



**SAF HOLLAND'S OFFER TO THE  
SHAREHOLDERS OF  
HALDEX AKTIEBOLAG (PUBL)**

On 14 July 2016, SAF-HOLLAND GmbH, Amtsgericht Aschaffenburg HRB 9685, ("SAF-HOLLAND") announced an all-cash offer to the shareholders of Haldex Aktiebolag (publ), Reg. No. 556010-1155 ("Haldex" or the "Company"), to acquire all shares in Haldex on the terms and conditions set out in this offer document (the "Offer").

A Swedish version of this offer document has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "SFSA") in accordance with Chapter 2 Section 3 of the Swedish Takeover Act (*Sw. lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) and Chapter 2 (a) Section 9 of the Swedish Financial Instruments Trading Act (*Sw. lagen (1991:980) om handel med finansiella instrument*). The approval and registration by the SFSA does not imply that SFSA guarantees that the information in the offer document is correct or complete.

This offer document is available both in Swedish and English. In the event of any discrepancy between the English and Swedish language versions, the Swedish language version shall prevail.

The information in this offer document purports to be accurate, although not complete, only as of the date of the announcement of this offer document. No representation is made that it was or will remain accurate on any other date. The information in this offer document is furnished solely for the purpose of the Offer and may not be relied upon for any other purposes.

The board of directors of Haldex has not participated in the preparation of this offer document. Accordingly, the information regarding Haldex on pages 8–38 is based on information made public by Haldex. SAF-HOLLAND does not represent that the information included herein with respect to Haldex is accurate or complete and does not take any responsibility for such information being accurate or complete. Except where this is explicitly stated, no information in this offer document has been audited or reviewed by auditors.

The figures in this offer document have been rounded off as appropriate. As a result, certain tables appear to not summarise correctly.

### **Applicable law and disputes**

The Offer shall be governed by and construed in accordance with the laws of Sweden. The Takeover Rules issued by Nasdaq Stockholm, and the Swedish Securities Council's rulings regarding the interpretation and application of the Takeover Rules, apply in relation to the Offer. In accordance with the Swedish Takeover Act, SAF-HOLLAND has, on 7 July 2016, undertaken towards Nasdaq Stockholm to comply with the Takeover Rules and to submit to any sanctions imposed by Nasdaq Stockholm upon breach of the Takeover Rules. SAF-HOLLAND informed the SFSA about the Offer and the undertaking towards Nasdaq Stockholm on 14 July 2016. The courts of Sweden shall have exclusive jurisdiction over any dispute arising out of or in connection with the Offer and the City Court of Stockholm shall be the court of first instance.

### **Forward-looking statements**

Statements in this offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects", "believes", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of SAF-HOLLAND and Haldex. Any such forward-looking statements speak only as of the date on which they are made and SAF-HOLLAND has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

### **Offer restrictions**

The distribution of this offer document and any related offer documentation in certain jurisdictions may be restricted or affected by the laws of such jurisdictions. Accordingly, copies of this offer document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any such jurisdiction. Therefore, persons who receive this offer document (including, without limitation, nominees, trustees and custodians) and are subject to the laws of any such jurisdiction will need to inform themselves about, and observe, any applicable restrictions or requirements. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, SAF-HOLLAND disclaims any responsibility or liability for the violations of any such restrictions by any person.

The Offer is not being made, and this offer document may not be distributed, directly or indirectly, in or into, nor will any tender of shares be accepted from or on behalf of holders in, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or any other jurisdiction in which the making of the Offer, the distribution of this offer document or the acceptance of any tender of shares would contravene applicable laws or regulations or require further offer documents, filings or other measures in addition to those required under Swedish law.

### **Special notice to shareholders in the United States**

The Offer is being made for the securities of a Swedish company and is subject to Swedish disclosure requirements, which are different from those in the United States. Also, the settlement procedure with respect to the Offer will comply with Swedish law, which differs from US domestic tender procedures in certain material respects, particularly with regard to the date of payment of consideration. The Offer is being made in reliance upon exemptions afforded by Rule 14d-1(c) under the US Securities Exchange Act of 1934.

Financial statements included in this offer document have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for investors in the United States to enforce their rights and any claim they may have arising under federal securities laws since the companies are located in a non-US jurisdiction, and some or all of their officers may be residents of non-US jurisdictions. Such US investors may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. It may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

In accordance with normal Swedish market practice, SAF-HOLLAND, its nominees or its brokers (acting as agents) may from time to time make certain acquisitions or arrangements to acquire Haldex shares outside the United States, other than pursuant to the Offer, before the Offer commences and through the expiration of the Offer. These acquisitions may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such acquisitions will be disclosed to the extent required by Swedish law or rules or regulations.

The offer in the United States is being made solely by SAF-HOLLAND and not by any other person.

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## The Offer in brief

Price per share	SEK 94.42 in cash
Acceptance period	1 August 2016 – 24 August 2016
Preliminary settlement date	31 August 2016

# Offer to the shareholders of Haldex

On 14 July 2016, SAF-HOLLAND, a wholly owned subsidiary of SAF-HOLLAND S.A. ("SAF-HOLLAND S.A." and, together with its fully consolidated subsidiaries, the "SAF-HOLLAND Group"), announced an all-cash offer to the shareholders of Haldex, to acquire all shares in Haldex. The shares of Haldex are admitted to trading on Nasdaq Stockholm, Mid Cap.

SAF-HOLLAND offers SEK 94.42 in cash per share in Haldex.<sup>1)</sup>

The Offer represents a premium of:

- 26.8 per cent to the volume-weighted average share price of the Haldex shares on Nasdaq Stockholm during the last three months prior to 14 July 2016;
- 35.7 per cent to the volume-weighted average share price of the Haldex shares on Nasdaq Stockholm during the last six months prior to 14 July 2016; and
- 10.8 per cent to the closing price of SEK 85.25 of the Haldex shares on Nasdaq Stockholm on 13 July 2016, the last trading day before the announcement of the Offer.

The total offer value for all outstanding shares in Haldex amounts to SEK 4,165 million.<sup>2)</sup>

No commission will be charged in connection with the Offer.

The acceptance period for the Offer commences on 1 August 2016 and ends on 24 August 2016. Settlement will begin as soon as SAF-HOLLAND has announced that the conditions for the Offer have been satisfied or that SAF-HOLLAND has otherwise resolved to complete the Offer. Assuming that such an announcement is made no later than around 26 August 2016, settlement is expected to begin around 31 August 2016.

## Statement by Haldex's board of directors

The board of directors of Haldex has stated that it will evaluate the Offer and announce its opinion on the Offer no later than two weeks prior to the expiry of the acceptance period.

## SAF-HOLLAND's and SAF-HOLLAND S.A.'s shareholding in Haldex

As of the date of this offer document, SAF-HOLLAND holds 1,590,000 shares in Haldex (representing 3.6 per cent of

the share capital and the voting rights in Haldex) which were acquired in the period from 9 June-1 July 2016 at prices not exceeding the price in the Offer (the "Existing SAF-HOLLAND Stake"). Apart from the Existing SAF-HOLLAND Stake, neither SAF-HOLLAND, nor SAF-HOLLAND S.A. currently holds or controls any shares in Haldex or other financial instruments which give SAF-HOLLAND or SAF-HOLLAND S.A. a financial exposure equivalent to a shareholding in Haldex. Apart from the Existing SAF-HOLLAND Stake, neither SAF-HOLLAND, nor SAF-HOLLAND S.A. has acquired any shares in Haldex during the last six months prior to the announcement of the Offer or up to the date of this offer document.

## Conditions for the Offer

Completion of the Offer is conditional upon the fulfillment of the conditions set out on page 5 in this offer document.

## Rights under Haldex' incentive programs

The Offer does not include any rights granted by Haldex to its employees. SAF-HOLLAND intends to procure fair treatment in connection with the transaction for participants in such programs. For more information, refer to the section "Share capital and ownership structure – Incentive programs".

## Financing of the Offer

The Offer is fully financed by cash already available to SAF-HOLLAND as well as credit facilities secured for the intended transaction. The conditions to drawdown under such credit facilities are customary for facilities of this type. The Offer is not subject to any financing condition.

## Clearance from competition authorities

The merger control clearance process has been initiated. Relevant clearances are expected to be obtained prior to the end of the acceptance period in the Offer.

1) SEK 94.42 equals EUR 10.02, based on an exchange rate SEK/EUR of 0.1061. Settlement will only be made in SEK. If Haldex pays dividends or makes any other distributions to its shareholders with a record date occurring prior to the settlement of the Offer, or issues new shares (or takes any similar corporate action) resulting in a reduction of the value per share in Haldex prior to the settlement of the Offer, the Offer consideration will be reduced correspondingly. SAF-HOLLAND reserves the right to determine whether this price adjustment mechanism or condition 7 to the completion of the Offer shall be invoked.

2) Based on 44,113,970 outstanding shares, which is the total number of shares in Haldex reduced by the 102,000 shares that, according to Haldex's interim report for January-June 2016, are held in treasury by Haldex.

### **Compulsory acquisition and delisting**

In the event that SAF-HOLLAND, whether in connection with the Offer or otherwise, becomes the owner of shares representing more than 90 per cent of the outstanding shares in Haldex, SAF-HOLLAND intends to commence a compulsory acquisition procedure under the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) to acquire all remaining shares in Haldex. In connection therewith, SAF-HOLLAND intends to promote a delisting of the shares of Haldex from Nasdaq Stockholm.

### **Advisers**

SAF-HOLLAND has retained Joh. Berenberg, Gossler & Co. KG as exclusive financial adviser and Noerr LLP and Vinge as legal advisers.

# Offer rationale

SAF-HOLLAND believes that combining the SAF-HOLLAND Group and the Haldex group through the Offer will create a new integrated champion for chassis-related commercial vehicle components (the "Combined Group"). In addition, forming a Combined Group is expected to unlock additional sales and earnings potential; it will furthermore provide benefits to both the SAF-HOLLAND Group and the Haldex group which they could hardly achieve on a stand-alone basis.

Detlef Borghardt, CEO of the SAF-HOLLAND Group, said: "The proposed combination of SAF-HOLLAND and Haldex has a compelling strategic rationale and clearly delivers on our 'Strategy 2020'. With our highly complementary businesses we would form a new integrated champion for chassis-related commercial vehicle components and serve our customers' increasing demand for aggregate solutions even better. Together, we would form a one-stop shopping solution provider for a wide range of components, from Electronic Braking System modules installed together with brakes to axles systems combined with suspensions. In addition, the transaction would significantly strengthen the aftermarket position of the Combined Group and allow both companies to jointly establish a clear front-runner position in the high-margin, low cyclical aftermarket business."

The Combined Group would benefit from a substantially expanded portfolio and become one of the top 3 providers for nine product categories in both North America and Europe, including brake slack adjusters, disc brakes, brake cylinders as well as axles and suspension systems. The combined product portfolio is very well positioned to combine mechanical modules with sensors and electronics capability to provide for the digitization of trailers, trucks and buses. Furthermore, both companies could unlock additional growth potential by combining their know-how and capabilities in product development and engineering. With its complementary regional footprint, Haldex would also further enhance SAF-HOLLAND's international presence, in particular, in the emerging markets of Latin America and Asia.

Following the combination of the already strong aftermarket activities of both companies, the new group would have a sweet spot and even better position in the highly attractive and low-cyclical aftermarket business; the Combined Group's sale share in the aftermarket business would exceed the level of 30 per cent targeted by SAF-HOLLAND under its "Strategy 2020". The new group would also benefit from substantial further growth potential in the global aftermarket businesses, through combining the respective regional network additions as well as leveraging SAF-HOLLAND's sales channels and infrastructure for Haldex's products. With around 9,000 aftermarket and service stations, SAF-HOLLAND features a unique worldwide distribution network for spare parts already.

Furthermore, the market demand for aggregate system solutions, especially in the United States, as well as SAF-HOLLAND's close relationships with major global fleet operators would enable the Combined Group to further improve the approach towards end customers and develop products that meet exactly their needs; end customers are a strategically important target group as they play a key part in the decision which components are purchased by truck and trailer manufacturers, and SAF-HOLLAND maintains a compelling exposure towards them. In addition, SAF-HOLLAND and Haldex could leverage their opportunities with Chinese bus original equipment manufacturers ("OEMs"), fortifying their position in this segment.

