Annual Financial Statements with Audit Report

MAN SE

Munich

Annual Financial Statements as of December 31, 2012 and Management Report for the Fiscal Year 2012

Audit Report

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Management Report for the Fiscal Year 2012

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 2012 was fixed at 10%.

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 2012 was marked by a high level of uncertainty stemming from the financial markets and the European sovereign debt crisis. The global economy slowed noticeably over the course of 2012. After a rapid increase at the beginning of the year, economic growth 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 3.2% for 2012, down on its forecast of 3.8% in the previous year.

The MAN Group's market environment deteriorated throughout fiscal 2012. Weaker economic growth throughout the world and the ongoing sovereign debt crisis in Europe led to significant uncertainty. This influenced the investment behavior of MAN's customers. In this difficult market environment, MAN was unable to repeat its very successful prior-year performance and had to adjust its targets for fiscal 2012 over the course of the year. The MAN Group's order intake and revenue decreased by 7% and 4% respectively in the year under review. Increased competition and higher costs led to a disproportionately sharp drop in operating profit to €964 million (previous year: €1.5 billion). At 6.1%, the return on sales was well below the prior-year figure (9.0%) and hence outside the target bandwidth of +/- 2 percentage points of the long-term target of 8.5%. Management is not content with these results and has taken appropriate measures.

MAN Truck & Bus's order intake and revenue closed fiscal 2012 down slightly year-on-year. The operating profit was significantly lower than the prior-year figure. At €9.2 billion, order intake in fiscal 2012 was 4% below the prior-year level (€9.5 billion). At €8.8 billion, revenue was down by 2% on the previous year (€9.0 billion). Lower margins and increased costs led to a significant decline in operating profit to €225 million (€565 million). This reduced the return on sales to 2.6% (6.3%).

MAN Diesel & Turbo's order intake amounted to €3.5 billion, just short of the prior-year figure of €3.7 billion. By contrast, revenue rose to €3.8 billion, 5% above the previous year (€3.6 billion). The increase in fiscal 2012 was attributable to the Turbomachinery and Power Plants strategic business units. At €437 million, operating profit was down on the previous year (€460 million). As a result, the return on sales declined to 11.6% (12.7%). The order backlog declined compared with the previous year from around €3.8 billion to €3.4 billion.

MAN SE's net income for the fiscal year was €242 million in fiscal 2012, down from €372 million in the previous year. The decline of €130 million was mainly due to lower income from investments and the write-downs of financial assets, which resulted from the difficult market environment, as well as to the higher interest. This was offset in part by the €213 million reduction in income taxes.

Results of operations

€ million	2012	2011	YoY
Net investment income	546	702	-156
Net interest expense	-195	-127	-68
Other operating income	84	130	-46
General administrative expenses	-119	-93	-26
Write-downs of financial assets and marketable securities	-85	-	-85
Net operating income	**209**	**552**	**-343**
Income taxes	33	-180	213
Net income for the fiscal year	**242**	**372**	**-130**

Net investment income declined sharply due to the difficult market environment.
In fiscal 2012, net interest expense included tax interest expenses of €103 million (previous year: €33 million). Other operating income decreased by €46 million from €130 million to €84 million. The deterioration was mainly due to reduction in income from foreign currency transactions and financial instruments, while it was in part offset by income from the reversal of provisions. Write-downs of financial assets and marketable securities include in particular the write-down of a loan to an affiliated company, which was granted due to the poor economic situation.

The €213 million increase in income tax was mainly due to the reduction in prior-period tax and the adjustment of provisions recognized in the previous years.

After transferring €110 million to retained earnings and retained profits brought forward of €36 million, the net retained profits amounted to €168 million (previous year: €374 million). At the Annual General Meeting, MAN SE's Executive and Supervisory Boards will propose utilizing the net retained profits of €168 million (previous year: €374 million) to distribute a dividend of €1.00 per share carrying dividend rights (previous year: €2.30) and to carry forward the remainder to new account.

3. Net assets and financial position

€ million

	2012	2011	YoY
Fixed assets	5,813	5,652	161
Marketable securities, cash and cash equivalents	2,786	2,459	327
Other current assets	98	116	-18
Total assets	**8,697**	**8,227**	**470**

€ million

	2012	2011	YoY
Equity	2,293	2,389	-96
Financial liabilities	5,980	4,931	1,049
Other liabilities and provisions	424	907	-483
Total equity and liabilities	**8,697**	**8,227**	**470**

Compared with the previous year, the total assets increased by €470 million to €8,697 million. The fixed assets of MAN SE mainly include the shares in affiliated companies, accounting for €4,214 million (previous year: €4,253 million), and the investments, accounting for €1,306 million (previous year: €1,306 million), in particular the shares in Scania AB, Södertälje/Sweden (Scania) 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 66.8% as of December 31, 2011 (previous year: 68.7%).

The receivables from financial transactions recognized in the cash and cash equivalents (€1,975 million, previous year: €1,998 million) relate to intragroup receivables, including the profit and loss transfers. The cash and cash equivalents stemming from the Group's central financing by MAN SE further include in particular bank balances (€630 million, previous year: €435 million). The other current assets reduced by €18 million to €98 million.

The equity decreased by €96 million to 2,293 million. This reduction results from the net income for the fiscal year (€242 million) and, on the other hand, from the distribution of the dividend for fiscal 2011. The ratio of total equity to total assets was 26.4% as of December 31, 2012 (previous year: 29.0%).

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 €954 million (previous year: €844 million) after transfer of €110 million from the net income for the fiscal year to the retained earnings.

Compared with the previous year, the financial liabilities increased by €1,049 million to €5,980 million (previous year: €4,931 million) and stem, inter alia, from the central financing of the MAN Group. The increase mainly results from the issuing of notes in fiscal 2012 under the EMTN program with a volume of up to €5 billion launched by MAN SE in 2009. This increase is offset for the most part by the decrease of the financial liabilities to affiliated companies.

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/net financial debt is a financial control measure of the Company that is calculated as cash and cash equivalents, short-term loans to unconsolidated investments, and marketable securities, less financial liabilities. MAN SE's net liquidity amounted to €-3,190 million as of December 31, 2012 (previous year: -€2,472 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. 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.

The EMTN program launched by MAN SE in 2009 has a volume of up to €5 billion, of which €3,320 million has currently been utilized through bond issues. MAN SE has issued both publicly offered bonds with a fixed interest rate and, for the first time in 2012, privately placed notes with a variable interest rate, all of which are denominated in euros. The privately placed notes have a total volume of €570 million and mature between September 2013 and November 2014. Details of the MAN Group's main outstanding publicly offered bonds are provided below.

The MAN Group's publicly offered bonds:

Principal amount (€ million)	**Term from**	**To**	**Interest rate p.a.**
500	May 20, 2009	May 20, 2016	7.250%
1,000	May 20, 2009	May 20, 2013	5.375%
750	March 13, 2012	March 13, 2017	2.125%
500	September 21, 2012	September 21, 2015	1.000%

In addition, the Group has issued two promissory note loans totaling €26.25 million that expire in the period up to 2019 (amortizing) and bear a fixed interest rate of 6.76%. The fixed-interest component of a promissory note loan (€49 million) was repaid in 2012 according to schedule.

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

After Standard & Poor's (S&P) linked the MAN Group's rating to that of Volkswagen AG in December 2011, MAN decided to end its cooperation with the rating agency in December 2012, primarily for commercial reasons. Standard & Poor's most recently confirmed MAN's A–long-term rating in September 2012, but lifted its outlook from “stable” to “positive” in line with Volkswagen AG’s rating. The rating relationship with Moody’s will continue unchanged. The A3 long-term rating with a stable outlook awarded by Moody’s was confirmed in September 2012.

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. For further information on the authorizations, see the next section below.

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 €26.25 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 exercised their call rights.

Repayment of the publicly offered bonds (€2.75 billion) and the privately placed notes (€570 million) can be demanded if one or more persons acting in concert acquire 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.

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 60 of the *SE-Verordnung* (SE-VO – German SE Regulation), 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 us on June 6, 2012, in accordance with section 21(1) sentence 1 of the WpHG that the share of voting rights held by Volkswagen Aktiengesellschaft had exceeded the threshold of 75% on June 6, 2012, and amounted to 75.03% at that time. In addition, Porsche Automobil Holding SE and its controlling shareholders notified us on June 6, 11, and 12, 2012, in accordance with section 21(1) of the WpHG that Volkswagen Aktiengesellschaft's 75.03% interest is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Furthermore, on October 26, 2012, 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) fell below the threshold of 3% on July 8, 2011.

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 exclude 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 exclude 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 excluding 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 excluding 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 exclude 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 excluding 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 excluding 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 exclude 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

The Executive Board of MAN SE prepared the dependent company report on relationships with affiliated companies required in accordance with section 312 of the *Aktiengesetz* (AktG – German Stock Corporation Act) and issued the following concluding declaration:

"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 propriety and 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 divisions and material 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.

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.

The divisional risk boards assess the current risk position by discussing and comparing key risks and opportunities, as well as by monitoring measures and reviewing their effectiveness. The MAN Group's Risk Board then assesses the Group's risk position on the basis of these key risks and opportunities and resolves measures to manage and mitigate risk.

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 financial statements. As part of the risk management activities, identified risks are assessed in terms of their effect on the financial statements 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 consolidated 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.

Company-level controls provide an effective control environment for the integrated process controls and are documented centrally at division level. They are 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.

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, economic uncertainties in Europe and the slowdown in growth in the emerging economies 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, short-time working, and the option of structural adjustments enable MAN to counter economic risks. Protectionist efforts, minimum local content requirements for domestic production in individual countries, and changes in competitive conditions in the MAN Group's sales markets may also have an adverse effect on projected growth.

Changes in legislation, taxes, or customs duties, or in environmental regulations in individual countries may also entail risks to MAN. 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. MAN manages risks arising from changes to environmental regulations such as the tightening of emission standards by expanding its product portfolio as appropriate, and modifying existing products or production processes.

Further information can be found in the section entitled "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 4 to 5% of Group revenue. The launch of efficient gas engines and turbines 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. 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, and confidentiality of information so as to mitigate and prevent risk, MAN uses a risk-based information security management system, as well as 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 the European Commission and the South Korean antitrust authorities into suspected possible antitrust violations in the commercial vehicles business at MAN Truck & Bus 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 the official proceedings cannot be ruled out. However, the European Commission has dropped its investigations into suspected possible antitrust violations in the engines business at MAN Truck & Bus and MAN Diesel & Turbo. The UK antitrust authorities also dropped their investigations into suspected possible antitrust violations in the commercial vehicles business at MAN Truck & Bus and handed them over to the European Commission for further processing in the context of the ongoing proceedings mentioned above.

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. Changes in exchange rates can affect prices for goods and services. The MAN Group therefore largely hedges currency risk arising from contracts, receivables, and liabilities, and partly hedges currency risk arising from forecast transactions. Financial management activities entail interest rate risk from interest rate-sensitive assets and liabilities. The goal of interest rate risk management is to largely reduce these risks through the use of derivative financial instruments. Furthermore, 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. These risks are managed through long-term supplier contracts, price escalation clauses in customer contracts, and targeted commodity price hedging in the banking market.

