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Rheinmetall wins €160 Million Contract: Production of Armoured Patrol Vehicles for the Canadian Armed Forces

Düsseldorf, Germany/ Ottawa, ON, Canada – October 31, 2012 —

Rheinmetall AG (XETRA: RHM) and Textron Systems Canada Inc., a Textron Inc. (NYSE: TXT) company, today announced that they have signed a €160 million (\$205 million CAD) contract for work on the Canadian Forces Tactical Armoured Patrol Vehicle (TAPV) project, performed by Rheinmetall Canada Inc., Saint-Jean-sur-Richelieu, Quebec.

Rheinmetall Canada will earn €120 million (\$152 million CAD) during the TAPV program's production phase – performing critical engineering and production work at its facility in Saint-Jean-sur-Richelieu, Quebec. The contract includes €40 million (\$53 million CAD) Rheinmetall Canada will earn developing Integrated Logistics Support (ILS) products and as the primary in-service support hub for the vehicle fleet during its service life. It also fulfills a portion of Textron's participation in Canada's Industrial and Regional Benefits (IRB) Policy arising from the government's purchase of 500 Textron TAPVs.

During the production phase of the TAPV fleet, Rheinmetall will perform the critical final assembly and test of the vehicles. Rheinmetall will also integrate essential sub-systems such as the Remotely Controlled Weapon Station, the Vehicle Navigation System and the Driver Vision Enhancement System. The production phase of the acquisition contract is expected to span from July 2014 to March 2016.

Once fielded, Rheinmetall will provide In-Service Support (ISS) for the entire TAPV fleet, also at its facility in Saint-Jean-sur-Richelieu, Quebec.

ISS will start with Initial Operational Capability when the first 47 vehicles are delivered, planned for 2014, and is expected to end in 2021, five years after the last vehicle is delivered.

"This partnership with Textron Systems is of strategic importance to Rheinmetall Canada," said Rheinmetall Canada's President and CEO, Dr. Andreas Knackstedt. "We are extremely pleased to work with Textron Systems delivering state of the art equipment to the Army, and value for taxpayers' money, while creating highly skilled jobs in Canada."

In June 2012, the Textron TAPV Team, led by Textron Systems Canada, was selected to manufacture 500 Canadian Forces Tactical Armoured Patrol Vehicles (TAPV) with options for up to 100 more. The TAPV contract has a value of \$603.4 million CAD, with an additional five-year in-service support contract of \$105.4 million CAD.

Ottawa-based Textron Systems Canada, as prime contractor, will provide overall TAPV program and configuration management, act as design authority for change management, coordinate vehicle integration activities by Canadian subcontractors, and manage the In-Service Support contract. Textron Systems Canada will also be implementing a pan-Canadian Industrial and Regional Benefits program designed to bring new expertise and opportunities to Canadian companies.

“Rheinmetall Canada is a key TAPV teammate and will remain so as we deliver the TAPV and related economic benefits to Canada,” said Neil Rutter, General Manager of Textron Systems Canada. “In the coming months, we will be signing many more agreements with other best-in-class Canadian suppliers who will help us deliver a fleet of Textron TAPVs that will provide Canadian soldiers with unmatched performance and protection for decades.”

The Canadian Textron TAPV team also includes Kongsberg Protech Systems Canada (London, ON) and EODC – Engineering Office Deisenroth Canada (Ottawa, ON). As the program is ramped up, many other Canadian companies are expected to figure prominently in the Textron TAPV supply chain.

The Textron TAPV is the most reliable and technologically advanced vehicle of its kind. It draws on the company’s more than 45 years of experience in the design and production of armoured vehicles. The Textron TAPV will provide the Canadian Forces with the optimal balance of survivability, mobility and versatility, while delivering outstanding performance in the world’s most challenging environments. Extensively tested to confirm ballistic, blast, mobility and reliability levels, the Textron TAPV has been engineered to meet and exceed Canada’s requirements.

Textron currently employs more than 2,200 Canadians at its Textron Systems, Bell Helicopter and Kautex facilities in Canada. Textron companies have procured approximately \$450 million CAD in materials over the past year from Canadian supplier companies.

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About Rheinmetall Canada Inc.

With engineering and production facilities in Saint-Jean-sur-Richelieu and a business development office in Ottawa, Rheinmetall Canada is renowned for its expertise in the design and manufacturing of defence electronics, weapon systems, and vehicle integration for both domestic and international customers. For the Canadian Forces, the company is the prime contractor on several key programs, including the repair and overhaul of the Leopard 2 A4 main battle tanks and the close area suppression weapon – the army’s digitized 40 mm grenade launcher. More information is available at www.rheinmetall.ca.

About Textron Marine & Land Systems

Textron Marine & Land Systems designs, produces and supports advanced wheeled combat vehicles and cutting-edge maritime craft used by U.S. and international armed forces, as well as civilian entities around the globe. Its family of Armored Security Vehicles offers enhanced survivability and highly mobile combat security vehicles with unmatched capabilities. Textron Marine & Land Systems' innovative turret technology and related subsystems also deliver outstanding performance and reliability. Its strategic business, MillenWorks, operates an Engineering Center of Excellence with a reputation as a highly sought-after solution center, which designs and develops advanced mobility solutions for demanding on- and off-road applications. Textron Marine & Land Systems is an operating unit of Textron Systems. More information is available at www.textronmarineandland.com.