

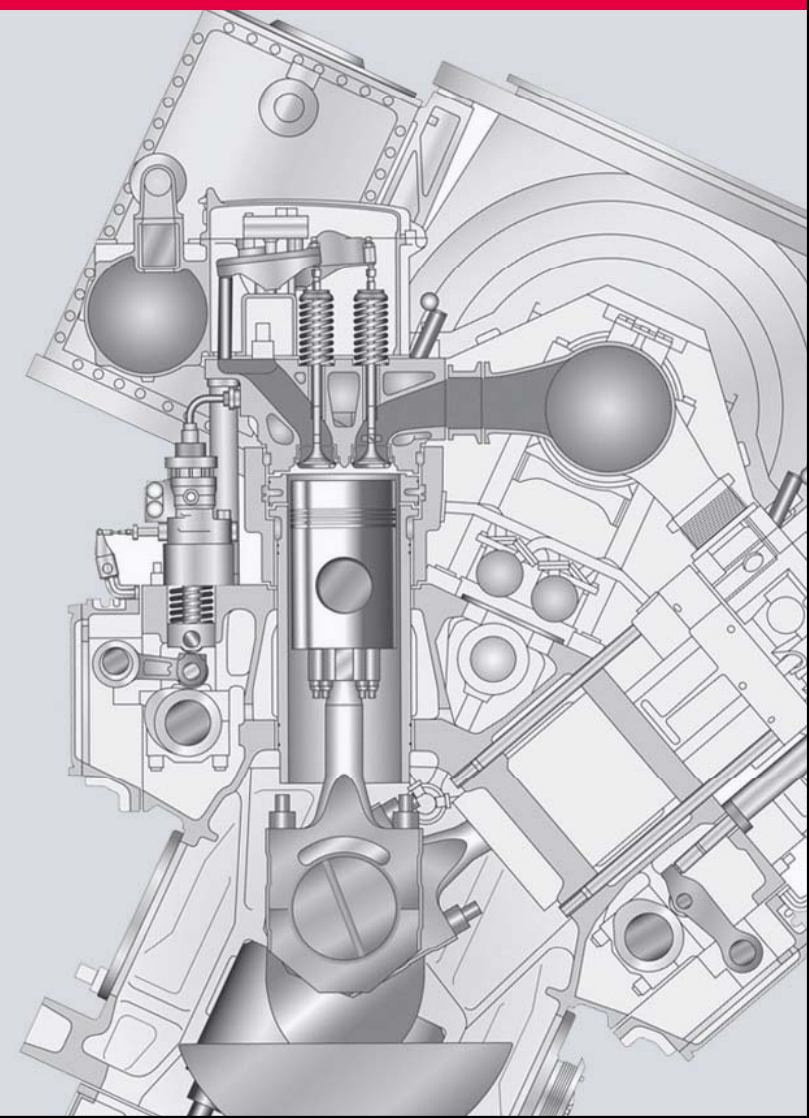


Capital Market Day 2011

Augsburg – October 12, 2011

Frank H. Lutz

CFO MAN SE





1 **Uncertainties dominating capital markets**

2 Toolbox: MAN better prepared for possible downturn scenario

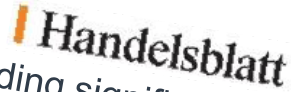
3 Perception Study: Compelling factors for investing in MAN

4 Outlook

Uncertainties dominating capital markets



August, 12
 “China banks curb lending significantly”



August, 07
 “A Self-Fulfilling Euro Crisis?”



September, 20
 “IMF raises recession alarm”



August, 05
 “Global markets destabilized by 'toxic' cocktail”



September, 08
 “World policymakers see darkening outlook”



September, 13
 “German Chancellor warns future of the euro is at stake”



August, 13
 “Central bankers to the rescue?”



August, 07
 “Share prices: A week of horror”



September, 12
 “Fear of Greece-bankruptcy pushing markets into the red”



July, 30
 “Debt Showdown Is Raising Alarms Around the World”



September, 09
 “Emerging Stocks Fall Most in 4 Weeks on Global Growth Concern”





1 Uncertainties dominating capital markets

2 Toolbox: MAN better prepared for possible downturn scenario

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Toolbox: MAN better prepared for possible downturn scenario



Internationalization

Effective Net Working
Capital Management



Flexible Production / Purchasing

Diversification of funding

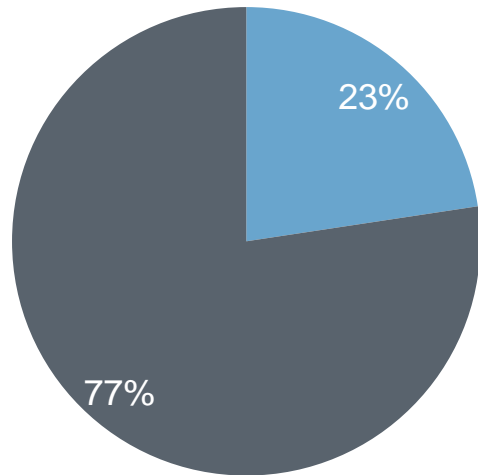
Internationalization: Commercial Vehicles



- Increased internationalization and Emerging Market exposure
- Significantly reduced dependency from Europe

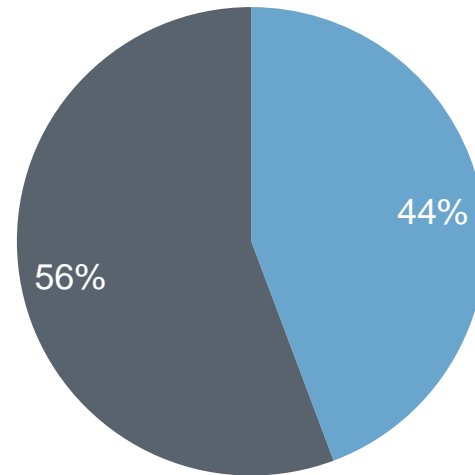


2008 (% of revenue)



