



MAN Ferrostaal: Successful financial year 2004

Munich,
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- **Increase in both order intake and sales.**
- **Stabilisation of earnings.**
- **Focus on profitable areas of operation.**

Press Release of
MAN Ferrostaal

Editor

MAN Ferrostaal with record level of new orders

The order intake in 2004 rose 28 % to € 3,508 million (previous year: € 2,738 million), the highest level in the history of the company. Sales grew in the period under review by 11 % to € 3,185 million (previous year: € 2,880 million). At the end of the fiscal year 2004, orders on hand stood at € 2,259 million, compared to € 2,186 million in the previous year.

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Facility Construction and Contracting: Satisfactory development

The Facility Construction and Contracting business sector achieved an order intake worth € 844 million in 2004 (previous year: € 1,127 million). The high level of orders in the year 2003 was, however, especially due to a major contract for the turnkey construction of one of the world's biggest methanol plants in Trinidad. This order alone accounted for 39 % of the segment's total order intake in 2003. Sales were down from € 1,145 million in 2003 to € 888 million in the year under review. At December 31, 2004, Facility Construction and Contracting had orders on hand worth € 870 million (previous year: € 969 million). The major new orders included the turnkey expansion of a power plant in Venezuela as well as the modernisation of the Barmen power plant for Wuppertaler Stadtwerke AG. Additionally, in the year under review, erection work for the aforementioned methanol plant in Trinidad made substantial progress. Commissioning of the plant is scheduled for mid-2005. An ammonia plant also in Trinidad was delivered to our customer in the second half of 2004.

Industrial Equipment and Systems: Double-digit growth in orders

With € 529 million, new orders in the Industrial Equipment and Systems business sector were 28 % up on the previous year (€ 413 million). Sales increased by 2 % to € 445 million (previous year: € 436 million). On December 31, 2004, orders on hand amounted to € 891 million, compared to € 804 million at the close of the previous year. The order situation in the Graphic Arts Industry business saw a recovery. The Industrial Manufacturing business underwent substantial restructuring to take account of changing market conditions. As a result of this realignment, this business now focuses on system lines for industrial production, infrastructure, as well as traffic- and transport technology.

Steel Trading and Logistics: Most successful year in the company's history to date

The order intake in the Steel Trading and Logistics business grew by 107 % in the year 2004 to € 2,025 million (previous year: € 977 million). Sales increased by 61 % to € 1,725 million (previous year: € 1,070 million). At the end of 2004, orders on hand totalled € 452 million, compared to € 177 million on December 31, 2003. The substantial growth in both new orders and sales was due to the worldwide rise in demand for steel and the resulting increase in prices and volumes. Additionally, the stable development in our activities for the automotive industry at MAN Ferrostaal Industrial and Systems Logistics and the success in expanding our MAN Ferrostaal Piping Supply business were major contributory factors to the positive business results.

Important developments: Sale of DSD Steel Construction and streamlining of the business sectors

In 2004, we continued to press ahead with our strategy of focusing on profitable areas of operations. Most of the activities of DSD Steel Construction were sold on July 1, 2004 to the Pirson Group of Belgium. The sale affected altogether 1,416 employees. With the deconsolidation of DSD Steel Construction, we are now well placed to improve our operating efficiency and, by concentrating on our core business, to work even more profitably in future.

Result: At the previous year's level

In the fiscal year 2004, the MAN Ferrostaal Group's consolidated earnings before taxes amounted to € 62 million (previous year: € 65 million). The result was diminished by the structural changes and associated non-recurring expenses.

Rise in result expected

For the fiscal year 2005, we are optimistic about being able to consolidate our competitive position and to increase our earnings before taxes. To this end, we will further expand our sales partnerships with our affiliate companies in the MAN Group.