SAF-HOLLAND S.A.

Quarterly Report

as of September 30, 2007

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Key Highlights

- Group sales of €613.4 million in the first three quarters of 2007, representing an increase of 8%[*] on the first three quarters of 2006
    - European sales growth of 28% over the period
    - Europe now represents 62% of total Group sales, in Q3 the share was 65%
    - Trailer system sales growth of 18%* over the period
- High teen sales growth in 2008 expected on the basis of continued unprecedented levels of demand in the European market
    - Order book at historic highs
    - Long-term supply volumes agreed in framework contracts with major customers
- New high-performance products expected further to cement leading market position
    - Ground-breaking "ALL-IN" axle-aggregate guaranteeing end-customer free maintenance for 48 or 60 months launched
- Additional integration synergies from merger with Holland to yield further synergies and margin improvements in 2008
- Significant reduction in net debt as a result of cash flow generation and repayment of shareholder loans
- Attractive inaugural dividend payment expected for fiscal year 2007

Rudi Ludwig, Chief Executive Officer, commented:

"SAF-HOLLAND is benefiting from booming trailer demand in Europe. We are increasing capacity to try to stay ahead of an ever-rising order back-log, and we are raising our forecasts significantly from their previous levels on the basis of framework contracts agreed with our major customers. This unprecedented demand for our products is evidence of a business that is in a continuing period of high growth."

[*] On a constant currency basis

Group Figures at a Glance

(€m)	FY 2006 Pro Forma[1]	Q1-3/2007	Q1-3/2006 Pro Forma[1]	Change in %	Q3/2007	Q3/2006 Pro Forma[1]	Change in %
Sales	777.8	**613.4**	588.6	4	**201.8**	189.5	7
Δ% constant currency				*8*			*10*
Adjusted EBITDA[2]	77.0	**55.2**	63.9	-14	**19.0**	21.5	-12
EBITDA margin	*9.9%*	***9.0%***	*10.9%*		***9.4%***	*11.3%*	
Adjusted EBIT[3]	65.1	**46.6**	54.4	-14	**16.3**	17.4	-6
EBIT margin	*8.4%*	***7.6%***	*9.2%*		***8.1%***	*9.2%*	
Operating profit	55.0	**30.3**	46.8	-35	**14.4**	15.6	-8
Profit/loss before tax (EBT)	23.6	**11.8**	23.0	-49	**6.3**	7.3	-14
Profit/loss for the period (EAT)	13.1	**14.7**	11.8	25	**11.7**	3.8	208
Earnings per share (EPS) in €[4]	0.11	**0.16**	0.10		**0.25**	0.03	
EBITDA	74.5	**44.4**	61.6	-28	**18.9**	21.5	-12
EBITDA margin	*9.6%*	***7.2%***	*10.5%*		***9.4%***	*11.3%*	
EBIT	55.7	**30.8**	46.9	-34	**14.5**	15.6	-7
EBIT margin	*7.2%*	***5.0%***	*8.0%*		***7.2%***	*8.2%*	
Cash Flow from operating activities	n/a	**33.7**	n/a		**11.4**	n/a	
Free Cash Flow	n/a	**2.6**	n/a		**6**	n/a	
Employees (Number as of September 30)	-	**2,990**	2,971	1			

The following remarks apply to the complete financial report:

[1] SAF-HOLLAND S.A. acquired SAF-HOLLAND GmbH with effective date March 31, 2006 and SAF-HOLLAND Holdings (USA) Inc. with effective date December 18, 2006. Therefore the first nine months and the third quarter 2007 can only be compared with the third quarter 2006 on a pro forma basis. Pro forma represents figures for the year 2006 as if the two subgroups would have been acquired as of January 1, 2006.

[2] Adjusted EBITDA is defined as EBITDA plus additional step up inventory costs from purchase price allocation (PPA) as well as transaction costs.

[3] Adjusted EBIT is defined as EBIT plus any additional depreciation, amortization and step up inventory costs from PPA as well as transaction costs.

[4] EPS is based on number of shares after the split up of shares into par-value of €0.01dated June 2007 (as well as for the previous periods). EPS calculation for the third quarter 2007 is only limited comparable with remaining EPS figures due to IPO related repayments of Preferred Shares in July 2007.

Group Interim Management Report

MARKET ENVIRONMENT

Trailer business continues growth based on strong European market

Trailer OEMs are experiencing very high levels of demand in Europe, which is resulting in a strong surge in the demand for axles and axle systems. Orders on hand for axles and axle systems increased steadily in the European market in the first nine months of the year 2007, and these levels of demand are expected to continue as the demand for trucks and trailers continues to rise on the basis of increasing trade flows between East and West Europe. As a consequence, the Group has not been able fully to satisfy market demand, despite having increased capacity in the current year. In order to boost the Group’s production capacity in Europe, the Group has implemented a number of both short term initiatives, such as increasing working hours and installing new robot lines, and longer-term measures, including investments that will result in a doubling of production capacity in the Group’s Slovakian facility from January 2008.

Truck business performs less strongly than trailer business as a result of expected change in regulatory emission standards in the US

In North America, the truck business has softened as a result of the expected pre-buy of new trucks in 2005 and 2006 ahead of the new emission standards in the US in 2007. Based on the economic situation the truck business will remain flat in 2008. In addition, trailer manufacturing in the US has been affected by the economic downturn in the housing market, as a consequence of lower freight-related demand. North American truck and trailer manufacturers have therefore experienced weak levels of demand in the first nine months of 2007.

