Annual Financial Statements with Audit Report

MAN SE

Munich

Annual Financial Statements as of December 31, 2011 and Management Report for the Fiscal Year 2011

Audit Report

Audit Report

Management Report for the Fiscal Year 2011

1. Structure of the Group and functions of MAN SE

MAN SE, which is based in Munich, heads the MAN Group and acts as the Group's strategic management center. Focusing on transportation and energy, the Group is one of Europe's leading commercial vehicle and mechanical engineering players. The Group aims to grow profitably around the world in its two business areas, Commercial Vehicles and Power Engineering, and to increase the value of the Company. Customer orientation, the ongoing expansion of after-sales services, and technology leadership are key to achieving these goals.

MAN companies rank in the top three in their respective markets. The Group operates through the four divisions MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk. MAN SE is responsible for developing the strategy and structure of the Group, for developing and selecting managers, and for target-oriented controlling. We have set targets for the return on sales (ROS) and the return on capital employed (ROCE) to be achieved by the divisions on average throughout an operating cycle. In addition to these control measures, return on equity before Tax (ROE) is used as a further profitability indicator. MAN uses the weighted average cost of capital (WACC) together with other control parameters as a basis for setting ROCE requirements. The cost of capital for fiscal 2011 was fixed at 10.0%.

Financial management in the MAN Group is handled centrally by MAN SE, which makes available financial resources within the Group, safeguards its financial independence and liquidity at all times, and communicates with the capital markets on behalf of the entire MAN Group. MAN SE's Executive Board is responsible for the proper conduct of all financial transactions for the MAN Group and for the deployment of an appropriate financial risk management system.

The tasks and objectives of financial management are to safeguard liquidity at all times, to mitigate financial risks, and to increase MAN's enterprise value.

2. Business developments and results of operations

Business developments

As a whole, fiscal 2011 was dominated by the ongoing recovery of the global economy. However, growth in global economic output weakened considerably over the course of the year. According to its winter report, the *Institut für Weltwirtschaft* (IfW – Institute for the World Economy) at the University of Kiel is anticipating global growth of only 3.8% for 2011, down on its forecast of 5.1% in the previous year.

Fiscal 2011 was a very successful year for the MAN Group. The Group continued to be on a profitable growth path, recording double-digit growth rates in both order intake, which rose by 14%, and revenue, which increased by 12%. Operating profit grew by a stronger 43% to €1.5 billion. At 9.0%, the return on sales was well above the prior-year figure (7.1%) and again exceeded our average long-term target of 8.5%.

MAN Truck & Bus maintained its strong performance of the previous year in fiscal 2011. Double-digit increases in order intake and revenue enabled it to more than triple operating profit year-on-year.

MAN Diesel & Turbo's order intake amounted to €3.7 billion, exceeding the prior-year figure of €3.5 billion by 6%. By contrast, revenue declined slightly (4%) as against the previous year to €3.6 billion. This reflected the major projects billed in fiscal year 2010, as well as the low order intake in the new construction business in the wake of the financial crisis. In some cases, this did not affect revenue until 2011 owing to long project throughput times. Nevertheless, operating profit increased from €439 to €460 million, as a result of which the return on sales rose to 12.7% (previous year: 11.7%). The order backlog stabilized at around €3.8 billion.

MAN SE's net income for the fiscal year was €372 million in fiscal 2011, down from €521 million in the previous year. The €149 million decline was mainly due to the extraordinary net income of €561 million in the previous year and offset in part by net investment income, which rose by €426 million to €702 million. Other earnings include administrative expenses, other operating income and expenses, as well as net interest expense.

Results of operations

€ million	2011	2010	YoY
Net investment income	702	276	426
Net interest expense	-127	-112	-15
Other operating income	130	50	80
General administrative expenses	-93	-84	-9
Other operating expenses	-60	-54	-6
Net operating income	**552**	**76**	**476**
Extraordinary net income	–	561	-561

Income taxes	-180	-116	-64
Net income for the fiscal year	**242**	**372**	**-130**

Net investment income increased significantly owing to the good business situation.

In fiscal 2011, net interest expense included tax interest expenses of €33 million (previous year: €21 million). Other operating income rose by €80 million from €50 million to €130 million. The increase was mainly due to income from foreign currency transactions and financial instruments, which included non-recurring gains of €29 million from the exercise of the cash settlement right in connection with the call option regarding 1.5% of the equity stock or 2.8% of the outstanding voting rights in Scania.

The increase in income taxes was mainly due to the prior-period taxes.

The extraordinary net income included in the previous year the €568 million gain on the mergers of MAN B&W Diesel Beteiligungs GmbH and MAN Maschinen- und Anlagenbau GmbH onto MAN SE. This was offset in part by the effects of the first-time application of the *Bilanzrechtsmodernisierungsgesetzes* (BilMoG – German Act on the Modernization of Accounting Law).

Including retained profits brought forward, the net retained profits amounted to €374 million (previous year: €296 million). At the Annual General Meeting, MAN SE’s Executive and Supervisory Boards will propose utilizing the net retained profits of €374 million (previous year: €296 million) to distribute a dividend of €2.30 per share carrying dividend rights (previous year: €2.00) and to carry forward the remainder to new account.

3. Net assets and financial position

€ million

	2011	**2010**	**YoY**
Fixed assets	5,652	5,651	1
Marketable securities, cash and cash equivalents	2,459	2,132	327
Other current assets	116	242	–126
Total assets	**8,227**	**8,025**	**202**

€ million

	2011	**2010**	**YoY**
Equity	2,389	2,311	78
Financial liabilities	4,931	4,886	45
Other liabilities and provisions	907	828	79
Total equity and liabilities	**8,227**	**8,025**	**202**

Compared with the previous year, the total assets increased by €202 million to €8,227 million. The fixed assets of MAN SE mainly include the shares in affiliated companies, accounting for €4,253 million (previous year: €4,253 million), and the investments, accounting for €1,306 million (previous year: €1,306 million), in particular the Scania shares, which were acquired in fiscal years 2006 to 2008. The increase in the fixed assets is mainly due to the knock-on financings as recognized in the loans to affiliated companies. The share of fixed assets in the total assets decreased to 68.7% as of December 31, 2011 (previous year: 70.4%).

The receivables from financial transactions (€1,998 million, previous year: €1,673 million) relate to intragroup receivables, including the profit and loss transfers. Owing to the expansion commercial vehicle rental business and the positive business development in the Trucks business, the financing activities in the financial services business increased, resulting in higher lending volumes at MAN SE.

The cash and cash equivalents stemming from the Group's central financing by MAN SE include in particular bank balances (€435 million, previous year: €459 million). The other current assets decreased by €126 million to €116 million.

The equity rose by €78 million to 2,389 million. This increase results from the net income for the fiscal year (€372 million), which was offset in part by the distribution of the dividend for fiscal 2010. The ratio of total equity to total assets was 29.0% as of December 31, 2011 (previous year: 28.8%).

MAN SE’s capital reserves in the amount of €795 million (previous year: €795 million) consist of premiums paid for capital increases and the conversion of preferred shares into common shares. The MAN Group’s retained earnings amount to €844 million (previous year: €844 million).

Compared with the previous year, the financial liabilities increased by €45 million to €4,931 million (previous year: €4,886 million) and stem, inter alia, from the central financing of the MAN Group.

The other liabilities and provisions include in particular pension provisions and other provisions, which were recognized in particular for business-related obligations, for risks in connection with the sale of investments, for obligations to staff and for further individual risks.

Net liquidity is a financial control measure of the Company that is calculated as cash and cash equivalents and marketable securities, less financial liabilities.

MAN SE’s net liquidity amounted to €–2,472 million as of December 31, 2011 (previous year: €-2,754 million).

In addition to bilateral lines with financial institutions, a variable-rate syndicated credit line commitment by a syndicate of 23 banks in the amount of €1.5 billion is available for debt funding until December 2015. This line was agreed in December 2010 and replaces the previous syndicated credit line that ran until December 2011. As was the case with the preceding facility, the syndicated credit line has never been drawn down and is thus available as a liquidity reserve.

Another component of the MAN Group’s funding is its access to the capital markets. In 2009, MAN SE launched an EMTN program with a volume of up to €5 billion, of which €1.5 billion has currently been utilized through the issue in 2009 of a bond in two tranches expiring in 2013 and 2016 and bearing a fixed interest rate of 5.375% and 7.25% respectively.

A €200 million promissory note loan issued in 2009 was partially repaid in 2010. The fixed-interest component of the promissory note loan in the amount of €49 million and an interest rate of 5.056% expiring in 2012 continues to exist. In addition, the Group has issued a promissory note loan in the amount of €30 million expiring in 2019 (amortizing), which bears a fixed interest rate of 6.76%.

The MAN Group also uses asset-backed financing arrangements, in particular to finance its financial services business.

In May 2011, Standard & Poor’s lifted its outlook for MAN’s BBB+ long-term rating from “stable” to “positive,” confirming this again in July 2011, and then lifted its rating to A– with a stable outlook in December 2011. The A3 rating with a stable outlook awarded by Moody’s was confirmed in September 2011.

With respect to equity-based financing, the Executive Board has been granted several authorizations by MAN SE’s Annual General Meeting, subject to the consent of the Supervisory Board. These include authorized capital of €188 million, corresponding to 50% of the share capital, which enables the Executive Board to implement a capital increase against cash and/or noncash contributions. Additionally, the Executive Board can issue convertible bonds or bonds with warrants up to an aggregate principal amount of €2.5 billion.

Material agreements of the Company that are subject to a change of control following a takeover bid:

Under the agreed syndicated credit line amounting to €1.5 billion, each syndicate member can demand immediate repayment of its portion if one or more natural or legal persons either individually or collectively obtain control of MAN SE or acquire the majority of voting rights in MAN SE. The acquisition by Volkswagen AG of a majority stake in MAN SE on November 9, 2011, was excluded from this condition.

The promissory note loans issued in the amount of €79 million can be terminated with immediate effect if one or more persons acting in concert acquire the majority of voting rights in MAN SE. The arranging banks notified the creditors about Volkswagen AG's acquisition of a majority stake in MAN SE. None of the creditors has yet exercised their call rights.

Repayment of the publicly offered bond (€1.5 billion) can be demanded if one or more persons acting in concert have acquired more than 50% of the voting rights in MAN SE and, as a result, the Company's rating is downgraded to noninvestment grade within 120 days. Since the acquisition of a majority stake by Volkswagen AG, MAN SE's credit rating has improved and continues to be a good investment grade.

For further information on the share capital, the classes of shares, the authorizations granted by the Annual General Meeting regarding the Authorized Capital 2010 and to issue convertible bonds and/or bonds with warrants, including the contingent capital created thereby (Contingent Capital 2010), as well as on the authorizations to purchase the Company's own shares granted in the year under review, please refer to the next section below.

4. Disclosures in accordance with sections 289(4) and 315(4) of the Handelsgesetzbuch (HGB – German Commercial Code) and explanatory report in accordance with section 176(1) sentence 1 of the Aktiengesetz (AktG – German Stock Corporation Act)

Composition of share capital, classes of shares

MAN SE's share capital is unchanged at €376,422,400. It is composed of 147,040,000 no-par value bearer shares with a notional value of €2.56 each. In accordance with Article 4(1) of the Articles of Association, the no-par value shares are divided into 140,974,350 common shares and 6,065,650 nonvoting preferred shares. All shares are fully paid up. Under Article 4(2) sentence 2 of the Articles of Association, shareholders may not claim delivery of physical share certificates.

All shares have the same dividend rights; however, a cumulative preferred dividend of €0.11 per preferred share is payable in advance from net retained profit to holders of preferred shares, as well as a further €0.11 per common share as a subordinate right to holders of common shares. If there is insufficient net retained profit to pay the preferred dividend, the shortfall is payable in arrears, without interest, from the net retained profit of the subsequent fiscal years before the distribution of a dividend to the holders of common shares.

The common shares are voting shares, while preferred shares do not generally carry voting rights. Under section 140(2) of the *Aktiengesetz* (AktG – German Stock Corporation Act), this does not apply if the preferred dividend is not paid in a year, or is not paid in full, and the shortfall is not made good in the following year in addition to the full preferred dividend for that year. In such cases, holders of preferred shares have voting rights until the shortfalls are made good, and the preferred shares must be included in the calculation of any capital majority required by the law or the Articles of Association. Preferred shareholders also have voting rights in accordance with section 141(1), 141(2) sentence 1 in conjunction with 141(3) of the AktG, under which a consenting resolution by the preferred shareholders is required if the Annual General Meeting adopts a resolution that affects the specific rights of preferred shareholders, i.e., a resolution to revoke or limit the preferred dividend or to issue preferred stock that would rank prior to or equal with the existing nonvoting preferred shares in the distribution of profit or the net assets of the Company.

The same rights and obligations attach to all shares in all other respects.

Restrictions affecting voting rights or the transfer of shares

Other than restrictions on voting rights for preferred shares and restrictions by virtue of statutory provisions, for instance under section 136 of the AktG, MAN SE is not aware of any restrictions on voting rights. The same applies to the transfer of shares, except for shares received by members of the Executive Board, certain managing directors, and other beneficiaries at MAN companies under the MAN Stock Program (MSP), to which lockups (vesting periods) apply. Details are contained in the Remuneration Report.

Shareholdings exceeding 10% of the voting rights

Under the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act), any investor who reaches, exceeds or falls below certain percentages of voting rights in the Company by virtue of acquisitions, disposals, or by any other means is required to notify this to the Company and the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin – German Financial Supervisory Authority). In accordance with section 21(1) of the WpHG, the relevant thresholds in this respect are 3%, 5%, 10%, 15%, 20 %, 25%, 30%, 50%, and 75% of the voting rights in the Company. Under section 28 of the WpHG, any violation of these notification requirements results in the holder being barred from exercising the corresponding voting rights for the period for which the notification requirements under section 21(1) of the WpHG are not satisfied.

Under sections 289(4) no. 3 and 315(4) no. 3 of the *Handelsgesetzbuch* (HGB – German Commercial Code), all direct and indirect interests that exceed 10% of the voting rights must be disclosed – .

Volkswagen Aktiengesellschaft notified MAN SE on May 11, 2011, in accordance with section 21(1) sentence 1 of the WpHG that the share of voting rights held by Volkswagen Aktiengesellschaft had exceeded the limit of 30% on May 9, 2011, and amounted to 30.47% at that time. In addition, Porsche Automobil Holding SE and its controlling shareholders notified MAN SE on May 11 and 12, 2011, in accordance with section 21(1) of the WpHG that Volkswagen Aktiengesellschaft's 30.47% interest is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Volkswagen Aktiengesellschaft additionally notified MAN SE on November 14, 2011, in accordance with section 21 (1) sentence 1 of the WpHG that the share of voting rights held by Volkswagen Aktiengesellschaft had exceeded the limit of 50% on November 9, 2011, and amounted to 55.9% at that time. In addition, Porsche Automobil Holding SE and its controlling shareholders notified us on November 14/15, 2011, in accordance with section 21 (1) of the WpHG that Volkswagen AG's 55.9% interest is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Finally, in 2010, we received notifications in accordance with section 21 (1) of the WpHG that the share of voting rights held by BlackRock, Inc. (and companies affiliated with it) exceeded the threshold of 3%.

We have not been notified of, nor are we aware of, further existing direct or indirect interests in the capital of MAN SE that exceed 10% of the voting rights or the relevant thresholds of the WpHG, or of any changes in the above-mentioned interests.

Appointment and dismissal of members of the Executive Board, amendments to the Articles of Association

The appointment and dismissal of members of the Company's Executive Board is governed by sections 39(2) and 46 of the SE-VO in conjunction with sections 84 and 85 of the AktG and Article 5 of the Articles of Association. Under these provisions, the Executive Board must consist of at least two members. It falls within the responsibility and the authority of the Supervisory Board to appoint the members of the Executive Board for a period of up of five years and to revoke the appointment for good cause. Members may be reappointed once or several times.

Section 59(1) of the SE-VO in conjunction with sections 179 ff. of the AktG applies to amendments to the Articles of Association. Under these provisions, the Annual General Meeting may resolve to amend the Articles of Association by a majority of at least three-quarters of the share capital represented when the vote is taken. Under Article 10(6) of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association that affect only the wording.

Powers of the Executive Board, in particular to issue and repurchase shares

The powers of the Executive Board are governed by section 39 of the SE-VO in conjunction with sections 77 ff. of the AktG and Article 6 of the Articles of Association. These provisions require the Executive Board to manage the Company independently and to represent the Company both in and out of court.

The powers of the Executive Board to utilize the contingent and authorized capital and to issue or repurchase shares are presented in the following. The corresponding authorizations were not exercised in the reporting period.

Authorized Capital 2010

The resolution dated June 3, 2005, authorizing the creation of Authorized Capital 2005, supplemented by a resolution of the Annual General Meeting on April 3, 2009, was superseded when the authorizing resolution of the Annual General Meeting dated April 1, 2010, to create Authorized Capital 2010 took effect.

The Annual General Meeting on April 1, 2010, resolved to authorize the Executive Board of the Company to increase the share capital, with the consent of the Supervisory Board, by up to €188,211,200 (= 50%) by issuing common bearer shares on one or more occasions against cash contributions and/or noncash contributions in the period up to March 31, 2015 (Authorized Capital 2010).

The shareholders must generally be granted preemptive rights. However, the Executive Board is authorized, with the consent of the Supervisory Board, to disapply preemptive rights when shares are issued against noncash contributions for the purpose of acquiring companies, investments in companies, or significant assets of companies. In the case of cash capital increases, the Executive Board is also authorized, with the consent of the Supervisory Board, to disapply preemptive rights:

(i) to the extent necessary to grant the holders of convertible bonds or bonds with warrants that were or will be issued by the Company or its Group companies a right to subscribe for new shares to the extent to which they would be entitled after exercise of their conversion rights or options if they had previously exercised their conversion rights or options or if they had converted their rights in the case of a conversion obligation (antidilution provision); and/or

(ii) if the issue price of the new shares is not more than 5% lower than the quoted market price and the shares issued in accordance with section 186(3) sentence 4 of the AktG do not in the aggregate exceed 10% of the share capital. Shares issued or sold by direct or indirect application of this provision on the basis of other authorizations during the term of this authorization count towards this limit until the time of utilization. Shares issued or issuable by virtue of convertible bonds or bonds with warrants or with conversion obligations in issue at the time of utilization in accordance with this provision shall also count towards the above-mentioned 10% limit; and/or

(iii) to settle any fractions needed to round the share capital; and/or

(iv) to issue new shares against cash contributions to employees with managerial responsibility (managers) of the Company and/or of Group companies in respect of a proportion of Authorized Capital 2010 of up to €4,000,000. It may also be stipulated that the contribution to be paid must be covered in accordance with section 204(3) of the AktG.

Apart from the issue of shares to employees with managerial responsibility while disapplying preemptive rights, the authorization is restricted to the extent that, after the authorization is exercised, the total shares issued under Authorized Capital 2010 and/or under Contingent Capital 2010 while disapplying preemptive rights may not exceed 20% of the share capital existing at the time the authorization took effect (= €75,284,480) or – if lower – the share capital existing at the time the authorization was utilized. Further details are governed by Article 4(4) of the Articles of Association.

Issuance of convertible bonds and/or bonds with warrants, Contingent Capital 2010

The resolution dated June 3, 2005, authorizing the creation of Contingent Capital 2005, supplemented by a resolution of the Annual General Meeting on May 10, 2007, was superseded when the authorizing resolution of the Annual General Meeting dated April 1, 2010, to create Contingent Capital 2010 to issue convertible bonds and/or bonds with warrants took effect.

By way of a resolution of the Annual General Meeting dated April 1, 2010, the Company's Executive Board was authorized, with the consent of the Supervisory Board, to issue convertible bonds and/or bonds with warrants – hereinafter referred to collectively as "bonds" – of MAN SE in the aggregate principal amount of up to €2.5 billion on one or more occasions until March 31, 2015, and to grant the bondholders options or conversion rights or to establish conversion obligations on new common bearer shares of MAN SE with a notional interest in the share capital of up to €76,800,000 (approximately 20%) as specified in greater detail by the option or conversion terms. The bonds are issuable against cash contributions.

The authorization also includes the option to guarantee bonds issued by other Group companies and to grant shares of MAN SE to settle the conversion rights or options or conversion obligations conveyed by these bonds. Furthermore, the authorization allows the Executive Board, with the consent of the Supervisory Board, to define the additional terms of the bonds, in particular the interest rate, issue price, duration and denomination, the subscription or conversion ratio, the option or conversion price, and the option or conversion period, or to do so in consultation with the governing bodies of the issuing Group companies.

The bonds must be offered for subscription by the shareholders. However, the Executive Board is also authorized, with the consent of the Supervisory Board, to disapply preemptive rights:

(i) to the extent that the issue price of the bond is not materially lower than its theoretical market value calculated by recognized financial techniques. In addition, the disapplication of preemptive rights within the meaning of section 86(3) sentence 4 of the AktG only applies to bonds with rights to shares with a notional interest in the share capital that does not in the aggregate exceed 10% of the share capital. Shares issued, sold, or issuable by direct or indirect application of this provision on the basis of other authorizations during the term of this authorization count towards this limit until the time of utilization;

(ii) to the extent that this is necessary to settle fractions that result from the subscription ratio;

(iii) to grant the bondholders with existing conversion rights/options on, or obligations to convert bonds to, shares of the Company, preemptive rights to the extent to which they would be entitled if they had previously exercised their conversion rights or options or if they had converted their rights in the case of a conversion obligation, in order to prevent dilution of the economic value of these rights.

The authorization to issue convertible bonds or bonds with warrants or with conversion obligations is restricted to the extent that, after the conversion rights/options or the conversion obligations are exercised, the total shares issuable while disapplying preemptive rights under Contingent Capital 2010 and/or issued under Authorized Capital 2010 – apart from the issue of shares to employees with managerial responsibility while disapplying preemptive rights – may not exceed 20% of the share capital existing at the time the authorization took effect (= €75,284,480) or – if lower – the share capital existing at the time the authorization was utilized.

At the same time, the Annual General Meeting on April 1, 2010, resolved to contingently increase the share capital by up to €76,800,000, composed of up to 30,000,000 common bearer shares. The contingent capital increase will only be implemented to the extent that the holders of convertible bonds or bonds with warrants or of conversion obligations issued for cash consideration by MAN SE or its Group companies by virtue of the authorizing resolution of the Annual General Meeting on April 1, 2010, exercise their conversion rights or options or settle their conversion obligations, and provided that other forms of settlement are not used. The new shares carry dividend rights for the first time for the fiscal year in which they are issued (Contingent Capital 2010).

Share repurchase

The resolution dated April 3, 2009, to purchase the Company's own shares was superseded when the authorizing resolution of the Annual General Meeting on April 1, 2010, to purchase the Company's own shares took effect.

The resolution of the Annual General Meeting on April 1, 2010, authorized the Executive Board to purchase common and/or nonvoting preferred shares of the Company, with the consent of the Supervisory Board, on one or more occasions until March 31, 2015, up to a maximum total amount of 10% of the share capital. Together with other treasury shares held by the Company or attributable to the Company in accordance with sections 71d and 71e of the AktG, the shares purchased by virtue of this authorization may not account for more than 10% of the existing share capital at any time. The shares may also be purchased by other Group companies and/or third parties for the account of MAN SE or other Group companies.

The shares may be purchased on the stock exchange or by means of a public purchase offer to the holders of the class of shares concerned. If the shares are purchased on the stock exchange, the purchase price (net of transaction costs) may not exceed or fall below the price for the relevant class of shares determined by the opening auction on the trading day in Xetra trading (or a comparable successor system) by more than 10%. In the case of a public purchase offer, the bid price or the bid price range per share (net of transaction costs) may not exceed or fall below the average price for the relevant class of shares determined by the closing auction in Xetra trading (or in a comparable successor system) on the three market days before the date of the public announcement of the offer by more than 10%. The purchase offer or the invitation to submit such an offer may entail additional conditions. If the total stock tendered exceeds the volume of the purchase offer, it must be accepted on a proportionate basis. The terms of the offer may provide for preferred acceptance of small numbers of shares to the extent provided by law, but in any case up to no more than a maximum of 100 shares tendered per shareholder. Additional details and conditions relating to the offer may be established in the conditions of the offer.

