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QUARTERLY REPORT AS OF MARCH 31, 2010

Key Figures

EUR million	Q1/2010	Q1/2009
Sales	**125.3**	112.1
Cost of sales	**-101.6**	-93.1
Gross profit	**23.7**	19.0
Adjusted result for the year	**-1.6**	-5.3
Adjusted EPS in Euro[1]	**-0.08**	-0.26
Adjusted EBITDA	**8.6**	3.1
Adjusted EBIT	**4.8**	-0.5
Operating cash flow[2]	**7.2**	5.5

1) Adjusted net profit of the year/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	Q1/2010	Q1/2009
Europe	**58.8**	57.1
North America	**59.0**	50.5
Other	**7.5**	4.5
Total	**125.3**	**112,1**

Sales by Business Unit

EUR million	Q1/2010	Q1/2009
Trailer Systems	**56.7**	47.2
Powered Vehicle Systems	**27.5**	26.7
Aftermarket	**41.1**	38.2
Total	**125.3**	**112.1**

Other Financial Information

	03/31/2010	12/31/2009
Total assets (in EUR million)	**477.9**	458.1
Equity ratio (in %)	**4.9**	5.2

	Q1/2010	Q1/2009
Employees (average)	**2,403**	2,256
Sales per employee (in kEUR)	**52.1**	49.7

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Foreword from the Management Board

Ladies and Gentlemen,

The recovery of the truck and trailer industry is here. Demand has been rising consistently since January of this year. This applies to truck and trailer markets in both North America and Europe as well as all other markets in which SAF-HOLLAND is active. Following a detailed analysis of the first few months, we now anticipate a further stabilization of this trend. As a result of the increase in demand, we have ended the shortened working hours at the Company's production locations in Germany effective April 1.

SAF-HOLLAND is well positioned to benefit in an upswing in the market: Throughout the crisis we have kept our eyes on the strategic goal of a global footprint combined with a comprehensive and innovative range of products. This is reflected in the successful production of our own trailer axles in North America as well as in the integration of the former Georg Fischer Verkehrstechnik GmbH, the number 2 in Europe in the fifth wheel business. We have also further consolidated our activities in China setting the stage for a substantial expansion of production capacities.

Our ambitious restructuring program in 2008 and 2009 has made us leaner and more efficient. Our focus now shifts to a further increase in process capacity through the continuous improvement in productivity. Inventories will be further reduced. Our goal is to consistently reduce the turnover period for our materials stock.

SAF-HOLLAND has secured its financial stability to September 2014 with the completion of a credit agreement in November 2009. This agreement gives us the flexibility we need to take advantage of an increasingly dynamic market.

We remain true to our objectives and our strategy. SAF-HOLLAND is and will remain a global partner for the international truck and trailer industry. We utilize innovative technologies and manufacture products and systems which ensure safety and conservation of resources, requirements of the industry's growing focus on both cost and environmental sensitivity.

We are confident that SAF-HOLLAND will reach a sales level of 1 billion Euros in the medium term while at the same time achieving an adjusted EBIT margin of 10%. We anticipate double-digit sales growth in the current year and an improvement in operating earnings as compared to 2009.

Rudi Ludwig
Chief Executive Officer (CEO)

First Quarter 2010 at a Glance

>> Group Sales rises by 11.8 % to EUR 125.3 million

- Trailer Systems Business Unit with 20.1% increase in sales
- Powered Vehicle Systems Business Unit continues to improve gross margin
- Aftermarket Business Unit retains good margin

>> Earnings benefit from sales increase and lean cost structure

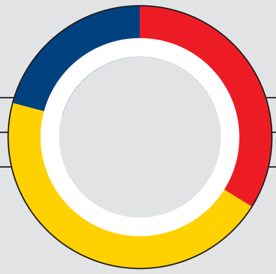
- Efficiency improved by a further EUR 10 million in 2010
- Constant improvement in inventory turnover

>> SAF-HOLLAND focuses on technical edge

- Lighter products contributing to reductions in fuel consumption
- Axle systems with integrated disc brake technology allow for shorter braking distances in North America

The Share

Shareholder Structure Figures in %



Free float	44.5
Pamplona Capital Partners I, LP	34.5
Management and previous owners	21.0

As of 03/31/2010

As a result of improved economic forecasts, global share indices were able to record substantial increases in the first quarter of 2010. The leading German index, DAX, thus reached its high for the year to date on March 29, 2010 with 6,156 points, closing at its highest level since September 2008. Development for the SDAX, which closed with 3,896 points on March 31, 2010, was similar.

The SAF-HOLLAND share started with a price of EUR 2.70 on January 4, 2010 and ended the first quarter on March 31, 2010 at EUR 1.97. The impact of the upswing on the markets was only felt in the SAF-HOLLAND share price after the conclusion of the reporting period, which then led to a significant price increase.

At our Company's Annual General Meeting on April 22, 2010 it was decided that no dividend would be paid for fiscal year 2009. Near term, the focus will be on the objective of returning the Company to profitability following the market crisis of 2008 and 2009.

Group Interim Management Report

Group Interim Management Report

For the First Quarter of 2010 of SAF-HOLLAND S.A.

I BUSINESS AND FRAMEWORK CONDITIONS

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

The Company was founded in December 2005 for the purpose of acquiring SAF Group, a European market leader in the manufacture and sale of axles and axle systems for the trailer industry. The acquisition was carried out indirectly via two intermediaries on March 31, 2006. Similarly, the acquisition of the US-based Holland Group, an American market leader in the components and systems segment for the truck and trailer industry, was executed via an intermediary on December 18, 2006.

II OVERVIEW OF BUSINESS DEVELOPMENT

II.1 Overall Economic Environment

The economic recovery is becoming more and more dynamic. For some regions, such as the USA, Brazil and Russia, the International Monetary Fund in April 2010 adjusted its growth forecast upward; for Germany, however, it was lowered slightly. According to the forecast, the global economy is expected to grow by 4.2 % in 2010; previously growth rates of 3.9 % had been expected. For Germany, a plus of 1.2 % is now anticipated (instead of 1.5 %), and 1.0 % for the Euro zone. In the USA, gross national product in the current year should rise by 3.1%, in Brazil by 5.5 % and in Russia by 4.0 %. For China, experts anticipate an increase of 10.0 % and in India an increase of 8.8 %.

