

**“We have laid
the groundwork
to achieve our
‘Strategy 2020’
growth targets.”**

Detlef Borghardt, Chief Executive Officer (CEO)

CONTENTS

04

TO OUR SHAREHOLDERS

- 04 — Message from the CEO
- 06 — Management Board
- 08 — Report of the Board of Directors
- 11 — SAF-HOLLAND on the Capital Market

15

MANAGEMENT REPORT

- 16 — SAF-HOLLAND at a Glance
- 20 — Strategy and Objectives
- 21 — Performance Indicators
- 23 — Research and Development
- 25 — Corporate Governance
- 30 — Economy and Industry Environment
- 32 — Key Events during the 2016 Financial Year
- 33 — Sales and Earnings Performance, Net Assets and Cash Flows
- 46 — Risk and Opportunities Report
- 54 — Events after the Balance Sheet Date
- 54 — Outlook

59

SUSTAINABILITY

- 60 — Sustainability at SAF-HOLLAND group



Our annual report is now also available online at ar2016.corporate.safholland.com

65

CONSOLIDATED FINANCIAL STATEMENTS

- 66 — Consolidated Statement of Comprehensive Income
- 67 — Consolidated Balance Sheet
- 68 — Consolidated Statement of Changes in Equity
- 69 — Consolidated Statement of Cash Flows
- 70 — Notes to the Consolidated Financial Statements
- 121 — SAF-HOLLAND S.A. Annual Financial Statements
- 123 — Mandates of the Board of Directors/ Management Boards
- 124 — Independent Auditor's Report
- 126 — Responsibility Statement

127

ADDITIONAL INFORMATION

- 128 — Glossary of Key Financial Figures and alternative Performance Measures
- 132 — List of Abbreviations
- 134 — Financial Calendar and Contact Information
- 135 — Imprint

MESSAGE FROM THE CEO



Detlef Borghardt, Chief Executive Officer (CEO)

*Ladies and Gentlemen,
Dear Shareholders and Investors,*

In my message to you one year ago, I indicated that 2016 would be a challenging year. At that time we expected the North American truck and trailer market to normalize in 2016 after three record years in a row. As you know, there was more than just a correction: the North American market, measured by the production of heavy Class 8 trucks, suffered a sharp decline of almost 30%. Other important transportation markets, such as those in Australia, Russia, Brazil, and Turkey in the second half-year, were also weak in the 2016 financial year for very different reasons. Given the difficult market environment, we are satisfied with our business performance. Taking into account the sale of our Aerway product line and excluding currency effects, we managed to maintain our level of sales. With an adjusted EBIT margin of 8.7%, we not only reached our

target for the 2016 financial year, but our performance set us apart from others in our industry. We want to ensure that our shareholders participate appropriately in the company's success and are therefore proposing a 10% higher dividend of 0.44 Euro to the Annual General Meeting on April 27, 2017.

What is the key to our success? For years, SAF-HOLLAND has consistently focused on cost leadership and structural growth by positioning the Group in the market early on with solutions such as axle systems with disc brake technology, lightweight construction and special solutions such as SAF TRAK all with the intention of steadily expanding our sales per vehicle while gaining market share at the same time.

Step-by-step, we are also optimizing our internal processes and structures. After successfully completing the consolidation of the European plant network in the previous year, our focus in 2016 was on implementing the Group's new structure by region and the bundling of the Group's purchasing activities. In addition, our better management of working capital, among other measures, allowed us to significantly increase our free cash flow and reduce our net debt to less than EUR 100 million, despite the takeover of the Brazilian specialist for suspension systems KLL and the payment of a 25% higher dividend for the year 2015.

