



News service MAN Group

Press release of
March 21, 2003

Ferrostaal: New orders again increased The Executive Board informs about the financial year 2002 on occasion of the press conference on 21 March 2003

- **Further increase in new orders as well as in sales**
- **Pre-tax income on a high level**
- **Restructuring of the business field of steel engineering initiated**
- **Change within the Executive Board: Dr. Matthias Mitscherlich new Chairman**

New orders of more than 3 billion Euro

The Ferrostaal Group was able to increase new orders by 16% to a total of 3,178 million during the financial year 2002. This is the highest value ever achieved in the company's history. The divisions contributed to total new orders as follows: Facility Construction and Contracting (**A**) with a share of 23%, DSD Group (**D**) with a share of 17%, Industrial Equipment and Systems (**M**) with a share of 20% and Steel Trading and Logistics (**S**) with a share of 40%. Especially gratifying has been the significantly increased value in the Facility Construction and Contracting division, where we succeeded in concluding some major projects.

Further increase in sales

Sales could again be increased in 2002 in comparison with the previous year. Here 20% could be attributed to Germany, 8% to the remaining EU countries, 5% to Eastern Europe, 2% to the CIS countries, 23% to North America, 15% to Latin America, 11% to Africa and 16% to Asia/Oceania.

Development of earnings and capital

During the financial year 2002, the Ferrostaal Group's earnings amounted to 85 million € before taxes. This means a decrease by 19% in comparison with the record result of the previous year, and it was heavily marked by special influences. A total of 79 million € were transferred to our parent company, MAN Aktiengesellschaft, Munich, and 5 million € were transferred to reserves retained from earnings. The equity share (410 million €) of the balance sheet total of 1,708 million € amounts to 24%.

Dr. Matthias Mitscherlich new Chairman of the Executive Board

At the end of the financial year 2002, **Dr. Klaus von Menges** left the company as Chairman of the Executive Board upon reaching the retirement age. **Dr. Matthias Mitscherlich**, who has already been a member of the Executive Board of Ferrostaal AG since November 1, 2002, has become his successor.

Development of the divisions

Major increase in the Facility Construction division

In the business field **Facility Construction and Contracting (A)** we were able to increase new orders from 447 million € in 2001 by 64% to a total of 731 million €. In the financial year 2002, sales were with an



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amount of 615 million € by 17% higher, compared to the previous year's result of a total of 527 million €. At the end of the financial year, remaining orders on hand amounted to a total of 802 million €, compared to 694 million € as of December 31, 2001.

In spite of increase in new orders a difficult year for DSD Group

The **DSD Group (D)** division recorded new orders amounting to a total of 546 million € during the financial year under review. This means an increase by 18% compared to the previous year (464 million €). Sales decreased from 633 million € in 2001 by 12% to 555 million € in 2002. The division ended the financial year with remaining orders on hand in the amount of 498 million € as of December 31, 2002, compared to 523 million € in the previous year.

DSD's core business field of steel engineering in Saarlouis is being restructured and newly aligned due to difficulties in respect of capacity and earnings. This process has been started in the year 2002 and will be implemented during the year 2003.

Industrial Equipment and Systems remains below previous year's results

New orders in the **Industrial Equipment and Systems (M)** division were with an amount of 626 million € by 3% below the previous year's value in the amount of 648 million €. As for sales, a decrease from an amount of 510 million € in 2001 to a total of 452 million € had to be recorded in 2002 (-11%). At the end of the financial year 2002, remaining orders on hand amounted to 865 million €, compared to a total of 697 million € as of 31 December 2001.

Steel Trading and Logistics division continues with increasing order values

The **Steel Trading and Logistics (S)** division was able to end the financial year with new orders in the amount of 1,276 million €. This means an increase by 8% compared to the result of the previous year in the amount of 1,178 million €. Sales showed a positive development resulting in an increase by 9% from 1,185 million € in 2001 to a total amount of 1,293 million € in 2002. As of 31 December 2002, remaining orders on hand amounted to 294 million € compared to 350 million € in the previous year (-16%).

Outlook

It is expected that the world economy might slowly recover towards the end of the year 2003. Since investments follow the development of economic activities only with a certain time delay, a significant stimulation in respect of the investment goods industry, is, however, not to be anticipated. Due to the high project volume we are, however, still confidently looking forward to the course of the year 2003. To what extent the current political developments in the Middle East will have impacts on the entire world economy and hence also on the business activities of Ferrostaal Group can presently hardly be assessed.