With the recovery of the global economy, the mood in the truck and trailer industry is also improving. In light of rising demand, one leading European truck manufacturer wants to end shortened working hours at its plants earlier than originally planned. On the other hand, the registration for new heavy trucks (over 16 tons) continues to decline in Europe. This downward trend is, however, slowing. The decrease in registrations in March was only 5 % while for the first quarter overall it was 23 %.[1] Trailer manufacturers were able to substantially reduce their inventories over the course of the last year. This has had a positive effect on recent production volumes. In North America, too, the market revival that started late in 2009 continues to strengthen. Production for trucks and trailers increased month over month throughout the first quarter, with March showing the biggest gains. Class 8 production increased 12 % in March over February and trailer/chassis production jumped about 26 %.[2]

1) ACEA, April 2010

2) ACT, April 2010

II.2 Significant Events in the First Quarter 2010

In the first quarter of 2010, SAF-HOLLAND benefited from improved demand compared to the recession year of 2009. The trailer business in particular picked up in North America and sooner than originally expected, also in Europe. Both incoming orders and, after a slight delay, sales, steadily improved over the course of the first three months of the year. Powered Vehicle Systems continued to be influenced by early purchases of trucks in the USA at the end of 2009, triggered by new emission requirements that came into effect at the beginning of this year. Build rates, though depressed from Q3 2009 levels, are none the less still stronger than mid-2009 levels. The North American truck market is therefore ahead of the North American trailer market in its recovery. Because of these factors, we also recorded a slight increase in sales in the Powered Vehicle Business Unit.

The pick-up in sales in combination with the Company's leaner cost structures contributed to an increase in operating earnings compared to both the corresponding period in the previous year and to the previous quarter. With Group sales of EUR 125.3 million (previous year: EUR 112.1 million), our adjusted earnings before interest and taxes (EBIT) was at EUR 4.8 million (previous year: EUR -0.5 million), an improvement of EUR 4.5 million compared to the fourth quarter of 2009.

As a result of the positive situation regarding incoming orders and sales development, SAF-HOLLAND discontinued reduced working hours at its locations in Germany as of April 1. The plant in Keilberg, near Aschaffenburg, which had been shut down since February 2009, resumed operations as of April 1.

Despite the positive start to the year, we will continue the restructuring measures. In addition to the cost reductions of approximately EUR 65 million made since the end of 2008, we will save an additional EUR 10 million in the current year, mainly as a result of measures which will increase process productivity.

We will also continue to focus on inventory management. From the third quarter of 2008 to the end of 2009, we reduced inventories by about 50 %. Despite the increase in sales, we succeeded, in the first quarter of 2010, in maintaining inventories at the level of the prior-year quarter at approximately the equivalent of 58 days of sales. Our mid-term goal is 45 days. Systems, such as APO (Advanced Planner and Optimizer) support the project and also increase transparency.

The mood at the biggest commercial vehicle fair in North America was considerably more optimistic than the previous year. It was also clearly evident at the Mid-America trucking show in Louisville, Kentucky, that SAF-HOLLAND's technologies both meet the needs of customers and also set industry trends. Interestingly, the clear general theme of the show was fuel reduction. One way of achieving this challenge is by reducing the weight of all components in the truck and trailer combination. SAF-HOLLAND is leading the way with products that set themselves apart from our competition due to their low weight and environmental compatibility, such as our axle systems for trailers and the aluminum fifth wheel for trucks.

At the Mid-America trucking show, great interest was shown by trailer manufacturers and fleets in our axle systems with integrated disc brakes. SAF-HOLLAND is taking a pioneering role with this technology in North America, based on its many years of experience as the European market leader in these products. Interest in disc brake technology is growing in North America as a result of new legislation, which in the future will require braking distances for heavy truck and trailer combinations to be reduced by around 30 %. The new regulations for new vehicles begin to come into effect on January 1, 2011.

II.3 Sales Development

The development of sales in all three Business Units was encouraging, both in North America and in Europe. While the sales increase recorded in the Powered Vehicle Systems Business Unit was, as expected, limited in the first quarter, increases in the Trailer Systems and Aftermarket Business Units were stronger than expected. In all, Group sales in the first three months of the year of EUR 125.3 million (previous year: EUR 112.1 million) were 11.8 % higher than in the previous year period. The share of sales accounted for by the European business amounted to 46.9 % (previous year: 50.9 %). The share of sales accounted for by the North American business rose to 47.1% (previous year: 45.1%) and the other regions increased by 2 percentage points to 6 %.

The increase in the trailer business which, compared to the truck market on a percentage basis was disproportionately high, was primarily attributable to two effects: On the one hand, in spite of the pre-buy at the end of 2009 due to new emissions regulations that took effect in North America at the beginning of the year, build rates declined but are still at high levels compared to the first three quarters of 2009. On the other hand, trailer manufacturers in Europe were able to gradually reduce their high inventories of finished trailers over the course of the last year and production rates in both Europe and North America were at historically low levels. As a result, an increase in sales volume for trailers created a significant increase on a percentage basis and led to increases in our order and sales volumes.

Sales Development by region

EUR million	**Q1/2010**		**Q1/2010 (exchange rate-adjusted)**		Q1/2009	
Europe	**58.8**	46.9 %	**58.8**	45.5 %	57.1	50.9 %
North America	**59.0**	47.1%	**62.6**	48.5 %	50.5	45.1%
Other	**7.5**	6.0 %	**7.7**	6.0 %	4.5	4.0 %
Total	**125.3**	**100.0 %**	**129.1**	**100.0 %**	**112.1**	**100.0 %**

Sales Development by Business Unit

EUR million	Q1/2010		Q1/2010 (exchange rate-adjusted)		Q1/2009	
Trailer Systems	**56.7**	45.3 %	**57.8**	44.8 %	47.2	42.1%
Powered Vehicle Systems	**27.5**	21.9 %	**28.9**	22.4 %	26.7	23.8 %
Aftermarket	**41.1**	32.8 %	**42.4**	32.8 %	38.2	34.1%
Total	**125.3**	**100.0 %**	**129.1**	**100.0 %**	**112.1**	**100.0 %**

II.4 Earnings Development

The profitability of our Company received a boost in recent months from the increase in sales and efficiency improvements. In total, adjusted EBIT amounted to EUR 4.8 million (previous year: EUR -0.5 million). Thanks to greater utilization of capacities and a better product mix, the gross margin climbed to 18.9 % (previous year: 16.9 %). The adjusted result for the year was EUR -1.6 million (previous year: EUR -5.3 million). Adjusted earnings per share amounted to EUR -0.08 (previous year: EUR -0.26).

