

MAN 2006 Annual General Meeting



Welcome



Review

2005

Strategy

Outlook

2006

Highlights



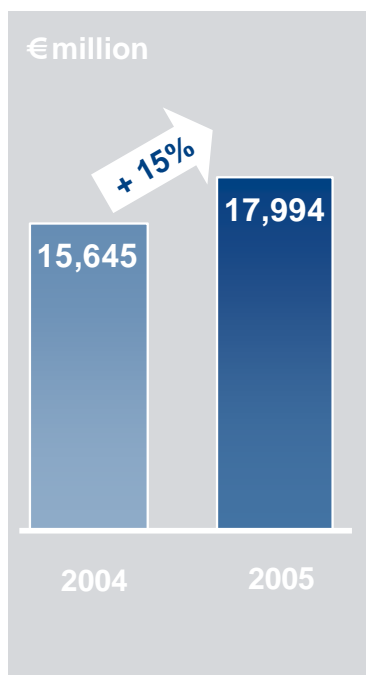
- Guiding principles business policy
- Disposal of peripheral activities
- Introduction of Industrial Governance management concept
- Turnaround of sheet-fed presses and high-speed diesel engines
- Performance increase



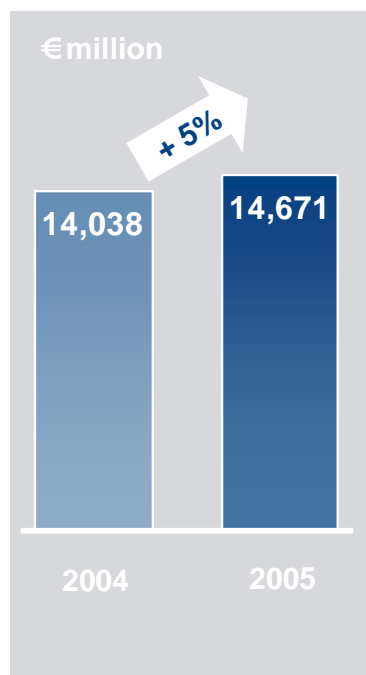
A good year for MAN



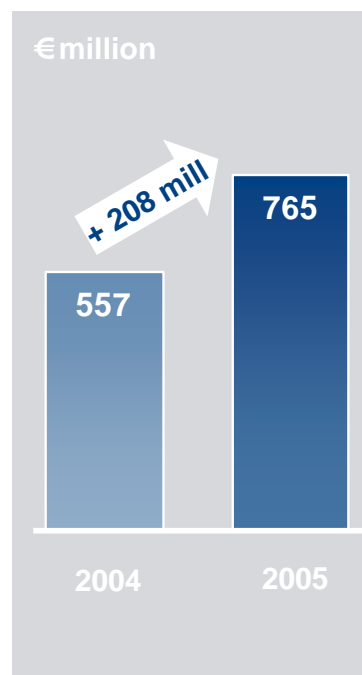
Order intake



