



SAF-HOLLAND: Significant increase in sales and earnings in the first nine months of 2014

- **Group sales increase by more than 10 percent to EUR 723.5 million**
- **Adjusted EBIT grows by around 20 percent to EUR 55.6 million**
- **Positive business development, especially in core markets**
- **Sales and earnings targets for 2014 and 2015 confirmed**

Luxembourg, November 6, 2014 – In the first nine months of 2014, SAF-HOLLAND achieved a sales increase of 10.5 percent as compared with the prior-year period. By the end of September, the globally-active commercial vehicle industry supplier increased Group sales to EUR 723.5 million (previous year: EUR 654.7 million). Third quarter sales totaled EUR 241.5 million (previous year: EUR 219.1 million). Along with the continued positive business development and the strong expansion of sales volume, profitability grew at a disproportionately high rate. In the first three quarters, adjusted EBIT rose by 20.1 percent to EUR 55.6 million (previous year: EUR 46.3 million) and the adjusted EBIT margin was up at 7.7 percent (previous year: 7.1 percent). Adjusted earnings per share increased to EUR 0.77 (previous year: EUR 0.52) while average number of shares remained the same at 45.4 million.

Share of sales in emerging countries grows to over 10 percent

In Europe, it was possible to increase sales as compared to the previous year to EUR 118.5 million (previous year: EUR 111.6 million) despite a weaker market environment in the third quarter. In the first nine months, sales generated on the European market rose by 12.1 percent to EUR 379.7 million (previous year: EUR 338.6 million). With a 52.5 percent share of sales, the region once again confirmed its position as key sales driver in the Group.

In North America in the third quarter, SAF-HOLLAND generated sales of EUR 95.2 million (previous year: EUR 88.0 million). Over a nine-month period, the company achieved sales in the region of EUR 270.1 million (previous year: 263.2 million). Adjusted for currency effects, sales in North America in the first nine months of the

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year reached EUR 278.1 million, which corresponds to an increase of 5.7 percent as compared to the same period in the previous year.

From January to September, outside the core markets North America and Europe, SAF-HOLLAND achieved sales totaling EUR 73.7 million (previous year: EUR 52.9 million). In addition to organic growth, the newly-added Chinese Corpco Beijing Technology and Development Co., Ltd. also contributed to the disproportionately high increase. The company, which is specialized in suspension systems for buses, has been included in the scope of consolidation of SAF-HOLLAND since January 2014. Overall, the emerging markets increased their contribution to Group sales in the first half of the year to 10.2 percent (previous year: 8.1 percent).

Trailer Systems: profitability increased

The Trailer Systems Business Unit increased its sales in the first three quarters by EUR 41.0 million to EUR 414.1 million (previous year EUR 373.1 million). As SAF-HOLLAND's largest business segment, it thus generated 57.2% of Group sales (previous year: 57.0 percent). Detlef Borghardt, CEO of SAF-HOLLAND: "In North America we were able to take advantage of strong market growth and gradually further utilize local production capacities which were doubled in 2013." The European activities of the Business Unit also developed positively, but felt the effects of the Ukraine conflict: Large trailer manufacturers for which SAF-HOLLAND is a major supplier exported fewer vehicles to Russia. On the earnings side, the business segment made significant progress. In adjusted EBIT, growth of about 80 percent to EUR 17.2 million (previous year: EUR 9.7 million) was achieved and the adjusted EBIT margin increased to 4.2 percent (previous year: 2.6 percent) as a result. The favorable earnings development was positively influenced by the volume effects and the results achieved through the bundle of measures for improving profitability. By the end of 2015, an ongoing improvement in the adjusted EBIT margin for the Business Unit to about 6 percent has been targeted.

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Powered Vehicle Systems: strong growth

The Business Unit Powered Vehicle Systems increased sales in the first nine months by 11.9 percent to EUR 122.9 million (previous year: EUR 109.8 million). Sales volume was expanded further in both North America and Europe. Not least as a result of exports and innovative product solutions, the capacities at the European operations of the business segment located in Singen were consistently well utilized. Adjusted EBIT for the Business Unit in the reporting period amounted to EUR 8.1 million (previous year: EUR 9.4 million), the adjusted EBIT margin was 6.6 % (previous year: 8.6%). The earnings figures, which were weaker compared to the prior-year period as expected, reflect the unfavorable customer and product mix and seasonal influences from the Chinese Corpco integration. Activities in the bus segment which are part of Powered Vehicle Systems developed well. Corpco is now delivering, as standard supplier, suspension systems for nine-meter buses for a leading Chinese bus manufacturer. In addition, the new export model of a major Japanese OEM will have SAF-HOLLAND products as standard equipment.

Aftermarket: additional sales potential through second brands

In SAF-HOLLAND's Aftermarket business, sales from January to September increased to EUR 186.5 million (previous year: EUR 171.8 million). Adjusted EBIT for the Business Unit increased to EUR 30.3 million (previous year: EUR 27.2 million) with an adjusted EBIT margin of 16.2 percent (previous year: 15.8 percent). In terms of both sales and earnings, the Aftermarket business benefitted from contributions from the second brand product range, SAUER Quality Parts, which was established in 2012. A further second brand, GoldLine, is currently being added to the spare parts range and will be launched on the American market at the beginning of 2015. Both brands are targeted toward country markets in which vehicles with a high service age and high traveling distances are in use. The demand for original spare parts is still reluctant here, so that sales potential from the second brands can be tapped into. The expansion of the global service network in the Aftermarket Business Unit was continued in the third quarter. One area of focus was the expansion of the activities in Dubai, from which SAF-HOLLAND serves markets in the Middle East as well as in North and Central Africa.

