Rheinmetall Group

**Consolidated income statement**

<table>
<thead>
<tr>
<th>€ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,869</td>
<td>3,420</td>
<td>3,989</td>
<td>4,454</td>
<td>4,704</td>
</tr>
<tr>
<td>EBITDA</td>
<td>411</td>
<td>180</td>
<td>464</td>
<td>538</td>
<td>495</td>
</tr>
<tr>
<td>EBIT</td>
<td>245</td>
<td>15</td>
<td>297</td>
<td>354</td>
<td>301</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>6.3</td>
<td>0.4</td>
<td>7.4</td>
<td>7.9</td>
<td>6.4</td>
</tr>
<tr>
<td>EBT</td>
<td>193</td>
<td>-46</td>
<td>229</td>
<td>295</td>
<td>239</td>
</tr>
<tr>
<td>Group net income</td>
<td>142</td>
<td>-52</td>
<td>174</td>
<td>225</td>
<td>190</td>
</tr>
<tr>
<td>Earnings per share (€)</td>
<td>4.09</td>
<td>-1.60</td>
<td>4.23</td>
<td>5.55</td>
<td>5.00</td>
</tr>
<tr>
<td>Dividend per share (€)</td>
<td>1.30</td>
<td>0.30</td>
<td>1.50</td>
<td>1.80</td>
<td>1.80</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>166</td>
<td>165</td>
<td>167</td>
<td>184</td>
<td>194</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>21,020</td>
<td>19,766</td>
<td>19,979</td>
<td>21,516</td>
<td>21,767</td>
</tr>
</tbody>
</table>

**Consolidated balance sheet**

<table>
<thead>
<tr>
<th>€ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>3,612</td>
<td>3,835</td>
<td>4,460</td>
<td>4,832</td>
<td>4,899</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,080</td>
<td>1,134</td>
<td>1,355</td>
<td>1,546</td>
<td>1,461</td>
</tr>
<tr>
<td>Net liquidity</td>
<td>-205</td>
<td>+44</td>
<td>-76</td>
<td>-130</td>
<td>-98</td>
</tr>
<tr>
<td>Pension accruals</td>
<td>577</td>
<td>610</td>
<td>677</td>
<td>729</td>
<td>920</td>
</tr>
</tbody>
</table>

**Consolidated cash flow statement**

<table>
<thead>
<tr>
<th>€ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow</td>
<td>308</td>
<td>120</td>
<td>344</td>
<td>402</td>
<td>372</td>
</tr>
<tr>
<td>Free operating cash flow</td>
<td>118</td>
<td>186</td>
<td>-39</td>
<td>93</td>
<td>125</td>
</tr>
</tbody>
</table>
International partner for security and mobility

Addressing the basic needs and megatrends in Defence and Automotive

**RHEINMETALL AG**

Sales: € 4.7 billion

Employees: 21,800

**RHEINMETALL DEFENCE**

Sales: € 2.3 billion

Employees: 9,600

**RHEINMETALL AUTOMOTIVE**

Sales: € 2.4 billion

Employees: 12,000

**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

All figures FY 2012

A brief review

What were the main topics in 2013?

**RHEINMETALL DEFENCE**

- Despite weak markets in established regions, *order intake jumped* to more than € 3 billion
- *Wheeled Vehicles business passed the trough* in 2013: operational performance improved quarter on quarter
- *New joint venture with Ferrostaal* accelerates Rheinmetall Defence’s internationalization efforts
- *Restructuring program* for adjusting capacities and improving cost structure *on track*

**RHEINMETALL AUTOMOTIVE**

- *Weakness* of European light vehicle production *almost halted* in 2013 with a weak H1 and a strong H2
- *Growth trend in the mechatronics business* continued, based on stricter emission regulations
- *Significant extension* of the business in China
- *Restructuring program* for optimizing the international location structure *on track*
Group outlook 2013
Strong performance in Automotive, weakness in Defence

<table>
<thead>
<tr>
<th></th>
<th>Sales in € billion</th>
<th>EBIT in € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>4.7 - 4.8</td>
<td>180 - 200*</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td></td>
<td>75 - 85</td>
</tr>
<tr>
<td>Defence</td>
<td>2.3</td>
<td>60**</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td></td>
<td>40 - 50</td>
</tr>
<tr>
<td>Automotive</td>
<td>2.4 - 2.5</td>
<td>140 - 150**</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td></td>
<td>35</td>
</tr>
</tbody>
</table>

Preliminary figures will be presented on February 19, 2014.

