Semiannual Financial Report as of June 30, 2009

RENK AG

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Introduction

RENK AG's interim group management report meets the semiannual financial reporting requirements of the applicable regulations of the German Securities Trading Act ("WpHG") and, in accordance with Sec. 37w(2) WpHG, comprises interim consolidated financial statements, an interim group management report, and a management representation. The interim consolidated financial statements were prepared in conformity with the published International Financial Reporting Standards (IFRS) and their Interpretations (IFRIC) as adopted by the European Union (EU). The interim group management report should be read in the context of our annual report as of December 31, 2008, and the additional corporate information therein contained.

At a glance

RENK GROUP

€ million

	H1/2009	H1/2008	Rel. change (%)
Order intake	140	215	–35
Net sales (revenue)	242	247	–2
Order backlog *)	498	612	–19
Headcount *)	1,934	1,906	+1
Headcount incl. temporary employees *)	2,047	2,041	0
			Abs. change
			(€ mill.)
Operating profit (EBIT)	33	37	–4
EBT (earnings before taxes)	33	37	–4
Net income (EAT)	23	26	–3
Earnings per share (EpS) in €	3.34	3.81	–0.47
ROS in %	13.6	14.9	—
Capital expenditures	10	11	–1
Amortization/depreciation of fixed assets	5	5	0
R&D expenditures (internally funded)	2	2	0
Cash earnings	28	31	–3
Cash flow from operating activities	19	30	–11
Cash flow from investing activities	(10)	(11)	+1
Free cash flow	9	19	–10
Cash and cash equivalents *)	20	23	–3
Net liquid assets *)	20	23	–3
Equity *)	170	159	+11

*) As of June 30, 2009, vs. December 31, 2008

RENK in the first six months of 2009 (H1)

- **H1 operating profit:**
  €33 million (down 11 percent from €37 million)

- **ROS still high at 13.6 percent (down from 14.9)**

- **Order intake tumbles 35 percent to €140 million**

- **Sales stay strong at €242 million (down 2 percent)**

- **Order backlog crumbles from €612 million (at Dec. 31, 2008) to €498 million**

- **Prospects for all of 2009:**
  Order intake up to over €400 million due to expected PUMA megacontract; sales down below €500 million threshold; ROS not less than 10 percent

Interim group management report as of June 30, 2009

Mechanical engineering sector in rough seas
Compared with the orders booked in H1/2008, the German mechanical engineering sector suffered a collapse in order intake in the first six months of this year that was unprecedented both in its extent and rapidity. As a consequence, 2009 threatens to see the sharpest contraction in production since the end of WW II. Despite some silver lining on the horizon—such as predicted growth rates in China and India—the prospects are generally not bright. Given the general uncertainty regarding the length and severity of the recession and the persistent refinancing obstacles on the financial markets, there is little hope of a swift and widespread recovery in the mechanical engineering sector either in 2009 or 2010.

RENK benefiting in H1/2009 from largely well-filled order books
The global recession led to a 35-percent decline in order intake by RENK in H1/2009. New orders received by both Large Gear Units (Special and Standard) and Slide Bearings shrank by around 40 percent; only the volume of orders booked by Vehicle Transmissions increased, by 24 percent but from a low year-earlier level.

H1 sales were in much better shape, slipping only slightly from the very high year-earlier €247 million to €242 million. This effect is temporary, however, and attributable to the tall order backlog of €612 million at the start of the fiscal year, which will mean satisfactory capacity utilization and commensurate sales also in the latter half of the year.

The high invoice amounts in H1 downsized order backlog from €612 million to €498 million, cancellations of large-gear contracts at altogether €19 million accelerating the shrinkage.

Solid results of operations
Given the strong sales and mostly high capacity utilization, a satisfactory operating profit of €33 million was earned. Apart from Vehicle Transmissions, whose EBIT was in the black but only marginally due to poor sales and high risk provisions, all RENK divisions reported good operating profits and a high ROS.

