



*Sales rose 6% with a significant drop in sales in the fourth quarter*

- Sales totaled SEK 8,403 m (7,940). Adjusted for currency exchange rates, sales rose 6%. Order intake totaled SEK 7,923 m (8,098). After adjustments for currency exchange rates, the decrease was 3%.
- Earnings after tax amounted to SEK -43 m (141). Earnings per share amounted to SEK -1.92 (6.24).
- Operating income\* and the operating margin\* amounted to SEK 250 m (339) and 3.0% (4.3) respectively.

*Very strong cash generation*

- Cash Flow from operating activities was strong in the period amounting to SEK 857 m (312).

*Expanded cost reduction program with annual cost saving of SEK 425 m*

- Haldex has expanded its earlier announced cost reduction program involving a decrease of the number of employees to include approximately 1,500 employees, whereof 1,000 employees already have left the company. The expanded program also includes structural measures. The annual saving is expected to amount to approximately SEK 425 m.

*Financing secured*

- The restructuring cost of the extended cost reduction program is estimated at SEK 150 m, whereof SEK 85 m has been charged in the fourth quarter, while the remaining SEK 65 m will be charged against earnings during the first quarter of 2009. Additional one-off items amounting to SEK 41 m have been posted in the fourth quarter.
- The financing has been secured by renegotiating of the USD 250 m revolving credit facility, with an unutilized amount of USD 157 m. The facility will mature in 2012.

*Structural changes creating a more focused Haldex Group*

- Haldex completed the acquisition of Concentric on April 1. The integration is running ahead of plan.
- Haldex reached an agreement with Suzuki Metal Industry, to divest the Garphyttan Wire division. The purchase price, which will be paid in cash, is estimated to SEK 800 m on a cash and debt free basis.
- The Board proposes that no dividend will be paid for fiscal year 2008.
- Against the background of the exceptional uncertainty in the market, Haldex will not give any outlook for earnings for 2009.

\* Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values. Operating income amounted to SEK 92 m (289).

## Fourth Quarter 2008

- Sales totaled SEK 1,864 m (1,955). Adjusted for acquisitions and exchange rate fluctuations sales decreased by 25% compared to the year-earlier period. Sales were down in all divisions.
- Earnings per share amounted to SEK -8.34 (0.27).
- Operating income\* and the operating margin\* declined to SEK -75 m (97) and -4.0% (4.9), respectively.

\*Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values.

SEK M	2008		2007		Acc. change 2007/2008
	Oct-Dec	Jan-Dec	Oct-Dec	Jan-Dec	
Net sales	1,864	8,403	1,955	7,940	6%
Operating income <sup>1,2</sup>	-75	250	97	339	-26%
Operating income <sup>1</sup>	-209	92	47	289	-68%
Earnings before tax	-262	-55	32	222	-125%
Earnings after tax	-184	-43	7	141	-130%
Operating margin <sup>1,2</sup>	-4.0%	3.0%	4.9%	4.3%	-1.3
Operating margin <sup>1</sup>	-11.2%	1.1%	2.3%	3.6%	-2.5
Return on capital employed <sup>3</sup>	2.4%	2.4%	8.3%	8.3%	-5.9

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 15.

<sup>2</sup> Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values; see page 13.

<sup>3</sup> Rolling 12 months.

## Key events during the year

- The demand weakened in all divisions during the second half of 2008. The decline began during the third quarter and continued to drop by an intensified rate during the fourth quarter, especially during November and December when many of Haldex customers shut down their production for three to five weeks. All segments were affected, and the major decline was related to the European market.
- On December 25, Haldex reached an agreement with Suzuki Metal Industry Co., Ltd., a Japanese manufacturer of steel wire, to divest its division Garphyttan Wire. The purchase price, which will be paid in cash, is estimated to SEK 800 m on a cash and debt free basis. The transaction is expected to be completed during the period April to June 2009 when the final purchase price will be confirmed.
- Haldex received an order for All-Wheel Drive (AWD) system for a new car model from an existing customer during the fourth quarter. Production is scheduled to commence in 2011. The annual order value is estimated at SEK 100 m.

- The ECOtronic EBS system was launched. The system was developed jointly by Haldex and the German company BPW (Bergische Achsen), based on Haldex's EB+Gen2. BPW is Europe's largest manufacturer of trailer axles. The cooperation between Haldex and BPW will continue within the framework of electronic brake systems and chassis control.
- Haldex noted market successes in North America when several manufacturers of axles, special vehicles and trailers selected Haldex products, for instance TRS (Trailer Roll Stability), as standard features for their vehicles.
- Haldex has finalized the restructuring program of the Friction business unit by completing the divestiture of its Friction disc brake material business.
- Haldex has developed technologies in response to future legislation and fuel economy drivers. Across the main pump product range potential fuel savings of between 5 and 10% can be expected. Haldex has recently signed long-term agreements with three major US and several European engine OEMs to benefit from these technologies.
- Haldex launched the next generation of the Alfdex oil mist separator systems for crankcase ventilation at the IAA Commercial Vehicles show in September. The key features to meet tougher environmental legislation, from Euro 6 and beyond EPA10 are; significantly improved cleaning, handling of larger gas flows and the addition of electric drive.
- Haldex completed the acquisition of Concentric, a world-leading supplier of oil, water and fuel pumps for midsize and large diesel engines for trucks and construction machinery. The integration is running ahead of plan.
- A new order for Haldex' All Wheel Drive system for one of the world's most exclusive sports cars was secured. Start of production is estimated to 2010.
- Production and deliveries of AWD- systems to the new models Volvo XC60 and Opel Insignia and the new Ford model, Kuga, started during the year.

## Net sales per division and region

SEK M	2008	2007	Nominal	Currency adjusted
Commercial Vehicle Systems	4,234	4,529	-7 %	-6 %
Hydraulic Systems	2,095	1,467	43 %	46 %
Garphyttan Wire	1,053	1,095	-4 %	-4 %
Traction Systems	1,021	848	20 %	20 %
<b>Group</b>	<b>8,403</b>	<b>7,940</b>	<b>6 %</b>	<b>6 %</b>
North America	3,189	2,997	6 %	9 %
Europe	4,423	4,255	4 %	3 %
Asia and Middle East	510	443	15 %	14 %
South America	281	245	15 %	12 %
<b>Group</b>	<b>8,403</b>	<b>7,940</b>	<b>6 %</b>	<b>6 %</b>

## Net sales and earnings

*Strong growth in the beginning of the year – steep decline in the fourth quarter*

Consolidated net sales totaled SEK 8,403 m (7,940). Net sales rose 6%, both nominal and after adjustments for currency exchange rates, primarily due to the acquisition of Concentric. The organic growth totaled -2% compared with last year, with a decrease of 3% in Europe and 2% in North America. In the fourth quarter sales were down by 5% compared to the same quarter previous year, adjusted for currency exchange rates and acquisitions the decrease was 25%.

