

## **Simplified notification of concentration**

cf. the Norwegian Competition Act section 18 first paragraph and Regulation on the Notification of Concentrations section 3 first paragraph item 3

between

**Alfa Laval Nordic AS**

and

**Frank Mohn AS**

Oslo, 9 April 2014

*Public version*

**1. The notifying party(ies)**

The acquirer

Name: Alfa Laval Nordic AS  
 Reg.no.: 947 932 683  
 Address: Billingstadsletta 13, 1396 Billingstad

The acquirer's representative

Name: Advokatfirmaet BA-HR DA  
 Contact person: Marte Fisknes  
 Lawyer in charge: Rolf Johan Ringdal  
 Address: Postboks 1524 Vika, NO-0117 Oslo  
 Telephone: 21 00 00 50 / 98 41 25 71  
 E-mail: masfi@bahr.no

**2. Other involved party(ies)**

Name: Frank Mohn AS  
 Reg.no.: 912 762 203  
 Address: Hardangervegen 150, 5226 Nesttun

**3. The transaction**

This notification concerns the proposed acquisition by Alfa Laval Nordic AS (together with its affiliates "Alfa Laval") of all the shares in Frank Mohn AS ("Frank Mohn") (previously named Framo Core AS) from Wimoh AS ("Wimoh") (previously named Frank Mohn AS).

In early 2014, Wimoh completed an internal restructuring (the "Restructuring") of the target group. The Restructuring has been conducted in two steps (which for practical purposes can be viewed as one): (i) A demerger of the assets of Wimoh AS into Framo Core II AS, Framo Investering II AS and Framo Finans II AS; and (ii) the merger of Framo Core II AS into Frank Mohn AS ("Frank Mohn"), Framo Investering II AS into Wimoh Invest AS ("Wimoh Invest") and Framo Finans II AS into Wimoh Finans AS ("Wimoh Finans") against consideration shares in Wimoh.

The end result of the Restructuring is that Frank Mohn, Wimoh Invest and Wimoh Finans are 100% owned subsidiaries of Wimoh, which in turn serves as a holding company.

As part of the Restructuring, Wimoh transferred to Frank Mohn its business relating to pump systems for the shipping and offshore industry including all shares and interest shares, etc. in the following companies (shareholding 100% unless otherwise provided):

- Frank Mohn Flatøy AS;
- Frank Mohn Fusa AS;

- Frank Mohn Piping AS (owned through Frank Mohn Services AS);
- Fusatun AS (98% shareholding through Frank Mohn Services AS);
- Halaas & Mohn AS (50% shareholding through Frank Mohn Services AS);
- Frank Mohn Services AS;
- Frank Mohn Houston Inc.;
- Frank Mohn Nederland B.V.;
- Frank Mohn do Brasil Ltda.;
- Chang San Engineering Co. Ltd. (currently 50% shareholding; to be increased to 75% on or prior to closing of the proposed transaction);
- Frank Mohn Nippon K.K.;
- Frank Mohn Singapore PTE Ltd.;
- Frank Mohn China Ltd.;
- Frank Mohn Mexico SA de CV; and
- Frank Mohn Shanghai Ltd.

In addition a separate purchase of all the shares in the company Framo Developments AS ("Framo Developments") by Frank Mohn from Meteva AS has been completed prior to the date of this notification, so that Framo Developments is now a 100% owned subsidiary of Frank Mohn.

According to the Share Purchase Agreement of 4 April 2014, Alfa Laval is to acquire 100% of the shares in Frank Mohn from Wimoh.

The proposed acquisition constitutes a change of control according to Section 17 of the Norwegian Competition Act. Completion is conditioned upon approval from the Norwegian Competition Authority.

#### **4. Applicability of a simplified notification**

As described in section 7 below, the parties do not have overlapping activities, nor are they active on vertically related markets with market shares exceeding 25%. Consequently, the transaction qualifies for a simplified notification in accordance with the Notification of Concentrations section 3 first paragraph item 3.

