



PRESS RELEASE

SAF-HOLLAND Generates Record Earnings in the First Quarter of 2008 and Confirms Forecast for the Year

- **Group sales rose by 3.1 percent to €219.3 million; exchange rate-adjusted, Group sales increase by 7.6 percent to €228.7 million**
- **Adjusted EBIT margin at 8.2 percent within the target range for 2008**
- **Profit for the period increases 71.5 percent to €7.6 million**
- **Outlook confirmed: Adjusted EBIT margin should reach 8 to 8.5 percent**

Luxembourg, May 14, 2008 – SAF-HOLLAND S.A. (ISIN: LU0307018795), a worldwide leading manufacturer and provider of high-quality products and components for trucks and trailers, generated record earnings in the first quarter of 2008. The adjusted EBIT margin achieved the target corridor of 8 to 8.5 percent for 2008 and the Group reconfirmed its sales and earnings forecast for financial year 2008. Rudi Ludwig, CEO of SAF-HOLLAND S.A., states: “SAF-HOLLAND profited from its solid market position in Europe and high growth in the trailer business. The agreement a new credit line also confirms the high level of trust banks place in the performance, market position, and strategic orientation of the Group.”

Exchange Rate-Adjusted, Group Sales Increase by 7.6 Percent

SAF-HOLLAND increased Group sales in the first quarter of 2008 compared to the same period of the previous year by 3.1 percent to € 219.3 million (previous year: 212.6). Adjusted for currency effects, sales even increased by 7.6 percent to € 228.7 million. This growth was again carried by the European business, which grew by 21.8 percent to € 153.1 million, thus contributing 69.8 percent to sales (previous year: 59.1). In the USA, the earnings declined by almost one quarter compared to the strong period of the previous year to €66.2 million, exchange rate-adjusted by 13.0 percent to € 75.6 million. The share of US business in Group sales was therefore 30.2 percent (previous year: 40.9). During the same period of the previous year, the Group was still recording very strong business development in the USA. Higher sales were recorded, mainly as a result of pull-forward effects due to new emissions regulations, before sales started to decline as expected from the second quarter onward. This is due to the fact that in the



first quarter of 2007, engines that still complied with the emissions regulations in effect in the year 2006 and were manufactured before the cut-off date could still be installed. Due to new, stricter emissions regulations, which went into effect as at 01/01/2007, major customers stocked up on more tractor units than were actually needed. Moreover, the effects of the financial and real estate crisis were only starting to be felt at the end of the second quarter of 2007.

Profit for the Period at Record Level

SAF-HOLLAND improved the profit for the period for the first quarter by 71.5 percent, bringing it to the record level of € 7.6 million (previous year: 4.4). Earnings per share increased accordingly from € 0.24 to € 0.40 (assuming the number of shares issued as at 03/31/2008 remains unchanged in 2007 and 2008). The adjusted EBIT increased slightly to € 18.1 million (previous year: 18.0). Based on constant exchange rates, the adjusted EBIT amounted to € 18.5 million. The adjusted EBIT margin was in line with the target corridor for 2008 at 8.2 percent. The Company reports adjusted result factors to improve the explanatory significance of the operating earnings. The EBIT was adjusted for the effects of the purchase price allocation after the merger of the two companies as well as for transaction and integration costs. This prevents non-operating costs from distorting the actual profit situation.

Trailer Systems Business Unit as Growth Driver

The European sales markets of SAF-HOLLAND continue to show positive development. The trailer manufacturers are recording a high volume of orders, even if somewhat behind the levels of the previous year. With a sales increase of 13.9 percent to € 158.7 million (previous year: 139.4) or an exchange rate-adjusted increase of 16.3 percent to € 162.1 million, the Trailer Systems Business Unit was once again the growth driver of SAF-HOLLAND. In light of the great demand in this segment, the Group is continuously increasing its capacity for the manufacture of axles. During the first quarter, daily production capacity increased from 1,300 to 1,500 units. The capacity is being further increased to meet the demands of the trailer manufacturers. The gross margin of 13.1 percent was at almost the same level as the previous year. In the Powered Vehicle Systems Business Unit, sales declined as expected to € 17.7 million (previous year: 25.1), influenced primarily by an extremely strong first quarter the previous year and exchange rate effects, as the Business Unit operates exclusively in regions dealing in US-Dollars. Exchange rate-adjusted, the decline in sales is considerably lower at 19.5 percent. A better customer/product mix allowed for an improved gross margin, which increased to 13.1 percent (previous year: 11.5). Sales in the Aftermarket Business Unit were at € 42.9 million (previous year: 48.1), exchange rate-adjusted at € 46.4 million. The gross margin increased slightly to 35.7 percent (previous year: 34.6). A comparison of the Business Units to the same period of the previous year can only be conducted to a limited extent since customers and products were reallocated to the three Business Units as at 07/01/2007 as part of reorganisation.



