

REPORT ON THE 1ST QUARTER 2015

pure *process*



elringklinger

The logo for elringklinger, featuring the word "elring" in red and "klinger" in blue, with a blue swoosh element to the right.

pure *process*

“Pure Process” reflects the unique core competencies developed by ElringKlinger: out-and-out process expertise. The company’s skill set covers intricate metal processing operations using highly sophisticated precision die-cutting and embossing techniques as well as functional coating technology, complemented by an in-depth understanding of plastics. Combined with specialist materials expertise and in-house tool construction facilities, this symbiosis of high-tech processes forms the foundation for progressive innovation and a steady expansion of the Group’s product and service portfolio. Applying these skills, we are committed to pursuing the key issues shaping the future of our industry.



Contents

PAGE

02

Interim Group Management Report

02	Macroeconomic Conditions and Business Environment
04	Significant Events
05	Sales and Earnings Performance
11	Financial Position and Cash Flows
14	Opportunities and Risks
14	Outlook
17	Events after the Reporting Period

PAGE

18

ElringKlinger and the Capital Markets

PAGE

20

Interim Consolidated Financial Statements

20	Group Income Statement
21	Group Statement of Comprehensive Income
22	Group Statement of Financial Position
24	Group Statement of Changes in Equity
26	Group Statement of Cash Flows
27	Group Sales by Region
28	Segment Reporting
30	Notes to the Interim Consolidated Financial Statements
35	Responsibility Statement

Macroeconomic Conditions and Business Environment

Global recovery continues

With oil cheap, energy prices low and monetary policy remaining expansionary in many economies, the first quarter of 2015 saw a boost in consumption and, ultimately, in economic growth too. The simmering conflicts in Ukraine and the Middle East, together with exchange rate risks and the problems surrounding Greece, are continuing to have an adverse effect. In addition, the EU's loose monetary policy on the one hand and the United States' expected interest rate rise on the other led to significant regional variations in the trend.

Eurozone: flood of liquidity and low energy prices act like economic stimulus program

The ECB's monthly bond purchases, the associated weak euro and cheaper energy prices had a stimulating effect on the eurozone. Overall, economic growth within the currency union increased steadily from a low starting point in the first quarter of 2015. Structural deficits in Italy and France are still causing regional imbalances. In the first three months of 2015, the German economy was not quite able to repeat its robust performance of the last quarter of 2014. Underpinned by consumption and continuing domestic strength, however, it nevertheless recorded moderate growth.

North and South America experience highly divergent trends

The healthy US economy continued to grow over the first quarter of 2015, driven mainly by private consumption, which in turn was complemented primarily by full employment and low gasoline prices.

Brazil and Russia, by contrast, saw economic output fall in the first quarter of 2015, with the former still missing any meaningful momentum from economic policy. Alongside their structural problems, oil-exporting economies are also struggling in the wake of the low oil price.

Growth slowing slightly in China – India mounting a recovery

China, the main driving force behind Asia's emergence as the world's fastest-growing region, saw growth fall slightly once again over the first quarter of 2015, albeit from a high starting point. The government is attempting to counter the trend by gradually loosening its monetary policy. In India, meanwhile, the government's reform measures are bearing fruit, with the country's gross domestic product (GDP) increasing further in the first quarter of 2015.

Despite the weak yen and its government's economic stimulus package, Japan's economy has not yet returned to growth after the first three months of 2015 following a year of recession in 2014.

GDP GROWTH RATES

Year-on-year change in %	Full Year 2014	4 th Quarter 2014	1 st Quarter 2015
Germany	1.6	1.5	1.1
Eurozone	0.9	0.9	1.0
USA	2.4	2.4	3.3
Brazil	0.1	-0.2	-1.3
China	7.4	7.3	7.1
India	7.2	7.5	7.5
Japan	-0.1	-0.8	-1.3

Source: HSBC and International Monetary Fund (April 2015)

Low gasoline prices driving growth trend in vehicle markets

The economic upturn in Western Europe, healthy consumer sentiment in the United States and continued impetus from Asia's growth markets increased global demand for vehicles in the first quarter of 2015. Low gasoline prices helped make consumers even more inclined to purchase new vehicles. The situation in Brazil and Russia remained problematic.

European automobile market enjoys strong upward trend in March

The European automobile market reported a sharp increase in sales figures over the first three months of 2015. The continued growth in March was particularly marked, with 10.8% more cars sold than in the same month in the prior year. New registrations were up significantly in the main markets, primarily Spain, but also Italy and France, while demand for automobiles also rose considerably in Germany. New registrations there increased by 9% in March, although discounts remained high. The export business, an important factor for German manufacturers, ensured a healthy level of orders, reflected in the recent rises in production and export figures. Although both flatlined in the first quarter of 2015 overall, automobile production in Germany rose by 5% and exports by 8% in March, the latter boosted in part by the weak euro.

The Eastern European markets enjoyed solid growth in the first quarter of 2015, although Russia continued to suffer a fall in automobile sales.

Growth in the US market continues

The marked growth seen in the US automobile market, which had grown significantly in 2014, exceeding pre-crisis levels with 16.5 million automobiles and light trucks sold, returned to more normal levels in the first quarter of 2015. Premium vehicles and SUVs remained much in demand.

Brazil's vehicle market, which is still the fourth-largest in the world and which had collapsed in 2014 following ten years of strong growth, continued to fall further behind the comparative prior-year period during the first quarter of 2015. High inflation and a persistently poor economic and labor market situation in

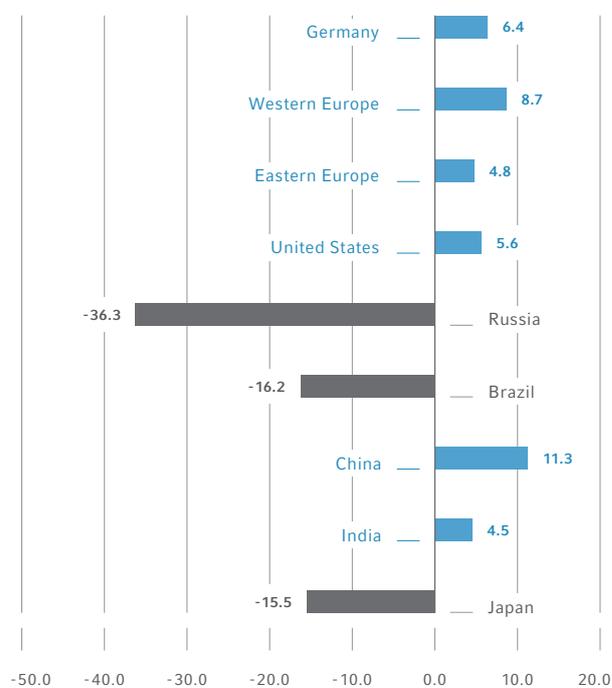
this country are preventing the automobile market from moving into growth.

Asia: China and India record encouraging growth – Japan remains cause for concern

China once again boasted double-digit growth in automobile sales in the first three months of 2015, while the number of new cars registered in India also recorded a gratifying increase. Japan's sales market remained weak. The same quarter of the prior year had been marked by pre-emptive effects caused by the increase in sales tax that was to be introduced in April 2014.

NEW CAR REGISTRATIONS 1ST QUARTER 2015

Year-on-year change (in %)



Source: VDA (April 2015)

Slight upturn in commercial vehicle markets

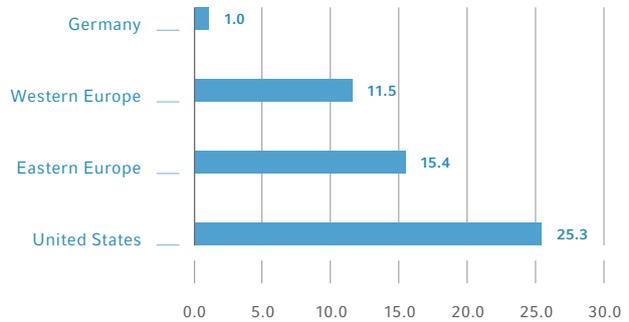
The commercial vehicle markets are usually sensitive to the economic situation in individual regions and thus experienced uneven trends in the first quarter of 2015. Following a fall in sales figures within the Western European truck market in 2014, business picked up again slightly in the first quarter of 2015. In total,

11.5% more medium- and heavy-duty trucks were sold than in the first quarter of 2014, which had been inflated by registration figures for the Euro V models ordered back in 2013.

North America also saw some positive momentum for growth in the first three months of 2015, with the sales market for heavy-duty trucks (Class 8) growing by 25.3%.

In South America, by contrast, the market for commercial vehicles remained in just as bad a state as a result of the challenging economic situation, particularly in Brazil.

NEW REGISTRATIONS OF MID-SIZED AND HEAVY TRUCKS 1ST QUARTER 2015
Year-on-year change (in %)



Source: ACEA, Automotive News Data Center (April 2015)

Significant Events

In the first quarter of 2015, ElringKlinger acquired 100% of the interests in US automotive supplier M&W Manufacturing Company, Inc., Warren/USA (M&W) from the former owner family. The entity was included in the scope of consolidation of the ElringKlinger Group as of February 14, 2015. The enterprise is now trading under the name of ElringKlinger Automotive Manufacturing, Inc.

In making the acquisition, ElringKlinger has strengthened its Specialty Gaskets division with regard to its regional presence in North America and its produc-

tion activities in the US market. Together with US market leader M&W, ElringKlinger has advanced to become the premier supplier of transmission control plates. Operating from its US production base, M&W supplies not only the North American market but also, to an increasing extent, customers in China.

