



## HALDEX INTERIM REPORT

January - June 2014

### Growth continued and operating income improved

#### April - June

- Net sales amounted to SEK 1,124 (1,067) m, equivalent to a growth of 5% compared with the same period of the previous year. After currency adjustments, net sales increased by 4%.
- Operating income excluding one-off items amounted to SEK 110 (76) m, corresponding to an operating margin of 9.7 (7.1)%. Including one-off items, operating income was SEK 103 (-44) m and the operating margin was 9.2 (-4.1)%.
- Net income after tax increased to SEK 64 (-48) m and earnings per share increased to SEK 1.44 (-1.09). Net income was impacted by one-off items in the amount of SEK 7 (120) m in Q2.
- Cash flow from operating activities increased to SEK 116 (88) m. There was a negative impact on cash flow in the amount of SEK 7 (23) m in the quarter due to the ongoing restructuring programs.
- In Q2, Haldex entered the final phase of negotiations with the German trade unions concerning Haldex' operations in Heidelberg. However, the negotiations have not been finalized as of the publication of this report. Haldex estimates that the forecasted total savings for the ongoing restructuring program will be adjusted down slightly, which will be announced when the parties have reached a final agreement.

#### Key figures

	Apr-Jun 2014	Apr-June 2013	Change	Jan-Jun 2014	Jan-Jun 2013	Change
Net sales, SEK m	1,124	1,067	5%	2,165	2,018	7%
Operating income, excl. one-off items, SEK m	110	76	44%	194	131	48%
Operating income, SEK m	103	-44	-	186	11	-
Operating margin, excl. one-off items, %	9.7	7.1	2.6	8.9	6.5	2.4
Operating margin, %	9.2	-4.1	13.3	8.6	0.5	8.1
Return on capital employed, excl. one-off items, % <sup>1</sup>	18.1	10.4	7.7	18.1	10.4	7.7
Return on capital employed, % <sup>1</sup>	17.3	3.4	13.9	17.3	3.4	13.9
Net income, SEK m	64	-48	-	112	-20	-
Earnings per share, SEK	1.44	-1.09	2.53	2.47	-0.49	2.96
Cash flow, operating activities, SEK m	116	88	28	119	117	2

<sup>1</sup> Rolling twelve months

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 7:15 CET on Friday, July 18, 2014.

Haldex AB, Corporate Registration Number 556010-1155, info@haldex.com, www.haldex.com



Innovative Vehicle Solutions



Bo Annvik  
President and CEO

## CEO comment

"The development in the first half of the year has been strong for Haldex. The operating margin continued to improve compared to both Q1 this year and the first half of the previous year. With an operating margin close to 9%, we exceeded our long-term target of 7% and we will therefore update our financial targets in the beginning of October in conjunction with our capital market day. Net sales increased by 7%, which is in part due to the successes we have had with our investment in disc brakes. In total, we have won contracts with several European trailer manufacturers with an estimated value of SEK 650 m from 2014 to 2017, with the majority of this volume coming in the latter part of that period.

We are pleased that the German negotiations are coming close to a close so that we can implement the final phase of our restructuring program. Our operations in Heidelberg will be gradually restructured through the end of 2015. Our remaining operations are based on the core expertise we have involving air suspension products, which will result in an effective and focused unit that will contribute positively to Haldex in the coming years."

## Industry production trends

Produced units Industry forecast <sup>1</sup>	Apr-Jun 2014	Apr-Jun 2013	Change	Full year 2014	Full year 2013	Change	Importance for Haldex sales <sup>2</sup>
<b>Truck</b>							
North America	72,723	66,273	10%	292,000	243,003	20%	Moderate
Europe	102,912	107,584	-4%	414,629	447,330	-7%	Minor
China	230,624	213,965	8%	782,707	760,581	3%	Minor
India	35,549	26,931	32%	116,954	92,710	26%	Minor
South America	31,631	39,384	-20%	125,630	148,893	-16%	Minor
All regions	473,439	454,137	4%	1,731,920	1,692,517	2%	
<b>Trailer</b>							
North America	75,100	67,812	11%	280,300	252,885	11%	Moderate
Europe	72,533	64,239	13%	268,641	241,500	11%	Moderate
China	71,000	66,400	7%	276,700	246,050	12%	Minor
India	4,900	4,000	23%	19,948	12,574	59%	Minor
South America	18,026	20,356	-11%	74,742	82,564	-9%	Minor
All regions	241,559	222,807	8%	920,331	835,573	10%	

<sup>2</sup> How much of Haldex' sales that is affected by changes in each category. Example: a change in the number of produced units of heavy trucks in South America is expected to have a minor impact on Haldex' sales, while a change in North America's production is expected to have moderate impact.

### Truck

It is estimated that a total of 473,439 heavy trucks was produced in Q2, which is a 4% increase compared to the same period of the previous year. In North America, the forecast increased by 10%, which was reflected positively in Haldex' sales. In Europe, the build rate decreased by 4%, while increasing by 8% in China and 32% in India. In South America the build rate fell by 20%. However, Haldex' sales are less dependent on the trend in the latter mentioned regions.

