Documento di Offerta

MAN Aktiengesellschaft

Offerta agli Azionisti di Scania Aktiebolag

Una combinazione di forze come rampa di lancio per la crescita

I seguenti documenti sono stati redatti in relazione all'offerta da parte di MAN AG agli azionisti Scania AB:

(i) Un documento in lingua svedese relativo all'offerta pubblica di acquisto e scambio (il "Documento di Offerta"; *Erbjudandehandling*), a cui è allegato il Prospetto Informativo (così come definito di seguito). Il Documento di Offerta è stato approvato e registrato dall'Autorità di Vigilanza Svedese sul mercato finanziario (la "SFSA"; *Finansinspektionen*) ed è disponibile anche in lingua inglese.

(ii) Un prospetto in lingua inglese relativo alle nuove azioni ordinarie di MAN AG (*Stammaktien*) (le nuove "Azioni Ordinarie MAN"), che costituiscono parte del corrispettivo, approvato dall'Autorità di vigilanza tedesca sul mercato finanziario (*Bundesanstalt für Finanzdienstleistungaufsicht*), pubblicato da MAN AG e registrato dall'Autorità di Vigilanza Svedese unitamente a una traduzione svedese dell'indice e della Nota di Sintesi sommario e del compendio (il "Prospetto Informativo") il quale, fatta eccezione per la traduzione dell'indice e della nota di sintesi, è disponibile solo in lingua inglese.

(iii) Una brochure informativa (la "Brochure Informativa"), disponibile in svedese e inglese. La Brochure Informativa non è, e non pretende di essere, né un documento di offerta né un prospetto nel senso indicato dalle leggi vigenti.

Nel caso di qualsiasi discrepanza tra la versione in lingua inglese e quella in lingua svedese dei documenti sopra indicati, farà fede la versione in lingua inglese.

Il Documento di Offerta, il Prospetto Informativo e il modulo di adesione possono essere scaricati dal sito www.handelsbanken.se/aktuellaerbjudanden oppure è possibile richiederne

[illegible] possono essere ottenuti a condizione che nessuno di questi venga diffuso, pubblicato o distribuito in altro modo in tutto o in parte negli Stati Uniti, in Australia, in Canada [illegible] altre Giurisdizioni soggette a Restrizioni (come definite al punto 1.4 di seguito)

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1. Informazioni generali

SONO VIETATE LA DIFFUSIONE, LA PUBBLICAZIONE E LA DISTRIBUZIONE TOTALE O PARZIALE NEGLI STATI UNITI, IN AUSTRALIA, CANADA, GIAPPONE O IN ALTRE GIURISDIZIONI SOGGETTE A RESTRIZIONI (come indicato nel punto 1.4 di seguito).

Il presente Documento di Offerta e il relativo modulo di adesione contengono importanti informazioni e devono essere letti con attenzione prima di prendere qualsivoglia decisione circa l'Offerta (così come definita al seguente punto 2) agli azionisti di Scania AB.

Nel presente Documento di Offerta, salvo che non sia specificato diversamente, per "MAN AG" o la "Società" si intende MAN Aktiengesellschaft, mentre per "MAN", il "Gruppo MAN" o il "Gruppo" si intendono MAN AG e le sue controllate su base consolidata, a meno che il contesto non richieda una diversa interpretazione; per "Scania AB" si intende Scania Aktiebolag e i riferimenti a "Scania" si intendono a Scania Aktiebolag e alle sue controllate, a seconda del contesto. I titolari di azioni emesse da Scania AB devono basarsi esclusivamente sulle informazioni contenute nel presente Documento di Offerta e su quelle indicate da MAN AG a tali azionisti. MAN AG non ha autorizzato nessuno a fornire ai titolari di azioni emesse da Scania AB informazioni diverse o aggiuntive rispetto a quelle contenute nel presente Documento di Offerta e nella Brochure Informativa. Le informazioni contenute nel presente Documento di Offerta risultano verificate alla data dello stesso e non si garantisce la loro esattezza dopo tale data. Le informazioni contenute nel presente Documento di Offerta vengono fornite esclusivamente ai fini dell'Offerta stessa e non possono essere ritenute attendibili per altri scopi.

Greenhill & Co, International LLP ("Greenhill"), Handelsbanken Capital Markets (divisione di Svenska Handelsbanken AB, qui di seguito "Handelsbanken") e Citigroup Global Markets Limited ("Citigroup) fungono da consulenti finanziari per MAN AG in relazione all'Offerta e, come tali, e non potranno essere considerati responsabili nei confronti di nessun altro soggetto, ivi compresi i clienti di Greenhill, Handelsbanken e/o Citigroup, ad eccezione della stessa MAN AG.

Le informazioni su MAN contenute nel presente documento sono state fornite dalla stessa MAN. Le informazioni riguardanti Scania contenute nel presente Documento di Offerta sono state tratte da dati di pubblico dominio relativi a Scania e non sono state commentate né verificate da quest'ultima. MAN AG ha fatto tutto quanto in proprio potere per assicurare la completezza, correttezza e veridicità delle informazioni riguardanti Scania. Tuttavia, MAN AG e il suo Comitato Esecutivo (*Vorstand*) non sono in grado di confermare la completezza, correttezza e veridicità delle informazioni riguardanti Scania.

Greenhill, Handelsbanken e Citigroup non si sono assunte alcun obbligo di verificare in modo indipendente le informazioni contenute nel presente documento e declinano qualsiasi responsabilità a riguardo.

1.1 Informazioni contenute nel presente Documento di Offerta

Il Documento di Offerta è costituito da due parti — una riguardante l'Offerta e l'altra contenente il Prospetto Informativo. Il Prospetto Informativo è stato redatto in conformità alla applicabile normativa tedesca, è stato approvato dall'Autorità Vigilanza Tedesca ed è stato registrato dall'Autorità di Vigilanza Svedese (SFSA) unitamente a una traduzione in svedese dell'Indice e della Nota di Sintesi del Prospetto Informativo sulla base di un "Passaporto europeo", ai sensi della Legge svedese sulla circolazione di strumenti finanziari (*lag (1991:980) om handel med finansiella instrument*). Per informazioni più dettagliate sul nuovo gruppo societario, MAN e Scania, si rinvia al Prospetto Informativo allegato.

Il Documento di Offerta è stato approvato e registrato dalla SFSA in conformità a quanto previsto dal Capitolo 2a, punto 9 della Legge svedese sulla circolazione di strumenti finanziari[1)]. L'approvazione e la registrazione effettuata dalla SFSA non implica che quest'ultima si renda garante della correttezza e della completezza delle informazioni qui contenute.

[1)] Il Consiglio per la regolamentazione del mercato mobiliare svedese ha esentato MAN dal registrare un documento di offerta entro quattro settimane dall'annuncio (Pronunciamento 2006:28)

1.2 Previsioni (forward-looking statements) contenute nel Documento di Offerta

Il Documento di Offerta e i documenti relativi all'Offerta (come definita nel successivo punto 2) contengono previsioni (sul punto si veda anche nel Prospetto Informativo). Tali previsioni sono riconoscibili per il fatto che non si riferiscono rigorosamente a fatti storici o attuali oppure per il ricorso a termini come per esempio "possono", "potranno", "si prevede", "si ritiene", "si anticipa", "progetta", "intende", "vuole", "stima", "si ripropone", "punta a", "prevede", "cerca", "potrebbe", "dovrebbe", anche in forma negativa oppure varianti di tali termini o espressioni analoghe.

Le previsioni includono, tra l'altro, affermazioni sulle previste attività future di MAN e Scania, in caso di esito positivo della transazione.

Quanto sopra si riferisce, in particolare, alle previsioni contenute nel presente Documento di Offerta relative ai futuri risultati finanziari, alla capacità di guadagno, ai progetti e alle aspettative riguardanti l'attività e la gestione di MAN, la sua crescita e redditività future, oltre alle condizioni economiche e normative generali e altri fattori che influiscono su MAN e su Scania.

Dette previsioni riflettono le attuali aspettative di MAN AG sulla base delle informazioni attualmente disponibili e dipendono da varie supposizioni, oltre che essere legate a rischi e incertezze che possono esulare dal controllo della stessa. I risultati effettivi dell'attività, le condizioni finanziarie e di liquidità, oltre allo sviluppo del settore in cui MAN e Scania operano, potrebbero differire in maniera sostanziale da quelli espressi o suggeriti da tali previsioni.

Pertanto, si invitano gli azionisti Scania AB a leggere la parte riguardante i "Fattori di Rischio". Ulteriori informazioni sono contenute nelle seguenti parti del Prospetto Informativo: "Compendio", "Discussione e Analisi del Management della Situazione Finanziaria e dei Risultati delle Operazioni", "Attività" e "Sviluppi Recenti e Prospettive". Queste parti contengono descrizioni più dettagliate di fattori che potrebbero influire sull'attività di MAN e sui mercati in cui MAN e Scania operano.

Ciascuna delle previsioni è valida alla data in cui viene espressa e MAN AG non si assume nessuna responsabilità di aggiornamento o revisione sulla scorta di nuove informazioni, eventi futuri o altro, se non nella misura prevista dalla legge.

1.3 Scelta della Legge Applicabile e Controversie

L'Offerta sarà regolata e interpretata in base alla legge svedese.

I tribunali svedesi avranno giurisdizione esclusiva su qualsiasi controversia derivante da o relativa all'Offerta e saranno deferite, in prima istanza, al tribunale della città di Stoccolma (*Stockholms tingsrätt*).

1.4 Azionisti al di fuori della Svezia e in Giurisdizioni soggette a Restrizioni[2)]

Il presente Documento di Offerta e le informazioni in esso contenute non possono essere distribuiti, né direttamente né indirettamente, negli Stati Uniti, in Australia, Canada, Giappone e in tutte quelle giurisdizioni in cui la presentazione di un'offerta o la sua accettazione sarebbe contrario alle leggi di tale giurisdizione ("Giurisdizione soggetta a Restrizioni").

L'Offerta non può essere inoltrata, né direttamente né indirettamente, via posta né per mezzo di qualsiasi altro mezzo o strumento (inclusa, tra l'altro, la trasmissione via fax, telex, telefono o Internet) di commercio interstatale o estero, né attraverso le strutture delle borse valori nazionali di Stati Uniti, Australia, Canada o Giappone né di qualsiasi altra Giurisdizione soggetta a Restrizioni, e l'Offerta non potrà essere accettata attraverso detti usi, mezzi, strumenti o strutture negli Stati Uniti, in Australia, Canada o Giappone né in qualsiasi altra Giurisdizione soggetta a Restrizioni.

L'Offerta non può essere presentata ai residenti negli Stati Uniti né ai cittadini statunitensi (secondo la definizione fornita dallo U.S. Securities Act del 1933, e successivi emendamenti) né ai residenti di Australia, Canada o Giappone o di qualsiasi altra Giurisdizione soggetta a Restrizioni.

[2)] Sulla base del pronunciamento 2006:22 del Consiglio per la regolamentazione del mercato mobiliare svedese, sono esclusi dall'Offerta gli azionisti domiciliati in Stati Uniti, Australia, Canada, Giappone e in altre Giurisdizioni soggette a Restrizioni (come indicato qui di seguito).

Il presente Documento di Offerta e gli altri documenti connessi all'Offerta non devono poter essere accessibili per via elettronica ai residenti negli Stati Uniti né ad altri cittadini statunitensi né a persone provenienti da o residenti negli Stati Uniti oppure provenienti da o residenti in Australia, Canada o Giappone o in qualsiasi altra Giurisdizione soggetta a Restrizioni. Copie del presente Documento di Offerta, e di qualsiasi altro documento ad essa relativo, non verranno spediti e non potranno essere spediti né inviati, né in entrata né in uscita, negli Stati Uniti, in Australia, Canada o Giappone o in qualsiasi altra Giurisdizione soggetta a Restrizioni. Chiunque riceva il presente Documento di Offerta (inclusi banche, agenti di cambio, depositari, fiduciari e curatori) oppure altri documenti relativi all'Offerta non è autorizzato a farli circolare né inviarli, né in entrata né in uscita, in Stati Uniti, Australia, Canada o Giappone o in qualsiasi altra Giurisdizione soggetta a Restrizioni. Qualsiasi presunta accettazione che rechi il timbro postale, oppure sia stata spedita in altro modo da, oppure implichi l'uso di mezzi o strumenti di organismi di commercio interstatale o estero di Stati Uniti, Australia, Canada o Giappone o di qualsiasi altra Giurisdizione soggetta a Restrizioni non sarà considerata valida.

2. Offerta

2.1 Introduzione

Giusta autorizzazione del Collegio Sindacale di MAN AG (*Aufsichtsrat*), in data 18 settembre 2006, il Comitato Esecutivo (*Vorstand*) di MAN AG ha annunciato la decisione di effettuare un'offerta pubblica agli azionisti di Scania AB per l'acquisto di tutte le azioni di Scania AB a MAN AG (l'"Offerta"). Le azioni Scania AB di classe A e B sono quotate nel Large Cap, Industrials della Borsa Valori di Stoccolma ("SSE"). In data 12 ottobre 2006, a seguito degli acquisti di azioni Scania AB di classe A e B effetuate da MAN AG, le condizioni dell'Offerta sono state modificate per riflettere il maggior prezzo pagato da MAN AG per acquistare le azioni Scania AB. Pertanto, l'Offerta per le azioni Scania AB, sia di classe A che di classe B, è stata aumentata ad €51,29 (circa SEK 475) per ciascuna azione Scania AB di classe A e B.[3)]

2.2 Corrispettivo

L'Offerta di €51,29 (corrispondente approssimativamente a SEK 475) per azione Scania AB di classe A e B[4)] si basa su di una capitalizzazione di Scania AB pari a €10,3 miliardi (corrispondenti a SEK 95 miliardi circa). Il corrispettivo offerto a ciascun titolare di azioni Scania AB consiste in un mix di denaro contante e nuove azioni ordinarie MAN AG (*Stammaktien*) (le nuove "Azioni Ordinarie MAN") o di solo denaro contante[5)].

2.2.1 Alternativa Base

Per ciascuna azione Scania AB di classe A o B offerta, ai sensi dell'"Alternativa Base", MAN AG offre:

- 0,151 nuove Azioni Ordinarie MAN (la "Componente Azionaria MAN") e
- €41,12 (la "Componente in Contanti").

Nel caso di accettazione dell'Offerta in una percentuale del 100% dell'Alternativa Base, la Componente Azionaria MAN aggregata sarebbe costituita da 26.686.493 nuove Azioni Ordinarie MAN, che rappresentano il 15,36% del capitale azionario aumentato di MAN AG.

MAN AG si riserva il diritto di trasferire a titolo di corrispettivo azioni ordinarie (*Stammaktien*) MAN AG proprie riacquistate, direttamente o indirettamente, anziché in tutto o in parte Azioni Ordinarie MAN di nuova emissione. In questo caso, qualsiasi riferimento, nella sezione di offerta del Documento di Offerta, ad Azioni Ordinarie MAN di nuova emissione si applicherà anche alle azioni ordinarie (*Stammaktien*) MAN AG proprie. In questo caso, non sarebbe necessario procedere ad un aumento di capitale per l'emissione di nuove Azioni Ordinarie MAN.

2.2.2 Alternativa Tutto Contante

In alternativa all'Alternativa Base, per ciascuna azione Scania AB di classe A o B offerta, MAN AG offre €51,29 in contanti (l'"Alternativa Tutto Contante").

2.2.3 Alternativa in SEK per Piccoli Azionisti[6)]

Ciascun azionista Scania AB che detenga fino a 100 azioni Scania AB potrà scegliere di ricevere SEK 475 per ciascuna azione Scania AB di classe A o B trasferita (l'"Alternativa in SEK").

[3)] Tutti i calcoli del valore di offerta nel presente Documento di Offerta si basano sul prezzo di chiusura sul mercato XETRA delle azioni ordinarie MAN AG (*Stammaktien*) di €67,34 alla Borsa di Francoforte in data 11 ottobre 2006 e su un tasso di cambio di SEK 9,261 : €1, che corrisponde alla quotazione WM/Reuters Exchange Rate's ("WMR") del giorno, alle ore 16:00 GMT dell'11 ottobre 2006.

[4)] Il Consiglio per la regolamentazione mobiliare del mercato svedese ha stabilito che lo stesso prezzo offerto per le azioni Scania AB sia di classe A che di classe B è compatibile con le Regole OPA e non è contrario sotto nessun aspetto alla migliore prassi del mercato azionario (Pronunciamento 2006:27).

[5)] MAN AG si riserva il diritto di ritoccare il prezzo di offerta qualora Scania AB paghi dei dividendi oppure compia altre cessioni di valore (värdeöverföring) prima della liquidazione dell'Offerta. Nel caso di un eventuale dividendo in contanti oppure di altre cessioni di valore, sempre in contanti, il prezzo di Offerta verrà ridotto dello stesso importo pagato o trasferito per ciascuna azione. In caso di cessioni di valore in natura, la riduzione del prezzo di offerta sarà pari al valore di mercato di ciò che è stato ceduto. Nella misura in cui il corrispettivo pagato a ciascun azionista sia costituito in tutto o in parte da contanti, la riduzione dovrà effettuarsi in primo luogo in relazione a tale corrispettivo in contanti previsto dall'Offerta. Qualora venga effettuata una riduzione rispetto anche alla componente azionaria dell'Offerta, a ciascuna nuova Azione Ordinaria MAN dovrà essere attribuito un valore di €67,34. MAN AG si riserva il diritto di stabilire se si debba invocare detto meccanismo o condizione di adeguamento del prezzo (iii) dell'Offerta, punto 4.2, per la liquidazione dell'Offerta stessa. Il Consiglio per la regolamentazione del mercato mobiliare svedese ha stabilito che un meccanismo di adeguamento del prezzo relativo al trasferimento di valore in Scania AB o riservarsi il diritto di ritirare l'Offerta a causa di tale trasferimento di valore non è contrario alla buona prassi del mercato azionario (Pronunciamento 2006:27).

[6)] Il Consiglio per la regolamentazione mobiliare svedese ha stabilito che l'Alternativa in SEK è compatibile con le Regole OPA e non è contraria sotto nessun aspetto alla buona passi del mercato azionario (pronunciamento 2006:27). Inoltre, il Consiglio per la regolamentazione mobiliare svedese ha stabilito che la struttura valutaria dell'Offerta non è contraria alle Regole OPA (Pronunciamento 2006:27).

2.2.4 Alternativa in Azioni e Contanti in Proporzione Variabile

Gli azionisti Scania AB possono usufruire altresì della soluzione che prevede azioni e contanti in proporzione variabile (la "Alternativa in Azioni e Contanti in Proporzione Variabile"), che rispetto all'Alternativa Base consente loro di aumentare la proporzione di nuove Azioni Ordinarie MAN sul corrispettivo totale.

2.2.5 Questioni Valutarie[7][8]

A tutte le alternative sopra illustrate (l'Alternativa Base, l'Alternativa Tutto Contante e la Alternativa in Azioni e Contanti in Proporzione Variabile) si applica quanto segue:

- Gli azionisti Scania AB che aderiscono all'Offerta per più di 20.000 azioni Scania AB riceveranno l'importo in contanti loro dovuto in Euro.
- Gli azionisti Scania AB che aderiscono all'Offerta per non oltre 20.000 azioni Scania AB riceveranno l'importo in contanti loro dovuto in SEK. Tale importo sarà calcolato in base al cambio EUR-SEK ECB al secondo giorno lavorativo anteriore alla cessione; avranno, tuttavia, la possibilità di ricevere gli importi loro dovuti in base all'Offerta in Euro.

Gli azionisti Scania AB che ricevono, ai sensi dell'Offerta in Euro, gli importi in contanti loro dovuti, ma desiderano convertire tale importo in Euro in qualsiasi altra valuta, dovranno provvedere alla conversione a loro spese.

2.3 Premio

Il corrispettivo per l'Offerta include[9]:

- un premio del 49% e 46%, rispettivamente, per le azioni di classe A e B, in funzione dei prezzi medi ponderati in base al volume, rispettivamente, di SEK 318,41 e SEK 325,36, per ciascuna azione Scania AB negoziata sulla Borsa Valori di Stoccolma negli ultimi tre mesi prima della sospensione temporanea delle contrattazioni dei titoli Scania AB in data 12 settembre 2006,
- un premio del 37% e 34%, rispettivamente, per le azioni di classe A e B, in funzione dei prezzi medi ponderati in base al volume, rispettivamente, di SEK 346,54 e SEK 354,87, per ciascuna azione Scania AB negoziata sulla Borsa Valori di Stoccolma negli ultimi dieci giorni di contrattazioni prima della sospensione temporanea delle contrattazioni dei titoli Scania in data 12 settembre 2006 e,
- un premio del 36% e 33%, rispettivamente, per le azioni di classe A e B, in funzione dei prezzi di chiusura, rispettivamente, di SEK 350,50 e SEK 356,50, per ciascuna azione Scania AB negoziata sulla Borsa Valori di Stoccolma in data 11 settembre 2006, ultimo giorno di contrattazioni prima della sospensione temporanea delle contrattazioni dei titoli Scania.

2.4 Finanziamento

Finanziamento iniziale

Il Consiglio di Amministrazione di MAN AG è stato delegato ad emettere fino a un massimo di 29.408.000 nuove Azioni Ordinarie MAN, equivalenti a un massimo del 20% delle azioni ordinarie MAN AG (*Stammaktien*) in circolazione prima dell'Offerta, a fronte di un conferimento in natura. Tale delega sarà usata in parte per l'emissione della Componente Azionaria MAN del corrispettivo dell'Offerta.

Inoltre, MAN AG dispone dei seguenti fondi per finanziare il corrispettivo in contanti aggregato ai sensi dell'Offerta:

- Risorse liquide proprie a disposizione; e
- Un contratto di finanziamento (così come definito qui di seguito) relativo a una linea di credito per garantire una copertura finanziaria aggiuntiva.

[7] Il Consiglio per la regolamentazione mobiliare svedese ha stabilito che la struttura valutaria dell'Offerta non è contraria alle Regole OPA (Pronunciamento 2006:27).

[8] Gli azionisti che riceveranno il corrispettivo per cassa in Euro e gli azionisti che sceglieranno di ricevere il corrispettivo per cassa in Euro dovranno indicare un conto in Euro al momento dell'adesione all'Offerta. Qualora tale conto in Euro non sia valido, il corrispettivo verrà pagato in AEL a quegli azionisti che offrono fino a un massimo di 20.000 azioni.

[9] I diversi premi derivano e sono motivati dal fatto che viene offerto lo stesso corrispettivo per le azioni A e B, il che, come stabilito dal Consiglio per la regolamentazione del mercato mobiliare svedese, è compatibile con le Regole OPA e non è contrario sotto nessun aspetto alla buona prassi del mercato azionario (Pronunciamento 2006:27).

L'Offerta non è soggetta a condizioni riguardanti l'utilizzo del finanziamento. La Società ha ottenuto fondi vincolati per finanziare l'Offerta mediante la stipulazione, in data 17 settembre 2006, di un contratto di finanziamento (il "Contratto di Finanziamento") con Citigroup Global Markets Limited e The Royal Bank of Scotland plc in qualità di Bookrunners e Citibank N.A., The Royal Bank of Scotland plc, Bayerische Landesbank, WestLB AG e Svenska Handelsbanken AB in qualità di Mandated Lead Arrangers.

Il Contratto di Finanziamento ha ad oggetto fondi vincolati che saranno utilizzati, fra l'altro, per finanziare la componente in contanti del corrispettivo dell'Offerta, per rifinanziare parzialmente l'indebitamento esistente e per pagare le spese relative all'operazione, oltre che per fornire il capitale circolante per il gruppo consolidato (il "Gruppo Consolidato").

L'utilizzo delle somme messe a disposizione ai sensi del Contratto di Finanziamento è subordinato al rispetto delle condizioni dell'Offerta, o alla relativa deroga (la quale deroga, in determinate circostanze, necessita del consenso dei Mandated Lead Arrangers) e al fatto che la Società e le sue effettive controllate non si rendano insolventi o non vengano sottoposte a procedure concorsuali. Oltre a quanto sopra, l'utilizzo delle somme messe a disposizione è soggetto a un numero di condizioni consuetudinarie in finanziamenti di questo tipo, soggette al controllo della Società. Queste altre condizioni implicano che determinate dichiarazioni, riguardanti principalmente lo status della Società, oltre la liceità e la validità dei documenti di finanziamento, debbano essere corrette e che la Società non violi determinati impegni consuetudinari relativi in primo luogo all'ottemperanza a leggi e regolamenti relativi all'Offerta e alle limitazioni alla dazione di garanzie e alla contrazione di ulteriore indebitamento finanziario.

Finanziamento a lungo termine

È intenzione della Società di rifinanziare in parte i fondi ottenuti in virtù del Contratto di Finanziamento attraverso un mix di fondi raccolti sul mercato dei capitali di rischio e tramite ricorso al prestito (ivi compresi circa € 2 miliardi rivenienti dall'emissione di ulteriori strumenti finanziario affini), introiti derivanti dalla cessione di attività specifiche e flussi di cassa generati con la normale gestione dell'attività.