Expressed in euros, the target for fiscal 2015 is to generate sales revenue totaling around EUR 30 million, with a projected operating margin (adjusted EBIT before purchase price allocation) in high single figures.

Sales and Earnings Performance

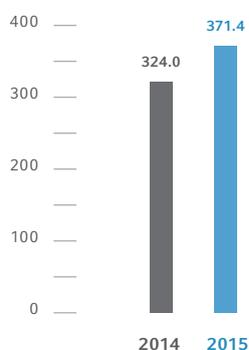
Strong growth in revenue continues

Supported by solid demand within global vehicle markets over the course of the first quarter of 2015, the ElringKlinger Group continued to see its revenue expand at an encouraging rate. Additionally, ElringKlinger benefited from the rollout of several new products as well as strong structural growth in many of its product groups aimed at contributing to CO₂ reduction. Thus, the Group achieved revenue growth of 14.6%, taking the figure to EUR 371.4 (324.0) million. Expressed in organic terms, i.e. without the effects of consolidation and foreign exchange rates, growth amounted to 5.7%. On this basis, the ElringKlinger Group again managed to outperform global car markets as regards the pace of expansion.

First-time consolidation of M&W Manufacturing Company, Inc., Warren/USA (M&W), effective from February 14, 2015, contributed revenue of EUR 4.9 million. Over the course of this period, M&W recorded earnings before interest and taxes (EBIT) of EUR 0.6 million. The purchase price allocation amounted to EUR 0.3 million.

The pronounced weakness of the euro, particularly in relation to the US dollar, the Swiss franc and many of the Asian currencies, pushed Group revenue up by EUR 24.1 million or 7.4% in the first quarter of 2015. ElringKlinger generates over 40% of its sales revenue outside the eurozone.

GROUP SALES 1ST QUARTER
in € million



Significant momentum in North America and Asia

The ElringKlinger Group recorded its strongest growth in the NAFTA region over the course of the

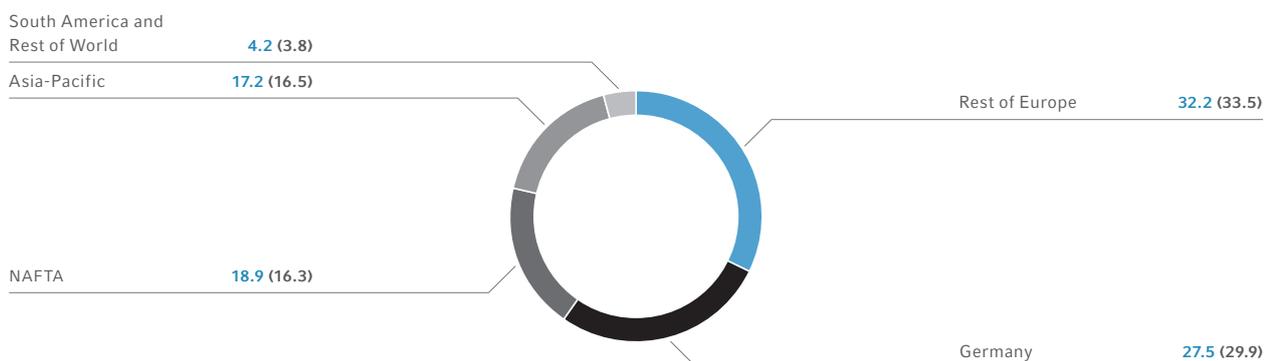
first quarter of 2015, with revenue expanding by 33.2% to EUR 70.2 (52.7) million. Excluding the effects of first-time consolidation of M&W, growth would have amounted to 24.3%. In addition to benefiting from strong organic growth as a result of sustained buoyancy in the US market, ElringKlinger profited from the positive effects of foreign exchange movements.

The Asia-Pacific region also produced significant growth in revenue for the ElringKlinger Group. In the period from January to March 2015 sales expanded by 19.2% to EUR 63.9 (53.6) million. The year-on-year increase was partially due to foreign exchange effects.

The proportion of total Group sales attributable to business in Asia rose to 17.2% (16.5%) in the first three months of 2015. Factoring in revenue contributions associated with indirect exports from Europe to Asia, the share of Original Equipment revenue attributable to Asia would amount to roughly one quarter. This trend illustrates the growing importance of the burgeoning Asian markets to the ElringKlinger Group as a whole. With this in mind, the company is committed to strengthening its presence in this region continually, which includes extending its local production resources.

Accounting for 32.2% (33.5%) of revenue, the Rest of Europe (excluding Germany) retained its position as the most important sales market for the Group. However, it should be taken into account that a large proportion of the European-made vehicles and engines for which ElringKlinger supplies parts are destined for export markets in North America and Asia. The Group expanded its sales revenue in the Rest of Europe by 10.2% to EUR 119.6 (108.5) million in the first three months. In this context, ElringKlinger benefited from more dynamic demand for cars in Western Europe, which more than offset the sluggish performance of the Russian vehicle market.

In Germany, by contrast, sales developed at a more subdued pace. Here, revenue increased by 5.5% to EUR 102.2 (96.9) million in the first quarter of 2015. Correspondingly, the percentage share of domestic sales in relation to total Group revenue fell to 27.5% (29.9%). The company's below-average performance in Germany is attributable to the fact that German manufacturers are now increasingly taking the route of expanding their local operations in the particularly buoyant emerging markets of Asia as well as in North America.

GROUP SALES BY REGION 1ST QUARTER 2015*(prior year) in %*

While Group revenue attributable to the region encompassing South America and Rest of the World had slumped by 24.5% in the first quarter of the previous year, it grew by 26.0% in the first three months of 2015. This took the total to EUR 15.5 (12.3) million. The Brazilian subsidiary, which accounts for the majority of business in the region, managed to lift its revenue despite the persistent malaise afflicting this market. Having said that, the year-on-year increase was mainly due to higher tool-related revenues.

The share of foreign sales in total revenue generated by the ElringKlinger Group rose to 72.5% (70.1%).

Original Equipment remains growth driver

Original Equipment continued to rank as the strongest segment during the first quarter of 2015 in terms of sales and was instrumental in pushing the Group's revenue forward in the period under review. Revenue rose by 17.1% to EUR 308.9 (263.9) million between January and March 2015. Without the effects of first-time consolidation of M&W, revenue growth would have totaled 15.2%.

Growth was fueled by the increasingly dynamic recovery of European vehicle markets and a sustained surge in demand in North America and Asia. Additionally, the introduction of a number of new products helped to expand revenue within this segment. With the product portfolio expanding, the number of ElringKlinger parts fitted per vehicle has risen. At a structural level, Original Equipment sales continued to profit from growing customer demand for automatic transmission components, turbocharger gaskets, thermal-acoustic shielding components and lightweight plastic modules.

Individual divisions recorded a disproportionately large surge in demand. This necessitated the introduction of extra shifts and deliveries, thus additionally pushing the cost base up by around EUR 4 million. Segment earnings before interest and taxes (EBIT) thus fell to EUR 25.6 (31.4) million in the first quarter of 2015.

As expected, the E-Mobility division was as yet unable to make a positive contribution to earnings in the first three months of 2015. Its loss before interest and taxes amounted to EUR 1.7 (-2.2) million in the period under review. Sales revenue remained largely unchanged year on year at EUR 2.7 (2.6) million. Sales of battery-powered vehicles as well as plug-in hybrids remained sluggish in the first months of 2015. Demand within this area is still not sufficiently high to cover fixed costs incurred in this division.

The Exhaust Gas Purification division (Hug) generated sales revenue of EUR 12.2 (20.7) million in the first quarter of 2015. With its strong emphasis on project-related business, this division is subject to more pronounced fluctuations than business centered around serial production within the automotive original equipment market. In this context, for example, the first quarter of 2014 had included billings relating to two large-scale orders by this division. Due also to the strong appreciation of the Swiss franc, Hug made no earnings contribution to Group EBIT in the period under review.

At present, Hug is working on several new projects, including the certification of retrofit solutions for off-road vehicles and SCR dosing systems for nitrogen

oxide reduction in marine engines, which were developed in response to the IMO exhaust emission regulations coming into force in 2016. This is complemented by development projects relating to construction machinery, stationary engines and exhaust gas reduction systems for large vessels powered by heavy fuel oil.

Aftermarket business records 5% revenue growth

The Aftermarket segment lifted sales revenue by 4.6% to EUR 34.2 (32.7) million in the first quarter of 2015. Due to the divergent economic situations in the respective sales markets, the Aftermarket segment developed along different lines in the various regions.

This segment recorded its highest growth rates in Western Europe, buoyed by economic recovery in southern and western regions, where vehicle repairs that had often been postponed in the past now went ahead. In Eastern Europe, by contrast, revenue remained stable at a very high level. While the Russian market remained challenging as a result of the protracted conflict in Ukraine and sanctions imposed by the West, the new EU member states were a source of more expansive sales. Here, ElringKlinger continued to benefit from an increase in the number of German-made cars owned in this region. Despite the continued political and economic problems enveloping North Africa and the Middle East, the Aftermarket segment managed to boost its revenue substantially in this region.

Segment earnings before interest and taxes (EBIT) fell slightly to EUR 6.5 (6.8) million in the first three months.

