

Annual Financial Statements 2009

April 1, 2010

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Agenda

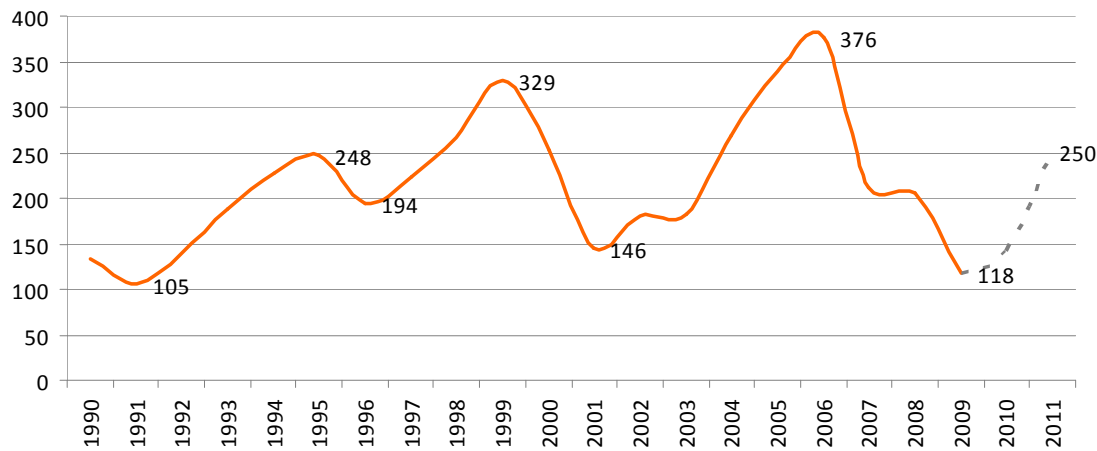
1. Executive Summary
2. Background – Market Performance
3. Business Performance
4. Financials
5. Next Steps
6. First Quarter 2010
7. Reasons to invest in SAF-HOLLAND
8. Strategic Highlights
9. Outlook

Executive Summary

- Increasing demand in first quarter 2010
- SAF-HOLLAND maintained its strong market position
- SAF-HOLLAND achieved all its restructuring targets
- Company's sales stabilized over the last three quarters of 2009
- Positive adjusted EBIT reflects successful cost reduction
- Cash flow performance remained strong
- Inventories were reduced substantially
- Sustainable growth potential in all business units
- SAF-HOLLAND is well positioned to participate in a market upturn

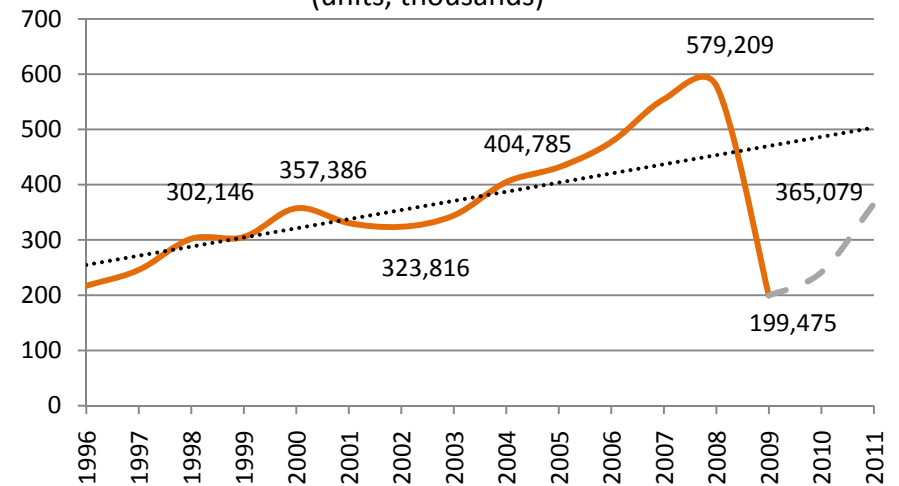
Background – Truck Markets through 2010

**North America
Heavy-Duty Truck Build**
(units, thousands)



Source: ACT N. A. Commercial Vehicle Outlook, ACT Research, Columbus, Indiana, March

**Europe
Heavy-Duty Truck Build**
(units, thousands)

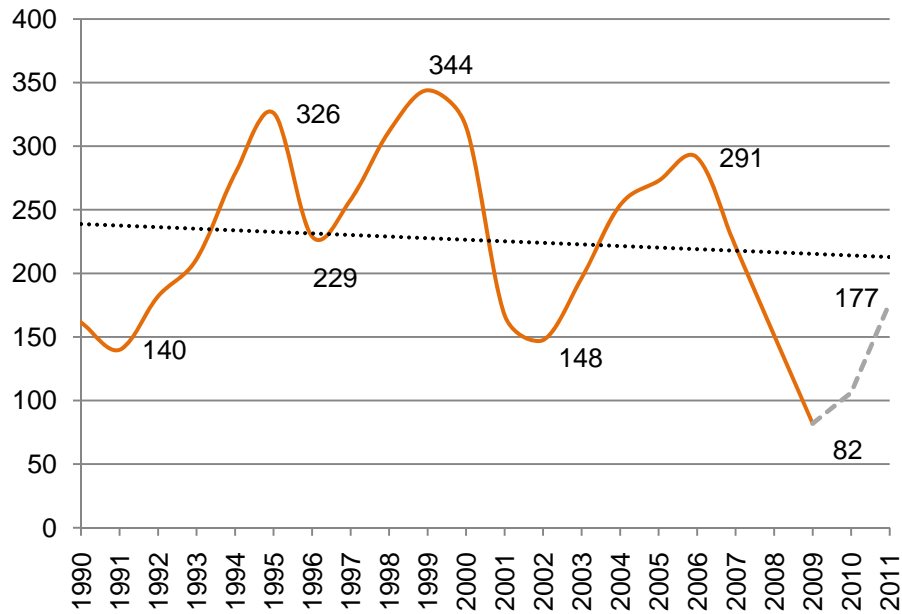


Source: J.D. Power and Associates, Global Commercial Vehicle Forecast, Fourth Quarter 2009, Oxford, UK.

Background - Trailer Markets through 2010

U.S. Trailer/Chassis Factory Shipments

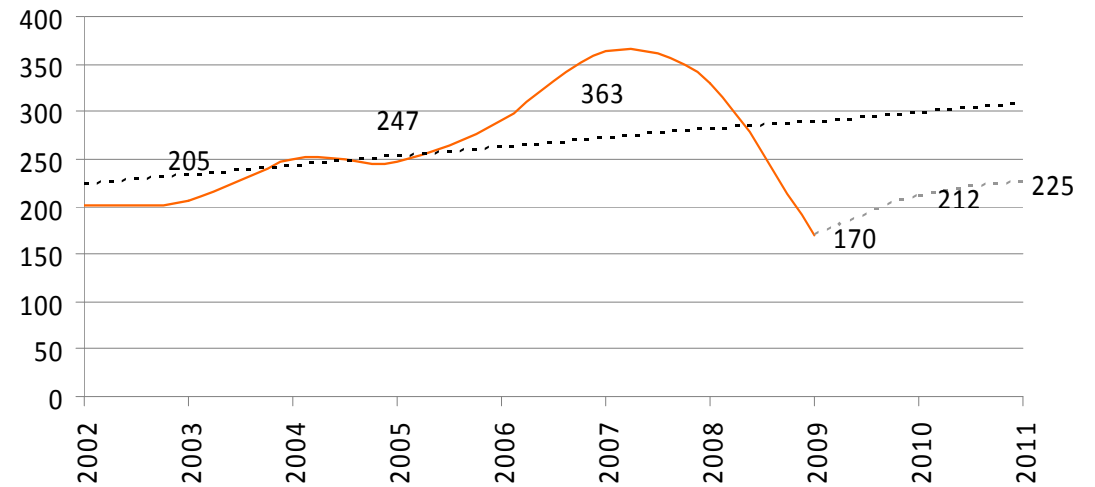
(units, thousands)



