SAF-HOLLAND

Speech from Detlef Borghardt, CEO,

for the Annual General Meeting on April 26, 2012

Chart 1

Dear shareholders and shareholder representatives, ladies and gentlemen, on behalf of the Management Board I would like to welcome you to the Annual General Meeting of SAF-HOLLAND S.A..

Let's get to the most important thing first: for SAF-HOLLAND, 2011 was a successful year with profitable growth. Not only did we reach the sales and earnings goals we set for ourselves, we exceeded them. Our position in the market for components and systems for trucks and trailers was sustainably strengthened. At the same time, we established the key conditions for positive further development with promising prospects.

Let there be no doubt: our company has made a significant step forward in recent months. A short time ago the business press proclaimed: "SAF-HOLLAND is moving onto the fast lane". And they were right. We have most certainly picked up speed. And we are not only moving forward quickly, but most importantly also reliably. Because on top of our traditional competitive advantages, we have added a significantly optimized financial profile – with a higher equity ratio, improved financial structures and greater financial strength. It therefore makes sense that "Reliable on the Road" should serve as the theme of our Annual Report 2011. A motto that is also valid for our customers who, day after day, can trust in the quality of our products.

Reliability and quality are among our most important strengths. But there are many factors that set SAF-HOLLAND apart.

Chart 2

There is, first of all, our very good position in attractive markets around the world. SAF-HOLLAND is at home wherever markets are growing dynamically and technical innovations are increasingly in demand.

The global service network is also a special trump card. It ensures fleet operators have local support. And for SAF-HOLLAND, it is a unique selling proposition in the market which in many ways clearly differentiates us from the competition.

The strength of our brand is also convincing. Globally, SAF-HOLLAND is recognized as an industry leader with regard to quality, technology and value. Recognition that makes us proud and gives us cause to further upgrade the brand in the future.

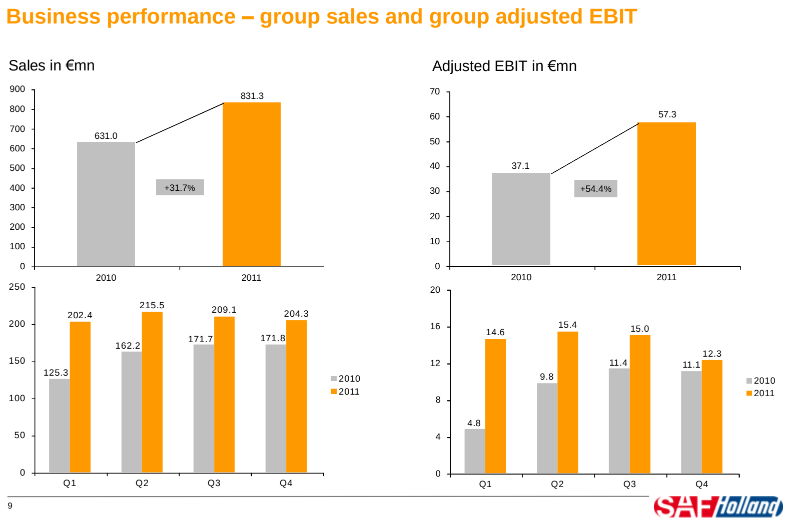
Reputation and renown must be reflected in the business development. This is the case at SAF-HOLLAND – with positive sales growth and a strong cash flow management.

The positive business development is founded on our broad customer basis with customer relationships that are as trusting as they are longstanding. SAF-HOLLAND products are frequently the first choice among OEMs and fleet operators.

And, not least, SAF-HOLLAND can traditionally build on a management team that identifies with the company and whose personal commitment often goes well beyond the norm. This of course also applies to our employees, whose particular commitment contributes significantly to the success of the company. Here I would like to once again express my sincere appreciation.

In 2011, ladies and gentlemen, we again put the advantages of SAF-HOLLAND into play. They formed the key conditions for the further expansion of our market position.

