Focus on fleet customers

Quarterly Report of SAF-HOLLAND S.A.
as of March 31, 2014

KEY FIGURES

EUR million	Q1/2014	Q1/2013
Sales	235.3	210.1
Cost of sales	-191.3	-170.9
Gross profit	44.0	39.2
as a percentage of sales	18.7	18.7
Adjusted result for the period	9.6	8.6
as a percentage of sales	4.1	4.1
Adjusted EPS in EUR[1]	0.21	0.19
Adjusted EBITDA	20.3	17.4
as a percentage of sales	8.6	8.3
Adjusted EBIT	17.1	13.8
as a percentage of sales	7.3	6.6
Operating cash flow[2]	3.9	11.1

[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	Q1/2014	Q1/2013
Europe	132.8	110.2
North America	83.0	86.0
Other	19.5	13.9
Total	**235.3**	**210.1**

SALES BY BUSINESS UNIT

EUR million	Q1/2014	Q1/2013
Trailer Systems	140.9	121.4
Powered Vehicle Systems	36.5	37.1
Aftermarket	57.9	51.6
Total	**235.3**	**210.1**

OTHER FINANCIAL INFORMATION

	03/31/2014	12/31/2013
Total assets (EUR million)	590.7	536.4
Equity ratio (%)	39.3	41.4

	Q1/2014	Q1/2013
Employees (average)	3,373	3,049
Sales per employee (kEUR)	69.8	68.9

Focus on fleet customers

Quarterly Report of SAF-HOLLAND S.A.
as of March 31, 2014

Foreword from the Management Board

Ladies and Gentlemen, Dear Shareholders and Investors,

Detlef Borghardt,
Chief Executive Officer (CEO)

SAF-HOLLAND got off to a very successful start in the financial year 2014. We were pleased to record double-digit growth rates for both sales and adjusted EBIT in the first quarter. The company also benefited from the positive market environment and the good prospects within the industry in our core markets of Europe and North America. We are confident that we will be able to meet the goals set for the year 2014 of sales between EUR 925 million and EUR 940 million with adjusted EBIT of approximately EUR 70 million and an increasing adjusted EBIT margin.

With Group sales of EUR 235.3 million for the first quarter of 2014, we have achieved substantial growth of 12% as compared to the first quarter of the previous year despite negative exchange rate effects in the conversion of North American sales to the Group currency Euro.

Even stronger than sales grew the Group's adjusted EBIT by 23.9% reaching EUR 17.1 million, which corresponds to a substantially increased adjusted EBIT margin of 7.3% as compared to 6.6% in the first quarter of 2013.

Trailer Systems, the largest Business Unit, contributed in particular to this positive development with significant sales growth of approximately 16% to EUR 140.9 million. While increased demand for trailers in Europe was anticipated in the fourth quarter of 2013, fleet operators initially delayed concrete orders for trailers until the year 2014 as the coming Euro 6 standard led to preferential investments in trucks. The Trailer Systems Business Unit's adjusted EBIT more than doubled as compared to the previous year and reached EUR 5.4 million with an improved adjusted EBIT margin of 3.9% compared to 1.9% in the previous year. This reflects volume effects and the initial success of our package of measures introduced in the past year to improve the Trailer Systems Business Unit's profitability.

The Business Unit Powered Vehicle Systems developed as expected. In the first quarter of 2014, positive market forecasts and rising demand could not yet be completely reflected in the Business Unit's sales. Due to still slowly growing demand following the end of the budget crisis in the USA and the harsh winter, investments by fleets were postponed. In addition, its sales of EUR 36.5 million were burdened by adverse exchange rate effects in the conversion of the US dollar to Euro. Other noteworthy differences to the first quarter of 2013 in the result of the Business Unit were a less favorable customer and product mix as well as a seasonally weak first quarter of 2014 for Corpco. The Business Unit recorded an adjusted EBIT of EUR 2.1 million, which was EUR 1.3 million lower than the prior-year figure.

The sales and earnings of the Business Unit Aftermarket saw very successful development in the first three months of the financial year. The Business Unit's sales increased by approximately 12% to EUR 57.9 million, while adjusted EBIT rose to EUR 9.6 million which corresponds to an improvement of approximately 19%. Compared to the first quarter of 2013, the adjusted EBIT margin rose substantially to 16.6%.

Further progress was made in the implementation of SAF-HOLLAND's growth strategy in the first three months of financial year 2014. We have taken another important step in entering the Asian market by opening our Parts Distribution Center in Malaysia as well as by concluding the acquisition of Corpco Beijing Technology and Development Co., Ltd. in January 2014. We also successfully presented product innovations at the Mid-America Trucking Show (MATS), which offer substantial benefits to our end customers.

My colleagues in the Management Board and I are especially pleased with the resolution of the Annual General Meeting at the end of April 2014 to pay a dividend of EUR 0.27 per share for the past financial year. For us, it is a clear goal to continue in the coming years to distribute a dividend of 40 to 50% of available net income with an equity ratio of about 40%.

The key success factors at SAF-HOLLAND include the commitment of our employees, the trusting, long-standing cooperation with our business partners and the expertise and experience of our Board of Directors. We are delighted that the Annual General Meeting in April 2014 appointed Ms. Martina Merz to the Board of Directors. The mandates of Bernhard Schneider, Sam Martin, Ms. Anja Kleyboldt and myself were also extended.

My colleagues in the Board of Directors and I would like to sincerely thank our shareholders for their trust. My gratitude for bringing the first quarter of 2014 to a successful conclusion extends to all employees, customers and business partners.

Sincerely,

Detlef Borghardt
Chief Executive Officer (CEO)

SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF SHARE PRICE DEVELOPMENT

SDAX development stronger than DAX

Development of the German stock indices was varied in the first quarter of 2014. Until the end of March, the leading German index DAX was not able to build on the stable and dynamic upward trend of the previous year. It ended the quarter with 9,556 points and was thus just slightly above the 2013 year-end figure of 9,552 points. The SDAX, where SAF-HOLLAND is listed, demonstrated a significantly stronger performance. Our comparative index started strongly in the new stock exchange year, reaching its high for the quarter in the middle of February and closing at the end of March with 7,169 points. Compared to the status at the end of the year 2013, this corresponded to an increase of 5.6%.

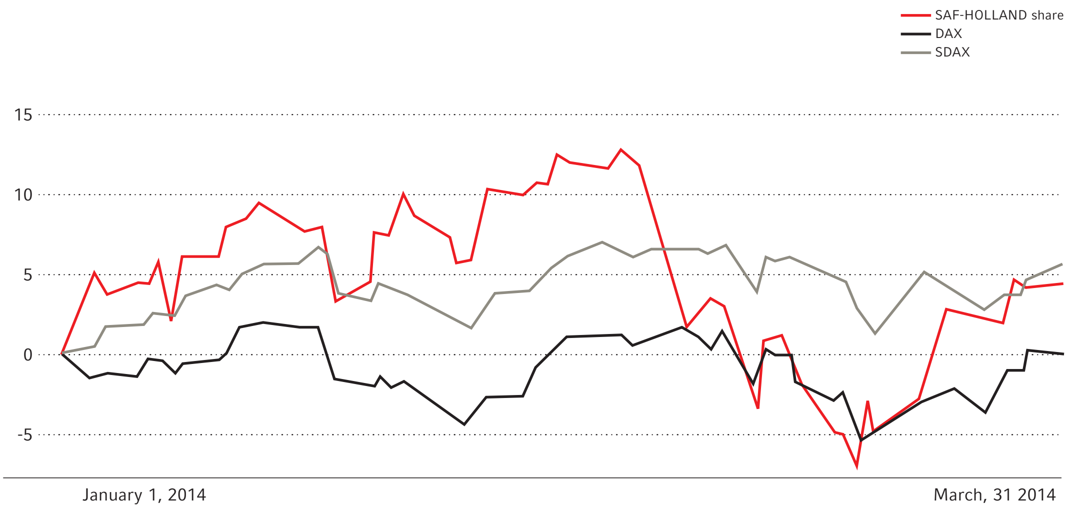
It was primarily the events in Ukraine, accompanied by political tensions between Russia and western nations, which led to uncertainty on the stock exchanges during the first three months of the year. Toward the end of the first quarter in particular, the favorable economic prospects showed more impact.

SAF-HOLLAND share price increased by 4.5%

Our share closed out the previous stock exchange year just below its high for 2013. The share price increased again directly at the beginning of the year and in the weeks that followed the trend was mainly upward. At the close of trading on February 19, the SAF-HOLLAND share had its highest price of EUR 12.22 in the reporting period. The growth of 13% achieved as compared to the year-end closing price for 2013 was utilized for profit-taking which led to a consolidation of the share price.

As a result of the conflict on the Crimean Peninsula, the mood on the stock exchanges darkened from the beginning of March. As was the case with the DAX and SDAX, SAF-HOLLAND shares also declined and recorded a low for the quarter of EUR 10.06 on March 12. In the second half of March, uncertainty on the stock exchanges subsided somewhat. Positive economic forecasts also generated momentum. In line with the indices, the SAF-HOLLAND share also gained ground once again and closed out the quarter with a price of EUR 11.30 on the last day of trading. Compared with the year-end price for 2013, this results in a price increase of 4.5%. On the basis of the quarterly closing price and the 45,361,112 shares issued, the market capitalization of our company increased to EUR 512.4 million as of March 31, 2014 (previous year: EUR 276.7 million).

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



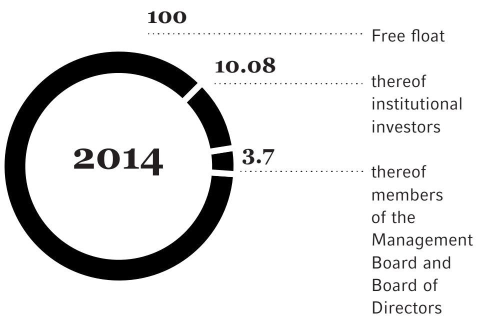
Source: Commerzbank AG, Frankfurt am Main.

Shares remain 100% in free float

SAF-HOLLAND's shares have been a component of the SDAX since 2010. They are listed on the regulated market of the Frankfurt Stock Exchange and fulfill the strict transparency criteria of the Deutsche Börse Prime Standard. The average trading volume of our stock in the first three months of this year was 172,157 shares per trading day (previous year: 277,418 shares).

