



 **Welcome**

to the MAN Annual General Meeting 2007

Agenda



Review

2006

Strategy

Outlook

2007

Highlights 2006



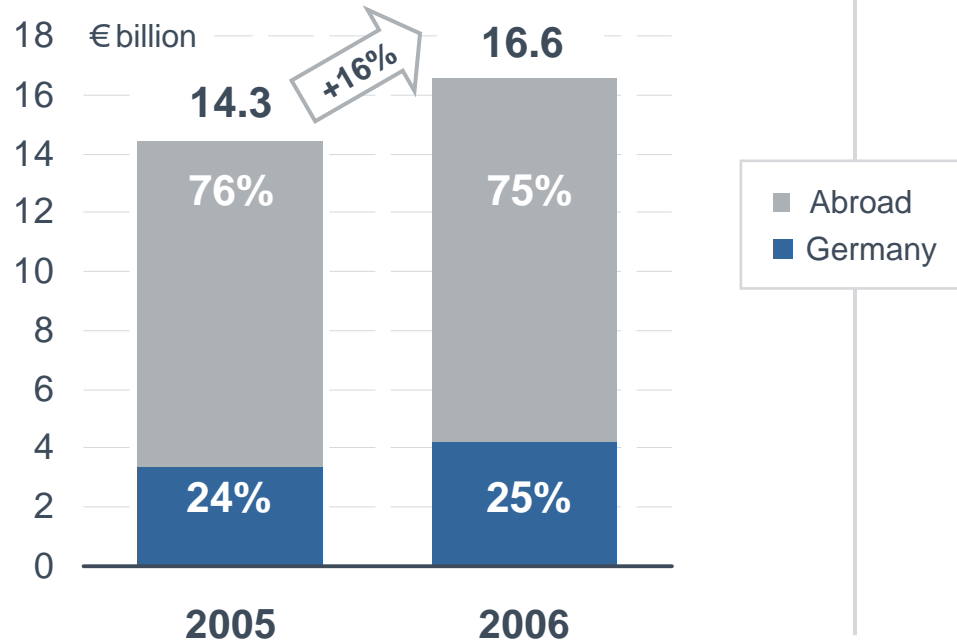
- **Focus** on Transport-Related Engineering
- Strong **operational performance** in all business areas
- Strong **market** environment
- **Initiative** taken for truck **consolidation**