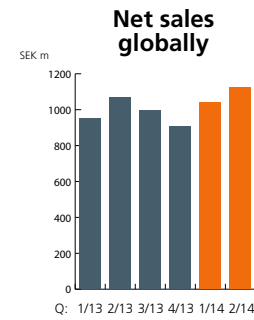
### Trailer

It is estimated that 241,559 trailers were produced in Q2, which is an 8% increase from the same period of the previous year. The forecast for the two most important regions for Haldex, North America and Europe, showed similar trends, with an 11% increase in North America and a 13% increase in Europe. The build rate in China increased by 7% and in India by 900 units, which was equal to as much as 23%. In South America, the build rate fell 11% in the quarter.

<sup>1</sup> The production statistics are a prognosis from external sources. The historical figures also reflect estimated production rather than the industry's actual results. The data concerning trucks is based on statistics from JD Powers, unless otherwise stated. The data on the trailer market concerning Europe is based on statistics from CLEAR; the data on trucks and trailers in North America is based on statistics from ACT; and the trailer data from South America and Asia is based on local sources.

## Net sales for the Group

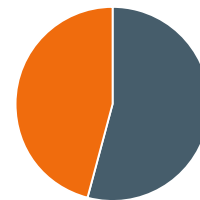
Net sales in Q2 amounted to SEK 1,124 m, compared to SEK 1,067 m for the same period of the previous year. Adjusted for currency differences, net sales increased by 4% compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 2,165 (2,018) m, which is equivalent to currency-adjusted growth of 7%.



## Net sales per product line

Haldex has two main product lines. Foundation Brake includes brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and actuators. Air Controls comprises products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves, ABS and EBS.

Net sales within Foundation Brake amounted to SEK 616 (579) m in Q2. After currency adjustments, this is a 6% increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,179 (1,087) m, which is equivalent to currency-adjusted growth of 8%.



**Net sales per product line (Apr-Jun)**

- 55% Foundation Brake
- 45% Air Controls

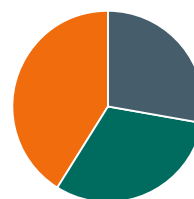
Net sales within Air Controls amounted to SEK 508 (488) m in Q2. After currency adjustments, this is a 2% increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 986 (931) m, which is equivalent to currency-adjusted growth of 5%.

Net sales, SEK m	Apr-Jun			Jan-Jun		
	2014	2013	Change <sup>1</sup>	2014	2013	Change <sup>1</sup>
Foundation Brake	616	579	6%	1,179	1,087	8%
Air Controls	508	488	2%	986	931	5%
Total	1,124	1,067	4%	2,165	2,018	7%

<sup>1</sup> Currency adjusted

## Net sales per customer category

Haldex operates in the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck, which also includes busses, amounted to SEK 313 (289) m in Q2. After currency adjustments, this is a 9% increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 609 (554) m, which is equivalent to currency-adjusted growth of 11%. Net sales within Trailer amounted to SEK 345 (322) m in Q2. After currency adjustments, this is a 6% increase compared to the equivalent period of the previous year. Net sales for the first six months totaled SEK 648 (582) m, which is equivalent to currency-



**Net sales per customer category (Apr-Jun)**

- 28% Truck
- 31% Trailer
- 41% Aftermarket

adjusted growth of 10%. Net sales to the Aftermarket amounted to SEK 466 (456) m in Q2. After currency adjustments, this is a 1% increase compared to the equivalent period of the previous year. Net sales for the first six months of the year totaled SEK 908 (882) m, which is equivalent to currency-adjusted growth of 2%.

Net sales, SEK m	Apr-Jun			Jan-Jun		
	2014	2013	Change <sup>1</sup>	2014	2013	Change <sup>1</sup>
Truck	313	289	9%	609	554	11%
Trailer	345	322	6%	648	582	10%
Aftermarket	466	456	1%	908	882	2%
Total	1,124	1,067	4%	2,165	2,018	7%

<sup>1</sup> Currency adjusted

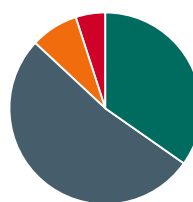
# Net sales per region

In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. In Europe, net sales increased to SEK 392 (362) m in Q2. This corresponds to a 5% currency-adjusted increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 792 (702) m, which is equivalent to currency-adjusted growth of 9%.

In North America, the distribution between Truck and Trailer is more evenly distributed than in Europe. In this case, too, the aftermarket accounts for a significant ratio of sales. In North America, net sales amounted to SEK 585 (562) m in Q2. After currency adjustments, net sales increased by 4% in Q2 compared with the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,096 (1,046) m, which is equivalent to currency-adjusted growth of 5%.