Source: ACT Research, March

Europe Trailer Production

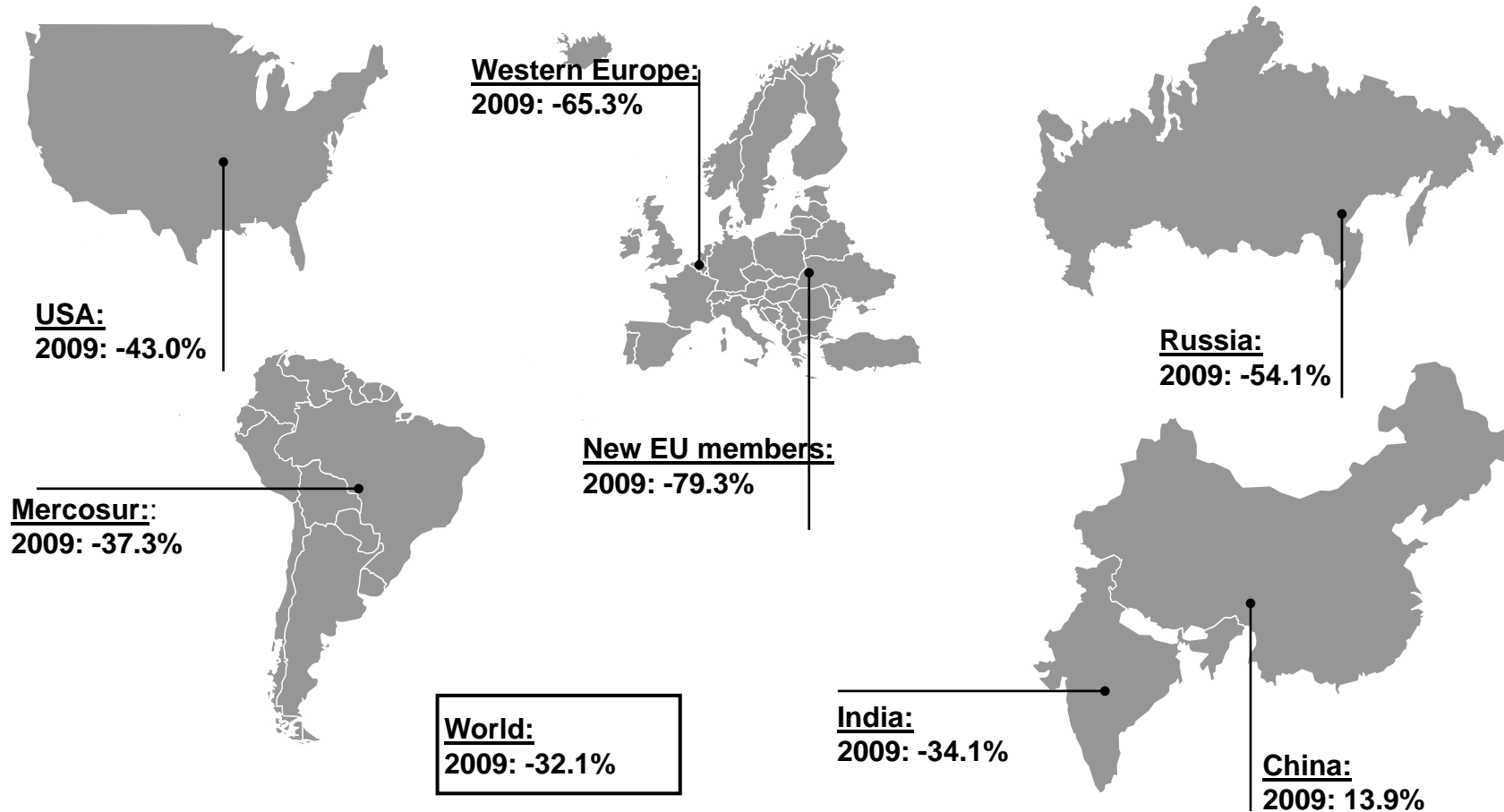
(units, thousands)



Source: Beecroft/CLEAR, February

Background – Market Environment

Production of heavy trucks weakened significantly in 2009



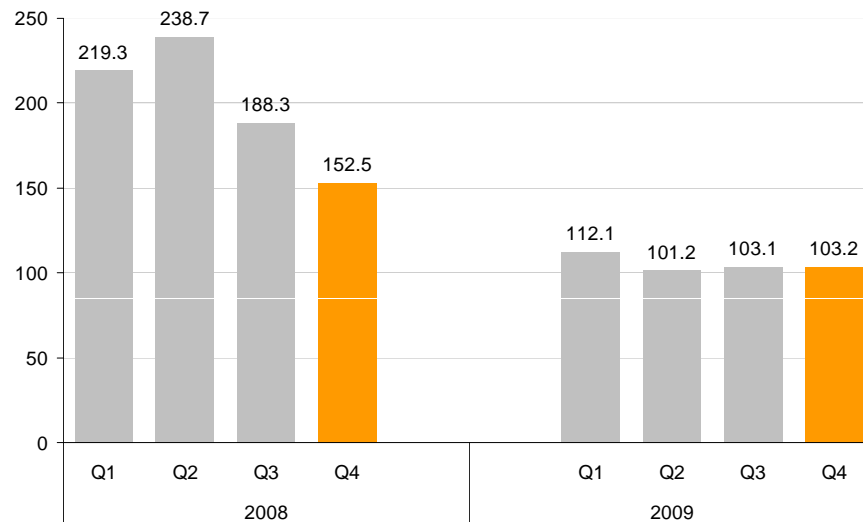
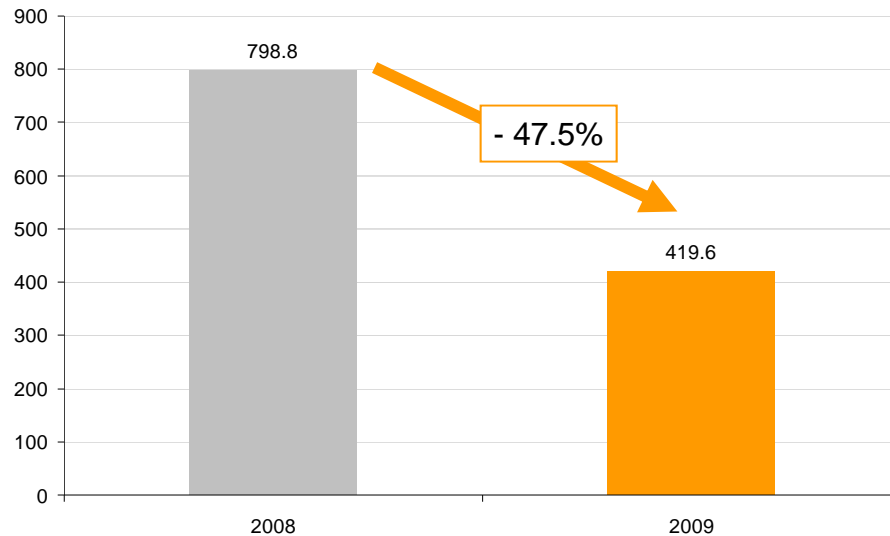
Source: VDA, ACT, JD Power and ACEA

Business Performance – We have delivered what we promised

- ✓ **Start of own axle production in North America**
- ✓ **First sales of own axle systems including disc brake technology in North America**
- ✓ **New cooperations further expand aftermarket service network**
- ✓ **Successful and on time integration of the acquired Georg Fischer VKT business**
- ✓ **Consolidation of China activities into two sites**
- ✓ **Further consolidation of production sites in North America**
- ✓ **Operative restructuring programme targets exceeded with €49.0 million yoy**
- ✓ **Financial loan agreement secured until 2014**

Business Performance – Group Sales in €m

Sales in million €



Summary 2009

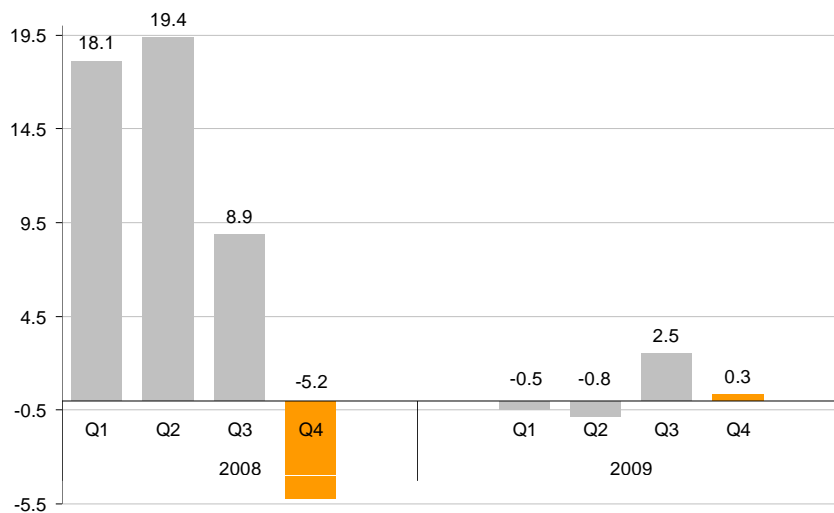
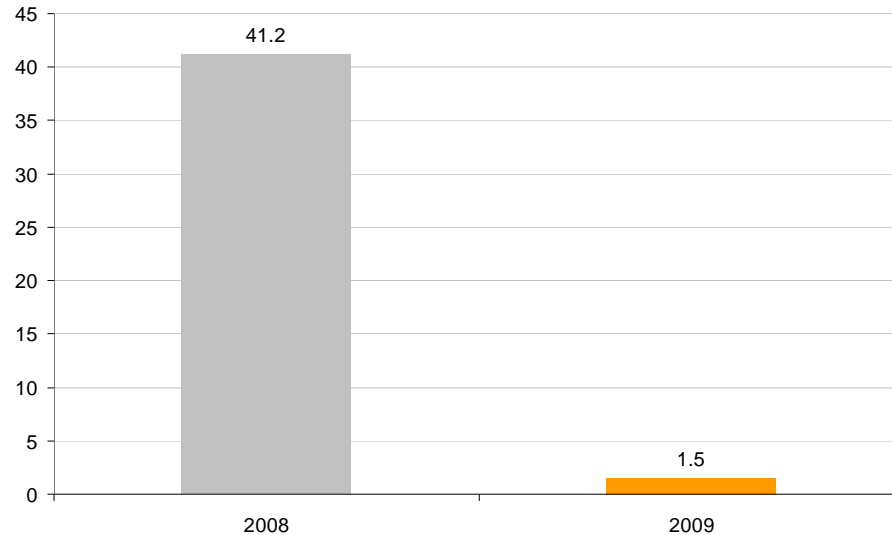
- Sales of € 419.6 million reflect global crisis
- Stable development in Q2, Q3 and Q4
- Market upturn since beginning of 2010

