

FINANCIAL STATEMENTS 2014

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Financial Statements of ElringKlinger AG for Fiscal 2014

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Note concerning the management report of ElringKlinger AG:

In 2014, the management report of ElringKlinger AG and the Group management report have been brought together in a combined format. The combined management report has been published within the Annual Report of ElringKlinger AG.

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“Pure Process” – the title chosen for the 2014 annual report reflects the unique core competencies developed by ElringKlinger: out-and-out process expertise. The company’s skill set covers intricate metal processing operations using highly sophisticated precision die-cutting and embossing techniques as well as functional coating technology, complemented by an in-depth understanding of plastics. Combined with specialist materials expertise and in-house tool construction facilities, this symbiosis of high-tech processes forms the foundation for progressive innovation and a steady expansion of the Group’s product and service portfolio. Applying these skills, we are committed to pursuing the key issues shaping the future of our industry.

ElringKlinger AG, Dettingen/Erms
Balance sheet as at December 31, 2014 in EUR k

A s s e t s	Dec. 31, 2014	Dec. 31, 2013
A. Fixed assets		
I. Intangible fixed assets		
1. Purchased industrial property rights and licenses	9,077	4,992
2. Goodwill	671	1,055
3. Prepayments	45	73
	9,793	6,120
II. Tangible fixed assets		
1. Property and buildings	135,252	125,125
2. Technical equipment and machines	108,546	99,749
3. Other equipment, operating and office equipment	26,822	25,299
4. Advance payments and fixed assets under construction	10,389	10,511
	281,009	260,684
III. Fixed financial assets		
1. Shares in affiliated companies	354,362	335,519
2. Loans to affiliated companies	51,605	37,786
3. Equity investments	8	8
4. Securities classified as fixed financial assets	663	660
5. Other loans	0	0
	406,638	373,973
	697,440	640,777
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	24,354	20,007
2. Work in progress	32,665	29,174
3. Finished goods and merchandise	56,128	61,300
4. Prepayments	1,583	2,089
	114,730	112,570
II. Receivables and other assets		
1. Trade receivables	79,816	71,180
2. Receivables from affiliated companies	72,878	61,769
3. Other assets	9,020	25,380
	161,714	158,329
III. Cash in hand, bank balances and checks		
	225	241
	276,669	271,140
C. Prepaid expenses		
	838	529
	974,947	912,446

Liabilities and shareholder's equity		Dec. 31, 2014	Dec. 31, 2013
A. Equity			
I. Share capital		63,360	63,360
II. Capital reserve		120,827	120,827
III. Revenue reserves			
1. Statutory reserve		3,013	3,013
2. Other revenue reserves		290,115	266,084
		293,128	269,097
IV. Net retained earnings		34,848	31,680
		512,163	484,964
B. Provisions			
1. Provisions for pensions and similar obligations		60,887	58,147
2. Provisions for taxes		235	1,467
3. Other provisions		42,529	34,132
		103,651	93,746
C. Liabilities			
1. Liabilities due to banks		286,831	250,842
2. Prepayments received on account of orders		1,971	1,326
3. Trade payables		15,977	20,790
4. Liabilities to affiliated companies		23,483	27,748
5. Other liabilities		21,697	23,123
	of which from taxes EUR 1,838 k (EUR 1,698 k)		
	of which relating to social security EUR 152 k (EUR 179 k)		
		349,959	323,829
D. Deferred income		0	183
E. Deferred tax liabilities		9,174	9,724
		974,947	912,446

ElringKlinger AG, Dettingen/Erms

Income statement for the period from January 1 to December 31, 2014

in EUR k	2014	2013
1. Sales revenue	570,907	508,384
2. Decrease (previous year: increase) in finished goods and work in progress	-450	15,071
3. Other own work capitalized	438	626
4. Other operating income	35,134	37,764
5. Cost of materials		
a) Expenses for raw materials, supplies and merchandise	-241,958	-220,014
b) Expenses for purchased services	-24,806	-24,506
6. Personnel expenses		
a) Wages and salaries	-134,423	-116,457
Social security charges and expenses for pensions	-26,336	-22,770
of which for retirement pensions EUR -3,702 k (EUR -2,419 k)		
7. Amortization and depreciation on intangible fixed and tangible fixed assets	-28,997	-31,603
8. Other operating expenses	-78,985	-76,599
9. Income from equity investments		
of which from affiliated companies EUR 12,360 k (EUR 16,895 k)	12,360	16,942
10. Income from other securities and loans classified as fixed financial assets		
of which from affiliated companies EUR 1,474 k (EUR 1,683 k)	1,495	1,716
11. Interest and similar income		
of which from affiliated companies EUR 985 k (EUR 644 k)	1,173	787
12. Write-downs on fixed financial assets	-572	-1,203
13. Interest and similar expenses		
of which from affiliated companies EUR -525 k (EUR -423 k)	-8,866	-9,234
14. Income from ordinary activities	76,114	78,904
15. Taxes on income	-16,858	-18,350
16. Other taxes	-377	-329
17. Net income	58,879	60,225
18. Appropriation to other revenue reserves	-24,031	-28,545
19. Net retained earnings	34,848	31,680

ElringKlinger AG, Dettingen/Erms

Notes to the Financial Statements for the Financial Year 2014

General information

The financial statements of ElringKlinger AG, Dettingen/Erms, are prepared in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz, “AktG”) and the German Commercial Code (Handelsgesetzbuch: “HGB”) that apply for large-sized corporations.

The income statement was prepared in accordance with the total cost method.

In order to provide clarity and transparency of the presentation, the financial statements were prepared with figures shown in thousand euros (EUR k). In addition, supplementary explanations have been provided for some annotations and details on the composition of line items included in the notes.

The financial year is the calendar year.

Accounting policies

Fixed assets

Additions to purchased intangible fixed assets, as well as fixed assets and fixed financial assets are recognized at acquisition or manufacturing cost. In addition to the direct cost of materials and production, manufacturing cost also includes production overheads and indirect material cost, as well as the appropriate amortization and depreciation.

The Company has not exercised the capitalization option, pursuant to § 248 (2) HGB, for internally generated intangible assets. Therefore, research and development cost was expensed in full in the period incurred.

Assets with finite useful lives are depreciated using the straight-line method applied over their expected useful lives.

Goodwill is amortized over a period of five years.

Some movable property acquired or manufactured through December 31, 2009, was initially depreciated using the declining-balance method and then later using the straight-line method. Additions subsequent to January 1, 2010, are depreciated on a straight-line basis over the expected useful lives.

Since January 1, 2008, the provisions under § 6 (2) and (2a) of the German Income Tax Act (Einkommensteuergesetz, “EStG”) are applied in accounting for low-value assets in accordance with HGB. Movable items of finite-lived fixed assets which are independently usable are recognized as operating expenses in the amount of their acquisition or manufacturing cost in the year they are acquired, manufactured or put into service, if, after deduction of any input tax amounts, the cost does not exceed EUR 150 for the individual asset. Each year, a collective item within the meaning of § 6 (2a) EStG is recorded for low-value assets with acquisition or manufacturing costs exceeding EUR 150 but less than EUR 1,000, less any input tax. Each annual collective item is depreciated over a period of five years. The early disposal of operating assets does not reduce the carrying amount of this collective item.

Shares in affiliated companies and equity investments classified as fixed financial assets are recognized at the lower of cost or market value. Loans are recognized at their nominal value. If necessary or permissible, impairments are recognized. For shares in affiliated companies and equity investments classified as fixed financial assets, annual impairment tests determine the appropriate amount of impairment to be recognized. These impairment tests reflect the capitalized earning value calculated on the basis of the mid-term budgets of each respective shareholding and under the assumption of a perpetual annuity subsequent to the last mid-term planning period. An impairment is recognized if the carrying amount exceeds the resulting capitalized earnings value.

If the reasons for impairments charged in prior periods no longer apply, these charges are reversed to a maximum amount of historical cost less accumulated depreciation.

Securities classified as fixed financial assets are recognized at the lower of cost or market value.

Current assets

Inventories are recognized at acquisition or manufacturing cost under application of simplified measurement options in accordance with the principle of lower of cost or market value. Raw materials, consumables, supplies and merchandise are measured at their average acquisition cost. In certain cases, agreed values are used.