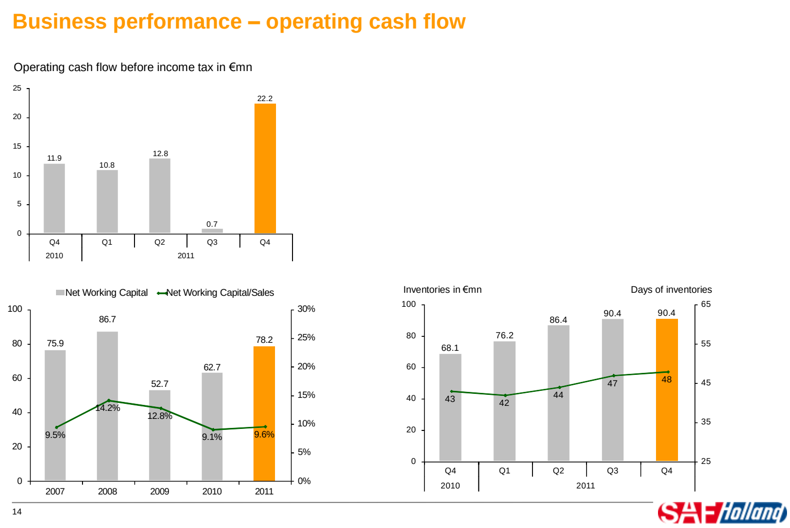
Chart 9



With regard to the Group, sales in the past year increased by an impressive 31.7 percent to 831.3 million euros. We have thus come quite a bit closer to the goal of one billion euros sales. The business volumes in all four quarters were substantially higher than the figures for the previous year.

Adjusted EBIT showed an even stronger increase than sales. It rose by 54.4 percent to 57.3 million euros. Adjusted earnings per share increased from 0.14 euros to 0.75 euros. And that although the number of shares outstanding nearly doubled as a result of the capital increase. The prior year figures were also exceeded in all four quarters on the earnings side. The comparatively slightly lower difference in the fourth quarter was the result of seasonal effects like site closures over Christmas, New Years Day and Thanks Giving in North America.

Chart 14

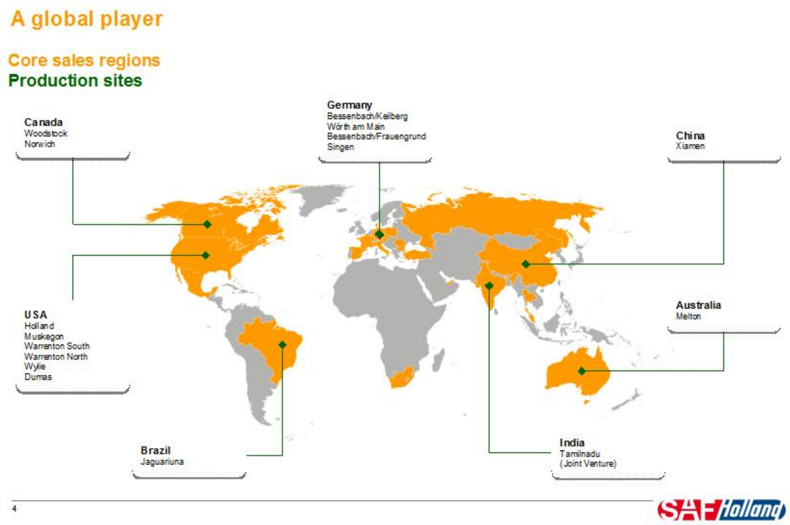


The cash flow from operating activities in the reporting year reached 46.5 million euros after 46 million euros in the previous year. As you can see from the chart, there are significant differences in quarters three and four. The low figure from the third quarter resulted from the ending of a customer discount program which burdened cash flow in this quarter by 12 million euros. Conversely, advance payments from customers led to a disproportionate increase in the fourth quarter.

Net working capital of 78.2 million euros amounted to 9.6 percent of annual sales. In 2011, it was thus possible to meet the goal we set for ourselves of keeping net working capital in relation to sales at under 10 percent

We are seeking to keep day inventory outstanding at less than 47 days. In 2011, days inventory outstanding averaged 48 days. One factor here was the fact that we had to maintain greater inventories as a result of the higher business volume and temporary delivery bottlenecks at our suppliers.

