



**BORGWARNER FINALIZES ACQUISITION**  
**OF HALDEX TRACTION SYSTEMS**

*BorgWarner Expands Product Portfolio with New Technologies  
to Accelerate Global Growth in All-Wheel Drive Markets*

Auburn Hills, Michigan, February 1, 2011 – Global powertrain supplier BorgWarner has completed its acquisition of the Traction Systems division of Haldex Group. From production facilities in Sweden, Mexico and Hungary, Haldex Traction Systems supplies its leading front-wheel drive based all-wheel drive systems for passenger car and crossover vehicles. Customers include Volkswagen, Audi, Skoda, Seat, Lamborghini, Bugatti, Volvo, Land Rover, Saab and GM. The purchase price was \$205 million and represents less than one times estimated 2011 sales.

“As demand for improved fuel economy continues to escalate, crossover vehicles are growing in popularity. OEMs are shifting away from traditional body-on-frame rear-wheel drive based all-wheel drive systems toward smaller, lighter front-wheel drive based all-wheel drive systems, which provide better fuel economy. Haldex Traction Systems is a true success story. Adding their technical expertise and committed workforce to BorgWarner will help accelerate our global growth in drivetrain systems. The combination will offer customers a new and broader range of front-wheel drive based all-wheel drive systems as well as electric all-wheel drive and torque vectoring technologies,” said Timothy M. Manganello, Chairman and Chief Executive Officer, BorgWarner. “With a strong European base, the acquisition not only compliments our product and customer mix but also enhances our ability to bring these advanced technologies to our customers around the globe.”

**About BorgWarner**

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## BorgWarner Inc. (BorgWarner Finalizes Acquisition of Haldex Traction Systems) – 2

Auburn Hills, Michigan-based BorgWarner Inc. (NYSE: BWA) is a product leader in highly engineered components and systems for vehicle powertrain applications worldwide. The company operates manufacturing and technical facilities in 57 locations in 17 countries. Customers include VW/Audi, Ford, Toyota, Renault/Nissan, General Motors, Hyundai/Kia, Daimler, Chrysler, Fiat, BMW, Honda, John Deere, PSA, and MAN. The Internet address for BorgWarner is: <http://www.borgwarner.com>.

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