



German banks involved in the export of tanks to Saudi Arabia

A research paper prepared for Facing Finance

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Summary

The objective of this research project is to identify which German financial institutions have provided finance since early 2009 to the companies involved in the export of Leopard 2 tanks to Saudi Arabia, which is violating German export regulations.

Table 1 provides an overview of the involvement of the German financial institutions in the financing of the companies involved in the export of Leopard 2 tanks to Saudi Arabia. The finance provided to the parent companies (owning more than 50% of the shares) of the selected companies is included. The table only includes finance secured since early 2009.

Table 1 Involvement of German financial institutions

Financial institution \ Company	Carl Zeiss Optronic	Diehl Remscheid	ESW/Jenoptik	Krauss-Maffei Wegmann	Mahle Behr Industry (incl. Mahle and Behr)	MTU Friedrichshafen/Tognum	Northrop Grumman	Renk/MAN	Rheinmetall	ZF Friedrichshafen
Allianz			S			S	S, B	S	S, B	
BayernLB		P	S					L		
Commerzbank		P			L		S	P, L	SI	
Deka Bank						S	S	S	S, B	
Deutsche Postbank		P						P		
Deutsche Bank		P			B, L	S, O	S, BI	S, P, L	S, BI	
DZ Bank						S	S	S, L	S, B	
Helaba						S		L		
HypoVereinsbank/UniCredit		P	SI	P		O	S	BI, P, L	BI, B	
KfW										L
Landesbank Berlin						S			S	
LBBW					L	S		L		
Norddeutsche Landesbank						S	S		S	
WestLB			SI			S			S	

Key:

S= shareholder

B= bondholder

BI= financial institution participated in at least one bond issue since early 2009

SI= financial institution participated in at least one share issue since early 2009

L= financial institution participated in at least one corporate loan since early 2009

P= principal banker

O= other financial service

Table 1 shows that Deutsche Bank is the most important financier of the companies researched. This bank has participated in two bank loans and two bond issues of the selected companies since early 2009. The bank also manages shares in four companies and

bonds of one company. Other important financiers are UniCredit, DZ Bank, Allianz and Commerzbank.

Introduction

The objective of this research project is to identify which German financial institutions have provided finance since early 2009 to the companies involved in the export of Leopard 2 tanks to Saudi Arabia, which is violating German export regulations.

This report is organised as follows: Chapter 1 presents the methodology used in this report. Chapter 2 analyses the financing of the companies involved in the export of Leopard 2 tanks to Saudi Arabia. Paragraphs 2.1 to 2.10 each describe one of the companies, providing a short company profile and outlining the financial involvement of German institutions with respect to share- and bondholdings, assistance with raising equity and bonds, bank loans and other financial relationships.

A summary can be found on the first pages of this report.

Chapter 1 Methodology

1.1 Objective

The objective of this research project is to identify which German financial institutions have provided finance since early 2009 to the companies involved in the export of Leopard 2 tanks to Saudi Arabia, which is violating German export regulations.

1.2 German financial institutions

The German financial institutions which are researched in this report are:

- Allianz
- BayernLB (BayernLabo, LBS, DKB, HGAA, SaarLB, MKB, LBLux)
- Commerzbank (Dresdner Bank, EuroHypo, BRE Bank)
- DekaBank (Deka, International Fund Management, SPensionsmanagement, Sparkassen Pensionsfonds, Sparkassen Pensionskasse, Dealis Fund Operations, Heubeck, S Broker, Westinvest, WIV, ETFlab Investment, DKC Deka Kommunal Consult)
- Deutsche Bank (DB Advisors, DB Capital Markets, DB Valoren, DWS, Taunus)
- DZ Bank (DVB Bank, DZ Privatbank, TeamBank, Union Investment, R+V Versicherung, Quoriam Asset Management, BEA Union Investment, Condor Versicherung, Vereinigte Tierversicherung, Chemie Pensionsfonds)
- Helaba (Landesbank Hessen-Thüringen, Verbundbank, LBS, Frankfurter Sparkasse, 1822direkt, S-Group Bank, Thüringen GmbH & Co, KG Private Equity Fund, WIBank)
- HSH Nordbank (Swift Capital Partners)
- KfW (DEG)
- Landesbank Berlin (LBB Invest, Berliner Sparkasse, Berlin Hyp)
- LBBW (Landesbank Baden-Württemberg, BW-Bank, Sachsen Bank, Rheinland-Pfalz Bank)
- Norddeutsche Landesbank (Nord/LB, Bank DnB Nord, Braunschweigische Landessparkasse, Bremer Landesbank, Deutsche Hypo, ÖVB Öffentliche Versicherung Braunschweig, Skandifinanz Bank)
- Postbank (BHW, Deutsche Postbank, DSL Portfolio, PB Capital, Merkur, Betriebs-Center für Banken)
- Unicredit/HVB (Pioneer, Asset Management GmbH, DAB Bank, Bankhaus Neelmeyer, HypoVereinsFinance)
- WestLB (Banque d'Orsay, Basinghall Finance, Clavis Securities, Compass Securitisation, GOD Grundstücksverwaltungsgesellschaft & Co, GOH Grundstücksverwaltungsgesellschaft & Co, Readybank, WLB Funding, Westdeutsche ImmobilienBank)

