



## **MAN declares investigations closed**

Munich, December 11, 2009

### **Final report on internal investigations presented Compliance organization improved**

The Executive Board of MAN SE yesterday accepted the two administrative orders issued imposing fines on subsidiaries MAN Nutzfahrzeuge AG and MAN Turbo AG. The Supervisory Board welcomes the Executive Board's decision and the swift end to the internal investigations. MAN has acquiesced in the decisions and will shortly transfer a total amount of €150.6 million to the Free State of Bavaria. A final agreement was also reached with the German fiscal authorities with regard to the critical payments in terms of tax. The resulting tax arrears payment is in the region of €20 million.

The lawyers commissioned to conduct the internal inquiry into the allegations of corruption presented the Supervisory Board with their final report today. Around 70 lawyers, auditors and tax experts have been working since mid-May to analyze the suspicious payments made in the last ten years at all of MAN's subgroups. Suspicious payments totaling €51.6 million were uncovered in the process. The internal investigators turned around 80 cases of suspicion overall to the public prosecution authorities as well as the findings of the Amnesty Program. This highlights MAN's full willingness to cooperate with the public prosecution authorities and the major contribution it made to clarification of the suspicions.

The allegations of corruption see MAN parting from around 20 employees. MAN is examining whether it will sue individuals for damages.

The internal investigations have shown that employees at the MAN Nutzfahrzeuge and MAN Turbo subgroups breached statutory and company regulations by making suspicious payments to advisors and agents. The option to pay so-called referral commission was abused in MAN Nutzfahrzeuge's inland sales business. There was a sharp fall in the number of suspicious payments after 2006. However, the actions of the large majority of employees were compliant.

The MAN Group is one of Europe's leading industrial players in transport-related engineering, with revenue of approximately €15 billion in 2008. As a supplier of trucks, buses, diesel engines, turbo machinery and special gear systems, MAN employs approximately 49,500 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.

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The Supervisory Board acknowledged the final report and declared the internal investigations closed after consulting the public prosecution authorities. The Board considers this confirmation that it has helped to completely clear up the allegations quickly to the large extent over the past few months. Focus has now been shifted to improving the compliance system so that such cases are not repeated again under any circumstances. The goal is to strengthen sustainable culture and infrastructure to ensure compliance with all rules and regulations. The new Chief Compliance Officer will be provided with all the support he needs to achieve this.

MAN launched a 5-point program in July to better counter corruption. MAN will now strengthen the program further by employing additional measures:

1. Informing the public prosecution authorities

MAN will inform the public prosecution authorities of any serious cases of suspicion and cooperate closely with the investigating authorities to clarify matters.

2. Strengthening the compliance organization in the long term

A new Compliance function will be set up at MAN SE as of January 1, 2010 and clear responsibilities established. The function will fall under the responsibility of MAN SE's Executive Board Spokesman in the organizational hierarchy.

All employees in the relevant functions (Sales, Purchasing and Marketing, etc.) will receive clear rules of conduct in further hands-on training. Internal documentation will continue to be developed.



### 3. The internal audit function

The internal audit function will assist the compliance organization in uncovering misconduct and be provided with additional staff for this purpose. The use of a compliance IT system will filter transactions to find any suspicious payments.

### 4. Reviewing organizational structure and processes in commercial vehicle sales

Referral commission was immediately abolished when the allegations of misconduct came to light. The incentive-based salary system for sales employees at MAN Nutzfahrzeuge has been restructured. Each adviser will go through a due diligence check in future.

### 5. Dialog with anti-corruption experts at non-governmental organizations (NGOs)

MAN is in talks with various anti-corruptions organizations in order to fulfill international calls for a strong compliance organization and to fight corruption in joint projects.

Compliance and corporate culture are extremely important to the Supervisory and Executive Boards. Compliance is one of the top responsibilities for all managers and employees and remains so, making it an integral part of the corporate culture.