

2013

Financial Statements

# beyond

# 2

**elring**klinger 

## Financial Statements of ElringKlinger AG for Fiscal 2013

### Contents

	Page
ElringKlinger AG Balance Sheet	02
ElringKlinger AG Income Statement	04
Notes to the Financial Statements	05
Audit Opinion	44
Responsibility Statement	45

#### **Note concerning the management report of ElringKlinger AG:**

In 2013, the management report of ElringKlinger AG and the Group management report have been brought together in a combined format. The combined management report has been published within the Annual Report of ElringKlinger AG.

# beyond



## Solutions from ElringKlinger

---

ElringKlinger specializes in the development of cutting-edge green technology that helps not only to reduce CO<sub>2</sub> but also to cut emissions of nitrogen oxides, hydrocarbons and particulates, all of which can damage our health. Today, ElringKlinger is one of only a small number of automotive suppliers around the world to develop and produce technologically sophisticated components for every type of vehicle drive, from downsized and optimized versions of the traditional combustion engine through to electric vehicles powered by batteries or fuel cells. To round off our emissions-reduction portfolio, we supply particulate filters and complete exhaust gas purification systems for use in ships, buses, trucks, construction and agricultural machinery, locomotives and power stations. Additionally, ElringKlinger Kunststofftechnik supplies products made of high-performance PTFE plastics – increasingly to sectors outside the automotive industry. One of our great strengths lies in our capacity to innovate, and we harness this to achieve the company's goals of sustainable mobility and profitable growth. These efforts are supported by our committed workforce of some 6,700 people at 42 ElringKlinger Group locations worldwide.

**ElringKlinger AG, Dettingen/Erms**  
**Balance Sheet as at December 31, 2013 in EUR k**

<b>Assets</b>	Dec. 31, 2013	Dec. 31, 2012
<b>A. Fixed Assets</b>		
<b>I. Intangible fixed assets</b>		
1. Purchased industrial property rights and licenses	4,992	3,899
2. Goodwill	1,055	0
3. Prepayments	73	0
	<b>6,120</b>	<b>3,899</b>
<b>II. Tangible fixed assets</b>		
1. Property and buildings	125,125	113,722
2. Technical equipment and machines	99,749	86,972
3. Other equipment, operating and office equipment	25,299	21,305
4. Advance payments and fixed assets under construction	10,511	20,458
	<b>260,684</b>	<b>242,457</b>
<b>III. Fixed financial assets</b>		
1. Shares in affiliated companies	335,519	299,139
2. Loans to affiliated companies	37,786	51,886
3. Equity investments	8	11,466
4. Other securities classified as fixed financial assets	660	625
5. Other loans	0	25
	<b>373,973</b>	<b>363,141</b>
	<b>640,777</b>	<b>609,497</b>
<b>B. Current assets</b>		
<b>I. Inventories</b>		
1. Raw materials, consumables and supplies	20,007	14,796
2. Work in progress	29,174	21,289
3. Finished goods and merchandise	61,300	53,268
4. Prepayments	2,089	3,903
	<b>112,570</b>	<b>93,256</b>
<b>II. Receivables and other assets</b>		
1. Trade receivables	71,180	61,801
2. Receivables from affiliated companies	61,769	41,785
3. Receivables from companies in which participating interests are held	0	3,316
4. Other assets	25,380	24,896
	<b>158,329</b>	<b>131,798</b>
<b>III. Cash in hand, bank balances, and checks</b>		
	<b>241</b>	<b>808</b>
	<b>271,140</b>	<b>225,862</b>
<b>C. Prepaid expenses</b>		
	529	513
	<b>912,446</b>	<b>835,872</b>

<b>Liabilities and shareholder's equity</b>	Dec. 31, 2013	Dec. 31, 2012
<b>A. Equity</b>		
<b>I. Share capital</b>	<b>63,360</b>	<b>63,360</b>
<b>II. Capital reserve</b>	<b>120,827</b>	<b>120,827</b>
<b>III. Revenue reserves</b>		
1. Statutory reserve	3,013	3,013
2. Other revenue reserves	266,084	237,539
	<b>269,097</b>	<b>240,552</b>
<b>IV. Net retained earnings</b>	<b>31,680</b>	<b>28,512</b>
	<b>484,964</b>	<b>453,251</b>
<b>B. Provisions</b>		
1. Provisions for pensions and similar obligations	58,147	56,638
2. Provisions for taxes	1,467	1,941
3. Other provisions	34,132	29,273
	<b>93,746</b>	<b>87,852</b>
<b>C. Liabilities</b>		
1. Liabilities due to banks	250,842	221,041
2. Prepayments received on account of orders	1,326	329
3. Trade payables	20,790	16,203
4. Liabilities to affiliated companies	27,748	11,611
5. Liabilities to companies in which participating interests are held	0	7,009
6. Other liabilities	23,123	29,381
- of which from taxes EUR 1698 k (EUR 1524 k)		
- of which relating to social security EUR 179 k (EUR 208 k)		
	<b>323,829</b>	<b>285,574</b>
<b>D. Deferred income</b>	<b>183</b>	<b>567</b>
<b>E. Deferred tax liabilities</b>	<b>9,724</b>	<b>8,628</b>
	<b>912,446</b>	<b>835,872</b>

## ElringKlinger AG, Dettingen/Erms

### Income statement for the period from January 1 to December 31, 2013

in EUR k	2013	2012
1. Sales revenue	508,384	471,092
2. Change in inventories of finished goods and work in progress	15,071	9,190
3. Other own work capitalized	626	3,249
4. Other operating income	37,764	25,929
5. Cost of materials		
a) Expenses for raw materials, supplies and merchandise	-220,014	-202,848
b) Expenses for purchased services	-24,506	-21,362
6. Personnel expenses		
a) Wages and salaries	-116,457	-103,419
b) Social security charges and expenses for pensions, of which for retirement pensions EUR -2,419 k (EUR -1,595 k)	-22,770	-19,783
7. Amortization and depreciation on intangible fixed and tangible fixed assets	-31,603	-34,001
8. Other operating expenses	-76,599	-63,610
9. Income from equity investments classified as fixed financial assets of which from affiliated companies EUR 16,895 k (EUR 21,530 k)	16,942	21,582
10. Income from other securities and loans classified as fixed financial assets of which from affiliated companies EUR 1,683 k (EUR 2,050 k)	1,716	2,066
11. Interest and similar income of which from affiliated companies EUR 644 k (EUR 469 k)	787	694
12. Write-downs on fixed financial assets	-1,203	-8,044
13. Interest and similar expenses of which from affiliated companies EUR -423 k (EUR -396 k)	-9,234	-9,921
<b>14. Income from ordinary activities</b>	<b>78,904</b>	<b>70,814</b>
15. Taxes on income	-18,350	-13,989
16. Other taxes	-329	-295
<b>17. Net income</b>	<b>60,225</b>	<b>56,530</b>
18. Appropriation to other revenue reserves	-28,545	-28,018
<b>19. Net retained earnings</b>	<b>31,680</b>	<b>28,512</b>



# ElringKlinger AG, Dettingen/Erms

## Notes to the Financial Statements for Fiscal 2013

### **General information**

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

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

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

The fiscal year is the calendar year.

With effect from January 1, 2013, Hummel-Formen GmbH domiciled in Lenningen, Germany, was merged in its entirety with ElringKlinger AG, with all rights and obligations, by way of absorption. Since January 1, 2013, all the actions and business transactions conducted by Hummel-Formen GmbH have been carried out for the account of ElringKlinger AG. The merger was recognized directly in equity pursuant to § 24 of the German Law of Reorganizations (Umwandlungsgesetz, "UmwG") at acquisition cost in the amount of the carrying amounts of the equity investment classified as fixed financial asset transferred. This constituted an increase in assets of EUR 18,290 k and in liabilities of EUR 11,571 k.