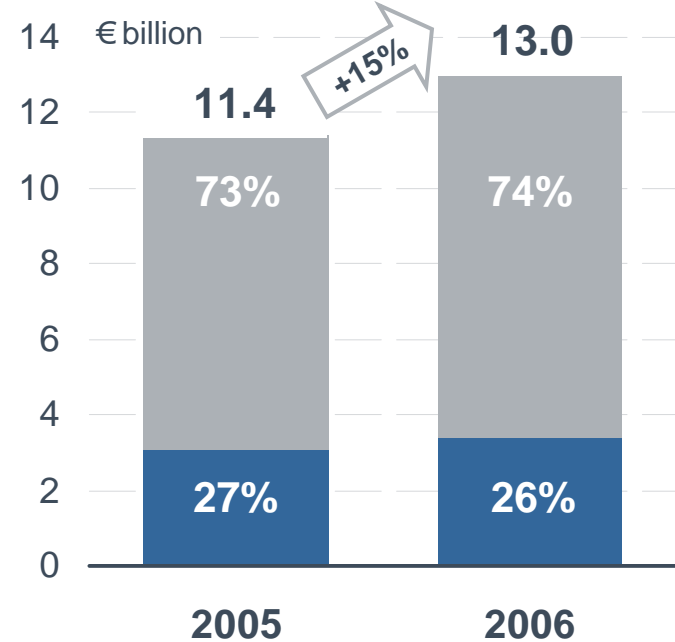
Best year ever



Order intake



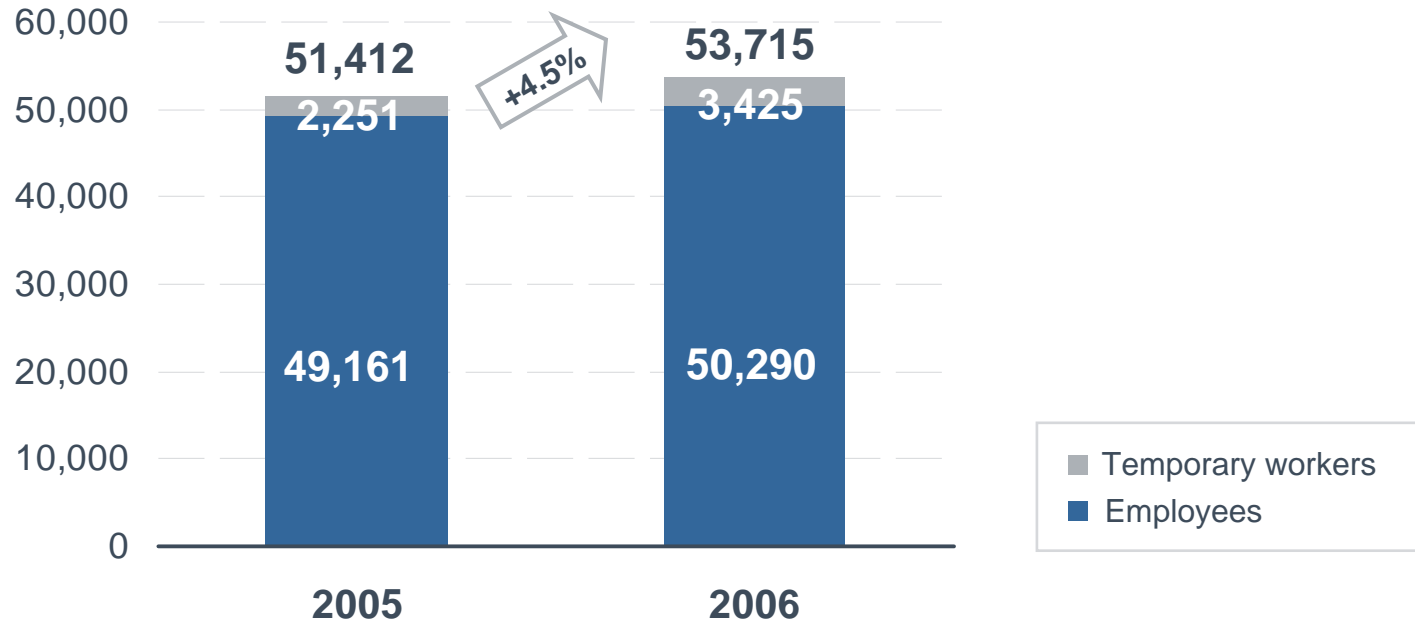
Sales



Strong team



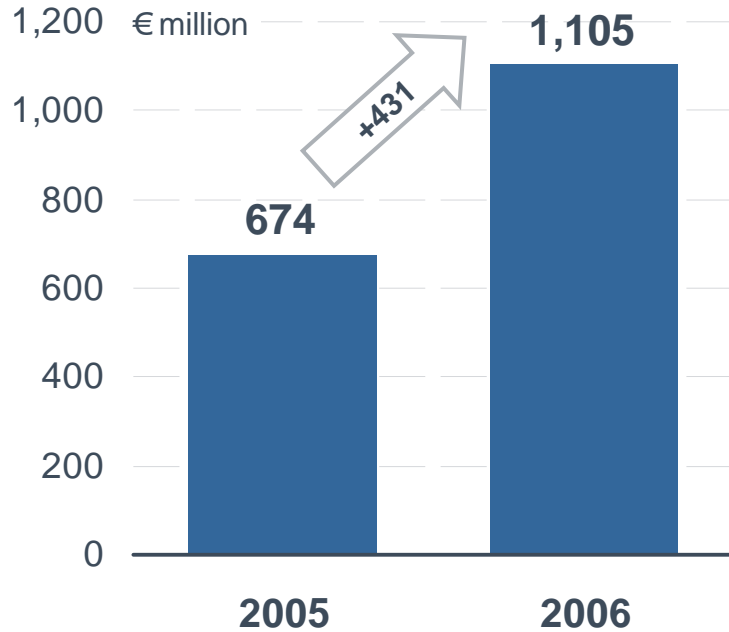
Number of employees



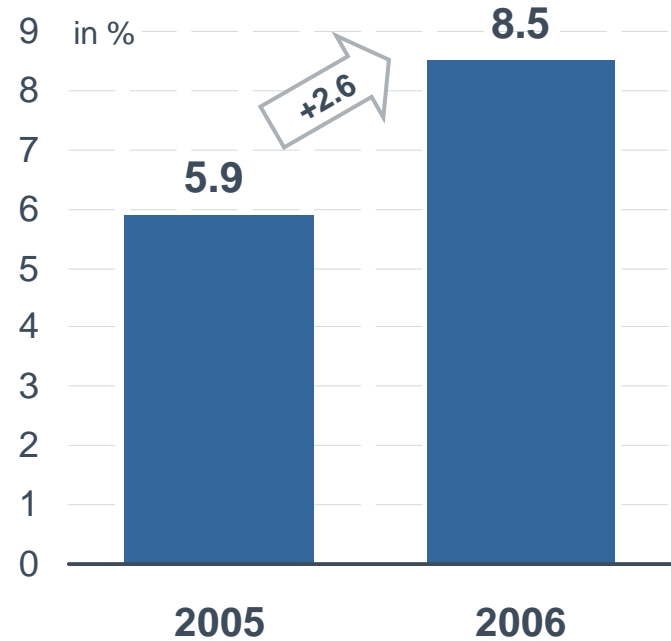
Best performance ever



Operating profit



Return on sales (ROS)



