

**Schaeffler AG places senior secured notes of 2.0 billion Euro in Europe and in the US**

- Successful capital market debut in Europe and in the US
- Issue five times oversubscribed; volume upsized from €1 billion to €2 billion
- Four tranches with a balanced mix of maturities (five to seven years) and currencies (Euro and USD)
- First milestone of the new refinancing concept implemented faster than expected

Herzogenaurach, February 03, 2012. Schaeffler AG successfully placed €2.0 billion of bonds debuting in the international capital markets. The issue was approximately five times oversubscribed. Given the extraordinary demand, the originally envisaged issue size of €1.0 billion was increased to €2.0 billion.

The issue consists of two Euro tranches and two U.S. dollar tranches. The two Euro tranches have a total volume of €1.2 billion with a maturity of five and seven years and coupons of 7.75 percent and 8.75 percent, respectively. The two dollar tranches total 1.1 billion U.S. dollars. The 5-year and the 7-year US dollar tranches come at coupons of 7.75 percent and 8.5 percent, respectively.

The bond issue represents a key element of the €8.0 billion refinancing agreement that Schaeffler AG entered into with its banks on January 27, 2012. The successful bond issue, which is a first major part of the new refinancing concept, was implemented faster than anticipated. The net proceeds of the bonds will be used to repay existing loans. This results in a significant improvement of the current maturity profile.

Klaus Rosenfeld, CFO of Schaeffler AG, said: "The demand for the bonds was extraordinary both in Europe and the U.S. With the highly successful placement we have laid the foundation for a further optimization of our capital structure."

The notes have been issued by Schaeffler Finance BV and are guaranteed by Schaeffler AG and selected subsidiaries.

Juergen M. Geissinger, CEO of the Schaeffler AG, said: "The success of the offering is proof of the operational excellence of our company. The tremendous demand from investors showed that the capital markets recognize the profitability and the growth potential of Schaeffler Group."

The bonds will be listed on the Euro MTF market of the Luxembourg Stock Exchange. The company mandated BNP Paribas, Deutsche Bank, HSBC and JP Morgan as joint global coordinators and joint managing bookrunners. Commerzbank, LBBW, Royal Bank of Scotland and UniCredit acted as joint lead bookrunners.

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