



Design the future

Quarterly Report of SAF-HOLLAND S.A.
as of September 30, 2015

KEY FIGURES

EUR million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Sales	817.5	723.5	258.8	241.5
Cost of sales	-658.6	-587.5	-208.6	-196.3
Gross profit	158.9	136.0	50.2	45.2
as a percentage of sales	19.4	18.8	19.4	18.7
Adjusted result for the period	49.3	35.0	14.0	13.9
as a percentage of sales	6.0	4.8	5.4	5.8
Undiluted adjusted EPS in EUR ¹⁾	1.09	0.77	0.31	0.30
Adjusted EBITDA	84.8	65.4	28.0	22.4
as a percentage of sales	10.4	9.0	10.8	9.3
Adjusted EBIT	73.6	55.6	24.1	19.1
as a percentage of sales	9.0	7.7	9.3	7.9
Operating cash flow ²⁾	43.7	21.4	28.8	6.4

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-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Europe	394.8	379.7	123.6	118.5
North America	329.1	270.1	104.8	95.2
Other	93.6	73.7	30.4	27.8
Total	817.5	723.5	258.8	241.5

SALES BY BUSINESS UNIT

EUR million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Trailer Systems	471.9	414.1	145.2	133.3
Powered Vehicle Systems	139.3	122.9	44.5	44.0
Aftermarket	206.3	186.5	69.1	64.2
Total	817.5	723.5	258.8	241.5

OTHER FINANCIAL INFORMATION

	09/30/2015	06/30/2015	03/31/2015	12/31/2014
Total assets (EUR million)	691.1	713.6	724.7	645.2
Equity ratio (%)	39.3	38.1	38.3	38.5
	Q1-Q3/2015	Q1-Q3/2014		
Employees (average)	3,377	3,374		
Sales per employee (kEUR)	242.1	214.5		



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Foreword from the Management Board

Ladies and Gentlemen, Dear Shareholders and Investors,

The third quarter of this year was characterized by slowing economic growth. The weaker growth of the Chinese economy caused uncertainty in the capital markets. Important commercial vehicles markets such as Brazil, Russia and even Australia continue to show noticeably weaker development than expected at the beginning of the year. There are still no specific signs of improvement. The USA is already showing signs of the business normalization expected for the next year.

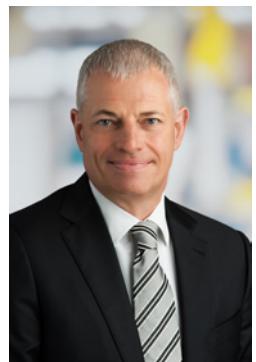
In September, the automotive and supplier industry also faced the scandal regarding manipulated emissions standards in a Volkswagen passenger car diesel motor. Without any real differentiation, the entire industry was initially deemed liable and penalized on the stock exchanges. The affair, now commonly referred to as "dieselgate", at times had a noticeable impact on our share price development, although SAF-HOLLAND exclusively equips commercial vehicles and does not produce any components for passenger cars or motors. Clarification was needed.

Despite this generally challenging environment, we are in line with planning. SAF-HOLLAND increased Group sales in the third quarter of 2015 over the already strong prior-year basis by 7.2% to EUR 258.8 million. Over the entire period of the first nine months of 2015, we achieved sales growth of 13.0% to EUR 817.5 million. The favorable development of the exchange rates, especially in terms of EUR/USD, contributed to this double digit sales growth. Organic sales growth accounted for 3.6%. Development of earnings was also pleasing. Adjusted EBIT in the first nine months of the year increased by 32.4% to EUR 73.6 million. The adjusted EBIT margin improved by 130 base points to 9.0%. In the third quarter, adjusted EBIT reached EUR 24.1 million and thus exceeded the comparable figure from the previous year by EUR 5.0 million or 26.2%. Accordingly, the adjusted EBIT margin was, in both the third quarter as well as on a nine-month basis, within the target corridor we had set of 9 to 10%, although at the lower end.

The driving force behind the solid earnings development were, in addition to our efficiency enhancements in production, positive product mix effects and the successes of our package of measures to improve profitability in the Trailer Systems Business Unit. With the conclusion of the German plant consolidation at the Bessenbach location at the end of September, we were able to successfully complete a key project in the package of measures on time. On behalf of the entire Management Board, I would like to express our thanks to all parties involved for this achievement. We will now tackle the job of optimizing the production processes in Plant 1 in Bessenbach and to more intensively network them. The objective is to achieve further productivity growth and, in the end, to generate cost advantages.

We are also making progress with the implementation of our growth strategy 2020 which was introduced in May 2015 and the planned expansion into new regional markets that is part of this strategy. In the third quarter, we began preparations for the founding of a sales office as well as branches in Kenya and Morocco.

For the strategy 2020, we are also positioning ourselves in terms of financing. Beyond the organic growth of the Group, we also want to grow through targeted cooperations and acquisitions which will enable a faster market entry and a stronger market positioning in those markets with disproportionately high growth over the long term, i.e. the BRIC countries and NEXT-11. For the planned growth course, we are putting tremendous importance on timely



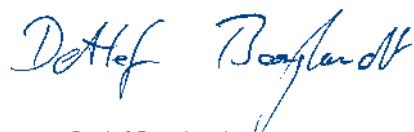
Detlef Borghardt,
Chief Executive Officer (CEO)

hedging that is geared toward the long term. The interest situation remains favorable for this approach. With this in mind, we reached agreement in October with a reduced bank consortium on a new syndicated loan which will replace the current line of financing. Also in October, we commissioned a bank consortium with the marketing of a bonded loan with a nominal value of EUR 125 million and a staggered term of five to ten years.

The generally successful course of business in the first three quarters of 2015 leads to a solid basis for the remaining months of financial year 2015. Despite the difficult situation in a number of markets and slowing momentum on the US market, we expect that we will be able to meet the planned targets for the year.

On behalf of my colleagues on the Management Board and the Board of Directors, I thank all customers, suppliers, business partners, employee representatives and employees for their good work and successful cooperation. Our thanks also go out to our shareholders and bondholders for the confidence they have placed in the company and the often many years of loyalty they have demonstrated.

Sincerely,



Detlef Borghardt
Chief Executive Officer (CEO)



SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF SHARE PRICE DEVELOPMENT

Turbulent development on the stock markets

Investor nervousness intensified over the summer months of 2015 on the international stock exchanges as well as on the German stock market. This was caused by increasing concern regarding continued economic growth in China, the government debt issue in Greece and uncertainty in connection with the upcoming increase in the prime interest rate from the US Federal Reserve Bank. This is in addition to the scandal at the end of the third quarter related to manipulated emission values for Volkswagen diesel motors of passenger cars which in turn led to substantial drops in the price of many stocks in the automotive and component supplier industry which insecure investors associated with the issue. The SAF-HOLLAND share was also impacted although, as a supplier for the commercial vehicles industry, the company does not supply any parts for the automotive industry and does not produce components for motors.

German stock markets under pressure

The leading German index DAX experienced a turbulent third quarter and, in the end, recorded severe losses. The spectrum ranged from 11,736 to 9,428 points. Over the course of the entire quarter, the index declined by 11.7% and closed at 9,660 points on September 30, 2015. It was thus 1.5% below the figure for the end of 2014. Development on the comparative index SDAX was noticeably better. At the end of the quarter on September 30, 2015, it closed with 8,310 points, thus recording an increase of 15.6% as compared to the 2014 year end closing price. Most automotive suppliers and many mechanical engineering titles, on the other hand, were noticeably weaker than the SDAX.

SAF-HOLLAND share with an increase of 6% since the beginning of the year

The SAF-HOLLAND share initially continued the upward trend that it began in June, reaching a high of over EUR 15.00 in July 2015. Despite quarterly results that were once again above expectations, the share price paid tribute to the weak overall market and, in particular, the weak development of the sector and dropped back by the end of September to a level of EUR 11.78. With the closing price of EUR 11.78 in the third quarter of 2015, SAF-HOLLAND shareholders were nevertheless able to enjoy a share price increase of 20.6% as compared to the closing price from the third quarter of 2014 (EUR 9.77). Compared to the closing price at the end of the year 2014, this corresponds to an increase of 6.1%.

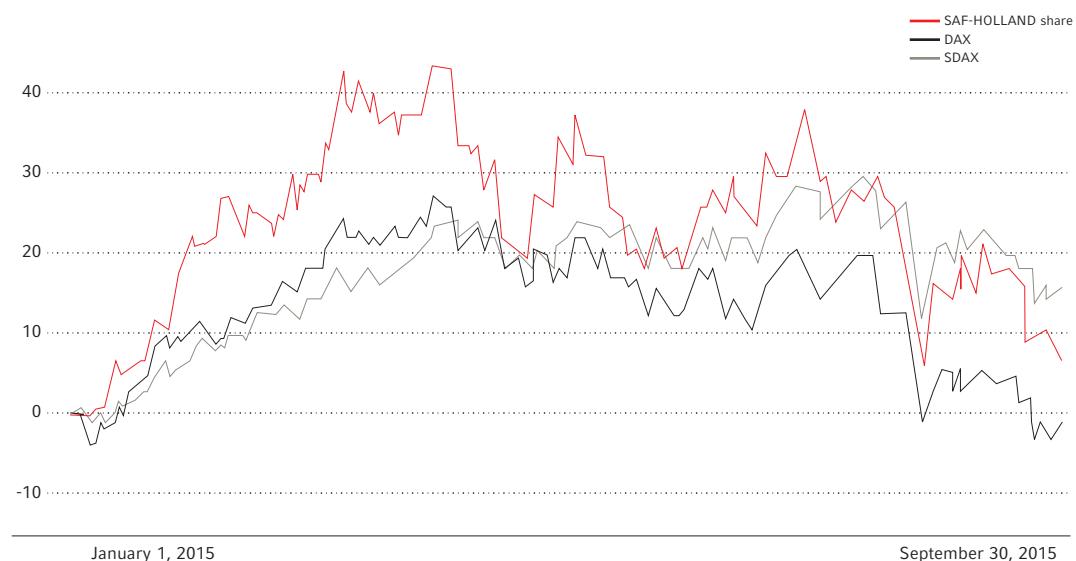
Market capitalization at more than a half billion euro

On the basis of the closing price from September 30, 2015 and the 45,361,112 shares issued, the market capitalization of SAF-HOLLAND amounted to EUR 534 million – an increase of approximately 21% as compared to the prior-year figure of EUR 443 million.

Significant increase in trading volume

As compared to the first nine months of 2014, there was a marked improvement in the liquidity in the share – a key investment criteria for large institutional investors. The average daily traded volume increased by 83.4% to EUR 3.1 million as compared to EUR 1.7 million in the same period of the previous year.

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



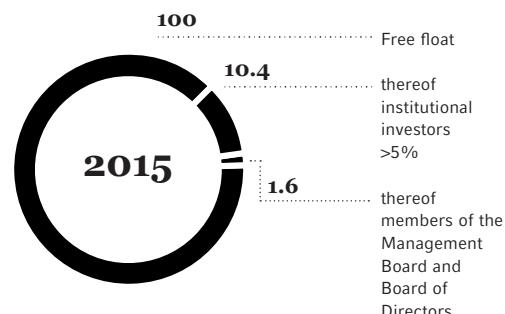
Source: Commerzbank AG,
Frankfurt am Main.

Shareholder structure

Our company's shares are broadly held. Shareholders consist primarily of institutional investors such as banks, insurance companies and asset managers as well as private investors from Germany and abroad. Among the larger shareholders with extensive contingents are, in addition to German investment companies, mainly investment trusts from the United Kingdom, France, Scandinavia, the Benelux countries and, to an increasing extent, from the United States. More than 5% of the shares in SAF-HOLLAND S.A. are held by funds from Deutsche Bank AG with a stake of 5.3% as well as by Franklin Templeton Investment Management Limited with 5.2%. There are about a dozen further international investment companies with stakes of between 2% and 5%.

By the end of the reporting quarter, members of the Management Board and the Board of Directors of SAF-HOLLAND owned 1.6% of the shares of the company (previous year: 3.3%). In a year-on-year comparison it should be considered, however, that following the Annual General Meeting on April 23, 2015 Richard Muzzy resigned from the Board of Directors at SAF-HOLLAND S.A. and Ulrich Otto Sauer resigned from the Supervisory Board at SAF-HOLLAND GmbH. Their share holdings will no longer be included in the calculation of shares belonging to the Board of Directors and the Management Board.

