The Technology Group for Security and Mobility
Addressing the basic needs and megatrends in Defence and Automotive

RHEINMETALL AG
Sales: € 4.6 billion
Employees: 21,100

RHEINMETALL DEFENCE
Sales: € 2.2 billion
Employees: 9,200

RHEINMETALL AUTOMOTIVE
Sales: € 2.5 billion
Employees: 11,700

SECURITY
Conflicts motivated by ethnical and religious disputes, terrorism, fights for resources etc.
Growing demand for adequate equipment of armed forces

MOBILITY
Continuous increase of population, e.g. China, India, Brazil, and global trade
Growing demand for environment-friendly and efficient powertrain technology

Basic need
Megatrend
Demand on markets

All figures FY 2013
H1 2014 at a glance

— **Introductory remark:** Accounting adjustments due to the new Castings JV (IFRS 5 Discontinued Operations) and due to IFRS 11 (Joint Arrangements)

— **Sales increased** by 8% to € 2,131 million (+ 11% adjusted for FX effects)

— **Operational earnings improved** by € 4 million to € 32 million, **EBT** by € 45 million to € - 9 million, **EPS positive** at € 0.01 after € - 0.66 in H1 2013

— **Headcount reduced** by 2% to 20,338 employees

— **Outlook updated** due to the cancellation of the export permit for the Russian order and due to the intended formation of the new Castings JV

2013 Automotive figures restated according to IFRS 11 (Joint arrangements)
## H1 2014 in detail

### Continuing operations in € million

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>Δ H1 2014/H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>2,394</td>
<td>2,289</td>
<td>-105</td>
</tr>
<tr>
<td>Order backlog</td>
<td>5,737</td>
<td>6,548</td>
<td>+811</td>
</tr>
<tr>
<td>Sales</td>
<td>1,975</td>
<td>2,131</td>
<td>+156</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>28</td>
<td>32</td>
<td>+4</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>-47</td>
<td>-2</td>
<td>+45</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>-19</td>
<td>30</td>
<td>+49</td>
</tr>
<tr>
<td>EBT</td>
<td>-54</td>
<td>-9</td>
<td>+45</td>
</tr>
<tr>
<td>Group net income</td>
<td>-45</td>
<td>-7</td>
<td>+38</td>
</tr>
<tr>
<td>Earnings per share in €</td>
<td>-0.66</td>
<td>0.01</td>
<td>+0.67</td>
</tr>
<tr>
<td>Employees</td>
<td>20,773</td>
<td>20,338</td>
<td>-435</td>
</tr>
</tbody>
</table>

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Rheinmetall Group

Cash flow statement
Free cash flow from operations significantly lower than previous year

<table>
<thead>
<tr>
<th>Continuing and discontinued operations</th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>∆ H1 2014/ H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>-45</td>
<td>-6</td>
<td>+39</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>100</td>
<td>100</td>
<td>±0</td>
</tr>
<tr>
<td>Change in pension accruals</td>
<td>-8</td>
<td>-2</td>
<td>+6</td>
</tr>
<tr>
<td><strong>Cash flow</strong></td>
<td><strong>47</strong></td>
<td><strong>92</strong></td>
<td><strong>+45</strong></td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>-132</td>
<td>-542</td>
<td>-410</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>-85</strong></td>
<td><strong>-448</strong></td>
<td><strong>-363</strong></td>
</tr>
<tr>
<td>Cash outflow for additions to tangible and intangible assets</td>
<td>-89</td>
<td>-114</td>
<td>-25</td>
</tr>
<tr>
<td><strong>Free cash flow from operations</strong></td>
<td><strong>-174</strong></td>
<td><strong>-562</strong></td>
<td><strong>-388</strong></td>
</tr>
</tbody>
</table>

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Mid-term strategy program “Rheinmetall 2015”
First successful steps in 2013

Internationalization
- Defence: Order intake of € 2.4 billion from non-European customers
- Automotive: Expansion of operations in China (sales +32%), Mexico (sales +38%) and the Czech Republic (sales +14%)

Growth by products and innovation
- More than € 400 million R&D/Capex invested for future growth
- Defence: Ramp-up of large innovative systems: Puma (Germany), Boxer (Netherlands) and Fox (Algeria)
- Automotive: Start of production of 19 new products with relevant sales contribution

Cost efficiency
- All restructuring measures negotiated and initiated in 2013
- More than 50% implemented regarding headcount
## All planned measures in implementation

<table>
<thead>
<tr>
<th>Area</th>
<th>Costs 2012</th>
<th>Costs 2013</th>
<th>Total reduction of employees until 2016</th>
<th>Expected savings 2014</th>
<th>Full annual savings from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combat Systems (esp. Tracked Vehicles)</td>
<td>17</td>
<td>15</td>
<td>240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Solutions (esp. Air Defence Zurich)</td>
<td>3</td>
<td>14</td>
<td>130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheeled Vehicles (esp. Logistic Vehicles)</td>
<td>0</td>
<td>22</td>
<td>230</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Defence</strong></td>
<td><strong>20</strong></td>
<td><strong>51</strong></td>
<td><strong>600</strong></td>
<td><strong>~15</strong></td>
<td><strong>40 - 50</strong></td>
</tr>
<tr>
<td>Hardparts (esp. Pistons Thionville/Neckarsulm)</td>
<td>0</td>
<td>23</td>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechatronics (esp. merging Neuss/Nettetal)</td>
<td>0</td>
<td>11</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Service</td>
<td>0</td>
<td>1</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Automotive</strong></td>
<td><strong>0</strong></td>
<td><strong>35</strong></td>
<td><strong>560</strong></td>
<td><strong>~10</strong></td>
<td><strong>20 - 25</strong></td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td><strong>20</strong></td>
<td><strong>86</strong></td>
<td><strong>1,160</strong></td>
<td><strong>~25</strong></td>
<td><strong>60 - 75</strong></td>
</tr>
</tbody>
</table>

