



RHEINMETALL AG

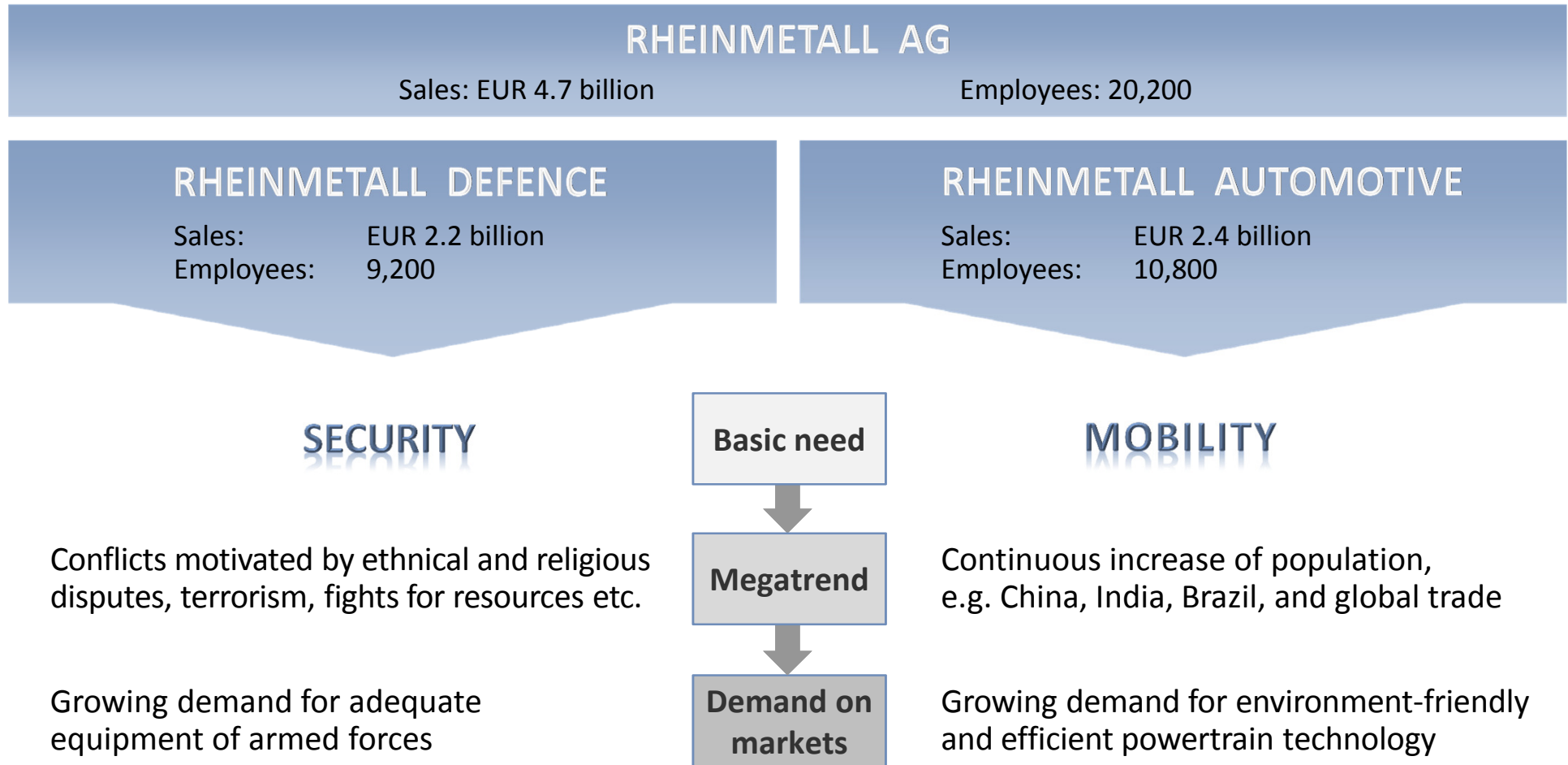
THE TECHNOLOGY GROUP
FOR SECURITY AND MOBILITY

Corporate Presentation | September 2015



The Technology Group for Security and Mobility

Addressing the basic needs and megatrends in Defence and Automotive



All figures FY 2014



Key figures H1 2015

<i>in EUR million</i>	H1 2014	H1 2015	Δ H1 2015 / H1 2014	
Sales	2,131	2,394	+ 263	+ 12%
Operational earnings	32	79	+ 47	+ 147%
Special items: one-offs, restructuring costs	- 2	0	+ 2	
EBIT (reported)	30	79	+ 49	+ 163%
EBIT margin <i>in %</i>	1.4	3.3	+ 1.9pp	
EBT	- 9	48	+ 57	
Group net income	- 6	34	+ 40	
Earnings per share <i>in EUR</i>	0.01	1.03	+ 1.02	
Free cash flow from operations	- 550	- 279	+ 271	- 49%
Employees (June 30)	20,338	20,642	+ 304	+ 1%



Key figures Q2 2015 per segment

Improved profitability in Automotive, break-even in Defence

Automotive <i>in EUR million</i>	Q2 2014	Q2 2015	Δ Q2 2015 / Q2 2014	
Sales	619	676	+ 57	+ 9%
EBIT (reported)	47	59	+ 12	+ 26%
EBIT margin <i>in %</i>	7.6	8.7	+ 1.1pp	

Defence <i>in EUR million</i>	Q2 2014	Q2 2015	Δ Q2 2015 / Q2 2014	
Sales	481	545	+ 64	+ 13%
EBIT (reported)	- 11	1	+ 12	- 109%
EBIT margin <i>in %</i>	- 2.3	0.2	+ 2.5pp	



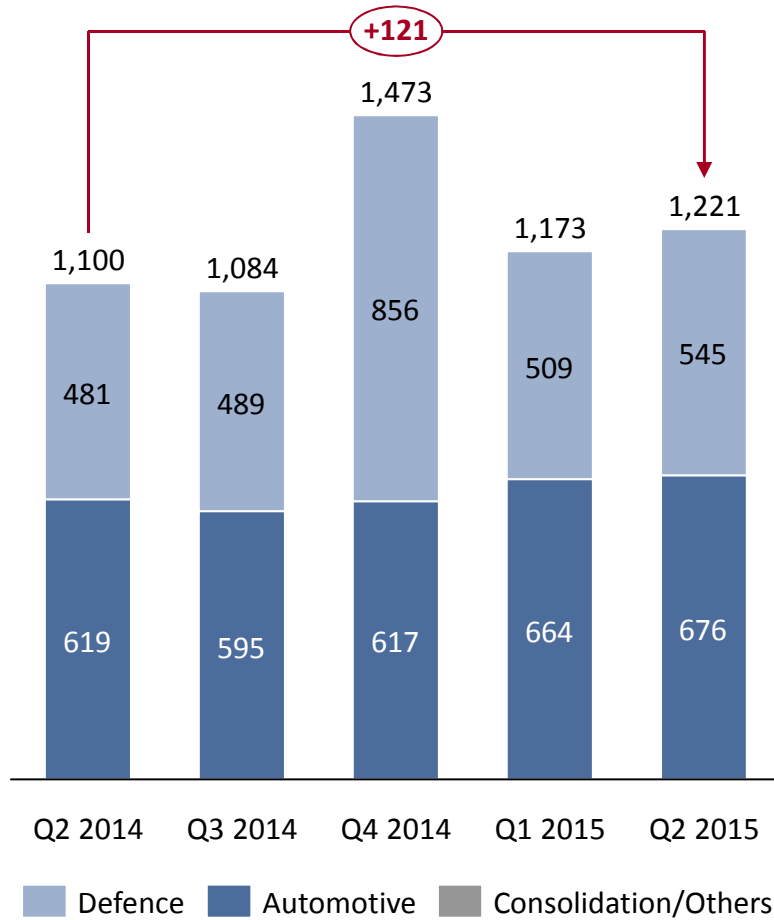
Cash flow statement

<i>in EUR million</i>	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Δ Q2 2015/2014
Group net income	7	- 14	41	5	29	+ 22
Amortization / depreciation	52	49	59	49	50	- 2
Change in pension accruals	0	1	- 2	0	1	+ 1
Cash flow	59	36	98	54	80	+ 21
Changes in working capital and other items	- 92	67	337	- 202	- 100	- 8
Net cash used in operating activities	- 33	103	435	- 148	- 20	+ 13
Cash outflow for additions to tangible and intangible assets	- 49	- 50	- 120	- 56	-55	- 6
Free cash flow from operations	- 82	53	315	- 204	- 75	+ 7

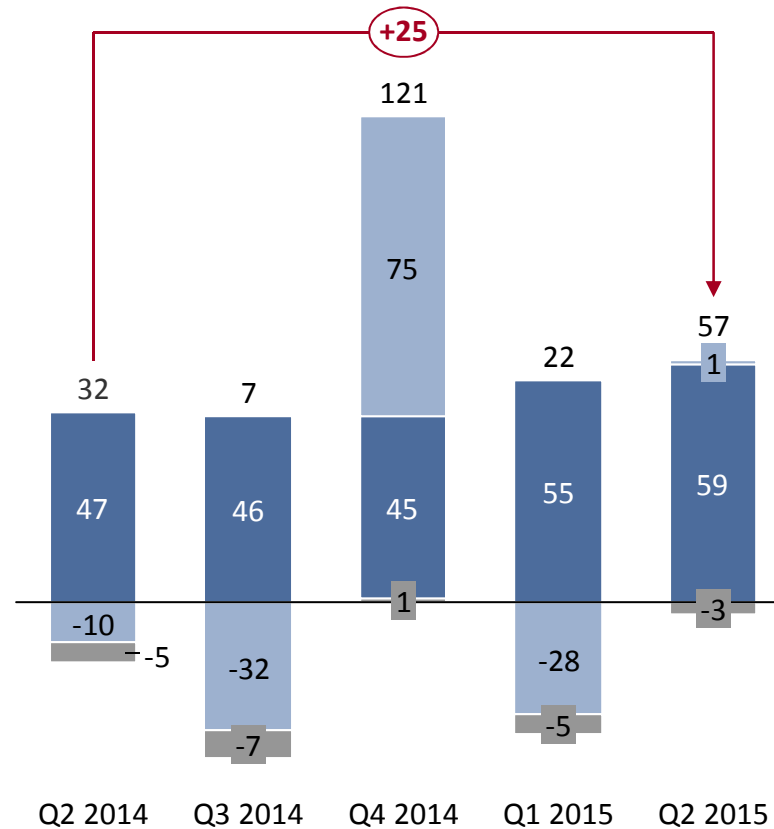


Quarterly development

■ Sales in EUR million



■ Operational earnings in EUR million





Balance sheet

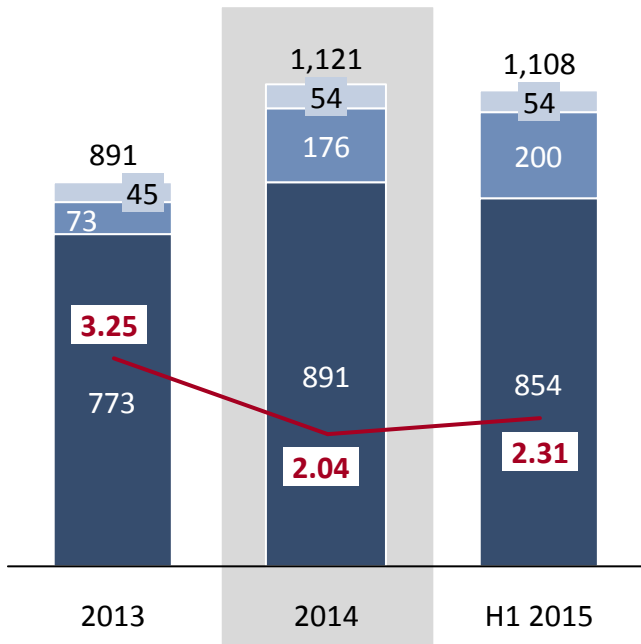
<i>in EUR million</i>	31.12. 2013	31.12. 2014	30.06. 2015	Δ 30.06.15/ 31.12.14
Assets	4,866	5,271	5,282	+ 11
Non-current assets	2,345	2,504	2,577	+ 73
Current assets	2,521	2,767	2,705	- 62
Equity & Liabilities	4,866	5,271	5,282	+ 11
Equity	1,339	1,197	1,294	+ 97
Pension liabilities	891	1,121	1,108	- 13
Other non-current liabilities	687	938	935	- 3
Current liabilities	1,943	2,015	1,945	- 70
Equity ratio	28%	23%	24%	+ 1pp
Net debt	147	330	621	+ 291
Working capital	622	813	1,062	+ 249



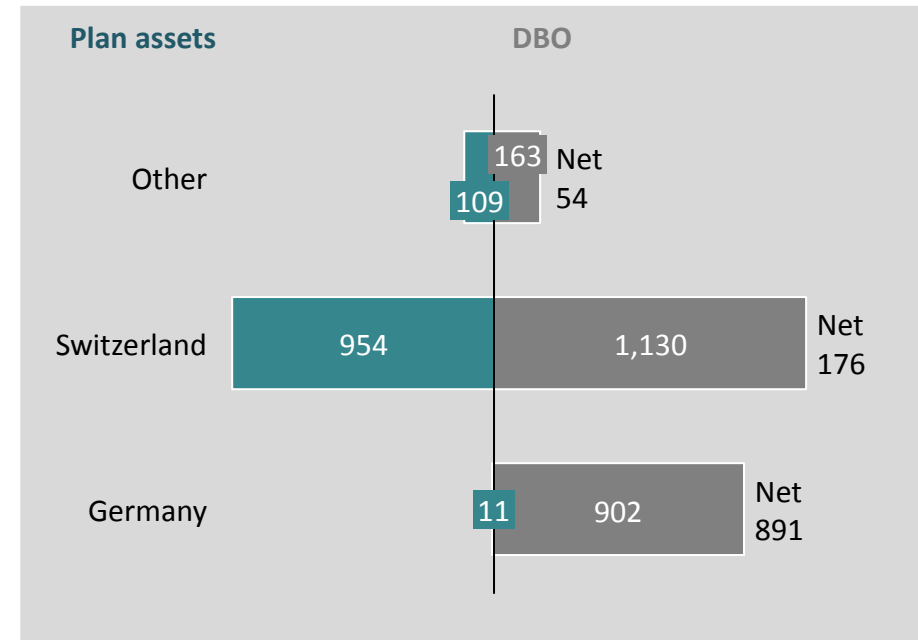
Pension obligations

Internal funding in Germany, external funding in Switzerland

■ Pension obligations by country *in EUR million*



■ Plan assets and Defined Benefit Obligation (DBO) by country *in EUR million*



■ Other ■ Switzerland ■ Germany — Discount rate*

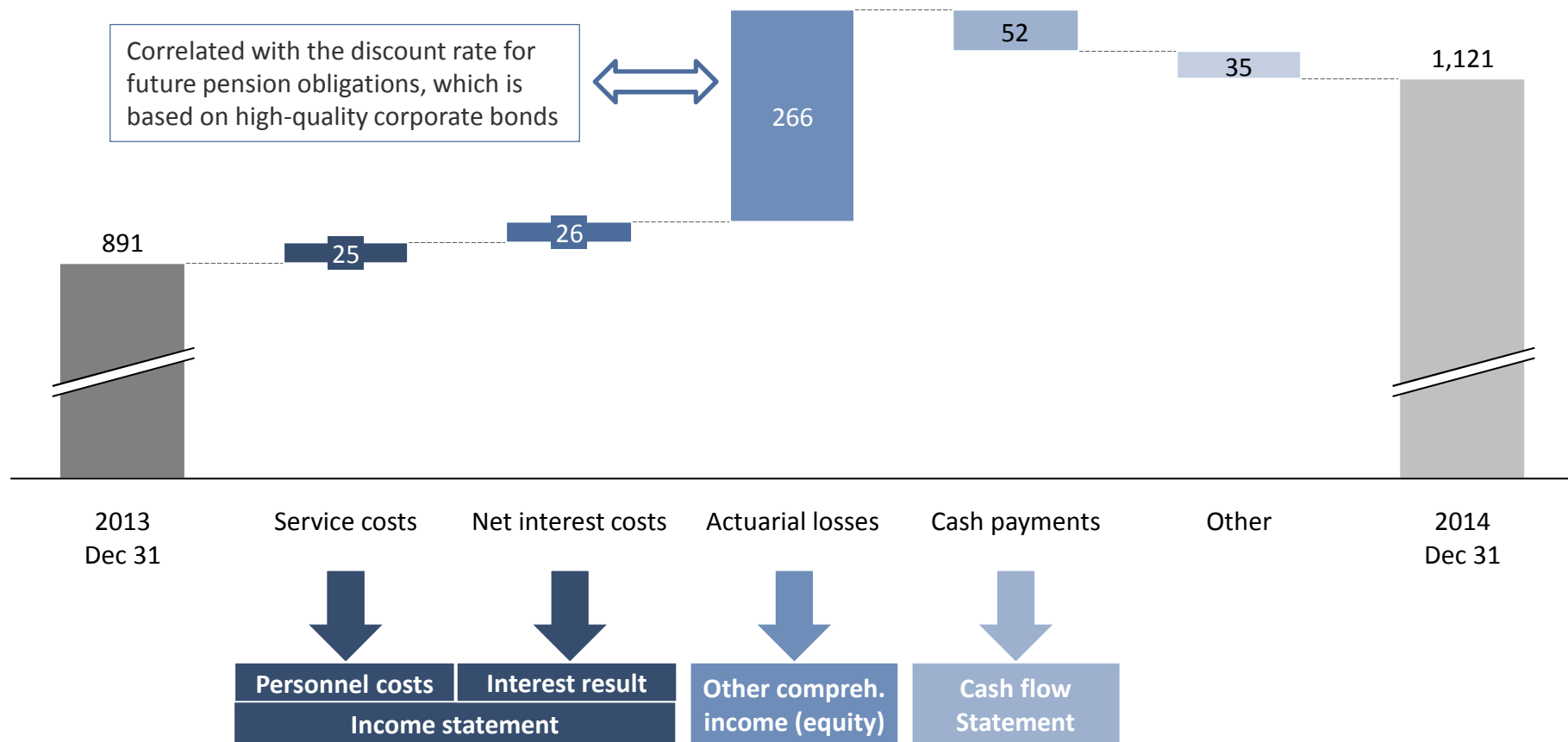
* For German pension liabilities of Rheinmetall



Pension obligations

Actuarial losses are main factor for increase of pensions

Elements of change in pension liabilities *in EUR million*



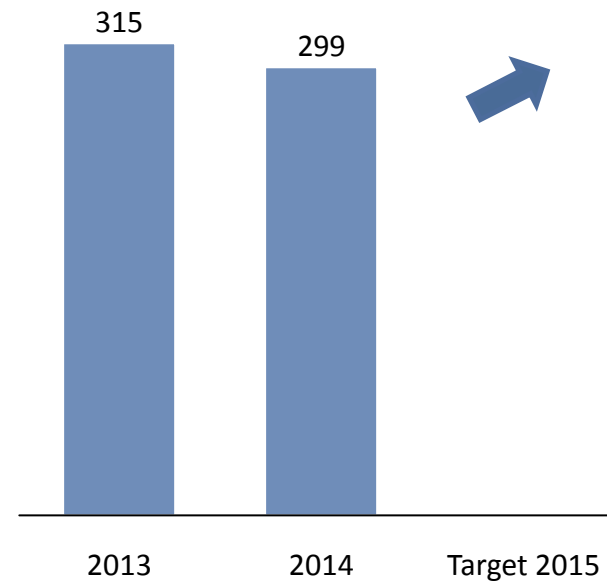
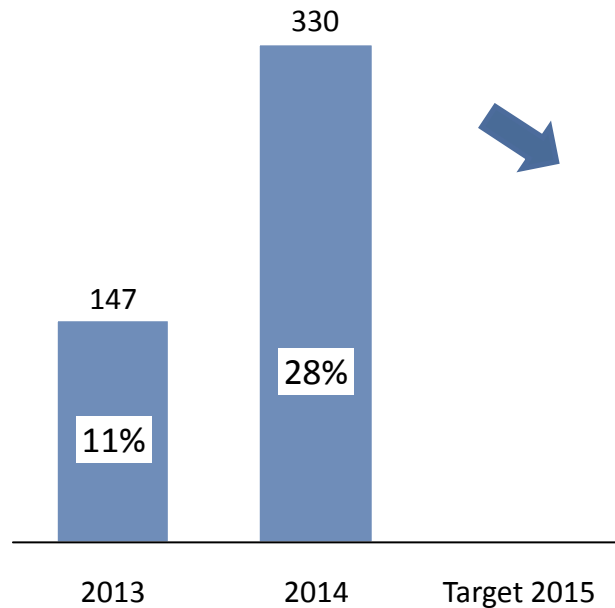


