

HALDEX ANNUAL STATEMENT

JANUARY - DECEMBER 2017

Q4 2017



Strong end to the year

The market conditions gradually improved during the year, and Haldex' growth followed the trend. In Q4, Haldex continued to grow net sales in all geographic regions, which resulted in growth for FY 2017 as well. Several product areas have had strong development, including disc brakes and brake adjusters. In addition, sales of actuators exhibited growth for the first time since the product recall in 2014. Operating income excluding one-off items improved in the second half of the year and for FY 2017 reached the same level as the previous year. The year was burdened by the takeover process, which drew focus and resources away from the core business, but ended on a strong note in Q4.

- Net sales for FY 2017 totalled SEK 4,462 (4,374) m, equivalent to an increase of 2% compared with the previous year. After currency adjustments, net sales increased by 1%. Net sales in Q4 totalled SEK 1,049 (1,054) m, which, after currency adjustments, is a 5% increase.
- Operating income excluding one-off items amounted to SEK 292 (291) m for FY 2017, of which SEK 66 (48) m for Q4. This is the equivalent of an operating margin of 6.5 (6.6)% for FY 2017 and 6.3 (4.6)% for Q4. One-off items amounted to SEK 143 (87) m for FY 2017, of which SEK 33 (73) m for Q4.
- For 2017, net income after tax amounted to SEK 79 (91) m and earnings per share amounted to SEK 1.67 (2.00). The corresponding figures for Q4 were SEK 14 (-56) m for net income before tax and SEK 0.25 (-1.27) for earnings per share.
- Cash flow from operating activities amounted to SEK 130 (256) m for FY 2017 and SEK 45 (88) m for Q4.
- A takeover process for Haldex was initiated on 14 July 2016. On 29 June 2017, the announcement was made that the Board of Directors no longer supported the bid from Knorr-Bremse due to the very low probability that the bid would be approved by the competition authorities. On 19 September 2017, Knorr-Bremse withdrew its bid.
- The Board of Directors proposes to the Annual General Meeting a dividend of SEK 0.55 (0.00) per share which is in line with the dividend policy.

Key figures	Oct-Dec			Full year		
	2017	2016	Change	2017	2016	Change
Net sales, SEK m	1,049	1,054	0%	4,462	4,374	2%
Operating income, excl. one-off items, SEK m	66	48	39%	292	291	0%
Operating income, SEK m	33	-25	-	149	204	-27%
Operating margin, excl. one-off items, %	6.3	4.6	1.7	6.5	6.6	-0.1
Operating margin, %	3.1	-2.4	5.5	3.3	4.7	-1.4
Return on capital employed, excl. one-off items, % ¹	13.3	13.8	-0.5	13.3	13.8	-0.5
Return on capital employed, % ¹	6.8	9.7	-2.9	6.8	9.7	-2.9
Net income, SEK m	14	-56	-	79	91	-13%
Earnings per share, SEK	0.25	-1.27	-	1.67	2.00	-16%
Cash flow, operating activities, SEK m	45	88	-43	130	256	-126

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 Wednesday, February 14, 2018 at 7:20 CEST.

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Innovative Vehicle Solutions

CEO Comment

In 2017, which in many ways was an exceptional year for Haldux, we created new drive and unity within the company. The technology shift to autonomous driven vehicles became increasingly evident, and Haldux' open and flexible solutions, which have been developed in cooperation with customers, are far more competitive than what the size of our company indicates. This was one of the primary reasons we ended up in the bidding battle for the company that dragged on for more than a year.

Improved market conditions had an impact on earnings

The market conditions gradually improved during the year, and we noted a clear upward turn in the North American market. Haldux increased its net sales in all regions in the second half of the year, and total net sales grew compared to the previous year. We won market shares in Europe, but despite growth in North America we have not successfully matched the market improvement. However, this growth helped us achieve higher profitability than we forecast. In 2017, we predicted a slightly lower operating margin than in 2016. When we close the books, we see an operating margin that is in line with last year, largely due to the positive development in the second half of the year. This is an extremely strong performance given the conditions under which we have been working.

Technological development

Haldux now accelerates the implementation of the strategy we laid the basis for in 2016. We have a good position to build on, and there is demand for our technology for future solutions. It is very important for Haldux' future competitiveness that we continue to pursue key development projects and are able to attract the right competence. These will therefore be our key focus areas in the future. The projects initiated with customers related to autonomous driven vehicles have continued to develop in Q4, and we are working on securing development contracts. We also reached a new milestone in our joint venture on electromechanical brakes as we completed a second test phase with prototypes mounted on vehicles.

Expansion in Aftermarket

I spent time with customers at the end of January at the Heavy Duty Aftermarket Week (HDAW) in the USA. The dialogues with our customers confirmed the view that Haldux is an appreciated supplier with strong customer relationships. We launched a number of new Aftermarket products at the show under the Midland brand, and the reception was very positive. We use Midland for value line products in North America, and the European equivalent is our Grau brand. The product selection in our value line has expanded faster in Europe than in North America, and we are therefore pleased to see that this brand is now picking up speed in the USA as well.

Technology shift in North America

It was also clear during my visit, both from customers and analysts, how the shift from drum brakes to disc brakes in the USA is expected to progress faster than what was previously believed. The disc brake has higher sales per unit compared to the drum brake, since we only sell the brake adjuster as part of the drum brake. The margin is lower in per cent but higher in absolute figures. A transition to the disc brake will therefore benefit us as a whole, even if it results in decreased sales of brake adjusters.

Trend reversal for actuators

At the mid-year point, we were able to see that the downward trend for actuators had been broken, and we successfully reached sales numbers

that exceeded those for last year. It is very positive that we successfully broke the trend that started with the product recall in 2014. In Q3, we also launched an upgraded version of the actuator in question, and as a result Haldux once again has the best sealed actuator on the market.

Greater demand in China for brake adjusters

Another large product group that grew sharply during the quarter is the brake adjuster. The upswing in the number of vehicles produced in North America is the primary reason for the greater demand. Moving forward, however, it will be a law change in China that will drive growth. Newly built heavy vehicles must use automatic brake adjusters starting in January 2018. This will lead to a sharp increase in the number of sold units. However, the changed geographical sales mix will result in somewhat lower margins for this product group.

Long-term financial targets and dividend

It has been Haldux' long-term goals since 2014 to grow faster than the market and achieve an operating margin of at least 10%. We have reached this level of profitability some years, but not in 2017. Due to the forthcoming technology shift, we, like many of our customers, will be prioritising investments in R&D over the next few years in order to continue to build our future competitiveness. We will continue to maintain good cost control in all areas and also invest in the technology needed to reach an operating margin of 10% in the long run and not just over a short period of time.

