ANNUAL CONSOLIDATED FINANCIAL STATEMENT 2010

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Group management report

I. Group activity / Industrial segment

The Rücker Group with the Rücker AG and its six domestic and 18 foreign subsidiaries is doing business mainly in the field of counselling, planning and engineering of vehicles, airplanes, plants, machinery, rail vehicles and ships as well as with the connected technical documentation. Focal points of the activities are the preparation and validation of constructional data by means of state-of-the-art CAD systems under application of time-efficient development strategies. The services are performed on the base of work contracts or by means of transfer of employees.

The customers of the Rücker Group are international corporate groups of the automotive and aviation industries and in the industries of mechanical engineering, railroad engineering and shipbuilding, as well as the suppliers of these. All rely on quality and competence. To those we provide competences, continually being developed further, within the globally acting network of the Rücker Group.

The global economic condition and the business with engineering services turned positive again in the year 2010 after the recession and the reduction in sales in the year 2009. The reason is the recovery from the global financial and economic crisis which influenced our customers' business still negatively in the last year.

The year 2010 saw particularly in China clear economic growth. In total the global economy grew by about 4.4 % after a recession by 2.5 % in the last year. Within Germany, after a reduction of about 4.7 % in the year 2009 a growth of the economic activity by 3.6 % was achieved. The economic recovery abroad started considerably earlier than inland. Today, our customers look with much more confidence into the future since their products sell, respectively sold much better globally. From this follows an increase of the engineering activities.

However, the economic recovery with a predicted growth rate of 3.6 % for the global economy could be impeded by residual risks. The moderate growth in the USA with high unemployment, the crisis in some Euro countries and the danger of a housing bubble in China might affect the economic recovery.

In the medium range, too, it is still to be expected that the business model of the Rücker AG and its subsidiaries will generate increasing sales with the performance of engineering services for new propulsion systems, ecologically friendly mobility under consideration of new safety regulations and the increasing share of electronics in passenger cars, freight vehicles, aeroplanes and plants.

During the year under report the market for engineering services was basically marked by growing awarding of contracts. The car manufacturers, our main customer group, achieved to discernibly increase their global sales, mainly because of the strong growth in China, India Russia and the USA. This caused an increase in the developing expenses, which, in turn, clearly increased the number of projects awarded to the Rücker Group.

Within the aviation industry the again increasing business in travel and cargo caused improvements in the capacity utilisation and the income situation.

The markets on which our customers act are highly competitive. The competition within the industries in which the Rücker Group is active was even further increased and is still marked by business cooperations and company takeovers. With the international positioning the Group is well primed to counter these increased challenges successfully in the future, too.

The market for engineering services is basically marked by potentials for growth resulting from the increasing multitude of models and the increased share of outsourcing from our customers. The automotive industry is challenged to develop new, particularly environmentally friendly products, like, for example, cars with hybrid or electro drives. New CO^2 standards, predetermined by governments, are to be implied by the manufacturers. Additional safety regulations and user friendly communication are also motors of the demand in development.

Research and development both play a major role in the industries in which the Rücker Group operates. The volume of research and development of the German automotive industry was estimated to be 20 billion Euro in the year 2010. The major share was processed by the manufacturers themselves. As compared to the previous year the volume was increased by about 10 %.

The Rücker companies are certified according to the following standards: DIN EN ISO 9001, DIN EN ISO 9100, DIN EN ISO/IEC 17025, SS EN ISO 14001. The EASA approval (European Aviation Safety Agency) was already awarded in the beginning of 2007 and permits us to become active for new circles of customers.

The market chances in the segment of aviation are positive, too, because of the rather long-ranged projects, even if business developed cautiously in the year 2010. The tourism industry, for example, is expected to grow within the next 10 years twice as fast as the global economy, mainly because of the developments in China and India and because of the high demand to replace highly fuel consuming aircrafts with new more economic and more silent models.

All in all the order volume of the Rücker Group followed roughly the total market. Therefore, existing market shares were defended. The main business of the Rücker Group is based on framework contracts. On that base projects can be processed revolvingly, so that the number of orders at a given date can be no indicator for the future volume of revenues.

Within our industry there is exceptionally high pressure of competition and prices, particularly if order volumes are being postponed. This pressure was slightly reduced in the year 2010.

Still many suppliers are competing in the market for development services. The market shares of these companies are, as is the market share of the Rücker Group, within the single-digit percentage range.

II. Net assets, financial position and results of operations

All in all the course of business was marked by a distinctive positive situation of incoming orders for the Rücker Group in the year 2010. The level of business activity, recovering after the global recession during the last year, did positively influence the awarding of contracts from our customers. Therefore we clearly outperformed in the year 2010 the volume of business in the last year. Revenues rose by 15.7 % from 131.3 million Euro in the year 2009 to 151.9 million Euro in the year 2010. Revenues increase was stronger abroad with + 37.7 % as inland (+ 5.2 %). The reason was the earlier recovery abroad.

The operational Group result (EBIT) for 2010 was increased in total from 3.7 million Euro to 8.1 million Euro. The reason lies within the growing business volume. The Group’s net income for 2010 was about 4.8 million Euro and was three times as high as compared to the last year (1.5 million Euro).

The reason for the increase in sales by 15.7 % is the additional demand of passenger cars, freight vehicles, aeroplanes and other assets, caused by the economic recovery. Demand rose especially in the Chinese, Russian and Indian markets. The manufacturers need new models in order to fortify market shares and to win new markets. Additionally there is a shortening of development cycles, since the intervals between market launch of a model and its replacement by a new one become increasingly shorter. Short development cycles mean for the Rücker Group a further increase in demand for development services.

Also the airplane and machine and plant manufacturers work to develop more economic, more environmentally friendly and more silent models and will in the future demand corresponding engineering services from suppliers like the Rücker Group.

In the year 2010 the Rücker Group achieved 62 % of its sales within Germany, after 68 % in the year 2009. The EBIT achieved abroad rose from kEUR 12 to 3.7 million Euro, inland from 3.7 million Euro to 4.4 million Euro. The enhancement of revenues and results in the Group was accompanied by an advancement of the EBIT margin. It rose from 2.8 % to 5.3 % in the year 2010. The net yield was increased from 1.1 % to 3.1 %.

The balance sheet total of the Rücker Group was with 87.2 million Euro (previous year 79.6 million Euro) clearly higher than last year. The property, plant and equipment were 20.0 million Euro (previous year 20.4 million Euro). The slight reduction was mainly caused by higher depreciation as compared to the investments made. Intangible assets rose slightly to 10.6 million Euro.

Because of the higher revenues volume trade receivables were increased by 2.6 million Euro to 22.1 million Euro.

The largest debt item is the shareholders' equity with 38.2 million Euro (previous year 34.7 million Euro). The rise is mainly caused by the increased capital reserves as an effect of the increased net profit for the business year 2010. The change of provisions for pensions from 3.2 million Euro to 4.1 million Euro was mainly because of the payment of a compensation on the base of a contract closed in the year 2010 on the cancellation of a reinsured pension commitment in the amount of 1.3 million Euro an from the reallocation of the remaining amount of this pension commitment as well from the adjustment of the period of service, the change of the underlying discount interest rate and from the disclosure of the plan assets. Non-current and current liabilities to banks were reduced by 0.5 million Euro. Other liabilities were slightly higher than last year (15.7 million Euro as compared to 14.1 million Euro in the last year). With an equity ratio of 43.8 % (previous year 43.6 %) the Rücker Group has a solid financing structure, both in the segment-specific comparison as well as compared to other middle market stocks. The equity covered more than the non-current assets, namely 117 % of it (previous year 106 %). The liquid funds were increased from 17.4 million Euro to 22.9 million Euro as of 31 December 2010.

The financing of the Group is being secured by the use of factoring, leasing, bank lines and the cash flow from current business operations.

The operative cash flow was increased as compared to the last year from 3.0 million Euro to 11.4 million Euro, together with the already mentioned build up in liquid funds. Opposed to the positive operative cash flow were outflows of funds from investment activities in the amount of 3.1 million Euro and from financing activities in the amount of 3.4 million Euro. The latter were mainly caused by payments of dividends (2.5 million Euro) and the repayment of credits (in balance 0.8 million Euro).

In the year 2010 we invested further into the expansion of our IT infrastructure and into experimental plants. As a result of the increased business volume investments were with 3.6 million Euro also on a discernibly higher level than last year (1.8 million Euro).

The acquisition of shares in the Czech company Rücker Immobilien spol. s.r.o., Mlada Boleslav, Czech Republic, at a price of 2.9 million Euro in the year 2008 resulted in an outflow of liquidity in the year 2010 of kEUR 450 for a purchase price instalment because of corresponding contractual agreements. The remaining purchase price of kEUR 50 is disclosed under “Other liabilities” and due to be paid in the business year 2011.

III. Non-financial indications of performance

Qualified engineers are still the most sought-after resource within the industry. Therefore, our competent, reliable and motivated engineers are the decisive competitive advantage of the Rücker AG. In order to keep our employees always up to date with technological developments and challenges we constantly invest into their further training and into attractive incentive programs. Internal trainings make sure that our engineers are internationally on the top level regarding competence and application. This is our main priority. The degree of utilization of the major part of the Rücker Group’s business units was decidedly higher in the year 2010 than in the previous year. The capacities were gradually increased by the reduction of short-time work and by new hire. The number of the employed own and contract staff was in the annual average at 2,188. Rücker Group’s employees are mainly qualified graduate engineers, design engineers and design draughtsmen. The number of the own and contractual graduate engineers, design engineers and design draughtsmen employed by the Rücker Group was increased by 116 to 2,202 by the end of the year 2010.

IV. Events after the balance sheet date

In order to further advance the business relations to the aeroplane manufacturer Airbus a joint-venture contract was closed with the Spanish company CT Ingenieros, Madrid, on 25 January 2011. Close cooperation was agreed on for the future. It was decided to establish a new joint company. To that effect the nominal capital of the CPG Cabin-Production-Group GmbH, Hamburg, was increased by kEUR 26 to kEUR 51 and the business name was changed into Rücker – CT ENGINEERING GmbH. After the capital increase the Rücker Aerospace GmbH now holds 49 % (kEUR 25) of the shares.

Further events of special importance after the balance sheet date did not occur.

V. Report on the expected development with its material chances and risks

In the year 2010 the real economy recovered clearly from the effects of the financial crisis. This caused positive effects for our customers in the automotive industry. Globally, the gain in the automotive industry was at more than 12 % and amounted to 61.7 million units. Thus our customers and their suppliers enjoyed positive effects with reduced risks of insolvency. However, the risk assessment of our customers is still extremely important.

Even if the Rücker Group is also oriented towards other industries apart from automotive and aviation, still the largest part of the revenues is being generated with customers from these segments. Should these customers cut down their expenses for research and development or their investments further, or should these customers process their projects increasingly internally instead awarding them to external service providers, the Rücker Group would be subject to additional price pressure because of the aggravated competition. The affection of the capacity utilization would negatively influence the net worth, the financial situation and the income situation of the Group.

Negative effects may also occur from the dependency from a few main customers, if these defer projects or award them to competitors. We are counteracting by increased flexibility of the resources (regarding location, time and industry) and a corresponding customer management, by which cyclic developments are partially levelled out. Under-utilization may occur here which might be compensated only partially or for a short time. Similar effects would have a reduction in the multitude of models by the manufacturers. The dependency from a few main customers shall be reduced by the development of business with suppliers and customers of the OEM.

The Rücker Group's development could be infringed by problems with the recruitment of qualified personnel since it is difficult to find engineers who can be employed for the customer orders. This situation is being countered with improved applicant's marketing, training and the organization and maintenance of an applicant's data base (also internationally).

The above-mentioned customer risks were already named in the last year and became partially weaker during the year 2010. A quantification of the risks is not possible because of the uncertainty of the occurrence and because of the existence of the counteracting instruments.

In order to be able to take early countermeasures against the outlined risks we implemented in the year 2000 a risk management system in the whole Group, which was further improved in the year 2010. This system is integrated into our current reporting system. All operating units in Germany and abroad report monthly deviations to the business plan and newly arising risks and assess these. This is an integrated process between operating unit, Group controlling, Management Board and Supervisory Board. Important risks are reported to the Management Board, which for its part informs the Supervisory Board at the overrun of certain threshold values in order to be able to take countermeasures timely. The counter measures are the tapping of new potentials with existing customers, acquisition of new customers and the adjustment of capacities and costs.

Chances are in the multitude of planned new models in the aviation and automotive industries with emphasis on eco-friendly locomotion, optimisation of consumption and in the industries of plant engineering, railroad engineering and shipbuilding.

The safety regulations to protect traffic participants are being further aggravated by EU requirements. Emergency breaking systems, lane assistance, monitoring of tyre pressure, daytime running lights are topics which will further utilize our capacities.

Alternative propulsion concepts like hybrid drives and electro drives and the optimisation of the combustion process will further improve the environmental balance of mobility. New, lighter materials will accordingly support this goal and will also cause increased development expenses.

It is important for the big manufacturers of cars and aeroplanes, ships and plants, who are our customers, to keep conceiving products which can successfully be sold on the world markets. This has broad influence on their demand of development capacities. Among others the Rücker Group offers these capacities inland and abroad. The most important topics are environment, safety and communication. The expenses for research and development mean for the manufacturers an investment into the future to protect the competitive capacity. Expansions of the range of models were announced in order to comply with the demand of more individual mobility. This means that the volume of research and development services should have a rising tendency in the years 2011 and 2012 since the manufacturers have positive market perspectives again and the sales figures keep recovering.

In turn, this means that revenues and results of the Rücker AG and its subsidiaries will develop correspondingly. The growth of the segments “national” and “international” should roughly be comparable. The improved income situation of the subsidiaries integrated into the consolidated financial statements of the Rücker AG should have positive effects on the Group’s net assets, financial positions and results. The latter depends on the sustainability of the economic recovery and on the influence on the awarding practice of the customers.

VI. Risk report regarding the usage of financial instruments

Principally there is a low risk inclination in the application of financial instruments. During the business year 2010 no hedging was made of which we would have to report within the risk reporting of financial instruments.

For factoring, leasing and bank lines the risk of changing interest rates is immanent. The management makes sure that the interest rates are in a mixture of short-, medium- and long-term levels. Therefore interest rate changing risks have little influence on the net profit of the year. As compared to the previous year the share of current financing was slightly increased on the cost of non-current financing. Financial risks would occur if credit lines would not be prolonged. This risk remains unchanged. The management makes sure by tight contact and information to all banks working for us to minimize that risk. Furthermore, there are meetings with external banks. The dependency from financing institutes is also being reduced by the cash flow, generating corresponding liquidity. In order to minimize the risk to be dependant on one source the financing is made by several means. In total the current and non-current finance and bank liabilities were by about 0.5 million Euro lower than in the year 2009. The cash and cash equivalents were increased by 5.5 million Euro.