The Executive Board has been additionally authorized, with the consent of the Supervisory Board, to use purchased common shares of the Company for all purposes permitted by law in addition to sale on the stock exchange or by a public offer to all shareholders, and to disapply shareholders' preemptive rights. This applies in particular:

(i) if the purchased common shares are sold at a price that is not materially lower than the quoted market price; and/or

(ii) to the extent that they are used as consideration in a business combination or to acquire companies or investments in companies or assets of companies; and/or

(iii) to the extent that they are used to settle options or conversion rights or conversion obligations established by the Company or a Group company when bonds were issued. The shares transferred by virtue of this authorization may not in the aggregate exceed 10% of the share capital where they are used to settle conversion rights or options, or conversion obligations established in corresponding application of section 186(3) sentence 4 of the AktG. Shares issued or sold by direct or indirect application of this provision during the term of this authorization shall count towards this limit until the time of utilization. Shares issued or issuable by virtue of convertible bonds or bonds with warrants or with conversion obligations issued at the time of utilization in accordance with this provision shall also count towards this limit; and/or

(iv) to the extent that the common shares are used to settle stock bonus commitments to employees with managerial responsibility (managers) of the Company and/or of Group companies.

The Annual General Meeting on April 1, 2010, further authorized the Executive Board to redeem the Company's own common shares and/or nonvoting preferred shares with the consent of the Supervisory Board, but without any further resolution by the Annual General Meeting.

Material agreements of the Company that are subject to a change of control following a takeover bid:

As already described above, MAN SE has entered into various material agreements that are subject to a change of control.

5. Dependent Company Report

In accordance with section 312 of the of the *Aktiengesetz* (AktG – German Stock Corporation Act), the Executive Board of MAN SE has issued a dependent company report on relationships with affiliated companies. On November 9, 2011, Volkswagen Aktiengesellschaft acquired the shares tendered to it as a result of the mandatory offer, which gave it a majority of voting rights in MAN SE. However, for the purposes of the preparation of the dependent company report, the Executive Board assumes that dependence was established on November 3, 2011, with the entry into force of the last completion conditions of Volkswagen Aktiengesellschaft's mandatory offer dated May 31, 2011. The reporting period thus spans the time from which MAN SE became dependent to the end of the fiscal year, and hence the period from November 3, 2011, to December 31, 2011.

The Executive Board submitted the following declaration at the end of the report: "We declare that, based on the circumstances known to us at the time the transactions were executed or measures were undertaken or omitted, MAN SE received appropriate consideration for every transaction and measure listed in the report on relationships with affiliated companies, and has not been disadvantaged by the implementation or omission of any measure."

6. Risk report

MAN SE acts as the strategic management center for the MAN Group. The significant opportunities and risks are thus directly related with the significant opportunities and risks of its operating subsidiaries.

Company-wide risk management system

Operating a business entails constant exposure to risks. The MAN Group defines risk as the danger that events, decisions, or actions will prevent the Company from achieving defined goals and/or successfully implementing strategies. The Company consciously assumes risks with a view to exploiting market opportunities if it expects this to contribute sufficiently to increasing its enterprise value. This requires an effective risk management system that is tailored to its business needs and quickly provides the information necessary for its management.

The MAN Group's risk management system is an integral part of its corporate management and business processes. The core elements of the system are corporate planning, including the quarterly review process, opportunity and risk management ("risk management"), the internal control system, and the compliance system.

One of the objectives of corporate planning is to identify and assess opportunities and risks at an early stage so that appropriate measures can be taken. The risk management system is configured at all levels of the Group to quickly provide up-to-date and relevant information on the status of significant opportunities and risks and the efficacy of the measures taken. The internal control system focuses on monitoring and managing risks in a targeted manner, particularly those with regard to the efficacy of business processes, the reliability of the financial reporting, and legal compliance. The MAN compliance system supports compliance with all laws, internal policies, and codes of conduct applicable to the Company. The focus here is on anticorruption efforts, antitrust law, and data protection. Detailed information on the compliance system can be found in the section entitled "Compliance."

Organization of the risk management and internal control system

Overall responsibility for setting up and maintaining an appropriate and focused risk early recognition system lies with MAN SE's Executive Board, which has defined the scope and focus of the risk management and internal control system based on the Company's specific requirements. In this context, the Industrial Governance management system provides for decentralized operational decision-making processes within the MAN Group. Consequently, Management of each division is responsible for ensuring that all Group companies are integrated into the risk management and internal control system. The Group policy for opportunity and risk management and the internal control system (Group policy) provides the framework for a common understanding of the risk management and internal control system throughout the Group and contains guidelines on organizational structure, processes, and reporting.

Organizational structure

The organizational structure of the risk management and internal control system is based on the MAN Group's management hierarchy. Therefore, roles and responsibilities and committees have been put in place both at Group level and in the divisions. In the MAN Group's material divisions and companies, there are coordinators for the risk management and internal control system. These ensure that the processes set out in the Group policy are implemented. They also play a part in the continuous development and improvement of the risk management system. At both division and Group level, cross-functional risk boards have been set up to act as central supervisory, management, and oversight bodies for the risk management and internal control system. During risk board discussions, they assess the risk position and decide on measures to manage risk and rectify control weaknesses.

Standard risk management process

The standard risk management process comprises identification, analysis, assessment, management, monitoring, and communication phases. In this context, risks are classified as either short-term, i.e., up to one year, or as long-term, i.e., up to five years. They are assessed in terms of their probability of occurrence and impact on a gross and net basis, with the net assessment factoring in any measures that mitigate the risk in question. The projected operating profit of the relevant organizational unit is used to evaluate the materiality of such a net assessment. Risk managers in the divisions define and implement risk mitigation measures and review their efficacy. Uniformly defined risk fields allow the Group to promptly identify and actively manage any concentration of risk. In addition to risks, opportunities are also continuously identified.

Reporting

The risk position, material control weaknesses, and measures to manage risk and rectify control weaknesses are reported in the risk boards to the divisional executive boards and the Executive Board of MAN SE on a quarterly basis. In addition, at the meetings of its Audit Committee, the Supervisory Board is regularly briefed on the MAN Group's risk position and on material weaknesses in the Group's internal control system.

Accounting-related risk management system and internal control system

As a rule, the risk management system and the internal control system that forms an integral part of it also comprise the accounting-related processes as well as all risks and controls in respect of accounting. This relates to all parts that could have a material effect on the consolidated financial statements. As part of the risk management activities, identified risks are assessed in terms of their effect on the annual financial statements of MAN SE and the consolidated financial statements of the MAN Group, and appropriate measures are taken.

The internal controls focus on limiting risks of material misstatement in the financial reporting and risks arising from noncompliance with regulatory standards or acts of deception as well as on minimizing operational/economic risks (e.g., threats to assets as a result of unauthorized operational decisions or obligations entered into without authorization). Accounting-related controls must provide sufficient assurance that the Group accounting process is reliable and complies with IFRSs, the *Handelsgesetzbuch* (HGB – German Commercial Code), and other accounting-related rules and laws.

The MAN Group has structured its existing internal control system and documented it uniformly throughout the Group in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to allow it to systematically assess the effectiveness of its internal controls. The documentation covers all standard business processes, including the processes relevant for preparing the financial statements together with the necessary controls, as well as controls relating to any identified business-specific risks. The scope of the documentation is determined by those companies that are significant for the financial statements or exposed to increased risk due to qualitative characteristics. It is reviewed annually on the basis of defined criteria.

The key elements of risk management and control in accounting are the clear allocation of responsibilities and controls in the preparation of financial statements, transparent requirements in the form of guidelines for accounting and preparing financial statements, appropriate rules governing access to the IT systems that are relevant for the financial statements, and the clear assignment of responsibilities when using external specialists. The dual control principle and the separation of functions are also important principles in the accounting process that are implemented within the MAN Group’s internal controls.

The effectiveness of accounting-related internal controls is assessed at least once a year, primarily during the preparation of the financial statements. Identified control weaknesses and agreed measures to rectify them are covered in the quarterly report in the Risk Board. In addition to the Corporate Audit function, the external auditors assess the accounting-related processes as part of their audit activities.

The control environment and the cross-process controls that form the framework of an effective and operational internal control system are documented centrally at division level and assessed annually to determine whether they are appropriate and functioning effectively.

The internal control system is regularly reviewed with regard to the completeness, appropriate design, and effectiveness of the existing controls with the aim of ensuring compliance at all levels of the MAN Group with existing regulations aimed at reducing process-related and organizational risks.

Opportunities and risks

The MAN Group classifies significant opportunities and risks that may have a considerable impact on its net assets, financial position, and results of operations into five risk fields: markets, products, processes, employees, and finances.

Markets

In the medium to long term, the MAN Group sees opportunities for all divisions to achieve profitable growth in the transportation and energy markets. The underlying global economic trends will continue, such as sustained economic growth, a greater international division of labor and a resulting increase in global transportation routes and volumes, growing demand for energy, the increasing requirement for capital spending by the oil and gas industry, and a need for innovativeness due to trends in global climate policy. Through its strategy of significantly strengthening its position in the current and future growth markets of the BRIC countries, the MAN Group is increasing its sales potential and thus countering regional economic risks. In China, for example, MAN is able to participate in the strong growth in heavy trucks through its partnership with Sinotruk. In Brazil, it is benefiting from the country's economic growth by virtue of its position as market leader for trucks over 5 t. By increasing its activities in India, MAN is underscoring the immense importance of the Indian market in the context of its BRIC strategy.

Although the underlying global growth trend is expected to be positive, in the current environment of continuing uncertainty there are downside risks to global economic performance. In the short term, these may affect the markets relevant for the MAN Group in the form of a decline in demand or cancellations of existing orders, for example. Flexible production concepts and cost flexibility through temporary work, flextime accounts, and the option of short-time working enable MAN to counter economic risks. Protectionist efforts in individual countries and changes to competitive conditions may also have an adverse effect on projected growth in the markets to which the MAN Group sells. MAN continuously monitors and assesses the economic, political, legal, and social environment so that the resulting opportunities and risks can be promptly incorporated into corporate decisions. Further information can be found in the "Outlook."

Products

As a leading supplier of advanced technology, it is the MAN Group's mission to develop and launch technologically superior and highly cost-effective products that are of outstanding quality. Abandoning this mission would pose an unjustifiable risk to our market position. The rollout of new products involves both conceptual and market risks, which MAN manages through a careful strategic planning process based on an analysis of trends in the market and business environment. The resulting product plans are used to manage our extensive research and development activities. Annual research and development expenditures amount to over 4% of Group revenue. The launch of efficient dual fuel engines for power plants at MAN Diesel & Turbo and the TGX EfficientLine vehicles at MAN Truck & Bus, which are systematically designed to maximize fuel savings, clearly show that these risks can be overcome.

Products that have already been launched pose risks in relation to the product quality expected by customers. Substandard quality may result in manufacturer's guarantee, statutory warranty, and ex gratia repair costs as well as the loss of market share or lower product margins. In extreme cases, product liability and compensation claims may be made. The MAN Group starts to identify and limit these risks right from the product gestation stage. A standardized product gestation process (PGP) ensures that only properly functioning and reliable product concepts move on to the next stage of development. Suppliers and their products are required to undergo a strict approval process in order to safeguard the Company's high quality standards. After production has started, defined quality assurance measures within the production process ensure that manufacturing defects are promptly identified and eliminated. During use, any defects are collected, analyzed, and rectified in collaboration with the service operations.

Investigations into potential irregularities in the course of the handover of large-bore diesel engines are still ongoing. The timing of the completion of the investigations, as well as their findings, cannot currently be gauged with any certainty. Expenses arising above and beyond recognized provisions, and financial risks from official proceedings or claims under civil law cannot be ruled out.

The MAN Group's international presence and large number of products and services create a diversified economic base that offsets the risks of dependence on key customers or individual products and markets, as well as risks arising from breaches of patents, or the unauthorized disclosure of Company-specific expertise.

Long-term customer contracts give rise to additional risks. For example, changes in the political or economic conditions in a particular market may result in additional expenditure on major projects. At MAN Truck & Bus, buyback obligations pose a risk if the amount obtainable from the future sale of a used vehicle in the market changes significantly versus expectations at the time the contract was entered into. In cases where guarantees or guarantee obligations form an integral part of the customer contracts, there is a risk that an unjustified claim will be made. This risk is combated by formulating contracts carefully.

Processes

The MAN Group considers the continual optimization of its development, purchasing, production, sales, and administration processes to be an ongoing task. For example, it operates a preventive and continuous supplier monitoring system to identify potential delivery delays or supplier defaults at an early stage and to mitigate the effects. The Purchasing function is increasingly pursuing a dual sourcing strategy to reduce dependence on individual suppliers. It also works vigorously and systematically to improve underlying processes with an eye towards optimizing working capital employed.

Particular risks arise during major projects, including contracting deficiencies, miscosting, post-contracting changes in economic and technical parameters, and poor performance on the part of subcontractors or consortium partners. The MAN Group minimizes these risks through comprehensive project and contract controlling. In the growing power plants market, for example, MAN Diesel & Turbo uses a systematic and comprehensive risk management system right from the bidding phase. Costings and risk assessments are constantly examined and adjusted throughout the project implementation phase. Regular project reviews are used to determine and monitor the necessary measures. Major projects in the MAN Group are subject to a two-step approval process. Following a project-specific risk analysis and assessment, they require the approval of the divisional executive board. Subsequently, major projects are assessed by MAN SE's Controlling and Finance functions and submitted to MAN SE's Executive Board for approval. Any approved and ongoing contracts that deviate significantly from plan are entered in a special reporting system for critical contracts and regularly submitted to MAN SE's Executive Board.

The MAN Group's business processes are intensively supported and in some cases enabled by information technology. Besides improving efficiency, this also gives rise to risks. Parts of the infrastructure may fail as a result of accidents, disasters, or technical faults, thereby impairing business processes or bringing them to a complete standstill. There is also the risk of unauthorized access, theft, or the destruction or other misuse of business data and information. The resulting financial damage and loss of image may affect individual MAN companies or even the entire MAN Group. In order to ensure the availability, integrity, confidentiality, and authenticity of information so as to mitigate and prevent risk, MAN uses a combination of the latest hardware and software technologies, effective IT organizational mechanisms, and a continuously enhanced IT-related internal control system.

The centralization and outsourcing of IT tasks and the systematic introduction of IT service management processes in accordance with the ITIL (IT Infrastructure Library) standard for the organization of IT processes help ensure that business processes are efficiently supported. By organizing information security in accordance with the internationally recognized ISO 27001 standard, the MAN Group has improved the transparency and reliability of the IT processes and IT infrastructure significantly.

The internal control system plays a key role in all business processes, including the accounting process. It is focused on ensuring compliance with the relevant regulations and helping to reduce risks and thus protect assets.

Investigations by antitrust authorities into suspected possible antitrust violations in the commercial vehicles business at MAN Truck & Bus, as well as in the engines business at MAN Truck & Bus und MAN Diesel & Turbo, are still ongoing. The timing of the completion of the investigations, as

well as their findings, cannot currently be gauged with any certainty. Financial risks arising from official proceedings cannot be ruled out. Further information about possible antitrust violations can be found in note 16 of the "Notes."

Employees

The highly qualified specialists and managerial staff who set technological standards with MAN products and manage the business effectively and efficiently are a critical factor in the MAN Group's success. The opportunities for the MAN Group lie in the skills, international focus, and innovativeness of the employees who develop continuously improved and forward-looking products, services, and processes. The risks include not being able to promptly fill key positions to meet future requirements. In strategically important areas, targeted HR development systems are used to identify and develop highly qualified employees with management potential. Through a variety of global HR marketing activities, we have been able to recruit and retain outstanding specialists and managers. Participating in rankings helps position the MAN Group as an attractive employer generally and as a top employer in Germany and Brazil and thus gain access to the specialists and managers it requires worldwide, while systematic succession planning supports it in its efforts to fill management positions from within its own ranks. As part of its internationalization strategy, MAN will continue to concentrate on attracting and recruiting internationally experienced managers both within and across national borders, and on improving the intercultural skills of its specialists and managerial staff.

Finances

Because of its business activities and international nature, the MAN Group is considerably exposed to market, liquidity, and credit risk. It manages these risks using a Group-wide financial risk management system.

Market price risk comprises currency, interest rate, and commodity price risk. The international nature of the MAN Group's business activities entails a significant volume of cash flows in a variety of currencies. If MAN companies carry out transactions in a currency other than their functional currency, they are exposed to currency risk, which can affect both prices for goods and services and profit margins. The MAN Group therefore largely hedges currency risk arising from contracts, receivables, and liabilities, and partly hedges currency risk arising from forecast transactions. As part of its financial management activities, the MAN Group holds interest rate-sensitive assets and liabilities that entail risks arising from changes in interest rates. The goal of interest rate risk management is to largely reduce these risks through the use of derivative financial instruments. The manufacture of MAN’s products requires substantial amounts of raw materials. Price trends on the commodity markets or price escalation clauses in supplier contracts may entail commodity price risks that cannot always be passed on to customers and as a result, can impact negatively on product margins. These risks are managed through long-term supplier contracts and targeted commodity price hedging.

Liquidity risk describes the risk that the MAN Group will have difficulty in meeting obligations associated with financial liabilities. To ensure liquidity, cash inflows and outflows are continuously monitored and managed, primarily by a centralized cash management function. In addition, changes in the MAN Group’s liquidity are monitored using a detailed financial plan.

Because of its business activities, the MAN Group is exposed to credit risk, for example where financing is provided for commercial vehicles. This is the risk that a party to a contract will fail to meet its contractual obligations as a result of its own financial situation or the political environment, thereby causing a financial loss for the MAN Group. This country and counterparty risk is reduced through the careful selection of transactions and business partners, through appropriate contractual and payment terms, and through guarantees and documentary credits. In addition, a central cash management function invests cash funds by spreading them across several prime-rated financial institutions.

In order to reduce the financial risks inherent in defined benefit pension plans, and as a result of legal regulations abroad, the MAN Group’s defined benefit obligations are largely funded through pension plan assets that are ring-fenced from its business assets.

Executive Board’s assessment of the Group’s risk position

On the basis of the risk management system established by the MAN Group, the Executive Board has determined that, at the present time, there are no identifiable risks that could have a material and long-term adverse effect on the net assets, financial position, and results of operations of MAN SE and the MAN Group. The risk management system introduced by the Group and the related organizational measures allow the Executive Board to identify risks rapidly and initiate appropriate measures.

Risk management is an ongoing and continuous activity on the part of the Company, and of course something that is undergoing constant enhancement. For MAN, this means continuing to optimize its risk management and internal control system going forward and adapting it to changing conditions. Given the uncertainty surrounding economic developments in some areas, activities in 2012 will continue to focus on market and product risk management.

Litigation/legal proceedings

Please see the “Notes” for information relating to litigation/legal proceedings.

Compliance

In the reporting period, MAN continuously updated and implemented the compliance program launched in July 2009 to address the issues of combating corruption, antitrust law, and data protection.

Compliance organization

MAN further expanded the new Compliance function established in 2010. The function is managed by the Chief Compliance Officer, who reports directly to the Chief Executive Officer of MAN SE and additionally to the Audit Committee of the Supervisory Board. The Compliance function currently comprises 43 staff. 26 employees work in the Corporate Compliance Office that is based at MAN SE and is responsible for designing and enhancing MAN's compliance system as well as for Group-wide compliance issues. 17 staff provide compliance advice in the subgroups. Each subgroup therefore has a compliance officer, who is supported by compliance managers in various business units or sales regions. The compliance officers at the subgroups report directly to MAN SE's Chief Compliance Officer, and the compliance managers in turn report directly to the responsible compliance officer. In addition to providing an in-depth advisory function, the compliance staff at the subgroups are responsible for implementing the centrally defined compliance measures in the respective business units or sales regions worldwide.

The Compliance Board (previously: Compliance Steering Committee) met a total of four times in the period under review. At these meetings, the Chief Compliance Officer informed MAN SE's full Executive Board and the heads of other functions on the progress made in setting up the Compliance organization and the introduction of new compliance measures, and agreed additional steps. At the subgroups, the compliance officers and managers regularly provided comparable reports to the executive boards and management of the relevant entity at meetings of the compliance review boards.

Finally, "compliance champions" were identified and appointed in the period under review. These compliance champions are not full-time compliance employees, but MAN managers who have assumed special responsibility for compliance issues. They support the Compliance organization, for example by ensuring the compliance measures are also implemented at Group companies that do not have their own local compliance managers in place. All compliance champions worldwide were invited to an all-day kick-off workshop in Munich in October 2011, during which the Compliance organization trained the compliance champions and prepared them for their new responsibilities.

In addition to the four data protection officers employed in Germany, data protection coordinators were also appointed at more than 70 foreign companies to provide local support to those companies in their activities to comply with data protection rules.

Compliance risk assessment

In the fourth quarter of 2011, the Compliance function conducted its second Group-wide compliance risk assessment, the results of which will be available in the first quarter of 2012. The goal was to identify potential compliance risks affecting the business models of the various business units or sales regions. The risk assessment covered all subgroups and took account of the number and size of the individual Group companies, their business models, customer, sales, and purchasing structures, the corruption perceptions index published by Transparency International for the target markets, as well as the local competitive structures. The results of the compliance risk assessment, which was conducted interactively together with the relevant business units and sales regions, will be used to determine the structure and scale of the Compliance organization, the compliance program tailored to MAN's requirements, and other measures to prevent compliance risks. Additionally, a risk assessment addressing the issue of data protection was conducted for the first time in the period under review in order to identify key areas for the global data protection program.

Code of Conduct and compliance policies

To supplement the Code of Conduct, the policy on handling gifts, hospitality, and invitations to events, the policy on engaging business partners, and the policy on donations and sponsorship activities – all of which were developed in 2010 – the Compliance function developed three additional policies: a policy on compliance with antitrust regulations, a policy on handling personal data, and a policy on case management and compliance investigations

The policy on compliance with antitrust regulations specifically contains rules on dealing with competitors and illustrates the legal framework that must be taken into account if a company has a dominant market position.

The policy on handling personal data is designed to ensure compliance with applicable data protection regulations and to maintain a uniform high level of protection for personal data worldwide.

The policy on case management and compliance investigations ensures that indications of compliance violations are dealt with, systematically investigated, and remedied without delay by an appropriate function in the Group.

Finally, MAN has issued a Code of Conduct for Suppliers and Business Partners that contains minimum ethical standards that MAN's suppliers and business partners undertake to observe.

Compliance training

The Compliance function held on-site training sessions on compliance issues for over 5,470 staff worldwide in the reporting period. The training consists firstly of compliance awareness training sessions lasting several hours in which employees who are potentially exposed to compliance risks are introduced to MAN's Compliance organization and taught the fundamentals of combating corruption, antitrust law, and data protection.

Second, there are a number of special antitrust law training sessions, each lasting several hours, in which employees who come into closer contact with competitors and antitrust issues, are taught about the new antitrust policy and familiarized with case studies dealing with the issues addressed by the new policy.

Additionally, half-day training sessions on the policy on handling personal data were conducted for the newly appointed data protection coordinators.

The compliance awareness and the special training sessions will be held in other areas of the Company in 2012 and the issues addressed in them will be expanded.

Compliance Helpdesk

The Compliance Helpdesk introduced in February 2010 answered 1,405 compliance-related questions by phone or e-mail during the reporting period.

Business Partner Approval Tool

The Business Partner Approval Tool developed in 2010 was rolled out globally in 2011. The policy on engaging business partners requires it to be used to check and approve the integrity of a business partner. A total of 1,258 employees were trained to use this tool and 1,509 business partners were checked.

Continuous Controls Monitoring (CCM)

To ensure that purchasing and payment processes at MAN comply with the policies, and that compliance risks in these areas are identified at an early stage, MAN started introducing an electronic monitoring system during the reporting period that supplements the controls imposed by the internal control system. If specific process test items do not correspond to the procedures described in the MAN Group's central policies governing purchasing, accounting, and payments, the CCM system generates an automatic alarm that is processed with technical support using predefined workflows. The CCM system thus ensures that any compliance risks and policy violations in the MAN Group's purchasing and payment processes are detected at an early stage.

Mergers & acquisitions (M&A)

To prevent MAN being exposed to compliance risks from the acquisition or disposal of equity investments, MAN implemented a process during the reporting period that involves the Compliance function in any M&A projects in the MAN Group from the start. The Compliance function has laid down specific requirements for the due diligence review of the companies affected to ensure that any compliance risks are identified at an early stage.