Work in progress and finished goods are measured based on manufacturing cost. Manufacturing cost includes elements from § 255 (2) HGB which must be capitalized. These are recognized in the event of declining sales prices. Valuation allowances are made to account for impairment from obsolescence and poor quality and to account for lower net realizable values.

In the majority of cases, the customers acquire beneficial ownership of tools. The tools are recognized under inventories until the transfer of beneficial ownership.

Receivables and other assets are recognized at nominal value. Valuation allowances are recognized for individual risks identified for receivables and other assets. The general credit risk is taken into account through a lump sum valuation allowance.

Cash on hand and bank balances are measured at nominal value.

Payments made before the balance sheet date are recognized as prepaid expenses if they represent an expense for a certain time after the balance sheet date.

Equity

Share capital is recognized at its par value.

Provisions and liabilities

Pension obligations are measured as of December 31, 2014, in accordance with actuarial principles using the projected unit credit method. The 2005 G Heubeck mortality tables are used as the biometrical basis for calculation. The average market interest rate of the past seven years is applied as the actuarial interest rate assuming a remaining term of 15 years. In addition to this, salary and pension trends are applied, as are age and gender-specific fluctuation probabilities.

Provisions for partial retirement and those for long-term service obligations are measured on the basis of an annual actuarial interest rate of 2.85% (p.y. 3.37%), an unchanged annual salary increase of 2.75% and the 2005 G mortality tables established upon actuarial principles by Dr. Klaus Heubeck. Provisions for obligations arising from partial retirement schemes are recognized according to the block model. Provisions for partial retirement were recognized for partial retirement contracts agreed as of the balance sheet date, as well as potential future contracts. They include benefit increases and the Company's settlement obligations which have been accrued as of the balance sheet date.

Provisions for **long-service awards** are measured on the basis of an interest rate of 4.58% (p.y. 4.89%) and based on the projected unit credit method and the 2005 G mortality tables by Dr. Klaus Heubeck in accordance with actuarial principles. In addition, the calculation is based on assumptions of a 2.75% income trend (p.y. 2.75%), a 0.75% career trend (p.y. 0.5%), an inflation rate of 1.5% (p.y. 1.75%), an average turnover of 1.5% (p.y. 1.0%) as well as an increase in the income ceiling for the assessment of contributions to the statutory pension and health insurance schemes of 1.5% (p.y. 1.50%).

Tax and other provisions are established for all recognizable risks for expected losses from pending transactions and uncertain liabilities and are measured at the settlement value according to prudent business judgment and taking into account price and cost increases.

Provisions due in more than one year are discounted using the average market interest rate of the past seven years corresponding to their remaining term.

Existing plan assets that are exempt from attachment by all other creditors and that serve exclusively to settle liabilities from post-employment benefit obligations or similar long-term liabilities ("plan assets") are offset against the related liabilities. Accordingly, related expenses and income are offset. Existing plan assets are recognized at fair value.

Liabilities are recognized at their settlement amount.

Receipts prior to the balance sheet date are recognized as deferred income if they represent earnings for a certain time after the balance sheet date.

Foreign currency items and currency translation

Receivables and payables in foreign currency are measured at the mean spot rate at the balance sheet date. For receivables and payables due in more than one year, measurement of foreign currency is carried out in accordance with the historical cost convention or the imparity principle.

Deferred taxes

Deferred taxes are recognized at a tax rate of 27.9% (p.y. 27.7%) for the temporary and quasi-permanent differences arising between the carrying amounts of assets, liabilities, prepaid expenses and deferred income compared with their respective tax bases. If necessary, tax loss carryforwards are also taken into account. Deferred tax assets and liabilities are offset against each other. If an overall deferred tax asset results, this is not recognized in accordance with the option under § 274 (1) sentence 2 HGB.

Deferred taxes are calculated on the basis of an effective tax rate of 27.9% (p.y. 27.7%), which breaks down into 15.8% (p.y. 15.8%) for the corporate income tax rate including solidarity surcharge and 12.1% (p.y. 11.9%) for municipal trade tax. It is expected to arise when the differences are reversed. The tax rate for municipal trade tax is determined on the basis of the average trade tax multiplier of 347% (p.y. 340%).

Balance sheet disclosures

Fixed assets

The statement of changes in fixed assets of ElringKlinger AG and the schedule of shareholdings are shown on the following pages.

In addition to shares in affiliated companies and equity investments classified as fixed financial assets, fixed financial assets include loans and securities.

The change in shares in affiliated companies is mainly due to a capital increase and the purchase of new enerday GmbH. Write-downs for expected permanent impairment were made to the carrying amount of affiliated companies in the amount of EUR 572 k. Write-downs were reversed in the amount of EUR 7,438 k for shares in affiliated companies and equity investments classified as fixed financial assets.

ElringKlinger AG, Dettingen/Erms

Changes in fixed assets in the financial year 2014

	Acquisition or manufacturing cost				
	Jan. 1, 2014	Additions	Reclassi- fications	Disposals	Dec. 31, 2014
	EUR k	EUR k	EUR k	EUR k	EUR k
I. Intangible fixed assets					
1. Purchased industrial rights and licenses	26,214	5,465	57	306	31,430
2. Goodwill	1,798	0	0	0	1,798
3. Prepayments	73	29	-57	0	45
	28,085	5,494	0	306	33,273
II. Tangible fixed assets					
1. Property and buildings	178,888	13,348	1,170	1,451	191,955
2. Technical equipment and machines	375,455	19,963	7,367	5,550	397,235
3. Other equipment, operating and office equipment	105,095	5,406	824	2,587	108,738
4. Advance payments and fixed assets under construction	10,511	9,239	-9,361	0	10,389
	669,949	47,956	0	9,588	708,317
III. Fixed financial assets					
1. Shares in affiliated companies	348,460	11,977	0	0	360,437
2. Loans to affiliated companies	37,786	15,609	0	1,790	51,605
3. Equity investments	8	0	0	0	8
4. Other securities	663	0	0	0	663
5. Other loans	0	0	0	0	0
	386,917	27,586	0	1,790	412,713
	1,084,951	81,036	0	11,684	1,154,303

Accumulated amortization and depreciation						Carrying amount		
Jan. 1, 2014	Depreciation, amortization and write- downs of the year	Reversal of write-downs	Reclassi- fications	Disposals	Dec. 31, 2014	Dec. 31, 2014	Dec. 31, 2013	
EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	
21,222	1,437	0	0	306	22,353	9,077	4,992	
743	384	0	0	0	1,127	671	1,055	
0	0	0	0	0	0	45	73	
21,965	1,821	0	0	306	23,480	9,793	6,120	
53,763	4,287	0	0	1,347	56,703	135,252	125,125	
275,706	18,322	0	-83	5,256	288,689	108,546	99,749	
79,796	4,567	0	83	2,530	81,916	26,822	25,299	
0	0	0	0	0	0	10,389	10,511	
409,265	27,176	0	0	9,133	427,308	281,009	260,684	
12,941	572	7,438	0	0	6,075	354,362	335,519	
0	0	0	0	0	0	51,605	37,786	
0	0	0	0	0	0	8	8	
3	0	3	0	0	0	663	660	
0	0	0	0	0	0	0	0	
12,944	572	7,441	0	0	6,075	406,638	373,973	
444,174	29,569	7,441	0	9,439	456,863	697,440	640,777	

Schedule of shareholdings and group of consolidated companies as at December 31, 2014