1.3 Companies

The companies involved in the export of Leonard 2 tanks to Saudi Arabia are:

- Carl Zeiss Optronik
- Diehl Remscheid
- ESW, a subsidiary of Jenoptik
- Krauss-Maffei Wegmann
- MAHLE Behr Industry, a subsidiary of MAHLE (60%) and Behr (40%)

- MTU Friedrichshafen, a subsidiary of Tognum
- Northrop Grumman LITEF GmbH, a subsidiary of Northrop Grumman
- Renk, a 76% subsidiary of MAN
- Rheinmetall
- ZF Friedrichshafen

1.4 Types of finance

German financial institutions can be involved in financing the companies involved in the export of Leonard 2 tanks to Saudi Arabia by providing corporate loans, by assisting companies with share- and bond issues, and by (managing) investments in shares and bonds of these companies. Below, these financing categories are discussed in more detail:

- **Corporate loans:** The easiest way to obtain debt is to borrow money. In most cases, money is borrowed from commercial banks. Loans can be either short-term or long-term in nature. Short-term loans (including trade credits, current accounts, leasing agreements, et cetera) have a maturity of less than a year. They are mostly used as working capital for day-to-day operations. Short-term debts are often provided by a single commercial bank, which does not ask for substantial guarantees from the company. A long-term loan has a maturity of at least one year, but generally of three to ten years. Long-term corporate loans are in particular useful to finance expansion plans, which only generate rewards after some period of time. The proceeds of corporate loans can be used for all activities of the company. Often long-term loans are extended by a *loan syndicate*, which is a group of banks brought together by one or more arranging banks. The loan syndicate will only undersign the loan agreement if the company can provide certain guarantees that interest and repayments on the loan will be fulfilled.
- **Principal banker:** Financial institutions which act as principal banker to a specific company assist the company in arranging its day-to-day financial operations. This could for example mean that the company has deposits at this bank.
- **Share issues:** Issuing shares on the stock exchange gives a company the opportunity to increase its equity by attracting a large number of new shareholders or increase the equity from its existing shareholders. These shareholders can be private investors as well as institutional investors. When it's the first time a company offers its shares on the stock exchange, this is called an *Initial Public Offering (IPO)*. When a company's shares are already traded on the stock exchange, this is called a *secondary offering* of additional shares. To arrange an IPO or a secondary offering, a company needs the assistance of one or more (investment) banks, which will promote the shares and find shareholders. The role of investment banks in this process therefore is very important.
- **Bond issues:** Issuing bonds can best be described as cutting a large loan into small pieces, and selling each piece separately. Bonds are issued on a large scale by governments, but also by corporations. Like shares, bonds are traded on the stock exchange. Bonds are sold on the capital market, to private investors as well as institutional investors. Banks rarely buy any bonds. But to issue bonds, a company needs the assistance of one or more (investment) banks which underwrite a certain amount of the bonds. Underwriting is in effect buying with the intention of selling to investors. Still, in case the investment bank fails to sell all bonds it has underwritten, it will end up owning the bonds.

- **(Managing) investments in shares:** Financial institutions can, through the funds they are managing, buy shares of a certain company. This provides the company with new equity, and gives the financial institution a direct influence on the company's strategy. The magnitude of this influence depends on the size of the shareholding.
- **(Managing) investments in bonds:** Like shares, financial institutions and private investors can buy bonds of a certain company. The main difference between owning shares and bonds is that owner of a bond is not a co-owner of the issuing company; the owner is a creditor of the company. The buyer of each bond is entitled to repayment after a certain number of years, and to a certain interest during each of these years.

