IN MOTION

Report on the First Quarter of 2009

elringklinger

Meeting a challenge takes substance.

Companies that prove their caliber over decades – companies like ElringKlinger, in fact – possess the ability to strengthen their competitive position even in the toughest of times. The sure-footed strategy that we pursue has established us as a reliable technology partner to the automobile industry and other sectors. Through consistent innovation – and never losing sight of our fundamental values – we develop future-oriented solutions that keep our customers moving.

To enable us to achieve our aims, we have a team that spans the globe. It is our staff's ideas and commitment that form the foundations for success in our traditional, as well as new fields of business. Our potential to meet every challenge is based on real substance.

Substance | Expertise | Commitment

Contents

| Reliability | Sustainability

Economic and Business Climate

Global economic downturn continues

The contraction of the world economy continued unabated over the course of the first three months of 2009. Indeed, global economic output is now shrinking significantly for the first time since 1929/30. Despite international efforts to stabilize the financial sector and stimulate the economy as a whole, there are no visible signs of a turnaround in the near future.

In Germany, the gross domestic product (GDP) slumped by 6.3% in the first quarter of 2009, while the eurozone recorded a fall of 4.0% in GDP over the same period.

Economic output in Russia contracted by 8.0% in the first quarter of this year, prompted by lower demand for industrial goods and tighter credit markets.

Calculated on an annualized basis, the US economy declined by 6.1% in the first three months of 2009, which was more severe than originally anticipated. Private consumption, which accounts for around 70% of the US gross domestic product, fell sharply.

After a relatively stable performance in 2008, South America also showed signs of a downturn in the first quarter of 2009. In Brazil, for example, the GDP declined by 1.2%.

There was no consistent trend with regard to economic output in Asia during the first quarter of the current year, although the substantial rates of growth experienced until recently in the buoyant markets of the emerging economies came under significant pressure. China's GDP grew by 6.1% in the first quarter. The Indian economy also recorded an expansion of 5.9% during the period under review. By contrast, however, Japan's GDP plunged by 7.9% in the first three months of 2009.

Global automobile markets remain extremely weak

The continued slump in demand for vehicles as a result of general uncertainties as to the future direction of the economy as well as more restrictive terms of credit has placed significant pressure on automobile markets around the globe. In a business climate that is unprecedented in its severity, global automobile sales fell by 21.6% in the first three months of 2009. In the well-established vehicle markets of Western Europe, North America and Japan, which are of particular importance to ElringKlinger, sales volumes contracted by 26.4% in aggregate. Owing to the downturn in demand and the level of existing stock, many vehicle manufacturers scaled back their production by 35.0 to 40.0% in the first quarter. Therefore, the cutbacks made within the area of new vehicle production were even more severe than the decline in sales volumes.

Significant production cutbacks despite Germany's scrappage incentive

The announced revamp of Germany's vehicle taxation policy and the introduction of a car-scrappage incentive aimed at stimulating demand for new, more environmentally friendly vehicles had a stabilizing effect on the domestic market. In the first quarter of 2009 the German car market grew by 18.0% year on year calculated on the basis of new vehicle registrations. By contrast, exports were down 38.0%, with just 0.7 million vehicles having been sold abroad. In view of the latest trend in exports, domestic manufacturers scaled back their production levels even further. German car production totaled just over 1.0 million vehicles, which was 33.0% down on the figure posted in the first quarter of 2008. In fact, this is the lowest level of output recorded in fifteen years.

In the first quarter of 2009, new car registrations declined by 17.2% in Europe as a whole. Vehicle production fell at an even more pronounced rate of 35.0% during the same period following extensive downsizing by manufacturers. Car sales contracted by 16.3% in Western Europe and by 28.6% in Eastern European markets during the first three months of 2009. Europe's second-largest automobile market, Russia, saw new car registrations slump by 37.8% in the first quarter of 2009.

In North America, production levels were cut back dramatically by all manufactures in the first three months of 2009. At 1.1 (2.5) million units produced, the overall manufacturing output of cars and light commercial vehicles in the United States was 56.3% down on the figure posted for the first quarter of 2008. New vehicle registrations in the US stood at 2.2 (3.6) million units in the first three months of 2009, which corresponds to a decline of 38.4% compared to the weak figure recorded for the same quarter last year. On a more positive note, the cutbacks in production were significantly higher than the decline in new vehicle registrations, as a result of which stock levels were scaled back. This suggests that production may receive fresh impetus again over the remainder of the year.

The performance of the South American automobile market was encouraging in the first quarter of 2009. At 642,000 units, Brazil, for instance, recorded a 4.0% year-on-year rise in the number of cars sold.

Demand for cars in China and India better than expected

In contrast to the Japanese automobile market, which recorded a 23.4% decline in the first quarter of 2009 compared with the same period a year ago, the emerging markets within Asia developed solidly in the period under review. Recording 1.6 (1.4) million new car registrations in total, the Chinese automobile market achieved a year-on-year increase of 12.9%. Within this context, demand was boosted to a certain extent by a sales stimulus package introduced by the Chinese government in the form of significant tax breaks associated with vehicle purchases. In India, the number of new vehicles sold rose by 1.6% year on year during the first three months.

Slump in demand for commercial vehicles

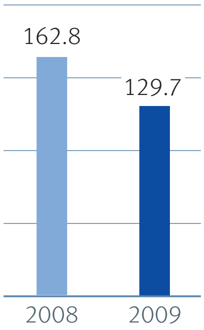
The global recession prompted a severe decline in demand for commercial vehicles in the first three months of 2009. New registrations within the European commercial vehicle market contracted by 38.2% compared to the first quarter of 2008. Following relatively stable commercial vehicle sales figures in Western Europe up to the third quarter of 2008, the number of commercial vehicles sold in Europe in the first quarter of 2009 fell to just 67,192 units, which corresponds to a decline of 33.6%. At minus 66.2%, the overall weakness of the EU member states in Eastern Europe continued during the first three months of 2009. The US market for commercial vehicles saw truck sales of 53,000 units in the first quarter of 2009, down 34.0% on what had already been considered a sluggish Q1 2008. Both in Europe and the United States, the number of heavy commercial vehicles produced in some cases remained significantly below what were essentially extremely depressed sales figures.

Sales and Earnings Performance

Decline in sales following severe cutbacks in production by vehicle manufacturers

In the first quarter of 2009, sales generated by the ElringKlinger Group as a whole contracted by 20.3% to EUR 129.7 (162.8) million. This was attributable first and foremost to the unprecedented reduction in manufacturing output by vehicle manufacturers, which in turn was the result of extremely weak consumer demand as well as a significant build-up of unsold vehicles.

Sales 1st Quarter
in EUR million



The revenue contributions made by the former SEVEX Group and the investment in ElringKlinger Marusan Corporation, which were included for the first time in the Group's Q1 consolidated accounts (in 2008: as from April 1 and May 1 respectively) totaled EUR 17.6 million for the period under review. Overall, the ElringKlinger Group developed better than the global vehicle markets as a whole, which recorded a decline in car production by almost one-third. New product ramp-ups helped to compensate partially for the general market downturn, although here, too, the unit volumes requested by customers as part of their production scheduling were much lower than originally planned.