Name of company	Domicile	Capital share in %
Parent		
ElringKlinger AG	Dettingen/Erms	
Shares in affiliated companies (fully consolidated in the consolidated financial statements)		
Domestic		
Gedächtnisstiftung KARL MÜLLER		
BELEGSCHAFTSHILFE GmbH	Dettingen/Erms	100.00
Elring Klinger Motortechnik GmbH	Idstein	92.86
ElringKlinger Logistic Service GmbH	Rottenburg /Neckar	96.00
ElringKlinger Kunststofftechnik GmbH	Bietigheim-Bissingen	74.50
Polytetra GmbH /DE ³⁾	Mönchengladbach	74.50
Hug Engineering GmbH ²⁾	Magdeburg	93.67
new enerday GmbH /DE	Neubrandenburg	75.00
KOCHWERK Catering GmbH	Dettingen/Erms	100.00
Foreign		
ElringKlinger Abschirmtechnik (Schweiz) AG	Sevelen (Switzerland)	100.00
Hug Engineering AG	Elsau (Switzerland)	93.67
Elring Klinger (Great Britain) Ltd.	Redcar (UK)	100.00
ElringKlinger Italia Srl	Settimo Torinese (Italy)	100.00
Hug Engineering S.p.A. ²⁾	Milan (Italy)	93.67
Technik-Park Heliport Kft.	Kecskemét-Kádafalva (Hungary)	100.00
Elring Parts Ltd.	Gateshead (UK)	100.00
Elring Klinger, S.A.U.	Reus (Spain)	100.00
ElringKlinger TR Otomotiv Sanayi ve Ticaret A.Ş.	Bursa (Turkey)	100.00
ElringKlinger Meillor SAS	Nantiat (France)	100.00
Codinox Beheer B.V. ⁵⁾	Enschede (Netherlands)	9.37
HURO Supermold S.R.L.	Timisoara (Romania)	100.00
ElringKlinger Canada, Inc.	Leamington (Canada)	100.00
ElringKlinger North America, Inc.	Plymouth/Michigan (USA)	100.00
ElringKlinger USA, Inc.	Buford (USA)	100.00
Hug Engineering Inc. ²⁾	Austin (USA)	93.67
Elring Klinger México, S.A. de C.V.	Toluca (Mexico)	100.00
EKASER, S.A. de C.V.	Toluca (Mexico)	100.00
Elring Klinger do Brasil Ltda.	Piracicaba (Brazil)	100.00
ElringKlinger South Africa (Pty) Ltd.	Johannesburg (South Africa)	100.00
ElringKlinger Automotive Components (India) Pvt. Ltd.	Ranjangaon (India)	100.00
Changchun ElringKlinger Ltd.	Changchun (China)	88.00
ElringKlinger Korea Co., Ltd.	Changwon (South Korea)	100.00
ElringKlinger China, Ltd.	Suzhou (China)	100.00
ElringKlinger Engineered Plastics North America, Inc. ³⁾	Buford (USA)	74.50
ElringKlinger Engineered Plastics (Qingdao) Commercial Co., Ltd. ³⁾	Qingdao (China)	74.50
ElringKlinger Marusan Corporation	Tokyo (Japan)	50.00
Taiyo Jushi Kakoh Co., Ltd. ⁴⁾	Tokyo (Japan)	50.00
Marusan Kogyo Co., Ltd. ⁶⁾	Tokyo (Japan)	23.45
PT. ElringKlinger Indonesia ⁴⁾	Karawang (Indonesia)	50.00
ElringKlinger (Thailand) Co., Ltd ⁴⁾	Bangkok (Thailand)	50.00

¹⁾ 100 units local currency (LC) as at balance sheet date

²⁾ 100% subsidiary of HUG Engineering AG

³⁾ 100% subsidiary of ElringKlinger Kunststofftechnik GmbH

⁴⁾ 100% subsidiary of ElringKlinger Marusan Corporation

⁵⁾ 10% subsidiary of HUG Engineering AG

⁶⁾ 46.9% subsidiary of ElringKlinger Marusan Corporation

Statutory accounts equity in LC k	Statutory accounts profit/loss in LC k	Local currency	Closing exchange rate ¹⁾	Statutory accounts equity in EUR k	Statutory accounts profit/loss in EUR k	Most recent financial statements
27	-5	EUR	1.0000	27	-5	Dec. 31, 2014
5,003	701	EUR	1.0000	5,003	701	Dec. 31, 2014
2,828	667	EUR	1.0000	2,828	667	Dec. 31, 2014
64,309	10,671	EUR	1.0000	64,309	10,671	Dec. 31, 2014
1,442	558	EUR	1.0000	1,442	558	Dec. 31, 2014
1,307	209	EUR	1.0000	1,307	209	Dec. 31, 2014
276	-457	EUR	1.0000	276	-457	Dec. 31, 2014
43	12	EUR	1.0000	43	12	Dec. 31, 2014
57,098	14,222	CHF	83.1670	47,487	11,828	Dec. 31, 2014
47,951	14,828	CHF	83.1670	39,879	12,332	Dec. 31, 2014
10,146	1,390	GBP	128.3862	13,026	1,785	Dec. 31, 2014
8,919	1,389	EUR	1.0000	8,919	1,389	Dec. 31, 2014
322	154	EUR	1.0000	322	154	Dec. 31, 2014
2,399,039	179,802	HUF	0.3169	7,603	570	Dec. 31, 2014
3,621	976	GBP	128.3862	4,649	1,253	Dec. 31, 2014
15,024	3,741	EUR	1.0000	15,024	3,741	Dec. 31, 2014
17,825	7,133	TRY	35.3107	6,294	2,519	Dec. 31, 2014
4,805	900	EUR	1.0000	4,805	900	Dec. 31, 2014
1,647	542	EUR	1.0000	1,647	542	Jun. 30, 2014
2,445	1,176	RON	22.3075	545	262	Dec. 31, 2014
30,127	304	CAD	71.1086	21,423	216	Dec. 31, 2014
2,524	443	USD	82.3655	2,079	365	Dec. 31, 2014
2,641	359	USD	82.3655	2,175	296	Dec. 31, 2014
3,325	1,028	USD	82.3655	2,739	846	Dec. 31, 2014
459,569	61,291	MXN	5.5966	25,720	3,430	Dec. 31, 2014
50,715	3,958	MXN	5.5966	2,838	222	Dec. 31, 2014
99,926	3,541	BRL	31.0492	31,026	1,100	Dec. 31, 2014
2,919	653	ZAR	7.1249	208	47	Dec. 31, 2014
750,000	-217,619	INR	1.3035	9,776	-2,837	Mar. 31, 2014
549,469	76,541	CNY	13.2700	72,915	10,157	Dec. 31, 2014
14,813,613	-2,700,000	KRW	0.0755	11,182	-2,038	Dec. 31, 2014
326,605	36,984	CNY	13.2700	43,340	4,908	Dec. 31, 2014
-119	20	USD	82.3655	-98	16	Dec. 31, 2014
17,444	4,923	CNY	13.2700	2,315	653	Dec. 31, 2014
5,300,538	186,921	JPY	0.6886	36,500	1,287	Dec. 31, 2014
374,820	2,504	JPY	0.6886	2,581	17	Dec. 31, 2014
680,609	6,161	JPY	0.6886	4,687	42	Dec. 31, 2014
-2,841,924	-1,389,323	IDR	0.0066	-188	-92	Dec. 31, 2014
1,888	3,801	THB	2.5056	47	95	Dec. 31, 2014

Receivables and other assets

Of the receivables from affiliated companies, EUR 14,629 k (p.y. EUR 18,840 k) concern financial transactions, while the remainder are trade receivables. As in the previous year, there were no receivables from equity investments classified as fixed financial assets as of December 31, 2014.

Of the other assets, an amount of EUR 1,276 k (p.y. EUR 1,858 k) have a remaining term of more than one year. As in the previous year, all other receivables and other assets are due in less than one year.

In connection with a warranty claim, ElringKlinger AG and the customers concerned agreed to a payment totaling EUR 24.4 million in a settlement agreement in 2011. The warranty claim related to gaskets delivered in early 2008. The settlement has since then been paid in full. This payment is offset by receivables in the same amount from our direct and excess loss insurer, of which EUR 10.0 million had already been settled in 2011. The outstanding amount of the receivable has not yet been settled. The leading underwriter rejected the excess coverage requirement of EUR 10.0 million which has already been paid. ElringKlinger AG has therefore brought legal action for payment of EUR 14.4 million from the leading underwriter. The complaint was dismissed in a first instance in April 2014. Since then, the legal action has been settled. The insurers included in the settlement are required to compensate EUR 8.5 million, which means that ElringKlinger has a residual loss of EUR 5.9 million. This amount has a negative impact on income in 2014. The insurers made the payments in 2014.