Prospects
H2/2009 is not expected to show any significant change in the workload situation, with sales slipping slightly. Hence, sales for all of 2009 will return to below the €500 million threshold. The trickling H1 order inflow rate will not show any prolonged acceleration in the latter half of the year. Assuming that the expected megacontract for the German new PUMA infantry fighting vehicle's transmissions is placed, order intake might reach the prior year's 443 million. EBIT could well suffer further from risk provisions required by the economic environment; ROS is not likely to slip below 10 percent.

Cash flow downturn
The H1 cash flow from operating activities slumped from €30 million in 2008 to €19 million in 2009. Particularly the lower prepayments received, plunging €14 million in the wake of the vehicle transmission program phaseout, as well as the negative balance of tax liabilities and tax assets (a red €13 million), all weighed on the cash flow. A mitigating effect came from the significantly downscaled portfolio of trade receivables.

The H1 net cash of nigh €10 million used in investing activities virtually remained at the year-earlier level of €11 million. The extensions to the Rheine plant and the erection of a new production shop for the Augsburg plant were continued as scheduled. Consequently, the 6-month free cash flow fell to €9 million in 2009 (from €19 million a year ago). Taking into account the dividend payout of €12 million, the cash flow statement closed with net liquid assets of €20 million as of June 30, 2009 (down from €23 million at year-end 2008).

Asset and capital structure

In comparison to December 31, 2008, total assets shrank €22 million to €379 million as of midyear 2009. Major changes in current and noncurrent assets included lower inventories (down €5 million) and pruned trade receivables (down €18 million), as well as capital outlays for tangible assets (up from €88 million to €92 million).

The higher equity (up from €159 million to €170 million) upgraded the equity ratio from 40 to 45 percent. While noncurrent liabilities and accruals inched up by a mere €1 million to €22 million, current liabilities and accruals sagged from €221 million to €188 million as, in line with the business downturn, trade payables contracted by €7 million and prepayments received wilted by €10 million. Moreover, high tax payments whittled down current income tax liabilities from €19 million to €5 million.

Capital expenditures and R&D

The almost €10 million outlays for tangible assets chiefly concerned the construction of a production shop for wind turbine gear units at Rheine and the comprehensive revamping of the large-gear production shop at Augsburg.

Internally funded R&D expenditures of €2 million (virtually unchanged) were essentially attributable to development work at Vehicle Transmissions and Standard Gear Units. In the case of the former, it focused on electric drive systems for military vehicles; in the latter, on further developing our 5-MW offshore wind turbine gear units.

Workforce adjustments initiated

Q1/2009 had seen a number of recruitments (mainly limited-term) in order to work off in good time the current order backlog. These in combination with the first-time consolidation of RENK LABECO Test Systems Corp., Mooresville, Indiana, raised the headcount (including temporary) from 2,041 (Dec. 31, 2008) to 2,047 (June 30, 2009). The consolidation group change added another 8 employees.

To allow for the expected production decline, several steps were taken in Q2, such as recruitment freeze, reduction in temporary staff, no extension of limited-term contracts, and increased use of banked working hours for greater working hour flexibility. H2/2009 may see an extension of short-time at individual locations.

Risk report

Compared with the situation described in the risk management chapter of the 2008 annual report, the RENK Group's exposure has worsened as a consequence of the hostile economic environment reflected in the rising number of contract cancellations and uncollectibles in the course of H1/2009. The H1 financial statements duly provide for the newest reassessment of the risk situation.

