

HALDEX INTERIM REPORT

January - June 2016

Q2 2016

Solid operating margin and improved cash flow in spite of continuing weak market conditions

Market conditions continued to be weak in Q2, resulting in lower sales. The decline was greatest in North America which is the single biggest cause of the lower net sales figures. Savings realized and solid cost controls partially offset the decrease in sales and had a positive impact on the operating margin. Cash flow improved compared with the same period of the previous year.

- Net sales for Q2 totaled SEK 1,147 (1,290) m, equivalent to an 11% decrease compared with the same period of the previous year. After currency adjustments, net sales decreased by 9% in Q2. Currency-adjusted net sales fell by 10% for the first six months of the year.
- Operating income for Q2 excluding one-off items amounted to SEK 87 (137) m, which is equivalent to an operating margin of 7.6 (10.6)%. The operating margin excluding one-off items for the first six months of the year amounted to 7.3 (9.9)%. No one-off items were recognized for the first six months of the year. As a result, the operating margin including one-off items was equal as for 2016. A currency-adjusted operating margin of 8.3% was achieved in Q2.
- The net income after tax for Q2 totaled SEK 62 (86) m and the earnings per share for Q2 totaled SEK 1.39 (1.92). The earnings per share for the first six months of the year came in at SEK 2.47 (3.70) per share.
- Cash flow from operating activities totaled SEK 61 (-26) m in Q2 and SEK 103 (-24) m for the first six months of the year.
- A joint venture is being formed with the Chinese company VIE in order to develop electromechanical brake systems for commercial vehicles. The initial focus will be on the electric bus market in China.
- After the end of the quarter, SAF-Holland announced an unsolicited public takeover offer for all shares in Haldex. The press releases from SAF-Holland and Haldex are to be found on the Company's website.

Key figures	Apr-Jun			Jan-Jun		
	2016	2015	Change	2016	2015	Change
Net sales, SEK m	1,147	1,290	-11%	2,244	2,536	-12%
Operating income, excl. one-off items, SEK m	87	137	-36%	164	252	-35%
Operating income, SEK m	87	134	-35%	164	248	-34%
Operating margin, excl. one-off items, %	7.6	10.6	-3.0	7.3	9.9	-2.6
Operating margin, %	7.6	10.4	-2.8	7.3	9.8	-2.5
Return on capital employed, excl. one-off items, % ¹	17.3	23.4	-6.1	17.3	23.4	-6.1
Return on capital employed, % ¹	11.7	14.8	-3.1	11.7	14.8	-3.1
Net income, SEK m	62	86	-28%	110	165	-33%
Earnings per share, SEK	1.39	1.92	-28%	2.47	3.70	-33%
Cash flow, operating activities, SEK m	61	-26	87	103	-24	127

¹ Rolling twelve months

Haldex AB (publ) is required to publish the above information under the EU Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication by the Haldex media contact stated in the release on Friday, July 15, 2016 at 7:20 CEST.

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



Innovative Vehicle Solutions

CEO comment

Net sales in the second quarter remained lower year-on-year. The decline in demand observed in the number of vehicles produced in North America combined with the effects of the product recall impacted our sales significantly.

We had solid cost controls in Q2 and our operating margin is mainly correlated with lower net sales, not higher costs. Currency fluctuations also impacted the operating margin, resulting in an operating margin after currency adjustments of 8.3% for Q2. A Haldex that can deliver high profitability even when net sales are down significantly remains one of our highest priorities and we are continuing to work toward the operating margin target of at least 10% we set for the long term.

North America

The weak North American market is continuing to impact us. Similarly to Q1, about half of the sales decline we experienced in Q2 was related to actuators. This is mainly correlating to our strong position in the Truck segment in North America, which have seen a major decline, and only to a lesser extent due to the product recall. The improved version of the recalled actuator will be launched after the summer. We recently initiated customer discussions which showed that we still have the customer's confidence and a majority of them will switch back to our actuator during the next change window.

In Q1, we relaunched our disc brake in the US after several years of being unable to sell and market this product due to a patent dispute. The response from both customers and the media has been very positive and we inked our first small deal shortly after the launch. Our goal is to secure a contract on the US market with a trailer customer before the end of the year, which would be of great strategic value.

We have everything we need to get back to previous net sales levels in North America. However, it will take time due to the generally weak market conditions. Visible effects cannot be expected until the market climate is improving.

Products driving growth

Haldex has a strong product portfolio with the disc brake serving as its main growth driver. As previously announced, net sales from this product category are expected to increase by one-third this year and then gradually reach even higher volumes over the coming years. The previously reported discussions with major truck manufacturers have proceeded according to plan. No customer has made a final decision on their choice of supplier yet in ongoing processes. A decision is not expected until the fall. It is worth noting that the long planning times which are standard in our industry and revenue from these contracts is expected to start coming in 2020.

Strategic partnership for electromechanical brakes

In Q2, we announced a joint venture with Chinese VIE. This project is very promising and involves many interesting aspects. We will jointly develop electromechanical brakes for electrical commercial vehicles. Haldex has prior knowledge and concepts related to this technology which are cutting edge. It is also a rapidly growing mar-



Bo Annvik
President and CEO

ket, although revenues are several years away at this stage. Electro-mechanical brakes have a shorter stopping distance than pneumatic brakes and it is very exciting that Haldex will take a leading position in a technology which is both safer and more environmental friendly. It's well aligned with our vision for a world of safer vehicles.

Stable aftermarket

The aftermarket is usually relatively stable when new production is on the decline, but the aftermarket decreased in North America in both Q1 and Q2. This may be partially due to a transitory period where accumulated inventories are used first before there is a noticeable change on the aftermarket. However, the aftermarket has had a stabilizing effect in Q2, which is positive.

Our two new brands on the aftermarket – Midland for North America and Grau for Europe – have continued to perform well. Sales for these brands and the rest of Haldex's products, via the e-commerce platform we launched in North America in Q1, exceeded expectations.

Market outlook

The European market is looking promising in 2016 with an increase in order intake, while North America is forecast to continue its weak development and may be impacted further by a decline in the Trailer segment during the fall. The positive trend will continue in India, but we expect no significant improvement in Brazil in 2016. We forecast that China would not see any substantial improvement in 2016 in our previous interim report, but China has already begun showing signs of growth and we now have a more positive outlook for China for the full year.