Reporting compliance violations

A unit in the Compliance function investigates reports of compliance violations, if necessary with the support of the Internal Audit function or the departments concerned. Any violations are remedied without delay and punished according to the penalties permitted under labor law. In individual cases, the responsible government investigating authority is also informed about the violation. The findings from the clarification of compliance violations are used to continuously improve the compliance system.

The Speak up! whistleblower portal introduced during the reporting period also serves to detect compliance risks. MAN uses this portal to offer employees and third parties a facility for providing information about serious compliance violations confidentially, worldwide, and round the clock. It accepts information relating to serious compliance violations, especially in the area of white collar crime (e.g., corruption offenses), antitrust law, and data protection. Information provided via the Speak up! portal is forwarded to the Corporate Compliance Office, where it is handled in confidence. Of course, all employees can also approach other contacts in the Company, such as supervisors, the HR department, or the Compliance organization, if they have information about compliance violations.

Public commitment to compliance

MAN is also committed to compliance outside the Group. MAN has been a member of Transparency International, a non-governmental organization dedicated to fighting corruption, since September 2010. MAN also joined the United Nations Global Compact initiative in December 2010, whose ten principles set international standards for companies and organizations in the areas of human rights, labor, environment, and anticorruption. The Compliance function also engages regularly in dialog with industry experts and academic researchers on current compliance issues in order to promote public debate and progress in the field of compliance.

7. Corporate Governance Statement pursuant to section 289 of the HGB[1]

Corporate management and supervision at MAN is focused on ensuring sustained value creation and an appropriate profit in line with the principles of the social market economy.

Corporate governance is shaped by the applicable laws, in particular the provisions of German stock corporation law, by our Articles of Association and internal regulations, and by internationally and nationally recognized standards of good and responsible corporate governance. The German Corporate Governance Code (the Code) represents the statutory provisions for the governance of German stock corporations that apply to MAN and provides recommendations and suggestions for applying corporate governance at MAN in accordance with recognized standards.

These rules are supplemented by MAN's "Industrial Governance" management principle, which defines the responsibilities for Group management by MAN SE and the responsibilities of the divisions in more detail. These are presented on our website at www.man.eu/MAN/de/Investor_Relations/Strategie/. The compliance and ethical guidelines that apply to the MAN Group are described in our Code of Conduct, which is available on our website at www.man.eu/MAN/de/Unternehmen/Management/Code_of_Conduct/. The Group's management principles are formalized in Group policies.

(1) Corporate Governance at MAN[2]

Both MAN's Executive Board and Supervisory Board have examined the Group's corporate governance system in detail. They are aware that good and transparent corporate governance that complies with both national and international standards is of central importance to ensure responsible, long-term management. The governing bodies focused in detail on compliance with the Code.

Declaration of Conformity
In December 2011, the Executive and Supervisory Boards issued the following Declaration of Conformity:

> *"MAN SE has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" pursuant to its Declaration of Conformity of December 2010 or the amendment to this Declaration of May 2011 and the notice to this amendment of July 2011, and will comply with the recommendations of the German Corporate Governance Code (the Code) in the version dated May 26, 2010."*

We comment on the key recommendations and suggestions contained in the Code in more detail in the following.

[1] With the exception of the remuneration report pursuant to section 289(2) no. 5 of the HGB, the Corporate Governance Statement pursuant to section 289a of the HGB is not included in the Audit.

[2] Also the Corporate Governance Report of the Executive and Supervisory Boards in accordance with section 3.10 of the German Corporate Governance Code as amended on May 26, 2012.

Promoting transparency and shareholder rights

The information we provide through our website www.man.eu/MAN/de/Investor Relations/, financial publications, and capital market conferences enables our German and international shareholders as well as other interested parties to obtain an accurate and up-to-date picture of our Company and gain an insight into our corporate governance practices. We also post the following on our website immediately after publication: annual reports, interim reports, and a financial calendar showing all upcoming events (see section 6.3 of the Code). The website also contains the annual document we are required to prepare under section 10 of the *Wertpapierprospektgesetz* (WpPG – German Securities Prospectus Act), summarizing all the relevant information disclosed by the Company during the past calendar year.

Annual General Meeting

The Annual General Meeting is the platform where MAN shareholders can exercise their voting rights, obtain information, and engage in a dialog with the Executive and Supervisory Boards.

In organizing and conducting its Annual General Meeting, MAN SE aims to provide all shareholders with prompt, comprehensive, and effective information both before and during the event. The invitation to the Annual General Meeting is published in the *elektronische Bundesanzeiger* (the electronic Federal Gazette) and is accessible to our shareholders and all other interested parties via the MAN website, together with all reports and documents relating to the Annual General Meeting. In addition, we e-mail the documents to interested shareholders and other parties if we have their consent to do so, as well as posting them on our website for download.

If shareholders are unable to attend the Annual General Meeting, they may either authorize a bank, shareholders' association, or other person to represent them, or authorize an MAN employee, either in writing or by electronic means, to exercise their voting rights by proxy.

To enable all shareholders and the interested public to follow the Annual General Meeting, the entire event is broadcast live on the Internet.

Executive Board and Supervisory Board

MAN SE has a two-tier structure comprising an Executive Board and a Supervisory Board. Both governing bodies work closely together to the benefit of the Company and seek to achieve a sustained increase in enterprise value for its shareholders.

The Executive Board currently comprises four members. Please refer to page 46 in the Notes for further information on its composition. The Executive Board is responsible for performing managerial and operational tasks. Its responsibilities extend in particular to the MAN Group's strategic focus, which it agrees with the Supervisory Board. The Executive Board is also responsible for target-driven, active management and the central financing of the Group, the development and deployment of managers, and the preparation of the quarterly and annual financial statements. In addition, it ensures compliance with legislation, official regulations, and internal policies.

The various tasks are allocated to the individual Executive Board functions in accordance with the list of responsibilities. The full Executive Board addresses all key decisions and measures; the Executive Board's Rules of Procedure define the decisions and measures that require the approval of the full Executive Board. Meetings of the full Executive Board are held at least once a month and additionally as needed. The Executive Board reports to the Supervisory Board. It consults the Supervisory Board on decisions of fundamental importance. The Executive Board also ensures open and transparent corporate communications.

The Supervisory Board, on the other hand, has monitoring and advisory functions. Major business operations require the Supervisory Board's consent.

MAN SE's Supervisory Board features equal representation, comprising eight shareholder representatives elected by the Annual General Meeting and eight employee representatives appointed during negotiations with the special negotiating body. The term of office of the first Supervisory Board of MAN SE expired at the end of the Annual General Meeting on June 27, 2011. The new Supervisory Board held its constituent meeting directly following the Annual General Meeting on June 27, 2011. Its shareholder representatives were elected by the Annual General Meeting on June 27, 2011, and its employee representatives were appointed by way of a resolution by the MAN SE Works Council on October 21, 2010, in accordance with the provisions of the agreement with the special negotiating body. For further information on the composition of MAN SE's Supervisory Board and its committees, please additionally refer to pp. 42 et seq. of the Notes.

The Government Commission on the German Corporate Governance Code adopted several amendments to be made to that code on May 26, 2010. Its recommendations aim in particular to increase the proportion of women in managerial positions and on committees at listed companies and to reflect the criterion of diversity.

The Executive Board defined the goals required to achieve this at its meeting on October 26, 2010, and resolved an extensive list of measures.

MAN's Supervisory Board will also take diversity into account in the composition of the Executive Board and in particular aim for appropriate consideration of women.

The Supervisory Board resolved the following with regard to the composition of the Supervisory Board at its meeting on November 12, 2010:

In view of the purpose and size of the Company and the proportion of its international business activities, MAN SE's Supervisory Board aims to take into account the following factors in respect of its composition:

- reserving at least two Supervisory Board positions – one of which on the shareholder side – for persons who especially embody the criterion of internationality;

- reserving at least two Supervisory Board positions on the shareholder side for persons who neither exercise an advisory, directorship, or similar function at customers, suppliers, lenders, or other business partners of the MAN Group, nor have a business or personal relationship with MAN SE or its Executive Board that gives rise to a conflict of interest;

- reserving at least two Supervisory Board positions for women, at least one of which is on the shareholder side.

Proposals for election made by the Supervisory Board to the responsible electoral bodies should take the abovementioned goals into account. Under these goals, persons who have reached the age of 70 at the time of an election should not, as a rule, be considered in proposals for election.

The Declaration of Conformity with the German Corporate Governance Code issued by the Executive Board and the Supervisory Board in December 2010 contained one temporary restriction. This related to the recommendation under section 5.4.5 of the German Corporate Governance Code and was due to the fact that Prof. Dr. Ekkehard D. Schulz, Chairman of the Executive Board of ThyssenKrupp AG, served on the supervisory board of three other listed companies as well as one non-listed company with comparable requirements. This restriction ceased to apply when Prof. Dr. Schulz left the Executive Board of ThyssenKrupp AG on January 21, 2011.

MAN also complied with the German Corporate Governance Code's recommendation that no more than two former members of the Executive Board be members of the Supervisory Board; there are currently no former members of the Executive Board on the Supervisory Board.

No conflicts of interest were reported by members of either the Executive or Supervisory Board during the reporting period. MAN complied with the age limit set by the Supervisory Board for members of the Executive Board, which stipulates retirement from office at the age of 62 with the option for an extension up to a maximum age of 65 years. It also took into consideration the standard age limit of 70 set for members of the Supervisory Board. Only the Chairman of the Supervisory Board and an additional Supervisory Board member have exceeded 70 years of age.

The Supervisory Board approved the secondary activities of Executive Board members within the scope of section 4.3.5 of the German Corporate Governance Code only to the extent that these involved management activities at Group companies and serving on other companies' supervisory boards.

The Company has taken out D&O (directors' and officers' liability insurance) coverage. This insurance was adjusted to reflect the requirements of the *Gesetz zur Angemessenheit der Vorstandsvergütung* (VorstAG – German Act on the Appropriateness of Executive Board Remuneration) dated July 31, 2009, and of the German Corporate Governance Code.

Compliance / risk management

MAN SE's Executive Board established a Compliance function as part of its responsibility for compliance defined by the German Corporate Governance Code. This function, which reports to the Chief Compliance Officer (CCO), is responsible for developing and implementing a uniform group integrity and compliance program, focusing on fighting corruption, infringements of antitrust law, and on data protection. The Compliance function consists of MAN SE's central Corporate Compliance Office and the compliance organization at the subgroups. The central compliance measures developed by the CCO are implemented locally and in a uniform manner by the compliance staff at the subgroups worldwide. All compliance organization staff are subordinate to the CCO, who regularly reports to MAN SE's Executive Board and to the Audit Committee of the Supervisory Board.

The key compliance measures developed and implemented by the Compliance function in the reporting period include the following:

- Another Group-wide compliance risk assessment was conducted in the reporting period. The aim of this was to identify potential compliance risks affecting objective business models in the Group. The results of the compliance risk assessment are used to determine measures to prevent compliance risks, among other things. A risk assessment relating to data protection was also conducted for the first time to identify focus areas for the global data protection program.

- To supplement the policies developed in the previous year, the Compliance function developed three additional compliance policies: a policy on compliance with antitrust regulations, a policy on handling personal data, and a policy on case management and compliance investigations. In addition, MAN has issued a Code of Conduct for suppliers and business partners that contains minimum ethical standards that MAN's suppliers and business partners undertake to observe.

- The Compliance function continues to operate the Compliance Helpdesk, which all employees can contact with compliance-relevant questions. The Compliance Helpdesk answered over 1,400 employee questions in the reporting period.

- The Compliance function held compliance awareness training all around the world in the form of classroom sessions for all employees who may be exposed to compliance risks in their day-to-day work. The training sessions focus on providing basic knowledge on anticorruption and infringements of antitrust law. The Compliance function also conducted special antitrust law training sessions for employees who come into close contact with competitors and antitrust issues, as well as special half-day training sessions to familiarize data protection coordinators with the Group's data protection policy.

- The Business Partner Approval Tool developed in 2010 was rolled out globally. The policy on engaging business partners requires it to be used to check the integrity of a business partner.

- To ensure that purchasing and payment processes at MAN comply with the policies, and that compliance risks in these areas are identified at an early stage, MAN started introducing an electronic monitoring system during the reporting period that supplements the controls imposed by the internal control system. This system is designed to detect any compliance risks and policy violations in the MAN Group's purchasing and payment processes at an early stage.

- To prevent MAN being exposed to compliance risks from the acquisition or disposal of equity investments, MAN implemented a process in 2011 that involves the Compliance function in any M&A projects in the MAN Group from the start.

- The Speak up! whistleblower portal introduced during the reporting period serves to identify and prevent material risks to MAN. It accepts and analyzes tip-offs relating to serious compliance violations, especially in the area of white collar crime (e.g., corruption offenses), antitrust law, and data protection.

- Compliance violations are not tolerated at MAN. Reports of possible violations are investigated in detail, dealt with, and punished according to the penalties permitted under labor law.

A detailed description of MAN's compliance organization and the compliance measures implemented in the reporting period can be found in the "Opportunities and risks" section.

Risks resulting from compliance violations and other business risks were assessed under the risk management system and addressed in detail by the Executive Board and Supervisory Board, and in particular by the Audit Committee. Please refer to the description of MAN's risk management system and the risk report contained in the Management Report.

Directors' dealings (reportable securities transactions)

Section 15a of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) requires individuals with management tasks and certain related parties to report dealings in MAN shares and related financial instruments to the issuer and the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin – German Federal Financial Supervisory Authority). No transactions were reported in the 2011 fiscal year. Any disclosures are published on the website at the following address:

www.man.eu/MAN/de/Investor_Relations/Corporate_Governance/Meldepflichtige_Wertpapiergeschaefte/.

According to the reports received, the Executive and Supervisory Board members' direct and indirect holdings of shares and derivatives on shares do not exceed 1% of the shares issued by the Company, either individually or in total.

Financial reporting

The year-end consolidated financial statements of the MAN Group are prepared by the Executive Board on the basis of the International Financial Reporting Standards (IFRS), while the single-entity financial statements of MAN SE are prepared in accordance with the *Handelsgesetzbuch* (HGB – German Commercial Code). The financial statements are examined and approved by the Supervisory Board. All deadlines for the publication of financial statements and interim reports were met during the reporting period. In accordance with the recommendation in section 7.1.2 of the German Corporate Governance Code, the Audit Committee discusses MAN's halfyearly and quarterly financial reports with the Executive Board prior to their issue.

Audits

In the reporting period, the Supervisory Board proposed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich (PwC), as auditors of the financial statements; the Annual General Meeting endorsed its proposal. PwC provided MAN's Audit Committee with confirmation of its independence. It was also agreed that the Chairman of the Audit Committee would be immediately informed of any grounds for disqualifying the auditors or questioning their impartiality that might occur during the audit, unless such grounds could be immediately eliminated.

Remuneration report for the fiscal year 2011

Executive Board remuneration in 2011

Resolutions determining the total remuneration of individual Executive Board members are prepared by the Presiding Committee of MAN SE's Supervisory Board. The full Supervisory Board then determines the total remuneration in accordance with legal requirements. The full Supervisory Board also regularly discusses the structure of the Executive Board remuneration system based on the Presiding Committee's proposals. This system is regularly modified and adjusted as needed in accordance with the recommendation set out in the German Corporate Governance Code (the Code; section 4.2.2). The current remuneration system was adopted by the Supervisory Board in its meeting on 12 February 2010 and – as regards the amount of the bonus – by written procedure in June 2010.

The Supervisory Board's objective and duty is to set remuneration at an appropriate amount. The criteria for doing so include in particular the tasks of the respective Executive Board member, their personal performance, the economic situation, the performance of and outlook for the Company, and how customary the remuneration is compared with the Company's peer group, as well as the remuneration structure that applies to other areas of MAN.

Remuneration structure and components

The remuneration of Executive Board members comprises fixed salary payments and noncash benefits, pension and other benefit contributions, and performance-related components. The variable performance-related components comprise components linked to business performance and long-term incentive and risk components.

A) Fixed remuneration

The fixed remuneration is paid as a monthly salary. In addition, Executive Board members receive noncash benefits consisting primarily of the provision of a company car and the payment of insurance premiums. Drivers for business trips are also available to Executive Board members.

The fixed remuneration is reviewed on a regular basis and modified where necessary, taking into account general salary trends and the area of responsibility of the individual Executive Board member.

B) Variable remuneration

The performance-related variable remuneration (bonus) is based on two performance components with equal weightings:

Performance Component One

Performance Component One is defined as the delta to the cost of capital, i.e., the difference between the return on capital employed (ROCE) and the weighted average cost of capital (WACC).

The average delta to the cost of capital for the current and following fiscal year in each case is measured against the target range set in advance by the Supervisory Board.

If the lowest value in the target range is not met, this represents a target achievement of 0%. The highest value in the target range corresponds to the maximum target achievement of 200%. Target achievement between the lowest and highest values of the target range is calculated on a straight-line basis.

Three-quarters of the fixed annual salary is awarded for a target achievement of 100%. The maximum possible bonus for this performance component is capped at one-and-a-half times the fixed annual salary for a target achievement of 200%. A retroactive bonus is paid if target achievement in the following year exceeds that of the current fiscal year, thus improving the average value, provided that this does not exceed the upper target achievement limit of 200%. Similarly, if target achievement is lower in the following year, the bonus for the following year is reduced accordingly.

The current target range for the delta to the cost of capital is –5% to +5%. Target achievement of 0% to 200% is represented as a straight line between these base points. A delta of 5.0% or more therefore yields one-and-a-half times the fixed annual salary and an ROCE equal to the cost of capital yields three-quarters of the fixed annual salary.

Performance Component Two

The second performance component measures the return on equity (before tax) of the fiscal year in question against a predetermined target. The degree to which the target has been achieved is calculated in the same way as for Performance Component One.

The current target range covers a return on equity of between 4% and 20%. Target achievement from 0% to 200% is represented as a straight line between these base points. The maximum possible bonus for this component – one-and-a-half times the fixed annual salary – is awarded for a return on equity of 20% or more. A return on equity of 12% yields three-quarters of the fixed annual salary.

Half of the bonus from this component is paid out as a so-called variable share bonus. Deducting the tax burden, this amount of the share bonus is to be used to acquire common stock of MAN SE that is subject to a lock-up period of four years.

The total bonus from both components is therefore limited to three times the fixed annual salary and is only paid out if the MAN Group generates a return on sales (ROS) of more than 2%.

Figures for fiscal year 2011

Targets and target achievement for bonuses in 2011 were as follows:

Performance component	100% of target	200% of target (cap)	Actual value 2012	Target achievement	Bonus
1 * (ROCE – WACC)	0%	5%	14.4%	200% (cap)	1.5 fixed annual salary
2 Return on equity	12%	20%	11.3%	91.25%	0.68 fixed annual salary

* This component is based on the average of the current and following fiscal year. It therefore represents a payment on account that may have to be paid back.

Supplementary information on the bonus for fiscal 2010:

Performance Component One is based on an average of the current and following fiscal year in each case. Calculating this component using the actual figures for 2010 and 2011, which are now available, reveals that there is no need for adjustments to this component.

C) MAN Stock Program

As an additional remuneration component, a cash remuneration in the amount of 50% of the fixed annual remuneration is granted, which must be used to acquire common stock of MAN SE. Deducting the tax burden, common stock of MAN SE which is subject to a lock-up period of four years is to be acquired for this amount.

Due to the obligation to invest significant parts of the remuneration for at least four years under the MAN Stock Program, or of the variable stock bonus in common stock of MAN SE, the long-term available total remuneration of the Executive Board is to a significant extent directly dependent on the performance of MAN SE's common stock.

D) Occupational pension system

Executive Board members' benefit entitlements comprise retirement, disability, and survivors' benefits. Entitlements to such benefits are accumulated under a defined contribution system, or "capital account plan," with the value of benefits dependent upon the performance of certain fund indices.

Every year, MAN SE contributes an amount equal to 20% of eligible remuneration, i.e., the sum of the contractually agreed fixed remuneration and variable remuneration. Executive Board members may elect to make contributions themselves out of their gross salary.

Contributions and the returns thereon are held in individual capital accounts. The performance of the capital account is directly linked to the capital markets and is determined by a basket of indices and other suitable parameters. The risk of the investments is gradually reduced as the beneficiaries get older (lifecycle concept).

At retirement, the beneficiary may elect to receive the balance of the capital account, or at a minimum the total amount of the contributions, as a lump sum payment, in installments, or as an annuity. In the event of disability or death, the beneficiary is paid the accumulated account balance, or a minimum of €2 million.

Executive Board members' remuneration in 2011

The remuneration awarded to active members of the Executive Board for their services in fiscal 2011 totaled €7,322 thousand plus €895 thousand for pensions (previous year: €10,549 thousand plus €656 thousand for pensions). Please see note 23 of the Notes for details of the Executive Board members' individual remuneration, broken down into fixed and performance-related components and long-term incentive components.

Additionally, a total of €2,930 thousand (previous year: €7,142 thousand) in severance payments was made in fiscal 2011 to former members of the Executive Board. Appropriate provisions were recognized for these payments already in fiscal 2009 or in 2011. These payments are also described in detail in the abovementioned note of the Notes.

Special contract provisions

Under a provision that has been in effect since 2010, Executive Board members receive their fixed remuneration, bonus, insurance contributions, and contributions to the pension system until the end of their normal term of office, but for no more than two years, in the event of the early termination of their contract without good cause and at the instigation of the Company. Income from activities elsewhere is offset and the basis for calculating the amount of the contributions to the pension system reduced accordingly. MAN uses an Executive Board member's bonus for the past fiscal year and expected bonus for the current fiscal year as a basis for calculating the bonus paid as a severance payment following departure.

If an Executive Board member's contract is terminated at his or her instigation (members may terminate their contracts without having to cite reasons, by giving 18 months' notice), payments are only made until the end of the notice period. There are no special change-of-control provisions in place.

Supervisory Board remuneration

The structure and amount of Supervisory Board remuneration are stipulated by the Annual General Meeting and governed by Article 12 of the Articles of Association. They are based on the tasks and responsibilities of the Supervisory Board members as well as on the Group's economic performance.

The annual remuneration comprises the following components:

- basic (fixed) remuneration of €35,000;
- variable remuneration (bonus). This is based on actual earnings per share as reported in the consolidated financial statements. The variable remuneration is €175 for every €0.01 by which earnings per share exceed €0.50. It is capped at twice the basic remuneration.

Additional remuneration is paid to the chairman and deputy chairman of the Supervisory Board as well as to the chairmen and members of the Supervisory Board committees. The Supervisory Board chairman receives double and his deputy one-and-a-half times the fixed and variable remuneration. Members of the Supervisory Board's Audit Committee and Presiding Committee each receive an additional 50% and the chairmen of the two committees receive an additional 100% of the basic remuneration.

Since the amendment to the Articles of Association resolved at the Annual General Meeting on April 1, 2010, the members of the Supervisory Board have additionally received an attendance fee of €500 in each case for meetings of the Supervisory Board or of Supervisory Board committees at which they are present.

In addition, members of the Supervisory Board are reimbursed their expenses.

Remuneration and expenses reimbursed that are subject to value added tax are paid gross of value added tax if this is invoiced separately.

There is no remuneration component relating to the Company's long-term success included in the Supervisory Board remuneration because contributions to success can hardly be measured. This means a deviation from the corresponding suggestion in the German Corporate Governance Code (section 5.4.6).

Approval for the remuneration of the first Supervisory Board of MAN SE was sought as a precautionary measure at the 2011 Annual General Meeting when the Supervisory Board's first term of office as defined by the Articles of Association ended.

Supervisory Board members' remuneration in 2011

The total remuneration payable to the members of the Supervisory Board for 2011 amounts to €2,220 thousand (previous year: €2,183 thousand). In addition, members of MAN SE's Supervisory Board received remuneration totaling €73 thousand (previous year: €68 thousand) for serving on supervisory boards at Group companies in fiscal 2010. Please see note 24 of the Notes for a breakdown of the individual remuneration of the Supervisory Board members in 2010.

Additional information

Supervisory Board members did not receive any additional remuneration or awards for personal services, particularly advisory or intermediary services, during the reporting period.

Former Supervisory Board members who left the Board prior to January 1, 2011, do not receive any remuneration.

(2) Other management practices

MAN SE is the leading holding of the MAN Group. The latter is a group based on contracts (*Vertragskonzern*), i.e. all essential German subsidiaries in which MAN SE holds 100% of the shares are included in the group by control and profit and loss transfer agreements.

