

# INTERIM REPORT

January-March 2014

## A strong start to the year, with sound growth and an improved operating margin

### January - March

- Net sales amounted to SEK 1,041 (951) m, equivalent to a growth of 9% compared with the equivalent period of the previous year. After currency adjustments, net sales increased by 9%.
- Operating income excluding one-off items amounted to SEK 84 (55) m, corresponding to an operating margin of 8.1 (5.8)%. Including one-off items, operating income was SEK 83 (55) m and the operating margin was 7.9 (5.8)%.
- Net income after tax increased to SEK 48 (28) m and earnings per share increased to SEK 1.03 (0.61).
- The cash flow from operating activities decreased to SEK 3 (29) m, which is mainly due to an expanded production and sales volume in Q1, and thereby higher capital commitments.
- The Board of Directors proposes to the annual general meeting a dividend of SEK 2.00 per share, and an authorization to buy treasury shares, with the intention of buying treasury shares up to a value of SEK 100 m on an annual basis. The dividend recording date is proposed to be May 5, 2014.

| Key figures   | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Change | Full year<br>2013 |
|---|-----------------|-----------------|--------|-------------------|
| Net sales, SEK m  | 1,041           | 951             | 9%     | 3,920             |
| Operating income, excl. one-off items, SEK m                    | 84              | 55              | 53%    | 281               |
| Operating income, SEK m   | 83              | 55              | 51%    | 153               |
| Operating margin, excl. one-off items, %                        | 8.1             | 5.8             | 2.3    | 7.2               |
| Operating margin, %   | 7.9             | 5.8             | 2.1    | 3.9               |
| Return on capital employed, excl. one-off items, % <sup>1</sup> | 16.1            | 9.5             | 6.6    | 14.6              |
| Return on capital employed, % <sup>1</sup>                      | 9.4             | 6.6             | 2.8    | 7.8               |
| Net income, SEK m   | 48              | 28              | 71%    | 38                |
| Earnings per share, SEK   | 1.03            | 0.61            | 0.42   | 0.80              |
| Cash flow, operating activities, SEK m                          | 3               | 29              | -26    | 282               |

<sup>1</sup> Rolling twelve months

Haldex discloses the information in this Interim Report according to the Swedish Securities Market Act and/or the Swedish Financial Trading Act. The information was provided for public release at 7:20 CET on Tuesday, April 29, 2014.

Haldex AB, Corporate Registration Number 556010-1155, info@haldex.com, www.haldex.com



Innovative Vehicle Solutions



## CEO comment

"We commenced 2014 with a strong Q1. The operating margin continued to improve compared to both Q4 and Q1 of the previous year. With an operating margin of approximately 8%, we exceeded our long-term objective of 7%.

Net sales increased by no less than 9%. It should be noted, however, that revenue was unevenly distributed on the first two quarters of the previous year, with a weaker Q1 than normal, and a stronger Q2 than normal. Disregarding the comparative figures, sales in Q1 2014 exceeded expectations. The negative pre-buy effects relating to Euro6 in Europe, that we anticipated at the beginning of the year, were less pronounced than expected for Haldex. The high level of net sales also affected capital commitments, resulting in lower cash flows in 2014 than in Q1 2013. We regard this as a positive challenge that will be addressed during the year.

We consider the net sales level in absolute figures achieved in Q1 to be a good foundation for our future development. On the other hand, we do not expect the same growth figures in the next quarter as we reported for Q1."

## Industry production trends

| Produced units<br>Industry forecast | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Change | Full year<br>2014 | Full year<br>2013 | Change | Importance<br>for Haldex<br>sales <sup>1</sup> |
|-------------------------------------|-----------------|-----------------|--------|-------------------|-------------------|--------|--|
| <b>Truck</b>                        |                 |                 |        |                   |                   |        |  |
| North America                       | 63,300          | 52,784          | 20%    | 286,000           | 243,003           | 18%    | Moderate                                       |
| Europe                              | 97,770          | 94,325          | 4%     | 414,580           | 438,421           | -5%    | Minor  |
| China                               | 201,315         | 181,439         | 11%    | 790,376           | 760,581           | 4%     | Minor  |
| India                               | 26,957          | 24,963          | 8%     | 106,008           | 92,204            | 15%    | Minor  |
| South America                       | 28,843          | 33,285          | -13%   | 138,585           | 148,893           | -7%    | Minor  |
| All regions                         | 418,185         | 386,796         | 8%     | 1,735,549         | 1,683,102         | 3%     |  |
| <b>Trailer</b>                      |                 |                 |        |                   |                   |        |  |
| North America                       | 61,236          | 62,711          | -2%    | 261,360           | 252,885           | 3%     | Moderate                                       |
| Europe                              | 71,529          | 57,474          | 24%    | 269,922           | 239,475           | 13%    | Moderate                                       |
| China                               | 61,000          | 57,000          | 7%     | 253,000           | 246,050           | 3%     | Minor  |
| India                               | 4,100           | 4,300           | -5%    | 15,600            | 12,574            | 24%    | Minor  |
| South America                       | 18,230          | 17,835          | 2%     | 74,738            | 82,564            | -9%    | Minor  |
| All regions                         | 216,095         | 199,320         | 8%     | 874,620           | 833,548           | 5%     |  |

<sup>1</sup> How much of Haldex' sales that is affected by changes in each category. Example: a change in the number of produced units of heavy trucks in South America is expected to have a minor impact on Haldex' sales, while a change in North America's production is expected to have moderate impact.

### Truck

In total, 418,185 heavy trucks were produced in Q1, which is an increase by 8% compared with the equivalent period of the previous year. In North America the increase by 20% in the build rate had a positive impact on Haldex' sales. In Europe, the build rate increased by 4%, in China by 11% and in India by 8%, while the build rate fell by 13% in South America. However, Haldex's sales are less dependent on the development in the last-mentioned regions.

