Press Release
MAN SE

Speech by Dr. Georg Pachta-Reyhofen, CEO of MAN SE, at the Annual General Meeting on May 15, 2014

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– CHECK AGAINST DELIVERY –

– CONVENIENCE TRANSLATION; IN CASE OF INCONSISTENCIES, THE GERMAN ORIGINAL VERSION PREVAILS –

Dear shareholders, dear guests, ladies and gentlemen,

Allow me to welcome you to this year's Annual General Meeting of MAN SE here at the exhibition center in Hanover. Our annual general meetings were held in Munich for almost 30 years. So why have we now moved this event from the Bavarian capital to the Lower Saxon one?

The exhibition center that you walked through to get to this hall actually gave you your answer – it provided you with an excellent impression of the wide range of products offered by the Volkswagen Group, which we are now also a part of. You saw vehicles that kindle everyone's enthusiasm, not just that of engineers like me. Vehicles from the fine-sounding brands of Volkswagen, Audi, and Porsche stand alongside the fascinating sports cars of Lamborghini or Bugatti while Bentley sets the standard in the luxury segment. Every car you see there is great in its own way.

And I am proud to say that our vehicles and machines are also included in this illustrious company. The MAN TGX tractor on show and its 480 hp might not be able to compete with a Bugatti Veyron when it comes to power but the TGX is top of the long-haul truck segment. It is the most reliable truck on the market and its new Euro 6 engine is the most economical power unit in its class.

And we have one more ace up our sleeve in terms of performance: the highest motorized model in the exhibition is an MAN. It doesn't have any wheels but it does have a propeller. The MAN marine diesel engine boasts a horsepower of around 4,300. It is unique in that it not only runs on conventional marine diesel, but can also be powered by eco-friendly natural gas. We believe that this is the fuel of the future in shipping.

[MAN in the Volkswagen Group]

So how better to show just how broad the Volkswagen Group's expertise is in mobility and energy, two issues of the future? And how well MAN fits into this successful corporation? It is for this reason that we decided to use the exhibition and the set of the Volkswagen Annual General Meeting that was held here two days ago to give you, the MAN shareholders, the opportunity to experience it.

[Fiscal year 2013]

I would now like to tell you more about your Company and explain the key facts for the past fiscal year.

2013 was not an easy year for MAN. This was due to the unfavorable economic environment that many industries had to endure. The global economy only saw moderate growth. And it was primarily the European debt crisis that significantly impacted the investment behavior of our customers. Fortunately, consumers and companies were more optimistic in the second half of the year. Furthermore, pull-forward effects from the introduction of the Euro 6 emission standard resulted in an upturn in the European commercial vehicle market. Many of our customers quickly grabbed the somewhat lower-priced Euro 5 models too. This meant that truck production capacity was excellent in the last two quarters of 2013 but that some of these orders were unfortunately absent in the first few months of this year.

The situation in the Power Engineering business area deteriorated over the course of the year. The crisis in merchant shipbuilding is not over yet. Continued uncertainties and financial difficulties also led to many customers being reluctant to award new contracts. However, it was the very high

provisions recognized in the first half of 2013 for a power plant project not yet completed that negatively impacted us in particular.

At €16 billion, the MAN Group's order intake in fiscal year 2013 was on a level with the previous year. This was quite considerable given the conditions outlined. At MAN Truck & Bus it reached €9.3 billion and was just up on the previous year thanks to the pull-forward effect mentioned. In Brazil, the commercial vehicles business also saw an improvement again. MAN Latin America benefited from this market recovery and also received major government orders, like the one for school buses, in the three-digit millions. This allowed MAN Latin America to record new orders worth €3 billion in its books. At MAN Diesel & Turbo orders declined to €3.4 billion, while Renk recorded €504 million.