Earnings power and debt

Improving Net Financial Debt / EBITDA - Ratio expected

Net financial debt (at year-end) in EUR million
 Net gearing* in %

EBITDA in EUR million



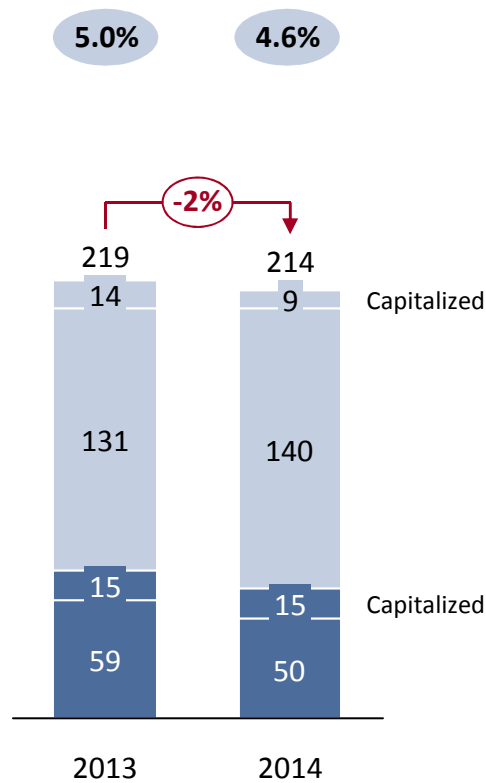
* Net debt in % of equity



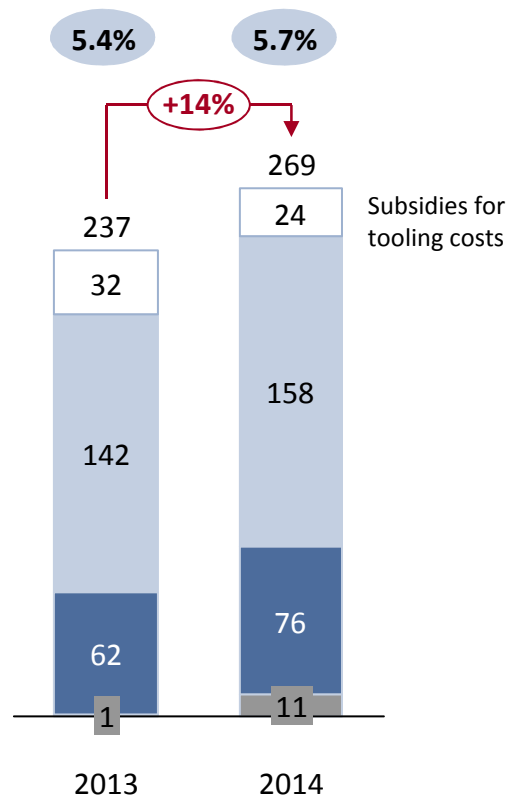
Capex and R&D at a high level

More than EUR 400 million invested in the future

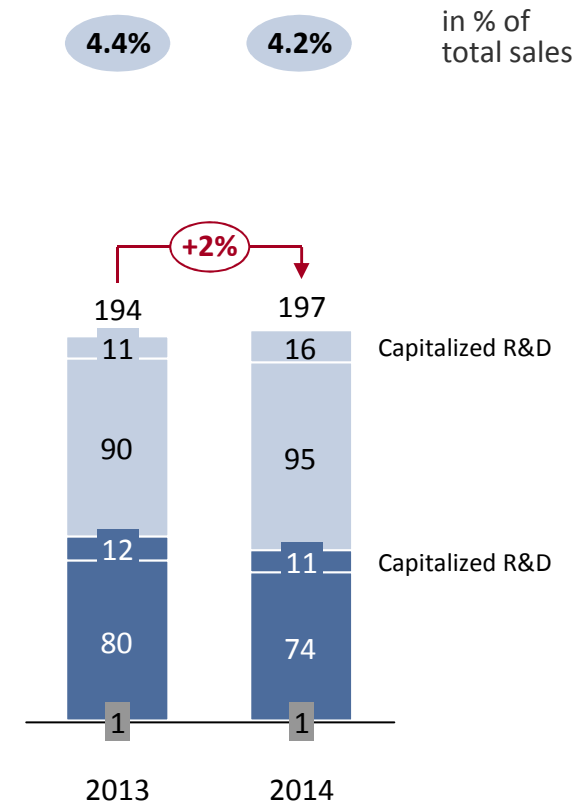
R&D in EUR million



Capex in EUR million



Depreciation & amortization in EUR million



Automotive Defence Consolidation/others

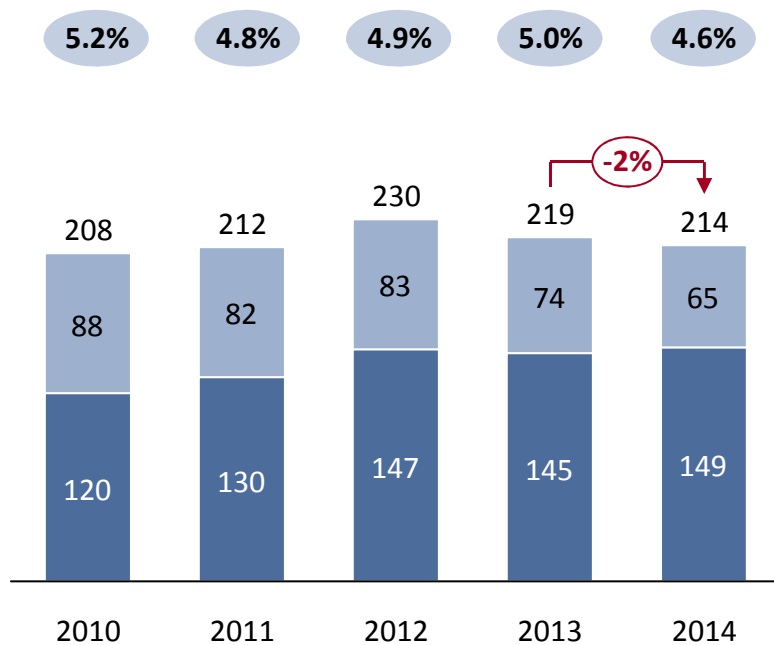
2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)



Capex and R&D at a high level

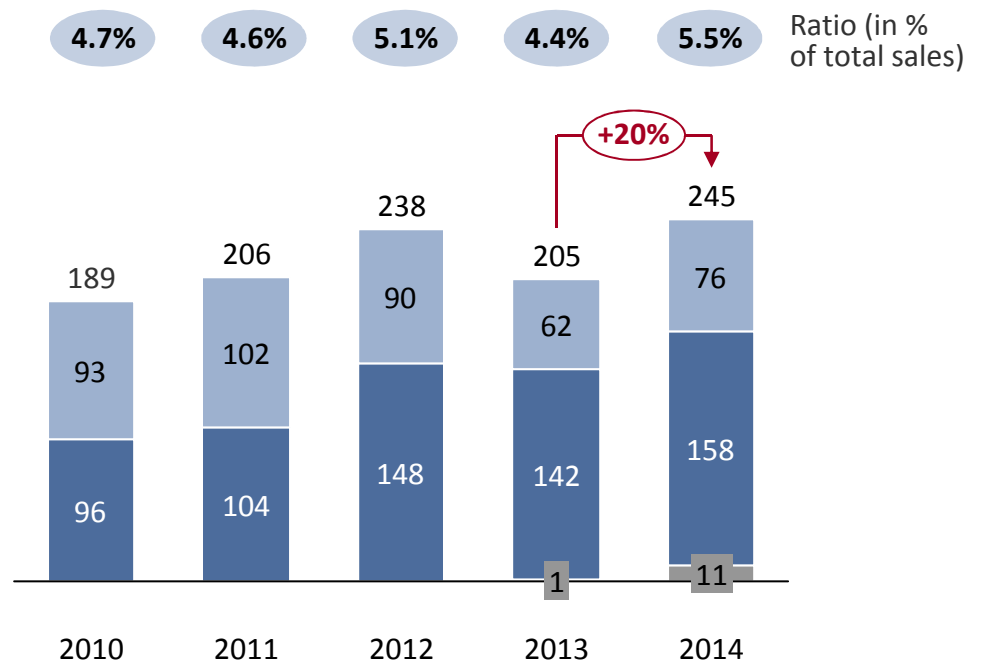
More than EUR 400 million last year invested in the future

R&D in EUR million



R&D ratio	Avg. 2010-15
Defence:	3.6%
Automotive:	6.1%
RHM group:	4.9%

Capex in EUR million



Capex ratio	Avg. 2010-15
Defence:	4.0%
Automotive:	5.6%
RHM group:	4.9%

- Defence
- Automotive
- Consolidation/Others

2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

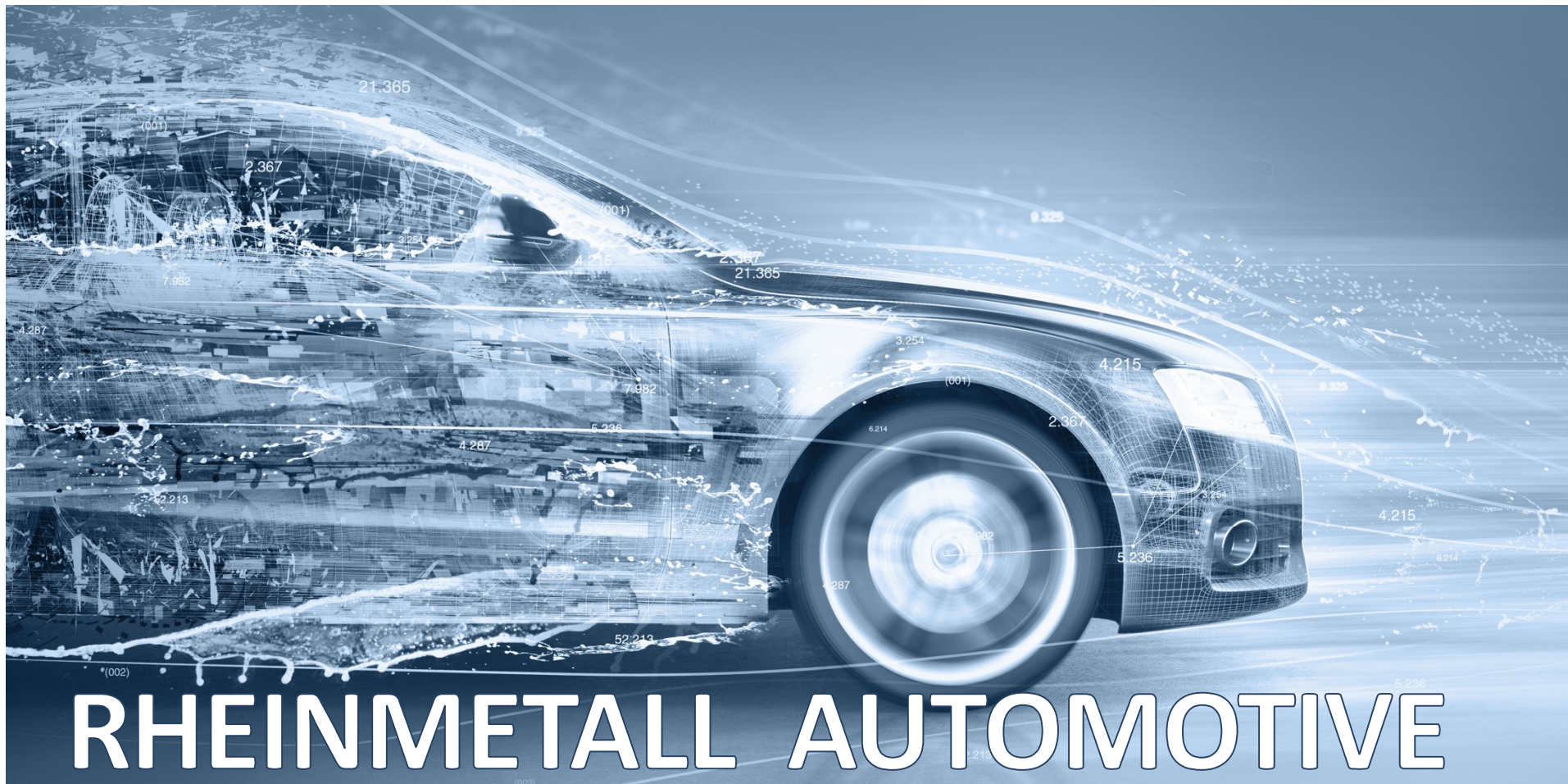


Cost efficiency program Restructuring measures in final phase

	Costs 2013	Costs 2014	Total reduction of employees until 2016	Savings* 2014	Savings* 2015	Full annual savings* from 2016
Combat Systems (esp. Tracked Vehicles)	15	4	240			
Electronic Solutions (esp. Air Defence Zurich)	14	5	130			
Wheeled Vehicles (esp. Logistic Vehicles)	22	0	230			
Total Defence	51	9	600	13	~30	~40
Hardparts (esp. Pistons Thionville/Neckarsulm)	22		440			
Mechatronics (esp. merging Neuss/Nettetal)	11		100			
Aftermarket	1		10			
Total Automotive	34	0	550	12	~20	~25
Total Group	85	9	1,150	25	~50	~65
Status per June 30, 2015			1,005			

Note: An arrow points from the 1,150 value to the 1,005 value, labeled 87%.

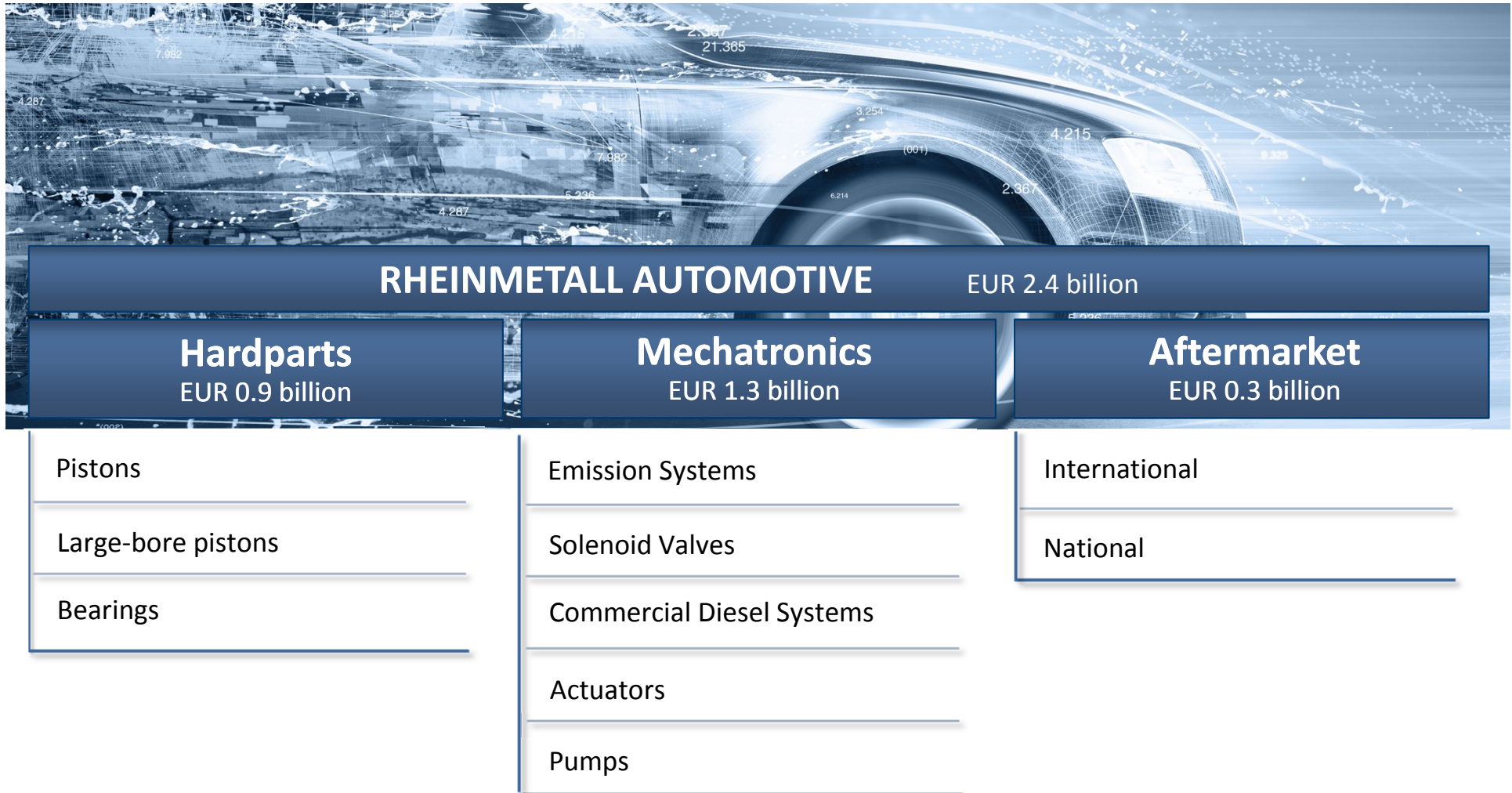
* Savings amount with regard to FY 2012



RHEINMETALL AUTOMOTIVE



The divisional structure of Automotive Focused on the attractive segment of powertrain technology



Sales figures FY 2014, intra-company sales not eliminated



Key figures H1 2015

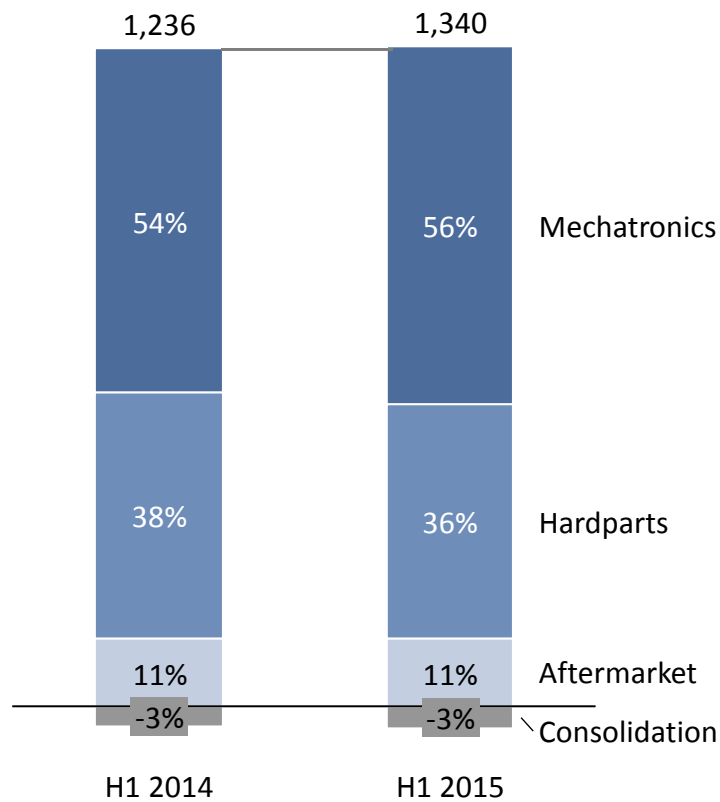
<i>in EUR million</i>	H1 2014	H1 2015	Δ H1 2015 / H1 2014	
Order intake	1,215	1,320	+ 105	+ 8%
Order backlog (June 30)	374	397	+ 23	+ 6%
Sales	1,236	1,340	+ 104	+ 8%
Operational earnings	93	114	+ 21	+ 23%
Special items: one-offs, restructuring costs	0	0	± 0	± 0%
EBIT (reported)	93	114	+ 21	+ 23%
EBIT margin <i>in %</i>	7.5	8.5	+ 1.0pp	
Free cash flow from operations	- 55	15	+ 70	
Employees (June 30)	10,967	11,066	+ 99	+ 1%



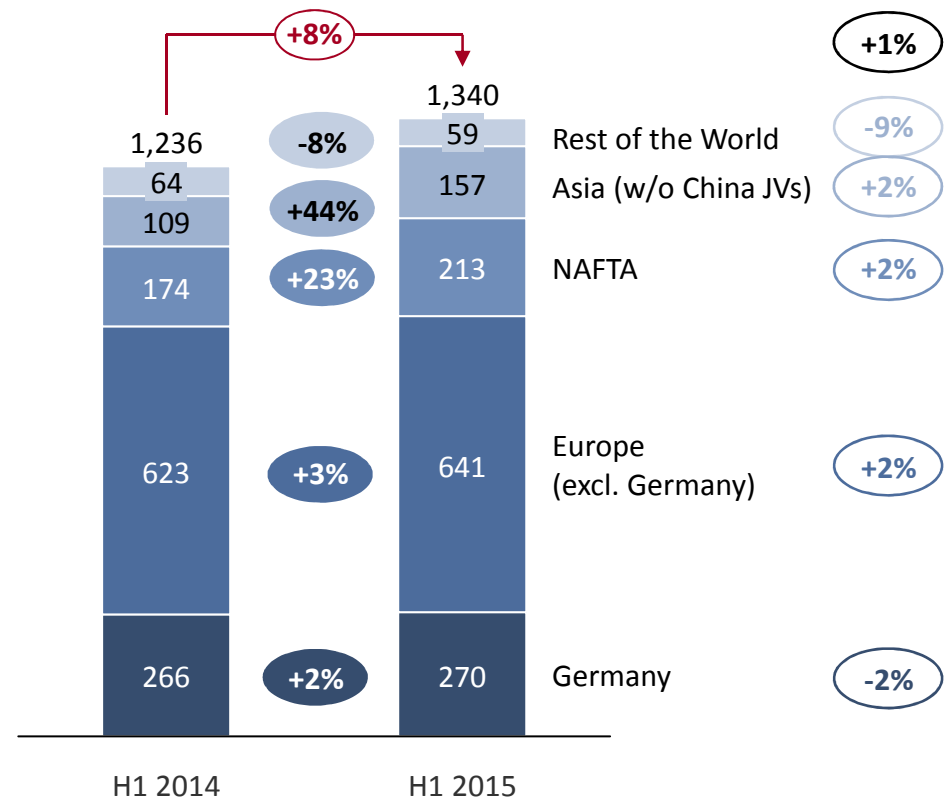
Mechatronics remains on growth track

Sound increase of revenues in North America and Asia

Sales by division in EUR million



Sales by region in EUR million



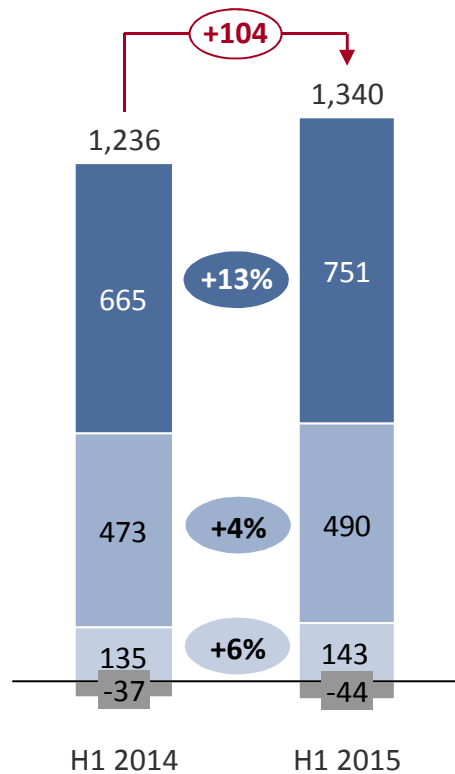
* H1 2015 vs. H1 2014, source: IHS Automotive (July 2015)