Additionally, **further expenses of € 15 million** – € 5 million in Defence and € 10 million in Automotive – were booked in 2013 for strategic portfolio measures.
## Restructuring program on track

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual H1 2014</th>
<th>Planned until 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group headcount reported (as of December 31, 2012)</td>
<td>21,767</td>
<td></td>
</tr>
<tr>
<td>Change in headcount due to restructuring</td>
<td>- 878</td>
<td>- 1,160</td>
</tr>
<tr>
<td>New recruitment due to growth in sales</td>
<td>+ 216</td>
<td></td>
</tr>
<tr>
<td>Change in headcount due to acquisitions/divestments</td>
<td>+ 41</td>
<td></td>
</tr>
<tr>
<td>Group headcount pro forma (as of June 30, 2014)</td>
<td>21,146</td>
<td></td>
</tr>
<tr>
<td>Restatements due to IFRS 11 (Joint Arrangements)</td>
<td>+ 67</td>
<td></td>
</tr>
<tr>
<td>Impact by new Castings JV according to IFRS 5</td>
<td>- 875</td>
<td></td>
</tr>
<tr>
<td>Group headcount reported (as of June 30, 2014)</td>
<td>20,338</td>
<td></td>
</tr>
</tbody>
</table>
Finance

Sound equity ratio

<table>
<thead>
<tr>
<th>Equity (at year-end) in € million</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,134</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,355</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,546</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,465</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,339</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity ratio in %</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rheinmetall – own shares (at year-end) in %</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Solid balance sheet
High cash credit facilities and low financial debt

Cash credit facilities (as of December 31, 2013) in € million

- Bilateral bank facilities (up to 1 year): ~1,400
- Syndicated loan (due December 2016): ~400
- Promissory notes (due 2014): 500
- Bond (4% coupon, due 2017): 500

Net financial debt (at year-end) in € million

- 2009: Net financial debt: 370
- 2010: Net financial debt: 456
- 2011: Net financial debt: 531
- 2012: Net financial debt: 80
- 2013: Net financial debt: 1,400

Net gearing in %

- 2009: Net gearing: -4%
- 2010: Net gearing: 6%
- 2011: Net gearing: 8%
- 2012: Net gearing: 7%
- 2013: Net gearing: 10%

* Net debt in % of equity
Solid balance sheet
Pension liabilities reduced, current expenses almost stable

**Pension liabilities and discount rate***

*in € million resp. in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Discount rate</th>
<th>Cum. actuarial gains/losses</th>
<th>Pension provisions (foreign and other)</th>
<th>Pension liabilities (domestic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>5.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>5.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>919</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>891</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Domestic pension payments in € million**

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>33</td>
<td>32</td>
<td>35</td>
</tr>
</tbody>
</table>

*Discount rate for German pension liabilities of Rheinmetall
Capex and R&D at a high level
Investments in future products and orders on a high level

**Capex** *in € million resp. in % of sales*

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex in € million</th>
<th>Capex as % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>207</td>
<td>4.6%</td>
</tr>
<tr>
<td>2012</td>
<td>238</td>
<td>5.1%</td>
</tr>
<tr>
<td>2013</td>
<td>205</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

**R&D (self-funded) in € million**

- **R&D**
  - 2009: 198
  - 2010: 208
  - 2011: 212
  - 2012: 230
  - 2013: 226

- **thereof capitalized**
  - 2009: 41
  - 2010: 38
  - 2011: 35
  - 2012: 39
  - 2013: 29

* Including non-cash-out investments
Quarterly development

Sales in € million

- Q2 2013: 583
- Q3 2013: 552
- Q4 2013: 568
- Q1 2014: 617
- Q2 2014: 619

Operational earnings in € million

- Q2 2013: 471
- Q3 2013: 429
- Q4 2013: 414
- Q1 2014: 481
- Q2 2014: 0

ATAG (to be discontinued)  
Defence  
Automotive  
Consolidation/Others

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
The divisional structure of Defence

Broad range of technologically leading products

Defence: € 2.2 billion

**Combat Systems**
€ 1.0 billion

- Combat Platforms
- Weapon & Munition
- Propulsion Systems
- Protection Systems

**Electronic Solutions**
€ 0.7 billion

- Air Defence & Naval Systems
- Mission Equipment
- Simulation and Training

**Wheeled Vehicles**
€ 0.5 billion

- Logistic Vehicles
- Tactical Vehicles

Rheinmetall International Engineering

Sales figures FY 2013, intra-company sales not eliminated
Land systems industry in Europe

<table>
<thead>
<tr>
<th>Company</th>
<th>Sales 2013 (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rheinmetall Defence</td>
<td>2,155</td>
</tr>
<tr>
<td>Nexter</td>
<td>787</td>
</tr>
<tr>
<td>KMW</td>
<td>762</td>
</tr>
<tr>
<td>Patria*</td>
<td>710</td>
</tr>
<tr>
<td>General Dynamics European Land Systems</td>
<td>700</td>
</tr>
<tr>
<td>Iveco DV</td>
<td>640</td>
</tr>
<tr>
<td>Renault TD + Panhard + Acmat</td>
<td>250</td>
</tr>
<tr>
<td>Mercedes-Benz Military Vehicles</td>
<td>150</td>
</tr>
<tr>
<td>Scania</td>
<td>75</td>
</tr>
</tbody>
</table>

