Ad hoc announcement

SAF-HOLLAND reports a record year in 2015 – Dividend increases 25%

- **Group sales rise 10.5% to EUR 1,060.7 million**
- **Adjusted EBIT climbs at a higher rate by 33.0%**
- **Adjusted EBIT margin reaches 8.9%**
- **Company slightly exceeds higher sales and earnings guidance provided in August 2015**

Luxembourg, March 11, 2016 – The SDAX-listed commercial vehicle supplier SAF-HOLLAND drove Group sales 10.5% higher in 2015 to EUR 1,060.7 (previous year: EUR 959.7 million) despite pronounced market weakness in key sales markets such as Brazil, Australia, and the Russian Federation. This performance slightly exceeded the higher guidance given in August 2015 projecting sales at the upper end or slightly above the range of EUR 980 million to EUR 1,035 million. Solid demand for trucks and trailers in Western Europe supported growth, as did the growing share of new products for axle modules and suspension systems. The translation effect of the strong US dollar also had a significantly positive impact on Group sales performance.

Solid capacity utilization combined with the successful implementation of steps to increase production efficiency led to a marked improvement in earnings. The gross margin increased by almost a full percentage point. On the strength of process improvements and the Company's consistent control of costs, selling, administrative, and R&D costs increased at a lower percentage rate than sales. All the above led to a pronounced increase of 45.0% in the operating result to EUR 79.3 million in fiscal year 2015 (previous year: EUR 54.7 million).

Adjusted EBIT margin reaches 8.9%

Adjusted for extraordinary items the EBIT rose 33.0% to EUR 94.0 million (previous year: EUR 70.7 million). The Group significantly expanded its adjusted EBIT margin in the reporting year to a level of 8.9% (previous year: 7.4%). This performance meant the Group was able to surpass slightly the higher guidance given in August for an adjusted EBIT of nominally just above EUR 90 million and virtually met its target range for 2015 of a 9% to 10% adjusted EBIT margin.

The finance result improved to a level of EUR -4.0 million (previous year: EUR -7.7 million) primarily as the result of lower interest and finance expenses due to derivatives and from the reversal and amortization of transactions costs in connection with the refinancing of credit lines. Finance income from unrealized and realized foreign exchange gains on foreign currency loans and dividends remained at an elevated level of EUR 8.5 million (previous year: EUR 8.7 million).

Result for the period soars more than 50%

The result before tax rose year-on-year by 58.4% and reached EUR 77.6 million in 2015 (previous year: EUR 49.0 million). Given the essentially unchanged income tax rate, the

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result for the period advanced to EUR 51.7 million (previous year: EUR 32.7 million), which resulted in undiluted earnings per share for fiscal year 2015 of EUR 1.14 (previous year: EUR 0.72) and adjusted undiluted earnings per share of EUR 1.37 (previous year: EUR 0.96).Taking already into account the potentially higher number of shares from the convertible bond issued in 2014 diluted earnings per share amounted to EUR 0.99 (previous year: EUR 0.69).

Proposed dividend increase of 25%

In view of the strong business performance, the Board of Directors plans to propose at the Annual General Meeting a 25% increase in the dividend payment for fiscal year 2015 for a dividend per share of EUR 0.40 (previous year: EUR 0.32). This would equal a payout ratio of 38.6% of the available net earnings, in the determination of which the purely accounting-related and non-cash earnings from the valuation of inter-group foreign currency loans were not taken into consideration.

Growth in all regions

In Europe, still the strongest sales region, sales in 2015 grew 5.1% to EUR 521.9 million (previous year: EUR 496.5 million). This growth was backed by the continuing economic recovery in Western Europe and the accompanying investments in fleet modernization made by customers. Demand declined further, however, from the Russian Federation, which is also an important outlet for used trucks and trailers. In North America, also currency effects helped SAF-HOLLAND to increase sales by 15.8% to EUR 421.3 million in 2015 (previous year: EUR 363.9 million), whereby the North American truck market cooled off significantly in the second half. In other regions, sales rose by a total of 18.3% to EUR 117.5 million (previous year: EUR 99.3 million). Whereas the markets in China, most ASEAN countries, and the Middle East performed positively, the Brazilian truck and trailer market continued to fall from already low levels.

Higher sales and earnings contributions from all business units

Trailer Systems, the largest business unit, increased sales 12.5% to EUR 612.7 million (previous year: EUR 544.4 million). Adjusted EBIT increased to EUR 38.0 million (previous year: EUR 20.5 million) thanks to the success of the program implemented in 2013 to strengthen profitability and the consolidation of our German plants, in particular. This corresponded to an adjusted EBIT margin of 6.2% (previous year: 3.8%).

