Moving Values.

HALF-YEAR REPORT AS OF JUNE 30, 2008

Key Figures

in € m	Q1–Q2/2008	Q1–Q2/2007	Q2/2008	Q2/2007
Sales	**458.0**	411.6	**238.7**	199.1
Cost of sales	**377.0**	337.6	**196.2**	163.8
Gross profit	**81.0**	74.0	**42.5**	35.3
Profit/loss for the period	**17.3**	3.1	**9.7**	-1.4
Earnings per share in Euro[1]	**0.92**	0.16	**0.52**	-0.08
Adjusted EBITDA	**43.7**	36.2	**22.5**	15.3
Adjusted EBIT	**37.5**	30.3	**19.4**	12.3
Operating cash flow[2]	**20.3**	29.0	**18.0**	19.9

1) The number of shares is assumed as if the number of shares issued as of 06/30/2008 had been unchanged in 2007 and 2008.

2) The operating cash flow is the cash flow from operating activities before income tax payments.

Sales by Region

in € m	Q1–Q2/2008	Q1–Q2/2007	Q2/2008	Q2/2007
Europe	**322.0**	250.9	**168.9**	125.3
North America	**136.0**	160.7	**69.8**	73.8
Total	**458.0**	411.6	**238.7**	199.1

Sales by Business Unit

in € m	Q1–Q2/2008	Q1–Q2/2007	Q2/2008	Q2/2007
Trailer Systems	**327.8**	273.3	**169.1**	134.0
Powered Vehicle Systems	**37.0**	45.1	**19.3**	20.0
Aftermarket	**93.2**	93.2	**50.3**	45.1
Total	**458.0**	411.6	**238.7**	199.1

Other Financial Information

in € m	06/30/2008	03/31/2008	12/31/2007
Total assets	**595.2**	**564.9**	554.6
Equity ratio (in %)	**19.7**	**19.9**	19.5
Employees (average)	**3,037**	**3,099**	2,996
Sales per employee (in k €)	**150.8**	**70.8**	271.0

Table of Contents

Foreword from the Management Board

Dear shareholders, business associates, and employees,

We are delighted to present to you record results for the first half of 2008. Profitable growth reflects our strong market position and confirms the strategic advantages of the business combination of Holland and SAF in 2006. Rising transport volumes in globalised markets remain a driver of our business.

Following extraordinarily dynamic growth in recent years, rising commodity prices and inflation fears in Europe have led to a slowdown in growth. As if taking almost no notice of this, global growth regions such as China are continuing their boom, confirming our commitment to expanding our international business. In addition, we have achieved an important milestone this year: with the purchase of the landing leg product line from Austin-Westran, we have not only expanded our market position in this segment, but also acquired a production site in China. As one of the few system suppliers for the trailer and truck industry, SAF-HOLLAND is represented in all of the promising growth markets. Whether in Brazil, Russia, India, or China, we are active in markets that open up attractive potential for us. And in Europe we are closing an important strategic hole: With the acquisition of Georg Fischer Verkehrstechnik GmbH, a subsidiary of Georg Fischer AG, the Group is rounding its European product range with fifth wheels and expanding its trailer business via the European Truck sector.

We are making rapid progress in increasing our productivity and taking advantage of synergies arising from the combination. We have for example sold a subsidiary in Great Britain and closed a plant in Germany. Additional steps are planned for this year. On the product side, we will be introducing our landing leg program for Europe at the IAA Commercial Vehicles 2008 trade show. Until now, this program was available only in North America. And in the opposite direction, the production of axle systems in North America will begin in the fourth quarter.

Despite a currently subdued environment, SAF-HOLLAND still expects to reach the lower bound of its forecasted target range of EUR 900 to 950 million sales and 8.0 to 8.5 percent adjusted EBIT margin for fiscal year 2008. The steps we are taking, such as the acquisition of the Austin-Westran landing leg business and the introduction in the fourth quarter of our own axle system production in North America, ensure that SAF-HOLLAND will remain on a growth path over the long term, in keeping with the interests of our customers, business partners, shareholders, and employees.

Best regards,

Rudi Ludwig
Chief Executive Officer (CEO)

First Half 2008 Highlights

>> **CONSOLIDATED SALES RISE IN THE FIRST HALF OF 2008 BY 11.3% TO EUR 458.0 MILLION, ADJUSTED FOR EXCHANGE RATE EFFECTS BY 16.3% TO EUR 478.5 MILLION**

- Trailer Systems Business Unit with 19.9 % higher sales
- Powered Vehicle Systems Business Unit improves margin
- Aftermarket Business Unit achieves for the first time sales (adjusted for exchange rate effects) higher than in the previous year

>> **EARNINGS SIGNIFICANTLY IMPROVED**

- Profit for the period climbs to EUR 17.3 million from EUR 3.1 million
- Adjusted EBIT rises by 23.8 % to EUR 37.5 million
- Adjusted EBIT margin at 8.2 % within the target range for 2008

>> **EARNINGS PER SHARE REACHES EUR 0.92**

>> **DIVIDENDS DISTRIBUTED FOR THE FIRST TIME: SHAREHOLDERS RECEIVED 42.47 EURO CENTS PER SHARE IN APRIL**

>> **EQUITY RATIO SLIGHTLY IMPROVED AT 19.7 %**

>> **NEW CREDIT AGREEMENT REDUCES INTEREST COSTS**

>> **MARKET POSITION IN CHINA STRENGTHENED THROUGH ACQUISITION OF AUSTIN-WESTRAN LANDING LEG BUSINESS**

>> **ACQUISITION OF GEORG FISCHER VERKEHRSTECHNIK GMBH STRENGTHENS MARKET POSITION OF SAF-HOLLAND IN THE EUROPEAN TRUCK INDUSTRY**

>> **REORGANISATION PROGRESSING ACCORDING TO PLAN: SCHLOSS HOLTE SITE SOLD AND OPERATIONS RELOCATED**

>> **STRATEGIC COOPERATION WITH DAF PARTS STARTED – NUMBER OF SERVICE POINTS INCREASES TO 8,000 WORLDWIDE**

>> **OUTLOOK 2008**

- Sales at lower end of expected target range of EUR 900 to 950 million
- Adjusted EBIT margin at lower end of projected range of 8.0 % to 8.5 %

The Share

The shares of SAF-HOLLAND S.A. have been listed in the Prime Standard of the Frankfurt Stock Exchange (ISIN: LU0307018795) since July 26, 2007. In the course of the IPO, 5.12 million shares from a capital increase (at an issue price of EUR 19.0 per share) and 2.38 million shares held by existing shareholders were placed with institutional investors. The Group used the proceeds of the IPO totaling EUR 97.3 million from the capital increase primarily to redeem shareholder loans, vendor notes, and bank loans. In addition, preferred shares and convertible preferred equity certificates were repaid, and IPO and transaction costs were settled.

The first half of 2008 was characterised by a continued poor economic activity in the USA as well as uncertainty in the international financial markets. The sustained US real estate crisis and the related difficulties of international banks, in particular mortgage banks, stoked recession fears. In addition, rising commodity prices and inflationary trends in the Euro zone weighed on the financial markets and contributed to share price volatility.

The SAF-HOLLAND share performed in line with the leading German share indices in the first half of the year. While the SDAX and the DAX declined by 18.4 % and 20.2 %, respectively, in the first six months of the year, the Group's share price fell by 19.6 % from EUR 13.68 at the beginning of the year to EUR 11.0 as of the reporting date of June 30, 2008. The SAF-HOLLAND share reached its highest closing price on January 2, 2008 at EUR 14.19; it declined to its lowest value of EUR 9.20 on March 17, 2008.

A close dialogue with investors and analysts is important to SAF-HOLLAND S.A. and as such, the Company boosted its road show activities once again in the first half of the year. In addition to conducting analyst conferences in March and May, management participated in discussions with international investors at ten road shows in Europe and the USA. Furthermore, in the second quarter, Berenberg Bank became the seventh brokerage house to initiate coverage of SAF-HOLLAND. In the view of management, the growing interest of analysts and investment banks reflects trust in the Group's growth strategy.

