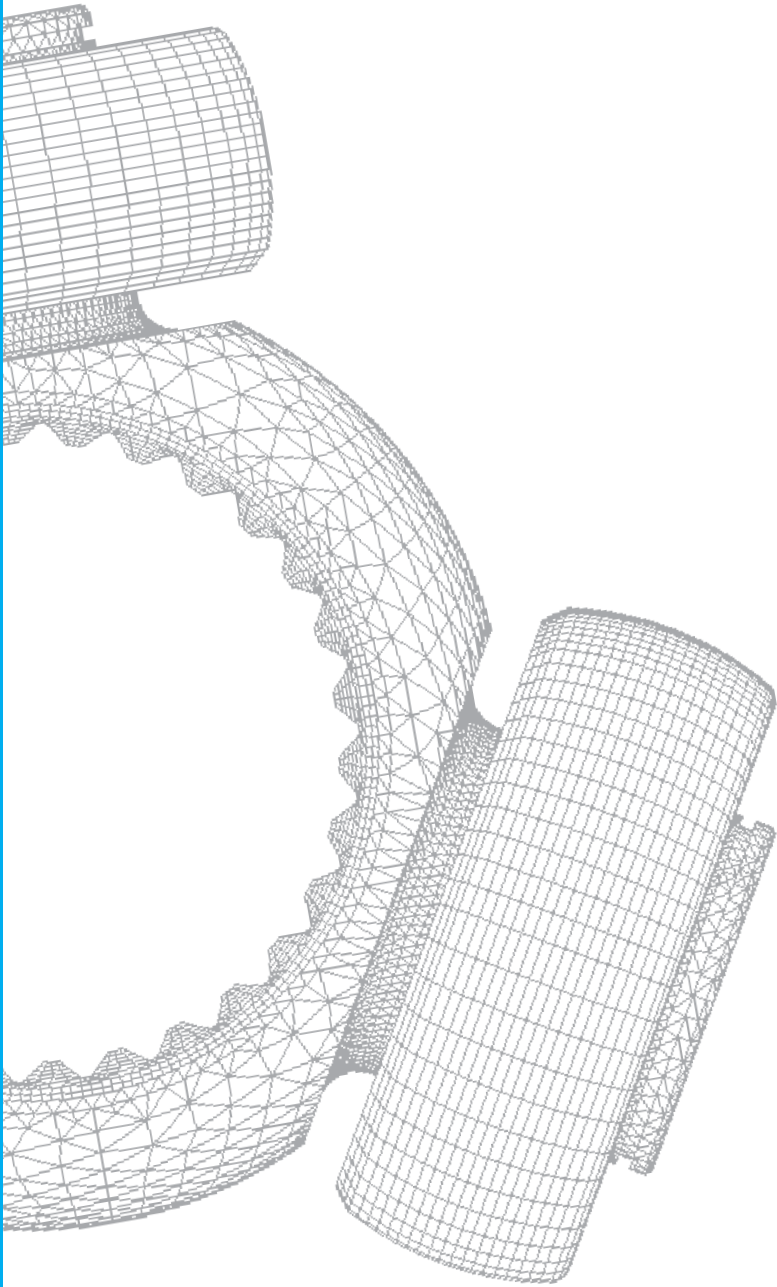
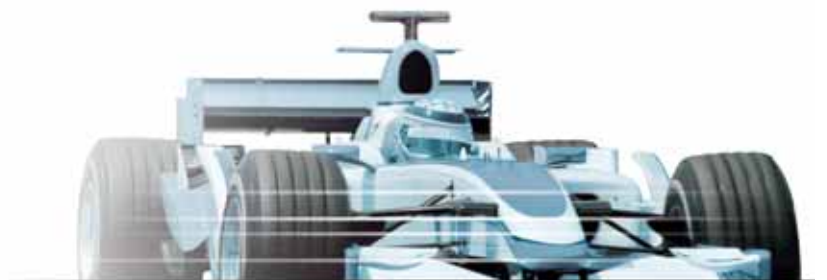


