



Håkan Samuelsson

CEO



Profile



MAN Group

Commercial Vehicles

Industrial Services

Printing Systems

Diesel Engines

Turbo Machines

Engineering group with five divisions



Commercial Vehicles

Sales: €7.4 bn
OP: €342 m

- Trucks
- Buses
- Engines
- Services

Industrial Services

Sales: €3.2 bn
OP: €72 m

- Contracting
- Logistics
- Marketing platform

Printing Systems

Sales: €1.6 bn
OP: €3m

- Web-offset
- Sheet-offset
- Services

Diesel Engines

Sales: €1.4 bn
OP: €55m

- 2-stroke
- 4-stroke
- Services

Turbo Machines

Sales: €0.7 bn
OP: €36m

- Compressors
- Turbines
- Services

MAN Group 2004: €14.5 bn sales €566 m operating profit



Strategy



MAN Group

Commercial Vehicles

Industrial Services

Printing Systems

Diesel Engines

Turbo Machines

- Industrial Governance concept
- Concentration on core businesses („do less, better“)
- Focus on value creation





Industrial Governance



MAN Group

Commercial Vehicles

Industrial Services

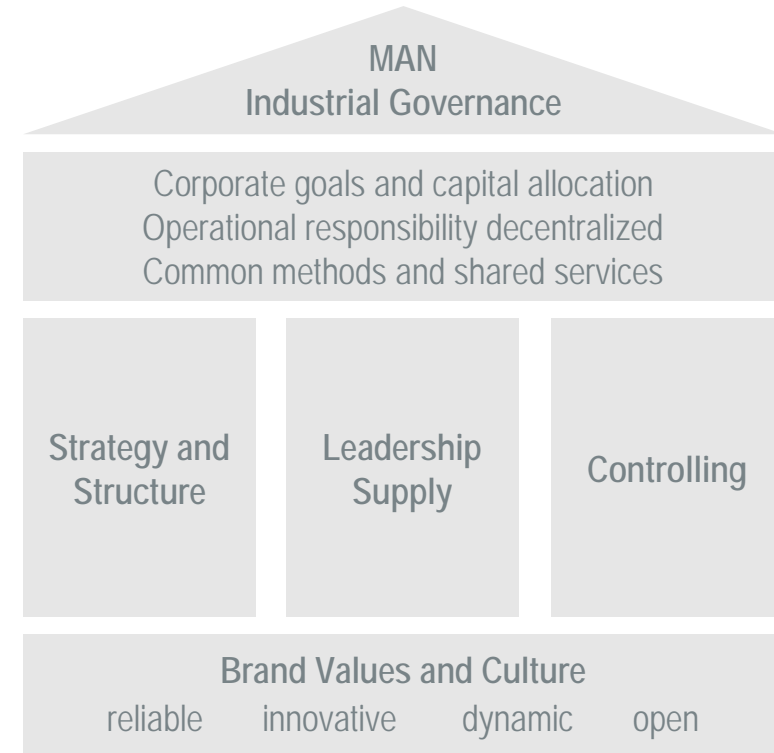
Printing Systems

Diesel Engines

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Our Industrial Governance concept relies on:

- common principles
 - transparent management
- and
- creates additional value





Strategy



MAN Group

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Concentrate on core areas of operation
with high-growth potential