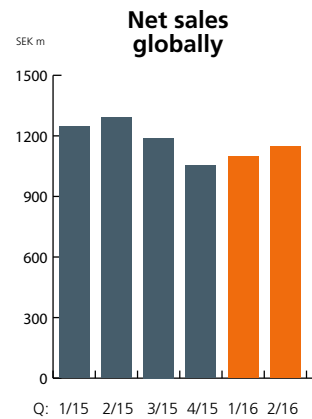
We are sticking with our forecast that 2016 will be a year where we will still be feeling the effects of the events in North America and struggle to generate growth. Our goal is to continue ensuring solid profitability, and the operating margin for the first half of the year can be considered realistic under current market conditions.

Bo Annvik
President and CEO

Net sales for the Group

Net sales for Q2 totaled SEK 1,147 (1,290) m, equivalent to an 11% decrease in absolute terms compared with the same period of the previous year. After currency adjustments, net sales decreased by 9%. Net sales for the first six months of the year totaled SEK 2,244 (2,536) m. After currency adjustments, this is a 10% decrease.

The main factor that impacted net sales positively in Q2 is continuing disc brake growth. The decrease in sales mainly stems from North America and the actuator products.

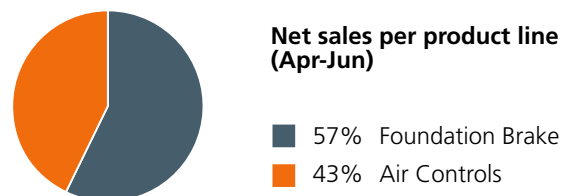


Net sales per product line

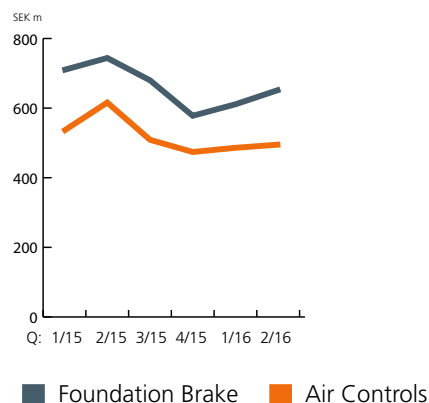
Net sales, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change ¹	Jan-Jun 2016	Jan-Jun 2015	Change ¹
Foundation Brake	652	744	-10%	1,263	1,454	-11%
Air Controls	495	546	-7%	981	1,082	-8%
Total	1,147	1,290	-9%	2,244	2,536	-10%

¹ 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 652 (744) m in Q2. After currency adjustments, this is a 10% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,263 (1,454) m, which is equivalent to a currency-adjusted decrease of 11%. Disc brake sales continued to increase in Q2. Actuator sales have however fallen, mainly due to the weaker market in North America and only to a lesser extent due to the product recall in the previous year. Brake adjuster sales have also fallen due to the increased penetration of disc brakes.



Net sales within Air Controls amounted to SEK 495 (546) m in Q2. After currency adjustments, this is a 7% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 981 (1,082) m, which is equivalent to a currency-adjusted decrease of 8%. Within Air Controls, ABS sales increased in Q2. The largest decline in sales was in Reman. The decrease is mainly attributable to one customer with financial problems who has chosen to manage product renovation in-house. An older product in Air Controls is being phased out as part of the

transition in Germany, which also had a negative impact on sales. Negative effects from both these product areas will continue to affect the comparison numbers during the remainder of the year.

Net sales per customer category

Net sales, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change ¹	Jan-Jun 2016	Jan-Jun 2015	Change ¹
Truck (including buses)	278	349	-17%	537	688	-19%
Trailer	362	373	-2%	706	752	-5%
Aftermarket	507	568	-8%	1,001	1,096	-7%
Total	1,147	1,290	-9%	2,244	2,536	-10%

¹ Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck amounted to SEK 278 (349) m in Q2. After currency adjustments, this is a 17% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 537 (688) m, which is equivalent to a currency-adjusted decrease of 19%. Truck sales mainly decreased in North America in Q2, while increasing in Asia and South America. A decrease in actuator sales and the phasing out of an older version of an Air Controls product had a negative impact in terms of products. In addition, brake adjuster sales decreased as a result of the increased penetration of disc brakes.

Net sales within Trailer amounted to SEK 362 (373) m in Q2. After currency adjustments, this is a 2% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 706 (752) m, which is equivalent to a currency-adjusted decrease of 5%. The successes of the disc brakes have



Net sales per customer category (Apr-jun)

- 24% Truck
- 32% Trailer
- 44% Aftermarket

been counterbalanced by a decrease in actuator sales and, to a certain extent, brake adjuster sales.

Net sales in Aftermarket amounted to SEK 507 (568) m in Q2. After currency adjustments, this is an 8% decrease. Net sales for the first six months of the year totaled SEK 1,001 (1,096) m, which is equivalent to a currency-adjusted decrease of 7%. Aftermarket sales in Europe and Asia have been stable, but fell in North America and South America during the quarter.

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 ¹	Apr-Jun 2016	Change ²	Full year 2016	Change ²	Importance for Haldex sales
Truck					Within Truck, Haldex's sales to North America are impacting total sales much more than other regions. Truck sales in Europe and Asia are in turn slightly higher and as a result more decisive than sales in South America.
North America	64,555	-26%	233,013	-27%	
Europe	111,180	5%	440,413	1%	
China	191,336	34%	586,498	9%	
India	55,138	31%	202,908	12%	
South America	11,322	-8%	45,041	-12%	
All regions	433,531	11%	1,507,873	-1%	
Trailer					Within Trailer, sales in Europe is more significant than sales in North America. 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	80,640	-7%	307,200	-7%	
Europe	84,094	11%	311,460	10%	
China	82,000	26%	289,000	20%	
India	9,000	12%	39,500	14%	
South America	9,100	4%	36,500	8%	
All regions	264,834	8%	983,660	7%	

¹ 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.

