

# Third quarter 2013



## Summary

SEK millions	Third quarter				First nine months			
	2013	2012	%	% *	2013	2012	%	% *
Order intake	7,447	7,288	2	4	22,165	23,087	-4	0
Net sales	7,204	7,052	2	4	21,288	21,694	-2	2
Adjusted EBITA	1,198	1,177	2		3,502	3,594	-3	
- adjusted EBITA margin (%)	16.6	16.7			16.5	16.6		
Result after financial items **	1,075	1,230	-13		2,971	3,357	-11	
Net income for the period	822	849	-3		2,169	2,305	-6	
Earnings per share (SEK)	1.95	2.02	-3		5.15	5.47	-6	
Cash flow ***	988	992	0		3,000	2,669	12	
Impact on EBITA of:								
- foreign exchange effects	-47	-63			-142	-76		

\* excluding exchange rate variations \*\* first nine months 2012 includes financial exchange rate differences of SEK +233 million \*\*\* from operating activities

## Comment from Lars Renström, President and CEO

"We report a stable quarter. Order intake was SEK 7.4 billion during the third quarter and thereby the slightly higher level that was achieved during the previous quarter was confirmed.

Process Technology achieved a record quarter, driven by Energy & Environment and Process Industry. Marine & Diesel decreased as expected, due to the non-repeat of large orders for exhaust gas cleaning and ballast water treatment.

Latin America showed good growth due to large orders within oil & gas, marine and vegetable oil. The U.S. reported continued growth, with an especially good development within the oil and gas sector, despite lack of resources at customers. In Asia a positive development was seen for all three divisions and China's growth continued, lifted by large orders."

## Outlook for the fourth quarter

"We expect that demand during the fourth quarter 2013 will be on about the same level as in the third quarter."

*Earlier published outlook (July 18, 2013): "We expect that demand during the third quarter 2013 will be on about the same level as in the second quarter."*

The interim report has been reviewed by the company's auditors, see page 24 for the review report.

# Management's discussion and analysis

## Important events during the third quarter

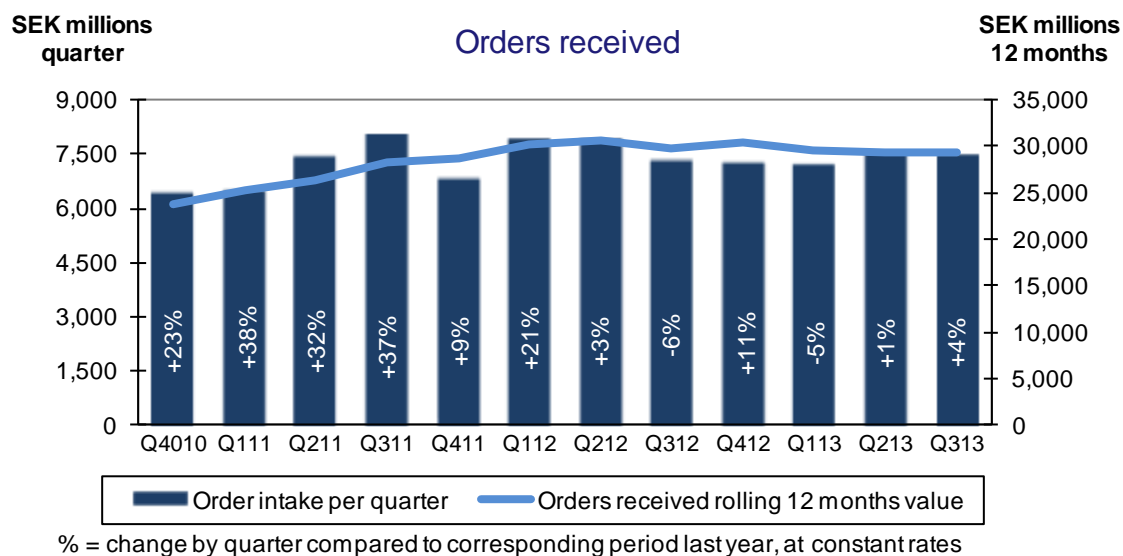
During the third quarter 2013 Alfa Laval received large orders<sup>1)</sup> for SEK 445 (475) million:

- An order to supply waste heat recovery systems from Alfa Laval Aalborg for two diesel power plants in the Middle East. The order, booked in the Marine & Diesel Equipment segment, has a value of approximately SEK 80 million. Delivery is scheduled for 2013.
- An order to supply Alfa Laval Packinox heat exchangers to a petrochemical plant in India. The order is booked in the Process Industry segment and has a value of approximately SEK 185 million. Deliveries are scheduled for 2013 and 2014.
- An order to supply compact heat exchangers to a Liquefied Natural Gas plant (LNG), for processing of shale gas in the U.S. The order, booked in the Energy & Environment segment, is worth approximately SEK 50 million and delivery is scheduled for 2014.
- An order to supply equipment to Diageo, a premium drinks manufacturer and owner of brands such as Guinness. The order, booked in the Food Technology segment, has a value of approximately SEK 60 million and delivery is scheduled for 2014.
- An order from a vegetable oil plant in Brazil. The order, booked in the Food Technology segment, has a value of approximately SEK 70 million and delivery is scheduled for 2014.

## Order intake

Orders received amounted to SEK 7,447 (7,288) million for the third quarter and to SEK 22,165 (23,087) million for the first nine months.

Compared with earlier periods the development per quarter has been as follows.



1. Orders with a value over EUR 5 million.

The change compared with the corresponding periods last year can be split into:

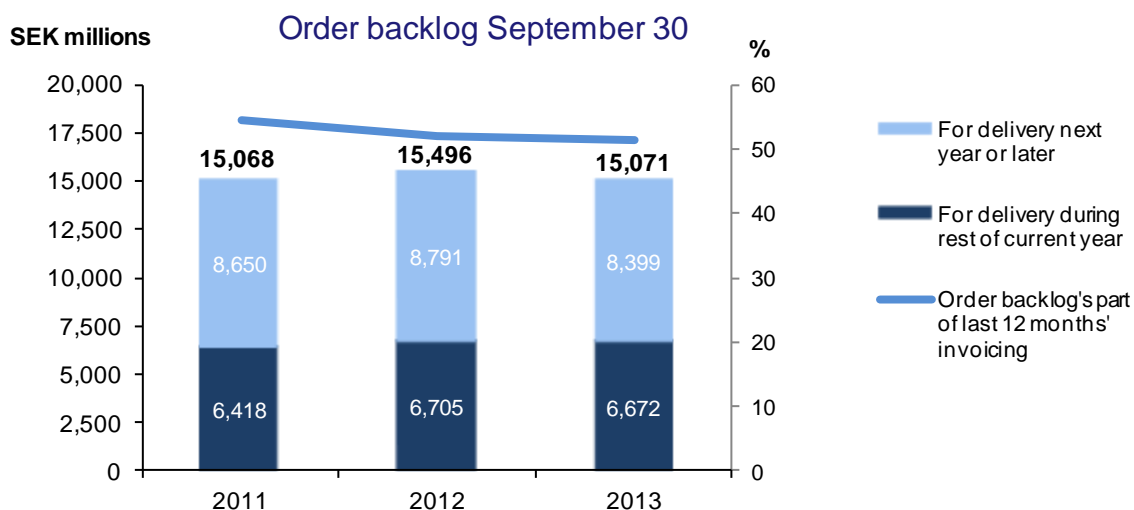
	Consolidated Order intake 2012 SEK millions	Order bridge Change					Order intake 2013 SEK millions
		Excluding currency effects			After currency effects		
		Structural change <sup>2)</sup> (%)	Organic development <sup>3)</sup> (%)	Total (%)	Currency effects (%)	Total (%)	
Third quarter	7,288	2.1	2.2	4.3	-2.1	2.2	7,447
First nine months	23,087	2.6	-2.5	0.1	-4.1	-4.0	22,165

Compared to the previous quarter the Group's order intake excluding currency effects was 0.3 percent lower. The corresponding organic development was a decrease by 0.4 percent.

