REPORT ON THE 3RD QUARTER AND 1ST NINE MONTHS 2016

pure *partners*

Key Figures
ElringKlinger Group

		3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015
Order Situation						
Order intake	*€ million*	383.7	441.2	424.0	429.6	336.6
Order backlog	*€ million*	894.7	885.2	835.0	796.2	756.7
Sales/Earnings						
Sales revenue	*€ million*	374.2	390.9	385.2	390.0	366.1
Cost of sales	*€ million*	280.6	293.2	287.7	299.8	274.7
Gross profit margin		25.0 %	25.0 %	25.3 %	23.1 %	25.0 %
EBITDA	*€ million*	55.1	58.5	53.2	50.2	56.7
EBIT / Operating result	*€ million*	31.2	35.2	30.8	26.2	35.4
EBIT margin		8.3 %	9.0 %	8.0 %	6.7 %	9.7 %
EBIT pre ppa[1]	*€ million*	32.6	36.2	32.0	27.5	36.7
EBIT margin pre ppa		8.7 %	9.3 %	8.3 %	7.1 %	10.0 %
Earnings before taxes	*€ million*	27.6	32.6	24.4	28.3	29.8
Net income	*€ million*	19.9	23.5	17.9	23.8	20.7
Net income attributable to shareholders of ElringKlinger AG	*€ million*	19.0	22.6	17.2	22.4	20.0
Cash Flow						
Net cash from operating activities	*€ million*	46.3	32.3	39.5	31.7	32.7
Net cash from investing activities	*€ million*	-44.5	-44.2	-38.9	-56.5	-50.7
Net cash from financing activities	*€ million*	-27.8	15.4	20.2	11.8	5.2
Operating free cash flow[2]	*€ million*	1.8	-6.6	0.6	-24.8	-18.0
Balance Sheet						
Balance sheet total	*€ million*	1,859.7	1,853.3	1,809.5	1,765.8	1,757.4
Equity	*€ million*	872.8	857.7	864.1	855.7	821.5
Equity ratio		46.9 %	46.3 %	47.8 %	48.5 %	46.7 %
Human Resources						
Employees (as at end of quarter)		8,433	8,283	8,126	7,912	7,742
Stock						
Earnings per share	*€*	0.30	0.36	0.27	0.35	0.32

[1] EBIT adjusted for amortization resulting from purchase price allocation
[2] Net cash from operating activities minus net cash from investing activities (excluding acquisitions)

pure
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ElringKlinger sees itself as a trusted partner to its customers, investors, and suppliers. This ambition is shared by a team of more than 8,400 people currently working for the Group at 45 sites around the globe. Embracing "pure partners" as a guiding theme, ElringKlinger has put its global network to the fore – capturing every dimension of cooperation within the company and beyond. The partnerships pursued within this network form the basis for our company's innovations, which in turn help to shape the world's mobility of the future and secure our position as a technology leader in the automotive supply industry.

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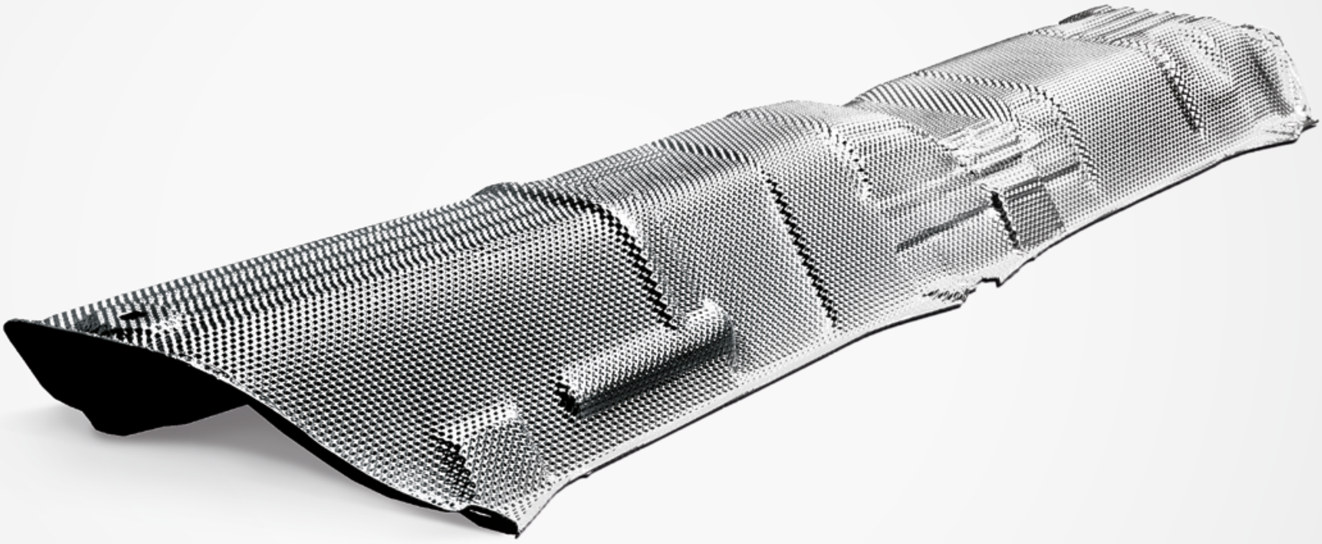

ElroTherm™ SL underbody shield in lightweight design with optimized material thickness.

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Macroeconomic Conditions and Business Environment

Over the first three quarters of 2016, global economic growth was slightly down compared with the International Monetary Fund's (IMF) figure of 3.2% for the previous year. Global industrial output increased at only a very modest pace during this period, although momentum has picked up slightly in the last few months. After a protracted downturn lasting several years, most commodity prices started to edge up again in 2016. This eased the pressure to some extent on those developing countries dependent on commodity exports.

The world's major economies (USA, China, and Europe) continued to expand in the first nine months of 2016. In the eurozone, growth was largely driven by the ECB's loose monetary policy and a robust performance by the internal market. As yet, the Brexit decision has not had any noticeable impact on business. The German economy remained stable over the first nine months, above all thanks to the favorable climate for consumers. The rate of expansion in the USA was slightly less pronounced, but growth nevertheless remained moderate against a background of solid employment figures. After a marked slowdown in 2015, the Chinese economy has stabilized in the current year – with GDP growth to date of well over 6%. In Brazil and Russia, both of which are currently in recession, the rate of contraction slowed in the period under review. Conditions remain difficult in the Japanese economy, which has again been unable to expand.

Moderate increase in global vehicle sales

The moderate increase in global vehicle sales over the first three quarters of 2016 was driven primarily by strong performances in Europe, China, and India. As anticipated, the US market is currently experiencing a slight lull after previous strong growth.

Vehicle sales in Western and Eastern Europe grew by a surprisingly large margin over the period. After the first six months, in which new registrations of passenger cars in Western Europe rose by 9.1 percent year on year, the rate of growth eased slightly in the third quarter. All of the top five Western European markets ended the first nine months higher, led by Italy and Spain with double-digit percentage growth. In terms of production, however, the figures were less positive. In the third quarter, production volumes in Germany, France, and Spain were as much as up to 5% lower compared with the same period in 2015. Vehicle production in Germany rose by just 1.1% over the first three quarters to reach 4.4 million units. Of these, around three-quarters (3.3 million passenger cars) were exported, with the result that total exports remained on a par with the previous year.

In the US market, where the pace of expansion slowed for the first time after several years of strong growth, demand for SUVs and pick-ups remained buoyant. By contrast, there was a general downturn in the passen-

GDP GROWTH RATES

Year-on-year change in %	1st Quarter 2016	2nd Quarter 2016	3rd Quarter 2016
Germany	1.8	1.7	1.7
Eurozone	1.7	1.6	1.5
USA	1.6	1.2	1.4
Brazil	-5.4	-3.8	-2.4
China	6.7	6.7	6.7
India	7.9	7.1	7.4
Japan	0.2	0.8	0.5

Source: HSBC (Sep. 2016)

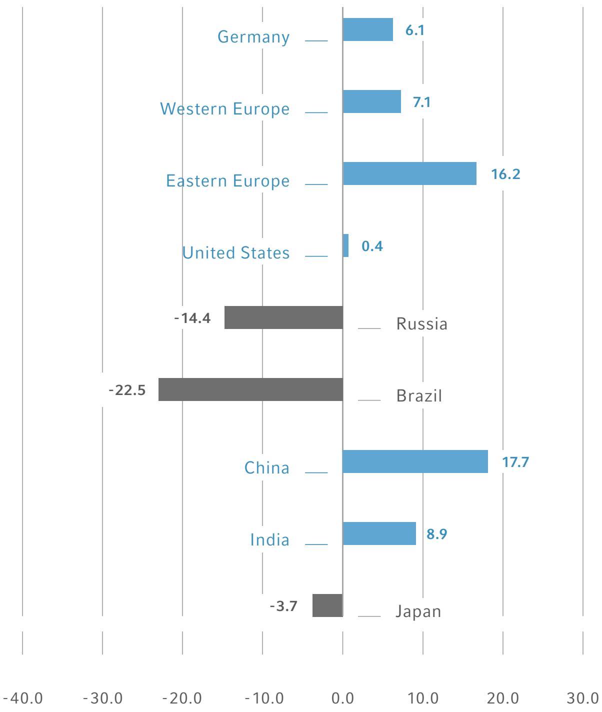
ger car segment. In China, the world's biggest passenger car market, sales figures rose faster and faster as the year progressed. This trend was even more pronounced in the third quarter, with monthly increases in some cases of over 30%. In India, too, sales rose from one quarter to the next. By contrast, the Brazilian and Russian markets again experienced double-digit contraction, and demand in Japan was also down on the previous year.

Europe maintains upswing in commercial vehicle sales

The upswing in Europe's commercial vehicle market remained intact in the third quarter of 2016. Pent-up demand in the aftermath of the economic crisis is now being released as the economic situation improves. So far this year, sales figures for medium and heavy commercial vehicles (over 3.5 metric tons) in Western Europe have increased by 11.0% to nearly 400,000. Around 120,000 of these commercial vehicles were newly registered in Germany, an increase of 3.9% on the previous year. In Eastern Europe, total new registrations rose by a highly dynamic 23.3% to approximately 96,000.

Although anticipated, the situation in the US market was less positive. After several years of strong growth, fleet operators proved less willing to invest in new vehicles. Year on year, sales of Class 8 heavy trucks were 21.1% lower over the first nine months of 2016.

NEW CAR REGISTRATIONS JAN. – SEP.
Year-on-year change (in %)



Source: VDA, ACEA (Oct. 2016)

Significant Event

In the first quarter of 2016, ElringKlinger acquired an additional 5.0% of the ownership interests in its subsidiary new enerday GmbH, Neubrandenburg, Germany, effective from February 18, 2016. Since then, it holds 80.0% of the interests in the fuel cell system specialist. This is in keeping with ElringKlinger's continued strategy of scaling back non-controlling interests within the Group to the largest extent possible.

Effective from February 23, 2016, Karl Schmauder, member of the Management Board of ElringKlinger AG, stepped down from his role as a Management Board executive. Mr. Schmauder was appointed to the Management Board of ElringKlinger AG in 2005, from which point on he was responsible for Original Equipment Sales and New Business Areas. Thus, the Management Board of ElringKlinger will in future consist of three members: Alongside Dr. Stefan Wolf in the role of CEO, Theo Becker as COO responsible for Production and Technology and Thomas Jessulat in his capacity as CFO will remain as members of the Group's highest governing body. Dr. Stefan Wolf has taken over the area of Original Equipment Sales. In future, New Business Areas will be overseen by Theo Becker.