Slight revenue growth in Engineered Plastics segment

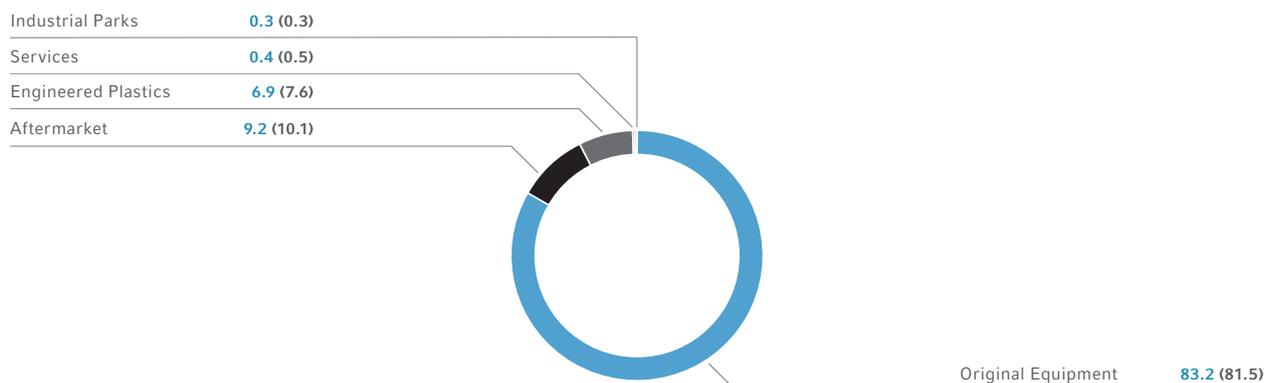
Within the Engineered Plastics segment, ElringKlinger develops and manufactures products made of the high-performance plastic PTFE (polytetrafluoroethylene), which are supplied not only to the automotive sector but also to industries such as mechanical engineering, medical technology and telecommunications.

In the first quarter of 2015, the Engineered Plastics segment recorded revenue growth of 4.5%, taking the figure to EUR 25.6 (24.5) million. This increase is due to Polytetra GmbH, Mönchengladbach/Germany, an enterprise that was acquired effective from October 1, 2014, and had not been included in the prior-year figures. Excluding these effects of consolidation, segment revenue would have been comparable to the figure recorded in the same period a year ago. While revenue from sales to the automobile industry expanded at a solid rate, business growth relating to customers operating in the general industry sector was relatively subdued in the first months of 2015 – on the back of a weak performance in 2014.

The Group pressed ahead with efforts to internationalize its business, which had previously been focused heavily on Central Europe. This also explains the significant expansion of investments in the Engineered Plastics segment during the first quarter, which more than doubled year on year to EUR 3.9 (1.6) million. While the Chinese subsidiary ElringKlinger Engineered Plastics (Qingdao) Commercial Co., Ltd. contributed a larger proportion to segment sales, ElringKlinger is currently still in the process of penetrating the US market, the world's largest commercial arena for PTFE.

SALES REVENUE BY SEGMENT 1ST QUARTER 2015

(prior year) in %



Up-front costs associated with market cultivation, particularly for sales and development, had a dilutive effect on earnings in the first quarter of 2015. Correspondingly, earnings before interest and taxes within the Engineered Plastics segment declined in the period under review and stood at EUR 2.5 (3.3) million.

Revenue contribution of Industrial Parks remains stable

In the first three months of 2015, rental income from the industrial parks in Idstein, Germany, and Kecskemét-Kádafalva, Hungary, was unchanged year on year at EUR 1.1 (1.1) million. Earnings before interest and taxes rose marginally in the first quarter to EUR 0.3 (0.2) million.

Services business comparable to prior-year level

In the Services segment, Elring Klinger Motortechnik GmbH provides engineering and testing services for vehicle manufacturers and other suppliers. The company's portfolio within this area includes SCR technology (Selective Catalytic Reduction) for the purpose of nitrogen oxide reduction as well as particle counting for diesel particulate filters. Additionally, ElringKlinger Logistic Service GmbH, which also operates within the Services segment, provides internal and external logistics services within the area of sorting and packing.

Revenue generated by the Services segment was largely unchanged at EUR 1.7 (1.8) million in the first quarter of 2015. Earnings before interest and taxes also remained stable at EUR 0.5 (0.5) million in the first three months.

Headcount expands at a slower rate compared to revenue growth

The substantial expansion in production volumes within the Group prompted an increase in staffing levels, which was reflected primarily in the headcount attributable to manufacturing operations.

As of March 31, 2015, the ElringKlinger Group employed 7,492 people in total. Compared to the same date a year ago (headcount of 6,888), the Group's personnel base increased by 604 employees or 8.8%. In comparison to December 31, 2014, the headcount at Group level was up by 237, which is equivalent to 3.3%. The acquisition of M&W added 88 employees to the workforce. Without the acquisition, the headcount would

only have risen by 2.1%, i.e. at a much lower rate compared to organic revenue growth in the first quarter of 2015 (5.7%).

The majority of staff upsizing in the first quarter of 2015 was attributable to the foreign subsidiaries, primarily at the Chinese site in Changchun and at the plant in Toluca, Mexico.

The proportion of the workforce employed by the ElringKlinger Group in Germany was 44.7% (46.0%) as of March 31, 2015. At the end of the first quarter of 2015, the German sites within the Group employed 3,351 (3,168) people in total, up 5.8% on the figure reported a year ago.

The total number of staff employed at the international Group companies rose at a more pronounced rate year on year relative to the change in the domestic headcount, up by 11.3% to 4,141 (3,720).

The international subsidiaries and investees account for an increasingly large proportion of the Group's employees, and this trend continued in the first quarter of 2015. 55.3% (54.0%) of the workforce are employed at the Group's non-domestic sites.

Gross profit margin falls to 26%

The adverse factors impacting on Group performance in the first quarter of 2015, in particular lower earnings in the Original Equipment segment as well as additional staff costs, are reflected primarily in the cost of sales. This item rose by a disproportionately large amount to EUR 275.9 (232.8) million. Correspondingly, the gross profit margin for the first three months of 2015 fell to 25.7% (28.1%).

As regards raw materials used by ElringKlinger, the price of aluminum in particular trended upwards during the period under review. Alloy surcharges for high-grade steel were also slightly higher than in the same period a year ago, whereas purchase prices for polyamide granules were slightly lower.

The wage increase of 2.2% that came into effect on May 1, 2014, as well as the one-off payment in March 2015 of EUR 150 per person for Group personnel employed in Germany under collective agreements led to a further year-on-year rise in staff costs during the first quarter of 2015. In addition, the staff profit-sha-

ring bonus of EUR 1,600 (1,450) per employee for members of the ElringKlinger AG, ElringKlinger Kunststofftechnik GmbH and Elring Klinger Motor-technik GmbH workforce, as agreed for the financial year 2014, resulted in staff costs of EUR 5.6 (4.7) million. While this sum will not be paid out until the second quarter, it was recognized as an expense item in the first quarter of 2015 and is included to a large extent in the cost of sales.

In total, the wage increase, one-off payment and staff profit-sharing bonus resulted in additional staff costs of around EUR 2.5 million compared to the first quarter of the previous financial year.

Further increase in research and development expense

In the first quarter of 2015, the ElringKlinger Group spent EUR 16.3 (15.5) million on research and development. In addition, research and development costs of EUR 1.9 (1.7) million were capitalized. In parallel, scheduled amortization totaled EUR 1.8 (1.5) million. Capitalization thus had no significant effect on earnings.

Including capitalized development costs, ElringKlinger spent a total of EUR 18.2 (17.2) million on development projects in the first three months of the current financial year. This corresponds to an R&D ratio of 4.9% (5.3%).

In the first quarter of 2015, the ElringKlinger Group received government grants of EUR 1.3 (1.1) million for ongoing research and development projects. In parallel, the company incurred expenses at a comparable level for development work and prototyping.

Alongside development work centered around new solutions and applications in the area of cylinder-head and specialty gaskets, the focus of research and development was on new lightweight components made of plastics or organo-plastics as well as concepts that combine lightweight metal parts with injection-molded components. In addition, the emphasis was on innovative material concepts for thermal-acoustic shielding components and, in the area of exhaust gas purification technology, on the development of higher-performance substrates for the reduction of diesel particulates and nitrogen oxide emissions. In the E-Mobility division, development activities focused on additional battery components such as cell housing covers used in lithium-ion batteries.

At +16.2%, taking the figure to EUR 25.8 (22.2) million, selling expenses rose slightly faster than revenue. By contrast, general and administrative expenses increased at a much more dynamic rate, up to EUR 18.9 (13.4) million. Among other items, they included additional expenses in connection with the takeover of M&W.

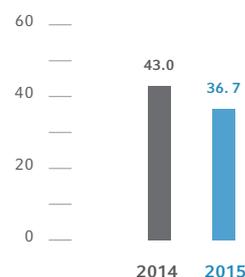
Adjusted EBIT pre ppa totals EUR 37 million

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached EUR 56.1 (60.8) million in the first three months of 2015. Depreciation and amortization rose to EUR 20.7 (18.7) million. This included the negative effects from purchase price allocations relating to the acquisitions, equivalent to EUR 1.3 million.

The Group EBIT figure for the first quarter of 2015 was EUR 35.4 (42.1) million. Before purchase price allocations (EUR 1.3 million), EBIT amounted to EUR 36.7 (43.0) million, thus falling short of the prior-year figure.

As outlined above, the unexpected upturn in demand within individual divisions necessitated additional shifts and deliveries, thus additionally pushing the cost base up by around EUR 4 million. At the same time, the sudden appreciation of the Swiss franc against the euro had a dampening effect.

EBIT* 1ST QUARTER
in € million



* Adjusted for non-recurring items, pre purchase price allocation

Also, as mentioned, the comparative base of the Exhaust Gas Purification division (Hug) was extremely high in the first quarter of the previous financial year, which has to be taken into account in a year-on-year comparison.