In 2013, the MAN Group generated revenue of €15.7 billion and was also down on the prior-year level. This was thanks to the Commercial Vehicles business area's €12 billion. Both MAN Truck & Bus and MAN Latin America increased their annual revenue. By contrast, the Power Engineering business area also saw a noticeable decline. While Renk was able to reach its prior-year level of around half a billion again, revenue at MAN Diesel & Turbo fell by 10% in the difficult market environment to €3.4 billion.

This puts order intake and revenue roughly on a level with 2012. However, operating profit reduced significantly: it halved from just under €970 million in the previous year to €475 million in 2013. That, ladies and gentlemen, is anything but satisfactory. So what caused this?

It was primarily triggered by the power plant project not yet complete at MAN Diesel & Turbo that I have already mentioned. We had to learn the hard way here. The project – and we can see that now – is without a doubt one of the most complicated challenges that you can imagine in the diesel power plant field. Nevertheless, we successfully put the first of three large-scale turnkey power plants into operation on the island of La Réunion in October 2013. It is now among the world's most efficient and eco-friendly state-of-the-art diesel power plants. It sets new technological standards. Our customers can rely 100% on MAN – which we have proven with this.

In the Commercial Vehicles business area, operating profit was on a par with the previous year at €458 million. Both MAN Latin America and MAN Truck & Bus were able to keep their profit stable despite the difficult economic environment. Given the sharply fluctuating market and the related production adjustments, I find this quite remarkable.

The MAN Group's return on sales in the past fiscal year was 3.0%, after 6.1% in the prior year. The MAN Group's profitability in the year under review was therefore outside the target range of the long-term average of 8.5% +/– two percentage points.

The MAN Group recorded a net loss of €513 million, down approximately €705 million on the prior-year figure. In addition to nonrecurring items in connection with our investment in Rheinmetall MAN Military Vehicles, this was attributable to tax effects. They arose firstly as a result of the limited probability of recovering deferred tax assets, due among other things to the conclusion of the domination and profit and loss transfer agreement with Truck & Bus GmbH, Wolfsburg. Secondly, there were tax risks for the past relating to Ferrostaal, a former tax group subsidiary that was sold. Earnings per share amounted to €-1.47.

[Proposed dividend]

Against this backdrop, the Executive and Supervisory Boards of MAN SE propose to the Annual General Meeting that a dividend of 14 cent per share carrying dividend rights be distributed. As this dividend per no-par value share will be lower than the guaranteed dividend (€3.07), Truck & Bus GmbH will pay every MAN free float shareholder the corresponding difference between it and the guaranteed dividend. Free float shareholders will therefore receive €3.07 per common or preferred share in each case.

[MAN shares]

For shareholders who are interested in a long-term commitment, MAN securities have always been a good investment. Those who acquired common shares in our Company five years ago will have doubled the value of their share package since then.

MAN's shares also gained in fiscal year 2013. Starting from a closing price

of €80.75 on December 31, 2012, the price of MAN common shares rose by around 11% to €89.25 as of December 31, 2013. Obviously, the share price performance was influenced by the conclusion of the domination and profit and loss transfer agreement with Truck & Bus GmbH. This was entered in the commercial register of MAN SE on July 16, 2013. Under it, Truck & Bus GmbH agrees to pay a cash settlement of €80.89 or an annual guaranteed dividend or annual cash compensation of €3.07 per common or preferred share. Considering the low risk, the latter is an extremely attractive return on the capital employed. This does not go unnoticed and is reflected in the current price: MAN's common shares closed at € 93,25 yesterday.

Highlights in 2013/2014

That rounds up the figures of the past fiscal year. Let me take this opportunity to thank our employees. Although we had short-time work in some areas at the start of 2013, we had to introduce extra shifts at the end of the year in some places in order to cover the high demand for Euro 5 trucks. We basically had to go from applying the brakes to flooring the gas pedal. On behalf of the Executive Board, I would like to thank the entire workforce for this flexibility and for its willingness to go beyond the call of duty. Of course, this also extends to all employees in the Power Engineering business area who have also played a key role in the success of our Company through their dedication and yielded considerable results.

