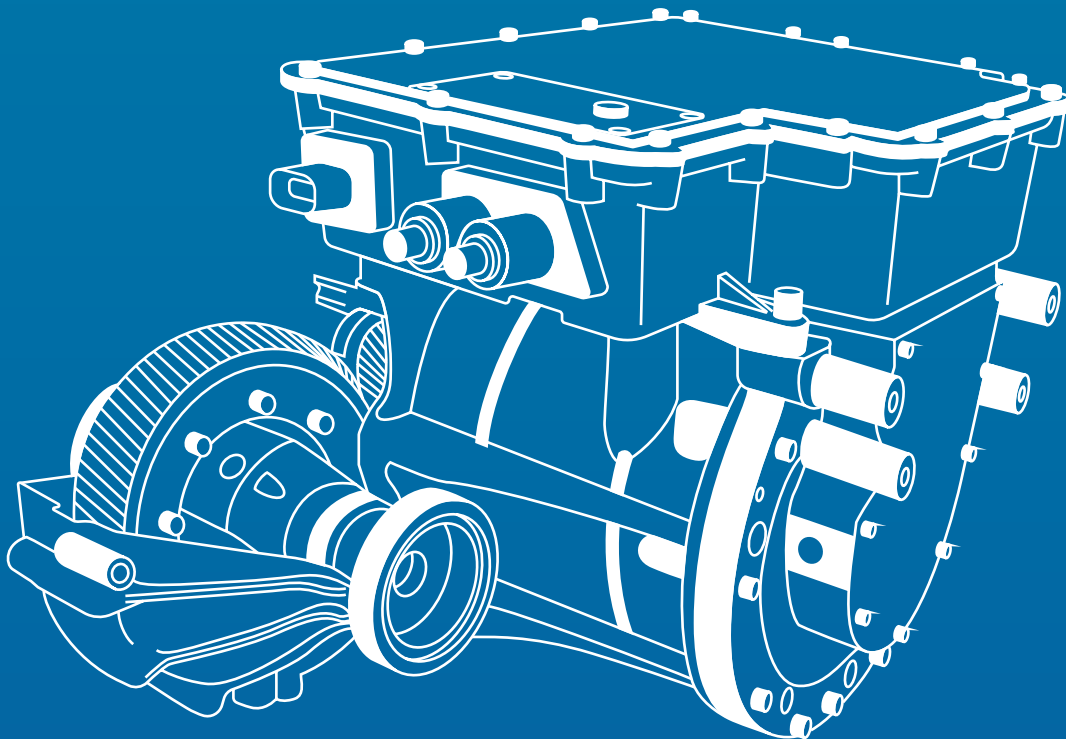


# Consolidated Financial Statements of ElringKlinger AG

FOR THE FINANCIAL YEAR 2017

## 03

88	Group Income Statement
89	Group Statement of Comprehensive Income
90	Group Statement of Financial Position
92	Group Statement of Changes in Equity
94	Group Statement of Cash Flows
96	Notes to the Consolidated Financial Statements
96	General information
101	Schedule of Shareholdings and Scope of Consolidation
111	Accounting policies
120	Individual disclosures on the Group Income Statement
126	Disclosures on the Group Statement of Financial Position
141	Hedging policy and financial instruments
152	Notes to the statement of cash flows
153	Segment reporting
155	Other disclosures
158	Corporate bodies
162	Declaration of compliance with the German Corporate Governance Code
163	Audit Opinion
170	Responsibility Statement
171	Glossary
176	Imprint



ElringKlinger and hofer have joined forces to evolve electric drive technology. Read more about this electrifying partnership on page 22 of the »pulse« magazine.

