

# Press conference on the MAN Group's H1/2007 interim report



Håkan Samuelsson  
CEO MAN AG

Prof. Dr. h. c. Karlheinz Hornung  
CFO MAN AG

# H1: robust growth rates



- Six-month order intake up 20% to €9.6 billion
- Sales climbing 12% in H1 to €6.8 billion
- Q2 operating profit: €403 million (up 54%);  
H1: €721 million (up 52%)
- H1 ROS of 10.7%, first time double-digit (up from 7.8%),



# Order intake again advancing double-digit



€ million	H1/2007	H1/2006	Δ
<b>MAN Group</b>	<b>9,567</b>	<b>7,973</b>	<b>+20%</b>
Germany	2,469	2,130	+16%
Abroad	7,098	5,843	+21%

- Steep growth for Trucks (up 29%)
- Diesel Engines up 27%
- Non-German share 74%
- Order backlog: €13.5 billion (€11.3 billion at Dec. 31, 2006)

# Sales up, especially abroad



€ million	H1/2007	H1/2006	Δ
<b>MAN Group</b>	<b>6,769</b>	<b>6,044</b>	<b>+12%</b>
Germany	1,679	1,567	+7%
Abroad	5,091	4,477	+14%

- Steepest growth rates by Commercial Vehicles (up 14%) and Turbo Machinery (up 21%)
- Sales growth held back by component supply bottlenecks
- Non-German sales at 75% (up from 74%)

# Headcount



	6/30/2007	12/31/2006	Δ
<b>MAN Group</b>	<b>51,225</b>	<b>50,290</b>	<b>+2%</b>
Germany	29,833	29,399	+1%
Abroad	21,392	20,891	+2%
Loaned/temporary	3,740	3,425	+9%

- Growth in all the manufacturing areas
- Expansion especially in Commercial Vehicles (Production/Poland, Sales/Russia)
- Non-German share: 42%

€ million	H1/2007	H1/2006	Δ
Operating profit	721	473	+248
Nonrecurring result	241	–	+241
EBT	935	432	+503
EAT (net income)	668	352	+316
EpS of continuing operations	4.47	2.13	+2.34
EpS excluding nonrecurring result (LFL)	3.55	2.13	+1.42

- Nonrecurring results: +€367 million ERF damages,  
–€130 million restructuring Buses  
+€4 million miscellaneous

# Returns



€ million	H1/2007	H1/2006	Δ
Return on sales (ROS) in %	10.7	7.8	–
Return on capital employed (ROCE) in %	28.0	25.5	–
Free cash flow	725	26	+699
Net financial debt*	(724)	(946)	+222

- ROS excluding Scania dividend (€43 million): 10.0%

\* As of June 30, 2007, vs. December 31, 2006



# Commercial Vehicles



€ million	H1/2007	H1/2006	Δ
Order intake	6,504	5,292	+23%
Sales	4,608	4,041	+14%
Operating profit	434	298	+136
ROS in %	9.4	7.4	–
Headcount incl. temporary/loaned*	36,936	36,206	+2%

\* at June 30, 2007, versus Dec. 31, 2006

# Commercial Vehicles: double-digit growth rates



- At 6.5 billion, H1/2007 order intake up 23% (from €5.3 billion)
- Vigorous growth in new orders for Trucks (up 29%)
- Trucks' ROS :11.1% (up from 8.0%); Q2 alone 12.2% (up from 8.4%)
- Buses: operating loss of €13 million

# Gustavsburg plant



- As from August 1 an independent company: Hörmann Automotive
- MAN Nutzfahrzeuge to hold a 40% stake
- Far-reaching supply agreements concluded
- Better opportunities for third-party business

# Restructuring Buses



- Solution for all-in bus production
- Expanding the Chassis Competence Center in Salzgitter
- Product and process standardization
- Harnessing synergies between Trucks/Buses in Sales, Administration and Engineering
- Production time for one complete bus: 1,500 hours  
truck: 100 hours  
bus chassis: 80 hours
- Negotiations for overall solution in progress
- Goodwill write-down required

