

ElringKlinger Group

Neue Dimensionen
New Dimensions



Conference Call

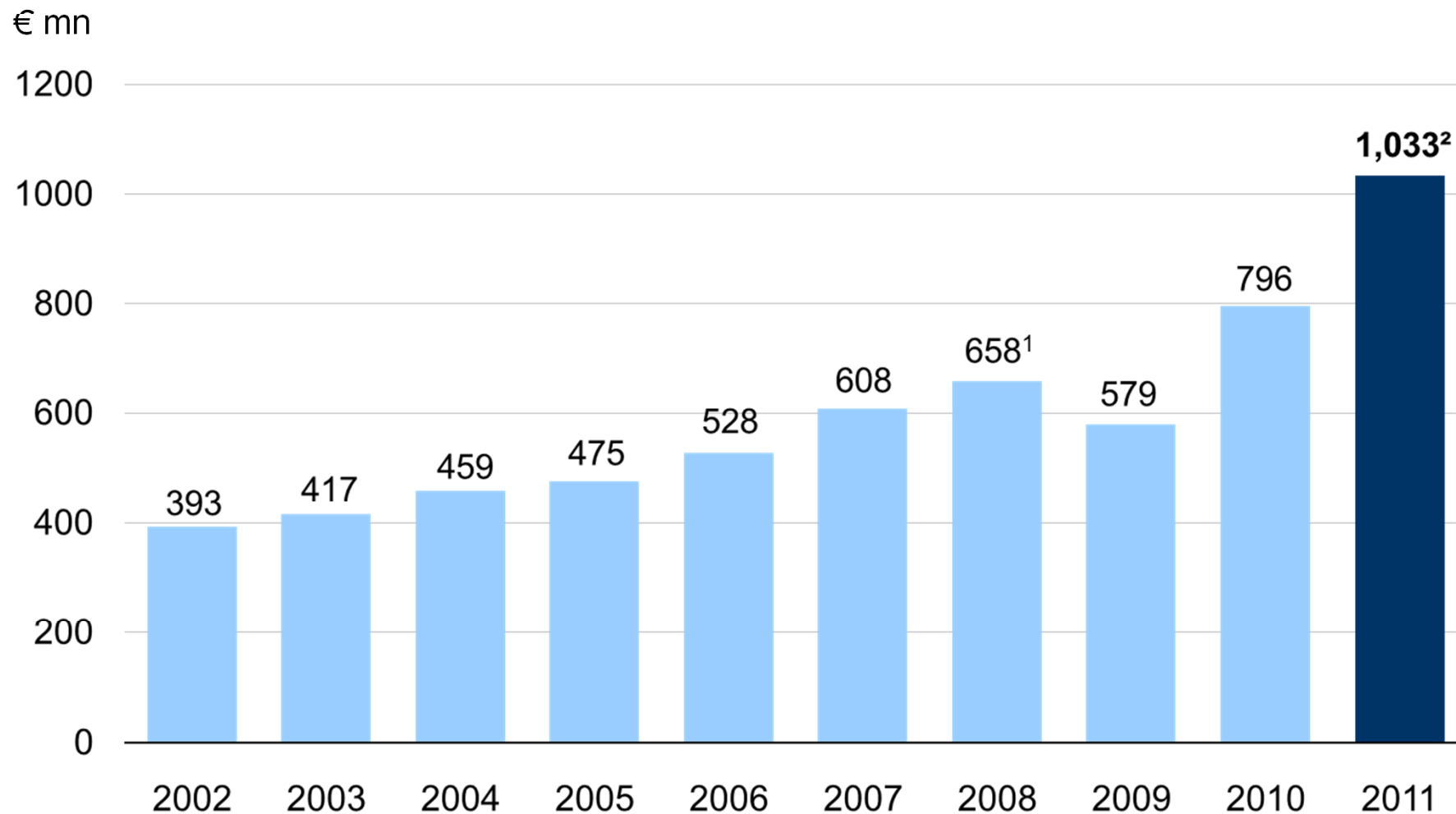
Preliminary Results Business Year 2011

March 12, 2012

Business year 2011: Key developments

- Global automotive markets posted heterogeneous developments: Light vehicle production came in at 75.0 mn units up 3.6% yoy
- ElringKlinger Group sales up by 29.8% (excl. acquisitions 19.3%) exceeding market growth
