



Innovative Vehicle Technology

PRESS RELEASE

Volvo chooses Alfdex for cleaning of crankcase gases

Stockholm, February 17, 2005 – **The Volvo Group has signed a development and delivery agreement involving the Alfdex system, developed by Alfdex AB, jointly owned by Alfa Laval and Haldex. The agreement includes all the truck brands in the Volvo Group. The order value is approximately 400 MSEK during a five year period and serial deliveries are estimated to commence towards the end of 2005.**

The Alfdex system, which builds on Alfa Laval's centrifugal separation technology, offers a highly efficient removal of oil droplets and soot particles from the ventilation air in the diesel engine crankcases, so called crankcase gases.

Stricter environmental requirements regarding such emissions are being introduced in the western world and in Asia. Regulations are already in force in South Korea. Japan introduced such regulations as from January this year. The North American market will introduce similar demands as from 2007 and in Europe new regulations are expected as from 2008.

There is a great interest in the Alfdex system and most diesel engine manufacturers in Europe, USA and other parts of the world have successfully tested or will test the system. There are a number of ongoing projects. The agreement with the Volvo Group includes all their truck brands, Volvo, Renault and Mack. Deliveries on a small scale have taken place to the South Korean market and serial deliveries are planned to start in the fourth quarter 2005.

“The global market potential for the Alfdex system is estimated to over 1 billion SEK yearly. The agreement with the Volvo Group and the earlier agreement with Scania, means that we in a short period have reached a strong market position”, says Mats Ekeröth, President of Alfdex AB.

The cooperation between Alfa Laval and Haldex – Alfdex – is a successful example of how strength factors in different companies can be combined to create new business opportunities.

Haldex (www.haldex.com), headquartered in Stockholm, Sweden, is a provider of proprietary and innovative solutions to the global vehicle industry, with focus on products in vehicles that enhance safety, environment and vehicle dynamics. Haldex is listed on the Stockholm Stock Exchange and has annual sales of nearly 7 billion SEK with 4,400 employees.

Alfa Laval (www.alfalaval.com) is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena

Alfa Laval is listed on the Stockholm Exchange and, in 2004, posted annual sales of about SEK 15 billion. The company has some 9,500 employees.

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Background information and pictures are available on <http://www.haldex.com/news/photo.asp>