* Including Nammo

Source: Annual reports, Rheinmetall analyses and estimates
Looking at the markets
Shift of budget growth from traditional to emerging markets

Defence spending by region *in US$ billion*

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>586</td>
<td>581</td>
<td>566</td>
<td>547</td>
</tr>
<tr>
<td>Europe</td>
<td>293</td>
<td>286</td>
<td>282</td>
<td>283</td>
</tr>
<tr>
<td>MENA*</td>
<td>118</td>
<td>127</td>
<td>131</td>
<td>134</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>398</td>
<td>410</td>
<td>427</td>
<td>445</td>
</tr>
<tr>
<td>South America</td>
<td>66</td>
<td>69</td>
<td>67</td>
<td>66</td>
</tr>
</tbody>
</table>

Rheinmetall focuses on the MENA region and Asia/Pacific for future growth.

* MENA = Middle East and Northern Africa
Source: IHS Jane’s (July 2014), Rheinmetall team analysis
H1 2014 at a glance

— **Strong order intake of € 1,074 million**, slightly lower than previous year’s H1 which contained the Qatar order of € 475 million

— **Sales increased by 7%** to € 895 million (+ 9% adjusted for FX effects)

— **Operational earnings still not satisfying**, reflecting
  
  ▪ the **ramp-up of low-margin projects**, e.g. Puma, Boxer NL
  
  ▪ the **further decrease of ammunition sales** H1 2014 vs. H1 2013
  
  ▪ the **seasonal structure** of sales and earnings, strongly back-end loaded to Q4, comparable to previous year
<table>
<thead>
<tr>
<th>in € million</th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>Δ H1 2014/ H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1,282</td>
<td>1,074</td>
<td>- 208</td>
</tr>
<tr>
<td>Order backlog</td>
<td>5,383</td>
<td>6,174</td>
<td>+ 791</td>
</tr>
<tr>
<td>Sales</td>
<td>834</td>
<td>895</td>
<td>+ 61</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>- 48</td>
<td>- 52</td>
<td>- 4</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>- 26</td>
<td>- 2</td>
<td>+ 24</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>- 74</td>
<td>- 54</td>
<td>+ 20</td>
</tr>
<tr>
<td>Employees</td>
<td>9,411</td>
<td>9,228</td>
<td>- 183</td>
</tr>
</tbody>
</table>
Key figures Defence by division (operational before special items)

Figures before intrasegmental consolidation

Sales
- H1 2013: 834
- H1 2014: 895
- Increase: +61

EBIT before special items
- H1 2013: -48
- H1 2014: -52
- Decrease: -4

Operational margin
- H1 2013: -5.8%
- H1 2014: -5.8%
- Change: +0.0pp

Combat Systems
- H1 2013: 358
- H1 2014: 362
- Increase: +4

Electronic Solutions
- H1 2013: 305
- H1 2014: 326
- Increase: +21

Wheeled Vehicles
- H1 2013: 205
- H1 2014: 244
- Increase: +39

EBIT
- H1 2013: 326
- H1 2014: 305
- Decrease: -21

Operational margin
- H1 2013: -7.5%
- H1 2014: -8.6%
- Change: -1.1pp

EBIT
- H1 2013: 0.0%
- H1 2014: -1.2%
- Change: -1.2pp

Operational margin
- H1 2013: -10.7%
- H1 2014: -6.1%
- Change: +4.6pp
Sales and earnings by division

Growth in sales, but unfavorable product mix effects

**Sales Defence** in € million

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rheinmetall Defence</td>
<td>834</td>
<td>895</td>
</tr>
<tr>
<td>Operational earnings Defence</td>
<td>305</td>
<td>362</td>
</tr>
<tr>
<td>Electronic Solutions</td>
<td>205</td>
<td>244</td>
</tr>
<tr>
<td>Combat Systems</td>
<td>358</td>
<td>326</td>
</tr>
<tr>
<td>Wheeled Vehicles</td>
<td>307</td>
<td>347</td>
</tr>
</tbody>
</table>

**Operational earnings Defence** in € million

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rheinmetall Defence</td>
<td>-34</td>
<td>-37</td>
</tr>
<tr>
<td>Electronic Solutions</td>
<td>-27</td>
<td>-22</td>
</tr>
<tr>
<td>Combat Systems</td>
<td>0</td>
<td>-22</td>
</tr>
<tr>
<td>Wheeled Vehicles</td>
<td>-48</td>
<td>-42</td>
</tr>
<tr>
<td>Higher sales in Tactical Vehicles</td>
<td>-4</td>
<td>-4</td>
</tr>
<tr>
<td>Electronic Solutions</td>
<td>-4</td>
<td>-15</td>
</tr>
<tr>
<td>Combat Systems</td>
<td>-4</td>
<td>-52</td>
</tr>
</tbody>
</table>

**Reasons for earnings development**

- **Combat Systems**
  - Ramp-up of low-margin projects
  - Lower sales in ammunition

- **Electronic Solutions**
  - Higher sales in Air Defence
  - Unfavorable product mix

