Second quarter 2014

Summary

SEK millions	Second quarter 2014	2013 *	%	% **	First six months 2014	2013 *	%	% **
Order intake	8,969	7,524	19	18	16,443	14,654	12	12
Net sales	8,423	7,515	12	12	15,020	14,020	7	7
Adjusted EBITA	1,348	1,237	9		2,410	2,304	5	
- adjusted EBITA margin (%)	16.0	16.5			16.0	16.4		
Result after financial items	1,159	969	20		1,953	1,896	3	
Net income for the period	796	644	24		1,360	1,347	1	
Earnings per share (SEK)	1.89	1.53	24		3.23	3.20	1	
Cash flow ***	1,174	1,038	13		1,766	2,009	-12	
Impact on EBITA of:								
- foreign exchange effects	-10	-63			-20	-95		
Impact on result after financial items of:								
- comparison distortion items	-	-			-60	-		

* Restated to IFRS 11. ** Excluding currency effects. *** From operating activities.

Comment from Lars Renström, President and CEO

“The order intake increased with 19 percent and reached a record level during the second quarter of the year, driven by a broad increase in demand for all three divisions. The recently acquired Frank Mohn AS, that is consolidated as per May 22, added SEK 0.6 billion. In total, the order intake was SEK 9.0 billion.

Process Technology saw a sequential upturn, driven by a very strong development for the base business. At the same time, the order intake for Marine & Diesel increased substantially, also excluding Frank Mohn AS, among other things due to a strong demand for boilers, that resulted in several larger orders during the quarter. Equipment saw a seasonally positive development and a strong demand from the food and beverage industry.

In the Central and Eastern Europe region a broad and strong increase in demand was seen. A contributing factor to the positive development was Russia, that recovered from a weak first quarter with increases within the base as well as the project business. The same factors were behind the upturns in Western Europe, North America and Asia, where the strong development in China was generated by all three divisions.”

Outlook for the third quarter

“We expect that demand during the third quarter 2014 will be on about the same level as in the second quarter.”

Earlier published outlook (April 28, 2014): “We expect that demand during the second quarter 2014 will be on about the same level as in the first quarter.”

The interim report has not been subject to review by the company’s auditors.

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Management's discussion and analysis

Important events during the second quarter

During the second quarter 2014 Alfa Laval received large orders[1] for more than SEK 500 (310) million:

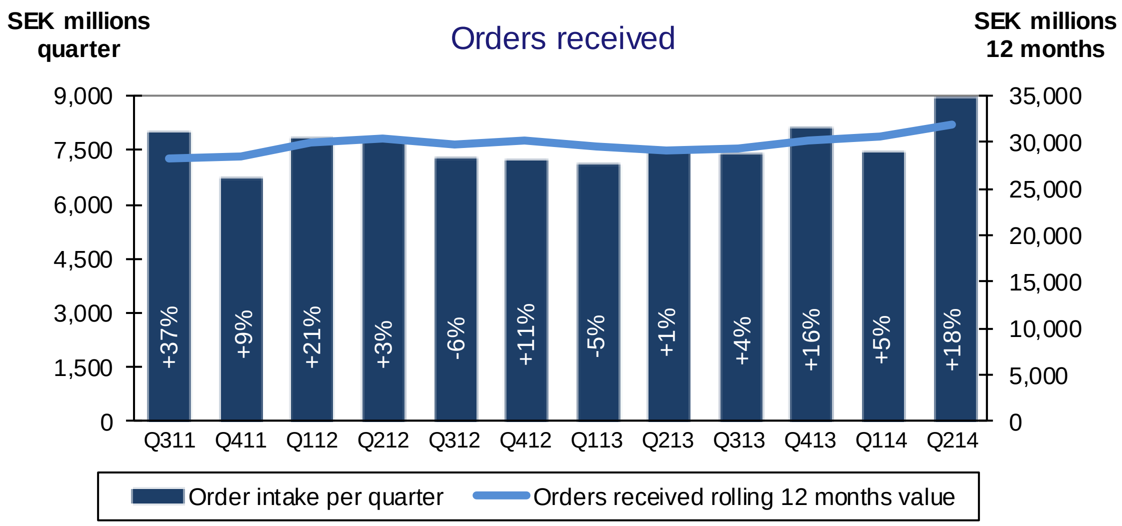
- An order to supply Alfa Laval PureSOx exhaust gas cleaning systems to Finnlines Plc. The order is booked in the Marine & Offshore Systems segment and delivery is scheduled for 2014. Due to a confidentiality agreement Alfa Laval is unable to disclose the value of the order.
- An order to retrofit Alfa Laval PureSOx exhaust gas cleaning systems onboard four vessels. The order, which comes from a new customer in Germany, is booked in the Marine & Offshore Systems segment. It has a value of approximately SEK 75 million and delivery is scheduled for 2015.
- An order to supply air cooler systems to a U.S. export terminal for natural gas liquids. The order, booked in the new Energy & Process segment, has a value of approximately SEK 55 million and delivery is scheduled for 2014.
- An order to supply compact welded heat exchangers to a coal liquefaction plant in China. The order, booked in the new Energy & Process segment, has a value of approximately SEK 100 million and delivery is scheduled for 2014.
- An order to supply compact heat exchangers for the caustic evaporation plant of AkzoNobel in Rotterdam, the Netherlands. The order, booked in the new Energy & Process segment, has a value of approximately SEK 120 million and deliveries are scheduled for 2014 and 2015.
- An order to supply heat exchangers to a natural gas stabilization plant in Russia. The order, booked in the new Energy & Process segment, is worth approximately SEK 50 million with delivery scheduled for 2015.
- An order to supply compact heat exchangers to an offshore platform in the UK. The order, booked in the new Energy & Process segment, is worth approximately SEK 50 million and delivery is scheduled for 2014.

In addition it can be noted that Alfa Laval:

- after approval from regulatory authorities could close the acquisition of Frank Mohn AS on May 21, 2014.

Order intake

Orders received amounted to SEK 8,969 (7,524) million for the second quarter and to SEK 16,443 (14,654) million for the first six months. The order intake for Frank Mohn has impacted both periods 2014 with SEK 583 million. Compared with earlier periods the development per quarter has been as follows.



% = change by quarter compared to corresponding period last year, at constant rates

1. Orders with a value over EUR 5 million.

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

Order bridge

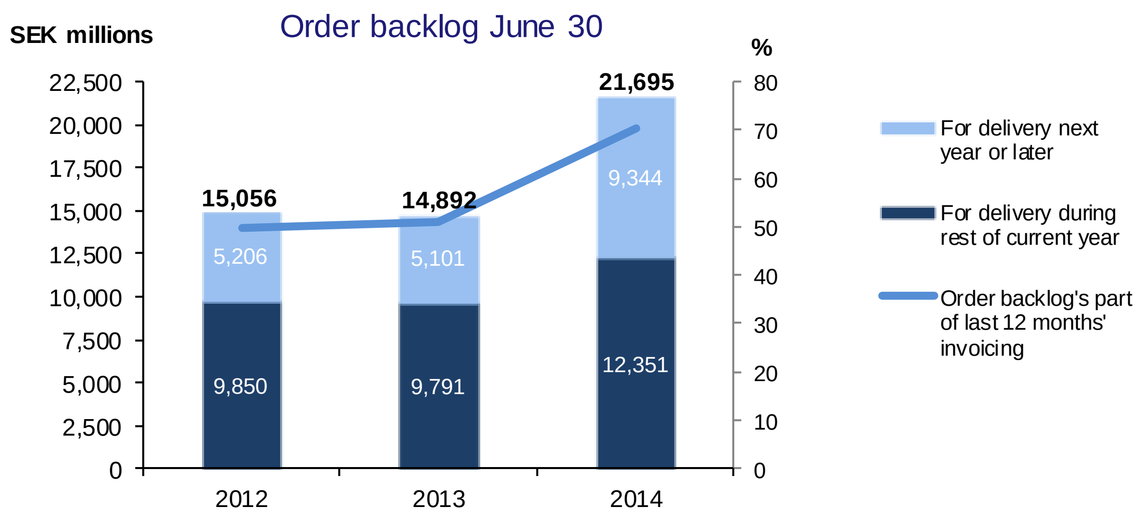
Consolidated	Order intake 2013 SEK millions	Change: Excluding currency effects – Structural change 2) (%)	Organic development 3) (%)	Total (%)	After currency effects – Currency effects (%)	Total (%)	Order intake 2014 SEK millions
Second quarter	7,524	9.3	9.1	18.4	0.8	19.2	8,969
First six months	14,654	5.3	6.5	11.8	0.4	12.2	16,443

Compared to the previous quarter the Group's order intake excluding currency effects was 18.1 percent higher. The corresponding organic development was an increase by 10.0 percent.

