



Q1 Report 2009

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CEO and President
April 24, 2009

Summary 1st quarter 2009

- **Sales of SEK 1,562m (2,131)**
 - Adjusted for currency and acquisition effects sales decreased by 44%
- **Operating Income of SEK -80m (112)**
 - Excluding one-off items and amortization of acquisition related surplus values
- **The Cost Reduction Program is ahead of plan**
 - 1.700 employees have left the company since mid 2008 (earlier target 1.500). New target is set to 1.900 employees by mid 2009, -30%.
 - Cost savings expected to be more than SEK 600m on an annual basis. Earlier estimate was SEK 425m.
 - A restructuring charge of SEK 69m has been booked in the first quarter of 2009, which is the last part of the total cost of SEK 150m communicated earlier.

Summary 1st quarter 2009

- **Divestment of the Garphyttan Wire division during Q2**
 - Purchase price SEK 800m on a cash and debt free basis
 - Proceeding according to plan
- **VW award Haldex largest single order ever**
 - All Wheel Drive system.
 - Order value appr. SEK 4.5 billion over a 7 year period.

Business Events Q1 2009

- **The reduction of demand seen in the 2nd half of 2008, continued in the 1st quarter of 2009**
 - Many customers continued with temporary plant closures.
 - Continued inventory adjustments in the industry.
 - All divisions/segments were affected.
- **Agreements with CNHTC (largest heavy truck company in China) and Italian IVECO's JV in China concerning water pumps for diesel engines**
 - Combined order value amounts to approx. SEK 150 m over five years
 - Start of production in 2009
- **Nomination for Perkin's new engines for oil and water pumps**
 - Order value amounts to close to SEK 575 m over five years
- **Agreement with NA truck maker Navistar for Haldex actuators as standard equipment in Navistar's trucks**
 - Order value amounts to approx. SEK 200 m over five years
 - Start of production June 1, 2009

Business Events 2009

VW selected Haldex's AWD system for new platform – SEK 4.5 billion

The Haldex logo consists of the word "Haldex" in a white, sans-serif font, centered within a dark blue rectangular background.

- Order value: 4.5 billion over 7 years
 - Targets single order ever
- The platform concept, MQB, will more than double today's volumes to Haldex with stable growth
- MQB – The new platform concept of VW is modular and will be applicable for other platforms and vehicles
- Start of production in 2012
- Secures R&D competence short and medium term

"Leadership in terms of function, performance, and competitiveness in the AWD market that match the strong demand for safety, low energy consumption and cost"

Business Events 2009

GM



Gen IV & XWD: Awarded 2006,
SOP 2008 and 2009

- The first vehicle models on the second GM platform with Haldex AWD and XWD systems
- Production start third quarter of 2008 and 1st half 2009



Buick LaCrosse



Opel Insignia



Cadillac SRX

"This system sets a new benchmark for all all-wheel drive systems"

Divestment of Garphyttan Wire

- Signed an agreement with Suzuki Metal regarding the sale of Garphyttan Wire on the 25th of December 2008
- The purchase price amounts to **SEK 800** m on a cash and debt free basis
- The transaction is estimated to be completed during **April to June 2009**
 - Proceeding according to plan
 - Regulatory approval confirmed
 - Business license in China received
- The divestment decreases Haldex's net debt to SEK 1.839m as per March, 2008
- The transaction is estimated to result in a capital gain of SEK 400m
- Focus on segments where the Group can achieve intra-group synergies and sustainable market position based on innovative and leading products, providing a foundation for long-term growth and good profitability
- A more optimized and focused Group structure

Vehicle Production * – 2009 vs. 2008



	Q1 vs Q1		Q1 vs Q4	
	<i>North America</i>	<i>Europe</i>	<i>North America</i>	<i>Europe</i>
Heavy trucks	-38%	-57%	-34%	-44%
Heavy trailers	-41%	-82%	-31%	-57%
Light vehicles	-48%	-40%	-33%	-10%
Forklifts	-53%	-49%	-26%	-16%
Construction equipment	-33%	-59%	-9%	-23%

- Predictions regarding future development are constantly being revised.
- In 2009, the North American heavy truck market is expected to improve slightly from Q1 run rate and end 30% down y-o-y. European production is expected to be approx. 55% down from 2008 level.
- 2009 trailer production in North America is expected to continue to be approx. 40% below 2008, while European production is expected to recover some from Q1 production levels.
- Light vehicle production in both North America and in Europe in 2009 is expected to be approx. 20% below 2008, and Asia and South America are expected to be approx. 10% down.
- For the construction and forklift segments the weak market demand is expected to continue.