SHAREHOLDER STRUCTURE 2015 in %



Mainly positive assessment of the SAF-HOLLAND share

The SAF-HOLLAND share is currently analyzed by 11 banks and financial service providers. Others are preparing to begin their coverage. At the time of the publication of the financial report on the third quarter of 2015, eight of eleven analysts gave the share a buy recommendation or expect a better share price development than the overall market while there was one „hold“ recommendation. The price targets varied between EUR 13.70 and EUR 20.00.

CURRENT ANALYSTS RECOMMENDATIONS

Deutsche Bank AG	buy
Kepler Cheuvreux	buy
Exane BNP Paribas	outperform
Bankhaus Lampe KG	buy
Commerzbank AG	hold
equinet Bank AG	buy
Hauck & Aufhäuser Institutional Research AG	buy
ODDO SEYDLER BANK AG	buy
Macquarie Capital Ltd.	outperform
quirin bank AG	buy
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, ODDO SEYDLER BANK AG, Kepler Cheuvreux
Daily high/low in the reporting period ¹⁾	EUR 15.77 / EUR 11.06
Quarterly closing price ¹⁾	EUR 11.78
Market capitalization at the end of the third quarter ²⁾	EUR 534.4 milion
Undiluted adjusted earnings per share ²⁾	EUR 1.09

¹⁾ XETRA closing price.

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

CORPORATE BONDS OVERVIEW

Strong-yield investment alternatives

In addition to its share, SAF-HOLLAND is also present on the capital market with a corporate bond and convertible bonds. They offer private and institutional investors an attractive and high-yield alternative in times of continuously low interest rates.

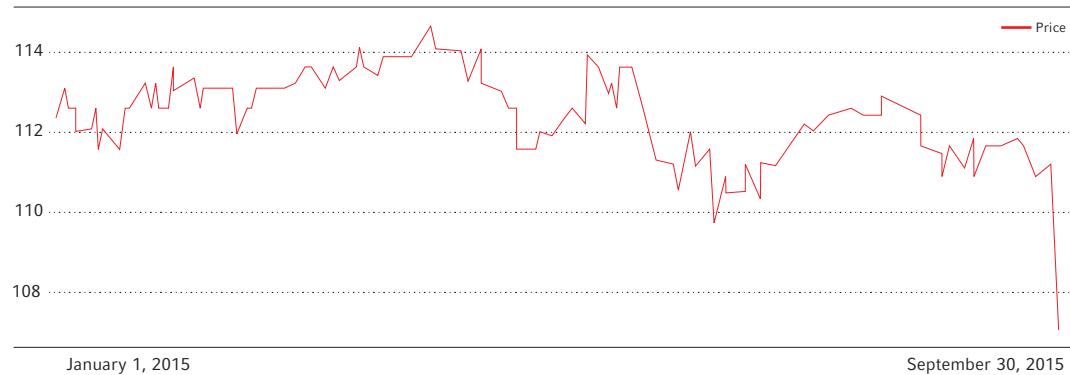
SAF-HOLLAND has a credit rating in the investment grade range of BBB, outlook stable. Following a further comprehensive analysis, rating agency Euler Hermes confirmed its previous year's rating on April 7, 2015. In their twelve-month forecast, analysts predict a continued stable company development for our company.

SAF-HOLLAND corporate bond

The SAF-HOLLAND corporate bond is listed on the Prime Standard for corporate bonds on the Frankfurt Stock Exchange. The quotation in this premium segment offers investors a high degree of transparency and a good tradability of the bond.

In the current year, the bond was consistently quoted above the level of 110%. At the end of the reporting quarter it fell back slightly. This was primarily due to the Volkswagen emission scandal which, beyond the stock market, also impacted corporate bonds from the automotive industry. Against this backdrop, the corporate bond from SAF-HOLLAND closed out the reporting quarter on September 30, 2015 with a closing price for the day of 107.0% (previous year: 113.0%).

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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
Stock exchange	Frankfurt
Status	Not subordinated
Company rating	BBB, stable outlook (Euler Hermes)
Quarterly closing price ¹⁾	107.0%

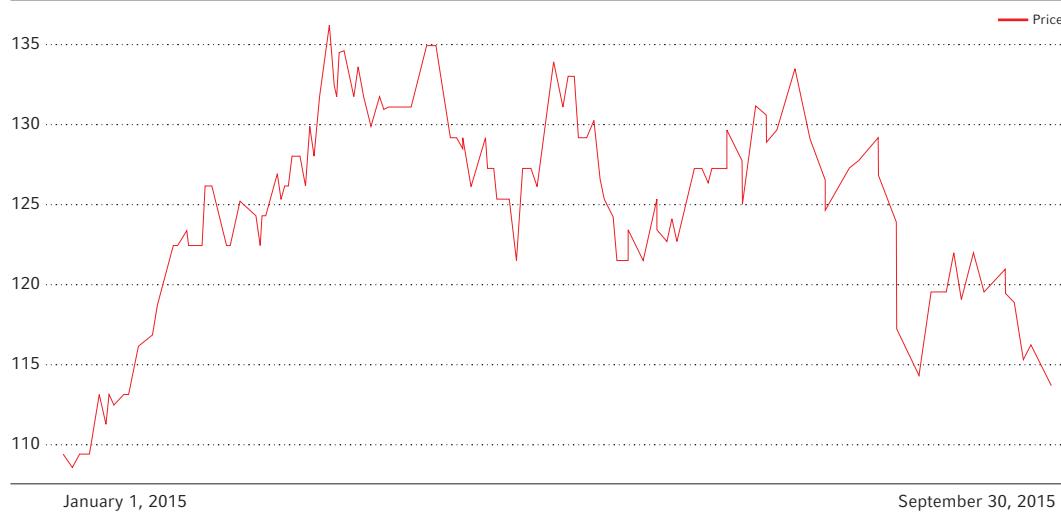
¹⁾ Source: IKB Deutsche Industriebank AG, Düsseldorf.

SAF-HOLLAND convertible bonds

The convertible bonds issued by SAF-HOLLAND in September 2014 have been listed into the OTC trade of the Frankfurt Stock Exchange.

On September 30, 2015 the price of our convertible bonds was 113.7%. It was thus 6.2% above the listing of 107.5% at the end of 2014.

PERFORMANCE OF THE SAF-HOLLAND CONVERTIBLE BOND Figures in %



Source: IKB Deutsche Industriebank AG, Düsseldorf.

KEY FIGURES FOR THE CONVERTIBLE BOND

WKN	A1ZN7J
ISIN	DE000A1ZN7J4
Volume	EUR 100.2 million
Denomination	EUR 100,000
Coupon	1.00% p.a.
Method of payment	Semi-annual
Term	6 years
Maturity	September 12, 2020
Status	Unsubordinated and unsecured
Conversion price	EUR 12.33 per share
Conversion premium	20% above reference price
Conversion ratio	8.110,8921 per bond
Dividend protection	Up to EUR 0.27 per share annually
Stock exchange	Over the counter market of the Frankfurt Stock Exchange
Quarterly closing price ¹¹	113.7%

¹¹Source: IKB Deutsche
Industriebank AG, Düsseldorf.

INVESTOR RELATIONS AND CAPITAL MARKET RELATIONSHIPS**Investor relations activities expanded internationally**

In the first nine months of 2015, the Management Board and IR Team conducted numerous individual and group discussions with investors and analysts on business development, technology trends and the future prospects of our company in the course of the current implementation of the growth strategy 2020.

In addition to participation in 18 international capital market conferences in locations which included Munich, Baden-Baden, London, Paris, Berlin, New York and Boston, we also held road shows in Munich, Hamburg, Finland and Denmark. A comprehensive North America road show also met with a pleasingly high level of interest and, for the first time, also included Canada and investors from the Mid-West of the USA.

With a view to the increasing international positioning of the group of companies in the course of the strategy 2020, SAF-HOLLAND will intensify its investor relations efforts, primarily on the international stage. A particular focus is on North America. But also in China and Australia, where the company enjoys a high level of awareness with its brand, road shows and/or participation in capital market conferences are planned.

The SAF-HOLLAND Capital Markets Day 2015 for financial analysts and investors is expected to take place on December 9. In addition to the key items on the event agenda, we will also be taking a look at the objectives and initiatives for implementation of the growth strategy 2020, among other things. Furthermore, any interested participants will be given the opportunity to visit the expanded Plant 1 in Bessenbach following the successfully completed consolidation of the German plants.

Our SAF-HOLLAND Investor Relations website provides detailed current information on the share as well as on the corporate bond and the convertible bonds. In addition to key figures and current financial news, it also offers reports, presentations and recordings of telephone conferences for download: <http://corporate.safholland.com/en/investoren.html>. In the first quarter of 2016, SAF-HOLLAND will then launch a fully revised and, in terms of the range of information offered and design, a significantly optimized Investor Relations offering.

Group Interim Management Report

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

GENERAL FRAMEWORK CONDITIONS

Overall economic development

The economic outlook for global production dampened in the middle of the year. In adapting to this development, the International Monetary Fund (IMF) reduced its growth outlook for the global economy based on 2015 at the beginning of July by 0.2 percentage points to 3.3%.

In the advanced economies, development benefited in the third quarter of 2015 from the expansive monetary policy and impetus generated by the lower oil price. In the euro countries, export strengthening currency relations also had a positive impact.

The Institute for World Economy (IfW) calculates that the gross domestic product (GDP) in the euro zone from July to September increased as compared to the prior quarter by 0.4%. Industrial production in the reform countries, in particular, increased noticeably. In Germany, GDP in the third quarter of 2015 is likely to have increased by 0.4%.

In the United States, too, the economy continued to move upward. This confirms assumptions that the economic weaknesses seen at the beginning of the year were merely a short term effect. Although the USA, following the general decrease in the oil price is investing less in the production of crude oil, the GDP should expand by 2% in the second half of the year.

In the emerging countries the economy was slowed in the reporting period by lower export revenues as a result of falling raw materials prices, but also due to structural and domestic economic difficulties. In Brazil, for example, declining economic output is anticipated for the current year. The same applies for Russia, where the economic environment worsened again in the third quarter. For China, too, economic climate indicators point to a weakening of economic output. The difficulties the country is experiencing in the transition to sustainable growth could, in the view of the IfW, also have an impact on other national economies in Asia.

Industry-specific development

As is the case with the overall economy, the global commercial vehicles markets also presented a very inconsistent image in the third quarter of 2015.

In the European Union, the market for trucks and trailers showed upward tendencies again. Overall, in the EU countries a total of 1.5 million commercial vehicles were newly registered from January to September. This corresponds to an increase of 12.2% as compared to the prior year period. According to the industry association ACEA, it was primarily those vehicle classes that are relevant for SAF-HOLLAND that recorded the strongest growth. In the segment for heavy trucks over 16 tons, 20.6% more units were newly registered than in the same period of the previous year.

By contrast, development of the North American truck market in the third quarter was inconsistent. For medium-duty trucks in the classes 6 and 7 as well as for the heavy truck segment, order volumes initially continued to increase in July. In August, the market softened and orders remained below the comparative figures from the same month in the previous year. Not least as a result of plant vacations, August is traditionally one of the weaker months for orders of class 8 trucks. In addition, many orders were already placed in the prior months, as pointed out by the market research institute ACT Research, emphasizing the high order backlog of original equipment manufacturers.

The North American trailer market recorded increasing demand in the reporting period. Following a very strong order month in June, orders in July increased by 7% as compared to the relevant month in the previous year. In August, orders almost exactly met the order volume of August 2014. Market experts point out that volumes for trucks and trailers which are specifically designed for the fracking segment could still be slowed by decreasing fracking activities. Due to the decline in crude oil prices, the United States has reduced its shale oil production considerably.

Development in a number of markets in emerging countries was again extremely weak. In Brazil, for example, 43.9% fewer trucks were registered for the first time from the beginning of January to the end of September than in the same period of 2014. All commercial vehicle segments which are relevant for SAF-HOLLAND recorded significant decreases. For heavy trucks over 15 tons, new registrations in the first nine months declined by 60.3%.

The Russian commercial vehicles market was also once again clearly in minus. From January to the end of July, 21.1% fewer trucks were produced as compared to the same period of the previous year.

In China, a total of 2.5 million commercial vehicles rolled off the assembly lines in the first nine months of the current year. Commercial vehicles production figures thus fell by 12.5% as compared to the same period in the previous year. According to the Chinese manufacturer's association CAAM, the decrease was primarily accounted for in the truck segment. In the bus segment, production was at roughly the same level as in the previous year.

OVERVIEW OF BUSINESS DEVELOPMENT

Significant events in the third quarter of 2015

Plant consolidation in Germany successfully completed

At the end of September, and thus earlier than originally planned, the relocation of the German plant in Wörth to the two plants at the main location in Bessenbach was successfully completed. Over the course of several stages since the end of 2013, SAF-HOLLAND completely transferred the plant in Wörth to the two plants in Bessenbach, which were modernized and expanded for this purpose.