The allocation of functions and responsibility within the MAN Group is governed by the principle of "Industrial Governance". This principle is available on the internet at www.man.eu/MAN/de/Investor_Relations/Strategie/. According thereto, MAN SE's Executive Board is responsible for the strategic management of the MAN Group, while the divisions have the operational responsibility for their respective business areas.

The responsibilities of MAN SE as the Group's Corporate Center include the development of the Group's overall strategy and structure, the development and deployment of managers, the target-driven and active management and the central financing of the Group. Further key functions include Controlling, Corporate Audit and Compliance Management.

This management system is flanked by the Shared Services for the entire Group. For instance, financial services and personnel services are provided by separate companies: MAN Finance International GmbH and MAN HR Services GmbH.

Group policies apply to the MAN Group to unify the standards.

The essential applicable ethical and compliance requirements for the MAN Group are laid down in the Code of Conduct, which is available on the internet at www.man.eu/MAN/de/Unternehmen/Management/Code_of_Conduct. It sets out important basic rules and minimum standards as a binding conduct policy for all employees of the MAN Group. Its aim is to give all employees orientation for legal and ethical challenges in their daily work and to enhance correct conduct. In particular, the Code of Conduct contains a clear commitment to free and fair competition. Anti-competitive behaviour and corruption of any kind are not permitted. Rules specifying the requirements of the Code of Conduct are included in Group policies, such as e.g. the policy on gifts, hospitality, and invitations to events.

(3) Functioning and composition of Executive Board, Supervisory Board and committees

The composition of the Executive and Supervisory Boards themselves and of the Supervisory Board committees is set out in the Notes to the annual financial statements on pages 42 et seq.

Please see the Corporate Governance report under (1) for information on the functioning of the Executive and Supervisory Boards.

There are no committees of the Executive Board.

Functioning of the Supervisory Board committees

Two committees with equal numbers of representatives have been created from the Supervisory Board of MAN SE: the Presiding Committee and the Audit Committee. Both committees consist of six committee members each. While the Presiding Committee includes the chairman of the Supervisory Board and the first and second deputy as well as three further members to be elected by the Supervisory Board, all members of the Audit Committee are elected by the Supervisory Board.

The chairman of the Supervisory Board is also the chairman of the Presiding Committee. The Audit Committee has to elect its chairman from among the shareholders.

The Presiding Committee's tasks include dealing with personnel matters, in particular service contracts and other agreements entered into with Executive Board members, as well as any consents permitting members of the Executive Board to engage in secondary activities. Decisions are only delegated in cases where responsibility does not rest with the full Supervisory Board by virtue of law. This particularly holds true for any decisions to be taken by the Supervisory Board with regard to the remuneration structure applicable to Executive Board members and – from the date on which the *Gesetz zur Angemessenheit der Vorstandsvergütung* (VorstAG – German Act on the Appropriateness of Executive Board Remuneration) has entered into force – also with regard to determining the total remuneration of individual Executive Board members; for these purposes, the Presiding Committee must draw up proposals and submit them to the full Supervisory Board. Furthermore, the Presiding Committee is responsible for carrying out the succession planning with regard to filling Executive Board positions in the long term, and for deciding on whether to grant loans to the persons specified in section 89 and section 115 of the *Aktiengesetz* (AktG – German Stock Corporation Act).

In addition, the Presiding Committee deals with proposals regarding the appointment of members to the Executive Board and the termination of such appointments, submitting its relevant proposals to the full Supervisory Board.

The Presiding Committee's responsibilities further include preparing the meetings of the Supervisory Board. The Presiding Committee makes resolution recommendations to the Supervisory Board with regard to resolutions to be adopted.

The duties assigned to the Audit Committee under the Supervisory Board's Rules of Procedure include, in essence, the following:

- discussing the half-yearly and quarterly financial reports with the Executive Board prior to their publication, and preparing the Supervisory Board's decision on the adoption of the annual financial statements

and the approval of the consolidated financial statements; this includes, in particular, dealing with accounting issues and discussing the audit report with the auditor;
- dealing with issues relating to the internal control and risk management system, as well as to compliance; and
- preparing decisions of the Supervisory Board on the proposal regarding the auditor's election by the Annual General Meeting, and the issuance of the audit mandate relating to the annual and consolidated financial statements.

In addition, there exists the Nomination Committee, which is composed of the Presiding Committee's shareholder representatives. It is tasked with identifying candidates for Supervisory Board positions who meet the eligibility criteria in the best possible way and are willing to be appointed to the Supervisory Board, and recommending suitable candidates to the Supervisory Board as the latter's proposals for election at the Annual General Meeting – taking into account statutory provisions as well as the provisions of the German Corporate Governance Code implemented in accordance with the Company's Declaration of Conformity.

The Presiding Committee generally meets prior to each Supervisory Board meeting. Meetings of the Audit Committee are held in connection with the preparation of the annual financial statements prior to the Supervisory Board's financial statements meeting in spring, prior to instructing the auditor, and in connection with the quarterly financial statements. Furthermore, additional meetings of the Presiding and Audit Committees are scheduled to be held as required.

If the chairman of a committee so directs, Supervisory Board meetings may also be held as a video conference or a conference call, or individual Supervisory Board members may be connected to meetings by video or telephone conference facility. Resolutions may be adopted outside of meetings: i.e. in writing, by fax or via e-mail, or by any other conventional means of telecommunication if ordered by the chairman of the Supervisory Board and provided that none of the Supervisory Board members objects to such procedure in text form without undue delay.

Resolutions to be adopted by the committees (like those to be adopted by the Supervisory Board) – unless provided for otherwise by law – require a simple majority of the votes cast. In the event of a tie, the chairman of the Supervisory Board has the casting vote.

The chairman of the Supervisory Board is responsible for executing the resolutions adopted by the Supervisory Board or any of its committees.

The conference language of the meetings of the Supervisory Board and its committees is German, with a translation into the national language of each Supervisory Board member who requests one being provided.

The members of the Executive Board regularly attend committee meetings – as well as Supervisory Board meetings. At least the Chief Executive Officer, or chairman, respectively, is invited to attend the meetings of the Presiding Committee, and at least the Chief Financial Officer is invited to attend meetings of the Audit Committee.

8. Outlook

MAN SE is the leading holding of the MAN Group. All significant German 100% participations, in particular MAN Truck & Bus AG and MAN Diesel & Turbo SE as essential business divisions, are affiliated with MAN SE by control and profit and loss transfer agreements. Thus, their income is directly received by MAN SE. The following expectations in relation to the business development should continue affecting the income of MAN SE. The Group's outlook is therefore also applicable to MAN SE.

Muted global growth prospects

From where it stands, the MAN Group's Management anticipates that global economic growth will continue to slow slightly in 2012, resulting in a dampening effect in MAN's key markets. This will overshadow underlying long-term growth trends in the transportation and energy markets.

The economic slowdown already visible in 2011 will continue in 2012. According to its latest winter report, the IfW is forecasting global GDP growth of only 3.4% for 2012, down from 3.8% in 2011.

This trend is primarily influenced by the advanced economies and, in particular, the euro zone. After growth of 1.5% in 2011, the IfW expects GDP in the euro zone to again decline slightly by 0.1% in 2012. The uncertainty surrounding the resolution of the debt crisis is expected to lead to a decline in macroeconomic output, particularly at the start of the year. Moderate growth of 1.2% is again expected in the euro zone in 2013, assuming the debt crisis does not continue to escalate in the euro zone countries.

Within Europe, several southern European countries will record negative growth rates in 2012, while only marginal growth is anticipated in Central Europe. The IfW expects growth to decline to only 0.5% in Germany. The EU accession states are very vulnerable to economic risks in the euro zone because of their integration into supply chains. The IfW therefore expects muted growth of only 1.8% in these countries in 2012. They will then again speed in 2013 in line with economic developments in Western Europe.

In the United States, structural weaknesses such as the high levels of household debt and overcapacity in the property market will continue to prevent any significant increase in economic growth in 2012 and 2013. Although the IfW expects inflation and unemployment rates to gradually decrease in the U.S. economy, it is only forecasting growth rates of 2% for the next two years.

The global economy will continue to be driven by the BRIC countries, Latin America, and East Asian emerging economies. It is expected that these countries will be negatively affected by the weaker growth in advanced economies in 2012, owing to the close links between the goods and financial markets. At the same time, many of these countries have extremely solid macroeconomic fundamentals and are in a position to implement monetary and fiscal policy measures. Policymakers will try to maintain a balance between strong growth without overheating and acceptable inflation rates. Overall, the IfW is only forecasting a slight decline in growth rates in this group of countries for 2012 as against 2011.

Economic growth in Latin America will continue to be primarily driven by private consumption, fueled by increases in real incomes. This will be offset by a more restrictive monetary policy to curb inflationary trends, as well as any slow-down in industrialized countries' demand for raw materials. The IfW therefore expects Latin America's upwards economic trajectory to continue over the coming two years with growth rates of between 4% and 5%.

Growth is expected to increase slightly again in Brazil to 5.0% in 2012 and 5.5% in 2013.

Although slower, growth will remain high in China and India at 8% and 7%, respectively, despite measures necessary to combat inflation and the appreciation of the Chinese currency. Backed by high oil prices and expansionary fiscal policies, the Russian economy is in a position to maintain annual growth rates of 4%. The IfW anticipates annual growth rates of around 5% in the Southeast Asian economies in 2012 and 2013.

The European commercial vehicles market grew significantly by over 29% in 2011 despite the already slowing global economy. Based on this high level, and reflecting worsening economic expectations, MAN currently expects the market to stabilize at the prior-year level in 2012.

Russia continues to exhibit strong demand for trucks, buoyed by the development of the energy sector and fiscal measures. MAN is therefore expanding its presence in Russia with a production facility in St. Petersburg. The other countries of the CIS are forecast to record slight market growth.

China will remain by far the world's largest heavy truck market, despite the fact that the market volume is currently experiencing a slight decline and is likely to remain roughly at the same level over the coming years. This is attributable to the discontinuation of government purchase incentives and the more efficient use of existing vehicle fleets. MAN is also present in China through its long-term strategic partnership with and equity interest in Sinotruk Ltd., Hong Kong/China. The new joint brand, SITRAK, is scheduled to go on sale in 2013.

Over the coming years, growth in the Indian commercial vehicles market will be dominated by the heavy trucks segment. This growth is driven by rising industrial output, infrastructure expansion, and the need to renew vehicle fleets as a result of tightened government regulations. The agreement on the takeover of the previous MAN FORCE TRUCKS Pvt. Ltd. joint venture underlines the importance of the Indian market as part of MAN's BRIC strategy.

Brazil remains the growth driver in Latin America. Its sustained economic growth, despite a slight decline, generates market potential for trucks and buses. This is amplified by aging vehicle fleets, infrastructure expansion, and investments in the run-up to the 2014 Soccer World Cup and the 2016 Olympic Games. However, demand is expected to drop off in the first half of 2012 following the changeover to the Euro V emission standard. Overall, this will cause the market to decline as against 2011.

MAN expects varying regional market trends in the bus sector. Strong demographic growth, the continual rise of urban populations, and increasing willingness to travel are driving demand for city buses and coaches, particularly in emerging economies and developing countries. In contrast, only slight growth is expected in Europe despite ongoing modernization programs and the liberalization of public transportation. Against the background of necessary budget consolidation, expected cuts in government spending over the medium term will curb growth in Europe.

The continued growth of emerging economies and developing countries will drive the markets for applications in the processing industry and energy generation in 2012 and 2013. The long-term trend towards higher energy consumption will continue to lead to investment in oil and gas extraction. In developed economies, demand will increase for solutions that support the change in energy policy through the use of alternative sources. This will also create market opportunities for MAN in the Power Engineering business area over the coming two years, in particular for innovative products, as well as service packages and measures to improve the efficiency of existing plants.

In the shipbuilding industry, the container ship and bulk freighter markets are expected to decline as the weakening of the global economy causes trade volumes to stagnate, and the delivery of new ships further increases transportation capacity. Overcapacity has led to intensified competition between shipping companies and falling freight rates. As a result, the industry is increasingly concentrating on the construction of special ships, such as for the offshore sector or LNG tankers. MAN expects the slight recovery of the niche markets to continue in 2012. Overall, the industry will remain at a significantly lower level than in the boom years of 2005 to 2008.

Executive Board's revenue and earnings expectations

The MAN Group's Management is expecting economic growth to slow in 2012. There is also significant uncertainty regarding the economic environment, particularly in light of the debt crisis in Europe. Assuming that governments are able to stabilize the financial markets and prevent the crisis from spreading to the real economy, MAN SE's Executive Board expects the following:

In the Commercial Vehicles business area, MAN expects the European commercial vehicles business in 2012 to be on a level with the previous year. Sales will decline in Brazil following the changeover to the Euro V emission standard. Revenue in the Commercial Vehicles business area will therefore decrease slightly by up to 5%. Return on sales will be below the prior-year level due to the drop in the high-margin Latin American business and increasing competition in stagnating markets. MAN is aiming for a return on sales of around 7%.

Revenue in the Power Engineering business area is expected to grow by 5% in 2012, bolstered by the increase in order intake in 2011. The return on sales will remain clearly in double digits, even improving slightly as against 2011.

Across the MAN Group as a whole, revenue is currently expected to fall slightly, which will lead to a drop in operating profit. This is owing to the greater importance of the Commercial Vehicles business area. Return on sales will decline slightly and will roughly correspond to the long-term target average of 8.5%.

Performance in 2013 will be highly dependent on the extent to which the economy will slow in 2012 and whether the uncertainties on the financial markets can be allayed. The MAN Group will continue to grow profitably in 2013, assuming the global economy and the euro zone in particular regain speed and continue to grow. Revenue in the Commercial Vehicles business area is expected to grow by more than 5%, driven by new growth in the European and Brazilian commercial vehicles markets. The target return on sales is set to exceed 7%. The Power Engineering business area will see revenue growth of around 5%, primarily from the turbomachinery, power plant applications, and wind power gear units businesses. The return on sales will remain stable at the current high level. For the MAN Group, the Executive Board is anticipating revenue growth of over 5% and a return on sales once again in excess of the long-term target average of 8.5%.

In its market assessment and resulting decisions, the Executive Board is aware that the current uncertain environment poses downside risks that could significantly influence projected growth and profitability. Management is constantly monitoring ongoing economic developments and will take measures without delay – in particular to scale production capacity – should this become necessary in the event of a deterioration in the economic situation.

Long-term growth strategy

The MAN Group will continue to pursue its profitable growth strategy with a focus on transportation and energy. A key part of this strategy is international growth. MAN is systematically expanding its presence around the globe, particularly in the BRIC countries, as well as the emerging economies in East Asia and South America, which also offer attractive growth potential for MAN. A second focus is the expansion of after-sales operations in all business areas. Technology leadership is a key success factor for MAN. MAN develops products and solutions that meet the needs of customers and markets. Its focus is on reducing fuel consumption and emissions, as well as generating energy that is efficient, reliable, and environmentally friendly.

Increased flexibility creates room to move

MAN has been systematically working to increase its flexibility since the economic downturn in 2008. This allows MAN to better react to a drop in business or take advantage of market opportunities as they arise. The prime focus here is on efforts to increase the flexibility of the Group's cost structures, as well as geographical diversification. MAN can counter a drop in demand through flexible production concepts, by reducing the number of subcontracted or temporary employees, or using flextime accounts and short-time working. In line with MAN's international growth strategy, purchasing activities will continue to focus on global procurement markets and increasing flexibility by expanding dual sourcing. A preventive risk management system is used to continuously monitor supplier relationships and lays the foundation for successful and efficient procurement. Improvements to the processes for managing net working capital and the diversification of refinancing sources have created additional scope for action.

Cooperation with Volkswagen and Scania

The intensified cooperation between MAN, Volkswagen and Scania opens up significant potential synergies and will positively influence the growth of the MAN Group. Over the medium-term, the companies involved can achieve synergies totaling at least €200 million annually, a large amount of which are in procurement. Close cooperation in manufacturing, as well as in research and development, offers substantial further potential over the long term. The MAN Group will play an active role in leveraging these synergies. The first project groups have been established and have started working on this.

Continuation of internal synergy projects

MAN defined a range of synergy projects over the past two years and continues to systematically drive these forward. The Commercial Vehicles business area is working on successfully covering emerging markets with specific products that use technologies already available within the Group. In the Power Engineering business area, the energy generation market can be more rigorously developed by offering packages of products from the entire range. To leverage purchasing synergies and ensure the sustainability of successful purchasing strategies, non-production-related requirements are procured centrally by a Group-wide Purchasing function.

Capital expenditures, research, and development

The MAN Group will continue to make significant capital expenditures in 2012 in order to safeguard the long-term success of the Group. In addition to necessary expenditure on replacement items, MAN will make targeted investments in the modernization of its production facilities and the continued expansion of its service and sales network across all divisions. Management will use portfolio measures if the opportunity arises.

Research and development is of elementary importance to the MAN Group because the Company can only meet customer and legal requirements by developing leading technological solutions. Our R&D activities are rigorously aimed at providing customers with a competitive advantage. As a result, they continue to focus on enhancing MAN's commercial vehicle and diesel engines in terms of their performance, consumption, and emission standards; further developing its truck and bus models; and improving the product range in the Power Engineering business area, in particular by making our plants and systems more efficient. We will also continue to focus on products related to alternative energies such as wind power. In 2012 and 2013, the MAN Group will step up its R&D activities and therefore increase research and development expenditures as against 2011 – both in absolute terms and in relation to revenue – with the goal of maintaining and expanding its technological position through R&D.

Cash flow

In view of the economic situation, cash management will be a particular focus. Measures to reduce inventories and receivables by improving processes will be defined and monitored on an ongoing basis as part of the Group-wide working capital optimization program. The MAN Group's financing structure aims to achieve an economically sensible mix of operating cash flow and external finance. MAN will keep a close eye on the capital markets in 2012 and, where appropriate, take measures to safeguard its financial capacity to act at any time if an opportunity arises. Current financing conditions, the ongoing European debt crisis, and the tranche of the MAN corporate bond issued in 2009 that matures in 2013 must also be taken into account. We will continue to conduct local financing arrangements in emerging market countries and asset-backed financing arrangements to refinance the financial services business.

The MAN Group's net financial debt will increase significantly in 2012, driven by the ongoing expansion of sales financing and by the payments under the agreements entered into with IPIC and MPC regarding the disposal of Ferrostaal, as well as the acquisition in full of the joint venture with FORCE Motors Limited, Akurdi/India. In any phase where revenue temporarily declines slightly, MAN will also continue to invest in products and structures that will drive long-term growth.

Once again, the MAN Group would like to enable its shareholders to participate in the Company's success by distributing an appropriate share of its profits for 2011, bearing in mind the economic environment. The dividend of €2.30 per share for 2011 will therefore be higher than in 2010 (€2.00 per share). The amount distributed is not fixed; the Group generally aims for 30% to 60% of net income.

Employees

The number of employees in the MAN Group (including subcontracted employees) will increase slightly in the coming year, provided economic factors do not make capacity adjustments necessary.

Uncertainties in the outlook

The forward-looking statements and information described above are based on current expectations and certain assumptions. They therefore involve a series of risks and uncertainties. A large number of factors, many of them beyond the MAN Group's control, affect its business activities and their outcomes. These factors may cause the MAN Group's actual performance and results to differ considerably from those discussed in the forward-looking statements.

9. Events after the reporting period

No events occurred after the reporting period that are material for the MAN Group and that could lead to a reassessment of the Company.

Annual report of MAN SE
for the fiscal year
January 1 to December 31, 2011

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Responsibility statement

Munich, January 31, 2012

MAN SE

Executive Board

Income statement for the period January 1 to December 31, 2011

€ thousand	*Note*	2011	2010
Net income from investments	**(1)**	701,637	275,854
Net interest income	**(2)**	-126,885	-111,676
Other operating income	**(3)**	129,761	50,443
General and administrative expenses	**(4)**	-92,964	-84,091
Other operating expenses	**(5)**	-60,215	-54,659
Net operating income		**551,334**	**75,871**
Extraordinary net result	**(6)**	-	560,791
Tax income/earnings	**(7)**	-179,606	-116,113
Net income for the fiscal year		**371,728**	**520,549**
Retained profits brought forward from previous year		2,013	544
Provision to revenue reserves		-	-225,000
Net retained profits		**373,741**	**296,093**

Balance sheet

€ thousand	Note	Dec. 31, 2011	Dec. 31, 2010
Assets			
Intangible assets		9,571	7,718
Property, plant, and equipment		1,561	1,682
Financial assets		5,641,253	5,641,460
Fixed assets	**(8)**	**5,652,385**	**5,650,860**
Receivables and other assets	**(9)**	99,073	222,469
Marketable securities		24,999	-
Cash and cash equivalents	**(10)**	2,433,564	2,132,614
Current assets		**2,557,636**	**2,355,083**
Prepaid expenses	**(11)**	**17,082**	**19,272**
		8,227,103	**8,025,215**

€ thousand	Note	Dec. 31, 2011	Dec. 31, 2010
Liabilities			
Subscribed capital		376,422	376,422
Contingent capital €76,800 thousand			
Capital reserves		794,897	794,897
Retained earnings		844,000	844,000
Net retained profits		373,741	296,093
Equity	**(12)**	**2,389,060**	**2,311,412**
Provisions for pensions		17,569	10,749
Provisions for taxation		158,159	66,731
Other provisions		571,796	607,451
Provisions	**(13)**	**747,524**	**684,931**
Financial liabilities		4,930,674	4,886,088
Other liabilities		159,845	142,784
Liabilities	**(14)**	**5,090,519**	**5,028,872**
		8,227,103	**8,025,215**

Notes

Underlying Principles of the Annual Financial Statements

The annual financial statements of MAN SE for the fiscal year January 1 to December 31, 2011 have been prepared in accordance with the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the *Aktiengesetz* (AktG – German Stock Corporation Act).
To enhance the clarity of presentation, individual items have been combined in the balance sheet and in the income statement. These items are disclosed separately in the notes.

The income statement has been set up based on the cost of sales (function of expense) format.

Implementation of the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernization Act)

In the fiscal year 2010, MAN SE has applied the provisions of the *Bilanzrechtsmodernisierungsgesetzes* (BilMoG – German Accounting Law Modernization Act) for the first time.

Accounting Policies

Intangible Assets

Acquired intangible assets are carried at cost and are depreciated over their useful life, generally over a period of three to five years using the straight-line method.

Property, plant, and equipment

Property, plant, and equipment are carried at acquisition or production cost and reduced by depreciation and, where applicable, write-downs. Repair costs and interest on debt are recognized as current expenses.

Depreciation on buildings is carried out at the highest permissible rates under section 7 *Einkommensteuergesetz* (EStG – German Income Tax Act). As of the beginning of the fiscal year 2010, movable property, plant, and equipment are amortized over a period corresponding to the expected useful life of the relevant asset using the straight-line method. Moveable property, plant, and equipment which have been acquired in prior years are amortized at the highest permissible rates over a period corresponding to the expected useful life of the relevant asset using the diminishing balance method.

As of the beginning of the fiscal year 2010, independently useable moveable assets which are subject to wear and tear and where the acquisition costs do not exceed €410 are fully amortized in the year of the acquisition. The annual collective item which has been build up in prior years will be dissolved evenly over the following two years.

Non-scheduled depreciations will be undertaken where a long-term loss of value is anticipated.

Financial Assets

Shares in affiliated companies and other equity investments are carried at the lower of cost or net realizable value. Loans are carried at the lower of cost or present value at the end of the reporting period.

Where the reasons for write-downs no longer apply, we are writing up such assets in accordance with the reversal of impairments principle.

Current Assets

Receivables and other assets are generally carried at their principal amounts. Appropriate valuation allowances are recognized for identifiable specific risks.

Marketable securities are carried at the lower of cost or fair market value.

Cash and cash equivalents are carried at their principal amounts.

Deferred Taxes

An excess of deferred tax liabilities for accounting differences as well as under consideration of unused tax and interest losses carried forward is only recognized if tax burdens may be assumed for future fiscal years. The accounting differences at the level of dependent companies are included as far as it may be assumed that future tax burdens and tax reliefs will result from the reversion of temporary differences at the level of MAN SE, being the consolidated tax group parent.

Deferred tax claims and tax liabilities are calculated in accordance with the *Körperschaftssteuergesetz* (KStG – German Corporation Tax Act) and the municipal trade tax rate of the consolidated MAN group (31.58%).