² Change compared with same period previous year in percentage.

Net sales per region

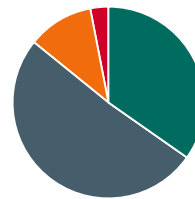
Net sales, SEK m	Apr-Jun			Jan-Jun		
	2016	2015	Change ¹	2016	2015	Change ¹
Europe	405	419	-3%	808	846	-4%
North America	586	730	-17%	1,155	1,403	-17%
Asia & Middle East	124	106	23%	221	208	11%
South America	32	35	4%	60	79	-6%
Total	1,147	1,290	-9%	2,244	2,536	-10%

¹ Currency adjusted

In Europe, Haldex has higher sales for Trailer than for Truck. In addition, the aftermarket accounts for a significant proportion of sales. In Europe, net sales amounted to SEK 405 (419) m in Q2. After currency adjustments, this is a 3% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 808 (846) m, which is equivalent to a currency-adjusted decrease of 4%. In Europe, disc brake sales to Trailer customers increased in Q2. 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.

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 586 (730) m in Q2. After currency adjustments, this is a 17% decrease compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 1,155 (1,403) m, which is equivalent to a currency-adjusted decrease of 17%. Haldex' strong position within Trucks, which is the part of the market that has declined most, has resulted in a major decrease of actuator sales. The decline of actuator sales is to a lesser extent related to the product recall Haldex initiated last year. Reman (renovation of products) has continued to decline at pace with the previous quarter. Brake adjuster sales were also down in Q2.

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



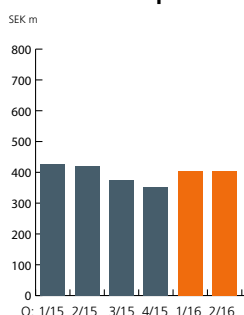
Net sales per region (Apr-Jun)

35%	Europe
51%	North America
11%	Asia & Middle East
3%	South America

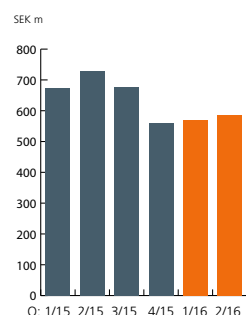
that Haldex's sales are more focused on Truck than on Trailer. The aftermarket accounts for a smaller proportion of sales. In Asia and the Middle East, net sales amounted to SEK 124 (106) m in Q2. After currency adjustments, this is a 23% increase compared to the same period of the previous year. Net sales for the first six months of the year totaled SEK 221 (208) m, which is equivalent to a currency-adjusted increase of 11%. Growth has been solid in Q2 on both the Indian and Chinese markets. Brake adjuster and disc brake sales have increased, while actuator sales have decreased.

In South America, sales for Truck are more significant than sales for Trailer and the aftermarket. Net sales in Q2 totaled SEK 32 (35) m, which, after currency adjustments, is a 4% increase. Net sales for the first six months of the year totaled SEK 60 (79) m, which is equivalent to a currency-adjusted decrease of 6%. In Brazil, which is the most important market in South America, Truck and Trailer sales were up in Q2.

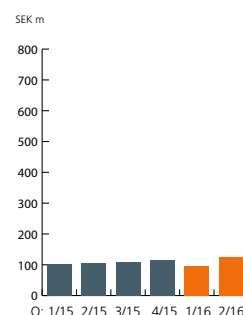
Net sales Europe



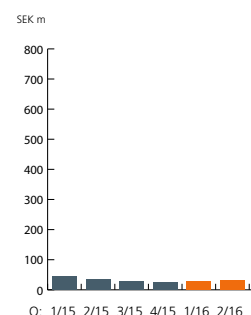
Net sales North America



Net sales Asia & Middle East



Net sales South America



Earnings

Operating income excluding one-off items totaled SEK 87 (137) m for Q2 and SEK 164 (252) m for the first six months of the year. This is equal to an operating margin of 7.6 (10.6)% for Q2 and 7.3 (9.9)% for the first six months of the year. Given that no one-off items were recognized in 2016, the operating income and operating margin including one-off items came in at corresponding amounts, namely SEK 87 (134) m and SEK 7.6 (10.4) m respectively for Q2 and SEK 164 (248) m and 7.3 (9.8)% respectively for the first six months of the year. Continuing solid cost controls and savings from the restructuring program have partially offset the decrease in net sales.

Income before tax totaled SEK 90 (128) m for Q2 and SEK 162 (229) m for the first six months of the year. The net income after tax totaled SEK 62 (86) m for Q2 and SEK 110 (165) m for the first six months of the year. This corresponded to earnings per share of SEK 1.39 (1.92) for Q2 and 2.47 (3.70) for the first six months of the year.

Currency fluctuations, including the result of currency hedging and currency translation effects, had a negative impact on the Group's operating income excluding one-off items, and came in at SEK 11 (+26) m for Q2, and the total effect was negative SEK 20 (+52) m for the first six months of the year. In addition, there was a positive currency effect in net financial items in Q2 in the amount of SEK 8 (0) m, and the corresponding effect for the first six months of the year was SEK 9 (-6) m.

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 actuators. The expected total cost is estimated to be USD 20 m (SEK ~170 m), which impacted 2014 and 2015. No further costs are expected to impact 2016 as a part of the product recall. However, the product recall impacts sales negatively due to the lack of a replacement product.

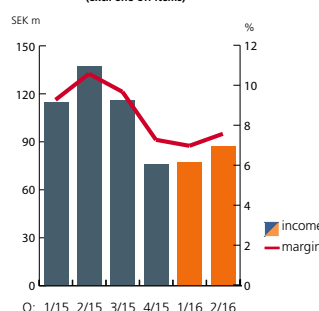


Assembly of the disc brake.

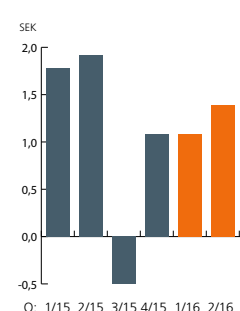
Restructuring activities

Haldex announced a restructuring program in 2013 which was completed in 2015. Of the program's savings in the amount of SEK 85 m, SEK 15 m will be realized in the second half of 2016. The estimated liquidity impact of the program is SEK 100 m, with approximately SEK 20 m remaining. The remaining payments will be made in installments throughout 2016 and 2017.

