Design the future

Quarterly Report of SAF-HOLLAND S.A.
as of June 30, 2015

KEY FIGURES

EUR million	Q1-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Sales	558.7	482.0	287.7	246.7
Cost of sales	-450.0	-391.2	-230.0	-199.9
Gross profit	108.7	90.8	57.7	46.8
as a percentage of sales	19.5	18.8	20.1	19.0
Adjusted result for the period	35.3	21.1	21.1	11.5
as a percentage of sales	6.3	4.4	7.3	4.7
Undiluted adjusted EPS in EUR[1]	0.78	0.47	0.47	0.26
Adjusted EBITDA	56.8	43.0	30.6	22.7
as a percentage of sales	10.2	8.9	10.6	9.2
Adjusted EBIT	49.5	36.5	26.9	19.4
as a percentage of sales	8.9	7.6	9.4	7.9
Operating cash flow[2]	14.9	15.0	12.6	11.1

[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-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Europe	271.2	261.2	139.9	128.4
North America	224.3	174.9	113.3	91.9
Other	63.2	45.9	34.5	26.4
Total	**558.7**	**482.0**	**287.7**	**246.7**

SALES BY BUSINESS UNIT

EUR million	Q1-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Trailer Systems	326.7	280.8	167.1	139.9
Powered Vehicle Systems	94.8	78.9	49.5	42.4
Aftermarket	137.2	122.3	71.1	64.4
Total	**558.7**	**482.0**	**287.7**	**246.7**

OTHER FINANCIAL INFORMATION

	06/30/2015	03/31/2015	12/31/2014
Total assets (EUR million)	713.6	724.7	645.2
Equity ratio (%)	38.1	38.3	38.5

	Q1-Q2/2015	Q1-Q2/2014
Employees (average)	3,408	3,383
Sales per employee (kEUR)	164.0	142.5

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Foreword from the Management Board

Ladies and Gentlemen, Dear Shareholders and Investors,

Detlef Borghardt,
Chief Executive Officer (CEO)

SAF-HOLLAND remains on a successful path. Once again in the second quarter of this year we recorded good business development and achieved sales increases in all three Business Units and in all regions. Compared to the previous year period, sales in the first half of 2015 rose by 15.9% to EUR 558.7 million. Earnings growth was even stronger than the increase in sales: Adjusted EBIT in the Group climbed by 35.6% to EUR 49.5 million, the adjusted EBIT margin rose substantially from 7.6% to 8.9%. With 9.4% in the second quarter, we were within the target corridor that we set for ourselves in 2010, a development that involved a great deal of committment from all employees.

The better than expected business results in the first six months have given us cause to upwardly adjust the absolute targets for full-year 2015. We now expect that Group sales will be at least at the upper end or slightly above the originally forecast sales range of between EUR 980 and EUR 1,035 million. In terms of adjusted EBIT, we now expect a figure that will tend to be somewhat higher than the previously targeted EUR 90 million.

We have also clearly laid out our medium and long term targets: Our growth strategy 2020, which was presented in May, calls for SAF-HOLLAND to achieve Group sales of between EUR 1,250 and EUR 1,500 million in five years. Of that amount, we intend to generate at least EUR 1,250 million through organic growth. Although significant growth rates are also to be expected in the North American business, by 2020 about 30% of Group sales will come from regions outside our current core markets of Europe and North America. In these emerging markets, we now generated a mere 11 percent of total sales. The high growth rates, however, demonstrate that we have taken the right course.

In order to achieve this target, we are putting our profitable company growth on a broader basis, both regionally and with new products: We are systematically utilizing market opportunities that arise for us from the global megatrends – an increasing world population, growth in the strong-consuming middle class as well as urbanization and globalization. Especially in the emerging markets of the BRIC and Next Eleven countries, an increasing number of people are experiencing prosperity. A consumption-friendly middle class is developing in the booming major cities. In the course of the economic upswing and rising buying power, the volume of goods and the need for transport in these emerging regions is jumping. Road infrastructure is being expanded significantly. And the decisive point for us: In the end, demand for transport vehicles such as trucks and trailers increases.

As part of this process, we are relying to an equal extent on organic growth and on supporting cooperations and acquisitions in order to more quickly open up certain markets or to be able to strengthen the market position faster. We have what it takes to be successful here: Our company has already repeatedly shown that it can successfully execute strategic market entries – in Dubai and in Mexico as well as in other parts of the world. The successful integration of the Chinese production location Xiamen into the production network and the successful further development of Chinese company Corpco, the specialist for bus and truck air suspension systems that was acquired in 2014 show that acquisitions can accelerate the opening of new country markets. It was possible to successfully integrate both units into the SAF-HOLLAND Group following the acquisition and both are now making a positive contribution to Group earnings. In the acquisition and subsequent integration of companies, we are also aided by the experience that we gained from the successful merger of the previously independent German SAF with the North American Holland Group.

In the first half of the year, we also announced changes in the company management: Richard Muzzy and Ulrich Otto Sauer, who both personally shaped the development of SAF-HOLLAND over a period spanning several decades, have stepped away from the business of the company and, as planned, resigned their mandates in the Board of Directors of SAF-HOLLAND S.A. and in the Supervisory Board of SAF-HOLLAND GmbH. On behalf of my colleagues on the Management Board and Board of Directors, I would like to express my very special personal thanks to both of them, because they decisively shaped the former SAF and Holland Groups as Managing Directors. Following the merger of the two companies, they accompanied the growth path of the SAF-HOLLAND Group and played key roles in turning it into the successful multinational company that we are all familiar with today.

There will also be a change in the Management Board in the course of the year. Our respected colleague Jack Gisinger will enter his well-earned retirement at the end of the year. In June 2015, in order to ensure a smooth transfer of management responsibilities, he had already handed over his position as President of the Powered Vehicle Systems Business Unit to Mike Kamsickas and continues to be available to him in a consulting capacity. We are very happy that we have managed to win over Mike Kamsickas as a successor – a man with more than 30 years of experience in the automotive and commercial vehicles sector and who has held various international management positions in the industry.

On behalf of my colleagues on the Management Board and the Board of Directors, I would like at the end of the first half of 2015 to thank all of our customers, suppliers, business partners, employee representatives and employees for their good and successful cooperation, as well as our shareholders and bond holders for the confidence you have shown and the often many years of loyalty to SAF-HOLLAND.

Sincerely,

Detlef Borghardt
Chief Executive Officer (CEO)

SAF-HOLLAND ON THE CAPITAL MARKET

SUMMARY OF SHARE PRICE DEVELOPMENT

SDAX growing faster than DAX

In the first half of 2015, the German stock market was dominated by volatile fluctuations. The upswing with an all-time index high during the first three months was followed by a noticeable drop in mid-April. Significant reasons for this slowdown were the increasing uncertainties surrounding the ongoing Greek sovereign debt crisis and the possibility of Greece leaving the European currency union. In contrast, the stock market was boosted by continued very low interest rates, favorable oil prices and the weaker euro. The sound economic data published by the USA also provided substantial momentum at the end of the first six months.

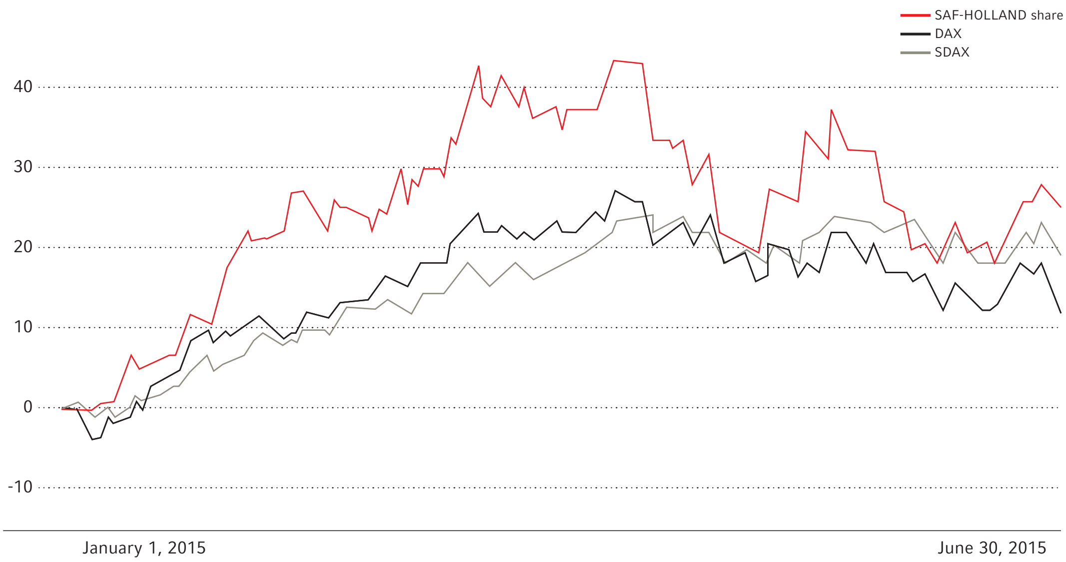
The German benchmark index DAX could not continue its high in the second quarter. On June 30, it closed at 10,945 points. Compared to the end-of-year level for 2014, this represented an increase of 11.6%. The SDAX, where SAF-HOLLAND is listed, recorded even stronger growth. The half-year closing price of 8,578 points was a 19.4% increase compared to the value at the end of 2014.

SAF-HOLLAND share increased by 24.8%

The development of our share price was dominated by an extremely strong performance in the first three months followed by the general market weakness in the second quarter. This generated the temporary profit-taking by a number of investors due to the repeated increases in share price. At the end of the first half of the year, the SAF-HOLLAND share traded at EUR 13.85 (previous year: EUR 11.52) – an increase of 24.8% compared to the price at the end of 2014. Our share thus gained more than double the percentage points of the DAX.

On the basis of the half-year closing price and the 45,361,112 issued shares, the market capitalization of SAF-HOLLAND was at EUR 628.3 million on June 30, 2015 (previous year: EUR 522.6 million).

DEVELOPMENT OF THE SAF-HOLLAND SHARE PRICE VS. DAX AND SDAX Figures in %



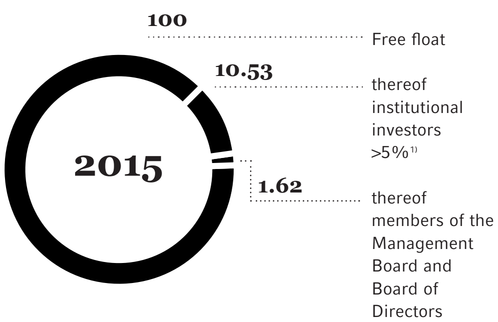
Source: Commerzbank AG, Frankfurt am Main.

Trading volume increase by more than 70%

The SAF-HOLLAND share is listed on the regulated market of the Frankfurt Stock Exchange. It meets the strict transparency requirements of the Prime Standard of the German Stock Exchange and is a component of the SDAX index. During the first half of this year, our share's average daily trading volume was 260,147 (previous year: 152,450).

All SAF-HOLLAND shares are free-float. Among holders of more significant contingents are investment companies from the USA, the United Kingdom, Switzerland, France, the Benelux and Germany. Deutsche Bank AG was among the larger institutional investors in the second quarter with a stake of 5.29% (2,401,539 votes) as well as Ameriprise Financial Inc./Threadneedle Asset Management Ltd., London, owning a 5.24% stake (2,376,212 votes). Following the Annual General Meeting on April 23, 2015 Richard Muzzy resigned from the Board of Directors at SAF-HOLLAND S.A. and Ulrich Otto Sauer resigned from the Supervisory Board at SAF-HOLLAND GmbH. Their share portfolios will no longer be included in the calculation of shares belonging to the Board of Directors and the Management Board. In total, members of the Management Board and the Board of Directors of SAF-HOLLAND held a total of 1.62% of the company's shares (previous year: 3.51%) as of June 30, 2015.

SHAREHOLDER STRUCTURE 2015 in %



As of June 30, 2015

[1] As of July 6, 2015: 5.29%

Analysts recommendations

The SAF-HOLLAND share is regularly analyzed by several banks and financial service providers. They draft company studies as well as share commentaries, evaluations and recommendations. At the time of publication of this quarterly report, eight out of eleven analysts rated the share as a “buy”, one as a “hold” and two as “outperform”.

CURRENT ANALYSTS RECOMMENDATIONS

quirin bank AG	buy
Hauck & Aufhäuser Institutional Research AG	buy
Bankhaus Lampe KG	buy
Deutsche Bank AG	buy
equinet Bank AG	buy
Montega AG	buy
Commerzbank AG	hold
Exane BNP Paribas	outperform
Kepler Cheuvreux	buy
Macquarie Capital Ltd.	outperform
ODDO SEYDLER BANK AG	buy

Dividend payment of EUR 0.32 per share

At the Annual General Meeting of SAF-HOLLAND held on April 23, 2015, a dividend payment of EUR 0.32 per share for financial year 2014 was agreed (previous year: EUR 0.27). The shareholders approved the proposal from the Board of Directors.

The dividend amount paid out on April 24, 2015 of EUR 14.5 million (previous year: EUR 12.2 million) corresponds to approx. 44% (previous year: 50%) of the result for the period for the 2014 financial year. Relative to each share and the end-of-year price for 2014, this means a dividend yield of 2.9% (previous year: 2.5%).

The dividend policy of SAF-HOLLAND intends to ensure that shareholders participate in the company success by distributing 40% to 50% of available net earnings as a dividend when the equity ratio reaches about 40%.

