

A year with a weak market and a drawn-out bidding process

Haldex' net sales followed the general market trend in 2016. In North America, which represents more than half of Haldex' net sales, the conditions on the market were weak during the year and demand fell even more during the fourth quarter. However, Haldex' sales in North America during the fourth quarter did not decline at the same rate as the market. Net sales in Europe and Asia increased during the fourth quarter, but could not compensate for the decrease in North America. Disc brake sales increased significantly during both the fourth quarter and the year as a whole, but sales of actuators and brake adjusters declined. The operating margin has followed net volumes each quarter, but weakened at the end of the year.

- Net sales for Q4 totaled SEK 1,054 (1,052) m, which is on par with the same period of the previous year. After currency adjustments, net sales decreased by 5% in Q4. Net sales for full year 2016 totaled SEK 4,374 (4,777) m, which currency-adjusted is a 9% decline.
- Operating income for Q4 excluding one-off items amounted to SEK 48 (76) m, which is equivalent to an operating margin of 4.6 (7.3)%. The operating margin excluding one-off items for full year 2016 amounted to 6.6 (9.3)%. The operating margin including one-off items was -2.4% for Q4 and 4.7% for the full year 2016. One-off items for full year 2016 totaled SEK 86 (119) m, of which SEK 73 (7) m in Q4.
- The net income after tax for Q4 totaled SEK -56 (48) m and the earnings per share for Q4 totaled SEK -1.27 (1.08). Net income after tax for full year 2016 came in at SEK 91 (191) m and earnings per share at SEK 2.00 (4.28).
- Cash flow from operating activities totaled SEK 88 (111) m in Q4 and SEK 256 (220) m for full year 2016.
- A bidding process for Haldex was initiated on July 14 and is still ongoing. Knorr-Bremse's offer of SEK 125 per share is conditional upon clearance from relevant competition authorities. The anti-trust investigations are currently underway. When and if approval is obtained, the offer can be completed.
- President & CEO Bo Annvik, who previously announced his resignation, will leave his position on February 28, 2017. CFO Åke Bengtsson will take over as acting President & CEO until a replacement has been found.
- The board proposes no dividend for 2016.

Key figures	Jul-Sep			Jan-Sep		
	2016	2015	Change	2016	2015	Change
Net sales, SEK m	1,054	1,052	0%	4,374	4,777	-8%
Operating income, excl. one-off items, SEK m	48	76	-37%	291	444	-34%
Operating income, SEK m	-25	69	-136%	204	325	-37%
Operating margin, excl. one-off items, %	4.6	7.3	-2.7	6.6	9.3	-2.7
Operating margin, %	-2.4	6.6	-9.0	4.7	6.8	-2.1
Return on capital employed, excl. one-off items, % ¹	13.8	21.7	-7.9	13.8	21.7	-7.9
Return on capital employed, % ¹	9.7	15.9	-6.2	9.7	15.9	-6.2
Net income, SEK m	-56	48	-217%	91	191	-49%
Earnings per share, SEK	-1.27	1.08	-217%	2.00	4.28	-52%
Cash flow, operating activities, SEK m	88	111	-23	256	220	36

¹ Rolling twelve months

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Innovative Vehicle Solutions

CEO comment

I have been with Haldex for almost five years and I can say that 2016 has been the most challenging year during this period. The official forecast for the number of vehicles produced in North America has deteriorated quarter after quarter. Since half of our net sales are in North America, this weak demand has had a major impact on Haldex. In addition, the bidding process, which is still ongoing, was initiated during the summer, and creates uncertainty for both Haldex and its customers. With this in mind, Haldex has handled the challenges of the year well. The lower net sales in 2016 are in line with the general trend in the market, and thanks to flexible customer arrangements we have been able to remain in the discussions in the largest negotiations.

Similarly to previous quarters of the year, about half of the sales decline we experienced in the fourth quarter was related to actuators. This is primarily linked to our strong position in the Truck segment, which experienced the greatest decline in North America, and was only partially linked to the product recall. We are also seeing a decrease in brake adjuster sales due to the weaker market conditions.

The operating margin of 6.6 percent for the full year excluding one-off items does not meet our long-term goal of 10 percent. However, the downturn is related to lower sales and not to the cost structure. We have also been more generous with our goodwill and customer obligations in order to maintain good customer relationships during this current period of turbulence. When demand picks up again, Haldex will be well-equipped to take the next step toward its long-term profitability goal.

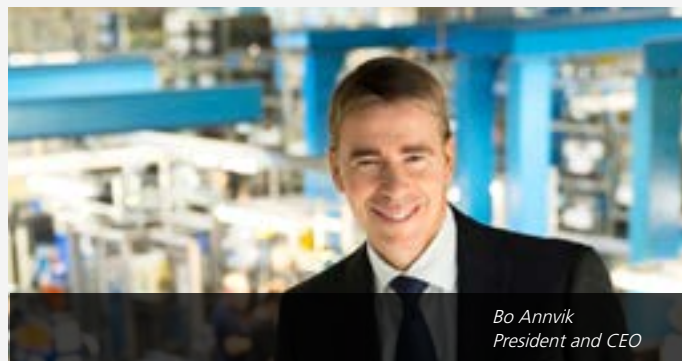
Disc brake sales continue to grow

Disc brake sales continued to show strong growth throughout the year. This increase is in line with previously announced expectations that this product category would be on the rise this year and then hopefully gradually reach even higher volumes over coming years. However, it is crucial for the future development of the disc brakes that we win several of the major negotiations in which we are currently participating. The uncertain ownership situation creates greater risk for the customers, but to date we have managed to stay in the customer discussions by offering flexible arrangements. There is an overhanging risk that we will lose business which in turn will impact our growth opportunities.

