

Experience mobility – Drive the future.

Report on the First Quarter of 2008

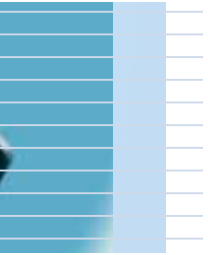
Developing the Future.



Sustainability – in the way we think and act with regard to the environment and to our commercial success. Continued growth in revenues, earnings and dividends – this is the goal we are working towards. As a trusted development partner and supplier to the automobile industry and other sectors, we have established a strong presence in the global arena. Committed to innovative, environment-focused products, we are expanding within existing and new fields of business – and unlocking additional opportunities for tomorrow's growth.

Contents

Economic and Business Climate	... 4 – 5
Sales and Earnings Performance	... 5 – 9
Net Assets and Financial Position	... 9 – 11
Significant Events	... 11
Opportunities and Risks	... 11 – 12
Outlook	... 12 – 13
Events after the Reporting Period	... 13 – 14
Share Performance	... 15 – 17
Consolidated Income Statement	... 18
Consolidated Balance Sheet	... 19
Consolidated Cash Flow Statement	... 20
Statement of Changes in Equity	... 21
Segment Reporting	... 21 – 22
Notes to the First Quarter of 2008	... 23
Calendar	... 27



Economic and Business Climate

Slowdown in economic growth

The world economy developed at a slower pace than originally anticipated over the course of the first quarter of 2008. Further increasing raw material and energy prices as well as the turbulence created within global credit and financial markets in the wake of the US subprime mortgage crisis had a detrimental effect on economic growth.

In Germany, the gross domestic product grew by 1.6% in the first quarter of 2008.

The European economy managed to expand by around 1.9% in the first three months. Having said that, the eurozone as a whole is now having to contend with a slowdown in its rate of growth as well.

The strain on economic activity was particularly noticeable in the United States, where the gross domestic product for the first quarter rose by a paltry 0.6%. Within this context, consumer demand weakened significantly.

By contrast, South America was able to emulate the solid performance in economic growth displayed a year ago. In Brazil, for example, the gross domestic product rose by 5.0% in the first quarter of 2008.

Asia's economy continued to flourish. The principal growth drivers were China, with GDP growth of 10.6% in the first quarter of 2008, as well as India.

Subdued growth in established automobile markets

Growth within the automobile market as a whole proved extremely fragile in the first quarter of 2008. In the first three months of the year, global sales volumes in the car sector were just 0.1% higher than in the same period a year ago. The established vehicle markets of Western Europe, North America and Japan, all of which are of particular relevance to ElringKlinger, recorded a 4.7% decline in sales volumes.

On the back of a significant decline in the first quarter of 2007, caused mainly by the increase in value-added tax, the German automobile market trended positively in the first quarter of 2008. New passenger car registrations rose by 2.6% year on year to 736,000 units. At 1.2 million units exports remained at the same level as in the first three months of 2007. Due to on-hand inventories domestic car production retracted by 2.1% to 1.5 million units in the first three months of 2008.

At 4.2 million units, new car registrations were down 1.7% year on year in Europe in the first quarter of 2008. While automobile sales stood at 3.9 million units in Western Europe, 2.8% down on last year's figure, the number of new car registrations in Eastern Europe rose by 14.7% compared with the first quarter of 2007.

The European commercial vehicle market recorded solid demand at a consistently high level in the first quarter of 2008. In total, new registrations within the commercial vehicle segment increased by 1.4% when compared to the same period a year ago.

The North American vehicle market remained sluggish in the first quarter of 2008. At 3.5 (4.0) units, the NAFTA region recorded a decline in the number of passenger cars and light commercial vehicles produced – down 10.2% on the first quarter of 2007, which had already been anything but dynamic. In the United States, production fell by 11.1% year on year to 2.5 million units. New registrations in the US stood at 3.6 million units for the first three months of 2008, which corresponds to a 6.9% decline compared with the same period a year ago.

In Japan, car sales fell by 0.7% in the first quarter. By contrast, China continued to generate forward momentum. In the first three months of 2008 1.4 million automobiles were sold in the Chinese vehicle market, a 19.4% rise compared with the same period a year ago.

Overall, however, the gains achieved within the Chinese and Indian automobile markets, in conjunction with higher demand in Brazil and Russia, proved insufficient in terms of counterbalancing the weakness of the more well-established markets.

Diesel remains on track for growth in Western Europe

The buoyant demand for efficient diesel-powered cars continued unabated in Western Europe over the course of the first three months of 2008, a trend that was underpinned by a surge in the price of crude oil. Diesel passenger cars accounted for 53.4% (52.0%) of new registrations in Western Europe in the first quarter of 2008.

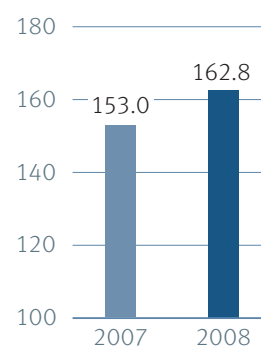
Sales and Earnings Performance

Continued growth in sales

The ElringKlinger Group succeeded in maintaining its momentum in the first quarter of 2008. The Group managed to lift sales by 6.4% to EUR 162.8 (153.0) million in the first three months of 2008. As a result of the Easter holiday period, the majority of markets had to contend with a reduction in available working hours by two to three days in the first quarter of 2008. In addition the European and North American automobile markets, both of which are of particular relevance to ElringKlinger's business activities, were stagnating or declining further.

Sales

1st Quarter 2008
in EUR million



Growing demand for specialty gaskets and shielding components used in engines and exhaust tracts, coupled with new product ramp-ups, contributed to ElringKlinger's growth, despite the Group having to contend with a decline in the volume of products requested by some customers as part of their delivery scheduling.

