



Year-end report 2007

Full-year 2007

- Sales totaled SEK 7,940 (7,890). Adjusted for currency exchange rates, sales rose 4%. Order intake totaled SEK 8,098 m (7,883), up 6% after adjustments for currency exchange rates.
- Earnings after tax amounted to SEK 141 m (310). Earnings per share amounted to SEK 6.24 (13.96).
- Operating income and the operating margin amounted to SEK 352 m (419) and 4.4% (5.3), respectively. The decline in earnings was mainly attributable to the CVS Division in North America.
- The operating income was stable for CVS in Europe, which reported an operating margin of 7.4% (7.8). The operating margin for CVS in North America declined to minus 1.3% (-2.7), due to the weaker market.
- In Europe, extremely robust growth was noted in all divisions during 2007, while the opposite applied in North America.
- The restructuring under way within Friction Products is proceeding as planned. Restructuring costs total an estimated SEK 50 m, with a repayment period of one year, and were charged against fourth-quarter earnings.
- The return on capital employed (rolling 12 months) was 8.3% (11.5).
- The Board of Directors proposes a dividend per share of SEK 4.50 (4.50).

Fourth quarter of 2007

- Sales totaled SEK 1,955 m (1,897). Adjusted for currency exchange rates, the sales increased by 6 %.
- Operating income, excluding restructuring costs, improved to SEK 100 m (90).
- Compared with the year-earlier period, the operating margin improved in all divisions, apart from CVS, and totaled 5.1% during the quarter, compared with 3.4% during the third quarter.

- **Production of trucks and trailers in the North American market remained weak during the fourth quarter. In Europe, production remained high.**

Events after fiscal year-end

- **On February 21, 2008, Haldex entered into an agreement concerning the acquisition of Concentric Plc, a world leader in oil, fuel and water pumps for medium-sized and large diesel engines for trucks and construction machinery. The acquired company has annual sales of GBP 72 m and production units in the US, UK, China and India.**

SEK m	2006				2007				Full-year		Change
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2006	2007	
Net sales	2 076	2 047	1 870	1 897	2 060	2 030	1 895	1 955	7 890	7 940	+1%
Operating income *)	123	112	94	90	90	97	65	100	419	352	-16%
Operating income	123	98	79	90	90	97	65	50	390	302	-23%
Earnings before tax	103	74	62	76	70	78	42	32	315	222	-30%
Earnings after tax	75	56	47	131	47	50	37	7	310	141	-55%
Operating margin%*)	5.9	5.4	5.0	4.7	4.3	4.8	3.4	5.1	5.3	4.4	-0.9
Operating margin%	5.9	4.8	4.2	4.7	4.3	4.8	3.4	2.6	4.9	3.8	-1.1
Return on capital employed% **)	12.1	11.3	11.3	11.5	10.4	10.3	9.6	8.3	11.5	8.3	0

*) Excluding restructuring costs

**) Rolling 12 months

Key events during the year

- Scania has again chosen the Alfdex system for the cleaning of crankcase gases, this time in its new 9 and 13 liter engines. These engines are Euro 5 compliant and Scania has chosen an Alfdex alternative in which the degree of cleaning is even higher than before. The order covers all Euro 5 engines and deliveries began during the fourth quarter.
- Two major US manufacturers of diesel engines, International Truck and Detroit Diesel, chose the Alfdex system for the cleaning of crankcase gases. Series deliveries started during the second quarter of 2007. The order value is SEK 200 m over a three-year period.
- Integration and upgrading of the acquired company Runguang Hydraulics, one of the leading suppliers of hydraulic products to the Chinese construction machine industry, are proceeding as planned. The company was consolidated effective April 1, 2007.
- Towards the close of the fourth quarter, deliveries of the AWD system to the new Volkswagen model, the Tiguan, rose sharply. The order value is SEK 1,250 m over a five-year period.
- A new Ford model – Kuga – that uses the Haldex AWD system was launched in September. The order value is estimated at SEK 400 m over a five-year period.
- Haldex received a new order for four-wheel-drive systems from Volkswagen, expanding a previous order from 2004.

- Haldex received a prototype order from Korean carmaker Hyundai-KIA for the fourth-generation Haldex clutch and Haldex XWD, a completely new electronic differential brake.
- The new SAAB 9-3 and the 9-4X will be using Haldex's fourth generation AWD, which will be known as Cross Wheel Drive (XWD). The SAAB 9-3 is the first model in an order from GM for a medium-car platform for the global market. The order value is SEK 2 billion over a five-year period.
- In the third quarter, Scania obtained global production approval for the new Haldex disc brakes for heavy trucks.
- Production of the second generation of EBS (EB+) for trailers started during the second half of the year. The European launch was highly successful, particularly in the key German market.
- The new Indian legislation concerning automatic brake control for commercial vehicles that became effective in April 2007 has created strong demand for Haldex's automatic brake adjusters in India.
- During the second quarter, Gigant, a European axle manufacturer, is launching its new "Euro Axle," which utilizes Haldex's new "fixed caliper dual disc" brake concept.