* Including holding costs, before restructuring costs
** Before restructuring costs

Mid-term strategy program “Rheinmetall 2015”
The way forward

Two pillars
- Defence and Automotive with good growth potential
- Risk diversification for the Group

Internationalization
- JV in Russia founded, sales office in Saudi Arabia opened
- Subsidiary for large-bore pistons in China launched, production site in Mexico expanded

Growth by products and innovation
- From 2015 organic growth of 3-5% (CAGR), normal business cycle provided

Cost efficiency
- Restructuring program: all measures booked in 2013 (€ 75-85 mn), full savings effect from 2015 (€ 60-75 mn p.a.)
The divisional structure of Defence

**Broad range of technologically leading products**

<table>
<thead>
<tr>
<th>Combat Systems</th>
<th>Electronic Solutions</th>
<th>Wheeled Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 1.1 billion</td>
<td>€ 0.7 billion</td>
<td>€ 0.6 billion</td>
</tr>
<tr>
<td>Combat Platforms</td>
<td>Air Defence &amp; Naval Systems</td>
<td>Logistic Vehicles</td>
</tr>
<tr>
<td>Infantry</td>
<td>Mission Equipment</td>
<td>Tactical Vehicles</td>
</tr>
<tr>
<td>Protection Systems</td>
<td>Simulation and Training</td>
<td></td>
</tr>
<tr>
<td>Propulsion Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat International</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Defence: € 2.3 billion

Rheinmetall International Engineering

Sales figures FY 2012, intra-company sales not eliminated
New joint venture with Ferrostaal started January 2014
Door opener and accelerator for further internationalization

Medium- and long-term benefits for Rheinmetall

1. Accelerating the internationalization of Rheinmetall Defence, especially in markets to which Rheinmetall Defence had only limited access before, e.g. Latin America, Northern Africa
2. Meeting the growing demand for local defence technology infrastructure, esp. in emerging markets (e.g. turn-key plant)
3. Improving Rheinmetall’s capacities and capabilities in project management by experienced project managers

Looking at the markets
Attractive growth prospects in Asia and Middle East

Defence spending by region in US$ billion

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of the World</td>
<td>1,609</td>
<td>1,530</td>
<td>1,515</td>
<td>1,561</td>
</tr>
<tr>
<td>Asia</td>
<td>109</td>
<td>121</td>
<td>118</td>
<td>120</td>
</tr>
<tr>
<td>Europe</td>
<td>398</td>
<td>413</td>
<td>427</td>
<td>453</td>
</tr>
<tr>
<td>MENA*</td>
<td>700</td>
<td>597</td>
<td>574</td>
<td>596</td>
</tr>
<tr>
<td>North America</td>
<td>289</td>
<td>284</td>
<td>277</td>
<td>274</td>
</tr>
</tbody>
</table>

- Global defence spending decreased in 2013
- Important customers of Rheinmetall affected by budget cuts and troop withdrawals
- Stagnating established markets, but attractive growth prospects in Asia and Middle East

* MENA = Middle East and Northern Africa
Source: IHS Jane’s (January 2014), Rheinmetall team analysis
Major orders

New international customers for tanks and ammunition

Indonesia
Leopard 2 tanks, Marder tanks, ammunition and services
Order volume: € 216 million

Qatar
Leopard 2 components, self-propelled howitzers PzH 2000, ammunition and services
Order volume: € 475 million

Future sales growth for trucks and ammunition

Australia
Military trucks, almost half of the vehicles equipped with Rheinmetall’s protected cabin
Order volume: € 1,100 million

MENA country
Naval ammunition in various calibers
Order volume: € 320 million
Increasing share of orders received from growth regions

Order backlog at a high level

Order intake by region in € million resp. %

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2012</th>
<th>FY 2013e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2,933</td>
<td>&gt; 3,000</td>
</tr>
<tr>
<td>Europe*</td>
<td>46%</td>
<td>28%e</td>
</tr>
<tr>
<td>Asia/Middle East</td>
<td>46%</td>
<td>72%e</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>27%</td>
<td>40%</td>
</tr>
</tbody>
</table>

* Excluding Germany

Order backlog achieved a high level of more than € 6 billion.