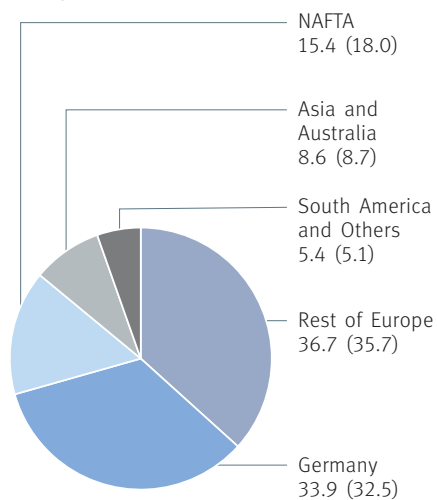
Performance by region

With the exception of the North American market, ElringKlinger recorded gains in all regions covered by the Group. Against the backdrop of market weakness in the United States, the proportion of sales generated by ElringKlinger within the international arena fell to 66.1% (67.5%).

Sales by Region

1st Quarter 2008 (prior year)

in %



Domestically, sales increased by 10.9% to EUR 55.2 (49.8) million in the first quarter. Domestic sales in relation to Group sales amounted to 33.9% (32.5%). ElringKlinger managed to expand sales by a significant 9.2% in the rest of Europe.

The most pronounced gains were achieved in the region of South America and Others, where sales grew by 13.7% to EUR 8.8 (7.7) million. The growth rate recorded in this region was attributable chiefly to the solid business performance of the Brazilian subsidiary Elring Klinger do Brasil,

Ltda. Alongside the Original Equipment segment, the development of ElringKlinger's Aftermarket business, headed by the Elring brand introduced last year, contributed to growth in sales.

In the NAFTA region the malaise suffered by the local automobile market had an adverse effect on sales. The problem was compounded by strike action at an automotive supply company in the US, which resulted in a shortfall in production at one of ElringKlinger's key account customers and thus to a fall in delivery call-offs. Additionally, the significant depreciation of the US dollar and its Canadian counterpart in the first quarter resulted in a lower sales revenue contribution at the Group level. Sales in the NAFTA region contracted by 9.2% to EUR 25.0 (27.5) million compared to the period a year ago.

The Asian markets produced a surge in sales revenues by 6.0% to EUR 14.1 (13.3) million. Mainly in China, the Group made solid gains within the area of cylinder-head gaskets, specialty gaskets and heat shields.

Sales growth in core segments

Within the Original Equipment segment, sales rose by 7.5% to EUR 114.8 (106.8) million in the first three months of 2008. Thus, sales with vehicle manufacturers accounted for 70.5% (69.8%) of Group sales, up on last year's figure.

The principal growth drivers were shielding technology and specialty gaskets. Both areas reaped the rewards of buoyant customer demand for exhaust tract gaskets as well as heat shields used in engines and exhaust systems. Business also expanded within the areas of transmission components and housing modules.

In the Aftermarket segment, ElringKlinger was able to make slight gains in the first quarter of 2008. The prevailing weakness of the US dollar had an adverse effect on key markets such as the Middle East and South East Asia, where customers were faced with higher prices. Furthermore, many customers in this region were less willing to stockpile products. The Group attracted several new large-account customers in the Western European market. Overall, the Aftermarket segment generated EUR 26.2 (25.9) million in sales in the first three months of 2008.

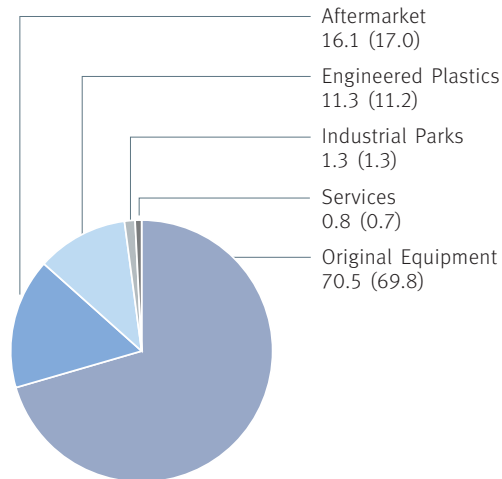
The Engineered Plastics segment produced sales growth of 7.2% compared with the same period a year ago. Sales rose to EUR 18.4 (17.2) million. At EUR 3.5 (3.7) million, operating profit for the first quarter of 2008 was slightly lower than in the same period a year ago. The year-on-year decline was attributable to higher costs incurred in connection with industrial production processes established for the new injection-moldable PTFE material Moldflon®, as well as for the introduction of new production plant aimed at optimizing manufacturing workflow. Higher R&D expenses associated with new projects as well as start-up activities relating to the newly founded subsidiary in China also had an impact. Demand for PTFE products from customers within the automotive, mechanical engineering, chemical and biomedical engineering sectors remained solid.

ElringKlinger recorded a slight increase in sales generated within the Industrial Parks segment. EBIT declined to EUR 0.9 (1.7) million. Rental income increased year on year. However, earnings in the first quarter of 2007 had been boosted by a gain of EUR 0.8 million from the disposal of properties.

Sales by Segment

1st Quarter 2008 (prior year)

in %

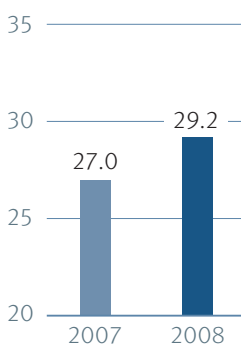


Disproportionate growth in EBIT

Despite efficiency gains, the deployment of pioneering production technology and the continued optimization of manufacturing processes, ElringKlinger was unable to offset fully the detrimental effects of spiraling energy costs and material prices. To a large extent, the Group managed to hedge alloy surcharges for nickel by applying derivative instruments. The prices for aluminum and plastic granules rose heavily. The cost of sales was 7.6% higher than in the same period a year ago. The gross profit margin stood at 33.0%, slightly down on last year's first-quarter figure of 33.8%.

