

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 2013
and
Independent auditor's report

Table of contents

	Pages
Independent auditor's report	1 - 2
Annual accounts	
- Balance sheet	3 - 7
- Profit and loss account	8 - 10
- Notes to the annual accounts	11 - 18

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 25 April 2013, we have audited the accompanying annual accounts of SAF-HOLLAND S.A., which comprise the balance sheet as at 31 December 2013 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 2013, 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.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé



Thierry BERTRAND

Luxembourg, 11 March 2014

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B113090

Matricule : 2005 2231 338

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2013 to ⁰² 31/12/2013 (fin 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	105
B. Formation expenses	1107	107	108
C. Fixed assets	1109	341.272.104,95	320.302.098,02
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 _____	135 <u>341.272.104,95</u>	136 <u>320.302.098,02</u>
1. Shares in affiliated undertakings	1137 _____ Note 3	137 <u>265.638.381,02</u>	138 <u>246.638.381,02</u>
2. Amounts owed by affiliated undertakings	1139 _____ Note 4	139 <u>75.630.423,93</u>	140 <u>73.660.417,00</u>
3. Shares in undertakings with which the company is linked by virtue of participating interests	1141 _____	141 _____	142 _____
4. Amounts owed by undertakings with which the company is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Securities held as fixed assets	1145 _____	145 _____	146 _____
6. Loans and claims held as fixed assets	1147 _____	147 <u>3.300,00</u>	148 <u>3.300,00</u>
7. Own shares or own corporate units	1149 _____	149 _____	150 _____
D. Current assets	1151 _____	151 <u>33.802.067,14</u>	152 <u>38.540.533,40</u>
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 _____	163 <u>33.749.743,43</u>	164 <u>38.457.621,43</u>
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 _____	171 <u>33.749.743,43</u>	172 <u>38.443.640,18</u>
a) becoming due and payable within one year	1173 _____ Note 5	173 <u>33.749.743,43</u>	174 <u>38.443.640,18</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the company 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 _____
4. Other receivables	1183 _____	183 _____	184 <u>13.981,25</u>
a) becoming due and payable within one year	1185 _____	185 _____	186 <u>13.981,25</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
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>52.323,71</u>	198 <u>82.911,97</u>
E. Prepayments	1199 _____	199 <u>1.707.052,81</u>	200 <u>2.049.180,67</u>
TOTAL (ASSETS)		201 <u>376.781.224,90</u>	202 <u>360.891.812,09</u>

RCSL Nr.: B113090

Matricule: 2005 2231 338

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>Note 6</u>	301 <u>297.556.094,78</u>	302 <u>284.283.628,80</u>
I. Subscribed capital	1303 _____	303 <u>453.611,12</u>	304 <u>453.611,12</u>
II. Share premium and similar premiums	1305 _____	305 <u>276.455.231,13</u>	306 <u>276.455.231,13</u>
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>458.016,90</u>	310 <u>458.016,90</u>
1. Legal reserve	1311 _____	311 <u>21.741,90</u>	312 <u>21.741,90</u>
2. Reserve for own shares or own corporate units	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves	1317 _____	317 <u>436.275,00</u>	318 <u>436.275,00</u>
V. Profit or loss brought forward	1319 _____	319 <u>6.916.769,65</u>	320 <u>9.538.254,56</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>13.272.465,98</u>	322 <u>-2.621.484,91</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
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>79.225.130,12</u>	340 <u>76.608.183,29</u>
1. Debenture loans	1341 _____	341 <u>78.595.890,41</u>	342 <u>75.891.780,82</u>
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____
b) Non convertible loans	1349 <u>Note 7</u>	349 <u>78.595.890,41</u>	350 <u>75.891.780,82</u>
i) becoming due and payable within one year	1351 _____	351 <u>3.595.890,41</u>	352 <u>891.780,82</u>
ii) becoming due and payable after more than one year	1353 _____	353 <u>75.000.000,00</u>	354 <u>75.000.000,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