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



Earnings per share



Earnings	Apr-Jun 2016	Apr-Jun 2015	Change ¹	Jan-Jun 2016	Jan-Jun 2015	Change ¹
Operating income, excl. one-off items, SEK m	87	137	-36%	164	252	-35%
Operating income, SEK m	87	134	-35%	164	248	-34%
Operating margin, excl. one-off items, %	7.6	10.6	-3.0	7.3	9.9	-2.6
Operating margin, %	7.6	10.4	-2.8	7.3	9.8	-2.5
Net income, SEK m	62	86	-28%	110	165	-33%
Earnings per share, SEK	1.39	1.92	-28%	2.47	3.70	-33%

Financial position

As of June 30, the Group's net debt was SEK 504 (489) m, a net debt increase of SEK 169 m in comparison to the start of the year. The change over the first six months of the year is related to a decrease in cash and cash equivalents (which was partially impacted by the dividend paid to shareholders in May), a partial increase in interest-bearing liabilities and an increase in the pension liability (mainly due to changed discount rates). Financial items amounted to SEK -2 (-19) m for the first six months of the year, including net interest income and expenses of SEK -10 (-12) m. Shareholders' equity amounted to SEK 1,340 (1,368) m, resulting in an equity/asset ratio of 46 (45)%.

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 EUR 90 m, maturing in April 2021. EUR 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 Q2.

Net debt, SEK m	Jun 30 2016	Jun 30 2015	Change	Dec 31 2015
<i>Assets as part of the net debt:</i>				
Cash and cash equivalents	256	195	31%	304
<i>Liabilities as part of the net debt:</i>				
Interest-bearing liabilities including derivative instruments	-317	-290	9%	-271
Pension liabilities ¹	-443	-394	12%	-368
Net debt in total	-504	-489	3%	-335
Net of interest during the year	-10	-12	2	-26

¹ 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 61 (-26) m in Q2 and SEK 103 (-24) m for the first six months of the year. The operating cash for Q2 improved quarter-on-quarter thanks to stronger net income and lower working capital commitments. In spite of the lower net income, cash flow also improved year-on-year, mainly driven by improved working capital. Operating cash in Q2 was impacted negatively in the amount of SEK 9 (3) m by payments of a one-time nature.

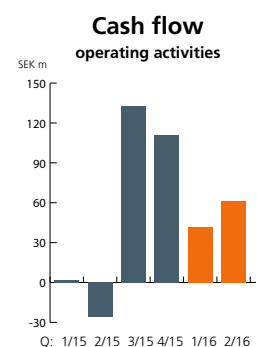
Investments totaled SEK -44 (-43) m in Q2 and cash flow after investments amounted to SEK 17 (-69) m. The corresponding figures for the first six months of the year are SEK -91 (-75) m in investments and SEK 12 (99) m in cash flow after investments. The total cash flow was SEK -29 (-204) m in Q2 and SEK -51 (-241) m for the first six months of the year.

Cash flow and cash equivalents, SEK m	Apr-Jun 2016	Apr-Jun 2015	Change ¹	Jan-Jun 2016	Jan-Jun 2015	Change ¹
Cash flow, operating activities	61	-26	87	103	-24	127
Cash flow after investment activities	17	-69	86	12	-99	111
Cash and cash equivalents (at end of period)	256	195	61	256	195	61

Taxes

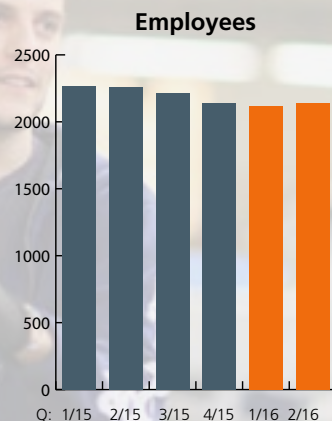
The Company's tax expenses for Q2 totaled SEK 28 (42) m, which is equal to a tax rate of 31 (33)%. Tax expenses for the first six months of the year totaled SEK 52 (64) m, which is equal to a tax rate of 32 (28)%. The tax rate for the previous year was impacted positively by internal restructuring in Q1, which made it possible to offset previously generated, unrecognized tax loss carry forwards.

The underlying tax rate excluding one-off items was 31 (33)% in Q2 and 32 (34)% for the first six months of the year. The tax rate excluding one-off items and associated tax rates came in at 32 (35)% for the 2015 income year. Deferred tax assets for tax loss carry forwards are recognized to the extent it is probable that they can be offset against taxable profit.



Employees

At the end of the quarter, the number of employees was 2,140 (2,257), which is the same as at the end of 2015 but higher than at the end of Q1. The staff decreased in Q2 in North America, but increased slightly in Europe and Asia.



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 six months of the year amounted to SEK 46 (53) m, while the net income after tax was SEK 36 (546) m. This net income includes dividends from Group companies amounting to SEK 0 (516) m.

Annual general meeting

Haldex held its annual general meeting on May 3, 2016 at Haldex in Landskrona, Sweden.

- The annual general meeting resolved on a dividend with a cash amount of SEK 2 per share with May 6 as the record date and May 11, 2016 as the payment date.
- The annual general meeting re-elected board members Göran Carlson, Magnus Johansson, Staffan Jufors, Annika Sten Pärson and Carina Olson and elected Anders Nielsen to his first term. The meeting re-elected Göran Carlson as chairman of the board.
- Örhlings PricewaterhouseCoopers AB was re-elected as auditor.
- The meeting resolved to increase the directors' remuneration slightly in comparison to previous years, with SEK 554,000 going to the chairman and SEK 220,000 to the other board members. In addition, compensation for committee work remained the same with SEK 100,000 going to the chairman and SEK 50,000 going to members of the audit committee, and SEK 50,000 going to the chairman and SEK 25,000 to the members of the compensation committee.
- The annual general meeting approved the board's proposed remuneration for senior executives.
- The annual general meeting resolved to approve the board's proposal to set up a long-term incentive program, LTI 2016, and hedging arrangements in respect thereof by authorizing the board of directors to participate in share swaps with third parties.

