

The Haldex logo is a blue rounded rectangle with the word "Haldex" in white, bold, sans-serif font. The background of the slide features a grey technical drawing of a mechanical engine with various components like pistons, valves, and a spring. A horizontal band of blurred light in shades of blue, red, and white runs across the middle of the slide.

Haldex

3rd Quarter 2010

Joakim Olsson
CEO and President
October 21, 2010

2010-10-21

Summary YTD 2010

- **Sales of SEK 5,201m (4,237)**
 - Adjusted for currency and divestments, sales increased by 36%
 - Sales in Q3 of SEK 1,807 m (1,266), +3% compared to Q2 2010 currency adjusted
- **An increase in demand was noticed within all product segments and regions**
- **Adjusted Operating Income of SEK 331m (-155)**
 - Operating margin 6.4% (-3.7)
 - Operating income in Q3 of SEK 138m (-10) and a margin of 7.6% (-0.8)
 - Continued operations, excluding one-off items and amortization of acquisition related surplus values
- **Operating Income of SEK 210m (163)**
 - Operating margin 4.0% (3.8)

Summary YTD 2010

- **Earnings after tax of SEK 80m (105)**
 - Earnings per share of SEK 1:71 (3:29)
- **Cash Flow amounted to SEK 242m (690)**
 - Reduced debt to SEK 721m (1,675)
 - Cash Flow from operating activities was positive SEK 358m
- **The reorganization of the Group into three separate listed companies is proceeding according to plan**

Business Event 2010

- **AWD order from a European Super Sports Car manufacturer**
 - Order value of 100 MSEK over 5 years
 - Gen V, SOP 2013
- **Development tests for variable water- and oil pump for Euro 6 Engines successfully**
 - Fuel savings of 0.5-3%
 - Development contract with several European Truck manufacturer
 - SOP 2013

Business Event 2010

Order worth SEK 1,000m for air disc brakes to SAF Holland



- A major break through for Haldex's air disc brake product line
- **ModulT – a new air disc brake platform for various applications within the truck, bus and trailer segments.**
 - 22" version intended for 9t trailer axles the first product .
 - Significantly lighter than a conventional air disc brake – 15% weight saving and the lightest 22" trailer brake available
- **SEK 1,000m over a five year period. In addition the order will generate aftermarket deliveries for many years to follow**
- **Deliveries will start in 2011**



2010-10-20

Business Events 2010

- **Haldex secured order for All-Wheel Drive system to Volvo Car Corporation**
 - Haldex fifth generation AWD-system replaces fourth generation AWD-system for the current and future platform
 - Start of production in 2012

- **New Technology - Haldex eAWD**
 - Modular and flexible concept
 - Cost effective solution for hybridisation (small changes in engine compartment)
 - Integrated disconnect unit for improved fuel economy

| | | |
|--------------------|---|---------------------------------|
| Hybrid | → | 25 % fuel economy improvement |
| AWD | → | Traction improvement |
| Torque Vectoring | → | Superior stability and handling |
| Differential brake | → | Improved traction |





Cost Reduction Program (1/2)

Personnel Reduction

- The earlier launched (mid 2008) cost reduction program generated approx. SEK 700m until 2009.

- The program continues during 2010
 - Initiated actions will generate approx. SEK 100m annual cost reduction.

- Consolidation of two Hydraulics factories in the US and personnel reduction in the Hydraulics factory in Germany
 - Production in Statesville will be closed and manufacturing moved to Rockford
 - Progressing according to plan, will be closed during Q4 2010
 - Total restructuring cost SEK 23m, annualized savings SEK 44m

Cost Reduction Program (2/2)

Personnel Reduction



- **Further concentration of Haldex CVS' North American manufacturing to the plant in Monterrey, Mexico**
 - The production in Iola, Kansas, will be moved to Mexico and the factory will be closed during the fourth quarter 2010
 - The cost is estimated to 5-9 MUSD (approx 45 MSEK) with annual savings of 6 MUSD (approx 50 MSEK)
 - Additional personnel reductions are planned in other parts of CVS with a cost of approx 10-15 MSEK with annual synergies of 10-15 MSEK
 - The cost has been charged in Q3 2010