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. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>118.392,67</u>	368 <u>211.586,14</u>
a) becoming due and payable within one year	1369 _____	369 <u>118.392,67</u>	370 <u>211.586,14</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>25.363,00</u>	380 <u>37.940,12</u>
a) becoming due and payable within one year	1381 _____ Note 8	381 <u>25.363,00</u>	382 <u>37.940,12</u>
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Tax and social security debts	1391 _____	391 <u>209.826,51</u>	392 <u>199.663,10</u>
a) Tax debts	1393 _____ Note 9	393 <u>205.524,78</u>	394 <u>196.528,46</u>
b) Social security debts	1395 _____	395 <u>4.301,73</u>	396 <u>3.134,64</u>
9. Other creditors	1397 _____	397 <u>275.657,53</u>	398 <u>267.213,11</u>
a) becoming due and payable within one year	1399 _____	399 <u>275.657,53</u>	400 <u>267.213,11</u>
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
E. Deferred income	1403 _____	403 _____	404 _____
TOTAL (LIABILITIES)		405 <u>376.781.224,90</u>	406 <u>360.891.812,09</u>

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

Annual Accounts Helpdesk:

Tel. : (+352) 247 88 494
 Email : centralebilans@statec.etat.lu

RCSL Nr.: B113090

Matricule: 2005 2231 338

eCDF entry date:

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2013 to ⁰² 31/12/2013 (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>1.535.511,60</u>	604 <u>3.867.321,63</u>
3. Staff costs	1605 _____	605 <u>60.415,57</u>	606 <u>53.813,40</u>
a) Salaries and wages	1607 _____	607 <u>53.795,30</u>	608 <u>47.899,66</u>
b) Social security on salaries and wages	1609 _____	609 <u>6.620,27</u>	610 <u>5.913,74</u>
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 <u>59,82</u>
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 <u>59,82</u>
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 _____	621 <u>444.219,83</u>	622 <u>542.975,91</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>5.250.712,10</u>	628 <u>892.211,42</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 _____ <u>Note 7</u>	631 <u>5.250.712,10</u>	632 <u>892.211,42</u>
9. Extraordinary charges	1633 _____	633 _____	634 _____

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
10. Income tax	1635 <u>Note 9</u>	635 <u>3.210,00</u>	636 <u>1.473,21</u>
11. Other taxes not included in the previous caption	1537 <u>Note 9</u>	637 <u>188.225,00</u>	638 <u>93.090,00</u>
12. Profit for the financial year	1639 _____	639 <u>13.272.465,98</u>	640 <u>0,00</u>
TOTAL CHARGES		641 <u>20.754.760,08</u>	642 <u>5.450.945,39</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 _____	706 _____
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>18.811.823,52</u>	716 <u>1.052.934,74</u>
a) derived from affiliated undertakings	1717 <u>Note 4</u>	717 <u>18.811.823,52</u>	718 <u>1.052.934,74</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 <u>1.942.875,18</u>	722 <u>1.776.326,06</u>
a) derived from affiliated undertakings	1723 <u>Note 5</u>	723 <u>1.942.875,18</u>	724 <u>1.776.326,06</u>
b) other income from financial current assets	1725 _____	725 _____	725 _____
8. Other interest and other financial income	1727 _____	727 <u>61,38</u>	728 <u>199,68</u>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 <u>61,38</u>	732 <u>199,68</u>
9. Extraordinary income	1733 _____	733 _____	734 _____
12. Loss for the financial year	1735 _____	735 <u>0,00</u>	736 <u>2.621.484,91</u>
TOTAL INCOME		737 <u>20.754.760,08</u>	738 <u>5.450.945,39</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
31 December 2013

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.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

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
31 December 2013

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.

f) Comparative figures

Certain items of the balance sheet as of December 31, 2012 have been reclassified to ensure the comparability with the figures as of December 31, 2013.

Note 3 - Shares in affiliated undertakings (in EUR)

As of December 31, 2013 and 2012, the Company held the following participation:

Name of the Company	Country	% of ownership	Acquisition cost		Value adjustment		Shareholders equity	
			2013	2012	2013	2012	2013	2012
SAF-HOLLAND GmbH	Germany	100%	265,638,381	246,638,381	-	-	84,946,970	52,294,158

The shareholders equity disclosed above includes the profit for the period ended December 31, 2013 amounting to EUR 13,652,812 (2012: profit amounting to EUR 2,735,344).

On March 12, 2013, the Company contributed into the free capital reserves of SAF-HOLLAND GmbH by an amount of EUR 19,000,000 (note 5).