With the bank lines granted it was mostly refrained from giving collateral. The financing to major customers collateralised with real estate is presented within the notes. In the course of the factoring receivables are sold to the financial institutes. With leasing liabilities the respective asset gives collateral. The terms of financial liabilities is reported within the notes. The Management Board analyses the term of certain financial instruments and ensures timely prolongation as far as these means are still needed.

Because of the conservative structure of the financial policy there are no material changes in market prices for the financial instruments. The same applies to currency risks, since the company operates at 82 % within the Euro zone and the currency risks from other areas are immaterial in the view of the Group. All this causes a strongly reduced currency risk, so that additional hedging is not deemed necessary.

Receivables in the main business in Germany are generally handled by factoring. With this the risks of default for receivables from main customers is immediately transferred to the financing company at the time of invoicing, and correspondingly reduced. The remaining risks of default are being countered by the agreement and monitoring of periods of payment, prepayments, granted credit lines and by active management of receivables. The economic and financial situation of the factors is continually being monitored. As far as there are still risks of default discernible appropriate valuation adjustments are made. Because of the economic framework the risk of default was slightly reduced. Important is the active monitoring of due-dates of receivables from customers.

VII. Explaining report of the Management Board of the Rücker AG on the main features of the internal control and risk management system regarding the group accounting process

The material features of the internal control system existing at the Rücker AG and of the risk management system regarding the process of (Group) accounting can be described as follows:

- The Rücker AG is marked by clear structures regarding organisation, the company, controls and monitoring.
- In order to be able to integrally analyse and control risk factors affecting income and risks for the continuation of the company there are planning systems, reporting systems, controlling systems and rapid alert systems, all tuned to each other throughout the Group.
- All functions in each field of the process of accounting are clearly allocated (e.g. financial accounting and controlling).
- The EDP systems used within the accounting are protected against unauthorised access.
- In the field of financial systems mainly standard software customised for the company's needs is used.
- An adequate internal guideline management was implemented and is being adjusted if necessary (for example there is a risk management guideline valid throughout the Group).
- All departments involved in the accounting process comply to the requirements regarding quantity and quality.

- Completeness and correctness of the accounting data is checked preferentially by plausibility analyses.
- The existing Group wide risk management system is being continually adopted to current developments and examined with regard to its efficiency.
- The four-eyes-principle and the separation of functions is generally observed with all processes relevant for the accounting.
- The Supervisory Board addresses among others material questions of the accounting, the risk management, the audit assignment and its focal points.

The internal control system and risk management system with regard to the process of accounting, whose material features are described above, makes sure that business transactions and matters are being correctly recorded, prepared and recognized within the balance sheet and that they are thus being transferred into the external accounting.

The clear monitoring and control structures and the organisational and company structures as well as the sufficient infrastructure of the accounting regarding personnel and materials are the basis for the efficient work of all areas participating in the accounting. Clear internal and statutory guidelines provide for a uniform and orderly accounting process. The risk detection by the risk management system ensures the orderly accounting.

The internal control system and risk management system of the Rücker AG makes sure that the accounting of the company and of all companies included into the consolidated financial statements is made uniformly and in accordance to the statutory provisions and to the internal guidelines. The Group risk management system, which complies to legal requirements, has the particular task to identify risks early, to assess them and to communicate them appropriately. This ensures early information for the addressee of the report.

During the business year 2010 the Deutsche Prüfstelle für Rechnungslegung (DPR) (Financial Reporting Enforcement Panel (FREP)) examined the group financial statements and the group management report in samples. During this examination the DPR established that the Group Financial Statements and the Group Management Report for the business year 2009 fully comply to the IFRS as to be applied within the EU and to the amendatory regulations of the German Commercial Code.

VIII. Additional information relevant for the acquisition according to § 315 Section 4 HGB (German Commercial Code)

1. The subscribed capital of the Rücker AG was 8,379,194 Euro as at December 31, 2010. It is divided into 8,379,194 individual bearer shares without nominal value. The share in the capital stock allotted to each individual share was as at December 31, 2010, as in the previous year, 1.00 Euro.
2. The Management Board does not know of any limitations of the voting rights.
3. The chairman of the Management Board holds through Nosta GmbH 58.86 % of the shares in the company. Mr. Heinz Ferchau, Germany, holds 20.001 % of the shares in the Rücker AG. No other share ownership of more than 10 % of the capital stock is known.
4. As far as the Management Board knows there are no shares with special rights.
5. As far as employees are participated in the capital they are not subject to any kind of voting right control.
6. The articles of incorporation provide for the Supervisory Board to appoint the members of the Management Board. The provisions of sections 84 and 85 AktG (German Stock Corporation Law) do apply. Changes of the articles of incorporation require the resolution of the general meeting of the shareholders. The provisions of sections 179 through 181 AktG do apply. The articles of incorporation provide for the Supervisory Board to resolve changes of the articles of incorporation concerning only the form. Resolutions concerning a change of the articles of incorporation require a majority of three quarters of the stock capital represented at the general meeting of the shareholders.
7. The Management Board is authorized to increase the stock capital of the company, with the approval of the Supervisory Board, until June 30, 2011 by 4 million Euro at most by means of issue of new shares. The company is authorized to acquire own shares until June 9, 2015. This authorization is limited to the acquisition of 837,919 shares. These resolutions of the shareholders' meeting of June 10, 2010 are laid out in detail within the management report.
8. There is no company's agreement subject to the condition of a change of control subsequent to a takeover bid.
9. There is no compensation agreement with the members of the Management Board or the employees in the case of a takeover bid.

Other information

Remuneration report

The remuneration of members of the Management Board is composed from several parts. The members of the Management Board are entitled, on the base of the agreed service contracts, to a fixed and to an annually variable remuneration as well as to supplementary payments and to vested rights to future pension payments from an employer's pension scheme. The variable remuneration for the Management Board is calculated as percentage of the average Group EBIT of three years. For each year there is a stipulated maximum amount to be paid. After the three business years a final calculation of the variable remuneration is made; only at that time the extra allowance is fully earned. So the calculation contains a component regarding several years. The EBIT is the Group result before interest and taxes.

The members of the Management Board have a company car at their disposal. Furthermore, there are insurances for members of the Management Board against accidents, for legal expenses and a D & O liability insurance. These insurances were contracted in the name of the company, i.e. not individually.

The D & O liability insurance was transformed according to the new statutory basis during the year 2010. This means that members of the Management Board are personally liable for up to 10 % of the damage, respectively for up to 1.5 times the annual basic salary.

Contracts with the members of the Management Board are closed for a fixed term of three to five years.

Within the current contracts with members of the Management Board there is a cap of the variable remuneration provided for in the case of extraordinary, not foreseeable developments, but not for the limitation of the performance bonus because of the prematurely ending of the work as member of the Management Board as a result of a change of control.

Options or subscription rights as well as other remunerations with long binding effect were not granted in the year 2010. The stock option plan that had started in the year 2000 is expired. The option granted to active members of the Management Board in the course of that plan expired. Mr. Rücker holds 4,932,265 shares indirectly via the Nosta GmbH, Mr. Vogt holds 2,600 shares.

The remuneration of the members of the Management Board is composed as follows:

kEUR	2010	2010	2009	2009
	W. Rücker	**J. Vogt**	**W. Rücker**	**J. Vogt**
Remuneration independent on performance incl. benefit in money's worth	667	414	586	350
Remuneration dependent on performance	400	233	280	100
Other earnings	150	100	0	4
	1,217	**747**	**866**	**454**
Total management board		**1,964**		**1,320**

An additional termination agreement was made with Mr. Wolfgang Rücker in the year 2010 regarding a pension promise against the payment of a settlement amount of kEUR 1,317. For the pay-out of the compensation the liability insurances were used, which were due in the year 2010 and which were specifically contracted for that purpose.

The remuneration does not contain the expenses for accident insurance, insurance against legal expenses, and a D&O insurance in the amount of kEUR 56 (previous year: kEUR 48).

As in the last year pension payments were made to former members of the Management Board in the amount of kEUR 34. The provisions for pension for former members of the Management Board is kEUR 599 (previous year: kEUR 692).

The remuneration of the members of the Supervisory Board was provided for within section 19 of the articles of corporation of the Rücker AG. Each member of the Supervisory Board receives, besides the reimbursement of expenses, a fixed annual remuneration in the amount of kEUR 15; the chairman of the Supervisory Board receives double remuneration, the deputy chairman 1.5 times the remuneration. Additionally, each member of the Supervisory Board receives a variable remuneration in the amount of EUR 300.00 per 0.01 EUR of distributed dividend, calculated on the dividends per share bearing dividend.

The members of the Supervisory Board disclaimed for first quarter of year 2010 10 % of the basic annual remuneration.

The remuneration of the members of the Supervisory Board is composed as follows:

kEUR	2010	2010	2010
	Mr. Mielert	Mr. Happich	Mr. Gerhardt
Remuneration independent on performance incl. benefit in money's worth	29	22	15
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	38	**32**	**24**
Total Supervisory Board			**94**

kEUR	2009	2009	2009
	Mr. Mielert	Mr. Happich	Mr. Gerhardt
Remuneration independent on performance incl. benefit in money's worth	27	20	14
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	36	**30**	**23**
Total Supervisory Board			**89**

Additionally, there is an insurance via the company for all members of the Supervisory Board against legal expenses from financial losses and a D&O insurance.

No payments were made to former members of the Management Board or the Supervisory Board, except for the pension payments for former members of the Management Board.

Declaration of the Management Board of the Rücker AG according to Section 312 paragraph 3 AktG (German Stock Corporation Law)

The report on the relations to affiliated companies of the Rücker AG, as prepared by the Management Board of the Rücker AG finishes with the following final clause:

We declare concludingly that our company received an appropriate consideration out of all legal transactions concluded during the business year 2010 considering the circumstances known to us at the moment of conclusion. No measurements were taken or omitted which would have discriminated our company.

Wiesbaden, March 4, 2011

Rücker Aktiengesellschaft

……………………..	……………………..
Wolfgang Rücker	Jürgen Vogt
-Director-	-Director-

Corporate Governance

Declaration of compliance of Management Board and Supervisory Board of the Rücker AG pursuant to Section 161 AktG (German Stock Corporation Law) on the Observance of the German Corporate Governance Code in the Version of May 26, 2010.

Upon the effective date of the German Law on Transparency and Disclosure (TransPuG) a new section 161 was incorporated into the German Stock Corporation Law. According to this the executive board and the supervisory board of a corporation listed on the stock exchange are obliged to declare annually whether the corporation complied and still complies with the recommendations of the "Regierungskommission Deutscher Corporate Governance Kodex "(Government Commission on the German Corporate Governance Code) as published by the Federal Ministry of Justice in the official part of the electronic Federal Official Gazette, or which recommendations of the Code were or are not applied. The declaration has to be accessible permanently for the shareholders.

The Code comprises regulations of different binding force. Besides presentations of the applicable Stock Corporation Law the Code contains recommendations the corporations may deviate from. However, in that case the corporations are obliged to disclose this fact annually. Furthermore the Code comprises proposals the corporations may deviate from without any obligation to announce.

The Executive Board and the Supervisory Board of Rücker AG submitted the last Declaration of Compliance according to section 161 German Stock Corporation Law in June 2010. Rücker AG complied with the recommendations of the Government Commission on the German Corporate Governance Code as amended on November 7, 2002 and will comply with the recommendations of the Government Commission as amended on May 26, 2010 with the exception of the following clauses:

- Concerning the D&O insurance there is no deductible for the Supervisory Board because of the moderate compensation (number 3.8 para. 2).
- When filling managerial positions diversity is taken into consideration. However, the greatest weight is given to the qualifications and skills of the candidates, whether male or female (number 4.1.5).
- Due to the long-standing relationships with the members of the Executive Board a limit on payments for early termination or extraordinary developments has not been put in place. A "change of control" clause does not exist. Insofar the calculation system of the Code (number 4.2.3 paras. 3,4,5) is not applicable.

- When appointing the Executive Board, the Supervisory Board also respects diversity. However, the greatest weight is given to the qualifications and skills of the candidates, whether male or female (number 5.1.2).
- Due to the low number of members no separate Supervisory Board committees have been established (number 5.3.1 to number 5.3.3).
- The code states that the Supervisory Board shall specify concrete objectives regarding its composition which, while considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the members of the Supervisory Board, and diversity. However, in view of the fact that the Supervisory Board of Rücker AG only comprises three members and the fact that new appointments to the Supervisory Board are not foreseen until 2015, the Supervisory Board has not specified any concrete objectives regarding its (future) composition to date. However, it will establish criteria that any newly elected members should fulfill in due time prior to the next Supervisory Board elections, with emphasis being placed on the candidates' qualifications and skills. These criteria will not include an age limit for members of the Supervisory Board or a quota for the percentage of male and female members, as in the view of the Company neither the age nor the sex of a person can be considered as the sole criterion for drawing any conclusions as to whether a Supervisory Board mandate can be properly or successfully carried out. It is not currently planned to publish the criteria used in the Corporate Governance Report (number 5.4.1).

Wiesbaden, February 2011

For the Management Board	For the Supervisory Board
……………………..	……………………..
Wolfgang Rücker	Tomas Mielert

Report of the Management Board and the Supervisory Board of the Rücker AG on Corporate Governance

On February 14, 2011 the Management Board and the Supervisory Board issued the declaration according to section 161 AktG, according to which the Rücker AG will in the future comply to the recommendations of the German Corporate Governance Code in the version of May 26, 2010, with six exceptions.

The current declaration of compliance as well as former declarations of compliance are being made accessible on www.ruecker.de.

Management and control structure

The Supervisory Board
The Supervisory Board comprises three members and committed itself to a Code of Procedures.

The Management Board
The Management Board comprises the chairman of the Management Board and the financial director. The Management Board of the Rücker AG committed itself to a Code of Procedures governing the board's work, especially with respect to the resorts of the individual board members and the required majority to make resolutions.

The Management Board conducts the business of the company in joint responsibility and decides on the business aims, the general strategic orientation, the company's policy and the organization of the Group. Parts of this are especially the control of the Group and of the financial resources, the development of the personnel strategy, the filling of the Group's management positions and the development of executives and the Group's presentation to the capital market and to the public. The Management Board conducts the business with the aim of sustainable creation of value in its own responsibility and in the interest of the Group, therefore under consideration of the shareholders' interests, the employees' interests and of the interest of other groups related to the business (stakeholders).