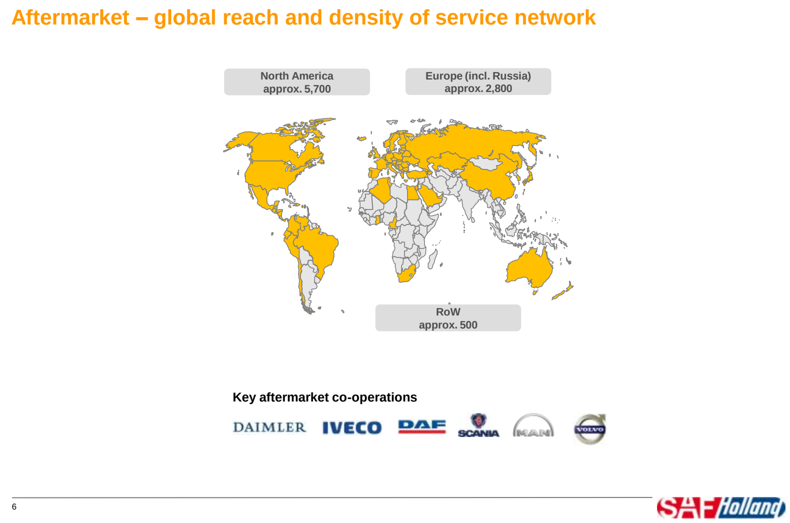
Chart 4



SAF-HOLLAND, ladies and gentlemen, is a global player. A quick look at a map of the world clearly shows why, in our industry, we are among the suppliers with the greatest geographic diversification: with 31 branches and 16 production facilities, the company is represented on five continents.

The range of products offered in the markets in which we are active varies and is geared toward the relevant country-specific needs. The focus in Brazil, for example, is on fifth wheels as well as suspension systems and axle systems for trailers. In China, on the other hand, we are present with axle systems and landing legs for trailers.

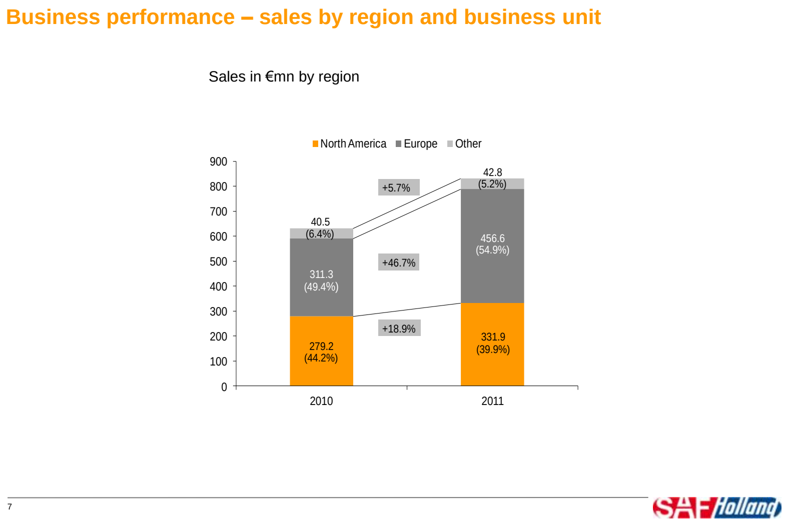
Chart 8



We also have a strong presence in the international aftermarket business. We have a total of more than 9,000 independent support sites in more than 30 countries. This tight network is unique to the industry and offers end customers in every country in the world spare part security and regional support. In this area, we have maintained trusting relationships to companies like Daimler, Scania and MAN for many decades.

Let us take a closer look at the development in the individual regions:

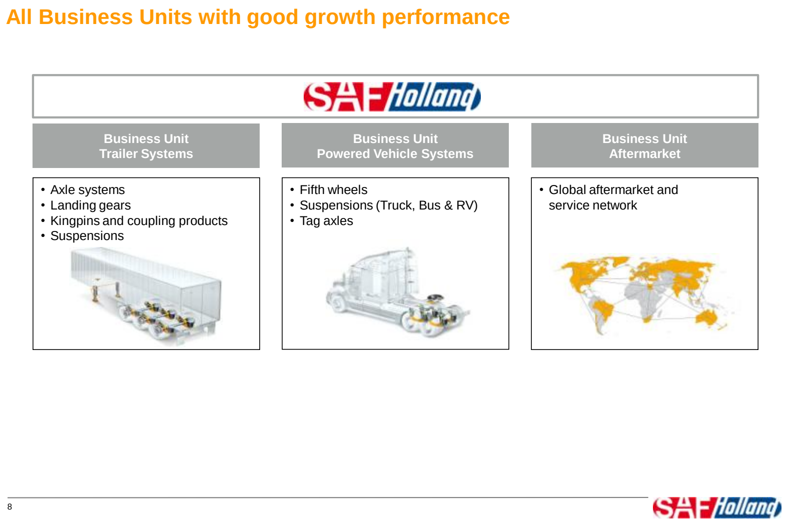
Chart 10



In the European core market, sales increased by an impressive 46.7 percent to 456.6 million euros. Europe's share of total sales therefore increased to nearly 55 percent. In North America, business grew by 18.9 percent to 331.9 million euros. About 40 percent of Group sales was thus generated in this region.

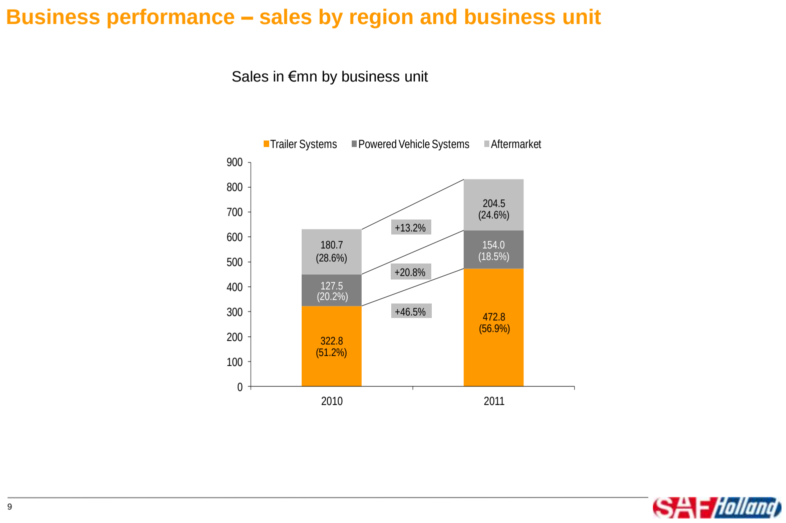
We are complementing the strong position in the established markets in Europe and North America with our commitment in the emerging markets of Brazil, Russia, India and China. These activities, summarized under the position "Other", are now generating a sales contribution in the amount of 42.8 million euros.

Chart 3



Ladies and gentlemen, as shareholders of SAF-HOLLAND, you are familiar with our three business units. The Trailer Systems Business Unit produces axle and suspension systems, kingpins and landing legs for trailers. The Powered Vehicle Systems Business Unit manufactures fifth wheels and axle suspension systems for trucks and buses. And, as a partner to freight forwarders and fleet operators, the Aftermarket Business Unit ensures the supply of spare parts.

How did these three segments develop in 2011?



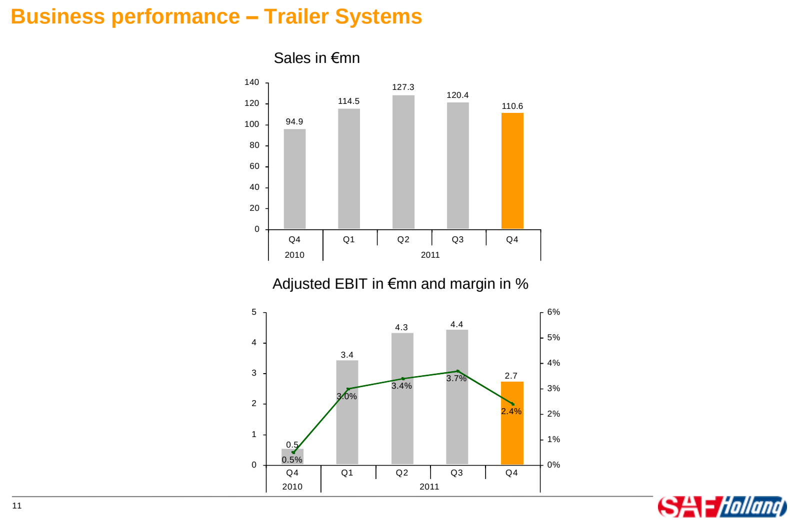
The Trailer Systems Business Unit made the biggest leap forward. Here sales increased by a strong 46.5 percent to 472.8 million euros. This means that nearly 57 percent of Group sales are generated in this area.

