



# Schaeffler Group

## Profitable growth continues

Q2 2011 results

August 31, 2011

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# Agenda

**1** Overview

**2** Q2 2011 Results

**3** Outlook

## Highlights Q2 2011

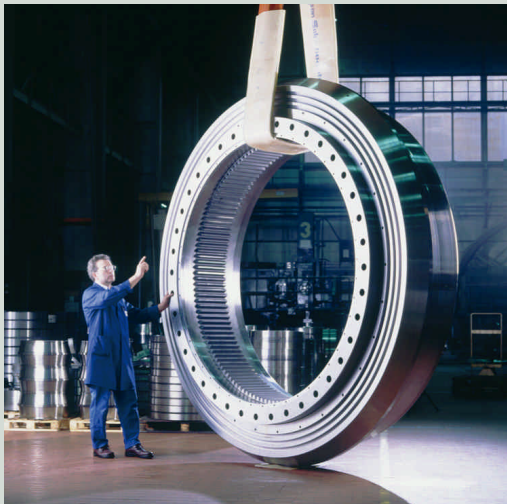


All regions and business units contribute to sales growth of 11.7% in Q2 2011

Automotive: sales growth driven by underlying market growth, new business contracts and new products

High growth rates in torque converters, tapered roller bearings, valve lash adjustment elements, dry double clutches

Industrial: sales growth driven by Production Machinery, Power Transmission and Aftermarket



Positive book-to-bill ratio in both divisions

Bundling our comprehensive electric mobility expertise in "eMobility System House"

Investment agreement for new rolling bearings production plant in Nanjing (China) signed

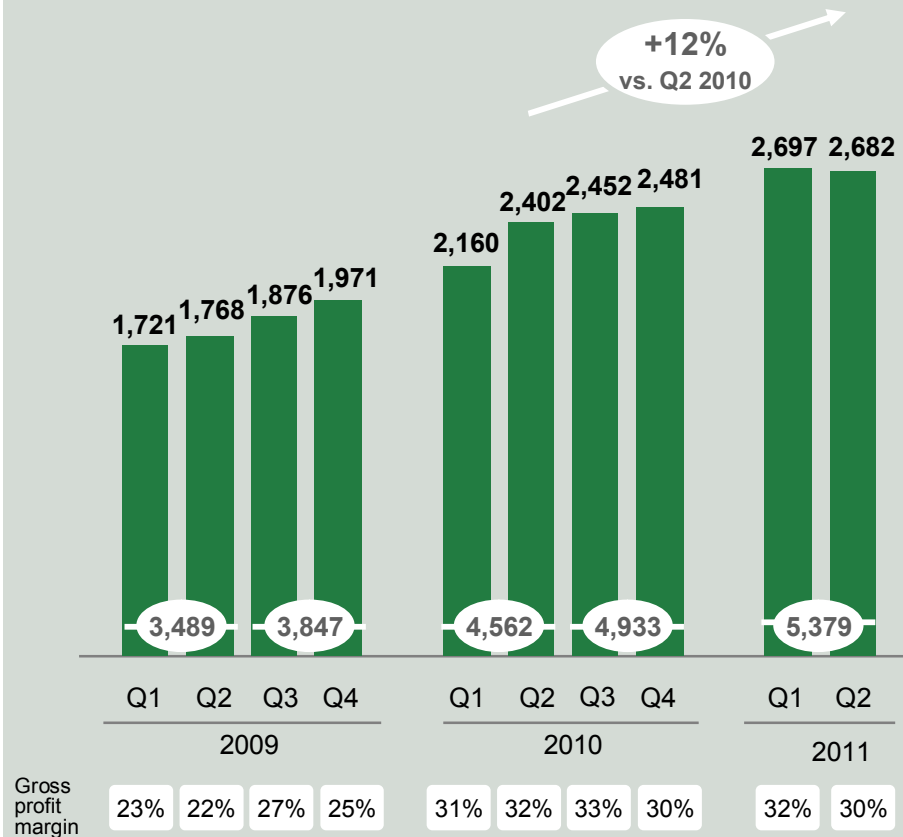
Supplier awards from Porsche, Volkswagen, Daimler, Siemens, Fiat, Great Wall Motors, Motortec, Goldwind and others

## Profitable growth continues

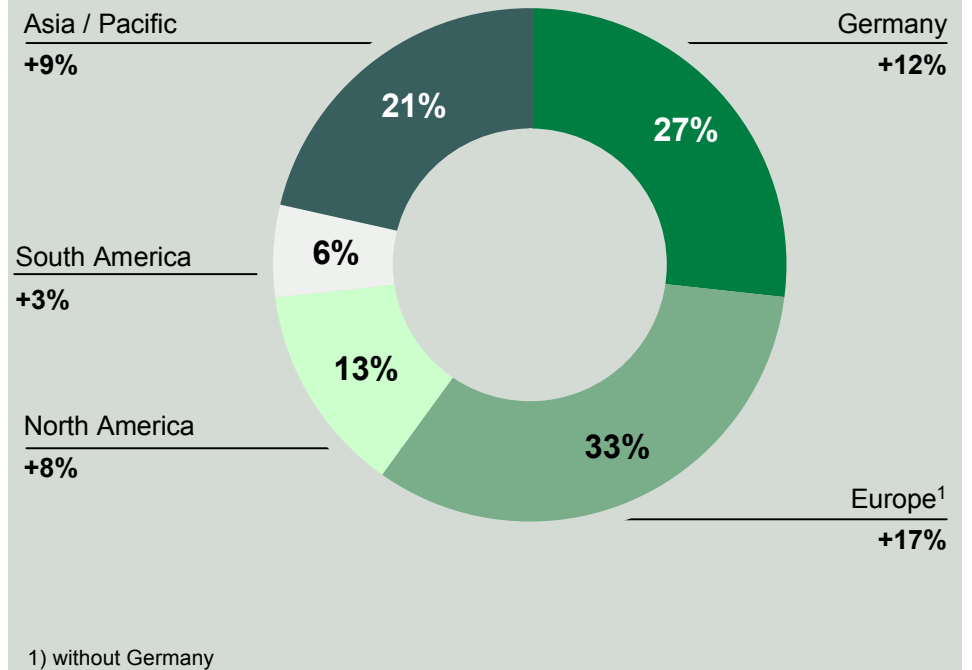
	<b>H1 2011</b> in EUR mn	<b>H1 2010</b> in EUR mn	<b>Δ</b> in EUR mn / %
<b>1 Sales</b>	<b>5,379</b>	4,562	+17.9%
<b>2 EBIT</b>	<b>883</b>	739	+19.5%
<b>2 EBIT margin</b>	<b>16.4%</b>	16.2%	+0.2 %-pts
<b>3 Net income</b>	<b>641</b>	-260	+901 mn
<b>4 Free cash flow</b>	<b>77</b>	336	-259 mn
<b>5 Leverage ratio</b>	<b>2.7x</b>	3.5x	-0.8x
<b>6 ROCE</b>	<b>27.4%</b>	18.0%	+9.4 %-pts

