

## Summary 1st quarter 2011

- **Sales of SEK 1,609m (1,600)**
  - Sales increased by 26% adjusted for divestments and currency
  - Increased by 12% compared to fourth quarter 2010 adjusted for divestments and currency
- **Continued increase in demand was noticed within all product segments and regions during the first quarter**
- **Operating Income of SEK 1,220m (46)**
- **Adjusted<sup>1</sup> Operating Income of SEK 125m (47)**
  - Adjusted operating margin 8.3% (3.6)
  - Continued margin above Group target of 7%
- **Earnings after tax of SEK 1,182m (12)**
  - Earnings per share of SEK 26:70 (0:24)

<sup>1</sup> Excluding divestments, restructuring costs, one-off items and amortization of acquisition related surplus values

Innovative Vehicle Technology 2011-04-19 2

## Summary 1st quarter 2011



- **Cash Flow amounted to SEK 1,230m (8)**
  - Net cash position SEK 604m (977)
  - Cash Flow from operating activities was negative SEK 146m (30) due to closure of the accounts receivable program and increased sales volumes
- **The Board of Directors proposes a dividend of 33 SEK per share**
  - Ordinary dividend of 3 SEK
  - Extraordinary transfer of 30 SEK per share by a redemption of shares
  - This corresponds to a total of SEK 1,459m
- **Divestment of Traction Systems Division to BorgWarner**
  - Completed on January 31<sup>st</sup> 2011
  - Purchase price of SEK 1,425m on cash debt free basis
  - Capital gain of approx. SEK 1,115m
- **The reorganization of the Group into two separate listed companies, Commercial Vehicle Systems and Hydraulic Systems Division, is proceeding according to plan**
  - Proposal will be submitted to the shareholders at the AGM on June 8<sup>th</sup> 2011

