Global Reach, Local Touch.

NINE MONTH REPORT AS OF SEPTEMBER 30, 2009

Key Figures

in EUR million	Q1–Q3/2009	Q1–Q3/2008	Q3/2009	Q3/2008
Sales	**316.4**	646.3	**103.1**	188.3
Cost of sales	**-263.1**	-537.1	**-84.4**	-160.1
Gross profit	**53.3**	109.2	**18.7**	28.2
Adjusted loss/profit for the period	**-12.0**	23.9	**-2.1**	2.8
Adjusted EPS in Euro[1]	**-0.58**	1.26	–	–
Adjusted EBITDA	**12.6**	56.1	**6.5**	12.4
Adjusted EBIT	**1.2**	46.4	**2.5**	8.9
Operating cash flow[2]	**29.1**	**30.9**	**8.1**	**10.6**

1) Adjusted profit/loss / number of ordinary shares as of reporting date.

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

Sales by Region

in EUR million	Q1–Q3/2009	Q1–Q3/2008	Q3/2009	Q3/2008
Europe	**149.5**	446.5	**44.6**	119.7
North America	**149.6**	178.1	**51.3**	60.6
Others	**17.3**	21.7	**7.2**	8.0
Total	**316.4**	646.3	**103.1**	188.3

Sales by Business Unit

in EUR million	Q1–Q3/2009	Q1–Q3/2008	Q3/2009	Q3/2008
Trailer Systems	**130.5**	451.3	**41.0**	123.5
Powered Vehicle Systems	**73.0**	60.4	**24.1**	23.4
Aftermarket	**112.9**	134.6	**38.0**	41.4
Total	**316.4**	646.3	**103.1**	188.3

Other Financial Information

	09/30/2009	06/30/2009	03/31/2009	12/31/2008
Total assets (in EUR million)	**473.4**	**507.0**	**536.3**	537.4
Equity ratio (in %)	**6.6**	**10.5**	**12.3**	13.4

	Q1–Q3/2009	Q1–Q2/2009	Q1/2009	Q1–Q4/2008
Employees (average)	2,316	2,291	2,256	2,799
Sales per employee (in kEUR)	182.2	186.2	198.7	285.4

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Foreword from the Management Board

Dear shareholders, business associates, and employees,

In recent months, SAF-HOLLAND has achieved considerable success. In contrast to the first two quarters of 2009, we had a positive adjusted operating result in the third quarter. In the first nine months of the current year, the Aftermarket and Powered Vehicle Systems Business Units exceeded the adjusted EBIT of the prior-year period. We have thus turned the corner on the earnings side and current business is again offering signs for optimism. At the same time, SAF-HOLLAND's strong market position as a global supplier of quality systems and components for the commercial vehicles industry is proving to be an important factor in the success of our long-term growth plan.

A look at sales shows that the situation remains challenging: EUR 316.4 million sales is still only half of what it was in the prior-year period, even with increasing sales in the USA in the third quarter. This is a reflection of the relatively hesitant procurement practices on the part of commerical vehicle manufacturers who themselves are suffering from weak demand.

The fact that our margin nevertheless improved slightly in recent months and that we are achieving positive results can be attributed to our strict savings program, restructuring measures and a good product mix. We are by no means letting up in our efforts to make the company leaner and stronger. The consolidation of our locations in China is continuing and we will further reduce inventories on a Group-wide basis. This also benefits our liquidity: From January to September 2009, we generated a significant volume of positive cash flow from operating activities.

We are making good progress in the USA: We have delivered the first axles equipped with disc brakes. We expect to see strong growth for this product in the USA – as was the case in Europe several years ago. First customers are currently a manufacturer of dangerous goods transporters and a supermarket chain. Customers understand the greater performance and reliability of disc brake systems as opposed to drum brakes.

Development in the first nine months was marked by both highlights and lowlights: In the course of the successful restructuring, we were forced by developments in the market to make some painful cuts, which also required that sacrifices be made by our employees. Financially, too, we still have a long way to go. As a consequence of an impairment test, we had to once again write-down goodwill and brands.

However, thanks to the operating business, and especially the results of this quarter, we are looking to the future with confidence: The restructuring measures are bearing fruit and will be continued. And, most importantly, we are seeing the first indications of an upturn in demand. Around the world, with customers of all sizes and strategic directions, SAF-HOLLAND is perfectly positioned to participate in the expected upturn in the commercial vehicle market. We are also confident that we will shortly complete negotiations with the banks on our long-term financing. Our objective is to adjust the conditions to current market development and in so doing also secure adequate flexibility and liquidity for our growth path.

Best regards

Dr. Reiner Beutel
Chief Executive Officer (CEO)

Third Quarter 2009 at a Glance

>> Group sales of EUR 103.1 million stable as compared to previous quarter

- Upward trend in the Powered Vehicle Systems and Aftermarket Business Units
- Trailer Systems Business Unit maintains level of the second quarter

>> Efficiency and cost reduction measures taking hold

- Return to a positive adjusted EBIT: EUR 2.5 million
- Operating cash flow confirms SAF-HOLLAND's strong performance

>> Negotiations with the banks almost complete

- Standstill agreement extended until November 25, 2009
- The objective is to put the Company on a solid financial footing

>> Technology transfer between USA and Europe continues successfully

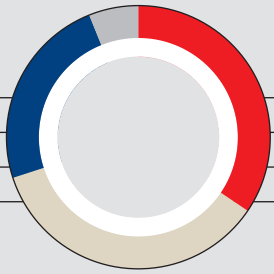
- Orders for trailer systems with integrated disc brake technology in USA exceed expectations

>> Outlook

- Stabilizing and partially upward movement can be seen
- Revival of sales possible by the end of the year – especially in the US truck market

The Share

Shareholder Structure Figures in %



Free float	35.5
Pamplona Capital Partners I, LP	34.5
Management and previous owners	24.1
Fortis Investments	5.9

As of 09/30/2009

A more optimistic economic mood helped stock markets continue their recovery in the third quarter. Gains made in SAF-HOLLAND's share price have been considerable over the course of the year to date. The closing price on December 30, 2008 was EUR 1.20. The price reached a low of EUR 0.35 at the end of February 2009 before peaking at EUR 3.95 on August 6. The closing price on September 30 was EUR 2.15. The share price has made further gains since the end of the reporting period.

Since the beginning of the year, the share price development has been influenced primarily by our discussions with the banks with regard to the securing of long-term corporate financing as well as by general developments on the stock markets. Reaching a standstill agreement in February and the step-by step extension of that agreement beyond the third quarter had a slightly positive effect on the development. A proposal from the bank consortium to transfer the Company's operating business to a so-called "Trustee" caused confusion and contributed to a substantial drop in the share price on August 11, 2009. This alternative is no longer planned for the securing of financing.

Group Interim Management Report

Group Interim Management Report

For the Third Quarter of 2009 of SAF-HOLLAND S.A.

I BUSINESS AND GENERAL FRAMEWORK CONDITIONS

SAF-HOLLAND S.A., hereinafter also referred to as SAF-HOLLAND, the Group, or the Company, is one of the world's leading manufacturers and providers of premium systems and components for commercial vehicles (trucks and trailers) as well as for buses and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, coupling devices, kingpins, and landing legs. The Group, with its three Business Units – Trailer Systems, Powered Vehicle Systems, and Aftermarket – currently utilizes 18 production sites in Europe, North America, Brazil, Australia, China, and India. In addition, the Company operates a worldwide service and distribution network.

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 on March 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 on December 18, 2006.

II OVERVIEW OF BUSINESS DEVELOPMENT

II.1 Overall Economic Conditions

The economic situation continues to improve. The worst economic crisis since the Second World War appears to have passed, even though the recovery is progressing slowly. In Germany, for the first time since the crisis began, gross domestic product (GDP) grew in relation to the previous quarter. The USA has also returned to a growth path. As a result of current developments, renowned economic research institutes are revising their economic expectations for 2009 and 2010 upward. The International Monetary Fund (IMF)[1] is now forecasting a decrease in global output of 1.1% in 2009 – in July a decrease of 1.4% had been expected. For Germany, the IMF anticipates a decline in economic output of 5.3%, for the Euro-zone they expect a drop of 4.2%. In the USA, GDP should fall by 2.7%. In the world's growth countries, the economies are developing in opposite directions: While forecasts in Russia worsened once again to the current minus of 7.5%, expectations in Brazil were raised to a minus of 0.7%. Asia remains the world's economic engine: Forecasts for China were increased to 8.5%, while India's economy is expected to grow at an unchanged rate of 5.4% in 2009.

1) IMF, October 2009.

For 2010, the IMF is optimistic, forecasting growth of 3.1% for the world economy instead of the previous figure of 2.5%. Accordingly, gross domestic product in Germany, as in the entire Euro zone, will increase by 0.3% and in the USA by 1.5%. Russia and Brazil are also expected to turn the corner. The speed of growth in China will reach 2008 levels and India will come close, according to the IMF forecast.

