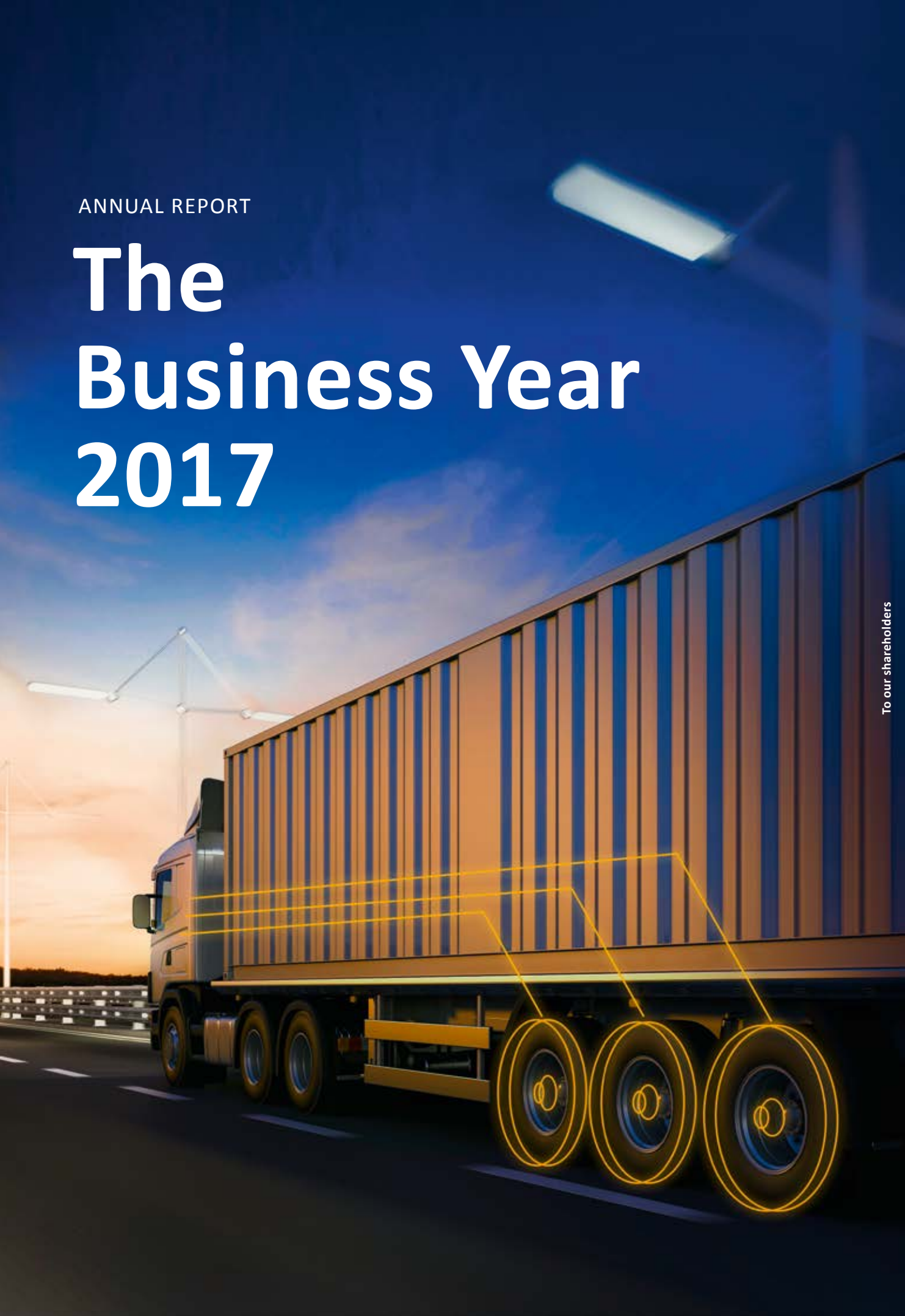
ANNUAL REPORT

The Business Year 2017



To our shareholders

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LETTER FROM THE CEO

Detlef Borghardt, Chief Executive Officer (CEO)

Ladies and Gentlemen,
Dear Shareholders and Investors,

The 2017 financial year was a challenging year. Still, SAF-HOLLAND significantly exceeded its original sales target and increased sales by EUR 96.9 million to a total of EUR 1.138,9 million. The Group also achieved its operating earnings targets, though at the lower end of the targeted range.

We also took some important steps during the reporting year towards achieving our medium-term targets as part of our Strategy 2020. We worked intently on designing solutions for smart trailers, increasing our contribution to autonomous driving and implementing a significant number of digitization projects. And we're on the right road to complement our growth through acquisitions and joint ventures – also an important objective of our Strategy 2020.

In 2017, the world economy grew stronger than originally expected. Most of the major economies developed positively. The global commercial vehicle markets in the 2017 financial year largely returned to their long-term growth trend, even if some of the important regional markets, such as Brazil, made little progress or, in the case of the commercial vehicle production in Turkey, showed clear signs of weakness. The dynamic increase in demand for trucks and trailers in the second half of 2017 in the United States turned out not to be a solely positive development for us.