The situation at the divisions

Vehicle Transmissions

H1 (€ million)	2009	2008	Change in %
Order intake	31	25	+24
Sales	46	81	–43
			Change in € mill.
Operating profit (EBIT)	1.7	10.1	–8.4
ROS in %	3.6	12.4	—

H1/2009 saw a continuation of recent years' sluggish order situation; the slight rise in order intake was attributable to maintenance and servicing business contracted by our French subsidiary SESM. Experience obtained from international missions in Afghanistan and Iraq has led to a shift in priority away from light armored wheel vehicles in favor of their heavy combat and support track-mounted cousins. This trend is, however, yet to be reflected in future orders. Because of the present financial and economic crises the public funds needed for such expenditures have not been released in many countries. We continue to keep an eye on related new-vehicle projects in the Near, Middle and Far East, as well as in the UK. For the latter half of 2009, the PUMA infantry fighting vehicle, for which a contract has been signed for the procurement of 405 series-production units, represents the only realistic instance of sizable new business. As, however, these vehicles will not be shipped out before the start of 2013, they will not have any appreciable impact in terms of capacity utilization at Augsburg over the next three years.

The successive phaseout of major series-production programs in fiscal 2009 was emphatically mirrored in slumping sales. EBIT fell accordingly, from €10 million to €2 million. Besides plunging sales, risk provisions for receivables and inventories also pruned the operating profit.

The situation at our French subsidiary SEMS has taken a turn for the better. The company had bid successfully against competition for maintenance and servicing work on the ENC 200 transmission and has now booked such contracts for three different types of transmission. This work will represent a solid base for business at SEMS in 2009 and thereafter.

RENK Test Systems, now a part of Vehicle Transmissions, comprises RENK TestSystem GmbH (RTS), Augsburg, and starting from January 1, 2009, the latter's US marketing subsidiary RENK LABECO Test Systems Corporation, Mooresville, which is in charge of the North American commissioning and servicing activities, besides marketing specifically helicopter gear test rigs. This corporation presently has a staff of eight. RTS is doing very well despite the present business environment. Even though the economic crisis is having a severe impact on the markets for car and commercial vehicle test rigs, there are currently promising new prospects in the booming wind energy sector. With an order backlog comprising lengthy helicopter contracts, business at RTS may be regarded as stable in 2009 and beyond.

Assuming we are awarded the PUMA megacontract in H2, order intake will be high. In view of the phaseout of series-production programs at Augsburg, sales and EBIT will be well down.

Slide Bearings

H1 (€ million)	2009	2008	Change in %
Order intake	38	62	–39
Sales	55	44	+25
			Change in € mill.
Operating profit (EBIT)	12.9	7.5	+5.4
ROS in %	23.4	16.9	—

Slide Bearings has also been hit by the global recession, especially in terms of plunging orders related to rolling mill and shipbuilding projects. Orders for small standard electrical machinery bearings contracted, too. The only sector with ongoing brisk demand for slide bearings is the energy. Geographically, momentum is expected from the USA and the emerging nations of Asia. Yet even if these expectations do materialize, order intake will not recover before mid-2010. The order situation mirrors the economic climate. Whereas for the reasons outlined, new business slumped in H1, the past six months saw another surge in sales thanks to the record order backlog and plant extension completed in 2008.

Order inflow is expected to remain steady but at a low level in H2/2009. However, because of the short lead-times typical of standard-product business, revenue will recede appreciably, with the corresponding impact on EBIT. Slide bearings business is predicted to continue profitable in 2009 and beyond.

Special Gear Units

H1 (€ million)	2009	2008	Change in %
Order intake	46	83	–45
Sales	81	64	+27
			Change in € mill.
Operating profit (EBIT)	10.7	11.4	–0.7
ROS in %	13.2	17.7	—

It was the deterring financing situation rather than any cutback in demand that depressed H1 order intake from €83 million to €46 million. Projects involving stationary gear units were postponed across the board and some even canceled in their entirety. This was especially true in the cement and plastics markets where we suffered from a dramatic plunge in H1 orders. Less affected was demand for turbine gears used for energy generation and the special marine gear units built into official patrol and naval vessels. In contrast, sales accruing from the reduction of the record order backlog accumulated by the close of the boom period, rose by 27 percent to €81 million. Bulging order books for stationary gear units boosted sales from extruder gears for the plastics industry and for crushers. Also high were shipments of naval gear units including for frigates and patrol vessels destined for Italy, Denmark, Netherlands, Turkey, the Middle East, South America, etc.

