

ElringKlinger Group

Zwei Antriebswelten. Eine Strategie

Embracing both worlds – combustion and electric



Conference Call

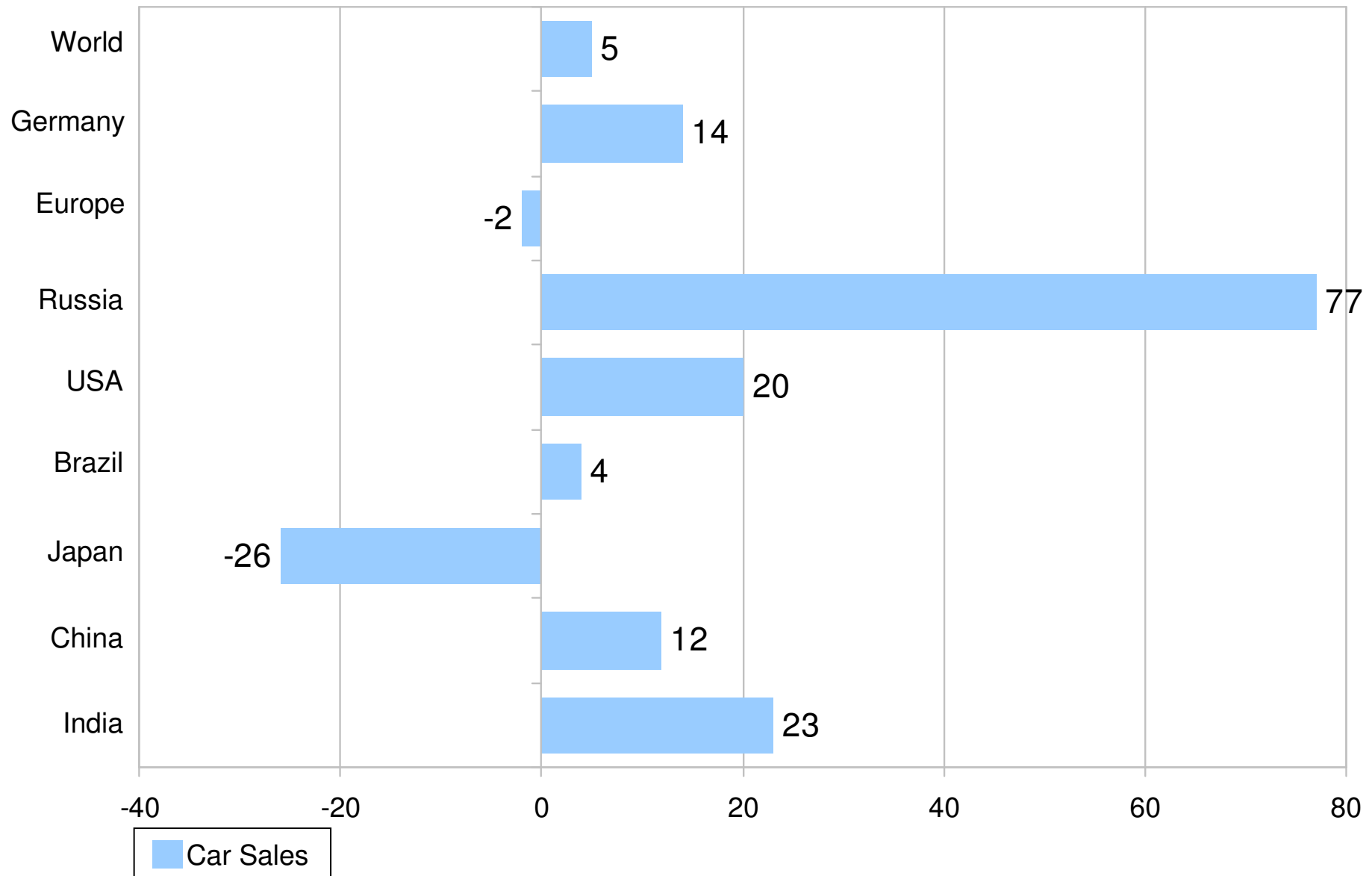
Results First Quarter 2011

May 12, 2011

Q1 2011: Key developments

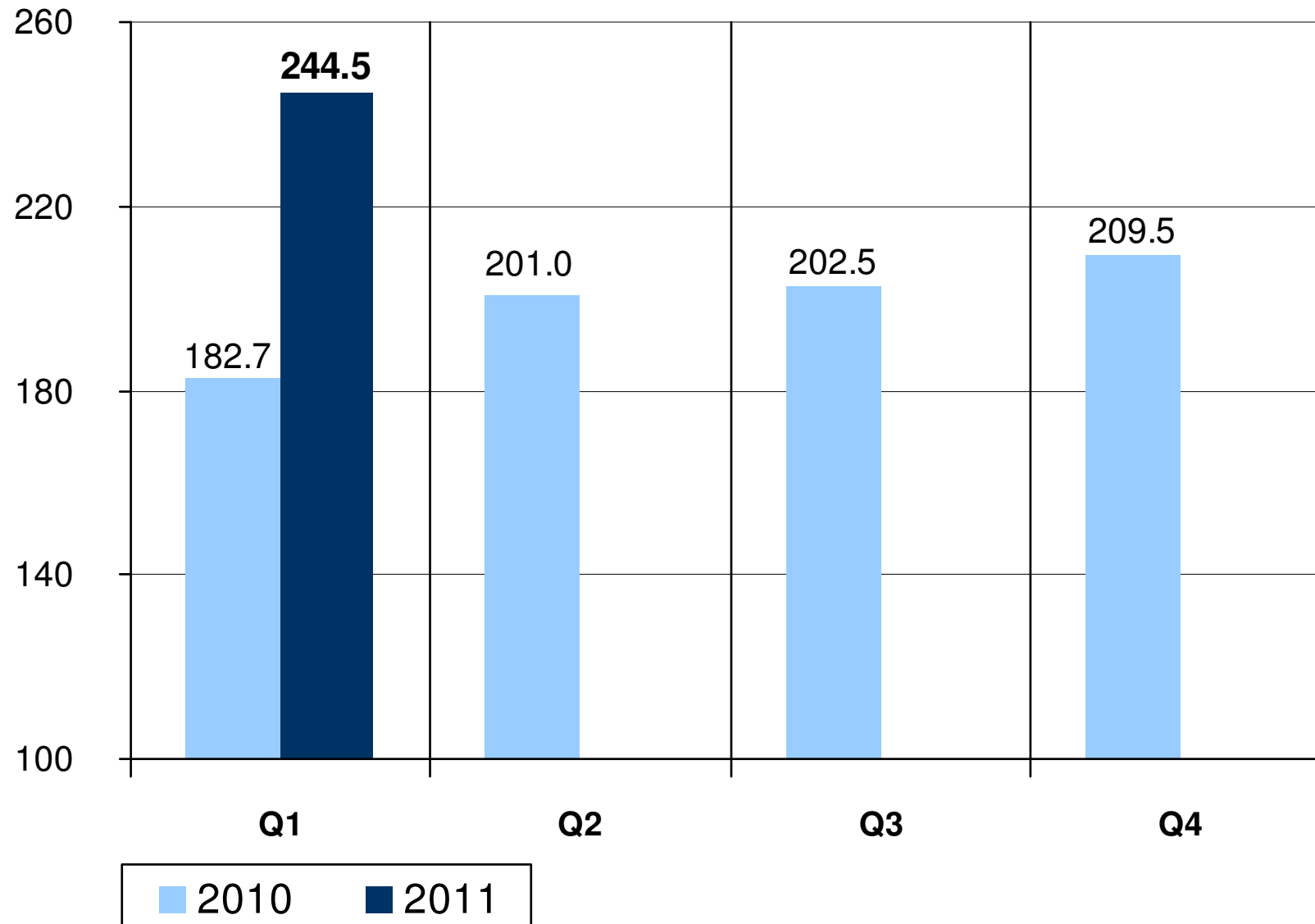
- Ongoing recovery of world car and truck markets with passenger car production increasing by 8%
- ElringKlinger Group has grown its sales at a faster rate by 34% (26% adjusted for Freudenberg contribution)
- Operating result up 40%
- Limited effects from earthquake and tsunami in Japan
- Strong build-up in E Mobility division: installation of first in-series manufacturing line
- Opening of major new facility in Changchun, China
- First time inclusion of acquired Freudenberg business as of January 1, 2011
- Closing of majority acquisition in exhaust gas systems specialist Hug Group, Switzerland, on May 11, 2011