Within this context, it should be noted that provisions recognized in connection with ElringKlinger's employee profit-sharing program rose by EUR 0.8 million year on year. Additionally, the Group recorded one-off costs of EUR 0.3 million relating to the full takeover of its Spanish subsidiaries.

EBIT
1st Quarter
in EUR million

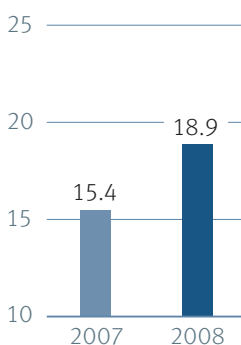


In total, selling as well as general and administrative expenses climbed at a slower rate than sales. Research and development expenses amounted to EUR 7.9 million in the first three months of 2008, after EUR 7.6 million in the same period a year ago. In total, EUR 0.5 (0.4) million of the development expenses were capitalized. At EUR 0.4 (0.3) million, systematic depreciation/amortization was comparable in scale.

Due to extensive capital expenditure in previous periods, depreciation/amortization increased at a faster rate than sales, up 8.3%. Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 8.2% to EUR 40.5 (37.4) million. Earnings before interest and taxes (EBIT) rose by 8.1% to EUR 29.2 (27.0) million, thus producing an EBIT margin of 17.9% (17.6%).

Net income after minority interests grows by 23%

Profit attributable
to Shareholders of
ElringKlinger AG
1st Quarter
in EUR million



Despite higher interest expenses, the net finance costs improved slightly, as a result of which earnings before taxes increased by 7.0% to EUR 27.6 (25.8) million.

Prompted mainly by the corporate tax reform in Germany, the tax rate fell to 28.6% (35.3%). Against this backdrop, net income grew at a faster pace than sales, up 18.0% to EUR 19.7 (16.7) million. Net income after minority interests thus increased by 22.9% to EUR 18.9 (15.4) million.

On this basis, earnings per share amounted to EUR 0.98 (0.80) in the first quarter of 2008. The number of ElringKlinger AG shares issued remained unchanged at 19,200,000.

Higher staffing levels due to capacity increase

As of March 31, 2008, the Group employed 3,667 (3,335) people. Thus, the total headcount rose by 10.0% compared with the same period a year ago.

At the end of the first quarter, the number of people employed in Germany stood at 2,341 (2,161). The year-on-year rise in staffing levels was attributable to the increase in production volumes, the expansion of research and development capacity at the parent company as well as a recruitment drive by ElringKlinger Kunststofftechnik GmbH.

The headcount at ElringKlinger's foreign subsidiaries and affiliated companies rose faster than in Germany, up 12.9% to 1,326 (1,174). This was prompted by expansion activities at the Group's international production sites, the emphasis being on Mexico, China and Korea, as well as by the start-up of ElringKlinger's manufacturing plant in Ranjangaon (Pune/India).

Net Assets and Financial Position

Equity ratio remains at 49%

In terms of assets and liabilities, the financial position of the ElringKlinger Group remained solid, thus providing a good basis for the continued financing of growth within the Group.

Compared with March 31, 2007, total assets rose by 17.9% to EUR 594.4 (504.0) million.

Due to strong investments, property, plant and equipment increased by EUR 52.0 million to EUR 267.8 (215.8) million. The acquisition of additional interests in ElringKlinger Kunststofftechnik GmbH and the full takeover of the Spanish subsidiaries ElringKlinger, S.A. and ElringKlinger Sealing Systems, S.L., led to a EUR 16.3 million increase in intangible assets compared with the figure posted at March 31, 2007.

Non-current assets accounted for 60.3% (58.1%) of total assets.

Prompted by higher sales and more extensive stockpiling of merchandise for the free aftermarket sourced from suppliers in Asia, inventories rose by EUR 14.7 million to EUR 108.5 (93.9) million. By contrast, this item's percentage share of total

assets was scaled down from 18.6% to 18.2%. Compared with December 31, 2007, the amount of capital tied up in inventories held by the Group was reduced by EUR 4.8 million.

Trade receivables increased by EUR 9.2 million compared with March 31, 2007, and amounted to EUR 105.3 (96.1) million. At the same time, their share of total assets fell from 19.1% to 17.7%.

Shareholders' equity increased by EUR 43.5 million to EUR 291.4 (247.9) million. The equity ratio for the Group was 49.0% (49.2%).

Non-current financial liabilities rose by EUR 5.9 million to EUR 54.3 (48.3) million.

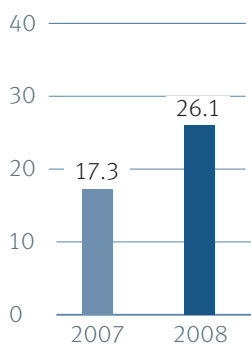
Current financial liabilities were expanded by EUR 39.9 million to EUR 56.1 (16.2) million for the purpose of financing capital expenditure and the acquisition of interests in affiliates. Trade payables rose by EUR 5.3 million compared with March 31, 2007.

Overall, liabilities accounted for 51.0% (50.8%) of the balance sheet total, thus remaining largely unchanged year on year.

Net cash from operating activities rises by 50%

ElringKlinger generated an operating cash return of 16.0% in the first quarter of 2008 and posted operational free cash flow of EUR 2.3 (4.1) million before payments for acquisitions. This was achieved against the backdrop of a EUR 9.8 million increase in capital expenditure on property, plant and equipment as well as investment property.