In Asia, with China and India as key markets, trucks without trailers are still the most common type of vehicle combination. This means that Haldex' sales are more focused on Truck than on Trailer. The aftermarket accounts for a small proportion of sales. In

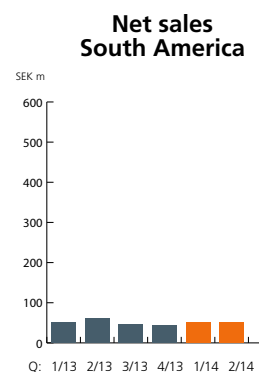
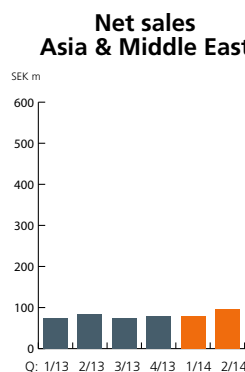
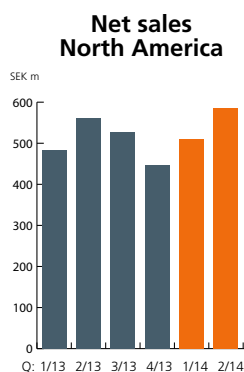
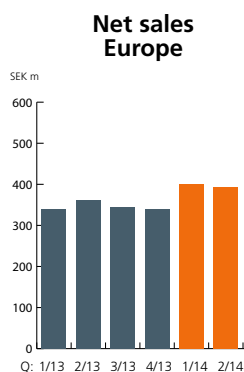
Net sales per region (Apr-Jun)



- 35% Europe
- 52% North America
- 8% Asia & Middle East
- 5% South America

Asia and the Middle East, net sales amounted to SEK 95 (83) m in Q2. After currency adjustments, net sales increased by 13% in Q2 compared with the same period of the previous year. Net sales for the first six months of the year totaled SEK 174 (158) m, which is equivalent to currency-adjusted growth of 10%.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q2 totaled SEK 52 (60) m, which, after currency adjustments, is a 9% decline. Net sales for the first six months of the year totaled SEK 103 (112) m, which is equivalent to currency-adjusted growth of 3%.



Net sales, SEK m	Apr-Jun 2014	Apr-Jun 2013	Change <sup>1</sup>	Jan-Jun 2014	Jan-Jun 2013	Change <sup>1</sup>
	Europe	392	362	5%	792	702
North America	585	562	4%	1,096	1,046	5%
Asia & Middle East	95	83	13%	174	158	10%
South America	52	60	-9%	103	112	3%
<b>Total</b>	<b>1,124</b>	<b>1,067</b>	<b>4%</b>	<b>2,165</b>	<b>2,018</b>	<b>7%</b>

<sup>1</sup> Currency adjusted

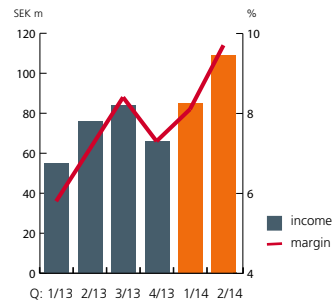
## Earnings

Operating income for Q2 excluding one-off items amounted to SEK 110 (76) m, which is equivalent to an operating margin of 9.7 (7.1)%. The operating income and operating margin including one-off items amounted to SEK 103 (-44) m and 9.2 (-4.1)%, respectively. For the first six months of the year, the operating income excluding one-off items amounted to SEK 194 (131) m. The corresponding figure including one-off items was SEK 186 (11) m. This is equivalent to an operating margin of 8.9 (6.5)% and 8.6 (0.5)%, respectively.

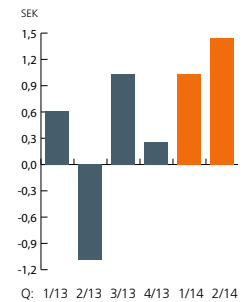
The income before tax totaled SEK 98 (-53) m for Q2 and SEK 173 (-8) m for the first six months of the year. Income before tax for the quarter was affected negatively by one-off items amounting to SEK 7 (120) m. There was a corresponding negative effect on the first six months of the year in the amount of SEK 8 (120) m.

The net income after tax totaled SEK 64 (-48) m for Q2 and SEK

### Operating income & margin (excl. one-off items)



### Earnings per share



112 (-20) m for the first six months of the year. Earnings per share totaled SEK 1.44 (-1.09) for Q2 and SEK 2.47 (-0.49) for the first six months of the year.

Currency fluctuations, as well as the result of currency hedging and currency translation effects, had a positive impact on the Group's operating profit of SEK 5 m for Q2 and SEK 8 m for the first six months of the year compared with the same period of the previous year.

