



Q2 2007 Results

31. August 2007



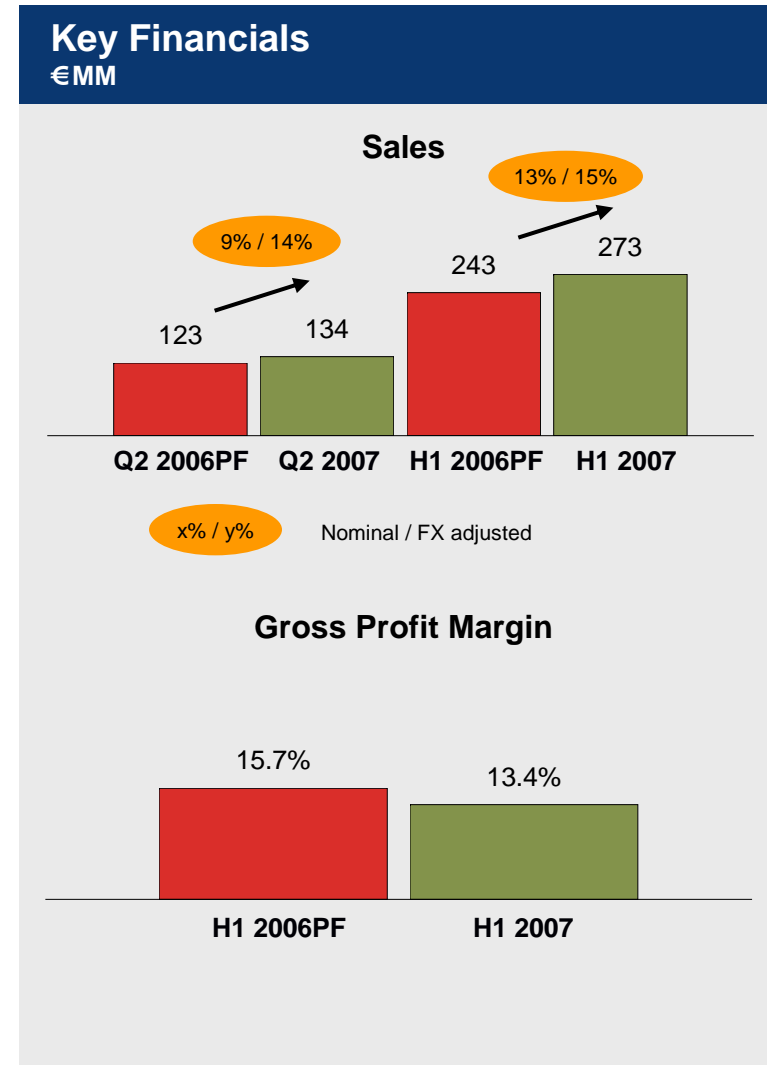
Highlights Q2 2007

- Robust sales development driven by strong growth momentum in Europe
 - Q2 2007 €199 MM Y.O.Y. growth: 0% nominal, +8% currency adjusted
 - H1 2007 €412 MM Y.O.Y. growth: +3% nominal, +7% currency adjusted
- Mixed market development
 - Very strong growth in European trailer market, US truck downturn less severe than expected, US trailer market impacted worse than expected by weakness in housing market
- Due to thriving order backlog axle capacity being increased from approx. 300,000 to 500,000 units in Europe
 - Additional capacity becoming available from Q1 2008, fully available by end of 2008
- Successful sales price increase effective from 1 July 2007 offsets input price increases
- Integration process on track
- Alignment of US cost base to current reduced business volume initiated
- For the fiscal year 2007, continued positive sales trend in Europe and a continued weak development in the US market expected
 - Overall, sales for the Group are expected to grow slightly to around €800 MM
 - Despite reduced volumes in the US and the existing cost base, adjusted EBIT of around €60 MM expected

