This is a translation of the original German speech. In the event of discrepancies between the information contained in this translation and the original German speech rendered, the German speech will prevail.

Annual General Meeting of MAN SE
April 20, 2012, Messe München

Chief Executive Officer Report
Dr. Georg Pachta-Reyhofen

Check against delivery

Dear Shareholders, Dear Guests, Ladies and Gentlemen,

It is my pleasure to welcome you to the 2012 Annual General Meeting of MAN SE here on the Munich Trade Fair Grounds. I am pleased to see so many of you taking an interest in MAN by being here today.

I would like to tell you about **your** company and am able to start with some good news:

- Fiscal year 2011 was **one of the most successful in our long history**. We did more than just generate **record revenue.** Our excellent **operating profit** and **earnings before tax (EBT)** reflect last year's extremely positive business performance.
- Despite existing uncertainties on the financial markets triggered by the euro and sovereign debt crisis, we continued our **international growth trajectory**.
- Europe is still one of our key markets — especially in the commercial vehicle segment. But growth can primarily be seen outside of Europe, particularly in the **BRIC countries** and in other up-and-coming markets like Turkey, Indonesia, Thailand, South Africa, and Mexico. As you will hear in more detail later, we are **well positioned** in these regions.

- And let’s not forget our **leading technologies** in both the Commercial Vehicles and Power Engineering business areas — we are respected and held in high regard among our customers all over the world, which has even allowed us to strengthen our excellent market positions further still in some cases.

- The stock market **rewarded** our excellent business performance, among other things: last month, MAN’s shares rose to their **highest level** since the financial and economic crisis of 2008.

VW takeover

Ladies and gentlemen, 2011 was a year marked by many occurrences and highs.

The **most prominent occurrence** was the acquisition of a majority shareholding in MAN SE by our longstanding anchor shareholder, **Volkswagen AG**. Let me give you a better idea of how this milestone fits in:

MAN is now part of the Volkswagen Group and has been since November 9, 2011. A **strong company** in a strong corporation.

Yet MAN is also a company that is steeped in tradition. We develop the solutions of tomorrow for our customers — and have been doing so since 1758. Very few companies have shaped Europe’s industrial history like MAN has. In the 254 years that it has been around, MAN has **constantly reinvented itself** while **consistently gearing the Company to the needs of the markets**. I am convinced that our success over the centuries is down to this common thread.

Our fundamental approach is still the same today. We have brought all of our strengths together in recent years by **systematically focusing on transportation and energy**. We have increasingly **internationalized** the Company and hold leading positions on the global market in our two business areas.

The **takeover by Volkswagen** now marks another **new era in our rich history**. And I am certain that it will bring growth. As I mentioned at the start, MAN is excellently positioned today — both financially and structurally.

The alliance with our new sister companies, Volkswagen Commercial Vehicles and Scania, will now give us an **even stronger tailwind**.

The words “**We are MAN**” are emblazoned across the front of our latest annual report. They help us to keep our own values and our strengths in mind. After all, only those who know what they can do can deliver top performance. But the motto is also a **clear commitment to constant transformation**, without which progress and sustainable success would be impossible.

Ladies and gentlemen — that is why we look forward to playing an active **role in the Volkswagen Group’s success**. And our contribution will be clear for all to see:

- We already account for a significant share of Volkswagen’s **total revenue**. Out of the group brands, only Volkswagen and Audi contribute more.
- We also rank among the top within the Volkswagen Group in terms of **operating profit**, taking fourth place.
- Virtually no other company in the Volkswagen Group is represented as **internationally** as MAN with its Commercial Vehicles and Power Engineering business areas.

Our MAN-, Volkswagen-, and NEOPLAN-branded trucks and buses dominate the roads in many countries. In areas like oil and gas exploration, MAN turbomachinery ensures that these valuable commodities are tapped, transported, and used **safely and efficiently**. Ships with MAN engines carry a good half of the world’s total trading volume across the seas.

This includes highly valuable freight — such as thousands of vehicles from Wolfsburg, Ingolstadt, or Zuffenhausen traveling on car carriers from the plants to Bremerhaven and then by ship from Bremerhaven to customers overseas. So the Volkswagen Group’s value chain will be expanded visibly in this respect.