Orders received from Service[4] constituted 25.8 (26.7) percent of the Group's total orders received during the second quarter and 26.8 (27.7) percent during the first six months.

Excluding currency effects, the order intake for Service increased by 14.9 percent during the second quarter 2014 compared to the corresponding quarter last year (the corresponding organic development was an increase by 11.1 percent) and increased with 8.2 percent compared to the previous quarter (the corresponding organic development was an increase by 4.7 percent). For the first six months 2014 the increase was 8.8 percent compared to the corresponding period last year (the corresponding organic development was an increase by 7.0 percent).

Order backlog



Excluding currency effects and adjusted for acquisition of businesses the order backlog was 7.2 percent larger than the order backlog at June 30, 2013 and 9.0 percent larger than the order backlog at the end of 2013. The order backlog at June 30, 2014 for Frank Mohn was SEK 5,719 million.

2. Acquired businesses are: Frank Mohn AS at May 22, 2014 and Niagara Blower Company at May 29, 2013.
3. Change excluding acquisition of businesses.
4. Formerly Parts & Service.

Net sales

Net invoicing was SEK 8,423 (7,515) million for the second quarter and SEK 15,020 (14,020) million for the first six months. The net sales for Frank Mohn has impacted both periods 2014 with SEK 552 million. The change compared with the corresponding periods last year can be split into:

Consolidated

Sales bridge

	Net sales 2013 SEK millions	Change: Excluding currency effects: Structural change (%)	Organic development (%)	Total (%)	After currency effects: Currency effects (%)	Total (%)	Net sales 2014 SEK millions
Second quarter	7,515	7.9	3.9	11.8	0.3	12.1	8,423
First six months	14,020	4.4	2.7	7.1	0.0	7.1	15,020

Compared to the previous quarter the Group's net invoicing excluding currency effects was 26.2 percent higher. The corresponding organic development was an increase by 17.5 percent.

Net invoicing relating to Service constituted 27.2 (27.5) percent of the Group's total net invoicing in the second quarter and 28.1 (27.8) percent in the first six months.

Excluding currency effects, the net invoicing for Service increased by 11.0 percent during the second quarter 2014 compared to the corresponding quarter last year (the corresponding organic development was an increase by 6.4 percent) and increased with 17.1 percent compared to the previous quarter (the corresponding organic development was an increase by 12.6 percent). For the first six months 2014 the increase was 8.7 percent compared to the corresponding period last year (the corresponding organic development was an increase by 6.1 percent).

Income

CONSOLIDATED COMPREHENSIVE INCOME

SEK millions	Second quarter 2014	Second quarter 2013 *	First six months 2014	First six months 2013 *	Full year 2013 *	Last 12 months
Net sales	8,423	7,515	15,020	14,020	29,801	30,801
Cost of goods sold	-5,561	-4,806	-9,703	-8,959	-19,267	-20,011
Gross profit	2,862	2,709	5,317	5,061	10,534	10,790
Sales costs	-1,037	-934	-1,974	-1,813	-3,478	-3,639
Administration costs	-360	-330	-696	-636	-1,582	-1,642
Research and development costs	-201	-183	-389	-348	-702	-743
Other operating income **	106	77	206	185	476	497
Other operating costs **	-218	-242	-456	-421	-895	-930
Operating income	1,152	1,097	2,008	2,028	4,353	4,333
Dividends and changes in fair value	2	2	4	3	8	9
Interest income and financial exchange rate gains	184	27	270	149	358	479
Interest expense and financial exchange rate losses	-179	-157	-329	-284	-547	-592
Result after financial items	1,159	969	1,953	1,896	4,172	4,229
Taxes	-363	-325	-593	-549	-1,132	-1,176
Net income for the period	796	644	1,360	1,347	3,040	3,053
Other comprehensive income: Items that will subsequently be reclassified to net income						
Cash flow hedges	-80	-54	1	-85	13	99
Translation difference	417	254	526	71	39	494
Deferred tax on other comprehensive income	37	26	-5	17	-14	-36
Sum	374	226	522	3	38	557
Items that will subsequently not be reclassified to net income						
Revaluations of defined benefit obligations	0	0	0	0	234	234
Deferred tax on other comprehensive income	0	0	0	0	-81	-81
Sum	0	0	0	0	153	153
Comprehensive income for the period	1,170	870	1,882	1,350	3,231	3,763
Net income attributable to:						
Owners of the parent	792	641	1,354	1,342	3,027	3,039
Non-controlling interests	4	3	6	5	13	14
Earnings per share (SEK)	1.89	1.53	3.23	3.20	7.22	7.25
Average number of shares	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315
Comprehensive income attributable to:						
Owners of the parent	1,167	865	1,875	1,335	3,212	3,752
Non-controlling interests	3	5	7	15	19	11

* Restated to IFRS 11, see page 25.

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

The gross profit has compared to both the second quarter 2013 and the previous quarter been positively affected by an increased sales volume. Negative factors have been a lower part of Service, a negative price/mix effect within capital sales and a lower gross margin level for the acquired Frank Mohn compared to the rest of Alfa Laval.

Sales and administration expenses amounted to SEK 1,397 (1,264) million during the second quarter and SEK 2,670 (2,449) million during the first six months 2014. Excluding currency effects and acquisition of businesses, sales and administration expenses were 5.9 percent and 5.7 percent higher respectively than the corresponding periods last year. The increase comes from salary and wage inflation and a build-up of resources for organic growth, primarily in developing economies.

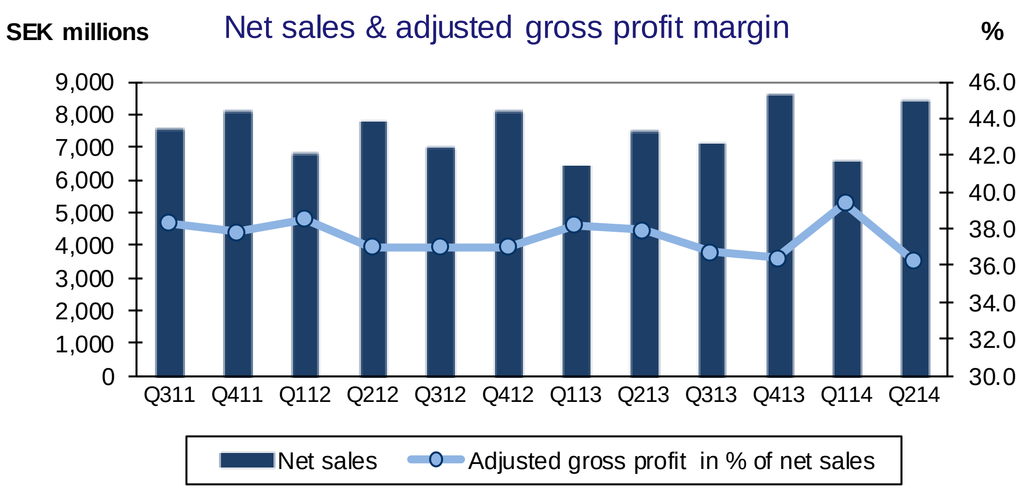
The costs for research and development during the first six months 2014 corresponded to 2.6 (2.5) percent of net sales. Excluding currency effects and acquisition of businesses, the costs for research and development have increased by 8.1 percent during the second quarter and by 9.7 percent during the first six months 2014 compared to the corresponding periods last year. The increase is explained by a limited increase of the development resources and by purchases related to individual projects.