Earnings	Apr-Jun 2014			Apr-Jun 2013			Change		
	Apr-Jun 2014	Apr-Jun 2013	Change	Jan-Jun 2014	Jan-Jun 2013	Change			
Operating income, excl. one-off items, SEK m	110	76	44%	194	131	48%			
Operating income, SEK m	103	-44	-	186	11	-			
Operating margin, excl. one-off items, %	9.7	7.1	2.6	8.9	6.5	2.4			
Operating margin, %	9.2	-4.1	13.3	8.6	0.5	8.1			
Net income, SEK m	64	-48	-	112	-20	-			
Earnings per share, SEK	1.44	-1.09	2.53	2.47	-0.49	2.96			

## Restructuring program

Haldex announced a restructuring program in 2013 that was expected to result in total annual savings of SEK 100 m and a total costs of SEK 250 m, with cash effects of approximately SEK 150 m. The program includes costs related to the work of consolidating central processes and functions, optimizing sales and administration costs, adjusting the European production structure, product rationalization measures and impairment testing of related non-current assets. The program will run through 2015 and includes staff reductions by around 200 employees, as well as other measures to reduce operating costs.

Negotiations with the German trade unions progressed in Q2 and certain agreements have been made. The negotiations have however not been finalized. After restructuring, air suspension products and the EBS brake system will continue to be manufactured at the Heidelberg plant, while other production is gradually reduced in 2015,

with a significant portion moving to Hungary. When the negotiations are complete, Haldex will assess the estimated savings and costs of the restructuring program as a whole. Haldex estimates that the forecasted total savings for the ongoing restructuring program will be adjusted down slightly, which will be announced when the parties have reached a final agreement.

From the start of the restructuring program, SEK 139 m has been recognized as costs in conjunction with activities in the UK, Germany, Brazil and Hungary, with SEK 41 m in restructuring costs and SEK 98 m in impairment losses. SEK 7 m of this amount has been recognized as restructuring costs in Q2 2014.

## Financial position

As of June 30, 2014 the Group's net debt amounted to SEK 442 (530) m, including a pension liability of SEK 340 (325) m. The net debt primarily consists of cash and cash equivalents amounting to SEK 288 (376) m, interest-bearing debts of SEK 384 (580) m, and a pension liability of SEK 340 (325) m. The value of derivative instruments in respect of the Group's loans in foreign currency is also included in the net debt, at SEK -6 (-1) m.

Haldex's primary sources of loan financing comprise:

- A bond loan of SEK 270 m maturing in January 2015.
- A syndicated credit facility of USD 95 m, maturing in 2016. At the end of the quarter, USD 15 m of the facility had been utilized.

During 2014 so far, there have been no changes in pledged assets or contingent liabilities.

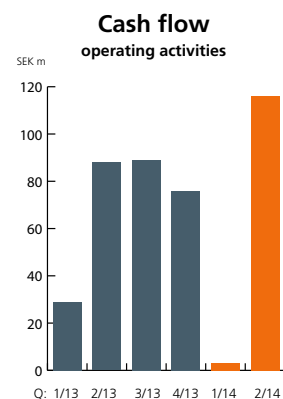
Shareholders' equity amounted to SEK 1,183 (1,078) m, resulting in an equity ratio of 44 (40)%.

Cash flow and cash equivalents, SEK m	Apr-Jun			Jan-Jun		
	2014	2013	Change	2014	2013	Change
Cash flow, operating activities	116	88	28	119	117	2
Cash flow after investment activities	84	86	-2	82	95	-13
Cash and cash equivalents (at end of period)	288	376	-88	288	376	-88

## Cash flow

Cash flow from operating activities amounted to SEK 116 (88) m in Q2, and it was negatively impacted by one-off items in the amount of SEK 7 (23) m. For the first six months of the year, cash flow from operating activities totaled SEK 119 (117) m. On May 5, a dividend of SEK 89 (44) m was paid to the shareholders.

The total value of investments in the first six months of the year was SEK 59 (37) m. There was also a positive cash flow from the divestment of a property in the amount of SEK 22 (15) m, resulting in a cash flow after investment for Haldex of SEK 82 (95) m. Net cash flow totaled SEK -40 (31) m for the first six months of the year.



## Other

### Significant risks and uncertainties

Haldex is exposed to risks of a financial and an operational nature. The Group has a process for risk identification and risk management that is described in Haldex' Annual Report and Corporate Governance Report for 2013, at page 37-40 and 80-81.

As described in the Annual Report, the consolidated report presents certain assessments and assumptions concerning the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes, guarantee reserves, pensions and the impact of the restructuring program are areas representing the highest risk of future adjustments to recognised values.

### Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex' activities. This information is based on the Haldex management's current expectations, assessments and forecasts. Actual future outcomes may vary significantly from the forward-looking information presented in this report, among other things due to changes in assumptions concerning economic factors, markets and competition.

### Transactions with related parties

There have been no transactions with a significant impact on the Group's position and result between Haldex and related parties.

### Corporate acquisitions and divestments

There were no acquisitions or divestments in 2014.

### Accounting principles

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company's report is presented in accordance with the the Swedish Financial Reporting Board's recommendation RFR 2 "Financial reporting for legal entities" and the Swedish Annual Accounts Act. The reporting principles are thus unchanged from the principles presented in the Annual Report for 2013 at page 45-49.



## Taxes

The tax rate during the first six months of the year was 35%. The tax rate in the same period of the previous year was 38% on net income excluding one-off items. The tax rate for the 2013 full year, excluding one-off items, was 39%.