The Group's individual segments saw very divergent development. While the EMEA/I and APAC/China regions both posted an outstanding development in sales as well as in earnings, the earnings performance in the Americas region came in noticeably below plan.

The unexpected dynamic recovery in the truck and trailer markets in North America in the second half of 2017, at a time when we were already in the middle of relocating our plants in the course of our US plant consolidation started in the spring, presented us with great production and logistical challenges.

The measures taken in this challenging environment to guarantee our customers timely and error-free delivery led to significant additional operating expenses. This placed an obvious burden on our 2017 financial year results and caused us to come in at the lower end of our original target margin corridor of 8 to 9 %.

It was no question for us that the priority was the needs and requirements of our customers, and we did our best to meet them. After all, making our customer needs a priority is the basis upon which we have built our long-term successful working relationship, not only with our customers in the original equipment business but also with the fleets and in the spare parts business.

We were still able to reach some key operating milestones last year in the US. By relocating the Holland production site in September and the plant in Muskegon at the end of December, the Group was able to complete the relocation measures planned within the scope of the U.S. plant consolidation on schedule at the end of 2017.

The focus in the current 2018 financial year will be to optimally reintegrate the logistics and production processes of our plant network, which has been centralized in five locations instead of seven. After a successful start-up phase, the planned cost savings and efficiency gains from the network's restructuring are to be realized. We then expect to see a successive and sustainable improvement in the region's profitability. This is the focus of our 2018 Management Action Plan (MAP) for the region.

The Chinese commercial vehicle market posted high growth rates again in 2017. Sales of trucks and trailers benefited significantly from stricter loading limits and increased safety regulations. This is leading to higher demand for lightweight solutions and sophisticated axle and air suspension systems with disc brake technology, which are our areas of specialty. We are therefore expecting high growth in the premium area. The large fleet operators are investing in the modernization of their vehicle fleets.

This trend opens up tremendous opportunities for SAF-HOLLAND – and we have already positioned ourselves strategically for what is ahead. By beginning the construction of a new production center on 46,000 square meters of production space in Yangzhou, we have taken a large step towards driving sales in the APAC/China region to well over EUR 100 million by 2020. This new plant is expected to commence operations in the first half of 2019.

We are also very pleased with our business performance in the core EMEA/I region. Even though there was only minimal growth in the region's truck and trailer markets, we were still able to increase our sales by 7.6 %, gain further market share and position ourselves with new products. The startup of our new plant in Düzce, Turkey, was very successful despite a difficult environment. Meanwhile, our capacities there are well utilized, and we are currently running a two-shift operation. The rising de-

mand from neighboring countries has contributed significantly to this success.

New product developments and future trends also took the spotlight in 2017. We are increasingly combining our mechanical components with sensors and electronics, and thereby embarking on a new chapter on our way to future, complementary business models such as preventive maintenance.

How truly active our company already is in these areas of the future and what type of opportunities may arise can be found in the magazine section of our new digital annual report where we have exciting audio-visual content. We hope you will enjoy it.

Taking a look at what lies ahead, in the 2018 financial year our plan is to continue to grow and expand our organic sales by 4 % to 5 % and reach a range of around EUR 1,180 million to EUR 1,195 million. Achieving this will bring us another step closer to achieving our Strategy 2020 goal of raising our organic sales to EUR 1,250 million by the year 2020.

External growth is and will remain a core component of our strategy. We have set ourselves the goal of growing our sales to EUR 1.5 billion by the year 2020, and this target includes acquisitions. We believe we are on the right track with our M&A activities. After withdrawing our offer for HALDEX in 2016, we have shown that we do not stray away from our financial discipline.

In the first quarter of the 2018 financial year, we accomplished a further milestone in our 2020 growth strategy by acquiring a majority stake in the Italian company V.ORLANDI S.p.A. This further strengthens our number two position in Europe for fifth-wheel couplings and expands our specialty business with coupling systems and components. Regionally Orlandi complements our position in hitches and trailer couplings in markets out of Europe such as China, the Middle East and Australia. Besides we have been working on other projects that could propel us forward from both a regional as well as a technological standpoint. The contribution expected from this latest acquisition will add to our stated organic sales and earnings outlook for the 2018 financial year.

Profitable growth is our priority. The adjusted EBIT margin is expected to reach a minimum of 8 % again in full-year 2018 and, from today's standpoint, should be in the range of 8 to 8.5 %. In the Americas region, we expect to incur further additional operating expenses in the first half of 2018, but foresee a gradual improvement in earnings over the course of the year.

Our medium-term 2020 target has been set out clearly: total sales of EUR 1.5 billion and an adjusted EBIT margin of at least 8 %. The share of sales from emerging economies should trend higher in the direction of 30 % because it is in these markets that we expect the transportation industry to see its highest growth rates in the coming years.