Operating income, excluding one-off items and amortization for acquisition-related surplus values, totaled SEK 250 m (339). The Income was highly affected by the decline in sales during the fourth quarter.

The cost for the expanded cost reduction program (see page 5) is estimated to SEK 150 m, whereof SEK 85 m has been posted in the fourth quarter of 2008. In total SEK 126 m has been posted as one-off items in 2008. The amount includes, in addition to the restructuring charges of SEK 85 m, write down of assets of SEK 27 m and expenses in relation to the sell of the Wire division of SEK 14 m. Operating income, including one-off items and amortization for acquisition-related surplus values, amounted to SEK 92 m (289).

Compared to the full year 2007, currency spot rate effects amounted to about SEK 28 m. Currency hedging loss amounted to SEK 31 m. During 2007, the impact of currency hedging on earnings was SEK 6 m. The total currency rate effect was thus SEK -9 m.

Haldex has a policy of hedging approximately 70% of the estimated net currency exposure for the next coming 12 months. In the fourth quarter sales dropped causing the hedging rate to be higher than 100% of the net currency exposure in some major Swedish units. For those units that are exposed to inflow of Euros and US dollars, the unmatched forward contracts caused a loss of approximately SEK 20 m during the fourth quarter.

Consolidated earnings before tax totaled SEK - 55 m (222). Financial net amounted SEK -147 m (-67)\*.

Financial expenses have increased during 2008 mainly related to the funding of the acquisition of Concentric and increased interest rates. In some entities, such as Haldex Brazil, funding is nominated in foreign currencies, mainly in USD and Euro, and thereby exposed to currency fluctuations. Those fluctuations had a positive effect on earnings in the first half of 2008 and negative effect during the second half. The net effect 2008 was SEK -12m.

Earnings after tax totaled SEK -43 m (141). A tax income of SEK 12 m (-81) was posted in 2008. The income is related to valuation of losses carried forward valued at applicable tax rate for the specific country.

\*) Preceding year adjusted for changes to accounting principles (see "Accounting principles", page 15)

### **Cost reduction program**

*Expanded cost reduction program launched*

During the third quarter, Haldex launched a cost reduction program involving all divisions that included a decrease in the number of employees by about 700 by mid 2009.

During the fourth quarter, additional actions were taken in order to adapt to the lower demand, and the reduction in the number of jobs currently corresponds to approximately 1,500 employees (period mid 2008 - mid 2009). Around 1,000 have already left the company as of December 2008. The expanded program includes structural measures, such as a consolidation of CVS's European distribution operation, whereby warehouses and logistics functions will be concentrated from four units in different countries to one joint warehouse, and the discontinuation of all manufacturing and distribution from the plant in Redditch, UK.

The cost of the expanded program is estimated at about SEK 150 m, of which SEK 85 m was charged against earnings for 2008. The balance will be posted in the first quarter of 2009.

Total annual saving is expected to amount to approximately SEK 425 m.

The cost reduction program will be evaluated continuously and adjusted to meet any changes in demand.

### **Cash flow**

*Working capital reduced by SEK 576 m*

The strong cash flow generation continued throughout the year. Cash flow from operating activities was SEK 857 m (312) and after net investments SEK 465 m (neg: 141). The strong cash flow was due to the good working capital performance in combination with lower sales volumes resulting in a reduction by SEK 576 m (-152) to SEK 758 m including the selling of some accounts receivable totaling approximately SEK 170 m.

### **Capital Expenditures**

The Group's net investments amounted to SEK 392 m (453), of which capitalized development costs accounted for SEK 60 m (66).

### **Financial position**

Consolidated net debt amounted to SEK 2,335 m (1,600). Cash and cash equivalents totaled SEK 431 m (182). In addition, Haldex had unutilized committed credit facilities totaling approximately SEK 1,200 m at the end of the period.

#### *Financing secured*

The interest-bearing liabilities totaled SEK 2,766 m (1,782), including pension liabilities of SEK 440 m. Haldex' main source of financing is a syndicated revolving credit facility of USD 250 m, maturing in 2012. A large part of the facility is unutilized at the moment. The terms in the agreement with the lenders require that certain key ratios are met. Haldex did not meet those at the end of 2008. The terms have been renegotiated during February 2009, whereby Haldex secured its financing requirements.

In addition to the revolving credit facility, Haldex financing sources consist of private placements totaling SEK 600 m, a bridge loan of GBP 65 m, related to the acquisition of Concentric, and other short term facilities. The Bridge loan has been extended in time and matures August 20, 2009. The loan will be repaid by the cash consideration from the divestiture of the Wire division. Two of the private placements, totaling SEK 250 m, mature in May and June respectively.

Shareholders' equity amounted to SEK 1,823 m (1,871), resulting in an equity/assets ratio of 29% (37).

## Earnings by division

### Commercial Vehicle Systems

SEK m	Jan – Dec		Change
	2008	2007	
Net sales	4,234	4,529	-7%
Operating income <sup>1</sup>	4	159	-97%
Operating income	-92	109	-184%
Operating margin <sup>1</sup>	0%	3.5%	-3.5
Operating margin	-2.2%	2.4%	-4.6
Return on capital employed <sup>2</sup>	-3.9%	4.9%	-8.8

<sup>1</sup> Excluding restructuring costs

<sup>2</sup> Rolling 12 months

#### *Significant drop in demand during November/December*

Sales within the CVS Division declined by SEK 295 m to SEK 4,234 m (4,529) compared to last year. Sales in the European market were strong during the first half year of 2008, which limited the effect of the sales decline in North America. During the second half, especially in the fourth quarter, the demand dropped significantly in Europe, both in the truck and trailer segment. The aftermarket has been affected to some extent. The after-market corresponds to approximately 40% of the total CVS sales.

In Europe sales declined to SEK 1,938 m (2,058), whereas sales in North America decreased to SEK 1,852 (2,022). Currency adjusted sales decreased by 8% and 6% in Europe and North America respectively.

In the fourth quarter sales were down 14 % compared to the same quarter last year, adjusted for currency exchange rates the decrease was 26%.

