

# Interim report

## January 1 – March 31, 2011

- Sales amounted to SEK 554 m (427). Adjusted for exchange-rate fluctuations, sales increased by 41 percent compared with the corresponding period in the preceding year.
- Earnings after tax amounted to SEK 31 m (loss: 31). Earnings per share amounted to SEK 0.70 (minus: 0.71).
- During the first quarter, currency-adjusted sales rose 11 percent compared with the preceding quarter. Increases were noted in all end markets and regions. Market indices suggest a market rise of 4 percent. The introduction of new Tier 4 emissions programs in North America and Europe together with market share growth in India and China primarily generated the above market growth.
- Earnings before interest and taxation (“EBIT” or “Operating Income”) and EBIT margin amounted to SEK 58 m (loss: 10) and 10.4 percent (minus: 2.3) respectively.
- The Group’s net debt was SEK 248 m (448), a year-on-year reduction of SEK 200 m. Cash flow from operating activities remained strong and amounted to SEK 30 m (58) for the quarter.
- As previously announced by Haldex AB, the proposal for the spin-off of the Concentric Group (Hydraulics Systems Division) will be presented to the shareholders of Haldex AB at their Annual General Meeting scheduled for 8 June 2011.

### President and Chief Executive Officer Ian Dugan comments on the first quarter of 2011:

“Concentric delivered strong results during the first quarter of 2011. Robust market demand experienced during the second half of 2010, was sustained into the first quarter of 2011 with currency-adjusted sales exceeding those of the preceding quarter by 11 percent.

Orders received in the quarter that are due to be fulfilled in the next three months, i.e. within the second quarter of 2011, were in line with the sales activity levels experienced during the first quarter.

The strong operating performance was reflected in an EBIT margin of 10.4 percent, up from 10.2 percent in the fourth quarter of 2010. After adjusting for SEK 8 m of separation and duplicate corporate charges in the period, the comparable EBIT margin for the first quarter of 2011 versus the fourth quarter of 2010 is 11.9 percent. This is positive confirmation that the benefits derived from the cost re-

duction programs of 2009/2010 have been sustained despite the rise in sales.

The Group continues to run on negative working capital and generated an operating cash flow of SEK 30 m despite the pressures of strong sales growth.”

### Key business events

- The positive trend in all Concentric’s market segments and regions in 2010 continued into the first quarter of 2011. Inventory replenishment has been largely completed and we are experiencing stable sustained demand with orders broadly matching sales.
- Hire fleets replacing aging construction machinery overdue in the replacement cycle and a Tier 4 pre-buy for 56 – 130 KW off-road diesel engines, have both helped to drive demand during the quarter.
- Increasing commodity prices continue to put significant pressure on the Group’s material cost base. However during the quarter, the Group has been successful via existing material escalator agreements with passing through raw material increases to its customer base.
- Global supplier capacity is now providing a constraint to sales growth across the industry sector and in some Concentric plants. A number of initiatives have been launched internally and externally and will provide additional supply options during the second quarter.
- There is uncertainty from the impact of the earthquake in Japan, but to date this has had little or no impact on group activity.
- New financing agreements have been signed during the first quarter with a couple of banks, securing EUR 40 m (approximately SEK 360 m) of multi-currency credit facilities for a term of 3 years. In addition, an agreement has been made with Haldex AB’s bondholder to novate SEK 175 m of the current bond facility to Concentric.
- During the first quarter of 2011, Haldex AB made a capital contribution of SEK 50 m into Concentric. As a result, the group’s closing equity was SEK 722 m, bringing the debt:equity (“gearing”) ratio to 34 percent (69).

### Reorganization of Haldex according to the Haldex Board’s motion of July 16, 2010

- According to the press release of July 16, 2010, the Haldex Board proposes a spin-off of the company whereby the Hydraulics Systems division (Concentric) will become an independent listed company.

- The reorganization is proceeding as planned and the Haldex Board's motion for the spin-off of the company will be presented to shareholders in conjunction with the Haldex Annual General Meeting on June 8, 2011. If the motion is adopted, Haldex shareholders will hold shares in two separate companies instead of one.
- Efforts to establish two group structures were essentially completed at year-end 2010. During the first quarter of 2011, work continued on the stock exchange listing, which is expected to take place in June 2011.
- The date for the Haldex AGM has been postponed to June 8 to ensure that the proposed stock exchange listing can be completed by the date for the AGM.
- Advisor costs associated with the separation of SEK 5 m were charged against the first quarter of 2011. These costs consist mainly of expenses incurred in conjunction with tax advisory services and accounting, legal expenses and other listing costs.

