

SAF-HOLLAND's sales and earnings surge in the first nine months of 2015

- **Group sales rise 13% in the first nine months to EUR 817.5 million**
- **Adjusted EBIT climbs 32% and outpaces sales growth**
- **Adjusted EBIT margin rises to 9%**

Luxemburg, November 5, 2015 – SAF-HOLLAND, a SDAX-listed commercial vehicle supplier, was undeterred by the continued weakness in the Brazilian, Russian, and Australian sales markets and raised Group sales in the first nine months of 2015 by 13.0% to EUR 817.5 million (previous year: EUR 723.5 million). Steady, robust demand for trucks and trailers from Western Europe and the rising share of new products related to axle modules and suspension systems led the rise as did the growth in regions outside of the core markets of Europe and North America. Sales saw a significant benefit from currency translation effects, particularly from the strong US dollar. Business expanded by approx. 4% on an organic basis.

Solid overall capacity utilization together with ongoing efficiency improvements in production caused earnings growth to outpace sales growth. As a result, adjusted earnings before interest and taxes (EBIT) in the nine-month period of 2015 climbed 32.4% to EUR 73.6 million (previous year: EUR 55.6 million). This led to a significant improvement in the adjusted EBIT margin to 9.0% (previous year: 7.7%).

Third quarter sales expand 7.2%

Group sales in the third quarter increased 7.2% to EUR 258.8 million (previous year: EUR 241.5 million) despite strong year-over-year quarterly comparisons. Sales in all three business units – Trailer Systems, Powered Vehicle Systems, and Aftermarket – rose in comparison to the third quarter of 2014.

The higher gross margin coupled with the slower growth in selling, administrative, and R&D expenses compared to sales in the nine-month period of 2015 generated a 38.2% rise in the operating result to a total of EUR 64.7 million (previous year: EUR 46.8 million).

The finance result in the first nine months of 2015 improved to EUR -2.5 million (previous year: EUR -5.1 million). The finance result for the third quarter of 2015 amounted to EUR -3.9 million (previous year: EUR 0.9 million) and was noticeably weaker year-over-year. This mostly relates back to the unusually high foreign exchange gains in the third quarter of the previous year stemming from the valuation of inter-company foreign currency loans of a net amount of EUR 4.8 million,

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compared with net foreign exchange losses of EUR 0.4 million in the third quarter of 2015.

Higher operating earnings in combination with a better finance result led to a year-over-year surge in earnings before taxes of 48.4% to EUR 63.2 million in the first nine months of 2015 (previous year: EUR 42.6 million). The result for the period jumped to EUR 42.1 million (previous year: EUR 28.7 million). This amount corresponds to undiluted earnings per share of EUR 0.93 (previous year: EUR 0.63) and diluted earnings per share of EUR 0.80 for the first nine months of 2015 (previous year: EUR 0.63). The calculation of diluted earnings per share takes into account the potentially higher number of shares from the convertible bond issued in 2014.

Adjusted EBIT margin in third quarter at 9.3%

Adjusted EBIT in the third quarter of 2015 gained 26.2% to EUR 24.1 million (previous year: EUR 19.1 million) placing the Company's adjusted EBIT margin in the third quarter once again within the target range of 9 to 10% despite sequentially seasonally weaker sales. The adjusted EBIT margin stood at 9.3% (previous year: 7.9%). Earnings before taxes in the third quarter of 2015 grew moderately due to the weaker finance result and amounted to EUR 17.3 million (previous year: EUR 17.2 million). The result for the period rose 4.4% to EUR 11.7 million (previous year: EUR 11.2 million), which is equivalent to undiluted earnings per share in the third quarter of 2015 of EUR 0.26 (previous year: EUR 0.24) and diluted earnings per share of EUR 0.22 (previous year: EUR 0.24).

Sales growth in all reporting regions

In Europe, SAF-HOLLAND's strongest sales region, sales in the first nine months of 2015 grew by 4.0% to EUR 394.8 million (previous year: EUR 379.7 million). Positive business developments in Western Europe were somewhat offset by the continued and very difficult market environment in Russia. Sales in North America enjoyed support from favorable currency effects and climbed 21.8% to EUR 329.1 million (previous year: EUR 270.1 million) albeit customer orders showed signals of a normalizing demand especially in the truck market. In other regions, SAF-HOLLAND recorded a sharp rise in sales of an overall 27.0% to EUR 93.6 million (previous year: EUR 73.7 million). Business flourished in the ASEAN countries as well as in China. The expanded activities in Dubai and Mexico, particularly in the Aftermarket business, made a substantial contribution to sales growth. There is continued weakness, however, in the Brazilian market and in the Australian market.

All Business Units contribute to sales and earnings growth

In the first nine months of 2015, SAF-HOLLAND generated higher sales and earnings in all Business Units. The largest Business Unit, Trailer Systems, increased its sales

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14.0% to EUR 471.9 million (previous year: EUR 414.1 million). Sound capacity utilization in our core markets and the positive impact from measures implemented to increase efficiency led to a sharp rise in adjusted EBIT of 76.7% to EUR 30.4 million (previous year: EUR 17.2 million). This rise resulted in an improved adjusted EBIT margin of 6.5% (previous year: 4.2%).