KEY SHARE FIGURES

WKN / ISIN	A0MU70 / LU0307018795
Stock exchange symbol	SFQ
Number of shares	45,361,112 shares
Designated Sponsors	Commerzbank AG, ODDO SEYDLER BANK AG, Kepler Cheuvreux
Half-year high/low[1]	EUR 15.77 / EUR 11.06
Half-year closing price[1]	EUR 13.85
Market capitalization at the end of the first half-year[2]	EUR 628.3 million
Undiluted adjusted earnings per share[2]	0.78 EUR

[1] XETRA closing price.
[2] Based on the weighted average number of shares outstanding in the period under review.

CORPORATE BONDS OVERVIEW

Attractive investment alternatives

SAF-HOLLAND has issued a corporate bond and convertible bonds on the capital market. During these times of continuously low interest rates, strong-yield investment alternatives experience great popularity among private and institutional investors.

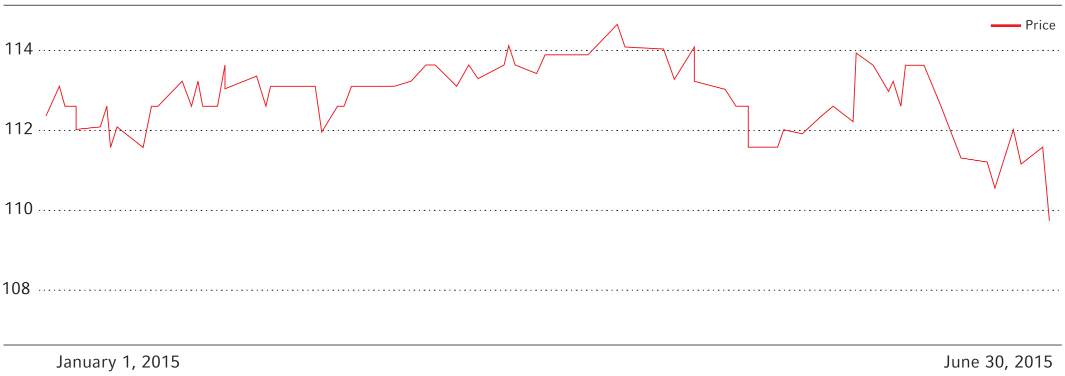
SAF-HOLLAND has a BBB investment grade credit rating with a stable outlook. Following a further comprehensive analysis, rating agency Euler Hermes confirmed its previous year's rating on April 7, 2015. In their twelve-month forecast, analysts predict a continued stable company development for SAF-HOLLAND.

SAF-HOLLAND corporate bond

Since October 2012, SAF-HOLLAND has had a corporate bond listed in the Prime Standard for corporate bonds in the Frankfurt Stock Exchange. Being listed in this premium segment provides investors with greatest transparency and good bond tradability.

During the first half of 2015, our bond largely continued to follow the development of the German stock market. The company bond ended trading on June 30, 2015 with a closing price of the day of 109.7% (previous year: 114.1%).

DEVELOPMENT OF THE SAF-HOLLAND CORPORATE BOND Figures in %



Source: IKB Deutsche Industriebank AG, Düsseldorf.

KEY FIGURES FOR THE CORPORATE BOND

WKN	A1HA97
ISIN	DE000A1HA979
Volume	EUR 75.0 million
Denomination	EUR 1,000
Coupon	7.00% p.a.
Interest date	April 26
Term	5.5 years
Maturity	April 26, 2018
Bond segment	Prime Standard
Stock exchange	Frankfurt
Status	Not subordinated
Company rating	BBB, stable outlook (Euler Hermes)
Half-year closing price[1]	109.7%

[1] Source: IKB Deutsche Industriebank AG, Düsseldorf.

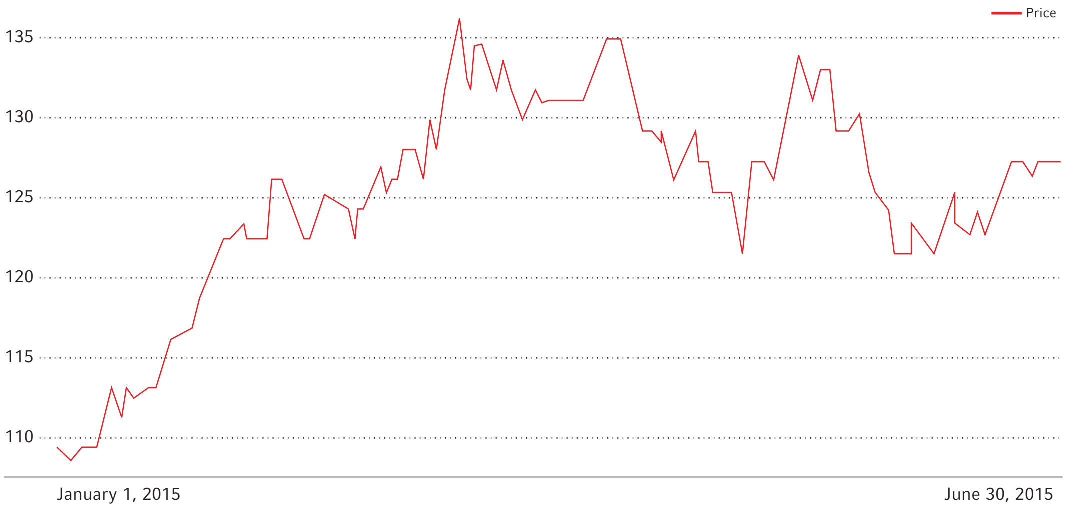
SAF-HOLLAND convertible bonds

The convertible bonds issued by SAF-HOLLAND in September 2014 have been integrated into the OTC trade of the Frankfurt Stock Exchange.

The initial bond conversion price and the conversion ratio were adjusted effective from April 24, 2015. SAF-HOLLAND thus endorses the agreement of the Annual General Meeting on April 23, 2015 to pay a cash dividend of EUR 0.32 per share to the shareholders. The conversion price is now EUR 12.3291 (previously: EUR 12.3706) and the conversion ratio is 8,110.8921 (previously: 8,083.6823).

The price of our convertible bonds increased significantly in the first half of 2015 from 107.5% at the end of 2014 to 127.2% on June 30, 2015.

PERFORMANCE OF THE SAF-HOLLAND CONVERTIBLE BOND Figures in %



Source: IKB Deutsche Industriebank AG, Düsseldorf.

KEY FIGURES FOR THE CONVERTIBLE BOND

WKN	A1ZN7J
ISIN	DE000A1ZN7J4
Volume	EUR 100.2 million
Denomination	EUR 100,000
Coupon	1.00% p.a.
Method of payment	Semi-annual
Term	6 years
Maturity	September 12, 2020
Status	Unsubordinated and unsecured
Conversion price	EUR 12.33 per share
Conversion premium	20% above reference price
Conversion ratio	8.110,8921 per bond
Dividend protection	Up to EUR 0.27 per share annually
Stock exchange	Over the counter market of the Frankfurt Stock Exchange
Half-year closing price[1)]	127.2%

[1)] Source: IKB Deutsche Industriebank AG, Düsseldorf.

INVESTOR RELATIONS AND CAPITAL MARKET RELATIONSHIPS

Extensive capital market communication

The investor relations and creditor relations activities of SAF-HOLLAND are oriented toward continuous, open and timely information for capital market participants. Shareholders, investors and analysts are provided with a detailed report on business performance, the global growth strategy and the future prospects of our company. Our commitment contributes to broadening our investor base and increases the standing of SAF-HOLLAND shares and corporate bonds as an attractive investment option.

During the first half of 2015, there were numerous examples for the intensive capital market communication of our Management Board and the IR team employees. We provided information about SAF-HOLLAND within the scope of individual discussions, group meetings and phone conferences as well as road shows. Various investor conferences and presentations were held in Germany, France, the United Kingdom, Italy, Austria, Switzerland and the USA.

Our SAF-HOLLAND Investor Relations website provides comprehensive information on the share as well as on the corporate bond and the convertible bonds. Here you will find, among other things, reports and presentations for download: http://corporate.safholland.com/en/investoren.html.

Group Interim Management Report

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

GENERAL FRAMEWORK CONDITIONS

Overall Economic Development

After a subdued start to the year, the global economy appears to have slightly gained strength in the second quarter of 2015. According to the Institute for World Economy (IfW), indicators point towards moderate expansion, particularly in the advanced economies. However, according to the Institute, a stronger upwards trend than in the past two years is not identifiable for 2015.

In the Eurozone, the economy profited from the impetus of low crude oil prices and cost of capital during the reporting period. Furthermore, the international competitiveness of producers and thus also exports, benefited from the Euro exchange rate. According to calculations of the statistical office of the European Union, the seasonally-adjusted gross domestic product (GDP) in the Eurozone increased from January to March in 2015 by 0.4% as compared to previous year`s quarter. During the first three months, the German GDP presumably grew by 0.3% and in the second quarter of 2015 by 0.4%.

In the United States, the upward economic trend slowed down during the reporting period. After growth rates of 0.5% in the previous quarters, the GDP increased by a mere 0.2% from January to March. The Bureau of Economic Analysis (BEA) attributes the decline to negative contributions from export business and reduced government spending, among other things. Furthermore, special factors made themselves noticeable, such as unfavorable weather conditions and a prolonged harbor workers' strike on the west coast.

Lower revenues due to the fall in raw material prices and structural problems slowed down economic development in the emerging markets. In relation to Brazil, the IfW continues to anticipate a weak economy after stagnation during the initial months of the year. Russian economic production is expected to have declined, primarily due to the political conflicts in connection with the events in the Ukraine.

During the first half-year, the Asian emerging markets showed comparatively strong economic growth, although in many cases no longer to the extent seen in previous years. From January to March, production in China grew by 7% in comparison to the same quarter in the previous year. In India, the economy also gained significantly, however the growth rates also reflect changes in the statistical returns.

Industry-specific development

The global commercial vehicle markets developed very differently during the first half-year. Demand continued to rise in Europe. From January until May, a total of around 832,000 commercial vehicles were newly-registered, 11.6% more than in the previous year period. With the exception of France, all major volume markets exhibited significant gains. According to the industry association, ACEA, the new registration figures particularly grew in the higher weight vehicle classes, which are in particular interesting for SAF-HOLLAND. New registrations of trucks over 3.5 tons grew by 12.8% and of trucks over 16 tons by 17.8%.

In North America, fleet operators were significantly more restrained with their orders in the second quarter: With trucks as well as with trailers, monthly order intake remained below the comparable values for the previous year. ACT Research emphasizes that this should not be interpreted as a sign of market weakness. In fact, numerous fleets already placed their orders in previous months in order to ensure prompt delivery. The order books of the manufacturers confirm this development: In May the order backlogs for trucks in classes 5 through 8 amounted to a total of 56,000 units, which is a gain of one-third compared to the corresponding month of the previous year. In relation to the trailer market, ACT Research continues to forecast that 2015 will be the strongest sales year since the end of the 1990s.

During the reporting period, the commercial vehicle markets in Brazil and Russia showed extreme weakness. In Brazil during the first half of the year, 42.3% fewer trucks were newly registered than in the same period of 2014. According to calculations of the Anfavea industry association, new registrations declined in all vehicle classes. Only the lightweight vehicles up to 6 tons gained slightly. With the Russian manufacturers, a total of approximately 46,000 units came off of the production lines from January to May 2015. Therefore, production figures fell by 23.2% compared to the corresponding period of the previous year. Russia also plays a lesser role as a sales market for used vehicles at present. Western European fleet operators thus keep used vehicles in their inventory for longer periods in some cases.

The Indian commercial vehicle market gained 3.6% from April to June in comparison to the previous year period. With a rise in sales figures by 23.2%, vehicles in the medium and heavy weight classes were in particularly high demand. In China, sales continue to develop in a reserved manner. According to the CAAM manufacturers' association, during the first five months of the year, 1.5 million commercial vehicles were built; 17.4% fewer than in the same months of the previous year. In the bus segment, production figures of the Chinese OEMs grew by 3.5%.

OVERVIEW OF BUSINESS DEVELOPMENT – SIGNIFICANT EVENTS IN THE FIRST HALF OF 2015

For SAF-HOLLAND, the positive business development of the first quarter continued in the following months. From April to June, sales volume in all regions and business units increased – compared to the previous year period, as well as in comparison to the first quarter of 2015. As of the half-year, Group sales reached EUR 558.7 million (previous year: EUR 482.0 million). They were thus EUR 76.7 million or 15.9% above the comparative value for the previous year. The favorable Euro / Dollar exchange rate had again a positive influence on sales development. We generated sales growth of 5.9% to EUR 510.4 million adjusted for exchange rate effects.

In spite of the difficult market situation in Brazil and Russia, all business segments showed significant gains, also on the earnings side. Earnings grew at a faster rate than sales with Trailer Systems: In SAF-HOLLAND's largest business segment, the adjusted EBIT on a half-year basis was more than 80% above the comparable value for the previous year. On Group level, adjusted EBIT increased by 35.6% to EUR 49.5 million (previous year: EUR 36.5 million), thereby growing significantly stronger than sales. The adjusted EBIT margin improved to 8.9% (previous year: 7.6%).