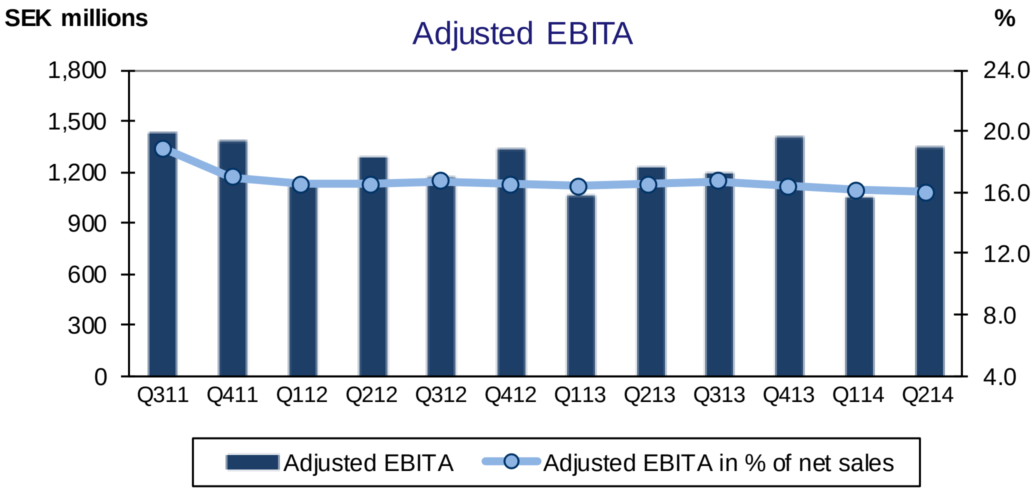
The net income attributable to the owners of the parent, excluding depreciation of step-up values and the corresponding tax, is SEK 3.81 (3.75) per share for the first six months 2014.

Income analysis

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Net sales	8,423	7,515	15,020	14,020	29,801	30,801
Adjusted gross profit **	3,058	2,849	5,659	5,337	11,095	11,417
- in % of net sales	***36.3***	***37.9***	***37.7***	***38.1***	***37.2***	***37.1***
Expenses ***	-1,581	-1,501	-3,005	-2,809	-5,735	-5,931
- in % of net sales	*18.8*	*20.0*	*20.0*	*20.0*	*19.2*	*19.3*
Adjusted EBITDA	**1,477**	**1,348**	**2,654**	**2,528**	**5,360**	**5,486**
- in % of net sales	*17.5*	*17.9*	*17.7*	*18.0*	*18.0*	*17.8*
Depreciation	-129	-111	-244	-224	-446	-466
Adjusted EBITA	**1,348**	**1,237**	**2,410**	**2,304**	**4,914**	**5,020**
- in % of net sales	***16.0***	***16.5***	***16.0***	***16.4***	***16.5***	***16.3***
Amortisation of step up values	-196	-140	-342	-276	-561	-627
Comparison distortion items	-	-	-60	-	-	-60
Operating income	1,152	1,097	2,008	2,028	4,353	4,333

* Restated to IFRS 11. ** Excluding amortisation of step up values. *** Excluding comparison distortion items.





Comparison distortion items

The operating income for the first six months 2014 has been affected by comparison distortion items of SEK -60 (-) million. When applicable these are reported gross in the comprehensive income statement as a part of other operating income and other operating costs. The comparison distortion cost of SEK -60 million in the first quarter 2014 relate to one time acquisition costs in connection with the acquisition of Frank Mohn AS.

Consolidated	Comparison distortion items					
	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Operational						
Other operating income	106	77	206	185	476	497
Comparison distortion income	-	-	-	-	-	-
Total other operating income	106	77	206	185	476	497
Other operating costs	-218	-242	-396	-421	-895	-870
Comparison distortion costs	-	-	-60	-	-	-60
Total other operating costs	-218	-242	-456	-421	-895	-930

* Restated to IFRS 11.

Consolidated financial net

The financial net has amounted to SEK -82 (-42) million, excluding realised and unrealised exchange rate losses and gains. The main elements of costs were interest on the debt to the banking syndicate and on the bridge loan of SEK -18 (-11) million, interest on the bilateral term loans of SEK -34 (-35) million, interest on the private placement of SEK -5 (-7) million, interest on the commercial papers of SEK -2 (-) million and a net of dividends and other interest income and interest costs of SEK -23 (11) million. The net of realised and unrealised exchange rate differences has amounted to SEK 27 (-90) million.

Key figures

Consolidated	Key figures		
	June 30		December 31
	2014	2013 *	2013 *
Return on capital employed (%) **	22.9	26.1	26.4
Return on equity capital (%) **	19.4	22.0	20.4
Solidity (%) ***	30.6	39.8	46.3
Net debt to EBITDA, times **	3.27	0.87	0.49
Debt ratio, times ***	1.08	0.32	0.16
Number of employees ***	17,778	16,197	16,262

* Restated to IFRS 11. ** Calculated on a 12 months' revolving basis. *** At the end of the period.

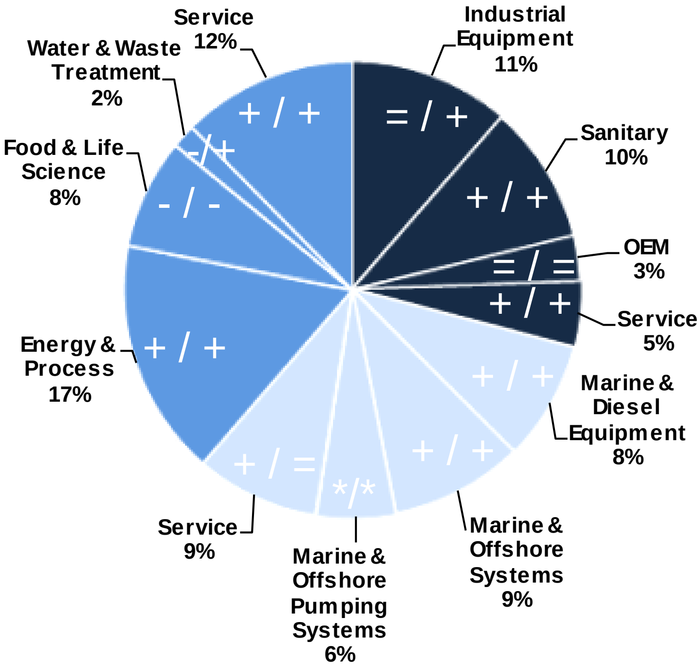
Business divisions

The Process Technology division has as of April 1, 2014 re-organised its three former capital sales segments Energy & Environment, Food Technology and Process Industry into three new segments: Energy & Process, Food & Life Science and Water & Waste Treatment. The change has basically been made by redistributing the existing market units between the customer segments in order to better meet the market and seize the growth opportunities. See the section on the Process Technology division below for more details. The comparison figures in the graphs below have been restated.

The acquisition of Frank Mohn AS has meant the creation of a new capital sales segment in the Marine & Diesel division, Marine & Offshore Pumping Systems, which only contains the new business. For this reason there are no comparison figures.

