REPORT ON THE 1ST QUARTER 2016

pure *partners*

elringklinger

Key Figures
ElringKlinger Group

		1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015
Order Situation						
Order intake	*€ million*	424.0	429.6	336.6	435.1	414.0
Order backlog	*€ million*	835.0	796.2	756.7	786.2	730.8
Sales/Earnings						
Sales revenue	*€ million*	385.2	390.0	366.1	379.7	371.4
Cost of sales	*€ million*	287.7	299.8	274.7	282.6	275.9
Gross profit margin		25.3 %	23.1 %	25.0 %	25.6 %	25.7 %
EBITDA	*€ million*	53.2	50.2	56.7	59.8	56.1
EBIT/Operating result	*€ million*	30.8	26.2	35.4	38.3	35.4
EBIT margin		8.0 %	6.7 %	9.7 %	10.1 %	9.5 %
Adjusted EBIT, pre ppa[1]	*€ million*	32.0	27.5	36.7	39.6	36.7
Adjusted EBIT margin, pre ppa[1]		8.3 %	7.1 %	10.0 %	10.4 %	9.9 %
Earnings before taxes	*€ million*	24.4	28.3	29.8	31.8	38.9
Net income	*€ million*	17.9	23.8	20.7	22.0	29.2
Net income attributable to shareholders of ElringKlinger AG	*€ million*	17.2	22.4	20.0	21.0	28.2
Cash Flow						
Net cash from operating activities	*€ million*	39.5	31.7	32.7	32.2	26.7
Net cash from investing activities	*€ million*	38.9	-56.5	-50.7	-43.2	-62.1
Net cash from financing activities	*€ million*	20.2	11.8	5.2	17.0	31.2
Operating free cash flow[2]	*€ million*	0.6	-24.8	-18.0	-11.0	-11.2
Balance Sheet						
Balance sheet total	*€ million*	1,809.5	1,765.8	1,757.4	1,765.6	1,748.2
Equity	*€ million*	864.1	855.7	821.5	830.4	855.6
Equity ratio		47.8 %	48.5 %	46.7 %	47.0 %	48.9 %
Human Resources						
Employees (as at end of quarter)		8,126	7,912	7,742	7,597	7,492
Stock						
Earnings per share	*€*	0.27	0.35	0.32	0.33	0.45

[1] EBIT adjusted for one-time effects and amortization resulting from purchase price allocation

[2] Net cash from operating activities minus net cash from investing activities (excluding acquisitions)

pure *partners*

ElringKlinger sees itself as a trusted partner to its customers, investors, and suppliers. This ambition is shared by a team of more than 8,000 people currently working for the Group at 45 sites around the globe. Embracing "pure partners" as a guiding theme, ElringKlinger has put its global network to the fore – capturing every dimension of cooperation within the company and beyond. The partnerships pursued within this network form the basis for our company's innovations, which in turn help to shape the world's mobility of the future and secure our position as a technology leader in the automotive supply industry.

Contents

4/5-layer Metaloflex™ cylinder-head gasket with partial coating and backland support.

Macroeconomic Conditions and Business Environment

The global economy as a whole lacked momentum in the first quarter of 2016. Activity was dampened by economic and structural problems in some emerging market countries and, initially at least, by a further slump in oil prices at the beginning of the year. Over the course of the first three months of 2016, the impact of the slowdown in China, now in its second year, was partly offset by a modest upturn in the prospects for the US economy and, more recently, by a return to more stable crude oil prices. The gap between US and eurozone monetary policy widened further. While the Federal Reserve has so far decided against any further rise in its key lending rate, the European Central Bank (ECB) once again loosened its monetary policy on a massive scale. The euro appreciated by almost 5% against the US dollar in the first quarter of 2016.

Eurozone and USA on track for growth

During the quarter under review, the eurozone economy was buoyed up by low energy prices, strong consumer demand, and increased government expenditure in response to the refugee crisis. However, the efforts of exporters were undermined by weaker global demand. In a change to the usual pattern of contrasting economic fortunes within the eurozone, industrial growth picked up in March in most of the peripheral states thanks to the recovery. By contrast, Germany's heavily export-dependent economy lost momentum, although it continued to benefit from strong domestic demand.

After a lackluster end to 2015, the US economy presented a more robust picture in the first three months of 2016. US consumer demand was strong on the back of a sustained recovery in the labor market. This compensated for problems in the energy sector and for the export weakness of industrial firms as a result of exchange rate movements.

Brazil and Russia feel pain of oil price slump

There has been no let-up to date in the recession affecting Brazil and Russia. In both countries, economic activity is hampered by long-standing structural and political problems as well as low commodity prices.

China loses momentum but shows signs of stabilization

Chinese economic growth slowed considerably in 2015 but showed signs of stabilization towards the end of the first quarter of 2016. Although industrial growth rates and exports continued to weaken, domestic consumer demand and the services sector both expanded. India recorded further solid economic growth.

Japan continued its long economic malaise, again suffering from weak domestic consumer demand.

GDP GROWTH RATES

Year-on-year change *in %*	Full Year 2015	4th Quarter 2015	1st Quarter 2016
Germany	1.5	1.3	1.4
Eurozone	1.6	1.6	1.4
USA	2.4	1.9	2.2
Brazil	-3.8	-5.9	-4.8
China	6.9	6.8	6.6
India	7.3	7.3	7.3
Japan	0.5	0.7	-0.1

Source: HSBC, IMF (April 2016)

Major automobile markets keep up pace of growth

After strong growth in 2015, the three major automobile markets recorded further increases in vehicle sales in the first quarter of 2016: The Chinese market showed the biggest rise with sales up 9% on the same quarter of 2015 thanks to a particularly strong performance in March. Western Europe was close behind at just below 8%, while the US light vehicle market put on 3%. Market volume continued to decline in Brazil and Russia, and sales in the Japanese market were also in negative territory.

Strong growth in Western Europe

Vehicle sales in Western Europe benefited from generally positive economic conditions, low interest rates, and cheap fuel. Another factor – especially in Southern Europe – was the high level of demand for replacement purchases. In the first three months of 2016, a total of 3.7 million new vehicles were registered in Western Europe – 1.6 million in March alone. Among the five biggest markets in this region, growth was strongest in Italy and France. By contrast, Germany and Spain ended the quarter only slightly ahead. With the exception of Greece and the Netherlands, the smaller markets all recorded higher sales over the reporting period. The new EU member states achieved double-digit percentage growth with around 270,000 new car registrations. Altogether, the European market grew by 8.1% year on year.

At 4%, however, the increase in total vehicle production in Europe was only half this figure. In Germany, domestic production fell by 1%, which had a dampening effect. Germany's factory output figures were particularly hit by the timing of Easter and related holidays, which meant that relatively fewer days were worked in March. Since Germany accounts for 35% of total European vehicle production, the production downturn in that country implies that growth in other manufacturing countries was correspondingly high. Although German exports fell by 4% over the reporting period, the volume of orders received from other countries rose by 1%.

US market driven by light truck segment

After several years of strong growth, the US vehicle market achieved further moderate gains in the first quarter of 2016. The gap between car and light truck sales continued to widen. While sales in the first of these categories remain stagnant, demand for pick-ups and SUVs is very buoyant.

Slump continues in Brazil and Russia

Following marked declines in 2015, Brazil and Russia recorded another substantial downturn in the first quarter of 2016. However, Russia's light vehicle market managed to avoid any further slide. The market here showed initial positive signs of the impact of state incentives such as a vehicle scrappage scheme and easier financing.

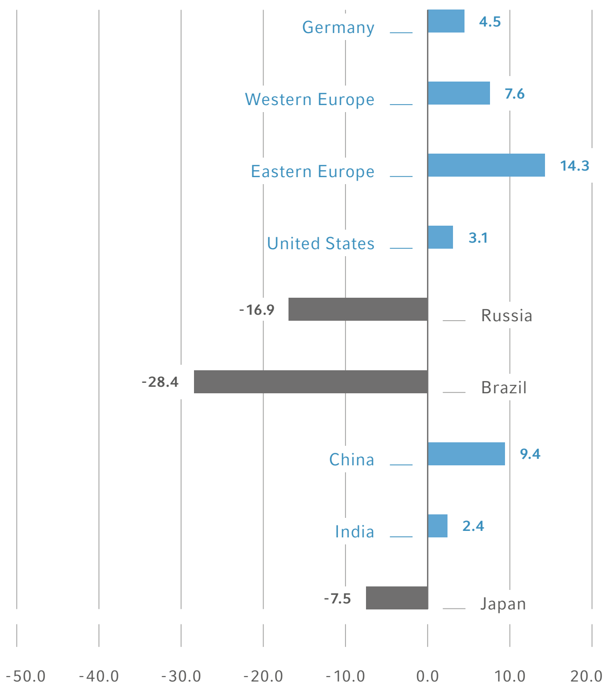
Mixed picture across Asia's automobile markets

Vehicle sales in China grew rapidly in January. Although this upward trend eased in February, there was further strong momentum in March. The country extended its lead as the world's biggest single market. One of the factors still boosting sales is a reduction in VAT that was introduced in fall 2015 for vehicles with an engine displacement of up to 1.6 liters. Premium vehicles from German manufacturers remained much in demand.

In India, sales of cars picked up to end the first quarter of 2016 moderately higher with around 0.7 million new registrations.

Japan, the world's fourth largest single market, recorded a further decline in the first three months of 2016.

NEW CAR REGISTRATIONS 1ST QUARTER 2016
Year-on-year change (in %)



Source: VDA, ACEA (April 2016)

Contrasting performances in global commercial vehicle markets

In the first quarter of 2016, commercial vehicle sales moved in opposite directions in the world's two major markets, Western Europe and the United States. While the total volume in this category once again rose in Western Europe, sales in the North American market declined. Here, increasing freight volumes on the back of an economic recovery had in previous years given a considerable boost to production and sales in both the mid-sized and heavy truck categories. However, this trend began to weaken towards the end of 2015. Brazil's commercial vehicle market remained sluggish, with total sales of commercial vehicles reflecting the trend in cars.

