

SCHAEFFLER HOLDING FINANCE B.V.

NOTICE OF FULL REDEMPTION (September 7, 2016)

July 2013 Notes

€800,000,000 (€800,000,000 outstanding) 6.875%/7.625% Senior Secured PIK Toggle Notes due 2018 (the **July 2013 Euro Notes**) and \$1,000,000,000 (\$400,000,000 outstanding) 6.875%/7.625% Senior Secured PIK Toggle Notes due 2018 (the **July 2013 Dollar Notes** and, together with the July 2013 Euro Notes, the **July 2013 Notes**)

- (July 2013 Euro Notes - Regulation S Global Notes: Common Code 095490778, ISIN XS0954907787; 144A Global Notes: Common Code 095490743, ISIN XS0954907431)*
- (July 2013 Dollar Notes - Regulation S Global Notes: Common Code 092892727, ISIN USN77616AA34, CUSIP N77616AA3; 144A Global Notes: Common Code 092892468, ISIN US80626PAA84, CUSIP 80626PAA8)*

October 2014 Notes

€350,000,000 (€210,000,000 outstanding) 5.75%/6.50% Senior Secured PIK Toggle Notes due 2021 (the **October 2014 Euro Notes**), \$475,000,000 (all outstanding) 6.25%/7.00% Senior Secured PIK Toggle Notes due 2019 (the **October 2014 Dollar Notes due 2019**) and \$675,000,000 (\$405,000,000 outstanding) 6.75%/7.50% Senior Secured PIK Toggle Notes due 2022 (the **October 2014 Dollar Notes due 2022** and, together with the October 2014 Euro Notes and the October 2014 Dollar Notes due 2019, the **October 2014 Notes** and, together with the July 2013 Notes, the **Notes**)

- (October 2014 Euro Notes - Regulation S Global Notes: Common Code 112648623, ISIN XS1126486239; 144A Global Notes: Common Code 112648682, ISIN XS1126486825)*
- (October 2014 Dollar Notes due 2019 - Regulation S Global Notes: Common Code 112987266, ISIN USN77616AC99, CUSIP N77616AC9; 144A Global Notes: Common Code 112987207, ISIN US80626PAC41, CUSIP 80626PAC4)*
- (October 2014 Dollar Notes due 2022 - Regulation S Global Notes: Common Code 112988793, ISIN USN77616AD72, CUSIP N77616AD7; 144A Global Notes: Common Code 112988637, ISIN US80626PAD24, CUSIP 80626PAD2)*

Reference is hereby made to:

- (1) the indenture dated July 24, 2013 between, *inter alios*, Schaeffler Holding Finance B.V. (the **Issuer**), Schaeffler Verwaltungs GmbH (the **Parent Guarantor**) and Deutsche Trustee Company Limited (the **Notes Trustee**) (as so amended or supplemented, the **July 2013 Notes Indenture**) pursuant to which the Issuer has issued the July 2013 Notes; and
- (2) the indenture dated October 28, 2014 between, *inter alios*, the Issuer, the Parent Guarantor and the Notes Trustee (the **October 2014 Notes Indenture** and, together with the July 2013 Notes Indenture, the **Indentures**) pursuant to which the Issuer has issued the October 2014 Notes.

Capitalized terms used but not otherwise defined herein, shall have the meaning assigned to such terms in the respective Indentures.

Pursuant to Section 3.04(b) of each of the Indentures, the Issuer hereby provides notice of the following information relating to the redemption of its Notes, in whole:

The redemption date shall be October 7, 2016 (the **Redemption Date**).

The record date shall be October 6, 2016 (the **Record Date**).

The July 2013 Notes are to be redeemed according to Section 6(c) of each Global Note thereof. The October 2014 Notes are to be redeemed according to Section 6(b) of each Global Note thereof.

