



Fiscal 2010: MAN continues international growth course

Munich, March 21, 2011

- **Order intake €15.1 billion (previous year: €9.9 billion), revenue €14.7 billion (€12.0 billion)**
- **Operating profit €1.035 billion (€504 million)**
- **Return on sales (ROS) 7.1% (4.2%)**
- **Proposed dividend: increase to €2.00 (€0.25) per share**
- **Outlook for 2011: revenue growth of between 7% and 10%, ROS to grow by at least one percentage point**
- **Further growth with focus on BRIC countries**
- **New plant in Russia planned**
- **Record profit and expansion in capacity at MAN Latin America**
- **Talks about close cooperation with Scania AB**

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The MAN Group has started fiscal 2011 in a strong position. "MAN regained its strength in 2010. Profit in the operating business doubled. 2010 saw us record our success, thereby signaling our expertise and competitive strength," said Dr. Georg Pachta-Reyhofen, CEO of MAN SE, at today's Annual Press Conference in Munich. Together with an operating profit of €1.035 billion, return on sales rose year-on-year from 4.2 percent to 7.1 percent. The Commercial Vehicles business area posted an operating profit of €528 million and an ROS of 5.0 percent (0.7 percent). The Power Engineering business area generated an operating profit of €491 million with MAN Diesel & Turbo and Renk while its return on sales remained in the double-digit range at 11.8 percent. The MAN Group is very upbeat about fiscal 2011: "Following a good first few months, we expect revenue growth of between 7 and 10 percent for 2011 as well as an increase in ROS by at least one percentage point," explained Frank H. Lutz, CFO of MAN SE.

Business performance in 2010 was dominated by the global economic upturn overall. The MAN Group's order intake soared 53 percent to €15.1 billion, returning to its pre-crisis level. The market recovery was visi-

The MAN Group is one of Europe's leading industrial players in transport-related engineering, with revenue of approximately €14.7 billion in 2010. As a supplier of trucks, buses, diesel engines, turbo machinery, and special gear units, MAN employs approximately 47,700 people worldwide. Its business areas hold leading positions in their respective markets. MAN SE, Munich, is listed in the DAX (German Stock Index), which comprises Germany's thirty leading stock corporations.



ble both within and outside Germany. In the Commercial Vehicles business area (which is made up of MAN Truck & Bus and MAN Latin America), growing demand in the European commercial vehicles business and the ongoing boom in the BRIC countries pushed orders up significantly by 68 percent to €11.2 billion.

MAN responded by gradually reducing short-time working in Germany and Austria over the course of fiscal 2010, fully discontinuing it by the end of the year. This means that the commercial vehicles business successfully left behind the financial and economic crisis and is well positioned for future challenges with a strengthened workforce as a result of the training measures implemented during the period of short-time working.

Order intake in the Power Engineering business area (which comprises MAN Diesel & Turbo and Renk) also recorded a sharp increase (+24 percent) in 2010 at €4.0 billion. This was primarily driven by the positive development in the Engines & Marine Systems strategic business unit (+37 percent) and at Renk (+79 percent).

The MAN Group's revenue climbed 22 percent to €14.7 billion, due in particular to the recovery in the Commercial Vehicles business. With revenue of €10.6 billion for the year, Commercial Vehicles saw its revenue rise 36 percent. Unit sales of commercial vehicles rose at the same time from 82,600 to 126,300. Revenue in the Power Engineering business area remained on a level with the previous year, at €4.2 billion (€4.3 billion).

Remarkable ROS figures and profits were proof of the positive performance in all areas. Together with an operating profit of €528 million, return on sales in the Commercial Vehicles business area rose from 0.7 percent to 5.0 percent. This was primarily helped by the record profit in Latin America, where MAN's operating profit grew faster than revenue. Its profit reached €370 million (€142 million), which corresponds to a return on sales of 11.8 percent. At 11.8 percent, the Power Engineering business area generated a double-digit ROS for the fifth year in a row.

In order to enable shareholders to participate in the Company's success by distributing an appropriate share of its profits, the Executive and Supervisory Boards will propose a substantially higher dividend of €2.00 (€0.25) per share to the Annual General Meeting.

The MAN Group's focus on commercial vehicles and power engineering proved to be a successful strategy in 2010. MAN significantly strengthened its presence in international growth regions, concentrating on the



BRIC countries. In 2011, capacity in Brazil is to be raised from around 72,000 to 82,000 vehicles and an additional 400 people are to be hired. MAN trucks are to roll off the production line for the first time in Russia starting in 2012. MAN is the largest importer of heavy trucks and buses in Russia.

The strategic partnership with Sinotruk in China is being implemented at a high speed: MAN will be launching a new heavy truck series for emerging economies and growth markets together with its Chinese partner in 2011. MAN already sells one in two of its trucks and an even greater proportion of buses in one of the BRIC countries today. It is still the leader for trucks in Brazil, where it has a 29 percent slice of the market. Brazil also holds additional growth potential for the Power Engineering business area, in which MAN is very well represented in China and India, due to its fast-growing oil and gas industry.

The MAN Group expects the economic recovery to continue in 2011. The Commercial Vehicles business area is aiming for revenue growth of between 10 and 15 percent. Revenue in the Power Engineering business area can be expected to remain at the previous year's level due to the slower recovery of the relevant markets, although return on sales is still set to be in the solid double-digit range. This means that the MAN Group is currently expected to see its revenue increase by between 7 and 10 percent and its return on sales rise by at least one percentage point. In the long term, both business areas will likely profit disproportionately from the strong growth in the emerging economies of the BRIC countries accompanied by an increasing demand for transportation and energy.

