

# SAF-HOLLAND

Q3 2007 Results

29 November 2007



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## Highlights Q3 2007

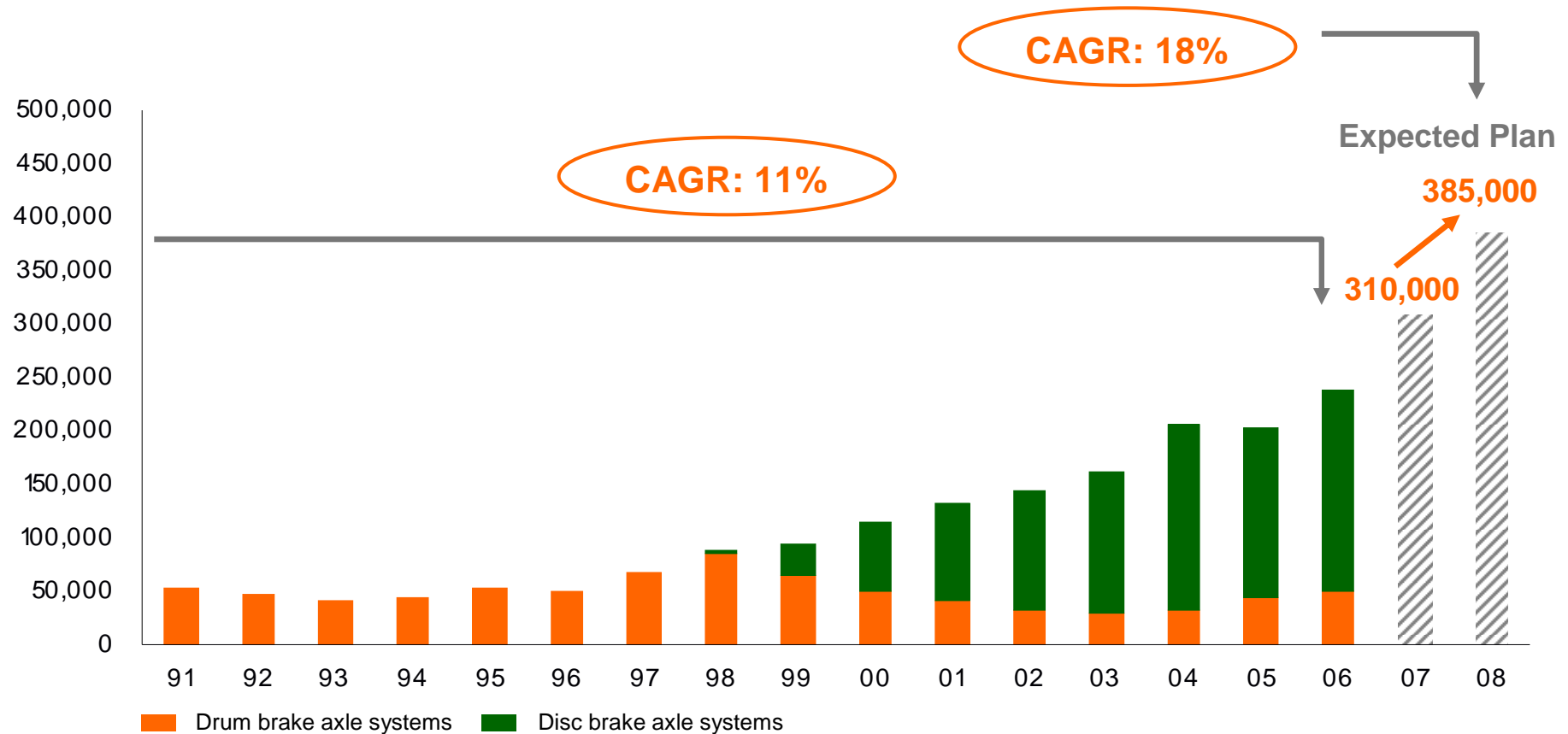
### European demand boosts growth in Q1-3 2007

- Strong underlying demand for axle systems in Europe due to continued unprecedented demand for heavy duty vehicles and strong economic growth in the region
- Double-digit sales increase in Q3 on constant currency basis driven by sustained growth dynamics in Europe