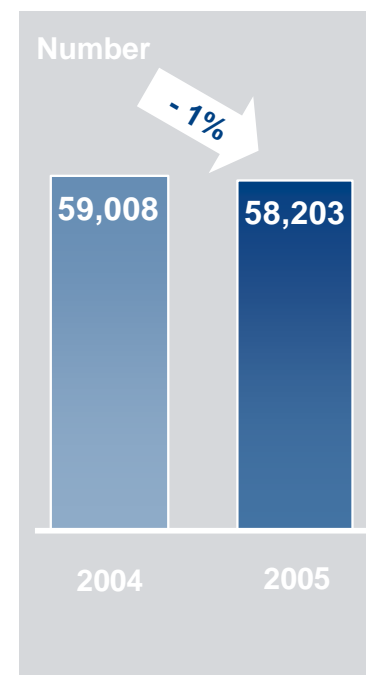
Sales



Operating profit



Employees



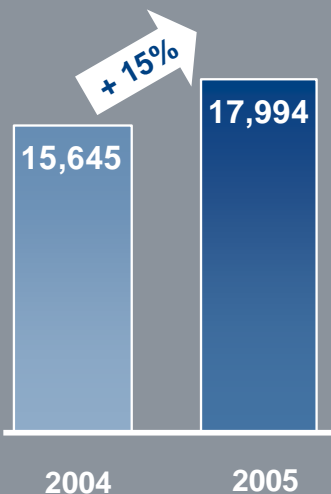
incl. Printing Systems

A good year for MAN



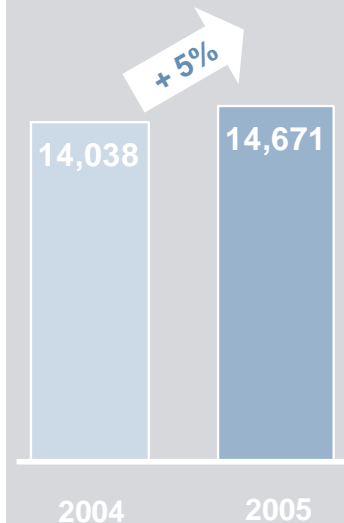
Order intake

€million



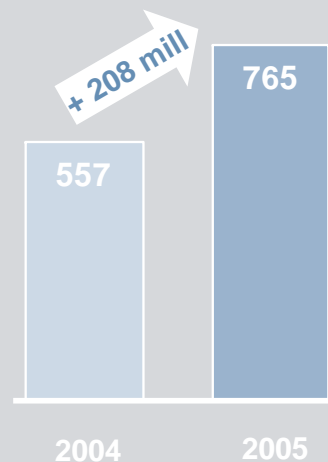
Sales

€million



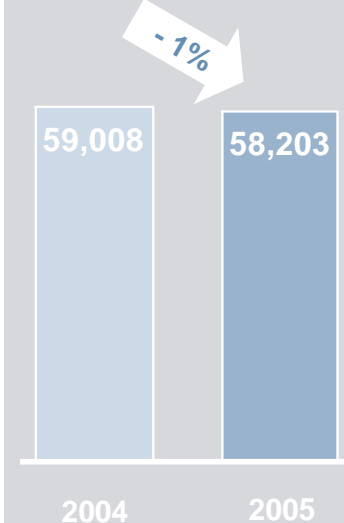
Operating profit

€million



Employees

Number

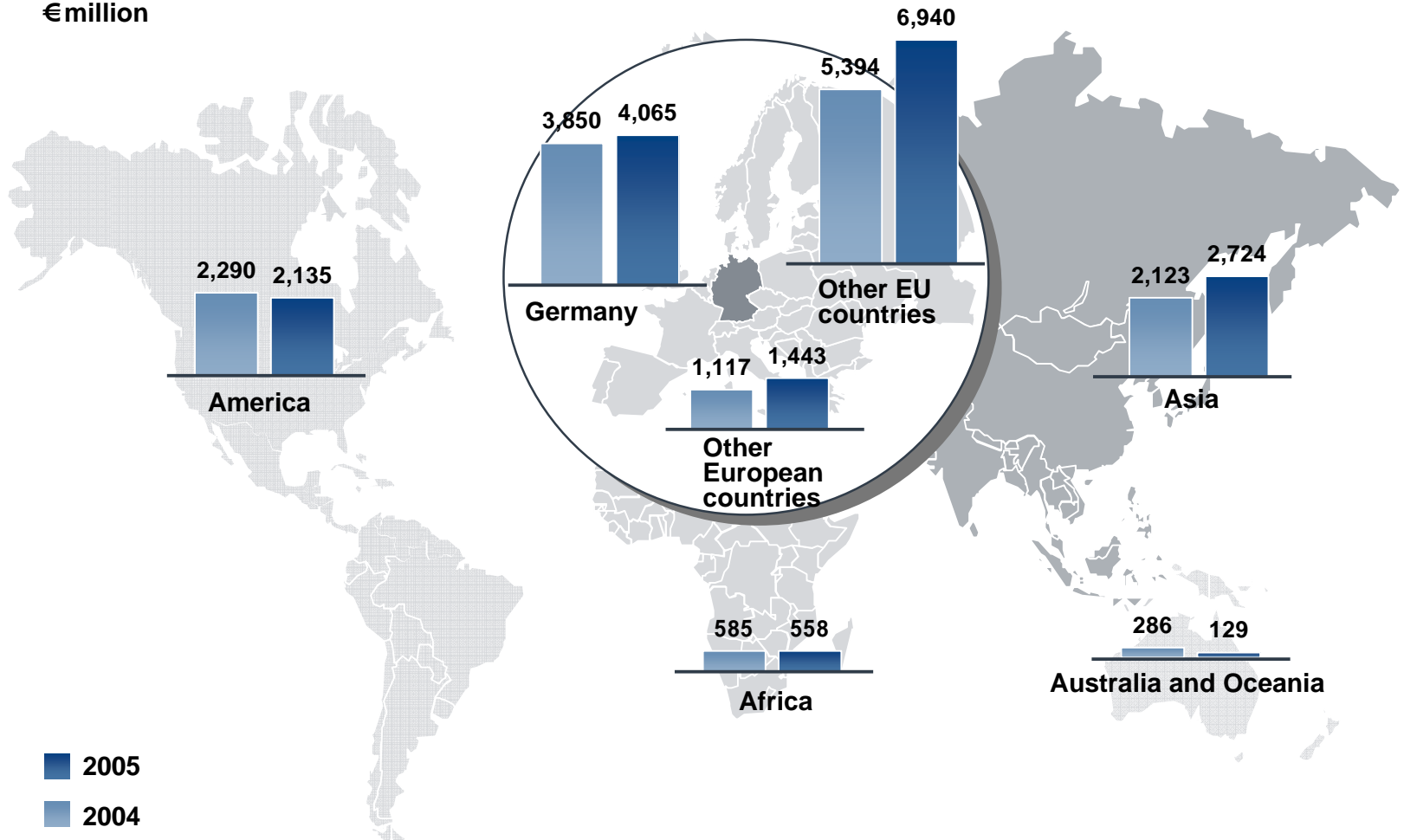


incl. Printing Systems

Order intake by region 2005



€million

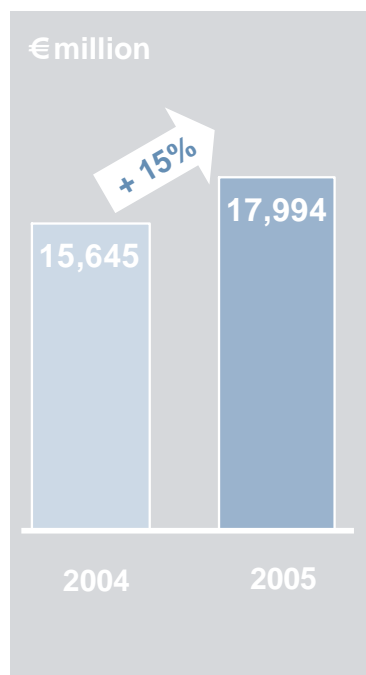


