



Innovative Vehicle Technology

Report from Haldex Annual General Shareholders' Meeting 14 April 2004

President's speech

Excerpts from the speech of the President and CEO Claes Warnander:

- From the latest peak year 1999, the downturn in the current business cycle has been a prolonged one, lasting over the three years from 2001 – 2003. But the automotive market – especially heavy vehicles – now shows signs of a cyclical upturn.
- Haldex has further strengthened its market positions through a number of important new businesses, e.g. disc brakes for trucks; four-wheel-drive system to both existing and new car manufacturers; fuel pumps for diesel engines.
- Haldex has a number of important ongoing product development projects, e.g. ABS/EBS systems for trucks, new disc brakes concepts for trucks; new technology for diesel engines to meet new environmental regulations.
- Measures in order to improve the cost structure are ongoing and follow plans: outsourcing of all machining operations in the Heidelberg production plant; establish a production unit in Hungary; shut down of the Blackburn production plant; relocate some production from USA to Mexico.
- Sales and profitability for 2003 were negatively affected by the weakened US dollar. Despite a sales decrease of 6 % to 6,036 MSEK, the earnings before tax increased with 7 % to 120 MSEK. Excluding one-time items, earnings before tax increased by 16 % to 177 MSEK.
- The business year 2004 will show a beginning of cyclical upturn in the vehicle industry and contribute to increased sales, earnings and profitability. At the present dollar rate against the Swedish krona, there will be a negative impact on sales and earnings expressed in Swedish kronor and as compared to 2003. The group's sales are therefore expected to show a moderate increase, while earnings and profitability should show more pronounced improvement.

Dividend

The annual general meeting confirmed the proposed dividend to the shareholders of SEK 1:75 per share. Monday 19 April 2004 was confirmed as record day for dividend.

Board members

The board members Arne Karlsson, Kurt Palmgren, Bengt Stillström, Caroline Sundewall, Claes Warnander and Cecilia Vieweg were re-elected. The chairman Lars V Kylberg and the board member Leif Rogersson had both declined re-election. Sune Karlsson and Lars Westerberg were elected new members of the board.

Purchase and divestiture of own shares

In accordance with the Board's proposal, the annual general meeting authorized the Board to purchase and divest shares in the company during the period to the next annual general meeting.

Purchase shall be made at the Stockholm Stock Exchange and must at every time be limited to 10 % of the company's total shares. Divestiture of the company's own shares may be made in order to finance acquisition of companies or operations.

Statutory meeting

At the statutory board meeting after the annual general meeting, Sune Karlsson was elected Chairman of the Board.

The Board decided that they may utilize the authorization to purchase the company's own shares.

Stockholm 14 April 2004

HALDEX AB

The Board of Directors