Q1 2011: Car sales continue to grow from high levels (% change y-o-y)



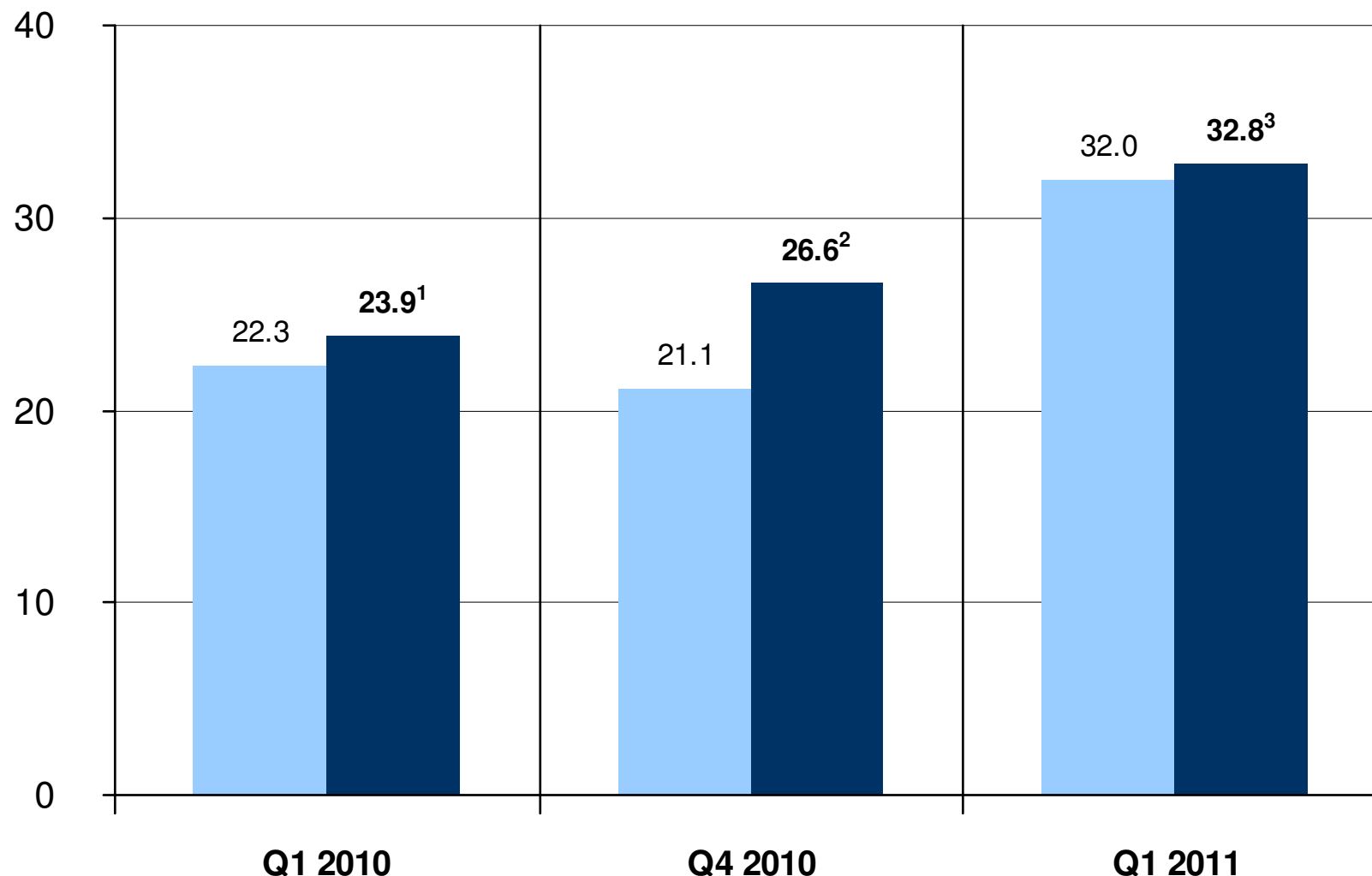
Sales increase by 33.8% in first quarter 2011