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. To the extent permitted by law, financial management for the operating units is performed centrally to a large extent using a cash pooling process. For external financing purposes, the opportunities available on the financial market are tracked continuously so as to ensure the MAN Group's financial flexibility. In addition, changes in the MAN Group's liquidity are monitored using a detailed financial plan.

The MAN Group is exposed to credit risk because of its business operations and financing and leasing activities. 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 and limit allocation system is used to distribute investments of cash funds across multiple prime-rated financial institutions.

The MAN Group is exposed to a risk of impairment affecting profit or loss if there are indications that equity-method investments or financial investments carried at cost are impaired. There is also a risk of impairment associated with financial investments that are recognized as available-for-sale financial assets.

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

In comparison with the previous year, economic and market risk was considerably more significant than product risk. On the basis of the risk management system established by the MAN Group, the Executive Board has again 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 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 2013 will continue to focus on economic and market 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 continued to establish its Compliance function. 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 45 staff. Twenty-four 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. Twenty-one 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 met a total of three 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.

The compliance champions appointed in 2011 (managers who are not full-time compliance employees but who have assumed special responsibility for compliance issues) were informed about current developments relating to MAN’s Compliance organization, compliance instruments, and related topics on a regular basis in the period under review. The compliance champions also support the Compliance organization by ensuring the compliance measures are also implemented at Group companies that do not have their own local compliance managers in place, for example.

Four internally appointed data protection coordinators ensure that personal data is protected at our companies in Germany. Additional data protection coordinators were appointed at foreign companies in the period under review to provide local support to those companies in their activities to comply with data protection rules. In total, MAN currently has data protection coordinators at more than 90 foreign companies.

Compliance risk assessment

The second Group-wide compliance risk assessment was completed in the reporting period. The aim of this measure is to identify potential compliance risks affecting the Group's objective business models. The results of the compliance risk assessment are used to determine measures to prevent compliance risks and conduct preventative compliance audits at selected Group companies (see below).

Code of Conduct and compliance policies

The MAN Group's ethical conduct guidelines and compliance requirements are described in its Code of Conduct. The provisions of the Code of Conduct are set out in greater detail in the following Compliance function policies:

- Policy on gifts, hospitality, and invitations to events
- Policy on engaging business partners
- Policy on donations and sponsorship activities
- Policy on compliance with antitrust regulations
- Policy on handling personal data
- Policy on case management and compliance investigations

Several compliance policies were reviewed and updated in the period under review.

Alongside the Code of Conduct for employees, 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 continued to hold compliance awareness training 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. These training sessions focus on providing basic knowledge on combating corruption and antitrust law. In the period under review, 3,865 employees around the world attended this training. The Compliance function also conducted special training sessions on antitrust law, combating corruption, and data protection for employees who are particularly exposed to risks in these areas. As part of these special training sessions, 3,635 employees received in-depth instruction. Finally, the Compliance function started rolling out an e-learning compliance program at the end of December 2012. This teaches the fundamentals of the MAN Code of Conduct and the basics of combating corruption, antitrust law, and data protection as covered in the Code. For the first time, classroom sessions on combating corruption and antitrust law were also conducted for business partners in the period under review.

Compliance Helpdesk

The Compliance function continues to operate the Compliance Helpdesk, which all employees can contact with compliance-relevant questions. The Compliance Helpdesk answered 931 compliance-related questions from employees by phone or e-mail during the reporting period.

Business Partner Approval Tool

The Business Partner Approval Tool is used to check and approve the integrity of business partners who perform sales support activities, as required by the policy on engaging business partners. As approvals are limited to two years, a renewal process was initiated for the first time in the period under review to extend the approvals granted to individual business partners. In total, over 2,355 checks were conducted using this tool in the period under review.

Continuous Controls Monitoring (CCM)

The expansion of the Continuous Controls Monitoring (CCM) electronic monitoring system continued in the period under review. The CCM system ensures that potential compliance risks and policy violations in purchasing and payment processes are detected at an early stage. CMM is now used at 33 MAN Group companies.

Mergers & acquisitions (M&A)

MAN refined the process implemented in 2011 to prevent itself from being exposed to compliance risks in connection with the acquisition or disposal of equity investments, in which the Compliance function provides support for MAN Group M&A projects from the start, and expanded the due diligence survey that target companies are required to complete.

Reporting compliance violations

The Speak up! whistleblower portal again served to detect and prevent material risks to MAN in the reporting period. Speak up! is used to accept and analyze information relating to serious compliance violations, especially in the area of white collar crime (e.g., corruption offenses), antitrust law, and data protection. This offers MAN employees and third parties a facility for providing information about compliance violations confidentially, worldwide, and at any time. MAN does not tolerate compliance violations under any circumstances. Reports of possible violations are investigated in detail, and violations are dealt with and punished according to the penalties permitted under labor law. In addition, findings from the investigation of compliance violations are used to continuously improve the compliance system.

Compliance audit

The Compliance function conducted preventative compliance audits at selected Group companies together with the Internal Audit function for the first time in the period under review. The aim of these audits is, in particular, to review the local implementation status of the MAN compliance program, as well as employee awareness of compliance issues at the entity concerned.

Policy management

The Compliance function coordinates a central project to improve policy management in the MAN Group. The project aims to simplify and harmonize the MAN Group's policy landscape. To this end, uniform guidelines were created on the hierarchy of regulations and on preparing, implementing, announcing, and communicating policies (Group Policy MAN 0.1). The existing policies are currently being reviewed by the functions and amended in line with the new guidelines. The Compliance function is also developing a central "house of policies" database in which all policies are to be recorded. The aim of the house of policies is to create a central platform to manage all Group-wide policies, which MAN employees can use to quickly and easily search and retrieve the policies they need.

Public commitment to compliance

In addition to its existing memberships of Transparency International and the United Nations Global Compact initiative, MAN joined the Partnering Against Corruption Initiative (PACI) and the Deutsches Institut für Compliance (DICO) in the period under review. PACI is a global anticorruption initiative set up by the World Economic Forum and developed by companies for companies. It offers a platform for communicating measures designed to minimize compliance risks. DICO is an association of companies and individuals and aims to promote and develop compliance standards and qualifications. The Compliance function also continues to regularly engage 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

The Corporate Governance Statement is published on the MAN website at www.man.eu.

Remuneration report for the fiscal year 2012

Executive Board remuneration

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 (section 4.2.2).

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.

The long-term remuneration component, which previously took the form of the MAN Stock Program, was redesigned in fiscal year 2012 and resolved by the Supervisory Board. A further change related to how Performance Component Two is paid out. In the future, the total of these components will be paid as a cash bonus rather than as a stock bonus.

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 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.

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 2012

Targets and target achievement for bonuses in 2012 were as follows:

Performance component	100% of target	200% of target (cap)	Actual value 2012	Target achievement	Bonus
1 * (ROCE – WACC)	0%	5%	3.9%	136%	1.02 fixed annual salary
2 Return on equity	12%	20%	5.5%	18.75%	0.14 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 2011:
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 2011 and 2012, which are now available, reveals that there is no need for adjustments to this component.

C) Long-term remuneration component

This component was previously offered in the form of the MAN Stock Program. The long-term remuneration component was redefined in fiscal 2012. This component is now based on the delta to the cost of capital (see Performance Component One).

The average delta to the cost of capital of the current and the two previous fiscal years is compared with the target range set 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.

One half of the fixed annual salary is awarded for a target achievement of 100%. The maximum possible bonus for this component is capped at one fixed annual salary for a target achievement of 200%.

The current target range for the delta to the cost of capital is 0% to +20%. Target achievement of 0% to 200% is represented as a straight line between these base points. A delta of 20% or more therefore yields one fixed annual salary and a delta of 10% yields one half of the fixed annual salary.

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 2012

The remuneration awarded to active members of the Executive Board for their services in fiscal 2012 totaled €7,139 thousand plus €1,529 thousand for pensions (previous year: €7,322 thousand plus €895 thousand for pensions). Please see the table set out in note 23 of the "Notes" for details of the Executive Board members' individual remuneration, broken down into fixed and performance-related components as well as into long-term incentive components.

Additionally, a total of €1,480 thousand (previous year: €2,930 thousand) in severance payments was made in fiscal 2012 to former members of the Executive Board. Appropriate provisions were recognized for these payments already at the time of departure. These payments are also described in detail in the abovementioned note in 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.

The following special arrangement was agreed in connection with the appointment of Mr. Berkenhagen and Mr. Schumm as members of the Company's Executive Board:

Neither member will be granted pension commitments by MAN. Instead, MAN has undertaken to assume the expenses associated with continuing the existing pension commitments in the Volkswagen Group. A special arrangement relating to total remuneration was also agreed with Mr. Berkenhagen. Further information can be found in note 23 of the “Notes”.

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.

The variable component is based on MAN’s earnings per share and is therefore not absolutely aligned with sustainable corporate development. To this extent, it could be said that the remuneration of the Supervisory Board is not in line with the recommendation contained in the Corporate Governance Code. The Company has therefore declared as a precautionary measure that it does not follow the recommendation set out in section 5.4.6 of the Code.

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 2012

The total remuneration payable to the members of the Supervisory Board for 2012 amounts to €952 thousand (previous year: €2,220 thousand). In addition, members of MAN SE’s Supervisory Board received remuneration totaling €52 thousand (previous year: €73 thousand) for serving on supervisory boards at Group companies in fiscal 2012. Please see note 24 of the “Notes” for a breakdown of the individual remuneration of the Supervisory Board members in 2012.

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, 2012, do not receive any remuneration.

8. Outlook

MAN SE is the leading holding of the MAN Group. All German 100% participations of importance, 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 today’s perspective, the MAN Group’s management anticipates that global economic growth will be very muted in 2013. The weak overall economy will continue to have a dampening effect on MAN’s key markets. This will overshadow the underlying long-term growth trends in the transportation and energy markets.

As in 2012, the high level of uncertainty stemming from the European sovereign debt crisis and the United States’ future fiscal policy will continue to dominate the global economy in 2013. Further deterioration could have a sustained negative impact on the global economy.

According to its latest winter report, the IfW is forecasting global GDP growth of 3.4% for 2013, as against 3.2% in 2012. The IfW is expecting slightly stronger growth of 3.9% for 2014. This main drivers for this trend are the advanced economies and, in particular, the euro zone.

The IfW expects GDP in the euro zone to again decline slightly in 2013, although the 0.2% decline will be less than in 2012 (0.5%). This forecast assumes that the uncertainty surrounding the future direction of the European sovereign debt crisis will ease. Nevertheless, fiscal policies will remain restrictive in the coming year and will have a dampening effect on the economy. In many countries, investment will grow only slowly as a result of unfavorable financing conditions. Within Europe, the divergent economic trends will continue in 2013. Growth rates in the southern European countries in particular will remain negative. Marginal growth is forecast for Central Europe. The IfW expects growth to decline from 0.7% to 0.3% in Germany. The EU accession states remain very vulnerable to economic risks in the euro zone because they are integrated with the production chains. The IfW nevertheless expects economic growth in these countries to rise to 1.3% in 2013 (2012: 0.9%). According to the IfW’s forecast, economic output in the euro zone as a whole should pick up again slightly in 2014, by 0.9%.