Reconciliation Statement for Adjusted Figures

EUR million	Q1/2010	Q1/2009
Result for the year	**-9.4**	**-8.3**
Taxes on income	**–**	-1.4
Finance result	**12.5**	6.9
Depreciation and amortization on PPA[1]	**1.6**	1.8
Restructuring and integration costs	**0.1**	0.5
Adjusted EBIT	**4.8**	**-0.5**
as a percentage of sales	**3.8**	-0.4
Depreciation and amortization	**3.8**	3.6
Adjusted EBITDA	**8.6**	**3.1**
as a percentage of sales	**6.9**	2.8
Depreciation and amortization	**-3.8**	-3.6
Finance result	**-12.5**	-6.9
Restructuring and integration costs	**5.4**	–
Adjusted result before taxes	**-2.3**	**-7.4**
Taxes on income[2]	**0.7**	2.1
Adjusted result for the year	**-1.6**	**-5.3**
as a percentage of sales	**-1.3**	-4.7
Number of shares[3]	**20,702,275**	20,702,275
Adjusted earnings per share in EUR	**-0.08**	-0.26

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

2) A uniform rate of 28.59 % was assumed for the adjusted net profit for the year.

3) Weighted average number of shares outstanding as of reporting day.

II.5 Development in the Business Units

Trailer Systems

Following the dramatic sales decline in the previous year, there have been signs of growth in the trailer markets since the beginning of 2010. The positive trend has been getting consistently stronger in the months from January to March and is asserting itself in both North America and Europe. In addition to the basically optimistic mood on the markets, there are two other reasons contributing to a revival: One of these is the fact that in North America, after a three-year economic recession set off by the real-estate crisis in 2007, there is a growing need for replacement investment. The other reason is that the trailer industry in Europe successively reduced its inventories of finished trailers over the course of 2009 to a normal level. Both of these effects are major reasons for the disproportionately strong development as compared to the Powered Vehicle segment.

In all, the Trailer Systems segment generated sales of EUR 56.7 million (previous year: EUR 47.2 million) in the first three months, an increase of 20.1%. Adjusted for exchange rate effects, sales climbed to EUR 57.8 million. The gross margin reached 3.4% (previous year: -2.1%) due to the comprehensive restructuring program. The Business Unit contributed 45.3% of Group sales in the first quarter of 2010.

Powered Vehicle Systems

The Powered Vehicle Systems Business Unit slightly increased sales in the first quarter as compared to the previous year period. In North America, development at the beginning of the year was restrained, as expected, because new emission regulations set off advanced purchase effects for trucks at the end of the past year. Nevertheless, the truck markets have also been benefiting from a general brightening of the mood since the beginning of the year and from more optimistic forecasts for the coming months. Build rates remain at relatively strong levels compared to the first three quarters of 2009.

At EUR 27.5 million, the Business Unit recorded sales in the first three months of the year that were 3.0 % higher than in previous year quarter. The revival of sales that has been ongoing since the second quarter of 2009 and continued into the reporting period. Adjusted for exchange rate effects, sales were EUR 28.9 million. The gross margin continued to improve to 24.4 % as compared to 20.6 % in the previous year period. In total, the Business Unit benefited from the continuous cost reductions as well as a good customer/product mix. Powered Vehicle Systems' share of Group sales was 21.9 % (previous year: 23.8 %).

Aftermarket

In the course of the general market revival, sales in the Aftermarket Business Unit increased in the first quarter by 7.6 % to EUR 41.1 million (previous year: EUR 38.2 million), adjusted for exchange rate effects to EUR 42.4 million. The gross margin was 36.7 % (previous year: 38.0 %) and was impacted by an increase in the provision for warranty as well as a less favorable product mix. The Business Unit accounted for 32.8 % of total sales.

Overview of the Business Units

	Business Unit Trailer Systems		Business Unit Powered Vehicle Systems		Business Unit Aftermarket		Total	
EUR million	**Q1/2010**	Q1/2009	**Q1/2010**	Q1/2009	**Q1/2010**	Q1/2009	**Q1/2010**	Q1/2009
Sales	**56.7**	47.2	**27.5**	26.7	**41.1**	38.2	**125.3**	112.1
Cost of sales	**-54.8**	-48.2	**-20.8**	-21.2	**-26.0**	-23.7	**-101.6**	-93.1
Gross operating result	**1.9**	**-1.0**	**6.7**	**5.5**	**15.1**	**14.5**	**23.7**	**19.0**
as a percentage of sales	**3.4**	-2.1	**24.4**	20.6	**36.7**	38.0	**18.9**	16.9

II.6 Financing

SAF-HOLLAND reduced its financing line in the first quarter by EUR 13.0 million compared to the position of December 31, 2009. As a result of the extended credit line agreed in November 2009, we restructured our interest rate hedging transactions in March this year. One-time effects (finance result) in the amount of EUR 5.5 million to be recognized in profit or loss were incurred in connection with the termination of the old interest rate hedging and the completion of a new agreement. Of this amount, EUR 2.4 million is primarily attributable to the change in the market values of the old interest rate hedge for the period from January 1 to the day of termination March 19, 2010. The remaining EUR 3.1 million represent the costs of the interest rate hedge, which is to be recorded as a one-time expense in accordance with IFRS regulations.

II.7 Investments

In fiscal year 2010, the Group is concentrating its investment activities on the growth markets of Brazil and China. At Xiamen, our location in China, for example, axle production for the domestic market and for export should start by the middle of the year. Based on the current plans, total investments for 2010 will not exceed the level of EUR 8 million.

II.8 Liquidity

The successful restructuring and rising product demand formed the foundation for an improved cash flow from operating activities. In the first quarter, cash flow from operating activities before income tax payments increased to EUR 7.2 million (previous year: EUR 5.5 million). Cash flow from investments totaled EUR -0.9 million (previous year: EUR -1.7 million). Cash flow from financing activities amounted to EUR -16.5 million (previous year: EUR 3.9 million) and is primarily characterized by the lower utilization of the credit lines in the amount of EUR 13.0 million. Together with the change in sales, net working capital increased to EUR 56.7 million (December 31, 2009: EUR 52.7 million), corresponding to 11.3 % of sales (December 31, 2009: 12.8 %).

II.9 Assets

On the balance sheet as of March 31, 2010, the Group showed a nearly stable equity ratio of 4.9 % (December 31, 2009: 5.2 %). Cash and cash equivalents amounted to EUR 10.2 million (December 31, 2009: EUR 20.7 million).