- Acquisitions of Freudenberg's flat metal gaskets division, Hug Group and Hummel Group
- Sale of Industrial Park Ludwigsburg (one-time gain EUR 22.7 mn)
- Further build-up of E-Mobility division: Pre-expenses amounting to EUR 12-13 mn per annum

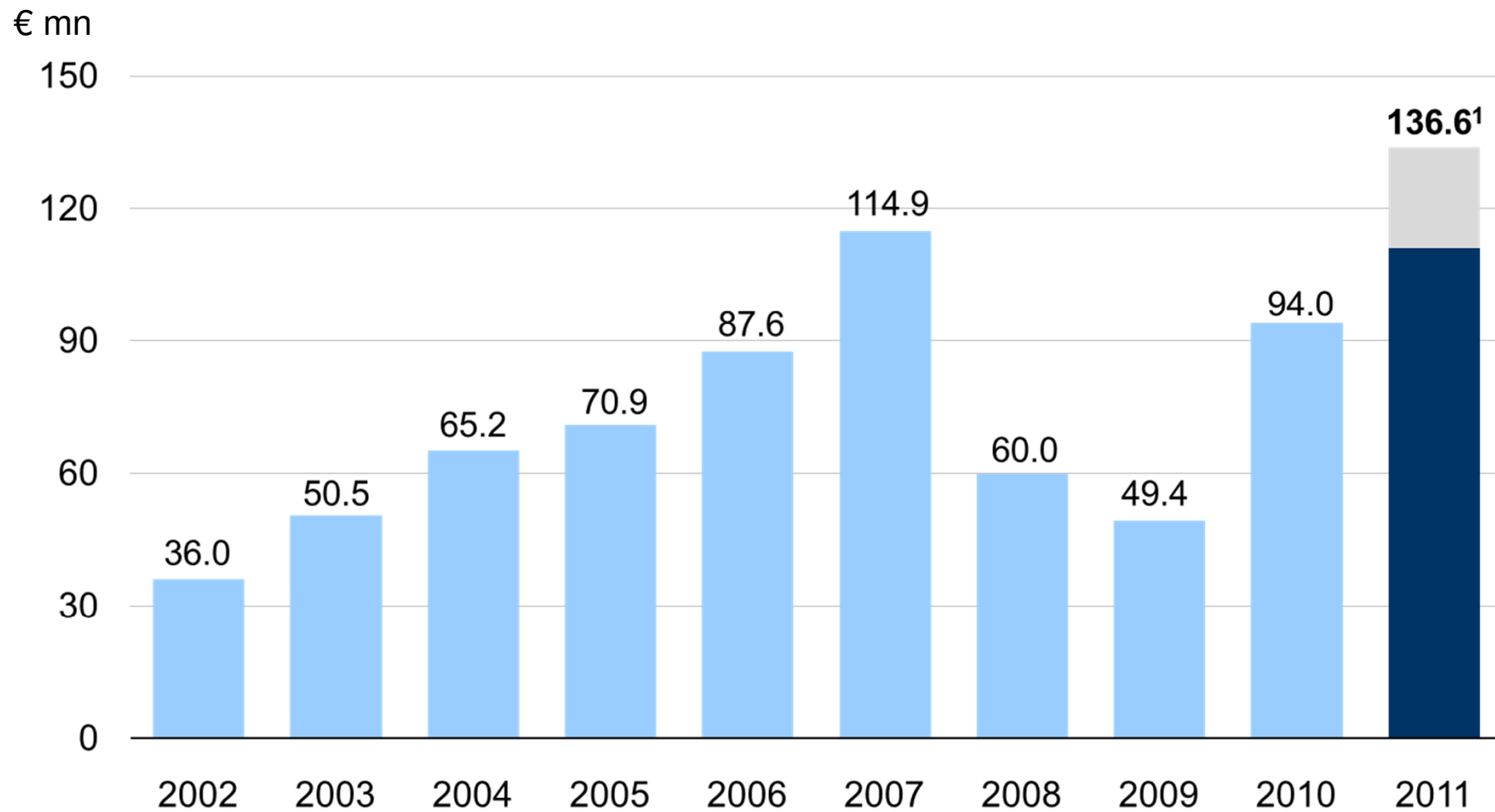
Sales revenues exceeding the 1 billion euro threshold