Growth strategy 2020 – benefiting from the megatrends

In multidisciplinary teams, we advanced the implementation of the growth strategy 2020 that was adopted in the first quarter. The medium-term follow-up strategy positions the profitable business growth of SAF-HOLLAND on an even broader basis and simultaneously ensures additional expansion dynamics. For this, it combines the existing strategic key points – expansion of the North American trailer business and strengthening of international aftermarket activities –

with the new growth segments, which offer the company strong opportunities. In relation to the penetration of the BRIC markets, SAF-HOLLAND is continuing its geographic focus and will also address more complementary regions of the world in future.

__ Globalization campaign also outside of the present core markets

The stronger expansion outside of Europe and North America has the purpose of systematically using market opportunities that result from megatrends: Population figures are rising significantly in emerging markets. More and more people are living in cities and with the economic upturn, a strong consumer middle class is developing. This drives goods traffic, enlarges transport volumes and increases demand for trucks and trailers.

With the expansion of business into promising regions, we are continuing to use our core competences, as well as the well-proven route via the aftermarket business and product technology applications. SAF-HOLLAND is already active in several of the emerging countries. These activities are being expanded and supplemented through additional commitment in new geographical sales regions. For this, we are relying on internal growth, as well as on cooperations and acquisitions which support us on the product side or regionally.

Whether it is in Dubai, Mexico or other parts of the world, it has been shown that the market entry strategies of SAF-HOLLAND are extremely promising. With our extensive integration experience from the merger of the German SAF Group and the North American Holland Group and with our successful acquisitions of Xiamen and Corpco, we demonstrated that the development of new national markets can be accelerated through acquisitions.

__ Accelerated expansion of high-growth areas of activity

In parallel with the globalization campaign, the growth strategy 2020 is focusing on a total of eight regionally-oriented and product-oriented areas of activity. They are important growth areas in which SAF-HOLLAND is, in part, already active today and which can grow further by means of more intensive market penetration, gaining additional market share and the introduction of new products. Examples include the activities located in Dubai for the Middle East and for Africa as well as the global expansion of our program for suspension systems for trucks and buses.

PRIORITY AREAS OF ACTIVITY OF THE GROWTH STRATEGY 2020

China	All product segments
Middle East / Africa	All product segments
Axles and suspension systems for trailers (OE business)	Europe
Axles and suspension systems for trailers (OE business)	North America
Suspension systems for trucks (OE business)	Worldwide
Suspension systems for buses (OE business)	Worldwide
Aftermarket business	Europe
Aftermarket business	North America

__ Profitable growth with a broad basis

Through the growth strategy, we intend to generate one-third of our Group sales outside of Europe and North America by 2020, with the eight focus areas of activity contributing around 80% of total sales. In the Group, SAF-HOLLAND is aiming for sales growth of up to EUR 1.250 to 1.500 billion for 2020. This corresponds to average annual sales growth of 4 to 7%, which is significantly higher than the market trend. About half of the envisaged increase in sales will be accounted for by organic growth.

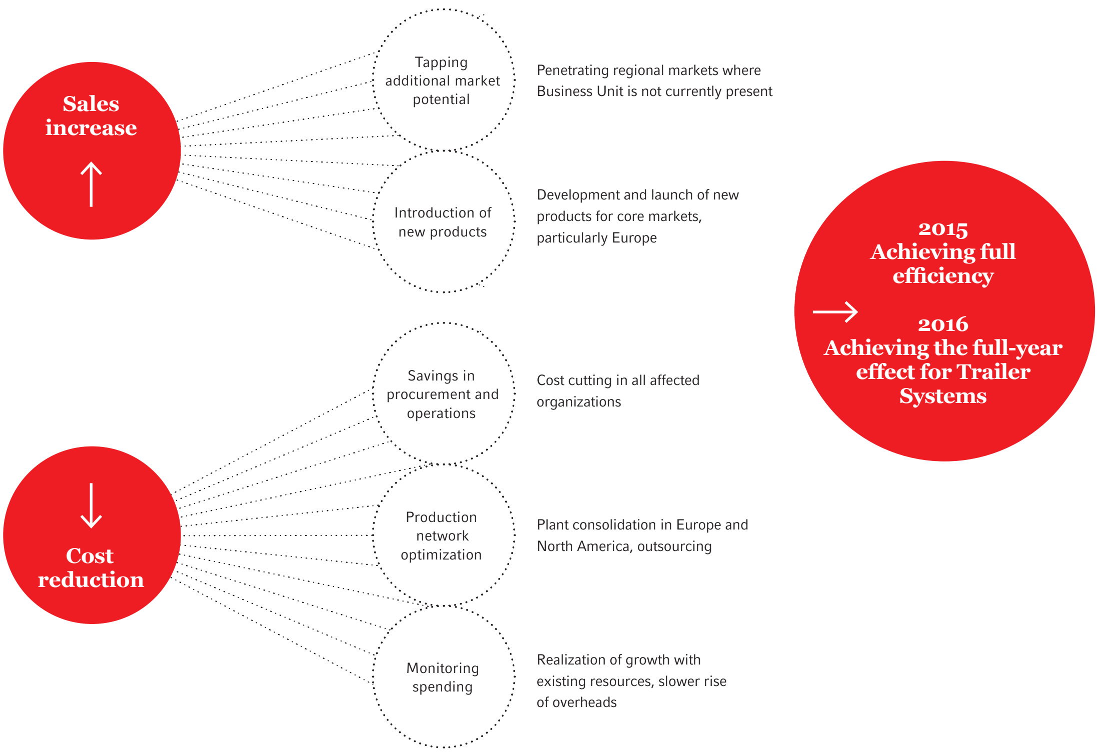
In spite of the planned strong growth in the emerging markets, SAF-HOLLAND anticipates that by 2020, it will be able to achieve a level of at least 8% with the adjusted EBIT margin. An increase of around 75% in earnings per share is expected in 2020, in comparison to 2014. The increased number of shares resulting from the convertible bonds issued in 2014 has already been taken into account.

Measures to increase profitability in Trailer Systems

Our initiatives to increase profitability in the Trailer Systems Business Unit progressed further in the first half of 2015. The originally envisaged increase of the adjusted EBIT margin for the business segment to around 6% by the end of the financial year was already achieved respectively slightly exceeded in the second quarter. The seasonally high capacity utilization and the favorable product mix had a noticeable effect. Focal points in the earnings optimization program include the transfer of the plant in Wörth to the two plants at the main site in Bessenbach. From today's perspective, the relocation from Wörth to Bessenbach can be completed in fall of 2015. Therefore, the consolidation of the German plants can be completed slightly earlier than originally planned.

As regards North America, further cost-optimization measures with regard to the consolidation of plants are presently being discussed and are expected to be decided on during the further course of the year.

PACKAGE OF MEASURES TO INCREASE PROFITABILITY OF TRAILER SYSTEMS



EARNINGS SITUATION

Group sales increase by EUR 76.7 million

In the second quarter 2015, SAF-HOLLAND generated Group sales of EUR 287.7 million (previous year: EUR 246.7 million), a gain of 16.6% compared to the same quarter in the previous year. In combination with the first quarter, which also experienced high sales, this results in a rise of total sales in the first half-year by 15.9% to EUR 558.7 million (previous year: EUR 482.0 million). The favorable Euro / Dollar exchange rate also had a positive impact on sales development. In the first six months of 2015, group sales adjusted for exchange rate effects grew by 5.9% to EUR 510.4 million (previous year: EUR 482.0 million).

CURRENCIES: DEVELOPMENT OF THE US DOLLAR AND THE CANADIAN DOLLAR AGAINST THE EURO (Q1-Q2/2015)[1]

North America	
US dollar	+22.8%
Canadian dollar	+9.0%

[1] Average rates Q1-Q2/2015 vs. Q1-Q2/2014.

All business segments contributed to the rise in Group sales. Each of the three business units posted sales growth of significantly more than 10%. In spite of the challenging general framework conditions in some markets, total sales were expanded in all regions.

SALES DEVELOPMENT BY REGION

EUR million	Q1-Q2/2015		Q1-Q2/2014	
Europe	271.2	48.5%	261.2	54.2%
North America	224.3	40.2%	174.9	36.3%
Other	63.2	11.3%	45.9	9.5%
Total	**558.7**	**100%**	**482.0**	100%

SALES DEVELOPMENT BY REGION

EUR million	Q2/2015		Q2/2014	
Europe	139.9	48.6%	128.4	52.0%
North America	113.3	39.4%	91.9	37.3%
Other	34.5	12.0%	26.4	10.7%
Total	**287.7**	**100%**	**246.7**	100%

European capacities well utilized

In Europe, where the fleet operators gradually cover their demand for trucks and trailers that has been pent up over a period of years, sales continued to develop favorably. Due to the positive order situation, we increased our European capacities in February of this year and introduced additional shifts in the second quarter.

From January to June, SAF-HOLLAND increased sales generated in Europe to EUR 271.2 million (previous year: EUR 261.2 million). The rise by EUR 10.0 million is particularly noteworthy in view of the fact that our largest business segment, Trailer Systems, had been able to benefit from a favorable economic situation in the region in 2014: Fleet operators caught up on trailer purchases in big style in the first half of 2014, which they had postponed in late 2013 within the context of the introduction of the Euro 6 standard. Therefore, the comparative basis for the first half of 2015 was quite high. In contrast, the difficult situation in the Russian industry had a dampening effect in 2015. Russia has lost importance as a sales market for used vehicles. Several fleet customers are therefore keeping their vehicles in stock longer and new purchases in some cases are being postponed.

Europe is still the most important regional sales driver for SAF-HOLLAND. In the first half-year, the contribution to total sales was at 48.5% (previous year: 54.2%). Due to the disproportionately high rise in sales in North America and in the other regions, Europe's share of Group sales came in lower than in the previous year.

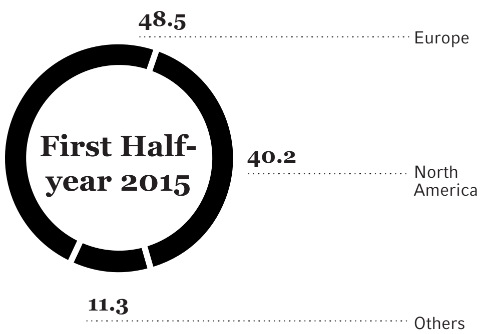
Positive business development in North America

In North America, SAF-HOLLAND increased its sales during the first six months of the year to EUR 224.3 million (previous year: EUR 174.9 million). Compared to the same period in the previous year, this corresponds to growth of 28.2%. In addition to the higher sales volumes, the development of the Euro / US Dollar exchange rate was also relevant for the strong rise in sales revenues. When adjusted for exchange rate effects, sales increased by 4.4% to EUR 182.7 million. The North America region's share of Group sales reached 40.2% in the first half-year 2015 (previous year: 36.3%).

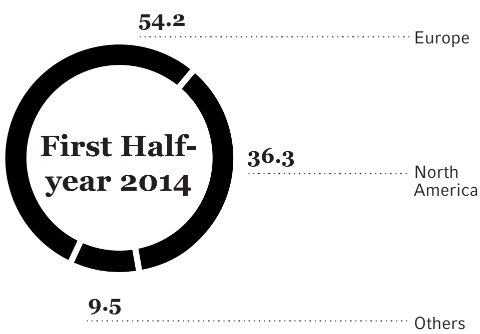
The Trailer Systems Business Unit, as well as the Powered Vehicle Systems Business Unit continued to show a good flow in orders received in North America. In the Aftermarket business, expansion in this region is only possible to a limited extent, as the high level of new registrations during the past months has entailed a high share of new vehicles in use. The soaring vehicle parc operated by the fleets should have a positive impact on the spare parts business in the course of the next one to two years.

In the United States, during the reporting period indications of a recovery in government orders profilerated, which could open up prospects for SAF-HOLLAND particularly in the Powered Vehicle Systems business segment. In the second quarter, a US vehicle manufacturer was commissioned to completely overhaul a high number of used, government-owned transport vehicles and return them to an as-new condition. For this, the vehicles are stripped down to the chassis and are then recapitalized. The project, which covers a period of several years, is expected to include 1,800 trucks with loading systems. SAF-HOLLAND sees opportunities here when it comes to supplying key components.

SHARE OF GROUP SALES BY REGION in %



SHARE OF GROUP SALES BY REGION in %



Strong growth in emerging markets

The Group achieved high sales growth in those regions that are not presently core markets of SAF-HOLLAND. Sales generated outside of Europe and North America increased by 37.7% in the first half-year to a total of EUR 63.2 million (previous year: EUR 45.9 million). Therefore, 11.3% (previous year: 9.5%) of Group sales originate from regions outside of the core markets.

Our business in China developed especially well as did the sales activities operated from Dubai and Mexico. The production in Xiamen, China profited from high order volume from North American fleet operators, who ordered their vehicles in China and had them equipped by SAF-HOLLAND. In parallel, Corpco benefited from the growing interest in buses with air suspension systems. With its newly developed J Beam air suspension, the Chinese subsidiary is well positioned to take advantage of the rising demand for electric buses. Both Corpco and the traditional activities in Xiamen, contributed to sales and earnings growth of the SAF-HOLLAND Group in the first half of 2015.

In the Americas, the extended sales organization, stepped up in 2013, created additional impetus. With over four locations in Mexico, as well as sales offices in Columbia, Peru and Argentina, we have been addressing customers in this region in a total of 21 countries. Sales development in Brazil was extremely weak due to the severe market conditions. In the medium term, there are signs of a more advantageous development in the South American country for SAF-HOLLAND: One of our customers in the trailer sector is using the present market consolidation to expand its own market share. Consequently, in the medium term, this should also lead to more orders for us.