**1 Sales growth +12% versus Q2 2010**

**Sales Schaeffler Group**  
in EUR mn



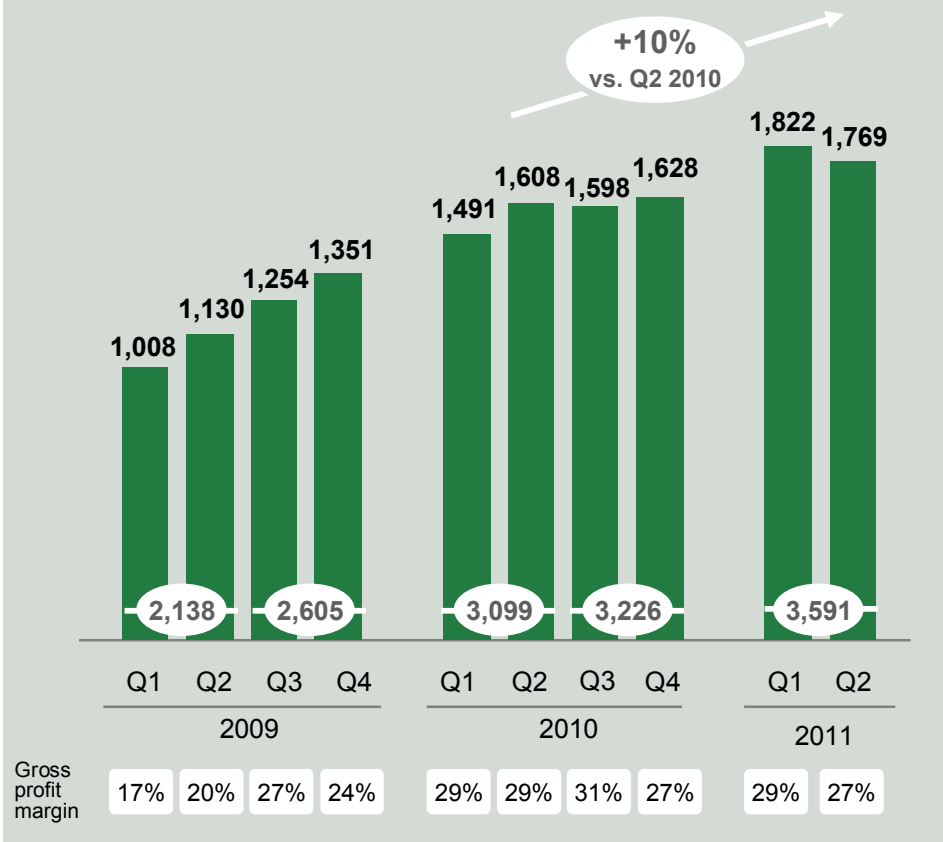
**Sales by region Schaeffler Group**  
share in % / vs. Q2 2010 in %