Netting Assets, Earnings and Expenses

As of the beginning of the fiscal year 2010 or 2011 respectively, assets which are reserved for liabilities arising from pension commitments or early retirement agreements respectively, and which are exempted from a seizure by other creditors, are carried at fair value. Earnings and expenses relating to these assets are netted against expenses arising from compounding the respective liability and are reflected under the interest results. These assets are netted against the respective underlying liability. As far as such netting results in an excess in liabilities, the excess is recognized under provisions.

Pensions and similar Liabilities

Pension liabilities are determined using the projected unit credit method (*versicherungsmathematisches Anwartschaftsverfahren*), under which the future defined benefit obligations are determined on the basis of the proportionate benefit entitlements earned by the end of the reporting period and discounted to its present cash value. The determination reflects assumptions about the future development of certain parameters that affect the level of future benefits. The discount rate applied as from the beginning of the fiscal year 2010 is the interest rate published from time to time by the German Central Bank (*Deutsche Bundesbank*) for a remaining maturity term of 15 years.

Pension provisions are reduced by the fair value of plan assets which are used to cover benefit obligations. For information in this regard please refer to “Offsetting Assets, Earnings and Expenses”.

Other Provisions, Liabilities

The remaining provisions reflect uncertain liabilities. When determining uncertain liabilities, all noticeable risks have to be taken into account, including future increases of prices and cost. Provisions with a remaining maturity term of more than one year are discounted in accordance with the respective remaining maturity term.

Liabilities must be carried at their redemption amount.

Foreign currency translation

Hedged receivables and liabilities denominated in foreign currencies are recognized at the respective spot rate. All other short-term receivables and liabilities denominated in foreign currencies are recognized at the median currency exchange rate at the end of the reporting period. All other long-term receivables and liabilities denominated in foreign currencies are exchanged at the exchange rate of the day they were initially entered into the balance sheet, however, as applicable, receivables are exchanged with the lower exchange rate and liabilities are exchanged with the higher exchange rate at the end of the reporting period.

Derivative Financial Instruments

At MAN SE, derivative financial instruments are predominantly used to hedge risks. If the requirements are fulfilled, derivatives and the respective underlying are combined and recognized as single valuation units. For certain valuation units, every change of value is reflected in the balance sheets for both the underlying as well as the hedging transaction (*Durchbuchungsmethode*). In respect of other transactions where the valuation unit is effective and a negative market backlog (*negative Marktwertüberhang*) exists because of ineffectiveness, one provision is made for valuation units (*Einfrierungsmethode*).

Derivative financial instruments where hedging and underlying transaction are not combined to a valuation unit are recognized in accordance with the imparity principle, i.e. provisions are made for negative fair values and positive fair values are disregarded.

Income statement disclosures

(1) Net income from investments

€ thousand	2011	2010
Profit from profit transfer agreements	809,149	224,973
Profit from participations	460,225	21,882
(thereof from affiliated companies)	(400,887)	(10,765)
Expenses from assumption of losses	-567,737	-288,332
Depreciations of participations	-	-30,000
Write-ups of participations	-	347,331
	701,637	**275,854**

As a result of the good business situation, the profits from the transfer agreements and the profits from participations have increased significantly. The profits from participations contain profits resulting from the redemption of capital reserves of affiliated companies. The increase in expenses from the assumption of losses is mainly due to the depreciation in value of the participation in Ferrostal as well as to the accounting prevention established with regard to the commitment made concerning the settlement with International Petroleum Investment Company, Abu Dhabi/V.A.E. (IPIC). In the previous year, the appreciation in value of the Scania participation took effects under write-ups, because the reasons for the depreciation were no longer applied.

(2) Net interest income

€ thousand	2011	2010
Other interest and similar income	69,446	81,366
(thereof from affiliated companies)	(65,124)	(79,518)
Interest and similar expenses	194,044	-192,101
(thereof from affiliated companies)	(-27,824)	(-23,087)
Interest from pension provisions	-2,287	-941
	-126,885	**-111,676**

The net interest income and the net interest expenses mainly refer to the assets presented in the liquid funds and in the financial liabilities. In fiscal 2011, interest and similar expenses include tax interest of €32,440 thousand (previous year: €21,418 thousand). In the fiscal year the compounding of other provisions affected €4 thousand (previous year: €5 thousand) of the net interest income. In the fiscal year €4 thousand (previous year €5 thousand) tock effect from the accumulation of other provisions.

(3) Other operating income

Other operating income comprise, inter alia, earnings from foreign currency transactions and financial instruments, cost reimbursements of commissions on bank guaranty, earnings from shared service services and additional charges as well as earnings on asset disposals. Earnings from foreign currency valuation amount to €52,127 thousand.

(4) General and administrative expenses

€ thousand	**2011**	**2010**
Personnel expenses	36,392	38,676
Depreciations	5,501	2,678
Costs of materials for the administration	51,071	42,737
	92,964	**84,091**

(5) Other operating expenses

The other operating expenses amounting to €60,215 thousand (previous year: €54,659 thousand) comprise those expenses that are not allocated to the functional expenses. They particularly comprise allocations to provisions, losses resulting from derivative financial instruments and project costs.

(6) Extraordinary net result

In the previous year, the extraordinary net result mainly comprised the income from the merger of MAN Maschinen- und Anlagebau GmbH and MAN Diesel Beteiligungs GmbH to MAN SE amounting to €568,001 thousand. Furthermore the extraordinary net result comprised the expenses resulting from the first-time application of the BilMoG (please refer to “Implementation of the Bilanzrechtsmodernisierungsgesetz”).

(7) Tax income/earnings

In fiscal 2011 the tax expense amounts to €179,606 thousand (previous year: €116,113 thousand). It consists of €16,588 thousand of periodic taxes and of €163,018 thousand of non-periodic taxes.

Balance sheet disclosures

(8) Changes in fixed assets

€ thousand	Costs				Cumulative depreciation, amortization and write-downs				Net book value	
	Balance at 01.01.2011	Additions	Disposals	Balance at 31.12.2011	Balance at 01.01.2011	Additions	Disposals	Balance at 31.12.2011	Balance at 31.12.2011	Balance at 31.12.2010
Intangible assets	**14,422**	**7,073**	**0**	**21,495**	**6,704**	**5,220**	**0**	**11,924**	**9,571**	**7,718**
Property, plant, and equipment										
Land, land rights and buildings, and buildings on third-party land	13,361	0	1,960	**11,401**	12,606	28	1,892	**10,742**	**659**	**755**
Operating and office equipment	1 747	232	79	**1 900**	820	253	75	**998**	**902**	**927**
	15 108	**232**	**2 039**	**13 301**	**13 426**	**281**	**1 967**	**11 740**	**1 561**	**1 682**
Financial assets										
Shares in affiliated companies	4,259,267	10	0	**4,259,277**	5,915	0	0	**5,915**	**4,253,362**	**4,253,352**
Loans to affiliated companies	80,000	0	0	**80,000**	0	0	0	**0**	**80,000**	**80,000**
Other equity investments	1,402,286	5	0	**1,402,291**	96,285	0	0	**96,285**	**1,306,006**	**1,306,001**
Other loans	2,107	0	222	**1,885**	0	0	0	**0**	**1,885**	**2,107**
	5,743,660	**15**	**222**	**5,743,453**	**102,200**	**0**	**0**	**102,200**	**5,641,253**	**5,641,460**
Fixed assets	**5,773,190**	**7,320**	**2,261**	**5,778,249**	**122,330**	**5,501**	**1,967**	**125,864**	**5,652,385**	**5,650,860**

Changes in fixed assets are described in the asset analysis. The additions in intangible assets relate to software acquired against payment. The shares in Scania accounted for under other equities are held at fair value. Due to business expectations, a permanent reduction in value is not expected. As of December 31, 2011, the stock exchange value of shares in Scania, relating to the capital interest of 13.35%, amounted to €1,193 million and €1,305 million for the carrying amount. As of December 31, 2011, the participation of MAN SE in the capital of Scania amount to 13.35% and 17.37% of the voting rights.

(9) Receivables and other assets

€ thousand	**Dec. 31, 2011**	**Dec. 31, 2010**
Receivables from affiliated companies	48,126	155,387
Other assets	50,947	67,081
(thereof due after more than one year)	(6,886)	(8,148)
	99,073	**222,469**

The receivables from affiliated companies mainly include receivables from financial transfers with unconsolidated companies, cost charges and tax allocation charges. The decrease of receivables from affiliated companies is mainly attributable to paid cost charges, which have not been due in the last business year.

The other assets mainly include tax refund claims, insurance claims and option premiums.

(10) Cash and cash equivalents

€ thousand	**Dec. 31, 2011**	**Dec. 31, 2010**
Receivables from financial transfer with affiliated companies	1,794,813	1,506,897
Receivables resulting from the settlement of profit and loss accounts with affiliated companies	203,641	166,403
Cash-in-hand, checks, bank balances	435,110	459,314
	2,433,564	**2,132,614**

The receivables from financial transfer with affiliated companies relate to the funding of MAN Group.

(11) Prepaid expenses

The prepaid expenses include a discount in the amount of €2,159 thousand (previous year €2,902 thousand).

(12) Equity

MAN SE's share capital is unchanged at €376,422,400. It is divided into 147,040,000 no-par value bearer shares with a nominal value of €2.56 each. In accordance with Article 4(1) of the Articles of Association, the no-par value bearer shares are divided into 140,974,350 common shares and 6,065,650 non-voting preferred shares. All shares are fully paid in. Under Article 4(2) sentence 2 of the Articles of Association, shareholders may not claim delivery of physical share certificates.

All shares have the same dividend rights; however, a cumulative preferred dividend of €0.11 per preferred share is payable in advance from net retained profit to holders of preferred shares, as well as a further €0.11 per common share as a subordinate right to holders of common shares. If there is insufficient net retained profit to pay the preferred dividend, the shortfall is payable in arrears, without interest, from the net retained profit of the subsequent fiscal years before the distribution of a dividend to the holders of common shares.

The common shares are voting shares, while preferred shares do not generally carry voting rights. Under section 140(2) AktG, this does not apply if the preferred dividend is not paid in a year, or is not paid in full, and the shortfall is not made good in the following year in addition to the full preferred dividend for that year. In such cases, holders of preferred shares have voting rights until the shortfalls are made good, and the preferred shares must be included in the calculation of any capital majority required by the law or the Articles of Association. Preferred shareholders also have voting rights in accordance with section 141(1) (2) sentence 1 in conjunction with section 141(3) AktG, under which a consenting resolution by the preferred shareholders is required if the Annual General Meeting adopts a resolution to revoke or limit the preferred dividend or to issue preferred shares that would rank prior to or equal with the existing non-voting preferred shares in the distribution of profit or the net assets of the Company.

Apart from that the same rights and obligations are attached to all shares.

Authorized Capital 2010

The resolution dated June 3, 2005, authorizing the creation of Authorized Capital 2005, supplemented by a resolution of the Annual General Meeting on April 3, 2009, was superseded when the authorizing resolution of the Annual General Meeting dated April 1, 2010, to create Authorized Capital 2010 took effect.

The Annual General Meeting on April 1, 2010, resolved to authorize the Executive Board of the Company to increase the share capital, with the consent of the Supervisory Board, by up to €188,211,200 (= 50%) by issuing common bearer shares on one or more occasions against cash contributions and/or noncash contributions in the period up to March 31, 2015 (Authorized Capital 2010).

The shareholders must generally be granted preemptive rights. However, the Executive Board is authorized, with the consent of the Supervisory Board, to disapply preemptive rights when shares are issued against noncash contributions for the purpose of acquiring companies, investments in companies, or significant assets of companies. In the case of cash capital increases, the Executive Board is also authorized, with the consent of the Supervisory Board, to disapply preemptive rights:

(i) to the extent necessary to grant the holders of convertible bonds or bonds with warrants that were or will be issued by the Company or its Group companies a right to subscribe for new shares to the extent to which they would be entitled after exercise of their conversion rights or options if they had previously exercised their conversion rights or options or if they had converted their rights in the case of a conversion obligation (antidilution provision); and/or

(ii) if the issue price of the new shares is not more than 5% lower than the quoted market price and the shares issued in accordance with section 186(3) sentence 4 AktG do not in the aggregate exceed 10% of the share capital. Shares issued or sold by direct or indirect application of this provision on the basis of other authorizations during the term of this authorization count towards this limit until the time of utilization. Shares issued or issuable by virtue of convertible bonds or bonds with warrants or with conversion obligations in issue at the time of utilization in accordance with this provision shall also count towards the above-mentioned 10% limit; and/or

(iii) to settle any fractions needed to round the share capital; and/or

(iv) to issue new shares against cash contributions to employees with managerial responsibility (managers) of the Company and/or of Group companies in respect of a proportion of Authorized Capital 2010 of up to €4,000,000. It may also be stipulated that the contribution to be paid must be covered in accordance with section 204(3) AktG.

Apart from the issue of shares to employees with managerial responsibility while disapplying preemptive rights, the authorization is restricted to the extent that, after the authorization is exercised, the total shares issued under Authorized Capital 2010 and/or under Contingent Capital 2010 while disapplying preemptive rights may not exceed 20% of the share capital existing at the time the authorization took effect (= €75,284,480) or – if lower – the share capital existing at the time the authorization was utilized. Further details are governed by Article 4(4) of the Articles of Association.

Issuance of convertible bonds and/or bonds with warrants, Contingent Capital 2010

The resolution dated June 3, 2005, authorizing the creation of the Contingent Capital 2005, supplemented by a resolution of the Annual General Meeting on May 10, 2007, was superseded when the authorizing resolution of the Annual General Meeting dated April 1, 2010, to create the Contingent Capital 2010 to issue convertible bonds and/or bonds with warrants took effect.

By way of a resolution of the Annual General Meeting dated April 1, 2010, the Company's Executive Board was authorized, with the consent of the Supervisory Board, to issue convertible bonds and/or bonds with warrants – hereinafter referred to collectively as "bonds" – of MAN SE in the aggregate principal amount of up to €2.5 billion on one or more occasions until March 31, 2015, and to grant the bondholders options or conversion rights or to establish conversion obligations on new common bearer shares of MAN SE with a notional interest in the share capital of up to €76,800,000 (approximately 20%) as specified in greater detail by the option or conversion terms. The bonds are issuable against cash contributions.

The authorization also includes the option to guarantee bonds issued by other Group companies and to grant shares of MAN SE to settle the conversion rights or options or conversion obligations conveyed by these bonds. Furthermore, the authorization allows the Executive Board, with the consent of the Supervisory Board, to define the additional terms of the bonds, in particular the interest rate, issue price, duration and denomination, the subscription or conversion ratio, the option or conversion price, and the option or conversion period, or to do so in consultation with the governing bodies of the issuing Group companies.

The bonds must be offered for subscription by the shareholders. However, the Executive Board is also authorized, with the consent of the Supervisory Board, to disapply preemptive rights:

(i) to the extent that the issue price of the bond is not materially lower than its theoretical market value calculated by recognized financial techniques. In addition, the disapplication of preemptive rights within the meaning of section 86(3) sentence 4 AktG only applies to bonds with rights to shares with a notional interest in the share capital that does not in the aggregate exceed 10% of the share capital. Shares issued, sold, or issuable by direct or indirect application of this provision on the basis of other authorizations during the term of this authorization count towards this limit until the time of utilization;

(ii) to the extent that this is necessary to settle fractions that result from the subscription ratio;

(iii) to grant the bondholders with existing conversion rights/options on, or obligations to convert bonds to, shares of the Company, preemptive rights to the extent to which they would be entitled if they had previously exercised their conversion rights or options or if they had converted their rights in the case of a conversion obligation, in order to prevent dilution of the economic value of these rights.

The authorization to issue convertible bonds or bonds with warrants or with conversion obligations is restricted to the extent that, after the conversion rights/options or the conversion obligations are exercised, the total shares issuable while disapplying preemptive rights under Contingent Capital 2010 and/or issued under Authorized Capital 2010 – apart from the issue of shares to employees with managerial responsibility while disapplying preemptive rights – may not exceed 20% of the share capital existing at the time the authorization took effect (= €75,284,480) or – if lower – the share capital existing at the time the authorization was utilized.

At the same time, the Annual General Meeting on April 1, 2010, resolved to contingently increase the share capital by up to €76,800,000, composed of up to 30,000,000 common bearer shares. The contingent capital increase will only be implemented to the extent that the holders of convertible bonds or bonds with warrants or of conversion obligations issued for cash consideration by MAN SE or its Group companies by virtue of the authorizing resolution of the Annual General Meeting on April 1, 2010, exercise their conversion rights or options or settle their conversion obligations, and provided that other forms of settlement are not used. The new shares carry dividend rights for the first time for the fiscal year in which they are issued (Contingent Capital 2010).

Share repurchase

The resolution dated April 3, 2009, to purchase the Company's own shares was superseded when the authorizing resolution of the Annual General Meeting on April 1, 2010, to purchase the Company's own shares took effect.

The resolution of the Annual General Meeting on April 1, 2010, authorized the Executive Board to purchase common and/or nonvoting preferred shares of the Company, with the consent of the Supervisory Board, on one or more occasions until March 31, 2015, up to a maximum total amount of 10% of the share capital. Together with other treasury shares held by the Company or attributable to the Company in accordance with sections 71d and 71e AktG, the shares purchased by virtue of this authorization may not account for more than 10% of the existing share capital at any time. The shares may also be purchased by other Group companies and/or third parties for the account of MAN SE or other Group companies.

The shares may be purchased on the stock exchange or by means of a public purchase offer to the holders of the class of shares concerned. If the shares are purchased on the stock exchange, the purchase price (net of transaction costs) may not exceed or fall below the price for the relevant class of shares determined by the opening auction on the trading day in Xetra trading (or a comparable successor system) by more than 10%. In the case of a public purchase offer, the bid price or the bid price range per share (net of transaction costs) may not exceed or fall below the average price for the relevant class of shares determined by the closing auction in Xetra trading (or in a comparable successor system) on the three market days before the date of the public announcement of the offer by more than 10%. The purchase offer or the invitation to submit such an offer may entail additional conditions. If the total stock tendered exceeds the volume of the purchase offer, it must be accepted on a proportionate basis. The terms of the offer may provide for preferred acceptance of small numbers of shares to the extent provided by law, but in any case up to no more than a maximum of 100 shares tendered per shareholder. Additional details and conditions relating to the offer may be established in the conditions of the offer.

The Executive Board has been additionally authorized, with the consent of the Supervisory Board, to use purchased common shares of the Company for all purposes permitted by law in addition to sale on the stock exchange or by a public offer to all shareholders, and to disapply shareholders' preemptive rights. This applies in particular:

(i) if the purchased common shares are sold at a price that is not materially lower than the quoted market price; and/or

(ii) to the extent that they are used as consideration in a business combination or to acquire companies or investments in companies or assets of companies; and/or

(iii) to the extent that they are used to settle options or conversion rights or conversion obligations established by the Company or a Group company when bonds were issued. The shares transferred by virtue of this authorization may not in the aggregate exceed 10% of the share capital where they are used to settle conversion rights or options, or conversion obligations established in corresponding application of section 186(3) sentence 4 AktG. Shares issued or sold by direct or indirect application of this provision during the term of this authorization shall count towards this limit until the time of utilization. Shares issued or issuable by virtue of convertible bonds or bonds with warrants or with conversion obligations issued at the time of utilization in accordance with this provision shall also count towards this limit; and/or

(iv) to the extent that the common shares are used to settle stock bonus commitments to employees with managerial responsibility (managers) of the Company and/or of Group companies.

The Annual General Meeting on April 1, 2010, further authorized the Executive Board to redeem the Company's own common shares and/or nonvoting preferred shares with the consent of the Supervisory Board, but without any further resolution by the Annual General Meeting.

Material agreements of the Company that are subject to a change of control following a takeover bid:

As described in the section of the Management Report entitled "Net assets and financial position", MAN SE has entered into various material agreements that are subject to a change of control.

Shareholdings in MAN SE

Volkswagen Aktiengesellschaft notified MAN SE on May 11, 2011, in accordance with section 21(1) sentence 1 of the WpHG that the share of voting rights held by Volkswagen Aktiengesellschaft had exceeded the limit of 30% on May 9, 2011, and amounted to 30.47% at that time. In addition, Porsche Automobil Holding SE and its controlling shareholders notified us on May 11 and 12, 2012, in accordance with section 21(1) of the WpHG, that Volkswagen Aktiengesellschaft's 30.47% interest is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Volkswagen Aktiengesellschaft further notified MAN SE on November 14, 2011, in accordance with section 21(1) sentence 1 of the WpHG that the voting share of Volkswagen Aktiengesellschaft exceeded the limit of 50% on November 9, 2011, and was 55.9% at that time. Furthermore, Porsche Automobil Holding SE and its controlling shareholders notified us on November 14 and 15, 2011, in accordance with section 21(1) of the WpHG, that this share of Volkswagen Aktiengesellschaft of 55.9% is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Finally, in 2010, we received notifications in accordance with section 21(1) of the WpHG that the share of voting rights held by BlackRock, Inc. (and companies affiliated with it) had fallen below the threshold of 3% (for details regarding the notifications, please see note 25).

We have not been notified of, nor are we aware of, further existing direct or indirect interests in the capital of MAN SE that exceed 10% of the voting rights or the relevant thresholds of the WpHG, or of any changes in the above-mentioned interests.

Reserves

MAN SE's capital reserves consist of premiums paid for capital increases and the conversion of preferred shares into common shares.

Retained earnings include other retained earnings only. Including retained profits brought forward in the amount of €2,013 thousand, the net retained profit amounts to €373,741 thousand (previous year: €296,093 thousand).

At the Annual General Meeting, MAN SE's Executive and Supervisory Boards will propose utilizing the net retained profits of €374 million (previous year: €296 million) to pay a dividend of €2.30 per share carrying dividend rights (previous year: €2.00) and to carry forward the remainder to new account. The proposed total dividend payout is therefore €338 million (previous year: €294 million).

Notes to amounts blocked from dividend payout

The difference between the fair value of assets, blocked to satisfy pension and partial retirement payment claims and the value amount of these assets at acquisition costs amounts to €1,604 thousand (previous year €2,293 thousand) which is not available for dividend payout. This amount blocked from dividend payout is opposed by free capital reserves in the amount of €844,000 thousand.

(13) Provisions

a) Provisions for Pensions

The pension plans include mainly direct defined benefit obligations.

The pension schemes of the MAN group, the MAN profit-sharing and pension plan and the separate pension plan for senior managers, directors, and Executive Board members, respectively provide employer contributions that are tied to their remuneration. They can make additional provision through deferred compensation – which is employer-subsidized for staff subject to collective bargaining agreements. The employer- and employee-funded contributions plus returns on capital market investments allow staff to accumulate plan assets during their active employment that are paid out as a lump sum or in installments on retirement, or that can be annuitized in certain cases. The risk of the investments is gradually reduced as employees get older (lifecycle concept). The performance of the plan assets is directly linked to the capital markets and is determined by a basket of indices and other suitable parameters.

Former employees, pensioners, or employees with vested benefits who have left MAN Group have benefit commitments from a variety of old pension plans, most of which are designed to provide lifelong pension payments.

The pension assets of MAN SE are administered by MAN Pension Trust e.V. These assets are irrevocably protected from recourse by MAN SE and may only be used to fund current pension benefit payments or to settle claims by employees in the event of insolvency.

The valuation was based on the following parameters:

	December 31, 2011	December 31, 2010
Technical interest rate	5.14%	5.15%
Future pension increases	2.0%	2.00%
Future pay increases	2.75%	2.75%

A fluctuation probability specific to the company is assumed for those cases where the employment relationship is terminated without entitlement to benefits.

The biometric principles of calculation are based on the tables 2005 G of Prof. Klaus Heubeck which were adjusted in accordance with specific past experience of MAN.

Development of the liability € thousand	
Amount of liabilities as of January 1, 2011	**-38,660**
Allocation of interest	-2,020
Allocation of personnel expenses	-1,295
Payments/Employee contributions	89
Takeover pension liabilities	-6,564
Pension liabilities as of December 31, 2011	**-48,450**
Change in pension assets	
Pension assets as of January 1, 2011	**27,911**
Results from pension assets	421
Other changes	3,237
Change in value due to market evaluations	-688
Fair value of pension assets as of December 31, 2011	**30,881**
Acquisition costs relating to pension assets €25 618 thousand	
Provisions for pensions	**-17,569**

The effects on earnings resulting from the cover assets (€267 thousand) were combined with the allocation of interests (€2,020 thousand) in accordance with sec. 246(2) sentence 2 HGB. The result in the amount of €2,287 thousand is part of the interest results as reflected under "interests from pension provisions".

