

Acquisition of Frank Mohn AS

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

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Summary of our news release:

The acquisition...

- * Alfa Laval has signed an agreement to acquire the Norwegian company Frank Mohn AS from Wimoh AS, a company controlled by the Mohn family.
- * Frank Mohn AS generated sales of NOK 3.4 billion and had order intake of NOK 6.1 billion in 2013
- * Operating margin significantly above Alfa Laval average
- * Total cash consideration of NOK 13 billion on a cash and debt free basis
- * Transaction expected to be EPS accretive as from closing
- * Synergies are expected to reach about NOK 120 million annually, gradually realized over a three-year period.
- * The acquisition 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) would be at around 2.5x
- * The transaction is subject to approval from regulatory authorities


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













Summary of our news release:

Frank Mohn AS

- * Frank Mohn AS, with the product brand FRAMO, is a leading manufacturer of pumping systems for the shipping and offshore oil and gas industries
- * Global leader with subsidiaries on three continents and an excellent market position
- * Activities in Bergen form a centre of excellence for marine and offshore pumping systems
- * Frank Mohn AS has about 1,200 employees
- * Strengthens Alfa Laval's fluid handling portfolio and reinforces its position as a leading supplier to the marine and offshore oil & gas markets

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 **High performance pumping systems**

Marine pumping 50%*	 HIGH VESSEL UTILIZATION CLEAN SEAS	 Submerged cargo pump	 Cargo heater	 Cargo cooler	 Submerged ballast pump	
Offshore pumping 23%*	 ONE SYSTEM ONE SUPPLIER	 Water injection pumps	 Cable free electric submersible pumps	 Hydraulic fire water pumps	 Electric fire water pumps	 Electric submersible pumps
Oil recovery systems 6%*		 Emergency offloading	 The Transrec system	 Remote offloading		
Service 21%*						

*) Sales 2013 www.alfalaval.com

The rationale

- * **Extending fluid handling portfolio**
 - ❖ High performance, high quality products and systems added to Alfa Laval's offering
- * **Additional systems critical to the operation of the ship and offshore installations**
 - ❖ The Framo pumping systems are vital in maximizing the utilisation of product and chemical tankers
 - ❖ The Framo pumping systems for offshore installations contribute to safe and efficient operation
- * **Acquiring a market-leading position in pumping systems**
 - ❖ Market leader in its core business
 - ❖ Strengthens Alfa Laval's leading position by adding a another unique high-technology offering
- * **Favourable market trends and attractive long-term growth prospects**

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Excellent fit

























Alfa Laval Key Technologies Fluid Handling	✓	✓✓	✓	✓	✓✓
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Alfa Laval further strengthens its offer in fluid handling!

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Strengthens offering; Marine



- * Submerged cargo pump
- * Submerged ballast pump
- * Hydraulic drive
- * Control system
- * Hydraulic piping
- * Cargo piping
- * Cargo heater
- * Bow thruster drive

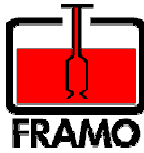


- * Desalination
- * Ballast water treatment
- * Oil treatment
- * Filtration
- * Fuel conditioning
- * Oily waste treatment
- * Crankcase gas cleaning
- * Cooling and heating
- * Waste heat recovery
- * Exhaust gas cleaning
- * Scrubber water cleaning
- * Thermal fluid heating
- * Gas combustion unit
- * Tank cleaning
- * Inert gas systems
- * Steam and heat generation



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Strengthens offering; Offshore



- * Water injection pump system
- * Cable free electric submersible pumps
- * Fire water pump system
- * Cargo pumping system
- * Submerged ballast pump
- * Hydraulic power system
- * Control system
- * Oil skimmer