Turning order backlog into sales

Sales development for top projects per division

- **Puma series contract** (€ 1.1 billion*)
- **Leopard2 / PzH2000 Qatar** (€ 475 million*)
- **Naval ammunition MENA** (€ 320 million*)
- **Military trucks Australia** (€ 1.1 billion*)
- **Boxer Netherlands** (€ 550 million*)
- **Training center Russia** (> € 100 million*)

* Figures refer to order volume
Drivers for increasing profitability
Achieving break-even in the vehicles business and in Air Defence

1. System orders will generate increasing sales, e.g.
   - Boxer Netherlands and Fox Algeria (Tactical Vehicles)
   - Puma for German forces and tanks for Qatar and Indonesia (Tracked Vehicles)
   - Australian order (Logistic Vehicles)
   - Air Defence systems for Asian customers

2. Restructuring measures will improve cost efficiency, esp. in Air Defence, Tracked Vehicles and Logistic Vehicles

3. In addition, the weapon and ammunition business is expected to recover

Recovery of weapon and ammunition business
Sales growth from 2014 on, mainly driven by booked orders

Sales of weapon and ammunition business in € million
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

Shaping the future
Strategic perspectives for Defence

- Safeguarding global technological leadership in the ammunition business, e.g. by newly developed fuzes
- Concentrating on combat training centers to boost the simulation business
- Developing a new medium-heavy platform and an amphibious vehicle for the demand of international customers
- Integrating missile technology in order to expand the product range of Air Defence
The divisional structure of Automotive

Focused on the attractive segment of powertrain technology

**Hardparts**
€ 1.1 billion
- Pistons
- Aluminum Technology
- Bearings
- Large-bore pistons

**Mechatronics**
€ 1.1 billion
- Pierburg
- Pierburg Pump Technology

**Motor Service**
€ 0.3 billion
- International
- Domestic

Automotive: € 2.4 billion

Sales figures FY 2012, intra-company sales not eliminated
Looking at the markets
Growth signals for light vehicles and components

Expected production of light vehicles by region
in million units

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2013</th>
<th>2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>79.7</td>
<td>81.9</td>
<td>93.6</td>
</tr>
<tr>
<td>Rest of the World</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAFTA/ Japan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR 2012-16e in %

<table>
<thead>
<tr>
<th>Region</th>
<th>CAGR 2012-16e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>+4.3</td>
</tr>
<tr>
<td>India</td>
<td>+7.8</td>
</tr>
<tr>
<td>China</td>
<td>+9.6</td>
</tr>
<tr>
<td>USA</td>
<td>+4.5</td>
</tr>
<tr>
<td>Mexico</td>
<td>+7.1</td>
</tr>
<tr>
<td>Japan</td>
<td>-4.9</td>
</tr>
<tr>
<td>Germany</td>
<td>+0.7</td>
</tr>
<tr>
<td>France</td>
<td>-1.8</td>
</tr>
<tr>
<td>Spain</td>
<td>+8.0</td>
</tr>
</tbody>
</table>

Global automotive component market
in € billion

CAGR 2012-16e in %

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powertrain</td>
<td>527</td>
<td>612</td>
</tr>
<tr>
<td>Chassis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infotainment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Long-term global growth especially driven by emerging markets

Source: IHS Automotive (December 2013)
Source: IHS AutoInsight 2012

Megatrend environmental protection
Growth in powertrain technology by reducing emissions and fuel consumption

Emission regulations* in g/km

<table>
<thead>
<tr>
<th>Region</th>
<th>PM</th>
<th>NOx</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>EU 3</td>
<td>EU 4</td>
<td>2004</td>
</tr>
<tr>
<td>USA</td>
<td>USA EPA 04</td>
<td>NOx</td>
<td>2007</td>
</tr>
</tbody>
</table>

Reduction of fuel consumption
(CO2 emissions)** in g/km

<table>
<thead>
<tr>
<th>Region</th>
<th>Actual 2006</th>
<th>Target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>160</td>
<td>95</td>
</tr>
<tr>
<td>USA</td>
<td>216</td>
<td>140</td>
</tr>
<tr>
<td>China</td>
<td>187</td>
<td>132</td>
</tr>
</tbody>
</table>

Powertrain costs per mid-size gasoline vehicle** in €

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual 2006</th>
<th>Target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>2,200</td>
<td>3,000</td>
</tr>
</tbody>
</table>

* Source: DieselNet; PM (particulate matter): g/km; NOx (nitrogenous oxide): g/km
** Source: Roland Berger (2010/2011)
**Rheinmetall Automotive**

Growth market powertrain technology
**Automotive well-positioned with broad range of products**

- Engine blocks
- Pistons
- Exhaust-gas recirculation
- Pumps (oil/water/vacuum)
- Exhaust-gas mass flow sensors
- Actuators/throttle bodies
- Turbo control valves/divert-air valves
- Recirculating water pumps (residual heat, standby heater, cooling system)
- Control valves
- Secondary-air systems
- Engine bearings
- Cylinder heads
- Bushings for injection pumps