* Based on JD Powers statistics from Q4 2008, and ACT statistics and customer input in Q1 2009.

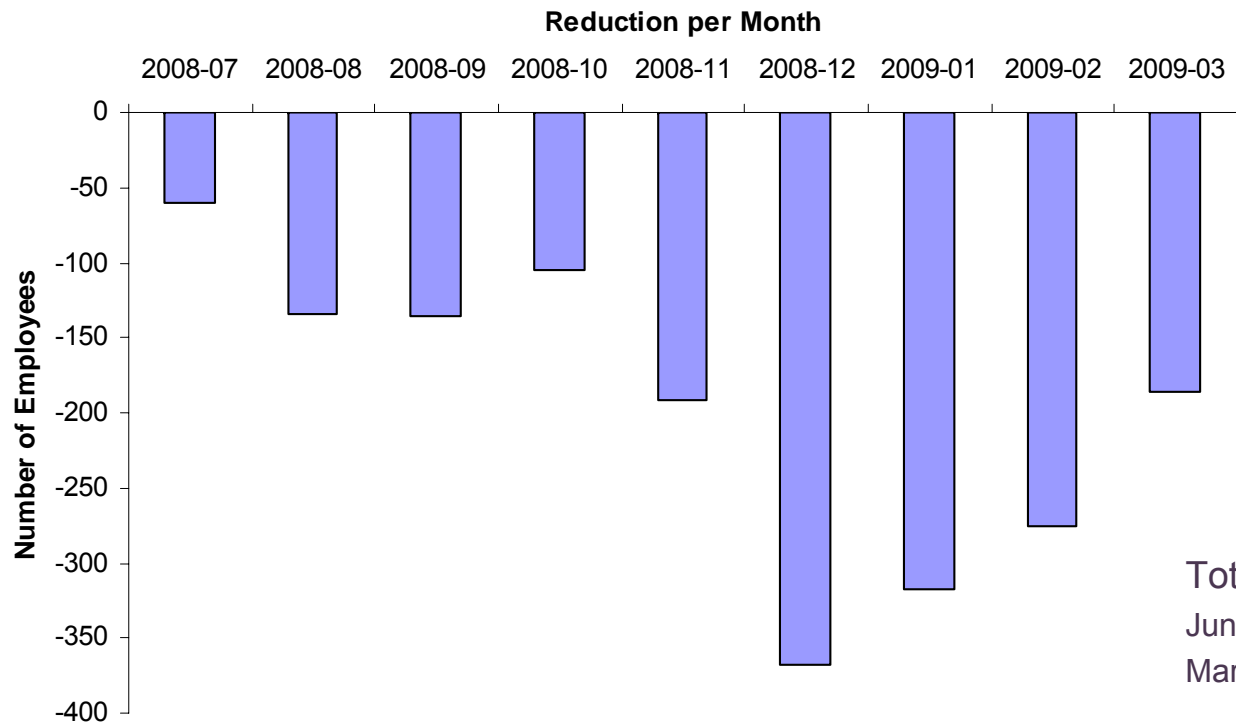
Cost Reduction Program

Personnel Reduction

- Ahead of plan
- Adjust the cost structure to current demand
- Increase the efficiency in the production
- Targeted head count reduction with approx. 1900 employees by mid 2009
 - -30% reduction
 - Earlier target 1500 employees
- Actual reduction to-date more than 1700 employees have been reduced
- Structural changes, e.g. consolidation of European distribution centers and closure of production in UK
- Total restructuring cost appr. SEK 150m
- Additional actions to reduce cost
- Personnel cost reduction so far almost SEK 500m (annualized run rate at end of Q1 2009)
- Further adjustments are considered depending on market development