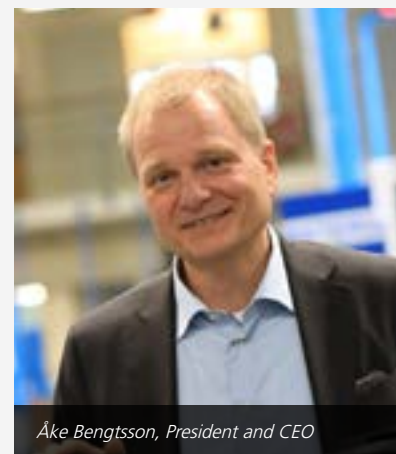
Our Board of Directors has proposed a dividend of SEK 0.55 per share, which is in line with the policy that 1/3 of the profits should be distributed. Due to the public offers, we have had high costs of one-time nature which has reduced the scope for dividend compared to previous years.

Market outlook and forecast for 2018

We are receiving positive signals from a number of markets. Since half of our sales are generated in North America, the rising demand on this market affects us the most. In China, we are expecting strong growth due to the change in the law regarding brake adjusters, but this growth will be at lower margins than what we are seeing in the western world. In Europe, we have a strong position on a stable market. This means that, as a whole, we believe that net sales for 2018 will increase compared to 2017.

Higher sales enable higher operating income. This will be off-set against greater investment in development projects and costs for expansion in North America and China. The operating margin for 2018 is expected to be slightly lower or in line with the operating margin excluding one-off items in 2017.

Åke Bengtsson
President & CEO



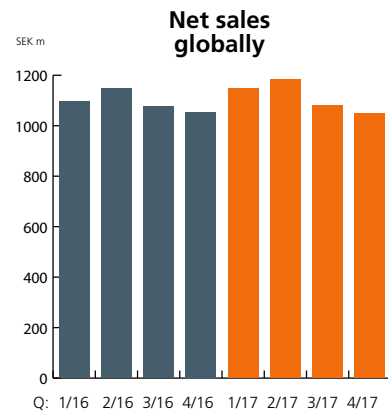
Åke Bengtsson, President and CEO

Net sales for the Group

Net sales for Q4 totalled SEK 1,049 (1,054) m, which is equivalent to a 0.5% decrease in absolute terms compared with the equivalent period the previous year. After currency adjustments, net sales increased by 5%. Net sales amounted to SEK 4,462 (4,374) m for FY 2017, which is the equivalent of a currency-adjusted increase of 1%.

Geographically, net sales grew in all regions in Q4. For FY 2017, net sales grew in all regions except North America.

The greatest increase in net sales in both Q4 and FY 2017 was in disc brakes, brake adjusters and actuators. The product area in which net sales fell is primarily ABS.



Net sales per product line

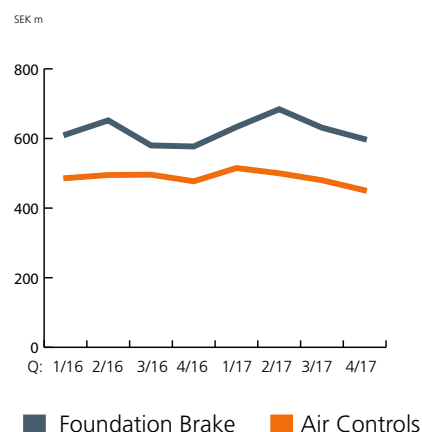
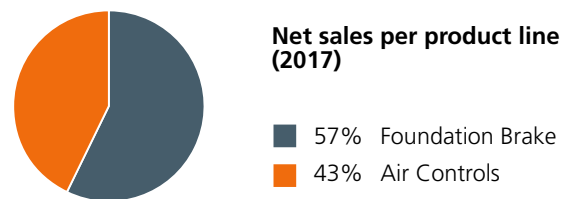
Net sales, SEK m	Oct-Dec 2017	Oct-Dec 2016	Change ¹	Full year 2017	Full year 2016	Change ¹
Foundation Brake	598	577	9%	2,529	2,420	4%
Air Controls	451	477	-1%	1,933	1,954	-2%
Total	1,049	1,054	5%	4,462	4,374	1%

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 totalled SEK 598 (577) m in Q4. After currency adjustments, this is a 9% increase compared to the equivalent period the previous year. Net sales for FY 2017 totalled SEK 2,529 (2,420) m, which is equivalent to a currency-adjusted increase of 4% compared to the previous year. In Q4, sales of disc brakes, brake adjusters and actuators continued to increase. Actuators had declined for a long time, but they have gradually returned to growth again and are even achieving growth on a full-year basis.

Net sales within Air Controls totalled SEK 451 (477) m for Q4. After currency adjustments, this is a 1% decrease compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 1,933 (1,954) m, which corresponds to a currency-adjusted decrease of 2%. Within Air Controls, the ABS product area was responsible for the greatest decrease for both Q4 and FY 2017. The previous decline in Reman (renovation of products) stabilised, and only a small decrease was reported for FY 2017.



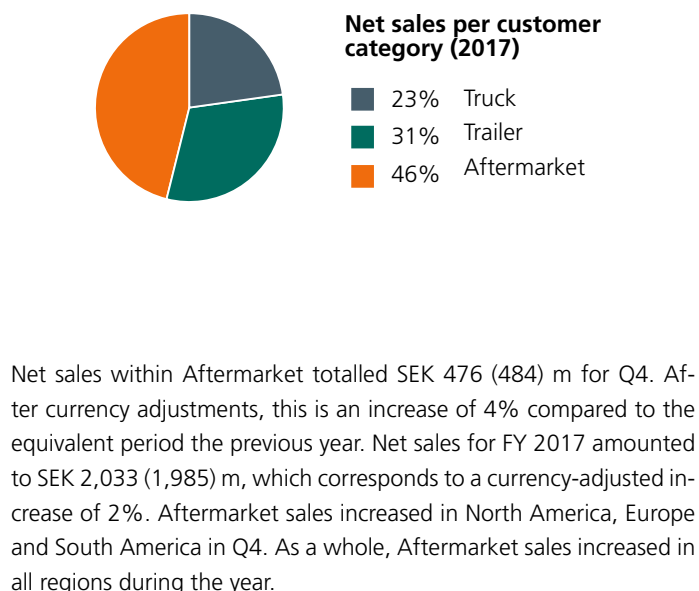
Net sales per customer category

Net sales, SEK m	Oct-Dec 2017	Oct-Dec 2016	Change ¹	Full year 2017	Full year 2016	Change ¹
Truck (including buses)	264	236	19%	1,029	1,006	2%
Trailer	309	334	-4%	1,400	1,383	1%
Aftermarket	476	484	4%	2,033	1,985	2%
Total	1,049	1,054	5%	4,462	4,374	1%

¹ Currency adjusted

Haldex operates on the market via three customer categories: Truck, Trailer and Aftermarket. Net sales within Truck totalled SEK 264 (236) m for Q4. After currency adjustments, this is an increase of 19% compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 1,029 (1,006) m, which corresponds to a currency-adjusted increase of 2%. During Q4, Truck sales increased in all regions. Early in the year Truck had weak sales in North America, but this trend turned and sales in Q4 brought the segment to growth on a full-year basis.