- **Wheeled Vehicles**
  - Higher sales in Tactical Vehicles
Quarterly development

Sales Defence in € million

Operational earnings Defence in € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales Defence</th>
<th>Operational earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>471</td>
<td>112</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>429</td>
<td>73</td>
</tr>
<tr>
<td>Q4 2013</td>
<td>462</td>
<td>34</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>414</td>
<td>13</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>481</td>
<td>-8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales Defence</th>
<th>Operational earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>210</td>
<td>-9</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>207</td>
<td>-4</td>
</tr>
<tr>
<td>Q4 2013</td>
<td>140</td>
<td>-5</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>217</td>
<td>-3</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>130</td>
<td>-1</td>
</tr>
</tbody>
</table>

Legend:
- Combat Systems
- Electronic Solutions
- Wheeled Vehicles
- Consolidation/Others
Order backlog

Backbone for top line growth in the medium term

Order backlog as of June 2014... in € million

...turning into sales in € million

Expected sales covered by booked orders
High order backlog of more than € 6 billion

Strong backbone for future sales

**Combat Systems**
- Puma: volume > € 1 billion
- Tank howitzers, Leopard 2 components and ammunition for Qatar (volume € 475 million)
- Naval ammunition order from a MENA country (volume € 320 million)
- Leopard 2 and Marder tanks, ammunition and services for Indonesia (volume € 216 million)

**Electronic Solutions**
- Air Defence equipment for Asian customers and Brazil (volume € 284 million)
- Modernization resp. expansion of air defence systems for South Africa, Indonesia and a MENA customer (volume € 200 million)
- Prolongation of providing service for a combat training center of the German forces (volume up to € 70 million)

**Wheeled Vehicles**
- Military trucks for Australia (volume € 1.1 billion)
- Boxer Netherlands: roll-out (volume ~ € 500 million)
- Fox Algeria: continuation of the order (~ € 200 million already booked)
Weapon and ammunition business
Despite a weak market order intake gap was reduced

Sales weapon and ammunition business (as of June 30, 2014) in € million
“Rheinmetall 2015”
Extension of systems- and service business

**Components**
- Turrets and weapon stations
- Weapon and munition
- Active and passive protection
- Propellants
- Electro-optical components

- Sustainable business with small and medium-sized orders
- Low technological risk, but high margins
- Mainly not affected by budget cuts

**Systems**
- Tracked vehicles
- Wheeled vehicles
- Simulation and training
- Air defence

- Large-scale project business
- Long-running contracts
- Project risk management
- Order volume and timing often affected by budget situation

**Sales split**
- 35-45%
- 40-50%
- 10-15%

**Service/Support**
for systems and components

- Profitable follow-up business
- Independent of budget restraints

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Mid-term strategy program “Rheinmetall 2015”
Path to improved profitability in Defence

**Internationalization**
- Several ammunition orders were acquired in new markets, esp. in the MENA region
- Capturing new markets with established products, e.g. Boxer
- One important element for future order acquisition: integration of the JV with Ferrostaal

**Growth by products and innovation**
- Revenues in the weapon and ammunition business will grow
- Already received systems orders (e.g. Indonesia, Qatar) contribute to future sales
- Several key projects are ramping up, e.g. Puma, Boxer NL

**Cost efficiency**
- Cost savings of the running programs with full effect in 2015, i.e. € 40-50 million
- Transition to flexible employment structure
- Minimizing future cost overruns by further improvement of project management
The divisional structure of Automotive
Focused on the attractive segment of powertrain technology

<table>
<thead>
<tr>
<th>Hardparts</th>
<th>€ 1.1 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pistons</td>
<td></td>
</tr>
<tr>
<td>Large-bore pistons</td>
<td></td>
</tr>
<tr>
<td>Bearings</td>
<td></td>
</tr>
<tr>
<td>Castings*</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mechatronics</th>
<th>€ 1.2 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierburg</td>
<td></td>
</tr>
<tr>
<td>Pierburg Pump Technology</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aftermarket</th>
<th>€ 0.3 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td></td>
</tr>
<tr>
<td>National</td>
<td></td>
</tr>
</tbody>
</table>

Automotive: € 2.5 billion

* From 2014 as a joint venture with HASCO (SAIC Group), China

Sales figures FY 2013, intra-company sales not eliminated
Looking at the markets

Continuing production in China, slight increase in Europe and the US

**Light vehicle production by region** *in million units*

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>10.9</td>
<td>11.5</td>
<td>11.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Western Europe</td>
<td>13.7</td>
<td>14.1</td>
<td>14.4</td>
<td>14.7</td>
</tr>
<tr>
<td>China</td>
<td>19.4</td>
<td>21.2</td>
<td>23.1</td>
<td>24.7</td>
</tr>
<tr>
<td>India</td>
<td>3.6</td>
<td>3.7</td>
<td>4.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Japan</td>
<td>8.8</td>
<td>8.7</td>
<td>8.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Global</td>
<td>82.8</td>
<td>85.5</td>
<td>88.7</td>
<td>91.7</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>26.3</td>
<td>26.2</td>
<td>27.2</td>
<td>28.3</td>
</tr>
</tbody>
</table>

Source: IHS Automotive (July 2014)

Rheinmetall focuses on China, India and the Americas for future growth.
Megatrend “Protection of the environment”
Regulations as decisive growth driver for Automotive

**CO₂**

- **Fuel consumption**
- **CO₂ limit g/km**
  - EU: 2012: 130, 2025: 75
  - USA: 2012: 178, 2025: 102

