

Press release

**MAN Truck & Bus Middle East**



## **Fiscal 2011: MAN generates record revenue**

MAN SE's strong global performance ensures that it is well-positioned to grow its presence in the Middle East and Africa region

- **Revenue €16.5 billion (previous year: €14.7 billion)**
- **Order intake €17.1 billion (€15.1 billion)**
- **Operating profit €1.483 billion (€1.035 billion)**
- **Return on sales (ROS) 9.0% (7.1%)**
- **Earnings per share from continuing operations €4.62**
- **Proposed dividend: increase to €2.30 (€2.00) per share**
- **Total of 155,520 vehicles sold (+23%)**
- **MAN Latin America sees its best year yet**
- **Outlook for 2012: slight decline in revenue for Commercial Vehicles, but increase for Power Engineering**

**Dubai, March 5, 2012:** MAN SE closed fiscal 2011 with excellent business figures. The commercial vehicle and mechanical engineering player said that revenue had increased by 12 percent last year to a new record of €16.5 billion. According to MAN SE Chief Executive Officer Dr. Georg Pachta-Reyhofen: "2011 was a very successful year for the MAN Group. Despite the ongoing uncertainty on the financial markets in particular, we again succeeded in clearly surpassing the good figures of the previous year."

Operating profit rose 43 percent year-on-year to €1.5 billion while return on sales increased from 7.1 percent to 9 percent. This meant that the MAN Group again recorded profitable growth in 2011.

The Company's Management is preparing itself for muted economic growth worldwide in 2012. Frank H. Lutz, Chief Financial Officer of MAN SE, said: "We expect the commercial vehicles market in Europe to stabilize around the 2011 level. In contrast, sales in Brazil will decline. Overall, revenue in the Commercial Vehicles business area is set to decrease slightly by up to 5 percent while the Power Engineering business area's revenue is to grow by 5 percent. Across the MAN Group as a whole, we therefore expect revenue to fall slightly and also lead to a drop in operating profit. Return on sales is likely to remain at the average long-term target of 8.5 percent." Lutz added that this view was assuming governments were able to stabilize the financial markets and prevent the uncertainty from spreading to the real

economy. He went on to say that MAN had high growth potential in the medium and long term – particularly in view of the opportunities offered by cooperating with the Volkswagen Group.

### **Commercial Vehicles**

The MAN Group's record revenue was primarily driven by the Commercial Vehicles business area (comprising MAN Truck & Bus and MAN Latin America), which posted a 19 percent increase in revenue to €12.6 billion. MAN sold a total of 155,520 trucks and buses, generating a return on sales of 7.7 percent.

In the year under review, MAN Truck & Bus more than tripled its operating profit to €565 million. The division built on its strong market position for trucks over 6 tons in Europe, ranking second in the segment with a market share of 18 percent. Doing so means that MAN lifted its market share in Europe for the sixth successive year.

MAN Truck & Bus also enjoyed growth in buses over 8 tons. Around 14 percent of all newly registered buses in Europe in 2011 were models of the MAN and NEOPLAN brands. In 2011, MAN Truck & Bus delivered a total of 83,418 trucks and buses to customers – an increase of 38 percent.

MAN Latin America was the market leader again in Brazil for trucks over 5 t and recorded the best year that the company has ever seen. A total of 72,102 vehicles were sold, up 10 percent. Revenue rose by 14 percent to €3.6 billion while operating profit amounted to €400 million. A new production record was also set with over 83,000 units.

### **Power Engineering**

The Power Engineering business area (comprising MAN Diesel & Turbo und Renk) also remained at a very high level. With a decrease of 4 percent, revenue declined slightly to €4.0 billion while order intake crept up from €4.0 to €4.1 billion. At 12.8 percent, return on sales remained clearly in the double digits.

Power Engineering's revenue was fueled by MAN Diesel & Turbo, which contributed €3.6 billion (-4 %). Order intake climbed from €3.5 billion to €3.7 billion and operating profit rose from €439 million to €460 million. Return on sales jumped one percentage point to 12.7 percent.

