



NEWS RELEASE

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Alfa Laval acquires Aalborg Industries, a leading specialized equipment company

Alfa Laval – a world leader in heat transfer, centrifugal separation and fluid handling – has signed an agreement to acquire Aalborg Industries Holding A/S for a total cash consideration of SEK 5.0 billion, on an enterprise value basis, from Altor 2003 Fund, LD Equity and the Company's management. Aalborg Industries has some 2,600 employees and is expected to generate sales of about SEK 3.3 billion in 2010. The acquisition will be accretive to EPS from 2011. The closing of the transaction is subject to clearance from regulatory authorities.

Headquartered in Aalborg, Denmark, the company is a leading provider of critical products, systems and service solutions, today mainly to the marine and off-shore markets, but it also has an increasing exposure to the power industry as well as to other industrial end markets. Its offering includes boiler systems, thermal fluid systems, waste heat recovery systems and inert gas systems. The company complements and further strengthens Alfa Laval's leading global position, by adding a strong product offering that focuses on energy efficiency. As a result, meaningful top and bottom line synergies are expected to be derived from this combination.

Alfa Laval has significant and long-standing expertise in successfully addressing a number of industries, including the marine and off-shore markets, and can provide an attractive platform to continue Aalborg Industries successful development, for instance in applications such as exhaust gas cleaning.

"Aalborg Industries is an excellent fit and I'm very pleased to welcome a strong and well-run company into Alfa Laval", says Lars Renström, President and CEO of the Alfa Laval Group. "Aalborg Industries complements our offering of energy-efficient and environmental solutions. It represents a significant business opportunity as it not only supports the development of our offering to the marine and off-shore markets but also means we can introduce their product offering to new industrial end markets and customers."

With the acquisition of Aalborg Industries, Alfa Laval will further strengthen its offer in heat transfer. It will add market-leading positions in attractive market segments,

including boilers and thermal fluid systems, as well as inert gas systems, with significant barriers to entry. These include extensive certification processes, a strong innovation track record and a global service network. The company's strong manufacturing and engineering presence in fast-growing markets such as China, Vietnam and Brazil, as well as the aftermarket potential generated by a large installed base, are highly attractive attributes.

Alfa Laval's acquisition strategy is based on the concept of constantly optimising the performance of our customers' processes. This means that Alfa Laval seeks to undertake acquisitions and alliances that strengthen the existing key technologies by adding new solutions as well as complementary products and distribution channels. Over the last five years, Alfa Laval has acquired some 28 companies with total sales, at the time of the acquisitions, of about SEK 5 billion.

Did you know that... Aalborg Industries' exhaust gas cleaning solution has in testing been able to remove nearly 100% of the sulphur and up to 80% of the particles?

Conference call today at 10.00 CET, for further information

For further information about the acquisition Alfa Laval arranges a conference call today, Tuesday, December 21, 10.00 CET, with CEO Lars Renström and CFO Thomas Thuresson. Please dial-in a few minutes in advance to support the process.

To participate in the conference call, please call +44 207 162 0077 or +46 8 5052 0110, the conference id is 884056.

The conference call will be available as a replay, please call +44 207 031 4064 or +46 8 5052 0333, access code 884056.

About Aalborg Industries

Aalborg Industries is the world's leading manufacturer and supplier of marine boiler systems as well as a major provider of inert gas systems, thermal fluid systems, and shell & tube heat exchangers.

In recent decades, Aalborg Industries has acquired several leading marine and industrial equipment companies. During this time, and partly as a result of the acquisition track record, production, engineering and after sales services have been developed in strategically important and faster-growing economies such as China, Vietnam and Brazil. This has contributed not only to a more cost-efficient supply chain, but even more importantly, access to critical markets where local presence is key, and the Company is able to provide quick turnaround services to customers worldwide.

In 2009, Aalborg Industries reported revenues of DKK 2.8 billion (SEK 3.9 billion) and EBITA of DKK 452 million (SEK 645 million), which represents an EBITA-margin of

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16.4%, well in line with Alfa Laval's 15% target. Profit margin is expected to end on about the same level also in 2010.

www.aalborg-industries.com

About Alfa Laval

Alfa Laval is a leading global provider of products and solutions for heat transfer, separation and fluid handling.

The company's key products – heat exchangers, separators, pumps and valves – currently play a vital role in areas that are crucial for society, such as energy, the environment and food. Alfa Laval's products are used in the manufacturing of food, chemicals, pharmaceuticals, starch, sugar and ethanol. They are also used in power plants, aboard ships, in the mechanical engineering industry, in the mining industry and in the refinery industry, and for wastewater treatment as well as for creating a comfortable indoor climate.

Alfa Laval sells its products in around 100 countries and has its own sales organization in over half of these countries. Alfa Laval currently has approximately 12,000 employees.

Alfa Laval's turnover amounted to approximately SEK 26 billion in 2009 and the operating profit amounted to approximately SEK 4.6 billion. Alfa Laval has a market value of approximately SEK 57 billion and is listed on NASDAQ OMX Stockholm, Large Cap.

www.alfalaval.com

In connection with this transaction, Morgan Stanley has acted as exclusive financial advisor to Alfa Laval. Furthermore, Eversheds Södermark has acted as legal advisor and E&Y as accounting and tax advisor.

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