Performance by region

The number of markets able to buck the significant downward trend seen within the area of automobile production in the first quarter of 2009 was extremely limited. In fact, only China and India recorded slight gains during this period.

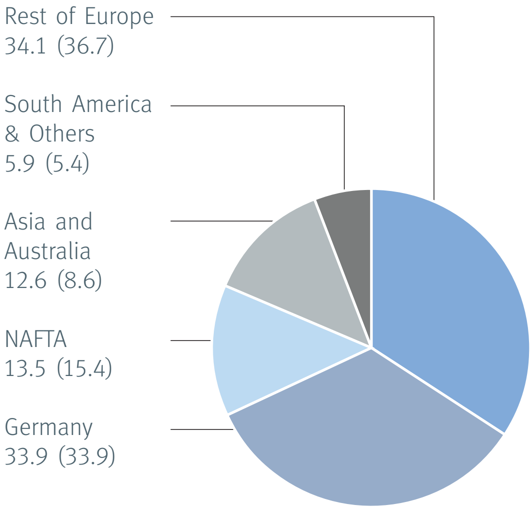
In Germany, sales generated by the ElringKlinger Group receded by 20.5% to EUR 43.9 (55.2) million. ElringKlinger Abschirmtechnik (Schweiz) AG (formerly SEVEX AG), who mainly supplies German customers, contributed to total revenue. The percentage share of domestic sales in relation to total Group revenue remained unchanged at 33.9%. Correspondingly, the proportion of sales generated by ElringKlinger within international markets stood at 66.1%.

In the rest of Europe sales contracted by 26.0%.

In the NAFTA region, the decline in vehicle production – down by more than 50% in the first three months of 2009 – also had a tangible effect on ElringKlinger's sales performance. Sales in the NAFTA region fell by 29.8% year on year to EUR 17.6 (25.0) million. Thanks to new ramp-ups and the strong position established by the company within the area of smaller, fuel-efficient engines, the ElringKlinger Group managed to limit the overall decline in sales, particularly when viewed against the backdrop of extremely weak market conditions.

Business in South America was more stable, which was attributable mainly to the relatively solid performance of the Brazilian subsidiary Elring Klinger do Brasil Ltda. In the region encompassing South America & Others the decline in sales by 13.1% to EUR 7.6 million was less pronounced when compared to the Group average.

Consolidated Sales by Region
1st Quarter 2009 (prior year)
in %



Although the level of growth within the Asian markets also receded visibly, the ElringKlinger Group succeeded in maintaining its forward momentum in this region, which has been one of the focal points for Group investments during the past two years. In Asia, sales rose by 16.5% to EUR 16.4 (14.1) million. This figure includes the contribution made by the former SEVEX subsidiary ElringKlinger China, Ltd. as well as the percentage of revenue attributable to the ElringKlinger Group from Elring-Klinger Marusan Corporation, Japan. Asia accounted for 12.6% of total Group revenue, up significantly from 8.6%.

Original Equipment outperforms market despite significant decline

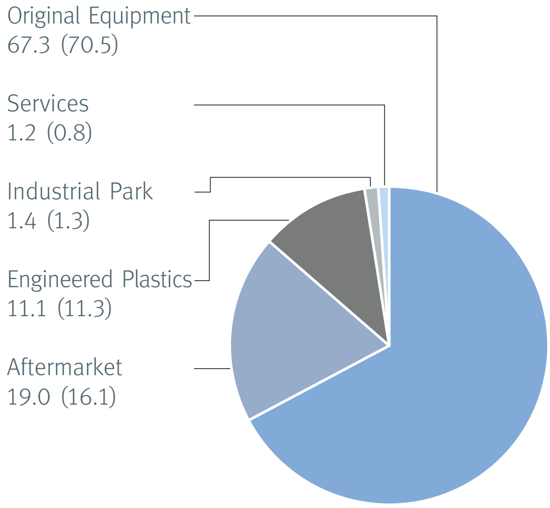
The Original Equipment segment recorded a decline in sales by 24.0% to EUR 87.3 (114.8) million in the first three months of 2009, despite the contribution made by the former SEVEX Group and ElringKlinger Marusan, whose sales are mainly derived from OEM business. Correspondingly, the share of OEM-related sales in total Group revenue fell to 67.3% (70.5%).

As a result of the significant decline in unit volumes, earnings before taxes for the Original Equipment segment declined to EUR -3.6 (18.0) million.

Shielding technology and specialty gaskets performed above average in the period under review. Both areas benefited from stronger interest in solutions for CO_2 reduction and downsizing with regard to new combustion engines.

The Aftermarket segment managed to buck the general trend within the automobile industry, which was dominated by a significant fall in demand. Within this segment, sales contracted by just 5.8% to EUR 24.6 (26.2) million. Having said this, the economic and financial crisis had an adverse effect on demand from wholesalers in some of the Group's key international markets such as Eastern Europe. In many markets, customers supplied by the Aftermarket segment were faced with more restrictive credit terms and reduced

Sales revenues by Segment
1st Quarter 2009 (prior year)
in %



access to financing, which was to the detriment of the Group's replacement parts business. Although there was evidence of greater hesitancy on the part of vehicle owners when it came to repairs and servicing, ElringKlinger was, to a certain extent, able to offset weaker demand by improving the availability of products and offering an expanded portfolio. What is more, the Group managed to extend its share of the Western European market.

The Aftermarket segment result before taxes was EUR 4.7 million, slightly down on the previous year's first-quarter result (EUR 5.0 million).

The Engineered Plastics segment had to contend with a 22.2% decline in sales as a result of sluggish demand in key sales markets, such as the automotive and mechanical engineering sector. By contrast, demand for PTFE products within the medical engineering and biotech sector remained solid. In total, this segment generated sales of EUR 14.3 (18.4) million.

Earnings before taxes within the Engineered Plastics segment were down 59.8% on last year's first-quarter result and stood at EUR 1.4 (3.5) million. In addition to the rapid decline in sales volumes, R&D expenses associated with new development projects – including the melt-processable material Moldflon® – as well as start-up costs in Asia incurred by the subsidiary ElringKlinger Engineered Plastics (Qingdao) Commercial Co., Ltd. in China, had an adverse effect on earnings.

The Industrial Parks segment recorded an 8.5% decline in revenue due to a tenancy that expired in 2008 at the Hungary industrial park. Rental income for the first quarter of 2009 stood at EUR 1.9 (2.1) million. Earnings before taxes amounted to EUR 0.6 (0.7) million.

The Service segment, which offers engine testing and other development services, managed to expand its sales revenue by 15.3% to EUR 1.5 (1.3) million. By contrast, earnings before taxes within the Services segment contracted to EUR 0.3 (0.4) million. This was attributable to initial costs associated with the operational start-up of the newly constructed building and test facility in Bietigheim-Bissingen as well as scheduled depreciation expenses relating to this investment. Additionally, Elring Klinger Motortechnik is further expanding its portfolio of future-oriented services within the field of SCR (Selective Catalytic Reduction), which are aimed at vehicle manufacturers and other automotive suppliers.

