

ElringKlinger Group

Zwei Antriebswelten. Eine Strategie

Embracing both worlds – combustion and electric



Conference Call

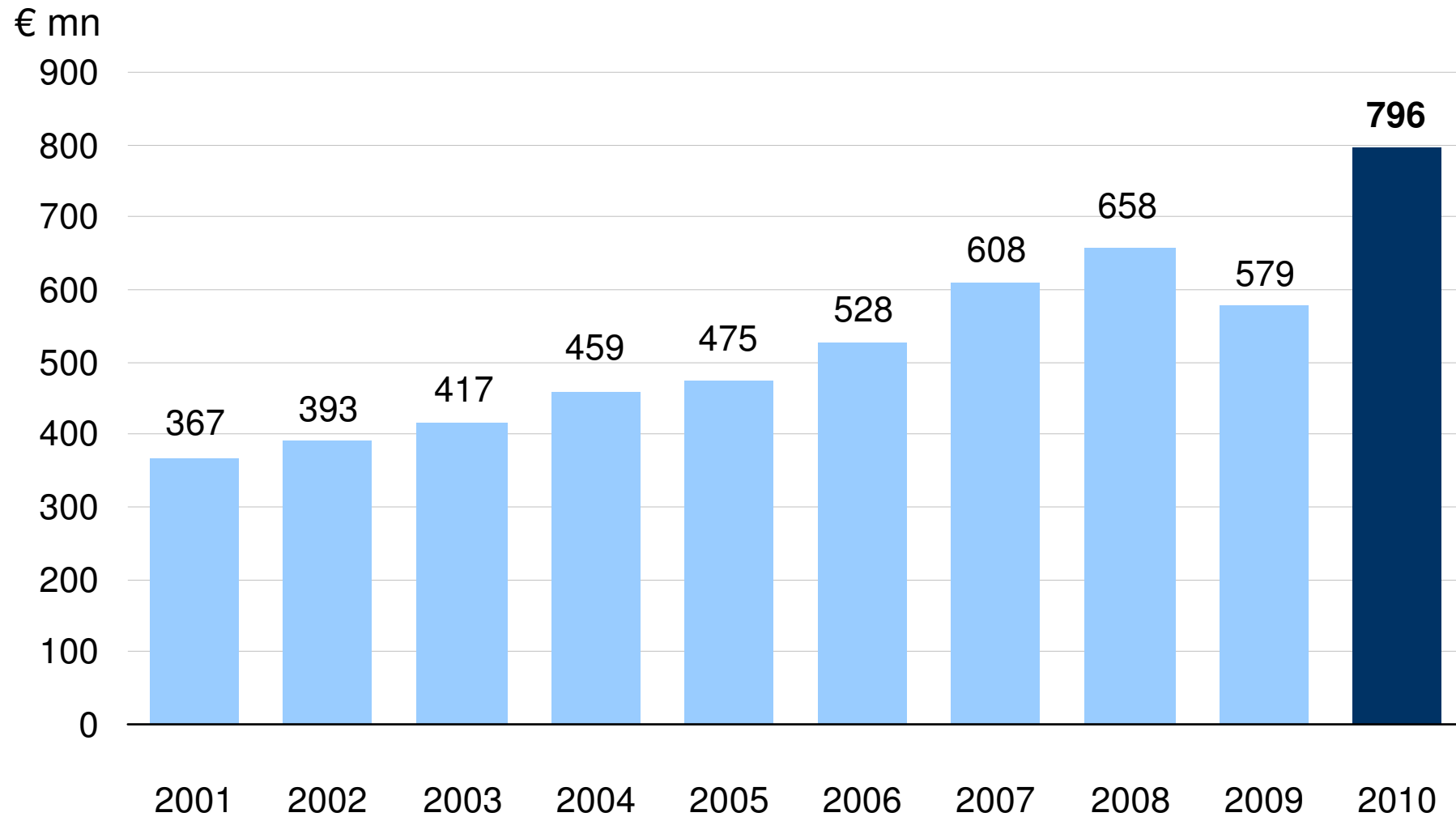
Preliminary Results Business Year 2010

March 14, 2011

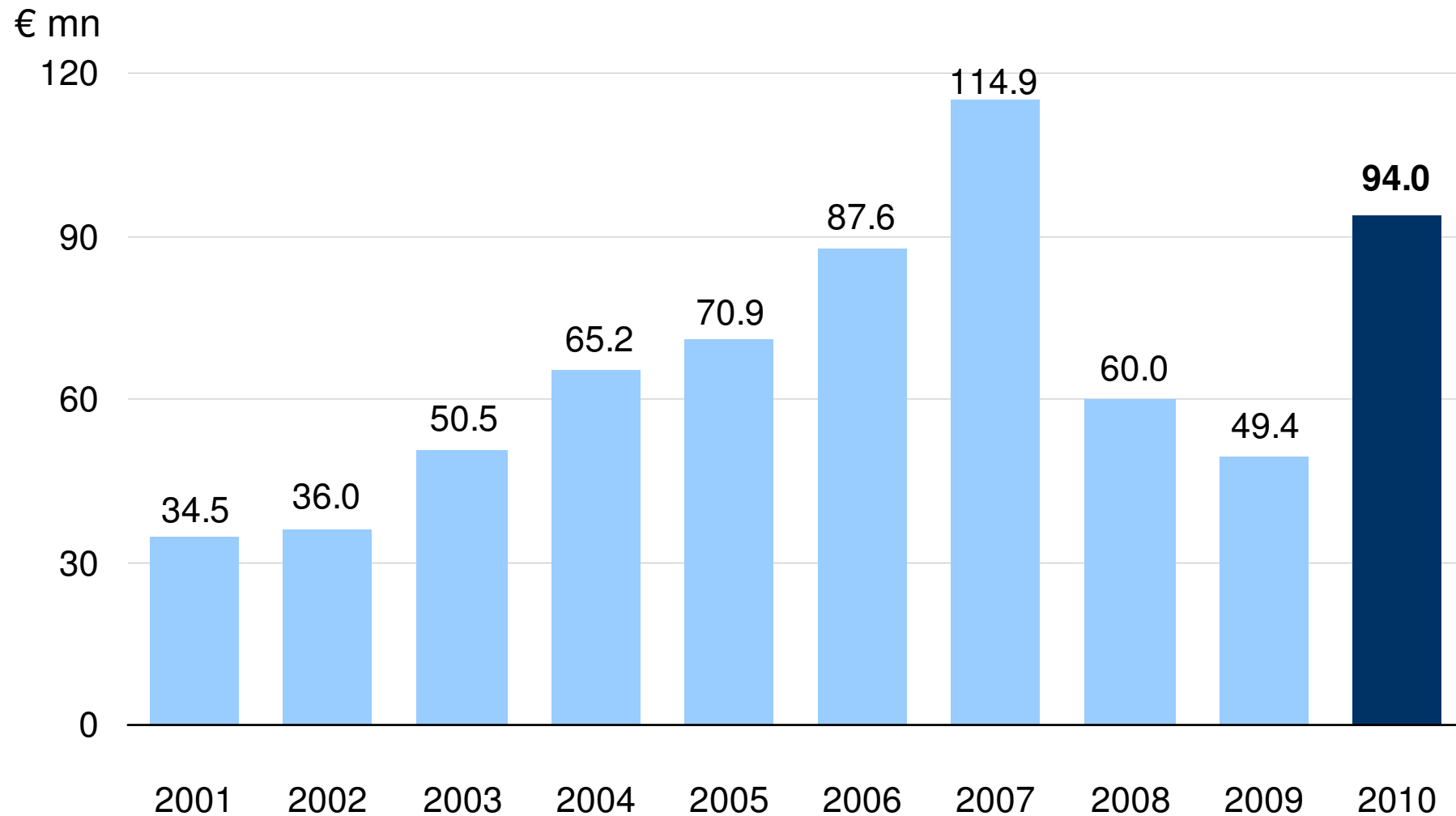
Business year 2010: Key developments

- Strong recovery in world car production, up 23% driven by Asia, South America but also the US
- ElringKlinger Group grows sales revenue at a higher rate by 37%
- Operating result increased 83%
- New division E-Mobility established
- Significant increase in production capacities in China
- Signing takeover of Freudenberg Group's static metal gasket business
- Capital increase to finance „E-Mobility“ center/ production facility, new PHM plant as well as further external growth opportunities

