE

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Alfa Laval Group
Box 73
SE-221 00 Lund
Sweden
Visit: Rudeboksvägen 1

Tel: +46 46 36 65 00
Fax: +46 46 32 35 79
www.alfalaval.com

Alfa Laval acquires Frank Mohn AS, a leader in marine and offshore pumping systems, and strengthens its fluid handling portfolio

Alfa Laval – a world leader in heat transfer, centrifugal separation and fluid handling – has signed an agreement to acquire Frank Mohn AS, a leading manufacturer of submerged pumping systems to the marine and offshore markets. The acquisition, which strengthens Alfa Laval’s fluid handling portfolio by adding a unique pumping technology, will further reinforce Alfa Laval’s position as a leading supplier to the marine and offshore oil & gas markets.

Alfa Laval has agreed to acquire Frank Mohn AS (“Frank Mohn”), with the product brand Framo, for a total cash consideration of NOK 13 billion, on a cash and debt free basis, from Wimoh AS, a company controlled by the Mohn family. Frank Mohn, headquartered in Bergen, Norway and with approximately 1,200 employees, generated sales of NOK 3.4 billion and had an order intake of NOK 6.1 billion in 2013. The operating margin is significantly above the Alfa Laval average. The acquisition is expected to be EPS accretive as from closing of the transaction.

“Frank Mohn is an excellent company that we have been following closely for several years. It has highly skilled employees, high quality products and a market-leading position within segments offering attractive long-term growth prospects”, says Lars Renström, President and CEO of the Alfa Laval Group. “The combination of Frank Mohn and Alfa Laval will provide a very attractive offering of products, systems and services and it will strengthen our leading position as a provider of critical systems for ships and offshore oil & gas production units, with unmatched service capabilities.”

Alfa Laval continuously looks for growth opportunities and considers the long-term growth prospects for marine and offshore oil & gas markets to be very attractive. Frank Mohn is a leading supplier to these markets by providing submerged pumping systems, under the product brand Framo.

With the acquisition of Frank Mohn, Alfa Laval also strengthens its fluid handling portfolio by adding industrial pumping systems to the existing range of equipment, which is today mainly dedicated to sanitary applications with high demands on hygiene.

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Frank Mohn's main product in the marine segment is its unique submerged cargo pumping system, which plays a vital part in maximizing the utilization of product and chemical tankers. The system enables safe and flexible cargo handling performance for quicker turnaround time and fewer voyages in ballast.

In the oil & gas segment, Frank Mohn offers packaged pumping systems for offshore installations including seawater lift, water injection and fire water pumping systems contributing to safe and efficient operations.

The service organization of Frank Mohn provides technical support during the installation phase of a project, as well as professional service throughout the lifetime of the installed systems. The service activities represented slightly more than 20 percent of the total sales 2013.

“Consolidation and globalization takes place in all industries. We have shown competitiveness through innovation, quality and a long-term view on customer relations. Alfa Laval's commitment and focus on quality products to an international market is a heritage we share”, says Trond Mohn, Chairman of Frank Mohn AS. “Our customers and employees have recognized Alfa Laval as a reliable supplier of heat exchangers and separators for generations.”

Trond Mohn continues: “Alfa Laval is the only company we could see as a responsible and long-term owner of Frank Mohn AS and I am very happy that we have reached an agreement. Through Alfa Laval's industrial platform and global reach we are confident that Framo will continue to serve demanding customers and foster its position as a global leader.”

The acquisition of Frank Mohn will be funded by existing credit facilities and a fully committed bridge facility. Alfa Laval's net debt/EBITDA ratio on a pro forma basis (following completion of the acquisition) would be around 2.5x. The transaction is expected to be EPS accretive as from the closing and synergies are expected to reach about NOK 120 million annually, gradually realized over a three year period.

After closing, Alfa Laval intends to include Frank Mohn and the product brand Framo in the Marine & Diesel division, headed by Peter Leifland, Executive Vice President, Alfa Laval Group. The company will be kept together and form a new segment in the Marine & Diesel division, under the same management as today. The activities in the Bergen area in Norway; the new office and sales & service facility at Askøy – as well as production facilities at Fusa, Flatøy and Frekhaug – will become Alfa Laval's operational centre for marine and offshore pumping systems. Together with Alfa Laval's other marine operational centres in Aalborg, Denmark, and Tumba, Sweden, it will create an even stronger supplier to the marine and offshore industries.