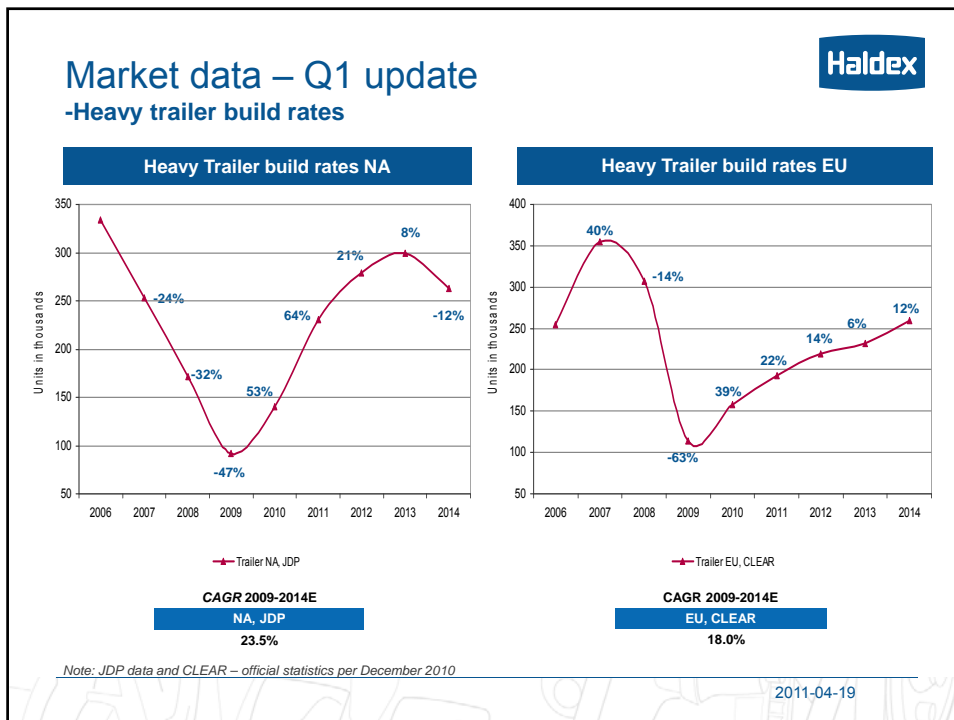
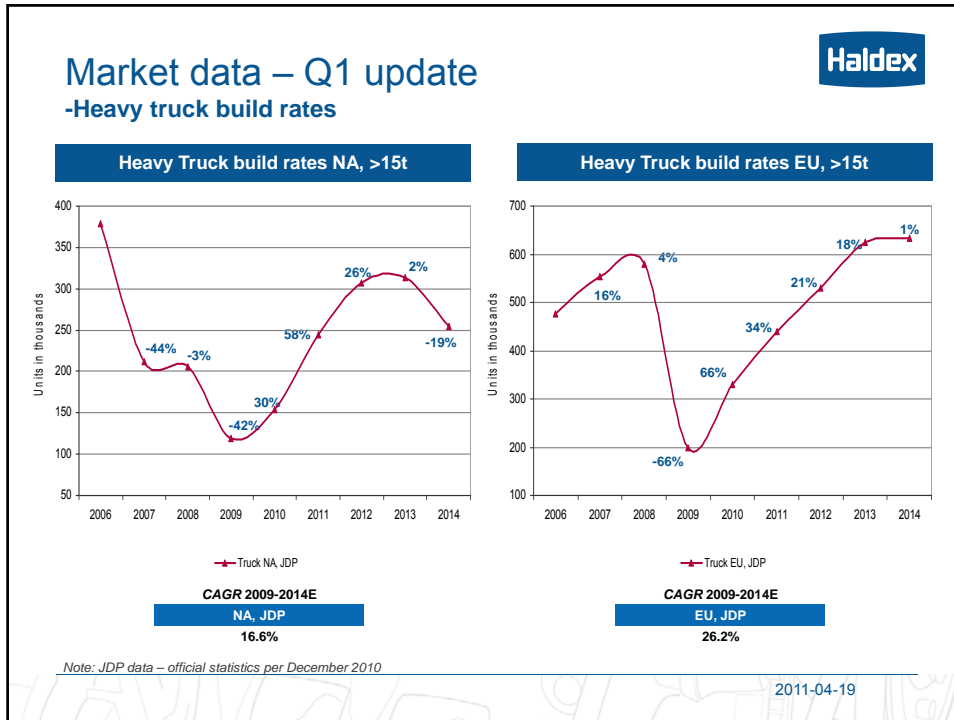
## Vehicle Production\* – 2011 vs. 2010