**Mechatronics**

- Hardparts

Stricter emission regulations
**Increasing importance of Mechatronics products**

Estimated value-added of Rheinmetall Automotive per vehicle for EGR products

- **2005**
- **2010**
- **2015**

- **EURO 4 (2005)**
- **EURO 5 (2010)**
- **EURO 6 (2015)**

Truck business expected to follow

- EGR valve
- EGR cooling module
- Double EGR cooling (High/low pressure)

*EGR = Exhaust gas recirculation*
Slight sales growth due to German and American markets
Automotive benefits from balanced customer base

Sales by region in € million

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1-3 2012</th>
<th>Q1-3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>418</td>
<td>433</td>
</tr>
<tr>
<td>Europe*</td>
<td>877</td>
<td>878</td>
</tr>
<tr>
<td>Americas</td>
<td>334</td>
<td>342</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Europe (w/o China JVs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales by customer in %

- VW/Porsche/Audi: 16%
- Ford: 12%
- Renault/Nissan: 8%
- PSA: 7%
- GM: 6%
- BMW: 6%
- Fiat: 4%
- Daimler: 4%
- Ships/Power plants/MIR**: 7%
- Aftermarket: 11%

* Excluding Germany
** MIR = Marine, Industry, Recreation

Growth market China
Significant extension of the footprint in 2013

3 Joint Ventures (50 : 50)

- KPSNC
  - Shanghai (Head office)
  - Loutang
  - Cylinder heads, engine blocks and structural body parts
- KPSNC
  - Kunshan
  - Yantai
  - Fushan
  - Cylinder heads and engine blocks
- KPSNC
  - Shanghai
  - Waigang
  - Machining of engine blocks

3 Wholly Foreign-owned Enterprises

- Pierburg China
  - Kunshan
  - AGR modules, Electric throttle bodies
- KS Large-bore pistons
  - Kunshan
  - SOP 2013
- MS Motor Service Asia Pacific
  - Shanghai Waigaoqiao, Kunshan
  - in free-trade area

Subsidiary of a JV

- Pierburg Mikuni Pump Technology
  - Shanghai
  - Water & oil pumps

KSPG House

- Head office
  - Shanghai
  - Zhangjiang
  - Head office for all 100% subsidiaries
Growth market China
Strong increase of sales and earnings expected

Sales in € million
EBIT in € million

* Rheinmetall Automotive owns 50% of the joint ventures, consolidated at equity

Internationalization strategy
Headcount in low-cost countries continuously increases

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

CAGR 2010-16e in %

* FTE = Full-time equivalents
Mid-term strategy program “Rheinmetall 2015”
Path to improved profitability in Automotive

Internationalization
- Expanding business activities in growth markets outside Europe
- Further strengthening of production base in low-cost countries

Growth by products and innovation
- Realization of growth potential driven by powertrain megatrends

Cost efficiency
- Rightsizing of European capacities
- Optimization of global production footprint
- Further development of service centers worldwide

Portfolio shift towards BIC markets and low-cost production
Portfolio shift towards Mechatronics
Optimization of global cost structures

Shaping the future
Strategic perspectives for Automotive

- Intensifying the **internationalization of the Mechatronics** business
- **Transferring** light vehicle know-how to the truck business, e.g. steel pistons, variable pumps, EGR products
- **Optimizing the portfolio**, e.g. by suitable acquisitions/divestments
- Developing **products for alternative engine technology**, e.g. range extender, heat exchanger
For Rheinmetall, 2013 was a year of transition to regain strong profitability from 2015 on.

The comprehensive restructuring program to be executed from 2013 to 2015 will be an important milestone in both segments.

In Defence, profitable sales growth will be achieved in the medium term
- due to the excellent order situation
- due to adjusted cost structures

In Automotive, further growth and increased profitability will be achieved
- due to the recovery of the European car market and the strong international market trends
- due to the improved cost structure
## Finance

### Sound equity ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity (at year-end) in € million</th>
<th>Equity ratio in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,080</td>
<td>30%</td>
</tr>
<tr>
<td>2009</td>
<td>1,134</td>
<td>30%</td>
</tr>
<tr>
<td>2010</td>
<td>1,355</td>
<td>30%</td>
</tr>
<tr>
<td>2011</td>
<td>1,546</td>
<td>32%</td>
</tr>
<tr>
<td>2012</td>
<td>1,461</td>
<td>30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Rheinmetall – own shares (at year-end) in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>4.5</td>
</tr>
<tr>
<td>2009</td>
<td>3.5</td>
</tr>
<tr>
<td>2010</td>
<td>3.3</td>
</tr>
<tr>
<td>2011</td>
<td>3.4</td>
</tr>
<tr>
<td>2012</td>
<td>4.8</td>
</tr>
</tbody>
</table>
Solid balance sheet

