

**HALDEX INTERIM REPORT  
JANUARY – SEPTEMBER 2011**



## Q3: Operating margins sustained

### *Haldex Group (Continued Operations\*) July-September 2011:*

- Sales for Haldex Continued Operations amounted to SEK 1,017 m compared to SEK 977 m in the corresponding period last year. Adjusted for exchange rate fluctuations, sales increased 12% compared with the same period prior year. This is approximately at the same levels as in the second quarter.
- Operating income and operating margin for Haldex Continued Operations amounted to SEK 65 m (52) and 6.4% (5.3), respectively. Operating margins were sustained at the same level as the second quarter.
- Earnings after tax for Haldex Continued Operations amounted to SEK 35 m (-12). Earnings per share amounted to SEK 0.80 (-0.27).
- Haldex began consolidating operations in Brazil into one new site, versus three current locations. This provides an important platform for future growth.
- Haldex initiated supplies anti-lock braking systems to leading Chinese bus manufacturers.

### **Key ratios, Haldex Group (Continued Operations):**

SEK m	Jan-Sept 2011	Jan-Sept 2010	Jul-Sept 2011	Jul-Sept 2010
Net sales	2,995	2,835	1,017	977
Operating income <sup>1)</sup>	186	125	65	52
Operating margin <sup>1)</sup>	6.2	4.4	6.4	5.3
Earnings after tax	118	12	35	-12
Earnings per share	2.57	0.16	0.80	-0.27

<sup>1)</sup> Excluding restructuring costs.

### ***President and CEO Jay C. Longbottom comments on the third quarter of 2011;***

*Sales performance in the third quarter reflected continued strength in OE production, especially in North America, and a stable aftermarket. Operating margins were sustained at the levels achieved during the second quarter. The focus on emerging markets was confirmed by sales growth, new ABS customers in China and the new Brazil site. Cash flow improved during the quarter, the company will continue to focus on reduction of working capital. Earnings development will be supported by operational performance and an improved cost structure.*

\*Haldex Continued Operations excludes the divested Hydraulics Systems Division and Traction Systems Division.

## January – September 2011

### *Haldex Continued Operations:*

- Sales for Haldex Continued Operations totaled SEK 2,995 m (2,835). Adjusted for exchange rate fluctuations, sales increased 16% compared with the same period prior year.
- Operating income and operating margin for Haldex Continued Operations amounted to SEK 186 m (125) and 6.2% (4.4) respectively.
- Earnings after tax for Haldex Continued Operations amounted to SEK 118 m (12). Earnings per share were SEK 2.57 m (0.16).

### *The Group in total (including Discontinued Operations\*\*):*

- Consolidated sales for Haldex Group totaled SEK 4,022 m (5,201). Operating income for Haldex Group totaled SEK 2,151 m (210). Earnings per share were SEK 46.44 (1.71).
- Following the AGM's decision the proceeds from the sale of Traction Systems have been distributed to the shareholders via a share redemption. On July 28, 2011 the redemption amount of total SEK 1,326 m was settled.

\*\* Discontinued Operations relates to Hydraulics Systems Division and Traction Systems Division

## Net sales per business unit and region

<i>SEK m</i>	Jan-Sept 2011	Jan-Sept 2010	Change, Currency adjusted Jan-Sept 2011/2010	Jul-Sept 2011	Jul-Sept 2010	Change, Currency adjusted Jul-Sept 2011/2010
Air Controls	1,218	1,230	9%	405	430	1%
Foundation Brake	1,777	1,605	22%	612	547	21%
<b>Haldex Continued Operations</b>	<b>2,995</b>	<b>2,835</b>	<b>16%</b>	<b>1,017</b>	<b>977</b>	<b>12%</b>
Discontinued Operations <sup>1)</sup>	1,027	2,366	n.a.	-	830	n.a.
<b>Total Group</b>	<b>4,022</b>	<b>5,201</b>	<b>n.a.</b>	<b>1,017</b>	<b>1,807</b>	<b>n.a.</b>
North America	1,532	1,516	15%	539	538	14%
Europe	1,016	963	11%	324	352	5%
Asia and the Middle East	265	200	45%	86	32	14%
South America	182	156	22%	68	55	36%
<b>Haldex Continued Operations</b>	<b>2,995</b>	<b>2,835</b>	<b>16%</b>	<b>1,017</b>	<b>977</b>	<b>12%</b>
Discontinued Operations <sup>1)</sup>	1,027	2,366	n.a.	-	830	n.a.
<b>Total Group</b>	<b>4,022</b>	<b>5,201</b>	<b>n.a.</b>	<b>1,017</b>	<b>1,807</b>	<b>n.a.</b>

<sup>1)</sup> Traction Systems Division pertains to January 2011 and Hydraulic Systems Division pertains to June 16, 2011

## Operating income and margin, Haldex Continued Operations

<i>SEK m</i>	Jan-Sept 2011	Jan-Sept 2010	Change Jan-Sept 2011/2010	Jul-Sept 2011	Jul-Sept 2010	Change Jul-Sept 2011/2010
Operating income <sup>1</sup>	186	125	49%	65	52	25%
Operating income	186	72	158%	65	-1	n.a.
Operating margin.% <sup>1</sup>	6.2	4.4	1.8	6.4	5.3	1.1
Operating margin.%	6.2	2.5	3.7	6.4	n.a.	n.a.
Return on capital employed, % <sup>1,2)</sup>	10.4	6.4	4.0	10.4	6.4	4.0
Return on capital employed, % <sup>2)</sup>	10.4	3.5	6.9	10.4	3.5	6.9

<sup>1</sup> Excluding restructuring costs.