€ mn



EBIT year-on-year and sequentially

€ mn



■ EBIT
 ■ EBIT adjusted

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

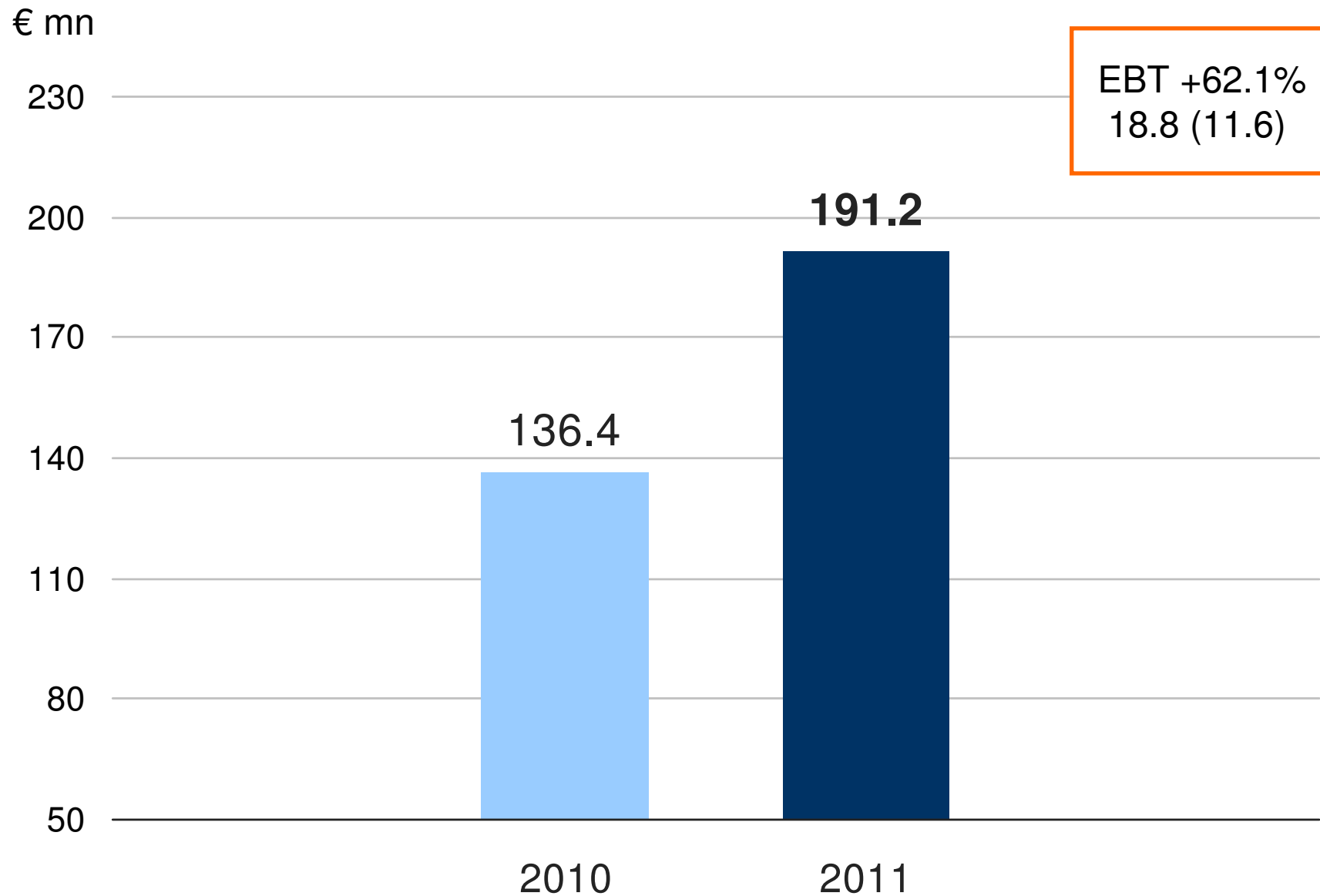
² incl. EUR 5.6 mn one-offs

³ excl. EUR 0.8 mn one-time personnel expense, incl. EUR 2.5 mn employee benefits