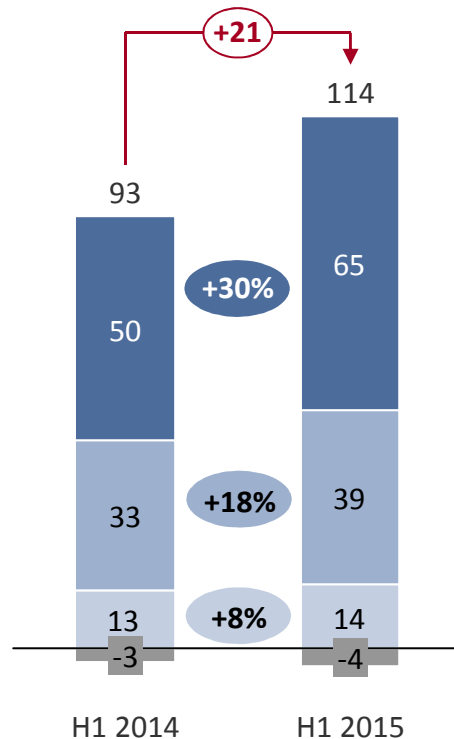
Substantial sales growth in Mechatronics

Improved earnings by higher sales and strong JV contributions

Sales Automotive in EUR million



Operational earnings Automotive in EUR million



Reasons for earnings development

Mechatronics

- Higher sales

Hardparts

- Increasing earnings contribution of Chinese JVs
- Break-even of large-bore piston subsidiary in China
- At-equity results of new castings JV (former ATAG)

Aftermarket

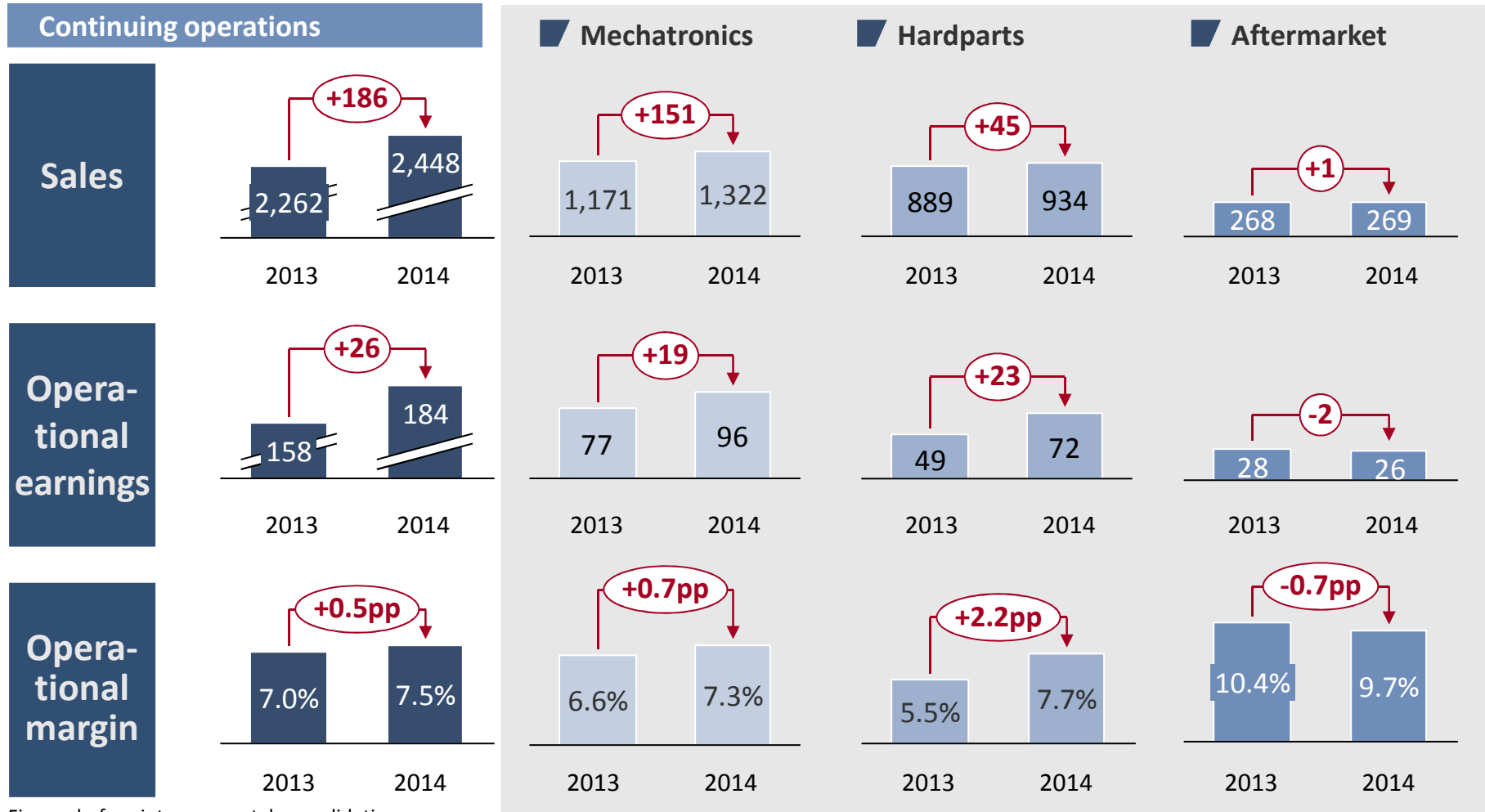
- Higher sales





FY 2014

Key figures Automotive by division



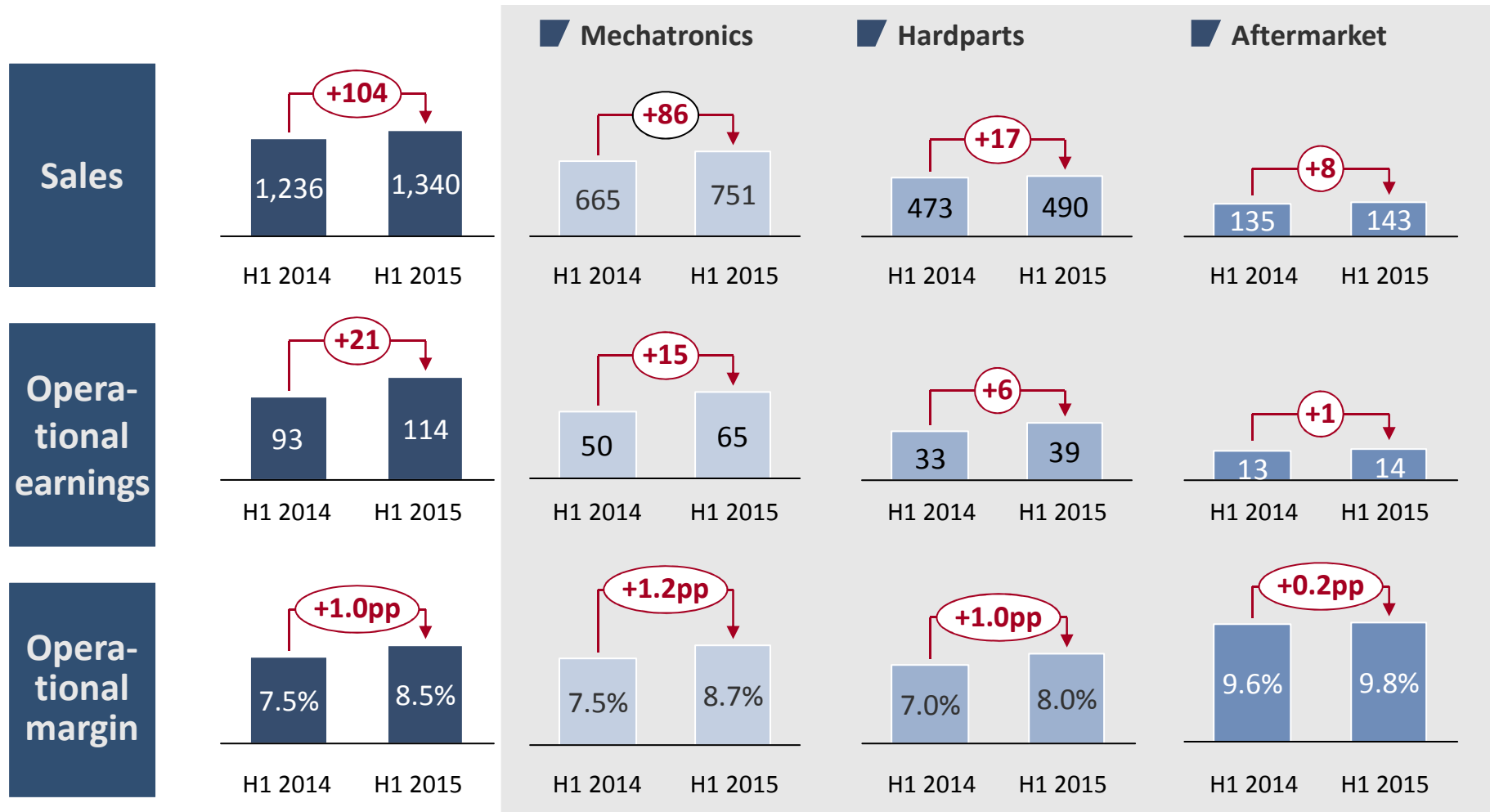
Figures before intrasegmental consolidation

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



H1 2015

Key figures Automotive by division



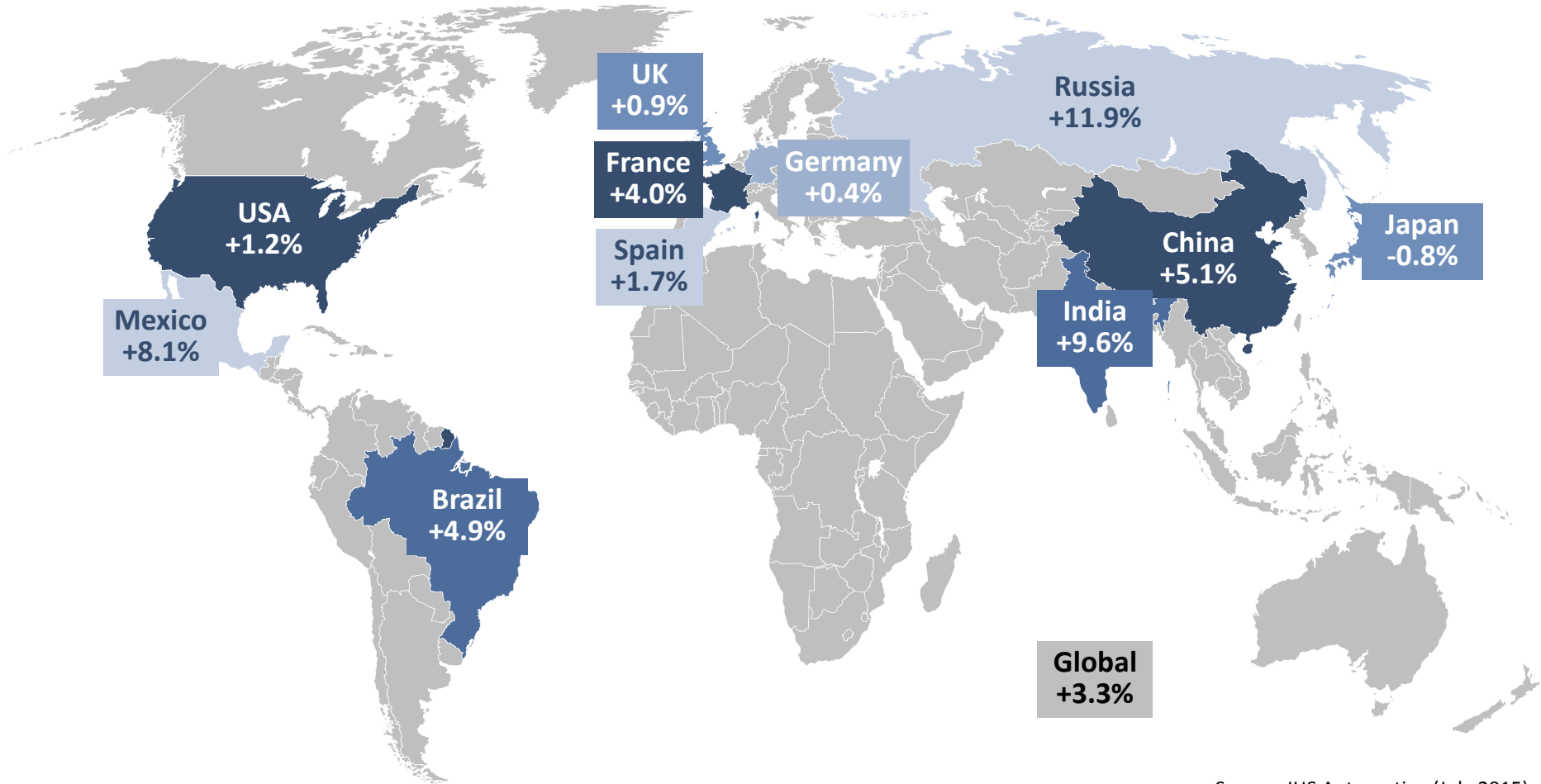
Figures before intrasegmental consolidation



Automotive market

Globally growing with moderate increase in Europe and the U.S.

Development of LV production 2015e-2019e *in % p.a.*



Source: IHS Automotive (July 2015)



Situation analysis Benefiting from important trends

Reduction of
emissions

Reduction of
fuel consumption

Higher performance
from downsized
engines

KSPG has the right product portfolio for a substantial growth



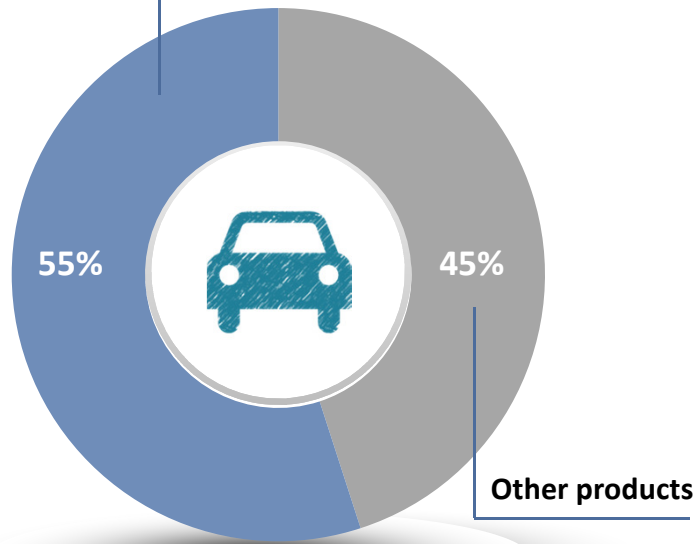


Megatrend “Protection of the environment”

Sales share of green technology products will increase to 60%

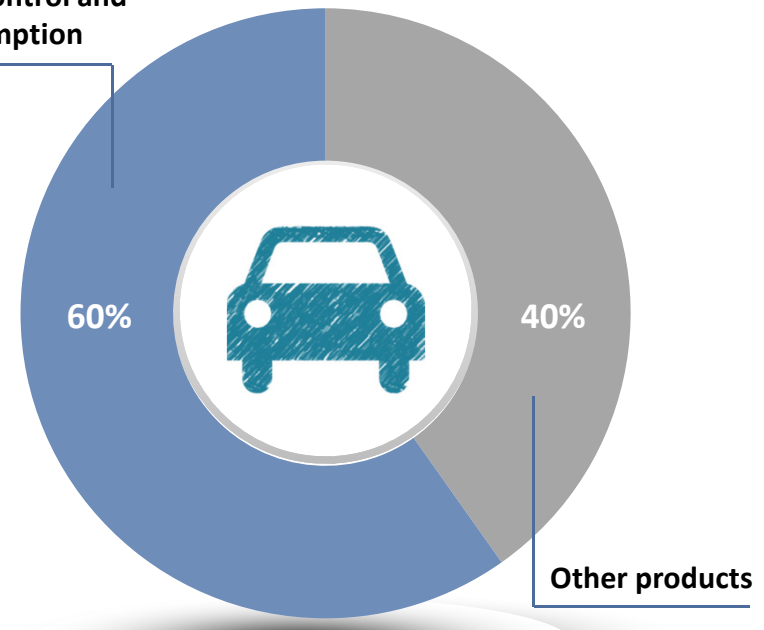
■ Sales share 2014

Products for
emission control and
fuel consumption



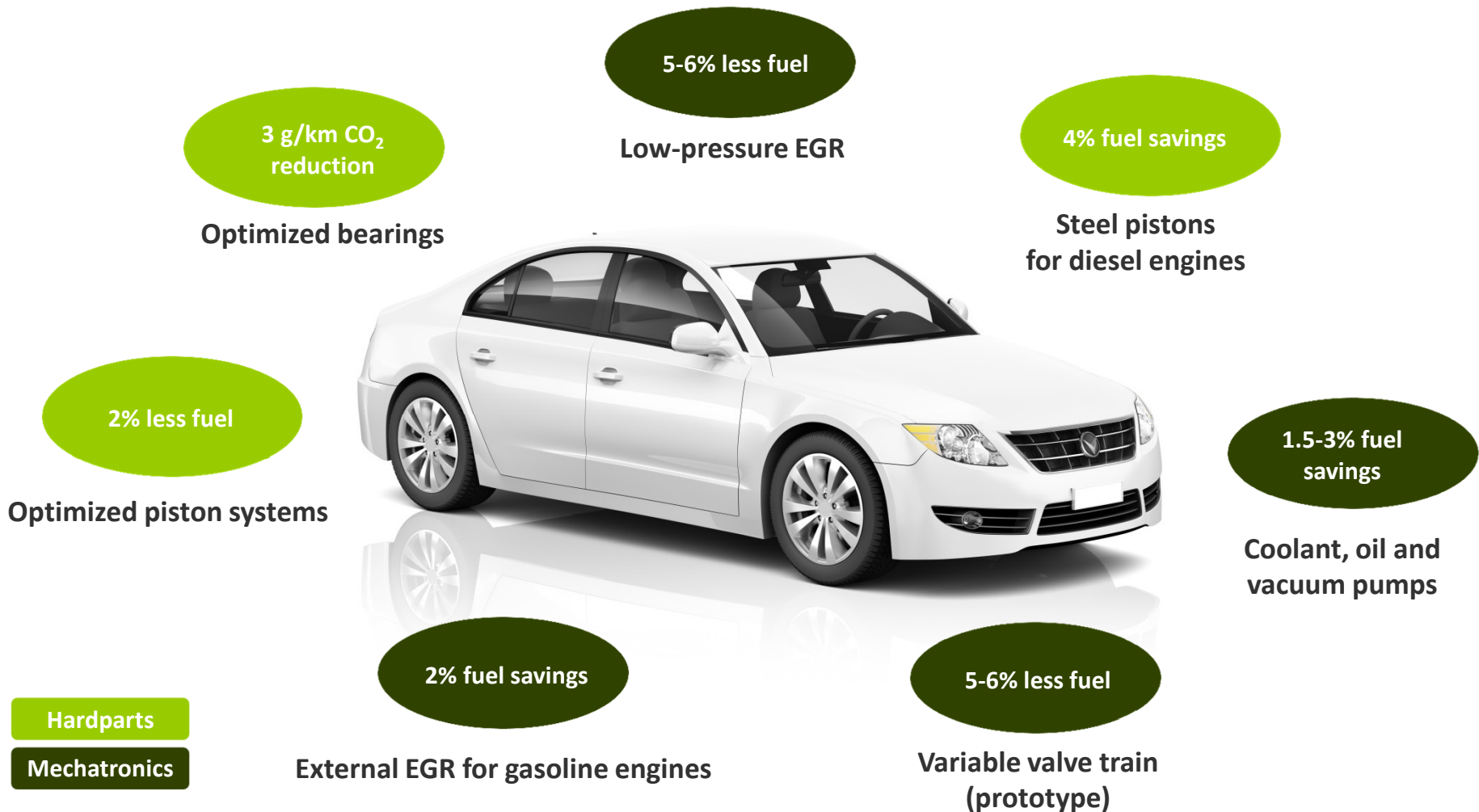
■ Expected sales share 2016

Products for
emission control and
fuel consumption





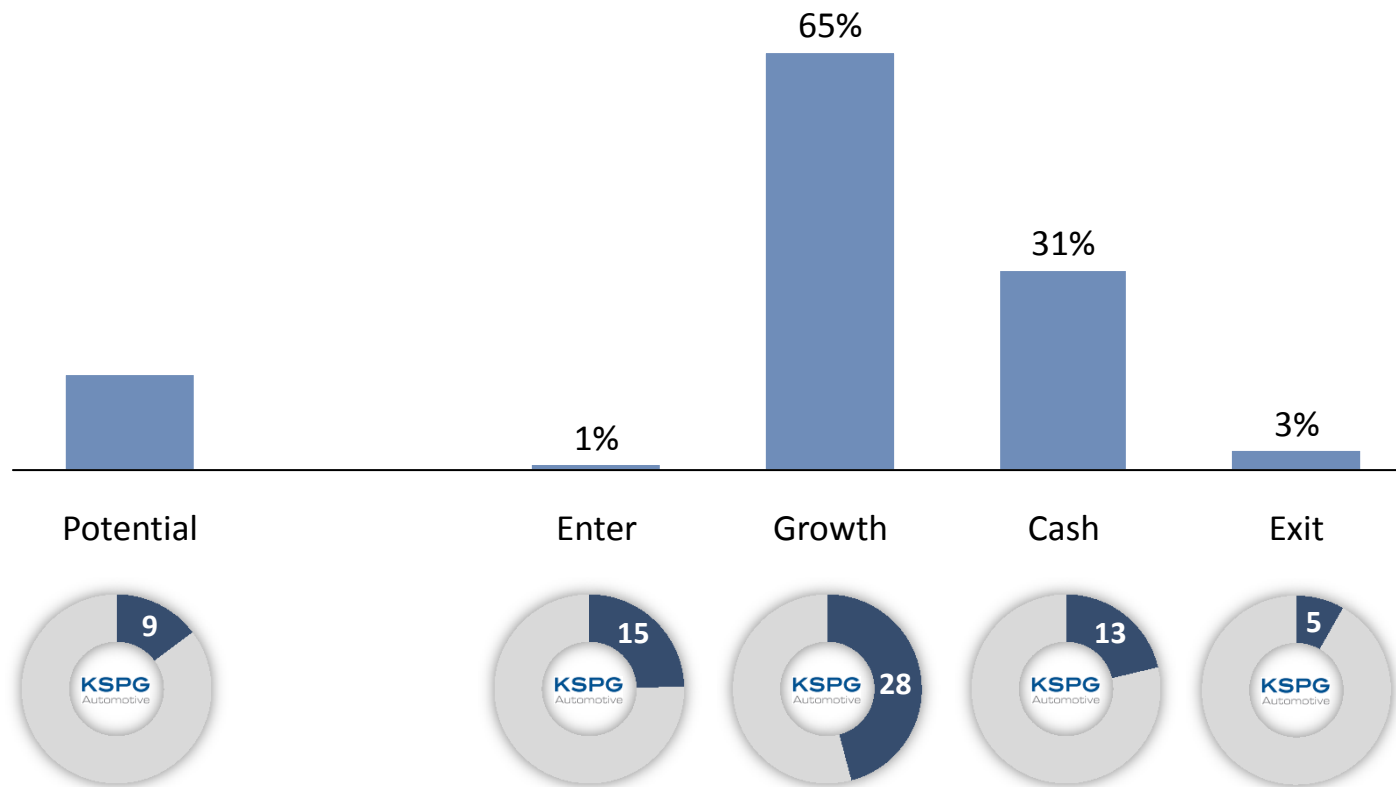
Potential for Rheinmetall Automotive CO₂-reduction and fuel savings with KSPG products and innovations