Earnings development

INCOME STATEMENT

Eur milion	Q1-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Sales	558.7	482.0	287.7	246.7
Cost of sales	-450.0	-391.2	-230.0	-199.9
Gross profit	**108.7**	**90.8**	**57.7**	**46.8**
in % of sales	19.5	18.8	20.1	19.0
Other income	0.9	0.3	0.5	0.2
Selling expenses	-31.0	-28.5	-16.5	-14.8
Administrative expenses	-24.2	-21.8	-13.0	-11.2
Research and development costs	-10.7	-9.8	-5.3	-5.1
Operating result	**43.7**	**31.0**	**23.4**	**15.9**
in % of sales	7.8	6.4	8.1	6.4
Finance result	1.4	-6.0	-5.2	-2.7
Share of net profit of investments accounted for using the equity method	0.8	0.4	0.5	0.2
Result before tax	**45.9**	**25.4**	**18.7**	**13.4**
in % of sales	8.2	5.3	6.5	5.4
Income tax	-15.5	-7.9	-6.4	-4.1
Result for the period	**30.4**	**17.5**	**12.3**	**9.3**
in % of sales	5.4	3.6	4.3	3.8
Number of shares[1]	45,361,112	45,361,112	45,361,112	45,361,112
Undiluted earnings per share in EUR	**0.67**	**0.39**	**0.27**	**0.21**
Diluted earnings per share in EUR	**0.58**	**0.39**	**0.24**	**0.21**

[1] Weighted average number of ordinary shares.

__ Gross profit rises at a faster rate than sales

The high capacity utilization in conjunction with cost discipline and efficiency increases in production, as well as positive product mix effects, led to a stronger rise in earnings amounts in comparison to the increase in sales.

During the first half-year 2015, gross profit in the Group increased by 19.7% to EUR 108.7 million (previous year: EUR 90.8 million). This corresponds to an improved gross margin of 19.5% (previous year: 18.8%). Expenditures grew nominally in selling expenses, administrative expenses as well as research and development costs, which was also due to foreign exchange rate effects from the conversion of the US Dollar into Euro. However, as a percentage of sales the cost ratios all came in below the previous year. Selling expenses of EUR 31.0 million (previous year: EUR 28.5 million) amounted to 5.6% (previous year: 5.9%) of Group sales. General administrative expenses amounted to EUR 24.2 million (previous year: 21.8) – a 4.3% share of sales (previous year: 4.5%). EUR 10.7 million was spent on research and development activities (previous year: EUR 9.8 million). Excluding development costs capitalized, the R&D ratio amounted to 1.9% (previous year: 2.1%).

Together with the higher gross margin, the selling expenses, administrative expenses and R&D costs, which only grew at a lower rate than to sales, resulted in an increase of the operating result by 41.0% to EUR 43.7 million (previous year: EUR 31.0 million).

The financial result in the first half-year of 2015 totaled EUR 1.4 million (EUR -6.0 million) was effected to a large extent by exchange rate gains from the valuation of intercompany foreign currency loans and dividends at the period-end exchange rate which amounted to EUR 7.1 million (previous year: EUR 1.2 million).

Unrealized exchange rate gains from the valuation of intercompany foreign currency loans and dividends were EUR 8.8 million in the first quarter of 2015 were seen alongside unrealized and realized exchange rate losses from the valuation of intercompany foreign currency loans and dividends accounting for EUR 1.7 million in total in the second quarter 2015. Accordingly the financial result in the second quarter 2015 stood at EUR -5.2 million (previous year: EUR -2.7 million). In the first half-year, net interest expense amounted to EUR 4.3 million (previous year: EUR 4.8 million). These included non-cash interest expenses in the amount of EUR 0.3 million from the compounding interest component for the convertible bonds.

In the first half-year of 2015, the operational improvement in conjunction with the particularly exchange-rate-driven, positive swing in the finance result had the result before taxes rise by 80.7% to EUR 45.9 million (previous year: EUR 25.4 million). Despite the higher effective income tax rate in comparison to the previous year, the result for the period increased to EUR 30.4 million (previous year: EUR 17.5 million). This resulted in undiluted earnings per share for the first half-year of EUR 0.67 (previous year: EUR 0.39).

RECONCILIATION OF ADJUSTED EARNINGS FIGURES

EUR million	Q1-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Result for the period	30.4	17.5	12.3	9.2
Income Taxes	15.5	7.9	6.4	4.2
Finance result	-1.4 [1]	6.0 [2]	5.2	2.7
Depreciation and amortization from PPA	3.2	3.0	1.6	1.5
Restructuring and integration costs	1.8	2.1 [3]	1.4	1.8 [3]
Adjusted EBIT	**49.5**	**36.5**	**26.9**	**19.4**
in % of sales	8.9	7.6	9.4	7.9
Depreciation and amortization	7.3	6.5	3.7	3.3
Adjusted EBITDA	**56.8**	**43.0**	**30.6**	**22.7**
in % of sales	10.2	8.9	10.6	9.2
Depreciation and amortization	-7.3	-6.5	-3.7	-3.3
Finance result	1.4 [1]	-6.0 [2]	-5.2	-2.7
Adjusted earnings before taxes	**50.9**	**30.5**	**21.7**	**16.7**
Income Taxes	-15.6	-9.4	-6.7	-5.2
Adjusted result for the period	**35.3** [4]	**21.1** [5]	**15.0**	**11.5**
in % of sales	6.3	4.4	5.2	4.7
Number of shares[6]	45,361,112	45,361,112	45,361,112	45,361,112
Undiluted adjusted earnings per share in EUR	**0.78** [7]	**0.47** [7]	**0.33**	**0.26**

[1] The finance result includes unrealized foreign exchange gains from the valuation of intercompany foreign currency loans in the amount of EUR 5.6 million at the period-end exchange rate.
[2] The finance result includes unrealized foreign exchange gains from the valuation of intercompany foreign currency loans in the amount of EUR 0.9 million at the period-end exchange rate.
[3] Restructuring and integration costs are comprised of aperiodic expenses in amount of kEUR 220.0.
[4] When calculating the adjusted result for the period, a uniform tax rate of 30.60% was assumed.
[5] When calculating the adjusted result for the period, a uniform tax rate of 30.70% was assumed.
[6] Weighted average number of ordinary shares.
[7] Adjusted earnings per share calculations include minority results amounting to EUR 0.1 million in Q1-Q2/2015 and EUR -0.1 million in Q1-Q2/2014.

__ Adjusted EBIT grows by 36%

During the first six months of 2015, the EBIT adjusted for negative effects from the purchase price allocation, as well as restructuring expenses, rose by 35.6% to EUR 49.5 million (previous year: EUR 36.5 million). Thus adjusted EBIT posted disproportionately high growth as compared to the sales increase achieved. The adjusted EBIT margin in comparison to the first half of 2014 improved by 130 basis points to 8.9% (previous year: 7.6%). In the second quarter of 2015, the adjusted EBIT was advanced to the record value of EUR 26.9 million (previous year: EUR 19.4 million), so that the target range of 9 to 10% adjusted EBIT margin was reached for the first time.

Also due to the already-described positive development of the finance result, the group achieved a 66.9% increase in adjusted earnings before taxes taking it to EUR 50.9 million (previous year: EUR 30.5 million).

The adjusted result for the period in the first half of 2015 also rose by more than two-thirds compared to the previous year to EUR 35.3 million (previous year: EUR 21.1 million). Adjusted undiluted earnings per share increased to EUR 0.78 (previous year: 0.47), whereby the underlying number of shares remained unchanged at 45.4 million shares. The restructuring costs during the reporting period, particularly due to the consolidation of plants in Germany, totaled EUR 1.8 million (previous year: EUR 2.1 million) and came in slightly below the previous year’s level.

Performance of the Business Units

PERFORMANCE BY BUSINESS UNIT

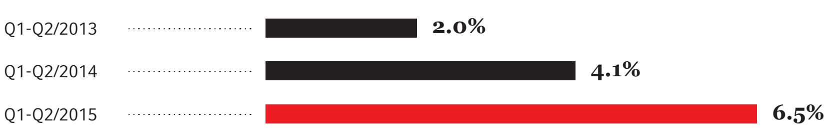
EUR million	Trailer Systems Business Unit Q1-Q2 2015	Trailer Systems Business Unit Q1-Q2 2014	Powered Vehicle Systems Business Unit Q1-Q2 2015	Powered Vehicle Systems Business Unit Q1-Q2 2014	Aftermarket Business Unit Q1-Q2 2015	Aftermarket Business Unit Q1-Q2 2014	Adjustments / eliminations Q1-Q2 2015	Adjustments / eliminations Q1-Q2 2014	**Total** Q1-Q2 2015	**Total** Q1-Q2 2014
Sales	326.7	280.8	94.8	78.9	137.2	122.3	–	–	**558.7**	**482.0**
Cost of sales	-288.6	-253.1	-78.1	-65.2	-99.1	-86.6	15.8	13.7	**-450.0**	**-391.2**
Gross profit	**38.1**	**27.7**	**16.7**	**13.7**	**38.1**	**35.7**	**15.8**	**13.7**	**108.7**	**90.8**
in % of sales	11.7	9.9	17.6	17.4	27.8	29.2	–	–	**19.5**	**18.8**
Other operating income and expense	-16.9	-16.1	-9.5	-8.4	-17.0	-16.1	-15.8	-13.7	**-59.2**	**-54.3**
Adjusted EBIT	**21.2**	**11.6**	**7.2**	**5.3**	**21.1**	**19.6**	–	–	**49.5**	**36.5**
in % of sales	6.5	4.1	7.6	6.7	15.3	16.0	–	–	**8.9**	**7.6**

__ Trailer Systems: Adjusted EBIT margin reaches 6.5% in the first half-year

The Trailer Systems Business Unit achieved half-year sales of EUR 326.7 million (previous year: EUR 280.8 million). Compared to the same period in the previous year Trailer Systems lifted sales by 16.3% or EUR 45.9 million. The share of the business segment in total Group sales increased slightly to 58.5% (previous year: 58.2%).

On the earnings side, expectations were exceeded. This was due to the expanded business volume and resulting higher capacity utilization, as well as due to the bundle of efficiency measures for increasing profitability. Gross profit of the business unit gained at a faster rate than segment sales to EUR 38.1 million (previous year: EUR 27.7 million). This resulted in a noticeably improved gross margin of 11.7% (previous year: 9.9%). Adjusted EBIT climbed to EUR 21.2 million (previous year: EUR 11.6 million). The adjusted EBIT margin improved to 6.5% (previous year: 4.1%). Our goal of increasing the adjusted EBIT margin for the business unit to around 6% by the end of 2015 has therefore already been realized at the half-year point. With this, it must be noted that due to seasonality, particularly due to the summer and winter holidays of the customers, the capacity utilization levels tend to be lower in the second half-year.

DEVELOPMENT OF ADJUSTED EBIT MARGIN FOR TRAILER SYSTEMS



In Europe, Trailer Systems surpassed the already high sales level of the same period in the previous year. In addition to this, the efficiency program for increasing the profitability of the business unit provided additional impetus. As a result of the necessary interim solutions associated with the plant consolidation in Germany, the material, production and flow of goods have not yet been optimized. Following the completion of the relocation of the Wörth plant to the main site of SAF-HOLLAND GmbH in Bessenbach, fundamental improvements will become possible at this site, which will take effect in 2016 in particular.

The North American trailer business once more developed positively during the first half of 2015. Our expanded customer support in North America had an impact on the business in the region, as well as – indirectly – in Asia. North American fleet operators are equipping their vehicles ordered in China with products from SAF-HOLLAND, which we manufacture in Xiamen. The more flexible set-up of production in both plants located in Warrenton, Missouri proved to be successful. On the purchasing side, progress was also achieved.

__ Powered Vehicle Systems: solid growth in sales and earnings
In the first six months, the Powered Vehicle Systems business segment achieved sales of EUR 94.8 million (previous year: EUR 78.9 million). Compared to the previous year period, this corresponds to growth of 20.2% or EUR 15.9 million. Translational foreign exchange effects impacted positively. The Business Unit's share of Group sales rose to 17.0% (previous year: 16.4%). In addition to beneficial capacity utilization effects, on the earnings side, Powered Vehicle Systems profited from targeted cost savings in North America, as well as from Group-wide optimized production costs and from the positive trend at Corpco in China, the specialist in bus air suspension systems. Gross profit grew to EUR 16.7 million (previous year: EUR 13.7 million). The gross margin was thus at 17.6% (previous year: 17.4%). The adjusted EBIT grew at a faster rate than sales by 35.8% and reached EUR 7.2 million (previous year: EUR 5.3 million). Therefore, the adjusted EBIT margin for the business unit in the first half of 2015 improved to 7.6% (previous year: 6.7%). Nevertheless, in total, it was still below the planned range of 8 to 9%.

The manufacturing sites of the Business Unit in Europe experienced consistently high capacity utilization: In addition to product innovations, the strong performance of the export business contributed. In the North American market, we continue to have a solid order situation. During the build-up and expansion of fracking activities in the US, SAF-HOLLAND had supplied suspension systems for the required specialist vehicles, the sales of which have already slackened significantly since mid-2014 resulting from the oil price trend. During the first half of 2015, we have now started to intensify our sales initiatives with suspension systems in additional commercial vehicle classes and interesting niche applications. The aim is to develop additional customer groups in the North American market and to enlarge the product range with specialty applications.