The consolidation of the German production plant network is among the focuses of our activities to optimize earnings in the Trailer Systems Business Unit. The goal of the package of measures that was launched two years ago is to increase the adjusted EBIT margin of the Business Unit to about 6% by the end of 2015. Implementation of the package of measures, which consists of a broad range of individual initiatives, is already having an impact. Trailer Systems shows an adjusted EBIT margin of more than 6% for both the second as well as for the third quarter 2015.

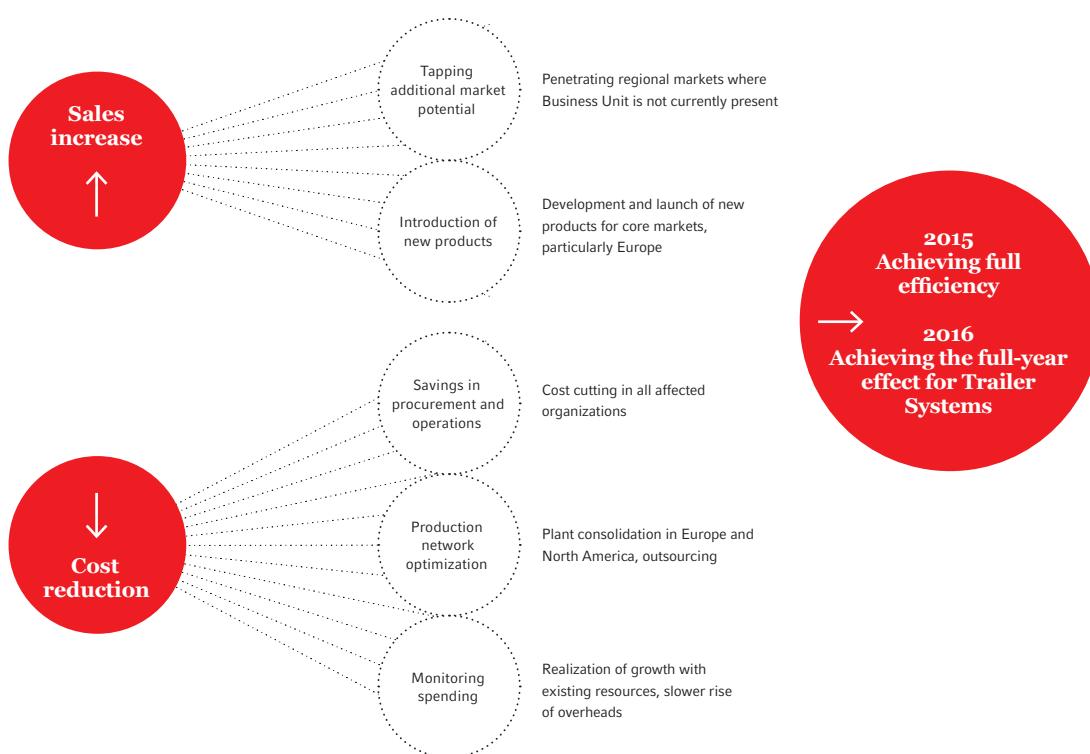
Process optimizations after plant consolidation offer further cost reduction potential

The completion of the German plant consolidation paves the way for greater flexibility in the production at the Bessenbach location. Plant I at the location now covers the entire value chain. By means of various detail projects, the individual production processes can now be more precisely coordinated. This provides a number of advantages, including in particular enhanced productivity and additional improved delivery times. Our initiatives in this regard will also lead to cost advantages.

Activities for the sale of the property in Wörth are also underway. At the same time, negotiations began on the purchase of an area in Bessenbach where, primarily, a location for the Aftermarket Business Unit will be built.

In terms of the plant consolidation in North America, further steps have been decided which call for the sale of the AerWay aeration and ventilation systems for tillage business – a peripheral business which has been maintained since the merger of SAF and Holland in 2007 and which is not part of the core business of SAF-HOLLAND and only marginally contributed to Group sales. The activities associated with the sale have been initiated and are planned to be implemented by the end of the year.

PACKAGE OF MEASURES TO INCREASE PROFITABILITY OF TRAILER SYSTEMS



— Founding of new sales offices in Morocco and Kenya now prepared

A cornerstone of our growth strategy 2020 is the expansion of business activities to new markets. Among the various associated initiatives is also the establishment of further sales offices. In the third quarter, SAF-HOLLAND began preparations for the founding of an office in Morocco and one in Kenya. Morocco is increasingly positioning itself as a trade hub between the European and African continents as well as North and South America. In the World Bank's Logistics Performance Index (LPI), the country is already ranked 62nd. Kenya, which is in 89th place in the LPI ranking, benefits from its favorable geographical location in East Africa. The country can also point to positive economic data: with a gross domestic product of more than USD 55 billion, Kenya is viewed as the strongest economy within the East African Community.

— Award as premium supplier

In July, our plant in Holland, Michigan, was presented with the renowned Quality Award from American manufacturer PACCAR. The award is tied to a strict set of conditions. In addition to compliance with demanding quality standards, these also include criteria such as the degree of innovation of the products or the punctuality of deliveries. Furthermore, quality systems must meet the demands of ISO/TS 16949 and ISO 9001. Under the brands Kenworth, Peterbilt and DAF, PACCAR manufactures lightweight, midrange and heavy trucks. SAF-HOLLAND supplies the truck manufacturer with fifth wheels and suspension systems, among other things.

EARNINGS SITUATION**Group sales increase by 13%**

From January to September 2015, SAF-HOLLAND generated Group sales of EUR 817.5 million (previous year: EUR 723.5 million). Despite weakness in the Russian, Brazilian and Australian markets, sales increased by EUR 94.0 million, or 13.0%, compared with the same period in the previous year. As a result of currency translation, exchange rate developments had a positive impact. The development of the exchange rate of the US dollar against the Euro played a key role. Adjusted for exchange rate effects, Group sales increased by 3.6% to EUR 749.5 million in the first nine months of 2015.

CURRENCIES: DEVELOPMENT OF THE US DOLLAR AND THE CANADIAN DOLLAR AGAINST THE EURO (Q1-Q3/2015)¹⁾**North America**

US dollar	+21.6%
Canadian dollar	+5.7%

¹⁾ Average rates Q1-Q3/2015 vs. Q1-Q3/2014.

In the third quarter of 2015, Group sales increased by 7.2% to EUR 258.8 million (previous year: EUR 241.5 million). All SAF-HOLLAND business segments contributed to the sales growth.

Following sales increases of 15.2% in the first quarter and 16.6% in the second quarter of 2015, SAF-HOLLAND recorded a growth rate of 7.2% in the reporting quarter. This is attributable both to the decreased contribution from foreign currency translation, and to the unusually high comparable basis of the previous year. Generally, the third quarter is seasonally weaker as a result of August vacations at numerous manufacturers. However, substantial project orders for specialty vehicles, existing work for the government and large individual orders from some fleet operators had a positive effect, particularly on the US market in comparison with the

same quarter in 2014 and ensured unusually strong sales development. Looking at the entire period from January to September 2015, the growth rate continues to be stable: with a value of 13.0% (previous year: 10.5%) the growth rate increased by 250 base points in 2015 compared with the first nine months of 2014.

SALES DEVELOPMENT BY REGION

EUR million	Q1-Q3/2015		Q1-Q3/2014	
Europe	394.8	48.3%	379.7	52.5%
North America	329.1	40.3%	270.1	37.3%
Other	93.6	11.4%	73.7	10.2%
Total	817.5	100%	723.5	100%

SALES DEVELOPMENT BY REGION

EUR million	Q3/2015		Q3/2014	
Europe	123.6	47.8%	118.5	49.1%
North America	104.8	40.5%	95.2	39.4%
Other	30.4	11.7%	27.8	11.5%
Total	258.8	100%	241.5	100%

Europe continues to be the most important sales region

In Europe, SAF-HOLLAND increased sales in the first nine months of 2015 by 4.0% to EUR 394.8 million (previous year: EUR 379.7 million). This means that 48.3% (previous year: 52.5%) of Group sales were recorded in this region. The third quarter of 2015 showed positive development in terms of sales despite the high comparable basis of the previous year. Between July and September 2015, sales of EUR 123.6 million (previous year: EUR 118.5 million) were recorded. This represents a growth of 4.3% in comparison with the third quarter of the previous year.

The increase in demand as a result of the economic upswing, particularly in Southern European countries such as Spain, Portugal and Italy, contributed to the positive sales development. As previously, the difficult market situation in Russia had a dampening effect and also impacted other national markets such as those in the Scandinavian region. As a sales market for used vehicles, Russia has to a great extent broken down. European fleet operators have therefore kept used trucks and trailers, which are ready for sale, longer than planned.

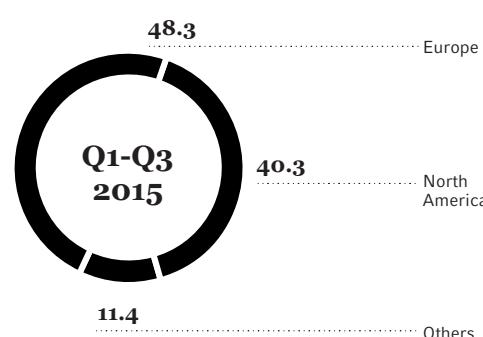
Market growth providing potential in the North American aftermarket

In North America, the need for new vehicles resulting from pent-up demand for investments has normalized following record levels. In general, SAF-HOLLAND recorded a solid demand in the first nine months of 2015.

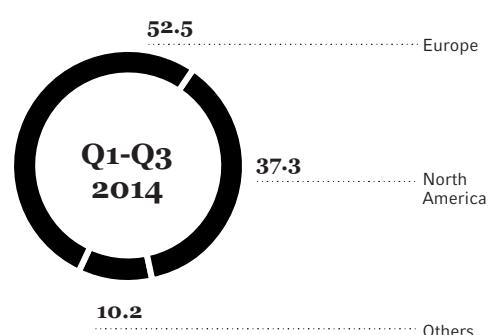
The expansion of the spare parts business suffered as a result of the fact that a large proportion of new vehicles are in operation in North America following strong market growth in recent months. Furthermore, an expansion of the aftermarket business volume in this region is currently only possible to a limited extent. Trucks and trailers are generally first inspected after approximately twelve months. Over a period of one to two years, the increased vehicle stock will have a noticeably positive effect on our spare parts business.

Overall, SAF-HOLLAND increased sales in North America in the first nine months of 2015 to EUR 329.1 million (previous year: EUR 270.1 million). The share of Group sales thereby increased to 40.3% (previous year: 37.3%). Sales growth of 21.8% benefited noticeably from the development of the euro-dollar exchange rate. Adjusted for exchange rate effects, sales in the North America region were at EUR 270.7 million, slightly above the level of the previous year. In the third quarter of 2015, SAF-HOLLAND increased sales in the region by 10.1% to EUR 104.8 million (previous year: EUR 95.2 million). This takes into account the fact that the third quarter is generally seasonally weaker as a result of the annual vacation plant closings in the summer months, and that the third quarter of 2014 recorded an unusually high sales level as a result of large individual orders by several fleet operators. The usual seasonal sales decrease from the second to the third quarter was barely noticeable in 2014. The advantageous product mix of the first half of the year, with a high share of air suspension systems and applications for commercial specialty vehicles shifted towards more standard applications in the third quarter. Furthermore, no government business has been recorded so far in 2015.

SHARE OF GROUP SALES BY REGION in %



SHARE OF GROUP SALES BY REGION in %



Differing development outside of the core markets

In the regions outside of the core markets of Europe and North America, SAF-HOLLAND achieved sales of EUR 93.6 million between January and September (previous year: EUR 73.7 million), an increase of 27.0% compared with the same period in the previous year. In the first nine months of 2015, 11.4% of Group sales were generated in these markets (previous year: 10.2%). In the third quarter of 2015, sales increased despite the economic downturn in some emerging markets by 9.4% to EUR 30.4 million (previous year: EUR 27.8 million).

At the Chinese location in Xiamen, where SAF-HOLLAND has been active since 2009, the expansion of the product program has proven effective at meeting the requirements in emerging markets for particularly cost-efficient standard applications. Since 2014 these axles have also been supplied to vehicle manufacturers in the Middle East and South East Asia. The first deliveries to India began in the reporting period. The positive development of our activities in China is less linked to high economic growth rates. SAF-HOLLAND is primarily growing in the Asian country through the expansion of market shares and manufacturing for export. Through the subsidiary Corpco, which has its headquarters in Beijing and production site in Baotou, the company is also positioned with air suspension systems for electric and intercity buses and in future also for trucks in interesting technological growth niches.

