

ZF Friedrichshafen Issues €2.2 Billion Bonded Loan

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- Strong investor interest underscores confidence in ZF and its strategic orientation
- Borrowed funds to repay part of financing for planned TRW acquisition
- Successful issue substantially broadens investor base

ZF Friedrichshafen AG (ZF) has successfully issued a bonded loan in a total amount of €2.2 billion. ZF will use the borrowed funds to repay part of the financing for the planned acquisition of TRW.

The placement provided for maturity periods of three, five and seven years, with the interest margins on all tranches set at the lower end of the marketing range.

“The strong interest shown by investors underlines their confidence in ZF and in our strategic direction with the planned acquisition of TRW. At the same time, the strong demand proves the sound financing structure of the transaction,” said Dr. Konstantin Sauer, Member of the ZF Board of Management responsible for Corporate Finance, IT and M&A.

ZF plans to repay further parts of the financing for the TRW transaction by issuing euro and US dollar bonds in the first half of 2015.

The bonded loan was placed with more than 200 investors, primarily private banks, German Landesbanken, cooperative banks and savings banks. The majority was subscribed in German-speaking countries, complemented by the participation of numerous international banks.

“This transaction has enabled us not only to further diversify our financing structure on favorable terms, but also to significantly broaden our investor base,” said Sauer. “ZF is outstandingly well positioned both strategically and financially.”

The issue was managed by Bayerische Landesbank and Landesbank Baden-Württemberg.

This is ZF’s third bonded loan issue. The Group most recently issued a €400 million bonded loan in October 2012

Source: ZF Friedrichshafen AG