

## One year of successful cooperation between Sinotruk and MAN

### Technology transfer almost complete; localization started

Beijing, August 26, 2010

At a common meeting held today in Beijing, Mr. Chunji Ma, Chairman of Sinotruk, and Dr. Georg Pachta-Reyhofen, CEO of the MAN Group, looked back at the first year of the partnership between the two companies. The cooperation was announced in July 2009.

Since then, both sides have worked together and the cooperation is going smoothly. The new truck family is set to be launched as a completely new brand during 2011. The technology transfer is almost complete and the localization of components has started. Construction of dedicated facilities for the new truck series has begun as planned. State-of-the-art machinery has been ordered and technical training is taking place. Both companies have achieved a common understanding and made initial progress in quality management, purchasing processes, sales and aftersales activities in order to realize the significant potential and further synergies.

The cooperation between Sinotruk and MAN comprises two parts: one is capital-related and the other one concerns the transfer of technology and management. The capital-related part has seen MAN invest EUR 560 million in Sinotruk (Hong Kong), which means that it holds a direct interest of 25 % plus one share in the China-based manufacturer, while CNHTC holds 51 %. As an important Sinotruk shareholder, MAN has three non-executive directors and one executive director on the company's Board.

The technology- and management-related part is based on a technology licensing agreement signed by both sides. Under this agreement, MAN has licensed its TGA truck, engine chassis and axle technologies to the Chinese partner. In return, Sinotruk has exclusive rights to produce the licensed truck in China. Both partners will leverage on the strength of their existing worldwide sales network to promote the new truck series.

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MAN is based in Munich, Germany. The company has been around for more than 250 years and operates in the fields of commercial vehicles and power engineering. In the commercial vehicles field, MAN is one of the market leaders in several European countries and in Brazil. In China, MAN began its partnership with HDTC – Heavy Duty Truck Corporation (today Sinotruk) back in 1983, with the construction and licensing of Steyr trucks.

In the first six months of 2010, the MAN Group posted revenue of roughly CNY 58 billion (EUR 6.7 billion), representing an increase of 19 % year-on-year. In the same half of the year, the company reported an operating profit of CNY 3.5 billion (EUR 404 million), an increase of 66 % compared with H1 2009.

Sinotruk is one of the oldest heavy truck manufacturers in China, with a history of more than 50 years. With its leading position in R&D, Sinotruk has one of the highest integration degrees in development and manufacturing of trucks, buses, special vehicles and components.

CNHTC sold 115,627 heavy trucks in the first half of 2010, a number that increased by 70 % year-on-year. Its revenue was up by 61 % to CNY 44.9 billion (EUR 5.2 billion), generating a profit of CNY 2.8 billion (EUR 325 million), up 140 % compared with H1 2009.

Mr. Chunji Ma, Chairman of Sinotruk, said: "Sinotruk and MAN have a long-term and successful cooperation track record. Trust is the base and we believe that with our joint efforts, this will continue to be a win-win partnership and a successful achievement."

Dr. Georg Pachta-Reyhofen, CEO of the MAN Group, added: "MAN and Sinotruk have been partnering for more than a year and our project is going smoothly. Credibility is the cornerstone of our cooperation. This partnership will play a crucial role not only in promoting the development of Sinotruk, but also in expanding MAN's global market, especially in the BRIC countries."