## Accounting policies

### Fixed assets

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

The Company does not exercise the new capitalization option contained in § 248 (2) HGB for internally generated intangible assets. Therefore, research and development cost was expensed in full in the period incurred.

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

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

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

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

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

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

## **Current assets**

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

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

In the past, intermediate products were reported in the balance sheet item “Finished goods and merchandise”. As of fiscal year 2013, these are presented in the balance sheet under “Work in progress”. The reclassification of intermediate products led to a EUR 6,507 k increase in work in progress and a corresponding decrease in finished goods and merchandise in 2012.

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

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

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

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

**Equity**

Share capital is recognized at its par value.

**Provisions and liabilities**

Pension obligations are measured as of December 31, 2013, in accordance with actuarial principles using the projected unit credit method. The 2005 G Heubeck mortality tables are used as the biometrical basis for calculation. The average market interest rate of the past seven years is applied as the actuarial interest rate assuming a remaining term of 15 years. In addition to this, salary and pension trends are applied, as are age and gender-specific fluctuation probabilities.

Provisions for obligations arising from partial retirement schemes and long-service award obligations are recognized according to the block model. Provisions for partial retirement and those for long-term service obligations are measured on the basis of an annual actuarial interest rate of 3.37% (p.y. 3.71%) and 4.89% (p.y. 5.05%) and the 2005 G mortality tables established upon actuarial principles by Dr. Klaus Heubeck. Provisions for partial retirement were recognized for partial retirement contracts agreed as of the balance sheet date, as well as potential future contracts. They include benefit increases and the Company's settlement obligations which have been accrued as of the balance sheet date.

The provisions for long-service awards are measured using an interest rate of 4.89%.

Provisions are established for all recognizable risks for expected losses and uncertain liabilities and are measured according to prudent business judgment and taking into account price and cost increases.

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

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

Liabilities are recognized at their settlement amount.

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

**Foreign currency items and currency translation**

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

**Deferred taxes**

Deferred taxes are recognized at a tax rate of 27.7% (p.y. 27.6%) for the temporary and quasi-permanent differences arising between the carrying amounts of assets, liabilities, prepaid expenses and deferred income compared with their respective tax bases. If necessary, tax loss carryforwards are also taken into account. Deferred tax assets and liabilities are offset against each other. If an overall deferred tax asset results, this is not recognized in accordance with the option under § 274 (1) sentence 2 HGB.

Deferred taxes are calculated on the basis of an effective tax rate of 27.7% (p.y. 27.6%), which breaks down into 15.8% (p.y. 15.8%) for the corporate income tax rate including solidarity surcharge and 11.9% (p.y. 11.8%) for municipal trade tax. It is expected to arise when the differences are reversed. The tax rate for municipal trade tax is determined on the basis of the average trade tax multiplier of 340% (p.y. 336%).

## **Balance sheet disclosures**

### **Fixed assets**

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

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

The change in shares in affiliated companies is mainly due to capital increases and the acquisition of minority interests in affiliated companies and the merger of Hummel-Formen GmbH into ElringKlinger AG.

Write-downs for expected permanent impairment were made to the carrying amount of affiliated companies in the amount of EUR 1,200 k. Write-downs were reversed in the amount of EUR 8,993 k for shares in affiliated companies and equity investments classified as fixed financial assets.

## Changes in fixed assets in the financial year 2013

	Acquisition or manufacturing cost					Dec. 31, 2013 EUR k
	Jan. 1, 2013 EUR k	Addition from merger Hummel-Formen EUR k	Additions EUR k	Reclassifications EUR k	Disposals EUR k	
<b>I. Intangible fixed assets</b>						
1. Purchased industrial and property rights and licenses	23,538	737	2,008	0	69	26,214
2. Goodwill	0	1,798	0	0	0	1,798
3. Prepayments	0	0	73	0	0	73
	23,538	2,535	2,081	0	69	28,085
<b>II. Tangible fixed assets</b>						
1. Property and buildings	158,787	10,505	7,166	2,847	417	178,888
2. Technical equipment and machines	336,400	15,452	15,537	15,103	7,037	375,455
3. Other equipment, operating and office equipment	100,349	2,301	5,763	1,644	4,962	105,095
4. Advance payments and fixed assets under construction	20,458	389	9,258	-19,594	0	10,511
	615,994	28,647	37,724	0	12,416	669,949
<b>III. Fixed financial assets</b>						
1. Shares in affiliated companies	323,685	-6,662	19,979	11,458	0	348,460
2. Loans to affiliated companies	51,886	-6,720	4,564	0	11,944	37,786
3. Equity investments classified as fixed financial assets	11,466	0	0	-11,458	0	8
4. Other securities	625	0	663	0	625	663
5. Other loans	25	3	0	0	28	0
	387,687	-13,379	25,206	0	12,597	386,917
	1,027,219	17,803	65,011	0	25,082	1,084,951

Accumulated amortization and depreciation							Carrying amount		
Jan. 1, 2013	Addition from merger	Depreciation, amortization and write-downs of the year	Reversal of write-downs	Reclassifications	Disposals	Dec. 31, 2013	Dec. 31, 2013	Dec. 31, 2012	
EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	
19,639	698	954	0	0	69	21,222	4,992	3,899	
0	360	383	0	0	0	743	1,055	0	
0	0	0	0	0	0	0	73	0	
19,639	1,058	1,337	0	0	69	21,965	6,120	3,899	
45,066	4,559	4,463	0	0	325	53,763	125,125	113,721	
249,428	10,218	21,930	0	0	5,870	275,706	99,749	86,972	
79,043	1,814	3,873	0	0	4,934	79,796	25,299	21,306	
0	0	0	0	0	0	0	10,511	20,458	
373,537	16,591	30,266	0	0	11,129	409,265	260,684	242,457	
24,546	-3,812	1,200	8,993	0	0	12,941	335,519	299,139	
0	0	0	0	0	0	0	37,786	51,886	
0	0	0	0	0	0	0	8	11,466	
0	0	3	0	0	0	3	660	625	
0	0	0	0	0	0	0	0	25	
24,546	-3,812	1,203	8,993	0	0	12,944	373,973	363,141	
417,722	13,837	32,806	8,993	0	11,198	444,174	640,777	609,497	

Schedule of shareholdings and group of consolidated companies  
as of December 31, 2013