## Parent company

Haldex AB (publ), Corporate Registration Number 556010-1155, is a registered limited liability corporation with its registered office in Landskrona, Sweden. Haldex AB's shares are listed on the Nasdaq OMX Exchange in Stockholm, Mid Cap. The net sales of the parent company in the first six months of the year amounted to SEK 41 (17) m, while the net income after tax was SEK 69 (-5) m. This net income includes dividends from Group companies amounting to SEK 60 (3) m.

## Annual general meeting

Haldex held its annual general meeting on Tuesday, April 29 at Haldex in Landskrona, Sweden. Shareholders were also invited to a guided tour of the factory in connection with the meeting.

- The annual general meeting resolved on a dividend with a cash amount of SEK 2 per share with May 5, 2014 as the record date.
- The annual general meeting re-elected Board members Göran Carlson, Stefan Charette, Magnus Johansson, Staffan Jufors, Arne Karlsson and Annika Sten Pärson, and elected Cecilia Löf

to her first term. The meeting re-elected Göran Carlson as chairman of the Board.

- The meeting resolved to increase the Board of directors' remuneration slightly in comparison to previous years, with SEK 525,000 going to the Chairman and SEK 210,000 to the other Board members. In addition, compensation for committee work remained the same with SEK 100,000 going to the Chairman and SEK 50,000 going to members of the audit committee, and SEK 50,000 going to the Chairman and SEK 25,000 to the members of the compensation committee.
- The annual general meeting resolved to approve the board's proposal to set up a long-term incentive program, LTI 2014, and hedging arrangements in respect thereof by authorizing the board of directors to participate in share swaps with a third party.
- The board of directors was authorized to resolve to acquire and/or transfer treasury shares on one or more occasions during the period leading up to the 2015 annual general meeting.

## Updated financial targets

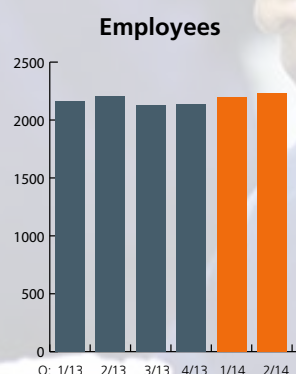
Haldex has invited analysts, investors and journalists to a capital market day on October 2. Updated financial targets will be presented on the same day, and they will also be announced in a press release.

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*This report is unaudited. This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.*

## Employees

At the end of Q2, the number of employees was 2,232 (2,207), which is 33 more than at the end of Q1.



### **The Board of Directors' assurance**

*The Board of Directors and the President assure that this six-month interim report provides a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.*

Landskrona July 18, 2014

Haldex AB (publ)

Göran Carlson  
Chairman

Stefan Charette  
Board member

Magnus Johansson  
Board member

Staffan Jufors  
Board member

Arne Karlsson  
Board member

Cecilia Löf  
Board member

Annika Sten Pärson  
Board member

Fredrik Hudson  
Employee representative

Per Holmqvist  
Employee representative

Bo Annvik  
President & CEO

## Consolidated income statement

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net sales	1,124	1,067	2,165	2,018	3,920
Cost of goods sold	-806	-767	-1,556	-1,459	-2,827
Gross income	318	300	609	559	1,093
<i>Gross margin</i>	28.3%	28.1%	28.1%	27.7%	27.9%
Selling, admin. and product development costs	-214	-228	-426	-436	-839
Other operating income and expenses <sup>1</sup>	-1	-116	3	-112	-101
Operating income <sup>1</sup>	103	-44	186	11	153
Financial income and expenses	-5	-9	-13	-19	-43
Income before tax	98	-53	173	-8	110
Tax	-34	5	-61	-12	-72
Net income	64	-48	112	-20	38
<i>attributable to non-controlling interests</i>	1	0	3	1	3
Earnings per share, before and after dilution, SEK	1.44	-1.09	2.47	-0.49	0.80
Average No. of shares, thousands	44,216	44,216	44,216	44,216	44,216

## Operating income, by nature of expenses

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net sales	1,124	1,067	2,165	2,018	3,920
Direct material costs	-613	-586	-1,178	-1,112	-2,138
Personnel costs	-226	-214	-441	-422	-832
Depreciation and amortization	-35	-131	-69	-167	-138
Other operating income and expenses	-147	-180	-291	-306	-659
Operating income <sup>1</sup>	103	-44	186	11	153

### 1) One-off items included in the operating income

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Restructuring costs	-7	-22	-10	-22	-30
Impairment of assets	0	-98	0	-98	-98
Other	-	-	2	-	-
Operating income, excl. one-off items	110	76	194	131	281



## Consolidated statement of comprehensive income

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net income	64	-48	112	-20	38
<b>Other comprehensive income/loss</b>					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-18	-5	-32	5	38
Total	-18	-5	-32	5	38
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	53	31	44	14	-3
Change in hedge reserves, after tax	-2	-5	-2	-2	-3
Total	51	26	42	12	-6
Total other comprehensive income/loss	33	21	10	17	32
Total comprehensive income	97	-27	122	-3	70
<i>attributable to non-controlling interests</i>	3	-1	3	0	1