Restructuring measures

A restructuring is under way of Friction Products, the business unit that manufactures and sells lining products for drum and disc brakes in North America. Under the restructuring program, the production of drum brake linings at the plant in Prattville, AL, USA, will be discontinued. Production will be outsourced to sub-suppliers in low-cost countries, which will result in cost savings and improved profitability. Approximately 200 employees will be affected by the change. The costs of the restructuring, pertaining primarily to an impairment loss on assets and costs resulting from the lay-off of personnel, are estimated at SEK 50 M, with a repayment period of one year, and were charged against earnings for the fourth quarter of 2007. With respect to the operations that produce disc brake linings, which mainly focus on the North American OEM market, various strategic alternatives are currently being evaluated.

Net sales

Net sales per division and region:

Change

<u>SEK m</u>	<u>2007</u>	<u>2006</u>	<u>Nominal</u>	<u>Currency adjusted</u>
Commercial Vehicle Systems	4 529	4 765	-5%	-1%
Hydraulic Systems	1 467	1 331	+10%	+16%
Garphyttan Wire	1 095	1 049	+4%	+7%
Traction Systems	848	745	+14%	+14%
Group	7 940	7 890	+1%	+4%

North America	2 997	3 643	-18%	-11%
Europe	4 255	3 740	+14%	+14%
Asia and Middle East	443	290	+53%	+51%
South America	245	217	+13%	+21%
Group	7 940	7 890	+1%	+4%

Net sales and earnings

Consolidated net sales totaled SEK 7,940 m (7,890). Sales rose 4% after adjustment for currency exchange rates, mainly driven by strong demand in Europe and new products, as well as the acquisition of Runguang Hydraulics. Sales increased 14% in Europe and declined 18% in North America.

Operating income, excluding restructuring costs, totaled SEK 352 m (419). The decline was due mainly to the CVS Division, where strong sales and earnings in Europe did not fully offset the weak North American market and production problems within the North American business unit, Friction Products. Operating income including restructuring costs totaled SEK 302 m (390).

Consolidated earnings before tax totaled SEK 222 m (310). Financial expenses amounted to SEK 80 m (75).

Earnings after tax totaled SEK 141 m (310). The tax rate was 36% (2). The operating margin, excluding restructuring costs, was 4.4% (5.3). The return on capital employed (rolling 12 months) amounted to 8.3% (11.5).

Income taxes

The tax rate in 2007 was significantly higher than in the preceding year, due to a number of non-recurring factors that affected the tax rate in both 2006 and 2007. In 2006, the Group acquired a company with accumulated losses that, following valuation and recognition in the balance sheet, resulted in tax revenue of SEK 71 m, which reduced the tax rate in 2006.

During the fourth quarter of 2007, a tax audit in the US was completed. The deductions claimed in previous tax returns were not approved in full, thus increasing tax charges in 2007. In 2007, an old tax dispute in Sweden was concluded with a favorable outcome for the Group. The Group's tax rate in 2007, excluding non-recurring items, amounted to 34%.

Cash flow

Cash flow after net investments was a negative SEK 141 m (neg: 7). Cash flow was affected by an increase in working capital, driven in turn by the upswing in volume, and by investments that remain relatively high.

Investments

The Group's net investment, excluding acquisitions, amounted to 453 MSEK (409), of which 66 MSEK (58) was capitalized development costs. Capitalized development costs amounted to 240 MSEK (181) on December 31, 2007, of which the largest individual amount, 52 MSEK, was related to disc brakes.

Financial position

Cash and cash equivalents totaled SEK 182 m. In addition, the Group has unutilized credits amounting to slightly more than SEK 1 billion. Consolidated net debt amounted to SEK 1,600 m (1,254), up SEK 346 m on 2006. The rise was mainly due to an increase in working capital and to the acquisition of Runguang Hydraulics. At the end of the year, interest-bearing liabilities totaled SEK 1,782 m (1,504). Shareholders' equity amounted to SEK 1,871 m (1,898), resulting in an equity-assets ratio of 37% (40).