Orders received from Service (formerly Parts & Service) constituted 27.5 (26.2) percent of the Group's total orders received during the third quarter and 27.6 (26.1) percent during the first nine months.

Excluding currency effects, the order intake for Service increased by 9.9 percent during the third quarter 2013 compared to the corresponding quarter last year and increased with 3.4 percent compared to the previous quarter. For the first nine months 2013 the increase was 6.3 percent compared to the corresponding period last year.

## Order backlog



Excluding currency effects and adjusted for acquisition of businesses the order backlog was 0.2 percent higher than the order backlog at

September 30, 2012 and 6.9 percent higher than the order backlog at the end of 2012.

- Acquired businesses are: Niagara Blower Company at May 29, 2013, Air Cooled Exchangers, LLC (ACE) at December 31, 2012, Gamajet Cleaning Systems Inc at August 23, 2012, Ashbrook Simon-Hartley at August 1, 2012 and Vortex Systems at June 30, 2012.
- Change excluding acquisition of businesses.

## Net sales

Net invoicing was SEK 7,204 (7,052) million for the third quarter and SEK 21,288 (21,694) million for the first nine months. The change compared

with the corresponding periods last year can be split into:

Consolidated		Sales bridge					Net sales 2013 SEK millions
		Change			After currency effects		
Net sales 2012 SEK millions	Excluding currency effects		Organic development (%)	Currency effects (%)		Total (%)	
	Structural change (%)	Total (%)		Total (%)	Total (%)		
Third quarter	7,052	2.0	2.4	4.4	-2.2	2.2	7,204
First nine months	21,694	3.1	-0.9	2.2	-4.1	-1.9	21,288

Compared to the previous quarter the Group's net invoicing excluding currency effects was 3.4 percent lower. The corresponding organic development was a decrease by 3.3 percent.

Net invoicing relating to Service (formerly Parts & Service) constituted 26.2 (27.2) percent of the Group's total net invoicing in the third quarter and 27.2 (26.9) percent in the first nine months.

Excluding currency effects, the net invoicing for Service increased by 1.4 percent during the third quarter 2013 compared to the corresponding quarter last year and decreased with 7.3 percent compared to the previous quarter. For the first nine months 2013 the increase was 3.7 percent compared to the corresponding period last year.

## Income

### CONSOLIDATED COMPREHENSIVE INCOME

SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012 *	2013	2012 *	2012 *	months
Net sales	7,204	7,052	21,288	21,694	29,813	29,407
Cost of goods sold	-4,705	-4,567	-13,705	-13,933	-19,169	-18,941
<b>Gross profit</b>	<b>2,499</b>	<b>2,485</b>	<b>7,583</b>	<b>7,761</b>	<b>10,644</b>	<b>10,466</b>
Sales costs	-911	-871	-2,729	-2,687	-3,345	-3,387
Administration costs	-309	-297	-945	-968	-1,656	-1,633
Research and development costs	-177	-160	-538	-498	-707	-747
Other operating income **	89	86	266	256	384	394
Other operating costs **	-136	-188	-554	-633	-924	-845
<b>Operating income</b>	<b>1,055</b>	<b>1,055</b>	<b>3,083</b>	<b>3,231</b>	<b>4,396</b>	<b>4,248</b>
Dividends and changes in fair value	2	2	5	3	8	10
Interest income and financial exchange rate gains	93	349	242	404	501	339
Interest expense and financial exchange rate losses	-75	-176	-359	-281	-376	-454
<b>Result after financial items</b>	<b>1,075</b>	<b>1,230</b>	<b>2,971</b>	<b>3,357</b>	<b>4,529</b>	<b>4,143</b>
Taxes	-253	-381	-802	-1,052	-1,306	-1,056
<b>Net income for the period</b>	<b>822</b>	<b>849</b>	<b>2,169</b>	<b>2,305</b>	<b>3,223</b>	<b>3,087</b>
Other comprehensive income:						
Items that will subsequently be reclassified to net income						
Cash flow hedges	90	130	5	90	168	83
Translation difference	-382	-597	-311	-830	-798	-279
Deferred tax on other comprehensive income	-18	-34	-1	-37	-50	-14
<b>Sum</b>	<b>-310</b>	<b>-501</b>	<b>-307</b>	<b>-777</b>	<b>-680</b>	<b>-210</b>
Items that will subsequently not be reclassified to net income						
Revaluations of defined benefit obligations	0	0	0	0	-277	-277
Deferred tax on other comprehensive income	0	0	0	0	37	37
<b>Sum</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-240</b>	<b>-240</b>
<b>Comprehensive income for the period</b>	<b>512</b>	<b>348</b>	<b>1,862</b>	<b>1,528</b>	<b>2,303</b>	<b>2,637</b>
<b>Net income attributable to:</b>						
Owners of the parent	818	847	2,160	2,295	3,206	3,071
Non-controlling interests	4	2	9	10	17	16
<b>Earnings per share (SEK)</b>	<b>1.95</b>	<b>2.02</b>	<b>5.15</b>	<b>5.47</b>	<b>7.64</b>	<b>7.32</b>
Average number of shares	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315
<b>Comprehensive income attributable to:</b>						
Owners of the parent	512	351	1,847	1,518	2,290	2,619
Non-controlling interests	0	-3	15	10	13	18

\* Restated to the new IAS 19, see page 23.

\*\* The line has been affected by comparison distortion items, see separate specification on page 7.

The gross profit has compared to the third quarter 2012 been negatively affected by exchange rates and changes in mix, while the factory result had a positive effect. Compared to the previous quarter the most prominent effects were a negative impact from changes in mix, exchange rates and a seasonal effect on the factory result.

Sales and administration expenses amounted to SEK 1,220 (1,168) million during the third quarter

and SEK 3,674 (3,655) million during the first nine months 2013. Excluding currency effects and acquisition of businesses, sales and administration expenses were 3.7 percent and 0.7 percent higher respectively than the corresponding periods last year.

The costs for research and development during the first nine months 2013 corresponded to 2.5 (2.3) percent of net sales. Excluding currency

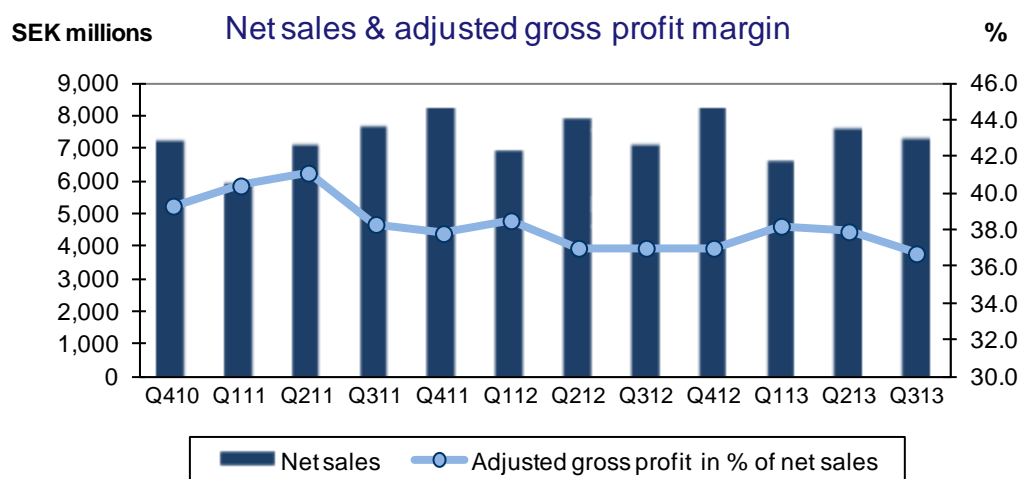
effects and acquisition of businesses, the costs for research and development have increased by 8.9 percent during the third quarter and by 8.6 percent during the first nine months 2013 compared to the corresponding periods last year. This is consistent with Alfa Laval's ambition to continue to strengthen the position within various product areas.