### **Strategic focus of the MAN Group**

Over the past few years, MAN has strategically expanded its international presence and successfully positioned itself in key growth markets. Its BRIC strategy is not only aimed at leveraging market opportunities. Due to the different economic cycles of the markets, it also minimizes risks. MAN will continue to pursue this strategy in 2012.

Sale of the MAN TGX will start in Brazil in the second quarter of 2012. Starting from the beginning of 2012, MAN Euro V engines will be implemented into vehicles from MAN Latin America.

Russia will see MAN open a new plant in St. Petersburg in the first half of 2012 that is designed to assemble around 6,000 vehicles a year.

In India, MAN Truck & Bus signed an agreement to fully acquire the joint venture with FORCE Motors. The production and sale of the MAN CLA will now be driven solely by MAN.

In China, MAN has a stake of 25 percent plus one share in Chinese commercial vehicle manufacturer Sinotruk with whom it has developed the new, joint SITRAK brand set to go on sale in 2013. In May 2011, MAN Diesel & Turbo put the second section of the extension at the Changzhou site into operation. Turbomachinery, large-bore diesel turbochargers, and Renk gear unit components are produced at the site.

Another strategic growth market is the external engine business. MAN engines are also used in agricultural machinery, track vehicles, and yachts. At €335 million, revenue in 2011 in this business area clearly broke the €300 million mark for the first time.

Research & development is also of great strategic importance to the MAN Group. The Company invests over four percent of its revenue in it. Development activities in both the Commercial Vehicles and Power Engineering business areas focus on reducing emissions, alternative drive concepts, and alternative fuels. The commercial vehicles business is concentrating on hybrid technology. Production of the Lion's City Hybrid buses has been running since 2010.

MAN SE's strong global performance ensures that it is well-positioned to grow its presence in the Middle East and Africa region from its regional headquarters in Dubai as the region's markets continue to witness growth in the sectors of public transport, cargo, and construction sectors especially in the UAE, Saudi Arabia, Qatar, Iraq and Oman.

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### **MAN Truck & Bus Middle East**

Since 2006, MAN Truck & Bus Middle East has been the regional representative of MAN Truck & Bus AG which is headquartered in Munich, Germany and the largest company of MAN Group, a DAX top 30 listed company. It is a leading provider of commercial vehicles and buses that are renowned for their robustness, reliability and adherence to high standards of driver and passenger comfort and safety.

MAN Truck & Bus Middle East operates through an extensive network of 35 private capital dealers and importers in 14 countries namely Afghanistan, Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen.

Accommodating for the demanding operating conditions in the Middle East, MAN Truck & Bus Middle East provides full-fledged turn-key solutions for both goods and passenger transportation by road through its light (TGL) , medium (TGM) and heavy-

duty (TGS WW) ranges of trucks, and MAN and NEOPLAN buses that provide basic to VIP luxury transport and travel requirements.

### **The Transport Efficiency Program from MAN Truck & Bus**

The amount of transport and traffic on roads is rising worldwide. At the same time, the long-term dwindling of energy resources is making transport increasingly more expensive. As one of the world's leading manufacturers of buses and trucks, MAN Truck & Bus makes an important contribution to the continued improvement of transport efficiency. MAN offers a comprehensive efficiency program to reduce your total costs of ownership. Transport efficiency, consolidated in the fields of technology, service, the driver and future expertise protects the environment and is added value for our customers.

## **CONSISTENTLY EFFICIENT**

MAN Truck & Bus AG, headquartered in Munich, Germany, is the largest company of the MAN Group and a leading international supplier of efficient commercial vehicles and innovative transport solutions. In fiscal 2011 the enterprise, with around 34,000 employees, posted sales of more than 77,600 trucks and over 5,700 buses and bus chassis of the MAN and NEOPLAN brands worth 9 billion Euros.