

HALDEX INTERIM REPORT

January - September 2014

Higher growth rate and further improvement in operating margin

July - September

- Net sales amounted to SEK 1,123 (994) m, equivalent to a growth of 13% compared with the same period of the previous year. After currency adjustments, net sales increased by 7%.
- Operating income excluding one-off items amounted to SEK 113 (84) m, corresponding to an operating margin of 10.1 (8.4)%. Including one-off items, operating income was SEK 15 (89) m and operating margin was 1.3 (9.0)%.
- Negotiations with the German trade unions were completed in Q3. The plans for all plants affected by the previously announced restructuring program have thus been finalized. Haldex' estimate has now been revised with new total annual savings of SEK 85 m and total costs of SEK 250 m, with cash effects of SEK 100 m.
- Net income was impacted by one-off items in the amount of SEK 98 (+5) m in Q3, related to the restructuring program.
- Net income after tax totaled SEK -22 (46) m and earnings per share totaled SEK -0.53 (1.03). Earnings per share excluding costs for restructuring amounted to SEK 1.51 (1.03) per share.
- Cash flow from operating activities totaled SEK 112 (94) m. There was a negative impact on cash flow in the amount of SEK 4 (2) m in Q3 due to one-off items.

Event after the reporting period

- Haldex announced updated financial targets on October 2, 2014: organically grow faster than the market (weighted segment volume), sustainable operating margin of 10% or above, net debt/equity ratio less than 1, and 1/3 of the yearly, over a business cycle, net income in dividend.

Key figures	Jul-Sep			Jan-Sep		
	2014	2013	Change	2014	2013	Change
Net sales, SEK m	1,123	994	13%	3,288	3,012	9%
Operating income, excl. one-off items, SEK m	113	84	35%	307	215	43%
Operating income, SEK m	15	89	-83%	201	100	101%
Operating margin, excl. one-off items, %	10.1	8.4	1.7	9.3	7.1	2.2
Operating margin, %	1.3	9.0	-7.7	6.1	3.3	2.8
Return on capital employed, excl. one-off items, % ¹	19.6	12.6	7.0	19.6	12.6	7.0
Return on capital employed, % ¹	13.5	6.4	7.1	13.5	6.4	7.1
Net income, SEK m	-22	46	-	90	26	246%
Earnings per share, SEK	-0.53	1.03	-	1.94	0.54	257%
Cash flow, operating activities, SEK m	112	94	18	231	211	20

¹ 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 7:20 CET on Wednesday, November 5, 2014.

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



Innovative Vehicle Solutions



Bo Annvik
President and CEO

CEO comment

We have worked on streamlining and focusing our business over the past two years. The profitability improvements achieved during the first three quarters of this year are a result of this work. In addition, we have achieved growth after essentially unchanged net sales several years in a row. The market situation in North America remains positive, which has contributed to the strength of our sales in Q3. Market signals are weaker in Europe, but we are getting a boost there from the success of our disc brakes, which are continuing to take market shares.

Haldex aims to enter a phase of profitable growth, which may also include acquisitions. Haldex has met three of four financial targets during the past quarters. Our operating margin has exceeded its 7% target, the net debt/equity ratio has been below 1 percent and more than one-third of our 2013 profit has been distributed to shareholders. However, we failed to meet our 7% growth target, and it is also expressed in a way that is not linked to the cyclical industry we operate in. We have therefore raised the bar with new profitability targets and described the growth target in a more relevant manner. To grow faster than the market with higher profitability than before, is an aggressive target for a company that has had unchanged net sales for several years. I am confident that Haldex is ready to face up to the challenge of achieving profitable growth in a sustainable manner, which will continue to add long-term value for shareholders, customers and employees.

Industry production trends

Produced units Industry forecast ¹	Jul-Sep 2014	Jul-Sep 2013	Change	Full year 2014	Full year 2013	Change	Importance for Haldex sales ²
Truck							
North America	76,908	63,373	21%	292,574	243,003	20%	Moderate
Europe	101,414	106,983	-5%	411,549	441,457	-7%	Minor
China	143,311	162,300	-12%	742,245	760,581	-2%	Minor
India	28,433	22,188	28%	117,498	92,723	27%	Minor
South America	34,338	42,188	-19%	127,771	148,893	-14%	Minor
All regions	384,404	397,032	-3%	1,691,637	1,686,657	0%	
Trailer							
North America	79,800	64,904	23%	291,658	252,885	15%	Moderate
Europe	64,356	58,088	11%	262,679	242,035	9%	Moderate
China	57,200	60,650	-6%	266,200	246,050	8%	Minor
India	6,234	2,390	161%	22,773	12,574	81%	Minor
South America	19,866	22,264	-11%	65,670	82,564	-20%	Minor
All regions	227,456	208,296	9%	908,980	836,108	9%	

Truck

It is estimated that a total of 384,404 heavy trucks were produced in Q3, which is a 3% decrease compared to the same period of the previous year. In North America, the forecast rose by 21%, while it fell by 5% in Europe and 12% in China. In India, the forecast increased by 28%, while falling by 19% in South America. However, Haldex's sales are less dependent on the trend in the latter mentioned regions.

