

Augsburg, April 29, 2010

## **RENK AG Q1/2010 interim report pursuant to Sec. 37x German Securities Trading Act (“WpHG”)**

### **RENK off to a good start in fiscal 2010**

- **Q1 operating profit rising to €6 million (from €15 million in Q1/2009).**
- **Order intake in Q1 surging from €8 million to €10 million.**
- **3-month sales virtually unchanged at €10 million (down from €11 million).**
- **Sharp improvement in free cash flow, from a red € million to a black €6 million.**
- **Prospects for 2010: Order intake up, yet sales and EBIT down due to low order backlog.**

Following the 34% decline in order intake for 2009 on account of the worldwide recession, Q1/2010 business at RENK points to improvement. Highly encouraging were the orders for 5-MW wind energy gear units and a military transmission maintenance contract extending over several years. As a consequence, Q1 order intake jumped year-on-year from €8 million to €10 million. Except for the turbine and wind energy gear units, however, the desired momentum failed to materialize in the markets for industrial and marine gear units. Demand for slide bearings is starting to rebound.

At €10 million, sales remained at the year-earlier level. Whereas Vehicle Transmissions reported a robust rise in amounts invoiced thanks to sizable shipments of power packs, revenue at Standard and Special Gear Units plus Slide Bearings was up to 30% below the year-earlier figures. This is where the shrinking order backlog is increasingly taking its toll.

Q1 operating profit at €6 million was in line with expectations, with all four divisions remaining in the black.

The commissioning of the new Augsburg production shop for special gear units is proceeding to plan and hence leading to a sustained improvement in throughput times and tied-up funds.

The temporary workload shortages are being counteracted by RENK ordering, primarily, the downsizing of hours banked in flexitime accounts and, in some cases, short-time work.

Fiscal 2010 is expected to see the megacontract awarded to Vehicle Transmissions for the German infantry fighting vehicle PUMA. This will boost order intake to around €500 million. As a result of the low order backlog, sales are receding, in contrast. This factor combined with, in some areas, poor capacity utilization, will weigh on the 2010 operating profit. By flexibly responding to this situation, it is hoped, nonetheless, to close the year with a satisfactory EBIT margin (ROS).

<b>RENK Group</b>			
€million	<b>Q1/2010</b>	<b>Q1/2009</b>	<b>Change in %</b>
Order intake	110	68	+62
Sales	110	111	-1
Order backlog <sup>1)</sup>	401	415	-3
Headcount <sup>1)</sup>	1,859	1,903	-2
thereof temporary <sup>1)</sup>	27	35	-23
			<b>Change in €mill.</b>
Operating profit (EBIT)	16	15	+1
Earnings before taxes (EBT)	16	15	+1
Net income (EAT)	11	10	+1
Earnings per share in €	1.61	1.52	+0.09
Return on sales (ROS) in %	14.5	13.5	—
Capital expenditures	5	5	±0
Cash flow from operating activities	41	(4)	+45
Free cash flow	36	(9)	+45
Net liquid assets <sup>1)</sup>	88	53	+35
Equity <sup>1)</sup>	200	192	+8

<sup>1)</sup> As of March 31, 2010, vs. December 31, 2009

**RENK AKTIENGESELLSCHAFT**  
The Executive Board