---

# Group Income Statement

of ElringKlinger AG, January 1 to December 31, 2017

EUR k	Note	2017	2016
<b>Sales revenue</b>	(1)	<b>1,664,041</b>	<b>1,557,443</b>
Cost of sales	(2)	-1,255,631	-1,161,524
<b>Gross profit</b>		<b>408,410</b>	<b>395,919</b>
Selling expenses	(3)	-141,859	-120,370
General and administrative expenses	(4)	-76,917	-74,207
Research and development costs	(5)	-71,387	-67,383
Other operating income	(6)	31,242	20,001
Other operating expenses	(7)	-12,171	-18,366
<b>Operating result/EBIT</b>		<b>137,318</b>	<b>135,594</b>
Finance income		20,900	17,461
Finance costs		-47,710	-28,961
Share of result of associates	(8)	-454	0
<b>Net finance costs</b>	<b>(9)</b>	<b>-27,264</b>	<b>-11,500</b>
<b>Earnings before taxes</b>		<b>110,054</b>	<b>124,094</b>
Income tax expense	(10)	-36,274	-41,479
<b>Net income</b>		<b>73,780</b>	<b>82,615</b>
of which: attributable to non-controlling interests	(21)	3,850	4,065
<b>of which: attributable to shareholders of ElringKlinger AG</b>	<b>(21)</b>	<b>69,930</b>	<b>78,550</b>
Basic and diluted earnings per share in EUR	(11)	1.10	1.24

# Group Statement of Comprehensive Income

of ElringKlinger AG, January 1 to December 31, 2017

EUR k	2017	2016
<b>Net income</b>	<b>73,780</b>	<b>82,615</b>
Currency translation difference	-42,689	-3,309
<b>Gains and losses that can be reclassified to the income statement in future periods</b>	<b>-42,689</b>	<b>-3,309</b>
Remeasurement of defined benefit plans, net	4,200	-10,812
<b>Gains and losses that cannot be reclassified to the income statement in future periods</b>	<b>4,200</b>	<b>-10,812</b>
<b>Other comprehensive income after taxes</b>	<b>-38,489</b>	<b>-14,121</b>
<b>Total comprehensive income</b>	<b>35,291</b>	<b>68,494</b>
of which: attributable to non-controlling interests	2,716	3,676
<b>of which: attributable to shareholders of ElringKlinger AG</b>	<b>32,575</b>	<b>64,818</b>

# Group Statement of Financial Position

## of ElringKlinger AG, as at December 31, 2017

EUR k	Note	Dec. 31, 2017	Dec. 31, 2016
<b>ASSETS</b>			
Intangible assets	(12)	190,540	212,440
Property, plant and equipment	(13)	929,570	917,318
Investment property	(14)	17,030	15,822
Financial assets	(15)	1,036	1,029
Shares in associates	(8)	28,563	0
Non-current income tax assets	(16)	99	211
Other non-current assets	(16)	3,984	4,291
Deferred tax assets	(10)	16,986	16,808
<b>Non-current assets</b>		<b>1,187,808</b>	<b>1,167,919</b>
Inventories	(17)	369,547	328,334
Trade receivables	(18)	302,621	299,522
Current income tax assets	(18)	7,041	3,803
Other current assets	(18)	48,093	39,184
Cash and cash equivalents	(19)	45,498	39,407
<b>Current assets</b>		<b>772,800</b>	<b>710,250</b>
<b>Assets held for sale</b>	(20)	<b>61,772</b>	<b>0</b>
		<b>2,022,380</b>	<b>1,878,169</b>

EUR k	Note	Dec. 31, 2017	Dec. 31, 2016
<b>LIABILITIES AND EQUITY</b>			
Share capital		63,360	63,360
Capital reserves		118,238	118,238
Revenue reserves		710,885	672,635
Other reserves		-40,184	-2,829
<b>Equity attributable to the shareholders of ElringKlinger AG</b>	<b>(21)</b>	<b>852,299</b>	<b>851,404</b>
Non-controlling interest in equity	(22)	37,368	34,963
<b>Equity</b>		<b>889,667</b>	<b>886,367</b>
Provisions for pensions	(23)	125,999	136,562
Non-current provisions	(24)	12,319	13,604
Non-current financial liabilities	(25)	478,811	320,813
Deferred tax liabilities	(10)	14,075	16,456
Other non-current liabilities	(26)	3,551	3,834
<b>Non-current liabilities</b>		<b>634,755</b>	<b>491,269</b>
Current provisions	(24)	23,005	17,279
Trade payables	(26)	118,846	103,228
Current financial liabilities	(25)	221,944	257,392
Tax payable	(10)	14,881	26,151
Other current liabilities	(26)	95,535	96,483
<b>Current liabilities</b>		<b>474,211</b>	<b>500,533</b>
<b>Liabilities relating to assets held for sale</b>	<b>(20)</b>	<b>23,747</b>	<b>0</b>
		<b>2,022,380</b>	<b>1,878,169</b>