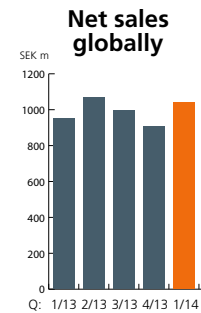
### Trailer

Production of trailers amounted to 216,095 in Q1, which is an increase by 8% from the equivalent period of the previous year. Production in the two most important regions for Haldex, North America and Europe, showed diverging trends, with a reduction by 2% in North America and an increase by 24% in Europe. The build rate in China increased by 7%, and in South America by 2%, while it fell by 5% in India during Q1.

The production statistics are a prognosis from external sources. The historical figures also reflect estimated production rather than the industry's actual results. The data concerning trucks is based on statistics from JD Powers, unless otherwise stated. The data on the trailer market concerning Europe is based on statistics from CLEAR; the data on trucks and trailers in North America is based on statistics from ACT; and the trailer data from South America and Asia is based on local sources.

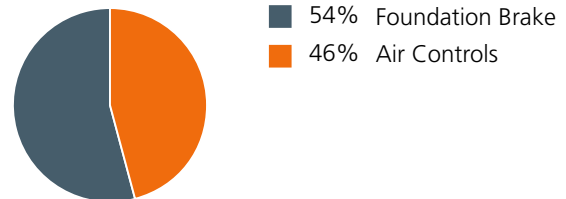
## Net sales for the Group

Net sales in Q1 amounted to SEK 1,041 m, compared to SEK 951 m for the equivalent period of the previous year. Adjusted for currency adjustments, net sales increased by 9% compared to the equivalent period of the previous year.



## Net sales per product line

Haldex has two main product lines. Foundation Brake includes brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and actuators. Air Controls comprises products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves, ABS and EBS.



Net sales within Foundation Brake amounted to SEK 563 (508) m in Q1. After currency adjustment this is an increase by 11% compared to the equivalent period of the previous year.

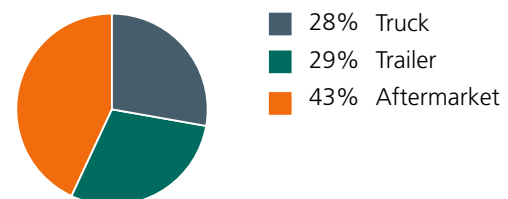
Net sales within Air Controls amounted to SEK 478 (443) m in Q1. After currency adjustment this is an increase by 7% compared to the equivalent period of the previous year.

| Net sales, SEK m | Jan-Mar 2014 | Jan-Mar 2013 | Change <sup>1</sup> | Full year 2013 |
|------------------|--------------|--------------|---------------------|----------------|
| Foundation Brake | 563          | 508          | 11%                 | 2,106          |
| Air Controls     | 478          | 443          | 7%                  | 1,814          |
| Total            | 1,041        | 951          | 9%                  | 3,920          |

<sup>1</sup> Currency adjusted

## Net sales per customer category

Haldex operates in the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 296 (265) m in Q1. After currency adjustments this is an increase by 13% compared to the equivalent period of the previous year.



Net sales within Trailer amounted to SEK 303 (260) m in Q1. After currency adjustments this is an increase by 15% compared to the equivalent period of the previous year.

Net sales to the Aftermarket amounted to SEK 442 (426) m in Q1. After currency adjustments this is an increase by 3% compared to the equivalent period of the previous year.

| Net sales, SEK m | Jan-Mar 2014 | Jan-Mar 2013 | Change <sup>1</sup> | Full year 2013 |
|------------------|--------------|--------------|---------------------|----------------|
| Truck            | 296          | 265          | 13%                 | 1,117          |
| Trailer          | 303          | 260          | 15%                 | 1,087          |
| Aftermarket      | 442          | 426          | 3%                  | 1,716          |
| Total            | 1,041        | 951          | 9%                  | 3,920          |

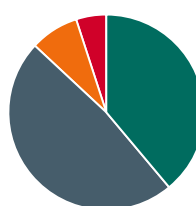
<sup>1</sup> Currency adjusted

## Net sales per region

In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. In Europe, net sales increased to SEK 400 (340) m in Q1. This corresponds to a currency-adjusted increase by 14% for Q1 compared to the equivalent period of the previous year.

In North America, the distribution between Truck and Trailer is more evenly distributed than in Europe. In this case, too, the aftermarket accounts for a significant ratio of sales. In North America, net sales amounted to SEK 511 (484) m in Q1. After currency adjustment, net sales increased by 6% in Q1 compared with the equivalent period of the previous year.

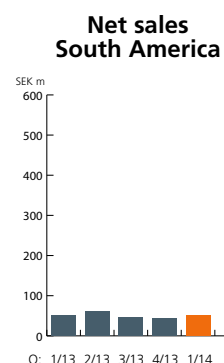
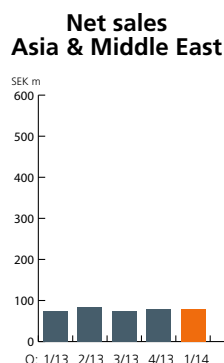
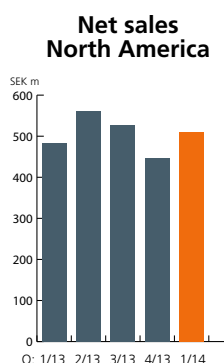
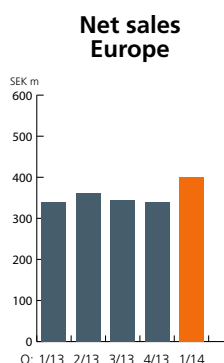
In Asia, with China and India as key markets, trucks without trailers are still the most common type of truck. This means that Haldex' sales are more focused on Truck than on Trailer. The aftermarket accounts for a small proportion of sales. In Asia and the Middle East, net sales amounted to SEK 79 (75) m in Q1. After



- 38% Europe
- 49% North America
- 8% Asia & Middle East
- 5% South America

currency adjustment, net sales increased by 6% in Q1 compared with the equivalent period of the previous year.