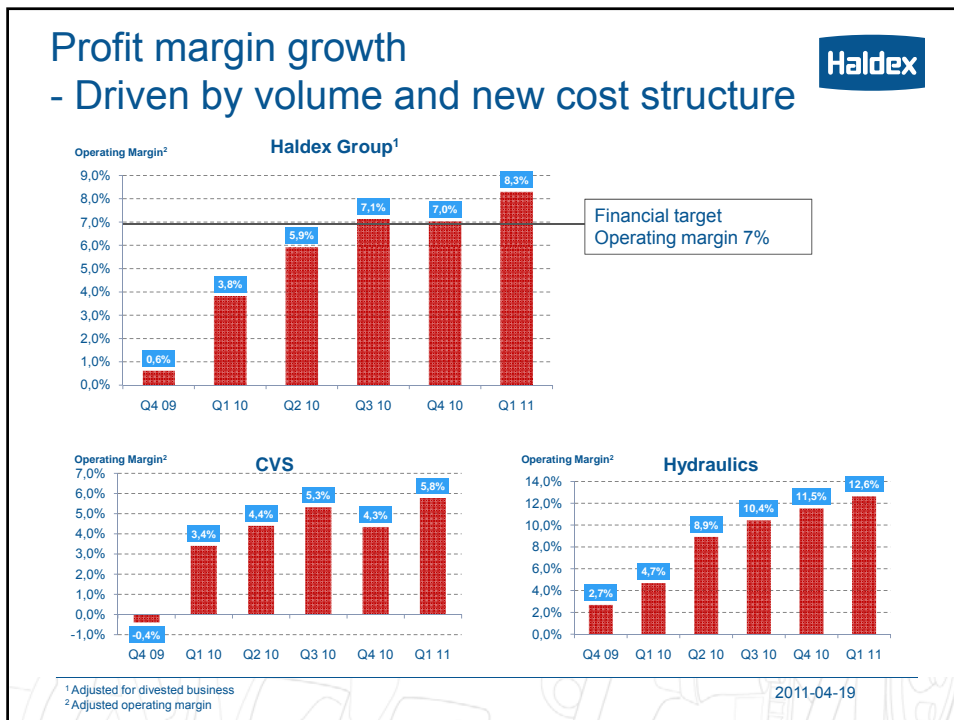
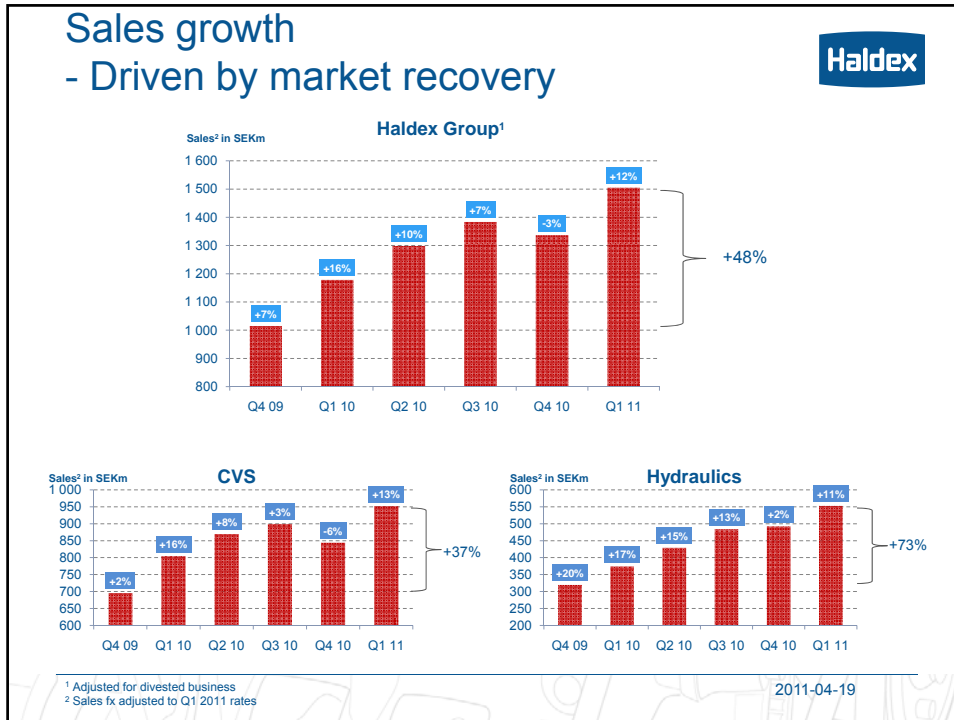