MAN is still focusing systematically on its strategy of internationalization and growth by cooperating with strong partners in order to leverage the potential offered by globalization and technological change. "We will not be taking this job on alone. Instead, we will be combining our know-how with our partners in order to be in a more powerful position together. MAN and Scania are the right partners for the challenges that new technologies, like hybrid technology, bring. That is why we are in talks with Scania about various ways of cooperating closely through to a combination. We will ensure that the interests of MAN, its shareholders and the 48,000 employees are fully represented," said Pachta-Reyhofen at the Annual Press Conference.

MAN is still open to quickly resolving the ownership matter at Ferrostaal with majority owner IPIC. "This is in the interests of all parties involved,



especially Ferrostaal and its employees, but an agreement will not be at any price," continued Pachta-Reyhofen.

Note:

The full 2010 Annual Report and the latest press images can be found on the Internet at www.man.eu.

At a glance

The MAN Group € million	2010	2009	Change	2010	2009	Change
	Q1 – Q4	Q1 – Q4	%	Q4	Q4	%
Order intake	15,072	9,860	53	4,088	2,635	55
Germany	3,489	2,388	46	931	634	47
Other countries	11,583	7,472	55	3,157	2,001	58
Revenue	14,675	12,026	22	4,184	3,256	29
Germany	3,058	2,751	11	725	781	-7
Other countries	11,617	9,275	25	3,459	2,475	40
Order backlog	7,025	7,422	-5	7,025	7,422	-5
Headcount	47,669	47,743	0	47,669	47,743	0
of which: subcontracted employees	1,976	1,643	20	1,976	1,643	20
Germany	27,354	26,768	2	27,354	26,768	2
Other countries	20,315	20,975	-3	20,315	20,975	-3
				€million		€million
Operating profit	1,035	504	531	307	126	181
Earnings effects from purchase price allocations	-109	-62	-47	-26	-22	-4
Gains/losses from nonrecurring items	357	-656*	1,013	357	-563	920
Earnings before interest and taxes (EBIT)	1,283	-214	1,497	638	-459	1,097
Earnings before tax (EBT)	1,125	-331	1,456	584	-486	1,070
Net income/loss	722	-258	980	342	-472	814
Earnings per share from continuing operations in €	5.30	-2.69	7.99	2.72	-3.23	5.95
Earnings per share from continuing operations excluding effects of purchase price allocations and nonrecurring items in €	3.38	1.47	1.91	0.40	0.30	0.10
ROS (%)	7.1	4.2	-	7.3	3.9	-
Income/loss from discontinued operations, net of tax	-65	126	-191	-65	1	-66
Capital expenditures	396	2,303	-1,907	183	713	-530
Depreciation, amortization, and impairment of noncurrent assets	467	804	337	135	509	-374
R&D expenditures	626	504	122	214	140	74
Cash earnings	815	396	419	182	-28	210
Net cash provided by operating activities	1,427	1,462	-35	475	504	-29
Net cash used in investing activities	-374	-2,584	2,210	-176	-709	533
Free cash flow	1,053	-1,122	2,175	299	-205	504
Net financial debt	-1,778	-2,634	856	-1,778	-2,634	856
Total equity	5,990	5,129	861	5,990	5,129	861

* This figure primarily includes writedowns of equity-method investments, particularly Scania, and expenses in connection with investigations by the public prosecution authorities due to suspected unlawful commission payments.

Order intake, revenue and operating profit

Order intake (€ million)	2010	2009	Q4 2010	Q4 2009
Commercial Vehicles	11,163	6,636	3,119	1,931
Commercial Vehicles (units)	133,023	73,826	35,611	22,479
MAN Truck & Bus	8,023	5,224	2,351	1,360
MAN Truck & Bus (units)	67,393	37,984	20,445	9,601
MAN Latin America*	3,140	1,412	768	571
MAN Latin America (units)*	65,630	35,842	15,166	12,878
Power Engineering	4,000	3,230	997	702
MAN Diesel & Turbo	3,475	2,936	911	632
Renk	525	294	86	70
Others/Consolidation	-91	-6	-28	2
The MAN Group	15,072	9,860	4,088	2,635
Revenue (€ million)	2010	2009	Q4 2010	Q4 2009
Commercial Vehicles	10,586	7,807	3,023	2,145
Commercial Vehicles (units)	126,279	82,609	35,124	24,165
MAN Truck & Bus	7,446	6,395	2,255	1,574
MAN Truck & Bus (units)	60,649	46,767	19,958	11,287
MAN Latin America*	3,140	1,412	768	571
MAN Latin America (units)*	65,630	35,842	15,166	12,878
Power Engineering	4,169	4,270	1,188	1,115
MAN Diesel & Turbo	3,766	3,796	1,073	989
Renk	403	474	115	126
Others/Consolidation	-80	-51	-27	-4
The MAN Group	14,675	12,026	4,184	3,256
Operating profit (€ million)	2010	2009	Q4 2010	Q4 2009
Commercial Vehicles	528	51	197	33
MAN Truck & Bus	158	-91	85	-32
MAN Latin America*	370	142	112	65
Power Engineering	491	566	117	145
MAN Diesel & Turbo	439	500	107	126
Renk	52	66	10	19
Others/Consolidation	16	-113	-7	-52
MAN SE and Shared Services	-83	-63	-36	-39
Investment in Sinotruk (equity method)	29	-	-	-
Investment in Scania (equity method)	99	4	35	4
Investment in manroland (equity method)	-13	-53	-	-18
Consolidation	-16	-1	-6	1
The MAN Group	1,035	504	307	126

* The order situation, revenue, and earnings do not include any Q1/2009 figures for MAN Latin America.