At its meeting on March 3, 2016, Deutsche Börse resolved on changes to the composition of its stock market indices. Formerly listed in the MDAX, ElringKlinger AG has left the aforementioned index and has joined the SDAX effective from March 21, 2016. The composition of indices for the German stock market is governed by two key criteria: market capitalization of free float and average trading volume of the shares in question.

In the second quarter of 2016, Hug Engineering AG, a 93.67% subsidiary of ElringKlinger AG based in Elsau, Switzerland, acquired a further 80.0% of the interests in COdiNOx Beheer B.V., Enschede, Netherlands, effective from April 11, 2016, and now holds a 90.0% interest in that entity. The euro-based purchase price is towards the lower end of the single-digit million euro range.

The acquisition of the aforementioned interests was concluded after the subsidiaries of COdiNOx Beheer B.V. had been merged into the parent company. The company now trades as Hug Engineering B.V. The acquisition of the distribution and service company is aimed at exploiting synergies and leveraging growth potential for Hug exhaust gas purification systems, in addition to unlocking new markets.

In addition, effective from June 1, 2016, ElringKlinger AG took over the business operations of the insolvent die and tool maker Maier Formenbau GmbH, with its registered office in Bissingen/Teck, Germany. All assets of Maier Formenbau GmbH required for the continuation of business operations were acquired and integrated within ElringKlinger AG (asset deal).

Maier Formenbau specializes in the production and repair of technically complex injection-molding tools. In completing this takeover, ElringKlinger has extended its existing competencies and capacity levels within the area of tooling. The additional resources are to be used primarily for the purpose of developing and producing tools for the Shielding Technology division.

Sales and Earnings Performance

Slight expansion in Group revenue

The ElringKlinger Group recorded an increase in revenue of 3.0% in the first nine months of 2016, taking the overall figure to EUR 1,150.3 (1,117.2) million. Of this total, an amount of EUR 374.2 (366.1) million was attributable to the third quarter. The effects of currency translation continued to have a negative impact on revenue growth. Forex adjusted, revenue expanded by 5.5% in the first nine months of 2016 and by 3.3% in the third quarter of 2016. Consolidation of interests acquired on April 11, 2016, in Hug Engineering B.V. (formerly: COdiNOx Beheer B.V.) based in Enschede, Netherlands, contributed additional revenues of EUR 2.6 million in the third quarter. Additionally, effective from June 1, 2016, the ElringKlinger Group took over the business operations of the die and tool maker Maier Formenbau GmbH, with its registered office in Bissingen/Teck, Germany. This entity contributed EUR 0.2 million to Group revenue in the period from July to September.

While ElringKlinger gained further momentum over the course of the financial year, the rate of growth within some of the Group companies was slightly less pronounced. On the one hand, this is a reflection of the wider trend witnessed in the automotive market as a whole. On the other hand, the quarter under review was also influenced by temporary factors. Alongside lower tool-related revenues, for example, a number of serial production projects at Group companies in the United States came to an end. With new customer projects just entering the start-up phase, production volume was down temporarily in the third quarter of 2016.

As a result of all three elements outlined above, organic revenue growth for the Group amounted to 2.5% in the third quarter of 2016 – having factored in acquisitions and the effects of currency translation. In the first nine months, organic revenue growth stood at 4.7%, which was close to the range of 5 to 7% targeted by the Group.

FACTORS INFLUENCING GROUP REVENUE

EUR million	3rd Quarter 2016	3rd Quarter 2015	Change in EUR m	in %	9 months 2016	9 months 2015	Change in EUR m	in %
Group revenue	374.2	**366.1**	**+8.1**	**+2.2**	1,150.3	**1,117.2**	**+33.1**	**+3.0**
of which FX effects			-4.1	-1.1			-27.5	-2.5
of which acquisitions			+2.8	+0.8			+9.3	+0.8
of which organic			+9.4	+2.5			+51.3	+4.7

Asia-Pacific remains growth driver

Fueled by strong demand for vehicles in the Asia-Pacific region, ElringKlinger managed to lift sales revenue by 8.2% to EUR 211.9 (195.9) million in the first nine months of 2016. The third quarter of 2016 proved to be particularly buoyant, with revenue expanding by 11.5% year on year. This positive performance was also supported by the new plant in Suzhou, which commenced operations in the second quarter of 2016, and by the successful production of innovative polymer hybrid components. The share of the Asia-Pacific region in total Group revenue now stands at 18.4% (17.5%).

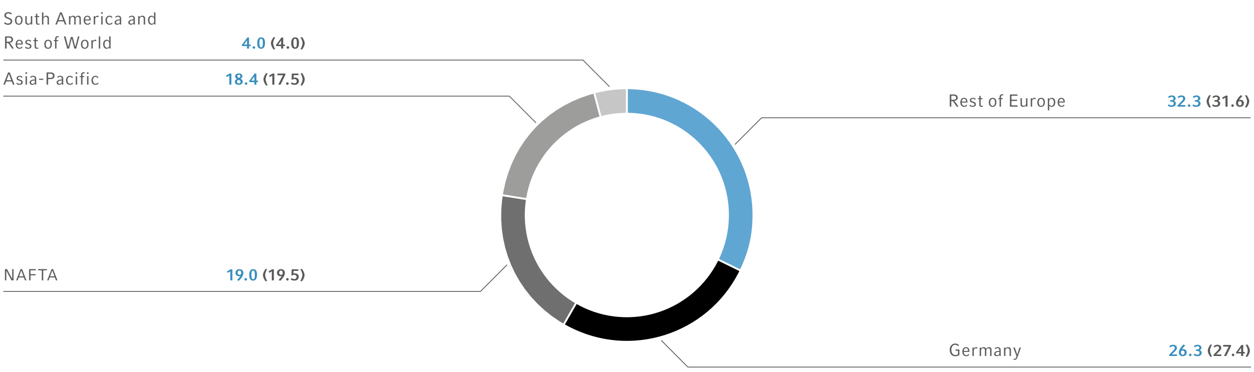
The region encompassing South America and the Rest of the World developed surprisingly well in the period under review. Although Brazil's economy remained mired in recession, sales of ElringKlinger products picked up. Starting from a low base, Group revenue increased by a solid 2.9% to EUR 45.6 (44.3) million. After forex adjustments, growth was as much as 9.9%.

Contrary to expectations, the NAFTA region failed to sustain the growth rates recorded in the previous, more buoyant quarters of 2016. This was attributable to market and production factors. While the region delivered slight growth of 0.6%, taking revenue to EUR 218.9 (217.5) million in the first nine months, its share of total Group revenue fell to 19.0% (19.5%).

Revenue generated in the region encompassing the Rest of Europe (excluding Germany) increased by 5.2% to EUR 371.5 (353.3) million in first three quarters of 2016. As a result, its share of Group revenue continued to expand year on year, rising from 31.6% to 32.3%. The third quarter of 2016 saw a decline in production output within the European automobile industry, which was reflected in ElringKlinger's sales performance. Revenue increased by 1.5% to EUR 113.7 (112.0) million. Adjusted for currency effects, growth amounted to 3.1% in the third quarter of 2016.

In Germany, ElringKlinger saw its revenue decline to EUR 302.4 (306.2) million in the first nine months of 2016 and to EUR 98.7 (101.2) million in the third quarter of 2016. This is attributable, among other factors, to the globalization strategy being pursued by the Group. As a result, the share of domestic sales in total revenue fell further to 26.3% (27.4%) in the period from January to September 2016. Correspondingly, the percentage share of foreign sales in relation to Group revenue rose to 73.7% (72.6%).

GROUP SALES BY REGION JAN. – SEP.
(prior year) in %



Strong revenue growth for Plastic Housing Modules

The Original Equipment segment accounted for 82.4% (82.8%) of Group revenues in the first nine months of 2016. During this period the segment managed to lift its revenue by 2.5%. The Plastic Housing Modules division developed particularly well in the period under review, with sales expanding by more than 10% year on year in the third quarter alone. Growth within this area reflects the trend towards products made of high-performance plastics and fiber-reinforced composites. The Specialty Gaskets division also put in a solid performance, having again generated forward momentum as it benefited from the introduction of a new generation of downsized engines.

In the Shielding Technology division, meanwhile, the trailing effects of measures to expand capacity levels and relocate production again adversely affected the Q3 2016 earnings performance of one entity operating within this area. What is more, as a result of delays in the process of migrating products to a manufacturing facility in Hungary during this period, the Swiss-based company involved in these measures had to contend with substantial fixed costs. This was due to the fact that action plans aimed at raising efficiency levels, e.g., by scaling back storage space rented from third parties, had not yet been executed to the extent originally planned. Despite this situation, ElringKlinger made progress with regard to the nearshoring process and received further approvals from customers for the relocation of manufacturing for specific products. Following transportation to Hungary in recent months, the first machines have already gone into operation. Taking into account the start-up phases, two-shift operations at the new site commenced towards the end of the third quarter of 2016, thus producing the first revenue streams within this area.

Within the Original Equipment segment, the Exhaust Gas Purification division is faced with the most pronounced fluctuations in revenues and earnings, as it is influenced to a large extent by developments in the field of legislation, such as the IMO emissions regulations applicable since the beginning of 2016. As these new regulations governing the maritime industry have not yet produced any effects at an operational level, the division recorded no significant year-on-year improvements in revenue and earnings in the first nine months and the third quarter of 2016.

The E-Mobility division generated revenue of EUR 7.7 (9.6) million between January and September 2016. The impact of government funding and incentives continues to be negligible in a number of countries, as a result of which global demand for vehicles with alternative drive systems again fell short of expectations. Despite the decline in revenue, the loss of EUR 4.0 million incurred in the first nine months of 2016 was comparable to that recorded in the same period a year ago (EUR -3.9 million).

Due to the adverse factors impacting on one of the entities within the Group, as outlined above, segment earnings before interest and taxes (EBIT) amounted to just EUR 61.3 (74.3) million in the first nine months. At EUR 2.7 million, however, the year-on-year decline in earnings in the third quarter was less pronounced than in the prior quarters.

Aftermarket business continues to produce strong margins

Compared to the same period a year ago, Aftermarket was the only segment to have recorded a slight fall in revenue and earnings in the third quarter of 2016. This is due primarily to the substantial volume of revenue generated in the same quarter last year, which returned to a more normal level in 2016. Supported by an excellent sales performance in Eastern Europe, South America, and Germany, segment revenue grew by 4.4% to EUR 114.1 (109.3) million in the period from January to September 2016; the EBIT margin within the Aftermarket segment was 21.2% (21.0%). Progress made in the strategic penetration of markets considered to be of interest to future business within the area of spare parts was also translated into significant revenue growth in North America and China during the third quarter.

Engineered Plastics segment regains strength

The Engineered Plastics segment, which specializes in processing high-performance plastics (e.g., PTFE/PFA/PVDF), saw demand pick up again. While business with customers operating within the area of mechanical and plant engineering expanded at a relatively slow rate, sales within the automotive sector advanced at a much faster pace. Between January and September 2016 the Engineered Plastics segment recorded revenue growth of 5.6%, taking the figure to EUR 77.4 (73.3) million. The third quarter of 2016 alone saw segment

REVENUE AND EARNINGS BY SEGMENT JAN. – SEP.