The Powered Vehicle Systems Business Unit expanded its business by 20.8 percent to 154.0 million euros and thus contributed 18.5 percent of total sales last year.

In the aftermarket business, sales grew by 13.2 percent to 204.5 million euros. It thus continues to be our second biggest business unit, contributing approximately one quarter of Group sales.

On the following charts we have broken down the sales and earnings development in the three business units by quarter.

Chart 11



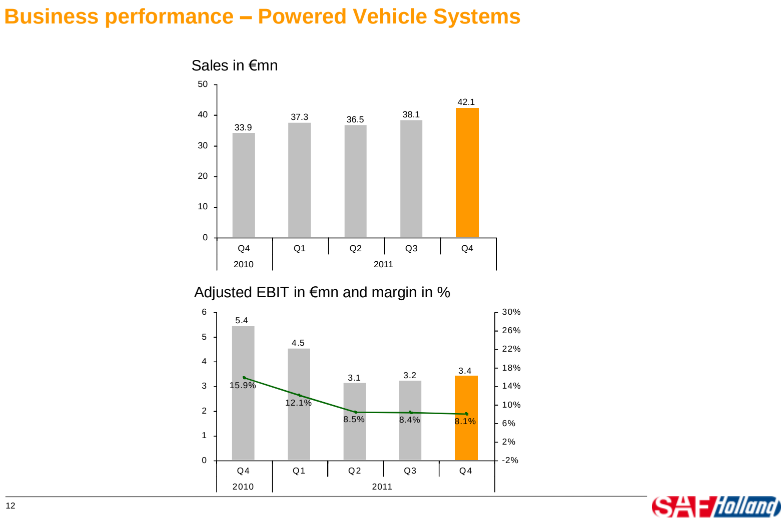
The Trailer Systems Business Unit recorded strong sales primarily in the second quarter. One reason for this was the strong market demand especially in Europe and the increase of production.

In North America we launched new suspension systems in North America. They were introduced in spring 2011 at the Mid-America Trucking Show. We now offer our complete product family with air suspension systems for trailers. Supported by the broader product range, we intend in the coming years to double Trailer System's market share for axle and suspension systems in this market.

Adjusted EBIT in the Trailer Systems Business Unit increased for the full-year from minus 9.0 to 14.8 million euros. As a result, the adjusted EBIT margin progressed to 3.1 percent, but remained below our expectations, a fact that is attributable primarily to higher raw materials prices.

In a comparison of the quarters, the fourth quarter reflects effects from lower production volumes due to the holidays and Christmas vacation.

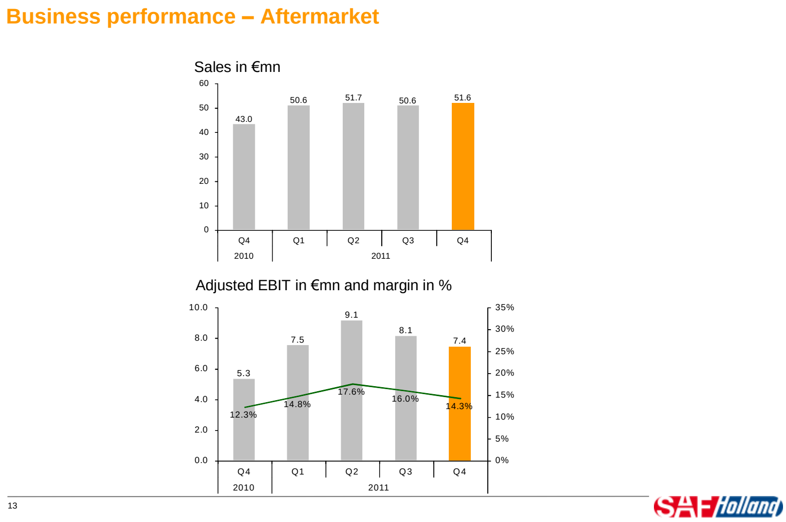
Chart 12



The Powered Vehicle Systems Business Unit grew at a nearly constant rate. The fourth quarter was particularly strong with sales growth of a good 24 percent as compared to the same period in the previous year.

