

Q3

# HALDEX INTERIM REPORT

January - September 2015

## Strong operating margin and improved cash flow

Focused efforts to improve our cost base and a change in customer mix once again resulted in a strong operating margin in Q3. Cash flow, which was weak for several quarters, saw a strong improvement in Q3. Sales have been affected positively by increased disc brake sales and market share in Europe and South America. However, a very weak market in Brazil, a weak market in China and lower volumes in North America, resulted in a currency-adjusted decrease in consolidated sales for Q3.

- Net sales for Q3 totaled SEK 1,189 (1,123) m, equivalent to an increase of 6% compared with the same period of the previous year. After currency adjustments, net sales decreased by 5% in Q3. Currency-adjusted net sales fell by 1% for the first nine months of the year.
- Operating income for Q3, excluding one-off items, amounted to SEK 116 (113) m, which is equivalent to an operating margin of 9.7 (10.1)%. Including one-off items, operating income was SEK 8 (15) m and the operating margin was 0.7 (1.3)%. The operating margin excluding one-off items for the first nine months of the year amounted to 9.9 (9.3)%.
- The net income after tax for Q3 totaled SEK -22 (-22) m and the earnings per share for Q3 totaled SEK -0.50 (-0.53). The net income after tax for the first nine months of the year totaled SEK 143 (90) m and the earnings per share for the first nine months of the year totaled SEK 3.20 (1.94).
- Cash flow from operating activities totaled SEK 133 (112) m in Q3 and SEK 109 (231) m for the first nine months of the year.
- Calculations based on actual outcome and the measures taken for the product recall campaign resulted in a new cost estimate. The total cost is expected to be USD 20 m (SEK ~170 m), with SEK 96 m impacting Q3 2015 as a one-off item.
- In North America, John Ducharme has joined as the new SVP North America Sales. John Ducharme is a member of Haldex's management team.

Key figures	Jul-Sep 2015	Jul-Sep 2014	Change	Jan-Sep 2015	Jan-Sep 2014	Change
Net sales, SEK m	1,189	1,123	6%	3,725	3,288	13%
Operating income, excl. one-off items, SEK m	116	113	3%	368	307	20%
Operating income, SEK m	8	15	-47%	256	201	27%
Operating margin, excl. one-off items, %	9.7	10.1	-0.4	9.9	9.3	0.6
Operating margin, %	0.7	1.3	-0.6	6.9	6.1	0.8
Return on capital employed, excl. one-off items,% <sup>1</sup>	23.3	19.6	3.7	23.3	19.6	3.7
Return on capital employed,% <sup>1</sup>	14.3	13.5	0.8	14.3	13.5	0.8
Net income, SEK m	-22	-22	0%	143	90	59%
Earnings per share, SEK	-0.50	-0.53	-6%	3.20	1.94	65%
Cash flow, operating activities, SEK m	133	112	21	109	231	-122

<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 7:20 CEST on Friday, October 23, 2015.

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Innovative Vehicle Solutions

## CEO statement

Haldex delivered yet another quarter with a high operating margin, even though Q3 sales did not meet our expectations. Solid cost control measures are the main reason for the high margin. The currency-adjusted operating margin for Q3 came in at 10%, which is in line with last year. We also reached our ten-percent operating margin target during the first nine months of the year, even though we are currently making a loss in Brazil due to the very weak market situation there.

### North America

In spite of a strong market situation, we didn't achieve growth in North America in Q3. We can mainly attribute the drop in sales to actuators and Reman. However, we do not forecast long-term sales decreases for actuators. On the contrary, we see this as a temporary decline in the aftermath of the ongoing actuator product recall. 2015 has not been a good year in Reman. A long winter and a customer with financial problems brought sales down year-on-year. However, Reman is a segment with great growth potential and we still intend to expand inside and outside of North America. I'm also pleased to welcome our new North America manager, John Ducharme, who has long-standing industry experience and will focus on profitable growth and strengthening customer relationships.

### Disc brakes continuing to grow

Disc brake sales have continued to rise and our investments have resulted in an increase in production capacity and sales. However, the increased penetration of disc brakes is impacting brake adjuster sales, which is clearly the case in Europe in particular. Our efforts to relaunch our disc brake in North America in February/March 2016 are now in an intensive phase and we are confidently looking forward to being able to reinitiate customer discussions.

### Solid aftermarket

On the aftermarket, Europe and South America reported positive sales figures in Q3. The aftermarket has generally higher profitability than Truck and Trailer, which contributed to Q3's strong operating margin. The aftermarket in Europe remains solid. In South America, where the market situation is very weak, the growth in aftermarket sales is a result of hard work, which enabled us to gain market shares.

### Supplier program

The supplier problems we experienced earlier this year have gradually been remedied and now it remains is to rectify certain components related to ABS in North America. We have launched a development program for our suppliers to identify potential problems at an early stage and remedy them prior to commencement of delivery.

### Product recall

In mid-September, we announced new estimates of the costs of the ongoing product recall for one type of the Company's brake cylinders on the American market. We have determined that the most important factor for us in the long term is securing the confi-



Bo Annvik  
President and CEO

dence of customers and demonstrating that we take full responsibility for what happened. The actual error rate is still very low at 0.2% and it is unfortunate that our previous estimates of the cost of the program have to be adjusted up. I have visited all major customers in North America and we have determined that it is better for Haldex to have a more of a collaborative approach in the compensation discussions. We are also seeing a higher replacement percentage than the average for similar programs, which indicates that the information has been effective in reaching the vehicle owners affected.

### Restructuring program approaching completion

In Q3, we completed relocation of production from Germany to Hungary. We are very pleased to be able to report that the relocation has gone better than planned and we have high confidence in Hungary for the future. In Q4, we are set to complete the final phase of the restructuring program ongoing since 2013. The remaining part of the program is the adjustment of the staff in Germany, in progress through the rest of the year.

### Market outlook

The market situation for the remainder of 2015 is still solid for Truck and Trailer in Europe and North America, even though production volumes likely will be down slightly in Q4 in North America compared with the same period of the previous year. Unfortunately, it seems that Chinese truck volumes will be down year-on-year and, when combined with a very weak market in Brazil and Russia, this will have negative effects on the bottom line.

