

Global Reach, Local Touch.

HALF-YEAR REPORT AS OF JUNE 30, 2009

Key Figures

in Euro million	Q1-Q2 / 2009	Q1-Q2 / 2008	Q2 / 2009	Q2 / 2008
Sales	213.3	458.0	101.2	238.7
Cost of sales	-178.7	-377.0	-85.6	-196.2
Gross profit	34.6	81.0	15.6	42.5
Adjusted loss/profit for the period	-9.9	21.1	-4.6	11.7
Adjusted EPS in Euro ¹⁾	-0.48	1.12	-	-
Adjusted EBITDA	6.1	43.7	3.0	22.5
Adjusted EBIT	-1.3	37.5	-0.8	19.4
Operating cash flow ²⁾	21.0	20.3	15.5	18.0

1) Adjusted loss/profit / number of ordinary shares as of June 30

2) The operating cash flow is the cash flow from operating activities before income tax payments.

Sales by Region

in Euro million	Q1-Q2 / 2009	Q1-Q2 / 2008	Q2 / 2009	Q2 / 2008
Europe	104.9	326.8	47.8	170.2
North America	98.3	117.5	47.8	60.7
Other	10.1	13.7	5.6	7.8
Total	213.3	458.0	101.2	238.7

Sales by Business Unit

in Euro million	Q1-Q2 / 2009	Q1-Q2 / 2008	Q2 / 2009	Q2 / 2008
Trailer Systems	89.5	327.8	42.3	169.1
Powered Vehicle Systems	48.9	37.0	22.2	19.3
Aftermarket	74.9	93.2	36.7	50.3
Total	213.3	458.0	101.2	238.7

Other Financial Information

	06/30/2009	03/31/2009	12/31/2008
Total assets (in EUR million)	507.0	536.3	537.4
Equity ratio (in %)	10.5	12.3	13.4

	Q1-Q2 / 2009	Q1 / 2009	Q1-Q4 / 2008
Employees (average)	2,291	2,256	2,799
Sales per employee (in EUR thousand)	93.1	49.7	285.4

Table of Contents

04	FOREWORD FROM THE MANAGEMENT BOARD
06	AT A GLANCE
07	THE SHARE
08	GROUP INTERIM MANAGEMENT REPORT
09	I Business and General Framework Conditions
09	II Overview of Business Development
18	III Events After the Balance Sheet Date
19	IV Risk Report
20	V Outlook
22	CONSOLIDATED INTERIM FINANCIAL STATEMENTS
23	Consolidated Statement Of Comprehensive Income
24	Consolidated Balance Sheet
25	Consolidated Statement of Changes in Equity
26	Consolidated Cash Flow Statement
27	Notes to the Condensed Consolidated Interim Financial Statements
36	RESPONSIBILITY STATEMENT
38	FINANCIAL GLOSSARY
40	TECHNICAL GLOSSARY
42	FINANCIAL CALENDAR AND CONTACT INFORMATION
43	IMPRINT

Foreword from the Management Board

Dear shareholders, business associates, and employees,

We made good progress with cost reductions and efficiency improvements in the first half year. This means that the impact of the dramatic drop in demand was not entirely felt in earnings: despite a sales decline in the Group of 53.4% to EUR 213.3 million as compared to the same period in the previous year, adjusted earnings before interest and taxes of EUR -1.3 million was nearly at the break-even level. Compared to the first half year of 2008, we were able to keep the gross margin basically stable at 16.2%.

A further focal point in the stabilization of the Group and its liquidity is the rapid decrease in net working capital. Here, too, we have been able to achieve success: in the first half year we reduced the net working capital by EUR 13.6 million. Inventories in particular have been cut quickly, by EUR 22.8 million to EUR 66.3 million within the last six months.

All of these activities cannot, however, hide the fact that the global economic crisis continues to significantly burden our business. Worldwide demand for trucks and trailers also fell in the second quarter. The European trailer market was hit particularly hard, experiencing a drop of up to 90%. The only exceptions to this trend are manufacturers of specialty vehicles such as tanker trucks and tanker semitrailers, freezers, or flatbed trucks. The situation was compounded by the fact that during the European boom until mid 2008, substantial inventories of trucks and trailers as well as components had been built up. They are being depleted slower than originally expected and are therefore an additional obstacle to demand.

The markets in North America, however, are showing a gradual stabilization. This affects both trailers and heavy trucks. The aftermarket business also developed well, steadily gaining momentum in both North America and Europe. Furthermore, we anticipate an upturn in the truck market toward the end of the year because new emission requirements which take effect at the beginning of 2010 should lead to earlier purchases.

Against this backdrop, it is even more important for us to fortify the Company from the inside and to stabilize our strong global market position. A further important aspect is the securing of financing for the Company. To this end, the banks submitted a proposal on August 11, 2009 which would separate the operating business and assets of the Company from SAF-HOLLAND S.A. The economic conditions of such a solution are still to be negotiated. We expect to be in a position to announce concrete results within the next few weeks. With the separation, the operating business of the Company would be sustainably supported and financially secured.

We are not yet making a specific forecast for the current fiscal year. Our Group sales will be well below the level of the prior year and the annual result will also be significantly reduced. Reasons for this are the ongoing purchasing restraint and the corresponding insecurity of our clients with regard to their own business development.

With our strategy we have the right answer to the challenges we currently face. The measures have been implemented quickly and well. Particularly the expansion of our business activities and areas of competence are progressing well and showing initial success. We successfully launched our own axle production in North America and received the first new orders for our innovative suspension system with integrated disc-brake technology. In the aftermarket business we are rapidly expanding the service network with major OEM clients such as Volvo. The integration of the former Georg Fischer VKT GmbH is also providing positive results with synergies in sales and the aftermarket business.

These measures will pay a double dividend when the market recovers. We are well-positioned and see significant growth potential thanks to our global alignment and our leading technologies. We are therefore optimistic that we will be able to complete the tasks in front of us and come out of the crisis stronger than ever.

Best regards



Dr. Reiner Beutel
Chief Executive Officer (CEO)

First Half-Year of 2009 at a Glance

- >> **Group Sales amount to EUR 213.3 million**
 - Trailer Systems Business Unit with higher demand since June
 - Powered Vehicle Systems Business Unit with good margin and stable orders in the USA
 - Aftermarket Business Unit with a strong upswing since March

- >> **Restructuring program halts reduction in earnings**
 - Supplementary labor agreement brings savings in the single-digit millions and secures employment
 - Inventory cuts continue in a significant volume
 - Activities in China to be consolidated

- >> **Lenders propose trustee model to fortify operating business**

- >> **Loan repayments proceed as planned**

- >> **1,000 new service points gained through strategic cooperation with Volvo Truck Corporation**

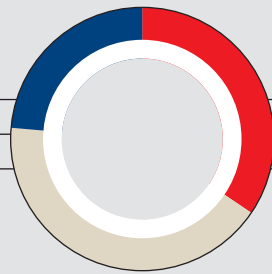
- >> **Technology transfer between USA and Europe continues successfully**
 - Production of own axle systems in the USA provides additional sales potential

- >> **Integration of the former Georg Fischer VKT GmbH with initial positive effects in sales and the spare parts business**

- >> **Outlook**
 - First signs of a stabilization of order entry at a low level
 - Sales recovery in the US truck market possible toward the end of the year, caused by pulling forward effects of new emission regulations from 2010

The Share

Shareholder Structure Figures in %



Free float	41.4
Pamplona Capital Partners I, LP	34.5
Management and previous owners	24.1

As of 6/30/2009

Global stock indices recovered in the second quarter. Following a half-year low at the end of February of EUR 0.35, SAF-HOLLAND's shares rose sharply. On the basis of a closing price of EUR 1.20 on December 30, 2008, our share had achieved significant gains by June 30 and doubled in value by the end of the second quarter to EUR 2.43.

The share's volatile performance at the beginning of the year was influenced – in addition to the general uncertainty on stock markets – by our discussions with the banks on adjusting our financing to the new market conditions. After reaching a standstill agreement with our lenders and the extension of this agreement in June, the share rose at an above-average rate. The banks' proposal to separate the operating units of the Company from the publicly-listed SAF-HOLLAND S.A., led to a collapse of the SAF-HOLLAND share price in August.

Group Interim Management Report

09 I BUSINESS AND GENERAL FRAMEWORK CONDITIONS

09 II OVERVIEW OF BUSINESS DEVELOPMENT

- 09 II.1 Overall Economic Conditions
- 10 II.2 Significant Events in the First Half of 2009
- 11 II.3 Sales Development
- 13 II.4 Earnings Development
- 14 II.5 Business Development in the Business Units
- 15 II.6 Financing
- 16 II.7 Investments
- 16 II.8 Liquidity
- 17 II.9 Assets
- 17 II.10 Employees
- 18 II.11 Research and Development

18 III EVENTS AFTER THE BALANCE SHEET DATE

- 18 III.1 Supplementary Labor Agreement
- 19 III.2 Expansion of the Management Board
- 19 III.3 Standstill Agreement

19 IV RISK REPORT

20 V OUTLOOK

Group Interim Management Report

For SAF-HOLLAND S.A.'s first half-year of 2009

I BUSINESS AND GENERAL FRAMEWORK CONDITIONS

SAF-HOLLAND S.A., hereinafter also referred to as SAF-HOLLAND, the Group, or the Company, is one of the world's leading manufacturers and providers of premium systems and components for commercial vehicles (trucks and trailers) as well as for buses and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, coupling devices, kingpins, and landing legs. The Group, with its three Business Units – Trailer Systems, Powered Vehicle Systems, and Aftermarket – currently utilizes 18 production sites in Europe, North America, Brazil, Australia, China, and India. In addition, the Company operates a worldwide service and distribution network.

