



## NEWS RELEASE

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# Alfa Laval increases the offer for Munters to SEK 75 and extends the acceptance period

Alfa Laval AB (publ) ("Alfa Laval") increases its public cash offer (the "Offer") to the shareholders in Munters AB (publ) ("Munters" or the "Company") to SEK 75 per share and extends the acceptance period up until and including October 15, 2010. The Board of Munters recommends the shareholders in Munters to accept the Offer.<sup>1</sup>

### Summary

- The Offer is increased to SEK 75 per share in cash<sup>2</sup>
- The acceptance period is extended until and including October 15, 2010
- The two main shareholders in Munters, AB Industrivärden and Investment AB Latour, have committed to accept the increased Offer provided that no competing offer is announced which is at least five percent higher than Alfa Laval's increased Offer

"Alfa Laval and Munters are two Swedish innovative companies. Through Alfa Laval's industrial structure and geographical presence, the right platform is created to further develop Munters' market position. By combining the companies' industrial strengths, we are building the foundation for an exciting future together", says Lars Renström, CEO and President of Alfa Laval.

### Background and reasons for the Offer

Alfa Laval continuously seeks opportunities to, beyond organic growth, grow through acquisitions. Alfa Laval's acquisition strategy is based on the company's business concept, which is to constantly optimise the performance of the customers' processes. This means that Alfa Laval seeks to undertake acquisitions and alliances that

<sup>1</sup> Since the director Jan Svensson cannot be considered independent of Investment AB Latour, which has undertaken to, on certain conditions, accept the offer from Alfa Laval, he has not participated in the Board's handling of or resolutions regarding the offer by Alfa Laval.

<sup>2</sup> The offered price is subject to adjustment should Munters pay any dividend or make any other value transfer prior to the settlement of the Offer and will accordingly be reduced by the amount per share of any such dividend or value transfer.

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strengthen the existing key technologies, adds new key products and adds complementary products and distribution channels. Over the last five years, Alfa Laval has acquired some 25 companies in total.

Both Alfa Laval and Munters have origins in Sweden with a long industrial history and growth generated by innovations that have been successfully distributed worldwide. Today, both companies hold a leading position within their respective industries. After the acquisition, the companies will remain based in Sweden.

Alfa Laval has for some time followed Munters. Munters' energy-efficient solutions for air treatment in industrial processes and climate control complement Alfa Laval's product offering and enhances the application knowledge with air and climate solutions. Alfa Laval offers industrial strength and strong geographical presence on the fast-growing markets in South America, Eastern Europe and Asia, which complement Munters' strong presence in Europe and USA. Together the two companies will be able to develop existing product offerings, broaden the product portfolio and offer complete solutions within for example food handling, healthy indoor climate, sea transport of climate sensitive products and power generation. In total this will strengthen Alfa Laval's world leading position on the market for heat transfer.

Alfa Laval attach great importance to the work carried out by Munters' management and employees and intends to continue to safeguard the excellent relationship that Alfa Laval perceives Munters to have with its employees. Following the completion of the Offer, Munters will be integrated into Alfa Laval that intends to investigate in detail the best structure going forward and, to a large extent, maintain Munters' identity after a combination. According to Alfa Laval's assessment, the Offer will, in the short term, not involve any material change for management and employees (including terms of employment) or employment in the locations where Munters conducts business.

### **The increased Offer**

On September 6, 2010, Alfa Laval announced a cash offer to the shareholders in Munters of SEK 68 per share. On account of Cidron Intressenter AB's public offer to the shareholders in Munters on September 29, 2010, Alfa Laval has decided to increase the price in the Offer to SEK 75 per share in cash.

The Board of Munters has unanimously decided to recommend the shareholders in Munters to accept the Offer.

Compared to Munters' volume-weighted average share price on NASDAQ OMX Stockholm ("NASDAQ OMX") during the last three months until and including September 3, 2010 (i.e. the last day of trading prior to the announcement of Alfa Laval's cash offer on September 6, 2010) of approximately SEK 50, the increased Offer represents a premium of approximately 50 percent (the corresponding premium, adjusted for Munters' net cash position after the divestment of the Moisture Control Services division ("MCS") is approximately 59 percent<sup>3</sup>). Compared to the last closing price on NASDAQ OMX of SEK 52.50 per share on NASDAQ OMX on September 3, 2010, the increased Offer represents a premium of approximately 43 percent (the

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<sup>3</sup> The premium adjusted for net cash is adjusted for Munters' expected net cash position of approximately SEK 566 million (based on the reported net debt as of June 30, 2010 of SEK 734 million and expected net proceeds of SEK 1,300 million from the divestment of MCS) which has been subtracted from the total value of the Offer as well as from Munters' market value, and that the adjusted value of the Offer thereafter has been divided by Munters' adjusted market value.

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corresponding premium, adjusted for Munters' net cash position after the divestment of MCS is approximately 50 percent). The increased Offer represents a premium of 3 percent compared to the offer from Cidron Intressenter of SEK 73 and a premium of 10 percent compared to Alfa Laval's original offer of SEK 68.

The total value of the increased Offer of SEK 5,545 million<sup>4</sup> will be financed by Alfa Laval within the scope of available funds, existing credit facilities, as well as a new credit facility.

### **Undertakings from shareholders**

The two main shareholders in Munters, AB Industrivärden and Investment AB Latour, who together hold 21,900,000 shares, corresponding to approximately 29.6 percent of the shares and votes in Munters, have through agreements with Alfa Laval committed to accept the increased Offer and tender their shares to Alfa Laval in the Offer. These undertakings are conditional upon that no other party announces a competing offer regarding acquisition of shares in Munters at a price which is at least five percent higher than the price in Alfa Laval's increased Offer which Alfa Laval decides not to match (i.e. offer a price that at least corresponds to the price in the competing offer) within ten business days from the announcement of the competing offer.

### **Extended acceptance period**

Alfa Laval extends the acceptance period until 17.00 (CET) on October 15, 2010 in order to provide shareholders in Munters, that have not yet accepted the Offer, with an opportunity to accept the Offer as a consequence of the increase. Shareholders who have already tendered their shares will benefit from the increased Offer without further action. Provided that Alfa Laval announces on October 19, 2010 that the conditions for the Offer have been fulfilled, or if Alfa Laval otherwise decides to complete the Offer, settlement is expected to commence on or about October 22, 2010. The right to revoke submitted acceptance remains in accordance with the conditions set out in the offer document.

Besides the increased offer price, the conditions for the Offer remain unchanged during the extended acceptance period. According to the Offer and the offer document, Alfa Laval reserves the right to waive, in whole or in part, one or more of the conditions for the Offer in accordance with applicable laws and regulations, including, to complete the Offer at a lower level of acceptance. Alfa Laval reserves the right to extend the acceptance period for the Offer, as well as to postpone the date of settlement.

### **Further information regarding Alfa Laval's Offer**

Alfa Laval published an offer document regarding the Offer on September 14, 2010 and a supplement to the offer document on September 24, 2010. As a result of the announcement of the increased Offer, Alfa Laval will prepare a new supplement to the offer document. As soon as the supplement has been approved and registered by the Swedish Financial Supervisory Authority it will be published. Further information regarding the Offer, including the offer document, supplement to the offer document and acceptance forms, is available on the Alfa Laval's website [www.alfalaval.com](http://www.alfalaval.com) and SEB's website [www.seb.se/prospekt](http://www.seb.se/prospekt).

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<sup>4</sup> Based on 73,933,050 shares outstanding, which is the total number of outstanding shares in Munters excluding Munters' holding of 1,066,950 treasury shares.

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