SALES AND EARNINGS PERFORMANCE

SAF-HOLLAND S.A. acquired SAF-HOLLAND GmbH based in Germany on March 31, 2006 and SAF-HOLLAND Holdings (USA) Inc., USA, on December 18, 2006. Due to these transactions, figures for the first three quarters of 2006 do not represent an accurate comparable basis for the current reporting period. As a consequence, the following financial information for the year 2006 is being presented on a pro forma (PF) basis as if the two subgroups would have been acquired as of January 1, 2006.

Group sales driven by sustained growth dynamics in Europe

In the first nine months of 2007, SAF-HOLLAND Group sales grew 4% to €613.4 million (Q1-3/2006PF: €588.6 million), or 8% on a constant currency basis.

Sales in Europe rose from €298.6 million in the first three quarters of 2006 to €383.3 million in the same period in 2007, representing an increase of 28%, or 32% when comparing the third quarter 2007 with the third quarter 2006. This development underlines the continued strong growth momentum in European markets. As a result, Europe is representing an ever-increasing portion of Group sales. In the first three quarters of 2007, Europe represented 62% of group sales. Conversely, North America has become less significant on a Group basis, with sales of €231.7 million, a decline of 14% on a constant currency basis.

Sales break down by region Q1-3/2007:

(€m)	**Q1-3/2007**	Q1-3/2006 Pro Forma[1]	Change in %	Change in % constant currency
Europe	**383.3**	298.6	28	28
North America	**231.7**	290.0	-20	-14
Elimination due to inter-segment sales	**-1.6**	0	-	-
Total	**613.4**	588.6	4	8

Sales break down by region Q3/2007:

(€m)	**Q3/2007**	Q3/2006 Pro Forma[1]	Change in %	Change in % constant currency
Europe	**130.9**	99.0	32	32
North America	**71.0**	90.5	-22	-16
Elimination due to inter-segment sales	**-0.1**	0	-	-
Total	**201.8**	189.5	7	10

Trailer Systems sales increased by 16% from €351.9 million in the first three quarters of 2006 to €407.0 million in the comparable period in 2007. On a constant currency basis, the trailer business grew by 18% over the period, or 25% when comparing the third quarter 2007 with the third quarter 2006. The exceptionally strong demand for axle systems in the European market on the basis of increasing trade flows and, consequently, increased trailer demand, underpinned these positive results for the Trailer Systems Unit.

Sales in the Powered Vehicle Systems Unit decreased by 23% on a constant currency basis to €64.1 million (Q1-3/2006PF: €90.1 million) as a result of the economic environment and the pre-buy of trucks in 2005 and 2006 related to new emissions regulations in the North American market.

Overall, Aftermarket sales grew slightly by 2% on a constant currency basis, with Aftermarket sales in Europe increasing by 12%. The total Aftermarket sales volume amounted to €142.3 million in the first nine months of 2007.

Sales development by Business Unit Q1-3/2007:

(€m)	**Q1-3/2007**	Q1-3/2006 Pro Forma[1]	Change in %	Change in % constant currency
Trailer Systems	**407.0**	351.9	16	18
Powered Vehicle Systems	**64.1**	90.1	-29	-23
Aftermarket	**142.3**	146.6	-3	2
Total	**613.4**	588.6	4	8

Sales development by Business Unit Q3/2007:

(€m)	**Q3/2007**	Q3/2006 Pro Forma[1]	Change in %	Change in % constant currency
Trailer Systems	**133.7**	109.4	22	25
Powered Vehicle Systems	**19.0**	28.9	-34	-29
Aftermarket	**49.1**	51.2	-4	0
Total	**201.8**	189.5	7	10

Earnings development

Gross profit for the first nine months was €109.1 million, resulting in a gross profit margin of 17.8% of total sales, compared to 19.6% of total pro forma sales in the prior year. The gross margin was impacted by an increase in raw material prices of around 1% on average during the reporting period. In addition, facilities in North America were not fully utilized, an effect which could not be fully compensated by European production operating at full capacity. An improvement of the gross margin is expected in the fourth quarter of the year as a result of sales price increases and cost cutting programs.

Gross profit development by Business Unit Q1-3/2007:

(€m)	**Trailer Systems**	**Powered Vehicle Systems**	**After-market**	**Total**
Total sales	407.0	64.1	142.3	**613.4**
Cost of sales	358.2	54.9	91.2	**504.3**
Total gross profit	**48.8**	**9.2**	**51.1**	**109.1**
Gross profit margin%	**12.0**	**14.4**	**35.9**	**17.8**

Gross profit development by Business Unit Q1-3/2006:

(€m)	**Trailer Systems**	**Powered Vehicle Systems**	**After-market**	**Total**
Total sales	351.9	90.1	146.6	**588.6**
Cost of sales	302.0	78.8	92.5	**473.3**
Total gross profit	**49.9**	**11.3**	**54.1**	**115.3**
Gross profit margin %	**14.2**	**12.5**	**36.9**	**19.6**

The integration of the SAF and HOLLAND subgroups and the listing (IPO) of the Company at the Frankfurt Stock Exchange on July 26, 2007, have caused additional costs and one-off effects. The cost for the integration and the IPO (transaction costs) amounted to €9.6 million in the period under review.

For a better understanding of the operating results, SAF-HOLLAND Group reports adjusted EBITDA and EBIT figures, which remove the non-operating accounting effects of the merger of the SAF and HOLLAND groups (which took place at the end of 2006). These effects are to remove the additional depreciation and amortization as well as the inventory step-up resulting from the purchase price allocation (PPA) related to the transaction. In the first nine months of 2007, these effects amounted to a total of €6.2 million in addition to the transaction costs of €9.6 million.

