



Innovative Vehicle Technology

PRESS RELEASE

Haldex AWD system makes breakthrough on the U.S. market. Nomination awarded for a billion Swedish Krona business

Haldex has made a first breakthrough with its AWD system on the important U.S. market. Haldex has been awarded a Nomination Letter, which specifies Haldex as supplier of the AWD system for a new car model from one of the big three American car manufacturers. The expected order value is 1-1.5 billion Swedish Krona over a 5-year period.

Haldex Traction Systems, a division in the Haldex group, has been nominated as supplier of its AWD system for a new car model from one of the three big car manufacturers in USA. The new car model is based on a global platform. Serial deliveries are expected to start during year 2003, with an order value of 1-1.5 billion Swedish Krona over a 5-year period.

The nomination has great strategic importance for Haldex AWD business. The American four-wheel drive market is by far the largest single market with a penetration degree of 4WD of approximately 20%.

The nomination, which was awarded after testing and evaluating several competing systems, is another confirmation of Haldex world leading position as supplier of advanced, electronically controlled AWD systems, as well as of Haldex competence in vehicle dynamics.

In view of the increasing volumes that this and previously awarded business represent, Haldex Traction will invest approximately 70 MSEK over a 3-year period in new machining capacity in the factory in Landskrona, Sweden. The stepwise investment plan will be initiated in year 2002. The increasing volumes will also create needs for added manpower and an additional 30 people is estimated to be hired up till 2003.

Since 1998, Haldex supplies its AWD system to the Volkswagen group, which has introduced the system on VW Golf 4 Motion, VW Bora 4 Motion, VW Sharan, VW Beetle Rsi, Audi A3/S3 Quattro, Audi TT Quattro, Skoda Octavia 4x4, and Seat Leon 4. During the latter part of the current year deliveries will be initiated to another European car manufacturer. A series of projects regarding prototype installations and field-testing are ongoing with different car manufacturers.

Haldex is an innovator in vehicle technology and supplies proprietary products for trucks, cars and industrial vehicles on a global basis. The Group is listed on the Stockholm Stock Exchange and has annual sales exceeding \$650 million with 4,250 employees.

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