Ladies and gentlemen, 2013 was a year of highlights and lowlights. However, one thing was very clear: if the economic conditions are right and we can play all our trump cards, we are successful! And we hold quite a few trump cards – our colleagues, our excellent market positions, and our reliable and innovative products. We watch the markets very closely and align ourselves with them. We have been doing this for the past 256 years, we still do it today, and we will continue to do so.

Let me give you an example: as I mentioned at the start, we believe that natural gas is becoming a standard fuel in shipping. The benefits are clear: noticeably lower CO2 emissions, hardly any particles in the exhaust gases, and as good as no sulfur oxide. What is more, global natural gas re-

serves are at least as large as the oil remaining. However, there are few ports that have the right infrastructure to refuel ships. Dual-fuel engines that can switch back and forth between conventional liquid fuel or natural gas by simply pressing a button are the answer.

Global demand for natural gas is on the rise – as is the need for tankers that can transport it and be powered by gas themselves. Transporting gas by sea is especially appealing when it comes to covering long distances and regions that are not connected to pipeline grids. In the third quarter of 2013, for example, leading shipbuilders from China and Japan contracted us to supply a total of 35 MAN 51/60DF dual-fuel large-bore diesel engines to power tankers. They will be used to transport liquefied natural gas between Australia and China. The order is worth around €100 million.

The major orders for MAN Latin America were, without a doubt, another highlight in recent months. In the late summer of last year, we were able to report tremendous success: MAN Latin America was commissioned to supply the Brazilian Department of Agricultural Development (MDA) with 1,700 trucks and the Department of Education of São Paulo State with 2,600 buses. The Army's order for 860 vehicles in August 2013 brings the total to around 5,200 trucks and buses.

In early 2014, MAN Latin America then won another two major tenders in Brazil for a total of 814 vehicles. The National Fund for Education Development ordered 500 Delivery trucks. Cities and communities throughout Brazil will soon use the vehicles to deliver food to public schools. This is an important initiative because the food security situation in Brazil is not ideal everywhere.

AMBEV, South America's largest beer brewery, will also receive 314 new Worker vehicles just in time for the FIFA World Cup in Brazil in a design that was specially developed for the transportation of beverages. Let me just say for the benefit of all you soccer fans that regardless of whether the stadiums will be ready in time, you definitely won't go thirsty in Brazil.

Whether it is in South America, Europe, or other regions around the world: MAN customers appreciate the reliability of our products. As a manufac-

turer of capital goods, we are aware that downtime caused by damage or repair almost always means a loss of earnings for the customer. Just as we are dependent on our production facilities running smoothly, our customers have to be able to depend on the reliability of our products.

The 2013 TÜV report on commercial vehicles featured impressive proof of this. MAN scored points for the highest percentage of complaint-free vehicles. We performed better in all age categories than our competitors! 95% of one-year-old vehicles passed the main inspection without significant deficiencies; for five-year-old vehicles, it was around 82%. So when it comes to reliability and fail-safe operation, we leave the competition behind.

It is no wonder then, that more and more transportation operators are putting their faith in MAN solutions. MAN moves Europe's cities: Vienna, Tallinn, Budapest, Nuremberg, Dusseldorf, Munich, and Stockholm. All these cities have ordered MAN buses in recent years to modernize their fleets, which include numerous gas and hybrid buses. In addition to reliability, we also score points with a second key argument: high cost-effectiveness.

If you were to ask me which orders I prefer, I would probably say: those with the highest profit and the most satisfied customers. But there are always orders that have a particular emotional appeal. For me, for example, these are orders for a new cruise ship's engines. Powering these floating towns in a manner that is clean, efficient, low-emission and smooth – while also ensuring the entire power supply on board the ship – is no easy technical feat. Thanks to the boom in cruises, more and more ships are being built which is significantly pushing up demand for more and more cost-effective and especially eco-friendly engines in this segment.