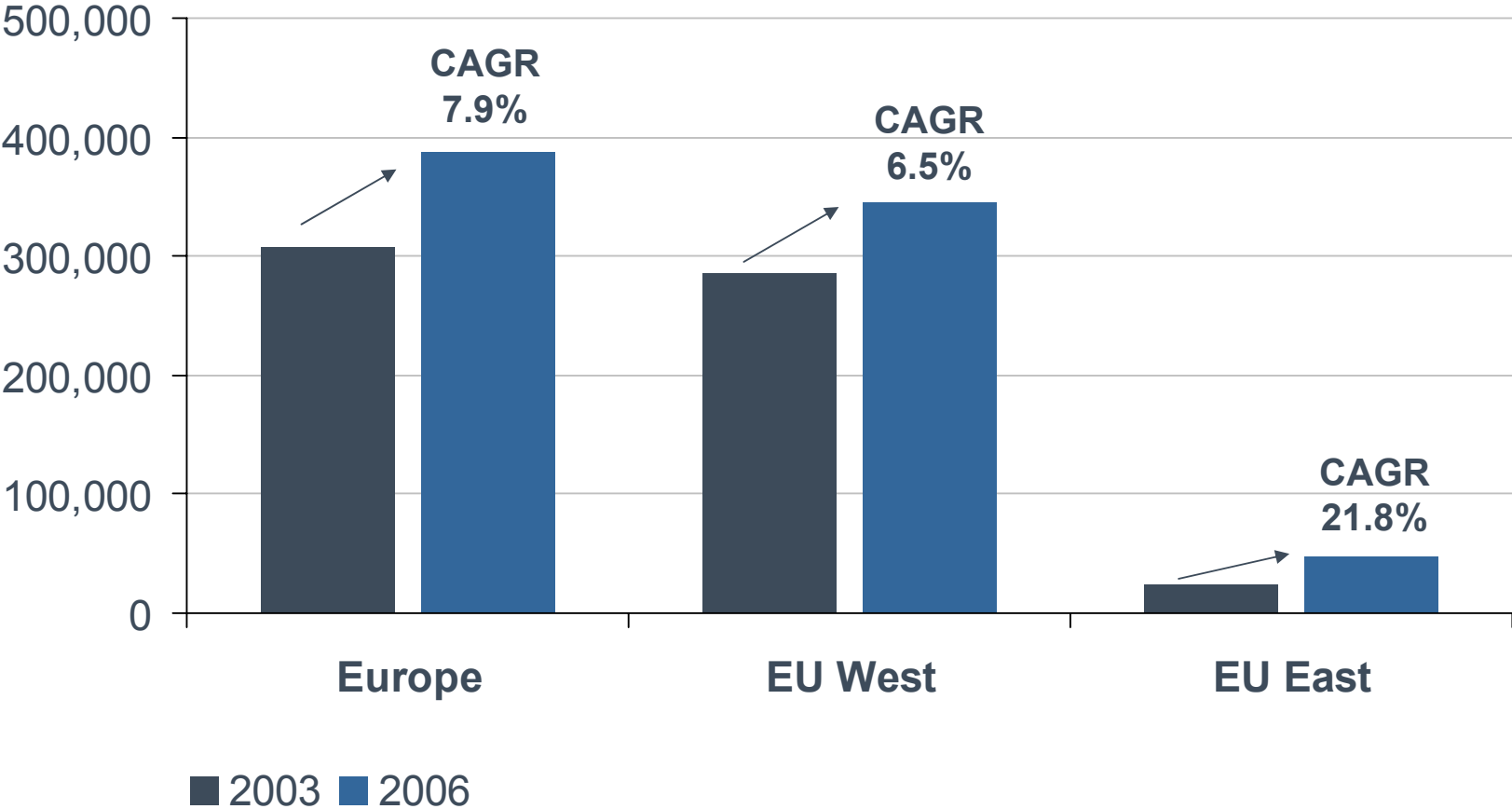
# TGX / TGS



- World debut at International Commercial Vehicle Fair in Amsterdam in October
- **TGX** – Long-distance haulage
  - TGX V – with new 680-HP V-8 engine
- **TGS** – Construction, short-haulage and distribution services