Remuneration report for the Management Board and the Supervisory Board

The following information on the remuneration of the Management Board is legally compulsory information within the notes to the financial statements according to section 314 paragraph 1 number 6a sentence 1 HGB (German Commercial Code) as well as because of the guidelines of the Corporate Governance Code.

System of the Management Board's remuneration and review

The remuneration of the members of the Management Board comprises several parts. The members are entitled on the base of their service contracts to a fixed and to an annually variable remuneration, as well as to additional compensations and to vested rights to future payments from a company pension scheme. The structure of the remuneration system as well as the adequacy of the remuneration is regularly reviewed and determined by the Supervisory Board. The variable remuneration for the Management Board is calculated as percentage of the average Group EBIT of three years. For each year there is a stipulated maximum amount to be paid. After the three business years a final calculation of the variable remuneration is made; only at that time the extra allowance is fully earned. So the calculation contains a component regarding several years. The EBIT is the Group result before interest and taxes.

The members of the Management Board have a company car at their disposal. Furthermore, there are insurances for members of the Management Board against accidents, for legal expenses and a D & O liability insurance.

The members of the Management Board are personally liable for up to 10 % of the damage, respectively for up to 1.5 times the annual basic salary.

Contracts with the members of the Management Board are closed for a fixed term of three to five years.

Within the current contracts with members of the Management Board there is a cap of the variable remuneration provided for in the case of extraordinary, not foreseeable developments, but not for the limitation of the performance bonus because of the prematurely ending of the work as member of the Management Board as a result of a change of control.

Options or subscription rights as well as other remunerations with long binding effect were not granted in the year 2010. Mr. Rücker holds 4,932,265 shares indirectly via the Nosta GmbH, Mr. Vogt holds 2,600 shares.

Remuneration of members of the Management Board

kEUR	2010	2010	2009	2009
	W. Rücker	**J. Vogt**	**W. Rücker**	**J. Vogt**
Remuneration independent on performance incl. benefit in money's worth	667	414	586	350
Remuneration dependent on performance	400	233	280	100
Other earnings	150	100	0	4
	1,217	**747**	**866**	**454**
Total management board		**1,964**		**1,320**

An additional termination agreement was made with Mr. Wolfgang Rücker in the year 2010 regarding a pension promise against the payment of a settlement amount of kEUR 1,317. For the pay-out of the compensation the liability insurances were used, which were due in the year 2010 and which were specifically contracted for that purpose.

The remuneration does not contain the expenses for accident insurance, insurance against legal expenses, and a D&O insurance in the amount of kEUR 56 (previous year: kEUR 48). These insurances were contracted in the name of the company, i.e. not individually.

As in the last year pension payments were made to former members of the Management Board in the amount of kEUR 34. The provisions for pension commitments for former members of the Management Board is kEUR 599 (previous year: kEUR 692).

Remuneration of the Supervision Board

The remuneration of the members of the Supervisory Board was provided for within section 19 of the articles of corporation of the Rücker AG. Each member of the Supervisory Board receives, besides the reimbursement of expenses, a fixed annual remuneration in the amount of kEUR 15; the chairman of the Supervisory Board receives double remuneration, the deputy chairman 1.5 times the remuneration. Additionally, each member of the Supervisory Board receives a variable remuneration in the amount of EUR 300.00 per 0.01 EUR of distributed dividend, calculated on the dividends per share bearing dividend.

The members of the Supervisory Board disclaimed for first quarter of year 2010 10 % of the basic annual remuneration.

kEUR	2010	2010	2010
	Mr. Mielert	Mr. Happich	Mr. Gerhardt
Remuneration independent on performance incl. benefit in money's worth	29	22	15
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	38	**32**	**24**
Total Supervisory Board			**94**

kEUR	2009	2009	2009
	Mr. Mielert	Mr. Happich	Mr. Gerhardt
Remuneration independent on performance incl. benefit in money's worth	27	20	14
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	36	**30**	**23**
Total Supervisory Board			**89**

Additionally, there is an insurance via the company for all members of the Supervisory Board against legal expenses from financial losses and a D&O insurance.

Mr. Mielert holds 26,325 shares, Mr. Happich 10.100 shares.

No payments were made to former members of the Management Board or the Supervisory Board , except for the pension payments for former members of the Management Board.

Shareholders and general meeting of shareholders

The shareholders of the Rücker AG protect their rights in the general meeting of shareholders. There, they exercise their right to vote, too. By means of the financial calendar, published in the Internet under www.ruecker.de the shareholders are regularly kept informed of important deadlines.

The shareholders have the possibility to exercise their voting rights personally within the general meeting of shareholders or to appoint an authorized person according to own choice or to use the company’s deputy of voting rights, who is bound by directives.

The chairman of the general meeting of the shareholders is generally the chairman of the Supervisory Board.

Accounting and year-end audit

The preparation of the consolidated financial statements for the Rücker AG is being made under consideration of the International Accounting Standards and of the International Financial Reporting Standards (IAS/IFRS).

The selection of the year-end auditor is made according to the legal requirements by the general meeting of shareholders. Before the submittal of election proposals a declaration of independence is being requested from the intended auditor. On the base of a fee contract the Supervisory Board commits the auditor to audit the consolidated financial statements and the financial statements of the Rücker AG.

Management of risks

Particulars to the risk management are presented within the management report of the financial statements.

Transparency

The Rücker AG's Management Board and Supervisory Board give a high standing to the transparency of the management of the business. Our shareholders, all participants in the financial markets, financial analysts, associations of shareholders and the media are being regularly and currently informed of the situation and of material business changes in the company. We mainly use the Internet for the comprehensive, equal and early information.

The reporting on the situation and the results of the Rücker AG is made by

- quarterly reports
- semi-annual financial reports
- the business report
- annual document
- the general meeting of the shareholders
- press conference on the financial statements
- telephone conferences
- events with financial analysts.

The times of the regularly financial reporting are combined within the financial calendar. If facts capable of considerably influencing the stock exchange price of the Rücker AG occur outside of the regular reporting intervals, these are being published by means of ad-hoc-announcements.

The ad-hoc-announcements are available in the Internet under www.ruecker.de.

Persons with management functions, particularly members of the Management Board and the Supervisory Board of the Rücker AG, as well as persons in close relationship to these, are obliged according to section 15a Wertpapierhandelsgesetz (Security Trading Law) to disclose dealings with shares in the Rücker AG or with financial instruments referring to these shares. Information on respective dealings we have published in the Internet under www.ruecker.de.

Directors´ Dealings

In the year 2010 the following director’s dealings were reported according to section 15a Security Trading Law:

Mr. Rücker, chairman of the board of management of the Rücker AG, informed us on September 3, 2010 that he acquired a total of 500 Rücker shares (ISIN/WKN DE0007041105) via the Nosta Oldtimer-Vermietungs-GmbH on August 30, 2010 at a total price of 4,975.00 Euro. The shares were acquired off-exchange:

500 shares at Euro 9.95 per share (equals 4,975 Euro)

Mr. Tomas Mielert, chairman of the supervisory board of the Rücker AG, informed us on September 21, 2010 that he acquired a total of 1,325 Rücker shares (ISIN/WKN DE0007041105) on September 20, 2010 at a total price of 13,507.50 Euro. The shares were acquired in the Xetra trade of the Frankfurt Stock Exchange as follows:

150 shares at 10.15 Euro per share (equals 1,522.50 Euro) and 1,175 shares at 10.20 Euro per share (equals 11,985 Euro).

Consolidated Statements of Financial Position

kEUR	31/12/2010	31/12/2009
A 1 Intangible assets	10,551	10,358
A 2 Property, plant and equipment	19,950	20,354
A 3 Financial assets	1,310	640
A 4 Deferred tax assets	817	1,512
Non-current assets	**32,628**	**32,864**
A 5 Inventories (work in progress)	158	0
A 6 Trade receivables	22,135	19,548
A 7 Other receivables	9,209	9,469
A 8 Current recoverable income taxes	160	286
A 9 Cash and cash equivalents	22,862	17,404
Current assets	**54,524**	**46,707**
Assets	**87,152**	**79,571**
P 1 Subscribed capital	8,379	8,379
P 2 Capital reserves	14,678	14,678
P 3 Treasury shares	-186	-186
P 4 Retained earnings	15,316	11,791
P 5 Non-controlling interests	16	42
Shareholders’ equity	**38,203**	**34,704**
P 6 Financial liabilities	7,054	9,368
P 7 Provisions for pensions	4,075	3,209
P 8 Other provisions	923	740
P 9 Deferred tax liabilities	758	690
Non-current liabilities	**12,810**	**14,007**
P 10 Current financial liabilities	10,912	9,127
P 11 Trade payables	8,510	6,150
P 12 Income tax liabilities	794	1,017
P 13 Provisions	228	439
P 14 Other liabilities	15,695	14,127
Current liabilities	**36,139**	**30,860**
Shareholders’ equity and liabilities	**87,152**	**79,571**

Consolidated Income Statements

		01/01/ - 31/12/	
	kEUR	**2010**	**2009**
G 1	**Revenues**	**151,880**	**131,322**
G 2	Cost of sales	-128,456	-113,793
	Gross profit	**23,424**	**17,529**
G 3	Other operating income	5,212	5,519
G 4	Selling expenses	-3,314	-2,981
G 5	General and administrative expenses	-15,522	-14,657
G 6	Other operating expenses	-1,547	-1,709
G 7	Goodwill impairment	-144	0
	Operating result (EBIT)	**8,109**	**3,701**
G 8	Financial result	-1,409	-1,636
	Result before income taxes	**6,700**	**2,065**
G 9	Income taxes	-1,946	-603
	Net income for the year	**4,754**	**1,462**
	Profit attributable to shareholders of the parent company	4,701	1,413
	Profit attributable to non-controlling interests	53	49
	Earnings per share		
	Average number of shares	8,356,155	8,355,088
	Earnings per share in EUR (basic and diluted)	0.56	0.17

Consolidated Statements of Comprehensive Income

kEUR	01/01/ - 31/12/ 2010	2009
Net income	**4,754**	**1,462**
Exchange differences on translation of foreign subsidiaries	1,612	449
Change in fair value of financial instruments, gross	0	3
Change in fair value of financial instruments, taxes	0	-1
Change in fair value of pension commitments, gross	-408	-201
Change in fair value of pension commitments, taxes	127	62
Other comprehensive income, after taxes	**1,331**	**312**
Comprehensive income	**6,085**	**1,774**
thereof attributable to		
shareholders of the parent company	6,032	1,725
non-controlling interests	53	49

Consolidatet Statements of Changes in Equity

kEUR	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other comprehensive income: Currency translation	Other comprehensive income: Financial instruments	Other comprehensive income: Provisions for pensions	Non-contr. interest	Total equity
As at 31/12/2008	**8,379**	**14,686**	**-199**	**13,476**	**-1,366**	**-14**	**170**	**311**	**35,443**
Adjustments according to IAS 27 (rev. 2008)				306				-306	0
As at 01/01/2009	**8,379**	**14,686**	**-199**	**13,782**	**-1,366**	**-14**	**170**	**5**	**35,443**
Net income for the year				1,413				49	1,462
Dividend				-2,506				-36	-2,542
Other comprehensive income									
- gross					449	3	-201		251
- Deferred taxes						-1	62		61
Share buy-back		-8	8						0
Others			5					24	29
As at 31/12/2009	**8,379**	**14,678**	**-186**	**12,689**	**-917**	**-12**	**31**	**42**	**34,704**
Net income for the year				4,701				53	4,754
Dividend				-2,507				-79	-2,586
Other comprehensive income									
- gross					1,612		-408		1,204
- Deferred taxes							127		127
Others									0
As at 31/12/2010	**8,379**	**14,678**	**-186**	**14,883**	**695**	**-12**	**-250**	**16**	**38,203**

Consolidated Statements of Cash Flows

kEUR			01/01/ - 31/12/ 2010	2009
1.		Net income for the year (including non-controlling interests)	4,754	1,462
2.	+/-	Depreciation/ appreciation of fixed assets	4,379	4,742
3.	+/-	Increase/decrease of provisions	-105	417
4.	+/-	Other expenses/ income recognized directly in equity	-448	-136
5.	-/+	Gains/Loss from the disposal fixed assets	-29	379
6.	-/+	Increase/decrease of inventories, trade receivables and other assets not attributable to investment or financing activities	-267	4,091
7.	+/-	Increase/decrease of trade liabilities and of other debts not attributable to investment or financing activities	3,090	-7,977
8.	**=**	**Cash flow from operating activities (total of 1 to 7)**	**11,374**	**2,978**
9.		Proceeds from disposal of property, plant and equipment	319	267
10.	-	Cash outflows for investments in property, plant and equipment	-2,862	-1,316
11.	+	Proceeds from disposal of intangible assets	1	55
12.	-	Cash outflows for investments in intangible assets	-510	-477
13.	+	Proceeds from disposals of financial assets	513	369
14.	-	Cash outflows for investments in financial assets	-95	-93
15.	-	Cash outflows from the sale of consolidated companies	0	-239
16.	-	Cash outflows for investments in fully consolidated subsidiaries	-450	-1,400
17.	**=**	**Cash flow from investing activities (total of 9 to 16)**	**-3,084**	**-2,834**
18.		Proceeds from equity contributions	0	5
19.	-	Cash outflow to company's owners and minority interests	-2,586	-2,542
20.	+	Proceeds from issue of bonds and from the raising of (financial-) credits	5,260	1,995
21.	-	Payments from the redemption of loans and (financial-) credits	-6,099	-4,940
22.	**=**	**Cash flow from financing activities (total of 18 to 21)**	**-3,425**	**-5,482**
23.		**Change in cash and cash equivalents (total of 8, 17 and 22)**	**4,865**	**-5,338**
24.	+/-	Effect of changes of exchange rate, consolidated group, valuations on cash and cash equivalents	593	145
25.	+	Cash and cash equivalents at the beginning of the year	17,404	22,597
26.	**=**	**Cash and cash equivalents at the end of the year (total of 23 to 25)**	**22,862**	**17,404**
Additional information:				
Interest paid:			599	830
Taxes on income paid:			1,189	317
Interest received:			102	163
Taxes on income recovered:			54	780

Notes to the Consolidated Financial Statements

A – Description of business activities

The Rücker AG, Kreuzberger Ring 40, 65205 Wiesbaden (Germany), (hereinafter referred to as "Rücker AG" or "company") mainly concentrates on the counselling and the planning and development of motor vehicles, aeroplanes, plants, machines, rail vehicles and ships as well as on the connected technical documentation. The main focus of the activities are the preparation and validation of construction data by means of state-of-the-art CAD systems under application of time-efficient development strategies. The locations are mainly in Germany. However, the Rücker Group is also represented in many countries of Europe, Asia and North and South America.