■ 2005
■ 2004

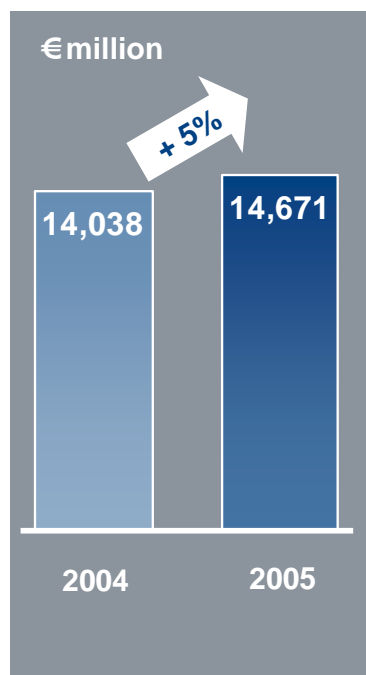
A good year for MAN



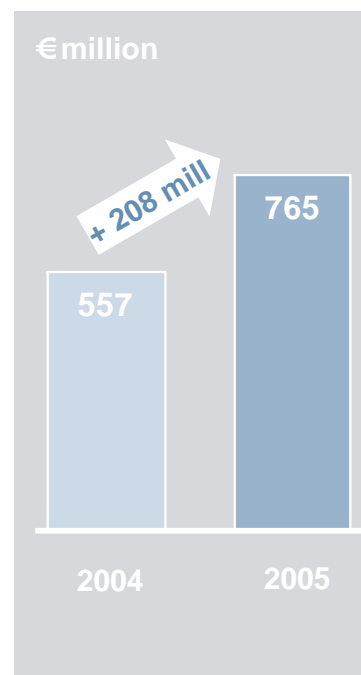
Order intake



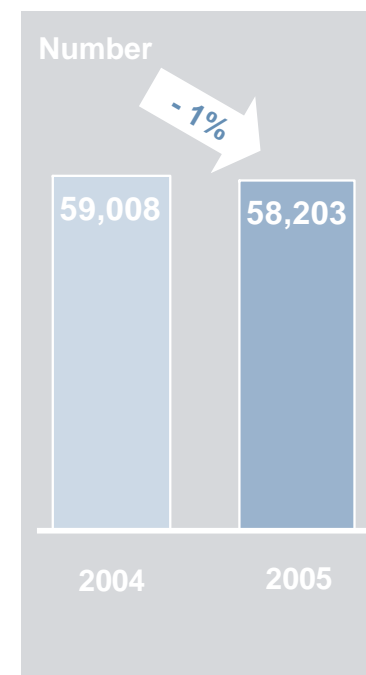
Sales



Operating profit



Employees

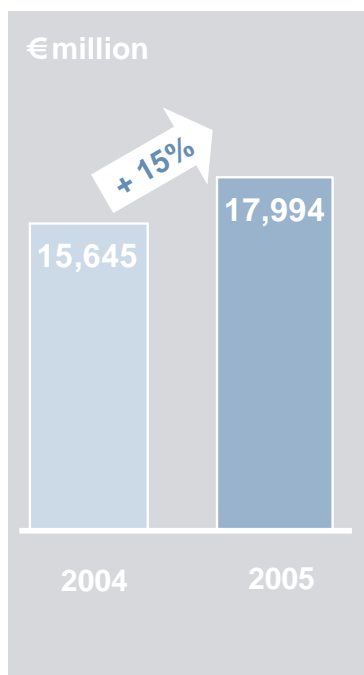


incl. Printing Systems

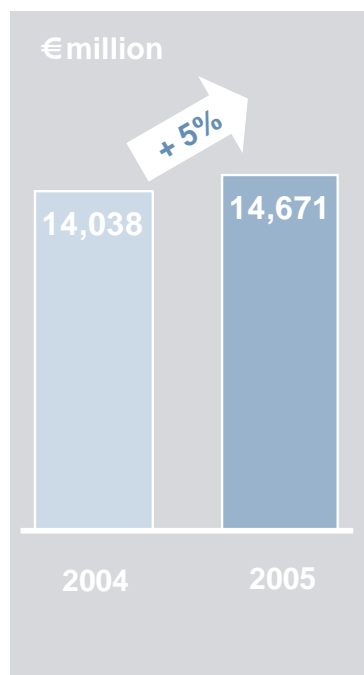
A good year for MAN



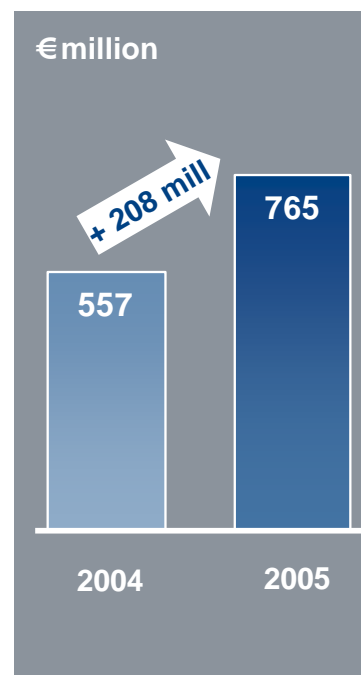
Order intake



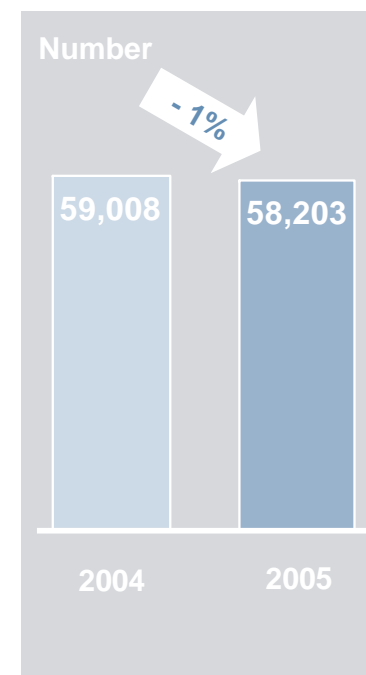
Sales



Operating profit



Employees