In last year's message, I also introduced our "Strategy 2020" which includes our goal to expand sales to around EUR 1.5 billion by the year 2020. A key element of this strategy is generating external growth through joint ventures, collaborations and acquisitions. Last year, we made a takeover offer for Haldex AB, the Swedish supplier of brake systems and modules for air suspensions. The aim of this offer was to create an integrated champion for chassis-related commercial vehicle components. Shortly thereafter, two more bidders appeared with significantly higher offers for Haldex. We decided to maintain our financial discipline and refused to participate in a bidding war. We choose not to increase our offer and eventually withdrew it entirely. This decision was an expression of our strong conviction that takeovers should not only be appropriate in the strategic sense but also pay off from a financial perspective. The fact that we were not able to acquire Haldex is unsatisfying but will not stop us from reaching our 2020 targets. We took our first step in this direction with the aforementioned acquisition of KLL in Brazil – and there is more to come. We will continue to diligently work on these steps in 2017. I can assure you that, in any future acquisitions, we will not lose sight of our M&A principles and will continue to act in the best interests of our shareholders.

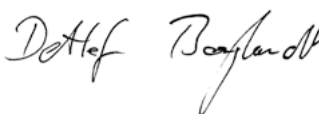
Another focal point of our activities in 2017 will be the restructuring of our activities in North America. We want to be more efficient, more flexible and, above all, in closer proximity to our customers to improve our delivery times. To achieve this, we will be centralizing our structures and consolidating the production capacities at our seven existing production locations into five production locations. With the completion of the restructuring measures already under way, we will reduce our direct cost base by a mid-single-digit million US dollar amount annually, thereby ensuring the long-term competitiveness of the North American production network.

In 2017, we expect vastly different market performance on a regional basis with some markets being dominated by political uncertainties that are difficult to assess. The

market environment in North America, Brazil and parts of the Middle East should continue to be challenging in 2017 with an improvement expected only in the second half-year. The tax cuts and infrastructure packages currently in discussion in the United States government could certainly have a positive effect on our business. In Europe, we expect the solid development to continue. All in all, we are confident that we will be able to grow the Group's sales this year to between EUR 1,060 and 1,090 million based on constant currency rates and no change in the scope of consolidation supported by market share gains, the introduction of new products and the start of some interesting large orders. The EBIT margin adjusted for special items should again be within the range of 8% to 9% in the 2017 financial year. However, from today's standpoint and in light of the anticipated upfront investments necessary to achieve the goals of our "Strategy 2020", we expect the margin to tend towards the middle of this range.

On behalf of my colleagues on the Management Board I would like to take this opportunity to thank our shareholders and bondholders for their confidence in our company. I would also like to express our sincere gratitude to all our employees and employee representatives and especially to our customers, suppliers and technology partners for the good and successful cooperation, which makes SAF-HOLLAND's long-term success possible. We would be very pleased if you would continue to accompany us on the road ahead and in writing the next chapter of the Company's history.

Sincerely,



Detlef Borghardt
CEO/Member of the Board of Directors

MANAGEMENT BOARD



DETLEF BORGHARDT

**Chief Executive Officer (CEO) & 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



WILFRIED TREPELS

Chief Financial Officer (CFO) until December 31, 2016

- Since June 20, 2007 Chief Financial Officer (CFO) at SAF-HOLLAND
- Previously Managing Director at Dürr Systems, a subsidiary of Dürr AG
- Degree in business administration from the University of Aachen



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 SE, among others CFO SAP Germany
- Doctorate degree in economics & degree in business administration from the University of Saarland, as well as qualified banker



ARNE JÖRN

Chief Operating Officer (COO)

- Since October 17, 2016 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



ALEXANDER GEIS

President Region EMEA/India

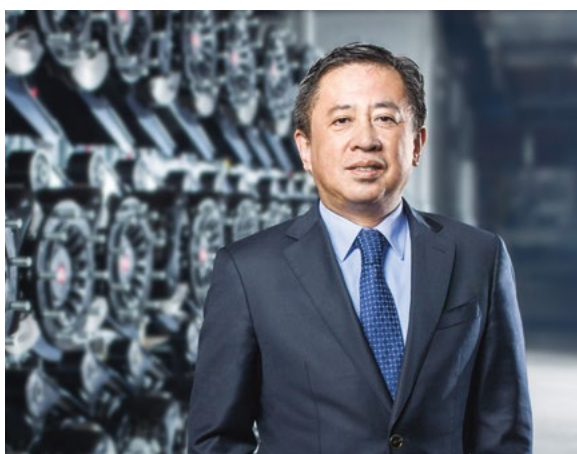
- Since January 1, 2016 President Region EMEA/India
- Since 1995 at SAF-HOLLAND, among others in sales and later responsible for the Aftermarket business
- MBA degree from the University of Maryland