Despite a slightly improved economic situation, sales volume for trucks and trailers remains restrained: In the first nine months of the year, the number of new truck registrations (over 16 tons) in Europe fell by 47.3%[2]. The decrease as compared to the first 6 months, which

2) ACEA, October 2009.

saw a decline of 52.4 %. For 2010, market observers expect growth in the region of 5 %. Demand in the trailer market is weaker, and Kögel Fahrzeugwerke GmbH, an important manufacturer, was forced into bankruptcy. A slight revival of demand next year is realistic according to experts.

The situation is similar in North America, although demand there had reached its low point earlier than in Europe. The trailer market has reached its bottom and in the truck market, new purchases in anticipation of new emissions regulations from 2010 are anticipated. Truck production (segment class 8) will drop by 44.8 % this year and the trailer market will decline by 46.4 %[1]. For 2010, market analysts expect growth rates between 18 and 50 % in the truck market and between 20 and 40 % for trailers.

1) ACT, September 2009.

II.2 Significant events in the Third Quarter 2009

Measures taken and decisions made in the previous months paid off for SAF-HOLLAND in the third quarter. With sales stable in comparison to the first and second quarter, we succeeded in again achieving positive adjusted operating earnings (EBIT) of EUR 2.5 million, after EUR -0.8 million in the second quarter. Both the Company's consistently pursued cost reduction measures and stronger margin orders, especially in the Powered Vehicle Systems and Aftermarket Business Units contributed to this development. Following a customarily weaker European holiday month in August, September showed the strongest sales development so far this year. This trend appears to be continuing in October and points to a stabilization and partial recovery of the markets. We are seeing positive signs, especially in the American truck and trailer market, although at a relatively low level.

Consolidated sales in the first nine months were EUR 316.4 million (previous year: EUR 646.3 million). Accumulated adjusted EBIT was positive at EUR 1.2 million (previous year: 46.4 million).

Our measures to cut costs and reduce inventories are progressing well. We are confident that we will be able to lower costs by at least EUR 43 million in 2009. Savings since October 2008 thus total approximately EUR 66 million after we raised our original objective of EUR 60 million by about 10%. We expanded our inventory reduction measures to our subsidiaries around the world and continue to see strong potential for further improvement. After nine months, our inventory volume was EUR 60.2 million as compared to EUR 85.8 million on December 31, 2008.

Our own axle production in North America also developed well in the third quarter. The number of new orders received to date for the integrated disc brake technology has exceeded our expectations. As the global market leader for trailer axle systems with disc brake technology, we see strong growth opportunities for SAF-HOLLAND in North America. This is being supported by new regulations on the shortening of braking distances in the USA. Disc brake technology offers a higher performing alternative to larger, heavier drum brakes that will be required to meet the new regulations, which take effect in 2011.

Our Aftermarket Business Unit again expanded its international service network in Europe. The contracts with DAF Parts, MAN and Volvo were complemented by cooperation with Scania.

II.3 Sales Development

SAF-HOLLAND achieved a stable level of sales in the third quarter despite the usually weaker European holiday month in August. Clear sales growth was recorded in September, in particular, which became the strongest sales month this year. In all, Group sales in the first nine months of the year totaled EUR 316.4 million (previous year: EUR 646.3 million). Adjusted for exchange rate effects this figure was at EUR 299.7 million. In the third quarter alone we generated sales of EUR 103.1 million (previous year: EUR 188.3 million), adjusted for exchange rate effects sales were EUR 100.0 million. The North American business' share of sales increased as compared to the previous year. With EUR 149.6 million (previous year: 178.1 million), we generated 47.3 % of our total sales in this region (previous year: 27.6 %). North America and Europe thus participate to an equal degree in the Company's sales. Sales in all other markets totaled EUR 17.3 million (previous year: EUR 21.7 million). The share of sales in other markets was 5.5 % (previous year: 3.4%).

The recovery in the transport and logistics markets in North America is beginning. In particular, the truck business there is showing signs of recovery, though at a modest level. Our European business, on the other hand, is characterized by inventories of new trailers and trucks as well as a surplus of axles and axle components. They are slowing sales volume throughout the industry. We expect a normalization of inventories on the manufacturer side by the end of the year.

Sales Development by Region (first to third quarter)

in EUR million	Q1–Q3/2009		Q1–Q3/2009 (exchange rate-adjusted)		Q1–Q3/2008	
Europe	**149.5**	47.2 %	**149.5**	49.9 %	446.5	69.0 %
North America	**149.6**	47.3 %	**134.2**	44.8 %	178.1	27.6 %
Other	**17.3**	5.5 %	**16.0**	5.3 %	21.7	3.4 %
Total	**316.4**	**100.0 %**	**299.7**	**100.0 %**	**646.3**	**100.0 %**

Sales Development by Region (third quarter)

in EUR million	Q3/2009		Q3/2009 (exchange rate-adjusted)		Q3/2008	
Europe	**44.6**	43.3 %	**44.6**	44.6 %	119.7	63.6 %
North America	**51.3**	49.7 %	**48.5**	48.5 %	60.6	32.2 %
Other	**7.2**	7.0%	**6.9**	6.9 %	8.0	4.2 %
Total	**103.1**	**100.0%**	**100.0**	**100.0%**	**188.3**	**100.0%**

Sales Development by Business Unit (first to third quarter)

in EUR million	Q1–Q3/2009		Q1–Q3/2009 (exchange rate-adjusted)		Q1–Q3/2008	
Trailer Systems	**130.5**	41.2 %	**126.4**	42.2 %	451.3	69.9 %
Powered Vehicle Systems	**73.0**	23.1 %	**66.6**	22.2 %	60.4	9.3 %
Aftermarket	**112.9**	35.7 %	**106.7**	35.6 %	134.6	20.8 %
Total	**316.4**	**100.0 %**	**299.7**	**100.0 %**	**646.3**	**100.0 %**

Sales Development by Business Unit (third quarter)

in EUR million	Q3/2009		Q3/2009 (exchange rate-adjusted)		Q3/2008	
Trailer Systems	**41.0**	39.7 %	**40.4**	40.4 %	123.5	65.6 %
Powered Vehicle Systems	**24.1**	23.4 %	**22.9**	22.9 %	23.4	12.4 %
Aftermarket	**38.0**	36.9 %	**36.7**	36.7 %	41.4	22.0 %
Total	**103.1**	**100.0 %**	**100.0**	**100.0 %**	**188.3**	**100.0 %**

II.4 Earnings Development

SAF-HOLLAND turned the corner on the earnings side in the third quarter, returning to positive adjusted EBIT. The cost reduction and improved efficiency measures introduced in 2008 had a particularly positive effect in the third quarter. Adjusted EBIT reached EUR 2.5 million which, against the backdrop of a stable sales development, was a considerable increase as compared to the second quarter. Based on sales of EUR -0.8 million in the second quarter, we therefore recorded an increase of EUR 3.3 million.

Comparison of Quarters

in EUR million	Q3/2009	Q2/2009	Q1/2009	**Total**
Sales	103.1	101.2	112.1	**316.4**
Adjusted EBIT	2.5	-0.8	-0.5	**1.2**
In % of sales	2.4	-0.8	-0.4	**0.4**

The Company benefited from the successful restructuring of the operating business with a comprehensive cost reduction program as well as a from stabilization in sales. Adjusted EBIT in the first nine months of the year was at EUR 1.2 million. The gross margin of 16.8 % stayed stable at the level of the previous year and is a strong indication of the success of the adjustments we are making.

In the first nine months, adjusted loss/profit for the period reached EUR 12.0 million (previous year: EUR 23.9 million). Adjusted earnings per share amounted to EUR -0.58 (previous year: EUR 1.26). Costs for restructuring and negotiations with the banks for new financing facilities amounted to EUR 12.0 million in the first nine months. Of that amount, approximately EUR 9.6 million was paid to banks and consultants. A portion of these costs in the amount of EUR 8.0 million were capitalized.

EBIT was adjusted for the following effects that are not originally attributable to the operating business: writedowns resulting from the purchase price allocation and the impairment test as well as restructuring costs.