Over the past few months, we have received several orders from the industry. The first ship in the next ship generation of the US cruise operator Carnival Cruise Lines is one example. It has space for around 5,000 passengers. The Miami-based shipper has commissioned MAN Diesel & Turbo to supply five large-bore diesel engines for the diesel-electric propulsion system. Together, the units deliver power of 62,400 kW, approximately 84,400 horsepower. The propulsion solution is perfectly designed for the

high safety and environmental standards of the cruise industry. Because one thing is clear: in times of increasing environmental awareness, cruise passengers are looking more closely at the resources that their floating luxury hotels are using. That is why many shippers are replacing their old ships with new ships or at least incorporating modern machinery. Upgrading older engines with new dual-fuel engines is possible, as our exhibit shows. This plays right into our hands since we are a technology leader in this area.

And it is our fascination with the product that is something we have in common with the other brands in the Volkswagen Group – it enables us to score points when it comes to making MAN a tangible experience for our target groups. We have just launched a new brand campaign and this is the very thing driving it. Of course we are remaining faithful to our "We are your MAN" line, which has demonstrably boosted our image. The slogan has almost become a motto – and not just within the Company. You can also see many of the new motifs here today.

[Innovation]

Dear shareholders, ladies and gentlemen,

As you have seen, we were able to yield much success last year despite the hurdles that we had to overcome. But this cannot be taken for granted. We have to lay the foundations of tomorrow's financial success today. In the commercial vehicles business, this is the motto that we adopted for the introduction of Euro 6, for example. Over the past few years, we have invested much time and money in the new generation of engines. The Euro 6 start has gone well: buses and trucks alike are proving themselves day in day out in their respective fields of use – whether this is on the road or in the gravel pit. Independent comparison tests confirm that our investment has paid off. MAN's trucks and buses are among the most cost-effective in their class.

Compared with Euro 5, the much stricter Euro 6 emission standard calls for an 80% reduction in nitrogen oxide and a reduction of over 50% in particulate matter. This will make commercial vehicles that are almost free of

pollutants a reality in Europe. In addition to many design hours, our engineers have poured their hearts and souls into meeting these highly challenging values. We have placed our faith here in the ideal combination of exhaust gas recirculation, diesel particle filters, and exhaust gas aftertreatment systems.

But we will not stop here. The newest developments are already in the pipeline. You will be able to see some of them already at the end of September here in this hall if you come to visit us at this year's IAA Commercial Vehicles.

The Power Engineering business area has also carried out extensive research into cleaner and more cost-effective engines and turbomachinery in the past few years. The major aim here is also to boost efficiency while cutting emissions. And this can sometimes be a conflict.

One option to meet the increasingly stricter emissions requirements is to use natural gas as an energy source. When in gas mode, the 35/44DF four-stroke engine that you see outside already fulfills the International Maritime Organization's Tier III emission standard for international maritime shipping that is set for 2016.

Ladies and gentlemen, we are convinced that we are facing nothing less than a turning point in shipping, that is to say a change from marine diesel and/or oil to gas. It will change shipping in the same way as the change from sailing to steam boats or – as we saw in the first half of the last century – the replacement of the steam engine with the diesel engine across the board. As a global manufacturer of marine diesel engines we want to – or rather will – have a proper say here. We will show visitors at the SMM shipping trading fair in September in Hamburg just how we will do this.

Gas is becoming a more and more interesting alternative on land too for power plant applications. The demands that policymakers are making with respect to emissions are also growing here. Our new gas turbine in the 6-MW class and the newly developed 35/44G gas engine are thus ideally suited to meeting the demand in this area. Just a few weeks ago, we delivered the first engine of this type: to the Volkswagen site in Braunschweig

where it will provide electricity in a cogeneration plant while keeping the colleagues there warm too.

It is somewhat more difficult for the layman to understand what our other new acquisition is used for. It is called the MAX1 and stands for MAN Diesel & Turbo's new generation of axial compressors. It is also on show today at this year's Annual General Meeting. With its help, high-purity fuels and other hydrocarbons can be produced from coal or natural gas. In China in particular, and especially in the refinery industry, the demand for these kinds of products is high.

