



NEWS RELEASE

Lund, Sweden – August 30, 2016

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 presents first results from strategic review

Alfa Laval – a world leader in heat transfer, centrifugal separation and fluid handling – today announces the first step of its new strategic direction to lift organic growth. A new organization structure, with industry-oriented business divisions, will be formed; the Marine division, the Food & Water division and the Energy division. The new strategic direction is a long-term commitment which will also include short-term initiatives addressing the need to adapt to prevailing market conditions.

The strategic direction

Alfa Laval has enjoyed an overall strong development for a long period of time thanks to solid market positions and a successful M&A program. During recent years the organic growth has, however, been below expectations. The strategic review focuses on getting the company back on a solid growth path and to manage the short-term challenges caused by the weaknesses in the oil & gas and marine sectors.

"The new strategic direction will put us in a better position to identify and capture organic growth opportunities," says Tom Erixon, President and CEO of the Alfa Laval Group. "It will also increase competitiveness and build the strength necessary to succeed in a slow market".

The new strategic direction rests on three pillars: customers, products and services.

- Improve customer interaction - the purchasing process must be as convenient and responsive as possible for customers. To make this happen, a new organization structure will be formed, with the main objective to create speed in the customer interaction through clarity and accountability. Another important element is being more selective in terms of market and application presence. Alfa Laval's resources can then be dedicated in a more efficient way – targeting fewer areas with clear growth opportunities.

- Build on our technological strengths – the three key technologies and core products groups continue to be the backbone of Alfa Laval. The new strategy will for instance put increased focus on supporting customers to achieve improved energy efficiency and environmental performance. Another area involves further exploring the opportunities associated with digitalization, in order to deliver additional value to customers.

It also includes important measures to strengthen R&D, such as the decision to invest in a new development laboratory for high-speed separators in Sweden. Together with other measures, the development time for the next generation separators will be significantly reduced and performance in the development process will be improved.

- Further grow the service offering – service is an integral part of Alfa Laval's offering and of high importance to most customers. The company will continue to develop its service culture, offering, and presence. Examples of recent decisions to expand the service capability include the opening of new service centers in Iran, Angola and California, USA. They will all open during 2016.

An organization to support the strategic direction

In order to drive the development and deliver results a new organization will be launched January 1, 2017. It will be based on three industry-oriented business divisions; the Marine division, the Food & Water division and the Energy division. The divisions will consist of product-based business units. Operations will remain a common supply chain, but with closer ties to the business unit structure. The three regional sales functions will be consolidated into one Global Sales & Service organization.

“Forming the Marine division back in 2011 was a successful move. Now we follow up with a Food & Water division and an Energy division”, says Tom Erixon.

The new structure will result in a smaller Group Management, going to 9 from 11 members. Three group management members retire; Ray Field - Asia, Göran Mathiasson - Operations and Svante Karlsson - Process Technology. Mikael Tydén will replace Göran Mathiasson as head of Operations. Several of the remaining members of group management will get new roles. (The new group structure as well as well as photos can be found at <http://www.alfalaval.com/investors> as related material to the news release.)

The new strategic direction is a long-term commitment which will also include short-term initiatives addressing the need to adapt to prevailing market conditions. More detailed information about the different initiatives will be released gradually. Complete information about the strategic review is expected to have been given latest in conjunction with the Alfa Laval Capital Markets Day, November 22, 2016.

“Alfa Laval has always supported its customers in a consistent way, delivering solutions that make their operations more efficient and more sustainable,” says Tom Erixon. “Going forward, the customers will find it even easier to do business with us and our employees will recognize that Alfa Laval is an exciting place to be.”

Alfa Laval will host a telephone conference on August 30 at 09:30 a.m CET

To join the telephone conference – hosted by Alfa Laval’s President and CEO Tom Erixon, 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 schedule start of the event. If you are having difficulties registering, contact Intercall at +44 20 8288 5566.

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=027199&Conf=222510>

You can also follow the conference via a live webcast. A webcast link will be available on www.alfalaval.com/investors.

If you want to listen to the replay, call +44 (0)20 7031 4064 or +46 (0)8 5052 0333, conference code 95 99 03. The recording will be available for 24 hours. After that, you can go to www.alfalaval.com/investors and watch and listen to an on-demand version of the webcast.

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, oil and gas exploration, 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 2015, posted annual sales of about SEK 39.7 billion (approx. 4.25 billion Euros). The company has about 17 500 employees.

www.alfalaval.com

For more information, please contact:

Peter Torstensson
Senior Vice President, Communications
Alfa Laval
Tel: + 46 46 36 72 31

Thomas Thuresson
CFO
Alfa Laval
Tel: +46 46 36 72 40

This information is information that Alfa Laval AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at CET 08:30 on August 30, 2016.