Annual Report 2006

Full Year/2006

- **Sales rose MSEK 404 (5%) to MSEK 7 890 (7 486). The increase amounted to 6% after adjusting for changes in currency exchange rates. Order intake increased MSEK 291 (4%) to MSEK 7 883 (7 592). The increase amounted to 5% after adjusting for changes in currency exchange rates.**

- **Earnings after tax totaled MSEK 310 (270). Earnings per share totaled SEK 13.96 (12.19).**

- **Operating income excluding restructuring costs totaled MSEK 419 (419). The operating margin was 4.9% (5.2). Operating income totaled MSEK 390 (391).**

- **Operating income for the Commercial Vehicle Systems (CVS) and Traction divisions improved.**

- **Earnings for the Wire Division fell MSEK 41. A decision was made during the year to implement a program of measures to make the division more profitable. MSEK 14 in restructuring costs were posted to Q2. The margins showed improvement during Q4.**

- **Return on capital employed (rolling 12 months) amounted to 11.5 % (12.3).**

- **One of CVS's plants in North America was sold to improve the cost structure within the division. The bulk of the production has been relocated to an existing plant in the USA, and to China. The cost of the restructuring process totaled roughly MSEK 15.**

- **The Board of Directors has proposed a dividend of SEK 4.50 (4.00) per share.**

Events after the year-end

- **Haldex has signed an agreement to acquire Runguang Hydraulics, one of the leading suppliers of hydraulics products to the Chinese construction machinery industry. The company will have initial annual sales of approx. MSEK 130. The agreement was signed after year-end.**

Q4 2006

- **Sales totaled MSEK 1 897 (1874).**

- **Earnings before tax totaled MSEK 76 (73). Last year's earnings were encumbered by MSEK 26 in restructuring costs.**

- **Operating income totaled MSEK 90 (81). Operating income declined by MSEK 14 compared with the same quarter the year before, after adjusting for restructuring costs and changes in currency exchange rates.**

	2005				2006				Full year		
MSEK	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2005	2006	Change
Net sales	1,844	1,962	1,806	1,874	2,076	2,047	1,870	1,897	7,486	7,890	+5%
Operating income*)	117	115	80	107	123	112	94	90	419	419	0%
Operating income	117	115	78	81	123	98	79	90	391	390	0%
Earnings before tax*)	102	103	65	99	103	88	77	76	370	344	-7%
Earnings before tax	102	103	63	73	103	74	62	76	341	315	-8%
Earnings after tax	73	72	44	81	75	56	47	131	270	310	+15
Operating margin,%*)	6.3	5.9	4.4	5.7	5.9	5.4	5.0	4.7	5.6	5.3	-0.3
Operating margin,%	6.3	5.9	4.3	4.3	5.9	4.8	4.2	4.7	5.2	4.9	-0.3
Return on capital**)	13.2	13.7	13.2	12.3	12.1	11.3	11.3	11.5	12.3	11.5	-0,8

*) Excluding restructuring costs
**) Rolling 12 months

Important events

- Production of the Alfdex system was ramped up dramatically during Q4 to make the deliveries for the new engines for the USA market. Series deliveries to the Daimler Chrysler Group began, with an order value of roughly MSEK 250 over a five-year period.
- At the end of Q4 Haldex was named as a supplier of four-wheel drive systems for a new car model within the Ford Group. Production is scheduled to begin in 2008. The order will be worth roughly MSEK 400 over a five-year period.
- In connection with a change of platforms, Ford North America decided in Q4 not to use Haldex's four-wheel drive system. Haldex's sales for this platform totaled MSEK 45 in 2006.
- Series deliveries of AWD systems to Land Rover, Freelander 2, which began during Q3, have increased according to plan. The order is worth MSEK 800 over a five-year period.

- The new facilities in Suzhou, China were officially dedicated in November. Products for the CVS, Hydraulics and Wire divisions were in production at year-end.
- Series production of compressors for Caterpillar, which commenced in Q2, had achieved an annual production rate of 75,000 units by year-end.
- Haldex scored successes during the year in the diesel engine market, signing a number of development and delivery agreements for fuel transfer pumps for six new fuel systems for three of the world’s leading engine manufacturers. The combined order value will be roughly MSEK 500 over a five-year period, with series deliveries beginning in early 2007.
- Final production approval was obtained from Volvo at the start of the year for Haldex’s new disk brakes. The pace of production has gradually picked up over the year.
- Preparations for deliveries of four-wheel drive systems for a new global car platform are proceeding on schedule. The production will take place in Guanjuato, Mexico. The plant facilities are currently under construction. The order, which was received in 2005 and 2006, has a total value of upwards of SEK 2 billion.