According to the European Automobile Manufacturers' Association (ACEA), sales of mid-sized and heavy trucks in the European Union rose by 17.8% in the first three months of 2016. As this double-digit percentage increase shows, the market was able to maintain last year's strong upward momentum. Western Europe generated an increase of 15.4%, taking the total to 132,124 new registrations of mid-sized and heavy trucks. All the key markets in this category recorded substantial improvements, led by Spain (23.7%) and France (16.5%). At 27.2%, the rate of sales growth in the new EU member states was even higher, albeit from a lower absolute base.

According to the German industry association VDA, the number of commercial vehicles above 16 metric tons sold in Germany, the world's fifth biggest single market in this category, stood at 16,040, a rise of 8.1%.

Significant Events

In the first quarter of 2016, ElringKlinger acquired an additional 5.0% of the ownership interests in its subsidiary new enerday GmbH, Neubrandenburg, Germany, effective from February 18, 2016. Since then, it holds 80.0% of the interests in the fuel cell system specialist. This is in keeping with ElringKlinger's continued strategy of scaling back non-controlling interests within the Group to the largest extent possible.

Effective from February 23, 2016, Karl Schmauder, member of the Management Board of ElringKlinger AG, stepped down from his role as a Management Board executive. Mr. Schmauder was appointed to the Management Board of ElringKlinger AG in 2005, from which point on he was responsible for Original Equipment Sales and New Business Areas. Thus, the Management Board of ElringKlinger will in future consist of three members: Alongside Dr. Stefan Wolf in the role of CEO, Theo Becker as COO responsible for Production and Technology and Thomas Jessulat in his capacity as CFO will remain as members of the Group's highest governing body. Dr. Stefan Wolf has taken over the area of Original Equipment Sales. In future, New Business Areas will be overseen by Theo Becker.

At its meeting on March 3, 2016, Deutsche Börse resolved on changes to the composition of its stock market indices. Formerly listed in the MDAX, ElringKlinger AG has left the aforementioned index and has joined the SDAX effective from March 21, 2016. The composition of indices for the German stock market is governed by two key criteria: market capitalization of free float and average trading volume of the shares in question.

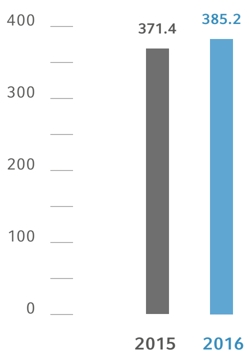
Sales and Earnings Performance

Revenue growth dampened by forex effects

ElringKlinger commenced the new financial year with solid growth in revenue at an organic level. The expansion in revenue during the period under review was fueled by positive trends within the European automobile market and sustained buoyancy in demand from the United States. In the first quarter, the Group benefited from a number of new product rollouts as well as further structural growth, primarily in the Specialty Gaskets and Plastic Housing Modules/Elastomer Technology divisions.

Overall, the Group saw its revenue expand by 3.7% in the first quarter of 2016, taking the figure to EUR 385.2 (371.4) million. In this context, the unexpectedly strong appreciation of the euro against key Group currencies, such as the US dollar, the Swiss franc, the Brazilian real, and the Mexican peso, diluted Group revenue by EUR 11.7 million or 3.2% in the first quarter of 2016. ElringKlinger generated around 40% of Group revenue outside the euro area in the first three months of 2016. The acquisition-related effects on revenue from the first-time inclusion of ElringKlinger Automotive Manufacturing, Inc., Warren, USA (also referred to as "EKAM") as of February 14, 2015, were equivalent to EUR 4.9 million or 1.3%. At an organic level, i.e., excluding the effects of consolidation and foreign exchange rates, the Group recorded revenue growth of 5.5% in the first quarter of 2016. In doing so, ElringKlinger maintained its trajectory of global expansion and again outpaced the industry as a whole on the basis of worldwide automobile production.

GROUP SALES 1ST QUARTER
in € million



Buoyancy in key growth markets

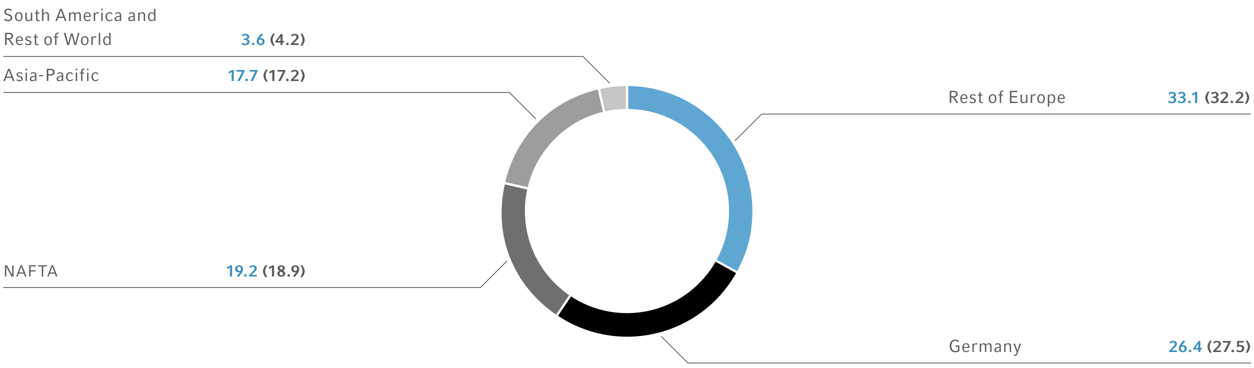
The most pronounced level of growth for ElringKlinger came from the Asian markets, the NAFTA region, and the Rest of Europe (without Germany). Despite significant forex effects in some cases, the Group managed to lift revenue by 6 to 7% in all three regions. ElringKlinger reaped the rewards of its global presence, which it has been steadily expanding and extending over recent years. In fact, the company has now established production and distribution sites in all of the world's major automotive markets.

In the region covering Asia-Pacific, ElringKlinger generated revenue of EUR 68.2 (63.9) million in total during the first quarter of 2016, which represents year-on-year growth of 6.7%. Eliminating the effects of foreign exchange rates, revenue growth was as much as 9.7%. In particular, the start of production of innovative polymer hybrid parts, which have been mass-manufactured at the Chinese plant in Suzhou since the second quarter of 2015, had a positive impact on organic revenue growth. Asia-Pacific accounted for 17.7% of total Group revenue in the reporting quarter, up from 17.2% in the same period a year ago.

The NAFTA region saw revenue increase by 5.8% in the first quarter of 2016, taking the figure to EUR 74.3 (70.2) million. This was achieved despite the fact that the strong appreciation of the euro against the US dollar had diluted Group revenues by almost EUR 4 million. Revenue growth was fueled in particular by solid market expansion and the full consolidation of EKAM in February 2015. The NAFTA region continued to gain in importance and now accounts for 19.2% (18.9%) of Group revenue.

Business in the region encompassing South America and the Rest of the World showed the first signs of recovery at the beginning of 2016. As a result of forex effects, this sales region saw revenue decline by 10.3% to EUR 13.9 (15.5) million. At an operational level, however, the Group managed to grow by a solid 5.2%.

GROUP SALES BY REGION 1ST QUARTER 2016
(prior year) in %



Accounting for 33.1% (32.2%) of revenue, the Rest of Europe (excluding Germany) is the biggest sales market for ElringKlinger. In the first three months of 2016, sales revenue increased by 6.4% to EUR 127.3 (119.6) million in this market. The Group benefited from a more dynamic vehicle market in Europe, bolstered by the ECB's zero interest rate policy and lower fuel prices.

Germany was the only region to move forward at a slightly tentative pace. At EUR 101.5 (102.2) million, first-quarter revenue from sales in this market was comparable to that seen in the same period a year ago. As a result, the percentage share of domestic sales in relation to Group revenue now stands at 26.4% (27.5%).

Overall, the percentage share of foreign sales in relation to Group revenue rose to 73.6% (72.5%) in the first quarter of 2016.

Moderate revenue growth for Original Equipment

The Original Equipment segment accounted for 82% (83%) of Group revenues in the first quarter of 2016. The individual divisions within this segment developed along different lines. In total, the segment recorded revenue growth of 2.4% in the first quarter, taking the figure to EUR 316.3 (308.9) million. The most sizeable growth rates within the Group came from the Specialty Gaskets and Plastic Housing Modules/Elastomer Technology divisions. The level of forward momentum shown in this area was attributable to the megatrend of "efficient drive technology" currently fueling the automotive industry. In this context, new lightweighting concepts and the continuous optimization of the combustion engine provide a demand stimulus for ElringKlinger products, such as components for automatic transmissions and turbocharger gaskets as well as lightweight modules made of plastic.

This segment recorded particularly dynamic growth in the sales regions covering NAFTA, Asia-Pacific, and the Rest of Europe. Capacity constraints occurring in 2015 in one of the business units within the Shielding Technology division again had a dilutive effect on earnings in the first quarter of 2016. Additional costs incurred during the first three months of 2016 as a result of factors such as extra shifts and external sorting work amounted to EUR 7 million. However, this figure was lower than the figure of up to EUR 10 million originally anticipated. The additional costs associated with unscheduled freight consignments were substantially lower in the reporting period. This illustrates quite clearly that the measures implemented to date have been effective. In the medium term, the Group plans to scale back to a normal level its elevated fixed costs. Fixed costs had risen as a result of the fast-track expansion of the production site.

Global demand among car buyers for battery-powered vehicles as well as plug-in hybrids is still short of expectations. Against this backdrop, revenue from sales within the E-Mobility division stood at EUR 2.0 (2.7) million in the first three months of 2016. Despite continued process streamlining, the Group incurred a loss (EBIT) of EUR 1.8 (-1.7) million in this division.

Within the Exhaust Gas Purification division, which supplies exhaust treatment systems mainly for industrial applications and ships, revenues and earnings tend to fluctuate more noticeably than in the case of ElringKlinger's conventional series production business. In the first quarter of 2016 it accounted for revenue of EUR 12.9 (12.5) million. Despite the protracted weakness of sales within this project-driven field of business, earnings before interest and taxes (EBIT) improved to EUR 0.9 (0.3) million.