A SEK 600m in Annualised Cost Reduction

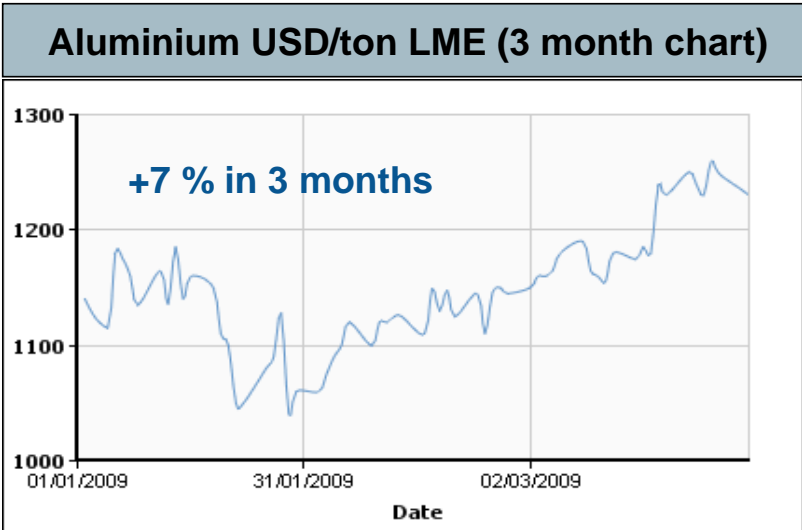
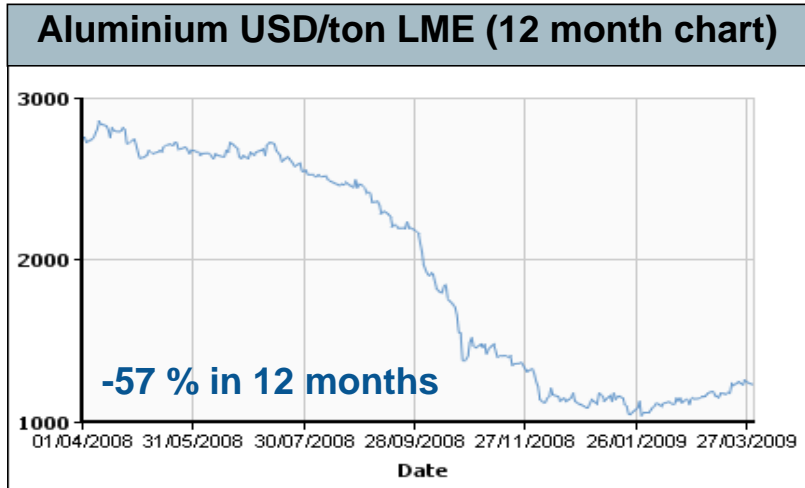
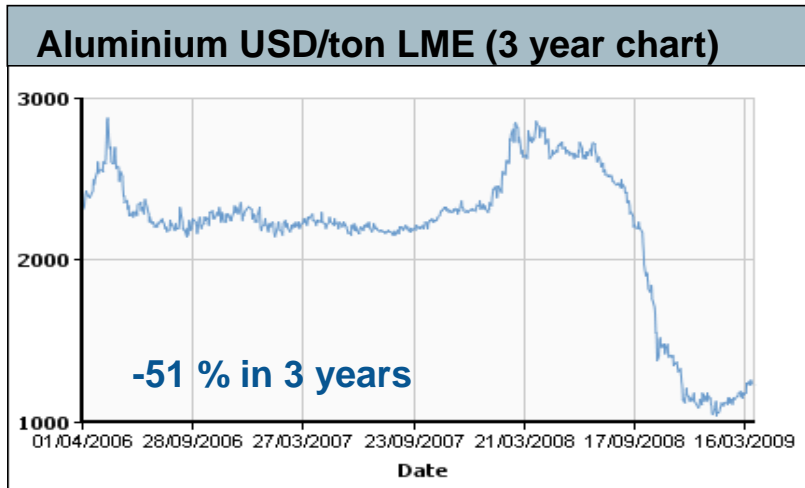
Headcount reduction