All of the shares of SAF-HOLLAND are in free float, whereby larger contingents are held by institutional investors. These include investment companies from the USA, the United Kingdom and Germany. As the largest institutional investors, the North American FMR LLC, Boston, holds 5.06% of our shares (2,294,277 voting rights) and the British JP Morgan Asset Management Holdings Inc., London, holds 5.02% (2,275,180 voting rights). About 3.7% (previous year: 4.6%) of the shares are held by members of the Board of Directors and Management Board of SAF-HOLLAND.

SHAREHOLDER STRUCTURE 2014 Figures in %



As of May 15, 2014

Majority of analyst assessments are good

SAF-HOLLAND is regularly analyzed by several banks and brokers. At the time of publication of this quarterly report, six analysts estimates were on “buy” and two on “hold”.

CURRENT ANALYSTS ESTIMATES

April 28, 2014	Deutsche Bank AG	buy
March 20, 2014	Hauck & Aufhäuser Institutional Research AG	buy
March 18, 2014	Equinet Bank AG	buy
March 14, 2014	Commerzbank AG	hold
March 14, 2014	Kepler Cheuvreux	buy
March 13, 2014	Close Brothers Seydler Bank AG	buy
March 13, 2014	Montega AG	hold
December 13, 2013	Bankhaus Lampe KG	buy

Annual General Meeting approves dividend of EUR 0.27 per share

SAF-HOLLAND is committed to allowing shareholders to participate in the success of the company by paying out 40 to 50% of the available net earnings as a dividend. The condition for the dividend payment is an equity ratio of about 40% reported in the annual financial statements, which was achieved as of December 31, 2013. At the Annual General Meeting on April 24, 2014, shareholders – based on the recommendation of the Board of Directors – decided to distribute a dividend of EUR 0.27 per share for financial year 2013. In relation to the individual share and the annual closing price 2013, this corresponds to a dividend yield of 2.5%. With the dividend amount of EUR 12.2 million, a share of 50% of the available net earnings from the previous financial year was distributed on April 25, 2014.

KEY SHARE FIGURES

WKN / ISIN	A0MU70 / LU0307018795
Stock exchange symbol	SFQ
Number of shares	45,361,112 shares
Designated Sponsors	Commerzbank AG, Close Brothers Seydler Bank AG, Kepler Cheuvreux
Daily high / low in the reporting period[1]	EUR 12.22 / EUR 10.06
Quarterly closing price[1]	EUR 11.30
Market capitalization at the end of the first quarter	EUR 512.4 million
Adjusted earnings per share[2]	EUR 0.21

[1] XETRA closing price.
[2] Based on the weighted average number of shares outstanding in the period under review.

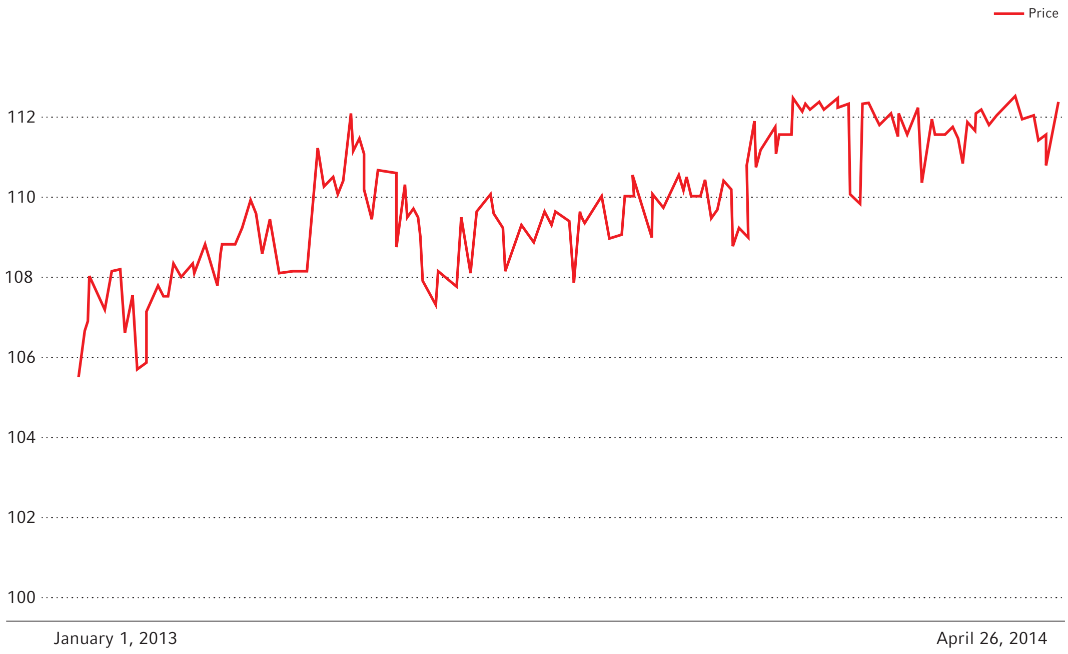
CORPORATE BOND OVERVIEW

Alternative investment with good return

Corporate bonds are an attractive return alternative for private and institutional investors, especially in times of continuing low interest rate levels. Since October 2012, SAF-HOLLAND has a corporate bond listed in the Prime Standard for corporate bonds in 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 first quarter of this year, the SAF-HOLLAND bond recorded a stable price development above the 111% level and ended trading on March 31 with a closing price for the day of 112.10%.

On the interest date April 26, 2014, the planned interest payment in the amount of EUR 5.25 million for the bond was conducted, corresponding to a coupon of 7.00%.

DEVELOPMENT OF THE SAF-HOLLAND CORPORATE BOND Figures in %



Source: IKB Deutsche Industriebank AG, Düsseldorf.

Liquidity rating in investment grade range

In the initial assessment in the fall of 2012, Euler Hermes gave the company a BBB- rating. In September 2013, the rating was increased to BBB with a stable outlook. Following a further analysis, Euler Hermes confirmed this assessment on April 23, 2014, combined with the expectation of a stable development in the 12-month outlook.

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	Thursday, April 26, 2018
Bond segment	Prime Standard
Exchange	Frankfurt
Status	Not subordinate
Company rating	BBB, outlook stable (Euler Hermes)
Quarterly closing price[1)]	112.10%

[1)] Closing price Frankfurt Stock Exchange.

INVESTOR RELATIONS AND CAPITAL MARKET RELATIONSHIPS

Presentations at international conferences and roadshows

Comprehensive information for investors and analysts is the focus of investor relations activities for SAF-HOLLAND. Through open dialogue, capital market participants receive timely explanations on business development, the global growth strategy and the future prospects of the company. Also included among the objectives of IR efforts is an increase in the importance of the share and the bond as attractive investments and an expansion of our investor base.

Over the course of the first quarter 2014, telephone conferences as well as group and individual discussions were once again components of the capital market activities. Our roadshows took us to France, the United Kingdom, Switzerland and Italy. There we were available for discussions at important financial centers. Numerous analysts and investors took advantage of the opportunity to talk to representatives of the Management Board and the Investor Relations team about the development of the company and its business.

SAF-HOLLAND also presented itself at investor conferences in Germany and abroad. We were represented at the 13th German Corporate Conference in Frankfurt, for example, which was held by UniCredit and Kepler Cheuvreux. We also took part in the Small and Mid Cap Conferences from Close Brothers Seydler in Frankfurt.

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

Group Interim Management Report

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

GENERAL FRAMEWORK CONDITIONS

Overall economic development

The global economy has seen positive developments once again this year. According to the Institute for World Economy (IfW), the economic activities of advanced economies were primarily responsible for creating positive impetus in the first quarter of 2014. The overall economic upturn, however, initially remained rather subdued. The IfW reports that more dynamic development was prevented by the withdrawal of capital from some emerging countries, which led to devaluation of the respective national currencies. Furthermore, the world economy was hampered by the unusually hard winter in the USA and the corresponding interference with production.

Moods continued to improve in the Euro zone. Available economic indicators suggest that the growth in production volumes increased once again in the first quarter of 2014. Germany once again counted among the strongest economies where the economic output is expected to have risen by 0.7% in the reporting period as compared to the fourth quarter of 2013.

In relation to the United States, the Bureau of Economic Analysis calculated growth in gross domestic product (GDP) of 0.1% in the first three months of the current year compared to the fourth quarter of 2013. The US economy may have been hampered by the unfavorable weather conditions, but the foundation had nevertheless been laid for increased growth over the rest of the year by the agreement reached following political conflict over the national budget last year.

The development in BRIC countries in the current year was less dynamic, which was partially attributable to the weakening of local financial markets. As a result, there was a marked shift of foreign investors and capital from BRIC countries to advanced economies. In Brazil, the world's seventh largest economy, decreased raw material prices slowed the development. The increased focus on raw material exports put pressure on the economy in Russia as well. The conflict for the Crimean Peninsula also had a negative impact. The production volume of manufacturing operations in Russia rose by 1.8% in January and February 2014 as compared to the same months of the previous year.

The production of the Asian BRIC countries is expected to record substantially higher growth rates in financial year 2014 as compared to the world economy. The Chinese economy, however, appeared subdued initially. The country was not yet able to reach its growth objective of 7.5%. In India, several indicators point to economic recovery. In February, the local purchasing managers' index for manufacturing reached its highest level in approximately one year.

Industry-specific development

The European commercial vehicles market continued its upswing: In March, the monthly demand for commercial vehicles increased for the seventh time in a row. Overall, the number of new commercial vehicle registrations in the European Union over the first three months of the current year amounted to 443,038, approximately 10% more than in the previous year period. Numerous national markets recorded double-digit growth including Germany, Denmark, the United Kingdom and Eastern European countries in particular. In the economically weaker Euro countries – Portugal, Ireland, Italy, Greece and Spain – the markets increased on average by about 40%, starting from a low basis. Heavy trucks with a total weight of over 16 tons benefited most from the European upturn. According to industry association ACEA, the number of new registrations in this weight class increased by 11.9% in the period from January to March.

The North American market saw very dynamic development following a longer pause in market growth. As compared to the respective months of the previous year, the number of orders for class 8 trucks increased by 52% in January, by 30% in February, and by 24% in March. Class 7 recorded an increase in vehicles ordered of 33% in January, 22% in February, and 15% in March as compared to the respective months of the previous year. The order situation in the first quarter thereby clearly exceeded the forecast growth rates for full-year 2014 of 16.5% for heavy and 6.3% for medium-heavy weight trucks. The first quarter also developed positively for the trailer area. For example, 68% more trailers were ordered in February as in the comparable month of the previous year.