Positive impact from lower commodity prices yet to materialize

The incipient reduction in raw material prices has yet to have a significant positive impact on the Group's gross profit margin. The overall purchasing volume within the area of materials was scaled back considerably in the fourth quarter of 2008 and efforts to intensify working capital management have been made. To a large extent, the materials used over the course of the first quarter of 2009 were sourced from existing stock. As a result, the ElringKlinger Group has not yet benefited from the general decline in prices associated with nickel-based alloy surcharges.

Owing to settlement payments in connection with commodity price hedging for nickel-related transactions, material expenses rose by an additional EUR 4.0 million in the first quarter of 2009. Due to their more material-intensive operations, the inclusion of the former SEVEX Group and ElringKlinger Marusan Corporation within the consolidated group had an adverse effect on the Group's gross profit margin, too.

The cost of sales declined by 7.9%, which was less pronounced than the contraction of revenue. The gross profit margin for the Group as a whole stood at 22.6%, compared to 33.0% in the same quarter a year ago.

In the first quarter of 2009, research and development expenses within the ElringKlinger Group were EUR 1.5 million up on last year's first-quarter figure. In total, research and development costs thus rose by 19.0% to EUR 9.4 (7.9) million. Alongside efforts to advance existing technologies for new applications, the main focus of R&D was on development projects associated with New Business Areas, particularly with regard to fuel cells and battery components. In total, EUR 1.1 (0.5) million of the development expenses were capitalized. Systematic depreciation amounted to EUR 0.8 (0.4) million.

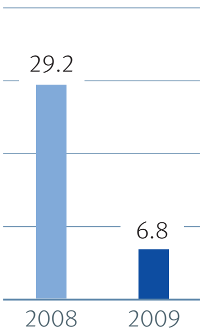
While selling expenses rose by 14.2%, general and administrative expenses were scaled back significantly by 27.9%.

Operating result remains positive despite severe market weakness

Earnings before interest, taxes, depreciation and amortization (EBITDA) were down 42.6% on last year's first-quarter result. Owing to substantial investments in previous years, depreciation and amortization rose by EUR 5.0 million in the first quarter of 2009 to EUR 16.4 (11.4) million.

The significant decline in unit sales and the associated downturn in capacity utilization in the majority of the divisions as well as more extensive depreciation/amortization led to a disproportionately large reduction in the Group's operating result to EUR 3.7 (29.0) million. Despite this, ElringKlinger managed to remain within positive territory from an operating perspective, having benefited from the timely implementation of measures such as the non-extension of temporary employment contracts, the introduction of short-time work at its German sites as well as the reduction of material- and equipment-related expenses and cutbacks in capital expenditure.

EBIT 1st Quarter
in EUR million



Earnings before interest and taxes (EBIT), which include EUR 3.1 million in foreign currency gains, amounted to EUR 6.8 (29.2) million. Thus, the EBIT margin was 5.2%.

Earnings before taxes at EUR 3.4 million

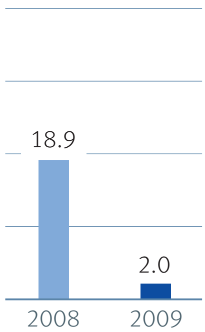
Despite the rise in interest expense by EUR 1.8 million to EUR 3.4 (1.6) million, the net finance result improved by EUR 1.1 million in total. This was attributable mainly to positive foreign exchange effects. The recognition of liabilities in connection with purchase-related funding of the Swiss SEVEX Group as at the reporting date contributed EUR 1.2 million to finance income.

Earnings before taxes declined by 87.7% year on year, to EUR 3.4 (27.6) million. The inclusion of the former SEVEX Group, Switzerland, contributed EUR 1.1 million to earnings before taxes, while the proportionate consolidation of ElringKlinger Marusan Corporation produced a charge of EUR 0.4 million.

EUR 2.0 million in consolidated net income after minority interests

The tax rate stood at 29.4% (28.6%). On this basis, the ElringKlinger Group generated net income of EUR 2.4 million in the first quarter of 2009, compared to EUR 19.7 million in the same quarter a year ago. After minority interests (EUR 0.4 million) profit attributable to the owners of ElringKlinger AG amounted to EUR 2.0 (18.9) million.

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



For the first time, in accordance with the revised accounting standards set out in IFRS 1, total comprehensive income of the ElringKlinger Group, including exchange differences on translating foreign operations (other comprehensive income) totaling EUR 0.2 (-5.4) million, was accounted for in the consolidated financial statements for the first quarter. At Group level, total comprehensive income for the period amounted to EUR 2.6 (14.3) million, which was 81.4% lower than in the first quarter of 2008.

Basic and diluted earnings per share – with regard to the profit attributable to owners of ElringKlinger AG – amounted to EUR 0.03 (0.33) in the first quarter of 2009. The number of ElringKlinger AG shares outstanding as at March 31, 2009, was 57,600,000.

Headcount reduced since beginning of the year

As a result of the corporate acquisitions in 2008, the number of staff employed within the Group as at March 31, 2009, rose to 4,067 (3,667). This corresponds to a 10.9% increase in staffing levels within the ElringKlinger Group compared to the first quarter of 2008. Excluding corporate acquisitions, the Group headcount would have fallen by 42.

Compared to December 31, 2008, the number of employees within the Group, which included personnel employed within the former SEVEX Group and at ElringKlinger Marusan Corporation, fell by 108. The reduction in staff in the first quarter of 2009 was attributable mainly to the non-extension of temporary employment contracts by the ElringKlinger Group in response to the severe downturn in demand.

Compared to March 31, 2008, the number of personnel employed within the domestic market contracted by 36 to 2,305 (2,341) staff members due to the non-extension of contracts outlined above. Within ElringKlinger AG, the number of staff was scaled down by 49. Compared to December 31, 2008, the domestic headcount at the end of the first quarter of 2009 had fallen by 62.

At 1,762 (1,326), the headcount for the international sites of the ElringKlinger Group was 32.9% up on the first quarter of 2008. As a result, the proportion of people employed abroad rose from 36.2% to 43.3%. The increase in staffing levels was attributable to the corporate acquisitions in 2008. Compared to December 31, 2008, the number of employees abroad receded by 46.

Financial Position and Cash Flows

The financial position of the ElringKlinger Group remained solid in the first quarter of 2009. Developments within this area were influenced chiefly by the aforementioned acquisition of the SEVEX Group and the larger interest held in Marusan Corporation as well as the full takeover of the Spanish subsidiary. Added to this was significant capital expenditure on property, plant and equipment in the first half of 2008. Overall, when compared to a yaer ago, total assets as at March 31, 2009, rose by 28.6% to EUR 764.7 (594.4) million.

Owing to the acquisition of ownership interests, intangible assets increased by EUR 42.5 million compared to March 31, 2008, taking this figure to EUR 86.8 (44.3) million. The year-on-year increase is attributable mainly to the capitalization of goodwill arising from the purchase price allocation performed for the SEVEX Group.

As at March 31, 2009, property, plant and equipment increased by EUR 100.9 million to EUR 368.7 (267.8) million, mainly as a result of the corporate acquisitions as well as investments aimed at expansion and streamlining in the previous year.