Overall, the Original Equipment segment managed to counteract the adverse effects of exceptional costs amounting to EUR 7 million as well as the more sluggish business performance shown by specific divisions. As a result, earnings for this segment as a whole were down by just EUR 5.3 million to EUR 20.3 (25.6) million.

Sustained growth in Aftermarket segment

On the back of a strong performance in the 2015 financial year, the Aftermarket segment gained further momentum in the first quarter of 2016 and propelled revenue by 14.9% to EUR 39.3 (34.2) million. This segment covers ElringKlinger's range of spare parts, consisting mainly of cylinder-head gaskets and complete gasket sets.

The most dynamic levels of segment growth were recorded in the Eastern European market as well as in the Middle East and Africa. ElringKlinger benefited in particular from the larger proportion of German-made vehicles in these markets. The Group's German aftermarket business also saw sizeable growth in revenue in the first quarter of 2016.

Segment earnings before interest and taxes (EBIT) rose by 20.0% to EUR 7.8 (6.5) million in the period from January to March 2016.

Continued market development by Engineered Plastics

The Engineered Plastics segment specializes in processing the high-performance plastic PTFE* (polytetrafluoroethylene) together with associated application technology. Around two-thirds of segment revenue are generated outside the automotive industry, e.g., from customers operating in the field of mechanical and plant engineering.

In the first three months of 2016, the Engineered Plastics segment achieved sales revenue of EUR 26.2 (25.6) million. Business with customers specializing in mechanical and plant engineering remained relatively subdued. Having previously been focused heavily on Central Europe, the segment continued on a path of international expansion in the first quarter of 2016. Sales teams in China and the United States are still at the stage of penetrating their local markets. Having said that, they have already managed to secure the first small-scale development projects.

The lower-margin industry mix in combination with expenses associated with market penetration had an adverse effect on segment earnings in the first quarter of 2016. In total, earnings before interest and taxes (EBIT) reached EUR 2.1 (2.5) million in the first three months of 2016.

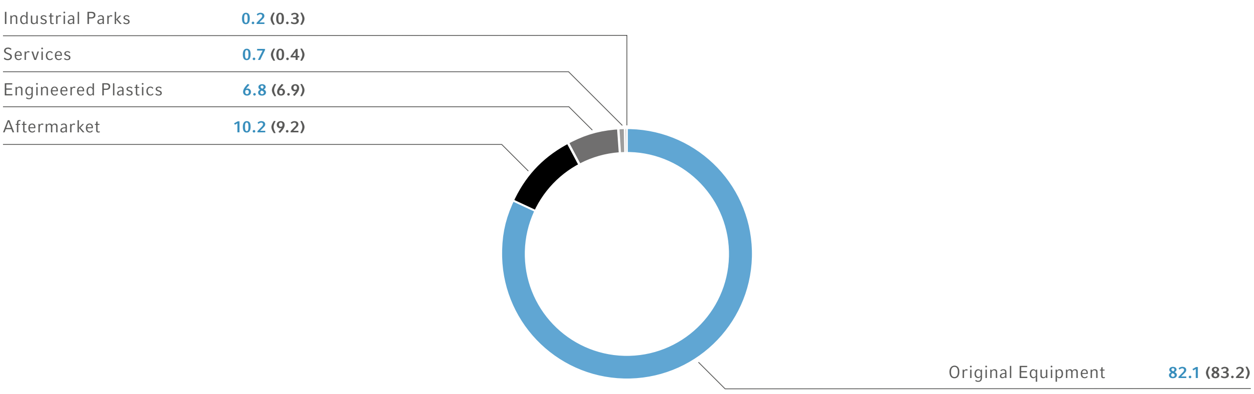
Lower revenue contribution from Industrial Parks

In the period from January to March 2016, rental income from the industrial parks in Idstein, Germany, and Kecskemét, Hungary, amounted to EUR 0.9 (1.1) million. The slight year-on-year decline was due primarily to the scheduled termination of a rental agreement at the end of the year, as a result of which segment earnings before interest and taxes (EBIT) fell to EUR -0.1 (0.3) million in the first quarter of 2016.

Year-on-year growth in Engineering Services

In the Services segment, Elring Klinger Motortechnik GmbH provides engineering and testing services for vehicle manufacturers and other automotive suppliers. The range of services 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,

SALES REVENUE BY SEGMENT 1ST QUARTER 2016
(prior year) in %



ElringKlinger Logistic Service GmbH, which also operates in the Services segment, provides internal and external logistics services such as sorting and packing.

Revenue generated by this segment in the first quarter of 2016 was EUR 2.5 (1.7) million. Segment earnings before interest and taxes reached EUR 0.6 (0.5) million.

Headcount rises to above 8,100

In the first quarter of 2016, the number of people employed by the Group rose by 2.7% or 214 staff members compared to the headcount as of December 31, 2015. As of March 31, 2016, ElringKlinger employed 8,126 people worldwide. In particular, ElringKlinger increased its staffing levels within the area of production during the period under review. Compared with the first quarter of 2015 (March 31, 2015: 7,492), ElringKlinger expanded its headcount by 634 in total.

The ElringKlinger Group focused in particular on recruiting new personnel at its foreign production facilities, primarily at the Indian site in Ranjangaon, the Turkish plant in Bursa, the US factory in Buford, the Swiss site in Sevelen, and the UK facility in Redcar.

As of March 31, 2016, the number of people employed abroad rose to 4,695 (Dec. 31, 2015: 4,467) in total. Therefore, the non-domestic headcount increased to 57.8% (Dec. 31, 2015: 56.5%). Correspondingly, the overall proportion of people employed in Germany fell to 42.2% (Dec. 31, 2015: 43.5%). The domestic sites operated by the Group had a total headcount of 3,431 (Dec. 31, 2015: 3,445) as of March 31, 2016.

Higher cost base reduces gross profit margin

Due to the adverse factors outlined above with regard to one of the divisions in the Group, ElringKlinger was unable to emulate its prior-year performance in the first three months of 2016. The additional costs of around EUR 7 million were attributable almost entirely to the cost of sales. What is more, the cost of sales for the first quarter includes a large proportion of the staff profit-sharing bonus for employees at ElringKlinger AG, ElringKlinger Kunststofftechnik GmbH, and Elring Klinger Motortechnik GmbH, as agreed for fiscal 2015. This totaled EUR 5.7 (5.6) million. The bonus of EUR 1,600 (1,600) per employee was recognized as an expense item in the period under review and is to be paid out in the second quarter of 2016. In total, the cost of sales rose at a more pronounced rate than sales, up 4.3% to EUR 287.7 (275.9) million. Correspondingly, the gross profit margin fell slightly from 25.7% to 25.3%.

Research and development expense remains above industry average

In the first quarter of 2016, ElringKlinger spent EUR 17.3 (16.3) million on research and development. Additionally, an amount of EUR 1.1 (1.9) million was capitalized. In parallel, systematic depreciation/amortization totaled EUR 1.9 (1.8) million. Capitalization had a negative impact on earnings in the quarter under review. At 4.8% (4.9%), the R&D ratio, having factored in capitalized R&D costs, was again above the industry average.

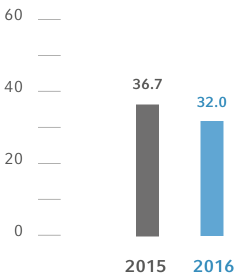
ElringKlinger also uses government grants for its current research and development projects. They amounted to EUR 1.5 (1.3) million in the first three months. Most of these funds went to support projects in the areas of fuel cell technology, battery technology, and lightweight construction. In parallel, the company incurred project-related expenses at a comparable level for development work and prototyping.

R&D efforts at ElringKlinger are centered around one of the megatrends currently driving the automotive industry: efficient drive systems. The emphasis during the first quarter was on refining lightweight components with the help of innovative materials, such as lightweight fiber-reinforced composites (organo sheets). In the area of Shielding Technology, the company is currently in the process of developing much lighter underbody paneling based on compressed textiles. These components are also capable of reducing noise and vibration levels. The E-Mobility division, meanwhile, is currently designing cell housing components with integrated safety functions as part of a series of funded projects. The company also saw some very promising results from individual development projects focusing on the design of its own lithium-ion battery modules. In particular, this would allow ElringKlinger to serve niche markets such as construction machinery and forklift trucks.

Selling expenses rose by 8.5% to EUR 28.0 (25.8) million in the first three months of 2016. This was attributable among other things to higher staff costs. Additionally, some of the production sites outside Europe saw a year-on-year increase in freight costs.

As of February 23, 2016, Karl Schmauder, Director of Sales Original Equipment and New Business Areas, stepped down from his post as a Management Board member with immediate effect. Compensation still outstanding in respect of the remainder of the employment contract up to January 31, 2018, was recognized as general and administrative expenses in the first quarter of 2016. In the first three months of 2016, the latter thus rose by EUR 2.6 million to EUR 21.5 (18.9) million.

EBIT* 1ST QUARTER
in € million



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

EBITDA falls to EUR 53 million

Given the additional costs incurred in the period under review, the Group's solid revenue growth was not yet reflected in earnings during the first quarter of 2016. Group earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled EUR 53.2 (56.1) million. Depreciation, amortization, and write-downs of property, plant, and equipment as well as intangible assets increased by EUR 1.7 million to EUR 22.4 (20.7) million in the period under review. As in the same quarter a year ago, this figure includes the negative effects of purchase price allocation of EUR 1.2 (1.3) million.

Earnings before interest and taxes (EBIT) fell to EUR 30.8 (35.4) million in the first quarter. The Group's adjusted earnings before interest and taxes totaled EUR 32.0 (36.7) million before purchase price allocation. On this basis, the EBIT margin for the first three months of 2016 was 8.0% (9.5%), while the adjusted EBIT margin before purchase price allocation stood at 8.3% (9.9%). Losses incurred in the E-Mobility division continue to have a dilutive effect on the Group's EBIT margin.