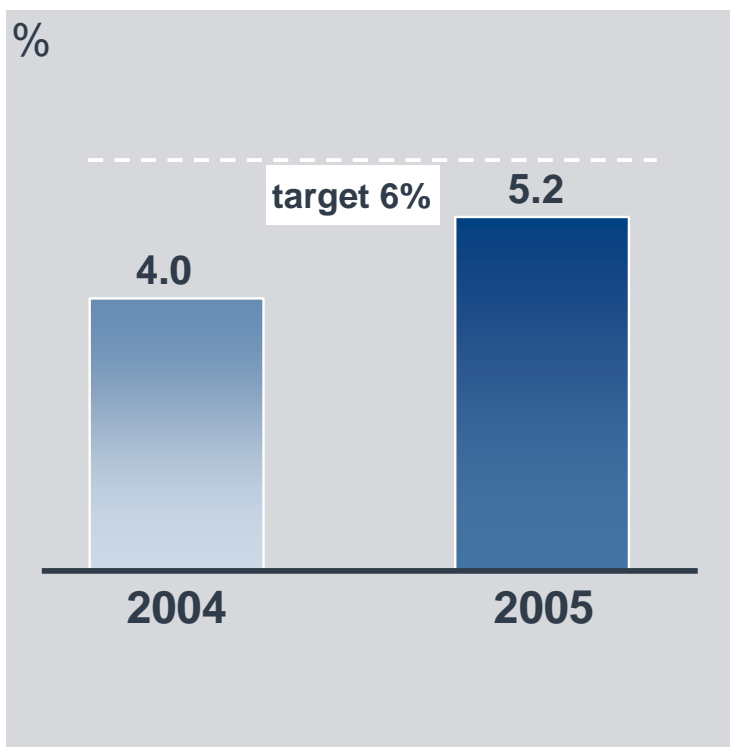


incl. Printing Systems

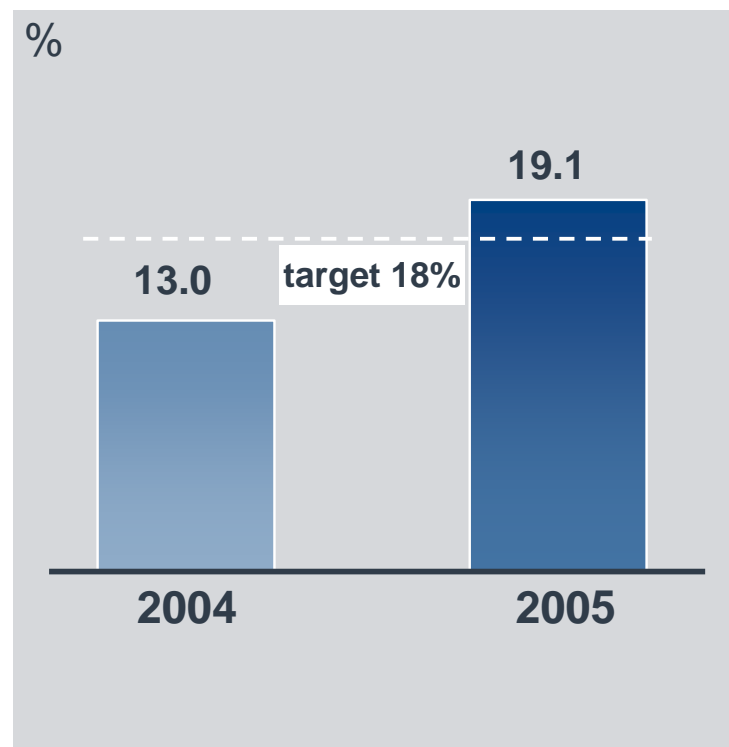
MAN Group returns



Return on Sales (ROS)



Return on Capital Employed (ROCE)



Earnings by business area 2005

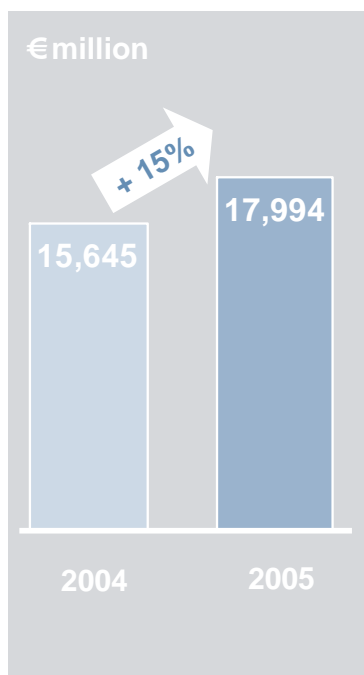


	Operating profit 2004	Operating profit 2005	ROS 2005	ROS target
Commercial Vehicles	322	469	6.4%	7.0%
Industrial Services	72	90	3.2%	4.0%
Printing Systems	3	65	3.7%	6.5%
Diesel Engines	55	117	7.1%	6.5%
Turbomachines	36	43	6.2%	6.5%