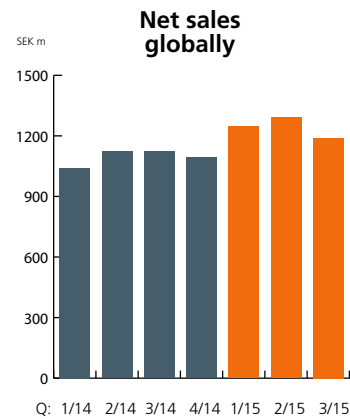
2016 is looking promising in Europe with an increase in order intake, while North America will see a decline from its record-breaking year in 2015. However, 2016 will be a year with above-average volumes in North America. The positive trend will continue in India, but we expect no significant improvement in Brazil, Russia and China in 2016.

Bo Annvik  
President and CEO

## Net sales for the Group

Net sales for Q3 totaled SEK 1,189 (1,123) m, equivalent to an increase in absolute terms of 6% compared with the same period of the previous year. The Swedish krona (SEK) has weakened over the past quarters, which led to significant differences in the growth rates before and after currency adjustments. After currency adjustments, net sales decreased by 5%. Net sales for the first nine months of the year totaled SEK 3,725 (3,288) m. After currency adjustments, this is a 1% decrease.

The main factors having a positive impact on net sales are continuing growth in disc brakes and an increase in sales to the aftermarket. However, sales have decreased in North America, South America and for the actuators product group.



## Net sales per product line

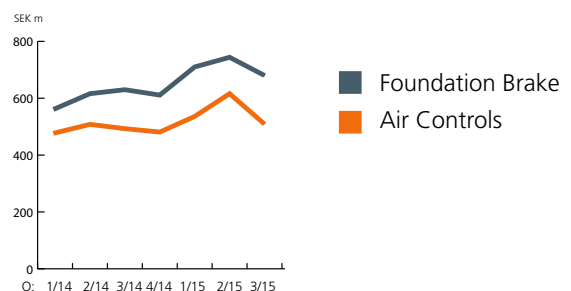
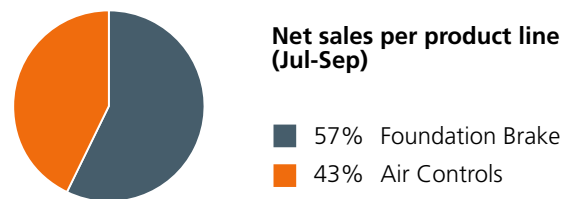
Net sales, SEK m	Jul-Sep 2015	Jul-Sep 2014	Change <sup>1</sup>	Jan-Sep 2015	Jan-Sep 2014	Change <sup>1</sup>
Foundation Brake	680	630	-4%	2,134	1,809	2%
Air Controls	509	493	-7%	1,591	1,479	-6%
Total	1,189	1,123	-5%	3,725	3,288	-1%

<sup>1</sup> Currency adjusted

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 and ABS and EBS.

Net sales within Foundation Brake amounted to SEK 680 (630) m in Q3. After currency adjustments, this is a 4% decrease compared to the previous year. Net sales for the first nine months of the year totaled SEK 2,134 (1,809) m, which is equivalent to currency-adjusted growth of 2%. Disc brake sales continued to enjoy a strong increase in Q3. Actuator sales have however fallen, in part due to the product recall ongoing since late last year. Brake adjuster sales have also fallen due to the increased penetration of disc brakes and the weak market in Brazil.

Net sales within Air Controls amounted to SEK 509 (493) m in Q3. After currency adjustments, this is a 7% decrease compared to the previous year. Net sales for the first nine months of the year totaled SEK 1,591 (1,479) m, which is equivalent to a currency-adjusted decrease of 6%. In Air Controls, ABS sales have continued to decrease in South America due to the weak economic market situation. EBS sales have increased in Europe in comparison to the same period of the previous year. Reman, which accounts for a significant share of total sales in Air Controls, remained low during the quarter. The decrease is mainly attributable to one customer with financial problems who has chosen to manage product renovation in-house.



### Product recall

In November 2014, Haldex began a product recall of one type of the Company's actuators on the North American market. The recall is estimated to span a total of 159,000 actuators. See further information on page 6.

## Net sales per customer category

Net sales, SEK m	Jul-Sep 2015	Jul-Sep 2014	Change <sup>1</sup>	Jan-Sep 2015	Jan-Sep 2014	Change <sup>1</sup>
Truck (including buses)	322	344	-18%	1,010	953	-10%
Trailer	333	309	-1%	1,085	957	2%
Aftermarket	534	470	1%	1,630	1,378	2%
Total	1,189	1,123	-5%	3,725	3,288	-1%

<sup>1</sup> Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 322 (344) m in Q3. After currency adjustments, this is an 18% decrease compared to the same period of the previous year. Truck sales mainly decreased in North America and Europe in Q3. Factors contributing to the decline are a decrease in brake adjuster sales due to the increased penetration of disc brakes and the phasing out of an older type of an Air Controls product. Net sales for the first nine months of the year totaled SEK 1,010 (953) m, which is equivalent to a currency-adjusted decrease of 10%.

Net sales within Trailer amounted to SEK 333 (309) m in Q3. After currency adjustments, this is a 1% decrease compared to the same period of the previous year. The successes of our disc brakes have been counterbalanced by a decrease in Trailer sales in South America and Australia in Q3. Net sales for the first nine months of the year



Net sales per customer category (Jul-Sep)

- 27% Truck
- 28% Trailer
- 45% Aftermarket

totalled SEK 1,085 (957) m, which is equivalent to currency-adjusted growth of 2%.

Aftermarket sales amounted to SEK 534 (470) m in Q3. After currency adjustments, this is a 1% increase. Aftermarket sales in Europe and South America performed very strongly in Q3. In North America, aftermarket sales recovered, while Asia reported weak sales in Q3. Net sales for the first nine months of the year totaled SEK 1,630 (1,378) m, which is equivalent to currency-adjusted growth of 2%.

## Industry production trends

New trucks and trailers is a good indicator for the market Haldex operates on. It is important to remember that Haldex is affected depending on how large the proportion of sales is in each category.

