First nine months of 2007

First nine months of 2007

- **Sales amounted to SEK 5,985 m (5,993). Adjusted for currency exchange rates, sales rose 4%. Order intake totaled SEK 6,077 m (6,022). The increase was 5% after adjustments for currency exchange rates.**

- **Earnings after tax totaled SEK 134 m (179). Earnings per share amounted to SEK 5.97 (8.08).**

- **Operating income totaled SEK 252 m (300). The operating margin was 4.2% (5.0). The decline in earnings was mainly attributable to the CVS Division, where operating income declined by SEK 41 m. The Friction Products business unit accounted for most of this deviation.**

- **A review of the production structure within Friction Products is currently under way. The structural changes are expected to result in future costs of SEK 40–50 m, with a repayment period of one year.**

- **The sales decline in North America was largely offset by strong demand in Europe and deliveries of new products. In North America, the number of trucks produced declined by 41% and the number of trailers by 20%.**

- **In the third quarter production approval was obtained from Scania for the new Haldex disc brakes for heavy trucks.**

- **The return on capital employed (rolling 12 months) was 9.6% (11.3).**

Q3 2007

- **Sales totaled SEK 1,895 m (1,870).**

- **In the North American market, the decline for trucks continued in the third quarter and resulted in a weaker-than-expected trend for trailers and the aftermarket.**

- **Earnings before tax amounted to SEK 42 m (62).**

- **Operating income totaled SEK 65 m (79). Earnings for the preceding year were charged with SEK 15 m in restructuring costs.**

Events after the close of the reporting period

- **On October 2, Haldex issued a press release announcing a revised earnings forecast for 2007. The entire press release is available on the Haldex website.**

	2006					2007				
SEK m	**Q1**	**Q2**	**Q3**	**Q1-Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q1-Q3**	**Q3 07/Q3 06**
Net sales	2 076	2 047	1 870	5 993	1 897	2 060	2 030	1 895	5 985	0%
Operating income *)	123	112	94	329	90	90	97	65	252	-23%
Operating income	123	98	79	300	90	90	97	65	252	-16%
Earnings before tax	103	74	62	239	76	70	78	42	190	-20%
Earnings after tax	75	56	47	179	131	47	50	37	134	-25%
Operating margin%*)	5.9	5.4	5.0	5.5	4.7	4.3	4.8	3.4	4.2	-1.3
Operating margin%	5.9	4.8	4.2	5.0	4.7	4.3	4.8	3.4	4.2	-0.8
Return on capital employed% **)	12.1	11.3	11.3	11.3	11.5	10.4	10.3	9.6	9.6	-1.7

*) Excluding restructuring costs
**) Rolling 12 months

Key events during the year

- In the third quarter production approval was obtained from Scania for the new Haldex disc brakes for heavy trucks.

- Two major American manufacturers of diesel engines selected the Afdex crankcase-gas cleaning system. The order is valued at SEK 200 m over a three-year period.

- Serial deliveries of the AWD system for a new Volkswagen model (Tiguan) started at the end of the second quarter. The order value is estimated at SEK 1,250 m over a five-year period.

- A new Ford model – Kuga – that uses the Haldex AWD system was launched in September. The order value is estimated at SEK 400 m over a five-year period.

- The new SAAB 9-3 will be using Haldex's fourth generation AWD, which will be known as Cross Wheel Drive (XWD). The SAAB 9-3 is the first model in an order from GM for a medium-car platform for the global market. The value of the order is SEK 2 billion over a five-year period.

- Production of the second generation of EBS (EB +gen2) for trailers started during the second half of the year. The European launch was highly successful, particularly in the key German market.

- Haldex has completed the acquisition of Runguang Hydraulics, one of the leading suppliers of hydraulic products to the Chinese construction machine industry. The company was consolidated effective April 1, 2007.

- The new Indian legislation concerning automatic brake control for commercial vehicles that became effective in April 2007 has created strong demand for Haldex's automatic brake adjusters in India.

- During the second quarter, Gigant, a European axle manufacturer, is launching its new "Euro Axle," which utilizes Haldex's new "fixed caliper dual disc" brake concept.

- Following successful winter testing, Haldex has launched the fifth generation AWD system, with production startup planned for 2010.