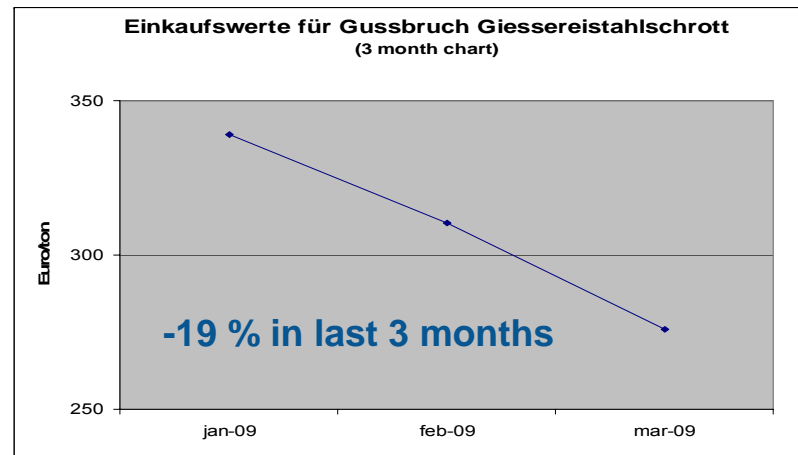
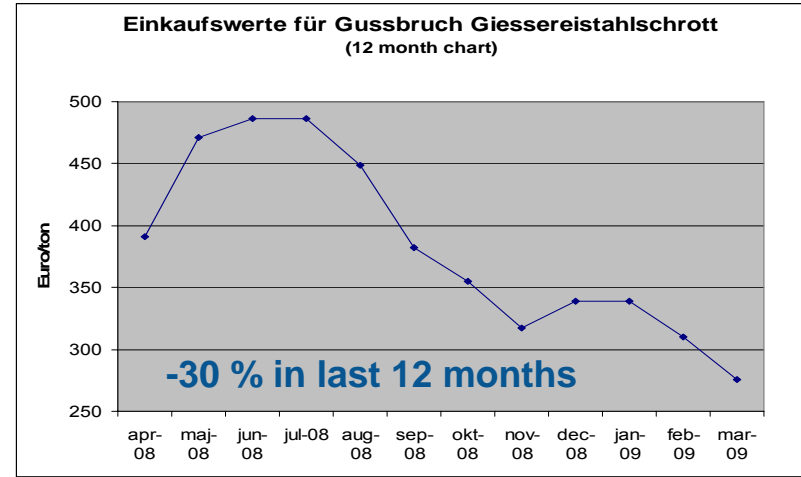
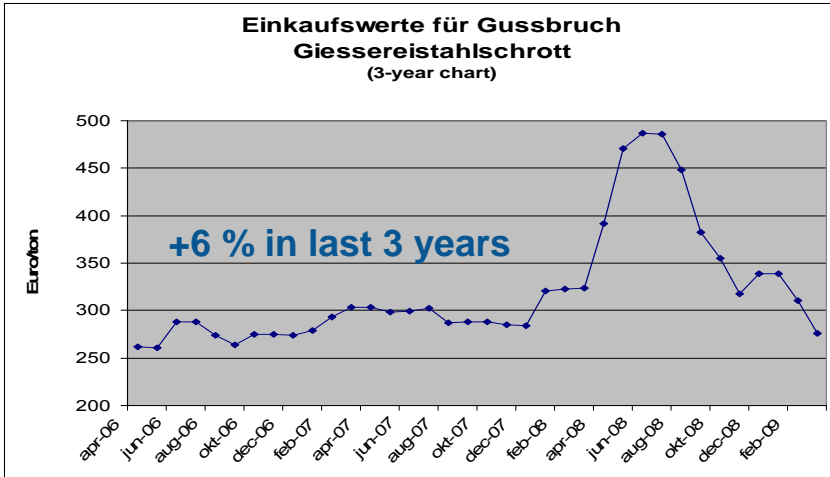
Total number of employees:
June 2008 6483
March 2009 4710

In addition substantial cut-back in workforce supplied by agency and consultants during July - November