STEFFEN SCHEWERDA

President Region Americas

- Since January 1, 2016 President Region Americas
- Since 1997 in various management roles at SAF-HOLLAND, among others Head of Material Management and Logistics
- 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 at SAF-HOLLAND
- 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

REPORT OF THE BOARD OF DIRECTORS



Bernhard Schneider, Chairman of the Board of Directors

*Ladies and Gentlemen,
Dear Shareholders and Investors,*

The global commercial vehicle markets remained challenging in the 2016 financial year. Especially in North America, the extent of the market's decline was unexpected compared to the forecasts at the start of the year. In such an environment, SAF-HOLLAND's ability to stay on course was all the more gratifying. Excluding currency effects and taking into account the sale of Aerway in the previous year we managed to maintain our level of sales on an organic basis. Having achieved an adjusted EBIT margin of 8.7% we reached our earnings target. In keeping with our established dividend policy, we will propose a 10.0% higher dividend of EUR 0.44 per share for 2016 at our Annual General Meeting on April 27, 2017.

COOPERATION OF THE BOARDS

The Board of Directors carefully carried out its duties in accordance with the law and the Company's Articles of Association during the 2016 financial year. In doing so, the Board of Directors advised the Management Board

regularly on the operational 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 and compliance and the financial position were also discussed and debated with the Management Board. 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.

FOCUS OF DISCUSSIONS

The topic of acquisitions was a focal point of the Board of Director's discussions in the reporting year, particularly the cash offer for Haldex announced in July 2016 and the necessary financing arrangements. The Board of Directors also discussed how to proceed after another bidder had announced a higher offer for Haldex. In August, after careful deliberation, SAF-HOLLAND decided not to raise its offer for Haldex and instead withdrew its offer in the best interest of its shareholders. The Haldex shares acquired ahead of the takeover offer were sold on the stock exchange. The acquisition of the Brazilian suspension specialist KLL was also the subject of intense discussion within the Board of Directors. The acquisition of KLL was announced in September of 2016 and completed in October.

Personnel decisions were also a key topic of the Board of Directors' discussions and included, among others, the succession arrangements for former chief financial officer Wilfried Trepels, who resigned effectively at the end of 2016. A decision was made in October to appoint Dr Matthias Heiden as the new chief financial officer starting as of March 1, 2017. In the interim period, the role of CFO has been assumed by Dr Martin Kleinschmitt, a member of the Board of Directors of SAF-HOLLAND S.A. In October, the Board of Directors also appointed Arne Jörn as chief operating officer to succeed Mike Kamsickas who stepped down in May 2016.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met regularly during the 2016 financial year. Four of the meetings were held in person, one meeting was in the form of a conference call, and a resolution was made using the circular resolutions procedure. Meetings were held at least once per quarter, and all meetings were fully attended by the Board of Directors.

The focus of the meeting on March 9, 2016 was the consolidated financial statements and the Group management report for the 2015 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 adopted the agenda for the 2016 Annual General Meeting, which included the proposal that the Annual General Meeting elects a new external auditor. The Board also elected Martina Merz as the new deputy chairman of the Board of Directors to take effect at the close of the 2016 Annual General Meeting.

The Board of Directors' second meeting on May 5, 2016, was conducted in the form of a conference call. Agenda items included the report on the business development for the first quarter of 2016 and the appointments of Steffen Schewerda and Alexander Geis as interim-COOs after the departure of Mike Kamsickas. The Board also discussed the reorganization of the corporate structure in China and the formation of a holding company that would combine all of SAF-HOLLAND's subsidiaries in China.