At the Annual General Meeting on April 24, 2008 in Luxembourg, shareholders of SAF-HOLLAND S.A. approved all of the proposals of the Management Board and Board of Directors that were on the agenda. They approved a dividend of 42.47 Euro cents per share, which based on the closing price of the last fiscal year represents a dividend yield of 3.1 %.

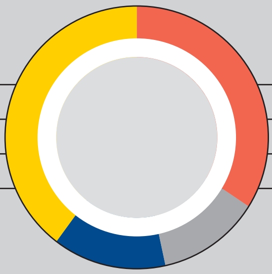
Analysts' recommendations[1]

Institution	Analyst	Recommendation	Price target (€)	Date
Société Générale	Frédéric Labia	Neutral	20.00	11/06/2007
Morgan Stanley	David Cramer / Adam Jonas	Overweight	25.00	11/29/2007
Sal. Oppenheim	Ulrich Scholz	Buy	21.00	12/20/2007
HSBC Trinkaus & Burkhart AG	Niels Fehre	Overweight	20.00	05/07/2008
Viscardi AG	Robert Willis / Isabell Friedrichs	Buy	20.00	05/14/2008
Dresdner Kleinwort	Saul Rans / Georg Remshagen	Buy	15.80	06/11/2008
Berenberg Bank	Christian Ludwig	Buy	19.00	07/17/2008
equinet AG[2]	Mathias Heymann	Buy	14.00	08/04/2008

1) The overview contains investment banks and security firms which regularly issue commentaries, valuations, and recommendations pertaining to the SAF-HOLLAND share. SAF-HOLLAND cannot assume any liability for the completeness and accuracy of the statements. The recommendations made by the cited analysts reflect only their assessments and do not represent the opinion of SAF-HOLLAND.

2) Initiation of coverage in the third quarter of 2008

Shareholder structure Figures in %



Pamplona Capital Partners I, LP	34.5
Management	12.3
Previous owners	13.4
Free float	39.8

As of 06/30/08

Group Interim Management Report

SAF-HOLLAND S.A. Group Interim Management Report

For the First Half-year of 2008

I BUSINESS AND GENERAL FRAMEWORK CONDITIONS

SAF-HOLLAND S.A. is one of the worldwide leading manufacturers and suppliers of premium systems and components primarily for trailers as well as for trucks, buses, and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, couplers, kingpins, and landing legs[1]. The Company has 21 production sites in Europe, North America, Brazil, Australia, China, and India. In addition, the Company has a service network at its disposal with more than 8,000 locations.

1) Important financial and product-specific concepts are explained in the glossary on pages 34 to 37.

The Company was founded in December 2005 for the purpose of acquiring SAF Group, a European market leader in the manufacture and sale of axles and axle systems for the trailer industry. The acquisition was carried out indirectly via two intermediaries on 03/31/2006. Similarly, the acquisition of the US-based Holland Group, an American market leader in the components and systems segment for the truck and trailer industry, was executed via an intermediary on 12/18/2006. Reflecting the customer base, the Company is divided into the following three Business Units: Trailer Systems, Powered Vehicle Systems, and Aftermarket.

II OVERVIEW OF BUSINESS ACTIVITIES

II.1 Overall economic environment

Global expectations for economic growth are becoming gloomier. The financial crisis and related economic weakness that originated in the USA are increasingly spreading to other regions. At the same time, commodity prices, particularly for crude oil, remain at record levels and are leading to rising operating costs for trucking companies and others. The weak US-Dollar is also exerting pressure on European companies by making exports more expensive. Overall, the global economy is set to grow this year by 4.1 % (previous year: 5.0%). Expectations are particularly weak for the USA with an increase of 1.3 % (previous year: 2.2 %). Predicted growth for the Euro zone is 1.7 % (previous year: 2.6 %) and for Germany 2.0 % (previous year: 2.5 %). Economic activity should also cool down in the growth markets, but at a much higher level: predicted growth for China is 9.7 % (previous year: 11.9 %) and for Brazil 4.9 % (previous year: 5.4 %). A further global economic slowdown is expected for next year as well[2].

2) IWF, World Economic Outlook, July 2008

The European trailer market – the largest sales market for SAF-HOLLAND – continued to develop positively in the first half of the year. In light of the very high demand at the beginning of the year and the record level achieved in 2007, over the course of the year business will most likely lose strength, in the view of market experts. According to the German Automotive Industry Association (VDA), the German trailer and superstructure industry is returning to normal following a boom phase. Accordingly, since the beginning of the year more than 143,000 trailers have been sold, the same as in the first half of 2007 according to VDA. A decline is anticipated for 2009, as a result of which trailer manufacturers are becoming increasingly cautious. The market weakness that is beginning to develop in western European countries could be offset by growing demand in other countries. The truck business in the USA continues to perform at a low level, comparable to the second half of 2007. Over the medium to long term, the demand for transport capacity is expected to grow in line with global trade flows.

II.2 Significant events in the first half of 2008

In the first half of 2008, SAF-HOLLAND S.A.'s sales and profit rose sharply in comparison to the same period of the previous year. The most important contributing factors were a strong market position in Europe and substantial growth in the trailer business. Consistent with the positive performance, the Company has continued to expand its manufacturing capacity in Germany.

SAF-HOLLAND's primary focus is the expansion of its international activities in the growth markets. The Company has continued to pursue this path successfully in the second quarter: with the acquisition of the landing leg business of Austin-Westran, SAF-HOLLAND has strengthened its presence in China, one of the most rapidly growing markets for trucks and trailers in the world. The acquisition of the North American company included its landing leg production in Xiamen, in South China.

By concluding a cooperative agreement with DAF Parts, a subsidiary of DAF Trucks, SAF-HOLLAND has enlarged its international service network from 7,000 to more than 8,000 service points. In the process, the Company has taken another step towards expanding its replacement parts business. The goal is to boost the Aftermarket Business Unit's share of Group sales from 20 % to 25 %.

The Annual General Meeting of SAF-HOLLAND S.A. on 04/24/2008 approved the proposal of the Management Board and Board of Directors to pay a dividend of 42.47 Euro cents per share. The total distribution amount came to EUR 8.0 million, which corresponds to a 3.1 % dividend yield.

During the reporting period, SAF-HOLLAND made progress with efforts to increase the Group's productivity further. This primarily involved the consolidation of locations in Europe and North America in order to quickly achieve synergy effects from the combination of SAF and Holland. Thus, a site in England was sold to a customer in the first quarter, followed by the closure and sale of a site in Schloss Holte in East Westphalia in July. As a result of the related relocation of the kingpin and fifth wheel production to an existing axle plant in Wörth, Bavaria, the Company is benefiting from the better use of its production space and is simultaneously reducing both infrastructure and administrative expenses.

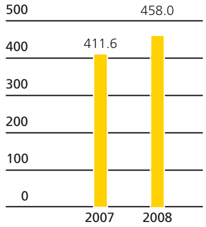
The conclusion of a new credit agreement amounting to EUR 325 million[1] is contributing to the long-term reduction of external borrowing costs. The new financing has a term of five years and will reduce the cost of credit by 1.00 to 1.25 percentage points.

1) Based on the US-Dollar/Euro exchange rate as of 02/19/2008; based on the exchange rate as of 06/30/2008: approximately EUR 320 million.

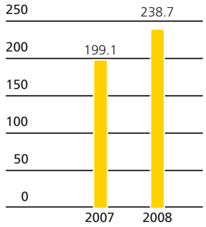
II.3 Sales development

Following the above-average growth of the European trailer and truck market last year, this dynamic trend began to weaken in the second quarter of 2008. Nevertheless, in the first half of 2008, SAF-HOLLAND's sales rose strongly by 11.3 % to EUR 458.0 million (previous year: EUR 411.6 million). Adjusted for exchange rate effects, sales even grew by 16.3 % to EUR 478.5 million (previous year: EUR 411.6 million). In the second quarter alone, the Company achieved a 19.9 % increase in sales to EUR 238.7 million (previous year: EUR 199.1 million), thus exceeding the already good performance of the first three months. The European business, which expanded by 28.3 % to EUR 322.0 million (previous year: EUR 250.9 million) in the first six months and thus accounted for 70.3 % of consolidated sales, remained a growth driver. In the USA, the very good first quarter of 2007, which was influenced by one-time effects, still affects a comparison of the reporting periods in 2008 and 2007. The primary cause was new emissions regulations in the USA which in the first three months of last year led to pull-forward effects and above-average sales of tractor units. Against this backdrop, sales in the USA declined in the first half of 2008, as expected, by 15.4 % to EUR 136.0 million (previous year: EUR 160.7 million); adjusted for exchange rate effects, they declined by only 2.6% to EUR 156.5 million (previous year: EUR 160.7 million).