Performance by business area



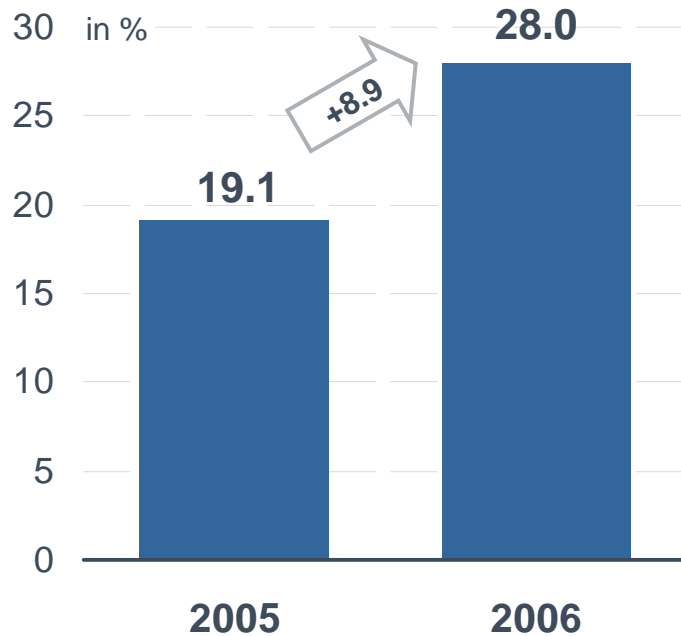
Business area	Operating profit 2005*	Operating profit 2006*	ROS 2006	ROS target
Commercial Vehicles	497	698	8.0%	7.0%
Diesel Engines	117	229	12.7%	6.5%
Turbo Machinery	43	71	7.8%	6.5%
Industrial Services	64	119	8.6%	4.0%