Reconciliation Statement for Adjusted Figures

in EUR million	**Q1–Q3/2009**	Q1–Q3/2008	**Q3/2009**	Q3/2008
Loss/profit for the period	**-38.6**	**18.4**	**-21.7**	**1.1**
Taxes on income	**-4.2**	7.7	**-1.4**	-0.5
Finance result	**18.0**	13.0	**5.5**	5.0
Depreciation and amortization from PPA[1)]	**5.1**	4.5	**1.6**	1.5
Impairment of goodwill and intangible assets	**16.9**	–	**16.9**	–
Step-up inventory from PPA[1)]	–	0.3	–	–
Restructuring and integration costs	**4.0**	2.5	**1.6**	1.8
Adjusted EBIT	**1.2**	**46.4**	**2.5**	**8.9**
as a percentage of sales	**0.4**	7.2	**2.4**	4.7
Depreciation and amortization	**11.4**	9.7	**4.0**	3.5
Adjusted EBITDA	**12.6**	**56.1**	**6.5**	**12.4**
as a percentage of sales	**4.0**	8.7	**6.3**	6.6
Depreciation and amortization	**-11.4**	-9.7	**-4.0**	-3.5
Finance result	**-18.0**	-13.0	**-5.5**	-5.0
Adjusted loss/profit before taxes	**-16.8**	**33.4**	**-3.0**	**3.9**
Taxes on income[2)]	**4.8**	-9.5	**0.9**	-1.1
Adjusted loss/profit for the period	**-12.0**	**23.9**	**-2.1**	**2.8**
as a percentage of sales	**-3.8**	3.7	**-2.0**	1.5
Number of shares[3)]	**20,702,275**	19,003,144		
Adjusted earnings per share in EUR	**-0.58**	1.26		

1) Purchase price allocation (PPA) from the acquisition of SAF Group and Holland Group in 2006 as well as Austin-Westran Machinery Co., Ltd. and the current SAF-HOLLAND Verkehrstechnik GmbH in 2008.

2) A uniform tax rate of 28,59% was assumed for the adjusted net profit for the year.

3) Weighted average number of ordinary shares as of September 30.

II.5 Development in the Business Units

Business development in the Business Units confirms the Company's strategy and that the prompt and consistent implementation of the restructuring program is having an impact. From a regional perspective, our North American business shows signs of an upswing. With respect to the Business Units, Powered Vehicle Systems and Aftermarket in particular are contributing to our sales and earnings development with their strong product and customer mix as is the ongoing recovery in our markets. The stable gross margin compared to the previous year was also an important indication of the successful development of our operating business.

Trailer Systems

In the third quarter, sales in the Trailer Systems Business Unit stabilized at the level of the second quarter. While the holiday month of August was, as expected, quiet in Europe, the trailer business was able to make up for lost ground in September. In North America, on the other hand, a slight increase was recorded in August, followed by a stabilization in September. In conjunction with the general trend, the trailer business nevertheless experienced a decline of 71% as compared to the same period in the previous year. The market crisis had a more pronounced effect on standard trailers than it did on specialty trailers. This has had a positive influence on margin development at SAF-HOLLAND. Production of our own axle systems in the USA, which got underway in February, is progressing well. Initially, they will replace axles that had been purchased from third parties in the USA and we plan to further expand this business. New orders for axle systems with SAF-HOLLAND disc brakes have, just a few months after they were launched in the North American market, exceeded our expectations. This confirms our confident expectation, as a leading supplier of this product in Europe, that we will benefit from strong sales opportunities in North America.

Overall in this segment we generated sales of EUR 130.5 million (previous year: EUR 451.3 million) in the first nine months. Adjusted for exchange rate effects this figure was at EUR 126.4 million. The adjusted gross margin fell to -3.6 % (previous year: 11.9 %), mainly the result of limited utilization of capacity in the third quarter. The gross margin improved slightly as compared to the -3.8 % figure in the second quarter. The Business Unit's share of total sales fell to 41.2 % (previous year: 69.9 %).

Powered Vehicle Systems

Since June 2009, the Powered Vehicle Systems Business Unit has been benefiting from a moderate upward trend in North America. In Europe, business stabilized in the third quarter. A strong product and customer mix combined with successful measures to improve efficiency strengthened the Business Unit. In addition, the positive forecasts from American market research institutes to date appear to be accurate. According to these forecasts, the truck business will gain momentum by the end of the year. New emission regulations that are to take effect in 2010 will help support this momentum.

The Business Unit boosted sales by 20.9 % as compared to the prior year period to EUR 73.0 million (previous year: 60.4). The exchange rate adjusted sales figure was EUR 66.6 million. The sales increase over the previous year resulted primarily from the acquisition of the former Georg Fischer Verkehrstechnik GmbH business. The gross margin rose significantly to 22.1% (previous year: 12.6 %). The steadily rising share of the Company's total sales volume, now at 23.1% (previous year: 9.3 %) reflects the growing importance of the Business Unit.

Aftermarket

The Aftermarket Business Unit continues to grow. In the third quarter it further expanded its international service network in Europe. In addition to cooperation with DAF Parts, MAN and Volvo, Scania service centers have now joined the replacement parts service for SAF-HOLLAND. Overall, sales development at the Business Unit in the third quarter was marked by a stabilization, despite an expectedly quiet month in August. We see good growth opportunities for the segment in international markets, not least due to the acquisition of the former Georg Fischer Verkehrstechnik GmbH business. The newly added European fifth wheel business combined with the international alignment of the SAF-HOLLAND organization opens up new perspectives for the replacement parts business – with globally active truck manufacturers, for example.

In the first nine months of the year, the segment generated sales totaling EUR 112.9 million (previous year: 134.6), or EUR 106.7 million after exchange rate adjustment. The gross margin exceeded the previous year figure by 1.9 percentage points, increasing to 37.6 % (previous year: 35.7 %). The Aftermarket Business Unit increased its share of total Company sales to 35.7 % (previous year: 20.8 %). These developments confirm that the Aftermarket segment is becoming increasingly important for us as a stabilizing factor in sales and earnings.

Business Unit Overview

	Business Unit Trailer Systems		Business Unit Powered Vehicle Systems		Business Unit Aftermarket		Adjust-ments/ Elimi-nations	Total	
in EUR million	**Q1–Q3 2009**	Q1–Q3 2008	**Q1–Q3 2009**	Q1–Q3 2008	**Q1–Q3 2009**	Q1–Q3 2008	**Q1–Q3 2009**	**Q1–Q3 2009**	Q1–Q3 2008
Sales	**130.5**	451.3	**73.0**	60.4	**112.9**	134.6	–	**316.4**	646.3
Cost of sales	**-135.2**	-397.7	**-56.9**	-52.8	**-70.4**	-86.6	**-0.6**	**-263.1**	-537.1
Gross profit	**-4.7**	53.6	**16.1**	7.6	**42.5**	48.0	**-0.6**	**53.3**	109.2
as a percentage of sales	**-3.6**	11.9	**22.1**	12.6	**37.6**	35.7	–	**16.8**	16.9

II.6 Financing

The Group made contractual payments to its lenders in May despite difficult economic conditions. At the same time, we continued to focus on restructuring existing financing in the third quarter of 2009. The objective is to carry out an adjustment to the terms of the EUR 325 million credit line was negotiated at favorable interest rates in February 2008 in a strong growth market. That financing was tied to the maintenance of certain key financial figures that were not possible to achieve in the new economic environment. In light of the severe decline in business, negotiations were started on a new line of credit.

In order to ensure that sufficient time was available for the relevant negotiations, several forbearance or standstill agreements were agreed with the bank consortium, most recently until November 25, 2009 (see also Events After the Balance Sheet Date).

The preliminary restructuring expert opinion was drawn up by KPMG at the beginning of May 2009 and was approved by the bank consortium in June. The expert opinion confirms the Group's ability to restructure. Due to our strong market position, the Company's earnings potential and competitive position can be achieved on the basis of the planning as presented. The expert opinion will be adjusted to current business and market developments on an ongoing basis.

We also strengthened the Company's cash position through a customer and management loan: The management of SAF-HOLLAND provided a loan in the amount of EUR 1.3 million in the first quarter of 2009. The loan is unsecured for a period of 24 months. The Company received additional funds in the amount of EUR 4.5 million in the form of a loan provided by a longstanding customer. This loan agreement, with a term of 18 months, provides for interest to be paid at rates and on conditions that are customary in banking. Repayment is due in full on maturity, and the loan is secured by the use of non-core assets as collateral.

II.7 Investments

Investments in the reporting period focused on the consolidation of our activities in China which, prior to the acquisition of the former Austin-Westran facility in Xiamen, had been conducted with our partner, AL-KO. The company in Jinan will now be operated solely by SAF-HOLLAND and shares in the company in Yantai were sold to the former joint-venture partner. Further consolidation measures in the Xiamen facility in China are planned. At the same time, we invested in an automatic welding line at our location in Bessenbach, the construction of which started in 2008. In total, net investments amounted to EUR 5.2 million (previous year: EUR 25.0 million). For the full-year, capital expenditure will not exceed EUR 7.5 million.

II.8 Liquidity

Cash and cash equivalents rose significantly in the reporting period to EUR 13.6 million (December 31, 2008: EUR 8.6 million). The ongoing restructuring program and decreased business activities combined to generate a significant decrease in working capital requirements: Inventories fell to EUR 60.2 million (December 31, 2008: EUR 85.8 million) although the company in Jinan is now fully consolidated and inventories of the company sold in Yantai were taken over. Our aim is to reduce inventories to a volume of 45 days. With the ongoing reduction of inventories we are reacting to market developments. The high inventory volume in the previous year of EUR 111.9 million as of September 30, 2008 resulted from the extremely high demand and a major order on hand at that time. Net working capital at the balance sheet date was at 15.1% of sales (December 31, 2008: 10.9 %). We plan to reduce the need to 9 % of sales.