Net cash from operating activities
1st Quarter
in EUR million



Supported by higher earnings before taxes and improved working capital management, the Group managed to expand net cash from operating activities by EUR 8.7 million, that is 50.4%, in the first quarter of 2008. At EUR 4.0 (23.3) million, the increase in inventories and trade receivables as well as other assets was significantly lower than a year ago, despite the increase in sales. At the same time, trade payables and other liabilities fell by EUR 6.6 million and had a corresponding effect on operating cash flows. In the first quarter of the 2007 financial year trade payables had increased by EUR 9.6 million. In total, net cash from operating activities stood at EUR 26.1 (17.3) million.

In view of the significant investments made by the ElringKlinger Group in line with its financial plans and due to the EUR 10.5 million stronger year-on-year increase in payments attributable to property, plant and equipment, investment property as

well as intangible assets, net cash used in investing activities rose to EUR 37.8 (13.3) million. The main focus of investments was on preparations for new product ramp-ups, capacity expansion and streamlining projects. The takeover of the remaining minority interests in ElringKlinger's subsidiaries in Spain accounted for EUR 14.0 million.

For the purpose of financing these investments, ElringKlinger extended its current financial liabilities by EUR 14.9 million in the first quarter of 2008. Net cash from financing activities thus amounted to EUR 12.1 million in the first quarter of 2008, compared with EUR 2.1 million in net cash used during the same period a year ago.

As of March 31, 2008, cash amounted to EUR 8.1 (7.5) million.

Significant Events

ElringKlinger announces full takeover of Spanish subsidiaries

Effective from March 7, 2008, the ElringKlinger Group acquired the 49% interest in ElringKlinger, S.A., Reus/Spain, held by the subsidiary's former co-owner. In addition, ElringKlinger purchased the remaining 10% interest in ElringKlinger Sealing Systems, S.L., also based in Reus. In doing so, ElringKlinger underlined its commitment to the strategy of acquiring in full any minority interests held in Group entities. In 2007, the two Spanish subsidiaries generated sales of EUR 32.2 million in total and achieved an operating margin towards the lower end of the double-digit range. Around half of sales revenue is generated with the ElringKlinger Group. Both subsidiaries had already been included in the consolidated group prior to the full takeover. ElringKlinger Sealing Systems, S.L. operates as a production enterprise for the manufacture of plastic cam covers. ElringKlinger, S.A. has established itself as a specialist within the area of high-end rubber and rubber/metal components, manufacturing elastomer and metal-elastomer gaskets under cleanroom conditions. As ElringKlinger is now holding a 100% stake in both companies the two subsidiaries will be merged.

Opportunities and Risks

As regards the assessment of opportunities and risks for the ElringKlinger Group in the first quarter of 2008, there were no significant changes to the opportunities and risks discussed in ElringKlinger's annual report for the 2007 financial year.

There would appear to be a more tangible risk of economic slowdown as the global financial crisis gradually envelops other parts of the general economy. This in turn has heightened the risk of a further downturn in the automobile industry, particularly in the well-established markets of the US, Europe and Japan.

Another significant risk identified by ElringKlinger is a further increase in material prices. Increasingly, rising energy prices, especially soaring crude oil prices, pose a challenge for the company as well as for the demand side in the automotive industry.

Outlook

The global economy is displaying signs of weakness. Against this backdrop, the forecast for global economic growth in 2008 was revised downwards recently from 4.2% to 3.7%.

Germany's domestic economy has also cooled markedly but will nevertheless continue to grow. In recent weeks the economic outlook for 2008 as a whole has gradually been scaled down to just 1.4% growth in GDP.

In Europe likewise, GDP is projected to grow at just 1.4%.

In the US, the economy is forecast to grow by a mere 0.5% in 2008.

For 2008 ElringKlinger is anticipating stagnating car sales in the German as well as in the European vehicle market overall. Demand is likely to be driven by the sustained trend towards diesel engines as well as by the increasing focus on compact, turbo-charged petrol engines and more fuel-efficient automatic transmissions.

Despite the subdued level of market activity already witnessed in this region, the general malaise to have beset the North American automobile sector is expected to continue throughout 2008. Indeed, a decline in vehicle sales to under 15.0 (16.1) million units is a distinct possibility.

Growth in vehicle sales is expected to be driven mainly by the emerging markets of China, India, South America and Eastern Europe, is likely to be slightly less pronounced in 2008 than in the preceding year and will not be sufficient to offset fully the decline in car production within the established triade markets of the US, Europe and Japan.

The ElringKlinger Group can tackle the rest of the financial year with a solid level of orders at hand. At the end of the first quarter, order backlog was 18.2% up on last year's first-quarter figure, reaching a new record of EUR 247.4 (209.3) million. Order intake grew at a slightly faster rate than sales growth in the first quarter, rising by 7.1% to EUR 165.1 (154.1) million.

The market continues to be dominated by significant pricing pressure exerted by vehicle manufacturers as well as intense competition. Margins have been adversely affected by elevated material prices within the area of alloy surcharges for high-grade spring steel, together with price rises for crude steel, aluminum and oil-based synthetic granules. ElringKlinger anticipates that prices for these materials will remain high or will even continue to rise.

The Group is currently channeling significant resources into the start-up of its New Business Areas division, the emphasis being on fuel cell components as well as efforts to optimize production processes for the company's diesel particulate filter concept with a view to phasing in mass production. At ElringKlinger Kunststofftechnik major preparations are underway to commence industrial manufacturing of Moldflon® products.

