

Augsburg, October 28, 2010

**RENK AG 9-month interim report pursuant to  
Sec. 37x German Securities Trading Act (“WpHG”)****The business situation at RENK: expanding order intake, shrinking sales, steady earnings**

- **3-quarter 2010 operating profit: from €47 million last year to €42 million (down 11%).**
- **ROS improves from 13.5% to 14.5%.**
- **Megacontract and rising demand in some areas boost order intake from €224 million to €439 million (up 96%).**
- **Sales drop from €348 million to €288 million (down 17%).**
- **Prospects for all of 2010:  
High order influx will result in rising sales only starting from 2012 and hence this year sales and earnings are expected to fall short of 2009.**

Q2/2010 order intake had largely benefited from the contract for transmissions destined for the PUMA infantry fighting vehicle, and the following third quarter indicated another tentative revival in order intake. Year-on-year, all RENK divisions—Vehicle Transmissions, Slide Bearings, Special and Standard Gear Units—reported higher 9-month order intake volumes.

At €100 million, Q3 sales were down 6 percent from the year-earlier €106 million while on a year-on-year 9-month comparison the shortfall was 17%. Apart from Vehicle Transmissions which again managed to boost its sales, Special and Standard Gear Units, in particular, and to a lesser degree, Slide Bearings all reported sharp declines. The reason is that in 2009 a notable volume of orders still sourced from the tall pre-recession order backlog had been shipped out and invoiced. In contrast and starting from 2010, most of the shipments refer to the whittled-down orders received back in 2008 and 2009.

Measured against the sales downtrend, the 3-quarter operating profit of €42 million (down from €47 million) was relatively strong, which was especially reflected in a 14.5% ROS (up from 13.5%). Whereas Vehicle Transmissions showed an improvement, the operating profit of Slide Bearings and Standard Gear Units was wilting, mainly due to receding sales. The poorer operating profit at Special Gear Units was chiefly related to high risk provisions.

For all of fiscal 2010 RENK reaffirms its forecasts to date:

- Order intake above €500 million.
- Sales at €400 million.
- Operating profit well short of 2009; ROS, however, remaining double digit.

## RENK Group

€million	Q1-3/2010	Q1-3/2009	Change	Q3/2010	Q3/2009	Change
			in %			in %
Order intake	439	224	+96	87	84	+3
Sales	288	348	-17	100	106	-6
Order backlog <sup>*)</sup>	549	415	+32	549	415	+32
Headcount <sup>*)</sup>	1,892	1,903	-1	1,892	1,903	-1
thereof temporary <sup>*)</sup>	79	35	+126	79	35	+126
			<b>in €mill.</b>			<b>in €mill.</b>
Operating profit (EBIT)	42	47	-5	17	14	+3
Earnings before taxes (EBT)	42	46	-4	17	14	+3
Earnings after taxes (EAT)	30	32	-2	13	10	+3
Earnings per share in €	4.36	4.75	-0.39	1.84	1.41	+0.43
Return on sales (ROS) in %	14.5	13.5	—	16.9	13.1	—
Capital expenditures	13	16	-3	4	7	-3
Cash flow from operating activities	60	40	+20	11	22	-11
Cash flow from investing activities	(12)	(16)	+4	(3)	(7)	+4
Free cash flow	48	24	+24	8	15	-7
Net liquid assets <sup>*)</sup>	89	53	+36	89	53	+36
Equity <sup>*)</sup>	202	192	+10	202	192	+10

<sup>\*)</sup> As of September 30, 2010, vs. December 31, 2009

## RENK AG The Executive Board