Conference Call Q3 2009 Results

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Q3

Summary Q3 2009

- **September was the strongest sales month in 2009**
- **Sales of €m 316.4 (prev. year €m 646.3) in the first nine months 2009**
- **Stable Gross margin of 16.8% of sales (prev. year 16.9%)**
- **Adj. EBIT once again positive: €m 1.2**
- **Strong Cash flow performance: €m 29.1(Sep. 30, 2008: 30.9)**
- **Inventories were reduced substantially to €m 60.2 (Sep. 30, 2008: 111.9)**
- **Cost reduction programme is well underway**

Development confirms strategy

- **Sales have stabilized despite the usually weaker holiday month August**
- **Strong benefit from operative restructuring and market stabilization**
- **Company will benefit from upswing in the markets**

million EUR	**Q1/2009**	**Q2/2009**	**Q3/2009**	**in total**
Sales	112.1	101.2	103.1	316.4
Adj. EBIT	-0.5	-0.8	2.5	1.2
% of sales	**-0.4**	**-0.8**	**2.4**	**0.4**

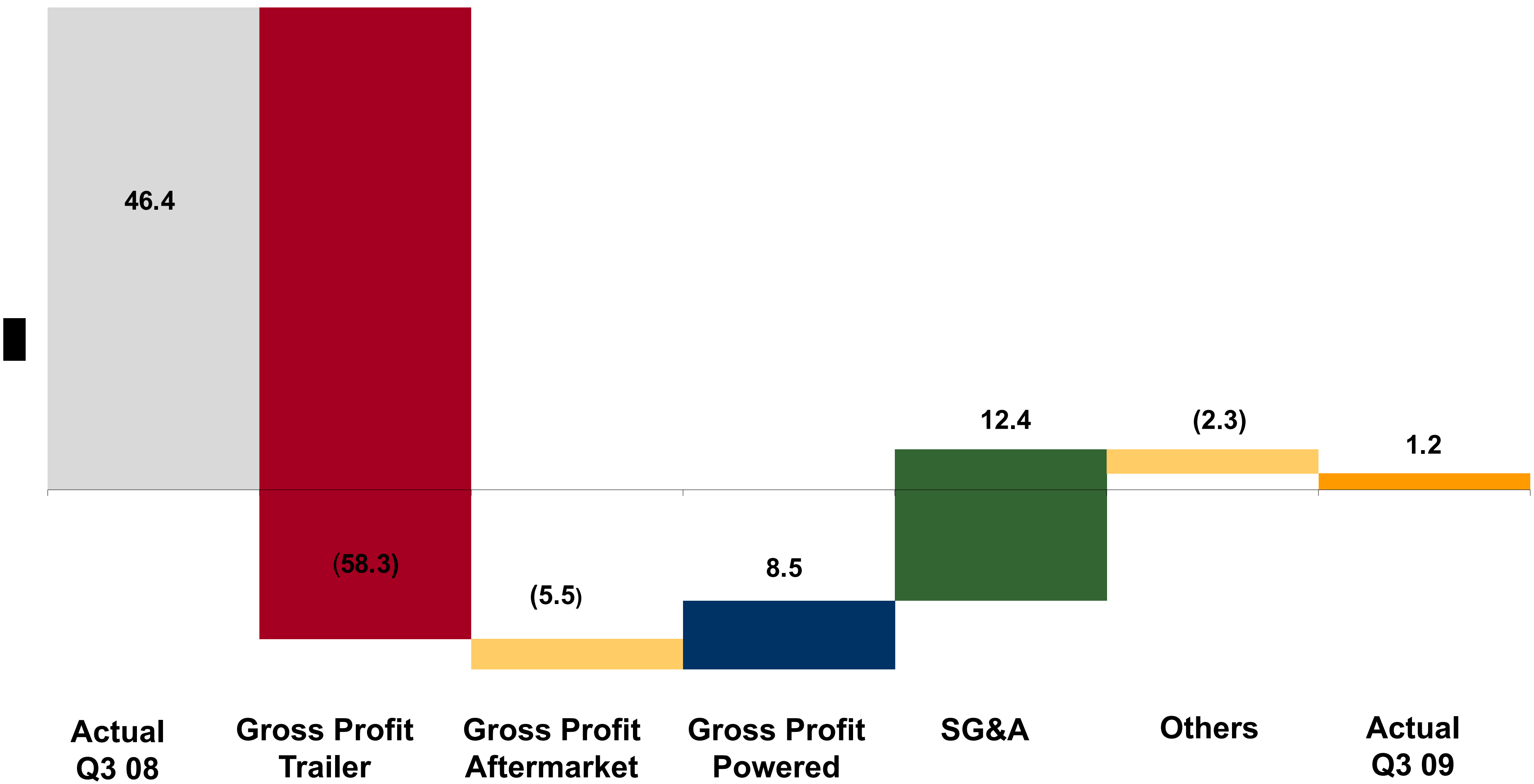
Key Financials

in €m	Jan-Sep 2008	Jan-Sep 2009
Sales	646.3	316.4
Cost of Sales	-537.1	-263.1
Gross profit	**109.2**	**53.3**
Margin	16.9%	16.8%
Adj. profit / loss	**23.9**	**-12.0**
Margin	3.7%	-3.8%
Adj. EPS in €	1.26	-0.58
Adj. EBITDA	**56.1**	**12.6**
Margin	8.7%	4.0%
Adj. EBIT	**46.4**	1.2
Margin	7.2%	0.4%
Operating cash flow *	**30.9**	**29.1**

The stable gross margin compared to the previous year was also an important indication of the successful development of our operating business.

*The operating cash flow is the cash flow from operating activities before income tax payments

Adj. EBIT- Bridge in €m



Summary Business Units in Q3 2009

Trailer

- Sales of Q3 stabilized on the level of Q2
- Sales improved in September
- Production of own axles in USA is successfully underway
- New contracts for axlesystems including disc brake technology are exceeding expectations

