

SAF-HOLLAND S.A.
68-70, boulevard de la Pétrusse
L-2320 Luxembourg

R.C.S. Luxembourg B 113.090

**Annual accounts as of 31 December 2014 and,
Independent auditor's report**

Table of contents

	Pages
Independent auditor's report	1 - 2
Annual accounts	
- Balance sheet	3 - 8
- Profit and loss account	9 - 11
- Notes to the annual accounts	12 - 19



Ernst & Young
Société anonyme
7, rue Gabriel Lippmann
Parc d'Activité Syrdall 2
L-5365 Munsbach
Tel: +352 42 124 1
www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
SAF-HOLLAND S.A.
Société Anonyme
68-70, boulevard de la Pétrusse
L-2320 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 24 April 2014, we have audited the accompanying annual accounts of SAF-HOLLAND S.A., which comprise the balance sheet as at 31 December 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.



Building a better
working world

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

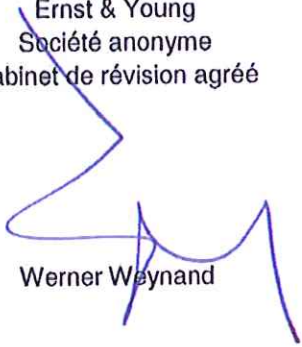
Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of SAF-HOLLAND S.A. as of 31 December 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Werner Weynand

Luxembourg, 10 March 2015

- 2 -

RCSL Nr.: B113090

Matricule: 2005 2231 338

eCDF entry date: 20/02/2015

BALANCE SHEET

Financial year from 01 01/01/2014 to 02 31/12/2014 (in 03 EUR)

SAF-HOLLAND S.A.

68-70, Boulevard de la Pétrusse
L-2320 Luxembourg**ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	443.485.698,92	341.272.104,95
I. Intangible fixed assets	1111	111	112
1. Research and development costs	1113	113	114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	118
b) created by the undertaking itself	1119	119	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4. Payments on account and intangible fixed assets under development	1123	123	124
II. Tangible fixed assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B113090

Matricule : 2005 2231 338

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible fixed assets under development	1133	133	134
III. Financial fixed assets	1135	443.485.698,92	341.272.104,95
1. Shares in affiliated undertakings	1137 <u>Note 3</u>	265.638.381,02	265.638.381,02
2. Amounts owed by affiliated undertakings	1139 <u>Note 4</u>	177.844.017,90	75.630.423,93
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141	141	142
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Securities and other financial instruments held as fixed assets	1145	145	146
6. Loans and claims held as fixed assets	1147	3.300,00	3.300,00
7. Own shares or own corporate units	1149	149	150
D. Current assets	1151	36.673.639,40	33.802.067,14
I. Inventories	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work and contracts in progress	1157	157	158
3. Finished goods and merchandise	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	36.581.780,04	33.749.743,43
1. Trade receivables	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	36.581.780,04	33.749.743,43
a) becoming due and payable within one year	1173 <u>Note 5</u>	36.581.780,04	33.749.743,43
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B113090

Matricule: 2005 2231 338

	Reference(s)	Current year	Previous year
4. Other receivables	1183 _____	183 _____	184 _____
a) becoming due and payable within one year	1185 _____	185 _____	185 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities and other financial instruments	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>91.859,36</u>	198 <u>52.323,71</u>
E. Prepayments	1199 _____	199 <u>2.149.157,83</u>	200 <u>1.707.052,81</u>
TOTAL (ASSETS)		201 <u>482.308.496,15</u>	202 <u>376.781.224,90</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B113090