Acquisitions

Haldex has signed an agreement to acquire Runguang Hydraulics, one of the leading suppliers of hydraulics products to the Chinese construction machinery industry. A newly formed company, Haldex Hydraulics (Qingzhou) Co. Ltd, will take over the employees and most of the assets in Runguang Hydraulics. The company will initially have annual sales of approx. MSEK 130. Haldex will have an 85% ownership stake in the newly formed company, with the Chinese management group retaining the remaining 15% through Runguang Hydraulics.

The agreement was signed after year-end. The complete and final implementation of the shareholder agreement and the agreement to purchase the net assets is contingent upon approval from the local government authorities, which they are expected to grant in Q1 2007.

Restructuring

Two restructuring programs were completed during the year to improve profitability.

In the Wire Division, a staff reduction was carried out at Garphyttan, resulting in annual savings of MSEK 20-25. A reserve of MSEK 14 encumbered the Q2 earnings.

In addition, one of CVS’s plants in North America (Paris, Tennessee) was sold. The plant had 120 employees and sales of roughly MSEK 200. The bulk of the production has been relocated to another plant in the USA, and to China. Roughly one-fourth of the production was sold or liquidated. We believe that the restructuring effort, which cost MSEK 15, will improve earnings by at least MSEK 15 a year.

Earnings

Operating income improved in two of our divisions, CVS and Traction. Hydraulics remained at essentially the same level as the year before, while the Wire Division had negative development.

The year was characterized by high material costs, which could only partially be offset by higher customer prices. Major savings have been achieved through measures such as increasing the share of purchases made from China, and via restructuring projects. Unfortunately, heavy demand also led to capacity problems for certain units, with higher production and logistics costs as the result.

The Group's net sales continued to increase, driven by both new product launches and strong demand in the markets served by Haldex. Net sales rose 6% after adjusting for currency exchange rates, and totaled MSEK 7 890 (7 486).
Operating income before restructuring costs totaled MSEK 419 (419). Although currency exchange rate fluctuations did occur during the year in terms of USD and EUR versus SEK, they have had little impact on operating income compared with the previous year. Operating income, including restructuring costs, totaled MSEK 390 (391).

The Group's earnings before tax declined MSEK 26 to MSEK 315 (341). Higher interest costs due to higher interest rates, mainly in USD, plus exchange rate fluctuations affecting financial assets and liabilities resulted in financial costs that were MSEK 25 higher than in the previous year.
Earnings after tax improved MSEK 40 MSEK to MSEK 310 (270). In Q4 the Group purchased shares in a company with cumulative losses. These losses have been assessed and posted as assets in the Consolidated Balance Sheet, entailing a reduction of MSEK 71 in the Group's tax expenses to MSEK 5.

The operating margin, excluding restructuring costs, was 5.3% (5.6). Return on capital employed (rolling 12 months) was 11.5% (12.3).

Operating income was encumbered by MSEK 29 in restructuring costs, as noted above.

Earnings by division

Commercial Vehicle Systems

	Full year 2006		
MSEK	*2006*	*2005*	*Change*
Net sales	4765	4430	+ 8%
Operating income*	232	191	+ 21%
Operating income	217	163	+ 33%
Operating margin*	4.8%	4.3%	+ 0,5
Operating margin	4.6%	3.7%	+ 0.9
Return on capital	9.3%	7.5%	+1.8

*excluding restructuring costs

The CVS Division increased its sales by 8% to MSEK 4 765 (4 430). The increase also amounted to 8% in local currencies. Stable market growth for trucks and trailers in both Europe and North America contributed to the increase. The division's sales, in local currencies, rose 3% in North America and 15% in Europe.

Operating income, excluding restructuring costs, continued to improve, rising MSEK 41 to MSEK 232, an increase of 21%. The corresponding operating margin increased from 4.3% to 4.8%. The improved earnings are attributable mainly to increased volumes and the effects of various programs.