## 5. The involved parties' structure and area of business

### 5.1 Alfa Laval

Alfa Laval is a global supplier of products and solutions for heat transfer, separation and fluid handling. Alfa Laval's key products comprise heat exchangers, separators, pumps and valves, which are used in areas of great social importance, such as energy, environment, food and pharmaceuticals.

The ultimate controlling entity of the Alfa Laval Group is Alfa Laval AB (publ). With approximately 36,000 shareholders at the end of 2013, the largest being Tetra Laval with a shareholding of 26.1%, no shareholder has sole or joint control of Alfa Laval AB.

Alfa Laval has a large number of subsidiaries incorporated worldwide, a list of which is provided in note 19 to its financial statements.<sup>1</sup>

In 2013, Alfa Laval's global net sales amounted to SEK 29,934 million, including SEK million in Norway.

Alfa Laval's business is divided into three divisions/operating segments performing sales to external customers, i.e. "Equipment", "Process Technology" and "Marine & Diesel". Alfa Laval furthermore has a business division "Other" covering procurement, production, logistics, corporate overhead and other non-core businesses.

The three sales divisions may in turn be divided between several customer segments. The Equipment division consists of four customer segments, namely Industrial Equipment, OEM, Sanitary Equipment and the aftermarket segment Parts & Service. Similarly, the Process Technology division may be divided into the four customer segments Energy & Environment, Food Technology, Process Industry and the aftermarket segment Parts & Service. The Marine & Diesel division consists of three customer segments, namely Marine & Diesel Equipment, Marine & Offshore Systems and the aftermarket segment Parts & Service.

A brief description of Alfa Laval's main products is provided below:

#### Heat transfer products

Heat exchangers transfer heating or cooling, usually between different fluids, but also by the use of air. Heat exchangers help optimising energy use for heating, cooling, refrigeration, ventilation, evaporation and condensation. Today, most industrial processes require some form of solution for heat transfer. Alfa Laval's heat transfer products include plate heat exchangers, air heat exchangers, thermal fluid systems, boilers and shell-and-tube heat exchangers.

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<sup>1</sup> As mentioned below, Alfa Laval's 2013 annual report is available at [http://www.alfalaval.com/about-us/investors/Reports/annual-reports/Documents/Annual\\_report\\_2013.pdf](http://www.alfalaval.com/about-us/investors/Reports/annual-reports/Documents/Annual_report_2013.pdf)

In 2013, Alfa Laval's global heat transfer product sales amounted to SEK 16,001 million.

## Separation products

Separation technology is used to separate different liquids from each other and solid particles from liquids, as well as particles and liquids from gases. Alfa Laval's separation products are used in industries such as food, pharmaceuticals, chemicals, oil and wastewater treatment, and include belt filter presses, high-speed separators, membrane filtration and decanters.

In 2013, Alfa Laval's global separation product sales amounted to SEK 6,709 million.

## Fluid handling products

Fluid handling products are applied to transport and regulate fluids. Alfa Laval's fluid handling products are used in applications for the production of beverages, dairy products, food, pharmaceutical products and personal care products, and include condensers, deodorizers, tank and tank cleaning equipment, tap water systems, tubes and fittings, valves and pumps. The latter are used to drive the flow of liquids, and Alfa Laval mainly offers centrifugal, liquid ring and rotary lobe pumps.

In 2013, Alfa Laval's global fluid handling product sales amounted to SEK 3,254 million.

For further information on Alfa Laval, please visit its website at [www.lafalaval.com](http://www.lafalaval.com).

## 5.2 Frank Mohn

Frank Mohn is a manufacturer of pumping systems for the shipping and offshore industry. Headquartered in Norway, Frank Mohn has a global presence with subsidiaries incorporated in Europe, North and South America, Africa and Asia.

In 2013, Frank Mohn sales amounted to NOK            million from customers located in about 30 different countries, with customers in South Korea and Norway accounting for    % and    %, respectively, of overall revenues.

Frank Mohn's key market segments are product tankers, chemical tankers and offshore FPSOs.