Net sales within Trailer amounted to SEK 309 (334) m in Q4. After currency adjustments, this is a decrease of 4% compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 1,400 (1,383) m, which corresponds to a currency-adjusted increase of 1%. The successes for disc brakes resulted in greater sales in Europe during the year. In contrast, Trailer decreased in North America, but this has been offset by growth in other regions.



Net sales within Aftermarket totalled SEK 476 (484) m for Q4. After currency adjustments, this is an increase of 4% compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 2,033 (1,985) m, which corresponds to a currency-adjusted increase of 2%. Aftermarket sales increased in North America, Europe and South America in Q4. As a whole, Aftermarket sales increased in all regions during the year.

Industry production trends

New heavy 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	Full year 2017	Change ²	Full year 2018	Change ²	Importance for Haldex sales
Truck					Haldex' sales to Truck customers in North America is larger than Truck sales in other regions. Changes in the production trends in North America are thus impacting Haldex' sales much more than changes in other regions. Changes in Europe and Asia have in turn slightly higher impact than changes of production trends in South America.
North America	250,600	11%	300,000	20%	
Europe	475,881	5%	489,887	3%	
China	1,107,635	49%	918,615	-17%	
India	190,861	2%	221,998	16%	
South America	57,906	44%	68,514	18%	
All regions	2,082,883	26%	1,999,014	-4%	
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' total net sales.
North America	314,400	2%	311,800	-1%	
Europe	303,250	0%	291,979	-4%	
China	590,000	49%	396,000	-33%	
India	43,151	6%	43,000	0%	
South America	36,624	21%	38,600	5%	
All regions	1,287,425	19%	1,280,627	-16%	

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

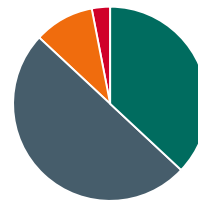
Net sales, SEK m	Oct-Dec 2017	Oct-Dec 2016	Change ¹	Full year 2017	Full year 2016	Change ¹
Europe	403	392	3%	1,665	1,571	5%
North America	479	506	4%	2,202	2,238	-2%
Asia & Middle East	136	131	7%	462	445	4%
South America	31	25	34%	133	120	3%
Total	1,049	1,054	5%	4,462	4,374	1%

¹ Currency adjusted

In Europe, Haldex has higher sales for Trailer than for Truck. Aftermarket also accounts for a significant percentage of sales. In Europe, net sales totalled SEK 403 (392) m for Q4. After currency adjustments, this is an increase of 3% compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 1,665 (1,571) m, which corresponds to a currency-adjusted increase of 5%. In Europe, sales increased primarily for disc brakes and actuators in Q4. For FY 2017, brake adjusters also showed growth.

In North America, the distribution between Truck and Trailer is more even than in Europe. Aftermarket accounts for a significant percentage of sales here as well. In North America, net sales totalled SEK 479 (506) m for Q4. After currency adjustments, this is an increase of 4% compared to the equivalent period the previous year. Net sales for FY 2017 amounted to SEK 2,202 (2,238) m, which corresponds to a currency-adjusted decrease of 2%. In Q4, sales of brake adjusters and actuators continued to increase. Sales of actuators experienced a trend reversal during the year after having declined for a long time, and increases in the second half of the year raised sales to the same level as last year. Disc brake sales in North America continue to grow, albeit from low levels.

In Asia, with China and India as the primary markets, trucks without trailers are still the most common type of vehicle combination. This means that Haldex' sales are more focused on Truck than on Trailer. Aftermarket accounts for a smaller percentage of sales. In Asia and the Middle East, net sales totalled SEK 136 (131) m for Q4. After currency adjustments, this is an increase of 7% compared to the



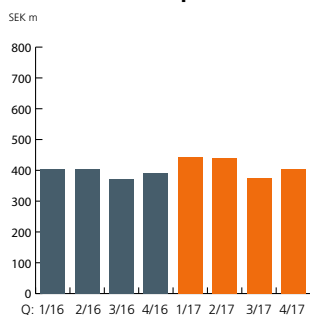
Net sales per region (2017)

37%	Europe
50%	North America
10%	Asia & Middle East
3%	South America

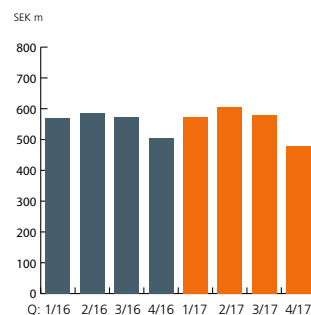
equivalent period the previous year. Net sales for FY 2017 amounted to SEK 462 (445) m, which corresponds to a currency-adjusted increase of 4%. Both the Indian and Chinese operations increased their net sales during the year. Brake adjuster, ABS and air suspension product sales increased, while an older generation of the disc brake decreased.

In South America, sales for Truck are more significant than sales for Trailer and Aftermarket. Net sales totalled SEK 31 (25) m for Q4, which is equivalent to a currency-adjusted increase of 34%. Net sales for FY 2017 amounted to SEK 133 (120) m, which is equivalent to a currency-adjusted increase of 3%. The market conditions in Brazil, which is the most important market in South America, continued to be weak but showed some positive signs in the second half of the year. Aftermarket sales successfully resisted the downturn throughout all of 2017, however, and were a strong contributor to the increase in sales on a full-year basis.

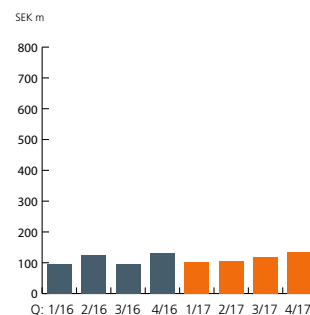
Net sales Europe



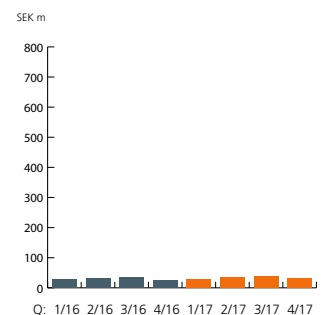
Net sales North America



Net sales Asia & Middle East



Net sales South America



Earnings

Operating income excluding one-off items totalled SEK 66 (48) m for Q4, which is equivalent to an operating margin of 6.3 (4.6)%. The equivalent figures for FY 2017 are SEK 292 (291) m for operating income excluding one-off items and 6.5 (6.6)% for the operating margin. Higher R&D expenditure, temporary increases in inventories prior to a product launch and higher costs for rapid production increases have been offset by higher profitability.

Operating income and the operating margin including one-off items totalled SEK 33 (-25) m and 3.1 (-2.4)%, respectively, for Q4. Operating income for FY 2017 was SEK 149 (204) m, and the operating margin was 3.3 (4.7)%. Operating income including one-off items was affected in part by legal expenses related to the takeover process and warranty provisions due to more far-reaching warranty commitments. The aim of these measures was to enhance goodwill towards customers in order to maintain strong customer relationships. The underlying cost structure and general cost control continued to be good.