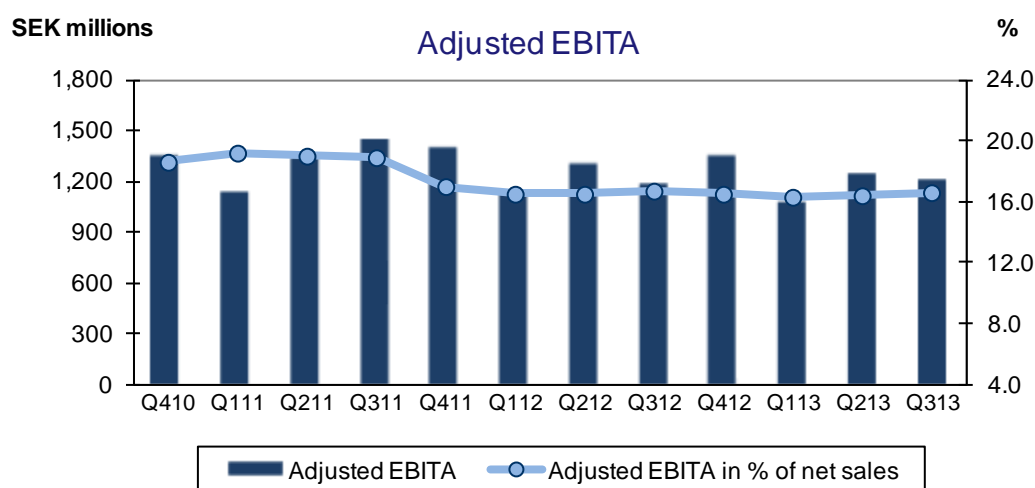
The tax cost in the quarter has in addition to the lower tax rate in Sweden been affected by deferred taxes concerning pension insurances.

The net income attributable to the owners of the parent, excluding depreciation of step-up values and the corresponding tax, is SEK 5.89 (6.09) per share for the first nine months 2013.

Consolidated SEK millions	Income analysis					
	Third quarter		First nine months		Full year	Last 12
	2013	2012 *	2013	2012 *	2012 *	months
Net sales	7,204	7,052	21,288	21,694	29,813	29,407
Adjusted gross profit **	2,642	2,607	8,002	8,124	11,131	11,009
- in % of net sales	36.7	37.0	37.6	37.4	37.3	37.4
Expenses ***	-1,331	-1,320	-4,162	-4,198	-5,750	-5,714
- in % of net sales	18.5	18.7	19.6	19.4	19.3	19.4
<b>Adjusted EBITDA</b>	<b>1,311</b>	<b>1,287</b>	<b>3,840</b>	<b>3,926</b>	<b>5,381</b>	<b>5,295</b>
- in % of net sales	18.2	18.3	18.0	18.1	18.0	18.0
Depreciation	-113	-110	-338	-332	-447	-453
<b>Adjusted EBITA</b>	<b>1,198</b>	<b>1,177</b>	<b>3,502</b>	<b>3,594</b>	<b>4,934</b>	<b>4,842</b>
- in % of net sales	16.6	16.7	16.5	16.6	16.5	16.5
Amortisation of step up values	-143	-122	-419	-363	-487	-543
Comparison distortion items	-	-	-	-	-51	-51
Operating income	1,055	1,055	3,083	3,231	4,396	4,248

\* Restated to the new IAS 19. \*\* Excluding amortisation of step up values. \*\*\* Excluding comparison distortion items.





## Comparison distortion items

The operating income for the third quarter 2013 has not been affected by any comparison distortion items. When applicable these are

reported gross in the comprehensive income statement as a part of other operating income and other operating costs.

Consolidated	Comparison distortion items					
	Third quarter		First nine months		Full year	Last 12 months
SEK millions	2013	2012	2013	2012	2012 *	
<b>Operational</b>						
Other operating income	89	86	266	256	384	394
Comparison distortion income	-	-	-	-	-	-
<b>Total other operating income</b>	<b>89</b>	<b>86</b>	<b>266</b>	<b>256</b>	<b>384</b>	<b>394</b>
Other operating costs	-136	-188	-554	-633	-873	-794
Comparison distortion costs	-	-	-	-	-51	-51
<b>Total other operating costs</b>	<b>-136</b>	<b>-188</b>	<b>-554</b>	<b>-633</b>	<b>-924</b>	<b>-845</b>

\* Restated to the new IAS 19.

## Consolidated financial net

The financial net has amounted to SEK -79 (-107) million, excluding realised and unrealised exchange rate losses and gains. The main elements of costs were interest on debt to the banking syndicate of SEK -17 (-19) million, interest on the bilateral term loans SEK -51 (-63)

million, interest on the private placement of SEK -9 (-12) million and a net of dividends and other interest income and interest costs of SEK -2 (-13) million. The net of realised and unrealised exchange rate differences amounts to SEK -33 (233) million.

## Key figures

Consolidated	Key figures		
	September 30	December 31	
	2013	2012 *	2012 *
Return on capital employed (%) **	26.1	27.6	27.4
Return on equity capital (%) **	21.4	23.2	22.9
Solidity (%) ***	42.4	39.8	41.3
Net debt to EBITDA, times **	0.70	0.72	0.80
Debt ratio, times ***	0.25	0.28	0.30
Number of employees ***	16,266	16,257	16,419

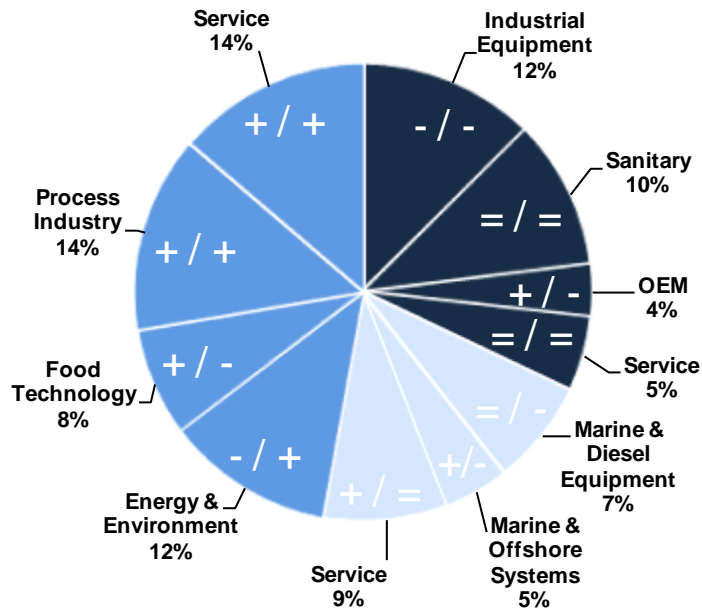
\* Restated to the new IAS 19. \*\* Calculated on a 12 months' revolving basis. \*\*\* At the end of the period.

## Business divisions

The development of the order intake for the divisions and their customer segments appears in

the following charts. The former “Parts & Service” segments have been renamed to “Service”.