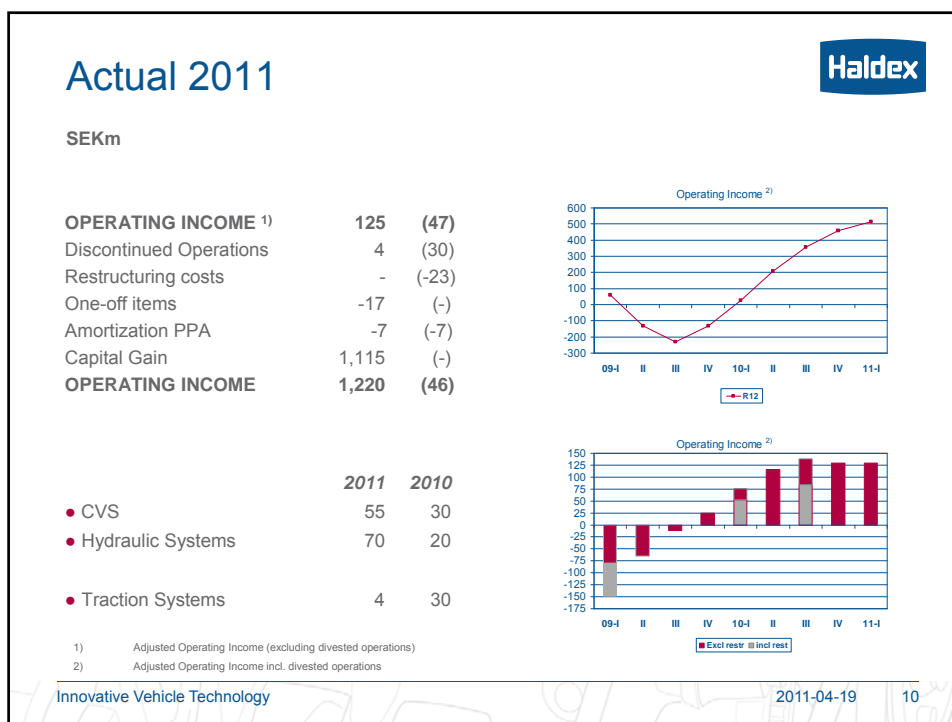
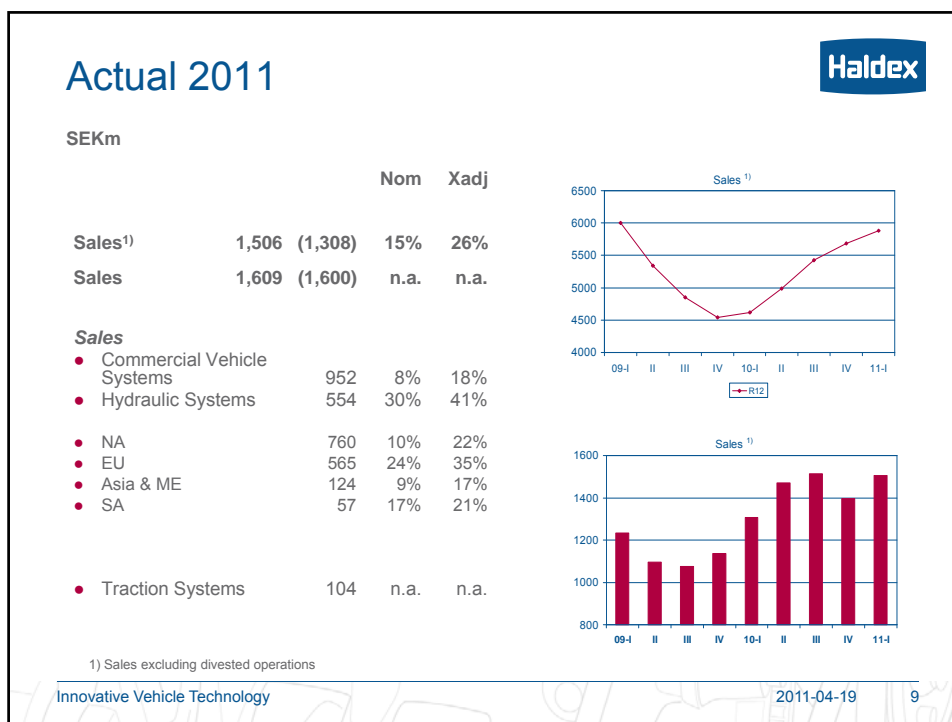
	Q1 vs Q1		Q1 vs Q4	
	North America	Europe	North America	Europe
Heavy trucks	+49%	+75%	+19%	-10%
Heavy trailers	+123%	+35%	+15%	+11%
Forklifts	+36%	+8%	-15%	-2%
Engine	+19%	+30%	+9%	+24%