Financial items for the quarter amounted to SEK -3 (-27) m and SEK -8 (-39) m for FY 2017. The decrease is due to settlement of a pension liability in USA, lower interest rate expenses and positive currency translation.

Income before tax totalled SEK 26 (-52) m for Q4 and SEK 129 (165) m for FY 2017. Income after tax totalled SEK 14 (-56) m for Q4 and SEK 79 (91) m for FY 2017. This corresponded to earnings per share of SEK 0.25 (-1.27) for Q4 and SEK 1.67 (2.00) for FY 2017.

Currency fluctuations, including the result of currency hedging and currency translation effects, had a negative impact on consolidated operating income excluding one-off items of SEK -4 (+5) m for Q4 and a positive effect of SEK 2 (-23) m for FY 2017. In addition, there was a positive currency effect in net financial income/expense of SEK 2 (-9) m for Q4 and SEK 2 (0) m for FY 2017.

One-off costs

Costs of a one-time nature were incurred in second half of 2016 and continued to be incurred in 2017, in part due to uncertainty regarding the ownership situation and efforts to win deals, maintain good relationships and assist in the competition investigation:

- Haldex took a greater share of the risk in development projects instead of following the traditional structure of shared risk be-

tween Haldex and the customer, since customers considered the probability to be too high that contracts would not be fulfilled.

- Higher warranty costs due to more far-reaching warranty commitments.
- Costs to keep and motivate personnel. Difficulties in recruiting new staff.
- Significantly higher legal expense related to the competition investigation of the bid since the investigations in both the USA and Europe required considerable resources.

Costs related to the takeover process

In Q4, costs related to the takeover process totalled SEK 22 m, which includes external costs in the form of legal services and internal costs to keep personnel. Since July 2016, which was when the bid process started, costs related to the bid process amounted to SEK 83 m, of which SEK 68 m in 2017.

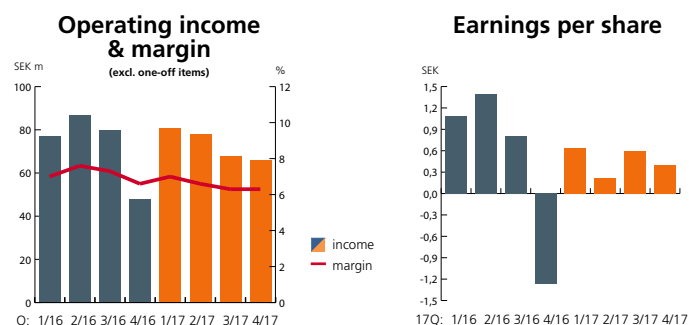
Customer commitments and product warranties

Since Q3 2016, costs have been recorded for customer commitment programs to exchange older product models to a new model with improved performance. Three expanded commitments are currently in effect, including the product recall of the actuator from 2014. No costs burdened income in Q4. The cost for 2017 amounts to SEK 56 m. Provisions for customer commitments and product warranties are associated with significant uncertainty factors. The provision amounted on 31 December 2017 to SEK 86 m, and the underlying assessment of future commitments remains unchanged.

Restructuring activities

Costs burdened income in 2017 in the form of one-off items for the move of production capacity from Sweden to Hungary. The costs amounted to SEK 19 m, of which SEK 11 m for Q4.

Total one-off costs amounted in 2017 to SEK 143 m, of which SEK 33 m for Q4.



Earnings	Oct-Dec 2017	Oct-Dec 2016	Change	Full year 2017	Full year 2016	Change
Operating income, excl. one-off items, SEK m	66	48	39%	292	291	0%
Operating income, SEK m	33	-25	-	149	204	-27%
Operating margin, excl. one-off items, %	6.3	4.6	1.7	6.5	6.6	-0.1
Operating margin, %	3.1	-2.4	5.5	3.3	4.7	-1.4
Net income, SEK m	14	-56	-	79	91	-13%
Earnings per share, SEK	0.25	-1.27	-	1.67	2.00	-16%

Taxes

Tax expense for Q4 totalled SEK 12 (4) m, which is equivalent to a tax rate of 49 (-5)%. The equivalent figures for FY 2017 are a tax expense of SEK 50 (74) m and a tax rate of 39 (45)%. The underlying tax rate excluding one-off items was 31 (37)% for the year.

This year's tax rate is negatively affected by the tax reform that went into effect in the USA as of 1 January 2018. The tax reform's total impact amounted to SEK -13.7 m and consisted of a revaluation of a tax loss carried forward totalling SEK -3.5 m and a one-time tax attributable to previously earned income in the USA-owned Mexican subsidiaries of SEK -10.2 m. The long-term effect of the reform is still difficult to assess.

Deferred tax assets for tax loss carry-forwards are recognized to the extent it is probable that they can be offset against taxable profit. In the quarter a deferred tax asset in the amount 9 MSEK was booked relating to earlier not recognized tax loss carry forwards, that are now deemed able to use for off-setting future profits

Net debt, SEK m	Dec 31 2017	Dec 31 2016	Change
<i>Assets as part of the net debt:</i>			
Cash and cash equivalents	194	297	-35%
<i>Liabilities as part of the net debt:</i>			
Interest-bearing liabilities including derivative instruments	-335	-365	-8%
Pension liabilities ¹	-443	-422	5%
Net debt in total	-584	-490	19%
Net of interest during the year	-9	-18	9

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 totalled SEK 45 (88) m for Q4 and SEK 130 (256) m for FY 2017. Cash flow from operating activities during the year was negatively affected primarily by increased inventories prior to a product launch and greater demand on the Chinese market. Cash flow for the year was negatively affected by payments attributable to one-off costs totalling SEK 122 (52) m.

Investments totalled SEK -43 (-81) m for Q4 and SEK -218 (-222) m for FY 2017. Cash flow after investments was SEK -88 (34) m for FY 2017. Total cash flow amounted to SEK -72 (18) m for Q4 and SEK -93 (-18) m for FY 2017.

Cash flow and cash equivalents, SEK m	Oct-Dec 2017	Oct-Dec 2016	Change	Full year 2017	Full year 2016	Change
Cash flow, operating activities	45	88	-43	130	256	-126
Cash flow after investment activities	2	7	-5	-88	34	-122
Cash and cash equivalents (at end of period)	194	297	-103	194	297	-103

Financial position

As at December 31, consolidated net debt was SEK 584 (490) m, an increase of SEK 94 m in comparison with the previous year. The change is primarily due to a decrease in cash and cash equivalents and an increase in the pension liability.

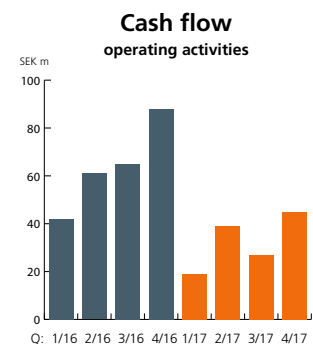
Total financial items amounted to SEK -20 (-39) m for 2017, including net interest income and expenses of SEK -9 (-18) m. Shareholders' equity amounted to SEK 1,395 (1,374) m, resulting in an equity/asset ratio of 45 (45)%.