For loans and underwritings of shares or bonds, all deals since 1 January 2009 are listed. In all cases, it is mentioned whether a company acts as bookrunner or a participant in the syndicate. If a company is (majority) owned by a parent company, all deals of the parent are mentioned, except when the proceeds of a deal are specifically related to another project or subsidiary of this parent (if, for example, the parent company secures finance to acquire a company unrelated to the subsidiary of interest in the report).

For share- and bondholdings the most recent figures are listed. All holdings of the financial institutions of interest in this report are mentioned. If a company is wholly-owned by a parent company, the share- and bondholdings of the parent company are mentioned. If companies are not wholly-owned, but majority-owned, by the parent company (for example in the case of RENK AG, which is 76% owned by MAN SE) only the financial institutions of interest which own more than 0.5% of the shares or bonds of the parent company are mentioned.

Which German financial institutions are involved in the financing of the companies is researched by using annual reports, stock exchange filings and other publications of the companies concerned, archives of trade magazines, local newspapers and the financial press, as well as specialized financial databases (Thomson One Database, Bloomberg).

All forms of financing meeting the specified criteria are identified, providing the following information for each form of financing:

- Name of the company receiving financing;
- Type of financing (loan, guarantee, share issue, bond issue, share ownership, bond ownership, other);
- Total amount;
- Date;
- Purpose (if known);
- For loans and bonds: Maturity and interest rate;
- Names of the financial institutions involved and their role (bookrunner/participant);

In the summary of the report, a table will be included summarizing all financial relationships between the German financial institutions and the military companies of interest.

Chapter 2 Financing of the selected companies

2.1 Carl Zeiss Optronics

2.1.1 Company profile

Carl Zeiss Optronics GmbH develops, manufactures, and distributes optical and optronic products, sub-systems, and systems for army, navy, and air force environments. Carl Zeiss Optronics is the defence and security division of the Carl Zeiss Group. This group was founded in 1846 and is based in Oberkochen, Germany.¹

2.1.2 Shareholders

Carl Zeiss AG, the holding company of the Carl Zeiss Group, is owned by Carl Zeiss Stiftung. This foundation was founded by German physicist and entrepreneur Ernst Abbe and named after his long-term partner Carl Zeiss.²

2.1.3 Banks

No bank loans secured by Carl Zeiss Optronics and its parent Carl Zeiss AG since early 2009 were found.

2.2 Diehl Remscheid

2.2.1 Company profile

Diehl Remscheid GmbH & Co. KG manufactures system tracks for tanks and armoured vehicles. The company is a subsidiary of Diehl Stiftung GmbH, a worldwide operating industrial group founded in 1902 and based in Nürnberg, Germany.³

2.2.2 Shareholders

Diehl Remscheid GmbH & Co. KG is 100% owned by Diehl Stiftung GmbH, a family-owned foundation.⁴

2.2.3 Banks

The following of the researched financial institutions is amongst the principal bankers of Diehl Remscheid GmbH & Co. KG:⁵

- **Commerzbank**

The following of the researched financial institutions are amongst the principal bankers of Diehl Stiftung GmbH, the parent company of Diehl Remscheid:⁶

- **BayernLB**
- **Commerzbank**
- **Deutsche Bank**
- **Deutsche Postbank**
- **HypoVereinsbank/UniCredit**

2.3 ESW

2.3.1 Company profile

ESW GmbH offers engineering products and services for civil and defense applications. The company was founded in 1994 and is based in Wedel, Germany. ESW GmbH operates as a subsidiary of Jenoptik AG, a German optoelectronics group headquartered in Jena, Germany. Jenoptik is listed on the Frankfurt Stock Exchange.⁷

2.3.2 Share issues

The following share issues since early 2009 were found:

- In March 2010 Jenoptik AG issued new shares for total proceeds of € 22.1 million. The proceeds were especially used to finance major orders in the area of traffic safety and to expand the global presence of the company's laser business in Asia and North America. The following two financial institutions participated in the issue:⁸
 - **UniCredit** bookrunner
 - **WestLB** participant

2.3.3 Shareholders

ESW GmbH is 100% owned by Jenoptik AG. Jenoptik AG is listed on the Frankfurt Stock Exchange. As at 31 December 2010, the largest shareholder of the company was ECE Industriebeteiligungen GmbH, a technology company based in Austria which owns 25.02% of the company.⁹

The researched German financial institutions that owned or managed shares of Jenoptik AG at the most recent filing date are summarised in Table 2.