# The European market 2003–2006

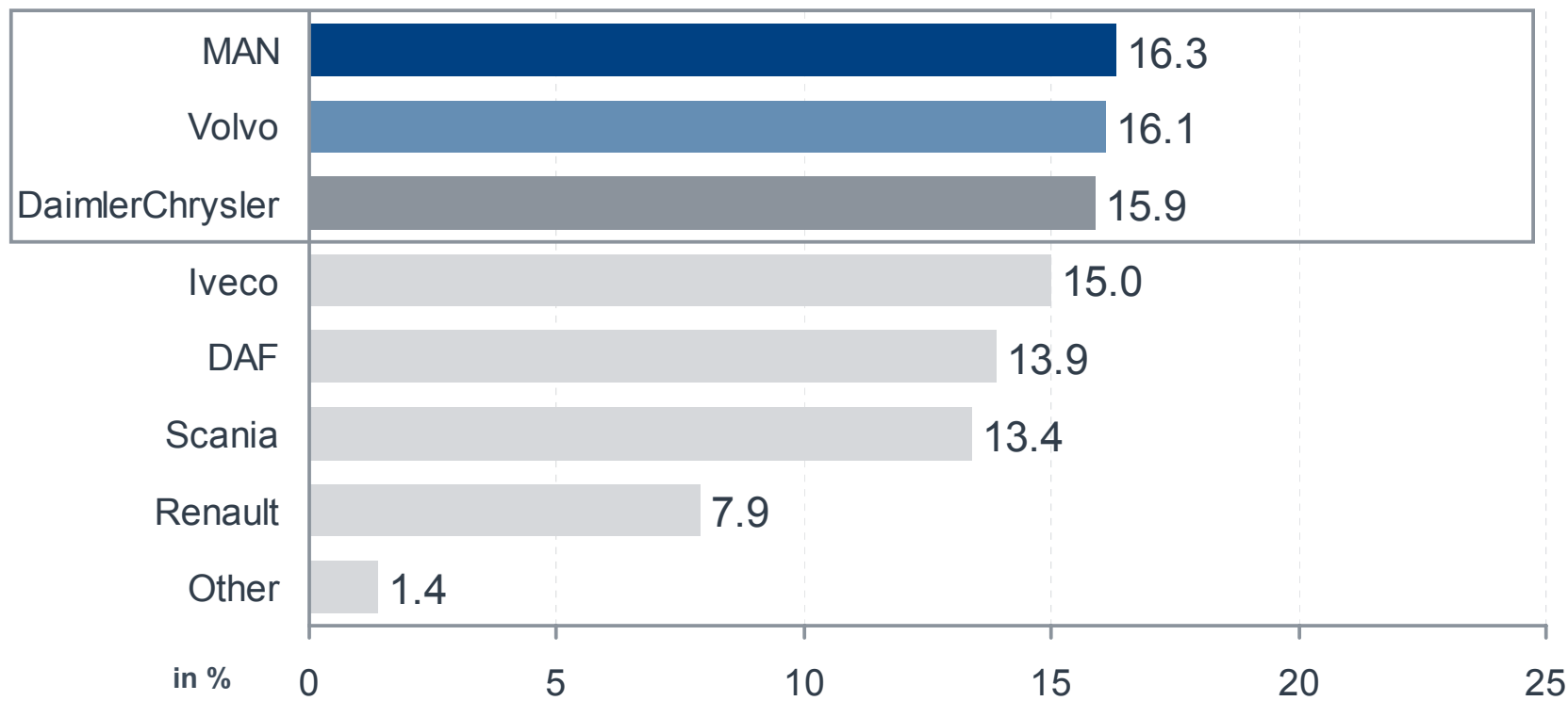


Source: Truck Registration Report

# EU East Commercial vehicle market shares (>6 t)



H1/2007



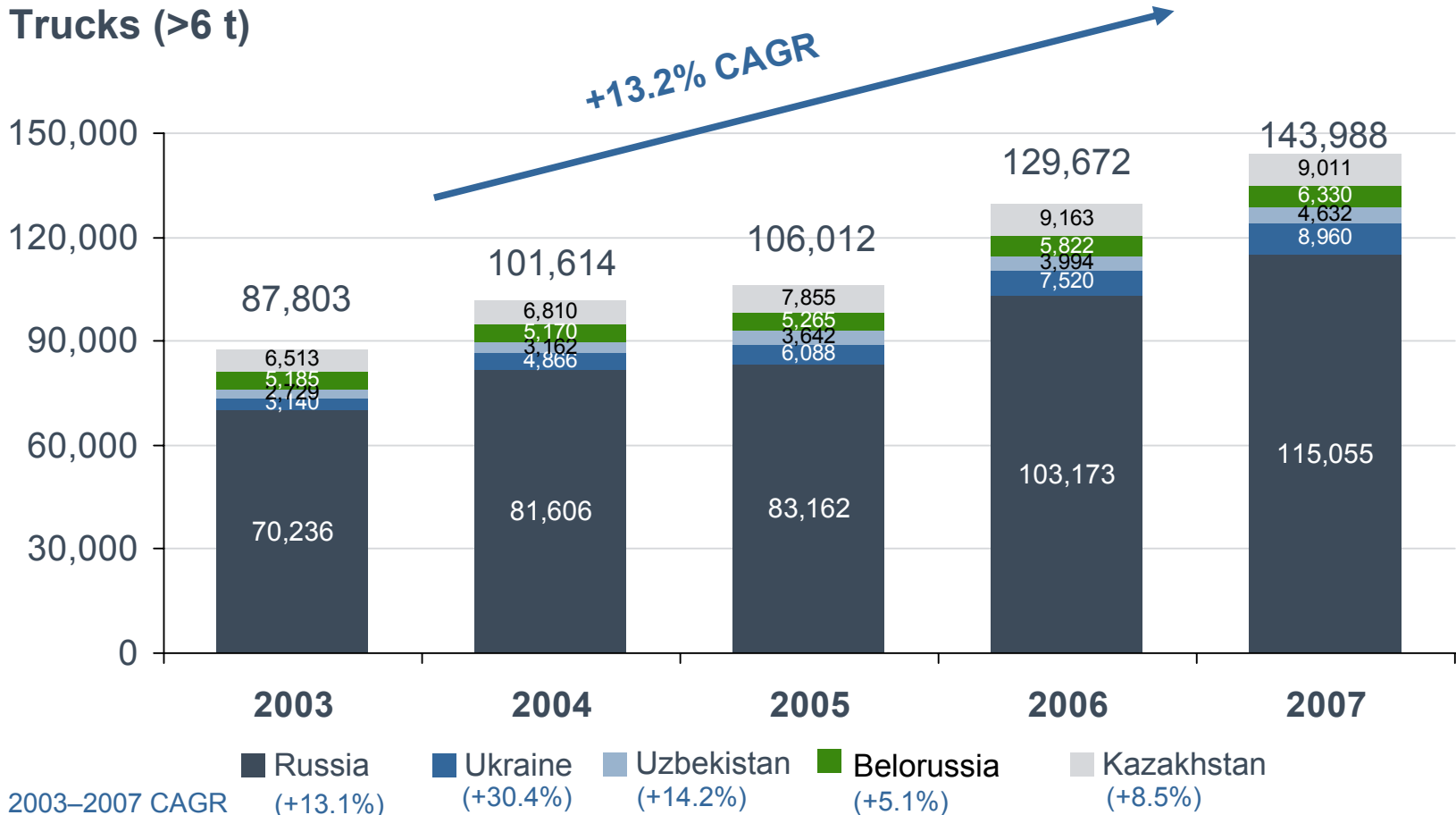
Source: Truck Registration Report