Fourth quarter of 2007

Net sales during the fourth quarter amounted to SEK 1,955 m (1,897). Adjusted for acquisitions and exchange-rate changes, sales increased 4% compared with the year-earlier period. Sales rose 15% in Europe but declined 10% in North America.

Operating income, excluding restructuring costs, totaled SEK 100 m (90). During the fourth quarter, operating margins improved in all divisions, apart from CVS, and totaled 5.1%, compared with 3.4% in the third quarter.

Earnings before tax totaled SEK 32 m (76) and net earnings amounted to SEK 7 m (131). The high tax rate during the quarter was due to several non-recurring items that were charged against the final quarter. Also see section called Income Taxes on page 4.

Earnings by division

Commercial Vehicle Systems

<i>SEK m</i>	<i>Full-year</i>		<i>Change</i>
	<i>2007</i>	<i>2006</i>	
Net sales	4 529	4 765	-5%
Operating income*	166	232	-28%
Operating income	116	217	-47%
Operating margin,%*	3.7%	4.9%	-1.2
Operating margin,%	2.6%	4.6%	-2.0
Return on capital employed,%	4.9%	9.3%	-4.4

*) Excluding restructuring costs

Sales within the CVS Division declined by SEK 236 m compared with 2006 to SEK 4,529 m (4,765). Strong sales growth in Europe and Asia combined with new products managed to offset part of the sales decline in North America, where sales declined mainly because of a decrease in production of heavy trucks and also because of a weaker trend for trailers and the aftermarket.

Operating income, excluding restructuring costs, amounted to SEK 166 m (232). The decline was due to a weak trend in North America, particularly for the Friction Products business unit. Increases in material costs, which gained their full impact during 2007, a weaker USD and costs related to workforce cutbacks in North America also had an adverse impact on earnings.

In Europe, increases were noted for both sales and earnings. Net sales totaled SEK 2,282 m (2,000) and the operating margin was 7.4% (7.8), including the cost of the investment in disc-brake operations (see below). In North America, decreases were noted for both sales and earnings due to the reduction in demand. Net sales amounted to SEK 2,135 m (2,526) and the operating margin, excluding restructuring costs, to minus1.3% (2.7).

To come to terms with the profitability problems affecting the North American Friction Products business unit, a restructuring and strategic review of this operation is under way, as previously announced (see above). The restructuring is proceeding as planned. The division's fourth-quarter earnings were charged with restructuring costs of SEK 50 m for the closure of the plant for drum-brake linings in Prattville, Alabama. The repayment period is one year.

During the fourth quarter, sales totaled SEK 1,066 m (1,123). In Europe, demand remained strong and sales rose 15% in local currencies. However, this was not sufficient to fully offset the decline in North America, where weaker demand for both heavy trucks and trailers resulted in sales declining 16%, in local currencies. Operating income, excluding restructuring costs, amounted to SEK 32 m (42), the same level as in the third quarter.

Disc brakes

The program aimed at penetration of the large and important disc brake market continues. Series deliveries to several major truck and trailer manufacturers commenced during the year. Since volumes are in the build-up phase, nearly SEK 100 m was charged against operating income during the year for the cost of these activities. During 2008, as the volumes increase and the cost-cutting measures gain effect, the adverse impact on earnings of these operations will decrease.

Hydraulic Systems

<i>SEK m</i>	<i>Full-year</i>		<i>Change</i>
	<i>2007</i>	<i>2006</i>	
Net sales	1 467	1 331	10%
Operating income	88	90	-2%
Operating margin,%	6.0%	6.8%	-0.8
Return on capital employed,%	16.6%	20.8%	-4.2

Demand for the division's products was very high in Europe, while the opposite trend was noted in North America. Compared with 2007, net sales rose 16%, after adjustments for exchange-rate effects, driven mainly by the acquisition of Runguang Hydraulics and ever increasing volumes of the Alfdex system.

Operating income totaled SEK 88 m (90), affected by a weaker US dollar and a slacker North American market. The European units were producing at full capacity, while the US units experienced overcapacity due to weaker demand.

Adaptation to the lower production volume in the North American operations resulted in an improvement in the operating margin during the fourth quarter, when operating income amounted to SEK 28 m (25) and the operating margin was 7.5% (7.7), compared with an operating margin of 4.9% (6.8) in the third quarter.

