

Focus on fleet customers

Quarterly Report of SAF-HOLLAND S.A.
as of September 30, 2014



KEY FIGURES

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Sales	723.5	654.7	241.5	219.1
Cost of sales	-587.5	-533.4	-196.3	-178.1
Gross profit	136.0	121.3	45.2	41.0
as a percentage of sales	18.8	18.5	18.7	18.7
Adjusted result for the period	35.0	23.6	13.9	7.0
as a percentage of sales	4.8	3.6	5.8	3.2
Adjusted EPS in EUR ¹⁾	0.77	0.52	0.30	0.15
Adjusted EBITDA	65.4	55.1	22.4	18.4
as a percentage of sales	9.0	8.4	9.3	8.4
Adjusted EBIT	55.6	46.3	19.1	16.5
as a percentage of sales	7.7	7.1	7.9	7.5
Operating cash flow ²⁾	21.4	48.9	6.4	12.4

¹⁾ Adjusted net result / weighted average number of ordinary shares outstanding as of the reporting day.
²⁾ The operating cash flow is the cash flow from operating activities before income tax payments.

SALES BY REGION

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Europe	379.7	338.6	118.5	111.6
North America	270.1	263.2	95.2	88.0
Other	73.7	52.9	27.8	19.5
Total	723.5	654.7	241.5	219.1

SALES BY BUSINESS UNIT

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Trailer Systems	414.1	373.1	133.3	123.9
Powered Vehicle Systems	122.9	109.8	44.0	34.3
Aftermarket	186.5	171.8	64.2	60.9
Total	723.5	654.7	241.5	219.1

OTHER FINANCIAL INFORMATION

	09/30/2014	06/30/2014	03/31/2014	12/31/2013
Total assets (EUR million)	645.1	607.8	590.7	536.4
Equity ratio (%)	39.1	38.1	39.3	41.4
	Q1-Q3/2014	Q1-Q3/2013		
Employees (average)	3,374	3,085		
Sales per employee (kEUR)	214.5	212.2		

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Foreword from the Management Board

Ladies and Gentlemen, Dear Shareholders and Investors,

SAF-HOLLAND has successfully finished the third quarter of 2014 and was once again able to benefit from the positive market development in the core markets of Europe and North America.

In order to ensure that this continues to be the case, we have made the quality and innovative strength of our products the focus of our efforts. In September of this year, we therefore presented to our customers a firework of innovations and new products at the world's largest trade fair for commercial vehicles, the IAA in Hannover – all under the motto „inspired by passion“. The focus of our trade fair appearance was clearly on our end customers and their particular needs, such as cost-efficiency and weight reductions for their vehicles. At our stand, which attracted a large number of visitors, in addition to the more than 20 new products, we also presented pioneering new technologies and materials such as the carbon-fibre CFRP axle or the newly-developed prism brake „SAF DIRECT“. An even closer networking with customers is a top priority for us. We are therefore very proud to be the first supplier in the market to offer a loyalty program, FLEET connect, with which fleet operators will in future be given bonus points for each SAF-HOLLAND product that they buy and register. When the relevant number of points has been earned, the end customer receives attractive rewards and services.

In the third quarter of 2014, Group sales increased to EUR 723.5 million which, compared to the previous year period, represents a strong growth in sales of 10.5%. For SAF-HOLLAND, the expansion of sales volume combined with nearly constant cost structures was linked to a disproportionately high increase in earnings. Adjusted EBIT rose in the first nine months of the year 2014 by 20.1% to EUR 55.6 million, which corresponds to an increase in the adjusted EBIT margin from 7.1% to 7.7%.

The largest Business Unit, Trailer Systems, increased its sales in the first three quarters by about 11% to EUR 414.1 million. The Business Unit was able to take advantage of the strong market growth in North America. The European business also continued to develop positively. It remains to be seen what impact the Ukraine crisis and the associated export sanctions against Russia will have over the course of the year. The earnings side of the Trailer Systems Business Unit remained positive. Adjusted EBIT rose by about 80% to EUR 17.2 million which corresponds to an adjusted EBIT margin of 4.2% as compared to 2.6% in the previous year. The continuing success of the bundle of measures initiated last year to improve the profitability of the Business Unit made a key contribution to the strong earnings.

In the Powered Vehicle Systems Business Unit, sales in the first three quarters of 2014 rose by 11.9% to EUR 122.9 million. Sales increased both in the North American core market and in Europe. Adjusted EBIT for the first three quarters was at EUR 8.1 million as compared to EUR 9.4 million in the previous year. The weaker earnings figures as compared to the previous year reflect, on the one hand, the initially reluctant investment behavior of fleet operators due to the difficult winter and the unfavorable customer and product mix in the first quarter. Beyond that, seasonal influences from the Corpco acquisition also had an impact on earnings in the Business Unit.

The Aftermarket Business Unit developed positively once again in the first three quarters of 2014 and was able to increase its sales by 8.6% to EUR 186.5 million. Adjusted EBIT in the first nine months increased to EUR 30.3 million (previous year: EUR 27.2 million) which corresponds to an adjusted EBIT margin of 16.2% (previous year: 15.8%). The further expansion of our global service network made an important contribution to the positive business development as did the product range of our second brand, SAUER Quality Parts, which we have continuously expanded since 2012. We are currently preparing to enter the American market with the second brand GoldLine.



Detlef Borghardt,
Chief Executive Officer (CEO)

In addition to the strong operational performance of the Business Units, the sound financing structure of the Group is a further building block for the success of SAF-HOLLAND. With the successful issue of a convertible bond due in 2020, we took another important step on the path toward a sustainably optimized financing structure in September 2014. With the proceeds from the bond issuing, we achieved a further repayment of our bank loans, a significant reduction of our financing costs and an improvement of our risk profile. We also managed to reduce the number of our banks and we will continue to benefit from the historically low capital market interest rates. My colleagues on the Management Board and myself are confident that SAF-HOLLAND is optimally positioned for the future from a financial perspective.

Our thanks go out to our global customers, business partners, worker representatives and employees for the trusting cooperation and to our shareholders and investors for their solidarity with SAF-HOLLAND.

Yours,



Detlef Borghardt
Chief Executive Officer (CEO)



SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF SHARE PRICE DEVELOPMENT

International trouble spots burden stock market

For the German stock market, the third quarter of 2014 was characterized by increasing nervousness and uncertainty among investors. The reasons behind this were, in particular, growing concern regarding disputes in the crisis regions Ukraine and the Middle East as well as the potential impact from the political and economic conflict between Russia and the European Union. Additional burdens on the stock exchanges were provided by disappointing company results and currency fluctuations in emerging markets.

The leading German index DAX was able to exceed the 10,000 point mark at the beginning of the quarter and reached an all-time high, but then declined until the beginning of August to a level of approximately 9,000 points. At the end of the quarter, the DAX was at 9,474 points and had thus declined by 0.8% as compared to the year-end closing 2013. The SDAX, where SAF-HOLLAND is listed, had a better performance. With 6,853 points at the end of the quarter, the comparative index for SAF-HOLLAND was 0.9% above its year-end closing 2013.

SAF-HOLLAND share also under pressure

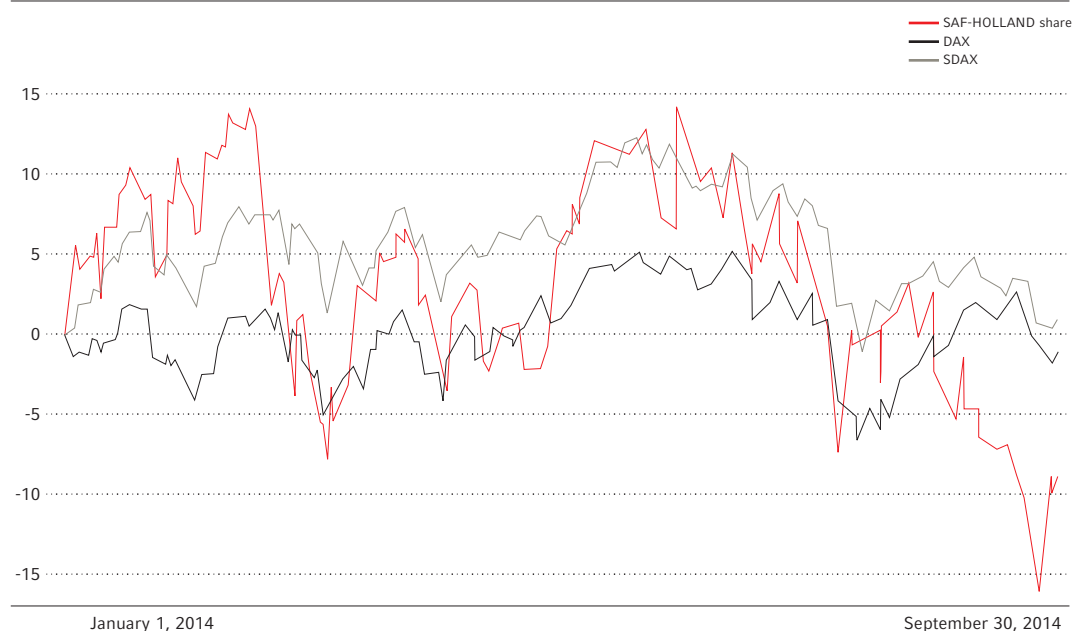
Against the backdrop of a weakening stock market, the SAF-HOLLAND share was also not able to continue the upward development it had maintained for months. In addition to a general bleakness on the market, profit-taking on the part of investors also had a negative effect on the development of the share price.

Following the low of EUR 9.15 on September 25, the price rose slightly. The share closed out the reporting quarter with a price of EUR 9.77 and was thus 9.6% below the year-end closing price for 2013. Compared to the closing price for the third quarter of the previous year, there was a price increase of approximately 8%.

On the basis of the quarterly closing price and the 45,361,112 shares issued, the market capitalization of SAF-HOLLAND increased to EUR 443.2 million as of September 30, 2014 (previous year: EUR 410.5 million).

SAF-HOLLAND on the
Capital Market

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

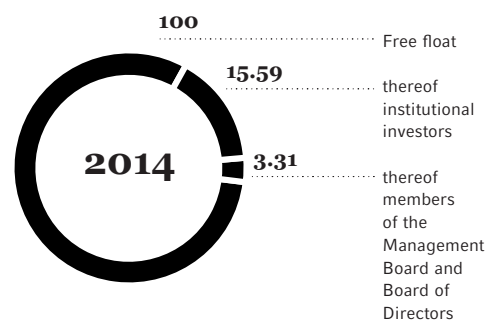


SAF-HOLLAND with high degree of free float

The SAF-HOLLAND share is listed on the regulated market of the Frankfurt Stock Exchange. As an SDAX stock, it meets the strict transparency criteria of the Deutsche Boerse Prime Standard. In the first nine months of the year, the average trading volume of the share per trading day was 143,366 (previous year: 228,597).

The majority of the company's shares are in free float. Larger contingents of our stock are held by investment companies from the USA, the United Kingdom, Switzerland, France and Germany. Large institutional investors include Deutsche Bank AG with a 5.29% stake and 2,401,539 voting rights, FMR LLC, Boston (5.06% / 2,294,277 voting rights) and Threadneedle Asset Management Ltd., London (5.24% / 2,376,212 voting rights). Members of the Management Board and the Board of Directors of SAF-HOLLAND hold 3.33% of the company's shares (previous year: 4.39%).

SHAREHOLDER STRUCTURE 2014 Figures in %



As of October 13, 2014

Group of sell-side analysts increased

SAF-HOLLAND is regularly analyzed by several banks and brokers. In the third quarter Quirin Bank AG, Berlin, initiated its coverage. Directly following our investor conference at the IAA Commercial Vehicles trade fair, most of the analysts confirmed their positive evaluation of the share. At the time of publication of this quarterly report, all nine analysts gave the share a „buy“ recommendation.

CURRENT ANALYSTS ESTIMATES

10/21/2014	Commerzbank AG	buy
09/29/2014	Hauck & Aufhäuser Institutional Research AG	buy
09/29/2014	Quirin Bank AG	buy
09/26/2014	Deutsche Bank AG	buy
09/26/2014	equinet Bank AG	buy
09/08/2014	Kepler Cheuvreux	buy
08/12/2014	Bankhaus Lampe KG	buy
08/07/2014	Close Brothers Seydler Bank AG	buy
05/15/2014	Montega AG	buy

KEY SHARE FIGURES

WKN / ISIN	A0MU70 / LU0307018795
Stock exchange symbol	SFQ
Number of shares	45,361,112 shares
Designated sponsors	Commerzbank AG, Close Brothers Seydler Bank AG, Kepler Cheuvreux
Daily high/low in the reporting period ¹⁾	EUR 11.86 / EUR 9.15
Quarterly closing price ¹⁾	EUR 9.77
Market capitalization at the end of third quarter	EUR 443.2 million
Adjusted earnings per share ²⁾	EUR 0.77

¹⁾ XETRA closing price in euros.