¹ Incl. acquisitions of SEVEX (~ EUR 46mn sales) and Marusan (~EUR 14 mn sales)

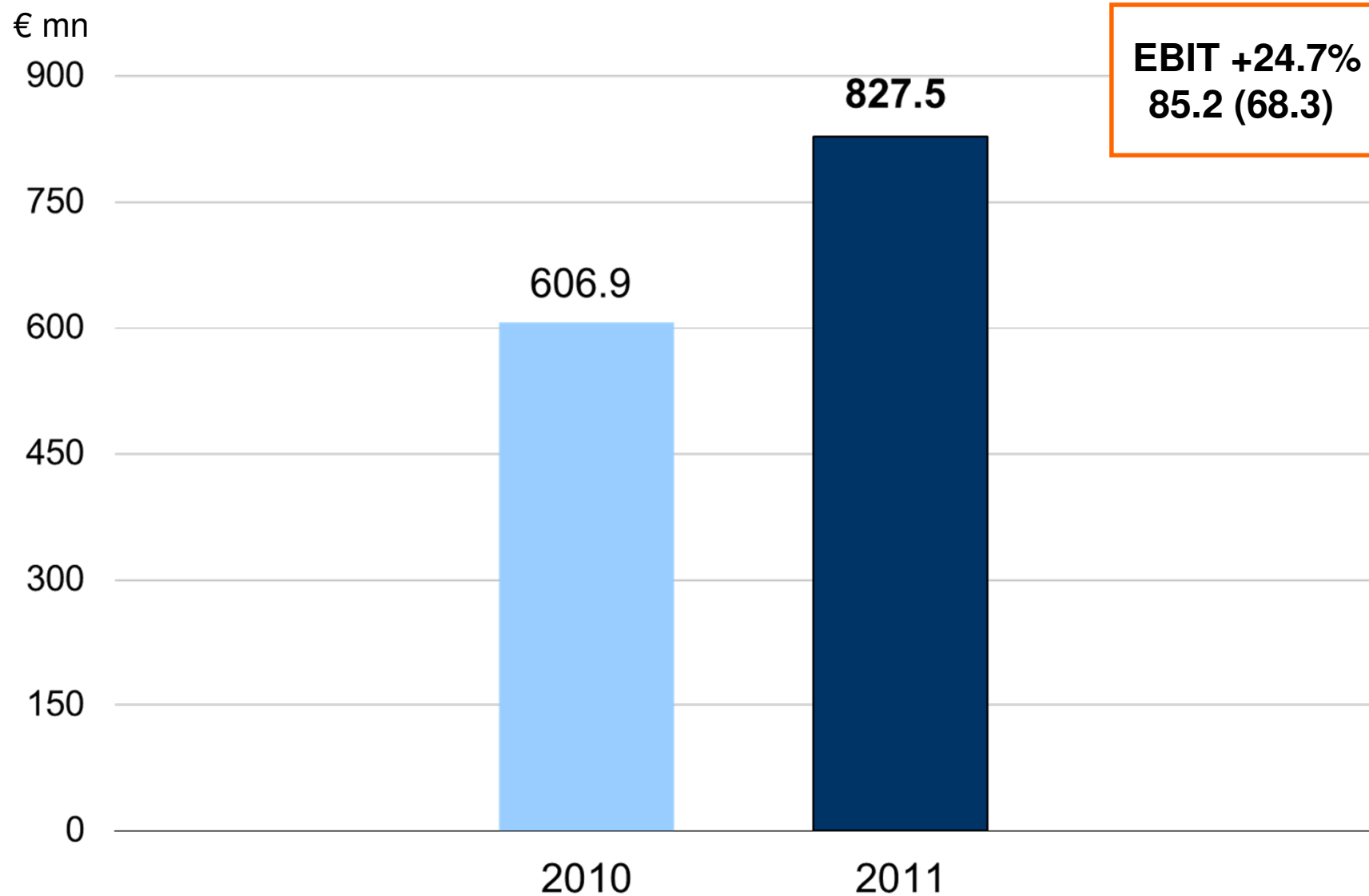
² Incl. acquisitions of Flat gaskets business of Freudenberg (~ EUR 53 mn sales), Hug Group (~ EUR 29 mn sales) and Hummel-Formen (~ EUR 1,6 mn sales)