#### Concentric – first quarter of 2011

Amounts in SEK m	2011	2010	2010	Acc.
	Jan-Mar	Jan-Mar	Full year	change
	2011/2010			
Net sales	554	427	1,977	30%
Operating income/loss	58	-10	109	n.a.
Earnings/loss before tax	46	-26	52	n.a.
Earnings/loss after tax	31	-31	35	n.a.
Operating margin, %	10.4	-2.3	5.5	12.7
Return on capital employed, % <sup>1)</sup>	14.4	-6.0	8.8	20.8

<sup>1)</sup>The ROCE has been calculated on a rolling 12 month basis.

#### Net sales per operating segment and geographic area

Amounts in SEK m	Jan-Mar		Nominal	Currency adjusted
	2011	2010		
<b>Sales by operating segment</b>				
Americas	290	229	27%	43%
Europe and the RoW	264	197	34%	40%
<b>Group</b>	<b>554</b>	<b>427</b>	<b>30%</b>	<b>41%</b>
<b>Sales by customer location – geographic area</b>				
USA	288	221	30%	44%
Germany	85	69	23%	33%
UK	52	39	33%	44%
Sweden	37	29	28%	31%
Other	92	69	33%	43%
<b>Group</b>	<b>554</b>	<b>427</b>	<b>30%</b>	<b>41%</b>

#### Net sales and earnings

Net sales amounted to SEK 554 m (427). Adjusted for exchange-rate fluctuations, sales increased by 41 percent compared with the corresponding period in the preceding year, reflecting strong market demand across all end markets.

Operating income amounted to SEK 58 m (loss: 10) and the operating margin was 10.4 percent (minus: 2.3). This improvement in operating income reflects a strong contribution from the higher sales together with the realization of those benefits derived from the cost reduction activities undertaken in 2010. Exchange rate fluctuations and the result from currency hedging and translation effects had an adverse year-on-year impact on consolidated operating income of SEK 8 m.

Reported operating income included the following items affecting comparability:

- Duplication of certain corporate costs totaling SEK 3 m (nil) that will not feature post-separation;
- One-off advisor costs associated with the separation of SEK 5 m (nil); and
- Restructuring costs of SEK nil m (23) that were expensed as part of the cost reduction program.

Net financial expenses incurred during the period amounted to SEK 12 m (16). These consisted mainly of interest on loans, pension liabilities and commission relating to commitments of unutilized credit facilities.

Consolidated income before taxation amounted to SEK 46 m (loss: 26). Earnings after taxation amounted to SEK 31 m (loss: 31).

#### Taxes

The Group's tax expenses amounted to SEK 15 m (5), equal to a tax rate of 32 percent for the quarter.

#### Cash flow

Cash flow from operating activities remained strong and amounted to SEK 30 m (58), despite the pressures of strong sales growth and the refinancing of certain inter-company balances with Haldex, totalling SEK 13 m for the quarter. This is primarily due to strong management of working capital, which remains negative.

#### Investments

The Group's net investments totaled SEK 13 m (minus: 4), of which capitalized development costs accounted for SEK 1 m (2). The comparative net investments for the first quarter of 2010 were distorted by minus: 9 m (nil), derived from the proceeds for U.S. equipment leases finalized in the period.

## Financial position

During the first quarter of 2011, Haldex AB made a capital contribution of SEK 50 m into Concentric. The impact of several currencies weakening against the SEK over the 12 months has also reduced the Group's net debt year-on-year by SEK 36 m. The combined impact of the capital contribution, currency fluctuations and strong cash flow has decreased the Group's net debt to SEK 248 m (448) by the end of the period. Cash and cash equivalents totaled SEK 273 m (255). Excess cash balances reflect the current cash pooling arrangements with Haldex AB.

New financing agreements have been signed during the first quarter with a couple of banks, securing EUR 40 m (approximately SEK 360 m) of multi-currency credit facilities for a term of 3 years. In addition, an agreement has been made with Haldex AB's bondholder to novate SEK 175 m of the current bond facility to Concentric. These new facilities, together with the excess cash balances, will be used to settle all inter-company funding arrangements with Haldex AB on separation.