Trailer

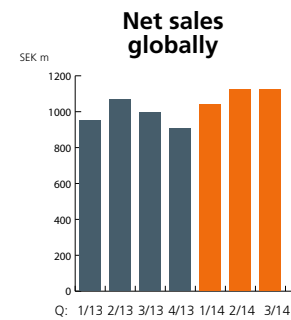
It is estimated that 227,456 trailers were produced in Q3, which is a 9% increase from the same period of the previous year. The forecast for the two most important regions for Haldex, North America and Europe, showed similar trends, with a 23% increase in North America and a 11% increase in Europe. The build rate fell by 6% in China and 11% in South America. In India, the build rate increased by approximately 4,000 units, for a grand total of 161%.

¹ 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.

² 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.

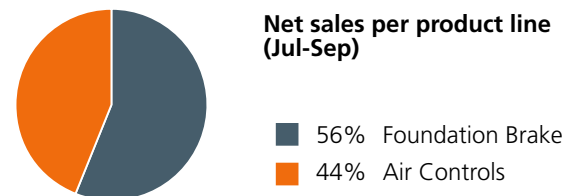
Net sales for the Group

Net sales in Q3 amounted to SEK 1,123 m, compared to SEK 994 m for the same period of the previous year. Adjusted for currency differences, net sales increased by 7% compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 3,288 (3,012) 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 630 (529) m in Q3. After currency adjustments, this is a 13% increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,809 (1,617) m, which is equivalent to currency-adjusted growth of 10%.

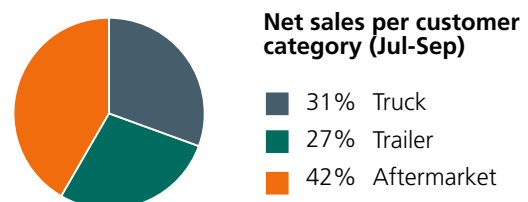
Net sales within Air Controls amounted to SEK 493 (465) m in Q3. After currency adjustments, there is no change compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,479 (1,395) m, which is equivalent to currency-adjusted growth of 3%.

Net sales, SEK m	Jul-Sep			Jan-Sep		
	2014	2013	Change ¹	2014	2013	Change ¹
Foundation Brake	630	529	13%	1,809	1,617	10%
Air Controls	493	465	0%	1,479	1,395	3%
Total	1,123	994	7%	3,288	3,012	7%

¹ 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 344 (312) m in Q3. After currency adjustments, this is a 5% increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 953 (866) m, which is equivalent to currency-adjusted growth of 9%. Net sales within Trailer amounted to SEK 309 (249) m in Q3. After currency adjustments, this is a 18% increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK



957 (831) m, which is equivalent to currency-adjusted growth of 12%. Net sales to the Aftermarket amounted to SEK 470 (433) m in Q3. After currency adjustments, this is a 3% increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,378 (1,315) m, which is equivalent to currency-adjusted growth of 2%.

Net sales, SEK m	Jul-Sep			Jan-Sep		
	2014	2013	Change ¹	2014	2013	Change ¹
Truck	344	312	5%	953	866	9%
Trailer	309	249	18%	957	831	12%
Aftermarket	470	433	3%	1,378	1,315	2%
Total	1,123	994	7%	3,288	3,012	7%

¹ 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 370 (345) m in Q3. This corresponds to a 3% currency-adjusted increase compared to the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,162 (1,047) m, which is equivalent to currency-adjusted growth of 7%.

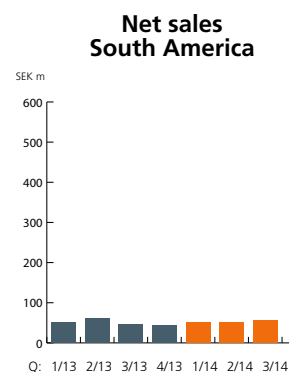
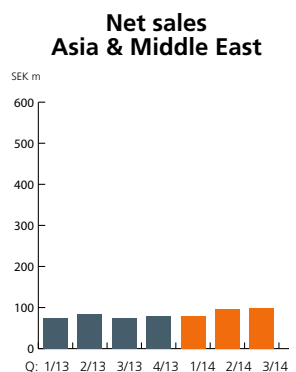
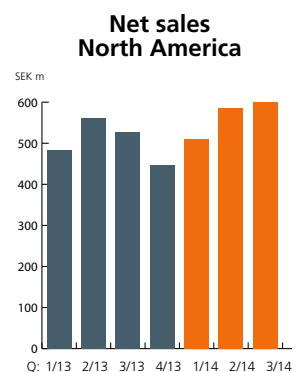
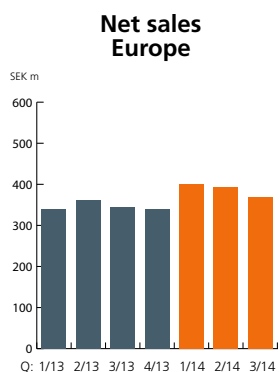
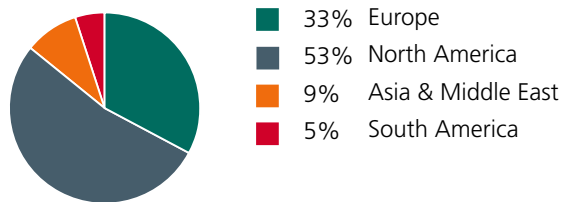
In North America, the distribution between Truck and Trailer is more evenly distributed than in Europe. In this case, the aftermarket accounts for a significant ratio of sales as well. In North America, net sales amounted to SEK 600 (527) m in Q3. After currency adjustments, net sales increased by 7% in Q3 compared with the same period of the previous year. Net sales for the first nine months of the year totaled SEK 1,696 (1,573) m, which is equivalent to currency-adjusted growth of 6%.