Strategic position of products

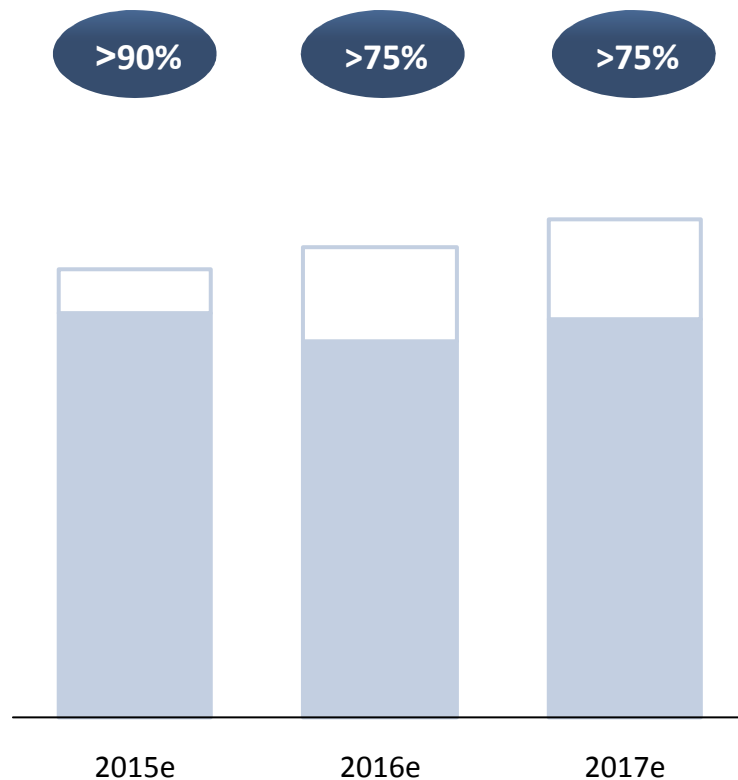
Product groups by strategic importance *in numbers and in % of sales 2013*





Nomination letters indicate good coverage of planned revenues

■ Sales covered by booked business
in EUR million resp. in % of planned sales

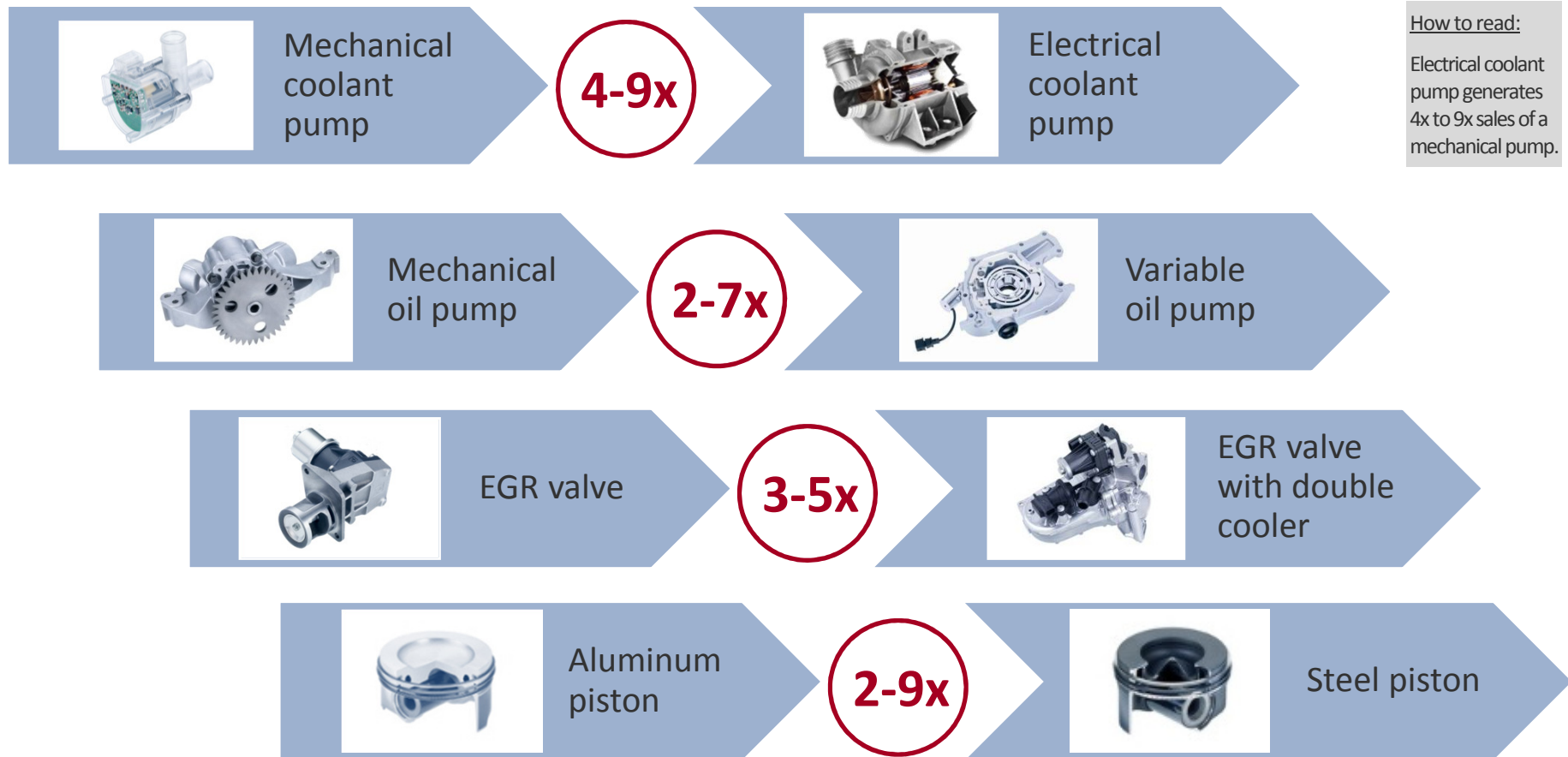


- In general:
 - Nomination letters represent frame contracts (“booked business”) for the lifetime of an engine platform
 - Relevant for order intake: short-term calls, 6-8 weeks ahead of delivery
- **Mechatronics:** According to booked business, sales coverage of roughly 80%
- **Hardparts:** According to booked business, sales coverage of roughly 70%
 - Estimates refer to serial automotive business (LV, commercial vehicles)
 - Not included: large-bore piston business (higher coverage due to single contracts), continuous casting business and warehousing business “Non-Automotive”
- **Aftermarket:** Not included



Potential for Rheinmetall Automotive

Higher content per car by higher-value products



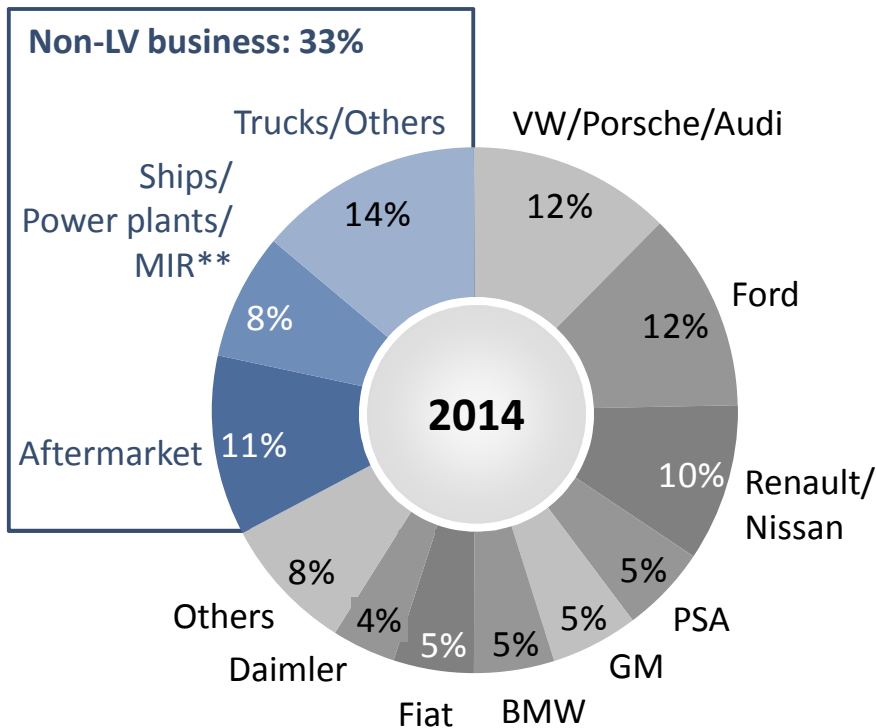
Factors refer to sales price per unit



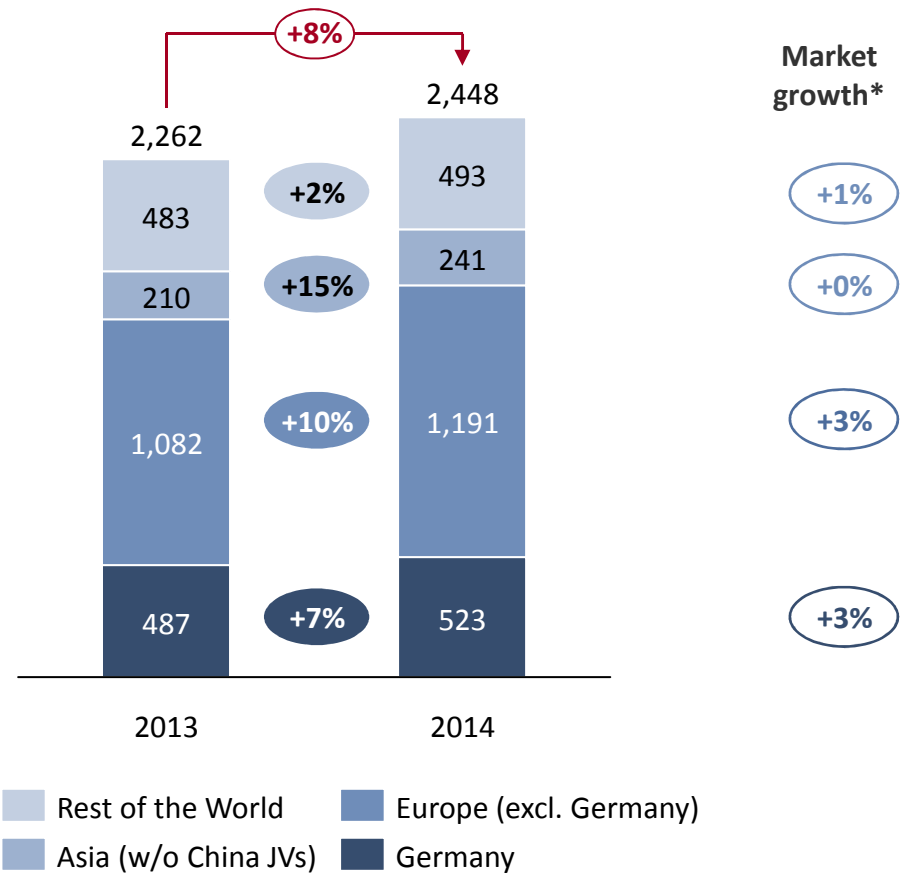
Automotive benefits from balanced customer base

Sales growth outperforms especially the European and Asian markets

■ Sales by customer in %



■ Sales by region in EUR million
Sales growth in %



* Source: IHS Automotive (March 2015)

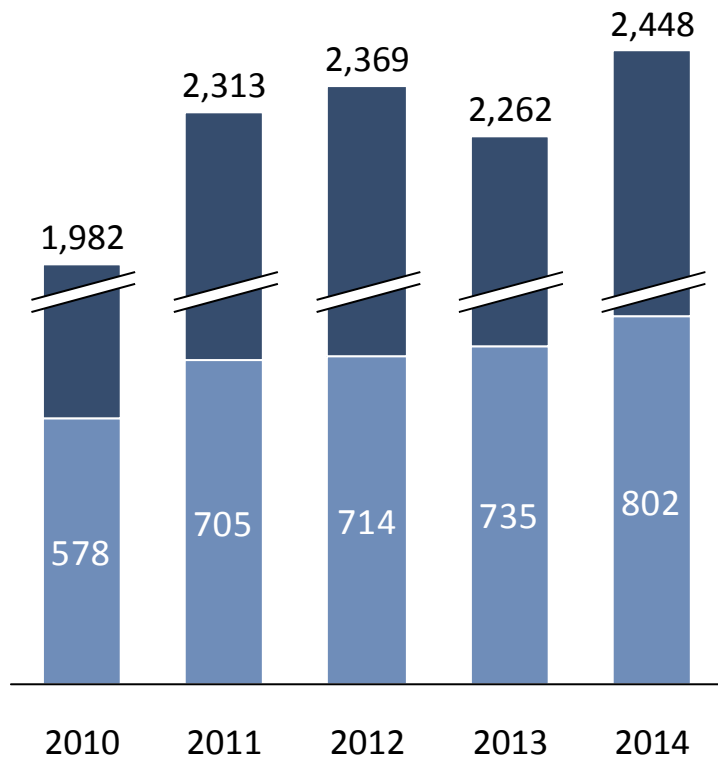
2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)



Strong growth in non-LV business

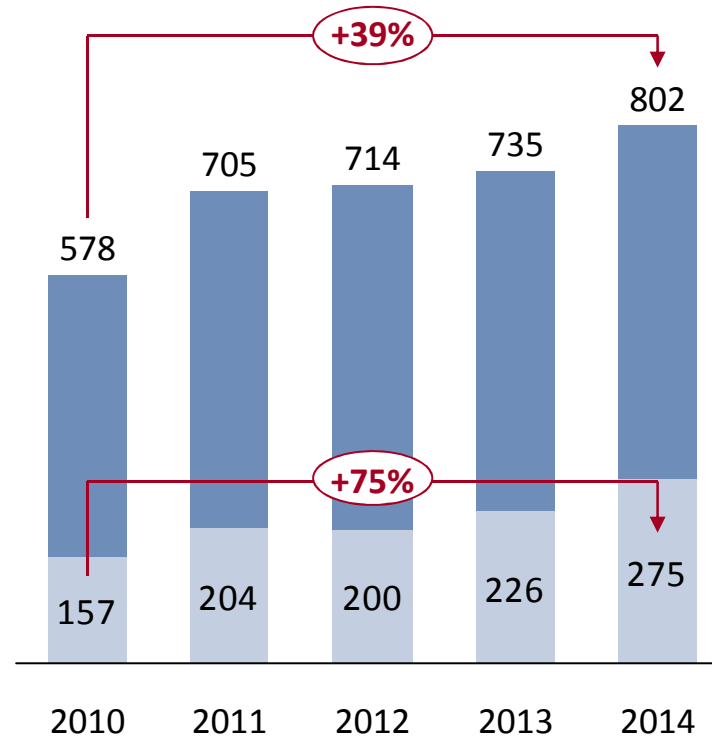
Sales of truck business almost doubled within 5 years

Sales Automotive and non-LV in EUR million



Other Automotive sales Non-LV sales

Sales non-LV and truck business in EUR million



Other non-LV sales Truck business sales

2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)



China: Economic growth coming to normalized level Again strong performance of Chinese entities

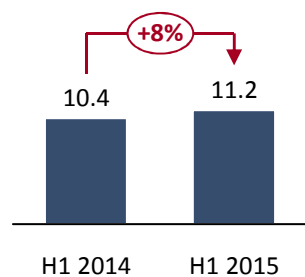
NEWS

- Signs of **economic slowdown** and **lower Auto market growth**
- Automotive's direct **exposure to China is relatively low**:
H1 2015: 3% of consolidated sales and 11% of earnings
- **Trends for Rheinmetall Automotive**:
 - Increasing Mechatronics business with Chinese OEMs
 - Additional products from JVs and WFOEs enlarging content per car, e.g. solenoid valves, structural parts

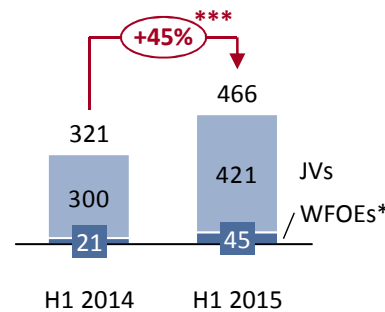


H1 FIGURES

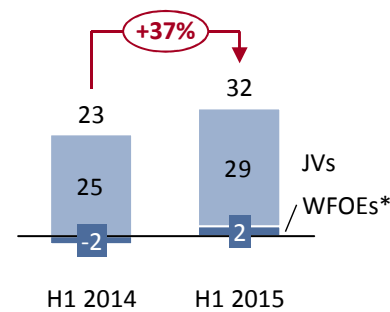
LV production in million units



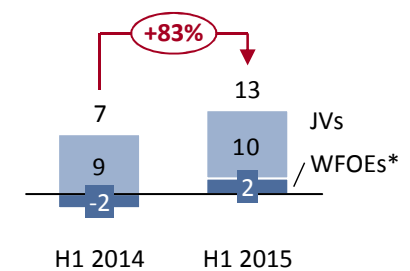
Sales** in EUR million



EBIT** in EUR million



Earnings contribution in EUR million



* WFOE = Wholly Foreign-Owned Enterprise

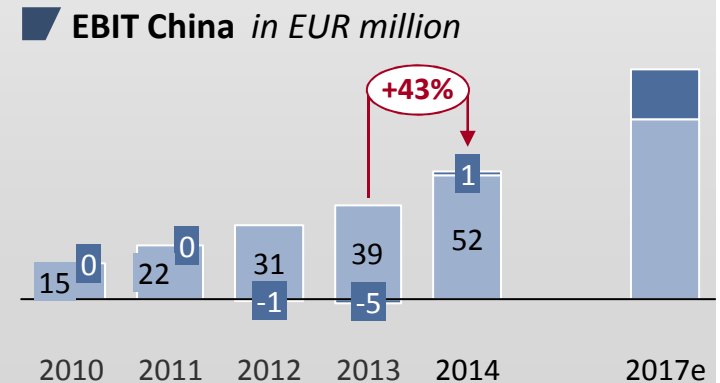
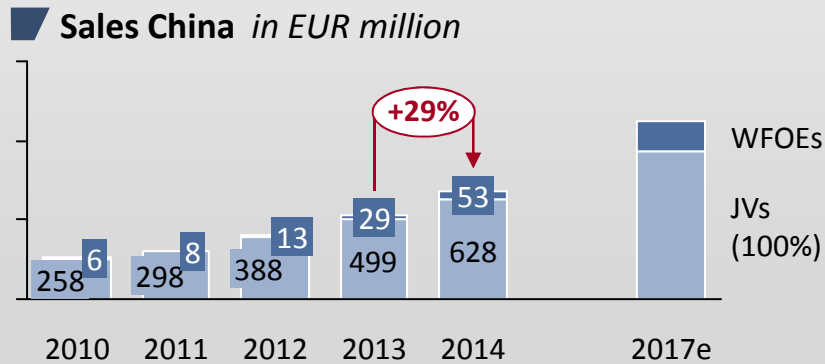
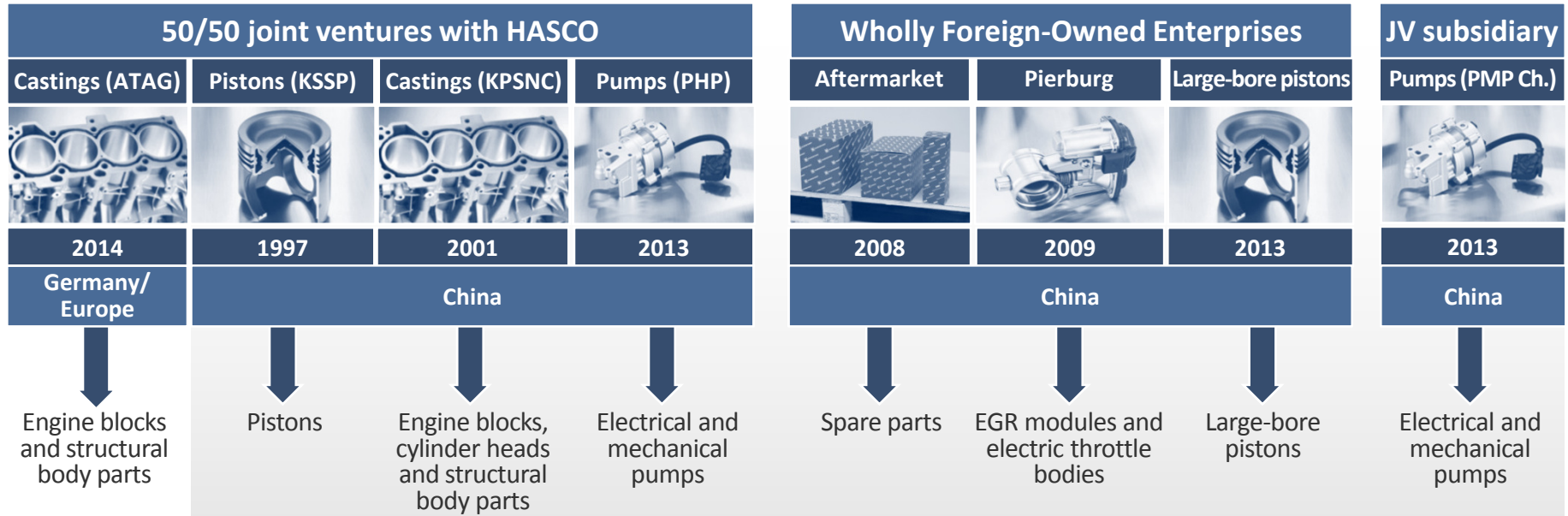
** Including 100% figures of the 50/50 joint ventures, consolidated at equity