Financial Report for the First Quarter of 2009/2010



panki
RACING SYSTEMS



Key Figures

EARNING RATIOS		2005	2006	2007	2008	Q1 2009	2009	Q1 2010	Change
Revenues	in €k	82,402	93,428	100,054	105,909	24,398	88,939	19,425	(20%)
EBITDA	in €k	14,014	8,604	17,325	16,868	2,855	10,709	2,194	(23%)
EBIT	in €k	3,511	422	10,124	8,805	667	1,904	81	(88%)
Earnings before taxes (EBT)	in €k	2,845	(635)	8,446	7,364	110	(308)	(231)	(310%)
Earnings after taxes	in €k	3,817	145	8,288	6,858	84	1,199	(119)	(242%)
EBITDA margin		17%	9%	17%	16%	12%	12%	11%	–
EBIT margin		4%	0%	10%	8%	3%	2%	0%	–
BALANCE SHEET RATIOS		2005	2006	2007	2008	Q1 2009	2009	Q1 2010	Change
Total assets	in €k	114,010	119,033	127,068	141,992	137,361	122,479	118,101	(14%)
Net working capital	in €k	21,328	25,270	26,772	36,147	38,718	35,575	36,672	(5%)
Capital employed	in €k	71,808	74,582	80,823	98,924	101,950	97,155	97,172	(5%)
Shareholders' equity	in €k	57,712	57,676	64,561	67,399	64,155	62,307	62,528	(3%)
Equity in % of total assets		51%	48%	51%	48%	47%	51%	53%	–
Net debt	in €k	13,506	14,202	14,217	29,428	35,625	32,759	32,554	(9%)
Gearing		23%	25%	22%	44%	56%	53%	52%	–
CASH FLOW AND CAPEX		2005	2006	2007	2008	Q1 2009	2009	Q1 2010	Change
Cash flow									
from operating activities	in €k	5,677	1,625	17,412	8,849	(2,668)	6,834	841	neg.
Free cash flow	in €k	1,948	(2,891)	5,759	(10,362)	(3,957)	2,723	265	neg.
Capital expenditure in fixed assets	in €k	8,786	5,663	8,713	14,791	1,217	5,697	673	(45%)
EMPLOYEES		2005	2006	2007	2008	Q1 2009	2009	Q1 2010	Change
Employees per due date		660	627	859	977	990	836	825	(17%)
STOCK EXCHANGE RATIOS		2005	2006	2007	2008	Q1 2009	2009	Q1 2010	Change
Share price per due date	in €	20.85	22.50	38.20	25.30	14.00	9.60	8.35	(40%)
Number of shares issued	m share	3.88	3.88	3.88	3.88	3.88	3.88	3.88	0%
Number of treasury shares	share	95,585	95,585	585	62,861	218,115	337,563	337,563	55%
Market capitalisation	in €m	79.06	85.32	148.22	98.20	54.30	34.83	29.65	(45%)
Earnings per share	in €	0.99	0.04	2.03	1.67	0.07	0.37	0.00	(100%)
Book value per share	in €	14.84	14.83	16.61	17.34	16.50	16.03	16.08	(3%)

Interim Group Status Report

for the First Quarter of 2009/2010

- 20% year-on-year revenues decline in the first quarter of 2009/2010
- Positive operating earnings
- Positive impact of restructuring measures and efficiency improvements

REVENUES AND EARNINGS

Due to the continuing adverse economic environment, revenues declined from € 24.4m by 20.4% to € 19.4m in the first quarter of the fiscal year 2009/2010. This decline was mainly due to a very weak October. The situation improved during the course of the quarter. After a slight improvement in November, we experienced a strong December bringing us back to the some levels as last year. This development is due to the F1 testing restrictions. F1 teams develop as long as possible and are not allowed to commence testing before early February. Hence they placed their orders only from mid November onwards after they had completed their final designs. Our main production runs started later which changed the seasonal pattern of our revenues. In addition, the first quarter of the fiscal year 2008/2009 was not fully affected by the global economic crisis. In the reporting period, the Racing/High Performance Segment accounted for 83%, the Aerospace Segment for 17% of group revenues.