The EBIT margin (before purchase price allocations) thus stood at just under 10% (13.3%). In addition to being impacted by the factors outlined above during the first quarter of 2015, the EBIT margin was diluted by the full consolidation of ElringKlinger Marusan Corporation, Japan, (around 0.3 percentage points) as well as the persistently sluggish performance of the E-Mobility division (around 0.6 percentage points). Additionally, the Group incurred start-up costs in connection with the commencement of serial production – scheduled for the second quarter of 2015 – of pioneering hybrid polymer-metal components.

Net finance result influenced by foreign exchange gains

In the first quarter of 2015, the significant year-on-year depreciation of the euro against the key Group currencies produced net foreign exchange gains of EUR 6.5 (0.1) million in connection with financing activities. In parallel, net interest costs rose to EUR 3.0 (2.7) million in the period under review as a result of higher net debt.

In total, the Group recorded net finance income of EUR 3.5 million in the first three months of 2015, a year-on-year improvement compared to net finance costs of EUR 2.6 million in the first quarter of 2014.

Due to the swing in the Group's net finance result, the decline in earnings before taxes to EUR 38.9 (39.5) million was much less pronounced than in the case of EBIT.

Net income largely unchanged

Tax expenses fell to EUR 9.7 (10.2) million in the first quarter of 2015. Correspondingly, the Group's tax rate fell slightly to 24.9% (25.8%).

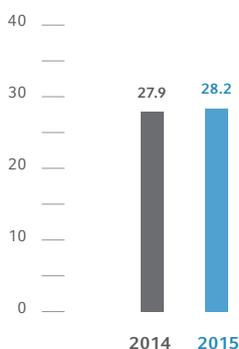
Thus, at EUR 29.2 (29.3) million, net income for the ElringKlinger Group in the reporting quarter remained largely unchanged year on year.

Net income attributable to non-controlling interests fell to EUR 1.0 (1.3) million as a result of the lower earnings contribution made by the Hug Group. Correspondingly, net income attributable to the shareholders of ElringKlinger AG rose by 1.1% to EUR 28.2 (27.9) million.

On this basis, basic and diluted earnings per share totaled EUR 0.45 (0.44) in the first quarter of 2015. As of March 31, 2015, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF ELRINGKLINGER AG 1ST QUARTER

in € million



Financial Position and Cash Flows

The financial position and cash flows of the ElringKlinger Group remained solid as of March 31, 2015, underpinned by an equity ratio of 48.9% and positive operating cash flow of EUR 26.7 million.

Total assets up 12%

Compared to December 31, 2014, the Group's total assets increased by 12.2% to EUR 1,748.2 (1,558.8) million. Alongside the growth-induced expansion of working capital as well as property, plant and equipment, the increase in total assets was driven also by the first-time consolidation of the entity formerly known as M&W Manufacturing Company, Inc., Warren/USA (M&W), and in particular by foreign exchange effects.

Investments in intangible assets and property, plant and equipment totaled EUR 38.1 (29.2) million in the first quarter of 2015 and were thus well in excess of corresponding depreciation/amortization (less write-ups) of EUR 20.7 (18.7) million. Therefore, property, plant and equipment rose to EUR 763.7 million as of March 31, 2015, compared to EUR 708.0 million at the end of the 2014 financial year.

The percentage increase in intangible assets was even more pronounced. Compared to December 31, 2014, they rose to EUR 219.3 (185.3) million. This is attributable primarily to the first-time inclusion of M&W in the scope of consolidation, resulting in goodwill of EUR 17.1 million as well as additional intangible assets of EUR 8.0 million in connection with the purchase price allocation.

In total, first-time consolidation of M&W saw total assets increase by EUR 38.1 million. The detailed implications for the Group statement of financial position have been outlined in the Notes (Notes, page 31).

Expansion of working capital inflated by foreign exchange movements

Compared to December 31, 2014, inventories rose by EUR 34.9 million to EUR 325.0 (290.1) million. This was attributable mainly to foreign exchange factors equivalent to EUR 16.0 million, which were the result

of the depreciation of the euro against the key currencies within the Group, primarily the US dollar and the Swiss franc. Additionally, the first-time consolidation of M&W saw this item increase by EUR 4.8 million.

Compared to December 31, 2014, trade receivables rose by EUR 52.2 million to EUR 297.3 million. This was due to the usual seasonal pattern of business and resulted from a relatively low level of receivables at the end of 2014. At the same time, foreign exchange effects pushed this item up by EUR 16.4 million. First-time consolidation of M&W saw trade receivables rise by a further EUR 4.5 million.

Equity ratio just under 50%

Equity of the ElringKlinger Group increased by EUR 80.4 million compared with December 31, 2014 (EUR 775.2 million), taking the total figure to EUR 855.6 million. The equity ratio fell slightly to 48.9% (49.7%).

The expansion in equity is a reflection of higher revenue reserves, which increased by EUR 28.2 million to EUR 600.4 (572.2) million as a result of net income generated by the Group. Additionally, other reserves saw a swing from EUR -10.3 million to EUR 39.1 million as a result of higher foreign exchange translation differences.

Growth-induced increase in net debt

The Group's financing requirements were covered in part by cash flow from operating activities and beyond that by bank borrowings and other loans. Compared to December 31, 2014, current and non-current financial liabilities rose to EUR 467.2 (417.0) million in total.

The Group's net financial debt (current and non-current financial liabilities less cash and cash equivalents) thus amounted to EUR 396.3 million as of March 31, 2015. Compared to December 31, 2014 (EUR 348.3 million), net financial debt was up by EUR 48.0 million. The rise in net financial debt is attributable among other factors to the payment of the purchase consideration for the takeover of M&W.

Trade payables amounted to EUR 99.5 (68.8) million as of March 31, 2015. The substantial rise in trade payables was prompted by revenue growth in the first quarter as well as factors relating to the reporting date, as trade payables recorded at the end of 2014 had been low, in line with common seasonal patterns.

The increase in other current liabilities to EUR 107.3 million as of March 31, 2015, up from EUR 93.7 million as of December 31, 2014, is mainly due to the profit-sharing bonus granted to staff at ElringKlinger AG, ElringKlinger Kunststofftechnik GmbH and ElringKlinger Motortechnik GmbH for an amount of EUR 5.6 million in total. This bonus is to be paid out in the second quarter of 2015.

The other current and non-current liabilities remained largely unchanged compared to December 31, 2014.

Overall, the share of liabilities in total equity and liabilities was slightly higher at 51.1% (50.3%).

Cash flow from operating activities improves to EUR 27 million

Despite a slight downturn in earnings before taxes (EUR 38.9 million compared to EUR 39.5 million), the Group managed to improve cash flow from operating activities by 42.0% in the first quarter of 2015, taking the figure to EUR 26.7 (18.8) million.

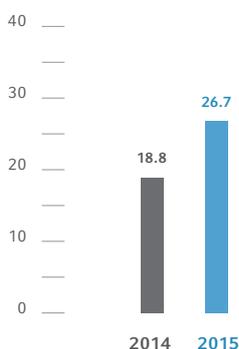
This encouraging result is attributable first and foremost to lower additional absorption of funds in working capital. The change in inventories, trade receivables and other assets not attributable to investing or financing activities and the change in trade payables and other liabilities not attributable to investing or financing activities produced a cash outflow of EUR 10.0 million in total. This, however, was significantly lower than the cash outflow recorded for the same period a year ago (EUR 25.8 million).

Higher depreciation/amortization, up by EUR 2.0 million, also had a positive effect on operating cash flow. In addition, the change in provisions, up by a net amount of EUR 2.2 (-1.4) million, had a favorable impact on cash flow from operating activities.

By contrast, eliminations encompassing other non-cash expenses and income in the first quarter of 2015 led to a reduction in operating cash flow by EUR 14.2 (0.1) million. This item includes foreign exchange gains attributable to the reporting quarter.

There was no significant impact from other items used in indirectly calculating operating cash flow.

NET CASH FROM OPERATING ACTIVITIES 1ST QUARTER
in € million



Further increase in capital expenditure

In the first quarter of 2015 capital expenditure by the ElringKlinger Group on intangible assets, property, plant and equipment and investment property amounted to EUR 38.1 (29.2) million. The investment ratio (investments in relation to Group revenue) was 10.3% (9.0%) in the period under review, which was just above the range of 7 to 9% targeted by the company. The focus of capital expenditure was on the foreign subsidiaries, particularly those located in Asia.

At the site in Suzhou, China, the company pressed ahead with construction work on a new plant and the procurement of additional production machinery. The second site in China, Changchun, also saw investments aimed at capacity expansion, including extensions to buildings and new die-cutting machines. As regards the subsidiary in India, the focus of investments in the period under review was on new production machinery for the Cylinder-head Gaskets division.

At ElringKlinger Canada Inc., Leamington/Canada, the emphasis of investing activities was on preparing for forthcoming product ramp-ups in the area of light-weight polymer-metal components. Efforts to expand capacity levels at the US site in Buford were mainly centered around the purchase of a new servo press.

In Germany, investments were targeted at the extension of production capacity at ElringKlinger Kunststofftechnik GmbH in Bietigheim-Bissingen. Furthermore, additional funds were directed at construction work on a warehouse, a new administration building and a production facility at the site operated by ElringKlinger Logistic Service GmbH in Ergenzingen. In addition, a number of new machines were purchased at the ElringKlinger AG site in Dettingen/Erms, including an assembly and testing system, servo presses and injection-molding equipment.

In the first quarter of 2015, the purchase consideration for the takeover of all interests in US automotive supplier M&W Manufacturing Co., Michigan – now ElringKlinger Automotive Manufacturing, Inc. – resulted in an outflow for the acquisition of subsidiaries – less cash – of EUR 24.2 (0) million.