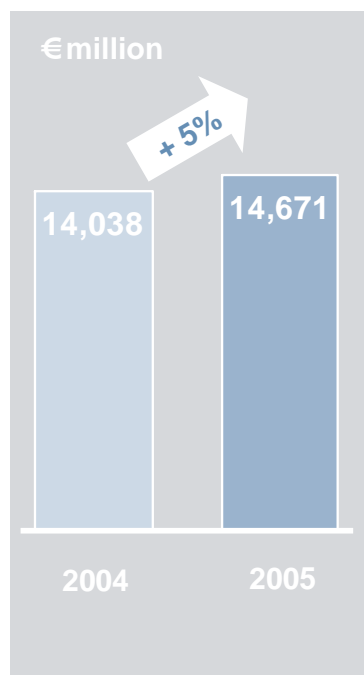
A good year for MAN



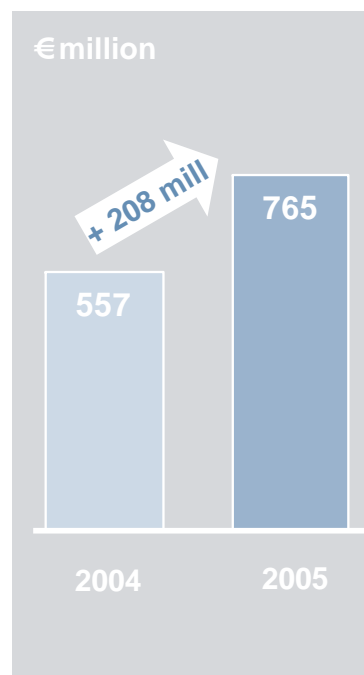
Order intake



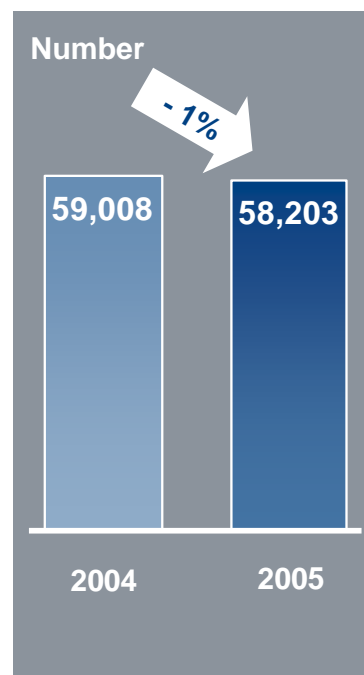
Sales



Operating profit



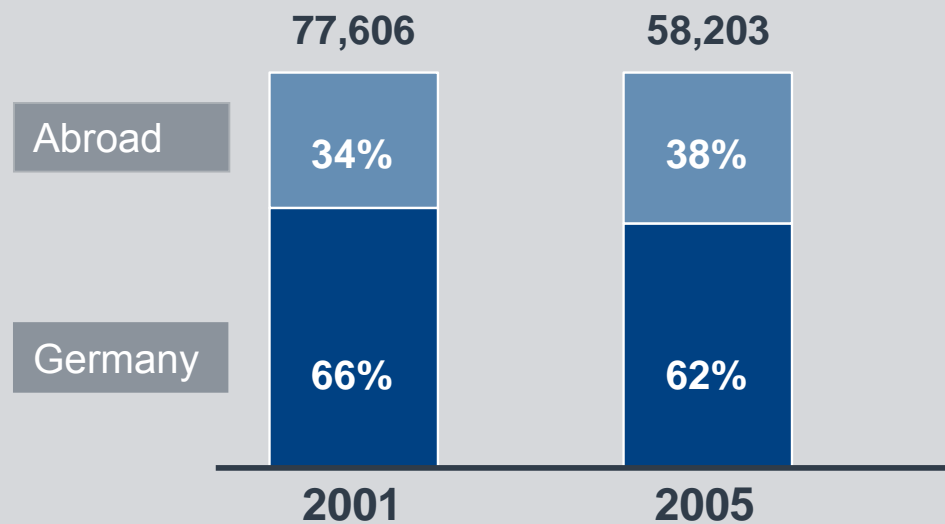
Employees



incl. Printing Systems

Employees

Number

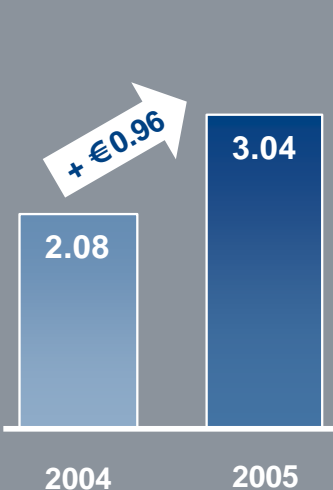


A good year for our stockholders



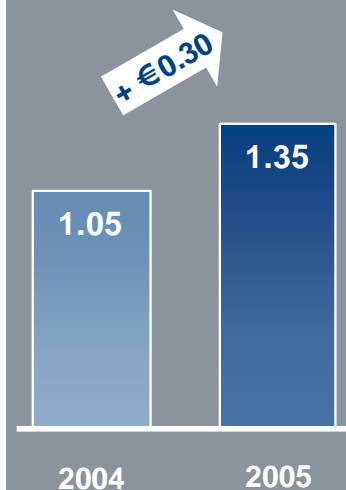
Earnings per share

in €



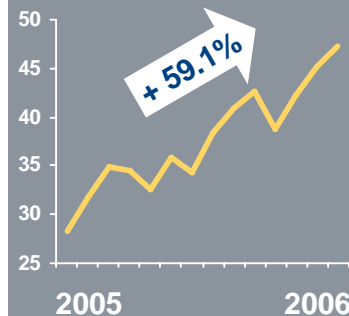
Dividend per share

in €



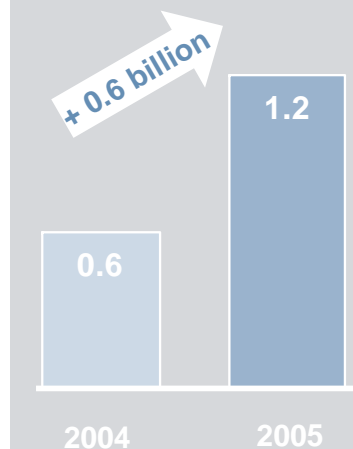
Stock price performance

in €



Free cash flow, indust. business

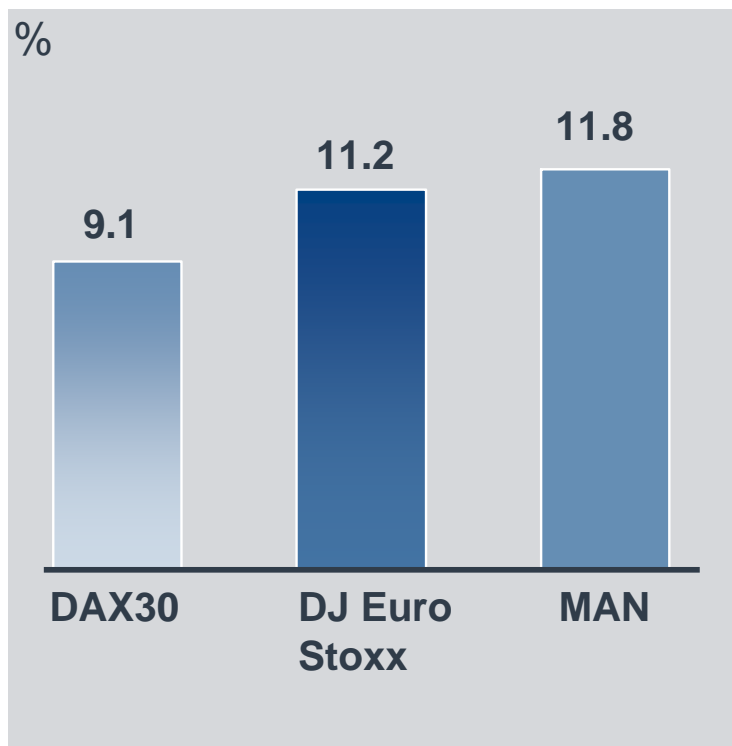
in € billion



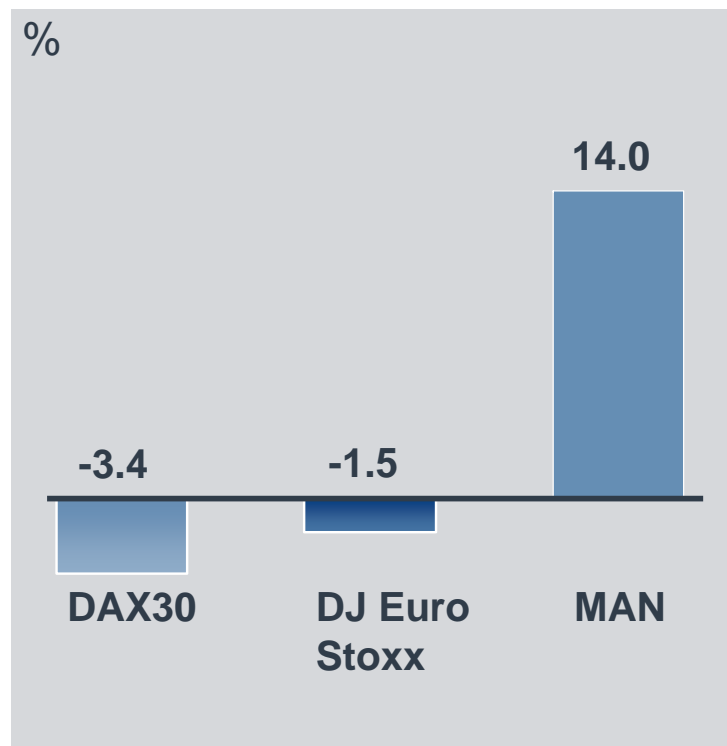
Long-term stock price performance



Performance, 1996-2005 p.a.



Performance, 2001-2005 p.a.