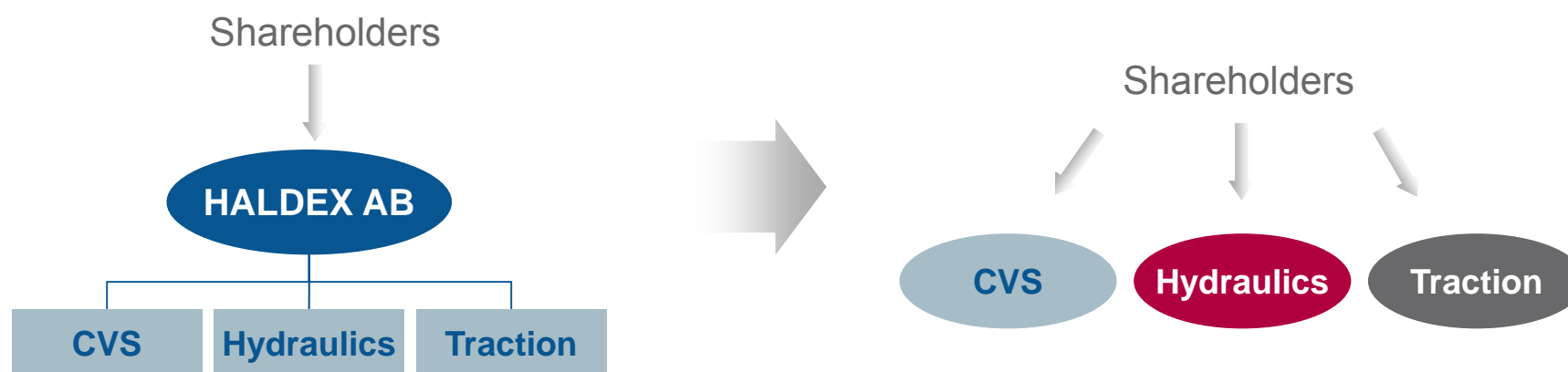
Reorganisation of Divisions into three Separate Listed Entities



- The Haldex Board of Directors will propose a distribution of the divisions of Haldex
- Haldex shareholders will subsequently own shares in three separate listed companies instead of a single company
- The intention is to submit this proposal to shareholders at the AGM 8th 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 starts in the beginning of 2011 and is planned for June 2011
- The cost of the reorganisation is estimated to approx. 100 MSEK
 - Cost in 2010 approx. 40 MSEK
 - 4 MSEK booked in Q3 2010



Vehicle Production* – 2010 vs. 2009



| | 9 th month | | 3 rd quarter | |
|----------------|-----------------------|---------------|-------------------------|---------------|
| | <i>North America</i> | <i>Europe</i> | <i>North America</i> | <i>Europe</i> |
| Heavy trucks | +30% | +49% | +27% | +83% |
| Heavy trailers | +37% | +37% | +39% | +76% |
| Light vehicles | +46% | +15% | +15% | -4% |
| Forklifts | +38% | +11% | +39% | +19% |
| Engine | +29% | +17% | +74% | +114% |

- An increase in demand was noticed within all product segments and regions during the first nine months.
 - Production effect in 3rd quarter due to new emission regulation for Tier 4 engines and some stock build up.
- Increases are expected in both the North American (+26%) and the European (+59%) heavy truck market in 2010 compared to 2009, but still from low levels. The official outlook indicates the second half of 2010 to be stronger than the first.
- 2010 trailer production in North America is expected to grow by 48%, while European production is predicted to grow by approx. 45% compared to 2009. The official outlook indicates the second half of 2010 to be stronger than the first.
- Production of light vehicles in North America in 2010 is expected to increase by 31%, while European production is estimated to increase by 11% compared to 2009 levels.
- Construction equipment indicate a flat production rate for both North America and Europe in 2010 compared to 2009. Engine is expected to grow by 39% in North America and 12% in Europe in 2010 compared to prior year. The outlook for Forklifts indicates growth in both the North American and European markets y-o-y 2010.