²⁾ Based on the weighted average number of shares outstanding in the period under review.

CORPORATE BONDS OVERVIEW

Convertible bonds successfully placed

On September 12, 2014, within the scope of a private placement, we issued convertible bonds with a total value of EUR 100.2 million. The unsubordinated and unsecured convertible bonds are due on September 12, 2020. The two-times oversubscribed bonds were already placed with institutional investors just a few hours after the accelerated book building process – evidence of the tremendous interest as well as the confidence that investors have in the strength of our company.

The transaction was accompanied by joint bookrunners Citigroup Global Markets Ltd. and Commerzbank AG. IKB Deutsche Industriebank AG acted as co-lead manager and advisor. Following the issue, the convertible bonds were admitted for trading on September 12, 2014 in the open market of the Frankfurt Stock Exchange.

The convertible bonds issued at 100% of their nominal value with a denomination of EUR 100,000 per bond are convertible into 8.1 million new or existing ordinary shares of SAF-HOLLAND S.A. with a par value of EUR 0.01, representing approximately 17.8% of SAF-HOLLAND S.A.'s current outstanding share capital. The subscription rights of the shareholders are excluded.

The convertible bonds have an annual interest rate of 1.00%, payable semi-annually in arrears. The initial conversion price amounts to EUR 12.37 which represents a conversion premium of 20% above the applicable reference share price.

For SAF-HOLLAND, the convertible bonds are a further significant component in the long-term securing and optimization of the company's financing structure and costs. They have given our company sustainably attractive low interest rate conditions and, at the same time, established a favorable basis for the renegotiation of existing credit lines at banks. More information on page 15 and in Events After the Balance Sheet Date on page 24.

The convertible bonds provide SAF-HOLLAND – as compared to bonds without conversion rights – an interest rate advantage of approximately 2.5%. In total, the company saves about EUR 2 million annually as a result of the optimized financing structure, which has a correspondingly positive impact on the earnings situation and thus also on the earnings per share. With this interest expense saving, a dilution would only mathematically occur at a share price of EUR 13.81, under the assumption that the conversion takes place by the end of the conversion period.

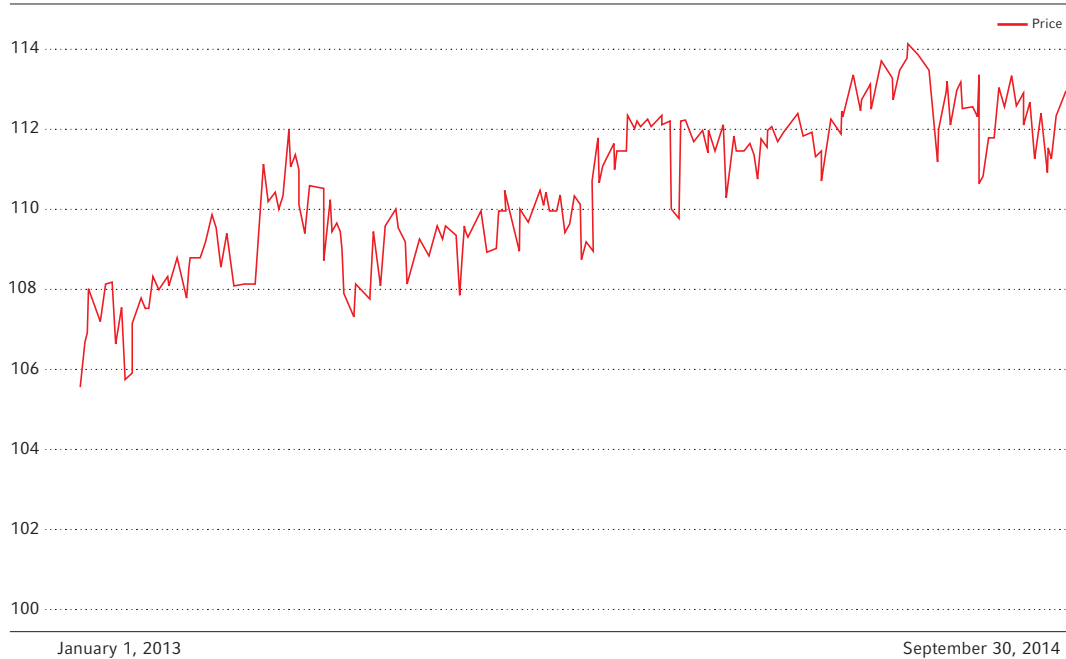
KEY FIGURES FOR THE CONVERTIBLE BONDS

WKN	A1ZN7J
ISIN	DE000A1ZN7J4
Volume	EUR 100.2 million
Denomination	EUR 100,000
Coupon	1.00% p.a.
Method of payment	Semi-annually, first payment on March 12, 2015
Term	6 years
Maturity	September 12, 2020
Status	Not subordinated and unsecured
Conversion price	EUR 12.37 per share
Conversion bonus	20% above reference price
Conversion rate	Initially 8,083.6823 per bond (approx. 8.1 million shares)
Dividend protection	Up to EUR 0.27 per share annually
Stock exchange listing	Open market of the Frankfurt Stock Exchange

Corporate bond listed at 113%

The SAF-HOLLAND corporate bond that was issued two years ago continued its mostly stable price development. At the close of trading on September 30, 2014 our corporate bond had a price of 113.0% (previous year: 109.5 percent). Our bond has a liquidity rating in the investment grade range and is listed in the Prime Standard for corporate bonds in the Frankfurt Stock Exchange.

DEVELOPMENT OF THE SAF-HOLLAND CORPORATE BOND Figures in %



Source: IKB Deutsche Industriebank AG, Düsseldorf.

KEY FIGURES FOR THE CORPORATE BOND

WKN	A1HA97
ISIN	DE000A1HA979
Volume	EUR 75.0 million
Denomination	EUR 1,000
Coupon	7.00% p.a.
Interest date	April 26
Term	5.5 years
Maturity	April 26, 2018
Bond segment	Prime Standard
Exchange	Frankfurt
Status	Not subordinate
Company rating	BBB, outlook stable (Euler Hermes)
Quarterly closing price ¹⁾	113.0%

¹⁾ Closing price Bloomberg.

INVESTOR RELATIONS AND CAPITAL MARKET RELATIONSHIPS

Capital Markets Day 2014 at the IAA Commercial Vehicles

The highlight of our capital market communication in the third quarter was this year's Capital Markets Day from SAF-HOLLAND. The event for financial analysts and investors took place at the end of September at the well-attended largest international trade fair for commercial vehicles, the IAA Commercial Vehicles trade fair in Hannover. SAF-HOLLAND presented itself there under the motto „inspired by passion“ and, with its presence at the trade fair, once again underscored the company's focus on end-customers. A large number of investors and analysts followed the presentations from our management. During the following guided tour around the SAF-HOLLAND trade fair stand by the management, the visitors were impressed by the company's appearance and by the product innovations that were being presented. More information can be found in the Management Report under „Significant Events in the Third Quarter“, page 13.

We also provided information for capital market experts on the strategic positioning and the strengths of our company at road shows in the United Kingdom and in Munich. In addition, the company successfully participated in the German Commerzbank Sector Conference Week in Frankfurt and the North American UBS Best of Germany Conference in New York, among other events. A broad range of individual and group discussions as well as telephone conferences rounded out our IR activities in the third quarter.

The objective of SAF-HOLLAND's investor relations activities is the provision of comprehensive and timely information for shareholders, bondholders and analysts. The range of communications includes explanations of business development, the global growth strategy, market positions and the future prospects of our company. As a result of the extensive and continuous IR efforts, we make a direct contribution to the expansion of our investor base. In addition, our commitment serves to enhance the importance of SAF-HOLLAND shares and corporate bonds as attractive investments.

Detailed information on the share as well as on the corporate bond and the convertible bonds of SAF-HOLLAND can be found on our Investor Relations website in the Internet. Here you will find, among other things, reports and presentations for download: <http://corporate.safholland.com/en/investoren.html>.

Group Interim Management Report

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

GENERAL FRAMEWORK CONDITIONS

Overall economic development

Growth of the world economy has slowed considerably over the course of the year. The economy developed at a lower rate than expected, especially in emerging countries, but production in the advanced economies also showed little growth development.

In Europe, in addition to the weaker global economy, the conflict in Ukraine also had an impact, especially in Central and Eastern European countries. Due to the changed global economic and political conditions, the upward economic trend in the Euro zone has stalled for the moment. The economy in Germany also weakened. According to the German Institute for Economic Research, production in Germany in the third quarter increased just slightly by 0.2%.

In the United States, gross domestic product (GDP) continued to show strong growth. According to initial calculations from the Bureau of Economic Analysis, GDP from July to September grew by 3.5% as compared with the prior-year period. This positive development was driven, among other things, by an increased willingness to invest on the part of the public sector. The Institute for World Economy believes that American municipalities and states increased spending by 3%.

The economic outlook in the BRIC countries has improved. After a weak start to the year, the Chinese economy grew at an ongoing rate of approximately 8%. Economic growth in India also improved: In a year-on-year comparison, production increased by 5%. The Brazilian economy, on the other hand, was once again burdened by worsening financing possibilities and declining raw-materials prices. In its fall forecast, the Institute for World Economy anticipates growth in the gross domestic product for the South American country of a mere 0.1% in 2014. In Russia, the consequences of the Ukraine crisis, including the imposed economic sanctions, dampened economic growth. The decline in value of the ruble promoted exports, but Russian gross domestic product was nevertheless able to expand only slightly.

Industry-specific development

The primary growth driver for the global commercial vehicles market was North America, where freight forwarders and fleet operators continued to invest heavily in their fleets. Demand for both, trucks and trailers, was extraordinarily high. According to ACT Research, orders for trucks in class 8 increased by 70% in July, 30% in August and 32% in September as compared to the corresponding month in the previous year. Orders were also up in classes 5 to 7. In August, for example, they were 15% higher than in the same month in 2013. The North American trailer market also continued to record good growth rates. The order numbers as compared to the monthly figures from the previous year increased by 37% in July and by 86% in September.

The strong growth of 9.3% on the European commercial vehicles market in the first half of the year weakened somewhat over the course of the year. Parallel to the generally weaker overall economy, but also caused by uncertainty in connection with the developments in Ukraine and Syria, sales figures declined slightly in the third quarter. During the whole year 2014, growth rates were, however, recorded in heavy vehicles: From January to September, 3% more trucks over 16 tons were registered for the first time in the European Union than in the prior year period. For trucks over 3.5 tons, first-time registrations in the first nine months decreased by 0.4% as compared to the previous year period.

Development of the commercial vehicle markets in emerging countries tended to be weaker in the reporting period. In Russia, political differences related to Ukraine burdened the market and in Brazil, too, the downward development continued. In the first three quarters of the year, 13.9% fewer trucks were registered in the South American country than in the same period of the previous year. For trucks over 15 tons, the number of first time registrations fell by 11.1%. In Brazil, heavy trucks traditionally make up a majority of the fleets: More than two thirds of all trucks registered for the first time belonged to this weight category which is important for SAF-HOLLAND.

In China, a total of 2.8 million commercial vehicles were produced from January to September, 5.7% fewer than in the comparable period from 2013. An improved economic outlook as well as intensified construction and mining activities are leading to an increase in the volume of goods transported in India and thus to an upturn in the commercial vehicles market. The middle and heavy weight classes in particular benefited from the upward development.

OVERVIEW OF BUSINESS DEVELOPMENT

For SAF-HOLLAND, the good business development continued in the third quarter. As a result of the company's international positioning, its regional diversification as well as sales across all markets, we were able to compensate for regional cyclical fluctuation in demand. In addition, the Aftermarket business, which is in general independent from economic cycles, ensured strong development. Overall, Group sales from January to September increased to EUR 723.5 million (previous year: EUR 654.7 million). Adjusted EBIT rose to EUR 55.6 million (previous year: EUR 46.3 million) with an improved adjusted EBIT margin of 7.7% (previous year: 7.1%).

Significant Events in the Third Quarter 2014

___ Focus on fleet customers: Range of new introductions for the IAA

Under the motto „inspired by passion“, an unusually large number of innovations were presented by SAF-HOLLAND at this years' IAA in Hannover, Germany, the world's largest trade fair for commercial vehicles. The common features of these innovations were weight savings as well as developments with regard to durability and ease of maintenance. These performance criteria are at the top of the list of priorities for end-customers because they form a basis for greater transportation efficiency and optimized operating costs. At the trade fair, SAF-HOLLAND once again emphasized its strong positioning of the company in favor of fleet customers and their economic success.