**NOₓ**

- **Nitrogen oxides**

**Global automotive component market**

- **CAGR**
  - Powertrain: 4.9%
  - Chassis: 4.2%
  - Exterior: 4.5%
  - Interior: 4.4%
  - Infotainment: 3.7%

**Strongest growth in powertrain**

*Source: IHS AutoInsight 2012*
Megatrend eco-friendly driving

Essential contributions from Rheinmetall Automotive

### Hardparts
- Pistons
- Bearings
- Bushings
- Engine blocks
- Cylinder heads

### Mechatronics
- Exhaust-gas recirculation
- Exhaust-gas mass flow sensors
- Pumps (oil/water/vacuum)
- Recirculating water pumps (residual heat, standby heater, cooling system)
- Actuators/throttle bodies
- Turbo control valves/divert-air valves
- Control valves
- Secondary-air systems

**Rheinmetall Automotive**
Megatrend “Protection of the environment”
Sales share of green technology products will increase to 60%

Sales share 2013

- Products for emission control and fuel consumption: 51%
- Other products: 49%

Expected sales share 2016

- Products for emission control and fuel consumption: 60%
- Other products: 40%
Megatrend “Protection of the environment”
Automotive products and solutions for alternative propulsion

<table>
<thead>
<tr>
<th>Hybrid drive</th>
<th>Electrical drive</th>
<th>Fuel cell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Components for reducing emissions</td>
<td>Range extenders</td>
<td>Coolant pumps</td>
</tr>
<tr>
<td>Coolant pumps</td>
<td>Coolant pumps</td>
<td>Water circulation pumps</td>
</tr>
<tr>
<td>Electrical oil pumps</td>
<td>Water circulation pumps</td>
<td>Vacuum pumps</td>
</tr>
<tr>
<td>Vacuum pumps</td>
<td>Vacuum pumps</td>
<td>Bearings/Permaglide</td>
</tr>
<tr>
<td>Actuators/Solenoid valves</td>
<td>Structural elements</td>
<td>Structural elements</td>
</tr>
<tr>
<td>Bearings/Permaglide</td>
<td>Heat management</td>
<td>Small batch production of hydrogen components for a German OEM</td>
</tr>
<tr>
<td>Pistons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engine blocks/cylinder heads</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Potential contribution of Rheinmetall Automotive for new engine concepts:

- Components for reducing emissions
- Coolant pumps
- Electrical oil pumps
- Vacuum pumps
- Actuators/Solenoid valves
- Bearings/Permaglide
- Pistons
- Engine blocks/cylinder heads

- Range extenders
- Coolant pumps
- Water circulation pumps
- Vacuum pumps
- Bearings/Permaglide
- Structural elements
- Heat management

- Coolant pumps
- Water circulation pumps
- Vacuum pumps
- Small batch production of hydrogen components for a German OEM
H1 2014 at a glance

— **Sales up by 8%** to €1,236 million (+12% adjusted for FX effects), whereas global market grew by 3.5%

— **Headcount reduced by 2%** to 10,967 employees

— **Operational earnings improved** by 22% to €93 million with an operational margin of 7.5%, compared to 6.7% in H1 2013

— **Sound growth in Chinese JV activities** increasing by 22%, while market grew by 10%

— Strong Chinese partner for the German **castings business**, which will be continued as a 50/50 joint venture

2013 figures restated according to IFRS 11 (Joint arrangements)
Quarterly development

**Sales Automotive** in € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ATAG (to be discontinued)</th>
<th>Hardparts</th>
<th>Mechatronics</th>
<th>Aftermarket</th>
<th>Consolidation/Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>-16</td>
<td>227</td>
<td>583</td>
<td>302</td>
<td>-70</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>-18</td>
<td>218</td>
<td>552</td>
<td>285</td>
<td>-67</td>
</tr>
<tr>
<td>Q4 2013</td>
<td>-15</td>
<td>222</td>
<td>568</td>
<td>296</td>
<td>-65</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>-20</td>
<td>238</td>
<td>617</td>
<td>332</td>
<td>-67</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>-17</td>
<td>235</td>
<td>619</td>
<td>333</td>
<td>-68</td>
</tr>
</tbody>
</table>

**Operational earnings Automotive** in € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ATAG (to be discontinued)</th>
<th>Hardparts</th>
<th>Mechatronics</th>
<th>Aftermarket</th>
<th>Consolidation/Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2013</td>
<td>45</td>
<td>12</td>
<td>13</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>38</td>
<td>14</td>
<td>17</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Q4 2013</td>
<td>44</td>
<td>22</td>
<td>22</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Q1 2014</td>
<td>46</td>
<td>16</td>
<td>25</td>
<td>7</td>
<td>-2</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>47</td>
<td>17</td>
<td>25</td>
<td>6</td>
<td>-1</td>
</tr>
</tbody>
</table>

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
### H1 2014 in detail

<table>
<thead>
<tr>
<th>Continuing operations in € million</th>
<th>H1 2013</th>
<th>H1 2014</th>
<th>Δ H1 2014/H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,141</td>
<td>1,236</td>
<td>+ 95</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>76</td>
<td>93</td>
<td>+ 17</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>- 21</td>
<td>0</td>
<td>+ 21</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>55</td>
<td>93</td>
<td>+ 38</td>
</tr>
<tr>
<td>Employees</td>
<td>11,219</td>
<td>10,967</td>
<td>- 252</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Discontinued operations (ATAG)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>95</td>
<td>112</td>
<td>+ 17</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>1</td>
<td>5</td>
<td>+ 4</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>1</td>
<td>- 2</td>
<td>- 3</td>
</tr>
<tr>
<td>Employees</td>
<td>885</td>
<td>875</td>
<td>- 10</td>
</tr>
</tbody>
</table>