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's sales are more focused on Truck than on Trailer. The aftermarket accounts for a small proportion of sales. In Asia and

the Middle East, net sales amounted to SEK 98 (75) m in Q3. After currency adjustments, net sales increased by 22% in Q3 compared with the same period of the previous year. Net sales for the first nine months of the year totaled SEK 272 (233) m, which is equivalent to currency-adjusted growth of 14%.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q3 totaled SEK 55 (47) m, which, after currency adjustments, is a 9% increase. Net sales for the first nine months of the year totaled SEK 158 (159) m, which is equivalent to currency-adjusted growth of 5%.

Net sales per region (Jul-Sep)



Net sales, SEK m	Jul-Sep 2014	Jul-Sep 2013	Change ¹	Jan-Sep 2014	Jan-Sep 2013	Change ¹
	Europe	370	345	3%	1,162	1,047
North America	600	527	7%	1,696	1,573	6%
Asia & Middle East	98	75	22%	272	233	14%
South America	55	47	9%	158	159	5%
Total	1,123	994	7%	3,288	3,012	7%

¹ Currency adjusted

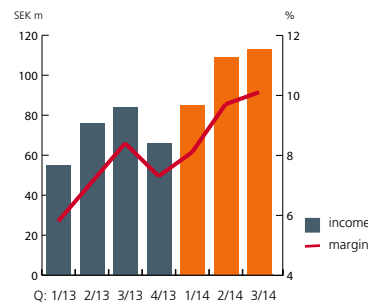
Earnings

Operating income for Q3 excluding one-off items amounted to SEK 113 (84) m, which is equivalent to an operating margin of 10.1 (8.4)%. The operating income and operating margin including one-off items amounted to SEK 15 (89) m and 1.3 (9.0)%, respectively. For the first nine months of the year, the operating income excluding one-off items amounted to SEK 307 (215) m. The corresponding figure including one-off items was SEK 201 (100) m. This is equivalent to an operating margin of 9.3 (7.1)% and 6.1 (3.3)%, respectively.

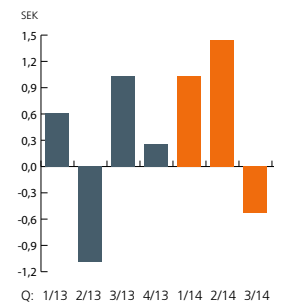
The income before tax totaled SEK 8 (76) m for Q3 and SEK 181 (68) m for the first nine months of the year. Income before tax for the quarter was affected negatively by one-off items amounting to SEK 98 (+5) m, related to the restructuring program. The corresponding effect on the first nine months of the year was of a negative impact of SEK 106 (115) m net.

The net income after tax totaled SEK -22 (46) m for Q3 and SEK 90 (26) m for the first nine months of the year. Earnings per share to-

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



Earnings per share



tailed SEK -0.53 (1.03) m for Q3 and SEK 1.94 (0.54) m for the first nine months of the year. Excluding costs for restructuring, earnings per share totaled SEK 1.51 (1.03) per share for Q3 and SEK 4.14 (2.55) for the first nine 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 income excluding one-off items, at SEK 11 m for Q3 and SEK 19 m for the first nine months of the year, compared with the same period of the previous year.

Earnings	Jul-Sep			Jan-Sep		
	2014	2013	Change	2014	2013	Change
Operating income, excl. one-off items, SEK m	113	84	35%	307	215	43%
Operating income, SEK m	15	89	-83%	201	100	101%
Operating margin, excl. one-off items, %	10.1	8.4	1.7	9.3	7.1	2.2
Operating margin, %	1.3	9.0	-7.7	6.1	3.3	2.8
Net income, SEK m	-22	46	-	90	26	246%
Earnings per share, SEK	-0.53	1.03	-	1.94	0.54	257%

Restructuring program

Haldex announced a restructuring program in 2013 which included 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.

An extensive part of the program is related to moving large sections of the company's manufacturing from Germany to Hungary. The negotiations with the German trade unions were initiated the summer of 2013 and were completed in September 2014. After restructuring, air suspension products and the brake system EBS will continue to be manufactured at the Heidelberg plant, while other production is gradually reduced in 2015, with a significant portion moving to Hungary. After restructuring, the Heidelberg plant will have approximately 100 employees in comparison to its current workforce of 185. With the completion of the German negotiations, the

plans for all plants affected by the program have been finalized. The German plan will be implemented from September 2014 until the end of 2015.

In conjunction with the announcement of the restructuring program, Haldex estimated total annual savings of SEK 100 m and total costs of SEK 250 m, with cash effects of approximately SEK 150 m. This estimate of the program's savings has now been revised with new total annual savings of SEK 85 m and total costs of SEK 250 m, with cash effects of SEK 100 m. The reason for the revised numbers is changes in the German part of the program compared to the original plan and a write down related to one of the products affected by the restructuring in Heidelberg.