The improvement programs implemented in the Friction Products and Actuators business areas contributed to the improved earnings and higher margins. These programs have, however, borne fruit more slowly than planned, due mainly to higher raw material prices and production cutbacks by American carmakers, the latter of which affected Friction Products negatively. Steps are being taken to compensate for this.

Earnings were also affected by the fact that heavy demand for brake adjusters from truck manufacturers that has led to an inability to meet the demand from the aftermarket, with its higher margins. Steps have been taken during the year to increase our capacity and thereby step up deliveries. The situation worsened further in Q4, when one of our brake adjuster plants suffered a 1.5-week production halt due to machine break downs, which led to lost income.

One of CVS's production units in North America was sold in order to further improve earnings. The net restructuring costs totaled MSEK 15.

Hydraulic Systems

	Full year 2006		
MSEK	*2006*	*2005*	*Change*
Net sales	1331	1269	5%
Operating income	90	92	-2%
Operating margin	6.8%	7.2%	-0.4
Return on capital	20.8%	22.5%	-1.7

Demand for Hydraulics Division products remains at a high level. Net sales increased 5% to MSEK 1 331 compared with the same period the year before. The increase amounts to 6% after adjusting for currency exchange rate changes.

Operating income and margins continue to be stable. Taking non-recurring effects into account, earnings improved compared to the previous year. We have been able to largely counteract rising material prices by various means. The operating margin improved during Q4 2006 compared with the earlier quarters of the year.

Several new development and delivery agreements for fuel transfer pumps were signed during the year, with a combined order value of MSEK 500 over a five-year period.

Garphyttan Wire

	Full year		
MSEK	*2006*	*2005*	*Change*
Net sales	1049	1039	1%
Operating income*	55	96	-43%
Operating income	41	96	-57%
Operating margin*	5.2%	9.1%	-3.9
Operating margin	3.9%	9.1%	-5.2
Return on capital	9.6%	25.3%	-15.7

*excluding restructuring costs

Sales for the Wire Division totaled MSEK 1 049 (1 039). Operating income, excluding restructuring costs, fell MSEK 41 to MSEK 55 (96). However, both earnings and margins rose during Q4 compared with the earlier quarters of the year.

Discounting currency exchange rate effects and price increases undertaken to offset higher raw material prices, the volumes decreased compared with the same period the year before. Sales in

Europe rose over the year, while production cutbacks among the three major carmakers in the USA resulted in continued weak demand in North America. Efforts are underway to compensate for this volume loss with new customers.

It has not been possible to pass material price increases for wire rod on to customers. Efforts are under way to achieve better balance between material and customer prices.

Volume declines in Europe during the first half of the year and the current weak volumes in North America combined with high reject costs (mainly during Q1) have also contributed to the less favorable result.

Staff cutbacks were undertaken at Garphyttan during the year, resulting in annual savings of MSEK 20-25. Q2 was encumbered by a reserve of MSEK 14, which was related to the staff reductions.

Traction Systems

	Full year 2006		
MSEK	*2006*	*2005*	*Change*
Net sales	745	748	0%
Operating income	48	36	+33%
Operating margin	6.5%	4.8%	+1.7
Return on capital	27.3%	20.9%	+6.4

Sales were on a par with the previous year. The growth of sales to the VW Group was favorable, while weak growth was seen in the SUV market. The latter factor, combined with dramatic reductions in orders from Ford during Q4, had a negative impact on sales growth.

Margins, earnings and return on capital all improved compared with the year before. Earnings improved MSEK 12 on nearly identical sales.

Series deliveries to Land Rover began in Q3.

At the end of Q4 Haldex was named as a supplier of four-wheel drive systems for a new car model within the Ford Group. Production is scheduled to start in 2008. The order is worth roughly MSEK 400 over a five-year period.

In connection with a change of platforms, Ford North America decided in Q4 not to use Haldex’s four-wheel drive system. Haldex’s sales for this platform totaled MSEK 45 in 2006.

A supplemental order for yet another global car platform was received in April 2006, increasing the total value of the original deal by MSEK 800 to SEK 2 billion. Preparations for the new plant in Mexico are proceeding on schedule.

Q4

Operating income totaled MSEK 90 (81). Adjusted for restructuring costs and exchange rate changes the result declined with MSEK 14. Earnings before tax totaled MSEK 76 (73).

Net sales rose MSEK 23, i.e. by 1%, to 1 897 (1 874) compared with the same period the year before. Sales increased by 8% after adjusting for currency exchange rates.