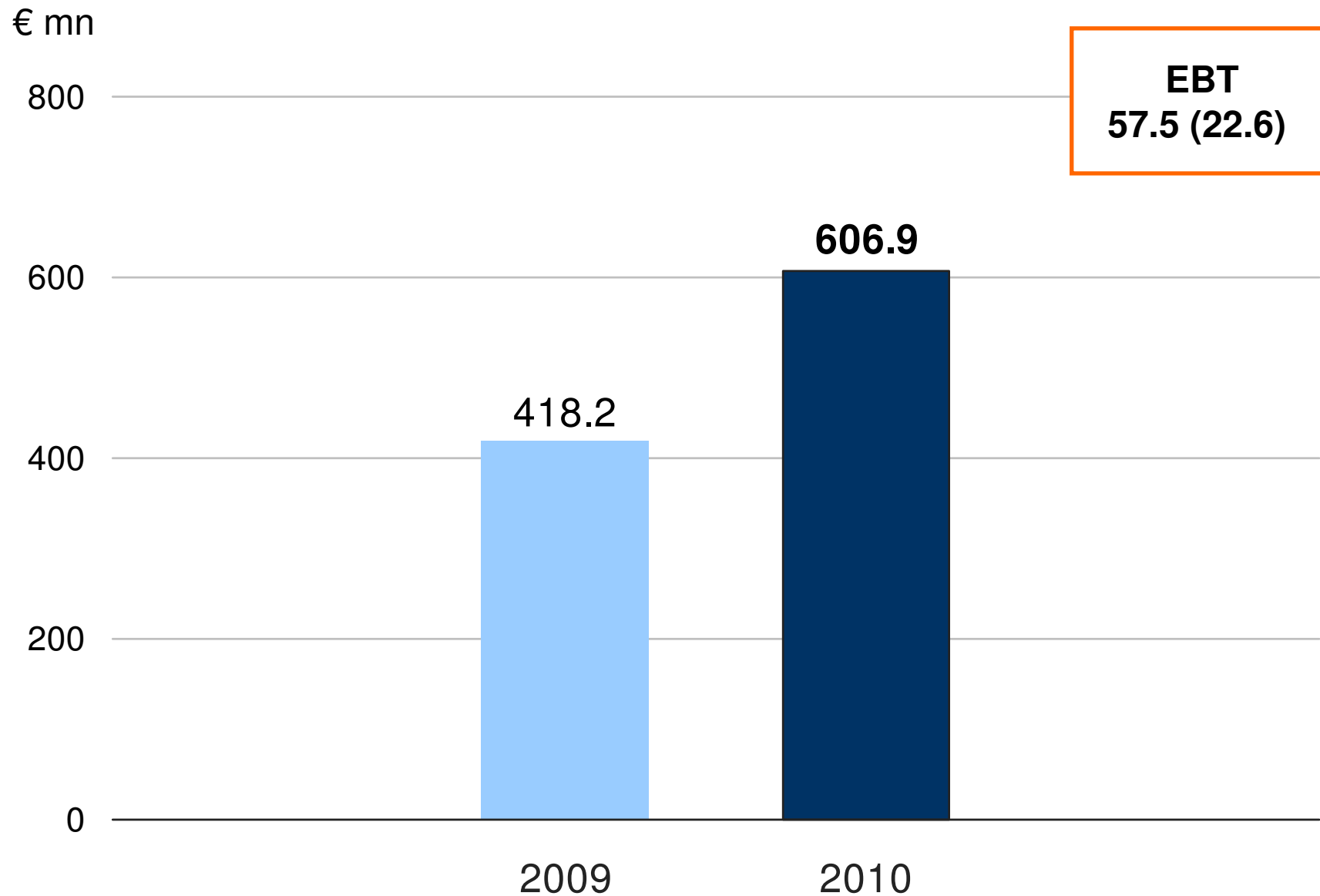
Sales: Long-term growth above market trend



Earnings before taxes



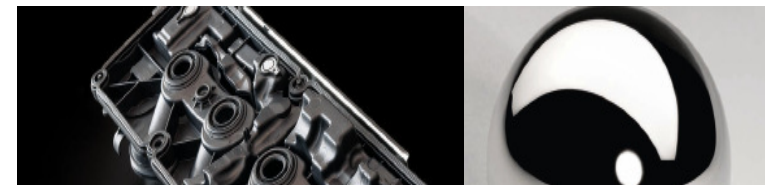
Sales in the OEM business up 45.1%



FY 2010: Sales and operating result

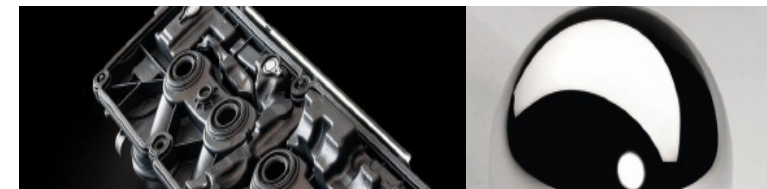
in € mn	FY 2010	FY 2009	Change in %
Sales	795.7	579.3	+ 37.4
Cost of sales	556.1	426.3	+ 30.4
EBITDA ¹	188.9	134.5	+ 40.4
EBIT ¹	106.7	63.3	+ 68.6
Operating result	116.0	63.3	+ 83.3