In raising efficiency levels through further automation, cost streamlining and enhanced production processes, ElringKlinger has been able to unlock the potential required to achieve its earnings improvements targeted for 2008. The introduction of new products to the portfolio and the company's focus on technologies designed to address key issues relating to the reduction in emissions and fuel consumption as well as the use of alternative energies and propulsion systems are essential to generating growth in a market environment that is generally characterized by stagnation.

The ElringKlinger Group is targeting 5 to 7% organic growth in sales revenues for the 2008 financial year. Adjusted for non-recurring effects, net income after minority interests (profit attributable to shareholders of ElringKlinger AG) is to grow at a more pronounced rate than sales. In 2007, profit had been buoyed by exceptional income of EUR 3.2 million after taxes from insurance payments in connection with the fire at an ElringKlinger plant in Germany and one-time income of EUR 5.5 million from the revaluation of deferred tax items – prompted by Germany's corporate tax reform. In addition, the recently acquired SEVEX Group will contribute to ElringKlinger Group's sales and earnings development on a pro rata basis in 2008.

Events after the Reporting Period

Inauguration of new plant in India

On April 12, 2008, the official inauguration of ElringKlinger Automotive Components (India) Pvt. Ltd. in Ranjangaon near Pune took place. Production at the site had commenced in November 2007. In 2008 the new Indian subsidiary will ramp-up 23 starts of production and will already contribute to Group sales and earnings.

Agreement on the sale of the SEVEX Group to ElringKlinger comes into effect

In mid-April, ElringKlinger AG acquired the Swiss manufacturer of thermal and acoustic shielding systems SEVEX AG, based in Sevelen, Switzerland. The agreement for the purchase of the company came into effect following the receipt of official approval to the transaction by the antitrust authorities. Alongside the Swiss parent company, ElringKlinger acquired the US subsidiary SEVEX North America, Inc., Buford, Georgia, as well as SEVEX Asia, based in Suzhou, China.

The purchase price was within a range of 7 to 8 times EBIT. Inclusion in the consolidated group will take place effective from April 1, 2008. The SEVEX Group forecast sales of CHF 95 million (EUR 59 million) for the financial year as a whole. The company, that has been renamed ElringKlinger Abschirmtechnik (Schweiz) AG, will thus make a pro-rata contribution to sales and earnings of the ElringKlinger Group in 2008. In acquiring SEVEX, ElringKlinger has advanced to become the second largest supplier of shielding systems for engines, underbodies and exhaust tracts worldwide.

Interest in Marusan Corporation increased to 50%

ElringKlinger continues to expand its business activities in Asia, increasing its interest in Japanese gasket manufacturer Marusan Corporation from 10% to 50% at the beginning of May. The purchase price for the additional 40% stake in the company was within a range of 0.3 to 0.4 times sales.

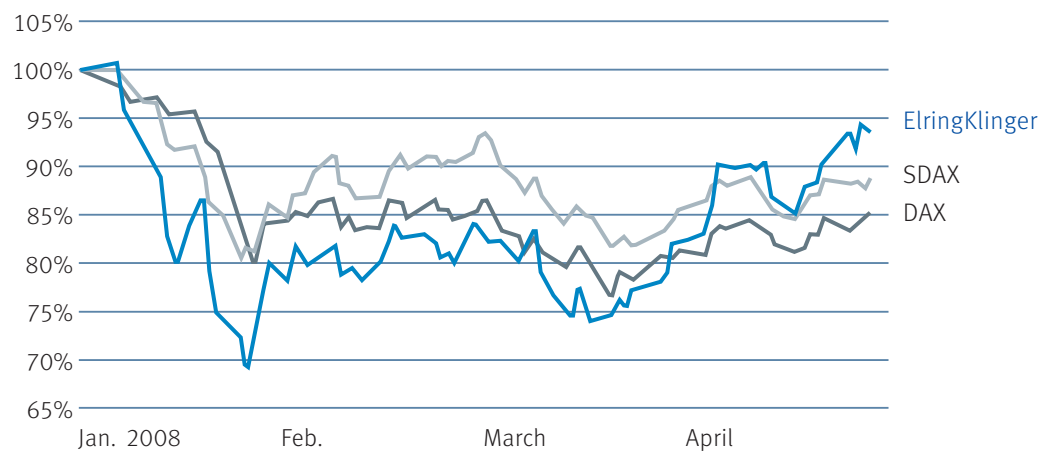
The rationale behind ElringKlinger's latest move is to accelerate sales growth vis-à-vis Japanese vehicle manufacturers and strengthen the company's position within the Asian market. The existing sales joint venture ElringKlinger Marusan Corporation will be merged with Marusan. Marusan Corporation – in future ElringKlinger Marusan Corporation – produces cylinder-head gaskets, specialty gaskets, heat shields and plastic housing modules for cars and commercial vehicles. The company has forecast sales of approx. EUR 45 million for 2008. With ElringKlinger Marusan Corporation the ElringKlinger Group has now established a production hub for the supply of components to Japanese customers directly from within the Japanese market.



Share Performance

At the end of 2007, ElringKlinger's SDAX-listed shares stood at EUR 85, more than 70% above the previous year's closing price. In the wake of extreme capital market turbulence triggered by the US subprime mortgage crisis, the company's share price then receded to just under EUR 54 in mid-January 2008. By the beginning of February the stock had recovered again, reaching a price level of around EUR 70. In March, the share price trended between EUR 62 and EUR 70, closing the first quarter at EUR 70.99. Since the beginning of the year until late April 2008 ElringKlinger stock outperformed its industry peer group as well as the benchmark DAX and SDAX indices.