In South America, sales for Truck is greater than sales for Trailer and the aftermarket. Net sales in Q1 amounted to SEK 51 (52) m. Even though net sales are in line with Q1 of the previous year, this is still an increase by 16% in terms of currency-adjusted comparative figures.



| Net sales, SEK m   | Jan-Mar 2014 | Jan-Mar 2013 | Change <sup>1</sup> | Full year 2013 |
|--------------------|--------------|--------------|---------------------|----------------|
| Europe             | 400          | 340          | 14%                 | 1,386          |
| North America      | 511          | 484          | 6%                  | 2,019          |
| Asia & Middle East | 79           | 75           | 6%                  | 313            |
| South America      | 51           | 52           | 16%                 | 202            |
| <b>Total</b>       | <b>1,041</b> | <b>951</b>   | <b>9%</b>           | <b>3,920</b>   |

<sup>1</sup> Currency adjusted

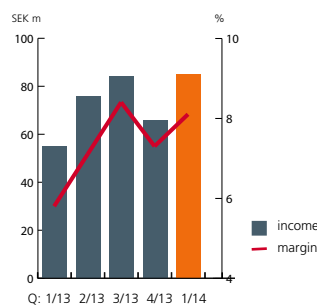
## Earnings

Operating income for Q1 excluding one-off items amounted to SEK 84 (55) m, which is equivalent to an operating margin of 8.1 (5.8)%. The operating income and operating margin including one-off items amounted to SEK 83 (55) m and 7.9 (5.8)%, respectively.

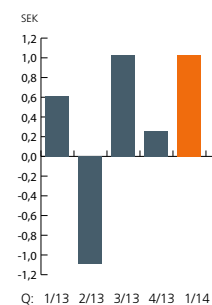
The income before tax was SEK 75 (45) m. The income before tax was influenced negatively by restructuring costs of SEK 3 m and positively by capital gain on property divestment amounting to SEK 2 m. The net income amounted to SEK 48 (28) m and earnings per share were SEK 1.03 (0.61) for Q1.

Currency fluctuations, as well as the result of currency hedging and currency translation effects, had a positive impact on the Group's operating profit of SEK 3 m compared with the equivalent period of the previous year.

### Operating income & margin (excl. one-off items)



### Earnings per share



| Earnings                                     | Jan-Mar 2014 | Jan-Mar 2013 | Change | Full year 2013 |
|--|--------------|--------------|--------|----------------|
| Operating income, excl. one-off items, SEK m | 84           | 55           | 53%    | 281            |
| Operating income, SEK m                      | 83           | 55           | 51%    | 153            |
| Operating margin, excl. one-off items, %     | 8.1          | 5.8          | 2.3    | 7.2            |
| Operating margin, %                          | 7.9          | 5.8          | 2.1    | 3.9            |
| Net income, SEK m                            | 48           | 28           | 71%    | 38             |
| Earnings per share, SEK                      | 1.03         | 0.61         | 0.42   | 0.80           |

## Restructuring program

On May 21, 2013, Haldex published a restructuring program that is expected to result in total annual savings of SEK 100 m. The total costs of the program amount to SEK 250 m, with cash effects of approximately SEK 150 m. The program includes costs related to the work of consolidating central processes and functions, optimising sales and administration costs, adjusting the European production structure and product rationalisation measures. The program will run up to and including 2015 and includes staff reductions by around 200 employees, as well as other measures to reduce operating costs. The savings will be apparent on a gradual basis, as sub-projects within the restructuring program are executed. The costs will be recognised as sub-projects are approved and executed during the period defined.

So far, SEK 131 m has been recognised as costs in conjunction with activities in the UK, Germany and Hungary, of which SEK 3 m in Q1 2014.

- The UK – the R&D function has relocated from Redditch to Mira Technology Park, which has one of Europe's best test tracks. Construction work on the new facility commenced in Q1 2014. The former office has moved into one of Mira's existing buildings until Haldex' customised facility is completed in autumn 2014. Once the new building is in place, construction and testing will take place at the same site, leading to shorter development cycles and better customer response.
- Germany – negotiations with the trade unions, in conjunction with the restructuring of the German activities, have taken longer than expected. Due to the delayed schedule, the first savings in Germany are not expected to have an impact until during 2015.
- Hungary – Haldex has commenced preparations to expand the production capacity, and the tenant with which Haldex has shared the premises has commenced its relocation to new premises.

## Financial position

As of March 31, 2014 the Group's net debt amounted to SEK 408 (566) m, of which a pension liability of SEK 313 (315) m. The net debt primarily consists of cash and cash equivalents amounting to SEK 318 (359) m, interest-bearing debts of SEK 410 (609) m, and a pension liability of SEK 313 (315) m. The value of derivative instruments in respect of the Group's loans in foreign currency is also included in the net debt, at SEK -3 (-1) m.

Haldex' primary sources of loan financing comprise:

- A bond loan of SEK 270 m maturing in January 2015.
- A syndicated credit facility of USD 95 m, maturing in 2016. At the end of the quarter, USD 20 m of the facility had been utilised.

During 2014 so far, there have been no changes in the security pledged as collateral or contingencies.