Focus on the current operations

Since the first bid was placed for Haldex in the summer of 2016, our primary goal has been to continue conducting business in accordance with previously established targets. During the fourth quarter, we re-launched the strategy for the next few years internally. We anchored the long-term strategy in a number of projects and activities with relevant key performance indicators. Internal reception has been very positive, and the aim is to counteract the vacuum that can arise during periods of uncertainty and thereby stop projects. We continue to build a stronger Haldex, which is positive for customers, employees and owners.

We had already planned to implement a new training program at Haldex, and we decided to roll it out as soon as possible as an additional measure to keep and motivate our employees. Part of the program targets middle management and focuses on management guided by our values and 5Cs (the name of our behaviors) as well as specific areas of



Bo Annvik
President and CEO

knowledge, such as leading through change, effective communication and creating team involvement. These areas feel more relevant than ever before. Key staff members will also be able to attend an international training program that has been tailored for Haldex in collaboration with Stockholm School of Economics. We believe there is a high risk of losing key people and leadership training serves many purposes, such as motivate employees to stay in the company, raise the competence levels and ensure succession planning if somebody resigns.

We will be channeling a lot of time and energy in the near future into maintaining customer relationships, ensuring that key staff members stay with the company and assisting in the complex competition investigations. To date we have been successful, but this takes resources, in particular for the ongoing extensive competition investigations since we must purchase external resources and competence to be able to assist the investigators.

Collaboration on electromechanical breaks

One area in which we are pleased to see progress is our joint venture with Chinese VIE. We will jointly develop electromechanical brakes for electrical commercial vehicles. During the fourth quarter, the new operations officially started with the opening of the office in Shanghai, and the majority of the newly recruited employees are now on-site. We have great confidence in the future of this joint venture and how we can develop sustainable and environmental friendly products for this rapidly growing market.

Handover to Åke Bengtsson

In March, I will hand over the reins to our CFO, Åke Bengtsson, who will become the acting President and CEO. The past years have been very fruitful since I began working on our strategy and the path toward profitable growth in 2012. The intensive public offer situation the company is currently undergoing is itself an indication that what we have jointly created at Haldex is held in high esteem. I am convinced that Åke and a very strong management group will continue to lead the company in the proper direction until my replacement is appointed.

Haldex in 2017

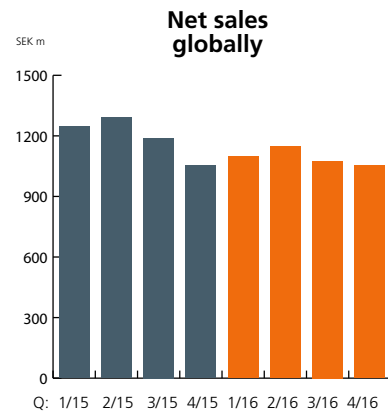
The assessment for the full year 2017 is that it will be difficult for Haldex to show growth due to the weak market conditions and the drawn-out bidding process. Our ambition is to continue to ensure good profitability, but due to lower net sales and high costs related to the bidding process, the operating margin for 2017 is forecast to be slightly lower than in 2016.

Bo Annvik
President and CEO

Net sales for the Group

Net sales for Q4 totaled SEK 1,054 (1,052) m, which is on par in absolute terms compared with the same period of the previous year. After currency adjustments, net sales decreased by 5%. Net sales for full year 2016 totaled SEK 4,374 (4,777) m. After currency adjustments, this is a 9% decrease.

The main factor that impacted net sales positively in 2016 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

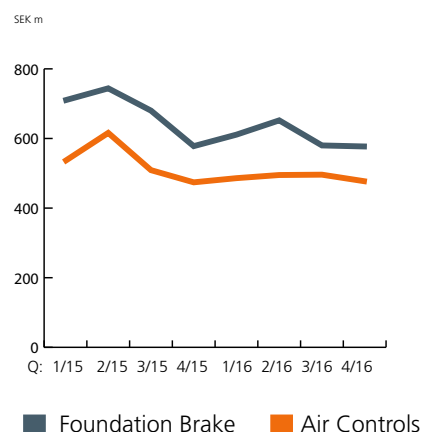
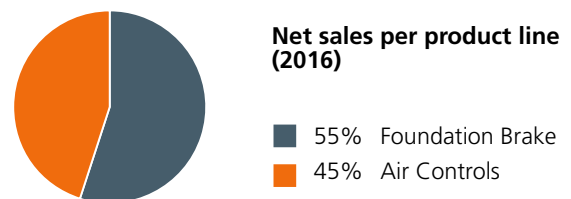
Net sales, SEK m	Oct-Dec 2016	Oct-Dec 2015	Change ¹	Full year 2016	Full year 2015	Change ¹
Foundation Brake	577	578	-5%	2,420	2,712	-11%
Air Controls	477	474	-5%	1,954	2,065	-6%
Total	1,054	1,052	-5%	4,374	4,777	-9%

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 577 (578) m in Q4. After currency adjustments, this is a 5% decrease compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 2,420 (2,712) m, which is equivalent to a currency-adjusted decrease of 11%. Disc brake sales continued to increase in 2016. 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 477 (474) m in Q4. After currency adjustments, this is a 5% decrease compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 1,954 (2,065) m, which is equivalent to a currency-adjusted decrease of 6%. Within Air Controls, ABS sales increased in 2016. 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.



