

Ad-hoc Notification of inside information according to Article 17 para. 1 of the Regulation (EU) No 596/2014 on market abuse

Schaeffler AG reduces its earnings guidance for 2017

Herzogenaurach, *June 26, 2017*. The Board of Managing Directors of Schaeffler AG has decided today to reduce its guidance for the EBIT margin before special items from hitherto 12-13 percent to 11-12 percent for the business year 2017. This is due to a substantially lower earnings development in the second quarter 2017 compared to the previous year. At the same time, guidance for Free Cash Flow has been reduced from approximately 600 million EUR to approximately 500 million EUR for 2017.

While results in the Industrial business are developing in line with expectations, the lower EBIT development of the Schaeffler Group in the second quarter 2017 is primarily due to the following reasons:

1. Increased pricing pressure in the Automotive OEM business and rising cost for new product launches
2. Higher R&D cost and other expenses due to additional projects in the area of e-mobility
3. Temporary supply chain shortages in the Automotive Aftermarket business

The Schaeffler Group confirms its revenue guidance for the full year. The company continues to expect its revenue to grow by 4-5 percent excluding the impact of currency translation for the business year 2017.

The Schaeffler Group plans to pre-release preliminary results for the first half of 2017 by mid July. From today's point of view, the company expects revenue growth excluding the impact of currency translation of approximately 4 percent and an EBIT margin before special items of approximately 11 percent in the first six months 2017.

Contact:

Christoph Beumelburg
SVP Communications, Marketing and Investor Relations
Schaeffler AG
Tel.: +49 9132 82-4440
e-mail: ir@schaeffler.com

Forward-looking statements and projections

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