Net sales for CVS increased MSEK 17 to MSEK 1 123 (1 106), which represents an increase of 10% after adjusting for currency exchange rates. Operating income adjusted for restructuring costs totaled MSEK 42 (42). The operating margin was 3.7% (3.8).

The Hydraulics Division's net sales totaled MSEK 319 (331), which represents an increase of 4% over the previous year after adjusting for currency exchange rates. Operating income totaled MSEK 25, which was MSEK 4 lower than for the same quarter the year before, after adjusting for non-recurring effects. The operating margin improved during Q4 2006 compared with the earlier quarters of the year.

Net sales for the Wire Division rose 7%, after adjusting for currency exchange rates, to MSEK 267 (257). Operating income totaled MSEK 18 (22).

The Traction Division reported net sales of MSEK 188 (180), somewhat better than for the same quarter the year before. Operating income continued to improve, rising MSEK 3 to MSEK 12 (9) compared with the same quarter the year before, and yielding an operating margin of 6.5% (5.0).

Cash flow

Cash flow after net investments was MSEK -7 (139). The cash flow was affected by the increase in working capital, which was in turn driven by volume increases and a continued relatively high level of investment.

Financial status

The Group's net debt totaled MSEK 1 254 (1 241). The net debt increased MSEK 146 after adjusting for currency exchange rates. Interest-bearing debts totaled MSEK 1 504 (1 495), with pension liabilities accounting for MSEK 319 (308). Equity totaled MSEK 1 898 (1 890), yielding an equity/assets ratio of 40% (40). Exchange rate changes affecting the Group's net assets, which are denominated largely in foreign currencies, resulted in a reduction of MSEK 211 in equity when translated to SEK.

Net sales

Sales by division and region:

			Change	
MSEK	**2006**	**2005**	**Nominal**	**Currency-adjusted**
Group	7,890	7,486	5%	6%
Commercial Vehicle Systems	4,765	4,430	8%	8%
Hydraulic Systems	1,331	1,269	5%	6%
Garphyttan Wire	1,049	1,039	1%	1%
Traction Systems	745	748	0%	0%
North America	3,643	3,578	2%	3%
Europe	3,740	3,470	8%	8%
Asia and the Middle East	290	237	22%	22%
South America	217	201	8%	1%

Market

2006

Heavy commercial vehicle production continued to enjoy stable growth during the period.

Production of heavy trucks during the year rose 11% in North America and 8% in Europe compared with the year before. Growth was strong in North American during Q4, while the market in Europe was on a par with the same period the year before. Production in Asia rose 32% over the year and 67% in the last quarter, compared with the same periods the year before. The corresponding figures for South America were -6% respectively -10%.

Trailer production increased roughly 7% during the year in both North America and Europe, while increasing 17% in Asia and remaining unchanged in South America. Growth was strong in all regions during Q4.

The aftermarket for brake systems showed positive growth.

Demand for construction machinery grew somewhat compared with the year before, while the market for forklift trucks showed strong growth, increasing 10%. This trend continued during Q4.

The number of cars produced fell 3% in North America over the year, but increased 3% in Europe compared with the year before. Production declined 11% in Q4 compared with the same period the year before, while production in Europe rose 14% compared with the last quarter of 2005. In North America, the Big Three American carmakers undertook severe production cutbacks in the second half of 2006.

2007

Global production of heavy trucks is expected to decrease 12% in 2007. The decline is being driven by a temporary drop in North America, which is expected to amount to 45% and is the result of advance purchases of trucks in 2006. The advance purchases were made in order to avoid high costs for more advanced truck engines that are compliant with the new emissions control legislation that will go into effect in 2007. The North American market is expected to recover in late 2007. A stable market for heavy trucks is expected in Europe during 2007. Asia expects to see favorable growth, driven mainly by the Chinese market.

Global trailer production is expected to increase by roughly 2-3% in 2007, with a stable North American market, an increase of several percent in European production, and a strong Asian market driven by strong growth in China.

A continuing favorable climate for investment in the western world and Asia is paving the way for strong demand for construction machinery and forklift trucks.

Production of light vehicles is expected to increase by several percent in North America. The Big Three American manufacturers of light vehicles in North America undertook major production cutbacks in the second half of 2006. These cutbacks are expected to remain in effect through the first half of 2007, with a recovery in the second half. Production of light vehicles in Europe is expected to decline somewhat.