(€m)	**Q1-3/2007**	Q1-3/2006 Pro Forma[1]	Change in %	**Q3/2007**	Q3/2006 Pro Forma[1]	Change in %
EBITDA	**44.4**	61.6	-28	**18.9**	21.5	-12
EBITDA margin (in %)	***7.2***	*10.5*		***9.4***	*11.3*	
Additional Cost of Sales PPA	**1.2**	2.3	-48	**0**	0	-
Transaction Costs	**9.6**	0	-	**0.1**	0	-
Adjusted EBITDA	**55.2**	63.9	-14	**19.0**	21.5	-12
Adjusted EBITDA margin (in %)	***9.0***	*10.9*		***9.4***	*11.3*	

(€m)	**Q1-3/2007**	Q1-3/2006 Pro Forma[1]	Change in %	**Q3/2007**	Q3/2006 Pro Forma[1]	Change in %
EBIT	**30.8**	46.9	-34	**14.5**	15.6	-7
EBIT margin (in %)	***5.0***	*8.0*		***7.2***	*8.2*	
Additonal Depreciation PPA	**5.0**	5.3	-6	**1.7**	1.8	-6
Additional Cost of sales PPA	**1.2**	2.3	-48	**0**	0	-
Transaction Costs	**9.6**	0	-	**0.1**	0	-
Adjusted EBIT	**46.6**	54.4	-14	**16.3**	17.4	-6
Adjusted EBIT margin (in %)	***7.6***	*9.2*		***8.1***	*9.2*	

FINANCIAL POSITION

Continued significant investments to expand capacity

In order for SAF-HOLLAND to continue to benefit from the significant growth in its end-markets, the Company has invested €12.3 million in the first nine months of the year. Investments have focused on rationalization measures and the expansion of existing capacities, especially at the production site in Slovakia. By way of illustration, these investments have increased the SAF-HOLLAND’s axle production capacity per year from 220,000 axles to 320,000 axles.

Liquidity and Cash Flow

The Company’s strong results over the period are also reflected in the cash flow from operating activities of €33.7 million in the first nine months in 2007.

New long-term financing arrangements were put in place in conjunction with the acquisition of the HOLLAND subgroup in the US. Existing facilities were repaid in part through own funds and replaced by new long-term loan facilities of €286.7 million in total as of December 18, 2006. The new loans are separated into two tranches, which have a tenor of eight and nine years respectively, and are drawn in both US Dollar and in Euro. In order to mitigate the risks from movements in interest rates, the Company purchased two interest rate hedges in March 2007 to fix the EURIBOR and LIBOR rates on its long term facilities. In total, approximately 85% and 70%, respectively, of the interest exposure has been fixed.

German Corporate Tax Reform Bill 2008

On July 6, 2007, the German Bundesrat, the Upper House of the German Parliament, approved the German Corporation Tax Reform Bill 2008. As a result of the new overall tax rate in Germany, the tax burden of the SAF-HOLLAND Group will decrease. Beginning with the third quarter and based on IFRS, the new effective tax rate of 27.1% for the German entities of the Group has been applied when determining the calculation of deferred tax liabilities in Germany. This implies a positive impact on the net assets and net income of the Group totalling to €7.5 million as of September 30, 2007.

Solid Balance Sheet Structure

SAF-HOLLAND Group reported total assets of €567.6 million as of September 30, 2007, up from €544.1 million as at December 31, 2006. This increase is related to higher inventories, which have risen from €84.5 million to €94.9 million as a result of the significant increase in sales. In addition, trade receivables have risen by €15.4 million to €106.0 million, also as a result of the positive development in the Company's operating business.

As a result of the share capital that was issued in the Company's IPO on July 26, 2007, equity increased by €97.3 million over the period. The equity ratio increased to 19.9% as of September 30, 2007 (Dec. 31, 2006: 1.7%) due to the IPO and the profit in the first nine months of the year. Financial net debt amounts to €237.4 million as of September 30, 2007, compared to €320.9 million on December 31, 2006.

ASSETS				EQUITY & LIABILITIES			
(€m)	**09/30/07**	**%**	12/31/06		**09/30/07**	**%**	12/31/06
Non-current assets	**330.6**	**58.2**	337.9	**Equity**	**112.7**	**19.9**	9.4
Current assets	**237.0**	**41.8**	206.2	**Accruals & Liabilities**	**179.2**	**31.6**	176.1
				Pension Accruals	**13.8**	**2.4**	15.7
				Financial debt	**261.9**	**46.1**	342.9
Total	**567.6**	**100.0**	544.1	**Total**	**567.6**	**100.0**	544.1

MANAGEMENT

Management Team

On June 20, 2007 the following Management Team members were appointed:

Rudi Ludwig, Chief Executive Officer

Samuel Martin, Chief Operating and Chief Administrative Officer

Wilfried Trepels, Chief Financial Officer

Detlef Borghardt, Head of Trailer Systems Business Unit

Tim Hemingway, Head of Aftermarket Business Unit

Jack Gisinger, Head of Powered Vehicle Systems Business Unit and Head of Group Engineering

Steffen Schewerda, Head of Group Operations

Board of Directors

On June 18, 2007 the following members of the Board of Directors were appointed:

Dr. Rolf Bartke*, Chairman

Ulrich Otto Sauer, Vice Chairman

Siegfried Goll*, Board Member

Rudi Ludwig, Board Member

Richard Muzzy, Board Member

Gerhard Rieck*, Board Member

Bernhard Schneider*, Board Member

Martin Schwab, Board Member

* Indicates an independent director

PERSONNEL

The number of employees has decreased slightly in comparison to December 31, 2006. As of September 30, 2007, SAF-HOLLAND Group had a global workforce of 2,990, including temporary personnel (December 31, 2006: 3,050). The average length of service of SAF-HOLLAND Group employees is 13 years.