There was a different picture for the commercial vehicles markets in BRIC countries. In Brazil, the number of newly registered middle-heavy trucks increased by 20% as compared to the first quarter of 2013. Sales volume saw weaker development in the higher weight classes. New registrations of trucks of 15 tons and above decreased by 8% as compared to the prior-year period. In the first two months of the year, Russian truck producers reported a decrease in production figures of 27% to 16,000 vehicles as compared to the previous year. In India, domestic sales volume of commercial vehicles recorded subdued development. Export rates, however, increased: From April 2013 to February 2014, exports of middle-heavy and heavy buses and trucks increased by 12%. The Chinese commercial vehicles market continued to show strong growth. Local manufacturers produced 639,500 units in January and February 2014, just over 9% more than in the same period of the previous year.

OVERVIEW OF BUSINESS DEVELOPMENT

SAF-HOLLAND got off to a very good start in the current financial year. Due to the positive market environment, sales volume developed better than expected. Group sales increased by 12% to EUR 235.3 million (previous year: EUR 210.1 million) – despite negative exchange rate effects in the conversion of the North American sales to the Group currency Euro. With stronger growth than the business volume, the Group's adjusted EBIT rose by 24% to EUR 17.1 million (previous year: EUR 13.8 million). The adjusted EBIT margin increased to 7.3% (previous year: 6.6%).

Further progress was made in the implementation of the growth strategy. With the opening of the Parts Distribution Center in Malaysia as well as the completed acquisition of Corpco Beijing Technology and Development Co, Ltd., China, substantial progress was recorded towards continuous development of the Asian market. Furthermore, new technologies were presented to the North American market which improved the strong position of SAF-HOLLAND in this important core market.

Significant Events in the First Quarter 2014

__ Opening of the Parts Distribution Center in Malaysia

At the end of March, another SAF-HOLLAND Parts Distribution Center (PDC) began operations at the Kuala Lumpur location. The new PDC provides the entire range of original spare parts and products of SAUER Quality Parts to Southeast Asian fleet customers. Local customers benefit from improved spare parts availability, shorter delivery times and a simplified order process. The continuous expansion of our global spare parts and service activities serves the strategic goal of expanding the global business of the Aftermarket Business Unit. The Malaysian PDC offers a very good starting point for gaining access to additional emerging markets in Southeast Asia. SAF-HOLLAND has a longstanding presence in Malaysia. For the 1,400 m^2 PDC, existing storage capacities were extended, equipped with modern technology and expanded into a centralized warehouse.

__ Integration of Corpco on track

On January 2, 2014, SAF-HOLLAND acquired 80% of the shares in Corpco Beijing Technology and Development Co., Ltd. (Corpco). The acquisition includes an option for the remaining 20% of shares in the company which are currently being held by the founder of the Chinese company. The integration of Corpco began in the reporting period as planned. This was simplified by the longstanding cooperation between SAF-HOLLAND and the Chinese manufacturer of air suspension systems for buses. The company also has manufactured and sold suspension systems for our NEWAY brand for over ten years.

The acquisition of Corpco was agreed upon in the second half of 2013. The purchase boosts the activities of SAF-HOLLAND in BRIC countries and at the same time expands the global service network of the Business Unit Aftermarket. It also creates advantages with the reciprocal transfer of technology between our locations in North America and China. In addition to the Chinese market, Corpco will provide bus suspensions to additional markets outside of China. From the strategic perspective, SAF-HOLLAND gains additional independence from the cycles in the truck and trailer industry as a result of strengthening the bus segment.

__ MATS: Innovations for the North American market

As the most important commercial vehicles fair in North America, the Mid-America Trucking Show (MATS) is the ideal forum for SAF-HOLLAND to present new developments to the local market. The innovations we presented in Louisville, Kentucky, in March included a special compact-build and reduced weight suspension system. It serves as an example of SAF-HOLLAND's power to innovate and focuses on special vehicles in the truck segment. As their demand is not subject to cyclic fluctuation, special-purpose trucks represent a particularly interesting market segment.

At the MATS, we presented the new steerable lift axle NEWAY LSZ to the truck area, among other things. As a result of reduced envelope size, less space is occupied by the component while at the same time simplifying installation and maintenance. In addition, the axle's excellent suspension rate ensures high stability and safety – with precise steering and reduced tire wear. An additional highlight of the fair was the SAF INTEGRAL suspension system equipped with the new P89 wheel end and disc brakes. As relates to braking systems, the MATS once again highlighted the trend towards disc brakes in North America – nearly all of the vehicles presented at the fair were equipped with such brakes. A shift in technology from drum brakes to disc brakes would benefit SAF-HOLLAND: The company is considered one of the pioneers of disc brake technology and is established as a leading supplier of trailer axle systems with integrated disc brakes in Europe.

EARNINGS SITUATION

Group sales increase significantly by 12%

In the first quarter, SAF-HOLLAND reached Group sales of EUR 235.3 million (previous year: EUR 210.1 million). In Europe, sales volume achieved stronger growth than the overall market resulting in increased market share. Our business also developed positively in North America where a strong rise in demand was recorded at the beginning of 2014.

CURRENCIES: LOSS AGAINST THE EURO (Q1/2014)[1]

North America	
US dollar	-3.5%
Canadian dollar	-11.8%

[1] Average rates of Q1/2014 versus Q1/2013.

Currency effects from the conversion of sales in dollar to the Group currency Euro burdened the overall sales of SAF-HOLLAND in the amount of EUR 3.0 million in the reporting period. Adjusted for these currency effects, Group sales totaled EUR 238.3 million in the first quarter.

SALES DEVELOPMENT BY REGION

EUR million	Q1/2014		Q1/2013	
Europe	132.8	56.4%	110.2	52.5%
North America	83.0	35.3%	86.0	40.9%
Other	19.5	8.3%	13.9	6.6%
Total	**235.3**	**100.0%**	**210.1**	100%

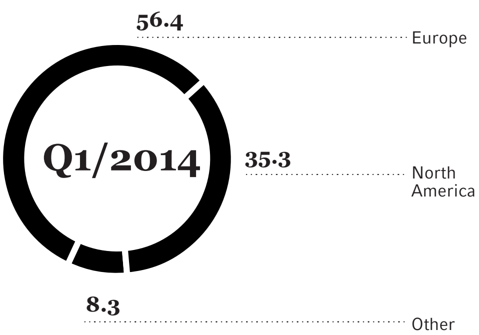
Marked growth in European sales

Utilizing a more favorable market situation, SAF-HOLLAND generated quarterly sales of EUR 132.8 million in Europe (previous year: EUR 110.2 million). As compared to the same period of the previous year, this represents growth of EUR 22.6 million or 20.5%. With this strong growth in sales, the region's share in Group sales rose to 56.4% (previous year: 52.5%). The trailer sector made the largest contribution to the strong sales growth in Europe. This segment had already recorded positive demand stimulus in the fourth quarter of 2013. Concrete orders, however, were put off until the beginning of 2014 as many fleet operators, due to the coming Euro-6 standard, initially chose the end of 2013 for investments in trucks and thereby generated pre-buy effects for trucks. In the first quarter of 2014, the trailers then moved to the center of focus for fleet customers. SAF-HOLLAND had already prepared for higher demand at the end of the past year and concluded additional contracts with temporary workers in order to optimally tap the rising potential with appropriate levels of production.

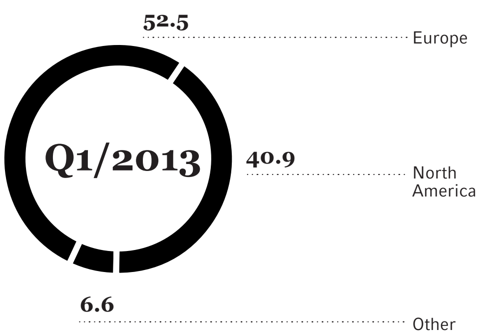
Positive prospects in North America

The return to positive development in the North American market at the beginning of the year opened up promising sales potential for SAF-HOLLAND in both the truck and trailer segments. The rising demand was not yet fully reflected in sales in the first quarter of 2014 due to the general hesitation to make investments following the end of the government budget crisis as well as the harsh winter. SAF-HOLLAND also faced unfavorable exchange rate effects regarding the Canadian dollar and US dollar related to the conversion of North American sales into the Group currency Euro. These burdened the region's share in sales of 3.5% and resulted in quarterly sales of EUR 83.0 million (previous year: EUR 86.0 million). Adjusted for currency effects, we generated sales of EUR 86.0 million in the first quarter in North America. Our local companies predominantly conduct their operating business, investments and financing activities in their respective national currency. The local business operations are therefore not affected by currency relationships. Primarily as a result of the substantial rise in Europe's share in sales, the North American region's contribution to Group sales in the first quarter decreased to 35.3% (previous year: 40.9%).

SHARE IN GROUP SALES BY REGION Figures in %



SHARE IN GROUP SALES BY REGION Figures in %



BRIC markets continually gain significance

SAF-HOLLAND increased its sales in the reporting period by a total of EUR 19.5 million in emerging markets including BRIC countries (previous year: EUR 13.9 million). The growth of 40.3% is primarily attributable to the positive development of our activities in these countries. Moreover, Corpco Beijing Technology and Development Co., Ltd., a leading Chinese manufacturer of suspension systems for buses, was included in SAF-HOLLAND's scope of consolidation for the first time in the first quarter of 2014. For more information on the Corpco acquisition, see page 14.

As a result of the over proportional expansion of the business volume, the share of Group sales generated outside of our core markets increased to 8.3% (previous year: 6.6%). We also recorded progress in the operational area of emerging markets. For the Chinese market, axles were developed based on existing products to serve the high-quality market segment. Since April of the current year, we have also supplied the market with low-cost, technologically simple standard axles. They were derived from one of our American models and aim at vehicles produced in China for export to North America.