Name of company	Domicile	Capital share in %
<b>Parent</b>		
ElringKlinger AG	Dettingen/Erms	
<b>Shares in affiliated companies (fully consolidated in the consolidated financial statements)</b>		
<b>Domestic</b>		
Gedächtnisstiftung KARL MÜLLER BELEGSCHAFTSHILFE GmbH	Dettingen/Erms	100.00
Elring Klinger Motortechnik GmbH	Idstein	92.86
ElringKlinger Logistic Service GmbH	Rottenburg / Neckar	96.00
ElringKlinger Kunststofftechnik GmbH	Bietigheim-Bissingen	74.50
Hug Engineering GmbH <sup>2)</sup>	Magdeburg	93.67
KOCHWERK Catering GmbH	Dettingen/Erms	100.00
<b>Foreign</b>		
ElringKlinger Abschirmtechnik (Schweiz) AG	Sevelen (Switzerland)	100.00
Hug Engineering AG	Elsau (Switzerland)	93.67
Elring Klinger (Great Britain) Ltd.	Redcar (UK)	100.00
ElringKlinger Italia Srl	Settimo Torinese (Italy)	100.00
Hug Engineering S.p.A. <sup>2)</sup>	Mailand (Italy)	93.67
Technik-Park Heliport Kft.	Kecskemét-Kádafalva (Hungary)	100.00
Elring Parts Ltd.	Gateshead (UK)	100.00
Elring Klinger, S.A.U.	Reus (Spain)	100.00
ElringKlinger TR Otomotiv Sanayi ve Ticaret A.Ş.	Bursa (Turkey)	100.00
ElringKlinger Meillor SAS	Nantiat (France)	100.00
Codinox Beheer B.V. <sup>2)</sup>	Enschede (Netherlands)	9.36
HURO Supermold S.R.L. <sup>3)</sup>	Timisoara (Romania)	100.00
ElringKlinger Canada, Inc.	Leamington (Canada)	100.00
ElringKlinger North America, Inc.	Plymouth/Michigan (USA)	100.00
ElringKlinger USA, Inc.	Buford (USA)	100.00
Hug Engineering Inc. <sup>2)</sup>	Austin (USA)	93.67
Elring Klinger México, S.A. de C.V.	Toluca (Mexico)	100.00
EKASER, S.A. de C.V.	Toluca (Mexico)	100.00
Elring Klinger do Brasil Ltda.	Piracicaba (Brazil)	100.00
ElringKlinger South Africa (Pty) Ltd.	Johannesburg (South Africa)	100.00
ElringKlinger Automotive Components (India) Pvt. Ltd.	Ranjangaon (India)	100.00
Changchun ElringKlinger Ltd.	Changchun (China)	88.00
ElringKlinger Korea Co., Ltd.	Changwon (South Korea)	100.00
ElringKlinger China, Ltd.	Suzhou (China)	100.00
ElringKlinger Engineered Plastics North America, Inc. <sup>3)</sup>	Buford (USA)	74.50
ElringKlinger Engineered Plastics (Qingdao) Commercial Co., Ltd. <sup>3)</sup>	Qingdao (China)	74.50
ElringKlinger Marusan Corporation	Tokio (Japan)	50.00
Taiyo Jushi Kakoh Co., Ltd. <sup>4)</sup>	Tokio (Japan)	50.00
Marusan Kogyo Co., Ltd. <sup>4)</sup>	Tokio (Japan)	23.45
PT. ElringKlinger Indonesia <sup>4)</sup>	Karawang (Indonesia)	50.00
ElringKlinger (Thailand) Co., Ltd. <sup>4)</sup>	Bangkok (Thailand)	50.00

<sup>1)</sup> 100 units local currency (LC) as of balance sheet date

<sup>2)</sup> Subsidiary of HUG Engineering AG

<sup>3)</sup> Subsidiary of ElringKlinger Kunststofftechnik GmbH

<sup>4)</sup> Subsidiary of ElringKlinger Marusan Corporation



Statutory accounts equity in LC k	Statutory accounts profit/loss in LC k	Local currency	Closing exchange rate <sup>1)</sup>	Statutory accounts equity in EUR k	Statutory accounts profit/loss in EUR k	Most recent financial statements
38	5	EUR	1.0000	38	5	Dec. 31, 2013
5,002	1,106	EUR	1.0000	5,002	1,106	Dec. 31, 2013
2,160	582	EUR	1.0000	2,160	582	Dec. 31, 2013
57,638	11,674	EUR	1.0000	57,638	11,674	Dec. 31, 2013
1,098	206	EUR	1.0000	1,098	206	Dec. 31, 2013
31	6	EUR	1.0000	31	6	Dec. 31, 2013
52,877	18,355	CHF	81.4598	43,073	14,952	Dec. 31, 2013
32,464	7,720	CHF	81.4598	26,445	6,288	Dec. 31, 2013
8,385	1,761	GBP	119.9472	10,058	2,112	Dec. 31, 2013
8,523	1,066	EUR	1.0000	8,523	1,066	Dec. 31, 2013
476	61	EUR	1.0000	476	61	Dec. 31, 2013
2,219,237	157,523	HUF	0.3367	7,472	530	Dec. 31, 2013
3,045	820	GBP	119.9472	3,652	984	Dec. 31, 2013
11,283	1,556	EUR	1.0000	11,283	1,556	Dec. 31, 2013
10,690	4,940	TRY	33.7781	3,611	1,669	Dec. 31, 2013
31,918	-3,379	EUR	1.0000	31,918	-3,379	Dec. 31, 2013
1,605	525	EUR	1.0000	1,605	525	Jun. 30, 2013
1,269	1,347	RON	22.3664	284	301	Dec. 31, 2013
29,354	742	CAD	68.1617	20,008	505	Dec. 31, 2013
2,081	1,506	USD	72.5111	1,509	1,092	Dec. 31, 2013
1,823	-5,967	USD	72.5111	1,322	-4,327	Dec. 31, 2013
2,298	2,495	USD	72.5111	1,666	1,809	Dec. 31, 2013
398,359	32,964	MXN	5.5331	22,042	1,824	Dec. 31, 2013
47,028	4,594	MXN	5.5331	2,602	254	Dec. 31, 2013
96,239	11,198	BRL	30.6974	29,543	3,438	Dec. 31, 2013
2,919	-3,860	ZAR	6.8653	200	-265	Dec. 31, 2013
750,000	-83,384	INR	1.1714	8,785	-977	Mar. 31, 2013
468,706	71,270	CNY	11.9773	56,138	8,536	Dec. 31, 2013
14,813,613	-1,790,627	KRW	0.0689	10,210	-1,234	Dec. 31, 2013
201,108	29,425	CNY	11.9773	24,087	3,524	Dec. 31, 2013
5,000	-381	USD	72.5111	3,626	-276	Dec. 31, 2013
17,444	2,438	CNY	11.9773	2,089	292	Dec. 31, 2013
5,122,877	249,067	JPY	0.6910	35,399	1,721	Dec. 31, 2013
373,316	3,911	JPY	0.6910	2,580	27	Dec. 31, 2013
679,247	35,941	JPY	0.6910	4,694	248	Dec. 31, 2013
-497,246	-11,320,301	IDR	0.0060	-30	-679	Dec. 31, 2013
5,699	-4,301	THB	2.2135	126	-95	Dec. 31, 2013

**Receivables and other assets**

Of the receivables from affiliated companies, EUR 18,840 k (p.y. EUR 19,032 k) concern financial transactions, while the remainder is trade receivables. In the previous year, receivables from companies in which participating interests are held related exclusively to trade receivables. There were no receivables from equity investments classified as fixed financial assets as of December 31, 2013.

Of the other assets, an amount of EUR 1,858 k (p.y. EUR 2,714 k) have a remaining term of more than one year. As in the previous year, all other receivables and other assets are due in less than one year.

In connection with a warranty claim, ElringKlinger AG and the customers concerned agreed to a payment totaling EUR 24.4 million in a settlement agreement in 2011. The warranty claim related to gaskets delivered in early 2008. A portion totaling EUR 17.4 million had already been paid in 2011. Further partial payments totaling EUR 5.0 million and EUR 1.0 million were paid in the first and second quarters of 2012, respectively. The residual amount of EUR 1.0 million was paid in the second quarter of 2013. This payment is offset by receivables in the same amount from our direct and excess loss insurer, of which EUR 10.0 million had already been settled in 2011. The outstanding amount of the receivable has not yet been settled. ElringKlinger has therefore brought legal action. The proceedings are still pending. ElringKlinger continues to assume that the receivable will be paid in full.

## Equity

During the 2013 financial year, equity developed as follows:

EUR k	Dec. 31, 2012	Dividend	Revenue reserves	Net income	Dec. 31, 2013
Share capital	63,360	0	0	0	63,360
Capital reserves	120,827	0	0	0	120,827
Revenue reserves	240,552	0	0	28,545	269,097
Net retained earnings	28,512	-28,512	0	31,680	31,680
	<b>453,251</b>	<b>-28,512</b>		<b>60,225</b>	<b>484,964</b>

The share capital of ElringKlinger AG amounted to EUR 63,359,990 as of December 31, 2013 and is divided into 63,359,990 registered shares, each entitled to a single vote. The share capital is fully paid in. Each registered share represents a notional interest of EUR 1.00 of the share capital. Profit is distributed in accordance with § 60 AktG in conjunction with § 23 no. 1 of the Articles of Association.