U.S. economic growth will depend heavily on whether a final agreement can be reached on the fiscal cliff and on raising the debt ceiling, and what any agreement looks like. Assuming that a large number of the economic stimulus measures expire and government spending cuts take effect, the IfW is only expecting growth of 1.5% (previous year: 2.2%), which should rise to 2.5% in 2014.

According to the IfW's latest forecast, the emerging economies will be held back by weak demand from the industrialized countries in 2013, among other things. Nevertheless, the IfW expects economic growth to increase in 2013. In some cases, there is a material risk that growth could decline significantly, in particular in light of recent tensions in the international financial markets.

The economic upturn forecast for Latin America will be boosted by favorable macroeconomic fundamentals. It is expected that the Brazilian government will continue to invest and take measures to strengthen the competitiveness of local companies. The IfW therefore expects Latin America's upwards economic trajectory to continue over the next two years with growth rates of 3.8% and 4.4%. Growth is forecast to increase again in Brazil to 3.0% in 2013 and 4.5% in 2014 (previous year: 1.0%).

In China, growth will pick up slightly as a result of the moderate recovery in the global economy. Economic growth will be boosted by higher private consumption. The IfW anticipates growth rates of 8.0% for 2013 and 7.5% for 2014 (previous year: 7.8%).

Compared with the previous year, India is expected to again see higher growth of 6.5% (previous year: 3.8%). The reforms resolved in fall 2012, which aim to promote foreign investment, should help the economy to regain speed. Growth of 7.5% is forecast for 2014.

The Russian economy is expected to grow by 3.8% and 3.5% in the next two years. It should be noted in this regard that a drop in oil prices and a further loosening in the peg between oil and gas prices may give rise to material risks for the Russian budget. The IfW anticipates an annual growth rate of around 5.5% in the southeast Asian economies in 2013 and 2014.

Commercial Vehicles: declining market trend in Europe; moderate growth in the emerging economies

The European commercial vehicles market is currently in the grip of ongoing economic weakness and uncertainty. As a result, we currently expect it to contract further in 2013 and remain more or less the same in 2014. One contributing factor will be the introduction of the Euro VI emission standard at the beginning of 2014. Shifts in demand may occur, depending on potential incentives to purchase Euro VI vehicles in Germany. Russia is likely to see slower growth in 2013 compared with the previous year before leveling off in 2014 at around the 2013 figure.

Unit sales in Brazil, MAN's most important market in Latin America, are expected to increase slightly in 2013. The market will record faster growth again in 2014. This forecast is backed by government subsidies and more favorable financing conditions for trucks. The preparations for the upcoming major sporting events and the associated infrastructure developments may also boost the market.

China, the world's largest truck market, is expected to stabilize at 2012 levels in 2013 and 2014. The extent to which the incentive programs planned by the Chinese government will shore up demand for trucks remains to be seen. The Indian market is forecast to develop positively in 2013 and 2014.

Global demand for buses in almost all regions is expected to level off at above 2012 levels in 2013 and 2014, although the European market is expected to decline slightly in 2013. It is forecast to recover slightly to 2012 levels in 2014.

Power Engineering: slight upward trend in some segments

After recording an overall decline in the market in 2012, the Power Engineering business area will continue to see slow growth in 2013 and 2014.

The merchant shipbuilding market is not expected to recover in the next few years due to overcapacity, which remains high. In contrast, the market for offshore and special ships is expected to perform well.

The energy generation markets are forecast to recover slightly in 2013 and 2014 in the emerging economies, where general demand for energy remains high. The trend towards more decentralized energy supplies, both here and in the developed economies, is also likely to have a positive long-term effect on the business. The shift in power plants fueled by diesel or heavy oil towards natural gas power plants will continue.

The processing industry should continue to see positive, albeit slower growth in 2013 and 2014 in the emerging economies. Although population growth will result in sustained high demand for primary materials, price pressure will increase as a result of greater competition.

The market trend in the oil and gas industry is encouraging. Due to its comparatively low price, natural gas will lead to new developments in, among others things, energy infrastructure, transportation, petrochemicals, and production. These developments will have a positive effect on all key regions. The oil and gas industry is therefore expected to record further growth in 2013 and 2014.

The offshore wind market will initially fail to meet original expectations. However, the sector should pick up significantly as soon as the technical and financial hurdles have been overcome. In the medium term, MAN is expecting further growth in the 5 MW offshore wind gear unit segment.

Executive Board's revenue and earnings expectations

The MAN Group's management does not anticipate any significant economic recovery in 2013. There is still significant uncertainty surrounding the economic environment, particularly in light of the sovereign debt crisis in Europe. Assuming that the European sovereign debt crisis does not escalate further and the economic stimulus measures in the emerging economies take effect, MAN SE's Executive Board currently expects the following:

In the Commercial Vehicles business area, MAN expects the European commercial vehicles business to decline in 2013, particularly in the first half of the year. In Brazil, sales are expected to return to growth in 2013 following the changeover to the Euro V emission standard in 2012. It is assumed that investment will increase on the back of government incentives and in the course of the economic recovery, and that the upcoming major sporting events will have a positive impact. Revenue in the Commercial Vehicles business area will be down slightly on the prior-year figure. Amidst still strong competition and frequently stagnating markets, the return on sales is expected to be on a level with the previous year at approximately 4%.

The Power Engineering business area is expecting a decrease in revenue in 2013 following its weak order intake in fiscal 2012. The return on sales will decline as against 2012, negatively impacted by the ongoing decrease in the license business in the marine sector, fierce ongoing competition, and the billing of major plant engineering orders at below-average profitability. The Power Engineering business area is therefore expected to record a single-digit return on sales in 2013.

As a result, the MAN Group will see a slight decline in revenue and a disproportionately large drop in operating profit in 2013. The return on sales will be below the 2012 figure.

Performance in 2014 will be highly dependent on the extent to which the economy recovers in 2013 and whether the uncertainties on the financial markets ease. The MAN Group will return to profitable growth in 2014, assuming that global economic growth regains speed in 2013 and in particular that the euro zone – a key market for MAN – stabilizes. In this case, revenue in the Commercial Vehicles business area should rebound, driven in particular by growth in the Latin American commercial vehicles markets. The return on sales is expected to rise moderately. Assuming that order intake recovers in fiscal 2013, the Power Engineering business area will see strong revenue growth, primarily due to growth in the power plant business and further increases in the after-sales business. Based on these assumptions, the return on sales should return to double-digit territory. For the MAN Group, the Executive Board is anticipating robust revenue growth in 2014. The return on sales is expected to approach the range of +/–2 percentage points of the long-term 8.5% target again.

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 further scale back production capacity – should this become necessary in the event of a deterioration in the economic situation.

Long-term growth strategy

Going forward, 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. In addition, the emerging economies in East Asia and South America offer attractive growth potential for MAN. In Africa, the power plants business has the potential to bridge the energy supply gap quickly and precisely. A second focus is on expanding after-sales operations in all business areas. Technology leadership remains a critical 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 efficiently, reliably, and in an environmentally friendly manner.

Measures to improve earnings initiated

MAN has already initiated a range of measures in view of the unsatisfactory earnings situation, some of which will only take effect in the medium term. The focus is on cutting costs and increasing efficiency in production, as well as in administration, sales, and development. Increasing production flexibility is allowing us to adapt to lower unit sales volumes. MAN Truck & Bus has already negotiated short-time working at two of its German locations for the first half of 2013. MAN will keep a close eye on market developments and respond appropriately if necessary, for example by cutting further shifts or production days, and – if necessary – increasing or extending short-time working. We are reviewing planned capital expenditure. Internal workflows are being critically examined and enhanced as part of projects to boost efficiency. Here, too, the aim is to increase quality and customer satisfaction. In addition, MAN has initiated investigations into achieving structural improvements. It also sees potential in the reorganization of the procurement area, in particular by bundling into a central purchasing function.

Cooperation with Volkswagen and Scania

MAN is part of a strong commercial vehicles alliance with Scania and Volkswagen Commercial Vehicles, with the aim of becoming one of the leading players in the global truck and bus markets. This alliance also allows us to leverage a large number of potential synergies. Project groups have already laid a solid foundation for this – first, methodology and data were harmonized so as to create a common procedural basis. They then conducted in-depth benchmark studies to identify differences and spotlight any resulting potential. In a third step, they defined specific cooperative measures, particularly in purchasing, research and development, and production. Individual synergy effects can be achieved relatively quickly, for example in common procurement. This is expected to take longer in research & development and production due to the high levels of complexity and the different, long product lifecycles involved. MAN will exploit all of the advantages offered by this strong commercial vehicles alliance while preserving and continuing to build on its own strengths. It will retain its brand identity and operational responsibility. The MAN Group is also contributing its extensive expertise and strong market position in the power engineering segment to the Volkswagen Group.

Capital expenditures, research, and development

The MAN Group will continue to make significant capital expenditures in 2013 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 modernizing its production facilities and further expanding 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 large-bore diesel engines in terms of their performance, consumption, and emission standards; on systematically integrating innovations into truck and bus models, and on developing new products. The expansion of the product range in the Power Engineering business area is putting a special emphasis on the use of natural gas as a fuel. In 2013 and 2014, the MAN Group will maintain a high level of R&D activity despite the current downturn in revenue. The goal is to maintain and expand the Group's strong technological position through research and development.

Cash flow

In view of the difficult economic situation, cash management will continue to be a particular focus going forward. 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 continue to keep a close eye on the capital markets in 2013 and, where appropriate, take measures to safeguard its financial capacity to act and to take advantage of opportunities that arise. Current financing conditions, and in particular 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 also 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 remain more or less constant in 2013. The financing volume in the Financial Services business is expected to expand slightly. In the Industrial Business, on the other hand, MAN is aiming to reduce its net financial debt. Planned capital expenditures will be reviewed. Even in a phase in which revenue is temporarily declining slightly, MAN will continue to make the investments in products and structures needed to 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 2012, bearing in mind the economic environment. The proposed dividend of €1.00 per share for 2012 is therefore lower than in 2011 (€2.30 per share). The amount distributed is not fixed; the MAN Group generally aims for 30% to 60% of net income.

Employees

The number of employees in the MAN Group (including subcontracted employees) will remain roughly the same in the coming year, provided that economic factors do not make further 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

On January 9, 2013, Volkswagen announced its intention to conclude a domination and profit and loss transfer agreement with MAN SE to create an integrated commercial vehicles group.