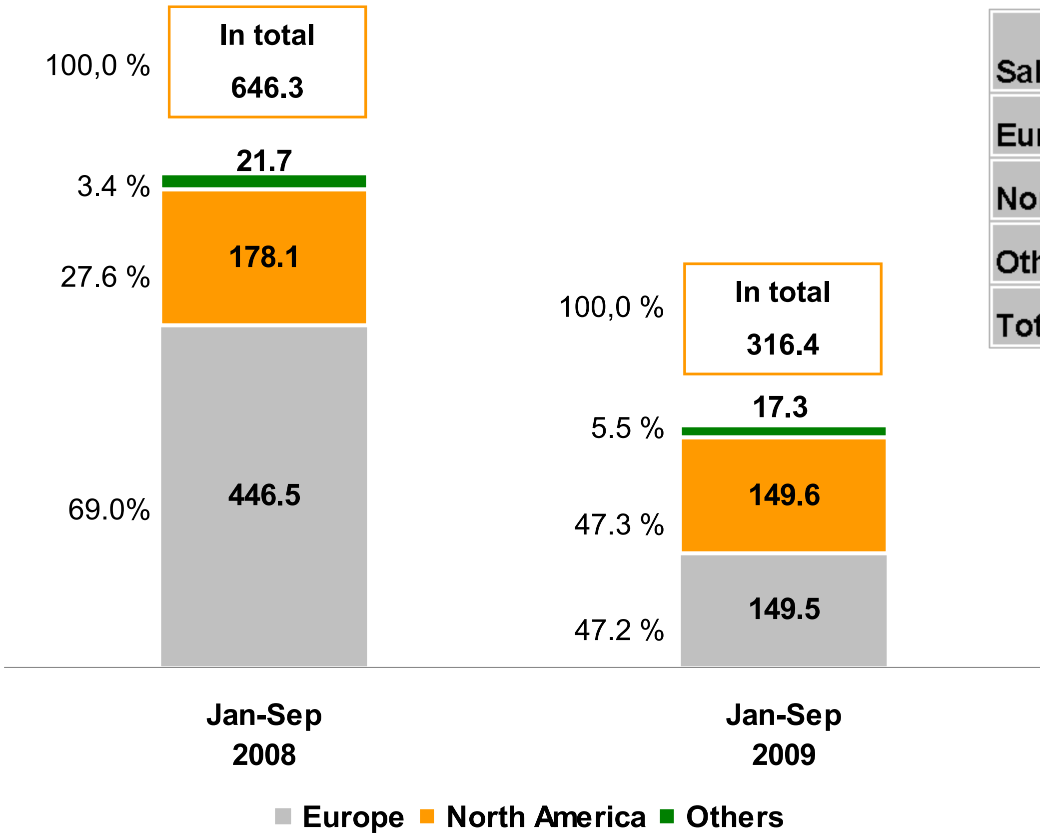
Powered Vehicle

- European Truck market seems to have stabilized
- North American market is recovering on a low level
- BU benefits from good product mix
- New emission regulations in North America at the beginning of 2010 will increase sales