Equity amounted to SEK 1,177 (1,149) m, resulting in an equity ratio of 45 (43)%.

| Cash flow and cash equivalents, SEK m        | Jan-Mar 2014 | Jan-Mar 2013 | Change |
|--|--------------|--------------|--------|
| Cash flow, operating activities              | 3            | 29           | -26    |
| Cash flow after investment activities        | -2           | 9            | -11    |
| Cash and cash equivalents (at end of period) | 318          | 359          | -41    |

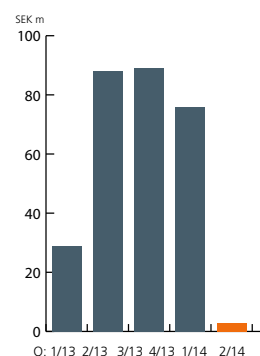
## Cash flow

Cash flow from operating activities amounted to SEK 3 (29) m in Q1, including restructuring costs of SEK 3 (-) m. Cash flow was affected negatively by an increased production and sales volume, leading to more capital tied up.

Investments amounted to SEK 27 (20) m. There was also a positive cash flow from the divestment of a property of SEK 22 (-) m, resulting in a cash flow after investment for Haldex of SEK -2 (9) m.

Cash flow totalled SEK -3 (17) m in Q1.

**Cash flow**  
operating activities



## Other

### Significant risks and uncertainties

Haldex is exposed to risks of a financial and an operational nature. The Group has a process for risk identification and risk management that is described in Haldex' Annual Report and Corporate Governance Report for 2013, at page 37-40 and 80-81.

As described in the Annual Report, the consolidated report presents certain assessments and assumptions concerning the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes, guarantee reserves and pensions are areas representing the highest risk of future adjustments to recognised values.

### Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex' activities. This information is based on the Haldex management's current expectations, assessments and forecasts. Actual future outcomes may vary significantly from the forward-looking information presented in this report, among other things due to changes in assumptions concerning economic factors, markets and competition.

### Transactions with related parties

There have been no transactions with a significant impact on the Group's position and result between Haldex and related parties.

### Corporate acquisitions and divestments

There were no acquisitions or divestments in 2014.

### Accounting principles

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company's report is presented in accordance with the the Swedish Financial Reporting Board's recommendation RFR 2 "Financial reporting for legal entities" and the Swedish Annual Accounts Act. The reporting principles are thus unchanged from the principles presented in the Annual Report for 2013 at page 45-49.



## Taxes

The tax rate for the first quarter was 36 (38)%. The tax rate, excluding restructuring costs, for the full year 2013 was 39%.

## Parent company

Haldex AB (publ), Corporate Registration Number 556010-1155, is a registered limited liability corporation with its registered office in Landskrona, Sweden. Haldex AB's shares are listed on the Nasdaq OMX Exchange in Stockholm, Mid Cap.

The net sales of the parent company in Q1 amounted to SEK 20 (17) m, while the net income after tax was SEK 41 (-2) m.

## Annual general meeting

Haldex will hold its annual general meeting on Tuesday, April 29 at 4 pm at Haldex, Instrumentgatan 15 in Landskrona, Sweden. At 3 pm shareholders are also invited to attend a brief introduction to the company, as well as a guided tour of the factory. After the annual general meeting light refreshments will be served.

The annual report and auditors' report, full proposals made by the Board of Directors and other documentation are available at Haldex. The documentation is also published at [www.haldex.com](http://www.haldex.com). It can be sent to shareholders on request and will also be available at the annual general meeting.

## Nomination committee

Stefan Charette (Creades), Anders Algotsson (Afa Försäkring), Göran Carlson (via own company) and Marianne Flink (Swedbank Robur Fonder) formed the nomination committee for Haldex' 2014 annual general meeting. The nomination committee's proposal is available in the notice convening the meeting and on Haldex' website.

## Dividend and purchase of treasury shares

The Board of Directors proposes to the annual general meeting a dividend of SEK 2.00 (1.00) per share, and an authorization to buy treasury shares, with the intention of buying treasury shares up to a value of SEK 100 m on an annual basis. The dividend recording date is proposed to be May 5, 2014.

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Landskrona April 29, 2014  
Haldex AB (publ)

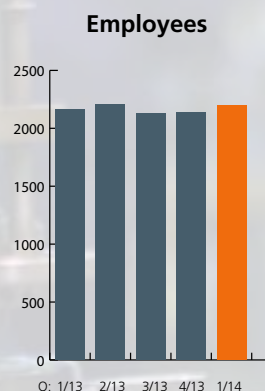
Bo Annvik  
President and CEO

*This report is unaudited.*

*This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.*

## Employees

At the end of Q1 the number of employees was 2,199 (2,160), which is 64 more than at the end of Q4.



## Consolidated income statement

| SEK m  | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|--|-----------------|-----------------|-------------------|
| Net sales  | 1,041           | 951             | 3,920             |
| Cost of goods sold                                 | -750            | -692            | -2,827            |
| Gross income                                       | 291             | 259             | 1,093             |
| <i>Gross margin</i>                                | 27.9%           | 27.2%           | 27.9%             |
| Selling, admin. and product development costs      | -212            | -208            | -839              |
| Other operating income and expenses <sup>1</sup>   | 4               | 4               | -101              |
| Operating income <sup>1</sup>                      | 83              | 55              | 153               |
| Financial income and expenses                      | -8              | -10             | -43               |
| Income before tax                                  | 75              | 45              | 110               |
| Tax  | -27             | -17             | -72               |
| Net income   | 48              | 28              | 38                |
| <i>attributable to non-controlling interests</i>   | 2               | 1               | 3                 |
| Earnings per share, before and after dilution, SEK | 1.03            | 0.61            | 0.80              |
| Average No. of shares, thousands                   | 44,216          | 44,210          | 44,206            |