The Board of Directors meeting on August 8–9 dealt with the report for the second quarter of 2016 and specifically the plans to build a new production facility for axle systems in Turkey. The Board of Directors also resolved a change in the management in China and appointed Guoxin Mao as the managing director of SAF-HOLLAND (Xiamen) Co., Ltd and Corpco Beijing Technology and Development Co., Ltd.

On October 7, 2016, the Board of Directors appointed Dr Matthias Heiden as the new CFO, effective March 1, 2017, and Arne Jörn as the new COO of the SAF-HOLLAND Group, effective October 17, 2016, through a circular resolution. Both were also made managing directors of SAF-HOLLAND GmbH.

The two-day meeting of the Board of Directors held on November 8–9, 2016, discussed the report on the business development for the third quarter and the possibility of plant consolidations in North America and especially the related capacity adjustments and potential cost reductions. Other topics discussed at the meeting included the redistribution of responsibilities at the management level as a result of the appointment of the new COO, as well as proposals for the forthcoming 2017 Annual General Meeting with respect to the election of new members to the Board of Directors.

In the year's final meeting on December 6, 2016, in which associate member Jack Gisinger also took part, the Board of Directors resolved to propose to the Annual General Meeting of 2017 the election of not only Jack Gisinger but also Carsten Reinhardt to the Board of Directors. The Board also dealt in depth with the 2017 budget, the medium-term plan until 2021 and the performance targets for the Management Board for the year 2017.

AUDIT COMMITTEE

The work of the Board of Directors is supported by the Audit Committee, which met twice during the reporting year. The Committee 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.

CORPORATE GOVERNANCE

In the reporting year, the Board of Directors once again dedicated itself intensively to the topic of corporate governance. The 2016 Declaration of Conformity on the recommendations of the German Corporate Governance Code was submitted by the Board of Directors of SAF-HOLLAND in March 2016. The current Declaration of Conformity submitted in March 2017 can be found on the Company's homepage.

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTS REVIEW MEETING

PricewaterhouseCoopers (PWC) audited the December 31, 2016 consolidated financial statements and Group management report 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 results of operations, net assets, financial position of the SAF-HOLLAND Group. The auditor confirmed that the Group management report, including the Declaration of Conformity on the German Corporate Governance Code, is consistent with the consolidated financial statements.

The consolidated financial statements, Group management report and 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 Board of Directors discussed the results of the audit at its meeting on March 14, 2017. Representatives of the auditing company were present for portions of that meeting and presented their key audit findings and answered board members' questions. The Board of Directors approved both PWC's audit results and the consolidated financial statements as submitted. The Board of Directors endorsed the Management Board's proposal for the appropriation of retained earnings and recommended proposing a 10.0% higher dividend of EUR 0.44 per share for the 2016 financial year at the Annual General Meeting on April 27, 2017.

The Annual General Meeting on April 28, 2016 elected PricewaterhouseCoopers Société coopérative, Luxembourg, as the auditor for the 2016 financial year. By changing the auditor, SAF-HOLLAND is implementing in advance the EU directive that took effect in 2016 requir-

ing auditors of capital market-oriented companies to rotate after ten years. Previously, Ernst & Young S.A., Luxembourg, had been the auditor for SAF-HOLLAND as a listed company for nine years.

EXTENDED TERMS OF OFFICE FOR MEMBERS OF THE BOARD OF DIRECTORS

Several members of the Board of Directors had their terms of office confirmed and extended by the Annual General Meeting on April 28, 2016. The terms of office of Anja Kleyboldt and Dr Martin Kleinschmitt, which expired at the end of the 2016 Annual General Meeting, were extended until the end of the Annual General Meeting for the 2018 financial year. Martina Merz's term of office was also prematurely extended until the end of the Annual General Meeting for the 2018 financial year.