Compared to March 31, 2008, deferred tax assets rose by EUR 7.6 million to EUR 14.3 (6.6) million. This increase was attributable first and foremost to the provision recognized in consideration of negative fair values associated with commodities-related hedging transactions, which is not deductible for tax purposes.

Compared to March 31, 2008, the percentage share of non-current assets in total assets increased from 60.3% to 65.8%.

As at March 31, 2009, inventories rose by 8.1% year on year to EUR 117.4 (108.5) million due to the inclusion of corporate acquisitions.

As early as the fourth quarter of 2008, the ElringKlinger Group responded to the market-related decline in sales volumes by considerably scaling back its stock levels, a measure that continued in the first quarter of 2009. As a result, the share of inventories in total assets fell from 18.2% to 15.4%, and funds tied up in inventories were scaled back by EUR 12.4 million compared to December 31, 2008.

Trade receivables contracted by EUR 4.2 million compared to March 31, 2008, and accounted for EUR 101.1 (105.3) million at March 31, 2009. Their share in total assets thus fell from 17.7% to 13.2%.

Due to higher tax receivables, other current assets rose by EUR 9.1 million year on year to EUR 23.4 (14.3) million as at March 31, 2009. Cash rose by EUR 11.3 million year on year to EUR 19.4 (8.1) million. Due to last year's corporate acquisitions outlined above as well as investments in property, plant and equipment, the majority of which were also carried out last year, the proportion of current assets fell from 39.7% to 34.2%.

Solid equity base

At EUR 290.8 (291.4) million, equity remained largely unchanged compared to March 31, 2008. As at March 31, 2009, the equity ratio at Group level fell to 38.0% (49.0%) due to last years externally financed corporate acquisitions.

Compared to the same period a year ago, the ElringKlinger Group expanded its non-current financial liabilities by EUR 101.6 million, mainly for the purpose of funding its corporate acquisitions. As at March 31, 2009, they stood at EUR 155.9 (54.3) million. Compared to December 31, 2008, non-current financial liabilities were increased by EUR 5.7 million in the first quarter of 2009. In parallel, the ElringKlinger Group scaled back its current liabilities as at March 31, 2009.

As at March 31, 2009, the share of non-current liabilities in the balance sheet total amounted to 36.1% (27.0%).

The share of current liabilities in the balance sheet total as at March 31, 2009, increased to 25.9% (24.0%). This was attributable to developments within the area of short-term provisions, which grew to EUR 22.8 (9.4) million as at March 31, 2009. The year-on-year increase was due primarily to the provisions recognized under IFRS for negative fair values associated with commodity-related hedging transactions.

By contrast, the ElringKlinger Group scaled back trade payables by EUR 4.0 million year on year to EUR 26.5 (30.4) million. This was mainly due to the reduction in purchasing volumes prompted by weaker demand.

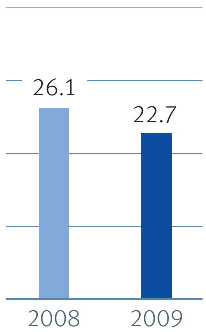
Current financial liabilities increased by EUR 46.1 million compared to the same quarter a year ago, taking the figure to EUR 102.2 (56.1) million. Having said that, compared to December 31, 2008, this item was cut by EUR 5.9 million to EUR 102.2 million (EUR 108.0 million as December 31, 2008).

Net cash from operating activities remains solid

Net cash from operating activities in the first quarter of 2009 was boosted by a higher level of depreciation of non-current assets, which rose by EUR 5.0 million to EUR 16.4 (11.4) million following increased capital expenditure in previous years.

A further boost to first-quarter cash flow was provided by a EUR 9.3 million fall in inventories and trade receivables, mainly as a result of prompt action since the fourth quarter in 2008 to reduce purchasing volumes in response to weaker demand and further efforts to manage and therefore free up working capital. The fall in inventories and trade receivables contrasts with a rise of EUR 4.0 million over the same quarter in 2008.

Net cash from operating activities 1st Quarter
in EUR million



However, while both these factors helped to increase the overall figure for net cash, they were not sufficient to make up for the EUR 24.2 million decline in earnings before taxes and a EUR 3.2 (6.6) million fall in trade payables.

Overall, net cash from operating activities ended the first quarter down 13% at EUR 22.7 (26.1) million, compared to a much more substantial fall in sales. With a cash return (operating cash flow as a percentage of sales) of 17.5% (16.0%), the ElringKlinger Group was able to maintain a strong position financially in spite of the extremely difficult market conditions.

In the first quarter of 2009, payments for property, plant and equipment, investment property and intangible assets were down EUR 1.8 million at EUR 22.8 (24.6) million. As planned, the main focus of investment activity was on new product ramp-ups and streamlining measures.

Net cash used in investment activities in the first quarter showed an improvement from EUR 37.8 million to EUR 22.9 million. Of the comparable first-quarter figure for 2008, EUR 14.0 million was attributable to the purchase of minority interests in the Group's Spanish subsidiaries.

In order to take advantage of more favorable lending terms and therefore reduce its financing costs, the ElringKlinger Group took up EUR 14.0 million in new long-term borrowings in the first quarter while at the same time repaying EUR 8.3 million in existing non-current financial liabilities. Current financial liabilities were reduced by EUR 5.9 million in the first three months of 2009. In Q1 2008 by contrast, the Group increased its current financial liabilities by EUR 14.9 million in order to fund new investment.

Cash flow from financing activities in the first quarter of 2009 thus ended the period at minus EUR 0.2 (12.1) million.

Available cash resources as at March 31, 2009, stood at EUR 19.4 (8.1) million.

Opportunities and Risks

As regards the assessment of opportunities and risks for the ElringKlinger Group, there were no significant changes to the opportunities and risks discussed in ElringKlinger AG's annual report for the 2008 financial year (pages 50 - 55).

Outlook

Forecasts for global economy revised downwards

Extremely weak economic activity in the first quarter of 2009 has led many forecasters to revise their 2009 predictions downwards. The World Bank now expects the global economy to contract by 1.7% over the current year. All the major industrialized countries will see a significant decline in their total economic output in 2009, with some likely to record a sharp downturn.

The German federal government anticipates a 6.0% fall in the country's GDP.

According to the International Monetary Fund (IMF), the economy in the eurozone is set to contract by 4.2% in 2009, while Russia is expected to face a 6.0% fall in its gross domestic product.

GDP in the United States could fall by 2.8% over the year as a whole.

By contrast, the developing economies of Asia are still in a relatively good position. While they are likely to lose some of the momentum for growth they have shown in previous years, both China and India are increasingly showing signs of recovery. The IMF expects GDP in China and India to put on 6.5% and 4.5% respectively, making them the two of the few remaining regions that could still provide a positive boost to the global economy.

Total output in Japan for 2009 is forecast to decline by 6.2%.

Financial and economic crisis depressing automobile markets throughout the world

The first three months of 2009 saw a further deterioration in worldwide automobile markets. Based on the information currently available, ElringKlinger expects that the sustained downturn in the global economy will continue to exert a negative impact on those vehicle markets. The coming months are also likely to show a major year-on-year fall in demand for passenger cars and trucks.