Table 2 Shareholders of Jenoptik AG (researched financial institutions)

Investor	# of shares	% all shares	Value (€ mln)	Filing date
BayernLB	61,890	0.11	0.34	30-Apr-11
Allianz Global Investors	41,000	0.07	0.25	31-May-11

Source: Thomson ONE Database, "Share ownership", *Thomson ONE Database* (www.thomsonone.com), viewed July 2011.

2.3.4 Banks

No bank loans secured by ESW GmbH and its parent Jenoptik AG since early 2009 were found.

2.4 Krauss-Maffei Wegmann

2.4.1 Company profile

Krauss-Maffei Wegmann GmbH & Co. KG develops, manufactures, and supports armoured wheeled and tracked vehicles. Krauss-Maffei Wegmann was founded in 1931 as a result of a merger of the two Munich firms of Maffei and Krauss & Co. The company is based in Munich, Germany with additional locations in Germany, Greece, the Netherlands, and the United States.¹⁰

2.4.2 Shareholders

The Wegmann Group from Kassel, through Wegmann & Co GmbH KG, owns 100% of Krauss-Maffei Wegmann GmbH & Co. KG. Until December 2010, German engineering conglomerate Siemens AG held a 49 per cent stake in the company, but this shareholding was sold to Wegmann & Co. at that time.¹¹

2.4.3 Banks

Among the principal bankers of Krauss-Maffei Wegmann Verwaltungs GmbH, the personally liable partner of Krauss-Maffei Wegmann GmbH & Co. KG, is:¹²

- **HypoVereinsbank/UniCredit.**

2.5 MAHLE Behr Industry

2.5.1 Company profile

Behr Industry GmbH (previously called Behr Industrietechnik GmbH) supplies cooling and air conditioning systems for railways, ships, buses, construction and agricultural machinery, the aviation industry, and heavy-duty engines. The company was founded in 1990 and is based in Stuttgart, Germany. Until mid-2010 the company was a wholly-owned subsidiary of Behr GmbH & Co. KG, a German cooperation active in the automobile industry.

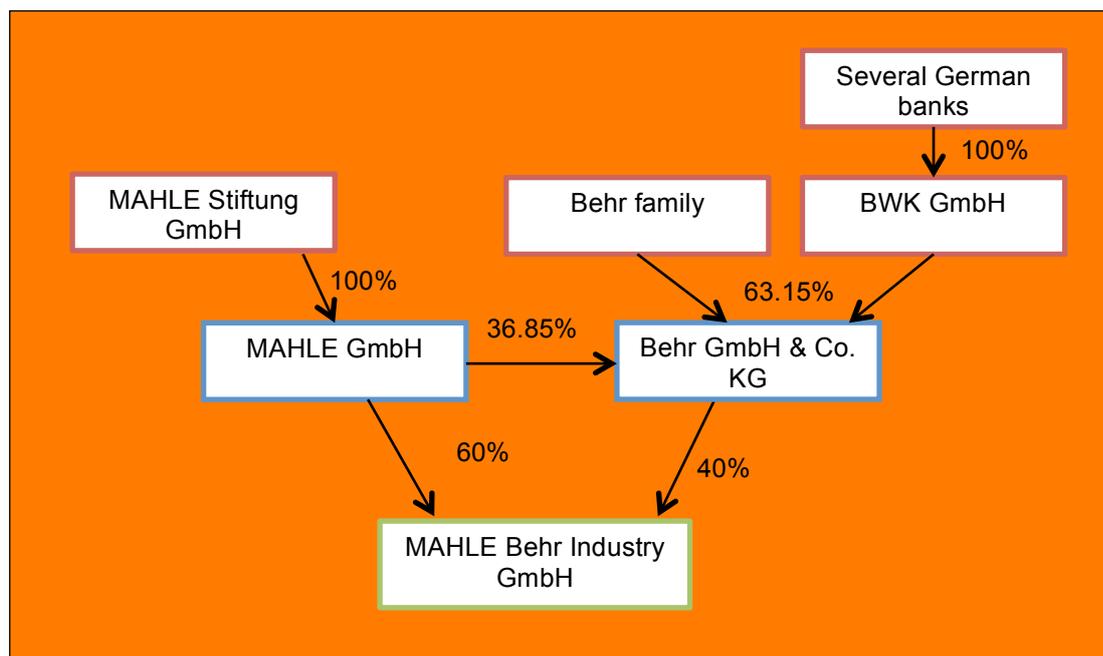
In mid-2010 MAHLE GmbH, a German automotive company, acquired a 60% stake in Behr Industry GmbH and the company was renamed MAHLE Behr Industry GmbH.¹³ In October 2010 and January 2011 MAHLE GmbH also acquired stakes in Behr GmbH & Co. KG. Its current ownership share of Behr GmbH is 36.85%.¹⁴