ENVIRONMENT

All legal and environmental safeguards relating to the use and handling of environmentally dangerous substances were reviewed in the first three quarters of 2007. In North America the Group has adopted and adhered to ISO-14001 environmental standards, with 10 of its 16 manufacturing and warehouse facilities having been certified as at September 30, 2007, and the remainder of its facilities expected to be certified in the near term.

RESEARCH AND DEVELOPMENT

The Company's focus on developing new and innovative products is reflected in its continued investment into research and development (R&D). Total R&D expenses amounted to €8.9 million in the first nine months of 2007, representing 1.4% of Group sales. The new "ALL-IN" axle-aggregate was launched as scheduled in the first half of 2007, to name one example. This axle guarantees the end-customer free maintenance for 48 or 60 months. A key priority in the near future in the area of R&D activities will be the development of products from the former HOLLAND subgroup such that they meet the requirements of the European market, and equally, the adaptation of European axles and axle systems to the standards of the North American market, thereby allowing the Company to take advantage of significant cross-selling sales synergies.

THE SAF-HOLLAND SHARE

The SAF-HOLLAND S.A. began trading on the Prime Standard of the Frankfurt Stock Exchange on July 26, 2007. The Company's shares are now listed under the symbol 'SFQ' (ISIN is LU0307018795). In preparation of the IPO, a shareholder resolution from June 18, 2007 decided to split the 109,739 ordinary shares of the Company with a par-value of €1.25 each into 13,717,375 ordinary shares with a par-value of €0.01 each. Furthermore the Company issued 5,120,000 ordinary shares with a par-value of €0.01 as determined in the shareholders' resolution from July 25, 2007. On the stock exchange the shares were initially issued at an offering price of €19.00. The shares are floated on the Prime Standard. The major share of the emission amounting to €97.3 million went to SAF-HOLLAND S.A. in order to repay Preferred Shares (€1.0 million), Convertible Preferred Equity Certificates (€7.2 million), shareholder loans (€64.0 million) and bank loans (€9.9 million). The surplus of €15.2 million has mainly been used to pay the expenses relating to the IPO.

The overall share price development does not reflect the profit situation, the potential and the outlook of SAF-HOLLAND. The reason for the decline is the general uncertainty in the markets in the third quarter based on the crisis of the credit markets.

Shareholder Structure

As of Sept. 30, 2007 the shareholder structure of SAF-HOLLAND was composed as follows:

Shareholder	Holding
Pamplona Capital Partners I, LP	34.5%
Management	12.3%
Former Owners	13.4%
Freefloat	39.8%

POSITIVE OUTLOOK CONFIRMED

The unprecedented levels of demand in the European market are expected to continue for the foreseeable future. The Company's order book is at historic highs, and very significant volume levels have been agreed with major customers in framework supply contracts.

In North America, the truck and trailer markets are expected to remain flat in 2008, but the Company is expected to begin axle production in North America in the fourth quarter of 2008, and this will add another layer of growth from 2009. In addition, the Company is benefiting meaningfully from the growth of its recently established Brazilian subsidiary, which started operations in March 2007.

Overall, sales for the Group are expected to increase to approximately €800 million in 2007, with adjusted EBIT of €60 million. In 2008 and 2009, based on continuing strong demand for the Group's products and services, especially from Eastern European markets and Russia, high double-digit sales growth is expected. The adjusted EBIT margin is expected to be back in line with the 2006 margin of 8.4% for the fiscal year 2008. On a mid-term perspective, the Company targets a total sales volume of €1 billion in 2009 and an adjusted EBIT margin of 10% by 2010.

OPPORTUNITIES AND RISKS

SAF-HOLLAND has concluded multiple-year purchase agreements with most of its key accounts, so as to mitigate the risk related to the fact that its ten largest customers account for approximately 50% of the Company's sales.

Besides risks on the sales side the Company, like other manufacturing companies, is exposed to risks on the procurement side. These include both the risk of fluctuations in commodities prices and the risk of supply bottlenecks due to the unprecedented levels of demand the Company is benefiting from. SAF-HOLLAND has sought to mitigate this risk by negotiating long term supply contracts with key suppliers.

As a manufacturing company, the Group is exposed to the risk of quality defects and resulting recall campaigns and guarantee claims. To deal with expenses arising in this regard, the Company has put in place an insurance policy covering product recall costs, as well as establishing an appropriate level of reserves within the Company.

As a globally operating company, SAF-HOLLAND Group generated 38% of its sales in the first nine months of 2007 in currencies other than Euro, which is the Company's reporting currency. The Company seeks to match its expenses with the currency of its sales, so as to ensure that it is exposed only to translation risk and not to transaction risk.

By systematically identifying and actively managing risks, SAF-HOLLAND Group reduces the probability of these risks. Business risks are analyzed in particular at regular Management meetings where measures are defined to eliminate and mitigate risks. The Management did not identify any risks, which could endanger the continued existence of the Company.

SUBSEQUENT EVENTS

There have been no significant events for the Group between the end of the reporting period as at September 30, 2007 and the publication of the Group interim financial statements.

