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MAN records a clear operating profit in a difficult 2009

- **Order intake €9.9 billion (previous year: €14.0 billion); revenue: €12.0 billion (previous year: €14.9 billion)**
- **Operating profit: €504 million (previous year: €1,729 million)**
- **Return on sales (ROS): 4.2% (previous year: 11.6%)**
- **Cash flow from operating activities: €1.5 billion (previous year: €137 million)**
- **MAN Nutzfahrzeuge stabilized**
- **Key measures implemented in Brazil and China as part of BRIC strategy**
- **Merger of MAN Diesel and MAN Turbo in H1 2010**
- **€300 million power plant order in Brazil**

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The MAN Group successfully closed the past year despite the global financial and economic crisis. "MAN again generated a clear operating profit in 2009. This is a remarkable success given the exceptional year we have had in the global economy, and reflects the long-term strength of our Group," stressed Dr. Georg Pachta-Reyhofen, CEO of MAN SE, at the annual earnings press conference today in Munich. The Group's operating profit of €504 million led to a return on sales of 4.2 percent. The Power Engineering business area, which comprises MAN Diesel and MAN Turbo as well as Renk, recorded an operating profit of €566 million and an ROS of 13.3 percent. The Commercial Vehicles business area's operations remained profitable in 2009, at €51 million. Nonrecurring items meant that the MAN Group recorded a net loss of €258 million.

Although revenue was down by 20 percent in 2009 due to the massive decline in demand in the transportation sector in particular, it remained healthy at €12.0 billion. In the commercial vehicles business, the drop in revenue at MAN Nutzfahrzeuge by 40 percent to €6.4 billion (previous year: €10.6 billion) was partly offset by MAN Latin America. The Group's Brazilian subsidiary has been consolidated since March 31, 2009 and

The MAN Group is one of Europe's leading industrial players in transport-related engineering, with revenue of approximately €12 billion in 2009. As a supplier of trucks, buses, diesel engines, turbo machinery, and special gear units, MAN employs approximately 47,700 people worldwide. Its divisions 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.



generated revenue of €1.4 billion for the period from April to December. MAN Diesel's performance was stabilized by its power plant and after-sales business. The company recorded total revenue of €2.4 billion (previous year: €2.5 billion). MAN Turbo was another important pillar of the MAN Group's business, lifting revenue by 4 percent to €1.4 billion (previous year: €1.3 billion).

MAN received orders worth €9.9 billion in 2009, 30 percent below the previous year. The downturn in the market was as pronounced in Germany as it was abroad. MAN Nutzfahrzeuge in particular saw a 43 percent decline in orders—especially in heavy trucks. However, its business stabilized at a low level in the course of the year.

Orders by MAN Diesel customers decreased by 39 percent. This mainly reflects the slump in global trade, including a corresponding slowdown in the marine diesel engines business. Orders at MAN Turbo fell by 27 percent but its order backlog of €1.4 billion ensured good capacity utilization.

MAN responded proactively to the heaviest drop in demand experienced by the commercial vehicles sector in Europe in the past 80 years. Working capital and cash flow management were adjusted to reflect the new situation, and costs were cut by over €700 million. Stockpiled inventories were reduced significantly to below 6,000 trucks. In commercial vehicle production, short-time working was used in Germany and Austria to bolster the continuing professional development of employees and to introduce more efficient workflows. Business at MAN Latin America was better than expected. Its return on sales for 2009 (April to December) was 10.1 percent, enabling the Commercial Vehicles business area to generate a positive overall operating profit.

The other divisions also recorded profits and an impressive return on sales. MAN Diesel's return on sales was 14.2 percent, MAN Turbo 11.4 percent, and Renk 13.9 percent. The MAN Group's structure therefore proved to be extremely stable and profitable. Results were impacted by nonrecurring items not related to operating business. For example, equity-method investments such as Scania were written down to reflect changes in value, and costs entailed by the compliance investigations were another negative factor.

In order to appropriately share the profits generated by the Company with its shareholders, the Executive Board and Supervisory Board will propose



a dividend of €0.25 per share to the Annual General Meeting. MAN's next Annual General Meeting will be held on April 1, 2010 in Munich.

The investigations into compliance violations were completed in December 2009 with the payment of a fine. MAN is systematically pursuing its compliance policy as part of a 5-point program, including a new, independent Group-wide Compliance Department.

MAN implemented key strategic measures in 2009: The integration of MAN Latin America in Brazil is already well advanced and offers additional growth potential throughout South America, especially as MAN continues to lead the market for trucks in Brazil with a share of over 30 percent. MAN will also leverage further opportunities in the power plant business. The major order to equip six power plants worth €300 million in Brazil at the beginning of 2010 is only the first step here. In the world's largest commercial vehicles market, China, MAN has taken a stake in the market leader for heavy trucks, Sinotruk. At the turn of the year, the Company agreed a joint venture with Rheinmetall AG to exploit opportunities as an end-to-end supplier on the market for wheeled military vehicles.

Business at MAN Nutzfahrzeuge is expected to remain at the current level in 2010. Short-time working will continue in the first half of the year, accounting for 50 days in production. Additional measures will be taken here to enhance efficiency and sustainably reduce costs. Business development should again be positive at MAN Latin America. A third shift will therefore be introduced in March and capacity will be increased from around 50,000 to 72,000 vehicles. In 2010, MAN will focus on its future global product strategy for commercial vehicles, and will reinforce and drive forward its successful international measures, especially in the BRIC countries.