Target 2010

- Double digit growth expected in 2010

Business Performance – Group Adjusted EBIT in €m

Adjusted EBIT in million €



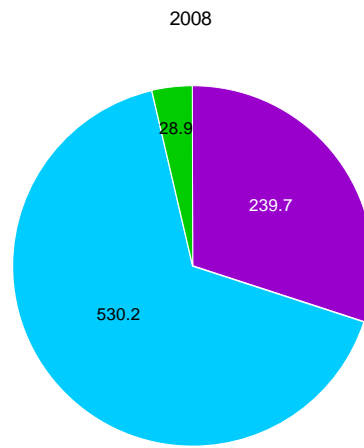
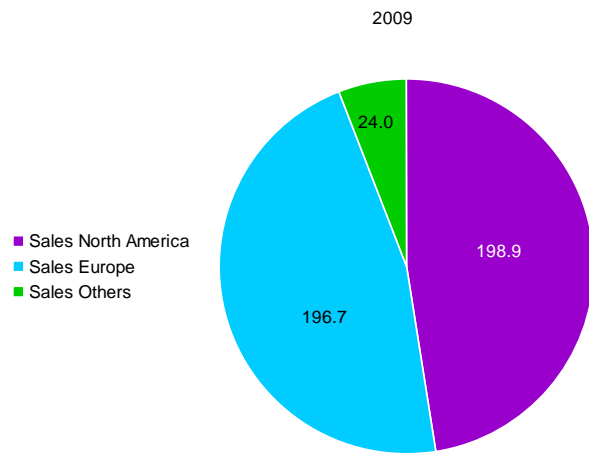
Summary 2009

- Adjusted EBIT positive with € 1.5 million
- Positive development since Q3
- Cost reduction programme exceeded its target with savings of € 49.0 million
- Inventory clearance reduced the Q4 result

Target 2010

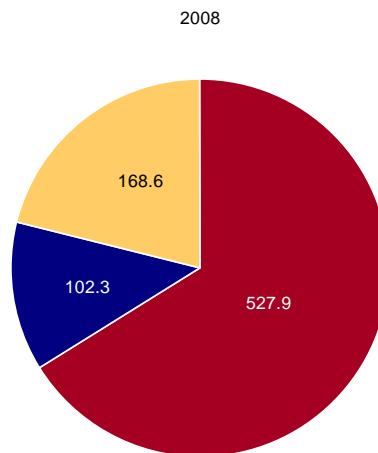
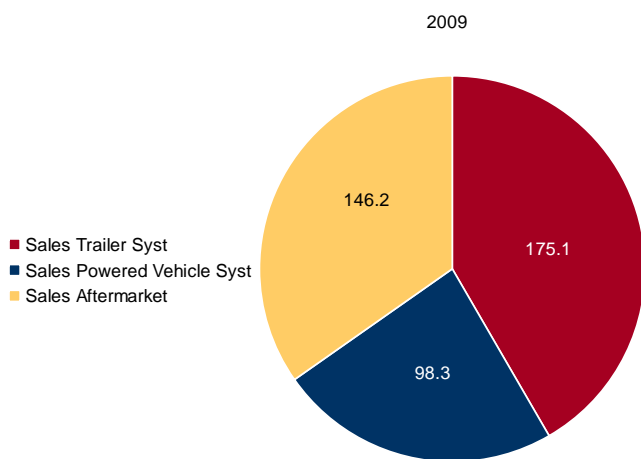
- Restructuring is ongoing and secures increasing profitability also based on a recovery of the markets

Business Performance Worldwide and per Business Unit in €m



Summary 2009

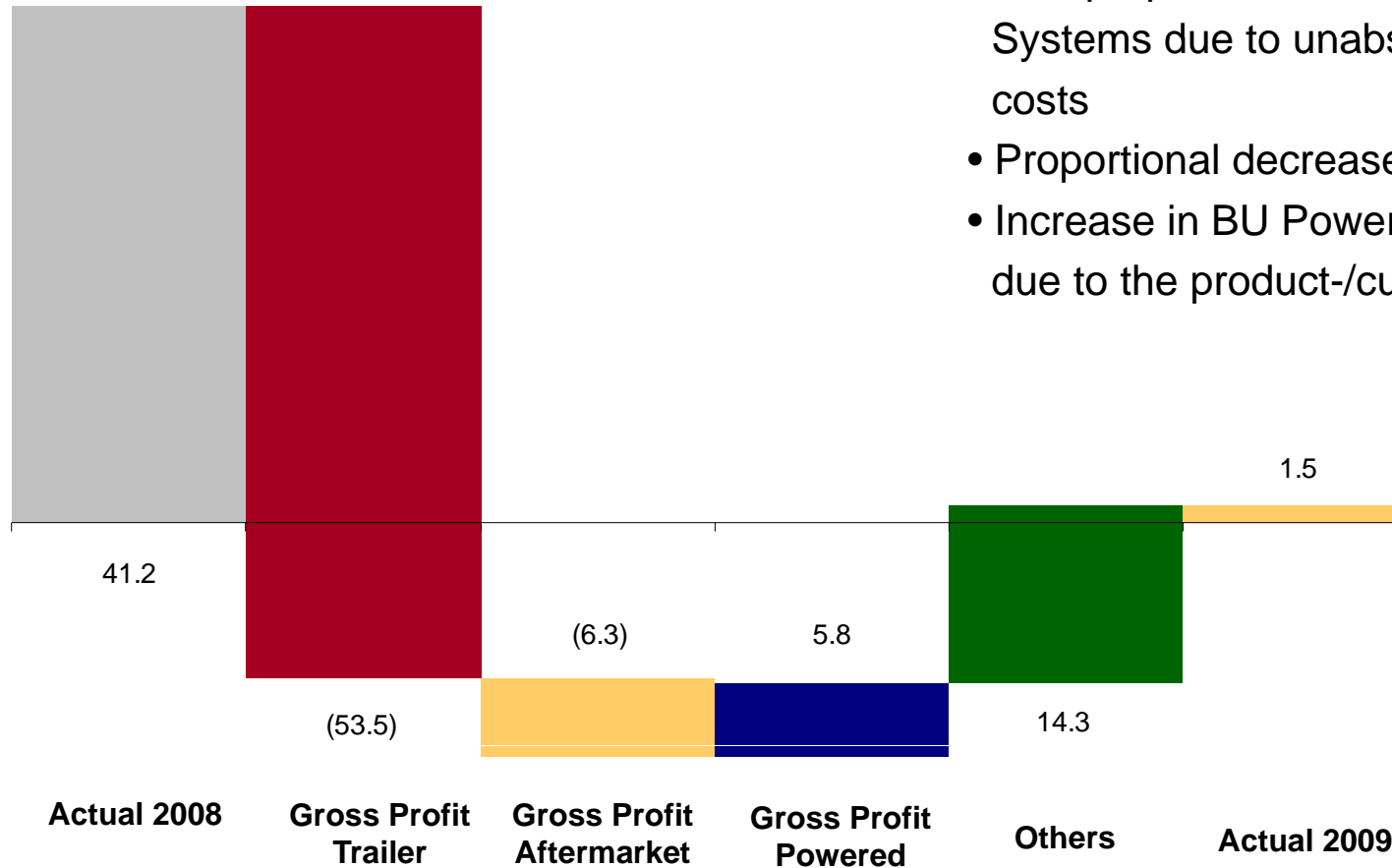
- European sales affected by the strong downturn in Trailer Business
- Powered Vehicle Systems sales remained at 2008 levels due to the acquisition of the former Georg Fischer VKT GmbH in 2008



