The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Germany's Rheinmetall Cuts Earning Forecast After Russia Deal Nixed

By The Moscow Times

August 07, 2014



BERLIN — German defense and auto parts company Rheinmetall has cut its earnings forecast after the government revoked permission for it to deliver a field exercise simulator to the Russian military.

The company says it's exploring legal options to minimize the financial hit from that decision.

Germany's government said Monday that it was blocking the deal, worth over 100 million euros ($135 million). The decision went beyond a newly imposed European Union arms embargo that allows existing contracts to be fulfilled.

Rheinmetall on Thursday cut its full-year forecast for earnings before interest and taxes to 200-220 million euros from the previous 230-250 million euros.

The company said it is working to ensure that the financial burden is kept as low as possible, "including the utilization of all available legal options."

See also:

Russia to Sue Germany's Rheinmetall for Stopping Combat Simulator Exports

Original url:
https://www.themoscowtimes.com/2014/08/07/germanys-rheinmetall-cuts-earning-forecast-after-russia-deal-nixed-a38109