



MAN Group: Order intake still at record level after four months

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- **Positive first-quarter performance continued through April 2005.**
- **Order intake rose by 44% to €1,680 million in April, due partially to major orders, excluding major orders by 13%. January to April up 47% to €7,074 million, excluding major orders, up 10%.**
- **Sales were up 13% in April to €1,230 million, resulting in a cumulated increase of 11% up to €4,395 million.**
- **Executive Board Chairman Håkan Samuelsson explained MAN's strategy and its priorities for 2005 to shareholders at the MAN AG Annual General Meeting.**
- **Outlook for 2005: over 5% growth in sales, operating profit to increase significantly faster than sales.**

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As in the first quarter, which was strongly impacted by a major order for British army trucks, MAN registered another exceptionally high order intake in April, thanks to several major orders, including an MAN Ferrostaal contract for the construction of a methanol plant in Oman worth €300 million. Ongoing operations were however also able to show a further 13% increase in order intake during April, achieving a 10% cumulated rise compared with the same period last year. For the first time, the order backlog exceeded the ten-million limit after four months, reaching a new record level of €10.7 billion at 30 April, after approximately €8 billion at the end of 2004.

All five core areas in the MAN Group were able to record growth rates in their order intake during the first four months of 2005, these being extremely high in some sectors. Thanks to the truck order from the British Ministry of Defence, **Commercial Vehicles** reported a 56% increase (excluding this order +3%), **Industrial Services** 24% and **Printing Systems** 68%, due to a strong performance by the web-fed sector. Order volumes in the **Diesel Engines** Division were also very positive, rising by 53% as a result of the continuing shipbuilding boom. **Turbomachines** showed a 9% rise in its order intake over the first four months.

Outlook for 2005

Over the full year of 2005, the demand for trucks will probably show slight growth in Europe, while activity in the bus sector is expected to be subdued. All other operations, with the exception of sheet-fed presses, will benefit from a sustained positive demand or a high order backlog. "If the economic situation does not suffer a substantial deterioration, we expect MAN to achieve sales growth of over 5%. Operating profit will rise at a much faster rate than sales."

Strategy

In his speech, Håkan Samuelsson confirmed that in view of advancing market globalisation and the increasing demands on the capital market, MAN must become "more dynamic, more open, more international and more profitable". MAN will be concentrating clearly on its five areas of Commercial Vehicles, Industrial Services, Printing Systems, Diesel Engines and Turbomachines.

Operating profit (EBIT minus net interest expense of Financial Services) has been introduced as the key financial figure for monitoring performance and will also facilitate comparison with other companies. The return ratios have also been redefined on the basis of operating profit, namely the return on capital employed, ROCE and the return on sales, ROS. At the same time, the Group's return targets have been slightly increased, standing at 18% for the ROCE and 6% for the ROS. The actual returns for 2004 amounted to 12.6% and 3.8%.

Mr. Samuelsson also explained the management's "industrial governance" concept, which entails centralising strategic industrial management at Group headquarters and decentralising responsibility for divisional operations within the scope of predefined targets.

Priorities for 2005

As priorities for 2005, MAN's Executive Board Chairman cited improving cost structures at MAN Nutzfahrzeuge and strengthening its market position. MAN Ferrostaal will continue to focus on profitable areas of operation. In the case of MAN Roland Druckmaschinen, the prime goal is to break even in the sheet-fed sector this year and at MAN B&W Diesel, to achieve a turnaround in its British four-stroke activities and integrate the German and Danish companies, while MAN TURBO will be drawing up a concept for further expansion. Group headquarters will continue to develop its management tools, promote management and knowledge transfer within the Group and increase its investor relations and communications activities.

"We have an opportunity to make each single division as successful as its best competitor," said Mr. Samuelsson. "Our mid-term goal is to achieve our new return targets by 2007 and subsequently maintain at least this level across all trade cycles. This means that in good years, we must exceed these target figures quite substantially."

Business volume MAN Group January to April

MAN Group €m	2005 Jan. – April	2004 Jan. – April	Change in %
Order intake	7 074	4 800	+ 47
Germany	1 331	1 312	+ 1
Rest of the world	5 743	3 488	+ 65
Order intake excl. major orders	4 742	4 312	+ 10
Sales	4 395	3 948	+ 11
Germany	1 185	1 090	+ 9
Rest of the world	3 211	2 858	+ 12
Order backlog *)	10 688	7 954	+ 34

*) Closing figure at April 30, 2005 compared with December 31, 2004

Order intake MAN divisions January to April

MAN Divisions €m	2005 Jan. – April	2004 Jan. – April	Change in %
Commercial Vehicles	3 950	2 525	+ 56
Industrial Services	1 256	1 009	+ 24
Printing Systems	796	475	+ 68
Diesel Engines	806	528	+ 53
Turbomachines	249	228	+ 9

MAN Aktiengesellschaft
The Executive Board

The **MAN Group** is one of Europe's leading engineering groups with annual sales of some €15 billion. As a global supplier of products, systems and services for the capital equipment industry, MAN operates with 60,000 employees in its core segments of Commercial Vehicles, Industrial Services, Printing Systems, Diesel Engines and Turbomachines. MAN Group members hold leading positions in most of their markets. The headquarters (holding), **MAN Aktiengesellschaft**, Munich, is a member of the Deutscher Aktienindex DAX (German Share Index) which comprises the thirty leading public limited companies in Germany.