



**Welcome**

to the MAN Annual General Meeting 2008

**250** years

# 250 Years of MAN

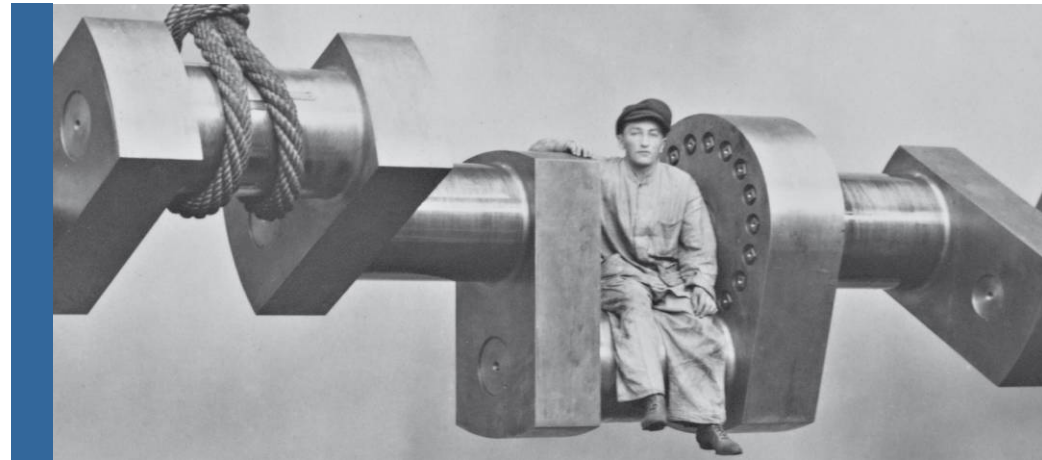


250 years of experience, expertise, engineering capability

250 years of innovation, technology, and progress

250 years of dependability, profitability, and business success

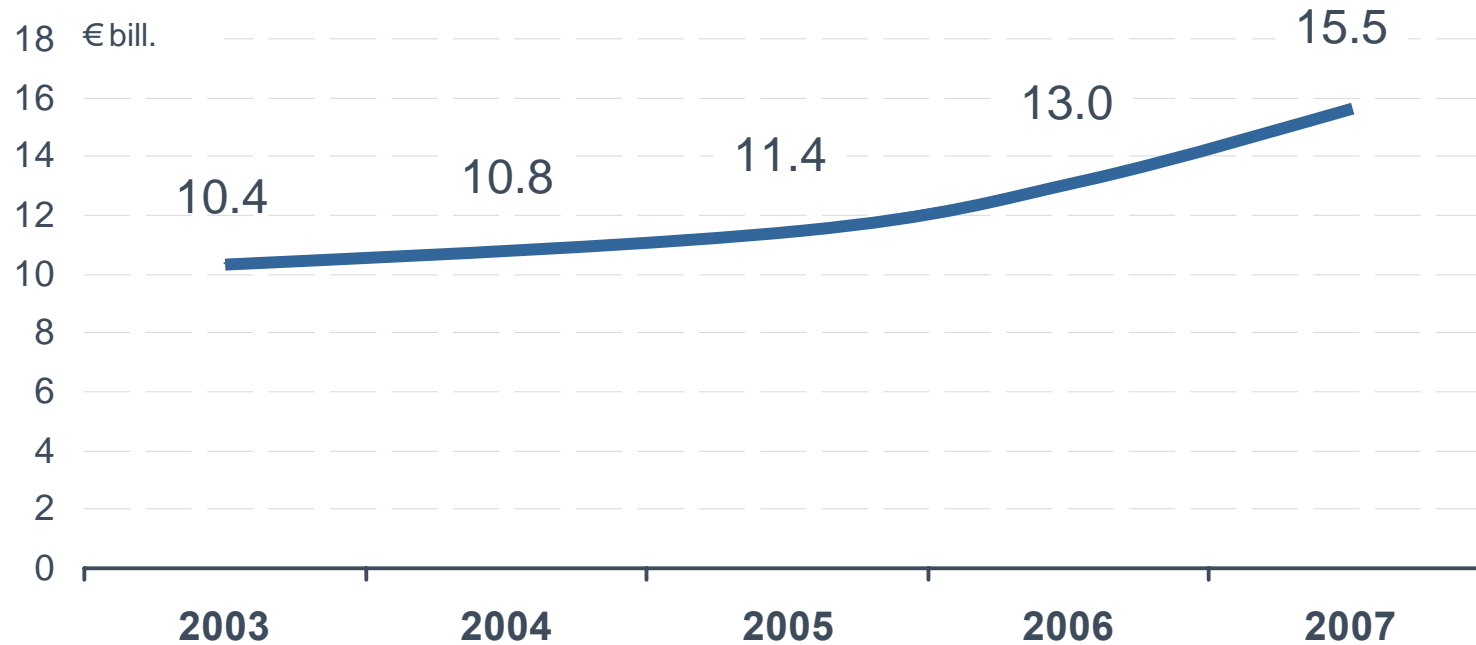
250 years