Equity

During the 2014 financial year, equity developed as follows:

EUR k	Dec. 31, 2013	Dividend	Revenue reserves	Net income	Dec. 31, 2014
Share capital	63,360	0	0	0	63,360
Capital reserves	120,827	0	0	0	120,827
Revenue reserves	269,097	0	0	24,031	293,128
Net retained earnings	31,680	-31,680	0	34,848	34,848
	484,964	-31,680	0	58,879	512,163

The share capital of ElringKlinger AG amounted to EUR 63,359,990 as of December 31, 2014 and is divided into 63,359,990 registered shares, each entitled to a single vote. The share capital is fully paid in. Each registered share represents a national interest of EUR 1.00 of the share capital. Profit is distributed in accordance with § 60 AktG in conjunction with § 23 no. 1 of the Articles of Association.

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the Company's share capital by issuing new shares for cash and/or in-kind contributions on one or more occasions, however by no more than EUR 31,679,995, by May 17, 2017 (Authorized Capital 2012). As a rule, the shareholders are entitled to subscription rights. The shares may also be acquired by one or more banks subject to the proviso that they offer them to the shareholders for subscription. However, the Management Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholder subscription rights

- in order to eliminate fractional amounts;
- if the capital increase against in-kind contributions is implemented specifically for the purpose of acquiring companies, parts of companies, equity investments classified as fixed financial assets or other assets in connection with an intended acquisition or within the framework of business combinations;
- if the new shares are issued against cash contributions and if the issue price per new share does not fall significantly below the quoted price of shares already listed, and the shares issued without subscription rights pursuant to § 186 (3) sentence 4 AktG, do not represent more than 10% of the share capital, either on the date on which this authorization takes effect or on the date on which it is exercised. The upper limit of 10% of share capital includes any shares issued or sold during the term of this authorization in exclusion of shareholders' subscription rights in direct or indirect application of § 186 (3) sentence 4 AktG.

The Management Board has not exercised the authorization to date.

As of December 31, 2014, revenue reserves consist of a statutory reserve amounting to EUR 3,013 k (p.y. EUR 3,013 k) and other revenue reserves of EUR 290,115 k (p.y. EUR 266,084 k).

Net retained earnings developed as follows:

	EUR k
Net retained earnings as of December 31, 2013	31,680
Profit distribution for 2013	- 31,680
Profit brought forward	0
Net income for 2014	58,879
Appropriation to other revenue reserves	-24,031
Net retained earnings as of December 31, 2014	34,848

Provisions

Provisions for pensions

As of the balance sheet date, pension obligations which must be covered by provisions exist in the amount of EUR 60,887 k (p.y. EUR 58,147 k). Pension provisions are measured according to the projected unit credit method by applying an interest rate of 4.58% (p.y. 4.89%) in accordance with the 2005 G mortality tables by Dr. Klaus Heubeck. In addition, the calculation is based on assumptions of a 2.75% income trend (p.y. 2.75%), a 0.75% career trend (p.y. 0.50%), a pension trend of 1.50% (p.y. 1.75%) for benefit entitlements and 1.50% (p.y. 1.75%) for current pensions and an average fluctuation of 1.50% (p.y. 1.00%) as well as an increase in the income ceiling for the assessment of contributions to the statutory pension and health insurance schemes of 1.0% (p.y. 1.5%).

Other provisions relate to:

EUR k	Dec. 31, 2014	Dec. 31, 2013
Relating to employees	21,800	16,277
Outstanding payments for tools	6,275	5,266
Outstanding supplier invoices	4,406	2,514
Warranty obligations	2,745	2,034
Bonus credits not yet settled	2,684	2,220
Expected losses from customer transactions	1,996	2,008
Derivative risks	140	220
Litigation costs	124	104
Other risks	2,359	3,489
Total	42,529	34,132

Obligations relating to employees include partial retirement obligations which must be covered by provisions in the amount of EUR 3,185 k (p.y. EUR 2,962 k). Deferred performance for partial retirement obligations amounting to EUR 1,286 k (p.y. EUR 1,456 k) was offset against plan assets in the amount of EUR 1,167 k (p.y. EUR 1,099 k) in accordance with § 246 (2) HGB. Plan assets were identified as the specific and pledged trust agreement which is protected from insolvency covering asset transfer, reimbursement and agency between ElringKlinger AG and ElringKlinger Vermögenstreuhand e.V. and ElringKlinger Mitarbeiterstreuhand e.V. dated March 7, 2005. The acquisition costs of the covering assets come to EUR 1,170 k (p.y. EUR 1,058 k). Fair value of the plan assets is based on the measurement of the investment at its price at the balance sheet date. There was no income from plan assets in 2014. Expenses from the adjustment of covering assets to the lower fair value total EUR 3 k and were recorded in interest expenses. Unwinding the discount on the partial retirement obligations is recorded in interest expenses and amounts to EUR 59 k (p.y. EUR 62 k).

Liabilities

EUR k	Total amount as of Dec. 31, 2014	thereof with a remaining term of up to one year	one to five years	more than five years	thereof secured	Total amount as of Dec. 31, 2013
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Liabilities due to banks	286,831	127,087	146,106	13,638	15,613	250,842
Payments received on account of orders	1,971	1,971	0	0	0	1,326
Trade payables	15,977	15,977	0	0	0	20,790
Liabilities to affiliated companies	23,483	12,101	11,382	0	0	27,748
Other liabilities	21,697	7,140	14,557	0	0	23,123
	349,959	164,276	172,045	13,638	15,613	323,829

EUR k	Total amount as of Dec. 31, 2013	thereof with a remaining term of up to one year	one to five years	more than five years	thereof secured	Total amount as of Dec. 31, 2012
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Liabilities due to banks	250,842	78,032	154,357	18,453	16,333	221,041
Payments received on account of orders	1,326	1,326	0	0	0	329
Trade payables	20,790	20,790	0	0	0	16,203
Liabilities to affiliated companies	27,748	18,461	9,287	0	0	11,611
Liabilities to companies in which participating interests are held	0	0	0	0	0	7,009
Other liabilities	23,123	10,848	12,275			29,381
	323,829	129,457	175,919	18,453	16,333	285,574

EUR 15,613 k (p.y. EUR 16,333 k) of liabilities due to banks are secured by land charges on operating property. With the exception of the customary reservation of title for trade payables, other liabilities are unsecured.

Liabilities to affiliated companies relate to financial transactions of EUR 24,813 k (p.y. EUR 27,397 k) and trade receivables offset against liabilities of EUR 2,463 k (p.y. EUR 32 k). Liabilities from current trade in the amount of EUR 1,133 k (p.y. EUR 383 k) are due to affiliated companies.

Deferred tax liabilities

The offsetting of the deferred tax assets against the deferred tax liabilities results in a net liability. Differences which result in deferred tax assets are due mainly to pension provisions and other provisions.

Deferred tax liabilities in the amount of EUR 9,174 k (p.y. EUR 9,724 k) result from the total differences arising between the carrying amounts and tax bases of fixed and current assets, including prepaid expenses and deferred income. Deferred taxes are measured using a tax rate of 27.9% (p.y. 27.7%). Differences between the carrying amounts and the tax bases resulting in a deferred tax liability are mainly due to tangible fixed assets and financial assets.

Income statement disclosures

Sales revenue

Breakdown by geographical market

EUR k	2014	2013
Germany	218,377	198,225
Europe	238,184	211,131
Asia	52,287	43,864
NAFTA	45,453	37,128
Rest of the world	16,606	18,036
Total sales revenue	570,907	508,384

Broken down by division, sales revenue of EUR 450,834 k (p.y. EUR 398,282 k) relates to Original Equipment, EUR 119,578 k (p.y. EUR 109,585 k) to Aftermarket and EUR 495 k (p.y. EUR 517 k) to Industrial Parks.

Other operating income

Other operating income includes reversals of write-downs previously recognized on fixed financial assets. These concern affiliated companies in the amount of EUR 7,438 k (p.y. EUR 8,993 k).

Other operating income includes income relating to previous periods of EUR 1,499 k (p.y. EUR 2,111 k). This contains income from disposals of fixed assets of EUR 550 k (p.y. EUR 903 k), income from the release of provisions of EUR 937 k (p.y. EUR 1,208 k) and income from the reduction of valuation allowances of EUR 12 k (p.y. EUR 0 k).

