SPEECH

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Chief Executive Officer (CEO) of SAF-HOLLAND S.A.

Annual General Meeting

April 24, 2008, 11:00 a.m. (CEST),

Hotel Le Royal Luxembourg

— The text as spoken shall be definitive—

Dear Shareholders,

Dear Guests,

Ladies and Gentlemen,

1. Welcome address

On behalf of the Board of Directors and my colleagues from the Management Board I would like to welcome you to the first Annual General Meeting of SAF-HOLLAND S.A.

2. Introduction – Milestones 2007

Our meeting today primarily focuses on the financial statements of the year 2007. However, we would also like to provide you with an outlook for the current business year as well as our strategic objectives and growth targets for the upcoming years. As 2007 was a decisive year for our company, please let me start with some initial comments on the milestones we achieved.

The merger of the two regional champions SAF in Europe and HOLLAND in the US coupled with a successful integration process clearly marked the beginning of a new era. Both companies do not only represent a perfect fit from a regional perspective but likewise with respect to products and customers. Competences and markets have complemented each other. A wide product range for powered vehicles, semi-trailers and trailers is now marketed from one single source in Europe, America and Asia. As a consequence, we have initiated a comprehensive technology transfer in both directions immediately after the merger – from Europe to the US and vice-versa. This enables us to exploit significant new potential in both markets. In addition, the merger has created a globally-positioned company which is participating in the dynamic development of growth markets such as Eastern Europe, Russia, Latin America and China. A major step in the integration process was already achieved on July 1, 2007 with the new organisational structure of SAF-HOLLAND which aligns the combined businesses into three units, i.e. Trailer Systems, Powered Vehicle Systems and Aftermarket. The new Business Units are geared strictly toward their respective customer groups and ensure the highest possible focus on the market.

The listing in the Prime Standard segment of the Frankfurt Stock Exchange on July 26, 2007 marked a further milestone. The IPO improved our financial strength considerably and equally enables us to continue our growth course in the future.

The year 2007 was additionally characterized by a continuous increase in global trade flows which simultaneously fosters our growth. The consistently high demand in Europe over-compensated the expected weakness in North America. The emerging markets such as Brazil, Russia, India and China are increasingly gaining in significance. In this context, we were, for example, able to record first sales of axle systems in the fourth quarter of 2007 from our own company in Brazil which was established in 2006. Furthermore, we established a first foothold in the promising Indian market with a 50% stake in a joint venture which we set up with a local partner in April 2007. We are already supplying suspension systems to bus manufactures and are thus directly benefiting from the significant growth in passenger transportation in India. In general terms, transportation is the life-giving elixir of globalisation, and trucks and trailers are the central element in the transport chain. When it comes to shipping goods fast and flexible, freight transport by road is unrivalled.

3. Overview Business Year 2007

A first glance at the results for the business year 2007 shows that we can look back on a successful year in which we achieved the targets we had set ourselves. Sales for the Group amounted to €812.5 million, representing an increase of 4.5%. Adjusted for significant currency effects as a result of the weak US-Dollar, the underlying continuous growth trend of our company becomes obvious by the rise of 7.9% in sales. Driving force was the consistently high demand for our products and services in Europe. By way of impressive illustration, the order backlog for our axle production in Europe increased by impressive 250% year over year. We have reacted correspondingly by expanding our axle production capacities by 25% in 2007. As a consequence of the strong European business, the European share of total sales rose to 64% in the course of the year. At the same time, the importance of the North American market continued to decline, as we had expected. The development in North America was influenced by various factors in 2007. Firstly, the demand of transportation services fell sharply in the second half of the year due to the real estate crisis which consequently led to a substantial decline in sales on our side. A second significant factor that contributed to the weak US business in the truck segment were pull-forward effects that had contributed to high sales in 2006 but resulted in a sharp decline starting in the second quarter of 2007 – a development that we had foreseen. Due to new emissions regulations that came into effect as of January 1, 2007, many leasing companies and large freight forwarding companies had ordered significantly in advance in the years 2005 and 2006. We reacted to this development by adjusting capacities and reducing production workforce and personnel in the indirect production area in North America.