Earnings before taxes



¹ Incl. one-time gain of EUR 22.7 mn from sale of industrial park

Sales in the OEM business up 36.3%, EBIT margin diluted by 1.7 PP by acquisitions



FY 2011: Sales and operating result

in € mn	FY 2011	FY 2010	Change in %
Sales	1,032.8	795.7	+ 29.8
Cost of Sales	744.2	557.0 ³	+ 33.6
EBITDA¹ <i>adjusted²</i>	245.5 222.8	188.9	+ 30.0 + 17.9
EBIT¹ <i>adjusted²</i>	148.7 126.0	106.7	+ 39.4 + 18.1
Operating Result <i>adjusted²</i>	151.1 128.4	116.0	+ 30.3 + 10.7

¹ Incl. currency effects

² Adjusted for one-time gain of EUR 22.7 mn from sale of industrial park

³ Allocation to R&D costs adjusted

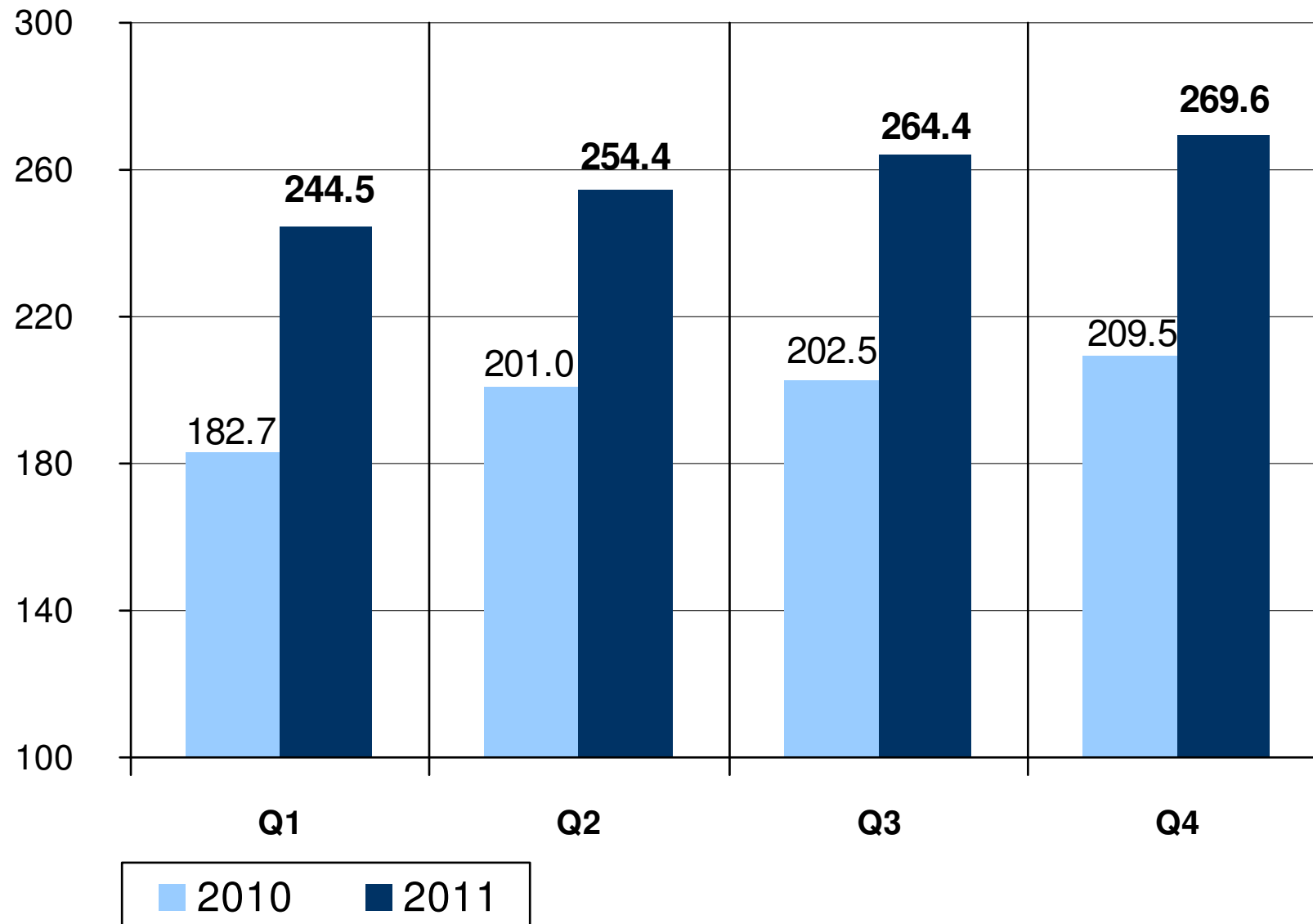
FY 2011: Financial Result and Net Income