Produced units Industry forecast <sup>1</sup>	Jul-Sep 2015	Change <sup>2</sup>	Full year 2015	Change <sup>2</sup>	Importance for Haldex sales
<b>Truck</b>					Within Truck, Haldex's sales to North America are impacting total sales much more than other regions. Truck sales in Europe are in turn slightly higher and as a result more decisive than sales in Asia and South America.
North America	81,715	5%	327,025	11%	
Europe	102,607	9%	415,982	6%	
China	108,762	-25%	514,032	-31%	
India	39,068	17%	166,780	32%	
South America	19,251	-25%	69,042	-35%	
All regions	351,403	-7%	1,492,861	-10%	
<b>Trailer</b>					Within Trailer, sales in North America and Europe are equal in significance. Other regions in Asia and South America have lower sales and, as a result, a lower impact on Haldex's total net sales.
North America	86,300	7%	333,516	14%	
Europe	66,365	2%	272,877	3%	
China	55,000	-13%	246,000	-10%	
India	9,123	46%	33,306	39%	
South America	10,087	-36%	38,077	-42%	
All regions	226,875	-2%	923,776	0%	

<sup>1</sup> The production statistics comprise a forecast from external sources. Historical figures also pertain to estimated production and not to the actual industrial outcome. Unless otherwise stated, the information pertaining to trucks is based on statistics from JD Powers. Information pertaining to the trailer market in Europe is based on statistics from CLEAR, the information pertaining to trucks and trailers in North America is based on statistics from FTR and the trailer information from South America and Asia is based on local sources.

<sup>2</sup> Change compared with same period previous year in percentage.

## Net sales per region

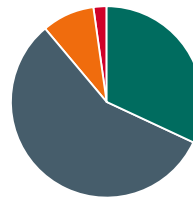
Net sales, SEK m	Jul-Sep 2015	Jul-Sep 2014	Change <sup>1</sup>	Jan-Sep 2015	Jan-Sep 2014	Change <sup>1</sup>
Europe	376	370	0%	1,222	1,162	3%
North America	677	600	-6%	2,080	1,696	-2%
Asia & Middle East	108	98	-5%	316	272	-3%
South America	28	55	-35%	107	158	-27%
Total	1,189	1,123	-5%	3,725	3,288	-1%

<sup>1</sup> Currency adjusted

In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. Net sales in Europe amounted to SEK 376 (370) m in Q3. After currency adjustments, there is no change compared to the same period of the previous year. Disc brake sales to Trailer customers increased in Europe in Q3, with sales to the aftermarket increasing as well. An older type of an Air Controls product, which was gradually phased out, and a decrease in brake adjuster sales resulting from the increased penetration of disc brakes, have had a negative impact on sales. Net sales for the first nine months of the year totaled SEK 1,222 (1,162) m, which is equivalent to currency-adjusted growth of 3%.

In North America, the distribution between Truck and Trailer is more even than in Europe. The aftermarket accounts for a significant proportion of sales here as well. In North America, net sales amounted to SEK 677 (600) m in Q3. After currency adjustments, net sales decreased by 6% compared with the same period of the previous year. Net sales for the first nine months of the year totaled SEK 2,080 (1,696) m, which is equivalent to a currency-adjusted decrease of 2%. Sales have been impacted negatively by the product recall for one of Haldex's actuator models and a decrease in sales in this product category can be seen. In Reman, one customer with financial problems has chosen to renovate products in-house.

In Asia, with China and India as key markets, trucks without trailers are still the most common type of vehicle combination. This means



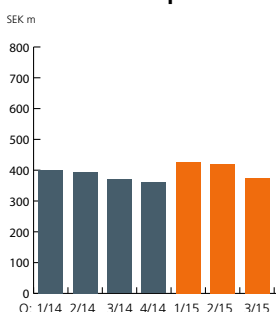
Net sales per region (Jul-Sep)

32%	Europe
57%	North America
9%	Asia & Middle East
2%	South America

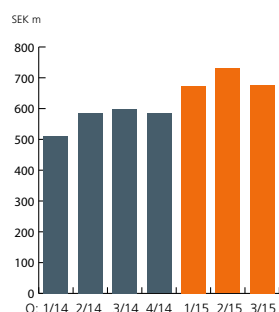
that Haldex's sales are more focused on Truck than on Trailer. The aftermarket accounts for a smaller proportion of sales. In Asia and the Middle East, net sales amounted to SEK 108 (98) m in Q3. After currency adjustments, net sales decreased by 5% compared with the equivalent period of the previous year. Growth is very solid on the Indian market, while the Chinese market remained weak in Q3. Net sales for the first nine months of the year totaled SEK 316 (272) m, which is equivalent to a currency-adjusted decrease of 3%.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q3 totaled SEK 28 (55) m, which, after currency adjustments, is a 35% decrease. In Brazil, which is the most important market in South America, truck manufacturers cut down on production significantly. Net sales for the first nine months of the year totaled SEK 107 (158) m, which is equivalent to a currency-adjusted decrease of 27%.

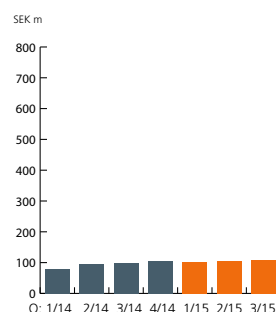
Net sales Europe



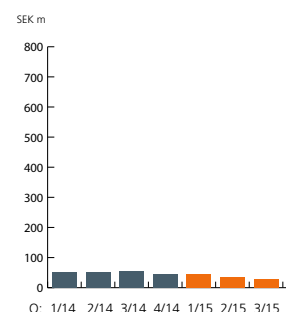
Net sales North America



Net sales Asia & Middle East



Net sales South America



## Earnings

Operating income excluding one-off items totaled SEK 116 (113) m for Q3 and SEK 368 (307) m for the first nine months of the year, which is equal to an operating margin of 9.7 (10.1)% for Q3 and 9.9 (9.3)% for the first nine months of the year. The operating income and operating margin including one-off items for Q3 amounted to SEK 8 (15) m and 0.7 (1.3)%, respectively. Continuing solid cost control measures and a higher share of sales to the aftermarket have partially counterbalanced a decrease in total net sales, given that the aftermarket has better profitability than the Truck and Trailer customer categories.

Income before tax totaled SEK -20 (8) m for Q3 and SEK 209 (181) m for the first nine months of the year. Net income after tax for Q3 came in at SEK -22 (-22) m, which was equal to earnings per share of SEK -0.50 (-0.53). Net income after tax for the first nine months of the year totaled SEK 143 (90) m, which is equal to earnings per share of SEK 3.20 (1.94). Earnings per share excluding one-off items came in at SEK 1.02 (1.51) for Q3 and SEK 4.80 (4.14) for the first nine months of the year.