From the start of the restructuring program to Q3 2014, SEK 237 m has been recognized as costs in conjunction with activities in the UK, Germany, Brazil, Sweden and Hungary, with SEK 87 m in restructuring costs and SEK 150 m in impairment losses. Of these costs, SEK 129 m has been recognized in 2013, SEK 108 m year to date in 2014, of which SEK 98 m in Q3 2014. Two-thirds of the payments remains.

Financial position

As of September 30, 2014, the Group's net debt amounted to SEK 413 (416) m. Excluding pension liabilities net debt has decreased to SEK 40 (135) m. Shareholders' equity amounted to SEK 1,199 (1,114) m, resulting in an equity ratio of 44 (45)%

Haldex's primary sources of loan financing comprise:

- A bond loan of SEK 270 m with renewed maturing set to January 2020.
- A syndicated credit facility of USD 95 m, maturing in 2016. At the end of Q3, USD 5 m of the facility had been utilized.

Contingent liabilities and pledged assets

Haldex has identified a product related risk that will result in a field inspection campaign. In the current situation, it is difficult to assess the size of any liability but the assessment is that it can amount to a maximum of SEK 35 m. There has been no other changes in contingent liabilities during the period. During 2014, there have been no changes in pledged assets.

Net debt, SEK m	Sep 30 2014	Sep 30 2013	Change
<i>Assets as part of the net debt:</i>			
Cash and cash equivalents	292	307	-5%
<i>Liabilities as part of the net debt:</i>			
Interest-bearing liabilities	-320	-442	-27%
Pension liabilities ¹	-373	-281	33%
Derivative instruments for loans in foreign currency	-12	0	-
Net debt in total	-413	-416	-1%

¹ The change of pension liabilities are primarily related to variations in actuarial assumptions.

Cash flow and cash equivalents, SEK m	Jul-Sep			Jan-Sep		
	2014	2013	Change	2014	2013	Change
Cash flow, operating activities	112	94	18	231	211	20
Cash flow after investment activities	59	79	-20	141	174	-33
Cash and cash equivalents (at end of period)	292	307	-15	292	307	-15

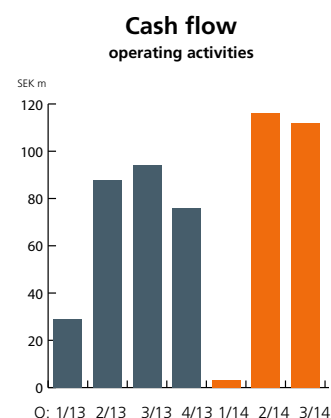
Taxes

The tax rate, excluding costs for restructuring and associated tax rates, totaled 35 (38)% for Q3. The company's tax expenses for the first nine months of the year totaled SEK 91 (42) m, which is equal to a tax rate of 51 (62)%. One-off items – primarily restructuring costs including impairment losses – are mainly part of the European operations. Deferred tax assets pertaining to loss carry forwards are recognized to the extent it is probable that the losses will be used to offset future taxable profit. The tax rate for the 2013 full year, excluding one-off items, was 39%.

Cash flow

Cash flow from operating activities amounted to SEK 112 (94) m in Q3, which was negatively impacted by one-off items in the amount of SEK 4 (2) m. For the first nine months of the year, cash flow from operating activities totaled SEK 231 (211) m. On May 5, a dividend of SEK 89 (44) m was paid to the shareholders.

The total value of investments in the first nine months of the year was SEK -112 (-60) m. There was also a positive cash flow from the divestment of a property in the amount of SEK 22 (23) m, resulting in a cash flow after investment for Haldex of SEK 141 (174) m. Cash flow totaled SEK -51 (-34) m for the first nine months of the year.



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 Stockholm, Mid Cap. The net sales of the parent company in the first nine months of the year amounted to SEK 65 (25) m, while the net income after tax was SEK 82 (6) m. This net income includes dividends from Group companies amounting to SEK 61 (23) m.

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.

Corporate acquisitions and divestments

There were no acquisitions or divestments in 2014.

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.

Seasonal effects

Haldex does not have any significant seasonal variations. Sales are however affected by the production schedules of Haldex's customers, which results in lower sales during vacation periods and when customers are closed for public holidays such as the holidays at the end of the year.

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.

Changed estimates and assumptions

Assessment of discount rates for the valuation of pension liabilities are made continuously, resulting in an increase in debt of SEK 71 m in 2014, of which SEK 31 m are related to Q3.

Employees

At the end of Q3, the number of employees was 2,217 (2,130), which is 15 less than at the end of Q2.

Annual General Meeting

Haldex will hold its Annual General Meeting on April 28, 2015 at 4:00 p.m. at Haldex in Landskrona, Sweden. The annual report will be available on the Company's website no later than three weeks before the meeting.

Election committee

The election committee is to consist of four members, represented by the four owners with the largest number of votes immediately preceding the announcement of the committee's composition. Göran Carlson (through companies), Frank Larsson (Handelsbanken Fonder), Anders Algotsson (AFA Försäkring) and Erik Törnberg (Creades) will be serving on the election committee for the 2015 Annual General Meeting. Together, they represent 16.2% of the votes in Haldex AB as of September 30, 2014. Göran Carlson has been appointed chairman of the election committee.