INCOME STATEMENT

EUR million		Q1/2014		Q1/2013
Sales	235.3	100%	210.1	100%
Cost of sales	-191.3	-81.3%	-170.9	-81.3%
Gross profit	**44.0**	**18.7%**	**39.2**	**18.7%**
Other income	0.1	0.0%	0.3	0.1%
Selling expenses	-13.7	-5.8%	-13.5	-6.4%
Administrative expenses	-10.6	-4.5%	-9.3	-4.4%
Research and development costs	-4.7	-2.0%	-4.8	-2.3%
Operating result	**15.1**	**6.4%**	**11.9**	**5.7%**
Finance result	-3.3	-1.4%	-1.4	-0.7%
Share of net profit of investments accounted for using the equity method	0.2	0.1%	0.3	0.1%
Result before income tax	**12.0**	**5.1%**	**10.8**	**5.1%**
Income tax	-3.7	-1.6%	-3.6	-1.7%
Result for the period	**8.3**	**3.5%**	**7.2**	**3.4%**
Number of shares[1]	45,361,112		45,361,112	
Earnings per share in EUR	**0.18**		**0.16**	

[1] Weighted average number of ordinary shares.

__ Adjusted EBIT significantly increased by 24%

For the first three months of the financial year, the Group's gross profit rose to EUR 44.0 million (previous year: EUR 39.2 million). In relation to sales, the gross margin thereby reached the same level of the prior-year period with 18.7%. With EUR 13.7 million (previous year: 13.5 million), selling expenses were approximately at the level of the comparable prior-year period, as were expenses for research and development with EUR 4.7 million (previous year: EUR 4.8 million). Administrative expenses increased slightly. They amounted to EUR 10.6 million in the reporting quarter (previous year: EUR 9.3 million), which corresponds to 4.5% of total sales (previous year: 4.4%). This growth is a result of the lower administrative expenses recorded in the previous year, which then were reduced as a result of higher capitalized expenses in the context of our global IT harmonization in financial year 2013.

In combination with the nearly unchanged cost structures, the higher gross profit led to a rise in operating profit of 26.9% to EUR 15.1 million (previous year: 11.9 million). Earnings before tax also increased and reached EUR 12.0 million (previous year: EUR 10.8 million). The finance result was at EUR -3.3 million (previous year: EUR -1.4 million). In the first quarter of 2013, unrealized exchange rate gains on foreign currency loans were recorded in the amount of EUR 2.1 million as compared to unrealized exchange rate gains of EUR 0.1 million in the first quarter of 2014. The result for the period increased to EUR 8.3 million (previous year: EUR 7.2 million), thereby exceeding the comparable previous year figure by 15.3%.

RECONCILIATION OF ADJUSTED EARNINGS FIGURES

EUR million	Q1/2014	Q1/2013
Result for the period	8.3	7.2
Income tax	3.7	3.6
Finance result	3.3	1.4
Depreciation and amortization from PPA	1.5	1.5
Restructuring and integration costs	0.3	0.1
Adjusted EBIT	**17.1**	**13.8**
as a percentage of sales	7.3	6.6
Depreciation and amortization	3.2	3.6
Adjusted EBITDA	**20.3**	**17.4**
as a percentage of sales	8.6	8.3
Depreciation and amortization	-3.2	-3.6
Finance result	-3.3	-1.4
Adjusted result before taxes	**13.8**	**12.4**
Income tax	-4.2	-3.8
Adjusted result for the period	**9.6** [1]	**8.6** [2]
as a percentage of sales	4.1	4.1
Number of shares[3]	45,361,112	45,361,112
Adjusted EPS in EUR[4]	**0.21**	**0.19**

[1] A uniform tax rate of 30.70% was assumed for the adjusted result for the period.
[2] A uniform tax rate of 30.80% was assumed for the adjusted result for the period.
[3] Weighted average number of ordinary shares.
[4] Adjusted earnings per share calculations include minority results in the amount of EUR 0.1 million.

The adjusted result for the period increased to EUR 9.6 million (previous year: EUR 8.6 million), still corresponding to a 4.1% share of Group sales. With growth of 23.9%, adjusted EBIT rose substantially to EUR 17.1 million (previous year: EUR 13.8 million); the adjusted EBIT margin reached 7.3% (previous year: 6.6%). Adjusted earnings per share increased to EUR 0.21 (previous year: EUR 0.19) with an unchanged number of shares outstanding of 45.4 million.

Performance of the Business Units

OVERVIEW OF THE BUSINESS UNITS

	Trailer Systems Business Unit		Powered Vehicle Systems Business Unit		Aftermarket Business Unit		Adjustments / eliminations		**Total**	
EUR million	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013
Sales	140.9	121.4	36.5	37.1	57.9	51.6	–	–	**235.3**	**210.1**
Cost of sales	-127.0	-109.8	-30.6	-30.1	-40.1	-36.8	6.4	5.8	**-191.3**	**-170.9**
Gross profit	**13.9**	**11.6**	**5.9**	**7.0**	**17.8**	**14.8**	**6.4**	**5.8**	**44.0**	**39.2**
as a percentage of sales	9.9	9.6	16.2	18.9	30.7	28.7	–	–	**18.7**	**18.7**
Other income and expense	-8.5	-9.3	-3.8	-3.6	-8.2	-6.7	-6.4	-5.8	**-26.9**	**-25.4**
Adjusted EBIT	**5.4**	**2.3**	**2.1**	**3.4**	**9.6**	**8.1**	**–**	**–**	**17.1**	**13.8**
as a percentage of sales	3.9	1.9	5.7	9.2	16.6	15.7	–	–	**7.3**	**6.6**

__ Trailer Systems: Adjusted EBIT more than doubled
The Trailer Systems Business Unit, SAF-HOLLAND's largest business unit, achieved sales of EUR 140.9 million in the first quarter (previous year: EUR 121.4 million). As a result of strong sales growth of EUR 19.5 million, the Business Unit's contribution to Group sales increased to 59.9% (previous year: 57.8%). The Business Unit also achieved substantial growth in earnings. Gross profit increased disproportionately to sales by 19.8% to EUR 13.9 million (previous year: EUR 11.6 million), which had a positive effect on the gross margin of 9.9% (previous year: 9.6%). The Business Unit's adjusted EBIT more than doubled and totaled EUR 5.4 million (previous year: EUR 2.3 million) with an improved adjusted EBIT margin of 3.9% (previous year: 1.9%).

The greater profitability reflects not only volume effects, but also the initial results of our measures introduced in the second half of 2013 with the aim of sustainably increasing the Business Unit's capacity and profitability. The implementation of measures especially related to the plant consolidations went according to plan. In Germany, for example, machinery and equipment has already been transferred from the Woerth plant to the main site in Bessenbach, such as a complete production line for swivel axles and the training workshop. As planned, the activities of the logistics service center at the Frauengrund plant was transferred to an external logistics service provider. By the end of the coming year, we intend to completely integrate the Woerth plant into the two Bessenbach plants, which will be expanded for the purpose. In the first quarter of 2014, the increased guarantee costs developed according to expectations and in line with the corresponding reserves.

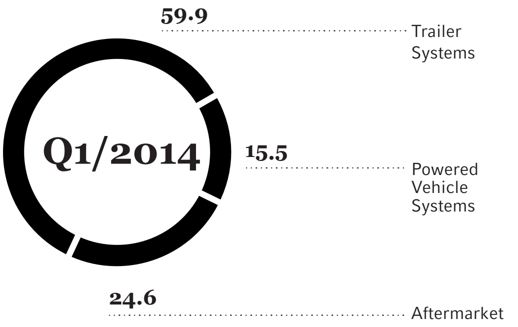
__ Powered Vehicle Systems: Business develops as planned
The Powered Vehicle Systems Business Unit's quarterly sales amounted to EUR 36.5 million (previous year: EUR 37.1 million), which corresponds to 15.5% of Group sales (previous year: 17.6%). Unlike the overall Group, Powered Vehicle Systems generated the majority of its sales in North America. The unfavorable currency situation in relation to the conversion of the Canadian dollar and US dollar to the Group currency Euro affected the Business Unit's sales accordingly. The Powered Vehicle Systems Business Unit carries out its local operational business in the national currencies. Currency value is therefore of less importance for the development of the business in the region, although purchases of the Canadian company from our joint venture in France had a negative effect on gross profit. The sales and earnings of the Business Unit were influenced by structural effects. On the one hand, there was hesitation to make investments following the end of the government budget crisis in the USA as well as a the lingering impacts of the harsh winter. On the other hand, an unfavorable customer and product mix as compared to the first quarter of 2013 was noted. Furthermore, the result was affected, as expected, by a seasonally weak first quarter in the course of the integration of Corpco.

Gross profit of the Powered Vehicle Systems Business Unit was therefore at EUR 5.9 million (previous year: EUR 7.0 million). The gross margin was thus at 16.2% (previous year: 18.9%). Adjusted EBIT reached EUR 2.1 million in the reporting period (previous year: EUR 3.4 million), which correlates with a planned adjusted EBIT margin of 5.7% (previous year: 9.2%).

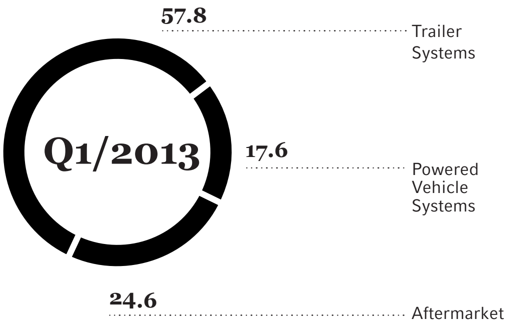
__ Aftermarket: Growth in sales and earnings
In the Business Unit Aftermarket, sales increased to EUR 57.9 million in the reporting period (previous year: 51.6 million). With 12.2% growth in sales, the Business Unit reflected the overall Group trend. Its share in Group sales was the same as in the comparable period of the previous year with 24.6%. The segment's gross profit increased by 20.3% to EUR 17.8 million (previous year: EUR 14.8 million). In relation to sales, this results in a gross margin of 30.7% (previous year: 28.7%). Adjusted EBIT increased to EUR 9.6 million (previous year: EUR 8.1 million), and the adjusted EBIT margin grew to 16.6% (previous year: 15.7%).

The service station opened in Poland in the fourth quarter of 2013 developed well in the reporting period. In order to prepare for general operation, comprehensive employee training was organized. In parallel, service contracts with large-scale fleet operators have already been signed. The station in Poland is the first one operated independently by SAF-HOLLAND. The target, however, is not to compete with existing service stations. SAF-HOLLAND has set for itself the goal of strengthening its global network of affiliated service and spare part stations in regions where the need for replacement parts and services is not yet sufficiently met.