È intenzione della società ottenere per il Gruppo Consolidato il rating "Investment Grade" (titolo idoneo a essere utilizzato come investimento) dopo la Chiusura dell'Offerta.

2.5 Proprietà delle Azioni, Acquisizione di Azioni e Dichiarazione di Volkswagen

Nel corso degli ultimi sei mesi, MAN AG ha acquistato 15.186.773 azioni di classe A e 8.081.486 azioni di classe B di Scania AB e, pertanto, detiene attualmente l'11,63% del capitale azionario deliberato e il 14,54% dei voti in Scania AB. Il prezzo più alto pagato per le azioni sia di classe A sia per quelle di classe B di cui sopra ammontato approssimativamente a €51,29/SEK 475.

MAN AG ha pattuito con gli azionisti da cui ha acquistato le azioni di cui sopra che, al verificarsi di determinate circostanze, il prezzo di acquisto pagato per comprare tali azioni sarà aumentato, qualora MAN AG acquisti altre azioni in Scania AB a un prezzo più alto di quello pagato al rispettivo azionista venditore.

Il 15 ottobre 2006, il Collegio Sindacale di Volkswagen AG, principale azionista di MAN AG e SCANIA AB, ha emesso il seguente comunicato:

"Il Collegio Sindacale di Volkswagen continua a sollecitare una soluzione amichevole

Decisioni del Consiglio, valide per quattro settimane

Wolfsburg, 15 ottobre 2006 — Il Collegio Sindacale di Volkswagen Aktiengesellschaft ha discusso la questione MAN/Scania in occasione dell'assemblea straordinaria tenutasi in data odierna. Il Collegio Sindacale è persuaso della necessità di pervenire a una soluzione di mutuo soddisfacimento per tutte le parti in causa. L'obiettivo di tale soluzione parrebbe essere soltanto la fusione tra MAN e Scania.

Le due deliberazioni seguenti del Collegio Sindacale rimarranno valide fino all'assemblea ordinaria del 17 novembre.

1. Volkswagen offrirà il proprio 34 per cento di diritti di voto in Scania e il 18,7 per cento delle azioni ordinarie Scania a MAN Aktiengesellschaft soltanto nell'eventualità in cui MAN abbia ricevuto un numero di adesioni l'Offerta che rappresentino almeno il 71,31 per cento del capitale di Scania e almeno il 56,01 per cento dei diritti di voto in Scania.
2. Al momento, Volkswagen non sarebbe disposta a sostenere una contro-offerta da parte di Scania".

2.6 Collaborazione da parte di Scania AB in relazione all'Offerta

Scania AB si è rifiutata di collaborare alla stesura del Documento di Offerta e non ha fornito né una dichiarazione del proprio Consiglio di Amministrazione né un parere di congruità (*fairness opinion*) da inserire nel Documento di Offerta. MAN AG non è in grado di determinare quando verrà fornita tale dichiarazione.

Le informazioni riguardanti Scania contenute nel presente Documento di Offerta sono state tratte esclusivamente da informazioni pubblicate da Scania AB e non sono state commentate né verificate dalla stessa Scania AB.

2.7 Condizioni

Il perfezionamento dell'Offerta è soggetto alle condizioni specificate nel punto 4.2 seguente.

2.8 Soggezzione alla Regolamentazione Svedese relativa alle Offerte Pubbliche d'Acquisto

Il 15 settembre 2006, prima dell'annuncio dell'Offerta, MAN AG si è impegnata nei confronti della Borsa Valori di Stoccolma, e il 18 settembre 2006 con il comunicato stampa di annuncio dell'Offerta, nei confronti degli azionisti di Scania AB, (i) ad ottemperare sotto ogni profilo alle regole della Borsa Valori di Stoccolma riguardanti le offerte pubbliche di acquisto sul mercato azionario (le "Regole OPA") e ai pronunciamenti del Consiglio per la regolamentazione del mercato mobiliare svedese (*Aktiemarknadsnämnden*) sull'interpretazione e l'applicazione delle Regole OPA[10] e (ii) ad accettare le sanzioni che potranno esserle comminate dalla Borsa Valori di Stoccolma per eventuali violazioni delle Regole OPA.

2.9 Informazioni alla SFSA

Con riferimento all'annuncio dell'Offerta in data 18 settembre 2006, MAN AG ha informato la SFSA dell'Offerta e dell'impegno di MAN AG assunto nei confronti della Borsa Valori di Stoccolma, come descritto nel precedente punto 2.8.

[10] Inclusi i precedenti pronunciamenti sulle regole in materia di offerte pubbliche per l'acquisizione di azioni emesse dal Comitato di Borsa per l'Industria e il Commercio svedese, ove applicabili.

3. Presupposti e Ragioni dell'Offerta

3.1 Informazioni sul Contesto Industriale

Il settore dei camion e degli autobus sta affrontando una serie di sfide che si prevede sfocerà in una sostanziale riorganizzazione del mercato nel prossimo futuro. Per competere adeguatamente, le aziende operanti in tale settore devono pertanto fronteggiare attivamente queste sfide.

La spinta crescente verso la globalizzazione e la convergenza delle normative sulle emissioni a livello transnazionale offrono interessanti opportunità di crescita, ma aprono anche le porte a una concorrenza sempre maggiore. Le aziende che una volta vedevano la loro attività limitata dai confini geografici e dalle differenze strutturali dei mercati oggi possono e devono competere a livello globale.

Mentre i mercati occidentali crescono a un ritmo modesto, la crescita globale è sollecitata dai mercati delle regioni in via di sviluppo, come l'Europa orientale, la Russia, l'India, la Cina e il Sud-Est asiatico, dove l'attività economica e lo sviluppo delle infrastrutture stimola la domanda di mezzi di trasporto. Lo sviluppo di attività in questi mercati richiede sia investimento di capitali che cautela a livello gestionale in modo da costruire entità produttive locali, oltre a reti solide di vendita e di assistenza.

Il consolidamento delle aziende clienti continua ad accrescere la pressione competitiva nel settore dei veicoli commerciali. Il mercato tende a favorire sempre di più i fornitori di veicoli commerciali in grado di offrire una soluzione "one-stop shop" basata su un'ampia offerta di prodotti, su una rete capillare sia di distribuzione che di assistenza e su forti capacità di finanziamento dei clienti. Inoltre, sono necessarie eccellenti capacità in materia di ricerca e sviluppo per soddisfare la domanda della clientela di un'efficienza energetica sempre maggiore, finalizzata a un minore consumo di carburante, di una maggiore durata dei prodotti e di un rapporto costi-benefici ottimale. Per competere adeguatamente sul mercato, le aziende devono avere dimensioni adeguate e raggiungere l'eccellenza operativa.

3.2 Ragioni dell'Offerta

La fusione di Scania e MAN rappresenta un'opportunità unica di dare vita al principale costruttore europeo di camion, nonché al terzo a livello mondiale[11]. Il Gruppo Consolidato sarebbe ben posizionato ed in grado di affrontare le sfide lanciate dal settore a livello globale e di implementare congiuntamente lo sviluppo di due aziende di successo come Scania e MAN. Sia MAN che Scania sono marchi forti. Il Gruppo Consolidato perseguirebbe una strategia imperniata sul doppio marchio Scania e MAN per massimizzare il valore delle due realtà. I marchi manterranno ciascuno una propria identità, grazie a canali di vendita e marketing distinti. La ricerca e sviluppo dei componenti precipui di ogni marchio, così come l'assemblaggio del prodotto finale, che avverrà in stabilimenti diversi, rimarranno separati.

Altre ragioni per la fusione includono i seguenti aspetti, analizzati in maggiore dettaglio nel prosieglio:

- Maggiori Prospettive di Crescita
- Ampliamento della gamma Offerta al Cliente
- Massimizzazione dei Costi
- Management Solido e Integrazione di Due Realtà

Maggiori Prospettive di Crescita

MAN e Scania potranno puntare in modo più efficace su nuovi mercati condividendo le risorse, investendo congiuntamente in capacità e reti di produzione nelle regioni in crescita e attingendo alle competenze gestionali di entrambe.

Mentre MAN offre sia mezzi medi che pesanti sia veicoli commerciali leggeri e medi, Scania focalizza la produzione sui mezzi pesanti. Scania vanta ottimo posizionamento in questo settore in mercati chiave dove MAN, al momento, è sotto rappresentata. Ciò offrirebbe l'opportunità di lanciare una nuova gamma di camion Scania leggeri e medi, adattati sulla base del nuovo, riuscitissimo pianale MAN, sfruttando le reti di distribuzione e assistenza di Scania in questi mercati. La rete di produzione esistente e la tecnologia di MAN

[11] Posizione di mercato basata sulle entrate

in questo segmento consentirebbero al Gruppo Consolidato di introdurre questi nuovi prodotti senza eccessivi addizionali investimenti per il potenziamento della ricerca e sviluppo e della capacità produttiva.

Ampliando l'offerta dei prodotti, il Gruppo Consolidato potrebbe fornire soluzioni "one-stop shop" per entrambi i marchi, soddisfacendo quella che ormai è una richiesta sempre più insistente degli operatori dei grandi parchi mezzi.

Ampliamento della gamma Offerta al Cliente
Il Gruppo Consolidato potrebbe offrire ai clienti una gamma di prodotti più ampia e una rete di vendita e di assistenza più capillare supportata da interessanti servizi finanziari per il consumatore. Al tempo stesso, i clienti potranno continuare a contare sulle prestazioni, la qualità e l'identità di ciascuno dei due marchi.

Il Gruppo Consolidato potrebbe sfruttare al meglio la forte posizione di MAN nel mercato degli operatori di grandi parchi mezzi e gli eccellenti rapporti di Scania con i piccoli autotrasportatori, creando un'ottima base in termini di posizionamento e crescita sul mercato.

Massimizzazione dei Costi
Il Gruppo Consolidato potrebbe realizzare forti economie di scala e di scopo a livello delle reti di acquisto, vendita e assistenza, ricerca e sviluppo di base e funzioni di back office. Le sinergie di costo stimate ammontano ad almeno € 500 milioni l'anno, prima delle imposte, entro il terzo anno, mentre i costi di integrazione totali previsti nel corso dei primi due anni vengono stimati nell'ordine di complessivi € 150 milioni.

MAN AG ritiene di poter creare ulteriore valore aggiunto nel lungo periodo integrando un pianale comune di nuova generazione.

Management Solido e Integrazione di Due Realtà
Il Gruppo Consolidato attingerebbe all'esperienza e alle competenze del top management sia di MAN che di Scania, basate su una tradizione e una cultura tecnica comuni, per creare una delle équipe gestionali più forti e meglio posizionate del settore per affrontare le sfide future del comparto con sempre maggiore fiducia e lanciare il nuovo Gruppo su nuovi mercati. Attingendo efficacemente dai dirigenti più esperti delle due società, si garantirà il successo della loro integrazione.

3.3 Effetti Finanziari della Transazione[12)]

Si prevede che l'opperayione comincerà a dare frutti in forma di dividendi per azione ordinaria MAN AG (*Stammaktien*) per l'anno che si concluderà il 31 dicembre 2007 e il costo del capitale sarà realizzato e superato.

3.4 Altre Informazioni
Il Gruppo Consolidato sarebbe un'azienda paneuropea in grado di beneficiare dei punti di forza di entrambe le società in termini di presenza geografica, know-how tecnologico, immagine dei marchi e risorse manageriali.

Sede
La sede del Gruppo sarebbe ubicata a Monaco di Baviera, mentre a Södertälje rimarrebbe la sede centrale di Scania, che fungerebbe anche da centro del gruppo per determinate operazioni e funzioni chiave. MAN AG intende assumere la veste giuridica di Società Europea ("SE"). Il nuovo status darebbe vita a una nuova e più efficiente struttura di governo d'impresa che vedrebbe i dipendenti di Scania rappresentati nel Collegio Sindacale della SE.

[12)] Le affermazioni contenute nel presente paragrafo non devono essere interpretate nel senso di indicare che gli utili per azione di MAN nell'esercizio finanziario successivo al perfezionamento dell'Offerta, o in un qualsiasi periodo successivo, saranno necessariamente superiori a quelli del corrispondente esercizio finanziario precedente.

Quotazione
In futuro, il primario mercato di riferimento per la quotazione della società sarebbe la Borsa Valori di Francoforte (DAX) e, successivamente, in base anche alla futura struttura dell'azionariato, MAN AG potrebbe prendere in considerazione di quotare il titolo anche sulla Borsa Valori di Stoccolma.

Stabilimenti di Produzione
In linea di massima, MAN prevede di suddividere equamente la produzione dei componenti tra le due aziende ed è fiduciosa che la fusione potrà essere realizzata e che le sinergie descritte sopra saranno raggiunte, senza chiudere nessuno stabilimento di produzione o di ricerca e sviluppo, e senza incidere sull'occupazione.

Top Management/Comitato Esecutivo (Vorstand)
Per il processo di fusione MAN Scania, e per il Gruppo Consolidato in seguito, un nuovo management sarà nominato e condotto dal CEO corrente di MAN, il signor Hakan Samuelsson. I vertici aziendali di Scania rimarranno per lo più invariati e dovrebbero poter trarre vantaggio dalle nuove opportunità create dalla fusione, a livello di gruppo e divisionale. MAN AG intende offrire ai dirigenti di Scania di assumere ruoli di primo piano nel management del Gruppo Consolidato.

Quadri Intermedi e Dipendenti
A livello di quadri intermedi, MAN prevede di scegliere le persone più adatte per ogni ruolo. Il Gruppo Consolidato punterà a garantire un ambiente di lavoro gradevole per i propri dipendenti.

3.5 Sinergie[13)]

MAN ha individuato diverse fonti di sinergia che nascono direttamente dalla fusione di MAN e Scania.

Il risparmio sui costi realizzabile è stato oggetto di attenta analisi ed ammonta ad almeno € 500 milioni (SEK 4.606 milioni)[14)] annui, prima delle imposte. MAN AG stima che la maggior parte del risparmio si realizzerà entro due anni, per raggiungere il totale entro tre anni.

Il suddetto risparmio di almeno € 500 milioni annui al lordo delle imposte impatterà sulle seguenti quattro principali aree:

- Acquisti/Componenti comuni
- Assistenza, Vendite e Marketing
- Amministrazione
- Ricerca e Sviluppo

I costi previsti per raggiungere le sinergie indicate saranno di € 150 milioni (SEK 1.382 milioni), spalmati sul primo anno (€ 100 milioni, SEK 921 milioni) e sul secondo anno (€ 50 milioni, SEK 461 milioni).[15)]

[13)] I risparmi previsti sui costi di gestione sono stati calcolati sulla base delle strutture di costo e gestionali di MAN e Scania esistenti e con riferimento ai prezzi attuali e ai tassi di cambio e all'attuale contesto normativo. Le affermazioni riguardanti i risparmi stimati sui costi e i costi una tantum per realizzarli si riferiscono ad azioni e a circostanze future che, per loro stessa natura, comportano rischi, incertezze e altri fattori. A causa di ciò, i risparmi sui costi e i vantaggi fiscali a cui si fa riferimento potrebbero anche non concretizzarsi, oppure quelli ottenuti potrebbero differire sostanzialmente da quelli stimati.

[14)] Tasso di cambio di SEK 9,2112 : € 1, corrispondente al fixing WMR delle ore 16:00 GMT del 15 settembre 2006, ultimo giorno di contrattazioni prima della pubblicazione del comunicato stampa di annuncio dell'Offerta. Questo tasso di cambio è soggetto a fluttuazioni di mercato e, pertanto, potrebbe variare nel tempo.

[15)] Tasso di cambio di SEK 9,2112 : € 1, corrispondente al fixing WMR delle ore 16:00 GMT del 15 settembre 2006, ultimo giorno di contrattazioni prima della pubblicazione del comunicato stampa di annuncio dell'Offerta. Questo tasso di cambio è soggetto a fluttuazioni di mercato e, pertanto, potrebbe variare nel tempo.

Si rimanda inoltre alle informazioni contenute nel presente Documento di Offerta.

Le informazioni su Scania contenute nel Documento di Offerta sono state tratte da dati di pubblico dominio riguardanti Scania AB e non sono state da quest'ultima commentate né verificate.

Il Comitato Esecutivo (*Vorstand*) di MAN AG dichiara con il presente documento di essersi adoperato al fine di garantire, per quanto è a sua conoscenza, che le informazioni riguardanti MAN AG e il nuovo gruppo aziendale contenute nel presente Documento di Offerta siano veritiere e corrette e che non sia stata omessa nessuna informazione che possa influire sulla percezione rispettivamente di MAN AG e del nuovo gruppo aziendale così come vengono presentati nel Documento di Offerta.

Monaco di Baviera 14 novembre 2006

MAN AG
Comitato Esecutivo (Vorstand)

4. Condizioni generali dell'Offerta e Istruzioni

4.1 Condizioni[16]

4.1.1 Alternativa Base

Per ciascuna azione Scania AB di classe A o B, MAN AG offre:

- 0,151 Azioni Ordinarie di nuova emissione MAN (la "Componente Azionaria" MAN) e
- € 41,12 (la "Componente in Contanti").

4.1.2 Alternativa Tutto Contante

In alternativa all'Alternativa Base, per ciascuna azione Scania AB di classe A o B, MAN AG offre € 51,29 in contanti.

4.1.3 Alternativa in SEK per Piccoli Azionisti[17]

Ogni azionista Scania AB che detiene nel complesso un massimo di 100 azioni Scania AB potrà scegliere se ricevere, in alternativa al corrispettivo in Euro, SEK 475 per ciascuna azione Scania AB di classe A o B offerta.

4.1.4 Alternativa in Azioni e Contanti in Proporzione Variabile

Agli azionisti Scania AB che aderiscono all'Offerta viene altresì proposta un'Alternativa in Azioni e Contanti in Proporzione Variabile che consente loro di aumentare, rispetto all'Alternativa Base, la proporzione della parte delle Azioni Ordinarie MAN di nuova emissione sul corrispettivo totale, come illustrato in seguito. In base alla Alternativa in Azioni e Contanti in Proporzione Variabile, il calcolo dello scambio di denaro liquido con le Azioni Ordinarie MAN di nuova emissione sarà effettuato sulla base di un prezzo pari a €67,34[18] per ogni nuova Azione Ordinaria MAN[19]. Il numero totale di azioni ordinarie MAN AG *(Stammaktien)* da emettere in funzione dell'Offerta (compresa la Alternativa in Azioni e Contanti in Proporzione Variabile) non potrà comunque superare il numero di azioni ordinarie MAN AG (*Stammaktien*) che verrebbero emesse a favore degli azionisti Scania AB (esclusi gli azionisti MAN) supponendo una percentuale di accettazione del 100% dell'Alternativa Base (il "Numero Massimo").

(i) Gli azionisti Scania AB che aderiscono all'Offerta possono scegliere di ricevere Azioni Ordinarie Man di nuova emissione invece di denaro liquido, in tal modo aumentando il numero di nuove Azioni Ordinarie MAN ricevute rispetto a quelle che avrebbero ricevuto avvalendosi dell'Alternativa Base e diminuendo di conseguenza il numero di azioni Scania AB di classe A o B per le quali viene pagato il corrispettivo in contanti, come esposto nei sottoparagrafi da (ii) a (v) di seguito.

(ii) Le richieste di Azioni Ordinarie MAN di nuova emissione effettuate dagli azionisti Scania AB che scelgono l'Alternativa in Azioni e Contanti in Proporzione Variabile (0,76166 nuove Azioni Ordinarie MAN per ciascuna Azione Scania AB offerta) saranno accolte nella misura in cui sia disponibile un numero sufficiente di Azioni Ordinarie MAN di nuova emissione (a) entro il Numero Massimo di azioni ordinarie MAN AG *(Stammaktien)*, (b) successivamente alla scelta da parte degli azionisti Scania AB dell'Alternativa Tutto Contante, che comporta la cessione di Azioni Ordinarie MAN di nuova emissione alle quali avrebbero altrimenti diritto in conformità con l'Alternativa Base e (c) successivamente alla scelta da parte degli azionisti di Scania AB che detengono fino a un massimo complessivo di 100 azioni Scania AB di optare per l'Alternativa in SEK, che comporta, inoltre, iltrasferimento di Azioni Ordinarie MAN di nuova emissione alle quali avrebbero altrimenti diritto in conformità all'Alternativa Base.

Nella misura in cui le richieste di nuove Azioni Ordinarie MAN secondo l'Alternativa in Azioni e Contanti in Proporzione Variabile non possano essere accolte completamente, queste saranno ridotte proporzionalmente e, per le azioni Scania AB di classe A o B le cui richieste non possano essere accolte

[16] Il Consiglio per la regolamentazione del mercato mobiliare svedese (SSC) ha dichiarato che lo stesso prezzo offerto per le Azioni di Scania AB di classe A e di classe B non è contrario alle Regole OPA o alla buona prassi del mercato azionario sotto nessun altro aspetto (Pronunciamento 2006:27).

[17] Il Consiglio per la regolamentazione del mercato mobiliare svedese ha dichiarato che l'Alternativa in corone svedesi (SEK) garantita è compatibile con le Regole OPA e non è contraria sotto alcun altro aspetto alla buona prassi del mercato azionario (Pronunciamento 2006:27). Inoltre, il Consiglio per la regolamentazione del mercato mobiliare svedese ha dichiarato che la struttura valutaria dell'Offerta non è contraria alle Regole OPA (Pronunciamento 2006:27).

[18] Corrispondente al prezzo di chiusura nella contrattazione XETRA per le nuove Azioni Ordinarie MAN AG pari a €67,34 sulla Borsa Valori di Francoforte l'11 ottobre 2006.

[19] Per una azione Scania AB di classe A o B per cui viene celta la Alternativa in Azioni e Contanti in Proporzione Variabile, un'azione Scania sarà scambiata con 0,76166 nuove Azioni Ordinarie MAN.

completamente, sarà pagato un corrispettivo in contanti di €51,29 per azione Scania. L'insieme della componente di azioni e della componente in denaro per ogni singolo azionista non potrà comprendere un numero di Azioni Ordinarie MAN di nuova emissione inferiore al numero che sarebbe stato ricevuto aderendo all'Alternativa Base dell'Offerta.

Alle Azioni Ordinarie MAN di nuova emissione da consegnare ai sensi dell'Alternativa in Azioni e Contanti in Proporzione Variabile verrà fatto riferimento in seguito come alla "Componente Azionaria MAN".

(iii) L'Alternativa in Azioni e Contanti in Proporzione Variabile resterà aperta durante il periodo di adesione. MAN AG si riserva il diritto di decidere se l'Alternativa in Azioni e Contanti in Proporzione Variabile non debba restare aperta in caso di estensione del periodo di adesione in relazione all'Offerta.

(iv) Ove qualsiasi modulo di adesione che preveda una richiesta, in conformità con l'Alternativa in Azioni e Contanti in Proporzione Variabile non sia, o non sia ritenuto, valido o completo sotto ogni aspetto, la relativa richiesta verrà considerata nulla a tutti gli effetti e l'azionista Scania AB che intende inoltrare tale richiesta non avrà diritto di ricevere alcuna variazione del corrispettivo prevista dalla richiesta stessa; tuttavia l'adesione, se altrimenti valida, verrà considerata un'adesione all'Alternativa Base dell'Offerta relativa alle azioni Scania AB di classe A o B cui il modulo di adesione si riferisce.

(v) Ove l'Alternativa in Azioni e Contanti in Proporzione Variabile resti aperta per via di un'estensione o più estensioni del periodo di adesione o ove l'Alternativa in Azioni e Contanti in Proporzione Variabile venga riaperta per via di un'estensione o più estensioni del periodo di adesione successivamente alla data in cui l'Offerta sia divenuta definitiva MAN AG, a sua totale discrezione, avrà il diritto di trattare le richieste ricevute nel corso di tale estensione o estensioni come pool distinti allo scopo di determinare il numero di nuove Azioni Ordinarie MAN disponibili per soddisfare tali richieste. Qualora successivamente alla data in cui l'Offerta sia divenuta definitiva, venga iniziata la liquidazione dell'Offerta (inclusa l'Alternativa in Azioni e Contanti in Proporzione Variabile) nei confronti di quegli azionisti Scania AB che hanno accettato l'Offerta nel periodo di adesione conclusosi anteriormente a tale liquidazione (la "Liquidazione Pertinente"), se il periodo di adesione venisse successivamente esteso, per una o più volte, offrendo agli azionisti Scania AB che non hanno ancora aderito con le proprie azioni l'opportunità di accettare l'Offerta, allora, a prescindere dal fatto che l'Alternativa in Azioni e Contanti in Proporzione Variabile resti aperta o che venga riaperta l'Alternativa in Azioni e Contanti in Proporzione Variabile per tali estensioni del periodo di adesione, sarà reso disponibile agli azionisti Scania AB soltanto quel numero di nuove Azioni Ordinarie MAN ai sensi dell'Alternativa in Azioni e Contanti in Proporzione Variabile liquidata nella Liquidazione Pertinente, consenta a MAN AG di mantenere un numero di Azioni Ordinarie MAN di nuova emissione sufficiente per soddisfare qualsiasi potenziale adesione in conformità all'Alternativa Base in qualsiasi successiva estensione del periodo di adesione.