- The increase in demand noticed during the second half 2010 continued throughout the first quarter 2011
- In 2011, heavy truck production is expected to increase by 58% in North America and by 34% in Europe compared to 2010.
  - The official outlook indicates the second half 2011 to be stronger than the first.
  - Second half year 2010 was much stronger than the first half year
- In 2011, trailer production in North America is expected to increase by 64%, while European production is predicted to increase by approx. 20% compared to 2010.
  - Second half year 2010 was much stronger than the first half year in North America
- Construction equipment indicate an increased production rate for both North America and Europe in 2011 compared to 2010. Engine is expected to grow by 21% in North America and 15% in Europe in 2011 compared to prior year. The outlook for Forklifts indicates growth of approx. 10% in both the North American and European markets y-o-y 2011.

\* Based on statistics from JD Powers, ACT, Clear, Power System s Research, Off-highway Research and International Truck Association Q1 2011 update







## Development per division - CVS



<i>SEKm</i>	2011	2010	Change
Net sales	952	881	8%
Operating income	55	30	83%
Operating margin	5.8%	3.4%	2.4
Return on capital employed <sup>1</sup>	7.0%	0.3%	6.7

<sup>1</sup> Rolling 12 months

- **First quarter sales increased with 18% compared to 2010 currency adjusted**
  - The increase was noticed within all regions and segments, especially within OEM
  - Sales in the Q1 were up 13% on Q4 2010 currency adjusted
- **Operating income SEK 55m (30)**
  - An operating margin of 5.8% (3.4)
  - The operating income continued to improve due to increased sales volumes and the new cost structure

2011-04-19

11

## Development by division - Hydraulics



<i>SEKm</i>	2011	2010	Change
Net sales	554	427	30%
Operating income <sup>1</sup>	70	20	N.A
Operating income	63	-10	N.A
Operating margin <sup>1</sup>	12.6%	4.7%	7.9
Operating margin	11.4%	-2.3%	13.7
Return on capital employed <sup>2</sup>	11.9%	-3.6%	15.5
Return on capital employed <sup>2,3</sup>	32.3%	-7.3%	39.6

<sup>1</sup> Excluding restructuring costs and amortization of acquisition-related surplus values.