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

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

The Management Board has not exercised the authorization to date.

As of December 31, 2013, revenue reserves consisted of a statutory reserve amounting to EUR 3,013 k (p.y. EUR 3,013 k) and other revenue reserves of EUR 266,084 k (p.y. EUR 237,539 k).

**Net retained earnings** developed as follows:

	EUR k
Net retained earnings as of December 31, 2012	28,512
Profit distribution for 2012	-28,512
Profit brought forward	0
Net income for 2013	60,225
Appropriation to other revenue reserves	-28,545
<b>Net retained earnings as of December 31, 2013</b>	<b>31,680</b>

The measurement of plan assets related to partial retirement in accordance with § 268 (8) HGB results in a theoretical restriction on distribution (before deduction of deferred tax liabilities) in the amount of EUR 41 k (p.y. EUR 40 k) (fair value of the plan assets of EUR 1,099 k (p.y. EUR 818 k) less acquisition cost of the plan assets amounting to EUR 1,058 k (p.y. EUR 777 k). Sufficient distributable reserves are available.

## Provisions

### Provisions for pensions

As of the balance sheet date, pension obligations which must be covered by provisions exist in the amount of EUR 58,147 k (p.y. EUR 56,638 k). Pension provisions are measured according to the projected unit credit method by applying an interest rate of 4.89% (p.y. 5.05%) in accordance with the 2005 G mortality tables by Dr. Klaus Heubeck. In addition, the calculation is based on assumptions of a 2.75% income trend (p.y. 2.61%), a 0.5% career trend (p.y. 0.5%), a pension trend of 1.75% (p.y. 1.75%) for benefit entitlements and 1.75% (p.y. 1.75%) for current pensions and an average fluctuation of 1.0% (p.y. 1.19%) as well as an increase in the income ceiling for the assessment of contributions to the statutory pension and health insurance schemes of 1.5% (p.y. 1.5%).

Other provisions relate to:

EUR k	Dec. 31, 2013	Dec. 31, 2012
Relating to employees	16,277	14,417
Outstanding payments for tools	5,266	1,783
Outstanding supplier invoices	2,514	5,429
Bonus credits not yet settled	2,220	1,075
Warranty obligations	2,034	1,725
Expected losses from customer transactions	2,008	1,783
Derivative risks	220	227
Litigation costs	104	574
Other risks	3,489	2,260
<b>Total</b>	<b>34,132</b>	<b>29,273</b>

Obligations relating to employees include partial retirement obligations which must be covered by provisions in the amount of EUR 2,962 k (p.y. EUR 3,042 k). Deferred performance for partial retirement obligations amounting to EUR 1,456 k (p.y. EUR 1,285 k) was offset against plan assets in the amount of EUR 1,099 k (p.y. EUR 818 k) in accordance with § 246 (2) HGB. Plan assets were identified as the specific and pledged trust agreement which is protected from insolvency covering asset transfer, reimbursement and agency between ElringKlinger AG and ElringKlinger Treuhänder e.V. and ElringKlinger Mitarbeitertreuhänder e.V. dated March 3, 2005. The acquisition costs of the covering assets come to EUR 1,058 k (p.y. EUR 777 k). Fair value of the plan assets is based on the measurement of the investment at its price at the balance sheet date. There was no income from plan assets in 2013.

**Liabilities**

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

EUR k	thereof with a remaining term of					
	Total	up to	one	more than		Total
	as of Dec. 31, 2012	one year	to five years	five years	thereof secured	as of Dec. 31, 2011
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Liabilities due to banks	221,041	138,178	66,776	16,087	14,581	188,775
Payments received on account of orders	329	329	0	0	0	270
Trade payables	16,203	16,203	0	0	0	22,599
Liabilities to affiliated companies	11,611	11,578	33	0	0	10,842
Liabilities to companies in which participating interests are held	7,009	0	7,009	0	0	0
Other liabilities	29,381	20,526	8,855			46,626
	<b>285,574</b>	<b>186,814</b>	<b>82,673</b>	<b>16,087</b>	<b>14,581</b>	<b>269,112</b>

EUR 16,333 k (p.y. EUR 14,581 k) of liabilities due to banks are secured by land charges on operating property. With the exception of the customary reservation of title for trade payables, other liabilities are unsecured.

Liabilities to affiliated companies relate to financial transactions in the amount of EUR 27,397 k (p.y. EUR 8,577 k) and current trade payables in the amount of EUR 351 k (p.y. EUR 3,034 k).

**Deferred tax liabilities**

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

Deferred tax liabilities in the amount of EUR 9,724 k (p.y. EUR 8,628 k) result from the total differences arising between the carrying amounts and tax bases of fixed and current assets, including prepaid expenses and deferred income. Deferred taxes are measured using a tax rate of 27.7% (p.y. 27.6%). Differences between the carrying amounts and the tax bases resulting in a deferred tax liability are mainly due to tangible fixed assets.

## Income statement disclosures

### Sales revenue

Breakdown by geographical market

EUR k	2013	2012
Germany	198,225	179,609
Europe	211,131	189,270
Asia	43,864	44,653
NAFTA	37,128	36,151
Rest of the world	18,036	21,409
<b>Total sales revenue</b>	<b>508,384</b>	<b>471,092</b>

Broken down by division, sales revenue of EUR 398,282 k (p.y. EUR 362,348 k) relates to Original Equipment, EUR 109,585 k (p.y. EUR 108,287 k) to Aftermarket and EUR 517 k (p.y. EUR 457 k) to Industrial Parks.

### Other operating income

Due to the restatement of the income statement, the reversal of write-downs previously recognized on fixed financial assets are reported in other operating income. The prior-year figures were adjusted accordingly.

Other operating income includes reversals of write-downs previously recognized on fixed financial assets. These concern affiliated companies in the amount of EUR 8,993 k (p.y. EUR 5,504 k).

Other operating income includes income relating to prior periods of EUR 2,111 k (p.y. EUR 1,541 k). This contains income from disposals of fixed assets of EUR 903 k (p.y. EUR 918 k) and income from the release of provisions of EUR 1,208 k (p.y. EUR 623 k).

In addition, other operating income consists of licensing income of EUR 8,082 k (p.y. EUR 7,273 k), government grants of EUR 7,021 k (p.y. EUR 3,727 k), income from insurance claims of EUR 4,496 k (p.y. EUR 674 k) and currency translation gains of EUR 1,149 k (p.y. EUR 1,302 k).

### Other operating expenses

Other operating expenses included expenses relating to prior periods of EUR 349 k (p.y. EUR 1,085 k), relating to the disposal of fixed assets (EUR 145 k; p.y. EUR 775 k) and defaults on receivables (EUR 204 k; p.y. EUR 310 k). Currency translation losses amounted to EUR 2,316 k (p.y. EUR 1,320 k).



**Taxes on income**

Taxes on income included expenses relating to prior periods of EUR 1,077 k (offset against income relating to prior periods). In the previous year, expenses relating to prior periods (offset against income relating to prior periods) amounted to EUR 329 k. Taxes on income include deferred tax expenses of EUR 1,095 k (p.y. EUR 543 k).

**Other taxes**

Other taxes included tax income relating to other periods of EUR 8 k (p.y. tax expenses of EUR 57 k).

**Contingent liabilities**

As in the previous year, there were no contingent liabilities arising from the issue or transfer of bills of exchange; there were contingent liabilities in connection with guarantees issued and performance bonds (EUR 39,252 k; p.y. EUR 40,754 k), of which EUR 39,228 k related to affiliated companies (p.y. EUR 40,731 k). Given the strong business development of the beneficiary companies, it is not currently considered likely that these guarantees will be drawn upon.