Total assets increased to EUR 477.9 million (December 31, 2009: EUR 458.1 million). The rise is based primarily on growth in inventories and increased receivables and liabilities resulting from the sales increase. Non-current assets remained nearly stable at EUR 320.4 million (December 31, 2009: EUR 318.1 million). Current assets rose to EUR 157.5 million (December 31, 2009: EUR 140.0 million) because inventories increased to EUR 65.5 million (December 31, 2009: EUR 55.5 million) and trade receivables were up at EUR 75.3 million (December 31, 2009: EUR 57.2 million).

Equity was nearly unchanged at EUR 23.6 million (December 31, 2009: EUR 23.8 million). Non-current liabilities declined slightly to EUR 361.2 million (December 31, 2009: EUR 364.7 million). Current liabilities rose to EUR 93.1 million (December 31, 2009: EUR 69.6 million). This is a reflection of the increase in trade payables to EUR 61.4 million (December 31, 2009: EUR 40.9 million) as a consequence of the sales increase.

II.10 Employees

The number of employees increased to 2,403 (previous year: 2,256). Due to good business development in recent months the Company had an increase in the number of commercial employees in the USA and Asia. In Germany, several employee changes have taken place. Apprentices were given full-time positions following the successful completion of their training programs.

As a result of the sales development, shortened work hours are being gradually phased out and will be stopped completely in the production area beginning of April. Only in administration are shortened work hours still in place. For employees who are part of the collective bargaining agreement, voluntary salary reductions ended at the beginning of January.

In North America, the salary and pension contribution reductions in place for most of 2009 were discontinued effective January 2010. Also, a new collective bargaining agreement was reached at the Holland, Michigan location which defines additional cost savings.

II.11 Research and Development

We are currently focusing primarily on the development of new, lightweight products which allow for greater energy efficiency and lower cost-of-ownership throughout their useful life. With the "Holland FWAL" lightweight fifth wheel, we are already offering an innovative and cost-saving solution. Through the use of aluminum, the fifth wheel is significantly lighter than conventional solutions made from cast iron or steel. For a truck, this translates to lower fuel consumption or potentially higher payloads. We have received and shipped the first orders for our newest product in the USA - axle systems with integrated disc brakes. Beginning in 2011, new safety regulations apply in the USA and, as a result, demand for disc brake axle systems, for both trucks and trailers, should increase substantially because drum brakes, which are usually used in the USA, do not perform as well. At the leading European trade fair, IAA Commercial Vehicles in September 2010 in Hannover, additional new products which are currently in the final development stages will be introduced. In the reporting period, R&D expenses amounted to EUR 3.4 million (previous year: EUR 3.3 million). Of that amount, EUR 0.3 million (previous year: EUR 0.2 million) was capitalized. That corresponds to an R&D ratio of 2.7% (previous year: 2.9%).

III EVENTS AFTER THE BALANCE SHEET DATE

At the Annual General Meeting on April 22, 2010 it was decided to extend the mandates from Ulrich Otto Sauer (Deputy Chairman) and Rudi Ludwig until April 2013 and April 2012 respectively. At his request and for personal reasons, Dr. Siegfried Goll will leave the committee when his contract expires on June 18, 2010. As part of the reduction in the size of the committee resulting from the corporate restructuring, the Company will not appoint a successor to Dr. Siegfried Goll in the Board of Directors.

On May 14, 2010, Pamplona Capital Partners I, LP, informed the Company that it had sold its 34.5 % of voting shares on May 12 to 14 institutional investors from England, Germany and the USA. With Pamplona having left the circle of shareholders, the free float has increased considerably to 79.1%, management and former owners hold the remaining 20.9 % of shares.

IV RISK REPORT

Compared with the risk profile at the end of 2009 fiscal year, as outlined in the annual report (published on April 1, 2010), the Group has experienced no change. Overall, the risks are manageable and sufficient provisions have been made for known risks.

V OUTLOOK

The world economy is once again showing positive developments. Coming from a low, the gross domestic product in SAF-HOLLAND’s major markets should again increase this year. Overall, the world economy is expected to rise by 4.2 %. Previously, the forecast stood at 3.9 %. An increase of 1.2 % is expected for Germany with a rise of 1.0 % forecast for the Euro zone. GNP is predicted to grow by 3.1% in the US, 5.5 % in Brazil and 4.0 % in Russia in the current year. Experts anticipate an increase of 10 % for China with an increase of 8.8 % expected for India.

The expected upswing in the truck and trailer industry was already being felt at the beginning of the year. While the rate of truck industry development has slowed, production in the trailer industry is already growing by double digits. Market analyses foresee growth rates of up to 14 %[1] in truck production in Northern America (Class 8). The trailer industry in Europe is expected to see a 46 %[2] gain in production with a 48 %[3] increase predicted for the USA.

1) ACT, April 2010
2) Beecroft 2010
3) FTR, April 2010

SAF-HOLLAND is well positioned and prepared for the upward developments in the market. Our operations are highly efficient and able to react flexibly to actual demand. As a result of our restructuring efforts, our fixed costs have been reduced. At the same time, we have sufficient capacity to support our planned growth path. Despite consistently rising demand in the first months of the year, predictions beyond the short-term remain unclear. For sales we envisage a double digit percentage increase for the 2010 fiscal year. In terms of earnings we will profit from sales growth and past and future cost reductions. In the mid-term, we want to achieve a sales goal of one billion Euros and generate an adjusted EBIT margin of 10%.

Consolidated Interim Financial Statements

Consolidated Statement of Comprehensive Income

kEUR	Notes	Q1/2010	Q1/2009
Result for the year			
Sales	(5)	125,285	112,060
Cost of sales		-101,593	-93,126
Gross profit		**23,692**	**18,934**
Other income		415	335
Selling expenses		-9,017	-10,378
Administrative expenses		-8,781	- 9,075
Research and development costs		-3,174	- 3,037
Operating profit/loss	(5)	**3,135**	**-3,221**
Finance income		131	112
Finance expenses	(6)	-12,617	- 7,042
Share of net profit of investments accounted for using the equity method		-113	447
Loss before tax		**-9,464**	**-9,704**
Income tax income	(7)	23	1,365
Result for the year		**-9,441**	**-8,339**
Other comprehensive income			
Exchange differences on translation of foreign operations		8,081	4,950
Changes in fair values of derivatives designated as hedges, recognized in equity	(12)	1,687	-101
Income tax effects on items recognized directly in other comprehensive income	(9)	-553	-2,669
Other comprehensive income, net of tax		**9,215**	**2,180**
Comprehensive income for the year, net of tax		**-226**	**-6,159**
Attributable to equity holders of the parent		**-226**	**-6,159**
Basic and diluted earnings per share in EUR	(10)	**-0.46**	**-0.40**