Aluminum prices



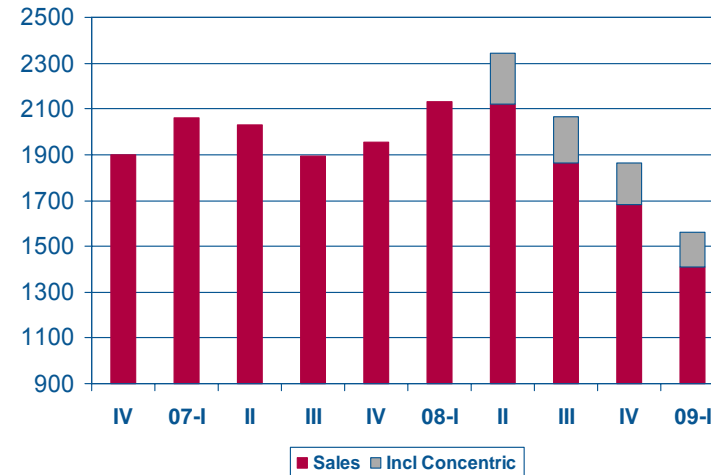
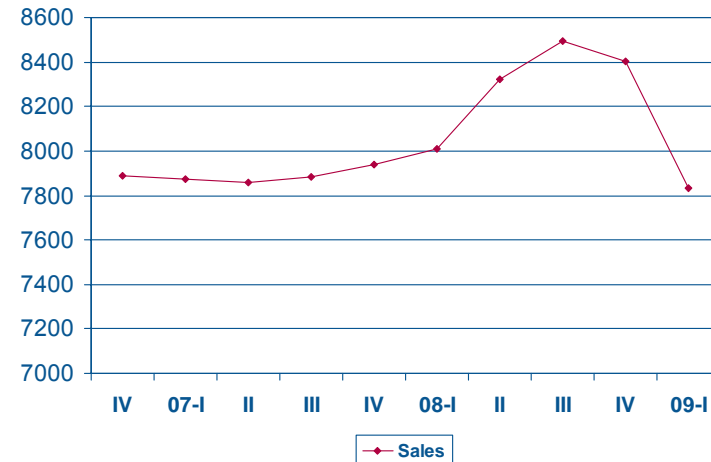
Cast Iron Scrap, DGV Price trend in Europe



Actual YTD 2009

SEKm

			Nom	Xadj
Sales	1,562	(2,131)	-27%	-37%
<i>Adjusted for Concentric</i>			<i>-34%</i>	<i>-44%</i>
Sales				
● Commercial Vehicle Systems	831		-29%	-41%
● Garphyttan Wire	138		-56%	-61%
● Traction Systems	191		-27%	-28%
● Hydraulic Systems	402		+3%	-15%
<i>Adjusted for Concentric</i>			<i>-36%</i>	<i>-48%</i>
● NA	721		-1%	-25%
● EU	711		-42%	-45%
● Asia & ME	92		-23%	-38%
● SA	39		-44%	-46%



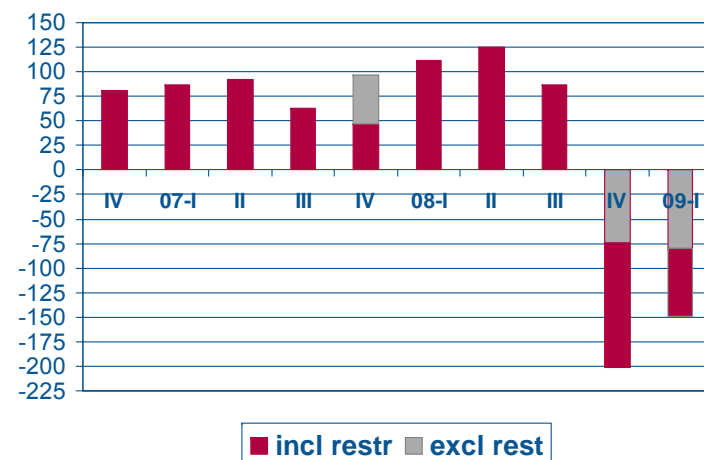
Actual YTD 2009

SEKm



OPERATING PROFIT	-80	(112)
Restructuring & One-off Items	-69	(0)
Amortization PPA	-8	(0)
OPERATING INCOME	-156	(112)