4.1.5 Questioni Valutarie[20)21)]

Con riferimento sia all'Alternativa Base, sia all'Alternativa Tutto Contante e sia alla Alternativa in Azioni e Contanti in Proporzione Variabile, si applica quanto segue:

- Gli azionisti Scania AB che aderiscono all'Offerta per oltre 20.000 azioni Scania AB riceveranno il corrispettivo in Euro.

- Gli azionisti Scania AB che aderiscono all'Offerta per un massimo di 20.000 azioni Scania AB avranno l'opzione di scegliere se ricevere il pagamento del corrispettivo in SEK, sulla base del cambio EURSEK applicato dalla BCE al secondo giorno lavorativo precedente alla cessione, ovvero in Euro.

Gli azionisti Scania AB che ricevono il pagamento del corrispettivo in contanti in Euro, ma desiderano convertire tale somma in qualsiasi altra valuta dovranno effettuare tale conversione a proprie spese.

[20)] Il Consiglio per la regolamentazione del mercato mobiliare svedese ha dichiarato che la struttura valutaria dell'Offerta non è contraria alle Regole OPA (Pronunciamento 2006:27).

[21)] Gli azionisti che riceveranno il corrispettivo per cassa in Euro e gli azionisti che sceglieranno di ricevere il corrispettivo per cassa in Euro dovranno indicare un conto in Euro al momento dell'adesione all'Offerta. Se il conto in Euro indicato non è valido, il corrispettivo sarà comunque pagato in SEK per quegli azionisti che offrono fino a un massimo di 20.000 azioni.

4.1.6 Commissione di Intermediazione Finanziaria e Imposte

Non sarà addebitata alcuna commissione di intermediazione finanziaria in relazione alla liquidazione dell'Offerta. Inoltre, MAN AG pagherà qualsiasi imposta di bollo sulle nuove azioni e qualsiasi imposta di cessione relativa all'emissione o alla consegna delle nuove Azioni Ordinarie MAN.

4.1.7 Conseguenze della Cessione di Valore

MAN AG si riserva il diritto di rettificare il prezzo di Offerta qualora Scania AB paghi dei dividendi o effettui qualsiasi altra cessione di valore prima della liquidazione dell'Offerta. In caso di dividendi in denaro liquido o di altra cessione di valore in denaro liquido, il prezzo di Offerta sarà ridotto della stessa somma versata o trasferita per azione. In caso di cessioni di valore di natura diversa, la riduzione del prezzo di Offerta sarà equivalente al valore di mercato del bene che è stato trasferito. Nella misura in cui il corrispettivo per un azionista comprende denaro liquido, in tutto o in parte, la riduzione sarà innanzitutto effettuata rispetto a questo corrispettivo in contanti. Nel caso in cui la riduzione sia effettuata rispetto alla componente azionaria nell'Offerta, ad ogni nuova Azione Ordinaria MAN sarà attribuito un valore pari a €67,34. MAN AG si riserva il diritto di stabilire se deve essere invocato questo meccanismo di adeguamento dei prezzi o condizione (iii) dell'Offerta, punto 4.2, per l'esecuzione dell'Offerta.[22)]

4.2 Condizioni per l'Efficacia dell'Offerta

L'efficacia dell'Offerta è soggetta alle seguenti condizioni:

i. L'Offerta deve essere accettata in misura tale da consentire a MAN di acquistare la titolarità di oltre il 90% del numero totale di azioni e diritti di voto in Scania su base completamente diluita;

ii. Non devono essere annunciate alcune altre offerte aventi ad oggetto le azioni Scania a termini più vantaggiosi per gli azionisti Scania rispetto a quelli dell'Offerta;

iii. Scania non deve adottare alcun provvedimento che possa avere degli effetti negativi sui presupposti dell'Offerta o sulla sua implementazione, ivi compreso, a titolo esemplificativo, cedere qualsiasi parte sostanziale della propria attività o dei propri beni o modificare altrimenti in modo sostanziale il normale svolgimento della propria attività;

iv. Tutte le necessarie approvazioni, autorizzazioni e decisioni da parte delle autorità competenti, ivi comprese le autorità addette alla regolamentazione finanziaria ed alla concorrenza con riferimento all'Offerta, alla sua implementazione o all'acquisizione di Scania da parte di MAN o di qualsiasi sua controllata, devono essere state ottenute in termini accettabili per MAN o entro la scadenza dei termini ultimi applicabili o dei relativi periodi di attesa e devono essere privi di alcuna menzione di qualsiasi intenzione di revocare, sospendere, limitare, variare, emendare, non rinnovare o di imporre qualsiasi condizione attinente a qualsiasi autorizzazione, certificato, licenza, permesso o approvazione di Scania o di qualsiasi sua consociata;

v. L'Offerta, la sua implementazione e/o l'acquisizione delle azioni Scania, ivi compresa la registrazione dell'implementazione dell'aumento di capitale per l'emissione delle azioni MAN che costituiscono la Componente Azionaria MAN nel registro commerciale (Handelsregister) di MAN, non dovranno essere rese, né potrà essere previsto con ragionevole anticipo che siano rese, in tutto o in parte, impossibili o ostacolate in modo sostanziale per via dell'emanazione di legislazione, normativa, decisioni da parte di tribunali o autorità pubbliche od altri provvedimenti equiparabili, ivi comprese azioni di terze parti, fuori dal controllo di MAN, che si siano verificate o che potrebbero essere previste con ragionevole anticipo;

vi. Non deve essersi verificata alcuna sostanziale variazione in negativo nella posizione finanziaria o nella gestione di Scania dopo l'annuncio dell'Offerta; per tale cambiamento sostanziale negativo si intende un evento che a livello sostanziale pregiudichi negativamente, o che si potrebbe prevedere ragionevolmente che potrebbe pregiudicare la liquidità le vendite i risultati o azioni ordinarie e che MAN non avrebbe potuto conoscere o prevedere al momento dell'annuncio dell'Offerta; e

[22)] Il Consiglio per la regolamentazione del mercato mobiliare svedese ha affermato che un meccanismo di adeguamento dei prezzi in relazione alle cessioni di valore *(värdeöverföring)* in Scania o riservarsi il diritto di ritirare l'Offerta a causa di tale cessione di valore non è contrario alla migliore prassi del mercato azionario (Decreto 2006:27).

vii. Nessuna informazione resa pubblica da Scania o resa nota da Scania a MAN dovrà essere sostanzialmente inesatta, incompleta o fuorviante e Scania non dovrà aver omesso di rendere pubblica qualsiasi informazione che avrebbe dovuto rendere tale.

4.3 Diritti di MAN AG

4.3.1 Diritti di Ritirare l'Offerta di MAN AG

MAN AG si riserva il diritto di ritirare l'Offerta nel caso in cui sia chiaro che una qualunque delle condizioni elencate in precedenza non è stata o non potrà essere rispettata. Tuttavia, con esclusivo riferimento alle condizioni di cui ai paragrafi da (iii) a (vii) che precedono, l'Offerta potrà essere ritirata solo se la condizione risulti di importanza sostanziale per l'acquisizione delle azioni in Scania AB da parte di MAN AG.

4.3.2 Deroga alle Condizioni

MAN AG si riserva il diritto di derogare, in tutto o in parte, a una, ad alcune o a tutte le condizioni riportate in precedenza, anche in relazione alla condizione (i) riportata in precedenza, al fine di portare a termine l'Offerta ad un livello inferiore di adesione.

4.3.3 Diritto di estendere il Periodo di Adesione

MAN AG si riserva il diritto di estendere il periodo di adesione e di rinviare la data della liquidazione del corrispettivo.

4.3.4 Diritto di consegnare azioni ordinarie MAN AG proprie (Stammaktien)

MAN AG si riserva il diritto di consegnare azioni ordinarie MAN AG proprie (Stammaktien) ricomprate, direttamente o indirettamente, da MAN AG, in sostituzione di tutte o di parte di nuove Azioni Ordinarie MAN. In tal caso, tutti i riferimenti presenti nella sezione offerta del Documento di Offerta per nuove Azioni Ordinarie MAN si applicheranno altresì alle azioni ordinarie MAN AG proprie (*Stammaktien*). In questo caso non sarebbe necessario procedere ad un aumento di capitale per l'emissione di nuove Azioni Ordinarie MAN.

4.4 Istruzioni per l'Adesione all'Offerta

Per qualsiasi chiarimento circa le modalità di adesione, le condizioni generali dell'Offerta e le relative istruzioni, contattare Ulf-Carsten Steinborn al numero +49 (0)8 36098-334 o Dominique Nadelhofer al numero +49 (0)89 36098-397 dell'ufficio di MAN per le Relazioni con gli Investitori (Investor Relations), investor.relations@man.eu oppure contattare l'ufficio MAN per l'assistenza agli azionisti Scania al numero +46 480 404 110.

4.4.1 Adesione e Periodo di Adesione

Il periodo di adesione inizia il 20 novembre 2006 e termina l'11 dicembre 2006.

4.4.2 Azionisti registrati a proprio Nome

Gli azionisti Scania AB le cui partecipazioni sono direttamente registrate presso VPC AB ("VPC") (Organizzazione centrale svedese di deposito e compensazione per il mercato mobiliare) riceveranno un modulo di adesione prestampato con informazioni contenenti il nome, l'indirizzo, il numero personale o dell'organizzazione e il numero di conto titoli ("Conto VP") dell'azionista in cui sono registrate le azioni Scania AB di tale azionista. Il numero di azioni Scania AB detenute è prestampato nella casella delle azioni offerte.

Si noti che un modulo di adesione incompleto o compilato in modo inesatto potrebbe non essere tenuto in considerazione.

Coloro che sono inclusi nell'elenco dei creditori pignoratizi e dei tutori allegato al libro dei soci non riceveranno un modulo di adesione e saranno invece contattati a personalmente.

4.4.2.1 Azionisti domiciliati in Svezia

Coloro che desiderano accettare l'Offerta dovranno inviare il modulo di adesione compilato e firmato nella busta pre-indirizzata e pre-affrancata (distribuita insieme alla Brochure Informativa agli azionisti Scania AB registrati direttamente) o presentare il modulo di adesione a qualsiasi filiale di Handelsbanken o a qualsiasi

altro sportello bancario svedese con la necessaria autorizzazione. Si noti che il modulo di adesione dovrà essere ricevuto dalla filiale Handelsbanken non oltre il 11 dicembre 2006, o da qualsiasi altro sportello bancario svedese in tempo utile per essere ricevuto da Handelsbanken Capital Markets non oltre l'11 dicembre 2006. La banca che riceverà il modulo lo inoltrerà a Handelsbanken Capital Markets, SE 839 24 Östersund.

4.4.2.2. Azionisti domiciliati al di fuori della Svezia

Gli azionisti che non risiedono in Svezia e che hanno i requisiti necessari per partecipare all'Offerta (consultare il precedente punto 1.4) devono inviare il modulo di adesione compilato e firmato a Handelsbanken Capital Markets, SE 839 24 Östersund , Svezia. Si noti che il modulo di adesione dovrà essere ricevuto da Handelsbanken Capital Markets non oltre il l'11 dicembre 2006.

4.4.2.3 Azioni Date in Garanzia

Se le azioni Scania AB sono state date in garanzia, anche il creditore pignoratizio dovrà firmare il modulo di adesione presentato.

4.4.3 Azionisti Intestatari

Né il presente Documento di Offerta, né il Prospetto Informativo dell'Offerta, né la Brochure Informativa o altri moduli di adesione prestampati saranno inviati agli azionisti Scania AB le cui partecipazioni sono registrate a nome di un fiduciario o altro intestatario in una banca o in altra istituzione depositaria. In questi casi, infatti, l'adesione all'Offerta dovrà invece essere effettuata dal fiduciario o da altro intestatario.

4.4.4 Conferma agli Azionisti

Successivamente alla ricezione e registrazione da parte di Handelsbanken del modulo di adesione correttamente compilato e firmato, le azioni Scania AB saranno trasferite in un conto VP bloccato in nome dell'azionista. In relazione a ciò, VPC invierà una notifica ("notifica VP") a conferma del trasferimento sul conto VP bloccato appena aperto. Non sarà inviato alcun preavviso ad indicare il prelievo dal conto VP originale.

4.4.5 Scambio di Azioni e Aumento di Capitale

4.4.5.1 Handelsbanken come Agente di Cambio

MAN AG ha nominato Handelsbanken Agente di Cambio per la gestione dell'implementazione tecnica dell'Offerta. Le azioni Scania AB fornite per effettuare lo scambio saranno cedute direttamente dagli azionisti Scania AB a MAN AG senza che Handelsbanken acquisisca diritto di proprietà su queste azioni. Handelsbanken cederà le azioni Scania AB presentate nell'Offerta a MAN AG a nome di Handelsbanken con l'autorizzazione degli azionisti Scania AB che aderiscono all'Offerta a procedere in tal modo. Nel fornire assistenza per la cessione delle azioni Scania AB a MAN AG, Handelsbanken non agirà da agente con procura a nome degli azionisti Scania AB ma agirà a proprio nome e per conto degli azionisti di Scania AB che hanno aderito all'Offerta.

4.4.5.2 Adesione all'Offerta

Aderendo all'Offerta, gli azionisti Scania AB autorizzano irrevocabilmente Handelsbanken a cedere le loro azioni Scania AB direttamente a MAN AG a nome di Handelsbanken per loro conto. Con l'adesione all'Offerta, gli azionisti Scania AB che aderiscono all'Offerta sanciscono irrevocabilmente, altresì, il mandato e la procura a Handelsbanken a intraprendere tutti gli altri provvedimenti necessari e opportuni e a rendere e ricevere tutte le dichiarazioni nel contesto di questa Offerta e della sua adesione.

4.4.5.3 Cessione di azioni Scania AB a MAN AG

1. Nel caso in cui vi sia un aumento di capitale necessario per l'emissione di nuove Azioni Ordinarie MAN, Handelsbanken cederà a MAN AG le azioni Scania AB offerte in proprio nome e per conto degli azionisti Scania AB che aderiscono all'offerta, secondo le seguenti modalità:

    i. Per le azioni Scania AB per le quali, ai sensi delle condizioni dell'Offerta, il corrispettivo consiste, in tutto o in parte, di nuove Azioni Ordinarie MAN, la cessione sarà effettuata attraverso un conferimento di natura diversa, in base a un accordo di conferimento tra Handelsbanken e MAN AG

in cambio di azioni ordinarie MAN AG (*Stammaktien*) e il rispettivo pagamento per cassa, nella misura applicabile.

ii. Per le azioni Scania AB per le quali, ai sensi delle condizioni dell'Offerta, il corrispettivo consiste esclusivamente di denaro liquido, la cessione sarà effettuata in conformità all'Offerta.

2. Nel caso in cui MAN AG eserciti il suo diritto secondo il punto 4.3.4, Handelsbanken cederà a MAN AG le azioni Scania AB offerte in proprio nome e per conto degli azionisti Scania AB che aderiscono all'offerta, secondo le seguenti modalità:

   i. Per le azioni Scania AB per le quali, ai sensi delle condizioni dell'Offerta, il corrispettivo consiste, in tutto o in parte, di nuove Azioni Ordinarie MAN, la cessione sarà effettuata in cambio (*Zug um Zug*) di azioni ordinarie MAN AG proprie (*Stammaktien*) ricomprate, direttamente o indirettamente, da MAN AG e, nella misura applicabile, il rispettivo pagamento per cassa.

   ii. Per le azioni Scania AB per le quali, ai sensi delle condizioni dell'Offerta, il corrispettivo consiste esclusivamente di denaro liquido, la cessione sarà effettuata in conformità all'Offerta.

4.4.5.4 Cessione delle azioni ordinarie MAN AG (Stammaktien) agli Azionisti Scania AB

1. In caso di un aumento di capitale necessario per l'emissione di nuove Azioni Ordinarie MAN, Handelsbanken sottoscriverà le azioni ordinarie MAN AG (*Stammaktien*) da emettere a proprio nome ma per conto degli azionisti Scania AB che aderiscono all'Offerta. Le nuove Azioni Ordinarie MAN saranno ricevute da Handelsbanken per conto degli azionisti Scania AB che aderiscono all'Offerta o dei loro aventi causa e, in collaborazione con Bayerische Landesbank, saranno cedute agli azionisti Scania AB o ai loro aventi causa immediatamente dopo.

2. Nel caso in cui MAN AG eserciti il suo diritto di cui al punto 4.3.4, la stessa consegnerà le proprie azioni ordinarie MAN AG (*Stammaktien*) a Handelsbanken. Le azioni ordinarie MAN AG proprie (*Stammaktien*) saranno ricevute da Handelsbanken per conto degli azionisti Scania AB che accettano l'Offerta o dei loro aventi causa e, in collaborazione con Bayerische Landesbank, saranno cedute agli azionisti Scania AB o ai loro aventi causa immediatamente dopo.

Le modalità di liquidazione dei corrispettivi dell'Offerta sono descritte in maggiore dettaglio al seguente punto 4.6.

4.5 Diritti degli Azionisti di Recedere dall'Adesione

Gli azionisti Scania AB che hanno aderito all'Offerta hanno il diritto di ritirare la loro adesione all'Offerta. Per essere valido, tale recesso deve essere manifestato per iscritto e ricevuto da Handelsbanken Capital Markets prima dell'annuncio che le condizioni per la conclusione dell'Offerta sono state soddisfatte, ovvero, se tale annuncio non è stato reso pubblico durante il periodo di adesione, non oltre le ore 17.00, ora di Stoccolma, dell'ultimo giorno in cui è possibile effettuare l'adesione.

Se qualsiasi condizione per concludere l'Offerta, alla quale MAN AG potrebbe derogare, resta in vigore durante una eventuale estensione del periodo di adesione, allora il diritto dell'azionista di recedere dalla propria adesione si applicherà allo stesso modo durante l'estensione del periodo di adesione, come illustrato nel paragrafo precedente.

Gli azionisti Scania AB le cui partecipazioni azionarie sono registrate in nome di un fiduciario o di altro intestatario in una banca o altro istituto depositario e che desiderano recedere dall'adesione devono procedere in tal senso attraverso il loro fiduciario o altro intestatario.

4.6 Liquidazione

L'inizio della consegna delle nuove Azioni Ordinarie MAN e il pagamento del corrispettivo in contanti è previsto dopo la scadenza del periodo di adesione e, presumibilmente, il quinto giorno lavorativo successivo alla dichiarazione da parte di MAN che l'Offerta è incondizionata. La consegna delle azioni sarà effettuata attraverso i sistemi di registrazione di Clearstream Banking AG nei sistemi di registrazione di VPC. La liquidazione dei corrispettivi è prevista, in funzione anche dei vari processi di autorizzazione antitrust, per prima del 31 dicembre 2006. Una tale ipotesi presuppone che venga concessa l'approvazione antitrust da

parte della Commissione Europea una volta trascorso il periodo per la valutazione preliminare (fase I, 25 giorni lavorativi). Se invece la Commissione Europea procedesse con la prova di compatibilità vera e propria (fase II), l'approvazione verrà presumibilmente posticipata alla prima metà del 2007 e la liquidazione dell'offerta sarà rinviata di conseguenza.

La decisione della Commissione Europea è prevista entro il 6 dicembre 2006.

Gli azionisti Scania AB riceveranno nuove Azioni Ordinarie MAN in base alla componente azionaria dell'Offerta consegnate sul conto VP indicato sul modulo di adesione come illustrato nel punto 4.6.1 di seguito. In merito al corrispettivo in contanti dell'Offerta, la liquidazione sarà effettuata tramite distribuzione di una nota di liquidazione. Non sarà inviata alcuna notifica VP che comunichi il ritiro delle azioni di Scania AB dal conto bloccato.

Laddove le azioni siano registrate a nome di un fiduciario o di altro intestatario, la liquidazione sarà effettuata direttamente al fiduciario o all'intestatario. Il pagamento del corrispettivo per cassa dell'Offerta sarà effettuato sul dossier titoli collegato al conto VP. In assenza di un dossier titoli, qualora sia presente un conto Plusgiro, il pagamento avverrà sotto forma di ordine di bonifico. Si noti che anche se le azioni sono date in garanzia, il pagamento sarà effettuato nel dossier titoli.

4.6.1 Consegna delle Azioni

Qualora un azionista Scania AB riceva nuove Azioni Ordinarie MAN, le Azioni Ordinarie MAN di nuova emissione saranno trasferite sul conto VP indicato sul modulo di adesione. L'azionista Scania AB riceverà una notifica VP di tale operazione a conferma della registrazione delle Azioni Ordinarie MAN di nuova emissione nel proprio conto VP originale.

Qualora un conto VP sia soggetto a pegno, la liquidazione sarà effettuata sul conto e una notifica VP sarà inviata sia all'azionista sia al creditore pignoratizio.

Qualora le azioni siano registrate a nome di un fiduciario o altro intestatario, la liquidazione sarà effettuata direttamente al fiduciario o all'intestatario.

La liquidazione dei proventi derivanti dalla vendita di frazioni di azioni sarà effettuata come esposto nel punto 4.6.2 di seguito.

4.6.2 Frazioni di Azioni

Non saranno assegnate agli azionisti Scania AB che aderiscono all'Offerta frazioni di nuove Azioni Ordinarie MAN. Le frazioni saranno aggregate e vendute sul mercato e i proventi netti saranno distribuiti secondo un criterio proporzionale agli azionisti Scania AB aventi diritto agli stessi. Aderendo all'Offerta, l'azionista Scania AB autorizza Handelsbanken a vendere tali frazioni di azioni a cui gli azionisti Scania AB avrebbero altrimenti diritto. La liquidazione dei proventi derivanti dalla vendita di frazioni di azioni sarà effettuata per mezzo di una nota di liquidazione e ogni relativo azionista Scania AB riceverà la sua quota dei proventi totali. Non sarà addebitata alcuna commissione in relazione a tale vendita. Il pagamento sarà effettuato nella stessa valuta in cui viene effettuato qualsiasi altro pagamento dei corrispettivi in contanti. Il pagamento in SEK sarà effettuato sul dossier titoli collegato al conto VP indicato sul modulo di adesione. In assenza di dossier titoli o qualora sia presente un conto Plusgiro, il pagamento avverrà sotto forma di ordine di bonifico. Il pagamento in Euro sarà effettuato sul conto in Euro indicato nel modulo di adesione.

4.6.3 Quotazione in Borsa e Negoziazione

MAN AG è quotata sulla Borsa di Francoforte. Sarà presentata domanda all'Autorità federale tedesca di vigilanza sul mercato finanziario e alla Borsa Valori di Francoforte affinché le nuove Azioni Ordinarie MAN siano ammesse ai segmenti del mercato ufficiale (amtlicher Markt) della Borsa Valori di Francoforte e al sottosegmento del segmento del mercato ufficiale con ulteriori obblighi successivi all'ammissione alla Borsa Valori di Francoforte (Prime Standard). Si prevede che la quotazione alla Borsa di Francoforte diventerà operativa e che le negoziazioni, per la normale liquidazione, sulla Borsa di Francoforte inizieranno poco dopo la data in cui MAN AG annuncerà che tutte le condizioni dell'Offerta sono state soddisfatte.

Le nuove Azioni Ordinarie MAN consegnate secondo l'Offerta saranno inizialmente consegnate, detenute e liquidate nell'ambito del sistema VPC. Affinché le nuove Azioni Ordinarie MAN siano contrattate sulla Borsa

di Francoforte, le stesse dovranno essere detenute tramite la banca depositaria tedesca di strumenti finanziari collettivi Clearstream Banking AG, 60485 Frankfurt am Main, Germania ("Clearstream").

Le nuove Azioni Ordinarie MAN potranno essere detenute, trasferite e liquidate esclusivamente in VPC da istituti che operano su conti autorizzati, ad esempio banche e broker. Malgrado gli acquisti e le vendite possano essere effettuati tramite accordi privati con l'assistenza di uno o più istituti che operano su conti nel sistema VPC, i titolari di nuove Azioni Ordinarie MAN hanno la facoltà di effettuare l'annullamento delle loro nuove Azioni Ordinarie MAN nel sistema VPC e di disporre il trasferimento delle azioni su di un conto titoli presso un istituto finanziario depositario che sia aderente a Clearstream. Ciò consentirà la contrattazione delle nuove Azioni Ordinarie MAN sulla Borsa Valori di Francoforte. In merito a tali trasferimenti, saranno dovuti gli oneri stabiliti per la cessione delle azioni.

A seconda della futura struttura dell'azionariato, potrebbe essere presa in considerazione una quotazione sul mercato secondario di Stoccolma.