## Operating income, by nature of expenses

| SEK m  | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|--|-----------------|-----------------|-------------------|
| Net sales  | 1,041           | 951             | 3,920             |
| Direct material costs                            | -565            | -526            | -2,138            |
| Personnel costs                                  | -215            | -208            | -832              |
| Depreciation and amortization                    | -34             | -36             | -138              |
| Other operating income and expenses <sup>1</sup> | -144            | -126            | -659              |
| Operating income <sup>1</sup>                    | 83              | 55              | 153               |

### 1) One-off items included in the operating income

| SEK m                                 | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|---------------------------------------|-----------------|-----------------|-------------------|
| Restructuring costs                   | -3              | -               | -30               |
| Impairment of assets                  | -               | -               | -98               |
| Other                                 | 2               | -               | -                 |
| Operating income, excl. one-off items | 84              | 55              | 281               |



## Consolidated statement of comprehensive income

| SEK m   | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|---|-----------------|-----------------|-------------------|
| Net income  | 48              | 28              | 38                |
| <b>Other comprehensive income/loss</b>                                      |                 |                 |                   |
| <i>Items not to be reclassified to the income statement:</i>                |                 |                 |                   |
| Remeasurement of pension obligation, after tax                              | -14             | 10              | 38                |
| Total   | -14             | 10              | 38                |
| <i>Items that may be reclassified subsequently to the income statement:</i> |                 |                 |                   |
| Currency translation differences  | -9              | -17             | -3                |
| Change in hedge reserves, after tax   | 0               | 3               | -3                |
| Total   | -9              | -14             | -6                |
| Total other comprehensive income/loss                                       | -23             | -4              | 32                |
| Total comprehensive income  | 25              | 24              | 70                |
| <i>attributable to non-controlling interests</i>                            | 0               | 1               | 1                 |

## Consolidated statement of financial position

| SEK m                                    | Mar 31<br>2014 | Mar 31<br>2013 | Dec 31<br>2013 |
|--|----------------|----------------|----------------|
| Goodwill                                 | 357            | 345            | 354            |
| Other intangible assets                  | 91             | 173            | 96             |
| Tangible assets                          | 405            | 487            | 429            |
| Financial assets                         | 28             | 25             | 28             |
| Deferred tax assets                      | 142            | 116            | 140            |
| Total non-current assets                 | 1,023          | 1,146          | 1,047          |
| Inventories                              | 487            | 443            | 480            |
| Current receivables                      | 773            | 702            | 627            |
| Derivative instruments                   | 5              | 19             | 9              |
| Cash and cash equivalents                | 318            | 359            | 323            |
| Total current assets                     | 1,583          | 1,523          | 1,439          |
| Total asset                              | 2,606          | 2,669          | 2,486          |
| Equity                                   | 1,177          | 1,149          | 1,152          |
| Pension and similar obligations          | 313            | 315            | 291            |
| Deferred tax liabilities                 | 5              | 16             | 12             |
| Non-current interest-bearing liabilities | 400            | 596            | 400            |
| Other non-current liabilities            | 23             | 22             | 25             |
| Total non-current liabilities            | 741            | 949            | 728            |
| Derivative instruments                   | 9              | 10             | 10             |
| Current interest-bearing liabilities     | 11             | 13             | 11             |
| Current liabilities                      | 668            | 548            | 585            |
| Total current liabilities                | 688            | 571            | 606            |
| Total equity and liabilities             | 2,606          | 2,669          | 2,486          |

## Statement of changes in equity

| SEK m  | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|--|-----------------|-----------------|-------------------|
| Opening balance                                  | 1,152           | 1,129           | 1,129             |
| Net income                                       | 48              | 28              | 38                |
| Other comprehensive income/loss                  | -23             | -4              | 32                |
| Total comprehensive income                       | 25              | 24              | 70                |
| <b>Transactions with shareholders:</b>           |                 |                 |                   |
| Dividend, cash                                   | -               | -               | -44               |
| Purchase of treasury shares                      | -               | -2              | -2                |
| Settlement of share based payments               | -               | -2              | -2                |
| Value of employee services                       | -               | -               | 1                 |
| Total transactions with shareholders             | -               | -4              | -47               |
| Closing balance                                  | 1,177           | 1,149           | 1,152             |
| <i>attributable to non-controlling interests</i> | <i>17</i>       | <i>17</i>       | <i>17</i>         |

## Key figures

|   | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|---|-----------------|-----------------|-------------------|
| Operating margin, excl. one-off items, %                        | 8.1             | 5.8             | 7.2               |
| Operating margin, %   | 7.9             | 5.8             | 3.9               |
| Cash flow, operating activities, SEK m                          | 3               | 29              | 282               |
| Cash flow after investment activities, SEK m                    | -2              | 9               | 211               |
| Return on capital employed, excl. one-off items, % <sup>1</sup> | 16.1            | 9.5             | 14.6              |
| Return on capital employed, % <sup>1</sup>                      | 9.4             | 6.6             | 7.8               |
| Investments, SEK m  | 27              | 20              | 94                |
| R&D, %  | 3.5             | 3.6             | 3.5               |
| Employees   | 2,199           | 2,160           | 2,135             |
| Return on shareholders' equity, % <sup>1</sup>                  | 16.1            | 9.2             | 3.2               |
| Interest coverage ratio   | 9.5             | 6.7             | 7.2               |
| Equity ratio, %   | 45              | 43              | 46                |
| Net debt/equity ratio, %  | 35              | 49              | 33                |
| <b>Share data:</b>  |                 |                 |                   |
| Earnings per share, before and after dilution, SEK              | 1.03            | 0.61            | 0.80              |
| Equity per share, SEK   | 26.63           | 25.99           | 26.06             |
| Share price, SEK  | 75.75           | 38.80           | 60.00             |
| Average No. of shares, thousands                                | 44,216          | 44,210          | 44,206            |
| Total No. of shares at end of period, thousands                 | 44,216          | 44,216          | 44,216            |
| <i>of which is treasury shares, thousands</i>                   | <i>12</i>       | <i>12</i>       | <i>12</i>         |