Net finance costs up due to foreign exchange effects

The unexpectedly strong appreciation of the euro against the key Group currencies, as mentioned earlier, led to a substantial decline in foreign exchange gains in the first three months of 2016, down to just EUR 2.8 (14.1) million; foreign exchange losses for the same period stood at EUR 6.2 (7.6) million. Thus, the net result of currency translation was EUR 9.9 million lower at EUR -3.4 (+6.5) million. At -2.9 (-3.0) million, the net interest result was comparable to the figure recorded for the same period a year ago. In total, therefore, net finance costs rose by EUR 9.8 million to EUR 6.3 million, compared with net finance income of EUR 3.5 million a year ago.

Correspondingly, earnings before taxes fell to EUR 24.4 (38.9) million in the period under review.

Tax expenses decreased to EUR 6.5 (9.7) million in the first quarter of 2016. The Group tax rate of 26.6% (24.9%) was at a normal level.

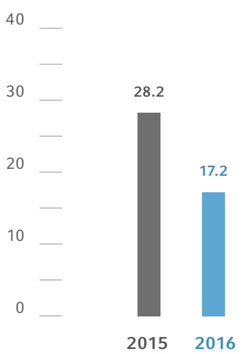
Net income at EUR 17.9 million

The ElringKlinger Group generated net income of EUR 17.9 (29.2) million, which was down on the prior-year figure as a result of the exceptional factors discussed earlier.

Due in part to lower earnings from Hug Engineering AG and ElringKlinger Kunststofftechnik GmbH, net income attributable to non-controlling interests fell to EUR 0.7 (1.0) million in the first quarter. Eliminating these interests, net income attributable to the shareholders of ElringKlinger AG amounted to EUR 17.2 (28.2) million.

As of March 31, 2016, the number of shares outstanding that were entitled to a dividend was unchanged at 63,359,990. On this basis, earnings per share amounted to EUR 0.27 (0.45) in the first quarter of 2016.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF ELRINGKLINGER AG 1ST QUARTER
in € million



Financial Position and Cash Flows

The ElringKlinger Group remained solid with regard to its financial position and cash flows, recording an equity ratio of 47.8% and positive operating cash flow of EUR 39.5 million in the first quarter of 2016.

Total assets up slightly

Compared to December 31, 2015, total assets accounted for by ElringKlinger AG were up slightly by 2.5% to EUR 1,809.5 million. Compared to the end of the first quarter of 2015, they were up by 3.5%. The main additions to assets were attributable to capital expenditure on property, plant, and equipment, as well as investment property. By contrast, the appreciation of the euro against many of the Group currencies had a slightly dilutive effect on total assets as of March 31, 2016.

Working capital (inventories and trade receivables) stood at EUR 619.0 million at the end of the reporting period, which was slightly lower than at the end of the first quarter of the previous year (EUR 622.2 million). Compared to December 31, 2015, working capital was up by 1.6% or EUR 9.9 million. Inventories remained largely unchanged, whereas trade receivables were up by 3.0% in total, mainly in view of the fact that March is one of the most buoyant months as regards seasonal revenue flow.

As of March 31, 2016, cash and cash equivalents totaled EUR 68.6 million, comparable to the figure reported for the same period a year ago.

Further increase in equity

As of March 31, 2016, Group equity rose to EUR 864.1 million compared to the figure recorded as of December 31, 2015 (EUR 855.7 million). This corresponds to an increase of EUR 8.4 million or 1.0%.

The expansion in Group equity was attributable to net income of EUR 17.9 million in the first quarter of 2016. Net income attributable to shareholders of ElringKlinger AG (EUR 17.2 million) resulted in higher revenue reserves, while net income attributable to non-controlling interests (EUR 0.7 million) was recognized directly in the corresponding equity item. Foreign exchange translation differences (EUR -9.0 million) recognized in other reserves had a contrary effect.

The equity ratio fell slightly to 47.8%, down from 48.5% as of December 31, 2015. Thus, the equity ratio remained well above the Group's minimum target of 40%.

Current and non-current provisions slightly higher

At EUR 119.0 million and a share of 6.6% of total equity and liabilities, provisions for pensions remained at a level comparable to that recorded at the end of 2015.

Compared to the year-end figures for 2015, non-current and current provisions rose by EUR 1.0 million and EUR 2.4 million respectively and amounted to EUR 13.4 million and EUR 18.8 million respectively. This was due in part to the fact that Karl Schmauder, as a member of the Management Board of ElringKlinger AG, left the company as of February 23, 2016. A provision was recognized for compensation outstanding up to the end of his contract on January 31, 2018. This provision amounted to EUR 2.6 million, of which EUR 1.1 million was of a non-current nature.

Reduction in net debt

The Group's financing requirements were covered largely by cash flow from operating activities, but also in part by bank borrowings and other loans.

Current and non-current financial liabilities totaled EUR 550.5 million as of March 31, 2016. Compared to December 31, 2015, (EUR 535.7 million) they were up by EUR 14.8 million. At the end of the quarter, non-current financial liabilities stood at EUR 318.8 million, while current financial liabilities totaled EUR 231.7 million.

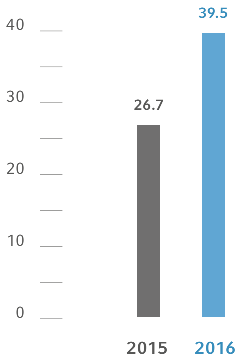
Compared to the figure posted at the end of 2015, the Group's net debt (current and non-current financial liabilities less cash) fell by EUR 4.9 million to EUR 481.9 million due to the higher level of cash.

At the end of the reporting period, trade payables amounted to EUR 89.9 million, compared to EUR 85.9 million at the end of 2015. Compared to March 31, 2015, (EUR 99.5 million) they were down by almost EUR 10 million.

Compared to the end of last year, other current liabilities were up by EUR 10.9 million at EUR 104.2 million. As outlined above, this item includes the staff profit-sharing bonus of EUR 5.7 million in total, as agreed for the 2015 financial year. It is to be paid out in the second quarter of 2016.

As of March 31, 2016, liabilities accounted for 52.2% of total equity and liabilities.

NET CASH FROM OPERATING ACTIVITIES 1ST QUARTER
in € million



Marked improvement in cash flow from operating activities

Despite a year-on-year decline in pre-tax profit by EUR 14.4 million, the ElringKlinger Group generated substantially more cash flow from operating activities in the first quarter of 2016. It amounted to EUR 39.5 (26.7) million, thus exceeding the prior-year figure by EUR 12.8 million.

This was attributable to lower additional absorption of funds in working capital as well as forex effects.

In total, 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 6.6 million in the first quarter of 2016, compared with a cash outflow of EUR 10.1 million in the first quarter of the previous year.

The item classified as "other non-cash expenses and income" mainly includes eliminations relating to currency translation. This item, amounting to EUR 6.3 (-14.2) million, had an accretive effect on cash flow from operating activities in the first quarter of 2016. This year-on-year swing reflects the reversal in the direction taken by the euro against many of the Group currencies.

Investing activities dominated by growth and new technologies

In the first three months of 2016, the ElringKlinger Group expended EUR 37.5 (35.2) million on property, plant, and equipment as well as investment property. The investment ratio (payments for property, plant, and equipment as well as investment property relative to Group sales revenue) was 9.7% (9.5%). As expected, it was slightly beyond the medium-term target range of 7 to 9% – as in the previous year.

Alongside major investment projects aimed at expanding automation, as well as extension measures at its German sites, capital expenditure was targeted to a large extent at the expansion of production capacity at the foreign subsidiaries, primarily in North America and Asia. In 2015, ElringKlinger took steps towards investing to a larger extent in capacity expansions in response to demand-side trends, in addition to introducing production machinery for new technologies.

Among the additions at the principal site in Dettingen/Erms were production machines for the Specialty Gaskets and Plastic Housing Modules divisions, for which injection-molding systems were purchased within the area of module production as well as assembly lines. At ElringKlinger Kunststofftechnik GmbH in Bietigheim-Bissingen, Germany, additional funds were directed at production equipment needed for the new facility recently constructed by the company.

Since the second quarter of 2015, ElringKlinger Abschirmtechnik (Schweiz) AG, Sevelen, Switzerland, has been investing to a larger extent in capacity expansion and installed new production lines. Work progressed on the construction of a new plant at the site of the Turkish subsidiary in Bursa, the focus being on the production of shielding components.

Other projects related to the plants in North America. ElringKlinger Automotive Manufacturing, Inc., a company acquired in 2015, is currently installing a servo press and state-of-the-art production machinery at its new site in Southfield, the emphasis being on the manufacture of control plates used in automatic transmissions. Over the course of the year, this site will bring together the operations of two older facilities.

Investments were made to expand operations at the existing sites in Buford, USA, and Toluca, Mexico, among other things for the production of innovative lightweight underbody components made of glass-fiber-reinforced thermoplastics.

A large proportion of investment spending was again directed at the Chinese subsidiaries. At the site in Suzhou construction work progressed on a state-of-the-art facility that will offer a much larger production space. Alongside lightweight components based on hybrid polymer-metal technology, such as cockpit cross-car beams, this site produces other parts for the Plastic Housing Modules and Shielding Technology divisions. The second Chinese production plant, located in Changchun, is currently being expanded, the focus being on the production of cylinder-head gaskets and near-engine plastic housing modules.

In total, net cash used in investing activities amounted to EUR 38.9 (62.1) million in the first quarter of 2016. The prior-year figure included payments for the acquisition of ElringKlinger Automotive Manufacturing, Inc., amounting to EUR 24.2 million.