# Sales trend



**Growth: annual average 11%**



# Highlights 2007



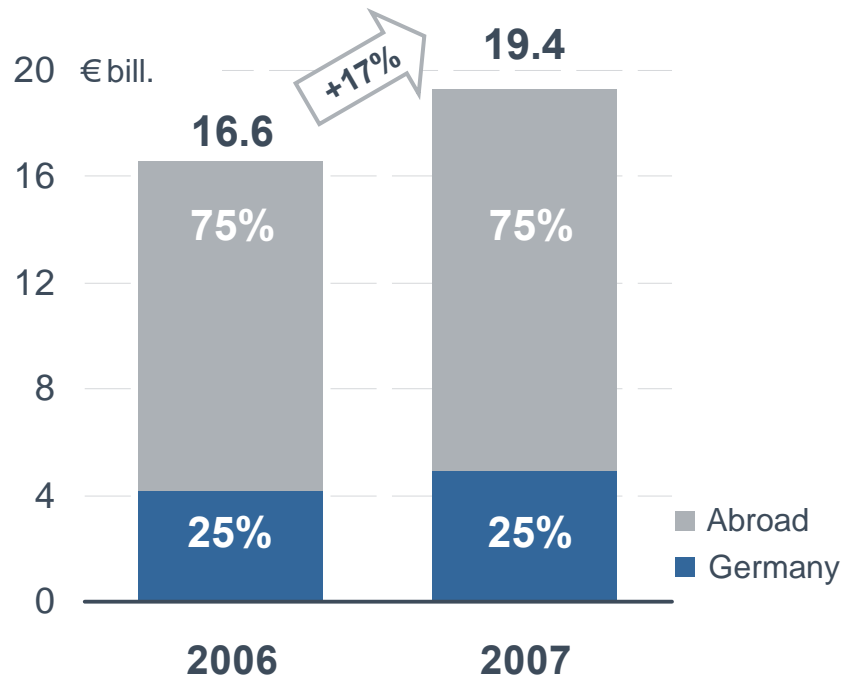
# Highlights 2007



# Order intake increased



## Order intake



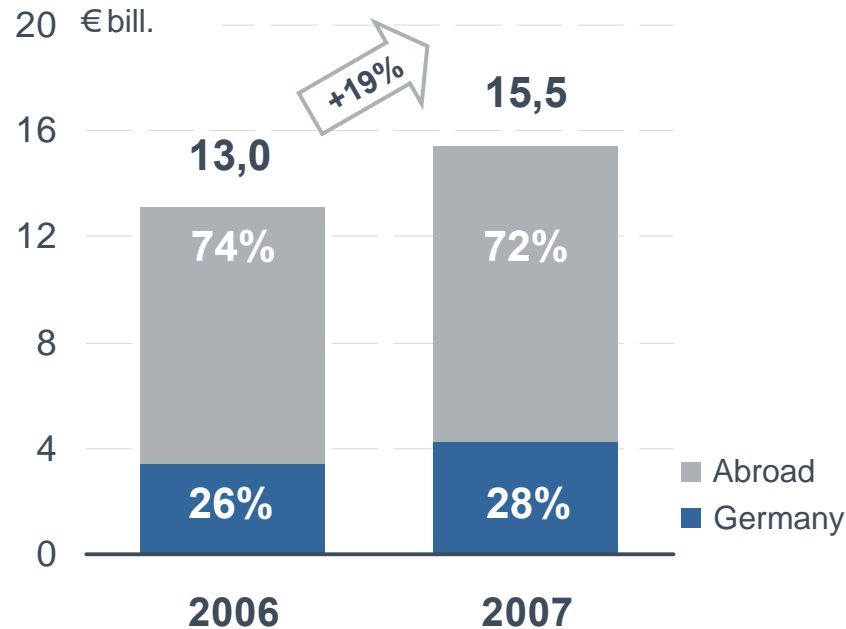
## Order intake by business area

€ mill.	2007	2006	Δ
<b>Commercial Vehicles</b>	12,684	10,103	+26%
<b>Diesel Engines</b>	3,371	2,619	+29%
<b>Turbo Machinery</b>	1,454	1,498	-3%
<b>Industrial Services</b>	1,556	1,982	-22%

