

Press Release

Schaeffler Group continues its profitable growth during the first six months of 2011

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- Sales of €5.4 billion, up 18 percent from prior year
- EBIT grows 20 percent to €883 million, EBIT margin at 16.4 percent
- Net income increases to €641 million
- Sustained positive free cash flow of €77 million
- Forecast for 2011: Sales now expected to grow at least 10 percent, EBIT margin targeted to exceed 13 percent

Schaeffler Group, one of the leading global automotive and industrial suppliers, has reached new highs in sales and net income during the first six months of 2011.

“Our business has performed very well during the first half. We were again able to significantly exceed the already very encouraging sales and net income levels of the prior year,” commented Dr. Juergen M. Geissinger, CEO of Schaeffler Group. “Our innovative product range allowed us to benefit more than proportionally from the economic recovery in our customers’ industries across all sectors and regions.”

Schaeffler Group sales increased 18 percent to approximately €5.4 billion for the first half of the year. At 21 percent, Europe excluding Germany saw the largest regional increase in sales, followed by Asia with 18 percent and Germany with 17 percent. Growing by 16 percent to €3.6 billion, Automotive Division sales topped the already high level generated in the comparable prior year period. Within the Industrial Division, particularly the sectors production machinery, power transmission and aftermarket were able to expand further. Sales for this division increased 25 percent to approximately €1.7 billion.

EBIT for the first six months of 2011 grew by 20 percent to €883 million from the prior year, increasing the EBIT margin to 16.4 percent from its prior year level of 16.2 percent. Net income improved by €901 million to €641 million during the first half of 2011.

Free cash flow for the first six months of 2011 was €77 million (first six months of 2010: €336 million). The reduction was primarily due to the increase in working capital resulting from growth in business volume and increased capital expenditures for the necessary expansion of capacity. Schaeffler Group capital expenditures amounted to €308 million, significantly more than the €123 million

spent during the prior year period. "We expect to generate positive free cash flow for the current fiscal year despite the higher capital expenditure requirements," said Klaus Rosenfeld, CFO of the Schaeffler Group.

Net financial debt rose to €6,069 million at the half-year mark, up €325 million from year-end 2010. The leverage ratio, calculated as the ratio of net financial debt to EBITDA for the past twelve months, was unchanged at 2.7.

Schaeffler Group employed 71,084 staff worldwide at the end of the first half of the year, up 5.3 percent from year-end 2010. Germany had 28,844 employees, an increase of 3.2 percent.

Based on the good development of its business during the first six months, the company remains optimistic about the 2011 fiscal year. The Group continues to expect robust demand for its components and systems in the second half, although growth rates will likely be below those of the first six months. The Company perceives risks from a possible worsening of the debt crisis in Europe and the US as well as the current turmoil in the financial markets which may negatively impact economic growth. In addition, increasing commodity prices, particularly for steel, and higher labor costs may have a negative effect on margins.

Dr. Juergen M. Geissinger stated: "Based on the excellent performance in the first six months we are increasing our revenue target for the year 2011 slightly. We now anticipate revenue to grow by more than 10 percent. In light of planned capacity expansions and expected higher materials and labor costs, we are maintaining our expectation of generating an EBIT margin in excess of 13 percent."

Schaeffler Group – We pioneer motion The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for over 75 years. With innovative technologies, products, and services for electric mobility, CO₂-efficient drives, chassis solutions, Industry 4.0, digitalization, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. The motion technology company manufactures high-precision components and systems for drive train and chassis applications as well as rolling and plain bearing solutions for a large number of industrial applications. The Schaeffler Group generated sales of EUR 15.8 billion in 2022. With around 84,000 employees, the Schaeffler Group is one of the world's largest family-owned companies. With more than 1,250 patent applications in 2022, Schaeffler is Germany's fourth most innovative company according to the DPMA (German Patent and Trademark Office).

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