In addition, other operating income consists of licensing income of EUR 8,123 k (p.y. EUR 8,082 k), income from services of EUR 3,712 k (p.y. EUR 3,556 k), government grants of EUR 6,749 k (p.y. EUR 7,021 k), income from insurance claims of EUR 1,701 k (p.y. EUR 4,496 k) and currency translation gains of EUR 3,646 k (p.y. EUR 1,149 k).

Other operating expenses

Other operating expenses contain expenses relating to other periods of EUR 6,828 k (p.y. EUR 349 k). This contains disposals of fixed assets of EUR 187 k (p.y. EUR 145 k) and defaults on receivables of EUR 6,641 k (p.y. EUR 204 k). Currency translation losses amounted to EUR 949 k (p.y. EUR 2,316 k).

Taxes on income

Taxes on income included expenses relating to previous periods of EUR 382 k (offset against income relating to previous periods). In the previous year, expenses relating to previous periods (offset against income relating to previous periods) amounted to EUR 1,077 k. Taxes on income include deferred tax income of EUR 550 k (p.y. deferred tax expenses of EUR 1,095 k).

Other taxes

Other taxes included tax expenses relating to other periods of EUR 20 k (p.y. tax income of EUR 8 k).

Contingent liabilities

As in the previous year, there were no contingent liabilities arising from the issue or transfer of bills of exchange; there were contingent liabilities in connection with guarantees issued and performance bonds (EUR 53,380 k; p.y. EUR 39,252 k), of which EUR 53,380 k related to affiliated companies (p.y. EUR 39,228 k). Given the strong business development of the beneficiary companies, it is not currently considered likely that these guarantees will be drawn upon.

ElringKlinger AG has undertaken to furnish an affiliated company with funds such that it will at all times be able to meet its supply obligations from a contract for work and services. There also exist obligations to pay the purchase price receivables of suppliers of subsidiaries in the event that the subsidiaries fail to meet their payment obligations within a certain period. Given the strong performance of the subsidiaries, it is not currently considered likely that these contingent liabilities will be drawn upon.

Other financial commitments

2014 EUR k	Total	Remaining term < 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Contracts for the supply of gas and electricity	12,700	2,828	9,872	0
Rental and lease agreements	2,888	1,211	1,561	116
	15,588	4,039	11,433	116
2013 EUR k	Total	Remaining term < 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Contracts for the supply of gas and electricity	26,717	8,996	17,721	0
Rental and lease agreements	2,021	1,136	885	0
	28,738	10,132	18,606	0

In addition, there are financial commitments to subsidiaries in the amount of EUR 2,997 k (p.y. EUR 11,214 k) in connection with loan agreements. There are no other financial commitments to affiliated companies beyond this.

As of the balance sheet date, there are contractual obligations to acquire tangible and intangible fixed assets amounting to EUR 19,570 k (p.y. EUR 15,188 k).

A co-shareholder has a put option on all remaining shares in the joint venture entities.

Other disclosures

Number of employees

The average number of **employees** during the year (excluding Management Board members) was as follows:

	2014	2013
Wage earners	1,452	1,357
Salaried employees	880	792
	2,332	2,149
Trainees	103	91
	2,435	2,240

Related-party disclosures

Pursuant to § 285 no. 21 HGB, transactions with related parties must be disclosed in the notes, unless they represent transactions between companies that are direct or indirect 100% shareholdings which are included in the Company's consolidated financial statements.

The following transactions were entered into with companies which are not wholly-owned subsidiaries of the ElringKlinger Group in financial year 2014:

EUR k	2014	2013
Sales revenue from the sale of manufactured goods and merchandise	26,426	17,405
License fees	2,550	2,838
Services performed	2,324	2,024
Sales of tools	1,082	3,463
Services received and other expenses	17,434	7,065
Interest income	68	55
Interest expenses	507	412
Loans granted as of the balance sheet date	3,841	3,486
Other receivables as of the balance sheet date	14,093	12,605
Loans received as of the balance sheet date	22,690	26,381
Other liabilities as of the balance sheet date	752	58

Furthermore:

- Cooperation agreement between ElringKlinger AG and Lechler GmbH, Metzingen, concerning traineeships. Mr. Walter Herwarth Lechler is the Chairman of the Supervisory Board of ElringKlinger AG and holds a significant interest in Lechler GmbH. ElringKlinger AG earned EUR 34 k during the reporting year (p.y. EUR 80 k). A receivable of EUR 10 k was still outstanding as of the balance sheet date (p.y. EUR 19 k).

- Loan agreement between Lechler GmbH and ElringKlinger AG. Lechler GmbH granted ElringKlinger AG a loan totaling EUR 12,000 k. A loan for EUR 7,000 k carries an interest rate of 1.6% p.a. and has a term until August 17, 2015. An additional loan for EUR 5,000 k carries an interest rate of 1.52% p.a. and has a term until June 19, 2017.

Derivative financial instruments

All forward contracts are entered into with Germany financial institutions rated at least with “A” (by Standard & Poor’s ratings).

The bank-confirmed market values of the derivatives are computed using recognized mathematical methods and the market data available as of the balance sheet date (mark-to-market method).

Financial derivatives are used to reduce the risks stemming from nickel prices. As of the balance sheet date, there were four nickel hedging contracts for a total of 480 metric tons of nickel for the period from February 2014 to December 2015. The contracts were marked to market as of the balance sheet date resulting in a positive fair value of EUR 29 k (p.y. EUR 87 k) as well as a negative market value of EUR 140 k (p.y. EUR 156 k). A provision for expected losses was recognized in the amount of the negative market value. The market values were determined using recognized mathematical methods and the market data available as of the balance sheet date (mark-to-market method).

Corporate bodies

Supervisory Board

Walter Herwarth Lechler Stuttgart, Chairman	Managing Partner of Lechler GmbH, Metzingen Governance roles: a) n.a. b) Lechler Ltd., Sheffield, UK
Markus Siegers* Altbach, Deputy chairman	Chairman of the Works Council of ElringKlinger AG
Gert Bauer* Reutlingen	First General Representative and collector IG Metall trade union, Reutlingen/Tübingen Governance roles: a) Hugo Boss AG, Metzingen b) BIKOM GmbH, Reutlingen
Armin Diez* Lenningen	Divisional Director of the Cylinder-head Gaskets and Battery Technology/E-Mobility at ElringKlinger AG
Klaus Eberhardt Lindau	Former CEO of Rheinmetall AG, Düsseldorf Governance roles: a) KSPG AG, Neckarsulm (until December 31, 2014) MTU Aero Engines AG, Munich Dürr AG, Stuttgart b) n.a.
Pasquale Formisano* Vaihingen an der Enz	Chairman of the Works Council ElringKlinger Kunststofftechnik GmbH
Dr. Margarete Haase Cologne	Member of the Executive Board of DEUTZ AG, Cologne Governance roles: a) Fraport AG, Frankfurt am Main ZF Friedrichshafen AG, Friedrichshafen b) DEUTZ (Dalian) Engine Co. Ltd., Dalian, China Deutz Engines (Shandong) Co. Ltd., Changlin, China Deutz Engine (China) Ltd. Co, Linyi, China
Gabriele Sons Ratingen (since May 16, 2014)	Member of the Management Board of ThyssenKrupp Elevator AG

Paula Monteiro-Munz* Grabenstetten	Deputy chairwoman of the Works Council of ElringKlinger AG
Prof. Hans-Ulrich Sachs Bremen	Managing Partner of betec Umformtechnik GmbH, Adelmansfelden
Manfred Strauß Stuttgart	Managing shareholder of M&S messebau und service GmbH, Neuhausen a. d. F. Governance roles: a) n.a. b) Pro Stuttgart Verwaltungs GmbH, Stuttgart Pro Stuttgart Verkehrsverein, Stuttgart
Gerhard Wick* Geislingen a. d. Steige	First General Representative of IG Metall district administration Esslingen Governance roles: a) Stihl AG, Waiblingen WMF AG, Geislingen an der Steige WRS – Wirtschaftsförderung Region Stuttgart GmbH (since July 1, 2014) b) n.a.