### Orders received by customer segment Q3 2013



Q3 2013 compared to Q3 2012 / Q3 2013 compared to Q2 2013

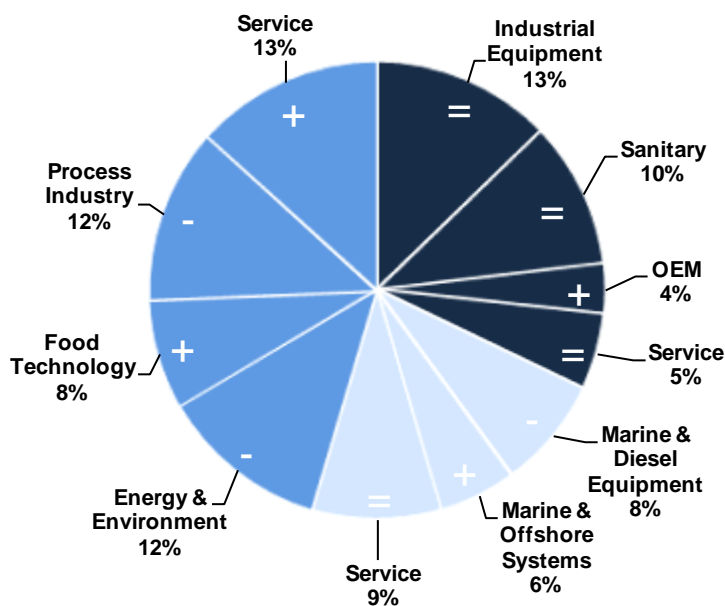
+ increase  
 - decrease  
 = unchanged (+/- 3%)  
 at constant rates adjusted for acquisition of businesses

▲ Equipment

▲ Process Technology

▲ Marine & Diesel

### Orders received by customer segment YTD 2013



YTD 2013 compared to YTD 2012



## Equipment division

Consolidated SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012	2013	2012	2012	months
Orders received	2,392	2,392	7,159	7,304	9,701	9,556
Order backlog*	1,614	1,694	1,614	1,694	1,583	1,614
Net sales	2,475	2,385	7,040	6,981	9,476	9,535
Operating income**	365	352	967	993	1,389	1,363
Depreciation and amortisation	45	41	129	121	162	170
Investments	13	6	36	30	46	52
Assets*	6,054	6,000	6,054	6,000	5,804	6,054
Liabilities*	927	861	927	861	986	927
Number of employees*	2,760	2,861	2,760	2,861	2,813	2,760

\* At the end of the period. \*\* In management accounts.

Consolidated %	Change excluding currency effects					
	Order intake			Net sales		
	Structural change	Organic development	Total	Structural change	Organic development	Total
Q3 2013/2012	0.4	0.9	1.3	0.5	4.7	5.2
Q3/Q2 2013	-0.4	-3.6	-4.0	-0.3	4.8	4.5
YTD 2013/2012	0.8	0.5	1.3	0.8	3.4	4.2

All comments below are excluding exchange rate fluctuations.

### Order intake

Order intake dropped somewhat in the third quarter compared to the second, driven by a decline in Industrial Equipment and OEM. From a geographical perspective, demand declined in the U.S. and the Nordic countries, while many developing economies such as China, Russia and India as well as countries in Southeast Asia, developed well.

Industrial Equipment saw lower demand, negatively impact by products going into refrigeration applications. Demand for products for HVAC applications, however, remained unchanged as the seasonal effect seen in the second quarter, continued. In OEM (Original Equipment Manufacturers), order intake from

manufacturers of air conditioners dropped as higher order intake in the previous quarter related to phase out of older products among these manufacturers did not continue. Demand for products aimed at the boiler and heat pump applications were growing in volume. Sanitary was unchanged, but met good demand for products that go to beverage, pharmaceuticals & personal care applications.

The demand for spare parts and services was unchanged from the previous quarter.

### Operating income

The increase in operating income for Equipment during the third quarter 2013 compared to the corresponding period last year is mainly explained by a higher sales volume, partly mitigated by a negative price/mix variation and higher sales and administration costs.

## Process Technology division

Consolidated SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012	2013	2012	2012	months
Orders received	3,522	3,452	10,049	10,605	14,081	13,525
Order backlog*	8,790	8,755	8,790	8,755	8,358	8,790
Net sales	3,210	2,920	9,548	9,064	12,812	13,296
Operating income**	525	473	1,673	1,624	2,194	2,243
Depreciation and amortisation	75	59	224	170	230	284
Investments	17	27	61	70	110	101
Assets*	10,542	9,675	10,542	9,675	10,608	10,542
Liabilities*	4,579	4,537	4,579	4,537	4,304	4,579
Number of employees*	5,229	4,793	5,229	4,793	5,085	5,229

\* At the end of the period. \*\* In management accounts.

Consolidated %	Change excluding currency effects					
	Order intake			Net sales		
	Structural change	Organic development	Total	Structural change	Organic development	Total
Q3 2013/2012	4.2	0.9	5.1	4.2	8.8	13.0
Q3/Q2 2013	0.4	10.2	10.6	0.4	-6.9	-6.5
YTD 2013/2012	5.1	-5.8	-0.7	6.8	3.5	10.3

All comments below are excluding exchange rate fluctuations.

### Order intake

Process Technology reported an increase in demand in the third quarter compared to the previous quarter, lifted by a favourable development in both Process Industry and Energy & Environment. The base business reported a limited decline. Geographically, North and South America grew, as did Asia and Western Europe. Overall, the BRIC countries showed a good development, while Eastern Europe reported an overall contraction.

Energy & Environment recorded steady growth, driven by a positive development for large orders. Oil & gas developed well, reflecting a continued positive sentiment and high activity level. The positive development materialized despite the trend of investments being postponed due to lack of execution resources. Market unit power had a strong quarter and the environmental business recorded growth, with steady market conditions. Process Industry also grew in the quarter, driven by market unit refinery which was boosted by a large energy efficiency order in India. Food Technology declined somewhat from a good level, as the market unit food solutions dropped,

partly related to the non-repeat of larger orders. Brewery, on the other hand, noted a higher level, based on an upturn in the base business as well as large orders. Market unit vegetable oil also grew, benefitting from a large order in Latin America, a region with an overall positive sentiment.

Demand for parts and services grew in the quarter. A very strong development for large orders contributed to the positive development. Regionally, the strongest development was noted in Asia.

### Operating income

The increase in operating income for Process Technology during the third quarter 2013 compared to the corresponding period last year is mainly explained by a higher sales volume, partly mitigated by a negative price/mix variation and higher sales costs.

\* Base business and base orders refer to orders with an order value of less than EUR 0.5 million.

## Marine & Diesel division

Consolidated SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012	2013	2012	2012	months
Orders received	1,533	1,444	4,957	5,178	6,557	6,336
Order backlog*	4,667	5,047	4,667	5,047	4,527	4,667
Net sales	1,519	1,747	4,700	5,649	7,525	6,576
Operating income**	228	317	826	1,049	1,458	1,235
Depreciation and amortisation	50	54	154	167	224	211
Investments	17	14	31	27	38	42
Assets*	7,910	8,257	7,910	8,257	8,309	7,910
Liabilities*	2,130	2,478	2,130	2,478	2,043	2,130
Number of employees*	2,949	3,458	2,949	3,458	3,346	2,949

\* At the end of the period. \*\* In management accounts.

Consolidated	Change excluding currency effects					
	Order intake			Net sales		
	Structural change	Organic development	Total	Structural change	Organic development	Total
%						
Q3 2013/2012	-	7.2	7.2	-	-11.4	-11.4
Q3/Q2 2013	-	-14.8	-14.8	-	-7.9	-7.9
YTD 2013/2012	-	-0.2	-0.2	-	-13.4	-13.4

All comments below are excluding exchange rate fluctuations.

### Order intake

Order intake for the Marine & Diesel division was down in the third quarter compared with the second, due to the non-repeat of large exhaust gas cleaning orders and a decline in demand for other environmental solutions. The demand for parts and services was unchanged.

The Marine & Diesel Equipment segment was down from the previous quarter, affected by a decline for the base business as well as for environmental solutions. The underlying trend is however still positive, following the continued growth in order intake to the yards and continued good interest in environmental products and

applications. The market unit diesel power had a strong development following a large order in the Middle East. The Marine & Offshore Systems segment reported a decline in order intake compared to the second quarter as large orders for exhaust gas cleaning were not repeated. Market unit offshore systems, where the order intake tends to vary, also saw a decline whereas the base business of the marine systems market unit showed solid growth.

### Operating income

The decrease in operating income for Marine & Diesel during the third quarter 2013 compared to the corresponding period last year is mainly explained by lower sales volume and a negative price/mix effect, compensated by lower costs for sales and administration.