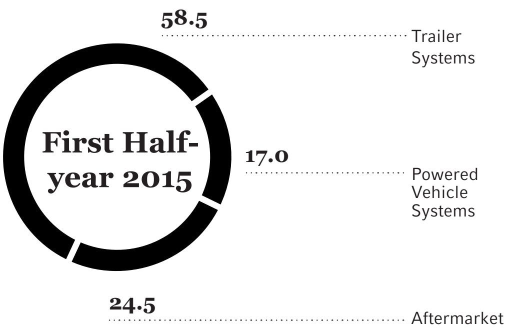
__ Aftermarket: continued expansion of the global market position
In the Aftermarket Business Unit, sales increased by 12.2% to EUR 137.2 million (previous year: EUR 122.3 million) in the first half of 2015. Therefore, 24.5% (previous year: 25.4%) of the Group sales were generated in this segment.

On the earnings side, the Aftermarket activities were burdened by launch investments for the further international expansion of the spare parts business, as well as for the expansion of the North American business. Gross profit nevertheless climbed to EUR 38.1 million (previous year: EUR 35.7 million). Also related to product mix, the gross margin fell to 27.8% (previous year: 29.2%). In the first half of 2015, the adjusted EBIT of the Aftermarket segment came in 7.7% higher than in the previous year at EUR 21.1 million (previous year: EUR 19.6 million). The adjusted EBIT margin stood at 15.3% (previous year: 16.0%) within the context of the planned range of 15 to 16%.

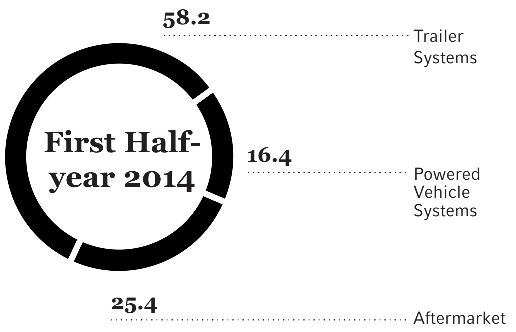
In North America, the Aftermarket Business Unit has been active in a market that is presently characterized by a strong rise in new registrations of trucks, as well as trailers. With the objective to expand the business volume in the spare parts business in this environment, the sales team was strengthened in order to support the sales regions more extensively. Furthermore, the market launch of our GoldLine brand has been initiated, which targets the Aftermarket in North, Central and South America and addresses an additional vehicle segment with a higher service age. In parallel, SAF-HOLLAND introduced the complete "Parts on Demand" electronic spare parts catalog at the beginning of 2015, which has been in use with tremendous success in Europe since 2014. It digitizes the ordering of spare parts and provides fleet customers and dealers with significant advantages, with easier and faster processes.

In Dubai, the significantly expanded Parts Distribution Center (PDC) successfully started operating during the first half of 2015. In addition to considerably enlarged usable spaces for expanding the spare parts business, it also offers assembly capacities for our original equipment activities in this strongly growing region. From Dubai, SAF-HOLLAND has already been serving fleet customers in the Middle East as well as North and Central Africa since 2011. In Southeast Asia, market penetration and development have already started promisingly. The focus is particularly on Malaysia, Indonesia and Thailand. The PDC in Malaysia, expanded in 2014, has proven to be a crucial success factor in the region.

SHARE IN GROUP SALES BY BUSINESS UNIT in %



SHARE IN GROUP SALES BY BUSINESS UNIT in %



FINANCIAL SITUATION

Financing: Growth path solidly secured

SAF-HOLLAND relies on corporate financing that offers adequate financing conditions, as well as high flexibility. Furthermore, we ensure that the financing is on a broad basis and supports the company's growth path over the long term. The convertible bonds of SAF-HOLLAND run until 2020, the existing credit facility until 2019 and the corporate bond until 2018.

Cash flow characterized by expanded business volume and a temporary rise in inventories

Cash flow before change of net working capital in the first half of the year was at EUR 56.0 million (previous year: EUR 41.2 million). Net working capital increased, as expected, by EUR 34.1 million to EUR 141.4 million (previous year: EUR 107.3 million). Extrapolated to twelve-month sales, the net working capital relative to sales for the reporting period stands at 12.3% (previous year: 10.9%).

In addition to the significant business expansion, various individual structural factors, which have a cumulative effect, contributed to the rise in net working capital. The significantly higher inventory volume, primarily due to the higher sales volume, the larger group of Parts Distribution Centers and the European plant consolidation are the main reasons for this. We deliberately established stocks of prefabricated components in Germany, in advance of the relocation of systems and machinery. In Europe, inventories have presumably reached their maximum level in the second quarter. In North America, we are still increasing stocks in the short term in order to bridge the suppliers' plant shutdowns for vacations. Further information on plant consolidation is provided on page 15.

The almost unchanged cash flow from operating activities before income tax payments in the first half of 2015 of EUR 14.9 million (previous year: EUR 15.0 million) reflects the rise in trade receivables, which was due to the significantly enlarged business volume and the regional customer mix. The higher capital commitment in the inventories, which is of a temporary nature, also had an impact.

Cash flow from investing activities amounted to EUR -12.8 million (previous year: EUR -14.6 million) in the first half of the year; cash flow from financing activities corresponded to EUR -11.1 million (previous year: EUR 0.5 million). Both positions were influenced by the Corpco acquisition in the previous year, for which SAF-HOLLAND utilized the credit facility, among other things. Furthermore, the payout of the higher dividend for the financial year 2014 had an impact in the second quarter of 2015: The distribution amount totaled EUR 14.5 million compared to EUR 12.2 million in the previous year.

Investments for further internationalization and data technology networking

Worldwide, in the first half of 2015, SAF-HOLLAND invested EUR 13.0 million (previous year: EUR 14.6 million). In relation to Group sales, this corresponds to an investment ratio of 2.3% (previous year: 3.0%). Our investments were focused on start-up expenditures for the PDCs in Malaysia and Dubai, as well as expenses in relation to the plant consolidation in Europe, including machinery.

In relation to our global IT structures, we primarily invested in the further expansion of the software application Advanced Planner & Optimizer (APO) already in long use in Europe. In the ongoing financial year, we intend to implement the IT solution in North America for the optimization of sales planning and material availability. It is then intended to also support capacity planning of the North American locations with APO in the coming year.

ASSETS

Equity growth of EUR 23.5 million

As of June 30, 2015, total assets rose to EUR 713.6 million (December 31, 2014: EUR 645.2 million). Equity, which increased to EUR 272.1 million (December 31, 2014: EUR 248.6 million) also grew further. Therefore, the equity ratio as of the reporting date was at 38.1%, as well as on June 30, 2014 (December 31, 2014: 38.5%). In addition to the positive earnings development, the dividend payment for the previous financial year also affected equity. In the second quarter of 2015, a total amount of EUR 14.5 million (previous year: EUR 12.2 million) was distributed to the shareholders from the retained earnings.

Non-current assets of SAF-HOLLAND reached EUR 381.4 million (December 31, 2014: EUR 364.0 million) at the end of the first half-year, primarily as a result of higher property, plant and equipment. Current assets of EUR 332.2 million (December 31, 2014: EUR 281.2 million) reflect the increased inventory volume and higher trade receivables.

With the expansion in business volume, trade receivables also increased to EUR 158.6 million (December 31, 2014: EUR 103.0 million) with 50 days outstanding (December 31, 2014: 39 days). Inventories were at EUR 136.7 million at the reporting date (December 31, 2014: EUR 122.2 million), with 53 days of inventory outstanding (December 31, 2014: 56 days). The expected higher inventory volume and the days of inventory outstanding above our target figure of 45 days is mainly attributed to the tactical structure of inventories during the course of the European plant consolidation, as well as start-up investments for our Parts Distribution Centers in Dubai and Malaysia. More details about the information on net working capital on page 23. Cash and cash equivalents amounted to EUR 25.2 million on June 30, 2015 (December 31, 2014: EUR 44.2 million).

On the liabilities side, non-current liabilities amounted to EUR 283.7 million (December 31, 2014: EUR 265.0 million). Interest bearing loans and bonds mainly contributed to the increase. On the reporting date, they amounted to EUR 189.5 million (December 31, 2014: EUR 177.8 million), whereas this total amount includes our corporate bonds and the convertible bonds, as well as bank liabilities.

Current liabilities of EUR 157.7 million (December 31, 2014: EUR 131.6 million) are influenced primarily by higher trade payables due to the rise in business volume. Reduced liabilities from current loans and bonds had an opposing effect.

Overall, liabilities from interest bearing bank loans and bonds as of June 30, 2015 amounted to EUR 190.4 million (December 31, 2014: EUR 181.3 million). Including the cash and cash equivalents, this results in net debt as of the reporting date of EUR 165.2 million (December 31, 2014: EUR 137.1 million). Total liquidity was at EUR 119.4 million (June 30, 2014: EUR 108.7 million; December 31, 2014: EUR 146.9 million).

TABLE: DETERMINATION OF TOTAL LIQUIDITY

	06/30/2015			
kEUR	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the period-end exchange rate	Cash and cash equivalents	Total Liquidity
Facility A	11,167	85,000	–	73,833
Facility B	4,506	22,530	–	18,024
Other Facility	3,562	5,880 [1]	25,199	27,517
Total	**19,235**	**113,410**	**25,199**	**119,374**

TABLE: DETERMINATION OF TOTAL LIQUIDITY

	12/31/2014			
kEUR	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the period-end exchange rate	Cash and cash equivalents	Total Liquidity
Facility A	5,822	85,000	–	79,178
Facility B	–	20,568	–	20,568
Other Facility	2,356	5,360 [1]	44,165	47,169
Total	**8,178**	**110,928**	**44,165**	**146,915**

[1] Bilateral credit line for the activities of the Group in China.

Number of employees increased slightly

As of June 30, 2015, SAF-HOLLAND employed 3,445 people worldwide (previous year: 3,393) including temporary staff. Around 44% (previous year: 45%) of total employees worked for our North American companies. 36% (previous year: 36%) of the workforce worked at the European organizations, with a further 20% (previous year: 19%) at locations outside of the two core markets. Sales per employee reached kEUR 164.0 after a figure of kEUR 142.5 in the same period in the previous year.

DEVELOPMENT OF EMPLOYEE NUMBERS BY REGION

	06/30/2015	06/30/2014
Europe	1,232	1,236
North America	1,503	1,519
Other	710	638
Total	**3,445**	**3,393**

R&D: Innovations for more transport efficiency

Innovative technologies are key drivers for the success of SAF-HOLLAND. They underpin its position as a technology leader and make a sustainable contribution to gaining additional market shares. Our research and development activities are highly geared towards the requirements of our fleet customers. Accordingly, we consistently worked on innovations in the first half of 2015, which contribute to increasing transport efficiency. Significant points continued to be the fields of lightweight construction and weight reduction, durability, safety and maintenance-friendliness. Another focus was on numerous applications of our systems to specific customer requirements and regional market requirements.

The fact that SAF-HOLLAND succeeds in making its mark in the market is confirmed by numerous recognitions. Our SAF INTEGRAL axle system with disk brakes and P89 hub introduced in 2014 received the coveted HDT Top 20 Award in the first half of 2015. This annual award distinguishes the 20 best innovations in the industry in North America.

During the first half of the year, we invested a total of EUR 10.7 million (previous year: EUR 9.8 million) in research and development. Including the capitalized development costs and in relation to Group sales, this corresponds to an R&D ratio of 2.1% (previous year: 2.2%). The share of capitalized development costs reached EUR 1.2 million (previous year: EUR 1.0 million).

Changes in personnel

The Board of Directors mandate of Richard Muzzy ended as planned with the Annual General Meeting of April 23, 2015. In order to ensure continuity, Martina Merz had already been elected to the Board in the previous year.

BOARD OF DIRECTORS

Bernhard Schneider	Chairman of the Board of Directors
Sam Martin	Deputy Chairman of the Board of Directors
Detlef Borghardt	Member of the Board of Directors
Dr. Martin Kleinschmitt	Member of the Board of Directors
Anja Kleyboldt	Member of the Board of Directors
Martina Merz	Member of the Board of Directors

On April 23, 2015, the term of office of Ulrich Otto Sauer in the Supervisory Board of SAF-HOLLAND GmbH ended. He had led the Board as Chairman since 2007.

At the beginning of June 2015, Jack Gisinger passed on his position as President of the Powered Vehicle Systems Business Unit to Mike Kamsickas. The early succession regulation enables a smooth transition into the Management Board, as Jack Gisinger will stay until the end of 2015 – the start of his retirement – as President of our North American subsidiary, SAF-HOLLAND Inc.

OPPORTUNITIES AND RISK REPORT

The Group has recorded no material changes from the opportunities and risk profile at the end of the 2014 financial year, as outlined in the 2014 annual report. Overall, the risks are assessed as being manageable. We have made sufficient provisions for known risks.

EVENTS AFTER THE BALANCE SHEET DATE

No events of relevance for this report occurred after the balance sheet date.

OUTLOOK

Rising global economy, but with risk potential

In its summer forecast completed in mid-June, the Institute for World Economy (IfW) assumes that global production will grow by 3.4% in 2015 and by 3.8% in 2016. In terms of global trade, the Institute expects an increase of 3% this year and 4.5% in the coming year.