B – General information

The consolidated financial statements of Rücker AG, Wiesbaden, as of December 31, 2010 were prepared in accordance with the standards of the International Accounting Standards Board (IASB), London, as to be applied within the European Union, effective on balance sheet date, and according to the regulations to be applied amendatory under commercial law as set forth in section 315 a HGB (Handelsgesetzbuch - German Commercial Code). All International Financial Reporting Standards (IFRS) effective for the business year 2010 as well as all International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly Standing Interpretations Committee (SIC), were applied in the form adopted for use by the European Union.

The revised version of the IAS 27 (2008) – "Group Financial Statement and Individual Financial Statements" and of IFRS 3 (2008) "Mergers" were published in January 2008 by the IASB and were assumed into European Law on June 3, 2009 by the European Union. They are to be applied compulsory for business years starting on or after July 1, 2009. So they were firstly observed in the business year 2010. The main alteration for Rücker is that non-dominating shares which were negative because of losses incurred have to be discloses as negative from now on. This change was made with retrospective effect on January 1, 2009 and it caused a shift within the equity capital in the amount of kEUR 306 (see Calculation of Changes in the Equity Capital).

The compulsory application for the first time of the following new or revised standards did not have material influence on the net value, the financial position and the income position or on the result per share:

- Improvements to IFRS (2009)
- Changes of IFRS 2 (2009) – “Share-based payment”
- Changes of IAS 39 (2008) – “Financial instruments: recognition and measurement”
- IFRIC 15 – “Agreements for the Construction of Real Estate”
- IFRIC 16 – “Hedging of a Net Investment in a Foreign Operation”
- IFRIC 17 – “Distributions of Non-cash Assets to Owners”
- IFRIC 18 – “Transfer of Assets from Customers”

Newly issued accounting standards not prematurely applied

The IASB issued the following standards, interpretations and changes of existing standards, which do not have to be applied compulsively. Therefore, the Rücker AG did not apply those prematurely for the consolidated financial statements as at December 31, 2010. The application of these IFRS generally postulates that they were adopted by the European Union in the course of an IFRS acceptance procedure (endorsement).

- Improvements of IFRS 2008 through 2010 (Annual Improvements)
  On May 6, 2010 the IASB issued in the course of the annual “improvement project” the third bulk change of six standards and of one interpretation. The changes are mainly of an editorial nature and are to be applies compulsory to business years starting on or after January 1, 2011.

- Changes of IFRS 7 - “Financial instruments: disclosures”
  On October 7, 2010 the IASB issued changes of IFRS 7. If required the changes cause extended information within the notes to the financial statements in cases of transfers of financial assets. This is a standardisation of information requirements according to IFRS and US Generally Accepted Accounting Principles (US-GAAP). Companies have to apply the changes compulsory for business years starting on or after July 1, 2011.

- IFRS 9 – “Financial instruments” (2009 and 2010)
  The IASB intends to replace the existing IAS 39 “Financial instruments: recognition and measurement“ completely by IFRS 9. The compulsory application for the first time is for business years beginning on or after January 1, 2013.

- IAS 12 – “Income taxes”
  On December 20, 2010 the IASB issued changes to IAS 12 “Income taxes”. The compulsory application for the first time is for business years starting on or after January 1, 2012.

- Revised version of IAS 24 - “Related party disclosures”
  The revised version of IAS 24 is supposed to make clear the definition of affiliated companies and persons. The compulsory application for the first time is for business years beginning on or after December 31, 2010.

- Changes of IAS 32 (2009) – “Financial instruments: presentation”
  The changes provide for the disclosure in the balance sheet of buying options in foreign currency. The compulsory application for the first time is for business years starting on or after February 1, 2010.

- Changes of IFRIC 14 (2009) – “Prepayments in the Course of Commitments to a Minimum Remuneration”
  The changes of IFRIC 14 are to be applied compulsory for business years beginning or after January 1, 2011.

- IFRIC 19 – “Extinguishing Financial Liabilities with Equity Instruments”
  The changes of IFRIC 19 are to applied to business years beginning on or after July 1, 2010.

The application of the provisions named will have no material influence on the presentation of the consolidated financial statements, according to current assessment.

The group currency is Euro (EUR). The consolidated financial statements were prepared in thousand Euro. All amounts are stated in thousand Euro (kEUR) if not stated otherwise.

C – Basic principles, methods and valuation principles

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are disclosed at acquisition cost and they are amortized and depreciated on a straight-line basis over their estimated useful lives. The useful lives of intangible assets are two to five years, of buildings including inheritable building rights 25 to 50 years and of furniture and office equipment two to 20 years.

The Rücker AG regularly tests for impairment and considers all events or circumstances indicating impairment and requiring a new estimation of the useful lives. Except for the goodwill all intangible assets of the Group are amortized regularly.

Computer software developed or acquired for internal use is amortized over the estimated useful life, which is, as a rule, not longer than five years.

Internally generated software is disclosed according to IAS 38 at the cost of acquisition or production, as far as the following prerequisites are met: The earliest possible time for capitalization is the technical feasibility of the project, connected with the probability of the commercial success and of a future economic benefit.

Mergers

According to IFRS 3 the acquisition costs of a merger are being distributed at the time of the acquisition by capitalization of identifiable assets, liabilities and contingencies of the acquired company at current fair values.

Goodwill

IFRS 3 in accordance with IAS 36 “Impairment of Assets” (revised 2004) and IAS 38 “Intangible Assets” (revised 2004) was applied for the first time during the business year 2004 for goodwill. The required impairment test was made as of January 1, 2004 (IFRS opening balance sheet) and subsequently annually on December 31. The impairment test is made by comparison of the carrying amount of the cash generating units with its recoverable amount. The recoverable amount of the cash generating units is the higher of either fair value less costs to sell or value in use (discounted cash flows of a cash generating unit). The recoverable amount is calculated on the basis of its fair value less costs to sell. For this purpose the DCF-method is applied.

For the calculation of the fair values of the goodwills the company has also to consider material projections of future cash flows as well as of the discount rate in future periods. The projection of future cash flows is based on the company's budgets and the current business plans for the next business year. Previous experiences as well as future expectations are taken into consideration. Base for the "perpetuity" is the first and only plan year, clarified from special effects. The discount interest rate is determined on the base of the relevant market data.

Impairment of assets

Tangible and intangible assets (except for goodwill) are depreciated or amortized on a regular basis. If matters or circumstances indicate that the carrying amount of an asset might be less than its recoverable amount this asset is examined for impairment. An impairment loss is realized if the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and the value in use of an asset.

The fair value less costs to sell is the amount realizable from a sale at generally accepted market terms, less cost of realization. The value in use is the present value of the estimated future cash flows expected from the continual usage of the asset and its disposal at the end of its effective life. The recoverable amount is established for each individual asset, or, if this is not possible, for the cash-generating unit to which the asset belongs.

Finance lease

According to IAS 17 the beneficial ownership in leased assets is attributed to the Group if the Group bears substantially all the risks and rewards incidental to ownership (finance lease). In the balance sheet the company recognizes finance leases as assets and liabilities with equal amounts. This is the fair value of the leased item at the commencement of the lease term or the present value of the minimum lease payments, whichever is lower. The depreciation methods and useful lives of the capitalized assets correspond to those of comparable acquired assets. The liabilities for leased assets corresponding to the assets are disclosed under other liabilities. The interest share of the leasing payments is being recorded during the whole leasing term within the statement of profit and loss.

As far as with leasing contracts the beneficial ownership remains with the lessor (operating lease), the leased items are presented in the balance sheet of the lessor. The lease payments in the full amount are recognised as expenses.

Financial instruments

Liquid funds, available-for-sale financial assets, trade receivables, trade payables, other debts and liabilities from finance lease contracts are summarized under the term “financial instruments” with Rücker.

Rücker considers cash equivalent all liquid financial assets including all receivables due on first call from factors with an initial term of up to three months.

Certain trade receivables are being transferred to non-affiliated factors for a factoring fee. The default risk is being transferred, too. As far as the conditions of IAS 39.20 are met, the trade receivables are taken out of the trade receivables and other receivables from the factors are recorded.

Financial instruments are classified either as financial assets or financial liabilities with the initial entering according to the economic content of the contractual agreement.

With Rücker, financial instruments are classified as follows according to IAS 39 and IFRS 7:

- held-to-maturity investments
- financial assets or financial liabilities held for trading
- loans and receivables
- available-for-sale financial assets
- financial liabilities measured at amortised cost
- financial assets or financial liabilities at fair value through profit or loss

Financial assets with fixed or determinable payments and fixed terms, which the company intends and is able to keep until their final maturities are being classified as financial investments to be “held to maturity“. Financial assets or liabilities mainly acquired to gain profits from current fluctuations of prices or exchange rates are classified as financial assets “held for trade“. Available for sale investments are financial assets which are not derivative, but classified as “available for sale” and which are not (a) loans and receivables or (b) investments held to maturity or (c) financial assets or liabilities at fair value through profit or loss

Held to maturity investments are presented as non-current assets except if they are due within twelve months after the balance sheet date. Financial assets held for trading are shown as current assets. Financial assets available for sale are classified as current assets if they are due within twelve months after the balance sheet date.

When a financial asset is recognised initially it is measured at cost, which corresponds to the fair value of the consideration given; transaction cost are included. Financial assets available for sale or those held for trading are measured in subsequent years at their fair values without any deduction of transaction costs that may incur on sale and at their quoted price at balance sheet date.

Gains and losses arising from the valuation of a financial asset available for sale with its fair value are recorded directly in equity less deferred taxes, until the financial asset is realized, called in or otherwise disposed of or until for this financial asset an impairment was determined. At this time the cumulative gain or loss, previously recognized in equity is recognized in profit or loss of the period. Changes in the fair value of financial assets carried for trading are recognized in the financial result. Held-to-maturity investments are measured at amortised costs using the effective interest method.

Market value of financial instruments

The company determines the fair value of financial instruments based on the following methods and assumptions:

Cash and cash equivalents

Cash comprises the bank balance and cash in hands. Cash equivalents comprise receivables from factors due at any time. The carrying amount of cash and cash equivalents disclosed within the balance sheet corresponds to their market value.

Investments held as non-current assets

The valuation of marketable debt and equity securities is based on the corresponding quoted prices. Non-marketable financial investments are recognized at acquisition cost.

Current and non-current loan capital

Current loan capital is valued at its repayment amount. The discounting of non-current financial commitments of the Rücker AG is made by the loan capital rates for comparable credit transactions (leasing). Non-interest bearing liabilities are recognized at fair value.

Capitalization of hedging contexts

Hedging policy of the Group is to conclude only derivatives in order to hedge interest and currency risks. As at December 31, 2010 no hedges existed within the Rücker Group for risks from interest transactions or foreign currency transactions.

As far as the employed derivative financial instruments are effective hedges of the cash flows in the framework of hedging contexts according to the regulations of IAS 39 the fluctuation of the fair value during the derivative’s term do not affect the period’s results. As far as the employed financial instruments do not qualify as effective hedges according to IAS 39 all fluctuations of the market value affect the statement of profit and loss immediately.

Foreign currency sensitivity

If the Euro was 10 % increased compared to foreign currencies, the result for the period would have been kEUR 4,627 (previous year: kEUR 1,350), with a descent of the Euro by 10 % it would have been about kEUR 4,910 (previous year: kEUR 1,568).

Inventories (work in progress)

Among the inventories working hours for service orders not yet charged are being disclosed (work in progress) at cost of production. Cost of production comprises all individual costs and all directly attributable overhead, but not the profit margin.

Trade receivables and other receivables

Trade receivables and other receivables are capitalized at acquisition cost respectively considering value adjustments to the lower market value. Non-interest bearing receivables of a term of more than one year, for example from the tax authorities, are capitalized at present value. With the establishment of the valuation adjustment the Management Board relies on its knowledge of the customers’ payment behaviour, previous experiences and other indications. Payments before balance sheet date being expenses for a certain time after that date and from which a future benefit is expected are also disclosed under “Other receivables”.

Provision for pension

The valuation of pension commitments bases on the present value of potential pension method for achievement oriented benefit plans in accordance with IAS 19. The recording of actuarial gains and losses under consideration of deferred taxes is set off against the equity not affecting operating results. The interest share from the changes of the pension commitments is disclosed within the group income statement within the net interest income.

Government grants

Investment allowances and subsidies are being accrued. The dissolution is made according to the assumed effective life of the assets concerned and in favour of the other operating income. Further, the Rücker Group received during the reporting year mainly grants from the support programme of the European Social Fund for qualification measures during reception of short-time allowance. These were recorded affecting income. Investment subsidies are connected to a series of requirements. These are met, according to current knowledge.

Other provisions and accruals

Tax accruals and other provisions and accruals are made according to IAS 37, as far as from a past event a current legal or actual commitment toward third parties arises which probably leads to a future outflow of assets and if this outflow can be assessed reliably.

Provisions with a remaining term of more than one year are disclosed at their performance amount discounted to the balance sheet date. Discount amounts incurred are disclosed under additions.

Liabilities

Liabilities are generally disclosed at their repayment amount. Liabilities with a remaining term of more than one year are being capitalized at their performance amount discount to the balance sheet date. Sales before the balance sheet date being income for a certain time after that date are also disclosed as liabilities.

Tax accrual and deferral

Deferred taxes are being capitalized according to the asset-and-liability-method. With this, future tax effects of differences between the valuations within the tax balance sheet and the consolidated balance sheet, tax loss carry forwards and amounts creditable against future tax liabilities are being capitalized as deferred taxes. Claims and liabilities of deferred taxes are valued at the tax rate valid at time when the temporary accounting differences will presumably invert. The effects of changes in tax rates on the calculated deferred taxes will be entered affecting net income within the period in which the respective change will become legally effective.

As far as the realization of deferred taxes is doubtful the lower attributable current value will be capitalized.

Claims and liabilities of deferred taxes are entered into the balance sheet as long-term assets, respectively liabilities. They are not being discounted.

Treasury shares

The capitalization of treasury shares is made on the base of the acquisition cost method, in which the acquisition costs are deducted openly from the equity. Income from the sale of treasury shares is allocated to the capital reserves not affecting operating result. Losses from the sale of treasury shares up to the amount of formerly capitalized income are set off against the capital reserves. Exceeding losses are set off against the net profit for the year.

Revenues

Revenues from the service business were entered according to IAS 18 regarding the degree of completion of the business as at balance sheet date, if:

a) the amount of income can be reliably assessed;

b) it is sufficiently probable that the economic benefit from the business will flow into the company;

c) the stage of completion as at balance sheet date is reliably determined; and

d) the cost incurred for the business and those to be expected until the complete performance are reliably determined.