# Double-digit sales growth rate



## Sales



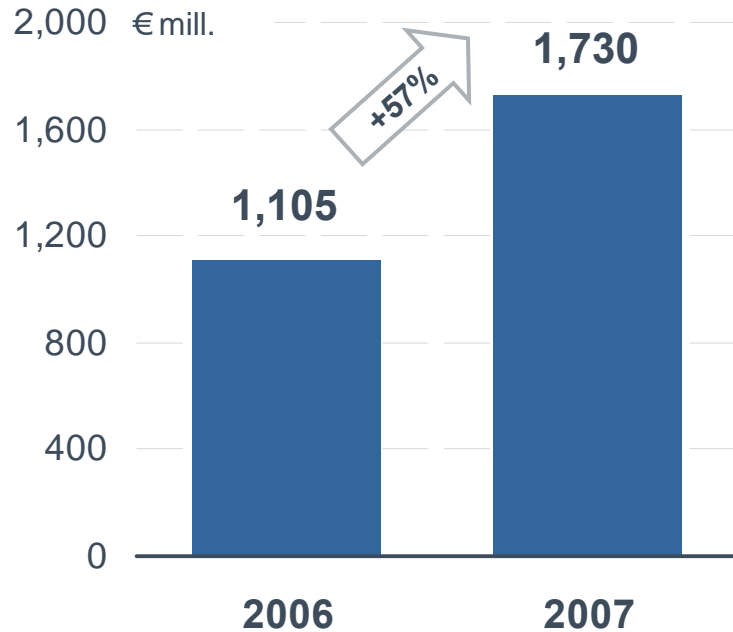
## Sales by business area

€ mill.	2007	2006	Δ
<b>Commercial Vehicles</b>	10,410	8,685	+20%
<b>Diesel Engines</b>	2,179	1,802	+21%
<b>Turbo Machinery</b>	1,108	908	+22%
<b>Industrial Services</b>	1,445	1,379	+5%

# Above-average profit rise



## Operating profit



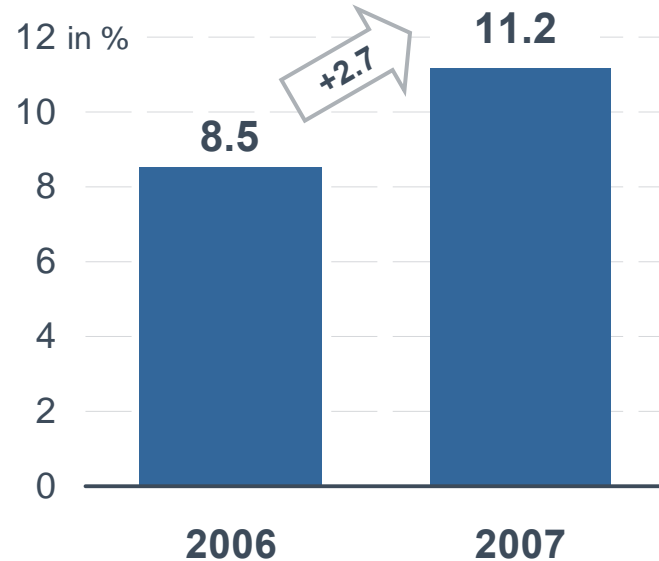
## Operating profit by business area

€ mill.	2007	2006	Δ
<b>Commercial Vehicles</b>	1,039	698	+49%
<b>Diesel Engines</b>	313	229	+37%
<b>Turbo Machinery</b>	104	71	+47%
<b>Industrial Services</b>	179	119	+50%