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Long-term partnership with HASCO*
New joint venture for commonly developing the castings business

Existing 50/50 JVs with HASCO*

<table>
<thead>
<tr>
<th>Pistons (KSSP)</th>
<th>Castings (KPSNC)</th>
<th>Pumps (PHP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>2001</td>
<td>2013</td>
</tr>
</tbody>
</table>

**JV sales (100%) in € million**

- ATAG: 341 → 412 (+21%)
- KPSNC: 181 → 217
- KSSP/PHP: 65 → 83

*Huayu Automotive Systems Co. Ltd., part of the SAIC Group, largest automotive supplier in China*
Internationalization
Strong increase of sales and earnings in China expected

**Sales in € million**

- 2010: 258
- 2011: 298
- 2012: 388
- 2013: 499
- 2016e: 13

**EBIT in € million**

- 2010: 0
- 2011: 0
- 2012: 15
- 2013: 31
- 2016e: 39

* Rheinmetall Automotive owns 50% of the joint ventures (KPSNC, KSSP, PHP), consolidated at equity; the new ATAG JV is not included
Pro forma calculation
Strong growth in China

Sales Automotive  in € million

Operational earnings Automotive  in € million

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported Sales</th>
<th>Incl. 100% China JVs</th>
<th>Incl. at-equity result</th>
<th>Incl. 100% China JVs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2,369</td>
<td>2,757</td>
<td>139</td>
<td>156</td>
</tr>
<tr>
<td>2013</td>
<td>2,458</td>
<td>2,957</td>
<td>160</td>
<td>183</td>
</tr>
</tbody>
</table>

China JVs (100%)  China JVs (at-equity result)
Sales growth due to European and American markets

Automotive benefits from balanced customer base

**Sales by region in € million**

- **2012**
  - Germany: 549
  - Europe*: 1,142
  - Americas: 441
  - Asia (w/o China JVs): 25
  - Rest of the world: 22

- **2013**
  - Germany: 576
  - Europe*: 1,195
  - Americas: 455
  - Asia (w/o China JVs): 22
  - Rest of the world: 211

**Non-LV business: 30%**

- **2013**
  - Trucks/Others: 13%
  - Ships/Power plants/MIR**: 6%
  - Aftermarket: 11%
  - O&I: 13%
  - O&G: 13%
  - Aerospace: 13%
  - Others: 13%

**Sales by customer in %**

- Daimler: 7%
- Renault/Nissan: 5%
- GM: 5%
- PSA: 5%
- BMW: 5%
- Fiat: 5%
- Ford: 4%
- VW/Porsche/Audi: 6%
- Others: 4%
- Volkswagen: 14%

* Excluding Germany
** MIR = Marine, Industry, Recreation
Strong growth in non-LV business
Sales of truck business doubled within 5 years
Key figures Automotive by division (operational before special items)

Continuing operations

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBIT before special items</th>
<th>Operational margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H1 2013</td>
<td>H1 2014</td>
<td>H1 2013</td>
</tr>
<tr>
<td>Sales</td>
<td>1,141</td>
<td>1,236</td>
<td>+95</td>
</tr>
<tr>
<td>EBIT</td>
<td>76</td>
<td>93</td>
<td>+17</td>
</tr>
<tr>
<td>Operational</td>
<td>6.7%</td>
<td>7.5%</td>
<td>+0.8pp</td>
</tr>
</tbody>
</table>

Hardparts

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>448</td>
<td>473</td>
</tr>
<tr>
<td>EBIT</td>
<td>22</td>
<td>33</td>
</tr>
<tr>
<td>Operational</td>
<td>4.9%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Mechatronics

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>590</td>
<td>665</td>
</tr>
<tr>
<td>EBIT</td>
<td>38</td>
<td>50</td>
</tr>
<tr>
<td>Operational</td>
<td>6.4%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Aftermarket

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>136</td>
<td>135</td>
</tr>
<tr>
<td>EBIT</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Operational</td>
<td>11.0%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Figures before intrasegmental consolidation
Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Sales and earnings by division

Growth in sales and better operational performance

Sales Automotive  in € million

<table>
<thead>
<tr>
<th>Division</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardparts</td>
<td>1,141</td>
<td>1,236</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>590</td>
<td>665</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>136</td>
<td>135</td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>-33</td>
<td>-37</td>
</tr>
</tbody>
</table>

Operational earnings Automotive  in € million

<table>
<thead>
<tr>
<th>Division</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardparts</td>
<td>448</td>
<td>473</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>22</td>
<td>38</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>1</td>
<td>-3</td>
</tr>
</tbody>
</table>

Reasons for earnings development

- **Hardparts**: Higher sales and improved operational performance
- **Mechatronics**: Higher sales
- **Aftermarket**: Positive operational one-off in H1 2013

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Increasing sales due to growing European markets
Especially Europe-based Mechatronics benefits from market development

Sales by region  in € million

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>246</td>
<td>266</td>
</tr>
<tr>
<td>Europe (excl. Germany)</td>
<td>546</td>
<td>623</td>
</tr>
<tr>
<td>Asia (w/o China JVs)</td>
<td>105</td>
<td>109</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>244</td>
<td>238</td>
</tr>
</tbody>
</table>