Because MAHLE Behr Industry was initially a wholly-owned subsidiary of Behr GmbH & Co. KG, the financing of Behr GmbH & Co. KG is analysed since early 2009, the time period used elsewhere in this report. The financing of MAHLE GmbH is analysed since early 2010, since this is the moment the company started the process of taking a majority stake in MAHLE Behr Industry.

2.5.2 Shareholders

MAHLE Behr Industry is 60% owned by MAHLE GmbH and 40% by Behr GmbH & Co. KG. Figure 1 provides an overview of the corporate structure of MAHLE Behr Industry.

Figure 1. Ownership structure of Mahle Behr Industry



MAHLE GmbH is 100% owned by MAHLE Stiftung GmbH. This foundation was established in 1964. In this year Hermann and Ernst Mahle, the founders of MAHLE GmbH, transferred ownership of the group to this non-profit foundation.¹⁵

Behr GmbH & Co. KG is 36.85% owned by MAHLE GmbH. Before the increased participation of MAHLE in October 2010 and January 2011, Behr GmbH & Co. KG was owned by Behr family members and by BWK GmbH Unternehmensbeteiligungsgesellschaft (BWK), a German private equity company headquartered in Stuttgart.¹⁶ BWK, in turn, is owned by the following German banks:¹⁷

- LBBW
- Landeskreditbank Baden-Württemberg (L-Bank)
- SBG-BW GmbH
- Hypo Landesbank Vorarlberg
- Württembergische Lebensversicherung, part of Wuestenrot & Württembergische bancassurance group (W&W)
- Württembergische Versicherung, part of Wuestenrot & Württembergische bancassurance group (W&W)

It is unknown what the current ownership of the Behr family and BWK in Behr GmbH & Co. KG is. The Behr family probably owns a much larger share in the company than BWK, because in 1996 BWK acquired an (unknown) 'minority interest' in the group.¹⁸ On its website, BWK still indicates Behr GmbH as one of its shareholdings.¹⁹

2.5.3 Bondholders

The researched German financial institutions that owned or managed bonds of Behr GmbH & Co. KG at the most recent filing date are summarised in Table 3.

Table 3 Bondholders of Behr GmbH & Co. KG (researched financial institutions)

Investor	% all bonds	Value (€ mln)	Filing date
Deutsche Bank	1.00	1.00	31-May-11

Source: Bloomberg Database, "Bond holdings", *Bloomberg Database*, viewed July 2011.

Deutsche Bank owns bonds of an issue that took place in 2006.

MAHLE GmbH does not have bonds outstanding.

2.5.4 Banks

The following loans secured by MAHLE GmbH since early 2010 and by Behr GmbH & Co. since early 2009 were found:

- In April 2010 MAHLE GmbH secured a credit facility with a value of € 150 million. The proceeds were used for refinancing purposes. **Commerzbank** was among the two banks that committed the loan, acting as sole bookrunner.²⁰
- In September 2010 Behr GmbH & Co KG secured a credit facility with a total value of € 213 million. The facility was split in two tranches: a € 13 million three-year term loan and a € 200 million three-year revolver. The proceeds were used for general corporate purposes. The following of the researched financial institutions participated in the syndicate of four banks which committed the loan:²¹
 - **Commerzbank** participant
 - **Deutsche Bank** participant
 - **LBBW** participant

2.6 MTU Friedrichshafen

2.6.1 Company profile

MTU Friedrichshafen is one of the world's leading manufacturers of large diesel engines and complete propulsion systems. The company was a subsidiary of the former DaimlerChrysler group until 2006 when it was sold off to a financial investor, and it is now part of the German engine manufacturer Tognum AG.²²

In March 2011, Daimler AG and Rolls-Royce Group plc made a joint offer to acquire the entire share capital of Tognum AG. On 24 June 2011 it was announced that Engine Holding GmbH, the joint venture of these two companies, acquired 94 per cent of Tognum AG after a bid which valued Tognum AG at about € 3.4 billion.²³

2.6.2 Shareholders

MTU Friedrichshafen is a wholly-owned subsidiary of Tognum AG. The researched German financial institutions that owned or managed shares of Tognum AG at the most recent filing date are summarised in Table 4.