#### *Strong action to reduce cost*

Operating income for 2008, excluding restructuring costs and write down of assets, amounted to SEK 4 m (159). The weak market in North American market and the significant drop in demand in Europe during the fourth quarter, especially during November and December when Haldex customers shut down production for three to five weeks, in combination with high raw material cost during the year, had a very negative impact on earnings. A number of actions are on going in order to adjust the cost structure to the lower demand (see cost reduction program).

#### *Low volumes and high raw-material cost affected operating income*

#### *Friction Products*

In December 2007, a restructuring plan was launched for the Friction Products business unit. This plan has been fully implemented. The manufacturing of drum brake linings has been outsourced to sub-suppliers and the disc-pad operation has been divested. The disc pad operations have annual sales of approximately SEK 100 m. The Friction business unit has posted a loss of approximately SEK 25 m.

### *Disc brakes*

The program to penetrate the disc brake market continued during the period. The cost-reduction program is proceeding and cost improvement versus previous quarter was achieved. However, due to high raw material cost during the year and reduced volume during the second half of the year, the negative impact on the result 2008 was similar to last year (approximately SEK 100m). A gradual improvement is expected going forward. As all large projects, the disc brake project is under constant review to ensure value creation.

### **Hydraulic Systems**

<i>SEK m</i>	<b>Jan – Dec</b>		<i>Change</i>
	<i>2008</i>	<i>2007</i>	
Net sales	2,095	1,467	43%
Operating income <sup>1</sup>	146	86	70%
Operating income	105	86	22%
Operating margin <sup>1</sup>	7.0%	5.8%	1.2
Return on capital employed <sup>2</sup>	5.0%	5.8%	-0.8
Return on capital employed <sup>2,3</sup>	8.2%	16.6%	-8.4
	20.4%	16.6%	3.8

<sup>1</sup> Excluding restructuring costs and amortization of acquisition-related surplus values; see page 13.

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

<sup>3</sup> Adjusted for acquisition-related surplus values.

### *Sales amounted to SEK 2,095m*

Sales amounted to SEK 2,095 m (1,467). Adjusted for acquisitions and exchange rate fluctuations sales were flat compared to last year. Concentric's sales amounted to SEK 606 m.

Demand in the European market remained strong in the first and second quarter, but started to show signs of weakness in the end of the second quarter and the beginning of the third quarter. The decline continued at a higher rate in the fourth quarter. In the fourth quarter sales declined by 21% adjusted for currency exchange rates and acquisitions.

### *Strong cost reduction actions*

Excluding restructuring costs and amortization of acquisition-related surplus values, operating income and the operating margin amounted to SEK 146 m (86) and 7.0% (5.8) respectively. Strong actions have been taken during the fourth quarter to reduce costs to manage the lower demand. (See also Cost reduction program on page 7.)

### *Successful integration of Concentric*

Concentric contributed to the operating income by SEK 82 m excluding amortization of acquisition related surplus values, amounting to SEK 31 m, and expenses related to the integration. The integration of Concentric and Haldex is running ahead of plan and synergies are being realized.



## Garphyttan Wire

SEK m	Jan – Dec		
	2008	2007	Change
Net sales	1,053	1,095	-4%
Operating income <sup>1</sup>	59	45	31%
Operating income	56	45	24%
Operating margin <sup>1</sup>	5.6%	4.1%	1.5
Operating margin	5.3%	4.1%	1.2
Return on capital employed <sup>2</sup>	12.6%	9.9%	2.7

<sup>1</sup> Excluding restructuring costs

<sup>2</sup> Rolling 12 months

*In the fourth quarter, sales decreased by 39%*

Sales for Garphyttan Wire decreased by 4% to SEK 1,053 m (1,095) compared to previous year. In the fourth quarter sales decreased by 39% year over year currency adjusted.

*Further cost reductions*

The productivity and delivery performance, combined with strong sales and earnings growth in China, resulted in a 10.1% operating margin during the period January to September. Due to the steep downturn in sales a loss of SEK 29 m, excluding restructuring cost, was posted in the fourth quarter bringing the operating income to SEK 59 m (45) in 2008. As a part of the cost reduction program, the cost base has been reduced further.

## Traction Systems

SEK m	Jan – Dec		
	2008	2007	Change
Net sales	1,021	848	20%
Operating income <sup>1</sup>	41	49	-16%
Operating income	38	49	-22%
Operating margin <sup>1</sup>	4.0%	5.8%	-1.8
Operating margin	3.7%	5.8%	-2.1
Return on capital employed <sup>2</sup>	16.9%	21.3%	-4.4

<sup>1</sup> Excluding restructuring costs

<sup>2</sup> Rolling 12 months

*Despite current condition, sales continued to grow*

Sales rose 20% to SEK 1,021 m (848), which was a lower increase than planned. The sharp reduction of volumes in December due to production shutdowns led to a loss in December, affecting operating income in the fourth quarter. Actions to reduce cost have been initiated. (See also Cost Reduction program on page 5).

The increase in sales were mainly related to increased volumes to Land Rover and the new VW model, Tiguan, for which deliveries started during the second half of 2007 and Ford Kuga that started in 2008.

## **Fourth Quarter**

*Total sales SEK 1,864  
m (1,955)*

Group sales totaled SEK 1,864 m (1,955). Adjusted for acquisitions and currency exchange rates sales decreased by 25% compared to last year. Sales were down in all divisions and an intensified decline was noted in November and December, when many of Haldex European customers shut down production for a period of three to five weeks.

*Strong cash flow*

Excluding one-off items and amortization of acquisition-related surplus values a loss in Operating Income of SEK 75 m was posted. In spite of the loss during the fourth quarter, Haldex had strong cash flow generating SEK 223 m (290) from operating activities.

## **Market**

Demand in Europe remained strong during the first half year. The decline that began during the third quarter accelerated at an intensified and exceptional rate during the fourth quarter.

The North American market remained weak in almost all segments.

Information about trucks and trailers (except for trailers in Europe) and light vehicles are based on JD Power statistics. However, Haldex has seen lower production rates than the official JD Powers statistics due to customer production shut downs as well as customer inventory adjustments.

### *Heavy trucks*

**Global** production for heavy trucks rose by 10% in 2008 compared with 2007. Production in the fourth quarter was down 13% compared to the same quarter last year.

In **North America**, the production rates remained low. The production of heavy trucks declined by 4% compared to 2007. The production rate was approximately 203.000 trucks for 2008.

The production of heavy trucks in **Europe** increased by 8% in 2008 compared to 2007. The production rate was close to 600.000 heavy trucks. However, in the fourth quarter, production decreased by 14% compared to the same period last year.