- The board of directors was authorized to resolve to acquire and/or transfer treasury shares in conjunction with acquisitions on one or more occasions during the period leading up to the 2017 annual general meeting.

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 2015 on pages 27-30 and 69-77. 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. A joint venture is currently being established together with Zhejiaiang VIE Science and Technology Co., Ltd, which has had no effect on this interim report.

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 information on pages 1-20 forms an integrated part of this interim report. 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 2015 Annual Report on pages 39-43.

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 of SEK 89 (decrease of 3) m in the first six months of the year. Of this change, an increase of SEK 50 (decrease of 63) m is attributable to Q2. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions.

Objectives and market outlook

Long-term financial targets

- Grow organically faster than the market (weighted volume per segment).
- Consistently achieve an operating margin of 10% or more.
- Net debt/equity ratio below 1.
- Distribute 1/3 of the net profit for the year over an economic cycle to shareholders.

The Board of Directors' assurance

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

Landskrona July 15, 2016
Haldex AB (publ)

Göran Carlson
Chairman of the Board

Staffan Jufors
Board member

Carina Olson
Board member

Fredrik Hudson
Employee representative

Bo Annvik
President & CEO

Magnus Johansson
Board member

Anders Nielsen
Board member

Annika Sten Pärson
Board member

Per Holmqvist
Employee representative

Outlook for 2016

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 its weak development and may be impacted further by a decline in the Trailer segment during the fall.

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

China has started to show signs of recovery for 2016.

India has recovered after a long period of negative growth. Haldex estimates that market conditions will be positive in 2016.

Brazil is not expected to recover in 2016.

We are repeating our forecast that 2016 will be a year where we will still be feeling the effects of the events in North America and struggle to generate growth. Our goal is to continue ensuring solid profitability, and the operating margin for the first half of the year can be considered realistic under current market conditions.

Events after the balance-sheet date

On July 14, SAF-Holland announced an unsolicited public takeover offer for all shares in Haldex. The press releases from SAF-Holland and Haldex are to be found on the Company's website.

Landskrona, July 15, 2016

Bo Annvik
President and CEO

This report has not been audited by the Company's auditors.

Consolidated income statement

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	1,147	1,290	2,244	2,536	4,777
Cost of goods sold	-824	-912	-1,613	-1,811	-3,418
Gross income	323	378	631	725	1,359
<i>Gross margin</i>	28.2%	29.3%	28.1%	28.6%	28.4%
Selling, admin. and product development costs	-241	-245	-477	-483	-942
Other operating income and expenses ¹	5	1	10	6	-92
Operating income ¹	87	134	164	248	325
Financial income and expenses	3	-6	-2	-19	-54
Income before tax	90	128	162	229	271
Tax	-28	-42	-52	-64	-80
Net income	62	86	110	165	191
<i>attributable to non-controlling interests</i>	1	1	1	1	2
Earnings per share, before and after dilution, SEK	1.39	1.92	2.47	3.70	4.28
Average No. of shares, thousands	44,204	44,204	44,204	44,204	44,204

Operating income, by nature of expenses

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	1,147	1,290	2,244	2,536	4,777
Direct material costs	-624	-700	-1,213	-1,390	-2,596
Personnel costs	-233	-253	-460	-502	-935
Depreciation and amortization	-34	-36	-68	-71	-139
Other operating income and expenses	-169	-167	-339	-325	-782
Operating income ¹	87	134	164	248	325

1) One-off items included in the operating income

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating income, including one-off items	87	134	164	248	325
Restructuring costs	-	-3	-	-4	-23
Product related warranty	-	-	-	-	-96
Operating income, excluding one-off items	87	137	164	252	444

Consolidated statement of comprehensive income

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net income	62	86	110	165	191
Other comprehensive income/loss					
<i>Items not to be reclassified to the income statement:</i>					
Remeasurement of pension obligation, after tax	-45	52	-79	1	22
Total	-45	52	-79	1	22
<i>Items that may be reclassified subsequently to the income statement:</i>					
Currency translation differences	21	-49	-2	56	49
Changes in financial instruments at fair value, after tax	2	-4	-7	0	2
Total	23	-53	-9	56	51
Total other comprehensive income/loss	-22	-1	-88	57	73
Total comprehensive income	40	85	22	222	264
<i>attributable to non-controlling interests</i>	1	-1	1	3	3

Consolidated statement of financial position

SEK m	Jun 30 2016	Jun 30 2015	Dec 31 2015
Goodwill	409	429	418
Other intangible assets	74	54	64
Tangible assets	495	467	479
Financial assets	49	67	63
Deferred tax assets	151	166	153
Total non-current assets	1,178	1,183	1,177
Inventories	577	639	571
Current receivables	885	981	763
Derivative instruments	26	21	40
Cash and cash equivalents	256	195	304
Total current assets	1,744	1,836	1,678
Total assets	2,922	3,019	2,855
Equity	1,340	1,368	1,407
Pension and similar obligations	443	394	368
Deferred tax liabilities	13	20	16
Non-current interest-bearing liabilities	270	270	270
Other non-current liabilities	35	37	38
Total non-current liabilities	761	721	692
Derivative instruments	36	26	29
Current interest-bearing liabilities	34	11	3
Current liabilities	751	893	724
Total current liabilities	821	930	756
Total equity and liabilities	2,922	3,019	2,855

Statement of changes in equity

SEK m	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Opening balance	1,407	1,278	1,278
Net income	110	165	191
Other comprehensive income/loss	-88	57	73
Total comprehensive income	22	222	264
Transactions with shareholders:			
Dividend to Haldex' shareholders	-88	-133	-133
Dividend to non-controlling interests	-1	-	-3
Value of employee services/incentive programs	0	1	1
Total transactions with shareholders	-89	-132	-135
Closing balance	1,340	1,368	1,407
<i>attributable to non-controlling interests</i>	<i>19</i>	<i>22</i>	<i>19</i>