EUR million	3rd Quarter 2016	3rd Quarter 2015	Change in EUR m	in %	9 months 2016	9 months 2015	Change in EUR m	in %
Original Equipment								
Revenue	308.5	301.5	+7.0	+2.3	947.8	925.1	+22.7	+2.5
EBIT	19.0	21.7	-2.7	-12.4	61.3	74.3	-13.0	-17.5
EBIT margin	6.2%	7.2%			6.5%	8.0%		
Aftermarket								
Revenue	35.9	38.0	-2.1	-5.5	114.1	109.3	+4.8	+4.4
EBIT	7.6	9.3	-1.7	-18.3	24.2	22.9	+1.3	+5.7
EBIT margin	21.2%	24.5%			21.2%	21.0%		
Engineered Plastics								
Revenue	25.8	23.2	+2.6	+11.2	77.4	73.3	+4.1	+5.6
EBIT	3.9	3.4	+0.5	+14.7	10.2	9.4	+0.8	+8.5
EBIT margin	15.1%	14.7%			13.2%	12.8%		
Industrial Parks								
Revenue	1.5	1.1	+0.4	+36.4	3.5	3.3	+0.2	+6.1
EBIT	0.0	0.2	-0.2	-	-0.2	0.8	-1.0	-
EBIT margin	0.0%	18.2%			-5.7%	24.2%		
Services								
Revenue	2.5	2.3	+0.2	+8.7	7.4	6.2	+1.2	+19.4
EBIT	0.6	0.8	-0.2	-	1.6	1.7	-0.1	-
EBIT margin	24.0%	34.8%			21.6%	27.4%		

revenue increase by 11.2% to EUR 25.8 (23.2) million. Recording an EBIT margin of 15.1% (14.7%) in the third quarter of 2016, the segment is now gradually beginning to emulate its former earnings performance.

Sustained upsizing at international locations

As of September 30, 2016, the ElringKlinger Group employed 8,433 (Dec. 31, 2015: 7,912) people. This corresponds to an increase of 521 or 6.6% compared to the figure recorded at the end of the 2015 financial year. Due to global growth in production volumes, ElringKlinger focused on further expanding its international sites during the first nine months of 2016. Therefore, around 84% of HR upsizing was attributable to plants outside of Germany. The main emphasis of capacity expansion was on the regions of NAFTA and Asia-Pacific. As of September 30, 2016, the proportion of staff employed abroad was 58.1% (Dec. 31, 2015: 56.5%), while the domestic headcount in relative terms fell by 1.6 percentage points to 41.9% (Dec. 31, 2015: 43.5%).

Gross profit margin remains stable

The adverse factors impacting on the Original Equipment segment, as outlined earlier, pushed up the cost of sales in the third quarter. However, the latter were slightly less pronounced than in the previous quarters of the 2016 financial year. In the period from July to September 2016, the cost of sales rose by 2.1% to EUR 280.6 (274.7) mil-

HEADCOUNT AT END OF REPORTING PERIOD

	Sep. 30, 2016	Jun. 30, 2016	Dec. 31, 2015	Sep. 30, 2015
Group workforce	8,433	**8,283**	**7,912**	**7,742**
Of which domestic	3,530	3,489	3,445	3,421
Of which abroad	4,903	4,794	4,467	4,321

lion. In the first nine months of 2016, they were up 3.4% at EUR 861.5 (833.2) million. The cost of sales figure for the first nine months of 2016 includes a large part of the staff profit-sharing bonus totaling EUR 5.7 (5.6) million paid out for the financial year 2015 as regards the employees of ElringKlinger AG, ElringKlinger Kunststofftechnik GmbH, and Elring Klinger Motortechnik GmbH. The one-off sum of EUR 150 per employee paid out in June 2016 to all Group personnel employed in Germany under collective agreements was also accounted for mostly in cost of sales at EUR 0.5 million in total.

Despite the slower rate of revenue growth in the third quarter of 2016, the gross profit margin remained stable at 25.0% (25.0%). At 25.1% (25.4%), the gross profit margin for the period from January to September 2016 was lower than in the same period a year ago, as the first half of 2016 included substantial costs relating to measures aimed at expanding capacity levels and relocating production.

Prices for high-grade steel and hot-dip aluminized sheet metal used by ElringKlinger continued to rise. This was primarily due to market consolidation and a resulting decline in supply on the global commodities market. By contrast, alloy surcharges payable in the third quarter of 2016 were roughly on a par with the previous year.

Technological edge through research and development

Expenses for research and development (R&D) rose by 7.9% year on year to EUR 50.4 (46.7) million in the first nine months of 2016. Of this total, an amount of EUR 17.0 (14.5) million was attributable to the third quarter. The increase seen in the third quarter was due, among other things, to higher expenditure relating to development materials. Overall, including R&D spending of EUR 4.0 million capitalized as intangible assets, ElringKlinger channeled EUR 54.4 (52.0) million into development projects in the period from January to September 2016. On this basis, the R&D ratio was 4.7%, i.e., unchanged from a year ago.

In fiscal 2016 to date, a key strategic focus for the Group has been on developing new products that can also be fitted to vehicles with alternative drive technologies. For the purpose of developing new lightweight products, ElringKlinger concentrated its efforts on research projects dealing with the processing and fabrication of various composite materials, the aim being to unlock new fields of application. Another focal point of the Group's development work is the E-Mobility division. In this area the emphasis for ElringKlinger is on creating proprietary lithium-ion battery modules as well as fuel cell systems.

In the period from January to September 2016, the Group received a total of EUR 5.0 (4.5) million in government grants. These funds were used primarily for key projects centered around lightweighting and e-mobility. The grants were matched by equivalent project spending on development and prototype construction.

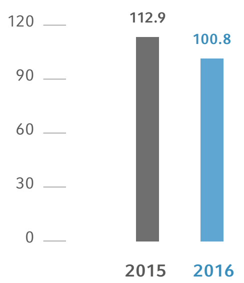
Slight increase in selling costs

In the first nine months of 2016, selling costs rose by 5.9% to EUR 86.2 (81.4) million. The increase in selling costs incurred in the third quarter of 2016 was much less pronounced than in the preceding quarters. Compared to the prior-year quarter, they rose by just 2.4% to EUR 29.4 (28.7) million. Alongside a slight increase in personnel levels within the area of Original Equipment sales, the Group also recorded higher expenses relating to its Aftermarket business, which is currently looking to establish new sales channels in North America and China.

General and administrative expenses rose by 11.7% year on year to EUR 59.3 (53.1) million between January and September 2016. This was due in part to outstanding salary payments to the former Management Board member Karl Schmauder, which amounted to EUR 2.0 million at the end of the third quarter and were recognized in profit and loss under general and administrative expenses in the first quarter of 2016. Additionally, ElringKlinger upscaled Group structures in central administrative and managerial areas in particular. At EUR 18.2 (16.8) million, therefore, general and administrative expenses were also up on the prior-year figure in the third quarter of 2016.

The positive earnings effect of EUR 2.3 million in the third quarter of 2016 and EUR 4.3 million in the first nine months of 2016 was due to the net balance of other operating income and other operating expenses.

EBIT PRE PPA JAN. – SEP.
in € million



However, this net figure was EUR 1.8 million lower compared with the first nine months of 2015 (EUR 6.1 million).

EBITDA reaches EUR 167 million

The high cost base continued to exert downward pressure on Group earnings in the third quarter of 2016. Earnings before interest, taxes, depreciation, and amortization (EBITDA), for example, fell to EUR 55.1 (56.7) million during this period and to EUR 166.8 (172.6) million in the first nine months of 2016. The Group's investment ratio remains high, as a result of which depreciation/amortization and write-downs of property, plant, and equipment as well as intangible assets rose by EUR 2.5 million to EUR 23.9 (21.4) million in the third quarter and by EUR 6.0 million to EUR 69.6 (63.6) million in the first nine months of 2016. The figure for the months of July to September 2016 includes a negative effect of EUR 1.4 (1.3) million from purchase price allocations. This was attributable primarily to the interests acquired in Hug Engineering B.V. and ElringKlinger Automotive Manufacturing, Inc. In the period from January to September 2016 purchase price allocations totaled EUR 3.6 (3.9) million.

Excluding depreciation and amortization of property, plant, and equipment as well as intangible assets, earnings before interests and taxes (EBIT) totaled EUR 97.2 (109.0) million in the first nine months of 2016 and EUR 31.2 (35.4) million in the third quarter. Adjusted for purchase price allocations, the Group's EBIT was EUR 100.8 (112.9) million in the first nine months of 2016 and EUR 32.6 (36.7) million in the third quarter. Correspondingly, the EBIT margin was 8.8% (10.1%) in the first nine months and 8.7% (10.0%) in the third quarter of 2016.

Foreign currency effects negligible in third quarter

The net finance result is dependent primarily on foreign exchange gains and losses. The third quarter of 2015 had seen a negative foreign currency effect of EUR -2.4 million. By contrast, in the same quarter in 2016 foreign exchange gains of EUR 3.1 million were offset by foreign exchange losses of EUR 3.0 million. As regards the first nine months of 2016, therefore, the negative currency effect seen in the first half of 2016 improved only marginally. In total, the net foreign exchange result stood at EUR -2.5 (0.7) million in the first nine months of 2016, EUR 3.2 million down on the figure for the same period a year ago. In the same period, the net interest result was also lower at EUR -10.0 (-9.3) million, as net debt at the end of the reporting quarter was up by EUR 67.8 million year on year. Correspondingly, net finance costs were higher at EUR 12.5 (8.6) million, of which EUR 3.6 (5.6) million were attributable to the third quarter of 2016.

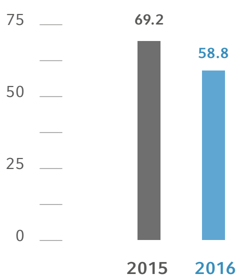
Earnings before taxes stood at EUR 84.7 (100.5) million in the first nine months of 2016 and at EUR 27.6 (29.8) million in the third quarter of 2016.

Net income at EUR 61 million

As a result of lower earnings before taxes, the Group also saw a reduction in tax expenses. In the first nine months of 2016 they totaled EUR 23.4 (28.5) million. In the third quarter of 2016 they amounted to EUR 7.8 (9.1) million. The Group tax rate fell to 27.6% (28.4%) in the first nine months of 2016 and to 28.2% (30.4%) in the third quarter of 2016.

On this basis, the ElringKlinger Group recorded net income of EUR 61.3 (71.9) million in the first three quarters of 2016, of which EUR 19.9 (20.7) million was attributable to the third quarter.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF ELRINGKLINGER AG JAN. – SEP.
in € million



At EUR 0.8 (0.8) million, non-controlling interests in the third quarter of 2016 were on a par with the figure recorded for the same period a year ago, which was due to a further improvement in earnings within the Engineered Plastics segment. Looking at the first nine months of 2016 as a whole, however, non-controlling interests were again lower year on year at EUR 2.5 (2.8) million. Therefore, net income attributable to the shareholders of ElringKlinger AG totaled EUR 58.8 (69.2) million in the first nine months of 2016 and EUR 19.0 (20.0) million in the third quarter of 2016.

As of September 30, 2016, earnings per share stood at EUR 0.93 (1.09), with 63,359,990 shares outstanding that were entitled to a dividend. In the third quarter of 2016 earnings per share amounted to EUR 0.30 (0.32).

Financial Position and Cash Flows

The financial position and cash flows of the ElringKlinger Group remained solid as of September 30, 2016. In the first nine months of 2016, the company generated net cash from operating activities of EUR 118.1 million. The equity ratio at the end of the reporting period stood at 46.9%.

Total assets rise to EUR 1,860 million

Total assets were up by EUR 93.9 million or 5.3% since the end of 2015, taking the figure to EUR 1,859.7 million. This was attributable in particular to an increase in property, plant, and equipment by EUR 51.5 million, while working capital (trade receivables and inventories) was also higher.

The direction taken by property, plant, and equipment reflects more expansive investment spending by the Group since 2015, which is aimed primarily at realizing sustainable growth and establishing a solid foundation for a number of new product roll-outs. As the tools needed for such ramp-ups are accounted for in inventories until they are sold on to the customer, the Group also saw an increase in this item. Eliminating tool-related stock, the volume of the remaining inventories was comparable to the levels recorded at the beginning of the year and the end of the third quarter of the previous year.

