



NEWS RELEASE

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Alfa Laval and Haldex create Alfdex, a joint venture company

The two Swedish multi-national companies Alfa Laval and Haldex announced today that they have created a jointly (50/50) owned company, Alfdex AB. The new company is established around the opportunities to serve the market with high efficiency solutions for cleaning crankcase gases. Alfdex will use Alfa Laval's unique and long tradition in centrifugal separator technology and Haldex' skills in serving the vehicle industry with high performance systems.

Alfdex has been formed to function as the formal license taker of the technology as well as being the central coordinator of the activities. Mats Ekeröth, who has been heading the project since 2002, has been appointed President of Alfdex AB. Mats Ekeröth has held various positions within Haldex. He will report to the Alfdex Board of Directors with Ulf Granstrand as Chairman of the Board. Ulf Granstrand is Executive Vice President of the Alfa Laval Group.

Emission requirements for diesel engines get tougher and tougher; also emissions coming aside the tailpipe come into focus. Crankcase gas is such an emission. Legislation was introduced in Japan in October 2003 and Korea is expected to follow from July 2004. Legislations are introduced in Europe and the US in 2006/2007. The new rules create a demand for a solution and the Crankcase Oil Mist Separator, called the Alfdex separator, is designed to clean crankcase gases in an efficient way.

Mr. Mats Ekeröth, President of Alfdex, comments on the market interest: "There has been a great interest for the Alfdex separator and most of the engine manufacturers have already done their initial tests. Moreover, the process to adapt the Alfdex Separator to specific engine projects are already in process with many engine manufacturers."

Ulf Granstrand, Chairman of the Board of Alfdex, comments on the creation of Alfdex: "The good start is of course encouraging, not least as the market potential is huge. The Alfdex Separator is intended for use on diesel engines in sizes ranging from 5 to 16 litres. These sizes roughly correspond to engines used in medium and heavy trucks as well as busses, construction machinery, marine and industrial applications. On a global basis, the total market potential is estimated to be more than SEK 1 billion in annual sales.

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Editor's notes:

- **Alfa Laval** is a leading global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling.

The company's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes. The solutions help them to heat, cool, separate and transport products in industries that produce foods and beverages, chemicals and petrochemicals, pharmaceuticals, starch, sugar and ethanol. Alfa Laval's products are also used in power plants, aboard ships, in the mechanical engineering industry, in the mining industry and for wastewater treatment, as well as for comfort climate and refrigeration applications.

Alfa Laval's worldwide organization works closely with customers in nearly 100 countries to help them stay ahead in the global arena.

Alfa Laval is listed on the Stockholm Exchange and, in 2003, posted annual sales of about SEK 14 billion (approx. 1.5 billion euros). The company has some 9,400 employees.

For further information, please visit the Alfa Laval website at www.alfalaval.com

- **Haldex** is an innovator of vehicle technology. We provide proprietary solutions in areas related to the vehicle's dynamics, performance, safety and fuel efficiency. Our systems and products are provided to manufacturers of trucks, cars, industrial vehicles and engines on a global basis.

Haldex is listed on the Stockholm Exchange and has annual sales of more than SEK 7 billion with 4,100 employees.

Further information can be found at www.haldex.com

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