Operating & Financial Update – Q2 2007

Trailer Systems

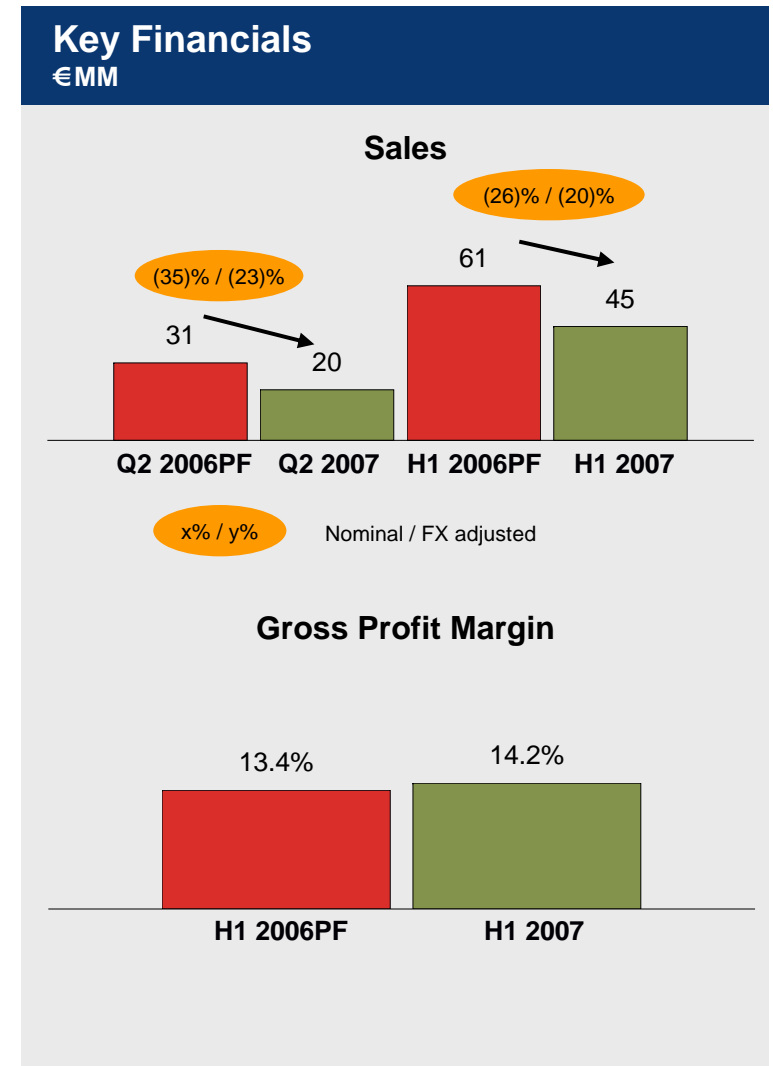
- Trailer Systems sales increased by 15% to €273.4 MM in the first half of 2007 compared to H2 2006
- The exceptionally strong demand of axle systems in the European market clearly over-compensated the decrease in North America
- Gross profit impacted by material price increase and increased sales to high-volume customers
 - Offsetting 2% sales price increase fully effective in July 2007
- Largest customers have increased demand forecasts in Europe by up to 50% for 2008
- Further positive revenue development