Net sales per customer category

Net sales, SEK m	Oct-Dec 2016	Oct-Dec 2015	Change ¹	Full year 2016	Full year 2015	Change ¹
Truck (including buses)	236	266	-16%	1,006	1,276	-21%
Trailer	334	295	9%	1,383	1,380	0%
Aftermarket	484	491	-8%	1,985	2,121	-7%
Total	1,054	1,052	-5%	4,374	4,777	-9%

¹ Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 236 (266) m in Q4. After currency adjustments, this is a 16% decrease compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 1,006 (1,276) m, which is equivalent to a currency-adjusted decrease of 21%. Truck sales mainly decreased in North America and to a certain extent in Europe in 2016. 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 334 (295) m in Q4. After currency adjustments, this is a 9% increase compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 1,383 (1,380) m, which currency-adjusted is on par with previous



Net sales per customer category (2016)

- 23% Truck
- 32% Trailer
- 45% Aftermarket

year. The successes of our disc brakes led to higher sales in Europe but sales fell in North America due to lower actuator sales.

Net sales in Aftermarket amounted to SEK 484 (491) m in Q4. After currency adjustments, this is a 8% decrease. Net sales for full year 2016 totaled SEK 1,985 (2,121) m, which is equivalent to a currency-adjusted decrease of 7%. Aftermarket sales in Europe and Asia have been stable, but fell in North America and South America during the year.

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	Oct-Dec 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	43,400	-39%	221,628	-31%	
Europe	121,995	-1%	444,918	2%	
China	228,588	71%	715,690	34%	
India	42,878	-4%	188,244	4%	
South America	10,047	16%	41,385	-20%	
All regions	446,908	17%	1,610,010	6%	
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	68,100	-9%	308,310	-7%	
Europe	69,042	8%	298,883	7%	
China	130,000	88%	366,400	48%	
India	8,000	-16%	40,700	18%	
South America	4,120	-29%	30,390	-10%	
All regions	279,262	25%	1,036,883	13%	

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	Oct-Dec 2016	Oct-Dec 2015	Change ¹	Full year 2016	Full year 2015	Change ¹
Europe	392	351	8%	1,571	1,573	-1%
North America	506	561	-16%	2,238	2,641	-16%
Asia & Middle East	131	114	14%	445	430	7%
South America	25	26	-33%	120	133	-7%
Total	1,054	1,052	-5%	4,374	4,777	-9%

¹ Currency adjusted

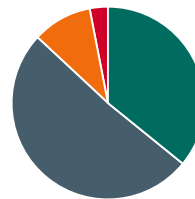
In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. In Europe, net sales amounted to SEK 392 (351) m in Q4. After currency adjustments, this is a 8% increase compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 1,571 (1,573) m, which is equivalent to a currency-adjusted decrease of 1%. In Europe, disc brake sales to Trailer customers increased in 2016. 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 506 (561) m in Q4. After currency adjustments, this is a 16% decrease compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 2,238 (2,641) 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 in 2016. This decrease in sales is only due in small part to the product recall Haldex initiated last year. Reman has continued to decline during all of 2016. In the second half of the year, brake adjuster sales were also down.

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

aftermarket accounts for a smaller proportion of sales. In Asia and the Middle East, net sales amounted to SEK 131 (114) m in Q4. After currency adjustments, this is an 14% increase compared to the same period of the previous year. Net sales for full year 2016 totaled SEK 445 (430) m, which is equivalent to a currency-adjusted increase of 7%. The Indian market grew under the first half of 2016 but declined during the second half. China developed slightly worse during the first half of 2016 but ended the year with a strong Q4. Brake adjuster sales in Asia fell due to heavier price pressure.

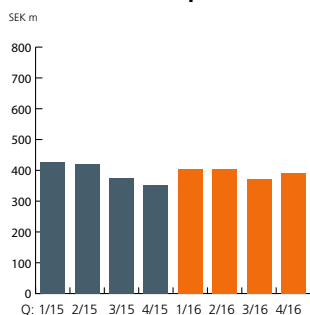
In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q4 totaled SEK 25 (26) m, which, after currency adjustments, is a 33% decrease. Net sales for full year 2016 totaled SEK 120 (133) m. After currency adjustments, this is a 7% decrease compared to the previous year. In Brazil, which is the most important market in South America, ABS sales saw an increase in 2016.



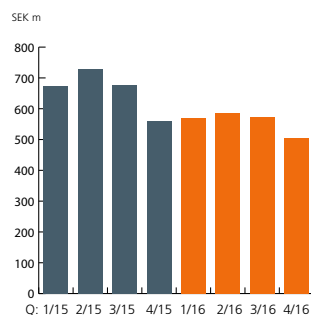
Net sales per region (2016)

- 36% Europe
- 51% North America
- 10% Asia & Middle East
- 3% South America

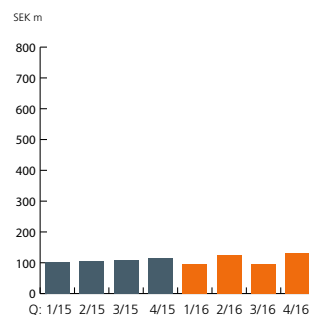
Net sales Europe



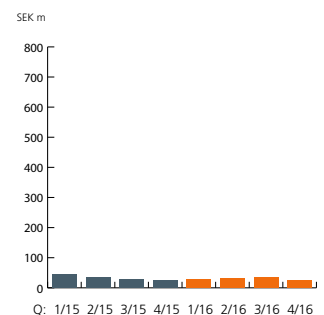
Net sales North America



Net sales Asia & Middle East



Net sales South America



Earnings

Operating income excluding one-off items totaled SEK 48 (76) m for Q4 and SEK 291 (444) m for full year 2016, which is equal to an operating margin of 4.6 (7.3)% for Q4 and 6.6 (9.3)% for full year 2016. The operating profit is mainly affected by lower net sales and higher warranty provisions due to more generous customer obligations. The aim here is to strengthen goodwill with customers and maintain good customer relationships. In Q4, earnings were further weakened compared to previous quarters, which, except lower sales volumes, was a result of declining sales of brake adjusters and actuators in North America. It is a geographical region and product families with high profitability.