## Consolidated statement of financial position

SEK m	Jun 30 2014	Jun 30 2013	Dec 31 2013
Goodwill	374	353	354
Other intangible assets	90	98	96
Tangible assets	418	454	429
Financial assets	29	25	28
Deferred tax assets	140	135	140
Total non-current assets	1,051	1,065	1,047
Inventories	499	475	480
Current receivables	840	738	627
Derivative instruments	5	11	9
Cash and cash equivalents	288	376	323
Total current assets	1,632	1,600	1,439
Total assets	2,683	2,665	2,486
Equity	1,183	1,078	1,152
Pension and similar obligations	340	325	291
Deferred tax liabilities	1	13	12
Non-current interest-bearing liabilities	371	572	400
Other non-current liabilities	24	22	25
Total non-current liabilities	736	932	728
Derivative instruments	18	9	10
Current interest-bearing liabilities	13	8	11
Current liabilities	733	638	585
Total current liabilities	764	655	606
Total equity and liabilities	2,683	2,665	2,486

## Statement of changes in equity

SEK m	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Opening balance	1,152	1,129	1,129
Net income	112	-20	38
Other comprehensive income/loss	10	17	32
Total comprehensive income	122	-3	70
<b>Transactions with shareholders:</b>			
Dividend to Haldex' shareholders	-89	-44	-44
Dividend to non-controlling interests	-3	0	0
Purchase of treasury shares	-	-2	-2
Settlement of share based payments	-	-2	-2
Value of employee services/incentive programs	1	-	1
Total transactions with shareholders	-91	-48	-47
Closing balance	1,183	1,078	1,152
<i>attributable to non-controlling interests</i>	17	16	17

## Key figures

	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Operating margin, excl. one-off items, %	8.9	6.5	7.2
Operating margin, %	8.6	0.5	3.9
Cash flow, operating activities, SEK m	119	117	282
Cash flow after investment activities, SEK m	82	95	211
Return on capital employed, excl. one-off items, % <sup>1</sup>	18.1	10.4	14.6
Return on capital employed, % <sup>1</sup>	17.3	3.4	7.8
Investments, SEK m	59	37	94
R&D, %	3.3	3.3	3.5
Employees	2,232	2,207	2,135
Return on shareholders' equity, %	19.4	-3.8	3.2
Interest coverage ratio	12.1	7.3	7.2
Equity ratio, %	44	40	46
Net debt/equity ratio, %	37	49	33
<b>Share data:</b>			
Earnings per share, before and after dilution, SEK	2.47	-0.49	0.80
Equity per share, SEK	26.76	24.38	26.06
Share price, SEK	82.50	45.70	60.00
Average No. of shares, thousands	44,216	44,216	44,216
Total No. of shares at end of period, thousands	44,216	44,216	44,216
<i>of which is treasury shares, thousands</i>	12	12	12

<sup>1</sup> Rolling twelve months

## Consolidated statement of cash flow

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Operating income	103	-44	186	11	153
Reversal of non-cash items	35	131	67	167	231
Interest paid	-7	-9	-15	-17	-37
Tax paid	-15	-25	-24	-36	-98
Cash flow from operating activities before change in working capital	116	53	214	125	249
Change in working capital	0	35	-95	-8	33
Cash flow from operating activities	116	88	119	117	282
Investments	-32	-17	-59	-37	-94
Divestment tangible assets	-	15	22	15	23
Cash flow from investment activities	-32	-2	-37	-22	-71
Dividend to Haldex' shareholders	-89	-44	-89	-44	-44
Dividend to non-controlling interests	-3	0	-3	0	0
Change in loans	-29	-28	-30	-20	-186
Cash flow from financing activities	-121	-72	-122	-64	-230
Net cash flow	-37	14	-40	31	-19
Cash and cash equivalents, opening balance	318	359	323	346	346
Currency translation diff. in cash and cash equivalents	7	3	5	-1	-4
Cash and cash equivalents, closing balance	288	376	288	376	323

## Financial instruments by category

SEK m	Jun 30, 2014		Jun 30, 2013		Dec 31, 2013	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	0	7	4	4	2	4
Forward exchange contracts- at fair value through profit or loss	2	1	2	1	2	1
Currency swaps - at fair value through profit or loss	3	10	5	4	5	5
Total	5	18	11	9	9	10

The financial instruments recognized at fair value in the balance sheet belong to Tier 2 in the fair value hierarchy, meaning that the fair value is determinable, directly or indirectly, from observable market data. No transfers have been done to or from Tier 2 during the year. Haldex multicurrency revolving credit facility and bond loan are subject to a variable interest term of 1 - 6 months, thus the fair values correspond to the carrying amounts. In regard of other financial assets and liabilities such as accounts receivables, other current receivables, cash and cash equivalents and debt to suppliers, the fair values are considered to correspond to the carrying amounts.

