

MAN AGM 2005



Welcome

- Performance 2004
- Strategy in the new financial year
- Performance during the first four months of 2005 /
Outlook
- AGM agenda

- Regina successfully placed its shareholding
- Strategic reorientation
- Action plan to increase competitive strength and profitability
- Sale of peripheral activities – concentration on core operations

New: Operating Profit



Operating Profit

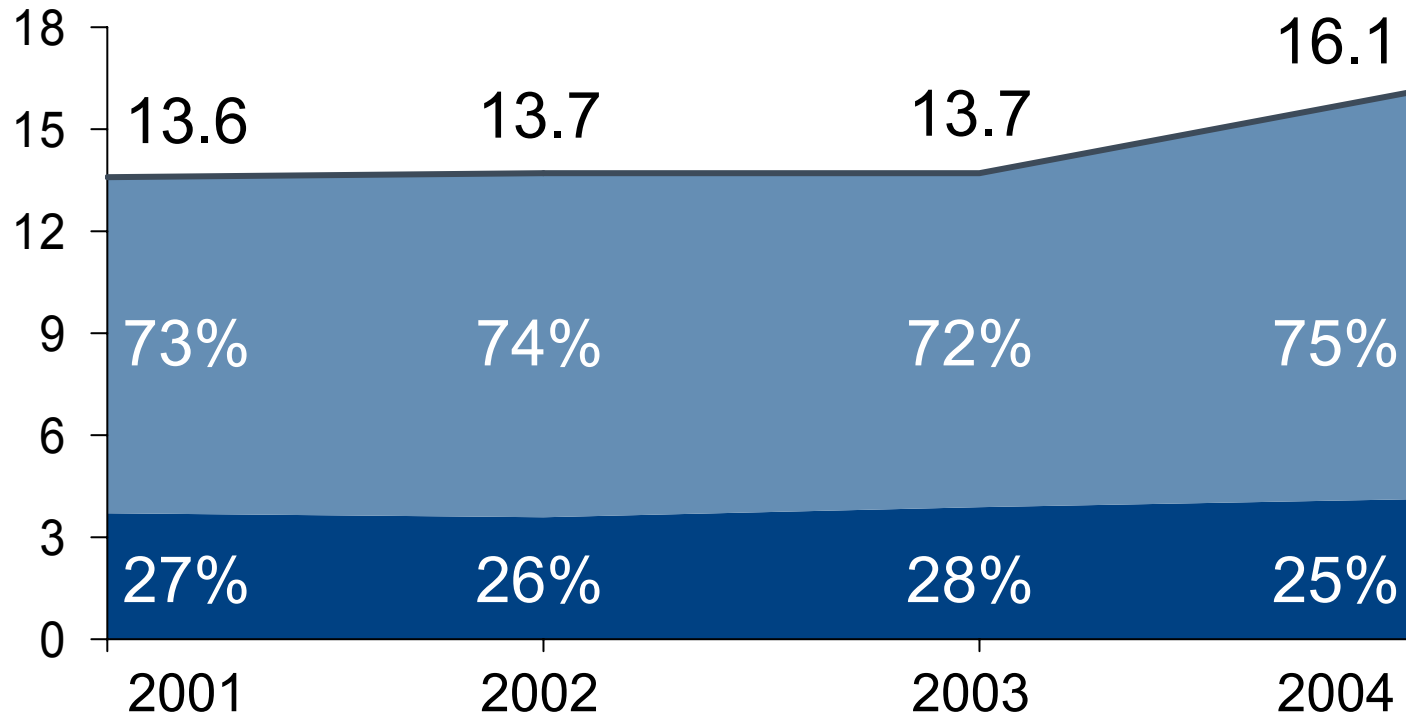
$$= \text{EBIT}_{(\text{Industrial Business})} + \text{EBT}_{(\text{MFI})} \\ \pm \text{extraordinary profit/loss}$$

„Industrial Business“ = MAN Group excl.
MAN Financial Services (MFI)