# 1 Automotive sales at high level – Growth in Industrial continues

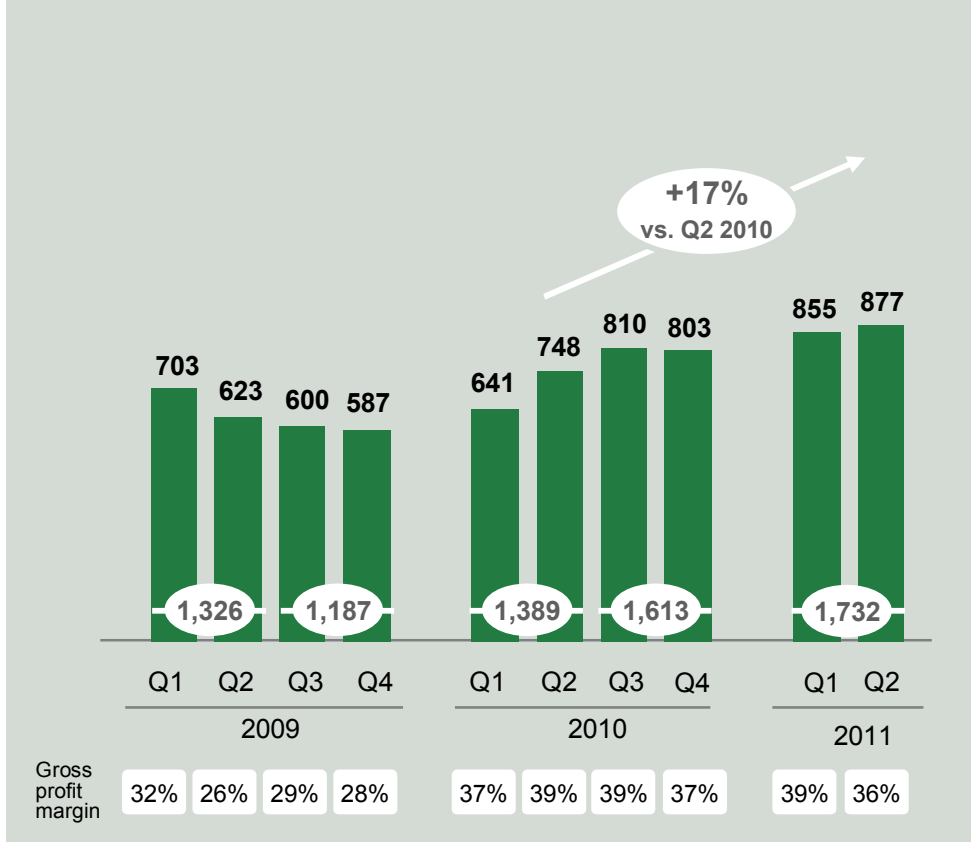
## Sales Automotive

in EUR mn

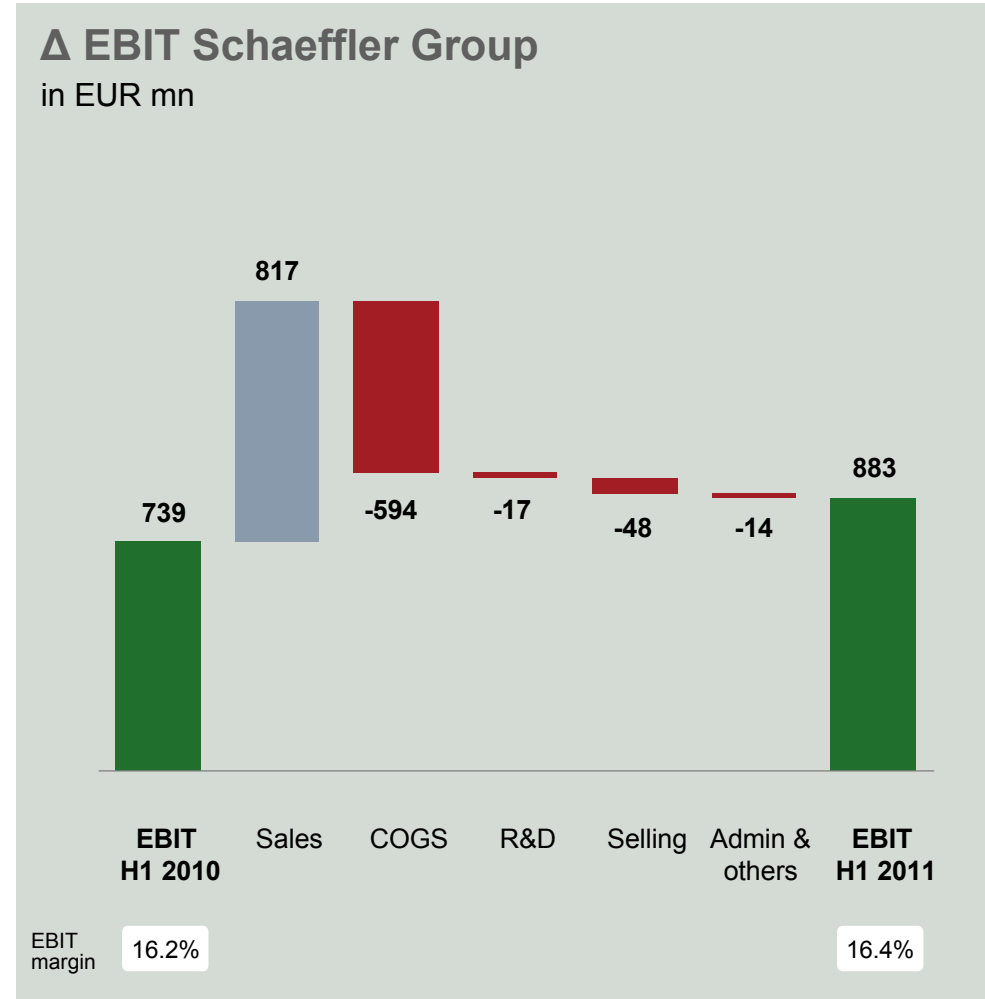
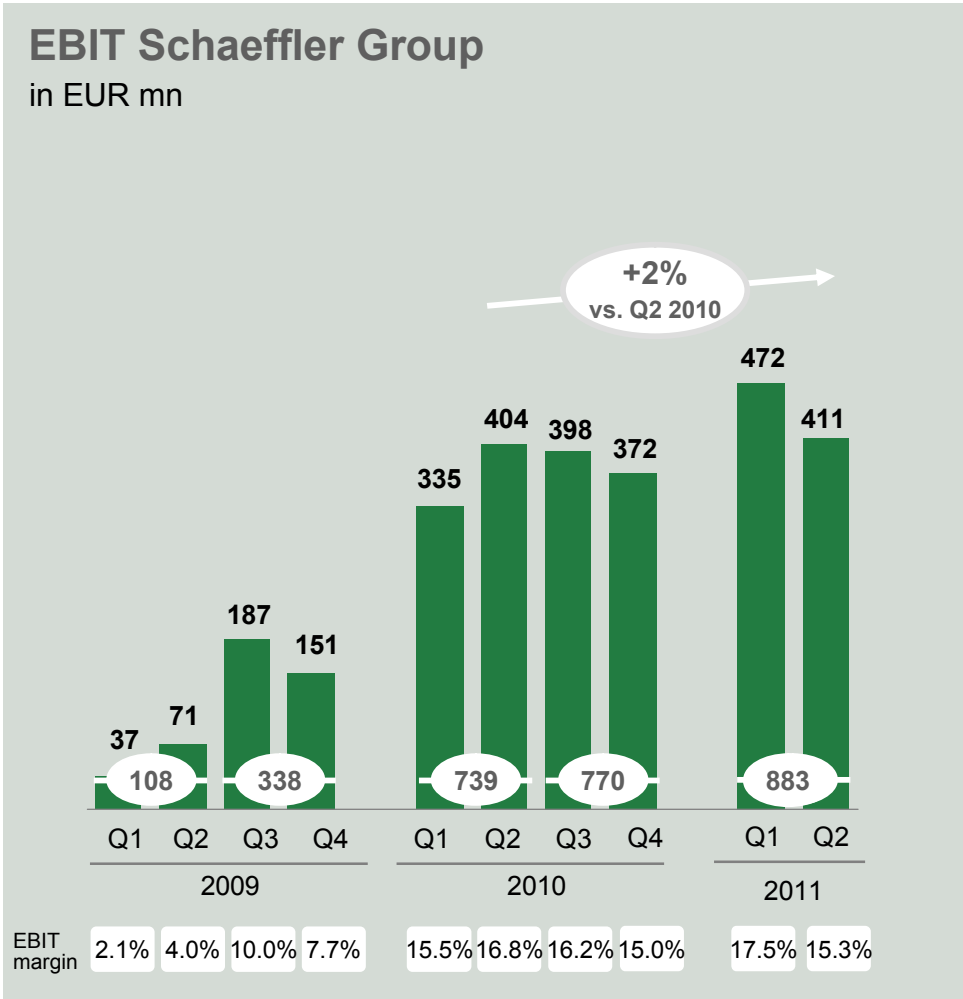


## Sales Industrial

in EUR mn



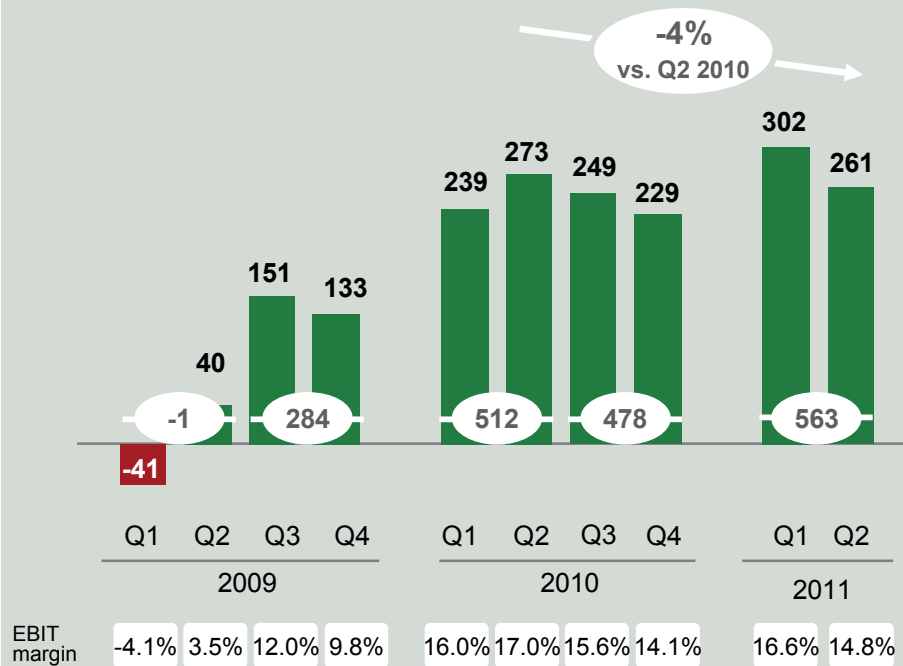
## ② EBIT margin stabilizes at high level