Currency fluctuations, including the result of currency hedging and currency translation effects, had a positive impact on the Group's operating income excluding one-off items with SEK 61 (19) m for the first nine months of the year and with SEK 10 (11) m in Q3.

### Product recall

In late 2014, Haldex began a field inspection followed by a product recall of one type of the Company's actuators on the North American market. The recall is estimated to span a total of 159,000 brake cylinders. The cost was initially estimated at SEK 65 m, which impacted net income in Q4 2014 as a one-off item. According to calculations based on actual outcomes, the measures taken and a new estimate, the total cost is expected to be USD 20 m (SEK ~170 m), with SEK 96 m impacting Q3 2015 as a one-off item.

The main reasons for the increase in the cost are:

- Higher yield percent. Industry figures show, on average, about 55-70 percent outcome of an exchange program. Haldex esti-

mates that 85 percent will replace their products as part of the current program.

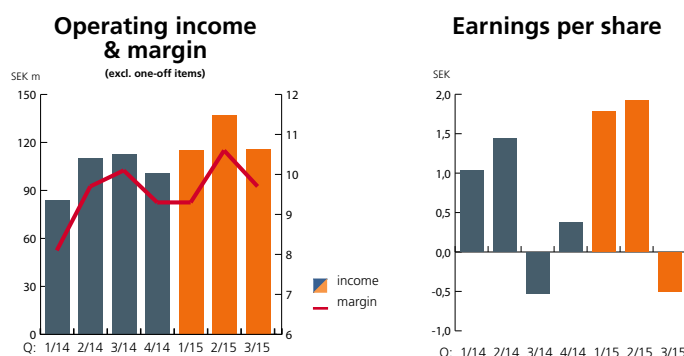
- Investment in the customer relationships. In discussions with customers Haldex has chosen a more generous level of compensation for work performed in the customer's workshops.
- Unforeseen handling costs for administration, shipping, increased storage and similar costs.

More information on the background of the increased costs can be found in a press release dated September 15, 2015.

### Restructuring program

Haldex announced a restructuring program in 2013 lasting until the end of 2015. One-off items in the amount of SEK 12 (98) m impacted net income in Q3. These one-off items are related to restructuring costs in Germany and costs of moving production from the plant in Heidelberg to the plant in Hungary. This relocation was completed in Q3. The remaining part of the restructuring program involves staff cuts in Germany which are ongoing until the end of 2015.

The estimate of the program's savings foresees total annual savings of SEK 85 m and total costs of app. SEK 250 m, with cash effects of SEK 100 m. From the start of the restructuring program to Q3 2015, SEK 256 m has been recognized as costs, with SEK 106 m in restructuring costs and SEK 150 m in impairment losses. Two thirds of the payments remain to be made. All savings and payments are estimated to be completed by Q1 2016.



### Earnings

Operating income, excl. one-off items, SEK m	116	113	3%	368	307	20%
Operating income, SEK m	8	15	-47%	256	201	27%
Operating margin, excl. one-off items, %	9.7	10.1	-0.4	9.9	9.3	0.6
Operating margin, %	0.7	1.3	-0.6	6.9	6.1	0.8
Net income, SEK m	-22	-22	0%	143	90	59%
Earnings per share, SEK	-0.50	-0.53	-6%	3.20	1.94	65%

	Jul-Sep 2015	Jul-Sep 2014	Change	Jan-Sep 2015	Jan-Sep 2014	Change
Operating income, excl. one-off items, SEK m	116	113	3%	368	307	20%
Operating income, SEK m	8	15	-47%	256	201	27%
Operating margin, excl. one-off items, %	9.7	10.1	-0.4	9.9	9.3	0.6
Operating margin, %	0.7	1.3	-0.6	6.9	6.1	0.8
Net income, SEK m	-22	-22	0%	143	90	59%
Earnings per share, SEK	-0.50	-0.53	-6%	3.20	1.94	65%

## Financial position

As of September 30, 2015, the Group's net debt was SEK 437 m, an increase of SEK 165 m in comparison to the start of the year. This change is mainly related to a decrease in cash and cash equivalents as a result of a dividend paid to shareholders in May. Shareholders' equity amounted to SEK 1,325 (1,199) m, resulting in an equity/asset ratio of 45 (44)%.

Haldex's primary sources of loan financing comprise:

- A bond loan of SEK 270 m maturing in January 2020.
- A syndicated credit facility in the amount of USD 95 m, maturing in September 2016. USD 0 m of this facility had been used by the end of the quarter.

### Pledged assets and contingent liabilities

There were no changes to the Group's pledged assets or contingent liabilities in Q3.

Net debt, SEK m	Sep 30 2015	Sep 30 2014	Change	Dec 31 2014
<i>Assets as part of the net debt:</i>				
Cash and cash equivalents	277	292	-5%	437
<i>Liabilities as part of the net debt:</i>				
Interest-bearing liabilities	-292	-332	-12%	-309
Pension liabilities <sup>1</sup>	-422	-373	13%	-400
Net debt in total	-437	-413	6%	-272
Net of interest during the year	-16	-18	11%	-25

<sup>1</sup> The change of pension liabilities are primarily related to variations in actuarial assumptions (changes in market interest rates).

## Cash flow

Cash flow from operating activities totaled SEK 133 (112) m in Q3 and SEK 109 (231) m for the first nine months of the year. Operating cash was mainly affected by changes in working capital in Q3. This is mainly the result of a decrease in accounts receivable, driven by lower sales at the end of the quarter due to the vacation period. Cash flow was impacted negatively by one-off items in the amount of SEK 36 (4) m in Q3.

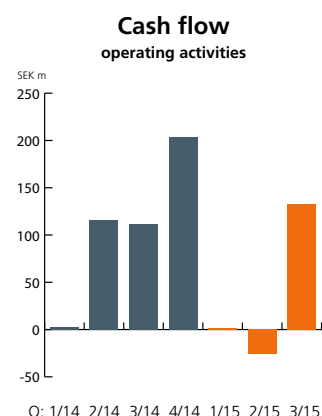
Investments totaled SEK -47 (-53) m in Q3 and cash flow after investments amounted to SEK 86 (59) m. The total cash flow was SEK 78 (-11) m in Q3 and SEK -163 (-51) m for the first nine months of the year.