in € mn	FY 2011	FY 2010	Change in %
Net finance cost	14.5	22.1	- 34.4
EBT	136.6	94.0	+ 45.3
Taxes	39.0	25.4	+ 53.5
Net income	97.6 ¹	68.6	+ 42.3
Profit attributable to EK shareholders	94.9	65.6	+ 44.7
EPS (in €)	1.50	1.11	+ 35.1

¹ Incl. one-time gain of EUR 16.4 mn (after taxes) from sale of industrial park

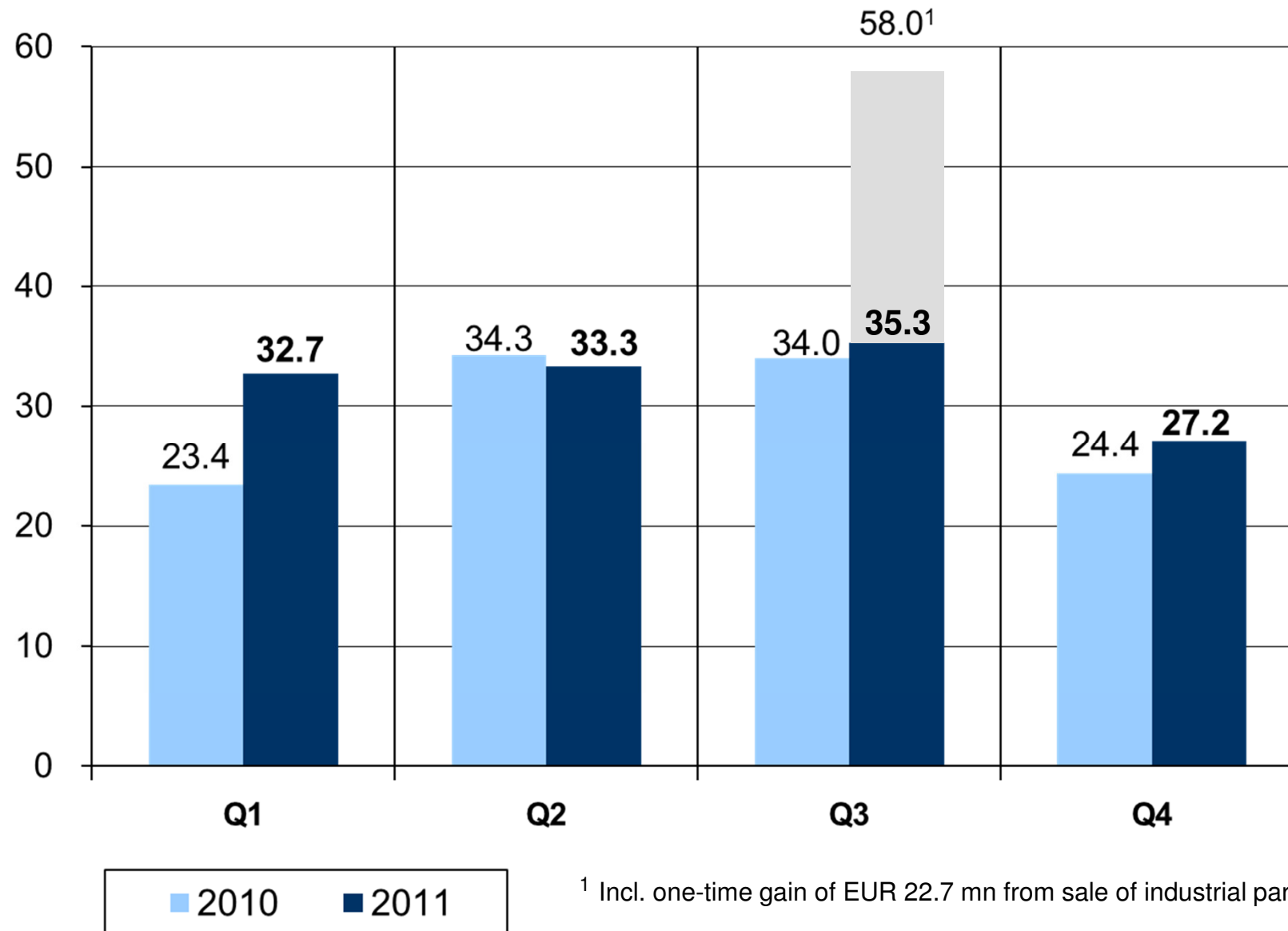
Sales by quarter

€ mn



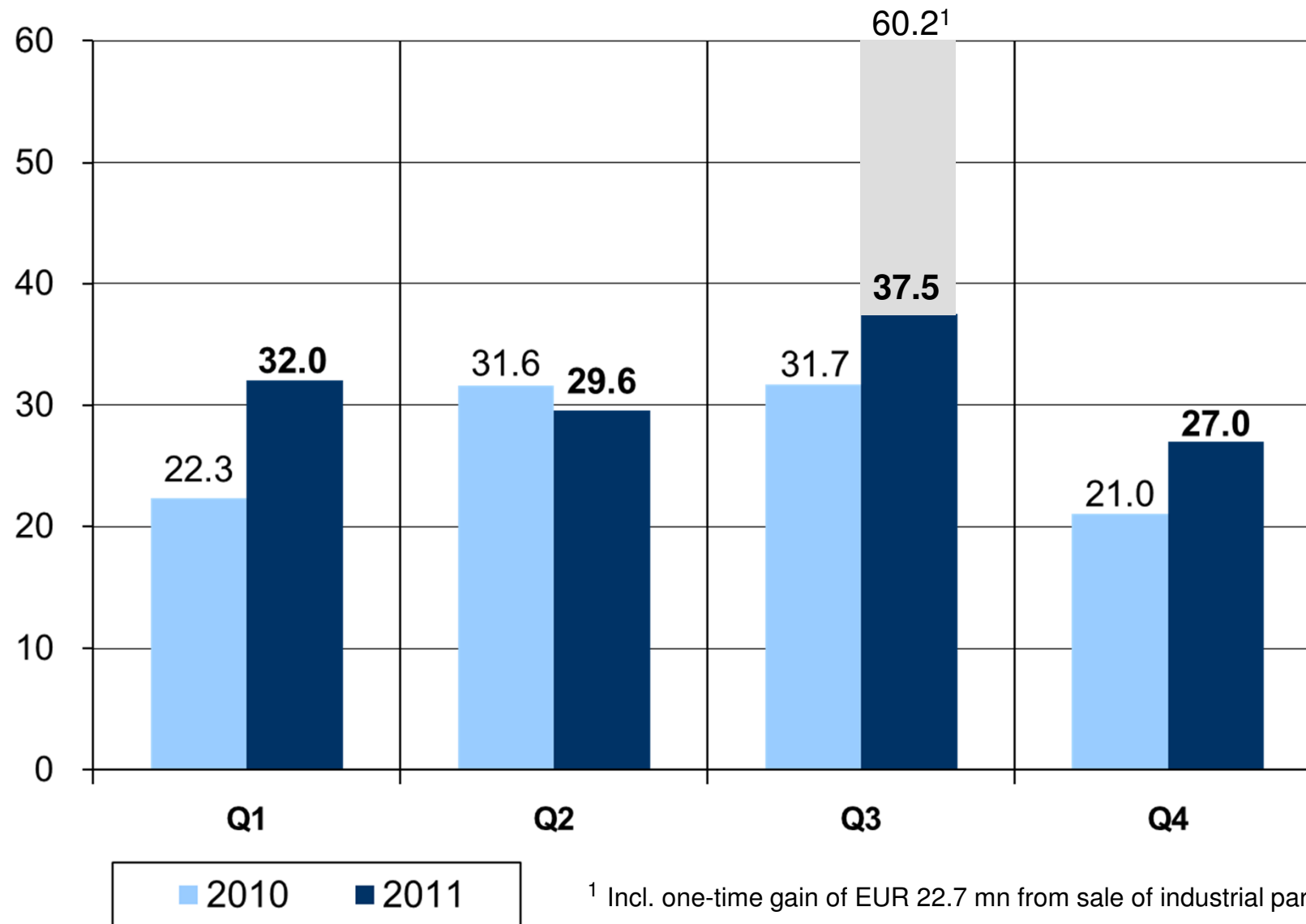
Q4 2011: Operating result at EUR 27.2 mn

€ mn



Q4 2011: EBIT came in at EUR 27.0 mn

€ mn



Q4 2011: Sales and operating result

in € mn	Q4 2011	Q4 2010	Change in %