Annual report of MAN SE
for the fiscal year
January 1 to December 31, 2012

Income Statement
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Responsibility statement

Munich, January 30, 2013

MAN SE

Executive Board

Income statement for the period January 1 to December 31, 2012

€ thousand	Note	2012	2011
Net income from investments	**(1)**	545,934	701,637
Net interest income	**(2)**	-195,209	-126,885
Other operating income	**(3)**	83,650	129,761
General and administrative expenses	**(4)**	-118,618	-92,964
Other operating expenses	**(5)**	-21,972	-60,215
Write-downs of financial assets and marketable securities	**(6)**	-84,749	-
Net operating income		**209,036**	**551,334**
Tax income/earnings	**(7)**	33,110	-179,606
Net income for the fiscal year		**242,146**	**371,728**
Retained profits brought forward from previous year		35,549	2,013
Provision to revenue reserves		-110,000	-
Net retained profits		**167,695**	**373,741**

Balance sheet

€ thousand	Note	Dec. 31, 2012	Dec. 31, 2011
Assets			
Intangible assets		9,738	9,571
Property, plant, and equipment		1,282	1,561
Financial assets		5,801,804	5,641,253
Fixed assets	**(8)**	**5,812,824**	**5,652,385**
Receivables and other assets	**(9)**	78,474	99,073
Marketable securities		181,857	24,999
Cash and cash equivalents	**(10)**	2,604,637	2,433,564
Current assets		**2,864,968**	**2,557,636**
Prepaid expenses	**(11)**	**19,304**	**17,082**
		8,697,096	**8,227,103**

€ thousand	Note	Dec. 31, 2012	Dec. 31, 2011
Liabilities			
Subscribed capital		376,422	376,422
Common shares		*360,894*	*360,894*
Preferred shares		*15,528*	*15,528*
Contingent capital		*76,800*	*76,800*
Capital reserves		794,897	794,897
Retained earnings		954,000	844,000
Net retained profits		167,695	373,741
Equity	**(12)**	**2,293,014**	**2,389,060**
Provisions for pensions		11,687	17,569
Provisions for taxation		-	158,159
Other provisions		262,221	571,796
Provisions	**(13)**	**273,908**	**747,524**
Financial liabilities		5,980,392	4,930,674
Other liabilities		149,782	159,845
Liabilities	**(14)**	**6,130,174**	**5,090,519**
		8,697,096	**8,227,103**

Notes

Underlying Principles of the Annual Financial Statements

The annual financial statements of MAN SE for the fiscal year from January 1 to December 31, 2012 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.

Accounting Policies

Intangible Assets

Acquired intangible assets are carried at cost and are depreciated over their useful life, generally over 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, moveable 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 fully dissolved in the following year.

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 benefit obligations are determined on the basis of the proportionate benefit entitlements earned by the end of the reporting period and are 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 is the discount interest rate in accordance with section 253(2) HGB applicable to a remaining maturity term of 15 years as published from time to time by the German Central Bank (*Deutsche Bundesbank*).

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 underlyings 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 back lock 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	2012	2011
Profit from profit transfer agreements	215,862	809,149
Profit from participations	443,698	460,225
(thereof from affiliated companies)	(383,548)	(400,887)
Expenses from assumption of losses	-113,626	-567,737
	545,934	**701,637**

As a result of the poor business situation, the profits from the transfer agreements fell sharply. The net income from investments contain profits resulting from the redemption of capital reserves of affiliated companies. In the previous year, the expenses from the assumption of losses consisted mostly of the depreciation in value of the participation in Ferrostal as well as of the accounting prevention established with regard to the commitment made concerning the settlement with International Petroleum Investment Company, Abu Dhabi/V.A.E. (IPIC).

(2) Net interest income

€ thousand	2012	2011
Other interest and similar income	70,374	69,446
(thereof from affiliated companies)	(65,664)	(65,124)
Interest and similar expenses	-266,928	-194,044
(thereof from affiliated companies)	(-8,178)	(-27,824)
Interest from pension provisions	1,345	-2,287
	-195,209	**-126,885**

The net interest income and the interest expenses mainly refer to the assets recognized under cash and cash equivalents and under financial liabilities. In fiscal 2012, interest and similar expenses include tax interest of €102,829 thousand (previous year: €32,440 thousand). In fiscal 2012 the earnings on interest were influenced by compounding other provisions in the amount of €3,005 thousand (previous year: €4,000 thousand) of the net interest expense. In the fiscal year €3,005 thousand (previous year: €4 thousand) tock effect from the accumulation of other provisions.

(3) Other operating income

Other operating income comprise, inter alia, income from the reversal of provisions, shared service services and additional charges, cost reimbursements of commissions on bank guaranty, earnings from foreign currency transactions and financial instruments as well as earnings on asset disposals. Earnings on foreign currency valuation amount to €11,246 thousand (previous year: €52,127 thousand).

(4) General and administrative expenses

€ thousand	2012	2011
Personnel expenses	41,078	36,392
Depreciation	5,597	5,501
Costs of materials for the administration	71,943	51,071
	118,618	**92,964**

(5) Other operating expenses

The other operating expenses amounting to €21,972 thousand (previous year: €60,215 thousand) comprise those expenses that can not be allocated to the functional expenses. They particularly comprise project costs, depreciations on accounts receivables and other taxes.

(6) Write-downs of financial assets and marketable securities

€ thousand	2012	2011
Depreciations on shares in affiliated companies	3,749	-
Depreciations on loans to affiliated companies	80,000	-
Depreciations on participations	1,000	-
	84,749	**-**

(7) Taxes income / earnings

In fiscal 2012 the tax income amounts to €33,110 thousand (previous year: tax expense of €179,606 thousand).

Balance sheet disclosures

(8) Changes in fixed assets

€ thousand	Costs				Cumulative depreciation, amortization and write-downs				Net book value	
	Balance at 01.01.2012	Additions	Disposals	Balance at 31.12.2012	Balance at 01.01.2012	Additions	Disposals	Balance at 31.12.2012	Balance at 31.12.2012	Balance at 31.12.2011
Intangible assets	**21,495**	**5,502**	**0**	**26,997**	**11,924**	**5,335**	**0**	**17,259**	**9,738**	**9,571**
Property, plant, and equipment										
Land, land rights and buildings, and buildings on third-party land	11,401		5,449	**5,952**	10,742	28	5,164	**5,606**	**346**	**659**
Operating and office equipment	1,900	269	2	**2,167**	998	234	2	**1,230**	**937**	**902**
	13,301	**269**	**5,451**	**8,119**	**11,740**	**262**	**5,166**	**6,836**	**1,283**	**1,561**
Financial assets										
Shares in affiliated companies	4,259 277	0	35,454	**4,223,823**	5,915	3,749	0	**9,664**	**4,214,159**	**4,253,362**
Loans to affiliated companies	80,000	280,992	0	**360,992**	0	80,000	0	**80,000**	**280,992**	**80,000**
Equity investments	1,402,291	0	0	**1,402,291**	96,285	1,000	0	**97,285**	**1,305,006**	**1,306,006**
Other loans	1,885	0	239	**1,646**	0	0	0	**0**	**1,646**	**1,885**
	5,743,453	**280,992**	**35,693**	**5,988,752**	**102,200**	**84,749**	**0**	**186,949**	**5,801,803**	**5,641,253**
Fixed assets	**5,778,249**	**286,763**	**41,144**	**6,023,868**	**125,864**	**90,346**	**5,166**	**211,044**	**5,812,824**	**5,652,385**

Changes in fixed assets are described in the asset analysis. The additions in intangible assets relate to software acquired against payment. The additions in loans to affiliated companies mainly relates to two initiative loans (Anschubdarlehen). One loan to an affiliated company has been written down due to the economic situation. Equity investments primarily include the shares in Scania AB, Södertälje/Sweden (Scania). As of December 31, 2012 the participation of MAN SE amounted to 13.35% of the share capital and 17.37% of the voting rights in Scania.

(9) Receivables and other assets

€ thousand	Dec. 31, 2012	Dec. 31, 2011
Receivables from affiliated companies	12,705	48,126
Other assets	65,769	50,947
(thereof with a maturity term exceeding one year)	(6,099)	(6,886)
	78,474	**99,073**

The receivables from affiliated companies mainly include receivables from tax allocation charges and financial transfers with unconsolidated companies. 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, 2012	Dec. 31, 2011
Receivables from financial transfer with affiliated companies	1,785,564	1,794,813
Receivables resulting from the settlement of profit and loss accounts with affiliated companies	189,460	203,641
Cash-in-hand, checks, bank balances	629,613	435,110
	2,604,637	**2,433,564**

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

(11) Prepaid expenses

The prepaid expenses include a discount in the amount of €5,096 thousand (previous year €2,159 thousand).

(12) Equity

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) 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 60 of the *SE-Verordnung* (SE-VO – German SE Regulation) in conjunction with section 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 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 the 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 the 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 exclude 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 exclude 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 excluding 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 excluding 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 exclude 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 excluding 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 excluding 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 exclude 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 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 June 6, 2012, in accordance with section 21(1) sentence 1 of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) that the share of voting rights held by Volkswagen Aktiengesellschaft had exceeded the limit of 75% on June 6, 2012, and amounted to 75.03% at that time. In addition, Porsche Automobil Holding SE and its controlling shareholders notified MAN SE on June 6, 11, and 12, 2012, in accordance with section 21(1) WpHG that Volkswagen Aktiengesellschaft's 75.03% interest is also attributable to Porsche Automobil Holding SE and its controlling shareholders. Furthermore, on October 26, 2012, MAN SE received notifications in accordance with section 21(1) WpHG that the share of voting rights held by BlackRock, Inc. (and companies affiliated with it) fell below the threshold of 3% on July 8, 2011 (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 only other retained earnings only. €110,000 thousand were allocated into retained earnings in the financial year.

After allocation into retained earnings and including retained profits brought forward in the amount of €35,549 thousand, the net retained profit amounts to €167,695 thousand (previous year: €373,741 thousand).

At the Annual General Meeting, MAN SE's Executive and Supervisory Boards will propose utilizing the net retained profits of €168 million (previous year: €374 million) to pay a dividend of €1.00 per share carrying dividend rights (previous year: €2.30) and to carry forward the remainder to new account. The proposed total dividend payout is therefore €147 million (previous year: €338 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 €4,780 thousand (previous year €1,604 thousand) which is not available for dividend payout. This amount blocked from dividend payout is opposed by free capital reserves in the amount of €954,000 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, 2012	December 31, 2011
Technical interest rate	5.05%	5.14%
Future pension increases	1.80%	2.0%
Future pay increases	2.70%	2.75%

For those cases where the employment relationship is terminated without entitlement to benefits, we have assumed a fluctuation probability specific to the company.

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 liability **€ thousand**	
Amount of liabilities as of January 1, 2012	**-48,450**
Allocation of interest	-2,333
Allocation of personnel expenses	5,838

Payments/Employee contributions	6,534
Pension liabilities as of December 31, 2012	**-50,087**
Change in pension assets	
Pension assets as of January 1, 2012	**30,881**
Results from pension assets	519
Other changes	3,841
Change in value due to market evaluations	3,159
Fair value of pension assets as of December 31, 2012	**38,400**
Acquisition costs relating to pension assets €33,637 thousand	
Provisions for pensions	**11,687**

The effects on earnings resulting from the cover assets (€-3,678 thousand) were combined with the allocation of interests (€2,333 thousand) in accordance with section 246(2) sentence 2 HGB. The result in the amount of €1,345 thousand is part of the interest results as reflected under "interests from pension provisions".