<sup>2)</sup> Rolling 12 months.

## Net sales and earnings, Haldex Continued Operations (January – September 2011)

Sales totaled SEK 2,995 m (2,835). Adjusted for exchange-rate movements, sales rose 16% compared to the corresponding period in 2010. In Europe, sales totaled SEK 1,016 m (963), while North American sales amounted to SEK 1,532 m (1,516). Adjusted for exchange-rate movements, the year-on-year increase in sales was 11% in Europe and 15% in North America.

Sales within the Air Controls business unit amounted to SEK 1,218 m (1,230), adjusted for currency movements sales rose 9% compared to last year. Sales within the Foundation Brake business unit amounted to SEK 1,777 m (1,605), adjusted for currency movements sales rose 22% compared to last year.

Operating income totaled SEK 186 m (125), with the operating margin advancing to 6.2% (4.4). Operating margin continued to improve due to the new cost structure, factory productivity and higher volumes.

Exchange rate fluctuations and the results from currency hedging and translation effects had an adverse year-on-year impact on consolidated operating income of SEK 47 m compared with the corresponding period previous year.

## Industry Production Trends<sup>1)</sup>

Global production of trucks and trailers in the third quarter continued at levels above the prior year, but performance varied significantly by region. Growth continued in North America, Europe was essentially flat compared to the second quarter and Asia decreased from prior levels.

### Heavy trucks

The **Global** production of heavy trucks in **quarter 3** rose 3% compared to the third quarter of 2010. All regions except Asia saw an increase.

In **North America**, the production rate continued to increase and ended the quarter with a 62% increase over the third quarter of 2010. Approximately 65,000 trucks were produced in the third quarter of this year compared to 40,000 trucks produced in the same period last year. The 65,000 trucks produced in the third quarter represent an 8% increase over the prior quarter.

In **Europe**, the production ended the quarter with a 29% increase over the third quarter of the prior year. Approximately 107,800 trucks were produced in the third quarter of this year compared to 83,500 trucks produced during the same period last year. The 107,800 trucks produced in the third quarter represented a 1% decrease from the prior quarter build of 108,500.

In **Asia**, the production ended the quarter 15% lower than the third quarter of 2010 with a build of 230,600 vs. 271,000 last year and down 13% from the prior quarter which was at 264,400.

In **South America**, the production rate increased by 10% over the third quarter of 2010 that amounted to 3,700 vehicles. The third quarter of 2011 was up 12% or 4,300 units compared to the prior quarter.

### Trailers

The **Global** production of trailers in **quarter 3** increased by approximately 4% compared to the third quarter of 2010. All markets saw increases except Asia.

In **North America** trailer production of 63,000 grew 54% from the third quarter of the prior year, an increase of 22,000 units. This quarter was also stronger than the prior quarter by 4% or 2,200 trailers.

In **Europe**, production of trailers ended at 54,000: a 16% increase over the third quarter of 2010 and an 8% decrease or 5,200 trailer decrease compared to the last quarter.

In **Asia** trailer production of 76,000 was down by 24,300 trailers or -24% compared to the third quarter of 2010. The third quarter of 2011 was down 32% compared to prior quarter which amounted to 36,000 trailers.

In **South America**, production of trailers ended at 18,000 which was an 18% increase over the third quarter of 2010. This quarter was down 2% or 400 units compared to the prior quarter.

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<sup>1)</sup> Market data pertaining to trucks is based on statistics from JD Powers unless noted otherwise. Trailer market information pertaining to Europe is based on Clear statistics, North American truck and trailer is based on ACT statistics and South America and Asia trailer data are based on local sources.

## **Reorganization of Haldex**

According to the press release of July 16, 2010, the Haldex Board proposed a demerger of the company whereby Haldex's divisions would become independent listed companies.

The demerger process was finalized in June 2011 and left within Haldex, after the divestment of Traction Systems Division (January 31, 2011) and Hydraulic Systems Division being listed as a separate company under the name Concentric (June 16, 2011), is the Commercial Vehicle Systems Division.

Consequently, values have been transferred from Haldex Group, to the shareholders as described below.

- A shareholder in Haldex that held shares as per June 8, 2011, has received an equivalent number of shares in Concentric AB.
- A shareholder in Haldex that held shares as per June 29, 2011, received an equivalent number of redemption shares, that were redeemed for SEK 30 as per July 28, 2011.

The demerger of the Haldex Group has in total cost SEK 105 m of which SEK 51 m was expensed in 2011 (all expenses are allocated to Haldex Discontinued Operations). The costs consist mainly of legal expenses, expenses incurred in conjunction with tax advisory services and accounting, expenses in relation to modification of the IS/IT system, listing costs and restructuring costs (including severance pay).

## **Items affecting comparability**

This report separates continuing operations, ie. Commercial Vehicle Systems Division, from discontinued operations, ie. Hydraulic Systems Division and Traction Systems Division, comparison numbers are adjusted likewise. Earnings generated within the Hydraulics Systems Division and the Traction Systems Division are consolidated into the Group's account until the day of the separation (Hydraulics June 16, 2011, and Traction January 31, 2011).

For discontinued operations, a fair comparison can't be made between the years since the 2011 figures, quarter and year to date, don't include earnings for all months.