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

### Other financial commitments

2013 EUR k	Total	Remaining term < 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Contracts for the supply of gas and electricity	26,717	8,996	17,721	0
Rental and lease agreements	2,021	1,136	885	0
	28,738	10,132	18,606	0
2012 EUR k	Total	Remaining term < 1 year	Remaining term 1 to 5 years	Remaining term > 5 years
Contracts for the supply of gas and electricity	22,110	7,371	14,739	0
Rental and lease agreements	1,873	1,001	872	0
	23,983	8,372	15,611	0

In addition, there are financial commitments to subsidiaries in the amount of EUR 11,214 k (p.y. EUR 7,173 k) in connection with loan agreements. There are no other financial commitments to affiliated companies beyond this.

The purchase of a plot of land resulted in an obligation as of the balance sheet date to pay the purchase price of EUR 1,500 k.

In addition, there are contractual obligations to acquire tangible and intangible fixed assets amounting to EUR 15,188 k (p.y. EUR 16,281 k).

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

## Other disclosures

### Number of employees

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

	2013	2012
Wage earners	1,357	1,261
Salaried employees	792	700
	2,149	1,961
Trainees	91	74
	2,240	2,035

### Related-party disclosures

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

The following transactions were entered into with companies which are not wholly-owned subsidiaries of the ElringKlinger Group in financial year 2013:

EUR k	2013	2012
Sales revenue from the sale of manufactured goods and merchandise	17,405	8,741
License fees	2,838	2,414
Services performed	2,024	3,184
Sales of tools	3,463	3,770
Services received and other expenses	7,065	4,513
Interest income	55	114
Interest expenses	412	389
Loans granted as of the balance sheet date	3,486	3,362
Other receivables as of the balance sheet date	12,605	10,876
Loans received as of the balance sheet date	26,381	17,341
Other liabilities as of the balance sheet date	58	72

Furthermore:

- Cooperation agreement between ElringKlinger AG and Lechler GmbH, Metzingen, concerning traineeships. Mr. Walter Herwarth Lechler is the Chairman of the Supervisory Board of ElringKlinger AG and holds a significant interest in Lechler GmbH. ElringKlinger AG earned EUR 80 k during the reporting year (p.y. EUR 94 k). A receivable of EUR 19 k was still outstanding as of the balance sheet date (p.y. EUR 0 k).

- Master supply agreement between companies of the ElringKlinger Group and Rich. Klinger Dichtungstechnik GmbH & Co. KG, Gumpoldskirchen, Austria, governing the supply of materials. Mr. Klinger-Lohr is a shareholder of ElringKlinger AG and holds a significant partnership interest in Rich. Klinger Dichtungstechnik GmbH & Co. KG. ElringKlinger AG procured EUR 2,370 k worth of materials under this agreement in 2013 (p.y. EUR 1,803 k). The outstanding balance as of the balance sheet date amounted to EUR 190 k (p.y. EUR 107 k).
- Master supply agreement between ElringKlinger AG and Klinger AG Egliswil, Switzerland, governing the supply of materials. Mr. Klinger-Lohr is a shareholder in ElringKlinger AG and member of the Administrative Board of Klinger AG Egliswil. ElringKlinger AG procured EUR 69 k worth of materials under this agreement in 2013 (p.y. EUR 63 k). As in the previous year, this did not result in any liabilities as of the balance sheet date.
- Loan agreement between Lechler GmbH and ElringKlinger AG. Lechler GmbH granted ElringKlinger AG a loan in the amount of EUR 7,000 k. The loan carries an interest rate of 1.6% p.a. and has a term until August 17, 2015.

## Derivative financial instruments

As of the balance sheet date on December 31, 2013, there was one financial derivative (interest rate swap) in place, which served to hedge interest rate risks.

Negative fair values amounting to EUR 63 k (p.y. EUR 224 k) are reported under other provisions.

Under the interest rate swap, the variable interest rate payments on loans obtained are exchanged for fixed interest rate payments. The agreement is for a nominal amount of EUR 5,000 k and expires on April 1, 2014.

All forward contracts are entered into with domestic financial institutions rated at least with "A" (by Standard & Poor's ratings).

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

Furthermore, ElringKlinger employs derivative financial instruments to hedge against commodity risks. As of the balance sheet date, forward contracts for electricity and gas have the following nominal values, fair values, and carrying amounts:

2013	Nominal value	Fair value	Carrying amount	Balance sheet item
EUR k	Dec. 31, 2013	Dec. 31, 2013	Dec. 31, 2013	
Electricity forward contracts (supply years 2014 to 2016)	19,397	-2,302	0	-
Gas forward contracts (supply years 2014 to 2016)	7,321	54	0	-
	26,718	-2,248	0	
2012	Nominal value	Fair value	Carrying amount	Balance sheet item
EUR k	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	
Electricity forward contracts (supply years 2013 to 2015)	17,591	-3,578	0	-
Gas forward contracts (supply years 2013 to 2015)	4,519	-116	116	Other provisions
	22,110	-3,694	116	

As of the reporting date, the fair values match the market values; the market value is the difference between the contractually fixed price and the forward price as of the balance sheet date for the contractually fixed volumes at the reporting date per supply year.

The electricity forward contracts relate to pending procurement contracts pertaining to payments which are not eligible for recognition. A provision for expected losses for this purpose may be

recorded as a liability only if the opportunity to use or exploit the ordered payment completely or for the most part does not exist. Since ElringKlinger AG will use the electricity quantities it ordered in full, no provision for expected losses on the quantities of electricity ordered was recognized.

Financial derivatives are used to reduce the risks stemming from nickel prices. As of the balance sheet date, there were five nickel hedging contracts for a total of 340 metric tons of nickel for the period from March 2013 to December 2014. The contracts were marked to market as of the balance sheet date resulting in a positive fair value of EUR 87 k (p.y. EUR 25 k) as well as a negative market value of EUR 156 k (p.y. EUR 3 k). A provision for expected losses was recognized in the amount of the negative market value. The market values were determined using recognized mathematical methods and the market data available as of the balance sheet date (mark-to-market method).

## Corporate bodies

### Supervisory Board

Walter Herwarth Lechler  
Stuttgart, Chairman

Managing Partner of Lechler GmbH, Metzingen  
Governance roles:

- a) n.a.
- b) Lechler Inc., St. Charles, USA  
Lechler Ltd., Sheffield, United Kingdom  
Lechler India Pvt. Ltd., Thane, India  
ELEX India Pvt. Ltd., Thane, India

Markus Siegers\*  
Altbach,  
Deputy chairman

Chairman of the Works Council of ElringKlinger AG

Gert Bauer\*  
Reutlingen

First General Representative and collector of IG Metall  
trade union, Reutlingen/Tübingen

Governance roles:

- a) Hugo Boss AG, Metzingen
- b) BIKOM GmbH, Reutlingen

Armin Diez\*  
Lenningen

Divisional Director of the Cylinder-head Gaskets and Battery  
Technology/E-Mobility at ElringKlinger AG

Klaus Eberhardt  
Lindau  
(since May 16, 2013)

Former CEO of Rheinmetall AG,  
Düsseldorf

Governance roles:

- a) KSPG AG, Neckarsulm  
MTU Aero Engines AG, Munich  
Dürr AG, Stuttgart
- b) n.a.