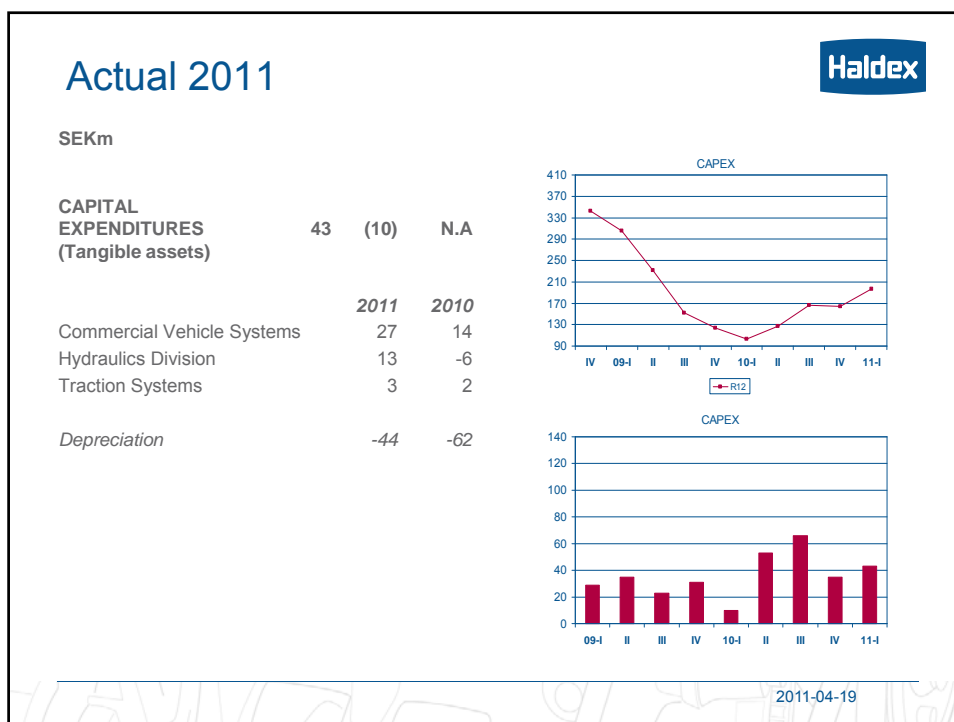
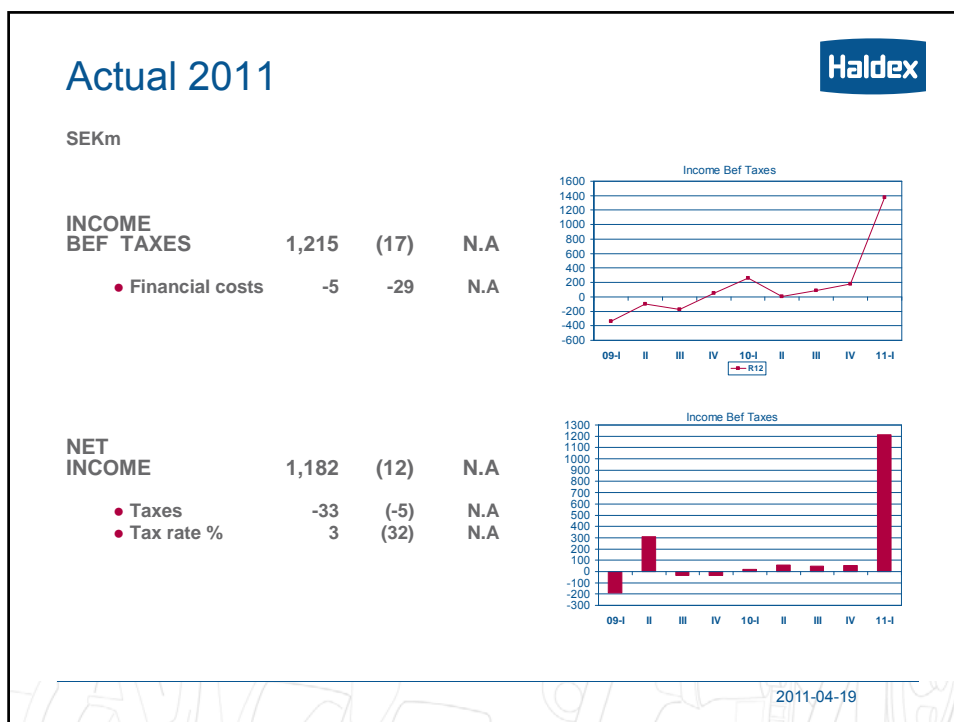
<sup>2</sup> Rolling 12 months.

<sup>3</sup> Adjusted for acquisition-related surplus values.

- **First quarter sales increased with 41% compared to 2010 currency adjusted**
  - Sales increased by 11% in Q1 compared to Q4 2010 currency adjusted
  - Improvements were noticed within all segments, especially for hydraulic products
- **Operating income<sup>1</sup> of SEK 70m (20)**
  - An operating margin<sup>1</sup> of 12.6% (4.7)
  - The operating income continued to improve due to increased sales volumes and a maintained cost structure