Key figures as shareholder's equity per share and earnings per share, will not be comparable due to the distributed equity and Commercial Vehicle Systems Division being the only operation left within Haldex.

Balance sheet as per September 2010, comprises assets and liabilities for all three divisions. Balance sheet as per December 2010, comprises assets and liabilities for the three divisions, however, assets and liabilities related to Traction Systems Division is reported on separate lines as asset held for sale.

For information about Concentric we refer to [www.concentricab.com](http://www.concentricab.com).

## **Taxes**

The Group's tax expense totaled SEK 82 m (45), resulting in a tax rate of 4% (36). The tax rate is affected by the non-taxable capital gain from the divestment of Traction System Division and accounting effects related to the distribution of the shares in Concentric.

Tax rate in continued operations was 35%.

### **Cash flow, Haldex Continued Operations**

Cash flow after net investments in the quarter was positive SEK 40 m. As per September 30, 2011, cash flow after net investments was negative SEK 143 m (38). Adjusted for the discontinuation of the factoring program, cash flow after net investments was negative in an amount of approximately SEK 43 m year-to-date, as a result of rising volumes.

### **Investments, Haldex Continued Operations**

Investments totaled SEK 74 m (108), of which SEK 7 m (18) consisted of investments in development projects.

### **Financial position**

As per September 30, 2011, the Group has a net debt amounting to SEK 650 m (721). The company has returned to a net debt situation as a result from the redemption amount paid out to the shareholders by the end of July.

The net debt consists of cash and cash equivalents totaling SEK 273 m, interest bearing debt of SEK 682 m, and a pension liability of SEK 209 m. The value of derivatives in respect of the company's loans in foreign currency is also included in the net receivable, neg. SEK 32 m.

Haldex primary sources of loan financing comprise:

- A bond loan totaling SEK 270 m, maturing in 2015
- A syndicated credit facility in the amount of EUR 75 m, maturing in 2014

Shareholder's equity amounts to SEK 1,313 m (2,300) resulting in an equity/asset ratio of 45% (46).

### **Employees**

The number of employees at the end of the period totaled 2,360 (2,315).

### **Significant risks and uncertainties**

Haldex is exposed to financial and operating risks. A Group process is used to identify risks and for risk management, as described in the Haldex Annual Report and Corporate Governance Report for 2010.

The risk areas, as described in Haldex Annual Report for 2010, are the same for Haldex even after the divestment of the Traction Systems Division and the carve-out of the Hydraulics Systems division.

### **Forward-looking information**

This report contains forward-looking information in the form of statements concerning the outlook for Haldex's operations. This information is based on the current expectations of Haldex's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

### **Related-party transactions**

No transactions have been carried out between Haldex and related parties that had a material impact on the company's financial position and results.

### **Acquisition and divestments**

Effective January 31, 2011, the divestment of the Traction Systems Division to BorgWarner, Inc was finalized. The purchase consideration totaled SEK 1,425 m in cash and on a debt-free basis. The transaction resulted in a capital gain of SEK 1,115 m.

All of the shares in Concentric AB were distributed to the shareholders of Haldex AB in proportion to their current shareholding in Haldex AB. The final date for trading in Haldex shares including the right to receive shares in Concentric was June 8, 2011. Concentric AB was listed on OMX Nasdaq Stockholm Exchange on June 16, 2011.

No acquisitions have occurred during 2011.

### **The parent company**

Haldex AB (publ) Corp. Reg. No. 556010-1155, is a registered limited liability corporation with its registered office in Landskrona, Sweden. Haldex AB is listed on the OMX Exchange in Stockholm, Mid Cap. Net sales amounted to SEK 23 m (8) and earnings after tax SEK 263 m (-81).

## Accounting principles

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's financial statements were prepared in accordance with RFR 2, *Accounting for legal entities* and the Annual Accounts Act. New or revised IFRS and interpretation statements from IFRIC did not have any effect on the consolidated or Parent Company earnings or financial position. Thus, The accounting policies applied comply with that stated in the annual report for the preceding fiscal year.

### *Discontinued operations*

On December 17, 2010, Haldex reached an agreement with BorgWarner Inc. concerning the divestment of the Traction Systems Division. The transaction was finalized on January 31, 2011.

In a previous press release, Haldex AB's Board stated that it intended to propose a demerger of the Group, whereby the Hydraulic Systems Division would be listed as an independent company. The Haldex Group was restructured during 2010 and 2011, and in June 2011 the Hydraulic Systems Division was listed as separate company.

In the income statement for 2010 and 2011, both divisions – Traction Systems and Hydraulics Systems – are reported as discontinued operations. Also, the capital gain from the divestment of the Traction Systems Division, revaluation of Hydraulic Systems net assets and all costs attributable to the Group restructuring are classified as discontinued operations.

### *Segment reporting*

Since Haldex has a new management and two of the divisions now have been divested, the internal reporting and review has been changed. Haldex Group now has two segments Air Controls and Foundation Brake. Since the two segments have similar businesses, customers and long-term operational margins the two segments are aggregated and presented as one segment.

### *Distribution of Hydraulic Systems Division to the Shareholders*

The distribution of Concentric (former Hydraulic Systems Division) is reported as a reduction of equity, corresponding to the market value on the divested business. By the time of the dividend the net assets were realized and reported as a revaluation in the Income statement corresponding to the deviation between fair-value and book-value on the operations net assets.

### *Other*

Because of rounding off, the figures do not always tally when totaled.