Updated financial targets

Haldex has met three of four financial targets during the past quarters. The operating margin has exceeded its target of 7%, the net debt/equity ratio has been below 1 and more than one-third of the profit for 2013 has been distributed to shareholders in dividend. The 7% growth target has however not been met, and Haldex has grown at pace with the market. Haldex announced updated financial targets on October 2, 2014:

- Organically grow faster than the market (weighted segment volume).
- Sustainable operating margin of 10% or above.
- Net debt/equity ratio less than 1.
- 1/3 of the yearly net income over a business cycle in dividend.

A more detailed explanation of our business concept, strategy and business model can be found on page 16 of this interim report.

Landskrona November 5, 2014

Bo Annvik

Preseident & CEO

This interim report has been reviewed by the company's auditors.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Haldex AB (publ) (556010-1155) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Landskrona 5 November 2014

Bror Frid

Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund

Authorized Public Accountant
Öhrlings PricewaterhouseCoopers AB

Consolidated income statement

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net sales	1,123	994	3,288	3,012	3,920
Cost of goods sold	-797	-704	-2,353	-2,163	-2,827
Gross income	326	290	935	849	1 093
<i>Gross margin</i>	<i>29.0%</i>	<i>29.2%</i>	<i>28.4%</i>	<i>28.2%</i>	<i>27.9%</i>
Selling, admin. and product development costs	-224	-212	-650	-649	-839
Other operating income and expenses ¹	-87	11	-84	-100	-101
Operating income ¹	15	89	201	100	153
Financial income and expenses	-7	-13	-20	-32	-43
Income before tax	8	76	181	68	110
Tax	-30	-30	-91	-42	-72
Net income	-22	46	90	26	38
<i>attributable to non-controlling interests</i>	<i>1</i>	<i>1</i>	<i>4</i>	<i>2</i>	<i>3</i>
Earnings per share, before and after dilution, SEK	-0.53	1.03	1.94	0.54	0.80
Average No. of shares, thousands	44,204	44,204	44,204	44,206	44,206

Operating income, by nature of expenses

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net sales	1,123	994	3,288	3,012	3,920
Direct material costs	-614	-539	-1,791	-1,650	-2,138
Personnel costs	-221	-202	-662	-623	-832
Depreciation and amortization	-86	-34	-156	-202	-138
Other operating income and expenses	-187	-130	-478	-437	-659
Operating income ¹	15	89	201	100	153

1) One-off items included in the operating income

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Operating income, including one-off items	15	89	201	100	153
Restructuring costs	-46	-	-56	-22	-30
Impairment of assets	-52	-	-52	-98	-98
Other	-	5	2	5	-
Operating income, excluding one-off items	113	84	307	215	281

Consolidated statement of comprehensive income

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net income	-22	46	90	26	38
Other comprehensive income/loss					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-28	34	-60	39	38
Total	-28	34	-60	39	38
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	69	-44	113	-30	-3
Changes in financial instruments at fair value, after tax	4	0	2	-2	-3
Total	73	-44	115	-32	-6
Total other comprehensive income/loss	45	-10	55	7	32
Total comprehensive income	23	36	145	33	70
<i>attributable to non-controlling interests</i>	2	-1	5	-1	1

Consolidated statement of financial position

SEK m	Sep 30 2014	Sep 30 2013	Dec 31 2013
Goodwill	389	347	354
Other intangible assets	59	95	96
Tangible assets	416	424	429
Financial assets	53	26	28
Deferred tax assets	162	152	140
Total non-current assets	1,079	1,044	1,047
Inventories	531	465	480
Current receivables	831	655	627
Derivative instruments	14	7	9
Cash and cash equivalents	292	307	323
Total current assets	1,668	1,434	1,439
Total assets	2,747	2,478	2,486
Equity	1,199	1,114	1,152
Pension and similar obligations	373	281	291
Deferred tax liabilities	19	14	12
Non-current interest-bearing liabilities	307	431	400
Other non-current liabilities	33	22	25
Total non-current liabilities	732	748	728
Derivative instruments	22	6	10
Current interest-bearing liabilities	13	11	11
Current liabilities	781	599	585
Total current liabilities	816	616	606
Total equity and liabilities	2,747	2,478	2,486

Statement of changes in equity

SEK m	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Opening balance	1,152	1,129	1,129
Net income	90	26	38
Other comprehensive income/loss	55	7	32
Total comprehensive income	145	33	70
Transactions with shareholders:			
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	2	-	1
Share swap incentive program	-8	-	-
Total transactions with shareholders	-98	-48	-47
Closing balance	1,199	1,114	1,152
<i>attributable to non-controlling interests</i>	<i>19</i>	<i>16</i>	<i>17</i>