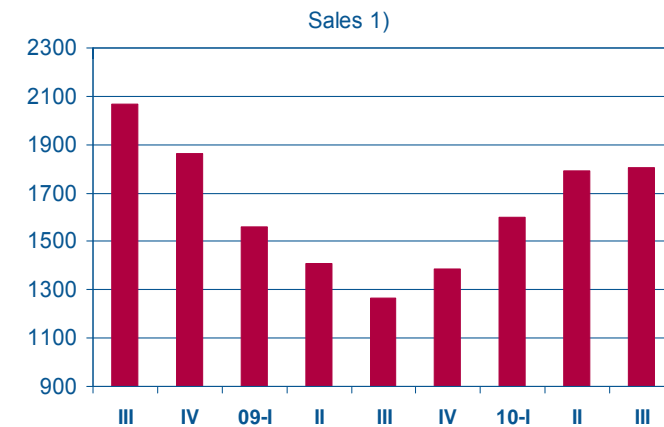
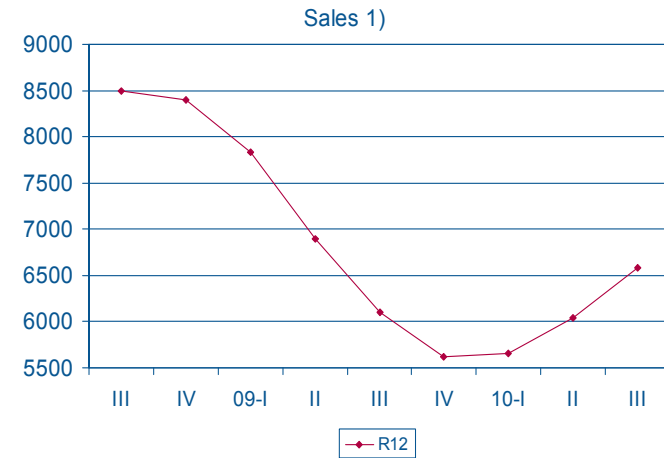
* Based on statistics from JD Powers, ACT, Clear, Power System s Research, Off-highway Research and International Truck Association Q3 2010 update

Actual YTD 2010



SEKm

| | | | Nom | Xadj |
|------------------------------|--------------|----------------|------------|------------|
| Sales | 5,201 | (4,005) | 30% | 36% |
| Sales¹⁾ | 5,201 | (4,237) | 23% | 29% |
| Sales | | | | |
| • Commercial Vehicle Systems | 2,836 | | 20% | 27% |
| • Hydraulic Systems | 1,457 | | 41% | 50% |
| • Traction Systems | 909 | | 51% | 51% |
| | | | | |
| • NA | 2,438 | | 27% | 34% |
| • EU | 2,239 | | 30% | 36% |
| • Asia & ME | 355 | | 40% | 46% |
| • SA | 170 | | 63% | 51% |



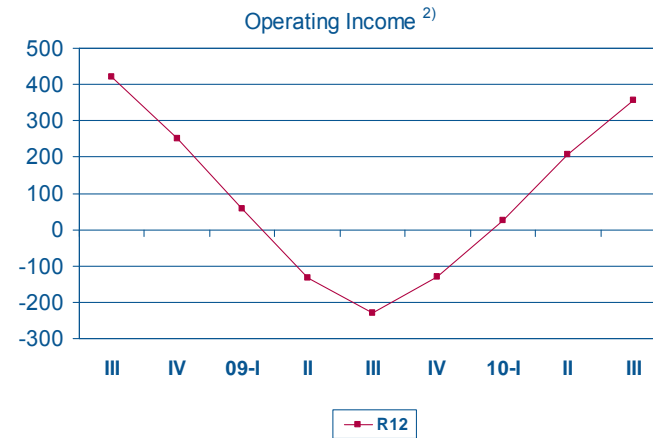
1) Sales including Discontinued Operations.

Actual YTD 2010

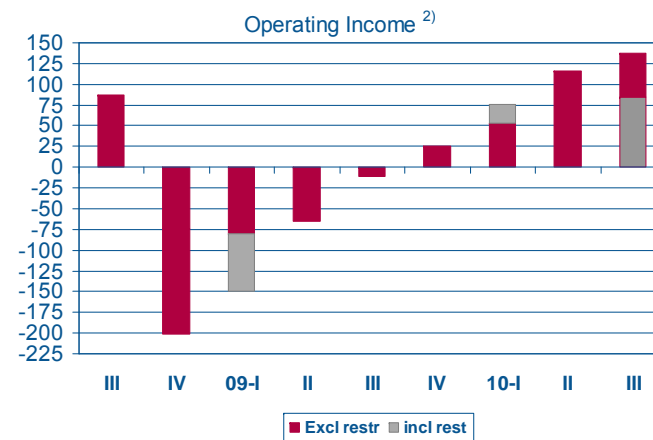


SEKm

| | | |
|---------------------------------------|------------|---------------|
| OPERATING INCOME ¹⁾ | 331 | (-103) |
| Discontinued Operations | - | (-52) |
| Restructuring costs | -80 | (-69) |
| One-off items | -19 | (411) |
| Amortization PPA | -22 | (-24) |
| OPERATING INCOME | 210 | (163) |



| | 2010 | 2009 |
|---------------------|------|------|
| • CVS | 125 | -57 |
| • Hydraulic Systems | 119 | -57 |
| • Traction | 87 | 12 |



1) Adjusted Operating Income.