Consolidated Balance Sheet

kEUR	Notes	03/31/10	12/31/09
Assets			
Non-current assets		**320,369**	**318,096**
Goodwill		45,996	44,251
Intangible assets		139,273	137,651
Property, plant, and equipment		108,962	108,625
Investments accounted for using the equity method		6,803	6,804
Financial assets	(12)	71	–
Other non-current assets		4,415	4,079
Deferred tax assets		14,849	16,686
Current assets		**157,533**	**140,002**
Inventories		65,501	55,508
Trade receivables		75,356	57,210
Income tax assets		685	821
Other current assets		5,820	5,721
Cash and cash equivalents	(8)	10,171	20,742
Total assets		**477,902**	**458,098**
Equity and liabilities			
Equity attributable to equity holders of the parent	(9)	**23,530**	**23,756**
Subscribed share capital		207	207
Share premium		106,454	106,454
Legal reserve		21	21
Retained earnings		-79,042	-69,601
Accumulated other comprehensive income		-4,110	-13,325
Non-current liabilities		**361,216**	**364,732**
Pensions and other similar benefits		12,785	12,364
Other provisions		5,072	4,736
Interest bearing loans and borrowings	(11)	308,940	304,500
Finance lease liabilities		132	171
Other financial liabilities	(12)	3,732	9,006
Other liabilities		259	260
Deferred tax liabilities		30,296	33,695
Current liabilities		**93,156**	**69,610**
Pensions and other similar benefits		2,014	1,914
Other provisions		8,083	8,156
Interest bearing loans and borrowings	(11)	5,323	5,530
Finance lease liabilities		277	336
Trade payables		61,418	40,874
Income tax liabilities		3,230	3,129
Other liabilities		12,811	9,671
Total equity and liabilities		**477,902**	**458,098**

Consolidated Statement of Changes in Equity

kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings (Note 9)	Accumulated other comprehensive income (Note 9)	Total equity
2010 – Attributable to equity holders of the parent						
As of 01/01/10	**207**	**106,454**	**21**	**-69,601**	**-13,325**	**23,756**
Comprehensive income for the year	**–**	**–**	**–**	**-9,441**	**9,215**	**-226**
As of 03/31/10	**207**	**106,454**	**21**	**-79,042**	**-4,110**	**23,530**

kEUR	Subscribed share capital	Share premium	Legal reserve	Retained earnings (Note 9)	Accumulated other comprehensive income (Note 9)	Total equity
2009 – Attributable to equity holders of the parent						
As of 01/01/09	**207**	**106,454**	**19**	**-20,686**	**-13,924**	**72,070**
Comprehensive income for the year	**–**	**–**	**–**	**-8,339**	**2,180**	**-6,159**
As of 03/31/09	**207**	**106,454**	**19**	**-29,025**	**-11,744**	**65,911**

Consolidated Cash Flow Statement

kEUR	Notes	Q1/2010	Q1/2009
Cash flow from operating activities			
Result before tax		**-9,464**	**-9,704**
- Finance income		-131	-112
+ Finance expenses		12,617	7,042
+/- Share of net profit of investments accounted for using the equity method		113	-447
+ Amortization, depreciation, impairment of intangible assets and property, plant, and equipment		5,441	5,392
+ Allowance of current assets		219	235
+ Loss on disposal of property, plant, and equipment		120	20
+ Dividends from investments accounted for using the equity method		–	16
Result before change of net working capital		**8,915**	**2,442**
- Change in other provisions and pensions		-160	-2,659
-/+ Change in inventories		-7,425	10,005
-/+ Change in trade receivables and other assets		-16,444	5,850
+/- Change in trade payables and other liabilities		22,306	-10,187
Cash flow from operating activities before income tax paid		**7,192**	**5,451**
- Income tax paid	(7)	-1,047	-359
Net cash flow from operating activities		**6,145**	**5,092**
Cash flow from investing activities			
- Acquisition of subsidiaries net of cash acquired		–	-346
- Purchase of property, plant, and equipment		-848	-1,461
- Purchase of intangible assets		-265	-532
- Purchase of investments accounted for using the equity method		-13	-11
+ Proceeds from sales of property, plant, and equipment		98	640
+ Interest received		82	15
Net cash flow from investing activities		**-946**	**-1,695**
Cash flow from financing activities			
+ Proceeds from Management and Board of Directors loan		–	1,244
- Repayments of Management and Board of Directors loan	(11)	-109	–
- Payments for finance lease		-95	-104
- Interest paid		-3,289	-5,409
- Reduction of current and non-current financial liabilities	(11)	-13,000	-2,084
+ Proceeds from current and non-current financial liabilities	(11)	–	10,270
Net cash flow from financing activities		**-16,493**	**3,917**
Net decrease/increase in cash and cash equivalents		**-11,294**	**7,314**
Net foreign exchange difference		723	-374
Cash and cash equivalents at the beginning of the period	(8)	**20,742**	**8,557**
Cash and cash equivalents at the end of the period	(8)	**10,171**	**15,497**

Notes to the Consolidated Interim Financial Statements

For the First Quarter 2010

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated 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 first quarter of 2010 have been prepared in accordance with IAS 34 „Interim Financial Reporting." As a rule, the same accounting policies and consolidation methods were applied as in the Group's annual financial statements for the fiscal year 2009. Therefore, the consolidated interim financial statements should be read in conjunction with the Group's annual financial statements as of December 31, 2009. Exceptions to the accounting principles stated there are new or revised standards and interpretations, whose application is required beginning in fiscal year 2010 and which have not been adopted early (see annual report 2009). The new regulations, however, have no significant impact on the consolidated interim financial statements.

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

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

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

3 SEASONAL EFFECTS

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

4 SCOPE OF CONSOLIDATION

Compared to December 31, 2009, the scope of consolidation has not changed.

5 SEGMENT INFORMATION

For management purposes, the Group is organized into customer-oriented Business Units based on their products and services. The three reportable operating segments are the Business Units Trailer Systems, Powered Vehicle Systems, and Aftermarket. There has been no change in the division of operating segments since December 31, 2009. For more information, please see the notes of the 2009 annual report.