Earnings

Operating income totaled SEK 252 m (300), down SEK 48 m on the year-earlier period. Excluding restructuring costs, earnings declined by SEK 77 m, due mainly to the CVS Division. The weak North American market, the effects of the production problems at Garphyttan and a weaker US dollar had an adverse impact on earnings.

Consolidated net sales totaled SEK 5,985 m (5,993). Sales rose 4% after adjustment for currency exchange rates, mainly on the strength of strong demand in Europe, deliveries of new products and the acquisition of Runguang Hydraulics. Sales increased 13% in Europe. These factors offset the sales decline of 18% in North America.

The North American market remained weak in the third quarter, with a production decline of 52% for trucks and 23% for trailers compared with the same quarter in the preceding year. In addition, the negative trend in CVS's aftermarket continued. In the third quarter, the production rate for construction machinery in North America declined compared with the year-earlier period.

Consolidated earnings before tax totaled SEK 190 m (239), a decline of SEK 49 m.
Financial expenses amounted to SEK 62 m (61).

Earnings after tax totaled SEK 134 m (179). The tax rate was 29% (25). The higher tax rate was mainly attributable to the Group's higher earnings in countries with a higher tax rate, compared with the year-earlier period. During the quarter, the Group was informed that it had won a tax dispute attributable to the 1989–1991 taxation years. The amount, which totaled SEK 9 m, has reduced the current year's tax cost by the corresponding amount. The Group's average tax rate, excluding the aforementioned nonrecurring item, amounted to 34%.

The operating margin was 4.2% (5.0). The return on capital employed (rolling 12 months) amounted to 9.6% (11.3).

Earnings by division

Commercial Vehicle Systems

SEK m	*First nine months of 2007*	*2006*	*Changes*
Net sales	3 463	3 641	-5%
Operating income*	134	190	-29%
Operating income	134	175	-23%
Operating margin,%*	3.9	5.2	-1.3
Operating margin,%	3.9	4.8	-0.9
Return on capital employed,%	7.5	8.2	-0.7

*) Excluding restructuring costs

Sales within the CVS Division amounted to SEK 3,463 m (3,641), a decrease of SEK 178 m compared with the year-earlier period. The effect of the sales decline in North America was partially offset by strong sales growth in Europe and Asia combined with new products. In North America, sales declined mainly because of the production decrease for heavy trucks, but also because of a weaker-than-expected trend for trailers and for the aftermarket.

Operating income declined SEK 41 m to SEK 134 m (175) compared with the year-earlier period. The primary reason was the significant exposure of individual business units, such as Friction Products, to the North American market. Increases in material costs that occurred during the second half of 2006, additional costs associated with the expansion of capacity for disc brakes and a weaker US dollar are other factors that contributed to the earnings decline.

Friction Products accounted for a significant portion of the lower earnings compared with the year-earlier period, particularly in the third quarter. The business unit reported significant losses, due to major volume decreases and, consequently, capacity adjustment costs. A review of the production structure within the business unit is currently under way. Haldex expects that probable structural changes will result in a future cost of about SEK 40-50 m, with a repayment period of one year. Actions will be presented in the fourth quarter. The final restructuring cost will be determined and charged to the fourth quarter.

Hydraulic Systems

SEK m	*First nine months of 2007*	*2006*	*Changes*
Net sales	1 091	1 013	+8%
Operating income	60	66	-9%
Operating margin,%	5.5	6.5	-1.0
Return on capital employed,%	16.9	22.7	-5.8

Compared with the year-earlier period, net sales rose 13%, after adjustments for exchange-rate effects, to SEK 1,091 m (1,013), driven mainly by the acquisition of Runguang Hydraulics. The weaker trend in North America was largely offset by strong demand in Europe and serial deliveries of the Alfdex system.

Operating income totaled SEK 60 m (66), affected by a weaker US dollar and a weaker North American market.

Garphyttan Wire

SEK m	*First nine months of 2007*	*2006*	*Changes*
Net sales	829	782	+6%
Operating income*	28	37	-24%
Operating income	28	23	+22%
Operating margin,%*	3.4	4.7	-1.3
Operating margin,%	3.4	2.9	+0.5
Return on capital employed,%	9.9	10.7	-0.8

*) Excluding restructuring costs

Net sales for Garphyttan Wire rose SEK 47 m (6%) compared with the year-earlier period, and totaled SEK 829 m (782). After adjustments for exchange-rate effects, sales rose by 8%. The increase was attributable mainly to increases in material prices, which were passed on to customers. Demand in Europe grew compared with the year-earlier period, while the growth trend in the North American market was weak.