The rise in trade receivables by EUR 15.0 million compared to December 31, 2015, was attributable to the usual seasonal developments seen in the first half and, in particular, the first quarter.

As cash was used in the third quarter of 2016 for the purpose of scaling back short-term loans, the item comprising cash and cash equivalents was down by EUR 26.2 million to EUR 47.2 million compared to the end of the previous quarter.

CURRENT AND NON-CURRENT ASSETS

EUR million	Sep. 30, 2016	June 30, 2016	Dec. 31, 2015	Sep. 30, 2015
Intangible assets	210.6	213.6	213.5	212.5
Property, plant and equipment	878.8	858.0	827.3	792.3
Other	35.8	36.1	33.7	27.6
Non-current assets	**1,125.2**	**1,107.7**	**1,074.5**	**1,032.4**
Inventories	336.1	323.3	321.9	338.4
Trade receivables	302.2	301.4	287.2	285.7
Other	96.2	120.9	82.2	100.9
Current assets	**734.5**	**745.6**	**691.3**	**725.0**
Total assets	**1,859.7**	**1,853.3**	**1,765.8**	**1,757.4**

In terms of acquisitions, total assets expanded only marginally by EUR 10.3 million in the first nine months of 2016. Overall, there was also no significant effect from currency translation in the first nine months and the third quarter of 2016.

Equity ratio of 47% well above minimum target

With equity totaling EUR 872.8 (821.5) million, the equity ratio amounted to 46.9% as of September 30, 2016. This figure is well in excess of the Group's minimum target of 40%. Compared to the figure recorded at the end of 2015, equity was up by EUR 17.1 million in total. This increase was attributable mainly to the Company's result of EUR 61.3 million accounted for in the first nine months. By contrast, it was diluted by the dividend payment of EUR 37.7 (35.9) million in the second quarter. Other reserves were lower as a result of foreign exchange translation differences.

Financial liabilities scaled back in Q3

In the third quarter of 2016, the Group reduced its financial liabilities by around EUR 30 million compared with the figure recorded at the end of the first half. In this context, cash was used primarily for the purpose of scaling back short-term loans. Net debt (current and non-current financial liabilities less cash and cash equivalents) was also reduced, albeit at a slower rate. It was down by EUR 3.1 million to EUR 528.9 million compared to June 30, 2016 (Dec. 31, 2015: EUR 486.8 million).

Trade payables rose by EUR 14.2 million compared to the figure recorded at the end of the first half. This, however, represents a level that is considered normal within the Group; the figure was only slightly higher than at the end of the same period a year ago. As regards other current liabilities, here too the increase compared to the end of 2015 was attributable to the usual seasonal patterns of business.

Visible improvement in cash flow from operating activities

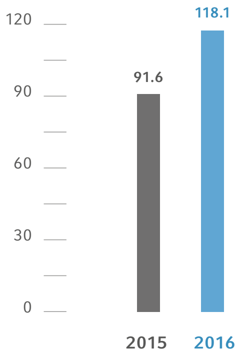
Compared with the prior-year figures, the ElringKlinger Group improved its net cash from operating activities both in the third quarter (EUR 46.3 versus 32.7 million) and in the first nine months (EUR 118.1 versus 91.6 million). This positive swing is attributable primarily to lower additional absorption of funds in net working capital (trade receivables and inventories less trade payables). Looking at the third quarter of 2016, the positive effects were due mainly to the – in comparative terms – more pronounced increase in trade payables and other current liabilities, while the period covering the first nine months saw inventories and trade receivables in particular expand at a slower rate than in the same period a year ago.

The item comprising "other non-cash expenses and income" includes forex effects, which provided only a slight boost to cash flow from operating activities in the third quarter of 2016.

CURRENT AND NON-CURRENT LIABILITIES

EUR million	Sep. 30, 2016	June 30, 2016	Dec. 31, 2015	Sep. 30, 2015
Equity	**872.8**	**857.7**	**855.7**	**821.5**
Provisions for pensions	120.4	119.9	118.7	127.0
Non-current financial liabilities	365.0	349.2	326.1	338.7
Other	40.9	42.2	41.3	44.0
Non-current liabilities	**526.3**	**511.3**	**486.1**	**509.7**
Trade payables	97.2	83.0	85.9	92.8
Current financial liabilities	211.0	256.3	209.6	183.2
Other	152.4	145.0	128.4	150.2
Current liabilities	**460.6**	**484.3**	**423.9**	**426.2**
Equity ratio	46.9 %	46.3 %	48.5 %	46.7 %
Debt ratio	53.1 %	53.7 %	51.5 %	53.3 %

NET CASH FROM OPERATING ACTIVITIES JAN. – SEP.
in € million



More investment spending to fuel sustained growth

Payments made in connection with investments in property, plant, and equipment as well as investment property fell slightly to EUR 116.6 (124.6) million in the first nine months of 2016; of this figure, EUR 43.0 (48.7) million was attributable to the third quarter. The investment ratio (investments in relation to Group revenue) was 10.1% (11.2%) in the first nine months of 2016, which, as expected, was above the range of 7 to 9% targeted in the medium term by the company.

In addition to capital expenditure directed at measures to expand capacity levels, investment spending focused on the introduction of manufacturing equipment for new products and technologies. In geographical terms, the emphasis was on the NAFTA region, Germany, China, and India.

At the company's German plants investment projects included, among other things, production machinery for the Specialty Gaskets and Plastic Housing Modules divisions. As regards the latter, construction work commenced on a modern logistics center at the company's headquarters in Dettingen/Erms.

At the sites in Buford, USA, and Toluca, Mexico, ElringKlinger is currently in the process of expanding its existing plants for the production of lightweight underbody components made of glass-fiber-reinforced thermoplastics. The US subsidiary ElringKlinger Automotive Manufacturing, Inc., Southfield, which specializes in the production of control plates used in automatic transmission systems, has being merging its operations at two older plants and creates a state-of-the-art facility at its new site in Southfield.

In June, ElringKlinger opened a new high-tech plant at its Chinese site in Suzhou, which offers a much larger production space. Alongside lightweight components based on hybrid polymer-metal technology, such as cockpit cross-car beams, this site produces parts for the Plastic Housing Modules and Shielding Technology divisions. The site in Ranjangaon, India, which was expanded in 2015 with the introduction of a new building, purchased a large servo press.

In connection with the purchase price payments relating to acquisitions transacted in the first half (interest acquired in the Dutch company COdiNOx Beheer B.V. and takeover of the German entity Maier Formenbau GmbH) the Group recorded a cash outflow of EUR 5.3 million in the period under review. In this context, the prior-year figure (EUR 24.2 million) was attributable to the entity now trading as ElringKlinger Automotive Manufacturing, Inc., USA.

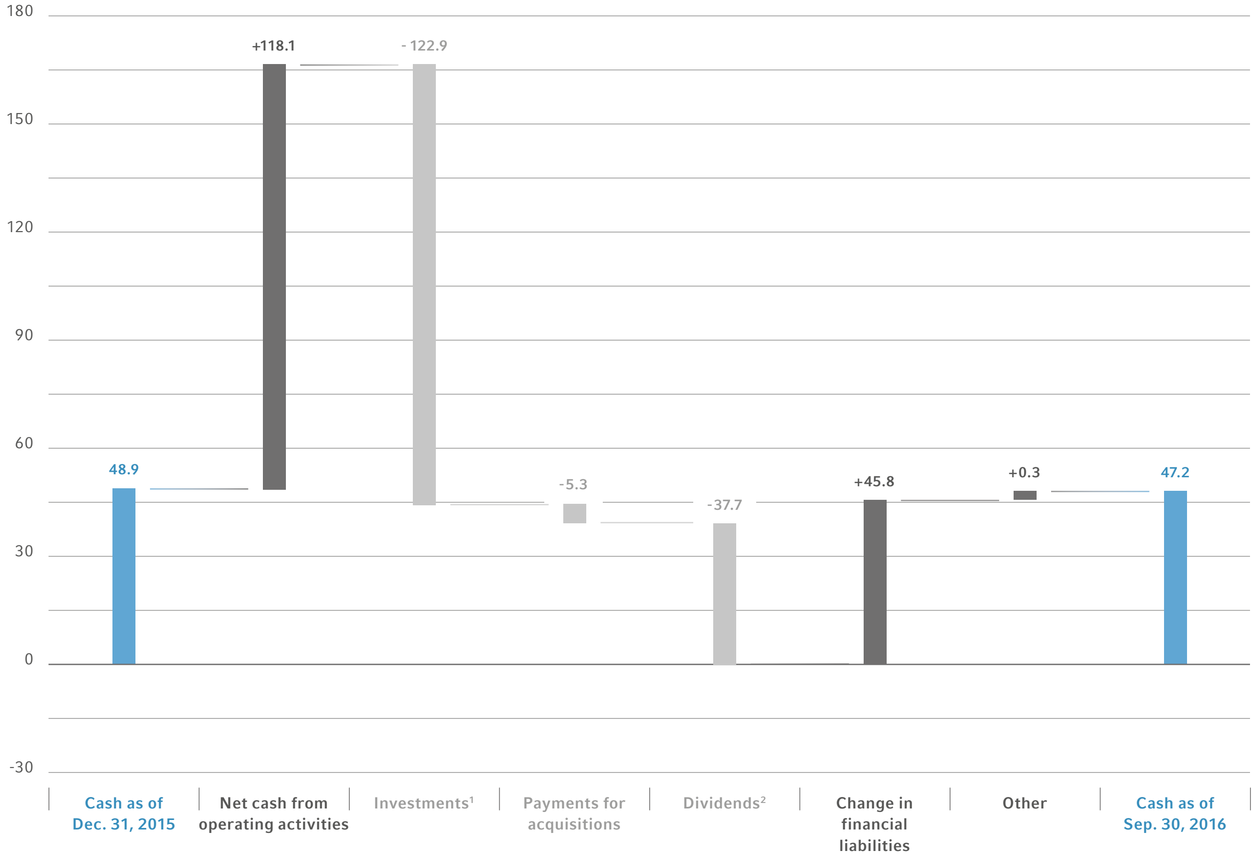
In total, net cash used in investing activities amounted to EUR 127.5 (156.1) million in the first nine months of 2016. Operating free cash flow (cash flow from operating activities less cash flow from investing activities, adjusted for payments in respect of acquisitions) improved to EUR -4.1 (-40.3) million in the same period. In the third quarter, operating free cash flow generated by ElringKlinger was just slightly into positive territory at EUR 1.8 (-18.1) million.

Reduction of financial liabilities in third quarter

Cash flow from financing activities stood at EUR -27.8 (5.2) million in the third quarter and was dominated by efforts to scale back current financial liabilities by EUR 41.8 (-39.0) million. This included the partial use of cash. At the same time, the Group entered increasingly into long-term loan agreements – also with a view to using these funds to finance long-term investments. The aforementioned changes to long-term loans prompted a cash inflow of EUR 14.0 (48.4) million.

In the first nine months of 2016, cash flow from financing activities produced an inflow of EUR 7.8 (53.5) million. While changes to financial liabilities produced an inflow of EUR 45.8 (93.6) million in total, the dividend payment paid out in the second quarter resulted in an outflow of EUR 37.7 (35.9) million.

CHANGES IN CASH JAN. – SEP. 2016
in € million



[1] Investments in property, plant and equipment, investment property and intangible assets
[2] Dividends paid to shareholders and to non-controlling interests

Opportunities and Risks

As regards the assessment of opportunities and risks for the ElringKlinger Group in respect of the third quarter of 2016, there were no fundamental changes to the details discussed in the 2015 Annual Report of the ElringKlinger Group (page 96 et seqq.).