	2009	2008
• CVS	-30	43
• Hydraulic Systems	-16	26
• Garphyttan Wire	-34	28
• Traction	0	15



Development per division - CVS

<i>SEKm</i>	<i>2009</i>	<i>2008</i>	<i>Change</i>
Net sales	831	1 165	-29%
Operating income ¹	-30	43	N/A
Operating income	-83	43	N/A
Operating margin ¹	-3,6%	3,7%	-7,3
Operating margin	-10,0%	3,7%	-13,7
Return on capital employed ²	-9,6%	4,7%	-14,3

¹ Excluding restructuring costs.

² Rolling 12 months

- **Sales declined with 41% in the 1st quarter currency adjusted**
 - The decline was most severe in the European market. Sales to the truck and trailer segments decreased approx. 70%, compared to the same period 2008
 - Sales continued to be weak in North America. Sales to the truck segment were flat. Sales to the trailer segment decreased by 55%
 - Aftermarket: sales declined by 20% - signs of improvement during the latter part of the quarter

- **Large decline in demand had a negative impact on the operating income**

- **Cost Reduction Program**
 - Head count reduction, 800 employees (28% compared to June 2008)
 - Structural changes, e.g. closure of production in Redditch, consolidation of the European sales and logistic structure
 - Reduction of labor cost follows the fall in sales volume.

- **Pricing activities and several cost reductions (personnel reduction and material cost) have positive effect.**

Development by division - Hydraulics

<i>SEKm</i>	<i>2009</i>	<i>2008</i>	<i>Change</i>
Net sales	402	392	3% (-36) ⁴
Operating income ¹	-16	26	N/A
Operating income	-37	26	N/A
Operating margin ¹	-4,0%	6,6%	-10,6
Operating margin	-9,1%	6,6%	-15,7
Return on capital employed ²	2,9%	17,0%	-14,1
Return on capital employed ^{2,3}	7,6%	17,0%	-9,4

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

² Rolling 12 months.

³ Adjusted for acquisition-related surplus values.

⁴ Adjusted for acquisitions.

- **Sales declined with 48% in the 1st quarter adjusted for currency and acquisition effects**
 - The decline in demand that started during the second half of 2008, continued at a higher rate during the first quarter 2009.
 - Customers continued to adjust their delivery schedules, resulting in a continued inventory adjustment.

- **Strong actions taken to reduce cost**
 - Head count reduction, 800 employees (-30% compared to June 2008).
 - Further actions are being taken.

- **The integration of Concentric is continuing according to plan**

Development by division

Wire

<i>SEKm</i>	<i>2009</i>	<i>2008</i>	<i>Change</i>
Net sales	138	311	-56%
Operating income	-34	28	N/A
Operating margin	-24,3%	9,1%	-33,4
Return on capital employed ¹	-1,1%	13,8%	-14,9

¹ Rolling 12 months.

Traction

<i>SEK m</i>	<i>2009</i>	<i>2008</i>	<i>Change</i>
Net sales	191	262	-27%
Operating income ¹	0	15	N/A
Operating income	-3	15	N/A
Operating margin ¹	0,0%	5,7%	-5,7
Operating margin	-2,0%	5,7%	-7,7
Return on capital employed ²	9,5%	22,7%	-13,2