### *Heavy trailers*

**Global** production of heavy trailers declined with 13% compared to last year.

In **North America** the trailer production decreased by 34% compared to 2007. The production of trailers in North America for 2008 was approximately 168,000 units.

In **Europe** the production decreased by 4% compared to last year. The production ended up at 340,000 units. However, in the fourth quarter the production rates declined with 27% compared to the same quarter last year.

### *Construction machinery*

The global market for construction machinery remained strong until the third quarter, but was heavily affected by the economic decline in the fourth quarter. More so in Europe than North America. The decrease was approximately 10% and more than 10% in North America and Europe respectively. For the fourth quarter the production rates declined by more than 10% in North America and with more than 20% in Europe, compared to the same quarter 2007.

### *Forklifts*

Production rates in the North American market were down 20% in 2008 compared to 2007. The North American market declined with more than 40% in the fourth quarter compared to the same quarter 2007.

The forklift market in Europe declined with approximately 10% in 2008 compared with 2007.

The production declined with approximately 20% in the fourth quarter of 2008 compared with the same period last year and by approximately 10% compared to the third quarter.

### *Light vehicles*

The global production of light vehicles decreased by 3% in 2008 compared to 2007. In North America the production declined with 16% whereas the rates decreased in Europe with 4%.

The North American production was reduced by 25% in the fourth quarter compared to the same quarter last year.

In Europe, the production in the fourth quarter was reduced by 24% compared to the fourth quarter 2007.

Compared to the third quarter, production in the fourth quarter decreased by 9% in North America and 13% in Europe.

### **Employees**

The numbers of employees at the end of the period were 5,489 (5,966).

The acquisition of Concentric added about 500 employees. Since mid 2008 the number of employees has been reduced by 994 whereof about 600 during the fourth quarter.

## Acquisitions and divestments

### Concentric

On April 1, Haldex completed the acquisition of Concentric. The purchase consideration totaled GBP 75 m, excluding pension obligations and financed through raising new loans. The cash consideration was reduced with the net of loans and cash in the acquired company. The company's intangible assets, net of deferred tax, amounted to SEK 930 m, which comprised goodwill in the amount of SEK 562 m, other assets totaling SEK 511 m, including customer relations, technology and brands, and a deferred tax liability of SEK 143 m. The assets, except goodwill, are amortized over the different assets estimated service life. Amortization of these assets amounted to SEK 31 m during the period.

Concentric has been consolidated into the Group's income statement and balance sheet since April 1, 2008.

#### *Preliminary acquisition analysis concerning Concentric (SEK m)*

The acquisition analysis is established in accordance with current accounting standard, IFRS 3.

Assets in acquired company	405
Liabilities in acquired company	-715
<b>Surplus value</b>	
Intangible assets	1,073
Deferred tax	-143
<b>Total purchased price</b>	<b>620</b>
Cash and cash equivalents in acquired company	-66
<b>Effect on the Group's cash and cash equivalents</b>	<b>554</b>

### Haldex Garphyttan Hong Kong Co Ltd

Kanematsu acquired during the first quarter 2.9% of the shares in Haldex Garphyttan Hong Kong Co Ltd from Haldex AB. The divestment has had a limited impact on the Group's financial statement.

## **Significant risks and uncertainty factors**

Haldex's operating and financial risks are described in the 2007 Annual Report in the "Risks and risk management" section. Haldex is of the opinion that this description of risks remains correct.

Naturally, the risks and uncertainties that will be addressed in the next few months pertain to effects of the serious unrest that is characterizing financial markets and uncertainty concerning the impact of the recession and its effect on demand for Haldex products.

As described in the 2007 Annual Report, in the "Important estimations and assumptions" section, annual tests are conducted to determine whether the Group's goodwill and capitalized development costs are subject to impairment requirements. Due to the decline in market conditions, which is already being felt, and the recession that we have entered, there is reason to pay extra attention to this matter and to continuously test carrying amounts to ascertain that they do not exceed their respective values in use, meaning the present value of the future cash flows that the assets are expected to generate. Write-down amounting to SEK 27 m related to machinery and development projects where value in use has been estimated to a lower value than the booked value has been charged to operating income in 2008. Under the prevailing market conditions, the uncertainty concerning forecast future cash flows is naturally greater than usual.

## **Forward-looking information**

In the case of forward-looking information in the form of statements concerning the outlook for our 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 in part because of changed conditions concerning the economy, market and competition.

## **Related party transaction**

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

## **Dividend**

The Board of Director's policy for distributing unrestricted capital to the shareholders remains unchanged, whereby one-third of the annual after-tax profit over a business cycle is to be distributed to the shareholders through dividends and share buybacks, taking into account the Group's anticipated financial status.

For the 2008 fiscal year, the Board of Directors proposes that no dividend will be paid, in order to strengthen the company's financial position, considering the current market and the company's financial engagements.

## **Accounting principles**

This interim report is prepared according to IAS 34 and recommendation RFR 1.1 of the Swedish Financial Reporting Board, and with regards to the parent company, also according to RFR 1.2. The accounting principles applied correspond to those presented in the 2007 Annual Report.

### *Reclassification of financial income*

Up to 2007, Haldex recognized its financial income within operating income. Due to an amended interpretation of IAS 1, financial income has been reclassified and, as of 2008, is recognized among net financial items. Comparative figures for prior periods have been reclassified accordingly. Operating income for 2007 included financial income of SEK 13 m.

### *Discontinued operations*

On December 25, Haldex reached an agreement with Suzuki Metal Industry Co Ltd, a Japanese manufacturer of steel wire, to divest its division Garphyttan Wire.

Haldex year-end report has therefore been prepared in accordance with the IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Consolidated income statement separates Continued and Discontinued operations. In the Consolidated balance sheet, assets and liabilities held for sale is broken out and reported on separate lines.

It is not possible to compare the figures presented for the discontinued operations with the figures presented for the Garphyttan Wire division since the divisional figures include different group allocations.

### *Other*

Because of rounding-off, the figures do not always tally when added together.

## **Annual General Meeting**

The Annual General Meeting will be held at 4 p.m. on Thursday April 16, 2009 at the IVA Conference Center, Grev Turegatan 16, Stockholm.