*** FX-adjusted + 20%



Growth market China

The success story continues





Automotive Key investment highlights

Markets	<ul style="list-style-type: none">– Rising global demand for light vehicles– High need for efficient engines and lower emissions
Products	<ul style="list-style-type: none">– Focus: fuel-reduction by Mechatronics and CO₂-reduction by Hardparts– More complex products leading to higher prices per vehicle
Order pipeline	<ul style="list-style-type: none">– Short and medium-term business covered by frame contracts– Innovative products available for long-term growth
Customers	<ul style="list-style-type: none">– Well-balanced customer structure in the light vehicle business– Enlargement of non-LV-business with selective growth
Cost management	<ul style="list-style-type: none">– Continuation of best cost-concept– Efficiency gains from restructurings in 2013
China	<ul style="list-style-type: none">– Profitable growth with shared risk of joint ventures– 100%-subsidiaries moving from start-up to growth phase



RHEINMETALL DEFENCE



The divisional structure of Defence

Broad range of technologically leading products



Rheinmetall International Engineering (50:50 JV)

Sales figures FY 2014, intra-company sales not eliminated



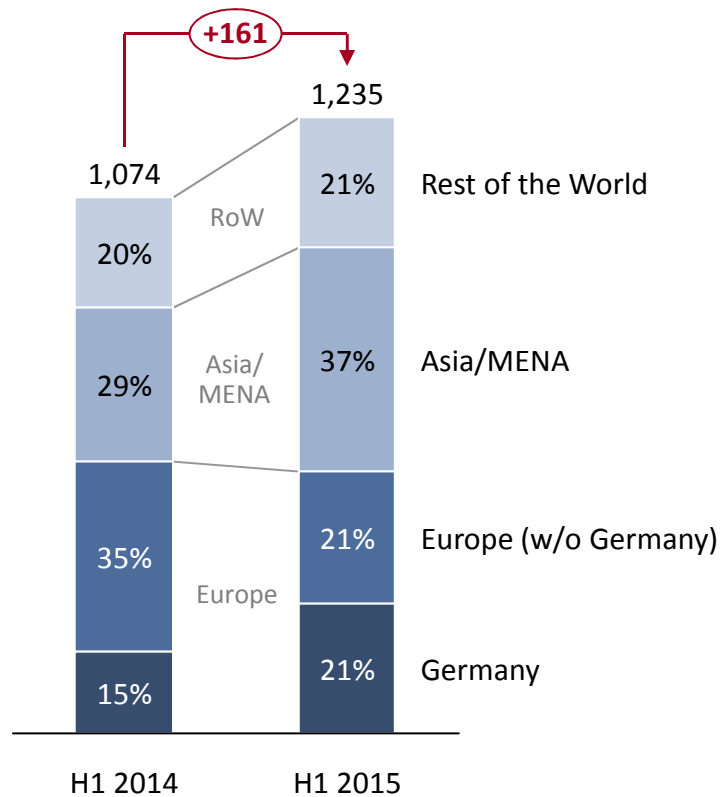
Key figures H1 2015

<i>in EUR million</i>	H1 2014	H1 2015	Δ H1 2015 / H1 2014	
Order intake	1,074	1,235	+ 161	+ 15%
Order backlog (June 30)	6,174	6,728	+ 554	+ 9%
Sales	895	1,054	+ 159	+ 18%
Operational earnings	- 52	- 27	+ 25	- 48%
Special items: one-offs, restructuring costs	- 2	0	+ 2	
EBIT (reported)	- 54	- 27	+ 27	- 50%
EBIT margin <i>in %</i>	- 6.0	- 2.6	+ 3.4pp	
Free cash flow from operations	- 462	- 279	+ 183	- 40%
Employees (June 30)	9,228	9,422	+ 194	+ 2%

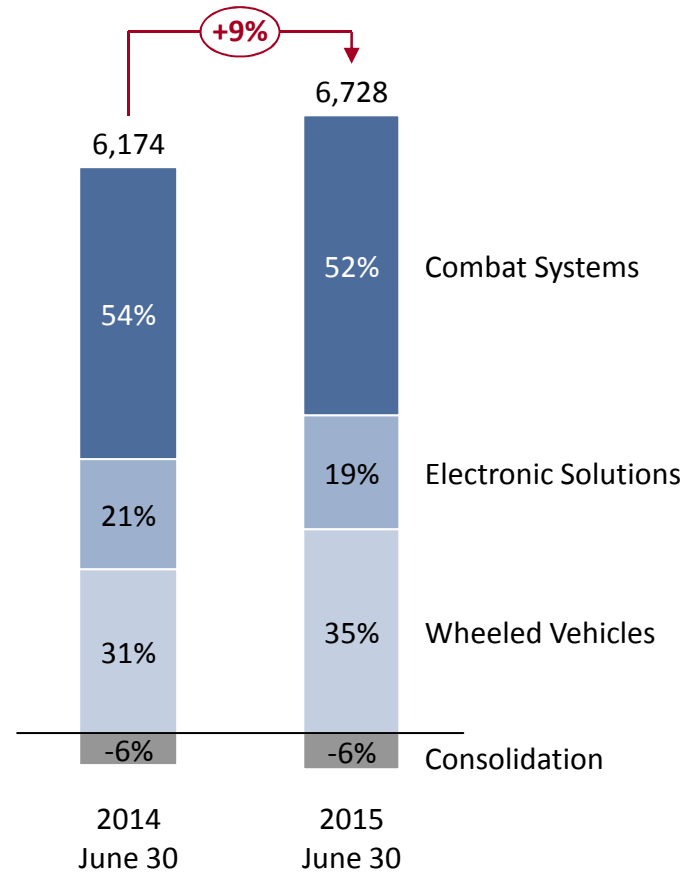


Rising intake of non-European contracts Increase of order book particularly in Wheeled Vehicles

Order intake by region in EUR million



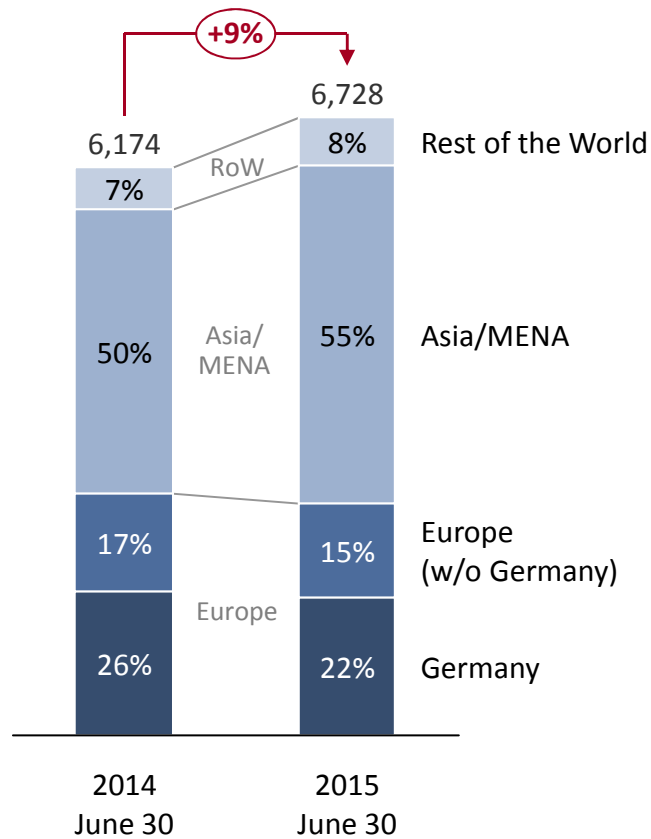
Order backlog by division in EUR million



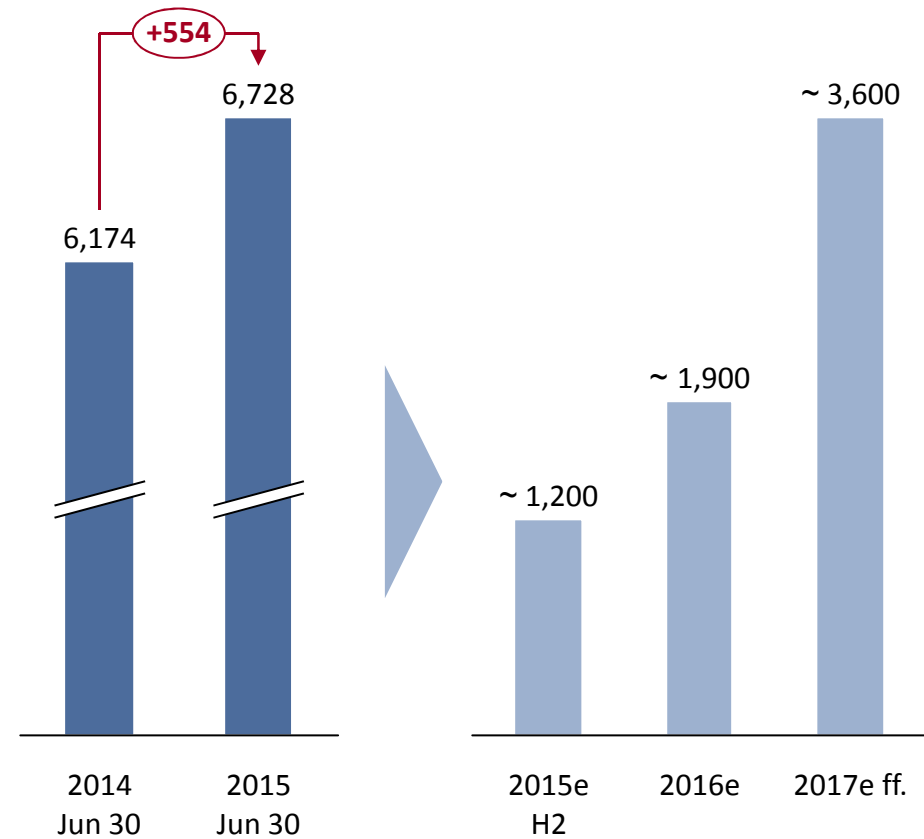


Order backlog shows effective internationalization High order book coverage of mid-term future sales

Order backlog by region in EUR million



Order backlog / sales distribution over time in EUR million

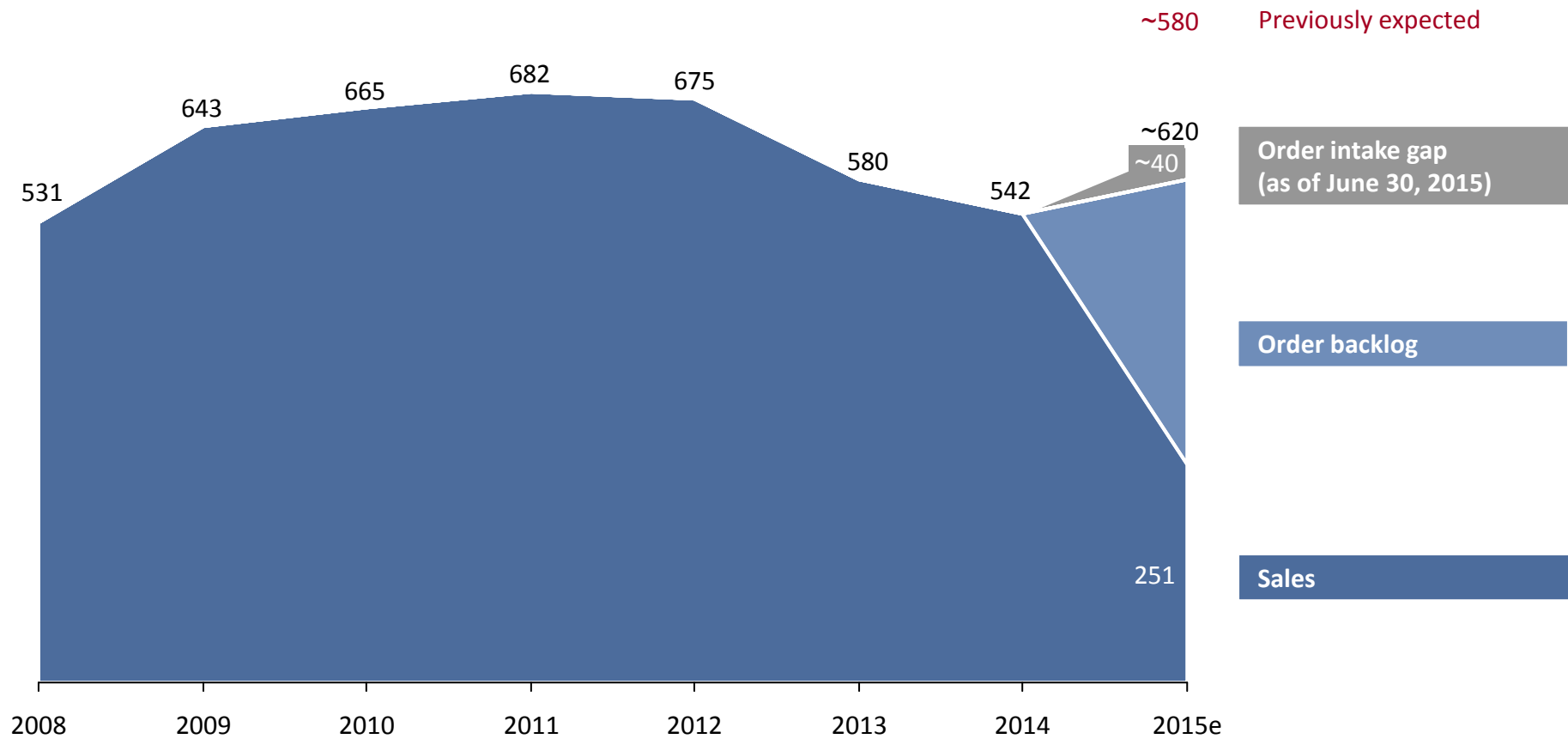




Weapon and ammunition business

Sales expectations for FY2015 raised due to favorable order situation

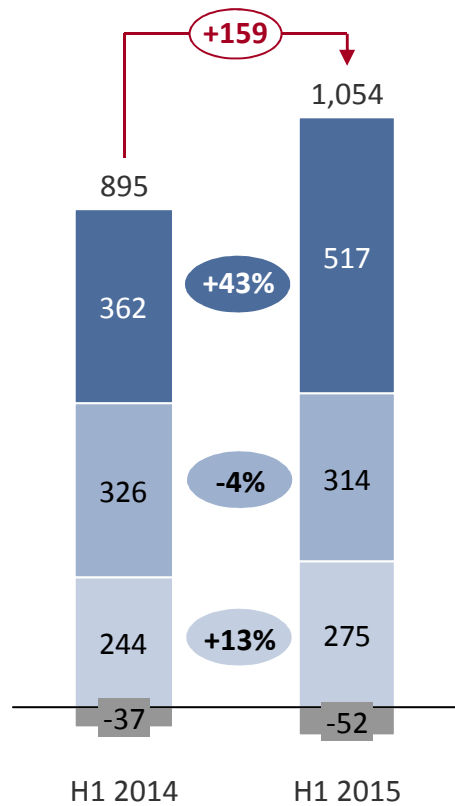
Sales weapon and ammunition business (as of June 30, 2015) in EUR million



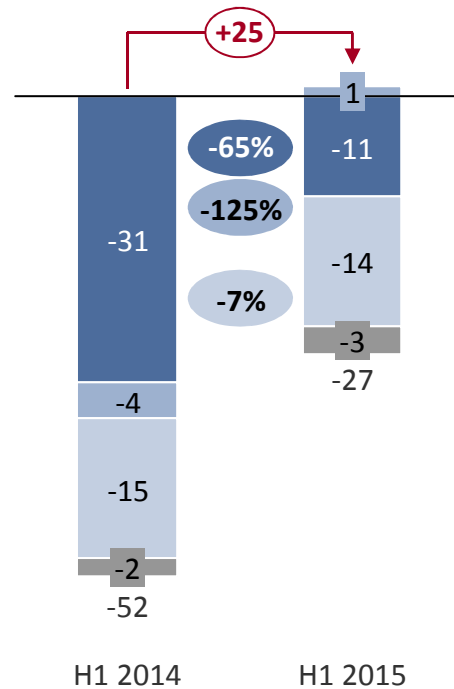


Higher sales by large-scale projects, especially in Combat Systems Earnings improved, but still loss reported

■ Sales Defence in EUR million



■ Operational earnings Defence in EUR million



Reasons for earnings development

Combat Systems

- Higher sales in Tracked Vehicles and Ammunition

Electronic Solutions

- More favorable product mix

Wheeled Vehicles

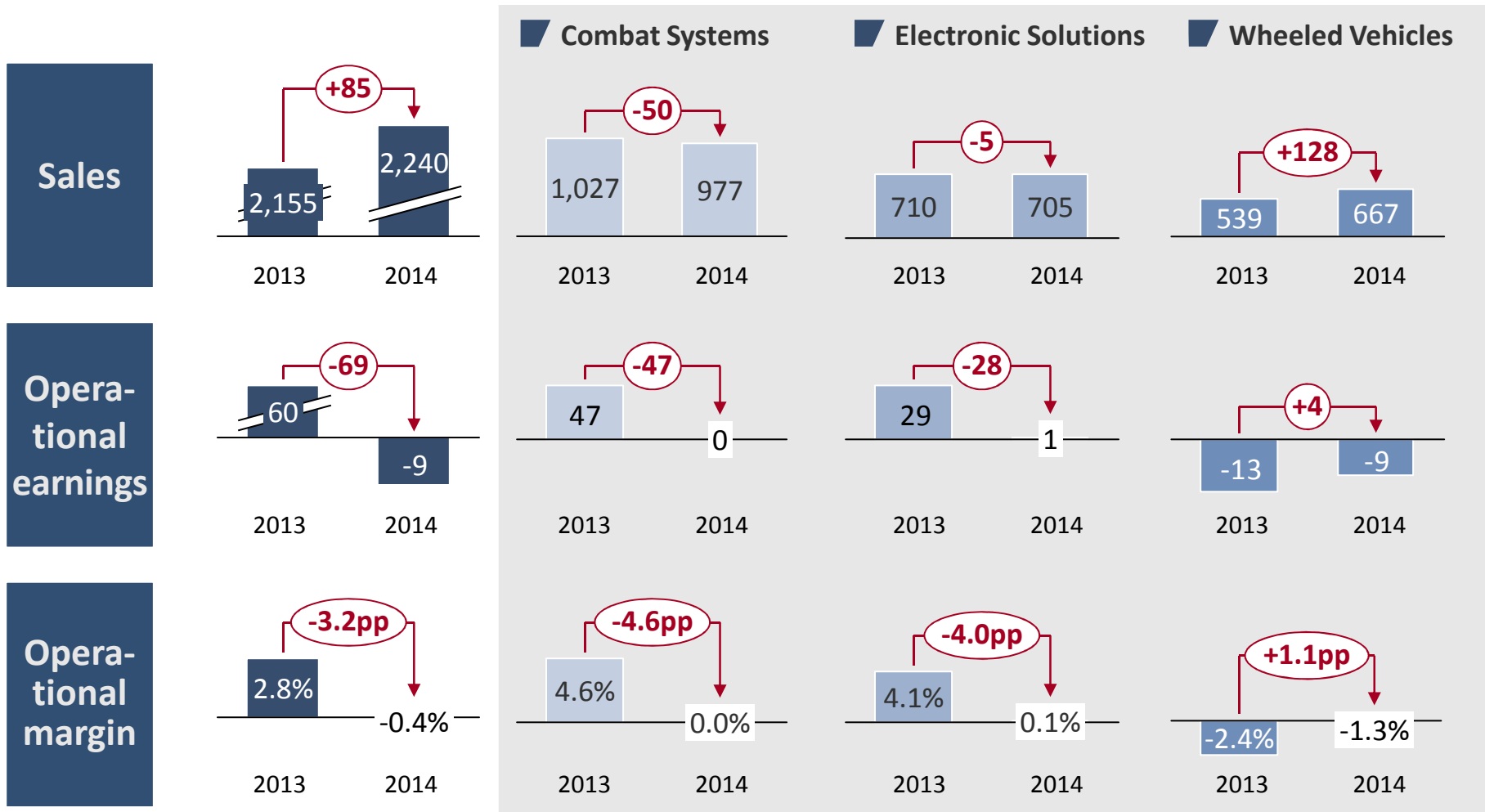
- Higher sales, but in low-margin business "Logistic Vehicles"