Employees

The number of employees at period-end totaled 4 785 (4 590).

Buybacks of shares

No buybacks of shares occurred in 2006. The Board of Directors has decided to propose that the Annual General Meeting extend its buyback authorization.

Dividend

The Board of Director's policy for distributing unrestricted capital to the shareholders remains unchanged, and incorporates both dividends and buybacks. The guideline is that one-third of the after-tax profit for the year be distributed to the shareholders, taking into account our anticipated financial status. The Board proposes that a dividend of SEK 4.50 be distributed to the shareholders for the 2006 fiscal year.

Outlook for 2007

The Group's AWD sales are expected to increase in 2007, especially during the second half of the year, when series deliveries for a new VW model will begin.

The downturn in the North American truck industry during 2007 combined with the weakening of the US dollar and the Euro versus the Swedish currency in 2006 will have a negative effect on Group sales when translated into SEK this year.

The Group considers that the aforementioned factors will be counteracted by new product launches and new customers, and that the Group's net sales will be approx. at the same level as in 2006. Action programs, the results of restructuring efforts and a better market mix will lead to improved earnings.

Annual General Meeting

The Annual General Meeting will be held at 4 p.m. on Thursday, 12 April 2007 at the IVA Conference Center, Grev Turegatan 16, Stockholm.

Future reporting dates

Interim Report January-March 2007	26 April 2007
Interim report January-June 2007	20 July 2007
Interim Report January-September 2007	25 October 2007

Stockholm, 21 February 2007
Joakim Olsson
President and Group CEO

For additional information, please contact Joakim Olsson, President and Group CEO, Stefan Johansson, CFO, or Lena Olofsdotter, CIO at tel. 08-545 049 50

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Consolidated Income Statement	**Oct-Dec**		**Full Year**	**Full Year**
Amounts in MSEK	**2006**	**2005**	**2006**	**2005**
Net sales	**1,897**	**1,874**	**7.890**	**7.486**
Cost of goods sold	-1,473	-1,415	-6,037	-5,653
Gross income	**424**	**459**	**1,853**	**1,833**
	22.4%	**24.5%**	**23.5%**	**24.5%**
Sales, administrative and product development costs	-340	-390	-1,495	-1,477
Other operating income and expenses	6	12	32	35
Operating income	**90**	**81**	**390**	**391**
Financial costs	-14	-8	-75	-50
Earnings before tax	**76**	**73**	**315**	**341**
Taxes	55	8	-5	-71
Net income	**131**	**81**	**310**	**270**
Minority interests	*1*	-	*2*	*1*
Earnings per share, SEK	5.88	3.67	13.96	12.19
Avg. no. of shares (000)	22,065	22,065	22,065	22,065

Consolidated Income Statement by Cost Type

Amounts in MSEK	**Oct-Dec**		**Full Year**	**Full Year**
	2006	**2005**	**2006**	**2005**
Net sales	**1,897**	**1,874**	**7,890**	**7,486**
Direct material costs	-1,002	-958	-4,094	-3,826
Personnel costs	-500	-473	-1,947	-1,888
Depreciation	-58	-67	-272	-267
Other operating income & expenses	-247	-295	-1,187	-1,114
Operating income	**90**	**81**	**390**	**391**
Financial expenses	-14	-8	-75	-50
Earnings before tax	**76**	**73**	**315**	**341**
Taxes	55	8	-5	-71
Net income	**131**	**81**	**310**	**270**
Minority interests	*1*	-	*2*	*1*

Consolidated Balance Sheet

Amounts in MSEK	**31 Dec. 06**	**31 Dec. 05**
Goodwill	414	471
Other intangible fixed assets	207	160
Tangible fixed assets	1,406	1,425
Financial fixed assets	182	110
Financial derivatives	17	30
Total fixed assets	**2,226**	**2,196**
Inventories	886	891
Current receivables	1,312	1,283
Financial derivatives	59	38
Cash & bank assets and short-term investments	250	254
Total current assets	**2,507**	**2,466**
Total assets	**4,733**	**4,662**
Total equity	**1,898**	**1,890**
Pension liabilities	319	308
Deferred taxes	113	168
Long-term loans	1,152	1,168
Financial derivatives	1	-
Other long-term liabilities	24	37
Total long-term liabilities	**1,609**	**1,681**
Financial derivatives	11	9
Short-term loans	33	19
Current operating liabilities	1,182	1,063
Total current liabilities	**1,226**	**1,091**
Total equity and liabilities	**4.733**	**4.662**