Shareholders' equity amounted to SEK 722 m (646), resulting in a gearing ratio of 34 percent (69).

During the period, the Group's financial expenses primarily consisted of interest payments on loans, pension liabilities and commission pertaining to commitments of unutilized credit facilities.

## Segment reporting

Operating segments are reported in a manner that matches how internal reporting is submitted to the Group's highest executive decision-maker. The Group has divided its operations into two reporting segments, the Americas and Europe and the Rest of the World (RoW), considering that it is at this level that the Group's earnings are monitored and strategic decisions are made.

The Americas segment comprises the Group's operations in the USA. The Europe & RoW segment comprises the Group's operations in Europe, India and China.

The evaluation of an operating segment's earnings is based on operating income or EBIT.

Assets and liabilities not allocated to segments are financial assets and liabilities.

### Americas

	2011	2010	Change
Amounts in SEK m	Jan-Mar	Jan-Mar	2011/2010
Net sales	290	229	27%
Operating income	30	4	650%
Operating margin, %	10.2	1.6	8.6
Return on capital employed, % <sup>1)</sup>	19.1	2.6	16.5

<sup>1)</sup>The quarterly ROCE has been calculated on a rolling 12 month basis.

Sales amounted to SEK 290 m (229). Adjusted for exchange rates, sales increased 43 percent compared with the corresponding period in the preceding year.

Operating income and operating margin amounted to SEK 30 m (4) and 10.2 percent (1.6) respectively. The comparative operating income for the first quarter of 2010 included restructuring costs of SEK 17 m in respect of the merger of two of the Group's production units in the US. Adjusting for these costs, the earnings improvement in the first quarter of 2011 can be attributed to both the increase in sales volumes as well as the realization of benefits derived from the cost reduction program undertaken.

### Europe & RoW

	2011	2010	Change
Amounts in SEK m	Jan-Mar	Jan-Mar	2011/2010
Net sales	264	197	34%
Operating income/loss	33	-14	n.a.
Operating margin, %	12.5	-6.9	19.4
Return on capital employed, % <sup>1)</sup>	11.5	-15.9	27.4

<sup>1)</sup>The quarterly ROCE has been calculated on a rolling 12 month basis.

Sales amounted to SEK 264 m (197). Adjusted for exchange rates, sales increased by 40 percent compared with the corresponding period in the preceding year.

Operating income and operating margin amounted to SEK 33 m (loss: 14) and 12.5 percent (minus: 6.9) respectively. The comparative operating income for the first quarter of 2010 included restructuring costs of SEK 6 m in respect of personnel cutbacks that were implemented at the Group's plant in Hof, Germany. Adjusting for these costs, the earnings improvement in the first quarter of 2011 can be attributed to both the increase in sales volumes as well as the realization of benefits derived from the cost reduction program undertaken.

## Market

The increase in demand seen in all the Group's market segments and regions during 2010 has continued for the first quarter of 2011. Demand for all products has been particularly strong, driven by rising commodity prices, global infrastructure growth and new emission requirements for off-highway vehicles, applicable from both January 1, 2011 and January 1, 2012.

The market information pertaining to diesel engines detailed below is based on statistics from Power Systems Research. The market information pertaining to hydraulics products detailed below is based on statistics from Off-Highway Research for construction equipment and the International Truck Association for lift trucks.

Applying the market information below to the mix of Concentric's end-use sectors suggests a blended headline market growth rate of 4 percent compared to the preced-

ing quarter. As noted earlier, the introduction of new Tier 4 emissions programs in North America and Europe together with market share growth in India and China primarily generated the above market growth.

### Industrial applications

The production rate of diesel engines for the North American industrial applications market was slightly higher year-on-year during the first quarter of 2011 and when compared to the fourth quarter of 2010.

From a hydraulics products perspective, the North American lift truck market increased by 37 percent year-on-year during the first quarter of 2011 but was approximately 15 percent down compared to activity levels in the fourth quarter of 2010, primarily as a result of re-stocking being completed in 2010.

In Europe, production of diesel engines for the industrial applications market rose by 21 percent year-on-year during the first quarter of 2011 and by approximately 24 percent when compared to the fourth quarter of 2010.

From a hydraulics products perspective, the European lift truck market increased by 7 percent year-on-year during the first quarter of 2011 but was slightly down compared to activity levels in the fourth quarter of 2010.