There are currently no identifiable risks that might jeopardize the future existence of the Group as a going concern, either in isolation or in conjunction with other risk factors.

The report on opportunities and risks from the 2015 Annual Report can also be accessed on the website of ElringKlinger at www.elringklinger.de/ar2015/report-on-opportunities-and-risks.

Report on Expected Developments

Outlook – Market and Sector

In its latest report on the global economic outlook, the International Monetary Fund (IMF) has forecast global GDP growth of 3.1% for the year as a whole, slightly down on the figure for 2015. It expects GDP to increase at an average of 4.2% across the developing countries compared with 1.6% in the industrialized world. Looking further ahead to 2017, the IMF anticipates a modest improvement rather than a significant pick-up in the rate of growth.

Reasons such as concerns over the impact of the Brexit vote and somewhat lower than expected growth in the USA prompted the IMF to slightly reduce its 2016 forecast for the industrialized countries, although the economic outlook in the eurozone appears to be quite robust. Many analysts expect the central banks in the eurozone, Japan, and possibly the USA to maintain a loose monetary policy in the short term. Emerging countries are currently benefiting from the stabilization of the Chinese economy, receding fears of capital outflows, and a gradual upswing in commodity prices.

GDP GROWTH PROJECTIONS

Year-on-year change in %	2015	Projections 2016	Projections 2017
World	3.2	3.1	3.4
Germany	1.5	1.7	1.4
Eurozone	2.0	1.7	1.5
USA	2.6	1.6	2.2
Brazil	-3.8	-3.3	0.5
China	6.9	6.6	6.2
India	7.6	7.6	7.6
Japan	0.5	0.5	0.6

Source: International Monetary Fund (Oct. 2016)

Automotive industry set for moderate global expansion

2016 is set to be another year of growth for the global automotive industry. The VDA, Germany's automotive industry association, expects worldwide passenger car sales to grow by 3% compared with 2015 and to reach over 80 million vehicles for the first time. Other market analyses put the figure at between 2% and 3%. These forecasts are based in part on very encouraging results so far this year for the key markets Europe and China.

According to the VDA's forecasts, new vehicle registrations in Western Europe are set to increase by around 5% over 2016 as a whole. This would imply a slowdown in the fourth quarter. On the one hand, this is because of the higher figure recorded in the final quarter of 2015, although it also reflects a potentially greater slowdown in the UK vehicle market, primarily on account of Brexit. Passenger car sales in Germany are forecast to increase to 3.3 million new registrations, the highest figure in seven years. German car production is expected to grow by 1% to reach a total volume of 5.8 million vehicles. The level of German exports is forecast to remain stable.

For the US market, which achieved a record 17.4 million vehicle sales in 2015, the current year is one of consolidation, with expectations of just a slight year-on-year fall. By contrast, the Chinese market is now set to exceed expectations, with the VDA increasing its forecast for growth in sales from 8% to 10%. According to data published by the Association, Chinese customers have shown considerable interest in high-end German vehicles as well as the smaller cars covered by government tax incentives. The decline in Brazil and Russia is likely to show further signs of easing. Sales in Japan are projected to end the year slightly lower.

Commercial vehicle markets 2016: Europe solid, US weak

For the European commercial vehicle market, 2016 is shaping up to be a fast-moving year. In the heavy commercial vehicle category (above 6 metric tons), the VDA expects sales to grow by 8% to 280,000 over the year as a whole. This would be the best result since 2008. In Germany the market is forecast to grow by 4%.

Following strong growth in the last three years, the North American truck market now appears to be faltering. Sales of Class 8 heavy trucks are projected to end the year around 20% down on the figure for 2015.

The commercial vehicle industry in Brazil continues its decline against a background of general economic weakness in 2016.

Outlook – Group

Order books remain strong

The buoyant demand for ElringKlinger products bears testimony to the Group's successful market position. In the third quarter, order intake rose by EUR 47.1 million, or 14.0%, year on year to reach EUR 383.7 million. Taking into account the effects of foreign exchange rates, the increase was as much as EUR 57.6 million or 17.1%.

Order backlog developed along similar lines. Compared to the prior-year figure, it rose by EUR 138.0 million or 18.2% to EUR 894.7 million. On a forex-adjusted basis, this figure improved by as much as EUR 146.6 million or 19.4% to EUR 903.3 million.

Outlook for 2016 put in more precise terms

While ElringKlinger continues to reap the rewards of its product portfolio within the markets served, the first three quarters fell short of original expectations in respect of revenues and earnings. Whereas sales revenue was adversely affected by market developments and the direction taken by foreign currencies, Group earnings were impacted primarily by the business unit within the Original Equipment segment having to contend with capacity constraints and a high level of fixed operating costs. Improvements achieved during the first quarter were subsequently eroded to a considerable extent by delays to the relocation of machinery. Further progress was made in the third quarter with regard to this process of relocation. However, the measures put in place have not yet led to a tangible improvement in cost structures. Therefore, it is unlikely that annual EBIT before purchase price allocation will move noticeably above the prior-year figure of EUR 140 million.

Against this background, ElringKlinger anticipates that EBIT before purchase price allocation is more likely to be positioned at the lower end of the expected range of EUR 140 to 150 million in the transitional financial year of 2016.

As regards revenue, the Group has reaffirmed its outlook of organic growth in the range of 5 to 7%.

Other indicators for full financial year remain unchanged

Following adjustments to some of the key financial indicators during the middle of 2016, the Group reaffirms its revised guidance issued with its Q2 report. Operating free cash flow should reach a low to mid-double-digit figure in the negative million euro range. Net Working capital is expected to improve by around EUR 20 to 30 million compared with the previous year, while investments in 2016 are likely to remain largely unchanged year on year. Based on anticipated earnings, the return on capital employed (ROCE) is at best likely to improve only slightly in the current financial year.

Medium-term targets remain unchanged

In the medium term, the Group continues to target organic revenue growth of 5 to 7% annually, which is 3 to 5 percentage points above estimated global market growth of 2%. The target with regard to the Group's EBIT margin before purchase price allocation is between 13 and 15%.

Events after the Reporting Period

On October 26, 2016, i.e., after the reporting period, ElringKlinger AG signed a certified contract covering a strategic investment of 27% in the Nürtingen-based engineering company hofer AG as well as the purchase of a 53% majority interest in the subsidiary hofer powertrain products GmbH. The purchase price of the entire transaction is a figure in the double-digit million euro range and will be settled subsequent to closing, which is scheduled to take place no earlier than January 1, 2017.

hofer AG is an expert system developer serving the automobile industry, the focus being on systems used in the powertrain as well as measuring, testing, and installation technology. In acquiring the ownership interest, ElringKlinger will benefit from the aforementioned innovatory abilities, particularly in the development and production of alternative drive technologies. Therefore, alongside battery and fuel cell technology, the ElringKlinger Group's portfolio also includes expertise in the field of transmission systems, electric motors, electronics, and software.

The transaction underscores the strategic direction taken by ElringKlinger, the ambition being to act as one of the first points of contact for automobile manufacturers when it comes to developing and implementing new ideas. The above-mentioned acquisition of interests extends the ElringKlinger Group's key competencies to include drivetrain solutions for hybrid and all-electric systems.

Dettingen/Erms, November 8, 2016
The Management Board

Dr. Stefan Wolf
Chairman/CEO

Theo Becker

Thomas Jessulat

ElringKlinger and the Capital Markets

Stock markets recoup losses triggered by Brexit decision

The widespread concern seen throughout global stock markets over the adverse effects of the Brexit referendum appeared to dissipate in the third quarter of 2016. With equity prices rising significantly in some cases during the period from July to September 2016, the key domestic and international stock market indices managed to regain losses incurred at the end of June.

Waning skepticism about Brexit was complemented by improved economic data in China and robust labor market figures in the United States to drive share prices up in the third quarter of 2016. At the same time, growing concern over the European banking sector in the wake of recent stress tests for banks, weaker US economic indicators, and a lack of debate by the European Central Bank over an extension of its bond purchase program only had a temporary impact on market performance.

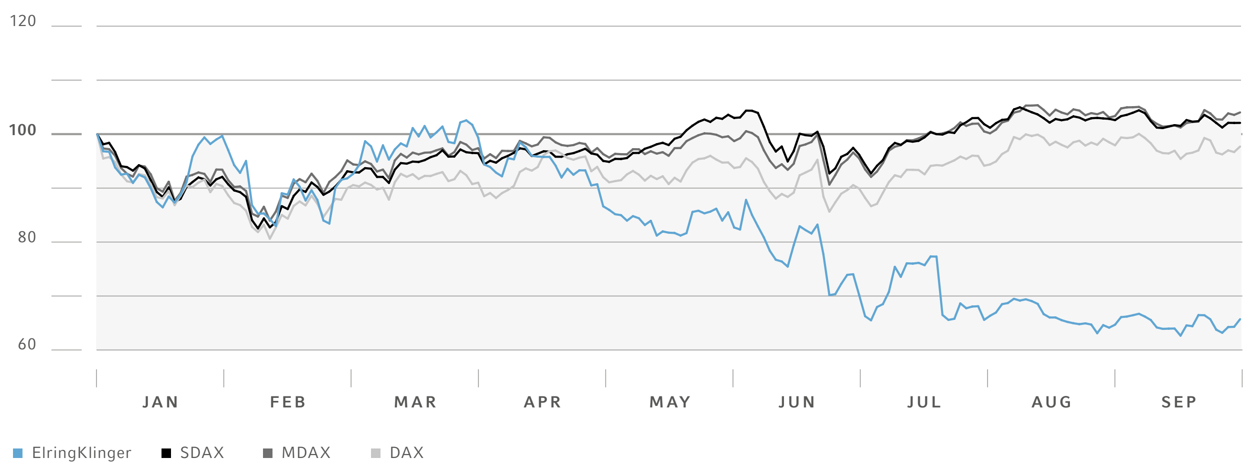
Germany's stock indices benefited from what was ultimately a positive market environment. The blue chip index, the DAX, rose by 8.6% in the third quarter. At the beginning of September it recorded a new annual high of more than 10,750 points. At the end of the first nine months of 2016 it stood at 10.511 points, a slight loss of 2.2% compared to the beginning of the year. The mid- and small-cap indices MDAX and SDAX were up by 8.8% and 5.7% respectively in the third quarter. Compared with the figures recorded at the beginning of 2016, they achieved gains of 3.9% and 2.0% respectively.

ElringKlinger stock stands at EUR 15.79 at the end of the third quarter

Having completed the fourth quarter of 2015 at EUR 23.50, ElringKlinger's share price initially took a slight turn for the worse at the beginning of 2016, thus trending in line with the market as a whole. The announcement of ElringKlinger's preliminary results for the 2015 financial year towards the end of February saw a favorable response by the capital markets, which in turn provided a stimulus for stock prices in the subsequent period. This trend was to continue until the end of March, culminating at the end of the first quarter of 2016 in a price of EUR 24.09 for ElringKlinger shares, the highest in the year to date.

In the second quarter of 2016, both geopolitical and macroeconomic factors – and sector-specific factors in particular – had an impact on equity prices. This affected not only ElringKlinger but also many other stocks within the vehicle and automotive supply industry. Caught up in this general maelstrom, ElringKlinger's share price fell by 24.9% in the first half of 2016. Even positive news from the company, such as the presentation in May of solid financial results for the first quarter and the announcement of a major serial-production contract for lightweight components, failed to produce any lasting gains.