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

Orders received by customer segment Q2 2014



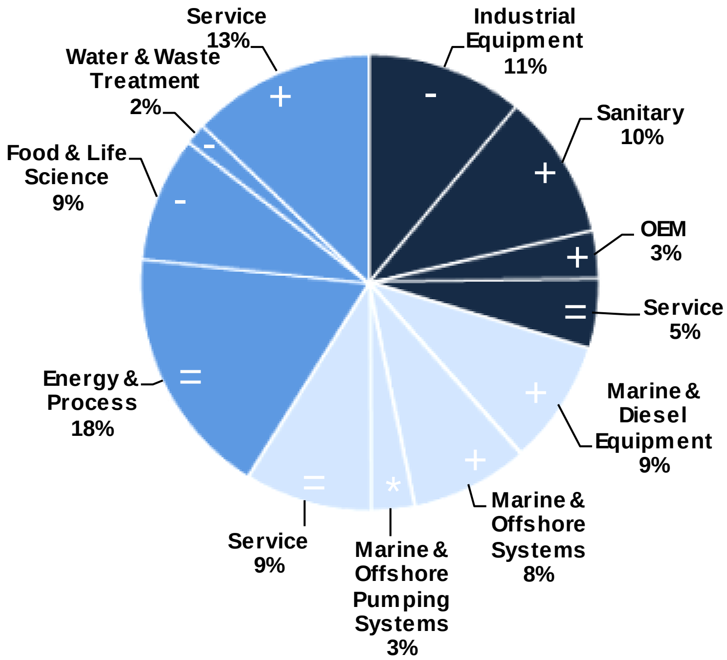
Q2 2014 compared to Q2 2013 / Q2 2014 compared to Q1 2014

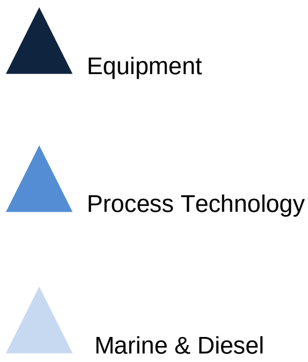
+ increase
- decrease
= unchanged (+/- 3 %)

at constant rates adjusted for acquisition of businesses

* New customer segment, no comparison figures exist.

Orders received by customer segment YTD 2014





YTD 2014 compared to YTD 2013

Equipment division

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Orders received	2,607	2,476	4,882	4,703	9,471	9,650
Order backlog**	1,728	1,735	1,728	1,735	1,495	1,728
Net sales	2,421	2,353	4,627	4,501	9,462	9,588
Operating income***	306	327	607	602	1,306	1,311
Operating margin	12.6%	13.9%	13.1%	13.4%	13.8%	13.7%
Depreciation and amortisation	43	41	88	83	170	175
Investments	14	12	24	21	54	57
Assets**	5,759	6,293	5,759	6,293	5,902	5,759
Liabilities**	818	919	818	919	882	818
Number of employees**	2,674	2,766	2,674	2,766	2,696	2,674

* Restated to IFRS 11. ** 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
Q2 2014/2013	-	3.9	3.9	-	1.6	1.6
Q2 2014/Q1 2014	-	12.8	12.8	-	8.0	8.0
YTD 2014/2013	-	2.8	2.8	-	1.9	1.9

All comments below are excluding currency effects.

Order intake

Order intake reached an all-time high level in the second quarter, driven by positive seasonal variations in Industrial Equipment as well as a generally good demand situation in the food sector. Order intake developed nicely in many geographies, especially so in the US and China, but the positive development was also visible in much of the European Union.

In **Sanitary** demand increased compared to the previous quarter for products, such as separators and valves, going into personal care, dairy and other food applications. **Industrial Equipment** experienced an increase in volume compared to the previous quarter, mainly driven by the normal seasonality in HVAC and refrigeration. In **OEM**, a larger order contributed to the segment reporting a slight increase in order intake, from the already good level reported in the first quarter.

The **Service** segment reported an increase in order intake compared to the previous quarter.

Operating income

The decrease in operating income for Equipment during the second quarter 2014 compared to the corresponding period last year is mainly explained by higher sales and administration costs and a negative price/mix variation, partly mitigated by a higher sales volume.

Process Technology division

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013	2014	2013	2013	months
Orders received	3,481	3,239	6,757	6,527	13,935	14,165
Order backlog*	8,695	8,508	8,695	8,508	8,393	8,695
Net sales	3,581	3,496	6,435	6,338	13,813	13,910
Operating income**	565	655	1,071	1,148	2,479	2,402
Operating margin	15.8%	18.7%	16.6%	18.1%	17.9%	17.3%
Depreciation and amortisation	78	75	155	149	297	303
Investments	23	21	47	44	98	101
Assets*	10,360	10,942	10,360	10,942	10,828	10,360
Liabilities*	4,963	4,688	4,963	4,688	4,029	4,963
Number of employees*	5,425	5,112	5,425	5,112	5,256	5,425

* 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
Q2 2014/2013	3.0	4.0	7.0	0.5	1.8	2.3
Q2 2014/Q1 2014	-	3.2	3.2	-	22.5	22.5
YTD 2014/2013	2.7	1.4	4.1	0.8	1.4	2.2

All comments below are excluding currency effects.

Re-organisation

The Process Technology division has as of April 1, 2014 re-organised its three capital sales segments Energy & Environment, Food Technology and Process Industry into three new segments: Energy & Process, Food & Life Science and Water & Waste Treatment. The following changes have been made: Market unit environment has been moved from Energy & Environment to the new Water & Waste Treatment segment. Market units oil & gas and power from Energy & Environment and the market units inorganics, metals & paper, petrochemicals and refinery from Process Industry have been moved to the new Energy & Process segment. Market unit life science & renewable resources in Process Industry and the market units in Food Technology (protein, brewery, food solutions & olive oil and vegetable oil technology) have been moved to the new Food & Life Science segment.

Order intake

Compared to the previous quarter, Process Technology delivered growth in the second quarter, primarily driven by a very strong development for the base business*. Support came also from large orders, which saw a steady development. Regionally, strong growth was noted in all parts of Europe, not least in Eastern Europe. A similar development was seen in North America, whereas Latin America and Asia declined due to non-repeated large orders.

Energy & Process was up compared to the previous quarter, with a particularly strong development noted in the market units inorganics, metals & paper and petrochemicals. The oil & gas market unit also grew, amid a continued high activity in the industry, not least in North America. The only market unit to decline was refinery, with its typical project business. **Food & Life Science** saw an unchanged base business in the quarter. The overall decline was hence explained by large first-quarter orders for the market units vegetable oil, protein and brewery, which were not repeated in the second quarter. The life science & renewable resources market unit however showed strong growth. **Water & Waste Treatment** showed a positive development, mainly thanks to large orders, a pattern evident in all geographical regions. The base business also performed well.

For **Service** the demand for parts as well as service showed a very strong growth.

Operating income

The decrease in operating income for Process Technology during the second quarter 2014 compared to the corresponding period last year is mainly explained by higher sales and administration costs and a negative price/mix variation, partly mitigated by a somewhat higher sales volume.

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

Marine & Diesel division

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Orders received	2,881	1,809	4,804	3,424	6,796	8,176
Order backlog**	11,272	4,649	11,272	4,649	4,680	11,272
Net sales	2,421	1,666	3,958	3,181	6,526	7,303
Operating income***	452	319	732	608	1,248	1,372
Operating margin	18.7%	19.1%	18.5%	19.1%	19.1%	18.8%
Depreciation and amortisation	113	50	165	99	196	262
Investments	16	8	22	9	35	48
Assets**	24,753	7,779	24,753	7,779	7,817	24,753
Liabilities**	4,051	1,989	4,051	1,989	2,049	4,051
Number of employees**	3,089	1,824	3,089	1,824	1,817	3,089

* Restated to IFRS 11. ** At the end of the period. *** In management accounts.

Consolidated	Change excluding currency effects					
	Order intake			**Net sales**		
	Structural	Organic		Structural	Organic	
%	change	development	Total	change	development	Total
Q2 2014/2013	33.7	24.8	58.5	34.7	11.5	46.2
Q2 2014/Q1 2014	32.1	18.7	50.8	38.0	22.0	60.0
YTD 2014/2013	17.8	21.1	38.9	18.1	6.0	24.1

All comments below are excluding currency effects.