Haldex' 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 at the end of the quarter.

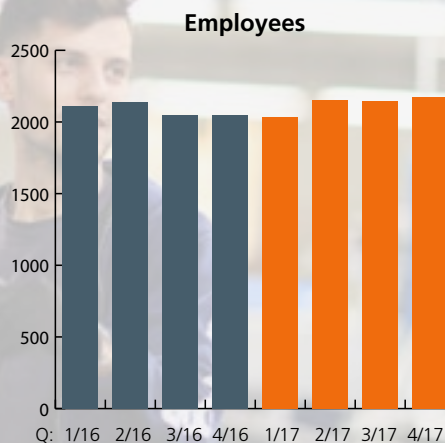
Pledged assets and contingent liabilities

There were no changes to the Group's pledged assets or contingent liabilities during the quarter.



Employees

At the end of the year, Haldex had 2,176 (2,045) employees, which is 27 more than at the end of Q3 and 131 more than at the end of 2016.



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 Nasdaq Stockholm, Mid Cap. The Parent Company performs corporate office functions, including the corporate finance function. Net sales for the Parent Company amounted to SEK 93 (15) m for Q4 and SEK 102 (91) m for FY 2017. Income after tax totalled SEK -48 (-153) m for Q4 and SEK -27 (-139) m for FY 2017. This full-year income includes dividends from Group companies amounting to SEK 22 (3) m.

Annual General Meeting

Haldex will hold its Annual General Meeting on 3 May 2018 at 4:00 p.m. at Haldex in Landskrona, Sweden. It is estimated that the annual report will be available on the company's website no later than three weeks before the meeting.

Under the company's Articles of Association, notice of the meeting must be issued no earlier than six weeks and no later than four weeks prior to the meeting. Notice will be given by announcement in Post-och Inrikes tidningar as well as Svenska Dagbladet. Shareholders who wish to attend the Annual General Meeting must register their attendance with the company no later than on the date listed in the notice and be registered in the share register maintained by Euroclear Sweden AB for the Annual General Meeting. Information about the forms and deadlines applicable to registration for the Annual General Meeting will be provided in conjunction with the Meeting notice.

Shareholders who wish to have an item added to a Meeting agenda must send a written request to the Board of Directors. This request must be received by Haldex at least seven weeks prior to the Meeting to enable the agenda item to be incorporated into the Meeting notice.

Takeover process

A takeover process for Haldex was initiated on 14 July 2016 with three bidders. Knorr-Bremse was eventually the only bidder left. After a drawn-out process to obtain the relevant approval from the competition authorities, Haldex announced on 29 June 2017 that the Board of Directors no longer supported the bid from Knorr-Bremse due to the very low probability of approval from the competition authorities.

On 19 September 2017, Knorr-Bremse announced it had withdrawn its bid for Haldex. Haldex incurred high expenses and lost and delayed customer commitments due to the process. See page 19 for a summary of the bid process.

Dividends

The Board of Directors of Haldex proposes to the Annual General Meeting that a dividend of SEK 0.55 (0.00) per share, which is in line with the policy of 1/3 of the net profit to be distributed.

Objectives and market outlook

Long-term objectives

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 long-term financial targets have not changed since they were announced in 2014. However, the time horizon for achieving an operating margin of at least 10% has been pushed forward into the future due to the large technology shift with self-driving vehicles and other developments that the industry is facing. Investments, primarily in R&D, will mean that the operating margin will not reach the 10% target in the next few years.

Target fulfilment

- According to official production statistics, restated for Haldex' weighting in each segment, Haldex' net sales for 2017 grew faster than the market in Europe. Other regions did not develop at the same rate. Haldex' total net sales thus did not grow faster than the market.
- The operating margin remained at the same level as the previous year. With an operating margin excluding one-off items of 6.5%, the target of an operating margin of at least 10% has not been achieved.
- The net debt/equity ratio of 0.42 is well below the target of a net debt/equity ratio below 1.
- Haldex' Board of Directors proposes dividend for 2017 in line with the long term dividend target.

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' 2016 Annual Report and Corporate Governance Report on pages 30-33 and 71-79. As described in the Annual Report, the consolidated financial statements contain some assessments and assumptions about the future that are based on both historical experience and future expectations. Goodwill, development projects, taxes and pensions are the areas representing considerable risk of future adjustments to recognized values. Warranty provisions and customer commitments have been identified as the areas where the uncertainty for future adjustments to estimated values is the highest.

Forward-looking information

This report includes forward-looking information with statements concerning the future outlook for Haldex' operations. This information is based on the current expectations, estimates and forecasts of Haldex' 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 performance between Haldex and related parties.

Seasonal effects

Haldex does not have any significant seasonal variations. However, sales are affected by the production schedules of Haldex' customers, which results in lower sales during holiday periods and when customers are closed for public holidays, for example at the end of the year.

Outcome for 2017

In its outlook for 2017, Haldex communicated that it would be difficult for the company to achieve growth and that the operating profit would thus be slightly lower than last year. Haldex ended the year on a strong note: total net sales grew by 1% and the operating margin was in line with the previous year. The outlook for 2017 was therefore surpassed.

Outlook for 2018

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 provides its own overall view of how the company sees each market performing.

North America has recovered and is expected to reach a higher level than the previous year. It is difficult, though, to assess how quickly the shift to disc brakes will occur and how much of the market share Haldex will take when sales increase.

Europe is considered to be stable with slightly higher order intake in 2018.

Acquisitions and disposals

There were no acquisitions or disposals in 2017.

Accounting principles

This interim report is presented in accordance with IAS 34 Interim Financial Reporting. The interim information on pages 1-20 form an integral part of this financial report. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The Parent Company's financial statements were prepared 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 2016 Annual Report on pages 39-43.

Shares in joint ventures are accounted for according to the equity method, the profit participation of the Group is shown on a separate line in the income statement, as a financial item.

Changed estimates and judgements

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 21 (54) m in 2017. The change in the pension liability is primarily related to lower discount rates than before in countries where the Group has large pension provisions.

Changed accounting principles for 2018

IFRS 9 is not judged to have an impact on Haldex' financial statements. IFRS 15 is judged to have a very limited effect on the current classification in the income statement. Since the effects are immaterial, the transition to the opening balance for 2018 is not affected.

China has a weak market according to the analyst institutes, but is estimated to grow in the parts of the market that are relevant for Haldex. This is primarily due to greater demand for the brake adjuster, which will have lower margins than in other regions.

India is expected to return to growth in 2018.

Brazil's signs of a recovery have persisted, and the market is expected to grow, although from very low levels.

This means that, as a whole, net sales for 2018 will increase compared to 2017. Higher sales enable higher operating income. This will be offset against greater investment in development projects and costs for expansion in North America and China. The operating margin for 2018 is expected to be slightly lower than or in line with the operating margin excluding one-off items in 2017.