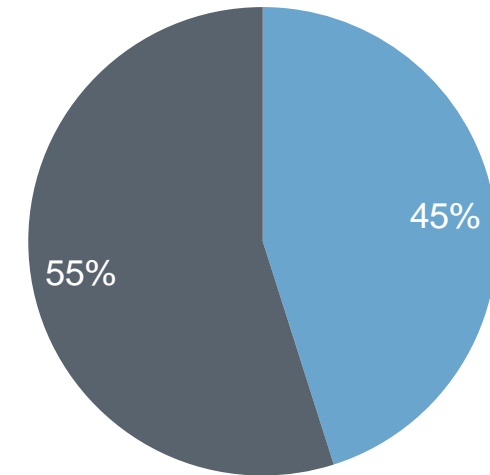
■ Europe ■ Rest of World

2010 (% of revenue)



■ Europe ■ Rest of World

H1 2011 (% of revenue)



■ Europe ■ Rest of World

Note: Segment figures do not add up to group figures; intersegment revenue included in Rest of World

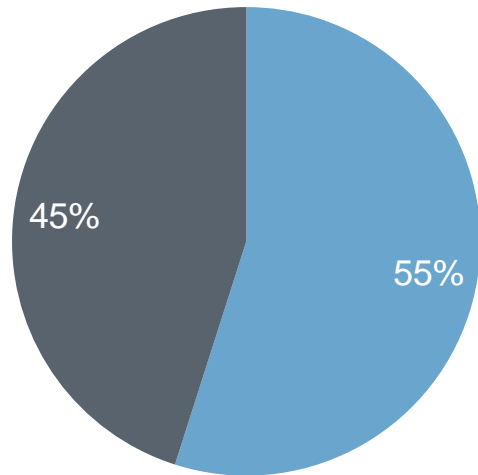
Internationalization: Power Engineering



- Global reach with strong Emerging Market exposure

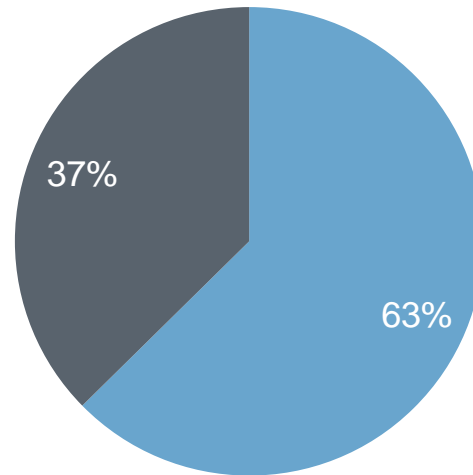


2008 (% of revenue)



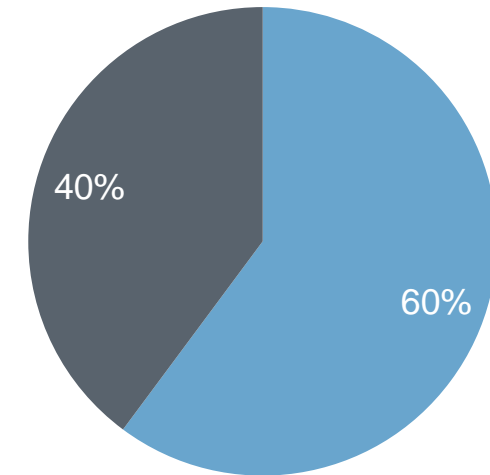
■ Europe ■ Rest of World

2010 (% of revenue)



■ Europe ■ Rest of World

H1 2011 (% of revenue)



■ Europe ■ Rest of World

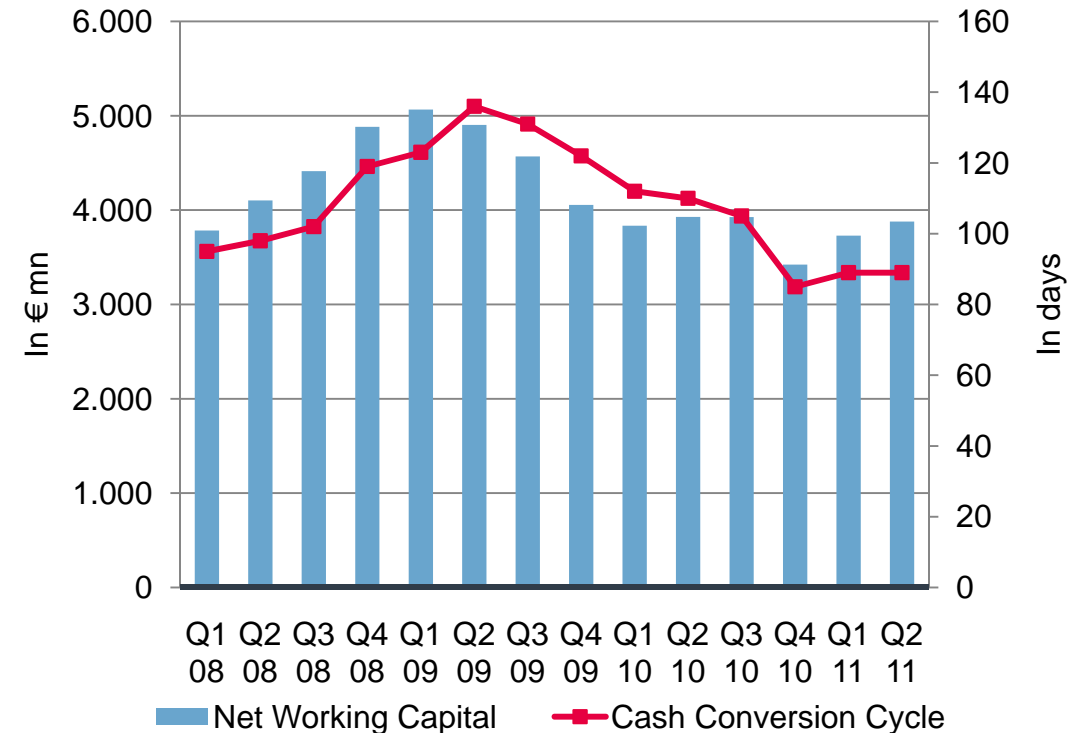
Note: Segment figures do not add up to group figures; intersegment revenues included in Rest of World

