

Analysts Conference

30 March 2004

- Turnaround in the bus sector earlier than expected
- Sale of SMS – a significant step towards concentration on core activities
- Concept for MAN Technologie
- Reorganisation of sheetfed-press operations underway
- Net liquid assets improved by €0.6 billion
- Marked rise in profitability
- Major boost in earnings expected for 2004

Performance of MAN shares



Performance of MAN shares and key indices in 2003 and current trends in 2004 (in %)

	1 Jan. to 26 Mar. 2004	2003
MAN ordinary shares	15.0	82.9
MAN preference shares	25.3	100.0
DAX30	- 3.6	37.1
Dow Jones Euro Stoxx 50	0.5	15.7

New Structure of the MAN Group



MAN Group

Industrial

Commercial Vehicles
Printing Systems
Diesel Engines
Turbo Machines
Further Industrial Holdings

Services

Industrial Services
Financial Services

Economic Environment in 2003



Growth in GDP :

Spring 2003 forecasts: + 0,5 %

Actual growth: - 0,1 %

Growth in capital expenditure (investment in equipment):

Spring 2003 forecasts: + 0,8 %

Actual growth: - 3,0 %

→ Demand for capital equipment:
nominal: + 1,0 %, real: + 1,0 %

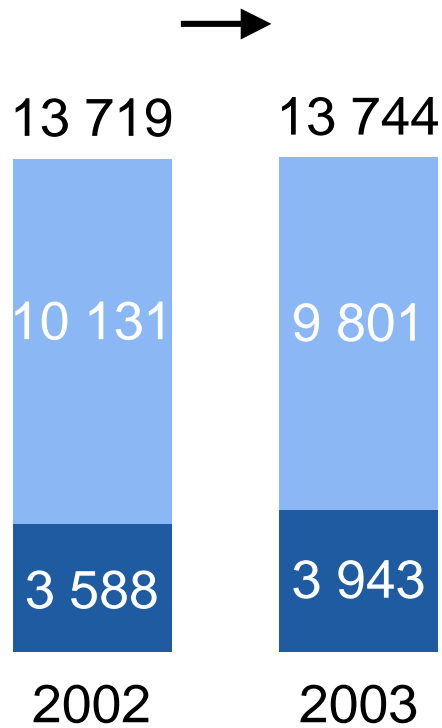
Order intake



in Euro mill.	2003	2002	Δ %
Commercial Vehicles	6 772	6 525	+ 4
Printing Systems	1 575	1 542	+ 2
Diesel Engines	1 460	1 363	+ 7
Turbo Machines	658	539	+ 22
Further Industrial Holdings	894	818	+ 9
Industrial Services	2 738	3 178	- 14
Financial Services	607	602	+ 1
Consolidated	- 960	- 848	-
MAN Group	13 744	13 719	+ 0

in Euro mill.