Pasquale Formisano\*  
Vaihingen an der Enz

Set-up engineer

Chairman of the Works Council of ElringKlinger  
Kunststofftechnik GmbH

Dr. Margarete Haase  
Cologne

Member of the Executive Board of DEUTZ AG, Cologne  
Governance roles:

- a) Fraport AG, Frankfurt am Main  
ZF Friedrichshafen AG, Friedrichshafen
- b) DEUTZ (Dalian) Engine Co. Ltd., Dalian, China  
Deutz Engines (Shandong) Co. Ltd., Changlin, China  
Deutz Engine (China) Ltd. Co, Linyi, China  
(since November 21, 2013)

Karl Uwe van Husen  
Waiblingen  
(until May 16, 2013)

Managing director

Dr. Thomas Klinger-Lohr  
Egliswil, Switzerland  
(until December 31, 2013)

Chairman of the board of Betal Netherlands Holding BV,  
Rotterdam, Netherlands  
Governance roles:  
a) n.a.  
b) Klinger AG Egliswil, Egliswil, Switzerland

Paula Monteiro-Munz\*  
Grabenstetten

Deputy chairwoman of the Works Council of ElringKlinger  
AG

Prof. Hans-Ulrich Sachs  
Bremen

Managing Partner of betec  
Umformtechnik GmbH, Adelmannsfelden

Manfred Strauß  
Stuttgart

Managing shareholder of M&S messebau und service GmbH,  
Neuhausen a. d. F.  
Governance roles:  
a) n.a.  
b) Pro Stuttgart Verwaltungs GmbH, Stuttgart  
Pro Stuttgart Verkehrsverein, Stuttgart

Gerhard Wick\*  
Geislingen a. d. Steige

Union secretary for IG Metall, district administration, Baden-  
Württemberg district  
Governance roles  
a) Stihl AG, Waiblingen  
WMF AG, Geislingen an der Steige (since April 2008)  
b) n.a.

\*Employee representative

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



## Remuneration of the Supervisory Board

Total remuneration of the Supervisory Board of ElringKlinger AG amounted to EUR 619 k (p.y. EUR 579 k) in the reporting period. In addition, travel expenses in the amount of EUR 2 k (p.y. EUR 1 k) were reimbursed.

Total remuneration of the Supervisory Board is distributed among the individual supervisory board members as follows:

EUR	Fixed remuneration		Variable remuneration		Total remuneration	
	2013	2012	2013	2012	2013	2012
Walter Herwarth Lechler	48,000	37,250	55,480	40,624	103,480	77,874
Dr. Helmut Lerchner	0	17,000	408	19,242	408	36,242
Markus Siegers	25,000	25,000	41,812	37,633	66,812	62,633
Gert Bauer	18,000	17,000	27,875	25,088	45,875	42,088
Armin Diez	18,000	18,000	27,875	25,088	45,875	43,088
Klaus Eberhardt	14,250	0	17,210	0	31,460	0
Pasquale Formisano	14,000	14,000	27,875	25,088	41,875	39,088
Dr. Margarete Haase	14,000	14,000	27,875	25,034	41,875	39,034
Dr. Rainer Hahn	0	0	0	55	0	55
Karl Uwe van Husen	9,250	26,000	10,815	25,088	20,065	51,088
Dr. Thomas Klinger-Lohr	22,000	17,000	27,875	25,088	49,875	42,088
Paula Monteiro-Munz	18,000	18,000	27,875	25,088	45,875	43,088
Prof. Hans-Ulrich Sachs	14,000	9,250	27,606	15,536	41,606	24,786
Manfred Strauß	14,000	14,000	27,875	25,088	41,875	39,088
Gerhard Wick	14,000	14,000	27,875	25,088	41,875	39,088
<b>Total amount</b>	<b>242,500</b>	<b>240,500</b>	<b>376,331</b>	<b>338,828</b>	<b>618,831</b>	<b>579,328</b>

The variable remuneration shown reflects the expense for which provisions have been recognized, based on the average provisional IFRS consolidated income before taxes in the last three financial years (previous year: IFRS consolidated income before taxes in the past financial year). The remuneration of the employee representatives in the Supervisory Board amounted to EUR 442 k in 2013 (p.y. EUR 440 k).

The difference between the provision for variable remuneration for the financial year 2012 and the actual amounts paid out was EUR 7,485. This amount was paid out to the members of the Supervisory Board on a pro rata basis and is included under variable remuneration.

## Management Board

Dr. Stefan Wolf, Sindelfingen,  
Chairman

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

Theo Becker, Metzingen

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

Karl Schmauder, Hülben

responsible for Original Equipment Sales and New Business Areas

## Governance roles in supervisory boards and other supervisory bodies

Dr. Stefan Wolf is a member of the Board of Directors of Micronas Semiconductor Holding AG, Zurich, member of the Supervisory Board of Fielman AG, Hamburg, and Chairman of the Supervisory Board of Norma Group AG, Maintal

Karl Schmauder is Chairman of the Advisory Board of e-mobil BW GmbH, Stuttgart, and Advisory Board member of Steiff Beteiligungs-GmbH, Giengen

## Remuneration of the Management Board

The remuneration paid to the members of the Management Board includes fixed and variable components. The variable component is made up of short-term performance-related remuneration and of performance-related remuneration with long-term incentive effects. The long-term performance-related remuneration relates to stock appreciation rights.

Total remuneration of the Management Board is distributed among the individual Management Board members as follows:

EUR		Short-term fixed remuneration	Short-term performance-based remuneration	Long-term variable stock- based remuneration	Total amount
Dr. Stefan Wolf	<b>2013</b>	<b>503,389</b>	<b>1,025,012</b>	<b>158,318</b>	<b>1,686,719</b>
	2012	354,009	651,266	62,066	1,067,341
Theo Becker	<b>2013</b>	<b>381,950</b>	<b>642,790</b>	<b>142,929</b>	<b>1,167,669</b>
	2012	273,096	474,728	39,388	787,212
Karl Schmauder	<b>2013</b>	<b>379,429</b>	<b>642,790</b>	<b>142,929</b>	<b>1,165,148</b>
	2012	261,963	474,728	47,125	783,816
<b>Total</b>	<b>2013</b>	<b>1,264,768</b>	<b>2,310,592</b>	<b>444,176</b>	<b>4,019,536</b>
Total	2012	889,068	1,600,722	148,579	2,638,369

Short-term variable performance-based remuneration reflects expenses for which provisions have been recognized, calculated as a percentage of the average IFRS consolidated income before interest and taxes over the last three years (previous year: IFRS consolidated income before taxes in the financial year). In addition, the differences between provisions recognized as of December 31, 2012 and the amounts actually paid in 2013 are included. For the stock appreciation rights, the fair value as of the grant date is used.

Stock appreciation rights refer to a right to a cash settlement, not, however, for shares of ElringKlinger AG. The currently outstanding stock appreciation rights were granted in five and four annual tranches, beginning on February 1, 2008 and January 1, 2009, respectively. The tranches have a term of four years. The strike price is the average stock price of the last 60 trading days prior to the grant date. The number of stock appreciation rights is calculated based on the fixed remuneration of the respective board member and the strike price. The cash payment to be granted is calculated based on the difference between the redemption price, which is also calculated as an average of the stock price over the last 60 trading days, and the strike price. A payment is made only in the event that the share price of ElringKlinger AG increases more than the smoothed index in which the stock is listed, but at least by 25%. The payment per tranche is limited to the fixed salary amount for the year.

Beginning in 2013, five tranches of 30,000 stock appreciation rights will be granted on February 1 of each year. The strike price is calculated using the arithmetic mean of the market price of ElringKlinger's shares on the last 60 trading days prior to the grant date. The grant is subject to an investment by the Management Board members of one-tenth of the number of

granted stock appreciation rights in shares of ElringKlinger AG. The holding period of the stock appreciation rights is four years. Within a period of two additional years after the holding period expires, a Management Board member may demand redemption of the stock appreciation rights. The redemption price is calculated using the average market price of ElringKlinger's shares of the last 60 trading days prior to redemption. Redemption of the stock appreciation rights may be demanded only if the redemption price exceeds the strike price by 25%. The total redemption price per tranche is limited to two fixed annual salaries at the time of redemption.