## Other

Other covers procurement, production and core businesses. logistics as well as corporate overhead and non-

Consolidated SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012	2013	2012	2012	months
Orders received	0	0	0	0	0	0
Order backlog*	0	0	0	0	0	0
Net sales	0	0	0	0	0	0
Operating income**	-65	-120	-324	-372	-541	-493
Depreciation and amortisation	86	78	250	237	318	331
Investments	59	62	160	227	337	270
Assets*	5,278	5,414	5,278	5,414	5,395	5,278
Liabilities*	2,251	2,170	2,251	2,170	2,188	2,251
Number of employees*	5,328	5,145	5,328	5,145	5,175	5,328

\* At the end of the period. \*\* In management accounts.

## Reconciliation between divisions and Group total

Consolidated SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012 *	2013	2012 *	2012 *	months
<b>Operating income</b>						
Total for divisions	1,053	1,022	3,142	3,294	4,500	4,348
Comparison distortion items	-	-	-	-	-51	-51
Consolidation adjustments **	2	33	-59	-63	-53	-49
Total operating income	1,055	1,055	3,083	3,231	4,396	4,248
Financial net	20	175	-112	126	133	-105
Result after financial items	1,075	1,230	2,971	3,357	4,529	4,143
<b>Assets ***</b>						
Total for divisions	29,784	29,346	29,784	29,346	30,116	29,784
Corporate	5,081	5,181	5,081	5,181	4,863	5,081
Group total	34,865	34,527	34,865	34,527	34,979	34,865
<b>Liabilities ***</b>						
Total for divisions	9,887	10,046	9,887	10,046	9,521	9,887
Corporate	10,206	10,735	10,206	10,735	11,026	10,206
Group total	20,093	20,781	20,093	20,781	20,547	20,093

\* Restated to the new IAS 19. \*\* Difference between management accounts and IFRS. \*\*\* At the end of the period.

## Information about products and services

Consolidated SEK millions	Net sales by product/service *					
	Third quarter		First nine months		Full year	Last 12 months
	2013	2012	2013	2012	2012	
Own products within:						
Separation	1,683	1,421	4,686	4,746	6,646	6,586
Heat transfer	3,879	3,890	11,484	11,795	16,010	15,699
Fluid handling	797	753	2,370	2,203	3,046	3,213
Other	125	303	547	759	919	707
Associated products	419	368	1,270	1,208	1,828	1,890
Services	301	317	931	983	1,364	1,312
<b>Total</b>	<b>7,204</b>	<b>7,052</b>	<b>21,288</b>	<b>21,694</b>	<b>29,813</b>	<b>29,407</b>

\* The split of own products within separation, heat transfer and fluid handling is a reflection of the current three main technologies. Other is own products outside these main technologies. Associated products are

mainly purchased products that complement Alfa Laval's product offering. Services cover all sorts of service, service agreements etc.

### New products during the third quarter

During the third quarter Alfa Laval has introduced among others the following new products:

#### Compabloc Free Flow



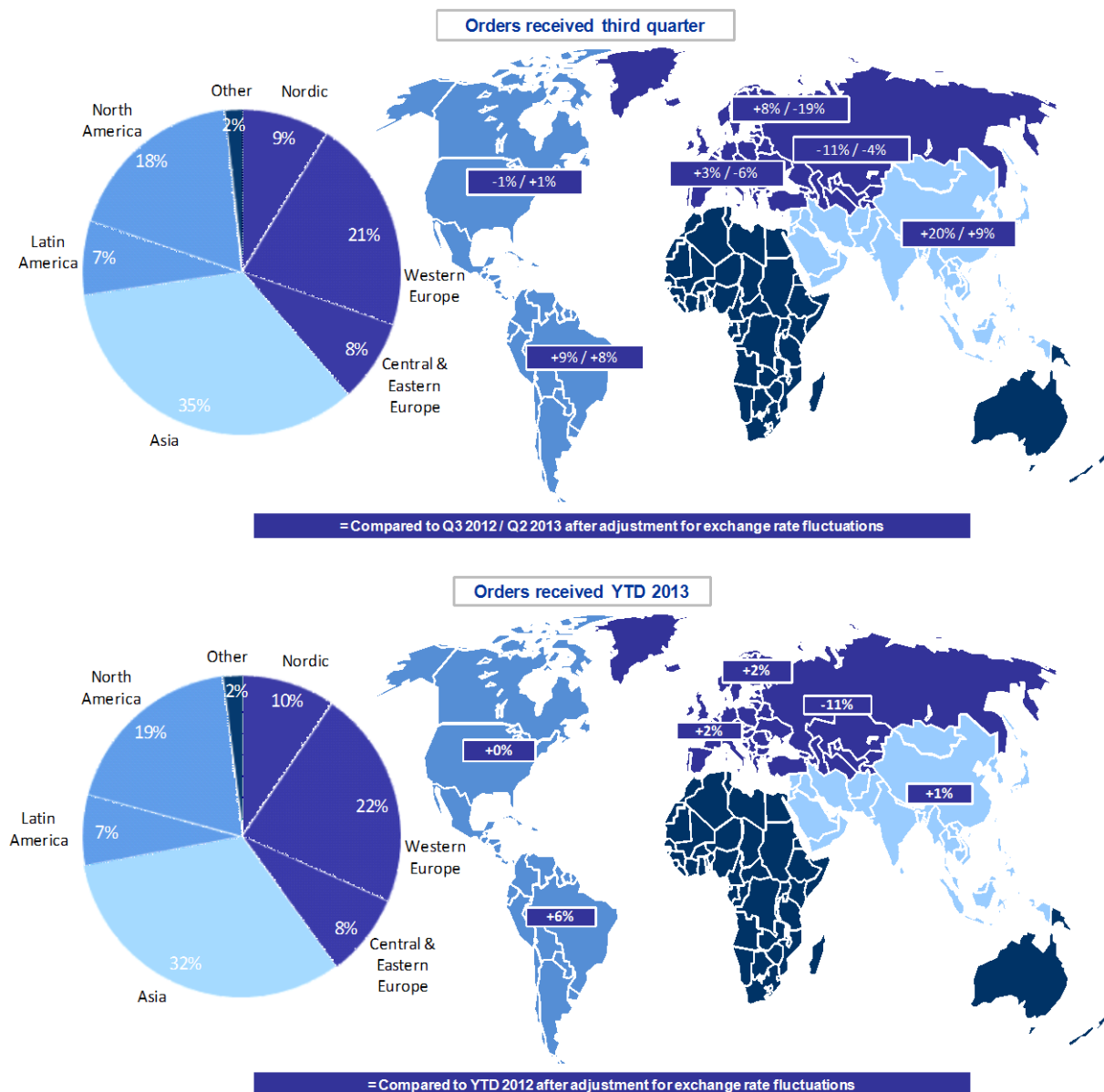
The Compabloc Free Flow condenser is the recent addition to the Compabloc family and is specifically designed for condensing solvents in the pharmaceutical industry. It offers state-of-the-art hygienic design, high performance, low operating costs and easy installation in minimal space. Compabloc Free Flow is designed for patient safety and meets the requirements for installation in stringent cGMP (current Good Manufacturing Practice) processes. The design is crevice-free, without contacts points and fully drainable making it fully cleanable and thereby minimizing the risk of contamination.

#### Unique Diaphragm Valve - Premium UltraPure



The Unique Diaphragm Valve - Premium UltraPure is a new type of diaphragm valve that offers enhanced operational safety, efficiency and simplicity to meet the requirements in sterile, ultra-hygienic processes in the pharmaceutical and food industries. Premium UltraPure gives double flow rate compared to conventional designs, with significantly reduced pressure drop and turbulence. This ensures a stable process with lower operating costs, safe and easy service and superior hygiene.

## Information by region



All comments are after adjustment for exchange rate fluctuations.

### Western Europe including Nordic

Order intake declined in the third quarter compared with the second, affected by the development in sales regions such as Nordic, France, Benelux, Adriatic and Iberica. The decline was mainly in the base business\*, across a majority of segments. Mid Europe, however, showed continued growth, as did the UK, boosted by large projects in the brewery and process industries. Service declined during the quarter.