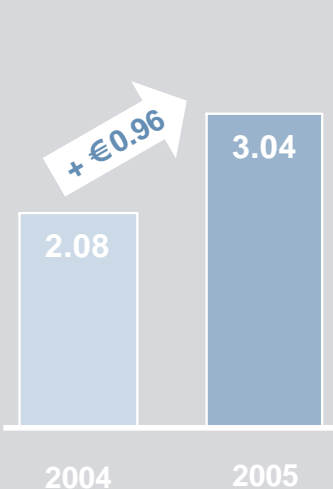


A good year for our stockholders



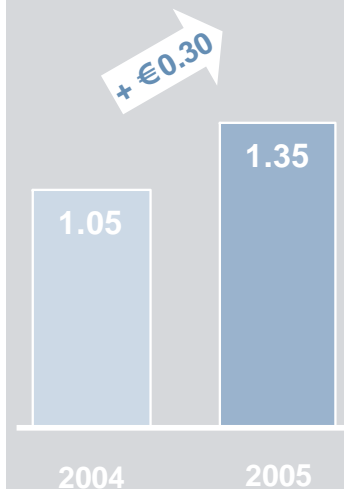
Earnings per share

in €



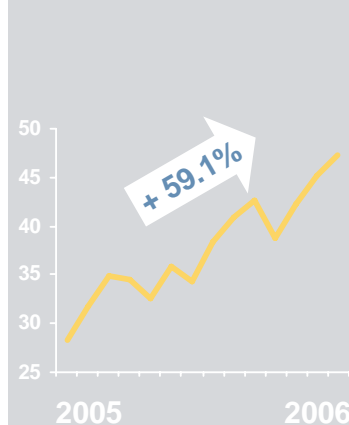
Dividend per share

in €



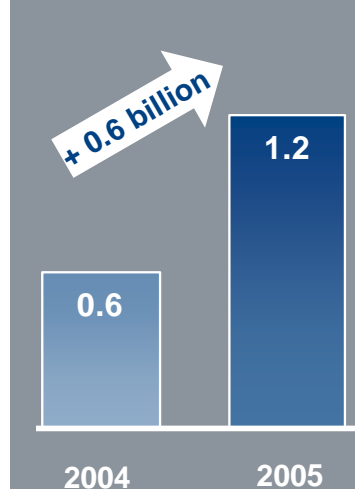
Stock price performance

in €



Free cash flow, indust. business

in € billion



Use of cash flow: priorities



1. Strengthening core business areas through **acquisitions**
2. Complete funding of **pension liabilities**
3. Expansion of **sales financing**
4. Special distribution of funds / **share buybacks**



Review

2005

Strategy

Outlook

2006

Guiding principles



- Development opportunities within the Group
- Benchmarks with best-in-class competitors
- No cross-subsidizing
- No tolerance for loss makers

