



Innovative vehicle technology

Report from Haldex AB's Annual General Meeting on April 13, 2005

Dividend

The Annual General Meeting adopted the proposed shareholder dividend of SEK 3.00 per share. April 18, 2005 was set as the dividend record date.

Board of Directors

The Meeting reelected board members Arne Karlsson, Sune Karlsson, Kurt Palmgren, Bengt Stillström, Caroline Sundewall, Cecilia Vieweg and Lars Westerberg. Claes Warnander, who will step down as President on June 1, 2005, left the Board of Directors. The Meeting appointed Sune Karlsson as Chairman of the Board.

Purchases and transfers of own shares

The Annual General Meeting resolved, in accordance with the Board's proposal, to grant the Board of Directors authority to purchase and sell shares in the Company during the period until the next Ordinary Annual General Meeting.

Purchases must be made on the Stockholm Stock Exchange, and are limited insofar as the Company's total holdings of its own shares may in no case exceed 10% of the total shares in the Company. The Company's own shares may be sold to finance acquisitions of companies or operations.

President's address

In his address to the Meeting, President Claes Warnander noted the following:

- Haldex market conditions improved substantially during 2004, particularly with regard to products for heavy vehicles. Production of heavy trucks and trailers increased significantly in the primary markets in North America and Europe.
- Market conditions will generally be favorable for Haldex over the next few years as a result of the cyclical upturn in heavy vehicles and construction machinery, the rapidly growing controllable four-wheel drive systems niche, increasing demand for modern vehicle technology in Asia, Russia and South America, and new business opportunities created by stricter safety and environmental regulations..
- During 2004 and early 2005, Haldex was able to announce numerous important new deals with a combined value of roughly BSEK 4.5 over their respective contract terms.
- The prices of certain materials (steel, aluminum, cast iron) rose sharply, due to shortages on the world market. Price competition in the vehicle industry made it difficult to pass these cost increases on to customers. However, greater acceptance of some price increases was seen toward the end of the year. The increased material costs had a net negative impact of roughly 1% on the profit margin.

- A series of restructuring measures was completed in 2004 that will have a collective annual positive impact of MSEK 60-70 on earnings.
- The Group's earnings and profitability improved substantially, despite the significant negative effects of higher material costs and a weakened dollar. Group sales increased 12% to BSEK 6.8, while earnings before tax rose 44% to MSEK 256. Factoring in the reserve for structural costs in 2003, earnings before tax more than doubled. Earnings per share after tax rose by a factor of 2.5 to SEK 8.16 (3.18). The return on capital employed improved nearly 5 percentage points to 11.7% (6.8).
- Continued growth in the production of commercial vehicles is expected during 2005, although the rate of growth will not be as high as in 2004. Group sales for 2005 are expected to total somewhat in excess of BSEK 7. The increased volume, combined with the effects of the completed restructuring measures and price adjustments tied to increases in material prices, are expected to result in substantially higher earnings.
- After 17 years at the helm, Claes Warnander welcomed his successor, Joakim Olsson, to Haldex and wished him the best of luck in taking Haldex to new heights.

Statutory Board meeting

The Board of Directors resolved that it would optionally exercise its authority to buy back the Company's own shares.

Stockholm, April 14, 2004

HALDEX AB

The Board of Directors