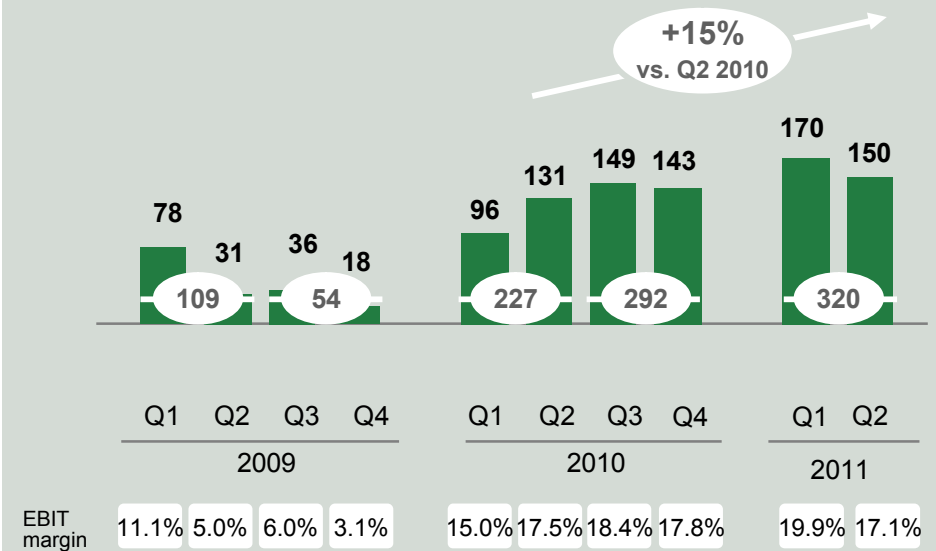


② Automotive EBIT slightly down – Industrial EBIT further improves

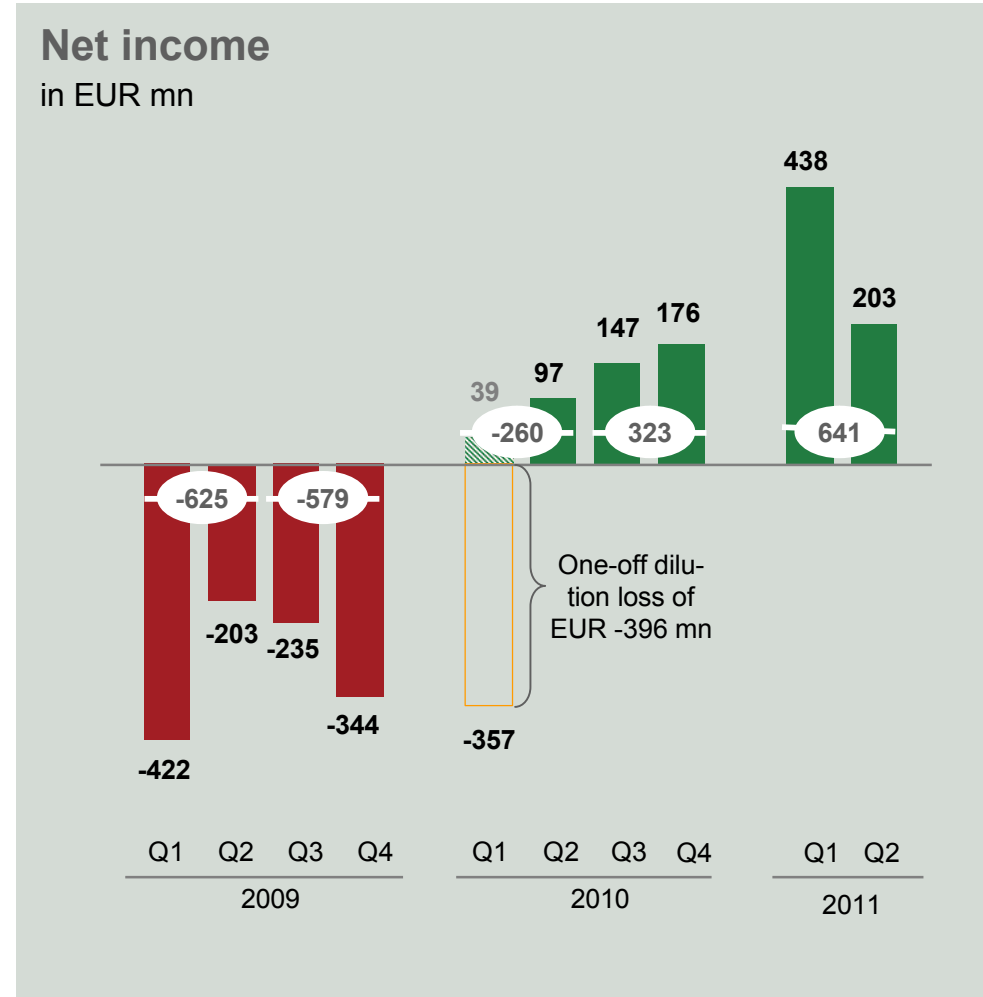
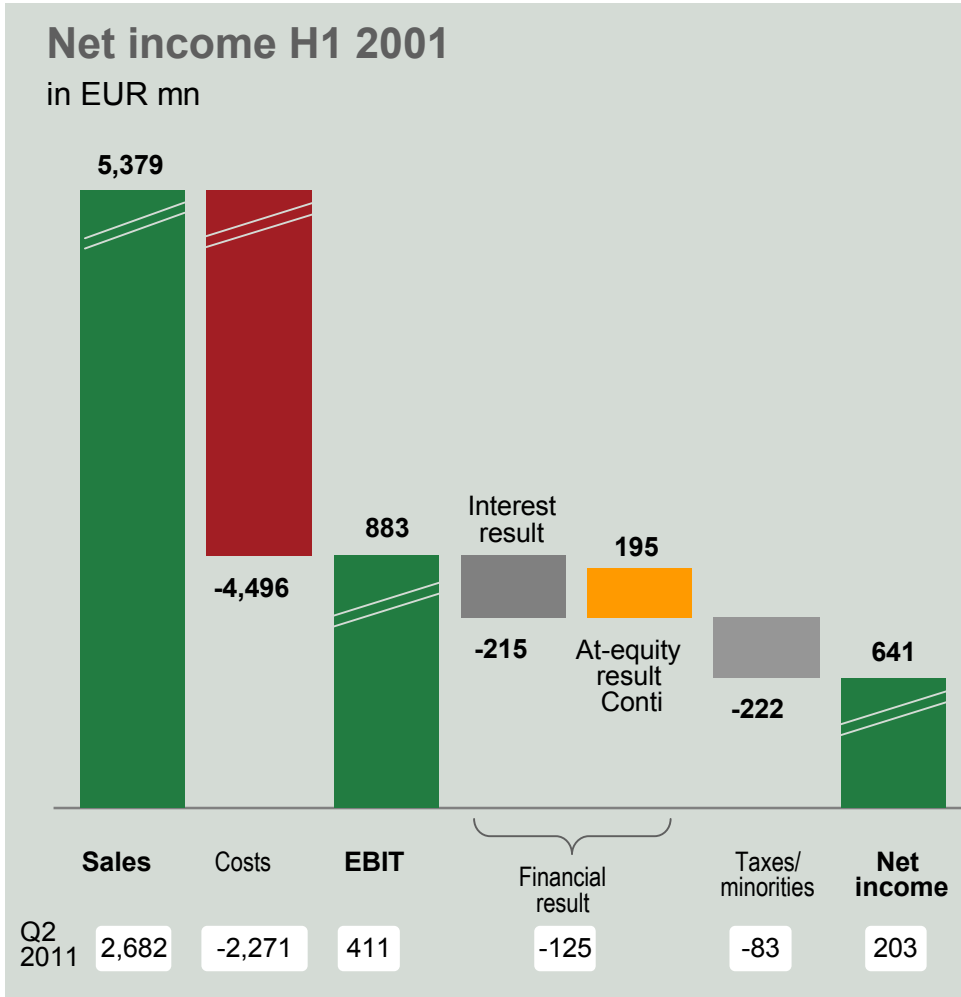
**EBIT Automotive**  
in EUR mn