ELRINGKLINGER'S SHARE PRICE PERFORMANCE (XETRA) SINCE JANUARY 1, 2016 (INDEXED, DEC. 30, 2015 = 100%)
compared with DAX, MDAX and SDAX



At the end of July, the publication of ElringKlinger's preliminarily financial results for the second quarter of 2016 together with the adjustment of the Group's earnings guidance for fiscal 2016 exerted downward pressure on the company's stock. As a result, the share price fell by more than ten per cent. The effects of this abrupt correction in price lingered on over the remainder of the third quarter, with ElringKlinger's share price trending sideways between the EUR 15 and 16 mark. As of September 30, 2016, ElringKlinger's share price stood at EUR 15.79.

Trading volume up markedly in first nine months

The first nine months of 2016 saw a significant increase in the average volume of ElringKlinger shares traded per day. Compared to the same period a year ago, the stock's trading volume rose by 22.1% to 242,600 (198,700) units.

Expressed in euros, the average daily trading value of ElringKlinger shares on German stock exchanges was EUR 4,740,700 (5,119,900). Despite the lower freefloat (48.0%) when compared to the SDAX average (60.5%), ElringKlinger's stock thus also offered sufficiently high levels of liquidity for institutional investors to conduct larger share transactions.

Communicating with the capital markets at home and abroad

ElringKlinger took part in five road shows and three capital market conferences in Germany and abroad during the third quarter of 2016. In Germany, the company showcased its business at events in Hamburg, Frankfurt/Main, and Munich, which were mainly attended by institutional investors. Elsewhere in Europe, ElringKlinger's investor relations activities included meetings in Scandinavia as well as in the financial hubs of London and Dublin.

Gold and silver for ElringKlinger's 2015 annual report

ElringKlinger's latest annual report was again honored with several awards as part of prestigious communication and design competitions.

It received a silver medal in the "Automobiles & Components" category of the LACP Vision Awards organized by the League of American Communications Professionals (LACP). Elsewhere, ElringKlinger's annual report saw off international competition to win gold in the "Automotive Parts" category of the ARC (Annual Report Competition) Award hosted by US-based MerComm, Inc.

ELRINGKLINGER STOCK (ISIN DE 0007856023)

	Jan.–Sep. 2016	Jan.–Sep. 2015
Number of shares outstanding	63,359,990	63,359,990
Share price (daily closing price in EUR)[1]		
High	24.09	32.18
Low	15.10	16.87
Closing price as of Sep. 30	15.79	17.20
Average daily trading volume (German stock exchanges; no. of shares traded)	242,600	198,700
Average daily trading value (German stock exchanges; in EUR)	4,740,700	5,119,900
Market capitalization as of Sep. 30 (EUR millions)	**1,000.5**	**1,089.8**

[1] Xetra trading

Group Income Statement

of ElringKlinger AG, January 1 to September 30, 2016

EUR k	3rd Quarter 2016	3rd Quarter 2015	9 months 2016	9 months 2015
Sales revenue	**374,191**	**366,115**	**1,150,268**	**1,117,240**
Cost of sales	-280,618	-274,651	-861,497	-833,151
Gross profit	**93,573**	**91,464**	**288,771**	**284,089**
Selling expenses	-29,371	-28,724	-86,240	-81,385
General and administrative expenses	-18,238	-16,786	-59,271	-53,077
Research and development costs	-17,038	-14,507	-50,396	-46,676
Other operating income	4,219	6,457	11,725	13,078
Other operating expenses	-1,929	-2,525	-7,402	-6,999
Operating result	**31,216**	**35,379**	**97,187**	**109,030**
Finance income	3,098	3,127	9,192	15,860
Finance costs	-6,675	-8,713	-21,692	-24,432
Net finance costs	**-3,577**	**-5,586**	**-12,500**	**-8,572**
Earnings before taxes	**27,639**	**29,793**	**84,687**	**100,458**
Income tax expense	-7,785	-9,056	-23,392	-28,514
Net income	**19,854**	**20,737**	**61,295**	**71,944**
of which: attributable to non-controlling interests	842	755	2,474	2,793
of which: attributable to shareholders of ElringKlinger AG	**19,012**	**19,982**	**58,821**	**69,151**
Basic and diluted earnings per share in EUR	**0.30**	**0.32**	**0.93**	**1.09**

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to September 30, 2016

EUR k	3rd Quarter 2016	3rd Quarter 2015	9 months 2016	9 months 2015
Net income	19,854	**20,737**	61,295	**71,944**
Currency translation difference	-4,745	-25,445	-6,887	14,487
Gains and losses that can be reclassified to the income statement in future periods	-4,745	**-25,445**	-6,887	**14,487**
Other comprehensive income after taxes	-4,745	**-25,445**	-6,887	**14,487**
Total comprehensive income	15,109	**-4,708**	54,408	**86,431**
of which: attributable to non-controlling interests	353	197	1,878	3,698
of which: attributable to shareholders of ElringKlinger AG	14,756	**-4,905**	52,530	**82,733**

Group Statement of Financial Position

of ElringKlinger AG, as at September 30, 2016

EUR k	Sep. 30, 2016	Dec. 31, 2015	Sep. 30, 2015
ASSETS			
Intangible assets	210,600	213,542	212,518
Property, plant and equipment	878,797	827,259	792,329
Investment property	15,738	14,242	12,099
Financial assets	1,052	1,255	1,734
Non-current income tax assets	885	875	1,507
Other non-current assets	2,580	3,218	2,234
Deferred tax assets	15,570	14,108	9,996
Non-current assets	**1,125,222**	**1,074,499**	**1,032,417**
Inventories	336,059	321,902	338,361
Trade receivables	302,184	287,229	285,690
Current income tax assets	5,982	2,507	4,028
Other current assets	43,080	30,731	36,077
Cash and cash equivalents	47,182	48,925	60,860
Current assets	**734,487**	**691,294**	**725,016**
	1,859,709	**1,765,793**	**1,757,433**

EUR k	Sep. 30, 2016	Dec. 31, 2015	Sep. 30, 2015
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	652,906	628,933	606,508
Other reserves	4,612	11,098	1,249
Equity attributable to the shareholders of ElringKlinger AG	**839,116**	**821,629**	**789,355**
Non-controlling interest in equity	33,686	34,102	32,167
Equity	**872,802**	**855,731**	**821,522**
Provisions for pensions	120,431	118,744	126,972
Non-current provisions	14,021	12,340	13,234
Non-current financial liabilities	365,049	326,092	338,736
Deferred tax liabilities	22,311	25,114	26,293
Other non-current liabilities	4,499	3,829	4,501
Non-current liabilities	**526,311**	**486,119**	**509,736**
Current provisions	19,156	16,423	21,712
Trade payables	97,216	85,939	92,765
Current financial liabilities	211,045	209,597	183,183
Tax payable	21,741	18,702	21,167
Other current liabilities	111,438	93,282	107,348
Current liabilities	**460,596**	**423,943**	**426,175**
	1,859,709	**1,765,793**	**1,757,433**

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to September 30, 2016

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2014/Balance as of Jan. 1, 2015	**63,360**	**118,238**	**572,205**
Dividend distribution			-34,848
Purchase of shares from controlling interests			
Total comprehensive income			69,151
Net income			69,151
Other comprehensive income			
Balance as of Sep. 30, 2015	**63,360**	**118,238**	**606,508**
Balance as of Dec. 31, 2015/Balance as of Jan. 1, 2016	**63,360**	**118,238**	**628,933**
Dividend distribution			-34,848
Change in scope of consolidated financial statement			
Purchase of shares from controlling interests			
Total comprehensive income			58,821
Net income			58,821
Other comprehensive income			
Balance as of Sep. 30, 2016	**63,360**	**118,238**	**652,906**

Other reserves					
Remeasurement of defined benefit plans	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of ElringKlinger AG	Non-controlling interests in equity	Group equity
-37,349	**2,033**	**25,033**	**743,520**	**31,674**	**775,194**
			-34,848	-1,055	-35,903
	-2,050		-2,050	-2,150	-4,200
		13,582	82,733	3,698	86,431
			69,151	2,793	71,944
		13,582	13,582	905	14,487
-37,349	**-17**	**38,615**	**789,355**	**32,167**	**821,522**
-32,985	**-17**	**44,100**	**821,629**	**34,102**	**855,731**
			-34,848	-2,848	-37,696
				521	521
	-195		-195	33	-162
		-6,291	52,530	1,878	54,408
			58,821	2,474	61,295
		-6,291	-6,291	-596	-6,887
-32,985	**-212**	**37,809**	**839,116**	**33,686**	**872,802**

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to September 30, 2016

EUR k	3rd Quarter 2016	3rd Quarter 2015	9 months 2016	9 months 2015
Earnings before taxes	27,639	29,793	84,687	100,458
Depreciation/amortization (less write-ups) of non-current assets	23,917	21,350	69,566	63,552
Net interest	3,623	3,225	9,951	9,287
Change in provisions	68	-1,632	3,988	400
Gains/losses on disposal of non-current assets	127	-60	291	-64
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-19,134	-14,778	-48,811	-76,197
Change in trade payables and other liabilities not resulting from financing and investing activities	21,625	612	35,882	35,457
Income taxes paid	-9,370	-7,592	-34,608	-31,714
Interest paid	-2,978	-2,473	-8,264	-6,905
Interest received	44	101	167	229
Other non-cash expenses and income	711	4,138	5,244	-2,899
Net cash from operating activities	**46,272**	**32,684**	**118,093**	**91,604**
Proceeds from disposals of property, plant and equipment, intangible assets and investment property	187	213	482	662
Proceeds from disposals of financial assets	209	0	456	12
Payments for investments in intangible assets	-1,897	-2,202	-6,310	-8,010
Payments for investments in property, plant and equipment and investment property	-42,951	-48,749	-116,590	-124,638
Payments for investments in financial assets	0	-2	-248	-7
Payments for the acquisition of subsidiaries and other entities, less cash	0	0	-5,323	-24,151
Net cash from investing activities	**-44,452**	**-50,740**	**-127,533**	**-156,132**
Payments to non-controlling interests for the purchase of shares	0	-4,200	-163	-4,200
Dividends paid to shareholders and to non-controlling interests	0	0	-37,696	-35,903
Proceeds from the addition of non-current financial liabilities*	23,262	55,676	69,451	102,826
Payments for the repayment of non-current financial liabilities*	-9,322	-7,281	-24,840	-35,744
Change in current financial liabilities*	-41,779	-38,951	1,072	26,484
Net cash from financing activities	**-27,839**	**5,244**	**7,824**	**53,463**
Changes in cash	-26,019	-12,812	-1,616	-11,065
Effects of currency exchange rates on cash	-238	-949	-127	3,192
Cash at beginning of period	73,439	74,621	48,925	68,733
Cash at end of period	**47,182**	**60,860**	**47,182**	**60,860**

* presentation amended

Group Sales by Region

EUR k	3rd Quarter 2016	3rd Quarter 2015	9 months 2016	9 months 2015
Germany	98,711	101,151	302,408	306,234
Rest of Europe	113,652	111,990	371,503	353,269
NAFTA	69,495	71,621	218,893	217,548
Asia-Pacific	74,865	67,217	211,889	195,904
South America and Other	17,468	14,136	45,575	44,285
Group	**374,191**	**366,115**	**1,150,268**	**1,117,240**

Segment Reporting

of ElringKlinger AG, July 1 to September 30, 2016

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2016	2015	2016	2015	2016	2015
Sales revenue	308,537	**301,532**	35,850	**37,965**	25,808	**23,213**
Intersegment revenue	4,555	7,394	0	0	23	164
Segment revenue	313,092	**308,926**	35,850	**37,965**	25,831	**23,377**
EBIT[1]/Operating result	19,046	**21,689**	7,632	**9,285**	3,948	**3,398**
Depreciation and amortization[2]	-21,610	-19,176	-427	-494	-1,223	-1,270
Capital expenditures[3]	40,802	41,644	419	353	1,431	5,649

