REPORT ON THE 2ND QUARTER AND 1ST HALF 2015

pure
process

elringklinger

pure *process*

"Pure Process" 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.

Contents

Macroeconomic Conditions and Business Environment

Global economic recovery remains inconsistent

In the second quarter of 2015 the world economy received more favorable impetus from the established markets, led in particular by the US economy. At the same time, the upward trend seen in Europe became increasingly stable. Global recovery was supported by the expansive monetary policy still being pursued by many of the key economies, complemented by inexpensive oil and low energy prices. By contrast, the pattern of buoyant demand within the emerging markets weakened slightly in the period under review.

Moderate recovery in eurozone

Undaunted by the increasingly precarious situation concerning Greece in the second quarter of 2015, the eurozone economy as a whole remained on track. In this context, growth was underpinned by domestic demand. The weak euro in relation to other currencies provided additional stimulus, with the export industry benefiting from improved competitiveness. At the same time, the distance between the respective eurozone economies became slightly smaller, with reform efforts in countries such as Spain and Ireland, but also France and Italy, finally taking effect. The German economy remained robust. Domestic growth is being fueled, among other things, by a favorable consumer climate and flourishing business for the export industry.

US economy overcomes initial weakness in second quarter

After a sluggish start to the year in the first three months, the US economy picked up considerably as it moved into the second quarter of 2015. Consumers in North America remained bullish, spurred on by a solid labor market and favorable financing.

The emerging markets of Brazil and Russia, by contrast, continued to languish in the doldrums. Alongside their structural problems, these oil-exporting economies also struggled as a result of the slump in oil prices.

China's economy cools – India gathers pace

With growth of around 7% in its gross domestic product (GDP) in both the first and second quarter of 2015, China saw its forward momentum weaken compared to previous years. High levels of private and local government debt as well as difficulties in the real estate market are among just some of the problems facing the country. The Indian economy, by contrast, managed to maintain its pattern of growth on the back of reforms initiated in 2014.

In Japan, meanwhile, the economy failed to produce a pronounced upswing, although the second quarter did see a slight recovery. This was also driven by the positive direction taken by exports due to the sustained weakness of the Japanese yen.

GDP GROWTH RATES

Year-on-year change *in %*	4th Quarter 2014	1st Quarter 2015	2nd Quarter 2015
Germany	1.5	1.0	1.6
Eurozone	0.9	1.0	1.3
USA	2.4	2.9	2.4
Brazil	-0.2	-1.6	-1.1
China	7.3	7.0	6.8
India	6.6	7.5	8.4
Japan	-1.0	-0.9	0.8

Source: HSBC (June 2015)

Global car market bolstered by gains around the world

The international vehicle market was buoyed by economic recovery in Western Europe and sustained growth in the United States over the course of the first half of 2015. Low gasoline prices helped make consumers even more inclined to purchase new vehicles. By contrast, the situation in Brazil and Russia remained challenging, while the world's single largest automobile market, China, had to contend with a pronounced downturn.

European car market gathers pace

The European automobile market reported a sharp increase in sales figures over the first six months of 2015. Boasting a gain of 14.6% in June, it even managed to exceed the record achieved in March. Encouragingly, this upward trend has been supported by all five top markets, in some cases contributing double-digit growth. The German car market also remained on track. In June, in particular, foreign demand provided fresh impetus for domestic production and exports. Expanding by 0.2% and 0.7% respectively in the first half of 2015, they edged up slightly compared to the prior-year figures.

The Eastern European markets also enjoyed solid growth in the period under review. By contrast, car sales in Russia went into a nosedive with a monthly decline of more than 40% in some instances.

US consumers remain buoyant

Having already surged ahead in 2014, the US auto market saw a further encouraging upswing in the number of cars and light trucks sold in the first two quarters of 2015. The appetite for horsepower was fueled by low prices at the pump. Demand was particularly buoyant for premium-range vehicles and SUVs, which in some cases produced disproportionately large gains for German car makers serving the US market.

Brazil's vehicle market, which had slumped in 2014, remained mired in recession with a decline of up to 27% in the first six months of 2015.

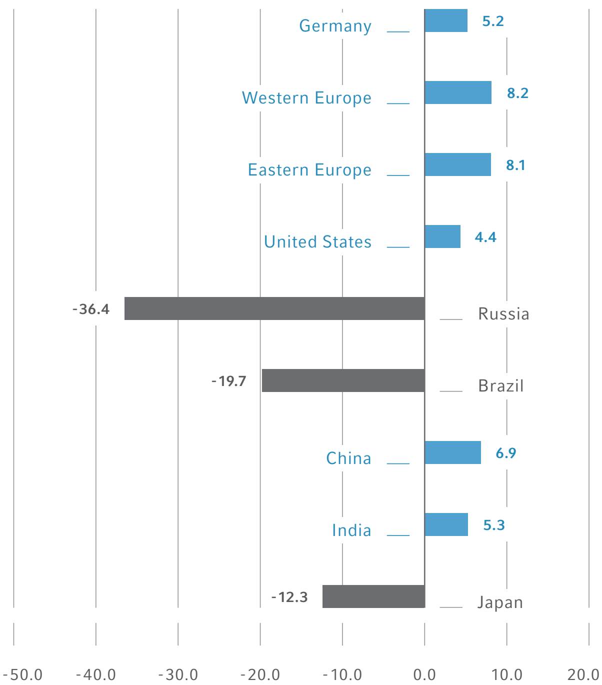
Chinese auto market at a turning point

In the second quarter of 2015, China's car market made the much anticipated transition from a boom business to one delivering more moderate rates of growth. In June, new car sales failed to exceed the prior-year figure for the very first time in recent history. This emphatically heralded the end of an era dominated by double-digit growth. Overall, the first half produced a gain of 6.9%. In India, the number of new passenger cars sold rose as economic recovery took hold.

The Japanese market, by contrast, showed no signs of turnaround in the first six months of 2015. New car registrations remained in decline.

NEW CAR REGISTRATIONS 1ST HALF 2015

Year-on-year change (in %)



Source: VDA (July 2015)

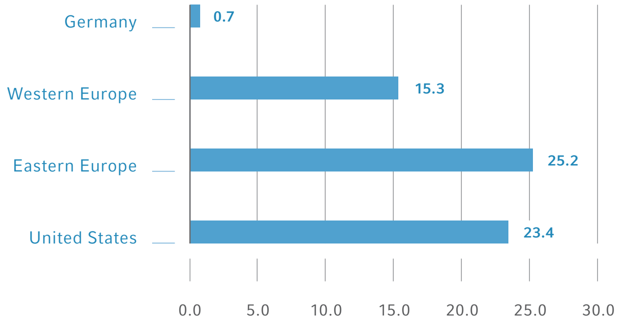
US commercial vehicle market offsets weakness in other regions

As the fate of commercial vehicle markets tends to be closely linked to prevailing economic performance, the picture for the respective regions was inconsistent. The Western European truck market, which had seen a downturn in sales in 2014, returned to positive territory in the first half of 2015. Compared with the same period a year ago, it recorded growth of 15.3% as regards the number of medium- and heavy-duty trucks sold. The German truck market developed along very tentative lines, having made substantial gains in the previous year due to pre-emptive buying in connection with the introduction of the Euro-VI standard.

The pronounced recovery of the US market, which had already produced strong growth in 2014, remained intact in the first half of 2015 and translated into bulging order books for truck makers. The sales market for heavy-duty trucks (Class 8) boasted double-digit growth rates during the period under review.

By contrast, the South American commercial vehicle market remained in dire straits due to the challenging economic situation, particularly in Brazil.

NEW REGISTRATIONS OF MID-SIZED AND HEAVY TRUCKS 1ST HALF 2015
Year-on-year change (in %)



Source: ACEA, Automotive News Data Center (July 2015)

Significant Events

Effective from February 14, 2015, ElringKlinger acquired 100% of the interests in US automotive supplier M&W Manufacturing Company, Inc., Warren/USA (M&W), from the former owner family. Subsequently, the name of this subsidiary was changed to ElringKlinger Automotive Manufacturing, Inc.

In completing the acquisition, ElringKlinger strengthened its Specialty Gaskets division with regard to its regional presence in North America and its production activities in the US market. Together with US market leader M&W, ElringKlinger has thus advanced to become the premier supplier of transmission control plates. Operating from its US production base, M&W supplies not only the North American market but also, to an increasing extent, customers in China.

Expressed in euros, the target for fiscal 2015 is to generate sales revenue totaling around EUR 30 million, with a projected operating margin (adjusted EBIT before purchase price allocation) in high single figures.

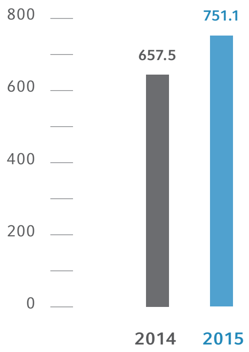
Sales and Earnings Performance

Dynamic revenue growth continues

In the first six months of 2015 the ElringKlinger Group once again outperformed the global car markets in terms of revenue growth. Sales revenue expanded against the backdrop of sustained consumer demand in the United States and an increasingly dynamic upturn in Europe's vehicles markets. Additionally, the Group benefited from several new product rollouts as well as significant structural growth in many of the product groups targeted at CO_2 reduction.

In total, the ElringKlinger Group saw sales revenue increase by 14.2% to EUR 751.1 (657.5) million in the first six months of 2015. Expressed in organic terms, i.e. without the effects of consolidation and foreign exchange rates, growth amounted to 5.1%.

GROUP SALES 1ST HALF
in € million



Despite fewer working days due to public holidays, ElringKlinger succeeded in further expanding its revenue in the second quarter of 2015 compared to the first quarter. Sales revenue increased by 13.9% to EUR 379.7 (333.5) million in the second quarter of 2015. At 4.5%, the Group's organic growth was again higher than the rate of expansion recorded by global car markets.

The first-time inclusion of former M&W Manufacturing Company, Inc., Warren/USA (M&W), in the scope of consolidation as from February 14, 2015, contributed revenue of EUR 13.7 million in the first half of 2015, of which a total of EUR 8.8 million was accounted for in the second quarter. Earnings before interest and taxes (EBIT) reached EUR 0.4 million. Of this total, an amount of EUR -0.2 million was attributable to the second quarter. Write-downs associated with preliminary purchase price allocation amounted to EUR 0.7 million.

Foreign currency gains, particularly due to the weakness of the euro in relation to the US dollar, the Swiss franc and many of the Asian currencies, pushed Group revenue up by EUR 46.5 million or 7.1% in the first half of 2015. A total of EUR 22.4 million was attributable to the second quarter of 2015. ElringKlinger generates more than 40% of its Group sales revenue outside the eurozone.