Order Intake



€bn

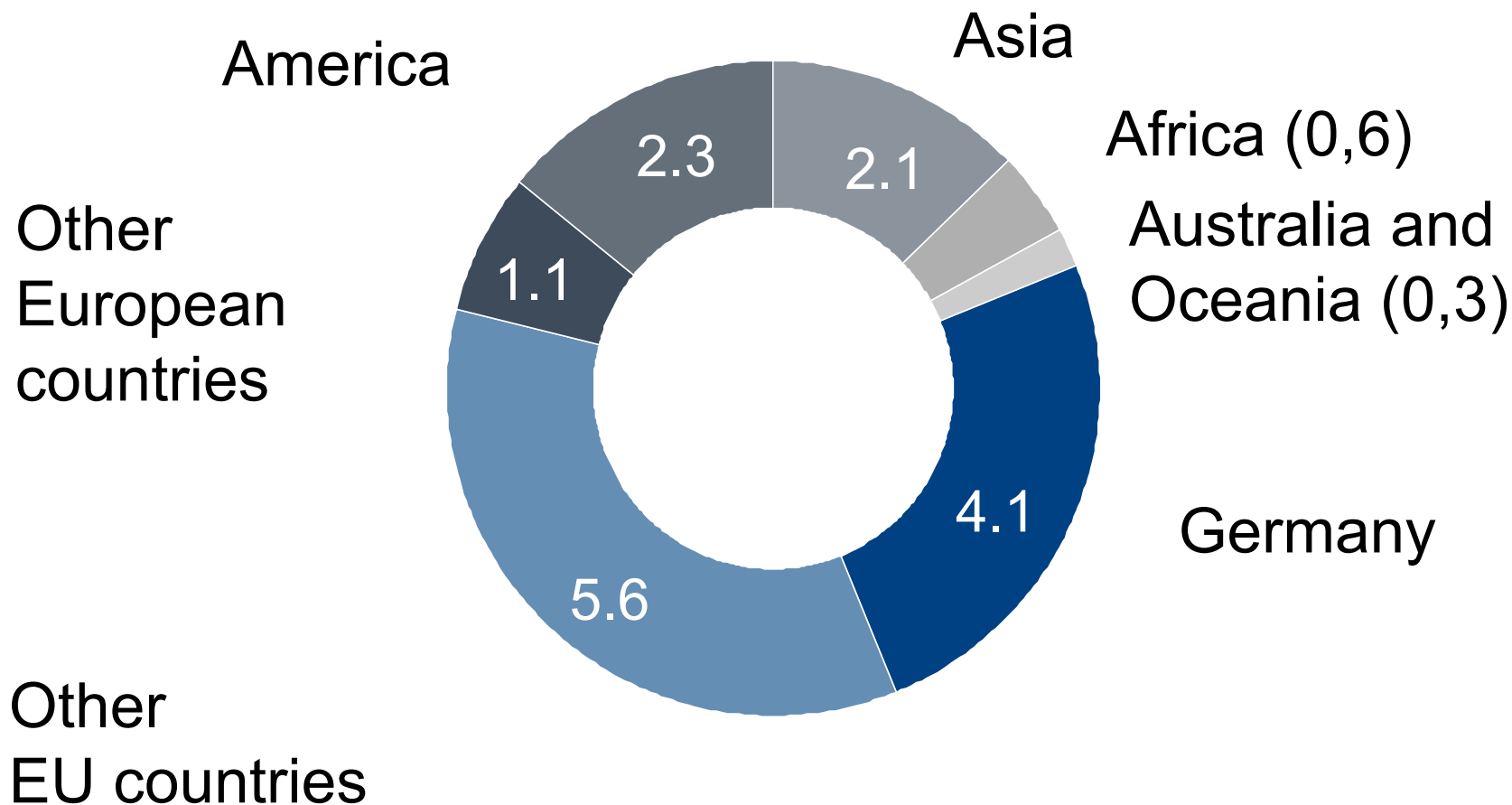


■ Rest of the world ■ Germany

Order Intake 2004 by Region



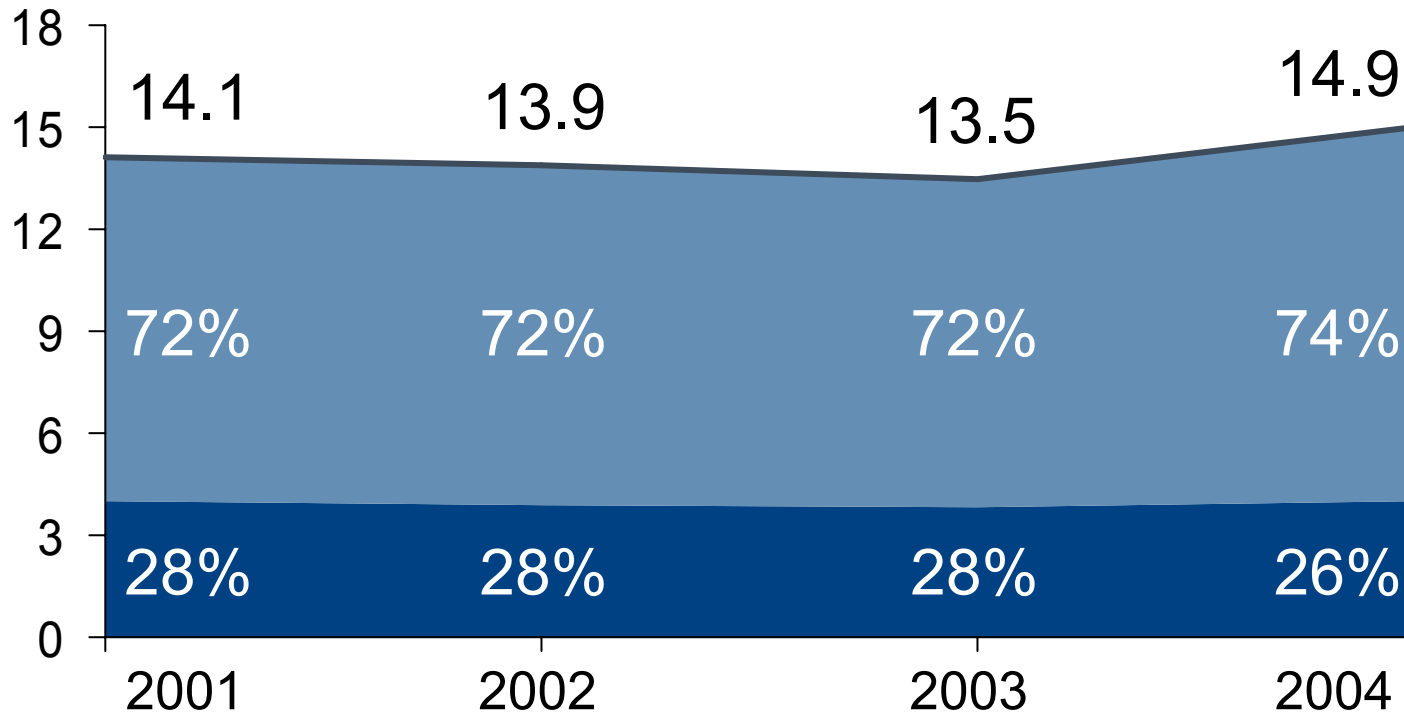
€bn



Sales



€bn



■ Rest of the world ■ Germany

Order Intake by Division



€bn	2004	2003	Δ %
Commercial Vehicles	7.6	6.8	+ 12
Industrial Services	3.5	2.7	+ 28
Printing Systems	1.9	1.6	+ 20
Diesel Engines	1.9	1.5	+ 28
Turbomachines	0.7	0.7	+ 3
Other/Consolidated	0.6	0.5	-
MAN Group	16.1	13.7	+ 17