2) Adjusted Operating Income incl. Discontinued Operations

Development per division - CVS

| <i>SEKm</i> | <i>2010</i> | <i>2009</i> | <i>Change</i> |
|---|-------------|-------------|---------------|
| Net sales | 2 836 | 2 371 | 20% |
| Operating income ¹ | 125 | -57 | N.A |
| Operating income | 72 | -109 | N.A |
| Operating margin ¹ | 4.4% | -0.7% | 5.1 |
| Operating margin | 2.5% | -4.6% | 7.1 |
| Return on capital employed ² | 3.5% | -12.9% | 16.4 |

¹ Excluding restructuring costs.

² Rolling 12 months

- **Sales increased with 27% YTD compared to previous year currency adjusted**
 - The increase was noticed within all segments and regions.
 - Sales in the Q3 was on the same level as in Q2 2010 currency adjusted

- **Operating income¹ SEK 125m, an improvement of SEK 182m compared to last year**
 - An operating margin of 4.4%
 - Improved operating income through stronger volumes and the lower cost level
 - Operating income of SEK 52m (-5) in the Q3, an operating margin of 5.3% (-0.7)

Development by division - Hydraulics



| <i>SEKm</i> | <i>2010</i> | <i>2009</i> | <i>Change</i> |
|---|-------------|-------------|---------------|
| Net sales | 1 457 | 1 033 | 41% |
| Operating income ¹ | 119 | -57 | N.A |
| Operating income | 56 | -93 | N.A |
| Operating margin ¹ | 8.2% | -5.5% | 13.7 |
| Operating margin | 3.8% | -9.1% | 12.9 |
| Return on capital employed ² | 3.6% | -4.5% | 8.1 |
| Return on capital employed ^{2,3} | 10.6% | -7.5% | 18.1 |

¹ Excluding restructuring costs and amortization of acquisition-related surplus values.

² Rolling 12 months.

³ Adjusted for acquisition-related surplus values.

- **Sales increased with 50% YTD compared to last year currency adjusted**
 - Sales increased with 11% in the Q3 compared to the Q2 2010 currency adjusted
 - Sales volumes continued to increase within all segments
- **Adjusted Operating income of SEK 119m (-57) with an operating margin of 8.2% (-5.5)**
 - Adjusted operating income of SEK 56m (-14) in the Q3, an operating margin of 10.4% (-4.3)

Development by division - Traction

| <i>SEKm</i> | <i>2010</i> | <i>2009</i> | <i>Change</i> |
|---|-------------|-------------|---------------|
| Net sales | 909 | 601 | 51% |
| Operating income ¹ | 87 | 12 | N.A |
| Operating income | 87 | 9 | N.A |
| Operating margin ¹ | 9.6% | 2.0% | 7.6 |
| Operating margin | 9.6% | 1.5% | 8.1 |
| Return on capital employed ² | 46.9% | 3.8% | 43.1 |

¹ Excluding restructuring costs

² Rolling 12 months

- **Sales increased with 51% YTD compared to last year adjusted for currency**
 - Sales in the Q3 decreased with 8% compared to the Q2 2010 currency adjusted
- **Operating income¹ amounted to SEK 87m (12), an operating margin¹ of 9.6% (2.0)**
 - Operating income in the Q3 of SEK 31m (8), an operating margin of 10.4% (4.4)