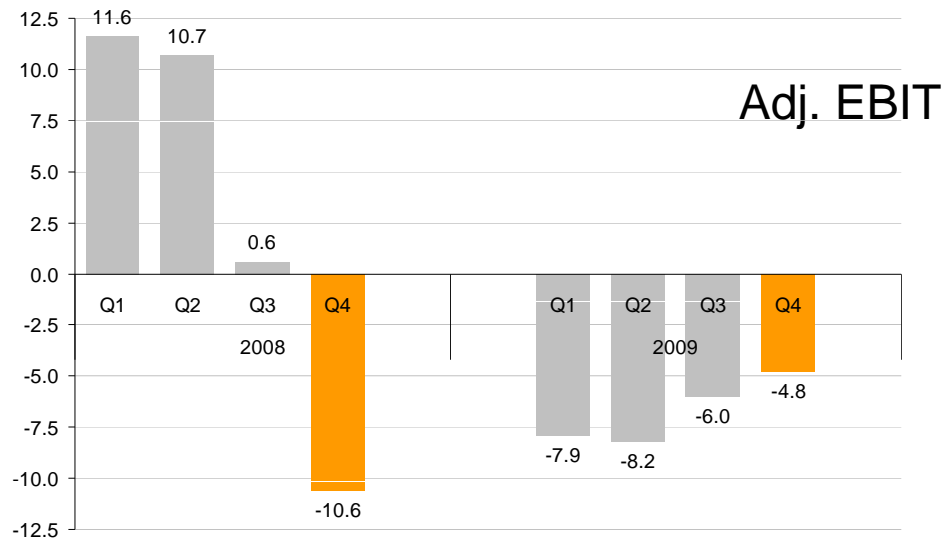
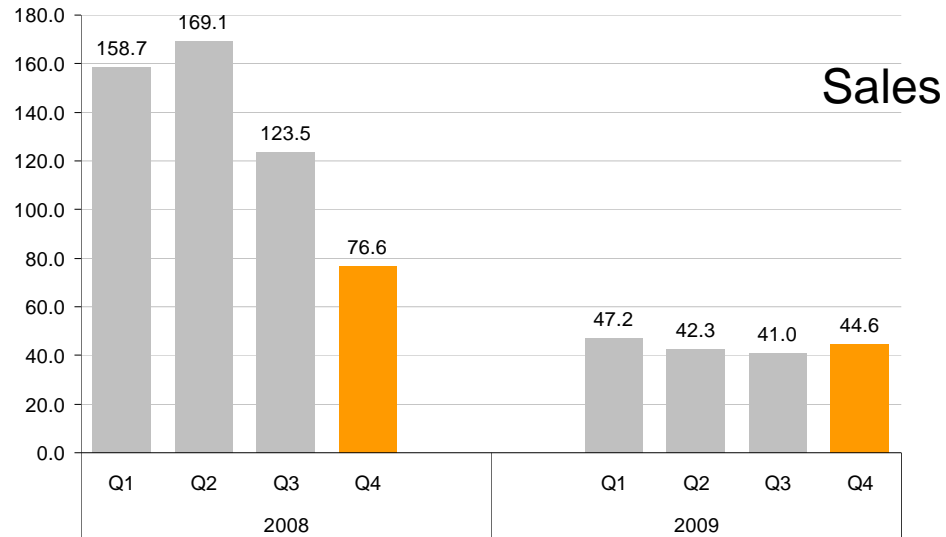
Business Performance – Adjusted EBIT Bridge in €m

Summary 2009

- Overproportional decrease in BU Trailer Systems due to unabsorbed production costs
- Proportional decrease in BU Aftermarket
- Increase in BU Powered Vehicle Systems due to the product-/customer mix



Business Performance – Trailer Systems in €m



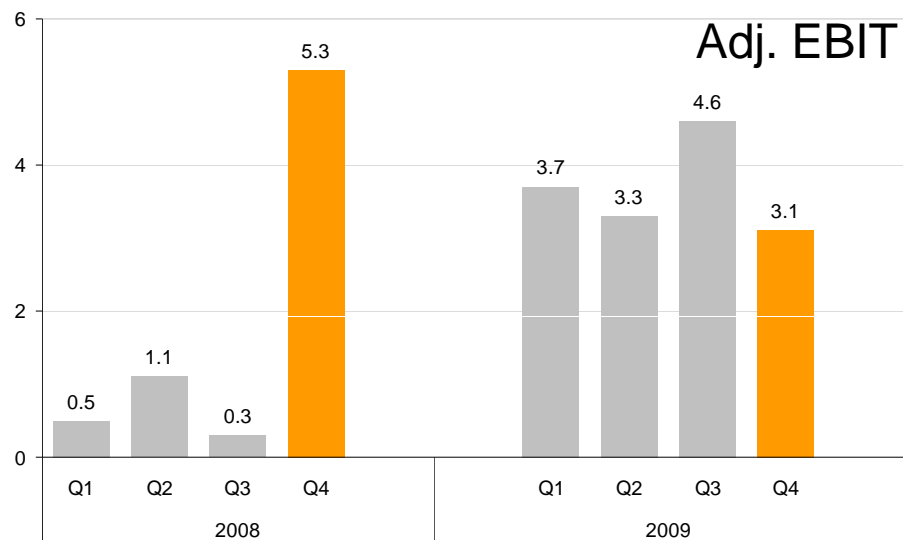
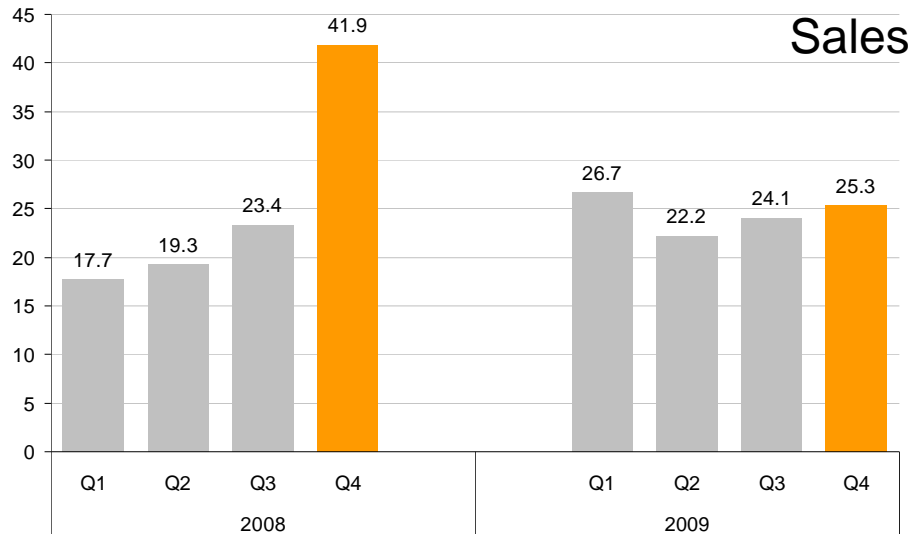
Summary 2009

- Sales of € 175.1 million (prev. year: 527.9)
- Stable sales development since 2. quarter
- Adjusted EBIT of € -27.0 million (prev. year: 12.3) reflects underutilized capacities
- Loss was halved compared to Q4 2008
- Adjusted EBIT increased steadily across the year

Target 2010

- Further improvement of profitability
- Full participation in a market upturn
- Double digit growth expected

Business Performance – Powered Vehicle Systems in €m



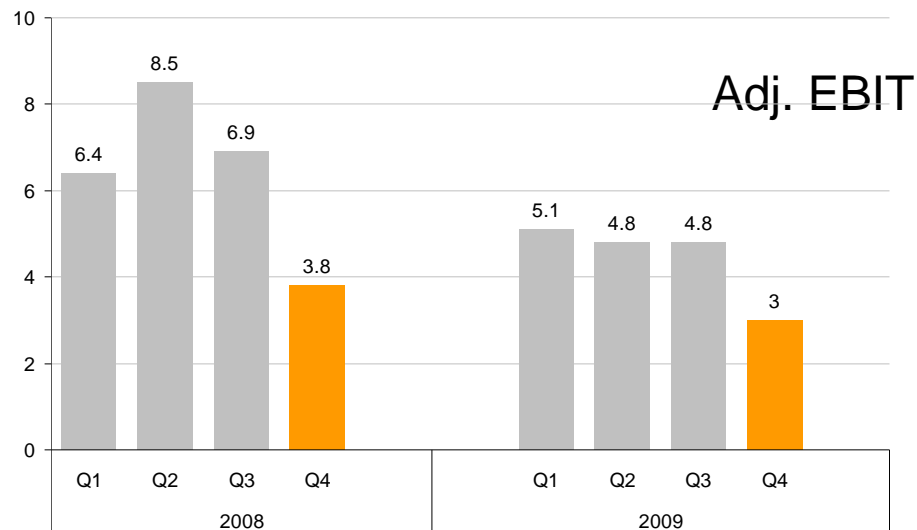
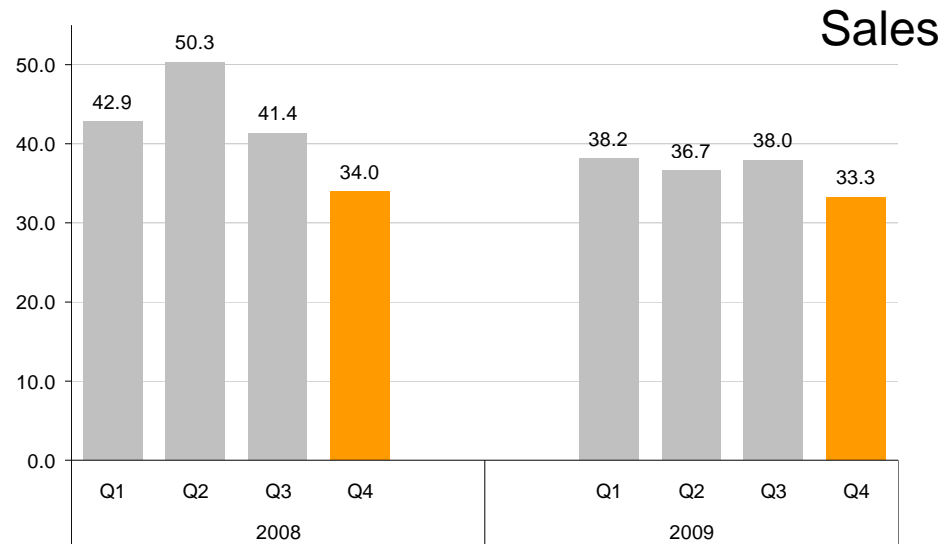
Summary 2009