High cash credit facilities and low financial debt

Cash credit facilities (as of September 30, 2013) in € million

- Bilateral bank facilities (up to 1 year): ~400
- Syndicated loan (due December 2016): 500
- Promissory notes (due 2014): 16
- Bond (4% coupon, due 2017): 500

Bilateral bank facilities (up to 1 year)

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

- 2008: 205, 19%
- 2009: -44
- 2010: 76, 6%
- 2011: 130, 8%
- 2012: 98, 7%

Net financial debt as of quarter end

Financing frame

Q1 Q2 Q3 Q4
93 548 389 501

5-year-Ø net financial debt as of quarter end

2008: -4%
2009: 19%
2010: 6%
2011: 8%
2012: 7%

Solid balance sheet

Rising pension liabilities, but current expenses stable

Pension liabilities and discount rate* in € million resp. in %

- 2008: 6.00
- 2009: 5.50
- 2010: 5.25
- 2011: 5.25
- 2012: 3.25
- Q3 2013: 3.50

Pension liabilities and discount rate:

- Discount rate
- Pension provisions (foreign)
- Cum. actuarial gains and losses
- Pension liabilities (domestic)

Domestic pension payments in € million

- 2008: 31
- 2009: 31
- 2010: 31
- 2011: 33
- 2012: 32
- Q3 2013: 22

* Discount rate for German pension liabilities of Rheinmetall
Q1-3 2013

Financial highlights

<table>
<thead>
<tr>
<th>Rheinmetall Group</th>
<th>Q1-3 2012*</th>
<th>Q1-3 2013</th>
<th>Δ Q1-3 2013/ Q1-3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,275</td>
<td>3,092</td>
<td>- 183</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>122</td>
<td>60</td>
<td>- 62</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>48</td>
<td>- 60</td>
<td>- 108</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>170</td>
<td>0</td>
<td>- 170</td>
</tr>
<tr>
<td>Group net income</td>
<td>93</td>
<td>- 47</td>
<td>- 140</td>
</tr>
<tr>
<td>Earnings per share in €</td>
<td>2.66</td>
<td>- 0.63</td>
<td>- 3.29</td>
</tr>
<tr>
<td>Cash flow</td>
<td>226</td>
<td>97</td>
<td>- 129</td>
</tr>
<tr>
<td>Free cash flow from operations</td>
<td>- 382</td>
<td>- 359</td>
<td>+ 23</td>
</tr>
<tr>
<td>Employees</td>
<td>21,731</td>
<td>21,525</td>
<td>- 206</td>
</tr>
</tbody>
</table>

— Decline in sales and earnings due to weak Defence performance
— Free cash flow from operations improved
— Holding and other costs remain at a low level

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

Reducing capacities in order to handle changed market environment

<table>
<thead>
<tr>
<th></th>
<th>Costs 2012</th>
<th>Costs 2013</th>
<th>Total reduction of employees until 2015</th>
<th>Expected savings 2014</th>
<th>Full annual savings from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1-3</td>
<td>Q4e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combat Systems (esp. Tracked Vehicles)</td>
<td>17</td>
<td>10</td>
<td>150 - 170</td>
<td>~15</td>
<td>40 - 50</td>
</tr>
<tr>
<td>Electronic Solutions (esp. Air Defence Zurich)</td>
<td>3</td>
<td>3</td>
<td>100 - 130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheeled Vehicles (esp. Logistic Vehicles)</td>
<td>0</td>
<td>25</td>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Defence</strong></td>
<td>20</td>
<td>38</td>
<td>2 - 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>200 - 550</td>
<td>~15</td>
<td>40 - 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardparts (esp. Pistons Thionville/Neckarsulm)</td>
<td>0</td>
<td>15</td>
<td>440</td>
<td>~10</td>
<td>20 - 25</td>
</tr>
<tr>
<td>Mechatronics (esp. merging Neuss/Nettetal)</td>
<td>0</td>
<td>7</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Automotive</strong></td>
<td>0</td>
<td>22</td>
<td>13</td>
<td>~10</td>
<td>20 - 25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Booked in Q3:</td>
<td>Defence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Combat Systems</td>
<td></td>
<td>€ 9 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electronic Solutions</td>
<td></td>
<td>€ 3 million</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Automotive</td>
<td>Hardparts</td>
<td>€ 1 million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Costs and savings in € million
Appendix: Rheinmetall Defence

