

SAF-HOLLAND starts 2010 on a positive note

- Demand rising since January 2010
- Group sales in 2009 amounted to EUR 419.6 million as a result of the global market collapse
- Positive adjusted EBIT in 2009 reached EUR 1.5 million
- Cash flow from operating activities increased by 15% to EUR 48.3 million

Luxembourg, April 1, 2010 - SAF-HOLLAND S.A., a leading supplier for the global truck and trailer industry, saw significantly higher demand at the beginning of the new fiscal year 2010 than was the case in the previous fiscal year. The low point following the substantial market collapse in 2008 and 2009 thus seems to have passed. As a result of reduced global demand, SAF-HOLLAND recorded Group sales of EUR 419.6 million in the reporting year (previous year: EUR 798.8 million). Thanks to a promptly implemented cost reduction program, the Group generated positive adjusted earnings before interest and taxes (EBIT) in the amount of EUR 1.5 million (previous year: EUR 41.2 million).

Rudi Ludwig, CEO of SAF-HOLLAND Group S.A.: "In the crisis, we made our company leaner and stronger while remaining true to our quality standards. This will be rewarded by our customers in an improving market. The first quarter has brought us initial positive signals. The objective now is to gain from the positive market development".

Liquidity and cash flow improved despite sales drop

As a result of the economic crisis, demand for trucks and trailers fell substantially. Truck manufacturers recorded declines in sales of up to 50% in Europe and 40% in North America. Trailer producers suffered through decreases of up to 80% in Europe and 50% in North America. Against this backdrop, Group sales of SAF-HOLLAND were EUR 419.6 million (previous year: EUR 798.8 million) and, adjusted for exchange rate effects,

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EUR 408.9 million. Sales of EUR 196.7 million were recorded in Europe (previous year: EUR 530.2 million) while sales in North America were EUR 198.9 million. Thanks to the restructuring program, which consisted of both a comprehensive cost-saving program and a reduction in net working capital, the gross margin improved to 16.3% (previous year: 14.8%). Adjusted EBIT was EUR 1.5 million (previous year: EUR 41.2 million). In addition to the sales decrease, extraordinary write-downs and restructuring costs burdened earnings. The adjusted result for the year amounted to EUR -15.6 million (previous year: EUR 13.4 million) and adjusted earning per share were EUR -0.75 (previous year: EUR 0.69). Cash flow from operating activities before income tax payments, on the other hand, rose in the reporting period to EUR 48.3 million (previous year: EUR 41.9 million) – reflecting the success achieved by the restructuring program, particularly the reductions in inventories. Despite the drop in sales, cash and cash equivalents increased to EUR 20.7 million (previous year: EUR 8.6 million). The equity ratio was 5.2% on the balance sheet date (previous year: 13.4%). Net debt (interest-bearing loans and borrowings minus cash and cash equivalents) fell to EUR 289.3 million (previous year: EUR 303.8 million).

Trailer Systems starts axle production in the USA

The Trailer Systems Business Unit was particularly hard hit by the market collapse that followed the economic crisis because demand from trailer manufacturers, especially in Europe, decreased dramatically. Sales in the segment amounted to EUR 175.1 million (previous year: EUR 527.9 million), adjusted for exchange rate effects the figure was EUR 172.5 million. The underutilization of capacities that resulted from sales development contributed to a decline in the gross margin to -1.7% (previous year: 9.5%). The Business Unit successfully launched production of its own axle systems in the USA, thereby establishing a firm basis for future growth in North America. As market leader in Europe for axle systems with disc-brake technology, SAF-HOLLAND believes that it has an

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excellent opportunity to establish itself as a quality supplier in North America.

Powered Vehicle Systems improves its gross margin

The Powered Vehicle Systems Business Unit benefited from the acquisition of the current SAF-HOLLAND Verkehrstechnik GmbH. The division generated nearly constant sales of EUR 98.3 million (previous year: EUR 102.3 million). Adjusted for exchange rate effects, sales were EUR 94.1 million. As a result of the strong customer-product-mix as well as the cost-saving measures, the gross margin improved to 21.2% (previous year: 14.8%).