The assets which were netted against each other were determined at arms-length value.

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 €1,179 thousand (previous year €577 thousand) were netted against the assets from part-time retirement in the amount of €318 thousand (previous year €220 thousand). The current value of the netted assets from part-time retirements was determined on arms-length basis. The change in value based on arms-length valuation amounts to €17 thousand. Acquisition costs relating to part-time retirement assets have equaled the book value in the previous year.

(14) Liabilities

€ thousand	31.12.2012 Total	thereof < 1 year	thereof 1-5 years	thereof >5 years	31.12.2011 Total	thereof < 1 year	thereof 1-5 years	thereof > 5 years
Bonds	3,320,000	1,090,000	2,230,000	0	1,500,000	0	1,500,000	0
Liabilities to banks	0	0	0	0	51,070	51,070	0	0
Financial liabilities to affiliated companies	2,634,142	2,634,142	0	0	3,292,813	3,285,313	7,500	0
Financial liabilities to others	26,250	3,750	15,000	7,500	86,791	60,541	15,000	11,250
Financial liabilities	**5,980,392**	**3,727,892**	**2,245,000**	**7,500**	**4,930,674**	**3,396,924**	**1,522,500**	**11,250**
Trade payables	9,616	9,616	0	0	8,497	8,497	0	0
Liabilities to affiliated companies	25,928	25,928	0	0	68,548	68,548	0	0
Liabilities to companies in which a participatory interest is held	16,008	16,008	0	0	15,846	15,846	0	0
Other liabilities	98,230	97,610	354	266	66,954	66,096	415	443
(of which: taxes)	(3,202)	(3,202)	(0)	(0)	(37,178)	(37,178)	(0)	(0)
(of which: personnel-related)	(8,037)	(8,037)	(0)	(0)	(11,905)	(11,905)	(0)	(0)
Other liabilities	**149,782**	**149,162**	**354**	**266**	**159,845**	**158,987**	**415**	**443**
	6,130,174	**3,877,054**	**2,245,354**	**7,766**	**5,090,519**	**3,555,911**	**1,522,915**	**11,693**

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, 2012	Dec. 31, 2012
Contingent liabilities under guarantees	713,789	464,130
	713,789	**464,130**

The contingent liabilities under guarantees are related to the processing of orders and the group financing of the group companies. The increase mainly results from guarantees provided in connection with promotional loans for research and development. 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, MAN´s Executive Board 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.

The investigations by the European Commission and the South Korean antitrust authorities into suspected possible antitrust violations in the commercial vehicles business launched in 2011 are still ongoing. MAN continues to fully cooperate with the antitrust authorities. The investigations by the European Commission into suspected possible antitrust violations in the engines business at MAN Truck & Bus and MAN Diesel & Turbo which were also launched in 2011, were dropped in 2012. The UK antitrust authorities (Office of Fair Trading) also dropped their investigations, launched in 2010, into suspected possible antitrust violations in the commercial vehicles business at MAN Truck & Bus and handed it over to the European Commission for it to be processed in the context of the ongoing investigation mentioned above.

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, MAN does not believe that such negative impacts 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 of rental and lease and leasing obligations. The future obligations until expiration of the minimum term of the agreements are due as follows:

€ thousand	**Dec. 31, 2012**	**Dec. 31, 2011**
Due within one year	14,554	15,349
Due between one and five years	15,323	18,353
Due after more than five years	15,034	13,476
	44,911	**47,178**
of which against affiliated companies	***8,359***	***1,079***

(18) Other income statement disclosures

The general administration expenses include the following personnel expenses:

€ thousand	**2012**	**2011**
Wages and salaries	31,857	32,246
Social security contributions and retirement benefit expenses	9,221	4,146
	41,078	**36,392**

Wages and salaries also comprise share-based payments.

Retirement benefit expenses amount to €5,849 thousand (previous year: €1,321 thousand).

On average, 276 staff were employed during the fiscal year (previous year 241).

(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, cross-currency swaps, and cash-settled commodity futures.

The fair value of currency forwards and commodity futures is calculated on the basis of the forward rates obtained from recognized 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 recognized 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 values of interest rate swaps and cross-currency swaps are 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 and cross-currency swaps. Such interest rate-sensitive underlying transactions include fixed-rate loans in Euro and foreign currencies, 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 valuation units where internal accounts of MAN Group are hedged, all changes in values regarding underlying and hedging transactions are recorded in the balance sheet (gross hedge presentation method). In cases where derivatives entered into with group companies are hedged, they are recorded in the balance sheet using the net hedge presentation method. If the valuation unit is effective, and there is a negative market backlog (*negativer Marktwertüberhang*) due to ineffectiveness, a provision for valuation units will be established; otherwise, the individual transactions will not be recorded individually in the balance sheet. In cases where money market transactions in foreign currencies are hedged, both methods are used.

No provision for valuation units relating to derivatives was recognized as at December 31, 2012 (previous year: €774 thousand). Positive fair values in the amount of €2,119 thousand (previous year: €885 thousand) were carried in the balance sheet as at December 31, 2012 as other assets, and negative fair values in the amount of €1,775 thousand (previous year: €798 thousand) were carried in the balance sheet as at December 31, 2012 as other liabilities.

Option premiums in the amount of €3,076 thousand (previous year: €5,661 thousand) generated from currency options entered into with subsidiaries and passed on to banks were capitalized as other assets, and €3,113 thousand (previous year: €5,724 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 €140 thousand (previous year: –€1,019 thousand) was carried as assets (or, liabilities, respectively), and with regard to interest rate swaps entered into with subsidiaries an amount of €138 thousand (previous year: €13 thousand) was capitalized.

Hedged basic transactions **€ million**		
	Dec. 31, 2012	**Dec. 31, 2011**
Financial assets	493	439
Outstanding debts	-921	-920
Pending transactions[1]	3,144[2]	3,172[3]

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

1 Nominal volume and expected interest rates of loans and interest rate derivatives
2 Financial assets €933 million, outstanding debts €708 million and interest rate derivatives €1,503 million
3 Financial assets €1,003 million, outstanding debts €775 million and interest rate derivatives €1,394 million

€ million	Dec. 31, 2012	Dec. 31, 2011
Hedging transactions with group companies		
Nominal volume		
Currency purchases	892	884
Currency sales	697	772
Currency options	36	114
Receiver interest rate swaps	1,716	1,587
Commodity forward sales	18	16
Market prices		
Currency forwards	-2	-5
Currency options	-1	-2
Receiver interest rate swaps	33	28
Commodity futures	0	2

€ million	Dec. 31, 2012	Dec. 31, 2011
Hedging transactions with third parties		
Nominal volume		
Currency purchases	1,294	1,673
Currency sales	1,224	1,307
Currency options	36	175
Combined interest rate/cross-currency swaps (payer)	72	-
Receiver interest rate swaps	500	10
Payer interest rate swaps	2,004	1,933
Commodity forward purchases	18	16
Market prices		
Currency forwards	1	12
Currency options	1	2
Combined interest rate/cross-currency swaps (payer)	1	-
Receiver interest rate swaps	3	0
Payer interest rate swaps	-37	-35
Commodity futures	0	-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 the 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). 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. The long-term remuneration component, which previously took the form of the MSP, was redesigned in fiscal year 2012 and resolved by the Supervisory Board. Share-based payment arrangements were discontinued starting in fiscal 2012.

In addition, starting in fiscal 2010, the members of MAN SE’s Executive Board were 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. The Supervisory Board of MAN SE also resolved in fiscal 2012 to change the way in which this remuneration component is paid out. It will be paid out in cash, starting with fiscal 2012.

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. Payments for these shares amounted to €1,102 thousand. The part of the variable remuneration required to be used to purchase MAN common shares amounted to €326 thousand. Based on the closing price of €68.70 on December 31, 2011, this corresponded to 4,748 MAN 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 in fiscal 2011. Corresponding provisions were build up as of December 31, 2011, for the share purchases in 2012.

In fiscal 2011, the members of the Executive Board received a total of 4,654 MAN common shares under the MSP 2011 at an average price of €93.35. Payments for these shares amounted to €434 thousand. The part of the variable remuneration required to be used to purchase MAN common shares for fiscal 2011 amounted to €326 thousand. Based on the closing price of €68.70 on December 31, 2011, this corresponds to 4,748 MAN 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.

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 on an annual basis 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. No shares of MAN SE were granted under the MSP M in fiscals 2012 and 2011. For the shares granted in April 2010, a cash settlement under terms still to be determined in fiscal 2013 was resolved in fiscal 2012. The number of shares granted as of December

31, 2012 was 63,612 shares. In fiscal 2012, the expense from the MSP M is €683 thousand (previous year: income €1,324 thousand).

(22) Total remuneration of the auditor

€ thousand	**2012**	**2011**
Audit services	253	253
Other assurance services	716	203
Other services	947	2,457
Incidental costs	120	100
	2,036	**3,013**

(23) Remuneration of the Executive Board

The members of the Executive Board were remunerated as follows:

€ thousand	2012	2011
Executive Board members in office as of December 31, 2012[1]		
Fixed remuneration	2,417	1,651
Variable cash bonus[2]	3,995	3,640
Pension expense	1,373	623
Former Executive Board members[3]		
Fixed remuneration	290	635
Variable cash bonus	437	1,396
Pension expense	156	272
Total	**8,668**	**8,217**

1 Dr. Georg Pachta-Reyhofen (Chief Executive Officer), Frank H. Lutz
Dr.-Ing. René Umlauft since September 1, 2011, Jochen Schumm since July 1, 2012,
Ulf Berkenhagen since September 1, 2012.

2 In fiscal 2011, variable cash bonus, variable stock bonus, and MSP;
no share-based payment starting with fiscal 2012.

3 Jörg Schwitalla until June 30, 2012; 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.

In addition, severance payments amounting to a total of €21,064 thousand (including €2,541 thousand for pensions) were attributable to the four Executive Board members who left in fiscal 2009. These severance payments relate to Dipl. Ing. Håkan Samuelsson (total of €7,323 thousand), Prof. Dr. h.c. Karlheinz Hornung (total of €4,494 thousand), Dipl.-Ökonom Anton Weinmann (total of €4,839 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 2009. Moreover, a severance payment in the total amount of €4,161 thousand (including €674 thousand for pensions) was attributable to Jörg Schwitalla, who left the Executive Board in fiscal 2012. €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 who left in fiscal 2009. €2,930 thousand (2010: €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 (2010: Dipl.-Ing. Håkan Samuelsson, Prof. Dr. h.c. Karlheinz Hornung and Dipl.-Ökonom Anton Weinmann). €1,480 thousand was paid in fiscal 2012 for Klaus Stahlmann and Jörg Schwitalla. Corresponding provisions were recognized for the severance payments granted in excess of this amount.

