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Speech on the occasion of the financial press conference on

3. April 2014 (balance sheet 2013)

Not for release until: 3 April 2014, 10.00 a.m.

- Check against delivery -

Please bear with us for 28,800 filters!

While you listen to myself and my colleague Frank Jehle over the coming 30 minutes, MANN+HUMMEL will produce around 28,800 new filters. The figure for 2013 was more than half a billion, or 16 units per second!

Ladies and Gentlemen, good morning.

I do not know how many financial press conferences you have attended during the current reporting season. Many, I assume. And I am sure that quite a number of them have been held by automotive manufacturers or suppliers.

In order to avoid repeating what has already been said, I am certain that it will also be in your interest if we keep our report on the current situation of the economy and of the industry brief:

The sustained economic downturn during 2013 only abated in the final quarter. The automotive business picked up, but we are still waiting for a

more sustained recovery in the industry and in the machine construction sector.

Our sales markets – and here too, we are in good company - were extremely heterogeneous.

North America gave us cause for delight, while the Latin American continent proved more of a cause for concern. Similarly in Asia: China good, India satisfactory, Korea and Japan, does not meet expectations.

And there was, of course, the euro: the unexpectedly strong exchange rate of our single currency placed a burden on exporting companies, including ours. Negative exchange rate effects are dampening the growth curve of a significant number of European companies.

Nonetheless, MANN+HUMMEL is able to present sound figures for the year under review 2013

- Sales: 2.7 billion euros
- Earnings before interest and taxes (EBIT): 151 million euros
- Profit margin on turnover (EBIT margin): 5.6 percent
- Net income: 102 million euros

In a few minutes, Frank Jehle will take you through the balance sheet and present you further details.

For my part, I would like to speak less about our results and more about how we have achieved them and how we aim to continue on this course. I regard this as our main task, as the responsibility of companies: to secure the future.

- To this end, we must introduce onto the market products and services with which we can convince and win customers.
- We must think ahead and continue to develop our business model and our strategy.
- And we must be profitable in order to invest and implement new ideas.

Regarding the first point, I would like to report on our strategic globalisation projects.

MANN+HUMMEL is growing – organically and through acquisitions. Since January 2013, the Bengbu Haoye Filter Co., Ltd. has joined the

Group as the fifth location in China after Shanghai, Changchun, Jinan and Liuzhou.

With the acquisition of this Chinese filter manufacturer, we have strategically expanded our presence on the local market. Previously, we lacked offerings for the mid-price segment in the price-sensitive Chinese aftermarket. Equally valuable is the company's established sales structure and a portfolio that perfectly serves the requirements of Chinese vehicles in the aftermarket business.

With the acquisition of the US filter manufacturer Purolator Filters, we have purchased the flagship brand of the NAFTA automotive filter market. Purolator Filters has been manufacturing filters for motor vehicles since 1923 and is therefore one of the most long-standing brand manufacturers in the aftermarket.

These brands are well established among our trading partners and workshop customers. We have therefore taken a great step forward in our global market development. In the aftermarket business, we have now become a broadly based multi-brand supplier.

Success with our customers is not only measured by increasing sales, but also by the awards and prizes with which our customers express their appreciation for our products and services. Our guiding theme for the past year has been "Operational Excellence". We want to give the best for our customers, always and everywhere. Our passion for, and daily pursuit of ever new improvements was also commended by many customers in the past year.

For example

- Caterpillar: MANN+HUMMEL was the only filter manufacturer to achieve GOLD in the Supplier Excellence Award of leading global construction machine manufacturer Caterpillar, USA.
- MANN+HUMMEL Purolator Filters USA received the Toyota Quality Gold Award
- ADI (Autodistribution International) presented us their Supplier of the Year award.
- And our plant in Lower Bavaria garnered the Volvo "Quality through Excellence" award.

Next, regarding point 2: Business model and strategy

Please allow me to describe our business model in highly simplified terms: Filtration. Everything we do revolves around this topic. And it is a focus that pays: two years ago, US market analysts Freedonia described us as the "world market leader in filtration".

Three years ago, we realigned our strategy to achieve this objective. 2013 was, like the two previous years, defined by our strategic growth targets, which we aim to achieve by 2018. These include a worldwide sales increase to a total of at least 3.4 billion euros. Despite our growth curve being flatter this year than last, we are on track!

In terms of our regional sales spread, our targets are distributed as follows: Europe, 50 percent, Asia and America, each 25 percent. Here as well, we are on track.

This, however, Ladies and Gentlemen, sounds lapidary in light of the fundamental changes that we have achieved here. Over the past ten years, we have increased our sales in Asia twenty-fold, while trebling our sales in the Americas.

The future belongs to those who dare. We make well-considered investments in intelligent and sustainable business models, worldwide. This is no coincidence, but strategy.

We believe in the sustainability of our investments in the water filtration business, even if it has proven difficult to develop. This market is a large and lucrative one and we never assumed that entering it would be a stroll in the park.

We are expanding our activities in the area of water and have established MANN+HUMMEL Water Solutions GmbH in Germany for this purpose. With this company, we are able to pool and manage our European activities in the water filtration segment.

Regarding point 3: Results and profitability

In the wake of the global financial and economic crisis of 2008/2009 we achieved three consecutive sound years and brought the fourth to a successful close in 2013.

This performance represents the basis for a long-term profitable trend. It gives us scope for investments. And we will carry on with our investments in the coming years. Because it is the future of our company which is at stake.

In future, we intend to continue impressing through our quality, service and innovation.

The latest example: Two weeks ago, we were one out of 18,000 suppliers to be awarded a supplier prize for outstanding performance by our customer General Motors. Fewer than one per cent of GM suppliers receive this award.

A total of only four companies are bestowed the top award. My colleagues also succeeded in bringing this GM "Overdrive Award" to Ludwigsburg.

Operational Excellence in all areas makes us into a "Premium Supplier".

Innovations and entrepreneurial courage are key for us in order to be a long-term player in this league.

We are innovative: According to the German Patent and Trade Mark Office (DPMA), MANN+HUMMEL is, with some 220 patent applications, once again among the 50 most active patent applicants in Germany in 2013 – for the third time in succession.

We have significantly expanded our range of classic filtration products through further developments, innovations and new patents.

Examples I would like to cite here are the three-tier water separation for diesel fuel filters and the concept of variable convolution for air filters.

We also remain on the ball with regard to electric mobility. We were delighted to receive the f-cell award here in Stuttgart for our newly developed cathode air filter for fuel cells last autumn.

At the end of 2013, our workforce counted 15,231 employees, including myself. I would like to thank my 15,230 colleagues for their excellent work last year.

I would also like to welcome the 74 new apprentices who set out on their career path with us at the start of the training year 2013. In total, 228 apprentices currently receive training at our German plants.

2013 was a solid year for MANN+HUMMEL, but we are keeping our feet firmly on the ground and remain cautiously optimistic.

Many thanks for your attention so far.

My colleague Frank Jehle will now take you through our balance sheet 2013. I will then return briefly with our outlook for 2014.

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