With specific regard to the German market, it is possible that the already noticeable impact of the newly introduced environmental incentive for scrapping passenger cars that are at least nine years old will boost sales to 3.4 million instead of the previously expected 2.9 million.

Nevertheless, industry experts are not ruling out the prospect of a 16.0% to 21.0% fall in automobile sales for Europe in 2009. Furthermore, sales to Russia, Europe's second-biggest export market, are expected to show a major downturn of around 20% over the current year.

As a result of the ongoing economic crisis in the US a slump in local demand in the order of 13.0% to 18.0% over the year is expected, although ElringKlinger stands to benefit from a marked increase in US demand for smaller vehicles with turbo-charged, fuel-efficient engines such as those offered in Europe.

Sales in Latin America for 2009 are also set to fall well below the previous year's figure, with Brazil expected to show a 3.8% decline.

The economic downturn is also affecting vehicle demand in Japan. After a sharp fall of 23.4% in the first quarter of 2009, passenger car sales for this region are expected to contract by at least 9.0% over the year as a whole.

On the positive side, first-quarter sales figures for the Chinese market showed a substantial rise despite previous less positive forecasts. Given this encouraging start to the year, it would appear that earlier expectations of a 7.4% decline in 2009 are too negative. India's passenger car market also recorded a surprising level of growth in the first three months of 2009, so there is a chance of a modest increase in sales instead of the anticipated 9.0% slump.

Order intake reflects crisis within automotive sector

The continued downturn in demand for automobiles over the course of the first quarter of 2009 was reflected in orders. Including the contribution made by the newly consolidated entities of the former SEVEX Group and the proportionately consolidated ElringKlinger Marusan Corporation, Japan, order intake in the first quarter of 2009 declined by 24.0% to EUR 125.4 (165.1) million. The order backlog of the ElringKlinger Group contracted by 17.5% to EUR 204.2 (247.4) million.

Outlook-Group

Since the fourth quarter of 2008, the global vehicle markets have been in a situation that provides little scope for forward planning. Owing to the historically exceptional circumstances, the issuance of forecasts remains difficult. In view of the global recession and continued significant uncertainties as to the short-term performance of the vehicle sector as a whole, the ElringKlinger Group has made preparations for several different scenarios in 2009.

These range, in the best case, from matching the revenue and EBIT figures of fiscal 2008 under the assumption that the global automobile markets recover substantially by the beginning of the second half of 2009 to the scenario of a decline in vehicle production within the Northern American and European markets by 20 to 25%, coinciding with an additional contraction of vehicle sales within the emerging markets. Should this last scenario eventuate, ElringKlinger anticipates Group sales in the region of EUR 580 to 600 million and an EBIT margin of 8 to 10% for fiscal 2009 as a whole. This includes revenues from planned product ramp-ups as well as sales and earnings contributions of the newly acquired SEVEX Group and ElringKlinger Marusan Corporation, for which 2009 is the first time in which these entities have been included in consolidated Q1 accounts (in 2008 effective from April 1 and May 1 respectively). In the first three months of 2009, however, the markets declined at a more pronounced rate than previously assumed as part of the negative scenario. In January and February, aggregate vehicle sales declined by more than 22% in Europe and by 39% in the United States. The fall in vehicle production figures was even more extensive. If the very low level of vehicle sales seen in the first two months continues over 2009 as a whole, Group sales may contract in the direction of EUR 500 million. Even in this case, ElringKlinger will be targeting an EBIT margin of 5 to 8%, supported by a Group-wide streamlining program already initiated within the area of material expenses, personnel expenses and purchasing, as well as intensive working capital management.

Cost savings underway

For the purpose of stabilizing its earnings performance, ElringKlinger has launched an extensive cost reduction program at Group level and anticipates that the potential savings associated with these measures will amount to approximately EUR 10.0 million in 2009. In general, the company will not be extending temporary employment contracts. Additionally, ElringKlinger AG has made use of an option incorporated in the last collective-wage agreement, which specifies that the second phase of the wage increase of 2.1% scheduled for May

2009 may be postponed to December 2009. The Group plans to achieve further cost reductions by means of process optimization. The decline in commodity and material prices recorded for the first time in years is beginning to have a positive medium-term effect on the overall cost situation. Capital expenditure (excluding tooling) will be scaled back to approximately EUR 40 (95) million in 2009. Investments made for the purpose of company streamlining as well as expenses earmarked for research and development will remain unchanged.

Due to the significant fall in production output throughout most of the customer base – as a result of extended factory vacations and the scheduled reduction of working hours –, the ElringKlinger Group is predicting weaker business performance in the first six months of 2009 than in the second half of the year. The fact that production figures for the majority of vehicle manufacturers again remained significantly below the sluggish sales figures in the first three months of 2009 and unsold stock has thus been reduced to a certain extent would appear to suggest, in the medium term, a gradual return to a more normal level of customer delivery scheduling at ElringKlinger over the course of the second half of 2009.

In the present market environment, it has become evident that alongside technological expertise, financial strength and a solid equity base are now increasingly important when it comes to acquiring new customer projects and development contracts. The ElringKlinger Group has the opportunity to benefit from this trend and enhance its competitive position. Offering a range of products designed to reduce fuel consumption and CO_2 emissions, the Group considers itself well positioned to again generate organic sales growth of a minimum of 5 to 7% per annum and, at the very least, proportionate growth in earnings in the medium term once the current crisis is over.

Share Performance

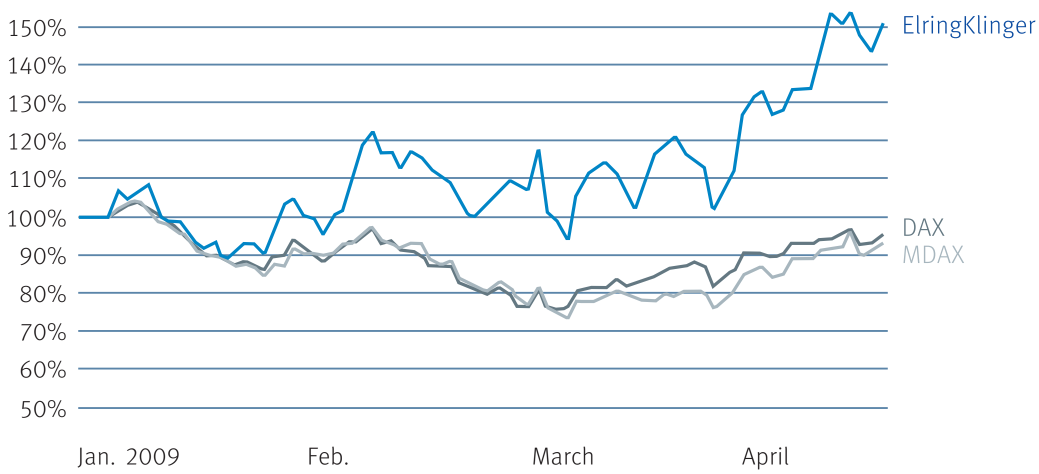
Share price appreciation in first quarter

At the end of 2008, ElringKlinger's share price stood at EUR 6.95. In the period up to mid-January, the company's stock was unable to avoid the continued hesitancy on the part of many institutional investors when it came to investing in small and mid caps or in any shares related to the automotive industry, given the prevailing market conditions. Trading within this environment, ElringKlinger shares reached a closing-price low of EUR 6.20 in mid-January 2009.