Operating income totaled SEK 28 m (23). The effects of production problems at Garphyttan early in the year, combined with a negative effect of SEK 8 m on earnings in the last quarter, due to the inventory exposures to nickel, with lower margins as a result, were the primary causes of the decline in earnings compared with the year-earlier period.

Traction Systems

SEK m	*First nine months of 2007*	*2006*	*Changes*
Net sales	603	557	+8%
Operating income	29	36	-19%
Operating margin,%	4.9	6.5	-1.6
Return on capital employed,%	18.9	25.9	-7.0

Sales rose SEK 46 m (8%) compared with the year-earlier period, and totaled SEK 603 m (557). The increase was mainly related to deliveries to Landrover and to the fact that serial deliveries to the new VW model, Tiguan, have started.

Operating income was charged with startup costs for the new generation of couplings (Generation 4), which began to be delivered in the third quarter of 2007, and costs connected to preparations for deliveries from the new plant in Mexico, which will begin in 2008.

Q3

Operating income totaled SEK 65 m (79). Excluding restructuring costs, earnings declined by SEK 29 m. Earnings before tax totaled SEK 42 m (62). The weak North American market, the effects of production problems at Garphyttan in the beginning of the year and a weaker US dollar had an adverse effect on earnings.

Net sales amounted to SEK 1,895 m (1,870). Adjusted for acquisitions and exchange-rate effects, sales declined by 2% compared with the year-earlier period. Sales declined 21% in North America but rose 17% in Europe, compared with the year-earlier period.
Sales within CVS decreased to SEK 1,090 m (1,152) due to weaker demand for heavy trucks, trailers and aftermarket products in North America. The division's sales in North America fell 22% in local currencies compared with the same quarter in 2006, but rose 20% in Europe in the same period. Operating income totaled SEK 34 m (50).

Sales in the Hydraulics Division totaled SEK 369 m (339). The increase was related mainly to the acquisition of Runguang Hydraulics. Operating income totaled SEK 18 m (23). The strong trend in Europe did not entirely offset the effects of the volume decline, capacity adjustments in North America and the weaker US dollar.

Net sales within the Wire Division increased SEK 29 m to SEK 255 m (226). Operating income totaled SEK 1 m (9). The effects of production problems at Garphyttan early in the year, combined with a negative earnings effect of SEK 8 m in the last quarter, due to the inventory exposure to nickel, with lower margins as a result, were the primary causes of the decline in earnings compared with the year-earlier period.

Sales and operating income in the Traction Division totaled SEK 182 m (153) and SEK 11 m (12), respectively.

Cash flow

Cash flow after net investments was a negative SEK 286 m (neg: 143), due in part to an increased need for working capital and to investments in Asia.

Financial position

Cash and cash equivalents totaled SEK 151 m. In addition, the Group has unutilized credits lines amounting to slightly more than SEK 1 billion. The consolidated net debt amounted to SEK 1,733 m (1,409), up SEK 324 m on the year-earlier period. The increase was mainly due to an increased need for working capital and to the acquisition of Runguang Hydraulics. At the end of the period, interest-bearing liabilities amounted to SEK 1,884 m (1,513). Shareholders' equity amounted to SEK 1,863 m (1,830), resulting in an equity-assets ratio of 37% (39).

Net sales

Sales by division and region:

	First nine months			*Changes*
SEK m	**2007**	**2006**	**Nominal**	**Currency-adjusted**
Group	5 985	5 993	0%	+4%
Commercial Vehicle Systems	3 463	3 641	-5%	-1%
Hydraulic Systems	1 091	1 013	+8%	+13%
Garphyttan Wire	829	782	+6%	+8%
Traction Systems	603	557	+8%	+8%
North America	2 343	2 857	-18%	-11%
Europe	3 161	2 791	+13%	+14%
Asia and the Middle East	301	194	+55%	+60%
South America	180	151	+19%	+20%

Market

Europe reported very strong growth, while the opposite scenario applies to North America, where investments in housing have declined, causing a reduction in the number of freight kilometers.

