

SAF-HOLLAND: Sales Growth in the First Nine Months, Operating Earnings at Last Year's Level

- **Adjusted EBIT of EUR 46.4 million**
- **Sales rise to EUR 646.3 million, adjusted for exchange rate effects to EUR 673.2 million**
- **Full year 2008: Sales of EUR 820 million and EBIT margin of about 6 percent expected**

Luxembourg, November 19, 2008 – In the first nine months of 2008, SAF-HOLLAND S.A. achieved Group sales of EUR 646.3 million, corresponding to an increase of 5.4 percent over the comparable period of the previous year. Adjusted earnings before interest and taxes (EBIT) of EUR 46.4 million (previous year: EUR 46.6 million) remained stable. The European trailer business was an important driver of growth in the first half of 2008. However, the intensifying bank crisis and its effects on the industry slowed sales development in the third quarter. During this period, sales totaled EUR 188.3 million (previous year: EUR 201.8 million); adjusted for exchange rate effects, sales were EUR 194.7 million.

For the period from January through September 2008, profit was EUR 18.4 million (previous year: EUR 14.7 million), primarily as a result of the solid performance in the first half of 2008. In the last three months of the period under review, profit declined to EUR 1.1 million. The impact of underutilization of production capacity was the most important factor. In addition, it is possible to pass higher prices for materials along to customers only after a delay. The adjusted EBIT margin during the period from January to September amounted to 7.2 percent (previous year: 7.6 percent).

Rudi Ludwig, CEO of the SAF-HOLLAND Group, commented: “The business environment has deteriorated to such an extent in recent months

Ansprechpartner
Barbara Zanzinger
Investor und Public Relations
Tel:+49 (0) 6095 301617
Fax:+49 (0) 6095 301
ir@safholland.de
www.safholland.com

Herausgeber
SAF-HOLLAND GmbH
Hauptstraße 26
D-63856 Bessenbach



that the industry could be facing a difficult period. Therefore, we are adjusting our cost structures to new market conditions as quickly as possible. By the end of the year, we will have introduced all of the measures necessary to position the Company well for 2009. We remain committed to our long-term growth strategy even though we cannot achieve our goals in the originally designated time frame.”

Market position improved for the Powered Vehicle Systems Business Unit

Despite a muted business environment, a noticeable revival of the Powered Vehicle Systems Business Unit that began in the second quarter continued during the past three months. Thus, the Business Unit was able to boost sales in the third quarter by 23.2 percent to EUR 23.4 million (previous year: EUR 19.0); adjusted for exchange rate effects, sales even rose by 35.3 percent to EUR 25.7 million. During the months from January to September 2008, the Business Unit’s sales totaled EUR 60.4 million (previous year: EUR 64.1 million); adjusted for exchange rate effects, sales climbed to EUR 68.3 million. The Business Unit will benefit from additional growth stimuli in the future as a result of its entry into the European fifth wheel business via the acquisition of Georg Fischer Verkehrstechnik GmbH at the beginning of October 2008.

Product range expanded in the Trailer Systems Business Unit

The business performance of the Trailer Systems Business Unit was characterized by a strong first half of the year and a weak third quarter. Overall, sales during the nine-month period grew by 10.9 percent to EUR 451.3 million (previous year: EUR 407.0 million); adjusted for exchange rate effects, sales rose by 13.1 percent to EUR 460.4 million. In the third quarter, sales declined as a result of the weaker market environment by 7.2 percent to EUR 123.5 million (previous year: EUR 133.7 million). As early as 2009, SAF-HOLLAND will commence production of its own axle systems in North America, thus rounding out its product range there for the trailer

Contact
Barbara Zanzinger
Investor und Public Relations
Tel:+49 (0) 6095 301617
Fax:+49 (0) 6095 301
ir@safholland.de
www.safholland.com

Editor
SAF-HOLLAND GmbH
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D-63856 Bessenbach



systems segment. Since the business combination of SAF and HOLLAND twenty months ago, progress has been made in facilitating technology transfer between the two predecessor companies.

Aftermarket Business Unit stabilizes business performance

In the first nine months of 2008, the Aftermarket Business Unit of SAF-HOLLAND generated sales of EUR 134.6 million (previous year: EUR 142.3 million); adjusted for exchange rate effects, sales totaled EUR 144.5 million. Of this amount, EUR 41.4 million (previous year: EUR 49.1 million) accrued in the third quarter; adjusted for exchange rate effects, sales totaled EUR 43.4 million. These months were characterized by a somewhat slow summer and market weakness in September. In total, the Business Unit is contributing to the Group's overall performance with a share of sales of 21.5 percent and an EBIT margin of 16.2%.

Financial structure influenced by capital increase and acquisition

As of September 30, total assets increased to EUR 592.3 million (12/31/2007: EUR 554.6 million). Equity rose to almost EUR 130 million (12/31/2007: EUR 108.2 million), driven in part by proceeds from a capital increase of about EUR 14 million in September. The equity ratio climbed to 21.9 percent (12/31/2007:19.5 percent). Reflecting the acquisition of the landing leg business of Austin-Westran and exchange rate effects, as of September 31, 2008 total short- and long-term loans amounted to EUR 282.6 million (12/31/2007: EUR 262.9 million). As of the same reporting date, cash flow from operating activities amounted to EUR 30.9 million (previous year: EUR 40.0 million). Its decline essentially mirrors the relationship of higher inventories to weaker sales. The combination of high demand for products in the early months of 2008, plant relocations, and the setting up of the Group's own axle production in North America led to an increase in inventories. In September, SAF-HOLLAND initiated a project to reduce net working capital in the second half of the year by about EUR 20 million.

