

This announcement is not an offer, whether directly or indirectly, in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law. Shareholders not resident in Sweden who wish to accept the Offer (as defined below) must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section titled "Important notice" at the end of this announcement and in the tender offer document which was published on 26 September 2016. Shareholders in the United States should also refer to the section titled "Special notice to shareholders in the United States" at the end of this announcement.



Press release

24 July 2017

Knorr-Bremse's offer for Haldex: EU Commission has initiated a Phase II investigation

- **Knorr-Bremse reiterates commitment to transaction and preparedness to implement remedies if needed**
- **Merger clearance process continued with full focus and necessary resources**
- **Knorr-Bremse regards shareholders' vote at the EGM as Haldex' official position and thus binding for the Board of Directors**
- **CEO Klaus Deller: "A Phase II is a common approach for complex transactions. We have always said that we are ready to make concessions including divestments if necessary. We have already reputable bidders lined up who have handed in confirmed offers. In view of Knorr-Bremse the transaction follows a compelling rationale in spite of potential remedies; we remain fully committed to achieving merger clearance at acceptable terms as soon as possible."**

The EU Commission has today informed Knorr-Bremse AG ("Knorr-Bremse") about the decision to initiate an in-depth investigation (Phase II) in relation to the merger clearance process of the proposed acquisition of Haldex AB (publ) ("Haldex"). The decision by the EU Commission does not come as a surprise as Knorr-Bremse has already communicated on 28 June 2017 that it had indications that a Phase II could be initiated.

As confirmed by the EU Commission, its decision to initiate a Phase II investigation does not prejudice the EU Commission's final assessment at the end of this in-depth analysis. A Phase II investigation is common practice in complex transactions for which the authority requires additional time. The purpose is for the authority to more deeply review data and gather additional evidence in order to confirm or dispel competitive doubts that have been expressed in Phase I. Thereby, the EU Commission will evaluate for which product areas there are factual competitive concerns. It is equally possible that doubts initially expressed are removed during a Phase II. The key question is to what extent exactly competition is significantly affected and which remedies exactly will be required.

If needed and acceptable, Knorr-Bremse is also prepared to divest from product areas which are finally viewed as problematic in Phase II. Thereby, Knorr-Bremse will be able to build on the divestment process already set up in the course of Phase I. Already during Phase I Knorr-

Bremse initiated a structured bidding process and, following a due diligence process conducted by the bidders, has received credible confirmed offers by reputable buyers for different product areas. In Phase II, Knorr-Bremse will widen the pool of bidders if necessary. Knorr-Bremse will continue the open dialog with the EU Commission on how to address the concerns and spend all necessary resources to receive merger clearance on acceptable terms as soon as possible.

Klaus Deller, Chairman of the Executive Board of Knorr-Bremse, said: *“We remain fully committed to the combination of Haldex and Knorr-Bremse and aim at merger clearance in the best interest of both companies. Our merger clearance strategy reflects the transaction’s complexity and we are well prepared for a Phase II investigation. Such an in-depth analysis is a common approach in complex cases. Nothing is set in stone at this point in time and there is no reason for premature conclusions. We have always said that we are ready to make concessions including divestments if necessary. Most importantly, we have already taken precautions. In view of Knorr-Bremse the transaction follows a compelling rationale in spite of potential remedies; we remain fully committed to achieving merger clearance at acceptable terms as soon as possible.”*

Background to the offer

On 5 September 2016, Knorr-Bremse had announced a public offer to the shareholders of Haldex to tender all shares in Haldex to Knorr-Bremse. On 25 April 2017, it was announced that the acceptance period for the offer is extended until 26 September 2017. The completion of the offer is conditional upon, inter alia, all necessary clearances from authorities being obtained on terms acceptable to Knorr-Bremse.

On 28 June 2017, Knorr-Bremse announced that it has received indications that the EU Commission might initiate a Phase II investigation and that in view thereof Knorr-Bremse has applied for permission from the Swedish Securities Council (the “SSC”) to extend the acceptance period until 9 February 2018. Following the withdrawal of support by the Haldex Board of Directors for an extended offer period and a continued merger clearance process Knorr-Bremse has requested Haldex to convene an extraordinary general meeting (“EGM”). The aim is to let shareholders, whose investment is at risk, have the final and ultimate word in the matter. Haldex has announced that the EGM is to be held on 17 August 2017. The shareholders of Haldex will resolve whether to support and endorse Knorr-Bremse’s application to the SSC as well as whether Haldex is to support and cooperate with Knorr-Bremse in the continued merger clearance process.

Knorr-Bremse has asked the SSC to withhold further dealings with Knorr-Bremse’s application for extension of the acceptance period until Haldex’s shareholders have had the opportunity to resolve whether to support and endorse the application or not.

Knorr-Bremse regards the shareholders’ vote as Haldex’ official position and thus binding for the Board of Directors.

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Important notice

The Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of Australia, Canada, Hong Kong, Japan, New Zealand or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Accordingly, this announcement and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa.

This announcement is not being, and must not be, sent to shareholders with registered addresses in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Banks, brokers, dealers and other nominees holding shares for persons in Australia, Canada, Hong Kong, Japan, New Zealand or South Africa must not forward this announcement or any other document received in connection with the Offer to such persons.

Statements in this announcement relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and the other benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "anticipates", "intends", "expects",

“believes”, or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Knorr-Bremse AG. Any such forward-looking statements speak only as of the date on which they are made and Knorr-Bremse AG has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.

Special notice to shareholders in the United States

The Offer described in this announcement is made for shares of Haldex AB, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which are different from those of the United States. The Offer is made in the United States in compliance with Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Swedish law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

To the extent permissible under applicable law or regulation, Knorr-Bremse AG and its affiliates or brokers (acting as agents for Knorr-Bremse AG or its affiliates, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, shares of Haldex AB, that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. To the extent information about such purchases or arrangements to purchase is made public in Sweden, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Haldex AB of such information. In addition, the financial advisors to Knorr-Bremse AG, may also engage in ordinary course trading activities in securities of Haldex AB, which may include purchases or arrangements to purchase such securities. Knorr-Bremse AG and/or its affiliates or brokers have purchased shares of Haldex AB during the period following the announcement of the Offer on 5 September 2016.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS ANNOUNCEMENT OR DETERMINED WHETHER THIS ANNOUNCEMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.