Operating & Financial Update – Q2 2007

Powered Vehicle Systems

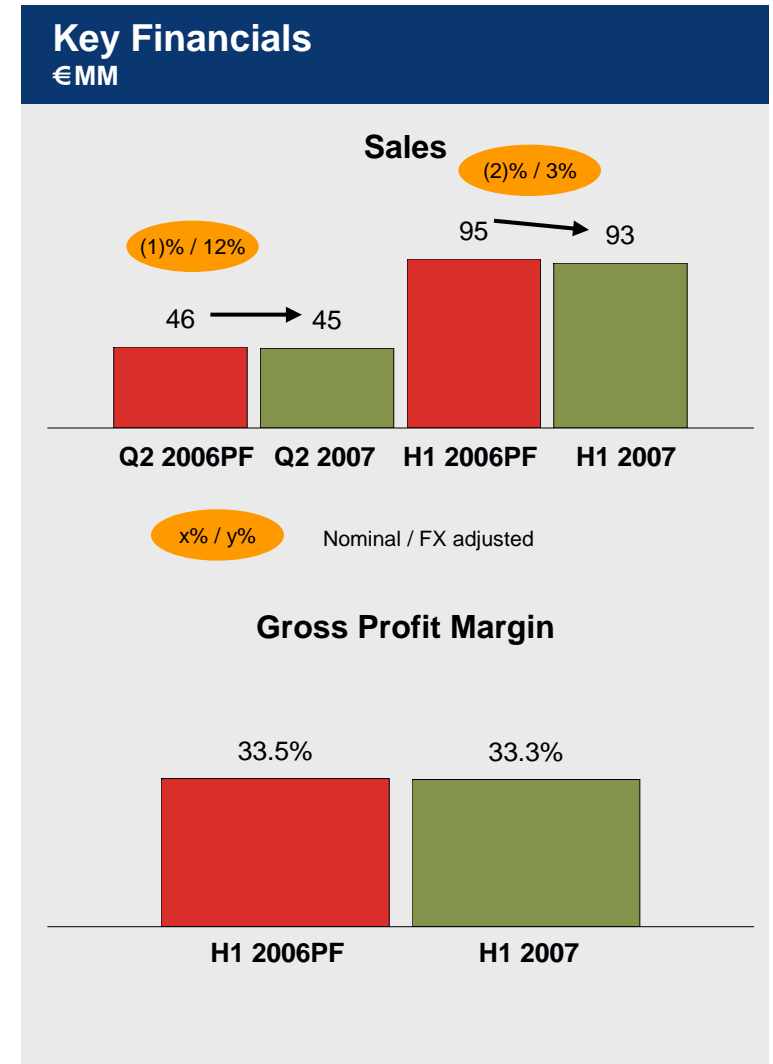
- Sales decreased by 20% to €45.1 MM as a result of the prescribed market developments in the US in advance of new emissions regulations
- Truck downturn in US not as severe as expected
- No recovery before Q4 2007 expected
- Positive margin development due to favourable mix effect -- effect expected to reverse slightly in Q4 when sales increase



Operating & Financial Update – Q2 2007

Aftermarket

- Aftermarket sales showed a slight increase of 3% despite a dynamic sales development in Europe (+23%), posting a sales volume of €93.2 m in the first six months of the year (H1/2006: €95.4 MM)
- Weaker utilisation of truck and trailer park in the US and therefore negative impact on aftermarket business
- Divisional growth in H2 expected to be stable, resulting in single digit growth for the full year



IFRS Income Statement

H1 2007 In Line With Expectations

Overview Income Statement				
€MM	FY 2006PF	Q1 2007	Q2 2007	H1 2007
Sales	777.8	212.6	199.1	411.6
Gross Profit	142.9	38.7	35.3	74.0
% Sales	18.4%	18.2%	17.7%	18.0%
EBITDA	74.5	18.9	6.6	25.5
% Sales	9.6%	8.9%	3.3%	6.2%
EBIT	55.7	14.3	2.0	16.3
% Sales	7.2%	6.7%	1.0%	4.0%
Financial Income	(32.1)	(6.8)	(3.9)	(10.7)
EBT	23.6	7.5	(1.9)	5.6
Income Tax Expense	(10.5)	(3.0)	0.6	(2.5)
Net Income	13.1	4.4	(1.4)	3.1
Adjusted EBITDA	77.0	20.9	15.2	36.2
% Sales	9.9%	9.8%	7.6%	8.8%
Adjusted EBIT	65.1	18.0	12.3	30.3
% Sales	8.4%	8.5%	6.2%	7.4%
Adjusted Net Income	31.5	9.0	5.3	14.3
% Sales	4.0%	4.2%	2.6%	3.5%