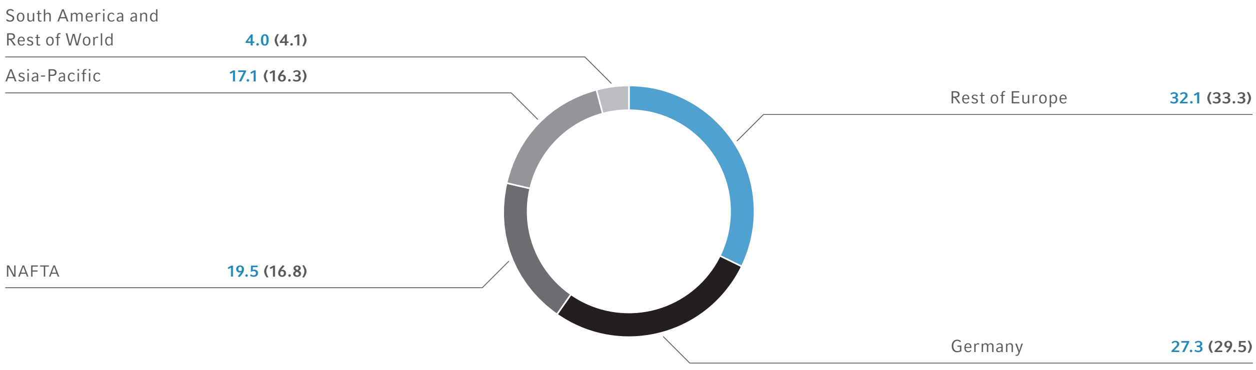
Strong growth in North America and Asia – Exchange rates provide additional revenue boost

The most pronounced level of growth recorded by ElringKlinger during the first half of 2015 was within the NAFTA region, with sales revenue surging by 32.3% to EUR 145.9 (110.3) million. Alongside solid organic growth, the first-time consolidation of M&W also contributed to this upturn. Without the effects of consolidation, growth in this region would have stood at 19.9%. Additionally, growth was buoyed by the positive effects of currency translation.

In the region comprising Asia-Pacific, meanwhile, ElringKlinger saw revenue expand by 19.9% to EUR 128.7 (107.3) million. The year-on-year increase was partially due to foreign exchange gains. The proportion of total Group sales attributable to business in Asia rose to 17.1% (16.3%) in the first half of 2015. Factoring in revenue contributions associated with indirect exports from Europe (particularly from Germany) to Asia, the share of Original Equipment revenue attributable to Asia would amount to roughly one quarter. This trend illustrates the growing importance of the burgeoning Asian markets to ElringKlinger as a whole.

The region encompassing South America and the Rest of the World had seen revenue expand by 26.0% in the first quarter of 2015. This growth, however, had been attributable primarily to higher tool-related revenue generated by the subsidiary in Brazil. Returning to a more normal level in the second quarter, revenue was down by 0.3% compared to the same period a year ago mainly as a result of market contraction and negative foreign exchange effects. Overall, revenue grew by 11.5% in the first half of 2015, taking the figure to EUR 30.1 (27.0) million.

GROUP SALES BY REGION 1ST HALF 2015
(prior year) in %



With a share of 32.1% (33.3%), the Rest of Europe (excluding Germany) retained its position as the largest sales market for the ElringKlinger Group. Sales revenue grew by 10.2% to reach EUR 241.3 (218.9) million in the first half of 2015. ElringKlinger benefited from the forward momentum seen across Europe's vehicle markets.

In Germany, by contrast, this upturn was slightly less pronounced. Sales revenue increased by 5.7% to EUR 205.1 (194.0) million. Thus, the percentage share of domestic sales in relation to Group revenue declined further to 27.3% (29.5%). This is due partly to the fact that German car makers are increasingly taking the route of establishing new local production capacity in the destination markets of North America and Asia.

The percentage share of foreign sales in relation to Group revenue thus grew to 72.7% (70.5%).

Strong first-half growth for Original Equipment

The Original Equipment segment made the most sizeable contribution to revenue growth. In the first six months of 2015, sales within the segment generating the Group's highest revenue increased by 15.8% to EUR 623.5 (538.2) million. Without the effects of consolidation associated with M&W, growth would have amounted to 13.3%. In the second quarter, sales revenue stood at EUR 314.7 (274.2) million.

Growth was driven by increasingly dynamic vehicle markets in Europe as well as persistently strong demand in North America and Asia. In addition, revenue was boosted by a number of product rollouts. ElringKlinger continued to benefit from growing customer demand at a structural level for automatic transmission components, turbocharger gaskets, thermal-acoustic shielding parts and lightweight plastic modules. The Group is seeing a rise in the number of ElringKlinger parts fitted per vehicle. Growth was also buoyed by the positive effects associated with foreign exchange rates.

Specific divisions within the Original Equipment segment recorded a disproportionately large increase in demand during the first half of the year. This necessitated the introduction of extra shifts and additional freight movements, thus pushing the cost base up by around EUR 9 million. ElringKlinger has initiated measures aimed at optimizing its earnings situation and is anticipating a gradual improvement in performance by the end of the year.

As expected, the E-Mobility division was as yet unable to post a profit in the first half of 2015. However, the loss before interest and taxes was scaled back to EUR 3.1 (4.1) million with the help of process improvements in production. At EUR 6.2 (5.0) million, sales revenue edged up slightly on last year's figure. In the second quarter alone, revenue generated by the E-Mobility division was EUR 3.5 (2.4) million, while the loss before interest and taxes stood at EUR 1.4 (1.9) million. Demand for battery-powered vehicles and plug-in hybrids remains sluggish – due in part to low gasoline prices –, as a result of which fixed costs cannot yet be covered within the E-Mobility division.

In the Exhaust Gas Purification division (Hug), which produces exhaust treatment systems mainly for industrial applications and ships, revenues and earnings tend to fluctuate more noticeably than in the case of ElringKlinger's serial production business. In the same period a year ago, earnings had been inflated markedly by two major contracts. In the first six months of 2015 this division generated sales revenue of EUR 25.4 (40.1) million in total. In addition, earnings were diluted by the strong appreciation of the Swiss franc against the euro. Despite this, second-quarter earnings for 2015 improved slightly compared to the preceding quarter, which had produced no contribution to earnings. As a result, EBIT for the first half totaled EUR 0.4 (11.7) million.

At present, Hug is working on several new projects, including the certification of retrofit solutions for off-road vehicles and SCR (Selective Catalytic Reduction) dosing systems for nitrogen oxide reduction in marine engines, which were developed in response to the IMO exhaust emission regulations coming into force in 2016. This is complemented by development projects relating to construction machinery, stationary engines and exhaust gas reduction systems for large vessels powered by heavy fuel oil.

Earnings before interest and taxes (EBIT) within the Original Equipment segment fell to EUR 52.6 (61.9) million in the first six months. In the second quarter, the segment contributed EBIT of EUR 27.0 (30.5) million, thus improving slightly on the figure posted in the preceding quarter (EUR 25.6 million).

Further expansion in Aftermarket sales

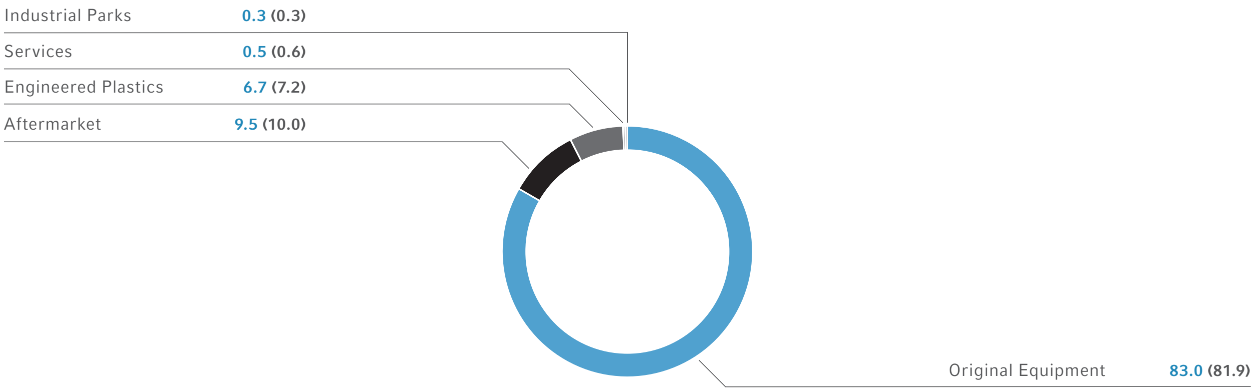
Despite geopolitical tensions in some of the key markets for spare parts, ElringKlinger managed to expand sales revenue by 8.2% to EUR 71.4 (66.0) million in the first half of 2015.

ElringKlinger also managed to retain its strong position within its home market of Germany. Having been postponed during the economic crisis, many car repairs finally went ahead in Southern and Western Europe as the recovery took hold. This is reflected in the significant growth rates achieved by the Aftermarket segment during the first half of 2015. Despite the volatile situation in Russia and Ukraine, ElringKlinger managed to further expand its revenue in Eastern Europe from a high base in the second quarter of 2015, having benefited from a stable start to the year. In this specific case, ElringKlinger has benefited from the larger proportion of German-made vehicles in the Eastern European car market. Sales were also up in the Middle East and North Africa, in spite of the difficult political and economic climate in this region.

In North America sales revenue expanded at double-digit growth rates, albeit from a low base. ElringKlinger is currently looking to evolve its Aftermarket business both in North America and Asia.

Segment earnings before interest and taxes (EBIT) remained unchanged at EUR 13.6 (13.6) million in the first half of 2015.

SALES REVENUE BY SEGMENT 1ST HALF 2015
(prior year) in %



Engineered Plastics segment dominated by Polytetra acquisition

Within the Engineered Plastics segment, ElringKlinger develops and manufactures products made of the high-performance plastic PTFE (polytetrafluoroethylene), which are supplied not only to the automotive sector but also to industries such as mechanical engineering, medical technology and telecommunications.

In the first six months of 2015, the Engineered Plastics segment recorded revenue growth of 6.1%, taking the figure to EUR 50.1 (47.2) million. Growth in this area was attributable mainly to Polytetra GmbH, Mönchengladbach/Germany, which was taken over effective from October 1, 2014. Excluding these effects of consolidation, segment revenue would have been almost unchanged year on year.

ElringKlinger Kunststofftechnik GmbH is pushing ahead with efforts to expand its business at an international level, having previously focused mainly on the German-speaking region of Europe. In the United States, the world's largest PTFE market, ElringKlinger is in the process of cultivating its business. The sales enterprise ElringKlinger Engineered Plastics (Qingdao) Commercial Co., Ltd., which has already been successful in targeting the Chinese market, is increasingly generating revenue flows as it moves forward.

As part of measures aimed at international growth, the Engineered Plastics segment incurred expenses that had an impact on segment earnings. In addition, while its automotive sales produced forward momentum, business in areas such as mechanical engineering remained sluggish. As a result, segment earnings before interest and taxes (EBIT) fell to EUR 6.0 (6.8) million in the first six months of 2015.

Industrial Parks unchanged year on year

Rental income from premises at the Group's industrial parks in Idstein/Germany, and Kecskemét-Kádafalva/Hungary, totaled EUR 2.2 (2.2) million in the first half of 2015. At EUR 0.5 (0.3) million, segment earnings before interest and taxes (EBIT) were slightly higher than in the same period a year ago.

