

## ***PRESS RELEASE***

### **A new one billion SEK order – Haldex signs agreement with European car manufacturer for serial deliveries of AWD systems**

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Haldex Traction Systems, a division within the Haldex Group, has signed an agreement with a European car manufacturer regarding serial deliveries of AWD systems (All Wheel Drive).

The delivery agreement means that Haldex starts to deliver at a moderate rate during year 2001 and thereafter successively increases the volumes. The order value summed over a 5 year period is estimated to approximately 1 billion SEK.

The now signed delivery agreement means that Haldex has obtained its second AWD customer after the VW Group, which has introduced the Haldex AWD system on cars of VW, Audi, Skoda and SEAT makes. In addition, prototype installations and field tests are ongoing in cooperation with other car manufacturers in Europe, USA and Japan. The new delivery contract confirms Haldex technology and market leadership as regards electronically controlled AWD systems.

The market for four-wheel-drive is large and growing. Approximately 10% of the world's production of light vehicles are equipped with systems for four-wheel-drive. That corresponds to a total yearly market for Haldex AWD system of the order of magnitude of 15 billion SEK. Furthermore, the share of four-wheel-drive vehicles is forecast to increase in the future since controllable systems of Haldex' type improves both traction and safety.

A first phase target for the Haldex Traction Systems division is to achieve a market share of 10% which corresponds to a yearly sales level of 1.5 billion SEK.

The already decided enlargement of the production facility in Landskrona, Sweden, will triple the production capacity as of year 2001.

#### *Haldex AWD system – an advanced IT product*

Haldex AWD system combines advanced mechanics with electronics to so called mechatronics. Mechatronics constitute one of today's largest growth potentials in the vehicle industry as the integration of IT functions in the vehicles accelerates. Haldex AWD system offers all prerequisites for an intelligent integration of the vehicle's drive line with its other systems.

Haldex AWD system is controlled by an electronic control unit with software developed by Haldex. The unit is linked to the vehicle's CAN bus for data communication, whereby a large amount of information is received regarding the driver's actions, engine, transmission and brakes. The electronic control unit is continuously processing the information and optimizes the AWD system in different driving situations without any action from the driver.

The Haldex AWD system is an advanced IT product. The electronics are produced with MCM technology (Multi Chip Module) in order to withstand the rough environment in terms of temperatures and vibrations.

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Haldex is a global supplier of proprietary products for trucks, cars and industrial vehicles, with special emphasis on performance & safety. The Group is listed on the Stockholm Stock Exchange and has yearly sales of 6 BSEK with 4,150 employees. The Group has sales companies in Europe, North & South America and Asia. Production takes place at 8 factories in Europe and 8 in the U.S. as well as in a joint-venture in India.

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