Determining the degree of completion is made according to the number of work hours performed until the balance sheet date.

Contingent liabilities and assets

Contingent liabilities are not disclosed within the consolidated financial statements. They are stated within the notes, except if the possibility of an outflow of resources with economic benefit is very unlikely (with contingent liabilities) or if the inflow of resources with economic benefit is likely (with contingent assets).

Estimations and assumptions

The preparation of the financial statements in conformity with the IFRS requires estimations and assumptions by the management. These affect the amounts disclosed within the balance sheet, the disclosure of contingent claims and liabilities at closing date and the disclosure of income and expenses during the period under report. The actual result may differ from these estimations and assumptions.

In the following we explain the assumptions and estimations which were underlying the management's capitalisation of assets and liabilities within the Rücker Group.

Determination of useful lifes
The determination of useful lifes for depreciable assets is made according to the anticipated usability an is based on estimations. As a guidance experiences with comparable assets were taken as a basis. The estimated useful lifes for intangible assets and tangible assets are being examined and adjusted, if necessary, at the end of each business year. However, the examination gave no reason for an adjustment.

Recoverability of assets

The Rücker Group determines for each balance sheet date whether there are indications for unscheduled depreciations of intangible assets or tangible assets. Further explanations on the basic assumptions of the impairment test are described under “A1 Intangible Assets”.

Payments to employees

With the valuation of the pension commitments the Rücker AG uses actuarial calculations based, amount others, on assumptions regarding pension increases, fluctuation and discount interest rates. Because of the long-term orientation these actuarial assumptions might be subject to material uncertainties regarding changed market and economic conditions. Thus they may differ from actual developments. This in turn might cause changes in the pension commitments and the respective future expenses.

Capitalisation of leasing

With the use of leased assets one has to assess whether all material chances and risks tied to the ownership were transferred or not. On the base of this assessment the assets will be attributed to the lessee or to the lessor.

Deferred taxes

The valuation of deferred taxes on taxable loss carry forwards requires estimations regarding the amount and the time of incurrence of the taxable income usable for the loss. For each balance sheet date the Rücker Group assesses whether the liquidability of future tax advantages are sufficiently probable in order to be capitalised as deferred taxes.

Revenue recognition

Income from service business recorded according to the degree of completion require estimations regarding the total cost of the order, of the cost that will be incurred until the completion of the order, the total sales from the order, the risks of the order and others. Continuously the management examines all estimations required in the course of the production order and adjusts these if necessary.

D – Principles of consolidation and consolidated group

Principles of consolidation

The consolidated financial statements comprise the Rücker Aktiengesellschaft and its subsidiaries. The results of the subsidiaries are being included into the consolidated financial statements from the respective moment of acquisition on. For all companies the business year is the calendar year.

The **capital consolidation** is made under application of the acquisition method. A resulting difference from the comparison of acquisition cost and acquired equity capital will be, as far as possible, attributed to the acquired assets and liabilities. A further difference is disclosed as goodwill if on the asset's side. A further difference on the capital side will be entered into the statement of profit and loss after another examination. Since the goodwill is disclosed in the respective national currency the consolidation might cause minor differences in comparison to last year's balance sheet values.

In the course of the **consolidation of debt** inter-group receivables and liabilities are being cancelled. Within the consolidated statement of profit and loss the expenses and the income are disclosed after the setting off of inter group processes (**consolidation of income and expenses**).

Inter-group gains and losses are being eliminated in the course of the **elimination of intermediate results**.

Deferred taxes are being calculated on consolidation effects.

Currency translation

Transactions and reserves in foreign currency

Transactions in foreign currency are translated at the current market price at the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the current market price at balance sheet date. Translation differences from the translation of balance sheet items are recorded within the statement of profit and loss.

Annual financial statements of foreign participations

The functional currency of all foreign subsidiaries is the respective national currency. The translation of foreign, not Euro-based financial statements, was made as follows:

The equity capital of consolidated companies are capitalized at historic prices, the assets, the provisions and liabilities as well as accruals and deferrals are capitalized at the respective market price on reporting day. Income and expenses are translated at the annual average market price. Resulting translation differences are disclosed under a separate item within the shareholders' capital.

The exchange rates of important currencies as compared to the Euro changed as follows:

		Closing rate at balance sheet date		Average rate for the period	
1 EUR		31.12.2010	31.12.2009	2010	2009
Switzerland	CHF	1.2504	1.4836	1.3803	1.5100
China	CNY	8.8220	9.8350	8.9712	9.5278
Czech Republic	CZK	25.0610	26.4730	25.2840	26.4349
Mexico	MXN	16.5475	18.9223	16.7373	18.7987
Poland	PLN	3.9750	4.1045	3.9947	4.3276
Brazil	BRL	2.2177	2.5113	2.3314	2.7674
Sweden	SEK	8.9655	10.2520	9.5373	10.6190
Romania	RON	4.2620	4.2363	4.2122	4.2399
USA	USD	1.3362	1.4406	1.3257	1.3948

Consolidated group

Company	Corporate Seat	Capital Share in %
Rücker GmbH	Wiesbaden, Germany	100.0
Rücker Akademie GmbH	Wiesbaden, Germany	100.0
Rücker EKS GmbH	Weingarten, Germany	53.1
Rücker Aerospace GmbH	Hamburg, Germany	100.0
CPG Cabin Production Group GmbH	Hamburg, Germany	100.0
VR-Leasing Malakon GmbH & Co Immo. KG	Eschborn, Germany	85.0
Rücker do Brasil Ltda.	Sao Bernardo do Campo, Brazil	100.0
Rücker Vehicle Design (Shanghai) Co.,Ltd.	Shanghai, China	100.0
Rücker France SARL	Toulouse, France	100.0
Rücker-Sier GIE	Blagnac, France	51.0
Rücker Italia S.R.L.	Robassomero, Italy	100.0
Star Design de Mexico S.A. de C.V.	Mexico City, Mexico	100.0
Rücker Ges.m.b.H.	Grambach, Austria	100.0
Wolfgang Rücker Ges.m.b.H.	Wien, Austria	100.0
Rücker Polska Sp. z oo	Warschau, Poland	100.0
Rücker Design S.R.L.	Iasi, Romania	100.0
Rücker Nord AB	Göteborg, Sweden	100.0
Rücker GmbH	Arbon, Switzerland	100.0
Rücker SR spol. s r.o.	Bratislava, Slovakia	100.0
Rücker Lypsa S.L.	Barcelona, Spain	100.0
Rücker CR spol. s r.o.	Mlada Boleslav, Czechia	100.0
Rücker Immobilien spol.s r.o	Mlada Boleslav, Czechia	100.0
Star Design of Alabama Inc.	Birmingham, USA	100.0
Silver AeroSpace B.V.	Haarlem, The Netherlands	80.0

The Rücker Beteiligungs GmbH, Vienna, Austria, was merged at carrying amount into the Wolfgang Rücker Ges.m.b.H, Vienna, Austria, with effect from January 1, 2010.

Companies included at acquisition cost

Company	Corporate Seat	Capital Share in %
Star Design (UK) Ltd.	Cambridge, Great Britain	99.9
Incat Aircraft Design B.V.	Haarlem, The Netherlands	80.0
Rücker GmbH	Kaluga, Russian Federation	51.0

The subsidiaries included at acquisition cost are individually and combined not material for the presentation of the net worth, the financial and income situation of the group. They are contained within the available-for-sales financial assets.

The Rücker GmbH, being a subsidiary, is included into the consolidated financial statements of Rücker AG, Wiesbaden, being the topmost parent company (HR B 11178 of the Local Court Wiesbaden). The Rücker AG is obliged to directly share the losses of Rücker GmbH because of the existing control agreement and profit and loss transfer agreement according to section 302 AktG (German Stock Corporation Law). The respective declarations were disclosed according to section 325 HGB (German Commercial Law) at the commercial register of the Rücker GmbH. The shareholders of the Rücker GmbH resolved on November 1, 2010 unanimously to exercise the escape clause of section 264 paragraph 3 HGB for the business year 2010 and to refrain from preparing a management report for the business year 2010 according to section 289 HGB. Further it was resolved to not disclose the financial statements for the year 2010.

The Rücker Aerospace GmbH, being a subsidiary, is included into the consolidated financial statements of Rücker AG, Wiesbaden, being the topmost parent company (HR B 11178 of the Local Court Wiesbaden). The Rücker AG is obliged to directly share the losses of Rücker Aerospace GmbH because of the existing control agreement and profit and loss transfer agreement according to section 302 AktG (German Stock Corporation Law). The respective declarations were disclosed according to section 325 HGB (German Commercial Law) at the commercial register of the Rücker Aerospace GmbH. The shareholders of the Rücker Aerospace GmbH resolved on October 29, 2010 unanimously to exercise the escape clause of section 264 paragraph 3 HGB for the business year 2010 and to refrain from preparing a management report and notes for the business year 2010. Further it was resolved to not disclose the financial statements for the year 2010.

The Rücker Akademie GmbH, being a subsidiary, is included into the consolidated financial statements of Rücker AG, Wiesbaden, being the topmost parent company (HR B 11178 of the Local Court Wiesbaden). The Rücker AG is obliged to directly share the losses of the Rücker Akademie GmbH because of the existing control agreement and profit and loss transfer agreement according to section 302 AktG (German Stock Corporation Law). The respective declarations were disclosed according to section 325 HGB (German Commercial Law) at the commercial register of the Rücker Akademie GmbH. The shareholders of the Rücker Akademie GmbH resolved on November 1, 2010 unanimously to exercise the escape clause of section 264 paragraph 3 HGB for the business year 2010 and to refrain from preparing notes for the business year 2010. Further it was resolved to not disclose the financial statements for the year 2010.

E – Notes to the Statements of Financial Position

A 1 Intangible assets

The goodwill was initially created with the acquisition of the following companies:

kEUR	31.12.2010	31.12.2009
Rücker Nord	4,491	3,931
Rücker Lypsa	4,547	4,547
Rücker Immobilien	0	137
	9,038	**8,615**

Each company is a cash generating unit. The Rücker Nord and the Rücker Lypsa mainly offer development services. Object of the Rücker Immobilien is the lease of flats and of commercial premises. The annual impairment test as at December 31, 2010 caused on the basis of the underlying information no need to depreciate goodwills of the Rücker Nord and the Rücker Lypsa. Even the decrease of the discount rates by 0.5 percentage points would in neither case cause a depreciation.

For the Rücker Immobilien the annual impairment test resulted in the need to depreciate. Therefore, the goodwill as at December 31, 2010 was amortized in the amount of kEUR 144. The change of the goodwills of the Rücker Nord and of the Rücker Immobilien until the moment of the depreciation on December 31, 2010 (kEUR 144) result from currency translation differences as compared to the previous year.

Basic assumptions for the calculation of the achievable amount

With the calculation of the current value as at December 31, 2010 less selling costs (by means of the DCF method) of the cash generating units there are uncertainties because of the estimations of the underlying assumptions. This applies particularly to:

- EBIT,
- discounting interest rate and
- growth rate underlying the extrapolation of cash flows forecasts outside of the budget period.

The EBIT level underlying the planning is determined for all cash generating units with the half of the annual planning period.

The discount interest rates reflect the current interpretation of markets regarding the specific risks to attributed to the cash generating units. The discount interest rate was estimated on the base of the average weighted capital costs (WACC) customary in the trade.

For purposes of the impairment test the discounting of the expected cash flows was made at discounting rates after taxes from 10.18 % for the Rücker Lypsa (previous year: 8.15 %), 6.66 % for the Rücker Nord (previous year: 8,18 %) and 5.63 % for the Rücker Immobilien (previous year: 6.91 %), each p.a.

The growth rate underlying the planning of the perpetuity assumes a sustainable growth of 1 % p.a. respectively.

A1 Intangible assets

kEUR	Acquired and internally generated software	Goodwill	Total
Cost			
At January 1, 2009	16,601	19,378	35,979
Additions	501	0	501
Disposals	-733	0	-733
Disposal from the consolidated group	-55	-156	-211
Currency translation	106	287	393
At December 31, 2009	**16,420**	**19,509**	**35,929**
Additions from the consolidated group	0	0	0
Additions	551	0	551
Disposals	-3,131	0	-3,131
Currency translation	107	727	834
At December 31, 2010	**13,947**	**20,236**	**34,183**
Accumulated amortization			
At January 1, 2009	14,332	10,988	25,320
Additions	853	0	853
Disposals	-570	0	-570
Disposal from the consolidated group	-41	-156	-197
Currency translation	103	62	165
At December 31, 2009	**14,677**	**10,894**	**25,571**
Additions	777	144	921
Disposals	-3,121	0	-3,121
Currency translation	101	160	261
At December 31, 2010	**12,434**	**11,198**	**23,632**
Net carrying amounts			
At December 31, 2009	**1,743**	**8,615**	**10,358**
At December 31, 2010	**1,513**	**9,038**	**10,551**
Amounts included for Finance lease			
At December 31, 2009	**33**	**0**	**33**
At December 31, 2010	**40**	**0**	**40**

A 2 Property, plant and equipment

kEUR	Land, leasehold rights and buildings	Technical equipment, plant and machinery	Other equipment, fixtures and furnitures	Con-struction in progress	Total
Cost					
At January 1, 2009	16,660	1,951	31,231	16	49,858
Additions	1	151	1,399	160	1,711
Disposals	0	-7	-2,272	0	-2,279
Disposal from the consolidated group	0	0	-213	0	-213
Reclassifications	0	0	16	-16	0
Currency translation	90	2	240	0	332
At December 31, 2009	**16,751**	**2,097**	**30,401**	**160**	**49,409**
Additions from the consolidated group	0	0	0	0	0
Additions	6	37	2,816	219	3,078
Disposals	0	0	-3,493	0	-3,493
Reclassifications	0	-22	182	-160	0
Currency translation	247	12	302	0	561
At December 31, 2010	**17,004**	**2,124**	**30,208**	**219**	**49,555**
Accumulated depreciation					
At January 1, 2009	3,787	1,435	21,902	0	27,124
Additions	616	182	3,090	0	3,888
Disposals	0	-3	-2,017	0	-2,020
Disposal from the consolidated group	0	0	-124	0	-124
Currency translation	18	2	167	0	187
At December 31, 2009	**4,421**	**1,616**	**23,018**	**0**	**29,055**
Additions	628	171	2,659	0	3,458
Disposals	0	0	-3,213	0	-3,213
Currency translation	65	11	229	0	305
At December 31, 2010	**5,114**	**1,798**	**22,693**	**0**	**29,605**
Net carrying amounts					
At December 31, 2009	**12,330**	**481**	**7,383**	**160**	**20,354**
At December 31, 2010	**11,890**	**326**	**7,515**	**219**	**19,950**
Amounts included for Finance lease					
At December 31, 2009	**0**	**157**	**1,388**	**0**	**1,545**
At December 31, 2010	**0**	**110**	**785**	**0**	**895**