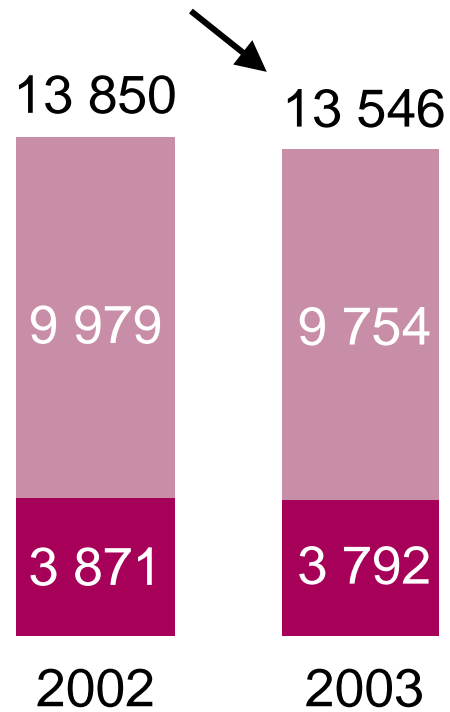
Order intake



RoW
Germany

Sales

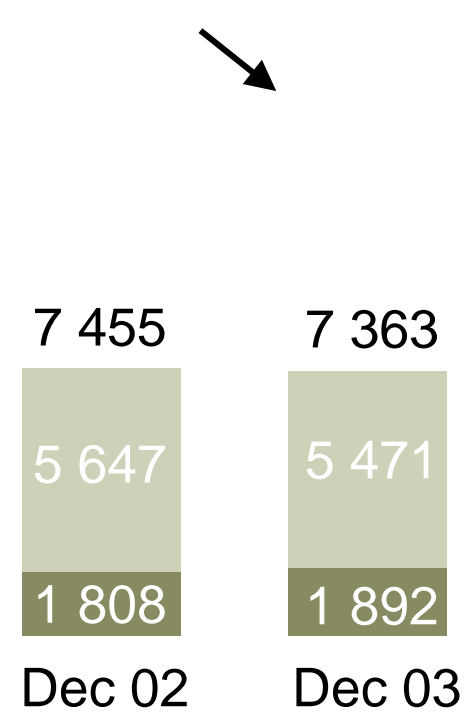
- 2%



RoW
Germany

Order backlog

- 1%



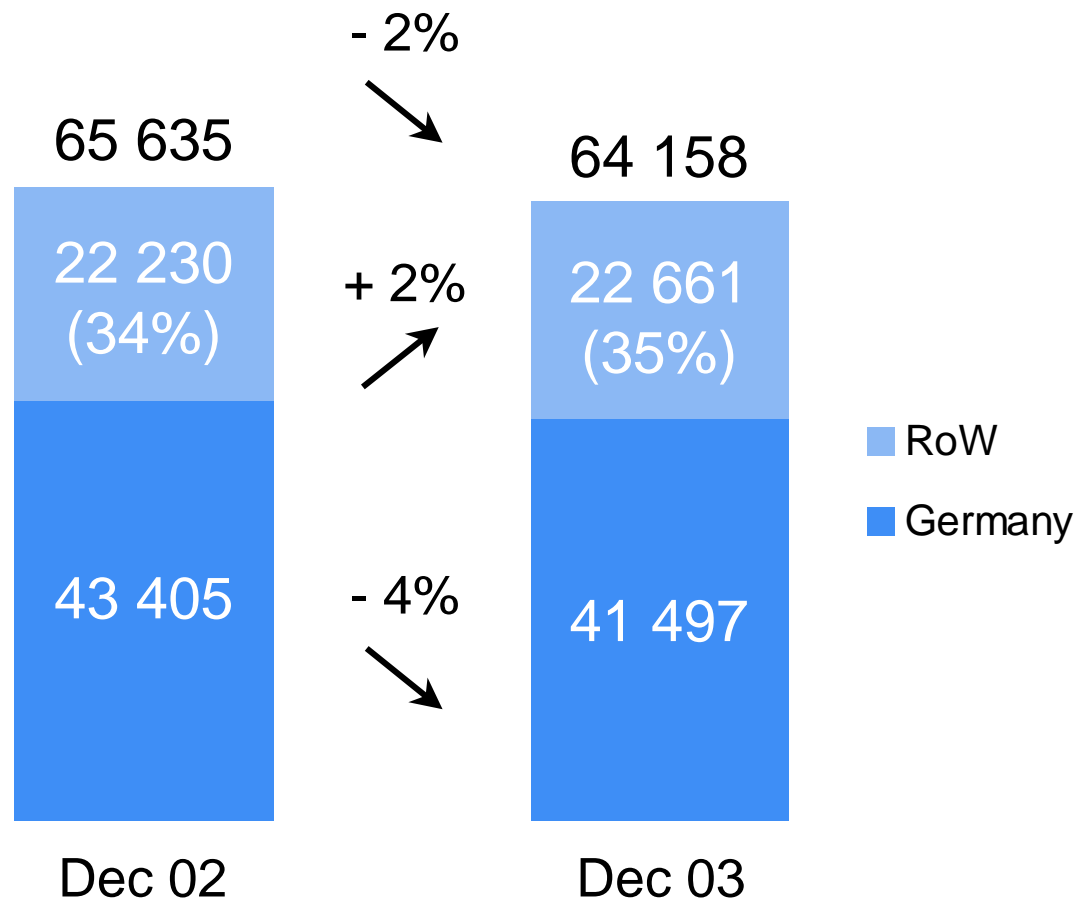
RoW
Germany

Employees



	Dec 03	Dec 02	Δ %
Commercial Vehicles	34 094	34 398	- 1
Printing Systems	9 465	10 300	- 8
Diesel Engines	6 625	6 889	- 4
Turbo Machines	2 494	2 500	0
Further Industrial Holdings	4 500	4 678	- 4
Industrial Services	6 689	6 598	+ 1
Financial Services	87	77	+ 13
Holding	204	195	+ 5
MAN Group	64 158	65 635	- 2

MAN Group Employees



Innovations - R&D



in Euro mill.

Expenditure on research and development



- Commercial Vehicles:
D20 Common Rail
- Printing Systems
Direct Drive
- Diesel Engines
Common Rail for heavy engines

Commercial Vehicles



in Euro mill.	2003	Δ	2002
Order intake	6 772	+ 4%	6 525
Sales	6 707	+ 2%	6 564
EBIT	203	+ 99%	102
of which Trucks	198	+ 14%	174
of which Buses	5	-	- 72
EBT	121	+ 831%	13
Number of employees (31 Dec.)	34 094	-1%	34 398

Printing Systems



in Euro mill.	2003	Δ	2002
Order intake	1 575	+ 2%	1 542
Sales	1 516	- 16%	1 808
EBIT	- 26	-	19
of which Sheet-fed	- 56	-	- 43
of which Web-fed	30	- 45%	67
of which Trade and Services	0	-	- 5
EBT	- 37	-	10