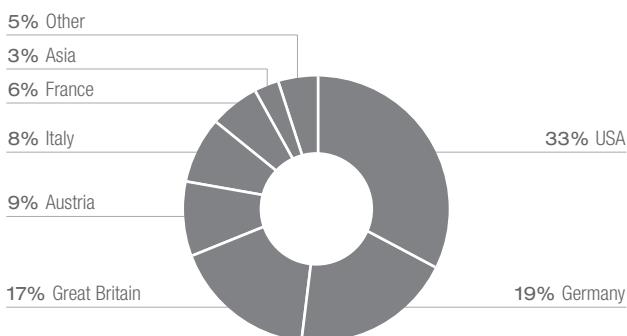
Most of the restructuring, cost savings, and efficiency improvement measures, that were implemented in the past fiscal year, impact now positively on our earnings. Personnel expenses in Q1 2009/2010, for instance, were 25% below the level in the same period last year. We can now reach break-even at lower revenues levels. We are pleased that we were able to achieve a positive operating result in the seasonally weak first quarter.

Despite a 20% revenues decline, we were able to achieve a positive EBIT of € 0.1m. This is a decline versus Q1 2008/2009, when we achieved an EBIT of € 0.7m, but is a return to profitability after the two preceding loss making quarters. While the EBIT margin declined from 2.7% to 0.4%, the EBITDA margin remained stable and amounted to 11.3% versus 11.7% in the same period last year.

The net financial result improved from € -557k to € -312k due to favourable foreign exchange movements. Net earnings before tax amounted to € -231k versus € 110k in Q1 2008/2009. Earnings after tax declined from € 84k to € -119k. Net earnings after minorities amounted to € -15k (Q1 2008/2009: € 278k), earnings per share amounted to € 0.00 (Q1 2008/2009: € 0.07). Taking into account foreign exchange profits, which were directly accounted for in shareholders' equity without impacting the profit and loss statement, would have resulted in a net result after taxes of € 221k.

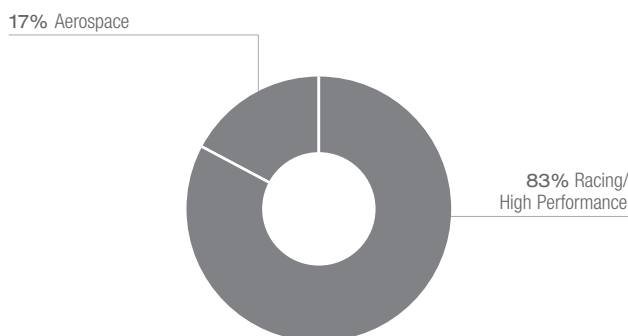
REVENUES BY REGION

Q1 2009/10



REVENUES BY SEGMENT

Q1 2009/10



Racing/High Performance Segment revenues declined from € 19.9m by 19.3% to € 16.1m in Q1 2009/2010. EBIT amounted to € 0.1m or 0.5% of revenues versus € 0.4m or 2.2% of revenues in the same period last year.

Aerospace Segment revenues declined from € 4.5m by 24.9% to € 3.4m in Q1 2009/2010. EBIT amounted to € 8k or 0.2% of revenues versus € 222k or 4.9% of revenues in the same period last year. In nearly all product programmes, we experienced volume reductions and order delays with the civil helicopter market being worse affected than the military helicopter market. Cost savings measures and efficiency improvements implemented in the past fiscal year allowed us to achieve a positive operating result also in this segment.