MAN employees produce trucks, buses, large-bore diesel engines, and turbomachinery in 31 plants on four continents. This puts the total number of plants in the VW network to 94. Including the MAN Group’s workforce of almost 52,500 people, the Volkswagen Group now has over 500,000 employees all over the world.

And this world is changing faster and faster, as we all experience on a daily basis. As a result, **new demands are also being made on technological solutions** for transportation and power generation. This is a trend that we have to prepare for strategically as a Company.

That is why it is good for us, and for you as a shareholder, that we will now be benefiting from **visible synergy effects** as part of a strong group of companies. They will accelerate our growth further.

Alliances within the Volkswagen Group will also help us **to cut our costs even more**, among other things. In return, we bring proven commercial vehicle and mechanical engineering expertise into the Volkswagen Group while also enriching it with more future technologies and an excellent workforce.

Business performance in 2011

And this brings me to my next point, ladies and gentlemen: our **business performance in 2011**.

We are your MAN

However, I would like to start with a question: How did you perceive MAN last year? What caught your attention?

I am sure that some of you will have come into contact with our **award-winning "We are your MAN"** brand campaign. I presented it you last year. You may also have seen some of the ads here in the entrance area or on the large screen behind me before the event began.

We systematically continued this successful campaign last year too. The results show that the funds for it — your money — were well invested and still are: we have anchored MAN as a **modern, innovative solution provider in the markets for transportation and energy** in the public eye.

The sports sponsoring campaign drew quite a lot of attention. Five of the German Bundesliga's soccer clubs, including FC Bayern Munich and reigning German soccer champions Borussia Dortmund, travel to their games in MAN-branded team coaches. Backed by **unique campaigns on different media channels**, we were the first company ever to succeed in casting the fascinating team coach in a positive light and making it a tangible experience for fans. MAN received the famous "2012 Sports Marketing Award" for this in January this year. But it is not just soccer pros that travel MAN — the FC Bayern Basketball team and the ice hockey team EHC München also do. The biathlon fans among you may have noticed the German team's MAN wax truck in television broadcasts.

And I have one more for you: "Overtaking the competition with clever ideas off the road too?" I am sure you that you can guess the answer...

But, ladies and gentlemen, successful brand cultivation alone is not enough. In addition to having excellent products, the **financial situation** has to be right since that is how you measure our success — and rightly so.

2011 was an extremely successful year in this respect too.

Order intake rose by **14%** year-on-year to **€17.1 billion,** drawing nearer to the record level of 2007 again.

This was on the back of the recovery enjoyed by the global economy. Our **Commercial Vehicles business** saw significantly higher demand. At around **€13.1 billion**, **it was up 17%** on the previous year.

The **Power Engineering** business area recorded a positive order intake, again exceeding the previous year's revenue by **€4.1 billion**.

The upturn in order intake is primarily due to international business. Domestic orders only increased by 4%.

As mentioned, the MAN Group generated **record revenue** of around €16.5 billion in fiscal year 2011. Revenue improved by 12% year-on-year, exceeding even the boom year of 2008.

The **Commercial Vehicles** business area contributed to this with annual revenue of €12.6 billion. I would especially like to highlight MAN Latin America's contribution here. MAN Latin America closed the **strongest fiscal year in its history** once again with revenue of approximately €3.6 billion.

Last year, I told you about the opportunities presented by **selling our engines and components** to other companies, like those in the rail, yachting, or construction machinery business. This trend has been borne out. In 2011, we posted revenue of over €450 million for the first time — a figure that is set to rise further.

The **Power Engineering** business area, which did not feel the repercussions of the last economic crisis until much later due to cyclical factors, saw its revenue decline slightly from €4.2 billion in 2010 to €4 billion in 2011. MAN Diesel & Turbo accounted for €3.6 billion of this and Renk for €0.4 billion.

The MAN Group also grew more profitably in fiscal year 2011. We boosted our **operating profit** again, lifting it by 43% to around €1.5 billion after having previously doubled it in fiscal year 2010.

We increased our **return on sales** from 7.1% in the previous year to 9.0% in 2011, which puts us higher than the long-term target average of 8.5%.

As you can see, ladies and gentlemen, we have also done our homework when it comes to operating profit and yielded excellent results.