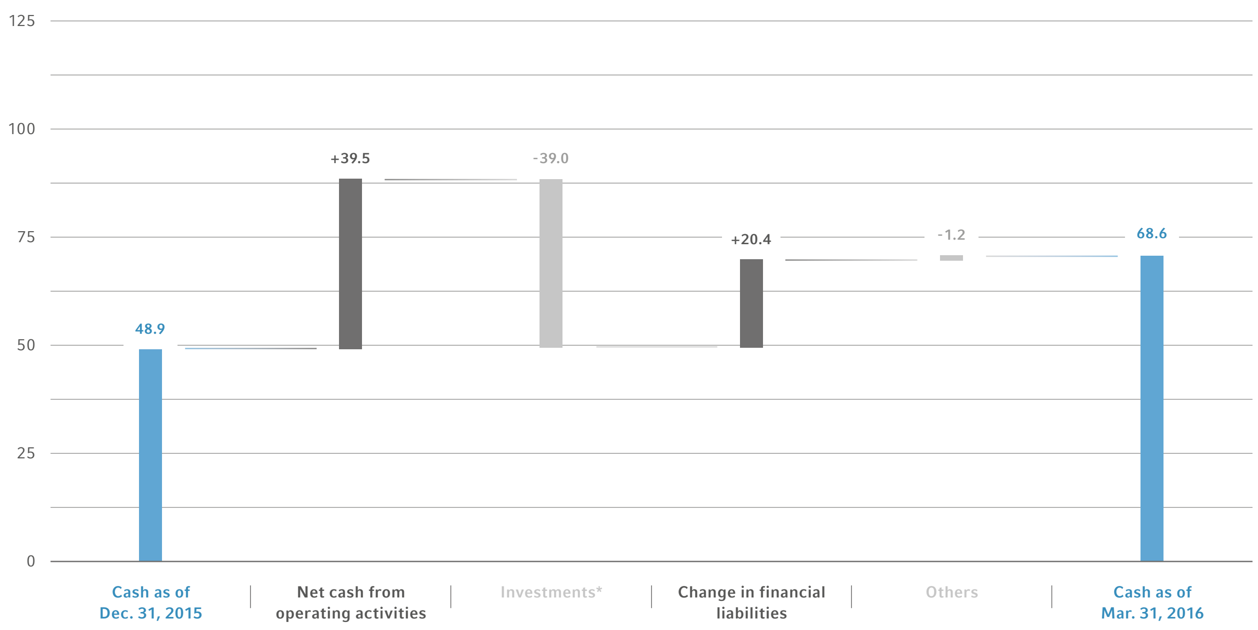
The Group had a positive operating free cash flow (cash flow from operating activities less cash flow from investing activities, adjusted for payments in respect of acquisitions) of EUR 0.6 (-11.2) million.

Lower amount of liabilities taken on

The improvement in operating cash flow had a direct impact on cash flow from financing activities. In the first quarter of 2016, the ElringKlinger Group took on a net amount of EUR 20.4 (31.2) million in financial liabilities, which was significantly lower than in the same period a year ago.

As of March 31, 2016, cash held by the Group amounted to EUR 68.6 (71.0) million.

CHANGES IN CASH 1ST QUARTER 2016
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 2016, there were no significant changes to the details discussed in the 2015 Annual Report of the ElringKlinger Group (page 96 et seqq.).

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 from the 2015 Annual Report can be accessed on the website of ElringKlinger at www.elringklinger.de/ar2015/report-on-opportunities-and-risks.

Outlook

Outlook – Market and Sector

According to the latest estimates by the International Monetary Fund (IMF), the global economy will grow by a modest 3.2% in 2016, thus barely exceeding the figure achieved in 2015 (3.1%). Recording a growth rate of 4.1%, the emerging countries are expected to expand at a faster pace, whereas the mature economies look set to grow by 1.9%. In issuing this forecast, the IMF revised downward by two percentage points its outlook presented in January. Among the downside risks are capital outflows from the emerging countries, a further slowdown in global investment spending, and repercussions from decelerated growth in China for the emerging countries in particular, but also geopolitical conflicts and uncertainty surrounding a possible exit by the United Kingdom from the European Union. By contrast, the most recent return to oil price stability and the expansive monetary policy adopted by central banks should provide a positive impulse.

Eurozone and US on track for moderate recovery

Within the eurozone, lower energy costs, reform efforts by the peripheral member states, and an expansive monetary policy should be sufficient to counteract the effects of weaker foreign demand. Domestic demand in particular, buoyed by more favorable employment figures, should act as a support for moderate recovery in the eurozone. For Germany, too, domestic demand and additional expenditure in connection with the influx of refugees are considered to be key growth drivers. With the tailwind provided by the euro and the oil price gradually subsiding and wages rising, the German economy is again only expected to produce average growth in 2016, having already lost its lead in the eurozone in 2015.

The US is likely to remain on track for moderate growth in 2016. This will be underpinned by an upturn in the housing market, low unemployment figures, and in turn a robust domestic economy. These factors, together with the cautious approach taken by the US Federal Reserve with regard to further interest rate hikes, should offset the forex-induced downturn in exports and sluggishness in the manufacturing industry and energy sector.

Sustained crisis in Brazil and Russia

Brazil and Russia will continue to be mired in recession in 2016. As commodity exporters, both countries are reeling from the slump in crude oil prices as well as structural and political problems. Additionally, Russia has been hit by economic sanctions imposed by the West. Both Brazil and Russia are unlikely to return to a trajectory of growth before 2017.

Contribution to growth from emerging Asian market remains strong

Despite signs of waning momentum, the Chinese economy is expected to remain an important pillar for global production with an estimated growth rate of well over 6%. According to forecasts, India, as the second-largest emerging market in Asia, is likely to generate even faster growth in 2016.

GDP GROWTH PROJECTIONS

Year-on-year change *in %*	2015	Projections 2016	Projections 2017
World	3.1	3.2	3.5
Germany	1.5	1.5	1.6
Eurozone	1.6	1.5	1.6
USA	2.4	2.4	2.5
Brazil	-3.8	-3.8	0.0
China	6.9	6.5	6.2
India	7.3	7.5	7.5
Japan	0.5	0.5	-0.1

Source: International Monetary Fund (April 2016)

By contrast, recovery in Japan is expected to remain sluggish, despite the announcement of government-led measures to stimulate the economy.

Automobile market in 2016: Europe gains in importance

Despite the solid start to the year for the three biggest automobile markets – China, the United States, and Europe –, market analysts remain relatively cautious as regards the overall performance in 2016. In many cases, the automotive market has been benefiting from low fuel prices and favorable interest rates. At the same time, however, growth in the US market has fallen short of expectations in the year to date and China has yet to return to a stable footing. Germany's car industry association VDA has predicted growth of around 2% for the global auto market in 2016 as a whole, while CAR Center Automotive Research at the University of Duisburg-Essen has forecast a slightly more pronounced rate of growth of 2.7% compared with 2015.

Significant replacement demand in Europe

Having initiated its turnaround towards the end of 2013, the European market looks set to continue on its path to recovery. The five largest car markets in Western Europe are expected to produce lower growth than in 2015. However, their performance in the year to date has been better than originally projected, and there is evidence to suggest that most of the peripheral states will undergo very dynamic growth. Against this backdrop, market pundits are more optimistic than at the beginning of the year when it comes to their outlook for Europe. According to current estimates, car sales for the year as a whole should expand by a percentage rate in the mid-single digit range. This would still be short of the pre-crisis level of 14.7 million vehicles recorded in 2007, i.e., there is still significant replacement demand. European vehicle production is expected to grow by 3%. German car exports and domestic production are, at best, likely to see slight growth in 2016.

Weaker growth in the United States

After six years of strong growth, the US auto market is beginning to feel the strain of life in the fast lane. Starting from a high base, the domestic car market is expected to grow at a percentage rate towards the lower end of the single-digit range. The trend toward light trucks, a segment in which German manufacturers expanded their market share in 2015, will remain intact given the low price of fuel.

Slim prospects for crisis markets Russia and Brazil

After the dramatic downturn in Russia's and Brazil's vehicle markets over the course of 2015, the forecasts for 2016 are only slightly more encouraging. Supported by government-led incentive measures, Russia is expected to see a significant slowdown in its rate of contraction. Having said that, both Brazil and Russia are unlikely to return to positive territory before 2017.

Sustained growth in Chinese car market

The world's single largest market, China, was faced with a significant slowdown in growth in 2015. Despite this, it still managed to expand by more than 9%. At the end of the first quarter of 2016 there was evidence to suggest that the Chinese car market has returned to a stable footing. Based on the level now reached and the volume of growth in absolute terms, the Chinese market will continue to see substantial unit sales regardless of lower rates of expansion. ElringKlinger anticipates that Chinese car sales will expand at a percentage rate in the mid-single-digit range. India should be able to achieve further growth at a similar rate in 2016.

Having shrunk by 10% in 2015, Japan is unlikely to gain much ground in 2016.

In the medium term, industry pundits are predicting average annual growth within the global vehicle market of between 2 and 3% up to 2020. In terms of absolute volumes, Asia, NAFTA, and Western Europe will remain the central pillars of support. However, further expansion within the three established markets encompassing NAFTA, Western Europe, and Japan is considered unlikely. Instead, growth will be concentrated in the remaining Asian markets and other emerging countries. Russia and South America may be in a position to expand again from 2017 onwards. As regards growth based on absolute figures, China is still likely to hold the greatest potential.

As regards alternative drive systems, ElringKlinger anticipates that the combustion engine will remain the dominant form of propulsion in the medium to long term. Having said that, the trend towards sustainable energy sources and lower emissions in the mobility sector as a whole is likely to become more prominent.

Commercial vehicle market in 2016: Europe solid, US weak

Predictions suggesting a slowdown in some of the major individual markets proved accurate in the first quarter of 2016. The Western European commercial vehicle market remained strong, while North America was faced with a downturn compared to the record performance of 2015. This trend is likely to continue over the course of 2016.

According to data published by the industry association VDA, growth within the European commercial vehicle industry will remain buoyant in 2016. The market for heavy trucks is expected to expand by 4%. Germany, too, is likely to see a slight improvement on last year's strong performance.

After significant growth in the last three years and record sales volumes in 2015 – with more than 320,000 Class 8 trucks sold – the North American market is in a much weaker state. Its performance in 2016 is likely to be dampened by high levels of unsold stock. According to forecasts, sales figures for 2016 will return to a level that is almost 20% lower than that recorded in the preceding year.

Against the backdrop of the country's economic woes, the commercial vehicle industry in Brazil will be faced with yet another lackluster year in 2016.