I would like to conclude by saying that the overall solid result achieved in the 2017 financial year was due to a large extent to the tremendous expertise and high level of commitment of our employees worldwide. Their strong motivation greatly contributed to this success. With readiness and determination, they have also supported our colleagues in the Group's other regions, some of whom were faced with a difficult year and particularly demanding tasks.

The SAF-HOLLAND Group has shown that everyone involved is moving in the same direction, and for this, I would like to thank all of our employees, also on behalf of my colleagues on the Management Board and Board of Directors. We would also like to show our special appreciation to SAF-HOLLAND's development partners, customers and suppliers for their reliable and faithful cooperation. Besides, we are very pleased with the long-term commitment shown by our shareholders. Stay with us in 2018, and accompany us further on our way.

Sincerely,

Detlef Borghardt
Chief Executive Officer (CEO),
Member of the Board of Directors
Member of the Management Board

MANAGEMENT BOARD

Steffen Schewerda – Alexander Geis – Detlef Borghardt – Dr. Matthias Heiden – Guoxin Mao (from left to right)

DETLEF BORGHARDT

Chief Executive Officer (CEO) and President Region APAC/China

Since July 1, 2011 CEO of SAF-HOLLAND and since January 1, 2016 President Region APAC/China

Previously various management positions at Alusuisse-Lonza

Engineering degree in vehicle design from the University of Applied Sciences Hamburg

DR. MATTHIAS HEIDEN

Chief Financial Officer (CFO) as of March 1, 2017

Since March 1, 2017 Chief Financial Officer (CFO) at SAF-HOLLAND

Previously executive finance positions at SAP, among others CFO SAP Germany and Middle and Eastern Europe

Doctorate degree in economics and degree in business administration from Saarland University, as well as qualified banker

ALEXANDER GEIS

President Region EMEA/Indien

Since January 1, 2016 President Region EMEA/India

Since 1995 at SAF-HOLLAND, among others in sales and later responsible for the Aftermarket business

MBA degree from the University of Maryland

STEFFEN SCHEWERDA

President Region Americas

Since January 1, 2016 President Region Americas

Since 1997 in various management roles at SAF-HOLLAND, among others President Trailer BU

Engineering degree from the University Aachen and a MBA degree from the Universities of Augsburg and Pittsburgh

GUOXIN MAO

President Region China

Since July 1, 2016 President Region China

Previously executive positions in the Automotive and Commercial Vehicle Industry, among others at General Motors and IVECO

Degree in Mechanical & Electrical Engineering from Shanghai Tongji University & Executive MBA from Singapur Nanyang University

ARNE JÖRN

Chief Operating Officer (COO) until February 28, 2018

From October 17, 2016 to February 28, 2018 Chief Operating Officer (COO) at SAF-HOLLAND

Previously, among others, operational executive positions at NORGREN, Valeo, and STILL

Degree in Mechanical engineering from the University Braunschweig and REFA-engineer for industrial engineering

REPORT OF THE BOARD OF DIRECTORS

Martina Merz, Chair of the Board of Directors

Ladies and Gentlemen,
Dear Shareholders and Investors,

In 2017, the global commercial vehicle markets resumed their long-term growth trend. This was especially true in North America, which recorded very strong growth rates in the second half of the year – a development that neither we nor market analysts had expected at the start of the year. As a result, we significantly exceeded our sales target for the 2017 financial year. This development, however, also presented us with some major challenges. The US market pickup occurred as we were completing our plant relocation activities in the scope of our US plant consolidation and led to temporary capacity constraints. This, in turn, resulted in a considerable amount of additional operating expenses, causing the adjusted EBIT margin to reach only the lower end of the range projected.

Despite this, we are satisfied overall with the results in the 2017 financial year. Now with the completion of the US plant consolidation and the start-up of the new production network, we are entering the years ahead with more efficient structures. We were able to further improve our position in our relevant markets and win additional market share.

COOPERATION BETWEEN THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors carefully carried out its duties in accordance with the law and the Company's Articles of Association during the 2017 financial year. In doing so, the Board of Directors advised the Management Board regularly on the management of the business and monitored the execution of transactions. The Management Board informed the Board of Directors of all important events and developments in writing, as well as verbally, on a regular, timely and comprehensive basis. The development of orders, sales and earnings were the focus of these communications. The Board of Directors and the Management Board also consulted closely with one another on the strategic orientation of the SAF-HOLLAND Group. Market developments, aspects of risk management, compliance and the financial position were also

jointly discussed and debated. Matters requiring the Board of Directors' approval were submitted by the Management Board on a timely basis and approved following a detailed examination by the Board of Directors.

The Board of Directors also addressed non-financial reporting. As part of Corporate Social Responsibility (CSR) and CSR reporting, the Board of Directors also discussed the aspects of corporate responsibility and the potential impact of SAF-HOLLAND's business policies on society. The main issues discussed were employees, social and environmental concerns, respect for human rights and the fight against corruption and bribery.