<sup>1</sup> Rolling twelve months

## Consolidated statement of cash flow

| SEK m   | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|---|-----------------|-----------------|-------------------|
| Operating income  | 83              | 55              | 153               |
| Reversal of non-cash items  | 32              | 36              | 231               |
| Interest paid   | -8              | -8              | -37               |
| Tax paid  | -9              | -11             | -98               |
| Cash flow from operating activities before change<br>in working capital | 98              | 72              | 249               |
| Change in working capital   | -95             | -43             | 33                |
| Cash flow from operating activities                                     | 3               | 29              | 282               |
| Investments   | -27             | -20             | -94               |
| Divestment tangible assets  | 22              | -               | 23                |
| Cash flow from investment activities                                    | -5              | -20             | -71               |
| Dividend to Haldex' shareholders  | -               | -               | -44               |
| Change in loans   | -1              | 8               | -186              |
| Cash flow from financing activities                                     | -1              | 8               | -230              |
| Net cash flow   | -3              | 17              | -19               |
| Cash and cash equivalents, opening balance                              | 323             | 346             | 346               |
| Currency translation diff. in cash and cash equivalents                 | -2              | -4              | -4                |
| Cash and cash equivalents, closing balance                              | 318             | 359             | 323               |

## Financial instruments by category

| SEK m   | Mar 31, 2014 |             | Mar 31, 2013 |             | Dec 31, 2013 |             |
|---|--------------|-------------|--------------|-------------|--------------|-------------|
|   | Assets       | Liabilities | Assets       | Liabilities | Assets       | Liabilities |
| Forward exchange contracts - cash flow hedges                       | 2            | 3           | 9            | 0           | 2            | 4           |
| Forward exchange contracts- at fair value<br>through profit or loss | 1            | 1           | 1            | 2           | 2            | 1           |
| Currency swaps - at fair value through profit<br>or loss            | 2            | 5           | 9            | 8           | 5            | 5           |
| Total   | 5            | 9           | 19           | 10          | 9            | 10          |

The financial instruments recognized at fair value in the balance sheet belong to Tier 2 in the fair value hierarchy, meaning that the fair value is determinable, directly or indirectly, from observable market data. No transfers have been done to or from Tier 2 during the year. Haldex multicurrency revolving credit facility and bond loan are subject to a variable interest term of 1 - 6 months, thus the fair values correspond to the carrying amounts. In regard of other financial assets and liabilities such as accounts receivables, other current receivables, cash and cash equivalents and debt to suppliers, the fair values are considered to correspond to the carrying amounts.

## Parent company's income statement

| SEK m  | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|--|-----------------|-----------------|-------------------|
| Net sales                                    | 20              | 17              | 67                |
| Administrative costs                         | -15             | -20             | -59               |
| Operating income/loss                        | 5               | -3              | 8                 |
| Financial income and expenses                | 0               | 0               | -3                |
| Earnings after financial income and expenses | 5               | -3              | 5                 |
| Dividend                                     | 37              | -               | 31                |
| Group contribution                           | -               | -               | -7                |
| Earnings before tax                          | 42              | -3              | 29                |
| Tax  | -1              | 1               | -2                |
| Net income/loss                              | 41              | -2              | 27                |

## Parent company's statement of comprehensive income

| SEK m                      | Jan-Mar<br>2014 | Jan-Mar<br>2013 | Full year<br>2013 |
|----------------------------|-----------------|-----------------|-------------------|
| Net income/loss            | 41              | -2              | 27                |
| Other comprehensive income | -               | -               | -                 |
| Total comprehensive income | 41              | -2              | 27                |

## Parent company's statement of financial position

| SEK m                                  | Mar 31<br>2014 | Mar 31<br>2013 | Dec 31<br>2013 |
|--|----------------|----------------|----------------|
| Non-current assets                     | 1,875          | 1,833          | 1,875          |
| Current assets                         | 882            | 972            | 870            |
| Total assets                           | 2,757          | 2,805          | 2,745          |
| Shareholders' equity                   | 1,252          | 1,225          | 1,211          |
| Provisions                             | 40             | 33             | 40             |
| Interest-bearing liabilities, external | 400            | 596            | 400            |
| Other liabilities                      | 1,065          | 951            | 1,094          |
| Total equity and liabilities           | 2,757          | 2,805          | 2,745          |