The present value of pension obligations as of December 31, 2012, to members of the Executive Board in office as of the end of the year amounted to €4,567 thousand (previous year: €4,269 thousand). The total pension expense amounted to €1,529 thousand in 2012 (previous year: €895 thousand), of which €1,067 thousand (previous year: €754 thousand) related to current service and €178 thousand (previous year: €141 thousand) to interest. This amount includes both the current service and the interest cost for Jörg Schwitalla in fiscal 2012 and for Klaus Stahlmann in fiscal 2011 on a pro rata basis for the period until the date they left the Executive Board. The pension expense also includes the agreed amounts recharged for Jochen Schumm and Ulf Berkenhagen for pension obligations outside MAN. These recharged amounts were determined on a pro rata basis in line with their activity as Executive Board members.

Pension payments to former Executive Board members, including amounts paid in the first year after the end of their contracts and retirement and to their surviving dependents amounted to €8,523 thousand as of December 31, 2012 (previous year €3,065 thousand). A total of €47,955 thousand (previous year: €48,563 thousand) was recognized as of December 31, 2012, 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 pages 45 and 46 and more detailed information on the remuneration structure and its components is disclosed on pages 23 et seq. of the management report.

The following table shows the individual remuneration of the members of the Executive Board.

Executive Board remuneration 2012 (2011)

€ thousand	**Fixed remuneration**	**Variable remuneration***	**Pension expense**	**Total**	**No of shares vested in fiscal 2011 under MSPP**
Executive Board members in office as of December 31, 2012					
Dr. Georg Pachta-Reyhofen (Chief Executive Officer)	776 (746)	1,176 (1,880)	491 (343)	**2,443 (2,969)**	- (1,872)
Frank H. Lutz	582 (549)	874 (1,396)	323 (280)	**1,779 (2,225)**	- (1,391)
Dr.-Ing. René Umlauft (since September 1, 2011)	550 (356)	826 (364)	275 (-)	**1,651 (720)**	- (-)
Jochen Schumm (since July 1, 2012)	308 (-)	437 (-)	258 (-)	**1,003 (-)**	- (-)
Ulf Berkenhagen (since September 1, 2012)	201 (-)	682 (-)	26 (-)	**909 (-)**	- (-)
Former Executive Board members					
Jörg Schwitalla (since June 30, 2012)	290 (553)	437 (1,396)	156 (255)	**883 (2,204)**	- (1,391)
Klaus Stahlmann (until February 21, 2011)	- (82)	- (-)	- (17)	**- (99)**	- (-)

Total	**2,707** **(2,286)**	**4,432** **(5,036)**	**1,529** **(895)**	**8,668** **(8,217)**	**-** **(4,654)**

* In fiscal 2011, variable cash bonus, variable stock bonus, and MSP; no share-based payment starting with fiscal 2012.

The cost of the shares purchased in fiscal 2011 is contained in the amounts shown for variable remuneration.

The remuneration of the Executive Board listed above include remunerations for members of the management 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	2012	2011
Fixed remuneration	511	630
Variable remuneration	179	1,260
Remuneration for committee membership	210	245
Attendance fees	52	85
Total	**952**	**2,220**

The members of the Supervisory Board, including their memberships in other statutory supervisory boards and comparable supervisory bodies are listed on pages 43et seq., and more detailed information on the remuneration structure and its components is disclosed on pages 32et 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 2012	Total 2011
Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand K. Piëch, Chairman	Full-year	70	25	35	0	130	245
Thomas Otto, Deputy Chairman*	Full-year	53	19	35	7	114	203
Prof. Dr.-Ing. Dr.-Ing. E.h. Dr. h.c. Ekkehard D. Schulz, Deputy Chairman	Full-year	53	19	35	5	112	200
Michael Behrendt	Full-year	35	12	35	7	89	147
Marek Berdychowski*	Full-year	35	12	0	3	50	109
Ulf Berkenhagen	Until April 20, 2012	0	0	0	0	0	109

Dr. Matthias Bruse	Until April 20, 2012	10	4	0	0	14	56
Detlev Dirks*	Full-year	35	12	0	3	50	109
Jürgen Dorn*	Full-year	35	12	35	7	89	150
Prof. Dr. rer. Pol. Dr.-Ing. E.h. Jochem Heizmann	April 20, 2012 to October 12, 2012	0	0	0	0	0	-
Jürgen Kerner*	Full-year	35	12	0	3	50	109
Dr. jur. Thomas Kremer	Until April 20, 2012	10	4	0	0	14	58
Gerhard Kreutzer*	Full-year	35	12	35	8	90	148
Wilfrid Loos*	Full-year	35	12	0	3	50	56
Dr. h.c. Leif Östling	Since Octo-ber 18, 2012	0	0	0	0	0	-
Angelika Pohlenz	Full-year	35	12	0	3	50	56
Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch	Since April 20, 2012	0	0	0	0	0	-
Erich Schwarz*	Full-year	35	12	0	3	50	109
Prof. Rupert Stadler	Full-year	0	0	0	0	0	147
Prof. Dr. Dr. h.c. mult. Martin Win-terkorn	Since April 20, 2012	0	0	0	0	0	-
Members who left the Supervisory Board in 2011							209
Total 2012		**511**	**179**	**210**	**52**	**952**	**-**
Total 2011		**630**	**1,260**	**245**	**85**	**-**	**2,220**

* These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guide-lines issued of the German Confederation of Trade Unions (DGB).

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. Dirks received €4 thousand (previous year: €0 thousand), Mr. Dorn received €11 thousand (previous year: €11 thousand), Mr. Kerner received €4 thousand (previous year: €8 thousand), Mr. Kreutzer received €8 thousand (previous year: €8 thousand), Mr. Loos received €3 thousand (previous year: €3 thousand), Mr. Otto received €22 thousand (previous year: €22 thousand), and Mr. Stadler received €0 thousand (previous year: €21 thousand).

Expenses reimbursed for attending Supervisory Board and committee meetings amounted to €20 thousand in the fiscal year (previous year: €22 thousand).

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

1.

On June 6, 2012, Volkswagen Aktiengesellschaft, Wolfsburg, Germany has informed MAN SE in accordance with section 21(1) WpHG that via shares its voting rights on MAN SE, Munich, Germany, have exceeded the 75% threshold of the voting rights on June 6, 2012 and on that day amounted to 75.03% (this corresponds to 105,769,788 voting rights).

2.

On June 6, 2012, Porsche Automobil Holding SE, Stuttgart, Germany has informed MAN SE in accordance with section 21(1) WpHG that via shares its voting rights on MAN SE have exceeded the 75% threshold of the voting rights on June 6, 2012 and on that day amounted to 75.03% (this corresponds to 105,769,788 of all voting rights). According to section 22(1) sentence 1, No 1 WpHG, all of the mentioned 105,769,788 voting rights are attributed to Porsche Automobil Holding SE. The attribution occurs via Volkswagen Aktiengesellschaft, Wolfsburg, Germany, whose proportion of voting rights in MAN SE amounts to more than 3%.

3.

On June 11, 2012, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on June 6, 2012, the holding of voting rights of each Notifying Person in MAN SE, exceeded the threshold of 75% and amounted at that day to 75.03% (105,769,788 of all voting rights). All of the aforementioned 105,769,788 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 each controlled by each of the stated Notifying Persons
• Mag. Josef Ahorner, Austria • Mag. Louise Kiesling, 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-Kiesling 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-Kiesling 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-Kiesling 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-Kiesling 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-Kiesling 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-Kiesling 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-Kiesling 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-Kiesling 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 June 12, 2012, the individuals and legal entities listed below (the "Notifying Persons") have informed MAN SE in accordance with section 21(1) WpHG that on June 6, 2012, the holding of voting rights of each Notifying Person in MAN SE, exceeded the threshold of 75% and amounted at that day to 75.03% (105,769,788 of all voting rights). All of the aforementioned 105,769,788 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 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.

BlackRock Investment Management (UK) Limited, London, UK, has informed us on October 26, 2012, 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, Munich, Germany, have fallen below the 3% limit of the voting rights on July 8, 2011 and amount to 2.35% (3,315,007 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., New York, USA, in MAN SE, Munich, Germany, have fallen below the 3% limit of the voting rights on July 8, 2011 and amount to 2.32% (3,274,126 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, Munich, Germany, have fallen below the 3% limit of the voting rights on July 8, 2011 and amount to 2.32% (3,274,126 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 Code

In December 2012, 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 73.72% of the shares in MAN SE. MAN

SE is included in the Group Accounts of Volkswagen AG which is being published in the Federal Gazette.

(28) Events after the end of the Reporting Period

On January 9, 2013, Volkswagen has notified MAN SE that it intends to enter into a domination and profit and loss transfer agreement with MAN SE to create an integrated commercial-vehicle group.

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) Ducati Motor Holding S.p.A., Italy
Porsche Ges.m.b.H., Austria
Porsche Holding GmbH, Austria
Porsche Piëch Holding GmbH, Austria
Scania AB, Sweden
Scania CV AB, Sweden

Thomas Otto*
Ottweiler,
Executive Assistant to the Executive Board Chairman 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
Krefeld,
Former Chief Executive Officer of ThyssenKrupp AG
Deputy Chairman of the Supervisory Board
1) Bayer AG
RWE AG

Michael Behrendt
Hamburg,
Chief Executive Officer of Hapag-Lloyd AG
1) Barmenia Allgemeine Versicherungs-AG (deputy Chairman)
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 until April 20, 2012)
1) Klöpfer & Königer GmbH & Co. KG
Surteco SE
Wacker Neuson SE

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

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)

Prof. Dr. rer. Pol. Dr.-Ing. E.h. Jochem Heizmann
Wolfsburg,
Member of the Executive Board of Volkswagen AG
(Member of the Supervisory Board from April 20, 2012 to October 12, 2012)
1) Lufthansa Technik AG
4) Scania AG, Sweden
Scania CV AB, Sweden

Jürgen Kerner *
Frankfurt,
Member of the Executive Board of IG Metall
1) Premium Aerotec GmbH
Siemens AG

Dr. jur. Thomas Kremer
Essen,
Executive Vice President of ThyssenKrupp AG
(Member of the Supervisory Board until April 20, 2012)
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
1) MAN Truck & Bus Deutschland GmbH (Deputy Chairman)

Dr. h.c. Leif Östling
Stockholm/Sweden,
Member of the Executive Board of Volkswagen AG
(Member of the Supervisory Board since October 18, 2012)
2) MAN Truck & Bus AG
3) Aktiebolaget SKF, Sweden (Chairman)
ISS A/S, Denmark (Deputy Chairman)

4) Scania AB, Sweden
Scania CV AB, Sweden

Angelika Pohlenz
Wiesbaden,
Secretary General of the International Chamber of
Commerce (ICC), Berlin

Dipl.-Wirtsch.-Ing. Hans Dieter Pötsch
Wolfsburg,
Member of the Executive Board of Volkswagen AG and Member of the Executive Board of Porsche Automobil Holding SE
(Member of the Supervisory Board since April 20, 2012)
1) Bertelsmann SE & Co. KGaA
2) Audi AG
Autostadt GmbH (Chairman)
Dr. Ing. h.c. Porsche AG
Volkswagen Financial Services AG (Chairman)
4) Bentley Motors Ltd., United Kingdom
Porsche Austria Gesellschaft m.b.H., Austria (Deputy Chairman)
Porsche Holding GmbH, Austria (Deputy Chairman)
Porsche Retail GmbH, Austria (Deputy Chairman)
Scania AB, Sweden
Scania CV AB, Sweden
VfL Wolfsburg-Fußball GmbH (Deputy Chairman)
Volkswagen Group of America, Inc., USA
Volkswagen (China) Investment Company Ltd., China (Deputy Chairman)

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

Prof. 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)

Prof. Dr. Dr. h.c. mult. Martin Winterkorn
Groß Schwülper,
Chairman of the Executive Board of Volkswagen AG and Chairman of the Executive Board of Porsche Automobil Holding SE
(Member of the Supervisory Board since April 20, 2012)
1) FC Bayern München AG
Salzgitter AG
2) Audi AG (Chairman)
Dr, Ing. h.c. F. Porsche AG
Porsche Holding Stuttgart GmbH
4) Bentley Motors Ltd., United Kingdom
Italdesign Giugiaro S.p.A., Italy (Chairman)
Porsche Austria Gesellschaft m.b.H., Austria

Porsche Holding GmbH, Austria
Porsche Retail GmbH, Austria
Scania AB Sweden (Chairman)
Scania CV AB, Sweden (Chairman)
SKODA AUTO a.s., Czech Republic
Volkswagen Group of America, Inc., USA (Chairman)
Volkswagen (China) Investment Company Ltd., China (Chairman)

* Elected by the workforce.

