



*Innovative Vehicle Technology*

## **PRESS RELEASE**

### **Haldex AB proposes to reorganize its divisions into three separate listed entities**

**Stockholm, Sweden, 16 July, 2010 - The Haldex Board of Directors will propose a reorganisation of the divisions of Haldex, so that the Haldex shareholders will subsequently own shares in three separate listed companies instead of a single company. The intention is to submit this proposal to shareholders at the AGM in the second quarter of 2011**

In the judgement of the Board of Directors and Management, the reorganization into three separate listed companies will provide long-term added shareholder value. The strategy of focus has worked, and all three divisions have now achieved such size and profitability that the divisions will have better opportunities as separate listed entities.

Each company will, with a distinct business concept and a clear market and product orientation, focus more clearly on profitable growth opportunities, serving the relevant end markets and developing the independent businesses. The separate companies will provide a clearer and more transparent investment proposal for both existing and potential new shareholders.

It is therefore a natural next step to put a proposal to the shareholders at the next AGM, that Haldex's three existing business divisions – Commercial Vehicle Systems, Hydraulic Systems and Traction Systems- will become three independent listed companies, and Haldex shareholders will own shares in three companies instead of in a single company.

The Haldex Board of Directors will propose a distribution in accordance with the so-called Lex Asea rules. The intention is to submit the proposal to shareholders at the AGM in the second quarter of 2011. This assumes that no information of material importance emerges prior to the AGM that would justify a different and more preferable course of action.

More information will be made available as and when appropriate, and detailed information will be distributed to shareholders at the latest by the time of publishing the 2010 year-end report in the first quarter of 2011.

Lazard is acting as financial advisor and Mannheimer Swartling is acting as legal advisor to Haldex AB.

For further information, please contact:

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*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 Nasdaq OMX Stockholm Stock Exchange and had net sales of nearly 5.5 billion SEK in 2009. The number of employees amounts to about 4,000.*

*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 Friday June 16, 2010.*

# About Haldex

## Haldex in Brief

Haldex 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, headquartered in Stockholm, Sweden, is listed on the Stockholm Stock Exchange. Haldex had a turnover of 5.6 bn SEK and employed 4,281 people in 2009.

Haldex has three divisions: Commercial Vehicle Systems (58% of Group sales), Hydraulic Systems (26%) and Traction Systems (16%).

The Group's sales in 2009 derived 47% from North America, 43% from Europe and 10% from other markets. However, the markets in South America and Asia, foremost China, are growing robustly and their importance to the Group is increasing rapidly.

## Commercial Vehicle Systems

Commercial Vehicle Systems (CVS) develops, manufactures and distributes brake products and brake components for heavy trucks, trailers and buses. The product portfolio comprises all main components and sub-systems included in a complete air brake system. Operations are conducted in four business units: Actuators, Air Controls, Foundation Brake and Remanufactured Products.

- Actuators manufactures brake cylinders that convert energy in the form of compressed air to the mechanical movement required to activate the wheel brakes.
- Air Controls develops and manufactures products to dehumidify and regulate compressed air in brake systems, such as air dehumidifiers and air purifiers, as well as air suspension systems, valves and electronically regulated subsystems (ABS, ESP, EBS)
- Foundation Brake develops and produces the wheel-brake products that provide the actual braking effect, such as disc brakes, automatic brake adjusters for drum brakes and electronic sensor systems for indicating wear on brake surfaces.
- Remanufactured Products provides friction material and relining of drum brakes, remanufacturing and other services

Manufacturing occurs in Brazil, India, China, Mexico, the UK, Sweden, Germany, Hungary and the US.

The share of the market that can be served with Haldex's current product program amounts to about 15 percent. In individual product areas and customer segments, Haldex has a significantly higher market share. Haldex is market leader in automatic brake adjusters and air suspension for trailers.

## Hydraulic Systems

The Hydraulic Systems Division is organized in two business units, Hydraulics and Engines.

**Hydraulics** offers a broad product range of both gear and gerotor pumps together with hydraulic power packs and high-density hydraulic hybrid systems for a wide range of industrial vehicle and diesel-engine installations. The applications include hydraulic lifts and fan drive systems for truck and construction machinery applications.

**Engines** is a market leader in pump technology for diesel engines. The pumps are used to pump lubricating oil, coolants and diesel fuel. The engines are used in trucks, buses, construction machinery, agricultural machinery and off-highway machinery. With four proprietary products, oil and water pumps, Alfdex (joint venture with Alfa Laval) and Varivent, Haldex has unique technology for coping with demands for lower emissions of harmful exhaust gases from engines.

Manufacturing occurs in the UK, China, India, Sweden, Germany and the US.

Hydraulic is a niche player with approximately 20% of the market share in its market niches. Engines is market leader for oil, fuel and water pumps in North America and the rest of the world. Haldex's global market share in these sectors is slightly more than 30%, and just over 40% for oil pumps in North America.

## Traction Systems

Traction Systems develops and produces electronically controllable systems for four-wheel drives for cars, known as AWD systems.

Because these systems are controllable, they can interact better with other subsystems in the car. The system software can be customized to meet each carmaker's particular wishes in terms of driving characteristics and traction.

Production takes place in Landskrona, Sweden and in Irapuato in Mexico. Some preassembly, spare parts production and low-volume production is conducted at Haldex Hungary.

Haldex is a market leader in controllable AWD systems, with a market share in Europe in excess of 50 percent.