SHARE IN GROUP SALES BY BUSINESS UNIT Figures in %



SHARE IN GROUP SALES BY BUSINESS UNIT Figures in %



FINANCIAL SITUATION

Financing: Growth path secured long-term

SAF-HOLLAND's financial management aims to secure the company's growth path. Company financing should therefore be built upon a wide and diversified foundation and, in addition to adequate financing conditions, ensure maximum flexibility. Potential optimizations of the financing structure are regularly analyzed and reviewed for suitability. The existing syndicated loan guarantees financial footing until October 2017, while SAF-HOLLAND's corporate bond reaches maturity in April 2018.

Cash flow reflects higher business volume

Cash flow before change of net working capital increased to EUR 19.6 million in the reporting period (previous year: EUR 17.1 million). Net working capital reached EUR 95.6 million (previous year: EUR 88.2 million). With quarterly sales projected over twelve months, this results in a margin of 10.2% (previous year: 10.5%). The internal target of a net working capital of under 10% was thereby nearly achieved. Cash flow from operating activities before income tax payments totaled EUR 3.9 million in the reporting period (previous year: EUR 11.1 million). This reflects the effects of the substantially higher business volume, in particular changes in accounts payable and accounts receivable as well as increased inventories.

Cash flow from investing activities of EUR -8.5 million (previous year: EUR -5.6 million) was particularly influenced by the acquisition of the shares in Corpco. If cash inflow and cash outflow are viewed in combination, the company acquisition leads to a net cash outflow of EUR 4.5 million. The cash flow from financing activities of EUR 0.8 million (previous year: EUR -14.8 million) reflects a higher utilization of the credit line in the course of the acquisition of Corpco. The changes in the reporting period in cash and cash equivalents were primarily a result of the purchase price payment for Corpco, which was paid in cash.

Investments: Expansion of activities in Dubai

In the first quarter of 2014, a Group-wide total of EUR 8.5 million was invested (previous year: EUR 5.6 million). In relation to sales, this results in an investment rate of 3.6% (previous year: 2.7%). Adjusted for the effects of the acquisition of Corpco Beijing Technology and Development Co., Ltd., there were investments in the amount of EUR 4.0 million, which corresponds to an investment rate of 1.7%. The primary investment focus of the current year will be the expansion of our business activities in Dubai. From the perspective of logistics companies, the Persian Gulf region is one of the world's most attractive locations. The intensive investments that countries in the region put into the logistics sector are seen as an advantage. The favorable geographic location, which serves as a central point between Asia, Africa and Europe, is particularly highlighted. SAF-HOLLAND has been present with a subsidiary in Dubai since 2011, which supports the Middle East as well as North and Central Africa. In addition to its current activities, assembly capacities for the Trailer Systems and Powered Vehicle Systems Business Units will be expanded in the Emirate.

The main project milestones in the harmonization of our international IT systems were successfully completed in financial year 2013, which reduced expenses accordingly. The next priority is final optimizations and expansions, including the extension of Europe's longstanding IT solution Advanced Planner & Optimizer (APO) to North America.

ASSETS

Asset structure: Growth in equity to EUR 231.9 million

As of March 31, 2014, total assets reached EUR 590.7 million (December 31, 2013: EUR 536.4 million) and were thereby EUR 54.3 million higher than the year-end figure for 2013. Equity also increased as a result of the earnings development and reached EUR 231.9 million as of the balance sheet date (December 31, 2013: EUR 222.2 million). In relation to the significantly increased balance sheet total, this results in an equity ratio of 39.3% (December 31, 2013: 41.4%).

SAF-HOLLAND's non-current assets increased as of March 31, 2014 to EUR 333.0 million (December 31, 2013: EUR 329.2 million), which was particularly attributable to a rise in property, plant and equipment. Current assets increased more notably, amounting to EUR 257.7 million (December 31, 2013: EUR 207.3 million). The rise of just over EUR 50 million is directly correlated to the considerable growth in business volume. As of March 31, 2014 trade receivables rose to EUR 115.9 million (December 31, 2013: EUR 76.1 million). Inventories amounted to EUR 114.2 million at the end of the reporting quarter (December 31, 2013: EUR 100.2 million) at 54 days outstanding (December 31, 2013: 54 days).

On the liabilities side, non-current liabilities were at EUR 206.4 million as of March 31, 2014 (December 31, 2013: EUR 197.9 million). Here the higher interest bearing loans of EUR 140.0 million had an effect (December 31, 2013: EUR 132.0 million). The rise is attributable to the business volume-related growth in net working capital in addition to investments made.

SAF-HOLLAND's current liabilities amounted to EUR 152.4 million at the end of the quarter (December 31, 2013: EUR 116.3 million). This development came as a result of increased trade payables of EUR 107.0 million (December 31, 2013: EUR 79.3 million) as a result of the larger business volume. On March 31, 2014, SAF-HOLLAND's net debt was at EUR 136.5 million (December 31, 2013: EUR 123.0 million). On the balance sheet date, cash on hand amounted to EUR 17.8 million (December 31, 2013: EUR 23.9 million). Including the agreed credit facility, this results in total liquidity of EUR 131.5 million (December 31, 2013: EUR 144.8 million).

TABLE SUMMARIZING THE DETERMINATION OF OVERALL LIQUIDITY

	03/31/2014				
kEUR	Amount drawn valued as of the period-end exchange rate	Amount drawn valued as of the borrowing date exchange rate	Agreed credit lines valued as of the borrowing date exchange rate	Cash and cash equivalents	Total liquidity
Facility A1	49,860	49,860	49,860	–	–
Facility A2	10,797	10,797	15,425	–	4,628
Facility B1	14,525	14,525	80,000	17,798	83,273
Facility B2	190	203	39,063	–	38,860
Other credit lines	–	–	4,720[1]	–	4,720
Total	**75,372**	**75,385**	**189,068**	**17,798**	**131,481**

[1] New bilateral credit lines for the Group activities in China.

Number of employees increased

As of March 31, 2014, SAF-HOLLAND employed 3,373 people worldwide including temporary workers (previous year: 3,049). The workforce increased particularly as a result of the integration of the Chinese company Corpco.

The majority of the total workforce was employed by our North American companies as of the balance sheet date with 45% (previous year: 49%). About 37% (previous year: 38%) of the workforce belonged to the European organization, while a further 18% (previous year: 13%) belonged to our locations in other countries. The average number of employees in the first quarter amounted to 3,373 people (previous year: 3,049).

DEVELOPMENT OF EMPLOYEE NUMBERS BY REGION

	03/31/2014	03/31/2013
Europe	1,243	1,167
North America	1,522	1,487
Other	608	395
Total	**3,373**	**3,049**

In order to be in the position to exactly meet demand, SAF-HOLLAND utilizes market-appropriate and flexible personnel structures. In addition to our permanent workforce, fixed-term contracts and the support of temporary workers is used. Sales per employee reached kEUR 69.8 after kEUR 68.9 in the comparable period of the previous year.

R&D for the benefit of fleet customers

On principal, research and development at SAF-HOLLAND focuses on the major interests of fleet customers. As a result, the first quarter once again focused on innovations that create the greatest advantages for trucking companies and fleet operators – particularly with respect to transportation efficiency, but also quality and safety. In addition, the existing product program was again extended with product adaptations to meet local market demands. In total the expenses for research and development amounted to EUR 4.7 million in the first quarter (previous year: EUR 4.8 million). Including the capitalized development costs of EUR 0.5 million (previous year: EUR 0.2 million) this corresponds to an R&D ratio of 2.2% (previous year: 2.4%).

At MATS, the most important commercial vehicles fair for the North American truck and trailer market, innovations were presented for the North American market in March. For more information please see page 14. Innovations for European customers and clients in neighboring regions will be presented in September at the IAA Commercial Vehicles trade fair in Hanover, Germany. We plan the presentation of an above-average number of innovations for this world-leading industry fair. The innovations presented will include a pioneering product line consisting of axle suspension systems that will once again, and quite impressively, stand as an example of SAF-HOLLAND's development competence and innovation lead.

OPPORTUNITIES AND RISK REPORT

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

Financing: Growth path secured long-term

SAF-HOLLAND's financial management aims to secure the company's growth path. Company financing should therefore be built upon a wide and diversified foundation and, in addition to adequate financing conditions, ensure maximum flexibility. Potential optimizations of the financing structure are regularly analyzed and reviewed for suitability. The existing syndicated loan guarantees financial footing until October 2017 while SAF-HOLLAND's corporate bond reaches maturity in April 2018.

EVENTS AFTER THE BALANCE SHEET DATE

Dividend payment for financial year 2013

At the Annual General Meeting of SAF-HOLLAND S.A. on April 24, 2014, shareholders approved the recommendation of the Board of Directors to distribute a dividend of EUR 0.27 per share for financial year 2013. The dividend was distributed on April 25, 2014. The total dividend distribution amounts to EUR 12.2 million, which corresponds to a share of 50% of available net earnings for financial year 2013.

Board of Directors

At the Annual General Meeting, the mandates of several members of the Board of Directors were confirmed and extended by the shareholders. The mandates of Bernhard Schneider, Sam Martin and Detlef Borghardt now extend until the end of the Annual General Meeting for financial year 2016, the mandate of Anja Kleyboldt until the end of financial year 2015.

The shareholders appointed Martina Merz to the Board of Directors as a new member. She had already belonged to the Board as an associated member from December 1, 2013 until April 24, 2014. Her current mandate ends with the Annual General Meeting that decides upon financial year 2016. Martina Merz is the Chief Executive Officer of Chassis Brakes International, a producer of car brakes in Amsterdam, the Netherlands. She studied mechanical engineering with a focus on manufacturing technology and held management positions at Robert Bosch GmbH. Among other tasks, Martina Merz was the Executive Manager of the Chassis Brakes business area holding responsibility for sales and activities of this Bosch division in China and Brazil. With the disposal of that division to the private equity fund KPS, she assumed the management of Chassis Brakes International.

After the Annual General Meeting of April 24, 2014, the members of the Board of Directors met to appoint Bernhard Schneider as Chairman of the Board.