Matricule: 2005 2231 338

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>Note 6</u>	301 <u>302.334.852,08</u>	302 <u>297.556.094,78</u>
II. Share premium and similar premiums	1303 _____	303 <u>453.611,12</u>	304 <u>453.611,12</u>
III. Revaluation reserves	1305 _____	305 <u>276.455.231,13</u>	306 <u>276.455.231,13</u>
IV. Reserves	1307 _____		308 _____
1. Legal reserve	1309 _____	309 <u>481.636,11</u>	310 <u>458.016,90</u>
2. Reserve for own shares or own corporate units	1311 _____	311 <u>45.361,11</u>	312 <u>21.741,90</u>
3. Reserves provided for by the articles of association	1313 _____	313 _____	314 _____
4. Other reserves	1315 _____	315 _____	316 _____
V. Profit or loss brought forward	1317 _____	317 <u>436.275,00</u>	318 <u>436.275,00</u>
VI. Profit or loss for the financial year	1319 _____	319 <u>7.918.116,18</u>	320 <u>6.916.769,65</u>
VII. Interim dividends	1321 _____	321 <u>17.026.257,54</u>	322 <u>13.272.465,98</u>
VIII. Capital Investment subsidies	1323 _____	323 _____	324 _____
IX. Temporarily not taxable capital gains	1325 _____	325 _____	326 _____
	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
1. Convertible loans	1413 _____	413 _____	414 _____
a) becoming due and payable within one year	1415 _____	415 _____	416 _____
b) becoming due and payable after more than one year	1417 _____	417 _____	418 _____
2. Non convertible loans	1419 _____	419 _____	420 _____
a) becoming due and payable within one year	1421 _____	421 _____	422 _____
b) becoming due and payable after more than one year	1423 _____	423 _____	424 _____
C. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
D. Non subordinated debts	1339 _____	339 <u>179.973.644,07</u>	340 <u>79.225.130,12</u>
1. Debenture loans	1341 <u>Note 7</u>	341 <u>179.100.608,21</u>	342 <u>78.595.890,41</u>
a) Convertible loans	1343 _____	343 <u>100.504.717,80</u>	344 _____
i) becoming due and payable within one year	1345 _____	345 <u>304.717,80</u>	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 <u>100.200.000,00</u>	348 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B113090

Matricule: 2005 2231 338

	Reference(s)	Current year	Previous year
b) Non convertible loans	1349	<u>78.595.890,41</u>	<u>78.595.890,41</u>
i) becoming due and payable within one year	1351	<u>3.595.890,41</u>	<u>3.595.890,41</u>
ii) becoming due and payable after more than one year	1353	<u>75.000.000,00</u>	<u>75.000.000,00</u>
2. Amounts owed to credit institutions	1355		
a) becoming due and payable within one year	1357		
b) becoming due and payable after more than one year	1359		
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361		
a) becoming due and payable within one year	1363		
b) becoming due and payable after more than one year	1365		
4. Trade creditors	1367	<u>221.524,80</u>	<u>118.392,67</u>
a) becoming due and payable within one year	1369	<u>221.524,80</u>	<u>118.392,67</u>
b) becoming due and payable after more than one year	1371		
5. Bills of exchange payable	1373		
a) becoming due and payable within one year	1375		
b) becoming due and payable after more than one year	1377		
6. Amounts owed to affiliated undertakings	1379	<u>25.825,00</u>	<u>25.363,00</u>
a) becoming due and payable within one year	1381	<u>25.825,00</u>	<u>25.363,00</u>
b) becoming due and payable after more than one year	1383		
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		
a) becoming due and payable within one year	1387		
b) becoming due and payable after more than one year	1389		
8. Tax and social security debts	1391	<u>305.686,06</u>	<u>209.826,51</u>
a) Tax debts	1393	<u>302.273,65</u>	<u>205.524,78</u>
b) Social security debts	1395	<u>3.412,41</u>	<u>4.301,73</u>

RCSL Nr.: B113090

Matricule: 2005 2231 338

	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 <u>320.000,00</u>	398 <u>275.657,53</u>
a) becoming due and payable within one year	1399 _____	399 <u>320.000,00</u>	400 <u>275.657,53</u>
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
E. Deferred income	1403 _____	403 _____	404 _____
TOTAL (LIABILITIES)		405 <u>482.308.496,15</u>	406 <u>376.781.224,90</u>

RCSL Nr. : B113090

Matricule : 2005 2231 338

eCDF entry date: 20/02/2015

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2014 to 02 31/12/2014 (in 03 EUR)

SAF-HOLLAND S.A.