## **Future reporting dates**

Interim Report January-March 2009	April 24, 2009
Interim Report January-June 2009	July 17, 2009
Interim Report January-September 2009	October 23, 2009

Stockholm, February 20, 2009

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## Consolidated income statement, Full Year

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
<b>Net sales</b>	<b>7,337</b>	<b>1,066</b>	<b>8,403</b>	<b>6,829</b>	<b>1,111</b>	<b>7,940</b>
Cost of goods sold	-5,772	-843	-6,615	-5,309	-882	-6,191
<b>Gross income</b>	<b>1,565</b>	<b>223</b>	<b>1,788</b>	<b>1,520</b>	<b>229</b>	<b>1,749</b>
	21.3%	20.9%	21.3%	22,3%	20.6%	22.0%
Sales, administrative & product development costs	-1,536	-173	-1,709 <sup>3</sup>	-1,333	-171	-1,504 <sup>3</sup>
Other operating income & expenses <sup>1</sup>	12	1	13	44	-	44
<b>Operating income<sup>2</sup></b>	<b>41</b>	<b>51</b>	<b>92</b>	<b>231</b>	<b>58</b>	<b>289</b>
Financial income and expense <sup>1</sup>	-144	-3	-147	-65	-2	-67
<b>Earnings before tax</b>	<b>-103</b>	<b>48</b>	<b>-55</b>	<b>166</b>	<b>56</b>	<b>222</b>
Taxes	17	-5	12	-74	-7	-81
<b>Net profit</b>	<b>-86</b>	<b>43</b>	<b>-43</b>	<b>92</b>	<b>49</b>	<b>141</b>
<i>of which minority interests</i>	<i>1</i>	<i>-</i>	<i>1</i>	<i>4</i>	<i>-</i>	<i>4</i>
Earnings per share before and after dilution, SEK	-3:92	-	-1:92	3:97	-	6:24
Avg. no. of shares (000)	21,920	-	21,920	21,980	-	21,980

## Consolidated income statement by type of cost, Full Year

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
<b>Net sales</b>	<b>7,337</b>	<b>1,066</b>	<b>8,403</b>	<b>6,829</b>	<b>1,111</b>	<b>7,940</b>
Direct material costs	-4,086	-487	-4,573	-3,680	-524	-4,204
Personnel costs	-1,801	-239	-2,040	-1,725	-240	-1,965
Depreciation & amortization	-319	-41	-360	-240	-41	-281
Other operating income & expenses <sup>1</sup>	-1,090	-248	-1,338 <sup>3</sup>	-953	-248	-1,201 <sup>3</sup>
<b>Operating income<sup>2</sup></b>	<b>41</b>	<b>51</b>	<b>92</b>	<b>231</b>	<b>58</b>	<b>289</b>
Financial income and expense <sup>1</sup>	-144	-3	-147	-65	-2	-67
<b>Earnings before tax</b>	<b>-103</b>	<b>48</b>	<b>-55</b>	<b>166</b>	<b>56</b>	<b>222</b>
Taxes	17	-5	12	-74	-7	-81
<b>Net profit</b>	<b>-86</b>	<b>43</b>	<b>-43</b>	<b>92</b>	<b>49</b>	<b>141</b>
<i>of which minority interests</i>	<i>1</i>	<i>-</i>	<i>1</i>	<i>4</i>	<i>-</i>	<i>4</i>

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Including restructuring costs, one-off items and amortization of acquisition-related surplus values as below:

<sup>3</sup> Including restructuring costs and one-off items of SEK 126 m (50).

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
Restructuring costs, incl. one-off items	-109	-17	-126	-50	-	-50
Amortization of acquisition-related surplus values	-31	-	-31	-	-	-
<b>Operating income excluding restructuring costs and amortization of acquisition-related surplus values</b>	<b>181</b>	<b>68</b>	<b>250</b>	<b>281</b>	<b>-</b>	<b>339</b>

## Consolidated income statement, Fourth Quarter

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
<b>Net sales</b>	<b>1,680</b>	<b>184</b>	<b>1,864</b>	<b>1,685</b>	<b>270</b>	<b>1,955</b>
Cost of goods sold	-1,356	-185	-1,541	-1,323	-204	-1,527
<b>Gross income</b>	<b>324</b>	<b>-1</b>	<b>323</b>	<b>362</b>	<b>66</b>	<b>428</b>
	19.3%	-0.5%	17.3%	21.5%	24.4%	21.9%
Sales, administrative & product development costs	-486	-46	-532 <sup>3</sup>	-349	-45	-394 <sup>3</sup>
Other operating income & expenses <sup>1</sup>	-	-	-	13	-	13
<b>Operating income<sup>2</sup></b>	<b>-162</b>	<b>-47</b>	<b>-209</b>	<b>26</b>	<b>21</b>	<b>47</b>
Financial income and expense <sup>1</sup>	-52	-1	-53	-16	1	-15
<b>Earnings before tax</b>	<b>-214</b>	<b>-48</b>	<b>-262</b>	<b>10</b>	<b>22</b>	<b>32</b>
Taxes	61	17	78	-22	-3	-25
<b>Net profit</b>	<b>-153</b>	<b>-31</b>	<b>-184</b>	<b>-12</b>	<b>19</b>	<b>7</b>
<i>of which minority interests</i>	<i>1</i>	<i>-</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>1</i>
Earnings per share before and after dilution, SEK	-6:98	-	-8:34	-0:55	-	0:27
Avg. no. of shares (000)	21,920	-	21,920	21,920	-	21,920

## Consolidated income statement by type of cost, Fourth Quarter

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
<b>Net sales</b>	<b>1,680</b>	<b>184</b>	<b>1,864</b>	<b>1,685</b>	<b>270</b>	<b>1,955</b>
Direct material costs	-941	-93	-1,034	-920	-118	-1,038
Personnel costs	-467	-54	-521	-414	-59	-473
Depreciation & amortization	-85	-11	-96	-62	-9	-71
Other operating income & expenses <sup>1</sup>	-349	-73	-422 <sup>3</sup>	-263	-63	-326 <sup>3</sup>
<b>Operating income<sup>2</sup></b>	<b>-162</b>	<b>-47</b>	<b>-209</b>	<b>26</b>	<b>21</b>	<b>47</b>
Financial income and expense <sup>1</sup>	-52	-1	-53	-16	1	-15
<b>Earnings before tax</b>	<b>-214</b>	<b>-48</b>	<b>-262</b>	<b>10</b>	<b>22</b>	<b>32</b>
Taxes	61	17	78	-22	-3	-25
<b>Net profit</b>	<b>-153</b>	<b>-31</b>	<b>-184</b>	<b>-12</b>	<b>19</b>	<b>7</b>
<i>of which minority interests</i>	<i>1</i>	<i>-</i>	<i>1</i>	<i>1</i>	<i>-</i>	<i>1</i>

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Including restructuring costs, one-off items and amortization of acquisition-related surplus values as below:

<i>Amounts in SEK m</i>	2008			2007		
	Continuing Operations	Discontinuing Operations	Haldex	Continuing Operations	Discontinuing Operations	Haldex
Restructuring costs, incl. one-off items	-109	-17	-126	-50	-	-50
Amortization of acquisition-related surplus values	-8	-	-8	-	-	-
<b>Operating income excluding restructuring costs and amortization of acquisition-related surplus values</b>	<b>-45</b>	<b>-30</b>	<b>-75</b>	<b>76</b>	<b>-</b>	<b>97</b>

<sup>3</sup> Including restructuring costs of SEK 126 m (50).