€ m	Sales	Change in %	Change in % <i>constant currency</i>
Q3/2007	€ 201.8 m	+ 7%	+ 10%
Q1-3/2007	€ 613.4 m	+ 4%	+ 8%

- **Earnings development in Q1-3/2007:**  
adjusted EBITDA: € 55.2 m; adjusted EBITDA margin: 9.0%  
adjusted EBIT: € 46.6 m; adjusted EBIT margin: 7.6%
- Importance of European business is continuously rising within SAF-HOLLAND's Group portfolio
- Order intake and backlog underline continued demand for capacity increase of axle production to be implemented as of January 1, 2008
- Framework agreements for 2008 spur positive outlook for 2008 and beyond

## Track Record of Significant Growth in Axle Production and Capacity



- Doubling of axle production capacity in Slovakia beginning as of 2008
- Volume of current framework agreements for 2008 already surpass total production of 2007; agreements on broad customer base
- Order backlog for axle production in Europe 250% higher than in 2006

## Key Figures Q1-3 2007

€ m	Q3/2007	Q3/2006 PF	Change in %	Q1-3/2007	Q1-3/2006 PF	Change in %
<b>Sales</b>	<b>201.8</b>	189.5	7	<b>613.4</b>	588.6	4
<i>Δ % 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 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 margin</i>	8.1%	9.2%		7.6%	9.2%	
<b>Capital expenditure</b>	<b>4.8</b>	n.a.		<b>12.3</b>	n.a.	

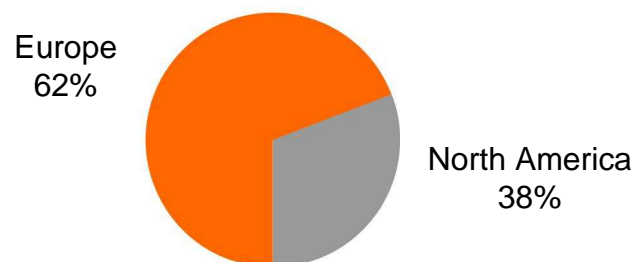
PF: Pro-forma represents figures for the year 2006 as if the subgroups would have been acquired as of January 1, 2006

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

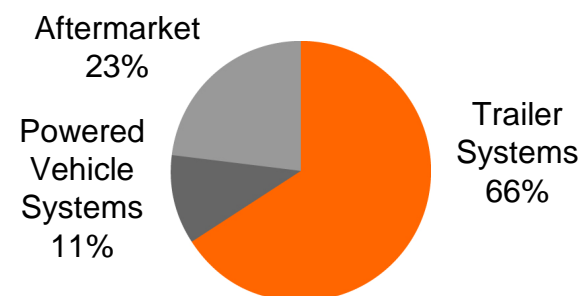
## Sales Split Q1-3 2007

### 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> <i>constant currency</i>	<b>231.7</b>	290.0	-20 <b>-14</b>
<b>Elimination due to inter-segment sales</b>	<b>-1.6</b>	0	-
<b>Total</b> <i>constant currency</i>	<b>613.4</b>	588.6	4 <b>8</b>

### Sales by Business Unit



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

## Earnings Development by Business Unit Q1-3 2007

### Trailer Systems (TS)

€ m	Q1-3/2007	Q1-3/2006 PF
Sales	<b>407.0</b>	351.9
Cost of sales	<b>358.2</b>	302.0
<b>Gross profit margin</b>	<b>12.0%</b>	14.2%

- 
- Material price increases as well as structural changes led to a decrease of the gross profit margin
  - Price increases on customers side will help to close the gap

### Powered Vehicle Systems (PVS)

€ m	Q1-3/2007	Q1-3/2006 PF
Sales	<b>64.1</b>	90.1
Cost of sales	<b>54.9</b>	78.8
<b>Gross profit margin</b>	<b>14.4%</b>	12.5%

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- Structural effects are in favour of the Business Unit

### Aftermarket (AM)

€ m	Q1-3/2007	Q1-3/2006 PF
Sales	<b>142.3</b>	146.6
Cost of sales	<b>91.2</b>	92.5
<b>Gross profit margin</b>	<b>35.9%</b>	36.9%

