



Realignment for steel business of MAN Ferrostaal

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MAN Ferrostaal AG is restructuring its steel business. The company intends to transfer the trade and logistics of steel products to a partnership with another company, in order to significantly increase the business volume in this area. Currently, the company has a global marketshare of 1.5 percent in openly traded steel.

As a first step along this route, the company transferred its German steel activities to an independent new company – Ferrostaal Metals GmbH – in August 2006. 50 employees of MAN Ferrostaal, Essen were also transferred to the new company. As a next step, it is planned to integrate this company together with the company's North American and Brazilian steel activities in the also new Ferrostaal Metals Group.

Dr. Matthias Mitscherlich, CEO of MAN Ferrostaal member of the Board of Management of MAN, referred to the realignment as a necessary prerequisite for further growth: "We want to be involved in the consolidation of the steel sector in the steel logistics segment. We believe that within a partnership growth opportunities offered by the sector can better be taken advantage of than on our own." MAN Ferrostaal is looking to enter into a partnership with a large steel trading company or a company from a "down-stream sector". Potential growth lies mainly in extending customer and supplier bases as well as the use of synergies relating to products, services and markets. "The objective of this new group", stated Mitscherlich, "is to attain a leading role in the steel trade and to drive forward the consolidation of the steel sector from a position of strength."

MAN Ferrostaal intends to hold a minority interest in the joint venture. The business will be managed as "discontinued operations" and accordingly be stated in the balance sheet as of January 2006. It is planned to find a partner for the Ferrostaal Metals Group within the forthcoming months. It is conceivable to dispose the minority interest in the future.

The steel business of MAN Ferrostaal with 200 employees worldwide produces an annual turnover of over 1 billion Euros. The company deals in the trading, i.e. purchasing and sales as well as the logistics of various steel types, including flat bar and long steel products, semi-finished products, wire rod, steel sheet, pipes and special steel.

For further questions contact:

MAN Ferrostaal AG
Daniel Reinhardt
Head of Corporate Communications
Phone: +49 (201) 818-2424
Fax: +49 (201) 818-3525
Mobile: +49 (160) 7419821
E-Mail: daniel.reinhardt@manferrostaal.com

MAN Aktiengesellschaft
Landsberger Str. 110
D-80339 Munich
Germany

Corporate Communications
Wieland Schmitz

Media Relations
Andreas Lampersbach

Phone: +49. 89. 36098 - 111
public.relations@ag.man.de
www.man-group.com