## Parent company's income statement

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net sales	21	9	41	17	67
Administrative costs	-19	-16	-34	-27	-59
Operating income/loss	2	-7	7	-10	8
Financial income and expenses	4	1	4	1	-3
Earnings after financial income and expenses	6	-6	11	-9	5
Dividend	23	3	60	3	31
Group contribution	-	-	-	-	-7
Earnings before tax	29	-3	71	-6	29
Tax	-1	0	-2	1	-2
Net income/loss	28	-3	69	-5	27

## Parent company's statement of comprehensive income

SEK m	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net income/loss	28	-3	69	-5	27
Other comprehensive income	-	-	-	-	-
Total comprehensive income	28	-3	69	-5	27

## Parent company's statement of financial position

SEK m	Jun 30 2014	Jun 30 2013	Dec 31 2013
Non-current assets	1,877	1,875	1,875
Current assets	910	976	870
Total assets	2,787	2,851	2,745
Shareholders' equity	1,192	1,178	1,211
Provisions	41	33	40
Interest-bearing liabilities, external	371	572	400
Other liabilities	1,183	1,068	1,094
Total equity and liabilities	2,787	2,851	2,745

## Quarterly data

SEK m, if not otherwise stated	2014		2013				2012		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Income statement:</b>									
Net sales	1,124	1,041	908	994	1,067	951	864	931	1,065
Cost of good sold	-806	-750	-664	-704	-767	-692	-642	-689	-784
Gross income	318	291	244	290	300	259	222	242	281
Selling, admin. and product development costs	-214	-212	-190	-212	-229	-208	-193	-195	-224
Other operating income and expenses	-1	4	-1	11	-115	4	-1	-15	-31
Operating income	103	83	53	89	-44	55	28	32	26
<i>Operating income, excl. one-off items</i>	<i>110</i>	<i>84</i>	<i>66</i>	<i>84</i>	<i>76</i>	<i>55</i>	<i>34</i>	<i>52</i>	<i>60</i>
Financial income and expenses	-5	-8	-11	-13	-9	-10	-7	-9	-11
Income before tax	98	75	42	76	-53	45	21	23	15
Tax	-34	-27	-30	-30	5	-17	-23	-10	-7
Net income/loss	64	48	12	46	-48	28	-2	13	8
<b>Statement of financial position:</b>									
Non-current assets	1,051	1,023	1,047	1,044	1,065	1,146	1,186	1,231	1,275
Current assets	1,632	1,583	1,439	1,434	1,600	1,523	1,414	1,479	1,585
Total assets	2,683	2,606	2,486	2,478	2,665	2,669	2,600	2,710	2,860
Equity	1,183	1,177	1,152	1,114	1,078	1,149	1,129	1,157	1,216
Non-current liabilities	736	741	728	748	932	949	967	965	983
Current liabilities	764	688	606	616	655	571	504	588	661
Total equity and liabilities	2,683	2,606	2,486	2,478	2,665	2,669	2,600	2,710	2,860
<b>Statement of cash flow:</b>									
Cash flow from operating activities before change in working capital	116	98	67	58	53	72	91	47	27
Cash flow from operating activities	116	3	76	89	88	29	99	41	33
Cash flow from investment activities	-32	-5	-34	-15	-2	-20	-36	-32	-27
Cash flow from financing activities	-121	-1	-27	-139	-72	8	-49	-6	-90
Net cash flow	-37	-3	15	-65	14	17	14	3	-84
<b>Key figures:</b>									
Operating margin, excl. one-off items, %	9.7	8.1	7.3	8.4	7.1	5.8	3.9	5.6	5.6
Operating margin, %	9.2	7.9	5.9	9.0	-4.1	5.8	3.2	3.4	2.4
Earnings per share, before and after dilution, SEK	1.44	1.03	0.26	1.03	-1.09	0.61	-0.05	0.26	0.16
Equity per share, SEK	26.76	26.63	26.06	25.20	24.38	25.99	25.53	26.17	27.50
Share price, SEK	82.50	75.75	60.00	49.20	45.70	38.80	33.50	33.20	30.90
Return on capital employed excl. one-off items, % <sup>1</sup>	18.1	16.1	14.6	12.6	10.4	9.5	9.8	10.4	10.9
Return on capital employed, % <sup>1</sup>	17.3	9.4	7.8	6.4	3.4	6.6	7.0	7.9	9.4
Equity ratio, %	44	45	46	45	40	43	43	43	43
Net debt/equity ratio, %	37	35	33	37	49	49	51	52	50
Investments	32	27	34	23	17	20	36	32	27
R&D, %	3.2	3.5	4.1	3.5	3.2	3.6	3.8	3.4	3.4
Employees	2,232	2,199	2,135	2,130	2,207	2,160	2,200	2,262	2,306