Consolidated Changes in Equity

Amounts in MSEK	31 Dec. 06	31 Dec. 05
Opening equity	1,890	1,532
Dividend	-88	-66
Exchange rate differences	-211	222
Hedging reserve (IAS 39)	-3	-68
Net income	310	270
Equity at year-end	1,898	1,890
Minority interests	*4*	*9*

Consolidated Cash Flow Statement Amounts in MSEK	**Full Year 2006**	**Full Year 2005**
Operating income	390	391
Depreciation on fixed assets	272	267
Interest paid and similar expenses	-75	-52
Taxes paid	-99	-68
Gross cash flow from operations	488	538
Change in working capital	-86	-45
Cash flow from operations	***402***	***493***
Net investments	-409	-354
Corporate acquisitions	-31	-6
Cash flow from investments	***-440***	***-360***
Dividend	-88	-66
Change in loans	155	-8
Change in long-term liabilities	-15	0
Change in long-term receivables	-3	-2
Cash flow from financing	***49***	***-76***
Change in cash and bank assets, excl. exchange rate differences	11	57
Opening cash & bank assets	254	187
Exchange rate differences for cash and bank assets	-15	10
Cash and bank assets at year-end	250	254

Key figures	Full Year 2006	Full Year 2005
Operating margin, %	4.9	5.2
Capital turnover rate, x	2.3	2.4
Return on capital employed, %	11.5	12.3
Return on equity, %	16.6	15.9
Interest coverage ratio, x	5.2	7.9
Equity/assets ratio, %	40	40
Debt-to-equity ratio, %	66	66

Share data	Full Year 2006	Full Year 2005
After-tax profit, SEK	13.96	12.19
Equity, SEK	86.02	85.64
Avg. no. of shares (thousands)	22,065	22,065
No. of shares at period-end (thousands)	22,065	22,065
Share price, SEK	163.50	158.00

Quarterly Data
Amounts in MSEK

	*2006**)* I	*II*	*III*	*IV*	*Full Year 2006*	*2005**)* I	*II*	*III*	*IV*	***Full Year 2005***
Net sales	2076	2047	1870	1897	*7890*	1844	1962	1806	1874	***7486***
Cost of goods sold	-1569	-1566	-1429	-1473	*-6037*	-1372	-1465	-1401	-1415	-5653
Gross income	507	481	441	424	*1853*	472	497	405	459	***1833***
	24.4%	23.5%	23.6%	22.4%	*23.5%*	25.6%	25.3%	22.4%	24.5%	***24.5%***
Sales, administrative and product development costs	-394	-394	-367	-340	*-1495*	-358	-394	-335	-390	***-1477***
Other operating income & expenses	10	11	5	6	*32*	3	12	8	***12***	***35***
Operating income	123	98	79	90	*390*	117	115	78	81	***391***
Financial costs	-20	-24	-17	-14	*-75*	-15	-12	-15	-8	***-50***
Earnings before tax	103	74	62	76	*315*	102	103	*63*	*73*	***341***
Taxes	-28	-17	-15	55	*-5*	-29	-31	-19	8	*-71*
Income for period	75	56	47	131	*310*	73	72	44	81	***270***
Minority interests	1	-	-	1	*2*	-	1	-	1	***1***
Earnings per share, SEK	3.37	2.55	2.16	5.88	*13.96*	3.29	3.24	1.99	3.67	***12.19***
Operating margin, %	5.9	4.8	4.2	4.7	*4.9*	6.3	5.9	4.3	4.3	***5.2***
Cash flow	-84	-31	-28	136	*-7*	-127	67	-27	226	***139***
Return on capital employed*), %	12.1	11.3	11.3	11.5	*11.5*	13.2	13.7	13.2	12.3	***12.3***
Return on equity*), %	15.2	14.1	14.2	16.6	*16.6*	15.7	16.4	15.7	15.9	***15.9***
Equity/assets ratio, %	39	38	39	40	*40*	39	38	39	40	***40***
Investments	89	109	72	150	*420*	71	95	109	82	***357***
R & D, %	4.4	4.5	4.2	4.6	*4.4*	4.4	4.5	4.2	5.2	***4.6***
No. of employees*)	4644	4671	4649	4683	*4683*	4414	4526	4576	4606	***4606***