Cash flow from operating activities before income tax payments totaled EUR 29.1 million (previous year: EUR 30.9 million) despite weak demand, confirming the Company's strong performance. As a result of the consolidation of the companies in China, cash flow from investing activities amounted to EUR -5.2 million (previous year: EUR -25.0 million). The higher reference value resulted from the acquisition of the landing leg business from Austin-Westran and the reduction of capacities at that time. Cash flow from financing activities includes scheduled interest payments and repayment of principal as well as the customer and management loan. In total, the figure for the reporting period was EUR -19.5 million (previous year: EUR 4.9 million) – the previous year figure was affected by a capital increase in September 2008.

II.9 Assets

Due to market developments, SAF-HOLLAND again carried out an impairment test on the basis of the Business Units for goodwill, intangible assets, and property, plant, and equipment. A number of different scenarios for future market development and a Management Board assessment resulted in extraordinary write-downs in the amount of EUR 16.9 million (for further details see Notes page 30). At this point in time, the Management Board believes that this extraordinary write-down has sufficiently taken into account the negative market development.

Total assets as of the balance sheet date on September 30, 2009 decreased – primarily as a result of the drop in net working capital and the extraordinary write-down – to EUR 473.4 million (December 31, 2008: EUR 537.4 million). The equity ratio was 6.6 % (December 31, 2008: 13.4 %).

Non-current assets decreased to EUR 315.2 million (December 31, 2008: EUR 350.5 million). In addition to the extraordinary write-down on goodwill and brands, deferred tax assets also decreased. The company in Jinan will now be fully consolidated and will no longer be reported at equity as had been the case previously in the consolidated financial statements. Current assets fell substantially to EUR 158.2 million (December 31, 2008: EUR 183.9 million). This confirms the success of our restructuring measures and contributes to the financial stability of the Group: Inventories decreased to EUR 60.2 million (December 31, 2008: EUR 85.8 million), and trade receivables also fell to EUR 66.2 million (December 31, 2008: EUR 82.3 million. Cash and cash equivalents rose to EUR 13.6 million (December 31, 2008: EUR 8.6 million). Equity fell, because of the loss for the period, to EUR 31.1 million (December 31, 2008: EUR 72.1 million). Current liabilities declined, thanks to scheduled repayments of the credit line and a drop in trade payables, to EUR 376.4 million (December 31, 2008: EUR 399.1 million). Other provisions – above all for the restructuring and staff reductions – decreased to EUR 14.5 million (December 31, 2008: EUR 19.1 million).

II.10 Employees

The number of employees declined in the reporting period as a result of weak demand. On the balance sheet date September 30, 2009 the number of employees on a Group-wide basis fell to 2,366 (December 31, 2008: 2,421). The average number of employees was 2,316 (June 30, 2009: 2,291). Due to rising demand in North America and the full consolidation of the Chinese location Jinan, the number of employees rose slightly in the third quarter. At the Bessenbach location in Germany, as already announced, roughly 35 jobs were lost due to market developments. Currently, there are still about 60 employees in the employment company. The shortened work-hour rate is 40 % per month. In July 2009, SAF-HOLLAND reached a supplementary labor agreement in Germany with IG Metall, thereby achieving savings in the mid-single digit million range in this and in the coming year. The agreement includes location and employment guarantees – in return, pay increases as well as holiday pay and Christmas bonuses are deferred or canceled completely.

II.11 Research and Development

Research and development forms the foundation for opening up additional opportunities and growth. In the reporting period, production of axles was started in North America. These had previously been purchased from third party manufacturers. At the same time, the first axle systems with disc brakes are now being delivered in North America. Customers include a manufacturer of dangerous goods transporters. We will benefit from new braking regulations which take effect in 2011 and require that braking distances for new trucks be reduced by 30 %. We are therefore focusing on the technology transfer between North America and Europe as well as on products which allow our customers to reduce their operating costs. In total, EUR 9.1 million (previous year: EUR 9.2 million) went towards research and development, of that amount, EUR 0.7 million (previous year: EUR 0.0 million) was capitalized as development costs. The R&D ratio was 2.9 % (previous year: 1.4 %).

III EVENTS AFTER THE BALANCE SHEET DATE

III.1 Securing long-term corporate financing

On October 27, 2009, with a view to the constructive negotiations with the banks, SAF-HOLLAND and the bank consortium agreed on an extension of the forbearance or standstill agreement to November 25. This agreement provides a sufficient timeframe for the completion of the negotiations and coordination of the results.

IV RISK REPORT

Compared with the risk profile at the end of 2008 fiscal year, as outlined in the risk report contained in the annual report, the Group has experienced no change. The consolidated financial statements of SAF-HOLLAND are predicated on the assumption that business operations can be continued in the future (“going concern”). This assessment was subject to one significant uncertainty factor, which still cannot be conclusively assessed. As of the balance sheet date of September 30, 2009, the Group’s longterm financing had not yet been secured. Despite this uncertainty, the Company assumes that SAF-HOLLAND S.A. will be able to continue its business operations and satisfy its payment obligations. We have taken numerous measures in order to adapt the Company and its cost situation to the new economic conditions. The Group can implement the steps required by the preliminary expert opinion on restructuring. Thus, we are fulfilling important prerequisites for the successful conclusion of talks with the leaders of the bank consortium regarding a new financing concept.

All additional risks that can be directly influenced by the Group are manageable. The preservation of liquidity is the current focus of risk management.

V OUTLOOK

Following a dramatic downturn in the truck and trailer markets, stabilization and also partly upward tendencies are now being seen. We expect that the markets will slowly begin to recover. Nevertheless, demand in 2009 will remain weak as compared to the previous year. We expect moderate growth in the Powered Vehicle Systems Business Unit in the USA as a result of new emission requirements for trucks which take effect at the beginning of 2010.

In the mid-term, prospects are positive that our trailer business in the USA will possibly benefit from new safety regulations set to take effect in 2011. These new regulations require that braking distances for new trucks be reduced by 30 %. This should lead to an opportunity for axle systems with disc brakes. They are the better alternative compared to drum brake technology, which, unlike disc brake technology, must be upgraded to larger, heavier brake systems to meet the new demands.

In Europe, the truck and trailer markets are stabilizing, although at a relatively low level. Good progress is being made in our Aftermarket segment in Europe and North America. The distribution and service network is being expanded further. Synergy effects from the acquisition of the former Georg Fischer Verkehrstechnik GmbH business as well as the increasing distribution of our products offer strong growth prospects for growth in the Business Unit.

For the current year, we continue to anticipate annual sales significantly below the level of the previous year. In the mid-term, by contrast, we see good growth opportunities in all three Business Units. In addition, the measures we have taken to improve efficiency and reduce costs are having a positive effect and will give the Company a sustainable boost. We would like to exceed our stated goal of saving EUR 60 million by the end of 2009 by about 10 %. We will also further reduce net working capital by the end of the year and put liquidity on a stable foundation.

In the long term, demand for transport capacities will continue to increase in a globalized economy. On the basis of our worldwide presence and our high quality, comprehensive product range, we will benefit from this as economic activity and the associated demand for trucks and trailers recovers.

Consolidated Interim Financial Statements

Consolidated Statement of Comprehensive Income

kEUR	Notes	01/01/09 –09/30/09	01/01/08 –09/30/08	07/01/09 –09/30/09	07/01/08 –09/30/08
Sales	(5)	316,363	646,284	103,083	188,303
Cost of sales		-263,094	-537,114	-84,449	-160,112
Gross profit		**53,269**	**109,170**	**18,634**	**28,191**
Other income		913	2,468	41	1,288
Selling expenses		-28,283	-34,796	-9,127	-11,287
Administrative expenses		-25,400	-28,989	-7,452	-9,447
Research and development costs		-8,402	-9,210	-2,597	-3,175
Impairment goodwill and intangible assets	(7)	-16,903	–	-16,903	–
Operating loss/profit	(5)	**-24,806**	**38,643**	**-17,404**	**5,570**
Finance income		2,543	301	1,364	-37
Finance expenses		-20,584	-13,304	-6,865	-4,922
Share of net profit of investments accounted for using the equity method		-17	420	-248	-9
Loss/profit before tax		**-42,864**	**26,060**	**-23,153**	**602**
Income tax income/expenses	(6)	4,222	-7,658	1,415	508
Loss/profit for the year		**-38,642**	**18,402**	**-21,738**	**1,110**
Other comprehensive income					
Exchange differences on translation of foreign operations		465	-1,181	-1,260	-1,151
Changes in fair values of derivatives designated as hedges, recognized in equity	(13)	1,317	-1,121	874	-1,129
Income taxes on valuation adjustments offset directly against equity	(10)	-4,155	341	-278	322
Other comprehensive income, net of tax		**-2,373**	**-1,961**	**-664**	**-1,958**
Comprehensive income for the year, net of tax		**-41,015**	**16,441**	**-22,402**	**-848**
Attributable to equity holders of the parent		**-41,015**	**16,441**	**-22,402**	**-848**
Earnings per share in EUR	(11)	**-1.87**	**0.97**		