## Quarterly data

| SEK million, if not otherwise stated                                 | 2014      | 2013      |           |           |           | 2012      |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | Q1        | Q4        | Q3        | Q2        | Q1        | Q4        | Q3        | Q2        | Q1        |
| <b>Income statement:</b>   |           |           |           |           |           |           |           |           |           |
| Net sales  | 1,041     | 908       | 994       | 1 067     | 951       | 864       | 931       | 1,065     | 1,073     |
| Cost of good sold  | -750      | -664      | -704      | -767      | -692      | -642      | -689      | -784      | -789      |
| Gross income   | 291       | 244       | 290       | 300       | 259       | 222       | 242       | 281       | 284       |
| Selling, admin. and product development costs                        | -212      | -190      | -212      | -229      | -208      | -193      | -195      | -224      | -224      |
| Other operating income and expenses                                  | 4         | -1        | 11        | -115      | 4         | -1        | -15       | -31       | 4         |
| Operating income   | 83        | 53        | 89        | -44       | 55        | 28        | 32        | 26        | 64        |
| <i>Operating income, excl. one-off items</i>                         | <i>84</i> | <i>66</i> | <i>84</i> | <i>76</i> | <i>55</i> | <i>34</i> | <i>52</i> | <i>60</i> | <i>64</i> |
| Financial income and expenses  | -8        | -11       | -13       | -9        | -10       | -7        | -9        | -11       | -9        |
| Income before tax  | 75        | 42        | 76        | -53       | 45        | 21        | 23        | 15        | 55        |
| Tax  | -27       | -30       | -30       | 5         | -17       | -23       | -10       | -7        | -20       |
| Net income/loss  | 48        | 12        | 46        | -48       | 28        | -2        | 13        | 8         | 35        |
| <b>Statement of financial position:</b>                              |           |           |           |           |           |           |           |           |           |
| Non-current assets   | 1,023     | 1,047     | 1,044     | 1,065     | 1,146     | 1,186     | 1,231     | 1,275     | 1,250     |
| Current assets   | 1,583     | 1,439     | 1,434     | 1,600     | 1,523     | 1,414     | 1,479     | 1,585     | 1,663     |
| Total assets   | 2,606     | 2,486     | 2,478     | 2,665     | 2,669     | 2,600     | 2,710     | 2,860     | 2,913     |
| Equity   | 1,177     | 1,152     | 1,114     | 1,078     | 1,149     | 1,129     | 1,157     | 1,216     | 1,282     |
| Non-current liabilities  | 741       | 728       | 748       | 932       | 949       | 967       | 965       | 983       | 968       |
| Current liabilities  | 688       | 606       | 616       | 655       | 571       | 504       | 588       | 661       | 663       |
| Total equity and liabilities   | 2,606     | 2,486     | 2,478     | 2,665     | 2,669     | 2,600     | 2,710     | 2,860     | 2,913     |
| <b>Statement of cash flow:</b>                                       |           |           |           |           |           |           |           |           |           |
| Cash flow from operating activities before change in working capital | 98        | 67        | 58        | 53        | 72        | 91        | 47        | 27        | 78        |
| Cash flow from operating activities                                  | 3         | 76        | 89        | 88        | 29        | 99        | 41        | 33        | 65        |
| Cash flow from investment activities                                 | -5        | -34       | -15       | -2        | -20       | -36       | -32       | -27       | -23       |
| Cash flow from financing activities                                  | -1        | -27       | -139      | -72       | 8         | -49       | -6        | -90       | -19       |
| Net cash flow  | -3        | 15        | -65       | 14        | 17        | 14        | 3         | -84       | 23        |
| <b>Key figures:</b>  |           |           |           |           |           |           |           |           |           |
| Operating margin, excl. one-off items, %                             | 8.1       | 7.3       | 8.4       | 7.1       | 5.8       | 3.9       | 5.6       | 5.6       | 6.0       |
| Operating margin, %  | 7.9       | 5.9       | 9.0       | -4.1      | 5.8       | 3.2       | 3.4       | 2.4       | 6.0       |
| Earnings per share, before and after dilution, SEK                   | 1.03      | 0.26      | 1.03      | -1.09     | 0.61      | -0.05     | 0.26      | 0.16      | 0.75      |
| Equity per share, SEK  | 26.63     | 26.06     | 25.20     | 24.40     | 25.99     | 25.53     | 26.17     | 27.50     | 29.06     |
| Share price, SEK   | 75.75     | 60.00     | 49.20     | 45.70     | 38.80     | 33.50     | 33.20     | 30.90     | 43.40     |
| Return on capital employed excl. one-off items, % <sup>1</sup>       | 16.1      | 14.6      | 12.6      | 10.4      | 9.5       | 9.8       | 10.4      | 10.9      | 10.1      |
| Return on capital employed, % <sup>1</sup>                           | 9.4       | 7.8       | 6.4       | 3.4       | 6.6       | 7.0       | 7.9       | 9.4       | 10.1      |
| Equity ratio, %  | 45        | 46        | 45        | 40        | 43        | 43        | 43        | 43        | 44        |
| Net debt/equity ratio, %   | 35        | 33        | 37        | 49        | 49        | 51        | 52        | 50        | 40        |
| Investments  | 27        | 34        | 23        | 17        | 20        | 36        | 32        | 27        | 23        |
| R&D, %   | 3.5       | 4.1       | 3.5       | 3.2       | 3.6       | 3.8       | 3.4       | 3.4       | 3.0       |
| Employees  | 2,199     | 2,135     | 2,130     | 2,207     | 2,160     | 2,200     | 2,262     | 2,306     | 2,367     |