### Trucks

In North America, the combined production of diesel engines for light, medium and heavy trucks rose by 27 percent year-on-year during the first quarter of 2011. Production was approximately 12 percent higher than in the fourth quarter of 2010.

In Europe, production for medium and heavy trucks rose by 55 percent year-on-year during the first quarter of 2011. Production was approximately 29 percent higher than in the fourth quarter of 2010.

### Agricultural equipment

The production rate of diesel engines for the North American agricultural market was flat year-on-year during the first quarter of 2011 and when compared to the fourth quarter of 2010.

The production rate in Europe increased by 15 percent year-on-year during the first quarter of 2011 and was approximately 18 percent higher compared to the fourth quarter of 2010.

### Construction equipment

The production rate of diesel engines for the North American construction market increased by 7 percent year-on-year during the first quarter of 2011 and was slightly ahead of the fourth quarter of 2010.

From a hydraulics products perspective, the North American construction market increased by 10 percent year-on-

year during the first quarter of 2011 and was slightly ahead of the fourth quarter of 2010.

In Europe, production of diesel engines for the construction market rose by 22 percent year-on-year during the first quarter of 2011 and by approximately 25 percent when compared to the fourth quarter of 2010.

From a hydraulics products perspective, the European construction market increased by 17 percent year-on-year during the first quarter of 2011 but was slightly down compared to activity levels in the fourth quarter of 2010, primarily as a result of re-stocking being completed in 2010.

### Employees

There were 1,191 (1,683, of which 579 relate to the operation in Qingzhou, China divested in the second quarter of 2010) employees at the close of the period.

### Significant risks and uncertainties

A number of factors affect or may in the future affect the operations of Concentric, both those directly related to Concentric and those that relate indirectly. Some of the risk factors considered significant to Concentric's future development are summarised below, in no relative order:

- Industry and market risks (Impact of the economy, Competition and price pressure, Customers, Raw materials and prices of raw materials),
- Operational risks (Production, Product development, Complaints, products recalls and product liability, Human capital risk, Restructuring),
- Legal risks (Legislation and regulation, Intellectual property rights, Environmental risks, Tax risks, Disputes),
- Financial risks (Financing risk, Interest rate risk, Exchange rate risks, Credit risk, Changes in value of fixed assets), and
- Stock market risks (Share price, Increased expenses as an independent listed company, Future dividends).

### Forward-looking information

This report contains forward-looking information in the form of statements concerning the outlook for Concentric's operations. This information is based on the current expectations of Concentric's management, as well as estimates and forecasts. The actual future outcome could vary significantly compared with the information provided in this report, which is forward-looking, due to such considerations as changed conditions concerning the economy, market and competition.

### Related-party transactions

Other than those transactions with the wider Haldex AB group, no transactions have been carried out between Concentric and related parties that had a material impact on the company's financial position and results.

### Acquisitions and divestments

There were no acquisitions or divestments in the period. However, the comparative period in 2010 includes the operation in Qingzhou, China which was divested in the beginning of the second quarter of 2010. In the first quarter of 2010 the total sales of the Qingzhou operation amounted to SEK 8 m and recorded an operating loss of SEK 4 m.

### Parent company

The parent company, Concentric AB, was formed in November 2010. As part of the restructuring of the Haldex Group, Concentric AB has acquired Hydraulics operations in Europe, India and Hong Kong from Haldex in 2010 and Hydraulics operation in the USA in March of 2011.

### Basis of Preparation & Accounting policies

This interim report for the Concentric AB group is prepared in accordance with IAS 34 *Interim Financial Reporting* and the Swedish Financial Reporting Board's RFR 1 *Supplementary Accounting Rules for Groups* and for the parent company with RFR 2 *Accounting for legal entities*.

The basis of accounting and the accounting policies adopted in preparing this interim report are consistent for all periods presented and comply with those policies stated in the 2010 annual report for Haldex AB. The combined financial statements of Concentric AB Group that are included in this interim report are based on the predecessor values of the consolidated accounts of the Haldex AB Group.

As noted above, the Concentric AB Group has been established during 2010. The acquisitions of the subsidiaries are common control transactions; therefore an accounting

policy has been established for these business combinations as IFRS is currently silent on the treatment of those transactions.