SAF-HOLLAND values the competence of Haldex's management and employees, and intends to continue to safeguard the excellent relationship that Haldex has to its employees. With SAF-HOLLAND's knowledge of Haldex and in light of the current market conditions, SAF-HOLLAND does not intend to, as a result of the implementation of the Offer, make any material changes for management and employees (including terms of employment) or for the employment and operations on the locations where Haldex conducts business. The implementation of the Offer is not expected to involve any material changes for the management or employees of SAF-HOLLAND.

*Reference is made to the information in this offer document, which has been prepared by SAF-HOLLAND for the purpose of the Offer. The information regarding Haldex on pages 8–38 in this offer document has been prepared by SAF-HOLLAND and based on information made public by Haldex. The board of directors of SAF-HOLLAND assures that, to the best knowledge of the board of directors, the information regarding SAF-HOLLAND in this offer document conforms with the actual conditions.*

Bessenbach-Keilberg, Germany 28 July 2016  
**SAF-HOLLAND GmbH**  
The board of directors

# Terms, conditions and instructions

## The Offer

SAF-HOLLAND offers SEK 94.42 in cash per share in Haldex.<sup>1)</sup>

The Offer represents a premium of:

- 26.8 per cent to the volume-weighted average share price of the Haldex shares on Nasdaq Stockholm during the last three months prior to 14 July 2016;
- 35.7 per cent to the volume-weighted average share price of the Haldex shares on Nasdaq Stockholm during the last six months prior to 14 July 2016; and
- 10.8 per cent to the closing price of SEK 85.25 of the Haldex shares on Nasdaq Stockholm on 13 July 2016, the last trading day before the announcement of the Offer.

The total offer value for all outstanding shares in Haldex amounts to SEK 4,165 million.<sup>2)</sup>

No commission will be charged in connection with the Offer.

## Conditions for the Offer

Completion of the Offer is conditional upon:

1. the Offer being accepted to such an extent that SAF-HOLLAND becomes the owner of shares representing more than 90 per cent of the outstanding shares in Haldex on a fully diluted basis;
2. no other party announcing an offer to acquire shares in Haldex on terms that are more favorable to the shareholders of Haldex than the Offer;
3. with respect to the Offer and the acquisition of Haldex, receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, in each case on terms which, in SAF-HOLLAND's opinion, are acceptable;
4. neither the Offer nor the acquisition of Haldex being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance;
5. no circumstances having occurred which could have a material adverse effect or could reasonably be expected to have a material adverse effect on Haldex's financial position or operation, including Haldex's sales, results, liquidity, equity ratio, equity or assets;

6. no information made public by Haldex or disclosed by Haldex to SAF-HOLLAND being inaccurate, incomplete or misleading, and Haldex having made public all information which should have been made public; and
7. Haldex not taking any action that is likely to impair the prerequisites for making or completing the Offer.

SAF-HOLLAND reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions 2-7, the Offer may only be withdrawn where the non-satisfaction of such condition is of material importance to SAF-HOLLAND's acquisition of Haldex.

SAF-HOLLAND reserves the right to waive, in whole or in part, one, several or all of the conditions set out above, including, with respect to condition 1, to complete the Offer at a lower level of acceptance.

## Offer document and acceptance form

The offer document and a non-preprinted acceptance form for directly registered holdings in Haldex (securities accounts (Sw. *VP-konto*)) will be available on the following websites:

- Carnegie Investment Bank AB's ("**Carnegie**") website ([www.carnegie.se](http://www.carnegie.se)); and
- SAF-HOLLAND's website: ([safholland.com](http://safholland.com)).

## Acceptance

Shareholders in Haldex whose holdings are directly registered with Euroclear Sweden AB ("**Euroclear**") (the Swedish Central Securities Depository and Clearing Organisation) and who wish to accept the Offer must during the period beginning 1 August 2016 up to and including 24 August 2016, at 3 p.m. CET, sign and submit a duly completed acceptance form to Carnegie, at the address stated on the acceptance form.

The acceptance form must be mailed, preferably using the enclosed return envelope, in sufficient time prior to the final day of the acceptance period so as to be received by Carnegie, no later than 3 p.m. CET on 24 August 2016. The acceptance form may also be delivered to bank offices or to other securities institutions in Sweden to be forwarded to Carnegie.

The securities account and details of current holdings of shares will be provided on the pre-printed acceptance form. All shareholders should verify that the pre-printed

1) SEK 94.42 equals EUR 10.02, based on an exchange rate SEK/EUR of 0.1061. Settlement will only be made in SEK. If Haldex pays dividends or makes any other distributions to its shareholders with a record date occurring prior to the settlement of the Offer, or issues new shares (or takes any similar corporate action) resulting in a reduction of the value per share in Haldex prior to the settlement of the Offer, the Offer consideration will be reduced correspondingly. SAF-HOLLAND reserves the right to determine whether this price adjustment mechanism or condition 7 to the completion of the Offer shall be invoked.

2) Based on 44,113,970 outstanding shares, which is the total number of shares in Haldex reduced by the 102,000 shares that, according to Haldex's interim report for January–June 2016, are held in treasury by Haldex.

## Terms, conditions and instructions

information on the acceptance form is correct. Shareholders who are included on the list of pledgees and trustees will not receive an acceptance form, but will be notified separately.

Please note that incomplete or improperly completed acceptance forms may be disregarded.

Shareholders of Haldex accepting the Offer authorise and direct Carnegie, to deliver their shares in Haldex to SAF-HOLLAND in accordance with the terms and conditions for the Offer.

### Nominee registered holdings

Shareholders of Haldex whose holdings are registered in the name of a nominee will not receive the offer document or a pre-printed acceptance form. Acceptance must be made in accordance with instructions from the nominee.

### Pledged shares

If shares to be tendered in the Offer are pledged in the Euroclear system, the shareholder as well as the pledgee must complete and sign the acceptance form and confirm that the pledge will cease to exist should the Offer be completed.

### Acknowledgement of acceptance

After the duly completed acceptance form has been received and registered, the shares will be transferred to a newly opened, blocked securities account (a non-cash transfer account) in the owner's name. In connection therewith, Euroclear will send a statement ("VP-avi") showing the withdrawal of shares in Haldex from the original securities account and a statement showing the number of shares in Haldex that have been entered in the blocked securities account.

### Settlement

Settlement will begin as soon as SAF-HOLLAND has announced that the conditions for the Offer have been satisfied or that SAF-HOLLAND has otherwise resolved to complete the Offer. Assuming that such an announcement is made no later than around 26 August 2016, settlement is expected to begin around 31 August 2016.

Settlement of the Offer will be arranged by distribution of settlement notes to those who have accepted the Offer. If the shares are registered in the name of a nominee, the settlement note will be sent to the nominee. The consideration under the Offer will be credited to the deposit account linked to the shareholder's securities account in which the shares in Haldex were registered. Where shareholders of Haldex do not have a deposit account linked to

their securities account or if the account is defective, the amount will be credited in accordance with the instructions on the dispatched payment note. In conjunction with the settlement of the Offer, the shares in Haldex will be withdrawn from the blocked securities account, which is then closed. No statement will be sent out in conjunction hereto.

Please note that even if the shares in Haldex are pledged, the payment will be made according to what is set out above.

### Right to extend the Offer, etc.

SAF-HOLLAND reserves the right to extend the acceptance period for the Offer and to postpone the settlement date.

### Right to withdraw acceptances

Shareholders of Haldex have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by Carnegie (address: Carnegie Investment Bank AB, Attn: Transaction Support, SE-103 38, Stockholm, Sweden) before SAF-HOLLAND has announced that the conditions for the Offer have been satisfied, or if such announcement has not been made during the acceptance period, not later than 5 p.m. CET on the last day of the acceptance period. Shareholders of Haldex holding nominee registered shares wishing to withdraw acceptance shall do so in accordance with instructions from the nominee. If any conditions for the Offer which SAF-HOLLAND may waive remain during an extension of the Offer, the right to withdraw acceptances will apply in the same manner throughout such extension of the Offer.

### Compulsory acquisition and de-listing

In the event that SAF-HOLLAND, whether in connection with the Offer or otherwise, becomes the owner of shares representing more than 90 per cent of the outstanding shares in Haldex, SAF-HOLLAND intends to commence a compulsory acquisition procedure under the Swedish Companies Act to acquire all remaining shares in Haldex. In connection therewith, SAF-HOLLAND intends to promote a delisting of the shares of Haldex from Nasdaq Stockholm.

### Questions regarding the Offer

For questions regarding the Offer, please contact Carnegie on telephone +46 (0)8 588 694 86.

### Miscellaneous

No customer relationship is established between shareholders accepting to Offer and Carnegie due to Carnegie's involvement as settlement agent with regards to the Offer.

# Information on the SAF-HOLLAND Group, financing of the Offer and shareholding in Haldex

## The SAF-HOLLAND Group

SAF-HOLLAND GmbH is a limited liability company (Ge: *Gesellschaft mit beschränkter Haftung*) established under the laws of the Federal Republic of Germany, registered with the commercial register in Aschaffenburg under HRB 9685 and has its registered office in Bessenbach, with address Hauptstraße 26, 63856 Bessenbach, Federal Republic of Germany. SAF-HOLLAND GmbH is a direct wholly owned subsidiary of SAF-HOLLAND S.A., a stock corporation (société anonyme) established under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg register of commerce and companies under B 113090 and has its registered office in Luxembourg, with address 68-70, boulevard de la Pétrusse, 2320 Luxembourg, Grand Duchy of Luxembourg. The shares in SAF-HOLLAND S.A. are admitted to trading on the Regulated Market (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), with simultaneous admission to the sub-segment of the Regulated Market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange under ISIN LU0307018795, common code 030701879.

With sales of approximately EUR 1,060 million in 2015 and more than 3,100 employees, the SAF-HOLLAND Group is one of the world's leading manufacturers and suppliers of chassis-related systems and components primarily for trailers, trucks, buses, and recreational vehicles. The product range comprises axle and suspension systems, fifth wheels, kingpins and landing gears and is marketed under the brands SAF, Holland and NEWAY. The SAF-HOLLAND Group sells its products to Original Equipment Manufacturers ("OEMs") on six continents. In the Aftermarket the SAF-HOLLAND Group sells spare parts to the Original

Equipment Service of the manufacturers and to end customers and service centers through its extensive global service and distribution network. SAF-HOLLAND is one of the few suppliers in the truck and trailer industry that is internationally positioned in almost all markets worldwide. For further information on the SAF-HOLLAND Group, please refer to its website ([safholland.com](http://safholland.com)).

## Financing of the Offer

The Offer is fully financed by cash already available to SAF-HOLLAND as well as credit facilities secured for the intended transaction. The conditions to drawdown under such credit facilities are customary for facilities of this type. The Offer is not subject to any financing condition.

## SAF-HOLLAND's and SAF-HOLLAND S.A.'s shareholding in Haldex

As of the date of this offer document, SAF-HOLLAND holds 1,590,000 shares in Haldex (representing 3.6 per cent of the share capital and the voting rights in Haldex) which were acquired in the period from 9 June-1 July 2016 at prices not exceeding the price in the Offer (the "Existing SAF-HOLLAND Stake"). Apart from the Existing SAF-HOLLAND Stake, neither SAF-HOLLAND nor SAF-HOLLAND S.A. currently holds or controls any shares in Haldex or other financial instruments which give SAF-HOLLAND or SAF-HOLLAND S.A. a financial exposure equivalent to a shareholding in Haldex. Apart from the Existing SAF-HOLLAND Stake, neither SAF-HOLLAND nor SAF-HOLLAND S.A. has acquired any shares in Haldex during the last six months prior to the announcement of the Offer or up to the date of this offer document.

# Information on Haldex

The following is a summary description of Haldex. The information regarding Haldex on pages 8–38 in this offer document is based on Haldex's annual report for the financial year 2015 and the interim report for the period January – June 2016, and information from Haldex's website, unless otherwise stated.