Aftermarket

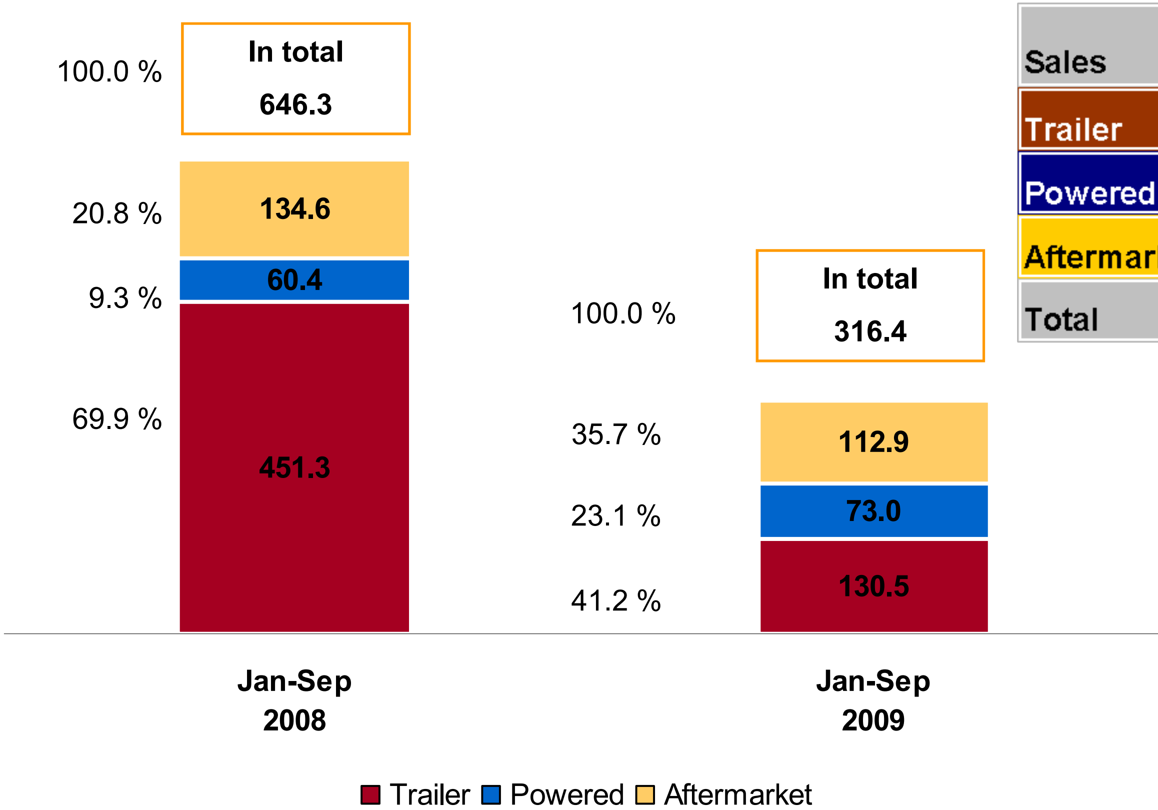
- The Aftermarket Business Unit is growing
- Expansion of international service network is ongoing
- Growth opportunities in combination with VKT acquisition have been confirmed
- Gross margin exceeded last year‘s