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

## Key Balance Sheet Data

€ m	September 30, 2007	December 31, 2006	Change
<b>Total assets</b>	<b>567.6</b>	544.1	23.5
<b>Equity</b>	<b>112.7</b>	9.4	103.3
<b>Equity ratio</b>	<b>19.9</b>	1.7	-
<b>Net financial debt</b>	<b>237.4</b>	320.9	(83.5)
<b>Net Working Capital</b>	<b>85.6</b>	68.8	16.8
in % Sales	10.5%	8.8%	

▶ Solid balance sheet structure with rapid deleveraging

▶ Further deleveraging expected throughout 2008 and beyond

## Key Cash Flow Items Q1-3 2007

€ m	Q1-3/2007
Profit / loss before tax	11.8
Income Tax paid	(6.3)
Finance income / expenses	18.9
Amortisation and Depreciation	13.6
Change in Net Working Capital	(11.6)
Other CFO Items	7.3
<b>Cash flow from Operations</b>	<b>33.7</b>
Acquisition of Subsidiaries	(7.2)
Other CFI Items	(11.8)
<b>Cash Flow from Investing</b>	<b>(19.0)</b>
<b>Cash Flow from Financing</b>	<b>(12.9)</b>
Effect of FX Changes	0.8
<b>Net Change in Cash</b>	<b>2.6</b>

## Outlook & Guidance

### Outlook FY 2007 confirmed

€ m	FY 2007	FY 2006 PF
Sales	~ € 800 m	777.8
Adjusted EBIT	~ € 60 m	65.1
Adjusted EBIT margin	~ 7.5%	8.4%

- Attractive dividend payment expected for the business year 2007

### Convincing positive mid-term perspectives

- Sales:** Double-digit growth in 2008 (greater than +15%) and 2009
- Adjusted EBIT:** 2008 expected back in line with 2006 margin (8.4%)
- Mid-term targets:** Sales volume of € 1 bn targeted in 2009; adjusted EBIT margin: 10% by 2010

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

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

# Appendix



## Key Figures Q1-3 2007

€ m	Q3/2007	Q3/2006 PF	Change in %	Q1-3/2007	Q1-3/2006 PF	Change in %
<b>Sales</b>	<b>201.8</b>	189.5	7	<b>613.4</b>	588.6	4
<b>Adjusted EBITDA</b>	<b>19.0</b>	21.5	(12)	<b>55.2</b>	63.9	(14)
<i>Adjusted EBITDA 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 margin</i>	8.1%	9.2%		7.6%	9.2%	
<b>EBITDA</b>	<b>18.9</b>	21.5	(12)	<b>44.4</b>	61.6	(28)
<i>EBITDA margin</i>	9.4%	11.3%		7.2%	10.5%	
<b>EBIT</b>	<b>14.5</b>	15.6	(7)	<b>30.8</b>	46.9	(34)
<i>EBIT margin</i>	7.2%	8.2%		5.0%	8.0%	
<b>EBT</b>	<b>6.3</b>	7.3	(14)	<b>11.8</b>	23.0	(49)
<b>Net income</b>	<b>11.7</b>	3.8	>100	<b>14.7</b>	11.8	25

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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

## Key Cash Flow Items

€ m	Q1-3/2007	Q1-3/2006 <sup>1</sup>
Profit / loss before tax	11.8	4.4
Income Tax paid	(6.3)	(4.1)
Finance income / expenses	18.9	8.1
Amortisation and Depreciation	13.6	4.6
Change in Net Working Capital	(11.6)	0.3
Other CFO Items	7.3	(0.1)
<b>Cash flow from Operations</b>	<b>33.7</b>	<b>13.2</b>
Acquisition of Subsidiaries	(7.2)	(146.7)
Other CFI Items	(11.8)	(2.1)
<b>Cash Flow from Investing</b>	<b>(19.0)</b>	<b>(148.8)</b>
<b>Cash Flow from Financing</b>	<b>(12.9)</b>	<b>143.5</b>
Effect of FX Changes	0.8	0
<b>Net Change in Cash</b>	<b>2.6</b>	<b>7.9</b>

<sup>1</sup>Q1-3/2006 not comparable due to the fact that SAF is only included for six months and Holland is not included

## SAF-HOLLAND – Financial Calendar

- **November 30, 2007:** Capital Markets Day
- **March 31, 2008:** Report on Fiscal Year 2007
- **April 29, 2008:** Annual General Meeting
- **May 30, 2008:** Report on Q1 2008 Results

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