**EBIT Industrial**  
in EUR mn

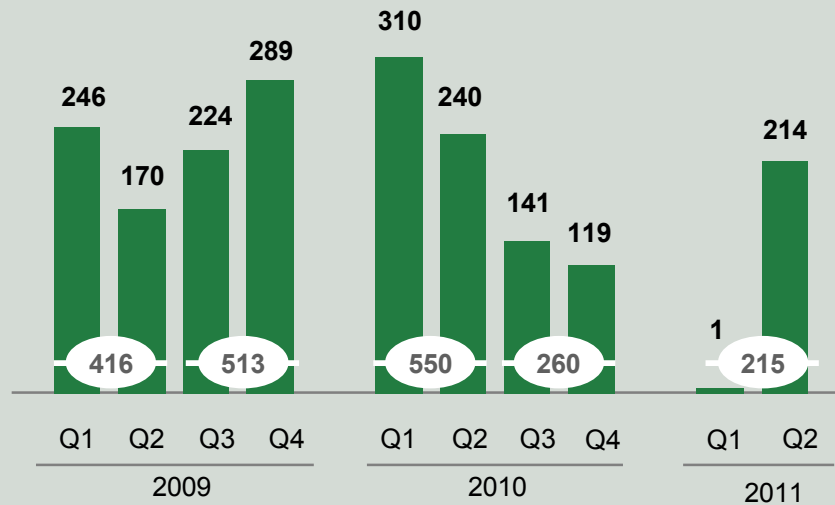


**3 Net income significantly above prior year**

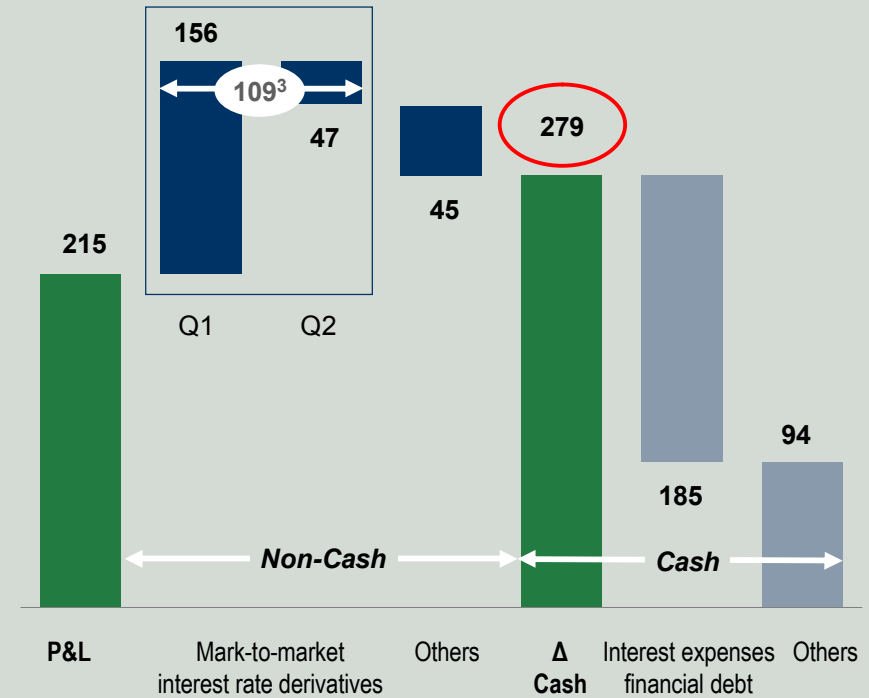


### 3 Interest result impacted by mark-to-market adjustments

Interest result<sup>1</sup>  
in EUR mn



Composition of interest result YTD<sup>2/3</sup>  
in EUR mn



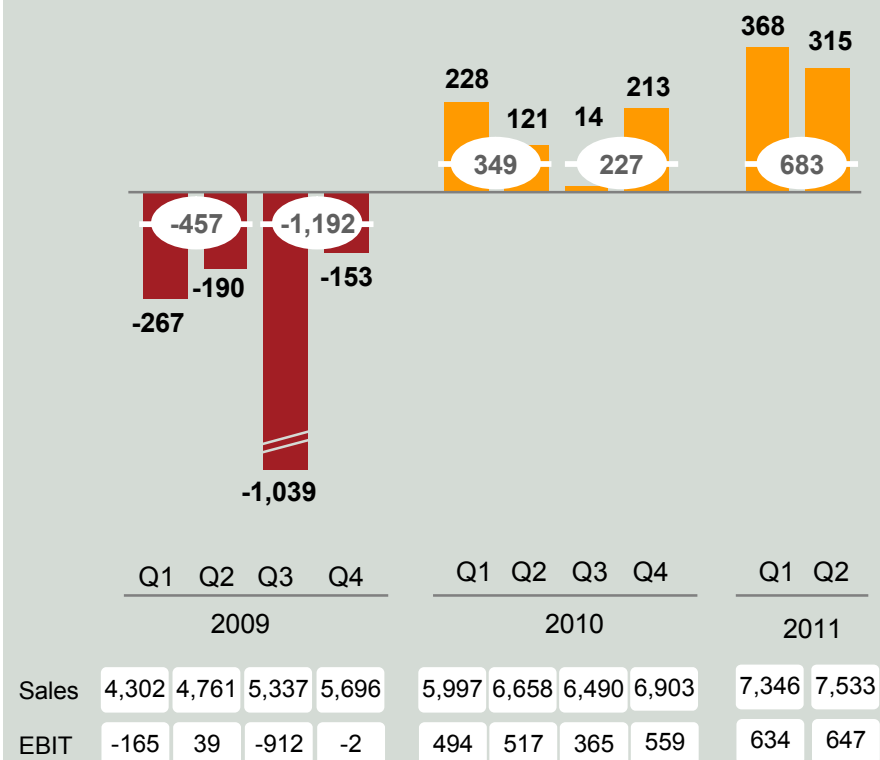
2) Debt push down of EUR 600 mn not included (conducted in July 2011)  
3) Includes effects from the discontinuation of hedge accounting