Comments

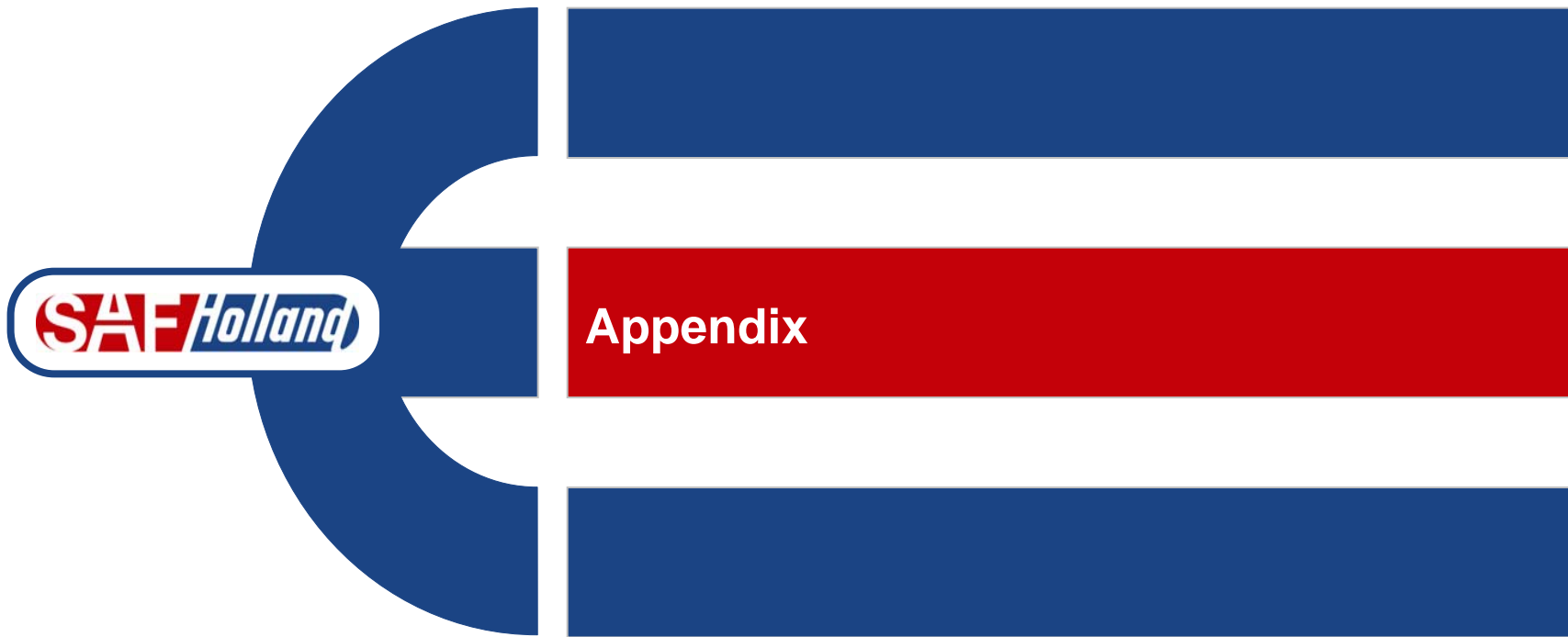
- In the first half of the year, robust currency adjusted sales growth of 7% to €411.6 MM (H1/2006 PF: €399.1 MM)
- Price increases from 1 July will compensate for material price increase
- €8.6 MM transaction costs (i.e. IPO) was booked in Q2 (€0.9 MM in Q1) , a further €1.5 m to be booked in Q3

Order, Capacity & Capex Situation

- Extremely high demand for axles and axle systems in the European market, orders on hand reached all-time highs in June 2007
 - SAF-HOLLAND has introduced both short and medium-term measures to significantly boost capacity in Europe
- In the first six months of the year, SAF-HOLLAND spent €7.8 MM capex
 - Investments were focused mainly on rationalization measurements and expansion of existing capacities. This included a new automated welding line, additional welding robots as well as the construction of a shop for servo-hydraulic testing equipment (Hydropulser)
 - Shift of capex from US to Europe, 2007 capex expected to remain at €25 MM despite capacity increase from 300,000 to 500,000 axle units in Europe
- NWC increase due to special effects
 - Consolidation of sales agency inventory in Australia
 - NWC expected to normalise to around 10% of sales