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Investments in production, sales and information technology

Investments from SAF-HOLLAND were above the level of the previous year as planned. The Group invested EUR 21.2 million (previous year: EUR 17.7 million) in the first nine months, which corresponds to an investment rate of 2.9 percent (previous year: 2.7 percent). Investments were focused on the acquisition of Corpco as well as expenses for the new Parts Distribution Center (PDC), the plant consolidation in Europe and information technology systems.

Product innovations introduced at the IAA Commercial Vehicles trade fair

The Group invested EUR 16.6 million (previous year: EUR 14.8 million) for research and development in the first nine months, which corresponds to an R&D ratio of 2.3 percent (previous year: 2.3 percent). With its R&D activities, SAF-HOLLAND concentrates on new developments for the optimization of transportation efficiency. The primary focus is on weight reduction that allow commercial vehicles to carry larger loads and which reduce fuel consumption. Other R&D objectives include progress in terms of durability, driving safety and maintenance-ease. The company presented numerous innovations in September at the world's largest commercial vehicles fair, the IAA Commercial Vehicles trade fair in Hanover.

Financing structure further optimized

In September 2014, SAF-HOLLAND issued convertible bonds and used a majority of the proceeds from the emission to repay an existing bank loan in the amount of EUR 80.9 million ahead of schedule. After the end of the reporting period, the existing bank credit line was also repaid ahead of schedule in October and replaced with a newly-negotiated credit line in a total amount of EUR 109.8 million. As a result of this transaction and the issue of the convertible bonds, SAF-HOLLAND has interest expense savings of approximately EUR 2.0 million per year. Wilfried Trepels, CFO of SAF-HOLLAND: "With the emission of the convertible bonds and the early refinancing, we have finished the significant optimization of the financing structure and also financially secured the growth path of SAF-HOLLAND over the long term." The corporate bond issued in 2012 has a

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maturity in April 2018, the new credit line in October 2019 and the convertible bonds are due in September 2020.

Target for 2014 confirmed

Assuming that the overall economic and industry-specific framework conditions for SAF-HOLLAND do not worsen and as long as there is no downturn in the crisis regions Syria and Ukraine, SAF-HOLLAND confirms the forecast for the full year as laid out in March of this year. For financial year 2014, the company thereby strives to achieve Group sales between EUR 920 and 945 million – with adjusted EBIT of approximately EUR 70 million and a rising adjusted EBIT margin. For financial year 2015, too, SAF-HOLLAND continues to target Group sales of EUR 980 million to EUR 1.035 billion and an adjusted EBIT margin of 9 to 10 percent.

Notes:

EBIT was adjusted for the following items that are not originally attributable to the operating business: amortization from the purchase price allocation and impairment reversals on goodwill and intangible assets from the impairment tests as well as restructuring and integration costs.

The key figures chart included in the press release can be accessed at <http://corporate.safholland.com/en/investor/finanznachrichten/pressemitteilungen.html>.

Company Profile:

With sales of approximately EUR 860 million in 2013 and more than 3,000 employees, SAF-HOLLAND S.A. is one of the world's leading manufacturers and suppliers of premium product systems and components primarily for trailers as well as trucks, buses and recreational vehicles. The product range encompasses trailer axle systems and suspension systems, coupling devices, kingpins, and landing legs, among other things. SAF-HOLLAND sells its products on six continents to Original Equipment Manufacturers (OEMs) in the replacement parts market and, in the aftermarket business, to the OEM's Original Equipment Suppliers (OESs), as well as by means of a global service and distribution network. SAF-HOLLAND also sells its products to end users and service centers using this network. SAF-HOLLAND has therefore established itself as one of the few manufacturers in its sector that is internationally positioned with an extensive product range and a broad service network.

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SAF-HOLLAND S.A. is listed in the Prime Standard of the Frankfurt Stock Exchange and is among the stocks in the SDAX (ISIN: LU0307018795).

KEY FIGURES

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Sales	723.5	654.7	241.5	219.1
Cost of sales	-587.5	-533.4	-196.3	-178.1
Gross profit	136.0	121.3	45.2	41.0
as a percentage of sales	18.8	18.5	18.7	18.7
Adjusted result for the period	35.0	23.6	13.9	7.0
as a percentage of sales	4.8	3.6	5.8	3.2
Adjusted EPS in EUR ¹⁾	0.77	0.52	0.30	0.15
Adjusted EBITDA	65.4	55.1	22.4	18.4
as a percentage of sales	9.0	8.4	9.3	8.4
Adjusted EBIT	55.6	46.3	19.1	16.5
as a percentage of sales	7.7	7.1	7.9	7.5
Operating cash flow ²⁾	21.4	48.9	6.4	12.4

¹⁾ Adjusted net result / weighted average number of ordinary shares outstanding as of the reporting day.
²⁾ The operating cash flow is the cash flow from operating activities before income tax payments.

SALES BY REGION

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Europe	379.7	338.6	118.5	111.6
North America	270.1	263.2	95.2	88.0
Other	73.7	52.9	27.8	19.5
Total	723.5	654.7	241.5	219.1

SALES BY BUSINESS UNIT

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Trailer Systems	414.1	373.1	133.3	123.9
Powered Vehicle Systems	122.9	109.8	44.0	34.3
Aftermarket	186.5	171.8	64.2	60.9
Total	723.5	654.7	241.5	219.1

OTHER FINANCIAL INFORMATION

	09/30/2014	06/30/2014	03/31/2014	12/31/2013
Total assets (EUR million)	645.1	607.8	590.7	536.4
Equity ratio (%)	39.1	38.1	39.3	41.4
	Q1-Q3/2014	Q1-Q3/2013		
Employees (average)	3,374	3,085		
Sales per employee (kEUR)	214.5	212.2		

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