The Power Engineering business area, which includes MAN Diesel and MAN Turbo, is expected to see a moderate decline in revenue, but its return on sales should again exceed the 8.5 percent target. In early 2010, these two companies will merge to form MAN Diesel & Turbo. The new structure will enable growth and cost synergies of around €60 million, for example by offering new product packages in the area of diesel combined cycle power plants and by sharing purchasing, sales, and after-sales networks.

Note:

The detailed report on fiscal year 2009 and current press photos are available at www.man.eu.

At a Glance

MAN Gruppe	2009	2008	Change	2009	2008	Change
	Mio €	Q1 – Q4	Q1 – Q4	in %	Q4	Q4
Order intake	9 860	14 033	–30	2 635	1 955	35
Germany	2 388	3 306	–28	634	648	–2
Other countries	7 472	10 727	–30	2 001	1 307	53
Revenue	12 026	14 945	–20	3 256	3 961	–18
Germany	2 750	3 704	–26	781	874	–11
Other countries	9 276	11 241	–17	2 475	3 087	–20
Order backlog	7 422	10 416	–29	7 422	10 416	–29
Headcount (no.)	47 743	51 321	–7	47 743	51 321	–7
of which: subcontracted employees	1 643	2 197	–25	1 643	2 197	–25
Germany	26 768	28 753	–7	26 768	28 753	–7
Other countries	20 975	22 568	–7	20 975	22 568	–7
			€million			€million
Operating profit	504	1 729	–1 225	126	358	–232
Earnings effects of purchase price allocations	–62	–	–62	–22	–	–22
Losses from nonrecurring items*	–656	–106	–550	–563	–171	–392
Earnings before interest and taxes (EBIT)	–214	1 623	–1 837	–459	187	–646
Earnings before tax (EBT)	–331	1 643	–1 974	–486	206	–692
Net income/(loss)	–258	1 247	–1 505	–472	177	–649
Earnings per share from continuing operations in €	–2,69	7,76	–10,45	–3,23	0,88	–4,11
Earnings per share from continuing operations excl. effects of purchase price allocations and nonrecurring items in €	1,47	8,12	–6,65	0,30	1,68	–1,38
ROS (%)	4,2	11,6	–	3,9	9,0	–
Income from discontinued operations, net of tax	126	92	34	1	44	–43
Capital expenditures	2 303	873	1 430	713	338	375
Depreciation, amortization, and impairment of noncurrent assets	804	324	480	509	85	424
R&D expenditures	504	493	11	140	155	–15
Cash earnings	396	1 619	–1 223	–28	361	–389
Net cash provided by/(used in) operating activities	1 462	137	1 325	504	–366	870
Net cash used in investing activities	–2 584	–707	–1 877	–709	–327	–382
Free cash flow	–1 122	–570	–552	–205	–693	488
Net financial debt	–2 634	–1 631	–1 003	–2 634	–1 631	–1 003
Total equity	5 129	5 396	–267	5 129	5 396	–267

* Primarily includes writedowns of equity-method investments, mainly Scania, and expenses from the investigations by the public prosecution authorities due to suspected unlawful commission payments

Order intake, revenue, and operating profit/(loss)

Order intake				
(€ million)	2009	2008	Q4 2009	Q4 2008
MAN Nutzfahrzeuge	5 224	9 130	1 360	930
MAN Nutzfahrzeuge (Stück)	37 984	75 497	9 601	1 810
MAN Latin America*	1 412	-	571	-
MAN Latin America (Stück)*	35 842	-	12 878	-
MAN Diesel	1 899	3 089	375	660
MAN Turbo	1 038	1 426	257	271
Others/consolidation	287	388	72	94
Renk	294	443	70	90
MAN Shared Services	122	223	17	59
Consolidation	-129	-278	-15	-56
MAN Group	9 860	14 033	2 635	1 955
Revenue				
(€ million)	2009	2008	Q4 2009	Q4 2008
MAN Nutzfahrzeuge	6 395	10 610	1 574	2 695
MAN Nutzfahrzeuge (units)	46 767	103 705	11 287	24 786
MAN Latin America*	1 412	-	571	-
MAN Latin America (units)*	35 842	-	12 878	-
MAN Diesel	2 411	2 542	639	709
MAN Turbo	1 386	1 328	350	429
Others/consolidation	422	465	122	128
Renk	474	527	126	149
MAN Shared Services	122	178	17	52
Consolidation	-174	-240	-21	-74
MAN Group	12 026	14 945	3 256	3 961
Operating profit/(loss)				
(€ million)	2009	2008	Q4 2009	Q4 2008
MAN Nutzfahrzeuge	-91	1 062	-32	191
MAN Latin America*	142	-	65	-
MAN Diesel	342	390	83	117
MAN Turbo	158	148	43	49
Others/consolidation	-47	129	-33	1
Renk	66	80	19	19
MAN SE und Shared Services	-63	-20	-39	-19
Scania dividend payment	-	57	-	0
Scania investment (equity method)	4	-	4	-
manroland investment (equity method)	-53	12	-18	1
Consolidation	-1	0	1	0
MAN Gruppe	504	1 729	126	358

* Order intake, revenue, and earnings for MAN Latin America do not include any figures for Q1/2009.