* € million

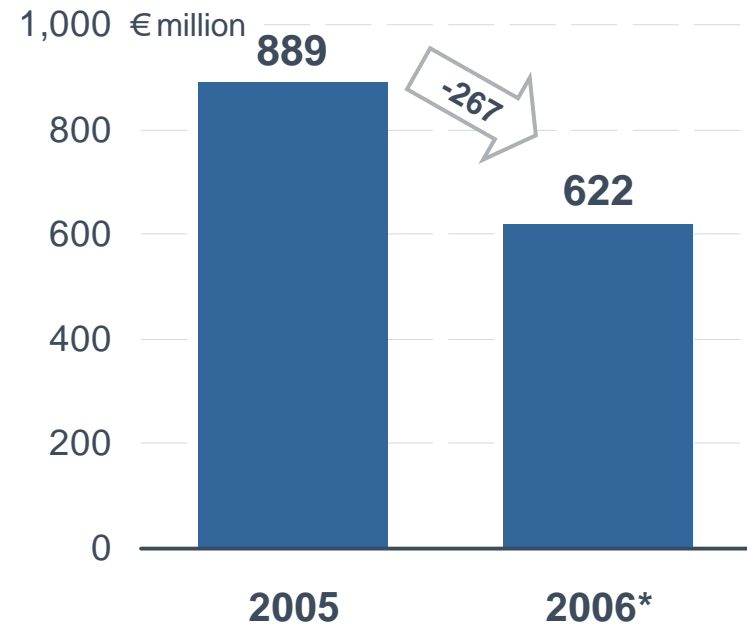
Key financial data



Return on capital employed



Free cash flow



•excl. Scania stock acquisition €1,174 million

Stock price performance

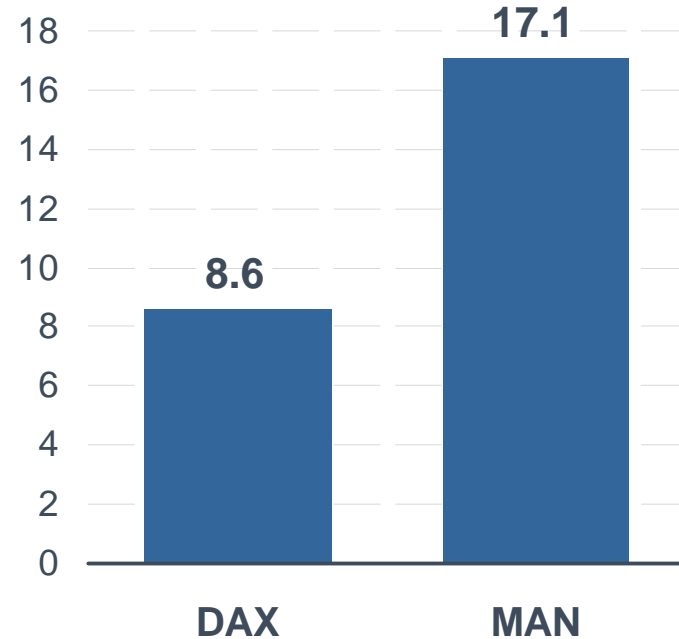


MAN (gross yield) vs. DAX

December 31, 2005 = 1.00



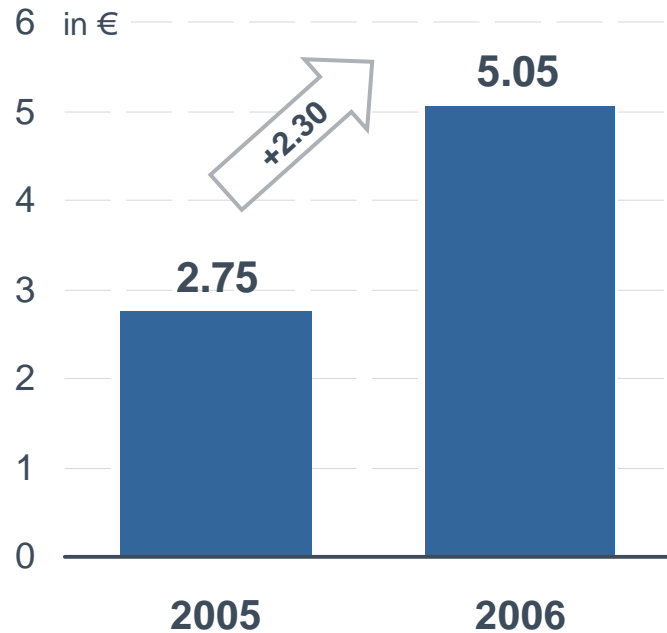
Performance 1997-2006 (% p.a.)