68-70, Boulevard de la Pétrusse
L-2320 Luxembourg**A. CHARGES**

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601 _____	601 _____	602 _____
2. Other external charges	1603 _____	603 <u>2.007.013,53</u>	604 <u>1.535.511,60</u>
3. Staff costs	1605 _____	605 <u>65.643,66</u>	606 <u>60.415,57</u>
a) Salaries and wages	1607 _____	607 <u>60.116,86</u>	608 <u>53.795,30</u>
b) Social security on salaries and wages	1609 _____	609 <u>5.526,80</u>	610 <u>6.620,27</u>
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 <u>Note 13</u>	621 <u>545.291,26</u>	622 <u>444.219,83</u>
6. Value adjustments and fair value adjustments on financial fixed assets	1623 _____	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625 _____	625 _____	626 _____
8. Interest and other financial charges	1627 _____	627 <u>5.555.186,03</u>	628 <u>5.250.712,10</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 <u>Note 7</u>	631 <u>5.555.186,03</u>	632 <u>5.250.712,10</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B113090

Matricule : 2005 2231 338

	Reference(s)	Current year	Previous year
9. Share of losses of undertakings accounted for under the equity method	1649 _____	649 _____	650 _____
10. Extraordinary charges	1633 _____	633 _____	634 _____
11. Income tax	1635 _____ <u>Note 9</u>	635 _____ <u>3.210,00</u>	636 _____ <u>3.210,00</u>
12. Other taxes not included in the previous caption	1637 _____ <u>Note 9</u>	637 _____ <u>159.585,00</u>	638 _____ <u>188.225,00</u>
13. Profit for the financial year	1639 _____	639 _____ <u>17.026.257,54</u>	640 _____ <u>13.272.465,98</u>
TOTAL CHARGES		641 _____ <u>25.362.187,02</u>	642 _____ <u>20.754.760,08</u>

RCSL Nr.: B113090

Matricule: 2005 2231 338

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____	704 _____
3. Fixed assets under development	1705 _____	705 _____	705 _____
4. Reversal of value adjustments	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
5. Other operating income	1713 _____	713 _____	714 _____
6. Income from financial fixed assets	1715 _____	715 <u>23.960.138,65</u>	716 <u>18.811.823,52</u>
a) derived from affiliated undertakings	1717 <u>Note 4/5</u>	717 <u>23.960.138,65</u>	718 <u>18.811.823,52</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 <u>1.402.048,37</u>	722 <u>1.942.875,18</u>
a) derived from affiliated undertakings	1723 <u>Note 5</u>	723 <u>1.402.048,37</u>	724 <u>1.942.875,18</u>
b) other income from financial current assets	1725 _____	725 _____	726 _____
8. Other interest and other financial income	1727 _____	727 _____	728 <u>61,38</u>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 <u>61,38</u>
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____	746 _____
10. Extraordinary income	1733 _____	733 _____	734 _____
13. Loss for the financial year	1735 _____	735 <u>0,00</u>	736 <u>0,00</u>
TOTAL INCOME		737 <u>25.362.187,02</u>	738 <u>20.754.760,08</u>

The notes in the annex form an integral part of the annual accounts

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
As at 31 December 2014

Note 1 - Organisation

SAF-HOLLAND S.A. (the "Company") is a commercial company incorporated in Luxembourg on December 21, 2005, under the legal form of a "Société Anonyme". The registered office of the Company is at 68-70, boulevard de la Pétrusse, L-2320 Luxembourg and the Company is registered with the Register of Commerce of Luxembourg under the section B number 113.090.

The Company's purpose is to acquire directly or indirectly shareholdings (including but not limited by way of setting-up new companies) and interests, in any form whatsoever, in any connection with its subsidiaries (the "Group Companies") and any other company being in the same line of business, to acquire any securities and rights through participation, contribution, underwriting firm purchase or option, negotiation or any other way in Group Companies or other companies being in the same line of business, and generally to hold, manage, develop, sell or dispose of the same, in whole or in part, for such consideration as the Company may think fit. The Company may further grant to, or for the benefit of, any holding company, subsidiary, or fellow subsidiary, or any other company associated in any way with Group Companies, any assistance such as pledges, loans, advances or guarantees. The Company may borrow and raise money in any manner for the purpose of its investment in Group Companies and secure the repayment of any money borrowed. The Company may further borrow funds and issue bonds and other securities to a limited number of subscribers. The Company can perform all commercial, technical and financial operations, connected directly or indirectly in all areas as described above in order to facilitate the accomplishment of its purpose.

The Company prepares consolidated accounts and files these accounts with the Luxembourg Trade Registry.

The accounting year begins on January 1 and ends on December 31.

The Company is listed on the Prime Standard of the Frankfurt Stock Exchange and trades under the symbol "SFQ" (ISIN: LU0307018795). The shares of the Company have been included in the SDAX since 2010.