- Sales of € 98.3 million (prev. year: 102.3)
- Steady growth of sales since 2. quarter
- Strong adjusted EBIT of € 14.7 million (prev. year: 7.2)
- Adjusted EBIT margin up to 14.9% (prev. year: 7.0%)
- Q4 2008 was influenced by the acquisition of the former Georg Fischer VKT GmbH

Target 2010

- Full participation in market growth

Business Performance – Aftermarket in €m



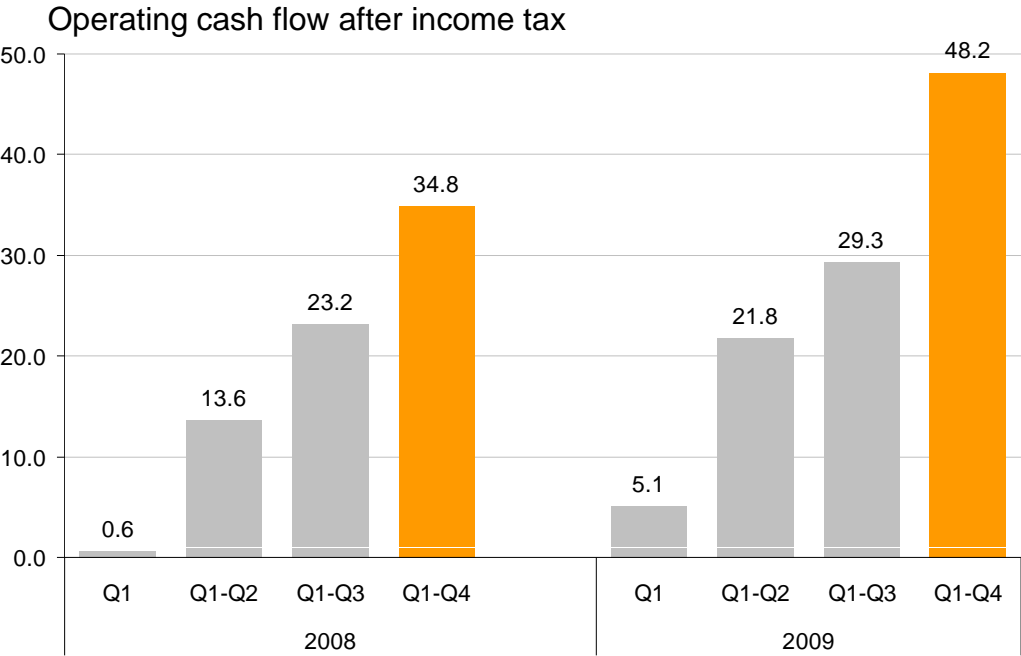
Summary 2009

- Sales of € 146.2 million (prev. year: 168.6)
- Sales performance reflecting a normal cycle across the year
- Adjusted EBIT of € 17.7 million (prev. year: 25.6) remained strong
- Adjusted EBIT margin reached 12.1%

Target 2010

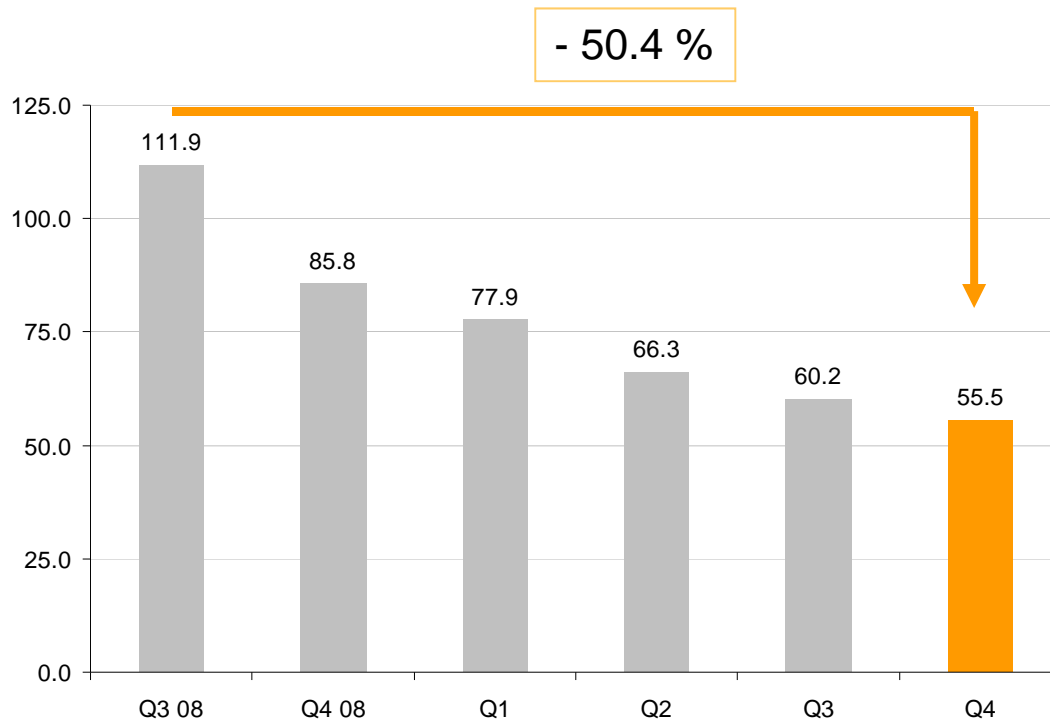
- Increase of sales due to market upturn and new business in growth markets

Business Performance - Operating Cash Flow in €m



Summary 2009
 Strong operating cash flow performance reflects the drastic decrease of net working capital, particularly of inventories

Business Performance - Inventories in €m



Summary 2009

- Inventories down to 57 days
- Inventory turnover will be further reduced to 45 days in the mid-term

Business Performance – Financial Agreement

- SAF-HOLLAND has reached agreement with its banks on a restructuring and extension of a credit line of €316 million until September 2014
- The first repayments of principal will be made in February 2012
- Interest rates

	10/09-09/10	10/10-02/12	03/12-09/14
Margin	5.95%	5.95%	5.95%
Thereof Cash	1.60%	3.00%	5.95%
Thereof PIK	4.35%	2.95%	0.00%
Base Interest	2.35%	2.35%	2.35%

- Fees
Upfront and work fee totaling €3.4 million in 2009
Exit fee totaling €2.6 million p.a. accrued and to be paid at termination date
Commitment fee of max. 200 bps (for undrawn facilities)
- Amortization of arrangement and advisory fees totaling max. €2.0 million p.a. for 5 years
- An absolute EBITDA covenant including a headroom of up to €10 million will be in place until June 30, 2011. From September 30, 2011 onwards: Net debt/EBITDA; EBITDA/net interest; Equity ratio.
- A factoring basket of €3 – 25 million can be used depending on sales development

Financials – Key Financials

in €m	2009	2008
Sales	419.6	798.8
Cost of Sales	-351.4	-680.3
Gross profit	68.2	118.5
Margin	16.3%	14.8%
Adjusted loss/ profit	-15.6	13.4
Margin	-3.7%	1.7%
Adjusted EPS in €	-0.75	0.69
Adjusted EBITDA	16.7	54.7
Margin	4.0%	6.8%
Adjusted EBIT	1.5	41.2
Margin	0.4%	5.2%
Operating cash flow (before income tax)	48.3	41.9

Financials – Balance Sheet

in €m	12/31/09	12/31/08
Non-current assets	318.1	350.5
Cash and cash equivalents	20.7	8.6
Inventories	55.5	85.8
Other current assets	63.8	89.6
Non-current assets held for sale	0	2.9
Total assets	458.1	537.4
Equity	23.8	72.1
Other non current liabilities	60.2	66.2
Other current liabilities	64.1	86.7
Interest bearing loans and borrowings current/non current	310.0	312.4

Financials – Cash Flow Statement

in €m	2009	2008
Loss before tax	-55.9	-22.2
Finance income/expenses	26.1	26.2
Amortization/depreciation	39.6	39.0
Change in NWC	33.4	-2.1
Other items cash flow	5.1	1.0
Operating cash flow (before income tax)	48.3	41.9
Income tax paid	-0.1	-7.1
Operating cash flow (after income tax)	48.2	34.8
Cash flow from investing	-7.5	-72.1
Cash flow from financing	-28.4	18.4
Effect of f/x changes	-0.2	-0.3
Net change in cash	12.1	-19.2

Next steps

- **Further cost reductions of €10 million in 2010**
- **Consolidation of Chinese sites into one production facility in Xiamen**
- **Start of axle production in China for the local as well as for foreign markets**
- **Further reduction of inventories**
- **Leverage the axle production in North America**