Effective Net Working Capital Management



- Net Working Capital Management is a continuous challenge
- Special initiatives within MAN have been implemented to monitor and steer Net Working Capital development
- High Cash Conversion Cycle during the crisis could be reduced again to pre-crisis level

Net Working Capital and Cash Conversion Cycle

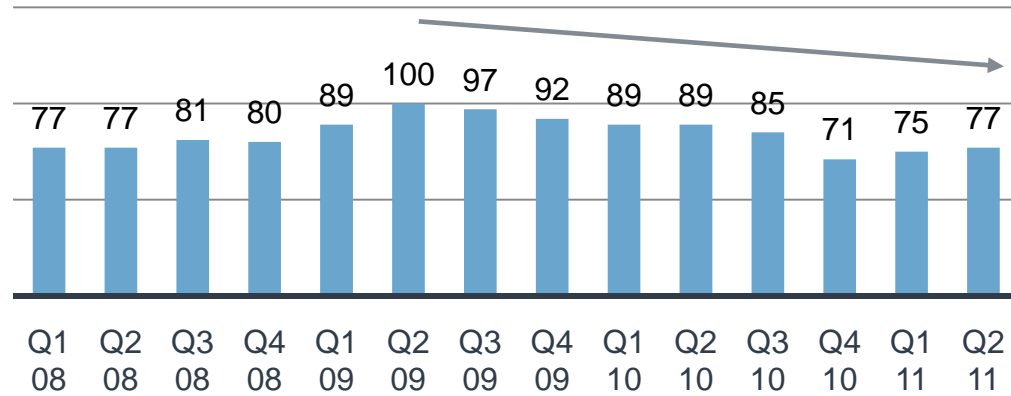


Note: Please consider changes in MAN's group structure (without Ferrostaal, MAN Latin America included from April 01, 2009)

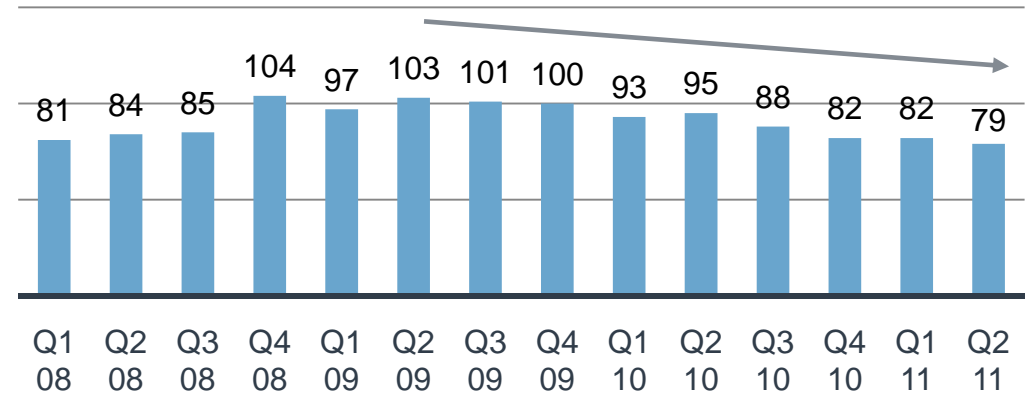
Effective Net Working Capital Management



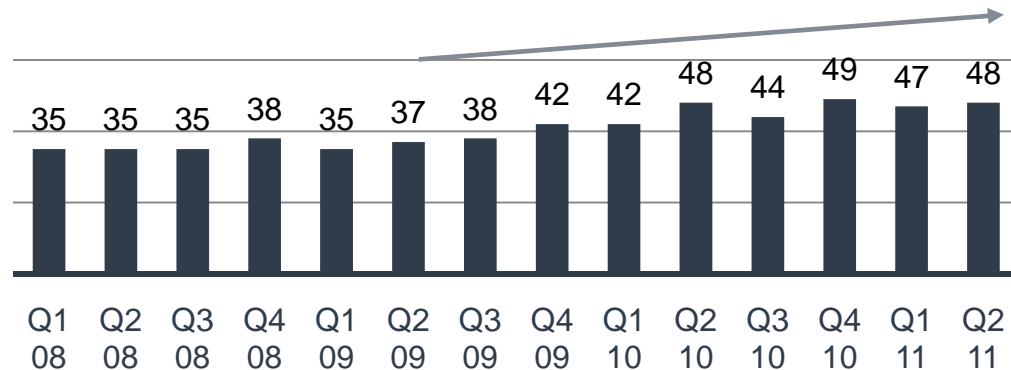
Days Inventory Outstanding (DIO)



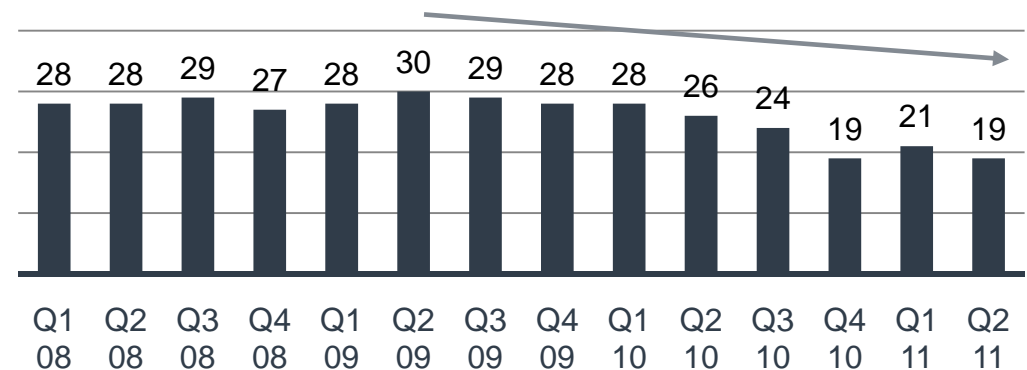
Days Sales Outstanding (DSO)