Outlook – Group

The high level of order intake recorded yet again by the Group is indicative of the competitiveness of ElringKlinger products. At the same time, it provides the basis for future revenue flows. In the first quarter, order intake rose by EUR 10.0 million or 2.4% (forex-adjusted: EUR 38.1 million or 9.2%). At EUR 424.0 million (forex-adjusted: EUR 452.1 million) incoming orders again exceeded revenue, as a result of which the book-to-bill ratio was well above 1.

Order backlog as at March 31, 2016, was EUR 835.0 million, up EUR 104.2 million or 14.3% on the prior-year figure. Due to the appreciation of the euro, forex-adjusted order backlog was even higher at EUR 874.1 million, up 19.6% on the figure for the same quarter a year ago.

Outlook for 2016

Based on the assumption that the global market continues to develop solidly, ElringKlinger anticipates organic growth of 5 to 7% for the current financial year. Growth in revenue will help to improve earnings. At the same time, however, higher fixed costs in one of the divisions within the Original Equipment segment and the anticipated loss within the E-Mobility division will exert downward pressure on earnings. Additionally, the temporary dip in demand for exhaust gas purification systems used in natural gas power plants or for projects focused on inland waterway vessels and construction machinery is likely to continue in 2016.

Additionally, the next round of negotiations concerning collective pay agreements for Germany's metal and electrical engineering industry is still at a very early stage. While the trade unions are demanding wage increases of 5%, employer representatives are offering slightly more than 2% at the date of release of this report.

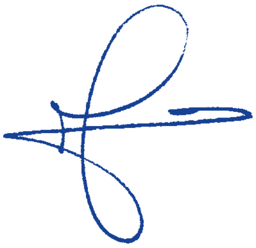
Taking into account these factors, the Group anticipates a further improvement in earnings over the course of the year, as a result of which EBIT adjusted for exceptional items and before purchase price allocation should reach EUR 160 to 170 million in the 2016 financial year.

Events after the Reporting Period

After the reporting period, Hug Engineering AG, a 93.67% subsidiary of ElringKlinger AG based in Elsau, Switzerland, acquired a further 80.0% of the interests in Codinox Beheer B.V., Enschede, Netherlands, effective from April 11, 2016, and now holds a 90.0% interest in that entity. The euro-based purchase price is towards the lower end of the single-digit million range.

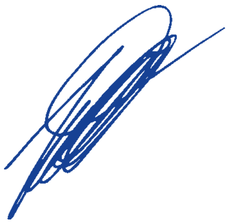
The acquisition of the aforementioned interests was concluded after the subsidiaries of Codinox Beheer B.V. had been merged into the parent company. The company now trades as Hug Engineering B.V. The acquisition of the distribution and service company is aimed at exploiting synergies and leveraging growth potential for Hug exhaust gas purification systems, in addition to unlocking new markets.

Dettingen/Erms, May 4, 2016
The Management Board



Dr. Stefan Wolf
Chairman/CEO

Theo Becker



Thomas Jessulat

ElringKlinger and the Capital Markets

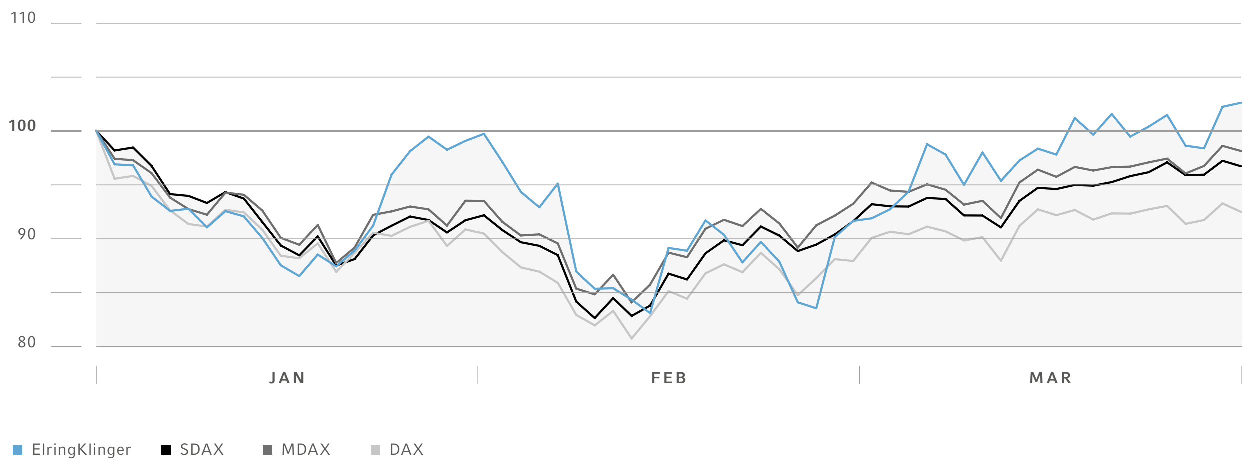
Stock markets experience significant price fluctuations

Global stock markets were faced with extreme fluctuations during the first quarter of 2016. Adverse factors such as the plunge in the oil price to a twelve-year low and the slump in the Chinese stock market at the beginning of the year – triggered by weak economic data and the depreciation of the yuan – meant a stuttering start to 2016 for equities. By contrast, the more expansive monetary policy adopted by central banks in Europe and Asia, an upturn in the price of oil, and robust car sales around the globe provided the necessary support for international stock markets over the remainder of the first quarter of 2016.

Against this backdrop, the German stock market failed to emulate the positive performance of 2015 as it moved into the first quarter of 2016. Instead, market indices came under considerable pressure during the period up to mid-February. Germany's blue chip index, the DAX, fell to below the mark of 9,000 points, thus losing almost 20% in value since the beginning of the year. The second half of the quarter brought a period of recovery that helped to restrict losses incurred during the first three months of 2016 to 7.2%. The DAX closed the period at 9,966 points. The MDAX closed the first quarter at 20,398 points, which translated into a modest loss of 1.8%; the SDAX declined by 3.2% in the same period, taking it to 8,810 points.

ELRINGKLINGER'S SHARE PRICE PERFORMANCE (XETRA) SINCE JANUARY 1, 2016

compared to DAX, MDAX and SDAX



ElringKlinger stock with slight gain

Having completed the fourth quarter of 2015 at EUR 23.50 on the back of a dynamic rally that propelled it forward by 36.6%, ElringKlinger's share price initially took a turn for the worse at the beginning of 2016, thus trending in line with the market as a whole. A price of EUR 19.68 in mid-February marked the lowest point of the first quarter of 2016. This was followed by a period of recovery. The announcement of ElringKlinger's preliminary results for the 2015 financial year towards the end of February saw a positive response by the capital markets, which in turn produced additional impetus in the subsequent period.

The index change to ElringKlinger's listing from the MDAX to the SDAX, as decided by Deutsche Börse at the beginning of March, came into effect on March 21, 2016. Thanks to a final sprint in March, ElringKlinger's stock managed to offset the losses incurred in the two previous months of the first quarter. ElringKlinger's shares ended the first quarter of 2016 at a price of EUR 24.09 – their highest in the year to date – and with a slight gain of 2.5%.

Trading volumes remain high

The daily volume of ElringKlinger shares traded on the stock exchange remained buoyant in the first quarter of 2016. On average, 190,800 (154,200) shares were traded on a daily basis. The daily trading value was EUR 4,212,800 (4,580,800) million.

Ongoing dialogue with the capital markets

ElringKlinger maintained its close dialogue with investors, analysts, and journalists over the course of the first quarter of 2016. The company presented its business model at four conferences and one road show in Germany and abroad as well as various on-site meetings; the emphasis of this business model is on reducing emissions and fuel consumption and contributing to alternative drive concepts.

ElringKlinger staged its financial results press conference in Stuttgart on March 30, 2016, followed by an analysts' meeting in Frankfurt am Main, in connection with the publication of its 2015 annual report. The Management Board of ElringKlinger AG presented the financial statements for 2015 and provided an outlook for 2016. The journalists and analysts attending the two events showed a keen interest in the company's activities.

Annual General Meeting 2016: proposed dividend payout to remain stable

The 111th Annual General Meeting of ElringKlinger AG takes place at the Liederhalle Cultural and Congress Center in Stuttgart on May 31, 2016. Despite the exceptional charges associated with the Original Equipment segment, the Management Board and Supervisory Board will propose an unchanged dividend of EUR 0.55 (0.55) per share. In doing so, ElringKlinger AG has maintained its consistent dividend policy that reflects current earnings performance, the focus being on offering shareholders an appropriate return that reflects the company's success. The proposed dividend payment of EUR 34.8 million in total will thus also remain unchanged year on year; the dividend ratio will increase from 32.9% to 38.0%, calculated on the basis of earnings per share.