A WORD OF THANKS

As of December 31, 2016, Wilfried Trepels, the SAF-HOLLAND Group's long-standing chief financial officer, left the Company on the best of terms with both the Board of Directors and the Management Board to pursue new challenges outside of the Group. On behalf of the entire Board of Directors, I would like to thank him for his many years of outstanding work and particularly for his major contribution to structuring the Group and preparing it for continued profitable growth under our "Strategy 2020". We wish him all the best and every success in his future endeavors.

The Board of Directors would also like to thank all of the employees, the employee representatives and the Management Board for their tremendous dedication and successful contribution during the 2016 financial year.

Luxembourg, March 2017



Bernhard Schneider
Chairman of the Board of Directors

SAF-HOLLAND ON THE CAPITAL MARKET

OVERVIEW OF STOCK MARKET AND SHARE PRICE PERFORMANCE

GERMAN STOCK MARKET BRAVES STRONG POLITICAL TURBULENCE IN 2016

In the year 2016, the German stock market was overshadowed by political events and economic crises for extended periods. Worries of a strong, uncontrolled slowdown in the Chinese economy (a “hard landing”) were already growing as the year began. International capital markets took a sharp fall with the DAX dropping roughly 18%, marking its year low of 8,750 points in February. This was followed by a recovery which was abruptly interrupted by Great Britain’s surprising vote to leave the EU (“Brexit”). This downturn, however, was relatively short-lived and the market quickly regained lost ground. Markets became highly volatile in their initial reaction to the unexpected result of the U.S. Presidential election towards the year’s end. The infrastructure program and significant tax reductions announced for businesses and individuals in the United States set the stage for a year-end rally starting in the second week of November and led to a renewed sharp rise in the DAX and especially the US indices. The DAX ended the year at 11,481 points, or 6.9% above the prior year’s close. The 2016 performance of the SDAX, the selection index of the Deutsche Börse AG containing 50 smaller companies (“small caps”) below the DAX and MDAX, was somewhat lower, and the index climbed 4.6% for the year.

SAF-HOLLAND SHARES SIGNIFICANTLY OUTPERFORM

In the first half of the year, SAF-HOLLAND’s share price came under pressure despite the Company developing significantly better than its end markets. Aside from the overall dismal mood on the capital markets, news of a strong decline in new orders and production figures for heavy trucks and trailers in North America brought added pressure, as did as the weak market performance in key regions such as Brazil, Australia and Russia. These events drove SAF-HOLLAND’s shares to a year low of EUR 9.00 in early July with intraday prices that were even lower. The Company’s share price began a sharp turnaround following the release of solid business figures for the first half of 2016 and the announcement of a takeover bid for Haldex. SAF-HOLLAND’s bid for Haldex unleashed a new wave of consolidation in the industry. At the same time, there was a clear increase in international investor interest in SAF-HOLLAND, its business model and its shares – which were a better value relative to competitors. The initiation of research coverage by three banks/brokers also helped

propel SAF-HOLLAND further into the spotlight of large institutional investors. SAF-HOLLAND shares climbed almost 52% from their year low and reached their high for the year of EUR 13.64 on December 30, the last trading day of the year. As a result, SAF-HOLLAND’s shareholders enjoyed a gratifying 9.2% increase for the year and an attractive 12.4% total return when including the dividend of EUR 0.40. The outperformance of SAF-HOLLAND’s shares was even more evident in comparison to the DAX-sector Automobile industry index, which suffered a decline of 5.6% in 2016.

SAF-HOLLAND’s market capitalization on December 30, 2016 was roughly EUR 619 million based on the shares’ year-end closing price of EUR 13.64 and a total of 45,361,112 outstanding shares.

SIGNIFICANT PORTION OF TRADING VOLUME OCCURS ON ALTERNATIVE TRADING PLATFORMS

SAF-HOLLAND’s share liquidity – an essential investment criteria especially for large institutional investors such as banks, pension funds and asset managers – remained at a high level in the 2016 reporting year, but was still somewhat lower than in the previous year. The decline reflects both the general downward trend in stock exchange volumes and the longer holding periods for major investors. Shares in SAF-HOLLAND had an average daily turnover of 148,600 shares (previous year: 209,500 shares) on all German stock exchanges in 2016. This is equivalent to an average trading volume of EUR 1.6 million (previous year: EUR 2.8 million), which is impressive for a small-cap.