## Operations in brief

Haldex is a supplier of brake and suspension systems for commercial vehicles, with headquarters in Landskrona, Sweden. Haldex's customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles as well as workshops serving the aftermarket. The product portfolio comprises all of the main components and sub-systems included in a complete brake module or axle and suspension system. Haldex operates R&D and engineering centers in Sweden, the US, Great Britain and Germany, as well as production sites in Sweden, Germany, Hungary, China, India, Brazil, Mexico and the US. In 2015, the group had around 2,100 employees generating sales of EUR 511.0 million.<sup>1)</sup>

## Vision

Haldex's vision is to contribute to a world with a better traffic environment and safer vehicles. Haldex's product development is aimed at improving braking capacity or contributing to a more sustainable society by, for example, reducing fuel consumption. Nothing may go wrong when Haldex manufacture its products. Everyone, from supplier to assembler, must understand that people's lives and health can be affected if the product does not meet all safety requirements. Haldex is one of many players creating safer vehicles and Haldex's solutions must work together optimally to afford the driver the best possible experience and the best conditions for operating the vehicle safely.

## Strategy

Haldex's strategy is based on strengths identified in dialogue with customers, suppliers and employees: a strong product portfolio, a high level of expertise, a fast-moving organization, and a high level of service to customers. The analysis of Haldex's strengths resulted in a strategy encompassing product leadership, a broad aftermarket offering, customer focus and operational excellence.

### *Product leadership*

Every single product that Haldex develops or includes in its customer portfolio shall have the potential to be the market leader in its segment. Haldex aims to invest its resources where they generate the most value by building on the product categories that are successful today.

### *Broad aftermarket offering*

In the aftermarket, the customers' needs change over the lifetime of their vehicles. The older a vehicle becomes the shorter the period it is owned by each owner and the durability of spare parts is not prioritized to the same extent. Haldex's quality awareness and knowledge can be extended to include products of the same high quality, but with a shorter lifetime. Haldex is working to broaden its product range to be attractive over a longer portion of the vehicle's lifetime.

### *Customer focus*

Haldex encourages entrepreneurship, which means being innovative, proactive and able to identify market potential. Haldex also uses its size to its advantage. By being a fast-moving and flexible organization, Haldex can adapt to its customers.

### *Operational excellence*

Efficiency, cost awareness, precision and quality are prerequisites for achieving product leadership and customer focus. Effective processes free up time and energy for developing products, building customer relationships and providing good service. Continuous efficiency improvements and cost savings are a matter of survival in an industry under price pressure.

## Objectives

### *Financial objectives*

- Haldex aims to outperform the market through organic growth. To achieve comparable figures, market growth is weighted by region and customer segment based on Haldex's volumes.
- The operating margin shall amount to at least ten per cent.
- The net debt/equity ratio shall be less than one (1).
- One-third of the annual net income over a business cycle should be distributed to the shareholders.

### *Sustainability objectives*

- Haldex's sustainability vision is to contribute to society by improving vehicle safety and efficiency with its products performance and optimization of resources. Three areas were identified as key to making a real difference – safety, ethics and the environment.

1) Based on an average SEK/EUR exchange rate in 2015 of 0.106869.

# Summary of historical financial information

The financial information regarding Haldex provided below has been derived from the audited annual reports for the financial years 2015 and 2014<sup>1)</sup>, and the interim report for the period January-June 2016<sup>2)</sup>. The interim report for the period January-June 2016, which is fully recited on pages 17–38, has not been audited by Haldex’s auditor.

Haldex’s consolidated financial statements for the financial years 2015, 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations issued by the IFRS Interpretations Committee which have been approved by the European Commission for application within the EU. The Swedish Financial Reporting Board’s recommendation RFR 1, Supplementary accounting rules for groups, has been app-

lied. Haldex’s interim report for the period January-June 2016 has been prepared in accordance with IAS 34 (Interim Financial Reporting), the Annual Accounts Act and the Swedish Securities Market Act. Haldex applies the Annual Accounts Act and recommendation RFR 2, Reporting for legal entities, of the Swedish Financial Reporting Board. The accounting principles applied comply with those in the latest annual report.

## Consolidated income statement, condensed

SEKm	Jan–Jun 2016	Jan–Jun 2015	2015	2014	2013
Net sales	2,244	2,536	4,777	4,380	3,920
Costs of goods sold	–1,613	–1,811	–3,418	–3,142	–2,827
<b>Gross income</b>	<b>631</b>	<b>725</b>	<b>1,359</b>	<b>1,238</b>	<b>1,093</b>
Selling, admin. and product development expenses	–477	–483	–942	–857	–839
Other operating income and expenses	10	6	–92	–148	–101
<b>Operating income</b>	<b>164</b>	<b>248</b>	<b>325</b>	<b>233</b>	<b>153</b>
Financial income and expenses	–2	–19	–54	–28	–43
<b>Income before tax</b>	<b>162</b>	<b>229</b>	<b>271</b>	<b>205</b>	<b>110</b>
Tax	–52	–64	–80	–98	–72
<b>Net income</b>	<b>110</b>	<b>165</b>	<b>191</b>	<b>107</b>	<b>38</b>

## Consolidated statement of financial position, condensed

SEKm	30 Jun 2016	30 Jun 2015	31 Dec 2015	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>					
Total non-current assets	1,178	1,183	1,177	1,148	1,047
Total current assets	1,744	1,836	1,678	1,788	1,439
<b>Total assets</b>	<b>2,922</b>	<b>3,019</b>	<b>2,855</b>	<b>2,936</b>	<b>2,486</b>
<b>EQUITY AND LIABILITIES</b>					
Total equity	1,340	1,368	1,407	1,278	1,152
Total non-current liabilities	761	721	692	718	728
Total current liabilities	821	930	756	940	606
<b>Total equity and liabilities</b>	<b>2,922</b>	<b>3,019</b>	<b>2,855</b>	<b>2,936</b>	<b>2,486</b>

1) The annual report for the financial year 2014 includes comparative figures for the financial year 2013.

2) The interim report includes comparative figures for the period January-June 2015.

## Summary of historical financial information

### Share data

	Jan–Jun 2016	Jan–Jun 2015	2015	2014	2013
Earnings per share, before and after dilution, SEK	2.47	3.70	4.28	2.32	0.80
Equity per share, SEK	29.94	30.52	31.46	28.48	26.06
Dividend per share, SEK	–	–	2.00	3.00	2.00
Share price, SEK	80.25	109.50	79.50	101.75	60.00
Average number of shares, thousand	44,204	44,204	44,204	44,204	44,206
Total number of shares at end of period, thousands	44,216	44,216	44,216	44,216	44,216

### Key figures

	Jan–Jun 2016	Jan–Jun 2015	2015	2014	2013
Operating margin, excl. one-off items, %	7.3	9.9	9.3	9.3	7.2
Operating margin, %	7.3	9.8	6.8	5.3	3.9
Return on capital employed, excl. one-off items, % <sup>1)</sup>	17.3	23.4	21.7	21.4	14.6
Return on capital employed, % <sup>1)</sup>	11.7	14.8	15.9	12.2	7.8
Return on equity, % <sup>2)</sup>	16.2	25.8	14.1	8.7	3.1
Equity ratio, %	46	45	49	44	46
Net debt/equity ratio, %	38	36	24	21	33
Investments, SEK m	91	75	174	147	94
R&D, %	3.6	3.5	3.6	3.4	3.5
Number of employees	2,140	2,257	2,140	2,235	2,135

1) Rolling twelve months.

2) Twelve months.

### Financial definitions

<b>Capital employed</b>	Total assets less non-interest bearing liabilities and non-interest bearing provisions.
<b>Earnings per share</b>	Proportion of net income for the year attributable to the owners of the parent company divided by weighted average number of shares.
<b>Equity ratio</b>	Equity including non-controlling interests as a percentage of total assets.
<b>Net debt</b>	Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions.
<b>Net debt/equity ratio</b>	Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.
<b>One-off items</b>	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.
<b>Operating margin</b>	Operating income as a percentage of net sales for the year.
<b>R&amp;D, %</b>	Costs for research and development as a percentage of net sales.
<b>Return on capital employed</b>	Operating income plus interest income as a percentage of average capital employed.
<b>Return on equity</b>	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.

# Share capital and ownership structure

## The share

Haldex's shares are listed on Nasdaq Stockholm, Mid Cap, under the symbol HLDX, with ISIN code SE0000105199. As of the date of this offer document, there are no outstanding warrants or convertibles which give the holder right to shares in Haldex.

## Share capital development

As of the date of this offer document, the registered share capital of Haldex amounts to SEK 221,079,850, distributed over 44,215,970 shares, each with a quota value of SEK 5 and carry equal rights to the Haldex's assets and profits. Each share carries one (1) vote.

According to Haldex's interim report for the period January-June 2016, Haldex holds 102,000 own shares in treasury, representing approximately 0.23 per cent of total shares in Haldex.

## Haldex's ten largest shareholders as of 30 June 2016

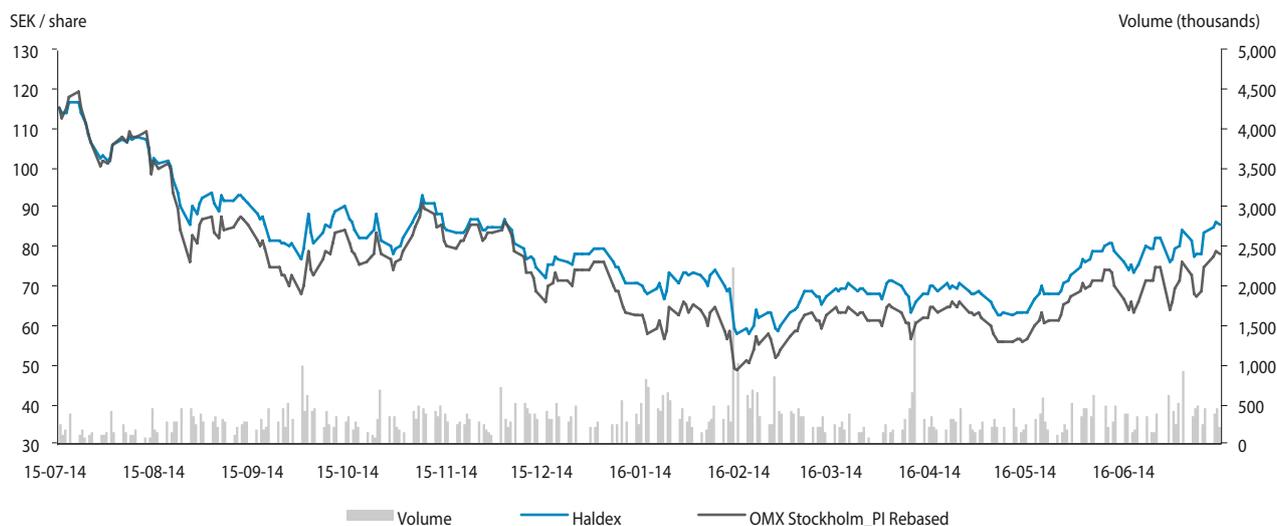
As of 30 June 2016, the number of shareholders in Haldex amounted to 20,654. The ten largest shareholders as of 30 June 2016 are set out below.

Shareholder	Per cent of shares and votes
Afa Insurance	7.0
Skandinaviska Enskilda Banken S.A. W8IMY	5.8
Handelsbanken funds	5.0
Didner & Gerge Fonder Aktiebolag	4.5
Carnegie Funds	4.0
The Fourth Swedish National Pension Fund	3.0
Försäkringsaktiebolaget Avanza Pension	2.8
BP2S Paris / Berenberg	2.4
CBNY-DFA-INT SML CAP V	2.0
Länsförsäkringar fondförvaltning AB	1.4
Others	62.1
<b>Total</b>	<b>100</b>

Source: Euroclear.

## Share price performance

The chart below illustrates the share price performance and turnover of the Haldex share over the twelve past months prior to the announcement of the Offer (14 July 2015 – 13 July 2016), compared with the Nasdaq Stockholm PI for the same period.



Source: Nasdaq.