BOARD OF DIRECTORS AS OF APRIL 24, 2014

Bernhard Schneider	Chairman of the Board of Directors
Sam Martin	Deputy Chairman of the Board of Directors
Detlef Borghardt	Member of the Board of Directors
Dr. Martin Kleinschmitt	Member of the Board of Directors
Anja Kleyboldt	Member of the Board of Directors
Martina Merz	Member of the Board of Directors
Richard Muzzy	Member of the Board of Directors

OUTLOOK

World economy more dynamic

The world economy saw positive developments. According to the IfW, global production in 2014 is expected to have increased by 3.6%. The institute forecasts growth of 4.0% for 2015. Global trade should show even stronger growth with an increase of 4.5% in the current and 5.5% in the coming year. The IfW assumes that the price of oil will remain relatively stable, that potential tensions in financial markets should remain temporary or regionally isolated and that the disagreement regarding Ukraine will not lead to sustainable burdens on trade relations with Russia.

The IfW anticipates rising growth rates for both the European Union as well as the Euro zone. According to the institute, economic recovery will benefit from rising optimism in the currency union and further economic progress of European countries in crisis. Against this background, sales perspectives should continue to improve and thereby also encourage company investment.

A rapid rise in the economy is expected for the United States. A positive impact should come as a result of Congress's resolution to raise the debt ceiling for budget years 2014 and 2015. This curbs uncertainties in connection with the budget conflict. Furthermore, the government will introduce fewer measures to balance the budget and reduce expenditure as in the previous year.

Economic growth in BRIC countries will accelerate for the most part as compared with 2013. Financial policies, among other things, are to provide for economic boosts. The Brazilian government, for example, has set out an investment program to support infrastructure and logistics. EUR 20 billion is to be put into the expansion of the highway network by 2016 alone. Economic prospects also look positive in India where investing activities are thought to increase following parliament elections in May 2014. Economic growth in China is anticipated to accelerate as a result of fundamental reforms. Newly formed free-trade zones also point in this direction as they support investment and the international exchange of goods. Russia's economy also shows signs of a favorable trend. According to IfW, the country's international trade will be burdened on the short term by the Crimea crisis. On the longer term, however, Russian production will benefit from the ruble's low exchange rate and rising economic activity in Europe.

PREDICTED ECONOMIC DEVELOPMENT IN IMPORTANT MARKETS

	2014	2015
European Union	1.5%	1.9%
Euro zone	1.2%	1.7%
Germany	1.9%	2.5%
United States	2.5%	3.0%
Brazil	3.0%	4.0%
Russia	1.8%	2.4%
India	5.0%	5.2%
China	7.2%	7.0%

Source: Institute for World Economy (IfW), Global Economy in Spring 2014, (March 2014).

Industry trend: Core markets with strong development

The global commercial vehicles market is expected to grow at the same rate as the world economy in 2014. Market research company Frost & Sullivan expects the global sales volume for middle-heavy and heavy duty trucks to increase by 3.7% on average as compared to 2013.

In Europe, the market upswing is anticipated to gain intensity in the current year. According to Frost & Sullivan, the sales volume of middle-heavy duty trucks is expected to increase by 3.1% and by 2.6% for higher weight classes. This would mean a return to stable market growth in the truck area, and this despite the earlier purchases in 2013 as a result of the stricter Euro 6 emissions standard. The Trailer segment is expected to see even more favorable development. For Western and Eastern Europe in 2014, ACT Research forecasts approximately 248,562 new registrations of trailers or 13.8% more than the previous year.

Clear growth rates are also expected for the North American market. Following strong consolidation in the previous year, ACT Research expects growth in production of 16.5% for class 8 trucks in 2014. In the following year, production figures are then expected to rise again by 3.3%. For middle-heavy class 7 vehicles, a rise in production of 6.3% is possible for the current and 3.6% in the next year. The trailer market, which stayed at a high level in 2013, is predicted to grow by 7.7% in 2014 and by 1.3% in 2015.

An increase in demand is predominately expected in BRIC countries. The Indian market is likely to turn the corner to growth. Assuming that the country's overall economy grows by 5%, the sale of commercial vehicles in the middle and upper weight classes ought to grow by 5.5% on average as compared to the previous year. For China, Frost & Sullivan expect, pending overall economic expansion of 6%, an increase in sales figures of 3.5% for middle-heavy and 3.6% for heavy trucks.

For the heavy truck segment in Russia, sales volume is anticipated to not increase or only increase slightly in financial year 2014. In Brazil, the market development depends on the extent to which construction projects for the upcoming major sport event will spur sales. IHS Automotive sees the potential for growth in sales volume to 175,000 middle-heavy and heavy trucks in 2014. As compared to 2013, this would represent an increase of more than 17%.

Growth strategy remains unchanged

It is the objective of SAF-HOLLAND to expand its market share in established commercial vehicle markets as well as in emerging markets. The following strategies are pursued to that end: Expansion of the Trailer business in North America, expansion of the global Aftermarket activities and strengthening the presence in BRIC countries.

As relates to the North American trailer market, SAF-HOLLAND strives to reach a market share of 30% for axle and suspension systems on the medium term. The local axle production capacities, which were doubled in the past year, make it possible to realize this potential on a gradual basis. This is supported by the fact that SAF-HOLLAND now offers a complete range of suspension systems to the North American market which are all equipped with SAF-HOLLAND axles.

The Aftermarket Business Unit's share in Group sales is to rise to 30% on the medium term. Continuous expansions to the global marketing and sales channels play an important role in the process. Following the expanded presence in Central and South America in the past financial year, we are strengthening our position in Southeast Asia in 2014. In the first quarter, a Parts Distribution Center was opened in Malaysia, which counts as an important step in this direction.

The BRIC countries still count as the most attractive growth markets in the world within the global logistics industry. The current logistics index of the market research company Transport Intelligence places all four countries in their top ten. SAF-HOLLAND places particular importance on China and Brazil – the countries occupying the top positions in the ranking. In both countries, we are particularly active in the original equipment business and continuously expand these areas.

THE MOST IMPORTANT GROWTH COUNTRIES OF THE GLOBAL LOGISTICS INDUSTRY

Place	Country
1	China
2	Brazil
3	Saudi Arabia
4	India
5	Indonesia
6	United Arab Emirates
7	Russia
8	Malaysia
9	Mexico
10	Turkey

Source: Transport Intelligence, Agility Emerging Markets Logistics Index, January 2014.

GENERAL STATEMENT ON FUTURE BUSINESS DEVELOPMENT

With the positive business development of the first quarter, an advantageous position was established for the full year. In addition, the company's core markets display a clear growth trend. In Europe, SAF-HOLLAND can take good advantage of the rising demand, which is in no small part attributable to the preparations made in advance of the market upswing. The company is also well positioned in North America to benefit from the promising development of the market. This creates favorable conditions to continue the positive course of business.

Provided that no generally negative economic developments occur and industry indicators do not worsen, the outlook for financial year 2014 is confirmed. This also assumes a stable political situation. For financial year 2014, SAF-HOLLAND thereby strives to achieve Group sales between EUR 920 and 945 million – with adjusted EBIT of approximately EUR 70 million and a rising adjusted EBIT margin.

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

028 Consolidated Interim Financial Statements

Notes to the Consolidated Interim Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

kEUR	Notes	Q1/2014	Q1/2013
Result for the period			
Sales	(5)	235,288	210,053
Cost of sales		-191,260	-170,875
Gross profit		**44,028**	**39,178**
Other income		121	335
Selling expenses		-13,691	-13,497
Administrative expenses		-10,642	-9,351
Research and development costs		-4,688	-4,779
Operating result	(5)	**15,128**	**11,886**
Finance income	(6)	168	2,165
Finance expenses	(6)	-3,480	-3,583
Share of net profit of investments accounted for using the equity method		204	267
Result before tax		**12,020**	**10,735**
Income tax	(7)	-3,760	-3,558
Result for the period		**8,260**	**7,177**
Attributable to:			
Equity holders of the parent		8,336	7,177
Non-controlling interests		-76	–
Other comprehensive income			
Items that may be reclassifed subsequently to profit or loss			
Exchange differences on translation of foreign operations	(9)	-441	2,513
Changes in fair values of derivatives designated as hedges, recognized in equity	(9)/(12)	396	797
Income tax effects on items recognized directly in other comprehensive income	(9)	-108	-217
Other comprehensive income		**-153**	**3,093**
Comprehensive income for the period		**8,107**	**10,270**
Attributable to:			
Equity holders of the parent		8,183	10,270
Non-controlling interests		-76	–
Basic and diluted earnings per share in EUR	(10)	**0.18**	**0.16**

CONSOLIDATED BALANCE SHEET

kEUR	Notes	03/31/2014	12/31/2013
Assets			
Non-current assets		**333,027**	**329,166**
Goodwill		46,529	45,404
Intangible assets		138,190	139,118
Property, plant, and equipment		103,634	100,605
Investments accounted for using the equity method		10,039	9,829
Other non-current assets		2,493	2,879
Deferred tax assets		32,142	31,331
Current assets		**257,682**	**207,270**
Inventories		114,207	100,223
Trade receivables		115,858	76,088
Income tax assets		536	498
Other current assets		9,268	6,590
Financial assets		15	15
Cash and cash equivalents	(8)	17,798	23,856
Total assets		**590,709**	**536,436**
Equity and liabilities			
Total equity	(9)	**231,853**	**222,186**
Equity attributable to equity holders of the parent		**230,369**	**222,186**
Subscribed share capital		454	454
Share premium		265,843	265,843
Legal reserve		22	22
Other reserve		436	436
Retained earnings		-12,809	-21,145
Accumulated other comprehensive income		-23,577	-23,424
Shares of non-controlling interests		**1,484**	**–**
Non-current liabilities		**206,421**	**197,906**
Pensions and other similar benefits		25,520	25,433
Other provisions		6,505	6,140
Interest bearing loans and borrowings	(11)	139,978	131,994
Finance lease liabilities		1,796	1,887
Other financial liabilities	(12)	558	205
Other liabilities		515	657
Deferred tax liabilities		31,549	31,590
Current liabilities		**152,435**	**116,344**
Other provisions		6,052	6,450
Interest bearing loans and borrowings	(11)	14,316	14,869
Finance lease liabilities		342	350
Trade payables		106,997	79,253
Income tax liabilities		4,377	2,107
Other financial liabilities	(12)	21	–
Other liabilities		20,330	13,315
Total equity and liabilities		**590,709**	**536,436**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q1/2014								
	Attributable to equity holders of the parent								
kEUR	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**
Comprehensive income for the period	–	–	–	–	8,336	-153	**8,183**	**-76**	**8,107**
Shares of non-controlling interests	–	–	–	–	–	–	**–**	**1,560**	**1,560**
As of 03/31/2014	**454**	**265,843**	**22**	**436**	**-12,809**	**-23,577**	**230,369**	**1,484**	**231,853**