[Focus on natural gas]

If you have had a look at our latest annual report entitled "Tomorrow starts with MAN," you will no doubt have noticed that the theme is natural gas. I have already mentioned this fuel today: it is one that has accounted for a large number of the activities in our Commercial Vehicles and Power Engineering business areas for some time now.

You might be asking yourself what is so innovative about it. After all, we want to move away from fossil fuels and more toward regenerative CO2-neutral forms of electricity production. And that is right of course… but we are also convinced that a clean and affordable transition technology is necessary here in some areas. Secondly, it does not have to pose a conflict.

Let us stick to our shipping example. We will not manage in the foreseeable future to power our ever-growing tankers and freighters that form the backbone of our globalized world economy directly with the wind and the sun. Gas – be it natural gas or hydrogen – is a clean alternative.

Even the commercial vehicle industry will not be able to do without the combustion engine in the foreseeable future either. We are already conducting research into all-electric trucks for delivery transportation or for use as municipal vehicles, but they will not be capable of handling long distances, like the route from Naples to Hamburg, for example. For this, they would need batteries that would take up about half of the entire load capacity of a 40-ton truck.

Natural gas is an alternative to diesel fuel that is already around today. City buses that run on natural gas have been in use in public transportation for many years. They have been effectively combating air pollution in inner cities. Anyone who has ever been to Beijing or Shanghai, for example, knows just how urgently this is needed.

MAN is the global market leader for natural gas buses. We have supplied more than 7,500 of these vehicles since 2000. The market for this is large: every second city bus sold in Europe is a natural gas bus. Even MAN Latin America is developing natural-gas operated commercial vehicles for its market. For trucks, this type of drive could become an alternative to the diesel engine in the medium term.

Finding alternatives is also the biggest challenge facing the energy revolution in Germany. One trend seems to be clear: gone are the years of large-scale central power plants in this country at least. Nuclear power plants are gradually being taken off the grid and renewable energies are supposed to take their place. Yet it is not that simple. Electricity generated with the help of the wind or the sun fluctuates sharply. The sun does not always shine and the wind blows with varying force or not at all. This ultimately results in electricity peaks that unfortunately often occur when we do not need them. By contrast, the need for it is mostly highest when not enough renewable energy can be generated. In order not to jeopardize grid stability and to ensure basic supply at all times, power plants have to be connected. Nowadays, these are very often coal-fired power stations that are not particularly efficient or eco-friendly.

The decentralization of electricity generation is without a doubt the answer. In other words, electricity will have to be generated when and where it is needed. We offer the perfect products for this with our power plant solutions – and specifically with our engines and our gas and steam turbines. They are ideal for the cogeneration facilities of large enterprises, for example.

Beyond this, the solution to the problem lies in the storage of renewable energies. However this is still expensive and complicated. Even we do not have an easy solution to this.

Our approach, which could help with at least part of the problem, is called “power to gas.” It sees surplus, renewably produced electricity – like that from an offshore wind park – piped to land where it is used for the electrolysis of water. This produces pure oxygen, which can be put to good use as an oxidizer in the chemical industry and for medical purposes, for example. The hydrogen produced is a high-quality energy source that can be combined with carbon dioxide to make synthetic natural gas. The CO2 required for this can be taken from industrial waste gases, for example, that would otherwise escape unused and unwanted into the atmosphere.

The synthetic natural gas produced in this way can simply be fed into the existing natural gas grid and stored in it. Germany has large gas storage facilities that are suitable for this.

The gas can also be transported in pipelines underground to wherever it is needed, such as from the North Sea to Bavaria. This does not require the large and expensive power lines across the landscape that are currently being debated.

Synthetic natural gas can then either be used directly – as a fuel for vehicles and ships for example – or be converted back into electricity and heat in a gas-fired power plant if required.