We recorded prolonged positive sales development in Mexico and South America. The Parts Distribution Center in Mexico and the sales offices in Colombia, Peru and Argentina, established in 2013, were once again strategic success factors.

In Brazil and Australia, on the other hand, sales continued to develop weakly as a result of the extremely difficult market situation. New purchases by our customers were postponed in both national markets. If fleet operators begin to reduce pent-up demand for investment, then significant sales stimulus could be created in the future – just as in North America recently, and currently in Europe. In Brazil, since the third quarter, SAF-HOLLAND has been delivering significantly larger quantities to a leading trailer manufacturer which has terminated its own axle production. Progress was also made in the South American country on the cost side, where our optimizations are increasingly leading to improvements in earnings.

Earnings development

INCOME STATEMENT

Eur million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Sales	817.5	723.5	258.8	241.5
Cost of sales	-658.6	-587.5	-208.6	-196.3
Gross profit	158.9	136.0	50.2	45.2
in % of sales	19.4	18.8	19.4	18.7
Other income	1.2	0.8	0.3	0.5
Selling expenses	-45.4	-42.8	-14.4	-14.3
Administrative expenses	-35.2	-32.5	-11.0	-10.7
Research and development costs	-14.8	-14.7	-4.1	-4.9
Operating result	64.7	46.8	21.0	15.8
in % of sales	7.9	6.5	8.1	6.5
Finance result	-2.5	-5.1	-3.9	0.9
Share of net profit of investments accounted for using the equity method	1.0	0.9	0.2	0.5
Result before tax	63.2	42.6	17.3	17.2
in % of sales	7.7	5.9	6.7	7.1
Income tax	-21.1	-13.9	-5.6	-6.0
Result for the period	42.1	28.7	11.7	11.2
in % of sales	5.1	4.0	4.5	4.6
Number of shares ¹⁾	45,361,112	45,361,112	45,361,112	45,361,112
Undiluted earnings per share in EUR	0.93	0.63	0.26	0.24
Diluted earnings per share in EUR	0.80²⁾	0.63³⁾	0.22⁴⁾	0.24³⁾

¹⁾ Weighted average number of ordinary shares.

²⁾ Calculation with consideration of 8,107,497 share equivalents and EUR 0.9 million earnings contribution for the convertible bonds issued in 2014.

³⁾ Calculation with consideration of 562,490 share equivalents and EUR 0.1 million earnings contribution for the convertible bonds issued in 2014.

⁴⁾ Calculation with consideration of 8,107,497 share equivalents and EUR 0.4 million earnings contribution for the convertible bonds issued in 2014.

Operating result increased by 38.2%

The expansion of the sales volume was accompanied by increased efficiency in production, savings effects from the plant consolidation in Germany, as well as beneficial product mix effects which were particularly positive in the first half of the year. In combination, this allowed for better development of gross profit as compared with sales growth.

Gross profit in the Group thereby increased by 16.8% to EUR 158.9 million between January and September (previous year: EUR 136.0 million). The gross margin increased by 60 base points to 19.4% (previous year: 18.8%). Despite the seasonally weaker sales dynamic in the third quarter, the gross margin again reached the high value of 19.4%.

The significant cost categories increased nominally as a result of the sales increase and the exchange rate effects. The stringent Group-wide cost discipline, however, led to a consistent improvement in the expense ratios. Selling expenses thus increased to a total of EUR 45.4 million in the first nine months of 2015 (previous year: EUR 42.8 million). The selling expenses' share of Group sales were, however, reduced to 5.6% of Group sales (previous year: 5.9%). General administrative costs increased to EUR 35.2 million (previous year: EUR 32.5 million), but as a percentage of sales decreased to 4.3% (previous year: 4.5%). The Group spent EUR 14.8 million on research and development, with a focus on weight reduction, the development of new approaches to braking technology and for applications in suspension systems (previous year: EUR 14.7 million). Before accounting for capitalized development costs, the research and development ratio was 1.8% (previous year: 2.0%).

In terms of operating results, in the first nine months of 2015 SAF-HOLLAND recorded disproportionately high growth of 38.2% to EUR 64.7 million (previous year: EUR 46.8 million). In the third quarter, the operating result also increased at a higher percentage rate than sales, growing by 32.9% to EUR 21.0 million (previous year: EUR 15.8 million).

The finance result improved in the first nine months of 2015 to EUR -2.5 million (previous year: EUR -5.1 million). The net interest expense from interest bearing loans and bonds was reduced by EUR 0.8 million, while financial income from unrealized and realized exchange rate gains, which result from the valuation of intercompany foreign currency loans and dividends at the reporting date, were EUR 0.6 million higher than in the comparable period in the previous year. The interest expense includes non-cash expenses in the amount of EUR 0.5 million from the imputed interest component for the current convertible bonds.

In the third quarter of 2015, the finance result was noticeably weaker than in the same quarter of the previous year. This is largely a result of the unusually high foreign exchange gains in the third quarter of the previous year from the valuation of inter-company foreign currency loans and dividends in the net amount of EUR 4.8 million, compared with net foreign exchange losses of EUR 0.4 million in the third quarter of the current financial year. Overall, in the third quarter of 2015 negative earnings of EUR -3.9 million were recorded (previous year: EUR 0.9 million), EUR 4.8 million lower than in the previous year, which includes the one-time dissolution of transaction costs of EUR 0.5 million, to be considered in connection with the refinancing of bank credit lines.

Earnings before taxes thus reached EUR 63.2 million in the first nine months of 2015 (previous year: EUR 42.6 million), outperforming the previous year by 48.4%. The result for the period increased by 46.7% to EUR 42.1 million (previous year: EUR 28.7 million). Based on an unchanged figure of 45.4 million issued ordinary shares, this results in undiluted earnings per share of EUR 0.93 (previous year: EUR 0.63). Taking into consideration the impact on profit and loss as well as the share equivalents for the convertible bonds issued in 2014, this results in diluted earnings per share of EUR 0.80 (previous year: EUR 0.63).

The significantly weaker, exchange-rate related financial result led to earnings before taxes of EUR 17.3 million (previous year: EUR 17.2 million) in the third quarter of 2015. The result for the period in the same timeframe developed similarly, reaching EUR 11.7 million (previous year: EUR 11.2 million).

RECONCILIATION OF ADJUSTED EARNINGS FIGURES

EUR million	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Result for the period	42.1	28.7	11.7	11.2
Income Taxes	21.1	13.9	5.6	6.0
Finance result	2.5 ¹⁾	5.1 ²⁾	3.9	-0.9
Depreciation and amortization from PPA ³⁾	4.9	4.5	1.7	1.5
Restructuring and integration costs ³⁾	3.0	3.4 ³⁾	1.2	1.3
Adjusted EBIT	73.6	55.6	24.1	19.1
in % of sales	9.0	7.7	9.3	7.9
Depreciation and amortization	11.2	9.8	3.9	3.3
Adjusted EBITDA	84.8	65.4	28.0	22.4
in % of sales	10.4	9.0	10.8	9.3
Depreciation and amortization	-11.2	-9.8	-3.9	-3.3
Finance result	-2.5 ¹⁾	-5.1 ²⁾	-3.9	0.9
Adjusted earnings before taxes	71.1	50.5	20.2	20.0
Income Taxes	-21.8	-15.5	-6.2	-6.1
Adjusted result for the period	49.3 ⁴⁾	35.0 ⁵⁾	14.0	13.9
in % of sales	6.0	4.8	5.4	5.8
Number of shares ⁶⁾	45,361,112	45,361,112	45,361,112	45,361,112
Undiluted adjusted earnings per share in EUR⁷⁾	1.09	0.77	0.31	0.31

¹⁾ The finance result includes EUR 5.0 million of unrealized foreign currency exchange gains from the valuation of inter-company foreign currency loans at the closing rate.

²⁾ The finance result includes EUR 5.5 million of unrealized foreign currency exchange gains from the valuation of inter-company foreign currency loans at the closing rate.

³⁾ Restructuring and integration costs include aperiodic expenses of KEUR 220.0.

⁴⁾ When calculating the adjusted result for the period, a uniform tax rate of 30.60% was assumed.

⁵⁾ When calculating the adjusted result for the period, a uniform tax rate of 30.70% was assumed.

⁶⁾ Weighted average number of ordinary shares.

⁷⁾ Adjusted earnings per share include minority results in the amount of EUR 0.1 million (previous year: EUR -0.1 million).

Adjusted EBIT margin in the first nine months at 9%

In the reporting period, SAF-HOLLAND increased EBIT adjusted for negative effects from the purchase price allocation as well as restructuring costs by almost one third to EUR 73.6 million (previous year: EUR 55.6 million). Compared with the same period in the previous year, the EBIT margin adjusted for one-time effects for the first nine months of 2015 increased by 130 base points to 9.0% (previous year: 7.7%) and was thereby at the lower end of the target corridor of 9 to 10%.

Despite the seasonally weakened sales development in the third quarter of 2015, the Group was able to keep the margin at a good level also in this period. In the third quarter of 2015, the EBIT adjusted for purchase price allocations of EUR 1.7 million (previous year: EUR 1.5 million) as well as restructuring costs of EUR 1.2 million (previous year: EUR 1.3 million) reached EUR 24.1 million (previous year: EUR 19.1 million). This corresponds to an adjusted EBIT margin of 9.3% (previous year: 7.9%).

The restructuring costs, resulting primarily from the plant consolidation in Germany, were EUR 3.0 million after nine months (previous year: EUR 3.4 million).

Adjusted earnings before taxes increased between January and September 2015 by 40.8% to EUR 71.1 million (previous year: EUR 50.5 million). In the same timeframe, the adjusted result for the period increased by 40.9% to EUR 49.3 million (previous year: EUR 35.0 million). The adjusted undiluted earnings per share thus increased to EUR 1.09 (previous year: EUR 0.77), with an unchanged number of shares at 45.4 million. The adjusted diluted earnings per share – taking into consideration effects on profit and loss and the share equivalents of the convertible bonds issued in 2014 – stood at EUR 0.94 (previous year: EUR 0.76).

In the third quarter, adjusted earnings before taxes did not increase as strongly due to the currency related development of the finance result as described above with a moderate gain resulting in EUR 20.2 million (previous year: EUR 20.0 million). The adjusted result for the period between July and September 2015 also increased slightly to EUR 14.0 million (previous year: EUR 13.9 million). The adjusted undiluted earnings per share thus stood at EUR 0.31 (previous year: EUR 0.31). Adjusted diluted earnings per share amounted to EUR 0.27 (previous year: EUR 0.30).

Business development in the Business Units: All Business Units contribute towards growth**PERFORMANCE BY BUSINESS UNIT**

EUR million	Trailer Systems Business Unit		Powered Vehicle Systems Business Unit		Aftermarket Business Unit		Adjustments / eliminations		Total	
	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Sales	471.9	414.1	139.3	122.9	206.3	186.5	–	–	817.5	723.5
Cost of sales	-417.8	-373.9	-116.1	-101.9	-148.4	-132.4	23.7	20.7	-658.6	-587.5
Gross profit	54.1	40.2	23.2	21.0	57.9	54.1	23.7	20.7	158.9	136.0
in % of sales	11.5	9.7	16.7	17.1	28.1	29.0	–	–	19.4	18.8
Other operating income and expense	-23.7	-23.0	-12.7	-12.9	-25.2	-23.8	-23.7	-20.7	-85.3	-80.4
Adjusted EBIT	30.4	17.2	10.5	8.1	32.7	30.3	–	–	73.6	55.6
in % of sales	6.5	4.2	7.5	6.6	15.8	16.2	–	–	9.0	7.7

Trailer Systems: Adjusted EBIT margin in the target corridor

The Trailer Systems Business Unit, SAF-HOLLAND'S largest segment, achieved sales of EUR 471.9 million in the first three quarters of 2015 (previous year: EUR 414.1 million). Compared with the same period of the previous year, sales grew by EUR 57.8 million, an increase of 14.0%. The Business Unit's share in Group sales increased slightly to 57.7% (previous year: 57.2%).

The gross profit in the Trailer Systems Business Unit increased disproportionately to segment sales by 34.6% to EUR 54.1 million (previous year: EUR 40.2 million). This brought the gross margin to 11.5% (previous year: 9.7%). With an increase of 76.7%, adjusted EBIT reached EUR 30.4 million (previous year: EUR 17.2 million). The adjusted EBIT margin increased to 6.5% (previous year: 4.2%) and was thereby above the target of 6.0%. Alongside economies of scale from increased business volumes, the success of our measures to increase the profitability of the Business Unit also contributed to the positive earnings development. The aim of the measures was to increase Trailer Systems' adjusted EBIT margin to around 6% by the end of 2015. This goal has already been achieved in both the second and third quarters of 2015.