First Quarter 2010

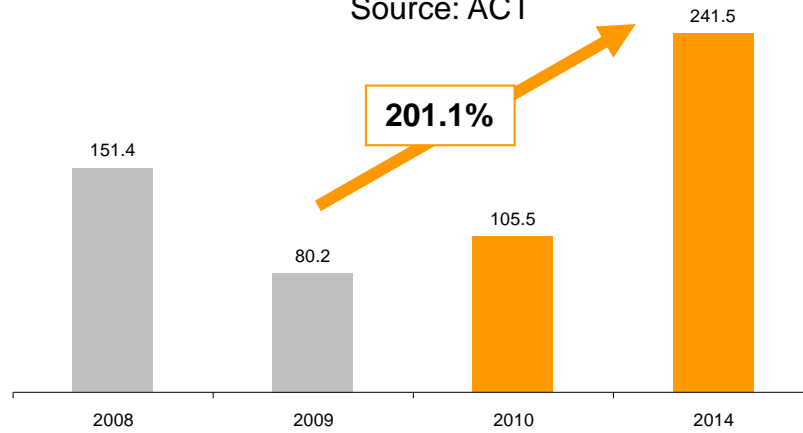
- **Order income across all business units and all regions are exceeding expectations and are well above the 2009 monthly figures**
- **Continued improvement in adjusted EBIT supported mainly by lower costs and less unabsorbed production costs**
- **Earlier than expected, shortened work times at the German production sites will end in April**
- **A production site in Frauengrund, Germany, will take up production again**

Reasons to invest in SAF-HOLLAND

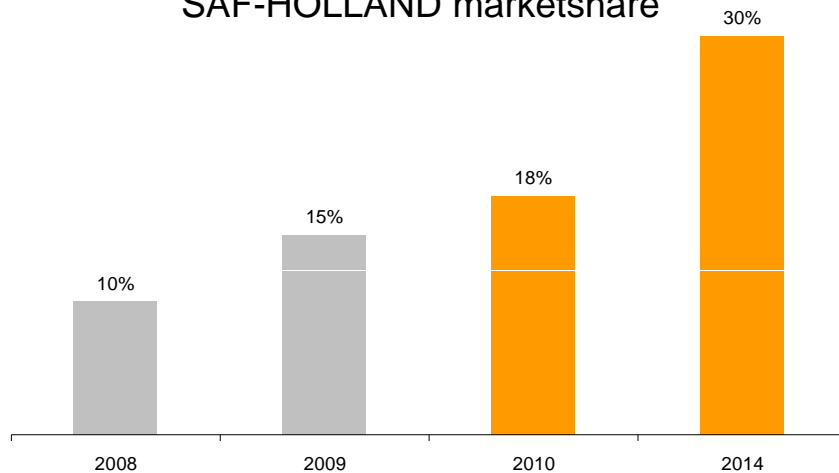
- ✓ **SAF-HOLLAND is a leading supplier to the global commercial vehicle industry**
- ✓ **SAF-HOLLAND benefits from the global transport volumes**
- ✓ **Trucks and trailers are at the beginning and at the end of every logistic chain**
- ✓ **Global transport will recover from the dramatic downturn in 2009**
- ✓ **SAF-HOLLAND will fully participate in the upturn**
- ✓ **Investments are focused on growing markets like China, Brazil, Russia and India**
- ✓ **The SAF-HOLLAND success factors for its long-term growth are**
 - **efficiency**
 - **a diverse product portfolio and**
 - **an international approach**

Strategic Highlights - Trailer Systems North America

Trailer production, unit, thousands
Source: ACT



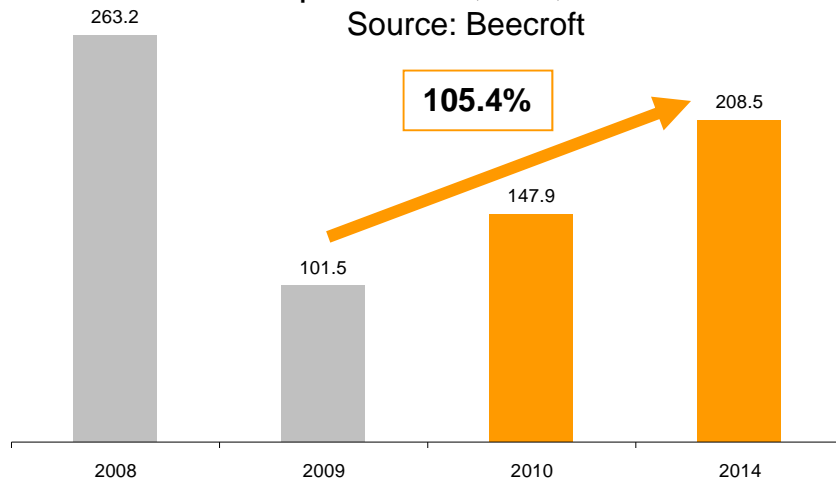
SAF-HOLLAND marketshare



- SAF-HOLLAND is expanding its own axle production in US which started in Feb 2009.
- We see a good opportunity to leverage our number 1 position for axle systems with disc brake technology in Europe and gain further market share in North America – also triggered by new braking distance regulations
- The market is open for another player

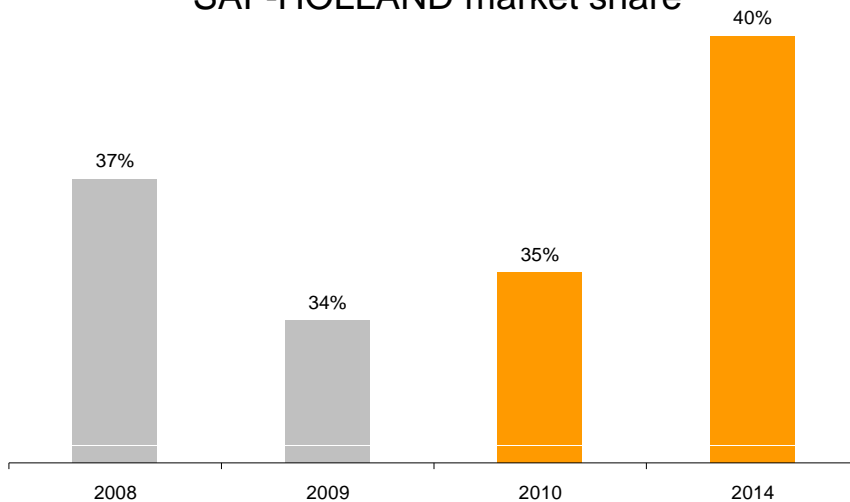
Strategic Highlights - Trailer Systems Europe

Trailer production, unit, thousands
Source: Beecroft



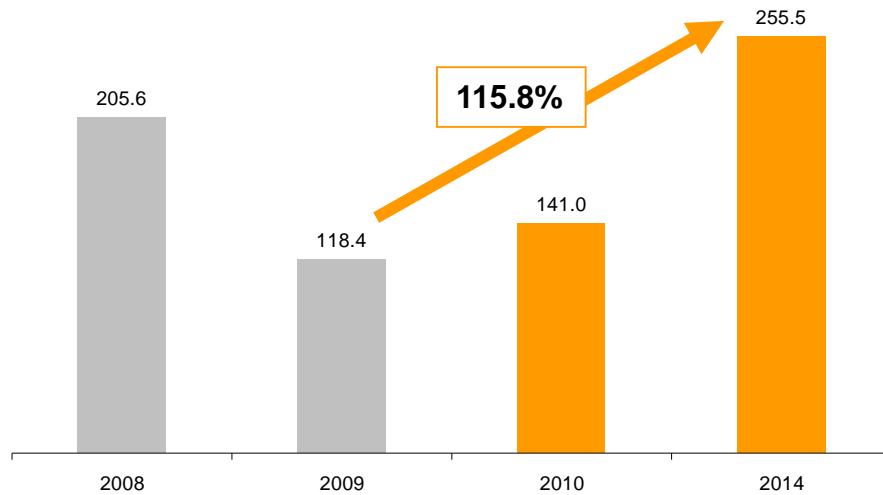
- Strong market position in Europe
- SAF-HOLLAND will fully participate in the market upturn
- SAF-HOLLAND expects to continuously increase its market share of newly introduced products like landing legs and kingpins

SAF-HOLLAND market share



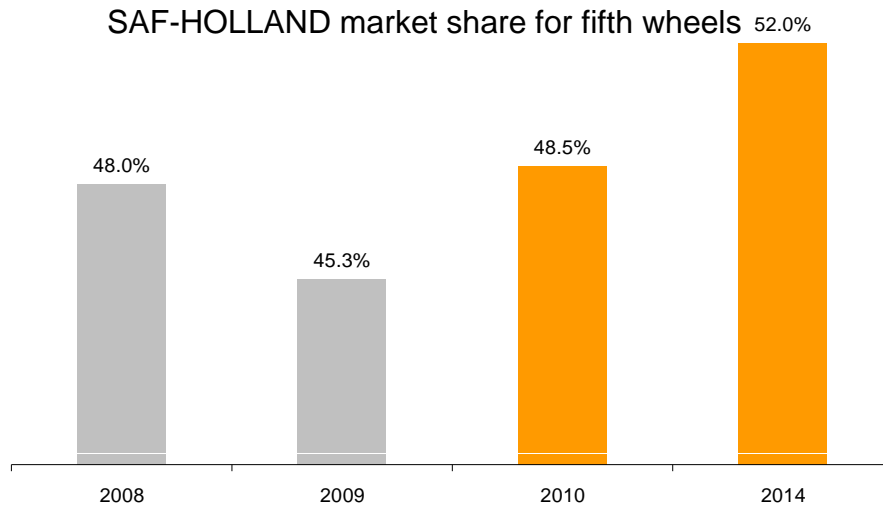
Strategic Highlights - Powered Vehicle Systems North America