Landskrona, February 14, 2018

Board of Directors

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

Consolidated income statement

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net sales	1,049	1,054	4,462	4,374
Cost of goods sold	-774	-774	-3,237	-3,155
Gross income	275	280	1,225	1,219
<i>Gross margin</i>	26.2%	26.6%	27.5%	27.9%
Selling, admin. and product development costs	-218	-253	-955	-950
Other operating income and expenses ¹	-24	-52	-121	-65
Operating income ¹	33	-25	149	204
Financial income and expenses	-3	-27	-8	-39
Share of result from joint venture	-4	-	-12	-
Income before tax	26	-52	129	165
Tax	-12	-4	-50	-74
Net income	14	-56	79	91
<i>attributable to non-controlling interests</i>	2	0	5	3
Earnings per share, before and after dilution, SEK	0.25	-1.27	1.67	2.00
Average No. of shares, thousands	44,204	44,204	44,204	44,204

Operating income, by nature of expenses

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net sales	1,049	1,054	4,462	4,374
Direct material costs	-576	-573	-2,425	-2,370
Personnel costs	-242	-195	-973	-894
Depreciation and amortization	-32	-34	-132	-136
Other operating income and expenses	-166	-277	-783	-770
Operating income ¹	33	-25	149	204

1) One-off items included in the operating income

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Operating income, including one-off items	33	-25	149	204
Restructuring costs	-11	-11	-19	-13
Product related warranty	-	-59	-56	-59
Costs related to the bidding process	-22	-3	-68	-15
Other	66	48	292	291
Operating income, excluding one-off items				

Consolidated statement of comprehensive income

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net income	14	-56	79	91
Other comprehensive income/loss				
<i>Items not to be reclassified to the income statement:</i>				
Remeasurement of pension obligation, after tax	-6	43	-12	-62
Total	-6	43	-12	-62
<i>Items that may be reclassified subsequently to the income statement:</i>				
Currency translation differences	28	19	-42	26
Changes in financial instruments at fair value, after tax	-	-6	-2	1
Total	28	13	-44	27
Total other comprehensive income/loss	2	56	-56	-35
Total comprehensive income	36	0	23	56
<i>attributable to non-controlling interests</i>	3	0	5	1

Consolidated statement of financial position

SEK m	Dec 31 2017	Dec 31 2016
Goodwill	398	422
Other intangible assets	151	90
Tangible assets	586	557
Financial assets	41	71
Deferred tax assets	173	166
Total non-current assets	1,349	1,306
Inventories	585	524
Current receivables	924	909
Derivative instruments	26	21
Cash and cash equivalents	194	297
Total current assets	1,729	1,751
Total assets	3,078	3,057
Equity	1,395	1,374
Pension and similar obligations	443	422
Deferred tax liabilities	26	30
Non-current interest-bearing liabilities	271	270
Other non-current liabilities	35	35
Total non-current liabilities	775	757
Derivative instruments	31	32
Current interest-bearing liabilities	61	79
Current liabilities	816	815
Total current liabilities	908	926
Total equity and liabilities	3,078	3,057

Statement of changes in equity

SEK m	Full year 2017	Full year 2016
Opening balance	1,374	1,407
Net income	79	91
Other comprehensive income/loss	-56	-35
Total comprehensive income	23	56
Transactions with shareholders:		
Dividend to Haldex' shareholders	-	-88
Dividend to non-controlling interests	-2	-1
Value of employee services/incentive programs	0	0
Total transactions with shareholders	-2	-89
Closing balance	1,395	1,374
<i>attributable to non-controlling interests</i>	25	23

Consolidated statement of cash flow

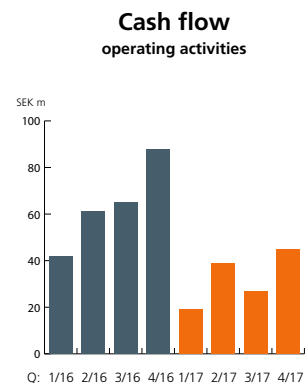
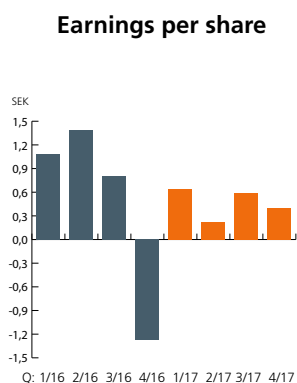
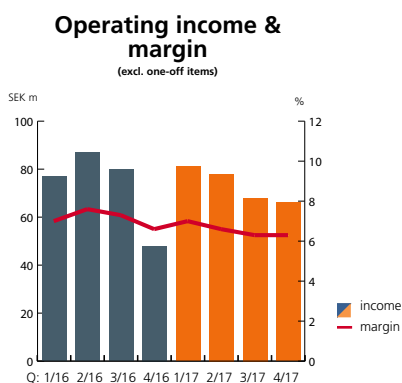
SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Operating income	33	-25	149	204
Reversal of non-cash items	44	32	181	136
Interest paid	-9	-18	-23	-40
Tax paid	-15	-18	-45	-62
Cash flow from operating activities before change in working capital	53	-29	262	238
Change in working capital	-8	117	-132	18
Cash flow from operating activities	45	88	130	256
Investments	-43	-81	-218	-222
Cash flow from investment activities	-43	-81	-218	-222
Dividend to Haldex' shareholders	-	-	-	-88
Dividend to non-controlling interests	-1	-	-2	-1
Change of interest-bearing liabilities	-73	11	-3	37
Cash flow from financing activities	-74	11	-5	-52
Net cash flow	-72	18	-93	-18
Cash and cash equivalents, opening balance	255	272	297	304
Currency translation diff. in cash and cash equivalents	11	7	-10	11
Cash and cash equivalents, closing balance	194	297	194	297

Key figures

	Full year 2017	Full year 2016
Operating margin, excl. one-off items, %	6.5	6.6
Operating margin, %	3.3	4.7
Cash flow, operating activities, SEK m	130	256
Cash flow after investment activities, SEK m	-88	34
Return on capital employed, excl. one-off items, % ¹	13.3	13.8
Return on capital employed, % ¹	6.8	9.7
Investments, SEK m	218	222
R&D, %	4.0	3.5
Number of employees	2,176	2,045
Return on shareholders' equity, % ²	5.4	6.5
Interest coverage ratio	9.1	6.5
Equity ratio, %	45	45
Net debt/equity ratio, %	42	36
Share data:		
Earnings per share, before dilution, SEK	1.67	2.00
Earnings per share, after dilution, SEK	1.67	2.00
Equity per share, SEK	30.98	30.63
Cash flow, operating activities, SEK	2.94	5.80
Share price, SEK	87.25	116.50
Average No. of shares (excl treasury shares), thousands	44,216	44,216
Total No. of shares at end of period, thousands	44,216	44,216
<i>of which is treasury shares, thousands</i>	<i>12</i>	<i>12</i>

