

## PRESS RELEASE

### **SAF-HOLLAND raises forecast as orders reach historic high**

- **Q3 2007 sales increase to €201.8 million, up 10% on constant currency basis**
- **Adjusted EBITDA of €19.0 million**
- **Outlook FY 2007: Sales volume expected at around €800 million and adjusted EBIT at around €60 million**
- **More than 15% growth forecast for 2008**

**Luxembourg, 29 November 2007** – SAF-HOLLAND S.A., Luxembourg, a world-leading producer and supplier of key systems and components for the truck and trailer industries, today reported fast-rising sales in a market where demand is at times outstripping supply. Increases in capacity continuing into next year will assure that SAF-HOLLAND can meet demand and move towards a target total sales volume of € 1 billion in 2009 and an adjusted EBIT margin of 10% by 2010.

“SAF-HOLLAND is benefiting from booming trailer demand in Europe,” says Rudi Ludwig, Chief Executive Officer. “We are increasing capacity to try to stay ahead of an ever-rising order backlog and we are raising our forecasts significantly from their previous levels on the basis of framework contracts agreed with our major customers. This unprecedented demand for our products is evidence of a continuing period of high growth.”

#### **Order book reaches historic high**

Trailer business in particular continues to grow, based on a strong European market. Trailer OEMs are currently experiencing very high levels of demand in Europe. This has resulted in a strong surge in demand for axles and axle systems. With the order book reaching a historic high, the orders on hand for axles and axle systems increased steadily in the European markets in the first nine months of 2007. These levels of demand are expected to continue to rise because of increasing flow of trade between Eastern and Western Europe. SAF-HOLLAND has increased its capacity and will continue its expansion, but demand has outstripped current market supply and as a result order backlog for axle production in Europe is up 250% year over year.

European sales for the Group grew by 28% over the period, so that Europe now represents 62% of total Group sales (65% in Q3), underlining the continued strong growth momentum in the European markets. Increased trailer demand resulting from increased trade flows in the European



market, and thus an exceptionally strong demand for axle systems, underpins the positive results for the Trailer Systems Unit. Trailer Systems sales grew 18% (constant currency) over the period. The softening of the North American market as a result of the expected pre-buy of new trucks in 2005 and 2006, ahead of the new emission standards introduced in the US in 2007, and will continue in 2008.

### **Production expansion continuing**

SAF-HOLLAND's significant investments have increased production capacity from 220,000 axles to 320,000 axles per annum. Capacity expansion will continue in order to meet long-term supply volumes agreed in framework contracts with major customers. In addition, new high-performance products are expected to further cement the Group's leading market position.

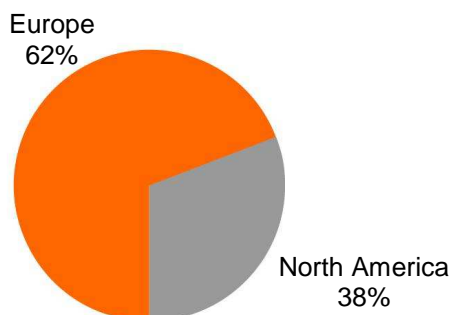
### **Outlook**

As a result of the continuing unprecedented high levels of demand for the Group's products and services, especially from East European markets and Russia, the Group expects sales growth in 2008 of more than 15% and double digit growth for 2009. SAF-HOLLAND expects further growth potential through the start of axle production in the U.S. in the second part of 2008 and through the new production plant in Brazil. The adjusted EBIT margin is expected to be back on line with the 2006 margin of 8.4% for the fiscal year 2008. On a mid-term perspective, the Company targets a total sales volume of €1 billion in 2009 and an adjusted EBIT margin of 10% by 2010.