Table 4 Shareholders of Tognum AG (researched financial institutions)

Investor	# of shares	% all shares	Value (€ mln)	Filing date
Deka Investment GmbH, part of Deka Bank	1,917,210	1.46	37.89	31-Dec-10
Allianz Global Investors	1,297,670	0.98	33.70	31-Dec-10- 31-May-11
Deutsche Bank	832,183	0.63	22.33	30-Nov-09- 31-May-11
Union Investment, part of DZ Bank	197,759	0.15	5.05	28-Feb-10- 31-Mar-11
LBBW	70,000	0.05	1.38	31-Dec-10
Landesbank Berlin	24,802	0.02	0.62	31-May-10
Helaba	7,920	0.01	0.13	30-Sep-10
Norddeutsche Landesbank	3,108	0.00	0.05	30-Jun-10
WestLB Mellon Asset Management, 50% owned by WestLB	1,257	0.00	0.04	31-Mar-11

Source: Thomson ONE Database, "Share ownership", *Thomson ONE Database* (www.thomsonone.com), viewed July 2011.

Since June 2011 Tognum AG is 94% owned by a joint-venture of Daimler and Rolls-Royce Group, so the financial institutions mentioned in Table 4 are currently probably no longer shareholders of the company.

2.6.3 Banks

At the end of December 2010 Tognum AG had one bank loan outstanding. This loan, with an original value of € 638.8 million, was secured in August 2007.* The following of the researched financial institutions participated in the syndicate of 13 banks which committed the loan:²⁴

- **BayernLB** participant
- **Commerzbank** bookrunner
- **Deutsche Bank** participant
- Dresdner Kleinwort, part of **Commerzbank** bookrunner
- **DZ Bank** participant
- **Helaba** participant
- **LBBW** participant
- **UniCredit** bookrunner

At the end of December 2010, € 294.8 million of this loan was outstanding.²⁵

2.6.4 Other financial relationships

The following other financial relationships could be found:

- When Tognum AG was in the process of being taken over by the consortium of Daimler and Rolls Royce, the company was advised by, amongst others, **Deutsche Bank**. The role of Deutsche Bank was to provide a fairness opinion.²⁶

* Because this loan was secured before January 2009, it is not included in the summary at the first pages of this report. It is however included here because it is still an important source of finance for the company.

- When the consortium of Daimler and Rolls Royce was in the process taking over Tognum AG, it was advised by, amongst others, **UniCredit**. The role of UniCredit was to provide a fairness opinion and a general advisory role.²⁷

2.7 Northrop Grumman LITEF

2.7.1 Company profile

Northrop Grumman LITEF GmbH (until 2008 called LITEF GmbH) supplies inertial sensors, inertial reference and inertial navigation systems, and computers for aircraft, land vehicles, and naval applications worldwide. The company was established in 1961 and is based in Freiburg, Germany. Northrop Grumman LITEF GmbH is a subsidiary of Northrop Grumman Corporation, an American global aerospace and defense technology company.²⁸

2.7.2 Shareholders

Northrop Grumman LITEF GmbH is a 100% subsidiary of Northrop Grumman Corporation. The researched German financial institutions that owned or managed shares of Northrop Grumman Corporation at the most recent filing date are summarised in Table 5.

Table 5 Shareholders of Northrop Grumman Corp (researched financial institutions)

Investor	# of shares	% all shares	Value (€ mln)	Filing date
Allianz Global Investors (including NFJ Investment Group)	4,855,529	1.75	304.12	31-Dec-09- 31-May-11
Deutsche Bank	3,268,581	1.18	211.19	31-Mar-10- 31-May-11
Union Investment, part of DZ Bank	951,000	0.34	59.64	31-Dec-10- 31-Mar-11
Pioneer Investment Management, part of UniCredit	532,069	0.19	33.29	30-Jun-10- 31-May-11
Nord/LB Capital Management, part of Norddeutsche Landesbank	108,472	0.04	6.80	31-Dec-09- 31-May-10
Deka Bank	62,376	0.02	4.00	31-Dec-09- 30-Jun-11
Commerzbank	6,723	0.00	0.36	31-Aug-10

Source: Thomson ONE Database, "Share ownership", *Thomson ONE Database* (www.thomsonone.com), viewed July 2011.