The operating income and operating margin including one-off items came in at SEK -25 (69) m and -2.4 (6.6)% respectively for Q4 and SEK 204 (325) m and 4.7 (6.8)% respectively for full year 2016. The underlying cost structure and the cost control in general has been solid for the full year.

The income before tax totaled SEK -52 (62) m for Q4 and SEK 165 (271) m for full year 2016. The net income after tax totaled SEK -56 (48) m for Q4 and SEK 91 (191) m for full year 2016. This corresponded to earnings per share of SEK -1.27 (1.08) for Q4 and SEK 2.00 (4.28) for full year 2016.

Currency fluctuations, including the result of currency hedging and currency translation effects, had a positive impact on the Group's operating income excluding one-off items, which came in at SEK 5 (7) m for Q4, and the total effect was SEK -23 (68) m for full year 2016. In addition, there was a negative currency effect in net financial items in Q4 in the amount of SEK -9 (5) m, and the corresponding effect for full year 2016 was SEK 0 (-26) m.

One-off items

One-off items have incurred in 2016, partly because of uncertainty about Haldex' future owner situation to be able to win new business, maintain good customer relationships and support the review of the competitive situation:

- Haldex takes on a higher share of the risk in development projects, instead of the traditional split of risk between Haldex and the customer. This is a result of customers rating the probability of non-fulfillment of the contracts as too high.
- Increased warranty provisions due to more generous customer obligations.

- Costs to retain and motivate staff. Recruitment of new staff has become increasingly difficult.
- Significantly higher legal costs for the on-going review of the competitive situation related to the public offer. Legal costs are expected to increase since the US Antitrust authorities has announced that they will initiate a so-called second request of its competitive review.

Increased cost according to the list above together with other provisions for warranty and customer obligations is reported as one-off items amounting to SEK 73 m for Q4, of which SEK 59 m in warranty and customer obligations and SEK 3 m for legal costs related to the public offer. One-off items for full year 2016 amounted to SEK 86 m.

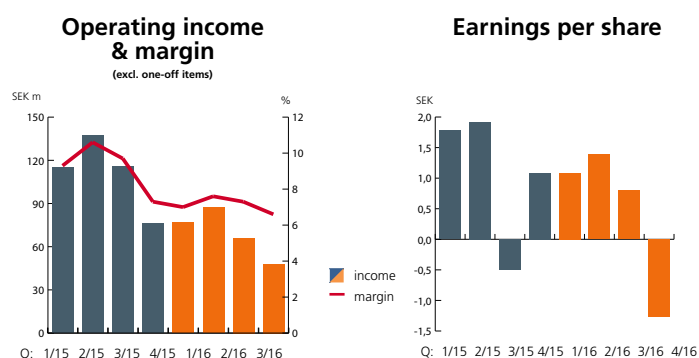
Legal costs are expected to increase while other one-off items are expected to decrease in 2017.

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 actuators 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 have impacted 2016 as a part of the product recall.

Restructuring activities

In 2017, minor costs are expected to impact earnings as one-off items when moving product capacity from Sweden to Hungary. The restructuring program that was completed in 2015 has realized the final SEK 30 m of the program's savings in 2016.



Earnings	Oct-Dec 2016	Oct-Dec 2015	Change	Full year 2016	Full year 2015	Change
Operating income, excl. one-off items, SEK m	48	76	-37%	291	444	-34%
Operating income, SEK m	-25	69	-136%	204	325	-37%
Operating margin, excl. one-off items, %	4.6	7.3	-2.7	6.6	9.3	-2.7
Operating margin, %	-2.4	6.6	-9.0	4.7	6.8	-2.1
Net income, SEK m	-56	48	-217%	91	191	-52%
Earnings per share, SEK	-1.27	1.08	-217%	2.00	4.28	-53%

Financial position

As of December 31, the Group's net debt was SEK 490 (335) m, a net debt increase of SEK 155 m in comparison to the start of the year. The change over 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 -39 (-54) m for full year 2016, including net interest income and expenses of SEK -18 (-26) m. Shareholders' equity amounted to SEK 1,374 (1,407) m, resulting in an equity/asset ratio of 45 (49)%.

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 Q4.

Net debt, SEK m	Dec 31 2016	Dec 31 2015	Change
<i>Assets as part of the net debt:</i>			
Cash and cash equivalents	297	304	-2%
<i>Liabilities as part of the net debt:</i>			
Interest-bearing liabilities including derivative instruments	-365	-271	29%
Pension liabilities ¹	-422	-368	15%
Net debt in total	-490	-335	46%
Net of interest during the year	-18	-26	-31

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 88 (111) m in Q4 and SEK 256 (220) m for full year 2016. Decreased inventories had a positive impact on cash flow.

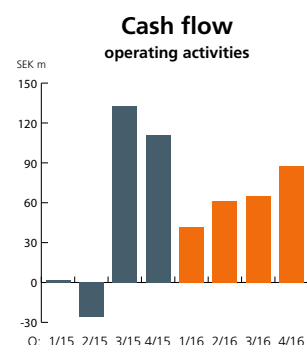
Investments totaled SEK -81 (-52) m in Q4 and cash flow after investments amounted to SEK 7 (59) m. The corresponding figures for full year 2016 are SEK -222 (-174) m in investments and SEK 34 (46) m in cash flow after investments. The total cash flow was SEK 18 (30) m in Q4 and SEK -18 (-133) m for full year 2016.