SAF-HOLLAND presented a total of 23 new products. Among the suspension system highlights was the product line with the market and price differentiated variations INTRA S and INTRA R, which considerably increases the level of attractiveness in the market and which helps to meet the needs of our end-customers.

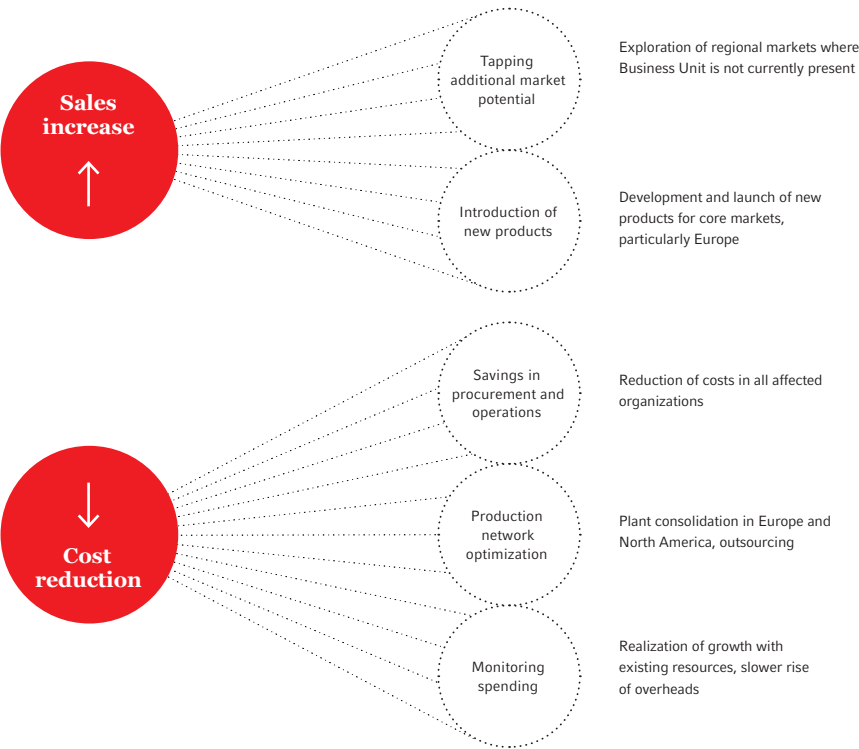
Several of the 23 new products presented at IAA by SAF-HOLLAND make use of future materials and of system solutions and thus once again confirm the company’s technological edge. A prime example of the innovative strength of SAF-HOLLAND is the carbon-fibre CFRP axle which leads, in combination with a newly developed aluminum composite brake drum and the prism brake SAF DIRECT, to a weight reduction of up to 80 kilograms per axle for the suspension system. For the end-customer, this results in a maximum weight saving of up to 240 kilograms with three axles per trailer. The newly-developed prism brake features show exceptionally fast response times and thus provides improved safety.

SAF-HOLLAND also demonstrated a clear focus on the fleet customer with modern technologies in the service area such as the ordering of spare parts via QR code and the new Service 24/7 app. The loyalty program FLEET Connect which was launched for the IAA ensures an even closer networking with fleet customers. Fleet operators receive bonus points for each registered SAF-HOLLAND product and these can be exchanged for rewards and services when the relevant number of points has been reached. It is the first program of this kind in our industry.

___ Trailer Systems bundle of measures proceeding according to plan

The large number of new products at the IAA was also the result of intensified development activities in the Trailer Systems Business Unit. We intend to increase the adjusted EBIT margin for the business segment to about 6% by the end of 2015. Therefore, a comprehensive package of measures was put in place in the second half of 2013. It covers a diverse range of initiatives with the goal to increase both the profitability and the sales volume of the Business Unit. This includes an innovation campaign for the development and market launch of new products for our core markets, Europe in particular. These were presented to SAF-HOLLAND’s customers at the IAA Commercial Vehicles trade fair.

MEASURES TO IMPROVE PROFITABILITY OF TRAILER SYSTEMS BUSINESS UNIT



The optimization of the production plant network of the Trailer Systems Business Unit continued to proceed as planned in the reporting period. In the course of the plant consolidation, the German plant in Wörth will be fully transferred to the two plants in Bessenbach. The necessary construction measures at the main production location in Bessenbach progressed well in the third quarter so that the transfer of the machinery and equipment is expected to be completed during the financial year 2015.

In North America, currently specific considerations are underway in connection with potential further production plant consolidations.

— Successful emission of convertible bonds

In September 2014, SAF-HOLLAND placed convertible bonds with a total nominal value of EUR 100.2 million with institutional investors. The convertible bonds that were issued are unsubordinated and unsecured. The individual securities were each at 100% of their nominal value of EUR 100,000. They have an annual interest rate of 1.00%, payable semi-annually in arrears.

The convertible bonds can be converted by bondholders into a total of 8.1 million ordinary shares of SAF-HOLLAND each with a denomination of EUR 0.01. This corresponds to approximately 17.8% of existing share capital. The initial conversion price is EUR 12.37 and is thus 20% above the applicable reference share price. If investors do not convert their bonds into shares, repayment will be undertaken in September 2020.

The prerequisites for the placement of the convertible bonds were created at the Extraordinary General Meeting on July 15, 2014. The majority of the proceeds from the emission were used to further reduce our bank loans and thus also to further optimize our financing costs. Further information on corporate financing can be found on page 21 and in Events After the Balance Sheet Date on page 24. Further information on the placement of the convertible bonds can be found on page 8.

EARNINGS SITUATION

Significant growth in sales and earnings

In the third quarter, SAF-HOLLAND increased Group sales by 10.2% to EUR 241.5 million (previous year: EUR 219.1 million). We achieved higher sales volume than in the prior-year quarter in Europe and North America as well as in the other regions. Also in relation to the individual Business Units, business was consistently expanded as compared to the same period in the previous year.

Currency effects from the conversion of sales in dollars to the Group currency euro only slightly burdened the overall sales from July to September in the amount of EUR 0.3 million. Adjusted for exchange rate effects, Group sales in the period under review reached EUR 241.8 million.

CURRENCIES: LOSS AGAINST THE EURO (Q1-Q3/2014)¹⁾

North America

US dollar	-2.86%
Canadian dollar	-9.09%

¹⁾ Average rates Q1-Q3/2014
versus Q1-Q3/2013.

In the first nine months of the financial year, the Group's sales increased to EUR 723.5 million (previous year: EUR 654.7 million). As compared to the same period of the previous year, this represents growth of EUR 68.8 million and 10.5%. The strong increase in sales volume was linked to a disproportionately high increase in earnings for SAF-HOLLAND. Adjusted EBIT improved by 20.1% to EUR 55.6 million (previous year: EUR 46.3 million). In relation to higher total sales, an adjusted EBIT margin of 7.7% (previous year: 7.1%) was achieved.

SALES DEVELOPMENT BY REGION

EUR million	Q1-Q3/2014		Q1-Q3/2013	
Europe	379.7	52.5%	338.6	51.7%
North America	270.1	37.3%	263.2	40.2%
Other	73.7	10.2%	52.9	8.1%
Total	723.5	100%	654.7	100%

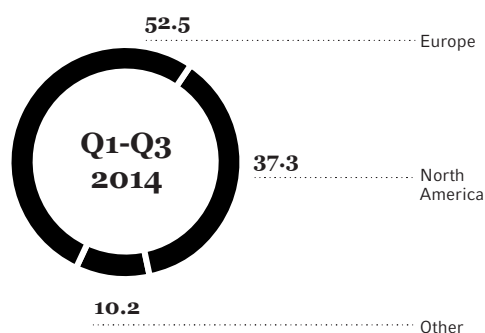
SALES DEVELOPMENT BY REGION

EUR million	Q3/2014		Q3/2013	
Europe	118.5	49.1%	111.6	50.9%
North America	95.2	39.4%	88.0	40.2%
Other	27.8	11.5%	19.5	8.9%
Total	241.5	100%	219.1	100%

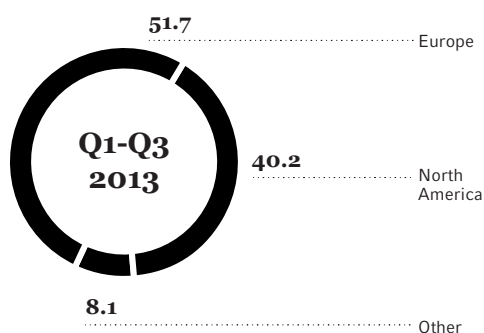
In Europe, we were able to further increase business volume in the third quarter despite the weaker industry environment. From July to September, sales increased by 6.2% to EUR 118.5 million (previous year: EUR 111.6 million). In the first nine months, sales generated on the European market rose to EUR 379.7 million (previous year: EUR 338.6 million). Compared to the previous year period, this corresponds to growth of EUR 41.1 million and 12.1%. The region represented roughly half of the Group's sales and thus once again confirmed its position as a key driver of sales for SAF-HOLLAND.

Sales also increased in North America in the reporting period. We generated sales of EUR 95.2 million in the third quarter (previous year: EUR 88.0 million). Over a nine-month period, SAF-HOLLAND had sales in the region of EUR 270.1 million (previous year: 263.2 million). Over the course of the year, North American sales figures are characterized by unfavorable currency relations in the translation of the Canadian dollar and the US dollar into the Group currency euro. Adjusted for currency effects, sales in North America in the first nine months of the year reached EUR 278.1 million, an increase of 5.7%.

SHARE IN GROUP SALES BY REGION Figures in %



SHARE IN GROUP SALES BY REGION Figures in %



From January to September, outside the core markets of North America and Europe, we achieved sales totaling EUR 73.7 million (previous year: EUR 52.9 million). In addition to organic growth, the newly-added Corpco Beijing Technology and Development Co., Ltd. also contributed to the strong increase. The company, which is specialized in suspension systems for buses, has been included in the scope of consolidation since January 2014. Our overall activities in China once again developed positively. In Brazil, sales were below the level of the previous year due to the poor market situation. On the cost side, on the other hand, we made further progress so that we could achieve an improvement in earnings in the first half of 2015.

INCOME STATEMENT

EUR million	Q1-Q3/2014		Q1-Q3/2013	
Sales	723.5	100%	654.7	100%
Cost of sales	-587.5	-81.2%	-533.4	-81.5%
Gross profit	136.0	18.8%	121.3	18.5%
Other income	0.8	0.1%	1.5	0.2%
Selling expenses	-42.8	-5.9%	-41.0	-6.2%
Administrative expenses	-32.5	-4.5%	-27.8	-4.2%
Research and development costs	-14.7	-2.0%	-14.2	-2.2%
Operating result	46.8	6.5%	39.8	6.1%
Finance result	-5.1	-0.7%	-12.2	-1.9%
Share of net profit of investments accounted for using the equity method	0.9	0.1%	-0.1	0.0%
Result before tax	42.6	5.9%	27.5	4.2%
Income tax	-13.9	-1.9%	-9.4	-1.4%
Result for the period	28.7	4.0%	18.1	2.8%
Number of shares ¹⁾	45,361,112		45,361,112	
Earnings per share in EUR	0.63		0.40	

¹⁾ Weighted average number of ordinary shares.

Result for the period increased by approximately 60%

In the Group, the expansion of sales led to an increase in gross profit to EUR 136.0 million (previous year: EUR 121.3 million). The gross margin improved to 18.8% (previous year: 18.5%). Both our selling expenses and expenditures for research and development were approximately at the level of the previous year. In a comparison of the increased administrative expenses in the previous year, it should be noted that in 2013 this position was relieved due to the increased capitalized internal contribution in the context of our global IT harmonization. In order to retain managers for the company over the long term and to allow them to participate in the success of the company, SAF-HOLLAND established a phantom share program in financial year 2010. With requirements for minimum company return and share price development, the program, set to run until 2015, is linked to two conditions. Because these conditions will likely be met in the current financial year, a provision of EUR 1.4 million has been made. In relation to total sales, the share of administrative expenses remains at just above 4%.

The result before tax increased by more than 50% to EUR 42.6 million in the reporting period (previous year: EUR 27.5 million). The higher operating result of EUR 46.8 million (previous year: EUR 39.8 million) showed an effect. In addition, the significantly better finance result of EUR -5.1 million (previous year: EUR -12.2 million) which, in addition to operational improvements, was also positively influenced by exchange rate gains contributed to this development. With an increase of nearly 60%, the result for the period reached EUR 28.7 million following EUR 18.1 million in the prior year period.