## Consolidated balance sheet

<i>Amounts in SEK m</i>	<b>December 31 2008</b>	<b>December 31 2007</b>
Goodwill	967	425
Other intangible assets	794	286
Tangible fixed assets	1,315	1,501
Financial fixed assets	31	30
Deferred taxes	143	112
<b>Total fixed assets</b>	<b>3,250</b>	<b>2,354</b>
Inventories	940	1,055
Current receivables	1,048	1,471
Derivative instruments	45	20
Cash and cash equivalents	431	182
<b>Total current assets</b>	<b>2,464</b>	<b>2,728</b>
<b>Assets held for sale <sup>1)</sup></b>	<b>576</b>	<b>-</b>
<b>Total assets</b>	<b>6,290</b>	<b>5,082</b>
<b>Total shareholders' equity</b>	<b>1,823</b>	<b>1,871</b>
Pension and similar obligations	396	334
Deferred taxes	84	90
Long-term interest-bearing liabilities	1,097	1,293
Other long-term liabilities	30	24
<b>Total long-term liabilities</b>	<b>1,607</b>	<b>1,741</b>
Derivative instruments	99	22
Short-term loans	1,229	155
Current operating liabilities	1,237	1,293
<b>Total current liabilities</b>	<b>2,565</b>	<b>1,470</b>
<b>Liabilities held for sale <sup>2)</sup></b>	<b>295</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,290</b>	<b>5,082</b>

### <sup>1)</sup> Assets held for sale

Tangible assets	325
Deferred taxes	4
Inventories	165
Current receivables	82
<i>Total assets held for sale</i>	<i>576</i>

### <sup>2)</sup> Liabilities held for sale

Pension and similar obligations	44
Deferred taxes	60
Derivative instruments	10
Current operating liabilities	181
<i>Total liabilities held for sale</i>	<i>295</i>

## Consolidated changes in shareholders' equity

<i>Amounts in SEK m</i>	<b>December 31 2008</b>	<b>December 31 2007</b>
Opening balance	1,871	1,898
Increase in minority share of shareholders' equity	4	7
Dividend to Haldex AB's shareholders	-99	-99
Dividend to minority shareholders	-	-1
Translation difference	143	-32
Hedge reserve (IAS 39)	-53	-19
Buyback of own shares	-	-24
Net profit	-43	141
<b>Closing balance</b>	<b>1,823</b>	<b>1,871</b>
<i>of which minority interests</i>	<i>18</i>	<i>14</i>

## Consolidated cash-flow statement

<i>Amounts in SEK m</i>	<b>Jan-Dec 2008</b>	<b>Jan-Dec 2007</b>
Operating income <sup>1,2</sup>	92	289
Reversal of depreciation, amortization and impairment losses	392	300
Interest paid <sup>1</sup>	-143	-66
Capital gain on sale of shares in subsidiaries	1	-
Taxes paid	-61	-59
<i>Cash flow from operating activities before changes in working capital</i>	<i>281</i>	<i>464</i>
Change in working capital	576	-152
<b><i>Cash flow from operating activities</i></b> <sup>3</sup>	<b><i>857</i></b>	<b><i>312</i></b>
Net investments	-392	-453
Acquisitions	-554	-49
Sale of shares in subsidiaries	4	-
<b><i>Cash flow from investments</i></b> <sup>4</sup>	<b><i>-942</i></b>	<b><i>-502</i></b>
Dividend to Haldex AB's shareholders	-99	-99
Dividend to minority shareholders	-	-1
Buyback of own shares	-	-24
Change in loans	409	249
Change in long-term receivables	15	-9
<b><i>Cash flow from financing</i></b> <sup>5</sup>	<b><i>325</i></b>	<b><i>116</i></b>
Change in cash and bank assets, excl. exchange-rate difference	240	-74
Cash and bank assets, opening balance	182	250
Exchange-rate difference in cash and bank assets	9	6
Cash and bank assets, closing balance	431	182

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> The Operating income from continuing operations of the Haldex group was SEK 41 (231) and from discontinued operations SEK 51 (58).

<sup>3</sup> Cash flow from operating activities from continuing operations of the Haldex group was SEK 730 (260) and from discontinued operations 127 (52).

<sup>4</sup> Cash flow from investments from continuing operations of the Haldex group was SEK -922 (-484) and from discontinued operations -20 (-18).

<sup>5</sup> Cash flow from financing activities from continuing operations of the Haldex group was SEK 325 (116) and from discontinued operations 0 (0).

<b>Key figures</b>	<b>Jan-Dec 2008</b>	<b>Jan-Dec 2007</b>
Operating margin,% <sup>1,2</sup>	3.0	4.3
Operating margin,% <sup>1</sup>	1.1	3.6
Capital turnover rate	2.2	2.2
Return on capital employed,%	2.4	8.3
Return on shareholders' equity,%	-2.3	7.3
Interest coverage ratio	0.7	3.7
Equity/assets ratio,%	29	37
Debt/equity ratio,%	128	86

<b>Share data</b>	<b>Jan-Dec 2008</b>	<b>Jan-Dec 2007</b>
Earnings after tax, SEK	-1.92	6.24
Shareholders' equity, SEK	83.15	85.36
Avg. number of shares, thousands	21,920	21,980
Number of shares at period end, thousands	21,920	21,920
Market price, SEK	26:70	113:50

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values; see page 13.