2.7.3 Bond issues

The following bonds issues since early 2009 could be found:

- In July 2009 Northrop Grumman Corporation issued bonds for total proceeds of US\$ 850 million (€ 595.7 million). The issue was split in two tranches: a US\$ 350 million (€ 245.7 million) 3.700% tranche due August 2014 and a US\$ 500 million (€ 351.0 million) 5.050% tranche due August 2019. The proceeds were used for general corporate purposes and to reduce indebtedness. The following of the researched financial institutions participated in the syndicate of 12 banks which underwrote the issue:²⁹

- **Deutsche Bank** bookrunner

- In November 2010 Northrop Grumman Corporation issued bonds for total proceeds of US\$ 1,500 million (€ 1,077 million). The facility was split in three tranches: a US\$ 500 million (€ 359.7 million) 1.850% tranche due November 2015, a US\$ 700 million (€ 503.5 million) 3.500% tranche due March 2021 and a US\$ 300 million (€ 215.8 million) 5.050% tranche due November 2040. The proceeds were used for general corporate purposes, to reduce indebtedness and for working capital. The following of the researched financial institutions participated in the syndicate of 12 banks which underwrote the issue:³⁰

- **Deutsche Bank** bookrunner

2.7.4 Bondholders

The researched German financial institutions that owned or managed bonds of Northrop Grumman at the most recent filing date are summarised in Table 6.

Table 6 Bondholders of Northrop Grumman (researched financial institutions)

Investor	% all bonds	Value (€ mln)	Filing date
Allianz Life Insurance Company of North America, part of Allianz	1.95	54.09	31-Mar-11

Source: Bloomberg Database, "Bond holdings", *Bloomberg Database*, viewed July 2011.

2.7.5 Bank loans

No loans secured by Northrop Grumman since early 2009 could be found.

2.8 RENK

2.8.1 Company profile

RENK AG primarily engages in the manufacture and sale of propulsion equipment worldwide. The company was founded in 1873 and is headquartered in Augsburg, Germany. RENK AG is a subsidiary of the MAN Group, a German mechanical engineering group.³¹

2.8.2 Shareholders

MAN SE owns 76% of the shares of RENK AG. The remainder of the shares are spread over a number of smaller shareholders. None of the researched German financial institutions owned or managed shares of Renk AG at the most recent filing date.³²

The following of the researched German financial institutions owned or managed 0.5% or more of the shares of MAN SE at the most recent filing date. Because MAN SE is the main financier of RENK AG, these shareholders are (indirectly) financing RENK AG.

Table 7 Shareholders of MAN SE (researched financial institutions, more than 0.5%)

Investor	# of shares	% all shares	Value (€ mln)	Filing date
Deutsche Bank	4,272,030	3.02	409.88	30-Nov-09- 30-Jun-11
Allianz Global Investors	1,942,155	1.38	189.45	30-Nov-09- 31-May-11
Deka Investment GmbH, part of Deka Bank	1,923,276	1.37	167.68	31-Oct-09- 30-Jun-11
Union Investment, part of DZ Bank	779,662	0.55	76.05	31-Oct-09- 31-May-11

Source: Thomson ONE Database, "Share ownership", *Thomson ONE Database* (www.thomsonone.com), viewed July 2011.

2.8.3 Bond issues

The following bond issues since early 2009 could be found:

- In May 2009 MAN SE issued new bonds for total proceeds of € 1,500 million. The issue was split in two tranches: a € 500 million 7.250% tranche due May 2015 and a € 1,000 million 5.375% tranche due May 2013. The following of the researched financial institutions participated in the syndicate of four banks which underwrote the issue:³³

- **UniCredit** bookrunner

2.8.4 Bondholders

None of the researched German financial institutions owned or managed 0.5% or more of the bonds of MAN SE at the most recent filing date.³⁴

2.8.5 Banks

RENK AG is mainly financed by its shareholders. It does not have (a large amount of) bank loans outstanding. However, it does have several principal bankers. The following of the researched financial institutions are amongst the principal bankers of RENK AG:³⁵

- **Commerzbank**
- **Deutsche Postbank**
- **HypoVereinsbank/UniCredit**

The following bank loans were secured by MAN SE since early 2009:

- In December 2010 MAN SE secured a five-year revolving credit facility with a value of € 1,500 million. The proceeds were used to refinance a loan secured in 2004 and for general corporate purposes. The following of the researched financial institutions participated in the syndicate of 23 banks which committed the loan:³⁶