The Company was founded in December 2005 for the purpose of acquiring SAF Group, a European market leader in the manufacture and sale of axles and axle systems for the trailer industry. The acquisition was carried out indirectly via two intermediaries on March 31, 2006. Similarly, the acquisition of the US-based Holland Group, an American market leader in the components and systems segment for the truck and trailer industry, was executed via an intermediary on December 18, 2006.

II OVERVIEW OF BUSINESS DEVELOPMENT

II.1 Overall Economic Conditions

The economic situation weakened further in the second quarter of 2009. Governments in the most important industrial countries stabilized the financial sector, but the billions spent on economic stimulus programs have had little effect to date. At the same time unemployment, in Germany and in the USA for example, is rising. There are, however, a growing number of signs that the bottom of the deepest economic crisis since 1929 has been reached. The first relevant indicators such as the ifo business climate index in Germany point to an end of the crisis. Logistics companies are also anticipating stronger demand after a significant dip in transport volumes in recent months. Overall, the global economy is expected to shrink by 1.4% in the current year, as forecast by the International Monetary Fund.¹⁾ According to the most recent surveys from July 2009, a decrease of 2.6% is expected in the USA; this follows the contraction of 2.8% that had been predicted in April. For Germany, on the other hand, the forecast has again worsened with a decrease now expected to be at 6.2%. For the Euro zone, economic experts anticipate a contraction of 4.8%, of 6.5% for Russia and a contraction of 1.3% for Brazil. Countries remaining on a growth course and, according to the most recent surveys, even accelerating, include China with an expected growth of 7.5% and India with an expected growth of 5.4%. In light of the signs of a reversal of the downward trend, the International Monetary Fund is once again looking more optimistically into the future and has upwardly revised its 2010 growth forecast for the global economy from 1.9% to 2.5%. While Germany and the Euro zone must expect a further slight decline in economic output, the USA, Russia and Brazil should see a slight upswing according to the IMF. Growth in China and India will likely be stronger than in 2009 and should approach the growth levels seen in 2008 once again.

¹⁾ IMF, July 2009.

As a result of the difficult economic development, demand for trucks and trailers has fallen substantially around the world. Particularly affected was Europe, where in the first half year 52.4 % fewer trucks (over 16 tons) were registered.¹⁾ With declines in the number of orders of up to 90 %, the decrease among trailer manufacturers is even more dramatic. Kögel Fahrzeugwerke GmbH, an important and traditional manufacturer, was forced to declare bankruptcy after the end of the reporting period. In North America, demand is developing in a similarly reserved fashion, even though the decrease is less drastic owing to previously existing weaknesses in demand from 2007 and 2008. Accordingly, truck production (segment class 8) is expected to decline by 48.4 % in the current year.²⁾ New emission regulations beginning in 2010 should lead to pulling forward effects in terms of purchasing and thus at least stabilize demand at the end of the year. For 2010, an increase in production of 56.3 % is anticipated. In the US trailer segment, market observers expect an increase of 44.8 % in 2010 following a decrease in the current year of 40.7 %.

1) ACEA, July 2009.

2) ACT, July 2009.

II.2 Significant Events in the First Half of 2009

In the second quarter, SAF-HOLLAND continued its cost reduction and efficiency improvement measures. This allowed us to cushion the decline in earnings and the substantial drop in demand. The focus was on savings in material and production costs and in personnel and non-personnel expenses. Negotiations with IG Metall and the works council in July led to a supplementary labor agreement for Germany which brings with it additional savings in the single-digit million range. In return, employees at our locations in Wörth am Main and Besenbach received employment guarantees and a guarantee that the locations would not be closed. These savings will be shifted to the total package of EUR 43 million which we will have implemented by the end of 2009. This follows the cost reduction package in the amount of EUR 16 million from 2008.

With Group sales of EUR 213.3 million (previous year: 458.0), adjusted earnings before interest and taxes (EBIT) were at EUR -1.3 million (previous year: 37.5). The drastic decline in the European trailer market, which last year had seen strong growth, was a particular burden on our business.

The inventory cutbacks that we initiated in the past year were successfully continued in the first half of this year. In total inventories fell to EUR 66.3 million (December 31, 2008: 85.8). We are thereby steadily approaching our goal of a scope of inventory of 45 days of sales by the end of the year.

In the second quarter, we disbanded our joint ventures with AL-KO in China as planned. We have thus reduced the number of our China locations from three to two, which reduces our costs and makes additional synergy effects possible.

The development of our own axle production in North America has been pleasing – an example of the successful transfer of technology between the former SAF in Europe and the former Holland in North America. Since February we have been successively replacing competitors' products that we had purchased in the past with our own axle systems in North America and in the second quarter received the first new orders for our innovative suspension system with integrated disc-brake technology.

Since the beginning of this year, Daimler Trucks North America LLC, the largest manufacturer of heavy trucks in North America, has included the SAF-HOLLAND FWAL aluminum fifth wheel in its product range. SAF-HOLLAND developed this product in cooperation with Alcoa, the world market leader in aluminum processing. FWAL is not only up to 40 kg lighter than comparable products from our competitors, it also distinguishes itself through lower oil consumption in the care and maintenance of the fifth wheel. Along with being environmentally friendly, it supports in particular the SAF-HOLLAND strategy of offering the customer products with low life-cycle costs.

Our Aftermarket Business Unit further strengthened its sales potential in the spare parts business. Within the scope of a cooperation, the Volvo Truck Corporation has been offering spare parts from SAF-HOLLAND as part of its product range for several weeks. They supply service points throughout Europe. SAF-HOLLAND has significantly expanded its network of service and distribution centers in recent years in Europe, America, Asia, Africa and Australia.

II.3 Sales Development

The commercial vehicle and trailer markets experienced another significant downturn in the second quarter. Against this backdrop, Group sales at SAF-HOLLAND fell in the first half-year by over 50 % to EUR 213.3 million (previous year: 458.0). Adjusted for exchange rate changes, sales declined by 56.4% to EUR 199.7 million. The holidays in April and a weak May particularly hurt sales in the second quarter. In this period we had total sales of EUR 101.2 million (previous year: 238.7), although in June 2009 we generated the second highest monthly sales of the year. The strongest decline was recorded by the European business with a fall of 67.9% to EUR 104.9 million (previous year: 326.8). The North American business showed a comparatively moderate sales decrease of 16.3 % to EUR 98.3 million (previous year: 117.5) in the first six months. In the remaining regions volume fell to EUR 10.1 million from EUR 13.7 million in the same period of the previous year.

As in the first three months of the year, high inventories of new trucks and trailers in Europe as well as excess stocks of axles and axle components at the trailer manufacturers and spare parts at wholesalers burdened manufacturers' sales. Reductions in these inventories is progressing slower than we had initially expected. We nevertheless assume that the market will improve as soon as inventories reach a normal volume. Our sales development mirrors the economic trends in our markets. This means that the effects of the financial and economic crisis have hit Europe particularly hard. The North American economy reacted less drastically because the real-estate crisis there in 2007 had already had a significant impact and the transport and logistics industry, among others, had already weakened.

Sales Development by Region (First Half-Year)

in EUR million	Q1-Q2/2009		Q1-Q2/2009 (exchange rate- adjusted)		Q1-Q2/2008	
Europe	104.9	49.2 %	104.9	52.5 %	326.8	71.3 %
North America	98.3	46.1 %	85.7	42.9 %	117.5	25.7 %
Other	10.1	4.7 %	9.1	4.6 %	13.7	3.0 %
Total	213.3	100.0 %	199.7	100.0 %	458.0	100.0 %

Sales Development by Region (Second Quarter)

in EUR million	Q2/2009		Q2/2009 (exchange rate- adjusted)		Q2/2008	
Europe	47.8	47.2 %	47.8	50.6 %	170.2	71.3 %
North America	47.8	47.2 %	41.6	44.0 %	60.7	25.4 %
Other	5.6	5.6 %	5.1	5.4 %	7.8	3.3 %
Total	101.2	100.0 %	94.5	100.0 %	238.7	100.0 %

Sales by Business Unit (First Half-Year)

in EUR million	Q1-Q2/2009		Q1-Q2/2009 (exchange rate- adjusted)		Q1-Q2/2008	
Trailer Systems	89.5	42.0 %	86.0	43.1 %	327.8	71.6 %
Powered Vehicle Systems	48.9	22.9 %	43.7	21.9 %	37.0	8.1 %
Aftermarket	74.9	35.1 %	70.0	35.0 %	93.2	20.3 %
Total	213.3	100.0 %	199.7	100.0 %	458.0	100.0 %