## Quarterly report

<i>Amounts in SEK m</i>	2008					2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	2,131	2,342	2,066	1,864	<b>8,403</b>	2,060	2,030	1,895	1,955	<b>7,940</b>
Cost of goods sold	-1,635	-1,815	-1,624	-1,541	<b>-6,615</b>	-1,591	-1,568	-1,505	-1,527	<b>-6,191</b>
Gross earnings	496	527	442	323	<b>1,788</b>	469	462	390	428	<b>1,749</b>
	23.3%	22.5%	21.4%	17.3%	<b>21.3%</b>	22.8%	22.8%	20.6%	21.9%	<b>22.0%</b>
Sales, administrative & prod. development costs	-392	-415	-370	-532 <sup>3</sup>	<b>-1,709<sup>3</sup></b>	-391	-382	-337	-394 <sup>3</sup>	<b>-1,504<sup>3</sup></b>
Other operating income & expenses <sup>1</sup>	8	-2	7	0	<b>13</b>	9	12	10	13	<b>44</b>
Operating income <sup>2</sup>	112	110	79	-209	<b>92</b>	87	92	63	47	<b>289</b>
Financial income and expense <sup>1</sup>	-19	-35	-40	-53	<b>-147</b>	-17	-14	-21	-15	<b>-67</b>
Earnings before tax	93	76	39	-262	<b>-55</b>	70	78	42	32	<b>222</b>
Taxes	-30	-23	-13	78	<b>12</b>	-23	-28	-5	-25	<b>-81</b>
Earnings for the period	63	52	26	-184	<b>-43</b>	47	50	37	7	<b>141</b>
<i>of which minority interests</i>	0	0	0	1	<b>1</b>	1	0	2	1	<b>4</b>

## Operating income

<i>Amounts in SEK m</i>	2008					2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Restructuring costs, incl. one-off items	-	-	-	-126	-126	-	-	-	-50	-50
Amortization PPA	-	-15	-8	-8	-31	-	-	-	-	-
<b>Operating income excluding Restructuring costs and amortization of acquisition-related surplus values</b>	<b>112</b>	<b>125</b>	<b>87</b>	<b>-75</b>	<b>250</b>	<b>87</b>	<b>92</b>	<b>63</b>	<b>97</b>	<b>339</b>

## Quarterly income statement for discontinued operations

<i>Amounts in SEK m</i>	2008					2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	315	315	252	184	1,066	294	290	257	270	1,111
Cost of goods sold	-237	-225	-196	-185	-843	-237	-227	-214	-204	-882
Gross earnings	78	90	56	-1	223	57	63	43	66	229
	24.8%	28.6%	22.2%	-0.5%	20.9%	19.4%	21.7%	16.7%	24.4%	20.6%
Sales administrative & prod. development costs	-47	-47	-33	-46	-173	-41	-45	-40	-45	-171
Other operating income & expenses	0	0	0	0	1	0	0	0	0	0
Operating income	31	43	24	-47	51	16	18	3	21	58
Financial income and expense	-1	-1	0	-1	-3	0	-1	-2	1	-2
Earnings before tax	30	42	24	-48	48	16	17	1	22	56
Taxes	-7	-10	-5	17	-5	-2	-7	5	-3	-7
Earnings for the period	23	32	19	-31	43	14	10	6	19	49

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Including restructuring costs, one-off items and amortization of acquisition-related surplus values, see Operating income below.

<sup>3</sup> Including restructuring costs of SEK 126 m (50).

## Quarterly key figures

Amounts in SEK m	2008					2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Earnings per share, SEK	2.85	2.35	1.22	-8.34	<b>-1.92</b>	2.12	2.24	1.61	0.27	6.24
Operating margin,% <sup>1,2</sup>	5.3	5.3	4.2	-4.0	<b>3.0</b>	4.2	4.5	3.3	4.9	4.3
Operating margin,% <sup>1</sup>	5.3	4.7	3.8	-11.2	<b>1.1</b>	4.2	4.5	3.3	2.3	3.6
Cash-flow after net investments	52	263	52	98	<b>465</b>	-72	-88	-126	145	-141
Return on capital employed,% <sup>3</sup>	8.9	8.9	8.9	2.4	<b>2.4</b>	10.4	10.3	9.6	8.3	8.3
Return on equity,% <sup>3</sup>	8.1	8.4	7.9	-2.3	<b>-2.3</b>	15.0	14.7	13.9	7.3	7.3
Equity/assets ratio,%	36	28	29	29	<b>29</b>	40	37	37	37	37
Investments	79	100	98	125	<b>402</b>	94	109	103	157	463
R&D,%	4.3	3.8	3.6	4.5	<b>4.0</b>	4.4	4.2	4.1	4.2	4.2
Number of employees <sup>3</sup>	5,747	6,107	6,121	6,004	<b>6,004</b>	4,702	4,997	5,263	5,519	5,519

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values, see Operating income above.

<sup>3</sup> Rolling 12 months.