As of December 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
Prof. 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
1) Rheinmetall MAN Military Vehicles GmbH
2) MAN Diesel & Turbo SE (Chairman)
MAN Truck & Bus AG
3) Sinotruk (Hong Kong) Ltd.
4) MAN Latin America Indústria e Comércio de Veículos Ltda. (Chairman)

Ulf Berkenhagen
Wolfsburg,
Chief Procurement Officer
Chief Procurement Officer of MAN Truck & Bus AG
(since September 1, 2012)
2) MAN Diesel & Turbo SE

Frank H. Lutz
Munich,
Chief Financial Officer
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.

Jochen Schumm
Groß Schwülper,
Chief Human Resources Officer
Chief Human Resources Officer MAN Truck & Bus AG
(since July 1, 2012)
2) MAN Diesel & Turbo SE
MAN Pensionsfonds AG
4) MAN Latin America Indústria e Comércio de Veículos Ltda.

Jörg Schwitalla
Besigheim,
Chief Human Resources Officer
(until June 30,2012)
2) MAN Pensionsfonds AG
MAN Truck & Bus AG
3) Sinotruk (Hong Kong) Ltd.
4) MAN Latin America Indústria e Comércio de Veículos Ltda.

Dr.-Ing. René Umlauft
Erlangen,
Deputy Member of the Executive Board
Chief Executive Officer of MAN Diesel & Turbo SE
[4)] MAN Diesel & Turbo India Ltd. (Chairman)
MAN Diesel & Turbo Russia Ltd. (Chairman)

As of December 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 Nr. 11 and Nr. 11a HGB

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
1. Fully consolidated entities with exemption pursuant to section 264(3) HGB and section 264b HGB					
MAN HR Services GmbH, Munich	100.00%	540	628	1)	2012
MAN Financial Services GmbH, Munich	100.00%	48,508	11,614	1)	2012
MAN Finance International GmbH, Munich	100.00%	105,000	-14,017	1)	2012
MAN Versicherungsvermittlung GmbH, Munich	100.00%	312	1,543	1)	2012
MAN Beteiligungs GmbH, Munich	100.00%	265,974	428	1)	2012
MAN Vermietungs GmbH, Munich	100.00%	26	766	1)	2012
MAN Immobilien GmbH, Munich	100.00%	26	150	1)	2012
GETAS Verwaltung GmbH & Co. Objekt Offenbach KG, Pullach i. Isartal	100.00%	26	-60		2012
GETAS Verwaltung GmbH & Co. Objekt Verwaltung Nürnberg KG, Pullach i. Isartal	100.00%	26	992		2012
GETAS Verwaltung GmbH & Co. Objekt Ausbildungszentrum KG, Pullach i. Isartal	100.00%	26	372		2012
GETAS Verwaltung GmbH & Co. Objekt Heinrich-von-Buz-Straße KG, Pullach i. Isartal	100.00%	10	-43		2012
MAN Ferrostaal Beteiligungs GmbH, Munich	100.00%	316,654	1,435	1)	2012
GETAS Verwaltung GmbH & Co. Objekt Augsburg KG, Pullach i. Isartal	100.00%	2,039	-128		2012
MAN Leasing GmbH & Co. Epsilon KG, Munich	100.00%	1,182	741		2012
MAN Truck & Bus AG, Munich	100.00%	563,448	-99,424	1)	2012
MAN Truck & Bus Deutschland GmbH, Munich	100.00%	130,934	12,676	1)	2012
MAN Grundstücksgesellschaft mbH & Co. Beta KG, Munich	100.00%	47,756	-15,838		2012
MAN Grundstücksgesellschaft mbH & Co. Alpha KG, Munich	100.00%	5,123	18,761		2012
MAN Service und Support GmbH, Munich	100.00%	25	-330	1)	2012
MAN Logistik GmbH, Salzgitter	100.00%	25	-43	1)	2012

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
Kosiga GmbH & Co. KG, Pullach i. Isartal	94.00%	-2,580	-2,605		2012
NEOPLAN Bus GmbH, Plauen	100.00%	1,039	-2,790		2012
EURO-Leasing GmbH, Sittensen	100.00%	25,093	-19,984		2012
MAN GHH Immobilien GmbH, Oberhausen	100.00%	144,350	7,371	1)	2012
MAN Diesel & Turbo SE, Augsburg	100.00%	660,108	466,561	1)	2012
Rostock Diesel Service GmbH, Rostock	100.00%	260	527	1)	2012
MAN Grundstücksges. mbH & Co. Werk Deggendorf DWE KG, Deggendorf	100.00%	16,810	955		2012
2. Other Fully consolidated entities					
MAN Financial Services SpA, Dossobuono di Villafranca VR/Italy	100.00%	11,447	-3,960		2012
MAN Financial Services SAS, Evry Cedex/France	100.00%	22,911	3,807		2012
MAN Financial Services España S.L., Coslada (Madrid)/Spain	100.00%	-8,336	11,762		2012
MAN Financial Services Tüketici Finansmani A.S., Ankara/Turkey	99.99%	9,393	4,551		2012
MAN Financial Services Ges. mbH, Eugendorf/Austria	100.00%	8,739	2,126		2012
MAN Financial Services OOO, Moscow/Russian Federation	100.00%	12,386	-5,892		2012
MAN Financial Services Portugal, Unipessoal, Lda, Lisbon/Portugal	100.00%	543	-733		2012
MAN Credit società finanziaria S.r.l., Dossobuono di Villafranca VR/Italy	100.00%	2,238	-1,389		2012
MAN Financial Services Poland Sp. z o.o., Nadarzyn/Poland	100.00%	3,385	1,532		2012
MAN Location & Services S.A.S., Evry Cedex/France	100.00%	-9,097	-6,794		2012
Trucknology S.A., Luxembourg/Luxembourg	0.00%	31	0	3)	2012
MANTAB Holdings Limited, London/UK	0.00%	n/a	n/a	2)	-
MANTAB Funding Limited, London/UK	0.00%	n/a	n/a	2)	-
MANTAB Assets Limited, London/UK	0.00%	n/a	n/a	2)	-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
MANTAB Trucks Limited, London/UK	0.00%	n/a	n/a	2)	-
MAN Finance and Holding S.à r.l., Luxembourg/Luxembourg	100.00%	1,545,619	148,709		2012
MAN Capital Corporation, New Jersey/USA	100.00%	133,062	1,981		2012
MAN Trucks Sp. z o.o., Niepolomice/Poland	100.00%	142,282	18,468		2012
MAN Accounting Center Sp. z o.o., Poznan (Posen)/Poland	100.00%	228	-402		2012
MAN Verwaltungs-Gesellschaft mbH, Munich	100.00%	1,039	733	1)	2012
MAN Truck & Bus Licence GmbH, Grünwald	100.00%	17	-8		2012
MAN Truck & Bus Vertrieb Österreich AG, Vienna/Austria	100.00%	168,021	35,337		2012
MAN Truck & Bus Mexico S.A. de C.V., El Marques/Mexico	100.00%	-3,688	-4,955		2012
MAN Truck & Bus Asia Pacific Co., Ltd., Bangkok/Thailand	99.99%	1,895	290		2012
MAN Bus Sp. z o.o., Tarnowo Podgórne/Poland	100.00%	82,119	23,130		2012
MAN Truck & Bus (Korea) Limited, Seoul/South Korea	100.00%	-982	2,399		2012
MAN Truck & Bus Polska Sp. z o.o., Nadarzyn/Poland	100.00%	15,447	-4,280		2012
MAN TRUCKS India Pvt. Ltd., Akurdi/India	100.00%	63,684	-5,383		2012
MAN ERF Ireland Properties Limited, Dublin/Irland	100.00%	-3,030	57		2012
ERF Limited, Middlewich/UK	100.00%	1,545	0		2012
MAN Iberia S.A.U., Coslada (Madrid)/Spain	100.00%	1,512	48		2012
MAN Truck & Bus Trading (China) Co., Ltd., Peking/China	100.00%	7,365	584		2012
Euro-Leasing A/S, Padborg/Denmark	100.00%	n/a	n/a	2)	-
EURO-LEASING Sp. z o.o., Szczecin/Poland	100.00%	n/a	n/a	2)	-
EURO-Leasing Hellas E.P.E. Thessaloniki/Greece	100.00%	n/a	n/a	2)	-
Truck Rental Solutions Hungaria Kft., Budapest/Hungary	100.00%	n/a	n/a	2)	-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
Truck Rental Solutions Cesko, spol. sr.o., Prague/Czech Republic	100.00%	n/a	n/a	2)	-
Truck Rental Solutions Slovensko, Spol. sr.o., Dolná Poruba/Slovakia	100.00%	n/a	n/a	2)	-
MAN Camions & Bus SAS, Evry Cedex/France	100.00%	34,645	-9,000		2012
Neoplan France SARL, Evry Cedex/France	100.00%	1,215	166		2012
Neoman France Eurl, Noisy-le-Grand/ France	100.00%	-56	-56		2012
MAN Truck & Bus Danmark A/S, Glostrup/Denmark	100.00%	10,692	361		2012
MAN Truck & Bus N.V., Kobbegem (Brussels)/Belgium	100.00%	17,962	2,437		2012
TOV MAN Truck & Bus Ukraine, Kiev/Ukraine	100.00%	-2.450	108		2012
MAN Truck & Bus Kazakhstan LLP, Almaty/Kazakhstan	100.00%	-795	-591		2012
MAN Automotive (South Africa) (Pty.) Ltd., Johannesburg/South Africa	100.00%	53,297	5,448		2012
MAN Truck & Bus (S.A.) (Pty.) Ltd., Johannesburg/ South Africa	100.00%	n/a	n/a	2)	-
Centurion Truck & Bus (Pty) Ltd t/a, Centurion/ South Africa	70.00%	n/a	n/a	2)	-
MAN Bus & Coach (Pty.) Ltd., Olifantsfontein/ South Africa	100.00%	n/a	n/a	2)	-
MAN Nutzfahrzeuge Immobilien, Vienna/Austria	100.00%	23,934	1,758		2012
MAN Hellas Truck & Bus S.A., Peristeri-Athens/Greece	100.00%	-81	-1,139		2012
MAN West-Vlaanderen N.V., Kobbegem (Brussels)/Belgium	100.00%	949	-10		2012
MAN Engines & Components Inc., Pompano Beach/USA	100.00%	25,423	3,251		2012
MAN Truck & Bus Schweiz AG, Otelfingen/Switzerland	100.00%	6,955	1,313		2012
MAN Truck & Bus Italia SpA, Verona/Italy	100.00%	7,067	-2,871		2012
MAN Truck & Bus Iberia S.A.U., Coslada (Madrid)/Spain	100.00%	6,801	-5,448		2012
MAN Truck & Bus UK Limited, Swindon (Wiltshire)/UK	100.00%	175,281	1,134		2012