Sales by Division



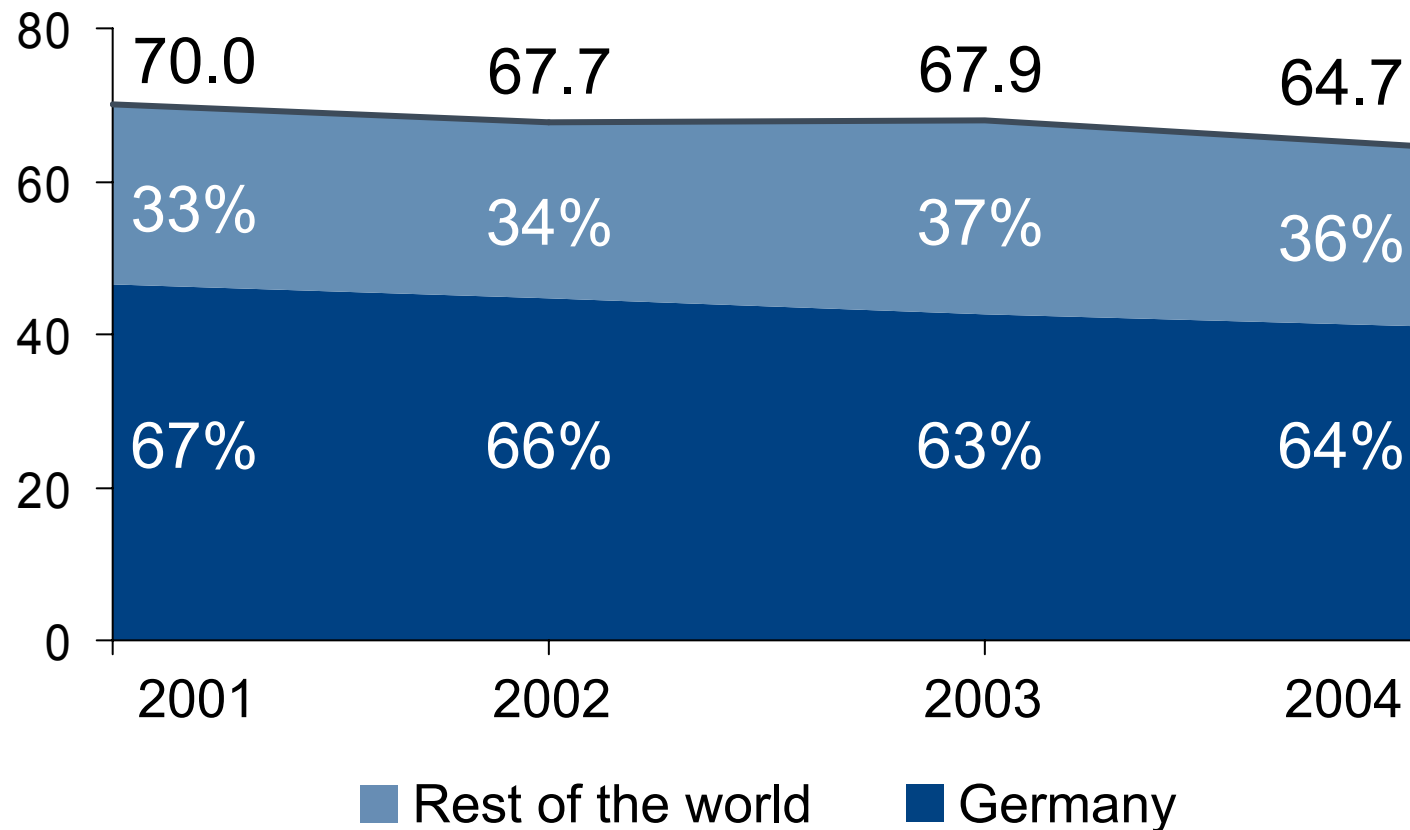
€bn	2004	2003	Δ %
Commercial Vehicles	7.4	6.7	+ 10
Industrial Services	3.2	2.9	+ 11
Printing Systems	1.6	1.5	+ 7
Diesel Engines	1.4	1.3	+ 8
Turbomachines	0.7	0.6	+ 16
Other/Consolidated	0.6	0.5	-
MAN Group	14.9	13.5	+ 10

