

HALDEX INTERIM REPORT

January - September 2016

Q3 2016

Solid operating margin in spite of continuing weak market conditions

Market conditions continued to be weak in North America in Q3, which was the main factor contributing to lower sales. Disc brake sales increased significantly, but did not compensate for lower actuator and brake adjuster sales. The company's operating margin is in line with previous quarters of this year in spite of lower net sales. Earnings per share for the first nine months of the year were also up compared with the same period of the previous year.

- Net sales for Q3 totaled SEK 1,076 (1,189) m, equivalent to a 10% decrease compared with the same period of the previous year. After currency adjustments, net sales also decreased by 10% in Q3. Currency-adjusted net sales fell by 10% for the first nine months of the year.
- Operating income for Q3 excluding one-off items amounted to SEK 80 (116) m, which is equivalent to an operating margin of 7.4 (9.7)%. The operating margin excluding one-off items for the first nine months of the year amounted to 7.3 (9.9)%. The operating margin including one-off items was 6.3% for Q3 and 6.9% for the first nine months of the year.
- The net income after tax for Q3 totaled SEK 37 (-22) m and the earnings per share for Q3 totaled SEK 0.82 (-0.50). The earnings per share for the first nine months of the year came in at SEK 3.29 (3.20) per share.
- Cash flow from operating activities totaled SEK 65 (133) m in Q3 and SEK 168 (109) m for the first nine months of the year.
- A bidding process for Haldex was initiated on July 14 and is still ongoing. Three companies have submitted bids with different price levels. At the time of publication of this interim report, a bid from Knorr-Bremse for SEK 125 was still valid.
- Bo Annvik, President & CEO, has given the board notice of resignation. He will remain in his position for the time being. Three positions on Haldex's management team were filled in the quarter: SVP North American Sales, SVP Product Management and SVP R&D.

Key figures

	Jul-Sep 2016	Jul-Sep 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Net sales, SEK m	1,076	1,189	-10%	3,320	3,725	-11%
Operating income, excl. one-off items, SEK m	80	116	-32%	244	368	-34%
Operating income, SEK m	68	8	725%	232	256	-10%
Operating margin, excl. one-off items, %	7.4	9.7	-2.3	7.3	9.9	-2.6
Operating margin, %	6.3	0.7	5.6	6.9	6.9	0.0
Return on capital employed, excl. one-off items, % ¹	14.6	23.3	-23.3	14.6	23.3	-23.3
Return on capital employed, % ¹	14.1	14.3	-0.2	14.1	14.3	-0.2
Net income, SEK m	37	-22	-268%	147	143	3%
Earnings per share, SEK	0.82	-0.50	-260%	3.29	3.20	3%
Cash flow, operating activities, SEK m	65	133	-68	168	109	59

¹ Rolling twelve months

Haldex AB (publ) is required to publish the above information under the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication by the Haldex media contact stated in the release on Tuesday, October 25, 2016 at 7:20 CEST.

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



Innovative Vehicle Solutions

CEO comment

Q3 was largely characterized by the bidding situation Haldex is currently undergoing. The primary focus will be to continue driving the business toward agreed targets and in accordance with the strategy previously adopted, in order to ensure that we retain our sales and profitability. The outcome in Q3 was in line with the previous quarters of this year. Market conditions in North America continued to be weaker, which is impacting our sales significantly. The operating margin was at par with previous quarters, which is at a reasonable level given our current net sales.

North America

The official forecast for the number of vehicles produced in North America has deteriorated quarter after quarter, which is in line with our own estimates. Similarly to previous quarters of this year, about half of the sales decline we experienced in Q3 was related to actuators. This is primarily related to our strong position in Truck, which experienced the greatest decline in North America, and was only partially related to the product recall. We can also see a decrease in brake adjuster sales due to the weaker market conditions.

Our disc brake continues to garner attention in North America. We are continuing to sign small contracts and are working hard to secure a major contract on the US market in the trailer segment by the end of the year, which would be of major strategic value to us.

Products driving growth

Disc brake sales increased significantly during the quarter. This is in line with previously announced expectations that this product category would be on the rise this year and then gradually reach even higher volumes over the coming years. In addition, EBS sales have risen, which is another promising product for Haldex in which major product development investments are being made. It is very exciting to see that both of these product areas, in which we invest development resources, are growing in terms of net sales.

Major quality improvements efforts have been made internally in the wake of the product recall, which impacted Haldex significantly since late 2014. Haldex has analyzed its product portfolio to aim for our products to not only meet industry safety standards, but clearly exceed them. As a part of this process, we decided to further validate the actuator that was the cause of the product recall and launch it early next year instead of in the fall. We must ensure that the product we are launching now exceeds customer expectations in every way.

Collaboration on electromechanical breaks

In Q2, we announced a joint venture with Chinese VIE. We will jointly develop electromechanical brakes for electrical commercial vehicles. This joint venture took several steps forward in Q3. Staff has been recruited, premises have been commissioned and testing of various prototypes has commenced. We have great confidence in the future of this joint venture and how we can develop products for this rapidly growing market.



Bo Annvik
President and CEO

Uncertainty due to bidding situation

Since the first bid on Haldex was placed on July 14, our primary objective has been to continue running our business in accordance with previously set targets and I would venture to say that we have done a good job internally. However, customer reactions have impacted us negatively in the meantime. This fall suppliers will be chosen for several major contracts. Some of these contracts reach five years into the future with additional aftermarket sales after that. How Haldex will develop is therefore of major importance when choosing supplier. Haldex will be a high risk choice for as long as the ownership situation remains unclear. We are working hard to counteract the effect of the on-going bidding process on contract discussions. We have a good dialogue around solutions to reduce the degree of uncertainty in our efforts to secure a disc brake contract with a truck manufacturer, but there is an impending risk that we will lose the contract if the ownership situation is not soon resolved. This in turn will impact our growth opportunities in the long term.

Moving on to a new position

One week ago, I made the tough decision to resign as the CEO of Haldex. These past years have been very fruitful since I began working on our strategy and the path toward profitable growth in 2012. The intensive bidding process the company is currently undergoing is itself an indication that what we have jointly created at Haldex is held in high esteem. I have a very strong management team supporting me that will continue to lead the company in the right direction in collaboration with me until my successor is found.

Market outlook

Our forecast for the market is essentially the same as in previous quarters. The European market is looking stable in 2016 with a slight increase in order intake, while the North American market is forecast to continue on a very weak trend. The positive trend will continue in India, but we expect no significant improvement in Brazil in 2016. China has had a good first half of the year with indications that the second half will be slightly worse.

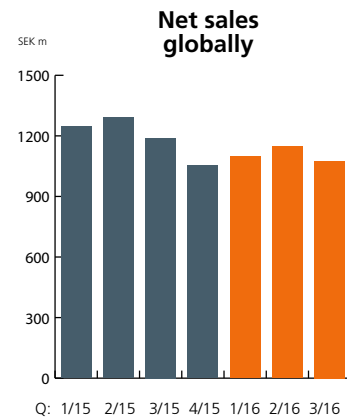
We are sticking with our forecast that 2016 will be a year where we will still be feeling the effects of the events in North America and struggle to generate growth. We aim to continue ensuring solid profitability, and the operating margin for the first nine months of the year can be considered realistic under current market conditions.