January 1 to September 30, 2016

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2016	2015	2016	2015	2016	2015
Sales revenue	947,846	**925,074**	114,145	**109,340**	77,411	**73,349**
Intersegment revenue	16,254	20,794	0	75	68	535
Segment revenue	964,100	**945,868**	114,145	**109,415**	77,479	**73,884**
EBIT[1]/Operating result	61,310	**74,285**	24,249	**22,920**	10,181	**9,358**
Depreciation and amortization[2]	-62,673	-57,244	-1,418	-1,437	-3,679	-3,639
Capital expenditures[3]	111,023	106,463	1,199	1,732	5,394	15,459

[1] Earnings before interest and taxes
[2] excluding impairments
[3] Investments in intangible assets, property, plant and equipment and investment property

	Industrial Parks		Services		Consolidation		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	1,524	**1,065**	**2,472**	**2,340**			**374,191**	**366,115**
	57	58	1,032	1,690	-5,667	-9,306	0	0
	1,581	**1,123**	**3,504**	**4,030**	**-5,667**	**-9,306**	**374,191**	**366,115**
	-46	**238**	**636**	**769**			**31,216**	**35,379**
	-271	-98	-386	-312			-23,917	-21,350
	88	984	1,000	2,321			43,740	50,951

	Industrial Parks		Services		Consolidation		Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	3,482	**3,302**	**7,384**	**6,175**			**1,150,268**	**1,117,240**
	175	175	4,119	4,568	-20,616	-26,147	0	0
	3,657	**3,477**	**11,503**	**10,743**	**-20,616**	**-26,147**	**1,150,268**	**1,117,240**
	-150	**753**	**1,597**	**1,714**			**97,187**	**109,030**
	-701	-297	-1,095	-935			-69,566	-63,552
	2,342	1,129	2,942	7,865			122,900	132,648

Notes to the Third Quarter and First Nine Months of 2016

ElringKlinger AG is an exchange-listed stock corporation headquartered in Dettingen/Erms, Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of September 30, 2016, have been prepared on the basis of IAS 34 (Interim Financial Reporting). The interim financial statements conform with the International Financial Reporting Standards (IFRS), including the Interpretations issued by the IFRS Interpretations Committee, as adopted by the European Union.

As the consolidated interim financial statements are presented in a condensed format, the financial statements as of September 30, 2016, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements as of September 30, 2016, have been neither audited nor reviewed in any way by an independent auditor.

They were authorized for issue based on a resolution passed by the Management Board on November 8, 2016.

Basis of reporting

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of September 30, 2016, include the financial statements of eight domestic and 33 foreign entities in which ElringKlinger AG holds more than 50% of the interests, either directly or indirectly, 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.

Compared to the consolidated financial statements as of December 31, 2015, there were no changes to the scope of consolidation with the exception of the acquisition of COdiNOx Beheer B.V., Enschede, Netherlands.

Corporate acquisition

Effective from April 11, 2016, Hug Engineering AG, based in Elsau, Switzerland, a 93.67% subsidiary of ElringKlinger AG, acquired 80% of the interests in COdiNOx Beheer B.V., based in Enschede, Netherlands, after the subsidiaries of the latter had previously been merged into COdiNOx Beheer B.V. The company name of COdiNOx Beheer B.V. was subsequently changed to Hug Engineering B.V. As of this date, Hug Engineering AG holds 90% of the interests.

The acquisition is aimed at exploiting synergies and leveraging growth potential for Hug exhaust gas purification systems, in addition to unlocking new markets.

The purchase price agreed with regard to the interest acquired was EUR 4,500 k. The costs related to the transaction, amounting to EUR 124 k, were recognized as general and administrative expenses.

The assets and liabilities of the acquired interests were measured at the fair value as of the date of acquisition. Within this context, an excess of EUR 374 k was recognized as goodwill, having additionally accounted for deferred tax liabilities (EUR 959 k) on hidden reserves realized (EUR 3,916 k). The aforementioned goodwill was paid primarily in respect of the favorable earnings prospects as well as anticipated synergies.

This goodwill is not tax deductible.

The first-time full consolidation of the entity prompted a rise in Group revenue by EUR 4,201 k and earnings before taxes by EUR 119 k in the first nine months of 2016. Had the acquisition become effective as early as January 1, 2016, COdiNOx Beheer B.V. would have contributed EUR 6,012 k to consolidated revenue and earnings before taxes would have increased by EUR 269 k. The interests recognized at amortized cost as of the date of acquisition were remeasured at their fair value of EUR 563 k upon acquisition of the additional interests. The transition to full consolidation resulted in non-cash income of EUR 561 k, which was recognized as other operating income.

The preliminary allocation of the purchase price to assets and liabilities is presented in the table below:

EUR k	IFRS carrying amount at date of purchase	Purchase price allocation	Fair value at date of purchase
Intangible assets	11	3,916	3,927
Property, plant, and equipment	297	-	297
Inventories	1,108	-	1,108
Trade receivables	1,179	-	1,179
Other current assets	112	-	112
Cash and cash equivalents	973	-	973
Total assets	**3,680**	**3,916**	**7,596**
Deferred tax liabilities	25	959	984
Current provisions	120	-	120
Trade payables	598	-	598
Tax liabilities	228	-	228
Other current liabilities	456	-	456
Total liabilities	**1,427**	**959**	**2,386**
Net assets	**2,253**	**2,957**	**5,210**
Goodwill			374
Fair value of previously held interests 10%			-563
Non-controlling interests in net assets			-521
Purchase price			**4,500**

No contingent liabilities were identified during the acquisition procedure.

The fair values presented for the respective assets and liabilities are provisional.

Effective from June 1, 2016, ElringKlinger AG took over the business operations of the insolvent die and tool maker Maier Formenbau GmbH, with its registered office in Bissingen/Teck, Germany. All necessary assets of Maier Formenbau GmbH were acquired and integrated within ElringKlinger AG (asset deal) for the purpose of continuing business operations.

In completing this takeover, ElringKlinger AG has extended its existing competencies and capacity levels within the area of tooling. Maier Formenbau GmbH specializes in the production and repair of technically complex injection-molding tools.

The purchase price agreed with regard to the acquisition was EUR 1,796 k. To date, transaction-related costs of EUR 13 k have been accounted for in this context.

The assets and liabilities were measured at the fair value as of the date of acquisition. No hidden reserves were identified. The excess of EUR 164 k was recognized as goodwill. It was paid primarily in respect of synergies.

This goodwill is tax deductible.

The preliminary allocation of the purchase price to assets and liabilities is presented in the table below:

EUR k	IFRS carrying amount at date of purchase	Purchase price allocation	Fair value at date of purchase
Property, plant, and equipment	944	-	944
Inventories	1,244	-	1,244
Total assets	**2,188**	**-**	**2,188**
Other current liabilities	556	-	556
Total liabilities	**556**	**-**	**556**
Net assets	**1,632**	**-**	**1,632**
Goodwill			164
Purchase price			**1,796**

No contingent liabilities were identified during the acquisition procedure.

The fair values presented for the respective assets and liabilities are provisional.

Acquisition of non-controlling interests

Effective from February 18, 2016, ElringKlinger AG acquired the former non-controlling interests of 5% relating to the subsidiary new enerday GmbH, with its registered office in Neubrandenburg, Germany. The purchase price amounted to EUR 162.5 k. The thus resulting difference between this amount and the amount recognized in respect of non-controlling interests was accounted for directly in equity.

Since the conclusion of this transaction, ElringKlinger AG has held 80% of the ownership interests.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate Sep. 30, 2016	Closing rate Dec. 31, 2015	Average rate Jan.–Sep. 2016	Average rate Jan.–Dec. 2015
US dollar (USA)	USD	1.11610	1.08870	1.11398	1.10455
Pound (United Kingdom)	GBP	0.86103	0.73395	0.80702	0.72420
Swiss franc (Switzerland)	CHF	1.08760	1.08350	1.09489	1.06458
Canadian dollar (Canada)	CAD	1.46900	1.51160	1.46649	1.42505
Real (Brazil)	BRL	3.62100	4.31170	3.92280	3.74256
Mexican peso (Mexico)	MXN	21.73890	18.91450	20.42406	17.67058
RMB (China)	CNY	7.44630	7.06080	7.33798	6.94708
WON (South Korea)	KRW	1,229.76000	1,280.78000	1,287.48778	1,254.24583
Rand (South Africa)	ZAR	15.52380	16.95300	16.59463	14.28050
Yen (Japan)	JPY	113.09000	131.07000	120.71556	133.63083
Forint (Hungary)	HUF	309.79000	315.98000	312.57000	309.58667
Turkish lira (Turkey)	TRY	3.35760	3.17650	3.26341	3.03973
Leu (Romania)	RON	4.45370	4.52400	4.48562	4.44073
Indian rupee (India)	INR	74.36550	72.02150	74.76163	71.00952
Indonesian rupiah (Indonesia)	IDR	14,566.22000	15,039.99000	14,809.04889	14,890.80750
Bath (Thailand)	THB	38.69500	39.24800	39.15278	38.00325

Disclosures relating to financial instruments

This section provides a comprehensive overview of the significance of financial instruments and offers additional information on line items of the statement of financial position containing financial instruments.

There was no offsetting of financial instruments recognized by the company.

The following table shows the carrying amounts (CA) and fair values (FV) of financial assets:

	Cash	Trade receivables	Other current assets	Derivatives	Non-current securities		Other financial investments		Total
EUR k	CA	CA	CA	CA	CA	FV	CA	FV	CA
as of Sep. 30, 2016									
Loans and receivables	47,182	302,184	2,847	0	0	0	8	8	352,221
held to maturity	0	0	0	0	835	827	0	0	835
held for trading	0	0	0	1	0	0	0	0	1
available for sale	0	0	0	0	205	205	4	4	209
Total	**47,182**	**302,184**	**2,847**	**1**	**1,040**	**1,032**	**12**	**12**	**353,266**
as of Dec. 31, 2015									
Loans and receivables	48,925	287,229	1,403	0	0	0	10	10	337,567
held to maturity	0	0	0	0	1,042	1,043	0	0	1,042
held for trading	0	0	0	11	0	0	0	0	11
available for sale	0	0	0	0	191	191	12	12	203
Total	**48,925**	**287,229**	**1,403**	**11**	**1,233**	**1,234**	**22**	**22**	**338,823**

The following table shows the carrying amounts (CA) and fair values (FV) of financial liabilities:

EUR k	Other current liabilities	Current financial liabilities	Finance leases		Trade payables
	CA	CA	CA	FV	CA
as of Sep. 30, 2016					
Financial liabilities measured at acquisition cost	52,712	210,903	0	0	97,216
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0
No measurement category under IAS 39	0	0	142	149	0
as of Dec. 31, 2015					
Financial liabilities measured at acquisition cost	49,374	209,445	0	0	85,939
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0
No measurement category under IAS 39	0	0	152	158	0

EUR k	Derivatives		Non-current financial liabilities		Finance leases		Total
	CA	FV	CA	FV	CA	FV	CA
as of Sep. 30, 2016							
Financial liabilities measured at acquisition cost	0	0	364,818	372,658	0	0	725,649
Financial liabilities measured at fair value through profit or loss	0	0	0	0	0	0	0
No measurement category under IAS 39	0	0	0	0	231	252	373
as of Dec. 31, 2015							
Financial liabilities measured at acquisition cost	0	0	325,782	326,768	0	0	670,540
Financial liabilities measured at fair value through profit or loss	182	182	0	0	0	0	182
No measurement category under IAS 39	0	0	0	0	310	339	462

The other current liabilities include a purchase price liability of EUR 35,153 k (2015: EUR 35,153 k) in respect of a written put option, which has been measured at amortized cost.