The value allocated to the assets which were netted against each other has been determined based at arms-length.

b) Other Provisions

The remaining provisions are build up for business related liabilities, for risks in relation to the sale of equity, for cost bearing commitments, for liabilities towards employees as well as for certain individual risks.

The obligations arising from part-time retirement in the amount of €577 thousand were netted against the assets from part-time retirement in the amount of €220 thousand. Acquisition costs relating to part-time retirement assets equal the book value.

(14) Liabilities

€ thousand	31.12.2011 Total	thereof < 1 year	thereof 1-5 years	thereof >5 years	31.12.2010 Total	thereof < 1 year	thereof 1-5 years	thereof > 5 years
Bonds	1,500,000	0	1,500,000	0	1,500,000	0	1,000,000	500,000
Liabilities to banks	51,070	51,070	0	0	51,109	2,1090	49,000	0
Financial liabilities to affiliated companies	3,292,813	3,285,313	7,500	0	3,248,036	3,233,036	15,000	0
Financial liabilities to others	86,791	60,541	15,000	11,250	86,943	60,693	15,000	11,250
Financial liabilities	**4,930,674**	**3,396924**	**1,522,500**	**11,250**	**4,886,088**	**3,295,838**	**1,079,000**	**511,250**
Trade payables	8,497	8,497	0	0	14,626	14,626	0	0
Liabilities to affiliated companies	68,548	68,548	0	0	57,097	57,097	0	0
Liabilities to companies in which a participatory interest is held	15,846	15,846	0	0	15,604	15,604	0	0
Other liabilities	66,954	66,096	415	443	55,457	54,449	599	409
(thereof: taxes)	(37,178)	(37,178)	(0)	(0)	(15,972)	(15,972)	(0)	(0)
(thereof: personnel-related)	(11,905)	(11,905)	(0)	(0)	(10,336)	(10,336)	(0)	(0)
Other liabilities	**159,845**	**158,987**	**415**	**443**	**142,784**	**141,776**	**599**	**409**
	5,090,519	**3,555,911**	**1,522,915**	**11,693**	**5,028,872**	**3,437,614**	**1,079,599**	**511,659**

Financial liabilities to affiliated companies relate to the central funding of MAN Group and include the statement of income.

The personnel related liabilities mainly include the distinction of annual bonus payments.

Other disclosures to the annual report

(15) Guarantees and other liabilities

€ thousand	Dec. 31, 2011	Dec. 31, 2010
Contingent liabilities under guarantees	464,130	525,289
	464,130	**525,289**

The contingent liabilities under guarantees are related to the processing of orders and the group financing oft the group companies. Based on prior experience, we assume that the guarantees will not be invoked.

During fiscals 2007 and 2009, MAN SE has fully funded and transferred pension provisions for the beneficiaries to MAN Pensionsfonds AG. MAN SE is still liable as a debtor in default.

(16) Litigation/legal proceedings

Based on indications of irregularities in the course of the handover of four-stroke marine diesel engines by MAN Diesel & Turbo SE, the Executive Board of MAN launched an investigation by MAN SE´s Compliance Department as well as by external advisers in fiscal 2011. It was discovered, that it was possible to externally manipulate the technically calculated fuel consumption figures of four-stroke marine diesel engines on test beds operated by MAN Diesel & Turbo SE (formerly: MAN Diesel SE) in a way that the figures displayed differed from the actual test results. MAN notified the Munich Public Prosecution Office I of its investigation. The matter was passed to the Public Prosecution Office in Augsburg at the end of 2011 and is still ongoing. MAN continues to cooperate with the Public Prosecution Office to clarify the facts.

From January 18 to 20, 2011, the European Commission conducted a search at MAN Truck & Bus due to a suspected possible antitrust violation in the commercial vehicles business. On April 14, 2011, the South Korean antitrust authorities conducted a search at MAN Truck & Bus (Korea) Limited, Seoul/South Korea. In addition, the European Commission conducted a search at MAN Truck & Bus and at MAN Diesel & Turbo between May 25 and 27, 2011, due to a suspected possible antitrust violation in the engines business. MAN has assured the competition authorities of its comprehensive cooperation in order to thoroughly clarify the allegations.

The UK antitrust authorities (Office of Fair Trading) have launched an investigation into possible price-fixing/antitrust violations at a number of companies active in the UK commercial vehicles market. MAN received a request for information in September 2010 in connection with this investigation. MAN is cooperating with the UK antitrust authorities. The UK antitrust authorities dropped their investigations against individuals in December 2011. The company is still being investigated.

On March 25, 2009, MAN transferred 70% of the shares of Ferrostaal AG, Essen, (Ferrostaal) to International Petroleum Investment Company, Abu Dhabi/U.A.E. (IPIC). The price for 100% of the shares of Ferrostaal was approximately €700 million and was contingent on the option agreed by MAN and IPIC on the purchase and sale of the remaining shares. The contractually agreed put option for the remaining 30% interest in Ferrostaal was exercised by MAN at the beginning of January 2010. The purchaser refused to complete the transaction, referring to, among others, the ongoing investigations by the German public prosecution authorities at Ferrostaal. In this context, a no appealable administrative fine of approximately €140 million has now been imposed on Ferrostaal. A further administrative fine of approximately €10 million is expected to be imposed on one of the Ferrostaal Group companies; according to the information available to MAN, additional related court proceedings against Ferrostaal in Germany are to be discontinued with no further payments by Ferrostaal.

In addition, IPIC notified MAN at the end of September 2010 that it had filed an arbitration action to unwind the Ferrostaal transaction, and additionally for compensation of damages incurred. MAN filed its defense in the arbitration action at the beginning of June 2011. In addition to defending the arbitration action, MAN has filed a counterclaim for acceptance and payment of the remaining 30% interest in Ferrostaal as part of the arbitration action.

Furthermore, Ferrostaal has restated its annual financial statements for the years 1999/2000 to 2008 and is using this – in conjunction with the profit transfer agreements in force at the time – to assert claims in court against MAN amounting to approximately €100 million plus interest. MAN believes that the restated annual financial statements are void and filed an action at the end of May 2011 to determine that they are void.

MAN and IPIC agreed a settlement in November 2011. MAN will buy back 70% of the shares of Ferrostaal for €350 million; this will settle all claims between the parties in connection with the Ferrostaal transaction (IPIC settlement). At the same time, MAN and MPC Industries GmbH, Hamburg (MPC), have agreed to sell all shares in Ferrostaal to MPC and a co-investor (MPC purchase).

However, the above-mentioned arbitration proceedings will continue until the IPIC settlement is implemented. This is subject to clearance by the antitrust authorities. The MPC purchase is conditional on the IPIC settlement being implemented.

The MPC purchase stipulates that MAN will pay to Ferrostaal an amount equal to the aforementioned compensation claims by Ferrostaal, which MAN believes are unjustified. MPC will pay the same amount to MAN as a fixed purchase price and will give an assurance that Ferrostaal will withdraw the action relating to the annual financial statements. In addition, MPC will pay a further purchase price component to MAN, if applicable, which will be contingent upon the outcome of certain Ferrostaal projects.

In addition to the issues described above, MAN is involved in various legal disputes and legal proceedings in connection with its Group-wide business activities. Although any negative decisions in such cases could have a material effect on the Company´s results in a particular reporting period. MAM does not believe that they could have a material adverse effect on its net assets, financial positions, and results of operations. MAN does not tolerate compliance violations. Neither corruption nor breaches of competition law are tolerated, encouraged or accepted by MAN.

(17) Other financial obligations

Other financial obligations comprise rental, lease and leasing obligations. The future obligations are due as follows until expiration of the minimum term of the agreements:

€ thousand	**Dec. 31, 2011**	**Dec. 31, 2010**
Due within one year	15,349	5,800
Due between one and five years	18,353	13,265
Due after more than five years	13,476	0
	47,178	**19,065**
thereof against affiliated companies	***1,079***	**-**

(18) Other income statement disclosures

The general administration expenses include the following personnel expenses:

€ thousand	**2011**	**2010**
Wages and salaries	32,246	34,430
Social security contributions and retirement benefit expenses	4,146	4,246
	36,392	**38,676**

Wages and salaries also comprise share-based payments.

Retirement benefit expenses amount to €1,321 thousand (previous year: €1,906 thousand).

On average, 241 staff were employed during the fiscal year (197 in the previous year).

(19) Deferred taxes

The tax rate applying to the determination of deferred tax is 31.58%.

Deferred tax liabilities on the tax base of assets and liabilities and their differing carrying amounts in the consolidated financial statements of mainly other current assets as well as assets leased out were netted against deferred tax assets on the valuation differences mainly of the short- and long-term provisions, the pension provisions and the tax loss carry forwards. In accordance with the capitalization option under section 274(1) sentence 2 HGB, deferred tax assets exceeding the netted tax assets and liabilities are not recognized.

(20) Derivatives

MAN Group companies generally hedge their interest rate, currency, and commodity risks through MAN SE's Group Treasury on an arm's length basis. In addition, MAN SE hedges receivables and payables in foreign currencies from internal and external loans and cash accounts. MAN SE's risk positions are hedged externally with banks. At present, MAN SE is entering into currency forwards, currency options, interest rate swaps, and cash-settled commodity futures. Derivatives for the purpose of hedging against inflation risks were terminated in the fiscal year 2011 and have ceased to exist as of the reporting date.

The fair value of currency forwards and commodity futures is calculated on the basis of the forward rates obtained from recognised market data providers as applicable on the reporting date compared to the contracted forward rate and the discount factor applicable to the residual maturity of each derivative. We determine the fair value of currency options by means of recognised option pricing models. Important parameters are the residual maturity of an option, the base rate, and the current amount of the exchange rate, and the extent of changes in such rate (volatility). The fair value of interest rate swaps is determined by discounting expected future cash flows over the residual maturities of the swaps based on current market interest rates and the yield curve.

MAN SE establishes valuation units in the form of individual hedging relationships under which each underlying transaction is allocated to a hedging transaction, or as portfolio hedges. In the latter case, transactions are e.g. grouped in annual maturity bands per currency. Thus, as regards the currency risk, individual currency-residual maturity combinations, and as regards the interest rate risk, the respective maturity bands, represent similar risks. The hedging level of MAN SE's foreign currency portfolio reaches approximately 100%. Likewise, underlying transactions that are sensitive to interest rate movements are mostly hedged by way of external interest rate swaps. Such interest rate-sensitive underlying transactions include fixed-rate loans, and interest rate swaps entered into with group companies.

The hedging transactions' positive and negative fair values contrast with the fair values of the underlying transactions entered into by the group companies which show a contrary development. Contrary changes in the values are largely balanced until the end of each valuation unit's maturity. Significant hedging transaction volumes have a maturity of up to three years. The effectiveness of each portfolio hedge is determined prospectively during the term to maturity by using the changes in the fair values of the underlying transactions on the one hand, and those of the hedging transactions on the other (dollar offset method). The amounts, currency units and payment dates of the underlying and hedging transactions of each individual hedging relationship are compared to each other (critical term match). If they are largely identical, it is assumed that an effective hedging relationship is in place. Effectiveness is determined on an annual basis in the course of the preparation of the annual financial statements.

In the case of certain valuation units, all changes in values regarding both underlying and hedging transactions are recorded in the balance sheet (gross hedge presentation method). As regards the other transactions, if the valuation unit is effective, and there is a negative market backlog (*negativer Marktwertüberhang*) due to ineffectiveness, provisions for valuation units will be established; however, the individual transactions will not be recorded individually in the balance sheet (net hedge presentation method).

A provision for valuation units relating to derivatives in the amount of €774 thousand was recognized as at December 31, 2011 (previous year: €183 thousand). In the fiscal year 2011 the gross hedge presentation method was applied for the first time. Positive fair values in the amount of €885 thousand, and negative fair values in the amount of €798 thousand, were recognized in the balance sheet as at December 31, 2011.

No derivatives were valued individually according to the imparity principle as of the reporting date (previous year: €82 thousand for contingent losses from derivatives with a negative fair value).

Generally, the risk management system and the internal control system include the accounting-related processes, and all risks and controls with regard to accounting. This refers to all parts of the risk management system and the internal control system that are capable of materially affecting the consolidated financial statements.

The risks identified and measures taken accordingly are updated as part of the quarterly reporting to the Risk Board, and they are reported to the Executive Board. The efficiency of internal controls with regard to accounting is assessed at least once per year, mainly as part of the preparation of the financial statements.

Option premiums in the amount of €5,661 thousand (previous year: €14,417 thousand) generated from currency options entered into with subsidiaries and passed on to banks were capitalized as other assets, and €5,724 thousand (previous year: €14,576 thousand) were carried as other liabilities in the balance sheet. In addition, deferred interest relating to interest rate swaps entered into with banks in the amount of €1,019 thousand (previous year: €2,273 thousand) was carried as liabilities, and with regard to interest rate swaps entered into with subsidiaries an amount of €13 thousand (previous year: €804 thousand) was capitalized.

Hedged basic transactions **€ million**		
	Dec. 31, 2011	**Dec. 31, 2010**
Financial assets	439	1,009
Outstanding debts	-920	-897
Pending transactions[3]	228	272

The volume of the currency, interest rate and inflation hedges on balance sheet date is shown in the following

3 Nominal volume and expected interest rates of loans and interest rate derivatives

overview:

€ million	**Dec. 31, 2011**	**Dec. 31, 2010**
Hedging transactions with group companies		
Nominal volume		
Currency purchases	884	973
Currency sales	772	856
Currency options	114	295
Inflation swap	-	155
Receiver interest rate swaps	1,587	1,121
Commodity forward sales	16	-
Market prices		
Currency forwards	-5	-54
Currency options	-2	-3
Inflation swap	-	12
Receiver interest rate swaps	28	10
Commodity futures	2	-

€ million	**Dec. 31, 2011**	**Dec. 31, 2010**
Hedging transactions with externals		
Nominal volume		
Currency purchases	1,673	2,442
Currency sales	1,307	2,137
Currency options	175	416
Inflation swap	-	155
Receiver interest rate swaps	10	7
Payer interest rate swaps	1,933	1,525
Commodity forward purchases	16	-
Market prices		
Currency forwards	12	113
Currency options	2	3
Inflation swap	-	-11
Receiver interest rate swaps	0	0
Payer interest rate swaps	-35	-21
Commodity futures	-2	-

(21) Share-based payment

Share-based payment for members of MAN SE's Executive Board and the directors and other beneficiaries of MAN companies is based on the MAN Stock Program (MSP) established in 2005. Under the MSP, the beneficiaries receive taxable cash payments on condition that they use 50% of the payment amount to purchase MAN SE common shares. Purchase and depositing of the shares is undertaken centrally by MAN SE on behalf and for the account of the beneficiaries. The MSP participants may freely dispose of the purchased shares after a four-year vesting period (three years for share purchases up to and including 2009/2010). During the vesting period, the shares may not be sold, pledged, or hedged. If the beneficiary retires or leaves MAN Group for other reasons, the vesting period is reduced to one year from the date the beneficiary leaves MAN Group.

In addition, starting in fiscal 2010 the members of MAN SE's Executive Board are required to use 25% of their variable remuneration based on ROE (return on equity before tax) to purchase MAN SE common shares (share bonus) under the terms of the MSP; the vesting period for shares purchased in this way is four years.

In fiscal 2011, the beneficiaries received a total of 11,805 MAN common shares under the MSP 2011 at an average price of €93.35 (previous year: €69,53). Payments for these shares amounted to €1,102 thousand (previous year: €1,289 thousand). The part of the variable remuneration required to be used to purchase MAN common shares amounted to €326 thousand (previous year: €833 thousand). Based on the closing price of €68.70 (previous year: €88,99) on December 31, 2011, this corresponds to 4,748 MAN (previous year: 9,354) common shares. The total expense from the MSP 2011 and the variable remuneration to be used for share purchases under the MSP was €2,600 thousand (previous year: €4,242 thousand). Corresponding provisions were recognized for the share purchases in 2012.

In fiscal 2011, the members of the Executive Board received a total of 4,654 (previous year: 7,987) MAN common shares under the MSP 2011 at an average price of €93.35 (previous year: €69,53). Payments for these shares amounted to €434 thousand (previous year: €555 thousand). The part of the variable remuneration required to be used to purchase MAN common shares for fiscal 2011 amounted to €326 thousand (previous year: €833 thousand). Based on the closing price of €68.70 (previous year: €88,99) on December 31, 2011, this corresponds to 4,748 MAN (previous year: 9,354) common shares. The total expense from the MSP 2011 and the variable remuneration to be used for share purchases under the MSP was €1,522 thousand (previous year: €2,775 thousand).

72,472 MAN SE shares were contingently granted in April 2010 under the stock program for managers (MSP M), which was launched in 2010. The Executive Board of MAN SE contingently grants managers shares of MAN SE on a discretionary basis, which they are eligible to receive at a later date without themselves making a significant additional contribution. The Executive Board of MAN SE decides each year whether to implement the MSP M and thus contingently grant shares of MAN SE. Implementation of the MSP M is usually linked to targets and conditions defined in advance by the Executive Board of MAN SE. At the end of a lock-up period, MAN SE transfers the granted shares of MAN SE to a securities account designated by the beneficiary. The lock-up period for granted shares is four years. In fiscal 2011, the income from the MSP M 2010 is €1,324 thousand (previous year: expense €-5,944 thousand).

(22) Total remuneration of the auditor

€ thousand	2011	2010
Audit services	253	253
Other assurance services	203	176
Other services	2,457	955
Incidental costs	100	63
	3,013	**1,447**

(23) Remuneration of the Executive Board

The remuneration of the members of the Executive Board was as follows:

€ thousand	2011	2010
Executive Board members in office as of December 31, 2011[1]		
Fixed remuneration	2,204	1,814
Variable cash bonus	3,513	4,371
Variable stock bonus and MSP	1,523	2,101
Pension expense	878	546
Former Executive Board members[2]		
Fixed remuneration	82	541
Variable cash bonus	-	1,111
Variable stock bonus and MSP	-	611
Pension expense	17	110
Total	**8,217**	**11,205**

1 Dr. Georg Pachta-Reyhofen (Chief Executive Officer)
Frank H. Lutz, Jörg Schwitalla, Dr.-Ing. René Umlauft since September 1, 2011.

2 Klaus Stahlmann until February 21, 2011.

The fixed remuneration in fiscal 2011 includes a nonrecurring payment for Dr.-Ing. René Umlauft amounting to €180 thousand. The variable cash bonus in fiscal 2010 includes a special payment for Dr. Georg Pachta-Reyhofen in the amount of €400 thousand and for Jörg Schitalla in the amount of €150 thousand.

In addition severance payments amounting to a total of €21,064 thousand (including €2,541 thousand for pensions) were attributable for the four Executive Board members who left in fiscal 2009. These termination benefits relate to Dipl.-Ing. Håkan Samuelsson (total of €7,323 thousand), Dipl.-Ökonom Anton Weinmann (total of €4,494 thousand) and Dr. jur Matthias Mitscherlich (€4,408 thousand). In addition, a severance payment in the total amount of €3,310 thousand (including €519 thousand for pensions) was attributable to Klaus Stahlmann, who left the Executive Board in fiscal 2011. €4,408 thousand had already been paid in fiscal 2009 for Dr. jur. Matthias Mitscherlich and €604 thousand for the other three former Executive Board members. €2,930 thousand (previous year: €7,142 thousand) was paid in 2011 in connection with these termination benefits. The payments in 2011 related to Prof. Dr. h.c. Karlheinz Hornung, Dipl.-Ökonom Anton Weinmann and Klaus Stahlmann (previous year: Dipl.-Ing. Håkan Samuelsson, Prof. Dr. h.c. Karlheinz Hornung, and Dipl.-Ökonom Anton Weinmann).

The present value of pension obligations as for December 31, 2011, to members of the Executive Board in office as of the end of the year amounted to €4,269 thousand (previous year: €3,222 thousand). The total pension expense amounted to €895 thousand in 2011 (previous year: €656 thousand), thereof €754 thousand (previous year €536 thousand) related to current service and €141 thousand (previous year €120 thousand) to interest. This amount for fiscal 2011 includes both the current service and the interest cost for Klaus Stahlmann on a pro rata basis until the date he left the Executive Board.

Pension payments to former Executive Board members, including amounts paid in the first year after termination of contract and retirement, and to their surviving dependents amounted to €3,065 thousand as of December 31, 2011 (previous year: €3,181 thousand). A total of €48,563 thousand (previous year: €47,130 thousand) was recognized as of December 31, 2011 for provisions for pension obligations to former Executive Board members and their surviving dependents.

The members of the Executive Board, including their memberships in other statutory supervisory boards and comparable supervisory bodies, are listed on page 46, and more detailed information on the remuneration structure and its components is disclosed on pages 29 et seq. of the management report.

The individual remuneration of the members of the Executive Board is shown in the following table:

Executive Board remuneration 2011 (2010)

€ thousand	**Fixed remuneration**	**Variable cash bonus**	**Variable stock bonus and MSP**	**Pension expense**	**Total**	**No. of shares vested in fiscal year under the MSP**
Executive Board members in office as of December 31, 2011						
Dr. Georg Pachta-Reyhofen (Chief Executive Officer)	746 (734)	1,290 (1,955)	590 (855)	343 (312)	**2,969** **(3,856)**	1,872 (2,518)
Frank H. Lutz	549 (529)	958 (1,111)	438 (611)	280 (88)	**2,225** **(2,339)**	1,391 (1,799)
Jörg Schwitalla	553 (551)	958 (1,305)	438 (635)	255 (146)	**2,204** **(2,637)**	1,391 (1,871)
Dr.-Ing. René Umlauft (since September 1, 2011)	356 (-)	307 (-)	57 (-)	- (-)	**720** **(-)**	- (-)
Former Executive Board members						

Klaus Stahlmann (until February 21, 2011)	82 (541)	- (1,111)	- (611)	17 (110)	**99** **(2,373)**	- (1,799)
Total	**2,286** **(2,355)**	**3,513** **(5,482)**	**1,523** **(2,712)**	**895** **(656)**	**8,217** **(11,205)**	**4,654** **(7,987)**

The cost of the shares purchased in the fiscal year is contained in the amounts shown for the variable stock bonus and MSP.

The remuneration of the Executive Board listed above include remunerations for members of the Executive Board as Chief Executive Officer of subsidiaries which are disclosed as personnel costs of the respective company.

(24) Remuneration of the Supervisory Board

The components of the remuneration of the Supervisory Board are as follows:

€ thousand	**2011**	**2010**
Fixed remuneration	630	630
Variable remuneration	1,260	1,260
Remuneration for committee membership	245	245
Attendance fees	85	48
Total	**2,220**	**2,183**

The members of the Supervisory Board, including their memberships in other statutory supervisory Boards and comparable supervisory bodies are listed on pages 42 et seq., and more detailed information on the remuneration structure and its components is disclosed on pages 38 et seq. of the Annual Report.

The individual remuneration of the active members of the Supervisory Board is shown in the following table:

€ thousand	**Period of membership**	**Fixed remuneration**	**Variable remuneration**	**Remuneration for committee membership**	**Attendance fees**	**Total 2011**	**Total 2010**
Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Chairman	Full-year	70	140	35	0	245	245

€ thousand	Period of membership	Fixed remuneration	Variable remuneration	Remuneration for committee membership	Attendance fees	Total 2011	Total 2010
Thomas Otto, Deputy Chairman	Full-year	53	105	35	10	203	199
Prof. Dr.-Ing. Dr.-Ing. E.h. Dr. h.c. Ekkehard D. Schulz, Deputy Chairman	Full-year	53	105	35	7	200	192
Michael Behrendt	Full-year	35	70	35	7	147	144
Marek Berdychowski	Full-year	35	70	0	4	109	107
Ulf Berkenhagen	Full year	35	70	0	4	109	80
Dr. Matthias Bruse	June 27. 2011 to December 31, 2011	18	36	0	2	56	0
Detlev Dirks	Full-year	35	70	0	4	109	107
Jürgen Dorn	Full-year	35	70	35	10	150	146
Dr. jur. Heiner Hasford	Until June 15, 2011	16	32	0	2	50	107
Jürgen Kerner	Full-year	35	70	0	4	109	107
Prof. Dr. rer. pol. Renate Köcher	Until June 27, 2011	17	34	0	2	53	107
Dr. Thomas Kremer	June 16, 2011 to December 31, 2011	18	38	0	2	58	0
Gerhard Kreutzer	Full-year	35	70	35	8	148	146

€ thousand	Period of membership	Fixed remuneration	Variable remuneration	Remuneration for committee membership	Attendance fees	Total 2011	Total 2010
Wilfrid Loos	June 27, 2011 to December 31, 2011	18	36	0	2	56	0
Nicola Lopopolo	Until June 27, 2011	17	34	0	2	53	107
Angelika Pohlenz	June 27, 2011 to December 31, 2011	18	36	0	2	56	0
Dr. Ing. E.h. Rudolf Rupprecht	Until June 27, 2011	17	34	0	2	53	107
Erich Schwarz	Full-year	35	70	0	4	109	107
Rupert Stadler	Full-year	35	70	35	7	147	144
Members who left the Supervisory Board in 2010							31
Total 2011		**630**	**1,260**	**245**	**85**	**2,220**	**-**
Total 2010		**630**	**1,260**	**245**	**48**	**-**	**2,183**

The employee representatives on the Supervisory Board who are employed by MAN also receive their standard employee remuneration.