>60% of sales in transport related industries





Freight transport (EU 25) 1990-2030



MAN Group

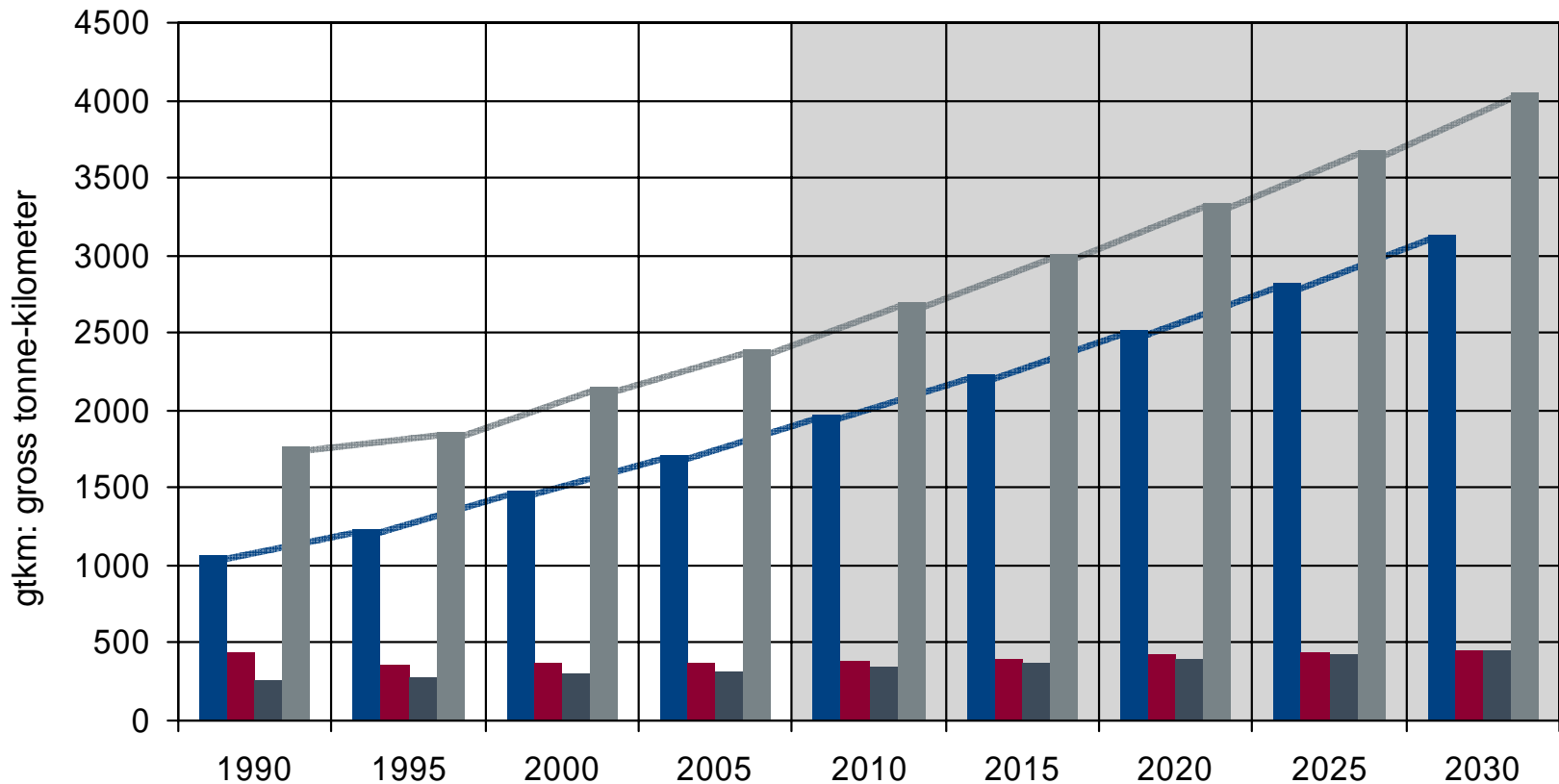
Commercial Vehicles

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■ truck traffic ■ railway ■ inland navigation ■ total