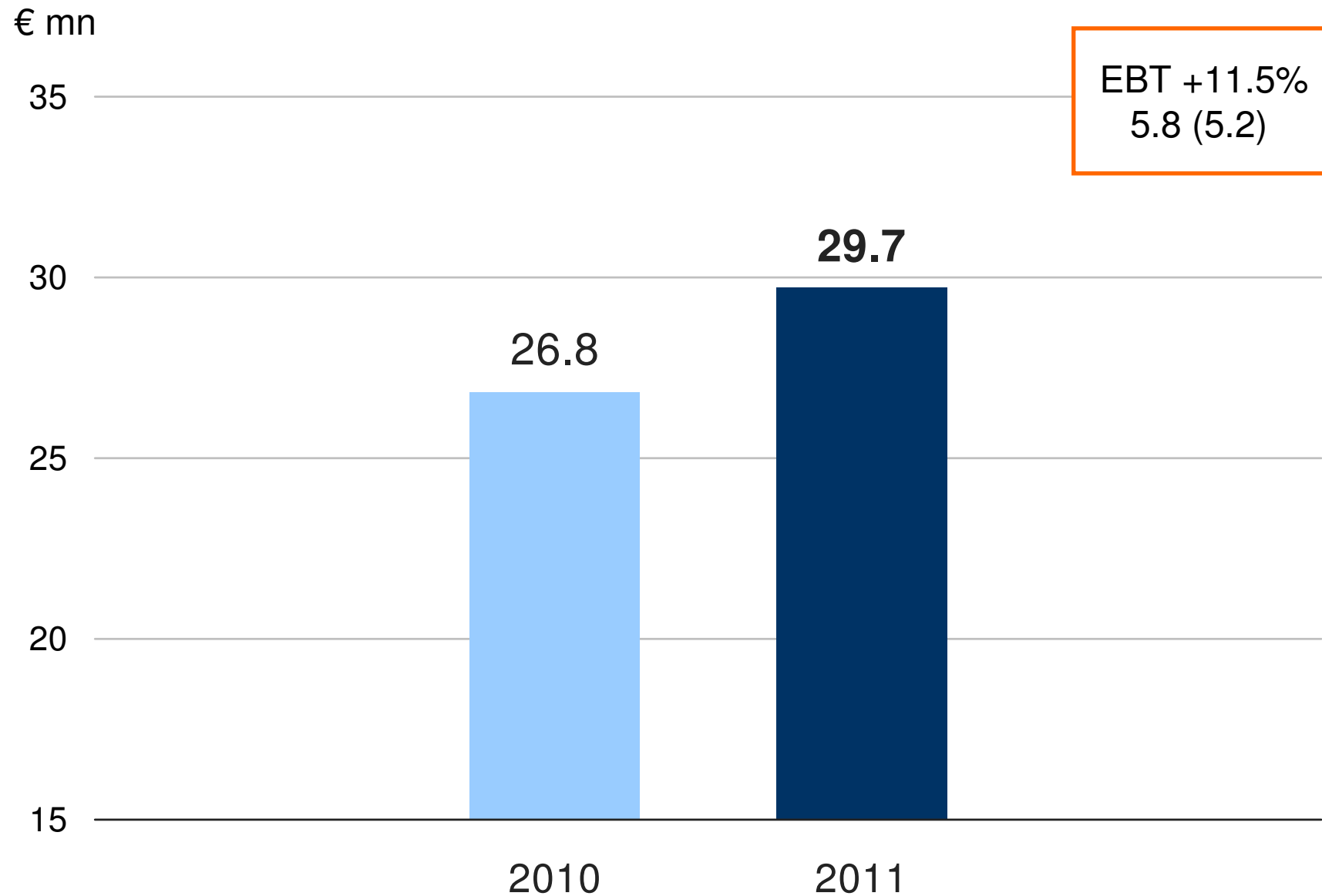
Effects from Freudenberg consolidation

in € mn	Q1 2011	in € mn	Q1 2011
Sales	14.4	EBIT	- 1.1
PPA	- 0.2	EBT	- 1.1
Goodwill	5.4	Net income	- 0.9