¹ Incl. currency effects



FY 2010: Financial Result and Net Income

in € mn	FY 2010	FY 2009	Change in %
Net finance costs	-22.1	-13.9	-59.0
EBT	94.0	49.4	90.3
Taxes	25.4	14.6	74.0
Net income	68.6	34.8	97.1
Minority interests	3.0	1.6	87.5
Profit attributable to shareholders of EK	65.6	33.2	97.6

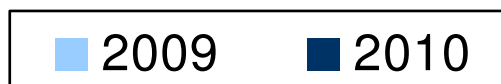
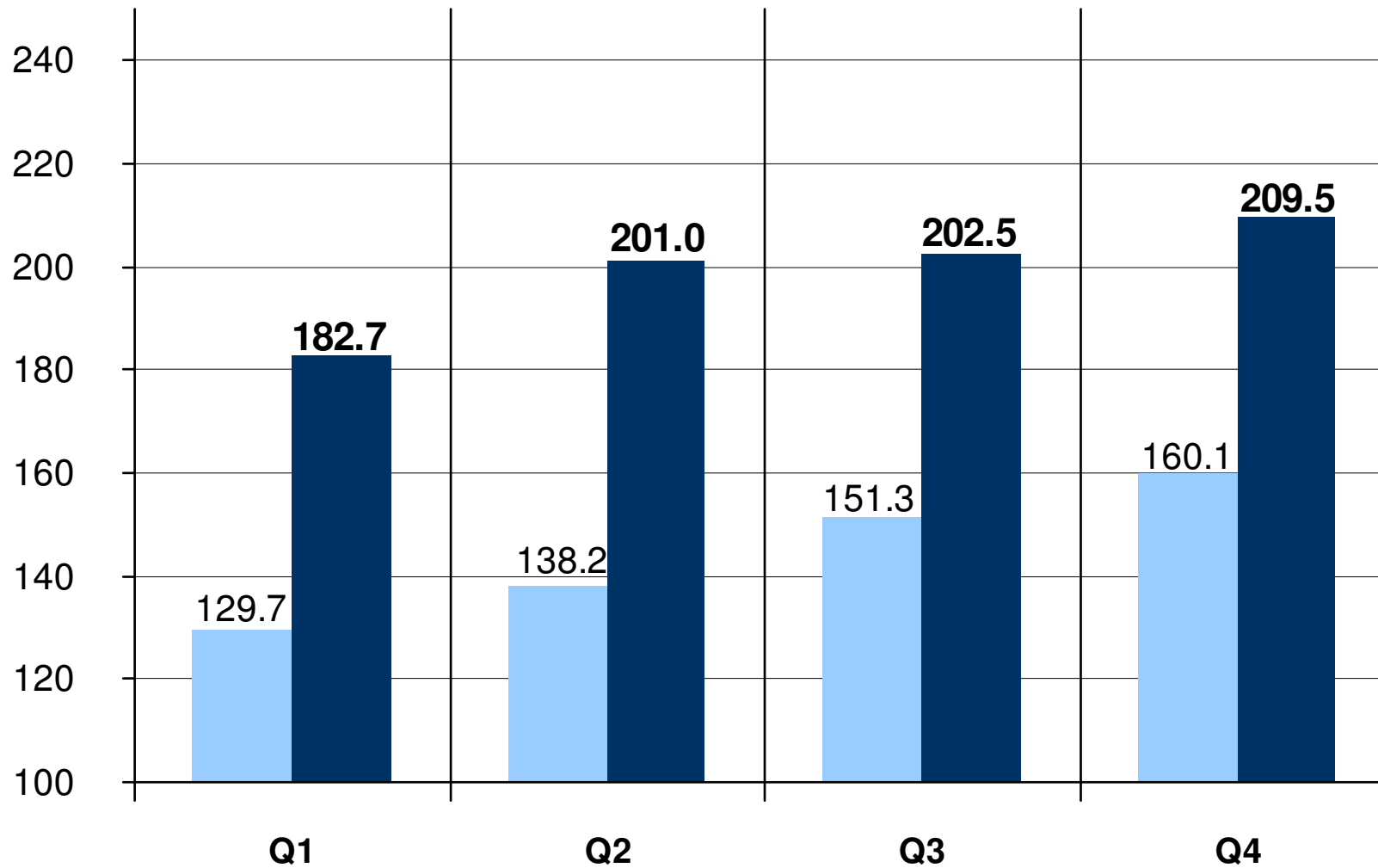