ElringKlinger's Share Price Performance (XETRA) since January 1, 2008, compared to SDAX and DAX



Further rise in trading volume

Trading in ElringKlinger shares continued to develop at an encouraging level over the course of the first three months of 2008. The average daily volume of shares traded on the stock exchange rose from around EUR 1,044,000 in the first quarter of 2007 to EUR 2,793,000 in the first quarter of 2008. This represents an increase of 168%. Despite the higher share price, the average number of ElringKlinger shares traded per day also rose, doubling from 19,500 to 40,600 shares. In view of the significant increase in the liquidity of ElringKlinger stock, the medium-term prospects of an MDAX listing have improved considerably.

Activities within the capital markets

ElringKlinger took part in an international capital markets conference in Frankfurt in the first quarter of 2008. A number of investors and analysts from Germany as well as from the international investment community visited ElringKlinger's facility in Dettingen/Erms in order to gain an impression of the company, its manufacturing processes and new product developments. Over the course of the financial year, ElringKlinger will present its business model to a broad range of international investors at various capital markets conferences and roadshows in Germany and abroad.

Dividend for 2007 financial year

The 103rd Annual General Meeting of ElringKlinger AG takes place on May 30, 2008, at the Liederhalle Congress Center in Stuttgart. The Management Board and Supervisory Board will put forward a proposal to the Annual General Meeting for a 12% dividend increase, taking the dividend to EUR 1.40 (1.25) per share. The total dividend payout will thus rise to EUR 26.9 million.

1:3 stock split planned

The Management Board and Supervisory Board will propose to the Annual General Meeting on May 30, 2008, a stock split in a ratio of 1:3. If this proposal is accepted by the Annual General Meeting, shareholders of ElringKlinger at the date of issue will receive three new shares for each share held. As a result of the split, the overall number of shares will increase threefold from 19,200,000 to 57,600,000. At the date of issue, ElringKlinger's share price will thus adjust downwards to a third of its pre-split price. The exact date of the initial listing has yet to be set. The stock split will have no effect on the company's ownership structures or equity.

ElringKlinger Stock (ISIN DE0007856023)

	1 st Quarter 2008	1 st Quarter 2007
Number of shares as of March 31	19,200,000	19,200,000
Share price (daily closing price in EUR)		
High	85.25	58.50
Low	58.88	49.50
Closing price on March 31	70.99	58.47
Average daily trading volumes (German stock exchanges; no. of shares)	40,600	19,500
Average daily trading volumes (German stock exchanges; in EUR '000)	2,793	1,044



Consolidated Income Statement

For the period from January 1 to March 31, 2008

	1 st Quarter 2008	1 st Quarter 2007
	EUR '000	EUR '000
Sales	162,800	153,000
Cost of sales	-109,000	-101,300
Gross profit	53,800	51,700
Selling expenses	-10,600	-10,000
General and administrative expenses	-6,800	-6,600
Research and development expenses	-7,900	-7,600
Other operating income	1,900	1,000
Other operating expenses	-1,400	-1,000
Operating result	29,000	27,500
Financial income	2,700	200
Financial costs	-4,100	-1,900
Net finance costs	-1,400	-1,700
Earnings before taxes	27,600	25,800
Taxes on income	-7,900	-9,100
Net income	19,700	16,700
Minority interests	811	1,333
Profit attributable to shareholders of ElringKlinger AG	18,889	15,367
Diluted and undiluted earnings per share in EUR	0.98	0.80

Consolidated Balance Sheet

ASSETS	March 31, 2008	Dec. 31, 2007	March 31, 2007
	EUR '000	EUR '000	EUR '000
Intangible fixed assets	44,324	37,037	28,027
Property, plant and equipment	267,821	256,339	215,781
Investment property	29,662	30,442	31,519
Financial assets	4,624	4,543	4,530
Other non-current assets	5,157	5,127	5,366
Deferred tax assets	6,614	7,452	7,789
Fixed assets	358,202	340,940	293,012
Inventories	108,549	113,371	93,850
Trade receivables	105,255	93,585	96,064
Other current assets	14,298	17,224	13,549
Cash	8,140	7,405	7,525
Current assets	236,242	231,585	210,988
	594,444	572,525	504,000
LIABILITIES AND SHAREHOLDERS' EQUITY	March 31, 2008	Dec. 31, 2007	March 31, 2007
	EUR '000	EUR '000	EUR '000
Share capital	57,600	57,600	57,600
Capital reserve	2,747	2,747	2,747
Revenue reserves	218,874	205,229	170,323
Shareholders' equity before minority interests	279,221	265,576	230,670
Minority interests	12,179	15,484	17,263
Shareholders' equity	291,400	281,060	247,933
Provisions for pensions	54,944	54,430	53,882
Non-current provisions	6,579	6,508	8,793
Non-current financial liabilities	54,272	56,877	48,332
Deferred tax liabilities	28,763	26,505	31,060
Other non-current liabilities	15,942	16,857	15,074
Non-current liabilities	160,500	161,177	157,141
Current provisions	9,405	8,105	10,490
Trade payables	30,442	38,375	25,126
Liabilities to affiliated companies	0	0	11
Current financial liabilities	56,097	41,245	16,242
Tax payables	8,484	10,104	8,116
Other current liabilities	38,116	32,459	38,941
Current liabilities	142,544	130,288	98,926
	594,444	572,525	504,000