Q1-3 2013 - Defence in a transition year

Good order situation, sales still below previous year’s level

<table>
<thead>
<tr>
<th>Rheinmetall Defence in € million</th>
<th>Q1-3 2012*</th>
<th>Q1-3 2013</th>
<th>Δ Q1-3 2013/Q1-3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1,578</td>
<td>2,644</td>
<td>+ 1,066</td>
</tr>
<tr>
<td>Order backlog</td>
<td>4,528</td>
<td>6,285</td>
<td>+ 1,757</td>
</tr>
<tr>
<td>Sales</td>
<td>1,470</td>
<td>1,263</td>
<td>- 207</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>31</td>
<td>- 52</td>
<td>- 83</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>48</td>
<td>- 38</td>
<td>- 86</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>79</td>
<td>- 90</td>
<td>- 169</td>
</tr>
<tr>
<td>Employees</td>
<td>9,700</td>
<td>9,355</td>
<td>- 345</td>
</tr>
</tbody>
</table>

- Order backlog grew by 39% compared to previous year
- Sales continue to be weak in all three divisions, sales of Wheeled Vehicles stabilizing
- Restructuring program already impacting headcount

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)
Q1-3 2013 - Weak operational performance
Earnings impacted by lower sales and cost overruns

**Sales Defence in € million**

```
Q1-3 2012  Q1-3 2013
1,470      1,263
701        565
452        445
378        322
```

**Operational earnings Defence in € million**

```
Q1-3 2012  Q1-3 2013
31         39
3          9
-22        -26
-5         -52
```

**Reasons for earnings development**

- **Combat Systems**
  - Lower sales in tracked vehicles and ammunition
  - Cost overruns
- **Electronic Solutions**
  - Lower sales in Air Defence
  - Cost overruns
- **Wheeled Vehicles**
  - Loss mainly generated in H1, Q3 indicates improvement

* 51% of drone business divested in Q2 2012

**Quarterly development**

**Sales Defence in € million**

```
Q3 2012  Q4 2012  Q1 2013  Q2 2013  Q3 2013
460      435      363      471      429
224      274      148      210      207
150      189      98       107      117
113      189      98       107      117
```

**Operational earnings Defence* in € million**

```
Q3 2012  Q4 2012  Q1 2013  Q2 2013  Q3 2013
6         115      80       -23       -10
17        40       -14      -13       -4
2         -3       -43      -7        -4
-14       -3       -23      -9        -4
```

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)
“Rheinmetall 2015”
Acquisition of new markets by hub strategy

Box diagram showing regions of the world including North America, Europe, Russia, Australia, and more, with arrows indicating market strategies.

Order backlog
Backbone for top line growth in the medium term

Order backlog September 2013... in € million
09/2012: 4,528
09/2013: 6,285 (+39%)

...turning into sales in € million
Q4 2013e: 750
2014e: 1,405
2015e: 1,156
2016e ff.: 2,975
**Weapon and ammunition business**

**Orders worth € 750 million from the MENA* region in the past 15 months**

<table>
<thead>
<tr>
<th>Project</th>
<th>Received in</th>
<th>€ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naval ammunition contract</td>
<td>11/2012</td>
<td>320</td>
</tr>
<tr>
<td>Tank and artillery ammunition</td>
<td>06/2013</td>
<td>174</td>
</tr>
<tr>
<td>155mm &amp; plant engineering (Rheinmetall Denel Munition)</td>
<td>05/2013</td>
<td>72</td>
</tr>
<tr>
<td>Weapons for Leopard 2 and self-propelled howitzer PzH 2000</td>
<td>06/2013</td>
<td>69</td>
</tr>
<tr>
<td>MK 83 bombs</td>
<td>12/2012</td>
<td>63</td>
</tr>
<tr>
<td>120mm ammunition (Rheinmetall Denel Munition)</td>
<td>07/2013</td>
<td>54</td>
</tr>
</tbody>
</table>

**752**

* MENA = Middle East and North Africa

---

**Recent order intake**

**Large-scale contract for Tracked Vehicles, booked in Q4 2013**

- Indonesia as a new international customer for Tracked Vehicles
- Delivery of 156 refurbished and upgraded tracked vehicles, e.g. Leopard 2 and Marder, in different configurations until 2016
- Additional delivery of ammunition and provision of services in Indonesia
- Order volume of € 216 million
- Vehicles will be refurbished and upgraded in Germany

