

July 1, 2010

Sauer-Danfoss Announces New Business Structure; Rolls Out Three New, Independent Businesses

New Structure Better Aligns Product Lines with Meeting Market Needs

AMES, Iowa, U.S.A., July 1, 2010 – Sauer-Danfoss Inc. (NYSE:SHS)

Sauer-Danfoss announces a new business structure including the creation of three new businesses, effective July 1, 2010, that encompass all the cartridge and hydraulic integrated circuit (HIC) valves, gear pumps and motors, and inverter products previously manufactured and marketed within the central Sauer-Danfoss organization.

In the new structure, Comatrol® will design, manufacture, and sell cartridge valves and HICs; Turolla OpenCircuitGear™ will design, manufacture, and sell open circuit gear pumps and motors, and Schwarzmüller-Inverter™ will likewise manage electric inverter products. Comatrol, Turolla, and Schwarzmüller-Inverter are members of the Sauer-Danfoss Group and fully owned by Sauer-Danfoss Inc.

Sauer-Danfoss will continue to design, manufacture, and sell products in the hydrostatic propel, orbital motors, electronic components, steering, and PVG spool valves product lines.

“I am extremely pleased to introduce these new businesses to the industry,” says Sven Ruder, President and Chief Executive Officer of Sauer-Danfoss. “While Sauer-Danfoss has enjoyed a market leadership position and tremendous growth since the merger of Danfoss Fluid Power and Sauer-Sundstrand in 2000, we have also learned, through our growing applications expertise and conversations with customers, that there were tangible differences in our product lines, in terms of customer needs and vehicle project timelines.”

New Vice President Appointed to Oversee New Businesses

As a result of the creation of the new businesses, Ruder has named Domenico Traverso as Vice President, Stand-Alone Businesses. Traverso will have overall responsibility for the new businesses and ensure that they achieve their full potential. Traverso will work from Sauer-Danfoss’ Reggio Emilia, Italy location.

According to Traverso, “these new stand-alone businesses will operate as smaller, more agile entities, and will manage their own sales, production, and support organizations.” The new businesses will operate with faster, less complex organizations with the objective of becoming the most responsive in their respective markets. Each business has an individual strategy and development plan to maximize their potential and draw upon their individual strengths.

The directors leading these businesses are Gunnar Dæhlin, Turolla; David Duvall, Comatrol; and Thomas Schwarzmüller, Schwarzmüller-Inverter.

Sauer-Danfoss Implements New, Focused Sales Structure

In addition to the creation of the new organizations, Sauer-Danfoss itself is introducing a new, focused sales structure that is also the result of customer input and targeted research. “Sauer-Danfoss will seek to exceed customer expectations by creating a unique customer experience in all customer touch points, from pre-sales to after-market support,” says Ruder. To accomplish this, Sauer-Danfoss has identified focus areas, centered on the customer:

- Fastest response
- Best quality and delivery performance
- Aligned sales processes
- Enhanced technical support
- Single point of contact for service and warranty support
- Best logistics and lean business processes

These efforts, together with an emphasis on maintaining the company’s position as a market and technology leader, will be carried out over the next several months. While Sauer-Danfoss’ sales and marketing organizations will continue to represent its products as they call upon customers, each of the five ‘Business Areas’ (hydrostatic propel, orbital motors, electronic components, steering, and PVG spool valves) will have sales development managers to provide a higher level of product knowledge for the products they represent, and product application engineers who will specialize in the application of each product.

“We are excited about what the future holds for Sauer-Danfoss and our newly established, independent Comatrol, Turolla, and Schwarzmüller units,” concludes Ruder. “We believe all of our businesses will be in an even better position to exceed our customers’ expectations and to build on our solid and successful corporate foundation.”

For more information, visit these web sites:

www.sauer-danfoss.com

www.comatrol.com

www.turollaocg.com

www.schwarzmueller-inverter.com

About Sauer-Danfoss

Sauer-Danfoss Inc. is a worldwide leader in the design, manufacture, and sale of engineered hydraulic, electric and electronic systems and components for use primarily in applications of mobile equipment. Sauer-Danfoss, with 2009 revenues of approximately \$1.2 billion, has sales, manufacturing, and engineering capabilities in Europe, the Americas, and the Asia-Pacific region.

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