Sales by Region in €m



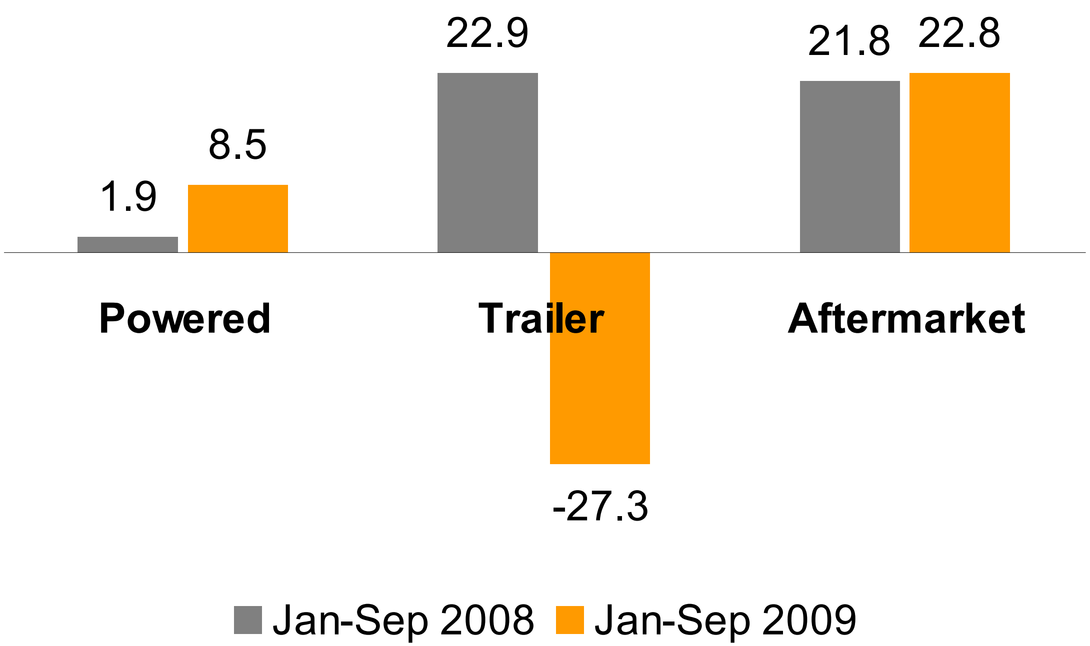
Sales	Jan-Sep 2008	Jan-Sep 2009	f/x adjusted	Change f/x adjusted
Europe	446.5	149.5	149.5	-66.5%
North America	178.1	149.6	134.2	-24.6%
Others	21.7	17.3	16.0	-26.3%
Total	646.3	316.4	299.7	-53.6%

Sales by Business Unit in €m



Sales	Jan-Sep 2008	Jan-Sep 2009	f/x adjusted	Change f/x adjusted
Trailer	451.3	130.5	126.4	-72.0%
Powered	60.4	73.0	66.6	10.3%
Aftermarket	134.6	112.9	106.7	-20.7%
Total	646.3	316.4	299.7	-53.6%