FOCUS OF DISCUSSIONS

One of the key topics discussed in the meetings of the Board of Directors during the reporting year was potential acquisitions. The Board reviewed a number of acquisition targets in detail and discussed not only the financial aspects of a takeover but also the strategic reasons for doing so. Discussions focused on suppliers that could expand or complement SAF-HOLLAND's product and technology portfolio and on companies with a strong presence in growth regions, where SAF-HOLLAND plans to expand significantly in the years ahead under its Strategy 2020.

MARTINA MERZ ASSUMES CHAIR OF THE BOARD OF DIRECTORS

The Board of Directors also focused on organizational adjustments resulting from personnel changes within the Board of Directors. After the longtime chair of the Board of Directors, Bernhard Schneider, left the Board at the end of the 2017 Annual General Meeting, Martina Merz, who until that point had been vice chair, was elected as the new chair at the Board meeting on April 27, 2017. Dr. Martin Kleinschmitt was elected vice chair of the Board of Directors at that same meeting. Sam Martin also left the Board of Directors at the end of the 2017 Annual General Meeting, and Carsten Reinhardt was newly elected by the Annual General Meeting to the Board. Jack Gisinger, who had been an associate member of the Board since December 6, 2016, was approved by the Annual General Meeting. As part of these changes, the Audit Committee was reorganized, the Remuneration Committee was established, and the Board of Directors adopted new rules of procedure.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met regularly during the 2017 financial year. Five of the meetings were conducted in person, and two were in the form of conference calls. Meetings were held at least once per quarter. All meetings were fully attended by the Board of Directors with the exception of one conference call that one member could not attend.

In the meeting on March 14, 2017, the Board of Directors focused on the consolidated financial statements and the group management report for the 2017 financial year. The Board of Directors approved the financial statements on the recommendation of the Audit Committee following a detailed examination. The Board of Directors also approved the agenda for the 2017 Annual General Meeting, which included the proposal for the reappointment of PriceWaterhouseCoopers Société Coopérative (PwC) as the external auditor for the 2017 financial year and for an increase in the dividend per share to EUR 0.44. The Board also approved the agenda for the 2017 Extraordinary General Meeting, which included the proposal to increase the authorized share capital excluding subscription rights from 10 to 20 % of share capital.

At the second meeting of the Board of Directors on April 27, 2017, which took place directly after the Annual and Extraordinary General Meetings, Martina Merz was elected as chair and Dr. Martin Kleinschmitt as vice chair of the Board of Directors. In addition, Carsten Reinhardt and Martina Merz were newly elected to the Audit Committee. Dr. Martin Kleinschmitt continues to serve as chair of the Audit Committee and meets the requirement of financial expert. All members of the Audit Committee fulfill the requirement of financial expert. The Board also resolved to create a remuneration committee.

In addition to the business development report for the first quarter of 2017, the meeting of the Board of Directors on May 8, 2017, focused primarily on possible acquisition targets. A further focus was the report of the Management Board on SAF-HOLLAND's research and development activities. In this context, there was a discussion about current development projects, product launches, research and development processes, the research and development budget (R&D budget) and future goals.

The meeting on August 8-9, 2017 was held as a conference call. In addition to the report on business development in the second quarter of 2017, the Board again dis-

cussed potential acquisitions. Other topics included the proposal of the Remuneration Committee regarding the remuneration of the Management Board and an update on the business development in China.

The meeting on October 5, 2017 was also held as a conference call. In addition to the business performance in the third quarter of 2017, the Board of Directors discussed the agenda for the upcoming strategy meeting in November 2017 and the business development in China. Personnel issues were also discussed, including management changes at subsidiaries requiring the approval of the Board of Directors.

The Board of Directors held a three-day meeting from November 6-8, 2017 that not only focused on the business development report for the third quarter of 2017 but also the Company's strategy. The Board of Directors and the full Management Board jointly discussed the progress made so far in the context of Strategy 2020 and outlined the priorities for the next few years. In the course of the three-day meeting, both the Remuneration Committee and the Audit Committee also met for discussions.

The final meeting of the year took place on December 7, 2017. As usual, the focus was on the budget for the upcoming year, mid-term planning and the performance targets for the Management Board. The Board of Directors also approved the plan to build a new plant in China, as well as the related increase in investment planned for the year 2018.

AUDIT COMMITTEE

The work of the Board of Directors is supported by the Audit Committee, which met on three occasions during the reporting year. The Committee primarily dealt in detail with the annual financial statements, quarterly figures, risk management and the results of the audit and compliance reviews. The content of these meetings was presented to the Board of Directors and submitted for the Board's approval when necessary.

REMUNERATION COMMITTEE

Also in the 2017 financial year, the Board of Directors established the Remuneration Committee, which held its first meeting on May 8, 2017. The Remuneration Committee met three times during the reporting year and, among others, dealt with the determination and review of the remuneration for the Management Board. The services of an external advisor specialized in remuneration issues were used to perform this task. The members of the Remuneration Committee are Martina Merz (chair), Jack Gisinger, Anja Kleyboldt, Dr. Martin Kleinschmitt and Carsten Reinhardt.