Group Guidance

Financial Metric	2007	2008	Comments																								
Sales	Target: around €800 MM		<table border="1"> <thead> <tr> <th colspan="2">Trailer Systems</th> <th colspan="2">Powered Vehicles</th> <th colspan="2">Aftermarket</th> </tr> <tr> <th>2007</th> <th>2008</th> <th>2007</th> <th>2008</th> <th>2007</th> <th>2008</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> Continued growth in Europe US weaker in 2007, growth in 2008 </td> <td colspan="2"> <ul style="list-style-type: none"> Regulatory downturn in the US in 2007 Recovery in 2008 </td> <td colspan="2"> <ul style="list-style-type: none"> Single digit growth in 2007 High single digit growth in 2008 </td> </tr> </tbody> </table>	Trailer Systems		Powered Vehicles		Aftermarket		2007	2008	2007	2008	2007	2008							<ul style="list-style-type: none"> Continued growth in Europe US weaker in 2007, growth in 2008 		<ul style="list-style-type: none"> Regulatory downturn in the US in 2007 Recovery in 2008 		<ul style="list-style-type: none"> Single digit growth in 2007 High single digit growth in 2008 	
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<ul style="list-style-type: none"> Sales of around €800 MM in 2007, back to double digit growth in 2008 and 2009 																											
Adjusted EBIT	Target: around €60 MM		<ul style="list-style-type: none"> 2007 Adjusted EBIT margin somewhat lower based on reduced volumes in US and existing fixed cost base 2008 Adjusted EBIT margin expected to be back in line with 2006 margin 																								
Dividend			<ul style="list-style-type: none"> We believe that our strong cash generation will allow us to fund our growth strategy and distribute to shareholders at least 40-50% of net income 																								



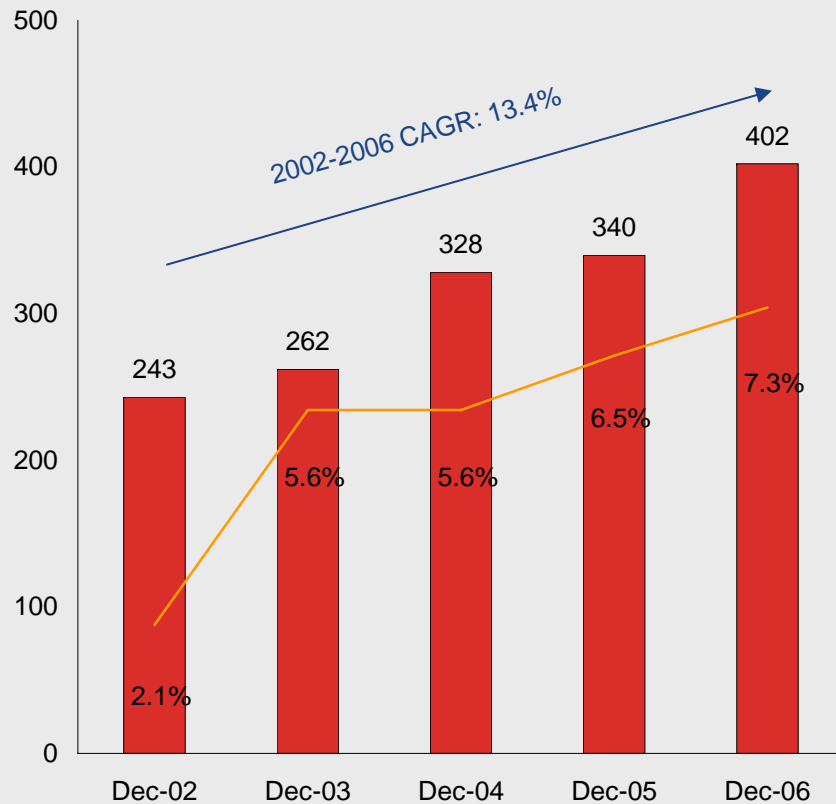
Strong Growth Track Record of SAF and HOLLAND

