

Press Release

IHO Holding successfully places approximately EUR 3.6 billion equivalent of new bonds

- **Strong interest leads to increase of originally planned transaction volume by approximately EUR 1.1 billion**
- **Six tranches with five, seven and ten year maturities in Euros and U.S.-Dollars**
- **Significant improvement in cost of debt and maturity profile**

HERZOGENAURACH, *September 8, 2016*. IHO Holding, a group of holding companies indirectly owned by the Schaeffler Family, has successfully placed approximately EUR 3.6 billion equivalent senior secured notes in Euros and U.S.-Dollars with institutional investors. Due to the strong interest from Europe and the U.S. the originally planned transaction volume of EUR 2.5 billion has been increased by approximately EUR 1.1 billion.

The issue consists of three Euro tranches and three U.S.-Dollar tranches with maturities of five, seven and ten years. The three Euro tranches have a nominal value of EUR 750 million each. The bond with a maturity of five years has a coupon of 2.75 percent, the bond with a maturity of seven years has a coupon of 3.25 percent and the bond with a maturity of ten years has a coupon of 3.75 percent. The three U.S.-Dollar tranches have a nominal value of USD 500 million each. The bond with a maturity of five years has a coupon of 4.125 percent, the bond with a maturity of seven years has a coupon of 4.5 percent and the bond with a maturity of 10 years has a coupon of 4.75 percent.

The bonds will be listed on the Euro MTF market of the Luxembourg Stock Exchange.

The proceeds from the bond issuance will be used to redeem all existing bonds of IHO Holding in the amount of EUR 1.7 billion with coupons ranging from 5.75 to 6.875 percent, for the prepayment cost and for the full prepayment of the Loan Note of Schaeffler AG of approximately EUR 1.7 billion.

The issuance is part of a refinancing of existing indebtedness of IHO Holding. Apart from the above mentioned bonds the refinancing includes a new EUR 800 million credit agreement with four international banks that replaces the previous credit agreement of IHO Holding.

The refinancing will significantly reduce financing costs of IHO Holding and extend the debt maturity profile.

Deutsche Bank AG and Citigroup were Joint Global Coordinators and Joint Bookrunners. Bank of America Merrill Lynch and HSBC were Joint Bookrunners.

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Certain statements in this press release are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes

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