NOMINATION COMMITTEE

In the 2017 financial year, preparations were completed for the creation of a nomination committee. The Nomination Committee will begin its work in early 2018.

CORPORATE GOVERNANCE

SAF-HOLLAND S.A. is a Luxembourg-based Société Anonyme (S.A.), listed exclusively in Germany. As such, SAF-HOLLAND S.A. is subject to Luxembourg and not German company law. The Company is also not required to comply with the German corporate governance regulations that apply to listed German companies. Nevertheless, we have decided to comply with the recommendations of the German Corporate Governance Code on the principles of good corporate governance to a certain extent because SAF-HOLLAND S.A. believes the German Corporate Governance Code represents an important foundation for responsible corporate governance.

During the 2017 reporting year, the Board of Directors intensively dedicated itself to the issue of corporate governance. The 2017 Declaration of Conformity on the recommendations of the German Corporate Governance Code was submitted by the Board of Directors of SAF-HOLLAND on March 14, 2017. The current Declaration of Conformity submitted on March 15, 2018, can also be found on the Company's homepage.

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTS REVIEW MEETING

PricewaterhouseCoopers Société Coopérative (PwC) audited the December 31, 2017 consolidated financial statements prepared by SAF-HOLLAND S.A. The auditor issued an unqualified audit opinion and found that the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and the cash flows of the SAF-HOLLAND Group. The auditor confirmed that the Group management report, including the Corporate Governance Declaration, is consistent with the consolidated financial statements.

The consolidated financial statements, Group management report and the auditor's reports and documentation were promptly submitted to the members of the Board of Directors. Together with the Audit Committee, the financial statements, reports and documentation were thoroughly reviewed by the Board of Directors. The Audit Committee discussed the results of the audit with PWC in its meeting on March 14, 2018. The auditor presented his key audit findings and was available for any in-depth questions from the Board members. In its meeting on March 15, 2018, the Board of Directors discussed the consolidated financial statements presented, approved the statements and adopted them. The Board of Directors endorsed the Management Board's proposal for the appropriation of retained earnings and recommended proposing a slightly higher dividend per share of EUR 0.45 (previous year: EUR 0.44) for the 2017 financial year at the Annual General Meeting on April 26, 2018.

EXTENDED TERMS OF OFFICE FOR MEMBERS OF THE BOARD OF DIRECTORS

Detlef Borghardt's term of office as a member of the Board of Directors was confirmed by the Annual General Meeting on April 27, 2017, and extended to the end of the Annual General Meeting for the 2019 financial year.

The Board of Directors would also like to thank the shareholders for their long-term commitment and all of the employees, the employee representatives and the Management Board for their tremendous dedication and successful contribution during the 2017 financial year.

Luxembourg, March 15, 2018

Martina Merz
Chair of the Board of Directors

SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF STOCK MARKET AND SHARE PRICE PERFORMANCE

SAF-HOLLAND SHARES SIGNIFICANTLY OUTPERFORM THE DAX AND SDAX INDICES

After enjoying an increase of 9.2 % in 2016, SAF-HOLLAND's shareholders saw their shares climb a further 31.5 % in 2017 in an overall favorable capital market environment. Ending at a closing price of EUR 13.64 in 2016, SAF-HOLLAND shares rose steadily in the 2017 financial year driven by a generally buoyant market environment and positive corporate news, such as the increase in the dividend for the 2016 financial year and the very solid results in the first and second quarters of 2017. The shares reached an interim high of EUR 17.50 on September 19, 2017. On October 9, 2017, the Company adjusted its 2017 full-year forecast by sharply raising its outlook for sales but bringing the projected EBIT margin down towards the lower end of the planned range. The shares responded with a temporary steep correction and then rallied sharply higher, which turned into an uptrend leading to a year high of EUR 18.08 on December 27, 2017 (closing price). The share closed the 2017 trading year just under this high at EUR 17.94. Including a dividend of EUR 0.44 per share, the total return for SAF-HOLLAND shareholders in 2017 amounted to an impressive 34.8 %. As a result, in 2017 SAF-HOLLAND's shares outperformed the increase of 12.0 % in the DAXsector Automobile index, which is the relevant sector index. SAF-HOLLAND's shares also outperformed the SDAX (24.9 %) and the DAX (12.5 %) indices.