Divisional sales share*  in %

<table>
<thead>
<tr>
<th>Division</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardparts</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>52%</td>
<td>54%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>-3%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

* Figures before intra-segmental consolidation

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Sales by region and by division
Reflecting strong development of European markets

Sales Mechatronics in € million
- Germany: 126 in H1 2013, 148 in H1 2014 (+69%)
- Europe (excl. Germany): 339 in H1 2013, 391 in H1 2014 (+84%)
- Rest of the World: 38 in H1 2013, 61 in H1 2014 (+61%)

Sales Hardparts in € million
- Germany: 437 in H1 2013, 463 in H1 2014 (+26%)
- Europe (excl. Germany): 93 in H1 2013, 146 in H1 2014 (+55%)
- Rest of the World: 149 in H1 2013, 150 in H1 2014 (+45%)

Sales Aftermarket in € million
- Germany: 134 in H1 2013, 135 in H1 2014 (-1%)
- Europe (excl. Germany): 65 in H1 2013, 65 in H1 2014 (-1%)
- Rest of the World: 24 in H1 2013, 25 in H1 2014 (+44%)

Figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the intended formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)
Internationalization

Headcount in low-cost countries continuously increases

Split of headcount by high cost- and low-cost countries \textit{in FTE* resp. %}

\begin{tabular}{lrrrr}
\hline
 & Low-cost countries & & High-cost countries & \\
 & 2005 & 2010 & 2013 & 2016e \\
\hline
2005 & 11,699 & 10,875 & 11,744 & 12,400 \\
\hline
2013 & 80\% & 30\% & 65\% & 60\% \\
\hline
\end{tabular}

* FTE = Full-time equivalents
“Rheinmetall 2015”
Automotive well-positioned with large product portfolio

**Mechatronics**
- Exhaust gas recirculation
- Solenoid valves
- Actuators
- Water-, oil- and vacuum pumps
- Strict regulations as growth driver
- Strong position in Europe, especially in Diesel markets
- High degree of innovation and well filled order pipeline

**Sales split 2013***

- Engine parts for own products and third parties

**Hardparts**
- LV- and truck pistons
- Large-bore pistons
- Bearings
- Continuous casting
- Engine blocks
- High degree of internationalization with strong position in growth markets
- Good position in prospective markets for gasoline engines
- Capital intensive business model in mature product markets

**Aftermarket**
- Global presence in 130 countries
- Large product portfolio with spare parts and services

* Before consolidation
Mid-term strategy program “Rheinmetall 2015”
Path to improved profitability in Automotive

<table>
<thead>
<tr>
<th>Internationalization</th>
<th>Growth by products and innovation</th>
<th>Cost efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanding business activities in growth markets outside Europe</td>
<td>Realization of growth potential driven by powertrain megatrends</td>
<td>Rightsizing of European capacities</td>
</tr>
<tr>
<td>Further strengthening of production base in low-cost countries</td>
<td></td>
<td>Optimization of global production footprint</td>
</tr>
<tr>
<td>Portfolio shift towards BIC markets and low-cost production</td>
<td>Portfolio shift towards Mechatronics</td>
<td>Further development of service centers worldwide</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Optimization of global cost structures</td>
</tr>
</tbody>
</table>
Market environment of the two segments

**Defence**

- Shrinking budgets in traditional markets, **strong growth potential in emerging markets**
- Beginning **public discussion** in Germany on restrictive export license policy, which could affect our operations
- Global **ammunition market** remains **challenging**
- **Contract with Russia**: Rheinmetall will utilize all available legal options for **minimizing the financial burden**

**Automotive**

- **Global growth** in LV production (+ 3%)
- **Strong growth** in large markets China (+ 9%) and North America (+ 5%)
- Slightly **increasing European market** (+ 2%)
- **Weak** Latin American **markets** (e.g. Brazil - 8%)

Growth rates refer to FY figures 2014e vs. 2013
Due to cancellation of export permit and formation of new Castings JV
Outlook 2014 updated

<table>
<thead>
<tr>
<th>€ billion</th>
<th>Sales</th>
<th>Operational earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>original</td>
<td>updated</td>
</tr>
<tr>
<td>Group</td>
<td>4.8 - 4.9</td>
<td>4.6 - 4.7</td>
</tr>
<tr>
<td>Defence</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Automotive</td>
<td>2.5 - 2.6</td>
<td>2.3 - 2.4</td>
</tr>
</tbody>
</table>

Further expected figures:
- **EBIT**: Non-operational expenses of € 10 million ⇒ Group EBIT of € 190 - 210 million

Assumptions:
- Macroeconomic environment stable, global automotive industry growing
- Ammunition markets stabilizing, key large-scale projects in Defence to be realized as scheduled
- **Automotive**: If global production in H2 develops similar to H1, the original outlook for FY earnings is achievable
Mid-term targets out of “Rheinmetall 2015”