Sales by Business Unit (Second Quarter)

in EUR million	Q2/2009		Q2/2009 (exchange rate- adjusted)		Q2/2008	
Trailer Systems	42.3	41.8 %	40.6	43.0 %	169.1	70.8 %
Powered Vehicle Systems	22.2	21.9 %	19.7	20.8 %	19.3	8.1 %
Aftermarket	36.7	36.3 %	34.2	36.2 %	50.3	21.1 %
Total	101.2	100.0 %	94.5	100.0 %	238.7	100.0 %

II.4 Earnings Development

The cost reduction and efficiency improvement measures started in 2007 in North America and at the end of 2008 in Europe were intensified in the first half of 2009 and continue to have a positive effect. This is confirmed by the still high gross margin which, at 16.2%, was only slightly below the previous year's figure of 17.7%. Nevertheless, the burdens from the drastic decrease in sales could not be completely offset. Extraordinary expenses were primarily the result of consulting costs within the scope of the current bank negotiations. Adjusted EBIT for the first half year amounted to EUR -1.3 million (previous year: 37.5). Of that amount, the second quarter accounted for EUR -0.8 million (previous year: 19.4). In June, thanks to the cost reductions, a positive EBIT on a monthly basis was achieved again for the first time this year. In the first six months, adjusted profit for the period reached EUR -9.9 million (previous year: 21.1). Adjusted earnings per share were EUR -0.48 (previous year: 1.12).

EBIT was adjusted for the following effects that are not originally attributable to the operating business: depreciation and amortization on the purchase price allocations as well as restructuring and integration costs.

Reconciliation Statement for Adjusted Figures

in EUR million	Q1-Q2/2009	Q1-Q2/2008	Q2/2009	Q2/2008	
Loss/profit for the period	-16.9	17.3	-8.6	9.7	
Taxes on income	-2.8	8.2	-1.4	4.7	
Finance result	12.5	8.0	5.6	3.0	
1) Purchase price allocation (PPA) from the acquisition of SAF Group and Holland Group in 2006 as well as Austin-Westran Machinery Co., Ltd. and the SAF-HOLLAND Verkehrstechnik GmbH in 2008.	Depreciation and amortization from PPA ¹⁾	3.5	3.0	1.7	1.5
	Step-up inventory from PPA ¹⁾	-	0.3	-	0.3
	Restructuring and integration costs	2.4	0.7	1.9	0.2
	Adjusted EBIT	-1.3	37.5	-0.8	19.4
	as a percentage of sales	-0.6	8.2	-0.8	8.1
	Depreciation and amortization	7.4	6.2	3.8	3.1
	Adjusted EBITDA	6.1	43.7	3.0	22.5
	as a percentage of sales	2.9	9.5	3.0	9.4
	Depreciation and amortization	-7.4	-6.2	-3.8	-3.1
	Finance result	-12.5	-8.0	-5.6	-3.0
	Adjusted loss/profit before tax	-13.8	29.5	-6.4	16.4
2) A uniform tax rate of 28.59% was assumed for the calculation.	Taxes on income ²⁾	3.9	-8.4	1.8	-4.7
	Adjusted loss/profit for the period	-9.9	21.1	-4.6	11.7
	as a percentage of sales	-4.6	4.6	-4.5	4.9
3) Number of ordinary shares as of June 30.	Number of shares ³⁾	20,702,275	18,837,375		
	Adjusted earnings per share (EPS) EUR	-0.48	1.12		

II.5 Business Development in the Business Units

Trailer Systems

The Trailer Systems Business Unit recorded its weakest sales development ever in the second quarter. Declines in volume of up to 90 % in Europe as well as temporary factory closings by customers in Europe and the USA weakened sales. The markets for standard trailers have been hit especially hard, whereas demand for specialty trailers has for the most part remained stable. In contrast to the very weak months of April and May, sales of trailer systems in North America and Europe rallied in June. Production of our own axles has been underway in the USA since February. As planned, they will as a first step replace the axles that had been purchased in the USA. The next step will be to expand the business through the addition of new business. In the second quarter we received the first orders in North America for axle systems with SAF-HOLLAND disc brakes including Integral™ technology. In the mid-term, our business in the USA could benefit from new braking regulations set to begin taking effect in 2011. These new regulations require that braking distances for new trucks be reduced by 30 %.

Overall in this segment we generated sales of EUR 89.5 million (previous year: 327.8) in the first six months. Adjusted for exchange rate effects this figure was at EUR 86.0 million. The adjusted gross margin fell as a result of the substantial underutilization of capacity to -3.8 % (previous year: 13.0). The Business Unit's share of total sales fell to 42.0 % (previous year: 71.6).

Powered Vehicle Systems

The Powered Vehicle Systems Business Unit profited again in the second quarter from a good product mix and a major order with a strong margin in the USA. Moreover, according to estimates from the leading market research institutes in the USA, the North American truck market has stabilized. At the end of the current year, new emission regulations which are scheduled to take effect in 2010 will also contribute to a revival of the US truck market.

The Business Unit boosted sales by 32.2 % to EUR 48.9 million (previous year: 37.0). The exchange rate-adjusted sales figure was EUR 43.7 million. This increase is partly attributable to the integration of the former Georg Fischer Verkehrstechnik GmbH. The gross margin rose significantly to 21.1 % (previous year: 14.9). Overall, the Powered Vehicle Systems Business Unit's share of the Company's total sales volume rose to 22.9 % (previous year: 8.1).

Aftermarket

The Aftermarket Business Unit developed especially well from March onward. The upswing was felt both in Europe and in North America. Here, the growth opportunities announced in connection with the acquisition of Georg Fischer VKT were confirmed. In addition, we managed to generate new orders in the Middle East. The ongoing expansion of the international service and distribution network provides the aftermarket business with a stable foundation and strong growth opportunities.

In the first six months of the year, the segment generated sales totaling EUR 74.9 million (previous year: 93.2), or EUR 70.0 million after exchange rate adjustment. The gross margin rose to 37.8 % (previous year: 35.4). The Aftermarket Business Unit increased its share of total Company sales to 35.1% (previous year: 20.3). With the increasing number of installed axles in the market, this segment will continue to grow, particularly in Europe, and to gain importance for the Group as a stabilizing factor on sales and earnings.

Business Unit Overview

in EUR million	Business Unit Trailer Systems		Business Unit Powered Vehicle Systems		Business Unit Aftermarket		Adjust- ments/ Elimi- nations	Total	
	Q1-Q2 2009	Q1-Q2 2008	Q1-Q2 2009	Q1-Q2 2008	Q1-Q2 2009	Q1-Q2 2008	Q1-Q2 2009	Q1-Q2 2009	Q1-Q2 2008
Sales	89.5	327.8	48.9	37.0	74.9	93.2	-	213.3	458.0
Cost of sales	-92.9	-285.3	-38.6	-31.5	-46.6	-60.2	-0.6	-178.7	-377.0
Gross profit	-3.4	42.5	10.3	5.5	28.3	33.0	-0.6	34.6	81.0
as a percentage of sales	-3.8	13.0	21.1	14.9	37.8	35.4	-	16.2	17.7

II.6 Financing

In the reporting period, SAF-HOLLAND made all scheduled repayments as planned (see also the section on liquidity). At the same time, the Company focused on restructuring the financing of the Group to better adapt to current economic conditions. In the first half of 2008, in February 2008, SAF-HOLLAND negotiated a new line of credit for EUR 325 million at favorable interest rates in return for agreeing to maintain certain key financial figures. Because of the sharp fall in demand since the fourth quarter of 2008 and the difficulty of forecasting further sales trends, the Group negotiated a standstill agreement with the bank consortium on February 27, 2009. This standstill agreement was extended again at the end of June until the end of July 2009 (see also Subsequent Events).

The agreement includes the following elements:

- Increase in the interest margin from 1.6 % to 4.0 %.
- Suspension of the financial covenants as of December 31, 2008 as well as of March 31, 2009.
- Preparation and presentation of an expert opinion on the Group's financial restructuring ability from the auditing firm KPMG.
- Development of a new financing concept based on the restructuring expert opinion.
- Extensive granting of guarantees in the form of commercial real estate mortgages, pledging of Group bank accounts, and the assignment of other assets as security.

The preliminary restructuring expert opinion was completed by KPMG at the beginning of May 2009 and in June it was approved by the consortium of banks. The expert opinion confirms the Group's ability to restructure. Due to the strong market position, the Company's earnings potential and competitive position can be achieved on the basis of the planning as presented. As a result of continued weak business development and the slower than expected inventory reductions, particularly in the area of trailers in Europe, the preliminary expert opinion from KPMG will be updated.

On August 11, the Company's lenders proposed the transfer of the Company's operating business to a trustee. The implementation of the proposal would mean that SAF-HOLLAND S.A. would, for the most part, be legally separated from the operating business and the assets of the Group. Following agreement on the economic framework conditions, the Annual General Meeting must make a decision on the model.