Employees

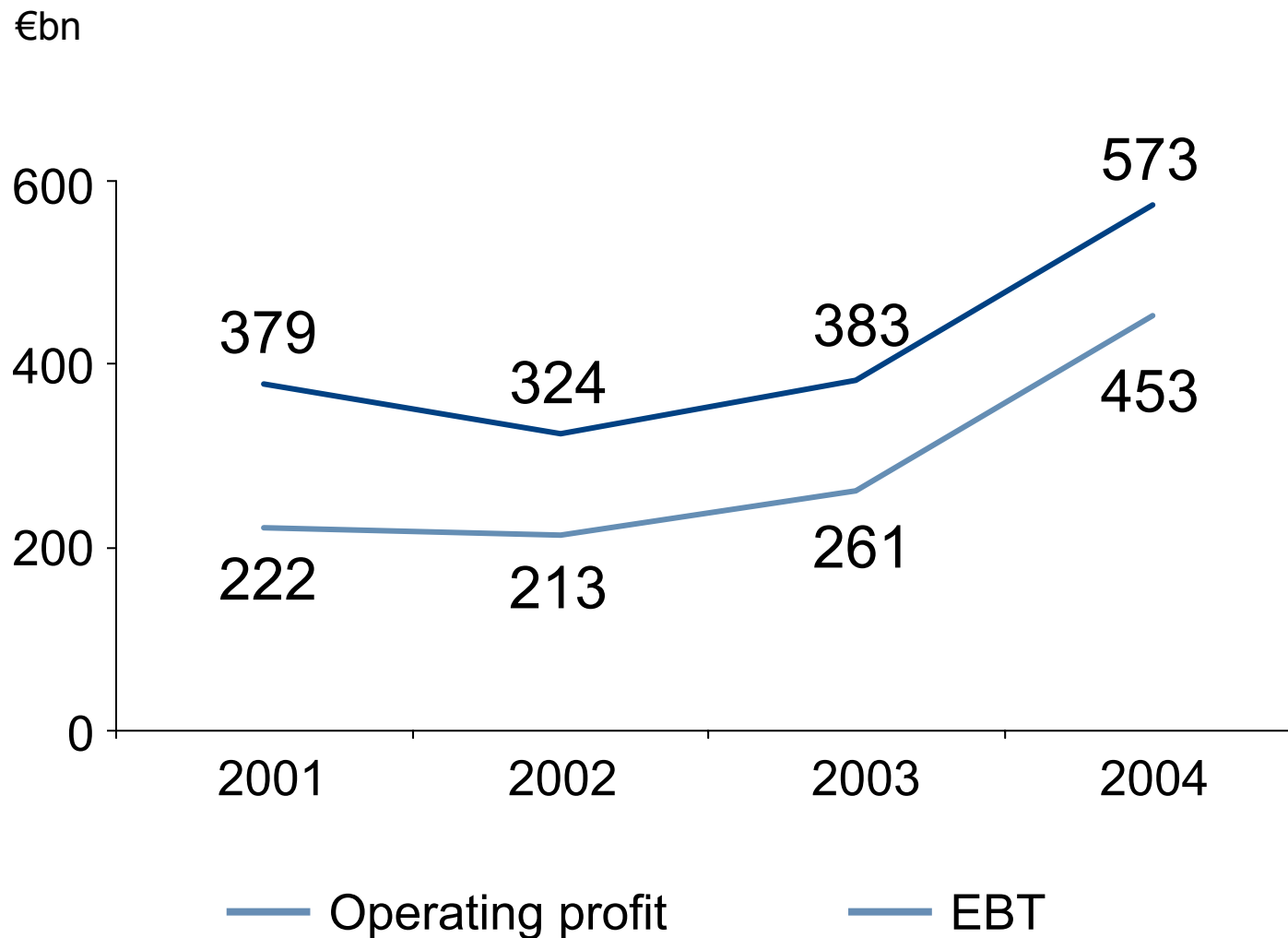


(incl. temporary staff)

Number



Earnings



Dividend: + 40 %



€	2004	2003	Δ %	Target
Earnings per share	2.09	1.25	+ 67	
Dividend per share (proposed)	1.05	0.75	+ 40	
ROCE	12.6%	8.4%		18%
ROS	3.8%	2.8%		6%

Value Added



	2004	2003
ROCE: Industrial Business in %	12.3	8.1
Cost of capital in %	11.0	11.0
Excess / short return in %	1.3	- 2.9
Capital employed by Indust. Bus. in €m	4 431	4 412
Value added by Industr. Bus. in €m	59	- 128
Value added by Financial Services in €m	9	7
Value added by MAN Group in €m	68	- 121