Cash flow and cash equivalents, SEK m	Jul-Sep 2015	Jul-Sep 2014	Change	Jan-Sep 2015	Jan-Sep 2014	Change
Cash flow, operating activities	133	112	21	109	231	-122
Cash flow after investment activities	86	59	27	-13	141	-154
Cash and cash equivalents (at end of period)	277	292	-15	277	292	-15

## Taxes

The Company's tax expenses for Q3 totaled SEK 2 (30) m and were negatively impacted by the prudence applied in estimating deferred taxes for a unit that reported a loss during the quarter. Deferred tax assets for tax loss carryforwards are only recognized to the extent it is probable that they can be offset against future taxable profit.

Tax expenses for the first nine months of the year totaled SEK 66 (91) m, which is equal to a tax rate of 32 (50)%. Internal restructuring made it possible to utilize previously accrued tax loss carryforwards in an individual country, which created a positive one-off effect in Q1 2015.



## Miscellaneous

### Significant risks and uncertainties

Haldex is exposed to risks of a financial and operational nature. The Group has a process for risk identification and risk management that is described in Haldex's annual report and corporate governance report for 2014 on pages 27-30 and 65-72. As described in the annual report, the consolidated financial statements present certain judgments and assumptions about the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes, guarantee reserves, pensions and the impact of restructuring programs are the areas representing the highest risk of future adjustments to recognized values.

### Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex's operations. This information is based on the current expectations, estimates and forecasts of Haldex's management. Actual future outcomes may vary significantly from the forward-looking information presented in this report. This may be 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 financial position and results of operations between Haldex and related parties.

### Acquisitions and disposals

There were no acquisitions or disposals in 2015.

### Seasonal effects

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

### Accounting policies

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's report is presented in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 "Financial Reporting for Legal Entities" and the Swedish Annual Accounts Act (Årsredovisningslagen). The accounting policies are thus unchanged from those presented in the 2014 Annual Report on pages 35-39.

### Changed estimates and judgments

Actuarial assumptions for the measurement of the Group's pension liability are assessed on an ongoing basis, which resulted in a net increase in the pension liability by SEK 24 (71) m for the first nine months of the year, with an increase by SEK 26 (31) m in Q3. This change is primarily related to a change in discount rates and the current market value of pension plan assets. A changed estimate for the total cost for the product recall campaign has been made in Q3. See page 6 for further information.

## Employees

At the end of Q3, the number of employees was 2,215 (2,217), which is 42 less than at the end of Q2 and 20 less than at the start 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 parent company performs corporate office functions, including the corporate finance function. The net sales of the parent company in the first nine months of the year amounted to SEK 81 (65) m, while the net income after tax was SEK 568 (82) m. This net income includes dividends from Group companies amounting to SEK 520 (61) m.

## Annual general meeting

Haldex will hold its annual general meeting on May 3, 2016 at 4:00 p.m. at Haldex in Landskrona, Sweden. It is estimated that the annual report will be available on the Company's website no later than three weeks before the meeting.

### Nomination committee

The nomination committee is to consist of four members, represented by the owners with the largest number of votes based on their shareholdings immediately preceding the announcement of the nomination committee's composition. Göran Carlson (through company, Elisabet Jamal Bergström (Handelsbanken Fonder), Anders Algotsson (AFA Försäkring) and Nils Bolmstrand (Nordea fonder) will be members on the nomination committee for the 2016 Haldex Annual General Meeting. Together, they represent 17.4% of the votes in Haldex as of September 30, 2015. Göran Carlson has been appointed chairman of the nomination committee.

## Objectives and market outlook

### Long-term financial targets

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



## Market outlook

The official production forecasts provide insight into how the market is expected to perform. However, Haldex does not have an even distribution of revenues between the different categories of Truck and Trailer and does not necessarily share the view of the future espoused by the forecasters. Therefore, Haldex will provide its own overall view of how the Company sees each market performing.

**North America** is forecast to continue with high volumes in 2016, but with a lower volume than in the record-breaking year of 2015. In Q4 2015, Haldex forecasts that the market will be weaker than in the corresponding period of the previous year.

**Europe** has gradually improved and 2016 is expected to be a year with growth of a couple percentage points.

**China** has gradually weakened and its outlook for the rest of 2015 and 2016 remains negative.

**India** has recovered after a long period of negative growth. Haldex estimates that the market situation will be very positive for 2015 and 2016.

**Brazil** has continued to worsen throughout the year and is not expected to recover in 2016.

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Landskrona October 23, 2015

Bo Annvik

President and CEO

## 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 2015 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 have 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 October 23, 2015

Öhrlings PricewaterhouseCoopers AB

**Bror Frid**

Authorized Public Accountant

**Carl Fogelberg**

Authorized Public Accountant

## Consolidated income statement

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	1,189	1,123	3,725	3,288	4,380
Cost of goods sold	-835	-797	-2,646	-2,353	-3,142
Gross income	354	326	1,079	935	1,238
<i>Gross margin</i>	29.7%	29.0%	29.0%	28.4%	28.3%
Selling, admin. and product development costs	-243	-224	-726	-650	-857
Other operating income and expenses <sup>1</sup>	-103	-87	-97	-84	-148
Operating income <sup>1</sup>	8	15	256	201	233
Financial income and expenses	-28	-7	-47	-20	-28
Income before tax	-20	8	209	181	205
Tax	-2	-30	-66	-91	-98
Net income	-22	-22	143	90	107
<i>attributable to non-controlling interests</i>	1	1	2	4	5
Earnings per share, before and after dilution, SEK	-0.50	-0.53	3.20	1.94	2.32
Average No. of shares, thousands	44,204	44,204	44,204	44,204	44,204

## Operating income, by nature of expenses

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	1,189	1,123	3,725	3,288	4,380
Direct material costs	-629	-614	-2,019	-1,791	-2,387
Personnel costs	-220	-221	-722	-662	-887
Depreciation and amortization	-34	-86	-105	-156	-189
Other operating income and expenses	-298	-187	-623	-478	-684
Operating income <sup>1</sup>	8	15	256	201	233