Continued Sales Growth and Profitability Increases Over the Last Five Years

Revenue and EBIT Margin

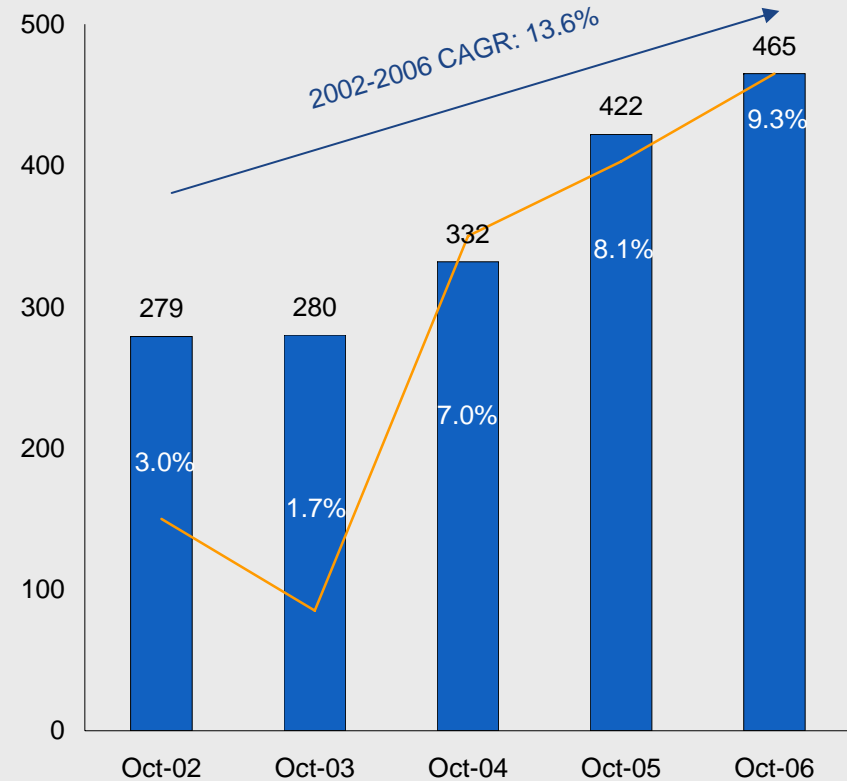
SAF

Dec FYE, HGB, €MM



HOLLAND

Oct FYE, US-GAAP, US\$ MM



Key Balance Sheet Items

Overview Balance Sheet €MM, IFRS	31-Dec-06	30-Jun-07
Cash and Cash Equivalents	21.9	18.5
Current Assets (excl. Cash)	184.3	212.6
Fixed Assets	325.2	321.5
Other Non-Current Assets	12.7	17.3
Total Assets	544.1	569.9
Other Non-Current Liabilities	59.3	59.7
Accruals & Liabilities	115.5	131.8
Pension & Similar Accruals	15.7	14.8
Financial Debt	283.6	283.5
Equity	70.0	80.1
Total Liabilities and Equity	544.1	569.9
Memo:		
Net Working Capital	68.8	80.8
% of Sales	8.8%	9.8%

Comments

- Pro forma net debt post IPO is €255 MM
- Pro forma equity post IPO is €106 MM
- Net working capital increased to approx. 10% of sales
 - In line with the net working capital position at the end of March 2007 (€84.1 MM, 9.9% of sales)