2011-04-19

12

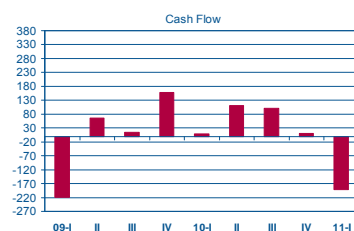
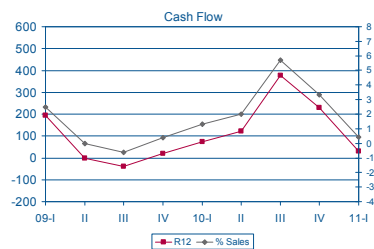


## Actual 2011



SEKm

	2011	2010
OIBD	162	122
Working capital change	-275	-63
Capital expenditure	-49	-22
<b>Operating Cash Flow</b>	<b>-162</b>	<b>37</b>
Financials	-8	-27
Taxes	-24	-3
<b>Cash Flow</b>	<b>-194</b>	<b>8</b>
Divestments	1,425	
<b>Net Cash Flow</b>	<b>1,230</b>	



Innovative Vehicle Technology

2011-04-19

15

## Actual 2011



BALANCE SHEET, SEKm

	2011	2010	Nom
• Working Capital	560	618	-9%
• Intangible assets	1,429	1,671	-14%
• Capital Employed	4,203	3,775	11%
• Total Assets	5,553	5,154	8%
• Net Indebtedness	-604	977	N.A
• Equity	3,410	2,351	45%
• Equity/assets ratio	61%	46%	
• Net indebtedness	N.A	42%	

2011-04-19



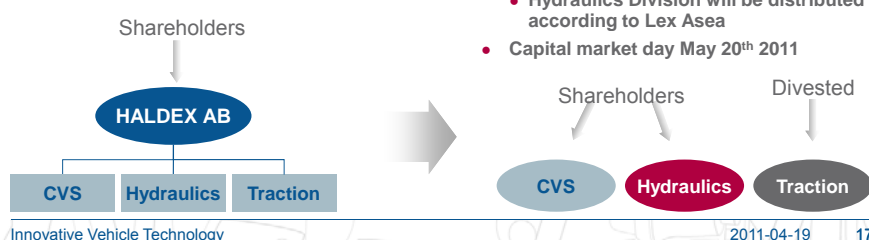
## Reorganisation of Divisions into two Separate Listed Entities



- The Haldex Board of Directors will propose a distribution of the divisions of Haldex
- Haldex shareholders will subsequently own shares in two separate listed companies instead of a single company
- The intention is to submit this proposal to shareholders at the AGM 8<sup>th</sup> of June 2011
- The Haldex Board of Directors will propose a distribution in accordance with the so-called Lex Asea rules

### Update

- The reorganisation of the Group is proceeding according to plan
- The process for a separate stock exchange listing started at the beginning of 2011 and is planned for June 2011
- The cost of the reorganisation is estimated to approx. 100 MSEK
  - Cost in Q1 17 MSEK, total 71 MSEK
- Traction Systems Division divested to BorgWarner Inc. January 31<sup>st</sup> 2011, capital gain of 1,115 MSEK
- CVS will remain in Haldex AB
  - Hydraulics Division will be distributed according to Lex Asea
- Capital market day May 20<sup>th</sup> 2011



## Dividend and transfer of funds



- **Ordinary dividend of SEK 3 per share**
  - Value: SEK 133 million
  - Payment on June 16
- **Extra ordinary transfer via redemption of SEK 30 per share**
  - Value: SEK 1,326 million
  - Redemption shares listed on Nasdaq OMX during 6 – 20 July
  - Automatically redeemed
  - Payment on July 28
- **Distribution of shares in the Parent Company of the Hydraulics Division**
  - Including the underlying Group
  - Lex ASEA
  - Distribution day June 16 (still preliminary)



## Outlook

- 2011 Market Outlook indicates expected growth in most markets
- Focus on keeping the new cost structure as volume are increasing
- Continued focus on material deliveries and costs
- The strengthening of the SEK will continue to have an impact
- Two well positioned divisions that can continue their successful development as stand-alone companies
  - Good trend towards the Group Financial Targets

2011-04-19



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