Garphyttan Wire

<i>SEK m</i>	<i>2007</i>	<i>2006</i>	<i>Change</i>
Net sales	1 095	1 049	+4%
Operating income*	46	55	-16%
Operating income	46	41	+12%
Operating margin,%*	4.2%	5.2%	-1.0
Operating margin,%	4.2%	3.9%	+0.3
Return on capital employed,%	9.9%	9.6%	+0.3

*) Excluding restructuring costs

Net sales for Garphyttan Wire rose 4% compared with 2006 to SEK 1,095 m (1,049). After adjustments for exchange-rate effects, sales rose by 7%. The rise was attributable mainly to increases in material prices, which were passed on to customers. Demand in Europe grew compared with 2006, while the growth trend in the North American market was weak.

Operating income totaled SEK 46 m (55). During the first half of the year, earnings were adversely affected by production disruptions at Garphyttan, due mainly to problems in securing deliveries from a supplier. During the third quarter, earnings were adversely affected by inventory exposure to nickel, the prices of which fluctuated considerably during the year.

In terms of earnings, the fourth quarter was the best period of 2006, with operating income amounting to SEK 18 m (18) and an operating margin of 6.8% (6.7), thanks to improved productivity.

Traction Systems

<i>SEK m</i>	<i>Full-year</i>		<i>Change</i>
	<i>2007</i>	<i>2006</i>	
Net sales	848	745	+14%
Operating income	50	48	+ 4%
Operating margin,%	5.9%	6.5%	-0.6
Return on capital employed,%	21.3%	27.3%	-6.0

Sales rose 14% compared with 2006 to SEK 848 m (745). The increase was mainly related to increased volumes to Landrover and to the new VW model, Tiguan, for which deliveries started during the second half of the year.

Operating income amounted to SEK 50 m (48). During the year, the startup of new production lines in Landskrona for the new generation of couplings (Generation 4) had a slightly adverse impact on earnings. Preparations for deliveries from the new plant in Mexico (which was deployed in early 2008) also represented a charge against earnings. As production volumes increased, earnings improved, with the positive impact on earnings starting to become noticeable during the third quarter. A sharp increase in the production rate, together with a decrease in startup and preparation costs, contributed to a rise in operating income to SEK 21 m (12) and an improvement in the operating margin to 8.6% (6.5) during the fourth quarter.

Market

Europe reported very strong growth in all segments during 2007, while the opposite scenario applied to North America, where reduced production volumes for heavy trucks, trailers and construction machinery resulted in a very weak market trend. However, rising food and agricultural prices generated strong demand for agricultural machinery in 2007, which offset part of the decline in demand for construction machinery.

Heavy trucks

Global production of heavy trucks rose 9% in 2007, with a very strong trend in Europe and Asia offsetting the weak trend in the North American market. Production of heavy trucks in Europe was strong during the year, increasing by 16% compared with 2006, and by 22% during the fourth quarter. Production in Asia rose by a total of 36% in 2007.

In North America, the market continued to decline during the fourth quarter, when production was down 53%. The full-year decline was 44%. A decrease was expected, due to the effects of pre-purchasing in 2006. The reason for such pre-purchasing was to avoid increased costs for more advanced truck engines that meet the more stringent emission legislation that became effective in 2007. Due to a significant deterioration in the US economy during the second half of 2007, resulting in a decrease in freight kilometers, the expected production upswing towards the end of the year was deferred.

During 2008, production of trucks in Europe is expected to rise at an annual rate of 10%. In North America, production is expected to increase gradually, compared with the level noted in the fourth quarter of 2007.

Trailers

Production of trailers rose globally by 6% in 2007, subject to major regional variations. In North America, the market continued to slacken and production dropped by a total of 24% during 2007. In Europe, demand continued to rise in the fourth quarter and total production of trailers rose by about 30% during 2007. Demand also increased in Asia, where production rose about 20%.

During 2008, the production of trailers is expected to increase by an additional 10,000 units, or by 10% per quarter in relation to 2007. In North America, production is expected to rise modestly in stages during 2008. On an annual basis, however, production is expected to be lower than in 2007.

Construction machinery

The European market for construction machinery showed continued growth in both the fourth quarter and full-year 2007, with production rising 12%. In North America, the production rate for construction machinery declined by 10% in 2007, with the market continuing to slacken during the fourth quarter. Most of Haldex's North American customers had expected a stronger market in the second half of 2007, compared with the first half. This did not materialize, since the decline in the construction of new housing reduced demand.

During 2008, market conditions in North America and Europe are expected to remain unchanged.

Forklifts

Continued strong growth was noted for the European market for forklifts in the fourth quarter, which rose by a total of 20% during 2007. In North America, production declined by some 10% in 2007. For 2008, production is expected to rise somewhat in both Europe and North America.

Cars

In 2007, the number of cars produced declined 2% in North America and rose 6% in Europe compared with 2006. During 2008, production is expected to remain unchanged in North America and Europe, and to rise somewhat in South America.