ELRINGKLINGER STOCK (ISIN DE 0007856023)

	1st Quarter 2016	1st Quarter 2015
Number of shares outstanding	63,359,990	63,359,990
Share price (daily closing price in EUR)[1]		
High	24.09	32.18
Low	19.68	27.73
Closing price on March 31	24.09	27.99
Average daily trading volume (German stock exchanges; no. of shares traded)	190,800	154,200
Average daily trading value (German stock exchanges; in EUR)	4,212,800	4,580,800
Market capitalization at March 31 (EUR millions)	**1,526.3**	**1,773.4**

[1] Xetra trading

Group Income Statement

of ElringKlinger AG, January 1 to March 31, 2016

EUR k	1st Quarter 2016	1st Quarter 2015
Sales revenue	**385,207**	**371,410**
Cost of sales	-287,709	-275,851
Gross profit	**97,498**	**95,559**
Selling expenses	-27,965	-25,752
General and administrative expenses	-21,513	-18,902
Research and development costs	-17,305	-16,337
Other operating income	2,992	3,136
Other operating expenses	-2,941	-2,343
Operating result	**30,766**	**35,361**
Finance income	2,886	14,120
Finance costs	-9,215	-10,605
Net finance costs	**-6,329**	**3,515**
Earnings before taxes	**24,437**	**38,876**
Income tax expense	-6,509	-9,675
Net income	**17,928**	**29,201**
of which: attributable to non-controlling interests	710	997
of which: attributable to shareholders of ElringKlinger AG	**17,218**	**28,204**
Basic and diluted earnings per share in EUR	**0.27**	**0.45**

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to March 31, 2016

EUR k	1st Quarter 2016	1st Quarter 2015
Net income	**17,928**	**29,201**
Currency translation difference	-9,391	51,194
Gains and losses that can be reclassified to the income statement in future periods	**-9,391**	**51,194**
Other comprehensive income after taxes	**-9,391**	**51,194**
Total comprehensive income	**8,537**	**80,395**
of which: attributable to non-controlling interests	290	2,824
of which: attributable to shareholders of ElringKlinger AG	**8,247**	**77,571**

Group Statement of Financial Position

of ElringKlinger AG, as at March 31, 2016

EUR k	March 31, 2016	Dec. 31, 2015	March 31, 2015
ASSETS			
Intangible assets	210,212	213,542	219,260
Property, plant and equipment	834,979	827,259	763,714
Investment property	15,775	14,242	12,038
Financial assets	1,250	1,255	1,753
Non-current income tax assets	874	875	1,556
Other non-current assets	2,674	3,218	6,134
Deferred tax assets	14,768	14,108	9,947
Non-current assets	**1,080,532**	**1,074,499**	**1,014,402**
Inventories	323,078	321,902	324,973
Trade receivables	295,946	287,229	297,266
Current income tax assets	3,658	2,507	5,073
Other current assets	37,698	30,731	35,466
Cash and cash equivalents	68,560	48,925	70,972
Current assets	**728,940**	**691,294**	**733,750**
	1,809,472	**1,765,793**	**1,748,152**

EUR k	March 31, 2016	Dec. 31, 2015	March 31, 2015
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	646,151	628,933	600,409
Other reserves	1,933	11,098	39,084
Equity attributable to the shareholders of ElringKlinger AG	**829,682**	**821,629**	**821,091**
Non-controlling interest in equity	34,424	34,102	34,498
Equity	**864,106**	**855,731**	**855,589**
Provisions for pensions	118,951	118,744	126,545
Non-current provisions	13,379	12,340	17,147
Non-current financial liabilities	318,769	326,092	289,290
Deferred tax liabilities	22,838	25,114	28,236
Other non-current liabilities	4,544	3,829	6,001
Non-current liabilities	**478,481**	**486,119**	**467,219**
Current provisions	18,847	16,423	19,264
Trade payables	89,945	85,939	99,462
Current financial liabilities	231,656	209,597	177,944
Tax payable	22,216	18,702	21,393
Other current liabilities	104,221	93,282	107,281
Current liabilities	**466,885**	**423,943**	**425,344**
	1,809,472	**1,765,793**	**1,748,152**

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to March 31, 2016

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2014/Balance as of Jan. 1, 2015	**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**
Balance as of Dec. 31, 2015/Balance as of Jan. 1, 2016	**63,360**	**118,238**	**628,933**
Change in scope of consolidated financial statement			
Total comprehensive income			17,218
Net income			17,218
Other comprehensive income			
Balance as of Mar. 31, 2016	**63,360**	**118,238**	**646,151**

Other reserves					
Remeasurement of defined benefit plans	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-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**
-32,985	**-17**	**44,100**	**821,629**	**34,102**	**855,731**
	-194		-194	32	-162
		-8,971	8,247	290	8,537
			17,218	710	17,928
		-8,971	-8,971	-420	-9,391
-32,985	**-211**	**35,129**	**829,682**	**34,424**	**864,106**

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to March 31, 2016

EUR k	1st Quarter 2016	1st Quarter 2015
Earnings before taxes	24,437	38,876
Depreciation/amortization (less write-ups) of non-current assets	22,390	20,718
Net interest	2,934	2,959
Change in provisions	3,412	2,169
Gains/losses on disposal of non-current assets	176	-4
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-28,788	-51,555
Change in trade payables and other liabilities not resulting from financing and investing activities	22,222	41,519
Income taxes paid	-11,057	-11,653
Interest paid	-2,550	-2,186
Interest received	62	39
Other non-cash expenses and income	6,296	-14,167
Net cash from operating activities	**39,534**	**26,715**
Proceeds from disposals of property, plant and equipment, intangible assets and investment property	104	88
Proceeds from disposals of financial assets	4	9
Payments for investments in intangible assets	-1,507	-2,864
Payments for investments in property, plant and equipment and investment property	-37,520	-35,226
Payments for investments in financial assets	0	-3
Payments for the acquisition of subsidiaries, less cash	0	-24,151
Net cash from investing activities	**-38,919**	**-62,147**
Payments to non-controlling interests for the purchase of shares	-163	0
Proceeds from the addition of financial liabilities	30,203	54,996
Payments for the repayment of financial liabilities	-9,823	-23,761
Net cash from financing activities	**20,217**	**31,235**
Changes in cash	20,832	-4,197
Effects of currency exchange rates on cash	-1,197	6,436
Cash at beginning of period	48,925	68,733
Cash at end of period	**68,560**	**70,972**

Group Sales by Region

EUR k	1st Quarter 2016	1st Quarter 2015
Germany	101,503	102,247
Rest of Europe	127,334	119,603
NAFTA	74,341	70,173
Asia-Pacific	68,153	63,914
South America and Other	13,876	15,473
Group	**385,207**	**371,410**

Segment Reporting

of ElringKlinger AG, January 1 to March 31, 2016

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2016	2015	2016	2015	2016	2015
Sales revenue	316,292	308,870	39,331	34,180	26,189	25,558
Intersegment revenue	6,749	6,199	0	73	21	253
Segment revenue	323,041	315,069	39,331	34,253	26,210	25,811
EBIT[1]	20,268	25,631	7,831	6,510	2,134	2,501
Depreciation and amortization[2]	-20,166	-18,663	-470	-447	-1,228	-1,199
Capital expenditures[3]	34,384	30,633	381	742	1,611	3,907

[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		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	942	1,108	2,453	1,694	0	0	385,207	371,410
	58	58	1,488	1,214	-8,316	-7,797	0	0
	1,000	1,166	3,941	2,908	-8,316	-7,797	385,207	371,410
	-85	265	618	454			30,766	35,361
	-206	-98	-320	-311			-22,390	-20,718
	1,794	43	857	2,765			39,027	38,090

Notes to the First Quarter of 2016

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, 2016, 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, 2016, 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 4, 2016.

Basis of reporting

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of March 31, 2016, include the financial statements of eight domestic and 32 foreign entities in which Elring-Klinger 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.

Acquisition of non-controlling interests

Effective from February 18, 2016, ElringKlinger AG acquired the former non-controlling interests of 5% relating to the subsidiary new enerday GmbH, with its registered office in Neubrandenburg, Germany. The purchase price amounted to EUR 162.5k. The thus resulting difference between this amount and the amount recognized in respect of non-controlling interests was accounted for directly in equity. Since the conclusion of this transaction, ElringKlinger AG has held 80% of the ownership interests.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate Mar. 31, 2016	Closing rate Dec. 31, 2015	Average rate Jan.–Mar. 2016	Average rate Jan.–Dec. 2015
US dollar (USA)	USD	1.13850	1.08870	1.10643	1.10455
Pound (UK)	GBP	0.79155	0.73395	0.78048	0.72420
Franc (Switzerland)	CHF	1.09310	1.08350	1.09963	1.06458
Canadian dollar (Canada)	CAD	1.47380	1.51160	1.49560	1.42505
Real (Brazil)	BRL	4.11740	4.31170	4.29540	3.74256
Peso (Mexico)	MXN	19.59030	18.91450	19.79873	17.67058
RMB (China)	CNY	7.35140	7.06080	7.22250	6.94708
WON (South Korea)	KRW	1,294.88000	1,280.78000	1,320.34000	1,254.24583
Rand (South Africa)	ZAR	16.78660	16.95300	17.24520	14.28050
Yen (Japan)	JPY	127.90000	131.07000	127.76333	133.63083
Forint (Hungary)	HUF	314.12000	315.98000	312.47000	309.58667
Turkish lira (Turkey)	TRY	3.21180	3.17650	3.22520	3.03973
Leu (Romania)	RON	4.47180	4.52400	4.49423	4.44073
Indian rupee (India)	INR	75.42980	72.02150	74.63873	71.00952
Indonesian rupiah (Indonesia)	IDR	15,024.84000	15,039.99000	14,850.63667	14,890.80750
Bath (Thailand)	THB	40.01800	39.24800	39.27267	38.00325

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:

	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
EUR k	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Mar. 31, 2016									
Loans and receivables	68,560	295,946	5,829	0	0	0	10	10	370,345
held to maturity	0	0	0	0	1,042	1,038	0	0	1,042
held for trading	0	0	0	2	0	0	0	0	2
available for sale	0	0	0	0	191	191	7	7	198
Total	**68,560**	**295,946**	**5,829**	**2**	**1,233**	**1,229**	**17**	**17**	**371,587**
as of Dec. 31, 2015									
Loans and receivables	48,925	287,229	1,403	0	0	0	10	10	337,567
held to maturity	0	0	0	0	1,042	1,043	0	0	1,042
held for trading	0	0	0	11	0	0	0	0	11
available for sale	0	0	0	0	191	191	12	12	203
Total	**48,925**	**287,229**	**1,403**	**11**	**1,233**	**1,234**	**22**	**22**	**338,823**

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

	Other current liabilities	Current financial liabilities	Finance leases		Trade payables
EUR k	CA	CA	CA	FV	CA
as of Mar. 31, 2016					
Financial liabilities measured at acquisition cost	51,227	231,527	0	0	89,945
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0
No measurement category under IAS 39	0	0	129	140	0
as of Dec. 31, 2015					
Financial liabilities measured at acquisition cost	49,374	209,445	0	0	85,939
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0
No measurement category under IAS 39	0	0	152	158	0

The other current liabilities include a purchase price liability of EUR 35,153k (2015: EUR 35,153k) in respect of a written put option, which has been measured at amortized cost.