Re-organisation

The manufacturing within Aalborg has as per May 1, 2014 been moved from the Marine & Diesel Division to Operations within Other. The comparison figures for last year have been restated correspondingly.

Order intake

Order intake for the Marine & Diesel Division increased in the second quarter compared with the first, driven by continued high demand across the different capital sales segments.

Marine & Diesel Equipment reported an overall increase in order intake in the second quarter compared to the first, as the contracting to the yards late last year continued to generate good demand for marine equipment. Environmental solutions saw an overall increase in demand and contributed also to the positive development. Demand for diesel equipment was unchanged. **Marine & Offshore Systems** reported significantly higher order intake reflecting a very strong demand for boilers and heaters. The segment as a whole was hence up, despite the fact that offshore business and exhaust gas cleaning equipment came in slightly lower than the previous quarter. **Marine & Offshore Pumping Systems**, the new capital sales segment that consists of the capital sales in the acquired Frank Mohn, contributed to the overall development of the Marine & Diesel division as of May 22, 2014. The order intake for Frank Mohn has impacted both periods 2014 with SEK 583 million. The order intake for marine pumping systems for tankers was on a high level, reflecting the good yard contracting of chemical and product tankers late 2013 and early 2014.

Demand for **Service** was unchanged from the first quarter.

Operating income

The increase in operating income for Marine & Diesel during the second quarter 2014 compared to the corresponding period last year is primarily explained by a higher sales volume, mainly due to the acquisition of Frank Mohn, partly mitigated by a negative price/mix variation and higher costs for sales and administration.

Other

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

The manufacturing within Aalborg has as per May 1, 2014 been moved from the Marine & Diesel Division to Operations within Other. The comparison figures for last year have been restated correspondingly.

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013	2014	2013	2013	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**	-167	-160	-321	-269	-586	-638
Depreciation and amortisation	91	85	178	169	344	353
Investments	79	58	161	106	305	360
Assets*	7,881	5,807	7,881	5,807	5,517	7,881
Liabilities*	2,553	2,615	2,553	2,615	2,558	2,553
Number of employees*	6,590	6,495	6,590	6,495	6,493	6,590

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

Reconciliation between divisions and Group total

Consolidated	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Operating income						
Total for divisions	1,156	1,141	2,089	2,089	4,447	4,447
Comparison distortion items	-	-	-60	-	-	-60
Consolidation adjustments **	-4	-44	-21	-61	-94	-54
Total operating income	1,152	1,097	2,008	2,028	4,353	4,333
Financial net	7	-128	-55	-132	-181	-104
Result after financial items	1,159	969	1,953	1,896	4,172	4,229
Assets ***						
Total for divisions	48,753	30,821	48,753	30,821	30,064	48,753
Corporate	5,127	5,079	5,127	5,079	4,845	5,127
Group total	53,880	35,900	53,880	35,900	34,909	53,880
Liabilities ***						
Total for divisions	12,385	10,211	12,385	10,211	9,518	12,385
Corporate	25,011	11,412	25,011	11,412	9,229	25,011
Group total	37,396	21,623	37,396	21,623	18,747	37,396

* Restated to the new IAS 19 and IFRS 11. ** Difference between management accounts and IFRS. *** At the end of the period.

Information about products and services

Consolidated	Net sales by product/service **					
	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
Own products within:						
Separation	1,696	1,567	3,189	3,010	6,576	6,755
Heat transfer	4,228	4,071	7,665	7,605	16,001	16,061
Fluid handling	1,444	799	2,278	1,573	3,254	3,959
Other	248	187	435	351	799	883
Associated products	420	539	759	851	1,848	1,756
Services	387	352	694	630	1,323	1,387
Total	8,423	7,515	15,020	14,020	29,801	30,801

* Restated to IFRS 11.

** 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 second quarter

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

Alfa Laval's tantalum treated heat exchangers

Alfa Laval's new tantalum-treated range of heat exchangers minimizes lifecycle costs for customers that have highly corrosive applications, for instance within the chemical industries. The new range offers the exceptionally high corrosion resistance of a solid-tantalum heat exchanger, but at a much lower investment cost. The combined benefits of lower capital cost, long lifetime and minimal maintenance requirements results in significantly lower total cost of ownership compared to heat exchangers made of solid tantalum, zirconium, high-grade alloys, graphite, silicon carbide or glass.