Revenue contribution of Engineering Services remains stable

In the Services segment, Elring Klinger Motortechnik GmbH provides engineering and testing services for vehicle manufacturers and other suppliers. Among other things, the company's range of services within this area includes SCR technology (Selective Catalytic Reduction) for the purpose of nitrogen oxide reduction as well as particle counting for diesel particulate filters. Additionally, ElringKlinger Logistic Service GmbH, which also operates within the Services segment, provides internal and external logistics services within the area of sorting and packing.

At EUR 3.8 (3.9) million, sales revenue in the Services segment remained largely unchanged on the prior-year figure. Segment earnings before interest and taxes (EBIT) reached EUR 0.9 (1.0) million.

Headcount rises to almost 7,600

Staffing levels rose as a result of higher production volumes and the acquisition of M&W, with the Group's manufacturing units recording the largest influx of employees. As of June 30, 2015, the global headcount stood at 7,595 (6,941) for the ElringKlinger Group as a whole, a year-on-year increase of 654 or 9.4%.

Compared to December 31, 2014 (7,255), this corresponds to an expansion in personnel levels by 340 employees, i.e. 4.7%. At the end of June 2015, the M&W headcount stood at 97 in total. Without this acquisition, the overall increase in the number of employees would have been just 3.3%. This was significantly lower than the level of organic growth within the ElringKlinger Group in the first half (5.1%).

The most significant share of staff recruitment was again attributable to the foreign subsidiaries. The largest proportion of new appointments was recorded at the Chinese site in Changchun, followed by Toluca/Mexico and Buford/USA. Personnel levels also had to be increased at ElringKlinger Abschirmtechnik (Schweiz) AG, Sevelen/Switzerland.

In percentage terms, the domestic headcount of ElringKlinger personnel fell markedly to 44.3% (46.2%) as of June 30, 2015. The German sites operated by the Group had a total headcount of 3,363 (3,206).

The number of people employed abroad was up by 13.3% at 4,232 (3,735) by the end of the first half of 2015. Therefore, the non-domestic headcount rose to 55.7% (53.8%).

Gross profit margin falls to around 26%

The adverse factors impacting on Group performance in the first half of 2015, in particular lower earnings in the Original Equipment segment, were reflected primarily in the cost of sales. Thus, the cost of sales rose at a much faster level than revenue in the first six months of 2015, up by 17.7% to EUR 558.5 (474.5) million. The gross profit margin fell accordingly to 25.6% (27.8%). At 25.6%, the gross profit margin for the second quarter also failed to match the level recorded for the same period a year ago (27.5%), but was nevertheless comparable to that achieved in the first three months of 2015 (25.7%).

As regards materials used by ElringKlinger, the price of aluminum in particular trended upwards during the period under review. Prices for polyamide granules remained largely stable, whereas alloy surcharges payable for high-grade steels were slightly higher year on year in the first half of 2015.

The staff profit-sharing bonus of EUR 1,600 (1,450) per employee for members of the ElringKlinger AG, ElringKlinger Kunststofftechnik GmbH and Elring Klinger Motortechnik GmbH workforce, as agreed for the financial year 2014, resulted in expenses of EUR 5.6 (4.7) million, which were mainly attributable to the cost of sales. Additionally, the wage increase of 2.2% that came into effect on May 1, 2014, as well as the one-off payment in March 2015 of EUR 150 per person and a further collective wage increase by 3.4% as of April 1, 2015, for Group personnel employed in Germany under collective agreements prompted a rise in staff costs. In total, this produced additional staff costs of around EUR 4.4 million in the first half of 2015 when compared to the level recorded in the same period a year ago. To a large extent, these additional staff cost were compensated by efficiency improvements within production.

R&D ratio of 4.8% reflects strong focus on innovation

ElringKlinger spent a total of EUR 32.2 (29.1) million on research and development (R&D) in the first half of 2015, which was EUR 3.1 million more than in the same period a year ago. Thus, the Group again invested more than the industry on average in R&D. The second quarter of 2015 accounted for EUR 15.8 (13.6) million.

Additionally, a total of EUR 3.8 (3.6) million in research and development costs was capitalized in the first six months. Systematic depreciation/amortization amounted to EUR 3.7 (3.1) million in this period, as a result of which capitalization had no significant impact on earnings.

Taking capitalized R&D costs into account, ElringKlinger spent a total of EUR 36.0 (32.7) million on development projects in the first six months. This corresponds to an R&D ratio of 4.8% (5.0%).

In the first half of 2015, the ElringKlinger Group received government grants of EUR 2.9 (2.5) million for ongoing research and development projects. In parallel, the company incurred expenses at a comparable level for development work and prototyping.

Alongside new solutions and applications in the area of cylinder-head and specialty gaskets, the focus of research and development in the first six months was on refining lightweight components made of plastics or organo-plastics. Additionally, ElringKlinger worked on concepts that combine lightweight metal parts with injection-molded components. In the area of Shielding Technology, the emphasis of development projects was on innovative concepts regarding materials used in thermal-acoustic shielding parts. Hug focused its R&D efforts on developing high-performance substrates for the reduction of diesel particulates and nitrogen oxide emissions in the area of Exhaust Gas Purification. Development activities within the E-Mobility division were centered around additional battery components such as cell housing covers for lithium-ion batteries.

Selling expenses rose by 17.6% to EUR 52.7 (44.8) million in the first half of 2015. Of this total, an amount of EUR 26.9 (22.6) million was attributable to the second quarter. This includes part of the aforementioned additional costs attributable to extra shifts and freight movements.

At +26.9%, general and administrative expenses grew at a much more pronounced rate, taking the total for the first six months of 2015 to EUR 36.3 (28.6) million. The largest proportion of this year-on-year increase was attributable to the first quarter of 2015. Among other things, this item included additional expenses in connection with the takeover of M&W. In the second quarter, general and administrative expenses amounted to EUR 17.4 (15.2) million; in relation to revenue, the figure was unchanged year on year.

EBITDA falls to EUR 116 million

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached EUR 115.9 (121.4) million in the first six months of 2015. In the second quarter, EBITDA amounted to EUR 59.8 (60.6) million. As a result of sustained investments, depreciation and amortization rose to EUR 42.2 (37.8) million in the first half and to EUR 21.5 (19.1) million in the second quarter. This includes the negative effects of purchase price allocation – equivalent to EUR 2.6 million in the first half of 2015 and EUR 1.3 million in the second quarter – in connection with corporate acquisitions.

Slight quarter-on-quarter improvement in EBIT margin

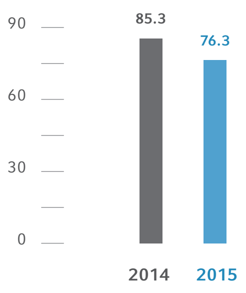
Group earnings before interest and taxes (EBIT) totaled EUR 73.7 (83.6) million in the first half of 2015, thus failing to match the strong performance seen in the same period a year ago. In the second quarter of 2015, Group EBIT amounted to EUR 38.3 (41.5) million, up EUR 2.9 million on the figure posted for the first quarter (EUR 35.4 million).

Before purchase price allocations, EBIT totaled EUR 76.3 (85.3) million in the first six months of 2015 and EUR 39.6 (42.3) million in the second quarter. In the first half of 2015, the EBIT margin before purchase price allocation was 10.2% (13.0%). Compared to the first quarter, the EBIT margin before purchase price allocation was up 0.5 percentage points at 10.4% (12.7%).

As outlined above, unexpectedly strong demand necessitated extra shifts and freight movements in specific divisions, as a result of which the Group's cost base increased by around EUR 9 million in the first half of 2015. ElringKlinger was unable to reverse this trend significantly in the second quarter. At the same time, the sudden appreciation of the Swiss franc against the euro had a dampening effect.

Additionally, the comparative base of the Exhaust Gas Purification division (Hug) was extremely high in the same period a year ago, which has to be taken into account in a year-on-year comparison. The earnings contribution made by this division had been above average in the first half of 2014 due to billings relating to two major contracts.

EBIT* 1ST HALF
in € million



* Adjusted for non-recurring items, pre purchase price allocation

What is more, the EBIT margin for the first six months of 2015 continued to be diluted by the most recent corporate acquisitions (around 0.5 percentage points) as well as the persistently weak performance of the E-Mobility business (around 0.5 percentage points).

Net finance result for 2nd quarter impacted by lower foreign exchange gains

Net finance costs were lower in the first half of 2015 compared to the figure posted in the same period a year ago, primarily as a result of foreign exchange gains in the first quarter of 2015. The first quarter of 2015 produced net foreign exchange gains of EUR 6.5 (0.1) million in connection with financing activities. These gains were substantially lower in the second quarter, however, taking the figure into negative territory – EUR -3.4 (1.2) million. In total, the net result of foreign exchange gains and losses was positive at EUR 3.1 (1.3) million for the first half of 2015 as a whole. By contrast, net interest costs remained largely unchanged year on year at EUR 6.1 (6.0) million for the first half.

In total, net finance costs were slightly lower year on year at EUR 3.0 (4.7) million for the first six months of 2015. In the second quarter, net finance costs amounted to EUR 6.5 (2.1) million.

As a result, earnings before taxes totaled EUR 70.7 (78.9) million in the first half of 2015, of which an amount of EUR 31.8 (39.5) million was attributable to the second quarter.

Net income at EUR 51 million

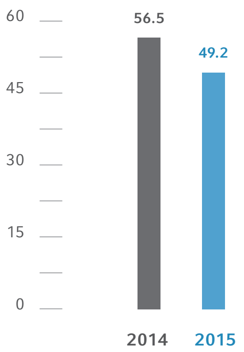
At EUR 19.5 (19.9) million in the first half of 2015 and EUR 9.8 (9.7) million in the second quarter, tax expenses remained largely unchanged year on year, despite a dip in earnings before taxes. Due to the substantial reduction in earnings contributions from subsidiaries with a lower tax rate, particularly in the second quarter, the Group tax rate rose markedly to 30.8% (24.6%) in this period. The Group tax rate for the first half stood at 27.6% (25.2%).

Net income reported in the first quarter had benefited from net finance income and was largely unchanged from the prior-year figure. In the second quarter, net income was down considerably year on year as a result of the developments outlined earlier. In total, net income amounted to EUR 51.2 (59.0) million in the first half of 2015.

Net income attributable to non-controlling interests fell to EUR 2.0 (2.5) million in the first half of 2015 due to the smaller earnings contribution made by the Hug Group and by ElringKlinger Kunststofftechnik GmbH. Correspondingly, net income attributable to the shareholders of ElringKlinger AG stood at EUR 49.2 (56.5) million. In the second quarter of 2015, net income attributable to the shareholders of ElringKlinger AG amounted to EUR 21.0 (28.5) million.

Basic and diluted earnings per share thus fell to EUR 0.78 (0.89). In the second quarter earnings per share amounted to EUR 0.33 (0.45). As of June 30, 2015, the number of shares outstanding that were entitled to a dividend remained unchanged at 63,359,990.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF ELRINGKLINGER AG 1ST HALF
in € million



Financial Position and Cash Flows

The financial position and cash flows of the ElringKlinger Group remained solid as of June 30, 2015, underpinned by an equity ratio of 47.0% and positive operating cash flow of EUR 58.9 million.