Outlook for 2008 (excluding effect of the acquisition of Concentric)

Sales in 2008 are expected to increase somewhat compared with 2007. The increase is mainly attributable to new products, such as the Alfdex system and disc brakes, and from increased volumes within the Traction Systems division.

Operating income for 2008 is expected to improve compared with 2007 (excluding restructuring costs). The improved earnings will derive mainly from productivity improvements within the Wire division, the restructuring of the Friction Products business unit, earnings improvements for disc brakes and increased sales volumes.

Parent Company

Haldex AB is the Parent Company of the Haldex Group. Haldex AB provides head-office functions, including a central finance function.

Acquisition of operations

During the year, Haldex acquired Runguang Hydraulics. Runguang Hydraulics has been consolidated in the Group's income statement and balance sheet since April 1, 2007.

Preliminary acquisition analysis concerning Runguang Hydraulics

SEK m

Acquisition price	49
Fair value of acquired net assets	32
Goodwill	17
Acquired assets and liabilities	
Fixed assets	48
Current assets	72
Long-term liabilities	-3
Current liabilities	-85
Acquired net assets	32

Employees

The number of employees at the end of the year totaled 5,966 (4,785). The increase was primarily related to the acquisition of Runguang Hydraulics. Within CVS and the Hydraulics divisions, sharp workforce reductions, in addition to the closure of the plant in Prattville, were implemented in North America to adapt the operations to lower production volumes.

Buybacks of own shares

In June, the Board of Directors made a decision to buy back own shares. A total of 145,000 shares were bought back that same month at an average price of SEK 165 per share. The number of treasury shares after the buyback amounts to 21,919,730.

The Board of Directors has decided to propose that the 2008 Annual General Meeting renew its buyback authorization.

Dividend

The Board of Director's policy for distributing unrestricted capital to the shareholders remains unchanged, whereby one-third of 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. In 2006, an increase in net profit enabled an increase in the dividend for the 2006 fiscal year to SEK 4.50 per share. For the 2007 fiscal year, the Board proposes that the dividend to shareholders remain unchanged, SEK 4.50.

Incentive program

In April, the Haldex Annual General Meeting adopted a resolution to introduce a long-term, performance-based incentive program under which senior executives and key personnel will be allotted employee stock options, on condition that the participants become shareholders via private investment in Haldex shares on the market. Each share purchased on the market entitles the buyer to 10 free personal stock options, each of which entitles the bearer to acquire one Haldex share. A further precondition for the option allotments is that Haldex's earnings before tax have increased by more than 7% in relation to the preceding fiscal year. Maximum allotment will occur on condition that earnings before tax increase by 20% or more in relation to the preceding fiscal year. Pursuant to the Board's resolution, the employee options will be issued in three series in the years 2008, 2009 and 2010. Based on the company's current earnings forecast, none of the 2008 options are expected to be allotted. For detailed information about the program, please visit the Haldex website at www.haldex.com.

Significant risks and uncertainties

The Group and Parent Company are exposed to risks of a financial and operational nature. The Group has a continuous process for risk management and identification of risks, as described in the Haldex 2006 Annual Report. No significant changes in assessed risks or risk management occurred in 2007.

Related party transactions

There have been no transactions between Haldex and related parties that have significantly affected the company's position and earnings.

Accounting principles

This year-end report has been prepared in accordance with the IAS 34, Interim Reporting, and the Swedish Financial Accounting Standards Council's recommendation RR31, Interim Reporting for Groups. The same accounting principles and calculating methods have been used in the year-end report as in the 2006 Annual Report, except for the change in the Annual Accounts Act that led to a change in the Parent Company's reporting, as described below.

Fair value reserve

Value changes that result from currency exchange rate changes and affect monetary items that comprise part of the Company's net investment in a foreign entity are no longer reported in the income statement of the Parent Company, Haldex AB, as of 2007. Due to a change in the Swedish Annual Accounts Act, such value changes are instead recognized directly in equity via the Fair Value Reserve.

Shared-based payment

A new employee option program was adopted at the Annual General Meeting on April 12, 2007. The option program will be reported in accordance with IFRS 2, Share-Based Payment. A value for the program will be calculated as of the allotment date to serve as the basis for the cost, which will then be reported on an accrual basis over the earning period of the program. Reserves for social welfare costs will be reported on a current basis, and in accordance with URA 46.

Reclassification of financial income

Haldex recognizes its financial income within operating income. Due to an amended interpretation of IAS 1, financial income will be reclassified as part of net financial items as of 2008. Operating income for 2007 includes financial income of SEK 13 m (15).