Our customers in the stationary gear segment are adapting to a lengthy expenditure freeze. Hence, the poor order intake will continue into H2. The excess capacities thus created are also leading to heavier price pressure.

The market for special marine gear units is expected to brighten up in H2, a period in which we perceive opportunities from various projects in Turkey and Italy.

H1 operating profit was year-on-year down slightly. ROS at 13.2 percent was still short of the very high 2008 magnitude of 17.7 percent. The main reason was risk provisions to allow for the hostile economic environment.

The situation at our Swiss subsidiary RENK-MAAG GmbH was patterned on that at the Augsburg special-gear production plant. Order intake was especially poor for the period January to April 2009 during which not a single new gear order was booked. At present, we do expect, however, a slight recovery and that business will recuperate, especially in Asia during the second half of 2009. In response to the critical order situation, RENK-MAAG has begun to reduce its workforce by 12 and is also planning short-time starting from August. EBIT in 2009 will remain stable.

In all, Special Gear Units expects for 2009 an order intake volume well short of 2008 and another advance in sales due to the very high opening order backlog 2009. H2 is likely to show a reasonable number of contract cancellations which, together with the other business risks, may depress the operating profit at Special Gear Units.

Standard Gear Units

H1 (€ million)	2009	2008	Change in %
Order intake	29	48	–40
Sales	63	59	+7
			Change in € mill.
Operating profit (EBIT)	7.7	8.0	–0.3
ROS in %	12.3	13.5	—

Among the standard gear units built at the Rheine plant, the marine variety is most battered by the recession. At present, container ships are idling worldwide and work on building new ones has been frozen. In the Standard Gear Unit division, these cancellations are having an adverse effect on business. Since couplings were also affected by the decline in the German mechanical engineering sector, order intake in H1/2009 slumped by 40 percent to €29 million. This contrasted with a small rise in sales since, like the situation at Special Gear Units, high order backlogs at the start of the fiscal year were being worked off.

The uncertain situation at a number of shipyards plus tall obstacles in project funding will in H2/2009 mean no substantial recovery in marine gear orders. There are, however, several indicators suggesting that some improvement might lie ahead.

In the market for couplings, C&E Europe in particular is seen as having potential. In the market for turbine gear units installed into steam turbine power plants several major energy sector projects are more or less continuing and, assuming improved penetration in Asia, we do not expect any serious shortfall in 2009. We have fallen behind in the big project for 5-MW offshore wind energy gear units as a result of engineering and organizational hitches in setting up the wind turbine systems. This will, however, not have any negative impact on the mounting demand forecast for the years ahead; the only effect will be a postponement in the rise of business.

For all of fiscal 2009, we expect order intake at the level of H1 and sales in the region of €100 million. H2 EBIT is likely to inch down from H1/2009, due to slightly lower revenue and further risk provisions.

Semiannual consolidated financial statements as of June 30, 2009

RENK consolidated income statement

k€

	H1/2009	H1/2008
Net sales (revenue)	**241,826**	**247,413**
Cost of sales	(178,781)	(188,206)
Gross margin	**63,045**	**59,207**
Other operating income	2,509	5,499
Selling expenses	(13,662)	(11,882)
General administrative expenses	(6,599)	(7,012)
Other operating expenses	(12,309)	(8,867)
EBIT	**32,984**	**36,945**
Interest income	143	232
Interest expense	(478)	(137)
EBT	**32,649**	**37,040**
Income taxes	(9,928)	(11,112)
Net income (EAT)	**22,721**	**25,928**
EpS in €	**3.34**	**3.81**

RENK Group:
Statement of comprehensive income

k€

H1	2009	2008
Net income (EAT)	**22,721**	**25,928**
Currency translation differences from non-German subsidiaries	(111)	(156)
Change in fair value of financial derivatives	147	80
Change in actuarial gains/losses from pensions	(197)	1,514
Gains/losses directly recognized in equity, net	**(161)**	**1,438**
Comprehensive income	**22,560**	**27,366**

