



PRESS RELEASE

Landskrona, July 7, 2017

Feedback from the U.S. antitrust authority reinforces the conclusion of a very low probability for the Knorr-Bremse offer

Haldex questions the purpose of Knorr-Bremse's continuation of the bid process

The U.S. antitrust authority, which forms a part of the Department of Justice (DOJ), has since December 2016 carried out an in-depth investigation of Knorr-Bremse's takeover offer on Haldex. The DOJ has after independent analysis reached similar conclusions as its European counterpart, which reinforces Haldex's conclusion that the offer has a very low probability of being approved.

The process in the U.S. started in November 2016. In December, the DOJ announced that they would initiate an in-depth investigation. Since then, Haldex and Knorr-Bremse have provided the authority with documentation and answered questions. The investigation by the DOJ has now reached a stage where they have provided feedback to the companies. The DOJ's assessment does not only focus on current market shares, but also analyses future market developments and technology trends.

The DOJ has identified antitrust concerns within a number of areas, which overlap with several areas already communicated by the European competition authority. The following markets which affect Haldex's product areas have been identified:

- Air disc brakes
- Pneumatic valves
- ABS
- and continues to investigate EBS

The DOJ will make its own assessment of potential buyers independent from the European authority. “A potential buyer of divested product areas will need approval from the authorities. Clearly, current competition must be upheld or reinforced. In our case, there are also specific requirements on the buyers’ ability to maintain high levels of competence within relevant areas, due to Haldex’s products being regulated by a number of safety regulations. There must be maintenance available for years to come for the large installed base of Haldex brakes currently in use on the roads. As a result, any buyer must already at the time of purchase have relevant expertise within the area. Based on the feedback we have received on the proposed buyers, we are not able to see how Knorr-Bremse would be able to find a buyer that the authorities would approve.”, says Jörgen Durban, Chairman of Haldex.

Haldex Board has, following feedback from the European competition authority, made the assessment that the probability for Knorr-Bremse to receive necessary competition clearances is very low, and has as a result decided to withdraw its support for the Knorr-Bremse bid.

“Following today’s feedback, we are reinforced in our opinion that Knorr-Bremse will not be able to carry out the offer.”, continues Jörgen Durban. “A total of six out of eight product areas are affected on our two largest geographical markets. All but one manufacturing facility would be affected. The divestments will consequently be too extensive to procure competitive solutions that the authority would approve. The complexity of the structure itself aside, this concerns products where Haldex has advanced technology that is expected to contribute to the company’s future growth and developing markets such as autonomous driving. These products represent the unique value of Haldex. If these would be sold, it is difficult to understand the rationale behind the acquisition. Knorr-Bremse must understand, as well as we do, that they will not receive clearance, but has still chosen to continue with the bid process. In the unlikely event that they would not share this opinion, they would be left with the Haldex products that will lose in significance due to the close forthcoming shift in technology. We can no longer see any other reason for them to continue with this process than to attempt to obstruct Haldex and to get rid of a competitor. The continuation of this process cannot be sincere”.

Under the Swedish Takeover Rules, there is a limit to the duration of the acceptance period of nine months to protect the target company’s business. Knorr-Bremse has earlier received approval to extend the acceptance period until the 26 September 2017, which is approximately three months longer than the otherwise permitted maximum period. Knorr-Bremse has previously announced that it will likely seek approval for an extension until February 2018 based on feedback from the European competition authority. The business of Haldex has been both financially and capacity strained for a long time as a result of the uncertain ownership situation and an additional extension of the acceptance period would harm the business long term, which is unacceptable. The Board of Haldex contest the grant of approval by the Swedish Securities Council to extend the Knorr-Bremse offer.

Background

On 5 September 2016, Knorr-Bremse announced a cash offer to the shareholders of Haldex. Knorr-Bremse's offer of SEK125 per Haldex share is conditional on the receipt of clearances from relevant competition authorities.

On 29 June, Haldex announced a press release with detailed feedback from the European competition authority which prompted the Haldex Board to withdraw its support for the Knorr-Bremse bid. <http://corporate.haldex.com/en/media/press-releases/2017/the-haldex-board-withdraws-its-support-for-the-knorr-bremse-bid>

For further information please visit <http://corporate.haldex.com/sv> or contact

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About Haldex

With more than 100 years of intensely focused innovation, Haldex holds unrivalled expertise in brake systems and air suspension systems for heavy trucks, trailers and buses. We live and breathe our business delivering robust, technically superior solutions born from deep insight into our customers' reality. By concentrating on our core competencies and following our strengths and passions, we combine both the operating speed and flexibility required by the market. Collaborative innovation is not only the essence of our products – it is also our philosophy. Our 2,100 employees, spread on four continents, are constantly challenging the conventional and strive to ensure that the products we deliver create unique value for our customers and all end-users. We are listed on the Nasdaq Stockholm Stock Exchange and have net sales of approximately 4.4 billion SEK.