Bo Annvik
President and CEO

Net sales for the Group

Net sales for Q3 totaled SEK 1,076 (1,189) m, equivalent to a 10% decrease in absolute terms compared with the same period of the previous year. After currency adjustments, net sales also decreased by 10%. Net sales for the first nine months of the year totaled SEK 3,320 (3,725) m. After currency adjustments, this is a 10% decrease.

The main factor that impacted net sales positively in Q3 is continuing disc brake growth. The decrease in sales mainly stems from North America and the actuator and brake adjuster product groups.

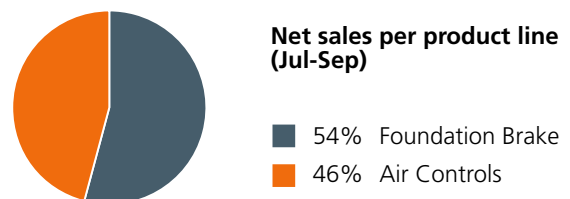


Net sales per product line

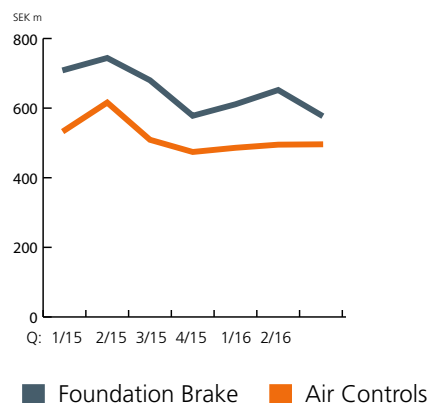
Net sales, SEK m	Jul-Sep 2016	Jul-Sep 2015	Change ¹	Jan-Sep 2016	Jan-Sep 2015	Change ¹
Foundation Brake	580	680	-15%	1,843	2,134	-13%
Air Controls	496	509	-3%	1,477	1,591	-6%
Total	1,076	1,189	-10%	3,320	3,725	-10%

¹ Currency adjusted

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 and ABS and EBS.



Net sales within Foundation Brake amounted to SEK 580 (680) m in Q3. After currency adjustments, this is a 15% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,843 (2,134) m, which is equivalent to a currency-adjusted decrease of 13%. Disc brake sales continued to increase in Q3. However, actuator sales have decreased, mainly due to the weakened market conditions in North America, but only partially due to the product recall that was ongoing throughout the previous year. Brake adjuster sales have also fallen due to the increased penetration of disc brakes.



Net sales within Air Controls amounted to SEK 496 (509) m in Q3. After currency adjustments, this is a 3% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,477 (1,591) m, which is equivalent to a currency-adjusted decrease of 6%. Within Air Controls, ABS and EBS sales increased in Q3. The largest decline in sales was in Reman. The decrease is mainly attributable to one customer with financial problems who has chosen to manage product renovation in-house.

An older product in Air Controls is being phased out as part of the transition in Germany, which also had a negative impact on sales. Negative effects from both of these product areas will continue to impact the comparative figures for the rest of the year.

Net sales per customer category

Net sales, SEK m	Jul-Sep 2016	Jul-Sep 2015	Change ¹	Jan-Sep 2016	Jan-Sep 2015	Change ¹
Truck (including buses)	233	322	-28%	770	1,010	-22%
Trailer	343	333	2%	1,049	1,085	-3%
Aftermarket	500	534	-7%	1,501	1,630	-7%
Total	1,076	1,189	-10%	3,320	3,725	-10%

¹ Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 233 (322) m in Q3. After currency adjustments, this is a 28% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 770 (1,010) m, which is equivalent to a currency-adjusted decrease of 22%. Truck sales mainly decreased in North America and to a certain extent in Europe in Q3. A decrease in actuator sales and the phasing out of an older version of an Air Controls product had a negative impact in terms of products. In addition, brake adjuster sales decreased as a result of the increased penetration of disc brakes.

Net sales within Trailer amounted to SEK 343 (333) m in Q3. After currency adjustments, this is a 2% increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,049 (1,085) m, which is equivalent to a currency-adjusted decrease of 3%. The successes of our disc brakes



Net sales per customer category (Jul-Sep)

22%	Truck
32%	Trailer
46%	Aftermarket

led to higher sales in Europe but sales fell in North America due to lower actuator sales.

Net sales in Aftermarket amounted to SEK 500 (534) m in Q3. After currency adjustments, this is a 7% decrease. Net sales for the first nine months of the year totaled SEK 1,501 (1,630) m, which is equivalent to a currency-adjusted decrease of 7%. Aftermarket sales in Europe and South America have been stable, but fell in North America and Asia during the quarter.

Industry production trends

New trucks and trailers is a good indicator for the market Haldex operates on. It is important to remember that Haldex is affected depending on how large the proportion of sales is in each category.

Produced units Industry forecast ¹	Jul-Sep 2016	Change ²	Full year 2016	Change ²	Importance for Haldex sales
Truck					Within Truck, Haldex's sales to North America are impacting total sales much more than other regions. Truck sales in Europe and Asia are in turn slightly higher and as a result more decisive than sales in South America.
North America	53,051	-36%	228,766	-28%	
Europe	104,075	-3%	437,694	1%	
China	138,494	32%	596,439	11%	
India	38,159	-24%	199,009	9%	
South America	11,403	-9%	43,694	-15%	
All regions	345,182	-3%	1,505,602	-1%	
Trailer					Within Trailer, sales in Europe is more significant than sales in North America. Other regions in Asia and South America have lower sales and, as a result, a lower impact on Haldex's total net sales.
North America	75,650	-14%	304,700	-8%	
Europe	77,865	6%	311,461	10%	
China	64,000	27%	299,700	21%	
India	8,500	-7%	40,700	18%	
South America	8,800	-3%	33,000	-2%	
All regions	234,815	2%	989,561	6%	

¹ The production statistics comprise a forecast from external sources. Historical figures also pertain to estimated production and not to the actual industrial outcome. Unless otherwise stated, the information pertaining to trucks is based on statistics from JD Powers. Information pertaining to the trailer market in Europe is based on statistics from CLEAR, the information pertaining to trucks and trailers in North America is based on statistics from FTR and the trailer information from South America and Asia is based on local sources.

² Change compared with same period previous year in percentage.