1) For presentation purposes, results are shown as positive figures

### 3 At-equity result Continental at EUR89 mn

#### Net income Continental AG

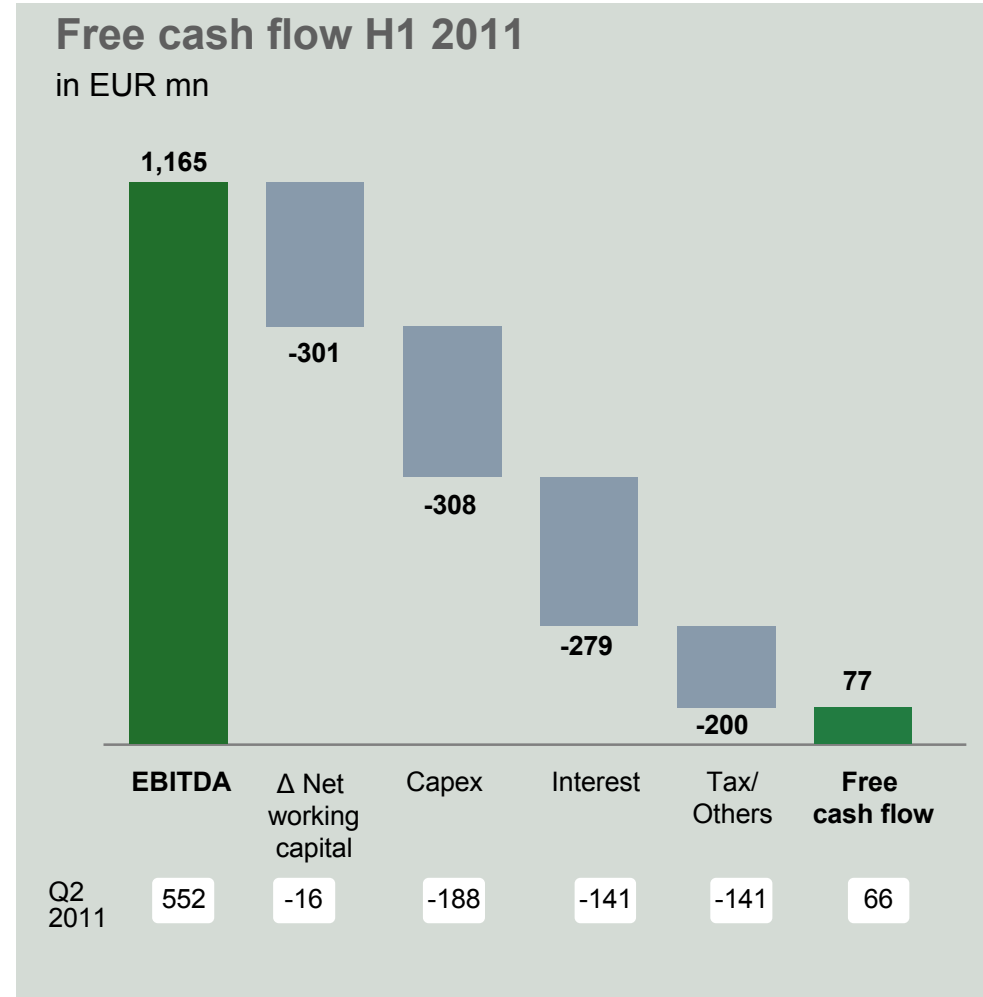
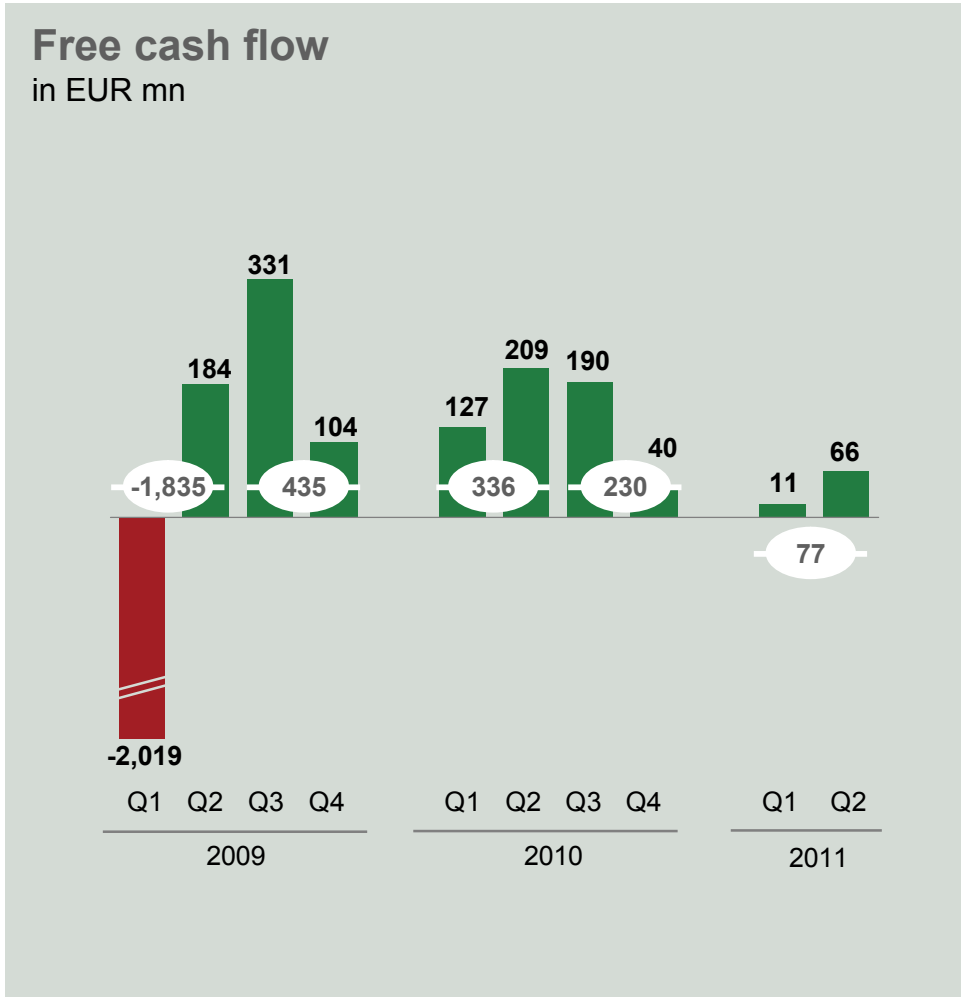
in EUR mn