The July 2013 Notes will be redeemed at a redemption price (the **July 2013 Notes Redemption Price**) of:

- (i) 101.719% of the principal amount thereof, *plus*
- (ii) accrued and unpaid interest thereon up to, but excluding, the Redemption Date, in a total amount of €2,979,166.67 for the July 2013 Euro Notes (corresponding to €0.01 (rounded) for each €1 July 2013 Euro Note) and \$3,972,222.22 for the July 2013 Dollar Notes (corresponding to \$9.93 (rounded) for each \$1,000 July 2013 Dollar Note).

The October 2014 Notes will be redeemed at a redemption price (the **October 2014 Notes Redemption Price**) of:

- (i) 100% of the principal amount thereof outstanding *plus* the Applicable Premium as set forth in Section 6(b) of each relevant Global Note in an amount to be calculated as of the Redemption Date, *plus*
- (ii) accrued and unpaid interest thereon up to, but excluding, the Redemption Date, in a total amount of €1,762,916.67 for the October 2014 Euro Notes (corresponding to €0.02 (rounded) for each €1 October 2014 Euro Note), \$11,710,069.44 for the October 2014 Dollar Notes due 2019 (corresponding to \$24.65 (rounded) for each \$1,000 October 2014 Dollar Note due 2019) and \$10,783,125.00 for the October 2014 Dollar Notes due 2022 (corresponding to \$26.63 (rounded) for each \$1,000 October 2014 Dollar Note due 2022).

The July 2013 Notes Redemption Price and the October 2014 Notes Redemption Price together constitute the **Redemption Price**.

Unless the Issuer and the Parent Guarantor default in making such redemption payment, interest on the Notes called for redemption shall cease to accrue on and after the Redemption Date.

Payment of the Redemption Price will only be made upon presentation and surrender of the Notes to the relevant Paying Agent at the places set forth below:

Principal Paying Agent
Deutsche Bank AG, London
Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Luxembourg Paying Agent
Deutsche Bank Luxembourg S.A.
2, boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

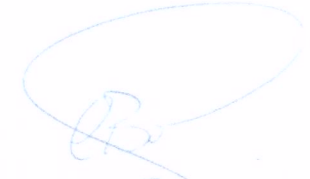
U.S. Paying Agent
Deutsche Bank Trust
Company Americas
60 Wall Street
MS: NYC60-1630
New York, NY 10005
United States of America

For Information call
1-800-735-7777

The method of delivery is at the option and risk of the Holder. On the Redemption Date, the redemption payment will become due and payable.

Notwithstanding anything herein to the contrary, the completion of the redemption described herein is subject to certain financing conditions, including the successful refinancing of the Notes, as well as the satisfaction of any additional conditions required pursuant to the Indentures.

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By: _____
Name: Cornelis Bol
Title: Managing Director



By: _____
Name: Dietmar Heinrich
Title: Managing Director

* The Common Code, ISIN and CUSIP numbers are included solely for the convenience of the Holders. The Issuer is not responsible for the use or selection of these numbers, nor is any representation made as to the correctness or accuracy of such numbers printed on the Notes or as listed in this notice of redemption. Reliance may be placed only on other identification numbers printed on the Notes.

IMPORTANT TAX INFORMATION CONCERNING DOLLAR NOTES

Please Read This Notice Carefully

EXISTING FEDERAL INCOME TAX LAW MAY REQUIRE THE WITHHOLDING OF 28% OF ANY PAYMENTS TO HOLDERS PRESENTING THEIR (SECURITIES) FOR PAYMENTS WHO HAVE FAILED TO FURNISH A TAXPAYER IDENTIFICATION NUMBER, CERTIFIED TO BE CORRECT UNDER PENALTY OF PERJURY. HOLDERS MAY ALSO BE SUBJECT TO A PENALTY OF \$50.00 FOR FAILURE TO PROVIDE SUCH NUMBER. CERTIFICATION MAY BE MADE TO THE PAYING AGENT ON A SUBSTITUTE FORM W-9 OR W-8.