A 3 Financial assets

The loans to and receivables from third parties are mainly claims from subsidies. The available-for-sales securities contain besides marketable debt issues and dividend papers also participations and shares in affiliated companies not included into the consolidated financial statements.

kEUR	Loans and receivables third parties	Loans due to group companies non consolidated	Available-for-sale securities	Reimbursment-right	Total
Cost					
At January 1, 2009	741	0	348	0	1,089
Additions	89	0	4	0	93
Disposals	-369	0	0	0	-369
Disposal because of initial consolidation	0	0	-51	0	-51
Currency translation	0	0	8	0	8
At December 31, 2009	**461**	**0**	**309**	**0**	**770**
Additions	83	10	2	1,065	1,160
Disposals	-503	-10	0	0	-513
Disposal because of initial consolidation	0	0	0	0	0
Currency translation	0	0	22	0	22
At December 31, 2010	**41**	**0**	**336**	**1,065**	**1,442**
Accumulated amortization and valuations not affecting income					
At January 1, 2009	0	0	131	0	131
Valuation not affecting income	0	0	0	0	-3
Amortization	0	0	0	0	0
Currency translation	2	0	0	0	2
At December 31, 2009	**2**	**0**	**128**	**0**	**130**
Valuation not affecting income	0	0	-1	0	-1
Amortization	0	0	0	0	0
Currency translation	1	0	-1	0	0
At December 31, 2010	**3**	**0**	**129**	**0**	**132**
Net carrying amounts					
At December 31, 2009	**459**	**0**	**181**	**0**	**640**
At December 31, 2010	**38**	**0**	**207**	**1,065**	**1,310**

A 5 Inventories

kEUR	31.12.2010	31.12.2009
Work in progress	158	0
	158	**0**

A 6 Trade receivables

Receivables are valued at nominal value less allowances for doubtful accounts.

kEUR	31.12.2010	31.12.2009
Gross trade receivables	23,220	22,702
Individual value adjustments	-1,085	-3,154
	22,135	**19,548**

Age structure of the net receivables

thereof past due but nor impaired:		
3 months past due	1,889	1,627
4 to 6 months past due	505	435
7 to 12 months past due	826	712
more than 12 months past due	97	84

Development of allowances

kEUR	
At January 1, 2009	3,425
Consumption and income from retransferral	-572
Additions	301
At December 31, 2009	**3,154**
Consumption and income from retransferral	-2,249
Additions	180
At December 31, 2010	**1,085**

A 7 Other receivables

kEUR	31.12.2010	31.12.2009
Other receivables from third parties	7,897	8,540
Deferred expenses and accrued income	1,305	929
Other receivables from group companies not consolidated	7	0
	9,209	**9,469**

A 9 Cash and cash equivalents

kEUR	31.12.2010	31.12.2009
Cash in hand	39	37
Bank balances	17,992	11,314
Receivables from the factor due on first request	4,831	6,053
	22,862	**17,404**

P 1 – P 5 Shareholders' equity

The issued capital of Rücker AG is still EUR 8,379,194 as of December 31, 2010. It has not changed compared to the previous year. It is divided into 8,379,194 individual no-par-value bearer shares. Every share grants one voting right.

The part of the capital stock attributed to the individual share is EUR 1.00.

Authorized capital

The Management Board is authorized by the articles of incorporation and depending on the Supervisory Board 's approval to increase the company's nominal capital until June 30, 2011 by up to 4,000 kEUR at the most by issuing new bearer shares denominated for the bearer against cash and / or contribution in kind once or several times.

Furthermore, the Management Board is authorized depending on the Supervisory Board's approval in the course of utilization once or several times of the nominal capital

a) to exclude the shareholders' subscription right for contribution in kind with a capital increase;

b) to exclude the shareholders' subscription right for contribution in cash or in kind with a capital increase for the purpose of the acquisition of companies or participations in companies; the acquisition of a company or of a participation may only be made if the subject of the target company is substantially within the frame of the company's purpose according to section 2, paragraph 1, of the articles of incorporation or within the well understood interest of the company, and

c) to exclude the shareholders' subscription right in order to exempt possible residual amounts with the determination of subscription ratios.

The Management Board was authorized, with the approval of the Supervisory Board, to determine the further particulars of the corresponding capital increases as well as the conditions of issuing stocks and to determine the contents of the stock options. In particular the Management Board was authorized, with the approval of the Supervisory Board, to restrict the shareholders' stock options to an indirect stock option according to section 186, paragraph 5, sentence 1, AktG (German Stock Corporation Law).

The Supervisory Board was authorized to change the articles of incorporation with respect to the capital increase from authorized capital

Capital reserves

The group's capital reserves contain mainly transfers into the capital reserve of the Rücker AG, resulting from the issuing of the shares in the course of the initial public offer and from the acquisition of subsidiaries. Further than that the reserves result from additions to and distribution of the revenue reserves in connection with additions and disposals of own shares and of the share options in previous years.

Retained earnings

The retained earnings comprise the net results of former years after the distribution of dividends and the profit of the current year as well as the negative shares attributable to minority shareholders. Further, correcting items are included from the currency translation and adjustments not affecting income from financial instruments and pension commitments.

Treasury shares

On June 10, 2010 the general meeting of shareholders authorized the Management Board to acquire shares for the company until June 9, 2015 for the legally approved purposes, especially in order to do the following under exclusion of the subscription right of the shareholders:

- offer these to third parties in the course of business mergers or the acquisition of companies or parts of companies or participations;
- sell these with the Supervisory Board's approval at a price not materially below the stock market price of the company's shares at the time of sale; or
- call them in without the requirement of a further shareholders' resolution.

The authorization is limited to the acquisition of 837,919 shares with a proportionate share in the capital stock of 837,919 Euro. This represents 10 % of the capital stock. The authorization may be executed wholly or in instalments, once or several times, in the pursuit of one or several purposes. The authorization may not be used by the company for the purpose of trading in own shares.

The shareholders' purchase right to the own shares of the company is excluded insofar these shares are used according to the above authorisations.

As at balance sheet date there were still 23.039 pieces of own shares in the possession of the group.

P 6 Non-current financial liabilities

kEUR	31.12.2010	31.12.2009
Loans from banks	6,620	8,598
Loans from third parties	0	47
Leasing liabilities intangible fixed assets	18	10
Leasing liabilities tangible fixed assets	416	713
	7,054	**9,368**

P 10 Current financial liabilities

kEUR	31.12.2010	31.12.2009
Loans from banks	10,334	8,013
Loans from third parties	79	184
Leasing liabilities intangible fixed assets	23	25
Leasing liabilities tangible fixed assets	476	905
	10,912	**9,127**

Development of non-current and current financial liabilities:

	Loans due to		Finance lease liabilities		Total
kEUR	banks	third parties	intangible assets	property, plant & equipment	
At January 1, 2009	18,330	272	99	2,416	21,117
Addition	1,946	116	24	395	2,481
Repayment	-3,502	-157	-88	-1,193	-4,940
Repayment consolidation group	-163	0	0	0	-163
At December 31, 2009	**16,611**	**231**	**35**	**1,618**	**18,495**
Addition	5,304	9	40	217	5,570
Repayment	-4,961	-161	-34	-943	-6,099
At December 31, 2010	**16,954**	**79**	**41**	**892**	**17,966**

The payments for the liabilities will develop as follows according to current knowledge:

kEUR	Book value 31.12.2010	Cash-Flow 2011	Cash-Flows 2012 to 2014	Cash-Flows 2015 to 2019
Loans from banks	16,954	10,334	3,617	3,003
Loans from third parties	79	79	0	0
Leasing liabilities intangible fixed assets	41	23	18	0
Leasing liabilities tangible fixed assets	892	476	273	143
	17,966	**10,912**	**3,908**	**3,146**

Due dates of non-current financial liabilities

kEUR	31.12.2010	31.12.2009
Year n + 2	1,853	1,927
Year n + 3	1,178	1,277
Year n + 4	877	2,080
Year n + 5	815	752
Subsequent years	2,331	3,332
	7,054	**9,368**

Of which due dates of non-current leasing liabilities

kEUR	31.12.2010	31.12.2009
Year n + 2	219	394
Year n + 3	56	153
Year n + 4	16	16
Year n + 5	14	16
Subsequent years	129	144
	434	**723**

Within the loans from banks (current and non-current) a real estate loan is included in the amount of kEUR 5,033 (previous year: kEUR 5,531), still interest bearing at a rate of 4.95 % per year. It is repayable at a monthly annuity instalment of still kEUR 64.

For the bank loans the group gave the following collateral:

- First mortgages in a total amount of EUR 0.7 million on one piece of land
- Encumbrance of real property in a total amount of EUR 9.0 million on one piece of land
- Encumbrance of real property in a total amount of EUR 1.35 million on one piece of land.

P 7 Provision for pensions

The pension obligations exist as follows:

kEUR	31.12.2010	31.12.2009
As at the end of the period	5,299	6,499
Plan Assets	-1,224	-3,290
	4,075	**3,209**

Presumably kEUR 21 will be paid into the plan in the year 2011.

Changes of provisions for pension

kEUR	31.12.2010	31.12.2009
As at the beginning of the period (DBO)	6,499	5,875
Current working time expenses (incl. interest expenses)	456	521
Paid old-age benefits	-102	-98
Settlement	-1,317	0
Gains on settlement	-645	0
Actuarial losses	408	201
	5,299	**6,499**

The pension benefits are partially secured by liability life-insurance policies (plan assets). The expected interest of the fund assets corresponds to the minimum interest stated by the insurance company.

Personnel provision expenses within the income statement

kEUR	31.12.2010	31.12.2009
Current working time expenses	121	168
Interest expenses (within financial result)	335	353
	456	**521**

The current expenses for service time are recorded within administrative expenses.

Actuarial information

	2010	2009	2008	2007
Discount rate	5.30%	5.80%	6.00%	5.50%
Increase of current pension payments	1.50%	1.50%	1.50%	1.50%
Calculation base: Guideline table Heubeck	2005 G	2005 G	2005 G	2005 G
Employee turnover:				
Rücker AG	0.00%	0.00%	0.00%	0.00%
Rücker GmbH	5.00%	3.00%	4.00%	5.00%
Rücker Akademie GmbH	0.00%	0.00%	0.00%	0.00%
Rücker Aerospace GmbH	11.00%	16.70%	0.00%	11.00%
Expected interest yield of fund´s assets	4.40%	4.40%	4.60%	4.60%
Active members	103	108	112	116
Retired expectancies	104	104	105	105
Persons on old age pensions	54	49	45	40

The differences between the expected values of the pension expectancies and the pension provisions and their actual values were as follows in the past years:

	2011	2010	2009	2008	2007
Expectancy´s present value		5,299	6,499	5,875	5,895
Expectancy´s values expected	5,608	6,838	6,291	6,312	8,064
Deviation		-1,539	208	-437	-2,169
Deviation in %		-29.04%	3.20%	-7.00%	-18.06%
Plan Assets		-1,224	-3,290	-3,028	-2,778
Provisions for pensions net		4,075	3,209	2,847	3,117

The high deviation of 29.04 % between the expected accrued pension rights and the actual present value of entitlement results from a cancellation agreement on the stipulated pension promise against payment of a settlement amount equal to the taxable current worth of a pension promise.

The actuarial gains and losses after consideration of deferred taxes developed as follows:

in kEUR	
Accumulated actuarial losses as at 31.12.2007	1,519
Related deferred taxes	-471
Net as at 31.12.2007	-125
Adjustment deferred taxes because of changed tax rate 2008	427
Related deferred taxes	-132
Net actuarial losses as at 31.12.2008	170
Net as at 2009	-201
Related deferred taxes	62
Net actuarial profit as at 31.12.2009	31
Net as at 2010	**-408**
Related deferred taxes	**127**
Net actuarial losses as at 31.12.2010	**-250**
Thereof disclosed within capitalized income and expenses	-250

The pension payments have the following expected maturities:

kEUR	
Year 2011	109
Year 2012	124
Year 2013	145
Year 2014	157
Years 2015 to 2020	1,867

P 8 + P 13 Provisions

P 8 Non-current provisions

kEUR	31.12.2010	31.12.2009
Provisions for employees	557	353
Other provisions and accruals	366	387
	923	**740**

P 13 Current provisions

kEUR	31.12.2010	31.12.2009
Other provisions	228	439
	228	**439**

Analysis of non-current provisions

kEUR	Personell provisions	Other provisions	Total
At January 1, 2010	353	387	740
Usage	0	-66	-66
Retransfer	0	0	0
Addition	172	0	172
Currency effects	32	45	77
At December 31, 2010	**557**	**366**	**923**
Maturity in 2 to 5 years	548	366	914
Maturity after 5 years	9	0	9

Analysis of current provisions

kEUR	Other provisions
At January 1, 2010	439
Usage	-334
Retransfer	-18
Addition	140
Currency effects	1
At December 31, 2010	**228**

P 11 Trade payables

kEUR	**31.12.2010**	**31.12.2009**
Trade liabilities	7,120	4,854
Trade liabilities to affiliated companies, not consolidated	54	54
Liabilities for outstanding invoices	1,316	1,225
Trade liabilities - for affiliates	20	17
	8,510	**6,150**

P 14 Other liabilities

kEUR	31.12.2010	31.12.2009
Other liabilities to third parties	1,906	2,988
Liabilities other taxes	5,550	4,064
Other liabilities to employees - Holiday	1,824	1,469
Other liabilities to employees - Profit sharing	993	677
Other liabilities to employees - Overtime	2,512	2,230
Other liabilities to employees - Severance payments	119	52
Other liabilities to employees - Others	387	343
Other liabilities from social security	798	695
Other liabilities to affiliated persons	695	943
Deferred income and accrued expenses	911	666
	15,695	**14,127**

A 4 + P 9 Deferred taxes

Deferred taxes are capitalized for temporary differences between tax balance sheet and IFRS-balance sheet, as well as for consolidation effects and for accumulated losses brought forward.