In order to strengthen the Company's cash position, the Management Board of SAF-HOLLAND provided a loan in the amount of EUR 1.3 million in the first quarter of 2009. The loan is unsecured and has a term of 24 months. SAF-HOLLAND received an additional EUR 4.5 million in funding in the form of a loan provided by a longstanding customer. This loan agreement with a term of 18 months provides for interest to be paid at rates and on conditions that are customary in banking. Repayment is due in full on maturity, and the loan is secured by the use of non-core assets as collateral.

II.7 Investments

During the period under review, the Group invested a total of approximately EUR 4.5 million (previous year: 20.3). The focus was on the consolidation of our activities in China, some of which were formerly conducted with a partner, AL-KO. The Company increased its stake in the company in Jinan and also acquired the remaining shares from the previous joint-venture partner. At the same time, shares in the company in Yantai were sold to AL-KO (see also "Liquidity" and "Assets"). In addition, additional funds went into an automatic welding line at our factory in Bessenbach which construction started in 2008. For 2009, the Company does not expect any significant measures. Based on current planning, approximately EUR 7.5 million will be invested.

II.8 Liquidity

In the period under review, cash and cash equivalents increased to EUR 14.2 million (December 31, 2008: 8.6). In addition to agreed repayments, we also made interest payments for the current financing on schedule. As of June 30, the Group had access to open credit lines as well as cash and cash equivalents in the amount of EUR 14.2 million. The Group benefitted primarily from the significant drop in working capital needs. Inventories were reduced substantially to EUR 66.3 million (December 31, 2008: 85.8) although the full consolidation of the company in Jinan and the acquisition of stocks by the company in Yantai led to an increase in inventories of about EUR 2.4 million. Overall, inventories have been cut in half since the end of September 2008. With these steady reductions the Group is reacting to the sharp drop in customer demand. The aim is to maintain inventories at the equivalent of 45 days of sales. At the balance sheet date, the inventory was at 67 days of sales. SAF-HOLLAND had expanded inventory in light of strong demand in the first nine months of 2008 as well as in light of the major order in North America and the launch of

our own axle production in North America. Net working capital at the balance sheet date on June 30, 2009 was at 13.2 % of sales (December 31, 2008: 10.9). The goal is 9 % of sales.

Net cash flow from operating activities before income tax payments increased despite weak sales development to EUR 21.0 million (previous year: 20.3): Cash flow from investing activities amounted to EUR -4.5 million (previous year: -20.3). This reflects the consolidation of the activities in China. The higher cash outflow in the same period of the previous year resulted from the acquisition of the landing leg business from Austin-Westran and from the reduction of capacity. Cash flow from financing activities during the period under review amounted to EUR -11.7 million (previous year: -0.1). It was influenced by a substantial rise in interest expenses relating to greater utilization and a higher interest rate margin as well as the scheduled repayment of loans. Loans from a customer and the Management Board are also reflected here. Due to the negative earnings in 2008, the Group received a tax rebate identical to the amount of advance payments made in 2008.

II.9 Assets

Total assets as of the balance sheet date on June 30, 2009 decreased to EUR 507.0 million (December 31, 2008: 537.4). The equity ratio was 10.5 % (December 31, 2008: 13.4).

Non-current assets decreased to EUR 340.8 million (December 31, 2008: 350.5) primarily as a result of lower deferred tax assets. The company in Jinan will now be fully consolidated and no longer reported at equity as had been the case previously in the consolidated financial statements. Current assets were characterized by the increase in cash and cash equivalents and the low working capital needs. Due to a drop in demand and strict management of receivables, trade receivables decreased to EUR 70.6 million (December 31, 2008: 82.3). Inventories fell to EUR 66.3 million (December 31, 2008: 85.8). Cash and cash equivalents rose to EUR 14.2 million (December 31, 2008: 8.6). Equity capital fell, mainly because of the loss for the period, to EUR 53.4 million (December 31, 2008: 72.1). Following the closing of the pension fund in Germany, pension provisions decreased for the first time. After the scheduled repayment of bank debt and because of the drop in trade payables, current liabilities were reduced to EUR 384.1 million (December 31, 2008: 399.1). Other current provisions – above all for the restructuring and staff reductions – decreased according to plan to EUR 10.8 million (December 31, 2008: 13.9).

II.10 Employees

After the balance sheet date on June 30, 2009, SAF-HOLLAND reached a supplementary labor agreement in Germany with IG Metall, thereby achieving savings in the single-digit million range in this and in the coming year. At the same time, the agreement contains location and employment guarantees for our employees. Pursuant to the supplementary labor agreement, the scheduled pay increase will take effect on January 1, 2010 instead of on May 1, 2009. Further, 50 percent of the additional holiday pay will be cancelled in 2009 as well as in the coming year. On top of that, no Christmas bonus will be paid this year. Next year, 50 percent of the agreed Christmas bonus is initially guaranteed, whereas the second half of the bonus will be paid out in April 2011 depending on the achievement of certain key company earnings figures. The agreement also calls for the retroactive payment of the cancelled holiday bonuses in 2012 and 2013 if certain goals are reached. Premiums have also been cancelled and the elimination of up to 35 jobs was agreed. In return,

SAF-HOLLAND will provide a guarantee that the production facilities in Wörth and Bessenbach will continue operations until at least June 30, 2013. The employment guarantee for 710 employees in the core workforce is valid for one more year. SAF-HOLLAND also guarantees a training rate of at least 5.5 percent at the locations in Germany. The North Americans salaried workforth also each took a one week unpaid forlough in the second quarter. Also in Germany senior staff and management are also making a contribution to the restructuring of the Company: they have already foregone bonus payments as well as a portion of their annual holiday entitlement and components of their remuneration. With these measures along with shortened working times we are counteracting the clear underutilization of capacities and adjusting our cost structures accordingly. Our goal is to forego any terminations of employment for operational reasons wherever possible.

As of the balance sheet date on June 30, 2009, the number of employees on a Group-wide basis fell to 2,325 (December 31, 2008: 2,421); the average number of employees in the first half year decreased to 2,291 (previous year: 3,037). These reductions were carried out in accordance with the agreed redundancy program. Currently, there are still 125 of a previous 140 employees in an employment company. About 90 employees will leave at the end of September, and those remaining will leave at the end of December 2009 and the end of January 2010. We are applying shortened working times in both the production and administrative areas of the Company. Here, work will be stopped on 2 or 3 days per week.

II.11 Research and Development

In Research and Development, EUR 6.3 million (previous year: 6.0) was invested in the period under review. Of this total, EUR 0.5 million (previous year: 0) development expenses were capitalized in the first half year. The R&D ratio was 2.9 % (previous year: 1.3). Within the scope of its premium strategy, SAF-HOLLAND, with its innovative products for trucks and trailers, focuses on providing our end users – including transport companies and fleet operators – with cost saving solutions. The Company is currently benefitting primarily from the technology transfer between North America and Europe: in the period under review the manufacture of axle systems was launched in the USA. We are now taking advantage of our own value-added production since the purchase from third-party manufacturers is no longer necessary. In addition, new framework agreements with important customers have been secured.

III EVENTS AFTER THE BALANCE SHEET DATE

III.1 Supplementary Labor Agreement

In July 2009, SAF-HOLLAND reached a supplementary labor agreement with IG Metall in Germany. As a result, we will save an amount in the single-digit million range in this and next year. The agreement essentially calls for reductions in holiday and Christmas bonuses. Location and employment guarantees until mid 2013 respectively 2014 were granted in return. Additional information can be found in the section "Employees" beginning on page 17.

III.2 Expansion of the Management Board

Dr. Martin Kleinschmitt (49), Member of the Executive Board at NSL Consulting AG, Berlin, was appointed to the Management Board as Chief Restructuring Officer. As a renowned expert and experienced interim manager, he will support the restructuring of the Company. Martin Kleinschmitt previously worked as CFO of our German subsidiary SAF-HOLLAND GmbH on an interim basis from 2002 until March 2005. He has an excellent reputation among our banks and shareholders.

III.3 Standstill Agreement

The financing banks have announced their intention to constructively support the financial restructuring of the Company. With the execution of the reorganizational measures implemented by SAF-HOLLAND, they see the probability that SAF-HOLLAND can continue operations as good. At the same time, the current standstill agreement was not extended beyond July 31, 2009. Instead, a new sustainable concept will be quickly developed. In August, the Company's lenders proposed the transfer of the Company's operating business to a trustee. The implementation of the proposal would mean that SAF-HOLLAND S.A. would, for the most part, be legally separated from the operating business and the assets of the Group. At the same time, the operating business of the Company would be sustainably supported and financially secured.

IV RISK REPORT

A proposal from the banks submitted in August calls for the separation of the operating business of the Company and its assets from SAF-HOLLAND S.A. This model would provide a sustainable support and financial security for the operating business. It would also mean that the shares would be separated from the assets and the ongoing business of the Company. This proposal still lacks an economic framework which is to be negotiated. Shareholders must also approve the proposal at an Extraordinary Annual General Meeting.

Compared with the risk profile at the end of 2008 fiscal year, as outlined in the risk report contained in the annual report, the Group has experienced no change. The consolidated financial statements of SAF-HOLLAND are predicated on the assumption that business operations can be continued in the future ("going concern"). This assessment was subject to one significant uncertainty factor, which currently still cannot be conclusively assessed. As of the balance sheet date on June 30, 2009, the Group's long-term financing had not yet been secured. Despite this uncertainty, the Company assumes that SAF-HOLLAND S.A. will be able to continue its business operations and satisfy its payment obligations. We have taken numerous measures in order to adapt the Company and its cost situation to the new economic conditions. The Group can implement the steps required by the preliminary expert opinion on restructuring.

