



Capital Market Day Opening Remarks

Håkan Samuelsson, CEO



Profile



MAN Group

Engineering group with five divisions

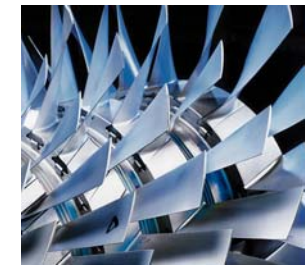
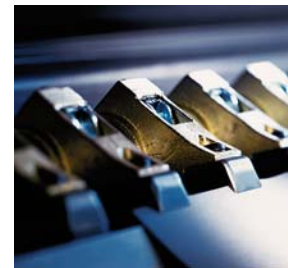
Commercial Vehicles

Industrial Services

Printing Systems

Diesel Engines

Turbo Machines



| Commercial Vehicles | Industrial Services | Printing Systems | Diesel Engines | Turbo Machines |
|---|--|--|---|--|
| <ul style="list-style-type: none"> ▪ Sales: €7.4 bn ▪ OP: €342 mn ▪ Trucks ▪ Buses ▪ Engines ▪ Services | <ul style="list-style-type: none"> ▪ Sales: €3.2 bn ▪ OP: €72 mn ▪ Contracting ▪ Logistics ▪ Marketing platform | <ul style="list-style-type: none"> ▪ Sales: €1.6 bn ▪ OP: €3mn ▪ Web-offset ▪ Sheet-offset ▪ Services | <ul style="list-style-type: none"> ▪ Sales: €1.4 bn ▪ OP: €55mn ▪ 2-stroke ▪ 4-stroke ▪ Services | <ul style="list-style-type: none"> ▪ Sales: €0.7 bn ▪ OP: €36mn ▪ Compressors ▪ Turbines ▪ Services |

MAN Group: €14.9 billion sales €573 million operating profit



Highlights 2004



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- Operating profit of €573 million (2003: €383 million)
 - ROCE 12.6% (2003: 8.4%)
 - ROS 3.8% (2003: 2.8%)
 - EPS €2.09 (2003: €1.25)
- Cashflow from operating activities: €974 million (2003: €906 million)
- Dividend proposal €1.05 (2003: €0.75)
- Order intake: +17% to €16.1 billion
- Sales: +10% to €14.9 billion
- Order backlog of €8.2 billion (+12%)



Industrial Governance

- Each division must be able to evolve within the group and to stand its ground against the best competitors in the marketplace
- Responsibility for divisional operations decentralised
- Strategic management centralised:
 - clear goals / pursuit of goals
 - enhanced transparency, both internally and externally
 - zero tolerance for loss-makers, no cross-subsidising
 - knowledge transfer
 - management development / job rotation



New Targets: RoCE and RoS

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- Return on capital employed (RoCE) for the Group: 18% over the cycle (Group WACC: 10.5%)
- Operating Return on Sales (RoS) for the Group: 6% over the cycle
 - 6.5% for the manufacturing divisions
 - 3.0% for Industrial Services

| | 2004 | 2003 |
|------|-------|------|
| RoCE | 12.6% | 8.4% |
| RoS | 3.8% | 2.8% |



Commercial Vehicles



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Priorities

Improve cost structure,
strengthen market position

Strategy

- Strengthen European distribution network
- Premium technology in trucks and buses
- Expand sales volume in overseas markets
- Expand service portfolio
- Economies of scale through strategic partnerships



Industrial Services



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Priorities

Focus on profitable core businesses

Strategy

- Strong local market presence in over 60 countries worldwide
- Customer oriented business approach
- Providing successful customised industrial project development and financing concepts



Printing Systems



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Turbo Machines



Strategy

- Focus on core business
- Expand service business
- Leadership in technology and innovation

Priorities

Turnaround sheet-fed presses



Diesel Engines



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Strategy

- Licence business
- Global service
- Leadership in technology and innovation

Priorities

Restructuring UK,
Integration FRG+DK,
improve cost structures



Turbo Machines



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Strategy

- Focus on primary industries, air separation as well as oil & gas
- Strong R&D commitment

Priorities

Concept for expansion



Our tasks – expectations 2005



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"Our major tasks are, to speed up the operating performance of all divisions and create a sustainable group structure."

„For the group, we anticipate a further increase in order intake and sales as well as a significant improvement in earnings."