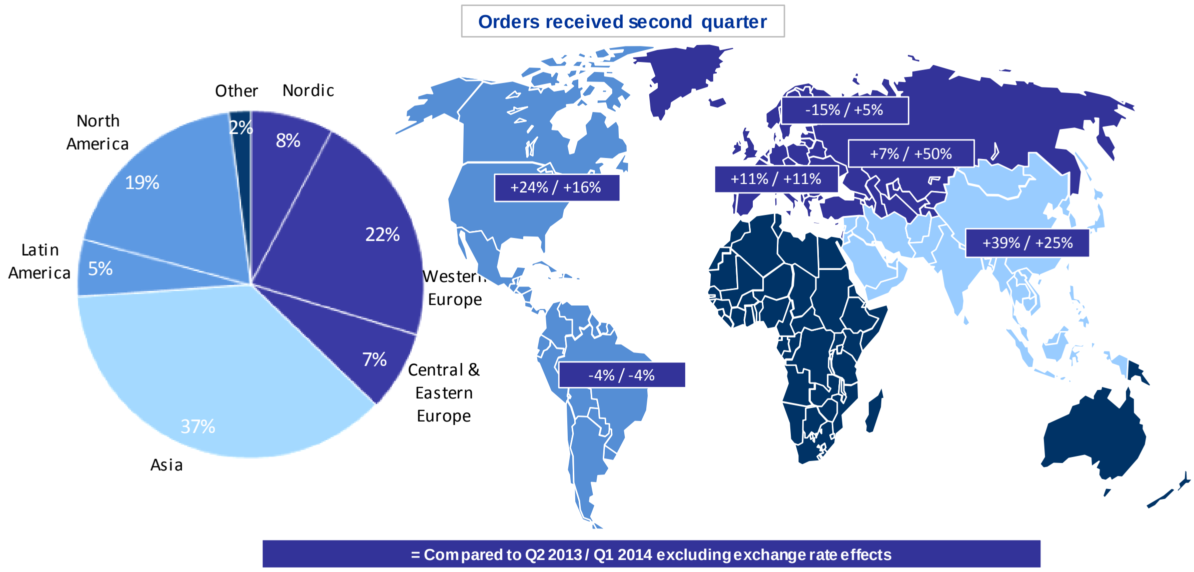
Alfa Laval AC 1000

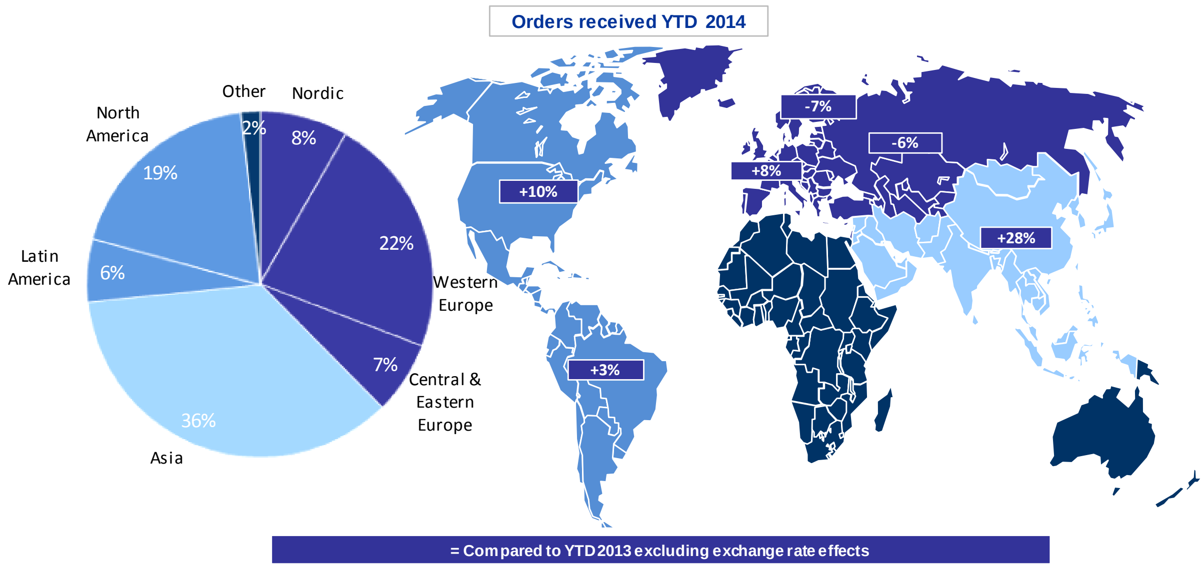
The Alfa Laval AC1000DQ XTRM is the largest dual circuit brazed heat exchanger on the market, giving greater capacity and system efficiency. It is designed for high-efficiency applications, reducing environmental impact and lowering costs. The innovative design enables very high capacities which allow customers to use one AC1000 where traditionally two units or a large Shell & Tubes heat exchanger is required. Asymmetric channels provide optimal efficiency in the most compact design. The improved energy efficiency reaches results in reducing CO_2 footprint. The Alfa Laval AlfaChill (AC) brazed plate heat exchangers are specifically designed for heat transfer in air conditioning, refrigeration and heat pump applications, including evaporation and condensation.

Alfa Laval Unique mixproof CP-3 valve

The Alfa Laval Unique mixproof CP-3 valve is a highly efficient light-weight, reduced vent mixproof valve – optimizing usage of floor space while greatly minimizing water consumption for cleaning. It is ideal for all types of hygienic processes and applications, meets the 3A/PMO standards and virtually eliminates downtime. The valve is easy to clean and easy to service. The Alfa Laval Unique mixproof CP-3 valve increases the plant efficiency and flexibility, enables continues batch production and optimises customer performance.

Information by region





All comments are excluding exchange rate effects.

Western Europe including Nordic

Order intake increased in the second quarter compared to the first, driven by a good development across most countries and regions. Both the base business* and large projects developed positively. Segments to develop particularly well were Industrial Equipment, OEM, Energy & Process and Food & Life Science. Demand for Service was also higher across the region compared with the previous quarter.

Central and Eastern Europe

Central & Eastern Europe reported a significant increase in order intake in the second quarter compared to the first, supported by growth in the base business and for large orders alike. All countries contributed to the positive development as both Russia and Turkey recovered from a weak first quarter and with regions South Eastern Europe, Central Europe and Poland & Baltics all reporting record-high order intake. The strong development in Russia was explained by large orders in the refinery, oil & gas and power market units at the same time as the base business grew. In Turkey the general activity level picked up following the first quarter elections and the base business recovered strongly in all three divisions.

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

North America

Order intake increased in the second quarter compared with the first quarter driven by increases in both the base business and large projects. The Equipment and Process Technology divisions both performed well, particularly noticeable in segments Industrial Equipment, Sanitary, Energy & Process and Food & Life Science. Service also developed positively compared with the previous quarter.

Latin America

The order intake in Latin America was slightly down in the second quarter compared to the previous quarter due to fewer large orders. The only exception was Argentina which showed very good growth across all divisions, compared to a weak first quarter. The base business developed very well across the region.

Asia

Order intake enjoyed a strong development during the second quarter compared to the first, driven by a good development for both the base and project business. The strongest performance was seen in Marine, which continued to benefit from an earlier surge in ship contracting as well as demand for energy transportation (tankers and LNG carriers). Process Technology had a slower development as the strong performance in the first quarter, particularly within refinery and petrochemicals, was not repeated. Vegetable oil also slowed down somewhat, as customers absorbed increased capacity, particularly in South East Asia. Equipment remained basically unchanged from the first quarter, with growth in Industrial Equipment driven by the comfort market unit, whereas Sanitary saw a moderated development compared to the first quarter. Service grew across the line. The best geographical performance was seen in the major shipbuilding nations such as Japan, Korea and China. China was also enjoying a broad-based growth across all three divisions as well as Service, indicating an easing of the wait and see position previously adopted by many customers.

Consolidated	Net sales					
	Second quarter		First six months		Full year	Last 12
SEK millions	2014	2013 *	2014	2013 *	2013 *	months
To customers in:						
Sweden	215	200	410	396	881	895
Other EU	2,180	2,106	4,063	3,868	8,127	8,322
Other Europe	644	710	1,150	1,206	2,702	2,646
USA	1,330	1,234	2,429	2,334	4,811	4,906
Other North America	293	260	469	442	1,117	1,144
Latin America	605	467	1,016	854	1,797	1,959
Africa	83	68	161	146	299	314
China	901	729	1,572	1,330	2,992	3,234
Other Asia	2,015	1,634	3,508	3,227	6,643	6,924
Oceania	157	107	242	217	432	457
Total	8,423	7,515	15,020	14,020	29,801	30,801

* Restated to IFRS 11.

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

Consolidated	Non-current assets		
	June 30		December 31
SEK millions	2014	2013 *	2013 *
Sweden	1,477	1,911	1,461
Denmark	4,560	4,447	4,493
Other EU	4,137	4,045	4,079
Norway	15,491	72	68
Other Europe	228	234	230
USA	3,945	3,698	3,890
Other North America	113	117	110
Latin America	399	407	366
Africa	1	1	1
Asia	2,834	2,738	2,680
Oceania	84	84	77
Subtotal	33,269	17,754	17,455
Other long-term securities	4	5	8
Pension assets	7	22	11
Deferred tax asset	1,393	1,293	1,401
Total	34,673	19,074	18,875

* Restated to the new IAS 19 and IFRS 11.

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 3-5 percent of net sales.

Cash flows

CONSOLIDATED CASH FLOWS

SEK millions	Second quarter 2014	Second quarter 2013 *	First six months 2014	First six months 2013 *	Full year 2013 *	Last 12 months
Operating activities						
Operating income	1,152	1,097	2,008	2,028	4,353	4,333
Adjustment for depreciation	325	251	586	500	1,007	1,093
Adjustment for other non-cash items	-68	-17	-51	1	-38	-90
	1,409	1,331	2,543	2,529	5,322	5,336
Taxes paid	-385	-323	-706	-698	-1,093	-1,101
	1,024	1,008	1,837	1,831	4,229	4,235
Changes in working capital:						
Increase(-)/decrease(+) of receivables	-476	-306	-280	48	113	-215
Increase(-)/decrease(+) of inventories	-34	-326	-263	-411	-133	15
Increase(+)/decrease(-) of liabilities	755	612	528	401	204	331
Increase(+)/decrease(-) of provisions	-95	50	-56	140	-180	-376
Increase(-)/decrease(+) in working capital	**150**	**30**	**-71**	**178**	**4**	**-245**
	1,174	1,038	1,766	2,009	4,233	3,990
Investing activities						
Investments in fixed assets (Capex)	-132	-99	-254	-180	-492	-566
Divestment of fixed assets	-2	0	0	0	36	36
Acquisition of businesses	-14,363	-441	-14,384	-510	-495	-14,369
	-14,497	-540	-14,638	-690	-951	-14,899
Financing activities						
Received interests and dividends	20	20	42	47	122	117
Paid interests	-83	-52	-127	-76	-208	-259
Realised financial exchange differences	115	-30	234	10	-16	208
Dividends to owners of the parent	-1,573	-1,468	-1,573	-1,468	-1,468	-1,573
Dividends to non-controlling interests	-4	-	-4	-	-	-4
Increase(-)/decrease(+) of financial assets	-120	-177	80	-143	-190	33
Increase(+)/decrease(-) of borrowings	14,954	1,243	14,384	301	-1,431	12,652
	13,309	-464	13,036	-1,329	-3,191	11,174
Cash flow for the period	-14	34	164	-10	91	265
Cash and bank at the beginning of the period	1,620	1,335	1,446	1,389	1,389	1,377
Translation difference in cash and bank	59	8	55	-2	-34	23
Cash and bank at the end of the period	1,665	1,377	1,665	1,377	1,446	1,665
Free cash flow per share (SEK) **	-31.76	1.19	-30.69	3.14	7.82	-26.01
Capex in relation to sales	1.6%	1.3%	1.7%	1.3%	1.7%	1.8%
Average number of shares	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315	419,456,315

* Restated to IFRS 11.
** Free cash flow is the sum of cash flows from operating and investing activities.