CASH FLOW

In Q1 2009/2010, the cash flow from earnings amounted to € 1.9m, which was € 0.4m less than in the same period last year. Due to the special effort on working capital improvements, cash flow from operating activities improved from € -2.7m in Q1 2008/2009 to € 0.8m in Q1 2009/2010. Due to decreases in capital expenditure, operating free cash flow improved from € -4.0m to € 0.3m.

BALANCE SHEET

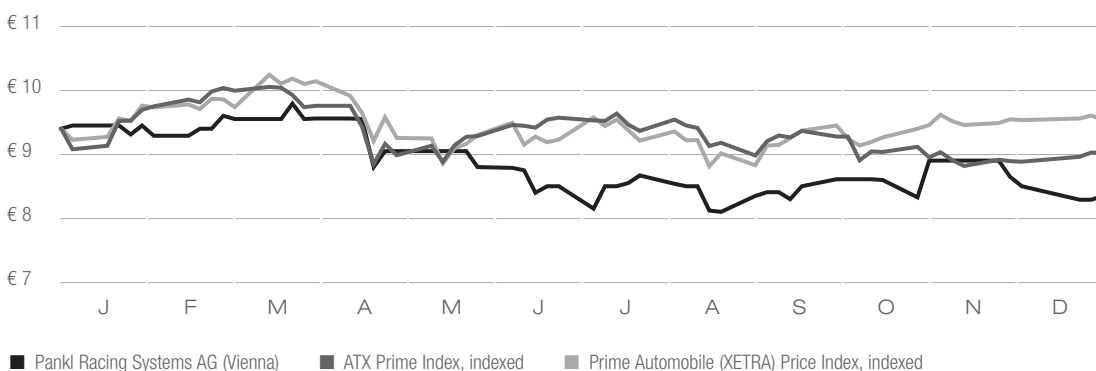
Total assets decreased from € 122.5m as of 30 September 2009 to € 118.1m as of 31 December 2009. In Q1 2009/2010, shareholders' funds increased from € 62.3m or 50.9% of total assets to € 62.5m or 52.9% of total assets. Net debt remained stable at € 32.6m (30 September 2009: € 32.8m), gearing improved from 52.6% to 52.1%.

OUTLOOK

CEO Wolfgang Plasser states: "We have reached the bottom and from December onwards we should not experience any further major revenues declines. Although we also do not expect any major revenues growth, we anticipate improving profitability in the next quarters due to the lower cost base and the seasonality of our business. It is our aim to maintain and extend our position as market and technology leader and to improve our profitability via the continuous optimisation of our production processes."

SHARE PRICE DEVELOPMENT OF PANKL SHARE

01/01/2009 – 31/12/2009



Interim Consolidated Financial Statements

on the First Quarter of 2009/2010 (acc. to IFRS)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Q1 2009/2010		Q1 2008/2009	
	in €k	in %	in €k	in %
Revenues	19.425	100.0	24.398	100.0
Cost of goods sold	(15.125)	(77.9)	(18.698)	(76.6)
Gross profit	4.300	22.1	5.700	23.4
Distribution expenses	(1.208)	(6.2)	(1.666)	(6.8)
Administrative expenses	(3.046)	(15.7)	(3.712)	(15.2)
Other operating income	179	0.9	463	1.9
Other operating expenses	(144)	(0.7)	(118)	(0.5)
Operating income (EBIT)	81	0.4	667	2.7
Financial income	159	0.8	260	1.1
Financial expenses	(471)	(2.4)	(817)	(3.3)
Financial result	(312)	(1.6)	(557)	(2.3)
Earnings before income taxes (EBT)	(231)	(1.2)	110	0.5
Income taxes	112	0.6	(26)	(0.1)
EARNINGS AFTER INCOME TAXES	(119)	(0.6)	84	0.3
<i>Attributable to shareholders of parent company</i>	<i>(15)</i>	<i>(0.1)</i>	<i>278</i>	<i>1.1</i>
<i>Attributable to minorities</i>	<i>(104)</i>	<i>(0.5)</i>	<i>(194)</i>	<i>(0.8)</i>
EARNINGS PER SHARE				
Undiluted = fully diluted earnings per share	€ 0.00		€ 0.07	