The closing of the transaction is subject to approval from regulatory authorities.

Alfa Laval's acquisition strategy is based on the business concept of constantly optimizing the performance of our customers' processes. This means that Alfa Laval seeks to undertake acquisitions and form alliances that strengthen the existing key technologies by adding new solutions as well as complementary products and channels. Over the last five years, Alfa Laval has acquired some 20 companies with total sales, the year prior to the acquisitions, of about SEK 7.5 billion.

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Did you know that... IEA expects demand for oil to increase 27 percent between 2012 and 2035, to 101 million barrels a day and that fully two-thirds of that growth will come from Asia, with China in the lead?

Alfa Laval will host a telephone conference on April 7 at 9:00 a.m. CET

To join the telephone conference - hosted by Alfa Laval's President and CEO, Lars Renström, and Thomas Thuresson, CFO - sign up via the link below. Once registered, you will receive a phone number, a participant pin and a conference pin. Please dial in 10 minutes prior to the scheduled start of the event.

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=027199&Conf=215534>

If you want to listen to the replay, call +44 (0)20 7031 4064 or +46 (0)8 5052 0333, conference code 94 31 64. The replay will be accessible until Friday, April 11th. After that a recording will be available for download at www.alfalaval.com/investors. A transcript will also be published on the website, within a few days.

About Frank Mohn

Frank Mohn, which is based in Bergen, Norway, is a leading manufacturer of submerged pumping systems. From its beginning in 1938, Frank Mohn has grown into a worldwide organization with subsidiaries on three continents.

The operating segments include marine pumping, offshore pumping, oil recovery systems, and parts & service. Frank Mohn's customers are mainly found in the shipping and offshore industry. Framo's hydraulically driven submerged cargo pumps handles various types of liquid cargo with an efficiency that saves time for its customers.

In 2013, Frank Mohn employed about 1,200 and posted annual sales of NOK 3.4 billion and an order intake of NOK 6.1 billion.

www.framo.com

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 Nasdaq OMX, and, in 2013, posted annual sales of about SEK 29.9 billion (approx. EUR 3.45 billion). The company has today about 16,300 employees.

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SEB has acted as financial advisor and provided the bridge funding to Alfa Laval. Furthermore, BA-HR has acted a legal advisor, Golder as environmental advisor and PWC as accounting and tax advisor.

Saga Corporate Finance has acted as financial advisor, Advokatfirmaet Schjødt as legal advisor and EY as accounting advisor to Frank Mohn.

For more information, please contact:

Lars Renström	Thomas Thuresson	Peter Torstensson
President and CEO	CFO	SVP Communications
Alfa Laval AB	Alfa Laval AB	Alfa Laval AB
Tel: +46 46 36 72 00	Tel: +46 46 36 72 40	Tel: +46 46 36 72 31

The information in this press release was submitted for publication on April 7, 2014 at 08.30 (CET).

Forward-looking statements

This press release may contain forward-looking statements. These statements are not guarantees of future performance and are subject to inherent risks and uncertainties. Forward-looking statements may be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as “may”, “will”, “expects”, “believes”, “anticipates”, “plans”, “intends”, “estimates”, “assesses”, “projects”, “targets”, “forecasts”, “seeks”, “could”, or the negative of such terms, and other variations of such terms or comparable terminology. Forward-looking statements include, but are not limited to, statements about the expected future business of Frank Mohn AS resulting from and following the acquisition. These statements reflect Alfa Laval’s current expectations, based upon information currently available to Alfa Laval and are subject to various assumptions, as well as risks and uncertainties that may be or is outside of Alfa Laval’s control. Actual results could differ materially from those expressed or implied in such forward-looking statements. Any such forward-looking statements speak only as of the date on which they are made and Alfa Laval shall be under no obligation (and expressly disclaims any such obligation) to update or alter such forward-looking statements whether as a result of new information, future events or otherwise, except to the extent legally required.