Stockholm, October 20, 2011

Haldex AB (publ)

Jay C. Longbottom  
*President and CEO*



### **Calendar - Future reporting dates**

Year-end report January - December 2011

February 15, 2012

Interim report January – March 2012

April 24, 2012

### **Invitation to press conference or telephone conference**

Media and analysts are invited to a press conference at which the report will be presented with comments by Jay C. Longbottom, President and CEO, and Pramod Mistry, CFO.

**Date/Time:** The press conference will be held on Thursday, October 20 at 12:00 p.m. CET

**Venue:** Scandic Anglais, Humlegårdsgatan 23, Stockholm. A salad lunch will be served at 11:30 a.m. CET.

**Participation:** Please register to Maria Mattsson, e-mail: [maria.mattsson@nasdaqomx.com](mailto:maria.mattsson@nasdaqomx.com)

or phone: +46 (0)73 449 74 16

**Internet:** The press conference will be web casted live at:

<http://storm.zoomvisionmamato.com/player/haldex/objects/vh2bmg84/>

The webcast will also be available afterwards and you can download the Interim Report and the presentation.

**Telephone conference call:** You can also participate with questions by telephone.

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*Haldex discloses the information in this Interim Report according to the Swedish Securities Market Act and/or the Swedish Financial Trading Act. The information was provided for public release at 8:30 CET on Thursday October 20, 2011.*

**REVIEW REPORT**

We have reviewed this report for the period 1 January – 30 September 2011 for Haldex AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 20 October 2011

Michael Bengtsson  
Authorised Public Accountant  
PricewaterhouseCoopers

Ann-Christine Hägglund  
Authorised Public Accountant  
PricewaterhouseCoopers

**Consolidated income statement, Jan-Sept**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
<b>Net sales</b>	<b>2,995</b>	<b>1,027</b>	<b>4,022</b>	<b>2,835</b>	<b>2,366</b>	<b>5,201</b>
Cost of goods sold	-2,188	-768	-2,956	-2,014	-1,843	-3,857
<b>Gross income</b>	<b>807</b>	<b>259</b>	<b>1,066</b>	<b>821</b>	<b>523</b>	<b>1,344</b>
	26.9%	25.2%	26.5%	29.0%	22.1%	25.8%
Sales, administrative and product development costs	-619	-153	-772	-690	-351	-1,041
Other operating income and expenses	-2	-45	-47	-59	-16	-75
Gain/Loss from divestment and demerger of subsidiary	-	1,904	1,904	-	-19	-19
<b>Operating income<sup>1)</sup></b>	<b>186</b>	<b>1,965</b>	<b>2,151</b>	<b>72</b>	<b>138</b>	<b>210</b>
Financial income and expense	-5	-10	-15	-55	-30	-85
<b>Earnings before tax</b>	<b>181</b>	<b>1,955</b>	<b>2,136</b>	<b>17</b>	<b>108</b>	<b>125</b>
Taxes	-63	-19	-82	-5	-40	-45
<b>Net profit</b>	<b>118</b>	<b>1,936</b>	<b>2,054</b>	<b>12</b>	<b>68</b>	<b>80</b>
<i>of which non-controlling interests</i>	5	-	5	5	-	5
Earnings per share before and after dilution, SEK	2.57	-	46.44	0.16	-	1.71
Average No. of shares (000)	44,122	-	44,122	43,840	-	43,840

**Consolidated income statement by type of cost, Jan-Sept**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
<b>Net sales</b>	<b>2,995</b>	<b>1,027</b>	<b>4,022</b>	<b>2,835</b>	<b>2,366</b>	<b>5,201</b>
Direct material costs	-1,640	-555	-2,195	-1,437	-1,347	-2,784
Personnel costs	-626	-202	-828	-671	-523	-1,194
Depreciation and amortization	-105	-36	-141	-105	-132	-237
Other operating income and expenses	-438	-173	-611	-550	-208	-758
Gain/Loss from divestment and demerger of subsidiary	-	1,904	1,904	-	-19	-19
<b>Operating income<sup>1)</sup></b>	<b>186</b>	<b>1,965</b>	<b>2,151</b>	<b>72</b>	<b>138</b>	<b>210</b>
Financial income and expense	-5	-10	-15	-55	-30	-85
<b>Earnings before tax</b>	<b>181</b>	<b>1,955</b>	<b>2,136</b>	<b>17</b>	<b>108</b>	<b>125</b>
Taxes	-63	-19	-82	-5	-40	-45
<b>Net profit</b>	<b>118</b>	<b>1,936</b>	<b>2,054</b>	<b>12</b>	<b>68</b>	<b>80</b>
<i>of which non-controlling interests</i>	5	-	5	5	-	5

**<sup>1)</sup>Operating Income**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
Restructuring costs	-	-	-	-53	-27	-80
Costs attributable to demerger of the Group	-	-51	-51	-	-	-
Amortization of acquisition-related surplus value	-	-11	-11	-	-22	-22
Gain/Loss from divestment and demerger of subsidiary	-	1,904	1,904	-	-19	-19
<b>Operating income excluding restructuring costs, amortization of acquisition-related surplus value and nonrecurring items</b>	<b>186</b>	<b>123</b>	<b>309</b>	<b>125</b>	<b>206</b>	<b>331</b>