Frank Mohn's marine pumping solutions include submerged cargo pumps for handling of any type of liquid cargo, hydraulic drives for power transmission and hydraulic piping systems, cargo piping layout design, cooling systems and diffusers for cargo circulation.

Frank Mohn's oil & gas pumping solutions include cable free electric submersible pumps, water injection pumps, hydraulic fire pumps and electric fire water pumps.

Frank Mohn's oil recovery systems include portable pumping systems for emergency offloading of liquid cargo, skimmers for handling oil spills and equipment for remote offloading of sunken vessels (ROLS).



Additionally, Frank Mohn provides technical support in the project installation phase, and subsequent service throughout the lifetime of the installation, as well as spare parts.

Frank Mohn's largest customers globally include

## 6. Turnover

	Turnover in Norway 2013 (NOK)
Alfa Laval	
Frank Mohn	

## 7. Markets affected by the concentration

The parties do not have overlapping activities, nor any vertical market relations with market shares exceeding 25%.

Whereas both parties are involved in the production and supply of pumps, the pumps supplied by Alfa Laval and Frank Mohn, respectively, have different applications. As such, whereas the pumps supplied by Frank Mohn are applied on ships/vessels in the marine/oil and gas industry, the pumps supplied by Alfa Laval are mainly applied in the food, drinks and pharmaceutical industry. The marine/offshore pumps are large hydraulically driven submersible pumps with high pressure and high flow rates used to transport oil, chemicals, seawater etc. with high Industrial specification demands. The food/drinks/pharmaceutical pumps are small electric motor driven stand-alone pumps with low pressure and low flow rates used to transport liquid foodstuffs such as milk, juice, beer etc., with particularly high demands for hygiene. Furthermore, Frank Mohn does not deliver pumps as a separate product; rather, Frank Mohn only delivers pumps as part of more comprehensive systems. As such, Frank Mohn supplies pump systems, where the pumps are integrated and installed together with pump systems on product tankers, chemical tankers and offshore FPSOs. Both pumps and pump systems are to a large extent tailor made for the individual customer. Alfa Laval, on the other side, largely supplies separate, standardised pumps.

Accordingly, the respective pumps of Alfa Laval and Frank Mohn are not substitutable products.

## 8. Rationale for the transaction

Alfa Laval has significant and long-standing expertise in successfully operating in a number of industries, and can thus provide an attractive platform for ensuring Frank Mohn's continued positive development as a supplier of pumping systems to the global marine and offshore industry.

Frank Mohn will complement Alfa Laval's offering with highly engineered pumping systems, and allow Alfa Laval to introduce Frank Mohn's products to new customers.

Alfa Laval's acquisition strategy is aimed at constantly optimising the performance of its customers' processes, by seeking to undertake acquisitions and alliances that will

strengthen its existing key technologies by adding new solutions as well as complementary products and distribution channels to Alfa Laval's business.

## 9. Annual reports

The 2012 annual accounts of Alfa Laval Nordic AS are available at the Brønnøysund Register Centre. The 2013 annual report of the Alfa Laval Group is available at [http://www.alfalaval.com/about-us/investors/Reports/annual-reports/Documents/Annual\\_report\\_2013.pdf](http://www.alfalaval.com/about-us/investors/Reports/annual-reports/Documents/Annual_report_2013.pdf). The consolidated 2013 accounts of the parent company Wimoh, which, due to the recently completed restructuring, largely reflect the financials of Frank Mohn, albeit being more comprehensive, are attached as Annex 1. Additionally, the 2013 accounts of Framo Developments AS, which are not included in the consolidated financials of Wimoh AS, are attached as Annex 2.

It is noted that, as Frank Mohn AS was incorporated in November 2013, separate accounts have not been prepared.

## 10. Other

The transaction will be notified to the respective competition authorities in

## 11. Confidentiality

This is a public version of the notification.

Yours sincerely,  
for Advokatfirmaet BA-HR DA

  
Marte Fisknes

Associate

Lawyer in charge: Rolf Johan Ringdal