The deferred tax assets and tax liabilities are attributed to the following balance sheet Items:

kEUR	31.12.2010 Assets	31.12.2010 Liabilities	31.12.2010 Net
Intangible assets	92	31	61
Property, plant and equipment	54	802	-748
Financial assets	0	13	-13
Trade receivables	6	193	-187
Non-current financial liabilities	212	0	212
Provisions for pension	326	0	326
Other non-current provisions	49	90	-41
Current financial liabilities	206	0	206
Current provisions	38	0	38
Other liabilities	161	0	161
Value adjustments on loans	0	353	-353
Value adjustments on receivables	0	20	-20
Tax loss carryforwards	417	0	417
Subtotal	1,561	1,502	59
thereof eligible for netting out	-744	-744	0
Total	**817**	**758**	**59**

kEUR	31.12.2009 Assets	31.12.2009 Liabilities	31.12.2009 Net
Intangible assets	105	42	63
Property, plant and equipment	811	1,867	-1,056
Financial assets	5	0	5
Trade receivables	5	165	-160
Non-current financial liabilities	293	0	293
Provisions for pension	237	0	237
Other non-current provisions	58	79	-21
Current financial liabilities	333	0	333
Trade payables	2	0	2
Current provisions	108	0	108
Other liabilities	425	0	425
Value adjustments on loans	0	352	-352
Value adjustments on receivables	0	1	-1
Tax loss carry-forwards	946	0	946
Subtotal	3,328	2,506	822
therof eligible for netting out	-1,816	-1,816	0
Total	**1,512**	**690**	**822**

On December 31, 2010 there are tax loss carry forwards within Germany in the amount of approx. kEUR 94 (previous year: EUR 1.0 million), which can be set off unlimitedly with future taxable profits and for which deferred taxes in the amount of kEUR 29 (previous year: EUR 0.3 million) were capitalized. Further tax loss carryforwards are still in the amount of EUR 9.8 million and currently not usable. Because of the positive income expectations deferred taxes in the amount of kEUR 388 (previous year: 0.6 million) were calculated for loss carryforwards from companies abroad in the amount of kEUR 1,438. These can be set off according to the respective national tax law with taxable future profits within a period of 15 years. For loss carry-forwards in the amount of EUR 5.0 million (previous year: EUR 2.8 million) no deferred taxes were capitalized.

As opposed to previous year for the first time loss carryforwards of the Silver Aerospace B.V. in the amount of about EUR 1.5 million are contained of which it was assumed previously that they were not available any more.

For the domestic companies there is generally a tax rate of still about 31 % applicable. The foreign tax rates are between 3.50 % and 35.00 % (in the previous year: 3.55 % to 35.00 %).

Transition from the expected to the actual tax expenditures

kEUR	**31.12.2010**	**31.12.2009**
Result before income taxes	6,700	2,065
Expected taxes on income	2,077	640
Differences caused by tax rate	-383	-281
Adjustment deferred tax assets after assessment	-112	-232
Tax free income	-25	-19
Expenses not tax deductible	175	365
Effects of using previously not valued loss carryforwards	92	190
Use of previously not valued loss carryforwards	67	-15
Adjustment losscarryforward after assessment	41	-41
No taxes on impairment goodwill	14	33
Tax burden from prior years	0	0
Deferred taxes unrelated to accounting period	0	0
Others	0	-37
Actual tax expenditures	**1,946**	**603**

F- Notes to the Income Statements

Preparation according to the type of expenditure format

Within the cost-of-sales accounting format personnel expenses, cost of materials and depreciation are distributed as follows:

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Personnel expenses	**99,273**	**89,958**
thereof in cost of sales line G 2	87,394	79,506
thereof in selling expenses line G 4	2,516	2,123
thereof in general and administration expenses line G 5	9,363	8,329
Cost of materials in cost of sales line G 2	**2,669**	**2,407**
Total depreciation and amortization	**4,379**	**4,741**
Scheduled depreciation and amortization	**4,235**	**4,741**
thereof in cost of sales line G 2	3,362	3,753
thereof in selling expenses line G 4	46	46
thereof in general and administration expenses line G 5	827	942
Scheduled amortization of intangible assets	**777**	**853**
thereof in cost of sales line G 2	554	586
thereof in selling expenses line G 4	12	12
thereof in general and administration expenses line G 5	211	255
Scheduled depreciation of property, plant and equipment	**3,458**	**3,888**
thereof in cost of sales line G 2	2,808	3,167
thereof in selling expenses line G 4	34	34
thereof in general and administration expenses line G 5	616	687
Impairment (G7)	**144**	**0**

G 1 Revenues

In the following overview of the main customers made anonymous with whom the Group achieved more than 10 % of the sales each are presented:

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Customer A	32,719	27,637
Customer B	26,874	24,339
Customer C	15,020	14,388
Other Customers	77,267	64,958
	151,880	**131,322**

G 3 Other operating income

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Rental income	2,015	2,022
Income from release of provisions	663	0
Income from grants from public authorities	373	1,473
Currency translation profits	277	436
Others	1,884	1,588
Total other operating income	**5,212**	**5,519**

G 6 Other operating expenses

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Currency translation losses	946	509
Other operating expenses - affiliates	265	254
Other taxes	117	76
Repairs and maintenance	101	44
Losses from the disposal of intangible assets	10	108
Losses from the disposal of fixed assets	6	45
Losses form Deconsolidation Rücker Korea	0	278
Others	102	395
Total other operating expenses	**1,547**	**1,709**

G 8 Financial result

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Interest income	113	146
Differences from exchanges rates on financial instruments	0	37
Total financial income	**113**	**183**
Losses from the sale of securities	0	4
Interest expenses for loans from third parties	675	678
Interest expenses from pensions	335	353
Interest expenses from leasing	83	143
Commission on guarantees - related parties	123	129
Other financial expenses	300	512
Differences from exchanges rates on financial instruments	6	0
Total financial expenses	**1,522**	**1,819**
Financial result	**-1,409**	**-1,636**

G 9 Income taxes

kEUR	01.01. - 31.12. 2010	01.01. - 31.12. 2009
Income taxes	1,056	134
Deferred taxes	890	469
Total tax expenses	**1,946**	**603**

G - Segment reporting

According to the requirements of IFRS 8 the segment reporting is made according to the "management approach". With this information is forwarded from the operative units to the Management Board of the Rücker Group, being the main decision maker, in order to measure results and to allocate resources.

The internal organisational structure of the Rücker Group and the reporting to the Management Board are based almost exclusively on the performed engineering services of the operative units with the main focus on the business within Germany. Here, 60 % of the total revenues are being generated. Subsequently the Management Board monitors and controls the Rücker Group's activities by means of the distinguishing feature "national" and "international". The main customers are included into the information on sales (G1). On the level of segments no assets and liabilities are named since this information is not part of the internal reporting. The inter-group transfer prices are generally stipulated at conditions usual in the market.

kEUR	01.01. - 31.12.2010			
	National	**International**	**Elimination**	**Group**
External revenues	93,699	58,181		151,880
Revenues within the group	2,851	4,908	-7,759	0
Segment revenues	**96,550**	**63,089**	**-7,759**	**151,880**
EBIT	4,371	3,738		8,109
Interest revenue	133	109	-129	113
Interest expenses	-602	-202	129	-675
Depreciation and amortization	-2,802	-1,433		-4,235
Income tax expense (-) /income (+)	-1,057	-889		-1,946
Net income for the year	**2,078**	**2,676**		**4,754**

	01.01. - 31.12.2009			
	National	**International**	**Elimination**	**Group**
External revenues	89,067	42,255		131,322
Revenues within the group	2,529	4,621	-7,150	0
Segment revenues	**91,596**	**46,876**	**-7,150**	**131,322**
EBIT	3,689	12		3,701
Interest revenue	191	120	-165	146
Interest expenses	-623	-220	165	-678
Depreciation and amortization	-3,250	-1,491		-4,741
Income tax expense (-) /income (+)	-661	58		-603
Net income for the year	**1,397**	**65**		**1,462**

H - Other information

Litigation and claims for damages

The company has to face litigations in the ordinary course of the business. The Management Board assumes that these litigations will probably have no material effects on the financial situation of the group or the group result exceeding the amounts already provided for.

Contingencies and other financial commitments

Contingencies

The total amount of all contingencies against third parties was as at December 31, 2010 kEUR 0 as in the previous year.

Future minimum lease payments for operating leasing with outside third parties:

kEUR	2010	2009
Year n + 1	943	353
Year n + 2	755	160
Year n + 3	520	31
Year n + 4	456	1
Year n + 5	456	0
Year n + 6	1,806	0
Total minimum payments for operating leasing	**4,936**	**545**

Other financial commitments from non-current leasing and maintenance contracts:

kEUR	2010	2009
Year n + 1	6,169	6,286
Year n + 2	4,321	3,475
Year n + 3 and later	10,940	9,922
Total other non-current financial liabilities	**21,430**	**19,683**

Events subsequent to the balance sheet date

In order to further develop the business contacts to the aeroplane manufacturer Airbus a joint-venture was agreed with the Spanish company CT Ingenieros, Madrid. The contract on close future cooperation was made on January 25, 2011. It was also agreed to establish a new joint enterprise. For that reason the share capital of the CPG Cabin-Production-Group GmbH, Hamburg, was increased by kEUR 26 to kEUR 51 and the business name was changed into RÜCKER – CT ENGINEERING GmbH. After the capital increase the Rücker Aerospace GmbH still holds 49 % (kEUR 25) of the shares.

Other incidents of material importance did not occur after the end of the business year.

Number of employees

The number of employees was during the year in average:

	2010	2009
Employees	1,882	1,899
Employees in management	89	92
	1,971	1,991
Subcontractors and others	217	139
	2,188	**2,130**
thereof domestic:	1,346	1,394
thereof abroad:	842	736

Management Board

The Management Board consists of the following persons:

Wolfgang Rücker, Merchant, Wiesbaden
– Chief Executive Officer (Chairman) –

Jürgen Vogt, Master in Business Administration, Wiesbaden
– Chief Financial Officer –

Authorized to represent the company are both directors jointly or each one together with an authorized representative.

Remuneration of the Management Board

kEUR	2010	2010	2009	2009
	W. Rücker	**J. Vogt**	**W. Rücker**	**J. Vogt**
Remuneration independent on performance incl. benefit in money's worth	667	414	586	350
Remuneration dependent on performance	400	233	280	100
Other earnings	150	100	0	4
	1,217	**747**	**866**	**454**
Total management board		**1,964**		**1,320**

An additional termination agreement was made with Mr. Wolfgang Rücker in the year 2010 regarding a pension promise against the payment of a settlement amount of kEUR 1,317. For the pay-out of the compensation the liability insurances were used, which were due in the year 2010 and which were specifically contracted for that purpose.

The remuneration for the Management Board do not contain expenses for the accident insurance, the legal costs insurance and the D&O general liability insurance in the amount of kEUR 56 (previous year: kEUR 48). These insurances were contracted in the name of the company, i.e. not individually.

As in the last year pension payments were made to former members of the Management Board in the amount of kEUR 34. The amount of pension commitments for former members of the Management Board is kEUR 599 (previous year: kEUR 692).

Remuneration of the Supervisory Board

kEUR	2010	2010	2010
	Mr. Mielert	**Mr. Happich**	**Mr. Gerhardt**
Remuneration independent on performance incl. benefit in money's worth	29	22	15
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	38	**32**	**24**
Total Supervisory Board			**94**

kEUR	2009	2009	2009
	Mr. Mielert	**Mr. Happich**	**Mr. Gerhardt**
Remuneration independent on performance incl. benefit in money's worth	27	20	14
Remuneration dependent on performance	9	9	9
Other earnings	0	1	0
	36	**30**	**23**
Total Supervisory Board			**89**

Additionally the members of the Supervisory Board are covered by a company insurance against legal costs and by a company D&O insurance.

Supervisory Board

Name, Function	Profession, other assignments
Tomas Mielert - Chairman of the Supervisory Board -	Lawyer, tax consultant, auditor, Frankfurt Further supervisory or advisory assignments: IMP Computersysteme AG, Berlin Member of supervisory board DeDeMa AG, (formerly Ffynnon 23. Vermögensverwaltungs AG), Königstein Member of supervisory board
Dipl.-Ing. Otto Happich -Deputy chairman -	Entrepreneur, Wuppertal Shareholder of K3 Industries GmbH & Co KG aA, Wuppertal (until 31.12.2010) Partner of the company Metapoint Partners Peabody, MA, USA (until 31.12.2010) Further supervisory or advisory assignments: K3 Industries GmbH & Co KG aA, Wuppertal Chairman of supervisory board (until 31.12.2010)
Dr. Wolfgang Gerhardt MdB	Member of the German House of Parliament Member of the Foreign Committee (Auswärtiger Ausschuss) Chairman of the management board of the Friedrich-Naumann-Stiftung für die Freiheit President of the board of trustees of the Foundation Bundespräsident Theodor Heuss Haus Advisory board Bundesverband Mittelständische Wirtschaft (BVMW) Advisory board Bundesverband Privater Spielbanken (BupriS) Further supervisory or advisory assignments: ALTE LEIPZIGER Lebensversicherung a.G, Oberursel HALLESCHE Krankenversicherung a.G, Stuttgart

Remuneration of management members in key positions

in kEUR	2010	2009
Salaries and other short term benefits	2,997	2,053
Payments after the end of the employment relationship	0	116
	2,997	**2,169**

Fees for statutory auditors

The fees incurred and recorded as expenses during the business year for the BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Regional Office Wiesbaden, being the statutory auditor of the annual financial statements and of the annual consolidated financial statements and of financial statements of German subsidiaries, were kEUR 194 (pr.y.: kEUR 189), for other acknowledgment and assessment services kEUR 0 (pr.y.: kEUR 0), for tax advisory kEUR 0 (pr.y.: kEUR 7) and other advisory services kEUR 15 (pr.y.: kEUR 0).

Declaration of conformity according to § 161 AktG

The Management Board and the Supervisory Board submitted the mandatory declaration of conformity according to section 161 AktG (German Stock Corporation Law) and made it available to the shareholders on the website of the Rücker AG.

Proposed appropriation of profit

Management Board and Supervisory Board suggest to the general shareholders’ meeting to distribute a dividend out of the net profit for the year of the Rücker AG.

Capital management

The group manages its capital with the aim to maximize the income of those involved into the company by optimisation of the ratio of equity capital to loan capital. With this it is guaranteed that all group companies may operate under the going-concern-assumption. The aim is to fortify the structure of the equity capital and to facilitate a dividend distribution oriented on the company’s situation.

The capital structure of the group consists of equity capital and of loan capital. The equity capital consists of issued stocks, the capital reserves and the revenue reserves.

The proportion of the equity capital to the balance sheet total (equity ratio) was as at December 31, 2010 43.8 % (previous year: 43.6 %). The loan capital is composed from non-current and current financial liabilities, provisions, pension obligation and other liabilities. The proportion of the loan capital to the balance sheet total (debt ratio) was as at December 31, 2010 56.2 % (previous year: 56.4 %).