	Q1/2013						
	Attributable to equity holders of the parent						
kEUR	Subscribed share capital	Share premium	Legal reserve	Other reserve	Retained earnings	Accumulated other comprehensive income	**Total equity** (Note 9)
As of 01/01/2013	**454**	**265,843**	**22**	**436**	**-45,510**	**-23,382**	**197,863**
Comprehensive income for the period	–	–	–	–	7,177	3,093	**10,270**
As of 03/31/2013	**454**	**265,843**	**22**	**436**	**-38,333**	**-20,289**	**208,133**

CONSOLIDATED CASH FLOW STATEMENT

kEUR	Notes	Q1/2014	Q1/2013
Cash flow from operating activities			
Result before tax		**12,020**	**10,735**
- Finance income	(6)	-168	-2,165
+ Finance expenses	(6)	3,480	3,583
- Share of net profit of investments accounted for using the equity method		-204	-267
+ Amortization, depreciation of intangible assets and property, plant, and equipment		4,684	5,085
+/- Allowance of current assets		-295	53
+/- Loss/Gain on disposal of property, plant, and equipment		25	4
+ Dividends from investments accounted for using the equity method		17	23
Result before change of net working capital		**19,559**	**17,051**
+/- Change in other provisions and pensions		-198	-944
+/- Change in inventories		-9,147	-7,136
+/- Change in trade receivables and other assets		-33,211 [1]	-13,871 [1]
+/- Change in trade payables and other liabilities		26,926	15,972
Cash flow from operating activities before income tax paid		**3,929**	**11,072**
- Income tax paid	(7)	-2,336	-2,169
Net cash flow from operating activities		**1,593**	**8,903**
Cash flow from investing activities			
- Purchase of property, plant, and equipment		-3,489	-3,303
- Purchase of intangible assets		-545	-2,333
+ Proceeds from sales of property, plant, and equipment		9	53
- Proceeds from sales of subsidiaries net of cash	(4)	-4,490	–
+ Interest received		48	26
Net cash flow from investing activities		**-8,467**	**-5,557**
Cash flow from financing activities			
- Payments for expenses relating to amended finance agreement		–	-226
- Payments for finance lease		-99	-18
- Interest paid		-1,509	-1,166
- Repayments of current and non-current financial liabilities	(11)	-3,584	-3,335
- Change in drawings on the credit line and other financing activities	(11)	6,001	-10,037
Net cash flow from financing activities		**809**	**-14,782**
Net increase in cash and cash equivalents		**-6,065**	**-11,436**
+/- Net foreign exchange difference		7	139
Cash and cash equivalents at the beginning of the period	(8)	**23,856**	**18,579**
Cash and cash equivalents at the end of the period	(8)	**17,798**	**7,282**

[1] As of March 31, 2014, trade receivables in the amount of EUR 19.5 million (previous year: EUR 15.5 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 March 31, 2014

1 _ CORPORATE INFORMATION

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

2 _ SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

3 _ SEASONAL EFFECTS

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

4 _ SCOPE OF CONSOLIDATION

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

The initial consolidation of Corpco Beijing Technology and Development Co., Ltd. was carried out in accordance with IFRS 3 using the acquisition method. The results of the acquired company were included in the Consolidated Financial Statements from the date of acquisition. As of March 31, 2014, the earnings contribution of Corpco Beijing Technology and Development Co., Ltd. was seasonally-induced EUR -0.4 million; the sales thereby generated amounted to EUR 1.4 million.

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

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

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

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

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

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

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

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

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

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

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

5 _ SEGMENT INFORMATION

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

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	Q1/2014	Q1/2013
Operating result	15,128	11,886
Share of net profit of investments accounted for using the equity method	204	267
EBIT	**15,332**	**12,153**
Additional depreciation and amortization from PPA	1,507	1,526
Restructuring and integration costs	251	104
Adjusted EBIT	**17,090**	**13,783**

Information on segment sales and earnings for the period from January 1 to March 31, 2014:

	Q1/2014			
	Business Units			
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	**Consolidated**
Sales	140,935	36,515	57,838	**235,288**
Adjusted EBIT	**5,440**	**2,069**	**9,581**	**17,090**

	Q1/2013[1]			
	Business Units			
kEUR	Trailer Systems	Powered Vehicle Systems	Aftermarket	**Consolidated**
Sales	121,425	37,040	51,588	**210,053**
Adjusted EBIT	**2,250**	**3,444**	**8,089**	**13,783**

[1] The presentation of segment information has changed, see chapter 4 of Notes to the Consolidated Financial Statements 2013.

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	Q1/2014	Q1/2013
Foreign exchange gains on foreign currency loans	131	2,132
Interest income	33	27
Other	4	6
Total	**168**	**2,165**

Foreign exchange gains on foreign currency loans primarily comprise unrealized foreign exchange gains on foreign currency loans translated at the closing rate.

FINANCE EXPENSES

kEUR	Q1/2014	Q1/2013
Interest expenses due to interest bearing loans and borrowings	-2,383	-2,441
Amortization of transaction costs	-164	-147
Finance expenses due to pensions and other similar benefits	-215	-345
Finance expenses due to derivatives	-565	-544
Other	-153	-106
Total	**-3,480**	**-3,583**

The amortization of transaction costs of kEUR -164 (previous year: kEUR -147) 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 include the reclassification to the financial result of the cash flow hedge reserve recorded in equity of kEUR 565 through profit or loss. The recycling of the cash flow hedge reserve results from the early repayment of interest rate swaps in the context of the refinancing in October 2012. The cash flow hedge reserve is released to the finance result using the effective interest method over the original term of the swaps.

7 _ INCOME TAXES

The major components of income taxes are as follows:

kEUR	Q1/2014	Q1/2013
Current income taxes	-2,328	-2,574
Deferred income taxes	-1,432	-984
Income taxes reported in the result for the period	**-3,760**	**-3,558**

The effective income tax rate in the first quarter of 2014 was 31.30%. The variance between the effective income tax rate and the Group´s income tax rate of 30.70% is mainly attributable to non-deductible expenses and unused tax loss carry forwards.

8 _ CASH AND CASH EQUIVALENTS

kEUR	03/31/2014	12/31/2013
Cash at banks, checks and cash on hand	17,793	23,851
Short-term deposits	5	5
Total	**17,798**	**23,856**

9 _ EQUITY

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

Changes in accumulated other comprehensive income consist of the following:

	Before tax amount		Tax expense		Net of tax amount	
kEUR	Q1/2014	Q1/2013	Q1/2014	Q1/2013	Q1/2014	Q1/2013
Exchange differences on translation of foreign operations	-441	2,513	–	–	-441	2,513
Changes in fair values of derivatives designated as hedges, recognized in equity	396	797	-108	-217	288	580
Total	**-45**	**3,310**	**-108**	**-217**	**-153**	**3,093**

10 _ EARNINGS PER SHARE

		Q1/2014	Q1/2013
Result for the period	**kEUR**	**8,336**	**7,177**
Weighted average number of shares outstanding	thousands	45,361	45,361
Basic and diluted earnings per share	**EUR**	**0.18**	**0.16**

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

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

Earnings per share can be diluted by potential ordinary shares. No dilutive effects occurred during the reporting period or in the comparison period.

11 _ INTEREST BEARING LOANS AND BORROWINGS

	Non-current		Current		**Total**	
kEUR	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Interest bearing bank loans	67,924	60,216	7,448	7,059	**75,372**	**67,275**
Bond	75,000	75,000	–	–	**75,000**	**75,000**
Transaction costs	-3,046	-3,315	-664	-602	**-3,710**	**-3,917**
Bank overdrafts	–	–	2,315	4,084	**2,315**	**4,084**
Accrued interests	–	–	5,059	4,245	**5,059**	**4,245**
Other loans	100	93	158	83	**258**	**176**
Total	**139,978**	**131,994**	**14,316**	**14,869**	**154,294**	**146,863**

The current interest bearing bank loans include the agreed repayment in the coming 12 months.

The following table summarizes the determination of overall liquidity defined as available undrawn credit lines measured at the initial borrowing exchange rate plus available cash and cash equivalents:

	03/31/2014				
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	49,860	49,860	49,860	–	-
Facility A2	10,797	10,797	15,425	–	4,628
Facility B1	14,525	14,525	80,000	17,798	83,273
Facility B2	190	203	39,063	–	38,860
Other Facility	–	–	4,720 [1]	–	4,720
Total	**75,372**	**75,385**	**189,068**	**17,798**	**131,481**

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

	12/31/2013				
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	53,195	53,195	53,195	–	–
Facility A2	11,080	11,080	15,980	–	4,900
Facility B1	3,000	3,000	80,000	23,856	100,856
Facility B2	–	–	39,063	–	39,063
Total	**67,275**	**67,275**	**188,238**	**23,856**	**144,819**

12 _ FINANCIAL ASSETS AND OTHER FINANCIAL LIABILITIES

	01/01/2014		03/31/2014
kEUR	**Fair value**	Changes recog-nized in equity (before tax)	**Fair value**
Interest rate swaps EUR	**-205**	-353	**-558**
Total	**-205**	**-353**	**-558**

	01/01/2014	03/31/2014
kEUR	**Fair value**	**Fair value**
Forward exchange transaction	15	-21

Any gain or loss resulting from the measurement of financial assets and other financial liabilities is recognized in profit or loss unless the derivative is designated and effective as a hedging instrument in the context of hedge accounting.

Only interest rate swaps meet the criteria for hedge accounting in the Group. They are used to hedge the exposure to variability of cash flows. Changes in market values must therefore be recognized directly in equity, if the hedging relationship is effective.

Forward exchange transactions as of March 31, 2014 are used to hedge the risk position arising from the currency fluctuation of the South African rand.

13 _ RELATED PARTY DISCLOSURES

Changes in the composition of the Board of Directors are disclosed in "Events after the Balance Sheet Date" (see Note 15).