Net sales per region

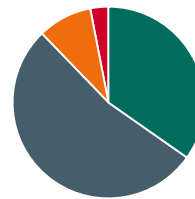
Net sales, SEK m	Jul-Sep 2016	Jul-Sep 2015	Change ¹	Jan-Sep 2016	Jan-Sep 2015	Change ¹
Europe	372	376	-2%	1,180	1,222	-3%
North America	573	677	-16%	1,732	2,080	-16%
Asia & Middle East	96	108	-8%	313	316	4%
South America	35	28	14%	95	107	0%
Total	1,076	1,189	-10%	3,320	3,725	-10%

¹ Currency adjusted

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 amounted to SEK 372 (376) m in Q3. After currency adjustments, this is a 2% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,180 (1,222) m, which is equivalent to a currency-adjusted decrease of 3%. In Europe, disc brake sales to Trailer customers increased in Q3. An older type of an Air Controls product, which was gradually phased out, and a decrease in brake adjuster sales resulting from the increased penetration of disc brakes have had a negative impact on sales.

In North America, the distribution between Truck and Trailer is more even than in Europe. The aftermarket accounts for a significant proportion of sales here as well. In North America, net sales amounted to SEK 573 (677) m in Q3. After currency adjustments, this is a 16% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,732 (2,080) m, which is equivalent to a currency-adjusted decrease of 16%. Haldex's strong actuator position in Truck, which is the market segment that saw the biggest decrease in general demand, resulted in substantially lower actuator sales. This decrease in sales is only due in small part to the product recall Haldex initiated last year. Reman has continued to decline at pace with the previous quarter. Brake adjuster sales were also down in Q3.

In Asia, with China and India as key markets, trucks without trailers are still the most common type of vehicle combination. This means that Haldex's sales are more focused on Truck than on Trailer. The



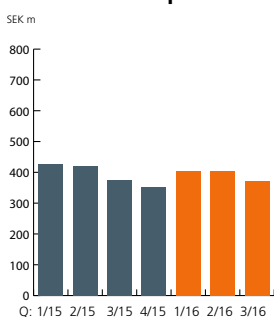
Net sales per region (Jul-Sep)

35%	Europe
53%	North America
9%	Asia & Middle East
3%	South America

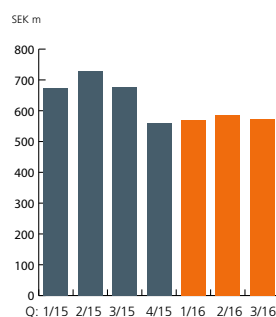
aftermarket accounts for a smaller proportion of sales. In Asia and the Middle East, net sales amounted to SEK 96 (108) m in Q3. After currency adjustments, this is an 8% decrease compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 313 (316) m, which is equivalent to a currency-adjusted increase of 4%. Q3 saw solid growth on the Indian market but slightly worse performance for China. However, brake adjuster sales fell due to heavier price pressure.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q totaled SEK 35 (28) m, which, after currency adjustments, is a 14% increase. Net sales for the first nine months of the year totaled SEK 95 (107) m. After currency adjustments, this is at par compared to the same period of the previous year. In Brazil, which is the most important market in South America, ABS sales saw an increase in the quarter.

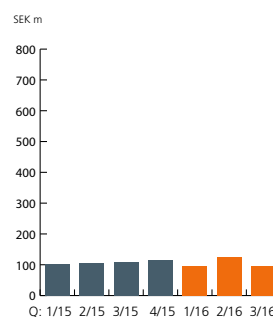
Net sales Europe



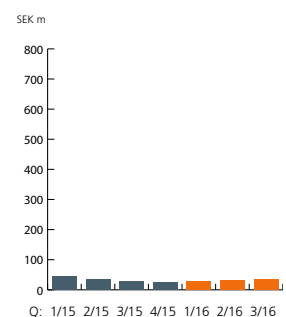
Net sales North America



Net sales Asia & Middle East



Net sales South America



Earnings

Operating income excluding one-off items totaled SEK 80 (116) m for Q3 and SEK 244 (368) m for the first nine months of the year, which is equal to an operating margin of 7.4 (9.7)% for Q3 and 7.3 (9.9)% for the first nine months of the year. One-off items in the amount of SEK 12 m impacted net income in Q3. These one-off items involved costs incurred for external services related to the ongoing bidding process.

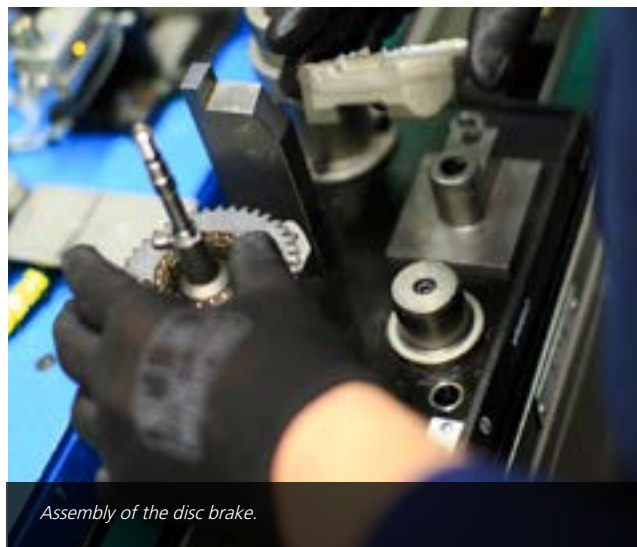
The operating income and operating margin including one-off items came in at SEK 68 (8) m and SEK 6.3 (0.7) m respectively for Q3 and SEK 232 (256) m and 6.9 (6.9)% respectively for the first nine months of the year. Continued solid cost controls and a larger share of sales from the more profitable aftermarket have partially offset a decrease in net sales.

The income before tax totaled SEK 56 (-20) m for Q3 and SEK 218 (209) m for the first nine months of the year. The net income after tax totaled SEK 37 (-22) m for Q3 and SEK 147 (143) m for the first nine months of the year. This corresponded to earnings per share of SEK 0.82 (-0.50) for Q3 and SEK 3.29 (3.20) for the first nine months of the year.

Currency fluctuations, including the result of currency hedging and currency translation effects, had a negative impact on the Group's operating income excluding one-off items, which came in at SEK 7 (+10) m for Q3, and the total effect was negative SEK 28 (+61) m for the first nine months of the year. In addition, there was a positive currency effect in net financial items in Q3 in the amount of SEK 1 (-23) m, and the corresponding effect for the first nine months of the year was SEK 10 (-29) m.

Product recall and customer obligations

In late 2014, Haldex began a field inspection followed by a product recall of one type of the Company's brake cylinders on the North American market. The expected total cost is estimated to be USD 20 m (SEK ~170 m), which impacted 2014 and 2015. No further costs are expected to impact 2016 as a part of the product recall.

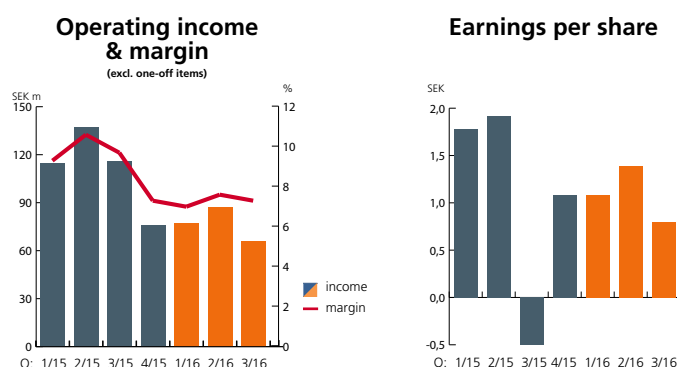


Assembly of the disc brake.