This process allows the surplus energy from the sun and the wind to be stored, transported using the existing infrastructure, and converted back into heat and electricity if required or used directly as fuel.

Obviously these transformations cannot be achieved without any losses. Depending on the technology used, approximately 30% of the excess electricity can be stored and reused in this way; if the waste heat is used at the same time in cogeneration plants, efficiency can even be over 50%. However, if we bear in mind that these energy peaks currently go unused or the electricity has to be exported abroad at cut-rate prices, power-to-gas seems a promising alternative.

So why am I so keen on this technology? Because I am convinced that we, as MAN, can make a major contribution here. After all, we are involved in the entire value chain like no other company. Renk’s gear units are used

in wind turbine systems. The gases produced are transported and processed using MAN Diesel & Turbo compressors. Synthetic natural gas can be made in chemical reactors, which we produce in Deggendorf. Our pipeline compressor technology is used to transport natural gas. The gas can be used to run our natural gas buses and soon trucks too and I have already told you about the key role that natural gas plays in shipping. We are even involved in the reconversion of gas into electricity with our power plant solutions, gas engines, and turbines.

The best thing about all of this, is that natural gas produced from renewable energies is completely climate-neutral. Only the amount of CO2 drawn from the atmosphere is released.

My dear shareholders, this is no science fiction. We have already proven in the Volkswagen Group that the technology works. Audi has been producing synthetic natural gas from wind power in Werlte since last summer. The heart of the plant is an MAN methanation reactor. 1,500 natural gas-powered cars, like the Audi g-tron, can drive 15,000 kilometers carbon-free every year on the fuel produced in this way.

[Strategy]

As you can see, we are actively responding to the challenges of our time. Natural gas will take on a key role in the international transportation and energy markets as an eco-friendly fossil fuel. MAN, your Company, is excellently positioned.

In the Power Engineering business area we intend to defend our market leadership in marine diesel engines and leverage the potential that presents itself in the power plants business. When it comes to turbomachinery, we are also among the top players on the global market.

MAN Diesel & Turbo generates a good 70% of its revenue outside Europe overall.

At MAN Truck & Bus, we are also aiming to become more and more international. This not only enables us to better take advantage of our growth opportunities, it also means that we can better cushion regional market fluctuations.

We have clearly positioned ourselves in the premium segment with our commercial vehicles. We are also seeing increasing demand outside of Europe for efficient, robust, and reliable vehicles. We want to step up our efforts to leverage this growth in the premium segment.

2013 saw MAN Latin America lead the commercial vehicle market in Brazil for the eleventh year running. That is a unique track record! Even through competition is increasing there, we intend to retain this position. The MAN TGX series introduced in Brazil in the previous year was specifically adapted to meet the needs of our customers in Latin America. And it would seem that it has been quite a success: the MAN TGX was immediately voted “Truck of the Year” in Brazil in 2013.

The right products are one of the keys to success. Furthermore, we have to adapt to the needs of our customers. One main issue here is total cost of ownership. These are the costs that our customers incur over the entire lifecycle of the product. Using trucks as an example to explain this: it is the cost of acquisition, fuel costs, the cost of taxes and insurance, maintenance costs, repairs – through to resale or scrapping. That is why we work on innovations that cut fuel consumption and make the vehicles more and more reliable. But we also work on things like ergonomic seating for the drivers. After all, if they are unavailable because of back ailments, this costs the shipper money. As you can see, customer-orientation is a broad field. In the Power Engineering business area in particular, engines and turbomachinery are often geared exactly toward the specific intended use of the customer and tailored in part. This applies to turbomachinery trains just as much as the special gear units of our Renk subsidiary.

After-sales activities are also playing a more and more important role. We are investing here to further reduce downtimes. We offer our customers maintenance and repair packages that are tailored to their needs and ensure that spare parts are available quickly all over the world.

[CR]

In other words, we have a responsibility to our customers. But as a global player with around 55,000 employees worldwide, that alone is not enough.