- **BayernLB** bookrunner
- **Commerzbank** bookrunner
- **Deutsche Bank** participant
- **DZ Bank** participant
- **Helaba** participant
- **LBBW** bookrunner

- **UniCredit**
- **WestLB**

bookrunner
participant

2.9 Rheinmetall

2.9.1 Company profile

Rheinmetall AG provides automotive components and defence equipment in Germany and internationally. The company was founded in 1889 and is headquartered in Dusseldorf, Germany.³⁷

2.9.2 Share issues

The following share issues since early 2009 were found:

- In July 2009 Rheinmetall AG issued new shares for total proceeds of € 104.4 million. The proceeds were used for general corporate purposes, to reduce indebtedness and for capital expenditures. **Commerzbank** participated as one of the two joint bookrunners in the issue.³⁸

2.9.3 Shareholders

The researched German financial institutions that owned or managed shares of Rheinmetall AG at the most recent filing date are summarised in Table 2.

Table 8 Shareholders of Rheinmetall AG (researched financial institutions)

Investor	# of shares	% all shares	Value (€ mln)	Filing date
Deutsche Bank	1,439,546	3.64	84.60	31-Dec-09- 31-May-11
Allianz Global Investors	1,283,296	3.24	71.04	31-Dec-09- 30-Apr-11
Deka Investment GmbH, part of Deka Bank	231,564	0.58	13.96	30-Nov-09- 31-Dec-10
Union Investment, part of DZ Bank	56,500	0.14	3.40	31-Dec-09- 31-Dec-10
Nord/LB Capital Management, part of Norddeutsche Landesbank	18,580	0.05	0.83	31-Nov-09- 31-Dec-09
WestLB Mellon Asset Management, 50% owned by WestLB	10,157	0.03	0.60	31-Mar-11
LBB Invest, part of Landesbank Berlin	7,679	0.02	0.46	31-Mar-10- 31-Dec-10

Source: Thomson ONE Database, "Share ownership", *Thomson ONE Database* (www.thomsonone.com), viewed July 2011.

2.9.4 Bond issues

The following bond issues since early 2009 were found:

- In September 2010 Rheinmetall AG issued new bonds for total proceeds of € 500 million. The 4.000% bonds are due September 2017. The proceeds were used for general corporate purposes. The following of the researched financial institutions participated in the syndicate of three banks which underwrote the issue.³⁹

- **Deutsche Bank**
- **UniCredit**

bookrunner
bookrunner

2.9.5 Bondholders

The researched German financial institutions that owned or managed bonds of Rheinmetall AG at the most recent filing date are summarised in Table 9. All investors solely own bonds issued in September 2010 (see paragraph 2.9.4).

Table 9 Bondholders of Rheinmetall AG (researched financial institutions)

Investor	% all bonds	Value (€ mln)	Filing date
Pioneer, part of UniCredit	1.12	5.65	31-Mar-11
Union Investment, part of DZ Bank	0.94	4.72	31-Mar-11
Deka Investment, part of Deka Bank	0.89	4.47	31-Dec-10- 30-Apr-11
Allianz Global Investors	0.14	0.70	28-Feb-11

Source: Bloomberg Database, "Bond holdings", *Bloomberg Database*, viewed July 2011.

2.9.6 Banks

The following bank loans secured since early 2009 could be found:

- In March 2009 Rheinmetall AG secured two five-year credit facilities of € 100 million each from two (unknown) banks.⁴⁰ No additional information could be found about these facilities.

2.10 ZF Friedrichshafen

2.10.1 Company profile

ZF Friedrichshafen AG develops, produces, and markets driveline and chassis technology for the automobile industry. The company was founded in 1915 and is headquartered in Friedrichshafen, Germany.⁴¹

2.10.2 Shareholders

ZF Friedrichshafen is owned by just two shareholders: the Zeppelin Stiftung GmbH - which is controlled by the city authorities of Friedrichshafen - holds 93.8% and the Dr. Jürgen and Irmgard Ulderup Foundation holds 6.2% of the shares.⁴² This foundation was launched by businessman Jürgen Ulderup.⁴³

2.10.3 Banks

The following bank loans secured since early 2009 could be found:

- In September 2009 ZF Friedrichshafen received a € 250 million loan from German development bank **KfW**. The purpose of the loan was to guarantee sufficient liquidity.⁴⁴

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