# CIS

## Market growth, top 5 countries\*



### Trucks (>6 t)



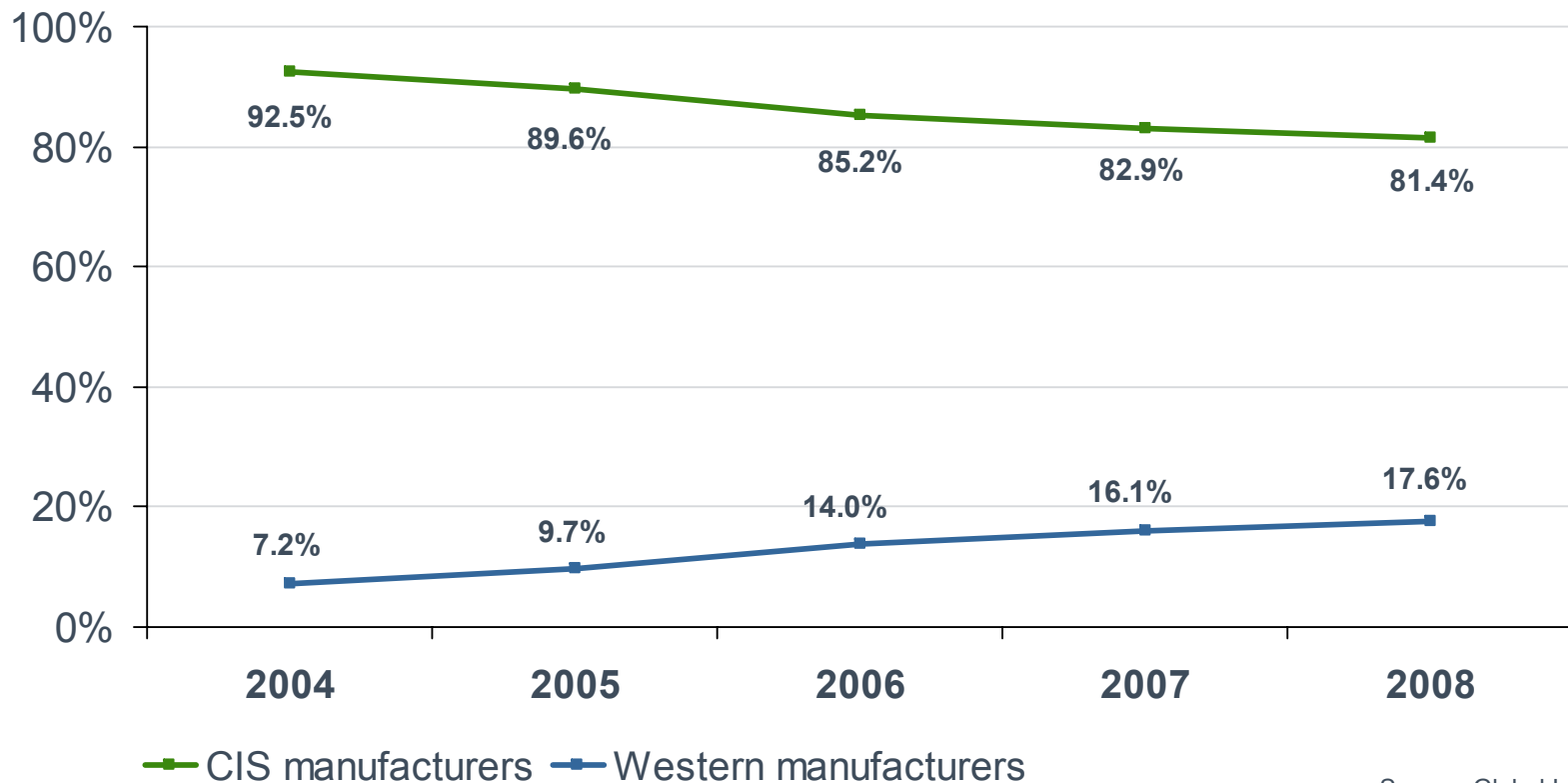
\* Other countries unavailable

Source: Global Insight

# Market shares of Western manufacturers in Russia



## Truck market