Net income was impacted with SEK 13 m in Q3 as a result of obligations during the current and coming quarters. These obligations aim to strengthen customer goodwill, with the goal of retaining market shares by supporting the customers of our customers in a program to replace an older product model with a new one with improved performance.

Restructuring activities

Haldex announced a restructuring program in 2013 which was completed in 2015. Of the program's savings in the amount of SEK 85 m, SEK 7 m remains, which will be realized in Q4 2016.



Earnings	Jul-Sep 2016	Jul-Sep 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Operating income, excl. one-off items, SEK m	80	116	-32%	244	368	-34%
Operating income, SEK m	68	8	725%	232	256	-10%
Operating margin, excl. one-off items, %	7.4	9.7	-2.3	7.3	9.9	-2.6
Operating margin, %	6.3	0.7	5.6	6.9	6.9	0.0
Net income, SEK m	37	-22	-268%	147	143	3%
Earnings per share, SEK	0.82	-0.5	-260%	3.29	3.20	3%

Financial position

As of September 30, the Group's net debt was SEK 507 (437) m, a net debt increase of SEK 172 m in comparison to the start of the year. The change over the first nine months of the year is related to a decrease in cash and cash equivalents (in part due to the dividend paid to shareholders in May), an increase in interest-bearing liabilities and an increase in the pension liability (mainly due to changed discount rates). Financial items amounted to SEK -14 (-47) m for the first nine months of the year, including net interest income and expenses of SEK -24 (-16) m. Shareholders' equity amounted to SEK 1,374 (1,325) m, resulting in an equity/asset ratio of 47 (45)%.

Haldex's primary sources of loan financing comprise:

- A bond loan of SEK 270 m maturing in January 2020.
- A syndicated credit facility in the amount of EUR 90 m, maturing in April 2021. EUR 0 m of this facility had been used by the end of the quarter.

Pledged assets and contingent liabilities

There were no changes to the Group's pledged assets or contingent liabilities in Q3.

Net debt, SEK m	Sep 30 2016	Sep 30 2015	Change	Dec 31 2015
<i>Assets as part of the net debt:</i>				
Cash and cash equivalents	272	277	-2%	304
<i>Liabilities as part of the net debt:</i>				
Interest-bearing liabilities including derivative instruments	-311	-292	7%	-271
Pension liabilities ¹	-468	-422	11%	-368
Net debt in total	-507	-437	16%	-335
Net of interest during the year	-24	-16	-8	-26

¹ The change of pension liabilities are primarily related to variations in actuarial assumptions (changes in market interest rates).

Cash flow

Cash flow from operating activities totaled SEK 65 (133) m in Q3 and SEK 168 (109) m for the first nine months of the year. Operating cash in Q3 was impacted by one-off items in the amount of SEK 12 (96) m. Excluding one-off items, cash flow improved compared with the equivalent period of the previous year. Decreased inventories had a positive impact on cash flow.

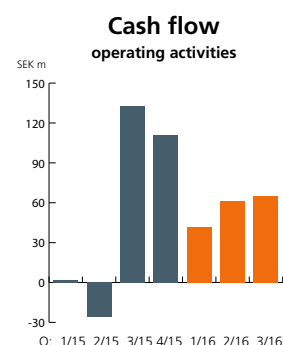
Investments totaled SEK -50 (-47) m in Q3 and cash flow after investments amounted to SEK 15 (86) m. The corresponding figures for the first nine months of the year are SEK -141 (-122) m in investments and SEK 27 (-13) m in cash flow after investments. The total cash flow was SEK 15 (78) m in Q3 and SEK -36 (-163) m for the first nine months of the year.

Cash flow and cash equivalents, SEK m	Jul-Sep 2016	Jul-Sep 2015	Change	Jan-Sep 2016	Jan-Sep 2015	Change
Cash flow, operating activities	65	133	-68	168	109	59
Cash flow after investment activities	15	86	-71	27	-13	40
Cash and cash equivalents (at end of period)	272	277	-5	272	277	-5

Taxes

The company's tax expenses for Q3 totaled SEK 19 (2) m, which is equal to a tax rate of 34 (20)%. Tax expenses for the first nine months of the year totaled SEK 71 (66) m, which is equal to a tax rate of 32 (32)%. The tax rate for the previous year was impacted positively by internal restructuring in Q1, which made it possible to offset previously generated, unrecognized tax loss carryforwards.

Deferred tax assets for tax loss carryforwards are recognized to the extent it is probable that they can be offset against taxable profit.



Miscellaneous

Significant risks and uncertainties

Haldex is exposed to risks of a financial and 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 2015 on pages 27-30 and 69-77. As described in the annual report, the consolidated financial statements present certain judgments and assumptions about the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes and pensions are the areas representing considerable risk of future adjustments to recognized values. Guarantee reserves and customer obligations have been identified during the year as the areas where the uncertainty for future adjustments to estimated values is the highest.

Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex' operations. This information is based on the current expectations, estimates and forecasts of Haldex' management. Actual future outcomes may vary significantly from the forward-looking information presented in this report. This may be 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 financial position and results of operations between Haldex and related parties.

Acquisitions and disposals

There were no acquisitions or disposals in 2016. A joint venture is in the pro-

cess of being started with Zhejiang VIE Science and Technology Co., Ltd which did not impact this interim report.

Seasonal effects

Haldex does not have any significant seasonal variations. Sales are however affected by the production schedules of Haldex' customers, which result in lower sales during vacation periods and when customers are closed for public holidays, such as for New Year.

Accounting policies

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The interim information on pages 1-20 form an integral part of this financial report. The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's report is presented in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 "Financial Reporting for Legal Entities" and the Swedish Annual Accounts Act (Årsredovisningslagen). The accounting policies are thus unchanged from those presented in the 2015 Annual Report on pages 39-43.

Changed estimates and judgments

Actuarial assumptions for the measurement of the Group's pension liability are assessed on an ongoing basis, which resulted in a net increase in the pension liability of SEK 117 (24) m in the first nine months of the year. Of this change, an increase of SEK 28 (26) m is attributable to Q3. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions.

Employees

At the end of the quarter, the number of employees was 2,051 (2,215), which is 89 less than at the end of 2015 and 89 less than at the end of the previous quarter. The Company's staff mainly decreased in North America in Q3.

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 Stockholm, Mid Cap. The Parent Company performs corporate office functions, including the corporate finance function. The net sales of the parent company in the first nine months of the year amounted to SEK 76 (81) m, while the net income after tax was SEK 14 (568) m. This net income includes dividends from Group companies amounting to SEK 2 (520) m.