Total assets grow to EUR 1,766 million

Standing at EUR 1,765.6 million, total assets were higher at the end of the first half of 2015. Compared to December 31, 2014 (EUR 1,558.8 million), the figure was up by 13.3% or EUR 206.8 million, which is mainly attributable to business activities in the first quarter of 2015.

Alongside the growth-induced increase in working capital as well as property, plant and equipment – particularly in the first quarter –, the effects of currency translation and the acquisition of US-based entity M&W (now trading as ElringKlinger Automotive Manufacturing, Inc.) in February 2015 contributed to the increase in total assets. The first-time inclusion of M&W in the scope of consolidation of the ElringKlinger Group prompted an expansion in total assets by EUR 38.1 million in total. The detailed implications of this acquisition with regard to the Group statement of financial position have been outlined in the Notes (Notes, page 32).

Overall, the depreciation of the euro against key currencies of relevance to the Group – primarily the US dollar, Swiss franc, Japanese yen and Chinese renminbi – had an accretive effect on total assets at Group level.

Goodwill attributable to M&W stood at EUR 17.1 million, while the purchase price allocation amounted to EUR 8.0 million. Thus, a large proportion of the assets consolidated in connection with the acquisition of M&W was attributable to intangible assets, which rose by a large amount in the period under review. Compared to the end of 2014 (EUR 185.3 million), this item was up by EUR 32.8 million to EUR 218.1 million.

Additionally, investments in property, plant and equipment totaling EUR 75.9 (51.3) million during the first half of 2015 were reflected in the expansion of this specific item. Property, plant and equipment grew by EUR 71.0 million compared to the figure recorded on December 31, 2014 (EUR 708.0 million), and totaled EUR 779.0 million as of June 30, 2015.

Current assets remain stable in Q2 2015

The Group managed to keep inventories and trade receivables at a level comparable to that reported on March 31, 2015 (EUR 622.3 million). As of June 30, 2015, they totaled EUR 620.8 million. While inventories rose slightly – up by EUR 8.2 million – compared to the figure posted at the end of the first quarter as a result of tools accounted for in this item, trade receivables fell by EUR 9.7 million.

However, these two items rose markedly compared to the figure recorded at the end of 2014. This was attributable to the usual seasonal increase at the beginning of the year as well as the effects of currency translation. Inventories expanded by EUR 43.1 million to EUR 333.2 million, while trade receivables increased by EUR 42.5 million to EUR 287.6 million. Adjusted for currencies, these items expanded by just EUR 30.9 million and EUR 33.2 million respectively. First-time consolidation of M&W produced an increase of EUR 4.8 million and EUR 4.5 million respectively.

CURRENT AND NON-CURRENT ASSETS

EUR million	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Intangible assets	218.1	219.3	185.3
Property, plant and equipment	779.0	763.7	708.0
Other	30.5	31.4	30.4
Non-current assets	**1,027.6**	**1,014.4**	**923.7**
Inventories	333.2	325.0	290.1
Trade receivables	287.6	297.3	245.1
Other	117.1	111.5	100.0
Current assets	**737.9**	**733.8**	**635.2**
Total assets	**1,765.6**	**1,748.2**	**1,558.8**

Equity up by EUR 55 million despite dividend payout

As of June 30, 2015, Group equity was up at EUR 830.4 million (December 31, 2014: EUR 775.2 million). While the equity ratio fell slightly to 47.0% (49.7%), it was still well above the minimum target of 40%.

The dividend payment of EUR 34.8 (31.7) million to shareholders of ElringKlinger AG, as accounted for in revenue reserves in the second quarter of 2015, was more than offset by net income generated in the first half of 2015. This pushed revenue reserves up by EUR 14.3 million to EUR 586.5 million compared to December 31, 2014.

Other reserves include foreign exchange translation differences. After a substantial amount of around EUR 50 million had to be added to this item as of March 31, 2015, when compared to the 2014 year end (EUR - 10.3 million), foreign exchange translation differences were down again by around EUR 11 million at EUR 28.2 million as of June 30, 2015.

Higher financial liabilities fueled by company growth

The Group's financing requirements were covered by cash flow from operating activities and beyond that by bank borrowings and other loans.

Compared to December 31, 2014 (EUR 417.0 million), current and non-current financial liabilities rose to EUR 517.2 million in total. The Group's net financial debt (current and non-current financial liabilities less cash) increased from EUR 348.3 million to EUR 442.6 million. Of this increase totaling EUR 94.3 million, around half was attributable to the first and second quarter of 2015 respectively. In the first quarter, financial requirements were higher as a result of the purchase price payment relating to the takeover of M&W. In the second quarter, interim financing was put in place for the dividend payment.

Having increased substantially compared to the 2014 year end, up by EUR 30.7 million to EUR 99.5 million as of March 31, 2015, trade payables remained largely unchanged at EUR 97.2 million as of June 30, 2015.

The other current and non-current liabilities were virtually unchanged compared to December 31, 2014.

Overall, the share of liabilities in total equity and liabilities was slightly higher at 53.0%, compared to 50.3% at the end of 2014.

CURRENT AND NON-CURRENT LIABILITIES

EUR million	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Provisions for pensions	126.9	126.5	124.1
Non-current financial liabilities	300.3	289.3	268.5
Other	50.0	51.4	46.8
Non-current liabilities	**477.2**	**467.2**	**439.4**
Trade payables	97.2	99.5	68.8
Current financial liabilities	216.9	177.9	148.5
Other	143.9	147.9	126.9
Current liabilities	**458.0**	**425.3**	**344.2**

Cash flow from operating activities at EUR 59 million

Despite lower earnings before taxes compared to the same period a year ago (EUR 70.7 million vs. EUR 78.9 million), cash flow from operating activities increased to EUR 58.9 (55.0) million in the first half of 2015.

This encouraging result is attributable first and foremost to lower additional absorption of funds in working capital. The change in inventories, trade receivables and other assets not attributable to investing or financing activities and the change in trade payables and other liabilities not attributable to investing or financing activities produced a cash outflow of EUR 26.6 million in total. This, however, was significantly lower than the cash outflow recorded for the same period a year ago (EUR 39.9 million).

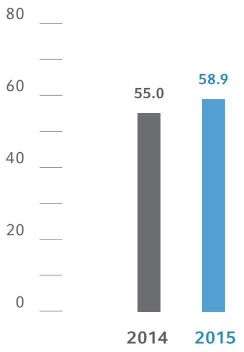
Despite the reduction in earnings before taxes by EUR 7.1 million, cash flow from operating activities improved further quarter on quarter, up from EUR 26.7 million to EUR 32.2 million in the second quarter of 2015. This increase was also attributable to the more favorable direction taken by working capital (currency-adjusted), which had undergone a substantial hike in the first quarter.

The item classified as "other non-cash expenses and income" mainly includes eliminations relating to currency translation. In the first quarter, a net amount of EUR -14.2 million in non-cash income was deducted. At EUR 7.1 million, this item took the opposite direction in the second quarter. In the first half of 2015, the item stood at EUR -7.0 (-1.5) million.

There was no significant impact from other items used in indirectly calculating operating cash flow.

NET CASH FROM OPERATING ACTIVITIES 1ST HALF

in € million



Cash outflow for investments dominated by capacity expansion

In the first half of 2015, capital expenditure by the ElringKlinger Group on property, plant and equipment as well as investment property amounted to EUR 75.9 (51.3) million, of which EUR 40.7 (24.4) million was attributable to the second quarter. Additionally, the Group recorded cash outflows for investments in intangible assets of EUR 5.8 (8.6) million. The investment ratio (investments in relation to Group revenue) was 10.9% (9.1%) in the first six months of 2015, which was just above the range of 7 to 9% targeted by the company. The regional focus of these investments was on Europe and Asia. At EUR 64.8 (55.5) million, a large part of this capital expenditure was attributable to the Original Equipment segment.

A number of new machines were purchased at the German sites operated by the parent company ElringKlinger AG, e. g. an assembly and testing system for the production of lightweight cam covers or a manufacturing line with a servo press for the Shielding Technology division.

Other investments in Germany were directed at the Engineered Plastics and Services segments: at ElringKlinger Kunststofftechnik GmbH, Bietigheim-Bissingen, investment spending was centered around an expansion of manufacturing capacity in connection with the new production building erected in 2014. At the service provider ElringKlinger Logistic Service GmbH, Ergenzingen, funds were channeled into the construction of a new logistics center.

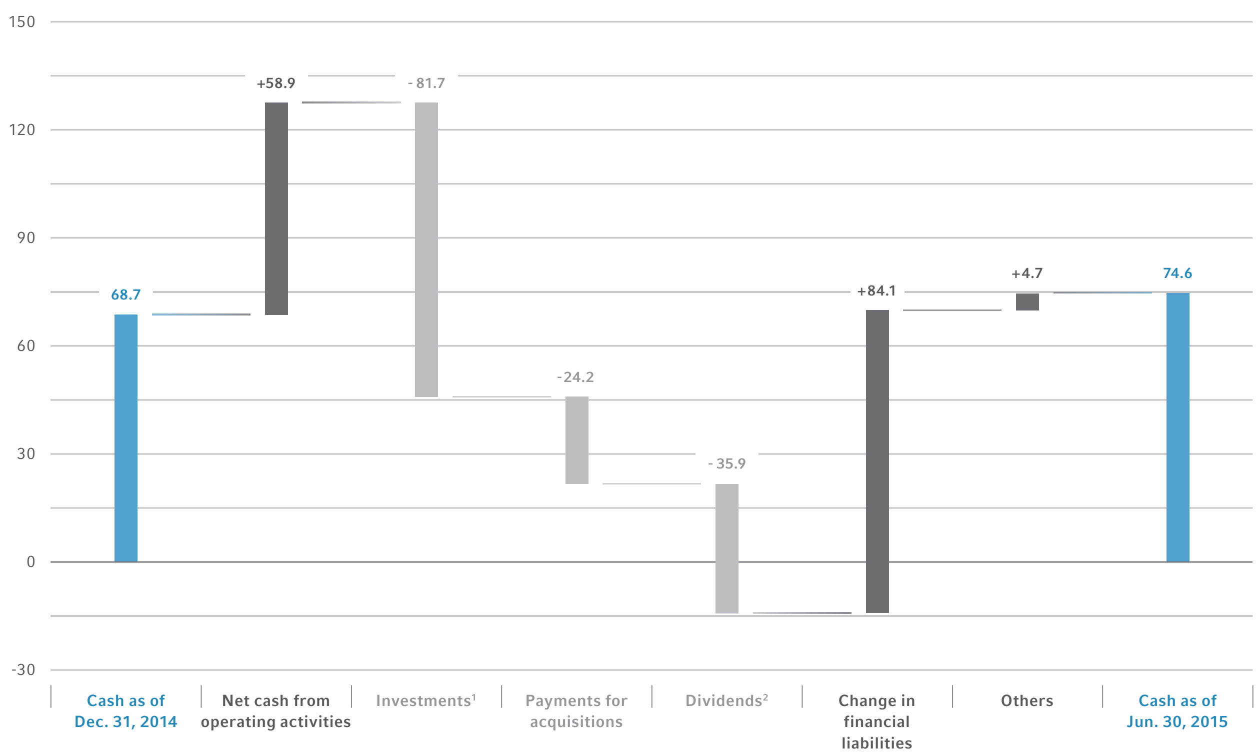
The plant operated by ElringKlinger Abschirmtechnik (Schweiz) AG, Sevelen/Switzerland, saw more pronounced investment spending on the near-term expansion of capacity levels in the second quarter of 2015, the focus being on several new production lines.