¹ Excluding restructuring costs

² Rolling 12 months

Actual YTD 2009

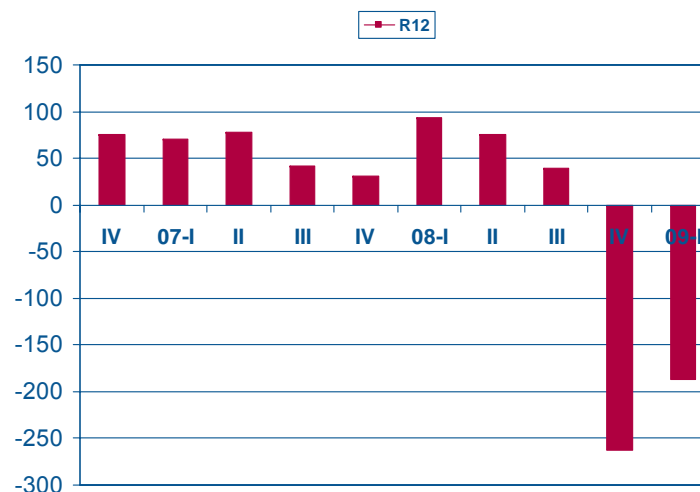
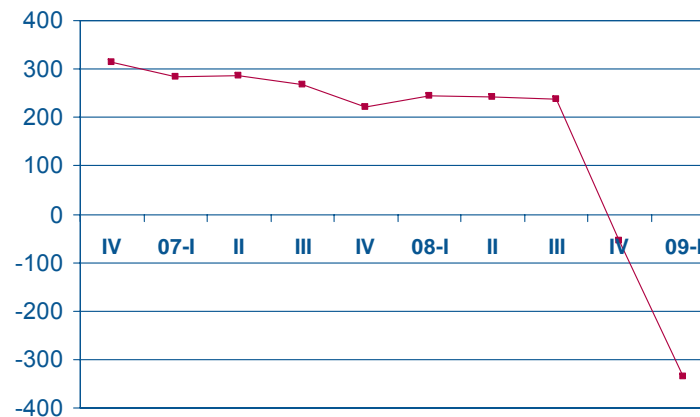
SEKm



**INCOME
BEF TAXES*** **-187 (93) -301%**

- Operating margin %¹ -5.1 (5.3)
- Capital turnover rate 1.3 (2.4)
- Return on capital employed %-13.1 (12.4)
- Return on equity % -44.2 (13.6)
- Interest coverage, times -6.2 (5.8)
- Tax rate % 22 (32)

* Including Restructuring costs of SEK 69m.



1) Excluding Restructuring costs, one-off items and amortization of acquisition-related surplus values.

Actual YTD 2009

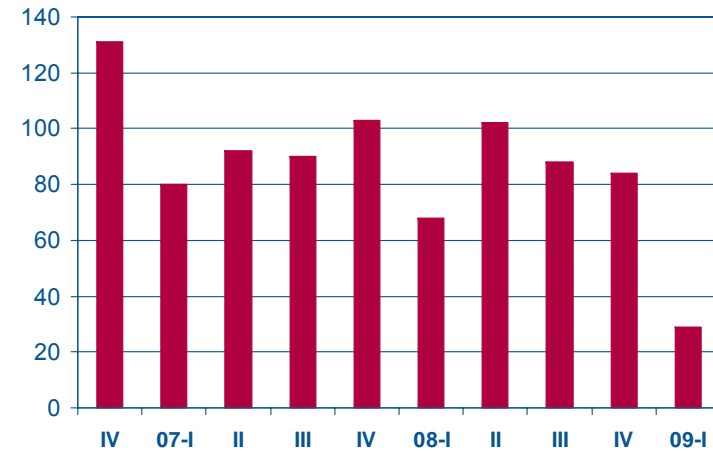
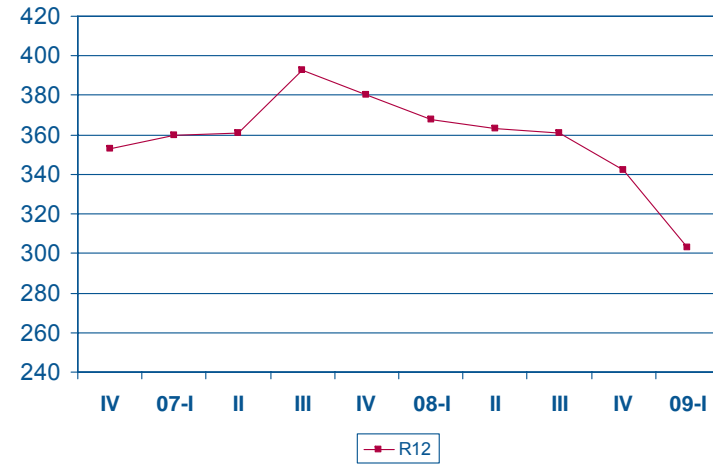
SEKm