According to the IfW, the comparatively low oil price, the expansive monetary policy and the not very restrictive financial policy of the advanced economies will generate economic stimulus. The Institute emphasizes that the global economy will continue to remain susceptible to disruptive influences. In the forecast, it is accordingly assumed that the geopolitical crises will not be exacerbated and that no major uncertainties will arise on the financial markets. In this context, economic risks could particularly occur from the transition to a normalized interest rate level, the developments in China and the further course of the Greek debt crisis.

Doubts regarding a solution for Greece, as well as turbulence on the Chinese stock markets led to the International Monetary Fund (IMF) also correcting its estimates. According to these, the recent events in the Greek debt crisis are having a stronger impact than initially assumed. Furthermore, there are signs of major difficulties with China's transition to a sustainable growth model. In adapting to the recent developments, the IMF therefore reduced its growth outlook for the global economy based on 2015 at the beginning of July by 0.2 percentage points to 3.3%. Therefore, global production is expected to expand more weakly than in 2014 (previous year: 3.4%).

The economic expectations for the European Union and the Eurozone have been raised slightly once again by the IfW. In addition to private consumption, higher investments are expected to contribute to growth in demand. In the United States, higher corporate investments and improved sales prospects domestically and abroad are expected to provide additional impetus. Nevertheless, the growth forecast for the US economy in relation to 2015 has been reduced slightly. The estimates of the IMF that were corrected at the beginning of July also show a similar trend. For the United States, the IMF reduced its growth forecast for 2015 by 0.6 percentage points to 2.5%. Growth of 1.5% is forecast unchanged for the Eurozone.

For the group of emerging markets, the IfW anticipates a 4.4% growth rate of aggregated gross domestic product. For those countries that are strong in raw materials, lower export revenues due to falling raw material prices are expected to have a damping effect. In Brazil, structural obstacles are added to this, while in Russia, the sanctions and the Ukraine conflict are added burdens. Therefore, the IfW assumes that a noticeable economic decline for 2015 will take place in both of the BRIC countries. In 2016, the economic activities are then expected to increase again. The IMF also lowered its growth expectations for the emerging markets for 2015, from 4.3% to 4.2%. For Brazil, the expectations regarding its economic development have even fallen further. A fall in GDP by 1.5% does not appear to be ruled out.

With anticipated growth rates of 6.5% in this year and 6.3% in the coming year, according to the forecast of the IfW, production in Asia will continue to grow more quickly than the global economy. India and China will remain important drivers of growth.

INSTITUT FÜR WELTWIRTSCHAFT (INSTITUTE FOR WORLD ECONOMY): FORECAST ECONOMIC TREND IN IMPORTANT MARKETS (AS OF JUNE 2015)

	2014	2015	2016
European Union	1.3%	1.8%	2.0%
Eurozone	0.9%	1.5%	1.8%
Germany	1.6%	1.8%	2.1%
United States of America	2.4%	2.2%	3.2%
Brazil	0.1%	-0.5%	1.0%
Russia	0.4%	-3.0%	0.5%
India	7.2%	7.4%	7.4%
China	7.4%	6.6%	6.3%

Source: Institute for World Economy (IfW), Global Economy in Summer 2015 (June 2015).

The economy of the sector offers promising prospects

The structural upward trend of the global commercial vehicle market continues to be intact, although several national markets, such as Brazil and Russia, continue to show weak development. According to Frost & Sullivan, the sales volume of medium and heavy duty trucks will increase by 3.5% in 2015 to a total of 2.9 million units.

In the European market, the upturn will continue, from a present point of view. According to the estimate of industry experts, in 2015, at least 154,000 trailers will be newly registered, which is around 2,000 more units than in the previous year. In 2016, new registrations are even expected to increase by 12.8% to around 174,000 vehicles. This means that the Western

European trailer market would grow slightly more strongly in 2016 than initially expected: In March, an increase of new registrations by 4.4% was still assumed. Further growth rates are also anticipated with regard to new registrations in the truck sector. For heavy trucks over 16 tons in the Western, Central and Eastern Europe region, an increase of 13.3% is expected this year and 7.5% next year.

According to industry data, 13.8% more class 8 trucks will be built in North America in 2015 and 15.6% more trailers will be delivered than in the previous year. For 2016, it cannot be ruled out that the record growth achieved may temporarily slow down. Since 2010, the North American market volume in the truck sector alone has more than doubled. In view of the extraordinarily high growth rates that have been achieved, ACT Research expects the development forecast for 2016 to level out to the normal range. It cannot be ruled out that the trailer deliveries and production figures for class 8 trucks will be decreasing to the mid-to-high single-digit percentage range. However, this would still correspond to solid market volume that is significantly higher than in 2014. As emphasized by the ACT Research market research institute, the incoming orders are still at a level that corresponds to the average monthly level in an expanding economy.

The extremely weak sales situation in Russia and Brazil is expected to continue. With respect to Brazil, a decline in the trailer market by 38% is considered possible for 2015. In the medium term, both countries are still seen as promising sales regions. According to IHS Automotive, the Brazilian market for medium and heavy-duty trucks, as well as buses, is expected to increase to 208,000 units again by 2020. In comparison to 2014, this corresponds to a gain of 28%.

The Indian market will expand in the double-digit range in both 2015 and 2016, for trucks as well as trailers. Demand will continue to remain subdued in China. However, in the second half of 2015, newly launched infrastructure projects are expected to provide a new impetus. In view of this, industry experts expect a slight fall for trucks in 2015 by 2.4% before the market makes a strong upward turn again in 2016 with growth of 8.8%.

The global bus market is expected to increase by 2.4% in 2015 and 3.6% in 2016. Significant differences exist between the individual regions. Demand will particularly develop dynamically in the emerging regions. It is expected to rise in the Middle East/Northern Africa by 19.1% in 2016 and in India by 14.5%. Within the various bus segments, electric buses are particularly experiencing increased interest. According to analyses, the global market for electric buses will expand from 2013 to 2018 with an average annual growth rate of 16.3%. An important regional market for this is China: In Beijing alone, where around 900 electric buses were on the road in 2014, the number of electric buses is expected to rise to 4,500 units by the end of 2017.

From the perspective of SAF-HOLLAND, the pent-up demand for investments by European fleet operators will continue for an extended period of time. The order situation continues to be solid.

In the North America region, in which the pent-up demand is slowly leveling off, we continue to expect satisfactory capacity utilization, in spite of a slight decline in new registrations anticipated for 2016. The stock of vehicles that has been created by the upturn of the North American market will offer an interesting basis for our Aftermarket business in the coming years. Most vehicles usually go for their first inspections after around one year and the regular replacement of wearing parts usually comes later.

Structural growth opportunities in China – Russia and Brazil in the medium term with potential

In China, the increased use of road-friendly air suspension systems for trucks and trailers will have as much of a positive effect in the medium term as the demand for more comfort with buses and the trend towards environmentally friendly, battery-operated electric buses, for which SAF-HOLLAND has developed specific technological solutions.

In Russia, however, the present continuing weak market situation means that a growing demand for new trucks and trailers is gradually building up. In Brazil, the market is expected to stabilize at the extremely low basis that has been reached in the meantime. From the second half of 2016, it should start on a path of moderate recovery.

GENERAL STATEMENT ON FUTURE BUSINESS DEVELOPMENT 2015

Continued positive sales and earnings development expected – outlook for sales, adjusted EBIT and earnings per share raised slightly

The successful development of the business during the first half of 2015, in spite of the severe collapses in the markets in Brazil and Russia, provides an overall solid basis for the full financial year. From the present point of view, we assume that the positive business development of SAF-HOLLAND will continue during the course of the year and that the company will again manage to grow profitably in the full year 2015. The strong organic growth of just under 6% over the course of the year so far, as well as the positive foreign exchange rate effects that have already been described, justify the expectation for the full year 2015 that Group sales will at least reach the top end or slightly exceed the previously planned sales range of EUR 980 million to EUR 1.035 billion (previous year: EUR 959.7 million).

Cost discipline, combined with efficiency increases in production, to which plant consolidations are also expected to contribute, as well as the overall increase in capacity utilization, should also enable disproportionately high earnings development in the full year. Therefore, the company continues to anticipate that for the adjusted EBIT margin, it will reach the lower end of the range of 9 to 10% (previous year: 7.4%).

Under the assumption of a continued stable economic and industry development, management now anticipates that for the full year 2015, the adjusted EBIT is expected to come in slightly higher than EUR 90 million (previously: around EUR 90 million). With earnings per share, management expects an increase by a minimum of 30% compared to 2014, also under full consideration of the higher number of shares due to the convertible bonds issued in 2014.

Following the successful completion of the plant consolidation at the Bessenbach site, the company assumes that net working capital requirements can be reduced during the course of the second half of 2015.

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Notes to the Consolidated Interim Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	Notes	Q1-Q2/2015	Q1-Q2/2014	Q2/2015	Q2/2014
Result for the period					
Sales	(5)	558,739	481,964	287,735	246,676
Cost of sales		-450,047	-391,186	-230,059	-199,926
Gross profit		**108,692**	**90,778**	**57,676**	**46,750**
Other income		893	313	516	192
Selling expenses		-30,986	-28,487	-16,462	-14,796
Administrative expenses		-24,175	-21,783	-12,961	-11,141
Research and development costs		-10,746	-9,805	-5,313	-5,117
Operating result	(5)	**43,678**	**31,016**	**23,456**	**15,888**
Finance income	(6)	7,385	1,331	-2,026	1,163
Finance expenses	(6)	-5,967	-7,290	-3,120	-3,810
Share of net profit of investments accounted for using the equity method		759	408	413	204
Result before tax		**45,855**	**25,465**	**18,723**	**13,445**
Income tax	(7)	-15,503	-7,916	-6,438	-4,156
Result for the period		**30,352**	**17,549**	**12,285**	**9,289**
Attributable to:					
Equity holders of the parent		30,236	17,577	12,236	9,241
Non-controlling interests		116	-28	49	48
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(9)	7,700	2,081	-3,195	2,522
Changes in fair values of derivatives designated as hedges, recognized in equity	(9)/(12)	–	574	–	178
Income tax effects on items recognized directly in other comprehensive income	(9)	–	-156	–	-48
Other comprehensive income		**7,700**	**2,499**	**-3,195**	**2,652**
Comprehensive income for the period		**38,052**	**20,048**	**9,090**	**11,941**
Attributable to:					
Equity holders of the parent		37,607	20,076	9,041	11,893
Non-controlling interests		445	-28	158	48
Basic earnings per share in EUR		**0.67**	**0.39**	**0.27**	**0.21**
Diluted earnings per share in EUR		**0.58**	**0.39**	**0.24**	**0.21**

CONSOLIDATED BALANCE SHEET

kEUR	Notes	06/30/2015	12/31/2014
Assets			
Non-current assets		**381,360**	**363,955**
Goodwill		52,531	50,248
Intangible assets		145,173	142,363
Property, plant, and equipment		126,797	116,971
Investments accounted for using the equity method		12,612	11,805
Financial assets		224	118
Other non-current assets		2,947	3,042
Deferred tax assets		41,076	39,408
Current assets		**332,210**	**281,241**
Inventories		136,693	122,156
Trade receivables		158,610	102,964
Income tax assets		2,604	2,732
Other current assets		9,039	9,108
Financial assets		65	116
Cash and cash equivalents	(8)	25,199	44,165
Total assets		**713,570**	**645,196**
Equity and liabilities			
Total equity	(9)	**272,133**	**248,597**
Equity attributable to equity holders of the parent		**269,684**	**246,593**
Subscribed share capital		454	454
Share premium		268,644	268,644
Legal reserve		45	45
Other reserve		436	436
Retained earnings		14,947	-773
Accumulated other comprehensive income		-14,842	-22,213
Shares of non-controlling interests		**2,449**	**2,004**
Non-current liabilities		**283,740**	**264,997**
Pensions and other similar benefits		39,294	37,493
Other provisions		9,599	6,799
Interest bearing loans and bonds	(11)	189,474	177,797
Finance lease liabilities		1,715	1,773
Other liabilities		738	685
Deferred tax liabilities		42,920	40,450
Current liabilities		**157,697**	**131,602**
Other provisions	(10)	8,252	10,134
Interest bearing loans and bonds	(11)	899	3,543
Finance lease liabilities		450	399
Trade payables		117,296	94,363
Income tax liabilities		8,681	4,704
Other financial liabilities		347	45
Other liabilities		21,772	18,414
Total equity and liabilities		**713,570**	**645,196**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q2/2015								
	Attributable to equity holders of the parent								
kEUR	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	**Total amount**	**Shares of non-controlling interests**	**Total equity** (Note 9)
As of 01/01/2015	**454**	**268,644**	**45**	**436**	**-773**	**-22,213**	**246,593**	**2,004**	**248,597**
Result for the period	–	–	–	–	30,236	–	**30,236**	**116**	**30,352**
Other comprehensive income	–	–	–	–	–	7,371	**7,371**	**329**	**7,700**
Comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**37,607**	**445**	**38,052**
Dividend	–	–	–	–	-14,516	–	**-14,516**	**–**	**-14,516**
As of 06/30/2015	**454**	**268,644**	**45**	**436**	**14,947**	**-14,842**	**269,684**	**2,449**	**272,133**