And by "we" I mean all MAN's staff around the world. It is their tireless dedication, their expertise, and their flexibility that have enabled us to generate this record revenue and excellent operating profit. So I would like to **thank them specifically** for this!

The results of our operations were impacted by **exceptional factors** — which is not something I want to withhold from you, of course — that reduced net income overall.

- Last year, I was able to report positive exceptional factors from the **remeasurement of Scania shares** in the amount of €357 million. Unfortunately, we had to record a loss of €182 million here in the books.

- The agreements entered into with IPIC and the MPC Group in connection with the disposal of **Ferrostaal** that resulted in a **loss** of €434 million also constitute another important factor.

Ferrostaal

That, ladies and gentlemen, is a princely sum without a doubt. However I am convinced that the compromise agreed with IPIC and MPC following the lengthy and arduous negotiations — and that is what it was like for all parties — was entirely the right thing to do and unavoidable. We now have a clean slate. We no longer have to deal with the past. Instead, we can concentrate our efforts and our capacity on **successfully shaping the future**.

MAN shares

After all, it is future prospects that are traded on the stock exchange and that determine the value of the Company. It is not today's news, but tomorrow's that allows share prices to go up or down.

Which brings me to **MAN's shares**. 2011 was also a difficult year on the stock markets for our securities. The stock market environment was dominated by a massive intensification of the European debt crisis and other bad news, such as the USA's credit rating downgrade by rating agency Standard & Poor's.

MAN shares were unable to escape this environment. Common shares closed 2011 at just under 23% of their value compared with the previous year. The Dax lost around 15% in the same period.

However, if you, our shareholders, **currently** take a look at your custody accounts, you are still likely to be satisfied. Our shares **climbed by around 45% in the first quarter of 2012,** breaking the €100-mark at the end of March this year for the first time since the financial and economic crisis in 2008. This puts them in second place when measured against the rest of the Dax. By comparison, the German benchmark index climbed by only 18% in the same period.

Earnings per share in fiscal year 2011 amounted to €4.62. Excluding nonrecurring items and effects from purchase price allocations, they totaled €5.78.

Proposed dividend

Of course as owners of this Company, we would like to share the excellent business performance with you. That is why the Executive and Supervisory Boards are proposing a **dividend of €2.30 per share** to the Annual General Meeting. In 2011, we distributed €2 per share.

Strategy

Ladies and gentlemen, it is not just by chance that the past year was a success. On the contrary — it is the result of **focusing the Company** s**ystematically and strategically**.

Today MAN stands for

- focus on transportation and energy,
- sustainable value creation,
- profitable international growth,
- customer orientation,
- focus on after-sales business, and
- technology leadership.

And it is these very points that still provide us with great development opportunities.

We still see an **increasing demand for transportation and energy**, especially in the emerging economies. Because unless they resolve key transportation and energy issues, these economies cannot grow any further.

This is precisely what we are counting on with our **BRIC strategy** and have secured ourselves market access to the key markets of the future in good time.

With a 30% slice of the market for trucks and 32% for buses, MAN Latin America still **leads the market** in **Brazil in the commercial vehicles business**. Products tailored to emerging economies help us to meet the high demands for quality and have virtually enabled us to secure a regular place among the best of the competition.

And we are seeing even **more growth potential**, which is why we have invested around €400 million in expanding our capacity at our Resende site. We will only reap a rich harvest in the future if we sow now.

That is why we are making the move across the Atlantic this year with our heavy truck series and launching the **MAN brand in Brazil**. Latin American customers will now be able to obtain MAN TGX and TGS vehicles boasting horsepower from 400 to 480. And we will also be producing MAN vehicles in Brazil for the first time ever. In doing so, we are combining our **European know-how** and **higher value creation locally** on this side with the **excellent market knowledge** and **technical expertise** of our Brazilian colleagues on the other.

Stricter emissions regulations on the basis of Euro V have been in place since January 1, 2012. Thanks to our technological know-how this is no obstacle for us: we will also be producing our tried-and-tested **MAN D08 engine** in Brazil from now on, which is well below the strict limits required. The engines will be the new, pulsing hearts in MAN Latin America's VW-branded vehicles. MAN Latin America will also be expanding its after-sales activities hand in hand with the launch of the new products.