Cash flow and cash equivalents, SEK m	Oct-Dec 2016	Oct-Dec 2015	Change	Full year 2016	Full year 2015	Change
Cash flow, operating activities	88	111	-23	256	220	36
Cash flow after investment activities	7	59	-52	34	46	-12
Cash and cash equivalents (at end of period)	297	304	-7	297	304	-7

Taxes

The company's tax expenses for 2016 totaled SEK 74 (80) m, which is equal to a tax rate of 36 (32)%. The tax rate for the previous year was impacted positively by internal restructuring, 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 has been formed with Zhejiang VIE Science and Technology Co., Ltd which did not impact this 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.

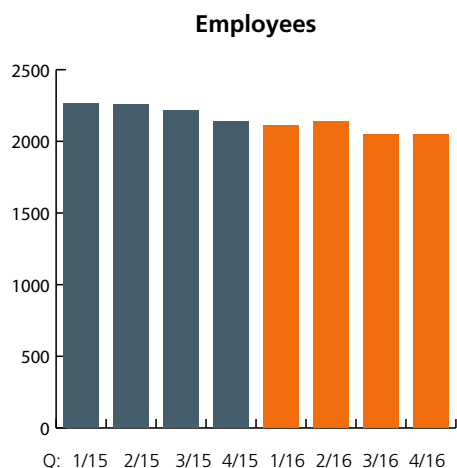
Changed estimates and judgments

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 54 (26) m for full year 2016. Of this change, an decrease of SEK 28 (50) m is attributable to Q4. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions.

Risk assessment for compensation related to warranty and customer obligations have changed in the fourth quarter, resulting in an increase in provisions of SEK 59 m.

Employees

At the end of the year, the number of employees was 2,045 (2,140), which is 95 less than at the end of 2015 and 6 less than at the end of the previous quarter. The Company's staff mainly decreased in North America in 2016.



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 full year 2016 amounted to SEK 91 (101) m, while the net income after tax was SEK -139 (404) m. This net income includes dividends from Group companies amounting to SEK 3 (525) m.

Annual general meeting

Haldex will hold its annual general meeting on Thursday, May 4, 2017 at 4:00 p.m. 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.

Under the Company's Articles of Association, notice of the meeting must be issued no earlier than six weeks and no later than four weeks prior to the meeting. Notice will be given by announcement in Post & Inrikes tidningar and as well as Svenska Dagbladet. Shareholders who wish to attend the annual general meeting must register their attendance with the Company no later than on the date listed in the notice and be registered in the share register maintained by Euroclear Sweden AB for the annual general meeting. Information

about the forms and deadlines applicable to registration for the annual general meeting will be provided in conjunction with the meeting notice.

Shareholders who wish to have an item added to a meeting agenda must send a written request to the board of directors. This request must be received by Haldex at least seven weeks prior to the meeting to enable the agenda item to be incorporated into the meeting notice.

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.

Dividend

The board of directors propose no dividend for 2016 given the public offer process and related expenses for the company. For 2015 a dividend of SEK 2.00 per share was paid in May 2016.

Public offer process

A bidding process for Haldex was initiated on July 14 and is still ongoing. Three companies submitted three different bids. At the time of publication of this interim report, there was one remaining bid from Knorr-Bremse for SEK 125 per share. Knorr-Bremse's offer is conditional upon clearance from relevant competition authorities and these investigations are currently ongoing. When and if approval is obtained, the bidding process can be completed. See page 21 for a chronological overview of each event 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. Bo Annvik will be leaving his position on February 28, 2017 but stay employed until April 17. Current CFO, Åke Bengtsson, will take over as acting President & CEO until a replacement has been found.

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.

Targets met in 2016

In 2016, Haldex' net sales decreased in all segments. According to official production statistics, restated for Haldex's weighting in each segment, Haldex has not grown faster than the market, even if the decrease in sales in general follows the weakening in the market.

The operating margin of 6.6 percent excluding one-off items resulted in the company not meeting the target of an operating margin of at least 10 percent. The current cost structures, however, would have resulted in a potential operating margin of 10 percent if net sales had remained at previous levels.

The net debt/equity ratio of 0.36 is well below the target of a net debt/equity ratio that is less than one.

The board of directors is not proposing a dividend for 2016 given the bidding situation and related expenses for the company.

All in all, Haldex has met one of its four long-term targets in 2016.

Outlook for 2017

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 in 2017.

China slowed in 2016 and the forecast for 2017 is weak.

India recovered in the first six months of 2016 only to fall again. In 2017, negative market growth is expected.

Brazil is not expected to recover in 2017.

The forecast for the full year 2017 is that it will be difficult for Haldex to show growth due to the weak market conditions and the drawn-out bidding process. Our ambition is to continue to ensure good profitability, but due to lower net sales the operating margin for 2017 is forecast to be slightly lower than in 2016.

Landskrona February 10, 2017

Bo Annvik

President and CEO

This report has not been audited by the Company's auditors.

