



Innovative Vehicle Technology

Full Year Report 2003

4th quarter

- o Turnover amounted to 1,486 MSEK (1,500), a decrease of 1 %. Currency adjusted, turnover increased by 9 %.
- o Operating earnings amounted to 65 MSEK (42) and the margin was 4.6 % (3.1)
- o Earnings before tax amounted to 52 MSEK (28).

Full year 2003

- o Turnover amounted to 6,036 MSEK (6,414), a decline of 6 %. Currency adjusted, turnover increased by 4 %.
- o Operating earnings amounted to 176 MSEK (177) and the margin was 3.1 % (2.9). Excluding one-time items, operating earnings amounted to 233 MSEK (218) and the margin was 4.0 % (3.6). Currency changes affected the result unfavorably with net 30 MSEK.
- o Earnings before tax amounted to 120 MSEK (112). Excluding one-time items, earnings before tax amounted to 177 MSEK (153).
- o Earnings after tax amounted to 70 MSEK (78). Profit per share were SEK 3:18 (3:51). Excluding one-time items, earnings after tax were 127 MSEK (107) and profit per share SEK 5:78 (4:82).
- o Dividend proposal is SEK 1:75 (1:50).

| <i>MSEK</i> | <i>2002</i> | | | | <i>2003</i> | | | | <i>Full year</i> | | <i>Change %</i> |
|------------------------|-------------|-----------|------------|-----------|-------------|-----------|------------|-----------|------------------|-------------|-----------------|
| | <i>I</i> | <i>II</i> | <i>III</i> | <i>IV</i> | <i>I</i> | <i>II</i> | <i>III</i> | <i>IV</i> | <i>2002</i> | <i>2003</i> | |
| Net invoicing | 1,639 | 1,738 | 1,537 | 1,500 | 1,556 | 1,542 | 1,452 | 1,486 | 6,414 | 6,036 | -6% |
| Operating earnings *) | 57 | 86 | 33 | 42 | 66 | 53 | 49 | 65 | 218 | 233 | +7% |
| Operating earnings | 57 | 68 | 33 | 19 | 9 | 53 | 49 | 65 | 177 | 176 | 0% |
| Earnings before tax *) | 39 | 67 | 19 | 28 | 54 | 39 | 32 | 52 | 153 | 177 | +16% |
| Earnings before tax | 39 | 49 | 19 | 5 | -3 | 39 | 32 | 52 | 112 | 120 | +7% |

*) excluding one-time items

Significant business events

In 2003, the market positions were strengthened in several areas.

A break-through occurred for the sales of air disc brakes to heavy vehicles as an order was received from Volvo Trucks/Renault for future serial deliveries.

A letter of intent was signed with FAW – China's largest vehicle manufacturer – regarding establishing a joint-venture, with Haldex as majority shareholder, for the manufacture of air disc brakes in China.

Invitations were received from two European truck manufacturers to participate in their technical work regarding future brake systems, which is a sign that Haldex has developed into a credible and long-term systems partner in the air brake area.

In the four-wheel-drive area, an important business was gained in tough competition when Land Rover chose our AWD system for certain future vehicles. In addition to adding another prestigious car make, important volume increases are achieved. The business also has an important link to Volvo Cars and our current AWD deliveries to Volvo will be prolonged.

During the year new orders were received also from VW to equip additional car models with our AWD system.

The cooperation with Alfa Laval to develop and market the Alfdex system has come close to a commercial break-through. The Alfdex system is an efficient solution to future environment regulations, which sharply tighten the levels of outlets of oily particles in ventilation gases from diesel engines.

New technology was acquired during the year, which with a concept based on variable venturi will significantly reduce the fuel consumption of diesel engines with EGR (Exhaust Gas Recirculation). Prototypes have been developed to be tested in lab and in vehicles.

In the fuel pump product area, delivery contracts were awarded in the US for new diesel engine designs and the already strong position was maintained. A break-through took place on the European market with an order from a leading truck and diesel engine manufacturer.

Our strong position in specialty spring wire products for combustion engines was maintained.

The Market

With the exception of trailer production in North America, vehicle manufacture continued sluggish on our main markets in North America and Western Europe.