RENK consolidated balance sheet as of June 30, 2009

Assets

k€

	6/30/2009	12/31/2008
Intangible assets	7,058	7,558
Tangible assets	92,284	87,739
Sundry investments	1,158	1,386
Deferred tax assets	6,219	5,732
Other noncurrent assets	778	832
Total noncurrent assets	**107,497**	**103,247**
Inventories	149,230	153,883
Trade receivables	93,755	111,281
Income tax assets	2,561	3,271
Other current assets	5,340	5,243
Cash and cash equivalents	20,270	23,378
Total current assets	**271,156**	**297,056**
	378,653	**400,303**

RENK consolidated balance sheet as of June 30, 2009

Equity & liabilities

k€

	6/30/2009	12/31/2008
Capital stock	17,920	17,920
Additional paid-in capital	10,669	10,669
Reserves retained from earnings	114,450	97,116
Net earnings	32,572	39,425
Accumulated OCI (unrealized gains/losses)	(6,050)	(5,889)
Total equity	**169,561**	**159,241**
Pension accruals	7,523	5,420
Deferred tax liabilities	8,142	9,711
Other noncurrent accruals	5,263	4,716
Other noncurrent liabilities	587	608
Total noncurrent liabilities and accruals	**21,515**	**20,455**
Current financial liabilities	—	136
Trade payables	43,495	50,759
Prepayments received	68,905	78,496
Current income tax liabilities	5,452	19,449
Other current accruals	47,571	49,325
Other current liabilities	22,154	22,442
Total current liabilities and accruals	**187,577**	**220,607**
	378,653	**400,303**

RENK consolidated statement of cash flows
k€

Six months (H1) ended June 30	2009	2008
Opening cash and cash equivalents	**23,378**	**10,461**
EBT	32,649	37,040
Current taxes	(11,331)	(12,139)
Amortization/depreciation/write-down of tangibles, intangibles and investments	5,379	4,868
Change in pension accruals	1,445	780
Cash earnings	**28,142**	**30,549**
Decrease/(increase) in inventories	5,147	(15,222)
Decrease in prepayments received	(14,350)	(1,432)
Decrease in trade receivables	22,178	1,660
(Decrease)/increase in trade payables	(7,247)	10,257
Change in income tax assets/liabilities	(13,293)	(4,217)
Increase/(decrease) in other accruals	(1,783)	10,906
Decrease/(increase) in other assets	87	(2,733)
Decrease in other liabilities	(201)	(19)
Elimination of net gain/loss from disposal of tangibles, intangibles and investments	(175)	(569)
Other changes in working capital	173	309
Net cash provided by operating activities	**18,678**	**29,489**
Cash outflow for additions to tangibles and intangibles	(9,698)	(11,225)
Cash outflow for additions to investments	(4)	—
Cash inflow from the disposal of tangibles, intangibles and investments	184	583
Net cash used in investing activities	**(9,518)**	**(10,642)**
Free cash flow	**9,160**	**18,847**
Dividend payout	(12,240)	(13,600)
Financial liabilities redeemed	(136)	(199)
Net cash used in financing activities	**(12,376)**	**(13,799)**
Net change in cash and cash equivalents	**(3,216)**	**5,048**
Parity-related change in cash and cash equivalents	(7)	(14)
Consolidation group-related change in cash and cash equivalents	115	(13,217)
Closing cash and cash equivalents	**20,270**	**2,278**

Breakdown of net liquid assets at June 30		
Cash and cash equivalents	**20,270**	**2,278**
Financial liabilities	**—**	**(345)**
Net liquid assets	**20,270**	**1,933**