Days Payables Outstanding (DPO)



Days Advance Payments Outstanding (DAO)



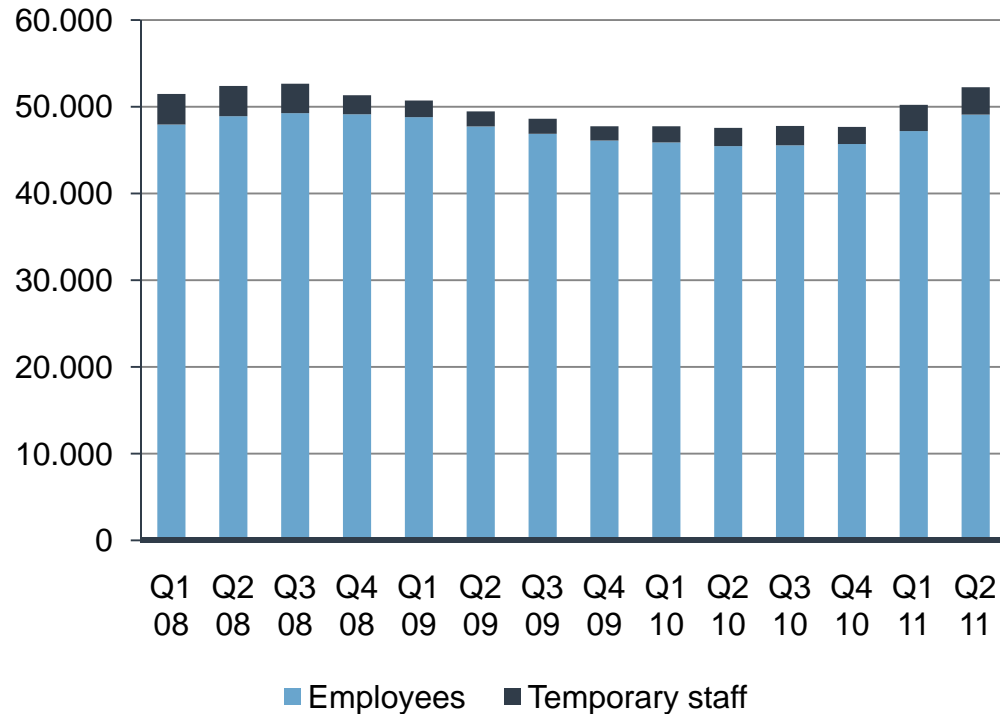
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Flexible Production: Employees Development

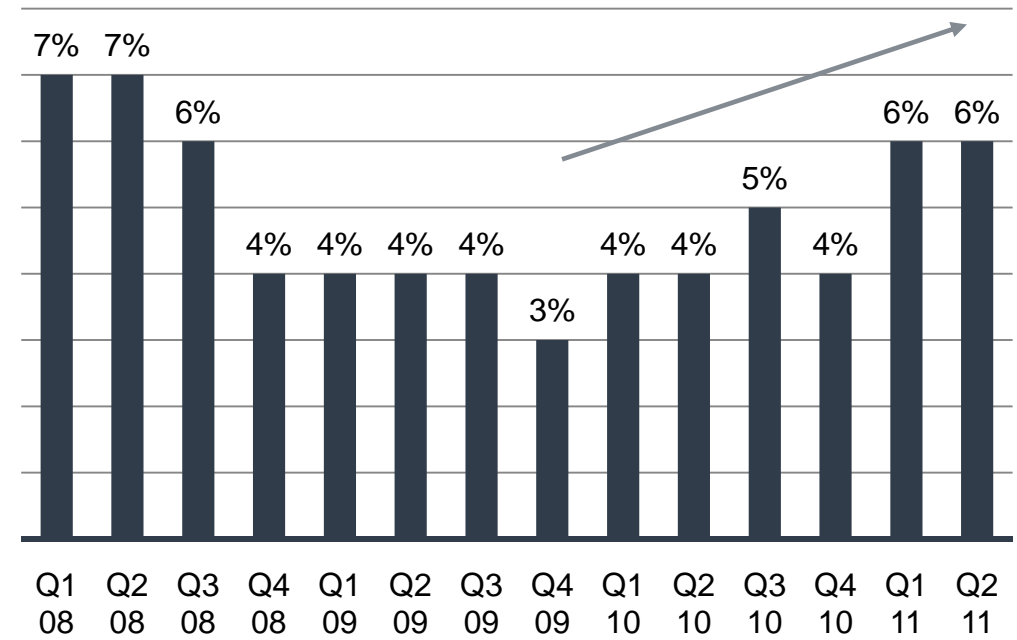


- Temporary staff increased in last quarters

Total MAN Group workforce



Temporary staff in percentage of total MAN Group workforce



Note: Please consider changes in MAN's group structure (without Ferrostaal, MAN Latin America included from April 01, 2009)