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

kEUR	Q1/2010	Q1/2009
Operating result	3,135	-3,221
Share of net profit of investments accounted for using the equity method	-113	447
EBIT	**3,022**	**-2,774**
Additional depreciation and amortization on PPA	1,636	1,753
Restructuring and integration costs	120	540
Adjusted EBIT	**4,778**	**-481**

Information on segment sales and earnings for the first quarter:

	2010				
	Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments/ eliminations	**Consolidated**
Sales	56,685	27,506	41,094	–	**125,285**
Adjusted EBIT	-5,004	4,859	5,867	-944	**4,778**

	2009				
	Business Units				
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	Adjustments/ eliminations	**Consolidated**
Sales	47,133	26,708	38,219	–	**112,060**
Adjusted EBIT[1]	-7,939	3,681	5,079	-1,302	**-481**

1) Internal allocations between the business units have been adjusted in December 2009 due to the changes in market situation. To allow a better comparison, the adjusted EBIT for the business units have been adjusted to conform to the new structure.

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

Please see the Group Interim Management Report regarding earnings development.

6 FINANCE EXPENSES

Finance expenses consist of the following:

kEUR	Q1/2010	Q1/2009
Interest expenses due to interest bearing loans and borrowings	-5,696	-4,871
Amortization financing costs	-543	-225
Finance expenses due to pensions and similar benefits	-187	-95
Finance expenses due to derivatives	-5,505	-1,085
Other	-686	-766
Total	**-12,617**	**-7,042**

In connection with the termination of the old interest rate hedgings and the completion of a new agreement (see Notes 11 and 12), one-time effects in the amount of kEUR 5,505 to be recognized in profit or loss were incurred. Of that amount, kEUR 2,420 is primarily attributable to the change in the market values of the old interest rate hedge for the period from January 1 to the day of termination on March 19, 2010. The remaining kEUR 3,085 result from the initial recognition of the new interest rate hedging instruments in accordance with IAS 39.

7 INCOME TAXES

The major components of income taxes are as follows:

kEUR	Q1/2010	Q1/2009
Current income taxes	-1,197	-476
Deferred income taxes	1,220	1,841
Income tax reported in the result for the year	**23**	**1,365**

The effective tax rate in the first quarter of 2010 was 0.24 %, compared to 14.07 % in the corresponding period in the previous year.

8 CASH AND CASH EQUIVALENTS

kEUR	03/31/10	12/31/09
Cash at banks and on hand	9,058	7,387
Short-term deposits	1,113	13,355
Total	**10,171**	**20,742**

9 EQUITY

Dividend

No dividend payment was approved for 2009.

Change in accumulated other comprehensive income

	Q1/2010			Q1/2009		
kEUR	Before tax amount	Tax expenses	Net of tax amount	Before tax amount	Tax expenses	Net of tax amount
Exchange differences on translation of foreign operations	8,081	–	8,081	4,950	-2,667	2,283
Changes in fair values of derivatives designated as hedges, recognized in equity	1,687	-553	1,134	-101	-2	-103
Total	**9,768**	**-553**	**9,215**	**4,849**	**-2,669**	**2,180**

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the result for the year attributable to shareholders of SAF-HOLLAND S.A. by the average number of shares outstanding. Earnings per share can be diluted by potential ordinary shares. No dilutive effects occurred during the period under review or in the comparison period for 2009.

		Q1/2010	Q1/2009
Result for the year	**kEUR**	**-9,441**	**-8,339**
Weighted average number of shares outstanding	thousands	20,702	20,702
Basic and diluted earnings per share	**EUR**	**-0.46**	**-0.40**

11 INTEREST BEARING LOANS AND BORROWINGS

	Non-current		Current		**Total**	
kEUR	03/31/10	12/31/09	03/31/10	12/31/09	**03/31/10**	**12/31/09**
Interest bearing collateralized bank loans	305,313	313,969	404	379	**305,717**	**314,348**
Financing costs	-11,206	-11,033	–	–	**-11,206**	**-11,033**
Bank overdrafts	183	178	381	519	**564**	**697**
Success fee	591	47	–	–	**591**	**47**
Accrued interests	3,352	–	–	132	**3,352**	**132**
Management and Board of Directors loans	1,268	1,339	–	–	**1,268**	**1,339**
Other loans	9,439	–	4,538	4,500	**13,977**	**4,500**
Total	**308,940**	**304,500**	**5,323**	**5,530**	**314,263**	**310.030**

On November 29, 2009, an agreement was signed with a bank syndicate that restructures the financing existing up to this point, extends the existing credit lines until September 2014 and ensures supply of short and long-term finance. The refinancing agreement was approved by the shareholders on December 18, 2009. The agreed credit line has a volume of EUR 316.6 million. It consists of a Euro tranche (Facility A1), a US dollar tranche (Facility A2), a multi-currency revolving credit line (Facility B) and a credit line in China which is separately collateralized. The regulations resulting from the restructuring of the financing as well as the collateral granted are described in the annual report as of December 31, 2009.

The increase in accrued interests results from the agreed PIK structure, which means that a portion of the interests is not payable until a later point.

The existing management loan including interest due to Dr. Reiner Beutel was repaid due to his resignation.

The increase in other non-current loans results from the reclassification of the liability due to the refinancing of the old-swaps (see Note 12).

Determination of overall liquidity as the total of available credit lines plus cash:

	03/31/10				
kEUR	Amount drawn valued as at the period-end exchange rate	Amount drawn valued as at the borrowing date exchange rate	Agreed credit lines valued as at the borrowing date exchange rate	Cash and cash equivalents	**Total liquidity**
Facility A1	71,911	71,911	71,911	–	**–**
Facility A2	61,545	55,200	55,200	–	**–**
Facility B	171,857	171,857	188,800	10,171	**27,114**
Bank overdraft China	404	404	655	–	**251**
Total	**305,717**	**299,372**	**316,566**	**10,171**	**27,365**

	12/31/09				
kEUR	Amount drawn valued as at the period-end exchange rate	Amount drawn valued as at the borrowing date exchange rate	Agreed credit lines valued as at the borrowing date exchange rate	Cash and cash equivalents	**Total liquidity**
Facility A1	71,911	71,911	71,911	–	**–**
Facility A2	57,770	55,200	55,200	–	**–**
Facility B	184,288	184,288	188,800	20,742	**25,254**
Bank overdraft China	379	379	614	–	**235**
Total	**314,348**	**311,778**	**316,525**	**20,742**	**25,489**

12 FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

Financial assets

kEUR	
Fair value as of 01/01/10	**–**
Changes recognized in profit or loss (before tax)	71
Fair value as of 03/31/10	**71**