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

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Operating income, including one-off items	8	15	256	201	233
Restructuring costs	-12	-46	-16	-56	-60
Impairment of non-current assets	-	-52	-	-52	-52
Product related warranty	-96	-	-96	-	-65
Other	-	-	-	2	2
Operating income, excluding one-off items	116	113	368	307	408

## Consolidated statement of comprehensive income

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net income	-22	-22	143	90	107
<b>Other comprehensive income/loss</b>					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-25	-28	-24	-60	-71
Total	-25	-28	-24	-60	-71
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	11	69	67	113	190
Changes in financial instruments at fair value, after tax	-5	4	-5	2	0
Total	6	73	62	115	190
Total other comprehensive income/loss	-19	45	38	55	119
Total comprehensive income	-41	23	181	145	226
<i>attributable to non-controlling interests</i>	0	2	3	5	8

## Consolidated statement of financial position

SEK m	Sep 30 2015	Sep 30 2014	Dec 31 2014
Goodwill	423	389	408
Other intangible assets	51	59	58
Tangible assets	477	416	449
Financial assets	56	53	68
Deferred tax assets	138	162	165
Total non-current assets	1,145	1,079	1,148
Inventories	630	531	544
Current receivables	881	831	787
Derivative instruments	19	14	20
Cash and cash equivalents	277	292	437
Total current assets	1,807	1,668	1,788
Total assets	2,952	2,747	2,936
Equity	1,325	1,199	1,278
Pension and similar obligations	422	373	400
Deferred tax liabilities	8	19	12
Non-current interest-bearing liabilities	270	307	270
Other non-current liabilities	37	33	36
Total non-current liabilities	737	732	718
Derivative instruments	22	22	38
Current interest-bearing liabilities	13	13	15
Current liabilities	855	781	887
Total current liabilities	890	816	940
Total equity and liabilities	2,952	2,747	2,936

## Statement of changes in equity

SEK m	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Opening balance	1,278	1,152	1,152
Net income	143	90	107
Other comprehensive income/loss	38	55	119
Total comprehensive income	181	145	226
<b>Transactions with shareholders:</b>			
Dividend to Haldex' shareholders	-133	-89	-89
Dividend to non-controlling interests	-2	-3	-5
Value of employee services/incentive programs	1	2	2
Share swap incentive program	-	-8	-8
Total transactions with shareholders	-134	-98	-100
Closing balance	1,325	1,199	1,278
<i>attributable to non-controlling interests</i>	<i>20</i>	<i>19</i>	<i>19</i>

## Consolidated statement of cash flow

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Operating income	8	15	256	201	233
Reversal of non-cash items	34	87	105	154	252
Interest paid	-5	-5	-18	-20	-28
Tax paid	-11	-37	-51	-61	-101
Cash flow from operating activities before change in working capital	26	60	292	274	356
Change in working capital	107	52	-183	-43	79
Cash flow from operating activities	133	112	109	231	435
Investments	-47	-53	-122	-112	-173
Divestment tangible assets	-	-	-	22	22
Cash flow from investment activities	-47	-53	-122	-90	-151
Dividend to Haldex' shareholders	-	-	-133	-89	-89
Dividend to non-controlling interests	-2	-	-2	-3	-5
Change of interest-bearing liabilities	-6	-62	-15	-92	-114
Share swap incentive program	-	-8	-	-8	-8
Cash flow from financing activities	-8	-70	-150	-192	-216
Net cash flow	78	-11	-163	-51	68
Cash and cash equivalents, opening balance	195	288	437	323	323
Currency translation diff. in cash and cash equivalents	4	15	3	20	46
Cash and cash equivalents, closing balance	277	292	277	292	437

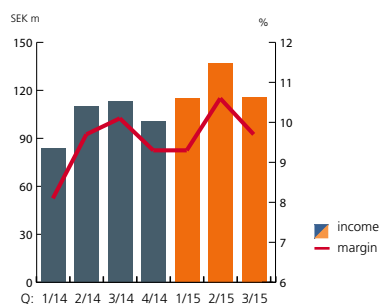
## Key figures

	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Operating margin, excl. one-off items, %	9.9	9.3	9.3
Operating margin, %	6.9	6.1	5.3
Cash flow, operating activities, SEK m	109	231	435
Cash flow after investment activities, SEK m	-13	141	284
Return on capital employed, excl. one-off items, % <sup>1</sup>	23.3	19.6	21.4
Return on capital employed, % <sup>1</sup>	14.3	13.5	12.2
Investments, SEK m	122	99	147
R&D, %	3.5	3.3	3.4
Number of employees	2,215	2,217	2,235
Return on shareholders' equity, % <sup>2</sup>	14.5	9.9	8.7
Interest coverage ratio	18.8	13.3	13.0
Equity ratio, %	45	44	44
Net debt/equity ratio, %	33	34	21
<b>Share data:</b>			
Earnings per share, before dilution, SEK	3.20	1.94	2.32
Earnings per share, after dilution, SEK	3.20	1.94	2.32
Equity per share, SEK	29.58	27.13	28.48
Cash flow, operating activities, SEK	2.47	5.23	9.84
Share price, SEK	88.00	83.75	101.75
Average No. of shares, thousands	44,204	44,204	44,204
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>102</i>	<i>102</i>

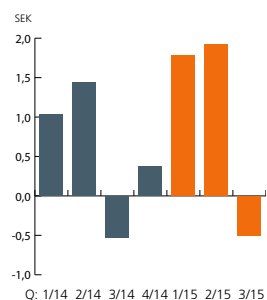
<sup>1</sup> Rolling twelve months

<sup>2</sup> Twelve months

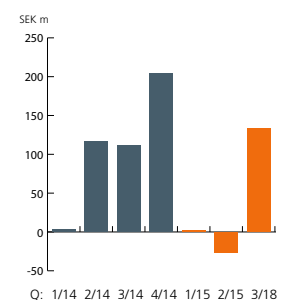
**Operating income & margin**  
(excl. one-off items)



**Earnings per share**



**Cash flow operating activities**



**Parent company's income statement**

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net sales	28	24	81	65	95
Administrative costs	-13	-11	-44	-45	-56
Operating income	15	13	37	20	39
Dividend from Group companies	4	1	520	61	63
Financial income and expenses	7	3	24	7	15
Income after financial items	26	17	581	88	117
Group contribution	-	-	-	-	-47
Income before tax	26	17	581	88	70
Tax	-4	-4	-13	-6	3
Net income	22	13	568	82	73