The production of heavy trucks in North America has fallen 41% during the year compared with the year-earlier period. The decline is in line with expectations and due to advance truck purchases in 2006. The advance purchases were carried out to avoid the higher prices for the more advanced truck engines that comply with the new emissions legislation that came into effect in 2007.

Production of heavy trucks in Europe was strong, increasing by 14% compared with the year-earlier period.

For full-year 2007, global production of heavy trucks is expected to increase, despite the expected decline in the North American market of approximately 40%. Consequently, the rate of production in North America is not expected to increase during the current year. A gradual increase in the rate is expected to occur in 2008. I Europe, the strong market is expected to continue in 2007, with an increase of 14%, and 2008, with an increase of 8%. Healthy growth is also expected in Asia and South America.

The production of trailers in North America, which has declined 20% compared with the year-earlier period, has been weaker than expected during the year. Most trailer manufacturers had not forecast this decline, and had in fact expected an upswing in the second half of the year. This has resulted in inventory accumulation. Accordingly, production cutbacks are under way among most manufacturers, which will probably cause the weak production rate to continue throughout the remainder of the year. A recovery related to inventory adjustments is expected to occur early next year.

In Europe, the scenario is the reverse. The increase in the first nine months of the year was 30%, compared with the year-earlier period. Most manufacturers’ order books are full, implying that growth will continue in 2008.

In Asia and South America, growth remained strong for both heavy trucks and trailers.

The aftermarket for brake systems in Europe remained strong, while the North American market declined during the period.

Demand for construction machinery declined by 11% in North America, while an increase of 4% was reported for Europe. Most of Haldex's North American customers had expected a stronger market in the second half of 2007, compared with the first half. This did not occur. The decline in the construction of new housing has reduced demand for construction machinery.

The market for forklifts reported ongoing strong growth in Europe, increasing by 23%, while declining in North America by 10%.

During the period, the number of cars produced in North America declined 2%, and in Europe increased 5%, compared with the year-earlier period. It is expected that manufacturing of light vehicles during the current year will be unchanged compared with 2006, thus indicating a recovery in the North American market in the final quarter, compared with the same quarter in 2006. In Europe, production of light vehicles is expected to be on a level with the preceding year – that is, some slackening during the fourth quarter of 2007.

Outlook for 2007

The Group's AWD sales are expected to increase during 2007, since serial deliveries for the new Volkswagen model, Tiguan, began in the second half of the year.

The downturn in the North American truck and trailer industry in 2007, combined with the weakening of USD against SEK, will have a negative impact on the Group's sales this year upon translation into Swedish kronor.

The aforementioned factors will largely be offset by the strong European market, combined with new product launches and new customers. The Group therefore expects that consolidated net sales will be at approximately the same level as in 2006.

Due to the ongoing weakness of the North American truck market, the latest lower production forecasts in North America for trailers and hydraulic products, the effects of production problems at Garphyttan, and costs for restructuring the Friction Products business unit, Haldex expects the year's operating income to be lower than in the preceding year when operating income totaled SEK 390 m. Earnings for the second half of the year will also be affected by exchange-rate changes, due partly to the weaker dollar exchange rate.

Other

Parent Company

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

Acquisition of operations

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

Preliminary acquisition analysis concerning Runguang Hydraulics

SEK m

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

Employees

The number of employees at the end of the period totaled 6,075 (4,688). The increase was primarily related to the acquisition of Runguang Hydraulics. Within CVS and the Hydraulic Division substantially reductions in the number of employees have been made in North America.

Buybacks of own shares

In June, the Board of Directors adopted a resolution to buy back own shares. A total of 145,000 shares were bought back that same month at an average price of SEK 165 per share. The number of treasury shares after the buyback amounts to 21,920,000.