Number of employees (31 Dec.)	9 465	-8%	10 300

Diesel Engines



in Euro mill.	2003	Δ	2002
Order intake	1 460	+ 7%	1 362
Sales	1 312	- 7%	1 408
EBIT	58	- 30%	83
of which 2-stroke Engines	41	- 9%	45
of which 4-stroke med. speed Eng.	27	- 50%	54
of which other business units	- 10	- 60%	- 16
EBT	44	- 35%	68
Number of employees (31 Dec.)	6 625	- 4%	6 889

Turbo Machines



in Euro mill.	2003	Δ	2002
Order intake	658	+ 22%	539
Sales	567	+ 7%	530
EBIT	29	- 3%	30
EBT	23	+ 5%	22
Number of employees (31 Dec.)	2 494	0%	2 500

Further Industrial Holdings



in Euro mill.	2003	Δ	2002
Order intake	894	+ 9%	818
Sales	837	- 1%	843
EBIT	50	+ 213%	16
EBT	40	+ 300%	10
Number of employees (31 Dec.)	4 500	- 4%	4 678

Industrial Services



in Euro mill.	2003	Δ	2002
Order intake	2 738	- 14%	3 178
Sales	2 880	- 1%	2 916
EBIT	73	- 1%	74
EBT	65	- 24%	85
Number of employees (31 Dec.)	6 689	+ 1%	6 598

Financial Services



in Euro mill.	2003	Δ	2002
Order intake	607	+ 1%	602
Sales	627	0%	628
EBIT	84	- 2%	86
EBT	26	+ 53%	17
Number of employees (31 Dec.)	87	+ 13%	77

MAN Group – Consolidated Earnings*



in Euro mill.	2003	Δ	2002
EBIT	443	+ 13%	391
EBT	261	+ 23%	213
Net income	192	+ 36%	141
Earnings per share (in €)	1,25	+ 37%	0,91