Earnings Commercial Vehicles

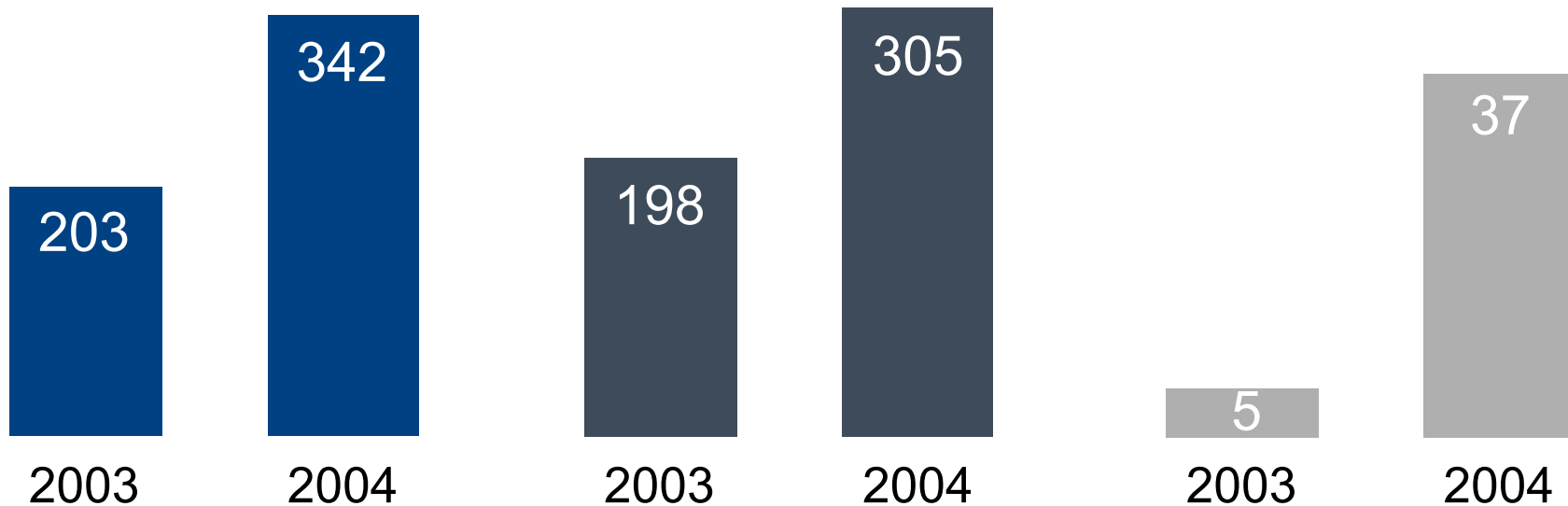


€m

Operating Profit

Trucks

Busses



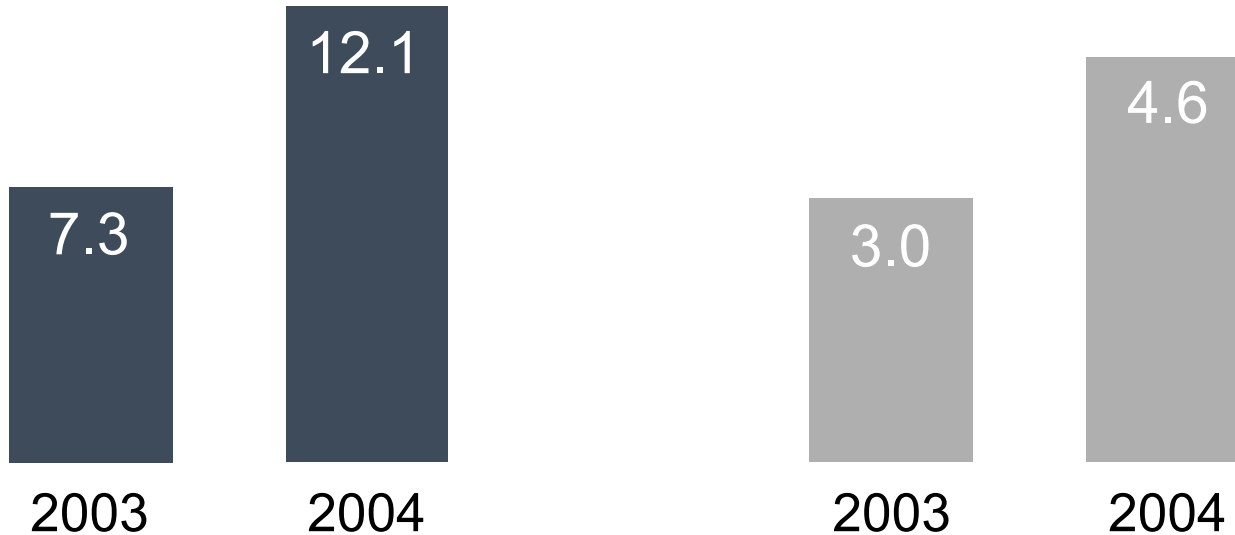
Returns Commercial Vehicles



%

ROCE

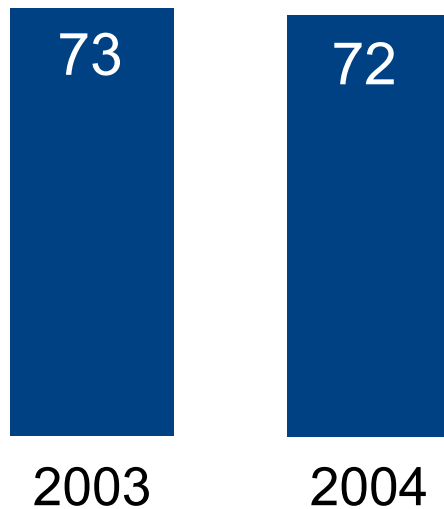
ROS



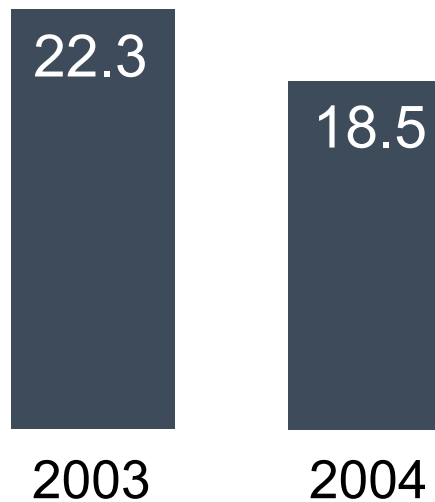
Industrial Services



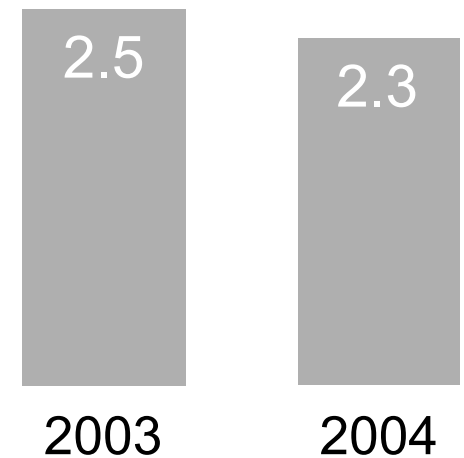
Earnings (€bn)



ROCE (%)



ROS (%)