### Central and Eastern Europe

Central and Eastern Europe reported a slight decrease in order intake during the third quarter compared to the second, explained by Poland and Turkey. The two countries were affected by a lower base business in the Process Technology

division as well as the non-repeat of large contracts. The decline was mitigated by good growth in Russia, where especially the Equipment division had a very strong quarter. The service business continued to develop well throughout the region during the quarter.

### North America

Order intake was unchanged in the third quarter compared to the previous quarter as the United States reported continued growth, while Canada declined. The base business grew and there was also a continued positive development for parts and service. From a segment perspective, Food Technology was doing well, but the strongest development was recorded in Energy & Environment.

\* Base business and base orders refer to orders with an order value of less than EUR 0.5 million.

## Latin America

Order intake grew in the third quarter compared to the previous quarter, driven by a very strong development in Brazil and Mexico. Brazil had a very good base business development, together with a number of large orders within oil & gas, marine and vegetable oil. Mexico was boosted by a good development in the Equipment division and the Process Technology division saw a large order in the oil & gas sector adding to a positive base business development. The Service business continued to develop well throughout the region during the quarter.

## Asia

Order intake showed growth in the third quarter compared to the second, boosted by a strong development in China, India and South East Asia. The positive development in China was driven by larger projects, secured in segments such as Industrial Equipment, Energy & Environment and

Marine & Offshore Systems. The base business was, however, somewhat weaker reflecting that the customers are still in a “wait and see” mode. Chinese demand for parts and services still showed a positive development. India developed well, following a large Packinox energy-efficiency order from a local petrochemical plant. Looking at the region as a whole, all three divisions reported growth, with Energy & Environment, Process Industry and Marine & Offshore Systems doing particularly well. Industrial Equipment also did well on the back of some larger cooling projects in China. Energy & Environment was lifted by projects in oil & gas and nuclear power, the latter reflecting pent up demand post Fukushima. Process Industry rose, benefitting from refinery investments across Asia and Marine & Offshore Systems saw rising order intake for products going to LNG and product carriers in South Korea, China and also Japan.

Consolidated SEK millions	Net sales					
	Third quarter		First nine months		Full year	Last 12 months
	2013	2012	2013	2012	2012	
To customers in:						
Sweden	230	195	641	618	856	879
Other EU	1,967	1,812	5,857	5,628	7,911	8,140
Other Europe	593	577	1,799	1,825	2,521	2,495
USA	1,211	1,099	3,571	3,474	4,626	4,723
Other North America	192	200	634	691	921	864
Latin America	418	488	1,272	1,452	1,950	1,770
Africa	77	65	223	210	330	343
China	821	798	2,151	2,449	3,298	3,000
Other Asia	1,595	1,708	4,823	5,055	6,969	6,737
Oceania	100	110	317	292	431	456
<b>Total</b>	<b>7,204</b>	<b>7,052</b>	<b>21,288</b>	<b>21,694</b>	<b>29,813</b>	<b>29,407</b>

Net sales are reported by country on the basis of invoicing address, which is normally the same as the delivery address. Croatia is a member of the

European Union from July 1, 2013 and is as of then reported under “Other EU” instead of “Other Europe” in the above and below tables.

Consolidated	Non-current assets		
	September 30		December 31
	2013	2012 *	2012 *
SEK millions			
Sweden	1,459	1,496	1,504
Denmark	4,366	4,314	4,385
Other EU	3,951	3,977	4,057
Other Europe	294	308	312
USA	3,898	2,739	3,631
Other North America	114	118	120
Latin America	376	436	429
Africa	1	1	1
Asia	2,624	3,000	2,890
Oceania	81	94	93
Subtotal	17,164	16,483	17,422
Other long-term securities	3	20	9
Pension assets	33	47	3
Deferred tax asset	1,298	1,449	1,488
Total	18,498	17,999	18,922

\* Restated to the new IAS 19.

## Information about major customers

Alfa Laval does not have any customer that accounts for 10 percent or more of net sales. Tetra Pak within the Tetra Laval Group is Alfa

Laval's single largest customer with a volume representing 3-4 percent of net sales.



## Cash flows

### CONSOLIDATED CASH FLOWS

SEK millions	Third quarter		First nine months		Full year	Last 12
	2013	2012	2013	2012	2012 *	months
<b>Operating activities</b>						
Operating income	1,055	1,055	3,083	3,231	4,396	4,248
Adjustment for depreciation	256	232	757	695	934	996
Adjustment for other non-cash items	52	193	53	198	241	96
	1,363	1,480	3,893	4,124	5,571	5,340
Taxes paid	-378	-582	-1,076	-1,262	-1,569	-1,383
	985	898	2,817	2,862	4,002	3,957
Changes in working capital:						
Increase(-)/decrease(+) of receivables	210	-62	254	-111	-158	207
Increase(-)/decrease(+) of inventories	-28	-292	-441	-572	-214	-83
Increase(+)/decrease(-) of liabilities	-67	443	341	521	-25	-205
Increase(+)/decrease(-) of provisions	-112	5	29	-31	-19	41
<b>Increase(-)/decrease(+) in working capital</b>	<b>3</b>	<b>94</b>	<b>183</b>	<b>-193</b>	<b>-416</b>	<b>-40</b>
	988	992	3,000	2,669	3,586	3,917
<b>Investing activities</b>						
Investments in fixed assets (Capex)	-106	-109	-288	-354	-531	-465
Divestment of fixed assets	6	0	7	0	49	56
Acquisition of businesses	3	-368	-507	-1,620	-2,778	-1,665
	-97	-477	-788	-1,974	-3,260	-2,074
<b>Financing activities</b>						
Received interests and dividends	47	27	94	76	97	115
Paid interests	-80	-66	-156	-185	-252	-223
Realised financial exchange differences	1	68	11	86	104	29
Dividends to owners of the parent	-	-	-1,468	-1,363	-1,363	-1,468
Dividends to non-controlling interests	-	-	-	-8	-7	1
Increase(-)/decrease(+) of financial assets	23	-134	-122	160	5	-277
Increase(+)/decrease(-) of borrowings	-860	-181	-559	782	1,009	-332
	-869	-286	-2,200	-452	-407	-2,155
<b>Cash flow for the period</b>	<b>22</b>	<b>229</b>	<b>12</b>	<b>243</b>	<b>-81</b>	<b>-312</b>
Cash and bank at the beginning of the period	1,392	1,573	1,404	1,564	1,564	1,724
Translation difference in cash and bank	-46	-78	-48	-83	-79	-44
<b>Cash and bank at the end of the period</b>	<b>1,368</b>	<b>1,724</b>	<b>1,368</b>	<b>1,724</b>	<b>1,404</b>	<b>1,368</b>
Free cash flow per share (SEK) **	2.12	1.23	5.27	1.66	0.78	4.39
Capex in relation to sales	1.5%	1.5%	1.4%	1.6%	1.8%	1.6%
Average number of shares	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315

\* Restated to the new IAS 19.

\*\* Free cash flow is the sum of cash flows from operating and investing activities.

During the first nine months 2013 cash flows from operating and investing activities amounted to SEK 2,212 (695) million. Depreciation, excluding

allocated step-up values, was SEK 338 (332) million during the first nine months.