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
MAN Truck & Bus Norge AS, Lorenskog/Norway	100.00%	3,920	707		2012
MAN Truck & Bus Österreich AG, Steyr/Austria	99.99%	577,466	525,132		2012
MAN Truck & Bus Czech Republic s. r.o., Cestlice/Czech Republic	100.00%	36,286	2,709		2012
MAN Truck & Bus Sverige AB, Kungens Kurva/Sweden	100.00%	547	-916		2012
MAN Truck & Bus Slovenija d.o.o., Ljubljana/Slovenia	100.00%	6,822	416		2012
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti/Hungary	100.00%	18,282	112		2012
MAN Türkiye A.S., Akyurt Ankara/Turkey	99.99%	80,218	15,812		2012
MAN Kamyon ve Otobüs Ticaret A.S., Ankara/Turkey	100.00%	20,049	-1,062		2012
MAN Truck & Bus Portugal S.U. Lda., Algés (Lisbon)/Portugal	100.00%	1,521	1,841		2012
IPECAS-Gestao de Imoveis S.A., Algés (Lisbon)/Portugal	100.00%	0	-2,204		2012
MAN Truck & Bus Middle East and Africa FZE, Dubai/UAE	100.00%	11,129	8,285		2012
MAN Truck & Bus Slovakia, s.r.o., Bratislava/Slovakia	100.00%	9,471	477		2012
MAN Truck and Bus RUS LLC, Moscow/Russian Federation	100.00%	76,420	13,180		2012
OOO MAN Truck & Bus Production RUS, Sankt Petersburg/Russian Federation	99.00%	9,665	-1,084		2012
MAN Financial Services plc, Swindon (Wiltshire)/UK	100.00%	59,804	9,069		2012
MAN Latin America Indústria e Comércio de Veículos Ltda., São Paulo/Brazil	100.00%	1,562,866	95,132		2012
MAN Diesel & Turbo Schweiz AG, Zürich/Switzerland	100.00%	134,334	16,512		2012
MAN Diesel & Turbo South Africa (Pty) Ltd., Elandsfontein/South Africa	100.00%	25,217	5,366		2012
MAN Diesel & Turbo China Production Co. Ltd., Changzhou/China	100.00%	4,373	-2,533		2012
MAN Diesel & Turbo Australia Pty. Ltd., North Ryde/Australia	100.00%	11,049	2,259		2012

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
MAN Diesel & Turbo UK Ltd., Stockport/UK	100.00%	54,301	14,963		2012
MAN Diesel & Turbo India Ltd., Aurangabad/India	93.44%	10,424	1,283		2012
MAN Diesel & Turbo Canada Ltd., Oakville/Canada	100.00%	4,799	2,282		2012
MAN Diesel & Turbo Pakistan (Private) Limited, Lahore/Pakistan	100.00%	1,200	992		2012
MAN Diesel & Turbo Operations Pakistan (Private) Ltd., Lahore/Pakistan	100.00%	1,158	364		2012
MAN Diesel & Turbo España S.A.U., Madrid/Spain	100.00%	1,249	468		2012
MAN Diesel & Turbo Brasil Limitada, Rio de Janeiro/Brazil	100.00%	5,552	-3,002		2012
MAN Diesel & Turbo France SAS, Villepinte/France	100.00%	76,916	17,001		2012
MAN Diesel & Turbo Singapore Pte. Ltd., Singapore/Singapore	100.00%	18,276	10,923		2012
MAN Diesel & Turbo Hong Kong Ltd., Hong Kong/China	100.00%	6,408	2,321		2012
MAN Diesel & Turbo Hellas Ltd., Piraeus/Greece	100.00%	2,893	1,295		2012
MAN Diesel & Turbo Benelux B.V., Schiedam/Netherlands	100.00%	6,031	1,883		2012
MAN Diesel & Turbo Benelux N.V., Antwerp/Belgium	100.00%	9,404	1,506		2012
MAN Diesel & Turbo North America Inc., Woodbridge/USA	100.00%	15,780	5,211		2012
MAN Diesel & Turbo Korea Ltd., Pusan/South Korea	100.00%	10,264	2,656		2012
PBS Turbo s.r.o., Velká Bítes/Czech Republic	100.00%	14,349	4,821		2012
MAN Diesel & Turbo Middle East (LLC), Dubai/UAE	100.00%	7,751	3,197		2012
MAN Diesel & Turbo Saudi Arabia LLC, Jeddah/Saudi Arabia	100.00%	475	33		2012
Société de Mécanique de Précision de l'Aubois, Jouet/France	100.00%	1,038	-219		2012
MAN Diesel Shanghai Co. Ltd., Shanghai/China	100.00%	7,688	-807		2012
MECOS AG, Winterthur, Switzerland	100.00%	3,842	511		2012
MAN Turbo India Pvt. Ltd., Baroda (Vadodara)/India	100.00%	9,173	1,462		2012

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
MAN Diesel & Turbo Shanghai Co., Ltd., Shanghai/China	100.00%	12,922	5,237		2012
Gulf Turbo Services LLC, Doha/Qatar	55.00%	4,169	2,418		2012
Renk Aktiengesellschaft, Augsburg	76.00%	227,872	42,882		2012
RENK Corporation, Duncan/USA	100.00%	5,700	1,185		2012
RENK-MAAG GmbH, Winterthur/Switzerland	100.00%	9,199	2,713		2012
ADMOS-Gleitlager Produktions- und Vertriebsgesellschaft mbH, Berlin	100.00%	1,342	-657		2012
RENK Test System GmbH, Augsburg	100.00%	1,522	-3,797		2012
RENK LABECO Test Systems Corporation, Mooresville/USA	100.00%	540	-26		2012
RENK France SAS, Saint-Ouen-l'Aumône/France	100.00%	9,578	2,840		2012
3. Unconsolidated entities (section 296(2) HGB)					
MAN Grundstücksgesellschaft mbH, Oberhausen	100.00%	n/a	n/a	1)	-
MAN IT Services GmbH, Munich	100.00%	n/a	n/a	1)	-
MAN Unterstützungskasse GmbH, Munich	100.00%	n/a	n/a		-
MAN Erste Beteiligungs 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		-
MAN Personal Services GmbH, Dachau	100.00%	n/a	n/a	1)	-
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		-
ERF (Holdings) plc, Swindon/UK (inactive)	100.00%	n/a	n/a		-
MAN Truck & Bus Singapore Pte. Ltd., Singapore/Singapore	100.00%	n/a	n/a		-
MAN Properties (Pinetown) (Pty.) Ltd., Pinetown/South Africa (inactive)	100.00%	n/a	n/a		-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
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, Steyr/Austria (inactive)	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		-
RENK (UK) Ltd., London/UK (inactive)	100.00%	n/a	n/a		-
MAN Latin America Importacao, Industria e Comércio de Veículos Ltda., São Paulo/Brazil	100.00%	n/a	n/a		-
Ortan Verwaltung GmbH & Co. Objekt Karlsfeld KG, Pullach i. Isartal	100.00%	n/a	n/a		-
MAN Grundstücksgesellschaft mbH & Co. Objekt Heilbronn KG, Oberhausen	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)	-
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 Diesel Services Ltd., Stockport/UK	100.00%	n/a	n/a		-
MAN 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		-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
MAN Diesel ve Turbo Satis Servis Limited Sirketi, Istanbul/Turkey	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/Sweden	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		-
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 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 Jordan Limited Liability Company, Aqaba/Jordan	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		-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
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		-
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		-
4. Other entities					
A. Entities accounted for using the equity method					
A1. Associated entities					
Sinotruk (Hong Kong) Limited, Hong Kong/China	25.00%	2,046,423	116,572		2011
Hörmann Automotive Gustavsburg GmbH, Gustavsburg	40.00%	17,887	6,450		2011
OOO EURO-Leasing RUS, Rjasan/Russian Federation	60.00%	n/a	n/a		-
JV MAN AUTO - Uzbekistan Limited Liability Company, Samarkand City/Uzbekistan	49.00%	14,819	1,915		2011
Rheinmetall MAN Military Vehicles GmbH, Munich	49.00%	66,666	2,488		2011
Rheinmetall MAN Military Vehicles Österreich, Wien/Austria	49.00%	n/a	n/a		-
Atlas Power Ltd., Karachi/Pakistan	33.54%	65,261	11,372	4)	2012
A2. Joint Venture					
MAN Financial Services SA (Pty) Ltd, Johannesburg/South Africa	50.00%	n/a	n/a		-
Scania-MAN Administration ApS, Frederiksberg/Denmark	50.00%	n/a	n/a		-
B. Entities accounted for using the cost method					
Roland Holding GmbH, Munich	22.83%	n/a	n/a	5)	-
Scania AB, Södertälje/Sweden	13.35%	n/a	n/a	d)	-
Verwaltungsgesellschaft Wasseralfingen mbH, Aalen	50.00%	n/a	n/a		-

Name and Seat of the entity	Participation in the issued capital	Issued Capital € thousand	Results of Operation € thousand	Footnote	Year
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		-
PosernConnect GmbH, Sittensen	49.00%	n/a	n/a		-
Grundstücksverwaltungsgesellschaft EURO-Leasing GmbH, Matthias Hinners und Helge	50.00%	n/a	n/a		-
Richter GbR, Sittensen	30.00%	n/a	n/a		-
Scavino S.r.l., Alba/Italy	24.80%	n/a	n/a		-
MTC Marine Training Center Hamburg GmbH, Hamburg	49.00%	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) The information pertains to the time from October 1, 2011 until September 30, 2012

5) Share in voting rights 32.82%

6) Share in voting rights 17.37%

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 30, 2013

MAN SE

The Executive Board

Dr. Georg Pachta-Reyhofen	Frank H. Lutz	
Jochen Schumm	Dr.-Ing. René Umlauft	Ulf Berkenhagen

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, Munich, for the fiscal year from January 1 to December 31, 2012. 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 30, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Jan Konerding	Petra Justenhoven
Wirtschaftsprüfer	Wirtschaftsprüferin