Notes to the annual accounts (continued)
As at 31 December 2014

Note 2 - Summary of significant accounting policies

The Company maintains its books in Euro ("EUR") and the annual accounts have been prepared in conformity with legal and regulatory requirements in Luxembourg as well as with generally accepted accounting principles in Luxembourg including the following significant accounting policies.

The annual accounts of SAF-HOLLAND S.A. are prepared under the assumption that the Company is a going concern.

a) Formation expenses

The formation expenses, which include the fees and costs for the incorporation and capital increases of the Company, are directly charged to the profit and loss account of the year in which they are incurred.

b) Tangible assets

Tangible assets are accounted for at their acquisition costs plus associated acquisition costs. The other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over 4 years. Write-downs are recorded if, in the opinion of the directors, there is a permanent impairment in value.

c) Financial assets and dividends

Financial assets are stated at historical acquisition cost. Write-downs are recorded if, in the opinion of management, a permanent impairment in value has occurred. Dividends receivable from affiliated undertakings are recognised in the period in which they are declared by the entity. However dividends receivable from affiliated undertakings may be recognised in the profit and loss account in the period in which the subsidiary proposes their allocation of profits, if the following conditions are met:

- the Company is the sole shareholder of the entity and controls it;
- the Company and the subsidiary entities form a group;
- the financial year ends of the two entities coincide;
- the annual accounts of the subsidiary for the financial year in question were approved by the Annual General Meeting before the approval of the annual accounts of the parent company;
- the annual accounts of the subsidiary, for the financial year in question, show that the subsidiary appropriated profits to the Company and;
- the annual accounts of the subsidiary show a true and fair view of the financial position and of the results of its operations for the financial year concerned.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 2 - Summary of significant accounting policies (continued)

d) Receivables, cash at banks and debts

Receivables, cash at banks, and debts are stated at their nominal value less allowance for doubtful accounts.

e) Foreign currency translation

Monetary assets and liabilities stated in currencies other than EUR are translated at the exchange rates prevailing at the balance sheet date. Income and expenses denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Realised and unrealised exchange losses and realised exchange gains are recorded in the profit and loss account.

Note 3 - Shares in affiliated undertakings (In EUR)

As of December 31, 2014 and 2013, the Company held the following participation:

Name of the Company	Country	% of ownership	Acquisition cost		Value adjustment		Shareholders equity	
			2014	2013	2014	2013	2014	2013
SAF-HOLLAND GmbH	Germany	100%	265,638,381	265,638,381	-	-	93,682,494	84,946,970

The shareholders equity disclosed above includes the profit for the period ended December 31, 2014 amounting to EUR 21,235,524 (2013: profit amounting to EUR 13,652,812).

On March 12, 2013, the Company contributed into the free capital reserves of SAF-HOLLAND GmbH by an amount of EUR 19,000,000.

SAF-HOLLAND GmbH decided to distribute a dividend for the year 2014 to the Company for an aggregate amount of EUR 17,000,000 (2013: EUR 12,500,000). The dividend receivable has been booked in the amounts owed by affiliated undertakings (note 5).

As of December 31, 2014, in the opinion of the Directors, no impairment is deemed to be necessary.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 4 - Financial fixed assets - Amounts owed by affiliated undertakings (in EUR)

On October 31, 2012, the Company granted a loan amounting to EUR 73,660,417 to SAF-HOLLAND GmbH. The loan is repayable on April 26, 2018 but can be prepaid partially or fully before maturity date without penalty. During the year this loan was amended to reduce the annual interest rate from 8.3% to 4.62% starting from October 1, 2014. On October 31, 2013, the loan was partially reimbursed for an amount of EUR 42,893,803 under an assignment agreement entered into between the Company and SAF-HOLLAND GmbH. As of December 31, 2014, the outstanding nominal of the loan amounted to EUR 30,766,614 (2013: EUR 30,766,614).

On October 31, 2013, the Company granted a loan amounting to EUR 42,893,803 to SAF-Holland Inc. This loan is repayable on April 26, 2018 but can be prepaid partially or fully before maturity date without penalty. During the year, this loan was amended to reduce the annual interest rate from 8.3% to 4.62% starting from October 1, 2014. As of December 31, 2014, the outstanding nominal of the loan amounted to EUR 42,893,803 (2013: 42,893,803).