Consolidated Cash Flow Statement

	1 st Quarter 2008	1 st Quarter 2007
	EUR '000	EUR '000
Earnings before taxes	27,600	25,800
Depreciation/Amortization (less write-ups) of non-current assets	11,440	10,425
Net interest	1,596	1,200
Change in provisions	1,188	1,323
Loss (p. y. gain) from disposal of intangible assets and of property, plant and equipment	130	-810
Increase in inventories, trade receivables and other assets not resulting from financing and investing activities	-3,952	-23,273
Decrease (p. y. increase) in liabilities not resulting from financing and investing activities	-6,648	9,627
Income taxes paid	-4,146	-6,514
Interest paid	-895	-627
Interest received	100	150
Currency effects on items relating to operating activities	-352	27
Net cash from operating activities	26,061	17,328
Proceeds from disposals of intangible assets and of property, plant and equipment	905	888
Proceeds from disposals of financial assets	101	2
Payments for investments in intangible assets	-716	-21
Payments for investments in property, plant and equipment and investment properties	-23,907	-14,120
Payments for investments in financial assets	-188	-5
Payments for the acquisition of consolidated entities	-14,035	0
Net cash from investing activities	-37,840	-13,256
Dividends paid to shareholders and minorities	-6	0
Changes in current financial liabilities	14,852	-9
Changes in non-current financial liabilities	-2,605	-2,048
Currency effects on items relating to financing activities	-149	1
Net cash from financing activities	12,092	-2,056
Changes in cash	313	2,016
Currency effects on cash	422	56
Cash at beginning of period	7,405	5,453
Cash at end of period	8,140	7,525

Statement of Changes in Equity

1st Quarter 2008

	Share capital	Capital reserve	Revenue reserves				Total	Minority interests	Group equity
			Revenue reserve first-time adoption of IFRS	Currency translation differences	Group equity generated				
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	
As of Dec. 31, 2006	57,600	2,747	26,181	-5,706	134,419	154,894	15,957	231,198	
Adjustments due to consolidation				62		62	-27	35	
Period income					15,367	15,367	1,333	16,700	
As of March 31, 2007	57,600	2,747	26,181	-5,644	149,786	170,323	17,263	247,933	
As of Dec. 31, 2007	57,600	2,747	26,181	-7,275	186,323	205,229	15,484	281,060	
Dividends paid							-6	-6	
Adjustments due to consolidation					-5,235	-5,235	-203	-5,438	
Other changes							-3,916	-3,916	
Period income					18,889	18,889	811	19,700	
As of March 31, 2008	57,600	2,747	26,181	-7,275	199,997	218,883	12,170	291,400	

Group Sales by Region

	1 st Quarter 2008	1 st Quarter 2007
	EUR '000	EUR '000
Germany	55,220	49,792
Change compared to prior year in %	10.9	
Rest of Europe	59,688	54,635
Change compared to prior year in %	9.2	
NAFTA	25,009	27,544
Change compared to prior year in %	-9.2	
Asia and Australia	14,084	13,288
Change compared to prior year in %	6.0	
South America and others	8,799	7,741
Change compared to prior year in %	13.7	
Group	162,800	153,000
Change compared to prior year in %	6.4	

Segment Reporting

1st Quarter 2008/1st Quarter 2007

	Original Equipment		Aftermarket		Engineered Plastics	
	2008	2007	2008	2007	2008	2007
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Segment sales	135,993	129,710	28,339	28,032	18,466	17,233
- Intersegment sales	-4,117	-5,861	0	0	0	0
- Consolidation	-17,069	-17,019	-2,189	-2,091	-29	-38
Sales	114,807	106,830	26,150	25,941	18,437	17,195
EBIT	19,055	16,069	5,321	5,136	3,542	3,721
Amortization & depreciation	-10,337	-9,390	-145	-140	-499	-456
Investments	30,299	12,554	2,540	202	2,765	1,127

	Industrial Parks		Services		Group	
	2008	2007	2008	2007	2008	2007
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Segment sales	2,101	2,034	2,133	1,836	187,032	178,845
- Intersegment sales	0	0	0	0	-4,117	-5,861
- Consolidation	0	0	-828	-836	-20,115	-19,984
Sales	2,101	2,034	1,305	1,000	162,800	153,000
EBIT	872	1,733	410	341	29,200	27,000
Amortization & depreciation	-279	-282	-180	-163	-11,440	-10,431
Investments	73	8	173	250	35,850	14,141

Notes to the First Quarter of 2008

The interim report of the ElringKlinger Group as of March 31, 2008, has been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, as well as in compliance with the additional provisions set out in Section 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB).

Required Disclosures

The interim report is unaudited. There were no material changes to the accounting policies applied to the 2007 consolidated financial statements over the course of the first quarter of 2008.

The cost-of-sales (also referred to as function-of-expense) method has been applied when preparing the income statement. The Group currency is the euro.

In addition to the financial statements of ElringKlinger AG, the interim report as of March 31, 2008, includes 4 domestic and 16 foreign subsidiaries. Subsidiaries are entities in which the parent company holds more than half of the voting rights or over which, for other reasons, it has the power to govern the financial and operating policies (“Control”).

In the first quarter of 2008, ElringKlinger AG acquired an additional 49% interest in the subsidiary Elring Klinger, S.A., Reus, Spain (EKSA), as well as a 10% interest in the subsidiary ElringKlinger Sealing Systems, S.L., Reus, Spain (EKSL), and thus became the sole owner of both entities effective from March 7, 2008.

The purchase price amounted to EUR 14,000 thousand, while the additional ancillary costs of purchase stood at EUR 35 thousand.

The acquisition of minority interests has been accounted for in the interim report by applying the purchase method. As part of this method, the initial step was to identify and realize on a pro rata basis any hidden reserves and hidden charges in the recognized or unrecognized assets and liabilities of EKSA and EKSL. The pro rata hidden reserves of EUR 3,585 thousand were allocated to land and buildings, while deferred tax liabilities amounted to EUR 1,075 thousand and minority interests to EUR 3,915 thousand. The remainder of EUR 7,575 thousand was recognized as goodwill. The portion of the purchase price attributable to goodwill was paid first and foremost in recognition of the favorable earnings prospects of EKSA and EKSL.