Consolidated income statement

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Net sales	1,054	1,052	4,374	4,777
Cost of goods sold	-774	-772	-3,155	-3,418
Gross income	280	280	1,219	1,359
<i>Gross margin</i>	26.6%	26.6%	27.9%	28.4%
Selling, admin. and product development costs	-253	-216	-950	-942
Other operating income and expenses ¹	-52	5	-65	-92
Operating income ¹	-25	69	204	325
Financial income and expenses	-27	-7	-39	-54
Income before tax	-52	62	165	271
Tax	-4	-14	-74	-80
Net income	-56	48	91	191
<i>attributable to non-controlling interests</i>	0.2	0	2.7	2
Earnings per share, before and after dilution, SEK	-1.27	1.08	2.00	4.28
Average No. of shares, thousands	44,204	44,204	44,204	44,204

Operating income, by nature of expenses

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Net sales	1,054	1,052	4,374	4,777
Direct material costs	-573	-577	-2,370	-2,596
Personnel costs	-195	-213	-894	-935
Depreciation and amortization	-34	-33	-136	-139
Other operating income and expenses	-277	-160	-770	-782
Operating income ¹	-25	69	204	325

1) One-off items included in the operating income

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Operating income, including one-off items	-25	69	204	325
Restructuring costs	-	-7	-	-23
Product related warranty	-59	-	-59	-96
External services related to the bidding process	-3	-	-15	-
Other	-11	-	-12	-
Operating income, excluding one-off items	48	76	291	444

Consolidated statement of comprehensive income

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Net income	-56	48	91	191
Other comprehensive income/loss				
<i>Items not to be reclassified to the income statement:</i>				
Remeasurement of pension obligation, after tax	43	46	-62	22
Total	-26	46	-70	22
<i>Items that may be reclassified subsequently to the income statement:</i>				
Currency translation differences	19	-18	26	49
Changes in financial instruments at fair value, after tax	-6	7	1	2
Total	13	-11	27	51
Total other comprehensive income/loss	56	35	-35	73
Total comprehensive income	0	83	56	264
<i>attributable to non-controlling interests</i>	0	-1	1	3

Consolidated statement of financial position

SEK m	Dec 31 2016	Dec 31 2015
Goodwill	422	418
Other intangible assets	34	64
Tangible assets	613	479
Financial assets	71	63
Deferred tax assets	166	153
Total non-current assets	1,306	1,177
Inventories	524	571
Current receivables	909	763
Derivative instruments	21	40
Cash and cash equivalents	297	304
Total current assets	1,751	1,678
Total assets	3,057	2,855
Equity	1,374	1,407
Pension and similar obligations	422	368
Deferred tax liabilities	30	16
Non-current interest-bearing liabilities	270	270
Other non-current liabilities	35	38
Total non-current liabilities	757	692
Derivative instruments	32	29
Current interest-bearing liabilities	79	3
Current liabilities	815	724
Total current liabilities	926	756
Total equity and liabilities	3,057	2,855

Statement of changes in equity

SEK m	Full year 2016	Full year 2015
Opening balance	1,407	1,278
Net income	91	191
Other comprehensive income/loss	-35	73
Total comprehensive income	56	264
Transactions with shareholders:		
Dividend to Haldex' shareholders	-88	-133
Dividend to non-controlling interests	-1	-3
Value of employee services/incentive programs	0	1
Total transactions with shareholders	-89	-135
Closing balance	1,374	1,407
<i>attributable to non-controlling interests</i>	23	19

Consolidated statement of cash flow

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Operating income	-25	69	204	325
Reversal of non-cash items	32	34	136	139
Interest paid	-18	-10	-40	-28
Tax paid	-18	-36	-62	-87
Cash flow from operating activities before change in working capital	-29	57	238	349
Change in working capital	117	54	18	-129
Cash flow from operating activities	88	111	256	220
Investments	-81	-52	-222	-174
Cash flow from investment activities	-81	-52	-222	-174
Dividend to Haldex' shareholders	0	-	-88	-133
Dividend to non-controlling interests	0	-1	-1	-3
Change of interest-bearing liabilities	11	-28	37	-43
Cash flow from financing activities	11	-29	-52	-179
Net cash flow	18	30	-18	-133
Cash and cash equivalents, opening balance	272	277	304	437
Currency translation diff. in cash and cash equivalents	7	-3	11	0
Cash and cash equivalents, closing balance	297	304	297	304

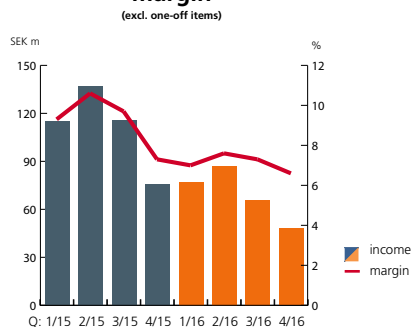
Key figures

	Full year 2016	Full year 2015
Operating margin, excl. one-off items, %	6.6	9.3
Operating margin, %	4.7	6.8
Cash flow, operating activities, SEK m	256	220
Cash flow after investment activities, SEK m	34	46
Return on capital employed, excl. one-off items, % ¹	13.8	21.7
Return on capital employed, % ¹	9.7	15.9
Investments, SEK m	222	174
R&D, %	3.5	3.6
Number of employees	2,045	2,140
Return on shareholders' equity, % ²	13.1	14.1
Interest coverage ratio	6.5	14.8
Equity ratio, %	45	49
Net debt/equity ratio, %	36	24
Share data:		
Earnings per share, before dilution, SEK	2.00	4.28
Earnings per share, after dilution, SEK	2.00	4.28
Equity per share, SEK	30.63	31.46
Cash flow, operating activities, SEK	5.80	4.99
Share price, SEK	116.50	79.50
Average No. of shares, thousands	44,216	44,204
Total No. of shares at end of period, thousands	44,216	44,216
<i>of which is treasury shares, thousands</i>	<i>102</i>	<i>102</i>