The Management Board examines the capital structure twice a year. In the course of this examination the capital costs are being analysed for costs for equity capital and costs for loan capital. On the base of the findings the total capital structure of the group is being adjusted by dividend distributions, issuing of new stocks and stock buybacks and by the raising of new and repayment of existing debts. The Group's strategy as a whole remains unchanged as compared to the business year 2009.

Risk management

In order to detect risks early there is a unified risk management system within the whole group of the Rücker AG. The system pilots the registration, valuation and reporting of risks and chances. Main aim of the risk management system of the Rücker AG is to guarantee that especially developments or risks threatening the continued existence of the company are being detected by the organs of the company (Supervisory Board and Management Board) and by the operational management as early as possible in order to lastingly secure the continued existence of the company by the timely launching of sufficient measurements. The financial executive is in charge with the central risk management function of the Rücker AG.

The operational management is responsible for the implementation of the risk management process. With this the decentralized company units are responsible for the timely identification, assessment, communication and covering of risks and chances in the place of occurrence. In the course of the monthly reporting both new risks and the change of already registered risks are being reported. Additionally ratios are being analysed on the base of the monthly financial statements in order to recognize risks early.

Risk of interest rate changes

Risks from the change of interest rates originate from the financing and money investment activities of the Group. To factoring, leasing and credit lines applies that a risk from the change of interest rates is immanent. This risk contains both a fair-value risk with fixed-interest financial instruments and a cash flow risk with variable interest financial instruments. The interest bearing receivables are mainly fixed-interest agreements. Changes of the market's interest rates would only have effects here if these financial instruments were valued at fair value. Since this is not the case there are no risks of changes interest rates with fixed interest rate financial instruments valued at net carrying amounts according to IFRS 7. Original financial instruments bearing variable interest occur only to a small extent within the Group. The management takes care that the interest rates remain mixed between long-, medium- and short-term levels. The effects of changes in the market of interest rates with financial instruments bearing variable interest on the Group results is to be regarded immaterial.

Since the Rücker Group is not exposed to a significant interest rate risk the effects on the interest income and possibly on the equity capital resulting from the changing of interest rates out of the analysis of interest rate sensitivity are negligible.

Liquidity risk

Within the Rücker Group we call the liquidity risk the risk not being able to comply to payment commitments fully or in time. A cautious liquidity management therefore includes the keeping of a sufficient reserve of liquid funds and the possibility to finance payment commitments by an adequate range of assured short and medium term credit lines. The management analyses the term of certain financial instruments and ensures prolongation in time if these funds are still be needed. The dependency from financing institutes is further minimized by the cash flow, which generates a corresponding liquidity, and by the sale of receivables to a factor. Because of the financing from different sources we are minimizing the risk to be dependent from just one source. The credit lines are kept with the Group’s house banks and they are assured until further notice or for twelve months each. Since the house banks are generally nationwide acting financial institutes with low risk orientation there is for the Group no material contractant risk, which arises from the non-compliance of contractual agreements by the bank. The general liquidity risk from the financial instruments employed is deemed not material.

The contractually agreed terms for credits and leasing liabilities are presented under the topic information on current and non-current financial liabilities and other financial liabilities (P6 and P10). The trade liabilities as well as the other liabilities have a remaining term of up to one year.

Significant concentrations of the liquidity risk could mainly arise in the connection with geographic regions.

These were according to carrying amounts as at December 31, 2010 as follows:

	2010		2009	
in kEUR	**National**	**International**	**National**	**International**
Trade liabilities	3,584	4,926	3,182	2,968
Financial liabilities	15,913	2,053	16,441	2,054
Other financial liabilities without deferred income and accrued expenses, tax liabilities	6,741	2,493	7,553	1,936
	26,238	**9,472**	**27,176**	**6,958**

No collateralisation was given to most of the agreed bank lines. With the leasing liabilities the least assets gives collateral.

Risk of changing market prices

Because of the conservative structure of the financing policy there are no material risks of changing market prices regarding the financial instruments.

Currency risk

Since the Rücker Group operates internationally it is exposed to a currency risk because of the changing exchange rates of different foreign currencies. Currency risks arise from expected future transactions, capitalised financial assets and liabilities and from net investments into foreign business operations. However, since the company operates at about 82 % within the Euro zone and the currency risks in other areas are largely levelled out, the total currency risk is rather low.

In case the currency risk should rise significantly derivative financial instruments could be used if necessary. As at balance sheet date no such foreign exchange contracts or other derivatives were used for exchange hedging, however. Equally, a hedging in the sense of the “hedge accounting” according to IAS 39 is not deemed necessary.

Since the currency risks are restricted to financial assets and liabilities of smaller Group companies the analysing of hypothetical changes of exchange rates is negligible because of the minor importance of the risk for the Rücker Group.

Risk of default

Risks of default with trade receivables, other receivables and cash and cash equivalents can arise from the non-compliance of customers and banks regarding the payment of their commitments in time. To counteract this risk of default and the possibly corresponding risks regarding credit-worthiness and liquidity we generally liquidate receivables from the core business in Germany via factoring. With this the risks of default for receivables from main customers is immediately transferred to the financing company at the time of invoicing and correspondingly reduced. The remaining risks of default are being countered by the agreement and monitoring of periods of payment, prepayments, granted credit lines and by active management of receivables.

Customers are only granted credit after the individual examination of their financial situation. We could refrain from collateral or other credit enhancements in the current business year, as in the last year. The economic and financial situation of the factors is continually being monitored.

Risks of default in connection with cash and cash equivalents are being counteracted by keeping deposits only with banks and financial institutes with perfect credit rating.

Recognisable risks of default within the receivables are generally being counteracted by the capitalisation of value adjustments in sufficient extent. The development of value adjustments of trade receivables can be taken from the table in the notes under “A6 Trade receivables”. Delinquent receivables with are not adjusted in value exist only to a very small extent and they are overdue less than one year. Anyhow, because of the economic framework the risk of default was further increased. Accordingly important is the active monitoring of due-dates of receivables from customers. With this we achieved that no material bad debt losses were to be reported on balance sheet date. Because of the partial transfer of receivables to the factors the default risk is deemed low for the future as well. The value adjustments made in the amount of kEUR 1,085 (previous year: kEUR 3,154) cover the risk of default of existing trade receivables as at balance sheet date. The carrying amount in the amount of kEUR 34,870 (previous year: kEUR 34,141) of the capitalised trade receivables, other receivables and receivables from factors comprises the theoretically maximum risk of default.

Since the loans given, the available-for-sale stocks and the other assets have minor importance for the consolidated financial statements, the risk of default is to be neglected. Bank deposits were invested short term and not within the risk oriented field.

Concentration of the credit risks

Concentrations of credit risks can arise from business relations with individual debtors or with groups of debtors in one industry who show several mutual characteristics and whose ability to repay debts depends in equal measure from the change of certain economic basic conditions.

Because of the major importance AG of the business within Germany for the Rücker particularly cyclical, structural or legal changes have immediate effect on the German customers' capacity to pay. Therefore, significant concentrations of the default risk of receivables may mainly occur in connection with geographic regions.

These are as at December 31, 2010 according to carrying amounts as follows:

	2010		2009	
in kEUR	**National**	**International**	**National**	**International**
Trade receivables	7,925	14,210	7,268	12,280
Othre receivables				
- from third parties without deferred expenses, accrued income and taxes	4,972	2,925	6,162	2,378
- group companies not consol.	0	7	0	0
Receivables from the factor due on first request	4,831	0	6,053	0
	17,728	**17,142**	**19,483**	**14,658**

Other price risks

In the course of the presentation of market risks IFRS 7 requires also information on the effects of hypothetical changes of risk variables on the prices of financial instruments. Especially stock exchange prices are possible risk variables. As at December 31, 2010 the Rücker Group did not have material shares in stock quoted companies.

Other information on financial assets and liabilities

kEUR ASSETS	Fair Value 2010	Book Value 2010	Fair Value 2009	Book Value 2009
Cash in hand	39	39	37	37
Bank balances	17,992	17,992	11,314	11,314
Receivables from the factor	4,831	4,831	6,053	6,053
Lendings and receivables to third parties	38	38	459	459
Available-for-sale-securities	207	207	181	181
Trade receivables net from third parties	22,135	22,135	19,548	19,548
Other receivables from third parties	7,897	7,897	8,540	8,540
Other receivables group companies not consol.	7	7	0	0
	53,146	**53,146**	**46,132**	**46,132**
LIABILITIES	**2010**	**2010**	**2009**	**2009**
Loans from banks	16,954	16,954	16,611	16,611
Loans from third parties	79	79	231	231
Leasing liabilities intangible fixed assets	39	41	33	35
Leasing liabilities tangible fixed assets	816	892	1,521	1,618
Trade liabilities - to third parties	7,120	7,120	4,854	4,854
- to affiliated companies	54	54	54	54
Liabilities for outstanding invoices	1,316	1,316	1,225	1,225
Trade liabilities for affiliates	20	20	17	17
Other liabilities to third parties	1,906	1,906	2,988	2,988
Other liabilities to affiliated persons	695	695	943	943
	28,999	**29,077**	**28,477**	**28,576**

By the end of 2010 the agreed interest rate for fixed interest loans was roughly equal to the current market interest rates. Therefore, the carrying amounts of credits from financial institutes are largely congruent with their market values. Among the available for sale stocks there are also financial assets which are no quoted equity instruments and whose actual cash values could not be determined reliably.

Related parties

The chairman of the Management Board owns through a company, which is at 100 % attributable to him, 58.86 % of the 8,379,194 issued stocks. Therefore the chairman of the Management Board has dominating influence on the management of the Rücker Group.

Between the group and affiliated companies, respectively persons, the following material business transactions took place at conditions customary in the market:

in k€	2010	2009
Group with Supervisory Board		
Remuneration and expenses	94	89
Liabilities from remuneration	47	42
Counselling expenses	108	132
Liabilities from counselling	0	2
Group with Chairman of the Management Board		
Commission on guaranty expenses	123	129
Liabilities from remuneration	400	300
Payment of the purchase price Rücker Immobilien, CR	450	1,400
Liabilities from purchase price, Rücker Immobilien, CR	49	479
Dividend liabilities Rücker Immobilien CR, previous years	40	38
Group with Management Board		
Other liabilities from remuneration	180	100
Group with Nosta		
Translation services, expenses	96	96
Lease car, expenses	53	25
Buy car	20	0
Provision for costs of repair	120	0
Group with Waldacker		
Office party	7	0

Directors' Dealings

"Information in dealings of executive persons according to section 15a WpHG (Securities Trade Act)"

Mr. Rücker, chairman of the Management Board of the Rücker AG, informed us on September 3, 2010 that he acquired a total of 500 Rücker shares (ISIN/WKN DE0007041105) via the Nosta Oldtimer-Vermietungs-GmbH on August 30, 2010 at a total price of 4,975.00 Euro. The shares were acquired off-exchange:

- 500 shares at Euro 9.95 per share (equals 4,975 Euro)

Mr. Tomas Mielert, chairman of the Supervisory Board of the Rücker AG, informed us on September 21, 2010 that he acquired a total of 1,325 Rücker shares (ISIN/WKN DE0007041105) on September 20, 2010 at a total price of 13,507.50 Euro. The shares were acquired in the Xetra trade of the Frankfurt Stock Exchange as follows:

- 150 shares at 10.15 Euro per share (equals 1,522.50 Euro) and 1,175 shares at
- 10.20 Euro per share (equals 11,985 Euro).

Notification on voting rights in the Rücker AG according to section 21 paragraph 1 WpHG

The Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte, Tübingen, Germany, informed us on July 6, 2010 according to section 21 paragraph 1 WpHG that their voting right in the Rücker AG because of shares fell below the threshold of 3 % of the voting rights on July 6, 2010 and that they keep no more voting rights.

The LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, informed us on July 8, 2010 according to section 21 paragraph 1 WpHG that their voting right in the Rücker AG because of shares fell below the threshold of 3 % of the voting rights on July 6, 2010 and that they keep no more voting rights.

Heinz Ferchau, Germany, informed us on July 8, 2010 according to section 21 paragraph 1 WpHG that his voting right crossed the thresholds of 15 % and 20 % on July 6, 2010 and that it is now 20.001 %. This equals 1,675,926 voting rights.

The Management Board of the Rücker AG authorized the publication of the consolidated financial statements on March 4, 2011.

Wiesbaden, March 4, 2011

Rücker Aktiengesellschaft

……………………..	……………………..
Wolfgang Rücker	Jürgen Vogt
- Director -	- Director -

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, we are asserting that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Wiesbaden, March 4, 2011

……………………..	……………………..
Wolfgang Rücker	Jürgen Vogt
- Director -	- Director -

“**Auditors’ Opinion**

We have audited the consolidated financial statements prepared by the Rücker AG, Wiesbaden, consisting of balance sheet, statement of profit and loss, presentation of income and expenses recognised, cash flow statement and notes - as well as the group management report for the Business Year from January 1, 2010 to December 31, 2010. The preparation of the consolidated financial statements and the group management report according to the International Financial Reporting Standards (IFRS), as to be applied within the European Union, and to the regulations to be applied additionally according to section 315a paragraph 1 HGB (German Commercial Code) is the responsibility of the company’s statutory representatives. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB and the German generally accepted standards for the audit of consolidated financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit such that material misstatements affecting the presentation of net assets, financial positions and results of operations conveyed by the consolidated financial statements under observance of applicable accounting requirements and by the group management report detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group of companies, and evaluations of possible misstatements, are taken into account in the determination of audit procedures. The effectiveness of the accounting related internal control system and the evidence supporting disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessment of the financial statements of the companies integrated into the consolidated financial statements, definition of the consolidated group, the applied principles of accounting and consolidation and of the main assessment of the statutory representatives as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any objections.

In our opinion on the base of the knowledge obtained during the audit, the consolidated financial statements comply to the International Financial Reporting Standards (IFRS), as to be applied within the European Union, and to the regulations to be applied additionally according to section 315a paragraph 1 HGB (German Commercial Code) and present, in compliance with these regulations, a true and fair view of the net assets, financial positions and results of operations of the group of companies. The group management report is in accordance with the consolidated financial statements and overall conveys a correct presentation of the group’s situation and represents the chances and risks of the future development correctly.“

Wiesbaden, March 4, 2011

BDO AG

Wirtschaftsprüfungsgesellschaft

Alten	ppa. Fischer
Auditor	Auditor

Disclaimer

This report contains forward-looking statements that are based on management's current estimations of future developments. Such statements are subject to certain risks and uncertainties. Should one of these uncertainty factors or other unforeseeable circumstances materialize or the assumptions on which the statements are made prove to be incorrect, the actual results could deviate materially from the results stated or implicitly expressed in these statements. We therefore neither have the intention nor undertake any obligation to continuously update forward-looking statements as these originate exclusively based on the circumstances on the day of their publication.