The combined production of heavy trucks on the two main markets was unchanged compared to previous year and was 25 % below the peak year 1999. In Europe, air brake systems are used on lighter weight classes (from 6 tons) than in North America. The combined production of trucks equipped with air brake systems declined by 1 % on the two main markets, from some 550,000 units to 547,000. The combined production of trailers increased by 15 %, from 336,000 units to 386,000. Together, the production of trucks and trailers on the two main markets increased by 5 %.

In order to assess the development of the air brake market, one must – in addition to the number of vehicle units produced – also consider the following factors.

The aftermarket constitutes about half of the total market and increased only marginally. The delivery value of brake equipment to a truck is almost double the one to a trailer (e.g. compressors and air dryers are only installed on trucks). The value per vehicle unit of the market served by Haldex is higher in Europe than in North America, as air disc brakes are still almost only prevalent in Europe. Weighing these factors together – at unchanged currency rates and market prices – the market for air brake systems increased about 2 % between the years, whereas the production of truck and trailer units increased by 5 %. With the decline of the dollar and price reductions of some 1.5 %, the air brake market between the two years declined by 6 % expressed in SEK.

The production of light vehicles (passenger cars and light trucks) declined in both Western Europe and North America. Together, the decline was 2.5 %.

The market for construction vehicles and forklifts improved in North America, but remained sluggish in Western Europe.

Market estimate 2004

After a prolonged period of depressed business climate, the vehicle market is now heading for a healthier phase. According to the projections from J.D. Power, January 2004, the North American production of heavy trucks and trailers will both increase by 30 % in 2004. In Western Europe, the heavy truck production is estimated to decline by 1 %, whereas medium heavy trucks (6-15 tons) are expected to increase by 3.5 %. The forecast for the European trailer production is an increase of 6 %. Combined for the two main markets, the production of air braked trucks is forecast to increase by 10 % and trailers by 20 %, together an increase of 14 %.

Thus, the market for air brake systems – including the aftermarket – in North America and Western Europe is estimated to increase by 6 % at unchanged currency rates and market prices.

J.D. Powers forecast for production of light vehicles points to an increase in North America of 2.5 %, whereas the level in Western Europe is estimated to remain unchanged.

The market for construction machinery and forklifts is estimated to develop positively in North America, but remain unchanged in Western Europe.

Sales

The group's order intake for the full year amounted to 6,009 MSEK (6,482), a decline of 7 %. Adjusted for currency rate changes, order intake increased by 3 %.

The order intake in the 4th quarter amounted to 1,511 MSEK (1,465), an increase of 3 %. Currency adjusted, the increase was 13 %.

The turnover for the full year amounted to 6,036 MSEK (6,414), a decline of 6 %. Currency adjusted, the turnover increased by 4 %.

The turnover in the 4th quarter amounted to 1,486 MSEK (1,500), a decline of 1 %. Currency adjusted, the turnover increased by 9 %.

The turnover per business area and per region developed as follows:

| <i>MSEK</i> | <i>Full year</i> | | <i>Change 2003 vs. 2002</i> | |
|-----------------------------|-------------------------|--------------------|------------------------------------|-----------------------------|
| | <i>2003</i> | <i>2002</i> | <i>Nominal</i> | <i>Currency adj.</i> |
| Group | 6,036 | 6,414 | -6 % | + 4 % |
| Commercial Vehicles Systems | 3,757 | 4,260 | -12 % | - 1 % |
| Hydraulic Systems | 934 | 973 | - 4 % | + 8 % |
| Garphyttan Wire | 793 | 814 | - 2 % | + 4 % |
| Traction Systems | 552 | 367 | +50 % | +50 % |
| ----- | | | | |
| North America | 2,985 | 3,464 | -14 % | +2 % |
| Europe | 2,733 | 2,586 | +6 % | +7 % |
| Asia | 183 | 242 | -24 % | -10 % |
| South America | 135 | 122 | +11 % | +47 % |

The increase in Traction Systems is explained by the deliveries to Volvo which took place during the whole year, whereas they started only in the second half last year. Garphyttan Wire increased currency adjusted sales in spite of the decline in car production. The currency adjusted sales in Hydraulic Systems increased as certain segments in North America had an uptick and new business was awarded on both main markets.