Turning to the earnings situation, we were able to post earnings before interest and taxes on an adjusted basis of €60.5 million, representing an EBIT margin of 7.4%. This means, the results were clearly within the forecasts we had announced during the year.

Ladies and Gentlemen, it is our declared objective that shareholders should take part in our corporate success. In view of the successful year, we intend to distribute a dividend of 42.47 Euro Cent per share already in the first year of being a listed company. This would result in a total dividend payment of €8 million.

Going forward, it is our goal to distribute between 40 and 50% of our net profit for the year to our shareholders, provided that the investment planning and general state of the market permit to do so. By this means, we would like to follow our claim of being a value investment for our shareholders which also provides an appropriate dividend yield.

4. Financial Statements 2007

I would now like to focus on the individual components of the financial statements for the business year 2007.

A closer look at the regional sales split reveals the already explained twofold picture of a very good market in Europe and a subdued development in North America. Europe showed a very strong growth of 29% to €519.7 million in 2007 against a decline in sales in the North American market of 22% or 15% on a constant currency basis. However, I would like to put these figures into perspective by outlining some market data for the year 2007: the number of trailers manufactured in North America fell by 25% and in the truck category even more drastically by 44%. Hence, we were able to outperform the market even in such a difficult environment.

This development is, of course, also represented in the sales breakdown by Business Unit. Let me therefore give you an overview of the sales split and following present to you the development of each individual Business Unit.

The trailer business, which represents 68% of Group sales, showed a continuously positive development and posted a significant plus in sales of 16.5% to €555.1 million. Powered Vehicles was heavily influenced by the described market trend in the US which led to a decline as expected in the sales volume to €81.3 million for the year. The Aftermarket Business Unit generated sales of €180.1 million showing a considerable growth rate in Europe of 14% versus a contrary development in North America by a minus of 15%.

A more detailed view on the Business Units draws an equally positive picture: The Trailer Systems Business Unit which bundles our offerings of systems for semi-trailers and trailers, including axle and suspension systems benefited from the strong growth of freight volumes in Europe, especially in Eastern Europe and Russia. The gross margin of 12.3% was affected by increased material costs and the underutilisation of production capacities in the US. However, enforced price increases had a positive impact in the fourth quarter of 2007. Additionally, measures to reduce costs and thus increase the profitability have been introduced over the past year.

In the Powered Vehicle Systems Business Unit, we were able to further increase our market share in the US with our product range of systems for tractor units, buses, and recreational vehicles. However, the sales development was significantly impacted by the described changes in the regulatory framework and the slowdown triggered by the housing crisis in the US. Despite the lower sales volume, the gross margin rose from 12.1% in 2006 to 14.0% for the year 2007 based on an improved product mix.

The sales trend in the Aftermarket Business Unit was impacted by the already explained market characteristics in Europe and North America. Aftermarket comprises all our activities in the spare parts business where we offer our customers an extensive service network of more than 7,000 service centers in Europe, America, Asia, Africa, and Australia. The gross margin increased slightly to 34.6% and is expected to remain steady at this level going forward.

Turning now to the Profit and Loss Statement for 2007, the earnings are primarily determined by the gross margin development. The gross margin of 17.4% for the year 2007 was influenced by three factors: firstly, a shift in the customer mix towards larger customers with lower margins, secondly, rising cost of materials and thirdly, exceeding production costs in the US as a result of inadequate capacity utilisation. In sum, these effects had a negative impact of one percentage point on our gross margin for the year 2007. The previously mentioned reduction of personnel overhead in the US and price increases for our products in Europe counteracted the negative cost development. However, these measures come into effect with a certain time delay and are, thus, not fully reflected in this picture for the financial year 2007.

In order to demonstrate the underlying operating development of our company, we have adjusted crucial earnings figures for certain cost positions that were incurred in the course of the merger as well as the IPO. These costs cannot be allocated to the operating business and therefore lead to a distorted picture of our actual profit situation. EBIT, which is our central parameter for controlling, is adjusted for depreciation and amortisation from the purchase price allocation as well as transaction and integration costs arising from the IPO and the merger.

Supported by the German tax reform and an associated lower tax rate, adjusted net profit for the 2007 financial year came to €22.3 million, resulting in earnings per share of €1.18 on this basis.