In total, net cash used in investing activities was EUR 62.1 (29.1) million.

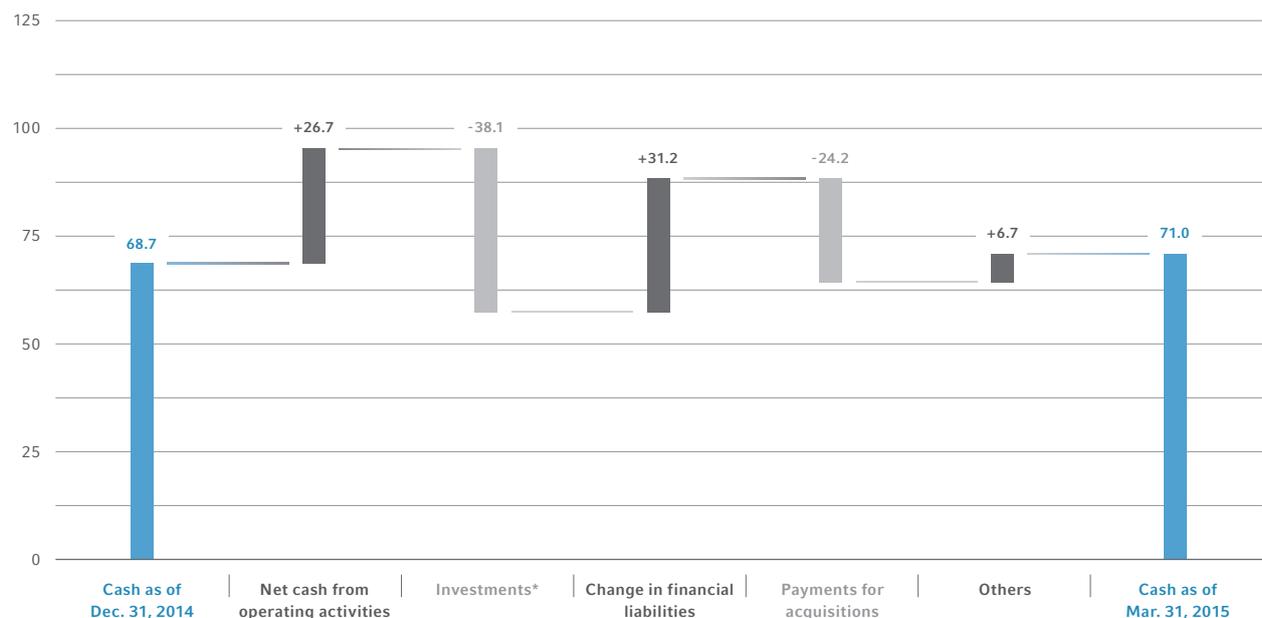
At EUR -11.2 (-10.3) million, operating free cash flow (cash flow from operating activities less cash flow from investing activities, adjusted for payments in respect of acquisitions) was marginally lower than in the same period a year ago.

Net cash from financing activities at EUR 31 million

For the purpose of financing its investing activities and transacting the acquisition of M&W, the ElringKlinger Group took on net financial liabilities of EUR 31.2 (7.7) million in the first quarter of 2015. The proceeds from financial liabilities taken on by the Group amounted to EUR 55.0 (17.2) million, whereas the repayment of financial liabilities produced a cash outflow EUR 23.8 (9.5) million.

At the end of the first quarter of 2015, cash and cash equivalents held by the Group amounted to EUR 71.0 million, compared to EUR 68.7 million at the end of the 2014 financial year.

CHANGES IN CASH 1ST QUARTER 2015
in € million



* Investments in property, plant and equipment, investment property and intangible assets

Opportunities and Risks

As regards the assessment of opportunities and risks for the ElringKlinger Group in respect of the first quarter of 2015, there were no significant changes to the details discussed in the 2014 Annual Report of the ElringKlinger Group (page 90 et seq.).

There are currently no identifiable risks that might jeopardize the future existence of the Group as a going

concern, either in isolation or in conjunction with other risk factors.

The report on opportunities and risks can be accessed on the website of ElringKlinger at www.elringklinger.de/ar2014/report-on-opportunities-and-risks.

Outlook

Outlook – Market and Sector

Global economy: industrialized nations take the helm from emerging markets – risks remain

According to the latest projections made by the International Monetary Fund (IMF), the global economy will continue to recover at a moderate pace in 2015. This upturn, however, is considered to be unbalanced and continues to be exposed to risks. The outlook published by the IMF in April 2015 with regard to economic output in 2015 as a whole remained unchanged from the forecast issued in January. However, growth is likely to be fueled increasingly by the industrialized nations rather than by the emerging markets.

Eurozone picks up speed

Europe's economy is benefiting from the slump in oil prices and an ultra-loose monetary policy, together with a weaker euro that favors exports to non-euro countries. At the same time, however, the legacy of the financial crisis, as evidenced in some cases by high levels of public and private debt, has had a dampening effect on growth specifically in the eurozone. Against this backdrop, the respective members of the euro area have been performing along divergent lines. Germany and some of the other eurozone countries such as Spain are likely to remain the pacesetters, thus underpinning the momentum of growth generated in the euro area over the first quarter of 2015.

US economy continues to expand

On the back of solid growth in the preceding year, the world's biggest economy, the United States, has continued to gain altitude as it moves forward. Here, too, the low price of oil has had a positive impact on economic performance. In addition, the US economy is benefiting from substantial consumer spending and a budgetary policy that is less restrictive in relative terms.

Brazil and Russia remain problem children in 2015

Some of the emerging and developing countries continued to be exposed to risks. Oil-exporting nations such as Russia and Brazil, in particular, are being impacted by the slump in oil prices, while also having to contend with political challenges and the malaise afflicting their domestic economies.

"Developing Asia" retains position as strongest growth region

The outlook for Asia as a whole remains positive. Having said that, economic growth in China is expected to lose further momentum, albeit from a high base. India's economy, by contrast, will expand at a more dynamic rate. After a period of stagnation in 2014, the Japanese economy should return to slight growth in the current year.

GDP GROWTH PROJECTIONS

Year-on-year change in %	2014	Projections 2015	Projections 2016
World	3.4	3.5	3.8
Germany	1.6	1.6	1.7
Eurozone	0.9	1.5	1.6
USA	2.4	3.1	3.1
Brazil	0.1	-1.0	1.0
China	7.4	6.8	6.3
India	7.2	7.5	7.5
ASEAN-5	4.6	5.2	5.3
Japan	-0.1	1.0	1.2

Source: International Monetary Fund (April 2015)

Moderate expansion of global vehicle markets

The unbroken trend of growth in the global vehicle market is likely to continue in 2015, with the chance of new heights being scaled. The main impetus for growth will come from Asia and North America, although it seems unlikely that 2015 will be as buoyant as the previous years when it comes to the rate of expansion. According to the latest projections, sales of cars and light trucks will rise by 2% to 4% worldwide in 2015. Global car production is expected to expand at a similar rate.

As regards its business forecast for 2015, the ElringKlinger Group has worked on the assumption that growth in global automobile production will reach approx. 2%.

Given the fact that the sales market in Western Europe expanded by around 9% in the first quarter of 2015, thus recording the best performance for the month of March in the last five years, there is every chance that this region will develop more favorably over the remainder of the annual period than originally anticipated at the beginning of the year. Based on current estimates, the market is expected to grow by a percentage figure at the lower end of the single-digit range in 2015. Despite the prevailing economic problems in some countries, consumer confidence within the five key automobile markets is now definitely pointing upwards. Germany's car market is expected to produce slightly above-average growth. Order intake at German car makers suggests strong export-driven demand, buoyed also by the weak euro. This will benefit

domestic car production, although it should also be noted that German manufacturers are increasingly making the transition towards local production of vehicles and engines in Asia and North America.

After a significant upturn in US sales figures for cars and light trucks over the course of 2014, up to 16.4 million units, the local market managed to return to its pre-crisis level of 2007. Against this backdrop, growth is expected to be slightly less dynamic in 2015. Indeed, this trend has already been confirmed by the direction taken in the first quarter. Having said that, the domestic vehicle market will continue to edge upwards on the back of a solid economic performance and favorable employment levels, underpinned by the low price of oil. ElringKlinger anticipates that the US market will remain on track for moderate growth.

By contrast, the outlook for Brazil – the principal vehicle market in South America – remains opaque. After a severe slump in 2014 and in the first quarter of 2015, the local market is unlikely to return to a state of outright stability in the year as a whole.

Led by China, Asia continues to be the growth driver for the global automobile industry. Although forecasts for 2015 point to a slight loss in forward momentum with regard to domestic demand, China looks set to extend its leading position as the world's single largest vehicle market in 2015. As regards China, ElringKlinger anticipates less pronounced growth of 5% to 8% in terms of the number of cars sold.

The vehicle market in India, too, should be able to follow up on its growth trend initiated in 2014 as it progresses through 2015. The Japanese car market, by contrast, is likely to be faced with a downturn in sales in 2015, having previously benefited from the positive effects of pre-emptive purchases in 2014 in anticipation of an imminent rise in domestic VAT.

North America looks set to remain the growth driver within the global truck market in 2015

After challenging market conditions in 2014, truck demand in Europe is expected to pick up slightly in 2015. The gradual onset of economic recovery in Western Europe should have a positive impact on the market as a whole. Against this backdrop, new truck registrations are expected to grow by a moderate 2 to 3%. By contrast, the future direction taken by truck sales in Russia is difficult to predict and will remain a risk factor in 2015 too.