CAPITAL EXPENDITURES (Tangible assets)

29 (68) -57%

	2009	2008
Commercial Vehicle Systems	16	28
Hydraulics Division	6	14
Garphyttan Wire	3	7
Traction Systems	2	17
<i>Depreciation</i>	<i>-77</i>	<i>-79</i>

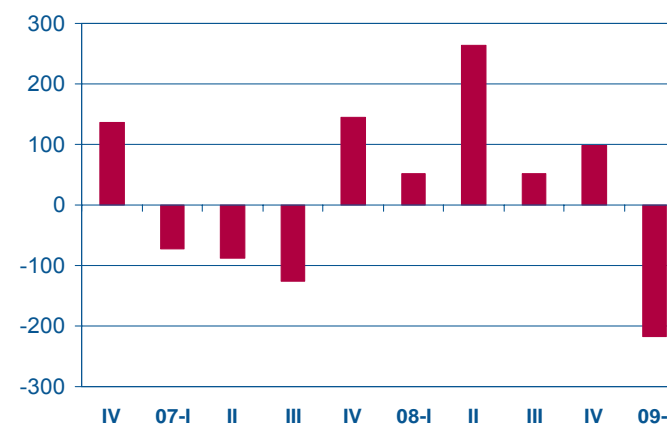
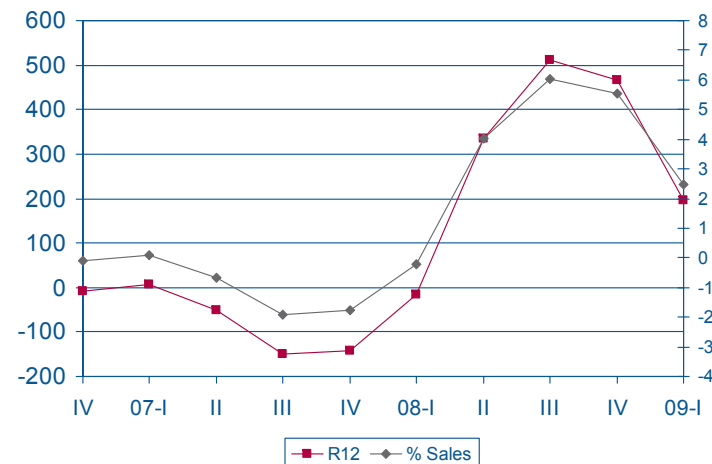


Actual YTD 2009

SEKm



	2009	2008
CASH FLOW	-218	(52)
OIBD	-69	191
Working capital change	-80	-5
Capital expenditure	-37	-79
Operating cash flow	-186	107
Financials	-30	-19
Taxes	-2	-36
Cash flow	-218	52



Funding as of March 31, 2009

Source	Currency	Nominal amount	Unutilized	Maturity
Syndicated loan facility	USD	250,000,000	~140.000.000	July 2012
Private placement	SEK	100,000,000		May 2009
	SEK	150,000,000		June 2009
	SEK	150,000,000		April 2010
	SEK	200,000,000		December 2011
Bridge Financing	GBP	65,000,000		August 2009
Short term facilities	Local	SEK 225,000,000		

Syndicated loan facility renegotiated

Financing secured

Outlook 2009

- **Difficult market conditions – especially in the first half**
- **Cost reduction program (personnel reductions) have started to give effect**
- **Raw material prices should give a positive impact**
- **The Cost Reduction Program and further improvements on working capital levels will contribute positively to the cash flow going forward**
- **Closing of the Garphyttan divestment in Q2 2009**
- **A more focused and lean company that will be in a better position to generate better results when the market stabilizes**

The Haldex logo is a dark blue rounded rectangle with the word "Haldex" in white, bold, sans-serif font.The background is a blurred, abstract image of a landscape with rolling hills or dunes under a blue sky. The colors range from light blue to dark blue, with a sense of motion and depth.

Innovative Vehicle Technology