In Suzhou/China, construction work on a new plant continued, complemented by the procurement of additional production machinery. The second site in China, Changchun, also saw investments aimed at capacity expansion, including extensions to buildings and new die-cutting machines. As regards the subsidiary in India, the focus in the first quarter of 2015 was on installing new production machinery for the Cylinder-head Gaskets division.

In North America, investments were directed at production machinery for the expansion of capacity levels and further automation, with funds being channeled into the three large production companies in Leamington/Canada, Buford/USA and Toluca/Mexico. Additionally, the focus in Canada was on preparing for forthcoming product ramp-ups relating to lightweight components based on hybrid polymer-metal technology.

In the first quarter of 2015, the purchase consideration for the above-mentioned acquisition of M&W had resulted in outflows for the purchase of subsidiaries – less cash – of EUR 24.2 (0) million.

CHANGES IN CASH 1ST HALF 2015
in € million



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

In total, net cash used in investing activities amounted to EUR 105.4 (59.6) million in the first six months of 2015. Operating free cash flow (cash flow from operating activities less cash flow from investing activities, adjusted for payments in respect of acquisitions) amounted to EUR -22.3 (-4.6) million. Of this amount, operating free cash flow totaling EUR -11.0 (5.7) million was attributable to the second quarter of 2015.

In view of the relatively strong surge in demand in specific areas of business over the course of the year to date, ElringKlinger initiated measures to expand production capacity as from the second quarter. This necessitated additional investments in property, plant and equipment. With this in mind, ElringKlinger increased its fiscal 2015 investment budget for property, plant and equipment and investment property to EUR 145 to 155 million (cf. Outlook, page 18).

Larger funds for capacity expansion and acquisition

In the first half of 2015, the ElringKlinger Group took on net financial liabilities of EUR 84.1 (33.5) million. These funds were required mainly for investing activities as well as for the purchase price payment in respect of the US entity M&W acquired in February. Additionally, the dividend payment was covered by interim financing.

At the end of the first half of 2015, cash and cash equivalents held by the Group amounted to EUR 74.6 million, compared to EUR 68.7 million at the end of the 2014 financial year.

Opportunities and Risks

As regards the assessment of opportunities and risks for the ElringKlinger Group in respect of the second quarter of 2015, there were no fundamental changes to the details discussed in the 2014 Annual Report of the ElringKlinger Group (page 90 et seq.).

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.

However, in view of the more precarious situation surrounding the Greek debt crisis in recent months, the economic risks emanating from the eurozone have generally become more pronounced. The repercussions of a eurozone exit by Greece cannot be fully gauged. A potential downturn in Europe's economy may also indirectly affect ElringKlinger. A so-called Grexit scenario would have no direct impact on the company, as the Greek automobile market is of no particular significance from a wider European perspective. What is more, ElringKlinger does not generate any sizeable revenue from business in Greece. Given the most recent agreement reached between Greece and its creditors, an exit by Greece from the eurozone has become more unlikely.

The report on opportunities and risks from the 2014 Annual Report can be accessed on the website of ElringKlinger at www.elringklinger.de/ar2014/report-on-opportunities-and-risks.

Outlook

Outlook – Market and Sector

Global economic growth underpinned by recovery of industrialized countries

According to the latest projections made by the International Monetary Fund (IMF), the global economy will continue on a path of modest growth. This is attributable primarily to a period of sustained recovery by the industrialized nations, underpinned by favorable financial market conditions and low oil prices. By contrast, however, the momentum of demand from the emerging countries is expected to decelerate. At the beginning of July, the IMF revised downwards its outlook for 2015 as a whole by 0.2 percentage points to 3.3%. However, in explaining its decision, it cited the weak economic performance in the United States during the first quarter, which had been driven by temporary factors. Uncertainty surrounding Greece's membership in the eurozone will have no dampening effect on the world economy, according to the IMF. Given the more favorable climate as a whole, the global economy should accelerate slightly to growth of 3.8% in 2016.

Optimism for the eurozone

The European economy has been benefiting mainly from the slump in oil prices in 2015, complemented by an expansive monetary policy adopted by the European Central Bank and a weak euro that is fueling exports to non-euro countries. As a result, the eurozone has been gathering pace regardless of the Grexit debate. Having said that, some countries are still faced with high levels of private debt and unemployment. At the same time, more dynamic growth is being thwarted by sanctions imposed on Russia and waning demand from the emerging markets. Germany should remain on track for economic recovery.

US economy continues to expand

The solid growth trend seen in the United States looks set to continue. Against the backdrop of a stable labor market, higher wages and inexpensive loans, private consumption is expected to improve further, as is investment spending. However, the IMF also points to the emergence of risks to the US economy caused by a much stronger US dollar and higher levels of sovereign debt.

Brazil and Russia remain problem children

The prospects for crisis-hit Brazil and Russia remain bleak. Both countries are expected to see their economic output shrink in 2015 as a whole.

Economic cooling in China

Asia will continue to produce the highest rates of GDP growth in 2015. Having said that, China's economy is facing a slowdown.

The Indian economy, by contrast, is likely to expand at a more dynamic rate. After a year of stagnation in 2014, Japan is expected to return to a path of growth in 2015.

GDP GROWTH PROJECTIONS

Year-on-year change *in %*	2014	Projections 2015	Projections 2016
World	3.4	3.3	3.8
Germany	1.6	1.6	1.7
Eurozone	0.8	1.5	1.7
USA	2.4	2.5	3.0
Brazil	0.1	-1.6	1.0
China	7.4	6.8	6.3
India	7.3	7.5	7.5
Japan	-0.1	0.8	1.2

Sources: IMF (July 2015), HSBC (June 2015)

Modest growth in global vehicle markets

The global car market is likely to record a slight gain and a new all-time high in 2015. While the United States, China and Western and Eastern Europe are expanding, markets in Russia, South America and Japan are in negative territory. The global pattern of growth is changing: Europe is expected to receive a boost, the US market is likely to remain on track and the Chinese car market will probably lose a great deal of momentum. Given the level of contraction experienced by the Mercosur region and Russia, current estimates by the Verband der Automobilindustrie (VDA), Germany's association of the automobile industry, suggest that the global car market will merely grow by around 1% in 2015 as a whole.

As regards global automobile production, ElringKlinger Group also anticipates growth by a percentage figure at the lower end of the single-digit range for 2015.

European vehicle market exceeds expectations – Normalization in China

In response to the solid performance in the year to date, in July market analysts revised upwards their forecasts for car sales in Western Europe to figures as high as 6% for 2015 as a whole. Based on an estimated figure of around 13 million new registrations, however, car sales will still fall well short of the mark of close to 16 million vehicles recorded in 2007 – despite the encouraging trend in sales in the five key European markets as well as the crisis-hit countries. Germany's car market is expected to produce slightly below-average growth. Order intake at German car makers suggests strong export-driven demand, buoyed also by the weak euro. This will benefit domestic car production, although it should also be noted that German manufacturers are increasingly making the transition towards local production of vehicles and engines in Asia and North America. ElringKlinger anticipates that the Western European car market will see sales expand at a percentage rate in the mid-single digit range.

In the United States, meanwhile, the sales boom when it comes to cars and light trucks is likely to persist. After 16.4 million newly registered vehicles, the threshold of 17 million is within reaching distance in 2015. ElringKlinger anticipates that the US market, in which German manufacturers hold a large share, will produce solid growth.

By contrast, the prospects for Brazil – the principal vehicle market in South America – have become bleaker. After a severe slump in 2014 and in the first half of 2015, the local market is unlikely to return to a state of outright stability as the year progresses.

Having floundered in the second quarter of 2015, China's vehicle market has had to contend with a downgrade in its sales outlook. Based on the latest projections, the world's largest automobile market will grow by 3% in 2015 (previously: 7%). Thus, China has taken the path towards "normal" expansion much faster than originally anticipated. Based on the level now reached and the volume of growth in absolute terms, the world's biggest car market will continue to see substantial unit sales. ElringKlinger anticipates that Chinese car sales will expand at a percentage rate in the low single-digit figures.

Japan is expected to see a dip in the number of newly registered cars in 2015, contrasting with the upturn in sales seen in 2014 due to pre-emptive purchases in anticipation of an imminent rise in domestic VAT.

Commercial vehicle markets: North America remains driving force, while Europe catches up

After a challenging period in 2014, the European commercial vehicle market can look forward to receiving a considerable boost. Against the backdrop of improved economic conditions in Western and Eastern Europe, new truck registrations should also rise further.

From a global perspective, the commercial vehicle industry will again receive most of its growth impetus from within the North American market in 2015. Having expanded by around 17% in 2014, however, the rate of expansion looks set to decelerate slightly in 2015.

The prospects for Brazil's truck market are far less favorable in terms of the future pattern of demand for trucks. Due to the persistently weak performance there, sales figures within the commercial vehicle sector are likely to decline even further in 2015.

ElringKlinger will be able to benefit directly from an increase in truck production output in the established markets. Following the introduction of Euro VI models in 2014, revenue per vehicle tends to be higher due to additional sales associated with lightweight plastic housing modules. With this in mind, ElringKlinger anticipates that business relating to truck components will produce above-average growth rates in the coming years.

Outlook – Company

Order intake up 15%

ElringKlinger expects to record further organic growth in 2015 as a whole and in 2016. This target is underpinned by a solid order book.

On the back of a strong first quarter, order intake continued to expand in the second quarter of 2015. Compared to the same period a year ago, it rose by 14.5% to EUR 435.1 (380.0) million. Eliminating incoming orders attributable to the acquisition of the entity formally trading as M&W, order intake was still up by 11.0% at EUR 422.0 (380.0) million. Thus, order backlog reached a new all-time high of EUR 786.2 (649.1) million as of June 30, 2015.

Integration of former M&W – Performance of acquired entities

The US entity M&W (now trading as ElringKlinger Automotive Manufacturing Inc.) acquired in February 2015 is to be fully integrated into the ElringKlinger Group by the end of 2015. Existing structures and processes will be further optimized during the coming months. The new subsidiary will contribute around EUR 30 million to Group sales revenue in the 2015 financial year as a whole. The EBIT margin is to reach a percentage level towards the high single-digit range.

Full consolidation of the Japanese subsidiary ElringKlinger Marusan Corporation will also have a slightly dilutive effect on the Group EBIT margin in 2015.