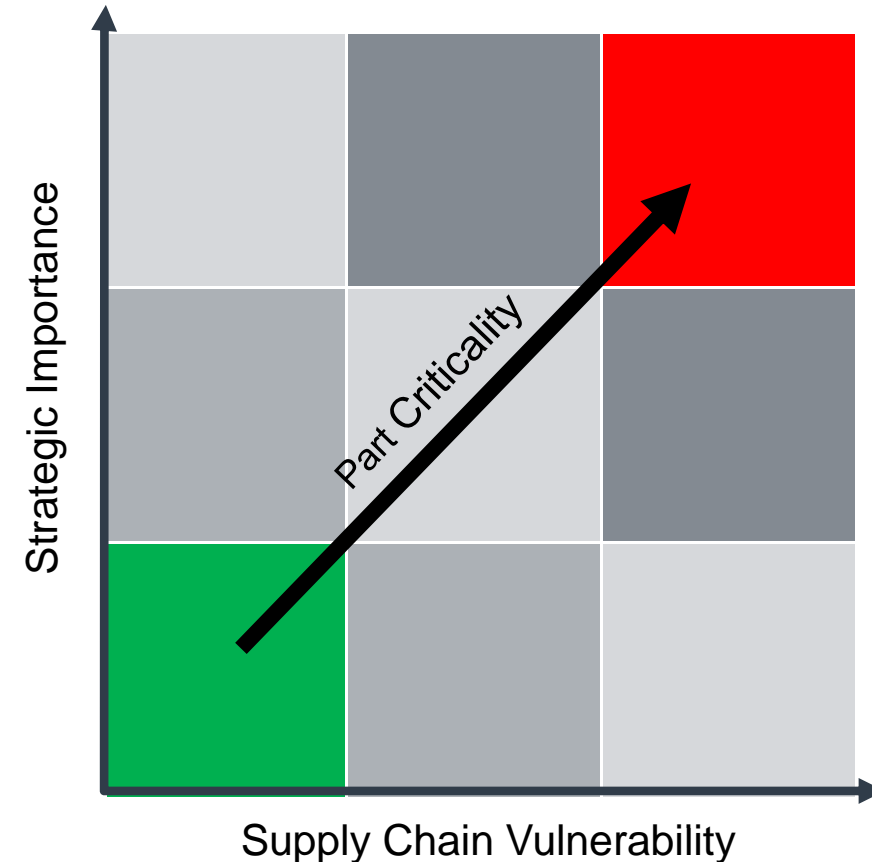
Flexible Purchasing: Dual Sourcing



- Continuously assessing part level criticality and analyzing at part group / supplier level
- Recommending improvements to supply chain visibility and dual sourcing process

Improving flexibility:

- More focus: Greater visibility of the impact on MAN of a change in demand
- Better reaction: Earlier warning and quicker response to supply chain events
- More choice: Alternative sources of supply



Flexible Purchasing: Risk Management



- Operating a process to monitor and respond to the financial health of supplier
- Strengthening capability to respond to insolvency and cover other areas of risk

Responding to a downturn:

- Better visibility: Proactive monitoring to identify financial risk
- Better contingency: Improved capability in event of insolvency
- More time: Earlier warning of potential problems

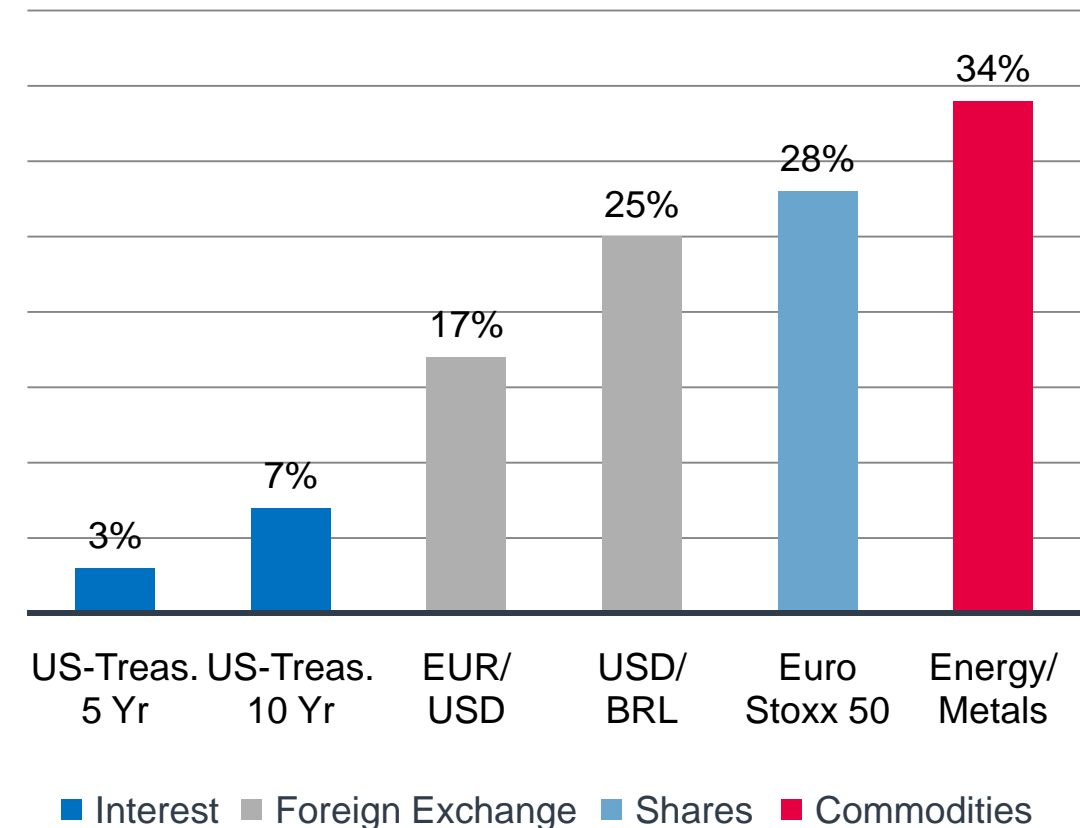


Flexible Purchasing: Hedging of Commodities



- MAN is exposed to the risk of changes in the price and availability of raw materials
- In 2011 MAN started to hedge price risks using suitable financial instruments
- Timing, scope, and volume of the hedges are at MAN's discretion rather than dependent on supplier contracts
- Commodities hedged considering future demand are:
 - Base Metals
 - Precious Metals
 - Rubber
- Actual trading volume of ~ €20 mn

Comparison of Volatilities



Source: Bloomberg „Implied Volatilities“; as of September 22, 2011

Since 2007 MAN Group has constantly restructured its funding and established a state-of-the-art debt capital market access in order to increase financial flexibility and minimize dependence from banks

- Obtain corporate ratings (Moody's A3 / S&P A-, now BBB+ positive outlook)
- Set-up of the first UK operating lease securitization, including residual values
- Set-up of pan-European ABS-platform in Luxembourg
- €2 bn acquisition financing of VW T&B Brazil (already cancelled)
- Public issue of promissory note („Schuldschein“) €200 mn
- Set-up of EMTN-program €5 bn
- Issue of benchmark bond in two tranches, €1 bn (due 2013), €500 mn (due 2016)
- Establish a €300 mn EIB line to finance R&D costs for MAN Truck & Bus AG (undrawn)
- Prolongation of €1.5 bn syndicated back-up facility with a 5y maturity