But Brazil is not just a key market for our Commercial Vehicles activities — it is also an important one to **Power Engineering**. Over 80% of Brazil's energy need is covered by hydropower. MAN diesel power plants ensure a constant supply of power during periods of low rainfall since they can be activated quickly and flexibly if necessary.

We also see major additional potential in the Brazilian oil industry. MAN ship engines in so-called offshore ships are also used here, as is MAN turbomachinery for oil and gas exploration.

In **Russia**—or to be more precise in **St. Petersburg**—we will be opening our own commercial vehicle plant with an annual capacity of around 6,000 vehicles.

But we already have more than just a foot in the door in the promising Russian market. In 2011, MAN was the **most successful European importer** for the second time in a row. With sales of over 7,600 trucks and 220 buses, MAN reached pre-crisis order volumes again in fiscal year 2011.

Russia's significant oil and gas reserves mean that it is also of strategic importance for our Power Engineering business area. MAN engines, compressors, expanders, and turbines are key components in the tapping of oil and gas as well as in transportation and use of them. The **growing demand for energy in the emerging economies** will lead to the tapping of other sources of raw materials. We will be a part of that too.

We also intend to switch to the fast lane now in **India**. That is why we **took over** the former **MAN FORCE TRUCKS** joint venture at the end of March 2012. The production and sale of the MAN CLA in Pithampur will now be driven solely by MAN. The MAN CLA is specifically tailored to the needs of the Indian customer and to other markets in Asia and Africa.

MAN Diesel & Turbo also has a large **engineering center in Aurangabad**, where around 250 engineers work on the large-bore diesel engine technology of tomorrow. A computerized network enables them to work closely with their colleagues in Augsburg and Copenhagen. **That** is what we at MAN mean by international cooperation.

We will also be expanding our **production** of large diesel engines in India. Smaller-bore four-stroke engines will soon be produced there—primarily for the Indian market but also for exporting.

And so we come to **China**, where development work for the new SITRAK truck brand is currently underway. Like the others, this brand is specifically designed for the **needs and the budgets** of our customers in the country.

Adapting to the market like this, ladies and gentlemen, is the key to international success in the commercial vehicle industry. Anyone who has ever driven along the dusty tracks in the Amazon, snaked their way through traffic in Mumbai, or even been on the country roads of China understands immediately why we cannot simply export our European trucks and buses abroad without modifying them — quite apart from the different price levels.

Yet despite concentrating our efforts on the BRIC countries, I would like to take this opportunity to emphasize that **Europe** is still **our core market**. This market enables us to strike a balance between growth and profitability.

We have to do more than just face the fiercest competition here. We have to show — or should I say **can** also show — what **innovative technological solutions** we can come up with. High fuel costs, the strictest safety and emissions regulations worldwide, and fierce competition in the transportation industry all mean that we have to constantly improve the **efficiency** of our trucks, buses, diesel engines, and turbomachinery. This not only benefits our customers, but also the environment and the climate. These needs are growing worldwide. But Europe is still the **technology driver,** and will remain so for a while.

We have the solutions for this ready: we have successfully launched sustainable mobility concepts like the particularly low-emission **TGX EfficientLine** truck. We also offer an especially low-emission series vehicle in the form of the **MAN Lion's City Hybrid**, which is in public service in several European cities.

MAN 2020

Ladies and gentlemen, the MAN Group strategy that I have just outlined for you proved to be both **viable and profitable** in the last fiscal year. Our new majority shareholder, Volkswagen AG, is also backing and participating in it for this reason.

However, I would like to make it absolutely clear that we cannot make the mistake of resting on our laurels. There is a lot in the Company that we have to **improve even more** to be able to continue playing the game in the future too. That is our aspiration after all and nothing less. If anything, we want **more:** we want to be **the most successful commercial vehicle manufacturer worldwide** by 2020. That is why we launched the “**MAN 2020**” program, which provides added support for the strategy I have outlined.

What does “the most successful” mean, I hear you say. For us, it means being the “**the number one**” **by 2020 in terms of the following:**

- **profitable and sustainable, international growth,**
- **customer satisfaction, and**
- **employee satisfaction.**

That is how we want to become the world’s most profitable full-range commercial vehicle manufacturer. We want to achieve this with the help of our excellent employees, close contact with our customers, and first-class products and services.

