



PRESS RELEASE

Landskrona, June 29, 2017

The Haldex Board withdraws its support for the Knorr-Bremse bid

”Competition Authorities very unlikely to approve the acquisition”

The European Competition Authority has expressed serious doubts concerning six of the eight product areas in which Haldex conducts its business. Based on the feedback from the Competition Authority the Haldex Board considers the probability of regulatory approval so low that the Board has decided not to assist Knorr-Bremse in the continued competition investigations. The Board also considers that an in-depth competition investigation by the European Competition Authority is unavoidable and that the acceptance period therefore would have to be extended. An extension would require approval by the Swedish Securities Council. Knorr-Bremse has on 28 June 2017 announced that it will seek approval for an extension until 9 February 2018. The Haldex Board has decided to contest the grant of such approval on the basis of the very low probability of the deal being cleared by the Competition Authorities and the harm such an extension would continue to have on the company during an in-depth investigation.

On 5 September 2016, Knorr-Bremse announced a cash offer to the Haldex shareholders. The offer of SEK 125 per share is conditional on the receipt of clearance from the relevant Competition Authorities. The Haldex Board recommended the Haldex shareholders to accept the offer, if and when the relevant approvals had been obtained.

Knorr-Bremse currently awaits the outcome of the European as well as the U.S. Competition Authority investigation. The investigation by both Authorities is extensive. The European process has reached a stage where the Competition Authority has provided feedback as to the current status of the

investigation. The Authority has expressed serious doubts regarding the effect of the acquisition on markets relating to the following product areas of Haldex:

- Air disc brakes
- EBS
- ABS
- Valves
- Air treatment and air dryers
- Air suspension

The Board has considered the following in its assessment of the situation:

- The European Competition Authority has expressed serious doubts as to the effect of the acquisition on markets relating to six out of Haldex's eight product areas. These product areas represent half of the company's turnover. Even if it would be acceptable to Knorr-Bremse to make divestitures in all or several of these product areas, the strategic and commercial deal rationale could, in case of such potential divestitures, be questioned.
- Furthermore, the Haldex Board considers it uncertain that any of the few current potential buyers to which Knorr-Bremse could make divestments would be deemed sufficiently competitive by the Authorities. The European Competition Authority has also indicated that there is uncertainty as to the suitability of the potential buyers.
- During the course of the competition investigation, the Haldex business has been analysed to evaluate how divestitures could be implemented. As a result of the integrated structure of the company, with plants manufacturing multiple products and research and development centres developing a combination of products, difficulties have arisen even when only a few divestitures have been discussed. The execution of potential divestitures in as many areas as identified by the Authority would prove very complicated and difficult to carry out with maintained competitiveness. In order to be approved in a competition investigation, the divestitures must be effective and sufficiently well-functioning to ensure effective competition.
- The criticism of the bid by market participants has been extensive. If the European competition investigation would enter into an in-depth investigation, it is expected that this criticism would become even more extensive.
- Knorr-Bremse stated in September 2016 that Knorr-Bremse had developed a detailed clearance strategy based on both qualitative and quantitative arguments and that the activities of Knorr-Bremse and Haldex are largely complementary and overlaps exist only in limited areas. Subsequently, the acceptance period has been extended from December 5 2016 until February 28 2017 and after that until June 16 2017 and, after approval from the Swedish Securities Council, until September 26 2017. The Haldex Board notes that Knorr-Bremse's arguments have made little impression on the Competition Authority. The board therefore makes the assessment that more time would not increase the likelihood of obtaining regulatory approval.

- Under the Swedish Takeover Rules, there is a limit to the duration of the acceptance period of nine months to protect the target company's business. With an in-depth investigation in the EU, the acceptance period may run until 9 February 2018, i.e. Knorr-Bremse's acceptance period may be more than seven months longer than the nine month period that is the maximum period without approval by the Swedish Securities Council. Knorr-Bremse has earlier received approval to extend the acceptance period until the 26 September 2017, which is approximately three months longer than the otherwise permitted maximum period. The business of Haldex has been both financially and capacity strained for a long time as a result of the uncertain ownership situation and an additional extension of the acceptance period would harm the business long term, which is unacceptable.

The Haldex Board has made the overall assessment that the likelihood of Knorr-Bremse obtaining the necessary regulatory approvals is very low and has therefore decided not to assist Knorr-Bremse further in the process of obtaining such approvals. The Board will also contest the grant of approval by the Swedish Securities Council to extend the Knorr-Bremse offer.

"Haldex has been the subject of a bid for over a year now and many customers have been hesitant as a result of our uncertain ownership situation. A number of these customers have projects where there still is a chance for us to get back into the process. An additional extension would definitely ruin that chance" says Åke Bengtsson, acting CEO of Haldex.

The Chairman of the Board, Jörgen Durban says: "Our shareholders have in the short-term lost a bid of 125 SEK per share, but the Board has considered the information we currently have and has reached the decision that it is too unlikely that the bid will be approved by the Authorities with divestments that are acceptable or possible. Last autumn we made the assessment that the process would likely be lengthy and uncertain. We are now able to make a more certain assessment based on the feedback we now have received. We regard the Authorities' doubts as being so serious that the deal would not be approved even with more time than the approximately ten months already devoted to the process. During this long period Haldex has worked hard to continue running the existing business and has followed its long term strategic plan. Much time and resources have been used to support the acquisition process, instead of focusing on the existing business. Despite that, we have been able to continue the development projects that lay the foundation for our future product portfolio. We have seen that the uncertain ownership situation has harmed our ability to enter into long-term contracts and we hope that we soon can see the end of this turbulent period. The Board is convinced that we can build greater long-term value that will benefit shareholders, as well as customers and employees."

For further information please visit <http://corporate.haldex.com/sv> or contact

Jörgen Durban, Chairman of the Board

Phone: +46 418 476163

Åke Bengtsson, Acting CEO

Phone: +46 418 476150

Catharina Paulcén, SVP Corporate Communications

Phone: +46 418 476157

Email: catharina.paulcen@haldex.com

This is information that Haldex Aktiebolag is required to make public under the EU Market Abuse Regulation. The information was submitted for publication by the Haldex media contact stated in the release on June 29, 2017 at 23.02 CEST.

About Haldex

With more than 100 years of intensely focused innovation, Haldex holds unrivalled expertise in brake systems and air suspension systems for heavy trucks, trailers and buses. We live and breathe our business delivering robust, technically superior solutions born from deep insight into our customers' reality. By concentrating on our core competencies and following our strengths and passions, we combine both the operating speed and flexibility required by the market. Collaborative innovation is not only the essence of our products – it is also our philosophy. Our 2,100 employees, spread on four continents, are constantly challenging the conventional and strive to ensure that the products we deliver create unique value for our customers and all end-users. We are listed on the Nasdaq Stockholm Stock Exchange and have net sales of approximately 4.4 billion SEK.