### Authorisation to resolve on repurchase and transfer of own shares

On 3 May 2016, the annual general meeting resolved to authorise the board of directors to resolve on of the repurchase of Haldex's own shares. Repurchase of own shares shall be made on Nasdaq Stockholm and is authorised at a maximum of ten per cent of the total number of shares in the Company. Repurchase shall be made in cash and at a price within the applicable stock market share price range at the time of the acquisition.

The annual general meeting 2016 further authorised the board of directors to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2017.

Such transfer of own shares shall be made either on Nasdaq Stockholm or in another manner and the transfer may be made with deviation from the shareholders' preferential rights. The maximum number of shares that may be transferred shall be the total number of own shares held by the Company at the time of the board's resolution to transfer the shares and the transfer of shares shall be made at a price that shall be determined in close connection with the shares' quoted price at the time of the board's resolution to transfer the shares. Payment for the transferred shares may be made in cash, by contribution in kind or by set-off.

The reasons for the proposed repurchase and transfer and for a potential deviation from the shareholders' preferential rights are to increase the flexibility of the board of directors in connection to potential future corporate acquisitions, by facilitating a fast and cost efficient financing thereof.

For more information regarding the authorisation by the annual general meeting, see the minutes from the 2016 annual general meeting on [www.haldex.com](http://www.haldex.com).

### Incentive programs

The annual general meetings in 2013, 2014, 2015 and 2016 have resolved to introduce long-term incentive programs for senior executives and key personnel, LTI2013, LTI2014, LTI2015 and LTI2016 (the "**Programs**"). The outcome of the Programs is based on whether certain performance targets are achieved during the respective financial year. Upon achievement, the participants in the Programs are awarded a variable remuneration at the start of the following year, 60 per cent of which is to be distributed in cash and 40 per cent in the form of employee stock options. These options are designed as conditional, non-transferable deferred rights to receive, free of charge, one ordinary share in Haldex for each such right, automatically after four years. The terms of the Programs are four years, respectively.

### Shareholder agreements

Haldex's annual report for the financial year 2015 does not mention any agreements between larger shareholders of Haldex or between larger shareholders and Haldex.

### Material agreements

Haldex's annual report for the financial year 2015 does not mention any material agreements that Haldex is party to, which have could be affected, amended or terminated if the control of Haldex would change as a result of a public offer.

# Haldex's board of directors, management and auditor

## Board of directors

### GÖRAN CARLSON

**Position:** Chairman of the board since 2011. Member of the Audit Committee.

**Elected:** 2010.

**Current occupation:** Investor.

**Other assignments:** Vice Chairman of Svenskt Tenn AB.

**Born:** 1957.

**Resident:** Sweden.

**Education:** MBA.

**Previous experience:** President of UR & Penn, CEO and owner of c/o Departments & Stores and founder of pharmacy chain Medstop AB.

**Holding in Haldex\*:** 2,506,365 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

### STAFFAN JUFORS

**Position:** Board member. Member of the Compensation Committee.

**Elected:** 2013.

**Current occupation:** Board assignments.

**Other assignments:** Board member of ÅF.

**Born:** 1951.

**Resident:** Portugal.

**Education:** MBA.

**Previous experience:** Chairman of the Board of Volvo Buses, President of Volvo Trucks, President of Volvo Penta as well as senior management positions at Volvo Cars.

**Holding in Haldex\*:** 0 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

### CARINA OLSSON

**Position:** Board member. Chairman of the Audit Committee.

**Elected:** 2015.

**Current occupation:** CFO at Praktikertjänst.

**Other assignments:** –

**Born:** 1965.

**Resident:** Sweden.

**Education:** MBA.

**Previous experience:** CFO in Södra Timber and in Södra Cell. CFO and HR Director for Södra Skogsägarna. Finance manager, Accounting manager and Controller of several companies within ABB Fläkt Industri AB in Växjö.

**Holding in Haldex\*:** 0 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

### MAGNUS JOHANSSON

**Position:** Board member. Chairman of the Compensation Committee.

**Elected:** 2011.

**Current occupation:** Advisor and Director, Mejex AB.

**Other assignments:** Chairman of the Board of Elektroautomatik AB and Lurn AB.

**Born:** 1955.

**Resident:** Sweden.

**Education:** B.Sc. Degree from Behavioral Science Program.

**Previous experience:** Human Resources Director SKF, President of SKF Sweden, Human Resources Director Volvo Car Corporation, President of SKF China, Business Development Director for the SKF Group.

**Holding in Haldex\*:** 0 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

### ANDERS NIELSEN

**Position:** Board member. Member of Audit Committee.

**Elected:** 2016.

**Current occupation:** Head of Business development at Volkswagen Truck & Bus including brands such as MAN and SCANIA.

**Other assignments:** –

**Born:** 1962.

**Resident:** Sweden.

**Education:** Industrial Engineering and Management.

**Previous experience:** Production manager and Technical director for Latin America, Scania in 1987. Globally responsible for operations and logistics within Scania. President for MAN Truck & Bus.

**Holding in Haldex\*:** 0 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

\* Includes contingent holdings by closely affiliated natural and legal persons.

## Haldex's board of directors, management and auditor

### ANNIKA STEN PÅRSON

**Position:** Board member. Member of the Compensation Committee.

**Elected:** 2012.

**Current occupation:** Advisor to digital media startups in the US.

**Other assignments:** -

**Born:** 1963.

**Resident:** USA.

**Education:** Degree in Strategic Marketing.

**Previous experience:** Sales and Marketing Director and head of the consumer division of Com Hem, commercial head of Coop Forum. Board member of Svensk Bilprovning.

**Holding in Haldex\*:** 0 shares.

**Independent in relation to the Company, the management and the Company's major shareholders:** Yes.

### PER HOLMQVIST

**Position:** Employee representative, PTK-klubbarna.

**Elected:** 2014.

**Born:** 1961.

**Holding in Haldex\*:** 0 shares.

### FREDRIK HUDSON

**Position:** Employee representative, IF Metall.

**Elected:** 2011.

**Born:** 1974.

**Holding in Haldex\*:** 0 shares.

### MICHAEL COLLIN

**Position:** Deputy employee representative, IF Metall.

**Elected:** 2013.

**Born:** 1974.

**Holding in Haldex\*:** 0 shares.

## Management

### BO ANNVIK

**Position:** President and CEO since 2012. Acting SVP North America sales

**Born:** 1965.

**Resident:** Sweden.

**Other assignments:** Board member of AB Handel & Industri.

**Education:** M.Sc. Business and Economics.

**Year employed in the group:** 2012.

**Previous experience:** Executive Vice President of Specialty Stainless, Outokumpu, President of SKF Sealing Solutions, Senior positions at Volvo Car Corporation, Management consultant for Arthur D. Little and other companies.

**Holding in Haldex:** 6,000 shares.

**Accrued shares in LTI programs:** 18,910 shares.

### ÅKE BENGTSSON

**Position:** Chief Financial Officer since 2015.

**Born:** 1963.

**Resident:** Sweden.

**Other assignments:** -

**Education:** MBA.

**Year employed in the group:** 2015.

**Previous experience:** CFO of Partner-tech, CFO of Cardo Entrance Solutions (a division of Cardo), CFO for the Nordic operations at Rexam Beverage Can.

**Holding in Haldex:** 6,000 shares.

**Accrued shares in LTI programs:** 0 shares.

### ANDREAS RICHTER

**Position:** Senior Vice President Europe and ROW sales since 2012.

**Born:** 1965.

**Resident:** Sweden.

**Other assignments:** Chairman and President in Ålabodarnas Hamnaktiebolag.

**Education:** Degree in Mechanical engineering.

**Year employed in the group:** 1993.

**Previous experience:** Senior Vice President Sales and Marketing, Business Unit manager Disc Brakes, Vice President of Business Development and Marketing Foundation Brake and other senior positions at Haldex.

**Holding in Haldex:** 9,000 shares.

**Accrued shares in LTI programs:** 5,337 shares.

\* Includes contingent holdings by closely affiliated natural and legal persons.

## Management (cont)

### AICHANG LI

**Position:** Senior Vice President Asia Pacific Sales since 2011.

**Born:** 1960.

**Resident:** China.

**Other assignments:** –

**Education:** M.Sc. Mechanical engineering.

**Year employed in the group:** 2006.

**Previous experience:** President of NOR-MA in China, President of Wabco in China.

**Holding in Haldex:** 0 shares.

**Accrued shares in LTI programs:** 7,586 shares.

### STAFFAN OLSSON

**Position:** Senior Vice President Global Operations since 2014.

**Born:** 1967.

**Resident:** Sweden.

**Other assignments:** –

**Education:** M.Sc. Industrial engineering and management.

**Year employed in the group:** 2014.

**Previous experience:** Project Director at Scania CV AB, Plant Manager Engine Production at Scania CV AB, Production Director Powertrain Production at Scania Latin America.

**Holding in Haldex:** 0 shares.

**Accrued shares in LTI programs:** 1,949 shares.

### CATHARINA PAULCÉN

**Position:** Senior Vice President Corporate Communications since 2014.

**Born:** 1973.

**Resident:** Sweden.

**Other assignments:** Deputy director in Compiler AB.

**Education:** B.Sc. Business Administration.

**Year employed in the group:** 2014.

**Previous experience:** Senior Vice President of Marketing and Communications at Enea, Director of Marketing at IBM, Executive Vice President of Marketing & Communications at Telelogic.

**Holding in Haldex:** 3,000 shares.

**Accrued shares in LTI programs:** 1,001 shares.

### BJARNE LINDBLAD

**Position:** Senior Vice President Global sourcing and logistics since 2012.

**Born:** 1956.

**Resident:** Sweden.

**Other assignments:** –

**Education:** Business Administration.

**Year employed in the group:** 2004.

**Previous experience:** Sourcing director Nolato AB, President Nolato Gejde AB, CFO Nolato AB, Controller Haldex AB.

**Holding in Haldex:** 1,100 shares.

**Accrued shares in LTI programs:** 5,496 shares.

### LENA NORDIN

**Position:** Senior Vice President Human Resources since 2015.

**Born:** 1964.

**Resident:** Sweden.

**Other assignments:** –

**Education:** Business administration, organization and management.

**Year employed in the group:** 2014.

**Previous experience:** VP Talent Management at Haldex, VP Human Resources at Gambro, Previously Manager HR and Manager Competence Development at Ericsson.

**Holding in Haldex:** 0 shares.

**Accrued shares in LTI programs:** 749 shares.

## Auditor

On 3 May 2016, the annual general meeting elected the accounting firm Öhrlings PricewaterhouseCoopers AB as the Company's auditor for the period until the next annual general meeting. Authorised public accountant Bror Frid is the auditor in charge.

# Articles of association of Haldex

*These articles of association have been adopted by the annual general meeting on 8 June 2011.*

Haldex Aktiebolag  
Reg. No. 556010-1155

## § 1.

The registered name of the Company is Haldex Aktiebolag. The Company is a public company (publ).

## § 2.

The object of the company's operations is to directly or through holdings of shares and participations in other companies conduct manufacturing and sales of products, preferable to the vehicle and transportation industries, and to conduct other activities related to those stipulated above, and to manage securities, real estate and chattels.

## § 3.

The registered office of the Board of Directors shall be in Landskrona, Skåne County.

## § 4.

The Company's share capital shall amount to not less than SEK 110,539,925 and not more than SEK 442,159,700.

## § 5.

The number of shares in the Company shall be not less than 22,107,985 and not more than 88,431,940 shares.

## § 6.

In addition to those persons who pursuant to Swedish law may be appointed in a manner other than by the General Meeting, the Board of Directors shall consist of not fewer than three and not more than eight members plus not more than three deputy members.

## § 7.

For the purpose of examining the Company's annual report, financial statements and the administration of the Board of Directors and President, one registered accounting firm or two auditors plus two deputies shall be elected.

## § 8.

The Company's fiscal year shall be the calendar year.

## § 9.

Notice convening a General Meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be advertised in Dagens Nyheter that notice convening a General Meeting has been made. To be entitled to participate in the business of a General Meeting, shareholders shall be included in the transcript or other reproduction of the entire share register five weekdays prior to the Meeting and provide notification of their intention to attend the Meeting on the day stipulated in the

notice convening the General Meeting. The latter mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not be more than the five weekdays prior to the Meeting.