Sales in the first half in m €



Sales in the second quarter in m €



Sales development by region

€ m	Q1–Q2/2008		Q1–Q2/2007		Q2/2008	Q2/2007
Europe	**322.0**	70.3 %	250.9	61.0 %	**168.9**	125.3
North America	**136.0**	29.7 %	160.7	39.0 %	**69.8**	73.8
Total	**458.0**	100.0 %	411.6	100.0 %	**238.7**	199.1

Sales development by region (exchange rate-adjusted)

€ m	Q1–Q2/2008		Q1–Q2/2007		Q2/2008	Q2/2007
Europe	**322.0**	67.3 %	250.9	61.0 %	**168.9**	125.3
North America	**156.5**	32.7 %	160.7	39.0 %	**80.9**	73.8
Total	**478.5**	100.0 %	411.6	100.0 %	**249.8**	199.1

Sales by Business Unit

€ m	Q1–Q2/2008		Q1–Q2/2007		Q2/2008	Q2/2007
Trailer Systems	**327.8**	71.6 %	273.3	66.4 %	**169.1**	134.0
Powered Vehicle Systems	**37.0**	8.1 %	45.1	10.9 %	**19.3**	20.0
Aftermarket	**93.2**	20.3 %	93.2	22.6 %	**50.3**	45.1
Total	**458.0**	100.0 %	411.6	100.0 %	**238.7**	199.1

Sales by Business Unit (exchange rate-adjusted)

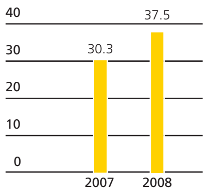
€ m	Q1–Q2/2008		Q1–Q2/2007		Q2/2008	Q2/2007
Trailer Systems	**334.8**	70.0%	273.3	66.4%	**172.7**	134.0
Powered Vehicle Systems	**42.6**	8.9%	45.1	11.0%	**22.4**	20.0
Aftermarket	**101.1**	21.1%	93.2	22.2%	**54.7**	45.1
Total	**478.5**	100.0%	411.6	100.0%	**249.8**	199.1

II.4 Earnings development

1) The number of shares is assumed as if the number of shares issued as of 06/30/2008 had been unchanged in 2007 and 2008.

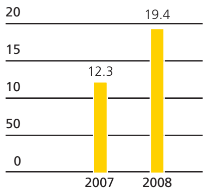
In the second quarter, SAF-HOLLAND built on the earnings improvement of the first quarter. Earnings for the quarter ending in June 2008 were EUR 17.3 million, which is more than five times that of the previous year's period (previous year: EUR 3.1 million) when results were impaired by transaction and integration costs. At the same time, the Group reduced selling expenses despite of rising sales and finance expenses in the first half of 2008. Earnings per share rose significantly to EUR 0.92 after EUR 0.16 in the same period of the previous year[1]. While the gross margin of 17.7% (previous year: 18.0%) came in slightly lower than a year ago, it improved by 0.2 percentage points from the first quarter.

Adjusted EBIT in the first half
in m €



As a result of the combination of SAF and Holland at the end of 2006 and the IPO in 2007, costs have accrued that are not directly attributable to the Group's operating business. In order to avoid a distorted view of the actual earnings position, SAF-HOLLAND is reporting adjusted earnings figures. EBIT has been adjusted for the effects of the purchase price allocation after the merger of the two companies as well as for transaction and integration costs. Adjusted EBIT rose from EUR 30.3 million in the first half of 2007 to EUR 37.5 million in the first half of 2008. In the same comparison, the adjusted EBIT margin climbed to 8.2% (previous year: 7.4%), which is within the target range for 2008.

Adjusted EBIT in the second quarter
in m €



Reconciliation of adjusted earnings figures

€ m	Q1–Q2/2008	Q1–Q2/2007	Q2/2008	Q2/2007
EBIT	**33.5**	16.3	**17.4**	2.0
EBITDA	**42.7**	25.5	**22.0**	6.6
Adjusted EBIT/EBITDA				
Depreciation and amortisation from PPA[2]	**3.0**	3.3	**1.5**	1.7
Step-up inventory from PPA[2]	**0.3**	1.2	**0.3**	0
Transaction and integration costs	**0.7**	9.5	**0.2**	8.6
Adjusted EBIT	**37.5**	30.3	**19.4**	12.3
Depreciation and amortisation	**6.2**	5.9	**3.1**	2.9
Adjusted EBITDA	**43.7**	36.2	**22.5**	15.2

2) Purchase price allocation (PPA) after the acquisition of SAF group and Holland group in 2006.

II.5 Performance of the Business Units

Overview of the Business Units

	Business Unit Trailer Systems		Business Unit Powered Vehicle Systems		Business Unit Aftermarket		Total	
€ m	**Q1–Q2 2008**	Q1–Q2 2007	**Q1–Q2 2008**	Q1–Q2 2007	**Q1–Q2 2008**	Q1–Q2 2007	**Q1–Q2 2008**	Q1–Q2 2007
Sales	**327.8**	273.3	**37.0**	45.1	**93.2**	93.2	**458.0**	411.6
Cost of sales	**285.3**	236.8	**31.5**	38.7	**60.2**	62.2	**377.0**	337.6
Gross profit	**42.5**	36.5	**5.5**	6.4	**33.0**	31.0	**81.0**	74.0
In % of sales	**13.0**	13.4	**14.8**	14.2	**35.4**	33.3	**17.7**	18.0

The dynamic growth of the Trailer Systems Business Unit in the first quarter was exceeded in the second quarter. In the months from April to June, sales rose by 26.2 % in comparison with the year before to EUR 169.1 million (previous year: EUR 134.0 million). During the first half of the year, sales in the Trailer Systems Business Unit grew by 19.9 % to EUR 327.8 million (previous year: EUR 273.3 million); adjusted for exchange rate effects, sales rose by 22.5% to EUR 334.8 million (previous year: EUR 273.3 million). The Business Unit benefited primarily from its strong market position and the still high growth dynamic of the European trailer industry at the beginning of the year. The gross margin declined slightly from 13.4 % to 13.0 %. Reasons included product adaptations, a changed customer mix, and increases in the prices of materials, which could be passed on to the market only after a certain delay. SAF-HOLLAND intends to supplement its European axle business with products from the former Holland Group. The purchase of the landing leg business of Austin-Westran in April will also make an important contribution to this aim. It is planned to transport the landing leg components produced in China to Europe, where they will be assembled and subsequently delivered to European customers.

After an extremely successful previous-year period, sales in the Powered Vehicle Systems Business Unit declined, as expected, to EUR 37.0 million (previous year: EUR 45.1 million). Contributing factors were exchange rate effects since the Business Unit currently operates exclusively in the American market and regulatory pull-forward effects up to and including the beginning of 2007. Adjusted for exchange rate effects, sales declined from EUR 45.1 million to EUR 42.6 million in the first half of 2008. Compared to the first three months of the year, the Business Unit was able to boost its sales significantly in the second quarter. Sales of EUR 19.3 million (previous year: EUR 20.0 million) during this period were 3.5 % lower than a year earlier; however, adjusted for exchange rate effects, the Business Unit grew by 12.0 % to EUR 22.4 million (previous year: EUR 20.0 million). A better customer-product mix increased the gross margin of the Business Unit from 14.2 % to 14.8 %. Thanks to its good market position, SAF-HOLLAND has obtained a public-sector contract in North America. The delivery of products began in the second quarter, and the term of the contract is six years.