Consolidated Balance Sheet

kEUR	Notes	09/30/09	12/31/08
ASSETS			
Non-current assets		**315,247**	**350,537**
Goodwill	(7)	43,781	54,284
Intangible assets	(7)	137,513	148,321
Property, plant, and equipment	(7)	111,508	117,744
Investments accounted for using the equity method	(4)	6,766	11,046
Financial assets		139	140
Other non-current assets		3,235	2,738
Deferred tax assets		12,305	16,264
Current assets		**158,160**	**183,948**
Inventories		60,201	85,812
Trade receivables		66,209	82,348
Other current assets		16,921	4,880
Income tax assets		1,270	2,351
Cash and cash equivalents	(8)	13,559	8,557
Non-current assets classified as held for sale	(4)	–	**2,887**
Total assets		**473,407**	**537,372**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent		**31,055**	**72,070**
Subscribed share capital		207	207
Share premium		106,454	106,454
Legal reserve		21	19
Retained earnings		-59,201	-20,686
Accumulated other comprehensive income		-16,426	-13,924
Non-current liabilities		**65,940**	**66,213**
Pensions and other similar benefits		11,744	11,843
Other provisions		4,225	5,167
Interest bearing loans and borrowings	(12)	5,805	–
Finance lease liabilities		403	508
Other financial liabilities	(13)	9,883	10,020
Other liabilities		592	499
Deferred tax liabilities		33,288	38,176
Current liabilities		**376,412**	**399,089**
Pensions and other similar benefits		2,632	2,712
Other provisions	(9)	10,255	13,892
Income tax liabilities		3,202	2,813
Interest bearing loans and borrowings	(12)	303,879	312,396
Finance lease liabilities		462	475
Trade payables		48,484	60,443
Other liabilities		7,498	6,358
Total liabilities and equity		**473,407**	**537,372**

Consolidated Statement of Changes in Equity

	2009					
	Attributable to equity holders of the parent					
kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings	Accumulated other comprehensive income (Note 10)	**Total equity**
As of 01/01/2009	**207**	**106,454**	**19**	**-20,686**	**-13,924**	**72,070**
Comprehensive income for the year	–	–	–	**-38,642**	**-2,373**	**-41,015**
Transfer in legal reserve	–	–	2	-2	–	–
Other reclassifications	–	–	–	129	-129	–
As of 09/30/2009	**207**	**106,454**	**21**	**-59,201**	**-16,426**	**31,055**

	2008					
	Attributable to equity holders of the parent					
kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings	Accumulated other comprehensive income (Note 10)	**Total equity**
As of 01/01/2008	**188**	**93,146**	–	**12,317**	**2,506**	**108,157**
Comprehensive income for the year	–	–	–	**18,402**	**-1,961**	**16,441**
Issue of share capital	19	13,968	–	–	–	**13,987**
Transaction costs	–	-618	–	–	–	**-618**
Transfer in legal reserve	–	–	19	-19	–	–
Dividends paid	–	–	–	-8,000	–	**-8,000**
As of 09/30/2008	**207**	**106,496**	**19**	**22,700**	**545**	**129,967**

Consolidated Cash Flow Statement

kEUR	Notes	01/01/09 – 09/30/09	01/01/08 – 09/30/08
Cash flow from operating activities			
Loss/profit before tax		**-42,864**	**26,060**
- Finance income		-2,543	-301
+ Finance expenses		20,584	13,304
+/- Share of net profit of investments accounted for using the equity method		17	-420
+ Amortization and depreciation of intangible assets and property, plant and equipment	(7)	33,397	14,235
+/- Allowance/write-up of current assets		762	-122
+/- Loss/gain on disposal of property, plant, and equipment		150	-565
+ Dividends from investments accounted for using the equity method		706	–
Profit before change of net working capital		**10,209**	**52,191**
- Change in other provisions and pensions		-4,758	-2,166
+/- Change in inventories		27,837	-11,666
+/- Change in trade receivables and other assets		8,541	-5,986
- Change in trade payables and other liabilities		-12,740	-1,456
Cash flow from operating activities before income tax paid		**29,089**	**30,917**
+/- Income tax received/paid	(6)	251	-7,767
Net cash flow from operating activities		**29,340**	**23,150**
Cash flow from investing activities			
+/- Acquisition of subsidiaries net of cash acquired		757[1]	-3,347
- Purchase of property, plant, and equipment		-6,189	-16,017
- Purchase of intangible assets		-577	-7,670
- Purchase of investments accounted for using the equity method		-11	–
+ Proceeds from sales of property, plant, and equipment		767	1,725
+ Interest received		97	301
Net cash flow from investing activities		**-5,156**	**-25,008**
Cash flow from financing activities			
+ Proceeds from the capital increase net of transaction costs		–	13,369
- Payments for expenses relating to the IPO		–	-546
+ Proceeds from Management and Board of Directors loan	(12)	1,244	–
- Dividend payments to shareholders		–	-8,000
- Payments for finance lease		-306	-335
- Interest paid		-18,527	-11,483
- Repayments of current and non-current financial liabilities	(12)	-12,385	-262,226
+ Proceeds from current and non-current financial liabilities	(12)	10,516	274,155
Net cash flow from financing activities		**-19,458**	**4,934**
Net increase in cash and cash equivalents		**4,726**	**3,076**
Net foreign change difference		276	108
Cash and cash equivalents at the beginning of period	(8)	**8,557**	**27,757**
Cash and cash equivalents at the end of period	(8)	**13,559**	**30,941**

1) Cash flow in the amount of kEUR 1,103 generated from the Jinan SAF AL-KO Axle Co., Ltd. and SAF AL-KO Vehicle Technology Yantai Co., Ltd. share swap (see Note 4). Also included are payments in the amount of kEUR 346 in connection with the purchase of SAF-HOLLAND Verkehrstechnik GmbH in the previous year.

Notes to the Consolidated Interim Financial Statements

For the Period January 1 to September 30, 2009

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated interim financial statements for the third quarter of 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting." As a rule, the same accounting policies and consolidation methods were applied as in the Group's annual financial statements for the fiscal year 2008. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 2008. New or revised standards and interpretations, whose application is required beginning in fiscal year 2009, are exceptions to the accounting principles stated in the 2008 annual report.

IAS 1 Presentation of Financial Statements (revised)

According to this standard, a company is required to disclose all changes in equity from transactions with owners in their capacity as owners separately from other changes in equity. The other changes in equity are disclosed in the statement of comprehensive income. According to the previous standard, these changes in equity had been presented in the statement of changes in equity. The Group has decided to present total comprehensive income in a single statement. In future, the income statement will be referred to as the statement of comprehensive income and supplemented by the component "other comprehensive income". The presentation of the comparison period was modified accordingly.

Other relevant changes and revisions, which similarly must be applied as of January 1, 2009, are described in the 2008 annual report. However, they have no material impact on the consolidated interim financial statements.

The Group decided to early adopt the following standards as of January 1, 2009. The effects of the application of these standards on the Group's financial position and financial performance are presented in Note 4.

IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (amended)

The revised IFRS 3 standard introduces changes in the accounting treatment of business combinations that will impact the initial recognition amount of goodwill, the reported results in the period that an acquisition occurs, and future reported results. IAS 27 requires that a change in the ownership interest in a subsidiary (without loss of control) is to be accounted for as an equity transaction. Therefore, neither goodwill nor a profit or loss will arise from such a transaction. Furthermore, the guidelines for allocating losses to parent companies and investments without a controlling interest also change, as do the accounting rules for transactions leading to a loss of control.

The consolidated financial statements of SAF-HOLLAND S.A. were prepared under the assumption that the Company is a going concern. In general, significant uncertainties exist concerning the Company's continued existence which cannot be assessed conclusively at this time. The assessment of the Company's continued existence is mainly subject to uncertainty as to the results of the discussions with the banks. Further details regarding the current status of negotiations are given in Notes 12, 16 and in the Group Interim Management Report.

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

Expenses and income incurred irregularly during the fiscal year were brought forward or deferred if it would also be appropriate to do so at the end of the fiscal year.

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

3 SEASONAL EFFECTS

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

4 SCOPE OF CONSOLIDATION

In consideration of further consolidation and strategic development of activities in China, the reciprocal sale of shareholdings in the associates SAF AL-KO Vehicle Technology Yantai Co., Ltd. ("Yantai") and Jinan SAF AL-KO Axle Co., Ltd. ("Jinan") was agreed in share transfer agreements between SAF-HOLLAND GmbH, Bessenbach, Germany, and AL-KO Kober AG, Kötz, Germany in the second quarter of 2009.