The management has ascertained that the carrying amounts of cash, trade receivables, other receivables, trade payables, other current financial liabilities, and other current liabilities largely correspond to their fair values, primarily as a result of the short maturities of these instruments.

The fair values of other financial instruments held to maturity are based on prices in an active market as of the end of the reporting period.

ElringKlinger determines the market value of non-current fixed-interest liabilities to banks, finance lease liabilities, and derivatives by discounting expected future cash flows with the current prevailing interest rates for similar financial liabilities with comparable residual terms and the company-specific interest rate.

The fair value of the put option, included in other current liabilities, of non-controlling interests in ElringKlinger Marusan Corporation, Tokyo, Japan, in respect of their interests is based on internal projections of the enterprise value. As regards the valuation of this put option of non-controlling interests, estimates are made with regard to the forecast of business performance as well as with regard to the choice of the interest rate to be applied in respect of the liability to be recognized. A change in the enterprise value by 10% would result in an increase/decrease in the put option by approx. EUR 3,515 k.

Financial assets and liabilities measured at fair value are classified into the following three-level fair value hierarchy as of the end of the reporting period of September 30, 2016:

EUR k	Level 1	Level 2	Level 3
Sep. 30, 2016			
Financial assets			
Non-current securities	205	0	0
Other financial investments	4	0	0
Derivatives*	0	0	0
Total	**209**	**0**	**0**
Financial liabilities			
Derivatives*	0	0	0
Total	**0**	**0**	**0**
Dec. 31, 2015			
Financial assets			
Non-current securities	191	0	0
Other financial investments	12	0	0
Derivatives*	0	11	0
Total	**203**	**11**	**0**
Financial liabilities			
Derivatives*	0	182	0
Total	**0**	**182**	**0**

* These are derivatives that do not qualify for hedge accounting.

The following table provides details of the classification of financial assets and liabilities that are not measured at fair value but for which a fair value has been presented, according to the three-level fair value hierarchy as of the end of the reporting period of September 30, 2016:

EUR k	Level 1	Level 2	Level 3
Sep. 30, 2016			
Financial assets			
Non-current securities	827	0	0
Other financial investments	0	0	8
Total	**827**	**0**	**8**
Financial liabilities			
Non-current liabilities from finance leases	0	0	252
Non-current financial liabilities	0	372,658	0
Purchase price liability from written put option	0	0	35,153
Total	**0**	**372,658**	**35,405**
Dec. 31, 2015			
Financial assets			
Non-current securities	1,043	0	0
Other financial investments	0	0	10
Total	**1,043**	**0**	**10**
Financial liabilities			
Non-current liabilities from finance leases	0	0	339
Non-current financial liabilities	0	326,768	0
Purchase price liability from written put option	0	0	35,153
Total	**0**	**326,768**	**35,492**

The levels of the fair value hierarchy are defined as follows:

Level 1: Measurement based on quoted prices
Level 2: Measurement based on inputs for the asset or liability that are observable in active markets either directly or indirectly
Level 3: Measurement based on inputs for assets and liabilities not representing observable market data

The assessment as to whether a transfer has occurred between the levels of the fair-value hierarchy with regard to the assets and liabilities carried at fair value is conducted in each case at the end of the reporting period. No transfers occurred in the reporting period under review.

Contingencies and related-party disclosures

The contingencies and related-party relationships disclosed in the consolidated financial statements for 2015 were not subject to significant changes in the first nine months of 2016.

Segment reporting

As from 2016, internal reporting is conducted solely on the basis of earnings before interest and taxes (EBIT). As segment reporting pursuant to IFRS 8 is based on internal reporting, earnings before taxes (EBT) and interest expense/income will no longer be disclosed.

Government grants

As a result of government grants received, other operating income rose by EUR 5,006 k in the first nine months of 2016, of which a total of EUR 3,257 k was attributable to the first half of 2016. These grants were attributable primarily to development projects.

Other information

Mr. Karl Schmauder stepped down from his post as member of the Management Board of ElringKlinger AG effective from February 23, 2016. Mr. Schmauder had been responsible for Original Equipment Sales and New Business Areas. Compensation of EUR 2,014 k still outstanding in respect of the remainder of the employment contract up to January 31, 2018, was accounted for accordingly.

At its meeting on March 3, 2016, Deutsche Börse resolved on changes to the composition of its stock market indices. Formerly listed in the MDAX, ElringKlinger AG left the aforementioned index and joined the SDAX effective from March 21, 2016. The composition of indices for the German stock market is governed by two criteria: market capitalization of free float and average trading volume of the shares in question. ElringKlinger AG is positioned at the lower end of the rankings in respect of both listing criteria, as a result of which it had to vacate the MDAX.

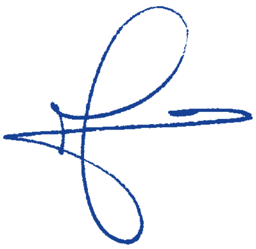
Events after the reporting period

On October 26, 2016, i.e., after the reporting period, ElringKlinger AG signed a certified contract covering a strategic investment of 27% in the Nürtingen-based engineering company hofer AG as well as the purchase of a 53% majority interest in the subsidiary hofer powertrain products GmbH. The purchase price of the entire transaction is a figure in the double-digit million euro range and will be settled subsequent to closing, which is scheduled to take place no earlier than January 1, 2017. Among other abilities, hofer AG is an expert system developer serving the automobile industry with systems used in the powertrain. In acquiring the ownership interest, ElringKlinger will benefit from the aforementioned innovatory abilities, particularly in the development and production of alternative drive technologies. Other than that there were no significant events after the end of the interim reporting period that necessitate additional explanatory disclosure.

Responsibility Statement

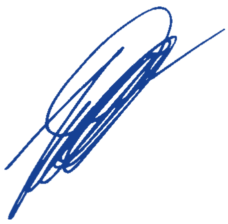
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management 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, November 8, 2016
The Management Board



Dr. Stefan Wolf
Chairman/CEO

Theo Becker



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www.elringklinger.com

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This report contains forward-looking statements. These statements are based on expectations, market evaluations and forecasts by the Management Board and on information currently available to them. In particular, the forward-looking statements shall not be interpreted as a guarantee that the future events and results to which they refer will actually materialize. Whilst the Management Board is confident that the statements as well as the opinions and expectations on which they are based are realistic, the aforementioned statements rely on assumptions that may conceivably prove to be incorrect. Future results and circumstances depend on a multitude of factors, risks and imponderables that can alter the expectations and judgments 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.

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This report was published on November 8, 2016, and is available in German and English. Only the German version shall be legally binding.

Financial *Calendar*

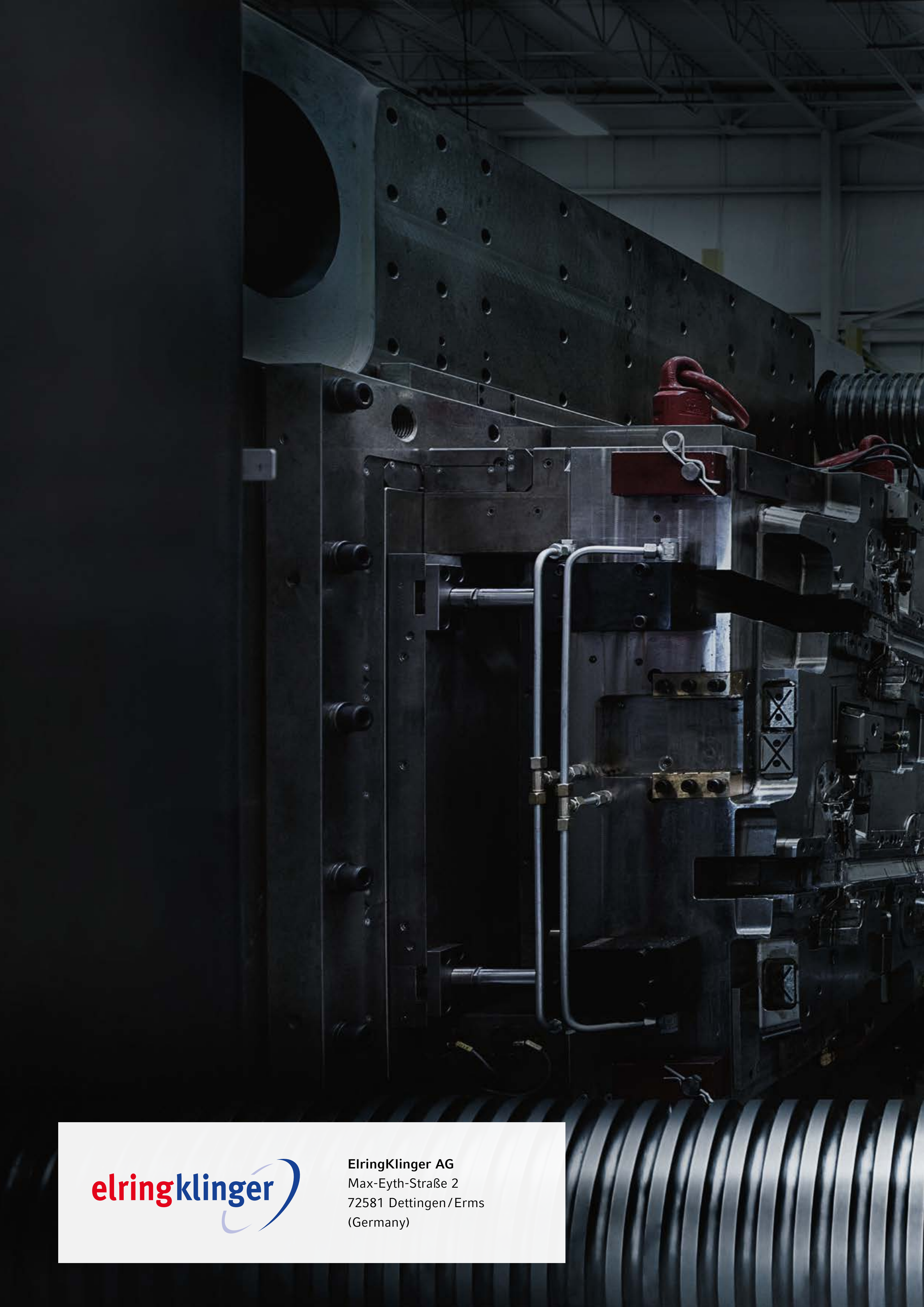
MARCH 2017 **30**	**MAY 2017** **09**	**MAY 2017** **16**
Annual Press Conference, Stuttgart **Analysts' Meeting,** Frankfurt/Main	**Interim Report on the 1st Quarter of 2017**	**112th Annual General Shareholders' Meeting,** Stuttgart, Cultural and Congress Center Liederhalle, 10:00 a.m. CEST
AUGUST 2017 **08**	**NOVEMBER 2017** **07**	
Interim Report on the 2nd Quarter and 1st Half of 2017	**Interim Report on the 3rd Quarter and First Nine Months of 2017**	

Changes to the above dates cannot be ruled out. We therefore recommend visiting our website to check specific financial dates at www. elringklinger.de/en/investor-relations/financial-calendar.

Calendar *Trade Fairs 2016*

NOVEMBER	**09–11**	The Aachen Colloquium China Automobile and Engine Technology, Beijing, China
	14–17	COMPAMED, Düsseldorf, Germany
NOV./DEC.	**29–01**	Valve World Expo, Düsseldorf, Germany
	30–03	Automechanika, Shanghai, China
DECEMBER	**06–07**	International CTI Symposium, Berlin, Germany
	13–15	POWER-GEN USA, Las Vegas, USA

For further events and trade fairs please visit our websites:
www.elringklinger.de/en/press/dates-events
www.elringklinger-kunststoff.de/english/service/trade-fair-dates
www.hug-engineering.com/en/news/exhibitions



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