The combined financial statements included in this interim report are based on the uniting of interests model (predecessor accounting). This method requires that the assets and liabilities of the combining entities are presented using the book values for the highest level of common control (i.e. Haldex AB) for which financial statements are prepared and the transaction is presented and as if it had taken place at the beginning of the earliest period presented (i.e. comparatives are restated).

All transactions and balances between entities included in the combined financial statements within this interim report are eliminated.

### Other

Because of rounding off, the figures do not always tally when added together.

### Events after the balance-sheet date

There were no post balance sheet events to report.

### Future reporting dates

Interim report January – June 2011	July 20, 2011
Interim report January – September 2011	October 19, 2011
Full year report 2011	February, 2012

Stockholm, April 29, 2011

Concentric AB

Ian Dugan  
*President and CEO*

### **For further information, please contact**

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# Review report

We have reviewed this report for the period 1 January – 31 March 2011 for Concentric AB. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conduct-

ed in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the parent company.

Stockholm, April 29, 2011

Öhrlings PricewaterhouseCoopers AB

Michael Bengtsson  
*Authorised Public Accountant*

## Combined income statement, first quarter

Amounts in SEK m	Jan-Mar	
	2011	2010
Net sales	554	427
Cost of goods sold	-410	-336
<b>Gross income</b>	<b>144</b>	<b>91</b>
Selling expenses	-19	-19
Administrative expenses	-42	-43
Product development expenses	-14	-13
Other operating income and expenses	-10	-26
<b>Operating income/loss</b>	<b>58</b>	<b>-10</b>
Financial income and expense	-12	-16
<b>Earnings/loss before tax</b>	<b>46</b>	<b>-26</b>
Taxes	-15	-5
<b>Net income/loss for the year</b>	<b>31</b>	<b>-31</b>
<i>of which non controlling interest</i>	-	-1
Earnings per share before and after dilution, SEK <sup>1)</sup>	0.70	-0.71
Average number of shares (000) <sup>1)</sup>	44,216	44,216

<sup>1)</sup> Concentric AB's average number of shares assumes a 1:1 ratio to the current number of shares issued of Haldex AB.

## Combined statement of comprehensive income

Amounts in SEK m	Jan-Mar		Apr 2010- Mar 2011	Full year 2010
	2011	2010		
Net profit/loss	31	-31	97	35
Other comprehensive income/loss				
Foreign currency translation difference	-58	-22	-102	-66
<b>Total other comprehensive income/loss</b>	<b>-58</b>	<b>-22</b>	<b>-102</b>	<b>-66</b>
<b>Total comprehensive income/loss</b>	<b>-27</b>	<b>-53</b>	<b>-4</b>	<b>-31</b>

## Combined balance sheet

Amounts in SEK m	Mar 31 2011	Mar 31 2010	Dec 31 2010
Goodwill	470	542	494
Other intangible fixed assets	405	498	432
Tangible fixed assets	184	258	200
Financial fixed assets – loans	–	174	–
Financial fixed assets – others	7	6	7
Deferred tax assets	–	34	60
<b>Total fixed assets</b>	<b>1,065</b>	<b>1,512</b>	<b>1,193</b>
Inventories	186	159	181
Current receivables	291	285	253
Derivative instruments	1	2	1
Cash and cash equivalents	273	255	257
<b>Total current assets</b>	<b>751</b>	<b>701</b>	<b>692</b>
<b>Total assets</b>	<b>1,817</b>	<b>2,213</b>	<b>1,885</b>
<b>Total shareholders' equity</b>	<b>722</b>	<b>646</b>	<b>699</b>
Pensions and similar obligations	116	136	126
Deferred taxes	60	147	131
Long-term interest-bearing liabilities <sup>1)</sup>	–	581	–
Other long-term liabilities	8	8	8
<b>Total long-long term liabilities</b>	<b>184</b>	<b>873</b>	<b>265</b>
Derivative instruments	1	1	1
Short-term loans <sup>1)</sup>	405	160	442
Current operating liabilities	504	534	478
<b>Total current liabilities</b>	<b>911</b>	<b>694</b>	<b>921</b>
<b>Total liabilities and shareholders' equity</b>			

<sup>1)</sup>All inter-company loans payable have been classified as short-term loans as at 31 December 2010 and 31 March 2011 to reflect that these will all be repaid in June 2011, following the separation from Haldex AB and the refinancing of the Concentric Group.