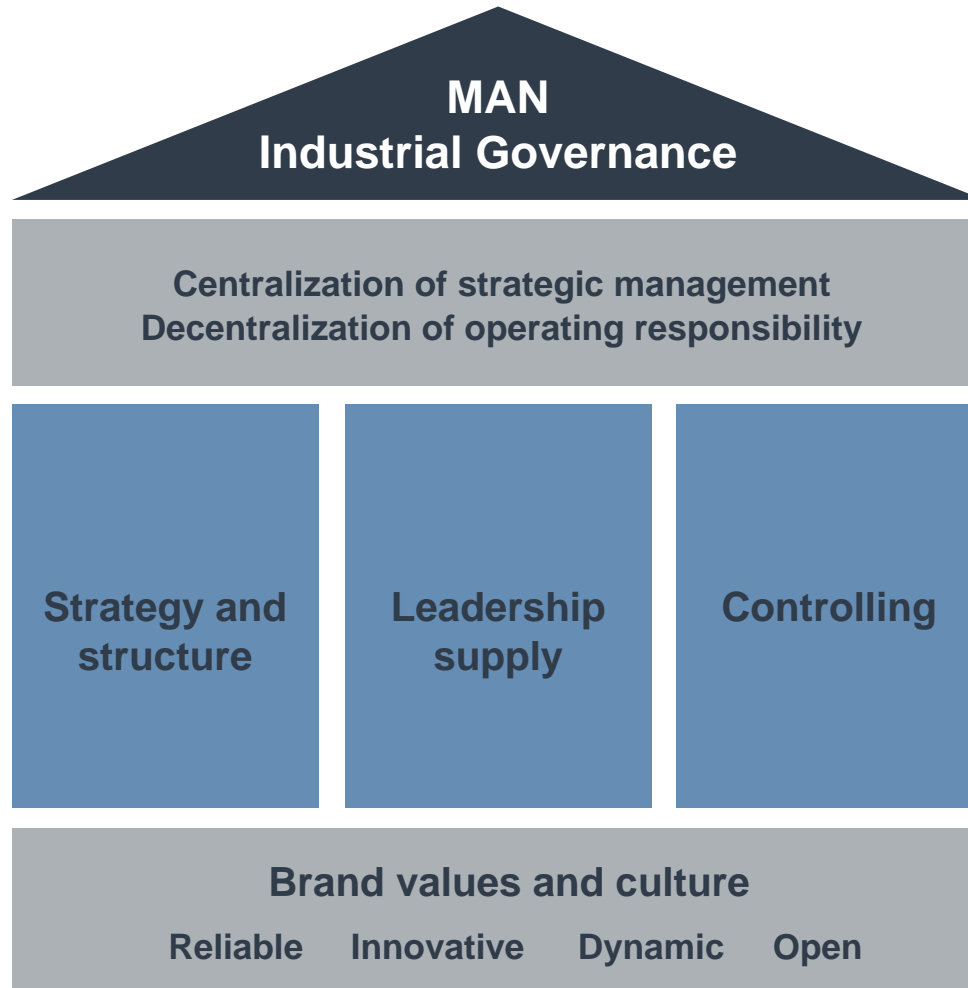


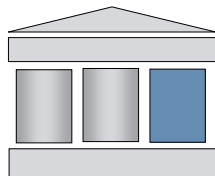
Cost program "6% = + €300 million"



Improvement operating profit by + €300 million
(by 2007, on a 2004 basis)

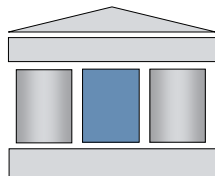
Elimination of loss makers	+ €100 million	✓
Commercial Vehicles	+ €150 million	} ON TRACK
Other business areas	+ €50 million	
	<hr/> + €300 million	





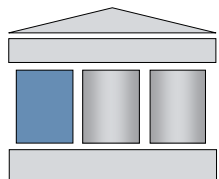
CONTROLLING

- Active governance – fewer numbers
- Rolling quarterly planning
- Non-financial management parameters
- Integration of risk management



LEADERSHIP SUPPLY

- Periodic management audits
- New compensation system
- Job rotation



STRATEGY / STRUCTURE

- Strategy process implemented
- Strategy per business area defined
 - ➔ New orientation of the MAN Group to "Transport related Engineering"

Reasons for separation from MAN Roland



- Expected and necessary **market consolidation**
- MAN Roland will gain **flexibility**
- **Concentration** of our financial and management resources



Cornerstones of the separation from MAN Roland



- **Equity stake** in newly founded company: 65% Allianz Capital Partners (ACP); 35% MAN AG
- **Potential for increase in value** through intended IPO
- **Transaction security** – no negative effects for customers or employees
- **Enterprise value** € 856 million

Best solution for the MAN Group, MAN Roland and our stockholders

Transport related Engineering

2005: sales of €13.0 billion; operating profit of €700 million; 49,000 employees



Commercial Vehicles

- Trucks
- Buses
- Engines
- Services



Diesel Engines

- 2-stroke
- 4-stroke
- Services



Turbomachines

- Compressors
- Turbines
- Reactors
- Services



Industrial Services

- Contracting
- Logistics
- Service platform



Strategy

- International growth
- Strengthening market position
- Strengthening profitability
- Premium products
- Economy of scale through cooperations

Commercial Vehicles highlight: assembly plant in Niepolomice, Poland



- Production start in mid-2007
- Total investment: €90 million
- Assembly capacity
15,000 units p.a.



Commercial Vehicles highlight: joint venture with Force Motors, India



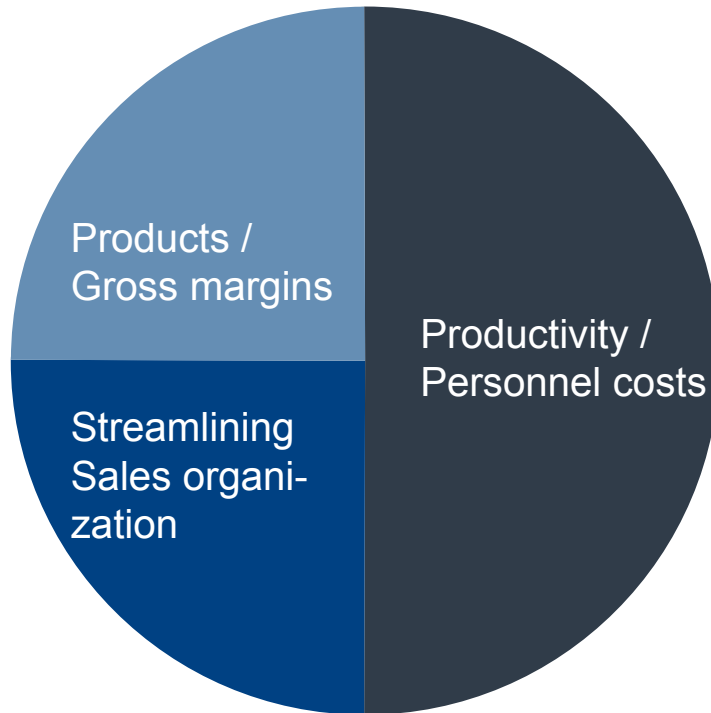
- MAN Cargo Line - adapted series for emerging markets
- Production start October 2006
- Yearly capacity of 24,000 vehicles
- Distribution through MAN organization outside of India
- Total investment approx. €150 million; MAN share 30%