During the first six months 2014 cash flows from operating and investing activities amounted to SEK -12,872 (1 319) million. Depreciation, excluding allocated step-up values, was SEK 244 (224) million during the first six months.

Financial position and equity

CONSOLIDATED FINANCIAL POSITION

SEK millions	June 30 2014	June 30 2013 *	December 31 2013 *	Opening balance January 1 2013
ASSETS				
Non-current assets				
Intangible assets	28,284	13,964	13,643	13,599
Property, plant and equipment	4,962	3,769	3,785	3,812
Other non-current assets	1,427	1,341	1,447	1,535
	34,673	19,074	18,875	18,946
Current assets				
Inventories	7,624	6,636	6,312	6,170
Assets held for sale	-	-	-	9
Accounts receivable	6,301	5,245	5,039	5,195
Other receivables	2,839	2,762	2,413	2,503
Derivative assets	164	208	219	325
Other current deposits	614	598	605	422
Cash and bank **	1,665	1,377	1,446	1,389
	19,207	16,826	16,034	16,013
TOTAL ASSETS	53,880	35,900	34,909	34,959
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity				
Owners of the parent	16,389	14,206	16,087	14,392
Non-controlling interests	95	71	75	61
	16,484	14,277	16,162	14,453
Non-current liabilities				
Liabilities to credit institutions	7,540	5,232	2,813	4,679
Private placement	741	739	716	714
Provisions for pensions and similar commitments	1,607	1,708	1,494	1,727
Provision for deferred tax	2,746	1,773	1,758	1,931
Other provisions	470	558	423	466
	13,104	10,010	7,204	9,517
Current liabilities				
Liabilities to credit institutions	10,690	450	1,049	610
Accounts payable	2,769	2,461	2,388	2,327
Advances from customers	3,863	2,409	2,027	2,121
Other provisions	1,548	1,648	1,539	1,603
Other liabilities	5,191	4,305	4,306	4,141
Derivative liabilities	231	340	234	187
	24,292	11,613	11,543	10,989
Total liabilities	37,396	21,623	18,747	20,506
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	53,880	35,900	34,909	34,959

* Restated to the new IAS 19 and IFRS 11, see page 25.
** The item cash and bank is mainly relating to bank deposits.

Financial assets and liabilities at fair value

Consolidated				
	Valuation hierarchy	June 30		December 31
SEK millions	level	2014	2013	2013 *
Financial assets				
Other long term securities	1 and 2	27	26	35
Bonds and other securities	1	407	194	247
Derivative assets	1	164	208	219
Financial liabilities				
Derivative liabilities	1	231	340	234

Valuation hierarchy level 1 is according to quoted prices in active markets for identical assets and liabilities.
Valuation hierarchy level 2 is out of directly or indirectly observable market data outside level 1.
* Restated to IFRS 11.

Borrowings and net debt

Consolidated			
	June 30		December 31
SEK millions	2014	2013 *	2013 *
Credit institutions	13,225	2,781	904
Swedish Export Credit	2,756	1,758	1,793
European Investment Bank	2,249	1,143	1,165
Private placement	741	739	716
Commercial papers	998	-	-
Capitalised financial leases	78	91	84
Interest-bearing pension liabilities	0	1	0
Total debt	20,047	6,513	4,662
Cash, bank and current deposits	-2,279	-1,975	-2,051
Net debt	17,768	4,538	2,611

* Restated to IFRS 11.

Alfa Laval has entered into a new senior credit facility of EUR 400 million and USD 544 million, corresponding to SEK 7,343 million with a new banking syndicate. The new facility replaces the previous syndicated loan. At June 30, 2014 SEK 2,541 million of the facility was utilised. The new facility matures in June 2019, with two one year extension options.

In anticipation of the acquisition of Frank Mohn AS Alfa Laval has entered into a bridge loan with SEB of SEK 12,000 million with a duration of 18 months. At June 30, 2014 SEK 9,420 million of the facility was utilised.

The bilateral term loan with Swedish Export Credit is split on one loan of EUR 100 million that matured in June 2014, but that was prolonged until June 2017 and one loan of EUR 100 million that matures in June 2021 as well as a new loan of USD 136 million that matures in June 2022.

The loan from the European Investment Bank is split on one loan of EUR 130 million that matures in March 2018 and an additional loan of EUR 115 million that was called on at June 23, 2014 and that matures in June 2021.

The private placement of USD 110 million matures in April 2016.

Alfa Laval has issued commercial papers of nominally SEK 1,000 million starting at April 30, 2014 with a duration of 3-5 months.

CHANGES IN CONSOLIDATED EQUITY

SEK millions	First six months 2014	First six months 2013 *	Full year 2013
At the beginning of the period	16,162	14,453	14,453
Changes attributable to:			
Owners of the parent			
Comprehensive income			
Comprehensive income for the period	1,875	1,335	3,212
Transactions with shareholders			
Increase of ownership in subsidiaries with non-controlling interests	-	-53	-49
Dividends	-1,573	-1,468	-1,468
	-1,573	-1,521	-1,517
Subtotal	302	-186	1,695
Non-controlling interests			
Comprehensive income			
Comprehensive income for the period	7	15	19
Transactions with shareholders			
Decrease of non-controlling interests	-	-5	-5
Non-controlling interests in acquired companies	17	-	-
Dividends	-4	-	-
	13	-5	-5
Subtotal	20	10	14
At the end of the period	16,484	14,277	16,162

* Restated to the new IAS 19.

Acquisition of businesses

In a news release on April 7, 2014 Alfa Laval communicated that the company has signed an agreement to acquire Frank Mohn AS, a leading manufacturer of submerged pumping systems to the marine and offshore markets. After approval from regulatory authorities the acquisition was closed on May 21, 2014. The acquisition, which strengthens Alfa Laval's fluid handling portfolio by adding a unique pumping technology, will further reinforce Alfa Laval's position as a leading supplier to the marine and offshore oil & gas markets. Alfa Laval has acquired Frank Mohn AS ("Frank Mohn"), with the product brand Framo, for a total cash consideration of NOK 13 billion, on cash and debt free basis, from Wimoh AS, a company controlled by the Mohn family. Frank Mohn is headquartered in Bergen, Norway and has approximately 1,200 employees. In 2013 Frank Mohn had an order intake of NOK 6.1 billion and generated sales of NOK 3.4 billion. The operating margin is significantly above the Alfa Laval average. The acquisition is expected to be EPS accretive as from closing of the transaction. Lars Renström, President and CEO of the Alfa Laval Group, comments on the acquisition: "Frank Mohn is an excellent company that we have been following closely for several years. It has highly skilled employees, high quality products and a market-leading position within segments offering attractive long-term growth prospects. The combination of Frank Mohn and Alfa Laval will provide a very attractive offering of products, systems and services and it will strengthen our leading position as a provider of critical systems for ships and offshore oil & gas production units, with unmatched service capabilities." The acquisition of Frank Mohn will be funded by existing credit facilities and a fully committed bridge facility. Alfa Laval's net debt/EBITDA ratio on a pro forma basis (following completion of the acquisition) would be around 2.5x. The synergies are expected to reach about NOK 120 million annually, gradually realized over a three year period.

