

NEWS RELEASE

Landskrona, Sweden – January 28, 2019

China "Blue Sky Action Plan" drives demand for Alfdexseparator

Alfdex AB, a 50/50 joint venture between Alfa Laval and Concentric, today announce that they will expand its manufacturing unit in China during first half of 2019 to capture the demand driven by the Chinese action plan to improve the air quality, called the "Blue Sky Action Plan".

The Chinese air quality plan covers many emission sources, where heavy duty trucks is one important subset. The China-6 regulation will be effective in China's largest cities as of July 1, 2019 and this is expected to result in the replacement of one million heavy duty trucks.

The Alfdex-separator is the most widely used solution for active cleaning of crankcase gases in truck engines. It was launched in 2004 and has been selected by most truck manufactures in North America, Europe and Japan. During the last twelve months about 700,000 Alfdex-separator units have been sold. The expansion of the manufacturing unit in China means that the total capacity nearly double. Alfdex have also received its first orders in China whereof one is from Weichai, which is the largest engine manufacture in China who also manufactures trucks.

"We see a encouraging development in China" says Mats Ekeroth President and CEO of Alfdex. "It is clear that the air quality is one of the top priorities given by the Chinese government and this opens up the market for our crankcase ventilation systems. Apart from the Weichai order and a couple of other customers, we see a considerable interest in our product which will be supplied out of our factory in Kunshan this year".

About Alfdex

Alfdex is the world leader in reducing crankcase emissions from diesel engines by using an active separation system. The separation principle is based upon Alfa Laval's long experience in centrifugal separator technology for systems that separate liquids from liquids and solid particles from liquids. Alfdex has exploited this special technology and refined it to separate particles and liquid droplets from gas. Three out of four new heavy trucks in North America and Europe are using Alfdex-separators. Over 4 million heavy trucks are today equipped with an Alfdex-system. www.alfdex.com

About Concentric

Concentric is a leader in hydraulic gear products including pumps, motors, power packs and flow dividers for mobile equipment. Leading OEMs rely on Concentric's innovative technology, best-in-class manufacturing, quality and service in a wide range of custom applications. Concentric supports its customers around the world with leading-edge design and development capability and a presence in key international markets such as North and South America, Europe, Asia and India. www.concentricab.com

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About Alfa Laval

Alfa Laval is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce food and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol.

Alfa Laval's products are also used in power plants, aboard ships, oil and gas exploration, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena. Alfa Laval is listed on Nasdaq OMX, and, in 2017, posted annual sales of about SEK 35.3 billion (approx. 3.6 billion Euros). The company has about 16 400 employees. www.alfalaval.com

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