I explained to you at the start why the alliance with our sister companies within the Volkswagen Group will bring us **new growth stimuli**. Therefore it is only logical that we raise the bar a little higher. Achieving old goals with new opportunities is not an art. We want to make the best of our opportunities in your interests, dear shareholders, as well as in the interests of our employees, our partners, and our customers. By doing so, we are securing the jobs and positive business figures of tomorrow.

Innovation

Technologically leading products are key to this, which brings me to my next point. Innovation is not an end in itself, incidentally. Not everything that is technically feasible also makes financial sense. Our activities must continue to revolve around the benefit to the customer.

Despite this, there is no way around **investments in research and development** if we want to remain competitive in the long term. We decide today which opportunities we want to be able to leverage tomorrow.

Being an internationally leading manufacturer of commercial vehicles, diesel engines, and turbomachinery also entails a good deal of **responsibility** — for our employees and customers, as well as for society and the environment.

We fulfill this responsibility by taking it on **actively**.

Even if we might still be seen as a revered old industrial group here and there — our annual R&D investments of over 4% of revenue mean that we have long been one of Europe's **high-tech companies**!

Emission reduction is one of the areas that we are concentrating our efforts on. All new commercial vehicles registered in Europe from January 1, 2014, must comply with the **Euro VI** emission standard. This presents us and other manufacturers with major challenges because lowering fuel consumption and cutting harmful emissions are two aims that compete in many cases.

The **key technologies** necessary — cooled exhaust gas recirculation and selective catalytic reduction — have already been in use at MAN for years. We will now combine them fully for Euro VI.

You will be able to get an idea of what our emission reduction systems will look like at the IAA Commercial Vehicle trade fair in Hanover in September. The entrance area today gives you an initial taste of what you can expect. A new Euro VI engine is on display in it.

In the bus area, the future is already upon us. We showcased the first Euro VI city buses back in 2011 at the bus trade fair in Kortrijk.

Yet it is not just the technology in our products that is fascinating, but the **design** too. You can also see that for yourself in the exhibition hall when you come in.

The well-known Red Dot Design Award that we won just a few weeks ago for our NEOPLAN flagship product — the new Skyliner double-decker coach — is one example of this. You can see the gem here behind me.

But good design does not just come about in a vacuum. Quite the contrary — more like a **wind tunnel**. While our commercial vehicles have to be **aesthetically appealing** to meet the high demands in this respect, it is their **functionality** and **fuel consumption** that take center stage.

And this is where we still see major potential. Our futuristic-looking **Concept S** study enabled us to save fuel in the double-digit percentage region when the truck was combined with a trailer that was modified accordingly and with the help of state-of-the-art additional technologies. A large part of this is due to the optimized **aerodynamics**.

When will we be able to put these vehicles onto the roads, you ask? My answer is: when the prevailing conditions are right. Because **policymakers** would have to play their part and revise existing regulations. If the load volume remains the same, the total length permissible of a semitrailer tractor has to be increased by just under two meters. We vehicle designers would then have the leeway necessary to reduce the aerodynamic drag of a semitrailer tractor to a car-like **level**.

Intelligent transportation concepts are another way to **save fuel and thus CO2**. That is why we welcome the fact that the German government and many of Germany's federal states have voiced their support for the **long-truck field test**.

The issue has become a controversial one in public debate, which is often very unobjective. I cannot comprehend this at all. We cannot ignore the findings of almost all studies that say the volume of goods traffic in Germany is set to see double-digit percentage growth over the next ten years.

Railways alone will not be able to absorb this flow of goods and Germany’s freeways are already almost overstretched. For this reason, we should test whether long trucks can actually help to avoid future gridlock by reducing three journeys to two and **be open to the outcome**.

Hybridization

Electromobility is another major opportunity to cut fuel consumption. When it comes to **hybrid drives**, MAN is one of the pioneers. MAN engineers worked on recovering braking energy back in the 1970s, for example. In 2011, we brought all of our hybrid activities — from research through to development for series production — together under one roof at an MAN **competence center** with increased staffing levels. The Lion’s City Hybrid bus, which has been transporting passengers in several European cities since 2010, is just one successful example of our strategy. The buses in regular service show fuel savings of up to 30%.