From a global perspective, the commercial vehicle industry will again receive most of its growth impetus within the North American market in 2015. Having expanded by around 17% in 2014, however, the rate of expansion looks set to decelerate in 2015.

The prospects for Brazil's truck market are far less favorable in terms of the future pattern of demand for trucks. Given the as yet anemic state of its economy, there is every chance that sales will continue to plummet in 2015 – with no sign of improvement before the second half of 2015.

ElringKlinger will be able to benefit directly from an increase in truck production output in the established

markets of Europe, the US and Japan. Following the introduction of Euro VI models in 2014, revenue per vehicle tends to be higher due to additional sales associated with lightweight plastic housing modules. With this in mind, ElringKlinger anticipates that business relating to truck components will produce above-average growth rates in the coming years.

Outlook – Company

Order intake up by 23%

ElringKlinger is anticipating further organic growth in revenue for 2015 and 2016. This target is underpinned by solid order books.

Order intake developed well in the first quarter of 2015, rising by 25.0% to EUR 414.0 (331.2) million. On an organic basis, i.e. excluding the entity formerly known as M&W, order intake rose by 22.9% to EUR 407.1 million. Order backlog as of March 31, 2015, thus totaled EUR 730.8 (602.6) million.

Outlook for 2015: EBIT expected to total around EUR 165 million

ElringKlinger is working on the assumption that global automobile production will expand by around 2% in 2015 as a whole. Against this backdrop, the Group is targeting organic revenue growth of 5 to 7%. Additionally, the consolidation of ElringKlinger Automotive Manufacturing (M&W) will contribute around EUR 30 million to Group revenue in the financial year as a whole. The inclusion of M&W within the scope of consolidation may have a slightly dilutive effect on the Group's EBIT margin for the financial year 2015.

Owing to current demand patterns and the as yet insufficient degree of capacity utilization in production, the E-Mobility division is not expected to see a fundamental improvement in its earnings performance in 2015. Given the plunge in fuel prices, plug-in hybrids and pure electric vehicles have become less attractive buying propositions to consumers when compared to conventional cars equipped with combustion engines. The company is responding by implementing structural measures aimed at cost streamlining. In the medium term, the volume of products requested as part of customer scheduling is expected to rise and contribute to improved earnings. Given this situation, the E-Mobility division will continue to exert downward pressure on the Group's EBIT margin in 2015.

Full consolidation of the Japanese subsidiary ElringKlinger Marusan Corporation will also have a slightly dilutive effect on the EBIT margin in 2015 (approx. 0.3 percentage points).

Against the backdrop of the Group's business performance in the first quarter of 2015, ElringKlinger has already initiated measures aimed at optimizing its earnings situation. The substantial rise in demand within specific divisions necessitated additional shifts and freight movements, thus resulting in a disproportionately large increase in the cost base.

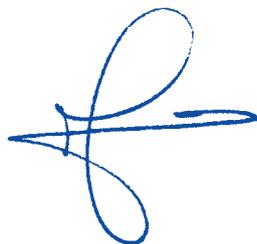
In order to counteract the rise in costs attributable to the strong appreciation of the Swiss franc against the euro, ElringKlinger is assessing the possibility of transferring additional production volumes to eurozone-based operations.

In total, the Group expects to achieve improved earnings in the second half of 2015. EBIT, before purchase price allocations and adjusted for non-recurring items, is expected to reach around EUR 165 million in 2015 as a whole (previous guidance: EUR 170 to 180 million).

Events after the Reporting Period

No significant events requiring disclosure occurred after the reporting period.

Dettingen/Erms, May 6, 2015
The Management Board



Dr. Stefan Wolf
Chairman/CEO



Theo Becker



Karl Schmauder

ElringKlinger and the Capital Markets

Stock markets in bullish mood during the first quarter of 2015

Benefiting from the extensive bond-buying program approved by the European Central Bank in January 2015, together with improved economic data for the eurozone as a whole, Europe's stock markets recorded a significant upturn in the first quarter of 2015. Unperturbed by negative headlines relating to the crisis in Greece and the conflict in Ukraine, the indices continued to soar skywards.

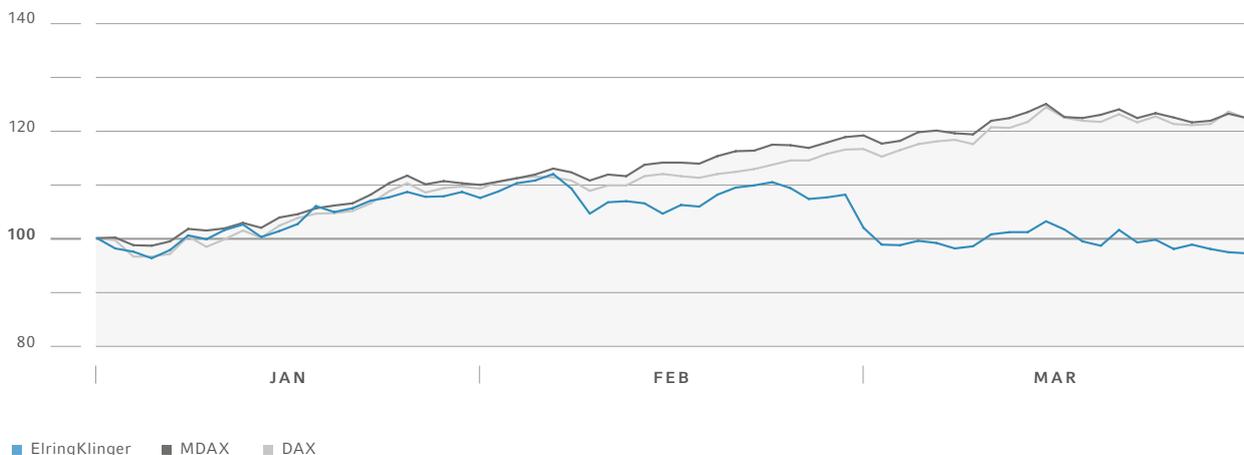
Having closed 2014 with a moderate gain of 2.7%, Germany's blue chip index, the DAX, has been performing at record levels since the beginning of 2015. At the end of the first quarter of 2015 it was up by 22% at 11,966 points. The MDAX was similarly buoyant, re-

ording a gain of 22.1% over the same period, which took it to a level of 20,685 points.

ElringKlinger stock trends sideways

Gaining 22.8% in the fourth quarter of 2014, ElringKlinger AG's stock had outperformed both the DAX and the MDAX by a considerable margin. At the beginning of 2015 the company's share price advanced by a further 12% to reach its current annual high of EUR 32.18. Profit-taking following the announcement of the company's preliminary results for the 2014 financial year exerted downward pressure on ElringKlinger's share price. In March 2015, the stock trended sideways for much of the time. At the end of the first quarter of 2015, ElringKlinger's share price was down slightly by 2.8% at EUR 27.99.

ELRINGKLINGER'S SHARE PRICE PERFORMANCE (XETRA) SINCE JANUARY 1, 2015
compared with MDAX and DAX



First-quarter trading volume expands markedly year on year

The overall volume of German stock traded on domestic exchanges expanded significantly in the first quarter of 2015. This also applied to ElringKlinger shares, with the average trading volume rising markedly during the first three months of 2015. Compared to the first quarter of the preceding year, the

number of shares traded per day increased to 154,200 (126,700). Expressed in euros, the average daily trading value of ElringKlinger shares rose by 29.1% to EUR 4,580,800 (3,548,500). ElringKlinger's stock thus offers sufficiently high levels of liquidity for institutional investors to conduct larger share transactions.

Excellent response to capital market communication

On March 31, 2015, the company held a financial results press conference in Stuttgart, followed by an analysts' and investors' meeting in Frankfurt am Main, for the purpose of presenting the annual financial statements of ElringKlinger AG for 2014. The Management Board presented the company's results for the annual period just ended and provided an outlook for the current 2015 financial year. Among the key areas of interest were the commencement of serial production of lightweight front-end and cockpit beams, scheduled for the second quarter, as well as efforts aimed at raising efficiency levels in combustion engines and a status report on demand patterns within the E-Mobility division. As in previous years, both events were well received by members of the media and capital market representatives.

Annual General Meeting 2015: regular dividend to rise by 10%

Pursuing a consistent dividend policy that reflects current earnings performance, ElringKlinger AG will again allow shareholders to participate appropriately in the company's success with regard to the financial year 2014. The regular dividend is to be raised for the sixth time in succession. The Management Board and the Supervisory Board of ElringKlinger AG will submit a proposal to the Annual General Meeting on May 13, 2015, for the dividend to be increased to EUR 0.55 (0.50) per share in respect of the 2014 financial year. The proposed dividend payment will therefore amount to EUR 34.8 (31.7) million in total.