Powered Vehicle Systems grew sales 6.2% to EUR 180.0 million (previous year: EUR 169.5 million). This expansion was driven by the strong performance of the European truck business, higher sales in China with Corpco, a specialist for bus suspensions systems, and favorable currency effects from the USD. This contrasted with the increasingly challenging market environment in North America faced by SAF-HOLLAND as the year progressed. Adjusted EBIT in this business unit increased to EUR 13.6 million (previous year: EUR 11.8 million), and the adjusted EBIT margin amounted to 7.6% (previous year: 7.0%).

Sales in the Aftermarket Business Unit climbed 9.0% to EUR 268.0 million (previous year: EUR 245.8 million). Sales in this unit also saw an increasing contribution from the

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trade brands GoldLine and Sauer Germany Quality Parts, which primarily target markets with older vehicles. Despite upfront costs for expanding sales structures in various states in North America and the further development of international distribution centers and sales offices, this business unit was able to advance its adjusted EBIT to EUR 42.4 million (previous year: EUR 38.4 million) and adjusted EBIT margin to 15.8% (previous year: 15.6%).

Solid sales and earnings performance expected – stable to slightly higher organic sales and an adjusted EBIT margin of 8-9%

The market environment in fiscal year 2016 is expected to remain challenging, particularly for important regional markets such as Brazil, Russia, and Australia, where an improvement is not expected until the end of 2016. Coming off of very high levels, the US heavy truck market (class-8) is expected to weaken in 2016 and decline by an estimated 20%.

Nevertheless, SAF-HOLLAND is confident that it will achieve stable to slightly higher organic sales in 2016, backed by further growth of the European truck and trailer market. It is important to note that the non-core agricultural product line, Aerway, was sold in December 2015 and will no longer contribute to 2016 Group sales and earnings (2015 sales contribution of roughly EUR 7 million). On this basis, the Group is targeting sales of EUR 1,050 million to EUR 1,070 million in 2016. In view of the projected upfront expenses for business expansion under strategy 2020, SAF-HOLLAND is budgeting for an adjusted EBIT margin of between 8% and 9% in 2016 compared to 7.4% in 2014 and 8.9% in 2015. The financial position is expected to remain sound from the continued exercise of our investment discipline and through the Group-wide optimization of our net working capital. The Group is targeting a net working capital ratio of 12% to 13%, despite the planned reduction in factoring for cost reasons.

In alignment with the objectives of our Strategy 2020, additional sales and earnings contributions could stem from new cooperations, joint ventures and acquisitions, provided they offer attractive opportunities achievable at a reasonable price and have a manageable risk profile. The effects of potential acquisitions are not included in our sales and earnings guidance.

EUR million	**2015**	**2014**	**Y-o-Y in %**
Sales	1,060.7	959.7	10.5
Adjusted EBIT	94.0	70.7	33.0
Adjusted EBIT margin (%)	8.9	7.4	1.5 ppt
Result before tax	77.6	49.0	58.4
Result for the period	51.7	32.7	58.1
Undiluted earnings per share EUR	1.14	0.72	58.3
Diluted earnings per share in EUR	0.99	0.69	43.5
Dividend per share in EUR	0.40	0.32	25.0

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Free cash flow	35.0	11.3	209.7
Equity ratio (%)	32.4*	38.5	-6.1 ppt

* The equity ratio was 45.3% when adjusted for the liquidity that exceeded the amount presumed necessary for the operating business, primarily stemming from the EUR 200 million promissory note loan.

Notes:
Adjusted EBIT was adjusted for the following items that are not attributable to the operating business: amortization resulting from purchase price allocation and impairment reversals on intangible assets from impairment tests as well as one-time restructuring and integration costs. The annual report of SAF-HOLLAND S.A. as of December 31, 2015 can be accessed at http://corporate.safholland.com/en/investoren/reports/2015.html.

Company Profile:
SAF-HOLLAND S.A., located in Luxembourg, is the largest listed supplier to the commercial vehicle market in Europe. With sales of approximately EUR 1,060 million in 2015 and more than 3,100 employees, the company is one of the world's leading manufacturers and suppliers of chassis-related systems and components primarily for trailers, trucks, buses, and recreational vehicles. The product range comprises axle and suspension systems, fifth wheels, kingpins, and landing gear and is marketed under the brands SAF, Holland, and Neway. SAF-HOLLAND sells its products to Original Equipment Manufacturers (OEMs) on six continents. The Aftermarket Business Unit sells spare parts to the Original Equipment Service (OES) of the manufacturers and to end customers and service centers through its own extensive global service and distribution network. SAF-HOLLAND is one of the few suppliers in the truck and trailer industry that is internationally positioned in almost all markets worldwide.

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