Key Cash Flow Items

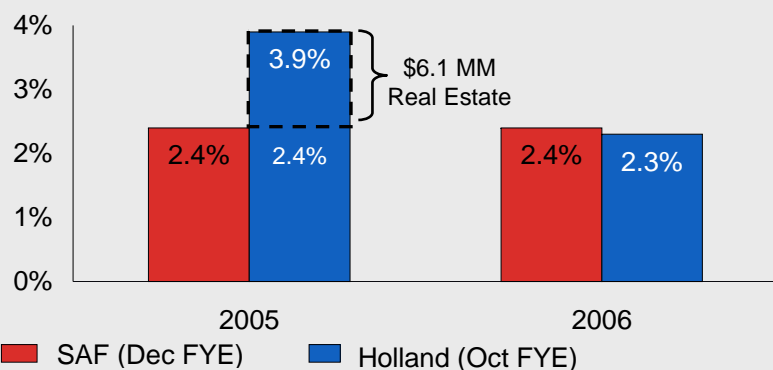
Overview Cash Flow Statement		
€MM, IFRS	H1 2006	H1 2007
Profit/ loss before tax	2.3	5.6
Income Tax Paid	(1.3)	(6.7)
Finance income/ expenses	3.6	10.7
Amortisation and Depreciation	2.0	9.6
Change in Net Working Capital	4.4	1.1
Other CFO Items	(0.7)	2.0
Cash Flow from Operations	10.3	22.3
Acquisition of Subsidiaries	(146.7)	(7.2)
Other CFI Items	(0.8)	(7.5)
Cash Flow from Investing	(147.5)	(14.7)
Cash Flow from Financing	145.7	(11.3)
Effect of FX Changes	0.0	0.3
Net Change in Cash	8.5	(3.4)

Comments

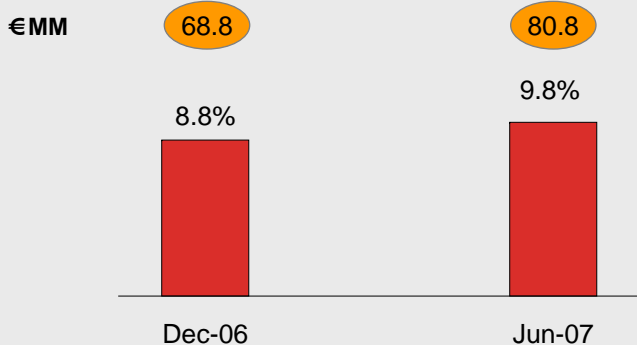
- H1 2006 not comparable due to the fact that SAF is only included for 3 months and Holland is not included
- Acquisition cost from 2006 related to Holland acquisition paid in 2007

Low Capital Intensity, High ROCE and High Cash Conversion

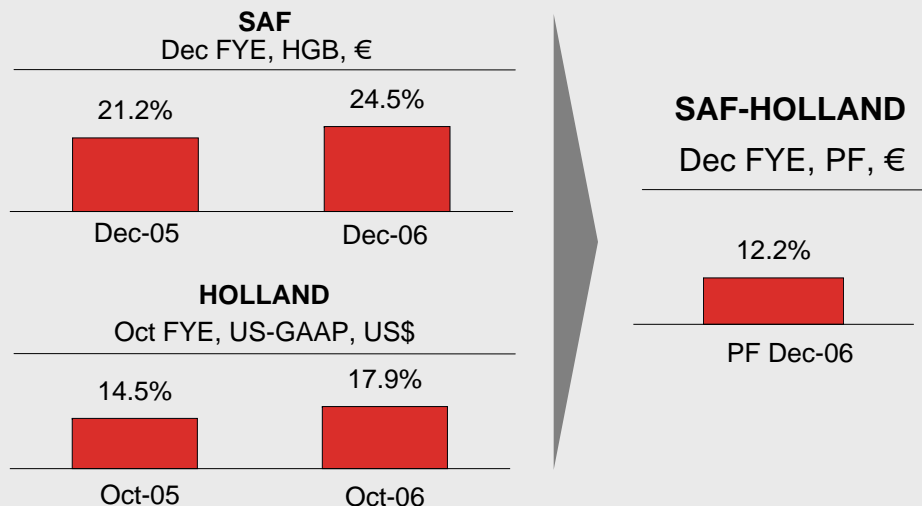
Low Capex Requirements % of Sales



Low Net Working Capital Requirements % of Sales



Strong Return on Capital Employed (ROCE) %



High Cash Conversion

€MM, IFRS	Pro Forma 31-Dec-06
EBITDA	74.5
Change in Net Working Capital	(0.6)
Capital Expenditures	(17.7)
Free Cash Flow	56.2
<i>% Cash Conversion</i>	<i>75.4%</i>