<table>
<thead>
<tr>
<th>Margin targets</th>
<th>Assumptions and drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence</td>
<td>7 - 9%</td>
</tr>
<tr>
<td></td>
<td>Recovery of ammunition markets</td>
</tr>
<tr>
<td></td>
<td>Savings effects out of restructuring</td>
</tr>
<tr>
<td></td>
<td>Improvement of project management</td>
</tr>
<tr>
<td>Automotive</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>Recovery of European car production and strong growth in China</td>
</tr>
<tr>
<td></td>
<td>Strong growth of Mechatronics above market average</td>
</tr>
<tr>
<td></td>
<td>Savings effects out of restructuring</td>
</tr>
</tbody>
</table>
### Consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,420</td>
<td>3,989</td>
<td>4,454</td>
<td>4,704</td>
<td>4,613</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180</td>
<td>464</td>
<td>538</td>
<td>490</td>
<td>324</td>
</tr>
<tr>
<td>Operational earnings</td>
<td>153</td>
<td>289</td>
<td>342</td>
<td>268</td>
<td>213</td>
</tr>
<tr>
<td>EBIT</td>
<td>15</td>
<td>297</td>
<td>354</td>
<td>296</td>
<td>112</td>
</tr>
<tr>
<td>EBIT margin in %</td>
<td>0.4</td>
<td>7.4</td>
<td>7.9</td>
<td>6.3</td>
<td>2.4</td>
</tr>
<tr>
<td>EBT</td>
<td>- 46</td>
<td>229</td>
<td>295</td>
<td>216</td>
<td>35</td>
</tr>
<tr>
<td>Group net income</td>
<td>- 52</td>
<td>174</td>
<td>225</td>
<td>190</td>
<td>22</td>
</tr>
<tr>
<td>Earnings per share in €</td>
<td>- 1.60</td>
<td>4.23</td>
<td>5.55</td>
<td>4.55</td>
<td>0.75</td>
</tr>
<tr>
<td>Dividend per share in €</td>
<td>0.30</td>
<td>1.50</td>
<td>1.80</td>
<td>1.80</td>
<td>0.40</td>
</tr>
<tr>
<td>Amortization / Depreciation</td>
<td>165</td>
<td>167</td>
<td>184</td>
<td>194</td>
<td>212</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>19,766</td>
<td>19,979</td>
<td>21,516</td>
<td>21,767</td>
<td>21,081</td>
</tr>
</tbody>
</table>

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)

### Consolidated balance statement

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>3,835</td>
<td>4,460</td>
<td>4,832</td>
<td>4,899</td>
<td>4,857</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,134</td>
<td>1,355</td>
<td>1,546</td>
<td>1,465</td>
<td>1,339</td>
</tr>
<tr>
<td>Net liquidity</td>
<td>+ 44</td>
<td>- 76</td>
<td>- 130</td>
<td>- 98</td>
<td>- 138</td>
</tr>
<tr>
<td>Pension accruals</td>
<td>610</td>
<td>677</td>
<td>729</td>
<td>919</td>
<td>891</td>
</tr>
</tbody>
</table>

### Consolidated cash flow statement

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow</td>
<td>120</td>
<td>344</td>
<td>402</td>
<td>356</td>
<td>231</td>
</tr>
<tr>
<td>Free cash flow from operations</td>
<td>186</td>
<td>- 39</td>
<td>93</td>
<td>125</td>
<td>4</td>
</tr>
</tbody>
</table>
## Segment report

### Rheinmetall Defence

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,898</td>
<td>2,007</td>
<td>2,141</td>
<td>2,335</td>
<td>2,155</td>
</tr>
<tr>
<td>Order intake</td>
<td>3,153</td>
<td>1,977</td>
<td>1,831</td>
<td>2,933</td>
<td>3,339</td>
</tr>
<tr>
<td>Order backlog (Dec. 31)</td>
<td>4,590</td>
<td>4,772</td>
<td>4,541</td>
<td>4,987</td>
<td>6,050</td>
</tr>
<tr>
<td>EBITDA</td>
<td>263</td>
<td>297</td>
<td>303</td>
<td>262</td>
<td>96</td>
</tr>
<tr>
<td>Operational earnings</td>
<td>215</td>
<td>226</td>
<td>211</td>
<td>145</td>
<td>60</td>
</tr>
<tr>
<td>EBIT</td>
<td>215</td>
<td>234</td>
<td>223</td>
<td>173</td>
<td>4</td>
</tr>
<tr>
<td>EBIT margin in %</td>
<td>11.3</td>
<td>11.6</td>
<td>10.4</td>
<td>7.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>74</td>
<td>93</td>
<td>102</td>
<td>90</td>
<td>62</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>9,304</td>
<td>9,037</td>
<td>9,833</td>
<td>9,623</td>
<td>9,193</td>
</tr>
</tbody>
</table>

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)

### Rheinmetall Automotive

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,522</td>
<td>1,982</td>
<td>2,313</td>
<td>2,369</td>
<td>2,458</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-70</td>
<td>183</td>
<td>254</td>
<td>243</td>
<td>234</td>
</tr>
<tr>
<td>Operational earnings</td>
<td>-49</td>
<td>81</td>
<td>151</td>
<td>139</td>
<td>160</td>
</tr>
<tr>
<td>EBIT</td>
<td>-187</td>
<td>81</td>
<td>151</td>
<td>139</td>
<td>115</td>
</tr>
<tr>
<td>EBIT margin in %</td>
<td>-12.3</td>
<td>4.1</td>
<td>6.5</td>
<td>5.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>70</td>
<td>96</td>
<td>104</td>
<td>148</td>
<td>142</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>10,339</td>
<td>10,816</td>
<td>11,548</td>
<td>12,003</td>
<td>11,744</td>
</tr>
</tbody>
</table>

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)

Continuing and discontinued operations
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