## Combined changes in shareholders' equity

Amounts in SEK m	Mar 31 2011	Mar 31 2010	Dec 31 2010
Opening balance	699	705	705
Change in minority share of shareholders equity	-	-	-
Total comprehensive income	-27	-53	-31
Value of employees' services	-	-	1
Net investment	50	-6	25
<b>Closing balance</b>	<b>722</b>	<b>646</b>	<b>699</b>

## Combined cash flow statement

Amounts in SEK m	Jan-Mar		Apr 2010– Mar 2011	2010
	2011	2010	2011	
Operating income	58	-10	176	109
Reversal of depreciation and amortization	18	23	96	101
Interest paid	-7	-9	-30	-33
Capital loss on sale of shares in subsidiaries	-	-	19	19
Taxes paid	-20	-9	-64	-52
<b>Cash flow from operating activities before changes in working capital</b>	<b>49</b>	<b>-5</b>	<b>198</b>	<b>144</b>
Change in working capital	-19	63	-21	60
<b>Cash flow from operating activities</b>	<b>30</b>	<b>58</b>	<b>177</b>	<b>204</b>
Net investments	-13	4	-34	-17
<b>Cash flow from investing activities</b>	<b>-13</b>	<b>4</b>	<b>-34</b>	<b>-17</b>
Capital contribution	50	-	50	-
Change in loans	-37	-23	-319	-305
Change in long-term receivables	-	-	174	174
<b>Cash flow from financing activities</b>	<b>13</b>	<b>-23</b>	<b>-95</b>	<b>-131</b>
<b>Cash flow for the period</b>	<b>30</b>	<b>38</b>	<b>47</b>	<b>56</b>
Cash and bank assets, opening balance	257	217	255	217
Exchange-rate difference in cash and bank assets	-14	-	-29	-16
Cash and bank assets, closing balance	273	255	273	257

## Key figures

Amounts in SEK m	Jan-Mar		Apr 2010-	Full year
	2011	2010	Mar 2011	2010
Sales growth, %	30	6	47	41
EBITDA margin before items affecting comparability, %	15.1	8.5	14.2	12.7
EBITDA margin, %	13.7	3.1	12.9	10.6
Operating margin before items affecting comparability, %	11.9	3.0	9.6	7.6
Operating margin, %	10.4	-2.3	8.4	5.5
Capital Employed, SEK m	1,243	1,349	1,243	1,267
Return on capital employed before items affecting comparability, % <sup>1)</sup>	16.5	-1.5	16.5	12.1
Return on capital employed, % <sup>1)</sup>	14.4	-6.0	14.4	8.8
Working Capital, SEK m	-26	-90	-26	-44
Working capital as a % of annual sales <sup>1)</sup>	-1.2	-6.3	-1.2	-2.2
Net Debt, SEK m	248	448	248	312
Debt/equity ratio, %	34	69	34	45
<i>1) Calculated on a rolling 12 month basis</i>				
<b>Share data</b>				
Earnings per share, SEK <sup>1)</sup>	0.70	-0.71	2.20	0.79
Average no. of shares (000) <sup>1)</sup>	44,216	44,216	44,216	44,216
Numbers of shares at period-end (000) <sup>1)</sup>	44,216	44,216	44,216	44,216

<sup>1)</sup> Concentric AB's average number of shares assumes a 1:1 ratio to the current number of shares issued of Haldex AB.

## Combined income statement, by type of cost, first quarter

Amounts in SEK m	Jan-Mar	
	2011	2010
Net sales	554	427
Direct material costs	-290	-209
Personnel costs	-117	-114
Depreciation, amortization and impairment losses	-18	-23
Other operating income and expenses	-71	-90
<b>Operating income/loss</b>	<b>58</b>	<b>-10</b>
Financial income and expense	-12	-16
<b>Earnings/loss before tax</b>	<b>46</b>	<b>-26</b>
Taxes	-15	-5
<b>Net income/loss for the year</b>	<b>31</b>	<b>-31</b>
of which non controlling interest	-	-1