- Combat Systems
- Electronic Solutions
- Wheeled Vehicles
- Consolidation/Others



FY 2014

Key figures Defence by division

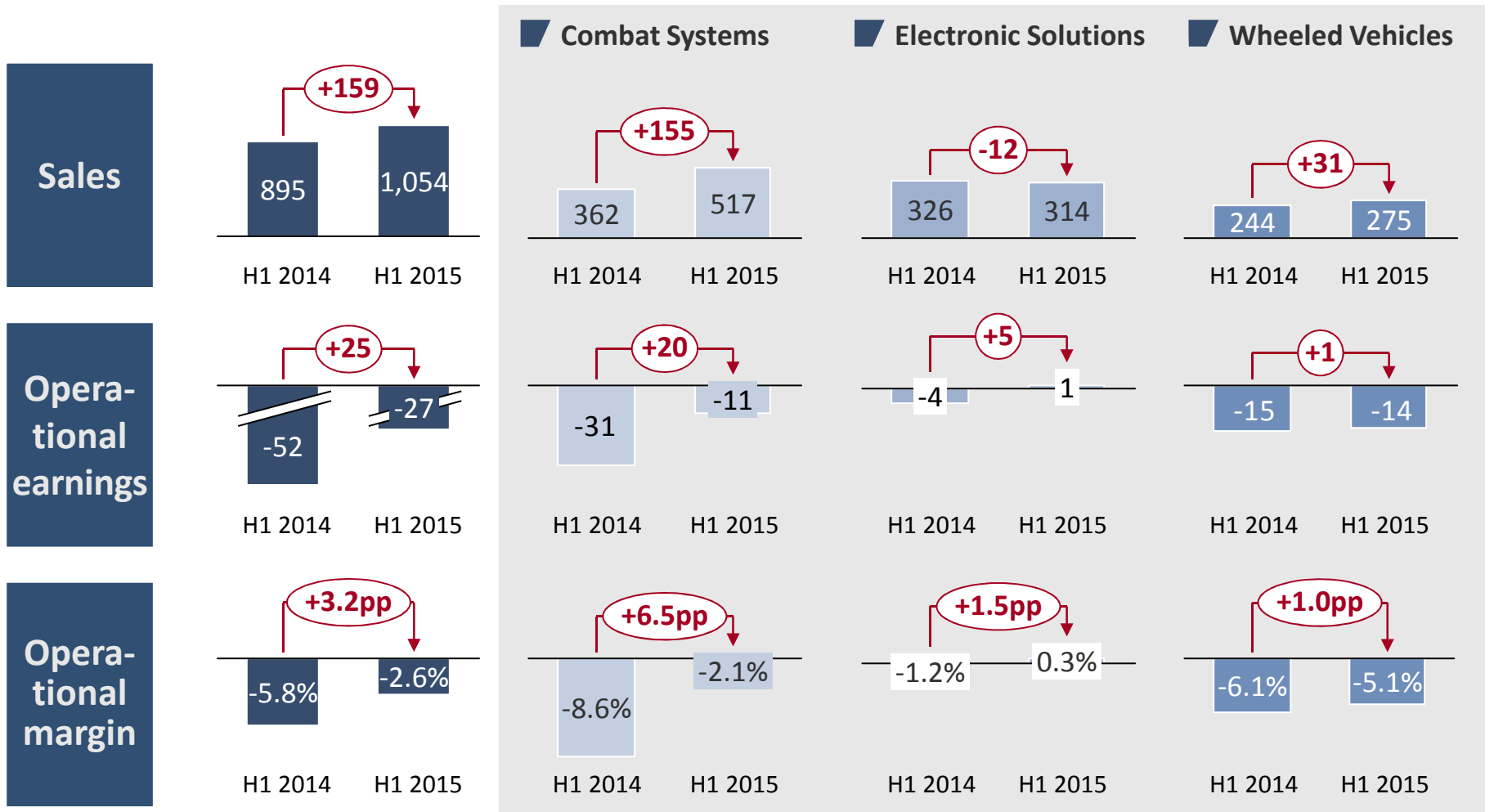


Figures before intrasegmental consolidation



H1 2015

Key figures Defence by division



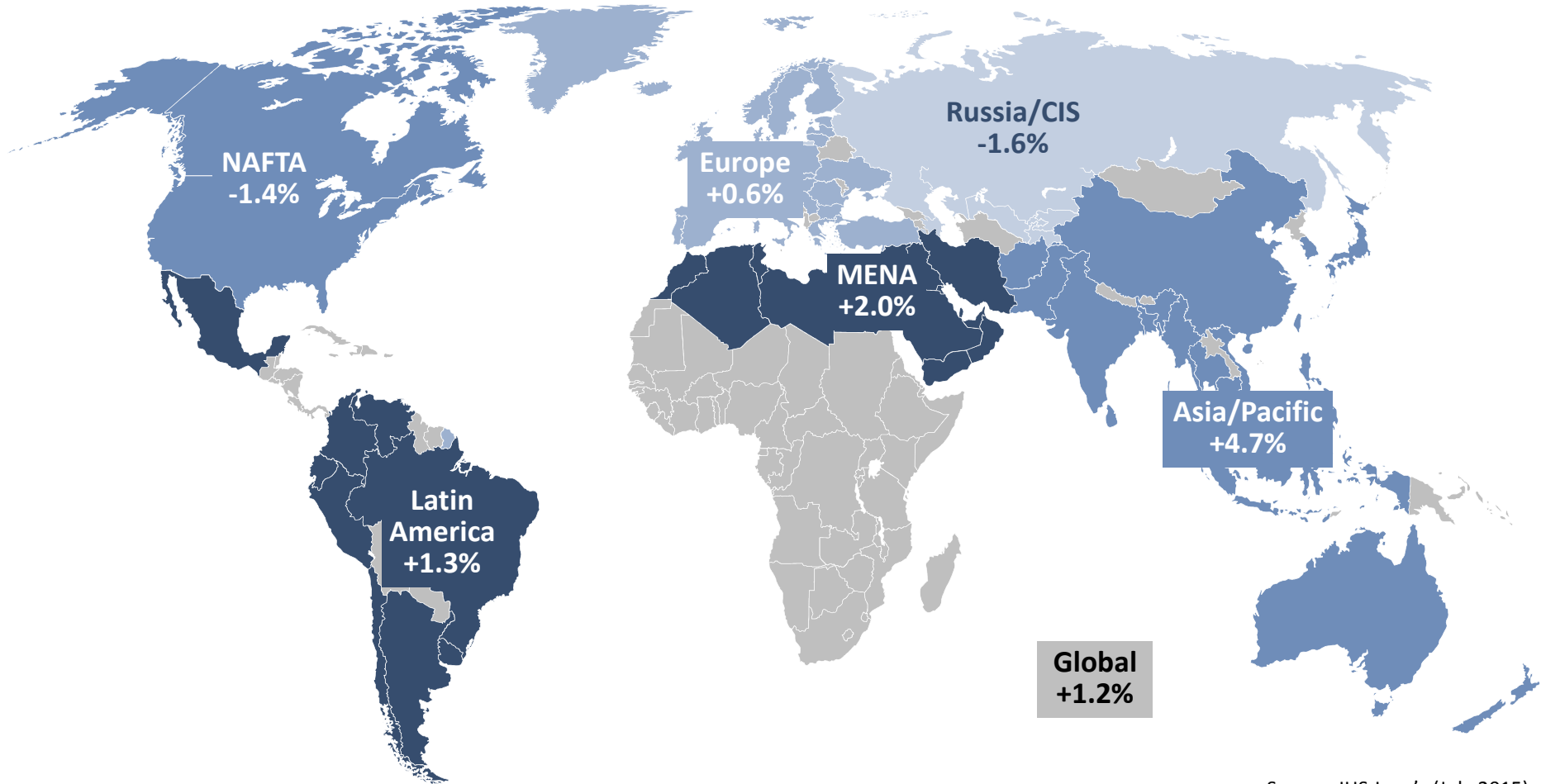
Figures before intrasegmental consolidation



Defence market

Globally increasing, particularly in the MENA/Asia region

Development of defence budgets 2015e-2019e *in % p.a.*

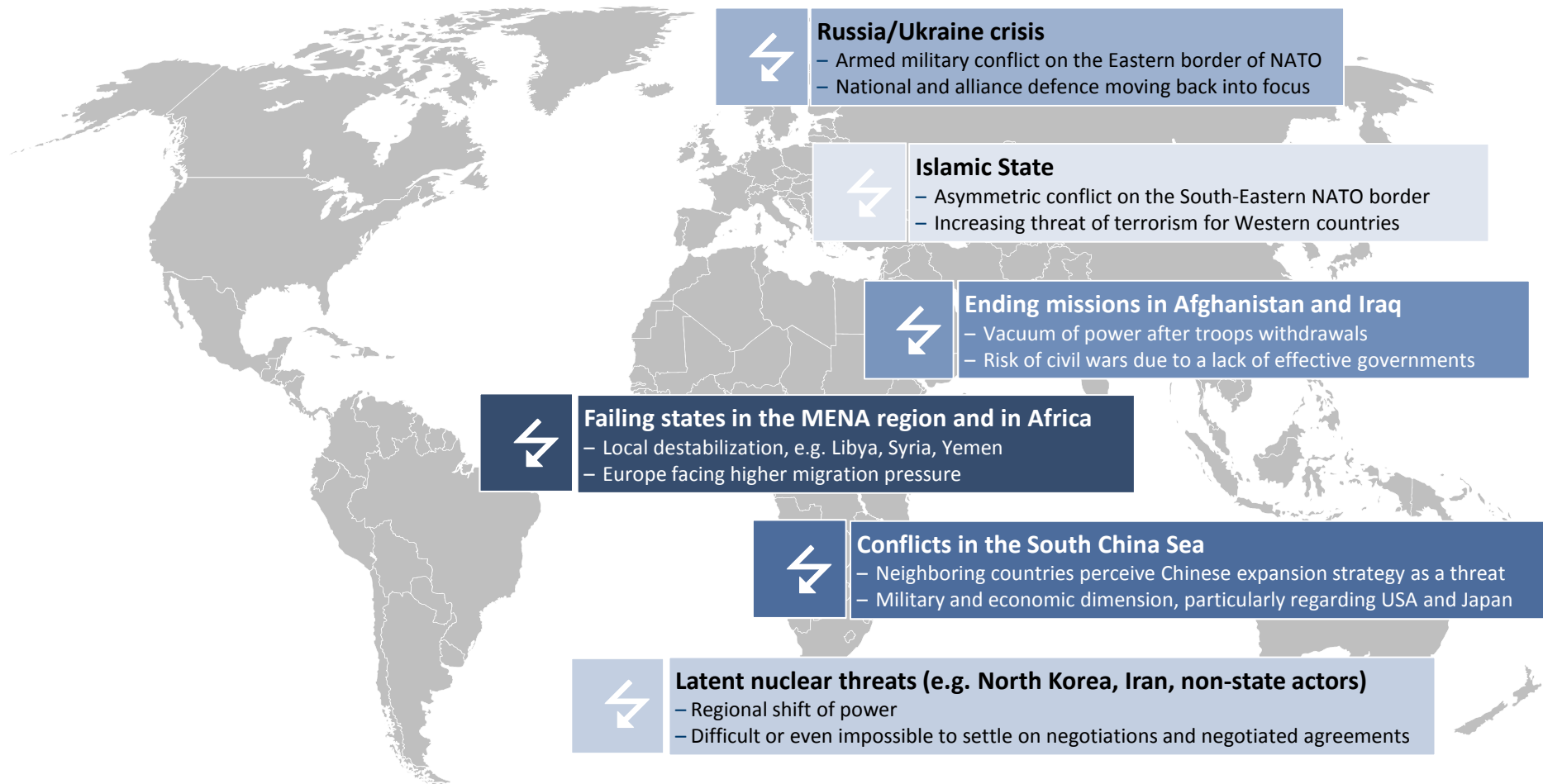


Source: IHS Jane's (July 2015)



Defence policy

Current conflicts changing the security environment

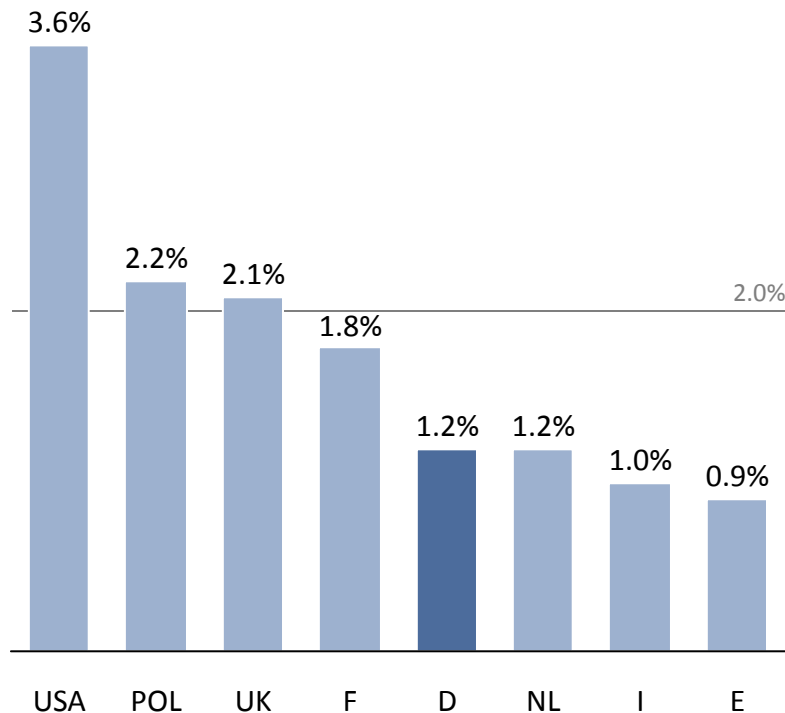




Defence policy NATO

Rising budgets in several NATO countries expected, among them Germany

Defence budgets 2015e in % of GDP



- **NATO summit in Wales 2014** decided **return to higher defence budgets:**
target level of 2% of GDP within 10 years
- **Target** to fulfil operational NATO requirements: Increasing the NATO response force (NRF) from 13,000 to 40,000 soldiers; creation of the interim **Very high readiness joint task force (VJTF)** as “arrowhead”.
Full readiness of land forces by a **higher number of vehicles and a sufficient level of ammunition**
- **Consequences for Germany:**
Increasing budgets (+ EUR 8 billion),
contribution of 4,000 soldiers to the VJTF.

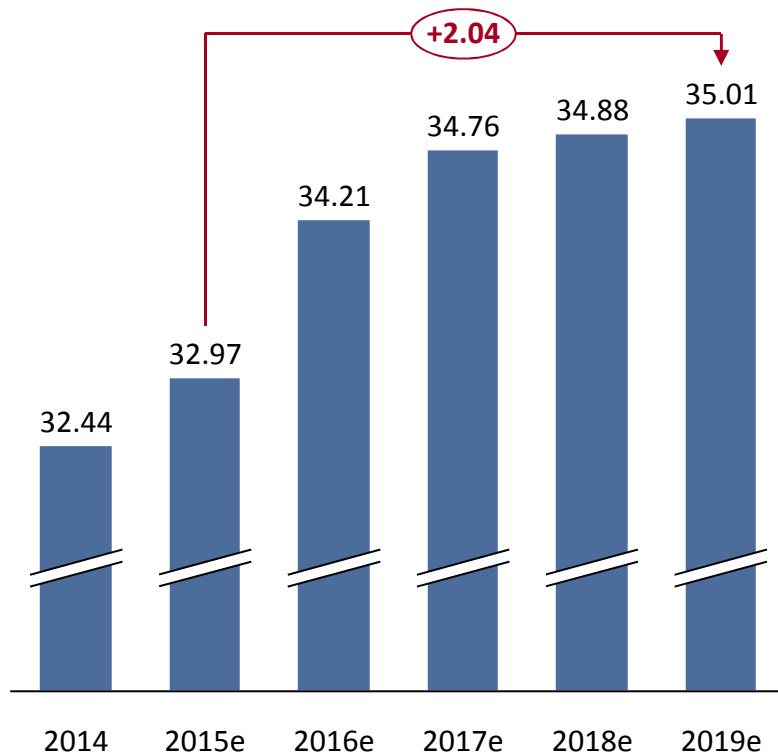
Source: NATO



Defence policy Germany

German defence budget is going to rise over the next years

Scheduled development of German defence budget *in EUR billion*



New procurement projects of German forces






- **Gladius** soldier system: Adaption development and acquisition of further batches (from 2015/16)
- Infantry fighting vehicle **Puma**: Additional equipment (from 2016)
- Armored personnel carrier **Boxer**: Delivery of further 131 vehicles (from 2017)
- Main battle tank **Leopard 2**: Upgrade of 103 tanks
- Armored personnel carrier **Fox**: Upgrade
- **Military trucks**: Replacement of approx. 2,500 unprotected vehicles (from 2017/18)
- **Ammunition**: Restocking ammunition
- Additional infantry fighting vehicles (**Marder upgrade or Puma**)

Source: German Federal Ministry of Defence



Defence policy Germany

4 of 5 “national key technologies” covered by Rheinmetall’s product range

Network centric operations	Sensor technology	Protected and armored vehicles	Protection	Submarines
				
<ul style="list-style-type: none"> – Soldier systems (Gladius, ISS) – Battle management systems (Iniochos) – Sensor planning (SC2PS) – Digital turret systems 	<ul style="list-style-type: none"> – Optical und infrared sensors (MSP, FIRST, SEOSS, UMIT) – Radar sensors (X-TAR3D, Medium Range Radar) – Acoustic sensors (ASLS) 	<ul style="list-style-type: none"> – Wheeled: Boxer, Fox, AMPV, HX2 – Tracked: Puma, Marder, Leopard incl. support vehicles, Wiesel – PzH2000 – Components (e.g. turrets, weapon stations, protected cabins) 	<ul style="list-style-type: none"> – Softkill – Hardkill – Active protection – Ballistic protection 	<ul style="list-style-type: none"> – Not covered by Rheinmetall



Defence policy

German Government maintains case-by-case decision rule




- **Continuing principle:** Decisions are made **case by case** (NATO and NATO-equivalent countries on a routine basis)
- **Neither certain countries nor certain products** generally ruled out (except for embargo countries like China, North Korea)
- **Certain combinations** of countries and products currently rather **unlikely**, e.g. main battle tanks to Saudi Arabia
- Examples of **recent decisions**:
 - NBC Fox to Kuwait
 - Boxer for trials to Algeria
 - Leopard and ammunition to Qatar



Future markets and hub development

Realizing growth potential by more value creation in international hubs



 Hub with substantial growth potential by value creation

 Other hubs to be continuously developed



Future JVs and strategic alliances

Strengthening the competitive position of Defence in the vehicle business

- **Cooperation agreement with** Polska Grupa Zbrojeniowa (PGZ) and its subsidiary Obrum
- Target: **Establishing a cross-border European defence cooperation and strengthening competitiveness**
- Three steps:
 - **Developing an amphibious 6x6 wheeled armored reconnaissance vehicle** in under-20t class
 - **Providing Polish armed forces** with the new vehicle
 - **Marketing the vehicle** and possible derivatives **internationally**



- Polska Grupa Zbrojeniowa S.A. (PGZ):
 - EUR ~1.2 billion sales p.a.
 - ~19,000 employees
- Major supplier of Polish armed forces
- Stake in several of Poland's defence contractors, including a 90% interest in Obrum
- Obrum, founded in 1968, serves as a R&D center



Order potential beyond the backlog

Examples of selected projects with significant potential volume



Frame contract for Military Trucks, Norway and Sweden

- **First step: 335 protected and unprotected vehicles; order volume of approx. EUR 200 million booked in Q2 2014**
- Long-term potential: up to EUR 2 billion incl. service agreement



Medium-Range Radar Systems and Integrated Soldier Systems, Canada

- **First step: EUR 100 mn, booked in Q2 2015**
- Options for additional radar and soldier systems (up to EUR 250 million in total)



Tender “Land 400”, Australia

- Tender volume of approx. EUR 2.5 billion in the first step
- Decision to be expected in 2018



Defence

Key investment highlights

Markets

- Defence markets are beginning to change
- Rising number of conflicts and threats underline need to invest in defence technology and lead to rising budgets