shares (>15 t) Russia

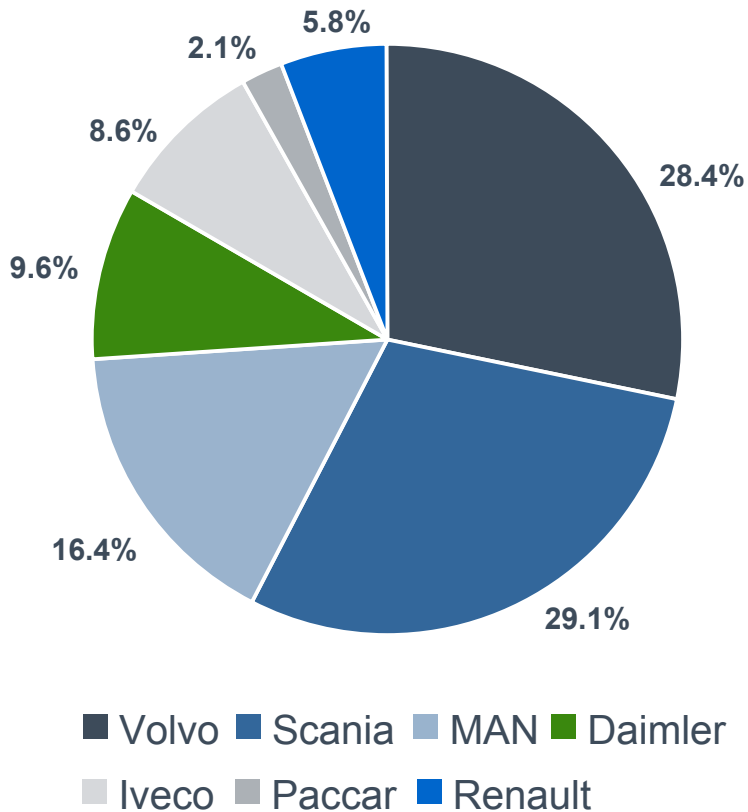


Source: Global Insight

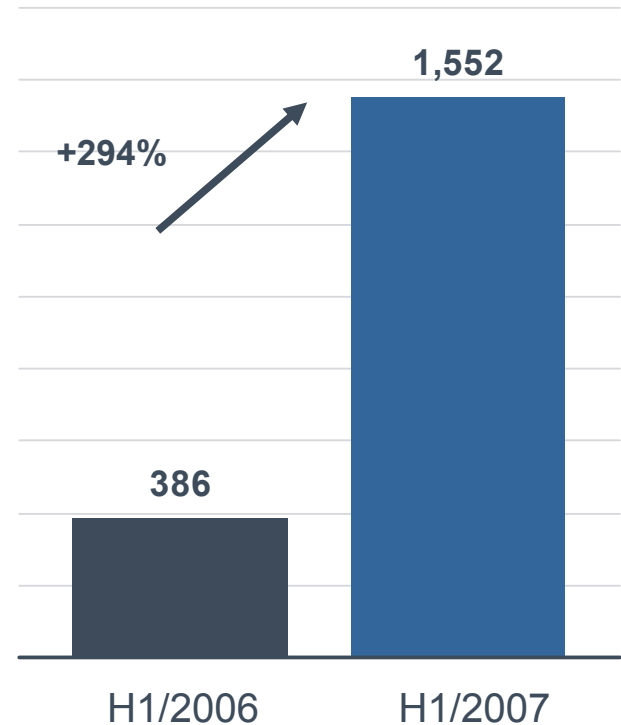
# Shipments to Russia by Western manufacturers



Shipments trucks >15 t Russia 2006



Shipments MAN trucks >16 t Russia



Source: Sales 2006, Global Insight

# Diesel Engines



€ million	H1/2007	H1/2006	Δ
Order intake	1,537	1,214	+27%
Sales	941	877	+7%
Operating profit	123	101	+22
ROS in %	13.1	11.5	–
Headcount incl. temporary/loaned*	7,130	6,862	+4%