## Combined income statement, rolling 12 month basis & full year

Amounts in SEK m	Apr 2010– Mar 2011	Full year 2010
Net sales	2,104	1,977
Cost of goods sold	-1,579	-1,505
<b>Gross income</b>	<b>525</b>	<b>472</b>
Selling expenses	-84	-84
Administrative expenses	-149	-150
Product development expenses	-75	-73
Other operating income and expenses	-40	-56
<b>Operating income/loss</b>	<b>176</b>	<b>109</b>
Financial income and expense	-52	-56
<b>Earnings/loss before tax</b>	<b>124</b>	<b>52</b>
Taxes	-27	-17
<b>Net income/loss for the year</b>	<b>97</b>	<b>35</b>
<i>of which non controlling interest</i>	-	-1
Earnings per share before and after dilution, SEK <sup>1)</sup>	2.2	0.79
Average number of shares (000) <sup>1)</sup>	44,216	44,216

<sup>1)</sup> Concentric AB's average number of shares assumes a 1:1 ratio to the current number of shares issued of Haldex AB.

## Combined income statement by type of cost, rolling 12 month basis & full year

Amounts in SEK m	Apr 2010– Mar 2011	Full year 2010
Net sales	2,104	1,977
Direct material costs	-1,046	-964
Personnel costs	-486	-484
Depreciation and amortization	-96	-101
Other operating income and expenses	-300	-319
<b>Operating income/loss</b>	<b>176</b>	<b>109</b>
Financial income and expense	-52	-56
<b>Earnings/loss before tax</b>	<b>124</b>	<b>52</b>
Taxes	-27	-17
<b>Net income/loss for the year</b>	<b>97</b>	<b>35</b>
<i>of which non controlling interest</i>	-	-1

## Combined quarterly report

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
Net sales	554	427	493	537	520	1,977
Cost of goods sold	-410	-336	-372	-396	-401	-1,505
<b>Gross income</b>	<b>144</b>	<b>91</b>	<b>121</b>	<b>141</b>	<b>119</b>	<b>472</b>
Selling expenses	-19	-19	-21	-30	-14	-84
Administrative expenses	-42	-43	-45	-28	-34	-150
Product development expenses	-14	-13	-12	-32	-16	-73
Other operating income and expenses	-10	-26	-25	-3	-2	-56
<b>Operating income/loss</b>	<b>58</b>	<b>-10</b>	<b>17</b>	<b>48</b>	<b>53</b>	<b>109</b>
Financial income and expense	-12	-16	-14	-13	-13	-56
<b>Earnings/loss before tax</b>	<b>46</b>	<b>-26</b>	<b>3</b>	<b>35</b>	<b>40</b>	<b>52</b>
Taxes	-15	-5	-1	-20	8	-17
<b>Net income/loss for the year</b>	<b>31</b>	<b>-31</b>	<b>3</b>	<b>15</b>	<b>48</b>	<b>35</b>
Of which non controlling interest	-	-1	-	-	-	-1

## Key figures by quarter

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
Earnings per share, SEK	0.70	-0.71	0.06	0.34	1.09	0.79
Operating margin, %	10.4	-2.3	3.5	9.0	10.2	5.5
Return on capital employed, % <sup>1)</sup>	14.4	-6.0	-2.1	2.9	8.8	8.8
Investments	13	-4	12	-2	11	17
R&D, %	2.6	3.0	2.5	6.0	3.1	3.7
Number of employees, average	1,146	1,511	1,364	1,339	1,279	1,264

<sup>1)</sup>The ROCE has been calculated on a rolling 12 month basis.