*Employee representative

- a) Membership in supervisory boards to be established by law within the meaning of § 125 AktG
- b) Membership in analogous domestic and foreign supervisory bodies, § 125 AktG

Remuneration of the Supervisory Board

Total remuneration of the Supervisory Board of ElringKlinger AG amounted to EUR 608 k (p.y. EUR 619 k) in the reporting period. In addition, travel expenses in the amount of EUR 2 k (p.y. EUR 2 k) were reimbursed. Total remuneration of the Supervisory Board is distributed among the individual supervisory board members as follows:

EUR k	Fixed remuneration		Variable remuneration		Total remuneration	
	2014	2013	2014	2013	2014	2013
Walter Herwarth Lechler	48	48	57	55	105	103
Markus Siegers	25	25	43	42	68	67
Gert Bauer	18	18	29	28	47	46
Armin Diez	18	18	29	28	47	46
Klaus Eberhardt	22	14	29	17	51	31
Pasquale Formisano	14	14	29	28	43	42
Dr. Margarete Haase	14	14	29	28	43	42
Karl Uwe van Husen	0	9	0	11	0	20
Dr. Thomas Klinger-Lohr	0	22	0	28	0	50
Paula Monteiro-Munz	18	18	29	28	47	46
Prof. Hans-Ulrich Sachs	13	14	29	28	42	42
Gabriele Sons	19	0	11	0	29	0
Manfred Strauß	14	14	29	28	43	42
Gerhard Wick	14	14	29	28	43	42
Total amount	237	242	372	377	608	619

The variable remuneration shown reflects the expense for which provisions have been recognized, based on the average IFRS consolidated income before taxes in the last three financial years.

Management Board

Dr. Stefan Wolf, Sindelfingen,
Chairman

responsible for all Group companies and the corporate functions of Finance, Controlling, Legal Affairs, Personnel, IT, Investor Relations, and Corporate Communications, as well as the Aftermarket and Industrial Parks divisions.

Theo Becker, Metzingen

responsible for the Cylinder-head Gaskets, Special Gaskets, Plastic Housing Modules/Elastomer Technology, Shielding Technology, Exhaust Gas Purification Technology, E-Mobility, Tool Technology divisions and the corporate functions of Quality and Environment, Materials Management and the ElringKlinger AG plants.

Karl Schmauder, Hülben

responsible for Original Equipment Sales and New Business Areas

Governance roles in supervisory boards and other supervisory bodies

Dr. Stefan Wolf, Sindelfingen,
Chairman

Member of the Supervisory Board of Fielmann AG, Hamburg, Chairman of the Supervisory Board of Norma Group AG, Maintal, member of the Supervisory Board of ALLGAIER Werke GmbH, Uhingen (since November 6, 2014), member of the Board of Directors of Micronas Semiconductor Holding AG, Zurich (expected until March 27, 2015)

Theo Becker, Metzingen

Member of the Supervisory Board of E.G.O.
Blanc und Fischer & Co. GmbH, Oberderdingen
(from November 24, 2014)

Karl Schmauder, Hülben

Chairman of the Advisory Board of e-mobil BW
GmbH, Stuttgart, and Advisory Board member of
Steff Beteiligungs-GmbH, Giengen

Remuneration of the Management Board

Total remuneration of the Management Board came to EUR 5,892 k (p.y. EUR 4,020 k). The following stock appreciation rights stem from long-term performance-related remuneration:

As part of the long-term variable remuneration, the members of the Management Board were granted stock appreciation rights until the financial year 2013. Stock appreciation rights refer to a right to a cash settlement, not, however, for shares of ElringKlinger AG. It was planned that 30,000 stock appreciation rights would be granted to each member of the Management Board on February 1 of each year beginning in 2013. The strike price is calculated using the arithmetic mean of the market price of ElringKlinger's shares on the last 60 trading days prior to the grant date. The grant of the stock appreciation rights is subject to an investment by the Management Board members of one-tenth of the number of granted stock appreciation rights in shares of ElringKlinger AG. The holding period of the stock appreciation rights is four years. Within a period of two additional years after the holding period expires, a Management Board member may demand redemption of the stock appreciation rights. The redemption price is calculated using the average market price of ElringKlinger's shares of the last 60 trading days prior to redemption. Redemption of the stock appreciation rights may be demanded only if the redemption price exceeds the strike price by 25%. The total redemption price per tranche is limited to two fixed annual salaries at the time of redemption. Provisions are recognized in order to cover the estimated future obligation.

As of February 1, 2013, the stock appreciation rights were planned to be granted in five/four tranches. Two members of the Management Board were granted rights for the period from February 1, 2008 to February 1, 2012 and one member of the Management Board for the period from January 1, 2009 to January 1, 2012. The strike price is calculated using the arithmetic mean of the market price of ElringKlinger's shares on the last 60 trading days prior to the grant date. The number of stock appreciation rights was calculated based on the fixed remuneration of the respective board member and the strike price (fixed remuneration in relation to strike price = number of shares granted). The cash payment to be granted is calculated based on the difference between the redemption price, which is also calculated as an average of the stock price over the last 60 trading days, and the strike price. A payment is made only in the event that the share price of ElringKlinger AG increases more than the index in which ElringKlinger is listed (MDAX), but at least by 25%. The payment per tranche is limited to the fixed salary amount for the year. The waiting period is four years.

Provisions are recognized in order to cover the estimated future obligation. The fair value of the obligation is determined based on the Cox-Ross-Rubinstein model and the Black-Scholes model using current market parameters. A risk-free interest rate ranging between 0.17% and 0.49% was used depending on the term. The volatility of the share price (29.12%), the volatility of the MDAX index (13.48%), and a correlation of 58.11% were determined over a four-year period. The expected dividend was EUR 0.55 per share.

The previous model was terminated with the introduction of the new remuneration system for members of the Management Board. Tranches that are not yet exercisable remain unchanged.

For the financial year 2014, the following data arose:

Date tranches were issued	2011	2012	2013
Number of stock appreciation rights exercised			
Value of stock appreciation rights exercised (EUR k)			
Number of stock appreciation rights (not yet exercisable)	32,501	42,406	90,000
Average strike price (EUR)	24.83	19.43	24.54
Average remaining term to maturity in years	0.04	1.04	2.08
Value of stock appreciation rights held by members of the Management Board			
December 31, 2014 (EUR k)	0	48	236
December 31, 2013 (EUR k)	24	69	129
December 31, 2012 (EUR k)	42	44	0
December 31, 2011 (EUR k)	21	0	0

Development of provisions for pensions for members of the Management Board

2014 EUR k	Dec. 31, 2013	Allocations	Dec. 31, 2014
Dr. Stefan Wolf	1,739	464	2,203
Theo Becker	1,504	216	1,720
Karl Schmauder	2,121	201	2,322
Total	5,364	881	6,245
2013 EUR k	Dec. 31, 2012	Allocations	Dec. 31, 2013
Dr. Stefan Wolf	1,479	260	1,739
Theo Becker	1,292	212	1,504
Karl Schmauder	1,871	250	2,121
Total	4,642	722	5,364

Provisions for pensions and remuneration for former members of the Management Board

Provisions of EUR 9,981 k (p.y. EUR 10,061 k) were recognized for pension obligations to former members of the Management Board, the management of merged companies, and their surviving dependents. The total remuneration of former members of the Management Board – including remuneration of former members of corporate bodies of merged companies – came to EUR 826 k (p.y. EUR 823 k) during the 2014 financial year.

Auditors' fees are not disclosed, as these disclosures are made in the notes to consolidated financial statements in which the Company is included.

Information pursuant to § 160 (1) no. 8 AktG

As of the balance sheet date 2014, the following shareholdings were held in the Company that were reported pursuant to § 21 (1) German Securities Trading Act (Wertpapierhandelsgesetz, “WpHG”).

1. Voting rights notification

On December 30, 2014, MIPL Group Limited, London, United Kingdom, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 29, 2014 and on that day amounted to 3.01% (this corresponds to 1,909,203 voting rights). 3.01% of voting rights (this corresponds to 1,909,203 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the WpHG.

2. Voting rights notification

On December 30, 2014, Atlantic Value General Partner Limited, London, United Kingdom, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 29, 2014 and on that day amounted to 3.01% (this corresponds to 1,909,203 voting rights). 3.01% of voting rights (this corresponds to 1,909,203 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the WpHG.