RENK Group statement of changes in equity

k€	Capital stock	Additional paid-in capital	Reserves retained from earnings	Net earnings	Accumulated other compre-hensive income (OCI)	Total
Balance at December 31, 2007	**17,920**	**10,669**	**72,063**	**23,001**	**(5,154)**	**118,499**
EAT	—	—	—	25,928	—	25,928
Dividend payout	—	—	—	(13,600)	—	(13.600)
Currency translation differences	—	—	—	—	(156)	(156)
OCI: unrealized gains/losses	—	—	—	—	(80)	(80)
OCI: actuarial gains/losses	—	—	—	—	1,798	1,798
Balance at June 30, 2008	**17,920**	**10,669**	**72,063**	**35,329**	**(3,432)**	**132,549**
Balance at December 31, 2008	**17,920**	**10,669**	**97,116**	**39,425**	**(5,889)**	**159,241**
EAT	—	—	—	22,721	—	22,721
Dividend payout	—	—	—	(12,240)	—	(12,240)
Currency translation differences	—	—	—	—	(111)	(111)
OCI: unrealized gains/losses	—	—	—	—	147	147
OCI: actuarial gains/losses	—	—	—	—	(197)	(197)
Balance at June 30, 2009	**17,920**	**10,669**	**114,450**	**32,572**	**(6,050)**	**169,561**

Notes to RENK's consolidated financial statements for H1/2009

General

The present consolidated semiannual financial statements for the six months (H1) ended June 30, 2009, conform with the International Financial Reporting Standards (IFRS) and the related Interpretations of the International Accounting Standards Boards (IASB) whose application to interim reports is mandatory in the European Union (EU). Consequently, these semiannual financial statements do not comprise all the information and disclosures in the notes which the IFRS require for consolidated annual financial statements but should be read in the context of RENK's published IFRS consolidated financial statements for fiscal 2008. Unless expressly otherwise stated, the accounting and valuation methods applied to these semiannual consolidated financial statements are identical with those adopted for the consolidated financial statements as of December 31, 2008, and to which reference is made for full details.

From the Executive Board's vantage point, the present unaudited interim report reflects all due interim adjustments required in good accounting practice for a reasonable view of the Group's asset and capital structure, financial position, and results of operations. The performance data and results shown for this interim period do not necessarily allow a forecast of the future business trend.

Preparing the consolidated financial statements requires management to make certain assumptions and estimates for the valuation and disclosure in the period of recognized income and expenses. Actual values may differ from those estimates.

Besides the financial schedules, the semiannual financial statements include notes to selected financial statement lines. For the segment information, see pages 7–9 hereof. There have been no other changes in the current reporting structure in comparison to that at December 31, 2008.

In interim reporting, current income expenses are determined on the basis of the expected full-year tax load ratio.

Changed accounting rules

IFRS 8, *Operating Segments*, is a Standard issued in November 2006 and superseding IAS 14, *Segment Reporting*. RENK has applied IFRS 8 since Q1/2009. The Standard requires companies to take the management approach to the reporting of financial information on segments, i.e., the definition of segments and the segment disclosures must be based on information internally used by management for segment performance analysis and resource allocation. See the note to *Segment reporting* for more segment details.

In September 2007, the IASB issued a revised IAS 1, *Presentation of Financial Statements*, which supersedes IAS 1 (revised 2003) as amended up to 2005. IAS 1 sets out the framework for presenting and classifying financial statements and specifies the minimum disclosure requirements. Applying the revised IAS 1 since January 1, 2009, has not had any significant effect on the RENK Group's consolidated financial statements.

Consolidation group

The consolidated financial statements include besides RENK AG as parent all subsidiaries wholly owned by it, i.e., Société d'Équipements, Systèmes et Mécanismes, Saint-Ouen-l'Aumône, France (SESM); RENK Corporation, Duncan, USA (RC); RENK TestSystem GmbH, Augsburg, Germany; RENK-MAAG GmbH, Winterthur, Switzerland (RMCH) and as from fiscal 2009, RENK LABECO Test

Systems Corporation, Mooresville, USA (Labeco). For details of the effects of this first-time consolidation, see page 7 of this semiannual financial report.