Annual general meeting

Haldex will hold its annual general meeting on Thursday, May 4, 2017 at 4:00 p.m. at Haldex in Landskrona, Sweden. It is estimated that the annual report will be available on the Company's website no later than three weeks before the meeting.

Nomination committee

The nomination committee is to consist of four members, represented by the owners with the largest number of votes based on their shareholdings immediately preceding the announcement of the nomination committee's composition. No owners had appointed a representative to the nomination committee at the time of publication of this report.

Takeover process

A bidding process for Haldex was initiated on July 14 and is still ongoing. Three companies have submitted bids at different levels. At the time of publication of this interim report, a bid from Knorr-Bremse for SEK 125 is the only remaining bid still valid. See page 21 for a chronological list of events during the bidding process.

Management team changes

Haldex CEO Bo Annvik has given the board notice of resignation because he is set to be the new CEO of Indutrade. He will stay on as President and CEO for the time being, but no longer than his six-month notice period. Three positions on Haldex' management team were filled in the quarter: Walter Frankiewicz as SVP North American Sales, Fredrik Seglö as SVP Product Management and Andreas Jähnke as SVP R&D.

Objectives and market outlook

Long-term financial targets

- Grow organically faster than the market (weighted volume per segment).
- Consistently achieve an operating margin of 10% or more.
- Net debt/equity ratio below 1.
- Distribute 1/3 of the net profit for the year over an economic cycle to shareholders.

Outlook for 2016

The official production forecasts provide insight into how the market is expected to perform. However, Haldex does not have an even distribution of revenues between the different categories of Truck and Trailer and does not necessarily share the view of the future espoused by the forecasters. Therefore, Haldex will provide its own overall view of how the Company sees each market performing.

North America is forecast to continue its weak development.

Europe is forecasted to be stable with a slight increase in order intake.

China has had a good first half of the year with indications that the second half will be slightly worse.

India has recovered after a long period of negative growth. Haldex estimates that market conditions will be positive in 2016.

Brazil is not expected to recover in 2016.

The forecast for the 2016 full year remains unchanged. We are sticking with our forecast that 2016 will be a year where we will still be feeling the effects of the events in North America and struggle to generate growth. We aim to continue ensuring solid profitability, and the operating margin for the first nine months of the year can be considered realistic under current market conditions.

Landskrona October 25, 2016

Bo Annvik
President and CEO

Report of Review of Interim Financial Information in accordance with IAS 34 and the Swedish Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of Haldex AB (publ), 556010-1155, as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Landskrona October 25, 2016

Öhrlings PricewaterhouseCoopers AB

Bror Frid

Authorized Public Accountant

Carl Fogelberg

Authorized Public Accountant

Consolidated income statement

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net sales	1,076	1,189	3,320	3,725	4,777
Cost of goods sold	-768	-835	-2,381	-2,646	-3,418
Gross income	308	354	939	1,079	1,359
<i>Gross margin</i>	28.6%	29.8%	28.3%	29.0%	28.4%
Selling, admin. and product development costs	-217	-243	-694	-726	-942
Other operating income and expenses ¹	-23	-103	-13	-97	-92
Operating income ¹	68	8	232	256	325
Financial income and expenses	-12	-28	-14	-47	-54
Income before tax	56	-20	218	209	271
Tax	-19	-2	-71	-66	-80
Net income	37	-22	147	143	191
<i>attributable to non-controlling interests</i>	1	1	2.5	2	2
Earnings per share, before and after dilution, SEK	0.82	-0.5	3.29	3.20	4.28
Average No. of shares, thousands	44,204	44,204	44,204	44,204	44,204

Operating income, by nature of expenses

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net sales	1,076	1,189	3,320	3,725	4,777
Direct material costs	-577	-629	-1,794	-2,019	-2,596
Personnel costs	-239	-220	-699	-722	-935
Depreciation and amortization	-34	-34	-102	-105	-139
Other operating income and expenses	-158	-298	-493	-623	-782
Operating income ¹	68	8	232	256	325

1) One-off items included in the operating income

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Operating income, including one-off items	68	8	232	256	325
Restructuring costs	-	-12	-	-16	-23
Product related warranty	-	-96	-	-96	-96
Other	-12	-	-12	-	-
Operating income, excluding one-off items	80	116	244	368	444

Consolidated statement of comprehensive income

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net income	37	-22	147	143	191
Other comprehensive income/loss					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-26	-25	-105	-24	22
Total	-26	-25	-105	-24	22
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	9	11	7	67	49
Changes in financial instruments at fair value, after tax	14	-5	7	-5	2
Total	23	6	14	62	51
Total other comprehensive income/loss	-3	-19	-91	38	73
Total comprehensive income	34	-41	56	181	264
<i>attributable to non-controlling interests</i>	1	-1	1	3	3

Consolidated statement of financial position

SEK m	Sep 30 2016	Sep 30 2015	Dec 31 2015
Goodwill	409	423	418
Other intangible assets	38	51	64
Tangible assets	544	477	479
Financial assets	66	56	63
Deferred tax assets	138	138	153
Total non-current assets	1,195	1,145	1,177
Inventories	559	630	571
Current receivables	859	881	763
Derivative instruments	19	19	40
Cash and cash equivalents	272	277	304
Total current assets	1,709	1,807	1,678
Total assets	2,904	2,952	2,855
Equity	1,374	1,325	1,407
Pension and similar obligations	468	422	368
Deferred tax liabilities	14	8	16
Non-current interest-bearing liabilities	270	270	270
Other non-current liabilities	34	37	38
Total non-current liabilities	786	737	692
Derivative instruments	24	22	29
Current interest-bearing liabilities	9	13	3
Current liabilities	711	855	724
Total current liabilities	744	890	756
Total equity and liabilities	2,904	2,952	2,855

Statement of changes in equity

SEK m	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Opening balance	1,407	1,278	1,278
Net income	147	143	191
Other comprehensive income/loss	-91	38	73
Total comprehensive income	56	181	264
Transactions with shareholders:			
Dividend to Haldex' shareholders	-88	-133	-133
Dividend to non-controlling interests	-1	-2	-3
Value of employee services/incentive programs	0	1	1
Total transactions with shareholders	-89	-134	-135
Closing balance	1,374	1,325	1,407
<i>attributable to non-controlling interests</i>	<i>0</i>	<i>20</i>	<i>19</i>

Consolidated statement of cash flow

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Operating income	68	8	232	256	325
Reversal of non-cash items	34	34	102	105	139
Interest paid	-13	-5	-24	-18	-28
Tax paid	-23	-11	-43	-51	-87
Cash flow from operating activities before change in working capital	66	26	267	292	349
Change in working capital	-1	107	-99	-183	-129
Cash flow from operating activities	65	133	168	109	220
Investments	-50	-47	-141	-122	-174
Cash flow from investment activities	-50	-47	-141	-122	-174
Dividend to Haldex' shareholders	0	-	-88	-133	-133
Dividend to non-controlling interests	0	-2	-1	-2	-3
Change of interest-bearing liabilities	0	-6	26	-15	-43
Cash flow from financing activities	0	-8	-63	-150	-179
Net cash flow	15	78	-36	-163	-133
Cash and cash equivalents, opening balance	256	195	304	437	437
Currency translation diff. in cash and cash equivalents	1	4	4	3	0
Cash and cash equivalents, closing balance	272	277	272	277	304