The entities Polytetra GmbH and new enerday GmbH acquired in the preceding year have no significant influence on Group EBIT.

E-Mobility remains sluggish

Owing to persistently weak demand patterns and the as yet insufficient degree of capacity utilization in production, ElringKlinger's E-Mobility division is not expected to see a fundamental improvement in its earnings performance in 2015. Given the substantial decline in gasoline prices, there are hardly any incentives for consumers to buy all-electric vehicles or plug-in hybrids. The company is responding by implementing structural measures aimed at cost streamlining. In the medium term, the volume of products requested as part of customer scheduling is expected to rise and contribute to improved earnings. Depending on the development of market demands, the E-Mobility division will probably continue to exert downward pressure on the Group's EBIT margin in 2015.

Possible tailwind from falling commodity prices

Prices for the majority of materials used by ElringKlinger trended lower in the period under review. The strong decline in the price of oil may have a favorable impact on purchasing prices for polyamide granules required by the Plastic Housing Modules/Elastomer Technology division as the company moves into the second half of 2015. Aluminum prices have also been down recently, which may be to ElringKlinger's advantage in the coming year when existing blanket contracts come to an end. By contrast, it cannot be ruled out entirely that prices for alloy surcharges payable in connection with high-grade steels, for example, will rise over the course of 2015.

Investments in property, plant and equipment expected to reach EUR 145 to 155 million

Against the backdrop of the Group's business performance in the first half of 2015, ElringKlinger has already initiated measures aimed at optimizing its earnings situation. The substantial rise in demand within specific divisions necessitated additional shifts and freight movements, thus resulting in a disproportionately large increase in the cost base. ElringKlinger intends to expand its capacity levels over the course of the remaining year. Therefore, the company anticipates that its total investment volume will exceed the figure originally targeted, rising to between EUR 145 million and EUR 155 million in 2015 as a whole (former target of around EUR 110 million).

Outlook for 2015: clean EBIT before purchase price allocation estimated at around EUR 165 million

ElringKlinger anticipates that global automobile production in 2015 will expand by a percentage figure at the lower end of the single-digit range. While growth in China is likely to weaken by a significant margin, the European markets should develop better than previously expected.

Against this backdrop, the ElringKlinger Group is targeting organic revenue growth of 5% to 7%. Additionally, the consolidation of ElringKlinger Automotive Manufacturing Inc. (M&W) will contribute around EUR 30 million to Group revenue in the financial year as a whole.

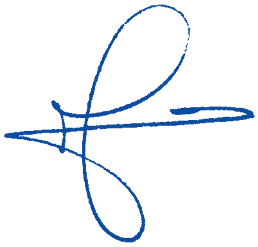
The special charges outlined above, earnings contributions from acquired entities that are as yet below the Group average and sluggish demand in the E-Mobility division will have a dampening effect on the overall earnings performance of the ElringKlinger Group in 2015. Based on the assumption that earnings improve in the second half of the year as a result of optimization measures already initiated, EBIT before purchase price allocation, adjusted for non-recurring items, is expected to be around EUR 165 million.

Events after the Reporting Period

After the end of the reporting period, on July 17, 2015, ElringKlinger AG acquired a further 3% of the ownership interests in the subsidiary ElringKlinger Kunststofftechnik GmbH, Bietigheim-Bissingen, from the co-owners. Following this transaction it holds 77.5% of the interests in the PTFE specialist. ElringKlinger AG thus continues to pursue its strategy of scaling back non-controlling interests in the Group to the largest extent possible.

Beyond this, no other significant events requiring disclosure occurred after the reporting period.

Dettingen/Erms, August 5, 2015
The Management Board



Dr. Stefan Wolf
Chairman/CEO

Theo Becker

Karl Schmauder

ElringKlinger and the Capital Markets

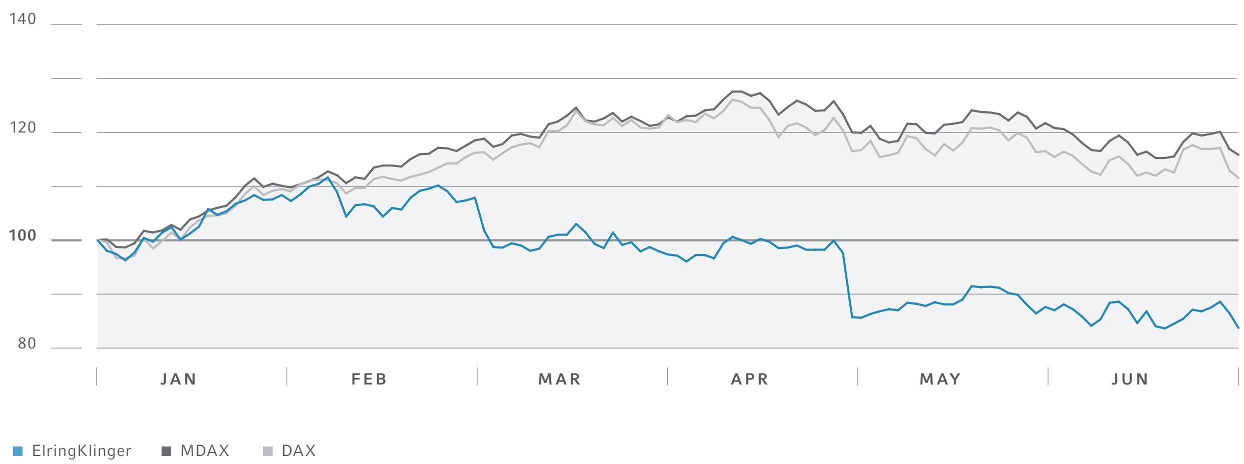
Consolidation in stock market – Grexit debate causes uncertainty

Benefiting from the ultra-loose monetary policy adopted by the European Central Bank, Europe's economic performance showed initial signs of growth over the course of the first half of 2015. This prompted a strong upturn in Europe's stock markets that was sustained well into spring before finally ebbing away over the ensuing months in response to several adverse factors such as the possible exit of Greece from the eurozone, the waning momentum of growth in China and the prospect of a first hike in US interest rates. Against this backdrop of polarized forces, stock exchange indices remained largely on track for consolidation in the second quarter of 2015.

Germany's blue chip index, the DAX, was no exception: on March 16, 2015, it moved beyond its all-time high of 12,000 points. This rally was to last until the beginning of April, culminating in a new historic high of 12,375 points. Towards the beginning of June, however, the markets saw a more pronounced downside swing as the general uncertainty associated with a possible Grexit scenario took hold. In total, the DAX lost around 9% in the second quarter of 2015. The DAX closed the first half at 10,945 points. The MDAX developed almost entirely in sync with the DAX during the first six months of the financial year. After a very favorable start to 2015 during the first three months of the year it also trended lower. However, at around 5%, the downturn was relatively modest. The MDAX finally closed the first half at 19,622 points.

ELRINGKLINGER'S SHARE PRICE PERFORMANCE (XETRA) SINCE JANUARY 1, 2015

compared with MDAX and DAX



ElringKlinger stock closes Q2 2015 at EUR 24.12

After a gain of 22.8% at the end of 2014, ElringKlinger's stock initially improved by a further 11.8% and reached its current annual high of EUR 32.18 at the beginning of February. Profit-taking following the announcement of the company's preliminary results for the 2014 financial year exerted downward pressure on ElringKlinger's share price. In March 2015, the stock trended sideways for much of the time. The preliminary figures for the first quarter of 2015, together with the adjusted outlook for fiscal 2015 that was issued at the same time, prompted a further downturn in the company's share price towards the end of April. In a climate of general market consolidation, ElringKlinger's stock was unable to make any significant headway in May and June. On June 30, 2015, it closed at EUR 24.12. In total, the company's share price fell by 13.8% in the second quarter of 2015.

Trading volumes up significantly year on year in first six months

The volumes of German stocks traded on domestic exchanges expanded considerably in the first half of 2015. Indeed, the Composite DAX (CDAX) recorded a year-on-year increase of close to 11% in the average number of shares traded. ElringKlinger shares were equally buoyant, with the average trading volume rising markedly over the first six months of 2015. Compared to the first half of the previous financial year, the number of shares traded per day rose to 180,400 (101,700). Expressed in euros, the average daily trading value of ElringKlinger shares rose by 71.5% to EUR 5,031,100 (2,933,500). ElringKlinger's stock thus offers high levels of liquidity for institutional investors to conduct larger share transactions.

Dialog with capital markets: keen interest shown by key players

ElringKlinger took part in several capital market conferences in the second quarter of 2015, as well as organizing road shows. The management presented the company at meetings held in Frankfurt, Baden-Baden, London and Paris, which were attended mainly by international institutional investors. Current and potential investors continued to show a keen interest in the offer to find out first-hand about the company's latest technologies and production processes. The Investor Relations team at ElringKlinger again hosted a number of plant visits during the second quarter of 2015, in addition to organizing technology presentations at the company's headquarters in Dettingen/Erms. IR plans for the second half of 2015 are already at an advanced stage. Among other events, the lists include multi-day road shows in Scandinavia, the United Kingdom and the United States. In addition, the company will take part in an event for private investors, which is scheduled to take place in October 2015 and will be held in Bad Neustadt an der Saale.

ElringKlinger AGM approves 10% dividend increase – Rita Forst appointed as new Supervisory Board member

Addressing an audience of around 500 shareholders, shareholder representatives and guests attending the 110th Annual General Meeting of ElringKlinger AG, which was held at the Liederhalle Cultural and Congress Center in Stuttgart on May 13, 2015, CEO Dr. Stefan Wolf looked back on what had been a favorable financial year 2014. The AGM approved by a large majority the proposal put forward by the Management Board and Supervisory Board for an increase in the dividend by 10% to EUR 0.55 (0.50) per share. Participating in ElringKlinger's success, the shareholders in the company received a dividend payout of EUR 34.8 (31.7) million. Calculated on the basis of net income generated by ElringKlinger AG, which is the figure of relevance to dividend distribution, the dividend ratio for the financial year 2014 was 59.1% (52.7%).

On conclusion of the term of office of the Supervisory Board members appointed by shareholders, the focus of the 2015 AGM was on new Supervisory Board elections. The shareholder representatives nominated by the company were re-elected by large majorities. Rita Forst was appointed as a new member of the Supervisory Board. Until 2012, she had been a member of the Management Board at Adam Opel AG.