In Commercial Vehicle Systems, the North American sales in dollars increased by 3.5 %, which was in line with the development of the air brake market, including aftermarket. In Europe, the sales declined by 10 %, whereas the air brake market declined by 1 %. The discrepancy was mainly caused by the technology shift from drum brakes to disc brakes and by significant market price reductions on ABS/EBS systems.

Results

4th quarter

Operating earnings amounted to 65 MSEK compared to 42 MSEK last year excluding one-time items, an improvement of 55 %. The result was charged with a 7 MSEK write-off of receivables as General Trailer, one of the large European trailer manufacturers, stopped payments. The profit margin for the quarter improved to 4.6 % (3.1).

Earnings before tax and before one-time items amounted to 52 MSEK (28). Including one-time items, earnings before tax was 52 MSEK (19).

In comparison with the 4th quarter last year, operating earnings and margins improved in Commercial Vehicle Systems, Hydraulic Systems and Traction Systems. Garphyttan Wire showed operating earnings and margin on good levels, however somewhat lower than last year.

Full year 2003

The group's operating earnings excluding one-time items amounted to 233 MSEK (218), an increase of 7 %. Currency rate changes affected the result negatively with net 30 MSEK. The net amount consists of currency effects on goods flow and profit translations, together -41 MSEK, as well as currency gains of 11 MSEK due to closed USD forwards as a consequence of increased purchasing in USD and changes in delivery schedules. The result was also charged with the mentioned 7 MSEK write-off of receivables. The profit margin improved to 4.0 % (3.6) and the return on capital employed increased to 8.6 % (7.3). Including one-time items, operating earnings amounted to 176 MSEK (177), the margin to 3.1 % (2.9) and return on capital employed to 6.8 % (6.0).

Traction Systems showed a positive full year for the first time with 15 MSEK (-35), a margin of 2.8 % (-9.5) and a return on capital employed of 12.6 % (neg). The improvement was achieved by increased volumes and reduced costs.

Operating earnings in Hydraulic Systems improved to 32 MSEK (14), the margin increased to 3.4 % (1.4) and the return on capital employed rose to 10.1 % (4.0). Also here due to increased volumes and reduced costs and in spite of negative currency effects.

The result in Garphyttan Wire decreased to 75 MSEK (81), the margin to 9.4 % (9.9), whereas the return on capital employed was unchanged at 22.3 %. The lower result was mainly an effect of changed currency rates.

In Commercial Vehicle Systems the result decreased to 111 MSEK (158) and the margin to 2.9 % (3.7). The return on capital employed declined to 5.7 % (7.1). The lower result was mainly due to currency effects, 23 MSEK; volume reduction of 1 %, 11 MSEK; lower non-return core income in the remanufacturing business on the North American aftermarket, 9 MSEK; and the receivable write-off regarding General Trailer, 7 MSEK.

The group's earnings before tax and before one-time items amounted to 177 MSEK (153), an improvement of 16 %. Including one-time items, earnings before tax were 120 MSEK (112), an increase of 7 %. Currency rates affected negatively with net 25 MSEK.

The earnings after tax amounted to 70 MSEK (78). The result after tax does not include any potential tax income pertaining to the restructuring reservation of 57 MSEK, which explains the higher tax rate.

The group's goal for profitability is a 15 % return on capital employed, as an average over a business cycle. During the 10-year period 1993-2003, the average return was 16 %.

During the last three years at the bottom of the vehicle business cycle, the average return was 6.2 %. The return in this period was also negatively affected by a few large product introductions (AWD, Air Disc Brake, ECAM), which with small starting volumes have had negative contributions. AWD now shows profits.

Cost reducing actions

Actions to improve the group's cost structure progress according to plan.

In Heidelberg, union negotiations have been concluded and agreement achieved. Downsizing of personnel and outsourcing to sub-suppliers in Eastern Europe are ongoing. The change is expected to be finalized after summer this year and the cost/benefit calculation remains unchanged.

In Blackburn, UK, the machining operations discontinued at year-end and were outsourced to sub-suppliers in Eastern Europe and India. At midyear this year, the factory will be closed and final assembly and test moved to a Haldex facility in Hungary, which is under construction. Haldex Hungary will serve as an assembly unit also for the other products in the group.

In North America, certain production in the U.S. will be transferred during the year to Mexico and a concentration of the 15 brake relining centers will take place.

