



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

Truck Sales Rise Despite April Shutdowns

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With the first three months of 2011 registering strong improvements in the sales of new heavy duty trucks compared to the corresponding months in 2010, Naamsa reports that during April this year, heavy duty truck sales figures continued to grow despite the proliferation of public holidays, lending credence to sentiments of definite market recovery following the economic meltdown of 2008/2009.

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As a key service provider to the retail and FMCG industries, commercial trucking in South Africa can also draw further optimism from the fact that “the higher sales of new cars over the past 16 months reflected 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,” as stated in the official Naamsa media release.

While sales figures for the bus segment remain muted, Naamsa reports that during April 2011, local sales of heavy trucks (from 8501-16500kg) recorded a gain of 32.6%, with export sales in that segment up by 31.3%, compared to the corresponding month last year. The extra-heavy truck segment also performed well compared to April 2010, registering a local sales increase of 47.4% with export sales improving by an impressive 363.2%.

According to Naamsa, “the relatively strong performance in medium and heavy truck sales suggested further improvement in fixed investment sentiment in the economy.”

For leading local commercial vehicle supplier, MAN Truck & Bus SA, April 2011 sustained year-on-year growth in the extra-heavy truck segment with a unit sales increase of 47.8% compared to April 2010. The organisation’s multibrand portfolio includes the Volkswagen Constellation truck range, 27

of which were procured during April 2011 to service retail/FMCG distribution applications. MAN's flagship TGS WW extra-heavy truck tractor continues to shore up the company's overall sales performance. Notably during April, a consignment of 51 units was confirmed by premium linehaul fleet, Manline Group.

Despite the slowdown in bus sales, MAN/VW combined remains the market leader in this segment. The Volksbus derivatives now under the MAN banner are opening new markets for the organisation and bringing welcome respite in a suppressed bus market.

Looking at the months ahead, Naamsa states that: "expectations of higher growth in the global economy as well as for the South African economy in 2011 should lend support to domestic and export sales of new motor vehicles. Continued growth in consumer expenditure and public sector infrastructural investment would also support domestic new vehicle sales."

On a cautionary note, "the inflation outlook has deteriorated, amongst other things, as a result of administered price and taxation increases. This could put upward pressure on interest rates towards the end of 2011 and into 2012," concludes the Naamsa release.

For MAN Truck & Bus SA, turn-around times in the assembly and delivery of new trucks and buses, as well as comprehensive parts availability will prove telling in the months to come, following the recent natural disasters in the Far East. However, according to Bruce Dickson, Management Board Member, Marketing & Communications, "due to MAN sourcing of components from Europe, Brazil and SA (in the case of bus bodies), MAN believes itself well-positioned to capitalise on possible contingencies facing competitor OEMs. We see this as an opportunity to improve our market share specifically in the HCV market."

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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.