



## MAN Group in the first quarter of 2005 – continuing growth, marked rise in earnings

Munich, May 10, 2005

- **Operating profit of €105 million (+67%)**
- **Earnings per share more than doubled**
- **Strong boost in order intake, sales rise by 11%**
- **Outlook for 2005: expanding business volume, significantly higher rate of earnings growth**

**MAN Aktiengesellschaft**  
Corporate Communications  
Ungererstr. 69  
80805 Munich/Germany

**Queries to**  
Wieland Schmitz  
Tel. +49. 89. 36098-380

Michael Melzer  
Tel. +49. 89. 36098-388

public.relations@ag.man.de  
www.man-group.com

Reporting significant increases in business volume and first-quarter earnings, the MAN Group has made a good start to the year 2005. Operating profit reached €105 million, after €63 million in the first quarter of 2004, representing a rise of €42 million or 67%. Thanks to major orders worth €1.9 billion, of which €1.4 billion accrued from a large-scale truck order placed by the British Ministry of Defence at the end of March, the Group's order intake reached the record figure of €5.4 billion (+48%). Ongoing operations, excluding major orders, were however also able to register a 9% increase in incoming orders, which climbed to €3.5 billion. Sales rose by 11% to €3.2 billion. At 31 March 2005, employees numbered 59,189, showing a slight rise over the comparable figure at the end of 2004 (+181). Of the five divisions, Commercial Vehicles and Diesel Engines reported particularly strong increases in earnings, Industrial Services also showed an improvement, Turbomachines recorded unchanged earnings and Printing Systems continued, as expected, to report a loss.

### Good basis for achieving targets in 2005

Håkan Samuelsson, Executive Board Chairman of the MAN Group, said, "This is a generally pleasing start to the new financial year. The figures already achieved offer a good basis for the substantial progress we intend to make in 2005. We are working consistently on the weak points that still exist in the Group." In addition to the restructuring measures underway at the British branch of the Diesel Engines Division, these include in particular the sheet-fed printing press sector. Due to the current shortfall in sales, this unit reported a marginally higher first-quarter loss than in 2004, which could not be balanced by the extremely positive performance on the part of the web-fed operations. Gerd Finkbeiner, a member of the Group's Executive Board and head of the printing-press activities, stressed that, "We are determined to steer the sheet-fed presses into safer waters. And we are sticking to our forecast of achieving breakeven in the sheet-fed sector by the end of the year, with overall earnings in the Printing Division reaching a middling double-digit million figure."

### MAN Group redefined

The scope of companies included in the consolidated financial statements was altered as of January 2005. Peripheral activities to be disposed of by the MAN Group (MAN Technologie AG, Schwäbische Hüttenwerke, MAN WOLFFKRAN) or

which it has already sold (MAN Logistics) are now shown as "discontinued operations" in accordance with IFRS 5, and only included in the MAN Group figures in the case of earnings after taxes and earnings per share. The previous year's figures have been adjusted for comparison purposes. A further adjustment was necessary following application of the accounting rule IFRS 3, which dispenses with the scheduled amortisation of goodwill. This amounted to €5 million in the first quarter of 2004 and has meanwhile been reversed. Further details of these changes are included on pages 22 and 23 of the first quarter financial results, also published today.

### **Growth based solely on exports**

The business growth recorded in the first quarter stemmed solely from the Group's export activities, the order intake from abroad increasing by 71% to €4.5 billion. Even excluding the MoD contract, foreign orders registered a high 19% growth and all manufacturing divisions in the MAN Group were able to either increase their intake of export orders or maintain the level of 2004. In Germany, the order intake fell by a total of 11% to €0.9 billion, with ongoing operations, excluding major orders, declining by 4%. Only diesel engines and the steel-trading business were able to record any notable growth on the German market. In the case of sales, which rose by 11% to €3.2 billion, domestic sales registered growth of 10% to reach €0.9 billion, while foreign sales increased by 11% to €2.3 billion. The order backlog of €10.2 billion was 28% higher than at the beginning of the year and 31% higher than twelve months ago.

At March 31, 2005, the MAN Group numbered 59,189 employees (excl. discontinued operations). This represented a slight rise of 181 over the comparable figure of 59,008 employees at December 31, 2004, whereby an increase of 154 resulted from changes in the scope of consolidation (allocation of employees previously stated as external personnel). On a comparable basis, the number of employees remained almost unchanged at 37,450 in Germany and 21,739 abroad. Temporary staff numbered 3,389 at March 31, 2005, also maintaining the level recorded at December 31, 2004 (3,380).

### **Outlook for 2005**

In view of the positive first-quarter performance, we are confident that the MAN Group will continue to increase its order intake in 2005 (2004: €15.6 billion), provided there is no further downturn in the currently predicted economic trends. The high growth rate of some 9% registered for incoming orders during the first quarter, excluding the MoD order, will not however be sustained. It is assumed that compared with 2004 (€14.5 billion), sales will then rise in the region of 5%.

A substantial improvement in operating profit is anticipated for the MAN Group (2004: €566 million), which should significantly outperform sales growth, in percentage terms.

## Key figures according to division

### Order intake according to division

€ million	2005	2004	Change
	Q1	Q1	in %
Commercial Vehicles	3 256	1 862	75
Industrial Services	685	775	-12
Printing Systems	668	380	76
Diesel Engines	566	420	35
Turbomachines	199	170	17
Other, consolidated	21	29	-28
<b>MAN Group</b>	<b>5 395</b>	<b>3 636</b>	<b>48</b>

### Sales according to division

€ million	2005	2004	Change
	Q1	Q1	in %
Commercial Vehicles	1 683	1 534	10
Industrial Services	668	566	18
Printing Systems	299	304	-2
Diesel Engines	346	298	16
Turbomachines	135	129	5
Other, consolidated	34	29	17
<b>MAN Group</b>	<b>3 165</b>	<b>2 860</b>	<b>11</b>

### Operating profit according to division

€ million	2005	2004	Change
	Q1	Q1	in € million
Commercial Vehicles	62	32	30
Industrial Services	25	18	7
Printing Systems	(16)	(16)	0
Diesel Engines	27	15	12
Turbomachines	3	3	0
Other, consolidated	4	11	-7
<b>Operating profit</b>	<b>105</b>	<b>63</b>	<b>42</b>
Net interest result of Industrial Business	(23)	(27)	4
<b>Earnings before taxes</b>	<b>82</b>	<b>36</b>	<b>46</b>
Income taxes	(24)	(8)	-16
Net result of discontinued operations	(2)	(2)	0
<b>Earnings after tax</b>	<b>56</b>	<b>26</b>	<b>30</b>
<b>Earnings per share</b>	<b>€0.37</b>	<b>€0.16</b>	<b>€0.21</b>

MAN Aktiengesellschaft  
The Executive Board

The full Interim Report can be downloaded from the internet at [www.man-group.com](http://www.man-group.com) under Press – Quarterly reports – Current report. Upon request, we can also forward a PDF file.  
Tel. +49. 89. 36098-381, Ms. Hartmann, or +49. 89. 36098-384, Ms. Räcker.