**Parent company's statement of comprehensive income**

SEK m	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full year 2014
Net income	22	13	568	82	73
Other comprehensive income	-	-	-	-	-
Total comprehensive income	22	13	568	82	73

**Parent company's statement of financial position**

SEK m	Sep 30 2015	Sep 30 2014	Dec 31 2014
Non-current assets	2,921	1,898	1,917
Current assets	595	931	1,050
Total assets	3,516	2,829	2,967
Shareholders' equity	1,623	1,197	1,187
Provisions	42	42	40
Interest-bearing liabilities, external	270	306	270
Other liabilities	1,581	1,284	1,470
Total equity and liabilities	3,516	2,829	2,967

**Financial instruments by category - Group**

SEK m	Sep 30, 2015		Sep 30, 2014		Dec 31, 2014	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	9	2	2	3	4	7
Forward exchange contracts- at fair value through profit or loss	1	2	2	1	2	2
Currency swaps - at fair value through profit or loss	9	18	10	18	14	29
Financial assets available for sale	14	-	16	-	27	-
Total	33	22	30	22	47	38

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	2015			2014				2013	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Income statement:</b>									
Net sales	1,189	1,290	1,246	1,092	1,123	1,124	1,041	908	994
Cost of good sold	-835	-912	-899	-789	-797	-806	-750	-664	-704
Gross income	354	378	347	303	326	318	291	244	290
Selling, admin. and product development costs	-243	-245	-238	-207	-224	-214	-212	-190	-212
Other operating income and expenses	-103	1	5	-64	-87	-1	4	-1	11
Operating income	8	134	114	32	15	103	83	53	89
<i>Operating income, excl. one-off items</i>	<i>116</i>	<i>137</i>	<i>115</i>	<i>101</i>	<i>113</i>	<i>110</i>	<i>84</i>	<i>66</i>	<i>84</i>
Financial income and expenses	-28	-6	-13	-8	-7	-5	-8	-11	-13
Income before tax	-20	128	101	24	8	98	75	42	76
Tax	-2	-42	-22	-7	-30	-34	-27	-30	-30
Net income/loss	-22	86	79	17	-22	64	48	12	46
<b>Statement of financial position:</b>									
Non-current assets	1,145	1,183	1,212	1,148	1,079	1,051	1,023	1,047	1,044
Current assets	1,807	1,836	2,061	1,788	1,668	1,632	1,583	1,439	1,434
Total assets	2,952	3,019	3,273	2,936	2,747	2,683	2,606	2,486	2,478
Equity	1,325	1,368	1,416	1,278	1,199	1,183	1,177	1,152	1,114
Non-current liabilities	737	721	786	718	732	736	741	728	748
Current liabilities	890	930	1,071	940	816	764	688	606	616
Total equity and liabilities	2,952	3,019	3,273	2,936	2,747	2,683	2,606	2,486	2,478
<b>Statement of cash flow:</b>									
Cash flow from operating activities before change in working capital	26	132	134	82	60	116	98	67	58
Cash flow from operating activities	133	-26	2	204	112	116	3	76	94
Cash flow from investment activities	-47	-43	-32	-61	-53	-32	-5	-34	-15
Cash flow from financing activities	-8	-135	-7	-24	-70	-121	-1	-27	-139
Net cash flow	78	-204	-37	119	-11	-37	-3	15	-65
<b>Key figures:</b>									
Operating margin, excl. one-off items, %	9.7	10.6	9.3	9.3	10.1	9.7	8.1	7.3	8.4
Operating margin, %	0.7	10.4	9.2	3.0	1.3	9.2	7.9	5.9	9.0
Earnings per share, before and after dilution, SEK	-0.50	1.92	1.78	0.38	-0.53	1.44	1.03	0.26	1.03
Equity per share, SEK	29.58	30.52	31.57	28.48	27.13	26.76	26.63	26.06	25.20
Cash flow, operating activities, per share, SEK	3.01	-0.59	0.05	4.61	2.53	2.62	0.07	1.61	2.13
Share price, SEK	88.00	109.50	130.25	101.75	83.75	82.50	75.75	60.00	49.20
Return on capital employed excl. one-off items, % <sup>1</sup>	23.3	23.4	22.4	21.4	19.6	18.1	16.1	14.6	12.6
Return on capital employed, % <sup>1</sup>	14.3	14.8	13.5	12.2	13.5	17.3	9.4	7.8	6.4
Return on equity, %	-1.7	6.7	6.4	1.4	-2.0	5.6	4.0	1.0	3.9
Equity ratio, %	45	45	43	44	44	44	45	46	45
Net debt/equity ratio, %	33	36	25	21	34	37	35	33	37
Investments	47	43	32	48	40	32	27	34	23
R&D, %	3.5	3.5	3.6	3.6	3.3	3.2	3.5	4.1	3.5
Number of employees	2,215	2,257	2,265	2,235	2,217	2,232	2,199	2,135	2,130

<sup>1</sup> Rolling twelve months

## 4 year in summary

SEK m, if not otherwise stated	2014	2013	2012	2011 <sup>1</sup>
<b>Income statement:</b>				
Net sales	4,380	3,920	3,933	4,030
Cost of good sold	-3,142	-2,827	-2,904	-2,967
Gross income	1,238	1,093	1,029	1,063
Selling, admin. and product development costs	-857	-839	-836	-829
Other operating income and expenses	-148	-101	-43	1
Operating income	233	153	150	235
<i>Operating income, excl. one-off items</i>	<i>408</i>	<i>281</i>	<i>210</i>	<i>235</i>
Financial income and expenses	-28	-43	-36	-18
Income before tax	205	110	114	217
Tax	-98	-72	-60	-75
Net income	107	38	54	142
<b>Statement of financial position:</b>				
Non-current assets	1,148	1,047	1,186	1,276
Current assets	1,788	1,439	1,414	1,582
Total assets	2,936	2,486	2,600	2,858
Equity	1,278	1,152	1,129	1,336
Non-current liabilities	718	728	967	924
Current liabilities	940	606	504	598
Total equity and liabilities	2,936	2,486	2,600	2,858
<b>Statement of cash flow:</b>				
Cash flow from operating activities before change in working capital	356	249	243	439
Cash flow from operating activities	435	282	238	114
Cash flow from investment activities	-151	-71	-118	1,301
Cash flow from financing activities	-216	-230	-164	-1,519
Net cash flow	68	-19	-44	-104
<b>Key figures:</b>				
Operating margin, excl. one-off items, %	9.3	7.2	5.3	5.8
Operating margin, %	5.3	3.9	3.8	5.8
Earnings per share, before and after dilution, SEK	2.32	0.80	1.12	3.08
Equity per share, SEK	28.48	26.06	25.53	30.20
Cash flow, operating activities, per share, SEK	9.84	6.38	5.38	2.58
Dividend, SEK	3.00	2.00	1.00	2.00
Share price, SEK	101.75	60.00	33.50	25.20
Return on capital employed excl. one-off items, % <sup>2</sup>	21.4	14.6	9.8	10.1
Return on capital employed, % <sup>2</sup>	12.2	7.8	7.0	10.1
Return on equity, %	8.7	3.1	3.4	-
Equity ratio, %	44	46	43	47
Net debt/equity ratio, %	21	33	51	37
Investments	147	94	118	100
R&D, %	3.4	3.5	3.4	3.3
Number of employees	2,235	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 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, AFA Försäkring and Nordea Fonder.

