



# News service MAN Group

Press release of  
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## RENK's 2002 predictions come true

Despite the harsher economic environment, the RENK Group succeeded in fully achieving its targets. Compared with the very good 2001 performance, the figures for the past fiscal year 2002 were as follows:

Although order intake at €305 million did recede by 12 percent, it was nonetheless as in previous years well above sales, which gained slightly to €255 million. At €585 million as of Dec. 31, 2002, order backlog climbed to a new height. At €21 million and €19 million, EBIT and EBT, respectively, were somewhat short of the high prior-year figures. Sales returned 7.5 percent, and ROCE came to 19.0 percent.

Special measures aimed at more quickly exploiting RENK AG's tax loss carryover led to an extraordinary result of €2.5 million, which is naturally not included in EBT.

It will be proposed to the annual stockholders' meeting to once again distribute a cash dividend of €1.20 per share for fiscal 2002. The stock buyback program was continued in 2002, some 200,000 shares of treasury stock (2.9 percent of the total 7 million shares) being repurchased by Dec. 31, 2002.

### Order situation, workload

Around one-half of **order intake** was accounted for by the Vehicle Transmissions business division, with the contract to convert some 175 tracked vehicles on behalf of a NATO member figuring prominently. Test Systems also showed a sharp rise, its US sales organization making very good progress in the market. Slagging demand meant that the remaining business divisions Drive Elements, Special-Purpose Propulsion Systems, and Broad-Purpose Propulsion Systems all showed declining order intake.

The **sales increase** to €255 million was exclusively due to Special-Purpose Propulsion Systems which comprises the large-transmission plant in Augsburg and added 50 percent to its year-earlier sales volume. Vehicle Transmissions, Drive Elements, Broad-Purpose Propulsion Systems, and Test Systems all just fell short of prior-year levels. In most cases, this was due to economic reasons, at Vehicle Transmission because of delivery delays in series-production start-ups.

**Order backlog** climbed from €538 million (12/31/2001) to €585 million (12/31/2002). This is enough to keep the Augsburg plant busy throughout 2003, in some areas over several years. The **workforce** totalled 1,531 at Dec. 31, 2002, only slightly higher than the previous year's headcount of 1,513.

### Results of operations

Earnings in fiscal 2002 fully matched our expectations, albeit temporary declining Vehicle Transmissions sales combined with added expense entailed by three production start-ups did mean that EBT at €19 million fell short of the 2001 level. A stabilizing effect was the sound profitability at the Augsburg large-transmission plant.



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### Outlook

Even though the general economic trend within Euroland would seem to promise more threats than opportunities, we expect 2003 to result in steady progress for our business divisions, and that both order intake and earnings will match the good level of 2002.

### Business trend in fiscal 2002

RENK	2002 € mill.	2001 € mill.	Change in %
<b>Order intake</b>	<b>305</b>	<b>348</b>	<b>-12</b>
Germany	140	94	+49
Abroad	165	254	-35
<b>Sales</b>	<b>255</b>	<b>252</b>	<b>+1</b>
Germany	106	102	+4
Abroad	149	150	-1
<b>Order backlog*</b>	<b>585</b>	<b>538</b>	<b>+9</b>
<b>Workforce*</b>	<b>1,531</b>	<b>1,513</b>	<b>+1</b>
<b>Capital expenditures</b>	<b>11</b>	<b>10</b>	<b>+10</b>
<b>R&amp;D</b>	<b>4</b>	<b>4</b>	<b>—</b>
<b>EBIT</b>	<b>21</b>	<b>26</b>	<b>-19</b>
<b>EBT</b>	<b>19</b>	<b>24</b>	<b>-21</b>
<b>Extraordinary result</b>	<b>2.5</b>	<b>—</b>	<b>—</b>
<b>Net income</b>	<b>13</b>	<b>17</b>	<b>-24</b>
<b>Cash flow acc. to DVFA/SG</b>	<b>23</b>	<b>27</b>	<b>-15</b>

\* as of December 31