Business Year 2010: Earnings per share

- EPS in 2011 came in at EUR 1.11 per share (weighted average)
as compared to EUR 0.58 per share in the previous year

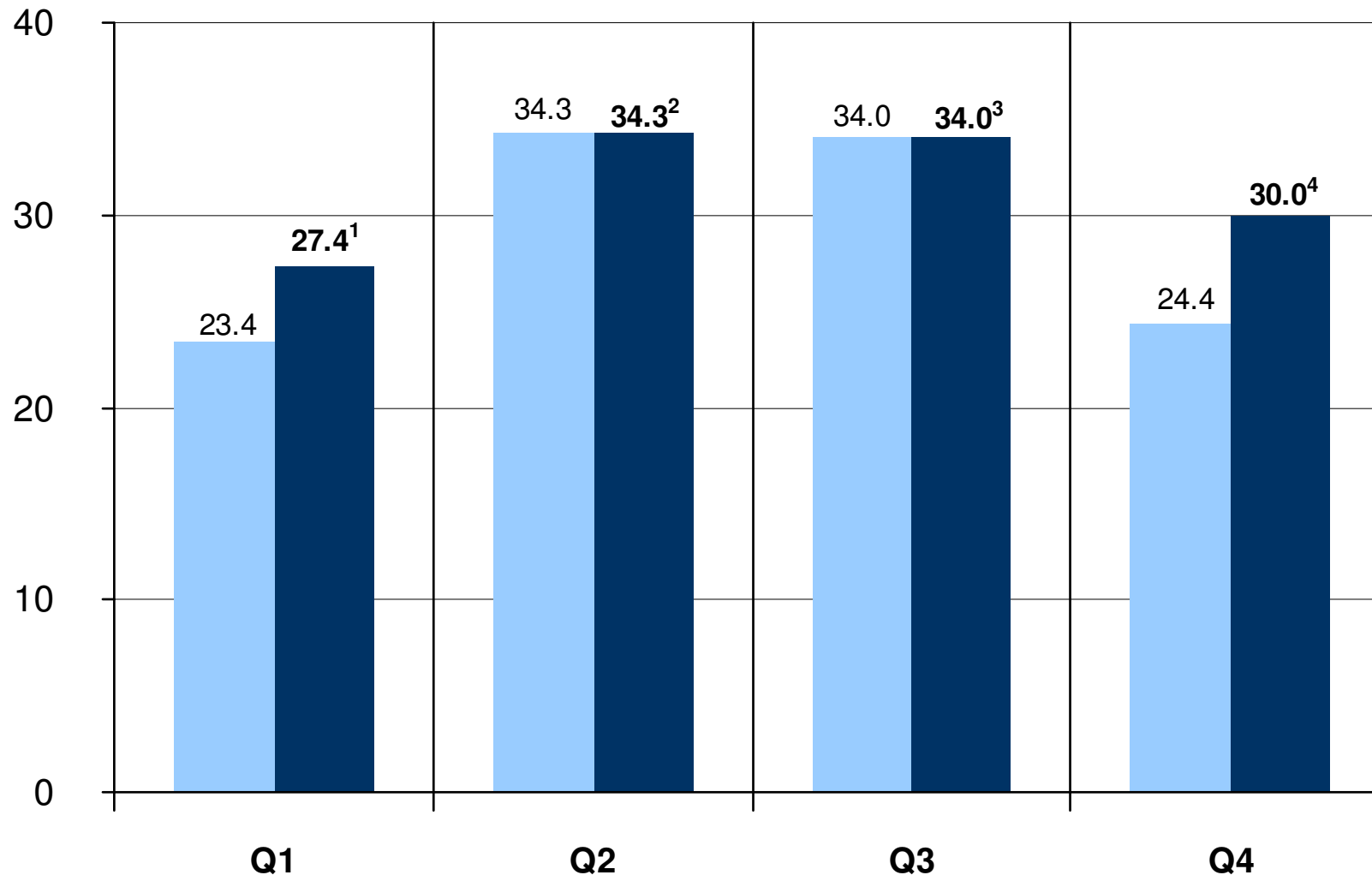
Sales recovering quarter by quarter

€ mn



Operating results by quarter

€ mn



Op. result Op. result adjusted

¹ excl. EUR 0.2 mn Ni hedging, EUR 1.8 mn partial-retirement provisions, EUR 2.4 mn employee benefits