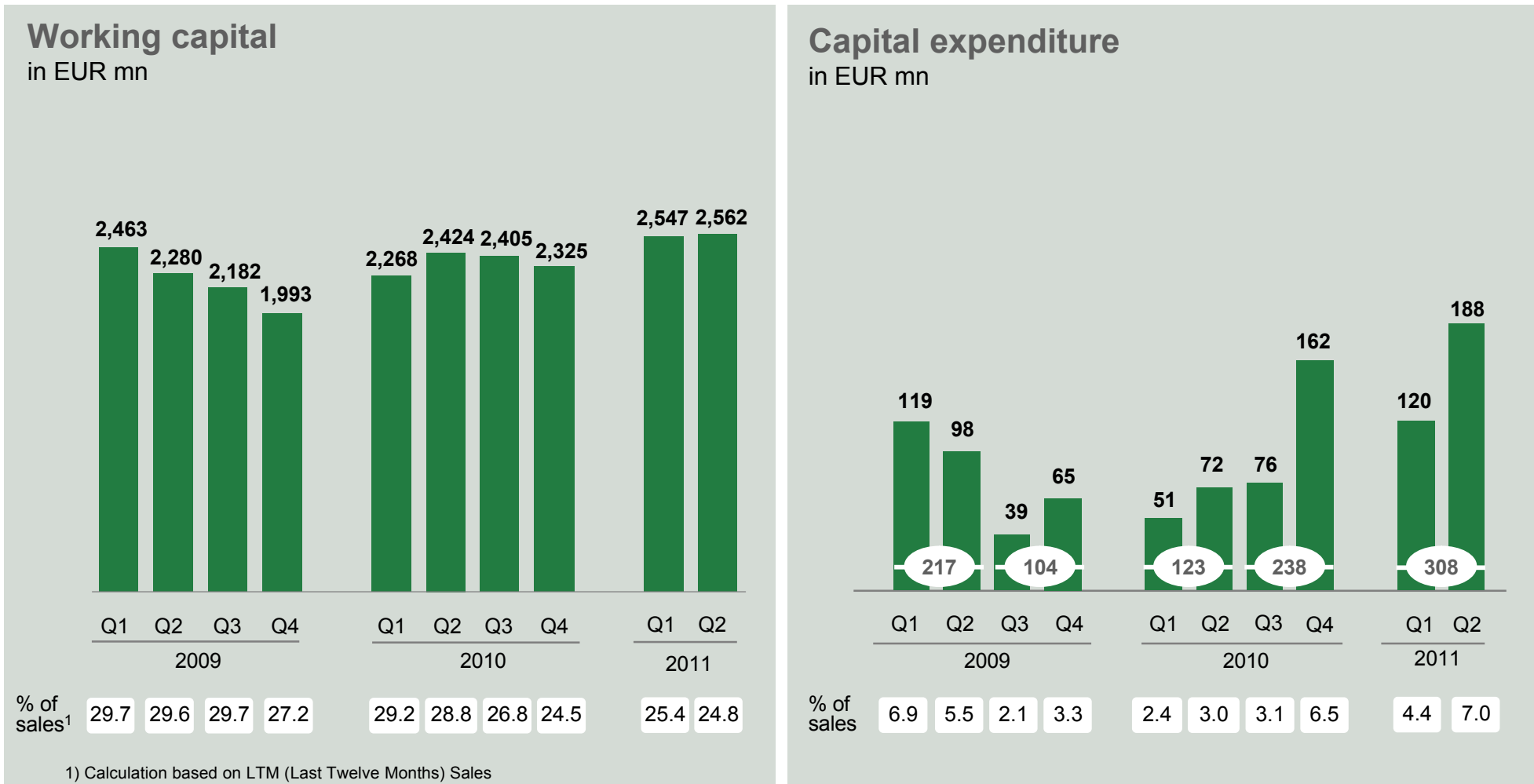
	2010					2011	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Net Income Conti	228	121	14	213	576	368	315
Conti Shares (as of 05/11: 36.1%)	99	51	6	90	246	155	133 <sup>1</sup>
PPA	-52	-51	-51	-45	-199	-49	-44
Dilution Loss	-396	0	0	0	-396	0	0
At-equity Result	-349	0	-45	45	-349	106	89