On January 29, 2015, the Company entered into an amendment agreement with SAF Holland Inc. in order to cancel the capitalization of the annual unpaid interest with effect on April 25, 2014 and to organise monthly payment of the interest with effect from January 1, 2015.

On October 1, 2014, the Company granted a loan amounting to EUR 99,448,500 to SAF-Holland GmbH, bearing an annual interest rate of 4.62% and repayable on September 12, 2020. This loan can be prepaid partially or fully before maturity date without penalty. As of December 31, 2014, the outstanding nominal of the loan amounted to EUR 99,448,500.

Interest income for the year on the above three loans amounting to EUR 6,960,139 (2013: EUR 6,311,823) has been classified in the line item "income from financial fixed assets - derived from affiliated undertakings".

The accrued and unpaid interest amounting to EUR 3,809,493 as of December 31, 2014 (2013: 2,492,824) are classified in the line item "Debtors – Amounts owed by affiliated undertakings becoming due and payable within one year". In addition, interest in the amount of EUR 2,765,093 (2013: 1,970,006) have been capitalized during the year and added to the principal amount of the loans.

Note 5 - Debtors - Amounts owed by affiliated undertakings (in EUR)

On May 2009, the Company entered into a facility loan agreement with SAF-HOLLAND GmbH for a total amount of EUR 9,550,000. During the year, this loan was amended to reduce the annual interest rate from 8.3% to 4.62% starting from October 1, 2014. This loan has no fixed repayment date. As of December 31, 2014, the outstanding nominal of the loan amounted to EUR 5,359,202 (2013: EUR 8,343,834).

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 5 - Debtors - Amounts owed by affiliated undertakings (continued) (in EUR)

On November 15, 2011, the Company granted a loan amounting to EUR 5,785,779 to SAF-HOLLAND GmbH. During the year, this loan was amended to reduce the annual interest rate from 8.3% to 4.62% starting from October 1, 2014. This loan has no fixed repayment date and can be paid back totally or in parts. As of December 31, 2014, the outstanding nominal of the loan amounted to EUR 10,413,083 (2013: EUR 10,413,083).

The total interest for the year of these loans amounting to EUR 1,402,048 (2013: EUR 1,942,875) has been classified in the line item "income from financial current assets - derived from affiliated undertakings".

The accrued and unpaid interest amounted to nil as of December 31, 2014 (2013: nil).

As of December 31, 2014, the Company recorded a dividend receivable for the year 2014 from SAF-HOLLAND GmbH in the amount of EUR 17,000,000 which is also included under the item "Income from financial fixed assets – derived from affiliated undertakings" of the profit and loss account.

Note 6 - Capital and reserves (in EUR)

Movements for the year on the capital and reserve items

	Ordinary shares	Subscribed capital (in EUR)	Share premium (in EUR)	Legal reserve (in EUR)	Other reserve (in EUR)	Profit or loss brought forward (in EUR)	Profit or loss for the financial year (in EUR)
As of 01.01.2014	45,361,112	453,611	276,455,231	21,742	436,275	6,916,770	13,272,466
Appropriation of profit or loss							
- Dividend distribution in 2014	-	-	-	-	-	(12,247,500)	-
- Allocation of prior year result	-	-	-	23,619	-	13,248,846	(13,272,466)
Profit for the year ended December 31, 2014	-	-	-	-	-	-	17,026,257
As of 31.12.2014	45,361,112	453,611	276,455,231	45,361	436,275	7,918,116	17,026,257

a) Subscribed capital

As of December 31, 2014, the share capital of the Company amounted to EUR 453,611 (2013: EUR 453,611) represented by 45,361,112 ordinary shares with a par value of EUR 0.01, fully paid-in.

During the year the Company did not acquire any of its own shares.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 6 - Capital and reserves (continued) (in EUR)

b) Legal reserve

Under Luxembourg law, an amount equal to at least 5% of the net profit must be allocated annually to a legal reserve until such reserve equals to 10% of the share capital. This reserve is not available for dividend distribution.

c) Other reserves

On April 28, 2011, the Annual General Meeting resolved to allocate an amount of EUR 232,525 to a special reserve in order to reduce the net worth tax liability of the Company for the year 2010.

On April 26, 2012, the Annual General Meeting resolved to allocate an amount of EUR 203,750 to a special reserve in order to reduce the net worth tax liability of the Company for the year 2011.