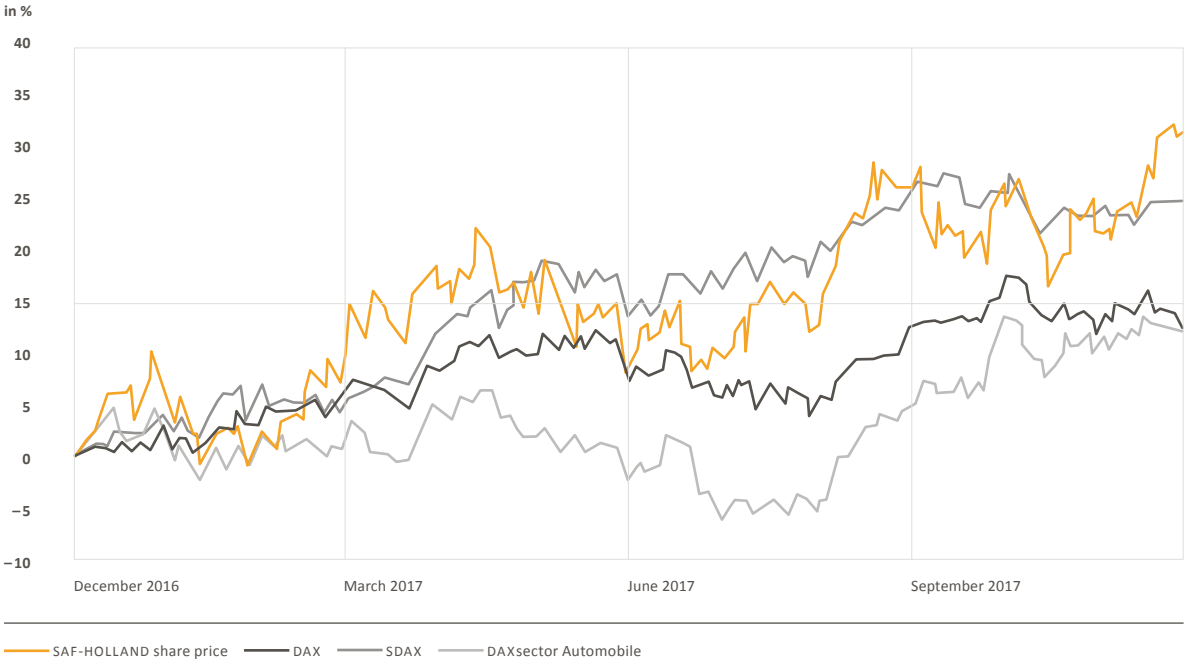
TRADING VOLUME IN SAF-HOLLAND SHARES CONTINUES TO INCREASE

The development of the share's trading activity, which is an important investment criterion particularly for institutional investors, was very positive in 2017. The average daily turnover in SAF-HOLLAND shares rose 11.0 % during the year to EUR 1.8 million (previous year: EUR 1.6 million). At the same time, the higher share price meant that the average number of SAF-HOLLAND shares traded each trading day fell to 116,300 shares (previous year: 148,600), which is relatively high liquidity for an SDAX share. As in prior years, the trading volume in SAF-HOLLAND shares on alternative trading platforms known as dark pools (such as BATS Chi-X Europe, Turquoise and Chi-X), was very high in 2017. Trading in dark pools is mainly executed by investment banks, brokerage firms and institutional investors who deal directly with one another. In 2017, these alternative trading platforms accounted for around 56 % of the volume traded (previous year: 55 %), which once again was higher than the share of volume traded on the regular German stock exchanges.

POSITION IN INDEX RANKING

Based on SAF-HOLLAND's closing price for the year, the Company's market capitalization on December 29, 2017 amounted to roughly EUR 814 million. SAF-HOLLAND ranked 71st in terms of free-float market capitalization in Deutsche Börse AG's index ranking as of December 31, 2017 (previous year: 68th), which determines the composition of the MDAX and SDAX indices. SAF-HOLLAND's shares also clearly outperformed the DAX in terms of price performance. New listings on the stock exchange during the year included numerous initial public offerings (IPOs) and spin-offs of subsidiaries from larger groups with comparatively higher market capitalizations and trading volumes. Although these listings placed ahead of SAF-HOLLAND in the index ranking, SAF-HOLLAND's shares remain one of the more important stocks in the SDAX, ranking 79th in terms of trading volume (previous year: 67th), and continue to have a comparatively high share of long-term investors, such as life insurance companies and pension funds.

SAF-HOLLAND's share price performance relative to the DAX, SDAX and DAXsector Automobile indices



INVESTOR RELATIONS AND CAPITAL MARKET ACTIVITIES

SAF-HOLLAND RECEIVES GERMAN INVESTOR RELATIONS AWARD

In June 2017, SAF-HOLLAND was awarded two coveted German Investor Relations Awards by the German Investor Relations Association e.V. (DIRK) in cooperation with the business magazine WirtschaftsWoche and the corporate access company WeConvene Extel. SAF-HOLLAND received awards for the SDAX company with the best investor relations practices and the best SDAX investor relations manager. We see these awards as recognition of our investor relations efforts in recent years and as an incentive to continue to foster service-oriented and proactive communications with both capital market participants and representatives of the business media.

FIRST DIGITAL ANNUAL REPORT RECEIVES MULTIPLE AWARDS

SAF-HOLLAND's 2016 Annual Report 2016, our first report in digital form, received numerous awards and prizes, including awards from FOX FINANCE and iNova. The report was also awarded the "Winner" in the "Digital" category in the 2017 Automotive Brand Contest.