DEVELOPMENT OF ADJUSTED EBIT MARGIN FOR TRAILER SYSTEMS

The plant consolidation in Germany, which was successfully completed in September 2015, was an essential part of the efficiency enhancement program. The previous plant in Wörth has now been completely integrated into the plants at the Bessenbach location. Initiatives were subsequently launched in Bessenbach to increase flexibility and optimize material, manufacturing and product flows. Further information on plant consolidation and follow-up measures can be found on page 13.

— Powered Vehicle Systems: growth in sales and earnings

In the Powered Vehicle Systems Business Unit, sales in the first nine months of the year increased by 13.3% to EUR 139.3 million (previous year: EUR 122.9 million). The share of Group sales totaled 17.1% (previous year: 17.0%). The Powered Vehicle Systems Business Unit generates the majority of its sales in North America. Sales development therefore reflects the positive effects from conversion of sales generated in US dollars into the Group currency euro.

Gross profit of the Business Unit increased to EUR 23.2 million (previous year: EUR 21.0 million). Primarily due to the declining fracking activities in the US, the business with vocational truck suspensions dropped during the first nine months of 2015. Nevertheless, higher capacity utilization and the Group-wide measures for optimization of manufacturing costs contributed to a gross margin that held nearly constant at 16.7% (previous year: 17.1%). The adjusted EBIT showed a higher percentage growth than sales of 29.6% reaching EUR 10.5 million (previous year: EUR 8.1 million). The adjusted EBIT margin totaled 7.5% in the first nine months of 2015 (previous year: 6.6%). It thereby moved closer to the target corridor of the Business Unit, which is between 8 and 9%.

In Europe, Powered Vehicle Systems continued to benefit from product innovations, an improved market environment and stronger export business.

In the United States, SAF-HOLLAND starts to deliver components for a government contract to last several years, although still at a limited volume. The project is expected to extend to 1,800 transport vehicles.

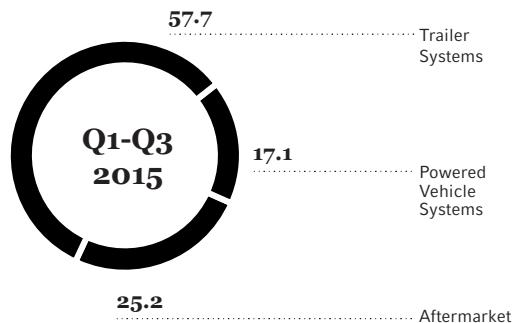
— Aftermarket: Continued Worldwide Expansion

The Aftermarket Business Unit increased sales between January and September 2015 by 10.6% to EUR 206.3 million (previous year: EUR 186.5 million). More than a quarter (25.2%; previous year: 25.8%) of Group sales were thus generated by this Business Unit in the reporting period.

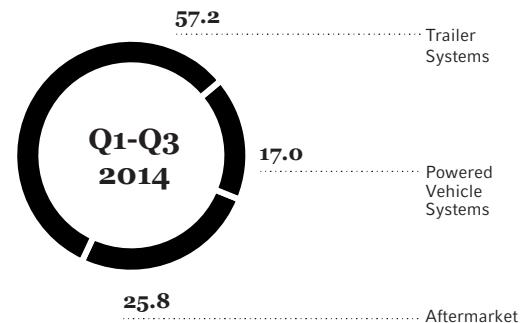
The international expansion of our aftermarket activities required further initial investment, including in the expansion of the Group's own Parts Distribution Centers and the associated start-up costs. The regional focus was particularly on the Middle East (Dubai) and the ASEAN countries (Malaysia). Despite these costs, the gross profit increased to EUR 57.9 million (previous year: EUR 54.1 million) with a slightly decreased gross margin of 28.1% (previous year: 29.0%). Adjusted EBIT improved by 7.9% to EUR 32.7 million (previous year: EUR 30.3 million). The resulting adjusted EBIT margin amounted to 15.8% (previous year: 16.2%) and was thus within the planned range of 15 to 16%.

In North America, the Aftermarket Business Unit further expanded its sales structures, with a focus on the large area states in which SAF-HOLLAND was previously under-represented. This regional expansion of the sales and service network will provide additional sales opportunities. SAF-HOLLAND is thereby moving into a position to meet the increased demand expected in the medium-term on the US market. This is due to the expectations that the market environment, which is currently difficult for the spare parts business, as it is characterized by high new vehicle registrations and a significantly increased number of new vehicles in the North American truck and trailer fleets, will have an increased need for wear-out and spare parts in the coming years.

SHARE IN GROUP SALES BY BUSINESS UNIT in %



SHARE IN GROUP SALES BY BUSINESS UNIT in %



FINANCIAL SITUATION

Cash flow influenced by increased business volume and higher net working capital

In the first nine months of 2015, cash flow before changes to net working capital totaled EUR 83.0 million (previous year: EUR 62.5 million). Net working capital was EUR 131.6 million (previous year: EUR 117.1 million). Calculated based on sales over twelve months, the resulting net working capital ratio is 12.7% (previous year: 12.1%).

The increased net working capital in comparison with the same period of the previous year is a result, on the one hand, of the business expansion and, on the other hand, of the sum of various individual structural factors. Primary among these are the significantly higher trade receivables. They are influenced on the one hand by foreign currency exchange effects and on the other hand by the high business volumes and generally high payment targets in other regions, which are above the European and North American average.

Development of cash flow from operating activities before income taxes, which more than doubled to EUR 43.8 million (previous year: EUR 21.4 million), is particularly noteworthy. Apart from earnings before taxes, which showed an improvement of EUR 20.6 million, the significantly lower expansion of inventories by EUR 2.9 million (previous year: EUR 18.3 million) in comparison with the first nine months of the previous year made a key contribution.

Cash flow from investing activities amounted to EUR -20.7 million (previous year: EUR -20.9 million) and was thus nearly unchanged as compared to the same period in the previous year. On the one hand the group increased investments in plant, property and equipment by EUR 2.7 million to EUR 16.6 million (previous year: EUR 13.9 million). On the other hand in the first nine months of 2015, payments for acquisitions did not occur. In the previous year payments which were related to the takeover of a 80% stake in Corpco, Beijing Technology and Development Co., Ltd., China had amounted to EUR 4.5 million. Cash flow from financing activities amounted to EUR -22.3 million in the reporting period (previous year: EUR 15.9 million). It should be noted that this position in the corresponding period of the previous year includes EUR 100.2 million in payments from the issuing of convertible bonds, which was countered by the repay of bank loans in the amount of EUR 64.3 million.

Investment volumes stable

Between January and September 2015, SAF-HOLLAND made investments of EUR 21.2 million Group-wide (previous year: EUR 21.2 million), which corresponds to an investment rate of

2.6% (previous year: 2.9%) in relation to Group sales. Start-up expenses for the Parts Distribution Centers in Malaysia and Dubai were the focus of our investments. In addition, there were also expenses related to the plant consolidation in Europe, including procurement of machines and equipment as well as the expansion of buildings.

ASSETS

Equity ratio sound at 39.3%

As of September 30, 2015 total assets rose to EUR 691.1 million (December 31, 2014: EUR 645.2 million). Equity increased as of the reporting date to EUR 271.8 million (December 31, 2014: EUR 248.6 million). This corresponds to an equity ratio of 39.3% (December 31, 2014: 38.5%).

The high property, plant and equipment, which was influenced by the new purchase of equipment and machines as well as the expansion of buildings following plant consolidations, made an important contribution to the increase in non-current assets to EUR 378.8 million (December 31, 2014: EUR 364.0 million). Current assets of EUR 312.3 million (December 31, 2014: EUR 281.2 million) are influenced primarily by higher trade receivables. They grew, among other things, due to the business expansion to EUR 144.2 million (December 31, 2014: EUR 103.0 million), with 50 days outstanding (December 31, 2014: 39 days outstanding). Cash and cash equivalents amounted to EUR 31.9 million as of the reporting date (December 31, 2014: EUR 44.2 million).

The targeted inventory cuts were carried out as planned. As of September 30, 2015, inventories totaled EUR 125.6 million (December 31, 2014: EUR 122.2 million). In comparison, inventories were higher than on December 31, 2014, however, in relation to June 30, 2015 the inventories had been reduced by EUR 11.1 million (June 30, 2015: EUR 136.7 million). The days of inventory outstanding stood at 54 days at the end of the third quarter of 2015 (December 31, 2014: 56 days).

The temporarily larger inventory volume and the days of inventory outstanding above our target of 45 days reflect the temporary measures as part of the plant consolidation and the expanded number of Parts Distribution Centers. Stocks of prefabricated components were intentionally established before the move of plants and machines from the Wörth plant to the Bessenbach location at the end of September. Inventories were already reduced in Europe in the third quarter. In North America, the inventory volume was still above the normal range in order to cope with vacation plant closings and changes within the plant network.

On the liabilities side, non-current liabilities amounted to EUR 271.1 million (December 31, 2014: EUR 265.0 million). Deferred tax liabilities and other provisions contributed to the increase. The deferred tax liabilities amounted to EUR 46.2 million on the reporting date (December 31, 2014: EUR 40.5 million) and other provisions accounted for EUR 9.7 million (previous year: EUR 6.8 million). Current liabilities amounted to EUR 148.2 million (December 31, 2014: EUR 131.6 million). Among other things, they reflect the high trade payables as a result of the increased sales volume.

Liabilities from interest bearing loans and bonds as of September 30, 2015 amounted to EUR 181.7 million (previous year: EUR 181.3 million). Including cash and cash equivalents, this results in a net debt of EUR 149.8 million on the reporting date (December 31, 2014: EUR 137.1 million). Total liquidity amounted to EUR 136.0 million, below the December 31, 2014 value of EUR 146.9 million, but at EUR 16.6 million significantly above the total liquidity of EUR 119.4 million on June 30, 2015.

TABLE: DETERMINATION OF TOTAL LIQUIDITY

kEUR	09/30/2015			
	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the peri- od-end exchange rate	Cash and cash equivalents	Total Liquidity
Facility A	5,852	85,000	–	79,148
Facility B	31	22,233	–	22,202
Other Facility	2,883	5,580 ¹⁾	31,903	34,600
Total	8,766	112,813	31,903	135,950

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

TABLE: DETERMINATION OF TOTAL LIQUIDITY

kEUR	12/31/2014			
	Amount drawn valued as of the period-end exchange rate	Agreed credit lines valued as of the peri- od-end exchange rate	Cash and cash equivalents	Total Liquidity
Facility A	5,822	85,000	–	79,178
Facility B	–	20,568	–	20,568
Other Facility	2,356	5,360 ¹⁾	44,165	47,169
Total	8,178	110,928	44,165	146,915

Number of employees nearly unchanged

As of September 30, 2015, SAF-HOLLAND employed 3,316 people worldwide (previous year: 3,355) including temporary employees. With a share of 43% (previous year: 46%), the majority of our workforce was employed by our North American subsidiaries. 37% percent of the workforce belonged to the European organization (previous year: 36%) while a further 20% (previous year: 18%) belonged to our locations outside the two core markets. SAF-HOLLAND had an average of 3,377 employees in the Group in the first three quarters of the year (previous year: 3,374). Average sales per employee totaled kEUR 242.1 (previous year: kEUR 214.5).

DEVELOPMENT OF EMPLOYEE NUMBERS BY REGION

	09/30/2015	09/30/2014
Europe	1,225	1,210
North America	1,437	1,537
Other	654	608
Total	3,316	3,355

Innovations for the success of fleet customers

In Research and Development, we continue to work on pioneering product innovations. Furthermore, technological adaptations to special customer wishes or regional market requirements played an important role.

In terms of the development goals, success for fleet customers is the focus for SAF-HOLLAND. In the reporting period, we therefore concentrated primarily on innovations for weight

reductions. The main focus remained on extended service life, safety and maintenance-friendliness.

From January to September we invested a total of EUR 17.9 million in research and development (previous year: EUR 16.6 million). Including the capitalized development costs and in relation to Group sales this corresponds to an R&D ratio of 2.2% (previous year: 2.3%). The proportion of the capitalized development costs during the reporting period totaled EUR 3.1 million (previous year EUR 1.9 million) as a result of a broad range of new projects.

OPPORTUNITIES AND RISK REPORT

The Group has recorded no material changes from the opportunities and risk profile at the end of the 2014 financial year, as outlined in the 2014 annual report. Overall, the risks are assessed as being manageable. We have made sufficient provisions for known risks.