Since then, shares in the company have been performing significantly better than the benchmark indices. By the end of March, ElringKlinger's share price had risen to EUR 7.50.

The company's inclusion in the MDAX effective from March 20, 2009, also had a positive effect. From the beginning of April onward, ElringKlinger's stock recorded solid gains. By the end of April, the company's share price had advanced to a new annual high of EUR 10.70.

ElringKlinger's Share Price Performance (XETRA) since January 1, 2009, compared to MDAX and DAX



Thus, in the period from the beginning of the year to the end of April 2009, ElringKlinger shares gained more than 50% in total and were among the strongest stocks in the MDAX.

Rise in volume of shares traded

The daily volume of ElringKlinger shares traded continued to develop well over the course of the first quarter of 2009. With an average trading volume of 142,900 shares per day, unit turnover was 17.4% up on the same period a year ago. These figures take into account the stock split implemented in July 2008.

By contrast, the daily trading value expressed in euros contracted from around EUR 2,793,000 a year ago to EUR 1,054,000 in the first quarter of 2009 as a result of the lower average share price in the period under review. Compared to other German small and mid caps, however, the trading value remained solid during the reporting period.

ElringKlinger advances to MDAX

Having been listed in the SDAX for the past five years, ElringKlinger AG was promoted to the MDAX effective from March 20, 2009. As an essential prerequisite for MDAX listing, a company has to be ranked among the 60 largest entities behind the DAX-listed corporations in terms of market capitalization and liquidity. As regards the first selection criterion, free-float market capitalization, ElringKlinger AG was ranked 52nd. In terms of share volumes traded (liquidity), the company was in 55th place. Inclusion in the MDAX has also raised public awareness of ElringKlinger, as illustrated by the visibly stronger interest shown by media and investors since the company's listing.

Challenging times call for close dialog with capital markets

Against a challenging economic backdrop, ElringKlinger remained as committed as ever to maintaining an open and intensive dialog with investors, analysts and the business media over the course of the first quarter of 2009. At the beginning of the year ElringKlinger AG was represented at a capital market conference that attracted an international audience.

Coinciding with the announcement of ElringKlinger AG's financial results for the fiscal year, an annual results press conference was held in Stuttgart on March 30, 2009, followed by an analysts' meeting in Frankfurt. An encouragingly large number of media representatives and analysts voiced their interest in ElringKlinger AG at both events. Following these meetings, the company outlined its business activities at several road shows, which included events in Frankfurt and Switzerland.

The first three months of the current financial year saw a further rise in the level of interest shown by German- and foreign-based analysts and investors as well as representatives of the press to visit the company's facility in Dettingen/Erms as well as ElringKlinger Kunststofftechnik GmbH in Bietigheim-Bissingen for the purpose of gaining an insight into local operations. The company organized several on-site events in order to provide first-hand information on its manufacturing processes and product developments.

Working in collaboration with two other companies from the Stuttgart region, ElringKlinger AG held a technology day in March – under the heading "Opportunity Instead of Crisis". Alongside a presentation focusing on the latest topics within the area of research and development, those attending the event were given an insight into the production processes at the company site in Dettingen/Erms. For the coming months, several capital market conferences and road shows have been planned both in Germany and abroad. During the remainder of 2009, ElringKlinger intends to step up its communication efforts within the area of value investors, family offices and sustainability funds.

ElringKlinger will be launching a new exhibition stand concept at the International Motor Show (IAA), Frankfurt, in September 2009, which includes several information events for the press, analysts and investors. In association with regional banks in 2009, the company will also be hosting interesting events directed at private investors.

Dividend for 2008 financial year

The 104th Annual General Meeting of ElringKlinger AG takes place on May 26, 2009, at the Liederhalle Culture and Congress Center in Stuttgart. Owing to the lower level of profit attributable to shareholders of ElringKlinger AG in 2008 and in view of the extremely difficult business climate at present, the Management Board and the Supervisory Board will be proposing a lower dividend of EUR 0.15 (0.47) per share for the 2008 financial year.

ElringKlinger Stock (ISIN DE0007856023)

	1st Quarter 2009	1st Quarter 2008
Number of shares as at March 31 (in units)	57,600,000	57,600,000
Share price (daily closing price in EUR)		
High	8.39	28.42
Low	6.25	19.63
Closing price on March 31, 2009	7.53	23.66
Average daily trading volume (German stock exchanges; no. of shares traded)	142,900	121,700
Average daily trading value (German stock exchanges in EUR)	1,054,000	2,793,000

Group Statement of Comprehensive Income

For the period from January 1 to March 31, 2009

	1st Quarter 2009 EUR '000	1st Quarter 2008 EUR '000
Sales	**129,700**	**162,800**
Cost of sales	-100,400	-109,000
Gross profit	**29,300**	**53,800**
Selling expenses	-12,100	-10,600
General and administrative expenses	-4,900	-6,800
Research and development expenses	-9,400	-7,900
Other operating income	1,300	1,900
Other operating expenses	-500	-1,400
Operating result	**3,700**	**29,000**
Financial income	4,600	2,700
Financial costs	-4,900	-4,100
Net finance costs	**-300**	**-1,400**
Earnings before taxes	**3,400**	**27,600**
Taxes on income	-1,000	-7,900
Net income	**2,400**	**19,700**
Other comprehensive income		
Exchange differences on translating foreign operations	248	-5,438
Total comprehensive income for the period	**2,648**	**14,262**
Profit attributable to owners of the parent	**1,959**	**18,889**
Profit attributable to minority interest	441	811
Total comprehensive income attributable to owners of the parent	2,004	13,654
Total comprehensive income attributable to minority interest	644	608
Basic and diluted earnings per share in EUR	**0.03**	**0.33**

Group Statement of Financial Position

ASSETS	March 31, 2009 EUR '000	Dec. 31, 2008 EUR '000	March 31, 2008 EUR '000
Intangible fixed assets	86,783	86,542	44,324
Property, plant and equipment	368,722	360,426	267,821
Investment property	26,693	28,588	29,662
Financial assets	1,632	1,592	4,624
Other non-current assets	5,427	5,467	5,157
Deferred tax assets	14,254	15,835	6,614
Non-current assets	**503,511**	**498,450**	**358,202**
Inventories	117,378	129,784	108,549
Trade receivables	101,056	98,032	105,255
Other current assets	23,408	18,527	14,298
Cash	19,393	19,741	8,140
Current assets	**261,235**	**266,084**	**236,242**
	764,746	764,534	594,444