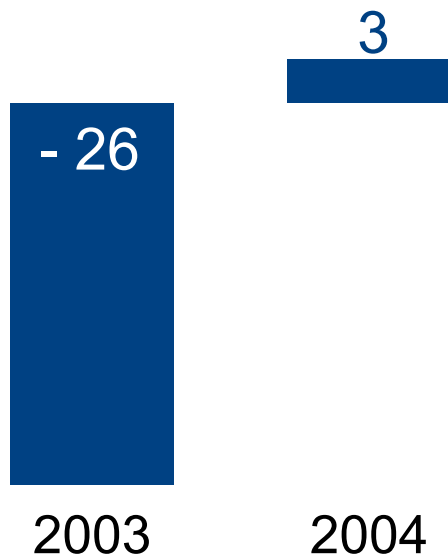


Earnings Printing Systems

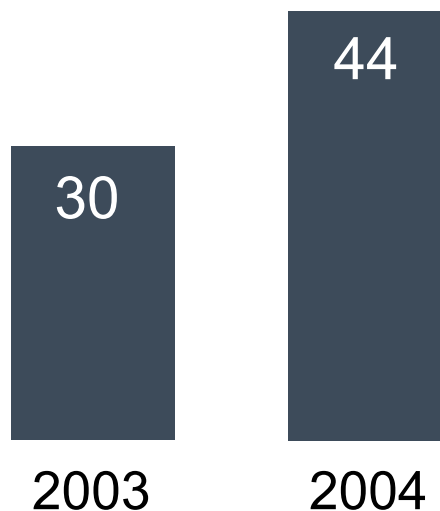


€bn

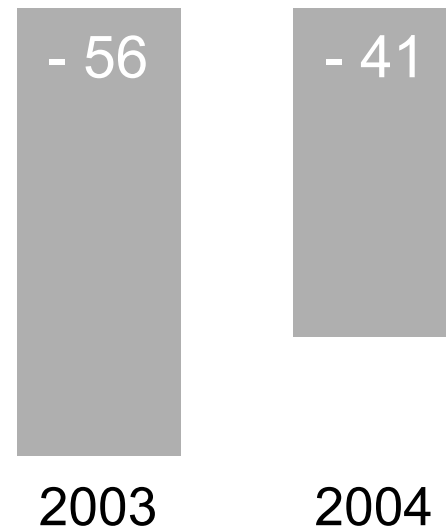
Operating Profit



Web-fed



Sheet-fed

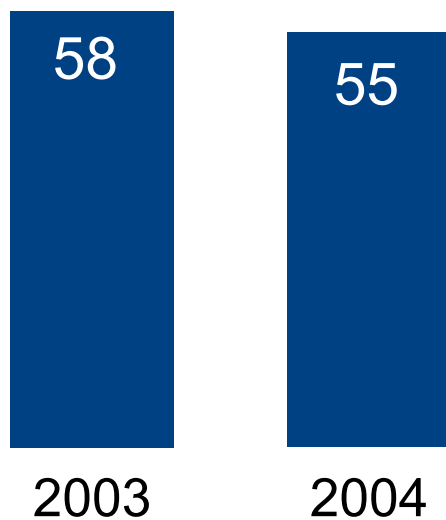


Earnings Diesel Engines

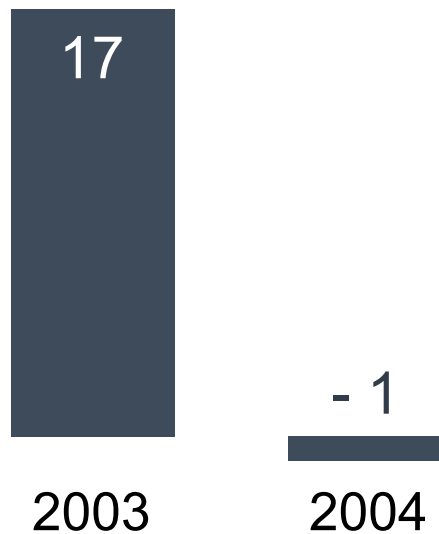


€bn

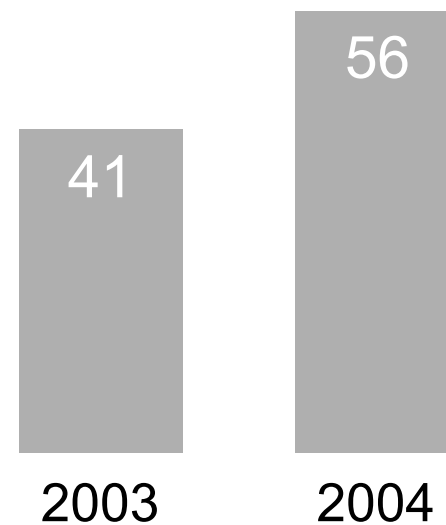
Operating Profit



Four-Stroke



Two-Stroke



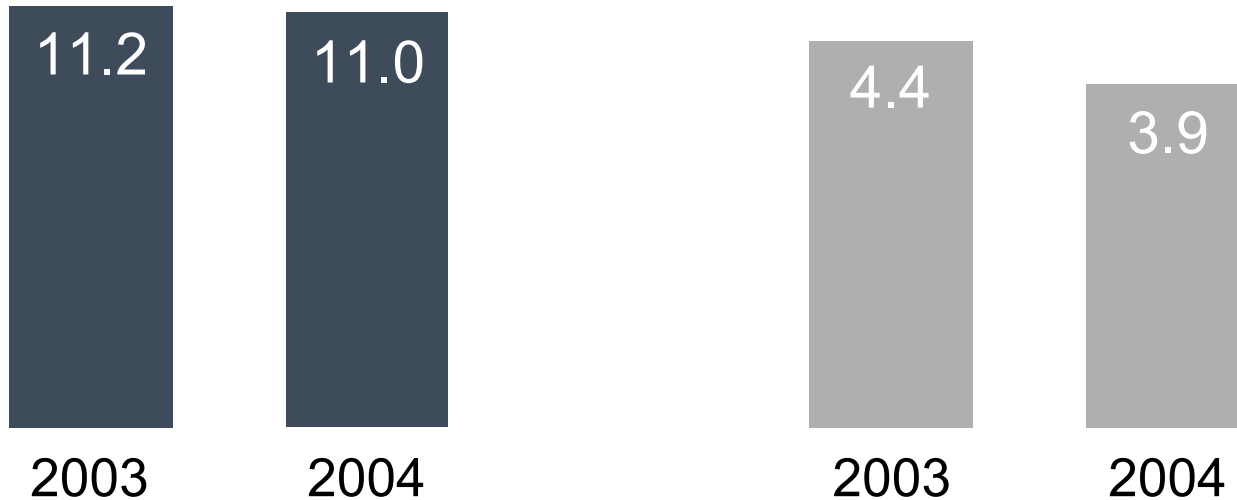
Returns Diesel Engines



%

ROCE

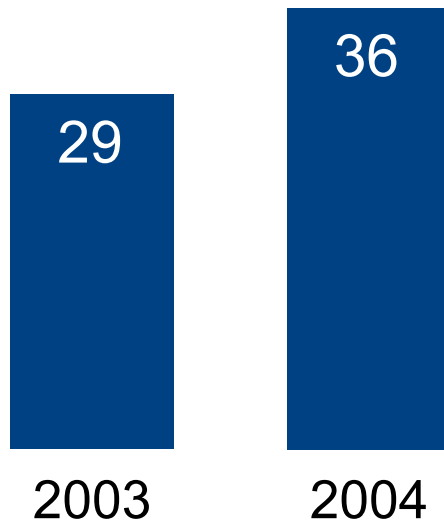
ROS



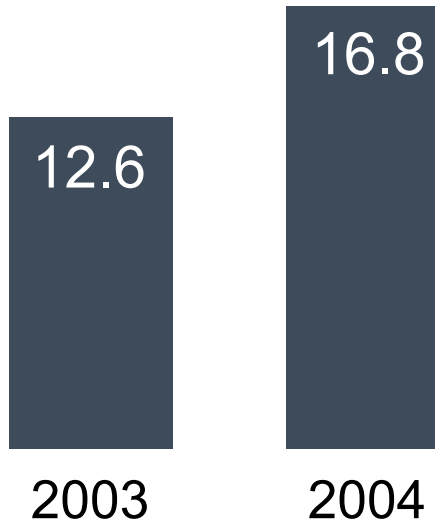
Turbomachines



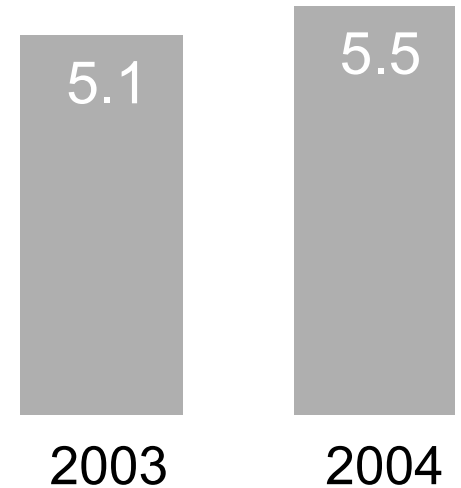
Earnings (€bn)



ROCE (%)



ROS (%)



Innovations 2004



- Commercial Vehicles: new D20 engine generation
- Printing Systems: Colorman XXL newspaper press
- Diesel Engines: common rail for heavy-oil-powered four-stroke engines



Asset Structure



€m

	Industrial Business		Financial Services	
	2004	2003	2004	2003
Net operating assets	3 222	3 430	1 481	1 415
Net liquidity	1 310	816	-	-
Total	4 532	4 246	1 481	1 415

Net liquid assets



Liquidity versus net financial dept

€m

	2004	2003	Δ %
Industrial Business	1 310	816	+ 61
Financial Services	- 1 302	- 1 255	+ 4
MAN Group	8	- 439	-

Equity



€bn

	12/31/04	12/31/03
Equity	3.0	2.8
Equity ratio (%)	26	25
Pension accruals	1.7	1.7

Pension Accruals



- Pension accruals to be replaced by a funds solution
- Resources for pension obligations to be progressively accumulated in external funds

Continuity and Change



Environment

- Market globalisation
- Higher demands from international capital markets

MAN

"We must become more dynamic, more open, more international and more profitable."

Strategic Principles



- MAN is an engineering group operating in five sectors on a worldwide scale
- Focus on Commercial Vehicles, Industrial Services, Printing Systems, Diesel Engines, Turbomachines

Strategic Principles



- Each division must be able to develop within the Group and measure up to the best competitor in its field
- More transparency, zero tolerance for loss-making activities, no cross-subsidisation



- Strategic management to be centralised:
 - Market, product and production structures
 - performance and financial goals
 - Centralised financial management and controlling
 - Selection and development of management executives
- Responsibility for divisional operations to be decentralised

Target Date: 2007



- New return goals to be achieved by 2007
- Targets are seen as an average across all trade cycles
- Targets must be exceeded in times of buoyant business activity

MAN Brand Values



- We offer reliable and innovative products and services
