Germany to pay €6.6 billion for half of Leopard tank maker KNDS

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Flag of Germany

Germany's federal government plans to pay about €6.6 billion for the 50% stake in Franco-German tank maker KNDS held by its founding families, two people close to the matter told Reuters on Tuesday. Der Spiegel, which first reported the figure, said it rests on an €11.2 billion pre-IPO valuation plus a €1 billion premium. A parliamentary source told AFP the exact price is €6.64 billion and that the Bundestag's budget committee is expected to approve it on Thursday. The government declined to comment on details, while the families' Wegmann holding aims to sign in November and close in December.

KNDS builds the Leopard 2 tank and the PzH 2000 howitzer, and the Bundeswehr is its largest customer. In June, Berlin and Paris agreed on parity in governance, and the budget committee approved up to €7.2 billion for a 40% stake tied to a stock market listing. That listing was then shelved as defence valuations weakened. Falling defence valuations mean Berlin now pays less for the full 50% than it had budgeted in June for a 40% stake. A

finance ministry paper says the goal is to avoid being outvoted by France on key decisions. Critics warn that state ownership could slow decision-making in joint programmes.

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