CONSOLIDATED TOTAL NET RESULTS AFTER TAX

	Q1 2009/2010			Q1 2008/2009		
	Group	Minorities	Total	Group	Minorities	Total
	in €k	in €k	in €k	in €k	in €k	in €k
Net profit after taxes	(15)	(104)	(119)	278	(194)	84
Foreign exchange differences	293	24	317	(1,065)	50	(1,015)
Cash flow hedging reserve	23	0	23	0	0	0
TOTAL NET RESULTS AFTER TAX	301	(80)	221	(787)	(144)	(931)

CONSOLIDATED BALANCE SHEET

ASSETS	31/12/2009		31/12/2008		30/09/2009	
	in €k	in %	in €k	in %	in €k	in %
SHORT-TERM ASSETS						
Cash and cash equivalents	7,967	6.8	17,875	13.0	13,055	10.7
Trade accounts receivables	12,811	10.9	17,473	12.7	12,095	9.9
Other short-term assets and receivables	2,642	2.2	3,412	2.5	2,610	2.1
Stock	31,698	26.8	33,433	24.3	30,736	25.1
Total short-term assets	55,118	46.7	72,193	52.5	58,496	47.8
LONG-TERM ASSETS						
Goodwill	9,323	7.9	9,157	6.7	9,208	7.5
Intangible assets	2,772	2.3	3,369	2.4	2,889	2.4
Fixed assets	43,687	37.0	46,492	33.9	44,949	36.7
Financial assets	2,132	1.8	2,213	1.6	2,132	1.7
Deferred taxes	5,069	4.3	3,937	2.9	4,805	3.9
Total long-term assets	62,983	53.3	65,168	47.5	63,983	52.2
TOTAL BALANCE SHEET	118,101	100.0	137,361	100.0	122,479	100.0
LIABILITIES						
SHORT-TERM LIABILITIES						
Short-term loans and short-term portion of long-term loans	6,652	5.6	10,993	8.0	6,470	5.3
Bond	14,000	11.9	0	0.0	17,000	13.9
Short-term leasing obligations	690	0.6	751	0.6	750	0.6
Other short-term liabilities	5,569	4.7	8,424	6.1	5,163	4.2
Liabilities from income taxes	10	0.0	483	0.4	0	0.0
Trade accounts payables	4,105	3.5	4,737	3.4	3,771	3.1
Provisions	105	0.1	194	0.1	182	0.1
Total short-term liabilities	31,131	26.4	25,582	18.6	33,336	27.2
LONG-TERM LIABILITIES						
Bond	0	0.0	20,000	14.6	0	0.0
Long-term loans	20,140	17.1	22,963	16.8	22,468	18.3
Long-term finance lease obligations	1,819	1.5	1,714	1.2	1,965	1.6
Personnel related provisions	926	0.8	1,133	0.8	984	0.8
Investment grants	1,112	0.9	1,011	0.7	1,112	0.9
Deferred taxes	445	0.4	803	0.6	307	0.3
Total long-term liabilities	24,442	20.7	47,624	34.7	26,836	21.9
Total liabilities	55,573	47.1	73,206	53.3	60,172	49.1
SHAREHOLDERS' EQUITY						
Share capital	3,888	3.3	3,888	2.8	3,888	3.2
Capital reserves	37,046	31.3	37,046	27.0	37,046	30.3
Treasury shares	(4,888)	(4.1)	(3,674)	(2.7)	(4,888)	(4.0)
Reserve from currency translations	23,834	20.2	24,157	17.6	23,533	19.2
Minorities	2,648	2.2	2,738	2.0	2,728	2.2
Total shareholders' equity	62,528	52.9	64,155	46.7	62,307	50.9
TOTAL BALANCE SHEET	118,101	100.0	137,361	100.0	122,479	100.0