## § 10.

The Annual General Meeting shall be held in Stockholm or Landskrona.

## § 11.

The Annual General Meeting shall be held annually prior to the end of June. The following items of business shall be addressed at the Meeting:

1. Opening of the Meeting and election of Chairman of the Meeting;
2. Preparation and approval of the list of shareholders entitled to vote at the Meeting;
3. Election of minute-checkers;
4. Determination of whether the Meeting has been duly convened;
5. Approval of the Agenda;
6. Presentation of the annual report and the auditors' report and the consolidated financial statements and the auditors' report on the consolidated financial statements;
7. Motions concerning
  - a. adoption of the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet,
  - b. the discharge of the members of the Board of Directors and the President from liability,
  - c. the disposition to be made of the Company's profits or losses as shown in the balance sheet adopted by the Meeting,
  - d. determination of record day for decided dividend;
8. Determination of the number of Board members and deputy Board members to be appointed by the General Meeting;
9. Determination of the fees to be paid to the Board members elected by the Meeting;
10. Determination of the fees to be paid to the auditors;
11. Election of the Board members and deputy Board members and auditors and deputy auditors;
12. Other business to be addressed by the Meeting in accordance with the Swedish Companies Act.

## § 12.

The Company's shares shall be registered in a central securities depository register pursuant to the Financial Instruments Accounts Act.

# HalDEX's interim report for the period January–June 2016



## HALDEX INTERIM REPORT January - June 2016

# Q2 2016

### Solid operating margin and improved cash flow in spite of continuing weak market conditions

Market conditions continued to be weak in Q2, resulting in lower sales. The decline was greatest in North America which is the single biggest cause of the lower net sales figures. Savings realized and solid cost controls partially offset the decrease in sales and had a positive impact on the operating margin. Cash flow improved compared with the same period of the previous year.

- Net sales for Q2 totaled SEK 1,147 (1,290) m, equivalent to an 11% decrease compared with the same period of the previous year. After currency adjustments, net sales decreased by 9% in Q2. Currency-adjusted net sales fell by 10% for the first six months of the year.
- Operating income for Q2 excluding one-off items amounted to SEK 87 (137) m, which is equivalent to an operating margin of 7.6 (10.6)%. The operating margin excluding one-off items for the first six months of the year amounted to 7.3 (9.9)%. No one-off items were recognized for the first six months of the year. As a result, the operating margin including one-off items was equal as for 2016. A currency-adjusted operating margin of 8.3% was achieved in Q2.
- The net income after tax for Q2 totaled SEK 62 (86) m and the earnings per share for Q2 totaled SEK 1.39 (1.92). The earnings per share for the first six months of the year came in at SEK 2.47 (3.70) per share.
- Cash flow from operating activities totaled SEK 61 (-26) m in Q2 and SEK 103 (-24) m for the first six months of the year.
- A joint venture is being formed with the Chinese company VIE in order to develop electromechanical brake systems for commercial vehicles. The initial focus will be on the electric bus market in China.
- After the end of the quarter, SAF-Holland announced an unsolicited public takeover offer for all shares in HalDEX. The press releases from SAF-Holland and HalDEX are to be found on the Company's website.

Key figures	Apr-Jun 2016	Apr-Jun 2015	Change	Jan-Jun 2016	Jan-Jun 2015	Change
Net sales, SEK m	1,147	1,290	-11%	2,244	2,536	-12%
Operating income, excl. one-off items, SEK m	87	137	-36%	164	252	-35%
Operating income, SEK m	87	134	-35%	164	248	-34%
Operating margin, excl. one-off items, %	7.6	10.6	-3.0	7.3	9.9	-2.6
Operating margin, %	7.6	10.4	-2.8	7.3	9.8	-2.5
Return on capital employed, excl. one-off items, % <sup>1</sup>	17.3	23.4	-6.1	17.3	23.4	-6.1
Return on capital employed, % <sup>1</sup>	11.7	14.8	-3.1	11.7	14.8	-3.1
Net income, SEK m	62	86	-28%	110	165	-33%
Earnings per share, SEK	1.39	1.92	-28%	2.47	3.70	-33%
Cash flow, operating activities, SEK m	61	-26	87	103	-24	127

<sup>1</sup> 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 Friday, July 15, 2016 at 7:20 CEST.

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



Innovative Vehicle Solutions

Haldex Interim report, January - June, 2016

## CEO comment

Net sales in the second quarter remained lower year-on-year. The decline in demand observed in the number of vehicles produced in North America combined with the effects of the product recall impacted our sales significantly.

We had solid cost controls in Q2 and our operating margin is mainly correlated with lower net sales, not higher costs. Currency fluctuations also impacted the operating margin, resulting in an operating margin after currency adjustments of 8.3% for Q2. A Haldex that can deliver high profitability even when net sales are down significantly remains one of our highest priorities and we are continuing to work toward the operating margin target of at least 10% we set for the long term.

### North America

The weak North American market is continuing to impact us. Similarly to Q1, about half of the sales decline we experienced in Q2 was related to actuators. This is mainly correlating to our strong position in the Truck segment in North America, which have seen a major decline, and only to a lesser extent due to the product recall. The improved version of the recalled actuator will be launched after the summer. We recently initiated customer discussions which showed that we still have the customer's confidence and a majority of them will switch back to our actuator during the next change window.

In Q1, we relaunched our disc brake in the US after several years of being unable to sell and market this product due to a patent dispute. The response from both customers and the media has been very positive and we inked our first small deal shortly after the launch. Our goal is to secure a contract on the US market with a trailer customer before the end of the year, which would be of great strategic value.

We have everything we need to get back to previous net sales levels in North America. However, it will take time due to the generally weak market conditions. Visible effects cannot be expected until the market climate is improving.

### Products driving growth

Haldex has a strong product portfolio with the disc brake serving as its main growth driver. As previously announced, net sales from this product category are expected to increase by one-third this year and then gradually reach even higher volumes over the coming years. The previously reported discussions with major truck manufacturers have proceeded according to plan. No customer has made a final decision on their choice of supplier yet in ongoing processes. A decision is not expected until the fall. It is worth noting that the long planning times which are standard in our industry and revenue from these contracts is expected to start coming in 2020.

### Strategic partnership for electromechanical brakes

In Q2, we announced a joint venture with Chinese VIE. This project is very promising and involves many interesting aspects. We will jointly develop electromechanical brakes for electrical commercial vehicles. Haldex has prior knowledge and concepts related to this technology which are cutting edge. It is also a rapidly growing mar-



Bo Annvik  
President and CEO

ket, although revenues are several years away at this stage. Electro-mechanical brakes have a shorter stopping distance than pneumatic brakes and it is very exciting that Haldex will take a leading position in a technology which is both safer and more environmental friendly. It's well aligned with our vision for a world of safer vehicles.

### Stable aftermarket

The aftermarket is usually relatively stable when new production is on the decline, but the aftermarket decreased in North America in both Q1 and Q2. This may be partially due to a transitory period where accumulated inventories are used first before there is a noticeable change on the aftermarket. However, the aftermarket has had a stabilizing effect in Q2, which is positive.

Our two new brands on the aftermarket – Midland for North America and Grau for Europe – have continued to perform well. Sales for these brands and the rest of Haldex's products, via the e-commerce platform we launched in North America in Q1, exceeded expectations.

### Market outlook

The European market is looking promising in 2016 with an increase in order intake, while North America is forecast to continue its weak development and may be impacted further by a decline in the Trailer segment during the fall. The positive trend will continue in India, but we expect no significant improvement in Brazil in 2016. We forecast that China would not see any substantial improvement in 2016 in our previous interim report, but China has already begun showing signs of growth and we now have a more positive outlook for China for the full year.

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. Our goal is to continue ensuring solid profitability, and the operating margin for the first half of the year can be considered realistic under current market conditions.

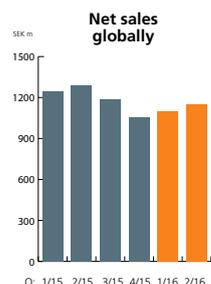
Bo Annvik  
President and CEO

Haldex Interim report, January - June, 2016

## Net sales for the Group

Net sales for Q2 totaled SEK 1,147 (1,290) m, equivalent to an 11% decrease in absolute terms compared with the same period of the previous year. After currency adjustments, net sales decreased by 9%. Net sales for the first six months of the year totaled SEK 2,244 (2,536) m. After currency adjustments, this is a 10% decrease.

The main factor that impacted net sales positively in Q2 is continuing disc brake growth. The decrease in sales mainly stems from North America and the actuator products.



## Net sales per product line

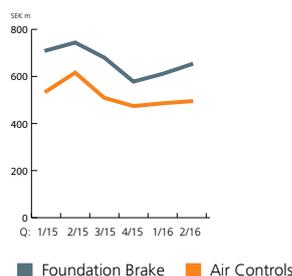
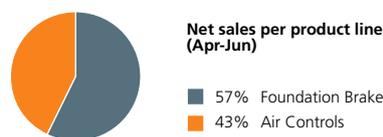
Net sales, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change <sup>1</sup>	Jan-Jun 2016	Jan-Jun 2015	Change <sup>1</sup>
Foundation Brake	652	744	-10%	1,263	1,454	-11%
Air Controls	495	546	-7%	981	1,082	-8%
Total	1,147	1,290	-9%	2,244	2,536	-10%

<sup>1</sup> 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 652 (744) m in Q2. After currency adjustments, this is a 10% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,263 (1,454) m, which is equivalent to a currency-adjusted decrease of 11%. Disc brake sales continued to increase in Q2. Actuator sales have however fallen, mainly due to the weaker market in North America and only to a lesser extent due to the product recall in 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 495 (546) m in Q2. After currency adjustments, this is a 7% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 981 (1,082) m, which is equivalent to a currency-adjusted decrease of 8%. Within Air Controls, ABS sales increased in Q2. 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 these product areas will continue to affect the comparison numbers during the remainder of the year.

Haldex Interim report, January - June, 2016

## Net sales per customer category

Net sales, SEK m	Apr-Jun			Jan-Jun		
	2016	2015	Change <sup>1</sup>	2016	2015	Change <sup>1</sup>
Truck (including buses)	278	349	-17%	537	688	-19%
Trailer	362	373	-2%	706	752	-5%
Aftermarket	507	568	-8%	1,001	1,096	-7%
Total	1,147	1,290	-9%	2,244	2,536	-10%

<sup>1</sup> Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 278 (349) m in Q2. After currency adjustments, this is a 17% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 537 (688) m, which is equivalent to a currency-adjusted decrease of 19%. Truck sales mainly decreased in North America in Q2, while increasing in Asia and South America. 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 per customer category (Apr-jun)

■ 24% Truck  
■ 32% Trailer  
■ 44% Aftermarket

been counterbalanced by a decrease in actuator sales and, to a certain extent, brake adjuster sales.

Net sales within Trailer amounted to SEK 362 (373) m in Q2. After currency adjustments, this is a 2% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 706 (752) m, which is equivalent to a currency-adjusted decrease of 5%. The successes of the disc brakes have

Net sales in Aftermarket amounted to SEK 507 (568) m in Q2. After currency adjustments, this is an 8% decrease. Net sales for the first six months of the year totaled SEK 1,001 (1,096) 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 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 <sup>1</sup>	Apr-Jun		Full year		Importance for Haldex sales
	2016	Change <sup>2</sup>	2016	Change <sup>2</sup>	
<b>Truck</b>					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	64,555	-26%	233,013	-27%	
Europe	111,180	5%	440,413	1%	
China	191,336	34%	586,498	9%	
India	55,138	31%	202,908	12%	
South America	11,322	-8%	45,041	-12%	
All regions	433,531	11%	1,507,873	-1%	
<b>Trailer</b>					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	80,640	-7%	307,200	-7%	
Europe	84,094	11%	311,460	10%	
China	82,000	26%	289,000	20%	
India	9,000	12%	39,500	14%	
South America	9,100	4%	36,500	8%	
All regions	264,834	8%	983,660	7%	

<sup>1</sup> 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.