**Consolidated income statement, Third quarter**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
<b>Net sales</b>	<b>1,017</b>	-	<b>1,017</b>	<b>977</b>	<b>830</b>	<b>1,807</b>
Cost of goods sold	-761	-	-761	-690	-631	-1,321
<b>Gross income</b>	<b>256</b>	-	<b>256</b>	<b>287</b>	<b>199</b>	<b>486</b>
	25.2%	-	25.2%	29.3%	24.0%	26.9%
Sales, administrative and product development costs	-195	-	-195	-236	-124	-360
Other operating income and expenses	4	-	4	-52	-1	-53
<b>Operating income<sup>1)</sup></b>	<b>65</b>	-	<b>65</b>	<b>-1</b>	<b>74</b>	<b>73</b>
Financial income and expense	-12	-	-12	-17	-6	-23
<b>Earnings before tax</b>	<b>53</b>	-	<b>53</b>	<b>-18</b>	<b>68</b>	<b>50</b>
Taxes	-18	-	-18	6	-23	-17
<b>Net profit</b>	<b>35</b>	-	<b>35</b>	<b>-12</b>	<b>45</b>	<b>33</b>
<i>of which non-controlling interests</i>	<i>0</i>	-	<i>0</i>	<i>2</i>	-	<i>2</i>
Earnings per share before and after dilution, SEK	0.80	-	0.80	-0.27	-	0.71
Average No. of shares (000)	44,216	-	44,216	43,840	-	43,840

**Consolidated income statement by type of cost, Third quarter**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
<b>Net sales</b>	<b>1,017</b>	-	<b>1,017</b>	<b>977</b>	<b>830</b>	<b>1,807</b>
Direct material costs	-577	-	-577	-491	-463	-954
Personnel costs	-204	-	-204	-223	-173	-396
Depreciation and amortization	-37	-	-37	-33	-53	-86
Other operating income and expenses	-134	-	-134	-231	-67	-298
Gain/Loss from divestment and demerger of subsidiary	-	-	-	-	-	-
<b>Operating income<sup>1)</sup></b>	<b>65</b>	-	<b>65</b>	<b>-1</b>	<b>74</b>	<b>73</b>
Financial income and expense	-12	-	-12	-17	-6	-23
<b>Earnings before tax</b>	<b>53</b>	-	<b>53</b>	<b>-18</b>	<b>68</b>	<b>50</b>
Taxes	-18	-	-18	6	-23	-17
<b>Net profit</b>	<b>35</b>	-	<b>35</b>	<b>-12</b>	<b>45</b>	<b>33</b>
<i>of which non-controlling interests</i>	<i>0</i>	-	<i>0</i>	<i>2</i>	-	<i>2</i>

**<sup>1)</sup>Operating Income**

<i>Amounts in SEK m</i>	2011			2010		
	Continuing operations	Discontinued operations	Haldex Group	Continuing operations	Discontinued operations	Haldex Group
Restructuring costs	-	-	-	-53	-4	-57
Amortization of acquisition-related surplus value	-	-	-	-	-7	-7
<b>Operating income excluding restructuring costs, amortization of acquisition-related surplus value and nonrecurring items</b>	<b>65</b>	-	<b>65</b>	<b>52</b>	<b>85</b>	<b>138</b>

**Consolidated income statement, Full-year 2010**

<i>Amounts in SEK m</i>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Haldex Group</b>
<b>Net sales</b>	<b>3,710</b>	<b>3,196</b>	<b>6,906</b>
Cost of goods sold	-2,656	-2,491	-5,147
<b>Gross income</b>	<b>1,054</b>	<b>704</b>	<b>1,758</b>
	28.4%	22.0%	25.5%
Sales, administrative and product development costs	-895	-452	-1,347
Other operating income and expenses	-50	-60	-110
Capital loss	-	-19	-19
<b>Operating income<sup>1)</sup></b>	<b>110</b>	<b>172</b>	<b>282</b>
Financial income and expense	-68	-36	-104
<b>Profit before tax</b>	<b>42</b>	<b>136</b>	<b>178</b>
Taxes	-13	-34	-47
<b>Net profit</b>	<b>29</b>	<b>102</b>	<b>131</b>
<i>of which non-controlling interests</i>	5	-	5
Earnings per share before and after dilution, SEK	0.55	-	2.87
Average No. of shares (000)	43,840	-	43,840

**Consolidated income statement by type of cost, Full-year 2010**

<i>Amounts in SEK m</i>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Haldex Group</b>
<b>Net sales</b>	<b>3,710</b>	<b>3,196</b>	<b>6,906</b>
Direct material costs	-1,893	-1,821	-3,714
Personnel costs	-904	-685	-1,589
Depreciation and amortization	-146	-161	-307
Other operating income and expenses	-657	-337	-994
Capital loss	-	-19	-19
<b>Operating income<sup>1)</sup></b>	<b>110</b>	<b>172</b>	<b>282</b>
Financial income and expense	-68	-36	-104
<b>Profit/loss before tax</b>	<b>42</b>	<b>136</b>	<b>178</b>
Taxes	-13	-34	-47
<b>Net profit/loss</b>	<b>29</b>	<b>102</b>	<b>131</b>
<i>of which non-controlling interests</i>	5	-	5

**<sup>1)</sup>Operating Income**

<i>Amounts in SEK m</i>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Haldex Group</b>
Restructuring costs	-53	-23	-75
Costs attributable to demerger of the Group	-	-54	-54
Amortization of acquisition-related surplus value	-	-29	-29
Loss from divestment of subsidiary	-	-19	-19
<b>Operating income excluding restructuring costs, amortization of acquisition-related surplus value and nonrecurring items</b>	<b>162</b>	<b>296</b>	<b>459</b>