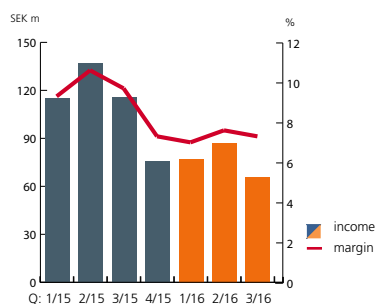
Key figures

	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Operating margin, excl. one-off items, %	7.3	9.9	9.3
Operating margin, %	6.9	6.9	6.8
Cash flow, operating activities, SEK m	168	109	220
Cash flow after investment activities, SEK m	27	-13	46
Return on capital employed, excl. one-off items, % ¹	14.6	23.3	21.7
Return on capital employed, % ¹	14.1	14.3	15.9
Investments, SEK m	141	122	174
R&D, %	3.5	3.5	3.6
Number of employees	2,051	2,215	2,140
Return on shareholders' equity, % ²	14.2	14.5	14.1
Interest coverage ratio	9.6	18.8	14.8
Equity ratio, %	47	45	49
Net debt/equity ratio, %	36.9	33	24
Share data:			
Earnings per share, before dilution, SEK	3.29	3.20	4.28
Earnings per share, after dilution, SEK	3.29	3.20	4.28
Equity per share, SEK	31.08	29.58	31.46
Cash flow, operating activities, SEK	3.80	2.47	4.99
Share price, SEK	120.50	88.00	79.50
Average No. of shares, thousands	44,204	44,204	44,204
Total No. of shares at end of period, thousands	44,216	44,216	44,216
<i>of which is treasury shares, thousands</i>	<i>102</i>	<i>102</i>	<i>102</i>

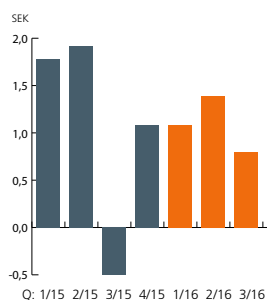
¹ Rolling twelve months

² Twelve months

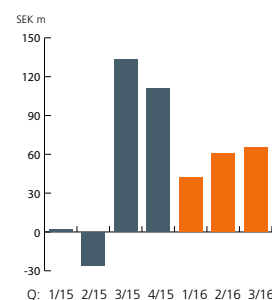
Operating income & margin (excl. one-off items)



Earnings per share



Cash flow operating activities



Parent company's income statement

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net sales	30	28	76	81	101
Administrative costs	-11	-13	-43	-44	-89
Operating income	19	15	33	37	12
Dividend from Group companies	-	4	2	520	525
Financial income and expenses	15	7	46	24	-73
Income after financial items	34	26	81	581	464
Group contribution	-6	-	-6	-	-60
Income before tax	-47	-	-47	-	-
Tax	28	26	28	581	404
Net income	-3	-4	-14	-13	2
	25	22	14	568	406

Parent company's statement of comprehensive income

SEK m	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Full year 2015
Net income	25	22	14	568	406
Other comprehensive income	-	-	-	-	-
Total comprehensive income	25	22	14	568	406

Parent company's statement of financial position

SEK m	Sep 30 2016	Sep 30 2015	Dec 31 2015
Non-current assets	2,886	2,921	2,852
Current assets	744	595	553
Total assets	3,630	3,516	3,405
Shareholders' equity	1,424	1,623	1,460
Provisions	45	42	48
Interest-bearing liabilities, external	302	270	270
Other liabilities	1,859	1,581	1,627
Total equity and liabilities	3,630	3,516	3,405

Financial instruments by category - Group

SEK m	Sep 30, 2016		Sep 30, 2015		Dec 31, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	7	5	9	2	10	1
Forward exchange contracts- at fair value through profit or loss	2	3	1	2	2	3
Currency swaps - at fair value through profit or loss	10	16	9	18	28	25
Financial assets available for sale	31	0	14	-	19	-
Total	50	24	33	22	59	29

Financial instruments categorized as financial assets available for sale are recognized at fair value in the statement of financial position according to Tier 1 in the fair value hierarchy, i.e. to a price quoted in an active market. Other financial instruments are recognized at fair value in the statement of financial position according to Tier 2 in the fair value hierarchy, meaning that the fair value is determinable, directly or indirectly, from observable market data. No transit has taken place between the different Tier levels 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.

Quarterly data

SEK m, if not otherwise stated	2016			2015				2014	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Income statement:									
Net sales	1,076	1,147	1,097	1,052	1,189	1,290	1,246	1,092	1,123
Cost of good sold	-768	-824	-789	-772	-835	-912	-899	-789	-797
Gross income	308	323	308	280	354	378	347	303	326
Selling, admin. and product development costs	-217	-241	-236	-216	-243	-245	-238	-207	-224
Other operating income and expenses	-23	5	5	5	-103	1	5	-64	-87
Operating income	68	87	77	69	8	134	114	32	15
<i>Operating income, excl. one-off items</i>	<i>80</i>	<i>87</i>	<i>77</i>	<i>76</i>	<i>116</i>	<i>137</i>	<i>115</i>	<i>101</i>	<i>113</i>
Financial income and expenses	-12	3	-5	-7	-28	-6	-13	-8	-7
Income before tax	56	90	72	62	-20	128	101	24	8
Tax	-19	-28	-24	-14	-2	-42	-22	-7	-30
Net income/loss	37	62	48	48	-22	86	79	17	-22
Statement of financial position:									
Non-current assets	1,195	1,178	1,162	1,177	1,145	1,183	1,212	1,148	1,079
Current assets	1,709	1,744	1,723	1,678	1,807	1,836	2,061	1,788	1,668
Total assets	2,904	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747
Equity	1,374	1,340	1,389	1,407	1,325	1,368	1,416	1,278	1,199
Non-current liabilities	786	761	717	692	737	721	786	718	732
Current liabilities	744	821	779	756	890	930	1071	940	816
Total equity and liabilities	2,904	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747
Statement of cash flow:									
Cash flow from operating activities before change in working capital	66	102	99	57	26	132	134	82	60
Cash flow from operating activities	65	61	42	111	133	-26	2	204	112
Cash flow from investment activities	-50	-44	-47	-52	-47	-43	-32	-61	-53
Cash flow from financing activities	0	-46	-17	-29	-8	-135	-7	-24	-70
Net cash flow	15	-29	-22	30	78	-204	-37	119	-11
Key figures:									
Operating margin, excl. one-off items, %	7.4	7.6	7.0	7.3	9.7	10.6	9.3	9.3	10.1
Operating margin, %	6.3	7.6	7.0	6.6	0.7	10.4	9.2	3.0	1.3
Earnings per share, before and after dilution, SEK	0.82	1.39	1.08	1.08	-0.50	1.92	1.78	0.38	-0.53
Equity per share, SEK	31.08	29.94	31.07	31.46	29.58	30.52	31.57	28.48	27.13
Cash flow, operating activities, per share, SEK	1.47	1.38	0.95	2.52	3.01	-0.59	0.05	4.61	2.53
Share price, SEK	120.00	80.25	71.50	79.50	88.00	109.50	130.25	101.75	83.75
Return on capital employed excl. one-off items, % ¹	14.6	17.3	19.6	21.7	23.3	23.4	22.4	21.4	19.6
Return on capital employed, % ¹	14.1	11.7	13.9	15.9	14.3	14.8	13.5	12.2	13.5
Return on equity, %	2.7	4.5	3.5	3.6	-1.7	6.7	6.4	1.4	-2.0
Equity ratio, %	47	46	48	49	45	45	43	44	44
Net debt/equity ratio, %	37	38	27	24	33	36	25	21	34
Investments	50	44	47	52	47	43	32	48	40
R&D, %	3.4	3.6	3.5	3.9	3.5	3.5	3.6	3.6	3.3
Number of employees	2,051	2,140	2,114	2,140	2,215	2,257	2,265	2,235	2,217