Incentive program

In April, the Haldex Annual General Meeting adopted a resolution to introduce a long-term, performance-based incentive program under which senior executives and key personnel will be allotted employee stock options, on condition that the participants become shareholders via private investment in Haldex shares on the market. Each share purchased on the market entitles the buyer to 10 free personal stock options, each of which entitles the bearer to acquire one Haldex share. A further precondition for the option allotments is that Haldex's earnings before tax have increased by more than 7% in relation to the preceding fiscal year. Maximum allotment will occur on condition that earnings before tax increase by 20% or more in relation to the preceding fiscal year. Pursuant to the Board's resolution, the employee options will be issued in three series in the years 2008, 2009 and 2010. Based on the company's current earnings forecast, none of the 2008 options are expected to be allotted. No allotment of the 2008 year stock options are expected from the company's earnings estimate. For detailed information about the program, please visit the Haldex website at www.haldex.com

Significant risks and uncertainties

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

Related party transactions

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

Accounting principles

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

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

Shared-based payment

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

Future reporting dates

Year-end Report	February 22, 2008
Annual General Meeting	April 15, 2008, in Stockholm

Stockholm, October 25 2007
Joakim Olsson
President and Group CEO

For further information, please contact Joakim Olsson, President and CEO, Stefan Johansson, Chief Accountant and CFO, or Lena Olofsdotter, SVP Corporate Communications, at Tel. +46-8-545 049 50

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REVIEW REPORT

We have reviewed the interim report of Haldex AB (publ) for the period January 1 – September 30, 2007. Management is responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act.

Stockholm, October 25, 2007

Liselott Stenudd
Authorized Public Accountant
PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant
PricewaterhouseCoopers AB

Consolidated income statement

Amounts in SEK m	*July - Sept 2007*	*July - Sept 2006*	*Jan - Sept 2007*	*Jan - Sept 2006*	*Oct 2006 - Sept 2007*	*Full-year 2006*
Net sales	**1 895**	**1 870**	**5 985**	**5 993**	**7 882**	**7 890**
Cost of goods sold	-1 505	-1 429	-4 664	-4 564	-6 137	-6 037
Gross income	**390**	**441**	**1 321**	**1 429**	**1 745**	**1 853**
	20.6%	**23.6%**	**22.1%**	**23.8%**	**22.1%**	**23.5%**
Sales, administrative & product development costs	-337	-367	-1 110	-1 155	-1 450	-1 495
Other operating income & expenses	12	5	41	26	47	32
Operating income	**65**	**79**	**252**	**300**	**342**	**390**
Financial expense	-23	-17	-62	-61	-76	-75
Earnings before tax	**42**	**62**	**190**	**239**	**266**	**315**
Taxes	-5	-15	-56	-60	-1	-5
Net profit	**37**	**47**	**134**	**179**	**265**	**310**
of which minority interests	*2*	*-*	*3*	*1*	*4*	*2*
Earnings per share, SEK	1.61	2.16	5.97	8.08	11.85	13.96
Avg. no. of shares (000)	21 920	22 065	22 001	22 065	22 017	22 065

Consolidated income statement by type of cost

Amounts in SEK m	*July - Sept 2007*	*July - Sept 2006*	*Jan - Sept 2007*	*Jan - Sept 2006*	*Oct 2006 - Sept 2007*	*Full-year 2006*
Net sales	**1 895**	**1 870**	**5 985**	**5 993**	**7 882**	**7 890**
Direct material costs	-1 016	-970	-3 166	-3 098	-4 162	-4 094
Personnel costs	-470	-473	-1 492	-1 470	-1 969	-1 947
Depreciation	-65	-71	-210	-214	-268	-272
Other operating income & expenses	-279	-277	-865	-911	-1 148	-1 187
Operating income	**65**	**79**	**252**	**300**	**342**	**390**
Financial expense	-23	-17	-62	-61	-76	-75
Earnings before tax	**42**	**62**	**190**	**239**	**266**	**315**
Taxes	-5	-15	-56	-60	-1	-5
Net profit	**37**	**47**	**134**	**179**	**265**	**310**
of which minority interests	*2*	*-*	*3*	*1*	*4*	*2*