# Group Statement of Changes in Equity

of ElringKlinger AG, January 1 to December 31, 2017

EUR k	Share capital	Capital reserves	Revenue reserves
<b>Balance as of Dec. 31, 2015/Balance as of Jan. 1, 2016</b>	<b>63,360</b>	<b>118,238</b>	<b>628,933</b>
Dividend distribution			- 34,848
Purchase of shares from non-controlling interests			
Total comprehensive income			78,550
Net income			78,550
Other comprehensive income			
<b>Balance as of Dec. 31, 2016/Balance as of Jan. 1, 2017</b>	<b>63,360</b>	<b>118,238</b>	<b>672,635</b>
Dividend distribution			- 31,680
Change in scope of consolidated financial statements			
Total comprehensive income			69,930
Net income			69,930
Other comprehensive income			
<b>Balance as of Dec. 31, 2017</b>	<b>63,360</b>	<b>118,238</b>	<b>710,885</b>

Other reserves						
Remeasurement of defined benefit plans	Equity impact of controlling interests	Currency translation differences	Equity attributable to the shareholders of EringKlinger AG	Non-controlling interests in equity	Group equity	
-32,985	-17	44,100	821,629	34,102	855,731	
			-34,848	-2,848	-37,696	
	-195		-195	33	-162	
-10,631		-3,101	64,818	3,676	68,494	
			78,550	4,065	82,615	
-10,631		-3,101	-13,732	-389	-14,121	
-43,616	-212	40,999	851,404	34,963	886,367	
			-31,680	-2,561	-34,241	
				2,250	2,250	
4,104		-41,459	32,575	2,716	35,291	
			69,930	3,850	73,780	
4,104		-41,459	-37,355	-1,134	-38,489	
-39,512	-212	-460	852,299	37,368	889,667	



# Group Statement of Cash Flows

of ElringKlinger AG, January 1 to December 31, 2017

EUR k	Notes	2017	2016
Earnings before taxes		110,054	124,094
Depreciation/amortization (less write-ups) of non-current assets	(12) – (15)	101,074	95,652
Net interest	(9)	13,099	13,947
Change in provisions		6,765	12
Gains/losses on disposal of non-current assets		1,348	-1,084
Share of result of associates		454	0
Dividends from associates		0	0
Change in inventories, trade receivables and other assets not resulting from financing and investing activities		-114,528	-26,496
Change in trade payables and other liabilities not resulting from financing and investing activities		26,732	22,839
Income taxes paid	(10)	-50,581	-43,574
Interest paid		-10,697	-11,574
Interest received		314	258
Other non-cash expenses and income		11,441	1,668
<b>Net cash from operating activities</b>		<b>95,475</b>	<b>175,742</b>
Proceeds from disposals of property, plant and equipment, intangible assets and investment property		1,365	3,084
Proceeds from disposals of financial assets		2,792	456
Payments for investments in intangible assets	(12)	-10,674	-11,806
Payments for investments in property, plant and equipment and investment property	(13), (14)	-155,534	-171,281
Payments for investments in financial assets	(15)	-3,450	-4,834
Payments for the acquisition of associates		-29,017	0
Payments made/received for the acquisition of subsidiaries and other entities, less cash		1,321	-5,323
<b>Net cash from investing activities</b>		<b>-193,197</b>	<b>-189,704</b>
Payments to non-controlling interests for the purchase of shares		0	-163
Dividends paid to shareholders and to non-controlling interests		-34,241	-37,696
Proceeds from the addition of financial liabilities	(25)	234,706	82,337
Payments for the repayment of financial liabilities	(25)	-44,036	-63,135
Change in current loans		-47,082	23,132
<b>Net cash from financing activities</b>		<b>109,347</b>	<b>4,475</b>
Changes in cash		11,625	-9,487
Effects of currency exchange rates on cash		-2,957	-31
Cash at beginning of period	(19)	39,407	48,925
Cash at end of period		48,075	39,407
Less cash relating to assets held for sale		-2,577	0
<b>Cash at end of period as per statement of financial position</b>	<b>(19)</b>	<b>45,498</b>	<b>39,407</b>