Source: PRIMES



Demand for shipbuilding until 2015



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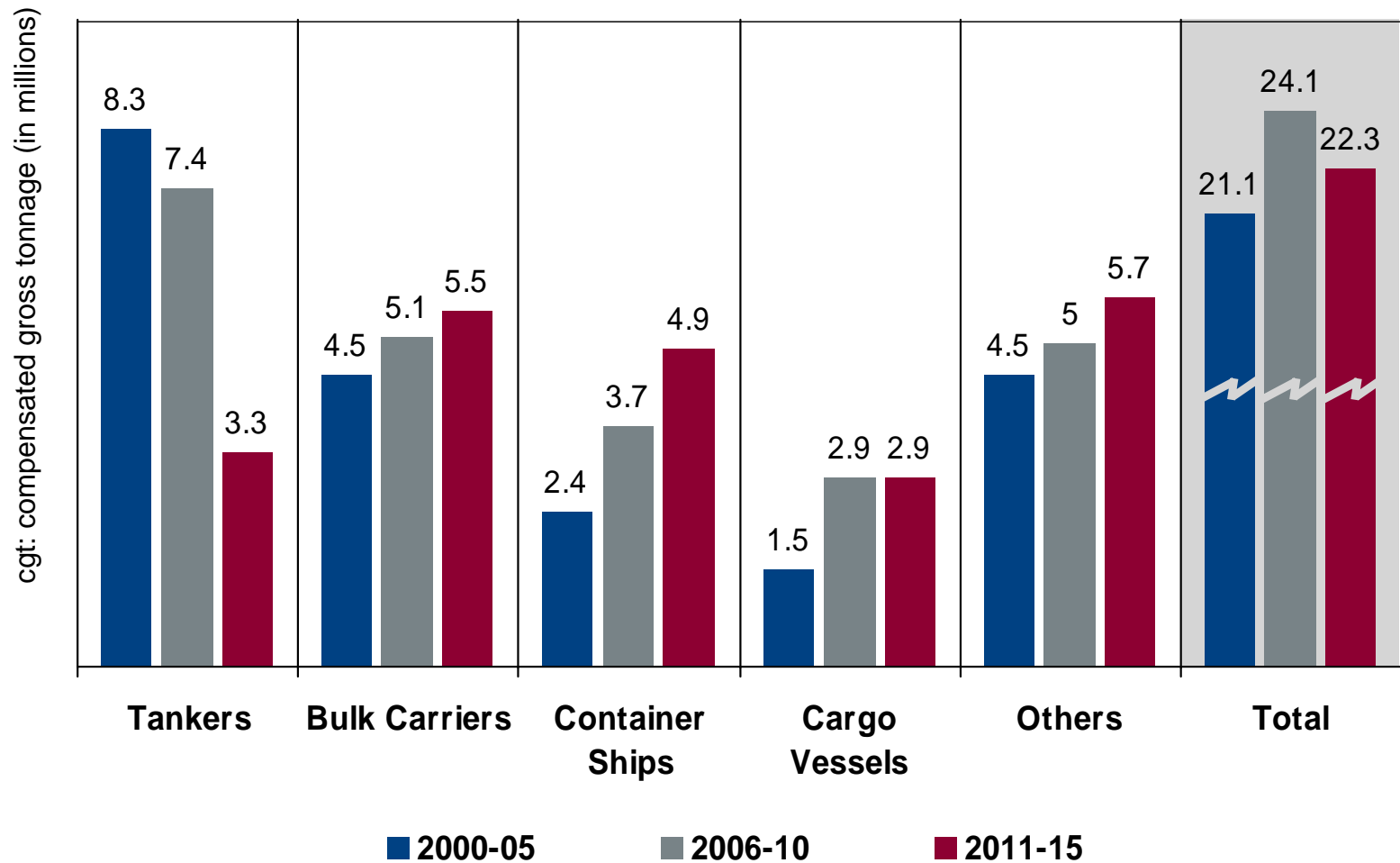
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Source: VSM; OECD