Group Interim Financial Report

INTERIM CONSOLIDATED INCOME STATEMENT

For the period January 1, respectively July 1, 2007 to September 30, 2007

(k€)	Notes	01/01/07 – 09/30/07	12/21/05 – 09/30/06	07/01/07 – 09/30/07	07/01/06 – 09/30/06
Sales	(3)	613,411	200,277	201,766	98,983
Cost of sales		-504,284	-164,959	-166,637	-81,355
Gross profit		**109,127**	**35,318**	**35,129**	17,628
Other income		1,489	1,277	1,286	655
Selling expenses		-34,391	-14,035	-10,836	-7,212
Administrative expenses		-37,047	-7,794	-8,182	-3,334
Research and development costs		-8,863	-2,412	-2,952	-1,208
Other expenses		0	0	0	0
Operating profit	(3)	**30,315**	**12,354**	**14,445**	6,529
Finance income		2,174	-173	-542	-416
Finance expenses		-21,109	-7,903	-7,672	-4,058
Share of profit of associates		465	113	56	27
Profit/loss before tax		**11,845**	**4,391**	**6,287**	2,082
Income tax expense	(5)	2,890	-3,581	5,367	-1,701
Profit/loss for the period		**14,735**	**810**	**11,654**	**381**
Attributable to equity holders of the parent		**14,735**	**810**	**11,654**	**381**
Basic earnings per share (EPS)[1]	(8)	**0.16**	**0.01**		
Diluted earnings per share	(8)	**0.02**	**0.003**		

[1] EPS is based on number of shares after the split up of shares into par-value of €0.01dated June 2007 (as well as for the previous periods). EPS calculation for the third quarter 2007 is only limited comparable with remaining EPS figures due to IPO related repayments of Preferred Shares in July 2007.

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET (as of September 30, 2007)

(k€)	Notes	09/30/07	12/31/06
ASSETS			
Non-current assets		**330,577**	**337,866**
Goodwill		69,942	72,113
Intangible assets		120,698	127,051
Property, plant and equipment		106,153	106,497
Investments in associates		13,351	13,139
Financial assets		1,890	3,952
Other non-current assets		2,520	2,429
Deferred tax assets		16,023	12,685
Current assets		**237,037**	**206,259**
Inventories		94,911	84,452
Trade receivables		106,041	90,597
Other current assets		5,266	4,322
Income tax assets		6,298	4,950
Cash and cash equivalents	(7)	24,521	21,938
Total assets		**567,614**	**544,125**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent		**112,729**	**9,369**
Subscribed share capital		188	1,184
Share premium		93,476	109
Retained earnings		15,884	811
Convertible preferred equity certificates		0	7,193
Accumulated other comprehensive income		3,181	72
Non-current liabilities		**325,855**	**417,928**
Interest bearing loans and other financial liabilities from shareholders		0	60,664
Pensions and other post-employment benefit plans		11,362	12,903
Other provisions		4,230	4,244
Financial liabilities		259,425	279,947
Finance lease liabilities		890	898
Other liabilities		218	227
Deferred tax liabilities		49,730	59,045
Current liabilities		**129,030**	**116.828**
Pensions and other post-employment benefit plans		2,468	2,795
Other provisions		8,781	9,332
Income tax liabilities		6,221	5,199
Financial liabilities		2,432	2,323
Finance lease liabilities		435	466
Current tax payable		963	0
Trade and other payables		98,111	89,517
Other liabilities		9,619	7,196
Total liabilities and equity		**567,614**	**544,125**

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period January 1, 2007 to September 30, 2007

(k€)	Attributable to equity holders of the parent					
	Subscribed share capital	Share premium	Retained Earnings	Convertible preferred equity certificates	Accumulated other comprehensive income	Total Equity
Jan. 1, 2007	**1,184**	**109**	**811**	**7,193**	**72**	**9,369**
Foreign currency Translation	-	-	-	-	3,109	3,109
Total income and expense for the period recognised directly in equity	-	-	-	-	3,109	3,109
Profit for the period	-	-	14,735	-	-	14,735
Total income and expense for the period	-	-	14,735	-	3,109	17.844
Issue of share capital	51	97,229	-	-	-	97,280
Redemption of preferred shares	-1,047	-	-	-	-	-1,047
Share-based payment compensation	-	-	338	-	-	338
Expenses relating to the IPO	-	-3,862	-	-	-	-3,862
Issue of convertible preferred equity certificates	-	-	-	40	-	40
Redemption of convertible preferred equity certificates	-	-	-	-7,233	-	-7,233
Sept. 30, 2007	**188**	**93,476**	**15,884**	**0**	**3,181**	**112,729**

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period December 21, 2005 to September 30, 2006

	Attributable to equity holders of the parent					
(k€)	Subscribed share capital	Share premium	Retained Earnings	Convertible preferred equity certificates	Accumulated other comprehensive income	Total Equity
Dec. 21, 2005	**125**	**0**	**0**	**0**	**0**	**125**
Foreign currency Translation	-	-	-	-	-144	-144
Total income and expense for the period recognised directly in equity	-	-	-	-	-144	-144
Profit for the period	-	-	810	-	-	810
Total income and expense for the period	-	-	810	-	-144	666
Share-based payment compensation	-	-	76	-	-	76
Issue of share capital	1,451	-	-	-	-	1,451
Reclassification due to contractual arrangements	-404	-	-	-	-	-404
Issue of convertible preferred equity certificates	-	-	-	2,948	-	2,948
Sept. 30, 2006	**1,172**	**-**	**886**	**2,948**	**-144**	**4,862**

The accompanying notes are an integral part of the interim consolidated financial statements.