Consolidated balance sheet

Amounts in SEK m	*Sept 30, 2007*	*Sept 30, 2006*	*Dec 31 2006*
Goodwill	424	427	414
Other intangible assets	259	188	207
Tangible fixed assets	1 475	1 394	1 406
Financial fixed assets	117	120	182
Financial derivative instruments	6	21	17
Total fixed assets	**2 281**	**2 150**	**2 226**
Inventories	1 020	932	886
Current receivables	1 610	1 457	1 312
Financial derivative instruments	31	32	59
Cash, bank and current investments	151	104	250
Total current assets	**2 812**	**2 525**	**2 507**
Total assets	**5 093**	**4 675**	**4 733**
Total shareholders’ equity	**1 863**	**1 830**	**1 898**
Pension liabilities	340	315	319
Deferred taxes	68	168	113
Long-term loans	1 304	1 154	1 152
Financial derivative instruments	0	1	1
Other long-term liabilities	24	110	24
Total long-term liabilities	**1 736**	**1 748**	**1 609**
Financial derivative instruments	8	4	11
Short-term loans	240	44	33
Current operating liabilities	1 246	1 049	1 182
Total current liabilities	**1 494**	**1 097**	**1 226**
Total liabilities and shareholders’ equity	**5 093**	**4 675**	**4 733**

Consolidated changes in shareholders’ equity

Amounts in SEK m	*Sept 30, 2007*	*Sept 30, 2006*	*Dec 31, 2006*
Opening balance	1 898	1 890	1 890
Dividend	-99	-88	-88
Exchange-rate difference	-35	-142	-211
Hedging reserve (IAS 39)	-11	-9	-3
Buyback of own shares	-24	-	-
Net profit	134	179	310
Closing balance	**1 863**	**1 830**	**1 898**
of which minority interests	*13*	*4*	*4*

Consolidated cash-flow statement

Amounts in SEK m	*Jan - Sept 2007*	*2006*	*Oct 2006 - Sept 2007*	*Full-year 2006*
Operating income	252	300	342	390
Depreciation of fixed assets	210	214	268	272
Interest paid	-61	-59	-77	-75
Taxes paid	-39	-60	-78	-99
Gross cash-flow from operations	362	395	455	488
Change in working capital	-340	-264	-162	-86
Cash-flow from operations	***22***	***131***	***293***	***402***
Net investments	-308	-274	-434	-409
Corporate acquisitions	-49	-5	-84	-31
Cash-flow from investments	***-357***	***-279***	***-518***	***-440***
Dividend	**-99**	-88	-99	-88
Buyback of own shares	-24	-	-24	-
Change in loans	363	97	406	140
Change in long-term receivables	-3	-5	-1	-3
Cash-flow from financing	***237***	***4***	***282***	***49***
Change in cash and bank assets, excl. exchange-rate difference	-98	-144	57	11
Cash and bank assets, opening balance	250	254	104	254
Exchange-rate difference in cash and bank assets	-1	-6	-10	-15
Cash and bank assets, closing balance	151	104	151	250

Key figures

	Jan - Sept 2007	*2006*	*Oct 2006 - Sept 2007*	*Full-year 2006*
Operating margin, %	4.2	5.0	4.3	4.9
Capital turnover rate, x	2.2	2.4	2.2	2.3
Return on capital employed, %	9.3	11.9	9.6	11.5
Return on shareholders’ equity, %	9.2	12.9	13.9	16.6
Interest coverage ratio, x	4.1	4.9	4.6	5.2
Equity/assets ratio, %	37	39	37	40
Debt/equity ratio, %	93	77	93	66

Share data

	Jan - Sept 2007	*2006*	*Oct 2006 - Sept 2007*	*Full-year 2006*
Earnings after tax, SEK	5.97	8.08	11.85	13.96
Shareholders’ equity, SEK	85.01	82.94	85.01	86.02
Avg. number of shares, thousands	22 001	22 065	22 017	22 065
Number of shares at period end, thousands	21 920	22 065	21 920	22 065
Market price, SEK	149.00	141.00	149.00	163.50