Adj. EBIT in €m by Business Unit



BU Powered Vehicle benefits from a good product mix

BU Trailer Systems was burdened by still affected markets

BU Aftermarket benefited from good product mix and cost reduction measures

Balance Sheet

in €m	12/31/08	09/30/09
Non-current assets	350.5	315.2
Cash and cash equivalents	8.6	13.6
Inventories	85.8	60.2
Other current assets	89.6	84.4
Non-current assets held for sale	2.9	0.0
Total assets	**537.4**	**473.4**
Equity	72.1	31.1
Other non-current liabilities	66.2	65.9
Other current liabilities	86.7	72.5
Bank loans	312.4	303.9

Cash Flow Statement

in €m	Jan-Sep 08	Jan-Sep 09
Profit/loss before tax	26.1	-42.9
Finance result	13.0	18.1
Amortization/depreciation	14.2	33.4
Change in NWC	-21.3	18.9
Other cash flow items	-1.1	1.6
Operating cash flow before income tax	**30.9**	**29.1**
Income tax paid/received	-7.7	0.3
Operating cash flow	**23.2**	**29.4**
Cash flow from investing	**-25.0**	**-5.2**
Cash flow from financing	**4.9**	**-19.5**
Effect of f/x changes	0.1	0.3
Net change in cash	3.2	5.0

Total Cost Reduction totaling €m 43 in 2009 (I)

Reduction of labor costs and headcount

- Short-time work in all functions including overhead
- Reduction of management salaries by up to 10% and bonus cancellation
- Unpaid vacancees for employees in USA
- Supplementary labor agreement with IG Metall including savings in the single-digit million range in 2009 and 2010

Consolidation of specific production sites in North America and Europe

- Plant closure in Holland, USA, in November 2008
- Plant closure in Slovakia in December 2008
- Plant closure in Monroe, USA, in May 2009
- Freeze plant in Keilberg, Germany, at the beginning of May 2009
- Joint-Venture in China was disbanded in June. Sites reduced from 3 to 2
- Further plant consolidations are planned

Total Cost Reduction totaling €m 43 in 2009 (II)

Reduction of material costs

- Achieving lower prices based on raw material cost reductions
- Purchasing negotiations
- Technical simplifications

Further measures

- Immediate expense cut and spending stop
- Capex projects will be reduced to €m 7.5 in 2009

Financial Restructuring

- **The standstill agreement was extended until November 25, 2009**

- **Transferring the operating business to a trustee is no longer a requirement for the securing of financing.**

- **The negotiating parties aim to put the Company on a solid financial footing over the long term and create sufficient financial flexibility for the operative restructuring of the Company, including anticipated growth.**

Outlook 2009 – Assumption for Truck and Trailer Markets (I)

Truck

- North American Truck are showing first signs off an upturn on a low level
- New emission regulations in North America will contribute to a recovery of the US Truck market by the end of 2009
- Truck markets in Europe seem to have stabilized

Trailer

- Sales of Trailer Systems in North America and Europe has stabilized since June
- Inventories are being reduced and should reach a normal level at the OEMs by the end of 2009
- New braking regulations in USA will offer a good opportunity to gain new marketshares as SAF-HOLLAND is a leading specialist of disc brake axles in Europe

Aftermarket

- Spare part business is growing and will contribute significantly to the Company‘s growth path

Outlook 2009 – SAF-HOLLAND Business (I)

Operating Business

- Further focus on cost reduction and liquidity measures
- Achieve cost reductions of > €m 60
- Reduce inventories to €m 52

Sales and Earnings

- Sales will fall substantially below previous year
  and will result in a significant burden on earnings
- On a medium term we see good growth potential in all business units

Appendix

Reconciliation Statement for Adjusted EBIT

in €m	Jan-Sep 2008	Jan-Sep 2009
Operating profit/loss	38.7	-24.8
Share of net profit of investments accounted for using the equity method	0.4	0.0
EBIT	**39.1**	**-24.8**
Additional depreciation and amortisation from PPA	4.5	5.1
Impairment loss	0.0	16.9
Step-up inventory PPA	0.3	0.0
Restructuring and integration costs	2.5	4.0
Adj. EBIT	**46.4**	**1.2**

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