Le nuove Azioni Ordinarie MAN emesse in conformità all'Offerta, una volta emesse e interamente pagate, avrebbero, sotto tutti gli aspetti, i medesimi diritti relativi alle azioni ordinarie MAN AG (*Stammaktien*), ivi compreso il diritto di ricevere tutti i dividendi e altre eventuali distribuzioni deliberate, effettuate o pagate da MAN AG successivamente alla data di emissione delle nuove Azioni Ordinarie MAN che costituiscono la componente azionaria dell'Offerta. Ciascuna azione ordinaria MAN AG (*Stammaktie*) dà diritto a un voto all'assemblea generale degli azionisti di MAN AG.

4.7 Informazioni per gli azionisti di MAN AG che detengono le azioni attraverso il sistema di registrazione VPC

4.7.1 Condizioni Generali

Le nuove Azioni Ordinarie MAN che costituiscono la componente azionaria dell'Offerta inizialmente saranno consegnate, detenute, liquidate e registrate sul conto VP dell'azionista indicato sul modulo di adesione o sul conto di custodia dell'azionista.

4.7.2 Dividendi

Per le azioni registrate presso VPC, il pagamento dei dividendi sarà gestito da VPC. Ai sensi della Legge tedesca sulle società per azioni (*Aktiengesetz*), gli azionisti che detengono azioni ordinarie MAN AG (*Stammaktien*) nel momento in cui l'assemblea degli azionisti delibera la ripartizione dei profitti hanno diritto a percepire i dividendi in conformità a tale risoluzione. Fintanto che le azioni vengono contrattate in Borsa "con dividendo", gli acquisti di tali azioni in Borsa comprenderebbero, in effetti, i diritti ai dividendi.

Le nuove Azioni Ordinarie MAN da assegnare agli azionisti Scania AB attraverso VPC danno diritto ai dividendi a partire dal primo gennaio 2006, qualora le Azioni Ordinarie MAN di nuova emissione siano emesse prima che l'assemblea degli azionisti di MAN AG abbia deliberato la ripartizione dei profitti annuali per l'esercizio finanziario 2006. Se le Azioni Ordinarie MAN di nuova emissione sono emesse successivamente a tale data ma prima che l'assemblea degli azionisti di MAN AG deliberi la ripartizione dei profitti annuali per l'esercizio finanziario 2007, le Azioni Ordinarie MAN di nuova emissione daranno diritto ai dividendi a partire dal primo gennaio 2007.

I dividendi per tutte la azioni di MAN AG sono deliberati e pagati in Euro. Tuttavia, nel caso di azioni registrate presso VPC, per il momento i dividendi saranno cambiati e pagati in SEK. Il cambio sarà effettuato il terzo giorno precedente al giorno del pagamento. Alla luce di questo, la data del pagamento tramite VPC è variabile. Si noti che il tasso di cambio EURSEK può variare tra il giorno dell'assemblea degli azionisti e il giorno del pagamento e che pertanto tale circostanza avrà un effetto sull'importo del pagamento. Si noti altresì che sia il sistema svedese sia il sistema tedesco possono richiedere la ritenuta d'acconto sui dividendi.

4.7.3 Cessione di Azioni registrate presso VPC

Gli ex azionisti di Scania che accettano le nuove Azioni Ordinarie MAN dell'Offerta saranno in grado di negoziare le proprie nuove Azioni Ordinarie MAN sulla Borsa di Francoforte. Ciò, tuttavia, sarà possibile soltanto dopo che l'azionista abbia effettuato l'annullamento delle proprie azioni ordinarie MAN AG (*Stammaktien*) nel sistema di VPC e abbia disposto la relativa cessione della propria azione ordinaria di MAN

AG (*Stammaktien*) in un conto titoli presso un istituto finanziario depositario, aderente a Clearstream. In merito a tale cessione, saranno dovuti oneri stabiliti per la cessione delle azioni.

4.7.4 Informazioni in merito ai Titolari di Azioni registrate presso VPC

Il registro di VPC relativo agli azionisti registrati non sarà pubblico. Tuttavia, MAN AG si riserva il diritto di ottenere informazioni da VPC relativamente ai possessori di azioni registrate presso VPC e le loro partecipazioni.

4.7.5 Assemblee degli Azionisti MAN AG

Le assemblee degli azionisti MAN AG hanno generalmente luogo in Germania. I titolari di azioni MAN AG registrate presso VPC hanno il diritto di partecipare alle assemblee degli azionisti ai sensi dello statuto sociale di MAN AG e della legislazione tedesca. La comunicazione per la partecipazione all'assemblea degli azionisti sarà fornita ai sensi dello statuto sociale e del diritto tedesco, come descritto nel punto 10.2. Conformemente all'attuale statuto sociale di MAN AG, soltanto gli azionisti che si iscrivono alle assemblee degli azionisti MAN AG e forniscono prova di possedere azioni hanno diritto di partecipare alle assemblee e di votare. MAN AG deve ricevere l'iscrizione e prova del possesso di azioni all'indirizzo fornito a tale scopo nell'invito al più tardi entro il settimo giorno precedente l'assemblea degli azionisti. Le assemblee degli azionisti MAN AG devono essere convocate almeno 30 giorni prima della data prevista per l'iscrizione per gli azionisti. L'ultima data utile in cui gli azionisti possono iscriversi non deve essere inclusa nel calcolo del periodo di 30 giorni. Le comunicazioni per le assemblee degli azionisti MAN saranno peraltro pubblicate su due quotidiani svedesi a tiratura nazionale: Dagens Industri e Dagens Nyheter. Tale comunicazione deve contenere informazioni dettagliate relative alle procedure da seguire da parte dei titolari di azioni di MAN al fine di partecipare all'assemblea degli azionisti ed esercitare i propri diritti di voto.

4.7.6 Comunicazione di informazioni riguardanti gli azionisti

MAN AG rende note le informazioni riguardanti i propri azionisti ai sensi del diritto tedesco e delle relative norme applicabili. Pertanto, tali informazioni saranno rese note in tedesco e in inglese e saranno accessibili sul sito Web all'indirizzo: **www.man.de** (tedesco) o **www.man.eu** (inglese).

4.8 Acquisto sul mercato delle Azioni Scania AB al di fuori dell'Offerta

MAN AG potrebbe acquistare, di tanto in tanto, o dare disposizioni per acquistare azioni Scania AB al di fuori dell'Offerta, compresi acquisti sul libero mercato ai prezzi prevalenti o in transazioni private a prezzi negoziati, in ogni caso, entro il limite consentito dalle leggi e dalle norme svedesi applicabili. Nessun acquisto del genere è stato effettuato o potrà essere effettuato a prezzi superiori al prezzo di Offerta o a termini più vantaggiosi rispetto a quelli offerti conformemente all'Offerta a meno che il prezzo di Offerta sia aumentato di conseguenza.

4.9 Acquisizione Obbligatoria e Cancellazione del Titolo

Supponendo che l'Offerta abbia un'adesione tale da consentire a MAN AG di acquisire più del 90% del numero totale di azioni, MAN AG intende iniziare una procedura di offerta pubblica obbligatoria ai sensi della Legge svedese per acquisire tutte le azioni Scania AB residue.

A seguito della conclusione dell'Offerta, MAN AG intende promuovere la cancellazione delle azioni Scania AB dall'SSE.

4.10 Fusione

Sia che MAN AG raggiunga o meno una percentuale di proprietà di titoli pari al 90% di Scania AB, MAN AG si riserva il diritto di intraprendere iniziative atte ad avviare l'implementazione di una fusione tra MAN AG e Scania AB in conformità alla legge e regolamentazione applicabili svedesi (compresa la Legge svedese sulle società e i requisiti applicabili formulati dal Consiglio per la regolamentazione del mercato mobiliare svedese nel suo decreto 2005:2) e tedesche, ad esempio in relazione al processo di implementazione di una *"Societas Europaea"* per il Gruppo Consolidato.

5. Fattori di rischio

Prima di accettare le nuove azioni ordinarie (Stammaktien) MAN AG che costituiscono il componente azionario nell'Offerta, gli investitori dovrebbero accuratamente esaminare e prendere in considerazione i seguenti fattori di rischio, ripresi dal Prospetto informativo sull'Offerta annesso come Allegato I. Il verificarsi di uno o di più di uno di tali rischi, di per sé o in abbinamento ad altre circostanze, potrebbe avere un sostanziale effetto negativo sulle attività di MAN e sui suoi flussi di cassa, sulla situazione finanziaria e sui risultati operativi. L'ordine in cui i rischi vengono presentati non va a rispecchiare la probabilità del loro verificarsi o l'entità o la significatività dei singoli rischi. Ulteriori rischi e incertezze di cui MAN AG non è attualmente consapevole potrebbero avere un sostanziale effetto negativo sulle sue attività e sui flussi di cassa, sulla situazione finanziaria e sui risultati operativi. Se uno qualsiasi di tali rischi dovesse materializzarsi, il prezzo di mercato delle sue azioni potrebbe crollare ed, in tal caso, un investitore potrebbe perdere la totalità o una parte del proprio investimento. I fattori di rischio segnalati di seguito potrebbero essere applicabili non solo a MAN AG prima del perfezionamento dell'Offerta, ma anche al Gruppo Congiunto comprendente Scania.

5.1 Rischi relativi all'Offerta

Le informazioni riguardanti Scania contenute nel presente Documento di Offerta sono basate esclusivamente su informazioni di dominio pubblico.

Le informazioni riguardanti Scania contenute nel presente Documento di Offerta sono basate esclusivamente su informazioni di dominio pubblico e non sono state verificate da MAN AG né commentate o confermate dal consiglio d'amministrazione di Scania AB. Le presenti informazioni potrebbero non essere corrette o potrebbero essere incomplete. MAN AG ha fatto del suo meglio per garantire che le informazioni qui riportate riguardanti Scania fossero accurate, complete e non fuorvianti. Tuttavia, MAN AG e la sua direzione generale non sono in grado di assicurare che le informazioni su Scania siano accurate, complete e non fuorvianti.

MAN potrebbe non conseguire i profitti attesi dall'integrazione di Scania.

MAN auspica che l'acquisizione di Scania AB abbia come conseguenza un incremento nella crescita degli utili. MAN non può in alcun modo assicurare il pieno conseguimento di tali profitti auspicati. L'ottenimento dei profitti auspicati nel contesto della presente acquisizione dipenderà, in parte, dal fatto che le attività, il personale, le tecnologie, i prodotti ed in generale gli affari di Scania si integrino in modo efficiente ed efficace con le esistenti attività commerciali di MAN. Il gruppo dirigente di MAN potrebbe riscontrare difficoltà impreviste nella gestione dell'integrazione delle attività commerciali. Il processo di integrazione di tali attività commerciali potrebbe dimostrarsi turbativo della gestione degli affari interni di MAN, potrebbe necessitare di più tempo di quanto auspicato da MAN e potrebbe provocare un'interruzione o avere un sostanziale effetto negativo sulle sue attività commerciali congiunte. Inoltre, non può esserci garanzia che i costi di integrazione non superino quelli stimati da MAN né che vengano conseguite le preventivate sinergie in termini di costi.

Il perfezionamento dell'Offerta è subordinato, tra l'altro, all'approvazione dell'autorità garante della concorrenza e del mercato.

Il perfezionamento dell'Offerta è subordinato, tra l'altro, all'approvazione dell'autorità garante della concorrenza e del mercato. La rispettiva autorità garante della concorrenza e del mercato, nello specifico la Commissione Europea, potrebbe negare la propria approvazione o potrebbe decidere di concedere la propria approvazione solamente previo adempimento, da parte di MAN o di Scania, di alcune obbligazioni onerose. Tali obbligazioni potrebbero avere l'effetto di imporre a MAN significativi costi aggiuntivi, circostanza che implicherebbe una riduzione delle entrate di MAN, determinando la dismissione di determinati beni o imponendo altre restrizioni operative sulle attività commerciali congiunte di MAN e di Scania.

MAN potrebbe perfezionare l'Offerta a un livello di accettazione tale da non consentire di esercitare uno squeeze-out sulle residue azioni di Scania AB.

MAN potrebbe non ottenere un numero di accettazioni tale da consentire a MAN di conseguire la proprietà del 100% di Scania AB. Nel caso in cui MAN dovesse decidere di procedere con l'Offerta nonostante un livello

di accettazione inferiore al 90%, ciò potrebbe avere un impatto negativo sulla fusione di MAN e Scania, così come sulle future attività delle due società. Inoltre, se MAN non dovesse riuscire a raggiungere una quota di capitale azionario di Scania AB sufficiente a mettere MAN nelle condizioni di esercitare uno squeeze-out sulle residue azioni di Scania AB, il prezzo di mercato delle azioni di MAN AG potrebbe essere influenzato negativamente a seguito del perfezionamento dell'Offerta, provocando una potenziale esigenza di svalutazione, per MAN AG, della sua partecipazione azionaria in Scania AB.

MAN, successivamente al perfezionamento dell'Offerta, sarà indebitata in maniera consistente, circostanza che potrebbe danneggiare le sue prospettive future, limitare il flusso di cassa disponibile ed avere un impatto sulla sua capacità di adempiere ai propri obblighi nei confronti dei creditori.
Anche se attualmente MAN, di fatto, non virtualmente non fa ricorso all'indebitamento per la gestione ordinaria della propria attività d'impresa, la società avrà un considerevole rapporto di indebitamento a seguito del perfezionamento dell'Offerta. Il consistente livello di indebitamento a seguito del perfezionamento dell'Offerta aumenta la possibilità che MAN possa non essere in grado di generare liquidità a sufficienza per pagare, a scadenza, il capitale, i relativi interessi o altre somme dovute in merito al proprio indebitamento. Il futuro indebitamento di MAN, di entità considerevole, in abbinamento ai suoi obblighi di leasing e finanziari di altro genere e ai suoi impegni contrattuali, potrebbe avere notevoli conseguenze. Tale indebitamento, ad esempio, potrebbe:

- rendere MAN soggetta a peggioramenti nella situazione generale a livello economico, industriale e concorrenziale e a cambiamenti negativi nelle disposizioni governative;
- limitare la flessibilità di MAN nella pianificazione e nella capacità di reazione a cambiamenti nelle attività e nel comparto industriale in cui opera MAN;
- collocare MAN in una situazione di svantaggio nei confronti dei suoi concorrenti che abbiano un minore indebitamento rispetto a quello di MAN;
- limitare le ulteriori capacità di indebitamento di MAN quanto a capitale circolante, spese in conto capitale, acquisizioni, esigenze di servizio del debito, esecuzione della propria strategia commerciale o per altri scopi o di ottenere ulteriori garanzie bancarie necessarie per le sue attività; e
- richiedere a MAN di destinare una quota consistente del suo flusso di cassa derivante dalle attività, ai pagamenti per il suo indebitamento, andando pertanto a ridurre la disponibilità dei suoi flussi di cassa per finanziare capitale circolante, spese in conto capitale, acquisizioni e altri scopi societari in genere.

Ciascuno dei sopra elencati fattori potrebbe incidere negativamente, in modo sostanziale, sulle attività di MAN, sulla sua situazione finanziaria o sui risultati operativi.

Il mancato ottenimento di un rating di tipo "investment grade" potrebbe far aumentare i costi di finanziamento a carico di MAN.
La futura valutazione dell'affidabilità creditizia di MAN da parte di agenzie di rating avrà un impatto decisivo sull'ammontare degli interessi passivi che MAN dovrà pagare in futuro. Il mancato ottenimento di un rating di tipo "investment grade" a seguito del buon esito del perfezionamento dell'Offerta, avrebbe come conseguenza, in generale, che MAN sarà soggetta a condizioni finanziarie meno vantaggiose, che potrebbero andare ad aumentare le sue spese finanziarie e che potrebbero limitare il suo accesso ai finanziamenti. Tali eventi avrebbero un sostanziale effetto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

In generale, l'affidabilità creditizia di MAN avrà un impatto decisivo sulle sue spese finanziarie. Di conseguenza, un deterioramento della sua affidabilità creditizia influirebbe negativamente sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

Allontanamento di esponenti chiave della direzione di Scania, che avrebbero potuto costituire un elemento di valore per il Gruppo Consolidato.
Sussiste il rischio che il perfezionamento dell'Offerta possa portare esponenti chiave del gruppo dirigente di Scania a scegliere di non restare col Gruppo Congiunto. L'allontanamento di esponenti chiave del gruppo

dirigente di Scania potrebbe influire negativamente sulle attività del Gruppo Congiunto, sulla sua situazione finanziaria e sui risultati operativi.

MAN, a seguito del perfezionamento dell'Offerta, avrà una considerevole esposizione debitoria e sarà esposta alle variazioni nei tassi di interesse.
Gli interessi passivi di MAN derivanti dai prestiti contratti, in particolare con il Contratto di Finanziamento (si rimanda a *"Contratti Sostanziali — Finanziamento dell'Offerta", nel Prospetto Informativo sull'Offerta*) stipulato in funzione dell'acquisizione, sono influenzati da oscillazioni dei tassi di interesse, basate sull'andamento del mercato. Degli aumenti nei tassi di interesse possono condurre ad un incremento degli interessi passivi di MAN. Nel caso in cui MAN non dovesse riuscire, nel breve e nel lungo periodo, a ridurre al minimo l'effetto delle oscillazioni nei tassi di interesse attraverso idonee operazioni di copertura o mediante la compensazione di interessi passivi elevati, generando sufficiente liquidità tramite le proprie attività operative, potrebbe essere obbligata a ricercare parte della finanza necessaria sul mercato o tramite l'utilizzazione di ulteriori linee di credito. Risorse creditizie idonee o sufficienti potrebbero non essere disponibili a MAN, o potrebbero essere disponibili solo subordinatamente a un aumento delle garanzie o dei premi di rischio fissati dalle banche. Inoltre, il finanziamento tramite il mercato potrebbe non essere disponibile a MAN in somme sufficienti, o non esserlo affatto.

Le operazioni di copertura dei tassi di interesse non tuteleranno pienamente MAN dalle oscillazioni nei tassi di interesse o, viceversa, genereranno costi inutili di conseguenza a movimenti vantaggiosi nei tassi di interesse. Le proiezioni e le decisioni di MAN relativamente alle future oscillazioni nei tassi di interesse e la misura in cui tali oscillazioni possano dare origine ad un aggravamento del rischio avranno un effetto significativo sul successo della sua strategia di copertura. Se tali strategie dovessero rivelarsi errate, ciò avrebbe un sostanziale impatto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

Poiché il prezzo d'acquisto di Scania sarà notevolmente superiore al valore del patrimonio netto della stessa, una volta spalmati in una determinata misura i costi della fusione aziendale sulle attività acquisite e sulle passività e sopravvenienze passive assunte, la prevista acquisizione di Scania da parte di MAN genererà un significativo valore di avviamento, che sarà soggetto a periodici *impairment test*.
L'offerta di MAN di acquistare tutte le azioni di Scania viene effettuata sulla base di un prezzo di € 51,29 per azione Scania, per un totale di circa € 10,3 miliardi per tutte le azioni Scania in circolazione. Come risulta dal bilancio di Scania chiuso al 31 dicembre 2005, contenuto nella parte finanziaria del presente Prospetto Informativo all'Appendice I, il patrimonio netto della stessa a quella data ammontava a € 2,5 miliardi. Pertanto, una volta portata a termine l'acquisizione, MAN registrerà come valore di avviamento una parte significativa della differenza tra il prezzo d'acquisto, l'attivo netto di Scania a quella data e la ripartizione dei costi della fusione aziendale sulle attività acquisite, sulle passività e sulle sopravvenienze passive assunte in una determinata misura; tale valore di avviamento, secondo le previsioni di MAN, potrebbe ammontare a una cifra compresa tra € 3,4 e € 5,1 miliardi, sulla base di una distribuzione illustrativa del prezzo d'acquisto. Gli IFRS (principi contabili internazionali) emessi dallo IASB (organismo sovranazionale per la statuizione dei principi contabili) che si applicano alla Società prevedono, in virtù dell'IFRS 3 "Aggregazioni aziendali", dello IAS 36 "Riduzione durevole di valore delle attività" e dello IAS 38 "Attività immateriali", l'obbligo per MAN di sottoporre l'avviamento a test di verifica della perdita di valore. Pertanto, MAN attribuisce l'avviamento alle sue unità generatrici di liquidità e verifica la perdita di valore dell'avviamento su base annua. Inoltre, MAN deve condurre un test di verifica della perdita di valore durante un esercizio finanziario ogniqualvolta si verifichino circostanze particolari passibili di aver provocato la perdita di valore di un'attività. In particolare, qualora l'integrazione di Scania dovesse scontrarsi con difficoltà inattese, oppure l'attività di quest'ultima non dovesse svilupparsi come previsto, oppure nel caso in cui le aziende di MAN nel loro complesso dovessero svilupparsi in un modo diverso dal previsto dalla stessa MAN, quest'ultima potrebbe dover registrare le perdite di valore sull'avviamento di Scania in conformità a quanto previsto dall'IFRS, il che potrebbe influire negativamente sull'attività, la situazione finanziaria e il risultato di gestione di MAN.

5.2 Rischi relativi alle Attività

Nei mercati in cui opera, MAN è esposta a un'intensa concorrenza, a tendenze volte ad un maggiore consolidamento e al rischio che MAN non possa più essere in grado di competere con successo.
MAN si ritrova ad affrontare una concorrenza significativa in tutti i segmenti di mercato in cui offre i propri prodotti e servizi. I principali concorrenti, in particolare, tentano quindi di assicurarsi o comunque mantenere quote di mercato abbassando i prezzi e offrendo condizioni di pagamento sempre più vantaggiose.

I principali fattori concorrenziali comprendono prezzo, qualità, costi, termini di consegna, assistenza, capacità produttiva, conoscenze tecnologiche, progettazione e innovazione dei prodotti. MAN potrebbe non essere in grado di competere con successo nei suoi comparti industriali e, di conseguenza, potrebbe addirittura perdere partner e/o clienti strategici. Una maggiore concorrenza potrebbe pertanto avere un sostanziale effetto negativo sulle attività di MAN, sui suoi flussi di cassa e sulla capacità di espletare i pagamenti richiesti nei confronti dei creditori, andando a ridurre le sue vendite o i suoi margini.

I mercati in cui opera MAN sono anche caratterizzati da tendenze volte a un maggiore consolidamento, e MAN si auspica che tali tendenze siano destinate a perdurare. Tali sviluppi potrebbero portare alla costituzione di imprese di maggiori dimensioni aventi un potere d'acquisto congiunto e strutture economicamente efficienti, che a loro volta andrebbero ad incrementare ulteriormente la concorrenza. MAN potrebbe non riuscire a conseguire adeguate quote di mercato e i relativi margini, il che potrebbe avere un sostanziale effetto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

MAN potrebbe non essere in grado di sviluppare altri prodotti innovativi o di adeguarsi, con sufficiente rapidità, all'avanzamento tecnologico; nuovi prodotti e materiali più avanzati potrebbero sostituire i prodotti offerti da MAN.
Il futuro successo di MAN dipende in parte dalla sua capacità di stare al passo con i propri concorrenti sviluppando e lanciando prodotti sempre nuovi ed innovativi. Il mercato dei motori, in particolare, è caratterizzato da un progressivo sviluppo verso motori a prestazioni più elevate ed allo stesso tempo più efficienti dal punto di vista del risparmio di carburante, dell'inquinamento e della silenziosità, e da una crescente richiesta da parte dei clienti e della normativa relativamente all'efficienza e alla facilità di manutenzione dei motori. Tali nuovi sviluppi e adeguamenti potrebbero creare problemi tecnici o ritardi. Alcune delle innovazioni di MAN sono dispendiose dal punto di vista economico e del tempo dedicato. MAN dipende anche dalla competitività raggiunta dai propri fornitori nei loro rispettivi settori di competenza. Nel caso in cui MAN dovesse subire problemi tecnici o ritardi, la sua situazione finanziaria e i risultati operativi potrebbero esserne danneggiati in modo sostanziale. Se prodotti nuovi o meglio concepiti venissero offerti dai concorrenti a prezzi più competitivi rispetto ai prezzi di MAN, o se tali prodotti fossero più interessanti rispetto a quelli di MAN per altre ragioni, la richiesta dei prodotti di MAN subirebbe un crollo, il che avrebbe un sostanziale effetto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

I prodotti di MAN potrebbero costituire l'oggetto di azioni legali e di campagne di ritiro per questioni legate alle prestazioni o per scostamenti dai requisiti specifici di qualità fissati dai clienti.
Le società con attività produttive della dimensione di quella di MAN sono regolarmente oggetto di azioni legali inerenti alla responsabilità per danni da prodotto e di altri procedimenti in cui vengono addotte violazioni della diligenza nella produzione, degli obblighi di garanzia, ovvero errori nei trattamenti e altre rivendicazioni. Alcuni dei prodotti che MAN fabbrica e vende sono intrinsecamente a rischio e, di conseguenza, presentano maggiori potenzialità di poter provocare danni rispetto ad altri prodotti. Le rivendicazioni derivanti da responsabilità sui prodotti o da altre violazioni rispetto alla debita cura e ad inadempienze contrattuali, le campagne di ritiro o le sanzioni imposte dai governi in tale contesto potrebbero generare costi aggiuntivi elevati per MAN. Tali costi includono, ad esempio, spese per campagne di ritiro, riparazioni di prodotti e consistenti spese legali, a prescindere dal fatto che i danni vengano infine liquidati. Tali eventi potrebbero avere un sostanziale impatto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi. Inoltre, azioni legali di responsabilità presunta o effettiva, soprattutto nell'industria automobilistica e nel settore degli autocarri, potrebbero danneggiare la reputazione di MAN, il che potrebbe, anche in questo caso, avere un sostanziale effetto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

MAN fabbrica i propri prodotti in conformità con le specifiche del cliente e i requisiti di qualità. Se i prodotti fabbricati e consegnati da MAN non dovessero soddisfare i requisiti concordati con i suoi clienti, la produzione dei rispettivi prodotti potrebbe essere interrotta fino a che la causa del difetto nel prodotto non sia stata individuata e vi sia stato posto rimedio. A causa di difetti nella qualità, i clienti potrebbero rifiutare i prodotti alla consegna fino a quando non sia stato posto rimedio alla causa del difetto. Inoltre, il mancato adempimento dei requisiti di qualità potrebbe influire negativamente sull'accettazione da parte del mercato di altri prodotti di MAN e sulla sua reputazione commerciale in vari segmenti di mercato. I difetti nella qualità potrebbero anche portare MAN a essere ritenuta responsabile per i danni effettivi e indiretti, il che potrebbe dare luogo a spese consistenti. Qualunque sviluppo di tal genere potrebbe danneggiare, in modo sostanziale, le attività di MAN, la sua situazione finanziaria e i risultati operativi.