The Aftermarket Business Unit generated stable sales of EUR 93.2 million (previous year: EUR 93.2 million) for the first time. Adjusted for exchange rate effects, the Business Unit's sales of EUR 101.1 million (previous year: EUR 93.2 million) exceeded the previous year's level by 8.5 %. The selection of new suppliers also improved the Business Unit's gross margin from 33.3 % to 35.4 %. The Aftermarket business makes a substantial contribution to the success of SAF-HOLLAND. First of all, as a result of direct contact with the end customers the Company receives important suggestions for core product development. Second, the Company can supply its customers with replacement parts quickly and reliably. In keeping with the interests of the users, SAF-HOLLAND attaches particular importance to the cost of ownership. This means that the costs accruing over the service life of a product must be kept as low as possible. These are influenced by opportunity costs incurred during down times, as well as by operating and maintenance costs. In this regard, SAF-HOLLAND is leading the way through reduced-weight products, high quality, and an international service network. In May for example, the Company agreed to a service contract with DAF Parts so that it can offer customers more timely and reliable repair replacement part services. In sum, the existing network of 7,000 service points has been expanded to more than 8,000 locations.

II.6 Financing

In the first half of 2008, the Company benefited from a reduction in indebtedness and for the first time, from new borrowing terms. As a result, finance expenses declined significantly – to EUR 8.4 million from EUR 13.4 million in the same period of the previous year. The new credit line has a total volume of EUR 325 million (based on exchange rates as of 06/30/2008: approximately EUR 320.1 million). It is subdivided into a EUR 140 million credit line with a semi-annual redemption of EUR 5.5 million and a revolving credit facility of EUR 185 million. The credit line has a five-year term and reduces borrowing costs by 1.00 to 1.25 percentage points. The financing, which was provided by a consortium led by Dresdner Kleinwort and UniCredit, confirms trust in the strategic positioning of SAF-HOLLAND. In addition, the Company continues to pursue its plans to further automate cash pooling in Europe and North America by the end of 2008.

II.7 Investments

In the first half of 2008, SAF-HOLLAND invested a total of about EUR 18.1 million (previous year: EUR 7.8 million). The funds were dedicated primarily to expanding capacity and acquiring the landing leg business of Austin-Westran.

II.8 Liquidity

As of the reporting date on 06/30/2008, the Group had at its disposal cash and cash equivalents of EUR 20.9 million (12/31/2007: EUR 27.8 million). The reason for the decline is higher working capital requirements resulting from the planned rise in inventories. Inventories were increased in view of rising commodity prices, the relocation of plants in Germany and North America, and the commissioning of a large project. By the end of 2008, SAF-HOLLAND intends to reduce working capital requirements by EUR 20 million and a corresponding project to this end has already been commenced.

In the first half of 2008, cash flow from operating activities before income tax payments totaled EUR 20.3 million (previous year: EUR 29.0 million). This reflects growth in business activity, higher axle manufacturing capacity, and rising sales in the form of higher inventories and trade receivables. Cash flow from investing activities amounted to EUR -20.3 million (previous year: EUR -14.7 million). Cash flow from financing activities during the reporting period was nearly balanced at EUR -0.1 million (previous year: EUR -11.3 million). This was affected by the payment for the first time of a dividend totaling EUR 8.0 million (corresponding to 42.47 Euro cents per share) and the conclusion of a new financing agreement resulting in inflows and outflows of identical size. Compared to 06/30/2007, cash and cash equivalents increased slightly to EUR 20.9 million (previous year: EUR 18.5 million).

II.9 Assets

Total assets rose in the first six months of 2008 to EUR 595.2 million (12/31/2007: EUR 554.6 million). Non-current liabilities declined slightly to EUR 328.4 million (12/31/2007: EUR 329.2 million). Compared with 06/30/2007, they fell significantly (by EUR 89.5 million) as a result of the IPO. The equity ratio improved slightly in the first half of the year to 19.7 % (12/31/2007: 19.5 %).

II.10 Employees

In the first half of the year, the average of employees was 3,037 (previous year: 2,949). The increase resulted primarily from the purchase of the landing leg business of Austin-Westran. Sales per employee totaled approximately EUR 151,000 (previous year: approximately 140,000) in the first half of the year.

II.11 Research and development

In the first half of the year, SAF-HOLLAND modestly increased its expenditure for research and development to EUR 6.0 million (previous year: EUR 5.9 million). The R&D ratio came in at 1.3 % (previous year: 1.4 %). The Group primarily focuses on innovative products with the aim of expanding its favorable market position as a premium supplier. The focal point of its R&D activities is the exchange of technology between North America and Europe. As a part of this exchange, a new generation of fifth wheel will be introduced at the IAA Commercial Vehicles trade show in the fall. Furthermore, the Group will display for the first time in Europe the "Holland FWAL Lightweight" fifth wheel, which was previously sold only in North America. Through the use of aluminum, the fifth wheel is significantly lighter than conventional solutions made from cast iron or steel. The lower weight reduces fuel consumption and increases the vehicle load capacity.

III SUBSEQUENT EVENTS

In July, SAF-HOLLAND S.A. completed the transfer of its kingpin and fifth wheel production, as planned, from the former Holland plant in Schloss Holte, East Westphalia, to the axle manufacturing facility in Wörth, Bavaria. As a result, the Company has taken one of the anticipated steps toward streamlining its production sites within the context of the combination of Holland and SAF.

SAF-HOLLAND is acquiring all capital shares of Georg Fischer Verkehrstechnik GmbH, Singen, a subsidiary of Georg Fischer AG, Schaffhausen (Switzerland). The acquisition is an important step in SAF-HOLLAND's growth strategy as this move strengthens the Company's position in the European market for fifth wheels and helps it become a significant supplier of the European truck industry. Georg Fischer Verkehrstechnik GmbH, which produces and sells fifth wheels and trilex wheels for the commercial vehicle sector, generated sales in 2007 in excess of EUR 60 million with approximately 80 employees. The transaction requires the approval of competition regulatory authorities. It is planned to finance the acquisition through a mix of funds from borrowings and additional equity. The therefore necessary borrowed capital is secured by an adequate credit line, which was provided by a consortium led by Dresdner Kleinwort and Unicredit Group in February 2008. Regarding the additional equity the SAF-HOLLAND S.A. Board of Directors will approve a capital increase from the authorised capital of just under 10 percent. SAF-HOLLAND intends to place the new shares with institutional investors and therewith to increase the free float. Pamplona Capital Partners I LP, which currently holds more than 34.5 percent of the shares of SAF-HOLLAND S.A., intends to subscribe in a material way to the offering. Additionally they have agreed to provide a guarantee to underwrite all new shares that cannot be placed. The capital increase will be coordinated by the bank HSBC Trinkaus & Burkhardt.

IV RISK REPORT

Risks for the Group remain manageable. However, the unexpectedly sharp rise in the price of oil should be added to the risk profile from the end of the 2007 fiscal year as published in the 2007 annual report. High diesel fuel prices are raising operating costs for freight forwarders and other users, who cannot pass them along in full to their own customers. Therefore, trucking companies and subsequently manufacturers are holding back on investments. Consequently, SAF-HOLLAND continues to pursue the approach of developing high-performance products which reduce the day-to-day operating costs of the end users. Sufficient provisions have been made for all known risks. The Company’s continued existence is assured.

V OUTLOOK

Volatile energy and commodity prices, currency exchange rate fluctuations between the Euro and US-Dollar, and the ramifications of the financial crisis will affect growth expectations in the American and European trailer and truck markets in the coming months. As a result, they will also affect the purchasing behavior of end consumers such as trucking companies. The cooling of the European economy has already weakened the growth dynamic of the truck and trailer industry. Against this backdrop, SAF-HOLLAND assumes that over the course of the year, business in Europe will proceed at a moderate pace compared with last year. In North America, development is expected to remain weak in 2008 in view of the real estate crisis and the continuing fears of recession.

The Group expects growth stimuli to come primarily from the still profitable Aftermarket Business Unit, which is benefiting from a revival of the replacement parts market in North America. In the Powered Vehicle Systems Business Unit, an order from the public sector will have a positive effect on sales growth in the fourth quarter. Despite a currently subdued environment, SAF-HOLLAND still expects to reach the lower bound of its forecasted target range of EUR 900 to 950 million sales and 8.0 to 8.5 percent adjusted EBIT margin for fiscal year 2008.