Prior to 2011, Haldex consisted of several business areas. BorgWarner took over the all-wheel drive coupling for passenger cars, while Concentric took over the hydraulic pump operations. Haldex retained brake products and air control systems.

### 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).

## Hallex's range of products

The Foundation Brake product line includes brake products for wheel ends such as disc brakes, brake adjusters and actuators. Air Controls comprises products to improve brake systems' safety and driving qualities, such as treatment of compressed air, valves and ABS and EBS.

A SELECTION of our products in each product group:

### FOUNDATION BRAKE



**BRAKE ADJUSTERS** are the central part of a drum brake and automatically control the distance between the brake lining and the brake drum.



**DISC BRAKES** have higher braking performance. As opposed to brake adjusters, which are a part of a drum brake, Hallex manufactures complete air disc brakes.



**ACTUATORS** and brake chambers are available for both drum brakes and disc brakes. Hallex offers several versions both with and without parking brakes.

### AIR CONTROLS



**EBS** controls the braking system electronically. The system ensures that the brake power is always optimal for all brakes on a trailer including stability control.



The **SEPERATOR** Consep separates dirt, water and oil before compressed air is passed on to the air dryer, which reduces the need for maintenance in the air system.



**PARKING BRAKE CONTROL** for trailers ensures that the trailer can be manoeuvred and safely parked.



**RAISING AND LOWERING** of vehicles with the help of the vehicles suspension system. A simple handle allows the driver to raise or lower the vehicle to the correct height at the loading bay.



**AIR DRYERS** are a key part of the braking system. Clean and dry air is correctly distributed to the vehicles air sub systems.



The **LIFT AXLE CONTROL** ensures that the lift axle of a trailer is automatically raised and lowered to adapt to the load situation.

## HALDEX CULTURE AND VALUES

### Bridge building at Haldex

The importance of a strong culture for achieving success has been well documented. At Haldex, we have had three core values for a long time: Customer first, Respect for individual and Passion for excellence. But culture is so much more than values. It is everything from our vision to our behaviors, how we build a sustainable business and how we work together. Our culture is like Haldex's personality and consequently becomes the overall image of what it is like to work for us. Our culture is also one of the success factors that cannot be copied by other companies.

**Lena Nordin, SVP Human Resources** shares how we have intensified our efforts in terms of culture and conduct:



"It is important that our employees recognize themselves in our culture. When we talked to employees around the world about what they see as strengths in our culture, the term "building bridges" was quick to come up. The H in Haldex became a symbol for our bridge building. We have our values as a foundation, but we have also identified five areas of behavior that we see as fixtures of our day-to-day work.



We call these the 5 Cs, because they all start with the letter C: Communicate, Connect, Collaborate, Coach and Create.

With the right attitudes and values, we can create success for our customers. We use our relative size to our advantage. We are faster, more efficient, more action oriented and flexible, which enables us to faster achieve the results desired by the customer.

The labor market is changing rapidly and we are seeing a trend away from individualistic thinking toward a more collaboration-oriented perspective. We want to build bridges between cultures, generations and technologies and we are well on our way."

You are welcome to listen to our culture presentation on YouTube: <https://youtu.be/YVxNnnu9imQ>

#### CUSTOMER CASE:

### Some like it cold

There are two especially sensitive sectors in transport, and they could not be more different from one another. One is hazardous goods. The other is food. The mid-1950s saw the emergence of the international organization Transfrigoroute International. Chair of the Board Hubertus Kobernuss describes its contemporary function as "the voice, eyes and ears of companies in the temperaturecontrolled sector".

Over the years, Transfrigoroute has become a unique organization that maintains a remarkably open, round-table culture. It is a lively forum for everyone involved in refrigerated transport. Small and medium-sized businesses speak on completely equal terms with companies whose turnover is in the billions. Hubertus Kobernuss says group members "help each other with important information, get feedback about experiences with equipment, and work on suggestions for improvements". Collegiality is strong at Transfrigoroute. This is also true for the Industry Partnership, which is hosted by the association and which Haldex is a member of.

The Board Chair Hubertus Kobernuss has been putting Haldex to the test, having equipped four of his tractor-trailers with the latest Haldex technology, such as the EB+ park and shunt valve with TEM® Safe Parking Single with its single control knob and the automatic load distribution system Load Transfer. His initial verdict: "My drivers are giving me very positive feedback", and he is pleased to have Haldex in the Transfrigoroute club.

## Financial calendar

Annual statement	11 February
Interim report, Jan-Mar	22 April
Annual General Meeting	3 May
Interim report, Apr-Jul	15 July
Interim report, Jul-Sep	25 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: Friday, October 23 at 11.00 CEST

The press conference is broadcasted at:  
<http://financialhearings.nu/150716/haldex/>

To join the telephone conference:

Sweden: +46 8 566 426 69

UK: +44 20 342 814 33

US: +1 866 385 92 14

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

Change in share price	-23%
Share price (Sep 30)	88.00 SEK
Market capital (Sep 30)	3,891 MSEK
Highest share price	119.25 SEK
Lowest share price	77.00 SEK
Average No. of traded shares/day	255,922
Total No. of shares (Sep 30)	44,215,970
Dividend 2015	3.00 SEK