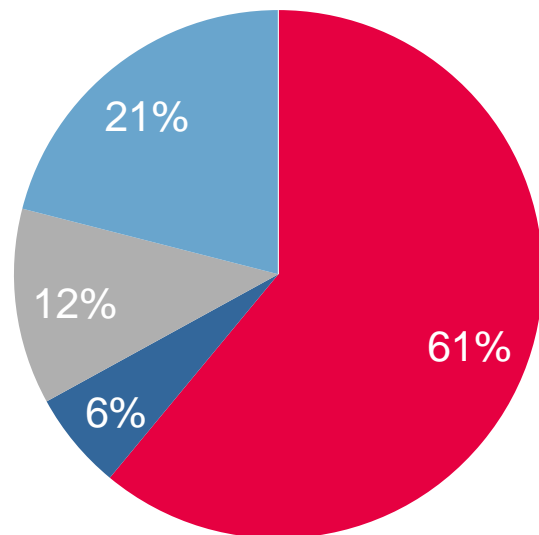
Financing: Debt Instrument Mix



Diversification of funding instruments and broadening of investor base

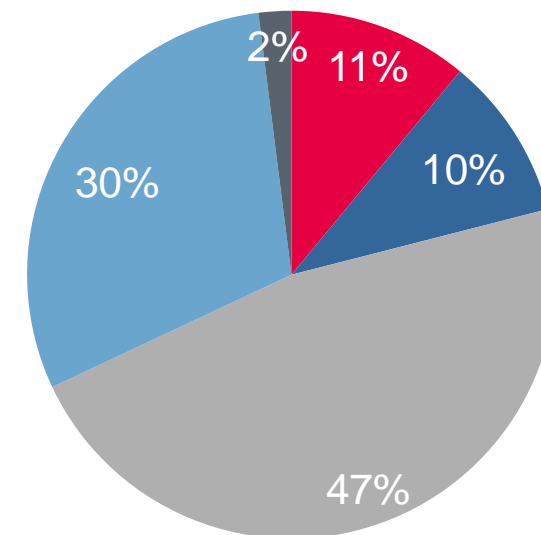
- Increase of debt capital market funding: 12% \Rightarrow 49%
- Reduction of bank debt: 61% \Rightarrow 11%

Q4 2007



■ Bank Loans ■ Subsidized Funding
■ Bonds ■ Asset Based Funding

Q2 2011



■ Bank Loans ■ Subsidized Funding
■ Bonds ■ Asset Based Funding
■ Promissory Note Bond

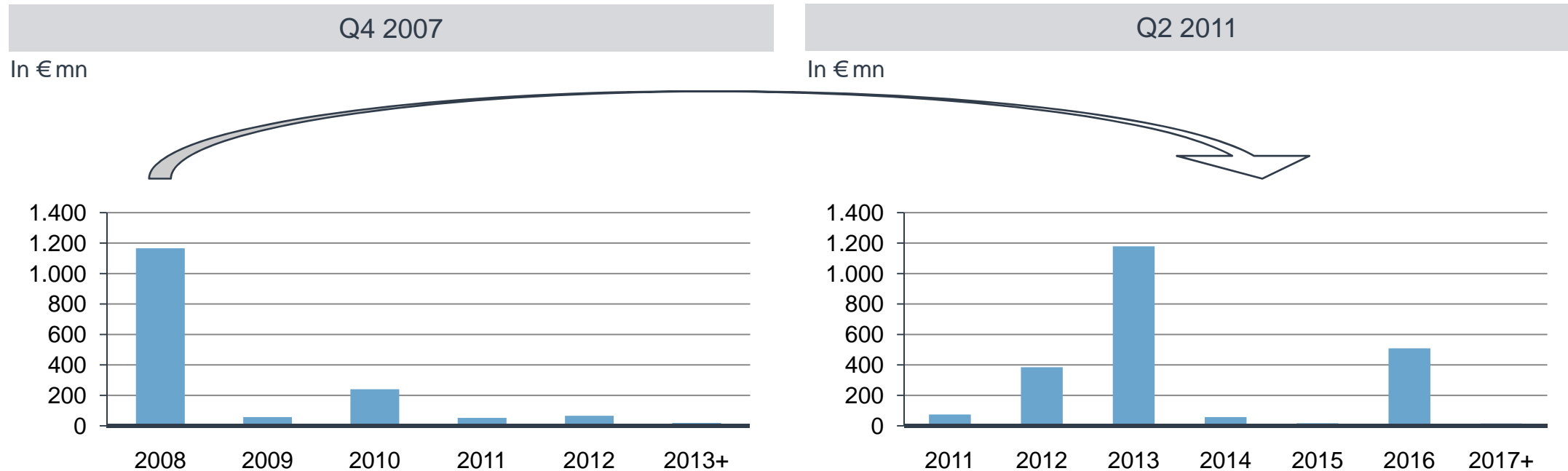
Bank debt now is considered as a limited resource for special purposes only: Back-up, Acquisition Bridge Financing, Emerging Market Funding

Financing: Debt Maturity Profile



Extended maturity profile, following the strategic measures

- Acquisition bridge financing in February 2009
- Capital market take-out financing in May 2009
- General target: Asset-matched funding
- Despite access to capital markets more than €2 bn credit lines are available at any time