# Return on sales upgraded



## Return on sales (ROS)



**Target: 8.5% on average ( $\pm 2$ )**

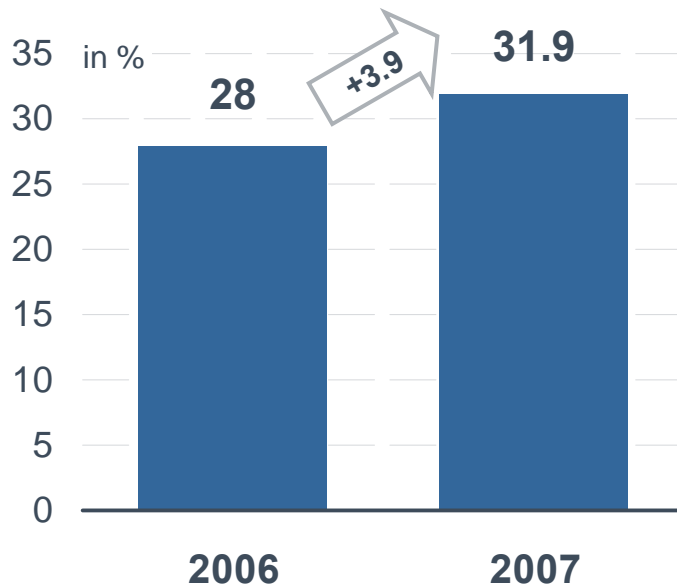
## ROS by business area

in %	2007	2006	$\Delta$
<b>Commercial Vehicles</b>	10.0	8.0	+2.0
<b>Diesel Engines</b>	14.4	12.7	+1.7
<b>Turbo Machinery</b>	9.4	7.8	+1.6
<b>Industrial Services</b>	12.4	8.6	+3.8

# Surge in free cash flow

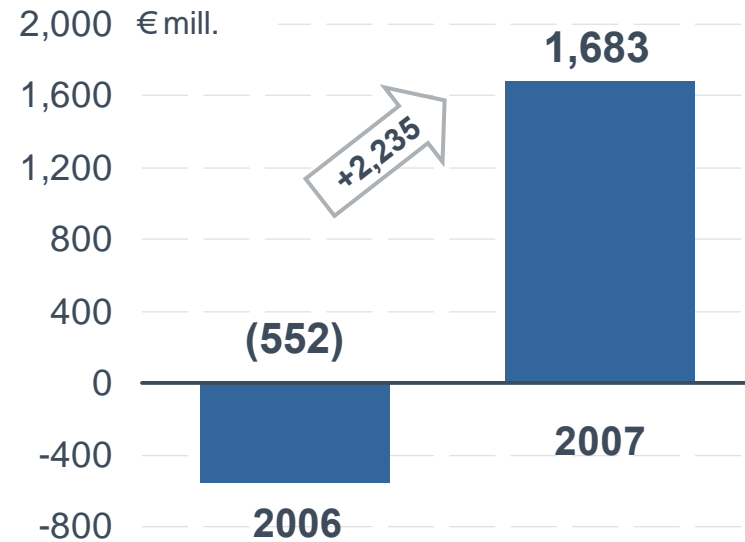


## ROCE



**Target: >22%**

## Free cash flow

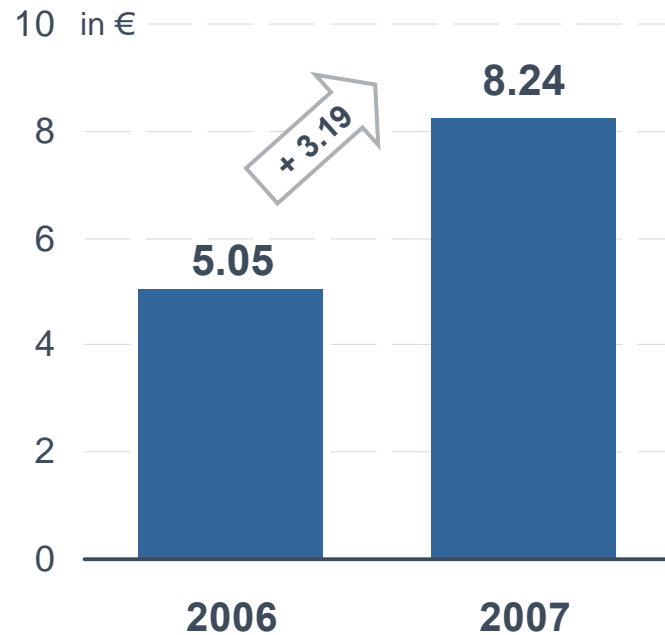


inclusive Scania stock transaction of €1,174 mill. in 2006 and €176 mill. in 2007