We are part of society and are among the region's largest employers at many of our sites. So in addition to creating sustainable value, we are quite rightly expected to undertake responsibility.

For this reason, we have decided in our Climate Strategy to cut CO2 emissions at our production sites by 25% by 2020. We came a great deal closer to achieving this goal last year. In 2013, we already had 14% lower CO2 emissions.

But this did not just happen on its own, there is a lot of work behind it. This commitment was rewarded: rating agency RobecoSAM relisted MAN in the Dow Jones Sustainability Indices. We have continued to make progress, especially in environmental management, water-related risks, and occupational safety. In other words, we are well on track toward achieving our goal: we want to be the industry leader by 2015.

Corporate responsibility means responsibility for our employees first and foremost, of course. If we want to continue our success in the future too and continue competing fiercely with the best companies in the industry, we are dependent on excellent skilled professionals and managers. Firstly, we want to gain the best qualified people, of course. Secondly, the continuous professional development and training of each individual employee is particularly important to us. They have already joined us, nobody knows the Company as well as they do.

[Women]

We also actively support equal opportunities for men and women. Special company arrangements and childcare options, training offered to employees on parental leave, and even programs to win over and further talented women are all measures to guarantee this. As of December 31, 2013, the percentage of female managers was 8.9% compared with 8.2% in 2012. So the figure rose slightly. We offer special HR development and training measures for female employees and managers. And we would love to gain even more female managers and skilled professionals. However, the degree courses and vocational training professions whose graduates we need in particular are still strongly male-dominated. Unfortunately, female

mechanical engineers, electroengineers, or even vehicle technicians are rare. There is still major potential here which we should leverage in the interests of the German economy.

For this reason, we have mentoring programs to accompany female engineering students in their professional development. MAN is also part of the so-called MINT initiative. It aims to interest young people – and especially girls – in natural-science and technical professions as early as possible.

[Compliance]

Acting responsibly from a business perspective also means playing by the rules with no ifs or buts. Following events in the past, we set up an exemplary compliance system to ensure that no irregular conduct whatsoever is or will be tolerated. With today's Annual General Meeting, we want to go one step further toward putting an end to this chapter. For this reason, I would like to give you the Executive Board's opinion on agenda items 5 and 6. Together with the Supervisory Board, the Executive Board of MAN SE is of the opinion that the individual settlements agreed with the former Executive Board members and D&O insurers in the so-called "ISAR" compliance case appropriately reflect the factual and legal circumstances. We have thoroughly examined and reviewed this. From our point of view, conclusion of the settlement agreements is clearly preferable to legal proceedings. We would therefore urge you to accept these settlement agreements in order to conclude legal processing of the "ISAR" compliance case in the interests of our Company. In addition, I would like to draw your attention to the detailed reasons for the Executive Board's view in the Summary Report of the Supervisory and Executive Boards regarding items 5 and 6 of the Agenda.

[Amendments to the existing DPLTAs]

I would also like to mention the amendments to the existing domination and profit and loss transfer agreements between MAN SE and the individual subsidiaries under item 7 on the Agenda. They are necessary as a result of a change to the German Corporate Income Tax Act. For details of the relevant change to the legislation and the grounds for the changes in

the respective domination and profit and loss transfer agreements, I would like to refer you to the respective joint reports of the MAN SE Executive Board and the respective Directors and to the wording of the respective amendment agreements that you also have available.

[Q1 2014]

Ladies and gentlemen,

to conclude my speech I would like to provide you with an outlook for the current fiscal year. There is many an indication that the dark clouds in the sky will clear a little at least and the sun will shine through here and there. We are cautiously optimistic about the fiscal year, even if we are somewhat removed from “bright sunshine”.

Our financial figures for the first quarter reinforce this outlook. A slight recovery in the global economy was observed in the year to date, although this varied from region to region. The nonrecurring items that significantly overshadowed the MAN Group’s 2013 annual financial statements are now a thing of the past. Against this backdrop, I can again report a significant increase in the Group’s operating profit despite a slight decrease in order intake and lower sales revenue.

