

Augsburg, May 3, 2011

## **RENK AG Q1/2011 interim report pursuant to Sec. 37x German Securities Trading Act (“WpHG”)**

### **RENK off to a good start in fiscal 2011**

- **Q1 order intake surging to a very commendable €125 million (up from €110 million)**
- **At €83 million sales down from €110 million**
- **Operating profit down from €16 million to €12 million**
- **ROS at 14.2% (down from 14.5%)**
- **Prospects for 2011:  
Order intake at the high level of 2010 expected. Because of poor order influx in 2009 combined with long lead times sales and earnings will still be short of the prior-year figures.**

Important markets continued to recover in Q1/2011 and there was a sharp rise in orders placed for slide bearing and special gear-unit products (especially for naval customers). In fact, RENK was selected as gear-unit supplier for 20 new vessels destined for the US Navy. The first stirrings of a resurgence in demand for merchant vessel gear units were also evident.

The inrush of orders has yet to reflect in revenue which at €83 million was down 25% from the year-earlier €110 million, unusually high because of one-off effects. The only division to generate higher sales was Slide Bearings where lead times are mostly shorter. All the other divisions—Vehicle Transmissions, Special Gear Units and Standard Gear Units—reported shrinking sales. Given the long lead times for large gear units and vehicle transmissions the situation will not change to any degree over the next quarters.

The Q1 operating profit reached €12 million, with all four divisions sharing in this positive performance. Except for Special Gear Units, all divisions achieved an ROS of beyond 10%. A major ingredient of the strong earnings was the high work load at all plants.

As to all of fiscal 2011, we can reaffirm the view stated in the 2010 annual report. Assuming Vehicle Transmissions signs a sizable export contract, total order intake is expected to match the 2010 magnitude of €500 million. Sales and operating profit this year will be slightly down despite the bulging order books since most of the delivery dates are scheduled for the following years. ROS will, nonetheless, stay double digit.

## RENK Group

€million	Q1/2011	Q1/2010	Change in %
Order intake	125	110	+14
Sales	83	110	-25
Order backlog <sup>1)</sup>	560	522	+7
Headcount <sup>1)</sup>	1,915	1,882	+2
thereof temporary employees	68	68	—
			<b>Change in €mill.</b>
Operating profit (EBIT)	12	16	-4
Earnings before taxes (EBT)	12	16	-4
Earnings after taxes (EAT)	8	11	-3
Earnings per share in €	1.23	1.61	-0.38
Return on sales (ROS) in %	14.2	14.5	—
Capital expenditures	3	5	-2
Cash flow from operating activities	18	41	-23
Free cash flow	15	36	-21
Net liquid assets <sup>1)2)</sup>	114	99	+15
Equity <sup>1)</sup>	227	217	+10

<sup>1)</sup> As of March 31, 2011, vs. December 31, 2010

<sup>2)</sup> Including long-term cash investments of €15 million

## RENK AG

### The Executive Board