¹ Rolling twelve months

² Twelve months



Parent company's income statement

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net sales	93	15	102	91
Administrative costs	-97	-41	-114	-84
Operating income	-4	-26	-12	7
Dividend from Group companies	1	1	22	3
Financial income and expenses	0		-40	-139
Income after financial items	8	-65	56	73
Group contribution	5	-90	26	-56
Income before tax	-50	-78	-50	-84
Tax	-45	-168	-24	-140
Net income	-3	15	-3	1
	-48	-153	-27	-139

Parent company's statement of comprehensive income

SEK m	Oct-Dec 2017	Oct-Dec 2016	Full year 2017	Full year 2016
Net income	-48	-153	-27	-139
Other comprehensive income	-	-	-	-
Total comprehensive income	-48	-153	-27	-139

Parent company's statement of financial position

SEK m	Dec 31 2017	Dec 31 2016	
Non-current assets			
Current assets	2,780	2,887	,
Total assets	1,035	421	,
	3,815	3,308	,
Shareholders' equity	1,204	1,232	,
Provisions	55	54	,
Interest-bearing liabilities, external	270	270	,
Other liabilities	2,286	1,752	,
Total equity and liabilities	3,815	3,308	,

Financial instruments by category - Group

SEK m	Dec 31, 2017		Dec 31, 2016	
	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts - cash flow hedges	1	5	5	3
Forward exchange contracts- at fair value through profit or loss	1	2	3	3
Currency swaps - at fair value through profit or loss	24	24	13	26
Financial assets available for sale	-	-	20	-
Total	26	31	41	32

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	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Income statement:									
Net sales	1,049	1,081	1,184	1,148	1,054	1,076	1,147	1,097	1,052
Cost of good sold	-774	-786	-853	-824	-774	-768	-824	-789	-772
Gross income	275	295	331	324	280	308	323	308	280
Selling, admin. and product development costs	-218	-229	-257	-251	-253	-217	-241	-236	-216
Other operating income and expenses	-24	-18	-43	-36	-52	-23	5	5	5
Operating income	33	48	31	37	-25	68	87	77	69
<i>Operating income, excl. one-off items</i>	<i>66</i>	<i>68</i>	<i>78</i>	<i>81</i>	<i>48</i>	<i>80</i>	<i>87</i>	<i>77</i>	<i>76</i>
Financial income and expenses	-7	-3	-17	7	-27	-12	3	-5	-7
Income before tax	26	45	14	44	-52	56	90	72	62
Tax	-12	-19	-4	-15	-4	-19	-28	-24	-14
Net income/loss	14	26	10	29	-56	37	62	48	48
Statement of financial position:									
Non-current assets	1,349	1,259	1,274	1,291	1,306	1,195	1,178	1,162	1,177
Current assets	1,729	1,861	1,881	1,813	1,751	1,709	1,744	1,723	1,678
Total assets	3,078	3,120	3,155	3,104	3,057	2,904	2,922	2,885	2,855
Equity	1,395	1,361	1,339	1,386	1,374	1,374	1,340	1,389	1,407
Non-current liabilities	775	749	797	774	757	786	761	717	692
Current liabilities	908	1,010	1,019	944	926	744	821	779	756
Total equity and liabilities	3,078	3,120	3,155	3,104	3,057	2,904	2,922	2,885	2,855
Statement of cash flow:									
Cash flow from operating activities before change in working capital	4	75	85	49	-29	66	102	99	57
Cash flow from operating activities	45	27	39	19	88	65	61	42	111
Cash flow from investment activities	-43	-59	-69	-47	-81	-50	-44	-47	-52
Cash flow from financing activities	-74	35	27	7	11	0	-46	-17	-29
Net cash flow	-72	3	-3	-21	18	15	-29	-22	30
Key figures:									
Operating margin, excl. one-off items, %	6.3	6.3	6.6	7.0	4.6	7.4	7.6	7.0	7.3
Operating margin, %	3.1	4.5	2.6	3.2	-2.4	6.3	7.6	7.0	6.6
Earnings per share, before and after dilution, SEK	0.25	0.59	0.22	0.64	-1.27	0.82	1.39	1.08	1.08
Equity per share, SEK	30.98	30.30	29.83	30.85	30.63	31.08	29.94	31.07	31.46
Cash flow, operating activities, per share, SEK	1.02	0.62	0.88	0.43	1.99	1.47	1.38	0.95	2.52
Share price, SEK	87.25	100.75	106.00	119.25	116.50	120.00	80.25	71.50	79.50
Return on capital employed excl. one-off items, % ¹	13.3	12.6	12.2	13.8	13.8	14.6	17.3	19.6	21.7
Return on capital employed, % ¹	6.8	4.2	4.6	7.7	9.7	14.1	11.7	13.9	15.9
Return on equity, %	0.8	2.1	0.7	2.1	-4.7	2.7	4.5	3.5	3.6
Equity ratio, %	45	44	42	45	45	47	46	48	49
Net debt/equity ratio, %	42	42	38	39	36	37	38	27	24
Investments	43	59	69	47	81	50	44	47	52
R&D, %	4.5	3.7	3.4	4.0	3.6	3.4	3.6	3.5	3.9
Number of employees	2,176	2,149	2,150	2,033	2,045	2,051	2,140	2,114	2,140

¹ Rolling twelve months

5 year in summary

SEK m, if not otherwise stated	2017	2016	2015	2014	2013
Income statement:					
Net sales	4,462	4,374	4,777	4,380	3,920
Cost of good sold	-3,237	-3,155	-3,418	-3,142	-2,827
Gross income	1,225	1,219	1,359	1,238	1,093
Selling, admin. and product development costs	-955	-950	-942	-857	-839
Other operating income and expenses	-121	-65	-92	-148	-101
Operating income	149	204	325	233	153
<i>Operating income, excl. one-off items</i>	<i>292</i>	<i>291</i>	<i>444</i>	<i>408</i>	<i>281</i>
Financial income and expenses	-20	-39	-54	-28	-43
Income before tax	129	165	271	205	110
Tax	-50	-74	-80	-98	-72
Net income	79	91	191	107	38
Statement of financial position:					
Non-current assets	1,349	1,306	1,177	1,148	1,047
Current assets	1,729	1,751	1,678	1,788	1,439
Total assets	3,078	3,057	2,855	2,936	2,486
Equity	1,395	1,374	1,407	1,278	1,152
Non-current liabilities	775	757	692	718	728
Current liabilities	908	926	756	940	606
Total equity and liabilities	3,078	3,057	2,855	2,936	2,486
Statement of cash flow:					
Cash flow from operating activities before change in working capital	213	238	349	356	249
Cash flow from operating activities	130	256	220	435	282
Cash flow from investment activities	-218	-222	-174	-151	-71
Cash flow from financing activities	-5	-52	-179	-216	-230
Net cash flow	-93	-18	-133	68	-19
Key figures:					
Operating margin, excl. one-off items, %	6.5	6.6	9.3	9.3	7.2
Operating margin, %	3.3	4.7	6.8	5.3	3.9
Earnings per share, before and after dilution, SEK	1.67	2.00	4.28	2.32	0.80
Equity per share, SEK	30.98	30.63	31.46	28.48	26.06
Cash flow, operating activities, per share, SEK	2.94	5.8	4.99	9.84	6.38
Dividend, SEK	0.55 ²	0.00	2.00	3.00	2.00
Share price, SEK	87.25	116.50	79.50	101.75	60.00
Return on capital employed excl. one-off items, % ¹	13.3	13.8	21.7	21.4	14.6
Return on capital employed, % ¹	6.8	9.7	15.9	12.2	7.8
Return on equity, %	5.4	6.5	14.1	8.7	3.1
Equity ratio, %	45	45	49	44	46
Net debt/equity ratio, %	42	36	24	21	33
Investments	218	222	174	147	94
R&D, %	4.00	3.5	3.6	3.4	3.5
Number of employees	2,176	2,045	2,140	2,235	2,135