* Continued operations

Returns



in %	RoCE		RoS	
	2003 (2002)		2003 (2002)	
Commercial Vehicles	9,4	(4,3)	1,8	(0,2)
Printing Systems	- 4,4	(4,6)	- 2,4	(0,6)
Diesel Engines	11,4	(16,8)	3,4	(4,9)
Turbo Machines	12,4	(11,7)	4,0	(4,2)
Further Industrial Holdings	7,9	(3,4)	4,8	(1,2)
Industrial Services	15,0	(14,8)	2,3	(2,9)
MAN Group*	8,3	(7,1)	1,9	(1,5)

* Continued operations

Consolidated Income Statement



in Euro mill.

	2003	2002
EBIT	477	391
EBT	303	219
of which SMS-Group (to 30 Sep. 2003)	- 8	6
of which from sale of SMS	50	-
Net income	235	147
Distribution	110	88
Earnings per share in €	1,54	0,92
Dividend per share in €	0,75	0,60

Financing and Balance-Sheet Structure



in Euro mill.

	Industrial		Financial	
	2003	2002	2003	2002
Equity ratio	32 %	30 %	8 %	7 %
Net liquid assets at 1 Jan.	318	201	- 1 325	- 1 353
Cash provided by operating activities	679	432	227	197
Cash used in investing activities	- 136	- 314	- 181	- 218
Cash used in financing activities *	- 72	- 35	- 21	49
Other changes in net liquid assets	26	34	46	0
Net liquid assets at 31 Dec.	815	318	- 1 254	- 1 325
Operating assets	3 473	3 685	1 414	1 478

* excluding changes in short-term securities and financial liabilities

Net Liquid Assets



Mio €

	2003	2002	Δ
Industrial business (incl. Industrial Services)	815	318	497
Financial Services	- 1 254	- 1 325	71
SMS Group	-	746	- 746
MAN Group	- 439	- 261	- 178

Criteria for Core Activities



System competence

MAN`s core businesses offer capital goods in the form of integrated systems geared to customer needs

Leading market position

Each division should hold at least third place in its relevant market, while aiming to reach second or first place

Self-supporting business volume

Each division must have the „critical size“ needed to generate its own growth

Criteria for Core Activities



Clear management structure

MAN AG must have supreme management authority in each company (contractual group)

High–return potential

Manufacturing companies must achieve a 5% Return on Sales (RoS) and all companies a 15% Return on Capital Employed (RoCE)

Disinvestment-Candidates



SMS Group

No clear management structure. MAN held 51%, remainder held by the Siemag Weiss Trust, voting ratio 50/50. Shares sold to the Weiss family.

SHW

No clear management structure. Niche supplier with substantial market shares, no systems business, stand-alone position difficult among large companies. MAN holds 50%, remainder held by the Federal State of Baden-Württemberg.

Disinvestment-Candidates



MAN Technologie

Niche supplier, small market share, sub-critical size for MAN. MAN holds 100%. Main activities: supplies for Ariane project and operation of the space station in Kourou. Weak position in the aviation sector.

Extremely difficult business situation due to crisis in the aerospace business.

MAN Logistik, MAN Wolffkran, GHH Bau

Niche suppliers, small market shares, sub-critical size for MAN. MAN holds 100%. Profitable following successful reorganisation.

Divestment of these activities envisaged in the mid-term.

High-Return Speciality Products



RENK AG

World market leader in the sectors of transmissions for tracked vehicles and fast ships, e-bearings. Benefits from being a member of the Group. High order backlog and good margins, positive business outlook, returns normally well above average.

MAN DWE

World`s leading supplier of salt-bath-cooled chemical reactors. Specialised in the construction of extremely heavy receptacles and structures. Expanding into gas-to-liquid activities. Fluctuating business volume, benefits from being a member of the Group (guarantees), on the whole high returns.

MAN Group: January – February



in Euro mill.