EVENTS AFTER THE BALANCE SHEET DATE

Financing

A new syndicated loan was agreed in October 2015 with a narrowed consortium of banks. It replaces the previous financing arrangement and ensures that the Group is supplied with short and long-term financing at more favorable interest rates until October 2022 at the latest. The new credit agreement includes a revolving credit line of approximately EUR 150 million – divided into EUR 120 million and USD 35 million – and can be utilized in various currencies. The available credit line has thus increased to approximately EUR 156 million (December 31, 2014: EUR 110.9 million).

Furthermore, in October a consortium of banks was contracted to market a bonded loan with a nominal value of EUR 125 million. The term of the bonded loan is between five and ten years.

OUTLOOK

Overall economic situation: slower growth of the global economy

The world economy is continuing its growth path, but at a slower tempo than initially expected. While, on the one hand, the signs of recovery in Western Europe are becoming stronger and the USA continues to grow despite fluctuations, the economic dynamic in many emerging market countries is diminishing noticeably. With this in mind, global production is expected to expand by 3.3% in 2015 and by 3.7% in 2016 according to the Institute for World Economy (IfW).

Risks for the global economy remain in the still difficult to assess economic slowdown in China. In addition, the global economic situation remains vulnerable to disruptions from geopolitical tensions and negative influences from the financial markets. The Greek debt crisis also still represents a certain risk factor. From the IMF's perspective, the situation should have only a limited impact on the global economy.

With an anticipated increase of 2.0% this year and 2.5% in the coming year, total economic output of the industrialized nations continues to pick up speed. Economic recovery in the Euro zone is being supported by lower interest rates and comparatively low oil and gas prices as well as by the advantageous external value of the Euro. The economic upswing should, as a

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result, consolidate. Impetus is increasingly coming from domestic demand as well. In 2015, the gross domestic product in the European Union will increase by 1.5% according to the IfW. Growth of 1.7% is believed to be possible for 2016.

In the USA, the drivers of consumption and investment remain strong and, as a result, growth in US-American gross domestic product is anticipated to be 2.5% this year and 3.0% in the coming year.

In contrast, the growth rate for emerging economies is expected to slow down in 2015 to 4.1% in 2015: export revenues which have decreased due to the low price of crude oil are negatively impacting economic development. For 2016, however, the IfW assumes that the gross domestic product of the emerging economies, particularly in the NEXT 11 countries, will show stronger growth and could reach a level of 4.6%.

Economic output in Brazil will likely decline this year by a further 2.5%. On this considerably reduced basis, the South American country should leave the recession behind it in 2016 and should be able to achieve an at least moderate growth rate of 0.2%. Following an expected decrease in GDP of 3.6% in 2015, the Russian economy is also expected to grow slightly again in 2016. Assuming that the political tensions lessen and the oil price stabilizes, the IfW expects Russian production to increase by 1.0% in 2016.

Most likely, China will not reach the growth target of 7% which was set by the Chinese government. Despite the country's expansive monetary and fiscal policies, the IfW anticipates an increase in economic output of 6.6% in 2015 and 6.3% in the following year. The economy in India will likely show stronger growth. An increase of 7.0% this year and 6.7% in 2016 is forecast for the subcontinent.

FORECAST ECONOMIC TREND IN IMPORTANT MARKETS

	2014	2015	2016
European Union	1.3% ¹⁾	1.8%	2.0%
Eurozone	0.9% ¹⁾	1.5%	1.7%
Germany	1.6% ²⁾	1.8%	2.1%
United States of America	2.4%	2.5%	3.0%
Brazil	0.1%	-2.5%	0.2%
Russia	0.4%	-3.6%	1.0%
India	7.2%	7.0%	6.7%
China	7.4%	6.6%	6.3%

¹⁾ Institute for World Economy (IfW), Global Economy in Summer 2015 (June 2015).

²⁾ Institute for World Economy (IfW), Global Economy in Fall 2015 (September 2015).

Source: Institute for World Economy (IfW), Global Economy in Fall 2015, September 2015.

Industry trend: Diverse developments in the regional markets

The global commercial vehicle markets continue to develop very differently depending on the region. Nevertheless, in the course of further growth in the world economy, a generally solid development of the commercial vehicles business is anticipated. The enduring solid demand for trucks and trailers in the Western European countries is countered by weakening demand patterns in Northern America and a persistent extremely weak development in the Brazilian, Russian and Australian markets.

Continued solid market situation in the Western European core market

A continuation of the recovery is expected for both the remainder of 2015 and for 2016 in the European commercial vehicles market. Pent up demand, which remains in place following years

of limited investment in combination with an economic recovery that is picking up speed in many European countries, is supporting demand for trucks and trailers. The still above-average age of the vehicle fleets is also contributing to this development. The reduction of pent up demand and the associated renewal of the fleets should proceed for some time to come. With regard to Western Europe SAF-HOLLAND continues to operate in a comparatively sound market environment.

Industry experts expect that approximately 154,000 trailers will be registered for the first time in Western Europe in 2015 which is 1.4% more than in the previous year. With regard to the upcoming year 2016, SAF-HOLLAND currently anticipates a moderate growth in the Western European trailer market. Some more optimistic market researchers expect new vehicle registrations to increase by 12.8% to approximately 174,000 units. For Europe as a whole, only moderate growth in trailer sales is anticipated for 2015 as the strong development of the Western European markets is diminished by the marked weakness of the fourth largest European trailer market, Russia. This trend is likely to continue in 2016.

According to industry experts, the Russian truck market overall could drop by as much as 30% in the current year. Forecasts for the trailer sector are only slightly better.

Moderate growth in the gross domestic product and in investments is expected for most Eastern European states in 2016. In parallel, an increase in demand for trailers is expected. Yet, the unchanged uncertain surrounding conditions and political issues associated with the Russian market pose a risk for the industry in the entire region.

The recovery of the European truck market should continue during the remainder of the year. It is expected that first time registrations for heavy trucks over 16 tons in the region West, Central and Eastern Europe in 2015 will be 13.3% better than in the previous year and will grow by a further 7.5% in 2016.

In the North American heavy duty truck and trailer markets, despite the fact that demand patterns have been showing signs of weakening, for the full year 2015 double digit growth rates still appear likely. According to recent industry estimates, it is expected that in the current year 2015 13.1% more heavy trucks (class 8) will be built in North America and 14.0% more trailers will be delivered than in the already strong previous year.

Depending upon the trend in the overall economy, it cannot be ruled out that, coming from these high levels, production figures for heavy trucks and trailers in the U.S. will decline by an amount in the high single digit or slight double-digit percentage range in 2016. SAF-HOLLAND, counters these market trends by structurally expanding its business with trailer axle systems and suspensions and stepping up activities with regard to air suspension systems for trucks as well as new products ramp up. Improved prospects for the US are seen for our aftermarket business in the coming years. At this time the market environment in North America for the spare parts business is somewhat difficult, one that is shaped by significant investments in new vehicles and record highs in first time registrations for trucks and trailers. In the years to come, these vehicles will offer a sound foundation for the delivery of wear and spare parts.

With a view to the Brazilian commercial vehicles market, no more noticeable upswing tendencies are expected over the course of the rest of the year. The Brazilian trailer market will thus shrink by approximately 38% in the full year 2015. Market volume for the South American country has thus fallen by more than half since 2013.

There is an uneven picture in Asia's volume markets. In India, the market for trucks in class 8 is likely to grow by 20.4% this year. Sales will then expand by a further 18.9% in 2016. For China, industry experts expect a 2.4% decline in deliveries for heavy trucks in 2015 as a result of the

weakened growth dynamic. In the coming year, demand for heavy trucks is expected, however, to become positive and allow for growth of 8.8%.

Good perspectives remain in place for the bus market. Worldwide, this commercial vehicles segment is expected to increase by 2.4% in 2015 and by 3.6% in 2016. It is primarily emerging countries that are responsible for the increasing demand. Industry analysts expect, for example, that the Indian market for buses will record average annual growth rates of 9.4% until the year 2020. The market segment for electric buses, in which SAF-HOLLAND is extremely well-positioned with specifically designed J-Beam suspension systems, will likely grow by an average of 19% per year over the same period.

Growth niches in China, medium term recovery potential in Russia and Brazil

In China, SAF-HOLLAND expects to benefit from the increased use of road-friendly air suspension systems. In the medium term, this development is likely to have a positive impact on both the truck as well as the trailer business. In the case of buses, the trend is moving toward more comfort and favors the sales opportunities for air suspension systems, for which Corpco is among the leading suppliers. In addition, demand for environmentally-friendly battery-operated e-buses, for which SAF-HOLLAND has developed special technological solutions.

From a medium term perspective, Brazil and Russia continue to be seen as attractive sales regions with increasing transport volumes. The Brazilian market should, despite the risks that are undoubtedly present, bottom out in the course of the second half of 2016 and begin its moderate path to recovery on the basis of the already described very low foundation. In addition, one of the largest trailer manufacturers in the region has decided to transfer the previously in-house axle production to SAF-HOLLAND in the future. The sales situation in Russia depends strongly on the political conditions, which means that at the moment, it is only anticipated that the market situation will stabilize in 2016. As a result of the extended weak sales situation, however, an investment bottleneck has been built up in the country. Once the appropriate political signals occur, this could provide a positive impetus for the truck and trailer market.

GENERAL STATEMENT ON FUTURE BUSINESS DEVELOPMENT 2015

Continued positive sales and earnings development expected – outlook for sales, adjusted EBIT and earnings per share confirmed

Despite the unexpectedly severe market collapse in Brazil, Russia and Australia, the overall positive business development in the first nine months of 2015 provides a solid foundation for the remaining months of financial year 2015.

From the present point of view, we assume that the solid business development of SAF-HOLLAND will continue during the course of the year and that the company will once more manage to grow profitably in full year 2015. The company confirms the company targets for the full year which were slightly increased in the second quarter. The solid year-to-date organic growth of 3.6% in connection with the positive exchange rate effects already described make us confident that full-year 2015 Group sales will reach at least the upper end of our projected sales range of EUR 980 million to EUR 1.035 billion (previous year: EUR 959.7 million) or be slightly higher.

Cost discipline, combined with efficiency increases in production, to which plant consolidations are already making a contribution, as well as the satisfactory capacity utilization in most markets, should also enable disproportionately high earnings development in the full year. The company thus continues to assume that profitability as compared to the previous year will increase noticeably and that the adjusted EBIT margin will reach the lower end of the corridor of 9 to 10% (previous year 7.4%). Under the assumption of a continued stable economic and industry development, management now anticipates that for the full year 2015, the adjusted EBIT is expected to come in slightly higher than EUR 90 million (originally: around EUR 90 million). With earnings per share, management expects an increase of about 30% under full consideration of the higher number of share equivalents due to the convertible bonds issued in 2014.

Following the now completed relocation of the Wörth plant to the Bessenbach location, the company expects that the net working capital can be gradually reduced over the course of the rest of the year. As a result of the optimizations in the manufacturing processes that are ongoing until the middle of the year 2016, additional cost reduction opportunities will be utilized.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	Notes	Q1-Q3/2015	Q1-Q3/2014	Q3/2015	Q3/2014
Result for the period					
Sales	(5)	817,524	723,531	258,785	241,567
Cost of sales		-658,649	-587,510	-208,602	-196,324
Gross profit		158,875	136,021	50,183	45,243
Other income		1,245	831	352	518
Selling expenses		-45,490	-42,799	-14,504	-14,312
Administrative expenses		-35,186	-32,573	-11,011	-10,790
Research and development costs		-14,787	-14,704	-4,041	-4,899
Operating result	(5)	64,657	46,776	20,979	15,760
Finance income	(6)	6,715	6,190	-670	4,859
Finance expenses	(6)	-9,212	-11,335	-3,245	-4,045
Share of net profit of investments accounted for using the equity method		1,048	933	289	525
Result before tax		63,208	42,564	17,353	17,099
Income tax	(7)	-21,063	-13,822	-5,560	-5,906
Result for the period		42,145	28,742	11,793	11,193
Attributable to:					
Equity holders of the parent		42,061	28,767	11,825	11,190
Non-controlling interests		84	-25	-32	3
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(9)	-4,384	7,996	-12,084	5,914
Changes in fair values of derivatives designated as hedges, recognized in equity	(9)/(12)	-	1,439	-	865
Income tax effects on items recognized directly in other comprehensive income	(9)	-	-392	-	-235
Other comprehensive income		-4,384	9,043	-12,084	6,544
Comprehensive income for the period		37,761	37,785	-291	17,737
Attributable to:					
Equity holders of the parent		37,901	37,810	294	17,734
Non-controlling interests		-140	-25	-585	3
Basic earnings per share in EUR		0.93	0.63	0.26	0.24
Diluted earnings per share in EUR		0.80	0.63	0.22	0.24