Quarterly report

Amounts in SEK m	2007 Q1	Q2	Q3	9 mos 2007	2006 Q1	Q2	Q3	9 mos 2006	Q4	Full-year 2006
Net sales	2 060	2 030	1 895	**5 985**	2 076	2 047	1 870	**5 993**	1 897	**7 890**
Cost of goods sold	-1 591	-1 568	-1505	**-4 664**	-1 569	-1 566	-1 429	**-4 564**	-1 473	**-6 037**
Gross earnings	469	462	390	**1 321**	507	481	441	**1 429**	424	**1 853**
	22.8 %	22.8 %	20.6	**22.1**	24.4 %	23.5 %	23.6 %	**23.8%**	22.4 %	**23.5%**
Sales, administrative & prod. development costs	-391	-382	-337	**-1 110**	-394	-394	-367	**-1 155**	-340	**-1 495**
Other operating income & expenses	12	17	12	**41**	10	11	5	**26**	6	**32**
Operating income	90	97	65	**252**	123	98	79	**300**	90	**390**
Financial expenses	-20	-19	-23	**-62**	-20	-24	-17	**-61**	-14	**-75**
Earnings before tax	70	78	42	**190**	103	74	62	**239**	76	**315**
Taxes	-23	-28	-5	**-56**	-28	-17	-15	**-60**	55	**-5**
Earnings for the period	47	50	37	**134**	75	56	47	**179**	131	**310**
of which minority interests	1	0	2	**3**	1	0	0	**1**	1	**2**
Earnings per share, SEK	2:12	2:24	1:61	**5:97**	3:37	2:55	2:16	**8:08**	5:88	**13:96**
Operating margin,%	4.3	4.8	3.4	**4.2**	5.9	4.8	4.2	**5.0**	4.7	**4.9**
Cash-flow after net investments	-72	-88	-126	**-286**	-84	-31	-28	**-143**	136	**-7**
Return on capital employed *),%	10.4	10.3	9.6	**9.6**	12.1	11.3	11.3	**11.3**	11.5	**11.5**
Return on equity *), %	15.0	14.7	13.9	**13.9**	15.2	14.1	14.2	**14.2**	16.6	**16.6**
Equity/assets ratio,%	40	37	37	**37**	39	38	39	**39**	40	**40**
Investments	94	109	103	**306**	89	109	72	**270**	150	**420**
R & D,%	4.4	4.2	4.1	**4.2**	4.4	4.5	4.2	**4.4**	4.6	**4.4**
Number of employees*)	4 702	4 997	5 263	**5 263**	4 644	4 671	4 649	**4 649**	4 683	**4 683**

*) rolling 12 months

Segment report

Amounts in SEK m	2007 Q1	Q2	Q3	9 mos 2007	2006 Q1	Q2	Q3	9 mos 2006	Q4	Full-year 2006
Commercial Vehicle Systems										
Net sales	1 212	1 161	1 090	***3 463***	1 245	1 244	1 152	***3 641***	1 123	***4 765***
Operating income	50	50	34	***134***	72	68	35	***175***	42	***217***
Operating margin,%	4.1	4.3	3.1	***3.9***	5.8	5.5	3.0	***4.8***	3.7	***4.6***
Assets	2 850	2 912	2 837	***2 837***	2 927	2 909	2 813	***2 813***	2 713	***2 713***
Liabilities	756	704	635	***635***	715	653	614	***614***	629	***629***
Return on capital employed*), %	8.3	7.5	7.5	***7.5***	7.8	8.2	8.2	***8.2***	9.3	***9.3***
Investments	42	65	45	***152***	49	57	43	***152***	79	***228***
Depreciation	38	33	33	***104***	41	36	38	***116***	37	***153***
Number of employees*)	3 066	3 063	3 031	***3 031***	3 060	3 066	3 039	***3 039***	3 067	***3 067***
Hydraulic Systems										
Net sales	336	386	369	***1 091***	344	330	339	***1 013***	319	***1 331***
Operating income	20	22	18	***60***	25	18	23	***66***	25	***90***
Operating margin,%	6.0	5.7	4.9	***5.5***	7.3	5.5	6.8	***6.5***	7.7	***6.8***
Assets	602	792	777	***777***	582	581	575	***575***	560	***560***
Liabilities	191	253	257	***257***	168	158	173	***173***	173	***173***
Return on capital employed*), %	19.2	19.0	16.9	***16.9***	23.3	22.2	22.7	***22.7***	20.8	***20.8***
Investments	18	25	17	***60***	11	14	10	***35***	26	***61***
Depreciation	14	15	15	***44***	15	14	15	***44***	2	***46***
Number of employees*)	919	1 202	1 489	***1 489***	883	894	900	***900***	905	***905***
Garphyttan Wire										
Net sales	289	285	255	***829***	284	272	226	***782***	267	***1 049***
Operating income	11	16	1	***28***	14	0	9	***23***	18	***41***
Operating margin,%	3.7	5.7	0.4	***3.4***	4.8	0	4.0	***2.9***	6.7	***3.9***
Assets	640	668	642	***642***	595	630	606	***606***	608	***608***
Liabilities	231	247	207	***207***	194	216	195	***195***	205	***205***
Return on capital employed*), %	8.5	11.9	9.9	***9.9***	19.0	11.6	10.7	***10.7***	9.6	***9.6***
Investments	3	7	5	***15***	16	25	13	***54***	21	***75***
Depreciation	16	11	7	***34***	11	9	11	***31***	10	***41***
Number of employees*)	460	462	465	***465***	470	470	465	***465***	462	***462***
Traction Systems										
Net sales	223	198	182	***603***	203	201	153	***557***	188	***745***
Operating income	9	9	11	***29***	10	14	12	***36***	12	***48***
Operating margin,%	4.1	4.7	6.0	***4.9***	4.7	7.0	7.8	***6.5***	6.5	***6.5***
Assets	399	414	478	***478***	316	332	337	***337***	352	***352***
Liabilities	226	229	233	***233***	172	182	158	***158***	195	***195***
Return on capital employed*), %	26.6	22.4	18.9	***18.9***	21.0	25.4	25.9	***25.9***	27.3	***27.3***
Investments	31	12	36	***79***	13	13	7	***33***	22	***55***
Depreciation	8	9	10	***27***	8	7	8	***23***	8	***31***
Number of employees*)	257	270	279	***279***	231	241	245	***245***	249	***249***
Not broken down by segment										
Operating income	-	-	-	***-***	3	-3	-	***-***	-7	***-7***
Financial expenses	-20	-19	-23	***-62***	-21	-23	-17	***-61***	-14	***-75***
Taxes	-23	-28	-5	***-56***	-28	-17	-15	***-60***	55	***-5***
Assets	466	383	360	***360***	455	424	343	***343***	500	***500***
Liabilities	1 588	1 850	1 897	***1 897***	1 717	1 750	1 704	***1 704***	1 634	***1 634***