MAN potrebbe essere ritenuta responsabile per dichiarazioni e garanzie rilasciate in qualità di general contractor nei contratti per la realizzazione di progetti industriali e/o di altri prodotti o servizi personalizzati.
Nei contratti per impianti industriali, macchinari e altri prodotti, MAN, in qualità di appaltatore di servizi, rilascia regolarmente dichiarazioni e garanzie relativamente alle prestazioni e ai termini di consegna di progetti complessi in cui MAN agisce in qualità di appaltatore. Problemi con società appaltatrici, subappaltatori, fornitori o forniture provenienti dagli stabilimenti di proprietà di MAN, sviluppi inattesi nelle sedi relativamente ad alcuni progetti, problemi tecnici imprevisti e altre difficoltà logistiche potrebbero provocare ritardi nella produzione e comportare costi aggiuntivi. Tali sviluppi potrebbero portare a una violazione delle dichiarazioni e delle garanzie rilasciate nei contratti di progettazione, di approvvigionamento e/o di realizzazione. In tali casi, è previsto di solito che MAN debba pagare penali progressive e/o porre rimedio alla situazione a proprie spese. I clienti di MAN potrebbero anche avere il diritto di risolvere il relativo contratto. Ciascuna di tali circostanze potrebbe avere un sostanziale effetto negativo sulle attività, sulla situazione finanziaria e sui risultati operativi di MAN.

MAN potrebbe essere soggetta a rivendicazioni significative derivanti da dichiarazioni e garanzie o da risarcimenti concessi nel corso dei vari processi di dismissione condotti in passato.
MAN ha realizzato un numero significativo di dismissioni in passato, soprattutto nel corso degli ultimi tre anni come, a titolo esemplificativo e non esaustivo, la dismissione delle sue azioni in MAN Roland Druckmaschinen Aktiengesellschaft, in MAN TAKRAF Fördertechnik GmbH e in Schwäbische Hüttenwerke GmbH. In conformità con la prassi commerciale, i relativi contratti contengono dichiarazioni e garanzie di MAN AG (o garantite da MAN AG in qualità di società avente il controllo del venditore), così come impegni di indennizzo o altre forme di copertura di tali rischi, come garanzie sulle prestazioni rispetto alle entità vendute, responsabilità ambientali causate prima della realizzazione della cessione e altri rischi. Sebbene per qualsiasi probabile rischio specificamente noto siano stati previsti gli opportuni ratei passivi nella situazione contabile di MAN, sulla base di tali impegni contrattuali potrebbero essere avanzate delle rivendicazioni attualmente non prevedibili, ritenute altamente improbabili o tali da superare i suddetti ratei passivi e che potrebbero avere un sostanziale effetto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

I clienti potrebbero rivelarsi insolventi e inadempienti o non accettare le consegne stabilite in contratti a lungo termine.
MAN sviluppa e costruisce prodotti per i propri clienti e gestisce impianti presso la sede del cliente (impianti in loco). Nella maggior parte dei casi, MAN viene pagata in diverse *tranche*. Qualora dei clienti che hanno fatto ordini cospicui dovessero risultare inadempienti nel rispettare i loro obblighi di pagamento o se uno o più clienti dovessero diventare insolventi o inadempienti nei pagamenti, le elevate spese sostenute da MAN per lo sviluppo e la fabbricazione dei prodotti o il funzionamento degli impianti potrebbero non venire coperte attraverso i flussi di cassa previsti nel lungo termine, generati dalle forniture al cliente. Se MAN non dovesse essere in grado di coprire le suddette spese in altro modo, il risultato potrebbe impattare negativamente in modo sostanziale sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

MAN potrebbe violare le condizioni imposte in relazione alle assicurazioni sul credito concesse da terzi.
In alcuni casi, enti statali o terzi concedono dei finanziamenti per progetti che verranno realizzati da MAN. Tali finanziamenti sono garantiti da assicurazioni di terzi. Il finanziamento è subordinato al rispetto di determinate condizioni, da parte di MAN, relativamente all'implementazione del relativo progetto. Se MAN non dovesse rispettare le condizioni del finanziamento, l'assicurazione potrebbe non essere obbligata a effettuare i pagamenti in caso di sospensione del progetto o di altri problemi. Di conseguenza, MAN potrebbe essere ritenuta responsabile dall'ente statale o da altre istituzioni finanziarie e potrebbe venirle richiesto di risarcire tali parti per i propri finanziamenti. Ciò potrebbe influire negativamente sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

I clienti potrebbero esercitare i diritti derivanti da obblighi di riacquisto e da garanzie finanziarie che, in base ad un obbligo potenziale, potrebbero influire negativamente sulla situazione finanziaria e sui risultati operativi.
All'atto della sottoscrizione di contratti per la vendita di autocarri, in un considerevole numero di casi MAN si impegna a riacquistare gli autocarri. Se i prezzi di vendita ottenibili per i veicoli usati dovessero crollare notevolmente al di sotto dei prezzi di riacquisto calcolati, MAN incorrerebbe in perdite significative. Inoltre, i contratti sottoscritti dall'unità operativa Industrial Services spesso contemplano l'obbligo di MAN — in determinate circostanze — di accettare facilitazioni di finanziamento a primo rischio per il cliente o garanzie di credito a favore del cliente. MAN ha accantonato delle riserve a copertura di tali eventuali rischi. Tuttavia, MAN potrebbe essere obbligata a rettificare i valori registrati sui suoi libri contabili. Nel caso in cui i prezzi di vendita degli autocarri usati dovessero crollare e i clienti dovessero esercitare il proprio diritto di restituzione o nel caso in cui dovesse essere fatto appello a MAN relativamente alle garanzie finanziarie, la sua situazione finanziaria e i risultati operativi potrebbero risultarne negativamente influenzati.

MAN potrebbe essere ritenuta responsabile per garanzie rilasciate a terzi in favore delle proprie controllate e delle società (ivi compresa MAN Roland) le cui partecipazioni sono state in passato oggetto di dismissione e che non risultano più sotto il controllo di MAN.
Come è prassi nel comparto industriale, in cui MAN è operativa, MAN ha rilasciato garanzie a terzi a favore di società del Gruppo a garanzia di pagamenti anticipati, di garanzie a propria volta rilasciate dalle controllate, e di obblighi dalle stesse assunti in base a contratti sottoscritti con clienti o fornitori di MAN. Tali potenziali passività includono garanzie rilasciate a favore di MAN Roland e mantenute a seguito della vendita delle azioni di MAN in quest'ultima a una joint-venture con Allianz Capital Partners Management GmbH, in cui MAN attualmente detiene una partecipazione del 35%, la cui capitalizzazione, al 20 ottobre 2006, ammontava a un totale nominale di circa 536 milioni di Euro.

Inadempienze nell'ambito dei contratti sottoscritti fra le società del Gruppo (ivi compresa MAN Roland) e i loro fornitori o clienti potrebbero comportare la responsabilità di MAN in base alle suddette garanzie. La maggior parte di tali garanzie è costituita da garanzie di risultato, che impongono a MAN, in caso di default della propria controllata, di reperire la merce esternamente e venderla direttamente al cliente. Con ogni probabilità, l'approvvigionamento esterno richiederebbe il sostenimento di costi più elevati. Nel caso in cui MAN dovesse essere ritenuta responsabile per la totalità o per una parte consistente delle garanzie nello stesso momento, ciò potrebbe influire negativamente ed in maniera sostanziale, sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

L'assunzione di contratti di vendita di entità consistente, a prezzo fisso e a lungo termine espone MAN e le sue attività al rischio di perdite.
Come parte delle sue attività, MAN sottoscrive contratti con i propri clienti che potrebbero necessitare di parecchi mesi o addirittura anni per giungere a compimento. Sebbene MAN abbia implementato alcune misure per riuscire ad onorare i propri contratti puntualmente e nell'ambito del *budget* preventivo, non può sussistere la piena sicurezza che MAN non subisca ritardi sostanziali o sconfinamenti rispetto al *budget* preventivo relativamente ad alcuni dei suoi contratti a causa di fattori che sfuggono al suo controllo.

Inoltre, malgrado alcuni dei contratti di MAN siano a "ricarico sui costi" (il guadagno corrisponde al margine sui costi di produzione), la maggior parte dei contratti sono stipulati a "prezzo fisso" (MAN riceve un prezzo definito per la consegna dei prodotti). Malgrado MAN abbia una certa libertà di rinegoziazione dei prezzi in

determinate circostanze, i contratti a prezzo fisso sono intrinsecamente a rischio dal momento che MAN si assume la maggior parte del rischio associato all'esecuzione del contratto, così come si assume i potenziali costi derivanti dagli obblighi di garanzia assunti,nel caso in cui il prodotto dovesse risultare non conforme alle specifiche richieste. Inoltre, le condizioni contrattuali di norma comprendono disposizioni relative a penali o responsabilità per danni indiretti da ritardo. Qualunque incremento dei costi o ritardo nell'adempimento di un contratto potrebbe avere un sostanziale effetto negativo sulle attività di MAN, sulla sua situazione finanziaria o sui risultati operativi.

Inoltre, alcuni contratti di MAN potrebbero essere modificati o risolti dai suoi clienti per ragioni estranee al suo controllo, ivi compresa il venir meno di alcune linee di credito o della loro variazione. Il mancato ottenimento, da parte dei clienti, di finanziamenti necessari per la corretta e puntuale esecuzione di contratti stipulati con MAN, o qualsiasi modifica apportata a tali contratti come conseguenza di una variazione nei finanziamenti o per qualsivoglia altra ragione, potrebbero avere un sostanziale impatto negativo sulla situazione finanziaria di MAN o sui suoi risultati operativi.

La capacità di MAN di presentare offerte per appalti rilevanti potrebbe dipendere dalla sua capacità di ottenere garanzie finanziarie o di buona esecuzione da parte di istituti finanziari.
Nel normale corso della propria attività, a MAN viene richiesto di fornire garanzie o impegni finanziari nei confronti dei propri clienti circa la corretta esecuzione dei relativi contratti. Tali garanzie comprendono, tra le altre, la garanzia che un contratto verrà correttamente eseguito o che i prodotti di MAN verranno consegnati in conformità con la tempistica prestabilita e che saranno conformi a certi criteri predefiniti. Alcuni clienti richiedono che le garanzie di MAN vengano rilasciate da un istituto finanziario sotto forma di una lettera di credito, di cauzione o di altra garanzia finanziaria. Un deterioramento del rating di credito di MAN e della sua posizione finanziaria o una variazione della normativa applicabile ai suoi prodotti potrebbero impedire a MAN di ottenere tali garanzie o cauzioni o rendere il processo più difficoltoso o più dispendioso. Se MAN non dovesse essere in grado di ottenere garanzie di buona esecuzione o se tali garanzie di buona esecuzione dovessero diventare eccessivamente onerose, a MAN potrebbe essere impedito di presentare offerte o di vincere determinati appalti, ovvero i propri margini di utile relativamente a tali contratti potrebbero essere influenzati negativamente, circostanze queste che potrebbero entrambe avere, a loro volta, un sostanziale effetto negativo sulla situazione finanziaria di MAN e sui suoi risultati operativi.

Le misure attuate da MAN per ottimizzare la struttura del personale e i processi operativi potrebbero non consentire di conseguire i risultati auspicati.
Le diverse aree di attività di MAN sottopongono costantemente a revisione la struttura dei costi e l'organizzazione dei processi operativi allo scopo di ottimizzare tali strutture e processi, come ad esempio le modificazioni ai processi distributivi o le variazioni nelle applicazioni delle tecnologie di informazione. Tutte queste misure si basano su supposizioni e stime che potrebbero rivelarsi errate o incomplete. Inoltre, le misure potrebbero non essere sufficienti o inadeguate per generare i miglioramenti auspicati o non essere eseguite in modo corretto. Qualora queste misure si rivelassero inadeguate e i risultati auspicati non venissero raggiunti, la situazione finanziaria e i risultati operativi di MAN potrebbero essere influenzati negativamente.

La perdita di fornitori o interruzioni nelle consegne di materie prime, pezzi, sottogruppi o componenti potrebbero avere un effetto negativo sulle attività commerciali di MAN.
MAN si avvale di un gran numero di fornitori per l'approvvigionamento di materie prime, pezzi, sottogruppi, componenti e moduli tecnici di cui MAN ha bisogno per la produzione. Dato che la politica di approvvigionamento di MAN è principalmente organizzata in modalità *"just-in-time"*, la ritardata consegna di materiali essenziali potrebbe provocare dei ritardi nell'implementazione di determinati progetti o di parti degli stessi o nella produzione. Ciò potrebbe provocare dei ritardi nelle consegne o nell'ultimazione di prodotti o di progetti di MAN, e potrebbe obbligare MAN ad acquistare prodotti o servizi da terzi a costi più elevati. Tutto ciò potrebbe comportare l'annullamento di ordini da parte dei rispettivi clienti o addirittura l'avanzamento di richieste di risarcimento per danni. Le interruzioni operative o la prolungata perdita di produzione presso le singole sedi potrebbe poi influire significativamente sulla capacità di consegna dell'intera divisione operativa.

In determinati casi, le varie divisioni operative di MAN fanno affidamento su di un unico fornitore per singoli pezzi, sottogruppi e componenti. Se tale fornitore non dovesse essere in grado di effettuare, temporaneamente o definitivamente, le consegne a MAN, è possibile che MAN possa non sempre essere in grado di porre rimedio a una tale situazione in modo da poter rispettare le tempistiche contrattuali. Ciò potrebbe anche accadere nei casi in cui gli stabilimenti di produzione di MAN fossero connessi a stabilimenti di produzione di terzi in strutture produttive integrate. Se un fornitore esterno o interno di importanti materie prime, pezzi, sottogruppi o componenti diviene definitivamente incapace di effettuare le consegne, o sia per altri motivi impossibilitato a rifornire MAN, MAN potrebbe, in alcuni casi, essere obbligata a modificare le specifiche dei suoi prodotti per poter essere in grado di utilizzare materie prime, pezzi, sottogruppi o componenti di altri fornitori. Ciò potrebbe implicare, in casi estremi, che, anche solo temporaneamente, singoli progetti non possano essere ultimati e le attrezzature non possano essere costruite, consegnate o sottoposte ad assistenza, il che potrebbe avere un sostanziale impatto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

MAN potrebbe essere influenzata negativamente da sospensioni del lavoro o da altre questioni sindacali.
Una parte della forza lavoro di MAN è organizzata in sindacati. Sebbene MAN non abbia fronteggiato nel corso degli ultimi tre anni sostanziali scioperi, serrate o sospensioni del lavoro, non sussiste la sicurezza che i rapporti con i dipendenti e le relative rappresentanza sindacali rimarranno amichevoli in futuro o che MAN non fronteggerà scioperi, pressioni sindacali o altri tipi di conflitto con i sindacati o i propri dipendenti. MAN non può garantire che non fronteggerà future pressioni sindacali o ad altri tipi di conflitti con i sindacati o i propri dipendenti.

Molti fra i clienti OEM di MAN e fra i fornitori di questi ultimi hanno anch'essi una forza lavoro organizzata in sindacati. Le sospensioni o i rallentamenti del lavoro subiti dai clienti OEM o dai loro fornitori potrebbero dare luogo a rallentamenti o a serrate degli stabilimenti di assemblaggio di MAN dove i prodotti della stessa sono necessari per l'assemblaggio. Nel caso in cui uno o più di uno dei clienti di MAN o dei loro fornitori dovessero affrontare una sostanziale sospensione del lavoro, tale sospensione del lavoro potrebbe avere un sostanziale impatto negativo sulle attività di MAN.

MAN potrebbe non essere in grado di autofinanziare i propri investimenti oppure la finanza potrebbe risultare inutilizzabile.
In qualità di costruttore, a MAN viene richiesto di impiegare importi significativi per la progettazione, lo sviluppo, l'attrezzamento e altri costi.

MAN ha realizzato investmenti per un totale complessivo di circa 404 milioni di Euro nel 2005. Anche in futuro, MAN ha intenzione di investire significativamente in manutenzione e nuove attrezzature, strutture e altri beni. Allo scopo di finanziare tali spese, MAN ha intenzione di utilizzare le proprie disponibilità liquide, l'attivo circolante, ed attingere a linee di credito, ivi comprese le esistenti linee di credito *senior*. Tuttavia, non può essere data alcuna garanzia che tali fonti siano tali da fornire a MAN una costante disponibilità liquida sufficiente. Inoltre, potrebbero sopravvenire spese ulteriori rispetto a quanto stimato. La mancata inesatta stima degli opportuni livelli di investimento potrebbe avere un impatto negativo su MAN.

Se MAN dovesse sviluppare delle capacità produttive non pienamente sfruttabili a causa di un errore nelle proprie previsioni circa lo sviluppo del mercato o circa il potenziamento di capacità produttive da parte dei suoi concorrenti, o se altri fattori dovessero rendere inefficiente l'utilizzo delle potenzialità di MAN malgrado le misure messe in atto dalla stessa per migliorare la flessibilità, i costi potrebbero aumentare rispetto al reddito, con conseguente impatto negativo sulle attività, sulla situazione finanziaria e sui risultati operativi.

Termini e condizioni dei contratti di finanziamento *senior* di MAN potrebbero limitarne le attività attuali e future, in particolare per quanto attiene alla capacità di rispondere ai mutamenti nelle sue attività o all'implementazione di talune azioni.
I contratti di finanziamento *senior* stipulati da MAN contengono, e qualsiasi altra fonte di indebitamento finanziario futuro che MAN potrebbe contrarre, potrebbero contenere, un certo numero di clausole che impongono significative limitazioni operative e finanziarie, ivi comprese restrizioni alla capacità di investire in attività che potrebbero rappresentare i migliori interessi di lungo periodo della stessa. La stipulazione dei

contratti di finanziamento *senior* di MAN ha implicato l'assunzione di impegni che, fra l'altro, limitano la capacità di MAN e delle sue controllate relativamente alla possibilità di completare le seguenti operazioni:

- costituire o consentire il mantenimento di ipoteche sui propri beni;
- disporre della totalità o di una qualsiasi parte consistente dei propri beni;
- esporsi ad indebitamento finanziario a livello delle controllate di MAN;
- concedere crediti a società non consolidate o rilasciare qualsiasi garanzia per il loro indebitamento; e
- modificare in modo sostanziale l'attività svolta da MAN e dalle sue controllate.

Inoltre, i contratti di finanziamento *senior* richiedono che il rapporto tra indebitamento ed EBITA di MAN non scenda al di sotto di determinate soglie (soglie che diventano sempre più severo con il passare del tempo). La capacità di MAN di non scendere al di sotto di tali soglie potrebbe essere influenzata da eventi indipendenti dal suo controllo, e non può essere assicurato che MAN sia in grado di mantenere il rapporto al di sopra di quanto pattuito. Una tale circostanza potrebbe limitare la capacità di MAN di ottenere finanziamenti in futuro, di realizzare i necessari investimenti, di sopportare una eventuale futura flessione nelle proprie attività o nell'economia in generale, o di svolgere altrimenti la propria attività in modo ordinario.

L'inadempimento delle previsioni contenute nei contratti di finanziamento *senior* o l'impossibilità di MAN di mantenere rapporto tra indebitamento ed EBITA al di sopra delle soglie stabilite comporterebbe un inadempimento ai contratti di finanziamento stessi. Se un qualsiasi inadempimento di tal genere dovesse verificarsi, gli istituti mutuanti potrebbero decidere di far decadere MAN dal beneficio del termine e di accelerare il ripagamento di tutte le somme derivanti dai contratti di finanziamento. Qualora il rapporto fra Indebitamento ed EBITDA non si mantenga entro le soglie stabilite, i tassi di interesse potrebbero subire un aumento

Gli istituti mutuanti avranno anche il diritto, in tali circostanze, di recedere da qualunque impegno essi abbiano contratto relativo alla messa a disposizione di ulteriori somme. Ciò potrebbe avere un sostanziale impatto negativo immediato sulla situazione finanziaria di MAN.

Gli impegni di MAN in materia previdenziale vengono parzialmente finanziati tramite fondi pensione dedicati, non interamente controllati da MAN e soggetti alle oscillazioni del mercato.
MAN è tenuta al pagamento di varie somme a titolo di pensioni ed indennità di fine rapporto nei confronti dei propri ex dipendenti pensionati, differiti e attuali. Al 31 dicembre 2005, gli obblighi pensionistici del Gruppo ammontavano a un totale di 1.958 milioni di Euro. Gli impegni pensionistici sono parzialmente finanziati tramite fondi principalmente vincolati in fondi pensione o detenuti da società fiduciarie, in cui MAN può solo stabilire l'allocazione strategica delle attività. Tali attività investite sono separate dalle attività operative e vengono accantonate esclusivamente allo scopo di soddisfare gli obblighi pensionistici.

Le casse pensionistiche sono tenute a gestire la propria attività come investitori prudenti e si affidano a studi di consulenza finanziaria di notoria fama per la gestione delle attività in conformità con i consolidati principi di investimento, definiti di concerto con consulenti pensionistici. Pertanto, MAN non stabilisce la strategia del portafoglio titoli né è in grado di influenzare le decisioni tattiche di allocazione della finanza. Le somme dedicate vengono investite in azioni, titoli a reddito fisso e altre forme di investimento. I valori di mercato degli investimenti sono soggetti alle oscillazioni delle condizioni del mercato di capitali che sono del tutto indipendenti dal controllo di MAN. Variazioni nei valori di mercato dovuti a oscillazioni nei tassi di interesse potrebbero essere tuttavia compensati, in una certa misura, da eventuali variazioni dell'ammontare degli impegni pensionistici di MAN. Una flessione delle condizioni del mercato di capitali, in particolare una variazione negativa nei mercati azionari, potrebbe dare luogo ad un sottofinanziamento degli obblighi pensionistici di MAN, essendo in grado, potenzialmente, di provocare un impatto negativo sulla situazione finanziaria di MAN, con la conseguente potenziale esigenza per MAN di effettuare accantonamenti ulteriori.

MAN fa affidamento sull'impiego di personale dirigenziale chiave e di dipendenti altamente qualificati, il cui allontanamento potrebbe influenzare negativamente le attività di MAN.
La capacità di MAN di competere con successo e di implementare la propria strategia commerciale è influenzata dall'impegno del suo personale dirigenziale di alto livello. La fortuna di MAN dipende inoltre dalla capacità della stessa di attirare e di fidelizzare personale altamente qualificato. La cessazione della collaborazione con tali soggetti potrebbe avere un sostanziale impatto negativo sulle sue attività.

MAN non può essere certa di poter reperire sul mercato o fidelizzare dipendenti qualificati in futuro.
Il successo futuro di MAN dipende dalla sua capacità di reperire e di fidelizzare dirigenti altamente qualificati e personale competente (in particolare specialisti in campo meccanico, elettrico, di controllo, di produzione e di progettazione delle attività, così come in attività commerciali e contabili). Tradizionalmente, vi è forte una concorrenza per l'assunzione di dipendenti aventi competenze scientifiche, tecnologiche o specifiche operanti nei settori di attività di MAN. Se MAN non dovesse riuscire a continuare ad reperire e a fidelizzare dirigenti altamente qualificati e un numero sufficiente di dipendenti competenti nei settori di ricerca e sviluppo, produzione, marketing, distribuzione e assistenza, la situazione finanziaria e i risultati operativi di MAN potrebbero essere influenzati negativamente. Se MAN dovesse affrontare un alto grado di ricambio del personale o se i suoi specialisti dovessero essere stornati dai suoi concorrenti, MAN potrebbe non essere in grado di reperire nuovo personale sul mercato del lavoro senza dover incorrere in ritardi o in costi aggiuntivi.

