

Press Release

Schaeffler Holding successfully places senior secured notes and refinances bank loans

HERZOGENAURACH, 2014-10-22.

- **Total bond volume of approx. €1.2 billion equivalent**
- **Three tranches with 5, 7, and 8 year maturities**
- **Proceeds used to reduce existing credit facilities**

Today, Schaeffler Holding successfully placed approx. €1.2 billion equivalent senior secured notes denominated in Euro and U.S. Dollar with institutional investors. Very high demand for the notes in both Europe and the USA led to an oversubscription of several times.

The issue consists of a Euro tranche of approx. €350 million with a maturity of seven years and a coupon of 5.75 percent, a U.S. Dollar tranche of approx. \$475 million with a maturity of five years and a coupon of 6.25 percent, and a U.S. Dollar tranche of approx. \$675 million with a maturity of eight years and a coupon of 6.75 percent. The notes are issued by Schaeffler Holding Finance B.V. and are guaranteed by Schaeffler Verwaltungs GmbH and selected subsidiaries. The notes will be listed on the Euro MTF market of the Luxembourg Stock Exchange. Standard & Poor's and Moody's have rated the bonds B and B1, respectively.

The issue is part of the comprehensive €1.9 billion partial refinancing of existing bank loans at the level of Schaeffler Holding. Apart from the above mentioned bonds the refinancing comprises a new €700 million credit agreement with six international banks. The net proceeds are used to replace the existing bank loans. Through these measures, the cost of debt on the level of Schaeffler Holding will be further reduced and the maturities extended.

"The successful issuance of bonds with a total volume of €1.2 billion in the current volatile capital markets environment is again proof of the great trust that the capital markets place in the Schaeffler Group. With the refinancing at Schaeffler Holding we have reached another milestone on our course to sustainably optimize our capital structure," said Klaus Rosenfeld, Member of the Management Board at Schaeffler Holding.

Background information on Schaeffler Holding:

In August 2009, Schaeffler had agreed a basic financing concept with its banks in course of which the Group's liabilities at the holding company level and at the operating level

were split. As a result of four financing steps in March 2011, September 2012, July 2013, and September 2013, the leverage on the company's holding level was significantly reduced and the financing costs were improved. In parallel, the capital structure at the operating level has been optimized in several steps.

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