Consolidated Interim Financial Report

Interim Consolidated Income Statement

For the period January 1 to June 30, 2008

k €	Notes	01/01/08 –06/30/08	01/01/07 –06/30/07	04/01/08 –06/30/08	04/01/07 –06/30/07
Sales	(4)	457,981	411,645	238,705	199,055
Cost of sales		-377,002	-337,648	-196,185	-163,787
Gross profit		**80,979**	**73,997**	**42,520**	**35,268**
Other income		1,180	203	839	-103
Selling expenses		-23,509	-23,555	-12,953	-11,910
Administrative expenses		-19,542	-28,865	-9,846	-18,417
Research and development costs		-6,035	-5,910	-3,324	-3,031
Operating profit	**(4)**	**33,073**	**15,870**	**17,236**	**1,807**
Finance income		338	2,716	182	2,197
Finance expenses		-8,382	-13,437	-3,333	-6,118
Share of investments accounted for using the equity method		429	409	209	178
Profit before tax		**25,458**	**5,558**	**14,294**	**-1,936**
Income tax expense	(5)	-8,166	-2,476	-4,632	571
Profit for the period		**17,292**	**3,082**	**9,662**	**-1,365**
Attributable to equity holders of the parent		**17,292**	**3,082**	**9,662**	**-1,365**
Basic earnings per share (EPS)[1] in EUR	**(9)**	**0.92**	**0.03**		
Diluted earnings per share in EUR	**(9)**	**0.92**	**0.00**		

1) EPS for the previous year is based on the number of shares after the split up of shares into par value of € 0.01 as of June 2007. EPS calculation for the first half of 2007 is comparable only to a limited extent to current EPS figures due to IPO related repayments of preferred shares.

Interim Consolidated Balance Sheet

As of June 30, 2008

k €	Notes	06/30/08	12/31/07
Assets			
Non-current assets		**335,982**	**333,806**
Goodwill		67,352	69,111
Intangible assets		121,455	118,580
Property, plant and equipment	(6)	110,586	108,556
Investments accounted for using the equity method		13,741	13,842
Financial assets		2,226	1,674
Other non-current assets		2,907	2,617
Deferred tax assets		17,715	19,426
Current assets		**259,168**	**220,760**
Inventories		117,468	96,714
Trade receivables		113,950	86,191
Other current assets		5,841	4,949
Income tax assets		1,030	5,149
Cash and cash equivalents	(7)	20,879	27,757
Total assets		**595,150**	**554,566**
Equity and Liabilities			
Equity attributable to equity holders of the parent		**117,446**	**108,157**
Subscribed share capital		188	188
Share premium		93,146	93,146
Revenue reserves	(8)	507	0
Retained earnings		21,102	12,317
Accumulated other comprehensive income		2,503	2,506
Non-current liabilities		**328,351**	**329,214**
Pensions and other post-employment benefit plans		10,865	11,401
Other provisions		4,062	4,230
Interest bearing loans and borrowings	(12)	262,352	261,293
Finance lease liabilities		704	821
Other financial liabilities		2,868	2,908
Other liabilities		180	237
Deferred tax liabilities		47,320	48,324
Current liabilities		**149,353**	**117,195**
Pensions and other post-employment benefit plans		2,089	2,221
Other provisions		7,097	8,899
Income tax liabilities		6,559	6,922
Interest bearing loans and borrowings	(12)	8,720	1,627
Finance lease liabilities		446	443
Trade and other payables		115,373	90,877
Other liabilities		9,069	6,206
Total liabilities and equity		**595,150**	**554,566**

Interim Consolidated Statement of Changes in Equity

For the period January 1 to June 30, 2008

k €	Subscribed share capital	Share premium	Revenue reserves	Retained earnings	Accumulated other comprehensive income	Total equity
	Attributable to equity holders of the parent					
As of January 1, 2008	**188**	**93,146**	**0**	**12,317**	**2,506**	**108,157**
Foreign currency translation	–	–	–	–	-30	-30
Net gain/loss on cash flow hedges	–	–	–	–	27	27
Total income and expense for the period recognised directly in equity	**0**	**0**	**0**	**0**	**-3**	**-3**
Profit for the period	–	–	–	17,292	–	17,292
Total income and expense for the period	**0**	**0**	**0**	**17,292**	**-3**	**17,289**
Appropriation to statutory reserve	–	–	19	-19	–	0
Appropriation to other revenue reserves	–	–	488	-488	–	0
Dividends paid	–	–	–	-8,000	–	-8,000
As of June 30, 2008	**188**	**93,146**	**507**	**21,102**	**2,503**	**117,446**

For the period January 1 to June 30, 2007

k €	Subscribed share capital	Share premium	Retained earnings	Convertible preferred equity certificates	Accumulated other comprehensive income	Total equity
	Attributable to equity holders of the parent					
As of January 1, 2007	**1,184**	**109**	**811**	**7,193**	**72**	**9,369**
Foreign currency translation	–	–	–	–	3,838	3,838
Total income and expense for the period recognised directly in equity	**0**	**0**	**0**	**0**	**3,838**	**3,838**
Profit for the period	–	–	3,082	–	–	3,082
Total income and expense for the period	**0**	**0**	**3,082**	**0**	**3,838**	**6,920**
Issue of convertible preferred equity certificate	–	–	–	40	–	40
Share-based payment compensation	–	–	76	–	–	76
As of June 30, 2007	**1,184**	**109**	**3,969**	**7,233**	**3,910**	**16,405**

Interim Consolidated Cash Flow Statement

For the period January 1 to June 30, 2008

k €	Notes	01/01/08 –06/30/08	01/01/07 –06/30/07
Cash flow from operating activities			
Profit before tax		**25,458**	**5,558**
+ Expenses relating to the IPO		0	3,287
- Finance income		-338	-2,716
+ Finance expenses		8,382	13,437
- Share of net profit of investments accounted for using the equity method		-429	-409
+ Amortisation and depreciation of intangible and tangible assets		9,253	9,620
- Allowance and write-up of current assets		-416	-132
-/+ Profit/loss on disposal of property, plant, and equipment		-564	147
+ Expense for share-based payments		0	76
Profit before changes in net working capital		**41,346**	**28,868**
+/- Change in other provisions and pensions		-2,639	-986
+/- Change in inventories		-18,033	-8,220
+/- Change in trade receivables		-25,604	-9,766
+/- Change in income tax assets and other assets		3,054	-6,385
+/- Change in trade payables		20,718	16,384
+/- Change in other liabilities		1,413	9,099
Cash flow from operating activities before income tax paid		**20,255**	**28,994**
- Income tax paid		-6,608	-6,727
Net cash flow from operating activities		**13,647**	**22,267**
Cash flow from investing activities			
- Acquisition of subsidiaries net of cash acquired	(11)	-3,270	-7,220
- Purchase of property, plant, and equipment	(6)	-10,682	-7,528
- Purchase of intangible assets		-7,411	-289
- Purchase of financial assets		0	-253
+ Proceeds from the sale of property, plant, and equipment		751	264
+ Interest received		286	305
Net cash flow from investing activities		**-20,326**	**-14,721**
Cash flow from financing activities			
+ Proceeds from the capital increase		0	41
+ Proceeds from shareholders		0	99
- Payments for dividends to shareholders	(3)	-8,000	0
- Payments for expenses relating to the IPO		-546	-3,800
- Payments for finance lease		-229	-255
- Interest paid		-7,748	-9,920
- Repayments of current and non-current financial liabilities	(12)	-256,999	-3,998
+ Proceeds from current and non-current financial liabilities	(12)	273,400	6,567
Net cash flow from financing activities		**-122**	**-11,266**
Net decrease in cash and cash equivalents		**-6,801**	**-3,720**
Net foreign exchange difference		-77	299
Cash and cash equivalents at the beginning of period		**27,757**	**21,938**
Cash and cash equivalents at the end of period		**20,879**	**18,517**

Notes to the Interim Consolidated Financial Statements

For the period January 1 to June 30, 2008

1 CORPORATE INFORMATION

SAF-HOLLAND S.A. (the "Company" or the "Group") 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 located 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.

The shares of SAF-HOLLAND S.A. are publicly traded on the Prime Standard of the Frankfurt Stock Exchange.