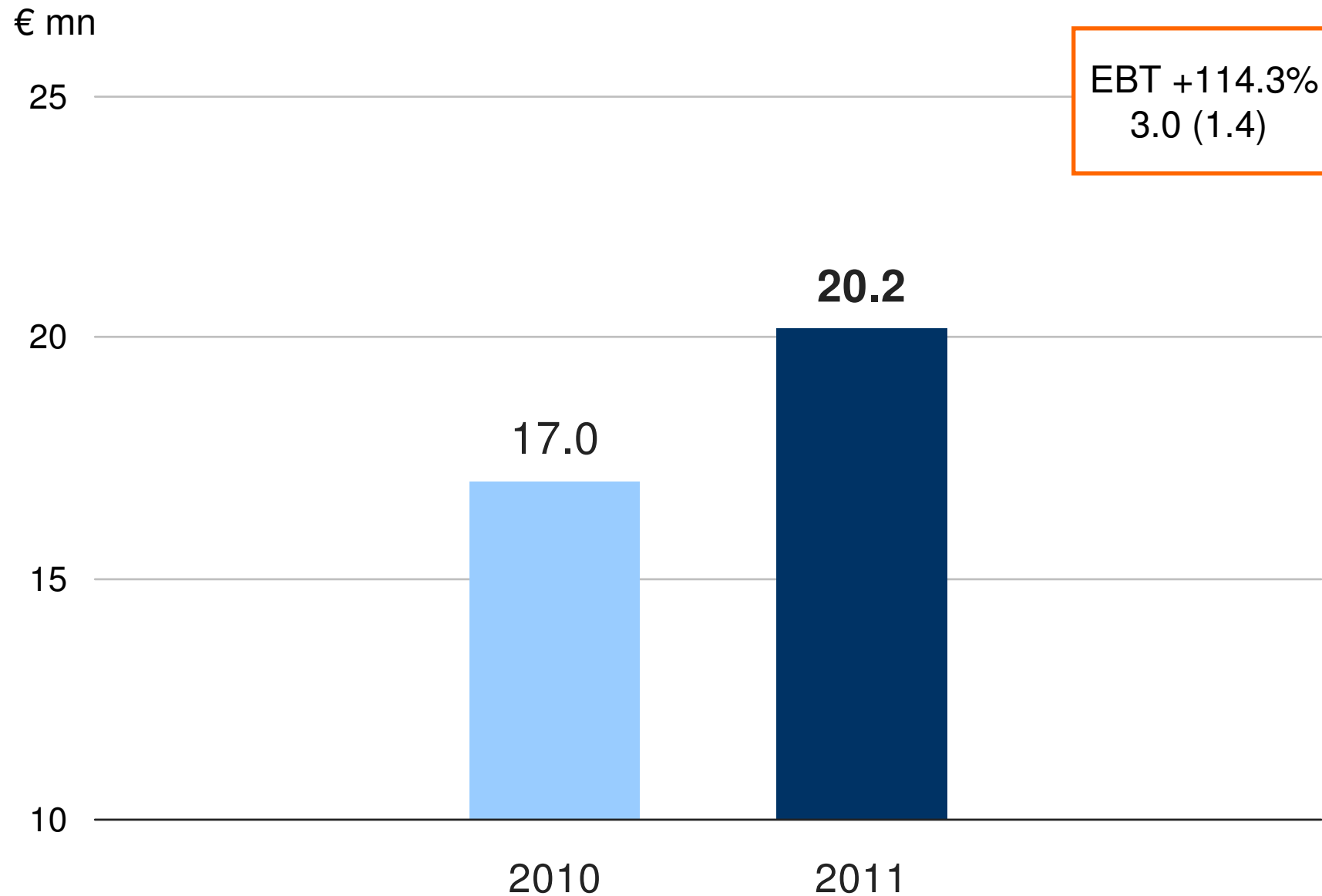
Q1 2011: OEM sales up 40.2%



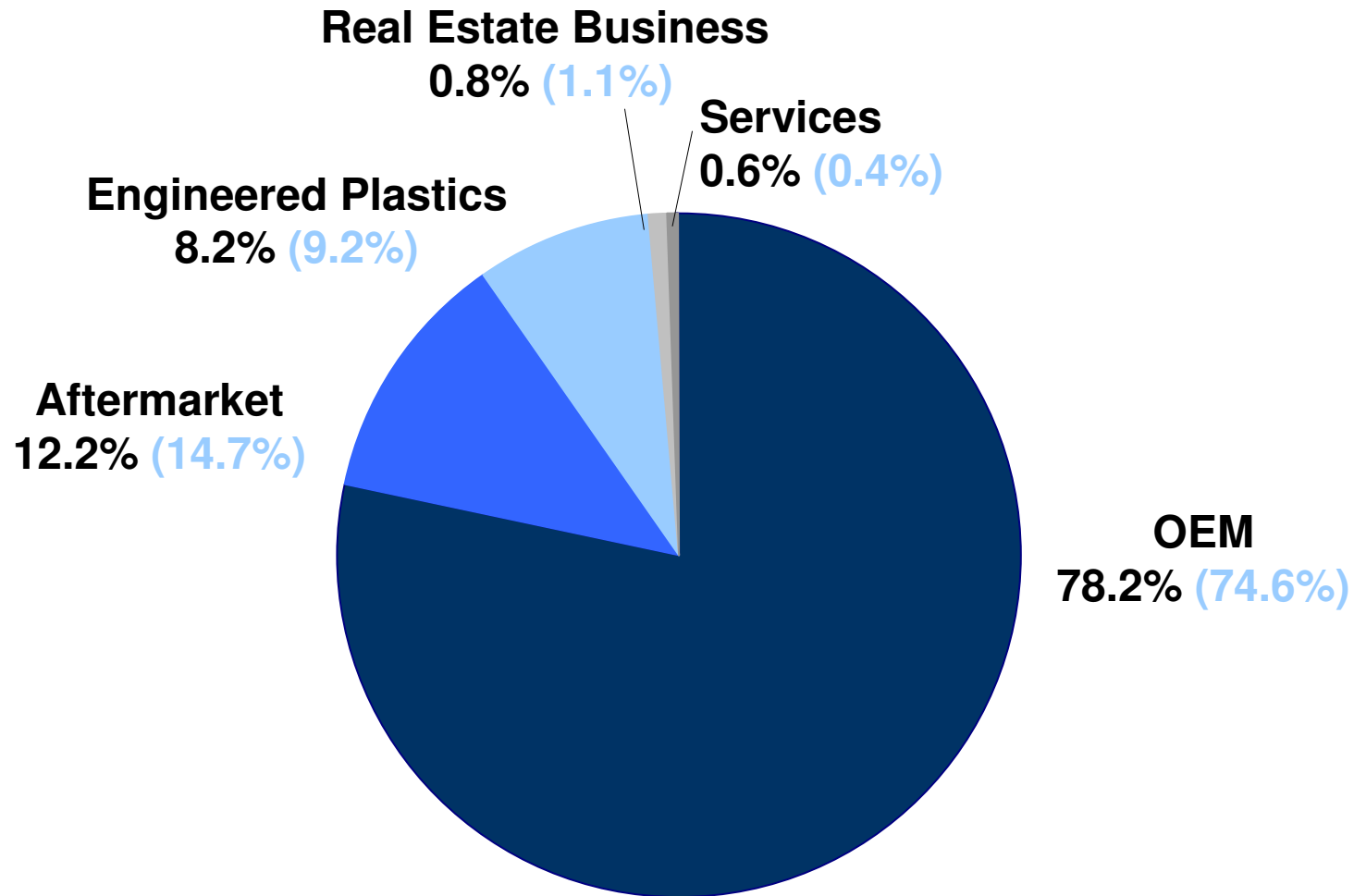
Q1 2011: Aftermarket sales up 10.8%



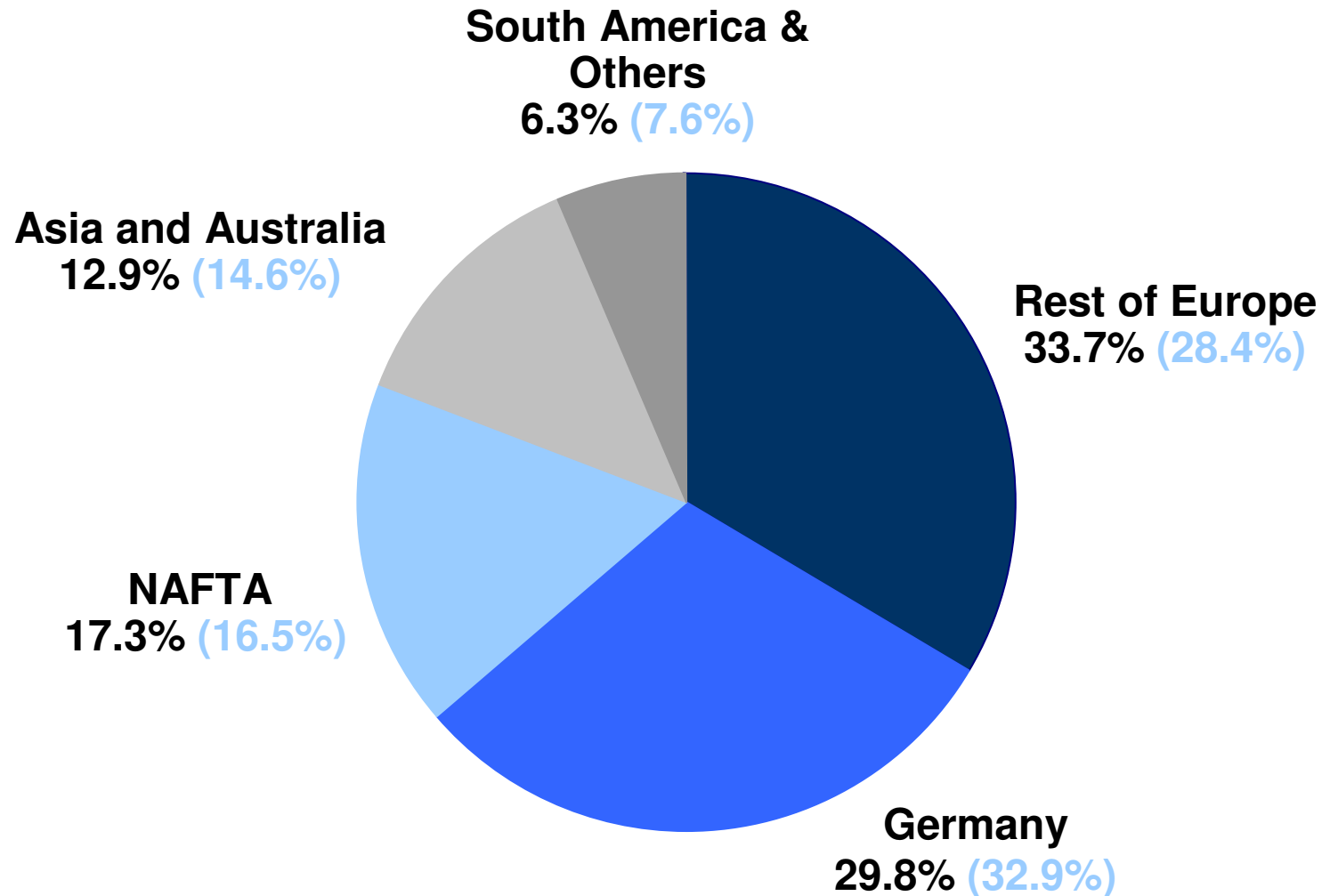
Q1 2011: Sales Engineered Plastics up 18.8%



