

SCHAEFFLER FINANCE B.V.

NOTICE OF FULL REDEMPTION

(September 13, 2016)

Senior Secured Notes

€00,000,000 2.75% Senior Secured Notes due 2019 (the **Senior Secured Notes**)

(Regulation S Global Note: Common Code 106786291, ISIN XS106786291)*

(Rule 144A Global Note: Common Code 106786356, ISIN XS106786356)*

Senior Notes

€00,000,000 3.25% Senior Notes due 2019 (the **Senior Notes** and, together with the Senior Secured Notes, the **Notes**)

(Regulation S Global Note: Common Code 106786488, ISIN XS106786488)*

(Rule 144A Global Note: Common Code 106786615, ISIN XS106786615)*

Reference is hereby made to:

- (1) the indenture dated May 14, 2014 among, *inter alios*, Schaeffler Finance B.V. (the **Issuer**), Schaeffler AG and certain of its subsidiaries (the **Guarantors**) and Deutsche Trustee Company Limited (the **Notes Trustee**) (as so amended or supplemented, the **Senior Secured Notes Indenture**) pursuant to which the Issuer has issued the Senior Secured Notes; and
- (2) the indenture dated May 14, 2014 among, *inter alios*, the Issuer, the Guarantors and the Notes Trustee (as so amended or supplemented, the **Senior Notes Indenture** and, together with the Senior Secured Notes Indenture, the **Indentures**) pursuant to which the Issuer has issued the Senior 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 the Notes:

The redemption date shall be October 13, 2016 (the **Redemption Date**).

The record date shall be October 12, 2016 (the **Record Date**).

The Notes are to be redeemed according to Section 6(c) of each Global Note thereof.

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

- (i) 101.375% of the principal amount thereof, *plus*
- (ii) accrued and unpaid interest thereon up to, but excluding, the Redemption Date, in a total amount of €5,652,777.78 (corresponding to €1.31 (rounded) for each €1,000.00 Senior Secured Note).

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

- (i) 101.625% of the principal amount thereof, *plus*
- (ii) accrued and unpaid interest thereon up to, but excluding, the Redemption Date, in a total amount of €6,680,555.56 (corresponding to €13.36 (rounded) for each €1,000.00 Senior Note).

The Senior Secured Notes Redemption Price and the Senior Notes Redemption Price together constitute the **Redemption Price**.

Unless the Issuer and the Guarantors 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	Luxembourg Paying Agent	U.S. Paying Agent
Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom	Deutsche Bank Luxembourg S.A. 2, boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg	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

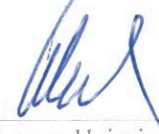
The method of delivery is at the option and risk of the Holder. On the Redemption Date, the redemption payment will become due and payable.

Notwithstanding anything herein to the contrary, the completion of the redemption described herein is subject to certain financing conditions as well as the satisfaction of any additional conditions required pursuant to the Indentures. The Issuer may revoke this Notice of Full Redemption in full or in part at any time prior to the Redemption Date.

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By: _____
Name: Cornelis Bol
Title: Managing Director



By: _____
Name: Dietmar Heinrich
Title: Managing Director

* The Common Codes and ISINs 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 the other identification numbers printed on the Notes.