



*Innovative Vehicle Technology*

## **PRESS RELEASE**

### **HALDEX TO DIVEST GARPHYTTAN WIRE**

*Stockholm, Sweden, December 25, 2008*

- **Haldex has reached an agreement with Suzuki Metal regarding a sale of Garphyttan Wire**
- **The purchase price amounts to SEK 800m on a cash and debt free basis**

Haldex AB (“Haldex”) has today reached an agreement with Suzuki Metal Industry Co., Ltd. (“Suzuki Metal”), a Japanese manufacturer of steel wire, to divest its division Garphyttan Wire. The purchase price, which will be paid in cash, is estimated to SEK 800m on a cash and debt free basis. The transaction is expected to be completed during the period April to June 2009 when the final purchase price will be confirmed.

As announced earlier this year after the acquisition of Concentric, Haldex has actively evaluated structural options in order to optimize the Group structure. Hence, Haldex’s strategic rationale for divesting Garphyttan Wire is to focus on segments where the Group can achieve intra-group synergies and sustainable market positions based on innovative and leading products, providing a foundation for long-term growth and good profitability.

Garphyttan Wire is a division with a strong position in the manufacturing of advanced spring wire for use in combustion engines and transmission systems for passenger cars and commercial vehicles. The most important product is valve spring quality wire, which main application is in valve springs for combustion engines. The production facilities are located in Garphyttan (Sweden), South Bend (US) and Suzhou (China). As per September 30, 2008 Garphyttan Wire had 471 employees. During the first nine months in 2008 Garphyttan Wire’s sales amounted to SEK 870m and the operating profit to SEK 88m.

Haldex’s sales excluding Garphyttan Wire for the first nine month 2008 is estimated to SEK 5,669m and an operating profit excluding Garphyttan Wire to SEK 213m. The divestment decreases Haldex’s proforma net debt to SEK 1,650m as per September 30, 2008 and the net debt/EBITDA ratio to 2.6x<sup>1</sup>. The transaction is estimated to result in a capital gain of approximately SEK 400m.

In addition to customary conditions, the transaction is conditional upon Suzuki Metal obtaining a binding agreement regarding the financing of the transaction, regulatory approval and no material adverse change having a significant and disproportionate effect on Garphyttan Wire compared to comparable companies

---

<sup>1</sup> Proforma last twelve months including Concentric

in the industry. Suzuki Metal's financing is supported by a commitment letter from a Japanese bank. The transaction is further supported by Suzuki Metal's largest shareholder Nippon Steel Corporation.

"We are very happy with this agreement. With the divestment of Garphyttan Wire, we have taken a further step to optimize the Group structure and create a more focused Haldex Group. We are convinced that Suzuki Metal will be a good owner with knowledge to further develop the business strategically. Suzuki Metal's acquisition of Garphyttan Wire entails industrial synergies which cannot be achieved within the Haldex Group", says Joakim Olsson, CEO of Haldex.

SEB Enskilda is financial advisor to Haldex on the transaction.

---

Haldex ([www.haldex.com](http://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.

For additional information, please contact

Joakim Olsson, President and Group CEO, phone +46 8 545 049 52 or +46 70-545 049 54  
Stefan Johansson, CFO, phone +46 8 545 049 51 or +46 70-224 24 01.

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 December 25, 2008 at 08.05 a.m. CET.