Group Sales by segment Q1 2011 (py)



Group Sales by region Q1 2011 (py)
impacted by Freudenberg acquisition

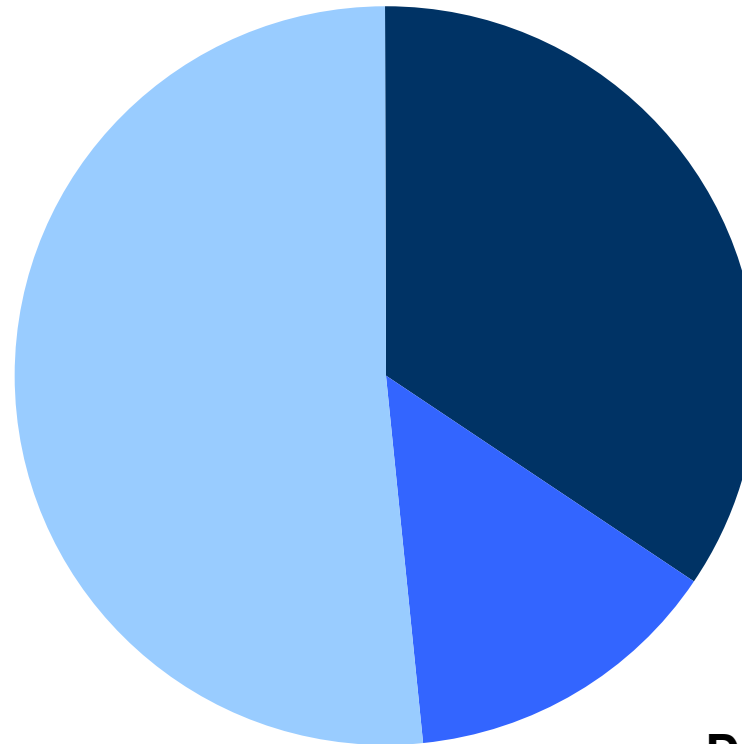


Employees ElringKlinger Group worldwide

as of March 31, 2011 (py)

Group
5,177 (4,299)
+20.4%

International subsidiaries
2,670 (2,052)

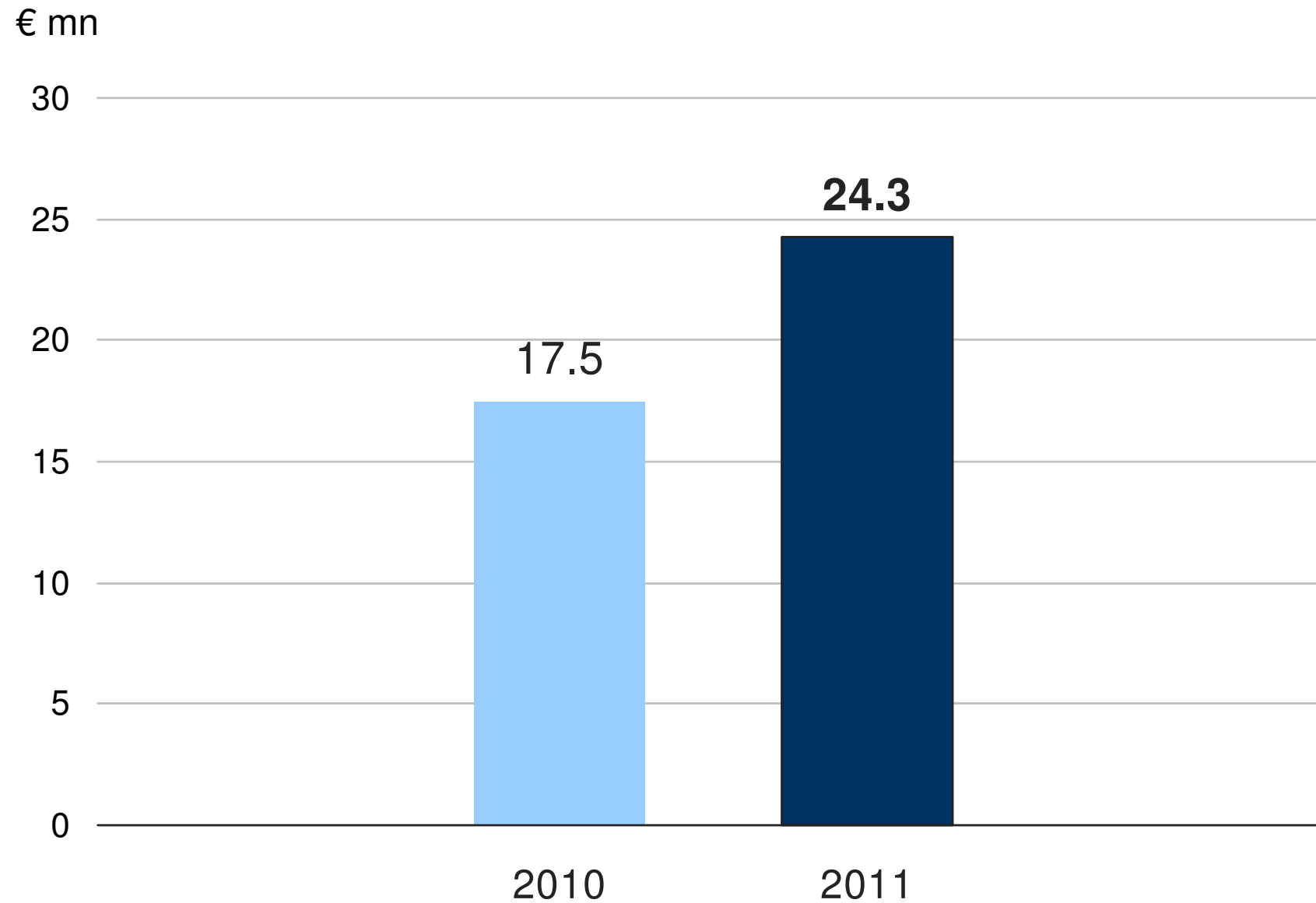


AG
1,787 (1,648)