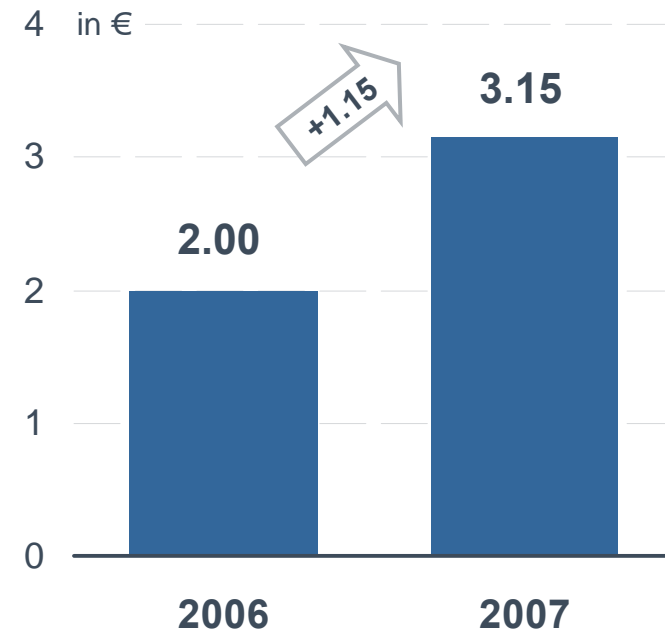
# Dividend up significantly



## Earnings per share



## Cash dividend per share



# Balance sheet



- **Net financial debt** €0.4 bill. (down from €0.9 bill.)
- **Equity** €5.2 bill. (up from €3.8 bill.)
- Better financial flexibility to **rating grade**:
  - Standard & Poor's: **A-**
  - Moody's: **A3**