# Segment reporting

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
<b>Americas</b>						
Net sales	290	229	272	302	264	1,068
Operating income/loss	30	4	23	8	27	62
Operating margin, %	10.2	1.6	8.5	2.8	10.3	5.8
Assets	687	855	880	813	723	723
Liabilities	270	375	430	408	295	295
Return on capital employed, % <sup>1)</sup>	19.1	2.6	6.1	7.5	13.1	13.1
Net investments	2	-6	5	0	-3	-4
Depreciation, amortization and impairment losses	7	8	9	22	9	48
Number of employees, average	422	410	414	423	417	417
<b>Europe &amp; RoW</b>						
Net sales	264	197	221	235	256	909
Operating income/loss	33	-14	-6	40	26	47
Operating margin, %	12.5	-6.9	-2.5	17.0	10.0	5.1
Assets	1,126	1,152	1,161	1,085	1,156	1,156
Liabilities	438	839	765	803	523	523
Return on capital employed, % <sup>1)</sup>	11.5	-15.9	-8.5	-1.0	5.7	5.7
Net investments	11	2	6	-1	14	21
Depreciation, amortization and impairment losses	11	15	14	13	11	53
Number of employees, average	724	1,101	950	916	862	862
<b>Not broken down by segments</b>						
Operating income/loss <sup>2)</sup>	-5	-	-	-	-	-
Assets	3	255	38	11	5	5
Liabilities	387	353	126	43	368	368
<b>Group</b>						
Net sales	554	427	493	537	520	1,977
Operating income/loss	58	-10	17	48	53	109
Operating margin, %	10.4	-2.3	3.5	9.0	10.2	5.5
Assets	1,817	2,213	2,080	1,909	1,885	1,885
Liabilities	1,095	1,597	1,321	1,254	1,186	1,186
Return on capital employed, % <sup>1)</sup>	14.4	-6.0	-2.1	2.9	8.8	8.8
Net investments	13	-4	12	-2	11	17
Depreciation, amortization and impairment losses	18	23	23	35	20	101
Number of employees, average	1,146	1,511	1,364	1,339	1,279	1,279

<sup>1)</sup> The ROCE has been calculated on a rolling 12 month basis

<sup>2)</sup> Unallocated costs for the first quarter 2011 of SEK 5 m (nil) relate to one-off advisor costs associated with the separation.

## Operating income/loss (EBIT) per operating segment

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
Americas	30	4	23	8	27	62
Europe & RoW	33	-14	-6	40	26	47
Unallocated <sup>1)</sup>	-5	0	0	0	0	0
<b>Total operating income/loss (EBIT)</b>	<b>58</b>	<b>-10</b>	<b>17</b>	<b>48</b>	<b>53</b>	<b>109</b>
Financial net	-12	-16	-14	-13	-13	-56
<b>Earnings/loss before tax</b>	<b>46</b>	<b>-26</b>	<b>3</b>	<b>35</b>	<b>40</b>	<b>52</b>

<sup>1)</sup> Unallocated costs for the first quarter 2011 of SEK 5 m (nil) relate to one-off advisor costs associated with the separation.

## Sales by customer location – geographic area

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
USA	288	221	267	295	267	1,050
Germany	85	69	69	80	75	293
UK	52	39	45	40	49	173
Sweden	37	29	33	31	39	132
Other	92	69	79	91	90	329
<b>Total Group</b>	<b>554</b>	<b>427</b>	<b>493</b>	<b>537</b>	<b>520</b>	<b>1,977</b>

## Tangible assets by operating location

Amounts in SEK m	2011 Q1	2010 Q1	Q2	Q3	Q4	Full year 2010
USA	78	109	115	92	91	91
Germany	38	51	47	43	41	41
UK	31	29	31	28	31	31
Sweden	14	19	18	17	17	17
Other	23	50	25	22	20	20
<b>Total Group</b>	<b>184</b>	<b>258</b>	<b>236</b>	<b>202</b>	<b>200</b>	<b>200</b>



## Parent company's income statement

Amounts in SEK m	Jan-Mar		Full year
	2011	2010	2010
Net sales	-	-	-
Operating costs	-8	-	-
<b>Operating income/loss</b>	<b>-8</b>	<b>-</b>	<b>-</b>
Financial income and expense	-5	-	-
<b>Earnings/loss before tax</b>	<b>-13</b>	<b>-</b>	<b>-</b>
Taxes	4	-	-
<b>Net income/loss for the year</b>	<b>-9</b>	<b>-</b>	<b>-</b>

## Parent company's balance sheet

Amounts in SEK m	Mar 31 2011	Mar 31 2010	Dec 31 2010
Financial fixed assets	947	-	649
Deferred tax assets	4	-	-
<b>Total fixed assets</b>	<b>951</b>	<b>-</b>	<b>649</b>
Intercompany receivables	121	-	-
Derivative instruments	-	-	-
Cash and cash equivalents	-	-	-
<b>Total current assets</b>	<b>121</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>1,072</b>	<b>-</b>	<b>649</b>
<b>Total Shareholders' equity</b>	<b>672</b>	<b>-</b>	<b>343</b>
Derivative instruments	-	-	-
Short-term loans	392	-	306
Current operating liabilities	8	-	-
<b>Total current liabilities</b>	<b>400</b>	<b>-</b>	<b>306</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,072</b>	<b>-</b>	<b>649</b>