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

	Sales to related parties		Purchases from related parties	
kEUR	Q1/2014	Q1/2013	Q1/2014	Q1/2013
SAF-HOLLAND Nippon, Ltd.	189	419	–	–
Lakeshore Air LLP	–	–	–	51
FWI S.A.	–	–	5,763	5,450
Irwin Seating Company[1]	–	151	–	–
Madras SAF-HOLLAND Manufacturing (I) P. Ltd.[2]	–	3	–	–
Total	**189**	**573**	**5,763**	**5,501**

	Amounts owed by related parties		Amounts owed to related parties	
kEUR	03/31/2014	12/31/2013	03/31/2014	12/31/2013
SAF-HOLLAND Nippon, Ltd.	320	185	183	–
Lakeshore Air LLP	–	–	–	183
FWI S.A.	–	–	1,376	382
Irwin Seating Company[1]	–	–	–	–
Madras SAF-HOLLAND Manufacturing (I) P. Ltd.[2]	–	–	–	–
Total	**320**	**185**	**1,559**	**565**

[1] The Irwin Seating Company is a company in which a member of the management of the SAF-HOLLAND Group held a key management position until April 2013.
[2] The joint venture was terminated in May 2013.

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

Changes in the Board of Directors

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

Since April 24, 2014, the Board of Directors has consisted of the following members:
- Bernhard Schneider (Chairman)
- Sam Martin (Vice Chairman)
- Detlef Borghardt
- Dr. Martin Kleinschmitt
- Anja Kleyboldt
- Martina Merz
- Richard Muzzy

Dividend

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

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 oustanding
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.

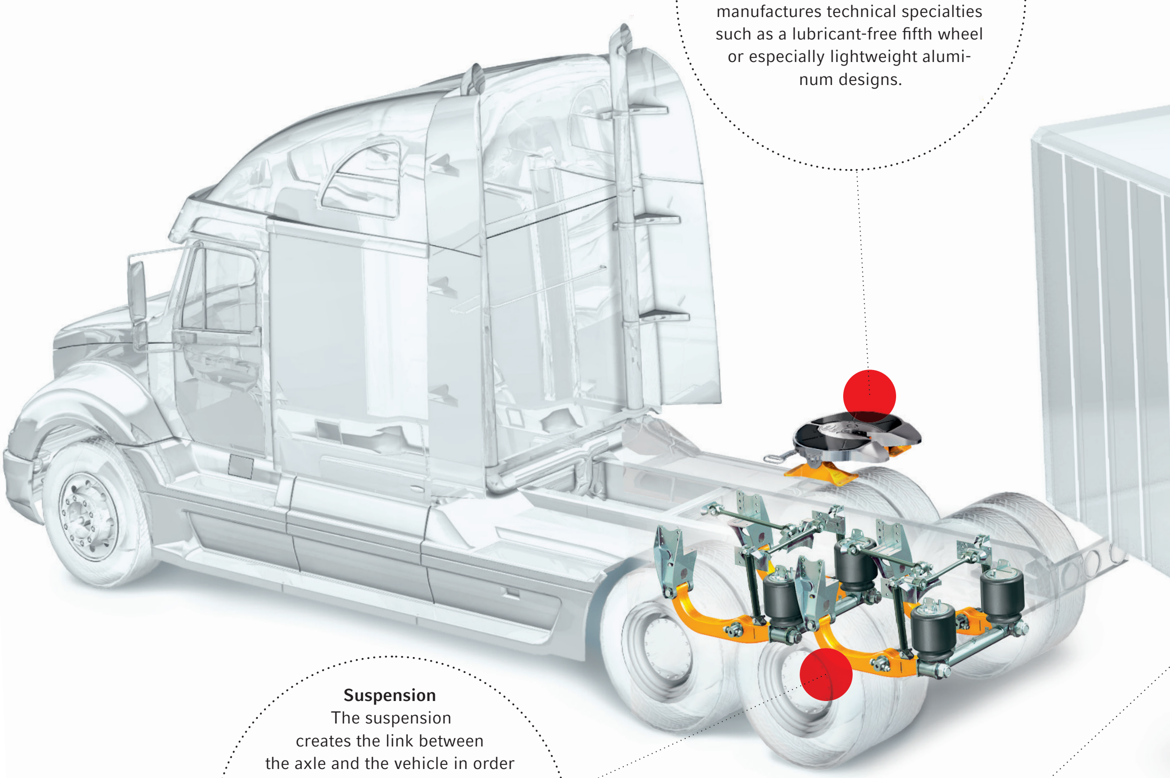
T

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.

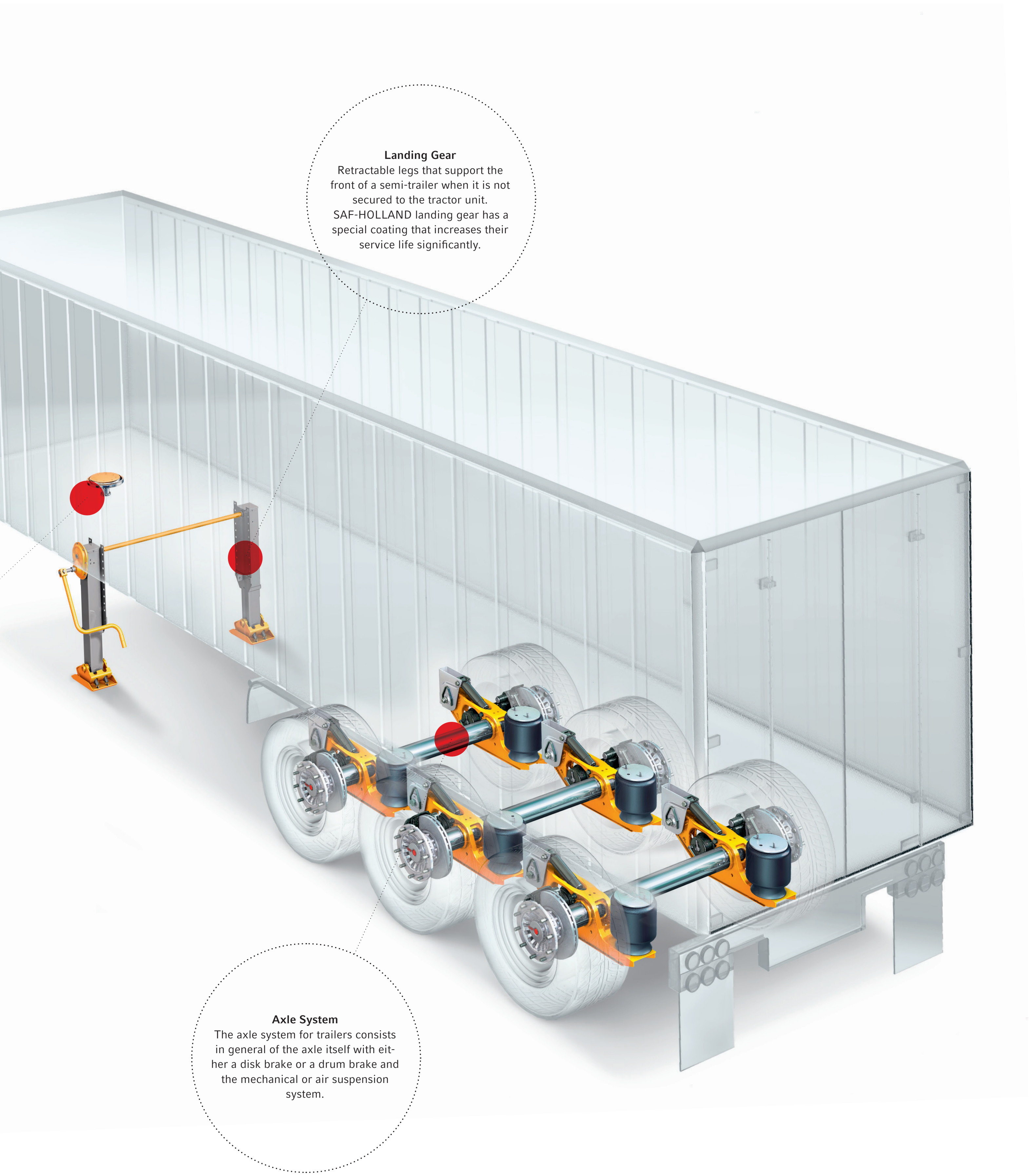
Technical Glossary



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

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

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


Landing Gear
Retractable legs that support the front of a semi-trailer when it is not secured to the tractor unit. SAF-HOLLAND landing gear has a special coating that increases their service life significantly.
Axle System
The axle system for trailers consists in general of the axle itself with either a disk brake or a drum brake and the mechanical or air suspension system.

List of Abbreviations

A

APO — Advanced Planer & Optimizer (IT-System to utilize for supply chain management)

B

BRIC — Brasil, Russia, India, and China

C

CAD — IT-System often used in engineering/ product development
Cap — Derivative to hedge against rising interest rates
CEO — Chief Executive Officer
CFO — Chief Financial Officer

D

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

E

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

F

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

G

GDP — Gross Domestic Product

I

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

K

kEUR — Thousand Euro

M

MATS	Mid-America Trucking Show
Mio.	Million

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 against another (to swap) to a definite existing period of time in the future and to defined conditions

U

US	United States of America
USA	United States of America
USD	US-Dollar

W

WKN	Wertpapierkennnummer (security identification number)
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)

Financial Calendar and Contact Information

Financial Calendar

August 7, 2014 .... Report on Half-year 2014 Results
November 6, 2014 .... Report on Q3 2014 Results

Contact

SAF-HOLLAND GmbH
Claudia Hoellen
Hauptstraße 26
63856 Bessenbach
Germany

Phone: +49 (0)6095 301-617
Fax: +49 (0)6095 301-102

Web: www.safholland.com
Email: claudia.hoellen@safholland.de

Imprint

Responsible:
SAF-HOLLAND S.A.
68–70, Boulevard de la Pétrusse
L-2320 Luxembourg
Luxembourg

Editorial deadline: May 14, 2014
Date of publication: May 15, 2014
Editorial office: blackpoint communications GmbH, Hagen, and SAF-HOLLAND GmbH, Bessenbach
Design and realization: wagneralliance Kommunikation GmbH, Offenbach am Main
Translated by: MBETraining & Translations, Wiesbaden
Photography: Bernd Bodtländer, Frankfurt am Main
Corbis GmbH, Düsseldorf

This report is also available in German.

Legal Disclaimer