Activities are ongoing and resources have been allocated to increase purchasing from sub-suppliers in low-cost countries in East Europe, India and China.

Rationalizations and personnel downsizing are ongoing or planned, for example in Landskrona, Sweden and Kansas City, USA, within Commercial Vehicle Systems.

Cash flow

The group's cash flow from operations before capital expenditures amounted to 356 MSEK (572). The cash flow after capital expenditures was 88 MSEK (338). The previous year's large reduction of working capital could not be repeated in 2003. However, the capital tie-up expressed in days improved: inventory days from 55 to 53 and accounts receivable days from 56 to 52.

Purchase of shares

During 2003 no purchase of own shares took place. The board has decided to propose to the general assembly that the mandate to buy own shares be prolonged.

Dividend

The board's policy for distribution of free capital to the shareholders includes both dividend and purchase of shares. As a guideline, 1/3 of profits after tax over a business cycle should be distributed to the owners, whereby the future expected financial position should be taken into account.

For the business year 2003, the board proposes a dividend to the shareholders of SEK 1:75 (1:50).

Outlook 2004

It is estimated that the market conditions will improve successively during 2004 – in particular in North America. Ongoing structural changes start to show effects on costs in the second half of the year. At the present dollar rate to SEK, which is lower than previous year's average, both sales and results will be unfavorably affected. A change of the USD/SEK rate of 0.1 SEK affects the result with approximately 2 MSK. The group's sales, therefore, are estimated to show a moderate increase, whereas profits and profitability ought to show a more marked improvement.

Accounting principles

This report is prepared in accordance with recommendations issued by the Swedish Financial Accounting Standards Council. In comparison to earlier reports, warranty reserves are shown under "Provisions". In earlier reports warranty reserves were included in "Other current liabilities". Other than that, the accounting principles used in this report are the same as the ones used in the latest Annual Report.

As of 2004 Haldex will use the recommendation RR29 issued by the Swedish Financial Accounting Standards Council regarding "Remuneration to employees" in the group accounting. The rules are based on IAS 19. The change-over to RR29 means that the group's pension liabilities increase by around 125 MSEK. Net after deduction of deferred tax, the group's own capital is affected by approximately 87 MSEK. The change will be made as per January 1, 2004 and will not effect profit or cash flow.

Future reporting

| | |
|----------------------------------|----------------------------|
| Annual Report | March 2004 |
| Shareholders' Meeting | 14 April 2004 in Stockholm |
| Interim Report January-March | 27 April 2004 |
| Interim Report January-June | 26 July 2004 |
| Interim Report January-September | 22 October 2004 |
| Full Year Report 2004 | February 2005 |

Stockholm February 19, 2004

Claes Warnander
President & CEO

| Profit & Loss, Group | Oct-Dec | | Total | Total | Total |
|---|--------------|--------------|--------------|--------------|--------------|
| Amounts in MSEK | 2003 | 2002 | 2003 | 2002 | 2001 |
| Net sales | 1,486 | 1,500 | 6,036 | 6,414 | 6,225 |
| Cost of goods sold | -1,108 | -1,131 | -4,491 | -4,790 | -4,653 |
| Gross profit | 378 | 369 | 1,545 | 1,624 | 1,572 |
| | 25.4% | 24.6% | 25.6% | 25.3% | 25.3% |
| Sales, G&A and R&D costs | -317 | -340 | -1,313 | -1,420 | -1,420 |
| Other revenues and costs | 4 | 13 | 1 | 14 | 26 |
| Non-recurring items | - | -23 | -57 | -41 | - |
| Operating profit | 65 | 19 | 176 | 177 | 178 |
| Financial net | -13 | -14 | -56 | -65 | -66 |
| Earnings before tax | 52 | 5 | 120 | 112 | 112 |
| Taxes | -8 | 3 | -50 | -34 | -34 |
| Net income | 44 | 8 | 70 | 78 | 78 |
| Earnings per share, SEK | 1:98 | 0:35 | 3:18 | 3:51 | 3:49 |
| Balance Sheet, Group | | | | | |
| Amounts in MSEK | | | 031231 | 021231 | 011231 |
| Intangible assets | | | 507 | 539 | 432 |
| Tangible assets | | | 1,257 | 1,405 | 1,584 |
| Financial assets | | | 59 | 71 | 90 |
| Inventories | | | 655 | 721 | 905 |
| Current receivables | | | 963 | 1,016 | 1,036 |
| Cash | | | 155 | 107 | 156 |
| Assets | | | 3,596 | 3,859 | 4,203 |
| Shareholders equity ¹⁾ | | | 1,384 | 1,563 | 1,813 |
| Minority | | | 4 | - | - |
| Provisions | | | 412 | 402 | 455 |
| Long-term liabilities | | | 764 | 750 | 677 |
| Short-term debt | | | 16 | 20 | 31 |
| Other current liabilities | | | 764 | 750 | 677 |
| Shareholders' equity and liabilities | | | 3,596 | 3,859 | 4,203 |
| 1) Change in shareholders' equity | | | | | |
| Shareholders' equity beginning of period | | | 1,563 | 1,813 | 1,645 |
| Buy-back of shares | | | - | -8 | -10 |
| Dividend | | | -33 | -33 | -67 |
| Translation difference | | | -216 | -287 | 167 |
| Net income | | | 70 | 78 | 78 |
| Shareholders' equity end of period | | | 1,384 | 1,563 | 1,813 |