Consolidated statement of cash flow

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating income	87	134	164	248	325
Reversal of non-cash items	34	36	68	71	139
Interest paid	-5	-7	-11	-13	-28
Tax paid	-14	-31	-20	-40	-87
Cash flow from operating activities before change in working capital	102	132	201	266	349
Change in working capital	-41	-158	-98	-290	-129
Cash flow from operating activities	61	-26	103	-24	220
Investments	-44	-43	-91	-75	-174
Cash flow from investment activities	-44	-43	-91	-75	-174
Dividend to Haldex' shareholders	-88	-133	-88	-133	-133
Dividend to non-controlling interests	-1	-	-1	-	-3
Change of interest-bearing liabilities	43	-2	26	-9	-43
Cash flow from financing activities	-46	-135	-63	-142	-179
Net cash flow	-29	-204	-51	-241	-133
Cash and cash equivalents, opening balance	277	418	304	437	437
Currency translation diff. in cash and cash equivalents	8	-19	3	-1	0
Cash and cash equivalents, closing balance	256	195	256	195	304

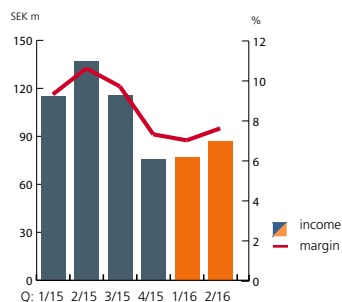
Key figures

	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Operating margin, excl. one-off items, %	7.3	9.9	9.3
Operating margin, %	7.3	9.8	6.8
Cash flow, operating activities, SEK m	103	-24	220
Cash flow after investment activities, SEK m	12	-99	46
Return on capital employed, excl. one-off items, % ¹	17.3	23.4	21.7
Return on capital employed, % ¹	11.7	14.8	15.9
Investments, SEK m	91	75	174
R&D, %	3.6	3.5	3.6
Number of employees	2,140	2,257	2,140
Return on shareholders' equity, % ²	16.2	25.8	14.1
Interest coverage ratio	13.9	17.7	14.8
Equity ratio, %	46	45	49
Net debt/equity ratio, %	38	36	24
Share data:			
Earnings per share, before dilution, SEK	2.47	3.70	4.28
Earnings per share, after dilution, SEK	2.47	3.70	4.28
Equity per share, SEK	29.94	30.52	31.46
Cash flow, operating activities, SEK	2.33	-0.54	4.99
Share price, SEK	80.25	109.50	79.50
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>

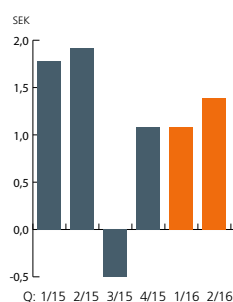
¹ Rolling twelve months

² Twelve months

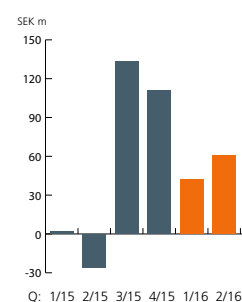
Operating income & margin (excl. one-off items)



Earnings per share



Cash flow operating activities



Parent company's income statement

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net sales	21	26	46	53	101
Administrative costs	-17	-17	-32	-31	-89
Operating income	4	9	14	22	12
Dividend from Group companies	-	20	-	516	525
Financial income and expenses	21	8	33	17	-73
Income after financial items	25	37	47	555	464
Group contribution	-	-	-	-	-60
Income before tax	25	37	47	555	404
Tax	-5	-4	-11	-9	2
Net income	20	33	36	546	406

Parent company's statement of comprehensive income

SEK m	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Full year 2015
Net income	20	33	36	546	406
Other comprehensive income	-	-	-	-	-
Total comprehensive income	20	33	36	546	406

Parent company's statement of financial position

SEK m	Jun 30 2016	Jun 30 2015	Dec 31 2015
Non-current assets	2,886	2,906	2,852
Current assets	648	507	553
Total assets	3,534	3,413	3,405
Shareholders' equity	1,408	1,601	1,460
Provisions	48	42	48
Interest-bearing liabilities, external	302	270	270
Other liabilities	1,776	1,500	1,627
Total equity and liabilities	3,534	3,413	3,405

Financial instruments by category - Group

SEK m	Jun 30, 2016		Jun 30, 2015		Dec 31, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	9	6	5	2	10	1
Forward exchange contracts- at fair value through profit or loss	1	4	2	1	2	3
Currency swaps - at fair value through profit or loss	16	26	14	23	28	25
Financial assets available for sale	14	-	25	-	19	-
Total	40	36	46	26	59	29