Sales	269.6	209.5	+ 28.7
Cost of Sales	191.4	150.6	+ 27.1
EBITDA¹	58.0	44.1	+ 31.5
EBIT¹	27.0	21.0	+ 28.6
Operating Result	27.2	24.4	+ 11.5

¹ Incl. currency effects

Q4 2011: Financial Result and Net Income

in € mn	Q4 2011	Q4 2010	Change in %
Net finance cost	2.9	6.6	- 56.1
EBT	24.3	17.9	+ 35.8
Taxes	9.7	5.7	+ 70.2
Net income	14.6	12.2	+ 19.7
Profit attributable to EK shareholders	14.3	11.7	+ 22.2
EPS (in €)	0.23	0.17	+ 35.3

Q4 2011 sequentially: Extraordinary write-downs burdening EBIT

in € mn	Q3 2011	Q4 2011	FY 2011
Depreciation and Amortization	21.9	31.0	96.8

- EUR 3.4 mn losses on disposals of non-current assets (Runkel building, machinery and equipment)
- EUR 0.7 mn write-downs on receivables
- EUR 1.7 mn in respect of the surpluses resulting from the merger of Elring Klinger GmbH into the parent company ZWL AG
- Hummel PPA EUR 0.5 mn
- Catch-up effects from some subsidiaries

Q4 2011 sequentially: Other operating expenses

in € mn	Q3 2011	Q4 2011	FY 2011
Other operating expenses	0.7	9.1	11.6

- Other operating expenses disproportionately high in Q4 2011: EUR 9.1 mn out of EUR 11.6 mn for the full year
- Cp. effects reflected in depreciation