LIABILITIES AND SHAREHOLDERS' EQUITY	March 31, 2009 EUR '000	Dec. 31, 2008 EUR '000	March 31, 2008 EUR '000
Share capital	57,600	57,600	57,600
Capital reserve	2,747	2,747	2,747
Revenue reserves	214,916	212,912	218,883[1]
Shareholders' equity before minority interests	**275,263**	**273,259**	**279,230**[1]
Minority interests	15,532	14,888	12,170[1]
Shareholders' equity	**290,795**	**288,147**	**291,400**
Provisions for pensions	58,830	58,519	54,944
Non-current provisions	5,215	5,461	6,579
Non-current financial liabilities	155,872	150,148	54,272
Deferred tax liabilities	30,346	30,936	28,763
Other non-current liabilities	25,876	27,369	15,942
Non-current liabilities	**276,139**	**272,433**	**160,500**
Current provisions	22,844	22,915	9,405
Trade payables	26,453	33,269	30,442
Liabilities to affiliated companies	2	0	0
Current financial liabilities	102,175	108,029	56,097
Tax payables	4,423	5,867	8,484
Other current liabilities	41,915	33,874	38,116
Current liabilities	**197,812**	**203,954**	**142,544**
	764,746	764,534	594,444

[1] cf. Group Statement of Changes in Equity

Group Statement of Cash Flows

	1st Quarter 2009 EUR '000	1st Quarter 2008 EUR '000
Earnings before taxes	3,400	27,600
Depreciation/Amortization (less write-ups) of non-current assets	16,425	11,440
Net interest	3,400	1,596
Change in provisions	-737	1,188
Losses from disposal of intangible assets and of property, plant and equipment	62	130
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	9,335	-3,952
Change in liabilities not resulting from financing and investing activities	-3,189	-6,648
Income taxes paid	-4,240	-4,146
Interest paid	-1,842	-895
Interest received	10	100
Currency effects on items relating to operating activities	47	-352
Net cash from operating activities	**22,671**	**26,061**
Proceeds from disposals of intangible assets and of property, plant and equipment	0	905
Proceeds from disposals of financial assets	209	101
Payments for investments in intangible assets	-1,116	-716
Payments for investments in property, plant and equipment and investment properties	-21,706	-23,907
Payments for investments in financial assets	-256	-188
Payments for the acquisition of consolidated entities	0	-14,035
Net cash from investing activities	**-22,869**	**-37,840**
Dividends paid to shareholders and minorities	0	-6
Changes in current financial liabilities	-5,854	14,852
Additions to non-current financial liabilities	14,000	0
Repayment of non-current financial liabilities	-8,276	-2,605
Currency effects on items relating to financing activities	-36	-149
Net cash from financing activities	**-166**	**12,092**
Changes in cash	-364	313
Currency effects on cash	16	422
Cash at beginning of period	19,741	7,405
Cash at end of period	19,393	8,140

Group Statement of Changes in Equity

1st Quarter 2009

	Share capital	Capital reserve	Revenue reserves				Minority interests	Group equity
			Revenue reserve first-time adoption of IFRS	Currency translation differences	Group equity generated	Total		
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
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
Other changes							-3,916	-3,916
Total comprehensive income for the period				-5,235[1)]	18,889	13,654	608	14,262
as of March 31, 2008	**57,600**	**2,747**	**26,181**	**-12,510[1)]**	**205,212[1)]**	**218,883**	**12,170**	**291,400**
as of Dec. 31, 2008	**57,600**	**2,747**	**26,181**	**-12,557**	**199,288**	**212,912**	**14,888**	**288,147**
Dividends paid								0
Total comprehensive income for the period				45	1,959	2,004	644	2,648
as of March 31, 2009	**57,600**	**2,747**	**26,181**	**-12,512**	**201,247**	**214,916**	**15,532**	**290,795**

1) Revised presentation in accordance with IAS 1

Group Sales by Region

	1st Quarter 2009	1st Quarter 2008
	EUR '000	EUR '000
Germany	43,920	55,220
Change compared to prior year in %	-20.5	
Rest of Europe	44,181	59,688
Change compared to prior year in %	-26.0	
NAFTA	17,551	25,009
Change compared to prior year in %	-29.8	
Asia and Australia	16,402	14,084
Change compared to prior year in %	16.5	
South America and others	7,646	8,799
Change compared to prior year in %	-13.1	
Group	**129,700**	**162,800**
Change compared to prior year in %	-20.3	

Segment Reporting

1st Quarter 2009/1st Quarter 2008

Segment	Original Equipment		Aftermarket		Engineered Plastics	
	2009 EUR '000	2008 EUR '000	2009 EUR '000	2008 EUR '000	2009 EUR '000	2008 EUR '000
Segment revenues	**100,200**	**135,993**	**26,297**	**28,339**	**14,441**	**18,466**
- Intersegment revenues	-3,887	-4,117	0	0	0	0
- Consolidation	-9,003	-17,069	-1,673	-2,189	-103	-29
Sales revenues	**87,310**	**114,807**	**24,624**	**26,150**	**14,338**	**18,437**
EBIT	**-819**	**19,055**	**5,037**	**5,321**	**1,478**	**3,542**
+ Interest income	0	0	8	7	6	39
- Interest expense	2,819	-1,063	-302	-324	-75	-72
Earnings before taxes	**-3,638**	**17,992**	**4,743**	**5,004**	**1,409**	**3,509**
Depreciation and amortization	-15,076	-10,337	-237	-145	-606	-499
Investments*	19,477	30,299	83	2,540	2,997	2,765

Segment	Industrial Parks		Services		Group	
	2009 EUR '000	2008 EUR '000	2009 EUR '000	2008 EUR '000	2009 EUR '000	2008 EUR '000
Segment revenues	**1,923**	**2,101**	**2,208**	**2,133**	**145,069**	**187,032**
- Intersegment revenues	0	0	0	0	-3,887	-4,117
- Consolidation	0	0	-703	-828	-11,482	-20,115
Sales revenues	**1,923**	**2,101**	**1,505**	**1,305**	**129,700**	**162,800**
EBIT	**839**	**872**	**265**	**410**	**6,800**	**29,200**
+ Interest income	0	0	2	3	16	49
- Interest expense	-214	-188	-6	-2	-3,416	-1,649
Earnings before taxes	**625**	**684**	**261**	**411**	**3,400**	**27,600**
Depreciation and amortization	-264	-279	-242	-180	-16,425	-11,440
Investments*	28	73	237	173	22,822	35,850

* in property, plant and equipment as well as intangible assets, incl. interests acquired during prev. financial year

Notes to the First Quarter of 2009

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, 2009, have been prepared in accordance with the 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 the consolidated interim financial statements are presented in a condensed format, the financial statements accompanying the report on the first quarter of the financial year 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 7, 2009.

Basis of Reporting

The accounting policies applied to the consolidated interim financial statements for the first three months of 2009 correspond to those used in the consolidated financial statements for the financial year ended December 31, 2008. For a detailed description of the basis of preparation and accounting policies, please refer to the notes to the consolidated financial statements of the 2008 Annual Report published by ElringKlinger AG.

As of January 1, 2009, new or amended IFRS and IFRIC became applicable for the first time. Within this context, the revised version of IAS 1 (2007), which sets out new provisions with regard to the presentation of consolidated financial statements, was of particular significance.