CONSOLIDATED CASH FLOW STATEMENT

	Q1 2009/2010	Q1 2008/2009
	in €k	in €k
Earnings after tax	(119)	84
Depreciation, change of long-term provisions, profit/loss from sale of fixed assets	2,042	2,238
Cash flow from earnings	1,923	2,322
Change in other assets/liabilities	(1,082)	(4,990)
Cash flow from operating activities	841	(2,668)
Cash flow from investing activities	(576)	(1,289)
Operating free cash flow	265	(3,957)
Cash flow from financing activities	(5,353)	(2,646)
CHANGE OF CASH AND CASH EQUIVALENTS	(5,088)	(6,603)
Cash and cash equivalents		
– at the beginning of the year	13,055	24,478
– at the end of the year	7,967	17,875

SCHEDULE OF DEVELOPMENT OF SHARHOLDERS' FUNDS

	Share capital	Additional paid-in capital	Treasury shares	Reserves from retained earnings			Share- holders' funds attributable to parent's share- holders	Share- holders' funds attribut- able to minorities	Total
				Cash flow hedging reserve	Translation reserve	Other reserves from retained earnings			
	in €k	in €k	in €k	in €k	in €k	in €k	in €k	in €k	in €k
Q1 2008/2009									
Per 30/09/2008 (=01/10)	3,888	37,046	(1,361)	0	(6,246)	31,189	64,517	2,882	67,399
Earnings after tax	0	0	0	0	(1,065)	278	(787)	(144)	(931)
Treasury shares	0	0	(2,313)	0	0	0	(2,313)	0	(2,313)
PER 31/12/2008	3,888	37,046	(3,674)	0	(7,311)	31,467	61,417	2,738	64,155
Q1 2009/2010									
Per 30/09/2009 (=01/10)	3,888	37,046	(4,888)	9	(7,123)	30,647	59,579	2,728	62,307
Earnings after tax	0	0	0	23	293	(15)	301	(80)	221
PER 31/12/2009	3,888	37,046	(4,888)	32	(6,830)	30,632	59,880	2,648	62,528

Notes to the Interim Report

on the First Quarter of 2009/2010

SEGMENT REPORTING

	Racing/ High Performance	Aerospace	Total	Adjustment	Group
	in €k	in €k	in €k	in €k	in €k
Q1 2009/2010					
Segment revenues	16,091	3,417	19,508	(83)	19,425
<i>of which intra-group</i>	13	70			
<i>of which external</i>	16,078	3,347			
EBIT	73	8	81	0	81
EBIT in % of segment revenues	0.5%	0.2%	0.4%	0	0.4%
Segment assets	83,208	19,724	102,932	15,169	118,101
Segment liabilities	12,788	1,548	14,336	41,237	55,573
Segment capital expenditure	649	103	752	0	752
Segment depreciation	(1,884)	(229)	(2,113)	0	(2,113)
<i>of which exceptional</i>	0	0	0	0	0

Q1 2008/2009

Segment revenues	19,944	4,548	24,492	(94)	24,398
<i>of which intra-group</i>	44	50			
<i>of which external</i>	19,900	4,498			
EBIT	445	222	667	0	667
EBIT in % of segment revenues	2.2%	4.9%	2.7%	0	2.7%
Segment assets	91,875	21,462	113,337	24,024	137,361
Segment liabilities	16,104	2,342	18,446	54,760	73,206
Segment capital expenditure	1,075	242	1,317	0	1,317
Segment depreciation	(1,897)	(291)	(2,188)	0	(2,188)
<i>of which exceptional</i>	0	0	0	0	0

REPORTING RULES, ACCOUNTING AND VALUATION METHODS

The interim accounts per 31 December 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in accordance with interpretations of the International Reporting Interpretations Committee (IFRIC) to the extent used in the EU and in accordance with the rules for interim reports in IAS 34. The same reporting rules and accounting and valuation methods were used as per 30 September 2009. For further information please refer to our Annual Report per 30 September 2009, which served as the basis for these interim accounts.