RECONCILIATION OF ADJUSTED EARNINGS FIGURES

EUR million	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Result for the period	28.7	18.1	11.1	5.1
Income tax	13.9	9.4	6.0	2.6
Finance result	5.1	12.2	-0.8	6.4
Depreciation and amortization from PPA	4.5	4.6	1.5	1.5
Restructuring and integration costs	3.4 ¹⁾	2.0	1.3	0.9
Adjusted EBIT	55.6	46.3	19.1	16.5
as a percentage of sales	7.7	7.1	7.9	7.5
Depreciation and amortization	9.8	8.8	3.3	1.9
Adjusted EBITDA	65.4	55.1	22.4	18.4
as a percentage of sales	9.0	8.4	9.3	8.4
Depreciation and amortization	-9.8	-8.8	-3.3	-1.9
Finance result	-5.1	-12.2	0.9	-6.4
Adjusted result before taxes	50.5	34.1	20.0	10.1
Income tax	-15.5 ²⁾	-10.5 ³⁾	-6.1	-3.1
Adjusted result for the period	35.0	23.6	13.9	7.0
as a percentage of sales	4.8	3.6	5.8	3.2
Number of shares ⁴⁾	45,361,112	45,361,112	45,361,112	45,361,112
Adjusted EPS in EUR	0.77 ⁵⁾	0.52	0.31 ⁵⁾	0.15

¹⁾ Restructuring and integration costs include aperiodic expenses of kEUR 220.

²⁾ In the calculation of the adjusted result for the period, a uniform tax rate of 30.70% was assumed.

³⁾ In the calculation to the adjusted result for the period, a uniform tax rate of 30.80% was assumed.

⁴⁾ Weighted average number of ordinary shares.

⁵⁾ Adjusted earnings per share calculations include minority results.

__ Increase in adjusted EBIT margin to 7.7%

Adjusted EBIT of EUR 55.6 million (previous year: EUR 46.3 million) and the adjusted EBIT margin which improved to 7.7% (previous year: 7.1%) reflect both the increased business volume as well as effects from the improved cost discipline. Due primarily to the plant consolidation in the Trailer Systems Business Unit, restructuring costs totaled EUR 3.4 million (previous year: EUR 2.0 million) and were with EUR 0.4 million slightly above our expectations.

Adjusted earnings before taxes increased in the reporting period to EUR 50.5 million (previous year: EUR 34.1 million); adjusted result for the period was EUR 35.0 million (previous year: EUR 23.6 million). Adjusted earnings per share increased significantly to EUR 0.77 (previous year: EUR 0.52) while the number of shares on which this figure is based remained unchanged at 45.4 million shares.

Performance of the Business Units

OVERVIEW OF THE BUSINESS UNITS

EUR million	Trailer Systems Business Unit		Powered Vehicle Systems Business Unit		Aftermarket Business Unit		Adjustments / eliminations		Total	
	Q1-Q3 2014	Q1-Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Q1-Q3 2014	Q1-Q3 2013	Q1-Q3 2014	Q1-Q3 2013
Sales	414.1	373.1	122.9	109.8	186.5	171.8	–	–	723.5	654.7
Cost of sales	-373.9	-338.1	-101.9	-90.5	-132.4	-124.0	20.7	19.2	-587.5	-533.4
Gross profit	40.2	35.0	21.0	19.3	54.1	47.8	20.7	19.2	136.0	121.3
as a percentage of sales	9.7	9.4	17.1	17.6	29.0	27.8	–	–	18.8	18.5
Other income and expense	-23.0	-25.3	-12.9	-9.9	-23.8	-20.6	-20.7	-19.2	-80.4	-75.0
Adjusted EBIT	17.2	9.7	8.1	9.4	30.3	27.2	–	–	55.6	46.3
as a percentage of sales	4.2	2.6	6.6	8.6	16.2	15.8	–	–	7.7	7.1

Trailer Systems: Clear progress in profitability

The Trailer Systems Business Unit increased its sales in the first three quarters by EUR 41.0 million to EUR 414.1 million (previous year: EUR 373.1 million). As SAF-HOLLAND's largest business segment, it thus generated 57.2% of Group sales (previous year: 57.0%). In North America, Trailer Systems was able to take advantage of strong market growth while further utilizing its production capacities in Warrenton which were doubled in 2013. The business in Europe also developed positively but was impacted by the effects of the Ukraine crisis: Large trailer manufacturers for which SAF-HOLLAND is a major supplier are exporting fewer vehicles to Russia and to Ukraine. This also limits our sales opportunities.

The Trailer Systems Business Unit made considerable progress on the earnings side. Gross profit grew to EUR 40.2 million (previous year: EUR 35.0 million). Guarantee costs included in cost of sales decreased further and were within the framework of our expectations. In adjusted EBIT, growth of about 80% to EUR 17.2 million (previous year: EUR 9.7 million) was achieved and the adjusted EBIT margin increased to 4.2% (previous year: 2.6%) as a result. The favorable earnings development was positively influenced by the results achieved in the initiatives for improving profitability. We intend to increase the adjusted EBIT margin for the business segment to about 6% by the end of 2015. Therefore, a comprehensive package of measures is being implemented. More detailed information is available on page 14.

At the IAA Commercial Vehicles trade fair, German trailer manufacturers presented their own axles, as expected. The decision by trailer OEMs for captive production in addition to axles purchased from suppliers is not necessarily a disadvantage for SAF-HOLLAND. This applies especially due to the fact that a manufacturer intends to offer their own products in only a few variations in the standard segment. We evaluate the expected further consolidation in the European supplier market for commercial vehicles as generally positive.

Powered Vehicle Systems: Sales volume sustainably expanded

In the Powered Vehicle Systems Business Unit, sales in the first nine months of the year increased by 11.9% to EUR 122.9 million (previous year: EUR 109.8 million).

Sales volume in the reporting period increased in both North America and in the European market. Not least as a result of exports and innovative product solutions, the European operation of the Business Unit located in Singen was well utilized in the third quarter.

Gross profit of the Powered Vehicle Systems Business Unit in the first nine months of the year reached EUR 21.0 million (previous year: EUR 19.3 million), which in relation to the higher sales, corresponds to a nearly unchanged gross margin of 17.1% (previous year: 17.6%). Adjusted EBIT in the reporting period amounted to EUR 8.1 million (previous year: EUR 9.4 million), the adjusted EBIT margin was 6.6% (previous year: 8.6%). The earnings figures, which were weaker than the prior-year period as expected, reflect the unfavorable customer and product mix in the first quarter and seasonal influences from the Corpco integration. Activities in the bus segment which are part of Powered Vehicle Systems developed well. Corpco is now delivering, as standard supplier, suspension systems for nine-meter buses for a leading Chinese bus manufacturer and a large Japanese OEM has specified our products as standard equipment in its new export model.

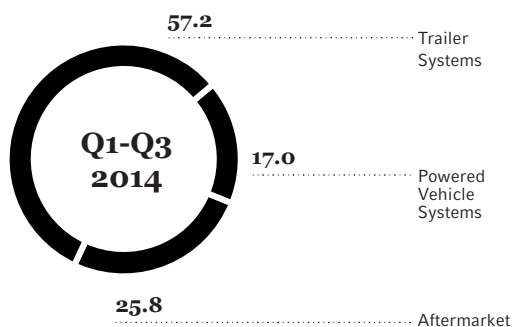
— Aftermarket: Additional potential from second brands

In the Aftermarket business, sales from January to September increased to EUR 186.5 million (previous year: EUR 171.8 million). Gross profit for the Business Unit reached EUR 54.1 million (previous year: EUR 47.8 million); adjusted EBIT was EUR 30.3 million (previous year: EUR 27.2 million). In relation to sales, an adjusted EBIT margin of 16.2% (previous year: 15.8%) was achieved.

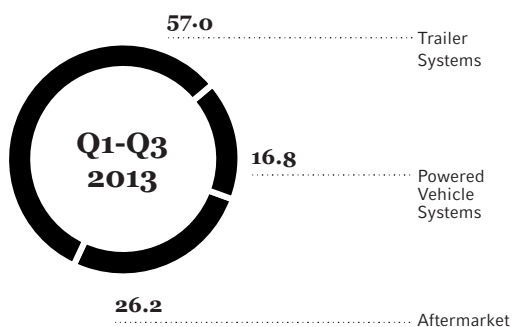
In terms of sales and earnings the business segment benefited from contributions from our second brand product range, SAUER Quality Parts, which was established in 2012. In addition, the spare parts product range is currently being expanded with the GoldLine second brand, which is scheduled to be launched on the American market in the first quarter of 2015. Both brands are targeted toward markets in which vehicles with a high service age and high traveling distances are in use. The demand for original spare parts is still limited in these markets and as a consequence additional sales potential could be realized via the second brands. From a geographical point of view, SAUER Quality Parts target primarily the Asian countries, regions in the Middle East and Eastern European countries. GoldLine, on the other hand, with its special specifications, primarily addresses the North, Central and South American Aftermarkets.

The enhancement of the global service network in the Aftermarket Business Unit was continued in the reporting period. One focus was the expansion of our activities in Dubai. On new grounds, large storage and assembly capacities will be created there and three times the previous space is being made available for the Aftermarket activities of the existing Parts Distribution Center (PDC).

SHARE OF GROUP SALES BY BUSINESS UNIT Figures in %



SHARE OF GROUP SALES BY BUSINESS UNIT Figures in %



FINANCIAL SITUATION

Corporate financing once again sustainably optimized

The corporate financing of SAF-HOLLAND has the goal to secure the long-term growth course of the Group. Adequate financing conditions and a high degree of flexibility are the core requirements. In 2012, the financing structure was optimized and diversified as SAF-HOLLAND used other sources of financing besides liabilities to banks. In the course of these efforts, a corporate bond was issued two years ago. In a further step, convertible bonds with a total nominal value of EUR 100.2 million have now been issued. Information on the placement, which was conducted in September 2014, can be found on pages 8 and 15.

With these convertible bonds, with a maturity in 2020, SAF-HOLLAND is taking advantage of the opportunity to benefit from the current low interest phase over a longer period of time.

A majority of the proceeds from the emission were spent in the reporting period in order to further pay down our bank loans. In September, an existing loan in the amount of EUR 80.9 million was repaid ahead of schedule. In addition, we had begun the renegotiation of the remaining credit lines, which was concluded after publication of the report. From October 2014, SAF-HOLLAND now has a credit line with a maturity in 2019 in the amount of EUR 109.8 million which, in addition to considerably improved interest rate conditions and covenants, gives the Group increased financial headroom.

Further details on this can be found in the Events After The Balance Sheet Date section on page 24.

Liquidity: Net working capital higher as expected

Cash flow before change of net working capital increased in the reporting period to EUR 62.5 million (previous year: EUR 54.8 million). As expected, net working capital increased further and on September 30, 2014 was at EUR 117.1 million (previous year: EUR 79.2 million). Calculated over twelve months, this represents a share of 12.1% (previous year: 9.0%). Significant influences include an expanded inventory volume which, on the one hand, is related to the increased business volume and, on the other hand to the ongoing plant consolidation: With a view to the upcoming machine and equipment move from Wörth to Bessenbach, we are intentionally establishing contingents of pre-fabricated components which requires a corresponding contingent of materials. In addition, trade receivables increased in the course of the expansion of business. Overall, cash flow from operating activities before income tax payments totaled EUR 21.4 million (previous year: EUR 48.9 million).

Cash flow from investing activities amounted to EUR -20.9 million (previous year: EUR -18.1 million), influenced primarily by the Corpco acquisition. In cash flow from financing activities of EUR 15.9 million (previous year: EUR -15.7 million) payments from the emission of the convertible bonds in the amount of EUR 100.2 million have been taken into consideration. This was countered by the dividend payment totaling EUR 12.2 million and, in particular, the repayment of existing bank loans in a total amount of EUR 64.3 million.

Investments in production, spare parts distribution and information technology

Our spending for investments was above the level of the previous year as planned. SAF-HOLLAND's total investments in the Group from January to September amounted to EUR 21.2 million (previous year: EUR 17.7 million), corresponding to an investment ratio of 2.9% (previous year: 2.7%). The expanded investment volume is influenced by the acquisition of

Corpco. In addition, initial investments in the new Parts Distribution Center (PDC) as well as expenditures within the scope of the plant consolidation in Europe also had an impact. With a view to the possible consolidation of the North American locations in the coming year, we also anticipate a higher level of investment for 2015.

In the IT environment, we continued to invest in additions to our global systems. Advanced Planner & Optimizer (APO), an IT solution used in Europe, is currently also being implemented in North America. The project is scheduled for completion over the course of the next year. The implementation of a new reporting software is also planned for 2015. With this software, planning and consolidation in the Group will in future run on a single platform which will lead to a higher degree of transparency and planning benefits.

ASSETS

Equity increased

As of September 30, 2014, equity rose to EUR 252.1 million (December 31, 2013: EUR 222.2 million). Growth from the positive earnings development was countered by a reduction in retained earnings of EUR 12.2 million in the course of the dividend payment. The equity ratio on the balance sheet date was 39.1% (December 31, 2013: 41.4%; September 30, 2013: 37.8%).