As part of our investor relations activities, we keep investors and other interested parties continuously updated on our business model, the Company's ongoing business development and where we stand with the implementation of our strategic objectives. We also pay special attention to sector-related issues, such as the current trends in the international truck and trailer markets and the new technological approaches emerging in the age of digitization in the transportation markets. Investor and analyst conference calls on our annual financial results and the regular conference calls with the publication of the quarterly figures are other examples of our activities. Another focus of the Investor Relations department is to maintain an active dialog with investors, analysts, journalists and other capital market participants through private meetings, investor conferences, roadshows, and regular updates on Twitter.

In 2017, SAF-HOLLAND underwent a targeted expansion of its investor relations activities. Members of the Management Board and/or the Investor Relations team presented the Company's latest business performance, growth prospects and strategic objectives in a total of seven roadshows and eleven capital market conferences in both Germany and abroad. As in previous years, the focus of the activities was not only in Germany but also other major international financial centers such as London and the United States. Other roadshow and capital market conference locations in the 2017 financial year included Switzerland, France, the Netherlands, and Scandinavia. The interest of capital market participants in SAF-HOLLAND was also reflected by the high number of company visits from investors and analysts. SAF-HOLLAND provided visitors with an insight into manufacturing and engineering. In addition to the factory tours, key topics included the Company's future prospects and technology trends, particularly weight savings and digitization.

Further detailed, up-to-date information about the Company's shares and corporate and convertible bonds is published on SAF-HOLLAND's Investor Relations website at http://corporate.safholland.com/en/investor-relations. The website also provides key figures, current financial news, reports, presentations and conference call recordings, as well as all relevant information regarding the Annual General Meeting.

PREDOMINATELY POSITIVE ANALYST RATINGS

SAF-HOLLAND is covered by analysts at both German and international banks and research firms who regularly publish detailed research reports on the Company. At the end of 2017, analysts at 14 brokers covered SAF-HOLLAND's shares. Nine of these analysts recommended either buying the shares or expected SAF-HOLLAND's shares to outperform the overall market. Four analysts had a "hold" or neutral rating on the shares, and one analyst rated the shares a "sell." The analysts who actively cover the shares and publish regular research reports on the Company had price targets for the shares ranging between EUR 16.50 and EUR 22.00, with the average price target at around EUR 17.79.

Current analyst ratings

Nov. 9, 2017	Bankhaus Lampe	Buy
Dec. 7, 2017	Berenberg	Buy
Nov. 2, 2017	Commerzbank	Hold
May 10, 2017	Deutsche Bank	Hold
Aug. 10, 2017	equinet	Accumulate
Oct. 17, 2017	Exane BNP Paribas	Neutral
Nov. 9, 2017	Hauck & Aufhäuser	Buy
Jul. 25, 2017	HSBC	Hold
Dec. 6, 2017	Kepler Cheuvreux	Buy
Nov. 10, 2017	Macquarie Capital	Outperform
Nov. 29, 2017	M.M. Warburg	Buy
Dec. 22, 2017	Montega	Buy
Jan. 18, 2017	ODDO BHF	Buy
May 31, 2017	Quirinbank	Sell

SHAREHOLDER STRUCTURE: HIGHER PORTION OF INSTITUTIONAL INVESTORS

SAF-HOLLAND's shares are widely held. According to the definition of Deutsche Börse AG, 100 % of the Company's shares are freely floating. The shareholder base consists primarily of institutional investors such as fund managers, asset managers, banks and insurance companies, as well as private investors from both Germany and abroad. The major shareholders are primarily capital investment companies from Great Britain, the United States, France, Scandinavia and the Benelux countries.

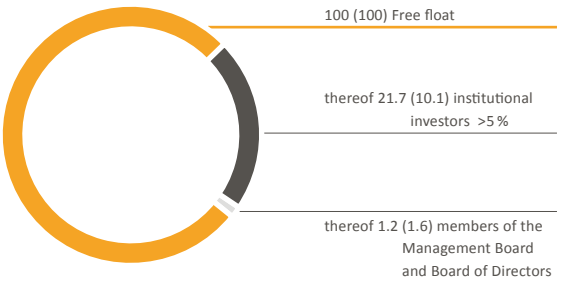
As of the end of 2017, voting right notifications showed that four institutional investors held more than 5 % of the Company's share capital. JP Morgan Asset Management and Kempen Oranje Participaties established positions in the Company during the 2017 financial year. NN Group N.V. became a shareholder in SAF-HOLLAND following its acquisition of Delta Lloyd N.V.

Shareholder name	share of notified voting rights
NN Group N.V.	6.56 %
JP Morgan Asset Management	5.08 %
Kempen Oranje Participaties	5.07 %
FMR LLC	5.03 %

The share of institutional investors holding more than 5 % of the Company's share capital has doubled compared to the previous year. The members of the SAF-HOLLAND Management Board and Board of Directors together held a total of 1.2 % of the outstanding shares.