The two TGL distribution trucks with hybrid drives that we are currently trialing intensively together with a Munich-based customer are another example. You can take a close look at both vehicle models here today.

At the annual press conference in February 2012, we announced that we were working on a **new, light truck range** below the existing MAN models **together with VW Commercial Vehicles**. It will cover the segment between 3.5 and 7.5 tons that has been missing so far. We see major potential in this area, since demand for compact, low-emission light trucks will continue to grow, especially in cities.

Please understand that I cannot go into the details too much at this time. However, I can say that you can count on us to access all the **resources and technologies available** for a new MAN vehicle series — both our own know-how and that of our partners. This includes hybrid technologies.

Gas as a fuel for the future in Power Engineering

Cutting emissions and fuel consumption is high on the list of our development teams in the **Power Engineering** business area too, and not just in the commercial vehicle segment. The new internationally applicable IMO Tier III emissions standard will become effective in January 2016. This means that nitrogen oxide in coastal waters must be cut by an entire 80% as against 2010.

In the segment for large-bore two-stroke engines that power vessels like container ships and freighters, our **second generation engine exhaust gas recirculation technology** makes us the **first** provider in the world to **already** offer a Tier III-compatible engine.

Natural gas will be a fuel of the future in both the maritime industry and for power plants. When burnt, it produces around 80% less nitrogen oxide, a quarter less CO2, and over 95% fewer particles than is the case with oil-based fuels.

MAN Diesel & Turbo is prepared for this development. We have **just the right products** for this current period of radical change with so-called **dual-fuel engines** that enable switching at the push of a button between liquid and gaseous fuels. After all, ships still need to be able to be filled up in any port in the world, even in those where there is **still no** natural gas infrastructure. Our customers value the flexibility of these two-stroke engines in power plant use too, and not just on the seas.

In addition to this, MAN Diesel & Turbo will soon be launching a **completely new, pure gas engine**. Together with our newly designed and highly efficient **6 MW gas turbine**, we have products that are not only cost effective to operate, but that are also kind to the environment.

Change in energy policy

Ladies and Gentlemen,

The Fukushima reactor disaster ultimately set the course of energy policy, especially in Germany. The German government decided to speed up the nuclear power phaseout and took steps to initiate a **change in energy policy** toward alternative power generation.

This is a **great opportunity** for MAN that we should seize. We want to actively shape the power generation of the future. I am convinced that we quite literally have the right tools for the job.

We already have a range of products that is nothing short of predestined for the **increasing decentralization** of energy generation. Unlike other big competitors in this area, our gas and steam turbines are very compact, for example.

They are not designed for use in the few central but large-scale power plants. Instead, they produce energy and heat exactly where they are also used. Without large transportation losses. Any they are very flexible in their use. MAN steam turbines with generators in solar-thermal power plants are already turning **solar energy** into electricity. Large-bore MAN engines are already producing electricity from **biofuels** and even old cooking fat. And we are already showing how the major disadvantage of pure wind or hydroelectric power plants — that is, the high fluctuations — can be offset in an intelligent and environmentally-friendly way in a **wind/diesel hybrid power plant**.

I have already explained to you why it is that the emerging economies are so important to MAN. However, the change in energy policy **in Europe** also opens up **new opportunities** to us in this part of the world. It enabled Renk to benefit from an excellent order situation in its **gear units for wind turbine systems** during the previous fiscal year, for example. Renk even offers testing systems for wind power gear units.

I am delighted that we were able to gain a proven expert in the power generation industry in the form of **Dr. René Umlauft**. Dr. Umlauft has been the Chief Executive Officer of MAN Diesel & Turbo SE and a deputy member of the MAN SE Executive Board since September 1, 2011.

Corporate responsibility

Policymakers have made the **sustainable supply of energy** a target. And the **MAN Group** is also committed to **sustainable value creation**. You will find details of what we do for the environment, our employees, and communities in our latest **corporate responsibility report**. We have made **great progress** compared with the previous year: the report fulfills the **Global Reporting Initiative's** A+ application level, which is the highest, and was fully checked by a firm of auditors. It has been published today to coincide with this Annual General Meeting.