*) rolling 12 months
**) IAS 39 applied as of 2005; see Appendix Note 4

Segment Data
Amounts in MSEK

	*2006 *)* I	*II*	*III*	*IV*	***Full Year 2006***	*2005* I	*II*	*III*	*IV*	***Full Year 2005***
Commercial Vehicle Systems										
Net sales	1245	1244	1152	1123	**4765**	1085	1156	1083	1106	**4430**
Operating income	72	68	35	42	**217**	58	54	35	16	**163**
Operating margin, %	5.8	5.5	3.0	3.7	**4.6**	5.3	4.7	3.3	1.5	**3.7**
Assets	2927	2909	2813	2713	**2713**	2571	2811	2753	2715	**2715**
Liabilities	715	653	614	629	**629**	567	623	563	568	**568**
Return on cap. empl.*), %	7.8	8.2	8.2	9.3	**9.3**	9.3	9.5	9.3	7.5	**7.5**
Investments	49	57	43	79	**228**	35	60	59	37	**191**
Depreciation	41	36	38	37	**153**	37	39	36	37	**151**
No. of employees*)	3052	3086	3026	3064	**3064**	2991	3029	3029	3039	**3039**
Hydraulic Systems										
Net sales	344	330	339	319	**1331**	284	327	327	331	**1269**
Operating income	25	18	23	25	**90**	16	20	22	34	**92**
Operating margin, %	7.3	5.5	6.8	7.7	**6.8**	5.5	6.3	6.5	10.3	**7.2**
Assets	582	581	575	560	**560**	529	586	594	566	**566**
Liabilities	168	158	173	173	**173**	141	167	170	167	**167**
Return on cap. empl.*), %	23.3	22.2	22.7	20.8	**20.8**	17.4	18.0	17.2	22.5	**22.5**
Investments	11	14	10	26	**61**	17	6	19	15	**57**
Depreciation	15	14	15	2	**46**	11	12	14	12	**49**
No. of employees*)	866	886	911	901	**901**	791	835	862	871	**871**
Garphyttan Wire										
Net sales	284	272	226	267	**1049**	274	270	238	257	**1039**
Operating income	14	0	9	18	**41**	33	29	12	22	**96**
Operating margin, %	4.8	-	4.0	6.7	**3.9**	11.9	10.5	4.9	8.6	**9.1**
Assets	595	630	606	608	**608**	541	569	568	568	**568**
Liabilities	194	216	195	205	**205**	186	195	179	202	**202**
Return on cap. empl.*), %	19.0	11.6	10.7	9.6	**9.6**	28.7	30.2	26.5	25.3	**25.3**
Investments	16	25	13	21	**75**	15	20	21	21	**77**
Depreciation	11	9	11	10	**41**	10	11	9	9	**39**
No. of employees*)	458	458	466	469	**469**	440	450	465	476	**476**
Traction Systems										
Net sales	203	201	153	188	**745**	201	209	158	180	**748**
Operating income	10	14	12	12	**48**	9	9	9	9	**36**
Operating margin, %	4.7	7.0	7.8	6.5	**6.5**	4.7	3.9	6.0	5.0	**4.8**
Assets	316	332	337	352	**352**	320	294	296	329	**329**
Liabilities	172	182	158	195	**195**	145	150	134	143	**143**
Return on cap. empl.*), %	21.0	25.4	25.9	27.3	**27.3**	19.0	20.4	23.8	20.9	**20.9**
Investments	13	13	7	22	**55**	4	9	8	12	**33**
Depreciation	8	7	8	8	**31**	7	6	8	7	**28**
No. of employees*)	219	241	246	249	**249**	192	212	219	220	**220**
Data not broken down by segment										
Operating income	3	-3	-	-7	**-7**	1	3	-	-	**4**
Financial expenses	-21	-23	-17	-14	**-75**	-15	-12	-15	-8	**-49**
Taxes	-28	-17	-15	55	**-5**	-29	-31	-19	8	**-71**
Assets	455	424	343	500	**500**	287	307	366	484	**484**
Liabilities	1717	1750	1704	1634	**1634**	1568	1688	1758	1693	**1693**

*)   rolling 12 months