**Consolidated statement of comprehensive income**

<i>Amounts in SEK m</i>	<b>Jan – Sept 2011</b>	<b>2010</b>	<b>Full-year 2010</b>
<b>Net profit</b>	<b>2,054</b>	<b>80</b>	<b>131</b>
<b>Other comprehensive income/loss</b>			
Change in hedging reserve, net of taxes	-42	16	8
Translation difference	-78	-161	-151
Reversal of translation difference	72	-9	-9
<i>Total other comprehensive loss</i>	<i>-48</i>	<i>-154</i>	<i>-153</i>
<b>Total comprehensive income/loss</b>	<b>2,006</b>	<b>-74</b>	<b>-22</b>

**Consolidated balance sheet**

<i>Amounts in SEK m</i>	<b>Sept 30 2011</b>	<b>Sept 30* 2010</b>	<b>December 31* 2010</b>
Goodwill	371	867	865
Other intangible assets	197	689	635
Tangible fixed assets	562	931	807
Financial fixed assets	22	34	27
Derivative instruments	-	23	11
Deferred taxes	144	110	141
<b>Total fixed assets</b>	<b>1,296</b>	<b>2,653</b>	<b>2,486</b>
Inventories	573	737	698
Current receivables	737	1,080	828
Derivative instruments	13	147	15
Cash and cash equivalents	273	362	465
<b>Total current assets</b>	<b>1,596</b>	<b>2,326</b>	<b>2,006</b>
<b>Assets held for sale<sup>1)</sup></b>	<b>-</b>	<b>-</b>	<b>561</b>
<b>Total assets</b>	<b>2,892</b>	<b>4,980</b>	<b>5,053</b>
<b>Total shareholders' equity</b>	<b>1,313</b>	<b>2,300</b>	<b>2,351</b>
Pension and similar obligations	209	350	314
Deferred taxes	26	116	93
Long-term interest-bearing liabilities	677	811	810
Other long term liabilities	27	35	31
<b>Total long-term liabilities</b>	<b>939</b>	<b>1,313</b>	<b>1,248</b>
Derivative instruments	48	7	6
Short-term loans	5	4	3
Current operating liabilities	587	1,357	1,112
<b>Total current liabilities</b>	<b>640</b>	<b>1,367</b>	<b>1,121</b>
<b>Liabilities held for sale<sup>2)</sup></b>	<b>-</b>	<b>-</b>	<b>334</b>
<b>Total liabilities and equity</b>	<b>2,892</b>	<b>4,980</b>	<b>5,053</b>
 <b><sup>1)</sup> Assets held for sale</b>			
Other intangible fixed assets	-	-	52
Tangible fixed assets	-	-	122
Financial fixed assets	-	-	8
Deferred taxes	-	-	8
Inventories	-	-	75
Current receivables	-	-	199
Derivative instruments	-	-	60
Cash and cash equivalents	-	-	37
<i>Total assets held for sale</i>	-	-	561
 <b><sup>2)</sup> Liabilities held for sale</b>			
Pension and similar obligations	-	-	34
Deferred taxes	-	-	26
Other long-term liabilities	-	-	10
Short-term loans	-	-	42
Current operating liabilities	-	-	222
<i>Total liabilities held for sale</i>	-	-	334

<sup>1)</sup> Balance sheet as per September 2010, comprises assets and liabilities for all three divisions. Balance sheet as per December 2010, still comprises assets and liabilities for the three divisions, however, assets and liabilities related to Traction System Division is reported on separate lines as asset held for sale.

**Consolidated changes in shareholders' equity**

<i>Amounts in SEK m</i>	<b>Sept 30 2011</b>	<b>Sept 30 2010</b>	<b>December 31 2010</b>
Opening balance	2,351	2,373	2,373
Change in non-controlling interests	5	-	-5
Payment of shares	18	-	-
Buyback of own shares	-8	-	-
Value of employee services	-	1	5
Dividend, cash	-133	-	-
Share Redemption	-1,326	-	-
Dividend, shares in Concentric AB	-1,600	-	-
Total comprehensive income/loss	2,006	-74	-22
<b>Closing balance</b>	<b>1,313</b>	<b>2,300</b>	<b>2,351</b>
<i>of which non-controlling interests</i>	<i>12</i>	<i>13</i>	<i>8</i>

**Consolidated cash-flow statement**

<i>Amounts in SEK m</i>	<b>Jan – Sept 2011</b>	<b>2010</b>	<b>Full-year 2010</b>
Operating income <sup>1</sup>	2,151	210	282
Reversal of depreciation, amortization and impairment losses	141	237	307
Interest paid	-16	-87	-108
Capital gain on sale of shares in subsidiaries	-1,904	19	19
Taxes paid	-7	-20	-32
<i>Cash flow from operating activities before changes in working capital</i>	<i>365</i>	<i>359</i>	<i>468</i>
Change in working capital	-429	-1	-27
<b><i>Cash flow from operating activities</i></b> <sup>2</sup>	<b><i>-64</i></b>	<b><i>358</i></b>	<b><i>441</i></b>
Net investments	-98	-139	-212
Proceeds from sale of shares in subsidiaries	1,425	23	23
<b><i>Cash flow from investments</i></b> <sup>3</sup>	<b><i>1,327</i></b>	<b><i>-116</i></b>	<b><i>-189</i></b>
Dividend to Haldex shareholders'	-133	-	-
Share redemption	-1,326	-	-
Transfer of debt in relation to the distribution of Concentric	274	-	-
Change in loans	-314	-233	-106
Change in long-term receivables	13	3	4
<b><i>Cash flow from financing</i></b> <sup>4</sup>	<b><i>-1,486</i></b>	<b><i>-230</i></b>	<b><i>-102</i></b>
Change in cash and bank assets, excl. exchange-rate difference	-223	12	150
Cash and bank assets, opening balance	502	362	362
Exchange-rate difference in cash and bank assets	-6	-12	-10
Cash and bank assets, closing balance	273	362	502