Additionally, as of January 1, 2009, IFRS 8 is to be applied in respect of segment reporting. This standard governs the scope of financial information to be disclosed by an entity as part of its reporting activities with regard to its operating segments. IFRS 8 is centered around the so-called "management approach", which stipulates that information concerning operating segments shall be furnished on the basis of internal reporting utilized by the entity. The organizational structure of the ElringKlinger Group is characterized by its focus on five fields of business. As in the past, segmentation is performed according to the reporting segments "Original Equipment", "Aftermarket", "Engineered Plastics", "Services" and "Industrial Parks".

Activities within the reporting segments "Original Equipment" and "Aftermarket" include the manufacture and sale of parts and assemblies used in the area of vehicle engines, transmissions and exhaust tracts (powertrain). Additionally, the Group provides services associated with these activities.

The "Engineered Plastics" segment covers the manufacture and sale of technical products made of high-performance PTFE plastics deployed in the automotive and general industry.

The "Services" segment mainly encompasses the operation of engine testing facilities as well as contributions made within the area of engine development.

The "Industrial Parks" segment comprises the administration and rental of real estate and buildings.

With the exception of deliveries made by the Original Equipment segment to the Aftermarket segment, there are no significant relations between the individual segments with regard to the supply of products or services. In the case of intersegment sales and transfers, the price quoted corresponds to that which would be applicable with regard to arm's length transactions. Internal management and reporting are based on the principles of IFRS accounting. The Group measures the performance of its segments on the basis of profit before tax in accordance with IFRS. The section "Segment Reporting" presents revenues, results as well as depreciation/amortization and investments.

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

The Group currency is the euro.

In addition to the financial statements of ElringKlinger AG, the interim report as of March 31, 2009, includes 4 domestic and 20 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"). Inclusion in the consolidated group commences on the date on which control is obtained; it ceases as soon as control no longer exists.

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. In the case of proportionate consolidation, all assets and liabilities as well as expenses and income of the joint ventures are included in the consolidated financial statements at the proportionate interest held (50%).

The acquisition of the Sevex Group and ElringKlinger Marusan Corporation concluded in fiscal 2008 contributed sales of EUR 17,589 thousand and profit before tax of EUR 743 thousand (EUR 485 thousand post-tax profit) in the first quarter of 2009.

Exchange Rates and Derivative Financial Instruments

Exchange rates developed as follows:

Currency	Abbr.	Rate on the closing date March 31, 2009	Rate on the closing date Dec. 31, 2008	Average rate in 2009	Average rate in 2008
US Dollar (USA)	USD	1.3325	1.3976	1.29307	1.47373
Pound Sterling (UK)	GBP	0.9303	0.9589	0.90563	0.80381
Swiss Franc (Switzerland)	CHF	1.5180	1.4882	1.49883	1.57871
Canadian Dollar (Canada)	CAD	1.6690	1.7170	1.61717	1.56643
Real (Brazil)	BRL	3.0989	3.2574	3.02153	2.68120
Mexican Peso (Mexico)	MXN	18.8811	19.2589	18.80090	16.39797
RMB (China)	CNY	9.1014	9.5358	8.83973	10.20669
WON (South Korea)	KRW	1,836.1600	1,753.1500	1,832.05333	1,611.54750
Rand (South Africa)	ZAR	12.6800	13.1700	12.78167	12.09396
Yen (Japan)	JPY	131.1000	126.4000	123.20000	151.43750
Forint (Hungary)	HUF	308.6000	264.2000	302.23333	250.83333
Indian Rupee (India)	INR	67.5300	67.7100	64.87667	64.20333

In the first quarter of 2009, financial instruments were used for the purpose of hedging interest rate risk and smoothing the volatility of purchasing prices for raw materials (particularly nickel).

The fair value of commodity-related derivatives as well as the performance of a swap contract entered into for the purpose of hedging interest rate risks led to an increase in current provisions by EUR 25 thousand; this item has been accounted for as a provision for expected losses from derivatives.

Due to the negative performance of the commodity-related derivative, material expenses rose by EUR 3,953 thousand in the first quarter of 2009.

Contingencies and Related Party Disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2008 were not subject to significant changes in the first quarter of 2009.

Events after the Reporting Period

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 7, 2009

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.

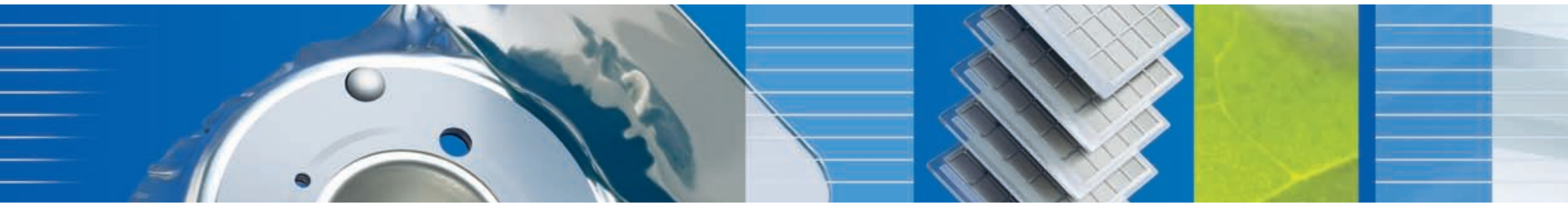
The English version of this report is a translation of the original German report. Only the German version of this report is legally binding.

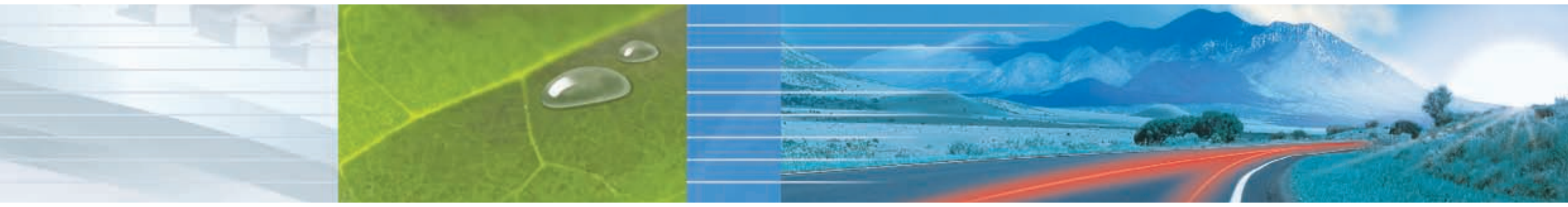
Calendar

104th Annual General Shareholders' Meeting Cultural and Congress Centre Liederhalle, Stuttgart, Hegelsaal, 10.00 CET	May 26, 2009
Dividend distribution	May 27, 2009
Interim Report on the 1st half of 2009	August 6, 2009
IAA International Motor Show | Frankfurt	September 17 – 27, 2009
Engine colloquium Aachen	October 5 – 7, 2009
Equip Auto | Paris	October 13 – 18, 2009
Interim Report on the 3rd Quarter of 2009	November 3, 2009
German Equity Forum | Frankfurt	November 9 – 11, 2009
105th Annual General Shareholders' Meeting Cultural and Congress Centre Liederhalle, Stuttgart, Hegelsaal, 10.00 CET	May 21, 2010

If you would like to receive our interim reports by e-mail please send your details 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





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