---

**Expected split of sales by years in € million**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales in Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>50</td>
</tr>
<tr>
<td>2014</td>
<td>100</td>
</tr>
<tr>
<td>2015</td>
<td>75</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
</tr>
</tbody>
</table>
High order backlog of more than € 6 billion
Strong backbone for future sales

Appendix: Rheinmetall Defence

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

Electronic Solutions
- Air Defence equipment for Asian customers and Brazil (order volume € 284 million)
- Combat Training Center for the Russian Federation (order volume > € 100 million)
- Weapon stations for CROWS III (USA) (sales potential up to US$ 100 million)

Wheeled Vehicles
- Military trucks for Australia (order volume € 1.1 billion)
- Boxer Netherlands: roll-out (order volume ~ € 500 million)
- Fox Algeria: continuation of the order (~ € 200 million already booked)

“Rheinmetall 2015”
Extension of systems- and service business

Components
- Turrets and weapon stations
- Weapon and ammunition
- 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

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

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

Service/Support
for systems and components
- Profitable follow-up business
- Independent of budget restraints
Key figures Automotive by division (operational before special items)

<table>
<thead>
<tr>
<th>Division</th>
<th>Q1-3 2012</th>
<th>Q1-3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,805</td>
<td>1,829</td>
</tr>
<tr>
<td>EBIT before special items*</td>
<td>108</td>
<td>116</td>
</tr>
<tr>
<td>Operational margin*</td>
<td>6.0%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

**Hardparts**
- Sales: 837 vs. 802, -35
- EBIT: 45 vs. 38, -7
- Operational margin: 5.4% vs. 4.7%

**Mechatronics**
- Sales: 823 vs. 875, +52
- EBIT: 51 vs. 55, +4
- Operational margin: 6.2% vs. 6.3%

**Motor Service**
- Sales: 204 vs. 203, -1
- EBIT: 18 vs. 21, +3
- Operational margin: 8.8% vs. 10.3%

*Figures before intrasegmental consolidation
* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)
Q1-3 2013 – Slight increase in sales

Operational earnings improved despite a weak European market

<table>
<thead>
<tr>
<th>Rheinmetall Automotive</th>
<th>Q1-3 2012*</th>
<th>Q1-3 2013</th>
<th>Δ Q1-3 2013/ Q1-3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,805</td>
<td>1,829</td>
<td>+ 24</td>
</tr>
<tr>
<td>Operational earnings (EBIT before special items)</td>
<td>108</td>
<td>116</td>
<td>+ 8</td>
</tr>
<tr>
<td>Special items (one-offs, restructuring costs)</td>
<td>0</td>
<td>- 22</td>
<td>- 22</td>
</tr>
<tr>
<td>EBIT (reported)</td>
<td>108</td>
<td>94</td>
<td>- 14</td>
</tr>
<tr>
<td>Employees</td>
<td>11,892</td>
<td>12,022</td>
<td>+ 130</td>
</tr>
</tbody>
</table>

— Sales increased by 7% in Q3, leading to a slight growth of Q1-3 revenues
— Operational margin Q1-3 improved from 6.0% to 6.3%
— Additional R&D costs of € 12 million lowered earnings
— Q4 2013e: based on current market forecasts, we expect a stable business performance

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

Looking at the markets

Global growth expected for FY 2013, encouraging mid-term prospects

Global and European production of light vehicles (LV) in million units

— Global and European light vehicle (LV) production increasing in Q3, but decreasing in Europe by 1% in Q1-3
— In Q4, European market expected to continue to grow slightly

— LV production worldwide rising in 2013 with a slight decrease in Europe
— Global growth expected for 2014/2015 with China as main driver, but also recovery in Europe and positive trend in the Americas

Quarterly

<table>
<thead>
<tr>
<th></th>
<th>Q3 2012</th>
<th>Q4 2012</th>
<th>Q1 2013</th>
<th>Q2 2013</th>
<th>Q3 2013</th>
<th>Q4 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of the World</td>
<td>18.9</td>
<td>20.1</td>
<td>20.6</td>
<td>20.9</td>
<td>19.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Europe</td>
<td>4.3</td>
<td>4.7</td>
<td>4.8</td>
<td>5.1</td>
<td>4.5</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Year-end and mid-term