¹Rolling twelve months ²Proposed 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 ZF (20%), and Knorr-Bremse (10-15%, unconfirmed owner share).

Vision

A world of safer vehicles.

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 heavy vehicles being produced.
- 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 customer obligations. 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' 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' 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 PUBLIC OFFER PROCESS:**The bidding fight for Haldex in chronological order****2016****JULY 14**

SAF-HOLLAND announces a bid of SEK 94.42 per share. The Board of Directors of Haldex communicates that the board is unsolicited.

AUGUST 4

ZF announces a bid of SEK 100 per share. The Board of Directors of Haldex recommends ZF's bid on the same date and chooses not to recommend SAF-HOLLAND's bid.

AUGUST 11

SAF-HOLLAND announces it will not raise its bid.

AUGUST 19

The acceptance period for ZF's bid begins and lasts until October 3 after an extension of a couple days.

AUGUST 25

SAF-HOLLAND withdraws its bid.

SEPTEMBER 5

Knorr-Bremse announces a bid of SEK 110 per share.

SEPTEMBER 14

ZF raises its bid to SEK 110 per share. The Board of Directors of Haldex recommends ZF's bid and chooses not to recommend Knorr-Bremse's bid. ZF also announces that it has received full antitrust clearance for their offer.

SEPTEMBER 16

Knorr-Bremse raises its bid to SEK 125 per share and ZF raises its bid to SEK 120 per share.

SEPTEMBER 19

The Board of Directors of Haldex recommends ZF's bid again.

SEPTEMBER 26

The Swedish Shareholders' Association announces that it prefers ZF's bid over Knorr-Bremse's bid. The acceptance period for Knorr-Bremse's bid begins, lasting until December 5.

OCTOBER 5

ZF announces that the company only reached an acceptance rate of around 30% from shareholders and therefore withdraws its bid. Knorr-Bremse's bid is thus the only valid bid remaining on the market.

NOVEMBER 8

Haldex board of directors announce that they recommend the offer if and when Knorr-Bremse receives clearance from relevant competition authorities. The board underlines that the process could be drawn-out.

NOVEMBER 28

The Swedish Shareholders' Association recommends Knorr-Bremse's offer.

NOVEMBER 30

ZF announce that their intention is to accept Knorr-Bremse's bid.

DECEMBER 7

Knorr-Bremse announce that 86.1% of the shareholders accepted the bid. The acceptance period is extended until February 28.

DECEMBER 14

A second request for information from the US anti-trust authorities is received.

DECEMBER 20

Haldex announces increased extra ordinary costs related to the competitive investigations and to remain good customer relations.

2017**FEBRUARY 9**

Knorr-Bremse extends the acceptance period until June 16.

APRIL 25

The Swedish Securities Council grant the extension of the acceptance period until September 26.

JUNE 28

Knorr-Bremse announces that the Competition Authority in the EU is likely to initiate a Phase II of the investigation and, if so, they will apply at the Swedish Securities Council for an extension of the acceptance period until 9 February 2018.

JUNE 29

Haldex withdraws its support for Knorr-Bremse's bid based on feedback from the European Competition Authority, as the likelihood of the bid being approved, despite remedies, is very low.

JUNE 30

Knorr-Bremse announces that they continue the process without Haldex' support and that they request an extraordinary general meeting to force the board to cooperate.

JULY 7

Haldex is strengthened in its conclusion that the likelihood of the bid being approved is still very low after feedback from the US Competition Authority.

AUGUST 17

The extraordinary general meeting is held on request from Knorr-Bremse. The Board announce that they will not follow the resolution from the meeting as it's in conflict with the Company's Act.

SEPTEMBER 7

The Swedish Securities Council is not granting an extension of Knorr-Bremse's public offer.

SEPTEMBER 19

Knorr-Bremse withdraws its offer.

DECEMBER 1

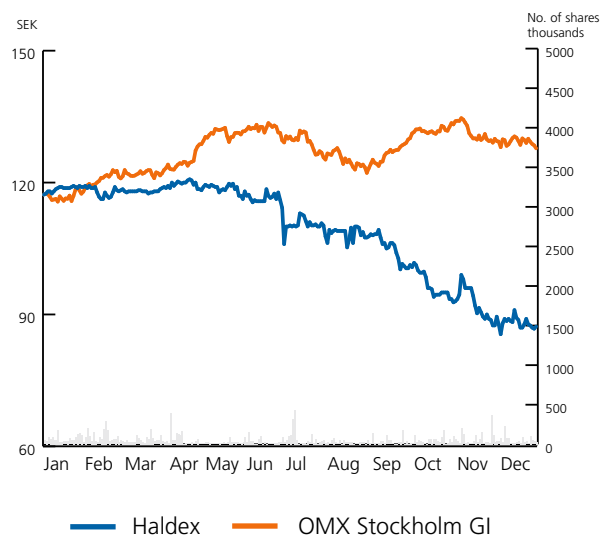
The Swedish Shareholders' association gets the decision at the extraordinary general meeting to be suspended in court.

Haldex share

Jul-Sep

Change in share price	-25%
Share price (Dec 31)	87.25,SEK
Market capital (Dec 31)	3,858,MSEK
Highest share price	120.75,SEK
Lowest share price	85.50,SEK
Average No. of traded shares/day	54,303
Total No. of shares (Dec 31)	44,215,970

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.



Press and analyst meeting

Media and analysts are invited to a telephone conference at which the report will be presented with comments by Åke Bengtsson, Acting President and CEO. The presentation will also be webcasted live and you can participate with questions by telephone.

Date & Time: Wednesday, February 14 at 11.00 CET

The press conference is broadcasted at:
<https://tv.streamfabriken.com/haldex-q4-2017>

To join the telephone conference:

SE: +46 8-566 42 696
UK: +44 203 008 98 10
US: +1 855 831 59 45

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 2018

Interim report, Jan-Mar	25 April
Annual general meeting	3 May
Interim report, Apr-Jun	18 July
Interim report, Jul-Sep	25 October

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