The two joint-venture companies ElringKlinger Korea Co., Ltd., Changwon, South Korea, and ElringKlinger Marusan Corporation, Tokyo, Japan, were included in the interim report on the basis of proportionate consolidation in accordance with IAS 31.

The investment in Marusan Corporation, Tokyo, Japan, was recognized at cost.

The financial year for all consolidated entities corresponds to the financial year of the parent company.

Exchange rates developed as follows:

		Closing rate = EUR 1		Average rate = EUR 1	
		March 31, 2008	Dec. 31, 2007	2008	2007
US Dollar (USA)	USD	1.5808	1.4718	1.52903	1.37871
Pound Sterling (UK)	GBP	0.7954	0.7347	0.76913	0.68727
Canadian Dollar (Canada)	CAD	1.6165	1.4450	1.53157	1.46517
Real (Brazil)	BRL	2.7400	2.6208	2.63297	2.65601
Peso (Mexico)	MXN	16.9300	16.0381	16.44000	15.06080
RMB (China)	CNY	11.0874	10.7494	10.85707	10.44672
WON (South Korea)	KRW	1,564.2000	1,377.4600	1,464.55667	1,279.07417
Rand (South Africa)	ZAR	12.8100	10.0300	11.85333	9.66725
Yen (Japan)	JPY	157.3800	165.1000	157.81000	162.09167
Forint (Hungary)	HUF	260.6000	252.0000	261.13333	251.350000
Indian Rupee (India)	INR	63.2500	57.8600	60.80000	56.59667

In the first quarter of 2008 derivative financial instruments were utilized for the purpose of hedging interest rate risk, smoothing the volatility of purchasing prices for raw materials (particularly nickel) and hedging receivables denominated in Canadian dollars and Mexican pesos.

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2007 were not subject to significant changes in the first quarter of 2008.

In the first quarter of 2008 various expenses totaling EUR 560 thousand were incurred in connection with the production building destroyed by fire at the Runkel facility in 2007. These items were covered fully by insurance benefits, as a result of which they had no impact on the financial performance of the ElringKlinger Group.

Events after the Reporting Period

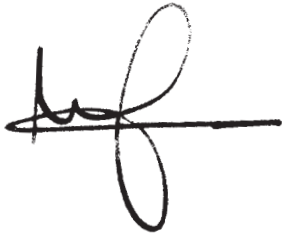
In April, ElringKlinger AG concluded its purchase transaction relating to the SEVEX Group. The SEVEX Group is to be integrated into the Shielding Technology division of the ElringKlinger Group.

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, May 8, 2008

The Management Board



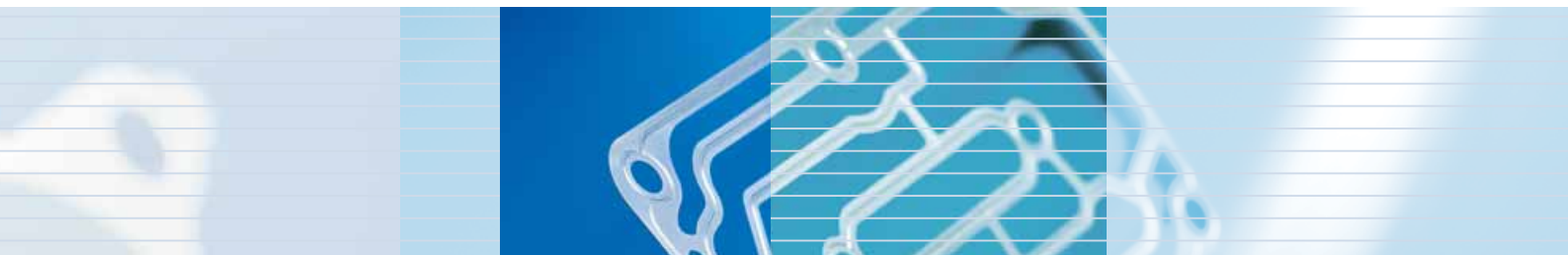
Dr. Stefan Wolf



Theo Becker



Karl Schmauder



Disclaimer – Future-oriented Statements and Predictions

This report 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.

The English version of this report is a translation of the original German report. Only the German version of this report is legally binding.

Calendar

103 rd Annual General Shareholder Meeting Cultural and Congress Centre Liederhalle, Stuttgart, Hegelsaal, 10.00 CET	May 30, 2008
Dividend distribution	June 2, 2008
Interim Report on the 2 nd Quarter of 2008	August 7, 2008
Automechanika (Frankfurt)	September 16–21, 2008
Engine Trade Show “Motoren-Kolloquium Aachen”	October 6–8, 2008
International Supplier Fair (IZB) (Wolfsburg)	October 29–31, 2008
Interim Report on the 3 rd Quarter of 2008	November 6, 2008
German Equity Forum (Frankfurt)	November 10–12, 2008
Absolventenkongress (Cologne)	November 19–20, 2008
International Automotive Transmission Symposium Berlin	December 1–5, 2008
104 th Annual General Shareholder Meeting Cultural and Congress Centre Liederhalle, Stuttgart, Hegelsaal, 10.00 CET	May 28, 2009

We would be pleased to e-mail you our interim reports as a PDF file. Please send your e-mail address to: stephan.haas@elringklinger.de or give us a call at +49 (0)71 23/724-137

Further information is available at www.elringklinger.de



Address

ElringKlinger AG | Max-Eyth-Straße 2 | D-72581 Dettingen/Erms | Phone +49(o) 71 23/724-0 | Fax +49 (o) 71 23/724-90 06
www.elringklinger.de

Contact Investor Relations

Stephan Haas | Phone +49(o) 71 23/724-137 | Fax +49(o) 71 23/724-641 | E-Mail: stephan.haas@elringklinger.de