During the same period, sales in the Powered Vehicle Systems Business Unit increased to EUR 139.3 million (previous year: EUR 122.9 million) due to relatively steady developments in the truck markets in North America and Europe and favorable currency developments. The Business Unit's adjusted EBIT climbed 29.6% to EUR 10.5 million (previous year: EUR 8.1 million). Earnings in this segment were supported by flexibility measures implemented at the production facilities in North America, the solid capacity utilization, and the higher earnings contribution from the specialists for bus suspension systems Corpro in China. The adjusted EBIT margin amounted to 7.5% (previous year: 6.6%).

The Aftermarket business in the nine-month period of 2015 was influenced by the difficult conditions in Russia and the tendency of North American fleet operators to purchase new vehicles. In addition, the company made investments for the international expansion of the Business Unit's sales structures. The Aftermarket Business Unit was able to increase its sales by 10.6% to EUR 206.3 million (previous year: EUR 186.5 million). At the same time, the adjusted EBIT climbed 7.9% to EUR 32.7 million (previous year: EUR 30.3 million). At 15.8% (previous year 16.2%), the Unit's adjusted EBIT margin remained in the planned range of 15 to 16%.

Favorable sales and earnings performance expected to continue – outlook for sales, adjusted EBIT, and earnings per share confirmed

Despite the severe market downturns in Brazil, Russia, and Australia, the successful business performance in the first nine months of 2015 provides a solid foundation for the full year. From today's perspective, we assume that SAF-HOLLAND's solid business development will continue throughout the remainder of 2015 and the company will report another year of profitable growth. The company confirms its 2015 full-year targets, which were raised slightly in the second quarter. The steady year-to-date organic growth of approx. 4 % together with the positive exchange rate effects already described make us confident that full-year 2015 Group sales will reach at least the upper end of our projected sales range of EUR 980 million to EUR 1,035 million (previous year: EUR 959.7 million) or slightly higher. Cost discipline, combined with higher production efficiency as well as satisfactory capacity utilization in most markets, should lead to disproportionately high earnings growth for the full year. Therefore, the company continues to expect a noticeable year-over-year rise in the company's profitability and an adjusted EBIT margin at the lower end of the 9 - 10% range (previous year: 7.4%). Assuming that developments in both the economy and

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industry continue to be stable, management continues to expect adjusted EBIT for the full year of 2015 to be slightly higher than EUR 90 million (previous expectation: around EUR 90 million). Unchanged, management expects earnings per share to grow at least 30% taking fully into account the higher number of share equivalents due to the convertible bonds issued in 2014.

Notes:

Adjusted EBIT was adjusted for the following items that are not attributable to the operating business: amortization resulting from purchase price allocation and impairment reversals on intangible assets from impairment tests as well as one-time restructuring and integration costs. The nine-month report of SAF-HOLLAND S.A. as of September 30, 2015 can be accessed at <http://corporate.safholland.com/en/investoren/reports/2015.html>.

Company Profile:

SAF-HOLLAND S.A., located in Luxembourg, is the largest listed supplier to the commercial vehicle market in Europe. With sales of approximately EUR 960 million in 2014 and more than 3,000 employees, the company is one of the world's leading manufacturers and suppliers of chassis-related systems and components primarily for trailers, trucks, buses, and recreational vehicles. The product range comprises axle and suspension systems, fifth wheels, kingpins, and landing gear and is marketed under the brands SAF, HOLLAND, and Neway. SAF-HOLLAND sells its products to Original Equipment Manufacturers (OEMs) on six continents. The Aftermarket Business Unit sells spare parts to the Original Equipment Service (OES) of the manufacturers and to end customers and service centers through its own extensive global service and distribution network. SAF-HOLLAND is one of the few suppliers in the truck and trailer industry that is internationally positioned in almost all markets worldwide.

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KEY FIGURES

EUR million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Sales	817.5	723.5	258.8	241.5
Cost of sales	-658.6	-587.5	-208.6	-196.3
Gross profit	158.9	136.0	50.2	45.2
as a percentage of sales	19.4	18.8	19.4	18.7
Adjusted result for the period	49.3	35.0	14.0	13.9
as a percentage of sales	6.0	4.8	5.4	5.8
Undiluted adjusted EPS in EUR ¹⁾	1.09	0.77	0.31	0.30
Adjusted EBITDA	84.8	65.4	28.0	22.4
as a percentage of sales	10.4	9.0	10.8	9.3
Adjusted EBIT	73.6	55.6	24.1	19.1
as a percentage of sales	9.0	7.7	9.3	7.9
Operating cash flow ²⁾	43.7	21.4	28.8	6.4

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-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Europe	394.8	379.7	123.6	118.5
North America	329.1	270.1	104.8	95.2
Other	93.6	73.7	30.4	27.8
Total	817.5	723.5	258.8	241.5

SALES BY BUSINESS UNIT

EUR million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Trailer Systems	471.9	414.1	145.2	133.3
Powered Vehicle Systems	139.3	122.9	44.5	44.0
Aftermarket	206.3	186.5	69.1	64.2
Total	817.5	723.5	258.8	241.5

OTHER FINANCIAL INFORMATION

	09/30/2015	06/30/2015	03/31/2015	12/31/2014
Total assets (EUR million)	691.1	713.6	724.7	645.2
Equity ratio (%)	39.3	38.1	38.3	38.5
	Q1-Q3/2015	Q1-Q3/2014		
Employees (average)	3,377	3,374		
Sales per employee (kEUR)	242.1	214.5		

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