- We create a dynamic and open corporate culture

reliable
innovative
dynamic
open

A large, faded version of the MAN logo is visible in the background, serving as a watermark. It features the same arch and 'MAN' text as the logo in the top right corner.

Priorities for 2005



Commercial Vehicles

- Improve cost structures in German and Austrian plants
- Improve market positions

Industrial Services

- Focus on profitable areas of operation
- Sales platform for the Group

Priorities for 2005



Printing Systems

- Sustained turnaround for sheet-fed presses

Diesel Engines

- Turnaround for English operations
- Integration of German and Danish companies

Turbomachines

- Expansion

Group headquartes

- Ongoing development of management, planning and controlling tools
- Management and Knowledge transfer throughout the Group
- Expand investor relations
- Increase internal and external communications

Strategic Alliance with Navistar



- Strategic co-operation for component development, purchase and manufacture
- Ongoing development of the MAN D20 engine for Navistar vehicles
- New stringent emission guideline in the US from 2007



Major Contract from MoD



- British Ministry of Defence awarded major contract for some 5,200 army trucks worth approx. €1.5 billion
- Delivery over seven years from 2007 onwards
- Average annual production volume of more than 700 vehicles, to be assembled in Austria



The new MAN TGL



- New, lightweight TGL truck series launched in April
 - Medium-weight TGM series to be introduced in the autumn
 - This completes modularisation in all weight categories
- Fewer spare parts,
larger component series,
cost and price benefits



Major Contract for Ferrostaal



- Major order worth €500 million from Oman for construction of a methanol plant (€300 million booked in April)
- The concept already tried and tested in Trinidad & Tobago has now been realised in the Arabian world



Major Contracts Printing Systems



Web-fed presses

- Lithoman and Rotoman systems for Quebecor World
- News Group order worth €300 million

Sheet-fed presses

- Decision to close Geisenheim plant
- Production to be relocated to Offenbach



Diesel Engines



- Record orders thanks to shipbuilding boom
- Decision to restructure four-stroke activities in the UK



Disinvestments



- Initial sale of MAN Technologie's Aircraft Water-Systems and Mobile Bridges divisions
- MAN Technologie to be taken over by OHB Technology, Bremen
- Management buy-outs at MAN Logistics and SHW Casting Technologies

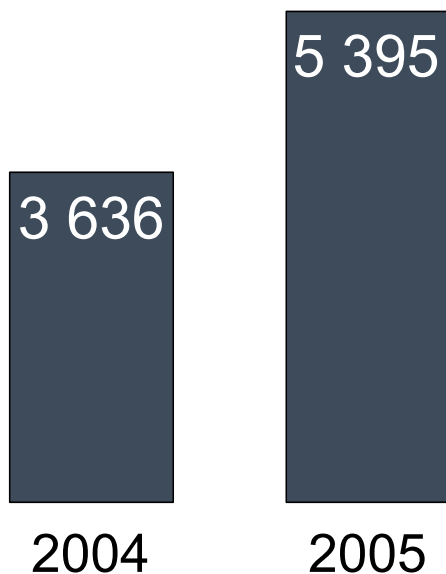
Discontinued operations no longer consolidated, except for after-tax earnings