Adjusted EBIT for the full-year decreased from 22.4 to 14.2 million euros. This was due mainly to the planned phasing out of an unusually profitable project in North America. The profitability of the business unit returned to normal levels as a result. With an adjusted EBIT of more than 9 percent of sales, the business unit continues to be profitable. In addition, we will be launching a new range of suspension systems for special vehicles on the market at the end of 2012. This will give an additional boost to earnings development.

Chart 13

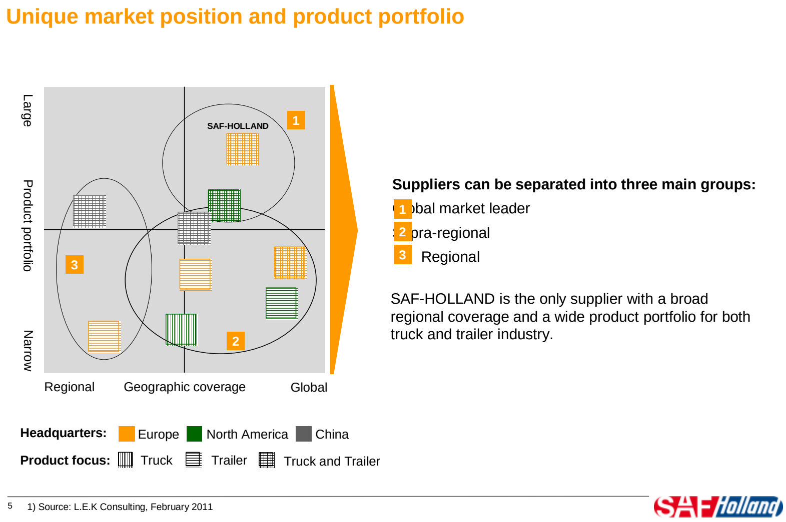


The Aftermarket Business Unit once again recorded an extremely stable business development in a quarter on quarter basis. Adjusted EBIT increased at a rate greater than sales, growing by nearly 24 percent for the full year to 32.1 million euros. The adjusted EBIT margin in 2011 rose to 15.7 percent, the gross margin to 39.6 percent.

Profitability in the third and fourth quarters – as you can see here – was slightly weaker, which was due to material bottlenecks in North America.

As a result of the generally very pleasing business development of SAF-HOLLAND, the position in the global market was once again expanded.

Chart 5



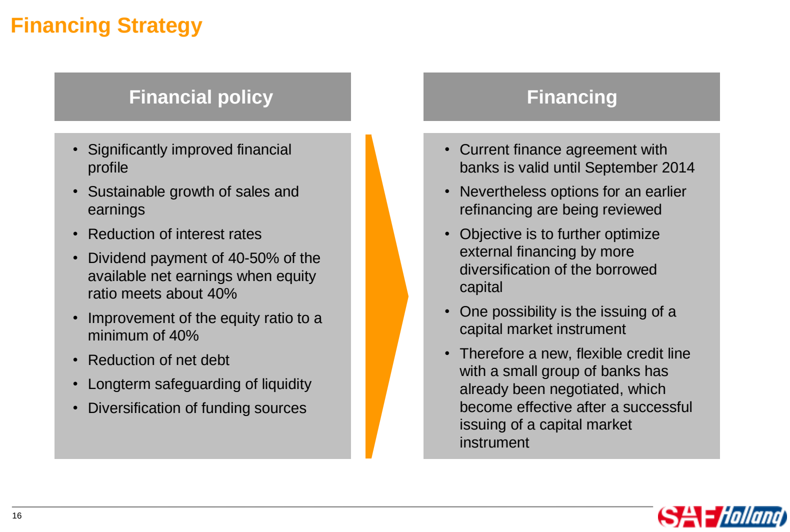
In Europe we are one of the top two leading suppliers of axles and axle systems for trailers as well as for fifth wheels. In North America, SAF-HOLLAND is number one for fifth wheels, kingpins and landing legs. In terms of suspension systems and axles for trailers, we are the third largest suppler in the North American market.

This graph gives you an idea of our outstanding position: SAF-HOLLAND is the only provider in the industry that has both a strong international presence and a broad product range. This gives us a particular competitive edge.

For the coming financial years, ladies and gentlemen, we have even bigger plans and in financial year 2011 we laid the key operational groundwork for the achievement of these objectives.