For their membership of supervisory boards of other companies in the MAN Group, Mr. Dorn received €11 thousand (previous year: €10 thousand), Mr. Kerner received €8 thousand (previous year: €8 thousand), Mr. Kreutzer received €8 thousand (previous year: €8 thousand), Mr. Loos received €3 thousand (previous year: €0 thousand), Mr. Otto received €22 thousand (previous year: €21 thousand), and Mr. Stadler received €21 thousand (previous year: €21 thousand).

Expenses reimbursed for attending Supervisory Board and committee meetings amounted to €22 thousand in the fiscal year (previous year: €35 thousand).

(25) Notifications regarding the existence of participations in MAN SE pursuant to section 21 WpHG

1.

On November 14, 2011, Volkswagen Aktiengesellschaft, Wolfsburg, Germany has informed us according to section 21(1) *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) that via shares its Voting Rights on MAN SE, Munich, Germany, have exceeded the 50% threshold of the Voting Rights on November 09, 2011 and on that day amounted to 55.90% (this corresponds to 78,805,649 Voting Rights).

2.

On November 14, 2011, Porsche Automobil Holding SE, Stuttgart, Germany, has informed us according to section 21(1) WpHG that via shares its voting rights in MAN SE, Munich, Germany, have exceeded the 50% threshold of the voting rights on November 9, 2011 and on that day amounted to 55.90% (this corresponds to 78,805,649 of all voting rights in MAN SE). All of the voting rights are to be attributed to Porsche Automobil Holding SE pursuant to section 22(1) sentence 1 No 1 WpHG. The attribution occurs via Volkswagen Aktiengesellschaft, Wolfsburg, Germany, whose proportion of voting rights in MAN SE amounts to 3% or more.

3.

On November 14, 2011, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on November 9, 2011, the holding of voting rights of each Notifying Person in MAN SE, exceeded the threshold of 50% and amounted at the end of that day to 55.90% (78,805,649 of all voting rights). All of the aforementioned 78,805,649 voting rights are to be attributed to each of the Notifying Per-sons according to section 22(1) sentence 1 No 1 WpHG. The voting rights of the following Notifying Persons are actually held by the controlled companies listed below, whose attributable proportion of voting rights amounts to or exceeds 3%:

Notifying Person	Companies each controlled by each of the stated Notifying Persons
• Mag. Josef Ahorner, Austria • Mag. Louise Kiesling, Austria • Prof. Ferdinand Alexander Porsche, Austria • Dr. Oliver Porsche, Austria • Kai Alexander Porsche, Austria • Mark Philipp Porsche, Austria • Gerhard Anton Porsche, Austria	Ferdinand Porsche Privatstiftung, Salzburg, Austria; Ferdinand Porsche Holding GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ing. Hans-Peter Porsche, Austria • Peter Daniell Porsche, Austria	Familie Porsche Privatstiftung, Salzburg, Austria; Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dr. Wolfgang Porsche, Austria	Familie Porsche Privatstiftung, Salzburg, Austria; Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany; Wolfgang Porsche GmbH, Stuttgart, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Porsche Privatstiftung, Salzburg, Austria	Ferdinand Porsche Holding GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familie Porsche Privatstiftung, Salzburg, Austria	Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Ferdinand Porsche Holding GmbH, Salzburg, Austria	Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familie Porsche Holding GmbH, Salzburg, Austria	Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Louise Daxer-Piëch GmbH, Salzburg, Austria	Louise Daxer-Piëch GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria	Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Gerhard Anton Porsche GmbH, Salzburg, Austria	Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Louise Daxer-Piëch GmbH, Grünwald, Germany • Ferdinand Alexander Porsche GmbH, Grünwald, Germany • Gerhard Porsche GmbH, Grünwald, Germany	Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ing. Hans-Peter Porsche GmbH, Salzburg, Austria	Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany	Wolfgang Porsche GmbH, Stuttgart, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Hans-Peter Porsche GmbH, Grünwald, Germany • Wolfgang Porsche GmbH, Stuttgart, Germany	Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Piëch Holding AG, Salzburg, Austria	Porsche Gesellschaft m.b.H., Salzburg, Austria; Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Gesellschaft m.b.H., Salzburg, Austria	Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany • Familie Porsche Beteiligung GmbH, Grünwald, Germany • Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

4.

On November 15, 2011, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on November 9, 2011 the holding of voting rights of each Notifying Person in MAN SE, Germany, exceeded the threshold of 50% and amounted at that day to 55.90% (78,805,649 of all voting rights). All of the aforementioned 78,805,649 voting rights are to be attributed to each of the Notifying Persons according to section 22(1) sentence 1 No 1 WpHG. The voting rights of the Notifying Persons are actually held by the controlled companies within the meaning of section 22(1) sentence 1 No 1 WpHG, whose attributable proportion of voting rights amounts to or exceeds 3%:

Notifying Person	**Companies controlled by each of the Notifying Persons**
• Dr. Hans Michel Piëch, Austria	Dr. Hans Michel Piëch GmbH, Salzburg, Austria; Hans Michel Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dr. Hans Michel Piëch GmbH, Salzburg, Austria	Hans Michel Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Hans Michel Piëch GmbH, Grünwald, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Prof. Dipl.-Ing. Dr. h.c. Ferdinand Karl Piëch, Austria	Ferdinand Karl Alpha Privatstiftung, Wien, Austria; Dipl.-Ing Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria; Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Karl Alpha Privatstiftung, Wien, Austria	Dipl.-Ing Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria; Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria	Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Piëch GmbH, Grünwald, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

5.

On May 11, 2011, Volkswagen Aktiengesellschaft, Wolfsburg, Germany has informed us according to section 21(1) WpHG that via shares its Voting Rights on MAN SE have exceeded the 30% threshold of the Voting Rights on May 09, 2011 and on that day amounted to 30.47% (this corresponds to 42,948,042 Voting Rights).

6.

On May 11, 2011, Porsche Automobil Holding SE, Stuttgart, Germany has informed us according to section 21(1) WpHG that via shares its Voting Rights on MAN SE have exceeded the 30% threshold of the Voting Rights on May 09, 2011 and on that day amounted to 30.47% (this corresponds to 42,948,042 Voting Rights). According to section 22(1) sentence 1 No 1 WpHG, the aforementioned 42,948,042 Voting Rights are to be attributed to the company from Volkswagen Aktiengesellschaft. The attribution occurs via Volkswagen Aktiengesellschaft, Wolfsburg, Germany, whose proportion of voting rights in MAN SE amounts to 3% or more.

7.

On May 12, 2011, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on May 9, 2011 the holding of voting rights of each Notifying Person in MAN SE, Germany, exceeded the threshold of 50% and amounted at the end of that day to 30.47% (42,948,042 of all of voting rights). All of the aforementioned 42,948,042 voting rights are to be attributed to each of the Notifying Persons according to section 22(1) sentence 1 No 1 WpHG. The voting rights of the following Notifying Persons are actually held by the controlled companies listed below, whose attributable proportion of voting rights amounts to or exceeds 3%:

Notifying Person	Companies controlled by each of the Notifying Persons
• Mag. Josef Ahorner, Austria • Mag. Louise Kiesling, Austria • Prof. Ferdinand Alexander Porsche, Austria • Dr. Ferdinand Oliver Porsche, Austria • Kai Alexander Porsche, Austria • Mark Philipp Porsche, Austria • Gerhard Anton Porsche, Austria	Ferdinand Porsche Privatstiftung, Salzburg, Austria; Ferdinand Porsche Holding GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ing. Hans-Peter Porsche, Austria • Peter Daniell Porsche, Austria	Familie Porsche Privatstiftung, Salzburg, Austria; Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dr. Wolfgang Porsche, Austria	Familie Porsche Privatstiftung, Salzburg, Austria; Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany; Wolfgang Porsche GmbH, Stuttgart, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Porsche Privatstiftung, Salzburg, Austria	Ferdinand Porsche Holding GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familie Porsche Privatstiftung, Salzburg, Austria	Familie Porsche Holding GmbH, Salzburg, Austria; Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Ferdinand Porsche Holding GmbH, Salzburg, Austria	Louise Daxer-Piëch GmbH, Salzburg, Austria; Louise Daxer-Piëch GmbH, Grünwald, Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria; Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Gerhard Anton Porsche GmbH, Salzburg, Austria; Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familie Porsche Holding GmbH, Salzburg, Austria	Ing. Hans-Peter Porsche GmbH, Salzburg, Austria; Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Louise Daxer-Piëch GmbH, Salzburg, Austria	Louise Daxer-Piëch GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Prof. Ferdinand Alexander Porsche GmbH, Salzburg, Austria	Ferdinand Alexander Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Gerhard Anton Porsche GmbH, Salzburg, Austria	Gerhard Porsche GmbH, Grünwald, Germany; Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Louise Daxer-Piëch GmbH, Grünwald, Germany • Ferdinand Alexander Porsche GmbH, Grünwald, Germany • Gerhard Porsche GmbH, Grünwald, Germany	Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ing. Hans-Peter Porsche GmbH, Salzburg, Austria	Hans-Peter Porsche GmbH, Grünwald, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany	Wolfgang Porsche GmbH, Stuttgart, Germany; Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Hans-Peter Porsche GmbH, Grünwald, Germany • Wolfgang Porsche GmbH, Stuttgart, Germany	Familie Porsche Beteiligung GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Familienholding GmbH, Salzburg, Austria	Porsche Gesellschaft m.b.H., Salzburg, Austria; Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Porsche Gesellschaft m.b.H., Salzburg, Austria	Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Familien Porsche-Daxer-Piëch Beteiligung GmbH, Grünwald, Germany • Familie Porsche Beteiligung GmbH, Grünwald, Germany • Porsche Gesellschaft mit beschränkter Haftung, Stuttgart, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

8.

On May 11, 2011, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on May 9, 2011 the holding of voting rights of each Notifying Person in MAN SE, Germany, exceeded the threshold of 50% and amounted at the end of that day to 30.47% (42,948,042 of all of voting rights). All of the aforementioned 42,948,042 voting rights are to be attributed to each of the Notifying Persons according to section 22(1) sentence 1 No 1 WpHG. The voting rights of the following Notifying Persons are actually held by the controlled companies listed below, whose attributable proportion of voting rights amounts to or exceeds 3%:

Notifying Person	**Companies controlled by each of the Notifying Persons**
• Dr. Hans Michel Piëch, Austria	Dr. Hans Michel Piëch GmbH, Salzburg, Austria; Hans Michel Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dr. Hans Michel Piëch GmbH, Salzburg, Austria	Hans Michel Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Hans Michel Piëch GmbH, Grünwald, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

• Prof. Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria	Ferdinand Karl Alpha Privatstiftung, Wien, Austria; Dipl.-Ing Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria; Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Karl Alpha Privatstiftung, Wien, Austria	Dipl.-Ing Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria; Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg, Austria	Ferdinand Piëch GmbH, Grünwald, Germany; Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany
• Ferdinand Piëch GmbH, Grünwald, Germany	Porsche Automobil Holding SE, Stuttgart, Germany; Volkswagen Aktiengesellschaft, Wolfsburg, Germany

9.

BlackRock Investment Management (UK) Limited, London, UK, has informed us on May 12, 2010, as follows:

We should hereby like to inform you pursuant to sections 21(1) and 24 WpHG that the percentage holding of the voting rights of BlackRock, Inc., New York, USA in MAN SE exceeded the threshold of 3% on May 6, 2010 and amounts to 4.15% (5,856,484 voting shares) on that day. All of the voting rights are attributable to the company pursuant to section 22(1) sentence 1 No 6 in connection with sentence 2 WpHG.

We should hereby like to inform you pursuant to sections 21(1) and 24 WpHG that the percentage holding of the voting rights of BlackRock Financial Management, Inc., New York, USA, in MAN SE exceeded the threshold of 3% on May 6, 2010 and amounts to 4.05% (5,708,856 voting shares) on that day. All of the voting rights are attributable to the company pursuant to section 22(1) sentence 1 No. 6 in connection with sentence 2 WpHG.

We should hereby like to inform you pursuant to sections 21(1) and 24 WpHG that the percentage holding of the voting rights of BlackRock Holdco 2, Inc., Wilmington, Delaware, USA, in MAN SE exceeded the threshold of 3% on May 6, 2010 and amounts to 4.05% (5,708,856 voting shares) on that day. All of the voting rights are attributable to the company pursuant to section 22(1) sentence 1 No 6 in connection with sentence 2 WpHG.

(26) Corporate Governance Codex

In December 2011, Executive Board and Supervisory Board have issued the annual declaration of conformity in accordance with section 161 AktG. The joint declaration of conformity by the Executive Board and the Supervisory Board has been published on MAN Group's website at www.man.eu.

(27) Affiliation to the Group

MAN SE is a subsidiary of Volkswagen AG, Wolfsburg, which holds 53.7% of the shares in MAN SE. MAN SE is included in the Group Accounts of Volkswagen AG which is being published in the Federal Electronic Gazette.

(28) Events after the end of the Reporting Period

After the end of the reporting period no events have occurred at MAN SE which are of substantive relevance and could lead to a different evaluation of the company.

Members of the Supervisory Board and their appointments

Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch
Salzburg / Austria,
Chairman of the Supervisory Board
1) Volkswagen AG (Chairman)
AUDI AG
Dr. Ing. h. c. F. Porsche AG
Porsche Automobil Holding SE
3) Porsche Ges.m.b.H., Austria
Porsche Holding GmbH, Austria
Porsche Piëch Holding GmbH, Austria

Thomas Otto*
Ottweiler,
Executive Assistant to the Chairman of the Executive Board of Saarland Chamber of Employment
Deputy Chairman of the Supervisory Board
1) MAN Diesel & Turbo SE
MAN Truck & Bus AG
MAN Truck & Bus Deutschland GmbH

Prof. Dr.-Ing. Dr.-Ing. E. h. Dr. h. c. Ekkehard D. Schulz
Duisburg,
Former Chief Executive Officer of ThyssenKrupp AG
Deputy Chairman of the Supervisory Board
1) AXA Konzern AG
Bayer AG
RWE AG

Michael Behrendt
Hamburg,
Chief Executive Officer of Hapag-Lloyd AG
1) Barmenia Allgemeine Versicherungs-AG
Barmenia Krankenversicherung a. G. (Deputy Chairman)
Barmenia Lebensversicherung a. G. (Deputy Chairman)
Esso Deutschland GmbH
ExxonMobil C. E. Holding GmbH
Hamburgische Staatsoper GmbH

Marek Berdychowski *
Tarnowo, Podgórne / Poland,
Deputy Chairman of the Metalowcy labor union and member of the Works Council at MAN Bus Sp.z o.o., Tarnowo plant, Podgórne

Ulf Berkenhagen
Wolfsburg,
Member of the Executive Board of AUDI AG
(Member of the Supervisory Board until April 20, 2012)
2) quattro GmbH
4) AUDI HUNGARIA MOTOR Kft., Hungary (Deputy Chairman)

Dr. Matthias Bruse, LL.M.
Munich,
Lawyer / Partner, P+P Pöllath + Partners
(Member of the Supervisory Board since June 27, 2011)
1) Klöpfer & Königer GmbH & Co. KG
Surteco SE
Wacker Neuson SE

Detlef Dirks*
Augsburg,
Chairman of the Works Council of MAN Diesel & Turbo SE, Augsburg plant

Jürgen Dorn*
Munich,
Chairman of the Group Works Council of MAN SE,
the SE Works Council, and the General Works Council of MAN Truck & Bus AG
1) MAN Truck & Bus AG (Deputy Chairman)

Dr. jur. Heiner Hasford
Munich,
Former Executive Board Member of Münchener Rückversicherungs-Gesellschaft AG
(Member of the Supervisory Board until June 15, 2011)
1) ERGO Versicherungsgruppe AG

Jürgen Kerner *
Frankfurt,
Executive Board Member of IG Metall
1) Eurocopter Deutschland GmbH
KUKA AG
MAN Diesel & Turbo SE
Manrland AG
Premium Aerotec GmbH
Siemens AG

Prof. Dr. rer. pol. Renate Köcher
Constance,
General Manager of the Institut für Demoskopie Allensbach
(Member of the Supervisory Board until June 27, 2011)
1) Allianz SE
BMW AG

Infineon Technologies AG

Dr. jur. Thomas Kremer
Essen,
Executive Vice President of ThyssenKrupp AG
(Member of the Supervisory Board since June 16, 2011)
[1] Ferrostaal AG
[2] Howaldtswerke-Deutsche Werft GmbH
ThyssenKrupp Elevator AG
ThyssenKrupp Marine Systems AG
ThyssenKrupp Stainless Zweite Beteiligungen AG (Chairman)
[4] ThyssenKrupp Italia S.p.A., Italy

Gerhard Kreutzer *
Oberhausen,
Deputy Chairman of the Group Works Council of MAN SE, as well as the SE Works Council
[1] MAN Diesel & Turbo SE

Wilfrid Loos*
Dortmund,
Chairman of the Works Council and Deputy Chairman of the Supervisory Board of MAN Truck & Bus Deutschland GmbH
(Member of the Supervisory Board since June 27, 2011)
[1] MAN Truck & Bus Deutschland GmbH (Deputy Chairman)

Nicola Lopopolo*
Hanover,
Chairman of the Works Council of Renk AG, Hannover
(Member of the Supervisory Board until June 27, 2011)

Angelika Pohlenz
Wiesbaden,
Secretary General of the International Chamber of Commerce (ICC), Berlin
(Member of the Supervisory Board since June 27, 2011)

Dr.-Ing. E. h. Rudolf Rupprecht
Augsburg,
Former Chief Executive Officer of MAN AG
(Member of the Supervisory Board until June 27, 2011)
[1] Demag Cranes AG
Salzgitter AG

Erich Schwarz*
Steyr / Austria,
Chairman of the Works Council of MAN Truck & Bus Österreich AG and Deputy Chairman of the SE Works Council
[3] MAN Truck & Bus Österreich AG, Austria

Rupert Stadler
Ingolstadt,
Chief Executive Officer of AUDI AG and
Member of the Executive Board of Volkswagen AG
1) FC Bayern München AG
2) MAN Truck & Bus AG (Chairman)
4) Automobili Lamborghini Holding S.p.A., Italy (Chairman)
Italdesign Giugiaro S.p.A., Italy
Porsche Holding GmbH, Austria
VOLKSWAGEN GROUP ITALIA S.P.A., Italy (Chairman)

* Elected by the workforce.
As of January 31, 2012, or date of departure.

1) Membership of supervisory boards of German companies.
2) Membership of supervisory boards of German companies, Group appointments.
3) Membership of comparable German or foreign governing bodies.
4) Membership of comparable German or foreign governing bodies, Group appointments.

Supervisory Board committees of MAN SE

Presiding Committee
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch (Chairman)
Michael Behrendt
Jürgen Dorn
Gerhard Kreutzer
Thomas Otto
Prof. Dr.-Ing. Dr.-Ing. E. h. Dr. h. c. Ekkehard D. Schulz

Audit Committee
Rupert Stadler (Chairman)
Thomas Otto (Deputy Chairman)
Michael Behrendt
Jürgen Dorn
Gerhard Kreutzer
Prof. Dr.-Ing. Dr.-Ing. E. h. Dr. h. c. Ekkehard D. Schulz

Nomination Committee
Hon.-Prof. Dr. techn. h. c. Dipl.-Ing. ETH Ferdinand K. Piëch
Michael Behrendt
Prof. Dr.-Ing. Dr.-Ing. E. h. Dr. h. c. Ekkehard D. Schulz

Members of the Executive Board and their appointments

Dr. Georg Pachta-Reyhofen
Niederpöcking,
Chief Executive Officer
Chief Executive Officer of MAN Truck & Bus AG
1) Rheinmetall MAN Military Vehicles GmbH
2) MAN Diesel & Turbo SE (Chairman)
3) Sinotruk (Hong Kong) Ltd.
4) MAN Latin America Indústria e Comércio de Veículos Ltda. (Chairman)

Frank H. Lutz
Munich,
Chief Financial Officer
1) Ferrostaal AG
manroland AG
2) MAN Diesel & Turbo SE
MAN Pensionsfonds AG (Chairman)
MAN Truck & Bus AG
Renk AG (Chairman)
3) Börse München
4) MAN Capital Corporation, USA (Chairman)
MAN Latin America Indústria e Comércio de Veículos Ltda.

Jörg Schwitalla
Besigheim,
Chief Human Resources Officer
2) MAN Diesel & Turbo SE
MAN Pensionsfonds AG
MAN Truck & Bus AG
3) Sinotruk (Hong Kong) Ltd.
4) MAN Latin America Indústria e Comércio de Veículos Ltda.

Dipl.-Wirtsch.-Ing. Klaus Stahlmann
Kempen,
Chief Executive Officer of MAN Diesel & Turbo SE
(until February 21, 2011)
1) manroland AG
2) Renk AG (Deputy Chairman)

Dr.-Ing. René Umlauft
Erlangen,
Deputy Member of the Executive Board
Chief Executive Officer of MAN Diesel & Turbo SE
(since September 1, 2011)

As of January 31, 2012, or date of departure.
[1] Membership of supervisory boards of German companies.
[2] Membership of supervisory boards of German companies, Group appointments.
[3] Membership of comparable German or foreign governing bodies.
[4] Membership of comparable German or foreign governing bodies, Group appointments.