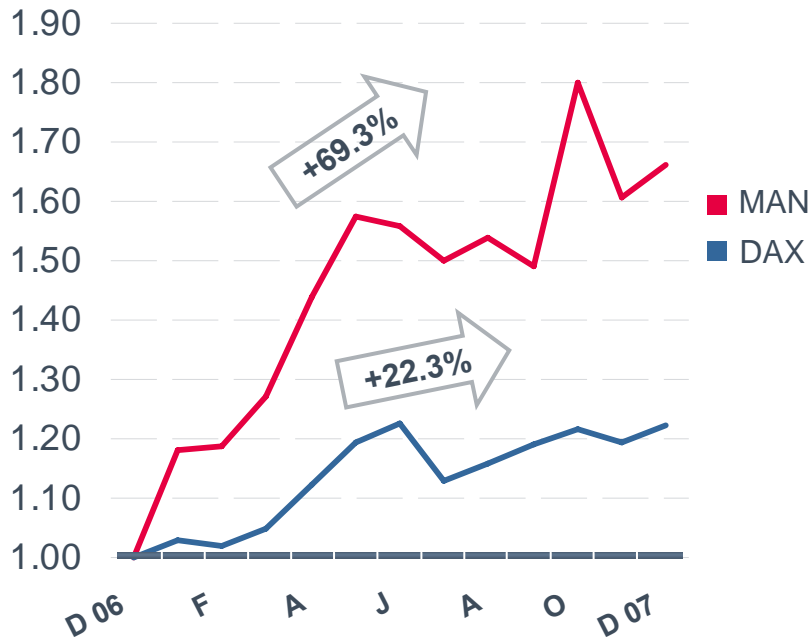
( ) = vs. prior year

# Stock price trend

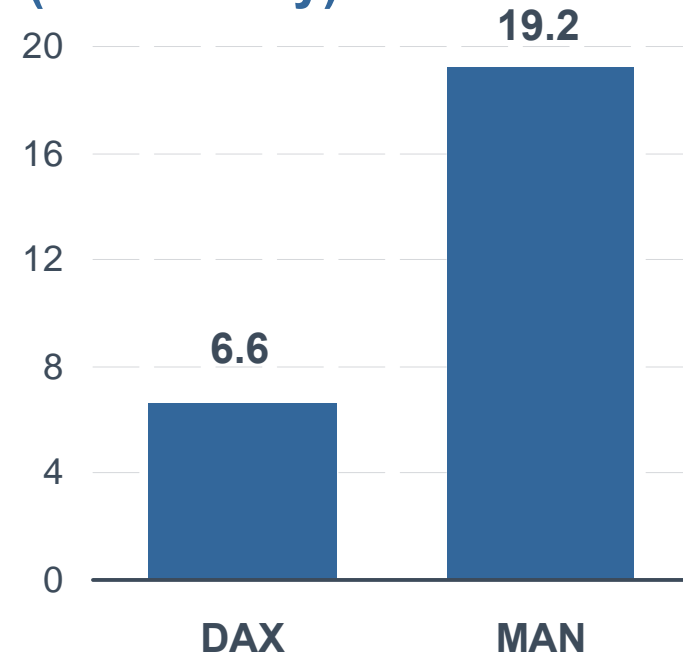


## MAN common share vs. DAX

December 31, 2006 = 1.00



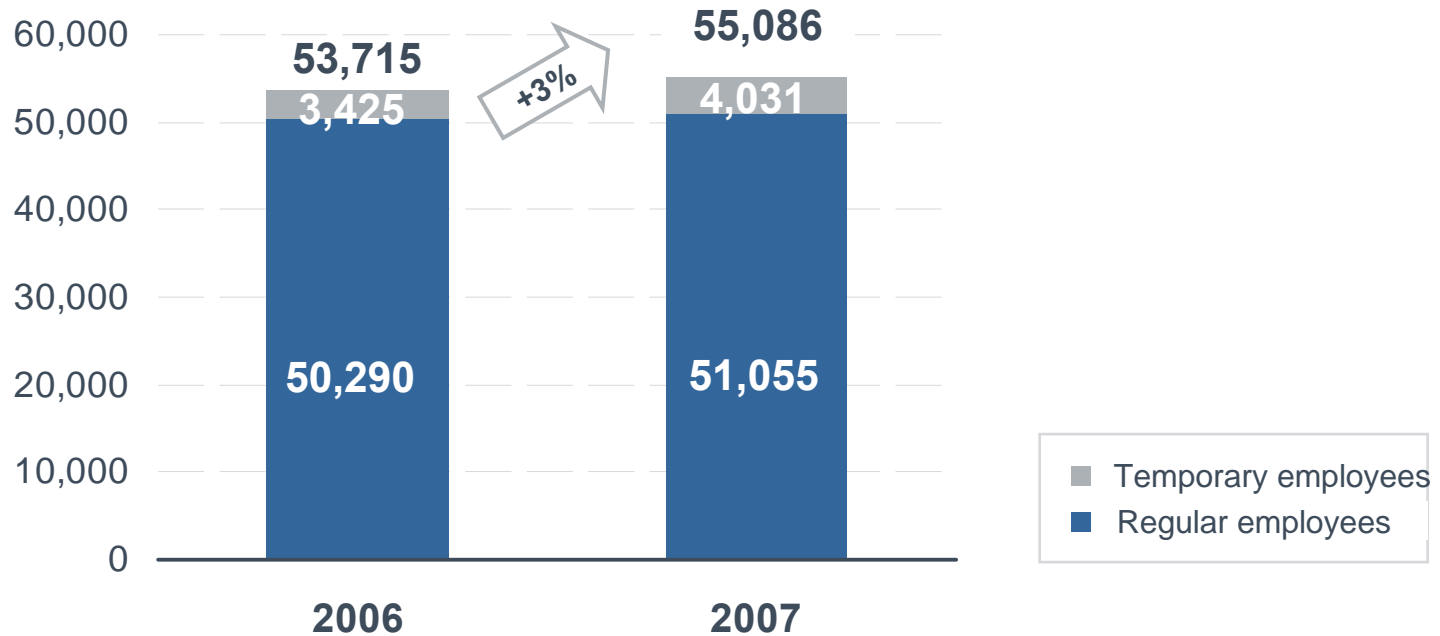
## Performance 1998-2007 (% annually)



# Headcount up



## Number of employees (incl. temporary)



# Corporate strategy



- Focus on **Transport-Related Engineering**
- **Industrial governance** system
- **Profitable growth** and **internationalization**
- Continuous **addition of value**