3. Voting rights notification

On December 30, 2014, Atlantic Value Investment Partnership LP, Wilmington, Delaware United States, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 29, 2014 and on that day amounted to 3.01% (this corresponds to 1,909,203 voting rights). 3.01% of voting rights (this corresponds to 1,909,203 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the WpHG.

4. Voting rights notification

On December 30, 2014, Mondrian Investment Partners Limited, London, United Kingdom, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 29, 2014 and on that day amounted to 3.01% (this corresponds to 1,909,203 voting rights). 3.01% of voting rights (this corresponds to 1,909,203 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 of the WpHG.

5. Voting rights notification

On December 30, 2014, MIPL Holdings Limited, London, United Kingdom, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 29, 2014 and on that day amounted to 3.01% (this corresponds to 1,909,203 voting rights). 3.01% of voting rights (this corresponds to 1,909,203 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the WpHG.

6. Voting rights notification

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

1. PAUL LECHLER STIFTUNG gGmbH domiciled in Ludwigsburg, Germany
2. Lechler Stiftung domiciled in Ludwigsburg, Germany

We, KWL Beteiligungs-GmbH, hereby notify you pursuant to § 21 (1) WpHG for and on behalf of PAUL LECHLER STIFTUNG gGmbH and Lechler Stiftung as follows:

1. PAUL LECHLER STIFTUNG gGmbH

The percentage of voting rights of PAUL LECHLER STIFTUNG gGmbH in ElringKlinger AG fell below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on December 10, 2014 and amounted to 0.00% (0 voting rights) on this day.

2. Lechler Stiftung

The percentage of voting rights of Lechler Stiftung in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on December 10, 2014 and amounted to 29.981% (18,996,168 voting rights) on this day.

Of these voting rights, 28.99% (18,368,788 voting rights) are attributed to Lechler Stiftung in accordance with § 22 (2) sentence 1 no. 1 WpHG and an additional 9.21% (5,835,136 voting rights) are attributed in accordance with § 22 (1) sentence 1 WpHG.

The voting rights attributable to Lechler Stiftung in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Eroca AG
- Klaus Lechler Beteiligungs-GmbH
- KWL Beteiligungs-GmbH

The voting rights attributable to Lechler Stiftung are held by the following shareholders that holds 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH
- Lechler Beteiligungs-GmbH

7. Voting rights notification

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

1. Ingeborg Guggolz, Germany
2. Klaus Lothar Lechler, Germany
3. Volker Lechler, Germany
4. Marianne Lechler-Strauß, Germany
5. Klaus Lechler Familienstiftung, Germany

We, INLOVO GmbH, hereby notify you pursuant to § 21 (1) WpHG in our own name and for and on behalf of Ms. Ingeborg Guggolz, Mr. Klaus Lothar Lechler, Mr. Volker Lechler, Ms. Marianne Lechler-Strauß and Klaus Lechler Familienstiftung as follows:

1. Ingeborg Guggolz

The percentage of Ms. Ingeborg Guggolz's voting rights in ElringKlinger AG fell below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on September 9, 2014 and amounted to 0.00% (0 voting rights) on this day.

2. Klaus Lothar Lechler

The percentage of Mr. Klaus Lothar Lechler's voting rights in ElringKlinger AG fell below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on September 9, 2014 and amounted to 0.00% (0 voting rights) on this day.

3. Volker Lechler

The percentage of Mr. Volker Lechler's voting rights in ElringKlinger AG fell below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on September 9, 2014 and amounted to 0.00% (0 voting rights) on this day.

4. Marianne Lechler-Strauß

The percentage of Ms. Marianne Strauß-Lechler's voting rights in ElringKlinger AG fell below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on September 9, 2014 and amounted to 0.04% (23,800 voting rights) on this day.

5. Klaus Lechler Familienstiftung

The percentage of voting rights of Klaus Lechler Familienstiftung in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on September 9, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributed to Klaus Lechler Familienstiftung in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Klaus Lechler Familienstiftung in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and hold 3% or more of voting rights in ElringKlinger AG:

- INLOVO GmbH
- Lechler Beteiligungs-GmbH

The voting rights attributable to Klaus Lechler Familienstiftung are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

8. Voting rights notification

On August 11, 2014, Klinger B.V., Rotterdam, Netherlands has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have exceeded the 3% threshold of the voting rights on December 22, 2006 and on that day amounted to 4.9998958% (this corresponds to 959,980 voting rights).

9. Voting rights notification

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

1. Ingeborg Guggolz, Germany
2. Klaus Lothar Lechler, Germany
3. Volker Lechler, Germany
4. Marianne Lechler-Strauß, Germany

We, INLOVO GmbH, hereby notify you pursuant to § 21 (1) WpHG in our own name and for and on behalf of Ms. Ingeborg Guggolz, Mr. Klaus Lothar Lechler, Mr. Volker Lechler and Ms. Marianne Lechler-Strauß as follows:

1. Ingeborg Guggolz

The percentage of Ms. Ingeborg Guggolz's voting rights in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on August 4, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributed to Ms. Ingeborg Guggolz in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Ms. Ingeborg Guggolz in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by her and hold 3% or more of voting rights in ElringKlinger AG:

- INLOVO GmbH
- Lechler Beteiligungs-GmbH

The voting rights attributable to Ms. Ingeborg Guggolz are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

2. Klaus Lothar Lechler

The percentage of Mr. Klaus Lothar Lechler's voting rights in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on August 4, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributable to Mr. Klaus Lothar Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Mr. Klaus Lothar Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by him and hold 3% or more of voting rights in ElringKlinger AG:

- INLOVO GmbH
- Lechler Beteiligungs-GmbH

The voting rights attributable to Mr. Klaus Lothar Lechler are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

3. Volker Lechler

The percentage of Mr. Volker Lechler's voting rights in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on August 4, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributable to Mr. Volker Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Mr. Volker Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by him and hold 3% or more of voting rights in ElringKlinger AG:

- INLOVO GmbH
- Lechler Beteiligungs-GmbH

The voting rights attributable to Mr. Volker Lechler are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

4. Marianne Lechler-Strauß

The percentage of Ms. Marianne Strauß-Lechler's voting rights in ElringKlinger AG exceeded the thresholds of 3%, 5%, 10%, 15%, 20% and 25% on August 4, 2014 and amounted to 29.04% (18,402,588 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributable to Ms. Marianne Strauß-Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Ms. Marianne Strauß-Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by her and hold 3% or more of voting rights in ElringKlinger AG:

- INLOVO GmbH
- Lechler Beteiligungs-GmbH

The voting rights attributable to Ms. Marianne Strauß-Lechler are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

10. Voting rights notification

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

1. Eroca AG, Basel, Switzerland
2. Klaus Lechler Beteiligungs-GmbH, Ludwigsburg, Germany
3. KWL Beteiligungs-GmbH, Ludwigsburg, Germany
4. PAUL LECHLER STIFTUNG gGmbH, Ludwigsburg, Germany

We, KWL Beteiligungs-GmbH, hereby notify you pursuant to § 21 (1) WpHG in our own name and for and on behalf of Eroca AG, Klaus Lechler Beteiligungs-GmbH and PAUL LECHLER STIFTUNG gGmbH as follows:

1. Eroca AG

The percentage of voting rights of Eroca AG in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 19.80% (12,546,652 voting rights) are attributable to Eroca AG in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Eroca AG are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Elrena GmbH
- Lechler Beteiligungs-GmbH

2. Klaus Lechler Beteiligungs-GmbH

The percentage of voting rights of Klaus Lechler Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.20% (5,832,136 voting rights) are attributable to Klaus Lechler Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.23% (12,181,215 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Klaus Lechler Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Eroca AG

The voting rights attributable to Klaus Lechler Beteiligungs-GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Elrena GmbH

- Lechler Beteiligungs-GmbH

3. KWL Beteiligungs-GmbH

The percentage of voting rights of KWL Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.78% (6,197,573 voting rights) are attributed to KWL Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and 28.43% (18,010,351 voting rights) are attributable in accordance with § 22 (2) sentence 1 WpHG. Of the 28.43%, 9.20% (5,832,136 voting rights) are attributed to KWL Beteiligungs-GmbH in accordance with both § 22 (2) sentence 1 no. 1 WpHG and § 22 sentence 1 no. 1 WpHG.