## Segment reporting

Amounts in SEK m

	2008					2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<i>Commercial Vehicle Systems</i>										
Net sales	1,165	1,146	1,009	914	<b>4,234</b>	1,212	1,161	1,090	1,066	<b>4,529</b>
Operating income <sup>1,2</sup>	43	31	5	-75	<b>4</b>	48	47	34	30	<b>159</b>
Operating income <sup>1</sup>	43	31	5	-171	<b>-92</b>	48	47	34	-20	<b>109</b>
Operating margin,% <sup>1,2</sup>	3.7	2.7	0.5	-8.2	<b>0</b>	4.0	4.0	3.1	2.8	<b>3.5</b>
Operating margin,% <sup>1</sup>	3.7	2.7	0.5	-18.7	<b>-2.2</b>	4.0	4.0	3.1	-1.9	<b>2.4</b>
Assets	2,754	2,635	2,685	2,546	<b>2,546</b>	2,850	2,912	2,837	2,845	<b>2,845</b>
Liabilities	724	717	703	641	<b>641</b>	756	704	635	672	<b>672</b>
Return on capital employed,% <sup>3</sup>	4.7	4.0	2.8	-3.9	<b>-3.9</b>	8.3	7.5	7.5	4.9	<b>4.9</b>
Investments	38	78	46	70	<b>232</b>	42	65	45	107	<b>259</b>
Depreciation	40	39	38	43	<b>160</b>	38	33	33	36	<b>140</b>
Number of employees <sup>3</sup>	3,223	2,977	2,872	2,832	<b>2,832</b>	3,066	3,063	3,031	3,149	<b>3,149</b>
<i>Hydraulic Systems</i>										
Net sales	392	617	553	533	<b>2,095</b>	336	386	369	376	<b>1,467</b>
Operating income <sup>1,2</sup>	26	51	42	27	<b>146</b>	20	21	17	27	<b>86</b>
Operating income <sup>1</sup>	26	36	34	9	<b>105</b>	20	21	17	27	<b>86</b>
Operating margin,% <sup>1,2</sup>	6.6	8.2	7.6	5.1	<b>7.0</b>	5.9	5.5	4.7	7.3	<b>5.8</b>
Operating margin,% <sup>1</sup>	6.6	5.8	6.1	1.7	<b>5.0</b>	5.9	5.5	4.7	7.3	<b>5.8</b>
Assets	746	2,083	2,171	2,028	<b>2,028</b>	602	792	777	781	<b>781</b>
Liabilities	258	617	650	628	<b>628</b>	191	253	257	265	<b>265</b>
Return on capital employed,% <sup>3</sup>	17.0	13.7	12.3	8.2	<b>8.2</b>	19.2	19.0	16.9	16.6	<b>16.6</b>
Investments	15	19	23	31	<b>88</b>	18	25	17	29	<b>89</b>
Depreciation	16	19	19	20	<b>74</b>	14	15	15	14	<b>58</b>
Number of employees <sup>3</sup>	1,679	2,455	2,445	2,316	<b>2,316</b>	919	1,202	1,489	1,591	<b>1,591</b>
<i>Garphyttan Wire</i>										
Net sales	311	309	250	183	<b>1,053</b>	289	285	255	266	<b>1,095</b>
Operating income <sup>1,2</sup>	28	35	25	-29	<b>59</b>	10	16	1	18	<b>45</b>
Operating income <sup>1</sup>	28	35	25	-32	<b>56</b>	10	16	1	18	<b>45</b>
Operating margin,% <sup>1,2</sup>	9.1	11.2	10.0	-15.8	<b>5.6</b>	3.6	5.5	0.4	6.7	<b>4.1</b>
Operating margin,% <sup>1</sup>	9.1	11.2	10.0	-17.5	<b>5.3</b>	3.6	5.5	0.4	6.7	<b>4.1</b>
Assets	635	636	627	556	<b>556</b>	640	668	642	650	<b>650</b>
Liabilities	244	254	223	169	<b>169</b>	231	247	207	221	<b>221</b>
Return on capital employed,% <sup>3</sup>	13.8	17.9	23.1	12.6	<b>12.6</b>	8.5	11.9	9.9	9.9	<b>9.9</b>
Investments	7	4	3	7	<b>21</b>	3	7	5	5	<b>20</b>
Depreciation	11	10	11	11	<b>43</b>	16	11	7	10	<b>44</b>
Number of employees <sup>3</sup>	510	477	476	470	<b>470</b>	460	462	465	482	<b>482</b>
<i>Traction Systems</i>										
Net sales	262	271	254	234	<b>1,021</b>	223	198	182	245	<b>848</b>
Operating income <sup>1,2</sup>	15	9	15	2	<b>41</b>	9	9	11	21	<b>49</b>
Operating income <sup>1</sup>	15	9	15	-1	<b>38</b>	9	9	11	21	<b>49</b>
Operating margin,% <sup>1,2</sup>	5.7	3.3	6.1	0.9	<b>4.0</b>	4.0	4.4	5.9	8.4	<b>5.8</b>
Operating margin,% <sup>1</sup>	5.7	3.3	6.1	-0.4	<b>3.7</b>	4.0	4.4	5.9	8.4	<b>5.8</b>
Assets	496	444	468	369	<b>369</b>	399	414	478	433	<b>433</b>
Liabilities	274	283	278	231	<b>231</b>	226	229	233	258	<b>258</b>
Return on capital employed,% <sup>3</sup>	22.7	22.9	24.3	16.9	<b>16.9</b>	26.6	22.4	18.9	21.3	<b>21.3</b>
Investments	20	17	8	15	<b>60</b>	31	12	36	16	<b>95</b>
Depreciation	12	13	13	14	<b>52</b>	8	9	10	13	<b>40</b>
Number of employees <sup>3</sup>	336	324	329	336	<b>336</b>	257	270	279	296	<b>296</b>
<i>Not broken down by segment</i>										
One-off items	-	-	-	-14	<b>-14</b>	-	-	-	-	<b>-</b>
Financial income and expense <sup>1</sup>	-19	-35	-40	-53	<b>-147</b>	-17	-14	-21	-15	<b>-67</b>
Taxes	-30	-23	-13	78	<b>12</b>	-23	-28	-5	-25	<b>-81</b>
Assets	443	659	699	792	<b>792</b>	466	383	360	372	<b>372</b>
Liabilities	1,730	2,766	2,843	2,799	<b>2,799</b>	1,588	1,850	1,897	1,796	<b>1,796</b>

<sup>1</sup> Reclassification of financial income from Other operating income to Financial items; see page 14.

<sup>2</sup> Excluding restructuring costs, one-off items and amortization of acquisition-related surplus values; see page 13.

<sup>3</sup> Rolling 12 months

## Parent Company's income statement

<i>Amounts in SEK m</i>	<b>Full Year 2008</b>	<b>Full year 2007</b>
<b>Net sales</b>	<b>49</b>	<b>43</b>
Administrative costs	-83	-83
<b>Operating loss</b>	<b>-34</b>	<b>-40</b>
Dividends from Group companies	373	117
Group contributions	35	117
Other financial items	-109	7
<b>Earnings/loss before tax</b>	<b>265</b>	<b>201</b>
Change in tax allocation reserve	57	-7
Taxes	10	-13
<b>Net profit/loss</b>	<b>332</b>	<b>181</b>

## Parent Company's balance sheet

<i>Amounts in SEK m</i>	<b>Dec 31 2008</b>	<b>Dec 31 2007</b>
Tangible fixed assets	4	3
Financial fixed assets	2,404	1,776
<b>Total fixed assets</b>	<b>2,408</b>	<b>1,779</b>
Current receivables	50	26
Receivables from subsidiaries	1,876	1,335
Derivative instruments	147	47
Cash and cash equivalents	178	44
<b>Total current assets</b>	<b>2,251</b>	<b>1,452</b>
<b>Total assets</b>	<b>4,659</b>	<b>3,231</b>
<b>Restricted equity</b>	<b>566</b>	<b>566</b>
<b>Unrestricted equity</b>	<b>777</b>	<b>544</b>
<b>Untaxed reserves</b>	<b>131</b>	<b>188</b>
Pension and similar obligations	11	13
Other provisions	9	11
Long-term interest-bearing liabilities	1,070	1,249
Debts to subsidiaries	141	5
<b>Total long-term liabilities</b>	<b>1,231</b>	<b>1,278</b>
Current operating liabilities	30	28
Short-term interest-bearing liabilities	981	-
Debts to subsidiaries	794	582
Derivative instruments	149	45
<b>Total current liabilities</b>	<b>1,954</b>	<b>655</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,659</b>	<b>3,231</b>