Consolidated statement of cash flow

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Operating income	15	89	201	100	153
Reversal of non-cash items	87	30	154	197	231
Interest paid	-5	-10	-20	-27	-37
Tax paid	-37	-46	-61	-82	-98
Cash flow from operating activities before change in working capital	60	63	274	188	249
Change in working capital	52	31	-43	23	33
Cash flow from operating activities	112	94	231	211	282
Investments	-53	-23	-112	-60	-94
Divestment tangible assets	-	8	22	23	23
Cash flow from investment activities	-53	-15	-90	-37	-71
Dividend to Haldex' shareholders	-	-	-89	-44	-44
Dividend to non-controlling interests	-	-	-3	0	0
Change in loans	-62	-144	-92	-164	-186
Share swap incentive program	-8	-	-8	-	-
Cash flow from financing activities	-70	-144	-192	-208	-230
Net cash flow	-11	-65	-51	-34	-19
Cash and cash equivalents, opening balance	288	376	323	346	346
Currency translation diff. in cash and cash equivalents	15	-4	20	-5	-4
Cash and cash equivalents, closing balance	292	307	292	307	323

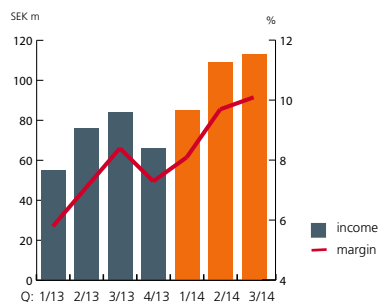
Key figures

	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Operating margin, excl. one-off items, %	9.3	7.1	7.2
Operating margin, %	6.1	3.3	3.9
Cash flow, operating activities, SEK m	231	211	282
Cash flow after investment activities, SEK m	141	174	211
Return on capital employed, excl. one-off items, % ¹	19.6	12.6	14.6
Return on capital employed, % ¹	13.5	6.4	7.8
Investments, SEK m	99	60	94
R&D, %	3.3	3.4	3.5
Employees	2,217	2,130	2,135
Return on shareholders' equity, %	9.9	2.9	3.2
Interest coverage ratio	13.3	7.7	7.2
Equity ratio, %	44	45	46
Net debt/equity ratio, %	34	37	33
Share data:			
Earnings per share, before dilution, SEK	1.94	0.54	0.80
Earnings per share, after dilution, SEK	1.94	0.54	0.80
Equity per share, SEK	27.13	25.20	26.06
Cash flow, operating activities, SEK	5.23	4.77	6.38
Share price, SEK	83.75	49.20	60.00
Average No. of shares, thousands	44,204	44,206	44,206
Total No. of shares at end of period, thousands	44,216	44,216	44,216
<i>of which is treasury shares, thousands</i>	<i>102</i>	<i>12</i>	<i>12</i>

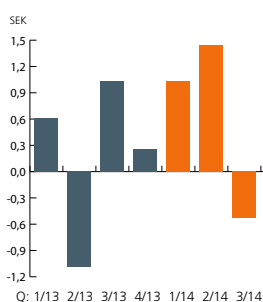
¹ Rolling twelve months

Operating income & margin

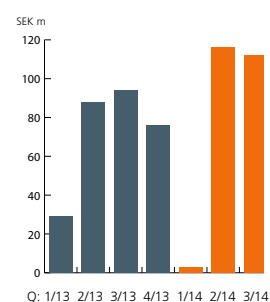
(excl. one-off items)



Earnings per share



Cash flow operating activities



Parent company's income statement

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net sales	24	8	65	25	67
Administrative costs	-11	-11	-45	-38	-59
Operating income/loss	13	-3	20	-13	8
Financial income and expenses	3	-4	7	-3	-3
Earnings after financial income and expenses	16	-7	27	-16	5
Dividend	1	20	61	23	31
Group contribution	-	-	-	-	-7
Earnings before tax	17	13	88	7	29
Tax	-4	-2	-6	-1	-2
Net income/loss	13	11	82	6	27

Parent company's statement of comprehensive income

SEK m	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net income/loss	13	11	82	6	27
Other comprehensive income	-	-	-	-	-
Total comprehensive income	13	11	82	6	27

Parent company's statement of financial position

SEK m	Sep 30 2014	Sep 30 2013	Dec 31 2013
Non-current assets	1,898	1,876	1,875
Current assets	931	874	870
Total assets	2,829	2,750	2,745
Shareholders' equity	1,197	1,192	1,211
Provisions	42	34	40
Interest-bearing liabilities, external	306	431	400
Other liabilities	1,284	1,093	1,094
Total equity and liabilities	2,829	2,750	2,745

Financial instruments by category - Group

SEK m	Sep 30, 2014		Sep 30, 2013		Dec 31, 2013	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	2	3	1	2	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	10	18	4	3	5	5
Financial assets available for sale	16	-	-	-	-	-
Total	30	22	7	6	9	10

Financial instruments categorized as financial assets available for sale are recognized at fair value in the statement of financial position according to Tier 1 in the fair value hierarchy, i.e. to a price quoted in an active market. Other financial instruments are recognized at fair value in the statement of financial position according to Tier 2 in the fair value hierarchy, meaning that the fair value is determinable, directly or indirectly, from observable market data. No transit has taken place between the different Tier levels 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.