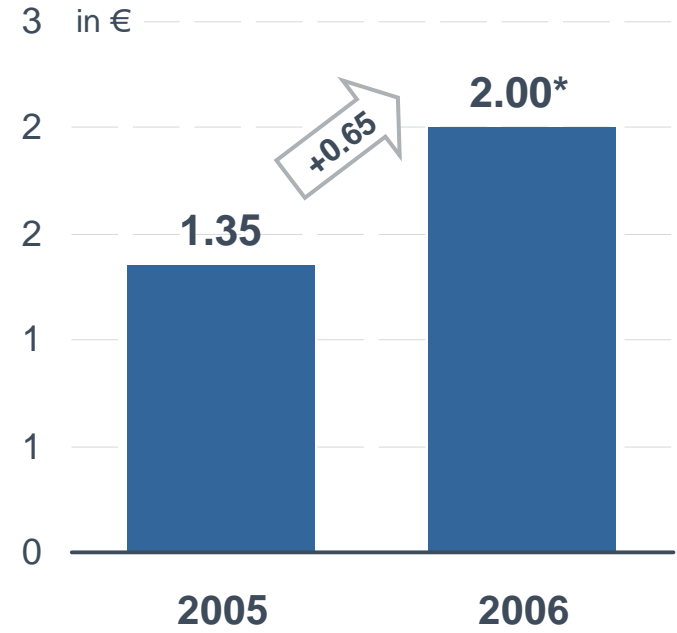
Return for our stockholders



Earnings per share



Dividend per share



* incl. €0.50 bonus

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Group strategy



- **Operational excellence**

- Sustainable group structure

- Profitable growth

- Effective governance

- Sustainability

Operational excellence – New targets 2010



- Return on capital employed (ROCE) : >22%
- Return on sales (ROS) :



Commercial Vehicles



Target

Ø ROS 8.5% (+/-2%)

Measures

- Strengthening service network
- Structural improvement at buses
- Efficiency gains
Focus: light/medium trucks

Diesel Engines



Target

Ø ROS 8.5% (+/-4%)

Measures

- Production network
- Expansion of service business
- Focus on key components and key competencies

Turbo Machinery



Target

Ø ROS 8.5% (+/-2%)

Measures

- Expansion of service business
- Improvement of in-house-processes
- Cost reduction



Target

Ø ROS 8.5% (+/-1%)

Measures

- Lean structure
- Improvement of underperforming segments

Group strategy



- Operational excellence
- **Sustainable group structure**
- Profitable growth
- Effective governance
- Sustainability

Focus on Transport-Related Engineering



- MAN Roland ✓ concluded in July 2006
- MAN TAKRAF ✓ concluded in September 2006
- Steel trade business ✓ to be concluded in Q3 2007



Strong platform for profitable growth

Consolidation truck industry



Major truck market trends

- 1 Stricter emission standards
- 2 Cross-border transportation
- 3 Bigger customers
- 4 Customer finance
- 5 Total operating cost

Demands on manufacturers

- Increased R&D
- Stronger sales and service network
- One-stop shop solutions
- Full product range
- Strong and innovative financing
- Focus on life-cycle costs

Operational excellence + scale = success

Truck Combination of MAN/Scania/VW



- **European champion** – strong enough to face future challenges
- **Stock listed company** with major focus on Commercial Vehicles
- New industrial **stockholder** – basis for amicable solution
- **Positive** for all stakeholders

Group strategy



- Operational excellence
- Sustainable group structure
- **Profitable growth**
- Effective governance
- Sustainability

Profitable growth



	2005	Target 2010
Commercial Vehicles Delivered units	74,218	110,000
Diesel Engines Delivered units	344	500
Turbo Machinery Sales (in € million)	694	1,500
Industrial Services Sales (in € million)	1,414	2,000