<sup>2</sup> Change compared with same period previous year in percentage.

Haldex Interim report, January - June, 2016

## Net sales per region

Net sales, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change <sup>1</sup>	Jan-Jun 2016	Jan-Jun 2015	Change <sup>1</sup>
Europe	405	419	-3%	808	846	-4%
North America	586	730	-17%	1,155	1,403	-17%
Asia & Middle East	124	106	23%	221	208	11%
South America	32	35	4%	60	79	-6%
Total	1,147	1,290	-9%	2,244	2,536	-10%

<sup>1</sup> Currency adjusted

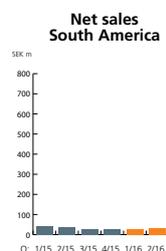
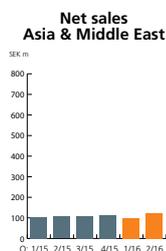
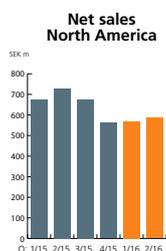
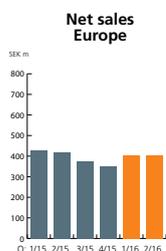
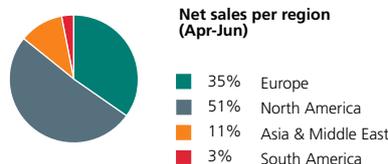
In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. In Europe, net sales amounted to SEK 405 (419) m in Q2. After currency adjustments, this is a 3% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 808 (846) m, which is equivalent to a currency-adjusted decrease of 4%. In Europe, disc brake sales to Trailer customers increased in Q2. 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 586 (730) m in Q2. After currency adjustments, this is a 17% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,155 (1,403) m, which is equivalent to a currency-adjusted decrease of 17%. Haldex' strong position within Trucks, which is the part of the market that has declined most, has resulted in a major decrease of actuator sales. The decline of actuator sales is to a lesser extent related to the product recall Haldex initiated last year. Reman (renovation of products) has continued to decline at pace with the previous quarter. Brake adjuster sales were also down in Q2.

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 124 (106) m in Q2. After currency adjustments, this is a 23% increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 221 (208) m, which is equivalent to a currency-adjusted increase of 11%. Growth has been solid in Q2 on both the Indian and Chinese markets. Brake adjuster and disc brake sales have increased, while actuator sales have decreased.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q2 totaled SEK 32 (35) m, which, after currency adjustments, is a 4% increase. Net sales for the first six months of the year totaled SEK 60 (79) m, which is equivalent to a currency-adjusted decrease of 6%. In Brazil, which is the most important market in South America, Truck and Trailer sales were up in Q2.



Haldex Interim report, January - June, 2016

## Earnings

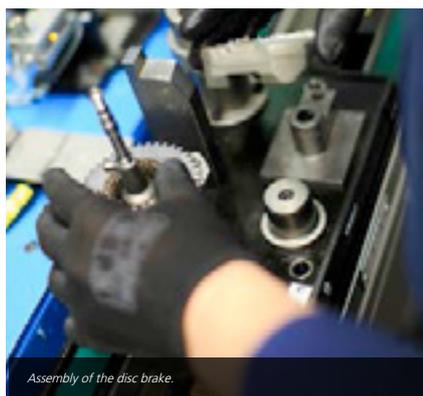
Operating income excluding one-off items totaled SEK 87 (137) m for Q2 and SEK 164 (252) m for the first six months of the year. This is equal to an operating margin of 7.6 (10.6)% for Q2 and 7.3 (9.9)% for the first six months of the year. Given that no one-off items were recognized in 2016, the operating income and operating margin including one-off items came in at corresponding amounts, namely SEK 87 (134) m and SEK 7.6 (10.4) m respectively for Q2 and SEK 164 (248) m and 7.3 (9.8)% respectively for the first six months of the year. Continuing solid cost controls and savings from the restructuring program have partially offset the decrease in net sales.

Income before tax totaled SEK 90 (128) m for Q2 and SEK 162 (229) m for the first six months of the year. The net income after tax totaled SEK 62 (86) m for Q2 and SEK 110 (165) m for the first six months of the year. This corresponded to earnings per share of SEK 1.39 (1.92) for Q2 and 2.47 (3.70) for the first six 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, and came in at SEK 11 (+26) m for Q2, and the total effect was negative SEK 20 (+52) m for the first six months of the year. In addition, there was a positive currency effect in net financial items in Q2 in the amount of SEK 8 (0) m, and the corresponding effect for the first six months of the year was SEK 9 (-6) m.

### Product recall

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 recall is estimated to span a total of 159,000 actuators. 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. However, the product recall impacts sales negatively due to the lack of a replacement product.

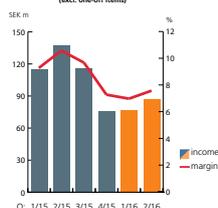


Assembly of the disc brake.

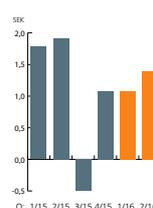
### Restructuring activities

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 15 m will be realized in the second half of 2016. The estimated liquidity impact of the program is SEK 100 m, with approximately SEK 20 m remaining. The remaining payments will be made in installments throughout 2016 and 2017.

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



Earnings per share



Earnings	Apr-Jun 2016	Apr-Jun 2015	Change <sup>1</sup>	Jan-Jun 2016	Jan-Jun 2015	Change <sup>1</sup>
Operating income, excl. one-off items, SEK m	87	137	-36%	164	252	-35%
Operating income, SEK m	87	134	-35%	164	248	-34%
Operating margin, excl. one-off items, %	7.6	10.6	-3.0	7.3	9.9	-2.6
Operating margin, %	7.6	10.4	-2.8	7.3	9.8	-2.5
Net income, SEK m	62	86	-28%	110	165	-33%
Earnings per share, SEK	1.39	1.92	-28%	2.47	3.70	-33%

Haldex Interim report, January - June, 2016

## Financial position

As of June 30, the Group's net debt was SEK 504 (489) m, a net debt increase of SEK 169 m in comparison to the start of the year. The change over the first six months of the year is related to a decrease in cash and cash equivalents (which was partially impacted by the dividend paid to shareholders in May), a partial increase in interest-bearing liabilities and an increase in the pension liability (mainly due to changed discount rates). Financial items amounted to SEK -2 (-19) m for the first six months of the year, including net interest income and expenses of SEK -10 (-12) m. Shareholders' equity amounted to SEK 1,340 (1,368) m, resulting in an equity/asset ratio of 46 (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 Q2.

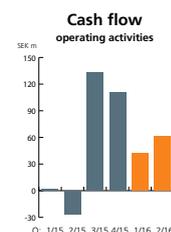
Net debt, SEK m	Jun 30 2016	Jun 30 2015	Change	Dec 31 2015
<i>Assets as part of the net debt:</i>				
Cash and cash equivalents	256	195	31%	304
<i>Liabilities as part of the net debt:</i>				
Interest-bearing liabilities including derivative instruments	-317	-290	9%	-271
Pension liabilities <sup>1</sup>	-443	-394	12%	-368
Net debt in total	-504	-489	3%	-335
Net of interest during the year	-10	-12	2	-26

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

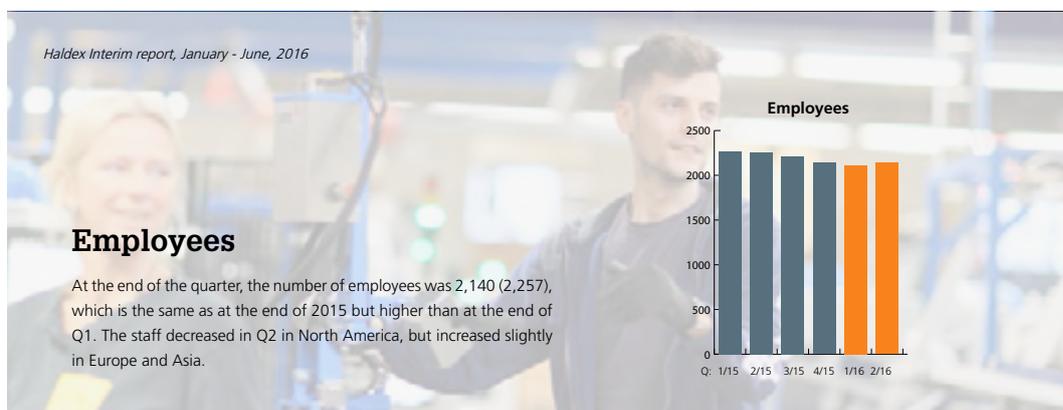
## Cash flow

Cash flow from operating activities totaled SEK 61 (-26) m in Q2 and SEK 103 (-24) m for the first six months of the year. The operating cash for Q2 improved quarter-on-quarter thanks to stronger net income and lower working capital commitments. In spite of the lower net income, cash flow also improved year-on-year, mainly driven by improved working capital. Operating cash in Q2 was impacted negatively in the amount of SEK 9 (3) m by payments of a one-time nature.

Investments totaled SEK -44 (-43) m in Q2 and cash flow after investments amounted to SEK 17 (-69) m. The corresponding figures for the first six months of the year are SEK -91 (-75) m in investments and SEK 12 (99) m in cash flow after investments. The total cash flow was SEK -29 (-204) m in Q2 and SEK -51 (-241) m for the first six months of the year.



Cash flow and cash equivalents, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change <sup>1</sup>	Jan-Jun 2016	Jan-Jun 2015	Change <sup>1</sup>
Cash flow, operating activities	61	-26	87	103	-24	127
Cash flow after investment activities	17	-69	86	12	-99	111
Cash and cash equivalents (at end of period)	256	195	61	256	195	61



## 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 six months of the year amounted to SEK 46 (53) m, while the net income after tax was SEK 36 (546) m. This net income includes dividends from Group companies amounting to SEK 0 (516) m.

## Annual general meeting

Haldex held its annual general meeting on May 3, 2016 at Haldex in Landskrona, Sweden.

- The annual general meeting resolved on a dividend with a cash amount of SEK 2 per share with May 6 as the record date and May 11, 2016 as the payment date.
- The annual general meeting re-elected board members Göran Carlson, Magnus Johansson, Staffan Jufors, Annika Sten Pärson and Carina Olson and elected Anders Nielsen to his first term. The meeting re-elected Göran Carlson as chairman of the board.
- Örhings PricewaterhouseCoopers AB was re-elected as auditor.
- The meeting resolved to increase the directors' remuneration slightly in comparison to previous years, with SEK 554,000 going to the chairman and SEK 220,000 to the other board members. In addition, compensation for committee work remained the same with SEK 100,000 going to the chairman and SEK 50,000 going to members of the audit committee, and SEK 50,000 going to the chairman and SEK 25,000 to the members of the compensation committee.
- The annual general meeting approved the board's proposed remuneration for senior executives.
- The annual general meeting resolved to approve the board's proposal to set up a long-term incentive program, LTI 2016, and hedging arrangements in respect thereof by authorizing the board of directors to participate in share swaps with third parties.

- The board of directors was authorized to resolve to acquire and/or transfer treasury shares in conjunction with acquisitions on one or more occasions during the period leading up to the 2017 annual general meeting.

## 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's 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, guarantee reserves, pensions and the impact of restructuring programs are the areas representing the highest risk of future adjustments to recognized values.

### Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex's operations. This information is based on the current expectations, estimates and forecasts of Haldex's 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 2015. A joint venture is currently being established together with Zhejiang VIE Science and Technology Co., Ltd, which has had no effect on this interim report.

### Seasonal effects

Haldex does not have any significant seasonal variations. Sales are

however affected by the production schedules of Haldex's 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 information on pages 1-20 forms an integrated part of this interim 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 89 (decrease of 3) m in the first six months of the year. Of this change, an increase of SEK 50 (decrease of 63) m is attributable to Q2. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions.

## 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.

*Haldex Interim report, January - June, 2016*

### 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 and may be impacted further by a decline in the Trailer segment during the fall.

