



Innovative Vehicle Technology

PRESS RELEASE

Restructuring of Friction Products

Stockholm, Sweden, December 18, 2007 – **In Haldex’s nine-month report, which was issued on October 25 this year, it was announced that a review was to be conducted of the production structure of Friction Products, a business unit within the Commercial Vehicles Systems (CVS) division.**

Friction Products is responsible for the manufacture and sale of lining products for disc brakes and drum brakes in the North American market. Haldex currently produces these products in a plant in Prattville, Alabama, USA.

Under the restructuring plan that has now been established, the production of lining products for drum brakes at the plant in Prattville, will be discontinued and outsourced to sub-suppliers. This measure will result in cost savings and thus increased profitability for the business unit.

Haldex has concluded agreements with a number of suppliers whose production is located in low cost countries. Haldex has implemented a quality-assurance program with these suppliers to ensure that their quality will meet or exceed the current standards. Lining products for drum brakes are mainly sold to the North American aftermarket. CVSs North American sales organization will continue to provide sales and technical support for friction products. Production will be relocated to sub-suppliers during the first quarter of 2008.

Approximately 75 - 85 employees will be affected by the changes.

With respect to the operations that produce lining products for disc brakes, which mainly focus on the North American OEM market, various strategic alternatives are currently being evaluated.

The related costs are estimated at SEK 50 M and pertain primarily to an impairment loss on production equipment and costs resulting from the lay-off of personnel. The repayment period is estimated at one year.

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 8 billion SEK with 6,000 employees

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Haldex discloses the information in this press release according to the Swedish Securities Market Act and/or the Swedish Financial Trading Act. The information was provided for public release on Tuesday, 18 December 2007.