With effect from April 1, 2009, the Group acquired the remaining 51.5 % of voting shares in Jinan SAF AL-KO Axle Co., Ltd. in a business combination achieved in stages. Before the acquisition, the company was accounted for as an associate using the equity method, as the Group already held 48.5 % of voting shares. The shares were acquired through a share swap and a cash payment. In return, the Group transferred its 49.0 % share in SAF AL-KO Vehicle Technology Yantai Co., Ltd. to the seller. The shares in Yantai were classified as non-current assets held for sale since December 31, 2008.

At the time of acquisition, the fair values of the identified assets and liabilities of Jinan SAF AL-KO Axle Co., Ltd. were as follows:

kEUR	Fair value recognized on acquisition	Carrying amount
Property, plant, and equipment	871	871
Inventories	1,932	1,932
Trade receivables	5,288	5,288
Other assets	119	119
Cash and cash equivalents	1,942	1,942
	10,152	**10,152**
Income tax liabilities	315	315
Trade payables	767	767
Other liabilities	1,600	1,600
	2,682	**2,682**
Net assets	7,470	7,470
Goodwill arising on acquisition	1,541	
Total consideration	**9,011**	

The total cost of the business combination in the amount of kEUR 9,011 comprised a cash payment in the amount of kEUR 839, the fair value of the shares given in the amount of kEUR 3,802 and the fair value of the 48.5% share held before acquisition of control in the amount of kEUR 4,370. A gain of kEUR 971 was recognized in finance income as a result of measurement at fair value of the shares in Jinan held before the acquisition.

Cash inflow as a result of the acquisition:

kEUR	
Total cost of the business combination	9,011
Fair Value of shares given	-3,802
Fair Value of previously held shares	-4,370
Net cash of the subsidiary acquired	-1,942
Net cash inflow	**-1,103**

Since the acquisition, Jinan has contributed kEUR 335 to the Group profit for the period and kEUR 2,100 to Group sales. If the business combination had taken place at the beginning of the year, profit would have increased by kEUR 588 and sales by kEUR 2,834. This pro forma information is provided only for the purpose of comparability. It does not necessarily represent actual profit or sales which would have been realized if the business combination had been concluded as of January 1, 2009, and it does not serve as an indicator of future sales or earnings.

The goodwill recognized above results from the expected synergies and other advantages obtained as a consequence of the combination of Jinan's assets and activities with those of the Group. This has allowed the Group to consolidate activities in China. The goodwill determined is assigned to the Trailer Business Unit.

A gain of kEUR 914 was recognized in finance income from the disposal of the Yantai shares in the course of the share swap.

5 SEGMENT INFORMATION

For management purposes, the Group is organized 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 December 31, 2008. For more information, please see the notes of the 2008 annual report.

Management assesses the performance of the operating segments based on adjusted EBIT.

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

kEUR	01/01/09–09/30/09	01/01/08–09/30/08
Operating loss/profit	-24,806	38,643
Share of net profit of investments accounted for using the equity method	-17	420
EBIT	**-24,823**	**39,063**
Additional depreciation and amortization from PPA	5,127	4,572
Impairment	16,903	–
Step-up inventory PPA	–	270
Restructuring and integration costs	4,005	2,524
Adjusted EBIT	**1,212**	**46,429**

Information on segment sales and earnings for the period from January 1 to September 30:

	2009				
	Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments/ eliminations	**Consolidated**
Sales	130,503	72,996	112,864	–	**316,363**
Adjusted EBIT	-27,249	8,500	22,810	-2,849	**1,212**

	2008				
	Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments/ eliminations	**Consolidated**
Sales	451,342	60,393	134,549	–	**646,284**
Adjusted EBIT	22,933	1,941	21,793	-238	**46,429**

Adjustments and eliminations include expenses of the parent company as well as other expenses and income which are not allocated to any Business Unit.

Please see the Group Interim Management Report regarding earnings development.

Allocation of assets to the operating segments as of September 30, 2009 compared to December 31, 2008:

	Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments/ eliminations	**Consolidated**
As of 09/30/2009	227,169	82,520	135,518	28,200	**473,407**
As of 12/31/2008	294,651	79,789	136,818	26,114	**537,372**

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

6 INCOME TAXES

The major components of income taxes are as follows:

kEUR	01/01/09–09/30/09	01/01/08–09/30/08
Current income taxes	-491	-8,466
Deferred income taxes	4,713	808
Income tax reported in the consolidated statement of comprehensive income	**4,222**	**-7,658**

The effective tax rate in the third quarter of 2009 was 9.85 %, compared to 29.39 % in the corresponding period in the previous year.

7 IMPAIRMENT TEST OF GOODWILL, INTANGIBLE ASSETS, AND PROPERTY, PLANT, AND EQUIPMENT

In reviewing indications of impairment, the Group has considered, in addition to other factors, the rise in the discount rate, on the basis of the increased risk factor determined from peer group analyses. Furthermore, the Group developed corporate scenarios on the basis of the deterioration in earnings expectations due to the financial market crisis and the decreasing sales level. For these reasons, management carried out an impairment test as of September 30, 2009.

The Group's impairment tests of goodwill, intangible assets, and property, plant, and equipment calculate the recoverable amount on the basis of the discounted cash flow method.

The assumptions and approaches disclosed in the consolidated financial statements as of December 31, 2008 have not changed, except for the following:

For the additional impairment test as of year end 2008, the Group calculated the recoverable amount on the basis of fair value less cost to sell. This was decided in view of the additional restructuring measures planned for 2009 to adjust the Group's cost structure to the lower sales level. Fair values less cost to sell as of December 31, 2008 were higher than the respective values in use. As the restructuring measures were in place by September 30, 2009, the Group switched back to assessing the value in use.

Impairment test of goodwill

Cash flows beyond the four-year period are extrapolated using a 1.0 % growth rate (December 31, 2008: 0.5%). All other assumptions continued to agree with the one disclosed in the consolidated financial statements as of December 31, 2008. The results of the impairment testing of the cash-generating units can be summarized as follows:

Cash-generating unit "Trailer Systems"

The pre-tax discount rate applied to cash flow projections is 13.25 % as of September 30, 2009 (December 31, 2008: 13.50 %). The impairment test for the cash-generating unit "Trailer Systems" performed led to a kEUR 11,122 impairment of goodwill (December 31, 2008: kEUR 9,972) as the recoverable amount was lower than the carrying amounts for the unit. The impairment of goodwill allocated to the cash-generating unit was recognized with affect on net income. After recognition of impairment, goodwill in the amount of kEUR 16,603 was assigned to the cash-generating unit.

Cash-generating unit "Powered Vehicle Systems"

In the context of the impairment test as of December 31, 2008, goodwill of the cash-generating unit "Powered Vehicle Systems" was already impaired in the full amount.

Cash-generating unit "Aftermarket"

The pre-tax discount rate applied to cash flow projections is 14.37 % as of September 30, 2009 (December 31, 2008: 13.99 %). As a result of this analysis, management did not identify any impairment for this cash-generating unit, which is allocated goodwill in the amount of kEUR 27,178. The difference in the carrying amount compared to December 31, 2008 is due without exception to exchange rate fluctuations.

Sensitivity to changes in assumptions

A possible change in the key assumptions could have the following effects:

- Trailer Systems: If the pre-tax discount rate used of 13.25 % increased by 100 base points, the recoverable amount would decrease by EUR 14.4 million.
- Aftermarket: No reasonably possible change in the key assumptions could lead to the unit's carrying amount exceeding the recoverable amount.

If the pre-tax discount rates used had been 100 base points lower, no impairment of goodwill would have occurred, assuming all other variables are constant.

Impairment test of intangible assets with indefinite useful lives

The recoverable amount for the "SAF", "Holland", and "Trilex" brands was determined on the basis of the fair value (less cost to sell) using the relief from royalty approach. This estimate is based on sales in the corporate scenarios developed by senior management covering a four-year period. The discount rate applied to cash flow projections was for the "SAF" brand 10.27 % as of September 30, 2009 (December 31, 2008: 9.75 %), for the "Holland" brand 10.06% (December 31, 2008: 8.85%) and for the "Trilex" brand 10.29% (December 31, 2008: 9.82 %). Cash flows beyond the four-year period are extrapolated using a 1.0 % growth rate (December 31, 2008: 0.5 %). The discount rate was calculated using a weighted average cost of capital (WACC) approach.

The impairment tests carried out on September 30, 2009 led to an impairment for the "SAF" brand in the amount of kEUR 2,841 (December 31, 2008: kEUR 2,027), for the "Holland" brand in the amount of kEUR 2,000 (December 31, 2008: kEUR 1,011), and for the "Trilex" brand in the amount of kEUR 940 (December 31, 2008: kEUR 0). The impairments were recognized in the income statement.

Impairment test of intangible assets with definite useful lives, and property, plant, and equipment

The impairment test of intangible assets with definite useful lives, and property, plant, and equipment did not lead to any impairment.