Annual General Meeting

The Annual General Meeting will be held at 4 p.m. on Thursday, April 15, 2008 at the IVA Conference Center, Grev Turegatan 16, Stockholm.

Future reporting dates

Interim Report January-March 2008	25 April 2008
Interim report January-June 2008	18 July 2008
Interim Report January-September 2008	24 October 2008

Stockholm, February 22, 2008

Joakim Olsson

President and Group CEO

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Corporate Registration Number 551060-1155

Consolidated income statement

<i>Amounts in SEK m</i>	Oct-Dec		Full-year	Full-year
	2007	2006	2007	2006
Net sales	1 955	1 897	7 940	7 890
Cost of goods sold	-1 527	-1 473	-6 191	-6 037
Gross income	428	424	1 749	1 853
	21.9%	22.4%	22.0%	23.5%
Sales, administrative & product development costs	-394**	-340	-1 504**	-1 495
Other operating income & expenses	16	6	57*	32*
Operating income	50	90	302	390
Financial expense	-18	-14	-80	-75
Earnings before tax	32	76	222	315
Taxes	-25	55	-81	-5
Net profit	7	131	141	310
<i>of which minority interests</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>2</i>
Earnings per share, SEK	0.27	5.88	6.24	13.96
Avg. no. of shares (000)	21 920	22 065	21 980	22 065

Consolidated income statement by type of cost

<i>Amounts in SEK m</i>	Oct-Dec		Full-year	Full-year
	2007	2006	2007	2006
Net sales	1 955	1 897	7 940	7 890
Direct material costs	-1 038	-1 002	-4 204	-4 094
Personnel costs	-473	-477	-1 965	-1 947
Depreciation	-71	-58	-281	-272
Other operating income & expenses	-323	-270	-1 188*	-1 187*
Operating income	50	90	302	390
Financial expense	-18	-14	-80	-75
Earnings before tax	32	76	222	315
Taxes	-25	55	-81	-5
Net profit	7	131	141	310
<i>of which minority interests</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>2</i>

*) Forthcoming reclassification; see page 11

***) Including restructuring costs of SEK 50 m (29)

Consolidated balance sheet

<i>Amounts in SEK m</i>	<i>Dec 31 2007</i>	<i>Dec 31 2006</i>
Goodwill	425	414
Other intangible assets	286	207
Tangible fixed assets	1 501	1 406
Financial fixed assets	142	182
Financial derivative instruments	-	17
Total fixed assets	2 354	2 226
Inventories	1 055	886
Current receivables	1 471	1 312
Financial derivative instruments	20	59
Cash, bank and current investments	182	250
Total current assets	2 728	2 507
Total assets	5 082	4 733
Total shareholders' equity	1 871	1 898
Pension liabilities	334	319
Deferred taxes	90	113
Long-term loans	1 293	1 152
Financial derivative instruments	-	1
Other long-term liabilities	24	24
Total long-term liabilities	1 741	1 609
Financial derivative instruments	22	11
Short-term loans	155	33
Current operating liabilities	1 293	1 182
Total current liabilities	1 470	1 226
Total liabilities and shareholders' equity	5 082	4 733

Consolidated changes in shareholders' equity

<i>Amounts in SEK m</i>	<i>Dec 31 2007</i>	<i>Dec 31 2006</i>
Opening balance	1 898	1 890
Increase in minority share of shareholders' equity	+7	-
Dividend to Haldex AB's shareholders	-99	-88
Dividend to minority shareholders	-1	-
Exchange-rate difference	-32	-211
Hedging reserve (IAS 39)	-19	-3
Buyback of own shares	-24	-
Net profit	141	310
Closing balance	1 871	1 898
<i>of which minority interests</i>	<i>14</i>	<i>4</i>

Consolidated cash-flow statement

<i>Amounts in SEK m</i>	<i>Full-year 2007</i>	<i>Full-year 2006</i>
Operating income	302	390
Reversal of depreciation and impairment losses	300	272
Interest paid	-79	-75
Taxes paid	-59	-99
Gross cash-flow from operations	464	488
Change in working capital	-152	-86
<i>Cash-flow from operations</i>	<i>312</i>	<i>402</i>
Net investments	-453	-409
Corporate acquisitions	-49	-31
<i>Cash-flow from investments</i>	<i>-502</i>	<i>-440</i>
Dividend to Haldex AB's shareholders	-99	-88
Dividend to minority shareholders	-1	-
Buyback of own shares	-24	-
Change in loans	249	140
Change in long-term receivables	-9	-3
<i>Cash-flow from financing</i>	<i>116</i>	<i>49</i>
Change in cash and bank assets, excl. exchange-rate difference	-74	11
Cash and bank assets, opening balance	250	254
Exchange-rate difference in cash and bank assets	6	-15
Cash and bank assets, closing balance	182	250