## GOALS

**ROS** avg. **8.5 +/- 2%**

**ROCE** > **22%**

**Sales growth** **10%** on annual average

# Diesel Engines



## Goal: #1 worldwide

- Growth
- Technology leadership
- Optimize the production structure

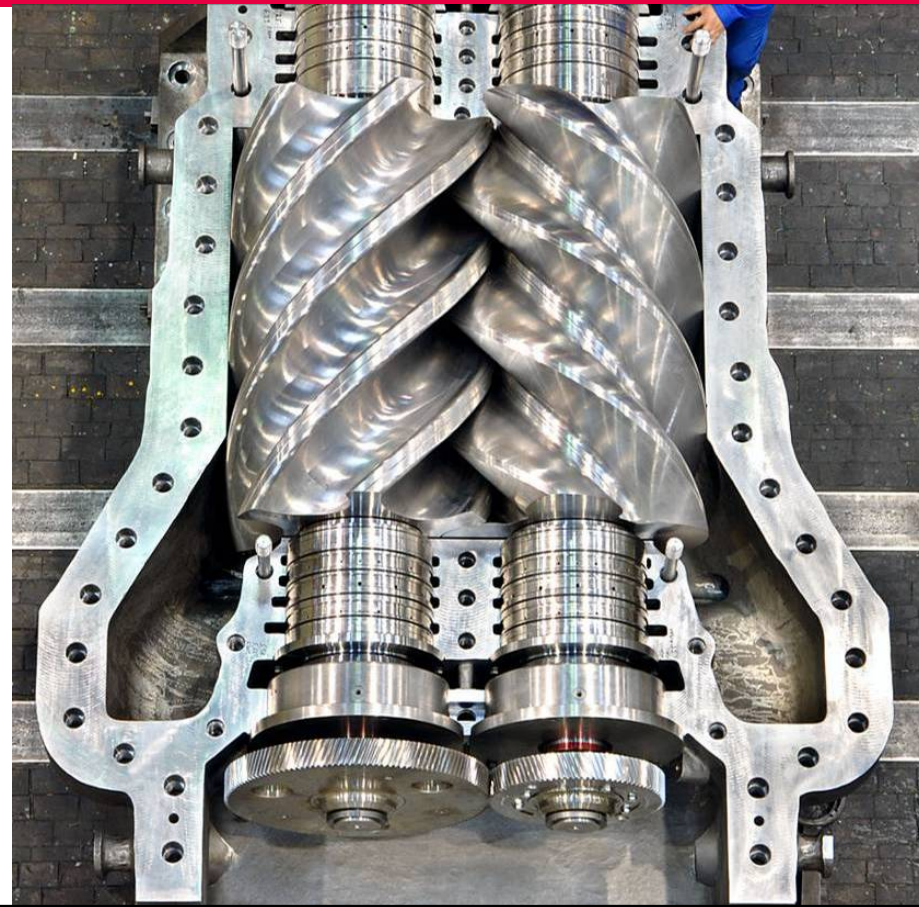


# Turbo Machinery



## Goal: €1.5 billion sales

- Expand aftermarket business
- Internationalize production
- Potential: environmental/climate protection



# Industrial Services



## Goal: sustainable growth

- Focus: energy and fuels
  - Petrochemicals
  - Biofuels
  - Solar
- Potential in growth regions



# Commercial Vehicles



## Goal: Global player

- International growth
- Strengthening of earning power
- Reliable products / organization
- Synergies / alliances



# Strengthening of earning power



## Restructuring Buses

- Operational management integrated under MAN Commercial Vehicles
- Salzgitter: Competence Center for Chassis
- Concentration of municipal-service bus production in Poland
- Pilsting: aiming for consensus with employees on a solution



# Sustainability



## CO<sub>2</sub> reduction potential (approx.):

Technical developments for trucks	10%
Higher load capacity for trucks	30%
Hybrid drive for buses	25%
Flexible-speed marine diesels	40%
CO <sub>2</sub> storage / BTL	90%
Solar-thermal power plants	90%



# Society



- Equal opportunities for men and women
- Campus Initiative: scholarships, innovation projects, lectures
- Compliance: Code of Conduct, ombudspersons, e-learning

# Expanded flexibility



## Capacity targets by 2010

- Commercial Vehicles  
**130,000 trucks**
- Diesel Engines  
**600 engines**
- Turbo Machinery  
**Sales of €1,500 mill.**
- Industrial Services  
**Sales of €2,000 mill.**