All additional risks that can be directly influenced by the Group are manageable. The preservation of liquidity is the current focus of risk management.

V OUTLOOK

We expect demand to continue to be weak in 2009. Initial indications of a stabilization of the markets in North America are currently recognizable, but we do not expect an appreciable recovery until the fourth quarter. In the mid-term, our business in the USA should benefit from new braking regulations which take effect from 2011: these regulations require that braking distances for new trucks be reduced by 30 %. This could lead to a significant increase in demand for disc brakes, where SAF-HOLLAND has a technology advantage. In Europe, the situation in the truck and trailer market continues to be weak and burdens primarily the sales and earnings situation in our Trailer Systems Business Unit. Good progress, on the other hand, is being made in our European Aftermarket Business Unit with which we are constantly generating new business and significantly expanding our service network. Generally, the spare parts business is also an early indicator for the future development in the truck and trailer area.

Despite a number of positive indicators, we currently assume that annual sales in 2009 will fall substantially below the level achieved in the previous year. This will also result in a significant decline in earnings. Now that EUR 16 million has already been saved in 2008, we will continue to rapidly reduce costs in this year in order to achieve our goal of about EUR 60 million in cost reductions as quickly as possible. We will also further reduce net working capital by the end of the year.

In the long term, demand for transport capacities will continue to increase in a globalized economy. On the basis of our worldwide presence and our high-quality, comprehensive product range, we will benefit from this as soon as demand for trucks and trailers recovers.

Consolidated Interim Financial Statements

23	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
24	CONSOLIDATED BALANCE SHEET
25	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
26	CONSOLIDATED CASH FLOW STATEMENT
27	NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
27	1 CORPORATE INFORMATION
27	2 SIGNIFICANT ACCOUNTING POLICIES
28	3 SEASONAL EFFECTS
28	4 SCOPE OF CONSOLIDATION
28	5 SEGMENT INFORMATION
30	6 INCOME TAXES
30	7 CASH AND CASH EQUIVALENTS
31	8 INCOME TAXES RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME
31	9 EARNINGS PER SHARE
31	10 INTEREST-BEARING LOANS AND BORROWINGS
33	11 OTHER FINANCIAL LIABILITIES
34	12 RELATED PARTY DISCLOSURES
35	13 CASH FLOW STATEMENT
35	14 EVENTS AFTER THE BALANCE SHEET DATE

Consolidated Statement of Comprehensive Income

kEUR	Notes	01/01/09 – 06/30/09	01/01/08 – 06/30/08	04/01/09 – 06/30/09	04/01/08 – 06/30/08
Sales	(5)	213,280	457,981	101,220	238,705
Cost of sales		-178,645	-377,002	-85,519	-196,185
Gross profit		34,635	80,979	15,701	42,520
Other income		872	1,180	537	839
Selling expenses		-19,156	-23,509	-8,778	-12,953
Administrative expenses		-17,948	-19,542	-8,873	-9,846
Research and development costs		-5,805	-6,035	-2,768	-3,324
Operating loss/profit	(5)	-7,402	33,073	-4,181	17,236
Finance income		1,179	338	1,067	182
Finance expenses		-13,719	-8,382	-6,677	-3,333
Share of net profit of investments accounted for using the equity method		231	429	-216	209
Loss/profit before tax		-19,711	25,458	-10,007	14,294
Income tax income/expenses	(6)	2,807	-8,166	1,442	-4,632
Loss/profit for the year		-16,904	17,292	-8,565	9,662
Other comprehensive income					
Exchange differences on translation of foreign operations		1,725	-30	-3,225	1,186
Changes in fair values of derivatives designated as hedges, recognized in equity	(11)	443	8	544	2,834
Income taxes on valuation adjustments offset directly against equity	(8)	-3,877	19	-1,208	-886
Other comprehensive income, net of tax		-1,709	-3	-3,889	3,134
Comprehensive income for the year, net of tax		-18,613	17,289	-12,454	12,796
Attributable to equity holders of the parent		-18,613	17,289	-12,454	12,796
Earnings per share EUR	(9)	-0.82	0.92		

Consolidated Balance Sheet

kEUR	Notes	06/30/09	12/31/08
ASSETS			
Non-current assets		340,747	350,537
Goodwill		54,376	54,284
Intangible assets		146,279	148,321
Property, plant and equipment		116,230	117,744
Investments accounted for using the equity method	(4)	7,044	11,046
Financial assets		140	140
Other non-current assets		3,093	2,738
Deferred tax assets		13,585	16,264
Current assets		166,217	183,948
Inventories		66,274	85,812
Trade receivables		70,555	82,348
Other current assets		13,748	4,880
Income tax assets		1,397	2,351
Cash and cash equivalents	(7)	14,243	8,557
Non-current assets classified as held for sale	(4)	-	2,887
Total assets		506,964	537,372
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent		53,457	72,070
Subscribed share capital		207	207
Share premium		106,454	106,454
Legal reserve		21	19
Retained earnings		-37,463	-20,686
Accumulated other comprehensive income		-15,762	-13,924
Non-current liabilities		69,457	66,213
Pensions and other similar benefits		11,587	11,843
Other provisions		5,249	5,167
Interest bearing loans and borrowings	(10)	5,779	-
Finance lease liabilities		283	508
Other financial liabilities	(11)	9,806	10,020
Other liabilities		547	499
Deferred tax liabilities		36,206	38,176
Current liabilities		384,050	399,089
Pensions and other similar benefits		2,739	2,712
Other provisions		10,835	13,892
Income tax liabilities		4,416	2,813
Interest bearing loans and borrowings	(10)	307,202	312,396
Finance lease liabilities		455	475
Trade payables		49,412	60,443
Other liabilities		8,991	6,358
Total liabilities and equity		506,964	537,372

Consolidated Statement of Changes in Equity

2009						
Attributable to equity holders of the parent						
kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings	Accumulated other com- prehensive income (Note 8)	Total equity
As of 01/01/2009	207	106,454	19	-20,686	-13,924	72,070
Comprehensive income for the year	-	-	-	-16,904	-1,709	-18,613
Transfer in legal reserve	-	-	2	-2	-	-
Other reclassifications	-	-	-	129	-129	-
As of 06/30/2009	207	106,454	21	-37,463	-15,762	53,457

2008						
Attributable to equity holders of the parent						
kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings	Accumulated other com- prehensive income (Note 8)	Total equity
As of 01/01/2008	188	93,146	-	12,317	2,506	108,157
Comprehensive income for the year	-	-	-	17,292	-3	17,289
Transfer in legal reserve	-	-	19	-19	-	-
Dividends paid	-	-	-	-8,000	-	-8,000
As of 06/30/2008	188	93,146	19	21,590	2,503	117,446

Consolidated Cash Flow Statement

kEUR	Notes	01/01/09 -06/30/09	01/01/08 -06/30/08
Cash flow from operating activities			
Loss/profit before tax		-19,711	25,458
- Finance income		-1,179	-338
+ Finance expenses		13,719	8,382
- Share of net profit of investments accounted for using the equity method		-231	-429
+ Amortization and depreciation of intangible assets and property, plant and equipment		10,922	9,253
+/- Allowance/write-up of current assets		383	-416
+/- Loss/gain on disposal of property, plant, and equipment		202	-564
+ Dividends from investments accounted for using the equity method		706	-
Profit before change of net working capital		4,811	41,346
- Change in other provisions and pensions		-3,911	-2,639
+/- Change in inventories		22,840	-18,033
+/- Change in trade receivables and other assets		8,497	-22,550
-/+ Change in trade payables and other liabilities		-11,200	22,131
Cash flow from operating activities before income tax paid		21,037	20,255
+/- Income tax received/paid	(6)	752	-6,608
Net cash flow from operating activities		21,789	13,647
Cash flow from investing activities			
- Acquisition of subsidiaries net of cash acquired	(4)	-2,215	-3,270
+ Proceeds from sale associates	(4)	2,972	-
- Purchase of property, plant, and equipment		-5,357	-10,682
- Purchase of intangible assets		-532	-7,411
- Purchases of investments accounted for using the equity method		-11	-
+ Proceeds from sale of property, plant, and equipment		640	751
+ Interest received		52	286
Net cash flow from investing activities		-4,451	-20,326
Cash flow from financing activities			
- Payments for expenses relating to the IPO		-	-546
+ Proceeds from Management and Board of Directors loan	(10)	1,244	-
- Dividend payments to shareholders		-	-8,000
- Payments for finance lease		-206	-229
- Interest paid		-11,753	-7,748
- Repayments of current and non-current financial liabilities	(10)	-11,430	-256,999
+ Proceeds from current and non-current financial liabilities	(10)	10,516	273,400
Net cash flow from financing activities		-11,629	-122
Net increase/decrease in cash and cash equivalents		5,709	-6,801
Net foreign change difference		-23	-77
Cash and cash equivalents at the beginning of period	(7)	8,557	27,757
Cash and cash equivalents at the end of period	(7)	14,243	20,879

Notes to the Condensed Consolidated Interim Financial Statements

For the Period January 1 to June 30, 2009

1 CORPORATE INFORMATION

SAF-HOLLAND S.A. (the "Company") was incorporated on December 21, 2005 under the legal form of a "Société Anonyme" according to Luxembourg law. The registered office of the Company is in Luxembourg. The shares of the Company are listed in the Prime Standard of the Frankfurt Stock Exchange.