Contact
Barbara Zanzinger
Investor und Public Relations
Tel:+49 (0) 6095 301617
Fax:+49 (0) 6095 301
ir@safholland.de
www.safholland.com

Editor
SAF-HOLLAND GmbH
Hauptstraße 26
D-63856 Bessenbach

Number of employees rose slightly

During the nine months ended September 30, the Company had an average of 3,061 employees (12/31/2007: 2,996). The primary cause for the increase was the purchase of the landing leg business of Austin-Westran. Initial measures to adjust capacity to changing market conditions included the termination of approximately 130 subcontractor employment agreements.

Outlook

For the full year 2008, the Company expects slight sales growth to about EUR 820 million (previous year: EUR 812.5 million), representing slower growth than had been anticipated prior to the economic downturn. The adjusted EBIT margin should reach about 6 percent (previous year: 7.4 percent), reflecting the impact of capacity underutilization through the end of the year caused by a distinct decline in orders. SAF-HOLLAND has introduced a series of programs to boost efficiency and reduce costs. In an initial step, employment agreements with contractors and temporary workers were terminated. By the end of the year, the number of employees is to decrease further. In addition, the closure of production sites in Europe and North America is planned. Additional projects, for example to reduce logistics costs, are underway or are close to being completed. These measures will help SAF-HOLLAND in fiscal year 2009 against the backdrop of a weaker market environment. The Group expects to benefit from the acquisitions of Georg Fischer Verkehrstechnik GmbH and Austin-Westran's landing leg product line. Additional factors are the start of axle production in North America as well as pending new major orders, which would generate additional growth in North America and China. The latter confirm SAF-HOLLAND's strong position as a systems supplier as the orders encompass the entire product range for trailers. The Group reiterates its long-term goal of achieving sales of at least one billion Euro combined with an EBIT margin of 10%.

Contact
Barbara Zanzinger
Investor und Public Relations
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ir@safholland.de
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Key Figures

€ m	Q1–Q3 2008	Q1–Q3 2007	Q3 2008	Q3 2007
Sales	646.3	613.4	188.3	201.8
<i>Net of exchange rate effects</i>	<i>673.2</i>	<i>613.4</i>	<i>194.7</i>	<i>201.8</i>
Gross profit	109.2	109.1	28.2	35.1
<i>Gross margin in %</i>	<i>16.9</i>	<i>17.8</i>	<i>15.0</i>	<i>17.4</i>
Adjusted EBITDA¹	56.1	55.2	12.4	19.0
<i>Adjusted EBITDA margin in %</i>	<i>8.7</i>	<i>9.0</i>	<i>6.6</i>	<i>9.4</i>
Adjusted EBIT²	46.4	46.6	8.9	16.3
<i>Adjusted EBIT margin in %</i>	<i>7.2</i>	<i>7.6</i>	<i>4.7</i>	<i>8.1</i>
Profit/loss for the period	18.4	14.7	1.1	11.7
Earnings per share³ (in €)	0.97	0.77	0.06	0.62

1 Adjusted EBITDA is defined as EBITDA before additional costs from the higher valuation of inventories in connection with purchase price allocation (PPA) and transaction and integration costs.

2 Adjusted EBIT is defined as EBIT before additional depreciation and amortization, costs from the higher valuation of inventories in connection with purchase price allocation (PPA), and transaction and integration costs.

3 The basis for calculations during both reporting periods is the average weighted number of shares as of September 30, 2008.

Sales by Region

€ m	Q1–Q3 2008		Q1–Q3 2007		Q3/2008	Q3/2007
Europe	441.0	68.2%	381.9	62.3%	119.0	131.0
North America	205.3	31.8%	231.5	37.7%	69.3	70.8
Total	646.3	100.0%	613.4	100.0%	188.3	201.8

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Sales by Business Unit

€ m	Q1-Q3 2008		Q1-Q3 2007		Q3/2008	Q3/2007
Trailer Systems	451.3	69.9%	407.0	66.4%	123.5	133.7
Powered Vehicle Systems	60.4	9.3%	64.1	10.4%	23.4	19.0
Aftermarket	134.6	20.8%	142.3	23.2%	41.4	49.1
Total	646.3	100.0%	613.4	100.0%	188.3	201.8

Please note: The 2008 nine-month report of SAF-HOLLAND S.A. can be downloaded from the internet at <http://www.safholland.com/de/investor/berichte.html>.

Company Profile

With more than EUR 800 million in sales and approximately 3,000 employees, SAF-HOLLAND S.A. is one of the worldwide leading manufacturers and suppliers of premium product systems and components primarily for trailers as well as trucks, buses, and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, couplers, kingpins, and landing legs. SAF-HOLLAND customers include the majority of large truck and trailer producers all over the world. The products are sold to Original Equipment Manufacturers (OEMs) and Original Equipment Suppliers (OESs) by means of a global service and distribution network and via aftermarket channels directly to the end users and service garages. SAF-HOLLAND has therefore established itself as one of the few manufacturers in its sector that is internationally positioned with an extensive product range and a broad service network. SAF-HOLLAND S.A. has been listed in the Prime Standard of the Frankfurt Stock Exchange since June 2007.

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