Domestic subsidiaries
720 (599)

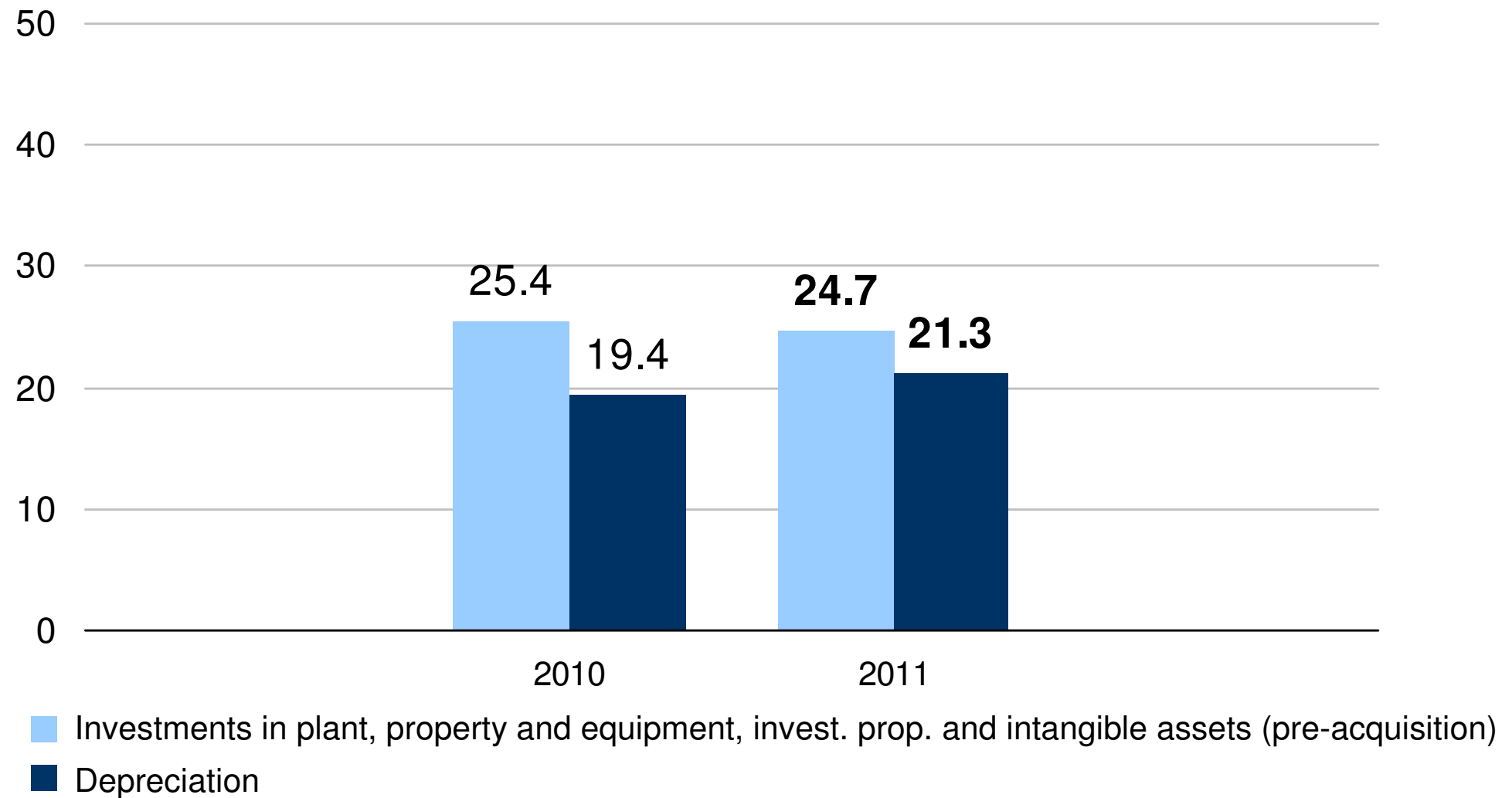
Germany
2,507 (2,247)

Q1 2011: Net cash from operating activities



Q1 2011: Investments vs. depreciation

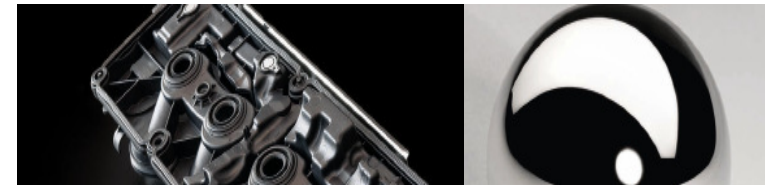
€ mn



Q1 2011: Sales and operating result

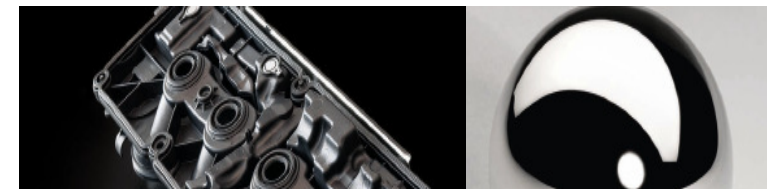
in € mn	Q1 2011	Q1 2010	Change in %
Sales	244.5	182.7	+ 33.8
Cost of sales	177.7	128.9	+ 37.9
EBITDA ¹	53.3	41.7	+ 27.8
EBIT ¹	32.0	22.3	+ 43.5
Operating result	32.7	23.4	+ 39.7