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013e</th>
<th>FY 2014e</th>
<th>FY 2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of the World</td>
<td>79.7</td>
<td>81.9</td>
<td>85.1</td>
<td>89.8</td>
</tr>
<tr>
<td>Europe</td>
<td>19.2</td>
<td>19.1</td>
<td>19.7</td>
<td>20.4</td>
</tr>
</tbody>
</table>

— LV production worldwide rising in 2013 with a slight decrease in Europe
— Global growth expected for 2014/2015 with China as main driver, but also recovery in Europe and positive trend in the Americas

Source: IHS Automotive (December 2013)
Q1-3 2013 - Top and bottom line growth
Positive development of sales and operational earnings

Sales Automotive in € million

Operational earnings Automotive in € million

Reasons for earnings development

Hardparts
Sales down by € 35 million

Mechatronics
- Higher sales of € 52 million
- Additional R&D (€ 12 million)

Motor Service
Improved earnings

Quarterly development

Sales Automotive in € million

Operational earnings Automotive* in € million

* 2012 figures restated for retrospective application of IAS 19 Employee Benefits (revised 2011)
“Rheinmetall 2015”
Disproportionately high growth in emerging markets with local production

Expected change of LV production 2015 vs. 2012 in %
Sales Automotive 2012 in € million

- USA + 15%
- Mexico + 20%
- Western Europe + 4%
- China + 36%
- India + 24%
- Brazil + 24%

* Including 100% of sales of joint ventures

Source: IHS Automotive (September 2013)

Appendix: Rheinmetall Automotive

China still a booming market for mobility
Joint ventures heading for another successful year

LV production China in € million
Sales Automotive China in € million

Source: HIS Automotive (December 2013)
“Rheinmetall 2015”
Automotive well-positioned with large product portfolio

**Mechatronics**
- Exhaust gas recirculation
- Solenoid valves
- Actuators
- Water-, oil- and vacuum pumps

**Sales split 2012**
- 45%
- 44%
- 11%

**Hardparts**
- LV- and truck pistons
- Large-bore pistons
- Bearings
- Continuous casting
- Engine blocks

**Motor Service**
- Engine parts for own products and third parties

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

---

* Before consolidation

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### Automotive – Segment report

<table>
<thead>
<tr>
<th>€ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,055</td>
<td>1,522</td>
<td>1,982</td>
<td>2,313</td>
<td>2,369</td>
</tr>
<tr>
<td>EBITDA</td>
<td>184</td>
<td>-70</td>
<td>183</td>
<td>254</td>
<td>247</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>123</td>
<td>117</td>
<td>102</td>
<td>103</td>
<td>104</td>
</tr>
<tr>
<td>EBIT</td>
<td>61</td>
<td>-187</td>
<td>81</td>
<td>151</td>
<td>143</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>3.0</td>
<td>-12.3</td>
<td>4.1</td>
<td>6.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>146</td>
<td>70</td>
<td>96</td>
<td>104</td>
<td>148</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>11,682</td>
<td>10,339</td>
<td>10,816</td>
<td>11,548</td>
<td>12,003</td>
</tr>
</tbody>
</table>

### Defence – Segment report

<table>
<thead>
<tr>
<th>€ million</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,814</td>
<td>1,898</td>
<td>2,007</td>
<td>2,141</td>
<td>2,335</td>
</tr>
<tr>
<td>Order intake</td>
<td>1,723</td>
<td>3,153</td>
<td>1,977</td>
<td>1,831</td>
<td>2,933</td>
</tr>
<tr>
<td>Order backlog (Dec. 31)</td>
<td>3,307</td>
<td>4,590</td>
<td>4,772</td>
<td>4,541</td>
<td>4,987</td>
</tr>
<tr>
<td>EBITDA</td>
<td>237</td>
<td>263</td>
<td>297</td>
<td>303</td>
<td>263</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>43</td>
<td>48</td>
<td>63</td>
<td>80</td>
<td>89</td>
</tr>
<tr>
<td>EBIT</td>
<td>194</td>
<td>215</td>
<td>234</td>
<td>223</td>
<td>174</td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>10.7</td>
<td>11.3</td>
<td>11.6</td>
<td>10.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>53</td>
<td>74</td>
<td>93</td>
<td>102</td>
<td>90</td>
</tr>
<tr>
<td>Employees (Dec. 31)</td>
<td>9,217</td>
<td>9,304</td>
<td>9,037</td>
<td>9,833</td>
<td>9,623</td>
</tr>
</tbody>
</table>
Financial Diary

February 19, 2014       Preliminary figures FY 2013
March 19, 2014          Annual report 2013
May 6, 2014             Annual General Meeting
May 8, 2014             Q1 2014

Disclaimer

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