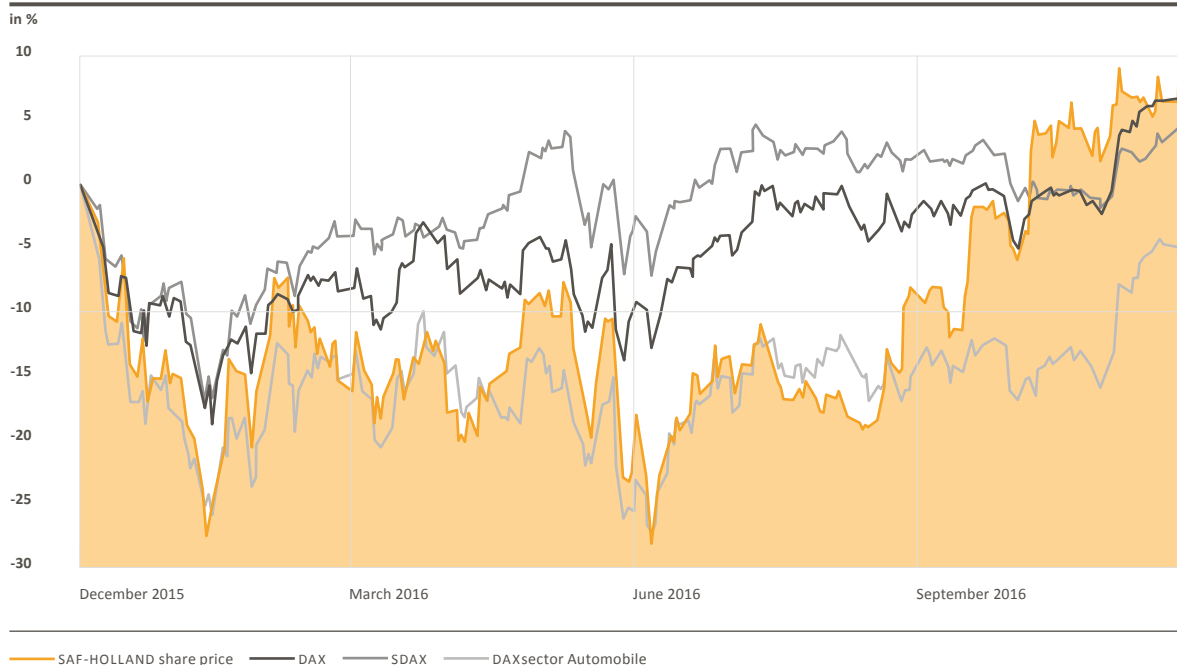
In 2016, SAF-HOLLAND shares were again strongly traded on alternative trading platforms, or dark pools (including BATS Chi-X Europe, Turquoise and Chi-X), recording an additional trading volume of 179,100 shares on average in 2016 (previous year: 211,900). As a result, the trading volume in SAF-HOLLAND shares on the traditional stock exchanges in the past year was lower than on the alternative platforms, where primarily investment banks, brokerage companies and institutional investors trade directly with one another.

POSITION IN INDEX RANKING

In Deutsche Börse AG's most recent index ranking dated December 31, 2016, which determines the composition of the MDAX and SDAX indices, SAF-HOLLAND was ranked 68 (previous year: 66) in terms of free float market capitalization and 67 (previous year: 57) in terms of trading volume. SAF-HOLLAND is, therefore, one of the

larger companies in the SDAX. The fact that SAF-HOLLAND did not move up in the ranking despite its better share price performance relative to the DAX and SDAX was due to the high number of stock exchange newcomers (IPOs) and spin-offs of large companies, which moved in ahead of SAF-HOLLAND in the course of 2016.