Notes to the income statement

Other operating income

k€	H1/2009	H1/2008
Income from the release of accruals	214	150
Gains from the disposal of tangibles/intangibles	183	576
Income from other trade business	107	251
Gains from exchange differences and hedges	438	3,699
All other income	1,567	823
	2,509	**5,499**

The all other income includes k€440 from the first-time consolidation of RENK LABECO Test Systems Corporation.

Other operating expenses

k€	H1/2009	H1/2008
R&D	2,137	1,984
Provisions in the period	455	9
Write-down of current assets	6,678	2,258
Losses on exchange differences and hedges	1,276	2,477
All other expenses	1,763	2,139
	12,309	**8,867**

Total write-down of current assets includes at the Vehicle Transmissions division €1.7 million of specific allowances for bad debts among trade receivables, as well as €3.6 million of write-down charged to phaseout program inventories.

Net interest result

k€	H1/2009	H1/2008
Interest and similar income	143	232
Interest and similar expenses	(80)	(48)
Return on plan assets (Industrial Business)	1,688	1,846
Interest portion of addition to pension accruals	(2,086)	(1,935)
	(335)	**95**

Earnings per share

	H1/2009	H1/2008
Net income (k€)	22,721	25,928
Weighted average number of shares outstanding (1,000)	6,800	6,800
Earnings per share (€)	**3.34**	**3.81**

According to IAS 33, EpS is obtained by dividing the Group's net income for H1 by the average number of shares outstanding in the period. No financial instruments existed at June 30, 2009 or 2008, to dilute earnings per share.

Dividend for fiscal 2008

As resolved by the annual general meeting on May 12, 2009, RENK AG's Executive Board distributed on May 13, 2009, an ordinary cash dividend of €1.80 per share, corresponding to a total payout for 2008 of €12,240,174.60.

Notes to the balance sheet

Tangible assets

k€	6/30/2009	12/31/2008
Land and buildings	25,154	25,636
Production plant and machinery	46,753	41,633
Other plant, factory and office equipment	6,246	6,127
Prepayments on tangibles, construction in progress	14,131	14,343
	92,284	**87,739**

Inventories

k€	6/30/2009	12/31/2008
Raw materials and supplies	30,480	27,151
Work in process and finished products	115,341	123,504
Prepayments made	3,409	3,228
	149,230	**153,883**

Trade receivables

k€	6/30/2009	12/31/2008
Due from customers	86,070	99,201
Due from group companies	5,239	5,222
Due from investees	2,446	6,858
	93,755	**111,281**

Other accruals

k€	6/30/2009	12/31/2008
Warranties	31,404	34,295
Unbilled costs from contracts invoiced	8,565	7,791
Other business obligations	7,474	6,142
Obligations to personnel	4,125	4,057
Remaining accruals	1,266	1,756
	52,834	**54,041**

The *other accruals* are disclosed within these balance sheet lines:

k€	6/30/2009	12/31/2008
Other noncurrent accruals	5,263	4,716
Other current accruals	47,571	49,325

Financial liabilities

k€	6/30/2009	12/31/2008
Due to banks	—	136
	—	**136**

The accounts due to banks are current and have not been collateralized by land charges or similar encumbrances.

Contingent liabilities

k€	6/30/2009	12/31/2008
Guaranties/suretyships	867	880
	867	**880**

The contingent liabilities as of December 31, 2008, and June 30, 2009, refer almost exclusively to RENK-MAAG GmbH.

Segment reporting

Newly applying IFRS 8 has not resulted in any structural segment reporting change within the RENK Group, the latter breaking down into four reportable segments: Vehicle Transmissions, Special Gear Units, Slide Bearings, and Standard Gear Units. Management of each segment reports directly to RENK AG's Executive Board as the appropriate corporate body.