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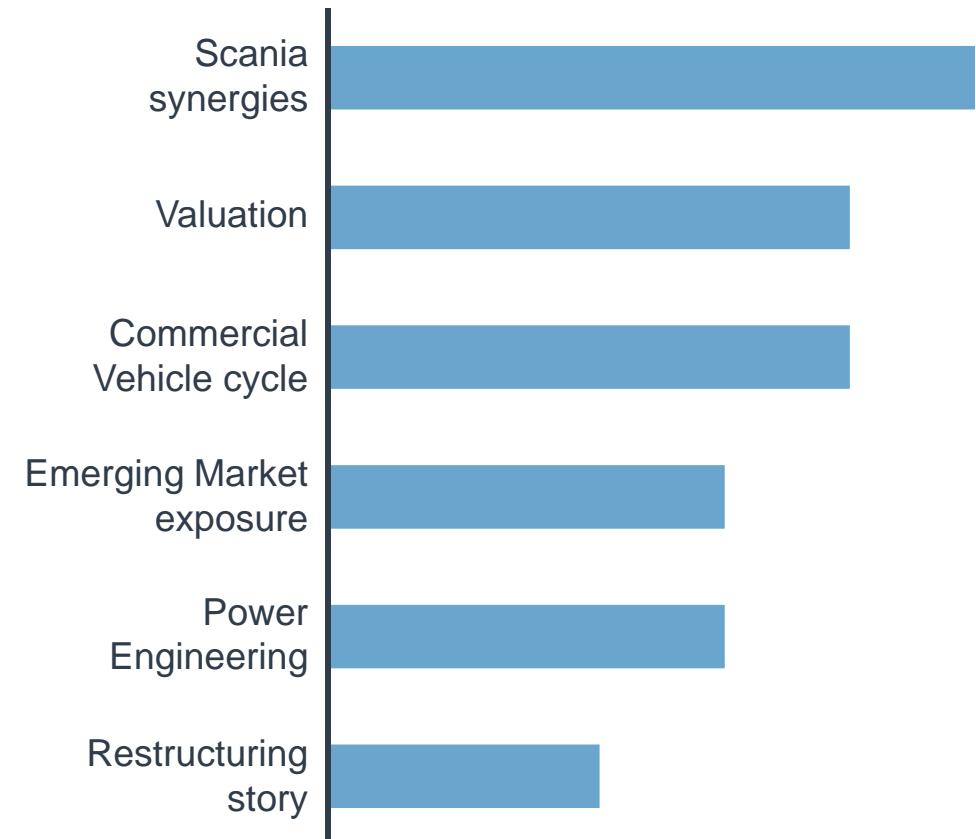
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Perception Study: Compelling factors for investing in MAN



What factors differentiate MAN's business from its peers?