Asset structure: External financing further reduced

As of September 30, 2014, the balance sheet total rose to EUR 645.1 million (December 31, 2013: EUR 536.4 million). Non-current assets increased to EUR 348.7 million (December 31, 2013: EUR 329.2 million) due primarily to a higher balance sheet value of property, plant and equipment of EUR 112.2 million (December 31, 2013: EUR 100.6 million).

Current assets also increased, totaling EUR 296.4 million on the balance sheet date (December 31, 2013: EUR 207.3 million). The increase can be attributed primarily to changes in trade receivables and inventories. Trade receivables increased as a result of the expanded business volume to EUR 130.0 million (December 31, 2013: EUR 76.1 million). In addition, current assets were influenced by the higher cash and cash equivalents.

Inventories, which increased by approximately a quarter, are primarily related to the increased business volume as well as the plant consolidation and the associated transfer of the plant in Wörth to the location in Bessenbach. In order to ensure that the move does not burden production, we are intentionally producing larger amounts of the products manufactured in Wörth in advance. As of September 30, 2014, inventories were at EUR 125.5 million (December 31, 2013: EUR 100.2 million).

Non-current liabilities of EUR 250.5 million (December 31, 2013: EUR 197.9 million) are influenced in particular by changes to interest bearing loans and borrowings. As of September 30, 2014, this position was at EUR 178.4 million (December 31, 2013: EUR 132.0 million). Included here is a share of EUR 96.3 million which is attributable to our convertible bonds which were issued in September. On the reporting date, non-current interest bearing bank loans reached EUR 10.5 million (December 31, 2013: EUR 60.2 million).

Current liabilities of EUR 142.5 million (December 31, 2013: EUR 116.3 million) were influenced by two counteracting developments. Thus, the current loans and borrowings declined by EUR 12.8 million due to the issue of the convertible bonds, whereas trade payables were up to EUR 106.4 million (December 31, 2013: EUR 79.3 million) over the course of the year as a result of the increased business volume.

Overall, liabilities from interest bearing bank loans and borrowings amounted to EUR 180.4 million (December 31, 2013: EUR 146.9 million). On September 30, SAF-HOLLAND held cash and cash equivalents totaling EUR 32.2 million (December 31, 2013: EUR 23.9 million). Net debt on the same reporting date totaled EUR 148.2 million (December 31, 2013: EUR 123.0 million). Including the agreed credit facility, a total liquidity of EUR 126.8 million (December 31, 2013: EUR 142.1 million) was reported.

TABLE SUMMARIZING THE DETERMINATION OF OVERALL LIQUIDITY

kEUR	09/30/2014			
	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A1	–	–	–	–
Facility A2	–	–	–	–
Facility B1	7,999	68,000	32,223	92,224
Facility B2	–	31,915	–	31,915
Other credit lines	2,508	5,124 ¹⁾	–	2,616
Total	10,507	105,039	32,223	126,755

¹⁾ New bilateral credit line for the activities of the Group in China.

kEUR	09/30/2013 ²⁾			
	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A1	64,730	64,730	–	–
Facility A2	13,611	19,611	–	6,000
Facility B1	707	80,000	23,037	102,330
Facility B2	382	36,985	–	36,604
Total	79,430	201,327	23,037	144,934

²⁾ Changed determination of overall liquidity compared to financial year 2013. See explanations under note 12 of the consolidated financial statements.

Number of employees nearly unchanged

Worldwide, SAF-HOLLAND had an average of 3,374 employees (previous year: 3,085) in the Group in the first three quarters. On September 30, 2014, 3,355 people were employed by the company, including temporary workers (previous year: 3,130). Sales per employee increased to kEUR 214.5 in the reporting period (previous year: kEUR 212.2).

DEVELOPMENT OF EMPLOYEE NUMBERS BY REGION

	09/30/2014	09/30/2013
Europe	1,210	1,190
North America	1,537	1,532
Other	608	408
Total	3,355	3,130

With the inclusion of the Chinese company Corpco the number of employees increased by 160 employees as of September 30, 2014. In order to be able to flexibly adjust the personnel structures in Europe to market developments, SAF-HOLLAND, in addition to its permanent workforce, generally also makes use of the opportunity presented by the use of temporary worker contracts and operational flextime models.

The majority of the total workforce was employed by our North American subsidiaries as of September 30, 2014 with 46% (previous year: 49%). 36% percent of the workforce belonged to the European organization (previous year: 38%) while a further 18% (previous year: 13%) belonged to our locations outside the two core markets.

In order to retain managers for the company over the long term and to allow them to participate in the success of the company, SAF-HOLLAND established a phantom share program in financial year 2010. With requirements for minimum company return and share price development, the program, set to run until 2015, is linked to two conditions. Because these conditions will likely be met in the current financial year, a provision of EUR 1.4 million was made in 2014.

R&D activities: Innovations for the success of fleet customers

Our research and development activities are geared toward the success of our fleet customers. In addition to pioneering innovations, technological adaptations of the products to regional customer wishes and market requirements are a key focus.

Among our R&D focus points are new developments for the optimization of transportation efficiency. Efforts in this regard are focused on weight reductions which allow for an increase in the vehicle load and a decrease in fuel consumption. Beyond that, aspects such as durability, driving safety and ease of maintenance are also key.

We presented innovations for customers from Europe and bordering regions at the world's largest trade fair for commercial vehicles, the IAA Commercial Vehicles trade fair in Hannover, Germany. You will find more information on our IAA presence and the product innovations showed there on page 13.

From January to September, we invested a total of EUR 16.6 million in research and development (previous year: EUR 14.8 million). In relation to Group sales, an R&D ratio of 2.3 % (previous year: 2.3%) was achieved. The share of capitalized development costs reached EUR 1.9 million (previous year: EUR 0.6 million).

OPPORTUNITIES AND RISK REPORT

Compared with the opportunities and risk profile at the end of financial year 2013, as outlined in the annual report, the Group has recorded no changes. Overall, the risks are manageable and sufficient provisions have been made for known risks.

EVENTS AFTER THE BALANCE SHEET DATE

In October 2014, SAF-HOLLAND repaid the credit line of EUR 121.4 million that was in place until June 30, 2014 ahead of schedule and replaced it with a new financing agreement with a total scope of EUR 109.8 million. The early refinancing brings significant advantages. The new syndicated loan runs two years longer than the redeemed agreement. In addition, more favorable framework conditions and covenants were agreed with the new, smaller group of banks. As a result of the lower interest rate, interest rate savings of approximately EUR 2.0 million per year have been achieved for SAF-HOLLAND through this transaction as well as by the issue of the convertible bond.

Financial Position and
Financial Performance
Opportunities and Risk Report
Events after the Balance Sheet Date
Outlook

With the emission of the convertible bonds and the early refinancing, SAF-HOLLAND now has a financing structure that has been further optimized and which consists of corporate bond, convertible bond and credit lines. The growth course of the company has thus been secured over the long term: The corporate bond has a maturity in April 2018, the new credit line in October 2019 and the convertible bonds are due in September 2020. In addition, SAF-HOLLAND benefits from an increase in financial headroom.

OPTIMIZED FINANCING STRUCTURE

Previous financing structure			Current financing structure		
Corporate bond	Revolving credit line	Term loan A ¹⁾	Corporate bond	Revolving credit line	Convertible bonds
75.0	121.4	65.2	75.0	109.8	100.2
EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Term 04/2018	Term 10/2017	Term 10/2017	Term 04/2018	Term 10/2019	Term 09/2020

¹⁾ The financing agreement Term loan A was redeemed in September 2014 with proceeds from the emission of the convertible bonds.

OUTLOOK

Global economy benefits from established national economies

Primarily with a view to the dampened growth dynamic of the emerging economies, the Institute for World Economy (IfW) corrected its forecasts for the development of the global economy slightly downward in September. An increase in global production of 3.2% in 2014 and of 3.7% in 2015 is now being predicted. Global trade is expected to increase by 3.0% this year and by 4.5% in the following year. The assessments of the IfW are based on the condition that geopolitical crises do not worsen, that tensions in the financial markets are limited in terms of time or region and that the oil price as well as exchange rates maintain the current level.

According to the IfW, early indicators show that the global economy could potentially gain steam in the second half of 2014. Any potential improvements, however, would not have a broad geographical basis. In the view of the IfW, they will be buoyed primarily by the established national economies and by the United States in particular.

In the Euro zone, the upward economic development is continuing according to the IfW. In the current year, production growth will initially be lower, however, due to the conflict in Ukraine, among other things. For 2015, the institute anticipates an acceleration in European economic activity as doubts regarding the continuing existence of the currency union recede and consolidation processes in the Euro crisis countries move forward. According to the forecasts, the economy in the United States will develop at a considerably faster pace than in Europe – both in 2014 and in 2015. In the process, gross domestic product is expected to increase at a greater rate in the coming year than in this year.

In terms of the BRIC countries, China once again leads the way from an economic perspective. As a result of declining impetus from the financial policy, the country's economy will grow at a slower pace than has previously been the case, but will continue to reach growth rates of at least 7%. Rising investments and economic reforms are driving the economy in India, so that production activity here will likely grow faster than the global average. In Brazil, on the other hand, structural problems continue to be a burden, which will likely level out the fostering effects of rising raw material prices. For 2014, the IfW expects an increase in production of just 0.1% in the South American country. If the newly-elected government can manage to

implement reforms and eliminate the modernization bottleneck, the Brazilian economy should pick up steam once again from 2016. The Russian economy will also see limited expansion in the near-term. Here, political tensions within the scope of differences with Ukraine are a burden which, in the view of the IfW, will only begin to dissipate slowly in 2015.

PREDICTED ECONOMIC DEVELOPMENT IN IMPORTANT MARKETS

	2014	2015
European Union	1.2%	1.6%
Euro zone	0.7%	1.3%
Germany	1.4%	1.9%
United States	2.0%	3.0%
Brazil	0.1%	2.0%
Russia	0.2%	0.5%
India	5.4%	6.0%
China	7.3%	7.0%

Source: Institute for World Economy (IfW), Global Economy in Fall 2014 (September 2014)

Industry trend: strong growth in North America

Compared with the first half of 2014, the mood in some commercial vehicle markets has become bleaker; from a longer term perspective, however, the industry outlook continues to be positive. A current analysis from A.T. Kearney expects that the global market for medium and heavy trucks will grow by an annual rate of 4.8% until 2020.

In the current year, according to the VDA (German Automotive Industry Association), it is expected that 3 million commercial vehicles will be sold worldwide, an increase of 1% as compared to the previous year. In Europe, where investments in the modernization of fleets have been postponed for years, there is still a significant pent-up demand. With improved framework conditions, the market recovery should therefore continue. In terms of the trailer segment, the ACT Research continues to anticipate a dynamic upward development of the European market. In the current year, accordingly, 16.7% more trailers will be registered for the first time in Western Europe than in 2013.

On the basis of the strong development in the third quarter, the forecasts for the North American market were once again raised strongly. For heavy trucks in class 8, ACT Research now expects growth of 21.4% in production figures in the current year followed by 4.7% in the coming year. For class 7 vehicles, production in 2014 will increase by 6.3% and in 2015 by 3.6%. All signs continue to point to expansion in the trailer segment as well. According to calculations from ACT Research, 264,062 trailers will be built in North America in 2014 – 12.4% more than in the previous year. Promising perspectives are being provided in the USA by the planned reindustrialization in particular as well as the recovery in the construction sector. In order to create the conditions necessary for this, US President Barack Obama wants to invest USD 302 billion annually over the next four years in infrastructure projects. This will benefit the commercial vehicles market in particular through increased transport volumes. On the contrary, the spending for defense costs is reduced by the US government for this year.

Within the BRIC group, demand in Brazil and Russia will not intensify or to only a limited extent. In China, the world's largest commercial vehicles market, volume is expected to increase by 5% this year. For the Indian market, which has been growing once again since February 2014, the manufacturer's association SIAM is predicting further growth: In financial year 2015, the

full market will increase by up to 3%. Good perspectives are also offered by the market segments that are addressed by SAF-HOLLAND. For medium and heavy trucks, SIAM expects an increase of between 5 and 9%. Forecasts call for an increase of up to 4% in the bus sector. The upward development is being driven for the most part by infrastructure projects. The Indian government wants to expand the road network by 30 kilometers per day. In addition, in financial year 2014/2015, about USD 1.2 billion will be invested in 100 so-called smart cities. As exemplary cities, they feature, among other things, efficient mass transit systems in which buses play a major role.

Growth strategy with three areas of focus

The key areas of our growth strategy remain the North American trailer market, the global Aftermarket business and the activities in emerging commercial vehicles markets such as the BRIC countries.