	Q2/2014								
	Attributable to equity holders of the parent								
kEUR	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	**Total amount**	**Shares of non-controlling interests**	**Total equity** (Note 9)
As of 01/01/2014	**454**	**265,843**	**22**	**436**	**-21,145**	**-23,424**	**222,186**	**–**	**222,186**
Result for the period	–	–	–	–	17,577	–	**17,577**	**-28**	**17,549**
Other comprehensive income	–	–	–	–	–	2,499	**2,499**	**–**	**2,499**
Comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**20,076**	**-28**	**20,048**
Dividends paid	–	–	–	–	-12,248	–	**-12,248**	**–**	**-12,248**
Addition of shares of non-controlling interests	–	–	–	–	–	–	**–**	**1,560**	**1,560**
Other changes	–	–	23	–	-23	–	**–**	**–**	**–**
As of 06/30/2014	**454**	**265,843**	**45**	**436**	**-15,839**	**-20,925**	**230,014**	**1,532**	**231,546**

CONSOLIDATED CASH FLOW STATEMENT

kEUR	Notes	Q1-Q2/2015	Q1-Q2/2014
Cash flow from operating activities			
Result before tax		**45,855**	**25,465**
- Finance income	(6)	-7,385	-1,331
+ Finance expenses	(6)	5,967	7,290
+/- Share of net profit of investments accounted for using the equity method		-759	-408
+ Amortization, depreciation of intangible assets and property, plant, and equipment		10,531	9,471
+ Allowance of current assets		1,791	663
+/- Loss/Gain on disposal of property, plant, and equipment		-46	59
+ Dividends from investments accounted for using the equity method		18	17
Cash flow before change of net working capital		**55,972**	**41,226**
+/- Change in other provisions and pensions		-929	688
+/- Change in inventories		-9,749	-17,174
+/- Change in trade receivables and other assets		-51,604 [1]	-36,316 [1]
+/- Change in trade payables and other liabilities		21,229	26,612
Cash flow from operating activities before income tax paid		**14,919**	**15,036**
- Income tax paid	(7)	-10,728	-5,976
Net cash flow from operating activities		**4,191**	**9,060**
Cash flow from investing activities			
- Purchase of property, plant, and equipment		-11,277	-8,409
- Purchase of intangible assets		-1,737	-1,710
+ Proceeds from sales of property, plant, and equipment		203	18
- Payments for acquisition of subsidiaries net of cash	(4)	–	-4,490
+ Interest received		46	44
Net cash flow from investing activities		**-12,765**	**-14,547**
Cash flow from financing activities			
- Dividend payments to shareholders of SAF-HOLLAND S.A.	(9)	-14,516	-12,248
- Payments for finance lease		-215	-176
- Interest paid		-6,693	-7,457
- Repayments of current and non-current financial liabilities	(11)	–	-3,618
+/- Change in drawings on the credit line and other financing activities	(11)	10,320	23,999
Net cash flow from financing activities		**-11,104**	**500**
Net increase in cash and cash equivalents		**-19,678**	**-4,987**
+/- Effect of changes in exchange rates on cash and cash equivalents		712	64
Cash and cash equivalents at the beginning of the period	(8)	**44,165**	**23,856**
Cash and cash equivalents at the end of the period	(8)	**25,199**	**18,933**

[1] As of June 30, 2015, trade receivables in the amount of EUR 26.0 million (previous year: EUR 19.9 million) were sold in the context of a factoring contract. Assuming the legal validity of the receivable, no further rights of recourse exist against SAF-HOLLAND from the sold receivables.

Notes to the Consolidated Interim Financial Statements

For the period January 1 to June 30, 2015

1 _ CORPORATE INFORMATION

SAF-HOLLAND S.A. (the "Company") was incorporated on December 21, 2005 under the legal form of a "Société Anonyme" according to Luxembourg law. The registered office of the Company is in Luxembourg. The shares of the Company are listed in the Prime Standard of the Frankfurt Stock Exchange. They have been included in the SDAX since 2010.

2 _ SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of SAF-HOLLAND S.A. and its subsidiaries (the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and in effect as of the closing date.

The consolidated interim financial statements for the second quarter of 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Unless expressly indicated otherwise, the same accounting policies and consolidation methods were applied as in the Group's annual financial statements for the financial year 2014. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 2014.

In preparing the consolidated interim financial statements, management has to make assumptions and estimates which affect the reported amounts of assets, liabilities, income, expenses, and contingent liabilities as of the reporting date. In certain cases, actual amounts may differ from these assumptions and estimates.

Expenses and income incurred irregularly during the financial year were anticipated or deferred if it would also be appropriate to take them into account at the end of the financial year.

The consolidated interim financial statements and the Group Interim Management Report have neither been audited nor reviewed by an auditing firm.

3 _ SEASONAL EFFECTS

Seasonal effects during the year can result in variations in sales and the resulting profits. Please see the Group Interim Management Report for further details regarding earnings development.

4 _ SCOPE OF CONSOLIDATION

There were no changes to the scope of consolidation compared to the consolidated financial statements as of December 31, 2014.

5 _ SEGMENT INFORMATION

For management purposes, the Group is organized into customer-oriented Business Units based on their products and services. The three reportable core segments are the Business Units Trailer Systems, Powered Vehicle Systems, and Aftermarket. There has been no change in the division of segments since December 31, 2014. For more information, please see the Notes to the Consolidated Financial Statement for the financial year 2014.

Management assesses the performance of the operating segments based on adjusted EBIT. The reconciliation from operating result to adjusted EBIT is provided as follows:

kEUR	Q1-Q2/2015	Q1-Q2/2014
Operating result	43,678	31,016
Share of net profit of investments accounted for using the equity method	759	408
EBIT	**44,437**	**31,424**
Additional depreciation and amortization from PPA	3,224	3,013
Restructuring and integration costs and non-period expenses	1,797	2,063
Adjusted EBIT	**49,458**	**36,500**

Information on segment sales and earnings for the period from January 1 to June 30, 2015:

	Q1-Q2/2015			
	Business Units			
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	**Consolidated**
Sales	326,662	94,853	137,224	**558,739**
Adjusted EBIT	**21,219**	**7,200**	**21,039**	**49,458**
Adjusted EBIT margin	**6.5%**	**7.6%**	**15.3%**	**8.9%**

	Q1-Q2/2014			
	Business Units			
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	**Consolidated**
Sales	280,749	78,932	122,283	**481,964**
Adjusted EBIT	**11,606**	**5,296**	**19,598**	**36,500**
Adjusted EBIT margin	**4.1%**	**6.7%**	**16.0%**	**7.6%**

Please see the Group Interim Management Report regarding earnings development of the segments.

6 _ FINANCE RESULT

Finance income and expenses consist of the following:

FINANCE INCOME

kEUR	Q1-Q2/2015	Q1-Q2/2014
Unrealized exchange gains on foreign currency loans and dividends	5,606	932
Realized exchange gains on foreign currency loans and dividends	1,453	226
Finance income due to derivatives	–	108
Interest income	87	60
Other	239	5
Total	**7,385**	**1,331**

Foreign exchange gains on foreign currency loans and dividends primarily comprise unrealized foreign exchange gains on intercompany-foreign currency loans translated at the period-end exchange rate. Realized foreign exchange gains on foreign currency loans and dividends primarily result from the translation of dividend receivables in US dollar as of December 31, 2014 and their settlement in the second quarter of 2015.

FINANCE EXPENSES

kEUR	Q1-Q2/2015	Q1-Q2/2014
Interest expenses due to interest bearing loans and bonds	-4,418 [1]	-4,803
Amortization of transaction costs	-274	-436
Finance expenses due to pensions and other similar benefits	-525	-484
Finance expenses due to derivatives	-267	-1,194
Other	-483	-373
Total	**-5,967**	**-7,290**

[1] Includes the non-cash interest expense of kEUR 313 for the convertible bond.

The amortization of transaction costs of kEUR -274 (previous year: kEUR -436) represents the contract closing fees recognized as expenses in the period in accordance with the effective interest method.

Finance expenses in connection with derivative financial instruments in the previous year mainly include the reclassification to the financial result of the cash flow hedge reserve recorded in equity of kEUR 1,194 through profit or loss. The recycling of the cash flow hedge reserve results from the early repayment of interest rate swaps in the context of the refinancing in October 2012. The cash flow hedge reserve has been released to the finance result using the effective interest method over the original term of the swaps.

7 _ INCOME TAXES

The major components of income taxes are as follows:

kEUR	Q1-Q2/2015	Q1-Q2/2014
Current income taxes	-15,133	-8,548
Deferred income taxes	-370	632
Income tax reported in the result for the period	**-15,503**	**-7,916**

The effective income tax rate in the second quarter of 2015 was 33.80%. The variance between the effective income tax rate and the Group's income tax rate of 30.60% (previous year: 30.70%) is mainly attributable to non-deductible expenses and unused tax loss carry forwards.

8 _ CASH AND CASH EQUIVALENTS

kEUR	06/30/2015	12/31/2014
Cash on hand, cash at banks and checks	25,193	44,160
Short-term deposits	6	5
Total	**25,199**	**44,165**

9 _ EQUITY

The Company's subscribed share capital is unchanged from December 31, 2014 and still amounted to EUR 453,611.12 on June 30, 2015. It consists of 45,361,112 ordinary shares with a par value of EUR 0.01 and is fully paid-in.

The company`s reserves – namely the share premium, the legal reserve and other reserves – are unchanged from December 31, 2014.

Changes in accumulated other comprehensive income consist of the following:

	Before tax amount		Tax expense		Net after tax amount	
kEUR	Q1-Q2/2015	Q1-Q2/2014	Q1-Q2/2015	Q1-Q2/2014	Q1-Q2/2015	Q1-Q2/2014
Exchange differences on translation of foreign operations	7,700	2,081	–	–	7,700	2,081
Changes in fair values of derivatives designated as hedges, recognized in equity	–	574	–	-156	–	418
Total	**7,700**	**2,655**	–	**-156**	**7,700**	**2,499**

At the Annual General Meeting on April 23, 2015, it was decided to distribute a dividend in the amount of EUR 0.32 per share to shareholders from the net profit of the financial year just ended. Total dividend distribution amounts to EUR 14.5 million.

10 _ OTHER PROVISIONS

Share-based payment transaction

__ Phantom Share Plan

As a result of meeting the underlying performance targets of the phantom share plan as of December 31, 2014, payments were made under the plan in the first quarter 2015. The provision recognized in the previous year for this purpose of EUR 2.3 million was utilized in the reporting period in this context.

11 _ INTEREST-BEARING LOANS AND BONDS

	Non-current		Current		**Total**	
kEUR	06/30/2015	12/31/2014	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Interest bearing bank loans	19,235	8,178	–	–	**19,235**	**8,178**
Convertible bond	96,779	96,436	–	–	**96,779**	**96,436**
Bond	75,000	75,000	–	–	**75,000**	**75,000**
Financing costs	-1,716	-1,931	-506	-505	**-2,222**	**-2,436**
Bank overdrafts	–	–	-	–	**–**	**–**
Accrued interests	–	–	1,366	4,000	**1,366**	**4,000**
Other loans	176	114	39	48	**215**	**162**
Total	**189,474**	**177,797**	**899**	**3,543**	**190,373**	**181,340**

The following table summarizes the determination of overall liquidity defined as available undrawn credit lines measured at the period-end exchange rate plus available cash and cash equivalents:

	06/30/2015			
kEUR	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A	11,167	85,000	–	73,833
Facility B	4,506	22,530	–	18,024
Other Facility	3,562	5,880 [1]	25,199	27,517
Total	**19,235**	**113,410**	**25,199**	**119,374**

[1] Bilateral credit line for the activities of the Group in China.

	12/31/2014			
kEUR	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A	5,822	85,000	–	79,178
Facility B	–	20,568	–	20,568
Other Facility	2,356	5,360 [1]	44,165	47,169
Total	**8,178**	**110,928**	**44,165**	**146,915**

12 _ FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

The fair values and carrying amounts of the financial assets were as follows as of the balance sheet date:

	06/30/2015		12/31/2014	
kEUR	Fair value	Book value	Fair value	Book value
Financial assets measured at cost or amortized costs				
Cash and cash equivalents	25,199	25,199	44,165	44,165
Trade receivables	158,610	158,610	102,964	102,964
Other current assets	1,102	1,102	1,089	1,089
Derivatives without hedging relationship	289	289	234	234
Financial liabilites measured at cost or amortized costs				
Trade payables	117,296	117,296	94,363	94,363
Interest bearing loans and bonds	228,283	190,373	202,067	181,340
Finance lease liabilities	2,165	2,165	2,172	2,172
Derivatives without hedging relationship	347	347	45	45

The following table shows the allocation of financial assets and liabilities measured at fair value to the three hierarchy levels of fair values:

	06/30/2015			
kEUR	Level 1	Level 2	Level 3	**Total**
Interest bearing loans and bonds	228,283	–	–	**228,283**
Derivative financial assets	–	289	–	**289**
Derivative financial liabilities	–	347	–	**347**

	12/31/2014			
kEUR	Level 1	Level 2	Level 3	**Total**
Interest bearing loans and bonds	202,067	–	–	**202,067**
Derivative financial assets	–	234	–	**234**
Derivative financial liabilities	–	45	–	**45**

As of June 30, 2015, the derivative financial assets and liabilities contain forward exchange transactions and are used to hedge the risk position arising from the currency fluctuation of the US dollar, Russian rubel and South African rand.

13 _ RELATED PARTY DISCLOSURES

The Board of Directors mandate of Richard W. Muzzy ended as planned with the Annual General Meeting of April 23, 2015. In order to ensure continuity, Martina Merz had already been elected to the Board in the previous year.

