

# Background and reasons

On July 16, 2010, Haldex announced its intention to reorganize its Hydraulic Systems division into a separate group and to distribute the new parent company thereof, Concentric, to the shareholders of Haldex, as well as to list the new company on NASDAQ OMX Stockholm. The Boards of Haldex and Concentric assess that Concentric is now ready to take the step of becoming an independent, listed company. The Board of Directors of Haldex is therefore proposing that the shareholders resolve at the Annual General Meeting to be held on June 8, 2011, to distribute all the shares in the subsidiary Concentric to the shareholders of Haldex through a dividend distribution.

Haldex has pursued a policy of focused development for its business divisions. Since the acquisition by Haldex of Concentric plc in 2008, significant synergies have been realized, and the Haldex Hydraulic Systems division has developed into a world leader in the pumps industry, with the scale to serve demanding customers around the world, and develop new products to drive growth. The Boards of Haldex and Concentric now assess that the continued development of the operation will be facilitated by a separate listing of Concentric. The Company will have its own independent access to capital, and freedom to implement its strategy. With a strong investment case, Concentric has the potential to become an attractive investment proposition for current and new investors.

Skånes Fagerhult May 23 2011  
**Concentric AB (publ)**  
*The Board of Directors*

Stockholm May 23 2011  
**Haldex AB (publ)**  
*The Board of Directors*

*The Board of Directors of Concentric is responsible for this prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of the Board of Director's knowledge, in accordance with the facts and contains no omission likely to affect its import.*

Skånes Fagerhult May 23 2011  
**Concentric AB (publ)**  
*The Board of Directors*