



NEWS RELEASE

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Summary of Alfa Laval's Capital Markets Day – Marine update

During Alfa Laval's Capital Markets Day in Copenhagen Tuesday, the company gave an update on two marine environmental applications, as the convention for treating ballast water has been ratified and the time frame for implementing a global reduction of sulphur emissions has been set.

The international convention for the control and management of ship's ballast water and sediments, was ratified on September 8th. It will enter into force with a 12-month lag, i.e. on September 8th, 2017.

"With the ratification in place, the market for retrofit installations is expected to start to move," said Peter Leifland, President for the Marine & Diesel Division.

Alfa Laval PureBallast is the world's first chemical-free solution for ballast water treatment, that fully complies with IMO standards. Alfa Laval has also filed for approval with the US Coast Guards.

Alfa Laval still expects that 35 000 ships will install a system between 2017 and 2025. This will be split between 15 000 newly built ships and 20 000 retrofit installations. The average order value per ship is also unchanged at EUR 200 000 – 225 000.

Furthermore, Peter Leifland talked about the scrubber solution **Alfa Laval PureSO_x**, as the regulation of sulphur emissions will become global 2020. IMO's convention for the reduction of sulphur oxides (SO_x) is already ratified and since 2015 implemented in some Emission Control Areas (ECAs). From 2020 it will also apply to global waters, demanding that emission levels there be cut to 0.5 percent.

Since the 2020 timeframe for sulphur emissions has now been set, Peter Leifland provided information about what this could mean in terms of market potential.

"Alfa Laval estimates that 5 000 ships, new as well as existing, will install a scrubber solution in the period 2017-2025," says Peter Leifland. Given the development of new solutions, Alfa Laval's average order value per ship is expected to be EUR 1 million, over time.

“PureBallast and PureSO_x are two interesting products in our portfolio. An important opportunity is about to open up at a time when falling ship contracting is impacting our order intake”, said Peter Leifland.

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, 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.

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