CONSOLIDATED BALANCE SHEET

KEUR	Notes	09/30/2015	12/31/2014
Assets			
Non-current assets		378,772	363,955
Goodwill		52,185	50,248
Intangible assets		145,038	142,363
Property, plant and equipment		126,642	116,971
Investments accounted for using the equity method		12,915	11,805
Financial assets		129	118
Other non-current assets		2,590	3,042
Deferred tax assets		39,273	39,408
Current assets		312,335	281,241
Inventories		125,561	122,156
Trade receivables		144,247	102,964
Income tax assets		2,691	2,732
Other current assets		7,886	9,108
Financial assets		47	116
Cash and cash equivalents	(8)	31,903	44,165
Total assets		691,107	645,196
Equity and liabilities			
Total equity	(9)	271,842	248,597
Equity attributable to equity holders of the parent		269,978	246,593
Subscribed share capital		454	454
Share premium		268,644	268,644
Legal reserve		45	45
Other reserve		436	436
Retained earnings		26,772	-773
Accumulated other comprehensive income		-26,373	-22,213
Shares of non-controlling interests		1,864	2,004
Non-current liabilities		271,099	264,997
Pensions and other similar benefits		38,970	37,493
Other provisions	(10)	9,735	6,799
Interest bearing loans and bonds	(11)	173,862	177,797
Finance lease liabilities		1,590	1,773
Other liabilities		722	685
Deferred tax liabilities		46,220	40,450
Current liabilities		148,166	131,602
Other provisions	(10)	7,423	10,134
Interest bearing loans and bonds	(11)	7,831	3,543
Finance lease liabilities		435	399
Trade payables		102,783	94,363
Income tax liabilities		5,950	4,704
Other financial liabilities		771	45
Other liabilities		22,973	18,414
Total equity and liabilities		691,107	645,196

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

kEUR	Q3/2015								
	Attributable to equity holders of the parent								
	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	Total amount	Shares of non-controlling interests	Total equity (Note 9)
As of 01/01/2015	454	268,644	45	436	-773	-22,213	246,593	2,004	248,597
Result for the period	-	-	-	-	42,061	-	42,061	84	42,145
Other comprehensive income	-	-	-	-	-	-4,160	-4,160	-224	-4,384
Comprehensive income for the period	-	-	-	-	-	-	37,901	-140	37,761
Dividend	-	-	-	-	-14,516	-	-14,516	-	-14,516
As of 09/30/2015	454	268,644	45	436	26,772	-26,373	269,978	1,864	271,842

kEUR	Q3/2014								
	Attributable to equity holders of the parent								
	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	Total amount	Shares of non-controlling interests	Total equity (Note 9)
As of 01/01/2014	454	265,843	22	436	-21,145	-23,424	222,186	-	222,186
Result for the period	-	-	-	-	28,767	-	28,767	-25	28,742
Other comprehensive income	-	-	-	-	-	9,043	9,043	-	9,043
Comprehensive income for the period	-	-	-	-	-	-	37,810	-25	37,785
Dividend	-	-	-	-	-12,248	-	-12,248	-	-12,248
Addition of shares of non-controlling interests	-	-	-	-	-	-	-	1,560	1,560
Other reclassifications	-	-	23	-	-23	-	-	-	-
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

CONSOLIDATED CASH FLOW STATEMENT

KEUR	Notes	Q1-Q3/2015	Q1-Q3/2014
Cash flow from operating activities			
Result before tax		63,208	42,564
- Finance income	(6)	-6,715	-6,190
+ Finance expenses	(6)	9,212	11,335
+/- Share of net profit of investments accounted for using the equity method		-1,048	-933
+ Amortization/depreciation of intangible assets and property, plant and equipment		16,000	14,353
+ Allowance of current assets		2,526	1,138
+/- Loss/Gain on disposal of property, plant and equipment		-170	235
+ Dividends from investments accounted for using the equity method		18	17
Cash flow before change of net working capital		83,031	62,519
+/- Change in other provisions and pensions		-1,778	-43
+/- Change in inventories		-2,897	-18,340
+/- Change in trade receivables and other assets		-40,615 ¹⁰⁾	-44,052 ¹⁰⁾
+/- Change in trade payables and other liabilities		6,027	21,271
Cash flow from operating activities before income tax paid		43,768	21,355
- Income tax paid	(7)	-13,826	-8,568
Net cash flow from operating activities		29,942	12,787
Cash flow from investing activities			
- Purchase of property, plant and equipment		-16,605	-13,880
- Purchase of intangible assets		-4,570	-2,819
+ Proceeds from sales of property, plant and equipment		407	218
- Payments for acquisition of subsidiaries net of cash		-	-4,490
+ Interest received		59	69
Net cash flow from investing activities		-20,709	-20,902
Cash flow from financing activities			
- Dividend payments to shareholders of SAF-HOLLAND S.A.	(9)	-14,516	-12,248
- Paid transaction costs relating to the issuance of the convertible bond		-	-771
+ Proceeds from convertible bond placement		-	100,200
- Payments for replacement interest rate swaps		-	-1,142
- Payments for finance lease		-324	-266
- Interest paid		-7,816	-9,100
- Repayments of current and non-current financial liabilities	(11)	-	-64,275
+/- Change in drawings on the credit line and other financing activities	(11)	323	3,499
Net cash flow from financing activities		-22,333	15,897
Net decrease/increase in cash and cash equivalents		-13,100	7,782
+/- Effect of changes in exchange rates on cash and cash equivalents		838	585
Cash and cash equivalents at the beginning of the period	(8)	44,165	23,856
Cash and cash equivalents at the end of the period	(8)	31,903	32,223

¹⁰⁾ As of September 30, 2015, trade receivables in the amount of EUR 25,0 million (previous year: EUR 17,4 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, 2015

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 2015 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 2014. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 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

There were no changes to the scope of consolidation compared to the consolidated financial statements as of December 31, 2014.

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, 2014. For more information, please see the Notes to the Consolidated Financial Statement for the financial year 2014.

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-Q3/2015	Q1-Q3/2014
Operating result	64,657	46,776
Share of net profit of investments accounted for using the equity method	1,048	933
EBIT	65,705	47,709
Additional depreciation and amortization from PPA	4,838	4,537
Restructuring and integration costs	3,018	3,356
Adjusted EBIT	73,561	55,602

Information on segment sales and earnings for the period from January 1 to September 30, 2015:

kEUR	Q1-Q3/2015			
	Business Units			
	Trailer Systems	Powered Vehicle Systems	Aftermarket	Consolidated
Sales	471,910	139,315	206,299	817,524
Adjusted EBIT	30,441	10,480	32,640	73,561
Adjusted EBIT margin	6.5%	7.5%	15.8%	9.0%

kEUR	Q1-Q3/2014			
	Business Units			
	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
Adjusted EBIT margin	4.2%	6.6%	16.2%	7.7%

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

6 _ FINANCE RESULT

Finance income and expenses consist of the following:

FINANCE INCOME

kEUR	Q1-Q3/2015	Q1-Q3/2014
Unrealized foreign exchange gains on foreign currency loans	4,964	5,523
Realized foreign exchange gains on foreign currency loans	1,640	442
Finance income due to derivatives	–	138
Interest income	111	87
Total	6,715	6,190

Foreign exchange gains on foreign currency loans and dividends primarily comprise unrealized foreign exchange gains on intercompany-foreign currency loans translated at the period-end exchange rate. Realized foreign exchange gains on foreign currency loans and dividends primarily result from the translation of dividend receivables in US dollar as of December 31, 2014 and their settlement in the second quarter of 2015.

FINANCE EXPENSES

kEUR	Q1-Q3/2015	Q1-Q3/2014
Interest expenses due to interest bearing loans and bonds	-6,443 ¹⁾	-7,218 ¹⁾
Reversal of transaction costs	-450	–
Amortization of transaction costs	-417	-651
Finance expenses due to pensions and other similar benefits	-788	-730
Finance expenses due to derivatives	-755	-2,375
Other	-359	-361
Total	-9,212	-11,335

¹⁾ Includes the non-cash interest expense of kEUR 472 (previous year: kEUR 31) for the convertible bond.

Transaction costs from the reporting period primarily result from the early reversal of capitalized transaction costs totaling kEUR -450 (previous year: kEUR 0) due to the refinancing which was finalized in October.

The amortization of transaction costs of kEUR -417 (previous year: kEUR -651) 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 result from foreign currency derivatives serving to hedge US dollar items in the Group.

In the previous year, finance expenses in connection with derivative financial instruments were primarily influenced by the reclassification 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 has been released to the finance result using the effective interest method over the original term of the swaps. In addition, in the previous year, changes in value of interest rate hedges recorded in equity to that 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. Furthermore, expenses in the amount of kEUR 217 resulted from the early repayment of the interest rate swaps in the previous year.

Finance Result
 Income Taxes
 Cash and Cash Equivalents
 Equity
 Other Provisions

7 _ INCOME TAXES

The major components of income taxes are as follows:

kEUR	Q1-Q3/2015	Q1-Q3/2014
Current income taxes	-15,724	-12,132
Deferred income taxes	-5,339	-1,690
Income tax reported in the result for the period	-21,063	-13,822

The effective income tax rate in the third quarter of 2015 was 33.30%. The variance between the effective income tax rate and the Group's income tax rate of 30.60% (previous year: 30.70%) is mainly attributable to non-deductible expenses and unused tax loss carry forwards.

8 _ CASH AND CASH EQUIVALENTS

kEUR	09/30/2015	12/31/2014
Cash on hand, cash at banks and checks	31,898	44,160
Short-term deposits	5	5
Total	31,903	44,165

9 _ EQUITY

The Company's subscribed share capital is unchanged from December 31, 2014 and still amounted to EUR 453,611.12 on September 30, 2015. It consists of 45,361,112 ordinary shares with a par value of EUR 0.01 and is fully paid-in.

The company's reserves – namely the share premium, the legal reserve and other reserves – are unchanged from December 31, 2014.

Changes in accumulated other comprehensive income consist of the following:

kEUR	Before tax amount		Tax expense		Net after tax amount	
	Q1-Q3/2015	Q1-Q3/2014	Q1-Q3/2015	Q1-Q3/2014	Q1-Q3/2015	Q1-Q3/2014
Exchange differences on translation of foreign operations	-4,384	7,996	-	-	-4,384	7,996
Changes in fair values of derivatives designated as hedges, recognized in equity	-	1,439	-	-392	-	1,047
Total	-4,384	9,435	-	-392	-4,384	9,043

At the Annual General Meeting on April 23, 2015, it was decided to distribute a dividend in the amount of EUR 0.32 per share to shareholders from the net profit of the financial year just ended. Total dividend distribution amounts to EUR 14.5 million.

10 _ SHARE-BASED PAYMENT TRANSACTION

Share-based payment transaction

Phantom Share Plan

As a result of meeting the underlying performance targets of the phantom share plan as of December 31, 2014, payments were made under the plan in the first quarter 2015. The provision recognized in the previous year for this purpose of EUR 2.3 million was utilized in the reporting period in this context.

11 _ INTEREST BEARING LOANS AND BONDS

kEUR	Non-current		Current		Total	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Interest bearing loans	2,883	8,178	5,883	–	8,766	8,178
Convertible bond	96,908	96,436	–	–	96,908	96,436
Bond	75,000	75,000	–	–	75,000	75,000
Financing costs	-1,128	-1,931	-470	-505	-1,598	-2,436
Accrued interests	–	–	2,395	4,000	2,395	4,000
Other loans	199	114	23	48	222	162
Total	173,862	177,797	7,831	3,543	181,693	181,340

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:

kEUR	09/30/2015			
	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 A	5,852	85,000	–	79,148
Facility B	31	22,233	–	22,202
Other Facility	2,883	5,580 ¹⁾	31,903	34,600
Total	8,766	112,813	31,903	135,950

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

kEUR	12/31/2014			
	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 A	5,822	85,000	–	79,178
Facility B	–	20,568	–	20,568
Other Facility	2,356	5,360 ¹⁾	44,165	47,169
Total	8,178	110,928	44,165	146,915

12 _ 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	09/30/2015		12/31/2014	
	Fair value	Book value	Fair value	Book value
Financial assets measured at cost or amortized costs				
Cash and cash equivalents	31,903	31,903	44,165	44,165
Trade receivables	144,247	144,247	102,964	102,964
Other current assets	973	973	1,089	1,089
Derivatives without hedging	176	176	234	234
Financial liabilities measured at cost or amortized costs				
Trade payables	102,783	102,783	94,363	94,363
Interest bearing loans and bonds	203,950	181,693	202,067	181,340
Finance lease liabilities	2,025	2,025	2,172	2,172
Derivatives without hedging	771	771	45	45

The following table shows the allocation of financial assets and liabilities measured at fair value to the three hierarchy levels of fair values:

kEUR	09/30/2015			Total
	Level 1	Level 2	Level 3	
Bonds	194,165	–	–	194,165
Interest bearing loans and borrowings	–	–	9,785	9,785
Derivative financial assets	–	176	–	176
Derivative financial liabilities	–	771	–	771

kEUR	12/31/2014 ¹⁾			Total
	Level 1	Level 2	Level 3	
Bonds	192,163	–	–	192,163
Interest bearing loans and borrowings	–	–	9,904	9,904
Derivative financial assets	–	234	–	234
Derivative financial liabilities	–	45	–	45

As of September 30, 2015, the derivative financial assets and liabilities contain forward exchange transactions and are used to hedge the risk position arising from the currency fluctuation of the US dollar, Russian rubel, South African rand and Turkish lira.