Aftermarket for example: this business unit scored with higher profitability and broad independence from economic cycles, giving it stability and reliability. The medium-term objective therefore is to increase the business unit's contribution to Group sales to 30 percent. To achieve this, in 2011 we further expanded the service network in core markets and emerging countries. The subsidiary that were founded in the reporting year in Dubai as well as the expansion of the product range to include thrid-party products and an A2 brand also contribute to the expansion.

A very important topic is the restructuring of the financing which was started in the past year.



Key aspects of SAF-HOLLAND's finance strategy include a broad independence, monetary flexibility and financial strength for further growth.

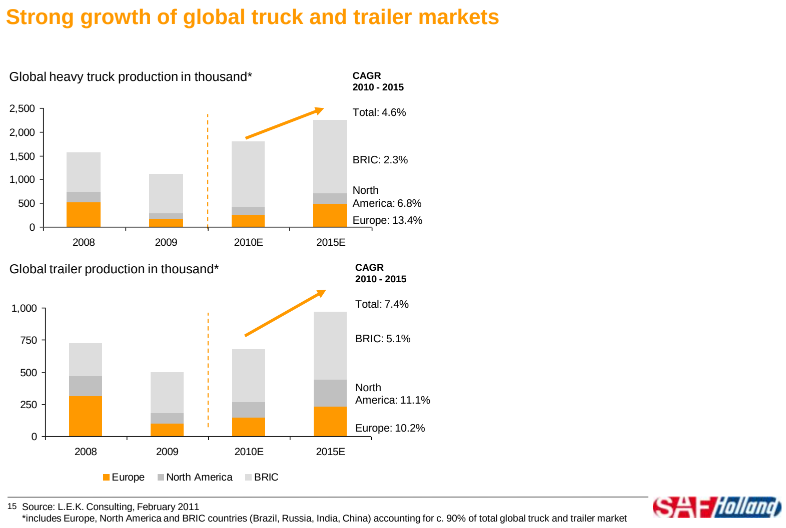
On this slide you can see the most important components of our financial policy. They extend from an increase in the equity ratio to a reduction of financing costs and a wider distribution of the creditor basis.

With the capital increase, our company in 2011 established the scope necessary for initial substantial improvements. The inflow of new funds was used primarily to reduct net debt. About 139 million euros was used for the repayment of bank loans. As a result of these measures, net debt was decreased by 47.2 percent and the equity ratio was increased by about 36 percent.

Within the framework of the successful capital increase, agreements with the banking syndicate also took effect which led to more favorable conditions for the existing credit lines. Both initiatives mean substantial interest savings for SAF-HOLLAND.

What's next? I can tell you this much in advance: SAF-HOLLAND is well-equipped for the future and is active in a market with a promising outlook.

Chart 6



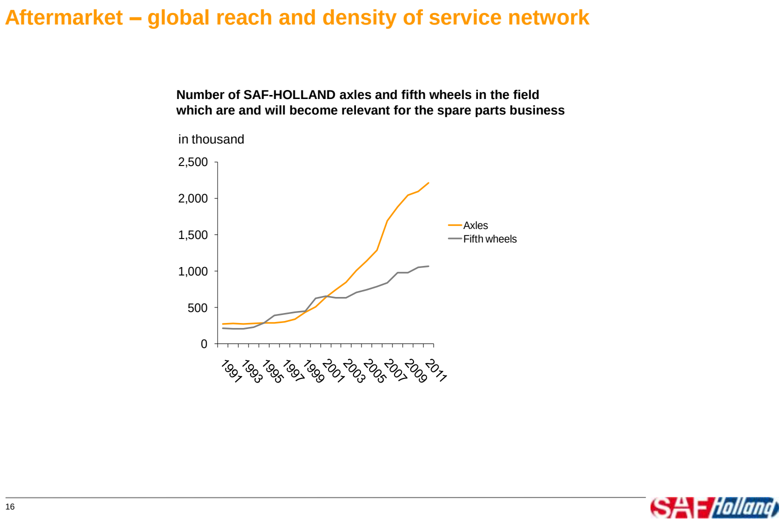
As you can see on this slide, continued growth is expected for the global truck and trailer markets. The two graphs cover the period until 2015. - And after that?

There are many reasons to believe that our market offers excellent opportunities, also in the long-term – just think of the rapid growth in the world's population. Today, there are 7 billion people in the world. By 2020 that number is expected to increase to 9.2 billion – nearly one third more than today. This means that from year to year more people must be supplied with goods – and that primarily by truck.