¹ Rolling twelve months

5 year in summary

SEK m, if not otherwise stated	2015	2014	2013	2012	2011 ¹
Income statement:					
Net sales	4,777	4,380	3,920	3,933	4,030
Cost of good sold	-3,418	-3,142	-2,827	-2,904	-2,967
Gross income	1,359	1,238	1,093	1,029	1,063
Selling, admin. and product development costs	-942	-857	-839	-836	-829
Other operating income and expenses	-92	-148	-101	-43	1
Operating income	325	233	153	150	235
<i>Operating income, excl. one-off items</i>	<i>444</i>	<i>408</i>	<i>281</i>	<i>210</i>	<i>235</i>
Financial income and expenses	-54	-28	-43	-36	-18
Income before tax	271	205	110	114	217
Tax	-80	-98	-72	-60	-75
Net income	191	107	38	54	142
Statement of financial position:					
Non-current assets	1,177	1,148	1,047	1,186	1,276
Current assets	1,678	1,788	1,439	1,414	1,582
Total assets	2,855	2,936	2,486	2,600	2,858
Equity	1,407	1,278	1,152	1,129	1,336
Non-current liabilities	692	718	728	967	924
Current liabilities	756	940	606	504	598
Total equity and liabilities	2,855	2,936	2,486	2,600	2,858
Statement of cash flow:					
Cash flow from operating activities before change in working capital	349	356	249	243	439
Cash flow from operating activities	220	435	282	238	114
Cash flow from investment activities	-174	-151	-71	-118	1,301
Cash flow from financing activities	-179	-216	-230	-164	-1,519
Net cash flow	-133	68	-19	-44	-104
Key figures:					
Operating margin, excl. one-off items, %	9.3	9.3	7.2	5.3	5.8
Operating margin, %	6.8	5.3	3.9	3.8	5.8
Earnings per share, before and after dilution, SEK	4.28	2.32	0.80	1.12	3.08
Equity per share, SEK	31.46	28.48	26.06	25.53	30.20
Cash flow, operating activities, per share, SEK	4.99	9.84	6.38	5.38	2.58
Dividend, SEK	2.00	3.00	2.00	1.00	2.00
Share price, SEK	79.50	101.75	60.00	33.50	25.20
Return on capital employed excl. one-off items, % ²	21.7	21.4	14.6	9.8	10.1
Return on capital employed, % ²	15.9	12.2	7.8	7.0	10.1
Return on equity, %	14.1	8.7	3.1	3.4	-
Equity ratio, %	49	44	46	43	47
Net debt/equity ratio, %	24	21	33	51	37
Investments	174	147	94	118	100
R&D, %	3.6	3.4	3.5	3.4	3.3
Number of employees	2,140	2,235	2,135	2,200	2,365

¹ Remaining business ² Rolling twelve months ³ Proposed dividend

Haldex in short

Haldex develops, manufactures and distributes products for brake and suspension systems for commercial vehicles. Our customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles as well as workshops serving the aftermarket. 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.

Haldex is listed on the Nasdaq Stockholm Mid Cap list. The main owners are ZF (21%), Knorr-Bremse (14%) and SAF-HOLLAND (4%).

Mission

We develop and provide reliable and innovative brake solutions that improve safety, vehicle dynamics and environmental sustainability in the global, commercial vehicle industry.

Business model

Our business model is based on strong sales to the OEMs that then serves as a volume engine; an increased installed base of Haldex products on trucks, busses and trailers results in a great potential for aftermarket sales of service and spare parts.

Strategy

Haldex will offer a world-class, focused product range for OEM customers. Products within the portfolio should have market leading potential with features standing out among the competition. For the aftermarket, the product offering, service level, pricing and channel distribution will be adapted over the vehicles lifecycle, with the ambition to offer support during the vehicle's main lifetime. Products within the Foundation Brake product family will continue to serve as the base complemented with selected product investments in the Air Controls product family.

Financial targets

- Organically grow faster than the market (weighted segment volume).
- Sustainable operating margin of 10% or above.
- Net debt/equity ratio less than 1.
- 1/3 of the yearly net income over a business cycle in dividend.

Value drivers

- Number of produced heavy vehicles.
- Development of a competitive product offering.

Financial definitions and glossary

FINANCIAL DEFINITIONS

Following the European Securities and Markets Authority's new guidelines for alternative key figures, the list of financial definitions have been expanded. The purpose of the added terms is to create an enhanced understanding and promote the usefulness of the financial information and provide the reader with a more nuanced and deeper picture of the business. No new key figures has been added in the period relative to the previous quarter. If the base for the calculations of alternative key figures are not stated in the report, please refer to the appendix for additional information.

Return on equity¹: The proportion of net income for the year attributable to owners of the parent Company as a percentage of the proportion of average equity attributable to owners of the parent Company.

Return on capital employed¹: Operating income plus interest income as a percentage of average capital employed.

Gross margin: Gross profit i.e net sales minus cost of goods sold, divided by net sales.

Equity per share¹: Total equity attributable to the owners of the parent Company, divided by the average No of shares.

One-off items¹: Income statement items, which are of non-recurring nature in normal operations. One-off items may for example include restructuring costs, impairment and product related warranties related to a specific product recall. The purpose of specifying this is to demonstrate the underlying business performance. For numerical data, see page 10 and the appendix.

R&D, %¹: Research and development cost excluding depreciations divided by net sales.

Cash flow per share: Cash flow from operating activities divided by the average number of shares.

Net debt¹: Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions. For numerical data, see page 7 and the appendix.

