



## **PRESS RELEASE**

Landskrona, July 24, 2017

# **The European Competition Authority confirms serious doubts in relation to Knorr-Bremse's public offer on Haldex**

## **It is in practice ruled out that an in-depth investigation could be completed during the acceptance period**

**The European Competition Authority has on July 24, 2017 announced that Knorr-Bremse's application has resulted in an in-depth investigation. Knorr-Bremse will therefore have to apply for another extension with the Swedish Securities Council to extend the offer period.**

The European Commission states in its press release:

"The Commission's initial investigation has shown that the proposed merger would likely remove a significant competitor from an already very concentrated sector.

The Commission has concerns regarding a number of markets where Knorr-Bremse and Haldex currently compete, such as electronic braking systems (EBS) and air disc brakes for both trucks and trailers, anti-lock braking systems (ABS) for trailers, valves and air treatment systems. These markets have high entry barriers due to the technical and regulatory requirements for safety-critical equipment, as well as the significant research and development efforts required to enter, or expand, in these markets.

At this stage, the Commission is concerned that, following the transaction, the level of the remaining competition would be insufficient to avoid price increases and to meet customer requirements in terms of innovation. In some markets, this may result in having Wabco as the only effective competitor to the merged entity.

The transaction was notified to the Commission on 1 June 2017. The Commission now has 90 working days, until 30 November 2017, to take a decision. The opening of an in-depth inquiry does not preclude the final result of the investigation.

On 30 June 2017, Knorr-Bremse submitted commitments to address the Commission's concerns. However, the Commission considered these commitments insufficient to clearly dismiss its serious doubts as to the transaction's compatibility with the EU Merger Regulation. The Commission therefore did not test them with market participants.

Given the worldwide scope of Knorr-Bremse and Haldex' activities, the Commission is cooperating closely with the Department of Justice in the United States.”

Jürgen Durban, chairman of the Haldex board says: “The European Commission has today confirmed the serious criticism we have communicated since end of June. The European Commission is also confirming in their press release that the plan Knorr-Bremse presented was not sufficient to address the concerns expressed, despite many months of preparations with due diligence processes with proposed buyers of the different product areas. The likelihood for this deal to be approved continues to be very low.”

Under the Swedish Takeover Rules, there is a limit to the duration of the acceptance period of nine months to protect the target company's business. Knorr-Bremse has earlier received approval to extend the acceptance period until the 26 September 2017, which is approximately three months longer than the otherwise permitted maximum period. It is in practice ruled out that an in-depth investigation could be completed during the acceptance period. On June 29, 2017, Haldex' board of directors withdrew its support for the offer as the likelihood for approval is very low. Based on this, Haldex Board will not contest the grant of approval by the Swedish Securities Council.

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

Jürgen Durban, Chairman of the Board

Phone: +46 418 476163

Åke Bengtsson, Acting CEO

Phone: +46 418 476150

Catharina Paulcén, SVP Corporate Communications

Phone: +46 418 476157

Email: [catharina.paulcen@haldex.com](mailto:catharina.paulcen@haldex.com)

*The information was submitted for publication by the Haldex media contact stated in the release on July 24, 2017 at 19.45 CEST.*

**About Haldex**

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