La perdita di dipendenti qualificati o la difficoltà nell'assunzione di dipendenti idonei potrebbe sfociare nell'incapacità di MAN di implementare importanti decisioni e provvedimenti, il che potrebbe avere un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

Gli stabilimenti produttivi e i prodotti di MAN sono esposti a rischi operativi e derivanti da incidenti.
Gli stabilimenti produttivi ed i macchinari di MAN potrebbero essere soggetti ad interruzioni nella produzione dovute a fattori esterni fuori dal controllo della stessa, quali calamità naturali, terrorismo o altre interferenze da parte di terzi. Tali interruzioni, tuttavia, potrebbero anche essere conseguenti a guasti, avarie, incidenti o altri errori nel processo produttivo, ivi compresa la fabbricazione difettosa e l'errore umano, o alla errata manipolazione di materiali pericolosi. In tali casi, esiste un rischio di lesioni o di danni alle persone, alla proprietà altrui o all'ambiente che potrebbe comportare ingenti esborsi finanziari ed eventualmente l'avvio di procedimenti giudiziari nei confronti di MAN. La copertura assicurativa di MAN potrebbe dimostrarsi insufficiente nei singoli casi. Il verificarsi di interruzioni nella produzione o incidenti potrebbe anche influire negativamente sulla reputazione sul mercato di MAN, portare a una riduzione negli ordini e, di conseguenza, a un minore reddito. Qualunque interruzione o sospensione della produzione potrebbe essere fonte di costi aggiuntivi, il che potrebbe avere un sostanziale impatto negativo sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

MAN fa affidamento sul funzionamento ininterrotto e sulla continua integrazione dei suoi sistemi informatici e di elaborazione dati.
La capacità di MAN di mantenere in funzione i suoi stabilimenti di produzione in ciascuna delle sue divisioni dipende dal funzionamento efficiente e continuo dei suoi sistemi informatici e di elaborazione dati. L'integrazione e il continuo aggiornamento di tali sistemi richiede un notevole impegno, soprattutto dal punto di vista del controllo. Inoltre, i sistemi informatici e di elaborazione dati sono soggetti ad avarie, danni, guasti nell'alimentazione, esposti al rischio di virus, incendi e altri rischi. Guasti o *blackout* nei sistemi informatici e di elaborazione dati utilizzati da MAN possono influire negativamente sulla sua capacità di mantenere i processi di produzione a livello efficiente e di garantire una supervisione sufficiente, il che potrebbe, soprattutto in considerazione dei complessi processi di produzione di MAN, influire negativamente sulle attività della stessa, sulla sua situazione finanziaria e sui risultati operativi.

MAN potrebbe non riuscire a tutelare adeguatamente i propri diritti di proprietà intellettuale e le proprie competenze tecniche.
MAN ha ottenuto la registrazione, o ne ha fatto richiesta, di un gran numero di diritti di proprietà intellettuale, quali brevetti, che sono di notevole importanza per le sue attività. Sebbene vi sia una presunzione circa la validità di tali brevetti, la concessione di un brevetto non implica necessariamente che

lo stesso sia efficace o che eventuali rivendicazioni circa i propri brevetti possano essere fatte valere incondizionatamente. Inoltre, MAN non può garantire che la registrazione relativa alla totalità dei diritti di proprietà intellettuale di cui MAN ha fatto richiesta, relativamente ai suoi nuovi sviluppi tecnologici, verrà concessa in ciascuno dei paesi in cui MAN lo ritiene necessario o auspicabile il che potrebbe rendere impossibile a MAN, in quei paesi, agire per la tutela dei propri diritti di proprietà intellettuale. Peraltro, MAN non può escludere la possibilità che terzi possano copiare i suoi prodotti o violare altrimenti i suoi diritti di proprietà intellettuale e che MAN, per varie ragioni, possa non essere in grado di prevenire in alcun modo tali violazioni.

Inoltre, vi sono anche altre tecnologie non confidenziali e segreti industriali che non sono stati brevettati o che non possono essere brevettati, di primaria importanza nelle attività di MAN, soprattutto nei settori con prodotti e processi di produzione tecnologicamente più complessi. Ciò potrebbe condurre all'imposizione di limiti alla vendita dei prodotti interessati o all'applicazione dei suddetti processi di produzione o di obbligo di pagamento di royaltes. Tutte queste eventualità potrebbero influire sul posizionamento di MAN sul mercato rispetto ai propri concorrenti e le relative conseguenze sul reddito potrebbero avere un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

MAN non può escludere la possibilità di una propria violazione dei diritti di proprietà intellettuale di terzi, né la possibilità di dover dipendere da diritti di proprietà intellettuale concessi in licenza da terzi.
MAN non può escludere la possibilità di stare violando o di poter violare in futuro i diritti di proprietà intellettuale di terzi, considerato che i suoi concorrenti presentano anch'essi un gran numero di domande di registrazione della propria proprietà intellettuale. Pertanto, MAN potrebbe non essere più in grado di fabbricare, di utilizzare o di commercializzare le tecnologie o i prodotti interessati nei paesi in cui i diritti di proprietà intellettuale sono stati registrati da terzi e potrebbe essere obbligata ad apportare variazioni ai processi produttivi e/o ai prodotti. In caso di violazione di diritti di proprietà intellettuale altrui, inoltre, MAN potrebbe essere obbligata al pagamento di indennizzi e risarcimenti. MAN potrebbe altresì essere obbligata ad acquistare diritti di licenza da terzi necessari per l'utilizzo di determinate tecnologie, il che comporterebbe costi aggiuntivi. MAN, peraltro, potrebbe non essere in grado di ottenere le licenze necessarie per lo svolgimento delle proprie attività in tempi ragionevoli e dell'estensione richiesta. Inoltre, le licenze attualmente in vigore potrebbero non continuare a essere in vigore in futuro. MAN potrebbe in futuro non ottenere le licenze richieste, il che potrebbe portare, in certi casi, alla perdita di quanto già investito.

Qualunque limitazione alla produzione e consegna o interruzione della produzione dovuti alla violazione di un altrui brevetto, indipendentemente dal fatto che la violazione sia conseguente ad una variazione nel processo di fabbricazione o ad altri motivi, potrebbero avere un sostanziale impatto negativo sulle attività di MAN, sulla situazione finanziaria e sui risultati operativi.

MAN è esposta a rischi di natura politica, economica e di altro genere derivanti dallo svolgimento di attività multinazionali/internazionali e da limitazioni imposte alle esportazioni/importazioni.
MAN fabbrica i propri prodotti in un gran numero di paesi e offre la maggior parte dei propri prodotti e servizi in tutto il mondo. Alcuni dei paesi in cui MAN produce od offre servizi o in cui esporta i propri prodotti versano in condizioni economiche, politiche e giuridiche meno stabili rispetto all'Europa Occidentale e al Nord America. Ciò è vero soprattutto in un certo numero di paesi, in particolare in Asia, Sud America e Medio Oriente, che MAN ha individuato come mercati in espansione per i propri prodotti e servizi o in cui sta programmando di insediare nuove strutture di produzione. Tali regioni in passato sono state ripetutamente teatro di crisi politiche ed economiche e di conflitti. Per tale ragione, MAN è esposta a una serie di fattori di rischio su cui difficilmente potrà influire e che potrebbero influenzare negativamente le sue attività commerciali in questi paesi. Tali fattori comprendono, fra gli altri:

- instabilità o volubilità politica, sociale, economica, finanziaria o legata al mercato (ivi compreso il rischio di sequestro di dipendenti);
- insorgenza di crisi, conflitti armati o attacchi terroristici;
- deterioramento delle infrastrutture;

- stringenti controlli sulla valuta estera e altre normative o restrizioni riguardanti i tassi di cambio e le valute estere;

- restrizioni al commercio ed espropriazioni;

- deterioramento delle condizioni assicurative; e

- sistemi legali e amministrativi non sviluppati a sufficienza e differenziati (che potrebbero comportare una non adeguata tutela della proprietà intellettuale o menomare la possibilità di ottenere l'esecuzione forzata dei pagamenti e altre rivendicazioni).

Ciascuno di tali fattori potrebbe influire negativamente sulle attività commerciali di MAN e sulle sue opportunità di espansione in tali paesi, avendo di conseguenza un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

MAN è tenuta al rispetto di svariati requisiti in materia ambientale e ai sensi di legge. Non può dunque escludersi la possibilità che MAN possa essere esposta a responsabilità per il mancato adempimento a detti requisiti o per contaminazioni preesistenti.
MAN, in qualità di gruppo operante nel mondo intero, deve rispettare un gran numero di sistemi normativi in tutto il mondo, spesso diversi tra loro ed in costante evoluzione, ed in cui la normativa ambientale, relativa all'uso di prodotti chimici e materiali pericolosi, e la normativa a tutela della salute diventano sempre più rigorosi. Lo stesso può dirsi con riferimento alla normativa relativa all'inquinamento dell'aria, dell'acqua e del suolo, alla legislazione in materia di smaltimento dei rifiuti, particolarmente inasprite nel corso degli ultimi anni attraverso l'emanazione di nuove leggi, in particolare, a titolo esemplificativo e non esaustivo, nell'Unione Europea e negli Stati Uniti. In passato, l'adeguamento a tali nuove norme ha da parte richiesto l'investimento di cifre significative e MAN presuppone che ulteriori investimenti significativi saranno necessari in futuro.

MAN ha i propri stabilimenti ed opera principalmente in luoghi che sono stati per anni utilizzati per fini industriali sia da parte di MAN che dei suoi danti causa. Non si può escludere che in luoghi in cui MAN ha o ha avuto in passato i propri stabilimenti possano essere scoperte delle contaminazioni nel suolo, circostanza che genererebbe per MAN l'obbligo di sostenere ingenti spese di risanamento e potrebbe danneggiare la reputazione di MAN sul mercato e i suoi rapporti con i clienti. MAN potrebbe anche essere ritenuta responsabile per l'inquinamento di luoghi diversi da quelli in cui opera o ha operato in passato, a cui eventualmente la contaminazione si sia estesa. Inoltre, nell'ambito delle dismissioni di aziende attuate in passato, in alcuni casi MAN si è assunta la responsabilità per eventuali danni ambientali. In base ad alcuni di tali contratti, MAN potrebbe essere considerata responsabile per i danni ambientali che si verificassero in quei luoghi per determinati periodi o in caso di insolvenza dell'acquirente.

I rischi derivanti dalle attività di leasing e di finanziamento delle vendite potrebbero influire negativamente sui futuri risultati operativi di MAN e sui suoi flussi di cassa.
Le offerte di MAN Finance relativamente alla vendita di veicoli e altre transazioni implicano numerosi rischi, in termini di maggiori costi di rifinanziamento, rischi di credito e costo del denaro, così come la potenziale incapacità di recuperare gli investimenti in veicoli in leasing e di riscuotere crediti da finanziamenti di vendite. MAN Finance dovrà contrarre debiti aggiuntivi a breve e a lungo termine in futuro. Potrebbe essere prevista la variazione, di volta in volta, della natura e dell'ammontare di tale indebitamento in proporzione al volume delle sue attività, alle condizioni del mercato e ad altri fattori. Inoltre, MAN Finance auspica di poter continuare a vendere e a cartolarizzare crediti. Una riduzione significativa del sostegno finanziario potrebbe avere un sostanziale impatto negativo sulla situazione finanziaria di MAN. Inoltre, la capacità di MAN di ritorno sugli investimenti in veicoli concessi in leasing potrebbe peggiorare in conseguenza ad un eventuale calo nei prezzi di rivendita dei veicoli usati. La capacità di riscuotere i crediti derivanti dai contratti di leasing potrebbe essere minacciata per via di eventuali insolvenze di clienti e concessionari. Se uno qualsiasi dei rischi suesposti dovesse realizzarsi, i futuri risultati operativi, la situazione finanziaria e i flussi di cassa potrebbero essere influenzati negativamente.

MAN potrebbe essere esposta a rischi di natura fiscale derivanti da futuri accertamenti fiscali.
Le società MAN aventi sede in Germania sono soggette a regolari controlli contabili esterni. Le società controllate da MAN residenti in altri paesi sono soggette a verifiche fiscali da parte delle rispettive autorità fiscali locali. La più recente verifica fiscale delle società del gruppo MAN residenti in Germania copriva gli esercizi chiusi al 30 giugno a partire dal 1994 fino al 2000. Le verifiche relative agli esercizi chiusi il 31 dicembre del 2000 e del 2001 e i relativi risultati sono ancora in fase preliminare. MAN non può escludere la possibilità che verifiche fiscali, in corso o future, sulle sue controllate tedesche e straniere, possano risultare in imposizioni fiscali aggiuntive che potrebbero avere un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

5.3 Rischi relativi al comparto industriale

Le attività di MAN sono influenzate dalle condizioni economiche generali e dall'andamento ciclico dei mercati in cui opera. Un indebolimento delle condizioni economiche o un calo nei mercati in cui opera MAN, potrebbe risolvrsi in una riduzione della domanda e, di conseguenza, avere un sostanziale impatto negativo sulle sue attività.
I prodotti e i servizi che MAN produce e commercializza in tutto il mondo vengono utilizzati in una numero di industrie diverse. Il reddito di MAN dipende anche dalla ciclicità dei mercati e dalla volubilità dei sottomercati in cui operano le sue divisioni e unità operative. Dato che i principali mercati di MAN sono ubicati in Europa e in Asia, gli sviluppi economici in tali regioni hanno il maggiore impatto sulla domanda dei prodotti e dei servizi offerti da MAN. Generalmente, un'economia debole provoca cali nelle vendite e nei margini, soprattutto nel mercato dell'investimento e dei servizi correlati. Tali sviluppi influiscono in particolare sulle attività di progettazione, sui servizi industriali e sugli autocarri. MAN è anche sensibile ai cicli ed alla volubilità dei mercati in evoluzione in cui operano i suoi clienti. Nel comparto dei Veicoli Commerciali in particolare, l'accumulo di ordini inevasi dovrebbe diminuire in modo significativo nel breve periodo Gli effetti di tali sviluppi possono essere amplificati dal fatto che MAN non può abbattere facilmente la capacità di produzione e i costi correlati, o adattarsi altrimenti a riduzioni nella domanda.

In passato, la domanda complessiva per servizi industriali è stata soggetta a ripetuti crolli, in parte dovuti agli sviluppi strutturali ed economici nei singoli mercati o nei comparti industriali dei clienti, in parte a condizioni economiche generalmente deboli. Anche la stessa MAN è stata soggetta ad analoghe scosse. Simili scosse sono anche state avvertite nel settore globale delle vendite di autocarri. Future flessioni dell'economia globale, un calo economico o l'assenza di una ripresa in uno o più di uno dei principali mercati e comparti industriali in cui opera MAN potrebbero portare a una riduzione nei volumi delle vendite, nel reddito o nei margini. La mancata compensazione, da parte di MAN, di sviluppi negativi in un sottomercato andando a ridurre i costi o tramite sviluppi potenzialmente positivi in altri sottomercati, potrebbe avere un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi. Maggiore è il numero dei sottomercati interessato dall'inflessione, maggiore è il rischio a cui è esposta MAN.

L'aumento dei prezzi per l'energia, le materie prime e altri beni, così come del costo del lavoro o dei prezzi per servizi forniti da terzi potrebbe avere un impatto negativo sui risultati operativi di MAN.
Le attività produttive di MAN non possono prescindere dalla fornitura di materie prime, forniture, pezzi, semi-assemblati, e altre componenti provenienti da fornitori terzi. MAN utilizza ingenti quantità di energia provenienti da varie fonti. I prezzi dell'energia e delle materie prime sono, negli ultimi anni, notevolmente cresciuti e sono soggetti a considerevoli oscillazioni a carattere ciclico. In particolare, il prezzo del petrolio greggio, che, tra l'altro, influenza anche i prezzi di molte materie prime e i prezzi dell'energia, è aumentato significativamente nel corso degli ultimi due anni. Inoltre, l'andamento di MAN dipende dai movimenti nel prezzo dell'acciaio, del piombo e del rame. MAN ha stipulato accordi quadro con i propri principali fornitori, ed i prezzi delle forniture vengono generalmente rinegoziati a cadenza annuale. I continui aumenti nei costi sostenuti da MAN per l'acquisto di energia, materie prime e altri materiali, dovuti, ad esempio, ad aumenti dei prezzi imposti a MAN da parte dei propri fornitori che non possono essere ricaricati ai clienti o compensati con risparmi sui costi altrove, potrebbero avere un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi. Lo stesso impatto negativo potrebbe essere generato se MAN non dovesse riuscire a gestire efficientemente il proprio costo del lavoro o ridurre al minimo gli effetti delle oscillazioni nei prezzi dell'energia, ovvero nel caso in cui i propri clienti, disincentivati dall'aumento dei prezzi dell'energia, dovessero astenersi dall'ordinare nuovi prodotti MAN.

I costi e i risultati operativi di MAN potrebbero essere influenzati negativamente nel caso in cui l'effettivo utilizzo delle sue capacità produttive fosse significativamente inferiore a quanto previsto.
L'utilizzo delle capacità produttive di MAN potrebbe peggiorare in conseguenza a cali ciclici o per altre ragioni. Ciò potrebbe avere un impatto negativo sulla struttura dei costi e, pertanto, sui risultati operativi. L'effetto di tali rischi potrebbe addirittura essere maggiore se MAN dovesse effettuare delle stime inesatte relativamente allo sviluppo dei mercati su cui opera e dei comparti industriali clienti, ovvero se le aspettative di MAN relative alla durata e alla natura dei singoli cicli di mercato, su cui si basano le politiche gestionali e le decisioni in merito all'investimento e all'espansione delle potenzialità produttive, dovessero dimostrarsi sbagliate.

Le oscillazioni nei tassi di cambio e i rischi relativi potrebbero influenzare negativamente i risultati operativi di MAN.
Come gruppo operante a livello mondiale, MAN genera una quota significativa del proprio reddito e dei suoi ricavi e sostiene una quota significativa delle sue spese in valute diverse dall'Euro, tra cui il Dollaro Statunitense, la Sterlina Britannica, la Corona Danese, la Lira Turca, il Rand Sudafricano, ed altre valute in corso in Europa dell'Est e in Asia. Oscillazioni nei tassi di cambio di tali valute possono avere effetti di conversione ed effetti di traslazione. Gli effetti di conversione delle valute si verificano quando i rendiconti finanziari delle società controllate da MAN, che sono stati registrati nelle rispettive valute locali, vengono convertiti in Euro, la valuta in cui avvengono le registrazioni contabili di MAN. Posto che uscite ed entrate di MAN nelle rispettive valute raramente combaciano nei medesimi periodi, una movimentazione svantaggiosa in valute estere, a fronte della fornitura transfrontaliera di beni e di servizi, può generare un effetto di traslazione, per tale intendendosi la differenza fra i costi sostenuti per i beni e servizi di cui MAN si fornisce, in una valuta, e le somme che MAN genera attraverso le vendite, in un'altra valuta. L'effetto negativo di un tale differenza potrebbe influire direttamente sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi. Oscillazioni nelle valute maggiormente utilizzate da MAN, in particolare il Dollaro Statunitense, la Sterlina Britannica, la Corona Danese, la Lira Turca, il Rand Sudafricano, così come nelle valute in corso in Europa dell'Est e in Asia, potrebbero dare luogo a effetti negativi di conversione e di traslazione in futuro. A seguito della proposta acquisizione di Scania AB, il rischio valutario di MAN potrebbe aumentare con riferimento alle valute diverse dall'Euro, soprattutto la Corona Svedese. L'andamento di MAN potrebbe essere compromesso dagli effetti di conversione e di traslazione soprattutto quando Sterlina Britannica e Dollaro Statunitense risultano più deboli rispetto all'Euro. Inoltre, un'oscillazione sfavorevole nei tassi di cambio può significare un notevole svantaggio competitivo rispetto ai concorrenti di MAN provenienti da regioni con altre valute e può condurre a cali negli ordini, soprattutto con riferimento alle attività di progettazione e inerenti agli autocarri di MAN. Tutti gli elencati fattori potrebbero avere sostanziali effetti negativi sulle attività di MAN, sulla sua situazione finanziaria e sui risultati operativi.

Le operazioni di copertura potrebbero non tutelare pienamente MAN rispetto alle oscillazioni valutarie o, viceversa, potrebbero essere occasione di spese non necessarie in caso di oscillazioni valutarie vantaggiose. Le previsioni e le scelte di MAN circa futuri la possibilità di copertura delle oscillazioni nei tassi di cambio e la misura in cui MAN si decida di procedere a copertura di tali rischi o decida invece di affrontare il rischio, hanno pertanto un effetto significativo sul successo della strategia di copertura di MAN che, se dovesse rivelarsi sbagliata, avrebbe un sostanziale impatto negativo sulle sue attività, sulla situazione finanziaria e sui risultati operativi.

L'industria dei veicoli commerciali nel suo complesso è soggetta a normative sempre più rigorose in materia di emissioni di gas, che richiedono che i costruttori di veicoli e di motori investano ingenti somme nelle rispettive attività di Ricerca e Sviluppo e che potrebbero portare a un aumento dei prezzi dei prodotti e, di conseguenza, a una minore redditività
In considerazione della crescente consapevolezza a livello mondiale sugli effetti nocivi delle emissioni di gas derivanti dai motori a combustione interna, i governi stanno rendendo sempre più severe le normative in merito ai livelli di emissioni consentiti. Pur avendo avuto inizio, originariamente, nei mercati più sviluppati, tale tendenza attualmente si è anche estesa ai mercati emergenti, che rappresentano settori di crescita fondamentali nell'industria dei veicoli commerciali a livello mondiale. L'impatto sui costruttori di veicoli si traduce in maggiori spese in attività di Ricerca e Sviluppo per ridurre le emissioni dei loro motori, e in un aumento dei prezzi di vendita dei veicoli, a causa del maggiore impatto delle tecnologie a costo elevato. Le

tempistiche di introduzione delle nuove normative in materia di emissioni spesso vanno ad aumentare la ciclicità delle vendite dei veicoli, a causa dei comportamenti dei clienti, la cui domanda cala in anticipo rispetto all'entrata in vigore delle nuove normative. Inoltre, potrebbero essere concepite nuove tecnologie relative ai motori, che potrebbero dare un vantaggio competitivo al concorrente che dovesse introdurre per primo tale tecnologia, rendendo obsoleta la tecnologia esistente. Nell'insieme, le illustrate tendenze potrebbero ridurre le prestazioni finanziarie e aumentare la ciclicità delle attività.

6. Considerazioni Fiscali in Svezia

Quanto segue è una sintesi di talune conseguenze fiscali svedesi relative all'Offerta di cessione di azioni in Scania AB. La sintesi si basa sulla legislazione svedese vigente ed è applicabile esclusivamente agli azionisti di Scania AB che sono residenti in Svezia a fini fiscali. Il compendio seguente non deve essere considerato esauriente e non tratta i casi in cui le azioni in Scania AB e MAN AG sono detenute a scopo commerciale[23] (näringsbetingade andelar), o come attività correnti per operazioni imprenditoriali o da una società di persone. Particolari conseguenze fiscali, non descritte qui di seguito, potrebbero, inoltre, risultare applicabili a determinate categorie di contribuenti, quali società d'investimento, fondi aperti d'investimento e persone fisiche, che non hanno né la residenza né il domicilio fiscale in Svezia. Si consiglia, pertanto, a ciascun azionista di Scania AB di rivolgersi ad un consulente fiscale per ottenere informazioni in merito agli obblighi di imposta relativi alla sua particolare situazione, comprese l'applicabilità e l'esecuzione delle norme straniere e delle Convenzioni Internazionali contro le Doppie Imposizioni.

6.1 Riepilogo delle Conseguenze Fiscali delle Alternative dell'Offerta

Per gli azionisti di Scania AB che accettano l'Offerta e scelgono l'Alternativa Tutto Contante o l'Alternativa in SEK, l'imposizione fiscale sulla plusvalenza o la minusvalenza generate dalla cessione viene calcolata come differenza tra il corrispettivo in contanti ricevuto e la base imponibile delle azioni.