Net debt/equity ratio¹: Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

Earnings per share¹: Proportion of net income for the year attributable to the owners of the parent Company divided by weighted average number of shares.

Net of interest¹: The economical difference in absolute terms between the reported interest income for financial assets and interest expense on interest-bearing liabilities and provisions.

Interest coverage ratio¹: Operating income excluding one-off items plus interest income divided by interest expenses.

Operating margin: Operating income as a percentage of net sales for the year.

Operating income:¹ Operating income before financial items and tax. For numerical data, see page 10 and the appendix.

Operating income excluding one-off items: Operating income before financial items and tax, adjusted for one-off items. For numerical data, see page 10.

Equity ratio: Equity including non-controlling interests as a percentage of total assets.

Capital employed¹: Total assets less non-interest bearing liabilities and non-interest bearing provisions.

Currency adjusted information¹: Financial figures converted to the same exchange rate as in the comparative period. The aim is to show how the business has developed without the impact of currency fluctuations.

GLOSSARY

Air Controls: Haldex's product line for products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves and ABS & EBS.

Aftermarket: Spare parts sold to, and training and services provided to the workshops that repair and service vehicles.

Foundation Brake: Haldex's product line for brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and brake cylinders.

OEM: Original equipment manufacturer.

Truck: Heavy trucks and busses.

Trailer: Trailers attached to a semi-tractor (truck).

¹ Additional financial information is presented in an appendix.

Haldex' product range

The Foundation Brake product line includes brake products for wheel ends such as disc brakes, brake adjusters and actuators. Air Controls comprises products to improve brake systems' safety and driving qualities, such as treatment of compressed air, valves and ABS and EBS.

A selection of our products in each product group:

FOUNDATION BRAKE



BRAKE ADJUSTERS are the central part of a drum brake and automatically control the distance between the brake lining and the brake drum.



DISC BRAKES have higher braking performance. As opposed to brake adjusters, which are a part of a drum brake, Haldex manufactures complete air disc brakes.



ACTUATORS and brake chambers are available for both drum brakes and disc brakes. Haldex offers several versions both with and without parking brakes.

AIR CONTROLS



EBS controls the braking system electronically. The system ensures that the brake power is always optimal for all brakes on a trailer including stability control.



The **SEPERATOR** Consep separates dirt, water and oil before compressed air is passed on to the air dryer, which reduces the need for maintenance in the air system.



PARKING BRAKE CONTROL for trailers ensures that the trailer can be manoeuvred and safely parked.



RAISING AND LOWERING of vehicles with the help of the vehicles suspension system. A simple handle allows the driver to raise or lower the vehicle to the correct height at the loading bay.



AIR DRYERS are a key part of the braking system. Clean and dry air is correctly distributed to the vehicles air sub systems.



The **LIFT AXLE CONTROL** ensures that the lift axle of a trailer is automatically raised and lowered to adapt to the load situation.

HALDEX PUBLIC OFFER PROCESS:**The bidding fight for Haldex in chronological order****JULY 14**

SAF-HOLLAND announces a bid of SEK 94.42 per share. The Board of Directors of Haldex communicates that the board is unsolicited.

AUGUST 4

ZF announces a bid of SEK 100 per share. The Board of Directors of Haldex recommends ZF's bid on the same date and chooses not to recommend SAF-HOLLAND's bid.

AUGUST 11

SAF-HOLLAND announces it will not raise its bid.

AUGUST 19

The acceptance period for ZF's bid begins and lasts until October 3 after an extension of a couple days.

AUGUST 25

SAF-HOLLAND withdraws its bid.

SEPTEMBER 5

Knorr-Bremse announces a bid of SEK 110 per share.

SEPTEMBER 14

ZF raises its bid to SEK 110 per share. The Board of Directors of Haldex recommends ZF's bid and chooses not to recommend

Knorr-Bremse's bid. ZF also announces that it has received full antitrust clearance for their offer.

SEPTEMBER 16

Knorr-Bremse raises its bid to SEK 125 per share and ZF raises its bid to SEK 120 per share.

SEPTEMBER 19

The Board of Directors of Haldex recommends ZF's bid again and chooses not to recommend Knorr-Bremse's bid.

SEPTEMBER 26

The Swedish Shareholders' Association announces that it prefers ZF's bid over Knorr-Bremse's bid. The acceptance period for Knorr-Bremse's bid begins, lasting until December 5.

OCTOBER 5

ZF announces that the company only reached an acceptance rate of around 30% from shareholders and therefore withdraws its bid. Knorr-Bremse's bid is thus the only valid bid remaining on the market.

CUSTOMER CASE:**Kennedy T.T.S. – In the driving seat**

Ghent is the third-largest harbor in Belgium, so there's certainly no shortage of goods traffic there. And yet for many years the port of Ghent was a wasteland when it came to trailer services. Kennedy T.T.S. founder Erik Eyskens had his eureka moment 16 years ago when he realized the port would be an ideal location for such a company. Today they offer a complete service package for everything trailers and is renowned far beyond Ghent for its in-depth knowledge of ABS and EBS. In terms of day-to-day work, "Haldex's diagnostic software works very well and is remarkably easy to use", says Paul Zwitter, Technical Manager. "Even on the few occasions when we're stuck", chimes in Erik Eyskens, who is also the company's commercial manager, "support from the Haldex Benelux team is exemplary. Help is always quick and accurate".

Kennedy T.T.S.'s service is all-round: Its seven-track workshop serves customers with round-the-clock breakdown service available from two of its 15-strong team of mechanics. Kennedy T.T.S. has two different repair vehicles on standby for emergencies — another high-demand service.

The company is seldom at a loss for spare parts thanks to its ample 300-square-metre warehouse, which boasts an inventory of around 10,000 units. Maintenance and preparing vehicles for technical inspection are Kennedy T.T.S.'s bread and butter as are repairs of all kinds. Whether overhauling a ModulT disc brake with the corresponding Haldex repair kit or fixing a damaged superstructure, Kennedy T.T.S. is a jack-of-all-trades and has a successful track record when it comes to critical damage repair.



Haldex share

July - September 2016

Change in share price	50%
Share price (Sep 30)	120.50 SEK
Market capital (Sep 30)	5,328 MSEK
Highest share price	128.00 SEK
Lowest share price	77.75 SEK
Average No. of traded shares/day	640,101
Total No. of shares (Sep 30)	44,215,970
Dividend 2016	2.00 SEK

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.



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 Åke Bengtsson, CFO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Tuesday, July 25 at 11.00 CEST

The press conference is broadcasted at:
<https://wonderland.videosync.fi/2016-10-25-haldex-q3-report>

To join the telephone conference:

Sweden: +46 8 56 64 26 999

UK: +44 20 3008 9808

US: +1 85 5831 5947

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>

Financial calendar 2017

Annual statement	10 February
Interim report, Jan-Mar	25 April
Annual General Meeting	4 May
Interim report, Apr-Jun	18 July
Interim report, Jul-Sep	25 October

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A WORLD OF
SAFER VEHICLES

Haldex