

PRESS RELEASE

Haldex Traction increases production capacity

Haldex Traction has decided to increase its production area in Landskrona, Sweden. The expansion will take place at the industrial complex where Haldex Traction is already located today, by taking over adjacent localities from Cardo Rail.

The expansion is carried out in order to be able to double the production capacity in anticipation of an expected increase in demand of Haldex' advanced system for 4-wheel drive.

The relocation of the operations to the enlarged area will take place during the second half of year 2000.

Haldex has developed and patented an AWD system (All Wheel Drive) that is automatic and fully controllable, which give unique performance characteristics and increase safety. Serial deliveries to the VW/Audi Group started in the second half of 1998 and are now increasing strongly. Letters of intent and prototype orders have been received from several other car manufacturers in Europe and USA.

Haldex is a global supplier of proprietary products for trucks, cars and industrial vehicles, with special emphasis on performance & safety. The Group is listed on the Stockholm Stock Exchange and has yearly sales of 6 BSEK with 4,350 employees. The Group has sales companies in Europe, North & South America and Asia. Production takes place at 9 factories in Europe and 9 in the U.S. as well as in a joint-venture in India.

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