Key parameter for assessing and controlling a segment's results of operations remains the operating profit, which as a rule equals EBIT, just in isolated cases would nonrecurring factors require EBIT to be adjusted. Typical such factors are income and/or expenses whose amount is material and which do not originate from operating activities. Segment assets and liabilities equal the aggregate assets and liabilities of each division. Net liquid assets or net financial debt is the financial controlling parameter that represents the total of cash and cash equivalents plus securities less financial liabilities.

H1	Vehicle Transmissions		Slide Bearings		Special Gear Units		Standard Gear Units		Consolidation		Group	
k€	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Order intake from third parties	31,206	24,954	37,558	60,640	43,483	83,406	28,166	46,423			140,413	215,423
Intersegment order intake	13		482	1,069	2,834	60	420	1,350	(3,749)	(2,479)		
Total order intake	**31,219**	**24,954**	**38,040**	**61,709**	**46,317**	**83,466**	**28,586**	**47,773**	**(3,749)**	**(2,479)**	**140,413**	**215,423**
Sales to third parties	46,291	81,413	52,323	43,684	81,208	64,350	62,005	57,964			241,827	247,411
Intersegment transfers	13		2,615	581	30	97	1,102	1,028	(3,760)	(1,706)		
Total segment sales	**46,304**	**81,413**	**54,938**	**44,265**	**81,238**	**64,447**	**63,107**	**58,992**	**(3,760)**	**(1,706)**	**241,827**	**247,411**
Order backlog *)	**151,482**	**203,208**	**46,190**	**66,525**	**205,160**	**245,436**	**103,044**	**161,152**	**(7,896)**	**(4,652)**	**497,980**	**671,669**
EBIT	**1,672**	**10,106**	**12,859**	**7,482**	**10,712**	**11,390**	**7,741**	**7,968**			**32,984**	**36,946**
Interest income	126	298	57	199	121	126	(31)	84	(130)	(475)	143	232
Interest expense	224	374	47	10	259	220	78	7	(130)	(475)	478	136
Income taxes	2,447	2,544	1,007	341	3,966	2,062	887	443	1,621	5,722	9,928	11,112
Segment assets *)	107,042	138,213	66,122	63,665	119,081	113,090	77,959	79,118	(332)	(2,786)	369,872	391,300
Segment liabilities *)	67,680	78,032	17,578	21,216	71,456	72,457	39,115	42,983	(332)	(2,786)	195,497	211,902
Capital expenditures	1,176	2,469	2,497	4,967	2,934	1,905	3,091	1,884			9,698	11,225
Amortization/depreciation	1,540	1,719	733	519	2,073	1,675	1,033	898			5,379	4,811
ROS (%)	**3.6**	**12.4**	**23.4**	**16.9**	**13.2**	**17.7**	**12.3**	**13.5**			**13.6**	**14.9**
ROCE (%)	**7.8**	**61.7**	**63.8**	**48.1**	**39.3**	**37.6**	**37.9**	**44.3**			**36.9**	**48.3**

*) Balance at June 30, 2009, versus December 31, 2008

Related-party transactions
There have been no significant changes in reportable transactions with related parties (entities/individuals) in comparison to December 31, 2008.

Review by the statutory group auditor

The semiannual financial statements as of June 30, 2009 and 2008, have not reviewed.

Subsequent events

No reportable events have occurred after the semiannual closing date.

Management representation

"To the best of our knowledge and in accordance with the applicable interim financial reporting principles, we state that (i) RENK's interim consolidated financial statements present a true and fair view of the RENK Group's asset and capital structure, financial position and results of operations, (ii) the interim group management report presents a fair review of the Group's business trend, performance and position, and (iii) the principal risks and rewards associated with the Group's expected development for the remaining months of the fiscal year have been duly described."

Augsburg, July 28, 2009

RENK AG
The Executive Board

Financial diary, RENK Group:

Updating notice for Q3/2009	Oct. 29, 2009
Press release on financial information 2009	Feb. 15, 2010
Updating notice for Q1/2010	Apr. 29, 2010
Annual general meeting on fiscal 2009	May 06, 2010