² incl. EUR 1.4 mn in R&D grants ³ incl. EUR 0.6 mn in R&D grants

⁴ incl. one-offs cp.next page

Q4 2010: One-off effects

- EUR 1.7 mn provisioning for ERA structural funds in response to a ruling of the German Federal Labor Court in December 2010 on the interpretation of the Framework Collective Pay Agreement (ERA)
- Relocation cost for ElringKlinger China plant in Changchun and relocation cost for transferring the Shielding Technology activities from Dettingen/Erms to the ElringKlinger Abschirmtechnik (Schweiz) AG competence center in Sevelen EUR 1.8 mn
- Closing of Spanish aftermarket sales office in Reus: EUR 0.5 mn; now handled by ElringKlinger AG
- Adjustment to accounting policies: EUR 0.5 mn burden (mostly related to new policy for inventories, receivables, warranty provisions and provisions for contingent losses)
 - > Warranty provisions and provisions for contingent losses now booked in cost of sales (before: other operating expenses)
- EUR 1.1 mn provisioning for increase in flexitime accounts

Q4 2010 effects

- Disproportionate rise in depreciation:
In Q4 up EUR 4.4 mn on Q3 due to year-end capitalization effects
- Negative currency effects in Q4 from SEVEX acquisition:
EUR 2.9 mn in non-cash finance cost due to remeasurement of liabilities relating to the financing of the SEVEX Group acquisition financing in CHF (total of EUR 3.7 in neg. forex effects affecting EBIT)

Operating result and EBIT adjusted Q4 2010

		Q4 2010
		in € mn
	Operating result	24.4
	Total currency effects	- 3.4
	Thereof SEVEX neg. currency effect	- 2.9
	EBIT	21.0
<i>Non-recurring</i>	Provisioning for ERA	- 1.7
	Provision flexitime accounts	- 1.1
	Change in accounting policies	- 0.5
	Closing cost AM sales off. Spain	- 0.5
	Relocation cost Changchun/EKAB	- 1.8
	Operating result adjusted	30.0
	EBIT adjusted	26.6

Outlook 2011: Markets and Company

- For 2011 ElringKlinger estimates world car production to rise by 2 to 3%
- Truck-related business recovering further
- Further rise in material prices cannot be ruled out
- Build-up of newly established E-Mobility division:
Series production facility and competence center
- Opening of new Changchun plant in China in May with double the previous
floorspace
- Building of new fully automated plant for PHM
- External growth opportunities focused on technology

Outlook 2011: Financial performance

- Book-to-bill-ratio has remained strong: Q4 order intake came in 31.5% higher at EUR 227.3 (172.8) mn, 2010 order backlog up 37.5 % (EUR 333.1 mn)
- Assuming a continued recovery of world car markets and a stable economic environment, ElringKlinger Group anticipates organic sales growth of 5 to 7 %
- The acquired flat metal gaskets division of Freudenberg is expected to contribute an additional EUR 49 mn to Group sales
 - > Temporary margin dilution of 0.6 to 0.8 pp expected for 2011
 - > EBIT margin objective for acquired Freudenberg businesses 10% until year end
- Despite this dilutive effect, material prices assumed trending higher and various products still in the start-up pipeline, EBIT is expected to grow at a more pronounced rate than sales, rising by 15 to 25%
- By 2012 the Group anticipates a return to its pre-crisis EBIT margin of between 16 and 18%

ElringKlinger Group

Zwei Antriebswelten. Eine Strategie

Embracing both worlds – combustion and electric



Thank you for your attention

Disclaimer – Forward-looking Statements and Predictions

This presentation contains statements about the future. These statements are based on current expectations, market evaluations and predictions by the Management Board, and on information that is currently available to them. The statements about the future should not be interpreted as guarantees of the future developments and results that they refer to. Whilst the Management Board are convinced that the statements that have been made, and the convictions and expectations on which they are based, are realistic, they rely on suppositions that may conceivably prove to be incorrect; future results and developments are dependant on a multitude of factors, they involve various risks and imponderabilities that can affect whether the ongoing development deviates from the expectations 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.