At the end of 2007, we employed nearly 3,000 people worldwide. The decline in comparison to the previous year is due to the necessary adjustments of production capacities in the US and the previous mentioned reduction of personnel overheads.

In 2007, we also invested significantly in the future of our company in terms of capital expenditure as well as investments in Research & Development. Investment totalled €19.3 million, representing an increase of 13.5% over the previous year and an investment ratio in percentage of sales of 2.4%. The main project in the past year was the inauguration of the R&D test laboratory in Bessenbach, Germany. The new testing facility was established to reduce development time and improve quality assurance. Another focal point of investment was the increase in axle system capacities in the European production facilities in Germany and Slovakia. With respect to R&D, our main intention in 2007 as well as for 2008 has been to adapt American and European products for each other’s markets which form the basis of exploiting the significant cross-selling synergies in connection with the merger. Expenditures for R&D amounted to around €11.8 million, representing an R&D ratio of 1.5%. Furthermore, our efforts in this area focussed on reducing weight, improving energy efficiency cutting the total costs of ownership and, of course, developing new technologies.

Let me conclude my comments on the year-end figures with a statement concerning the Consolidated Balance Sheet which outlines an explicit improvement in the financial position of the Company and it balance sheet structure. The positive earnings trend and the capital increase that contributed €97.3 million resulted in an equity ratio of 19.5% as of December 31, 2007 compared to 1.7% at the prior year's balance sheet date. The proceeds from the IPO were used to redeem €8.2 million in preferred shares and Convertible Preferred Equity Certificates, €56.0 million, respectively €8.5 million to repay shareholder and vendor loans, and €9.9 million to pay back bank loans, and 14.7 million to cover IPO and transaction costs. Net indebtedness amounted to €235.1 million as at the balance sheet date. In February 2008, we negotiated a new financing arrangement with a bank consortium. The new credit line of €325 million at lower interest provides us with sufficient leeway to absorb seasonal fluctuations and fund further growth. Net working capital totalled 9.3% of sales as of December 31, 2007. Our general target is 9% with the tolerance of a higher rate in phases of particular strong growth.

5. Outlook 2008 and beyond

Ladies and gentlemen, I would now like to take your attention to the business year 2008 and provide you with our current assumptions on the business development as well as financial outlook for 2008 and beyond.

With respect to the general market development, we expect our target markets to develop in line with the trends we saw in the last year. Hence, we assume the divided picture of a strong market in Europe and a weak environment in the US to continue in 2008. Besides the core markets of Western Europe, the main growth stimuli are expected to come from the growth markets in Eastern Europe, Latin America, and Asia.

In line with these market developments, we anticipate a sales volume for the Group between €900 million and €950 million in 2008. This outlook already considers the possibility of a further significant downturn of the US market. This means that in the event of a recession in the US, we still assume a strong double-digit sales growth of around 10% across the Group to around €900 million.

For the Trailer Systems Business Unit, we expect growth in Europe to continue at a high level in 2008 and not to tail off until 2009. In the US, however, the business development is likely to continue to be weak as the financial crisis and its negative consequences have yet to be surmounted. In international business, Brazil seems likely to play a key role starting in 2008. After axle production in the USA has been established, sales opportunities in the range of double-digit millions should arise there as well.

For the Powered Vehicle Systems Business Unit with its focus on North America, business is expected to continue on a rather poor basis in 2008. In the US, new emissions limits are additionally to come into force on January 1, 2010. Hence, we anticipate another pull-forward buying in 2009, but much likely not as strong as in 2006. As a consequence, business in North America is likely to remain poor in 2008 and should pick up 2009.

In the Aftermarket Business Unit, a further significant increase is expected in Europe in 2008 along with a stabilisation of business in North America as the demand for spare parts and related services prevails to a large extent also in weak economic environments.

If we turn to investments, we intend to spend approximately €25 million in 2008 which will be above the assumed average of €20 million for the year 2009. The primary planning includes capacity expansions in Europe and the setting up of the axle production facilities in North America which should start operations in fall 2008. Capacity expansion will continue in order to meet long-term supply volumes which we agreed in framework contracts with our major customers. The strategic rationale for the establishment of an own axle production in the US stems from the fact that we currently still purchase axles from competitors. In the near future, these axles will be replaced with our own axles and thus add another layer of growth from 2009 onwards.