Impetus for growth is also provided by the strong global tendency toward greater sustainability. In order to reduce emissions, more energy-efficient and lighter trucks are in demand. This gives our business a boost. As do the safety requirements that are becoming increasingly strict – in relation to braking distances, for example.

All of these developments spur our original equipment business and thus also the development of the Aftermarket Business Unit. Because the trucks and trailers that are equipped with our products must also be maintained.

Chart 8



The decisive factor for the service and spare parts business of the Aftermarket Business Unit is the number of our axles and fifth wheels in the field. It is a number that is constantly rising. The number of axles from SAF-HOLLAND already exceeded the two million mark in the past year and the number of fifth wheels grew to over one million.

Chart 17

Targets and outlook

Targets 2012	**Favorable business development in 2012 subject to financial, political and economic issues in Europe**		
Mid-term targets	• **Sales:** €1bn • **Earnings:** 10% adj. EBIT margin	• **Net Working Capital:** <10% of sales • **Capex:** < 2% of sales	
Growth Potentials	Trailer Systems **+ €100mn sales potential**	Aftermarket **+ €100mn sales potential**	BRIC Countries **+ €100mn sales potential**
	10 % adj. EBIT Margin Overproportional increase of A/M share, economies of scale and underproportional increase of overheads.		

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From today's perspective, we anticipate a favourable course of business in 2012 and 2013. The condition here is of course a corresponding fiscal, political and economic environment.

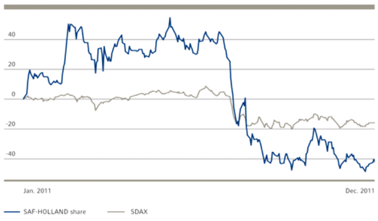
In the medium-term, we are striving to achieve group sales of one billion euros by 2015. And adjusted EBIT will amount to 10 percent of sales. We see particular growth potential in the Trailer Systems and Aftermarket Business Units as well as for our activities in the BRIC countries. For each of these we see a potential of increasing sales by up to 100 million euros.

Ladies and gentlemen, let us close by taking a look at the development of the share.

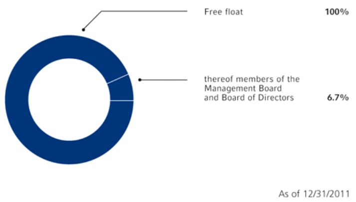
Chart 15

Share price and shareholder structure

Development of the share price vs. SDAX (in %)



Shareholder Structure Figures in %



Basic Data Share as of December 30, 2011

ISIN	LU0307018795
Number of shares	41,237,375
Closing price	€3.56
Adjusted EPS	€0.75

Back to an upswing since January 2012

- Significant gains again in the first months 2012
- The share price reached €5.41 on April 23, 2012

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In 2011, our share initially developed better than the SDAX. In the second half of the year, however, it could no longer keep pace with the comparative index. This is primarily due to the setback in the middle of the year from which the share was not able to recover in the following months. The picture is totally different this year. Since the beginning of the year, our share has increased at a rate greater than the SDAX and achieved its highest point on March 27th at 6.67 Euros. In the last two weeks it was unfortunately again influenced by weaker tendency of the stockmarkets in general.

The free float increased to 100 percent last year. 6.7 percent of the shares are held by members of the Board of Directors and the Management Board.

For you as shareholders a potential dividend is of course an important consideration. It is our objective to allow shareholders to participate in the success of the company. For a dividend payment, however, the relevant conditions must be met. SAF-HOLLAND has defined an equity ratio of 40 percent as its criterion. In 2011 we came very close to this threshold figure, but the desired figure has not yet been reached.

As you can see from the invitation to the Annual General Meeting, the Board of Directors therefore proposes that no dividend for the past financial year be paid. As part of our ongoing financing optimization, however, we will make further progress in the equity ratio for 2012, thereby bringing this goal a step closer.

The fact that our share is a promising investment is shown by the most recent evaluations from analysts. They are consistently at "buy" or even "outperform".

You will see, ladies and gentlemen, that SAF-HOLLAND is well-positioned and reliable on the road. We are happy that you continue to accompany us.

Thank you for you attention.

Chart 18