There are very promising opportunities for SAF-HOLLAND in North America. With our axle production capacities which were doubled in 2013 and which are now gradually being utilized, SAF-HOLLAND is well-positioned for a further expansion of its market position.

The Aftermarket business is an ideal complement to our original equipment activities. The global availability of spare parts through the global service network offers fleet operators an incentive to specify SAF-HOLLAND products when acquiring new vehicles. And, conversely, the Aftermarket business benefits from the strong market position of our OEM products. In order to expand the mutual advantages, we are further expanding the spare parts business globally. The second brands SAUER Quality Parts and GoldLine provide additional impetus in this regard.

Growing transport volumes and further developed infrastructure increase demand for trucks and trailers in emerging markets such as the BRIC countries. Through intensified activities and regionally adjusted products, we tap into further sales markets and accelerate early market penetration.

GENERAL STATEMENT ON FUTURE BUSINESS DEVELOPMENT

In North America, demand is increasing considerably. In Europe, the market tends to be weaker at this time due to the trouble spots in Syria and Ukraine but strong pent-up demand for investments in trucks and trailers nevertheless remains. On the basis of the positive business development in the first three quarters, we are confident that we will be able to reach the goals we have set for financial year 2014.

Assuming that the overall economic and industry specific framework conditions do not worsen, we confirm the forecast for the full year as laid out in March of this year. For financial year 2014, SAF-HOLLAND thereby strives to achieve Group sales between EUR 920 and 945 million – with adjusted EBIT of approximately EUR 70 million and a rising adjusted EBIT margin.

The mid-term target introduced in December 2013 also remains unchanged. For financial year 2015, SAF-HOLLAND thereby continues to plan Group sales of EUR 980 million to EUR 1.035 billion and an adjusted EBIT margin of 9 to 10%.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	Notes	Q1-Q3/2014	Q1-Q3/2013	Q3/2014	Q3/2013
Result for the period					
Sales	(5)	723,531	654,693	241,567	219,135
Cost of sales		-587,510	-533,409	-196,324	-178,193
Gross profit		136,021	121,284	45,243	40,942
Other income		831	1,491	518	591
Selling expenses		-42,799	-41,018	-14,312	-13,636
Administrative expenses		-32,573	-27,750	-10,790	-9,501
Research and development costs		-14,704	-14,209	-4,899	-4,650
Operating result	(5)	46,776	39,798	15,760	13,746
Finance income	(6)	6,190	315	4,859	-1,035
Finance expenses	(6)	-11,335	-12,512	-4,045	-5,279
Share of net profit of investments accounted for using the equity method		933	-77	525	304
Result before tax		42,564	27,524	17,099	7,736
Income tax	(7)	-13,822	-9,411	-5,906	-2,632
Result for the period		28,742	18,113	11,193	5,104
Attributable to:					
Equity holders of the parent		28,767	18,113	11,190	5,104
Non-controlling interests		-25	-	3	-
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(9)	7,996	-6,671	5,914	-3,710
Changes in fair values of derivatives designated as hedges, recognized in equity	(6)/(9)	1,439	2,347	865	366
Income tax effects on items recognized directly in other comprehensive income	(9)	-392	-639	-235	-101
Other comprehensive income		9,043	-4,963	6,544	-3,445
Comprehensive income for the period		37,785	13,150	17,737	1,659
Attributable to:					
Equity holders of the parent		37,810	13,150	17,734	1,659
Non-controlling interests		-25	-	3	-
Basic and diluted earnings per share in EUR	(10)	0.63	0.40	0.24	0.11

Consolidated Statement of
Comprehensive Income
Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET

kEUR	Notes	09/30/2014	12/31/2013
Assets			
Non-current assets		348,718	329,166
Goodwill		48,305	45,404
Intangible assets		140,590	139,118
Property, plant, and equipment		112,170	100,605
Investments accounted for using the equity method		10,790	9,829
Other non-current assets		2,818	2,879
Deferred tax assets		34,045	31,331
Current assets		296,343	207,270
Inventories		125,511	100,223
Trade receivables	(12)	130,010	76,088
Income tax assets		863	498
Other current assets		7,586	6,590
Financial assets	(12)	150	15
Cash and cash equivalents	(8)/(12)	32,223	23,856
Total assets		645,061	536,436
Equity and liabilities			
Total equity	(9)	252,084	222,186
Equity attributable to equity holders of the parent		250,549	222,186
Subscribed share capital		454	454
Share premium		268,644	265,843
Legal reserve		45	22
Other reserve		436	436
Retained earnings		-4,649	-21,145
Accumulated other comprehensive income		-14,381	-23,424
Shares of non-controlling interests		1,535	–
Non-current liabilities		250,492	197,906
Pensions and other similar benefits		25,713	25,433
Other provisions		6,919	6,140
Interest bearing loans and borrowings	(11)/(12)	178,355	131,994
Finance lease liabilities	(12)	1,822	1,887
Other financial liabilities	(12)	–	205
Other liabilities		562	657
Deferred tax liabilities		37,121	31,590
Current liabilities		142,485	116,344
Other provisions		7,890	6,450
Interest bearing loans and borrowings	(11)/(12)	2,032	14,869
Finance lease liabilities	(12)	364	350
Trade payables	(12)	106,420	79,253
Income tax liabilities		6,064	2,107
Other liabilities		19,715	13,315
Total equity and liabilities		645,061	536,436

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q3/2014									
kEUR	Attributable to equity holders of the parent						Total amount	Shares of non-controlling interests	Total equity (Note 9)
	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income			
As of 01/01/2014	454	265,843	22	436	-21,145	-23,424	222,186	-	222,186
Comprehensive income for the period	-	-	-	-	28,767	9,043	37,810	-25	37,785
Dividend	-	-	-	-	-12,248	-	-12,248	-	-12,248
Other reclassifications	-	-	23	-	-23	-	-	-	-
Addition of shares of non-controlling interests	-	-	-	-	-	-	-	1,560	1,560
Convertible bond	-	2,801	-	-	-	-	2,801	-	2,801
As of 09/30/2014	454	268,644	45	436	-4,649	-14,381	250,549	1,535	252,084

Q3/2013							
kEUR	Attributable to equity holders of the parent						Total equity (Note 9)
	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	
As of 01/01/2013	454	265,843	22	436	-45,510	-23,382	197,863
Comprehensive income for the period	-	-	-	-	18,113	-4,963	13,150
As of 09/30/2013	454	265,843	22	436	-27,397	-28,345	211,013

Consolidated Statement of Changes in Equity
Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT

kEUR	Notes	Q1-Q3/2014	Q1-Q3/2013
Cash flow from operating activities			
Result before tax		42,564	27,524
- Finance income	(6)	-6,190	-315
+ Finance expenses	(6)	11,335	12,512
- Share of net profit of investments accounted for using the equity method		-933	77
+ Amortization, depreciation of intangible assets and property, plant, and equipment		14,353	13,349
+ Allowance of current assets		1,138	1,366
+/- Loss/Gain on disposal of property, plant, and equipment		235	4
+ Dividends from investments accounted for using the equity method		17	253
Cash flow before change of net working capital		62,519	54,770
+/- Change in other provisions and pensions		-43	-292
+/- Change in inventories		-18,340	-7,909
+/- Change in trade receivables and other assets		-44,052 ¹⁾	-12,983 ¹⁾
+/- Change in trade payables and other liabilities		21,271	15,364
Cash flow from operating activities before income tax paid		21,355	48,950
- Income tax paid	(7)	-8,568	-10,535
Net cash flow from operating activities		12,787	38,415
Cash flow from investing activities			
- Purchase of property, plant, and equipment		-13,880	-9,791
- Purchase of intangible assets		-2,819	-7,923
+/- Purchase/Sale/Winding up of at equity investments		-	-798
+ Proceeds from sales of property, plant, and equipment		218	302
- Acquisition of subsidiaries net of cash	(4)	-4,490	-
+ Interest received		69	113
Net cash flow from investing activities		-20,902	-18,097
Cash flow from financing activities			
+ Proceeds current and non-current financial liabilities		-	14,000
- Payments for expenses relating to amended finance agreement		-	-226
- Dividend payments to shareholders of SAF-HOLLAND S.A.	(9)	-12,248	-
- Paid transaction costs relating to the issue of the convertible bond		-771	-
+ Proceeds from convertible bond placement	(9)/(11)	100,200	-
- Payments for replacement interest swaps		-1,142	-
- Payments for finance lease		-266	-123
- Interest paid		-9,100	-6,282
- Repayments of current and non-current financial liabilities	(11)	-64,275	-7,059
+/- Change in drawings on the credit line and other financing activities	(11)	3,499	-16,007
Net cash flow from financing activities		15,897	-15,697
Net increase in cash and cash equivalents		7,782	4,621
+/- Effect of changes in exchange rates on cash and cash equivalents		585	-163
Cash and cash equivalents at the beginning of the period	(8)	23,856	18,579
Cash and cash equivalents at the end of the period	(8)	32,223	23,037

¹⁾ As of September 30, 2014, trade receivables in the amount of EUR 17.4 million (previous year: EUR 17.7 million) were sold in the context of a factoring contract. Assuming the legal validity of the receivable, no further rights of recourse exist against SAF-HOLLAND from the sold receivables.

Notes to the Consolidated Interim Financial Statements

For the period January 1 to September 30, 2014

1 _ CORPORATE INFORMATION

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

2 _ SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated interim financial statements for the third quarter of 2014 have been prepared in accordance with IAS 34 "Interim Financial Reporting". Unless expressly indicated otherwise, the same accounting policies and consolidation methods were applied as in the Group's annual financial statements for the financial year 2013. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 2013.

As of January 1, 2014, SAF-HOLLAND S.A. has applied IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities" and the amendment to IAS 28 "Investments in Associates and Joint Ventures". IFRS 10 uses a comprehensive control model to define whether companies are to be included in the consolidated financial statements. IFRS 11 outlines the accounting of joint arrangements and draws on the kind of rights and obligations that result from the arrangement. IFRS 12 stipulates comprehensive disclosure requirements for all types of investments in other companies. The pronouncements were applied retrospectively. The application of the new pronouncements has no effect on the Company's Consolidated Financial Statements. Disclosures in accordance with IFRS 12 will be presented in the Notes to the Consolidated Financial Statements for the financial year 2014.

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

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

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

3 _ SEASONAL EFFECTS

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

4 _ SCOPE OF CONSOLIDATION

On January 2, 2014, SAF-HOLLAND GmbH has acquired 80% of voting shares in Corpco Beijing Technology and Development Co., Ltd., a non-listed company headquartered in China and specialized in the manufacture of air suspensions. In the context of the takeover, SAF-HOLLAND GmbH was given a call option for the remaining 20% of the shares which is exercisable for three years following takeover. The call option is accounted for in accordance with the requirements of IAS 39.

The initial consolidation of Corpco Beijing Technology and Development Co., Ltd. was carried out in accordance with IFRS 3 using the acquisition method. The results of the acquired company were included in the Consolidated Financial Statements from the date of acquisition. As of September 30, 2014, the earnings contribution of Corpco Beijing Technology and Development Co., Ltd. was seasonally-induced EUR -0.1 million; the sales thereby generated amounted to EUR 8.5 million.

The preliminary purchase price in the amount of EUR 8.4 million was paid in cash.

The preliminary fair values of the identified assets and liabilities have changed as compared to the description under "Events after the Balance Sheet Date" in the 2013 Notes to the Consolidated Financial Statements. Following a thorough review of the situation, the financial assets as well as a part of cash and cash equivalents were reclassified to trade receivables.

The still preliminary fair values of the identified assets and liabilities were as follows at the time of acquisition:

kEUR	Preliminary fair value as of acquisition date
Brand	381
Customer relationship	40
Other intangible assets	63
Property, plant, and equipment	2,358
Deferred tax assets	467
Inventories	4,935
Trade receivables	9,283
Other assets	119
Cash and cash equivalents	3,907
	21,553
Deferred tax liabilities	400
Interest bearing loans and borrowings	5,247
Trade payables	6,369
Other liabilities	681
	12,697
Total of identified net assets	8,856
Fair value of shares with non-controlling interests	-1,560
Goodwill from the acquisition	1,101
Consideration transferred	8,397

Preliminary goodwill in the amount of kEUR 1,101 includes non-separable intangible assets such as employee expertise and expected synergies.

Preliminary fair value of trade receivables amounted to kEUR 9,283 as of the acquisition date. The gross amount of trade receivables amounted to kEUR 9,320. At the acquisition date, receivables in the amount of kEUR 37 were written down.

Non-controlling interest in the acquiree is measured at the proportionate share measured at fair value of the acquiree's identifiable net assets and amounted to kEUR 1,560 as at the acquisition date.