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



INVESTOR RELATIONS AND CAPITAL MARKET ACTIVITIES

FURTHER EXPANSION IN INVESTOR RELATIONS ACTIVITIES

As part of our investor relations activities, we provide comprehensive, timely and transparent information about our strategic objectives, the Company's ongoing development, current market trends and emerging technologies. In addition to the investor and analyst conference regarding our annual financial statements and regular conference calls on our quarterly results, the focus of our activities is our contact with investors, analysts and other capital market participants at several investor conferences and roadshows. In the year 2016, a number of investors and potential investors alike accepted our invitation to visit our production and engineering facilities to form their own impressions.

SAF-HOLLAND continued to expand its investor relations activities during the 2016 financial year. In a total of eight roadshows and ten investor conferences held in Germany and abroad, the Management Board and IR team presented the Company's current business performance, growth outlook and strategic goals. As in the previous year, the focus of activities was not only in Germany but also other international financial centers such as London, Paris and the United States. Other roadshow locations in 2016, particularly in the context of the takeover offer for Haldex, included the Scandinavian financial markets of Denmark, Sweden and Finland. Roadshows were also held in Geneva, Zurich, Dublin and the Benelux countries. Investor interest in SAF-HOLLAND shares was evident by the high number of company visits. The individual and group discussions with investors and analysts focused on questions about the development of the end markets, the Company's future prospects and current technology trends, especially those related to the issues of weight reduction and digitization in the transport industry.

A further highlight of last year's activities was the Capital Markets Day in September, which took place during the IAA Commercial Vehicles trade fair. The event's new format was very well received. After an extensive tour of the booth and a technology briefing, visitors had the opportunity to pose questions in individual and small group discussions not only to the CEO and CFO but also to members of the Management Board with regional responsibilities.

Detailed and up-to-date information on the Company's shares and corporate and convertible bonds can be found on SAF-HOLLAND's Investor Relations website at <http://corporate.safholland.com/en/investor-relations>. The website provides key figures and current financial news, as well as the ability to download reports, presentations and conference call recordings.

PREDOMINATELY POSITIVE ANALYST RATINGS

SAF-HOLLAND is covered by both national and international banks and research firms who regularly publish research reports on the Company. As in the prior year, three new banks/brokers initiated coverage of the Company raising the total number to 14.

At the end of 2016, eleven of the fourteen analysts either recommended buying the shares or expected the shares to outperform the overall market. Three analysts recommended holding the shares. The corresponding price targets ranged between EUR 11.00 and EUR 18.00.

Current analyst ratings

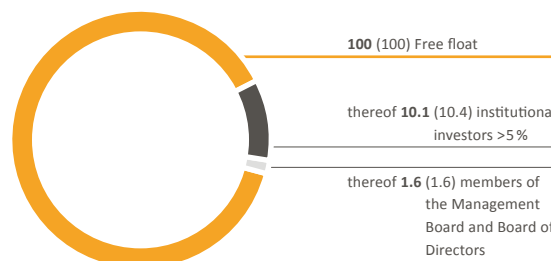
12/21/2016	Bankhaus Lampe	Buy
10/19/2016	Berenberg	Buy
11/14/2016	Commerzbank	Hold
12/07/2016	Deutsche Bank	Hold
11/10/2016	equinet	Buy
05/09/2016	Exane BNP Paribas	Outperform
11/10/2016	Hauck & Aufhäuser	Buy
08/15/2016	HSBC	Hold
09/23/2016	Kepler Cheuvreux	Buy
11/10/2016	Macquarie Capital	Outperform
11/10/2016	M.M. Warburg	Buy
11/10/2016	Montega	Buy
11/11/2016	ODDO Seydler	Buy
07/26/2016	Quirinbank	Buy

STABLE SHAREHOLDER STRUCTURE

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 shareholders base consists primarily of institutional investors such as fund managers, asset managers, banks, insurance companies and private investors from both Germany and abroad. Major shareholders are primarily capital investment companies from Great Britain, the United States, France, Scandinavia and the Benelux countries, whereby the proportion of North American and Scandinavian investors has increased the most this past year. The Company noticed a growing interest from long-term investors such as insurance companies. At the end of 2016, fund managers Delta Lloyd Asset Management N.V. as well as FMR LLC both held stakes of more than 5% in SAF-HOLLAND S.A.'s share capital. Members of the Management Board and the Board of Directors of SAF-HOLLAND S.A. together held 1.6% of the outstanding shares.