<sup>1</sup> The operating income from the Haldex Group's continuing operations amounted to SEK 186 m (72) and from discontinued operations to SEK 1,965 m (138).

<sup>2</sup> Cash flow from operating activities conducted by the Haldex Group's continuing operations was negative SEK 69 m (146) and from discontinued operations SEK 6 m (212).

<sup>3</sup> Cash flow from investments conducted by the Haldex Group's continuing operations was a negative SEK 74 m (-108) and from discontinued operations a positive SEK 1,400 m (-8).

<sup>4</sup> Cash flow from financing activities conducted by the Haldex Group's continuing operations was a negative SEK 1,486 m (-230) and from discontinued operations SEK - m (-).



<b>Financial key figures and Share data</b>	<b>Jan - Sept</b>		<b>Full-year</b>
	<b>2011</b>	<b>2010</b>	<b>2010</b>
Return on shareholders' equity, %	131.4	4.3	5.4
Interest coverage ratio	52.2	2.4	2.5
Equity ratio, %	45	46	47
Debt/equity ratio, %	47	31	29
Profit/loss after tax, before and after dilution, SEK	46.44	1.71	2.87
Shareholders' equity, SEK	29.69	52.47	53.62
Average No. of shares (000)	44,112	43,840	43,840
Number of shares at end of period (000)	44,216	43,840	43,840
Market price, SEK	26.10	82.25	105.25

**Quarterly Report, Haldex Continued Operations**

<i>Amounts in SEK m</i>	2011				2010					
	Q1	Q2	Q3	Nine months	Q1	Q2	Q3	Nine months	Q4	Full-year
Net sales	952	1,026	1,017	<b>2,995</b>	881	977	977	<b>2,835</b>	875	<b>3,710</b>
Cost of goods sold	-680	-747	-761	<b>-2,188</b>	-630	-694	-690	<b>-2,014</b>	-641	<b>-2,656</b>
<b>Gross income</b>	<b>272</b>	<b>279</b>	<b>256</b>	<b>807</b>	<b>251</b>	<b>283</b>	<b>287</b>	<b>821</b>	<b>234</b>	<b>1,054</b>
	28.6%	27.2%	25.2%	<b>26.9%</b>	28.5%	29.0%	29.3%	<b>29.0%</b>	26.7%	<b>28.4%</b>
Sales, administrative and prod. development costs	-215	-209	-195	<b>-619</b>	-216	-238	-236	<b>-690</b>	-205	<b>-895</b>
Other operating income and expenses	-2	-4	4	<b>-2</b>	-5	-2	-52	<b>-59</b>	9	<b>-50</b>
<b>Operating income<sup>1</sup></b>	<b>55</b>	<b>66</b>	<b>65</b>	<b>186</b>	<b>30</b>	<b>43</b>	<b>-1</b>	<b>72</b>	<b>38</b>	<b>110</b>
Financial income and expense	1	6	-12	<b>-5</b>	-17	-21	-17	<b>-55</b>	-13	<b>-68</b>
<b>Earnings before tax</b>	<b>56</b>	<b>72</b>	<b>53</b>	<b>181</b>	<b>13</b>	<b>22</b>	<b>-18</b>	<b>17</b>	<b>25</b>	<b>42</b>
Taxes	-18	-27	-18	<b>-63</b>	-4	-7	6	<b>-5</b>	-8	<b>-13</b>
<b>Net profit/loss</b>	<b>38</b>	<b>45</b>	<b>35</b>	<b>118</b>	<b>9</b>	<b>15</b>	<b>-12</b>	<b>12</b>	<b>17</b>	<b>29</b>
<i>of which non-controlling interests</i>	2	3	0	5	1	2	2	5	0	5

**Operating income, Haldex Continued Operations**

<i>Amounts in SEK m</i>	2011				2010					
	Q1	Q2	Q3	Nine months	Q1	Q2	Q3	Nine months	Q4	Full-year
Restructuring costs	-	-	-	-	-	-	-53	<b>-53</b>	-	-53
<b>Operating income excluding restructuring costs</b>	<b>55</b>	<b>66</b>	<b>65</b>	<b>186</b>	<b>30</b>	<b>43</b>	<b>52</b>	<b>125</b>	<b>38</b>	<b>162</b>