Furthermore in G&A:

- Additional contribution to pensions provisions due to new Management Board compensation scheme, Dec. 2011: EUR 0.8 mn

Effects from Freudenberg consolidation 2011

in € mn	Q3 2011	Q4 2011	FY 2011	in € mn	Q3 2011	Q4 2011	FY 2011
Sales	13.0	11.5	53.0	EBIT	- 0.05	- 0.4	- 2.1
PPA	- 0.1	- 0.2	- 0.4	EBT	- 0.1	- 0.7	- 2.5

- EUR 1.1 mn in restructuring expenses (Gelting)
- Relocation of CHG line
- Oigra Meillor s.r.l, Italy, and Gelting plant are EBIT-positive

Improving Performance: Freudenberg

- Cost savings: reduction of temporary staff in 2012 ~10% of workforce
- Closing of test bench end of Q1 2012:
Engineering and testing activities handled by EK Services segment
- Pooled purchasing: Sourcing by EK Group purchasing department
- 3 to 5% productivity gain at shop-floor level
- EUR 5.0 mn in capex in 2012 at Nantiat site

Improving Performance: Freudenberg

- Full changeover to EK tooling technology:
Cost savings by reduction of reject rates, higher ratio
- Process improvement:
Full Automation of CHG production lines
- Initiation of small batch production for AM
- Standardization: Implementation of EK product designs and materials
- Adaptation of pricing policy

Effects from Hug consolidation 2011

in € mn	Q3 2011	Q4 2011	FY 2011	in € mn	Q3 2011	Q4 2011	FY 2011
Sales	10.8	11.6	29.1	EBIT	0.4	- 1.9	- 2.1
PPA	- 0.6	- 0.5	- 1.3	EBT	0.02	- 1.6	- 2.4

- Operating margin burdened by EUR/CHF exchange rate
- High personnel cost levels
- Ratio improvement in production is key

Improving Performance: Hug Engineering

- Shop-floor restructuring: New automated ceramic substrate mounting line in Q2 (EUR 1 mn capex)
- Cost savings by process improvement
- Cost savings by supply chain and logistics optimization (one-floor model)
- Changeover to non-precious metal coating materials
- Administrative tasks (purchasing/ accounting) taken over by ElringKlinger AG
- Redundancies in canning/mounting
- Hug will be further developed as ceramic substrate competence center

Improving Performance: Hug Engineering / ThaWa

- Build-up of metal housing manufacturer ThaWa GmbH, Thale, as an extended workbench for Hug engineering:
 - > reduces EUR/CHF currency exposure
 - > reduces personnel cost
- EUR 4 mn capex for new plant and automated DPF canning line until end of Q3
- Transfer of canning activities from Hug suppliers and Hug
- Approx. 1.5 to 2 mn cost reduction following full-ramp up

Acquisitions: Swing in 2012

- 2011 - Negative EBT contribution from Freudenberg/Hug acquisitions
EUR 5.0 mn
- Action plan to improve earnings performance
- 2012 - Mid single digit EBIT margin for the full year before PPA
- Product side developing very positively

Outlook 2012: Financial performance

- Q4 order intake: plus 19.9% at EUR 272.6 (227.3) mn, FY 2011 order backlog up 34.6 % (EUR 448.4 mn)
- Based on the assumption that global vehicle production will continue to expand slightly, the ElringKlinger Group anticipates organic revenue growth of 5 to 7% in 2012
- Additional sales contribution of around EUR 20 mn from acquired Hug Engineering AG and Hummel-Formen Group, which in 2012 will be included in the consolidated group for a full annual period for the very first time
- Group EBIT margin will be diluted to some extent in 2012 due to weaker margins of the acquired entities and the related PPA as well as the lead costs incurred in the field of E-Mobility
- Despite these effects, ElringKlinger anticipates EBIT to expand at a faster rate than sales growth in 2012 - in a range of EUR 145 to 150 mn

ElringKlinger Group

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Thank you for your attention

Disclaimer – Forward-looking Statements and Predictions

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