Shareholder structure 2016

in %



Status: December 31, 2016

2016 ANNUAL GENERAL MEETING RESOLVES TO INCREASE DIVIDEND TO EUR 0.40 PER SHARE

The Annual General Meeting of SAF-HOLLAND S.A. on April 28, 2016 resolved to pay a dividend in the amount of EUR 0.40 per share for 2015 (previous year: EUR 0.32). Shareholders accepted the Board of Directors' proposal to increase the dividend payment by 25%. The total dividend payout of EUR 18.1 million (previous year: EUR 14.5 million) represented a payout ratio of almost 39% (previous year: 44%) of the available net earnings generated in the 2015 financial year. The available net earnings were determined by adjusting the result for the period by accounting-related and non-cash income from the valuation of intercompany foreign currency loans in the amount of EUR 4.7 million after taxes that occurred in the 2015 financial year. This payout ratio essentially met the general target of distributing 40% to 50% of the available net earnings as a dividend. The dividend yield based on the year-end closing price for SAF-HOLLAND shares in 2015 was 3.2% (previous year: 2.9%).

The Annual General Meeting elected PricewaterhouseCoopers Société coopérative, Luxembourg, as the new auditor for the 2016 financial year after ERNST & YOUNG S.A. had served as the auditor of the listed company SAF-HOLLAND for nine years. In changing its auditor, SAF-HOLLAND has opted for the early implementation of the EU directive that entered into force in 2016, which amends the current auditor guidelines and instructs capital market-oriented companies to change their auditor at least every ten years.

The Annual General Meeting also decided to extend the Board of Directors mandates of Anja Kleyboldt, Martina Merz and Dr Martin Kleinschmitt until the end of the Annual General Meeting that resolves on the adoption of the financial results for the 2018 financial year.

CORPORATE BOND OVERVIEW

Since 2012, SAF-HOLLAND has listed a corporate bond in the Prime Standard segment for corporate bonds of the Frankfurt Stock Exchange. The bond has a total nominal value of EUR 75.0 million, a coupon of 7.0% and matures on April 26, 2018.

In the year 2014, SAF-HOLLAND also issued convertible bonds with a total nominal amount of EUR 100.2 million as a private placement. The convertible bonds, which are traded in the open market on the Frankfurt Stock Exchange, mature on September 12, 2020 and have an annual interest rate of 1.0%. No bonds were converted during the 2016 financial year.

The corporate and convertible bonds' prices, most important key figures and terms and conditions are available on the Company's investor relations website under the menu item "Share and Bonds".

COMPANY'S BBB CREDIT RATING RECONFIRMED

In 2016, the rating agency Euler Hermes reconfirmed SAF-HOLLAND's "BBB" investment grade rating. In an analysis dated April 6, 2016, Euler Hermes also said it expects SAF-HOLLAND to maintain this rating over the coming twelve months. The Euler Hermes assessment assumes slightly higher business risk caused by cyclical fluctuations in the commercial vehicle sector, but also highlights that the high barriers to market entry and the more economically stable spare parts business partially compensate for this risk. The rating agency assessed the Group's financial risk as low given its solid capital structure and financial flexibility.

Keys share information

WKN/ISIN	A0MU70/LU0307018795
Ticker symbol	SFQ
Number of shares	45,361,112
Designated sponsors	Commerzbank AG, ODDO SEYDLER BANK AG, Kepler Cheuvreux
Year high/low ¹	EUR 13.64/EUR 9.00
Year-end closing price ¹	EUR 13.64
Market capitalization	EUR 618.7 million

¹ XETRA closing price