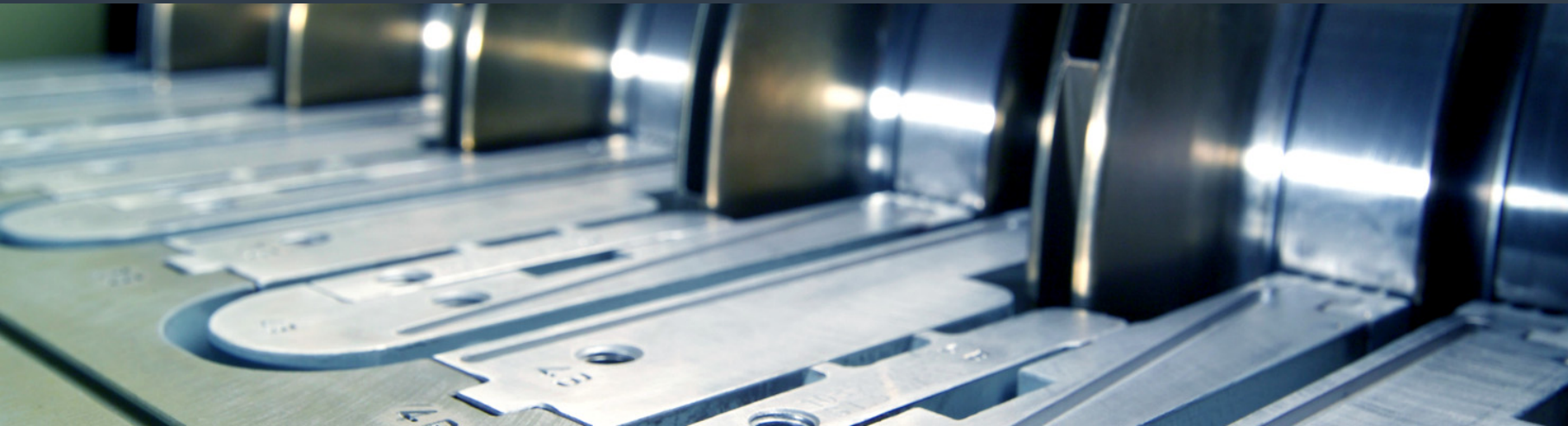
\* at June 30, 2007, versus Dec. 31, 2006

# Diesel Engines: growth sustained and strong



- Q2 order intake again up (33%); H1 growth 27%
- 61% hike at Two-Stroke Engines, especially for bulk freighters and container vessels
- Sales growth 7 percent, greater growth held back by supplier bottlenecks

# Turbo Machinery



€ million	H1/2007	H1/2006	Δ
Order intake	723	750	-4%
Sales	482	399	+21%
Operating profit	41	28	+13
ROS in %	8.5	7.0	-
Headcount incl. temporary/loaned*	3,798	3,545	+7%

\* at June 30, 2007, versus Dec. 31, 2006

# Turbo Machinery: Momentum from oil/energy sector



- Strong demand for turbo machinery used by the mineral oil/energy sector.
- Order intake at a high level; business in new-plant construction inching down; growing demand for services.
- Cornerstone laid in Q2 for Chinese production and service shop.

# Industrial Services



€ million	H1/2007	H1/2006	Δ
Order intake	647	580	+12%
Sales	580	623	-7%
Operating profit	53	51	+2
ROS in %	9.2	8.1	-
Headcount incl. temporary/loaned*	4,680	4,879	-4%

\* at June 30, 2007, versus Dec. 31, 2006

# Industrial Services: Strong advance in earnings



- Orders for Services business mushrooming
- Sales down due to disposal of MAN TAKRAF Fördertechnik
- Megacontracts expected for H2/2007

- Economic prospects worldwide continuing good
- Order intake 2007: rise of around 5%
- Sales 2007: up by over 10%
- Operating profit: outpacing sales growth
- ROS 2007: just above 10%