Financial Strength Improved

The cash and cash equivalents of the Group increased compared to the same period of the previous year to € 19.8 million (previous year: 17.1). The non-current liabilities decreased in comparison with the cut-off date of 12/31/2007 by 2.6 percent to € 320.7 million (previous year: 329.2). The equity ratio improved to 19.9 percent following 19.5 percent at the end of December 2007. SAF-HOLLAND concluded a new credit line in February 2008. The new financing reduces borrowing costs by 1 to 1.25 percentage points. In addition, the Company introduced activities in the first quarter to automate the cash pooling in Europe and North America to a large extent.

Annual Forecast for 2008 Confirmed

The Company expects the market environment to remain unchanged during the course of the year. The momentum for growth originates mainly from Europe. Order back-log in the Trailer Systems Business Unit, which focuses primarily on Europe, continues to be high. Framework contracts ensure a large portion of the growth. Business in North America is likely to remain weak due to the financial and real estate crisis. Overall, SAF-HOLLAND is predicting sales growth of between € 900 million and € 950 million in the 2008 financial year. The Company expects to reach the billion Euro level in the year 2009. Based on sales growth and higher productivity through a reduction of fixed costs, the adjusted EBIT margin for 2008, as forecast to date, should range from 8 to 8.5 percent in 2008, and continue to climb to 10 percent by 2010.

Optimistic Outlook

“We are optimistic about the further course of the financial year 2008. The market trends continue to be positive in Europe and the worldwide growth regions in particular. Global trade flows and transport volumes continue to rise over the long term even though economic growth is somewhat subdued as a result of the financial crisis. Particularly in the current year, SAF-HOLLAND is profiting from the business combination of both companies: locations are being consolidated, activities aligned, and established products introduced in new markets,” explains CEO Rudi Ludwig.

Group Figures

(€ m)	Q1/2008	Q1/2007	Change in %
Sales	219.3	212.6	3.1
<i>On a constant currency basis</i>	<i>228.7</i>		7.6
Gross profit	38.5	38.7	-0.7
<i>Gross margin</i>	<i>17.5</i>	<i>18.2</i>	
Adjusted EBITDA¹	21.2	20.9	1.1
<i>Adjusted EBITDA margin</i>	<i>9.7</i>	<i>9.8</i>	
Adjusted EBIT²	18.1	18.0	0.2
<i>Adjusted EBIT margin</i>	<i>8.2</i>	<i>8.5</i>	
Profit/loss for the period	7.6	4.4	71.5
Earnings per share³ (in €)	0.40	0.24	66.7
Employees (as of 03/31)	3.099	3.048	1.7

Sales by Region

(€ m)	Q1/2008	Q1/2007	Change in %	Change in % on a constant currency basis
Europe	153.1	125.7	21.8	21.8
North America	66.2	86.9	-23.8	-13.0
Total	219.3	212.6	3.1	7.6

Sales by Business Unit

(€ m)	Q1/2008	Q1/2007	Change in %	Change in % on a constant currency basis
Trailer Systems	158.7	139.4	13.9	16.3
Powered Vehicle Systems	17.7	25.1	-29.3	-19.5
Aftermarket	42.9	48.1	-11.0	-3.5
Total	219.3	212.6	3.1	7.6

¹ Adjusted EBITDA: EBITDA plus additional step up inventory costs from purchase price (PPA) allocation as well as transaction and integration costs.

² Adjusted EBIT: EBIT plus any additional depreciation, amortization and step up inventory costs from PPA as well as transaction and integration costs.

³ The number of shares is stated as if the number of shares issued up to 03/31/2008 had remained unchanged in 2007 and 2008.



About SAF-HOLLAND:

SAF-HOLLAND S.A. is one of the worldwide leading manufacturers and suppliers of premium product systems and components for semi-trailers (trucks and trailers) as well as for buses and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, couplers, kingpins, and landing legs. The majority of the worldwide leading truck and trailer producers are among the customers of SAF-HOLLAND. By means of a worldwide service and distribution network, the products are sold to original equipment manufacturers (OEMs), original equipment suppliers (OESs), and via aftermarket channels, directly to the end user and service shops. SAF-HOLLAND is therefore one of the few globally operating manufacturers offering an extensive, integrated range of products for trailers and heavy trucks as well as a worldwide service network.

Note: The SAF-HOLLAND S.A. quarterly report for Q1/2008 can be viewed online at <http://www.safholland.com>.

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