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of SAF-HOLLAND S.A. and its subsidiaries (the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and in effect as of the closing date.

The consolidated interim financial statements for the first half of 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting." As a rule, the same accounting policies and consolidation methods were applied as in the Group's annual financial statements for the fiscal year 2008. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 2008. New or revised standards and interpretations, of which the application is required beginning in the fiscal year 2009, are exceptions to the accounting principles stated in the 2008 annual report.

IAS 1 Presentation of Financial Statements (Revised 2007)

According to this standard, a company is required to disclose all changes in equity from transactions with owners in their capacity as owners separately from other changes in equity. The other changes in equity are disclosed in the statement of comprehensive income. According to the previous standard, these changes in equity had been presented in the statement of changes in equity. The Group has decided to present total comprehensive income in a single statement. In the future, the income statement will be referred to as the statement of comprehensive income and supplemented by the component "other comprehensive income." The presentation of the comparison period was modified accordingly.

Other relevant changes and revisions, which similarly must be applied as of January 1, 2009, are described in the 2008 annual report. However, they have no material impact on the consolidated interim financial statements.

The consolidated financial statements of SAF-HOLLAND S.A. were prepared under the assumption that the Company is a going concern. In general, significant uncertainties exist concerning the Company's continued existence which cannot be assessed conclusively at this time. The assessment of the Company's continued existence is mainly subject to uncertainty as to the results of the negotiations with the lending banks. Further details regarding the current status of negotiations are given in Notes 10, 14 and in the Group Interim Management Report.

During the preparation of the condensed consolidated interim financial statements, management must make assumptions and estimates which affect the reported amounts of assets, liabilities, income, expenses, and contingent liabilities as of the reporting date. In certain cases, actual amounts may deviate from these estimates.

Expenses and income incurred irregularly during the fiscal year were brought forward or deferred if it would also be appropriate to do so at the end of the fiscal year.

The consolidated interim financial statements and the interim management report have neither been audited nor reviewed by an auditing firm.

3 SEASONAL EFFECTS

Seasonal effects during the year can result in variations in sales and the resulting profits. Please see the Group Interim Management Report for further details regarding earnings development.

4 SCOPE OF CONSOLIDATION

In consideration of further consolidation and strategic development of activities in China, the reciprocal sale of shareholdings in the associates SAF AL-KO Vehicle Technology Yantai Co., Ltd. and Jinan SAF AL-KO Axle Co., Ltd. was agreed in share transfer agreements between SAF-HOLLAND GmbH, Bessenbach, Germany, and AL-KO Kober AG, Kötzt, Germany in the second quarter of 2009.

In the context of these contracts, the Group acquired the remaining 51.5% of shares in Jinan SAF AL-KO Axle Co., Ltd. as of April 1, 2009. In exchange, the 49% of shares in SAF AL-KO Vehicle Technology Yantai Co., Ltd. held up to that point were sold.

Until March 31, 2009, the shares in Jinan SAF AL-KO Axle Co., Ltd. were accounted for in the consolidated financial statements using the equity method. As of April 1, 2009, the company has been consolidated for the first time. Group sales increased as a result of this acquisition by EUR 0.8 million. The associate SAF AL-KO Vehicle Technology Yantai Co., Ltd. was classified as non-current asset held for sale since December 2008.

5 SEGMENT INFORMATION

For management purposes, the Group is organized into customer-oriented Business Units based on their products and services. The three reportable operating segments are the Business Units Trailer Systems, Powered Vehicle Systems, and Aftermarket. There has been no change in the division of operating segments since December 31, 2008. For more information, please see the notes of the 2008 annual report.

Management assesses the performance of the operating segments based on adjusted EBIT.

A reconciliation from operating result to adjusted EBIT is provided as follows:

kEUR	01/01/09–06/30/09	01/01/08–06/30/08
Operating loss/profit	-7,402	33,073
Share of net profit of investments accounted for using the equity method	231	429
EBIT	-7,171	33,502
Additional depreciation and amortisation from PPA	3,449	3,026
Step-up inventory PPA	-	268
Restructuring and integration costs	2,383	685
Adjusted EBIT	-1,339	37,481

Information on segment sales and earnings for the period from January 1 to June 30:

kEUR	2009				Consolidated
	Business Units			Adjustments/ eliminations	
	Trailer Systems	Powered Vehicle Systems	Aftermarket		
Sales	89,459	48,933	74,888	-	213,280
Adjusted EBIT	-19,580	4,922	15,359	-2,040	-1,339

kEUR	2008				Consolidated
	Business Units			Adjustments/ eliminations	
	Trailer Systems	Powered Vehicle Systems	Aftermarket		
Sales	327,782	37,009	93,190	-	457,981
Adjusted EBIT	22,327	1,597	14,942	-1,385	37,481

Adjustments and eliminations include expenses of the parent company as well as other expenses and income which are not allocated to any Business Unit.

Please see the Group Interim Management Report regarding earnings development.

Allocation of assets to the operating segments as of June 30, 2009 compared to December 31, 2008:

kEUR	Business Units			Adjustments/ eliminations	Consolidated
	Trailer Systems	Powered Vehicle Systems	Aftermarket		
As of 06/30/2009	249,176	91,932	143,830	22,026	506,964
As of 12/31/2008	294,651	79,789	136,818	26,114	537,372

Assets of the Business Units do not include items accounted for using the equity method, deferred tax assets, and income tax assets, as these assets are managed on a Group basis.

6 INCOME TAXES

The major components of income taxes are as follows:

kEUR	01/01/09-06/30/09	01/01/08-06/30/08
Current income taxes	-165	-8,156
Deferred income taxes	2,972	-10
Income tax reported in the consolidated statement of comprehensive income	2,807	-8,166

The effective tax rate in the first half of 2009 was 14.2 %, compared to 32.1 % in the first half of 2008.

7 CASH AND CASH EQUIVALENTS

kEUR	06/30/09	12/31/08
Cash at banks and on hand	13,747	7,926
Short-term deposits	496	631
Total	14,243	8,557

8 INCOME TAXES RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

kEUR	06/30/09			06/30/08		
	Before tax amount	Tax expenses(-)/benefit (+)	Net of tax amount	Before tax amount	Tax expenses(-)/benefit (+)	Net of tax amount
Exchange differences on translation of foreign operations	1,725	-3,702	-1,977	-30	-	-30
Changes in fair values of derivatives designated as hedges, recognized in equity	443	-175	268	8	19	27
Total	2,168	-3,877	-1,709	-22	19	-3

9 EARNINGS PER SHARE

Earnings per share is calculated by dividing the result for the period attributable to shareholders of SAF-HOLLAND S.A. by the average number of shares outstanding. Earnings per share can be diluted by potential ordinary shares. Newly issued or repurchased shares are taken into account on a pro rata basis during the period in which they are in circulation.

	06/30/09	06/30/08
Result of the period	kEUR -16,904	17,292
Weighted average number of shares outstanding	thousands 20,702	18,837
Earnings per share	EUR -0.82	0.92

No dilutive effects occurred during the period under review or in the comparison period for 2008.

10 INTEREST-BEARING LOANS AND BORROWINGS

kEUR	Non-current		Current		Total	
	06/30/09	12/31/08	06/30/09	12/31/08	06/30/09	12/31/08
Interest bearing collateralized bank loans	-	-	301,318	305,869	301,318	305,869
Management and Board of Directors loans	1,235	-	-	-	1,235	-
Bank overdrafts	-	-	4,543	4,539	4,543	4,539
Accrued interests	44	-	1,341	1,347	1,385	1,347
Other loans	4,500	-	-	641	4,500	641
Total	5,779	-	307,202	312,396	312,981	312,396

In order to improve the liquidity situation, additional loan agreements were arranged with members of management and the Board of Directors as well as a longstanding customer in Europe in February 2009. The credit agreement with the customer for EUR 4.5 million has a term of 18 months. The interest rate consists of the prevailing Euribor rate plus a 2% margin. Certain assets of the Group, which are not considered as belonging to the core business, serve as collateral for the loan. The management and Board of Director loans for EUR 1.2 million have a term of 24 months. The interest rate is 10% and payment is due in full on maturity. No collateral was provided for the loans.

On February 19, 2008, SAF-HOLLAND S.A. concluded an agreement with a consortium of banks that replaced the previous LBO financing arrangement and ensured a supply of short-and long-term finance at more favorable interest rates. By means of the new consortium agreement, borrowed funds amounting to EUR 325 million will be provided within a period of five years. The agreement consists of a Euro tranche (the A1 facility), a US-Dollar tranche (the A2 facility), and a multi-currency revolving credit line (the B facility). These tranches are shown in the following table:

kEUR	06/30/09		
	Amount drawn under the term loans	Nominal value after deducting incidental financing costs	Available facility
Facility A1	71,911	71,911	71,911
Facility A2	58,945	58,945	58,945
Facility B	170,462	170,462	185,000
Total	301,318	301,318	315.856

In May 2009, the A1 facility and the A2 facility were reduced by EUR 5.7 million as planned.