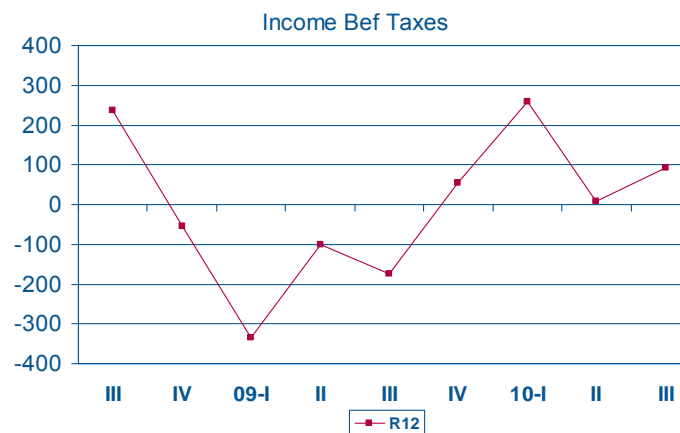
Actual YTD 2010



SEKm

**INCOME
BEF TAXES** **125** **(87)** **44%**

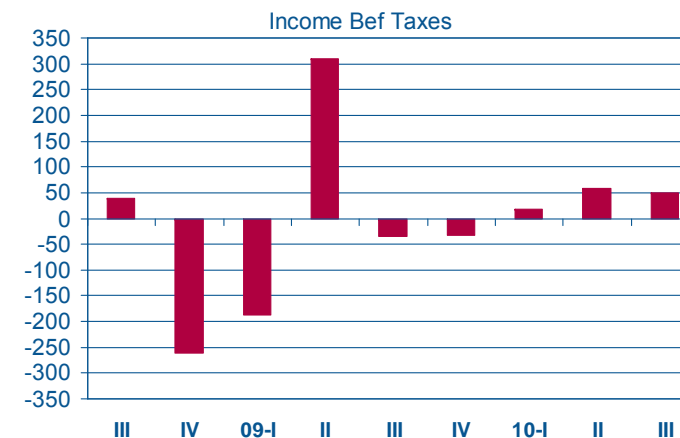
• Financial costs -85 -76 +11%



**NET
INCOME** **80** **(105)** **-24%**

• Taxes -45 (18) N.A

• Tax rate % 36 (21) N.A

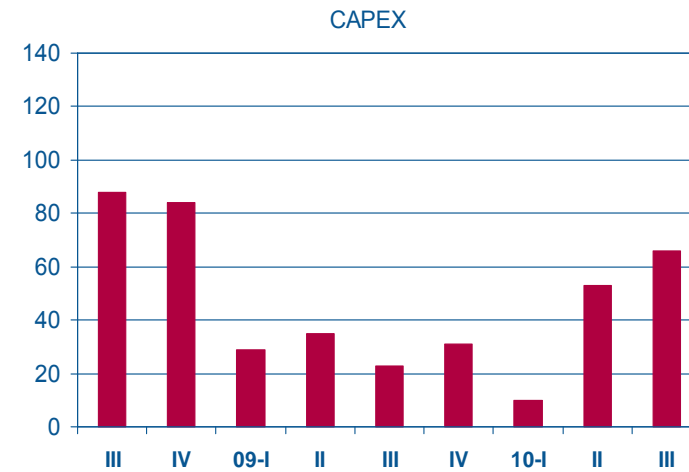
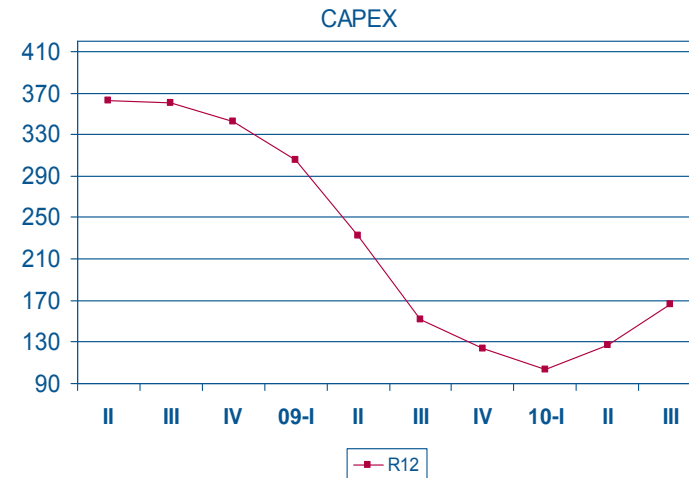


Actual YTD 2010



SEKm

| | | | |
|---|-------------|-------------|-------------|
| CAPITAL EXPENDITURES (Tangible assets) | 105 | (82) | +28% |
| | 2010 | 2009 | |
| Commercial Vehicle Systems | 89 | 56 | |
| Hydraulics Division | 5 | 17 | |
| Traction Systems | 12 | 9 | |
| Discontinued operations | - | 6 | |
| <i>Depreciation</i> | <i>-179</i> | <i>-196</i> | |

