



Innovative Vehicle Technology

PRESS RELEASE

Haldex awarded the 2008 Frost & Sullivan European Automotive Chassis Product Innovation Award for its Pioneering XWD System

Stockholm, Sweden, November 20, 2008

The 2008 Frost & Sullivan European Automotive Chassis Product Innovation Award is presented to Haldex for its permanent all wheel drive (AWD) - the cross wheel drive (XWD) system. The innovative XWD system offers multiple benefits including improved safety, optimum traction and compatibility with anti lock braking system (ABS) and electronic stability control (ESC) system.

“XWD is an ideal solution, and the only system of its kind in the market that ensures the maintenance of traction and vehicle stability in any driving condition, either off or on road,” notes Frost & Sullivan Research Analyst Karthik Manivachagam. “The system senses the vehicle’s state and the intentions of the driver to distribute torque on demand to the front and rear axle as well as to the left and right rear wheel. This increases safety, reduces steering wheel effort on the part of the driver and ensures that there is instant power where required without any wheel spin.”

Currently, the majority of vehicle manufacturers in Europe have ABS and ESC in their vehicles. The XWD system is fully compatible with these systems and provides the added benefit of a performance boost with the help of electronic limited slip differential (eLSD).

Another significant feature of the system is the Haldex Electronic Control Unit (ECU) which constantly monitors other systems in the car through Controlled Area Network (CAN)-bus. ECU

calculates the optimum torque needed for distribution between the front and rear axles and both the rear wheels.

“By using XWD, customers can be assured that the car is certified and safe for use,” states Manivachagam. “In poor driving conditions, up to 80 per cent of the torque is distributed in the rear axle to the wheel with the most traction. The system responds the same way during high speed avoidance or overtaking manoeuvres.”

Customers can also benefit from optimum takeoff performance (even on road surface with sand or gravel) and torque distribution on the rear axle during normal cruising. This saves fuel and maintains stability.

“Other systems have been built with electronically controlled differential locks but are built as single systems,” comments Manivachagam. “In contrast, the arrangement of two clutch packs in the XWD prevents wheel spin and offers enhanced traction in comparison to other brake-based torque distribution systems.”

Moreover, since the eLSD shares two expensive parts - the power pack and the ECU - the overall price of the system is competitive with the price of other torque distribution systems in the market.

The Frost & Sullivan Award for Product of the Year is presented to the company that has demonstrated excellence in new product development and launch within its industry. The recipient company has shown innovation by launching a broad line of emerging products and technologies.

Frost & Sullivan Best Practices Awards recognise companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth

interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

Haldex (www.haldex.com), headquartered in Stockholm, Sweden, is a provider of proprietary and innovative solutions to the global vehicle industry, with focus on products in vehicles that enhance safety, environment and vehicle dynamics. Haldex is listed on the Stockholm Stock Exchange and has annual sales of nearly 8 billion SEK with 6,000 employees.

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Haldex discloses the information in this press release according to the Swedish Securities Market Act and/or the Swedish Financial Trading Act. The information was provided for public release on Monday November 10, 2008.