As a result of the consortium credit agreement reached on February 19, 2008, the Company committed itself to maintaining certain financial covenant levels.

Due to extremely changing markets and a subsequent substantial decline in business since the fourth quarter of 2008, the Group was unable to maintain the financial covenants as of December 31, 2008, March 31 and June 30, 2009, despite comprehensive and promptly introduced measures. Failure to do so generally entitles the bank consortium to call in the loans. The negotiations begun with the bank consortium to adjust the credit conditions to the altered economic environment led to the conclusion of a standstill agreement.

The standstill agreement encompasses the following core elements:

- Increase in the interest margin from 1.6 % to 4 %;
- Suspension of the financial covenants as of December 31, 2008, and March 31, 2009;
- Extensive granting of guarantees in the form of commercial real estate mortgages, pledging of Group bank accounts, and the assignment of other assets as security;
- Preparation and presentation of an expert restructuring opinion on the financial restructuring ability by the auditing firm KPMG;
- Development of a new financing concept after presentation of the expert restructuring opinion

The preliminary expert restructuring opinion was completed by KPMG at the beginning of May 2009 and in June it was approved by the consortium of banks. The expert opinion confirms the Group's ability to restructure. As a result of continued weak business development and the slower than expected stock disposal at our customers, particularly in the area of Trailers in Europe, the preliminary expert opinion from KPMG will be updated. At the same time, the current standstill agreement was not extended beyond July 31, 2009. The financing banks have announced their intention to constructively support the financial restructuring of the Group. On August 11, the Company's lenders proposed the transfer of the Company's operating business to a trustee. The implementation of the proposal would mean that SAF-HOLLAND S.A. would, for the most part, be legally separated from the operating business and the assets of the Group. Following agreement on the economic framework conditions, the Annual General Meeting must make a decision on the model.

11 OTHER FINANCIAL LIABILITIES

The Group is exposed to interest rate risks as a result of its financing activities. To hedge this cash flow risk, the Group holds (unchanged) interest rate swaps and prolongation options for these swaps.

The market values of derivatives as of the balance sheet date are as follows:

	Interest rate swaps	Prolongation options for interest rate swaps	Total
Fair value as of 01/01/09	4,717	5,303	10,020
Changes recognized in equity (before tax)	-443	-	-443
Changes recognized in profit or loss (before tax)	-322	489	167
Foreign currency translation	25	37	62
Fair value as of 06/30/09	3,977	5,829	9,806

12 RELATED PARTY DISCLOSURES

Management Board und Board of Directors

When his contract expired on February 28, 2009, CEO Mr. Rudi Ludwig resigned from operational business for personal reasons and at his own request. He remains a member of the Board of Directors. Dr. Reiner Beutel was appointed to succeed him on the Management Board as CEO.

Effective August 1, 2009, Dr. Martin Kleinschmitt was appointed to the Management Board as Chief Restructuring Officer.

With effect from February 1, 2009, Dr. Reiner Beutel was newly appointed to the Board of Directors. In addition, Dr. Rolf Bartke, previously Chairman of the SAF-HOLLAND S.A. Board of Directors, resigned from the Board as of January 31, 2009 for personal reasons and at his own request. On March 27, 2009, Mr. Bernhard Schneider – member of the Board of Directors since June 18, 2007 – was elected as Chairman of the Board of Directors as the successor of Dr. Rolf Bartke.

Further details regarding loans granted in February 2009 by members of management and the Board of Directors are provided in Note 10.

Transactions with related parties and companies in which the key management personnel of the Group hold key management positions

kEUR	01/01/09–06/30/09		01/01/08–06/30/08	
	Sales to related parties	Purchases from related parties	Sales to related parties	Purchases from related parties
Jinan SAF AL-KO Axle Co., Ltd.	58 ¹⁾	– ¹⁾	372	526
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	– ¹⁾	57 ¹⁾	2	311
SAF-HOLLAND Nippon, Ltd.	149	–	70	–
Lakeshore Air LLP	–	42	–	165
FWI S.A.	–	5,015	–	10,056
Irwin Seating Company ²⁾	599	–	694	–
	806	5,114	1,138	11,058

1) SAF AL-KO Vehicle Technology Yantai Co., Ltd. and Jinan SAF AL-KO Axle Co., Ltd. are included in the disclosures on income and expenses on a pro rata basis until March 31, 2009 as a result of the reciprocal sale of shareholdings (see Note 4).

2) The Irwin Seating Company is a company in which a member of the Group's management holds a key management position.

kEUR	06/30/09		12/31/08	
	Amounts owed by related parties	Amounts owed to related parties	Amounts owed by related parties	Amounts owed to related parties
SAF-HOLLAND Nippon, Ltd.	119	224	61	–
Lakeshore Air LLP	–	–	–	25
FWI S.A.	–	66	–	921
Irwin Seating Company ¹⁾	104	–	125	–
	223	290	186	946

1) The Irwin Seating Company is a company in which a member of the Group's management holds a key management position.

13 CASH FLOW STATEMENT

Please see the Group Interim Management Report for further explanations of the cash flow statement.

14 EVENTS AFTER THE BALANCE SHEET DATE

As a result of continued weak business development and the slower than expected stock disposal at our customers, particularly in the area of Trailers in Europe, the preliminary expert opinion from KPMG will be updated. At the same time, the current standstill agreement was not extended beyond July 31, 2009. The financing banks have announced their intention to constructively support the financial restructuring of the Group. On August 11, the Company's lenders proposed the transfer of the Company's operating business to a trustee. The implementation of the proposal would mean that SAF-HOLLAND S.A. would, for the most part, be legally separated from the operating business and the assets of the Group. Following agreement on the economic framework conditions, the Annual General Meeting must make a decision on the model. Further details are given in Note 10 and the Group Interim Management Report.

The effects of the insolvency announcement of Kögel Fahrzeugwerke GmbH in August 2009 were not included in the interim financial statements, as the outstanding amount of EUR 0.5 million is covered by a credit insurer and the remaining amount by existing reservations of proprietary rights.

In July 2009, the Group reached a supplementary labor agreement with IG Metall. The agreement essentially calls for reductions in holiday and Christmas bonuses. Locations and employment guarantees until the middle of 2013 respectively 2014 were granted in return.

No further material events have occurred since the reporting date.

Responsibility Statement

To the best of our knowledge, and in accordance with all applicable financial principles for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group's interim management report provides fair review of the development and performance of the Group's business and position, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the fiscal year.

Luxembourg, August 2009
SAF-HOLLAND S.A.



Bernhard Schneider
Chairman of the Board of Directors

Financial Glossary

Adjusted EBIT: Earnings before interest and taxes (EBIT) is adjusted for special items, such as depreciation and amortization from purchase price allocations, impairment of goodwill and intangible assets as well as restructuring and integration costs.

Average sales per employee: Sales/average employees.

Business Units: For management purposes, the Group is organized into customer-oriented Business Units (Trailer Systems, Powered Vehicle Systems, and Aftermarket).

Effective income tax rate: Income tax/earnings before tax x 100.

Equity ratio: Equity/total assets x 100.

Fair value: Amount obtainable from the sale in an arm's length transaction between knowledgeable, willing parties.

Free float: The free float of a public company is an estimate of the proportion of shares that are not held by major owners.

IFRS/IAS: (International Financial Reporting Standards/International Accounting Standards): The standard international accounting rules are intended to make company data more comparable. Under the EU resolution, accounting and reporting at exchange-listed companies must be done in accordance with these rules.

Inventory turnover rate: Inventories/cost of sales per day.

Net working capital: Current assets minus cash and cash equivalents minus other provisions minus income tax liabilities minus trade payables minus other current liabilities.

Prime Standard: Prime Standard is a market segment of the German Stock Exchange that lists German companies which comply with international transparency standards.

R&D ratio: $\text{R\&D costs and capitalized development costs} / \text{sales} \times 100$.

SDAX: The SDAX is the selection stock market index for 50 smaller companies in Germany, "small caps".

Technical Glossary

Fifth wheel

Mounts with the kingpin and serves to secure the semi-trailer to the tractor unit.

In addition to its traditional products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel and especially lightweight aluminum designs.