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the period January 1, 2007 to September 30, 2007

(k€)		Notes	01/01/07 – 09/30/07	12/21/05 – 09/30/06
Cash flow from operating activities				
Profit/loss before tax			**11,845**	**4,391**
+	Expenses relating to the IPO		7,648	0
-	Finance income		-2,174	173
+	Finance expenses		21,109	7,903
-/+	Share of profit of associates		-465	-113
+	Amortisation and depreciation of intangible and tangible assets		13,647	4,562
-	Allowance and write-up of current assets		-172	0
-/+	Loss on disposal of property, plant and equipment		-123	3
+	Expense for share based payments		338	38
			51,653	**16,957**
+/-	Change in other provisions and pensions		-2,434	-852
+/-	Change in inventories		-10,075	-6,276
+/-	Change in trade receivables		-14,506	-2,506
+/-	Change in income tax assets and other current and non-current assets		-3,622	263
+/-	Change in trade other payables		6,004	13,393
+/-	Change in other current and non-current liabilities		13,021	-3,734
Net cash flow from operations			**40,041**	**17,245**
-	Income tax paid		-6,341	-4,055
Net cash flow from operating activities			**33,700**	**13,190**

(k€)		Notes	01/01/07 – 09/30/07	12/21/05 – 09/30/06
Cash flow from investing activities				
-	Acquisition of subsidiaries net of cash acquired	(10)	-7,220	-146,666
-	Purchase of property, plant and equipment	(6)	-12,342	-1,888
-	Purchase of intangible assets		-787	-211
-	Purchase of financial assets		-42	0
+	Proceeds from sales of property, plant and equipment		272	78
+	Interest received		1,155	-132
Net cash flow from investing activities			**-18,964**	**-148,819**
Net cash flow from financing activities				
+	Proceeds from capital increase net of IPO costs		93,418	4,195
-	Repayments of preferred shares		-1,047	0
+/-	Repayments of CPEC's		-7,193	60
+/-	Proceeds from shareholders' loans		-64,038	45,002
-	Payments for expenses relating to the IPO		-5,470	0
-	Payments for finance lease		-333	-253
+/-	Changes in short-term liabilities		0	71
-	Interest paid		-14,737	-5,257
-	Repayments of current and non-current financial liabilities		-15,165	-2,193
+	Proceeds from current and non-current financial liabilities		1,698	101,861
Net cash flow from financing activities			**-12,867**	**143,486**
Net increase/decrease in cash and cash Equivalents			**1,869**	**7,857**
Effect of foreign exchange rate changes on cash and cash equivalents			714	0
Cash and cash equivalents at the beginning of period			21,938	0
Cash and cash equivalents at the end of period			24,521	7,857
Net increase/decrease in cash and cash Equivalents			**2,583**	**7,857**

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the period January 1, 2007 to September 30, 2007

1 Corporate information

SAF-HOLLAND S.A. (formerly PAMPLONA PE HOLDCO 3 S.A.) (the “Company” or “SAF-HOLLAND”) is a commercial company incorporated in Luxembourg on December 21, 2005, under the legal form of a “Société Anonyme”. The registered office of the Company is at 68-70, Boulevard de la Pétrusse, L-2320 Luxembourg. The Company is registered with the Register of Commerce of Luxembourg under the section B number 113.090.

On April 19, 2007 an extraordinary general meeting resolved unanimously to change the name from PAMPLONA PE HOLDCO 3 S.A. in SAF-HOLLAND S.A.

SAF-HOLLAND S.A., together with its subsidiaries, is a global producer and supplier of key systems and components for the trailer, truck, bus, and recreational vehicle industries. Its product range includes premium trailer axle systems, truck and trailer suspensions, fifth wheels, kingpins, couplers, and landing legs. The Company sells its products on six continents to original equipment manufacturers, as well as to original equipment suppliers and through other aftermarket channels. The Company operates 20 manufacturing facilities on five continents.

SAF-HOLLAND S.A. acquired SAF-HOLLAND GmbH with effective date March 31, 2006 and SAF-HOLLAND Holdings (USA) Inc. with effective date December 18, 2006. Therefore the third quarter 2007 cannot be compared with the third quarter 2006.

The shares of SAF-HOLLAND S.A. were floated on the Frankfurt Stock Exchange on July 26, 2007. The major share of the emission amounting to €97.3 million went to SAF-HOLLAND in order to reduce its indebtedness and to pay expenses relating to the IPO.

2 Accounting and valuation principles

2.1 Basis of preparation

The interim condensed consolidated financial statements for the nine months ended September 30, 2007 have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as of December 31, 2006.

The interim condensed consolidated financial statements are presented in Euro and all values are rounded to the nearest thousand (k€) except where otherwise indicated.

The interim Group financial statements have neither been audited nor reviewed by the Group auditors, Ernst & Young S.A.

2.2 Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2006, except for the adoption of new Standards and Interpretations, noted below. Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Group.

- IFRIC 8 “Scope of IFRS 2”
- IFRIC 9 “Reassessment of embedded derivatives”
- IFRIC 10 “Interim Financial Reporting and Impairment”
- IFRIC 11 “IFRS 2 – Group and Treasury Share Transactions”
- IFRIC 12 “Service Concession Arrangements”
- IFRIC 13 “Customer Loyalty Programmes”
- IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”

As of January 1, 2007, it is necessary to apply IFRS 7 „Financial Instruments: Disclosures", additions to IAS 1 „Presentation of Financial Statements" as well as the revised interpretation of IFRS 4 "Insurance Contracts". These standards do not impact the financial position, the net assets, or the profit of the company. However, these standards require changed respectively extended disclosure in the consolidated financial statements as of December 31, 2007.

3 Segment information

The Company was incorporated on December 21, 2005 for the purpose of acquiring the entire share capital of SAF-HOLLAND GmbH ("SAF"), a transaction completed on March 31, 2006. Subsequently the Group acquired the entire share capital of SAF-HOLLAND Holdings (USA) Inc. ("HOLLAND") on December 18, 2006. Prior to the acquisition transactions, SAF and HOLLAND were each independent leading developers and suppliers of premium heavy duty vehicle systems and products in their core markets – Europe for SAF, and North America for HOLLAND – with both also being active in other key markets.