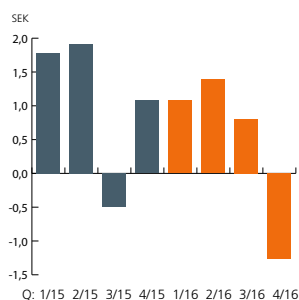
¹ Rolling twelve months

² Twelve months

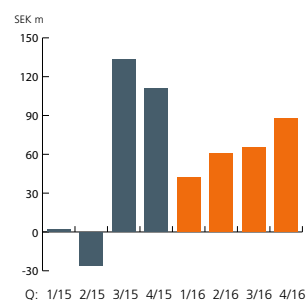
Operating income & margin



Earnings per share



Cash flow operating activities



Parent company's income statement

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Net sales	15	20	91	101
Administrative costs	-41	-45	-84	-89
Operating income	-26	-25	7	12
Dividend from Group companies	1	5	3	525
Financial income and expenses	-65	-97	-66	-73
Income after financial items	-90	-117	-56	464
Group contribution	-78	-60	-84	-60
Income before tax	-168	-177	-140	404
Tax	15	15	1	2
Net income	-153	-162	-139	406

Parent company's statement of comprehensive income

SEK m	Oct-Dec 2016	Oct-Dec 2015	Full year 2016	Full year 2015
Net income	-153	-162	-139	406
Other comprehensive income	-	-	-	-
Total comprehensive income	-153	-162	-139	406

Parent company's statement of financial position

SEK m	Dec 31 2016	Dec 31 2015
Non-current assets	2,804	2,852
Current assets	398	553
Total assets	3,262	3,405
Shareholders' equity	1,232	1,460
Provisions	54	48
Interest-bearing liabilities, external	270	270
Other liabilities	1,706	1,627
Total equity and liabilities	3,262	3,405

Financial instruments by category - Group

SEK m	Dec 31, 2016		Dec 31, 2015	
	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	5	3	10	1
Forward exchange contracts- at fair value through profit or loss	3	3	2	3
Currency swaps - at fair value through profit or loss	13	26	28	25
Financial assets available for sale	20	-	19	-
Total	41	32	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
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Income statement:									
Net sales	1,054	1,076	1,147	1,097	1,052	1,189	1,290	1,246	1,092
Cost of good sold	-774	-768	-824	-789	-772	-835	-912	-899	-789
Gross income	280	308	323	308	280	354	378	347	303
Selling, admin. and product development costs	-253	-217	-241	-236	-216	-243	-245	-238	-207
Other operating income and expenses	-52	-23	5	5	5	-103	1	5	-64
Operating income	-25	68	87	77	69	8	134	114	32
<i>Operating income, excl. one-off items</i>	-25	80	87	77	76	116	137	115	101
Financial income and expenses	-27	-12	3	-5	-7	-28	-6	-13	-8
Income before tax	-52	56	90	72	62	-20	128	101	24
Tax	-4	-19	-28	-24	-14	-2	-42	-22	-7
Net income/loss	-56	37	62	48	48	-22	86	79	17
Statement of financial position:									
Non-current assets	1,306	1,195	1,178	1,162	1,177	1,145	1,183	1,212	1,148
Current assets	1,751	1,709	1,744	1,723	1,678	1,807	1,836	2,061	1,788
Total assets	3,057	2,904	2,922	2,885	2,855	2,952	3,019	3,273	2,936
Equity	1,374	1,374	1,340	1,389	1,407	1,325	1,368	1,416	1,278
Non-current liabilities	757	786	761	717	692	737	721	786	718
Current liabilities	926	744	821	779	756	890	930	1071	940
Total equity and liabilities	3,057	2,904	2,922	2,885	2,855	2,952	3,019	3,273	2,936
Statement of cash flow:									
Cash flow from operating activities before change in working capital	-29	66	102	99	57	26	132	134	82
Cash flow from operating activities	88	65	61	42	111	133	-26	2	204
Cash flow from investment activities	-81	-50	-44	-47	-52	-47	-43	-32	-61
Cash flow from financing activities	11	0	-46	-17	-29	-8	-135	-7	-24
Net cash flow	18	15	-29	-22	30	78	-204	-37	119
Key figures:									
Operating margin, excl. one-off items, %	4.6	7.4	7.6	7.0	7.3	9.7	10.6	9.3	9.3
Operating margin, %	-2.4	6.3	7.6	7.0	6.6	0.7	10.4	9.2	3.0
Earnings per share, before and after dilution, SEK	-1.27	0.82	1.39	1.08	1.08	-0.50	1.92	1.78	0.38
Equity per share, SEK	30.63	31.08	29.94	31.07	31.46	29.58	30.52	31.57	28.48
Cash flow, operating activities, per share, SEK	1.99	1.47	1.38	0.95	2.52	3.01	-0.59	0.05	4.61
Share price, SEK	116.50	120.00	80.25	71.50	79.50	88.00	109.50	130.25	101.75
Return on capital employed excl. one-off items, % ¹	13.8	14.6	17.3	19.6	21.7	23.3	23.4	22.4	21.4
Return on capital employed, % ¹	9.7	14.1	11.7	13.9	15.9	14.3	14.8	13.5	12.2
Return on equity, %	-4.7	2.7	4.5	3.5	3.6	-1.7	6.7	6.4	1.4
Equity ratio, %	45	47	46	48	49	45	45	43	44
Net debt/equity ratio, %	36	37	38	27	24	33	36	25	21
Investments	81	50	44	47	52	47	43	32	48
R&D, %	3.6	3.4	3.6	3.5	3.9	3.5	3.5	3.6	3.6
Number of employees	2,045	2,051	2,140	2,114	2,140	2,215	2,257	2,265	2,235