**Quarterly key figures, Haldex Continued Operations**

<i>Amounts in SEK m</i>	2011				2010					
	Q1	Q2	Q3	Nine months	Q1	Q2	Q3	Nine months	Q4	Full-year
Operating margin, % <sup>1</sup>	5.8	6.4	6.4	<b>6.2</b>	3.4	4.4	5.3	<b>4.4</b>	4.3	<b>4.4</b>
Operating margin, %	5.8	6.4	6.4	<b>6.2</b>	3.4	4.4	-0.1	<b>2.5</b>	4.3	<b>3.0</b>
Cash flow after net investments	-143	-40	40	<b>-143</b>	-26	22	42	<b>38</b>	-25	<b>13</b>
Return on capital employed, % <sup>1,2)</sup>	9.7	10.1	10.4	<b>10.4</b>	0.3	3.5	6.4	<b>6.4</b>	8.7	<b>8.7</b>
Return on capital employed, % <sup>2)</sup>	7.0	7.7	10.4	<b>10.4</b>	0.3	3.5	3.5	<b>3.5</b>	5.9	<b>5.9</b>
Investments	32	20	22	<b>74</b>	20	46	42	<b>108</b>	38	<b>146</b>
R&D, %	3.6	3.5	3.4	<b>3.4</b>	4.1	3.7	3.6	<b>3.6</b>	4.2	<b>3.9</b>
Number of employees	2,346	2,418	2,360	<b>2,360</b>	2,106	2,198	2,315	<b>2,315</b>	2,220	<b>2,220</b>

<sup>1</sup> Excluding restructuring costs.

<sup>2</sup> Rolling 12-month basis.

## Segment reporting

Since Haldex has a new management and two of the divisions now have been divested, the internal reporting and review has been changed. Haldex Group now has two segments Air Controls and Foundation Brake. Since the two segments have similar businesses, customers and long-term operational margins the two segments are aggregated and presented as one segment. Divested segments include Traction Systems and Hydraulic Systems.

### Year to date, Jan - Sept

<i>Amounts in SEK m</i>	<b>Haldex Continued Operations</b>		<b>Divested segments</b>		<b>Not allocated</b>		<b>Haldex Group</b>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Sales	2,995	2,835	1,027	2,366	-	-	4,022	5,201
Operating income <sup>1)</sup>	186	125	123	206	-	-	309	331
Operating income	186	72	112	157	-	-	298	229
Operating margin, % <sup>1)</sup>	6.2	4.4	12.0	8.7	-	-	7.7	6.4
Operating margin, %	6.2	2.5	10.9	6.6	-	-	7.4	4.0
Demerger cost	-	-	-	-	-51	-	-51	-
Capital Gain/Loss	-	-	-	-	1,904	-19	1,904	-19
Financial items	-	-	-	-	-15	-85	-15	-85
Taxes	-	-	-	-	-82	-45	-82	-45
Net profit	186	72	112	143	1,756	-149	2,054	80
Investments	74	108	29	31	-	-	103	139
Depr./Amort.	105	105	36	132	-	-	141	237
Number of employees	2,360	2,315	-	1,568	-	-	2,360	3,883

### Third quarter, Jul - Sept

<i>Amounts in SEK m</i>	<b>Haldex Continued Operations</b>		<b>Divested segments</b>		<b>Not allocated</b>		<b>Haldex Group</b>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
Sales	1,017	977	-	830	-	-	1017	1,807
Operating income <sup>1)</sup>	65	52	-	85	-	-	65	138
Operating income	65	-1	-	74	-	-	65	73
Operating margin, % <sup>1)</sup>	6.4	5.3	-	10.2	-	-	6.4	7.6
Operating margin, %	6.4	-0.1	-	8.9	-	-	6.4	4.1
Financial items	-	-	-	-	-12	-23	-12	-23
Taxes	-	-	-	-	-18	-17	-18	-17
Net profit	65	-1	-	79	-30	-40	35	33
Investments	22	42	-	8	-	-	22	50
Depr./Amort.	37	42	-	43	-	-	37	85
Number of employees	2,360	2,315	-	1,568	-	-	2,360	3,883

<sup>1)</sup> Excluding restructuring costs, nonrecurring items and amortization of acquisition-related surplus value.

### Parent Company income statement

<i>Amounts in SEK m</i>	Jan - Sept		Full-year
	2011	2010	2010
Net sales	23	8	36
Administrative costs	-98	-44	-98
<b>Operating loss</b>	<b>-75</b>	<b>-36</b>	<b>-62</b>
Financial items	43	-86	1,207
<b>Profit after financial items</b>	<b>-32</b>	<b>-122</b>	<b>1,145</b>
Dividend	292	28	-
Change in tax allocation reserve	-	-	19
<b>Profit before tax</b>	<b>260</b>	<b>-94</b>	<b>1,164</b>
Tax	3	13	13
<b>Net profit for the period</b>	<b>263</b>	<b>-81</b>	<b>1,177</b>

### Parent Company statement of comprehensive income

<i>Amounts in SEK m</i>	Jan - Sept		Full-year
	2011	2010	2010
<b>Net profit for the period</b>	<b>263</b>	<b>-81</b>	<b>1,177</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	<b>263</b>	<b>-81</b>	<b>1,177</b>

### Parent Company balance sheet

<i>Amounts in SEK m</i>	Sept 30	Sept 30	December 31
	2011	2010	2010
Fixed assets	1,761	2,640	2,343
Current assets	994	1,547	3,110
<b>Total assets</b>	<b>2,755</b>	<b>4,187</b>	<b>5,453</b>
<b>Equity</b>	<b>1,267</b>	<b>2,133</b>	<b>3,396</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>19</b>	<b>-</b>
Provisions	35	33	29
Interest-bearing liabilities	1,342	800	800
Other liabilities	111	1,202	1,228
<b>Total liabilities and equity</b>	<b>2,755</b>	<b>4,187</b>	<b>5,453</b>