Shareholder structure 2017

in %



Status: December 31, 2017

2017 ANNUAL GENERAL MEETING RESOLVES TO INCREASE DIVIDEND TO EUR 0.44 PER SHARE

The Annual General Meeting of SAF-HOLLAND S.A. on April 27, 2017 resolved to distribute a 10 % higher dividend amounting to EUR 0.44 per share (previous year: EUR 0.40) for the 2016 financial year. This is equivalent to a total dividend payout of approximately EUR 20.0 million (previous year: EUR 18.1 million), representing a payout ratio of 46.4 % (previous year: 38.6 %) of the result for the period and marking a continuation of SAF-HOLLAND's sustainable dividend policy of distributing between 40 and 50 % of the net income to shareholders. The dividend yield based on the SAF-HOLLAND share's closing price at the end of 2016 remained unchanged at 3.2 % (previous year: 3.2 %).

EXTRAORDINARY GENERAL MEETING EXTENDS THE DURATION OF AUTHORIZED SHARE CAPITAL AND AUTHORIZES SHARE REPURCHASE

The Extraordinary General Meeting, which took place immediately after the Annual General Meeting, resolved to extend the duration of the Company's authorized share capital (Authorized Capital I) in the remaining amount of EUR 119,588.52 (11,958,852 shares; nominal value of EUR 0.01 each) by an additional five years. An option was granted to exclude subscription rights for a total of EUR 45,361.11 of this remaining amount (4,536,111 shares). The Extraordinary General Meeting also extended the Company's authorization to repurchase shares of up to 10 % of the share capital at the time of the resolution for a further period of five years.

Key share information

WKN/ISIN	A0MU70/LU0307018795
Ticker symbol	SFQ
Number of shares	45,394,302
Designated sponsors	Commerzbank AG, ODDO SEYDLER BANK AG, Kepler Cheuvreux
Year high/low[1]	EUR 18.08/EUR 13.50
Year-end closing price[1]	EUR 17.94
Market capitalization	EUR 814.4 million

[1] XETRA closing price

CORPORATE BOND OVERVIEW

SAF-HOLLAND CORPORATE BOND

SAF-HOLLAND has had a corporate bond listed in the Prime Standard segment for corporate bonds on the Frankfurt Stock Exchange since 2012. This bond has a total nominal value of EUR 75.0 million, a coupon of 7.0 % and matures on April 26, 2018. The company plans to repay this bond upon maturity.

As of December 29, 2017, the bond was quoted at 101.90 % and was thereby approaching the redemption price of 100.0 % at maturity.

SAF-HOLLAND CONVERTIBLE BONDS

In 2014, SAF-HOLLAND issued convertible bonds with a total nominal value of EUR 100.2 million, which are listed on the open market of the Frankfurt Stock Exchange. The convertible bonds have an interest coupon of 1.0 % and mature on September 12, 2020. The first conversion took place in the 2017 financial year with four convertible bonds converted into 33,190 shares of SAF-HOLLAND S.A. The conversion increased the Company's share capital by a total of EUR 331.90.

Based on the cash dividend payment to the SAF-HOLLAND S.A. shareholders resolved at the 2017 Annual General Meeting, the conversion price and conversion ratio were adjusted in accordance with the bond conditions. The adjusted conversion price effective April 28, 2017 is EUR 12.0517 (previously: EUR 12.1823), and the adjusted conversion ratio is 8,297.5846 (previously: 8,208.6306).

The convertible bond's positive performance in 2017 remained in line with the development of SAF-HOLLAND's share price. After ending the year 2016 at a price of 121.6 %, the convertible bond was quoted at 139.0 % on December 29, 2017. This corresponds to a 14.3 % increase in the bond price. The bond reached a year high of 145 % in May.

The corporate and convertible bonds prices and most important key figures and conditions can be found on the Investor Relations website under the menu item "Share & Bonds."

COMPANY'S BBB CREDIT RATING WITH STABLE OUTLOOK RECONFIRMED

On April 5, 2017, the rating agency Euler Hermes reconfirmed SAF-HOLLAND's BBB investment grade rating with a stable outlook for the next twelve months. In its analysis, Euler Hermes justified the investment grade rating citing SAF-HOLLAND'S positive growth prospects, higher global transportation volumes and the SAF-HOLLAND Group's excellent market position, particularly in axle and suspension systems in the core markets of Europe and fifth wheel couplings in North America. Euler Hermes positively acknowledged the fact that profitability and capital returns have risen steadily. Euler Hermes' assessment also pointed out a slightly higher business risk due to dependency on cyclical sectors and at the same time confirmed SAF-HOLLAND S.A.'s low financial risk due to its very solid financial structure and financial flexibility. Euler Hermes did not see any need to modify the anchor rating, as the operational risks are adequately managed and consistent with the anchor rating. Euler Hermes expects these ratios to continue to improve in the years to come, especially in light of the Company's 2020 strategy targeting growth in new markets.