2 ACCOUNTING AND VALUATION PRINCIPLES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the first half of 2008 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 for the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2007.

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

The interim consolidated 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, 2007, except for the adoption of new Standards and Interpretations noted below.

IFRIC 12 – Service Concession Arrangement

This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is a service concession operator in the sense of IFRIC 12. Hence, this interpretation did not have any impact on the financial position or performance of the Group.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit plan that can be recognised as an asset under IAS 19 Employee Benefits. As of June 30, 2008, the Canadian defined benefit plan is overfunded in the amount of kEUR 952. Nevertheless, this interpretation did not have any significant impact on the financial position or performance of the Group.

3 DIVIDENDS PAID AND PROPOSED

On April 24, 2008, the Shareholders' Meeting approved the dividend proposed for 2007 amounting to kEUR 8,000 (42.47 Euro cents per share; 2006: 0.00 Euro cents per share). The dividend was paid on April 28, 2008.

4 SEGMENT INFORMATION

For management purposes, the Group is organised into customer oriented Business Units based on their products and services. The three reportable operating segments are the Business Units Trailer Systems, Powered Vehicle Systems, and Aftermarket.

There has been no change in the division of operating segments since the consolidated financial statements as of December 31, 2007. For more information please see the notes of our 2007 annual report.

Information on segment sales and earnings for the period from January 1 to June 30, 2008:

	2008				
	Business Units				
k €	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments and eliminations	Consolidated
Sales	327,782	37,009	93,190	0	457,981
Adjusted EBIT	22,327	1,597	14,942	-1,385	37,481

Information on segment sales and earnings for the period from January 1 to June 30, 2007:

	2007				
	Business Units				
k €	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments and eliminations	Consolidated
Sales	273,351	45,060	93,234	0	411,645
Adjusted EBIT	17,103	1,660	11,270	286	30,319

Adjustments and eliminations include expenses of the parent companies and reduction of the depreciation and amortisation of property, plant, and equipment and intangible assets and others, which are not allocated to any Business Unit.

Assets of the operating segments as of June 30, 2008 compared to December 31, 2007:

k €	Business Units: Trailer Systems	Business Units: Powered Vehicle Systems	Business Units: Aftermarket	Adjustments and eliminations	Consolidated
As of 06/30/2008	374,075	59,866	133,055	28,154	595,150
As of 12/31/2007	345,755	56,254	119,297	33,260	554,566

Assets of the Business Units do not include items accounted for using the equity method, derivatives, deferred tax assets, and income tax assets, as these assets are managed on a Group basis.

Management assesses the reporting of the operating segments based on adjusted EBIT. This measurement basis excludes such effects as depreciation and amortisation of property, plant, and equipment and intangible assets as a result of the purchase price allocation (PPA) as well as restructuring and integration costs.

A reconciliation from operating profit to adjusted EBIT is provided as follows:

k €	01/01/08–06/30/08	01/01/07–06/30/07
Operating profit	33,073	15,870
Additional depreciation and amortisation from PPA	+3,026	+3,342
Step-up inventory from PPA	+268	+1,168
Expenses relating to the IPO as well as integration and restructuring costs	+685	+9,530
Share of investments accounted for using the equity method	+429	+409
Adjusted EBIT	37,481	30,319

5 INCOME TAX EXPENSE

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

k €	01/01/08–06/30/08	01/01/07–06/30/07
Current income taxes	-8,156	-4,601
Deferred income taxes relating to origination and reversal of temporary differences	-10	2,125
Total	**-8,166**	**-2,476**

In the first half of 2008, taxes were calculated using a tax rate of 32.08% (H1 2007: 44.55%). This resulted from Germany's business taxation reform.

6 PROPERTY, PLANT AND EQUIPMENT

The Group acquired tangible assets totaling kEUR 10,682 as of June 30, 2008; of this amount, kEUR 4,584 were acquired in the first quarter of 2008.

In the first half of the fiscal year, there were no significant disposals of tangible assets.

7 CASH AND CASH EQUIVALENTS

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

k €	06/30/08	06/30/07
Cash at banks and on hand	16,877	8,537
Short-term deposits	4,002	9,980
Total	**20,879**	**18,517**

8 REVENUE RESERVES

On April 24, 2008, the Shareholders' Meeting resolved to allocate kEUR 19 to the statutory reserve and kEUR 488 to other revenue reserves.

9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. In accordance with IAS 33, the stock split into a par value of EUR 0.01 that took place on June 18, 2007 has been taken into account since the beginning of the previous period. Diluted earnings per share in 2007 also take into account potential convertible shares (CPECs), which were completely repaid during the IPO. There was no dilutive effect for the first half of 2008.

Earnings per share		06/30/08	06/30/07
Profit for the period	k €	17,292	3,082
Number of shares outstanding (weighted average)	Thousands	18,837	118,382
Weighted average number of shares outstanding (diluted)	Thousands	18,837	879,705
Earnings per share			
Basic	€	0.92	0.03
Diluted	€	0.92	0.00

10 RELATED PARTY DISCLOSURES

SAF-HOLLAND S.A. has acquired the landing leg product line of Austin-Westran. The purchase also includes Austin-Westran's China-based production. The company newly acquired as part of the Austin-Westran deal is Xiamen Austin-Westran Machinery Co. Ltd. Thus, SAF-HOLLAND is expanding its presence in the world's third-largest and most rapidly growing market for semi-trailers.

The table below shows the composition of the Management Board and Board of Directors of SAF-HOLLAND S.A. as of June 30, 2008:

Name	Position
Management Board	
Rudi Ludwig	Chief Executive Officer
Wilfried Trepels	Chief Financial Officer
Samuel Martin	Chief Operating Officer
Detlef Borghardt	Head of Trailer Systems Business Unit
Steffen Schewerda	Head of Group Operations
Jack Gisinger	Head of Powered Vehicle Systems Business Unit
Tim Hemingway	President & Chief Executive Officer SAF-HOLLAND do Brasil Ltda.
Board of Directors	
Dr. Rolf Bartke	Member of the Board of Directors (Chairman)
Ulrich Otto Sauer	Member of the Board of Directors (Vice Chairman)
Dr. Siegfried Goll	Member of the Board of Directors
Rudi Ludwig	Member of the Board of Directors
Richard W. Muzzy	Member of the Board of Directors
Gerhard Rieck	Member of the Board of Directors
Bernhard Schneider	Member of the Board of Directors
Martin Schwab	Member of the Board of Directors

As of June 30, 2008, ordinary shares amounting to kEUR 39 were held by key management or by the companies controlled by key management.

The interest on PECs totaling kEUR 596 accruing to management in the first half of 2007 was classified as a liability in the previous year, but paid back in the course of the redemption of the PECs. Due to the repayment of PECs in July 2007, no further interest accrued in 2008.

Shareholders with a significant influence over the Group are:

- Pamplona Capital Partner I, LP
- Ulrich Otto Sauer

Ulrich Otto Sauer, a member of the Board of Directors, provides certain business consultancy services to SAF-HOLLAND GmbH. For services rendered in the first half of 2008, Ulrich Otto Sauer received kEUR 75, of which kEUR 37 related to the second quarter. In addition, SAF-HOLLAND GmbH paid kEUR 6 to Ulrich Otto Sauer for rental fees in the second quarter of 2008; in the first half of 2008, rental fees totaled kEUR 12.

Similarly, Richard Muzzy, member of the Board of Directors, provides certain business consultancy services to SAF-HOLLAND Inc. For services rendered, Richard Muzzy received kUSD 35 in the second quarter of 2008 and a total of kUSD 70 in the first half of 2008.

Transactions with related parties as of June 30, 2008:

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.	372	526	688	215
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	2	311	321	93
SAF-HOLLAND Nippon, Ltd.	70	0	15	0
Lakeshore Air LLP	0	165	0	0
FWI S.A.	0	10,056	0	287
Irwin Seating Company	694	0	170	0
	1,138	11,058	1,194	595

Transactions with related parties as of June 30, 2007:

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.	241	0	254	0
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	12	0	354	0
SAF-HOLLAND Nippon, Ltd.	266	0	80	0
Lakeshore Air LLP	0	126	0	25
FWI S.A.	0	13,810	0	771
Irwin Seating Company	799	0	211	0
	1,318	13,936	899	796

Sales to and purchases from related parties are carried out at normal market prices. Outstanding balances ending June 30, 2008 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, 2007, 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.