Suspension

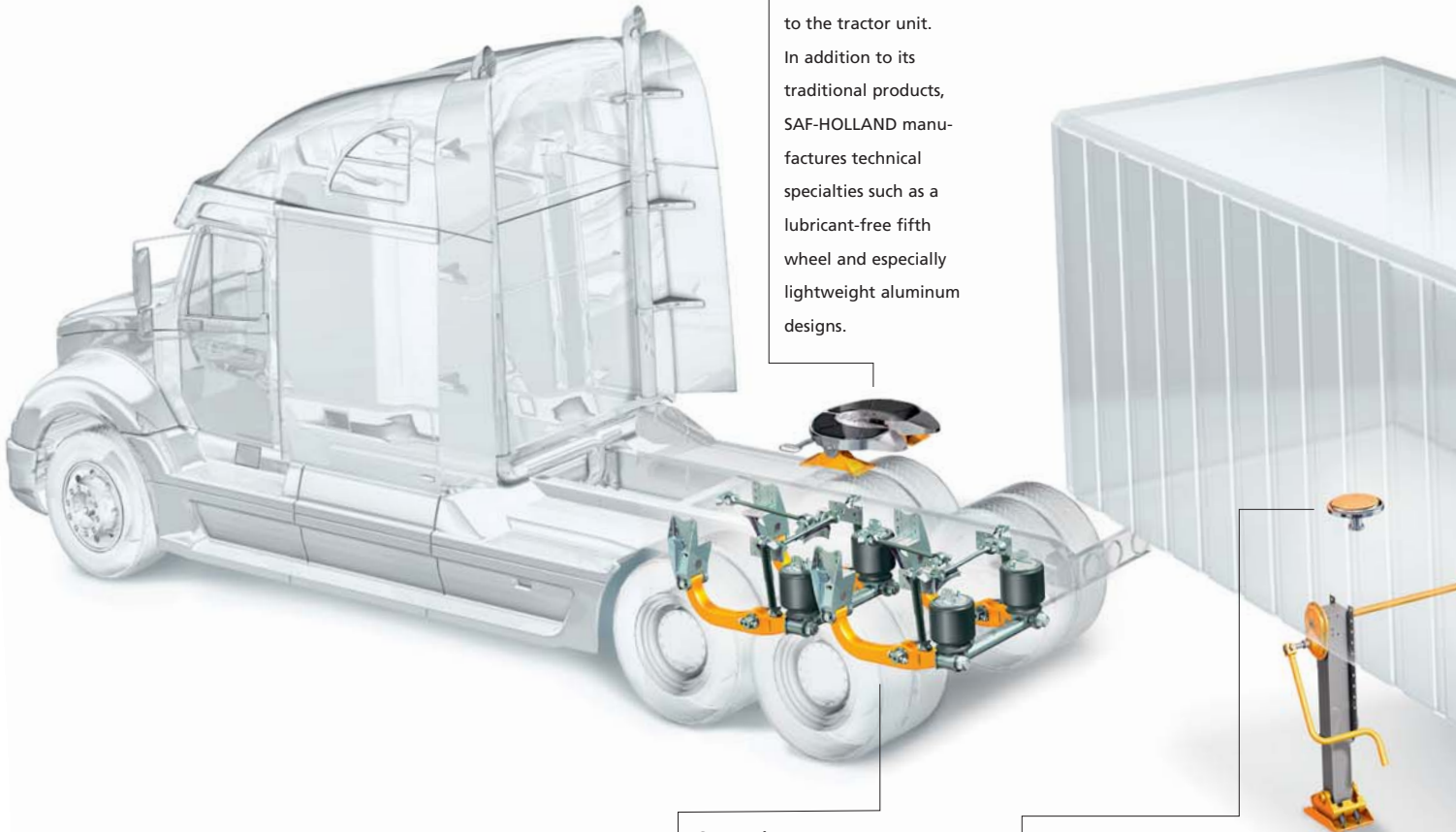
The suspension creates the link between the axle and the vehicle in order to compensate for road irregularities and improve maneuverability. The SAF-HOLLAND suspension system with its modular design can be used for up to three interlinked powered axles. Each axle is suspended individually. Suitable for gross vehicle weights of between 10 and 40 tons.

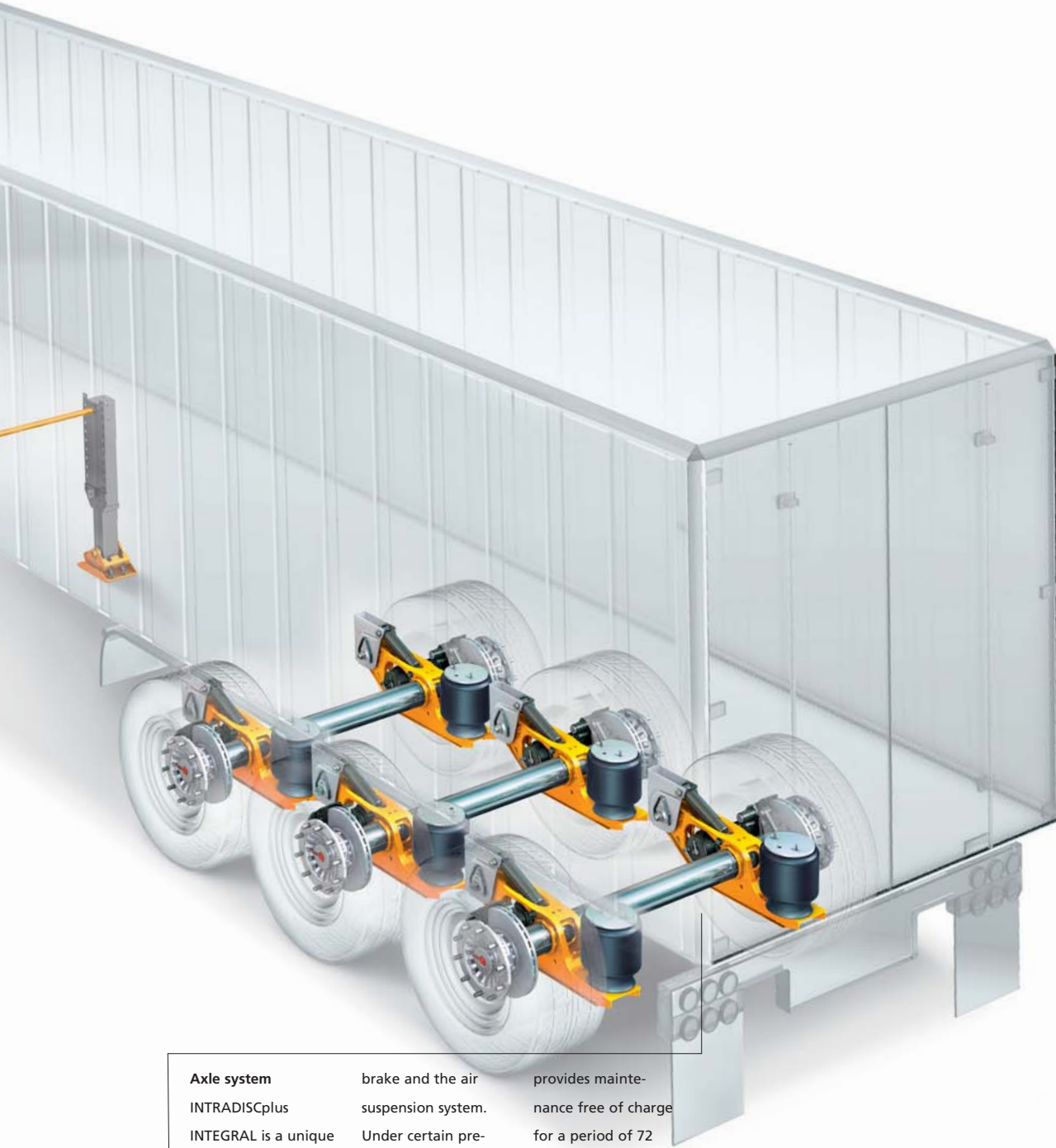
Kingpin

Mounts on the semi-trailer and couples with the tractor fifth wheel. SAF-HOLLAND products are sold around the world and are among the safest on the market.

Landing legs

Retractable legs that support the front of a semi-trailer when it is not secured to the tractor unit. SAF-HOLLAND landing legs have a special coating that increases their service life significantly.





Axle system

INTRADISplus
INTEGRAL is a unique pre-axle system for trailers, which consists of the axle itself fitted with a disk

brake and the air suspension system. Under certain pre-conditions, and taking into account the existing warranty terms, SAF-HOLLAND

provides maintenance free of charge for a period of 72 months or 1 million kilometers for the INTRA ALL-IN axle system.

Financial Calendar and Contact Information

Financial Calendar

November 19, 2009 Report on 2009 Q3 results

Contact Information

SAF-HOLLAND Group GmbH
Barbara Zanzinger
Hauptstraße 26
63856 Bessenbach
Germany

Tel.: +49 (0)6095 301 617

Fax: +49 (0)6095 301 102

Web: www.safholland.com

Email: barbara.zanzinger@safholland.de

Imprint

Responsible:
SAF-HOLLAND S.A.
68–70, Boulevard de la Pétrusse
2320 Luxembourg
Luxembourg

Editorial deadline: August 24, 2009
Date of publication: August 25, 2009
Editorial office: Cortent Kommunikation AG, Frankfurt am Main
Design and realization: wagneralliance Werbung GmbH, Offenbach am Main
Translated by: MBETraining & Translation, Wiesbaden

This report is also available in German.

Legal Disclaimer

This report contains certain statements that are neither reported financial results nor other historical information. This report contains forward-looking statements, which as such are based on certain assumptions and expectations made at the time of publication of the report. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies, and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. SAF-HOLLAND S.A. does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