Provisions are recognized in order to cover the estimated future obligation. The fair value of the obligation is determined based on the Cox-Ross-Rubinstein model and the Black-Scholes model using current market parameters. A risk-free interest rate ranging between 0.13% and 0.64% was used depending on the term. The volatility of the share price (34.40%), the MDAX index (19.03%), and a correlation of 60.37% were determined over a four-year period. The expected dividend was EUR 0.50 per share.

The provision is accrued pro rata temporis over the vesting period and is assessed on every reporting date and again on the exercise date. Changes in the fair value are recognized in net income.

For financial year 2013, the following data arose:

<b>Date tranches were issued</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Number of stock appreciation rights exercised				
Value of stock appreciation rights exercised (EUR k)				
Number of stock appreciation rights (not yet exercisable)	49,090	32,501	42,406	90,000
Average strike price (EUR)	15.68	24.83	19.43	24.54
Average remaining term to maturity in years	0.04	1.04	2.04	3.08
Value of stock appreciation rights held by members of the				
December 31, 2013 (EUR k)	0	24	69	129
December 31, 2012 (EUR k)	194	42	44	0
December 31, 2011 (EUR k)	103	21	0	0
December 31, 2010 (EUR k)	75	0	0	0

## Development of provisions for pensions for members of the Management Board

<b>2013 EUR k</b>	<b>Dec. 31, 2012</b>	<b>Allocations</b>	<b>Dec. 31, 2013</b>
Dr. Stefan Wolf	1,479	260	1,739
Theo Becker	1,292	212	1,504
Karl Schmauder	1,871	250	2,121
<b>Total</b>	<b>4,642</b>	<b>722</b>	<b>5,364</b>
<b>2012 EUR k</b>	<b>Dec. 31, 2011</b>	<b>Allocations</b>	<b>Dec. 31, 2012</b>
Dr. Stefan Wolf	1,264	215	1,479
Theo Becker	1,126	166	1,292
Karl Schmauder	1,678	193	1,871
<b>Total</b>	<b>4,068</b>	<b>574</b>	<b>4,642</b>

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

Provisions of EUR 10,061 k (p.y. EUR 10,696 k) were recognized for pension obligations to former members of the Management Board, the management of merged companies, and their surviving dependents. The total remuneration of former members of the Management Board – including remuneration of former members of corporate bodies of merged companies – came to EUR 823 k (p.y. EUR 894 k) during the 2013 financial year.

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

**Information pursuant to § 160 (1) No. 8 AktG**

As of the balance sheet date 2013, the following equity investments classified as fixed financial assets existed and were announced pursuant to § 21 (1) German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG").

**1. Voting rights notification**

On November 28, 2013, Ameriprise Financial, Inc., Minneapolis, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on ElringKlinger AG, Dettingen/Erms, Deutschland, have fallen below the 3% threshold of the Voting Rights on November 26, 2013 and on that day amounted to 2.998% (this corresponds to 1,899,678 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 6 in connection with sentence 2 of the WpHG, 2.998% of the Voting Rights (this corresponds to 1899678 Voting Rights) is to be attributed to the company.

**2. Voting rights notification**

On September 17, 2013, Alken Fund SICAV, Luxembourg, Luxembourg has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on ElringKlinger AG, Dettingen/Erms, Deutschland, have exceeded the 3% threshold of the Voting Rights on September 13, 2013 and on that day amounted to 3.06% (this corresponds to 1,936,862 Voting Rights).

**3. Voting rights notification**

On September 17, 2013, Alken Luxembourg S.A., Luxembourg, Luxembourg has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on ElringKlinger AG, Dettingen/Erms, Deutschland, have exceeded the 3% threshold of the Voting Rights on September 13, 2013 and on that day amounted to 3.06% (this corresponds to 1,936,862 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 6 of the WpHG, 3.06% of the Voting Rights (this corresponds to 1936862 Voting Rights) is to be attributed to the company from Alken Fund SICAV.

**4. Voting rights notification**

On September 11, 2013, Ameriprise Financial, Inc., Minneapolis, USA has informed us according to Article 21, Section 1 of the WpHG that via shares its Voting Rights on ElringKlinger AG, Dettingen/Erms, Deutschland, have exceeded the 3% threshold of the Voting Rights on September 10, 2013 and on that day amounted to 3.02% (this corresponds to 1913679 Voting Rights).

According to Article 22, Section 1, Sentence 1, No. 6 in connection with sentence 2 of the WpHG, 3.02% of the Voting Rights (this corresponds to 1,913,679 Voting Rights) is to be attributed to the company.

#### **5. Voting rights notification**

On May 10, 2013 the voting rights held by FMR LLC fell below the threshold of 3% of the voting rights in ElringKlinger AG, Max-Eyth-Strasse 2, 72581 Dettingen/Erms, Germany. On that date, FMR LLC held 2.69% of the voting rights in ElringKlinger AG arising from 1,704,993 voting rights.

All voting rights in ElringKlinger AG were attributed to FMR LLC pursuant to sec. 22 para. 1 sent. 1 no. 6 WpHG in connection with sent. 2 WpHG.

#### **6. Voting rights notification**

Voting rights notification pursuant to § 26 (1) WpHG

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

#### **7. Voting rights notification**

ElringKlinger received the following notification from Klaus Lechler Beteiligungs-GmbH on October 13, 2010:

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

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

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

1. Eroca AG

The percentage of voting rights of Eroca AG in ElringKlinger AG fell below the threshold of 10% on October 7, 2010 and amounted to 9.20% (5,832,136 voting rights) on this day.

2. Klaus Lechler Beteiligungs-GmbH

The percentage of voting rights of Klaus Lechler Beteiligungs-GmbH in ElringKlinger AG fell below the threshold of 10% on October 7, 2010 and amounted to 9.22% (5,838,736 voting rights) on this day.

Of these voting rights, 9.20% (5,832,136 voting rights) are attributed to Klaus Lechler Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG.

The voting rights attributable to Klaus Lechler Beteiligungs-GmbH are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Eroca AG.

### 3. KWL Beteiligungs-GmbH

The percentage of voting rights of KWL Beteiligungs-GmbH in ElringKlinger AG fell below the threshold of 20% on October 7, 2010 and amounted to 18.39% (11,654,680 voting rights) on this day.

Of these voting rights, 9.22% (5,838,736 voting rights) are attributed to KWL Beteiligungs-GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 9.18% (5,815,944 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to KWL Beteiligungs-GmbH are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Eroca AG,
- Klaus Lechler Beteiligungs-GmbH.

The voting rights attributable to KWL Beteiligungs-GmbH are held by the following shareholder that holds 3% or more of the voting rights in ElringKlinger AG:

- Elrena GmbH.

### 4. PAUL LECHLER STIFTUNG gGmbH

a) The percentage of voting rights of PAUL LECHLER STIFTUNG gGmbH in ElringKlinger AG fell below the threshold of 20% on October 7, 2010 and amounted to 19.58% (12,406,060 voting rights) on this day.

Of these voting rights, 9.22% (5,838,736 voting rights) were attributed to PAUL LECHLER STIFTUNG gGmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 9.18% (5,815,944 voting rights) were attributed in accordance with § 22 (2) sentence 1 WpHG.



The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH were held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

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

The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH were held by the following shareholder that holds 3% or more of the voting rights in ElringKlinger AG:

- Elrena GmbH.

- b) The percentage of voting rights of PAUL LECHLER STIFTUNG gGmbH in ElringKlinger AG exceeded the threshold of 20% on October 11, 2010 and amounted to 20.72% (13,126,990 voting rights) on this day.

Of these voting rights, 9.77% (6,187,573 voting rights) are attributed to PAUL LECHLER STIFTUNG gGmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 9.77% (6,188,037 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

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

The voting rights attributable to PAUL LECHLER STIFTUNG gGmbH are held by the following shareholder that holds 3% or more of the voting rights in ElringKlinger AG:

- Elrena GmbH.