Products

- Wide variety of products for ground forces: weapons, ammunition, vehicles, electronics
- Innovative solutions as well as traditional products allow flexible adjustment to available budgets

Order pipeline

- Highest order backlog in history
- Increasing global demand represents further potential

Customers

- Western countries with increasing defense spending
- Market access regulated by governments (export policy)
- Flexibility gained by global R & D and production capacities

Cost management

- Comprehensive restructuring in 2013 and 2014 (EUR 60 million/expected savings: EUR 40 million) as basis for future growth of profitability
- Rollout of large orders (Puma, Qatar, Australia) will lead to improved coverage of fixed-cost

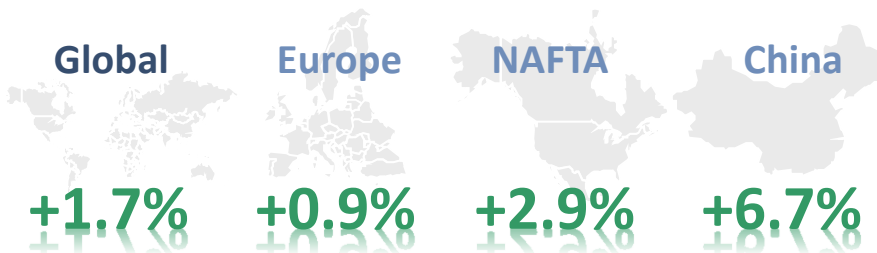




Market environment

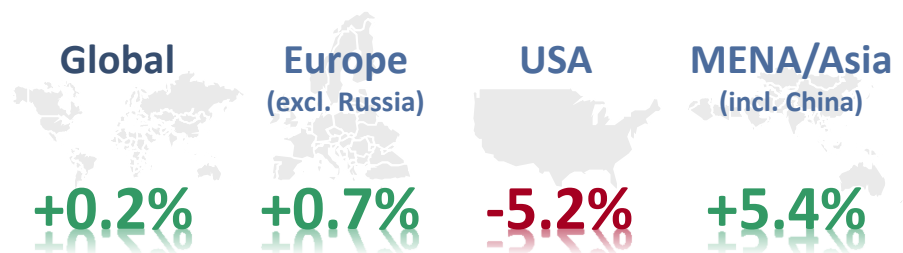
LV production continues to grow, Defence globally stable

AUTOMOTIVE



- Global LV production expected to grow by roughly 2% in 2015
- More optimistic picture of Europe than in Q1:
 - Now positive estimates for France and UK
 - Germany slightly increasing
 - Strong growth in Spain and Italy
 - Decline in Eastern Europe (Russia)
- NAFTA: Still solid growth driven by USA and Mexico
- China: Growth slowing down to normalized level

DEFENCE



- Germany: 4 out of 5 key technologies, recently defined by the Government, are covered by Rheinmetall’s product range
- Europe: Conflict-induced security policy triggers increase of budgets, particularly in the Baltic states and Scandinavia
- Strong growth in MENA and Asia/Pacific, whereas continuing budget reduction in the US

Figures 2015e vs. 2014

Source: IHS Automotive (July 2015), IHS Jane’s (July 2015)



Outlook FY 2015

Top line targets specified to the upper end of the range

Outlook 2015

	Sales <i>in EUR billion</i>			Operational margin <i>in %</i>	
	2014	2015e		2014	2015e
		Original	Updated		
Group	4.7	4.8 - 5.0	~ 5.0	3.4	approx. 5
Defence	2.2	2.3 - 2.4	~ 2.4	- 0.4	3
Automotive	2.4	2.5 - 2.6	~ 2.6	7.5	8

Assumptions

- Key large-scale projects in Defence to be realized as scheduled, no significant one-offs
- Global automotive industry growing as forecast



Mid-term guidance

Mid-term targets

Defence

— Operational margin at 7%

Automotive

— Operational margin at 8%

Preconditions

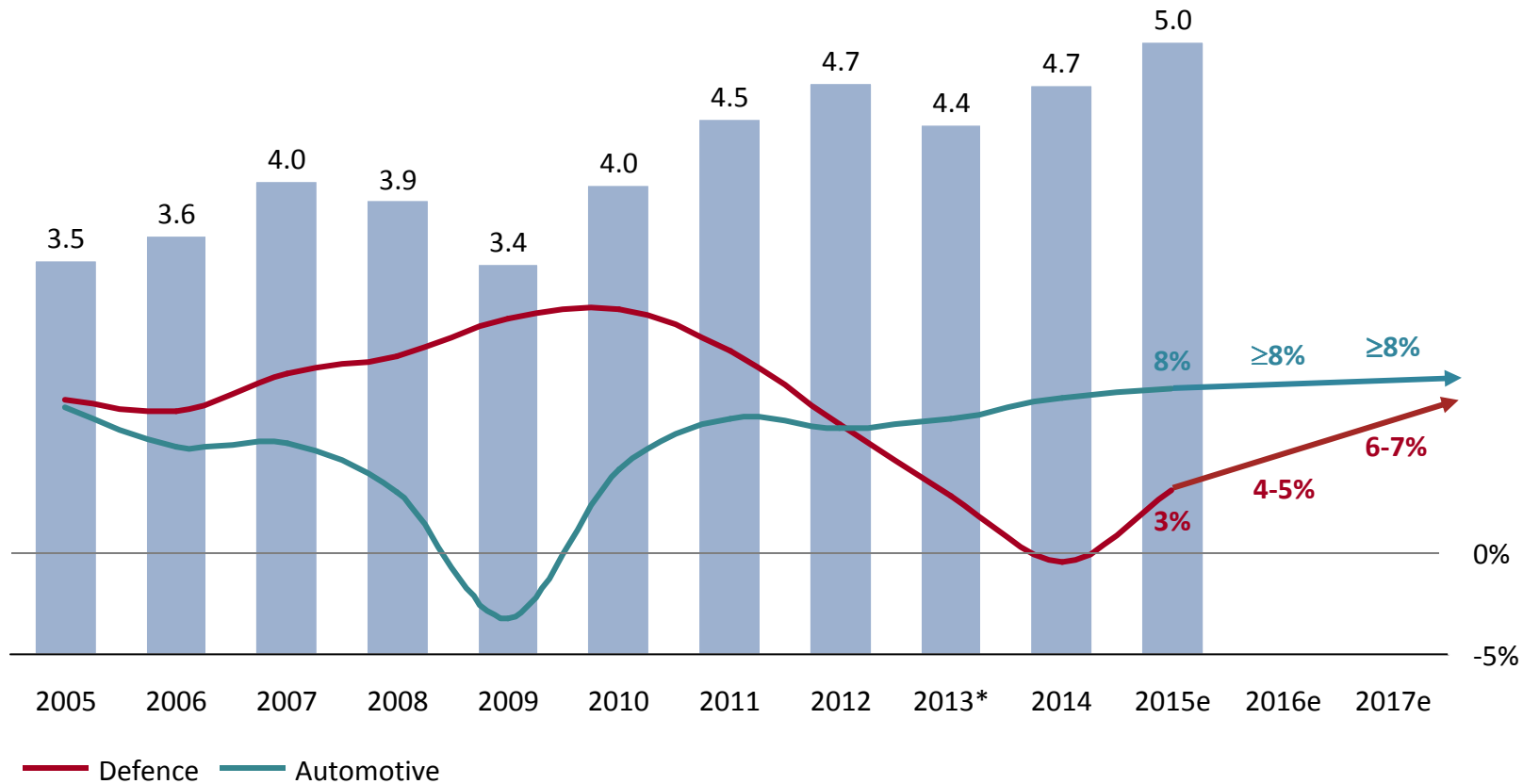
- Globally stable macroeconomic environment
- Reliable political frame conditions regarding fiscal and export policy



Forecast 2016e and 2017e

Return to long-term profitability path

■ Sales Group in EUR billion
 ■ Segmental operational margin in % of segmental sales



* 2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)



Key short-term and medium-term strategies

Strategic financial guidelines



- **Growing organically in both segments**, based on existing orders and nomination letters
- **Restoring the profitability of the Defence segment** in the short term, further **improvement of profitability in Automotive**
- **Increasing the equity ratio** and **returning to investment grade rating**
- **Enhancing Group's operating free cash flow** to 3-5% of sales
- **Criteria for potential acquisition targets:**
 1. Strategic fit to existing product range
 2. Improvement of market access
 3. Appropriate price
 4. Solid financing





Key figures: Group

<i>in EUR million</i>		2010	2011	2012	2013	2014
Balance sheet	Total assets	4,460	4,832	4,899	4,866	5,271
	Shareholder's equity	1,355	1,546	1,465	1,339	1,197
	Equity ratio (in %)	30.4	32.0	29.9	27.5	22.7
	Pension liabilities	677	729	919	891	1,121
	Net financial debt	76	130	98	147	330
	Net gearing (in %)	5.6	8.4	6.7	11.0	27.6
Income statement	Sales	3,989	4,454	4,704	4,417	4,688
	Operating result	289	342	268	211	160
	Operating margin (in %)	7.2	7.7	5.7	4.8	3.4
	EBIT	297	354	296	121	102
	EBIT margin (in %)	7.4	7.9	6.3	2.7	2.2
	EBT	229	295	216	45	22
	Net income after minorities	162	213	173	29	18
	Earnings per share (in EUR)	4.23	5.55	4.55	0.75	0.47
	Dividend per share (in EUR)	1.50	1.80	1.80	0.40	0.30
	ROCE (in %)	14.6	14.9	11.5	4.7	3.9
Cash flow statement	Free cash flow from operations	-39	93	125	20	-182
Headcount	Employees (Dec. 31) according to capacity	19,979	21,516	21,767	20,264	20,166

2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)



Key figures: Segments

AUTOMOTIVE				
2010	2011	2012	2013	2014
1,996	2,357	2,378	2,270	2,466
365	409	418	392	416
1,982	2,313	2,369	2,262	2,448
81	151	139	158	184
4.1	6.5	5.9	7.0	7.5
81	151	139	124	184
4.1	6.5	5.9	5.5	7.5
96	104	148	142	158
10,816	11,548	12,003	10,927	10,830
n/a	1,025	1,091	1,171	1,322
n/a	69	69	66	96
n/a	6.7	6.3	5.6	7.3
n/a	1,092	1,087	889	934
n/a	65	57	27	72
n/a	6.0	5.2	3.0	7.7
n/a	258	265	268	269
n/a	24	25	27	26
n/a	9.3	9.4	10.1	9.7

in EUR million		
Order intake		
Order backlog (Dec. 31)		
Sales		
Operating result		
Operating margin (in %)		
EBIT		
EBIT margin (in %)		
Capex		
Employees (Dec. 31) according to capacity		
Mechatronics	Sales	Combat
	EBIT	Systems
	EBIT margin	
Hardparts	Sales	Electronic
	EBIT	Solutions
	EBIT margin	
Aftermarket	Sales	Wheeled
	EBIT	Vehicles
	EBIT margin	

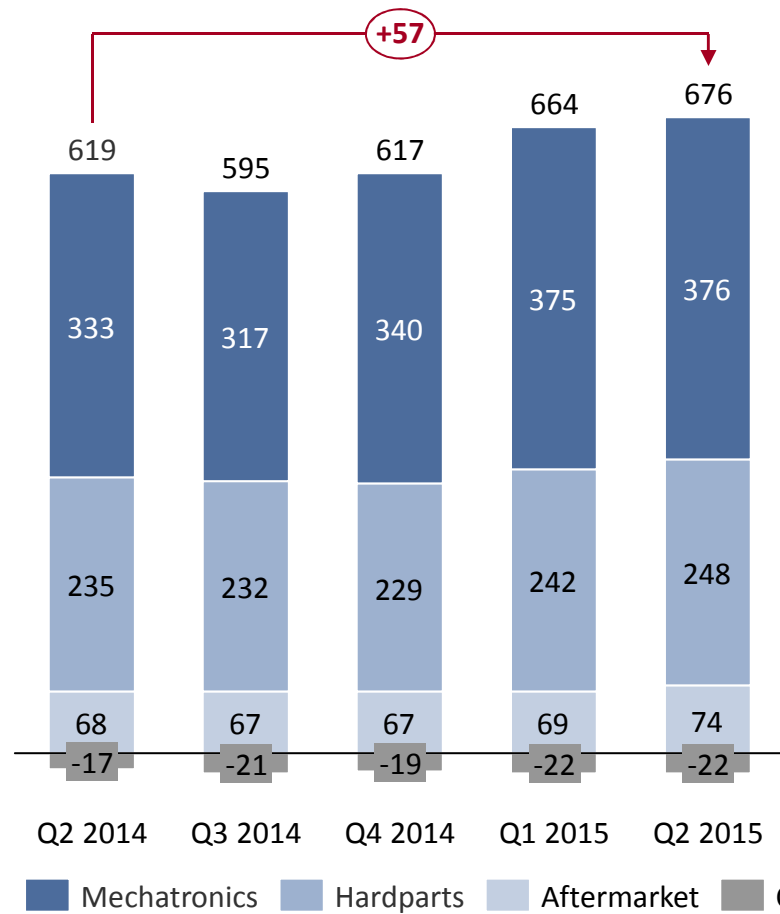
DEFENCE				
2010	2011	2012	2013	2014
1,977	1,831	2,933	3,339	2,812
4,772	4,541	4,987	6,050	6,516
2,007	2,141	2,335	2,155	2,240
223	212	146	60	-9
11.1	9.9	6.3	2.8	-0.4
234	223	173	4	-67
11.7	10.4	7.4	0.2	-3.0
93	102	90	62	76
9,037	9,833	9,623	9,193	9,184
n/a	1,198	1,136	1,027	977
n/a	146	102	31	-4
n/a	12.2	9.0	3.0	-0.4
n/a	799	748	710	705
n/a	86	97	11	-53
n/a	10.8	13.0	1.5	-7.5
n/a	255	567	539	667
n/a	-12	-25	-35	-9
n/a	-4.7	-4.4	-6.5	-1.4

2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

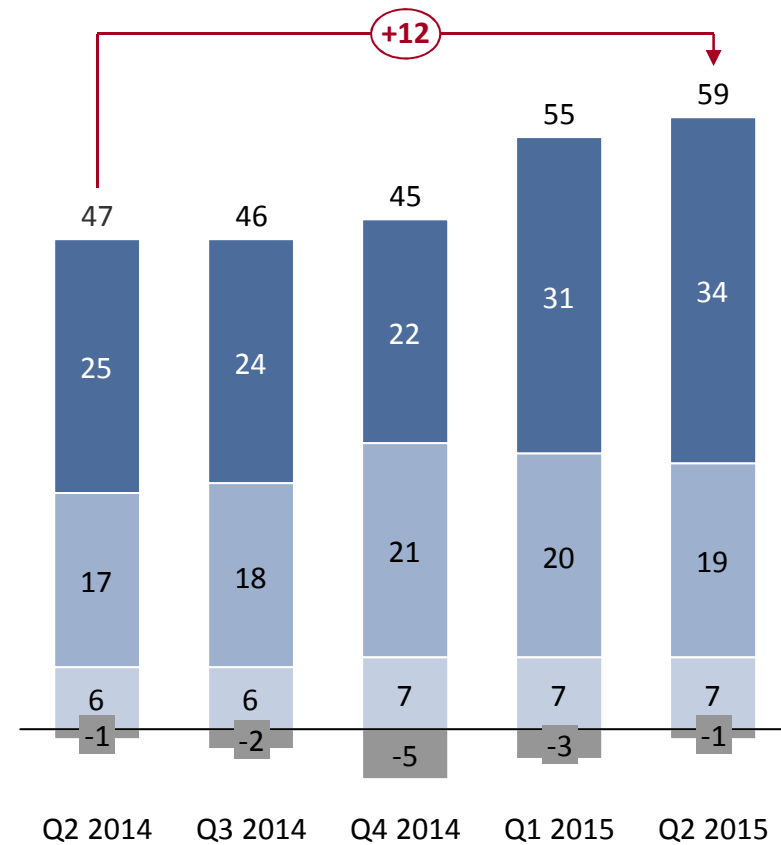


Quarterly development

Sales Automotive in EUR million



Operational earnings Automotive in EUR million





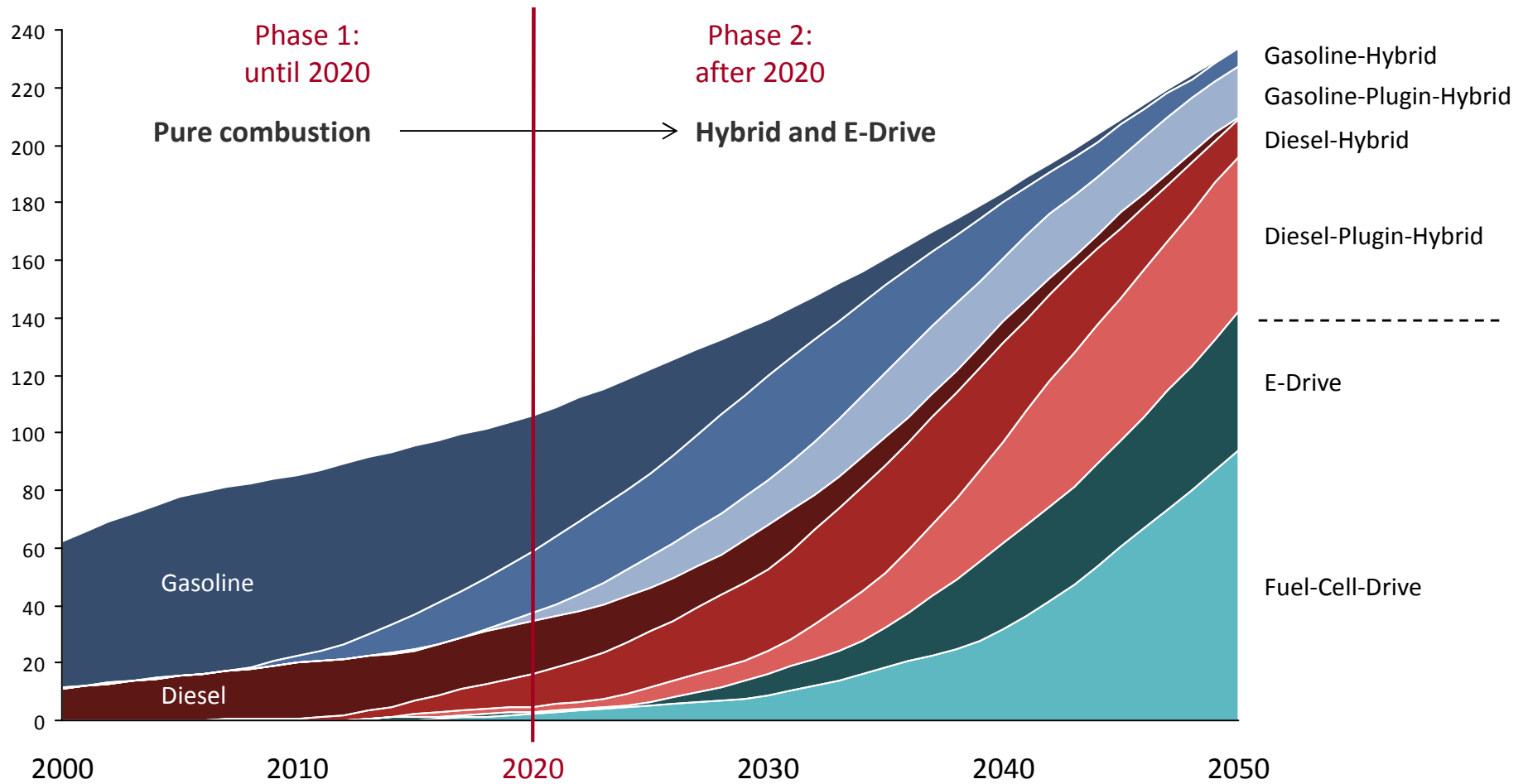
Cash flow statement

<i>in EUR million</i>	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Δ Q2 2015/2014
Net income	33	37	29	40	43	+ 10
Amortization / depreciation	31	27	36	28	28	- 3
Change in pension accruals	1	0	- 1	0	0	- 1
Cash flow	65	64	64	68	71	+ 6
Changes in working capital and other items	- 18	0	78	- 60	4	+ 22
Net cash used in operating activities	47	64	142	8	75	+ 28
Cash outflow for additions to tangible and intangible assets	- 26	- 29	- 88	- 34	- 34	- 8
Free cash flow from operations	21	35	54	- 26	41	+ 20



Expected development of future drive systems

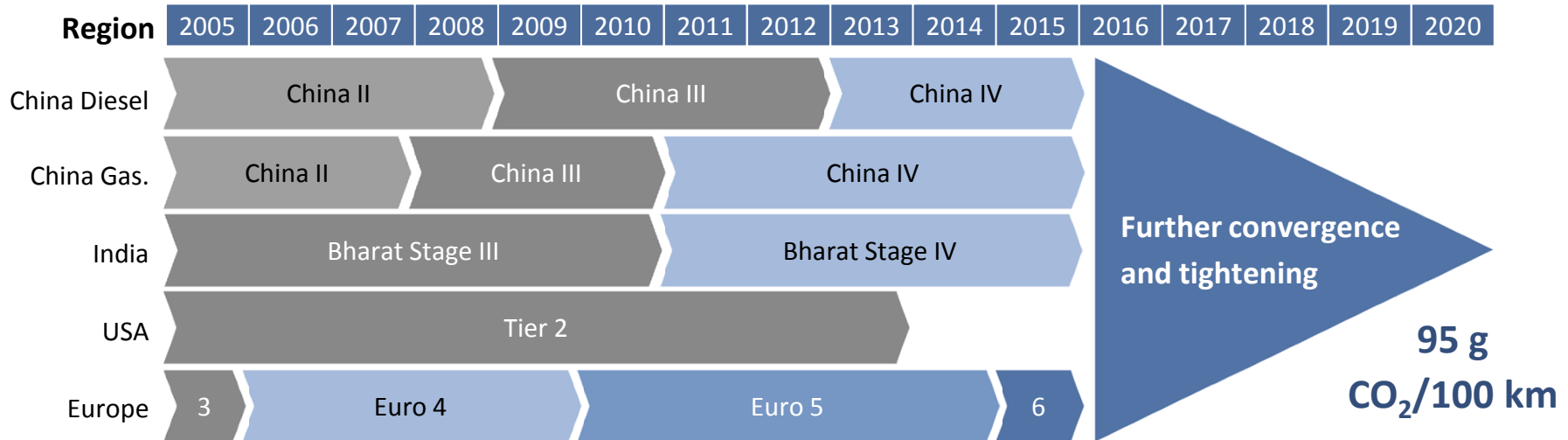
Car sales in million units



Source: Honda



Permanently tightening and globally converging emission legislation



Key trends:

- ▶ China is generally following the European Union
- ▶ India is generally following the European Union
- ▶ USA are independent (using Federal and Californian systems)



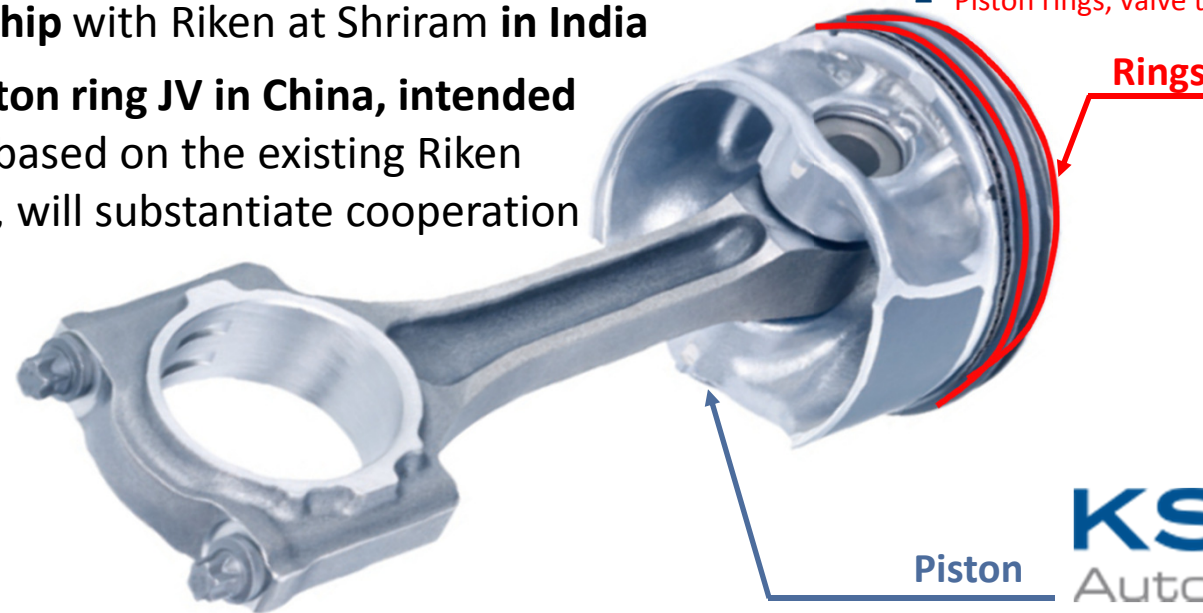
Global alliance with Riken Strengthening the competitive position in the pistons business

- **Global strategic alliance** for sales, engineering and the development of piston modules
- Target: **Strengthening competitiveness** and **safeguarding present leading position** in important markets, e.g. China
- **Existing partnership** with Riken at Shriram in India
- **Formation of piston ring JV in China, intended** for H2 2015 and based on the existing Riken facility in Wuhan, will substantiate cooperation

RIKEN
RIKEN CORPORATION

- Tokyo stock-listed
- Sales 2014: ~ EUR 700 million
- Leading technologies for light and commercial vehicles and for industrial applications
- Piston rings, valve train components

Piston module



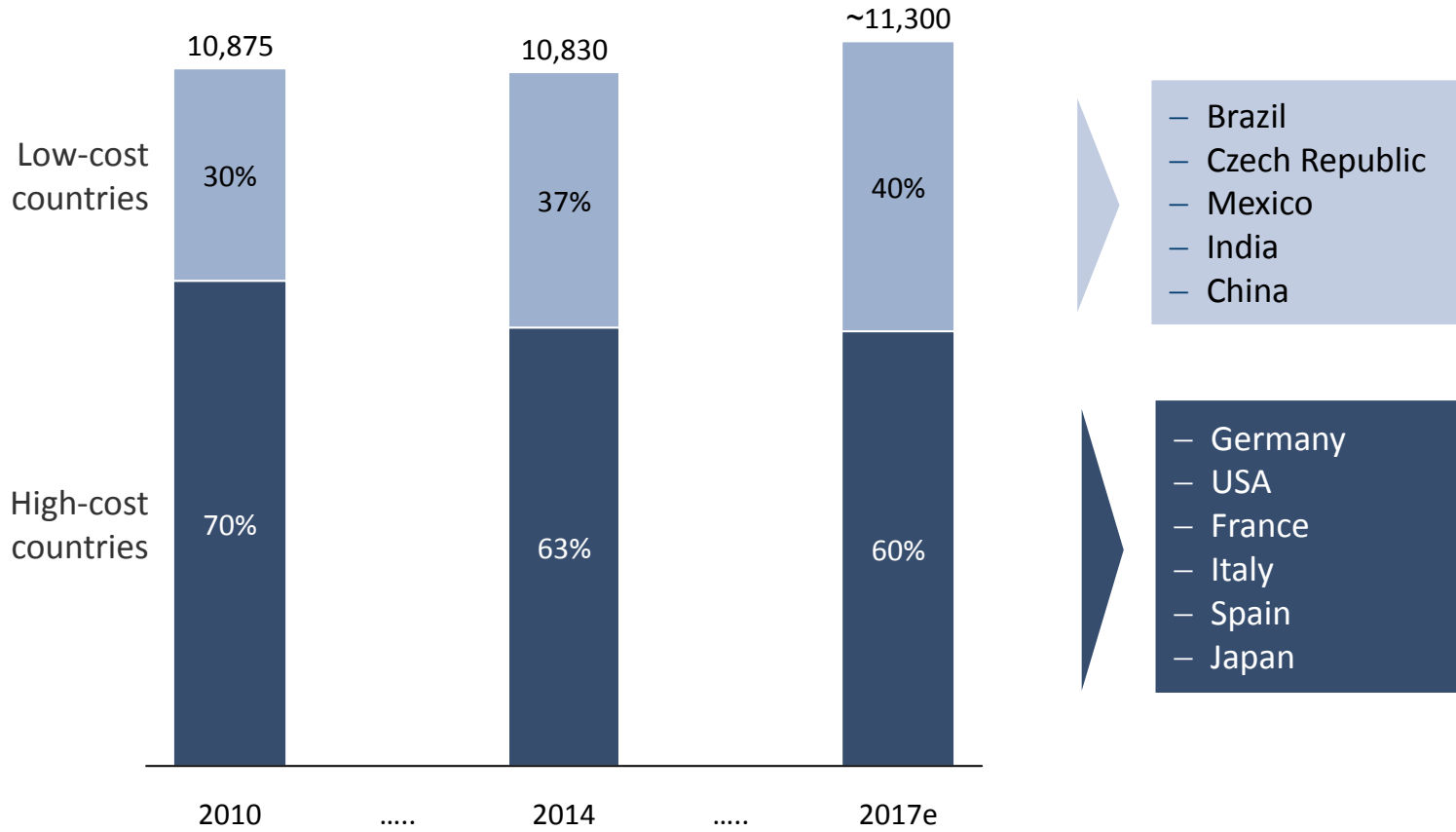
KSPG
Automotive



Cost efficiency

Structural improvement by best-cost concept

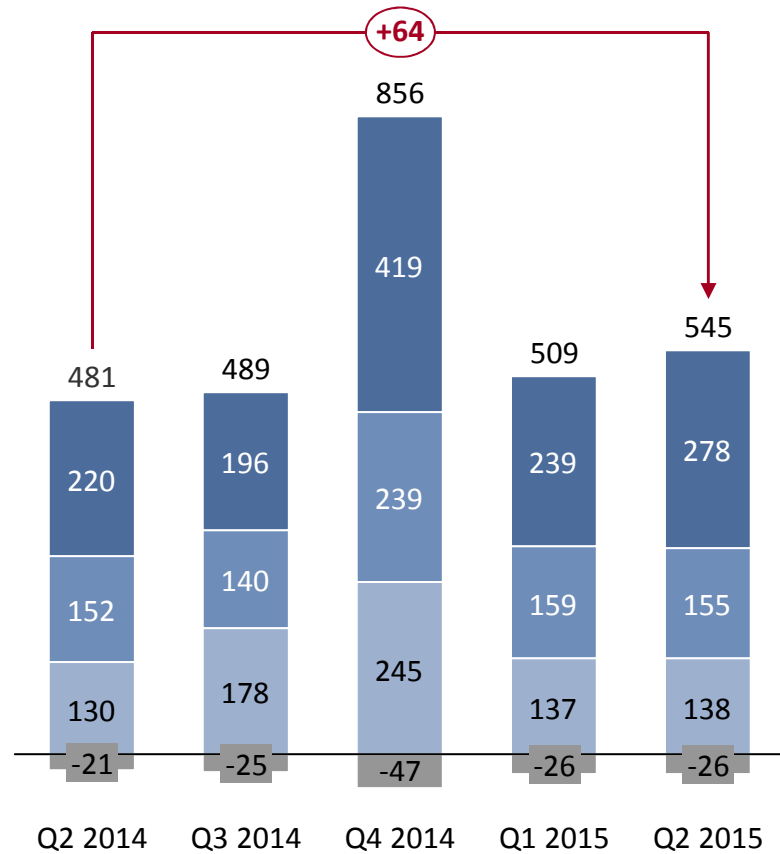
Headcount in full-time equivalents
Split of headcount by high cost- and low-cost countries in % of total headcount



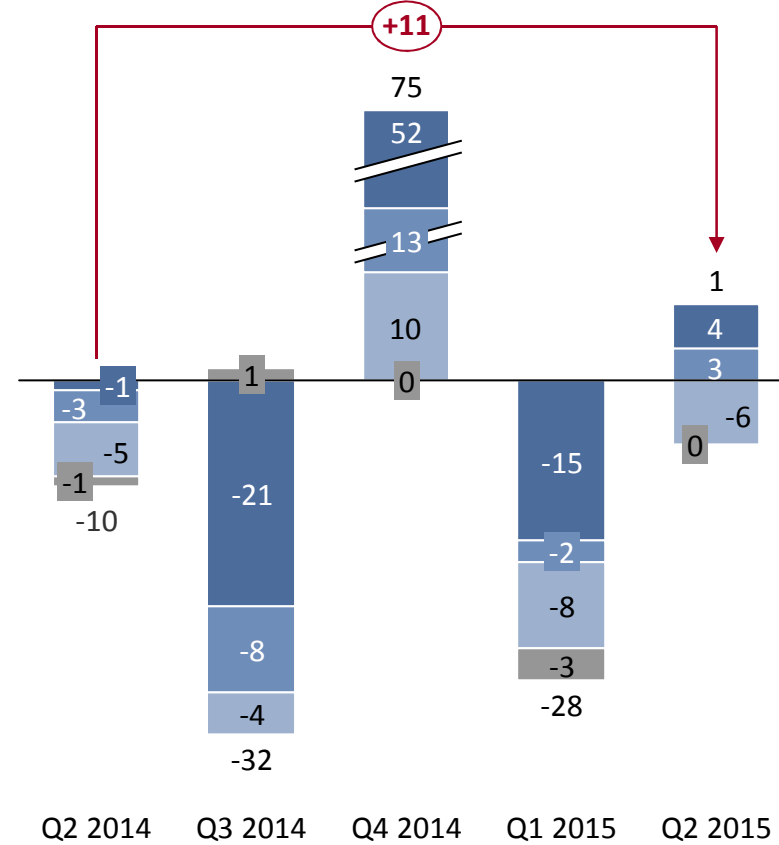


Quarterly development

Sales Defence in EUR million



Operational earnings Defence in EUR million



■ Combat Systems
 ■ Electronic Solutions
 ■ Wheeled Vehicles
 ■ Consolidation/Others



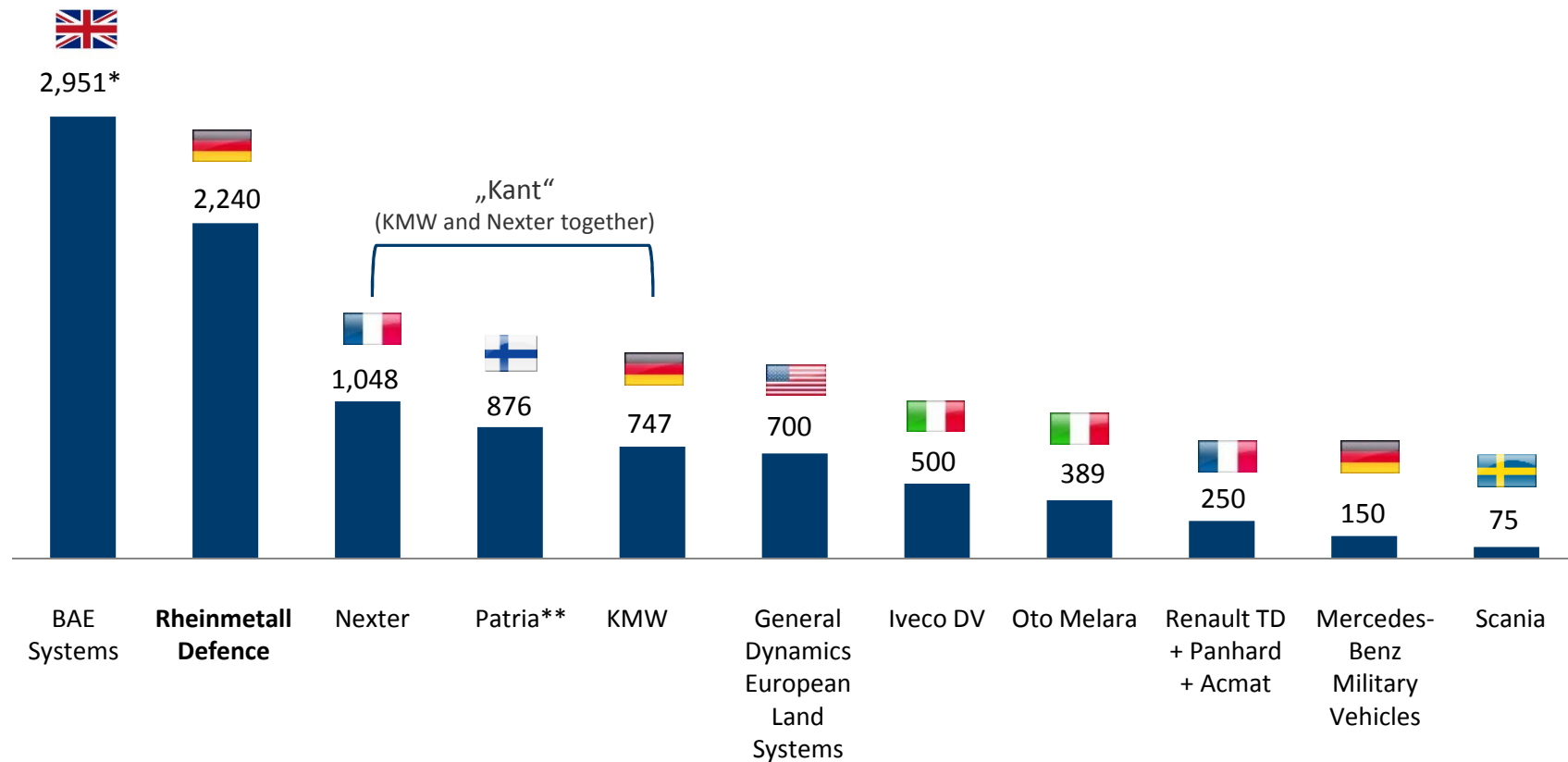
Cash flow statement

<i>in EUR million</i>	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Δ Q2 2015/2014
Net income	- 14	- 39	20	- 30	- 8	+ 6
Amortization / depreciation	21	21	23	21	21	± 0
Change in pension accruals	- 1	2	- 2	1	2	+ 3
Cash flow	6	- 16	41	- 8	15	+ 9
Changes in working capital and other items	- 86	85	270	- 142	- 113	- 27
Net cash used in operating activities	- 80	69	311	- 150	- 98	- 18
Cash outflow for additions to tangible and intangible assets	- 15	- 22	- 28	- 17	- 14	+ 1
Free cash flow from operations	- 95	47	283	- 167	- 112	- 17



Consolidation of the defence industry Land systems industry in Europe

Sales 2014 in EUR million



*) Thereof 1,934 EUR million are related to US business

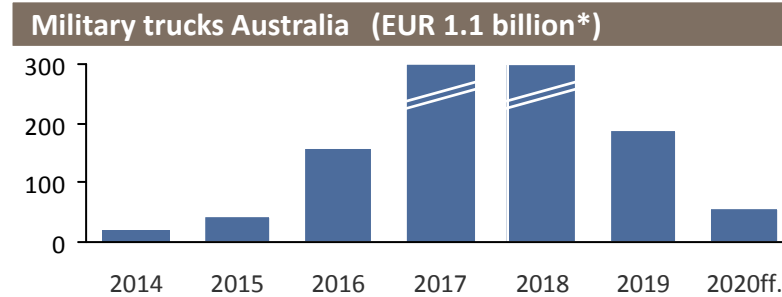
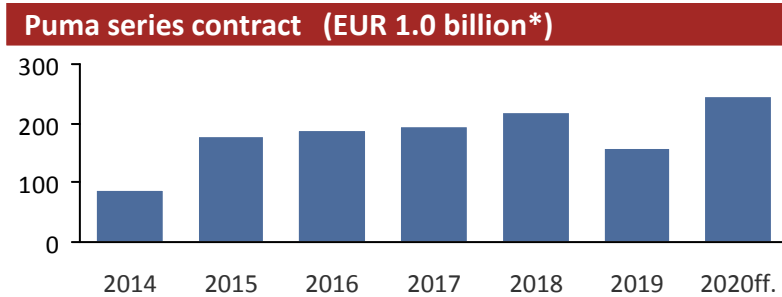
**) Including Nammo

Source: Annual reports, Rheinmetall analyses and estimates



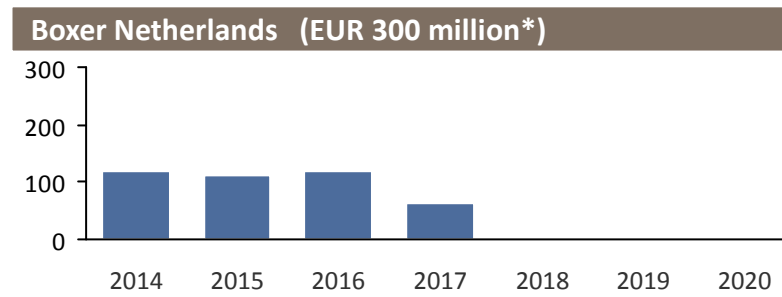
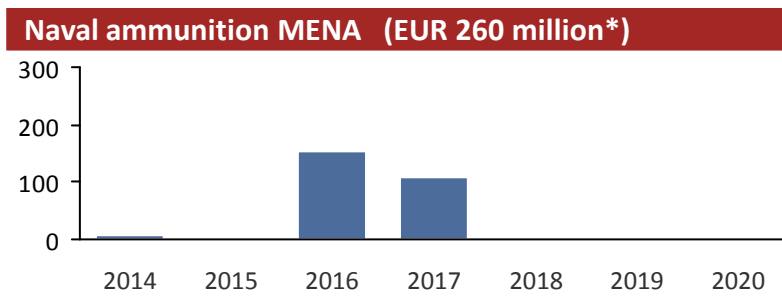
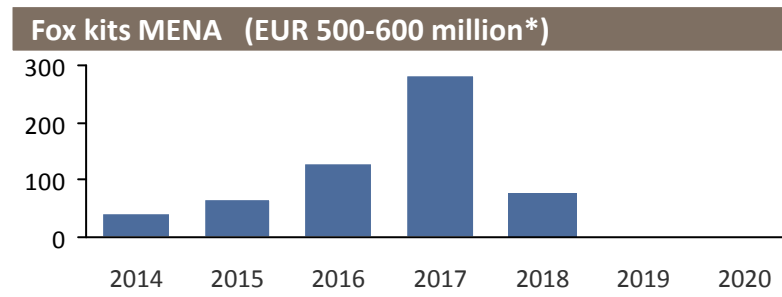
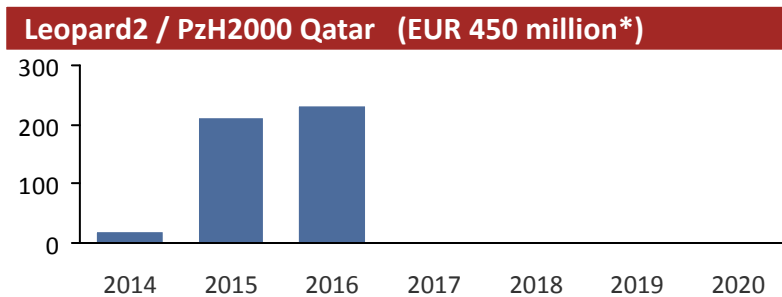
Turning order backlog into sales

Sales development for top six projects by order volume



Combat Systems

Wheeled Vehicles



* Figures refer to order backlog as of December 31, 2014



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