World oil production 2000-2030



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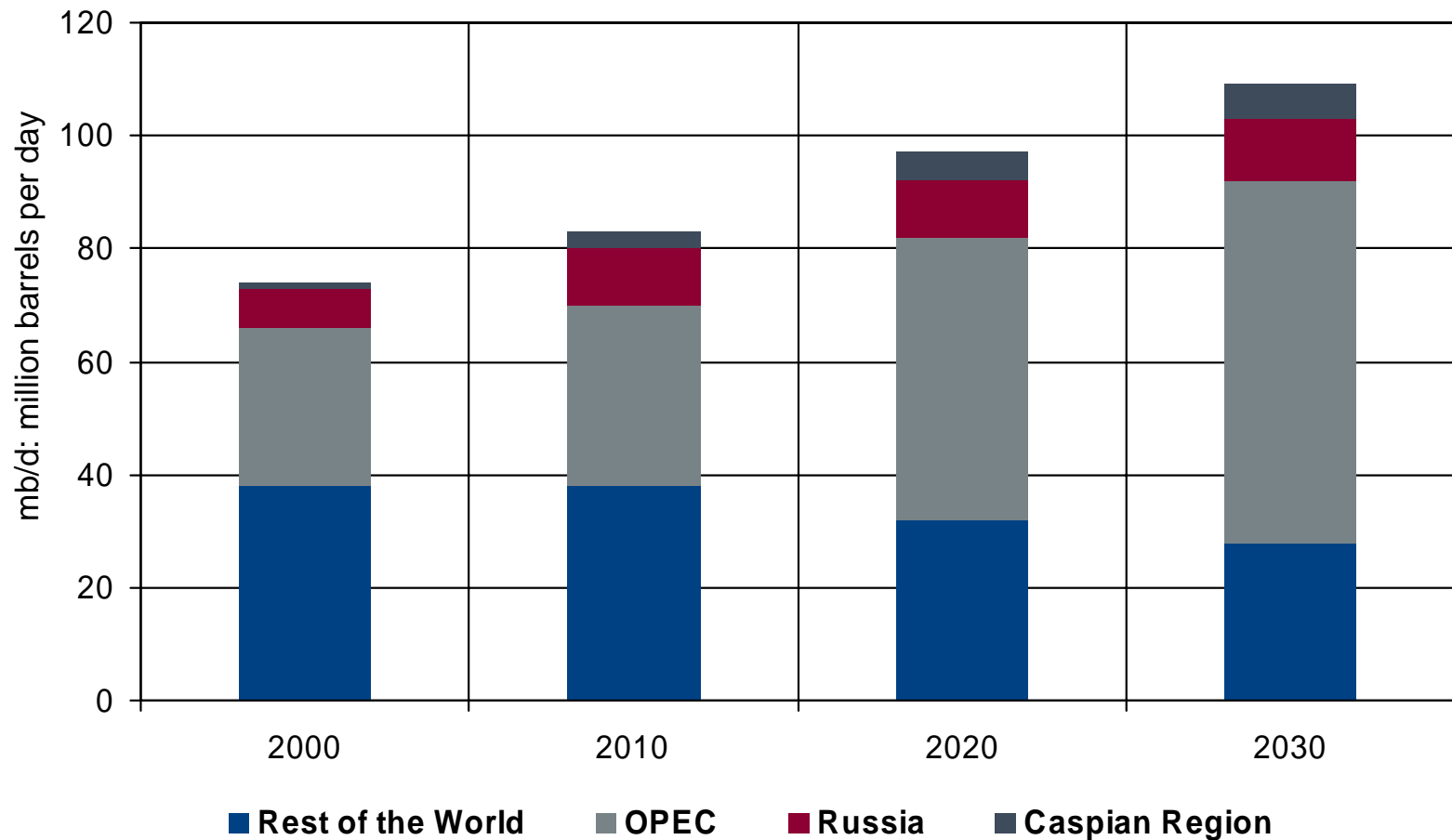
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Source: International Energy Agency



Targets



MAN Group

Commercial Vehicles

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Turbo Machines

- **Return on capital employed (RoCE)** for the Group:
18% over the cycle (Group WACC: 10.5%)
- **Operating Return on Sales (RoS)** for the Group:
6% over the cycle
 - 6.5% for the manufacturing divisions
 - 3.0% for Industrial Services

	2004	2003
RoCE	12.6%	8.4%
RoS	3.8%	2.8%



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Guiding principles



- Each division has to stand its ground against the best competitor in the market
- Each division must be able to develop within the group
- No cross-subsidising — zero tolerance for loss-makers





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Commercial Vehicles



Key figures	FY 2004	Jan-Sep 05
Order intake €	7 589 m	5 800 m*
Sales €	7 409 m	5 521 m
Operating Profit €	342 m	282 m
RoS	4.6%	5.1%
RoCE	12.1%	13.1%

Strategy

- International expansion
- Strengthen EU market position
- Increase profitability/ Improve cost structure
- Premium products (incl. services)
- Economies of scale based on strategic partnerships

* excluding British Ministry of Defense (MoD) order worth € 1 359 m



Commercial Vehicles



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Strategic Navistar alliance

- Strategic cooperation for developing, purchasing and manufacturing components
- Adaptation of D20 engine for Navistar trucks to comply with EPA 2007 standards in the US