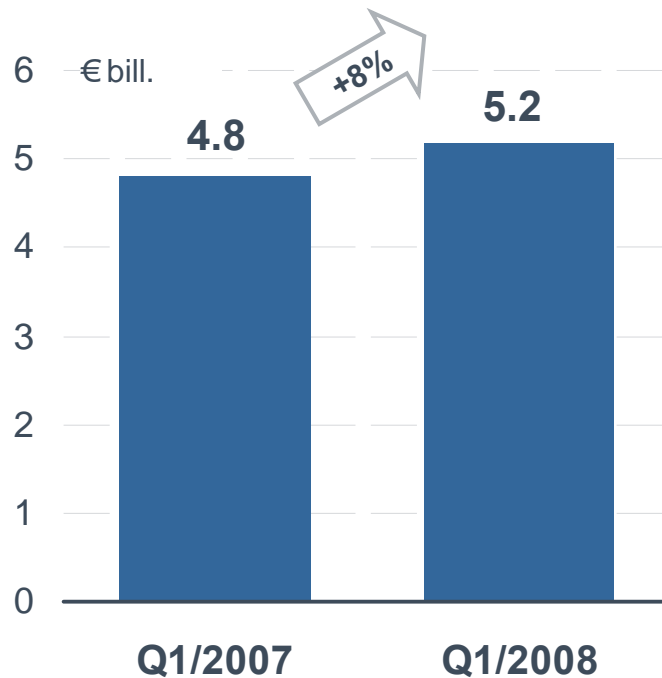
## Rising flexibility

- Production location agreements
- Improved flexitime management
- Higher proportion of temporary employees
- Outsourcing

# MAN Group in Q1/2008



## Order intake



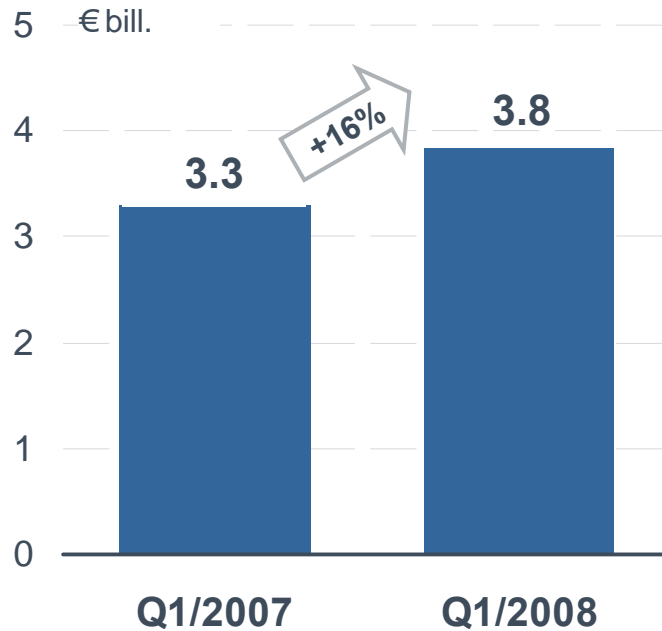
## Order intake by business area

€ mill.	Q1/2008	Q1/2007	Δ
<b>Commercial Vehicles</b>	3,520	3,510	+0%
<b>Diesel Engines</b>	904	629	+44%
<b>Turbo Machinery</b>	368	354	+4%
<b>Industrial Services</b>	293	238	+23%

# MAN Group in Q1/2008



## Sales



## Sales by business area

€ mill.	Q1/2008	Q1/2007	Δ
<b>Commercial Vehicles</b>	2,550	2,239	+14%
<b>Diesel Engines</b>	570	457	+25%
<b>Turbo Machinery</b>	254	218	+16%
<b>Industrial Services</b>	353	304	+16%

# MAN Group in Q1/2008



## Operating profit

€ mill.	Q1/ 2008	Q1/ 2007	Δ
<b>MAN Group</b>	<b>455</b>	<b>318</b>	<b>+137</b>
<b>Commercial Vehicles</b>	280	201	+79
<b>Diesel Engines</b>	84	57	+27
<b>Turbo Machinery</b>	28	18	+10
<b>Industrial Services</b>	32	32	0

## ROS

in %	Q1 2008	Q1 2007	Δ
<b>MAN Group</b>	<b>11.9</b>	<b>9.6</b>	<b>+2.3</b>
<b>Commercial Vehicles</b>	11.0	9.0	+2.0
thereof heavy-duty trucks	13.5	11.4	+2.1
<b>Diesel Engines</b>	14.8	12.5	+2.3
<b>Turbo Machinery</b>	11.0	8.2	+2.8
<b>Industrial Services</b>	9.1	10.5	-1.4

# Outlook 2008



	2008
Order intake (current operations)	→
Sales growth	>10%
Operating profit	rise
Return on sales (ROS)	at Q1/2008 level