Since April 23, 2015, the Board of Directors has consisted of the following members:
- Bernhard Schneider (Chairman)
- Sam Martin (Deputy Chairman)
- Detlef Borghardt
- Dr. Martin Kleinschmitt
- Anja Kleyboldt
- Martina Merz

Transactions with related parties and companies in which members of management hold key positions:

	Sales to related parties		Purchases from related parties	
kEUR	Q1-Q2/2015	Q1-Q2/2014	Q1-Q2/2015	Q1-Q2/2014
SAF-HOLLAND Nippon, Ltd.	820	540	–	–
FWI S.A.	–	–	20,165	13,813
Total	**820**	**540**	**20,165**	**13,813**

	Amounts owed by related parties		Amounts owed to related parties	
kEUR	06/30/2015	12/31/2014	06/30/2015	12/31/2014
SAF-HOLLAND Nippon, Ltd.	421	537	207	207
FWI S.A.	–	–	1,557	1,419
Total	**421**	**537**	**1,764**	**1,626**

14 _ STATEMENT OF CASH FLOWS

Please see the Group Interim Management Report for further explanations of the cash flow statement.

15 _ EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred since the reporting date.

Responsibility Statement

To the best of our knowledge, and in accordance with all applicable financial principles for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group's business and position, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the fiscal year.

Luxemburg, August 6, 2015
SAF-HOLLAND S.A.

Bernhard Schneider
Chairman of the Board of Directors

Financial Glossary

A

Actuarial gains and losses
Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Adjusted EBIT
Earnings before interest and taxes (EBIT) is adjusted for special items, such as depreciation and amortization from purchase price allocations, impairment of goodwill and intangible assets, reversal of impairment of intangible assets as well as restructuring and integration costs.

B

Business Units
For management purposes, the Group is organized into customer-oriented Business Units (Trailer Systems, Powered Vehicle Systems, and Aftermarket).

C

Cash-generating unit
Cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

Coverage
Analysts at renowned banks and investment houses regularly observe and evaluate the development of SAF-HOLLAND S.A.'s shares.

D

Days inventory outstanding
Inventory / cost of sales per day
(cost of sales of the quarter / 90 days).

Days payable outstanding
Trade payables / cost of sales per day
(cost of sales of the quarter / 90 days).

Days sales oustanding
Trade receivables / sales per day
(sales of the quarter / 90 days).

E

Effective income tax rate
Income tax according to the income statement / earnings before tax x 100.

Equity ratio
Equity / total assets x 100.

F

Fair value
Amount obtainable from the sale in an arm's length transaction between knowledgeable, willing parties.

G

Gross margin
Gross profit / sales x 100.

I

IFRS/IAS
The standard international accounting rules are intended to make company data more comparable. Under the EU resolution, accounting and reporting at listed companies must be done in accordance with these rules.

M

MDAX
The mid-cap-DAX (MDAX) comprises 50 companies that rank immediately below DAX securities in terms of market capitalization and order book volume.

N

Net working capital
Current assets less cash and cash equivalents less current and non-current other provisions less trade payables less other current liabilities less income tax liabilities.

Non-recourse factoring
Factoring where the factor takes on the bad debt risk.

P

Personnel expenses per employee
Personnel expenses (not including restructuring and integration costs) / average number of employees (not including temporary employees).

Prime Standard
Prime Standard is a market segment of the German Stock Exchange that lists German companies which comply with international transparency standards.

Purchase price allocation (PPA)
Distribution of the acquisition costs of a business combination to the identifiable assets, liabilities and contingent liabilities of the (acquired) company.

R

R&D ratio
R&D cost and capitalized development cost / sales x 100.

Recoverable amount
The recoverable amount is the higher of the fair value less cost to sell and the value in use.

S

Sales per employee
Sales / average number of employees (including temporary employees).

SDAX
The small-cap-DAX (SDAX) comprises 50 companies that rank immediately below mid-cap-DAX (MDAX) securities in terms of market capitalization and order book volume. As is the case with DAX, TecDAX and MDAX, the SDAX belongs to the Prime Standard.

Shares of non-controlling interests
Equity in a subsidiary not attributable, directly or indirectly, to a parent.

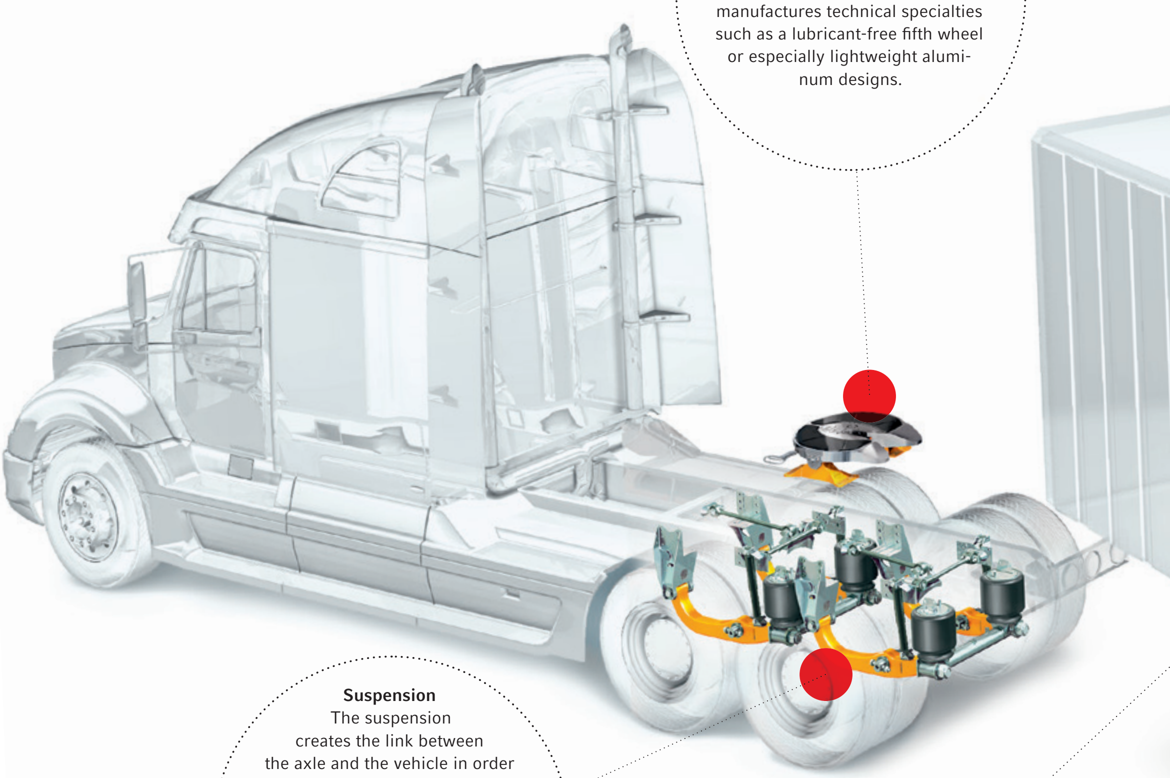
T

Total cost of ownership
Total cost relating to acquisition, operating and maintenance of an asset.

V

Value in use
Present value of future cash flows from an asset.

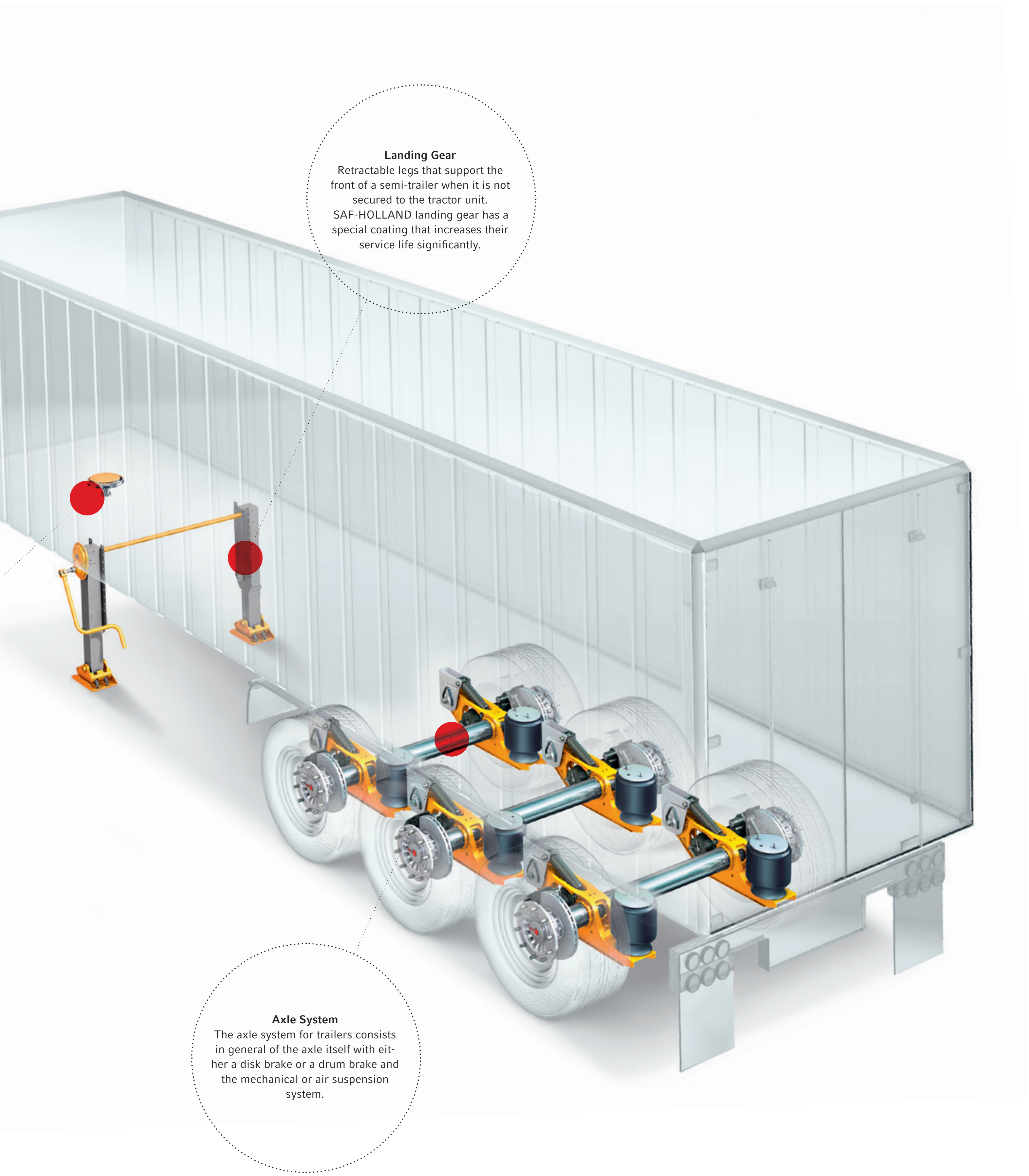
Technical Glossary



Fifth Wheel
Mounts with the kingpin and serves to secure the semi-trailer to the tractor unit. In addition to its traditional products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel or especially lightweight aluminum designs.

Suspension
The suspension creates the link between the axle and the vehicle in order to compensate for road irregularities and improve maneuverability. The SAF-HOLLAND suspension system with its modular design can be used for up to three interlinked powered axles. Each axle is suspended individually. Suitable for gross vehicle weights of between 10 and 40 tons.

Kingpin
Mounts on the semi-trailer and couples with the tractor fifth wheel. SAF-HOLLAND products are sold around the world and are among the safest on the market.


Landing Gear
Retractable legs that support the front of a semi-trailer when it is not secured to the tractor unit. SAF-HOLLAND landing gear has a special coating that increases their service life significantly.
Axle System
The axle system for trailers consists in general of the axle itself with either a disk brake or a drum brake and the mechanical or air suspension system.

List of Abbreviations

A

APO	Advanced Planner & Optimizer (IT-System to utilize for supply chain management)

B

BRIC	Brazil, Russia, India, and China

C

CAD	IT-System often used in engineering/ product development
Cap	Derivative to hedge against rising interest rates
CEO	Chief Executive Officer
CFO	Chief Financial Officer

D

DAX	Deutscher Aktienindex (German stock index)
DIN	Deutsches Institut für Normung (German Institute for Standardization)

E

EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes and Depreciation/Amortization
EDP	Electronic Data Processing

F

FEM	Finite Element Method; numerical technique for finding approximate solutions for partial differential equations; often used in industrial engineering

G

GDP	Gross Domestic Product

I

IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IfW	Institut für Weltwirtschaft (German economic organization)
IMF	International Monetary Fund
IR	Investor Relations
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT	Information Technology

K

kEUR	Thousand Euro

M

MATS	Mid-America Trucking Show
Mio.	Million

N

n.a.	Not applicable

O

OEM	Original Equipment Manufacturer
OES	Original Equipment Service

P

PPA	Purchase Price Allocation
ppm	Parts per million

R

R&D	Research and Development

S

SDAX	Small-cap-DAX
Swap	Hedging instrument in which two counterparties agree to exchange contractual rights and obligations (to swap) for a definite existing period of time in the future and at defined conditions

U

US	United States of America
USA	United States of America
USD	US-Dollar

W

WKN	Wertpapierkennnummer (security identification number)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)

Financial Calendar and Contact Information

Financial Calendar

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