*) rolling 12 months

Parent Company income statement

Amounts in SEK m	July - Sept 2007	July - Sept 2006	Jan - Sept 2007	Jan - Sept 2006	Full-year 2006
Net sales	**7**	**5**	**20**	**14**	**28**
Administrative costs	-17	-17	-61	-50	-75
Operating income	**-10**	**-12**	**-41**	**-36**	**-47**
Dividends from Group companies	0	3	1	3	4
Group contributions	0	0	0	0	137
Interest income	15	12	50	37	52
Interest expense	-22	-19	-61	-42	-60
Other financial items	3	67	4	28	51
Earnings/loss before tax	**-14**	**51**	**-47**	**-10**	**137**
Change in tax allocation reserve	0	0	0	0	-25
Taxes	15	1	15	1	-32
Net profit/loss	**1**	**52**	**-32**	**-9**	**80**

Parent Company balance sheet Amounts in SEK m	Sept 30, 2007	Sept 30, 2006	Dec 31, 2006
Tangible fixed assets	2	2	2
Financial fixed assets	1 831	1 606	1 770
Financial derivative instruments	0	13	8
Total fixed assets	**1 833**	**1 621**	**1 780**
Current receivables	48	46	12
Receivables from subsidiaries	1 138	1 071	1 154
Financial derivative instruments	69	48	83
Cash, bank and short-term investments	1	0	110
Total current assets	**1 256**	**1 165**	**1 359**
Total assets	**3 089**	**2 786**	**3 139**
Total shareholders' equity	**912**	**978**	**1 067**
Untaxed reserves	**181**	**156**	**181**
Pension liabilities	11	10	10
Other provisions	11	8	9
Long-term loans	1 268	1 119	1 118
Due to subsidiaries	141	5	5
Financial derivative instruments	0	13	8
Total long-term liabilities	**1 431**	**1 155**	**1 150**
Current operating liabilities	130	61	39
Due to subsidiaries	380	389	634
Financial derivative instruments	55	47	68
Total current liabilities	**565**	**497**	**741**
Total liabilities and shareholders' equity	**3 089**	**2 786**	**3 139**