##### 5. Elrena GmbH

The percentage of voting rights of Elrena GmbH in ElringKlinger AG fell below the threshold of 20% on October 7, 2010 and amounted to 18.39% (11,654,680 voting rights) on this day.

Of these voting rights, 0.02% (14,000 voting rights) are attributed to Elrena GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 9.22% (5,838,736 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Elrena GmbH are held by the following shareholder that holds 3% or more of the voting rights in ElringKlinger AG:

- Eroca AG.

#### 6. Stiftung Klaus Lechler

The percentage of voting rights of Stiftung Klaus Lechler in ElringKlinger AG fell below the threshold of 20% on October 7, 2010 and amounted to 18.39% (11,654,680 voting rights) on this day.

Of these voting rights, 9.18% (5,815,944 voting rights) are attributed to Stiftung Klaus Lechler in accordance with § 22 (1) sentence 1 no. 1 WpHG and an additional 9.22% (5,838,736 voting rights) are attributed in accordance with § 22 (2) sentence 1 WpHG.

The voting rights attributable to Stiftung Klaus Lechler are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Elrena GmbH.

The voting rights attributable to Elrena GmbH are held by the following shareholder that holds 3% or more of the voting rights in ElringKlinger AG:

- Eroca AG.

#### 8. Voting rights notification

ElringKlinger received the following notification from Lechler Beteiligungs-GmbH on October 13, 2010:

Voting rights notifications pursuant to § 21 (1) WpHG

Notifying parties:

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

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

##### 1. Lechler Beteiligungs-GmbH

The percentage of voting rights of Lechler Beteiligungs-GmbH in ElringKlinger AG fell below the threshold of 10% on October 7, 2010 and amounted to 9.23% (5,848,644 voting rights) on this day.

##### 2. INLOVO GmbH

The percentage of voting rights of INLOVO GmbH in ElringKlinger AG fell below the threshold of 10% on October 7, 2010 and amounted to 9.23% (5,848,644 voting rights) on this

day. Of these voting rights, 9.23% (5,848,644 voting rights) are attributed to INLOVO GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG.

The voting rights attributable to INLOVO GmbH are held by the following company that is controlled by it and holds 3% or more of voting rights in ElringKlinger AG:

- Lechler Beteiligungs-GmbH.

## **9. Voting rights notification**

ElringKlinger received the following notification from Deutsche Bank AG on October 12, 2010:

Voting rights notification pursuant to § 21 (1) WpHG

Dear Sir or Madam,

We are writing to notify you in accordance with § 21 (1) WpHG that the share of our voting rights in ElringKlinger AG, Max-Eyth-Strasse 2, 72581 Dettingen/Erms, Germany, exceeded the thresholds of 3%, 5% und 10% on October 7, 2010 and amounted to 11.11% percent on this day. This corresponded to 7,037,037 no-par value registered shares (bearer shares).

The notification requirement pursuant to § 21 (1) WpHG is attributed to our joint lead management within the scope of the ElringKlinger AG capital increase entered in the commercial register on October 7, 2010.

We hereby also notify you pursuant to § 21 (1) WpHG that our share of voting rights in ElringKlinger AG fell below the thresholds of 10%, 5% and 3% on October 11, 2010 and now represents a percentage of voting rights of 0.12%. This corresponds to 74,118 no-par value registered shares (bearer shares).

## **10. Voting rights notification**

Voting rights notification pursuant to § 21 (1) WpHG

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

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

Of these voting rights, 10.394% (5,987,000 voting rights) are allocable to me pursuant to Sec. 22 (1) Sentence 1 No 1 WpHG.

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

## 11. Voting rights notification

ElringKlinger AG, Dettingen/Erms, WKN 785602

Sale of shares

Reaching the 5% threshold

Dear Sir or Madam,

We are writing to notify you that in the period from February 11, 2004 to January 14, 2005 we sold a total of 224,410 shares in ElringKlinger and that we have thus dropped below the threshold of 5%. Betal Netherland Holding B.V. now still holds 479,990 ElringKlinger shares.

This notification is made pursuant to § 21 WpHG.

## 12. Voting rights notification

ElringKlinger AG, Max-Eyth-Strasse 2, 72581 Dettingen/Erms, Germany, received the following notification pursuant to § 41 (2) and § 21 (1) WpHG from Klaus Lechler Beteiligungs-GmbH, Ludwigsburg, Germany:

“We, Klaus Lechler Beteiligungs-GmbH, Ludwigsburg, Germany, notify you pursuant to § 41 (2) and § 21 (1) WpHG (as amended) in our own name and for and on behalf of the following companies and Ms. Lieselotte Lechler for the purpose of correction and supplement to notifications made in the past by the parties on which notification is incumbent as follows:

### **Paul Lechler Gesellschaft bürgerlichen Rechts, Ludwigsburg, Germany:**

- a) The percentage of voting rights of Paul Lechler Gesellschaft bürgerlichen Rechts in ElringKlinger AG exceeded the threshold of 5% and 10% on November 30, 2001 and amounted to 12.13% (582,012 voting rights) on this day. Of this amount, 12.13% (582,012 voting rights) were allocable to Paul Lechler Gesellschaft bürgerlichen Rechts pursuant to § 22 (1) sentence 1 no. 1 WpHG (essentially corresponds to § 22 (1) no. 2 WpHG as revised on November 30, 2001).

The voting rights attributable to Paul Lechler Gesellschaft bürgerlichen Rechts are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Lechler Beteiligungs-GmbH.

- b) The share in voting rights of Paul Lechler Gesellschaft bürgerlichen Rechts in ElringKlinger AG came to 12.13% on April 1, 2002 (582.012 voting rights). Of these voting rights,

12.13% (582,012 voting rights) are attributed to Paul Lechler Gesellschaft bürgerlichen Rechts in accordance with § 22 (1) sentence 1 no. 1 WpHG.

The voting rights attributable to Paul Lechler Gesellschaft bürgerlichen Rechts are held by the following companies that are controlled by it and each hold 3% or more of voting rights in ElringKlinger AG:

- Lechler Beteiligungs-GmbH.
- c) The percentage of voting rights of Paul Lechler Gesellschaft bürgerlichen Rechts in ElringKlinger AG fell below the thresholds of 10% and 5% on December 4, 2003 and has since amounted to 0.00% (0 voting rights).

### **Scope of consolidated financial statements**

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

### **Declaration of compliance with the German Corporate Governance Code**

The Management Board and Supervisory Board issued a declaration of compliance on December 4, 2013 pursuant to § 161 AktG on the German Corporate Governance Code and published it on the ElringKlinger AG website on December 4, 2013. This declaration of compliance will be available on the ElringKlinger AG website and therewith made permanently available to shareholders.

### **Proposal for appropriation of profits**

The Management Board and the Supervisory Board propose to the Annual General Meeting to appropriate the net retained earnings as of December 31, 2013 amounting to EUR 31,680 k in order to distribute a dividend of EUR 0.50 per share.

Dettingen/Erms, March 20, 2014

The Management Board



Dr. Stefan Wolf



Theo Becker



Karl Schmauder

## Audit Opinion

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

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report which has been combined with the group management report of ElingKlinger AG, Dettingen/Erms for the fiscal year from January 1 to December 31, 2013. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions of the articles of incorporation and bylaws are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

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

Our audit has not led to any reservations.

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

Stuttgart, March 20, 2014

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

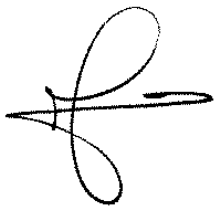
Marbler  
Wirtschaftsprüfer  
[German Public Auditor]

Göhner  
Wirtschaftsprüfer  
[German Public Auditor]

## Responsibility statement and signature of the annual financial statements

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

Dettingen/Erms, March 20, 2014  
Management Board



Dr. Stefan Wolf



Theo Becker



Karl Schmauder



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