Truck production, unit, thousands
Source: ACT

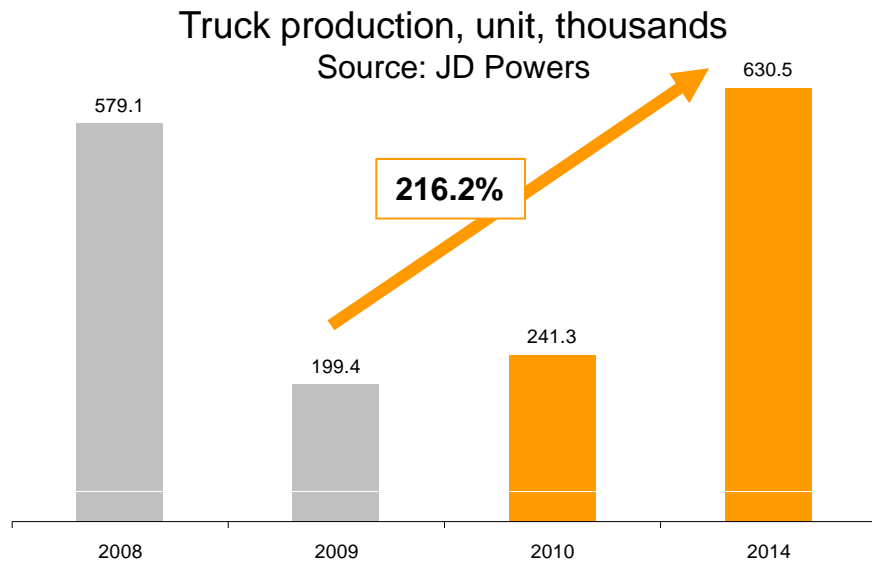


- Leading market position for fifth wheels
- SAF-HOLLAND will fully participate in a market upturn

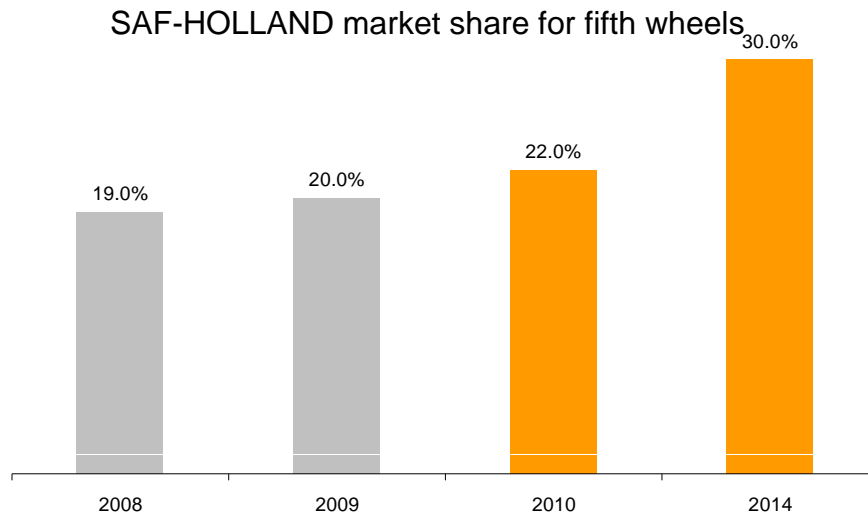
SAF-HOLLAND market share for fifth wheels



Strategic Highlights - Powered Vehicle Systems Europe



- Integration of VKT turned SAF-HOLLAND into an international supplier for the global truck OEM business
- International approach offers significant growth potential in Europe as well as in China and Brazil



Strategic Highlights - Aftermarket

Aftermarket Cooperations

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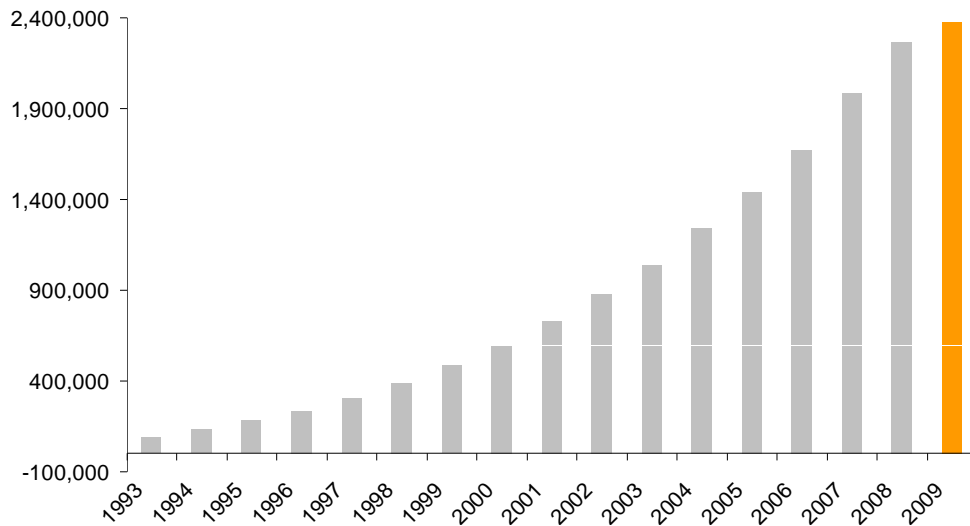
DAF



SCANIA



Installed Axle Base

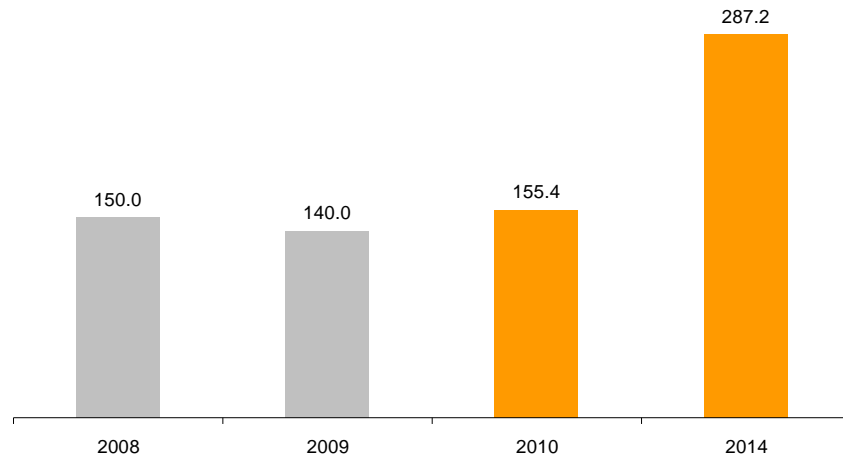


Summary

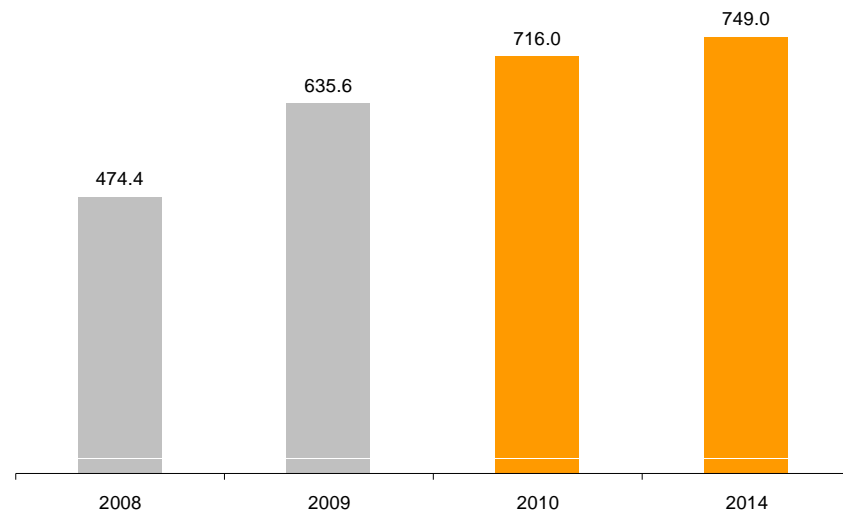
- Stable high-margin business, contributing significantly to Group EBIT
- One of the most comprehensive aftermarket and service networks in North America and Europe
- New service cooperation contracts with DAF, MAN, Volvo, Scania and Daimler have strengthened the international network
- Considerable growth potential in the Middle East, Africa, Asia and Russia
- Aftermarket benefits from increasing installed axle base

Strategic Highlights - China

Trailer production, unit, thousands *



Truck production, unit, thousands



Summary

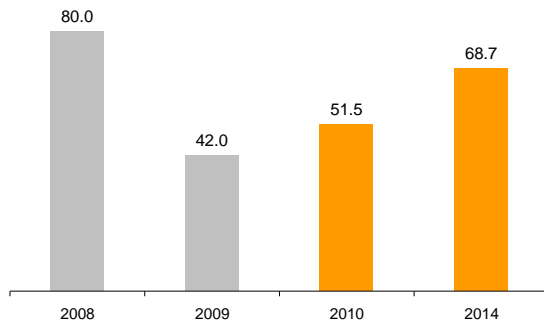
- China will be one priority for next investments
- Xiamen will become one core production site for systems and components for the local markets as well as for export
- SAF-HOLLAND ended its joint venture with AL-KO in Yantai and as a countermove acquired 100% of a second joint venture in Jinan
- The number of production locations was reduced from three to two