Quarterly data

SEK m, if not otherwise stated	2014			2013				2012	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Income statement:									
Net sales	1,123	1,124	1,041	908	994	1,067	951	864	931
Cost of good sold	-797	-806	-750	-664	-704	-767	-692	-642	-689
Gross income	326	318	291	244	290	300	259	222	242
Selling, admin. and product development costs	-224	-214	-212	-190	-212	-229	-208	-193	-195
Other operating income and expenses	-87	-1	4	-1	11	-115	4	-1	-15
Operating income	15	103	83	53	89	-44	55	28	32
<i>Operating income, excl. one-off items</i>	<i>113</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>
Financial income and expenses	-7	-5	-8	-11	-13	-9	-10	-7	-9
Income before tax	8	98	75	42	76	-53	45	21	23
Tax	-30	-34	-27	-30	-30	5	-17	-23	-10
Net income/loss	-22	64	48	12	46	-48	28	-2	13
Statement of financial position:									
Non-current assets	1,079	1,051	1,023	1,047	1,044	1,065	1,146	1,186	1,231
Current assets	1,668	1,632	1,583	1,439	1,434	1,600	1,523	1,414	1,479
Total assets	2,747	2,683	2,606	2,486	2,478	2,665	2,669	2,600	2,710
Equity	1,199	1,183	1,177	1,152	1,114	1,078	1,149	1,129	1,157
Non-current liabilities	732	736	741	728	748	932	949	967	965
Current liabilities	816	764	688	606	616	655	571	504	588
Total equity and liabilities	2,747	2,683	2,606	2,486	2,478	2,665	2,669	2,600	2,710
Statement of cash flow:									
Cash flow from operating activities before change in working capital	60	116	98	67	58	53	72	91	47
Cash flow from operating activities	112	116	3	76	94	83	29	99	41
Cash flow from investment activities	-53	-32	-5	-34	-15	-2	-20	-36	-32
Cash flow from financing activities	-70	-121	-1	-27	-139	-72	8	-49	-6
Net cash flow	-11	-37	-3	15	-65	14	17	14	3
Key figures:									
Operating margin, excl. one-off items, %	10.1	9.7	8.1	7.3	8.4	7.1	5.8	3.9	5.6
Operating margin, %	1.3	9.2	7.9	5.9	9.0	-4.1	5.8	3.2	3.4
Earnings per share, before and after dilution, SEK	-0.53	1.44	1.03	0.26	1.03	-1.09	0.61	-0.05	0.26
Equity per share, SEK	27.13	26.76	26.63	26.06	25.20	24.38	25.99	25.53	26.17
Cash flow, operating activities, per share, SEK	2.53	2.62	0.07	1.61	2.13	1.99	0.66	2.24	0.93
Share price, SEK	83.75	82.50	75.75	60.00	49.20	45.70	38.80	33.50	33.20
Return on capital employed excl. one-off items, % ¹	19.6	18.1	16.1	14.6	12.6	10.4	9.5	9.8	10.4
Return on capital employed, % ¹	13.5	17.3	9.4	7.8	6.4	3.4	6.6	7.0	7.9
Return on equity, %	-2.0	5.6	4.0	1.0	3.9	-4.0	2.1	-0.3	0.8
Equity ratio, %	44	44	45	46	45	40	43	43	43
Net debt/equity ratio, %	34	37	35	33	37	49	49	51	52
Investments	40	32	27	34	23	17	20	36	32
R&D, %	3.3	3.2	3.5	4.1	3.5	3.2	3.6	3.8	3.4
Employees	2,217	2,232	2,199	2,135	2,130	2,207	2,160	2,200	2,262

¹ Rolling twelve months

3 year in summary

SEK m, if not otherwise stated	2013	2012	2011 ¹
Income statement:			
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
Statement of financial position:			
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
Statement of cash flow:			
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
Key figures:			
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
Cash flow, operating activities, per share, SEK	6.38	5.38	2.58
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, % ²	14.6	9.8	10.1
Return on capital employed, % ²	7.8	7.0	10.1
Return on equity, %	3.1	3.4	-
Equity ratio, %	46	43	47
Net debt/equity ratio, %	33	51	37
Investments	94	118	100
R&D, %	3.5	3.4	3.3
Number of employees	2,135	2,200	2,365

¹ Remaining business ² Rolling twelve months

Haldex in short

Haldex develops, manufactures and distributes products for brake and suspension systems for commercial vehicles. Our customers include manufacturers of heavy trucks, buses and trailers, and axle manufacturers for these types of vehicles as well as workshops serving the aftermarket. 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.

Haldex is listed on the Nasdaq Stockholm Mid Cap list. The main owners are Göran Carlson through companies, Handelsbanken Fonder, Creades, Nordea Fonder and Afa Försäkring with approximately 19% of the votes.

Mission

We develop and provide reliable and innovative brake solutions that improve safety, vehicle dynamics and environmental sustainability in the global, commercial vehicle industry.

Business model

Our business model is based on strong sales to the OEMs that then serves as a volume engine; an increased installed base of Haldex products on trucks, busses and trailers results in a great potential for aftermarket sales of service and spare parts.

Strategy

Haldex will offer a world-class, focused product range for OEM customers. Products within the portfolio should have market leading potential with features standing out among the competition. For the aftermarket, the product offering, service level, pricing and channel distribution will be adapted over the vehicles lifecycle, with the ambition to offer support during the vehicle's main lifetime. Products within the Foundation Brake product family will continue to serve as the base complemented with selected product investments in the Air Controls product family.

Financial targets

- Organically grow faster than the market (weighted segment volume).
- Sustainable operating margin of 10% or above.
- Net debt/equity ratio less than 1.
- 1/3 of the yearly net income over a business cycle in dividend.