## Financial position and equity

<b>CONSOLIDATED FINANCIAL POSITION</b>				Opening balance
SEK millions	September 30 2013	2012 * 2012 *	December 31 2012 *	January 1 2012
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	13,498	12,743	13,599	13,045
Property, plant and equipment	3,666	3,740	3,823	3,936
Other non-current assets	1,334	1,516	1,500	1,588
	18,498	17,999	18,922	18,569
<b>Current assets</b>				
Inventories	6,516	6,475	6,176	6,148
Assets held for sale	-	-	9	-
Accounts receivable	4,942	4,973	5,211	5,080
Other receivables	2,837	2,623	2,505	2,280
Derivative assets	211	463	325	303
Other current deposits	493	270	427	483
Cash and bank **	1,368	1,724	1,404	1,564
	16,367	16,528	16,057	15,858
<b>TOTAL ASSETS</b>	<b>34,865</b>	<b>34,527</b>	<b>34,979</b>	<b>34,427</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Owners of the parent	14,701	13,637	14,371	14,191
Non-controlling interests	71	109	61	162
	14,772	13,746	14,432	14,353
<b>Non-current liabilities</b>				
Liabilities to credit institutions	1,574	1,960	2,051	1,353
Swedish Export Credit	1,736	1,685	1,723	1,787
European Investment Bank	1,128	1,095	1,120	1,162
Private placement	706	715	714	758
Provisions for pensions and similar commitments	1,609	1,513	1,691	1,570
Provision for deferred tax	1,618	1,914	1,932	1,927
Other provisions	463	530	473	520
	8,834	9,412	9,704	9,077
<b>Current liabilities</b>				
Liabilities to credit institutions	282	251	395	132
Accounts payable	2,197	2,457	2,333	2,668
Advances from customers	2,539	2,278	2,121	2,020
Other provisions	1,641	1,584	1,603	1,612
Other liabilities	4,420	4,434	4,204	4,137
Derivative liabilities	180	365	187	428
	11,259	11,369	10,843	10,997
Total liabilities	20,093	20,781	20,547	20,074
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>34,865</b>	<b>34,527</b>	<b>34,979</b>	<b>34,427</b>

\* Restated to the new IAS 19, see page 23.

\*\* The item cash and bank is mainly relating to bank deposits.

Cash, bank and current deposits include bank and other deposits in the previously publicly listed subsidiary Alfa Laval (India) Ltd of SEK 258 (144)

million. The company is not a wholly-owned subsidiary of the Alfa Laval Group. It is owned to 98.2 (97.3) percent.

Consolidated	Borrowings and net debt		
	September 30	December 31	
SEK millions	2013	2012 *	2012 *
Credit institutions	1,856	2,211	2,446
Swedish Export Credit	1,736	1,685	1,723
European Investment Bank	1,128	1,095	1,120
Private placement	706	715	714
Capitalised financial leases	86	100	97
Interest-bearing pension liabilities	9	10	9
<b>Total debt</b>	<b>5,521</b>	<b>5,816</b>	<b>6,109</b>
Cash, bank and current deposits	-1,861	-1,994	-1,831
<b>Net debt</b>	<b>3,660</b>	<b>3,822</b>	<b>4,278</b>

\* Restated to the new IAS 19.

Alfa Laval has a senior credit facility of EUR 301 million and USD 420 million, corresponding to SEK 5,313 million with a banking syndicate. At September 30, 2013 SEK 1,307 million of the facility was utilised. The facility matures in April 2016, with a one-year extension option. Alfa Laval also has a bilateral term loan with SHB of EUR 25 million, corresponding to SEK 217 million that matures in December 2013.

The bilateral term loan with Swedish Export Credit is split on one loan of EUR 100 million that matures in 2014 and one loan of EUR 100 million that matures in 2021. The loan from the European Investment Bank of EUR 130 million matures in 2018. The private placement of USD 110 million matures in 2016.

## CHANGES IN CONSOLIDATED EQUITY

SEK millions	First nine months	Full year	
	2013	2012 *	2012 *
<b>At the beginning of the period</b>	14,432	14,353	14,353
<b>Changes attributable to:</b>			
<b>Owners of the parent</b>			
<b>Comprehensive income</b>			
Comprehensive income for the period	1,847	1,518	2,290
<b>Transactions with shareholders</b>			
Increase of ownership in subsidiaries with non-controlling interests	-49	-709	-747
Dividends	-1,468	-1,363	-1,363
	-1,517	-2,072	-2,110
<b>Subtotal</b>	330	-554	180
<b>Non-controlling interests</b>			
<b>Comprehensive income</b>			
Comprehensive income for the period	15	10	13
<b>Transactions with shareholders</b>			
Decrease of non-controlling interests	-5	-55	-107
Dividends	-	-8	-7
	-5	-63	-114
<b>Subtotal</b>	10	-53	-101
<b>At the end of the period</b>	14,772	13,746	14,432

\* Restated to the new IAS 19.

## Acquisition of businesses

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On May 29, 2013 Alfa Laval acquired the U.S. based Niagara Blower Company, a manufacturer of energy-efficient niche heat transfer solutions. The company's products are engineered-to-order, and particularly suited for use in the oil and gas processing industries. They are also used in a wide range of other industries, such as power, food & beverage and pharmaceuticals. Lars Renström, President and CEO of the Alfa Laval Group, comments on the reasons for the acquisition: "The acquisition of Niagara Blower brings in new and complementary heat-transfer products, mainly air-cooled heat exchangers, which further strengthen our offering to the oil and gas processing industries. They strengthen our U.S. portfolio and will gradually also be added to our product offering on a global scale." Niagara Blower Company is located in Buffalo, New York. It generated sales of about SEK 425 million in 2012, with profitability well above the average for the Alfa Laval Group. The intention is to integrate Niagara Blower into the segment Energy & Environment, within the Process Technology Division. The company has some 120 employees.

On February 28, 2013 Alfa Laval acquired the assets and technology for a gas combustion unit from the company Snecma (Safran). The product, which will be included in the offering from the Marine & Offshore Systems segment, is expected to generate sales of about SEK 40 million in 2013. Lars Renström, President and CEO of the Alfa Laval Group, comments on the acquisition: "With this acquisition we expand and further strengthen our offer to the growing gas transportation business, a business which typically has high barriers to entry. Few companies can offer this type of safety equipment."

In a press release on September 19, 2011 Alfa Laval communicated its proposal to buy all outstanding shares in its subsidiary Alfa Laval (India) Ltd and seek delisting of the shares from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The proposal came on the back of regulatory changes in India which requires Alfa Laval (India) Ltd to have a minimum public float of 25 percent or seek delisting. In a reverse book building process that was finalised on February 23, 2012 minority shareholders together holding more than the necessary 50 percent of the public float were willing to sell to Alfa Laval at a price of INR 4,000 per share. Through the acquisition of the 1.03 million shares Alfa Laval achieved an ownership of 94.5 percent, which enabled Alfa Laval (India) Ltd to delist from both stock exchanges on April 12, 2012. The cost for the acquisition of the shares was SEK 553 million. As a part of the process the remaining minority owners could sell their shares to Alfa Laval for INR 4,000 during the next 12 months. During this period minority owners with an additional 0.68 million shares have sold their shares to Alfa Laval for SEK 340 million, which has increased Alfa Laval's ownership to 98.2 percent. This means that the total acquisition cost was SEK 893 million.

On February 22, 2013 Alfa Laval acquired the remaining minority shares in the company Tranter Solarice GmbH in Germany.

The acquisitions during the first nine months 2013 can be summarized as follows:

Consolidated  SEK millions	Acquisitions 2013						
	Minority in subsidiaries			Others			Total
	Adjustment			Adjustment			Fair value
	Book value	to fair value	Fair value	Book value	to fair value	Fair value	
Property, plant and equipment	-	-	-	47	-	47	47
Patents and unpatented know-how <sup>(1)</sup>	-	-	-	32	202	234	234
Inventory	-	-	-	14	-	14	14
Accounts receivable and other receivables	-	-	-	41	-	41	41
Liquid assets	-	-	-	8	-	8	8
Accounts payable and other liabilities	-	-	-	-96	-	-96	-96
Deferred tax	-	-	-	2	-	2	2
Acquired net assets	-	-	-	48	202	250	250
Goodwill <sup>(2)</sup>						270	270
Equity attributable to owners of parent			-49			-	-49
Currency translation			-8			-	-8
Equity attributable to non-controlling interests			-5			-	-5
Purchase price			-62			-520	-582
Costs directly linked to the acquisitions <sup>(3)</sup>			-1			-1	-2
Retained part of purchase price <sup>(4)</sup>			-			99	99
Liquid assets in the acquired businesses			-			8	8
Payment of amounts retained in prior years			-			-30	-30
Effect on the Group's liquid assets			-63			-444	-507

1. The step up value for patents and un-patented know-how is amortised over 10 years.
2. The goodwill is relating to estimated synergies in procurement, logistics and corporate overheads and the companies' ability to over time recreate its intangible assets. The value of the goodwill is still preliminary.
3. Refers to fees to lawyers, due diligence and assisting counsel. Has been expensed as other operating costs.
4. Contingent on certain warranties in the contract not being triggered or that certain profitability goals are fulfilled. The probable outcome has been calculated.