Per gli azionisti di Scania AB che accettano l'Offerta e scelgono l'Alternativa Base, l'intero corrispettivo in contanti ricevuto (cioè senza nessuna detrazione per la base imponibile delle azioni cedute) verrà calcolato come plusvalenza nell'anno della cessione. Per le persone fisiche, si applicano al corrispettivo in azioni le regole sul differimento dell'imposizione fiscale sullo scambio di azioni. Le società a responsabilità limitata possono usufruire della tassazione differita sulle plusvalenze in relazione al corrispettivo in azioni qualora la plusvalenza totale realizzata con la cessione delle azioni di Scania AB superi il corrispettivo in contanti ricevuto. Se quest'ultima condizione non è soddisfatta, le società a responsabilità limitata saranno tassate sulla differenza tra il corrispettivo totale ricevuto (cioè il valore di mercato delle azioni ordinarie MAN AG *Stammaktien* e il corrispettivo in contanti) e la base imponibile delle azioni Scania AB vendute. Considerata la percentuale del corrispettivo in contanti prevista dall'Alternativa Base, in genere non si applicano le norme sulla tassazione differita delle plusvalenze.

Nel caso degli azionisti di Scania AB che accettano l'Offerta e scelgono di ricevere solo azioni ordinarie MAN AG (*Stammaktien*) con la Alternativa in azioni e Contanti in Proporzione Variabile, si applicheranno/si potranno applicare alla vendita le norme sulla tassazione differita (persone fisiche) e sulla tassazione differita delle plusvalenze (società a responsabilità limitata). Quindi, nel caso delle persone fisiche, non vengono calcolate né plusvalenze tassabili né minusvalenze deducibili sulle azioni vendute in cambio di un corrispettivo in azioni MAN AG. Si considera invece che le azioni ordinarie MAN AG (*Stammaktien*) ricevute siano state acquistate alla stessa base imponibile applicabile alle azioni Scania AB vendute. Le società a responsabilità limitata che realizzano una plusvalenza sullo scambio di azioni potranno chiedere nella dichiarazione dei redditi un differimento dell'imposta per tale plusvalenza.

Qualora le richieste di chi sceglie la Alternativa in Azioni e Contanti in Proporzione Variabile non possano essere accolte completamente, l'azionista riceverà contanti al posto delle azioni Scania AB mancanti. Lo scambio di azioni e le azioni vendute in cambio di contanti vengono considerate transazioni distinte tra loro. Per le conseguenze fiscali relative alla vendita di azioni in cambio di contanti, si rimanda all'Alternativa Tutto Contante di cui sopra. Al contrario di chi sceglie l'Alternativa Base, gli azionisti che optano per la Alternativa in Azioni e Contanti in Proporzione Variabile possono agganciare la base imponibile alla vendita per contanti. Quanto allo scambio di azioni, si applicheranno/si potranno applicare le norme sulla tassazione differita (persone fisiche) e sulla tassazione differita delle plusvalenze (società a responsabilità limitata). Una società a responsabilità limitata che non possa usufruire della tassazione differita delle plusvalenze in quanto, con l'Alternativa Base, il corrispettivo in contanti supera la plusvalenza, può ottenere la tassazione differita delle plusvalenze scegliendo la Alternativa in Azioni e Contanti in Proporzione Variabile.

[23] Si ritiene che le azioni quotate in Borsa siano detenute ai fini di esercizio se costituiscono capitale fisso e rappresentano almeno il 10% dei diritti di voto o sono altrimenti detenute per motivi commerciali dalla società a partecipazione azionaria o da una qualsivoglia società ad essa affiliata.

6.2 Cessione di Azioni

6.2.1 Informazioni generali per gli azionisti di Scania AB

Gli azionisti di Scania AB che accettano l'Offerta e conseguentemente cedono le loro azioni Scania AB o verso un corrispettivo in denaro, o in cambio di azioni ordinarie MAN AG (*Stammaktien*) o in parte in cambio di azioni ordinarie MAN AG (*Stammaktien*) e in parte per un corrispettivo in denaro, potrebbero evidenziare una plusvalenza imponibile ovvero una minusvalenza deducibile. Nel caso di scambio di azioni, è possibile che vi siano eccezioni applicabili alle persone fisiche (e al patrimonio ereditario di persone fisiche decedute); si veda *infra* il paragrafo "Differimento dell'imposizione fiscale nello scambio di azioni". Le società a responsabilità limitata, in determinate circostanze, possono usufruire di un'imposizione fiscale differita sulle plusvalenze; si veda *infra* il paragrafo "Imposizione fiscale differita sulle plusvalenze".

Le plusvalenze o minusvalenze sono calcolate come differenza tra il corrispettivo ricevuto, al netto degli oneri accessori di diretta imputazione, e la base imponibile delle azioni. Nel caso di scambi di azioni , il corrispettivo è rappresentato dalla somma del valore di mercato delle azioni ordinarie MAN AG (*Stammaktien*) ricevute al momento della cessione e del corrispettivo in denaro. Gli azionisti che ricevono il corrispettivo in contanti in Euro devono calcolare la plusvalenza in Corone svedesi basandosi sul tasso di cambio del giorno in cui è avvenuto lo scambio. MAN AG intende rivolgersi all'Amministrazione finanziaria per "verificare" il prezzo di vendita delle azioni[24].

Le basi imponibili di tutte le azioni della stessa classe e tipo, detenute da uno stesso azionista, sono sommate e calcolate cumulativamente secondo il cosiddetto "metodo delle medie". Dal momento che le azioni Scania AB sono quotate in Borsa, la base imponibile per tali azioni potrebbe, in alternativa, essere determinata nella misura del 20% del ricavo netto dalle vendite, in conformità con il "metodo standardizzato".

Per quanto concerne gli scambi di azioni, si vedano *infra* i paragrafi "Differimento dell'imposizione fiscale sugli scambi di azioni" e "Imposizione fiscale differita sulle plusvalenze".

6.2.2 Persone Fisiche

Per le persone fisiche e il patrimonio ereditario di cittadini svedesi deceduti, le plusvalenze sono soggette all'imposta prevista per la categoria "redditi di capitale", con un'aliquota del 30%. Nel caso di differimento dell'imposizione fiscale sugli scambi di azioni, l'imposizione fiscale concerne soltanto il corrispettivo in denaro; si veda *infra*.

Le minusvalenze conseguite su azioni quotate nei mercati regolamentati potrebbero essere interamente compensate con le plusvalenze conseguite sulle azioni (quotate nei mercati regolamentari o meno) e su altri strumenti finanziari quotati che sono assoggettati al medesimo trattamento fiscale delle azioni, ad eccezione delle quote di fondi aperti d'investimento svedesi, il cui patrimonio sia limitato esclusivamente a crediti in valuta svedese realizzati nello stesso anno in cui è stata conseguita la minusvalenza. Il 70% delle minusvalenze eccedenti tali plusvalenze sarà deducibile dagli altri redditi di capitale. Se dovesse verificarsi una perdita nella categoria "redditi di capitale" durante un determinato anno, tale perdita netta in eccesso potrebbe ridurre l'imposizione fiscale sui redditi di lavoro dipendente, e sui redditi d'impresa nonché l'imposizione sulle proprietà immobiliari. La riduzione d'imposta viene applicata in misura pari al 30% della perdita nettache non deve superare SEK 100.000 e in misura pari al 21% per qualsiasi parte rimanente. La perdita netta in eccesso non utilizzata non può essere portata a nuovo e dedotta nei successivi esercizi.

6.2.3 Società a Responsabilità Limitata

Per le società a responsabilità limitata, le plusvalenze conseguite sulle azioni che non sono detenute per scopi commerciali sono tassabili come reddito d'impresa con un'aliquota pari al 28%. Si veda *infra* il paragrafo "Imposizione fiscale differita sulle plusvalenze" riportato di seguito.

Le minusvalenze conseguite su tali azioni possono essere compensate soltanto con plusvalenze tassabili realizzate a fronte della cessione di azioni e di altri strumenti finanziari che sono tassabili come le azioni. Tali minusvalenze, in determinate circostanze, possono essere anche dedotte dalle plusvalenze realizzate con riferimento a tali strumenti finanziari all'interno del medesimo gruppo di società a condizione che siano

soddisfatte le determinate condizioni a livello del gruppo. Le minusvalenze che non sono state compensate in un determinato anno, possono essere portate a nuovo e compensate con le plusvalenze evidenziate negli esercizi successivi senza limiti di tempo.

Nel caso in cui le azioni Scania AB si qualifichino come azioni detenute per scopi commerciali si applicano speciali disposizioni di legge.

6.3 Differimento dell'Imposizione Fiscale sugli Scambi di Azioni

L'Alternativa Base

Le persone fisiche, con domicilio o dimora abituale in Svezia (o il patrimonio ereditario di un cittadino svedese deceduto), che vendono le proprie azioni in Scania AB in parte verso azioni ordinarie MAN AG (*Stammaktien*) e in parte verso un corrispettivo in denaro, non generano alcuna plusvalenza imponibile o minusvalenza deducibile per il corrispettivo in azioni (in conformità con la clausola "scambio Azione per azione"). Le azioni ordinarie MAN AG (*Stammaktien*) ricevute sono invece considerate acquisite con la stessa base imponibile delle azioni in Scania AB cedute. Il corrispettivo in denaro ricevuto viene contabilizzato come plusvalenza nell'anno in cui avviene la cessione. Nessuna parte dell' imponibile degli azionisti nelle azioni Scania AB vendute può essere attribuita al corrispettivo in denaro. Eccezion fatta per il corrispettivo in denaro, normalmente non c'è necessità di dare evidenza dello scambio di azioni nella dichiarazione dei redditi.

Ai fini dell'applicazione delle norme sul differimento dell'imposizione fiscale, è necessario, tra le altre cose, che MAN AG possieda azioni che rappresentino oltre il 50% dei diritti di voto di Scania AB alla fine dell'anno solare nel quale si verifica la cessione. A condizione che l'offerta sia conclusa, MAN AG intende detenere azioni in Scania AB in modo tale che tale requisito venga soddisfatto.

Se una persona fisica si trasferisce al di fuori del territorio svedese (al di fuori dell'SEE), la plusvalenza derivante dallo scambio di azioni diventerà soggetta a tassazione.

Gli azionisti che ricevono il corrispettivo in denaro in Euro sono tenuti a rilevare la plusvalenza in corone svedesi, calcolata al tasso di cambio del giorno in cui è avvenuto lo scambio. MAN AG intende rivolgersi all'Amministrazione finanziaria per "verificare" tale valore.

La Alternativa in Azioni e Contanti in Proporzione Variabile

Per le persone fisiche che accettano l'Offerta e scelgono di ricevere solo azioni ordinarie MAN AG (*Stammaktien*) con la Alternativa in azioni e Contanti in Proporzione Variabile, si applicheranno alla vendita le norme sulla tassazione differita degli scambi di azioni, come specificato sopra. Qualora le richieste di chi sceglie la Alternativa in azioni e Contanti in Proporzione Variabile non possano essere accolte completamente, gli azionisti riceveranno contanti al posto delle azioni Scania AB mancanti. Lo scambio di azioni e le azioni vendute in cambio di contanti vengono considerate transazioni distinte tra loro.

6.4 Imposizione Fiscale differita sulle plusvalenze

L'Alternativa Base

Una società a responsabilità limitata che ceda le azioni possedute in Scania AB — ottenendo in cambio in parte azioni ordinarie MAN AG (*Stammaktien*) e in parte un corrispettivo in denaro — e realizzi una plusvalenza può richiedere nella dichiarazione dei redditi un differimento di imposte nel caso in cui vengano soddisfatte determinate condizioni.

Ai fini di ottenere tale differimento, è richiesto, tra l'altro, che il corrispettivo in contanti ricevuto in cambio delle azioni non superi la plusvalenza realizzata. Considerata la percentuale del corrispettivo in contanti prevista dall'Alternativa Base, in genere non si applicano le norme sulla tassazione differita delle plusvalenze. Inoltre, è necessario che MAN AG possieda, alla fine dell'anno solare in cui ha luogo la cessione, azioni che rappresentino più del 50% del diritto di voto in Scania AB. Nel caso in cui l'Offerta sia conclusa, MAN AG intende detenere azioni in Scania AB in modo tale che questo requisito venga soddisfatto.

Quando si applicano le norme sulla tassazione differita delle plusvalenze, la parte in contanti del corrispettivo ricevuto dovrà essere contabilizzata nell'anno in cui è avvenuto lo scambio. Nessuna parte della base imponibile degli azionisti nelle azioni Scania AB vendute può essere attribuita al corrispettivo in

denaro. Se viene concesso un differimento, l'ammontare di plusvalenza residua sarà stabilito dall'amministrazione finanziaria nel suo accertamento fiscale, come ammontare di imposta differita, che deve essere ripartito tra le azioni ordinarie MAN AG (*Stammaktien*) ricevute.

Se viene concesso un differimento di imposte, l'ammontare delle imposte differite sarà tassato al più tardi quando le azioni ordinarie MAN AG (*Stammaktien*) saranno cedute a un nuovo titolare o nel caso in cui le azioni cessino di esistere. Tuttavia, quanto sopra non avrà applicazione se le azioni ricevute saranno cedute tramite un successivo scambio di azioni che soddisfi le condizioni per la prosecuzione del differimento di imposte. La plusvalenza differita può diventare imponibile in qualsiasi momento se l'azionista lo richiede nella dichiarazione dei redditi.

Gli azionisti che ricevono il corrispettivo in denaro in Euro sono tenuti a rilevare la plusvalenza in corone svedesi al tasso di cambio del giorno in cui è avvenuto lo scambio. MAN AG intende rivolgersi all'amministrazione finanziaria per "verificare" tale valore.

L'Alternativa in Azioni e Contanti in Proporzione Variabile

Nel caso degli azionisti che accettano l'Offerta e scelgono di ricevere solo azioni ordinarie MAN AG (*Stammaktien*) con l'Alternativa in Azioni e Contanti in Proporzione Variabile, si potranno applicare alla vendita le norme sulla tassazione differita delle plusvalenze sugli scambi di azioni.

Qualora le richieste di chi sceglie l'Alternativa in Azioni e Contanti in Proporzione Variabile non possano essere accolte completamente, gli azionisti riceveranno contanti al posto delle azioni Scania AB mancanti. Lo scambio di azioni e le azioni vendute in cambio di contanti vengono considerate transazioni distinte tra loro. Un azionista che non possa usufruire della tassazione differita delle plusvalenze in quanto, con l'Alternativa Base, il corrispettivo in contanti supera la plusvalenza, può ottenere la tassazione differita delle plusvalenze scegliendo l'Alternativa in Azioni e Contanti in Proporzione Variabile.

6.5 Imposizione Fiscale sulla Cessione di azioni ordinarie MAN AG (Stammaktien) ricevute

Quando un azionista cede le azioni ordinarie MAN AG (*Stammaktien*) ricevute in conformità alla presente Offerta, solitamente si determina un'imposizione sulle plusvalenze. Se le norme sul differimento dell'imposizione fiscale sono state applicate in relazione alla presente Offerta, le azioni ordinarie MAN AG (*Stammaktien*) ricevute sono considerate acquisite con la stessa base imponibile delle azioni Scania AB cedute.

In caso contrario, le azioni ordinarie MAN AG (*Stammaktien)* ricevute sono considerate, ai fini fiscali, acquisite al valore di mercato in vigore al momento dell'acquisizione, indipendentemente dalla concessione di un differimento. MAN AG intende rivolgersi all'amministrazione finanziaria per verificare tale valore. Se è stato concesso un differimento come descritto in precedenza, l'ammontare delle imposte differite sarà anch'esso esigibile.

Se le norme sul differimento dell'imposizione fiscale sono state applicate o se è stato concesso un differimento e il venditore, alla data in cui è avvenuto lo scambio di azioni, possedeva azioni della stessa classe e tipo delle azioni ordinarie MAN AG (*Stammaktien)* ricevute, o se acquisisce tali azioni dopo lo scambio, le azioni ordinarie MAN AG (*Stammaktien)* saranno considerate cedute nell'ordine seguente: (1) Azioni acquisite prima dell'offerta, (2) Azioni acquisite attraverso la presente Offerta, (3) Azioni acquisite dopo l'Offerta.

6.6 Imposizione Fiscale sui Dividendi

Una ritenuta tedesca viene applicata sui dividendi distribuiti da MAN AG a un'aliquota pari a 21,1% dell'ammontare lordo del dividendo. Dietro domanda dell'azionista residente in Svezia, il *Bundeszentralamt für Steuern ("BZSt")* tedesco rimborserà la parte di ritenuta che eccede l'aliquota del 15% applicabile ai sensi della Convenzione tra Svezia e Germania, a condizione che l'azionista presenti al BZSt una domanda di rimborso che includa un certificato di residenza rilasciato dall'amministrazione finanziaria svedese competente, entro la fine del quarto anno successivo a quello in cui il dividendo è stato pagato.

Il dividendo lordo è inoltre tassabile in Svezia come reddito di capitale a un'aliquota pari al 30% per persone fisiche e come reddito d'impresa a un'aliquota pari al 28% per le società. Se le azioni ordinarie MAN AG

(*Stammaktien*) sono registrate sul conto VP tenuto dagli azionisti presso il VPC svedese, il VPC applicherà una ritenuta preliminare pari all' 8,9% per le persone fisiche.

Nella dichiarazione dei redditi deve essere richiesto un credito per la ritenuta d'acconto tedesca pari al 15%. Se non è possibile utilizzare un credito d'imposta per ritenute straniere in un determinato anno, il credito può essere portato a nuovo e utilizzato in uno qualsiasi dei tre anni successivi. In alternativa, la ritenuta d'acconto è deducibile quando viene calcolato il reddito tassabile dell'azionista. Le persone fisiche (e il patrimomio ereditario delle persone fisiche decedute) devono effettuare la detrazione nella categoria relativa al reddito di capitale e le società nella categoria relativa al reddito d'impresa.

6.7 Imposta sul patrimonio netto

Dato che le azioni ordinarie MAN AG (*Stammaktien*) sono quotate in Borsa nel suo stato di residenza, equiparabile alla quotazione dei titoli scandinavi (Large Cap Index) dell'SSE, tali azioni devono essere incluse nel patrimonio netto imponibile del titolare all'80% del loro valore di quotazione alla fine dell'anno solare.

6.8 Questioni Fiscali per gli Azionisti non residenti in Svezia

Gli azionisti non residenti in Svezia ai fini fiscali di solito non saranno tassati in Svezia sulle plusvalenze realizzate per la cessione delle azioni, si veda *infra* per determinate eccezioni. Tali azionisti potrebbero, tuttavia, essere soggetti ad imposta nel loro stato di residenza.

Le persone fisiche non residenti in Svezia ai fini fiscali potrebbero essere soggette all'imposizione fiscale svedese sulle plusvalenze a seguito della cessione delle azioni svedesi se hanno risieduto in Svezia o se hanno vissuto in modo permanente in Svezia in qualsiasi periodo nel corso dell'anno in cui è avvenuta la cessione o nei dieci anni solari precedenti la cessione. Questa imposizione fiscale, tuttavia, potrebbe essere limitata dalla Convenzione Internazionale Contro le Doppie Imposizioni applicabile.

Una società per azioni non residente in Svezia, potrebbe essere soggetta a tassazione in Svezia sulle plusvalenze derivanti dalla cessione di azioni, qualora abbia una stabile organizzazione o una base fissa di affari in Svezia a cui queste azioni sono effettivamente connesse.

Si consiglia a ciascun azionista di Scania AB non residente in Svezia di rivolgersi a un consulente fiscale per ottenere informazioni in merito agli obblighi fiscali riguardanti la sua particolare situazione.

7. Il Nuovo Gruppo di Società

Per informazioni sul nuovo Gruppo, consultare il Prospetto Informativo in Appendice al presente documento.

8. MAN AG

Per informazioni su MAN si rimanda al Prospetto Informativo in Appendice al presente documento.

9. Scania AB

Per informazioni su Scania si rimanda al Prospetto Informativo in Appendice al presente documento.

10. Normativa tedesca in materia di Titoli e Confronto con i Diritti spettanti agli Azionisti ai sensi della legislazione tedesca e svedese

Viene esposta di seguito una sintesi dei diritti spettanti agli azionisti di MAN AG possessori di azioni ordinarie MAN AG (*Stammaktien*) ai sensi della legislazione tedesca attualmente in vigore e dello statuto (*Satzung*) di MAN AG. Si evidenziano inoltre alcune importanti differenze tra i diritti degli azionisti di MAN AG e la disciplina che sarebbe stata applicabile qualora MAN AG fosse stata costituita in Svezia. Detta sintesi non è e non intende essere un'analisi esaustiva del diritto tedesco e svedese, né intende individuare tutte le differenze che possono venire in rilievo per gli azionisti Scania AB che aderiscono all'Offerta. Tale sintesi deve essere considerata nel suo complesso con riferimento rispettivamente alla legislazione tedesca e svedese (e alle altre leggi o norme in essa citate).

10.1 Normativa tedesca in materia di Titoli e Corporate Governance

MAN AG è una società per azioni costituita in Germania le cui azioni sono negoziate presso la Borsa di Francoforte (*Frankfurter Wertpapierbörse — "FWB"*). La quotazione presso la Borsa di Francoforte implica il pieno rispetto, da parte di MAN AG, delle Norme della Borsa di Francoforte sull'ammissione a quotazione e sulla negoziazione dei titoli (*Börsenordnung für die FWB*).

La quotazione di titoli presso una Borsa tedesca pone a carico dell'emittente ampi e continui obblighi informativi, da assolvere con la regolare pubblicazione dei bilanci e dei rendiconti infrannuali dell'emittente ai sensi del Codice di Commercio tedesco (*Handelsgesetzbuch — HGB*) e della Legge sulla Borsa tedesca (*Börsengesetz*). A tali norme si aggiunge la Legge tedesca sulla Negoziazione di Titoli (*Wertpapierhandelsgesetz*). In base a tali norme, l'emittente di strumenti finanziari ammessi alla negoziazione in un mercato regolamentato in Germania deve rendere pubbliche tempestivamente tutte le informazioni riservate che riguardano direttamente l'emittente medesimo e che possano avere un impatto significativo sul prezzo di mercato degli strumenti finanziari. Nessuno può avvalersi di informazioni riservate per acquistare o cedere titoli. L'Autorità tedesca di Vigilanza del mercato finanziario vigila sul rispetto di tali norme.

Il Codice tedesco sulla *Corporate Governance* (*Deutscher Corporate Governance Kodex*) contiene raccomandazioni e suggerimenti per la gestione e il controllo delle società quotate in Germania. Non sussiste un obbligo giuridico di osservanza di tali raccomandazioni o suggerimenti. La Legge tedesca sulle Società per Azioni richiede solo che il Comitato Esecutivo e l'organo di controllo dichiarino con cadenza annuale di avere rispettato e di rispettare in futuro le raccomandazioni del Codice tedesco sulla *Corporate Governance*, ovvero dichiarino quali raccomandazioni non sono state o non saranno rispettate (principio del "rispetto o spiegazione"). Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "*Corporate Governance*".

MAN AG è inoltre tenuta a rispettare le norme della Legge tedesca sui Prospetti Informativi per i Titoli (*Wertpapierprospektgesetz*) che richiede, come norma generale, la pubblicazione di un prospetto informativo relativo a tutti i titoli offerti al pubblico ovvero oggetto di una richiesta di ammissione a quotazione sul mercato regolamentato di una Borsa tedesca. Il Regolamento CE 2004/809 riporta la struttura e il contenuto obbligatorio di tale prospetto informativo.

MAN AG è anche soggetta alle norme contenute nella Legge tedesca sull'Acquisto e sull'offerte pubbliche di acquisto di Titoli (*Wertpapiererwerbs- und Übernahmegesetz*), come modificata in data 8 luglio 2006 (come di seguito specificato).

10.2 Assemblee degli Azionisti

Disciplina applicabile a MAN AG

Le assemblee degli azionisti di MAN AG (*Hauptversammlung*) potranno svolgersi presso la sede legale della Società ovvero in una città tedesca sede di una Borsa. Le assemblee degli azionisti di MAN AG potranno essere convocate dal Comitato Esecutivo della società ovvero, nei casi previsti dalla legge, dall'organo di controllo della Società o da un gruppo di azionisti che detenga complessivamente almeno il 5% del capitale sociale emesso di MAN AG. In base allo statuto della Società, avranno diritto di partecipare e di votare alle assemblee degli azionisti di MAN AG solo gli azionisti che si siano iscritti per partecipare all'assemblea stessa e che forniscano prova della titolarità della propria partecipazione. La Società dovrà ricevere

l'iscrizione e la prova della titolarità della partecipazione all'indirizzo fornito a tale scopo nell'avviso di partecipazione all'assemblea al più tardi entro il settimo giorno precedente l'assemblea stessa. La prova della titolarità della partecipazione potrà essere fornita sotto forma di uno specifico documento attestante la proprietà ottenuto dall'ente di custodia e riferita al ventunesimo giorno precedente l'assemblea degli azionisti di MAN AG. L'iscrizione e la prova della titolarità della partecipazione dovranno essere in lingua tedesca o inglese. Per entrambe sarà sufficiente una versione stampata (Textform).

Le assemblee degli azionisti di MAN AG dovranno essere convocate almeno 30 giorni prima della data fissata per l'iscrizione degli azionisti. Nel calcolo di detti 30 giorni non si dovrà includere l'ultimo giorno utile per l'iscrizione stessa.