However, I would first like to draw your attention to changes in our financial reporting: the integration of the MAN Group into the Volkswagen Group led to an adjustment of our financial figures to Volkswagen’s system for the first time in the first quarter of 2014. Some of the key performance indicators used in the past such as operating profit or return on sales are now defined differently, or go by a different name. For example, rather than a return on sales, we now refer to an operating return on sales, which is also calculated differently. The corresponding prior-year figures were adjusted retrospectively so that our Q1 results can still be compared with previous reporting periods. You will find more details in our Group interim financial report for the first quarter of 2014.

The MAN Group’s order intake in the first quarter of the current fiscal year was €3.7 billion, down slightly on the previous year as mentioned.

The Commercial Vehicles business area recorded an order intake of €2.8 billion, down 7% on the previous year. This is attributable to the clear decrease in orders received by MAN Latin America. At €570 million, orders were well below the figure for the first quarter of 2013.

In contrast, MAN Truck & Bus's order intake was up 3% on the prior-year quarter, at €2.3 billion. This was boosted by the improved economic environment in Europe and a number of major orders. However, the European market continued to be dominated by pull-forward effects from the introduction of the Euro 6 emission standard as I described at the start.

The Power Engineering business area recorded a higher order intake. At €0.9 billion, this represents an increase of 7% compared with the period from January to March 2013. MAN Diesel & Turbo's orders rose by approximately €60 million to €0.8 billion. The increase was attributable to the marine business unit, which we believe is seeing a slight market recovery. The Power Plants strategic business unit also recorded a higher order intake. We were less happy with the Turbomachinery strategic business unit. Demand for turbomachinery in the processing industry remained at a low overall level in the first quarter of 2014 as well, with the already fierce competition becoming even more intense. Renk recorded orders worth €125 million.

The MAN Group's sales revenue declined by 13% in the first three months of 2014 to €3.1 billion. MAN Truck & Bus recorded sales revenue of €1.8 billion, down 8% year-on-year. MAN Latin America's sales revenue declined to €570 million due to the deterioration in the business environment and a significantly weaker Brazilian real in the same period. MAN Diesel & Turbo generated sales revenue of €700 million, while Renk recorded €108 million.

After reporting an operating loss for the MAN Group of €98 million in the first quarter of fiscal 2013, we are now back in the black with a clear operating profit of €68 million! This is mainly due to the improvement at MAN Diesel & Turbo. MAN Diesel & Turbo's operating profit in the first quarter of 2014 was €33 million and Renk recorded €14 million. The Commercial Vehicles business area also lifted operating profit by €5 million to €42 million. Higher margins and savings in material costs saw MAN Truck & Bus improve from an

operating loss of €22 million to an operating profit of €11 million. MAN Latin America's operating profit declined from €59 million to €32 million.

The MAN Group's operating return on sales was 2.2%. All in all, the MAN Group recorded profit before tax of €42 million in the first three months of 2014 and profit after tax of €28 million.

[Outlook]

We are expecting slightly stronger global economic growth for full-year 2014 compared with the previous year. However, it remains to be seen just what impact the restrictive monetary policy announced by the US Federal Reserve, the ongoing sovereign debt crisis in Europe, and particularly the political instability in Ukraine will have.

Aside from this, business developments in the first quarter confirm our assumption that the MAN Group's full-year sales revenue is likely to be down slightly on the prior-year figure. However, we expect to see a significant increase in operating profit. In line with this, the operating return on sales will significantly exceed the 2013 figure.

[Conclusion]

Dear shareholders, guests, ladies and gentlemen,

I hope that I have been able to convey a little what we mean with the title of our annual report this year when we say "Tomorrow starts with MAN." I would like to thank you for the confidence you have placed in us and for your attention. I hope that you will continue to accompany us on this challenging journey into the future.

[END]