Other financial liabilities

	Old interest rate swaps			
	Interest rate swaps	Prolongation options for interest rate swaps	New interest rate swaps	**Total**
Fair value as of 01/01/10	**-1,477**	**-7,529**	**–**	**-9,006**
Changes recognized in equity (before tax)	2,313	–	-626	**1,687**
Changes recognized in profit or loss (before tax)	-845	-1,554	-3,106	**-5,505**
Foreign currency translation	9	-337	–	**-328**
Reclassification to interest bearing loans and borrowings	–	9,420	–	**9,420**
Fair value as of 03/31/10	**–**	**–**	**-3,732**	**-3,732**

As a result of the extended credit line in November 2009, the interest rate hedgings were also re-aligned. Effective March 19, 2010, the existing interest rate hedging instruments were replaced in full and new instruments were concluded with the banks. The hedging ratio, which is the ratio between current basic interest rate payments and contracted interest rate hedgings, was increased from approx. 50 % to 82 %. Following the reorganization, the hedging structure consists of Euribor-/Libor-swaps with maturities until June 2014 as well as interest rate caps which take effect when the interest rate exceeds 2.5 %. The development of the notional amounts of the swaps and caps are matched as to constantly reach the target hedging ratio of 82 % over the course of the term until June 2014. The compensatory payment from replacing the existing old swaps is financed by the former contractual partners of these swaps over a period until June 30, 2014. The resulting liability of kEUR 9,420 was reclassified to "Interest bearing loans and borrowings" as of March 19, 2010 (see Note 11).

Contractual maturities of interest rate swaps and caps:

Collateral	Start	End	Nominal volume	Reference rate
Swap	March 19, 2010	June 30, 2014	EUR 143.8 million to EUR 187.0 million	Euribor
Swap	March 19, 2010	June 30, 2014	USD 77.6 million	Libor
Cap	March 19, 2010	December 30, 2012	EUR 61.6 million to EUR 10.0 million	Euribor

13 RELATED PARTY DISCLOSURES

Management Board und Board of Directors

Compared to December 31, 2009, the composition of the Management Board and Board of Directors has not changed.

Further details regarding loans granted in February 2009 by members of management and the Board of Directors are provided in Note 11.

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

kEUR	Q1/2010 Sales to related parties	Q1/2010 Purchases from related parties	03/31/10 Amounts owed by related parties	03/31/10 Amounts owed to related parties
SAF-HOLLAND Nippon, Ltd.	204	–	213	184
Lakeshore Air LLP	–	21	–	22
FWI S.A.	–	1,187	163	–
Irwin Seating Company[1]	271	–	84	–
Total	**475**	**1,208**	**460**	**206**

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

kEUR	Q1/2009 Sales to related parties	Q1/2009 Purchases from related parties	12/31/09 Amounts owed by related parties	12/31/09 Amounts owed to related parties
Jinan SAF AL-KO Axle Co., Ltd.	58[2]	–[2]	–	–
SAF AL-KO Vehicle Technology Yantai Co., Ltd.	–[2]	57[2]	–	–
SAF-HOLLAND Nippon, Ltd.	23	–	68	182
Lakeshore Air LLP	–	35	28	–
FWI S.A.	–	3,462	–	3
Irwin Seating Company[1]	218	–	56	–
Total	**299**	**3,554**	**152**	**185**

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

14 CASH FLOW STATEMENT

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

15 EVENTS AFTER THE BALANCE SHEET DATE

At the Annual General Meeting on April 22, 2010 it was decided to extend the mandates from Ulrich Otto Sauer (Deputy Chairman) and Rudi Ludwig until April 2013 and April 2012 respectively. At his request and for personal reasons, Dr. Siegfried Goll will leave the committee when his contract expires on June 18, 2010. As part of the reduction in the size of the committee resulting from the corporate restructuring, the Company will not appoint a successor to Dr. Siegfried Goll in the Board of Directors.

On May 14, 2010, Pamplona Capital Partners I, LP, informed the Company that it had sold its 34.5 % of voting shares on May 12 to 14 institutional investors from England, Germany and the USA. With Pamplona having left the circle of shareholders, the free float has increased to 79.1%, management and former owners hold the remaining 20.9% of shares.

No further material events have occurred since the reporting date.

Financial Glossary

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

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

Days inventory outstanding: Inventory / cost of sales per day

Equity ratio: Equity / total assets x 100.

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

Gross margin: Gross profit / sales x 100.

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

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

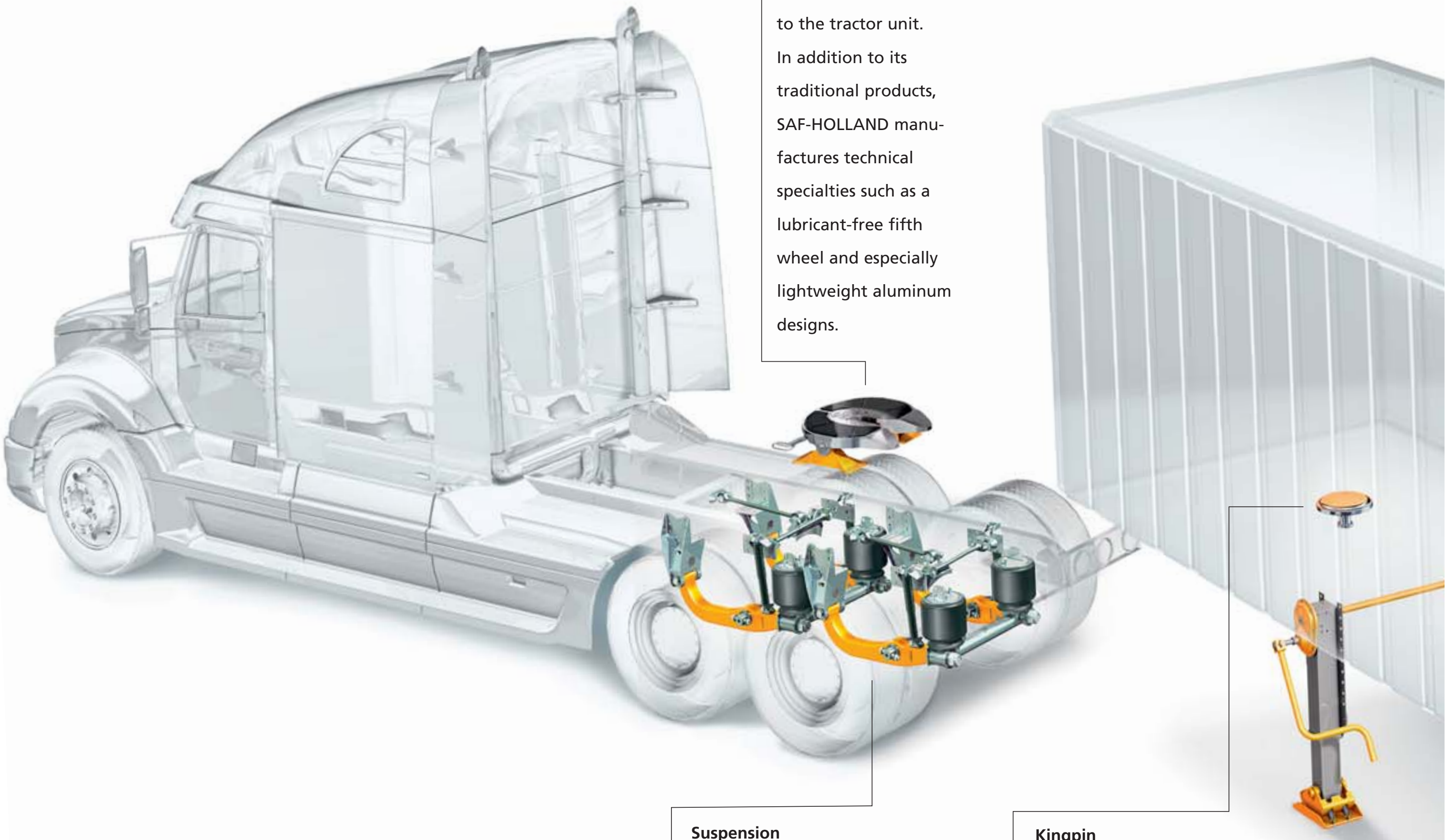
Prime Standard: Prime Standard is a market segment of the German Stock Exchange that lists German companies which comply with international transparency standards.