If you have a look at it, you will find information on our new, **Group-wide Climate Strategy**. The transportation and energy sector alone is responsible for around 15% of global CO_2 emissions. We also want to help **reduce** global **emissions of greenhouse gases**. In order to do so, we are pursuing the mandatory target of reducing our own CO_2 emissions **by 25% by 2020**. We intend to achieve this through intelligent energy management, for example.

In addition to reducing CO_2 emissions **in our plants**, it is primarily **our products** that will enable us to make a contribution to climate protection and higher cost effectiveness of course. This not only serves the environment. Our customers also benefit directly from more efficient products and are increasingly demanding them.

Ladies and gentlemen, Augsburg is one of MAN’s birthplaces. Toward the end of the Middle Ages, the **Fugger Family** made the Company one of the wealthiest and most influential companies of its time with — as we would say today— far-sighted strategic management and innovative business models. Its wealth was as large as that of all the current Dax companies combined. Yet the Fuggers still recognized that **financial targets** ought not to be **the only ones**. Even the Fuggers lived in a society that they wanted to accept and respect them. The “**Fuggerei**” was the result of this insight. It is Europe’s oldest social housing project and can still be visited in Augsburg today. It is said that the donors were motivated by worries about salvation of their own souls.

I would **not** want to go that far in **our** case. But we share the Fugger view that a global corporation has a **responsibility** that goes beyond its own monetary targets.

You, dear shareholders, expect **sustainable performance** — and rightly so. All our efforts still revolve around this aim. However, **society** expects us to do this sustainably in the interests of the environment and people. We are committed to **all** these aims.

Whether or not we achieve them is something that we cannot judge ourselves. Only **third parties** can do this **objectively**. Unfortunately, we missed out on inclusion in the Dow Jones Sustainability Index by a single point. But that only spurs us on to become **one of the most sustainable players in the industry**.

An **International Framework Agreement** signed by the Executive Board and employee representatives in February 2012 shows that we are willing to be judged by these aspirations. In it, we profess our support for the **basic human rights and employee rights** that apply around the world. The Agreement aims to create a reliable set of minimum standards that all MAN employees worldwide can refer to while also laying the **ethical foundation** for the actions of the Company and its employees.

Employees

The main theme of our new CR report is our **workforce**. Our employees are the basis of our success.

In 2011, we increased staffing levels in order to pursue and leverage all the aims and opportunities that I have reported on.

At the end of December 2011, the MAN Group had around **52,500 employees** including subcontracted ones. This was **up 10%** on the previous year. To a specific extent, this was the result of a need to catch up following the economic and financial crisis that did not end until the start of 2010. However, our new development and global growth plans also made a **moderate and controlled increase in staffing** necessary.

In order to be able to really recruit the employees that **are best qualified** for our Company, we position ourselves as an **attractive employer** worldwide. The excellent spots that we secure in objective rankings show us that we are indeed one. This was also reflected in the first **Group-wide employee survey** that we conducted in May 2011.

Obviously there is room for improvement here and there — a fact that was also confirmed by the employee survey. We take the feedback of our employees **very seriously** and will act where necessary.

We have been supporting the best students in technical and commercial disciplines at well-known universities for decades. In doing so, we bring young highly qualified and highly motivated people into contact with MAN early on. But the **company-based vocational training** at our sites is also an important part of fostering young talent. The many awards that our trainees received from the Chamber of Industry and Commerce are proof of the excellent work that we deliver here, which was also highlighted when the MAN Diesel & Turbo apprentices reached the nationwide final of the German youth science competition “Jugend forscht.”

We do not just place major emphasis on recruiting. The **continuous professional development** of our employees is also important to us.

Quota for women

At MAN, we further the **best** — regardless of whether they are male or female or whether they are employees, graduate trainees, or on a scholarship.

Women at MAN hold a variety of jobs in almost all functions. They make a vital contribution to MAN's performance.

However, MAN is a mechanical engineering and technology company, which means that **more men** have been employed **historically**. Women account for 13% of the total MAN Group workforce. We would love to employ more women but unfortunately the number of young women that enroll for science or technical degrees is still **far too low**.

The percentage of women in **management roles** in the MAN Group is 7.3%. We have set ourselves the target of increasing this figure to the total percentage of women in the Group workforce at the very least.