The voting rights attributable to KWL Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Eroca AG

- Klaus Lechler Beteiligungs-GmbH

The voting rights attributable to KWL Beteiligungs-GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG

- Elrena GmbH

- Lechler Beteiligungs-GmbH

4. PAUL LECHLER STIFTUNG gGmbH

The percentage of voting rights of PAUL LECHLER STIFTUNG gGmbH in ElringKlinger AG exceeded the threshold of 25% on June 13, 2014 and amounted to 29.997% (19,006,168 voting rights) on this day.

Of these voting rights, 29.01% (18,378,788 voting rights) are attributed to PAUL LECHLER STIFTUNG gGmbH in accordance with § 22 (2) sentence 1 no. 1 WpHG and an additional 9.79% (6,200,573 voting rights) are attributed in accordance with § 22 (1) sentence 1 WpHG.

The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Eroca AG
- Klaus Lechler Beteiligungs-GmbH
- KWL Beteiligungs-GmbH

The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH
- Lechler Beteiligungs-GmbH

11. Voting rights notification

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

1. Lechler Beteiligungs-GmbH, Stuttgart, Germany
2. INLOVO GmbH, Ludwigsburg, Germany

We, Lechler Beteiligungs-GmbH, hereby notify you pursuant to § 21 (1) WpHG in our own name and for and on behalf of INLOVO GmbH as follows:

1. Lechler Beteiligungs-GmbH

The percentage of voting rights of Lechler Beteiligungs-GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 19.55% (12,388,610 voting rights) are attributable to Lechler Beteiligungs-GmbH in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Lechler Beteiligungs-GmbH were held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

2. INLOVO GmbH

The percentage of voting rights of INLOVO GmbH in ElringKlinger AG exceeded the thresholds of 10%, 15%, 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.45% (5,990,178 voting rights) are attributed to INLOVO GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.55% (12,388,610 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to INLOVO GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Lechler Beteiligungs-GmbH

The voting rights attributable to INLOVO GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Elrena GmbH

12. Voting rights notification

Voting rights notification pursuant to § 21 (1) WpHG

Notifying parties:

1. Elrena GmbH, Basel, Switzerland
2. Stiftung Klaus Lechler, Basel, Switzerland

We, Elrena GmbH, hereby notify you pursuant to § 21 (1) WpHG in our own name and for and on behalf of Stiftung Klaus Lechler as follows:

1. Elrena GmbH

The percentage of voting rights of Elrena GmbH in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 0.02% (14,000 voting rights) are attributable to Elrena GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.24% (12,190,751 voting rights) are attributable in accordance with § 22 (2) sentence 1 WpHG. The voting rights attributable to Elrena GmbH are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Lechler Beteiligungs-GmbH

2. Stiftung Klaus Lechler

The percentage of voting rights of Stiftung Klaus Lechler in ElringKlinger AG exceeded the thresholds of 20% and 25% on June 13, 2014 and amounted to 29.01% (18,378,788 voting rights) on this day.

Of these voting rights, 9.76% (6,188,037 voting rights) are attributable to Stiftung Klaus Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 19.24% (12,190,751 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG. The voting rights attributable to Stiftung Klaus Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Elrena GmbH

The voting rights attributable to Stiftung Klaus Lechler are held by the following shareholders that hold 3% or more of the voting rights in ElringKlinger AG in accordance with § 22 (2) sentence 1 WpHG:

- Eroca AG
- Lechler Beteiligungs-GmbH

13. Voting rights notification

On April 29, 2014, Betal Netherland Holding B.V., Rotterdam, Netherlands, has informed us according to § 22 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have fallen below the 3% threshold of the voting rights on January 23, 2014 and on that day amounted to 2.56% (this corresponds to 1621940 voting rights).

14. Voting rights notification

On April 2, 2014, Alken Luxembourg S.A. , Luxembourg, Luxembourg has informed us according to § 22 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have fallen below the 3% threshold of the voting rights on March 28, 2014 and on that day amounted to 2.96% (this corresponds to 1,876,211 voting rights). 2.96% of voting rights (this corresponds to 1,876,211 voting rights) are attributed to the company in accordance with § 22 (1) sentence 1 no. 6 of the WpHG (German Securities Trading Act).

15. Voting rights notification

On April 2, 2014, Alken Fund SICAV, Luxembourg, Luxembourg has informed us according to § 22 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have fallen below the 3% threshold of the voting rights on March 28, 2014 and on that day amounted to 2.96% (this corresponds to 1,876,211 voting rights).

16. Voting rights notification

On March 24, 2014, Klinger B.V., Rotterdam, Netherlands, has informed us according to § 21 (1) of the WpHG that its voting rights via shares in ElringKlinger AG, Dettingen/Erms, Germany, have fallen below the 3% threshold of the voting rights on January 23, 2014 and on that day amounted to 2.56% (this corresponds to 1,621,940 voting rights).

17. Voting rights notification

Lechler GmbH, Metzingen, Germany, notified us pursuant to § 21 (1) WpHG that the percentage of voting rights in our company exceeded the threshold of 10% on December 28, 2012 and amounted to 10.0127% (6,344,046 voting rights) on that day.

18. Voting rights notification

ElringKlinger received the following notification from Walter Herwarth Lechler on May 14, 2010:

“I am writing to notify you in accordance with § 21 (1) WpHG that the share of my voting rights in ElringKlinger AG fell below the threshold of 25% on May 11, 2010 and amounted to 23.697% (or 13,649,420 voting rights) on this day.

Of these voting rights, 10.394% (5,987,000 voting rights) are attributable to me pursuant to § 22 (1) sentence 1 no 1 WpHG.

The voting rights attributable to me are held by the following company that is controlled by me and holds 3% or more of voting rights in ElringKlinger AG: Lechler GmbH, Metzingen.

Scope of consolidated financial statements

In its function as ultimate parent, ElringKlinger AG prepares consolidated financial statements for the largest and the smallest group of companies to be included in the consolidation.

Declaration of compliance with the German Corporate Governance Code

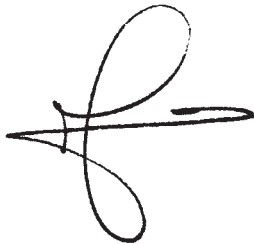
The Management Board and Supervisory Board issued a declaration of compliance on June 24, 2014 pursuant to § 161 AktG on the German Corporate Governance Code and published it on the ElringKlinger AG website on December 4, 2014. This declaration of compliance will be available on the ElringKlinger AG website and therewith made permanently available to shareholders.

Proposal for appropriation of profits

The Management Board and the Supervisory Board propose to the Annual General Meeting to appropriate the net retained earnings as of December 31, 2014 amounting to EUR 34,848 k in order to distribute a dividend of EUR 0.55 per share.

Dettingen/Erms, March 23, 2015

The Management Board



Dr. Stefan Wolf
Chairman/CEO



Theo Becker



Karl Schmauder

Audit Opinion

We have issued the following opinion on the financial statements and management report of the Company, which has been combined with the group management report:

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report which has been combined with the group management report of ElringKlinger AG, Dettingen/Erms for the fiscal year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions of the articles of incorporation and bylaws are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB [“Handelsgesetzbuch”: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and supplementary provisions of the articles of incorporation and bylaws and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.”

Stuttgart, March 23, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

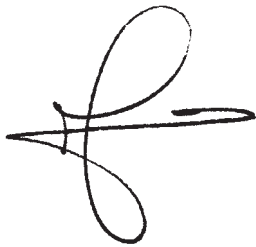
Marbler
Wirtschaftsprüfer
[German Public Auditor]

Göhner
Wirtschaftsprüfer
[German Public Auditor]

Responsibility statement and signature of the annual financial statements

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of ElringKlinger AG, and the management report, which has been combined with the group management report, includes a true and fair representation of the development and performance of the business and the position of ElringKlinger AG, together with a description of the material opportunities and risks associated with the expected development of ElringKlinger AG."

Dettingen/Erms, March 23, 2015
Management Board



Dr. Stefan Wolf
Chairman/CEO



Theo Becker



Karl Schmauder



ElringKlinger AG
Max-Eyth-Straße 2
72581 Dettingen/Erms
(Germany)