



Innovative Vehicle Technology

PRESS RELEASE

Haldex signs a Letter of Intent regarding development of an electronically controlled differential – a complement to Haldex AWD system

Haldex Traction Systems, a division in the Haldex group, has signed a Letter of Intent with a European car manufacturer regarding the further development and testing of a Haldex concept of an electronically controlled system for torque transfer between the wheels on the same axle – an "intelligent" differential lock.

Conceptual prototypes will be delivered for field testing of the system during the winter.

The new system, which complements Haldex AWD system and broadens the product range in the Traction Systems Division, is expected to be introduced to the market 2004-2005. A not insignificant part of the AWD market is expected to choose the new controllable differential as an additional system.

The new system, integrated in Haldex AWD system, is expected to result in extremely good off-road characteristics. In combination with the vehicle's stabilizing system, the new system is expected to also further improve the vehicle's performance in different driving situations.

As the Haldex AWD system has a modular design and the new system can use common components, the investment in development and production equipment is relatively minor.

By launching our AWD system, Haldex has gained a leading position in the segment of controllable four-wheel-drive systems for cars. Together with Haldex' launching of electronic brake systems and other subsystems for heavy vehicles, the Haldex group has taken important steps in its strategic direction towards vehicle dynamics systems.

The development of a new system, which in cars controls the torque transfer in an intelligent way between the wheels on the same axle, further strengthens Haldex position in vehicle dynamics.

The Haldex group (www.haldex.com), with headquarters in Stockholm, Sweden, is an innovator in vehicle technology with emphasis on vehicle dynamics and supplies proprietary systems and products for trucks, cars and industrial vehicles on a global basis. Haldex is listed on the Stockholm Stock Exchange and has annual sales of approximately 7 billion Swedish Krona with 4,150 employees.

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