First quarter of 2012

Shareholders, ladies and gentlemen, I would now like to give you some information on our business performance in the first quarter based on provisional figures. We will be publishing our quarterly report on May 3 as planned after it has been approved by the Audit Committee of the Supervisory Board.

At around €4.4 billion, the MAN Group's **order intake** in the first quarter was on a par with the previous year. In the **Commercial Vehicles** business area, we received orders for over **40,000 vehicles** once again. This is a very pleasing figure.

In the first quarter, the MAN Group's **revenue** climbed slightly against the previous year to €3.8 billion. As in the previous year, **35,000 vehicles** were sold. Revenue in the Power Engineering business area rose by 5%.

The MAN Group generated an **operating profit** of €253 million in the first quarter of 2012, down by around 20% year-on-year and accordingly dissatisfying. We are currently feeling substantial margin pressure, especially in stagnating markets, that we have to counter with measures to boost profitability and efficiency – which we will.

Outlook

Ladies and gentlemen, as I have told you, we expect **solid growth** on the transportation and energy markets worldwide in the **long term**.

However, we expect global economic growth to **weaken further** in 2012. According to the Institute for the World Economy, the IfW, this trend will primarily affect the advanced economies and, in particular, the euro zone.

It will also depend on the form that the **debt crisis** takes and whether policymakers manage to minimize the resulting uncertainty on the markets.

Global economic growth will continue to be driven by the **BRIC countries**, **Latin America**, and **East Asian emerging economies**.

In the Commercial Vehicles business area, demand in **Russia** will in all probability remain high while **China** will continue to be the world's largest market for heavy trucks. Although the **market volume is experiencing a slight decline** at the moment due to the discontinuation of government purchase incentives, we expect **demand to remain consistently high** over the next few years.

In **India**, government regulations on the roadworthiness of vehicles have been tightened. Industry production continues to grow. Both factors will lead to **gradual renewal** of vehicle fleets. We expect **demand to increase significantly**, especially in the heavy truck business.

The economy in **Brazil** is still growing, which is why we continue to see **major market potential** for trucks and buses here. Two big events, the **2014 Soccer World Cup** and the **2016 Olympic Games**, are making themselves felt and will boost the development of infrastructure in Brazil. This is likely to provide **additional growth stimuli**. However, we are currently seeing a **dip in demand** due to the changeover to Euro V that I mentioned. For this reason, sales in Brazil will **decrease overall** in 2012.

In the **European commercial vehicle market**, we expect the **market to stabilize** at the **prior-year level** owing to the high level reached and the poorer economic expectations.

Overall, revenue in the **Commercial Vehicles business area** is set to **decrease** by up to **5%**.

However, the Power Engineering business area's **revenue is to grow** by around 5%. The ongoing growth in emerging economies and developing countries will drive the markets for applications in the **process industry** and **energy production** in 2012 and 2013. In the **shipbuilding industry**, the market for container ships and bulk freighters will decline again but the market for special ships like those used in offshore exploration or tankers to transport liquefied natural gas will develop somewhat better.

Once again, it is clear that the **different economic cycles** of the Commercial Vehicles and Power Engineering business areas will contribute to **stabilization** of our total revenue.

Due to the predominance of the commercial vehicle arm, we expect a **slight decline in revenue** for the MAN Group **as a whole**, which will lead to a **drop in operating profit**. Return on sales will roughly correspond to the long-term target average of 8.5%.

Final remarks

My dear shareholders,

As you can see, MAN is a **successful company**. We are well positioned both **globally** and **regionally** and have the **right products** on offer for our global customers today. But we will not rest on our laurels. We will strive to do better. That is why we are working as hard as possible on the technologies of tomorrow.

The **opportunities to cooperate with Volkswagen and Scania** that are now available will give us **fresh impetus.** Cooperating in purchasing, development, and production will enable us to leverage the necessary **synergies** to **tackle** the competition **head on**. Our aim is to be the **most successful commercial vehicle manufacturer worldwide** by 2020.

I would be delighted if you would continue to support us on the road ahead. After all, the **“We are your MAN”** slogan in our annual report especially applies to you as owners of this Company too, of course.

Thank you for your attention!