ELRINGKLINGER STOCK (ISIN DE 0007856023)

	1st Half 2015	1st Half 2014
Number of shares outstanding	63,359,990	63,359,990
Share price (daily closing price in EUR)[1]		
High	32.18	32.60
Low	24.08	25.23
Closing price as of June 30	24.12	30.14
Average daily trading volume (German stock exchanges; no. of shares traded)	180,400	101,700
Average daily trading value (German stock exchanges; in EUR)	5,031,100	2,933,500
Market capitalization as of June 30 (EUR millions)	**1,528.2**	**1,909.7**

[1] Xetra trading

Group Income Statement

of ElringKlinger AG, January 1 to June 30, 2015

EUR k	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Sales revenue	**379,715**	**333,528**	**751,125**	**657,523**
Cost of sales	-282,649	-241,701	-558,500	-474,485
Gross profit	**97,066**	**91,827**	**192,625**	**183,038**
Selling expenses	-26,909	-22,593	-52,661	-44,824
General and administrative expenses	-17,389	-15,155	-36,291	-28,589
Research and development costs	-15,832	-13,646	-32,169	-29,147
Other operating income	3,485	3,067	6,621	6,475
Other operating expenses	-2,131	-1,976	-4,474	-3,329
Operating result	**38,290**	**41,524**	**73,651**	**83,624**
Finance income	-1,387	2,326	12,733	4,685
Finance costs	-5,114	-4,398	-15,719	-9,387
Net finance costs	**-6,501**	**-2,072**	**-2,986**	**-4,702**
Earnings before taxes	**31,789**	**39,452**	**70,665**	**78,922**
Income tax expense	-9,783	-9,732	-19,458	-19,930
Net income	**22,006**	**29,720**	**51,207**	**58,992**
of which: attributable to non-controlling interests	1,041	1,174	2,038	2,507
of which: attributable to shareholders of ElringKlinger AG	**20,965**	**28,546**	**49,169**	**56,485**
Basic and diluted earnings per share in EUR	**0.33**	**0.45**	**0.78**	**0.89**

Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to June 30, 2015

EUR k	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Net income	**22,006**	**29,720**	**51,207**	**58,992**
Currency translation difference	-11,262	6,357	39,932	6,123
Gains and losses that can be reclassified to the income statement in future periods	**-11,262**	**6,357**	**39,932**	**6,123**
Other comprehensive income after taxes	**-11,262**	**6,357**	**39,932**	**6,123**
Total comprehensive income	**10,744**	**36,077**	**91,139**	**65,115**
of which: attributable to non-controlling interests	667	1,681	3,501	2,402
of which: attributable to shareholders of ElringKlinger AG	**10,067**	**34,396**	**87,638**	**62,713**

Group Statement of Financial Position

of ElringKlinger AG, as at June 30, 2015

EUR k	June 30, 2015	Dec. 31, 2014	June 30, 2014
ASSETS			
Intangible assets	218,136	185,343	179,749
Property, plant and equipment	779,013	707,980	635,821
Investment property	11,571	11,712	12,242
Financial assets	1,742	1,728	2,055
Non-current income tax assets	1,527	1,553	2,202
Other non-current assets	5,800	6,568	3,498
Deferred tax assets	9,826	8,782	10,489
Non-current assets	**1,027,615**	**923,666**	**846,056**
Inventories	333,228	290,098	270,188
Trade receivables	287,627	245,084	248,518
Current income tax assets	6,739	4,294	4,062
Other current assets	35,730	26,944	43,524
Cash and cash equivalents	74,621	68,733	60,057
Current assets	**737,945**	**635,153**	**626,349**
	1,765,560	**1,558,819**	**1,472,405**

EUR k	June 30, 2015	Dec. 31, 2014	June 30, 2014
LIABILITIES AND EQUITY			
Share capital	63,360	63,360	63,360
Capital reserves	118,238	118,238	118,238
Revenue reserves	586,526	572,205	522,936
Other reserves	28,186	-10,283	331
Equity attributable to the shareholders of ElringKlinger AG	**796,310**	**743,520**	**704,865**
Non-controlling interest in equity	34,120	31,674	28,781
Equity	**830,430**	**775,194**	**733,646**
Provisions for pensions	126,925	124,090	93,687
Non-current provisions	17,185	16,638	11,223
Non-current financial liabilities	300,316	268,508	244,486
Deferred tax liabilities	27,439	23,930	31,674
Other non-current liabilities	5,297	6,219	2,964
Non-current liabilities	**477,162**	**439,385**	**384,034**
Current provisions	19,381	16,469	19,776
Trade payables	97,209	68,753	73,127
Current financial liabilities	216,928	148,532	148,934
Tax payable	23,254	16,773	16,523
Other current liabilities	101,196	93,713	96,365
Current liabilities	**457,968**	**344,240**	**354,725**
	1,765,560	**1,558,819**	**1,472,405**

Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to June 30, 2015

EUR k	Share capital	Capital reserves	Revenue reserves
Balance as of Dec. 31, 2013	**63,360**	**118,238**	**498,131**
Dividend distribution			-31,680
Total comprehensive income			56,485
Net income			56,485
Other comprehensive income			
Balance as of June 30, 2014	**63,360**	**118,238**	**522,936**
Balance as of Dec. 31, 2014	**63,360**	**118,238**	**572,205**
Dividend distribution			-34,848
Total comprehensive income			49,169
Net income			49,169
Other comprehensive income			
Balance as of June 30, 2015	**63,360**	**118,238**	**586,526**

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
-15,989	**2,033**	**8,059**	**673,832**	**27,507**	**701,339**
			-31,680	-1,128	-32,808
		6,228	62,713	2,402	65,115
			56,485	2,507	58,992
		6,228	6,228	-105	6,123
-15,989	**2,033**	**14,287**	**704,865**	**28,781**	**733,646**
-37,349	**2,033**	**25,033**	**743,520**	**31,674**	**775,194**
			-34,848	-1,055	-35,903
		38,469	87,638	3,501	91,139
			49,169	2,038	51,207
		38,469	38,469	1,463	39,932
-37,349	**2,033**	**63,502**	**796,310**	**34,120**	**830,430**

Group Statement of Cash Flows

of ElringKlinger AG, January 1 to June 30, 2015

EUR k	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Earnings before taxes	31,789	39,452	70,665	78,922
Depreciation/amortization (less write-ups) of non-current assets	21,484	19,095	42,202	37,787
Net interest	3,103	3,237	6,062	5,956
Change in provisions	-137	1,716	2,032	354
Gains/losses on disposal of non-current assets	0	49	-4	126
Change in inventories, trade receivables and other assets not resulting from financing and investing activities	-9,864	-6,928	-61,419	-53,641
Change in trade payables and other liabilities not resulting from financing and investing activities	-6,674	-7,221	34,845	13,698
Income taxes paid	-12,469	-9,642	-24,122	-22,775
Interest paid	-2,246	-2,156	-4,432	-4,036
Interest received	89	67	128	138
Other non-cash expenses	7,130	-1,411	-7,037	-1,480
Net cash from operating activities	**32,205**	**36,258**	**58,920**	**55,049**
Proceeds from disposals of property, plant and equipment, intangible assets and investment property	361	228	449	371
Proceeds from disposals of financial assets	3	23	12	174
Payments for investments in intangible assets	-2,944	-6,324	-5,808	-8,627
Payments for investments in property, plant and equipment and investment property	-40,663	-24,431	-75,889	-51,310
Payments for investments in financial assets	-2	-13	-5	-226
Payments for the acquisition of subsidiaries, less cash	0	0	-24,151	0
Net cash from investing activities	**-43,245**	**-30,517**	**-105,392**	**-59,618**
Dividends paid to shareholders and to non-controlling interests	-35,903	-32,808	-35,903	-32,808
Proceeds from the addition of financial liabilities	57,589	49,341	112,585	66,520
Payments from the repayment of financial liabilities	-4,702	-23,472	-28,463	-32,968
Net cash from financing activities	**16,984**	**-6,939**	**48,219**	**744**
Changes in cash	5,944	-1,198	1,747	-3,825
Effects of currency exchange rates on cash	-2,295	1,075	4,141	933
Cash at beginning of period	70,972	60,180	68,733	62,949
Cash at end of period	**74,621**	**60,057**	**74,621**	**60,057**

Group Sales by Region

of ElringKlinger AG, January 1 to June 30, 2015

EUR k	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014
Germany	102,836	97,086	205,083	193,987
Rest of Europe	121,676	110,447	241,279	218,912
NAFTA	75,754	57,568	145,927	110,293
Asia-Pacific	64,773	53,708	128,687	107,287
South America and Other	14,676	14,719	30,149	27,044
Group	**379,715**	**333,528**	**751,125**	**657,523**

Segment Reporting

of ElringKlinger AG, April 1 to June 30, 2015

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2015	2014	2015	2014	2015	2014
Sales revenue	314,672	274,229	37,195	33,323	24,578	22,747
Intersegment revenue	7,201	5,542	2	1	118	124
Segment revenue	321,873	279,771	37,197	33,324	24,696	22,871
EBIT[1]	26,965	30,539	7,125	6,755	3,459	3,550
+ Interest income	117	78	1	11	64	120
- Interest expense	-2,868	-2,917	-338	-374	-81	-145
Earnings before taxes	20,460	28,752	7,151	6,491	3,271	3,526
Depreciation and amortization	-19,405	-17,319	-496	-398	-1,170	-976
Capital expenditures[2]	34,186	28,438	637	558	5,903	1,423

January 1 to June 30, 2015

Segment	Original Equipment		Aftermarket		Engineered Plastics	
EUR k	2015	2014	2015	2014	2015	2014
Sales revenue	623,542	538,163	71,375	65,994	50,136	47,235
Intersegment revenue	13,400	11,821	75	66	371	150
Segment revenue	636,942	549,984	71,450	66,060	50,507	47,385
EBIT[1]	52,596	61,944	13,635	13,550	5,960	6,817
+ Interest income	183	165	16	19	124	228
- Interest expense	-5,567	-5,381	-641	-677	-180	-290
Earnings before taxes	49,879	57,763	13,398	13,060	5,906	6,736
Depreciation and amortization	-38,068	-34,287	-943	-778	-2,369	-1,922
Capital expenditures[2]	64,819	55,498	1,379	981	9,810	2,996

[1] Earnings before interest and taxes (operating result)
[2] Investments in intangible assets, property, plant and equipment and investment property

	Industrial Parks		Services		Consolidation		Group	
	2015	2014	2015	2014	2015	2014	2015	2014
	1,129	1,122	2,141	2,107	0	0	379,715	333,528
	59	59	1,664	1,425	-9,044	-7,151	0	0
	1,188	1,181	3,805	3,532	-9,044	-7,151	379,715	333,528
	250	124	491	556			38,290	41,524
	11	4	10	8	-114	-154	89	67
	-14	-15	-5	-7	114	154	-3,192	-3,304
	411	126	496	557			31,789	39,452
	-101	-101	-312	-301			-21,484	-19,095
	102	17	2,779	319			43,607	30,755

	Industrial Parks		Services		Consolidation		Group	
	2015	2014	2015	2014	2015	2014	2015	2014
	2,237	2,206	3,835	3,925	0	0	751,125	657,523
	117	117	2,878	2,499	-16,841	-14,653	0	0
	2,354	2,323	6,713	6,424	-16,841	-14,653	751,125	657,523
	515	292	945	1,021			73,651	83,624
	21	8	19	14	-235	-296	128	138
	-26	-28	-11	-14	235	296	-6,190	-6,094
	529	342	953	1,021			70,665	78,922
	-199	-198	-623	-602			-42,202	-37,787
	145	23	5,544	439			81,697	59,937

Notes to the First Half of 2015

ElringKlinger AG is an exchange-listed stock corporation headquartered in Germany.