**Europe** has gradually improved and 2016 is expected to be a year with growth of a couple percentage points.

**China** has started to show signs of recovery for 2016.

**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.

We are repeating 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. Our goal is to continue ensuring solid profitability, and the operating margin for the first half of the year can be considered realistic under current market conditions.

### Events after the balance-sheet date

On July 14, SAF-Holland announced an unsolicited public takeover offer for all shares in Haldex. The press releases from SAF-Holland and Haldex are to be found on the Company's website.

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Landskrona, July 15, 2016  
Bo Annvik  
President and CEO

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

### The Board of Directors' assurance

*The Board of Directors and the President assure that this six-month interim report provides a true and fair overview of the parent company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the parent company and other companies in the Group.*

Landskrona July 15, 2016  
Haldex AB (publ)

Göran Carlsson  
Chairman of the Board

Staffan Jufors  
Board member

Carina Olson  
Board member

Fredrik Hudson  
Employee representative

Bo Annvik  
President & CEO

Magnus Johansson  
Board member

Anders Nielsen  
Board member

Annika Sten Pärson  
Board member

Per Holmqvist  
Employee representative

Haldex Interim report, January - June, 2016

### Consolidated income statement

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	1,147	1,290	2,244	2,536	4,777
Cost of goods sold	-824	-912	-1,613	-1,811	-3,418
Gross income	323	378	631	725	1,359
<i>Gross margin</i>	28.2%	29.3%	28.1%	28.6%	28.4%
Selling, admin. and product development costs	-241	-245	-477	-483	-942
Other operating income and expenses <sup>1</sup>	5	1	10	6	-92
Operating income <sup>1</sup>	87	134	164	248	325
Financial income and expenses	3	-6	-2	-19	-54
Income before tax	90	128	162	229	271
Tax	-28	-42	-52	-64	-80
Net income	62	86	110	165	191
<i>attributable to non-controlling interests</i>	1	1	1	1	2
Earnings per share, before and after dilution, SEK	1.39	1.92	2.47	3.70	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	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	1,147	1,290	2,244	2,536	4,777
Direct material costs	-624	-700	-1,213	-1,390	-2,596
Personnel costs	-233	-253	-460	-502	-935
Depreciation and amortization	-34	-36	-68	-71	-139
Other operating income and expenses	-169	-167	-339	-325	-782
Operating income <sup>1</sup>	87	134	164	248	325

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

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating income, including one-off items	87	134	164	248	325
Restructuring costs	-	-3	-	-4	-23
Product related warranty	-	-	-	-	-96
Operating income, excluding one-off items	87	137	164	252	444

Haldex Interim report, January - June, 2016

**Consolidated statement of comprehensive income**

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net income	62	86	110	165	191
<b>Other comprehensive income/loss</b>					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-45	52	-79	1	22
Total	-45	52	-79	1	22
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	21	-49	-2	56	49
Changes in financial instruments at fair value, after tax	2	-4	-7	0	2
Total	23	-53	-9	56	51
Total other comprehensive income/loss	-22	-1	-88	57	73
Total comprehensive income	40	85	22	222	264
<i>attributable to non-controlling interests</i>	1	-1	1	3	3

**Consolidated statement of financial position**

SEK m	Jun 30 2016	Jun 30 2015	Dec 31 2015
Goodwill	409	429	418
Other intangible assets	74	54	64
Tangible assets	495	467	479
Financial assets	49	67	63
Deferred tax assets	151	166	153
Total non-current assets	1,178	1,183	1,177
Inventories	577	639	571
Current receivables	885	981	763
Derivative instruments	26	21	40
Cash and cash equivalents	256	195	304
Total current assets	1,744	1,836	1,678
Total assets	2,922	3,019	2,855
Equity	1,340	1,368	1,407
Pension and similar obligations	443	394	368
Deferred tax liabilities	13	20	16
Non-current interest-bearing liabilities	270	270	270
Other non-current liabilities	35	37	38
Total non-current liabilities	761	721	692
Derivative instruments	36	26	29
Current interest-bearing liabilities	34	11	3
Current liabilities	751	893	724
Total current liabilities	821	930	756
Total equity and liabilities	2,922	3,019	2,855

Haldex Interim report, January - June, 2016

## Statement of changes in equity

SEK m	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Opening balance	1,407	1,278	1,278
Net income	110	165	191
Other comprehensive income/loss	-88	57	73
Total comprehensive income	22	222	264
<b>Transactions with shareholders:</b>			
Dividend to Haldex' shareholders	-88	-133	-133
Dividend to non-controlling interests	-1	-	-3
Value of employee services/incentive programs	0	1	1
Total transactions with shareholders	-89	-132	-135
Closing balance	1,340	1,368	1,407
<i>attributable to non-controlling interests</i>	<i>19</i>	<i>22</i>	<i>19</i>

## Consolidated statement of cash flow

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating income	87	134	164	248	325
Reversal of non-cash items	34	36	68	71	139
Interest paid	-5	-7	-11	-13	-28
Tax paid	-14	-31	-20	-40	-87
Cash flow from operating activities before change in working capital	102	132	201	266	349
Change in working capital	-41	-158	-98	-290	-129
Cash flow from operating activities	61	-26	103	-24	220
Investments	-44	-43	-91	-75	-174
Cash flow from investment activities	-44	-43	-91	-75	-174
Dividend to Haldex' shareholders	-88	-133	-88	-133	-133
Dividend to non-controlling interests	-1	-	-1	-	-3
Change of interest-bearing liabilities	43	-2	26	-9	-43
Cash flow from financing activities	-46	-135	-63	-142	-179
Net cash flow	-29	-204	-51	-241	-133
Cash and cash equivalents, opening balance	277	418	304	437	437
Currency translation diff. in cash and cash equivalents	8	-19	3	-1	0
Cash and cash equivalents, closing balance	256	195	256	195	304

Haldex Interim report, January - June, 2016

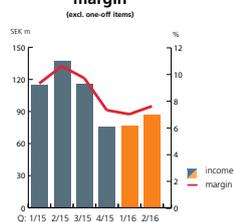
## Key figures

	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating margin, excl. one-off items, %	7.3	9.9	9.3
Operating margin, %	7.3	9.8	6.8
Cash flow, operating activities, SEK m	103	-24	220
Cash flow after investment activities, SEK m	12	-99	46
Return on capital employed, excl. one-off items, % <sup>1</sup>	17.3	23.4	21.7
Return on capital employed, % <sup>1</sup>	11.7	14.8	15.9
Investments, SEK m	91	75	174
R&D, %	3.6	3.5	3.6
Number of employees	2,140	2,257	2,140
Return on shareholders' equity, % <sup>2</sup>	16.2	25.8	14.1
Interest coverage ratio	13.9	17.7	14.8
Equity ratio, %	46	45	49
Net debt/equity ratio, %	38	36	24
<b>Share data:</b>			
Earnings per share, before dilution, SEK	2.47	3.70	4.28
Earnings per share, after dilution, SEK	2.47	3.70	4.28
Equity per share, SEK	29.94	30.52	31.46
Cash flow, operating activities, SEK	2.33	-0.54	4.99
Share price, SEK	80.25	109.50	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
of which is treasury shares, thousands	102	102	102

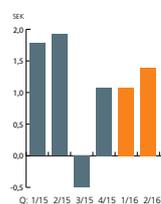
<sup>1</sup> Rolling twelve months

<sup>2</sup> Twelve months

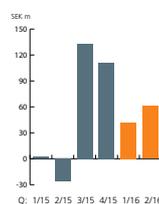
### Operating income & margin



### Earnings per share



### Cash flow operating activities



## Haldex's interim report for the period January–June 2016

Haldex Interim report, January - June, 2016

### Parent company's income statement

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	21	26	46	53	101
Administrative costs	-17	-17	-32	-31	-89
Operating income	4	9	14	22	12
Dividend from Group companies	-	20	-	516	525
Financial income and expenses	21	8	33	17	-73
Income after financial items	25	37	47	555	464
Group contribution	-	-	-	-	-60
Income before tax	25	37	47	555	404
Tax	-5	-4	-11	-9	2
Net income	20	33	36	546	406

### Parent company's statement of comprehensive income

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net income	20	33	36	546	406
Other comprehensive income	-	-	-	-	-
Total comprehensive income	20	33	36	546	406

### Parent company's statement of financial position

SEK m	Jun 30 2016	Jun 30 2015	Dec 31 2015
Non-current assets	2,886	2,906	2,852
Current assets	648	507	553
Total assets	3,534	3,413	3,405
Shareholders' equity	1,408	1,601	1,460
Provisions	48	42	48
Interest-bearing liabilities, external	302	270	270
Other liabilities	1,776	1,500	1,627
Total equity and liabilities	3,534	3,413	3,405

### Financial instruments by category - Group

SEK m	Jun 30, 2016		Jun 30, 2015		Dec 31, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	9	6	5	2	10	1
Forward exchange contracts- at fair value through profit or loss	1	4	2	1	2	3
Currency swaps - at fair value through profit or loss	16	26	14	23	28	25
Financial assets available for sale	14	-	25	-	19	-
Total	40	36	46	26	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.

Haldex Interim report, January - June, 2016

## Quarterly data

SEK m, if not otherwise stated	2016		2015				2014		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Income statement:</b>									
Net sales	1,147	1,097	1,052	1,189	1,290	1,246	1,092	1,123	1,124
Cost of good sold	-824	-789	-772	-835	-912	-899	-789	-797	-806
Gross income	323	308	280	354	378	347	303	326	318
Selling, admin. and product development costs	-241	-236	-216	-243	-245	-238	-207	-224	-214
Other operating income and expenses	5	5	5	-103	1	5	-64	-87	-1
Operating income	87	77	69	8	134	114	32	15	103
<i>Operating income, excl. one-off items</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>	<i>110</i>
Financial income and expenses	3	-5	-7	-28	-6	-13	-8	-7	-5
Income before tax	90	72	62	-20	128	101	24	8	98
Tax	-28	-24	-14	-2	-42	-22	-7	-30	-34
Net income/loss	62	48	48	-22	86	79	17	-22	64
<b>Statement of financial position:</b>									
Non-current assets	1,178	1,162	1,177	1,145	1,183	1,212	1,148	1,079	1,051
Current assets	1,744	1,723	1,678	1,807	1,836	2,061	1,788	1,668	1,632
Total assets	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747	2,683
Equity	1,340	1,389	1,407	1,325	1,368	1,416	1,278	1,199	1,183
Non-current liabilities	761	717	692	737	721	786	718	732	736
Current liabilities	821	779	756	890	930	1,071	940	816	764
Total equity and liabilities	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747	2,683
<b>Statement of cash flow:</b>									
Cash flow from operating activities before change in working capital	102	99	57	26	132	134	82	60	116
Cash flow from operating activities	61	42	111	133	-26	2	204	112	116
Cash flow from investment activities	-44	-47	-52	-47	-43	-32	-61	-53	-32
Cash flow from financing activities	-46	-17	-29	-8	-135	-7	-24	-70	-121
Net cash flow	-29	-22	30	78	-204	-37	119	-11	-37
<b>Key figures:</b>									
Operating margin, excl. one-off items, %	7.6	7.0	7.3	9.7	10.6	9.3	9.3	10.1	9.7
Operating margin, %	7.6	7.0	6.6	0.7	10.4	9.2	3.0	1.3	9.2
Earnings per share, before and after dilution, SEK	1.39	1.08	1.08	-0.50	1.92	1.78	0.38	-0.53	1.44
Equity per share, SEK	29.94	31.07	31.46	29.58	30.52	31.57	28.48	27.13	26.76
Cash flow, operating activities, per share, SEK	1.38	0.95	2.52	3.01	-0.59	0.05	4.61	2.53	2.62
Share price, SEK	80.25	71.50	79.50	88.00	109.50	130.25	101.75	83.75	82.50
Return on capital employed excl. one-off items, % <sup>1</sup>	17.3	19.6	21.7	23.3	23.4	22.4	21.4	19.6	18.1
Return on capital employed, % <sup>1</sup>	11.7	13.9	15.9	14.3	14.8	13.5	12.2	13.5	17.3
Return on equity, %	4.5	3.5	3.6	-1.7	6.7	6.4	1.4	-2.0	5.6
Equity ratio, %	46	48	49	45	45	43	44	44	44
Net debt/equity ratio, %	38	27	24	33	36	25	21	34	37
Investments	44	47	52	47	43	32	48	40	32
R&D, %	3.6	3.5	3.9	3.5	3.5	3.6	3.6	3.3	3.2
Number of employees	2,140	2,114	2,140	2,215	2,257	2,265	2,235	2,217	2,232

<sup>1</sup> Rolling twelve months

Haldex Interim report, January - June, 2016

## 5 year in summary

SEK m, if not otherwise stated	2015	2014	2013	2012	2011 <sup>1</sup>
<b>Income statement:</b>					
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
<b>Statement of financial position:</b>					
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
<b>Statement of cash flow:</b>					
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
<b>Key figures:</b>					
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, % <sup>2</sup>	21.7	21.4	14.6	9.8	10.1
Return on capital employed, % <sup>2</sup>	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

<sup>1</sup> Remaining business <sup>2</sup> Rolling twelve months <sup>3</sup> Proposed dividend

Haldex Interim report, January - June, 2016

## 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 AFA Försäkring, Göran Carlsson through companies, Handelsbanken Fonder and Didner & Gerge Fonder.