The special reserve is based on article 5, 1°, par. 8a of net worth tax law. The reserve amounts to five times the annual net worth tax deducted from the corporate income tax, and is not distributable for five years subsequent to the year in which the deduction was made.

As of December 31, 2014, the restricted position of "other reserves" is as follows:

	Restricted reserve
	EUR
Allocation for 2010 net worth tax reduction	232,525
Allocation for 2011 net worth tax reduction	203,750
Restricted reserve as of 31.12.2014	436,275

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 7 - Debenture loans (in EUR)

a) Convertible loans

On September 12, 2014, within the scope of a private placement, the Company issued an unsecured senior convertible bond with SAF-HOLLAND S.A. share conversion rights. The convertible bonds have an original issue volume of EUR 100,200,000, a term of six years (maturity: September 12, 2020) and an interest coupon of 1.0% per annum, payable semi-annually in arrears on March 12 and September 12.

The conversion right can generally be exercised at any time within the period from October 23, 2014 to September 3, 2020 in accordance with the terms and conditions of the convertible bonds at a fixed conversion price in the amount of EUR 12.37 initially.

The Company is entitled to cancel and make early repayment on all outstanding convertible bonds, if the aggregate principle amount of the outstanding convertible bonds at any time falls 15% below the aggregate nominal amount of the originally issued convertible bond. In addition, the Company is entitled, as from September 27, 2018, to repay the entire convertible bonds at the nominal amount including the interest accumulated to date, if the share price exceeds the respectively valued conversion price by at least 30% on at least 20 of 30 sequential trading days.

The fees and expenses in connection with the bonds issued are recorded as prepaid expenses under the line item "Prepayments" and are amortized over the life of the bonds.

As of December 31, 2014, the principal of the issued bonds amounted to EUR 100,200,000 and the accrued and unpaid interest amounted to EUR 304,718.

The total interest for the year on the bonds amounting to EUR 304,718 has been classified in the line item "interest and other financial charges – other interest and similar financial charges".

b) Non convertible loans

On October 31, 2012, the Company issued bonds for a total amount of EUR 75,000,000 in the "Prime Standard" segment for corporate bonds of the Deutsche Börse (ISIN DE 000A1HA979/WKNA1HA97). The bonds have an annual coupon rate of 7% and will reach maturity on April 26, 2018.

The bonds are guaranteed by SAF-HOLLAND GmbH and SAF-HOLLAND USA, Inc.

The fees and expenses in connection with the bonds issued are recorded as prepaid expenses under the line item "Prepayments" and are amortized over the life of the bonds.

As of December 31, 2014, the principal of the issued bonds amounted to EUR 75,000,000 (2013: EUR 75,000,000) and the accrued and unpaid interest amounted to EUR 3,595,890 (2013: EUR 3,595,890).

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts (continued)
As at 31 December 2014

Note 7 - Debenture loans (continued) (in EUR) (continued)

The total interest for the year on the bonds amounting to EUR 5,250,000 (2013: EUR 5,250,360) has been classified in the line item "interest and other financial charges – other interest and similar financial charges".

Note 8 - Amounts owed to affiliated undertakings (in EUR)

As of December 31, 2014, amounts owed to affiliated undertakings amounted to EUR 25,825 (2013: EUR 25,363) and consist of trade creditors.

Note 9 - Taxes (in EUR)

The Company is subject to all taxes applicable to commercial companies in Luxembourg.

Note 10 - Dividends paid (in EUR)

During the year 2014, the Company distributed a dividend of EUR 0.27 per share to its shareholders for an aggregate amount of EUR 12,247,500.

Note 11 - Staff costs

As of December 31, 2014, the Company had one permanent employee (2013: 1 employee).

Note 12 - Audit fees

Art. 65 paragraph (1) 16° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditor's report thereon have been lodged with the Luxembourg Trade Registry.

Note 13 - Board of Directors' remuneration

The other operating charges included director's fees for attendance at Board and Committee meetings amounting to EUR 332,603 in 2014 (2013: EUR 275,657).

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the SAF-HOLLAND S.A. financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the company, and the company's management report includes a fair review of the development and performance of the company's business and position, together with a description of the principal opportunities and risks associated with the expected development of the company.

Luxemburg, March 19, 2015
SAF-HOLLAND S.A.

A handwritten signature in black ink, appearing to read 'B. Schneider', with a long horizontal flourish extending to the right.

Bernhard Schneider
Chairman of the Board of Directors