The accompanying condensed consolidated interim financial statements of ElringKlinger AG and its subsidiaries as of June 30, 2015, 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 June 30, 2015, do not include all information and disclosures required under IFRS for annual consolidated financial statements.

The consolidated interim financial statements have not been audited.

They were authorized for issue based on a resolution passed by the Management Board on August 5, 2015.

Basis of reporting

Scope of consolidated financial statements

Alongside the financial statements of ElringKlinger AG, the interim financial statements as of June 30, 2015, include the financial statements of eight domestic and 31 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.

Corporate acquisitions

Effective from February 14, 2015, ElringKlinger AG acquired 100% of the interests in the US-based entity M&W Manufacturing Company, Inc. with its registered office in Warren, Michigan, USA. Subsequently, the name of M&W Manufacturing Company, Inc. was changed to ElringKlinger Automotive Manufacturing, Inc.

The latest acquisition will allow the Specialty Gaskets division to strengthen its regional presence in North America and its production activities in the US market. Together with US market leader M&W, ElringKlinger has advanced to become the premier supplier of transmission control plates. Operating from its US production base, M&W supplies not only the North American market but also, to an in-creasing extent, customers in China.

The purchase price agreed with regard to the acquisition was EUR 24,276 k. The costs related to the transaction, amounting to EUR 263 k to date, were recognized as general and administrative expenses.

The assets and liabilities of the acquired interests were measured at their fair value as of the date of acquisition. Within this context, an excess of EUR 17,122 k was recognized as goodwill, having additionally accounted for deferred tax liabilities (EUR 2,757 k) on hidden reserves realized (EUR 8,016 k). The aforementioned goodwill was paid primarily in respect of the favorable earnings prospects as well as anticipated synergies; it was allocated to the Original Equipment segment. This goodwill is not tax deductible.

Due to the first-time full consolidation of the entity, Group revenue increased by EUR 13,707 k and earnings before taxes by EUR 398 k as of June 30, 2015. Had the acquisition become effective as early as January 1, 2015, ElringKlinger Automotive Manufacturing, Inc. would have contributed EUR 17,825 k to consolidated revenue and would have increased earnings before taxes by EUR 1,294 k.

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

in EUR k	IFRS carrying amount at date of purchase	Purchase price allocation	Fair value at date of purchase
Intangible assets	–	8,016	8,016
Property, plant and equipment	3,294	–	3,294
Inventories	4,795	–	4,795
Trade receivables	4,500	–	4,500
Other current assets	259	–	259
Cash and cash equivalents	125	–	125
Total assets	**12,973**	**8,016**	**20,989**
Non-current provisions	104	–	104
Deferred tax liabilities	772	2,757	3,529
Current provisions	229	–	229
Trade payables	4,530	–	4,530
Current financial liabilities	4,715	–	4,715
Tax liabilities	56	–	56
Other current liabilities	672	–	672
Total liabilities	**11,078**	**2,757**	**13,835**
Net assets	**1,895**	**5,259**	**7,154**
Goodwill			17,122
Purchase price			**24,276**

No contingent liabilities were identified during the acquisition procedure. The fair values presented for the respective assets and liabilities are provisional. A definitive valuation of the assets and liabilities shall be made in the second half of 2015.

Exchange rates

Exchange rates developed as follows:

Currency	Abbr.	Closing rate Jun. 30, 2015	Closing rate Dec. 31, 2014	Average rate Jan. – Jun. 2015	Average rate Jan. – Dec. 2014
US dollar (USA)	USD	1.11890	1.21410	1.11130	1.32108
Pound (UK)	GBP	0.71140	0.77890	0.72722	0.80310
Franc (Switzerland)	CHF	1.04130	1.20240	1.04678	1.21274
Canadian dollar (Canada)	CAD	1.38390	1.40630	1.38375	1.46358
Real (Brazil)	BRL	3.46990	3.22070	3.33507	3.10933
Peso (Mexico)	MXN	17.53320	17.86790	16.94813	17.64530
RMB (China)	CNY	6.93660	7.53580	6.91270	8.15428
WON (South Korea)	KRW	1,251.27000	1,324.80000	1,224.89000	1,392.14250
Rand (South Africa)	ZAR	13.64160	14.03530	13.25457	14.34063
Yen (Japan)	JPY	137.01000	145.23000	133.71667	140.50250
Forint (Hungary)	HUF	314.93000	315.54000	306.85500	309.98250
Turkish lira (Turkey)	TRY	2.99530	2.83200	2.88277	2.89420
Leu (Romania)	RON	4.47250	4.48280	4.43773	4.43848
Indian rupee (India)	INR	71.18730	76.71900	69.87687	80.70096
Indonesian rupiah (Indonesia)	IDR	14,938.43000	15,076.10000	14,491.70333	15,681.55750
Bath (Thailand)	THB	37.79600	39.91000	36.69800	42.98783

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 assets		Total
in EUR k	CA	CA	CA	CA	CA	FV	CA	FV	CA
As of Jun. 30, 2015									
Loans and receivables	74,621	287,627	4,061	0	0	0	81	81	366,390
Held to maturity	0	0	0	0	1,444	1,439	0	0	1,444
Held for trading	0	0	0	8	0	0	0	0	8
Available for sale	0	0	0	0	206	206	11	11	217
Total	**74,621**	**287,627**	**4,061**	**8**	**1,650**	**1,645**	**92**	**92**	**369,059**
As of Dec. 31, 2014									
Loans and receivables	68,733	245,084	945	0	0	0	76	76	314,838
Held to maturity	0	0	0	0	1,444	1,448	0	0	1,444
Held for trading	0	0	0	29	0	0	0	0	29
Available for sale	0	0	0	0	194	194	14	14	208
Total	**68,733**	**245,084**	**945**	**29**	**1,638**	**1,642**	**90**	**90**	**316,519**

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

	Other current liabilities	Current financial liabilities	Trade payables	Derivatives		Non-current financial liabilities		Finance leases		Total
in EUR k	CA	CA	CA	CA	FV	CA	FV	CA	FV	CA
As of Jun. 30, 2015										
Financial liabilities measured at acquisition cost	50,047	216,928	97,209	0	0	300,108	298,403	208	235	664,500
Financial liabilities measured at fair value through profit or loss	0	0	0	234	234	0	0	0	0	234
As of Dec. 31, 2014										
Financial liabilities measured at acquisition cost	47,989	148,532	68,753	0	0	268,263	266,098	245	257	533,782
Financial liabilities measured at fair value through profit or loss	0	0	0	140	140	0	0	0	0	140

The other current liabilities include a purchase price liability of EUR 36,987k (2014: EUR 36,987k) in respect of a wrtitten 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 in respect of their interests is based on 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 EUR 3,699 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 June 30, 2015:

in EUR k	Level 1	Level 2	Level 3
Jun. 30, 2015			
Financial assets			
Non-current securities	206	0	0
Other financial assets	11	0	0
Derivatives*	0	8	0
Total	**217**	**8**	**0**
Financial liabilities			
Derivatives*	0	234	0
Total	**0**	**234**	**0**
Dec. 31, 2014			
Financial assets			
Non-current securities	194	0	0
Other financial assets	14	0	0
Derivatives*	0	29	0
Total	**208**	**29**	**0**
Financial liabilities			
Derivatives*	0	140	0
Total	**0**	**140**	**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 June 30, 2015:

in EUR k	Level 1	Level 2	Level 3
Jun. 30, 2015			
Financial assets			
Non-current securities	1,439	0	0
Other financial assets	0	0	81
Total	**1,439**	**0**	**81**
Financial liabilities			
Non-current liabilities from finance leases	0	0	235
Non-current financial liabilities	0	298,403	0
Purchase price liability from written put option	0	0	36,987
Total	**0**	**298,403**	**37,222**
Dec. 31, 2014			
Financial assets			
Non-current securities	1,448	0	0
Other financial assets	0	0	76
Total	**1,448**	**0**	**76**
Financial liabilities			
Non-current liabilities from finance leases	0	0	257
Non-current financial liabilities	0	266,098	0
Purchase price liability from written put option	0	0	36,987
Total	**0**	**266,098**	**37,244**

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 2014 were not subject to significant changes in the first half of 2015.

Government grants

As a result of government grants received, other operating income rose by EUR 2,937k in the first half of 2015. These grants were attributable primarily to development projects.

Dividend payment

In the second quarter of 2015, ElringKlinger AG distributed a total dividend of EUR 34,848k (EUR 0.55 per entitled share) to shareholders from its unappropriated retained earnings of 2014. The dividend payout took place on May 14, 2015.

Governing bodies of the company

New Supervisory Board elections were held in 2015 on conclusion of the terms of office of the Supervisory Board members appointed by shareholders. The shareholder representatives nominated by the company were re-elected by large majorities by the AGM. Rita Forst was appointed as a new member of the Supervisory Board. Until 2012, she had been a member of the Management Board at Adam Opel AG.

Events after the reporting period

After the end of the reporting period, on July 17, 2015, ElringKlinger AG acquired the former non-controlling interests of 3% relating to the subsidiary ElringKlinger Kunststofftechnik GmbH, Bietigheim-Bissingen, Germany. The purchase price was EUR 4,200k. The thus resulting difference between this amount and the amount recognized in respect of non-controlling interests is accounted for directly in equity. Since the conclusion of this transaction, ElringKlinger AG has held 77.5% of the ownership interests.

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, August 5, 2015
The Management Board

Dr. Stefan Wolf
Chairman/CEO

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Disclaimer – Forward-looking Statements and Forecasts
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.

This report was published on August 5, 2015, and is available in German and English. Only the German version shall be legally binding.

Corporate Calendar
2015/2016

Financial Calendar

11/09/2015	Interim Report on the 3rd Quarter and First Nine Months of 2015
03/30/2016	Annual Press Conference, Stuttgart Analysts' Meeting, Frankfurt/Main
05/31/2016	111th Annual General Shareholders' Meeting, Stuttgart, Cultural and Congress Center Liederhalle, 10:00 a.m. CEST

Calendar Trade Fairs 2015

08/28 – 09/06	CARAVAN SALON, Dusseldorf, Germany
09/15 – 27	IAA International Motor Show – Cars, Frankfurt/Main, Germany
09/23 – 26	Monaco Yacht Show, Monaco
10/05 – 07	The Aachen Colloquium Automobile and Engine Technology, Aachen, Germany
10/12 – 14	WORLD OF ENERGY SOLUTIONS, Stuttgart, Germany
10/13 – 17	Equip Auto, Paris, France
10/13 – 17	Fakuma – International trade fair for plastics processing, Friedrichshafen, Germany
11/04 – 06	The Aachen Colloquium China Automobile and Engine Technology, Beijing, China
12/08 – 09	International CTI Symposium – Automotive Transmissions, HEV and EV Drives, Berlin, Germany
12/08 – 10	POWER-GEN USA, Las Vegas, USA

For further events and trade fairs please visit our websites:
www.elringklinger.de/en/press-events
www.hug-eng.ch/en-messen.html
www.elringklinger-kunststoff.de/english/service/trade-fair-dates

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