Cost program "6% = + €300 million"



Improvement of Commercial Vehicles operating profit by + €150 million (by 2007, on a 2004 basis)



Diesel Engines



Strategy

- Integration in one single Diesel Group
- Cost efficiency of the products
- Strengthening of service business

Diesel Engines highlight: MAN Diesel SE



- Creation of a European Company: MAN Diesel SE (Societas Europaea)
- Streamlined international structure
- Completion of integration by September 2006
- MAN Diesel to gain new identity



Diesel Engines highlight: growth strategy



- Joint venture MAN Ferrostaal for turnkey diesel power plants
- Self-conducted strengthening of high-speed engine segment
- Design center in India
- Expansion of a global service organization





Strategy

- Growth
- Complete turbo machinery trains
- Expansion of service business

Turbomachines highlight: growth potential



- Synthetic fuels (GTL/BTL)
- Allocation of MAN DWE (chemical reactors)
- Acquisition of B+V Industrietechnik (steam turbines)
- Growth in emerging markets - raw materials industry





Strategy

- Focus on two segments
 - Projects & Contracting
 - Service & Logistics
- Expansion of project development
- MAN services and sales platform

Industrial Services highlight: expansion of services and sales platform



- Regional "MAN houses"
- Joint venture MAN Diesel for turnkey Diesel power plants
- Bus business in Mexico with MAN Nutzfahrzeuge
- Project development competence



Review

2005

Strategy

Outlook

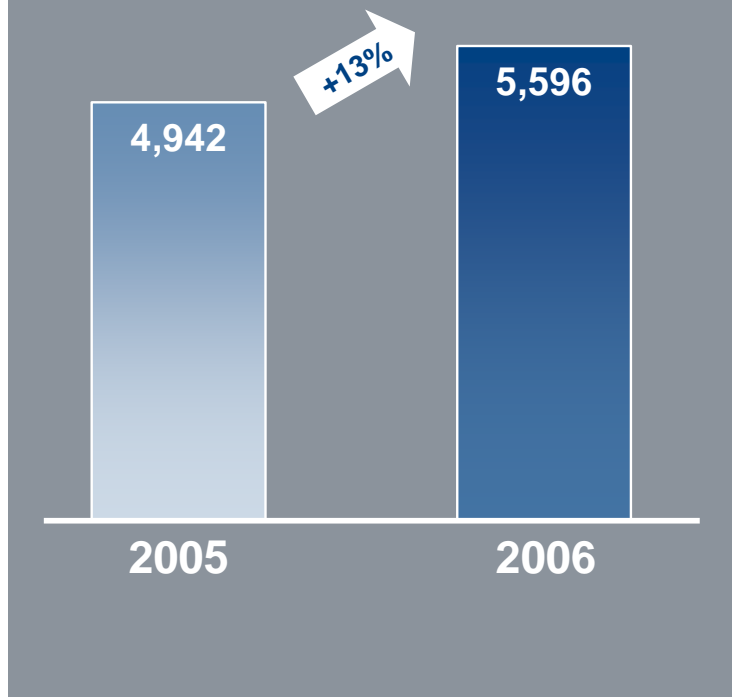
2006

MAN Group - January to April



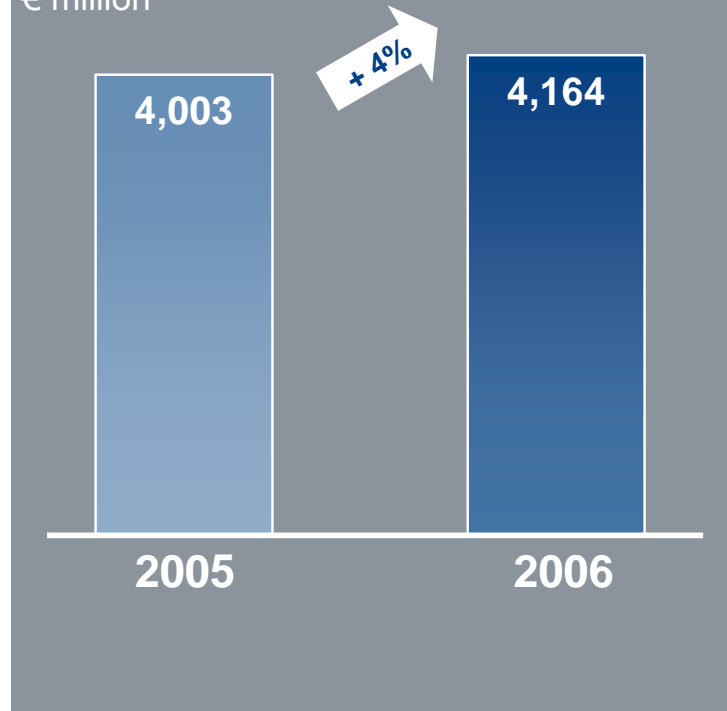
Order intake*

€ million



Sales

€ million



*excluding Ministry of Defence (MoD) order worth € 1,358 mill. in 2005

Outlook for 2006



- Positive **business climate** worldwide
- **Increasing demand** for trucks, buses and turbomachines
- Introduction of **EURO 4 emission standards**
- High **demand** for Diesel Engines



Outlook for 2006



- **Order intake** at nearly the same level as the previous year
- **Sales increase** of approx. 5%
- **Operating profit** considerably outperforming sales
- **ROS** >6%
- **ROCE** >18%



Next Annual General Meeting



May 10, 2007

Thank you for your attention!