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	2016		2015				2014		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income statement:									
Net sales	1,147	1,097	1,052	1,189	1,290	1,246	1,092	1,123	1,124
Cost of good sold	-824	-789	-772	-835	-912	-899	-789	-797	-806
Gross income	323	308	280	354	378	347	303	326	318
Selling, admin. and product development costs	-241	-236	-216	-243	-245	-238	-207	-224	-214
Other operating income and expenses	5	5	5	-103	1	5	-64	-87	-1
Operating income	87	77	69	8	134	114	32	15	103
<i>Operating income, excl. one-off items</i>	<i>87</i>	<i>77</i>	<i>76</i>	<i>116</i>	<i>137</i>	<i>115</i>	<i>101</i>	<i>113</i>	<i>110</i>
Financial income and expenses	3	-5	-7	-28	-6	-13	-8	-7	-5
Income before tax	90	72	62	-20	128	101	24	8	98
Tax	-28	-24	-14	-2	-42	-22	-7	-30	-34
Net income/loss	62	48	48	-22	86	79	17	-22	64
Statement of financial position:									
Non-current assets	1,178	1,162	1,177	1,145	1,183	1,212	1,148	1,079	1,051
Current assets	1,744	1,723	1,678	1,807	1,836	2,061	1,788	1,668	1,632
Total assets	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747	2,683
Equity	1,340	1,389	1,407	1,325	1,368	1,416	1,278	1,199	1,183
Non-current liabilities	761	717	692	737	721	786	718	732	736
Current liabilities	821	779	756	890	930	1,071	940	816	764
Total equity and liabilities	2,922	2,885	2,855	2,952	3,019	3,273	2,936	2,747	2,683
Statement of cash flow:									
Cash flow from operating activities before change in working capital	102	99	57	26	132	134	82	60	116
Cash flow from operating activities	61	42	111	133	-26	2	204	112	116
Cash flow from investment activities	-44	-47	-52	-47	-43	-32	-61	-53	-32
Cash flow from financing activities	-46	-17	-29	-8	-135	-7	-24	-70	-121
Net cash flow	-29	-22	30	78	-204	-37	119	-11	-37
Key figures:									
Operating margin, excl. one-off items, %	7.6	7.0	7.3	9.7	10.6	9.3	9.3	10.1	9.7
Operating margin, %	7.6	7.0	6.6	0.7	10.4	9.2	3.0	1.3	9.2
Earnings per share, before and after dilution, SEK	1.39	1.08	1.08	-0.50	1.92	1.78	0.38	-0.53	1.44
Equity per share, SEK	29.94	31.07	31.46	29.58	30.52	31.57	28.48	27.13	26.76
Cash flow, operating activities, per share, SEK	1.38	0.95	2.52	3.01	-0.59	0.05	4.61	2.53	2.62
Share price, SEK	80.25	71.50	79.50	88.00	109.50	130.25	101.75	83.75	82.50
Return on capital employed excl. one-off items, % ¹	17.3	19.6	21.7	23.3	23.4	22.4	21.4	19.6	18.1
Return on capital employed, % ¹	11.7	13.9	15.9	14.3	14.8	13.5	12.2	13.5	17.3
Return on equity, %	4.5	3.5	3.6	-1.7	6.7	6.4	1.4	-2.0	5.6
Equity ratio, %	46	48	49	45	45	43	44	44	44
Net debt/equity ratio, %	38	27	24	33	36	25	21	34	37
Investments	44	47	52	47	43	32	48	40	32
R&D, %	3.6	3.5	3.9	3.5	3.5	3.6	3.6	3.3	3.2
Number of employees	2,140	2,114	2,140	2,215	2,257	2,265	2,235	2,217	2,232

¹ Rolling twelve months

5 year in summary

SEK m, if not otherwise stated	2015	2014	2013	2012	2011 ¹
Income statement:					
Net sales	4,777	4,380	3,920	3,933	4,030
Cost of good sold	-3,418	-3,142	-2,827	-2,904	-2,967
Gross income	1,359	1,238	1,093	1,029	1,063
Selling, admin. and product development costs	-942	-857	-839	-836	-829
Other operating income and expenses	-92	-148	-101	-43	1
Operating income	325	233	153	150	235
<i>Operating income, excl. one-off items</i>	<i>444</i>	<i>408</i>	<i>281</i>	<i>210</i>	<i>235</i>
Financial income and expenses	-54	-28	-43	-36	-18
Income before tax	271	205	110	114	217
Tax	-80	-98	-72	-60	-75
Net income	191	107	38	54	142
Statement of financial position:					
Non-current assets	1,177	1,148	1,047	1,186	1,276
Current assets	1,678	1,788	1,439	1,414	1,582
Total assets	2,855	2,936	2,486	2,600	2,858
Equity	1,407	1,278	1,152	1,129	1,336
Non-current liabilities	692	718	728	967	924
Current liabilities	756	940	606	504	598
Total equity and liabilities	2,855	2,936	2,486	2,600	2,858
Statement of cash flow:					
Cash flow from operating activities before change in working capital	349	356	249	243	439
Cash flow from operating activities	220	435	282	238	114
Cash flow from investment activities	-174	-151	-71	-118	1,301
Cash flow from financing activities	-179	-216	-230	-164	-1,519
Net cash flow	-133	68	-19	-44	-104
Key figures:					
Operating margin, excl. one-off items, %	9.3	9.3	7.2	5.3	5.8
Operating margin, %	6.8	5.3	3.9	3.8	5.8
Earnings per share, before and after dilution, SEK	4.28	2.32	0.80	1.12	3.08
Equity per share, SEK	31.46	28.48	26.06	25.53	30.20
Cash flow, operating activities, per share, SEK	4.99	9.84	6.38	5.38	2.58
Dividend, SEK	2.00	3.00	2.00	1.00	2.00
Share price, SEK	79.50	101.75	60.00	33.50	25.20
Return on capital employed excl. one-off items, % ²	21.7	21.4	14.6	9.8	10.1
Return on capital employed, % ²	15.9	12.2	7.8	7.0	10.1
Return on equity, %	14.1	8.7	3.1	3.4	-
Equity ratio, %	49	44	46	43	47
Net debt/equity ratio, %	24	21	33	51	37
Investments	174	147	94	118	100
R&D, %	3.6	3.4	3.5	3.4	3.3
Number of employees	2,140	2,235	2,135	2,200	2,365

¹ Remaining business ² Rolling twelve months ³ Proposed dividend

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 AFA Försäkring, Göran Carlson through companies, Handelsbanken Fonder and Didner & Gerge Fonder.

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

Following the European Securities and Markets Authority's new guidelines for alternative key figures, the list of financial definitions have been expanded. The purpose of the added terms is to create an enhanced understanding and promote the usefulness of the financial information and provide the reader with a more nuanced and deeper picture of the business. No new key figures has been added in the period relative to the previous quarter. If the base for the calculations of alternative key figures are not stated in the report, please refer to the appendix for additional information.

Return on equity¹: 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 employed¹: Operating income plus interest income as a percentage of average capital employed.

Gross margin: Gross profit i.e net sales minus cost of goods sold, divided by net sales.

Equity per share¹: Total equity attributable to the owners of the parent Company, divided by the average No of shares.

One-off items¹: Income statement items, which are of non-recurring nature in normal operations. One-off items may for example include restructuring costs, impairment and product related warranties related to a specific product recall. The purpose of specifying this is to demonstrate the underlying business performance. For numerical data, see page 10 and the appendix.

R&D, %¹: Research and development cost excluding depreciations divided by net sales.

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

Net debt¹: Cash and cash equivalents plus interest-bearing receivables minus interest-bearing liabilities and provisions. For numerical data, see page 7 and the appendix.