Key figures	<i>Full-year 2007</i>	<i>Full-year 2006</i>
Operating margin, excl. restructuring costs	4.4	5.3
Operating margin,%	3.8	4.9
Capital turnover rate, x	2.2	2.3
Return on capital employed,%	8.3	11.5
Return on shareholders' equity,%	7.3	16.6
Interest coverage ratio, x	3.8	5.2
Equity/assets ratio,%	37	40
Debt/equity ratio,%	85	66
Share data	<i>Full-year 2007</i>	<i>Full-year 2006</i>
Earnings after tax, SEK	6.24	13.96
Shareholders' equity, SEK	85.36	86.02
Avg. number of shares, thousands	21 980	22 065
Number of shares at period end, thousands	21 920	22 065
Market price, SEK	113.50	163.50

Quarterly report

Amounts in SEK m

	2007					2006				
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>Full-year 2007</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>Full- year 2006</i>
Net sales	2 060	2 030	1 895	1 955	7 940	2 076	2 047	1 870	1 897	7 890
Cost of goods sold	-1 591	-1 568	-1 505	-1 527	-6 191	-1 569	-1 566	-1 429	-1 473	-6 037
Gross earnings	469	462	390	428	1 749	507	481	441	424	1 853
	22.8%	22.8%	20.6%	21.9%	22.0%	24.4%	23.5%	23.6%	22.4%	23.5%
Sales, administrative & prod. development costs	-391	-382	-337	-394	-1 504	-394	-394	-367	-340	-1 495
Other operating income & expenses	12	17	12	16	57	10	11	5	6	32
Operating income	90	97	65	50	302	123	98	79	90	390
Financial expenses	-20	-19	-23	-18	-80	-20	-24	-17	-14	-75
Earnings before tax	70	78	42	32	222	103	74	62	76	315
Taxes	-23	-28	-5	-25	-81	-28	-17	-15	55	-5
Earnings for the period	47	50	37	7	141	75	56	47	131	310
of which minority interests	1	0	2	1	4	1	-	-	1	2
Earnings per share, SEK	2.12	2.24	1.61	0.27	6.24	3.37	2.55	2.16	5.88	13.96
Operating margin, excl. restructuring costs	4.3	4.8	3.4	5.1	4.4	5.9	5.4	5.0	4.7	5.3
Operating margin,%	4.3	4.8	3.4	2.5	3.8	5.9	4.8	4.2	4.7	4.9
Cash-flow after net investments	-72	-88	-126	145	-141	-84	-31	-28	136	-7
Return on capital employed*),%	10.4	10.3	9.6	8.3	8.3	12.1	11.3	11.3	11.5	11.5
Return on equity*),%	15.0	14.7	13.9	7.3	7.3	15.2	14.1	14.2	16.6	16.6
Equity/assets ratio,%	40	37	37	37	37	39	38	39	40	40
Investments	94	109	103	130	436	89	109	72	150	420
R&D,%	4.4	4.2	4.1	4.2	4.2	4.4	4.5	4.2	4.6	4.4
Number of employees *)	4 702	4 997	5 263	5 519	5 519	4 644	4 671	4 649	4 683	4 683

*) rolling 12 months

Parent Company income statement

<i>Amounts in SEK m</i>	<i>Full-year 2007</i>	<i>Full-year 2006</i>
Net sales	43	28
Administrative costs	-83	-75
Operating loss	-40	-47
Dividends from Group companies	117	4
Group contributions	117	137
Other financial items	7	43
Earnings/loss before tax	201	137
Change in tax allocation reserve	-7	-25
Taxes	-13	-32
Net profit	181	80

Parent Company's balance sheet	<i>Dec 31</i>	<i>Dec 31</i>
<i>Amounts in SEK m</i>	<i>2007</i>	<i>2006</i>
Tangible fixed assets	3	2
Financial fixed assets	1 776	1 770
Financial derivative instruments	0	8
Total fixed assets	1 779	1 780
Current receivables	26	12
Receivables from subsidiaries	1 335	1 154
Financial derivative instruments	47	83
Cash, bank and short-term investments	44	110
Total current assets	1 452	1 359
Total assets	3 231	3 139
Total shareholders' equity	1 110	1 067
Untaxed reserves	188	181
Pension liabilities	13	10
Other provisions	11	9
Long-term loans	1 249	1 118
Due to subsidiaries	5	5
Financial derivative instruments	0	8
Total long-term liabilities	1 278	1 150
Current operating liabilities	28	39
Due to subsidiaries	582	634
Financial derivative instruments	45	68
Total current liabilities	655	741
Total liabilities and shareholders' equity	3 231	3 139