MAN Group Jan. – March

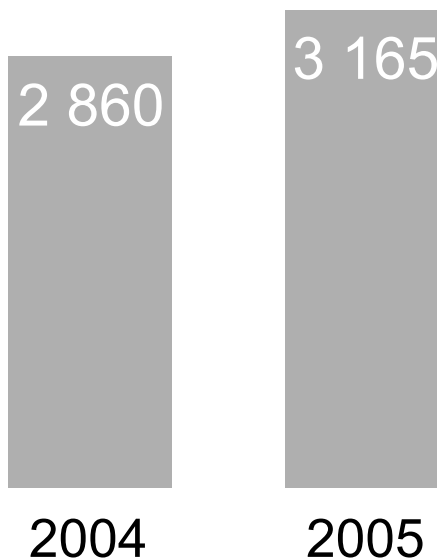


€m

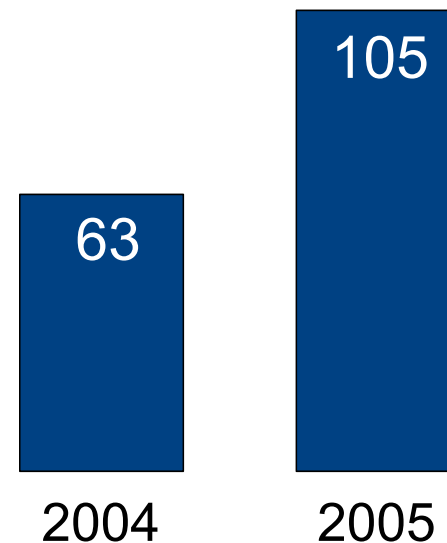
Order Intake



Sales



Earnings

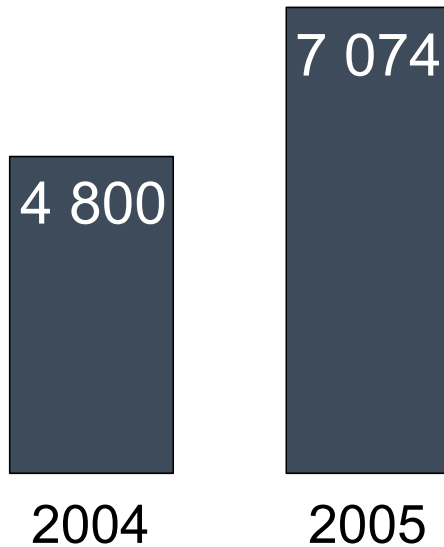


MAN Group Jan. – April

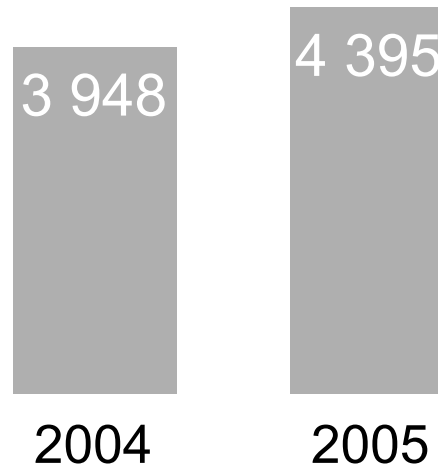


€m

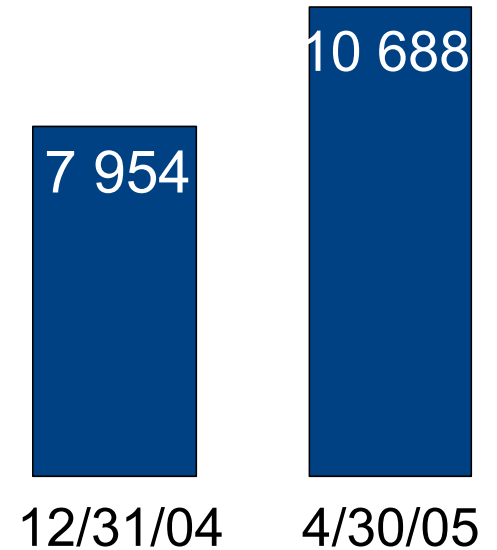
Order Intake



Sales



Order backlog



- Slight increase in demand for trucks.
- Subdued demand for buses.
- High order backlog for diesel engines, web-fed presses and turbomachines

MAN Group Sales: Growth of more than 5 %

Operating Profit: increasing at a much faster rate than sales

- MTU
Talks with DaimlerChrysler
- Turbomachines
Expansion strategy
- Commercial Vehicles
 - Focus on co-operation agreements
 - Increase in branches and assembly plants

AGM Agenda – Item 5



Proposed authorisation to increase share capital subject to the following restriction:

- in the event of capital increases by way of contribution in kind - exclusion of shareholders' subscription rights limited to no more than 20% of existing share capital
- increase by way of contributions in kind limited to no more than €75,284,480, i.e. 29,408,000 ordinary shares

Other Items on the Agenda



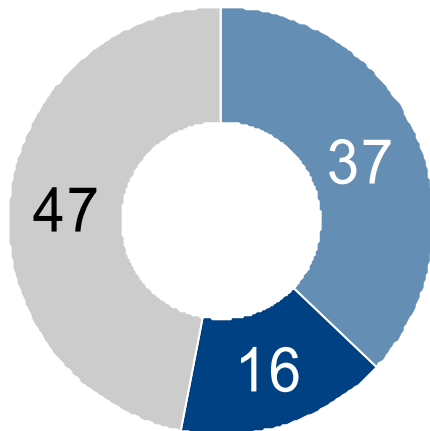
- Authorisation to issue convertible debentures and option bonds
- Authorisation to acquire own shares
- Appointment of auditors
- Supervisory Board by-election

Freefloat now 100%



- Currently no. 23 in the DAX in terms of market capitalisation
- DAX30 weighting increased from 0.6% to 1%
- Broadly-based international float following placement

%



- Foreign institutional shareholders
- German institutional shareholders
- Shareholders not required to disclose equity interests

MAN Share Performance



Shares – based on December 31, 2004