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

Sales per employee: Sales / average number of employees

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

Technical Glossary

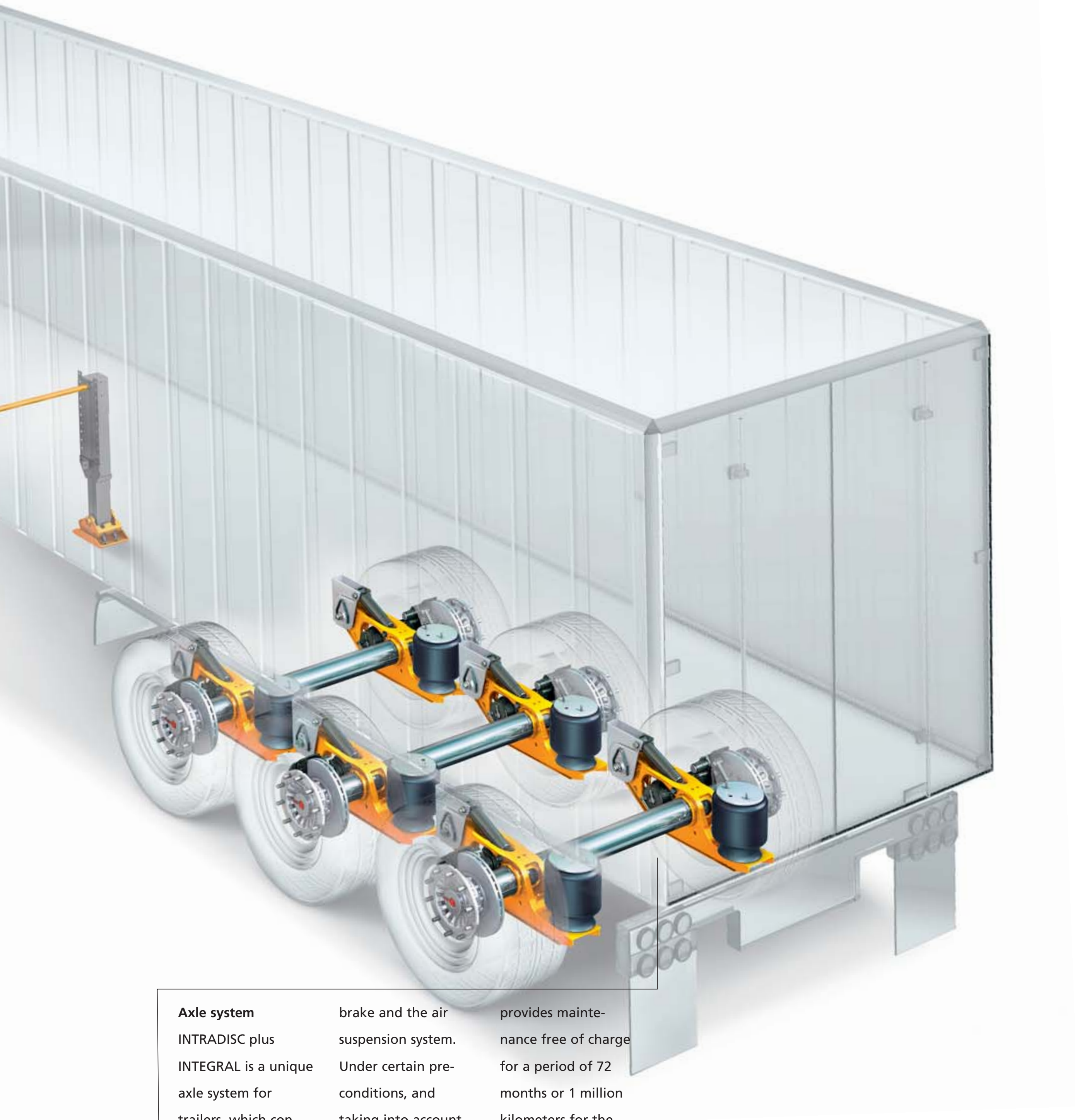


Fifth wheel
Mounts with the kingpin and serves to secure the semi-trailer to the tractor unit. In addition to its traditional products, SAF-HOLLAND manufactures technical specialties such as a lubricant-free fifth wheel and especially lightweight aluminum designs.

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

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

Landing legs
Retractable legs that support the front of a semi-trailer when it is not secured to the tractor unit. SAF-HOLLAND landing legs have a special coating that increases their service life significantly.



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

Financial Calendar and Contact Information

Financial Calendar

August 26, 2010	Publication of Q2 Report
November 18, 2010	Publication of Q3 Report

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