



Significant improvement in operating profit amid difficult market environment

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MAN generates more profit again in the European commercial vehicles business – economy in Brazil remains weak

The MAN Group can look back on a sound performance in the first half of fiscal 2014. Demand in the European commercial vehicles market rose slightly during this period but continued to feel the effects of the introduction of the Euro 6 emission standard. This meant that demand was again down slightly year-on-year in the second quarter. The modest revival of the global economy continued, and there were signs of a recovery in the Western and Southern European economies. While MAN is once again more optimistic about the economic situation in Europe, it is facing growing challenges in Brazil, a key market for the Company.

The MAN Group's order intake in the first half of the year was €7.7 billion, down slightly on the prior-year level due to lower order intake in the Commercial Vehicles business area. Order intake here declined by 6% year-on-year to €5.8 billion. This is attributable to a considerable decrease in orders at MAN Latin America, where the company recorded orders worth €1.2 billion in the first half of 2014 — around €400 million less than in the previous year. This trend had already become apparent in the first quarter. As before, it is attributable to the economic slowdown. By contrast, MAN Truck & Bus's order intake was up 2% on the prior-year period, at €4.7 billion.

The Power Engineering business area recorded an order intake of €1.9 billion, up slightly year-on-year. MAN Diesel & Turbo's orders rose by €80 million to €1.7 billion thanks to a slight market recovery in the marine unit, which absorbed the declines in the Turbomachinery strategic business unit.

The MAN Group's sales revenue declined by 12% in the first half of 2014 to €6.7 billion. MAN Truck & Bus generated sales revenue of €3.9 billion. MAN Latin America's sales revenue declined to €1.2 billion as a result of the market trend outlined above. MAN Diesel & Turbo posted sales revenue of €1.4 billion, while Renk generated €216 million.

MAN SE

Ungererstr. 69
D-80805 Munich

**Head of
Corporate Communications**
Andreas Lampersbach

Spokesman
Sacha Klingner

Phone: +49 89 36098-111
presse@man.eu
www.man.eu/presse

The MAN Group is one of Europe's leading industrial players in transport-related engineering, with revenue of approximately €15.7 billion in 2013. As a supplier of trucks, buses, diesel engines, turbomachinery, and special gear units, MAN employs approximately 53,500 people worldwide. Its business areas hold leading positions in their respective markets.



The MAN Group recorded a clear improvement in operating profit despite significantly lower sales revenue. It rose to €222 million in the first six months of the current fiscal year, compared with a clear operating loss of €123 million in the first half of 2013. Provisions for a power plant project at MAN Diesel & Turbo that had not yet been completed significantly impacted Group profit in the prior-year period. MAN Diesel & Turbo returned to an operating profit of €88 million in the first half of 2014; Renk recorded €26 million. This produces an operating profit of €114 million for the Power Engineering business area. Operating profit in the Commercial Vehicles business area was on a level with the previous year, at €150 million. MAN Truck & Bus benefited from higher margins in the Trucks business, lifting its operating profit from €44 million in the prior-year period to €79 million in the first half of 2014. At MAN Latin America, lower sales revenue and unfavorable currency effects saw operating profit decline to €67 million. The MAN Group recorded profit before tax of €158 million and profit after tax of €92 million.

MAN is expecting slightly stronger global economic growth in 2014 compared with the previous year. However, there are still uncertainties surrounding economic developments owing in particular to the ongoing sovereign debt crisis in Europe, and political instability, particularly in connection with the Ukraine crisis. The Management is keeping a close eye on economic developments in Brazil, which are also a cause for concern. On the basis of business developments in the first two quarters of 2014, MAN expects the Group's full-year sales revenue to be noticeably below the prior-year figure. However, MAN expects to see a significant increase in operating profit. The operating return on sales will significantly exceed the 2013 figure.