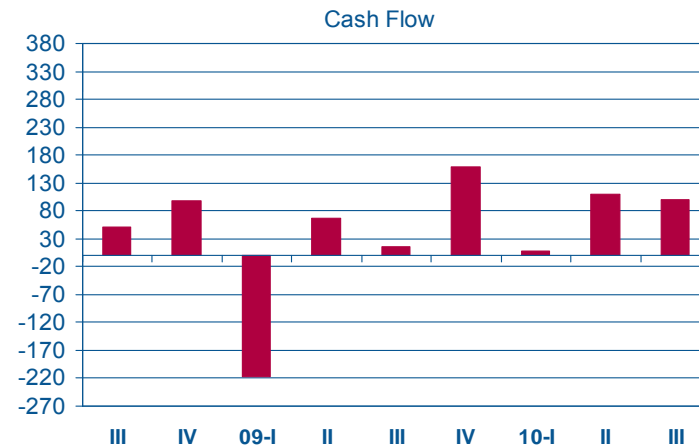
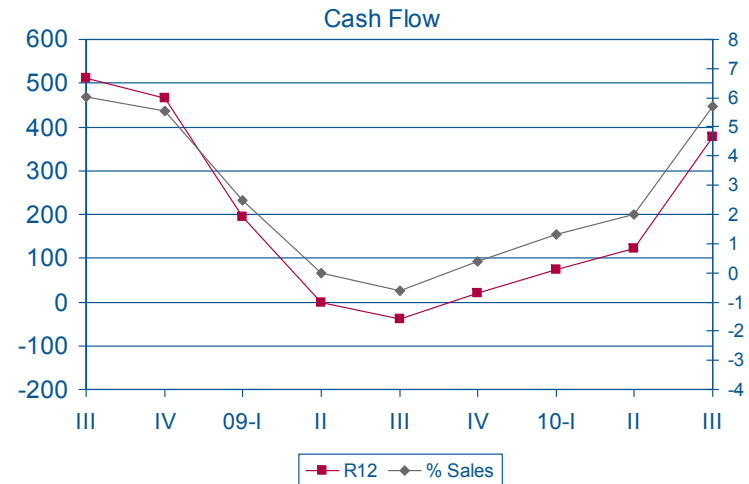


Actual YTD 2010



SEKm

| | 2010 | 2009 |
|----------------------------|------------|-------------|
| OIBD | 466 | -5 |
| Working capital change | -1 | 77 |
| Capital expenditure | -139 | -115 |
| Operating Cash Flow | 326 | -43 |
| Financials | -87 | -82 |
| Taxes | -20 | -12 |
| Cash Flow | 219 | -137 |



Actual YTD 2010

BALANCE SHEET, SEKm

| | <i>2010</i> | <i>2009</i> | <i>Nom</i> |
|-----------------------|-------------|-------------|------------|
| • Working Capital | 463 | 666 | -30% |
| • Intangible assets | 1,555 | 1,686 | -8% |
| • Capital Employed | 3,465 | 3,893 | -11% |
| • Total Assets | 4,980 | 5,052 | -1% |
| • Net Indebtedness | 721 | 1,675 | -57% |
| • Equity | 2,300 | 1,855 | 24% |
| • Equity/assets ratio | 46% | 37% | |
| • Net indebtedness | 31% | 90% | |



Funding as of September, 2010

| Source | Currency | Nominal amount | Unutilized | Maturity |
|-------------------------------------|-------------|----------------------|----------------------|----------|
| Syndicated loan facility | USD | 225,000,000 | 203,000,000 | 2012 |
| Bond Loans | SEK | 650.000.000 | | 2015 |
| Funding as per June 30, 2010 | SEK~ | 2,165,000,000 | 1,382,000,000 | |

Outlook

- **2010 and 2011 Market Outlook indicates expected growth in most markets**
 - Some uncertainty in the engine and agriculture sector
- **The Cost Reduction Program has had a positive impact and will give further improvements going forward**
 - The Cost Reduction Program will end with the last announced activities
- **Higher raw material cost expected**
- **A more focused and lean company that is well positioned to generate good results as the market situation continues improve**
 - Good trend towards the Group Financial Targets
- **Three well positioned divisions that can continue their successful development as stand-alone companies**



Innovative Vehicle Technology