ELRINGKLINGER STOCK (ISIN DE 0007856023)

	1 st Quarter 2015	1 st Quarter 2014
Number of shares outstanding	63,359,990	63,359,990
Share price (daily closing price in EUR) ¹		
High	32.18	32.60
Low	27.73	25.23
Closing price on March 31	27.99	28.61
Average daily trading volume (German stock exchanges; no. of shares traded)	154,200	126,700
Average daily trading value (German stock exchanges; in EUR)	4,580,800	3,548,500
Market capitalization at March 31 (EUR millions)	1,773.4	1,812.7

¹ Xetra trading

Group Income Statement

of ElringKlinger AG, January 1 to March 31, 2015

<i>EUR k</i>	1 st Quarter 2015	1 st Quarter 2014
Sales revenue	371,410	323,995
Cost of sales	-275,851	-232,784
Gross profit	95,559	91,211
Selling expenses	-25,752	-22,231
General and administrative expenses	-18,902	-13,434
Research and development costs	-16,337	-15,501
Other operating income	3,136	3,408
Other operating expenses	-2,343	-1,353
Operating result	35,361	42,100
Finance income	14,120	2,359
Finance costs	-10,605	-4,989
Net finance costs	3,515	-2,630
Earnings before taxes	38,876	39,470
Income tax expense	-9,675	-10,198
Net income	29,201	29,272
of which: attributable to non-controlling interests	997	1,333
of which: attributable to shareholders of ElringKlinger AG	28,204	27,939
Basic and diluted earnings per share in EUR	0.45	0.44

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to March 31, 2015

<i>EUR k</i>	1 st Quarter 2015	1 st Quarter 2014
Net income	29,201	29,272
Currency translation difference	51,194	-234
Gains and losses that can be reclassified to the income statement in future periods	51,194	-234
Other comprehensive income after taxes	51,194	-234
Total comprehensive income	80,395	29,038
of which: attributable to non-controlling interests	2,824	721
of which: attributable to shareholders of ElringKlinger AG	77,571	28,317

Group Statement of Financial Position

of ElringKlinger AG, as at March 31, 2015

<i>EUR k</i>	March 31, 2015	Dec. 31, 2014	March 31, 2014
ASSETS			
Intangible assets	219,260	185,343	176,358
Property, plant and equipment	763,714	707,980	623,576
Investment property	12,038	11,712	12,341
Financial assets	1,753	1,728	2,039
Non-current income tax assets	1,556	1,553	2,196
Other non-current assets	6,134	6,568	3,280
Deferred tax assets	9,947	8,782	11,216
Non-current assets	1,014,402	923,666	831,006
Inventories	324,973	290,098	267,108
Trade receivables	297,266	245,084	240,489
Current income tax assets	5,073	4,294	4,454
Other current assets	35,466	26,944	43,945
Cash and cash equivalents	70,972	68,733	60,180
Current assets	733,750	635,153	616,176
	1,748,152	1,558,819	1,447,182

<i>EUR k</i>	March 31, 2015	Dec. 31, 2014	March 31, 2014
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	600,409	572,205	526,070
Other reserves	39,084	-10,283	-5,519
Equity attributable to the shareholders of ElringKlinger AG	821,091	743,520	702,149
Non-controlling interest in equity	34,498	31,674	28,228
Equity	855,589	775,194	730,377
Provisions for pensions	126,545	124,090	92,972
Non-current provisions	17,147	16,638	10,404
Non-current financial liabilities	289,290	268,508	233,092
Deferred tax liabilities	28,236	23,930	32,700
Other non-current liabilities	6,001	6,219	5,150
Non-current liabilities	467,219	439,385	374,318
Current provisions	19,264	16,469	18,397
Trade payables	99,462	68,753	77,070
Current financial liabilities	177,944	148,532	133,405
Tax payable	21,393	16,773	15,148
Other current liabilities	107,281	93,713	98,467
Current liabilities	425,344	344,240	342,487
	1,748,152	1,558,819	1,447,182

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to March 31, 2015

<i>EUR k</i>	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2013	63,360	118,238	498,131
Total comprehensive income			27,939
Net income			27,939
Other comprehensive income			
Balance as of Mar. 31, 2014	63,360	118,238	526,070
Balance as of Dec. 31, 2014	63,360	118,238	572,205
Total comprehensive income			28,204
Net income			28,204
Other comprehensive income			
Balance as of Mar. 31, 2015	63,360	118,238	600,409

Other reserves					
Actuarial gains and losses from pension commitments, net	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-15,989	2,033	8,059	673,832	27,507	701,339
		378	28,317	721	29,038
			27,939	1,333	29,272
		378	378	-612	-234
-15,989	2,033	8,437	702,149	721	702,870
-37,349	2,033	25,033	743,520	31,674	775,194
		49,367	77,571	2,824	80,395
			28,204	997	29,201
		49,367	49,367	1,827	51,194
-37,349	2,033	74,400	821,091	34,498	855,589

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to March 31, 2015

<i>EUR k</i>	1 st Quarter 2015	1 st Quarter 2014
Earnings before taxes	38,876	39,470
Depreciation/amortization (less write-ups) of non-current assets	20,718	18,692
Net interest	2,959	2,719
Change in provisions	2,169	-1,362
Gains/losses on disposal of non-current assets	-4	77
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-51,555	-46,713
Change in trade payables and other liabilities not resulting from financing and investing activities	41,519	20,919
Income taxes paid	-11,653	-13,133
Interest paid	-2,186	-1,880
Interest received	39	71
Other non-cash expenses	-14,167	-69
Net cash from operating activities	26,715	18,791
Proceeds from disposals of property, plant and equipment, intangible assets and investment property	88	143
Proceeds from disposals of financial assets	9	151
Payments for investments in intangible assets	-2,864	-2,303
Payments for investments in property, plant and equipment and investment property	-35,226	-26,879
Payments for investments in financial assets	-3	-213
Payments for the acquisition of subsidiaries, less cash	-24,151	0
Net cash from investing activities	-62,147	-29,101
Proceeds from the addition of financial liabilities	54,996	17,179
Payments from the repayment of financial liabilities	-23,761	-9,496
Net cash from financing activities	31,235	7,683
Changes in cash	-4,197	-2,627
Effects of currency exchange rates on cash	6,436	-142
Cash at beginning of period	68,733	62,949
Cash at end of period	70,972	60,180

Group Sales by Region

<i>EUR k</i>	1 st Quarter 2015	1 st Quarter 2014
Germany	102,247	96,901
Rest of Europe	119,603	108,465
NAFTA	70,173	52,725
Asia-Pacific	63,914	53,579
South America and Other	15,473	12,325
Group	371,410	323,995

Segment Reporting

of ElringKlinger AG, January 1 to March 31, 2015

Segment <i>EUR k</i>	Original Equipment		Aftermarket		Engineered Plastics	
	2015	2014	2015	2014	2015	2014
Sales revenue	308,870	263,934	34,180	32,671	25,558	24,488
Intersegment revenue	6,199	6,279	73	65	253	26
Segment revenue	315,069	270,213	34,253	32,736	25,811	24,514
EBIT¹	25,631	31,405	6,510	6,795	2,501	3,267
+ Interest income	66	87	15	8	60	108
- Interest expense	-2,699	-2,464	-303	-303	-99	-145
Earnings before taxes	29,419	29,011	6,247	6,569	2,635	3,210
Depreciation and amortization ²	-18,663	-16,968	-447	-380	-1,199	-946
Capital expenditures ³	30,633	27,060	742	423	3,907	1,573

¹ Earnings before interest and taxes (operating result)

² Depreciation and amortization

³ Investments in intangible assets, property, plant and equipment and investment property

	Industrial Parks		Services		Consolidation		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	1,108	1,084	1,694	1,818	0	0	371,410	323,995
	58	58	1,214	1,074	-7,797	-7,502	0	0
	1,166	1,142	2,908	2,892	-7,797	-7,502	371,410	323,995
	265	168	454	465			35,361	42,100
	10	4	9	6	-121	-142	39	71
	-12	-13	-6	-7	121	142	-2,998	-2,790
	118	216	457	464			38,876	39,470
	-98	-97	-311	-301			-20,718	-18,692
	43	6	2,765	120			38,090	29,182

Notes to the First Quarter of 2015

ElringKlinger AG is an exchange-listed stock corporation headquartered in Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of March 31, 2015, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee, as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of March 31, 2015, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements have not been audited.

They were authorized for issue based on a resolution passed by the Management Board on May 6, 2015.

Basis of reporting

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of March 31, 2015, include the financial statements of eight domestic and 31 foreign entities in which ElringKlinger AG holds 50% of the interests, either directly or indirectly, or over which, for other reasons, it has the power to govern the financial and operating policies ("Control"). Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

Corporate acquisitions

Effective from February 14, 2015, ElringKlinger AG acquired 100% of the interests in the US-based entity M&W Manufacturing Co., with its registered office in

Warren, Michigan, USA. Subsequently, the name of M&W Manufacturing Co. was changed to ElringKlinger Automotive Manufacturing, Inc./USA.

The latest acquisition will allow the Specialty Gaskets division to strengthen its regional presence in North America and its production activities in the US market. Together with US market leader M&W, ElringKlinger has advanced to become the premier supplier of transmission control plates. Operating from its US production base, M&W supplies not only the North American market but also, to an increasing extent, customers in China.

The purchase price agreed with regard to the acquisition was EUR 24,276k. The costs related to the transaction, amounting to EUR 253k to date, were recognized as general and administrative expenses.

The assets and liabilities of the acquired interests were measured at their fair value as of the date of acquisition. Within this context, an excess of EUR 17,122k was recognized as goodwill, having additionally accounted for deferred tax liabilities (EUR 2,757k) on hidden reserves realized (EUR 8,016k). The aforementioned goodwill was paid primarily in respect of the favorable earnings prospects as well as anticipated synergies; it was allocated to the Original Equipment segment. This goodwill is not tax deductible.

Due to the first-time full consolidation of the entity, Group revenue increased by EUR 4,936k and earnings before taxes by EUR 584k as of March 31, 2015. Had the acquisition become effective as early as January 1, 2015, ElringKlinger Automotive Manufacturing, Inc. would have contributed EUR 9,058k to consolidated revenue and would have increased earnings before taxes by EUR 1,482k.