Aftermarket expands its service network

The Aftermarket Business Unit improved its sales volume potential in fiscal year 2009 through additional service agreements with Scania and Daimler. Already in 2008, SAF-HOLLAND had concluded cooperations with DAF, MAN and Volvo. This has further increased the accessibility, product range and service quality for the customer. The high-margin Aftermarket business once again stabilized sales and earnings of the Group, although segment sales decreased to EUR 146.2 (previous year: EUR 168.6 million) and adjusted for exchange rate effects to EUR 142.3 million. The gross margin reached 36.4% (previous year: 35.3%).

First quarter 2010: orders received above expectations

In the first quarter of 2010, orders in all regions are above expectations and significantly higher than comparable figures from the previous year. Earlier than originally planned, SAF-HOLLAND will halt reduced working hours at its locations in Germany in April. Core employees will return to full-time work. The plant in Keilberg, which had been shut down, will begin operations again in April.

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Outlook

With initial indications of an improving economic situation, it is expected that truck and trailer manufacturers will soon turn the corner. Sales volumes will, however, increase only gradually. In recent months, the markets have stabilized or, in some cases, risen slightly for the first time. SAF-HOLLAND is well-equipped for the expected market development. Following the comprehensive restructuring, the Company is aligned efficiently and in a position to react flexibly to the actual market demand. At the same time, fixed costs have been substantially reduced and the secured long-term financing provides sufficient flexibility for the planned growth course. Despite an initial upswing in demand, a truly sustainable development in demand is not yet clearly recognizable for SAF-HOLLAND. Until now, the Company has assumed that sales in 2010 will increase by a double-digit percentage figure. On the earnings side, the Group should profit from significant cost savings. As soon as demand increases in a sustainable manner, SAF-HOLLAND can profit to an above-average extent from growth in the industry. In the medium-term, SAF-HOLLAND's goal is still to generate sales of EUR 1 billion while achieving an adjusted EBIT margin of 10%.

Note:

EBIT was adjusted for the following effects which are not originally attributable to the operating business: depreciation and amortization arising from the purchase price allocation and impairment losses on goodwill and intangible assets from the impairment tests as well as restructuring costs.

The table of key figures is included in the press release and can be accessed at <http://www.safholland.com/en/investor/investor-news/press-releases.html>.

Company Profile:

With more than EUR 420 million in sales in 2009 and over 2,000 employees, SAF-HOLLAND S.A. is one of the worldwide leading manufacturers and suppliers of premium product systems and components primarily for trailers as well as trucks, buses, and recreational vehicles. The product range encompasses axle and suspension systems, fifth wheels, couplers, kingpins, and landing legs. SAF-HOLLAND customers include the majority

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of large truck and trailer producers all over the world. The products are sold to Original Equipment Manufacturers (OEMs) and Original Equipment Suppliers (OESs) by means of a global service and distribution network and via aftermarket channels directly to the end users and service garages. SAF-HOLLAND has therefore established itself as one of the few manufacturers in its sector that is internationally positioned with an extensive product range and a broad service network. SAF-HOLLAND S.A. has been listed in the Prime Standard of the Frankfurt Stock Exchange since July 2007.

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Key Figures		
	2009	2008
EUR million		
Sales	419.6	798.8
Cost of sales	-351.4	-680.3
Gross profit	68.2	118.5
Adjusted profit for the year	-15.6	13.4
Adjusted EPS in EUR*	-0.75	0.69
Adjusted EBITDA	16.7	54.7
Adjusted EBIT	1.5	41.2
Operating cash flow**	48.3	41.9
Sales by Region		
EUR million	2009	2008
Europe	196.7	530.2
North America	198.9	239.7
Other	24.0	28.9
Total	419.6	798.8
Sales by Business Unit		
EUR million	2009	2008
Trailer Systems	175.1	527.9
Powered Vehicle Systems	98.3	102.3
Aftermarket	146.2	168.6
Total	419.6	798.8
Other Financial Information		
	12/31/09	12/31/08
Total assets (in EUR million)	458.1	537.4
Equity ratio (in %)	5.2	13.4
Employees (annual average)	2,320	2,799
Sales per employee (in kEUR)	180.9	285.4
*	Adjusted net profit / weighted average number of ordinary shares outstanding as of the reporting day.	
**	The operating cash flow is the cash flow from operating activities before income tax payments.	

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