8 CASH AND CASH EQUIVALENTS

kEUR	09/30/09	12/31/08
Cash at banks and on hand	12,855	7,926
Short-term deposits	704	631
Total	**13,559**	**8,557**

9 OTHER PROVISIONS

In the course of routine quality control, a material defect in a blank purchased for kingpins was detected. The Group therefore decided to replace all parts potentially affected as a precautionary measure. The resulting costs in the amount of kEUR 859 were recorded as a provision in the financial statements.

10 INCOME TAXES RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

	09/30/2009			09/30/2008		
kEUR	Before tax amount	Tax expenses(-)/ benefits (+)	Net of tax amount	Before tax amount	Tax expenses(-)/ benefits (+)	Net of tax amount
Exchange differences on translation of foreign operations	465	-3,702	-3,237	-1,181	–	-1,181
Changes in fair values of derivatives designated as hedges, recognized in equity	1,317	-453	864	-1,121	341	-780
Total	**1,782**	**-4,155**	**-2,373**	**-2,302**	**341**	**-1,961**

11 EARNINGS PER SHARE

Earnings per share is calculated by dividing the result for the period attributable to shareholders of SAF-HOLLAND S.A. by the average number of shares outstanding. Earnings per share can be diluted by potential ordinary shares. Newly issued or repurchased shares are taken into account on a pro rata basis during the period in which they are in circulation.

		09/30/09	09/30/08
Result of the period	**kEUR**	**-38,642**	**18,402**
Weighted average number of shares outstanding	thousands	20,702	19,003
Earnings per share	**EUR**	**-1,87**	**0,97**

No dilutive effects occurred during the period under review or in the comparison period for 2008.

12 INTEREST-BEARING LOANS AND BORROWINGS

	Non-current		Current		**Total**	
kEUR	**09/30/2009**	12/31/2008	**09/30/2009**	12/31/2008	**09/30/2009**	12/31/2008
Interest-bearing collateralized bank loans	–	–	**299,125**	305,869	**299,125**	305,869
Management and Board of Directors loans	**1,261**	–	–	–	**1,261**	–
Bank overdrafts	–	–	**4,628**	4,539	**4,628**	4,539
Accrued interests	**44**	–	**126**	1,347	**170**	1,347
Other loans	**4,500**	–	–	641	**4,500**	641
Total	**5,805**	–	**303,879**	312,396	**309,684**	312,396

In order to improve the liquidity situation, additional loan agreements were arranged with members of management and the Board of Directors as well as a longstanding customer in Europe in February 2009. The credit agreement with the customer for EUR 4.5 million has a term of 18 months. The interest rate consists of the prevailing Euribor rate plus a 2 % margin. Certain assets of the Group, which are not considered as belonging to the core business, serve as collateral for the loan. The management and Board of Director loans for EUR 1.3 million have a term of 24 months. The interest rate is 10 % and payment is due in full on maturity. No collateral was provided for the loans.

On February 19, 2008 SAF-HOLLAND S.A. concluded an agreement with a bank consortium, which replaced the previous LBO financing. By means of the new consortium agreement, borrowed funds amounting to EUR 325 million were provided for a period of five years. The agreement consists of a Euro tranche (the A1 facility), a US-Dollar tranche (the A2 facility), and a multi-currency revolving credit line (the B facility). These tranches are shown in the following table:

	09/30/09		
kEUR	Amount drawn under the term loans	Nominal value after deducting incidental financing costs	Available facility
Facility A1	71,911	71,911	71,911
Facility A2	56,751	56,751	56,751
Facility B	170,463	170,463	185,000
Total	**299,125**	**299,125**	**313,662**

In May 2009, the A1 facility and the A2 facility were reduced by EUR 5.7 million as planned.

As a result of the consortium credit agreement reached on February 19, 2008, the Company committed itself to maintaining certain financial covenant levels.

Due to extremely volatile markets and a subsequent substantial decline in business since the fourth quarter of 2008, the Group was unable to maintain the financial covenants as of December 31, 2008, March 31, June 30 and September 30, 2009 despite comprehensive and promptly introduced measures. Failure to do so generally entitles the bank consortium to call in the loans. The negotiations begun with the bank consortium to adjust the credit conditions to the altered economic environment led to the conclusion of a standstill agreement.

The standstill agreement encompasses the following core elements:

- Increase in the interest margin from 1.6 % to 4 %.
- Suspension of the financial covenants as of December 31, 2008 and as of March 31, June 30 and September 30, 2009.
- Extensive granting of guarantees in the form of commercial real estate mortgages, pledging of Group bank accounts, and the assignment of other assets as security.
- Preparation and presentation of an expert restructuring opinion on the financial restructuring ability by the auditing firm KPMG.
- Development of a new financing concept after presentation of the expert restructuring opinion.

The preliminary expert restructuring opinion was completed by KPMG at the beginning of May 2009 and in June it was approved by the consortium of banks. The expert opinion confirms the Group's ability to restructure. As a result of continued weak business development and the slower than expected stock disposal at our customers, particularly in the area of Trailers in Europe, the preliminary expert opinion from KPMG will be updated. At the same time, the standstill agreement has been extended to November 25, 2009. The new financing agreement is expected to be completed by this time.

13 OTHER FINANCIAL LIABILITIES

The Group is exposed to interest rate risks as a result of its financing activities. To hedge this cash flow risk, the Group still holds interest rate swaps and prolongation options for these swaps.

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

	Interest rate swaps	Prolongation options for interest rate swaps	**Total**
Fair value as of 01/01/09	**4,717**	**5,303**	**10,020**
Changes recognized in equity (before tax)	-1,317	-	-1,317
Changes recognized in profit or loss (before tax)	-423	1,862	1,439
Foreign currency translation	-119	-140	-259
Fair value as of 09/30/09	**2,858**	**7,025**	**9,883**

14 RELATED PARTY DISCLOSURES

Management Board and Board of Directors

When his contract expired on February 28, 2009, CEO Mr. Rudi Ludwig resigned from operational business for personal reasons and at his own request. He remains a member of the Board of Directors. Dr. Reiner Beutel was appointed to succeed him on the Management Board as CEO. Effective August 1, 2009, Dr. Martin Kleinschmitt was newly appointed to the Management Board as Chief Restructuring Officer.

With effect from February 1, 2009, Dr. Reiner Beutel was newly appointed to the Board of Directors. In addition, Dr. Rolf Bartke, previously Chairman of the SAF-HOLLAND S.A. Board of Directors, resigned from the Board as of January 31, 2009 for personal reasons and at his own request. On March 27, 2009, Mr. Bernhard Schneider – member of the Board of Directors since June 18, 2007 – was elected as Chairman of the Board of Directors as the successor of Dr. Rolf Bartke.

Further details regarding loans granted in February 2009 by members of management and the Board of Directors are provided in Note 12.

Transactions with related parties and companies in which the key management personnel of the Group hold key management positions

kEUR	01/01/09–09/30/09 Sales to related parties	01/01/09–09/30/09 Purchases from related parties	01/01/08–09/30/08 Sales to related parties	01/01/08–09/30/08 Purchases from related parties
Jinan SAF AL-KO Axle Co., Ltd.	58[1]	–[1]	847	588
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	–[1]	57[1]	2	319
SAF-HOLLAND Nippon, Ltd.	192	–	610	–
Lakeshore Air LLP	–	85	–	226
FWI S.A.	–	8,604	–	18,858
Irwin Seating Company[2]	1,118	–	1,339	–
	1,368	**8,746**	**2,798**	**19,991**

1) Due to the reciprocal sale of shareholdings (see Note 4), SAF AL-KO Vehicle Technology Yantai Co., Ltd. and Jinan SAF AL-KO Co., Ltd. are included in the disclosures on revenue and expenses on a pro-rata basis until March 31, 2009.

2) The Irwin Seating Company is a company in which a member of the Group's management holds a key management position.

kEUR	30.09.2009 Amounts owed by related parties	30.09.2009 Amounts owed to related parties	31.12.2008 Amounts owed by related parties	31.12.2008 Amounts owed to related parties
SAF-HOLLAND Nippon, Ltd.	66	1,189	61	–
Lakeshore Air LLP	–	–	–	25
FWI S.A.	–	96	–	921
Irwin Seating Company[2]	29	–	125	–
	95	**1,285**	**186**	**946**

15 CASH FLOW STATEMENT

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

16 EVENTS AFTER THE BALANCE SHEET DATE

As a result of continued weak business development and the slower than expected stock disposal at our customers, particularly in the area of Trailers in Europe, the preliminary expert opinion from KPMG will be updated. At the same time, the standstill agreement has been extended to November 25, 2009. The new financing agreement is expected to be completed by this time.

No further material events have occurred since the reporting date.

Financial Glossary

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

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

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

Effective income tax rate: Income tax/earnings before tax x 100.

Equity ratio: Equity/total assets x 100.

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

Free float: The free float of a public company is an estimate of the proportion of shares that are not held by major owners.

IFRS/IAS: (International Financial Reporting Standards/International Accounting Standards): The standard international accounting rules are intended to make company data more comparable. Under the EU resolution, accounting and reporting at exchange-listed companies must be done in accordance with these rules.