| Cash Flow Statement, Group | Total | Total | Total |
|--|--------------|--------------|--------------|
| Amounts in MSEK | 2003 | 2002 | 2001 |
| Operating profit | 176 | 177 | 178 |
| Depreciation on fixed assets | 287 | 309 | 277 |
| Financial net & taxes paid | -102 | -122 | -84 |
| Change in working capital | -5 | 208 | -36 |
| <i>Cash flow from operations</i> | 356 | 572 | 335 |
| Net investments | -268 | -234 | -257 |
| Acquisitions | -30 | -237 | -24 |
| Divestiture of shares | 1 | -3 | -37 |
| <i>Cash flow from expenditures</i> | -297 | -474 | -318 |
| Cash flow | 59 | 98 | 17 |
| Buy-back of shares | - | -8 | -10 |
| Dividend | -33 | -33 | -67 |
| Change in debt and pension liabilities | -2 | -101 | 52 |
| Change in other long-term liabilities | 15 | 4 | 5 |
| Change in long-term receivables | 14 | -4 | 5 |
| <i>Cash flow from financing activities</i> | -6 | -142 | -15 |
| Change in cash excl. translation difference | 53 | -44 | 2 |
| Translation difference on cash | -5 | -5 | 2 |
| Change in cash | 48 | -49 | 4 |
| Key ratios | Total | Total | Total |
| | 2003 | 2002 | 2001 |
| Profit margin, % | 3.1 | 2.9 | 3.0 |
| Profit margin, excl. one-time items, % | 4.0 | 3.6 | 3.0 |
| Return on capital employed, % | 6.8 | 6.0 | 5.8 |
| Return on equity, % | 4.8 | 4.6 | 4.4 |
| Interest coverage ratio, times | 2.8 | 2.5 | 2.5 |
| Equity/assets ratio, % | 39 | 41 | 43 |
| Debt/equity ratio, % | 74 | 77 | 73 |
| Share data | Total | Total | Total |
| | 2003 | 2002 | 2001 |
| Earnings after tax, SEK | 3:18 | 3:51 | 3:49 |
| Earnings after tax, excl. one-time items, SEK | 5:78 | 4:82 | 3:49 |
| Shareholders' equity, SEK | 62:71 | 70:83 | 81:78 |
| Average no. of shares, (000) | 22,065 | 22,145 | 22,273 |
| No. of shares end of period, (000) | 22,065 | 22,065 | 22,165 |
| Market value, SEK | 102:00 | 78:00 | 87:00 |

Quarterly development:

| MSEK | Total | | | | | Total | | | | | Total | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | I | II | III | IV | 2001 | I | II | III | IV | 2002 | I | II | III | IV | 2003 |
| <i>Group</i> | | | | | | | | | | | | | | | |
| Order intake | 1,699 | 1,510 | 1,481 | 1,348 | 6,038 | 1,777 | 1,705 | 1,535 | 1,465 | 6,482 | 1,673 | 1,431 | 1,394 | 1,511 | 6,009 |
| Net sales | 1,648 | 1,627 | 1,481 | 1,469 | 6,225 | 1,639 | 1,738 | 1,537 | 1,500 | 6,414 | 1,556 | 1,542 | 1,452 | 1,486 | 6,036 |
| Operating profit | 76 | 52 | 32 | 18 | 178 | 57 | 68 | 33 | 19 | 177 | 9 | 53 | 49 | 65 | 176 |
| Earnings before tax | 60 | 33 | 17 | 2 | 112 | 39 | 49 | 19 | 5 | 112 | -3 | 39 | 32 | 52 | 120 |
| Net income | 40 | 22 | 11 | 5 | 78 | 26 | 32 | 12 | 8 | 78 | -21 | 27 | 20 | 44 | 70 |
| R&D, % | 4.7 | 4.8 | 4.9 | 4.9 | 4.8 | 4.5 | 4.3 | 4.3 | 5.1 | 4.5 | 4.7 | 4.5 | 5.1 | 5.4 | 4.9 |
| Profit margin, % | 4.7 | 3.4 | 2.4 | 1.3 | 3.0 | 3.7 | 3.9 | 2.3 | 1.6 | 2.9 | 0.8 | 3.5 | 3.5 | 4.6 | 3.1 |
| Return on capital employed, % | | | | | 5.8 | | | | | 6.0 | | | | | 6.8 |
| <i>Commercial Vehicle Systems</i> | | | | | | | | | | | | | | | |
| Net sales | 1,047 | 1,051 | 984 | 968 | 4,050 | 1,115 | 1,179 | 1,021 | 945 | 4,260 | 977 | 955 | 917 | 908 | 3,757 |
| Operating profit | 50 | 35 | 21 | 26 | 132 | 55 | 73 | 7 | 23 | 158 | 38 | 22 | 21 | 30 | 111 |
| Profit margin, % | 4.8 | 3.3 | 2.2 | 2.5 | 3.2 | 4.9 | 6.1 | 0.8 | 2.6 | 3.7 | 3.9 | 2.4 | 2.3 | 3.2 | 2.9 |
| Return on capital employed, % | | | | | 5.9 | | | | | 7.1 | | | | | 5.7 |
| <i>Hydraulic Systems</i> | | | | | | | | | | | | | | | |
| Net sales | 290 | 285 | 250 | 235 | 1,060 | 251 | 264 | 237 | 221 | 973 | 230 | 236 | 233 | 235 | 934 |
| Operating profit | 18 | 12 | 5 | - 1 | 34 | 5 | 8 | 6 | -5 | 14 | 7 | 6 | 9 | 10 | 32 |
| Profit margin, % | 6.3 | 4.1 | 2.9 | neg | 3.2 | 2.0 | 2.8 | 2.8 | neg | 1.4 | 3.1 | 2.5 | 3.7 | 4.3 | 3.4 |
| Return on capital employed, % | | | | | 8.5 | | | | | 4.0 | | | | | 10.1 |
| <i>Garphyttan Wire</i> | | | | | | | | | | | | | | | |
| Net sales | 217 | 214 | 187 | 186 | 804 | 201 | 220 | 191 | 202 | 814 | 212 | 211 | 180 | 190 | 793 |
| Operating profit | 25 | 19 | 16 | 12 | 72 | 14 | 24 | 22 | 21 | 81 | 20 | 22 | 15 | 18 | 75 |
| Profit margin, % | 11.4 | 8.7 | 8.5 | 6.6 | 8.9 | 7.2 | 10.6 | 11.2 | 10.5 | 9.9 | 9.1 | 10.8 | 7.8 | 9.9 | 9.4 |
| Return on capital employed, % | | | | | 17.1 | | | | | 22.3 | | | | | 22.3 |
| <i>Traction Systems</i> | | | | | | | | | | | | | | | |
| Net sales | 94 | 77 | 60 | 80 | 311 | 72 | 75 | 88 | 132 | 367 | 137 | 140 | 122 | 153 | 552 |
| Operating profit | -17 | -14 | -10 | -19 | -60 | -17 | -19 | - 2 | 3 | -35 | 1 | 3 | 4 | 7 | 15 |
| Profit margin, % | neg | neg | neg | neg | neg | neg | neg | neg | 2.4 | neg | 0.9 | 1.7 | 4.0 | 4.5 | 2.8 |
| Return on capital employed, % | | | | | neg | | | | | neg | | | | | 12.6 |