As a result of our merger, there is still some room for an optimization of our production structures. Hence, in 2008 and 2009 we will continue our consolidation efforts with respect to our production locations in North America and Europe. The intended reduction of scattered individual locations will lead to lower production costs and greater efficiency, thereby strengthening our competitiveness on a global scale.

Based on the expected increase in sales and realized economies of scale, we envisage a significant improvement of our profitability for 2008. Therefore, we are targeting an adjusted EBIT margin in the range of 8 to 8.5%.

The financial results will benefit from the new credit line and the equity ratio should continue to increase in the years ahead. Excluding special factors that we had encountered in 2007, 2008 should additionally bring a significant increase in net profit. In this context, I am herewith strongly reiterating our goal to report to you a sales volume of €1 billion in 2009 and in the subsequent year 2010, an adjusted EBIT margin of 10%.

Before I conclude my speech, I would like to give attention to some highlights we have already achieved in the first months of the current business year. In December 2007 and January 2008 we were able to sign a number of new contracts for our Trailer Systems Business Unit. For the most part these contracts run until 2010 and will add total annual sales of around €60 million. The signing of these additional contracts reinforces our growth and confirms the outstanding development of our business.

Another important strategic step was the acquisition of the landing leg product line from the US company Austin-Westran in April 2008. The acquisition includes the China-based production operation of Austin-Westran and associated assets in the US. The arguments for this transaction have been extremely convincing as it significantly expands our presence in the world’s third-largest and fastest-growing market for commercial vehicles. We aim to be the first choice partner of major truck and trailer manufacturers in China in the future. In this respect, we are already in discussions with major OEMs. Furthermore, we expect the acquisition to initially contribute an additional €11m to Group sales on an annualised basis, with significant growth as we implement further steps within our China strategy. The transaction is highly accretive from day one and our internal analysis indicates a pay-back period of 18 to 24 months on the original investment.

6. Future Growth

Ladies and Gentlemen, the course of the business year 2007 was convincing, in particular with respect to the excellent growth dynamics in Europe and the accelerating impetus from emerging markets. We are convinced that we are best positioned to continue on this path. Hence, I would like to provide you with an answer to the following question: What are the long-term growth drivers of SAF-HOLLAND? And how do we intend to generate new growth potential?

Our growth strategy is composed of three pillars:

First, we benefit from globalisation and growing international trade flows and we aim to increase our share of the world's rapidly growing transportation market. The boom in the Eastern European, Russian, Latin American, Chinese, and Indian markets ensures a constant increase in demand for transportation services. In a nutshell, trucks and trailers are at the beginning and the end of nearly every transportation chain, be it from Asia to Europe and America or within individual markets. This is why we focus on a worldwide presence. In response to this globalisation process, we are also constantly expanding our worldwide service network.

Second, we are concentrating on technology and quality as innovation is another significant driving force. In this respect, we are constantly investing in new technologies and in the further refinement of our products. In most of our product lines we have therefore already established a leading market position. In recent years, we have increased our market shares in Europe and North America with our innovative products and we are convinced that this will also be possible going forward. In addition, we are confident to be able to utilize our technologies to influence the standards of other markets as well.

Finally, our strategy's third pillar is the exchange of technology within the company. Through the business combination of SAF and Holland, we have unlocked major growth potential driven by technology transfer. The strengths of our existing products that are marketed successfully in individual markets will now be introduced both in Europe and in North America. As a result, we will gain market shares in both markets and likewise strengthen our opportunity to open up new markets.

7. Conclusion

Dear Shareholders, Ladies and Gentlemen, I hope that I succeeded today in convincing you that our growth story is intact and that your company is in good hands. The Board of Directors, the Management Board, the members of the senior management team and all employees have accomplished important strategic tasks in the past year. At the same time, we were able to deliver a successful business year and devise solid plans for the future which lay the foundation for further growth and the profitability of our company. Thus, please allow me at this point in time to express my special thanks and recognition to all our employees: thank you for your hard work and commitment.

We are excited about the opportunities ahead and are committed to build a successful future and create lasting value for you, our shareholders, as well as for our employees and customers.

Thank you very much for your attention.