



RENK 2011:

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- **Order intake again high**
- **Operating profit stable**

RENK		
€ million	2011	2010
Order intake	456	525
Sales	389	403
Employees *	2,013	1,882
Operating profit	53	52
Return on sales (ROS) in %	13.6	12.9

* Incl. temporary labor at Dec. 31

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The shrinkage in order intake from €525 million to €456 million is attributable to a one-time special effect: in 2010, the Vehicle Transmissions division received an unusual megacontract for the PUMA infantry fighting vehicle while nothing on this scale was booked in 2011. In the period, the other divisions achieved growth rates of at least 20 percent. Adjusted for the 2010 megacontract, RENK boosted order intake by 15 percent in 2011.

The Vehicle Transmissions division signed a development contract for another European infantry fighting vehicle. With aftermarket business strong, market leadership in transmissions for medium and heavy tracked vehicles was maintained.

The Slide Bearings division strengthened its globally good market position in 2011. With its distribution centers in Brazil and since the summer of 2011, in China, structures have been created which will sharpen competitiveness in these high-growth regions on a sustained basis.

A rise in orders for complex naval gear units and the turbo gear units used in energy generation bettered business at the Special Gear Units division.

Particular the Standard Gear Units division benefited from the growing demand for green energy production and distribution. As a consequence of the many orders from East Asia for LNG tanker gear units, the order situation for merchant marine gear units improved much. Moreover, further contracts for 5-MW offshore wind energy gear units were placed.

In the year under review, sales at €389 million inched down from the prior year's €403 million. This was mainly due to the typically long lead times in large gear unit manufacture. As from 2012, the tall order backlog will be reflected in rising revenue.

The solid business progress is also mirrored in order backlog which jumped year-on-year from €522 million to €586 million.

Despite shrinking sales, the operating profit at €53 million remained at the previous year's sound level of €52 million. ROS was stepped up to 13.6 percent (from 12.9), much higher capacity utilization and lower provisions brightening EBIT.

RENK AG is a manufacturer of special gear units and transmissions for tracked vehicles, industrial plants and the shipbuilding industry as well as components for propulsion technology and test systems, supplying customers all over the world. On the world market the company holds a leading position for automatic transmissions for tracked vehicles, gears for navy vessels and horizontal slide bearings.

MAN SE, Munich holds a majority share of RENK AG. The MAN Group is one of Europe's foremost industrial players in the sector of Transport-Related Engineering.

At December 31, 2011, the RENK Group employed a workforce of 2,013 (up from 1,882) including temporary labor. The key workforce growth factor was the healthy order situation at RENK AG's three German locations.

At €24 million, the volume of capital expenditure was substantially at the prior year's €23 million. The Augsburg location was the focus of spending. Alongside the expansion of the central warehouse, expenditures were mainly incurred in the mechanical production of the vehicle transmissions and special gear units.

At the AGM, the Executive and Supervisory Boards will propose an unchanged dividend of €1.80 per share. The employees will also participate in the period's good performance; the nonexempt receive a one-month pay as bonus.

For 2012, we anticipate on the whole favorable conditions in the relevant market segments for RENK, provided they are not infected by the European sovereign debt ailments.

Assuming that certain export orders for tracked-vehicle transmissions are awarded, we are expecting an order intake above the €500 million threshold. Sales will again climb to well above €400 million. The driving forces are predominantly the high demand for gear units for offshore wind energy plants as well as for gear units and slide bearings in the energy industry.

In 2012, the operating profit will climb commensurately.

At a glance

RENK Group

€ million

	2011	2010	Change in %
Order intake	456	525	-13
Sales	389	403	-3
Order backlog *	586	522	+12
Employees *	2,013	1,882	+7
thereof temporary *	69	68	+1
			Change in € mill.
Operating profit	53	52	+1
EBT	53	52	+1
EAT (net income)	38	38	—
Earnings per share (EpS) in €	5.58	5.54	+0.04
Proposed dividend per share in €	1.80	1.80	—
ROS in %	13.6	12.9	—
ROCE in %	33.5	36.9	—
Capital expenditures	24	23	+1
Amortization and depreciation	13	13	—
Internally funded R&D expenditures	6	4	+2
Cash earnings	51	53	-2
Cash flow from operating activities	40	81	-41
Cash flow from investing activities	(24)	(23)	-1
Free cash flow	16	58	-42
Net liquid assets *	103	99	+4
Equity *	236	217	+19

*) as of December 31, 2011 vs. 2010

RENK AG
The Executive Board