### 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 equity:** 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 employed:** 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 share:** Total equity attributable to the owners of the parent Company, divided by the average No of shares.

**One-off items:** 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, %:** 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 debt:** 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 ratio:** Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

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

**Net of interest:** 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 ratio:** 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:** 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 employed:** Total assets less non-interest bearing liabilities and non-interest bearing provisions.

**Currency adjusted information:** 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).

*\* Additional financial information is presented in an appendix.*

Haldex Interim report, January - June, 2016

## 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 Interim report, January - June, 2016

**HALDEX PRODUCT STRATEGY:**

**Joint venture for electro mechanical brakes**

Haldex and VIE in China will form a joint venture to design, develop, produce, and sell electromechanical brake systems for commercial vehicles with an initial focus on the electric bus market in China.

As manufacturers and governments seek solutions to combat climate change, China is seen as taking a global lead in the market for fully electric commercial vehicles. Electromechanical brakes is expected to be a fast growing niche within this market, especially supported by the recent strong development of the electric bus segment on the Chinese market. The Chinese market for electrical buses is forecasted to grow by 47% between 2015 and 2020, to over 141,000 vehicles produced during 2020. The new technology will offer customers a simplified and cost effective brake system layout; independent from pneumatic energy, with reduction of noise, improved braking performance, and better passenger and driver comfort.

The joint venture will capitalize on Haldex' early development of electromechanical brake systems, not yet released to the market, and VIE's market leading position and customer base on the Chinese market. Both parties will contribute with the necessary financial and engineering resources to bring the electromechanical brake system to the commercial vehicle market. The initial

focus will be on the growing electrical bus market in China and the joint venture is expecting revenue from the year 2020 and onwards.

"This agreement combines our companies' strengths into a powerful player that has the potential to become the market leader of electromechanical brake systems.", says Bo Annvik, President & CEO of Haldex. "VIE is a strategic partner to us on the Chinese market and we value their expertise and strong customer relationships. Electromechanical brake technology has, for Haldex, long been an identified growth opportunity. With this joint venture we will have the capacity and market support to develop innovative, game changing technologies in a growing market segment. I'm also very pleased that Haldex is taking a leading position in eco-friendly technology that will be a key component in building a sustainable future of commercial vehicles with high safety requirements."



Haldex' management team visiting VIE in Shanghai.



**CUSTOMER CASE:**

**Green fingers**

Whether shredding, separating, composting or sifting, Komptech has made a global name for itself with tailored solutions for environmental engineering. Over 3,000 customers in approximately 60 countries worldwide: This is just one measure of success of a company, founded in 1992, that makes very specialized machinery that is not exactly cheap. A Komptech machine can easily set you back as much as 500,000 euros.

'We don't have machines ready and waiting to be ordered', says CEO Bernd Thielepape as he describes the company's business model: 'It's more a case of developing solutions for what are usually highly specialized tasks' – solutions that can sometimes look a little intimidating. For example, one Komptech shredder bears the name 'Terminator' for good reason. Its favorite delicacies include bulky or industrial waste. Another one is 'Axtor', which slices green waste, including tree trunks, into smaller bits — either shredded for composting or bite-sized chips for wood-fueled power plants.

'Quality and partnership are the alpha and omega of everything we do', says Bernd Thielepape, explaining why the company chose Haldex for all its braking system components. Komptech particularly appreciates the 'top service' provided by support staff such as sales engineer Andreas Spannaus and Haldex's 'exemplary training and documentation'. But there's another crucial issue: More than 90 percent of Komptech's production is for export, much of it within NAFTA where twelve-volt systems are standard. It's therefore important for Komptech that Haldex EB+ functions on 12 volts as well as 24.

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

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## Haldex share

April - June 2016

Change in share price	12%
Share price (Jun 30)	80.25 SEK
Market capital (Jun 30)	3,548 MSEK
Highest share price	82.25 SEK
Lowest share price	62.75 SEK
Average No. of traded shares/day	329,541
Total No. of shares (Jun 30)	44,215,970
Dividend 2016	2.00 SEK



## 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, July 15 at 11.00 CEST

The press conference is broadcasted at:  
<http://www.financialhearings.nu/?160715/haldex>

To join the telephone conference:

Sweden: +46 8 56 64 26 999

UK: +44 20 3008 9809

US: +1 85 5831 5944

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

Interim report, Jul-Sep	25 October
Annual statement	10 February, 2017

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*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 AB, Corporate Registration Number 556010-1155, [info@haldex.com](mailto:info@haldex.com), [www.haldex.com](http://www.haldex.com)



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**SAFER VEHICLES**

**Haldex**

Haldex Interim report, January - June, 2016

## Appendix

Financial data for alternative key figures



### Net sales

SEK m	Reported net sales Apr-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2016	Change	Reported net sales Jan-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Jan-Jun 2016	Change
The Group	1,147	31	1,178	-9%	2,244	43	2,287	-10%
Total	1,147	31	1,178	-9%	2,244	43	2,287	-10%

### Net sales per product line

SEK m	Reported net sales Apr-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2016	Change	Reported net sales Jan-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Jan-Jun 2016	Change
Foundation Brake	652	19	671	-10%	1,263	26	1,289	-11%
Air Controls	495	12	507	-7%	981	17	998	-8%
Total	1,147	31	1,178	-9%	2,244	43	2,287	-10%

### Net sales per customer category

SEK m	Reported net sales Apr-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2016	Change	Reported net sales Jan-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Jan-Jun 2016	Change
Truck (including buses)	278	12	290	-17%	537	18	555	-19%
Trailer	362	6	368	-2%	706	8	714	-5%
Aftermarket	507	13	520	-8%	1,001	17	1,018	-7%
Total	1,147	31	1,178	-9%	2,244	43	2,287	-10%

### Net sales per region

SEK m	Reported net sales Apr-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Apr-Jun 2016	Change	Reported net sales Jan-Jun 2016	Currency adj. to prev. year's exchange rates	Currency adjusted net sales Jan-Jun 2016	Change
Europe	405	0	405	-3%	808	2	810	-4%
North America	586	20	606	-17%	1,155	16	1,171	-17%
Asia & Middle East	124	6	130	23%	221	10	231	11%
South America	32	5	37	4%	60	15	75	-6%
Total	1,147	31	1,178	-9%	2,244	43	2,287	-10%

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## Quarterly data

Financial data for alternative key figures

SEK m, if not otherwise stated	2016		2015				2014		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>One-off items:</b>									
Restructuring costs	-	-	-7	-12	-3	-1	-4	-46	-7
Impairment of non-current assets	-	-	-	-	-	-	-	-52	-
Product related warranty	-	-	-	-96	-	-	-65	-	-
<b>Total one-off items</b>	-	-	-7	-108	-3	-1	-69	-98	-7
<b>Research and development costs excl. depreciations:</b>	-42	-39	-41	-42	-45	-44	-39	-37	-36
<b>Net of interest and financial items:</b>									
Interest income	0	0	0	0	0	0	0	0	0
Interest expenses	-5	-5	-9	-5	-6	-6	-7	-6	-6
<b>Total net of interest</b>	-5	-5	-9	-5	-6	-6	-7	-6	-6
Other financial items	8	0	2	-23	0	-7	-1	-1	1
<b>Total financial items</b>	3	-5	-7	-28	-6	-13	-8	-7	-5
<b>Net debt:</b>									
Interest-bearing assets	256	277	304	277	195	418	437	292	288
Interest-bearing liabilities including derivate instruments	-317	-257	-271	-292	-290	-309	-309	-332	-390
Pension liabilities	-443	-397	-368	-422	-394	-456	-400	-373	-340
<b>Total net debt</b>	-504	-377	-335	-437	-489	-347	-272	-413	-442
<b>Capital employed:</b>									
Total assets	2,922	2,885	2,885	2,952	3,019	3,273	2,936	2,747	2,683
Non interest-bearing liabilities and provisions	-835	-824	-837	-922	-976	-1,120	-973	-855	-776
<b>Total capital employed</b>	2,087	2,061	2,048	2,030	2,043	2,153	1,963	1,892	1,907
<b>Average capital employed:</b>	2,054	2,067	2,047	2,016	1,992	1,963	1,904	1,881	1,897
<b>Net income attr. to owners of parent company:</b>									
Net income									
Net income attributable to non-controlling interests	62	48	48	-22	86	79	17	-22	64
	1	0	0	0	1	1	0	1	1
<b>Total net income attr. to owners of parent company</b>	61	48	48	-22	85	78	17	-23	63
<b>Equity attr. to owners of parent company:</b>									
Equity	1,340	1,389	1,407	1,325	1,368	1,416	1,278	1,199	1,183
Equity attributable to non-controlling interests	19	18	19	20	22	23	19	19	17
<b>Total equity attr. to owners of parent company</b>	1,321	1,371	1,388	1,305	1,346	1,393	1,259	1,180	1,166
<b>Average equity attributable to owners of parent company:</b>	1,346	1,361	1,338	1,297	1,269	1,232	1,180	1,148	1,125
<b>Average No. of share:</b>	44,204	44,204	44,204	44,204	44,204	44,204	44,204	44,204	44,204

# Tax issues in Sweden

*Below is a summary of certain Swedish tax issues related to the Offer for shareholders in Haldex that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only.*

*The summary does not cover:*

- *situations where shares are held as current assets in business operations;*
- *situations where shares are held by a limited partnership or a partnership;*
- *situations where shares are held in an investment savings account (Sw. investeringspar-konto);*
- *the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in Haldex that are deemed to be held for business purposes (for tax purposes);*
- *the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag);*
- *foreign companies conducting business through a permanent establishment in Sweden; or*
- *foreign companies that have been Swedish companies.*

*Further, special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend to some extent on the holder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to the holder's particular circumstances that could arise from the Offer, including the applicability and effect of foreign tax legislation (including regulations) and provisions in tax treaties for the avoidance of double taxation.*

## **Taxation in Sweden upon disposal of shares in Haldex**

For shareholders in Haldex that accept the Offer and thereby dispose of their shares in Haldex, a liability for capital gains taxation will occur. The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares, such as shares in Haldex. This method means that the acquisition value may be determined as 20 per cent of the consideration less selling expenses.

## **Private individuals**

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains is taxed in the capital income category. The tax rate in the capital income category is 30 per cent. Capital losses on listed shares, such as shares in Haldex, may be fully offset against taxable capital gains the same year on shares, as well as on listed securities taxed as shares (however not mutual funds, Sw. värdepappersfonder, or hedge funds, Sw. specialfonder, containing Swedish receivables only, Sw. räntefonder). Capital losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category. Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years.

### Limited liability companies

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 22 per cent. Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilized during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, e.g. investment companies.

### Shareholders not resident in Sweden for tax purposes

Shareholders not resident in Sweden for tax purposes – which are not conducting business through a permanent establishment in Sweden – are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence. According to a special rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in Haldex, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by the applicable tax treaty for the avoidance of double taxation.

# Addresses

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