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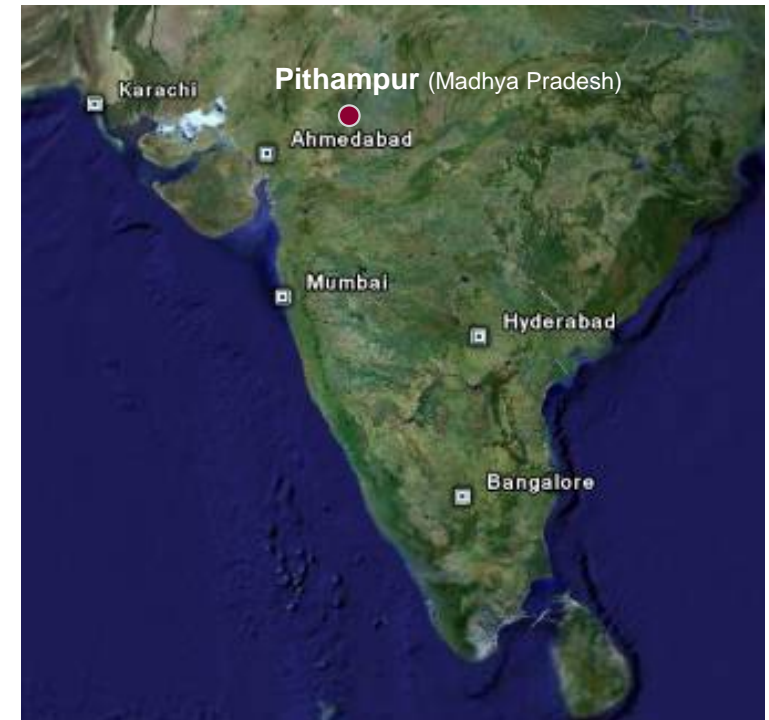
Turbo Machines

Commercial Vehicles



Truck JV with Force Motors in India

- LOI already signed; Final JV contract expected to be signed 04/06
- Manufacturing of premium heavy trucks (16-32 to) for the Asian market
- Mid-term volume: 24,000 vehicles
- Start of production for Indian market in Q4/06
- Total investment €150 m, MAN's stake 30%





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Industrial Services



Key figures

	FY 2004	Jan-Sep 05
Order intake €	3 508 m	2 539 m
Sales €	3 185 m	2 043 m
Operating Profit €	72 m	69 m
RoS	2.3%	3.4%
RoCE	18.5%	34.0%

Strategy

- Strengthen project development
- Focus on two business segments
 - Projects & Contracting
 - Services & Logistics
- Marketing platform for MAN Group



Printing Systems



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Key figures	FY 2004	Jan-Sep 05
Order intake €	1 885 m	1 663 m
Sales €	1 620 m	1 206 m
Operating Profit €	3 m	9 m
RoS	0.2%	0.7%
RoCE	0.6%	3.5%

Strategy

- Turnaround sheet-fed presses
 - Three product families
 - Lean production and distribution structures
- Reliable products
- Service business (3S: Service/Spares/Supplies)



Diesel Engines



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Key figures	FY 2004	Jan-Sep 05
Order intake €	2 043 m	1 750 m
Sales €	1 421 m	1 183 m
Operating Profit €	55 m	78 m
RoS	3.9%	6.6%
RoCE	11.0%	22.6%

Strategy

- Integration into one single Diesel Group
- Cost-efficient products
- Strengthen service business