Preliminary cash outflow due to the acquisition of the company is as follows:

kEUR	
Cash outflow	8,397
Cash acquired	3,907
Actual cash outflow	4,490

The amount of the final purchase price depends on the amount of net debt, on impairment of inventories and on net working capital on the date of fulfillment of the contract completion conditions. The consideration is currently still determined based on preliminary figures.

There were no further changes to the scope of consolidation compared to the consolidated financial statements as of December 31, 2013.

5 _ SEGMENT INFORMATION

For management purposes, the Group is organized into customer-oriented Business Units based on their products and services. The three reportable core segments are the Business Units Trailer Systems, Powered Vehicle Systems, and Aftermarket. There has been no change in the division of segments since December 31, 2013. For more information, please see the Notes to the Consolidated Financial Statement for the financial year 2013.

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

kEUR	Q1-Q3/2014	Q1-Q3/2013
Operating result	46,776	39,798
Share of net profit of investments accounted for using the equity method	933	-77
EBIT	47,709	39,721
Additional depreciation and amortization from PPA	4,537	4,574
Restructuring and integration costs	3,356 ¹⁾	2,001
Adjusted EBIT	55,602	46,296

¹⁾ Restructuring and integration costs comprises aperiodic expenses in amount of kEUR 220.

Scope of Consolidation
Segment Information
Administrative Expenses
Finance Result

Information on segment sales and earnings for the period from January 1 to September 30, 2014:

Q1-Q3/2014				
Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Consolidated
Sales	414,117	122,885	186,529	723,531
Adjusted EBIT	17,195	8,129	30,278	55,602

Q1-Q3/2013 ¹⁾				
Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Consolidated
Sales	373,151	109,767	171,775	654,693
Adjusted EBIT	9,720	9,417	27,159	46,296

¹⁾ The presentation of segment information has changed, see note 4 of the Notes to the Consolidated Financial Statements 2013.

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

6 _ ADMINISTRATIVE EXPENSES

The increase in administrative expenses by 17.4% to kEUR 32,573 can be attributed to two effects: On the one hand, administrative expenses in the previous year were relieved by EUR 2.1 million as a result of a higher capitalized internal contribution in the context of our global IT harmonization. On the other hand, this year's administrative expenses have been burdened by additions to provisions in the amount of EUR 1.4 million for the phantom share program introduced in 2010, because the vesting conditions for the phantom share program are expected to be achieved for the first time this year.

7 _ FINANCE RESULT

Finance income and expenses consist of the following:

FINANCE INCOME		
kEUR	Q1-Q3/2014	Q1-Q3/2013
Foreign exchange gains on foreign currency loans	5,965	–
Finance income due to derivatives	138	–
Interest income	87	107
Other	–	208
Total	6,190	315

Foreign exchange gains on foreign currency loans primarily comprise unrealized foreign exchange gains on foreign currency loans translated at the period-end exchange rate.

FINANCE EXPENSES

kEUR	Q1-Q3/2014	Q1-Q3/2013
Interest expenses due to interest bearing loans and borrowings	-7,218 ¹⁾	-7,377
Amortization of transaction costs	-651	-553
Finance expenses due to pensions and other similar benefits	-730	-1,014
Finance expenses due to derivatives	-2,375	-1,632
Other	-361	-1,936
Total	-11,335	-12,512

¹⁾ Includes the non-cash interest expense of kEUR 31 for the convertible bond.

The amortization of transaction costs of kEUR -651 (previous year: -553) represents the contract closing fees recognized as expenses in the period in accordance with the effective interest method.

Finance expenses in connection with derivative financial instruments mainly include the reclassification to the financial result of the cash flow hedge reserve recorded in equity of kEUR 1,234 through profit or loss. The recycling of the cash flow hedge reserve results from the early repayment of interest rate swaps in the context of the refinancing in October 2012. The cash flow hedge reserve is released to the finance result using the effective interest method over the original term of the swaps. In addition, changes in value of interest rate hedges recorded in equity to date of kEUR 924 were reclassified to the finance result through profit or loss, because the hedge relationship for interest rate swaps was discontinued in the third quarter of 2014 as a result of the decrease in the bank loan due to issuing the convertible bond. Expenses in the amount of kEUR 217 resulted from the early repayment of the interest rate swaps.

8 _ INCOME TAXES

The major components of income taxes are as follows:

kEUR	Q1-Q3/2014	Q1-Q3/2013
Current income taxes	-12,132	-6,861
Deferred income taxes	-1,690	-2,550
Income taxes reported in the result for the period	-13,822	-9,411

The effective income tax rate in the third quarter of 2014 was 32.50%. The variance between the effective income tax rate and the Group's income tax rate of 30.70% is mainly attributable to non-deductible expenses and unused tax loss carry forwards.

9 _ CASH AND CASH EQUIVALENTS

kEUR	09/30/2014	12/31/2013
Cash on hand, cash at banks and checks	32,217	23,851
Short-term deposits	6	5
Total	32,223	23,856

Finance Result
Income Taxes
Cash and Cash Equivalents
Equity

10 _ EQUITY

The Company's subscribed share capital is unchanged from December 31, 2013 and still amounted to EUR 453,611.12 on September 30, 2014. It consists of 45,361,112 ordinary shares with a par value of EUR 0.01 and is fully paid-in.

Due to legal requirements kEUR 23 was added to the legal reserve. It now amounts to kEUR 45 (previous year: kEUR 22).

At the Annual General Meeting on April 24, 2014, it was decided to distribute a dividend in the amount of EUR 0.27 per share to shareholders from the net profit of the financial year just ended. Total dividend distribution amounts to EUR 12.2 million.

At the Extraordinary General Meeting of July 15, 2014 shareholders resolved to increase the authorized capital by EUR 90,722.22 through the issue of up to 9,072,222 shares with a par value of EUR 0.01 each under exclusion of subscription rights. The newly created approved capital is independent of the approved capital generated on June 4, 2012 pursuant to section 5.3 of SAF-HOLLAND S.A.'s Articles of Incorporation and is limited until July 15, 2019. The Board of Directors is furthermore authorized to utilize the newly created authorized capital to issue convertible bonds and/or bonds with warrants.

On September 12, 2014, SAF-HOLLAND S.A. issued an unsecured senior convertible bond with SAF-HOLLAND S.A. share conversion rights on the German Stock Exchange. The convertible bond has an original issue volume of kEUR 100,200, a term of six years (maturity: September 12, 2020) and an interest coupon of 1.0% payable semi-annually.

The conversion right can generally be exercised at any time within the period of October 23, 2014 to September 3, 2020 in accordance with the "Bond terms and conditions" at a fixed conversion price in the amount of EUR 12.37 initially.

SAF-HOLLAND is entitled to cancel and make early repayment on all outstanding convertible bonds, if the aggregate principle amount of the outstanding convertible bonds at any time falls 15% below the aggregate nominal amount of the originally issued convertible bond. In addition, SAF-HOLLAND is entitled, as from September 27, 2018, to repay the entire convertible bond at the nominal amount including the interest accumulated to date, if the share price exceeds the respectively valued conversion price by at least 30% on at least 20 of 30 sequential trading days.

The conversion right securitized with the convertible bond is recognized directly in the share premium in the amount of the difference between the proceeds from the issue and the fair value of the borrowing cost component in consideration of deferred taxes and the proportionate transaction costs. The share premium increased by kEUR 2,801 as a result.

Changes in accumulated other comprehensive income consist of the following:

kEUR	Before tax amount		Tax expense		Net of tax amount	
	Q1-Q3/2014	Q1-Q3/2013	Q1-Q3/2014	Q1-Q3/2013	Q1-Q3/2014	Q1-Q3/2013
Exchange differences on translation of foreign operations	7,996	-6,671	–	–	7,996	-6,671
Changes in fair values of derivatives designated as hedges, recognized in equity	1,439	2,347	-392	-639	1,047	1,708
Total	9,435	-4,324	-392	-639	9,043	-4,963

11 _ EARNINGS PER SHARE

		Q1-Q3/2014	Q1-Q3/2013
Result for the period	kEUR	28,767	18,113
Weighted average number of shares outstanding	thousands	45,361	45,361
Basic and diluted earnings per share	EUR	0.63	0.40

Basic earnings per share are calculated by dividing the result for the period attributable to shareholders of SAF-HOLLAND S.A. by the average number of shares outstanding. New shares issued during the period are included pro rata for the period in which they are outstanding.

Both in the third quarter of 2014 and in the corresponding period of the previous year, the weighted average number of shares remained unchanged at 45,361,112.

The diluted earnings per share are based upon the assumption that the outstanding debt instruments are converted. The convertible bond is only considered in the calculation of the diluted earnings per share if it has a dilutive effect in the reporting period. The consideration of the additional shares from the convertible bond issued in September 2014 does not result in a dilutive effect on earnings per share, as the conversion right is not yet exercisable on the balance sheet date. In the future, this instrument can have a fully dilutive effect.

12 _ INTEREST BEARING LOANS AND BORROWINGS

kEUR	Non-current		Current		Total	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Interest bearing bank loans	10,507	60,216	–	7,059	10,507	67,275
Convertible bond	96,278	–	–	–	96,278	–
Bond	75,000	75,000	–	–	75,000	75,000
Transaction costs	-3,570	-3,315	-444	-602	-4,014	-3,917
Bank overdrafts	–	–	–	4,084	–	4,084
Accrued interests	–	–	2,351	4,245	2,351	4,245
Other loans	140	93	125	83	265	176
Total	178,355	131,994	2,032	14,869	180,387	146,863

Equity
Earnings per share
Interest Bearing Loans and Borrowings

On September 12, 2014, SAF-HOLLAND issued an unsecured, senior convertible bond with a volume of kEUR 100,200.

Upon initial recognition, the convertible bond was divided into a liability portion and an equity portion based on the substance of the contractual arrangements pursuant to IAS 32. The liability portion of the convertible bond was recognized at present value taking into account a market discount rate and increases by the interest portion of the respective period at each balance sheet date in accordance with the effective interest rate method. The compounding of interest resulting from the difference between the coupon interest rate and the effective interest rate amounted to kEUR 31 as of September 30, 2014. At the balance sheet date, the liability portion of the convertible bond was kEUR 96,278.

The net proceeds from the convertible bond emission were primarily used for the repayment of existing bank loans.

As a result of the repayment of bank loans, it was possible to conclude a new revolving credit line with more favorable conditions. Please refer to Note 15 "Events After the Balance Sheet Date" for further information.

The following table summarizes the determination of overall liquidity defined as available undrawn credit lines measured at the period-end exchange rate plus available cash and cash equivalents as at September 30, 2014:

kEUR	09/30/2014			
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A1	–	–	–	–
Facility A2	–	–	–	–
Facility B1	7,999	68,000	32,223	92,224
Facility B2	–	31,915	–	31,915
Other Facility	2,508	5,124 ¹⁾	–	2,616
Total	10,507	105,039	32,223	126,755

¹⁾ New bilateral credit line for the activities of the Group in China.

kEUR	12/31/2013			
	Amount drawn valued as at the period-end exchange rate	Agreed credit lines valued as at the period-end exchange rate	Cash and cash equivalents	Total liquidity
Facility A1	53,195	53,195	–	–
Facility A2	11,080	15,980	–	4,900
Facility B1	3,000	80,000	23,856	100,856
Facility B2	–	36,320	–	36,320
Total	67,275	185,495	23,856	142,076

The determination of overall liquidity has changed as compared to the Annual Report as of December 31, 2013. Overall liquidity is now calculated with reference to the period-end exchange rate. The management expects the changed calculation method to allow for better insight into the Company's financial position. The prior-year figures have been adjusted for reasons of comparability.

13 _ FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

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

kEUR	09/30/2014		12/31/2013	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets measured at cost or amortized costs				
Cash and cash equivalents	32,223	32,223	23,856	23,856
Trade receivables	130,010	130,010	76,088	76,088
Other current assets	1,165	1,165	1,175	1,175
Derivatives without hedging	150	150	15	15
Financial liabilities measured at cost or amortized costs				
Trade payables	106,420	106,420	79,253	79,253
Interest bearing loans and borrowings	192,331	180,387	156,125	146,863
Finance lease liabilities	2,186	2,186	2,237	2,237
Derivatives with hedging relationship	–	–	205	205

On balance sheet date the market value of the listed corporate bond measured at amortized cost amounts to kEUR 84,375 (December 31, 2013: 84,263).

On balance sheet date the market value of the convertible bond measured at amortized cost amounts to kEUR 98,847.

The following overview shows the allocation of financial assets and liabilities, which are measured at fair value, into valuation hierarchies according to IFRS 13.