Net debt/equity ratio¹: Interest-bearing liabilities and provisions minus cash and cash equivalents and interest-bearing receivables divided by equity including non-controlling interests.

Earnings per share¹: Proportion of net income for the year attributable to the owners of the parent Company divided by weighted average number of shares.

Net of interest¹: The economical difference in absolute terms between the reported interest income for financial assets and interest expense on interest-bearing liabilities and provisions.

Interest coverage ratio¹: 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.

Operating income:¹ Operating income before financial items and tax. For numerical data, see page 10 and the appendix.

Operating income excluding one-off items: Operating income before financial items and tax, adjusted for one-off items. For numerical data, see page 10.

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

Capital employed¹: Total assets less non-interest bearing liabilities and non-interest bearing provisions.

Currency adjusted information¹: Financial figures converted to the same exchange rate as in the comparative period. The aim is to show how the business has developed without the impact of currency fluctuations.

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).

¹ Additional financial information is presented in an appendix.

Haldex' product range

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, Haldex manufactures complete air disc brakes.



ACTUATORS and brake chambers are available for both drum brakes and disc brakes. Haldex 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 PRODUCT STRATEGY:**Joint venture for electro mechanical brakes**

Haldex and VIE in China will form a joint venture to design, develop, produce, and sell electromechanical brake systems for commercial vehicles with an initial focus on the electric bus market in China.

As manufacturers and governments seek solutions to combat climate change, China is seen as taking a global lead in the market for fully electric commercial vehicles. Electromechanical brakes is expected to be a fast growing niche within this market, especially supported by the recent strong development of the electric bus segment on the Chinese market. The Chinese market for electrical buses is forecasted to grow by 47% between 2015 and 2020, to over 141,000 vehicles produced during 2020. The new technology will offer customers a simplified and cost effective brake system layout; independent from pneumatic energy, with reduction of noise, improved braking performance, and better passenger and driver comfort.

The joint venture will capitalize on Haldex' early development of electromechanical brake systems, not yet released to the market, and VIE's market leading position and customer base on the Chinese market. Both parties will contribute with the necessary financial and engineering resources to bring the electromechanical brake system to the commercial vehicle market. The initial

focus will be on the growing electrical bus market in China and the joint venture is expecting revenue from the year 2020 and onwards.

"This agreement combines our companies' strengths into a powerful player that has the potential to become the market leader of electromechanical brake systems.", says Bo Annvik, President & CEO of Haldex. "VIE is a strategic partner to us on the Chinese market and we value their expertise and strong customer relationships. Electromechanical brake technology has, for Haldex, long been an identified growth opportunity. With this joint venture we will have the capacity and market support to develop innovative, game changing technologies in a growing market segment. I'm also very pleased that Haldex is taking a leading position in eco-friendly technology that will be a key component in building a sustainable future of commercial vehicles with high safety requirements."



Haldex' management team visiting VIE in Shanghai.

CUSTOMER CASE:**Green fingers**

Whether shredding, separating, composting or sifting, Komptech has made a global name for itself with tailored solutions for environmental engineering. Over 3,000 customers in approximately 60 countries worldwide: This is just one measure of success of a company, founded in 1992, that makes very specialized machinery that is not exactly cheap. A Komptech machine can easily set you back as much as 500,000 euros.

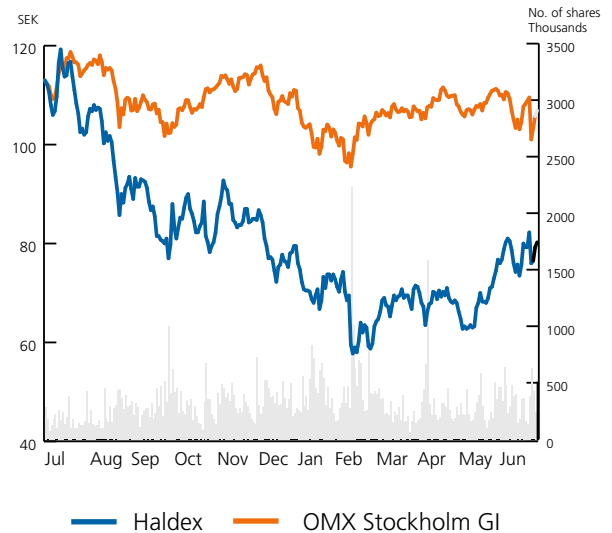
'We don't have machines ready and waiting to be ordered', says CEO Bernd Thielepape as he describes the company's business model: 'It's more a case of developing solutions for what are usually highly specialized tasks' – solutions that can sometimes look a little intimidating. For example, one Komptech shredder bears the name 'Terminator' for good reason. Its favorite delicacies include bulky or industrial waste. Another one is 'Axtor', which slices green waste, including tree trunks, into smaller bits — either shredded for composting or bite-sized chips for wood-fueled power plants.

'Quality and partnership are the alpha and omega of everything we do', says Bernd Thielepape, explaining why the company chose Haldex for all its braking system components. Komptech particularly appreciates the 'top service' provided by support staff such as sales engineer Andreas Spannaus and Haldex's 'exemplary training and documentation'. But there's another crucial issue: More than 90 percent of Komptech's production is for export, much of it within NAFTA where twelve-volt systems are standard. It's therefore important for Komptech that Haldex EB+ functions on 12 volts as well as 24.

Haldex share

April - June 2016

Change in share price	12%
Share price (Jun 30)	80.25 SEK
Market capital (Jun 30)	3,548 MSEK
Highest share price	82.25 SEK
Lowest share price	62.75 SEK
Average No. of traded shares/day	329,541
Total No. of shares (Jun 30)	44,215,970
Dividend 2016	2.00 SEK



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 Åke Bengtsson, CFO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Friday, July 15 at 11.00 CEST

The press conference is broadcasted at:
<http://www.financialhearings.nu/?160715/haldex>

To join the telephone conference:

Sweden: +46 8 56 64 26 999

UK: +44 20 3008 9809

US: +1 85 5831 5944

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>

Financial calendar

Interim report, Jul-Sep	25 October
Annual statement	10 February, 2017

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

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SAFER VEHICLES

Haldex