List of shareholdings

List of shareholdings of MAN SE pursuant to section 285 No 11 and No 11a HGB

Name and Seat of the entity	Participation in the issued capital	€ thousand Issued Capital	€ thousand Results of Operation	Footnote	Year
1. Fully consolidated entities with exemption pursuant to section 264(3) HGB and section 264b HGB					
MAN Vermietungs GmbH, Munich	100.00%	564	538	1)	2011
MAN Leasing GmbH & Co. Epsilon KG, Munich	100.00%	385	212		2011
MAN Truck & Bus AG, Munich	100.00%	925,550	362,102	1)	2011
MAN Truck & Bus Deutschland GmbH, Munich	100.00%	162,152	31,218	1)	2011
MAN Grundstücksgesellschaft mbH & Co. Beta KG, Munich	100.00%	45,393	-2,363		2011
MAN Grundstücksgesellschaft mbH & Co. Alpha KG, Munich	100.00%	5,100	-23		2011
MAN Service und Support GmbH, Munich	100.00%	69	58	1)	2011
MAN Logistik GmbH, Salzgitter	100.00%	-29	-54	1)	2011
NEOPLAN Bus GmbH, Plauen	100.00%	8,415	7,376	1)	2011
GETAS Verwaltung GmbH & Co. Objekt Augsburg KG, Pullach i. Isartal	100.00%	1,965	-74		2011
MAN Diesel & Turbo SE, Augsburg	100.00%	613,347	255,454	1)	2011
Rostock Diesel Service GmbH, Rostock	100.00%	1,253	993	1)	2011
MAN Grundstücksges.mbH & Co. Werk Deggendorf DWE KG, Deggendorf	100.00%	17,765	955		2011
MAN HR Services GmbH, Munich	100.00%	-1,078	-1,379	1)	2011
MAN Versicherungsvermittlung GmbH, Munich	100.00%	1,607	1,304	1)	2011
MAN Roland Beteiligungs GmbH, Munich	100.00%	470,183	4,209	1)	2011
MAN Immobilien GmbH, Munich	100.00%	230	204	1)	2011
GETAS Verwaltung GmbH & Co. Objekt Offenbach KG, Pullach i. Isartal	100.00%	-140	-166		2011
GETAS Verwaltung GmbH & Co. Objekt Verwaltung Nürnberg KG, Pullach i. Isartal	100.00%	841	815		2011
GETAS Verwaltung GmbH & Co. Objekt Ausbildungszentrum KG, Pullach i. Isartal	100.00%	354	328		2011

Name and Seat of the entity	Participation in the issued capital	€ thousand Issued Capital	Results of Operation	Footnote	Year
MAN Ferrostaal Beteiligungs GmbH, Munich	100.00%	690,818	4,164	1)	2011
MAN GHH Immobilien GmbH, Oberhausen	100.00%	152,848	8,502	1)	2011
MAN Financial Services GmbH, Munich	100.00%	42,213	-6,295	1)	2011
MAN Finance International GmbH, Munich	100.00%	70,466	-34,534	1)	2011
MAN Asset Finance GmbH, Munich	100.00%	16,581	16,556	1)	2011
GETAS Verwaltung GmbH & Co. Objekt Heinrich-von-Buz-Straße KG, Pullach i. Isartal	100.00%	-20	-10		2011
EURO-Leasing GmbH, Sittensen	100.00%	18,635	-7,625		2011
2. Other Fully consolidated entities					
MAN Trucks Sp. z o.o., Niepolomice/Poland	100.00%	123,272	21,572		2011
MAN Accounting Center Sp. z o.o., Poznan(Posen)/Poland	100.00%	575	-134		2011
MAN Verwaltungs-Gesellschaft mbH, Munich	100.00%	1,040	1	1)	2011
MAN Truck & Bus Vertrieb Österreich AG, Vienna/Austria	100.00%	127,148	-5,407		2011
MAN Bus Sp. z o.o., Tarnowo Podgórne/Poland	100.00%	353,652	29,195		2011
MAN Truck & Bus Polska Sp. z o.o., Nadarzyn/Poland	100.00%	20,791	5,407		2011
MAN ERF Ireland Properties Limited, Dublin/Irland	100.00%	-3,049	-587		2011
ERF Limited, Middlewich/UK	100.00%	1,539	0		2011
MAN Iberia S.A.U., Coslada (Madrid)/Spain	100.00%	-	-	2)	-
Euro-Leasing A/S, Padborg/Denmark	100.00%	-	-	2)	-
EURO-LEASING Sp. z o.o., Szczecin/Poland	100.00%	-	-	2)	-
EURO-Leasing Hellas E.P.E. Thessaloniki/Greece	90.00%	-	-	2)	-
MAN Rental Filial af Euro Leasing A/S, Helsingborg/Sweden	100.00%	-	-	2)	-
Oy Klappstein AB, Helsinki/Finland	100.00%	-	-	2)	-
Klappstein Nutzfahrzeuge Verwaltungs GmbH, Sittensen	100.00%	-	-	2)	-

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
Truck Rental Solutions Hungaria Kft., Budapest/Hungary	100.00%	-	-	2)	-
Truck Rental Solutions Cesko, spol.s.r.o., Prague/Czech Republic	100.00%	-	-	2)	-
Truck Rental Solutions Slovensko, Spol.s.r.o., Dolná Poruba/Slovakia	100.00%	-	-	2)	-
Truck Rental Solutions Austria GmbH, Vienna/Austria	100.00%	-	-	2)	-
MAN Camions & Bus SAS, Evry Cedex/France	100.00%	43,026	-12,311		2011
Neoplan Immobilier SARL, Evry Cedex/France	100.00%	-	-	2)	-
Neoman France Eurl, Noisy-le-Grand/France	100.00%	-	-	2)	-
MAN Last og Bus A/S, Glostrup/Denmark	100.00%	10,260	1,651		2011
MAN Truck & Bus N.V., Kobbegem (Brussels)/Belgium	100.00%	114,103	99,733		2011
TOV MAN Truck & Bus Ukraine, Kiev/Ukraine	100.00%	-2,384	355		2011
MAN Automotive (South Africa) (Pty.) Ltd., Johannesburg/South Africa	100.00%	41,773	5,762		2011
MAN Truck & Bus (S.A.) (Pty.) Ltd., Johannesburg/South Africa	100.00%	-	-	2)	-
MAN Centurion Truck & Bus (Pty) Ltd t/a, Centurion/South Africa	70.00%	-	-	2)	-
MAN Bus & Coach (Pty.) Ltd., Olifantsfontein/South Africa	100.00%	-	-	2)	-
MAN Nutzfahrzeuge Immobilien Ges.mbH, Vienna/Austria	100.00%	25,634	1,700		2011
MAN Hellas Truck & Bus S.A., Peristeri-Athens/Greece	100.00%	376	-800		2011
MAN Engines & Components Inc., Pompano Beach/USA	100.00%	23,401	4,266		2011
MAN Truck & Bus Schweiz AG, Otelfingen/Switzerland	100.00%	34,242	123		2011
MAN Truck & Bus Italia SpA, Verona/Italy	100.00%	5,175	-3,277		2011
MAN Nutzfahrzeuge Österreich AG, Steyr/Austria	100.00%	434,026	112,293		2011
MAN Truck & Bus Iberia S.A.U., Coslada (Madrid)/Spain	100.00%	-4,757	-15,513		2011
MAN Truck & Bus UK Limited, Swindon (Wiltshire)/UK	100.00%	180,366	20,720		2011

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
MAN Last og Buss A/S, Lorenskog/Norway	100.00%	-813	-6,558		2011
MAN Nutzfahrzeuge Österreich Holding, Steyr/Austria	99.99%	365,894	2,229		2011
MAN Truck & Bus Czech Republic s.r.o., Cestlice/Czech Republic	100.00%	33,057	1,858		2011
MAN Truck & Bus Sverige AB, Kungens Kurva/Sweden	100.00%	1,302	208		2011
MAN Gospodarska vozila Slovenija d.o.o., Ljubljana/Slovenia	100.00%	16,353	189		2011
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti/Hungary	100.00%	18,073	2,478		2011
MAN Türkiye A.S., Akyurt Ankara/Turkey	99.99%	59,411	14,828		2011
MAN Kamyon ve Otobüs Ticaret A.S., Ankara/Turkey	100.00%	20,601	1,403		2011
MAN Truck & Bus Portugal S.U. Lda., Algés (Lisbon)/Portugal	100.00%	6,888	2,073		2011
IPECAS-Gestao de Imoveis S.A., Algés (Lisbon)/Portugal	100.00%	-	-	2)	-
MAN Truck & Bus Middle East and Africa FZE, Dubai/UAE	100.00%	1,695	1,695		2011
MAN Truck & Bus Slovakia, s.r.o., Bratislava/Slovakia	100.00%	8,978	932		2011
MAN Truck and Bus RUS LLC, Moscow/Russian Federation	100.00%	63,006	18,889		2011
OOO MAN Truck & Bus Production RUS, Sankt Petersburg/Russian Federation	100.00%	10,644	1,055		2011
MAN West-Vlaanderen N.V., Kobbegem (Brussels)/Belgium	100.00%	-	-	2)	-
MAN Diesel & Turbo Schweiz AG, Zürich/Switzerland	100.00%	117,430	25,503		2011
MAN Diesel & Turbo South Africa (Pty) Ltd., Elandsfontein/South Africa	100.00%	21,131	4,192		2011
MAN Diesel & Turbo China Production Co. Ltd., Changzhou/China	100.00%	7,345	5,600		2011
MAN Diesel & Turbo Australia Pty. Ltd., North Ryde/Australia	100.00%	13,864	5,133		2011
MAN Diesel & Turbo UK Ltd., Stockport/UK	100.00%	59,953	13,961		2011
MAN Diesel & Turbo India Ltd., Aurangabad/India	73.44%	9,011	1,148		2011

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
MAN Diesel & Turbo Canada Ltd., Oakville/Canada	100.00%	1,087	314		2011
MAN Diesel & Turbo Pakistan (Private) Limited, Lahore/Pakistan	100.00%	297	469		2011
MAN Diesel & Turbo Operations Pakistan (Private) Ltd., Lahore/Pakistan	100.00%	944	256		2011
MAN Diesel & Turbo Brasil Limitada, Rio de Janeiro/Brazil	100.00%	9,575	436		2011
MAN Diesel & Turbo France SAS, Villepinte/France	100.00%	65,677	19,078		2011
MAN Diesel & Turbo Singapore Pte. Ltd., Singapore/Singapore	100.00%	13,911	8,694		2011
MAN Diesel & Turbo Hong Kong Ltd., Hong Kong/China	100.00%	4,891	1,876		2011
MAN Diesel & Turbo Benelux B.V., Schiedam/Netherlands	100.00%	4,795	1,059		2011
MAN Diesel & Turbo Benelux N.V., Antwerp/Belgium	100.00%	9,842	2,529		2011
MAN Diesel & Turbo North America Inc., Woodbridge/USA	100.00%	9,759	99		2011
MAN Diesel & Turbo Korea Ltd., Pusan/ South Korea	100.00%	8,852	1,817		2011
PBS Turbo s.r.o., Velká Bítes/Czech Republic	100.00%	11,110	2,641		2011
MAN Diesel & Turbo Middle East (LLC), Dubai/UAE	100.00%	4,353	3,052		2011
MAN Diesel & Turbo Saudi Arabia LLC, Jeddah/Saudi Arabia	100.00%	390	354		2011
Société de Mécanique de Précision de l'Aubois, Jouet/France	100.00%	1,150	17		2011
MAN Diesel Shanghai Co. Ltd., Shanghai/China	100.00%	8,590	1,704		2011
MAN Turbo India Pvt. Ltd., Baroda (Vadodara)/India	100.00%	7,424	1,980		2011
MAN Diesel & Turbo Shanghai Co., Ltd., Shanghai/China	100.00%	7,815	1,455		2011
Renk Aktiengesellschaft, Augsburg	76.00%	197,064	27,907		2011
RENK Corporation, Duncan/USA	100.00%	4,934	899		2011
RENK-MAAG GmbH, Winterthur/Switzerland	100.00%	7,898	1,640		2011
RENK Test System GmbH, Augsburg	100.00%	1,851	817		2011

Name and Seat of the entity	Participation in the issued capital	€ thousand Issued Capital	 Results of Operation	Footnote	Year
RENK LABECO Test Systems Corporation, Mooresville/USA	100.00%	677	53		2011
RENK France SAS, Saint-Ouen-l'Aumône/France	100.00%	6,523	2,618		2011
MAN Finance and Holding S.à r.l., Luxembourg/Luxembourg	100.00%	1,904,728	163,129		2011
MAN Capital Corporation, New Jersey/USA	100.00%	132,311	2,217		2011
MAN Financial Services SpA, Dossobuono di Villafranca VR/Italy	100.00%	12,057	5,150		2011
MAN Financial Services SAS, Evry Cedex/France	100.00%	7,848	200		2011
MAN Financial Services España S.L., Coslada (Madrid)/Spain	100.00%	-37,543	12,561		2011
MAN Financial Services Tüketici Finansmani A.S., Ankara/Turkey	99.99%	4,798	377		2011
MAN Financial Services Ges.mbH, Eugendorf/Austria	100.00%	6,163	1,198		2011
MAN Financial Services OOO, Moscow/Russian Federation	100.00%	18,222	1,632		2011
MAN Financial Services Portugal, Unipessoal, Lda, Lisbon/Portugal	100.00%	-368	725		2011
MAN Credit società finanziaria S.r.l., Dossobuono di Villafranca VR/Italy	100.00%	1,789	1,187		2011
MAN Financial Services Poland Sp. z o.o., Nadarzyn/Poland	100.00%	1,858	503		2011
MAN Location & Services S.A.S., Evry Cedex/France	100.00%	-3,149	2,975		2011
Trucknology S.A., Luxembourg/Luxembourg	0.00%	31	0	3)	2011
MANTAB Holdings Limited, London/UK	0.00%	-	-	2)	-
MANTAB Funding Limited, London/UK	0.00%	-	-	2)	-
MANTAB Assets Limited, London/UK	0.00%	-	-	2)	-
MANTAB Trucks Limited, London/UK	0.00%	-	-	2)	-
MAN Financial Services plc, Swindon (Wiltshire)/UK	100.00%	59,159	5,174		2011
MAN Truck & Bus Mexico S.A. de C.V., El Marques/Mexico	100.00%	3,454	10,819		2011

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
MAN Latin America Indústria e Comércio de Veículos Ltda., São Paulo/Brazil	100.00%	1,522,441	211,039		2011
3. Unconsolidated entities (Section 296(2) HGB)					
MAN Personal Services GmbH, Dachau	100.00%	n/a	n/a	1)	-
MAN Truck & Bus Asia Pacific Co., Ltd., Bangkok/Thailand	99.99%	n/a	n/a		-
MAN Truck and Bus pvt. Ltd., Mumbai/India (inactive)	100.00%	n/a	n/a		-
MAN Truck & Bus (M) Sdn. Bhd., Rawang/Malaysia	70.00%	n/a	n/a		-
MAN Truck & Bus (Korea) Limited, Seoul/South Korea	100.00%	n/a	n/a		-
ERF (Holdings) plc, Swindon/UK (inactive)	100.00%	n/a	n/a		-
MAN Truck & Bus Trading (China) Co., Ltd., Peking/China	100.00%	n/a	n/a		-
MAN Truck & Bus Singapore Pte. Ltd., Singapore/Singapore	100.00%	n/a	n/a		-
MAN Truck & Bus Kazakhstan LLP, Almaty/Kazakhstan	100.00%	n/a	n/a		-
MAN Properties (Pinetown) (Pty.) Ltd., Pinetown/South Africa (inactive)	100.00%	n/a	n/a		-
MAN Properties (Midrand) (Pty.) Ltd., Midrand/South Africa (inactive)	100.00%	n/a	n/a		-
MAN Properties (Pty.) Ltd., Johannesburg/South Africa (inactive)	100.00%	n/a	n/a		-
LKW Komponenten s.r.o., Bánovce nad Bebravou/Slovakia	100.00%	n/a	n/a		-
MAN IT Services Österreich Ges.mbH, Steyr/Austria (inactive)	100.00%	n/a	n/a		-
MAN Truck & Bus License GmbH, Munich	100.00%	n/a	n/a		-
Railway Mine & Plantation Equipment Ltd., London/UK (inactive)	100.00%	n/a	n/a		-
MAN Turbo (UK) Limited, London/UK	100.00%	n/a	n/a		-
tcu Turbo Charger GmbH, Augsburg	100.00%	n/a	n/a	1)	-
Aumonta GmbH, Augsburg	100.00%	n/a	n/a	1)	-

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
MAN Diesel Turbochargers Shanghai Co. Ltd., Shanghai/China	100.00%	n/a	n/a		-
Mirrlees Blackstone Ltd., Stockport/UK (inactive)	100.00%	n/a	n/a		-
Fifty Two Ltd., Stockport/UK (inactive)	100.00%	n/a	n/a		-
Ruston & Hornsby Ltd., Stockport/UK (inactive)	100.00%	n/a	n/a		-
Paxman Diesels Ltd., Stockport/UK (inactive)	100.00%	n/a	n/a		-
MAN B&W Diesel Services Ltd., Stockport/UK	100.00%	n/a	n/a		-
MAN B&W Diesel Electrical Services Ltd., Essex/UK (inactive)	100.00%	n/a	n/a		-
Ruston Diesels Ltd., Stockport/UK (inactive)	100.00%	n/a	n/a		-
SUNA Projects & Advisory Services Private Limited, Mumbai/India	100.00%	n/a	n/a		-
MAN Diesel ve Turbo Satis Servis Limited Sirketi, Istanbul/Turkey	100.00%	n/a	n/a		-
MAN Diesel South Africa (Proprietary) Limited, Capetown/South Africa	100.00%	n/a	n/a		-
MAN Diesel & Turbo Kenya Ltd., Nairobi/Kenya	100.00%	n/a	n/a		-
Metalock Denmark A/S, Copenhagen/Denmark	100.00%	n/a	n/a		-
MAN Diesel & Turbo Poland Sp. z o.o., Gdansk/Poland	100.00%	n/a	n/a		-
MAN Diesel & Turbo Sverige AB, Goteborg/Schweden	100.00%	n/a	n/a		-
MAN Diesel & Turbo España S.A.U., Madrid/Spain	100.00%	n/a	n/a		-
Caribbean Power Application, S.L., Madrid/Spain	100.00%	n/a	n/a		-
MAN Diesel & Turbo Italia S.r.l., Geneva/Italy	100.00%	n/a	n/a		-
MAN Diesel & Turbo Chile Limitada, Valparaíso/Chile	100.00%	n/a	n/a		-
MAN Diesel & Turbo Portugal, Unipessoal, Lda., Setubal/Portugal	100.00%	n/a	n/a		-
MAN Diesel & Turbo Bulgaria EOOD, Varna/Bulgaria	100.00%	n/a	n/a		-

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
MAN Diesel & Turbo Costa Rica Limitada, San Jose/Costa Rica	100.00%	n/a	n/a		-
MAN Diesel & Turbo Japan Ltd., Kobe/Japan	100.00%	n/a	n/a		-
MAN Diesel & Turbo Norge A/S, Oslo/Norway	100.00%	n/a	n/a		-
MAN Iran Power Sherkate Sahami Khass, Teheran/Iran	96.00%	n/a	n/a		-
MAN Diesel & Turbo Hellas Ltd., Piraeus/Greece	100.00%	n/a	n/a		-
MAN Diesel & Turbo Panama Enterprises Inc., Panama-City/Panama	100.00%	n/a	n/a		-
MAN Diesel & Turbo Russia Ltd., Moscow/Russian Federation	100.00%	n/a	n/a		-
MAN Diesel & Turbo Latvia SIA, Riga/Latvia (inactive)	100.00%	n/a	n/a		-
Centrales Diesel Export SAS, Villepinte/France	100.00%	n/a	n/a		-
MAN Diesel & Turbo Philippines Inc., Manila/Philippines	100.00%	n/a	n/a		-
MAN Diesel & Turbo Canarias S.L., Las Palmas (Canary Island)/Spain	100.00%	n/a	n/a		-
MAN Diesel & Turbo Guatemala Ltda., Guatemala City/Guatemala	100.00%	n/a	n/a		-
MAN Diesel & Turbo Qatar Navigation LLC, Doha/Qatar	49.00%	n/a	n/a		-
MAN Diesel & Turbo Argentina S.A., Buenos Aires/Argentina	100.00%	n/a	n/a		-
PT MAN Diesel & Turbo Indonesia, Jakarta/Indonesia	92.62%	n/a	n/a		-
MAN Diesel & Turbo Malaysia Sdn. Bhd., Kuala Lumpur/Malaysia	49.00%	n/a	n/a		-
Gulf Turbo Services LLC, Doha/Qatar	55.00%	n/a	n/a		-
RENK (UK) Ltd., London/UK (inactive)	100.00%	n/a	n/a		-
COFICAL RENK Mancais do Brasil LTDA, Guaramirim/Brazil	98.00%	n/a	n/a		-
RENK Transmisyon Sanayi A.S., Istanbul/Turkey	55.00%	n/a	n/a		-
MAN Grundstücksgesellschaft mbH, Oberhausen	100.00%	n/a	n/a	1)	-

Name and Seat of the entity	Participation in the issued capital	€ thousand Issued Capital	Results of Operation	Footnote	Year
MAN Unterstützungskasse GmbH, Munich	100.00%	n/a	n/a		-
MAN Leasing GmbH & Co. Gamma KG, Munich	100.00%	n/a	n/a		-
MBC Mobile Bridges Corp., Houston, Texas/USA (inactive)	100.00%	n/a	n/a		-
Ortan Verwaltung GmbH & Co. Objekt Karlsfeld KG, Pöcking	100.00%	n/a	n/a		-
MAN Grundstücksgesellschaft mbH & Co. Objekt Heilbronn KG, Oberhausen	100.00%	n/a	n/a		-
MAN Erste Beteiligungs GmbH, Munich	100.00%	n/a	n/a		-
MAN IT Services GmbH, Munich	100.00%	n/a	n/a	1)	-
4. Other entities					
A. Entities accounted for using the equity method					
A1. Joint Venture					
MAN FORCE TRUCKS Private Limited, Akurdi/India	50.00%	8,09	-6,631		2010
MAN Financial Services SA (Pty) Ltd, Johannesburg/South Africa	50.00%	n/a	n/a		2010
Scania-MAN Administration ApS, Frederiksberg/Denmark	50.00%	11	0		2011
A2. Associated entities					
Hörmann Automotive Components GmbH & Co. KG, Gustavsburg	40.00%	11,347	3,584		2010
OOO EURO-Leasing RUS, Rjasan/Russian Federation	60.00%	-	-	2)	-
JV MAN AUTO - Uzbekistan Limited Liability Company, Samarkand City/Uzbekistan	49.00%	4,899	2,088		2010
Rheinmetall MAN Military Vehicles GmbH, Munich	49.00%	5,010	2,293		2010
Atlas Power Ltd., Karachi/Pakistan	33.54%	60,278	13,568	7)	2011
Roland Holding GmbH, Munich	22.83%	41,592	-436,611	4)	2010
Sinotruk (Hong Kong) Limited, Hong Kong/China	25.00%	2,239,863	190,634		2010
Ferrostaal Aktiengesellschaft, Essen	30,00%	274,343	4,262	6)	2008
B. Entities accounted for using the cost method					
Kosiga GmbH & Co. KG, Pullach i. Isartal	47.50%	n/a	n/a		-

Name and Seat of the entity	Participation in the issued capital	€ thousand		Footnote	Year
		Issued Capital	Results of Operation		
FFK Fahrzeugservice Förtsch GmbH, Kronach	30.00%	n/a	n/a		-
Coburger Nutzfahrzeuge Service GmbH, Coburg (inactive)	30.00%	n/a	n/a		-
Neoplan Ghana Ltd., Kumasi/Ghana	45.00%	n/a	n/a		-
Obermeier Trailertechnik GmbH, Egeln-Nord	24.00%	n/a	n/a		-
PosernConnect GmbH, Sittensen	49.00%	n/a	n/a		-
Grundstücksverwaltungsgesellschaft EURO-Leasing GmbH, Matthias Hinners und Helge Richter GbR, Sittensen	50.00%	n/a	n/a		-
Scavino S.r.l., Alba/Italy	30.00%	n/a	n/a		-
De Pretto Industrie S.r.l., Schio/Italy	51.00%	n/a	n/a		-
MTC Marine Training Center Hamburg GmbH, Hamburg	24.80%	n/a	n/a		-
RENK U.A.E. LLC, Abu Dhabi/UAE	49.00%	n/a	n/a		-
Scania AB, Sodertalje/Schweden	13.35%	3,350,176	953,572	5)	2010
Verwaltungsgesellschaft Wasseralfingen mbH, Aalen	50.00%	n/a	n/a		-

1) Profit and loss transfer agreement

2) Values are included in the consolidated accounts of the parent entity

3) Consolidated special purpose vehicle with a participation in the capital of 0.00%

4) Share in voting rights 32.82%; figures by manroland AG (without intermediary holding)

5) Share in voting rights 17.37% (Issued capital and results of operation in € million)

6) Fully consolidated until March 31, 2009

7) The information pertains to the time from October 1, 2011 until September 30, 2011

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of MAN SE and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company.

Munich, January 27, 2012

MAN SE

The Executive Board

Dr. Georg Pachta-Reyhofen

Frank H. Lutz Jörg Schwitalla Dr.-Ing. René Umlauft

Audit Report

We have audited the annual report – comprising the balance sheet, income statement and the notes – including the accounting and the management report of MAN SE for the fiscal year from January 1 to December 31, 2011. The accounting and the preparation of the annual report and the management report in accordance with the HGB are the responsibility of the Company´s Executive Board. Our responsibility is to express an opinion on the management report based on our audit, while taking into account the accounting and on the annual report.

We conducted our audit of the annual report in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual report in accordance with the applicable financial reporting framework and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the accounting, the annual report and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting policies and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual report and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based upon the findings of our audit, the annual report complies with the legal regulations and gives a true and fair view on the net assets, financial position and results of operation of the company in accordance with these requirements. The management report is consistent with the annual report and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Munich, January 31, 2012

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Jan Konerding	Petra Justenhoven
Wirtschaftsprüfer	Wirtschaftsprüferin