¹ Rolling twelve months

5 year in summary

SEK m, if not otherwise stated	2016	2015	2014	2013	2012
Income statement:					
Net sales	4,374	4,777	4,380	3,920	3,933
Cost of good sold	-3,155	-3,418	-3,142	-2,827	-2,904
Gross income	1,219	1,359	1,238	1,093	1,029
Selling, admin. and product development costs	-950	-942	-857	-839	-836
Other operating income and expenses	-65	-92	-148	-101	-43
Operating income	204	325	233	153	150
<i>Operating income, excl. one-off items</i>	291	444	408	281	210
Financial income and expenses	-39	-54	-28	-43	-36
Income before tax	165	271	205	110	114
Tax	-74	-80	-98	-72	-60
Net income	91	191	107	38	54
Statement of financial position:					
Non-current assets	1,306	1,177	1,148	1,047	1,186
Current assets	1,751	1,678	1,788	1,439	1,414
Total assets	3,057	2,855	2,936	2,486	2,600
Equity	1,374	1,407	1,278	1,152	1,129
Non-current liabilities	757	692	718	728	967
Current liabilities	926	756	940	606	504
Total equity and liabilities	3,057	2,855	2,936	2,486	2,600
Statement of cash flow:					
Cash flow from operating activities before change in working capital	238	349	356	249	243
Cash flow from operating activities	256	220	435	282	238
Cash flow from investment activities	-222	-174	-151	-71	-118
Cash flow from financing activities	-52	-179	-216	-230	-164
Net cash flow	-18	-133	68	-19	-44
Key figures:					
Operating margin, excl. one-off items, %	6.6	9.3	9.3	7.2	5.3
Operating margin, %	4.7	6.8	5.3	3.9	3.8
Earnings per share, before and after dilution, SEK	2.00	4.28	2.32	0.80	1.12
Equity per share, SEK	30.63	31.46	28.48	26.06	25.53
Cash flow, operating activities, per share, SEK	5.8	4.99	9.84	6.38	5.38
Dividend, SEK	0.00	2.00	3.00	2.00	1.00
Share price, SEK	116.50	79.50	101.75	60.00	33.50
Return on capital employed excl. one-off items, % ²	13.8	21.7	21.4	14.6	9.8
Return on capital employed, % ²	9.7	15.9	12.2	7.8	7.0
Return on equity, %	13.1	14.1	8.7	3.1	3.4
Equity ratio, %	45	49	44	46	43
Net debt/equity ratio, %	36	24	21	33	51
Investments	222	174	147	94	118
R&D, %	3.5	3.6	3.4	3.5	3.4
Number of employees	2,045	2,140	2,235	2,135	2,200

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 (17%), and Knorr-Bremse (14%).

Vision

A world of safer vehicles.

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 heavy vehicles being produced.
- 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.

8 NOVEMBER

Haldex board of directors announce that they recommend the offer if and when Knorr-Bremse receives clearance from relevant competition authorities. The board underlines that the process could be drawn-out.

28 NOVEMBER

The Swedish Shareholders' Association recommends Knorr-Bremse's offer.

30 NOVEMBER

ZF announce that their intention is to accept Knorr-Bremse's bid.

5 DECEMBER

The acceptance period for Knorr-Bremse's bid expires.

7 DECEMBER

Knorr-Bremse announce that 86.1% of the shareholders accepted the bid. The acceptance period is extended until February 28.

14 DECEMBER

A second request for information from the US anti-trust authorities is received.

20 DECEMBER

Haldex announces increased extra ordinary costs related to the competitive investigations and to remain good customer relations.

9 FEBRUARI, 2017

Knorr-Bremse extends the acceptance period until June 16.

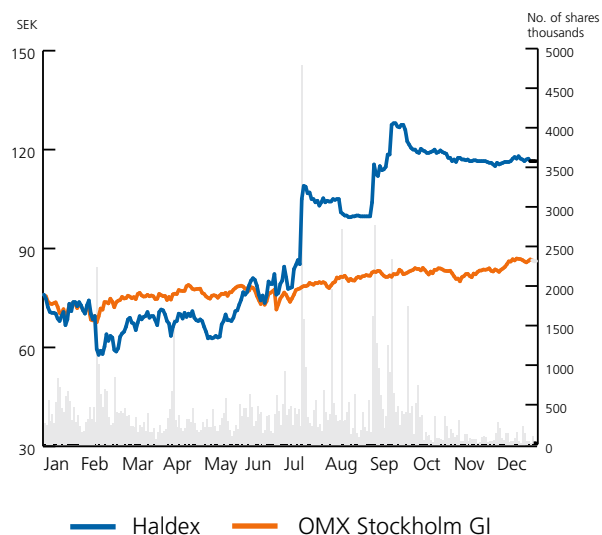


This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.

Haldex share

2016

Change in share price	47%
Share price (Dec 31)	116.50 SEK
Market capital (Dec 31)	5,151 MSEK
Highest share price	128.00 SEK
Lowest share price	56.75 SEK
Average No. of traded shares/day	384,854
Total No. of shares (Dec 31)	44,215,970



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: Friday, February 10 at 11.00 CET

The press conference is broadcasted at:
<https://wonderland.videosync.fi/haldex-q4-report-2016>

To join the telephone conference:

Sweden: +46 8 56 64 26 69

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

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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SAFER VEHICLES

Haldex