- * Decanters
- * Mixing equipment
- * Separators
- * Air heat exchangers
- * Plate heat exchangers
- * Water makers
- * Spiral heat exchangers
- * Compabloc HE
- * Desalination
- * Ballast water treatment
- * Oil treatment
- * Filtration
- * Fuel conditioning
- * Oily waste treatment
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- * Cooling and heating
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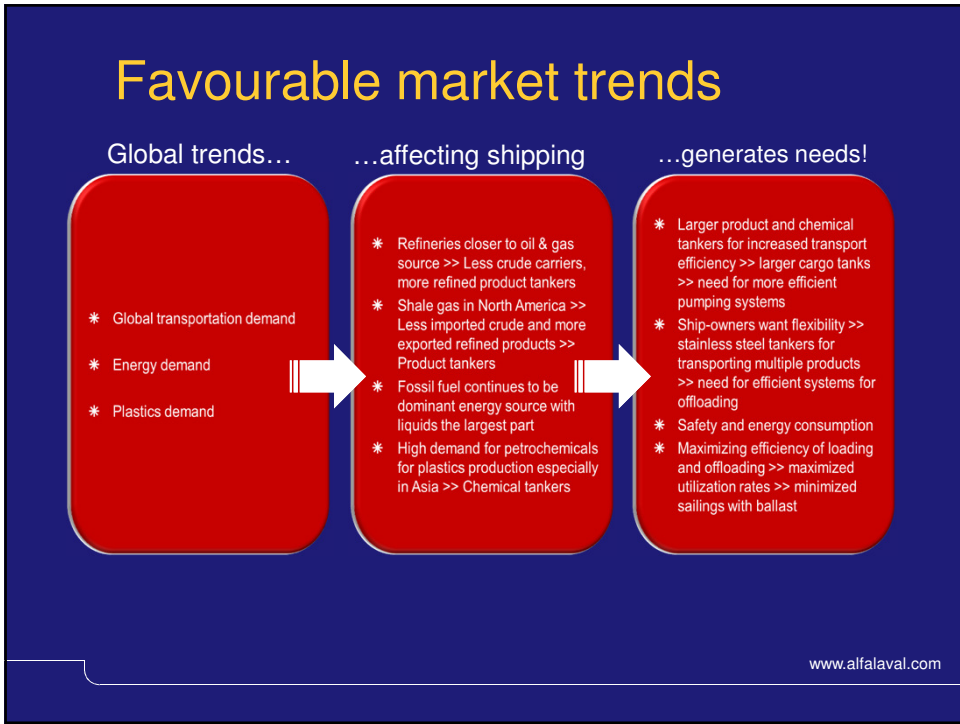
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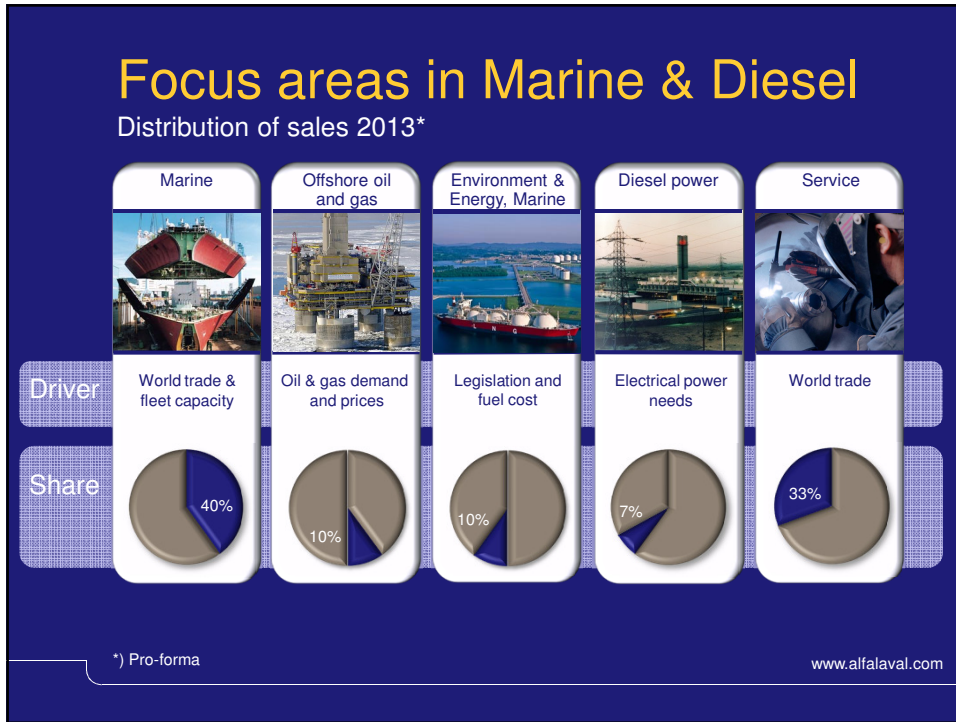
Attractive structural growth drivers



To optimise the performance of our customers' processes.
Time and time again.

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The role in Alfa Laval

Bergen, Norway:
Pumping systems



Tumba, Sweden:
High speed separators



Aalborg, Denmark:
Boilers



Lund, Sweden and Søborg, Denmark:
Heat exchangers



- * Include Frank Mohn AS as a segment in the Marine & Diesel division.
- * The company will be kept together, led by the same management as today.
- * Activities in Bergen, Norway will become Alfa Laval's operational center for marine and offshore pumping systems.