	09/30/2014			
	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	150	–	150
	12/31/2013			
	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	15	–	15
Derivative financial liabilities	–	205	–	205

As of September 30, 2014, the derivative financial assets contain forward exchange transactions and are used to hedge the risk position arising from the currency fluctuation of the US dollar.

14 _ RELATED PARTY DISCLOSURES

At the Annual General Meeting on April 24, 2014, it was decided to approve and renew the Board of Directors mandate of Bernhard Schneider, Sam Martin and Detlef Borghardt until the Annual General Meeting that will resolve on the annual accounts for the financial year ending December 31, 2016. Furthermore, it was decided to approve and renew the Board of Directors mandate of Anja Kleyboldt until the Annual General Meeting that will resolve on the annual accounts for the financial year ending December 31, 2015. In addition, the appointment of Martina Merz to the Board of Directors until the Annual General Meeting that will resolve on the annual accounts for the financial year ending December 31, 2016 was approved.

Since April 24, 2014, the Board of Directors has consisted of the following members:

- Bernhard Schneider (Chairman)
- Sam Martin (Deputy Chairman)
- Detlef Borghardt
- Dr. Martin Kleinschmitt
- Anja Kleyboldt
- Martina Merz
- Richard Muzzy

TRANSACTIONS WITH RELATED PARTIES AND COMPANIES IN WHICH MEMBERS OF MANAGEMENT HOLD KEY POSITIONS

kEUR	Sales to related parties		Purchases from related parties	
	Q1-Q3/2014	Q1-Q3/2013	Q1-Q3/2014	Q1-Q3/2013
SAF-HOLLAND Nippon, Ltd.	770	722	–	–
Lakeshore Air LLP	–	–	–	65
FWI S.A.	–	–	22,468	20,205
Total	770	722	22,468	20,270

kEUR	Amounts owed by related parties		Amounts owed to related parties	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013
SAF-HOLLAND Nippon, Ltd.	221	185	183	183
Lakeshore Air LLP	–	–	–	–
FWI S.A.	–	–	1,571	382
Total	221	185	1,754	565

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

In October 2014, an agreement for a credit line was signed with a new, smaller consortium of banks which replaced the financing arrangement that had been in place since October 5, 2012 ahead of schedule and ensures a long-term supply of short and long-term finance for the Group until October 2019.

The early refinancing offers the following advantages compared to the financing agreement that was replaced:

- Halving of the interest margin in a first step to 1.3%.
- Relaxation of the financial covenants due to the Group's improved risk position.
- Extension of the maturity date by two years compared to the financing agreement that was replaced.

No further material events have occurred since the reporting date.

Cash Flow Statement
Events after the Balance Sheet Date

Financial Glossary

A

Actuarial gains and losses

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

Adjusted EBIT

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

Aperiodic

Non-periodic, at irregular intervals.

B

Bond with warrant

Bonds with warrants are fixed-interest securities issued by a company which are issued together with warrants. These warrants confer the right to purchase shares in the issuing company at a pre-defined point in time and at pre-defined conditions. In addition, the owner of a bond with warrant continues to have a right to interest payments and settlements from the bond after exercising the warrant.

Business Units

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

C

Cash-generating unit

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

Convertible bond

Convertible bonds are fixed-interest securities issued by a company. In addition, the owner has the right to exchange the fixed-income securities for shares in the issuing company at pre-defined conditions at a certain point in time.

Coverage

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

D

Days inventory outstanding

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

Days payable outstanding

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

Days sales outstanding

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

Diluted earnings per share

Earnings per share can be reduced or the loss per share can be increased from the assumption that the outstanding share options and convertible bonds are converted.

E

Effective income tax rate

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

Equity ratio

Equity / total assets x 100.

F**Fair value**

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

Financial covenants

Financial figures stipulated in finance agreements to which the company must adhere during the duration.

G**Gross margin**

Gross profit / sales x 100.

I**IFRS/IAS**

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

M**MDAX**

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

N**Net working capital**

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

Non-recourse factoring

Factoring where the factor takes on the bad debt risk.

P**Personnel expenses per employee**

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

Prime Standard

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

Purchase price allocation (PPA)

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

R**R&D ratio**

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

Recoverable amount

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

S**Sales per employee**

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

SDAX

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

Shares of non-controlling interests

Equity in a subsidiary not attributable, directly or indirectly, to a parent.

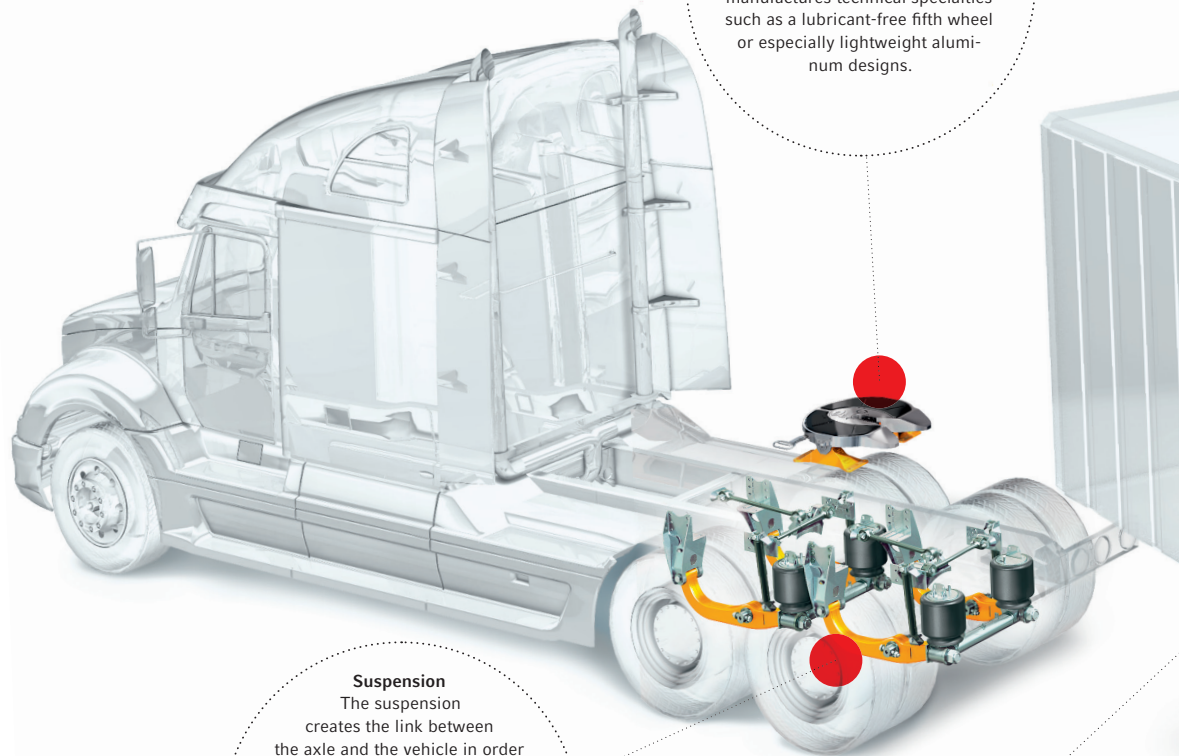
T**Total cost of ownership**

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

V**Value in use**

Present value of future cash flows from an asset.

Technical Glossary



Fifth Wheel

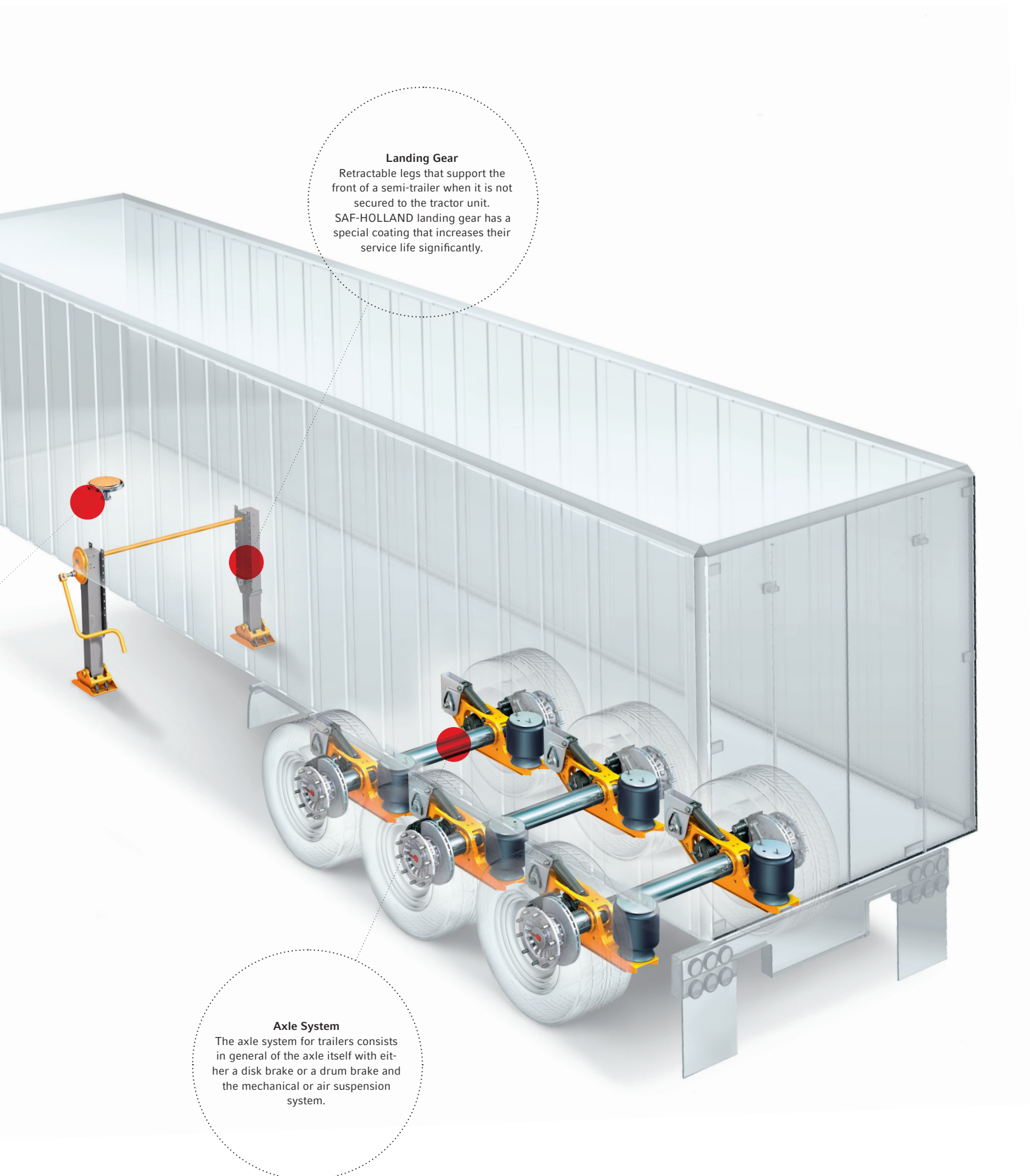
Mounts with the kingpin and serves to secure the semi-trailer to the tractor unit. In addition to its traditional products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel or especially lightweight aluminum designs.

Suspension

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

Kingpin

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



List of Abbreviations

A

ACEA	European Automobile Manufacturer's Association
ACT Research	Americas Commercial Transportation Research Co., LLC
APO	Advanced Planer & Optimizer (IT-System to utilize for supply chain management)

B

BRIC	Brasil, Russia, India, and China
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C

CAAM	China Association of Automobile Manufacturers
CAD	IT-System often used in engineering/product development
Cap	Derivative to hedge against rising interest rates
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFRP	Carbon-fiber-reinforced plastic

D

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

E

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

F

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

GDP	Gross Domestic Product
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I

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

K

kEUR	Thousand Euro
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M	
MATS	Mid-America Trucking Show
Mio.	Million
N	
n.a.	Not applicable
O	
OEM	Original Equipment Manufacturer
OES	Original Equipment Service
P	
PDC	Parts Distribution Center
PPA	Purchase Price Allocation
ppm	Parts per million
R	
R&D	Research and Development
S	
SDAX	Small-cap-DAX
SIAM	Society of Indian Automobile Manufacturers
Swap	Hedging instrument in which two counterparties agree to exchange contractual rights and obligations against another (to swap) to a definite existing period of time in the future and to defined conditions

U	
US	United States of America
USA	United States of America
USD	US-Dollar
V	
VDA	Verband der Automobilindustrie
W	
WKN	Wertpapierkennnummer (security identification number)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)

Financial Calendar and Contact Information

Financial Calendar

March 12, 2015	Publication of Annual Financial Statements 2014
April 23, 2015	Annual General Meeting
May 13, 2015	Report on Q1 2015 Results
August 6, 2015	Report on H1 2015 Results
November 5, 2015	Report on Q3 2015 Results

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