1) Incl. one-off effect of EUR 13 mn

# 4 Positive free cash flow despite higher capex

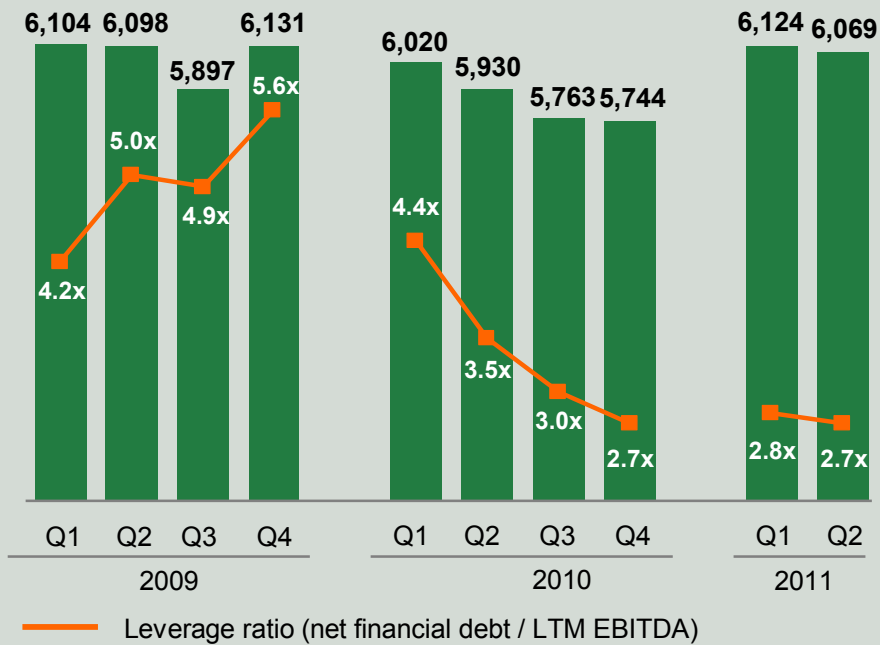


## 4 Working capital stable – Capital expenditure at targeted level



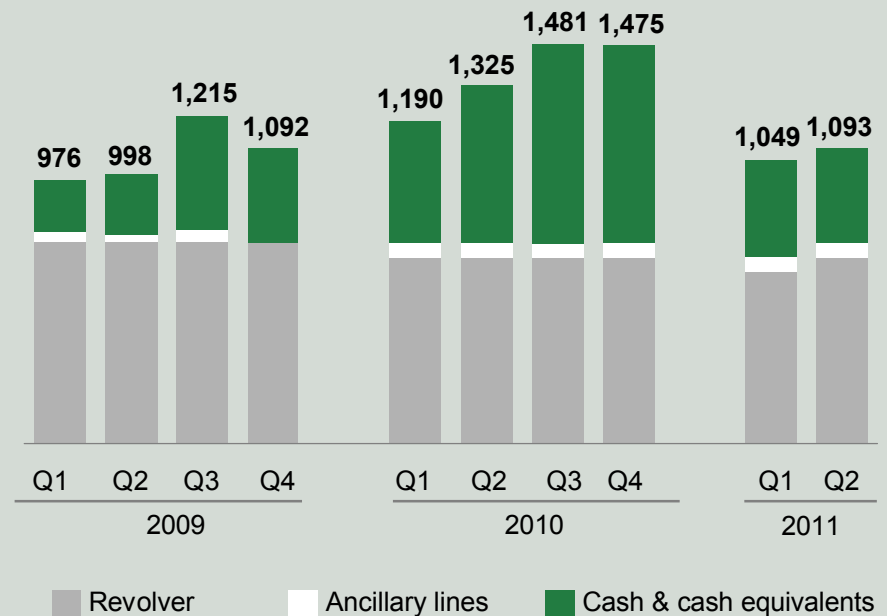
**5 Leverage ratio at 2.7x**

**Net financial debt / Leverage ratio<sup>1</sup>**  
in EUR mn

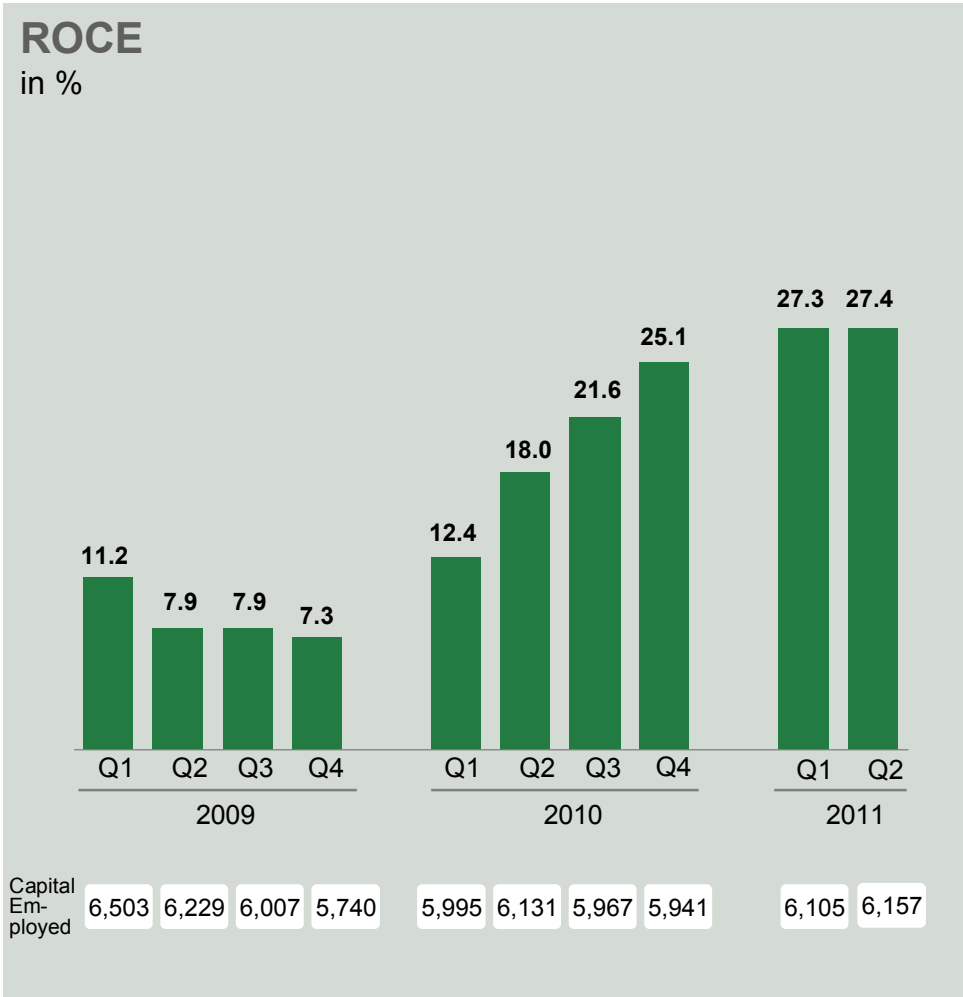


1) Debt push down of EUR 600 mn not included (conducted in July 2011)

**Available funds**  
in EUR mn



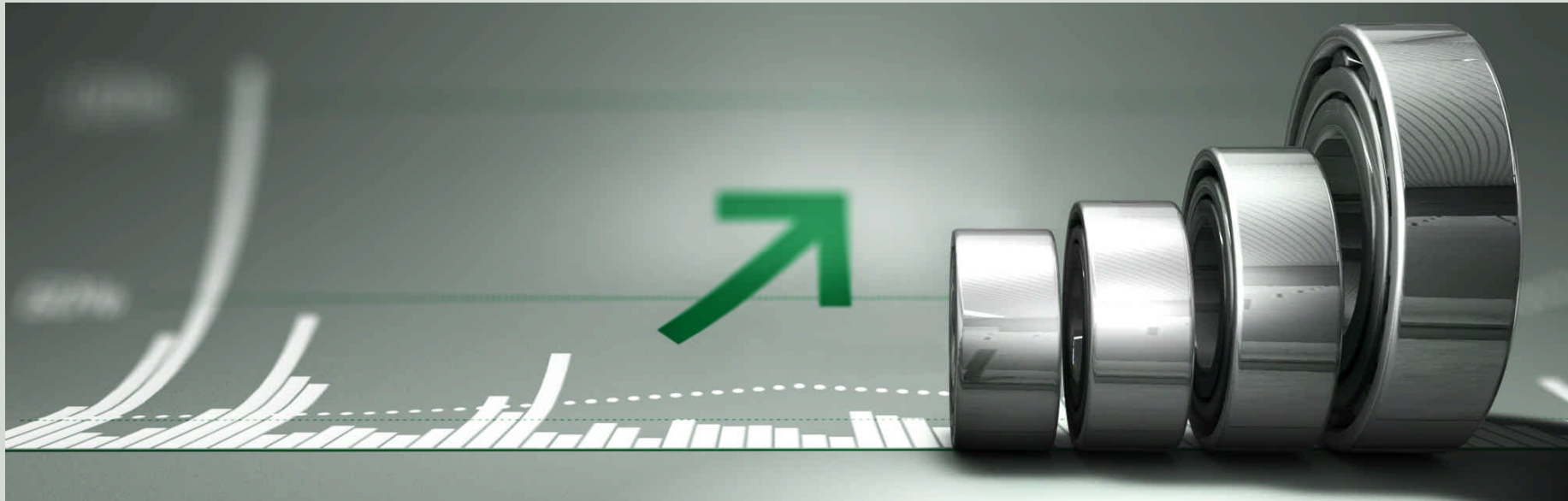
**6 Strong ROCE level maintained – Equity ratio >20%**





## Key objectives for 2011 to be overachieved

Growth		Profitability	
Sales growth	> 10 % (previously: 8-10%)	EBIT Margin	> 13 %
CAPEX	6-8 % of sales	Free Cash Flow	sustainably positive
Quality		Innovation	
Quality policy	Zero defects	R&D expenses	around 5 % of sales
Employees	> 8,000 new employees to support worldwide growth	Innovation management	> 1,600 patent registrations in Germany



## Investor Relations

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## Financial Calendar

9M 2011 results: November 22, 2011

FY 2011 results: March 20, 2012