<sup>1</sup> Rolling twelve months

## 3 year in summary

| SEK m, if not otherwise stated  | 2013              | 2012       | 2011 <sup>1</sup> |
|---|-------------------|------------|-------------------|
| <b>Income statement:</b>  |                   |            |                   |
| Net sales   | 3,920             | 3,933      | 4,030             |
| Cost of good sold   | -2,827            | -2,904     | -2,967            |
| Gross income  | 1,093             | 1,029      | 1,063             |
| Selling, admin. and product development costs                           | -839              | -836       | -829              |
| Other operating income and expenses                                     | -101              | -43        | 1                 |
| Operating income  | 153               | 150        | 235               |
| <i>Operating income, excl. one-off items</i>                            | <i>281</i>        | <i>210</i> | <i>235</i>        |
| Financial income and expenses   | -43               | -36        | -18               |
| Income before tax   | 110               | 114        | 217               |
| Tax   | -72               | -60        | -75               |
| Net income/loss   | 38                | 54         | 142               |
| <b>Statement of financial position:</b>                                 |                   |            |                   |
| Non-current assets  | 1,047             | 1,186      | 1,276             |
| Current assets  | 1,439             | 1,414      | 1,582             |
| Total assets  | 2,486             | 2,600      | 2,858             |
| Equity  | 1,152             | 1,129      | 1,336             |
| Non-current liabilities   | 728               | 967        | 924               |
| Current liabilities   | 606               | 504        | 598               |
| Total equity and liabilities  | 2,486             | 2,600      | 2,858             |
| <b>Statement of cash flow:</b>  |                   |            |                   |
| Cash flow from operating activities before change<br>in working capital | 249               | 243        | 439               |
| Cash flow from operating activities                                     | 282               | 238        | 114               |
| Cash flow from investment activities                                    | -71               | -118       | 1 301             |
| Cash flow from financing activities                                     | -230              | -164       | -1 519            |
| Net cash flow   | -19               | -44        | -104              |
| <b>Key figures:</b>   |                   |            |                   |
| Operating margin, excl. one-off items, %                                | 7.2               | 5.3        | 5.8               |
| Operating margin, %   | 3.9               | 3.8        | 5.8               |
| Earnings per share, before and after dilution, SEK                      | 0.80              | 1.12       | 3.08              |
| Equity per share, SEK   | 26.06             | 25.53      | 30.20             |
| Dividend, SEK   | 2.00 <sup>2</sup> | 1.00       | 2.00              |
| Share price, SEK  | 60.00             | 33.50      | 25.20             |
| Return on capital employed excl.<br>one-off items, % <sup>3</sup>       | 14.6              | 9.8        | 10.1              |
| Return on capital employed, % <sup>3</sup>                              | 7.8               | 7.0        | 10.1              |
| Equity ratio, %   | 46                | 43         | 47                |
| Net debt/equity ratio, %  | 33                | 51         | 37                |
| Investments   | 94                | 118        | 100               |
| R&D, %  | 3.5               | 3.4        | 3.3               |
|   | 2,135             | 2,200      | 2,365             |

<sup>1</sup> Remaining business <sup>2</sup> As proposed to the annual general meeting <sup>3</sup> Rolling twelve months



## Haldex in short

Haldex develops, manufactures and distributes products for brake and suspension systems. Our customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles. Other applications as agriculture and special vehicles are also served. The product portfolio comprises all of the main components and sub-systems included in a complete brake or suspension system. Haldex has a global presence in terms of sales, research, development, technical service and production. Manufacturing takes place in Sweden, Germany, Hungary, China, India, Brazil, Mexico and the USA.



## Product news

During Q1 Haldex developed and improved a number of products.



**Dual Drier** is a more effective version of Haldex air dryers for vehicles with high flows of compressed air. Combining two dryers on one platform facilitates the simple installation and maintenance of the system as one integrated unit.



The Haldex **Life Seal spring brake** was presented in an improved version as a new structure with increased sealing even at low temperatures. With this new structure, ventilation is maintained without allowing hazardous particles to get into the system.

## Product in focus

In each quarterly report, Haldex presents a brief introduction to one of its products.

### Consep - air pre-treatment

In pneumatic systems driven by compressed air, such as brake systems in heavy vehicles, water and oil can degrade system performance. In certain types of vehicles with large air flows, such as buses and refuse collection vehicles, this problem is even more significant. The Haldex product called Consep separates off the water and oil before the air continues through the system. This protects the various components and reduces the need for maintenance and spare parts. Once Consep is installed, up to 90% of the hazardous substances are filtered off.



### CUSTOMER CASE:

## Dry is good!

It is no ordinary construction site we are visiting. The railway line between Stuttgart and Ulm is part of the new European high-speed route from Paris to Hungary. One of the biggest challenges of the project is tunnel construction where the slope is too steep for regular dump trucks. 'In this truck series, we had huge problems with condensed water leaking into the pneumatic system'. Such was Michael Oertel at CIS's description of the problem. The problems were massive: water sloshed into the pneumatic valve, moisture put the clutch servo out of action and, in winter, the emergency brake froze. All of this led to unwelcome downtime and also forced unscheduled part replacement, which, in some cases, was very expensive.

But all is well again in Michael's world thanks Consep air pre-treatment from Haldex. 'It worked really well', says Michael. Today, all of the affected dump trucks have been equipped with Haldex Consep and breakdowns due to pneumatic issues are a thing of the past for CIS.



## Financial calendar

|                                |            |
|--------------------------------|------------|
| Annual general meeting         | 29 April   |
| Interim report, April-June     | 18 July    |
| Interim report, July-September | 5 November |

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## Press and analyst meeting

Media and analysts are invited to a telephone conference at which the report will be presented with comments by Bo Annvik, President and CEO, and Andreas Ekberg, CFO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Tuesday April 29 at 11.00 CEST

The press conference is broadcasted at:  
<http://www.media-server.com/m/p/rd8fbx4v>

To join the telephone conference:

Sweden: +46 8 505 564 74

UK: +44 203 364 5374

Denmark: +45 354 455 80

USA: +1 855 753 2230

The webcast will also be available afterwards and you can download the Interim report and the presentation from Haldex website: <http://www.haldex.com/financialreports>

## Haldex share

Jan-Mar 2014

|                           |             |
|---------------------------|-------------|
| Change in share price     | +26%        |
| Share price (31 March)    | 75.75 SEK   |
| Market capital (31 March) | SEK 3,348 m |

|                     |           |
|---------------------|-----------|
| Highest share price | 75.75 SEK |
| Lowest share price  | 60.00 SEK |

|                                |            |
|--------------------------------|------------|
| Traded No. of shares           | 18.2 m     |
| Total No. of shares (31 March) | 44,215,970 |

|                                  |                 |
|----------------------------------|-----------------|
| Dividend proposed                | 2.00 SEK        |
| Value of treasury shares planned | up to SEK 100 m |