Compelling factors for investing in MAN

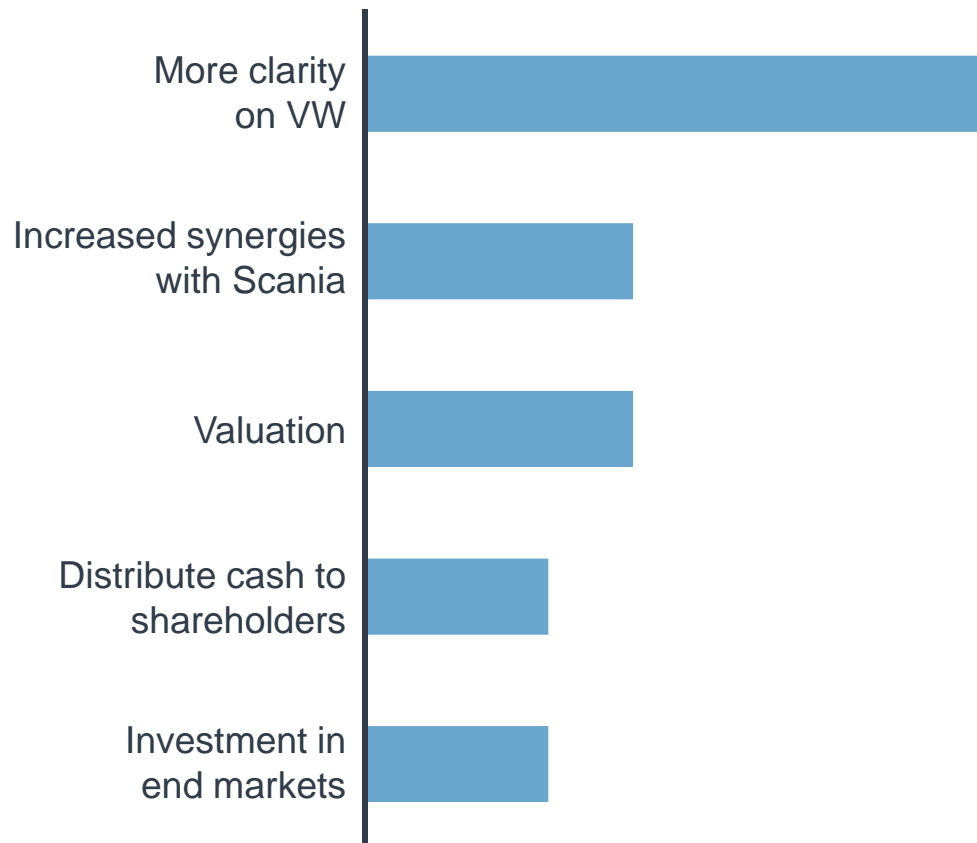


Source: IPREO

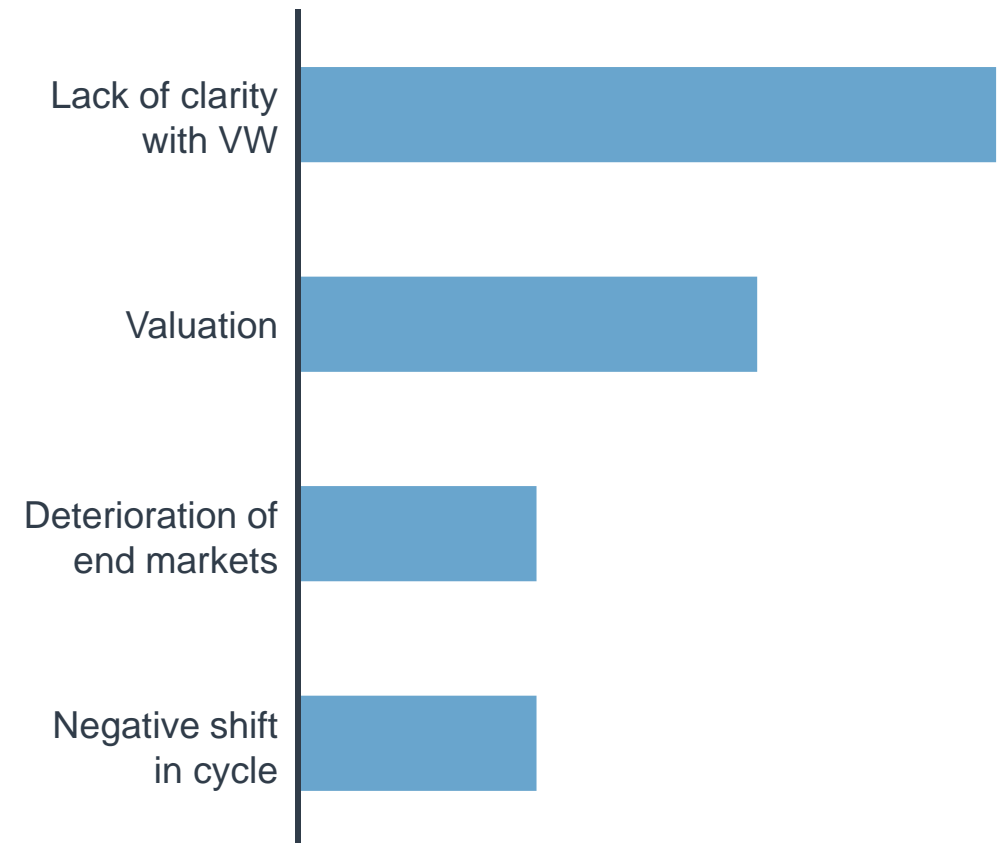
Perception Study: Compelling factors for investing in MAN



Catalysts for **increasing** investment in MAN



Catalysts for **decreasing** investment in MAN



Source: IPREO



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Outlook for 2011



Commercial Vehicles:

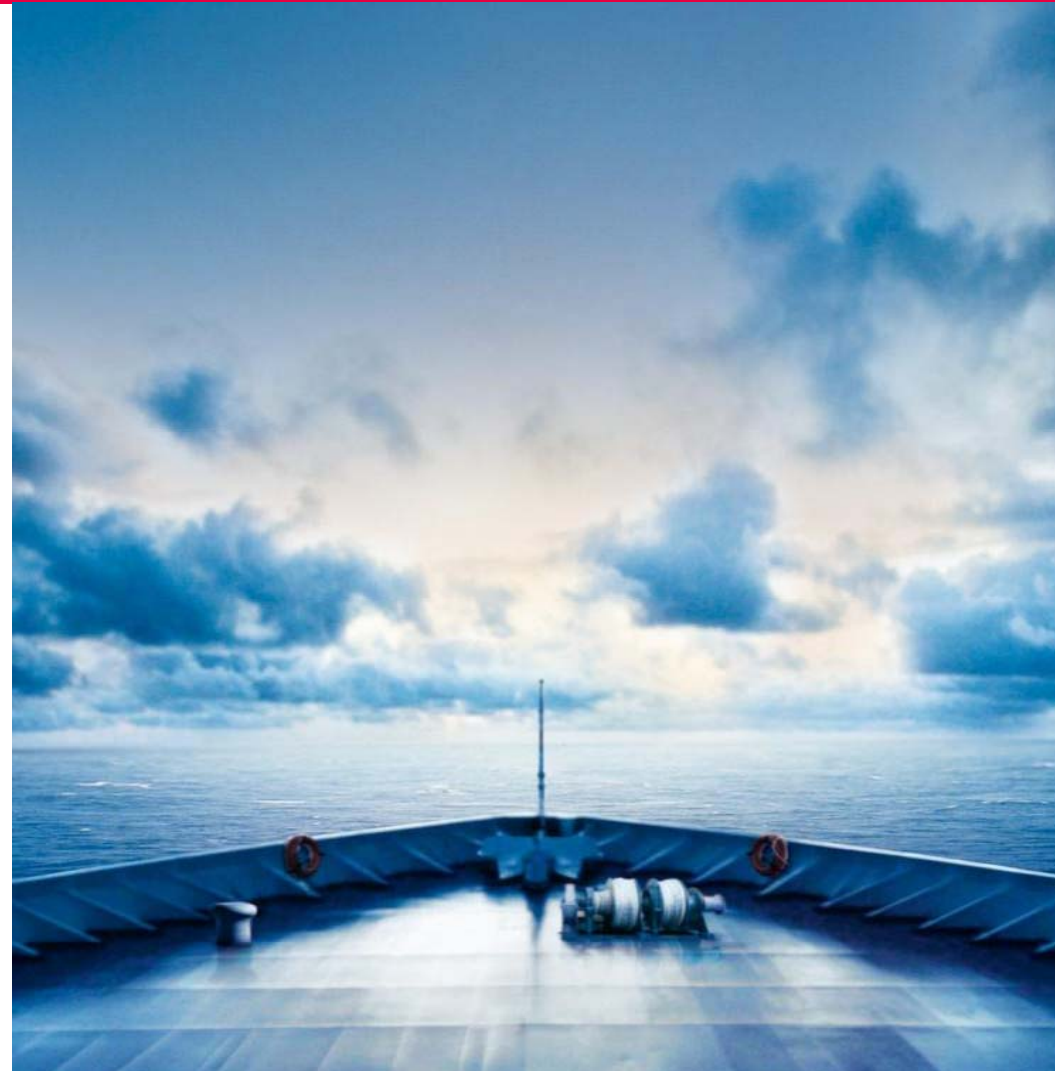
- Revenue growth of between 15% and 20%
- Return on sales of at least 7.5%

Power Engineering:

- Revenue on par with 2010
- Return on sales in the solid double-digit range

The MAN Group:

- Revenue growth of between 10% and 15%
- Return on sales that slightly exceeds our average long-term target of 8.5%



Thank you very much for your attention