Next steps

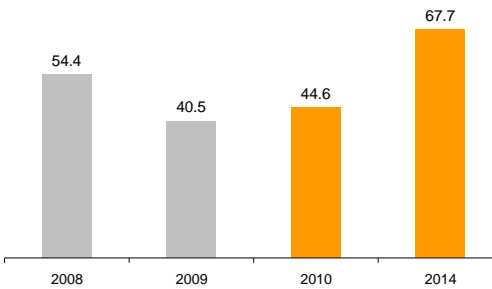
- Start of axle production in Xiamen
- Reduction of locations to one site in Xiamen
- Expansion of production capacities

Strategic Highlights - Brazil

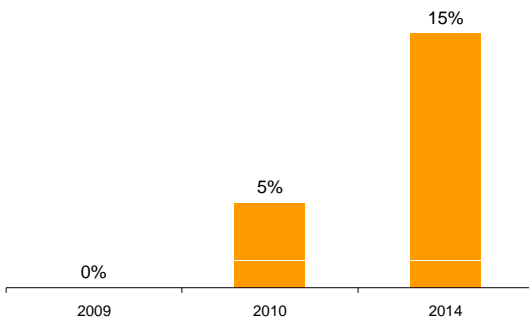
Truck production, units, thousands*



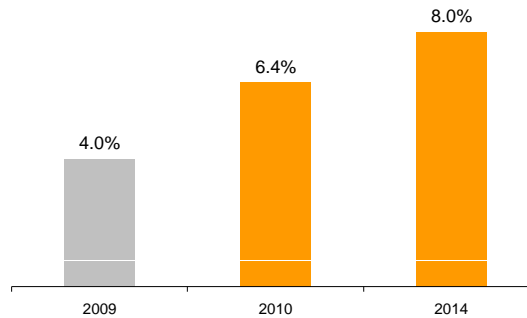
Trailer production, units, thousands*



Market share fifth wheels



Market share axles



Summary

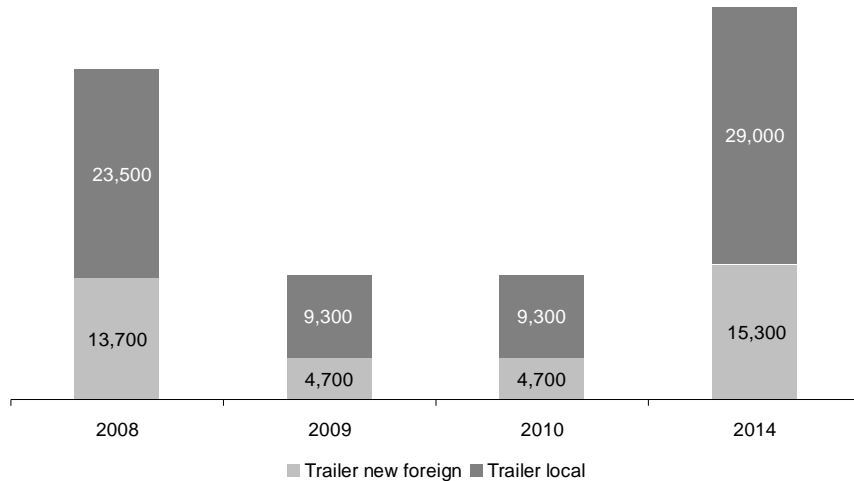
- Focus of investments for SAF-HOLLAND is on Brazil
- Brazil is the fourth largest truck and trailer market worldwide

Next steps

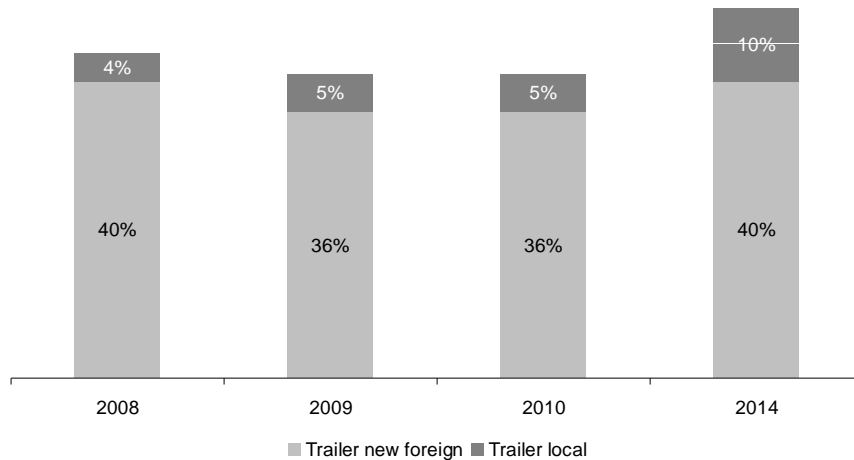
- Start with production of steering axles and tag axles
- Expansion of the fifth wheel business
- Increase of the product range (suspensions, landing legs and kingpins)

Strategic Highlights – Russia

Trailer Sales in Russia in units*



SAF-HOLLAND marketshare



Summary

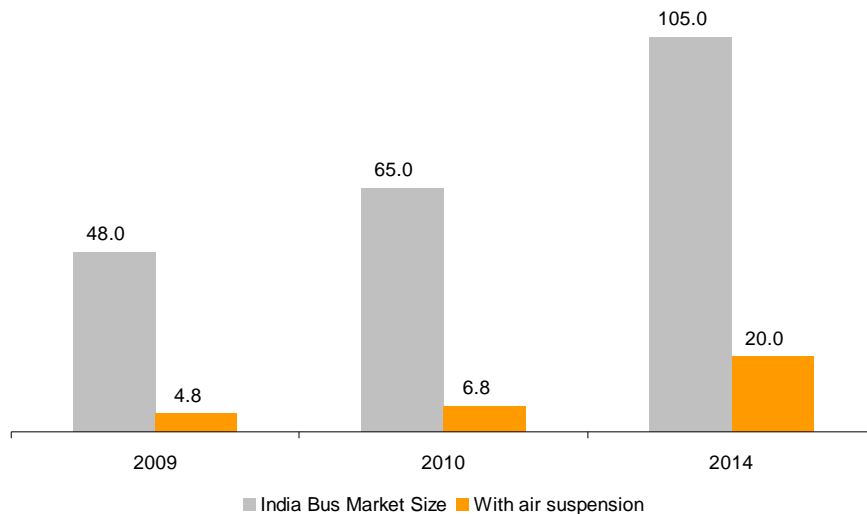
- SAF-HOLLAND provides an established aftermarket service network all over Russia
- Well established relationships to local OEMs

Next steps

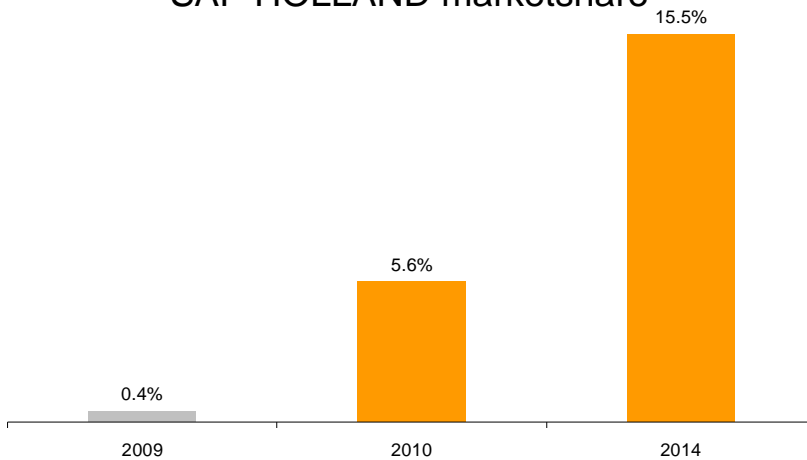
- Sales force across the country will be increased
- Local stocks will be established to provide timely delivery to customers

Strategic Highlights – India

Bus production, unit, thousands*



SAF-HOLLAND marketshare



Summary

- SAF-HOLLAND has developed a unique 4-bag suspension for the Indian and other markets
- SAF-HOLLAND is well positioned to establish itself as a major supplier in the market with a locally produced suspension

Assumptions for Outlook 2010

Expected growth rates of Truck and Trailer markets:

- Truck Production NA (Class 8) by 19% (Source: ACT)
- Trailer Production NA by more than 30% (Source: ACT)
- Truck Production Europe by 20% (Source: JD Powers)
- Trailer Production Europe by more than 40% (Source: Beecroft)

Mid-term Financial Targets

Growth	€1 billion sales
Earnings	10% adj. EBIT margin
Net Working Cap.	< 10% of sales
Capex	> 2% of sales
Capital Structure	Possible capital increase when markets will have recovered

Appendix

Reconciliation Statement for Adjusted EBIT

in €m	2009	2008
Loss for the period	-48.9	-25.0
Taxes on income	-7.0	2.8
Finance Result	26.1	26.3
Depreciation and amortization from PPA	7,5	6.5
Impairment of goodwill and intangible assets	16.9	19.0
Step-up inventory from PPA	-	0.8
Restructuring and integration costs	6.9	10.8
Adjusted EBIT	1.5	41.2
in %	0.4%	5.2%

Disclaimer

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

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