The preliminary allocation of the purchase price to assets and liabilities is presented in the table below:

<i>EUR k</i>	IFRS carrying amount at date of purchase	Purchase price allocation	Fair value at date of purchase
Intangible assets	-	8,016	8,016
Property, plant and equipment	3,294	-	3,294
Inventories	4,795	-	4,795
Trade receivables	4,500	-	4,500
Other current assets	259	-	259
Cash and cash equivalents	125	-	125
Total assets	12,973	8,016	20,989
Non-current provisions	104	-	104
Deferred tax liabilities	772	2,757	3,529
Current provisions	229	-	229
Trade payables	4,530	-	4,530
Current financial liabilities	4,715	-	4,715
Tax liabilities	56	-	56
Other current liabilities	672	-	672
Total liabilities	11,078	2,757	13,835
Net assets	1,895	5,259	7,154
Goodwill			17,122
Purchase price			24,276

No contingent liabilities were identified during the acquisition procedure. The fair values presented for the respective assets and liabilities are provisional. A definitive valuation of the assets and liabilities has yet to be made.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate Mar. 31, 2015	Closing rate Dec. 31, 2014	Average rate Jan. – Mar. 2014	Average rate Jan. – Dec. 2014
US dollar (USA)	USD	1.07590	1.21410	1.11013	1.32108
Pound (UK)	GBP	0.72730	0.77890	0.73540	0.80310
Franc (Switzerland)	CHF	1.04630	1.20240	1.05223	1.21274
Canadian dollar (Canada)	CAD	1.37380	1.40630	1.40187	1.46358
Real (Brazil)	BRL	3.49580	3.22070	3.25503	3.10933
Peso (Mexico)	MXN	16.51240	17.86790	16.74097	17.64530
RMB (China)	CNY	6.67100	7.53580	6.92780	8.15428
WON (South Korea)	KRW	1,192.58000	1,324.80000	1,225.09333	1,392.14250
Rand (South Africa)	ZAR	13.13240	14.03530	13.10120	14.34063
Yen (Japan)	JPY	128.95000	145.23000	132.02667	140.50250
Forint (Hungary)	HUF	299.43000	315.54000	304.83000	309.98250
Turkish lira (Turkey)	TRY	2.81310	2.83200	2.80033	2.89420
Leu (Romania)	RON	4.40980	4.48280	4.43103	4.43848
Indian rupee (India)	INR	67.27380	76.71900	68.95643	80.70096
Indonesian rupiah (Indonesia)	IDR	14,053.78000	15,076.10000	14,317.28000	15,681.55750
Bath (Thailand)	THB	35.01800	39.91000	36.13633	42.98783

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments.

There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

<i>in EUR k</i>	Cash	Trade re- ceivables	Other current assets	Derivati- ves	Non-current securities		Other financial assets		Total
	CA	CA	CA	CA	CA	FV	CA	FV	CA
As of Mar. 31, 2015									
Loans and receivables	70,972	297,266	5,578	0	0	0	78	78	373,894
Held to maturity	0	0	0	0	1,444	1,452	0	0	1,444
Held for trading	0	0	0	1	0	0	0	0	1
Available for sale	0	0	0	0	217	217	14	14	231
Total	70,972	297,266	5,578	1	1,661	1,669	92	92	375,570
As of Dec. 31, 2014									
Loans and receivables	68,733	245,084	945	0	0	0	76	76	314,838
Held to maturity	0	0	0	0	1,444	1,448	0	0	1,444
Held for trading	0	0	0	29	0	0	0	0	29
Available for sale	0	0	0	0	194	194	14	14	208
Total	68,733	245,084	945	29	1,638	1,642	90	90	316,519

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

<i>in EUR k</i>	Other current liabilities	Current financial liabilities	Trade payables	Derivatives		Non-current financial liabilities		Finance leases		Total
	CA	CA	CA	CA	FV	CA	FV	CA	FV	CA
As of Mar. 31, 2015										
Financial liabilities measured at acquisition cost	51,227	177,944	99,462	0	0	289,033	305,931	256	275	617,922
Financial liabilities measured at fair value through profit or loss	0	0	0	314	314	0	0	0	0	314
As of Dec. 31, 2014										
Financial liabilities measured at acquisition cost	47,989	148,532	68,753	0	0	268,263	266,098	245	257	533,782
Financial liabilities measured at fair value through profit or loss	0	0	0	140	140	0	0	0	0	140

The management has ascertained that the carrying amounts of cash, trade receivables, other receivables, trade payables, other current financial liabilities and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

The fair values of other financial instruments held to maturity are based on prices in an active market as of the end of the reporting period.

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks, finance lease liabilities and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with

comparable residual terms and the company-specific interest rate.

The fair value of the put option, included in other current liabilities, of non-controlling interests in ElringKlinger Marusan Corporation in respect of their interests is based on projections of the enterprise value. As regards the valuation of this put option of non-controlling interests, estimates are made with regard to the forecast of business performance as well as with regard to the choice of the interest rate to be applied in respect of the liability to be recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by EUR 3,699k.

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of March 31, 2015:

<i>in EUR k</i>	Level 1	Level 2	Level 3
Mar 31, 2015			
Financial assets			
Non-current securities	217	0	0
Other financial assets	14	0	0
Derivatives*	0	1	0
Total	231	1	0
Financial liabilities			
Derivatives*	0	314	0
Total	0	314	0
Dec. 31, 2014			
Financial assets			
Non-current securities	194	0	0
Other financial assets	14	0	0
Derivatives*	0	29	0
Total	208	29	0
Financial liabilities			
Derivatives*	0	140	0
Total	0	140	0

* These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of March 31, 2015:

<i>in EUR k</i>	Level 1	Level 2	Level 3
Mar. 31, 2015			
Financial assets			
Non-current securities	1,452	0	0
Other financial assets	0	0	78
Total	1,452	0	78
Financial liabilities			
Non-current liabilities from finance leases	0	0	275
Non-current financial liabilities	0	305,931	0
Purchase price liability from written put option	0	0	36,987
Total	0	305,931	37,262
Dec. 31, 2014			
Financial assets			
Non-current securities	1,448	0	0
Other financial assets	0	0	76
Total	1,448	0	76
Financial liabilities			
Non-current liabilities from finance leases	0	0	257
Non-current financial liabilities	0	266,098	0
Purchase price liability from written put option	0	0	36,987
Total	0	266,098	37,244

The levels of the fair value hierarchy are defined as follows:

- Level 1:** Measurement based on quoted prices
- Level 2:** Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly
- Level 3:** Measurement based on inputs for assets and liabilities not representing observable market data

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2014 were not subject to significant changes in the first three months of 2015.

Government grants

As a result of government grants, other operating income rose by EUR 1,302k in the first three months of 2015. These grants were attributable primarily to development projects.

Events after the reporting period

There were no significant events after the end of the interim reporting period that necessitate additional explanatory disclosure.

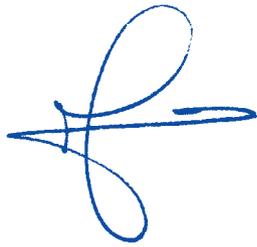
Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the

Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dettingen/Erms, May 6, 2015

The Management Board



Dr. Stefan Wolf
Chairman/CEO



Theo Becker



Karl Schmauder

Imprint

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This Annual Report has been produced in a carbon neutral manner. The CO₂ emissions caused by its production were compensated for by certified climate protection projects.



Disclaimer – Forward-looking Statements and Forecasts

This report contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments that have been expressed. These factors include, for example, changes to the general economic and business situation, variations of exchange rates and interest rates, poor acceptance of new products and services, and changes to business strategy.

This report was published on May 6, 2015, and is available in German and English. Only the German version shall be legally binding.

Corporate Calendar

2015

Financial Calendar

- 05/13/2015** 110th Annual General Shareholders' Meeting, Stuttgart, Cultural and Congress Center Liederhalle, 10:00 a.m. CEST
- 08/05/2015** Interim Report on the 2nd Quarter and 1st Half of 2015
- 11/09/2015** Interim Report on the 3rd Quarter and First Nine Months of 2015
- 05/31/2016** 111th Annual General Shareholders' Meeting, Stuttgart

Calendar Trade Fairs 2015

- 05/20 – 22** Automotive Engineering Exposition, Yokohama, Japan
- 06/02 – 05** Nor-Shipping, Oslo, Norway
- 06/09 – 11** POWER-GEN EUROPE, Amsterdam, Netherlands
- 06/15 – 19** ACHEMA, Frankfurt/Main, Germany
- 06/16 – 17** International VDI Congress "Drivetrain for Vehicles", Friedrichshafen, Germany
- 07/06 – 07** Zulieferer Innovativ "we shape the future automotive universe", Munich, Germany
- 08/28 – 09/06** CARAVAN SALON, Dusseldorf, Germany
- 09/15 – 27** IAA International Motor Show – Cars, Frankfurt/Main, Germany
- 09/23 – 26** Monaco Yacht Show, Monaco
- 10/05 – 07** The Aachen Colloquium Automobile and Engine Technology, Aachen, Germany
- 10/12 – 14** WORLD OF ENERGY SOLUTIONS, Stuttgart, Germany
- 10/13 – 17** Equip Auto, Paris, France
- 10/13 – 17** Fakuma – International trade fair for plastics processing, Friedrichshafen, Germany
- 11/04 – 06** The Aachen Colloquium China Automobile and Engine Technology, Beijing, China
- 12/08 – 09** International CTI Symposium – Automotive Transmissions, HEV and EV Drives, Berlin, Germany
- 12/08 – 10** POWER-GEN USA, Las Vegas, USA

For further events and trade fairs please visit our websites:

www.elringklinger.de/en/press-events

www.hug-eng.ch/en-messen.html



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