Value drivers

- Number of produced heavy vehicles.
- Development of a competitive product offering.

Financial definitions and glossary

FINANCIAL DEFINITIONS

Return on equity: The proportion of net income for the year attributable to owners of the parent company as a percentage of the proportion of average equity attributable to owners of the parent company.

Return on capital employed: Operating income plus interest income as a percentage of average capital employed.

Cash flow per share: Cash flow from operating activities divided by the average number of shares.

Net debt: Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions.

Net debt/equity ratio: Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

Earnings per share: Proportion of net income for the year attributable to the owners of the parent company divided by weighted average number of shares.

Interest coverage ratio: Operating income excluding one-off items plus interest income divided by interest expenses.

Operating margin: Operating income as a percentage of net sales for the year.

Equity ratio: Equity including non-controlling interests as a percentage of total assets.

Capital employed: Total assets less non-interest bearing liabilities and non-interest bearing provisions.

GLOSSARY

Air Controls: Haldex's product line for products to improve brake systems' safety and driving qualities, such as treatment and dehumidifying of compressed air, valves and ABS & EBS.

Aftermarket: Spare parts sold to, and training and services provided to the workshops that repair and service vehicles.

Foundation Brake: Haldex's product line for brake products for wheel ends such as disc brakes, brake adjusters for drum brakes and brake cylinders.

OEM: Original equipment manufacturer.

Truck: Heavy trucks and busses.

Trailer: Trailers attached to a semi-tractor (truck).

New products

Haldex developed and improved a number of products in Q3:



A new version of the ModulT disc brake was presented at the IAA show in September. The ModulT 22LT is the lightest disc brake on the market for trailers. The ModulT is now also available for trucks and busses in the form of the ModulT 22MD model. The "wrinkled" design has enabled Haldex to optimize the weight better than any of its competitor, which for instance improves fuel consumption and the service cost for the end client. The 22MD has 25% greater braking power than the 22LT, which is needed to bring heavier trucks and busses to a stop.



One small change with a big impact was made to **Protect-O**. The pneumatic palm couplings of an uncoupled trailer are usually left open even though they can be capped. This allows dust to enter the coupling. Insects, too, cannot resist such a seemingly secure space. These impurities shorten the system's service life and can put it out of service. Protect-O automatically closes the opening as soon as the air hose is disconnected. It opens just as fast when the pressure is reconnected.

PRODUCT I FOCUS:

COLAS - for raising and lowering the vehicle during loading.

COLAS uses the compressed air in the system to allow the driver to easily raise and lower the vehicle during loading. The height can also be locked in a specific position, which is useful if, for example, the vehicle is to be transported by train or ferry. If the vehicle is driven away, the system automatically resets so that the chassis or wheel suspension is not damaged. Other safety features include a dead man's switch so that the vehicle cannot change its height if the driver is not actively holding the handle. We are market leaders for these products, so keep an eye out for Haldex's blue handles on the road.



CUSTOMER CASE:

Full-service of an 18,000 unit fleet

When the Iron Curtain between East and West stood firm, one man, almost single-handedly, found a way which both sides could reach out to each other. At this time, East Germany needed trucks from the West for international transports but the currency was weak. This man then leased heavy goods vehicles, which was not allowed in Germany until the end of the 1980s. His name: Peter Manns. The company name, Pema, a combination of Peter Manns' first name and surname, stands for one of Germany's oldest truck leasing firms.

The fleet today consists of about 18,000 units. Two-thirds are trailers and swap bodies and one-third of the impressive fleet is tractor units and truck units. The company is now present in eight European countries. Pema is still one of a kind among commercial vehicle leasing firms. The difference is its so-called vertical integration and its remarkable variety of range. 'If you'd like to swap your tractor unit with hydraulic tipping for a semi-trailer tractor with compressor by tomorrow, we can help you with that', says workshop manager Frank Mertig.

For all vehicles, the 24-hour in-house workshop plays a central role. The components that roll into the Pema yard headed for the client must be low maintenance and wear-resistant. 'Robust Haldex technology, such as air suspension or COLAS raise and lower valves, has proven to be the best for a long time', says Frank Mertig. He also appreciates the EB+ electronic braking system whose 'software is straightforward to use, and the data is easy to pick out'.

Financial calendar 2015

Annual statement	12 February
Interim report, Jan-Mar	24 April
Annual General Meeting	28 April
Interim report, Apr-Jun	16 July
Interim report, Jul-Sep	23 October

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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: Wednesday November 5 at 11.00 CET

The press conference is broadcasted at:
<http://www.media-server.com/m/p/2kk933io>

To join the telephone conference:

Sweden: +46 850 55 64 74

Denmark: +45 35 44 55 79

UK: +44 20 33 64 53 74

USA: +1 85 57 53 22 30

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

July - September 2014

Change in share price	+2%
Share price (30 Sep)	83.75 SEK
Market capital (30 Sep)	3,703 MSEK

Highest share price	94.00 SEK
Lowest share price	80.25 SEK

Traded No. of shares	8.2 M
Total No. of shares (30 Sep)	44,215,970

Dividend	2.00 SEK
Value of treasury shares planned	upp till 100 MSEK