<sup>1</sup> Rolling twelve months

## 3 year in summary

SEK m, if not otherwise stated	2013	2012	2011 <sup>1</sup>
<b>Income statement:</b>			
Net sales	3,920	3,933	4,030
Cost of good sold	-2,827	-2,904	-2,967
Gross income	1,093	1,029	1,063
Selling, admin. and product development costs	-839	-836	-829
Other operating income and expenses	-101	-43	1
Operating income	153	150	235
<i>Operating income, excl. one-off items</i>	<i>281</i>	<i>210</i>	<i>235</i>
Financial income and expenses	-43	-36	-18
Income before tax	110	114	217
Tax	-72	-60	-75
Net income/loss	38	54	142
<b>Statement of financial position:</b>			
Non-current assets	1,047	1,186	1,276
Current assets	1,439	1,414	1,582
Total assets	2,486	2,600	2,858
Equity	1,152	1,129	1,336
Non-current liabilities	728	967	924
Current liabilities	606	504	598
Total equity and liabilities	2,486	2,600	2,858
<b>Statement of cash flow:</b>			
Cash flow from operating activities before change in working capital	249	243	439
Cash flow from operating activities	282	238	114
Cash flow from investment activities	-71	-118	1,301
Cash flow from financing activities	-230	-164	-1,519
Net cash flow	-19	-44	-104
<b>Key figures:</b>			
Operating margin, excl. one-off items, %	7.2	5.3	5.8
Operating margin, %	3.9	3.8	5.8
Earnings per share, before and after dilution, SEK	0.80	1.12	3.08
Equity per share, SEK	26.06	25.53	30.20
Dividend, SEK	2.00	1.00	2.00
Share price, SEK	60.00	33.50	25.20
Return on capital employed excl. one-off items, % <sup>2</sup>	14.6	9.8	10.1
Return on capital employed, % <sup>2</sup>	7.8	7.0	10.1
Equity ratio, %	46	43	47
Net debt/equity ratio, %	33	51	37
Investments	94	118	100
R&D, %	3.5	3.4	3.3
	2,135	2,200	2,365

<sup>1</sup> Remaining business    <sup>2</sup> Rolling twelve months



## Haldex in short

Haldex develops, manufactures and distributes products for brake and suspension systems. Our customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles. Other applications as agriculture and special vehicles are also served. The product portfolio comprises all of the main components and sub-systems included in a complete brake or suspension system. Haldex has a global presence in terms of sales, research, development, technical service and production. Manufacturing takes place in Sweden, Germany, Hungary, China, India, Brazil, Mexico and the USA.



## Product news - 500,000 produced units of the ModulT disc brake

The five hundred thousandth ModulT disc brake was produced in Landskrona in Q2. It was celebrated by the joint assembly by representatives from different functions, who all were a part of making the disc brake a success. Key personnel in R&D, Sourcing, Production and Product Management assembled the different stages on the production line together with an operator until the five hundred thousandth disc brake was done in the end.

ModulT is suitable for trucks, buses and trailers. It is the lightest disc brake on the market. In comparison to the past production generation, it is 12 kg lighter per axle, which makes it an attractive alternative to increase reliability and overall cost efficiency for customers. With simpler maintenance, ModulT provides low down time; e.g. no tools are needed to change the brake lining and the stainless sliding pins do not need to be lubricated. The encapsulated and integrated design provides protection from dirt penetration and thus increases its useful life.



### CUSTOMER CASE:

## Tailor-made safety

Blomenröhr is more like an engineering workshop than a factory. They have been building customer-specific machine transportation solutions for over 50 years, which is a niche that has often gone under the radar of the major machinery manufacturers. Blomenröhr has worked together closely with Haldex for many years and has recently invested in two additional products. "Instead of ABS and mechanical parking brakes, we recently began offering the EB + electronic brake system as standard equipment including the TEM ® park and shunt valve with the Safe Parking function," says Iris Blomenröhr, who runs the company together with her husband Joachim Wenzel. "It increases driving safety and largely eliminates hazards caused by driver errors - so it's a real benefit to customers," she continues. As a first step, Blomenröhr has introduced these products for vehicles weighing over ten metric tons, but they will be phased in for the smaller weight classes as well.

## Financial calendar

Capital market day	2 October
Interim report, July-September	5 November
Annual statement	12 February, 2015

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## Press and analyst meeting

Media and analysts are invited to a telephone conference at which the report will be presented with comments by Bo Annvik, President and CEO, and Andreas Ekberg, CFO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Friday July 18 at 11.00 CEST

The press conference is broadcasted at:  
<http://www.media-server.com/m/p/gmdt7eu4>

To join the telephone conference:

Sweden: +46 8 505 564 74

UK: +44 203 364 5374

Denmark: +45 354 455 80

USA: +1 855 753 2230

The webcast will also be available afterwards and you can download the Interim report and the presentation from Haldex website: <http://www.haldex.com/financialreports>

## Haldex share

Apr-Jun 2014

Change in share price	+9%
Share price (30 June)	82.50 SEK
Market capital (30 June)	3,648 MSEK
Highest share price	84.75 SEK
Lowest share price	75.25 SEK
Traded No. of shares	12.0 M
Total No. of shares (30 June)	44,215,970
Dividend	2.00 SEK
Value of treasury shares planned	up to 100 MSEK