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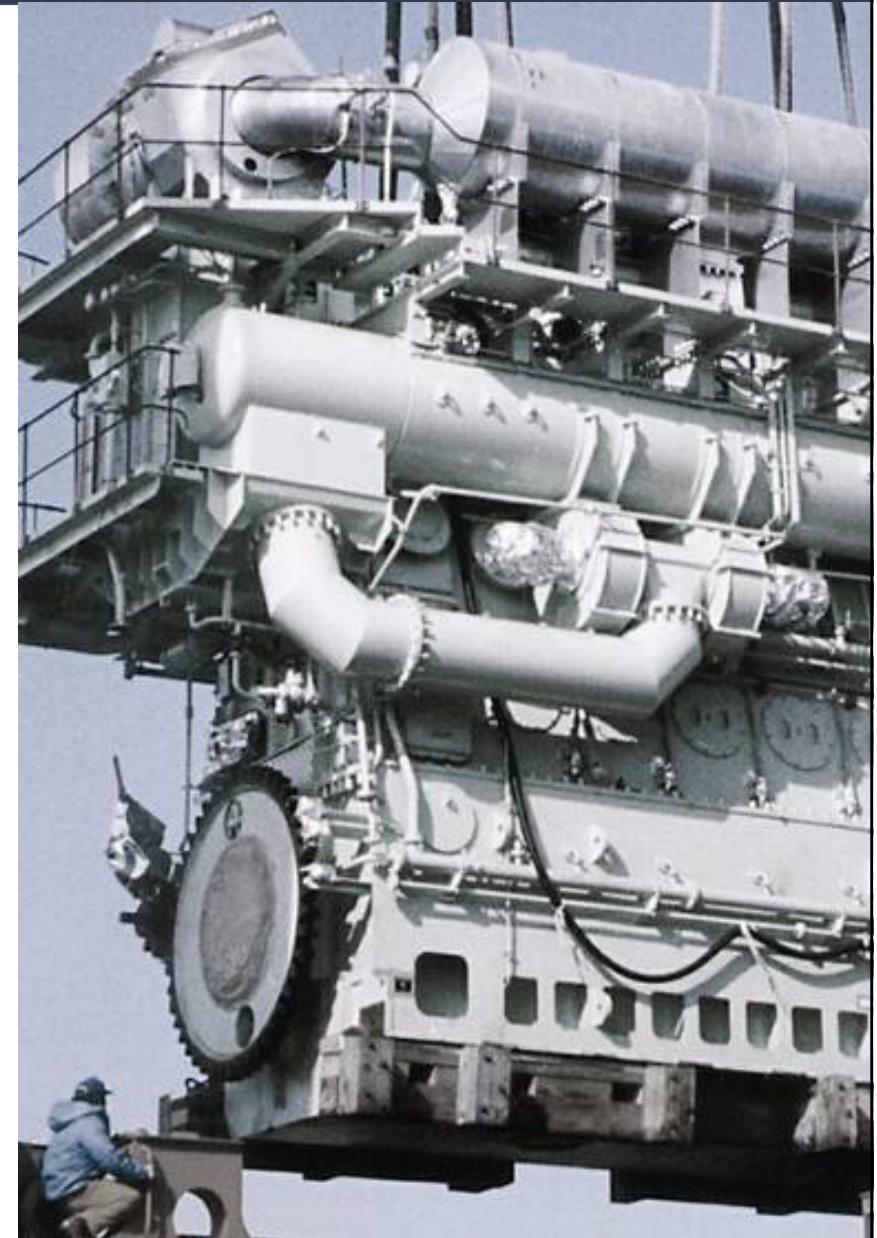
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Diesel Engines



Diesel Group Integration

- Integrated truck derived engine program
- Manufacturing network
- MAN PRIMESERVE worldwide





Turbo Machines



MAN Group

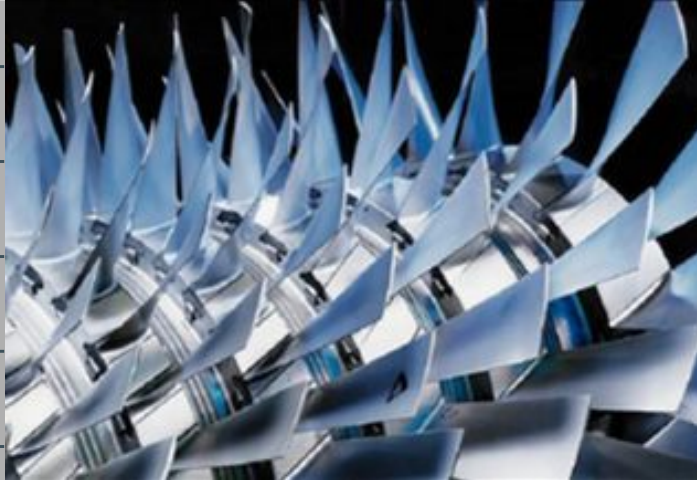
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Key figures	FY 2004	Jan-Sep 05
Order intake €	675 m	631 m
Sales €	659 m	462 m
Operating Profit €	36 m	22 m
RoS	5.5%	4.7%
RoCE	16.8%	16.4%

Strategy

- Expansion to achieve an „overcritical size“
- Strengthen turbomachinery train business (compressor plus drive)