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Impact on Alfa Laval P&L

- Before and after

SEK million	2013	
	Actual	Pro-forma*
Orders received	30,335	36,845
Order backlog	14,568	20,477
Net invoicing	29,934	33,572

Significant increase in sales anticipated in 2014 based on Frank Mohn AS large order backlog

*) Based on NOK/SEK of 1.06

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Funding of the acquisition

	SEK Bln
Utilization of existing credit facilities	approx. 2
Committed bridge facility	12
Total:	14

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Capital structure

- Before and after

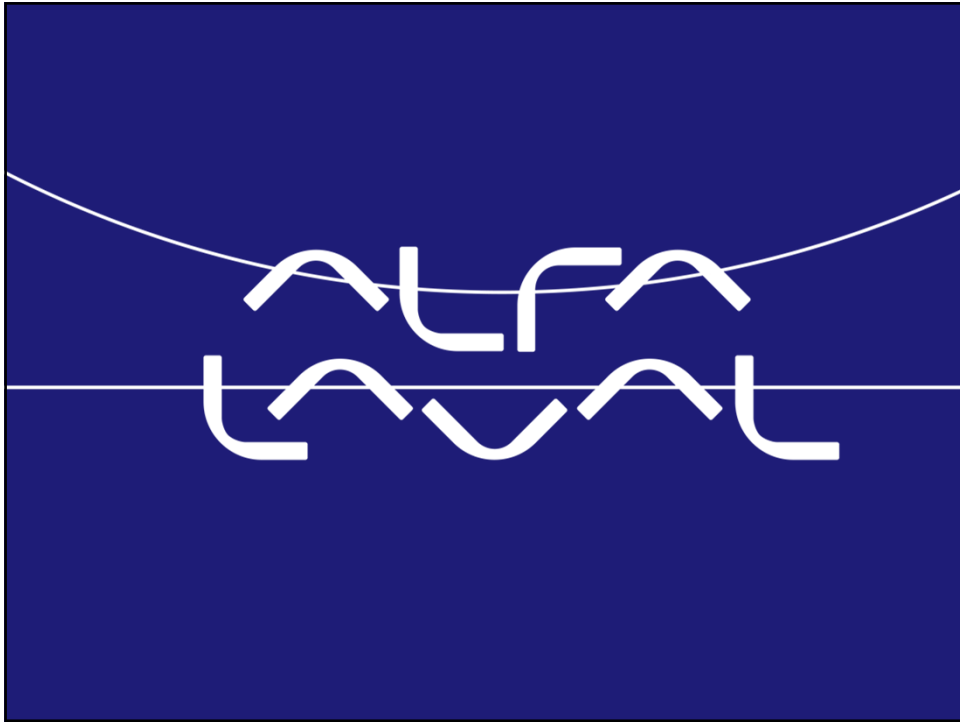
	As per December 31, 2013	
	Actual	Pro-forma
Debt / EBITDA	0.48	2.5
Debt / Equity	0.16	1.0

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Summary:

- * Acquires Frank Mohn AS, a leader in marine and offshore pumping systems.
- * Extends our current fluid handling portfolio with systems that are critical to the operation of the ship and offshore installations.
- * The combination will provide a very attractive offering of products, systems and services to the marine and offshore markets.
- * Operating margin significantly above Alfa Laval average.
- * Transactional risks are limited both from a cultural and a financial perspective.
- * Present in areas with attractive long-term growth prospects.

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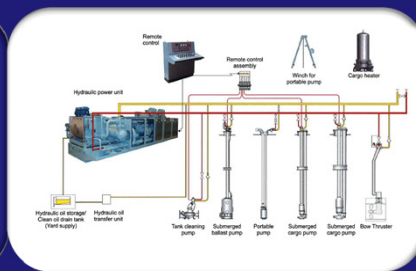


Core business model, Marine

Hydraulically driven sub-merged cargo pumps provide safe and flexible handling of any type of liquid cargo



Improved cargo handling performance gives quicker turnaround time and fewer voyages in ballast



- * Systems include pumps, hydraulic power unit and control cabinets, accommodating each customers specific needs reaching the best optimized solutions
- * Systems typically represent 5-7% of the total capital cost of a medium range product tanker

In addition to cargo pumps, further development has been made into: Ballast water pumps, water injection pump packages, sea water lift pumps, fire water pumps packages including diesel generator sets and anti heeling pump systems

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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.