10% annual sales growth until 2010

Stepping up presence in growth markets



- Truck assembly in **Poland** and **India**
- Diesel Engineering Center in **India**
- Bus assembly in **Mexico**
- Turbo manufacturing in **China**
- MAN Houses in **Dubai** and **Beijing**



Group Strategy

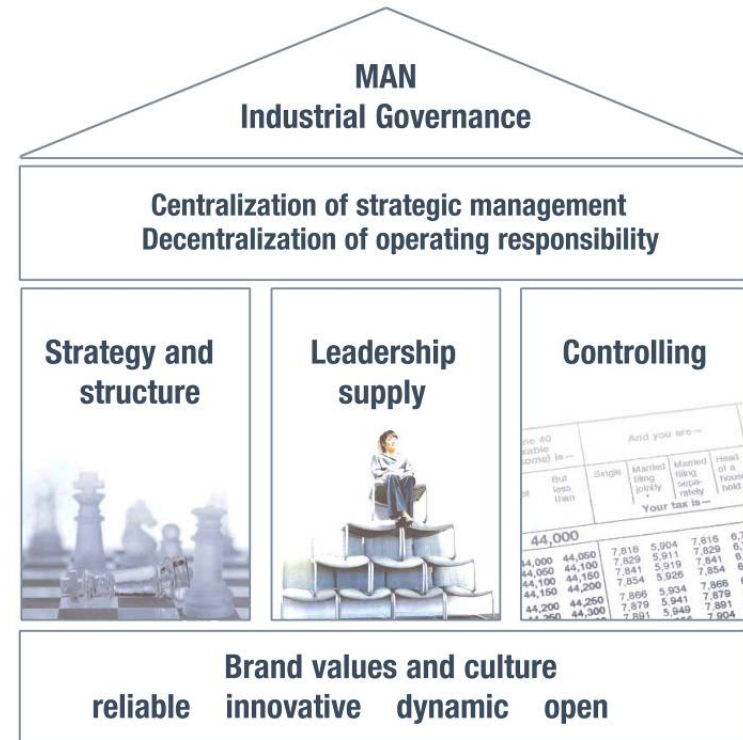


- Operational excellence
- Sustainable group structure
- Profitable growth
- **Effective governance**
- Sustainability

Industrial Governance



- Strategy **process**
- **Management audits**
- New **pension** scheme
- New **variable compensation**
- New **controlling** process



Group Strategy



- Operational excellence
- Sustainable group structure
- Profitable growth
- Effective governance
- **Sustainability**

Sustainability



- **Economic** responsibility
- **Environmental** responsibility
- **Social** responsibility

Economic responsibility



- **Technological** leadership
- **Operational** excellence
- **Value** for stakeholders



**Dow Jones
Sustainability Indexes**
Member 2006/07

Environmental responsibility



Engine technology

- New engine platforms – ready for even tighter standards after Euro 5
- SCR and EGR technology

Alternative engine technology

- Hybrid
- CO₂ neutral synthetic fuels (BTL)



Lion's City Hybrid

EnergieSpeicher 100 HYBRIDANTRIEB 00

www.man-mn.com
Lion's City

Umweltfreundlich durch Hybridantrieb

Umweltfreundlich durch Hybridantrieb

MAN

M AN 1147

Social responsibility



- Attractive **employer**
- Partnership **universities/ MAN scholarship**
- **Compliance**

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Good start into 2007



- **Order intake** 21% increase to €6,355 billion (January – April)
- **Sales** 11% increase to €4,302 billion (January – April)
- **Operating profit** €107 million increase to €318 million (January-March)
- **ROS** + 2.2%-points to 9.6% (January-March)
- **EPS** €0.51 increase to €1.49 (January-March)

Outlook for 2007



- **Order intake** at same high level as previous year
- **Sales increase** of approx. 10%
- **Operating profit** considerably outpacing sales
- **ROS** at first-quarter level



250 years Engineering the Future



1758 – 2008



▶ **Thank you for your
attention!**