

To the Press

Press Release

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2.25 Billion Renminbi for Further Growth in Asia

Voith to Sign First Financing Deal Directly in China

- **First syndicated loan in local currency - Banking consortium to provide facility of RMB 2.25 billion with a maturity of five years**
- **Plans for further investment to expand position in Chinese market**
- **Voith CEO Dr. Hubert Lienhard: "Full exploitation of growth potential by establishing local footprint"**

Heidenheim/Shanghai, February, 14, 2012. The Voith Group anticipates that its strong course for growth in the Chinese market is set to continue for the next few years. In order to further intensify its local footprint in China, the globally active family-owned company has, for the first time, sealed a financing deal directly in the country. With a consortium of international and local banks Voith has agreed on a syndicated loan facility with a volume of RMB 2.25 billion (approx. EUR 270 million) and a maturity of five years.

The sole coordinator is Citibank (China) in cooperation with the Group-owned Voith Finance GmbH. Among the selected circle of core banks to accompany the further growth of Voith in China within the framework of the agreed loan facility are Commerzbank and HSBC as further mandated lead arrangers, as well as ANZ, Industrial and Commercial Bank of China (ICBC) and Standard Chartered Bank as original lenders.

For Voith, the successfully concluded transaction represents the Group's first financing deal in the local Chinese market. "Against the background of a difficult environment we were able to secure a flexible, long-term liquidity cushion at an early stage, and, at the same time, purposefully widen the circle of banks with which we cooperate. The agreement underlines the excellent reputation Voith enjoys in the banking world as a reliable address, concentrating on relationship driven, long-term oriented partnerships", said Voith CFO Dr. Hermann Jung. At the same time, today's deal highlights the growing importance of China for the future development of the company.

Plans for High Investment and Increased Employment in China

Over the next few years, Voith envisages investments amounting to approximately EUR 400 million in China, which are to be financed largely by the new line of credit. The plans include the further expansion of Voith Paper City in Kunshan near Shanghai. Against the background of the five-year plan of the Chinese government released in March 2011, in which subjects such as renewable energies, resource protection and mobility play an important role, Voith sees excellent opportunities for its core markets energy, raw materials as well as transport & automotive and paper. As part of the growth initiative, the number of employees of Voith in China will increase from currently just under 3,000 to approximately 5,000 by 2016.

"The growth potential for Voith in China is excellent. But we will only be able to exploit this potential to the full, if we produce higher and higher proportions of what the Chinese market needs in the country itself - tailor-made for local requirements, developed by local engineers and experts", explains Lienhard. "By doing so, we intend - in the medium term - to become rooted in China and in our other important overseas markets as solidly as we are in Germany today. We want to be seen and accepted as a German-owned national company. In return, we will be able to secure the long-term sustainable and profitable growth of the Group, also in the interest of our strong home base in Germany," states Lienhard.

Voith sets standards in the markets energy, oil & gas, paper, raw materials and transportation & automotive. Founded in 1867, Voith employs almost 40,000 people, generates € 5.6 billion in sales, operates in about 50 countries around the world and is today one of the biggest family-owned companies in Europe.

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