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Rheinmetall publishes provisional figures for fiscal 2013: Earnings higher than forecasted, order backlog at record high

- **Consolidated sales of €4,613 million fell by 2%, but adjusted for exchange rate at previous year's level**
- **Operating Group earnings before special items of €213 million, higher than the last forecast**
- **Defence order backlog increases to more than €6 billion**
- **Automotive continues growth: sales increase by 4%, operating result by 15%**

In fiscal 2013, Dusseldorf-based Rheinmetall AG's performance was fairly stable, with consolidated sales of €4,613 million. Due only to exchange rate effects, sales fell 2% short of the previous year's figure of € 4,704 million.

Order intake was very pleasing, increasing 9% to €5,805 million (previous year: €5,311 million). Order backlog therefore reached a new record high at end of 2013: Orders in the order books stand at €6,475 million (previous year: €5,405 million).

Operating result before interest and tax (EBIT before special items) amounts to €213 million, higher than the last forecast of €180 million to €200 million. In the previous year, the Rheinmetall Group generated an operating EBIT (before special items) of €268 million. For the ongoing restructuring measures, €86 million was recorded (previous year: €20 million) as well as a further €15 million in expenses for strategic portfolio measures, some of which have not been completed.

Defence acquires major orders abroad

The Defence sector recorded income of €2,155 million in the previous year (previous year: €2,335 million), a decrease of approximately 8%. Adjusted for exchange rates, sales were down 6%.

Despite reduced defence budgets around the world, order intake showed very positive growth to €3,339 million, thus exceeding the previous year's high level of €2,933 million by 14%. This increase reflects primarily the progress made to internationalize the Defence sector. For example, the year under review saw major orders for military trucks from Australia as well as for tracked vehicles from Qatar and Indonesia.

In total, the order backlog for the Defence sector at the end of 2013 was at a record level of €6,050 million. This corresponds to an increase of 21%, or €1,063 million,

compared with the previous year's figures. In the medium term, Rheinmetall anticipates further impulses for expanding non-European business from Rheinmetall International Engineering, the joint venture launched with Ferrostaal in January 2014.

The operating result (EBIT before special items) for the Defence sector is €60 million. The comparable EBIT for the previous year amounted to €145 million. In the Defence sector, restructuring costs totaled €51 million.

Automotive growing more strongly than the market

In the past year, the Automotive sector again exceeded the good figures for fiscal 2012. Sales rose by 4% to €2,458 million (previous year: €2,369 million). Adjusted for the exchange rates, sales in the Automotive sector achieved growth of a good 6%. At this level, growth clearly exceeds the 3% upturn in global car production.

The drivers of this growth were products from the Mechatronics division, such as variable oil and coolant pumps and exhaust gas recirculation systems, which contribute above all to the legally stipulated reductions for emissions and consumption.

Income from the Chinese joint ventures, which is largely allocated to the Hardparts division, is not included in the sales figures, which increased to around €500 million (calculated on a 100% basis), or about 30% year on year. Here too, sales rose considerably above the market level. In total, 13% more vehicles were manufactured in China in the past year compared with 2012.

EBIT before special items in the Automotive sector improved most strongly than sales. According to provisional figures, it amounts to €160 million, which is 15% up year on year (previous year: €139 million). The EBIT margin was 6.5%, following 5.9% in the previous year. The restructuring costs for the sector were €35 million.

Rheinmetall will publish the final figures for fiscal 2013 on March 19, 2014.

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