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

As of December 31, 2013, in the opinion of the Directors, no impairment is deemed to be necessary.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

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 bearing an annual interest rate of 8.3% and repayable on April 26, 2018. The loan can be prepaid partially or fully before maturity date without penalty. On October 31, 2013, the loan has been 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, 2013, the outstanding nominal of the loan amounted to EUR 30,766,614 (2012: EUR 73,660,417).

On October 31, 2013, the Company granted a loan amounting to EUR 42,893,803 to SAF-Holland Inc. bearing an annual interest rate of 8.3% and repayable on April 16, 2018. This loan can be prepaid partially or fully before maturity date without penalty. As of December 31, 2013, the outstanding nominal of the loan amounted to EUR 42,893,803 (2012: nil).

Interest income for the year on the above two loans amounting to EUR 6,311,824 (2012: EUR 1,052,935) has been classified in the line item "income from financial fixed assets - derived from affiliated undertakings".

The accrued and unpaid interest amounted to EUR 2,492,825 as of December 31, 2013 (2012: nil). In addition, interest in the amount of EUR 1,970,007 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. This loan was amended to convert the annual interest rate amounting to 10.3% into 8.3% starting from January 1st 2011. This loan has no fixed repayment date. As of December 31, 2013, the outstanding nominal of the loan amounted to EUR 8,343,835 (2012: EUR 8,343,835).

On November 15, 2011, the Company granted a loan amounting to EUR 5,785,779 to SAF-HOLLAND GmbH bearing an annual interest rate of 8.3%. This loan has no fixed repayment date and can be paid back totally or in parts. As of December 31, 2013, the outstanding nominal of the loan amounted to EUR 10,413,083 (2012: EUR 10,413,083).

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

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

On December 6, 2012, the Company granted a new loan amounting to EUR 19,686,722 to SAF-HOLLAND GmbH bearing an annual interest rate amounting to 8.3%. On March 12, 2013, a partial amount of the loan has been converted as free capital reserves of SAF-HOLLAND GmbH for a total amount of EUR 19,000,000. As of December 31, 2013, this loan has been totally repaid and amounted to nil (2012: EUR 19,686,722).

The total interest for the year of all these loans amounting to EUR 1,942,875 (2012: EUR 1,776,326) 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, 2013 (2012: nil).

As of December 31, 2013, the Company recorded a dividend receivable for the year 2013 from SAF-HOLLAND GmbH in the amount of EUR 12,500,000 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 01.01.2013	45,361,112	453,611	276,455,231	21,742	436,275	9,538,255	(2,621,485)
Allocation of result	-	-	-	-	-	(2,621,485)	2,621,485
Result 2013	-	-	-	-	-	-	13,272,466
As of 31.12.2013	45,361,112	453,611	276,455,231	21,742	436,275	6,916,770	13,272,466

a) Subscribed capital

As of December 31, 2013, the share capital of the Company amounted to EUR 453,611 (2012: EUR 453,611) represented by 45,361,112 (2012: 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.

b) Share premium and similar premiums

As of December 31, 2013, the share premium amounted to EUR 276,455,231 (2012: EUR 276,455,231).

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

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

c) 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.

d) 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, 2013, 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 31.12.2013	436,275

Note 7 - Debenture loans (in EUR)

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.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

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

The fees and expenses in connection with the new bonds issue are recorded as deferred costs under the line item "Prepayments" and are amortized over the life of the bonds.

As of December 31, 2013, the principal of the issued bonds amounted to EUR 75,000,000 (2012: EUR 75,000,000) and the accrued and unpaid interest amounted to EUR 3,595,890 (2012: EUR 891,781).

The total interest for the year on the bonds amounting to EUR 5,250,360 (2012: EUR 891,781) 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, 2013, amounts owed to affiliated undertakings amounted to EUR 25,363 (2012: EUR 37,940) 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)

No dividend paid to the shareholders during the years 2012 and 2013.

Note 11 - Staff costs

As of December 31, 2013, the Company had one permanent employee (2012: 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.

SAF-HOLLAND S.A.
Société anonyme

Notes to the annual accounts
31 December 2013

Note 13 - Board of Directors' remuneration

The other operating charges included directors fees for attendance at Board and Committee meetings amounting to EUR 275,658 in 2013 (2012: EUR 259,651).

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, April 14, 2014

SAF-HOLLAND S.A.

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

Bernhard Schneider

Chairman of the Board of Directors