¹ Incl. currency effects



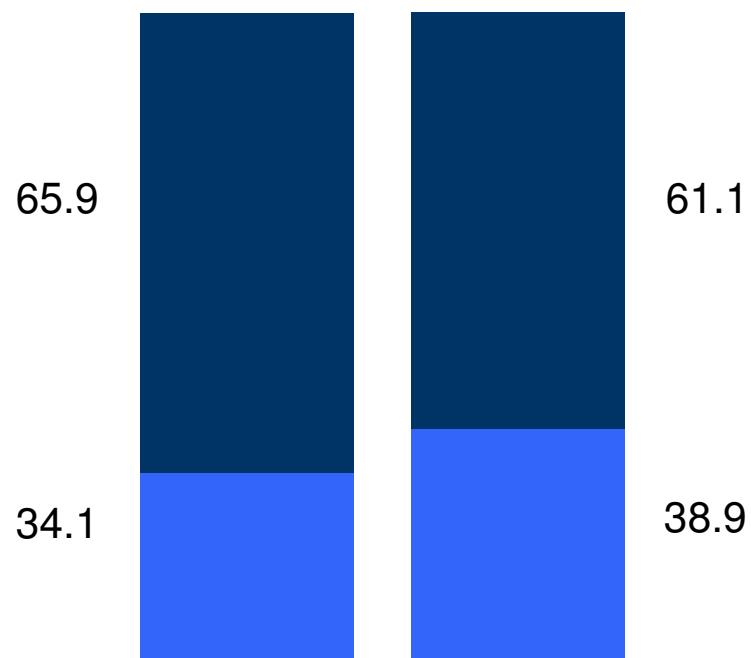
Q1 2011: Net finance costs and Net Income

in € mn	Q1 2011	Q1 2010	Change in %
Net finance costs	- 3.8	- 4.5	+ 15.6
EBT	28.9	18.9	+ 52.9
Taxes	7.4	4.8	+ 54.2
Net income	21.4	14.1	+ 51.8
Profit attributable to shareholders of EK	20.8	13.6	+ 52.9
EPS in €	0.33	0.24	+ 37.5



Balance Sheet Structure ElringKlinger Group: Equity ratio 51.9%

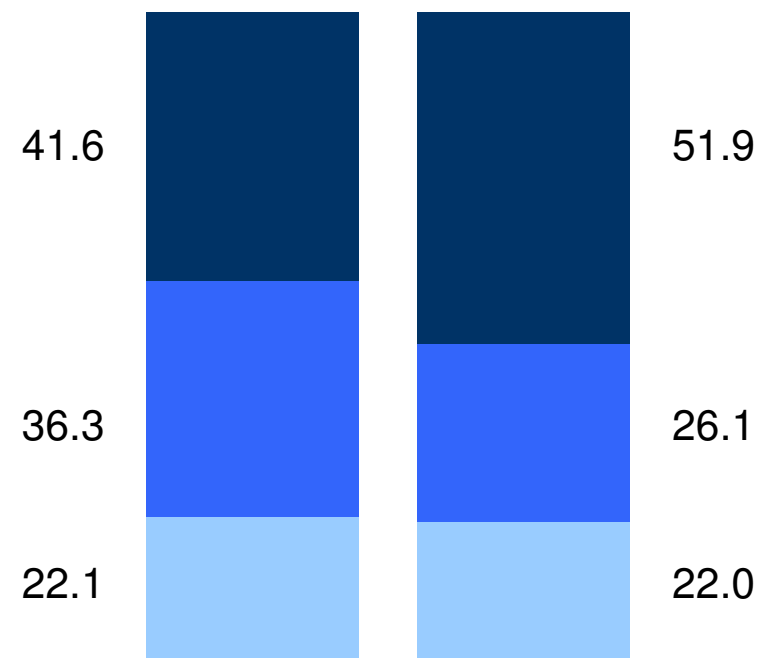
**Assets
in %**



March 31, 2010 March 31, 2011

- Non-current assets
- Current assets

**Liabilities and
shareholders' equity
in %**



March 31, 2010 March 31, 2011

- Shareholders' equity
- Non-current liabilities
- Current liabilities

Outlook: Markets 2011

- ElringKlinger estimates world car production to rise by 2 to 3% in 2011
- Recovery of truck business on the way
- German car production expected to increase further with European car production remaining stable (Southern Europe weak, Eastern Europe recovering nicely)
- North American car production expected to slightly pick up
- Car production in South America solid
- Car production in China, India and ASEAN states to grow further
- Japanese car market likely to shrink significantly due to production standstills/cuts and supply chain issues caused by the earthquake and tsunami

Outlook 2011: Company

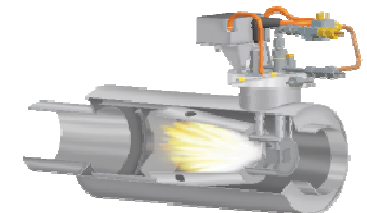
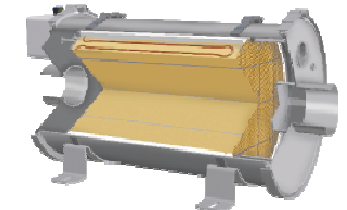
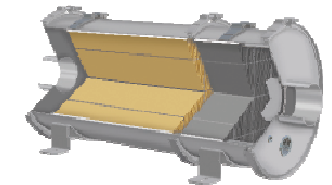
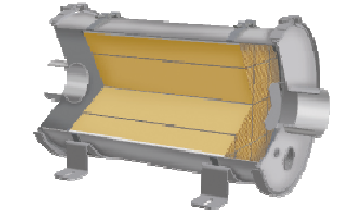
- Further rise in raw material prices cannot be ruled out; counter measures have been implemented
- Strong build-up of newly established E-Mobility division: R&D facility and manufacturing line at Dettingen/Erms (Germany)
- 4 additional RFQs for cell contact systems: Pre-expenses for R&D and application technology/ specimen components
- Opening of new Changchun plant in China with double the previous floorspace and further expansion in Suzhou
- Construction of new fully automated plant for plastic housing modules until year-end
- Capex requirements for ppe planned at EUR 95 mn (pre-acquisition)
- Integration of Freudenberg and Hug Group

Outlook 2011: Financial performance

- Book-to-bill-ratio robust: Q1 order intake came in 29.9% higher at EUR 260.5 (200.5) mn, order backlog up 41.9% to EUR 369.0 (260.0) 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 50 mn to Group sales
 - > Temporary margin dilution of 0.6 to 0.8 pp expected for 2011
 - > EBIT margin objective for acquired Freudenberg businesses is to reach 10% until year end
- Despite this dilutive effect, material prices assumed trending higher and pre-expenses for the E-Mobility division, EBIT is expected to grow at a more pronounced rate than sales, rising by 15 to 25%
- Additional sales/earnings contribution: Hug Group acquisition

Takeover of 66.7% interest in Hug Group

- Federal Cartel office approved takeover of 66.7% interest in the Swiss-based exhaust gas specialist Hug Group
- Transaction thus was closed on May 11, 2011
- Hug Group expected to generate sales of around CHF 60 mn (approx. EUR 46 mn) in its current financial year
- Inclusion within the ElringKlinger Group's scope of consolidation scheduled for May 1, 2011
- Hug will contribute to the Group's sales and earnings in 2011 on a pro-rata basis



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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.