Segment reporting

Amounts in SEK m

	I	II	III	IV	Full-year 2007	I	II	III	IV	Full-year 2006
<i>Commercial Vehicle Systems</i>										
Net sales	1 212	1 161	1 090	1 066	4 529	1 245	1 244	1 152	1 123	4 765
Operating income, (**)	50	50	34	32	166	72	68	50	42	232
Operating income	50	50	34	-18	116	72	68	35	42	217
Operating margin, % (**)	4.1	4.3	3.1	3.0	3.7	5.8	5.5	4.3	3.7	4.9
Operating margin, %	4.1	4.3	3.1	-	2.6	5.8	5.5	3.0	3.7	4.6
Assets	2 850	2 912	2 837	2 845	2 845	2 927	2 909	2 813	2 713	2 713
Liabilities	756	704	635	672	672	715	653	614	629	629
Return on capital employed*), %	8.3	7.5	7.5	4.9	4.9	7.8	8.2	8.2	9.3	9.3
Investments	42	65	45	92	244	49	57	43	79	228
Depreciation	38	33	33	36	140	41	36	38	37	153
Number of employees*)	3 066	3 063	3 031	3 149	3 149	3 060	3 066	3 039	3 067	3 067
<i>Hydraulic Systems</i>										
Net sales	336	386	369	376	1 467	344	330	339	319	1 331
Operating income	20	22	18	28	88	25	18	23	25	90
Operating margin, %	6.0	5.7	4.9	7.5	6.0	7.3	5.5	6.8	7.7	6.8
Assets	602	792	777	781	781	582	581	575	560	560
Liabilities	191	253	257	265	265	168	158	173	173	173
Return on capital employed*), %	19.2	19.0	16.9	16.6	16.6	23.3	22.2	22.7	20.8	20.8
Investments	18	25	17	29	89	11	14	10	26	61
Depreciation	14	15	15	14	58	15	14	15	2	46
Number of employees*)	919	1 202	1 489	1 591	1 591	883	894	900	905	905
<i>Garphyttan Wire</i>										
Net sales	289	285	255	266	1 095	284	272	226	267	1 049
Operating income, (**)	11	16	1	18	46	14	14	9	18	55
Operating income	11	16	1	18	46	14	0	9	18	41
Operating margin, (**)	3.7	5.7	0.4	6.8	4.2	4.8	5.1	4.0	6.7	5.2
Operating margin, %	3.7	5.7	0.4	6.8	4.2	4.8	0	4.0	6.7	3.9
Assets	640	668	642	650	650	595	630	606	608	608
Liabilities	231	247	207	221	221	194	216	195	205	205
Return on capital employed*), %	8.5	11.9	9.9	9.9	9.9	19.0	11.6	10.7	9.6	9.6
Investments	3	7	5	5	20	16	25	13	21	75
Depreciation	16	11	7	10	44	11	9	11	10	41
Number of employees*)	460	462	465	482	482	470	470	465	462	462
<i>Traction Systems</i>										
Net sales	223	198	182	245	848	203	201	153	188	745
Operating income	9	9	11	21	50	10	14	12	12	48
Operating margin, %	4.1	4.7	6.0	8.6	5.9	4.7	7.0	7.8	6.5	6.5
Assets	399	414	478	433	433	316	332	337	352	352
Liabilities	226	229	233	258	258	172	182	158	195	195
Return on capital employed*), %	26.6	22.4	18.9	21.3	21.3	21.0	25.4	25.9	27.3	27.3
Investments	31	12	36	16	95	13	13	7	22	55
Depreciation	8	9	10	13	40	8	7	8	8	31
Number of employees*)	257	270	279	296	296	231	241	245	249	249
<i>Not broken down by segment</i>										
Operating income	-	-	-	-	-	3	-3	-	-7	-7
Financial expenses	-20	-19	-23	-18	-80	-21	-23	-17	-14	-75
Taxes	-23	-28	-5	-25	-81	-28	-17	-15	55	-5
Assets	466	383	360	372	372	455	424	343	500	500
Liabilities	1 588	1 850	1 897	1 796	1 796	1 717	1 750	1 704	1 634	1 634

*) rolling 12 months

**) excluding restructuring