



MAN Truck & Bus SRM (Sales Region Middle East & Africa)

First Quarter Truck Sales Promise Further Growth

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Consistent month-on-month growth in unit sales of heavy-duty trucks exceeding a gross-vehicle-mass (GVM) of 8.5 tons during the first three months of 2011 indicates that investor confidence in the South African economy is on the rise.

Sales figures of commercial vehicles (heavy-duty trucks in particular), are an expedient barometer for gauging broader economic activity, be they for construction, mining or the delivery of consumer goods.

With year-to-date increases of 16.1% in the Heavy Commercial Vehicle (HCV) category and an impressive 40.1% increase in unit sales in the Extra-Heavy Commercial Vehicle (EHCV) sector as well as month-on-month unit sales increases in March 2011, compared to March 2010, both truck OEMs and their customers can look forward to a steady return to pre-2009 activity within the broader commercial vehicle industry.

According to Naamsa, improvements in overall vehicle sales figures during Q1 2011 can be attributed in part to “a robust recovery on the consumption side of the South African economy driven by the 6.5% decline in interest rates since December 2008, which had improved the financial position of consumers and businesses and reduced the debt servicing costs of households and companies.”

Naamsa also states that due to “improved economic activity levels...sales of vehicles in the medium and heavy truck segments of the industry, with the exception of the low volume bus segment, had continued to improve further during March 2011, and at 884 units and 1691 units, respectively, had recorded a gain of 127 units or 16,8%, in the case of medium commercials, and 298 units or 21,4% in the case of heavy trucks and buses – compared to the corresponding month last year. The ongoing gains in medium and heavy truck sales suggested an improvement in fixed investment sentiment in the economy.”

MAN Truck & Bus (S.A.) (Pty) Ltd
Group Marketing
105 Andre Greyvenstein Avenue
Isando 1601

If you have any questions please contact

Marja Brunninger
marja.brunninger@za.man-mn.com
Tel. +27 11. 928-6841

www.man-mn.co.za
www.mantruckandbus.com/media

These positive trends notwithstanding, the Tsunami in the Far East could have a negative effect on the supply of vehicles and components to local truck and bus suppliers and the political turmoil in the Middle East looks set to drive up fuel prices, placing greater burden on commercial vehicle operator profitability.

Leading commercial vehicle supplier, MAN Truck & Bus SA, while enjoying sustained month-on-month growth in the HCV and EHCV sectors during 2011 compared to 2010, and selling over 40% of buses sold in South Africa during March this year, is cautiously optimistic that sales figures of trucks will rise steadily while bus sales will gradually recover.

In light of the threats to operational sustainability from the Middle East (fuel price hikes) and Far East (vehicle/parts supply constraints), MAN believes that commercial vehicle procurement criteria should now, more than ever, be based on fuel-efficiency and vehicle durability, coupled with the ability of the vehicle supplier to swiftly support customers with spares and service back-up.

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For further information

www.mantruckandbus.com/media

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 2010 the enterprise, with around 31,000 employees, posted sales of more than 55,000 trucks and over 5,400 buses and bus chassis of the MAN and NEOPLAN brands worth 7.4 billion euros.