## Group Figures at a Glance

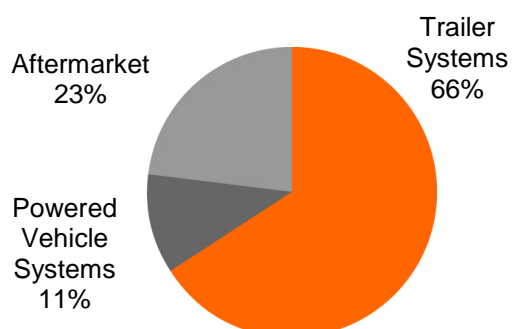
| € m                                | Q3/2007      | Q3/2006<br>PF | Change<br>in % | Q1-3/2007    | Q1-3/2006<br>PF | Change<br>in % |
|------------------------------------|--------------|---------------|----------------|--------------|-----------------|----------------|
| <b>Sales</b>                       | <b>201.8</b> | 189.5         | 7              | <b>613.4</b> | 588.6           | 4              |
| <i>Δ %<br/>constant currency</i>   |              |               | 10             |              |                 | 8              |
| <b>Gross profit</b>                | <b>35.1</b>  | 37.2          | (6)            | <b>109.1</b> | 115.3           | (5)            |
| <i>Gross profit margin</i>         | 17.4%        | 19.6%         |                | 17.8%        | 19.6%           |                |
| <b>Adjusted EBITDA</b>             | <b>19.0</b>  | 21.5          | (12)           | <b>55.2</b>  | 63.9            | (14)           |
| <i>Adjusted EBITDA-<br/>margin</i> | 9.4%         | 11.3%         |                | 9.0%         | 10.9%           |                |
| <b>Adjusted EBIT</b>               | <b>16.3</b>  | 17.4          | (6)            | <b>46.6</b>  | 54.4            | (14)           |
| <i>Adjusted EBIT<br/>margin</i>    | 8.1%         | 9.2%          |                | 7.6%         | 9.2%            |                |
| <b>Capital<br/>expenditure</b>     | <b>4.8</b>   | n.a.          |                | <b>12.3</b>  | n.a.            |                |

## Sales by Region



| € m  | Q1-3/2007    | Q1-3/2006 PF | Change in %       |
|--|--------------|--------------|-------------------|
| <b>Europe</b>                                    | <b>383.3</b> | 298.6        | <b>28</b>         |
| <b>North America</b><br><i>constant currency</i> | <b>231.7</b> | 290.0        | -20<br><b>-14</b> |
| <b>Elimination due to inter-company sales</b>    | <b>-1.6</b>  | 0            | -                 |
| <b>Total</b><br><i>constant currency</i>         | <b>613.4</b> | 588.6        | 4<br><b>8</b>     |

## Sales by Business Unit



| € m  | Q1-3/2007    | Q1-3/2006 PF | Change in %       |
|--|--------------|--------------|-------------------|
| <b>Trailer Systems</b><br><i>constant currency</i>         | <b>407.0</b> | 351.9        | 16<br><b>18</b>   |
| <b>Powered Vehicle Systems</b><br><i>constant currency</i> | <b>64.1</b>  | 90.1         | -29<br><b>-23</b> |
| <b>Aftermarket</b><br><i>constant currency</i>             | <b>142.3</b> | 146.6        | -3<br><b>2</b>    |
| <b>Total</b><br><i>constant currency</i>                   | <b>613.4</b> | 588.6        | 4<br><b>8</b>     |

PF: Pro-forma represents figures for the year 2006 as if the subgroups would have been acquired as of January 1, 2006

Adjusted EBITDA: EBITDA plus additional step up inventory costs from purchase price (PPA) allocation as well as transaction costs

Adjusted EBIT: EBIT plus any additional depreciation, amortization and step up inventory costs from PPA as well as transaction costs



**About SAF-HOLLAND:**

SAF-HOLLAND has been listed in the Prime Standard of the Frankfurt Stock Exchange since 26th July 2007. The stock exchange code is "SFQ", the ISIN LU0307018795. The company's product range covers premium axles and axle systems, trailer and truck suspension systems, fifth wheels and "kingpins", the part on the semitrailer that is connected to the fifth wheel, as well as trailer couplings and landing gear for semi-trailers. SAF-HOLLAND customers include the majority of large truck and trailer producers all over the world. The products are sold to Original Equipment Manufacturers (OEM), Original Equipment Suppliers (OES) through a global service and distribution network, and direct to consumers and service garages through the spare parts market.

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