As a result of the above transactions the Group now controls the two former subgroups – SAF and HOLLAND. Therefore the geographical units "Europe" and "North America" had been determined as primary segments, which correspond to the former sub groups. The Company is currently developing a new reporting system that will be in place by January 1, 2008.

In Europe, SAF-HOLLAND manufactures and sells axles and axle systems for trailers and semi-trailers. The Company also provides replacement components to the aftermarket for all trailer systems and powered vehicle systems.

In North America, SAF-HOLLAND manufactures and sells key components for the trailer, truck, bus, and recreational vehicle industries. In particular, it is the leading supplier of fifth wheels, kingpins and landing legs. In addition, the Company is the second largest supplier of trailer suspensions in North America.

The Company sells through a broad network of distributors, OESs (the aftermarket supplier of OEMs) and dealers, to provide after-sales support and service to purchasers of powered vehicle and trailer systems.

Segment information by geographical markets as at September 30, 2007 is as follows:

	Europe	North America	Elimination	Group
Sales				
(k€)				
- Sales to external customers	381,864	231,547	-	613,411
- Inter-segment sales	1,466	146	- 1,612	0
Operating profit	19,716	10,599		30,315

Segment information by geographical markets as at September 30, 2006:

	Europe	North America	Elimination	Group
Sales				
(k€)				
- Sales to external customers	200,277	-	-	200,277
- Inter-segment sales	-	-	-	-
Operating profit	12,354			12,354

4 Dividends paid and proposed

No dividends have been paid or proposed.

5 Income tax expense

The major components of the income tax expense in the interim consolidated income statement are:

(k€)	01/01/07 – 09/30/07	12/21/05 – 09/30/06
Current income taxes	-6,882	-4,577
Deferred income taxes relating to origination and reversal of temporary differences	9,772	996
Total	**2,890**	**-3,581**

Deferred income taxes mainly arise from the changes in German tax rate in the amount of k€ 7,527 and income tax assets on loss carried-forward in Luxembourg in the amount of k€ 2,960.

6 Assets

The Group acquired tangible assets amounting to k€ 12,342 for the period from January 1 to September 30, 2007, of which k€ 4,814 was acquired in the third quarter.

In the first nine months of 2007 significant disposals amounted to approximately k€ 300.

7 Cash and cash equivalents

For the purpose of the interim consolidated cash flow statement, cash and cash equivalents are comprised of the following:

(k€)	09/30/07	09/30/06
Cash at banks and on hand	9,100	5,353
Short-term deposits	15,421	2,504
Total	**24,521**	**7,857**

8 Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent by the average number of shares outstanding. Moreover, on June 18, 2007 a share split into a par-value of €0.01 took place and has been taken into consideration since the beginning of the period / previous period in accordance with IAS 33. This figure may become diluted by potential shares (primarily CPECs). When determining diluted earnings per share, CPECs are taken into account if they have a diluting effect.

Earnings per share		**09/30/07**	**09/30/06**
Profit/loss for the period	(k€)	14,735	810
Number of shares outstanding (weighted average)	Thousands	94,418	84,582
Weighted average number of shares outstanding (diluted)	Thousands	672,937	310,036
Earnings per share			
Basic	€	0.16	0.01
Diluted	€	0.02	0.003

9 Related party disclosures

The financial statements include the financial statements of SAF-HOLLAND S.A., together with its subsidiaries and associates as listed in the following tables:

Subsidiaries	Country of incorporation	% Equity interest
SAF-HOLLAND GROUP GmbH	Germany	100.0
SAF-HOLLAND TECHNOLOGIES GmbH	Germany	100.0
SAF-HOLLAND GmbH	Germany	100.0
SAF-HOLLAND Polska SP Z.O.O.	Poland	100.0
SAF-HOLLAND France S.A.S.	France	100.0
SAF-HOLLAND Austria GmbH	Austria	100.0
SAF–HOLLAND Czechia spol.s.r.o.	Czech Republic	100.0
SAF-HOLLAND Espana S.L.U.	Espana	100.0
SAF-HOLLAND Slovakia s.r.o.	Slovakia	100.0
SAF-HOLLAND Italia s.r.l. unipersonale	Italia	100.0
SAF-HOLLAND Romania SRL	Romania	100.0
SAF-HOLLAND Holdings (USA) Inc.	USA	100.0
SAF-HOLLAND Inc.	USA	100.0
Holland USA Inc.	USA	100.0
Holland Hitch of Canada Ltd.	Canada	100.0
Holland Equipment Ltd.	Canada	100.0
Holland International Inc.	USA	100.0
Holland Pacific Inv. Inc.	USA	100.0
Holland Hitch (Aust.) Pty. Ltd.	Australia	100.0
Holland Transtrade Malaysia	Malaysia	100.0
Holland Transtrade Thailand	Thailand	100.0
Holland Europe GmbH	Germany	100.0
Holland Eurohitch Ltd.	UK	100.0
Holland Int. De Mexico SDE R.L.	Mexico	100.0
Holland Int. Services DE MEXICO	Mexico	100.0
Holland Int. Inv. Hong Kong	Hong Kong	100.0
QSI Air Ltd.	USA	100.0

Associates	Country of incorporation	% Equity interest
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	China	49.0
Jinan SAF AL-KO Axle Co., Ltd.	China	48.5
Nippon Holland Ltd.	Japan	50.0
Lakeshore Air LLP	USA	50.0
FWI SA	France	34.1

Currently, the key management is comprised of nine members. The table below represents names and positions of the current members of the key management:

Name	Position
Rudi Ludwig	Chief Executive Officer
Wilfried Trepels	Chief Finance Officer
Samuel Albert Martin	Chief Operating Officer and Chief Administrative Officer
Detlef Borghardt	Head of Trailer Systems Business Unit
Steffen Schewerda	Head of Group Operations
Tim Hemingway	Head of Aftermarket Business Unit
Jack Gisinger	Head of Powered Vehicle Systems Business Unit and Head of Group Engineering
Richard W. Muzzy	Member of the Board of Directors
Ulrich Otto Sauer	Member of the Board of Directors, Vice Chairman

As of September 30, 2007 ordinary shares amounting to k€ 39 were held by the key management, respectively by the company controlled by the key management. Furthermore as of June 30, 2007 preferred shares amounting to k€ 1,451 and Preferred Equity Shares (PECs) amounting to k€ 11,007 were also held by the management. However, due to the proceeded IPO, preferred shares and Preferred Equity certificates were reimbursed to the management as determined in the shareholders' resolution in July 2007.

In the period from January 1, 2007 to September 30, 2007 expenses arising from equity-settled share-based payments granted to key management personnel amounted to k€ 338.

(k€)	**01/01/07 – 09/30/07**	**01/01/06 – 09/30/06**
Interest on PECs for the management	**682**	**563**

The interest on PECs for the management was accrued as liability in the previous period and already paid in the current reporting period.

Shareholders with a significant influence over the group:

Pamplona Capital Partner I, LP

Ulrich Otto Sauer

Ulrich Otto Sauer, member of the Board of Directors, provides certain business consultancy services to SAF-HOLLAND GmbH. For services rendered in the third quarter 2007 Ulrich Otto Sauer received k€ 37, in total k€ 112 as of September 30, 2007. Additionally, SAF-HOLLAND GmbH paid k€ 18 for rental fees to Ulrich Otto Sauer.

Richard Muzzy, member of the Board of Directors, provides certain business consultancy services to SAF-HOLLAND Inc. For services rendered in the third quarter 2007 Richard Muzzy received kUS$ 35, totaling to kUS$ 105 as of September 30, 2007.

Sales to and purchases from related parties as of September 30, 2007:

(in k€)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Jinan SAF AL-KO Axle Co., Ltd.	339	-	207	-
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	24	-	364	
Nippon Holland Ltd.	41	-	38	-
Lakeshore Air LLP	-	197	-	27
FWI SA	-	18.557	-	436
Irwin Seating Company	1.330	-	149	-
	1.734	18.754	758	463

Sales to and purchases from related parties as of September 30, 2006:

(in k€)	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Jinan SAF AL-KO Axle Co., Ltd.	119	-	265	-
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	-	-	279	-
	119	-	544	-

Due to the fact that the SAF-HOLLAND S.A. acquired SAF on March 31, 2006 and HOLLAND on December 18, 2006 related parties as of September 30, 2006 were only Jinan SAF AL-KO Axle Co., Ltd. and SAF AL-KO Vehicle Technology Yantai Co., Ltd.

Sales to and purchases from related parties are made at normal market prices. Outstanding balances ending September 30, 2007 are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2006, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

10 Cash flow statement

The cash flow statement was prepared in accordance with the provisions of IAS 7 and is broken down by cash flows from operating, investing and financing activities.

Cash flows from operating activities are disclosed using the indirect method; cash flows from investing activities are disclosed using the direct method. Cash flows are used to generate income in the long term, generally for more than one year. Cash flows from financing activities are also disclosed using the direct method. These cash flows comprise cash flows from transactions with shareholders and from the raising or redemption of financial liabilities.

Acquisitions of subsidiaries net of cash acquired amounting to k€ 7,220 results from incidental expenses for the acquisition of HOLLAND at December 18, 2006 which were paid in the first quarter 2007.

11 Financial instruments

The Group has a significant amount of long-term floating rate debt outstanding under the senior secured credit facility and is exposed to interest rate fluctuations from these debt instruments. To mitigate the effect of interest rate changes on interest paid on our floating rate debt, the Group entered into two interest rate swap agreements and one option for an interest rate swap dated March 8, 2007. As of September 30, 2007 these swaps and the option had a fair value of € 347,057, which is recorded in other current assets.

The following table shows the contractual maturities of the interest rate swaps:

Start	End	Nominal volume	Reference rate
March 8, 2007	March 9, 2010	€ 107.3 million	EURIBOR
March 8, 2007	March 9, 2010	US$ 139.4 million	LIBOR

The following table shows the contractual maturities of the option:

Start	End	Nominal volume	Reference rate
March 8, 2007	March 9, 2010	€ 68.3 million	EURIBOR

12 Events after the balance sheet date

After the reporting period dated September 30, 2007 and the publishing date no significant events for SAF-HOLLAND Group have taken place.

FINANCIAL CALENDAR

Report on Fiscal Year 2007:	**March 31, 2008**
Shareholders' meeting:	**April 29, 2008**
Report on Q1 2008 Results:	**May 31, 2008**

CONTACTS

Should you have any questions or require further information on the SAF-HOLLAND Group, please do not hesitate to contact us.

Headquarters of operating activities:
SAF-HOLLAND GmbH
Hauptstraße 26
63856 Bessenbach
Germany
www.safholland.com

Investor Relations
Tel. +49 (0)6095 301 865
Fax +49 (0)6095 301 200
sandra.fabian@safholland.de

Media Relations
Tel. +49 (0)69 5060 375 63
Fax +49 (0)69 5060 375 66
merlin.koene@cnc-communications.com

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SAF-HOLLAND S.A.
68-70, Boulevard de la Pétrusse
L-2320 Luxembourg
Luxembourg

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