	Derivatives		Non-current financial liabilities		Finance leases		Total
in EUR k	CA	FV	CA	FV	CA	FV	CA
as of Mar. 31, 2016							
Financial liabilities measured at acquisition cost	0	0	318,528	322,086	0	0	691,227
Financial liabilities measured at fair value through profit or loss	104	104	0	0	0	0	104
No measurement category under IAS 39	0	0	0	0	241	274	370
as of Dec. 31, 2015							
Financial liabilities measured at acquisition cost	0	0	325,782	326,768	0	0	670,540
Financial liabilities measured at fair value through profit or loss	182	182	0	0	0	0	182
No measurement category under IAS 39	0	0	0	0	310	339	462

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 3,515k.

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, 2016:

in EUR k	Level 1	Level 2	Level 3
Mar. 31, 2016			
Financial assets			
Non-current securities	191	0	0
Other financial assets	7	0	0
Derivatives*	0	2	0
Total	**198**	**2**	**0**
Financial liabilities			
Derivatives*	0	104	0
Total	**0**	**104**	**0**
Dec. 31, 2015			
Financial assets			
Non-current securities	191	0	0
Other financial assets	12	0	0
Derivatives*	0	11	0
Total	**203**	**11**	**0**
Financial liabilities			
Derivatives*	0	182	0
Total	**0**	**182**	**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, 2016:

in EUR k	Level 1	Level 2	Level 3
Mar. 31, 2016			
Financial assets			
Non-current securities	1,038	0	0
Other financial assets	0	0	10
Total	**1,038**	**0**	**10**
Financial liabilities			
Non-current liabilities from finance leases	0	0	274
Non-current financial liabilities	0	322,086	0
Purchase price liability from written put option	0	0	35,153
Total	**0**	**322,086**	**35,427**
Dec. 31, 2015			
Financial assets			
Non-current securities	1,043	0	0
Other financial assets	0	0	10
Total	**1,043**	**0**	**10**
Financial liabilities			
Non-current liabilities from finance leases	0	0	339
Non-current financial liabilities	0	326,768	0
Purchase price liability from written put option	0	0	35,153
Total	**0**	**326,768**	**35,492**

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 2015 were not subject to significant changes in the first three months of 2016.

Segment reporting

As from 2016, internal reporting will be conducted solely on the basis of EBIT. As segment reporting pursuant to IFRS 8 is based on internal reporting, EBT and interest expense/income will no longer be disclosed.

Government grants

As a result of government grants, other operating income rose by EUR 1,457k in the first three months of 2016. These grants were attributable primarily to development projects.

Other information

Mr. Karl Schmauder stepped down from his post as member of the Management Board of ElringKlinger AG effective from February 23, 2016. Mr. Schmauder had been responsible for Original Equipment Sales and New Business Areas. A provision of EUR 2,614k was recognized in respect of compensation still outstanding in respect of the remainder of the employment contract for the period up to January 31, 2018.

At its meeting on March 3, 2016, Deutsche Börse resolved on changes to the composition of its stock market indices. Formerly listed in the MDAX, ElringKlinger AG has left the aforementioned index and joins the SDAX effective from March 21, 2016. The composition of indices for the German stock market is governed by two criteria: market capitalization of free float and average trading volume of the shares in question. ElringKlinger AG is positioned at the lower end of the rankings in respect of both listing criteria, as a result of which it had to vacate the MDAX.

Events after the reporting period

Effective from April 11, 2016, Hug Engineering AG, based in Elsau, Switzerland, a 93.67% subsidiary of ElringKlinger AG, acquired 80% of the interests in Codinox Beheer B.V., based in Enschede, Netherlands, after the subsidiaries of the latter had been merged into Codinox Beheer B.V. As of this date, Hug Engineering AG holds 90% of the interests.

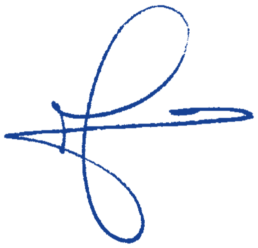
The acquisition is aimed at exploiting synergies and leveraging growth potential for Hug exhaust gas purification systems, in addition to unlocking new markets. The purchase price agreed with regard to the interest acquired was EUR 4,500k. No measurements were available yet as regards the disclosure of additional information under IFRS 3 paragraph B64.

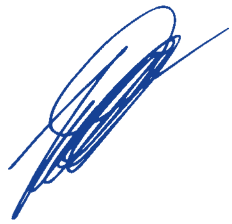
There were no significant events after the end of the interim reporting period that necessitate additional explanatory disclosure.

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 4, 2016
The Management Board





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Financial *Calendar*

MAY
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111th Annual General Shareholders' Meeting, Stuttgart, Cultural and Congress Center Liederhalle, 10:00 a.m. CEST

AUGUST
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Interim Report on the 2nd Quarter and 1st Half of 2016

NOVEMBER
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Interim Report on the 3rd Quarter and First Nine Months of 2016

MAY 2017
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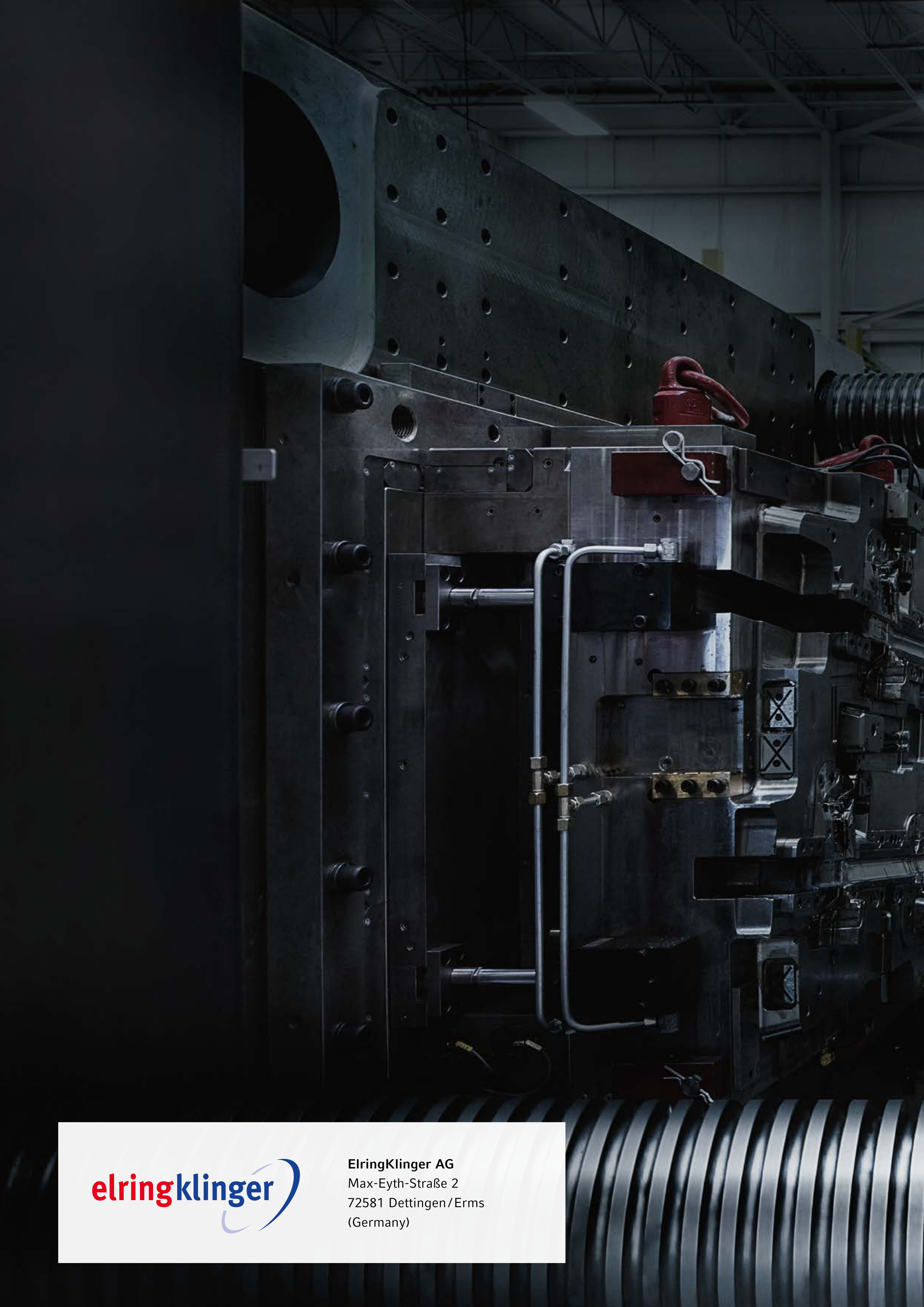
112th Annual General Shareholders' Meeting, Stuttgart, Cultural and Congress Center Liederhalle, 10:00 a.m. CEST

Calendar *Trade Fairs 2016*

JUNE	**21–22**	International VDI Congress "Drivetrain for Vehicles", Friedrichshafen, Germany
	21–23	POWER-GEN Europe, Milan, Italy
	28–30	Shanghai International Auto Parts Exhibition 2016, Shanghai, China
AUG./SEP.	**29–01**	ONS 2016, Stavanger, Norway
SEPTEMBER	**06–09**	SMM, Hamburg, Germany
	13–17	Automechanika, Frankfurt/Main, Germany
	20–23	InnoTrans, Berlin, Germany
OCTOBER	**10–12**	The Aachen Colloquium Automobile and Engine Technology, Aachen, Germany
	19–26	K-The World's No.1 Trade Fair for Plastics and Rubber, Düsseldorf, Germany
NOVEMBER	**09–11**	The Aachen Colloquium China Automobile and Engine Technology, Beijing, China
	14–17	COMPAMED, Düsseldorf, Germany
NOV./DEC.	**29–01**	Valve World Expo, Düsseldorf, Germany
	30–02	Automechanika, Shanghai, China
DECEMBER	**06–07**	International CTI Symposium, Berlin, Germany
	13–15	POWER-GEN USA, Las Vegas, USA

For further events and trade fairs please visit our websites:
www.elringklinger.de/en/press/dates-events
www.hug-eng.ch/en-messen.html



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