11 CASH FLOW STATEMENT

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

Cash flows from operating activities are determined using the indirect method. However, cash flows from investing activities are determined using the direct method. Investing activities involve the acquisition and sale of non-current assets and other financial investments which are not categorised as cash and cash equivalents. Cash flows from financing activities are also determined using the direct method. Financing activities are defined as activities which have an effect on the extent and composition of the Group’s equity and liabilities.

The net acquisitions of subsidiaries in the first half of 2008 totaled kEUR 3,270, reflecting expenditures for the Austin-Westran transaction, compared with kEUR 7,220 in 2007, which reflects expenditures for the acquisition of the Holland Group on December 18, 2006, for which payment was made in the first quarter of 2007.

12 INTEREST BEARING LOANS AND BORROWINGS

On February 19, 2008 SAF-HOLLAND S.A. concluded an Agreement with a bank consortium, which replaces the previous LBO financing. By means of the new consortium agreement, borrowed funds amounting to EUR 320 million will be provided within a period of five years.

The new consortium agreement includes one Euro tranche ("Facility A1") and one US-Dollar tranche ("Facility A2") as well as a multicurrency revolving facility tranche ("Facility B"), as illustrated below:

	Amount drawn under term loan	Face value after deducting incidental financing costs	Available facility
k €	06/30/08	06/30/08	06/30/08
Facility A1	78,161	77,028	78,161
Facility A2	56,966	55,930	56,966
Facility B	130,998	128,606	185,000
	266,125	261,564[1)]	320,127

1) As seen in the above table, interest bearing loans and liabilities totaling kEUR 271,072 in the consolidated interim balance sheet include kEUR 261,564 of interest bearing and secured loans as well as kEUR 1,262 of interest expense, kEUR 8,008 of bank overdrafts, and kEUR 238 of other borrowings.

The Company's interest bearing loans and borrowings against the bank are secured by joint liability of group companies.

13 FINANCIAL INSTRUMENTS

Due to its financing activities the Group is exposed to interest rate risk. To hedge this cash flow risk, the Group holds (unchanged since December 31, 2007) interest rate swaps and extension options for these swaps.

The market values of derivatives as of the balance sheet date are as follows:

	06/30/2008		12/31/2007	
k €	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	1,543	1,785	1,269	1,518
Prolongation option for interest rate swaps	0	1,181	0	1,390
	1,543	2,966	1,269	2,908

In the reporting period, changes in the value of swaps amounting to kEUR 27 were recognised in equity without affecting net income. The changes to the swaption were recognised in the first half-year with effect on net income at the amount of kEUR 140 (after taxes).

14 EVENTS AFTER THE BALANCE SHEET DATE

SAF-HOLLAND S.A. has discontinued its kingpin and fifth wheel production at the former Holland plant in Schloss Holte as scheduled. These activities have been transfered to the existing plant for axle systems in Wörth am Main. As such, SAF-Holland has now successfully realised one of the planned measures for the streamlining of the manufacturing units. Productivity will rise, and infrastructure costs and administrative expenses will decrease as a result of this consolidation.

SAF-HOLLAND is acquiring all capital shares of Georg Fischer Verkehrstechnik GmbH, Singen, a subsidiary of Georg Fischer AG, Schaffhausen (Switzerland). The acquisition is an important step in SAF-HOLLAND's growth strategy as this move strengthens the Company's position in the European market for fifth wheels and helps it become a significant supplier of the European truck industry. Georg Fischer Verkehrstechnik GmbH, which produces and sells fifth wheels and trilex wheels for the commercial vehicle sector, generated sales in 2007 in excess of EUR 60 million with approximately 80 employees. The transaction requires the approval of competition regulatory authorities. It is planned to finance the acquisition through a mix of funds from borrowings and additional equity. The therefore necessary borrowed capital is secured by an adequate credit line, which was provided by a consortium led by Dresdner Kleinwort and Unicredit Group in February 2008. Regarding the additional equity the SAF-HOLLAND S.A. Board of Directors will approve a capital increase from the authorised capital of just under 10 percent. SAF-HOLLAND intends to place the new shares with institutional investors and therewith to increase the free float. Pamplona Capital Partners I LP, which currently holds more than 34.5 percent of the shares of SAF-HOLLAND S.A., intends to subscribe in a material way to the offering. Additionally they have agreed to provide a guarantee to underwrite all new shares that cannot be placed. The capital increase will be coordinated by the bank HSBC Trinkaus & Burkhardt.

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 interim management report provides a fair review of the development and performance of 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.

Luxembourg, August 2008
SAF-HOLLAND S.A.

Dr. Rolf Bartke
Chairman of the Board of Directors

Rudi Ludwig
Chief Executive Officer (CEO)

Financial Glossary

Cash flow: Reflects income and payment flows during a given period, provides information on the source and use of funds, and is an indicator of a company's ability to finance itself.

Cash pooling: Controlling of cash and cash equivalents across the enterprise. Serves to ensure optimal use of funding and improves the financial result.

EBIT: Earnings before interest and taxes

EBIT (adjusted): EBIT without special factors such as transaction and integration costs (calculation on page 13)

EBITDA: Earnings before interest, taxes, depreciation, and amortisation

EBITDA (adjusted): EBITDA without special factors

Goodwill: A company's goodwill is defined as the difference between the purchase price of a company and its net asset value.

Gross margin: Gross profit/sales x 100 %

Gross profit: Sales minus cost of sales

Impairment test: A test to determine whether the values of intangible assets shown in the balance sheet tally with their actual value

Inventory turnover rate: Inventories/cost of sales x 365 days

IPO: Initial public offering, going public with a capital increase

Net profit for the year (adjusted): Net profit for the year without special factors and based on a uniform tax ratio.

Net working capital: Current assets minus cash and cash equivalents minus non-interest-bearing liabilities

PPA: Purchase price allocation. During the acquisition of the SAF Group and the Holland Group, undisclosed reserves were revealed that resulted from the difference between the book values of the business units acquired and the purchase prices paid for them. This leads to write-downs for which adjustments must be made in determining result factors such as EBIT. In the case of an indefinite useful life, as with goodwill, an impairment test must be carried out to check the value.