¹⁾ Changes in the fair value hierarchy of the interest bearing loans and borrowings compared to previous year annual financial statement.

13 _ RELATED PARTY DISCLOSURES

The Board of Directors mandate of Richard W. Muzzy ended as planned with the Annual General Meeting of April 23, 2015. In order to ensure continuity, Martina Merz had already been elected to the Board in the previous year.

Since April 23, 2015, 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

Transactions with related parties and companies in which members of management hold key positions:

kEUR	Sales to related parties		Purchases from related parties	
	Q1-Q3/2015	Q1-Q3/2014	Q1-Q3/2015	Q1-Q3/2014
SAF-HOLLAND Nippon, Ltd.	1,015	770	–	–
FWI S.A.	–	–	29,309	22,468
Total	1,015	770	29,309	22,468

kEUR	Amounts owed by related parties		Amounts owed to related parties	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
SAF-HOLLAND Nippon, Ltd.	163	537	207	207
FWI S.A.	–	–	1,910	1,419
Total	163	537	2,117	1,626

14 _ STATEMENT OF CASH FLOWS

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

15 _ EVENTS AFTER THE BALANCE SHEET DATE

Refinancing

On October 13, 2015, an agreement was signed with a smaller consortium of banks which replaced the previous financing arrangement and ensures a long-term supply of long-term finance at more favorable interest rates for the Group until October 2022. The newly arranged credit agreement consists of a multi-currency revolving credit line of about EUR 150 million – subdivided into EUR 120 million and USD 35 million. As a result of the refinancing, the available credit lines increased to approximately EUR 156 million (December 31, 2014: EUR 110.9 million).

The restructuring of the financing specifies the following main regulations:

- Initial interest margin of 0.85% p.a.
- Term until October 12, 2020 with prolongation option of up to 2 years
- Pledging of assets waived
- Definition of the financial covenants
 - Equity ratio cover (consolidated equity divided by consolidated total assets)

Bonded Loan

Furthermore, in October a consortium of banks was contracted to market a bonded loan with a nominal value of EUR 125 million. The term of the bonded loan is between five and ten years.

No further material events have occurred since the reporting 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.

B

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.

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).

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.

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.

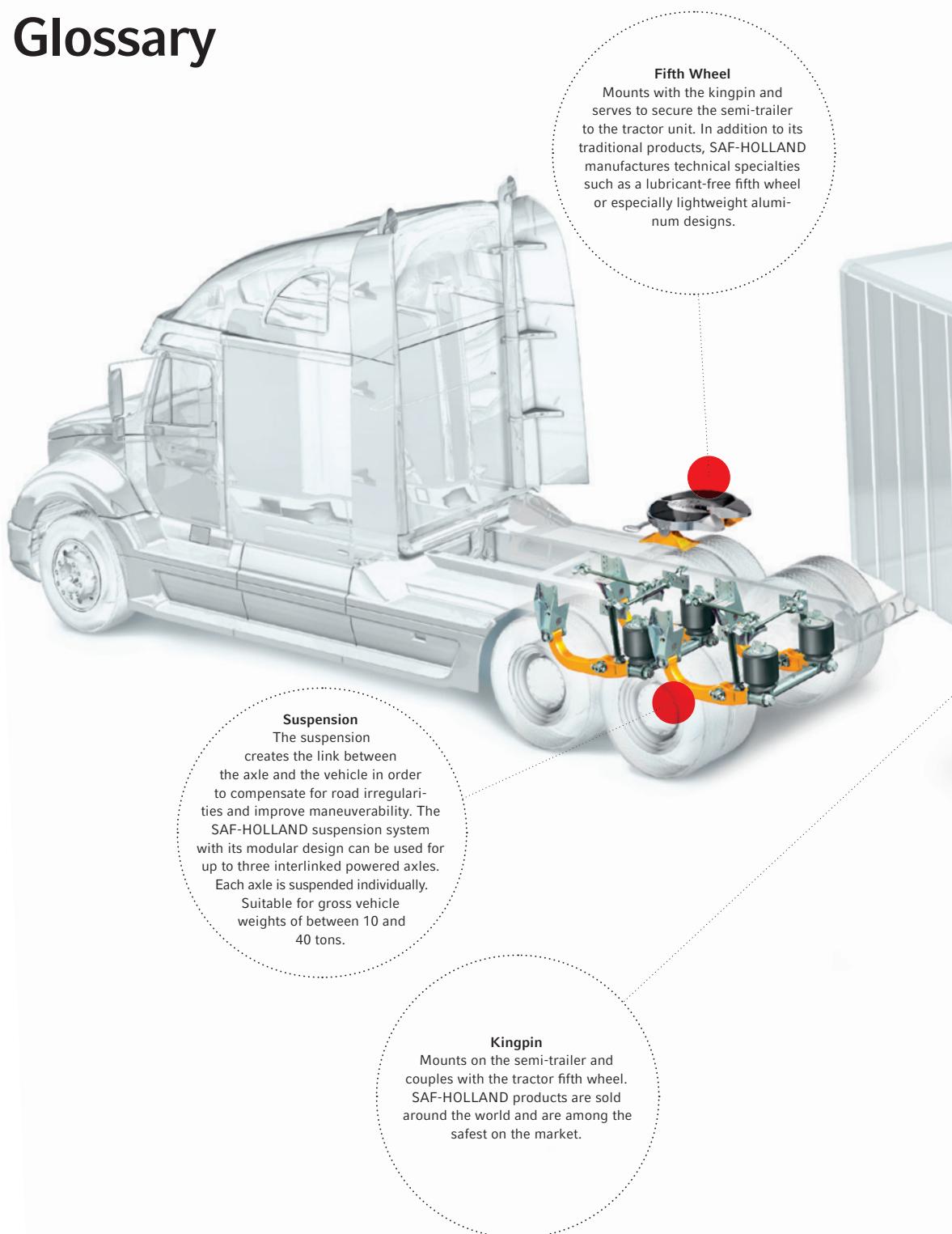
T**Total cost of ownership**

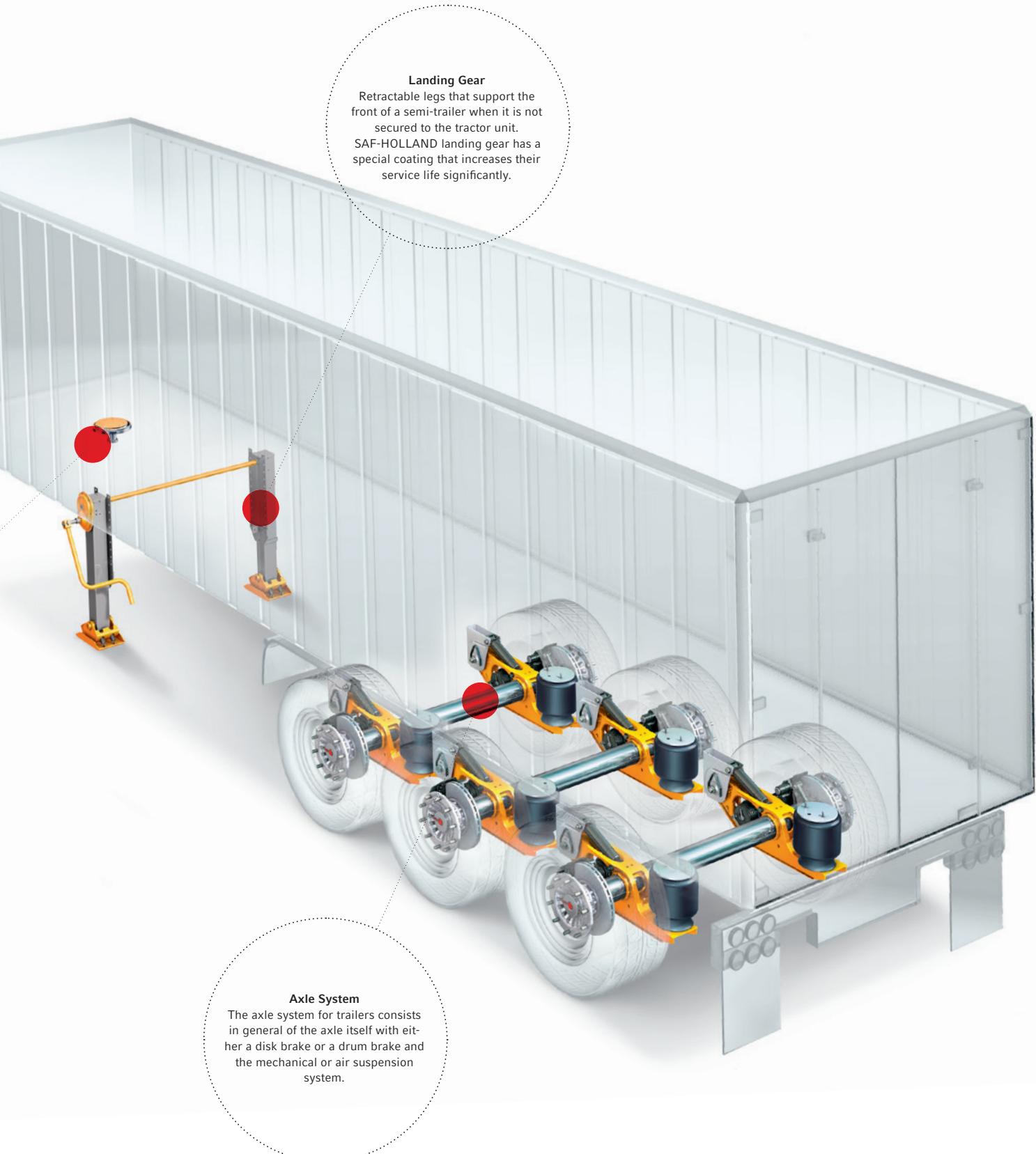
Total cost relating to acquisition, operating and maintenance of an asset.

V**Value in use**

Present value of future cash flows from an asset.

Technical Glossary





List of Abbreviations

A		F	
APO	Advanced Planner & Optimizer (IT-System to utilize for supply chain management)	FEM	Finite Element Method; numerical technique for finding approximate solutions for partial differential equations; often used in industrial engineering
B		G	
BRIC	Brazil, Russia, India, and China	GDP	Gross Domestic Product
C		I	
CAD	IT-System often used in engineering/ product development	IAS	International Accounting Standards
Cap	Derivative to hedge against rising interest rates	IASB	International Accounting Standards Board
CEO	Chief Executive Officer	IFRIC	International Financial Reporting Interpretations Committee
CFO	Chief Financial Officer	IFRS	International Financial Reporting Standards
D		IfW	
DAX	Deutscher Aktienindex (German stock index)	IfW	Institut für Weltwirtschaft (German economic organization)
DIN	Deutsches Institut für Normung (German Institute for Standardization)	IMF	International Monetary Fund
		IR	Investor Relations
		ISIN	International Securities Identification Number
E		ISO	
EBIT	Earnings Before Interest and Taxes	ISO	International Organization for Standardization
EBITDA	Earnings Before Interest, Taxes and Depreciation/Amortization	IT	Information Technology
EDP	Electronic Data Processing	K	
		KEUR	Thousand Euro

M	
MATS	Mid-America Trucking Show

N	
n.a.	Not applicable

O	
OEM	Original Equipment Manufacturer
OES	Original Equipment Service

P	
PPA	Purchase Price Allocation
ppm	Parts per million

R	
R&D	Research and Development

S	
SDAX	Small-cap-DAX
Swap	Hedging instrument in which two counterparties agree to exchange contractual rights and obligations (to swap) for a definite existing period of time in the future and at defined conditions

Financial Calendar and Contact Information

Financial Calendar

March 11, 2016 Publication of Annual Financial Statements 2015
April 28, 2016 Annual General Meeting

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