## Parent company

The parent company's result after financial items was SEK 1,749 (89) million, out of which dividends from subsidiaries SEK 1,697 (-) million, net interests SEK 52 (92) million, realised and unrealised exchange rate gains and losses SEK 1 (-2) million, costs related to the listing

SEK -2 (-3) million, fees to the Board SEK -3 (-3) million, cost for annual report and annual general meeting SEK -2 (-3) million and other operating income and operating costs the remaining SEK 6 (8) million.

### PARENT COMPANY INCOME \*

SEK millions	Third quarter		First nine months		Full year
	2013	2012	2013	2012	2012
Administration costs	-1	-1	-7	-9	-13
Other operating income	3	3	8	10	3
Other operating costs	-1	-1	-2	-2	-3
<b>Operating income</b>	<b>1</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>-13</b>
Revenues from interests in group companies	-	-	1,697	-	596
Interest income and similar result items	18	28	56	94	118
Interest expenses and similar result items	-1	-3	-3	-4	-4
<b>Result after financial items</b>	<b>18</b>	<b>26</b>	<b>1,749</b>	<b>89</b>	<b>697</b>
Change of tax allocation reserve	-	-	-	-	283
Tax on this year's result	-4	-6	-11	-23	-1
Tax on paid Group contribution	-	-	-	-	-262
<b>Net income for the period</b>	<b>14</b>	<b>20</b>	<b>1,738</b>	<b>66</b>	<b>717</b>

\* The statement over parent company income also constitutes its statement over comprehensive income.

### PARENT COMPANY FINANCIAL POSITION

SEK millions	September 30		December 31
	2013	2012	2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in group companies	4,669	4,669	4,669
<b>Current assets</b>			
Receivables on group companies	7,104	7,437	8,035
Other receivables	446	211	253
Cash and bank	-	-	-
	<b>7,550</b>	<b>7,648</b>	<b>8,288</b>
<b>TOTAL ASSETS</b>	<b>12,219</b>	<b>12,317</b>	<b>12,957</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	2,387	2,387	2,387
Unrestricted equity	8,554	8,370	8,285
	<b>10,941</b>	<b>10,757</b>	<b>10,672</b>
<b>Untaxed reserves</b>			
Tax allocation reserves, taxation 2007-2013	1,266	1,549	1,266
<b>Current liabilities</b>			
Liabilities to group companies	12	9	1,018
Accounts payable	0	2	1
Other liabilities	0	0	-
	<b>12</b>	<b>11</b>	<b>1,019</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,219</b>	<b>12,317</b>	<b>12,957</b>

## Owners and shares

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### Owners and legal structure

Alfa Laval AB (publ) is the parent company of the Alfa Laval Group. The company had 36,437 (34,564) shareholders on September 30, 2013. The largest owner is Tetra Laval B.V., the Netherlands who owns 26.1 (26.1) percent. Next to the largest owner there are nine institutional investors with ownership in the range of 6.5 to 0.7 percent. These ten largest shareholders own 52.9 (50.0) percent of the shares.

### Repurchase of shares

The Annual General Meeting 2013 gave the Board a mandate to decide on repurchase of the company's shares – if the Board deems this appropriate – until the next Annual General Meeting. The mandate referred to repurchase of up to 5 percent of the issued shares with the purpose to cancel the repurchased shares and reduce the share capital. The repurchase would be made through purchases on OMX Stockholm Stock Exchange. Until September 30, 2013 Alfa Laval has not made any repurchases.

### Nomination Committee for the Annual General Meeting 2014

In accordance with a resolution taken at the Annual General Meeting of Alfa Laval AB on April 23, 2013, the Chairman of the Board, Anders Narvinger, has contacted the largest shareholders to constitute the Nomination Committee in preparation of the Annual General Meeting 2014. The following persons have accepted to be part of the Nomination Committee: Finn Rausing, Tetra Laval, Jan Andersson, Swedbank Robur Fonder, Ramsay Brufer, Alecta, Claes Dahlbäck, Foundation Asset Management and Lars-Åke Bokenberger, AMF Pension.

The Annual General Meeting of Alfa Laval AB will be held at Färs & Frosta Sparbank Arena, Klostergårdens idrottsområde, Stattenavägen in Lund, Sweden on Monday April 28, 2014, at 16.00 (CET).

Shareholders who wish to submit proposals for the Nomination Committee in preparation of the Annual General Meeting can turn to the Chairman of the Board of Alfa Laval AB, Anders Narvinger or to the other shareholder representatives. Contact can also be made directly via e-mail to [valberedningen@alfalaval.com](mailto:valberedningen@alfalaval.com).

## Risks and other

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### Material factors of risk and uncertainty

The main factors of risk and uncertainty facing the Group concern the price development of metals, fluctuations in major currencies and the business cycle. It is the company's opinion that the description of risks made in the Annual Report for 2012 is still correct.

### Asbestos-related lawsuits

The Alfa Laval Group was as of September 30, 2013, named as a co-defendant in a total of 743 asbestos-related lawsuits with a total of approximately 827 plaintiffs. Alfa Laval strongly believes the claims against the Group are without merit and intends to vigorously contest each lawsuit.

Based on current information and Alfa Laval's understanding of these lawsuits, Alfa Laval continues to believe that these lawsuits will not have a material adverse effect on the Group's financial condition or results of operation.

### Accounting principles

The interim report for the third quarter 2013 is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual

Accounts Act. The accounting principles are according to IFRS (International Financial Reporting Standards) as adopted by the European Union.

The revised IAS 19 "Employee Benefits" was implemented in the interim report for the first quarter 2013, with retroactive effect from January 1, 2012. The new standard meant substantial changes concerning the accounting for defined benefit pension schemes and these changes were extensively described in the mentioned interim report.

"Third quarter" refers to the period July 1 to September 30 and "First nine months" refers to the period January 1 to September 30. "Full year" refers to the period January 1 to December 31. "Last 12 months" refers to the period October 1, 2012 to September 30, 2013. "The corresponding period last year" refers to the third quarter 2012 or the first nine months 2012 depending on the context. "Previous quarter" refers to the second quarter 2013.

In the report the measures adjusted EBITA and adjusted EBITDA are used. Adjusted EBITA is defined as earnings before interests, taxes, amortisation of step up values and comparison

distortion items. Adjusted EBITDA is defined as earnings before interests, taxes, depreciation, amortisation of step up values and comparison distortion items.

The accounting and valuation principles of the parent company comply with the Swedish Annual Accounts Act and the recommendation RFR 2 "Accounting for legal entities" issued by the Council for Financial Reporting in Sweden.

## Date for the next financial reports

The fourth quarter and full year 2013 report will be published on February 5, 2014.

Alfa Laval will publish interim reports during 2014 at the following dates:

Interim report for the first quarter	April 28
Interim report for the second quarter	July 17
Interim report for the third quarter	October 28

The interim report has been issued on October 29, 2013 at CET 7.30 by the President and Chief Executive Officer Lars Renström by proxy from the Board of Directors.

Lund, October 29, 2013,

Lars Renström  
President and Chief Executive Officer  
Alfa Laval AB (publ)

## Review report

### Introduction

We have performed a review of the condensed interim financial statements (the interim report) for Alfa Laval AB (publ) at September 30, 2013 and the nine months' period then ended. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing

practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material aspects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent company in accordance with the Swedish Annual Accounts Act.

Lund, October 29, 2013,

Staffan Landén  
Authorised Public  
Accountant

Johan Thuresson  
Authorised Public  
Accountant