Inventory turnover rate: Inventories/cost of sales per day.

Net working capital: Current assets minus cash and cash equivalents minus other provisions minus income tax liabilities minus trade payables minus other current liabilities.

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

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

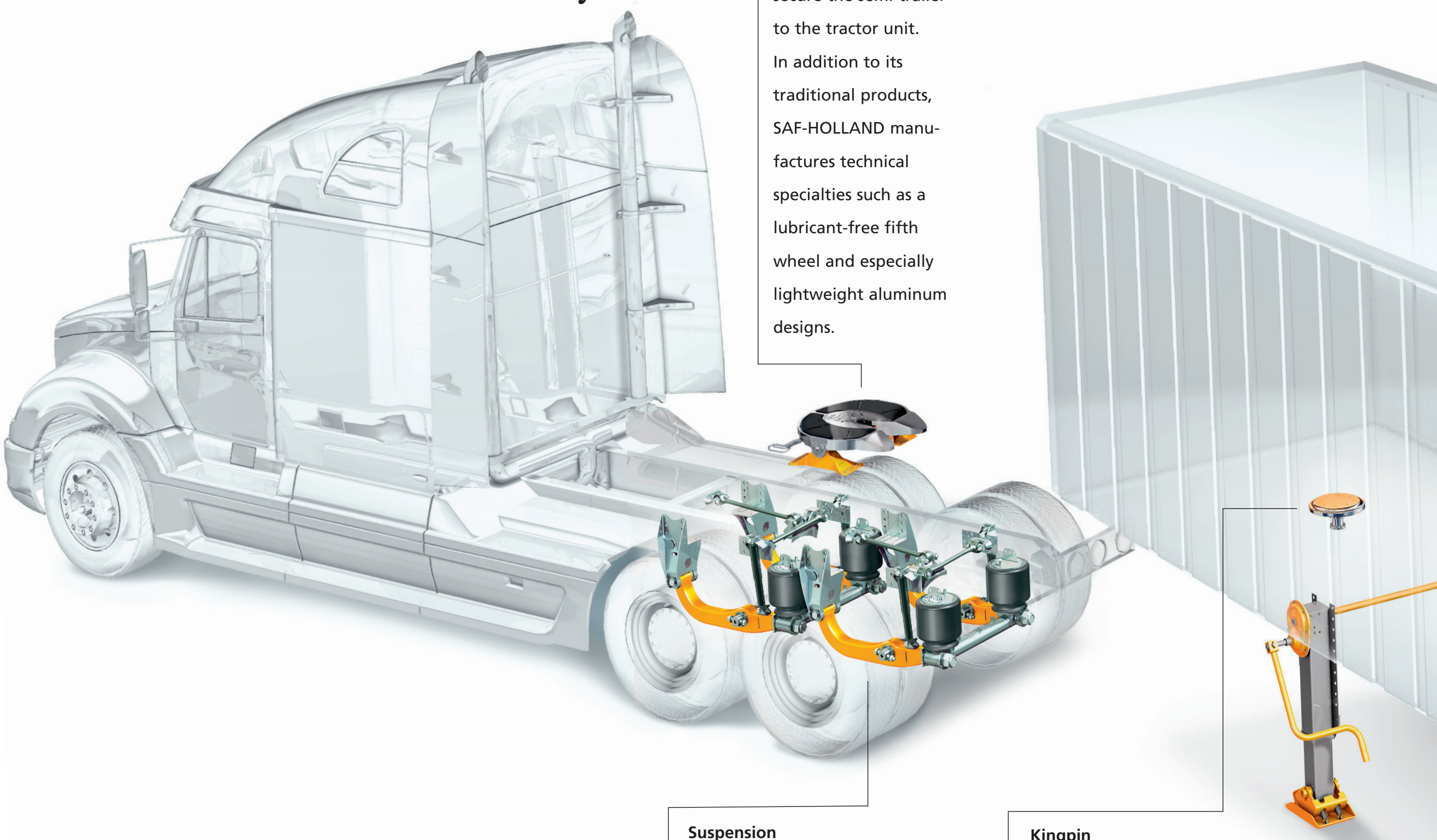
R&D ratio: R&D costs and capitalized development costs / sales x 100.

Sales per employee: Sales in the reporting period projected over the fiscal year / average number of employees.

SDAX: The SDAX is the selection stock market index for 50 smaller companies in Germany, “small caps“.

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

Technical Glossary

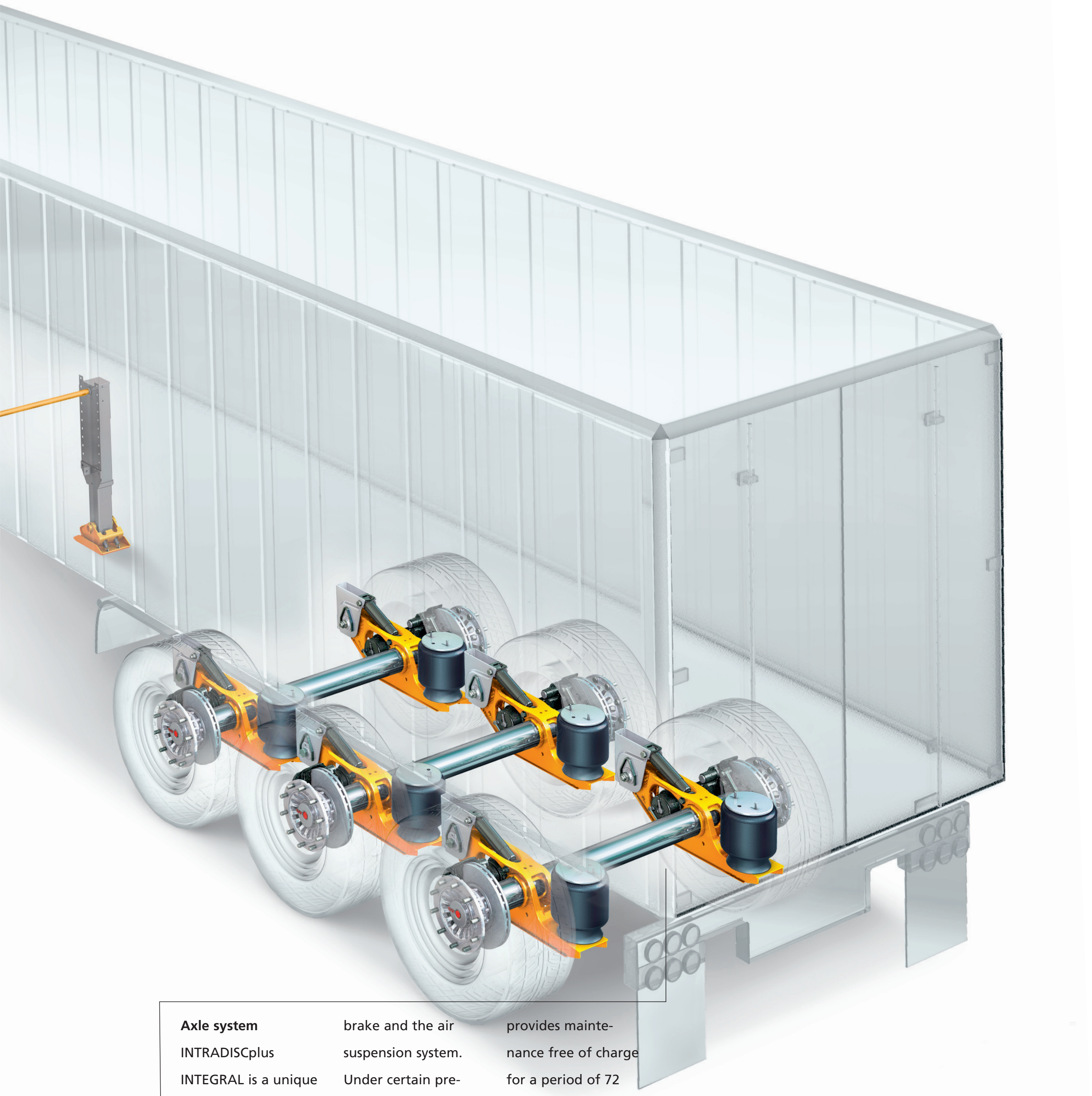


Fifth wheel
Mounts with the kingpin and serves to secure the semi-trailer to the tractor unit. In addition to its traditional products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel and especially lightweight aluminum designs.

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

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

Landing 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 INTRADISCplus INTEGRAL is a unique axle system for trailers, which consists of the axle itself fitted with a disk brake and the air suspension system. Under certain preconditions, and taking into account the existing warranty terms, SAF-HOLLAND provides maintenance free of charge for a period of 72 months or 1 million kilometers for the INTRA ALL-IN axle system.

Financial Calendar and Contact Information

Financial Calendar

April 1, 2010	Full-Year 2009 Results, Financials press and analysts conference
April 22, 2010	Annual General Meeting
May 27, 2010	Publication of Q1 Report

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