The business of the company is divided into the Racing/ High Performance Segment (engine and drivetrain systems for motor racing and high performance vehicles) and the Aerospace Segment (drivetrain systems for the helicopter market). This segmentation is consistent with the company's management information systems.

SCOPE OF CONSOLIDATION

As of 1 October 2009, the three UK subsidiaries in Bicester, Leicester and Weymouth were merged into one company with three locations and business divisions. This name of this company is Pankl Racing Systems UK Ltd. Otherwise the scope of consolidation remained the same.

SEASONALITY OF THE BUSINESS

In the Racing/High Performance Segment, seasonal fluctuations result from the fact that the most important racing series start their racing season in spring and end it in autumn. As a result, the second quarter of our fiscal year tends to be the strongest one. The Aerospace Segment is less affected by seasonal fluctuations.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

In the first three months of the fiscal year 2009/2010, group revenues amounted to € 19,425k (Q1 2008/2009: € 24,398k), net profit after tax was € –119k (Q1 2008/2009: € 84k). In the first quarter of the current fiscal year no own shares were bought back. As of 31 December 2009, the number of shares in issue amounted to 3,550,437. The net profit attributable to shareholders amounted to € –15k (Q1 2008/2009: € 278k). Earnings per share amounted to € 0.00 (Q1 2008/2009: € 0.07).

NOTES TO THE TOTAL NET RESULTS

In the reporting period, foreign exchange differences, which were not booked through the profit and loss account, amounted to € 317k and resulted from the USD and the GBP. Reserves from cash flow hedges changed by € 23k with deferred taxes decreasing shareholders' equity by € –9k.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

In Q1 2009/2010, cash and cash equivalents decreased by € –5,088k (Q1 2008/2009: € –6,603k) due to the partial buyback of bonds issued by the Company, the continuing repayment of bank debt and seasonally high receivables and inventory levels.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Since 30 September 2009, the balance sheet total decreased by € 4,378k mainly due to the partial buyback of bonds issued by the Company and reduced capital expenditure. Shareholders' equity accounted for 52.9% of total assets and continued to remain on a high level (30 September 2009: 50.9%)

IMPORTANT EVENTS AFTER THE INTERIM BALANCE SHEET DATE

Since 31 December 2009 there were no important events that are required to be reported.

DECLARATION OF THE LEGAL REPRESENTATIVES

We confirm to our best knowledge that the group interim report, which was drawn up in accordance with the appropriate accounting rules, represents a true and fair view of the assets, the financial position and the profitability of the group. The group interim status report provides a true and fair view of the events that happened during the first three months of the fiscal year, their impact on the group interim financial statements and the risks and uncertainties for the remaining nine months of the fiscal year.

The presented interim financial report was neither subject of a full audit nor of a limited audit review by the auditor.

Bruck/Mur, on 27 January 2010

The Management Board of Pankl Racing Systems AG

Alfred Hörtenhuber
Wolfgang Plasser

FINANCIAL CALENDAR

11 MAY 2010

Publication of H1 2009/2010 figures

24 AUGUST 2010

Publication of Q1–Q3 2009/2010 figures

NOVEMBER 2010

Publication preliminary results for 2009/2009

For further information on roadshow dates
or investor conferences please visit our homepage
www.pankl.com

FOR FURTHER INFORMATION

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FURTHER INFORMATION ON PANKL SHARE

Securities code (NM): 914732
ISIN code: AT0000800800
Bloomberg symbol: PARS AV
Reuters symbol: PARS.VI