Order backlog by divisions



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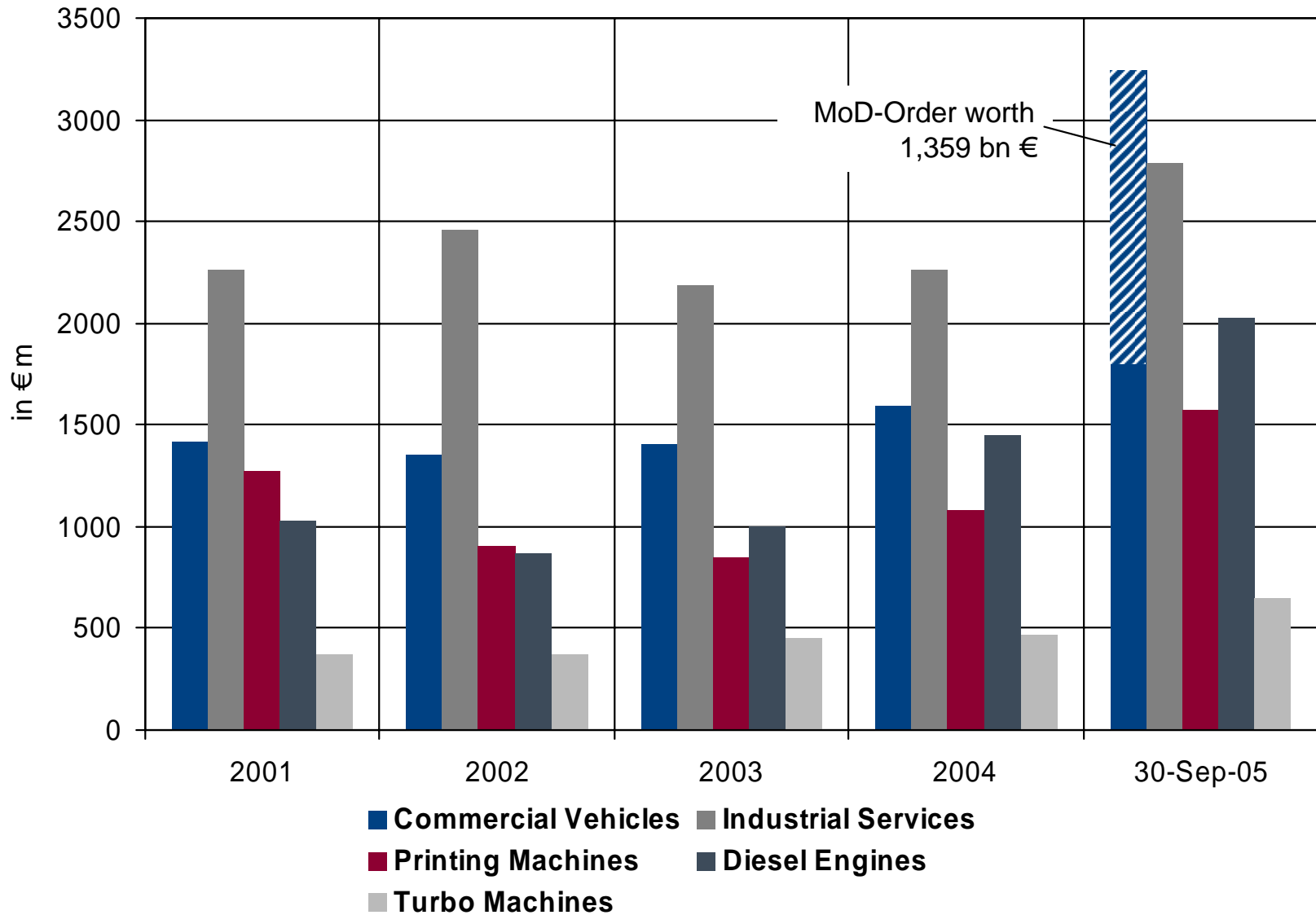
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Outlook 2005/06



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MAN Group 2005:

- **Order intake** should reach some € 17.5 bn (2004: € 15.6 bn)
- **Sales** should be in the region of € 15.0 bn (2004: € 14.5 bn)
- **Operating profit** for the **MAN Group** will well exceed € 700 m (2004: € 566 m)
- Ongoing strong **free cash flow**

MAN Group 2006:

	2006
Order intake*	→
Sales	↗
Operating profit	↗

*ongoing operations excluding major orders

MAN Group



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