After closing, Alfa Laval intends to include Frank Mohn and the product brand Framo in the Marine & Diesel division. The company will be kept together and form a new segment in the Marine & Diesel division, under the same management as today. The activities in the Bergen area in Norway; the head office and sales & service facility at Askøy – as well as production facilities at Fusa, Flatøy and Frekhaug – will become Alfa

Laval's operational centre for marine and offshore pumping systems.

The acquisitions during the first six months 2014 can be summarized as follows:

Consolidated	Acquisitions 2014						
	Frank Mohn			Others			Total
SEK millions	Book value	Adjustment to fair value	Fair value	Book value	Adjustment to fair value	Fair value	Fair value
Property, plant and equipment	1,099	-	1,099	-	-	-	1,099
Patents and unpatented know-how (1)	0	1,106	1,106	-	-	-	1,106
Trademarks (2)	-	3,320	3,320	-	-	-	3,320
Other non-current assets	95	-	95	-	-	-	95
Inventory	847	-	847	-	-	-	847
Accounts receivable	981	-	981	-	-	-	981
Other receivables	255	-	255	-	-	-	255
Current deposits	51	-	51	-	-	-	51
Liquid assets	504	-	504	-	-	-	504
Provisions for pensions and similar commitments	-47	-	-47	-	-	-	-47
Other provisions	-91	-	-91	-	-	-	-91
Accounts payable	-236	-	-236	-	-	-	-236
Advance payments	-1,200	-	-1,200	-	-	-	-1,200
Other liabilities	-616	-	-616	-	-	-	-616
Tax liabilities	-255	-	-255	-	-	-	-255
Deferred tax	-3	-1,195	-1,198	-	-	-	-1,198
Acquired net assets	1,384	3,231	4,615	-	-	-	4,615
Goodwill (3)			10,167			-	10,167
Purchase price			-14,782			-	-14,782
Costs directly linked to the acquisitions (4)			-47			-	-47
Liquid assets in the acquired businesses			504			-	504
Payment of amounts retained in prior years			-			-59	-59
Effect on the Group's liquid assets			-14,325			-59	-14,384

1. The step up value for patents and un-patented know-how is amortised over 10 years.
2. The step up value for the product brand Framo is amortised over 10 years.
3. 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.
4. Refers to fees to lawyers, due diligence and assisting counsel. Has been expensed as other operating costs.

Parent company

The parent company's result after financial items was SEK 158 (1,731) million, out of which dividends from subsidiaries SEK 130 (1,697) million, net interests SEK 26 (34) million, realised and unrealised exchange rate gains and losses SEK 4 (2) million, costs related to the listing SEK -3 (-2) million, fees to the Board SEK -3 (-3) million, cost for annual report and annual general meeting SEK -2 (-1) million and other operating income and operating costs the remaining SEK 6 (4) million.

PARENT COMPANY INCOME *

	Second quarter		First six months		Full year
SEK millions	2014	2013	2014	2013	2013
Administration costs	-4	-3	-8	-6	-11
Other operating income	0	1	8	5	4
Other operating costs	-1	0	-2	-1	-3
Operating income	-5	-2	-2	-2	-10
Revenues from interests in group companies	130	1,697	130	1,697	1,697
Interest income and similar result items	19	20	34	38	79
Interest expenses and similar result items	-2	0	-4	-2	-4
Result after financial items	142	1,715	158	1,731	1,762
Change of tax allocation reserve	-	-	-	-	30
Group contributions	-	-	-	-	855
Result before tax	142	1,715	158	1,731	2,647
Tax on this year's result	-3	-3	-6	-7	-212
Net income for the period	139	1,712	152	1,724	2,435

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

PARENT COMPANY FINANCIAL POSITION

	June 30		December 31
SEK millions	2014	2013	2013
ASSETS			
Non-current assets			
Shares in group companies	4,669	4,669	4,669
Current assets			
Receivables on group companies	7,629	7,159	8,263
Other receivables	172	381	44
Cash and bank	-	-	-
	7,801	7,540	8,307
TOTAL ASSETS	12,470	12,209	12,976
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Restricted equity	2,387	2,387	2,387
Unrestricted equity	7,832	8,541	9,253
	10,219	10,928	11,640
Untaxed reserves			
Tax allocation reserves, taxation 2008-2014	1,236	1,266	1,236
Current liabilities			
Commercial papers	998	-	-
Liabilities to group companies	16	13	99
Accounts payable	1	1	1
Tax liabilities	-	1	-
Other liabilities	0	0	-
	1,015	15	100
TOTAL EQUITY AND LIABILITIES	12,470	12,209	12,976

Owners and shares

Owners and legal structure

Alfa Laval AB (publ) is the parent company of the Alfa Laval Group. The company had 36,634 (37,004) shareholders on June 30, 2014. 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 6.1 to 0.7 percent. These ten largest shareholders own 53.8 (52.3) percent of the shares.

Risks and other

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 2013 is still correct.

Asbestos-related lawsuits

The Alfa Laval Group was as of June 30, 2014, named as a co-defendant in a total of 786 asbestos-related lawsuits with a total of approximately 832 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 second quarter 2014 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 new accounting pronouncements IFRS 10 ”Consolidated financial statements”, IFRS 11 ”Joint arrangements” and IFRS 12 ”Disclosures of interest in other entities” and the amended IAS 32 ”Financial Instruments: Presentation” were implemented in the interim report for the first quarter 2014, with retroactive effect from January 1, 2013.

In the interim closing it is really only IFRS 11 that means any change. Joint ventures were previously consolidated according to the proportional consolidation method in IAS 31 ”Interests in Joint Ventures”. Since the proportional consolidation method has disappeared all amounts in note 33 “Interests in joint ventures” in the annual report has disappeared out of Alfa Laval's statements over consolidated comprehensive income and consolidated financial position. Instead the application of the equity method means that the net income before tax in the joint ventures is booked into one line in other operating income and the corresponding tax on the tax line. The counter entry is an increase or decrease of the value of shares in joint ventures. As a consequence of this the comparison figures for 2013 have been changed. The change in accounting principle has not affected the equity. On page 13 in the interim report for the first quarter 2014 a summary was presented of the result items and balance sheet items that were affected by the change.

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. In connection with the yearend closing for 2013 certain adjustments were made to the opening balance at January 1, 2012 and the closing balance at December 31, 2012 and these changes have also impacted the comparison figures for the second quarter 2013. For the second quarter 2013 deferred tax assets have increased with SEK 9 million, provisions for pensions have increased with SEK 36 million, other liabilities have decreased with SEK 48 million and the equity has increased with SEK 21 million.

“Second quarter” refers to the period April 1 to June 30 and “First six months” refers to the period January 1 to June 30. “Full year” refers to the period January 1 to December 31. “Last 12 months” refers to the period July 1, 2013 to June 30, 2014. “The corresponding period last year” refers to the second quarter 2013 or the first six months 2013 depending on the context. “Previous quarter” refers to the first quarter 2014.

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

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

Interim report for the third quarter	October 28

The interim report has been issued on July 17, 2014 at CET 8.30 by the Board of Directors.

The Board of Directors and the President and CEO assure that the report for the first six months gives a true and fair view of the operations, financial position and results for the company and the consolidated Group and describes material factors of risk and uncertainty facing the company and the companies that are part of the Group.

Lund, July 17, 2014

Anders Narvinger Chairman	Gunilla Berg	Arne Frank
Björn Hägglund	Bror García Lantz	Ulla Litzén
Jan Nilsson	Susanna Holmqvist Norrby	Finn Rausing
Jörn Rausing	Ulf Wiinberg	Lars Renström President and CEO