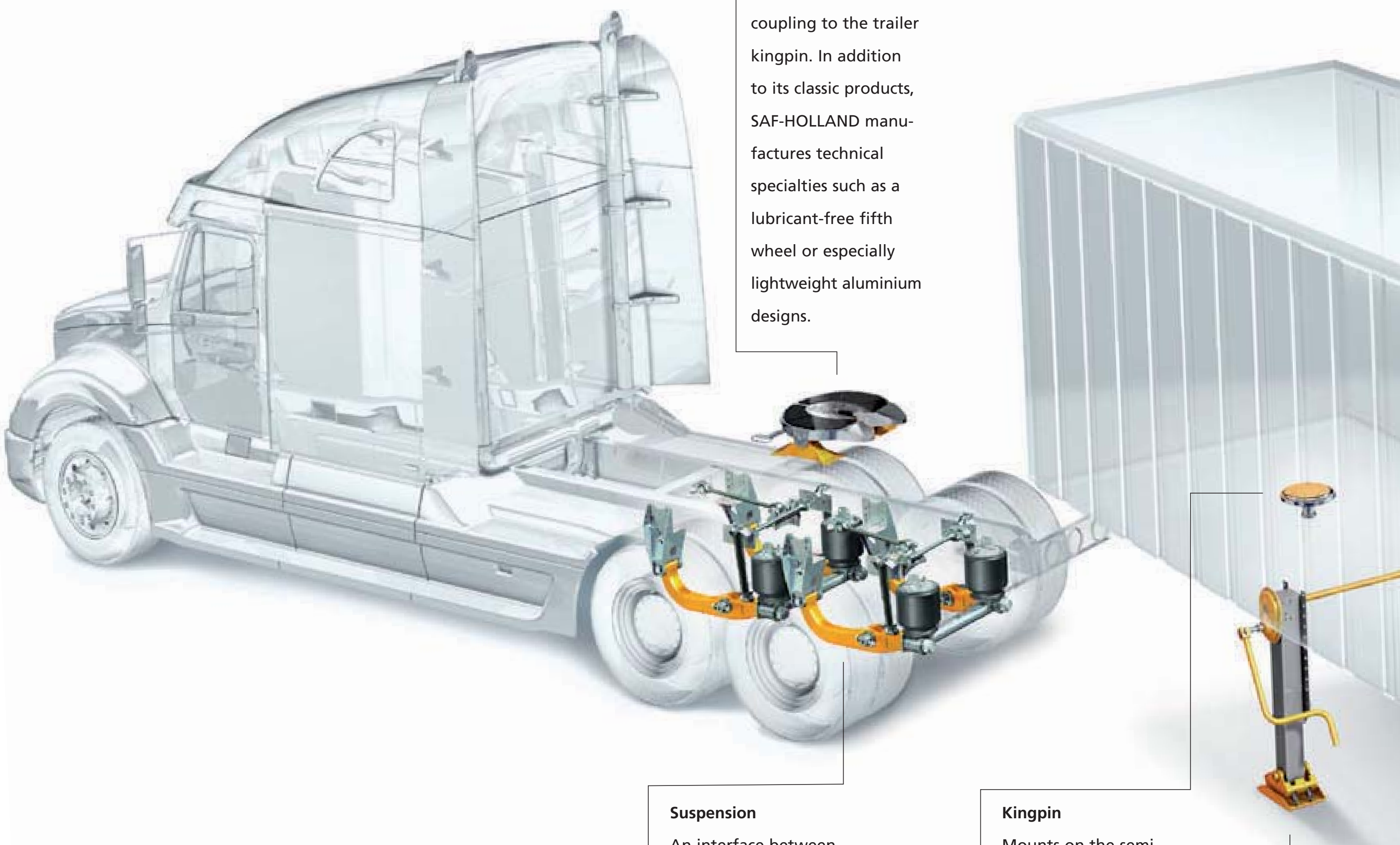
ROCE: Return on capital employed. EBIT minus tax expense/fixed assets minus deferred tax liabilities plus net working capital x 100 %

ROI: Return on investment, indicates the point at which the earnings from an investment exceed the expense.

Tax ratio: Tax expenses/earnings before taxes x 100 %

Value in use: Corresponds to the cash value of the cash flow anticipated from an asset item.

Technical Glossary

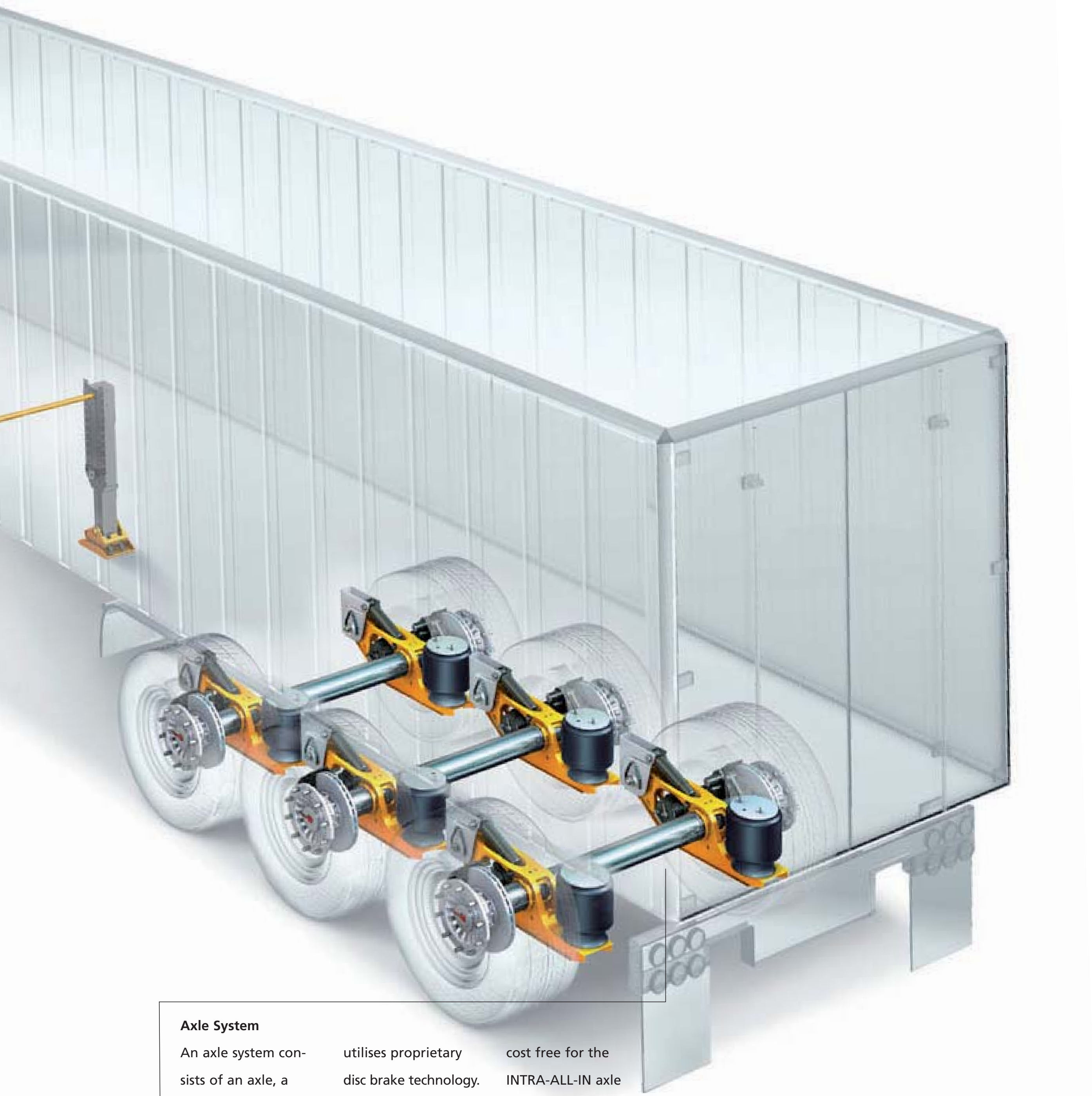


Fifth Wheel
Mounts on the tractor and serves to secure the semi-trailer to the tractor unit by coupling to the trailer kingpin. In addition to its classic products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel or especially lightweight aluminium designs.

Suspension
An interface between the axle and the vehicle to accommodate road variations and maneuvers. A modular suspension system by SAF-HOLLAND for up to three interlinked, powered axles. Each axle is individually suspended. 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 Legs
Retractable legs that support the front of a semi-trailer when it is not secured to the tractor unit. SAF-HOLLAND landing legs have a special coating that increases their service life significantly.



Axle System

An axle system consists of an axle, a suspension system, and a brake system. SAF-HOLLAND offers unique axle systems such as INTRADISC plus INTEGRAL which utilises proprietary disc brake technology. Subject to certain conditions and bearing in mind the existing warranties, SAF-HOLLAND provides maintenance cost free for the INTRA-ALL-IN axle system for a period of up to 72 months or one million kilometers.

Financial Calendar and Contact

Financial Calendar

November 19, 2008	Report on Q3 2008 Results
March 26, 2009	2008 Financial Statements and Annual Report
April 23, 2009	Annual General Meeting

Contact

Barbara Zanzinger
SAF-HOLLAND GROUP GmbH
Hauptstraße 26
D-63856 Bessenbach
Germany

Tel. +49 (0) 6095 301 617
Fax +49 (0) 6095 301 200

Email: ir@safholland.com
Web: www.safholland.com

Imprint

Responsible:
SAF-HOLLAND S.A.
68-70, Boulevard de la Pétrusse
2320 Luxembourg
Luxemburg

Editorial deadline:	August 28, 2008
Date of publication:	August 29, 2008
Editorial:	equinet Communications AG, Frankfurt am Main
Design and realisation:	wagneralliance Werbung GmbH, Offenbach am Main

This report is also available in German.

Legal Disclaimer

This report contains certain statements that are neither reported financial results nor other historical information. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. SAF-HOLLAND S.A. does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.