Ciascuna delle azioni ordinarie MAN AG (*Stammaktien*) attribuisce al titolare il diritto ad un voto nell'assemblea degli azionisti.

Le delibere delle assemblee degli azionisti saranno approvate con la maggioranza semplice dei voti, salvo il caso in cui siano richieste dalla legge maggioranze più ampie dei voti o del capitale sociale rappresentato in assemblea.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Assemblea annuale degli azionisti".

Disciplina generale in base al diritto svedese

L'assemblea annuale degli azionisti deve tenersi entro sei mesi dalla chiusura di ciascun esercizio. La convocazione dell'assemblea ordinaria degli azionisti deve essere effettuata non prima di sei settimane e non oltre quattro settimane prima dell'assemblea stessa, secondo le modalità previste dallo statuto sociale, inclusa la pubblicazione del relativo avviso sulla Gazzetta Svedese (*Post och Inrikes Tidningar*) e su almeno un quotidiano con diffusione a livello nazionale. Ai sensi del diritto svedese è richiesto lo svolgimento di assemblee straordinarie degli azionisti ogniqualvolta il consiglio lo ritenga necessario, ovvero qualora sia richiesto da un sindaco della società o da azionisti che rappresentino almeno il 10% del capitale sociale. L'avviso di convocazione di un'assemblea straordinaria degli azionisti deve essere effettuato non prima di sei settimane e non oltre due settimane prima dell'assemblea stessa. Tuttavia, l'avviso di convocazione relativo ad un'assemblea straordinaria in cui debba essere deliberata una modifica allo statuto sociale deve essere effettuato non prima di sei settimane e non oltre quattro settimane prima dell'assemblea stessa. L'avviso di convocazione dell'assemblea degli azionisti deve essere effettuato in conformità allo statuto della Società, pubblicando un avviso sulla Gazzetta Svedese (*Post och Inrikes Tidningar*) e su almeno un altro quotidiano a tiratura nazionale. Hanno diritto di partecipare all'assemblea annuale coloro che risultino azionisti dal libro soci aggiornato al quinto giorno lavorativo precedente l'assemblea (o ad altro giorno successivo eventualmente previsto dallo statuto). Lo statuto può prevedere che la partecipazione di un azionista all'assemblea annuale sia subordinata alla relativa comunicazione da parte dello stesso azionista alla società da darsi entro la data specificata nell'avviso di convocazione dell'assemblea stessa (che dovrà essere un giorno diverso da domenica o altra festività pubblica, sabato, vigilia di San Giovanni Battista, vigilia di Natale o vigilia di Capodanno e non antecedente il quinto giorno lavorativo prima dell'assemblea annuale degli azionisti).

Le società svedesi quotate con una capitalizzazione di mercato superiore ai 3 miliardi di corone svedesi devono conformarsi al Codice svedese sulla *Corporate Governance* (il "Codice Svedese"), basato sul principio del "rispetto o spiegazione".

Il Codice Svedese rafforza l'influenza dell'azionista, specialmente nell'ambito delle assemblee degli azionisti. Lo stesso Codice, inoltre, ha l'obiettivo di chiarire la divisione dei poteri tra i vari organi societari.

10.3 Corporate Governance

Disciplina applicabile a MAN AG

Gli organi cui è affidata la *corporate governance* della Società sono il Comitato Esecutivo (*Vorstand*), l'organo di controllo (*Aufsichtsrat*) e l'assemblea degli azionisti (*Hauptversammlung*). I poteri di tali organi sono regolati dalla Legge tedesca sulle Società per Azioni, dallo statuto sociale e dalle norme che disciplinano le procede applicabili al Comitato Esecutivo e al collegio sindacale. Ai sensi della Legge tedesca sulle Società per Azioni, la Società deve possedere un sistema di gestione e di controllo articolato su due livelli, costituito dal

Comitato Esecutivo e dall'organo di controllo. I due organi operano in modo autonomo e a nessun membro può appartenere contemporaneamente ad entrambi. Ai sensi dello statuto della Società, MAN AG può essere legalmente rappresentata da due membri del proprio Comitato Esecutivo ovvero da un membro del Comitato Esecutivo unitamente ad un rappresentante autorizzato con poteri di firma (*Prokurist*).

In base alla Legge tedesca sulle Società per Azioni e allo statuto sociale, il Comitato Esecutivo è responsabile della gestione ordinaria della Società. Il Comitato Esecutivo ha inoltre la rappresentanza legale di MAN AG nei rapporti con terzi. Il Comitato Esecutivo della Società ha la responsabilità esclusiva della gestione di MAN AG, e l'assemblea degli azionisti non può impartire istruzioni allo stesso.

In aggiunta al Comitato Esecutivo della Società, MAN AG ha istituito un comitato di gestione, composto dai membri del proprio Comitato Esecutivo e un membro aggiuntivo appartenente al Comitato Esecutivo di MAN Turbo. Il membro aggiuntivo (Sig. Jurgen Maus) partecipa alle riunioni del Comitato Esecutivo della Società in veste di ospite permanente con funzioni di vigilanza, con il compito di valutare adeguatamente gli interessi attinenti alle Aree Aziendali di sua pertinenza, ossia MAN Turbo.

L'organo di controllo della Società supervisiona e svolge funzioni consultive nei confronti del Comitato Esecutivo ed ha il compito di nominare e convocare i membri del comitato stesso. L'organo di controllo della Società ha inoltre la rappresentanza di MAN AG nelle operazioni con i membri del Comitato Esecutivo.

L'organo di controllo della Società ha istituito tre comitati composti da alcuni dei propri membri: il comitato permanente, il comitato di controllo e il comitato esecutivo per il personale. Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Organo di Controllo".

I membri del Comitato Esecutivo e dell'organo di controllo devono svolgere le proprie funzioni secondo lo standard di diligenza richiesto ad un prudente e diligente membro rispettivamente del Comitato Esecutivo o dell'organo di controllo. Per soddisfare tale livello di diligenza, i membri degli organi in questione devono prendere in considerazione un'ampia gamma di questioni, inclusi gli interessi della Società e dei suoi azionisti, dipendenti e creditori. Il Comitato Esecutivo in particolare deve rispettare il diritto all'equo trattamento degli azionisti della Società.

I membri del Comitato Esecutivo e dell'organo di controllo della Società sono inoltre solidalmente responsabili in caso di violazione dei propri doveri che determini un danno per la Società. Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Managament — Sintesi".

L'assemblea degli azionisti è l'organo sociale nell'ambito del quale gli azionisti esercitano i propri diritti in relazione a MAN AG nella misura stabilita dalla legge o dallo statuto. L'assemblea degli azionisti decide in merito alla composizione dell'organo di controllo, che a sua volta nomina il Comitato Esecutivo. L'assemblea degli azionisti vota inoltre su questioni di fondamentale importanza per la Società, in particolare su modifiche allo statuto, su operazioni relative al capitale e, in limitate circostanze, anche su provvedimenti gestionali con importanti implicazioni.

Disciplina generale in base al diritto svedese

La società è amministrata dal consiglio di amministrazione e dall'amministratore delegato. Il consiglio è nominato dagli azionisti in occasione dell'assemblea degli azionisti, e a sua volta nomina l'amministratore delegato. L'amministratore delegato non deve necessariamente essere un membro del consiglio di amministrazione. In base alla Legge svedese sulle Società l'amministratore delegato di una società quotata non può essere nominato presidente del consiglio di amministrazione. Il Codice Svedese prevede che solo uno dei soggetti appartenenti al *management* della società possa essere membro del consiglio e che la maggioranza dei membri del consiglio debba essere indipendente dalla società e dal suo *management*. Inoltre, due di tali membri indipendenti del consiglio devono essere anche indipendenti rispetto agli azionisti di maggioranza. In base al Codice Svedese, spetta ad un comitato sulle nomine formulare proposte in merito ai membri del consiglio, dell'organo di controllo e ai compensi di entrambi. Lo statuto di una società quotata può prevedere inoltre che uno o più amministratori, e comunque meno della metà degli stessi, venga nominato diversamente (ad esempio, direttamente da un azionista di maggioranza). Il consiglio non può in nessun caso nominare gli amministratori.

Gli amministratori hanno un generale "dovere di lealtà e diligenza" in relazione alla società, ovvero il dovere di agire nell'interesse della società in quanto tale, piuttosto che in quanto rappresentanti di certi azionisti.

L'assemblea degli azionisti è il principale organo decisionale di una società svedese. Benché il compimento di tutte le operazioni della società svedese spetti in pratica al consiglio di amministrazione, gli azionisti hanno la possibilità, nell'ambito dell'assemblea, di impartire direttive al consiglio in molti campi. L'assemblea degli azionisti ha competenza esclusiva su molte questioni importanti, ad esempio la nomina degli amministratori del consiglio (salvo per quanto detto sopra), la nomina dei componenti dell'organo di controllo, l'approvazione del bilancio e del conto economico, la distribuzione dei dividendi e la decisione sui compensi degli amministratori e sui principi da applicare per la remunerazione dei dirigenti. Gli azionisti possono inoltre votare su questioni commerciali e gestionali che riguardano direttamente la società. Benché l'adozione di tali provvedimenti sia decisa dagli azionisti, le proposte su cui gli azionisti votano sono normalmente avanzate dal consiglio. In altri campi è invece il consiglio ad avere competenza esclusiva, ad esempio per quanto riguarda la nomina dell'amministratore delegato.

10.4 Diritti di Voto

Disciplina applicabile a MAN AG

A ciascuna azione ordinaria (*Stammaktie*) di MAN AG spetta un voto in sede di assemblea degli azionisti. Qualora un soggetto detenga più azioni, i diritti di voto attribuiti a ciascuna azione potranno essere esercitati differentemente. La legge vieta l'esercizio dei diritti di voto in alcune circostanze. Ad esempio, nel caso di azioni appartenenti alla stessa società, a un'impresa controllata o a un terzo per conto della società o di un'impresa controllata. Inoltre, nessuno può esercitare diritti di voto per proprio conto ovvero per conto altrui in relazione a una delibera concernente la ratifica di proprie azioni, il proprio esonero di responsabilità ovvero una pretesa avanzata dalla società nei propri confronti .

I diritti di voto possono essere esercitati anche mediante delega. Come regola generale, l'autorizzazione dovrà essere conferita per iscritto ovvero, previa dichiarazione in tal senso da parte di MAN AG e subordinatamente al rispetto delle specifiche condizioni rese pubbliche con l'avviso di convocazione dell'assemblea annuale degli azionisti, potrà essere conferita via fax o altro mezzo elettronico. Ciascun azionista potrà inoltre consentire a un terzo di esercitare il diritto di voto a suo nome. L'azionista potrà quindi esprimere il proprio voto anche qualora decida di non rivelare la propria identità. Tale procedura richiede un'autorizzazione legale a favore del soggetto a cui viene trasferito il diritto di voto. Sulla Gazzetta Federale Tedesca elettronica (*"Bundesanzeiger"*), gli azionisti possono chiedere agli altri azionisti di esercitare i diritti di voto congiuntamente ovvero mediante delega (cosiddetto forum degli azionisti).

I diritti di voto inerenti ad azioni depositate presso banche possono essere esercitati dalle banche stesse solo previo conferimento della delega. Tale delega non richiede la forma scritta, ma dovrà essere tenuta a disposizione per un eventuale controllo da parte della banca. Potrà quindi essere conferita anche mediante trasferimento elettronico dei dati. Non è necessario che la delega includa il nome dell'azionista, ma potrà essere emessa a nome del soggetto interessato. Qualora l'azionista rilasci istruzioni di voto, la banca dovrà votare conformemente a tali istruzioni.

Alcune delibere approvate dall'assemblea degli azionisti (ad es. modifiche allo statuto) devono, a pena di inefficacia, essere annotate nel registro delle imprese.

Non sussistono requisiti minimi di quorum per le assemblee degli azionisti di MAN AG. Le delibere degli azionisti vengono generalmente approvate con la maggioranza semplice dei voti, senza contare né i voti invalidi né le astensioni. In caso di parità la mozione è respinta. In relazione a determinate delibere di rilievo per la società, la Legge tedesca sulle Società per Azioni richiede il voto di almeno i tre quarti del capitale sociale presente o rappresentato all'assemblea degli azionisti. Tra tali vi sono le delibere concernenti tutte le modifiche dello statuto così come gli aumenti di capitale sociale, la creazione di capitale autorizzato o condizionato, la riduzione di capitale, l'approvazione di accordi di dominazione o di cessione di profitti e perdite, fusioni e operazioni analoghe e lo scioglimento della società.

Lo statuto di MAN AG prevede norme particolari per le procedure di voto.

Disciplina generale in base al diritto svedese

A tutte le azioni di una società sono attribuiti pari diritti di voto, salvo il caso in cui lo statuto disponga diversamente. E' consentita una differenza massima tra le azioni con riferimento ai diritti di voto pari a dieci a uno. Non è possibile emettere azioni prive di diritto di voto. Per quanto riguarda Scania AB, a ciascuna azione A è attribuito un voto e a ciascuna azione B un decimo di voto. Le azioni detenute dalla società stessa o da sue controllate non possono essere rappresentate nell'assemblea degli azionisti.

Un azionista può esercitare i propri diritti di voto in sede di assemblea degli azionisti personalmente o attraverso un rappresentante che sia in possesso di una delega scritta e datata. La validità massima di una delega è un anno dalla data di emissione. Per partecipare all'assemblea e votare, un azionista deve essere iscritto a proprio nome nel registro degli azionisti cinque giorni lavorativi prima dell'assemblea stessa (ovvero il minor termine eventualmente specificato nello statuto). Se previsto dallo statuto, un azionista deve inoltre comunicare alla società la propria intenzione di partecipare all'assemblea entro il tempo precisato nell'avviso di convocazione dell'assemblea (si veda sopra). Gli azionisti che abbiano azioni registrate a nome di un delegato devono, per poter partecipare all'assemblea, registrare le azioni a proprio nome entro la data precisata nell'avviso di convocazione dell'assemblea stessa.

Un azionista non può, né personalmente né tramite un delegato, votare in relazione a questioni inerenti (i) procedimenti legali nei propri confronti, (ii) il proprio esonero da responsabilità in relazione a risarcimento danni o altre obbligazioni nei confronti della società, ovvero (iii) procedimenti legali o un esonero da responsabilità di cui ai punti (i) o (ii) in relazione ad altro soggetto, qualora l'azionista in questione abbia un interesse rilevante potenzialmente in conflitto con gli interessi della società.

La legge svedese non prevede requisiti di quorum perl'assemblea degli azionisti. Alcune delibere tuttavia richiedono la presenza di azionisti che rappresentino un certo numero di voti o azioni. Come regola generale, le delibere sono approvate con la maggioranza semplice dei voti, benché in alcune circostanze debba essere considerato anche il numero delle azioni rappresentate e dei voti espressi all'assemblea .

10.5 Cessione di Azioni

Orientamento di MAN AG

La vendita e la cessione di azioni non richiedono una forma specifica.

Qualora le azioni siano detenute in deposito collettivo (*Sammelverwahrung*), la cessione delle stesse si perfeziona in conformità alle disposizioni della Legge tedesca sul Deposito di Valori Mobiliari (*Depotgesetz*). Qualora siano emessi certificati azionari individuali detenuti in deposito distinto (*Streifbandverwahrung*), la cessione delle azioni si perfeziona mediante girata del titolo sul certificato azionario. La cessione potrà essere effettuata anche mediante assegnazione della qualifica di socio risultante dall'azione.

Orientamento generale in base al diritto svedese

In base al diritto societario svedese le azioni sono liberamente cedibili, purché lo statuto non preveda altrimenti (es. gradimento). Lo statuto di Scania AB non contiene alcuna di tali limitazioni.

In una società svedese quotata le azioni sono registrate nel sistema di registrazione contabile dell'organizzazione centrale svedese di deposito e di compensazione per il mercato mobiliare, VPC, in conformità a quanto previsto dalla Legge Svedese sulla Contabilizzazione degli Strumenti Finanziari (*lag (1998:1479) om kontoföring av finansiella instrument*). Tali azioni circolano mediante registrazione nei conti presso VPC, conti VP, e la proprietà delle stesse è indicata nel registro tenuto presso VPC. Le azioni sono registrate nel conto VP in nome dei beneficiari o di chi le detiene in conto terzi.

10.6 Operazioni sul Capitale

Orientamento di MAN AG

La Legge sulle Società per Azioni ammette quattro modalità di aumento del capitale sociale:

- Aumento ordinario di capitale tramite conferimenti (*Kapitalerhöhung gegen Einlagen*);
- Aumento eventuale di capitale (*Bedingte Kapitalerhöhung*);

- Aumento di capitale effettuato attraverso capitale autorizzato (*Kapitalerhöhung aus genehmigtem Kapital*); e

- Aumento di capitale attraverso risorse societarie (*Kapitalerhöhung aus Gesellschaftsmitteln*).

Ciascuna delle elencate modalità di aumento del capitale richiede una delibera dell'assemblea degli azionisti. La delibera deve essere adottata a maggioranza di almeno i tre quarti del capitale sociale rappresentato al momento dell'approvazione della delibera, oltre che dalla maggioranza assoluta dei diritti di voto esercitabili. Qualora sia prevista l'emissione di nuove azioni privilegiate con pari o maggiori diritti rispetto alle azioni ordinarie in relazione alla distribuzione degli utili o delle attività societarie, sarà necessaria una speciale deliberazione dei detentori delle azioni privilegiate emesse da MAN AG.

Nel caso di aumento ordinario del capitale sociale tramite conferimenti, il capitale sociale di MAN AG è incrementato a fronte di conferimenti in denaro o in natura verso l'emissione di nuove azioni. L'aumento di capitale sociale a fronte di conferimenti in natura è possibile solo qualora siano rispettate determinate condizioni, volte a garantire che il valore dei conferimenti sia proporzionato rispetto al valore complessivo delle azioni emesse.

Gli azionisti di MAN AG possono inoltre deliberare di costituire delle forme di capitale condizionato, ma solo per scopi specifici, quali ad esempio la concessione di diritti di conversione o opzioni ai detentori di obbligazioni convertibili e strumenti simili, con l'obiettivo di prepararsi per una fusione con altra società, ovvero la concessione di diritti di sottoscrizione a dipendenti o a dirigenti della Società o di una società affiliata. L'importo nominale del capitale condizionato non potrà in nessun caso superare la metà del capitale sociale risultante al momento della delibera relativa all'aumento di capitale condizionato. Inoltre, l'importo nominale del capitale condizionato per la concessione di diritti di sottoscrizione a dipendenti e dirigenti della Società o di società affiliata non potrà superare il 10% del capitale sociale risultante al momento della delibera relativa all'aumento di capitale condizionato.

Alla data del presente Documento di Offerta, l'importo di Capitale Sociale Condizionato di MAN AG nel 2005 iscritto nel registro commerciale ammonta a € 76.800.000,00.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Capitale Sociale Condizionato 2005".

L'assemblea degli azionisti di MAN AG può inoltre mediante delibera autorizzare il Comitato Esecutivo della Società con l'approvazione del collegio sindacale ad aumentare il capitale sociale entro un arco di tempo prefissato non superiore a cinque anni (capitale autorizzato). L'importo del capitale autorizzato non potrà superare la metà del capitale sociale risultante al momento della registrazione della delibera dell'assemblea generale degli azionisti di MAN AG.

Alla data del presente Documento di Offerta il Capitale Sociale Autorizzato di MAN AG nel 2005 ammonta a € 188.211.200,00.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Capitale Sociale Autorizzato 2005".

Nel caso di aumento di capitale con risorse della società, le riserve di capitale e/o riserve di utili vengono convertite in capitale sociale.

La Legge tedesca sulle Società per Azioni prevede tre diverse modalità di riduzione del capitale sociale:

- Riduzione ordinaria di capitale;

- Riduzione semplificata di capitale; e

- Riduzione di capitale mediante rimborso di azioni.

La riduzione ordinaria di capitale nel caso di azioni al portatore senza valore nominale di MAN AG può essere realizzata sia mediante una riduzione del capitale sociale sia mediante consolidamento di azioni.

Qualora il capitale sociale debba essere ridotto per adeguarsi a una diminuzione del valore dell'attivo, compensando altre perdite ovvero trasferendo importi alle riserve di capitale, la riduzione del capitale sociale può essere eseguita attraverso una procedura semplificata.

Il capitale sociale può essere ridotto anche mediante rimborso di azioni, attraverso il quale è possibile cancellare singole azioni.

La delibera di riduzione del capitale sociale richiede la maggioranza dei voti espressi e una maggioranza di almeno i tre quarti del capitale sociale rappresentato all'assemblea.

Orientamento generale in base al diritto svedese

Il capitale sociale di una società svedese può essere aumentato attraverso nuove emissioni di azioni, emissioni gratuite di azioni, conversione di titoli convertibili emessi in precedenza ovvero l'esercizio di warrant emessi in precedenza. Gli aumenti di capitale richiedono una delibera o autorizzazione da parte dell'assemblea degli azionisti. Il consiglio di amministrazione può approvare una delibera relativa a una nuova emissione di azioni, titoli convertibili o warrant, che sarà comunque subordinata alla successiva approvazione da parte dell'assemblea degli azionisti.

La riduzione del capitale sociale può avvenire (i) per coprire perdite qualora non sia reperibile capitale azionario disponibile equivalente alla perdita (ii) per effettuare trasferimenti ad un fondo da utilizzare in seguito a una delibera approvata dall'assemblea degli azionisti, e (iii) per effettuare rimborsi agli azionisti. La riduzione del capitale sociale richiede in via generale una delibera dell'assemblea degli azionisti.

Una delibera riguardante l'esclusione dei diritti di prelazione degli azionisti in relazione a un'emissione di nuove azioni (per corrispettivo in contanti o compensazione), modifiche al capitale sociale tali da comportare modifiche allo statuto ovvero la riduzione di capitale sociale, è valida solo qualora passi con il voto favorevole degli azionisti che rappresentano i due terzi dei voti espressi e delle azioni rappresentate all'assemblea. In determinate circostanze, come ad esempio nel caso di modifiche ai diritti inerenti ad azioni emesse in precedenza, tale delibera è valida solo se approvata da tutti gli azionisti presenti o rappresentati all'assemblea e qualora tali azionisti detengano i nove decimi delle azioni in circolazione nella società. (Vedere il successivo paragrafo "Modifiche all'atto costitutivo e allo statuto").

10.7 Modifiche all'Atto Costitutivo e allo Statuto

Orientamento di MAN AG

Qualora l'ordine del giorno dell'assemblea degli azionisti preveda la modifica dello statuto, il collegio sindacale o il Comitato Esecutivo di MAN AG potranno proporre modifiche allo statuto di MAN AG. L'inclusione di tali modifiche statutarie nell'ordine del giorno potrà essere richiesto da uno o più azionisti le cui azioni rappresentino complessivamente almeno il 5% del capitale sociale ovvero ammontino ad almeno € 500.00. Qualsiasi modifica allo statuto richiede una delibera dell'assemblea degli azionisti con la maggioranza dei voti espressi e almeno i tre quarti del capitale sociale rappresentato al momento dell'approvazione della delibera. Una modifica sarà efficace solo dopo essere stata registrata nel registro commerciale del domicilio della società.

Orientamento generale in base al diritto svedese

In base al diritto svedese, le modifiche allo statuto societario devono essere apportate attraverso delibere approvate dall'assemblea degli azionisti. Per la maggior parte delle delibere è richiesta l'approvazione da parte dei due terzi dei voti espressi e delle azioni rappresentate all'assemblea. Una delibera per la modifica dello statuto che, in relazione ad azioni già emesse: (i) limiti i diritti degli azionisti agli utili societari o ad altre attività; (ii) limiti la possibilità di cedere azioni societarie; ovvero (iii) modifichi il rapporto giuridico tra azioni, richiede normalmente l'unanimità di tutti gli azionisti presenti all'assemblea che rappresentino almeno i nove decimi di tutte le azioni emesse. Una delibera per la modifica dello statuto in uno qualsiasi dei modi seguenti è in via generale valida solo con il voto favorevole degli azionisti che rappresentino i due terzi dei voti espressi e il 90 % delle azioni rappresentate all'assemblea: (i) una delibera volta a limitare il numero di azioni in relazione alle quali un azionista può votare; (ii) una delibera volta a destinare parte dell'utile netto dell'esercizio (dopo avere coperto le eventuali perdite riportate a nuovo) a una riserva non disponibile; ovvero (iii) una delibera che disponga la distribuzione di utili o delle attività rimanenti in relazione alla liquidazione della società secondo modalità diverse da quelle previste dalla Legge svedese sulle Società.

10.8 Diritti della Minoranza

Orientamento di MAN AG

Il diritto tedesco contiene norme e disposizioni a tutela degli azionisti di minoranza. Il principio generale è che tutti gli azionisti devono essere trattati in modo uguale in circostanze uguali. In base a tale principio, gli azionisti non possono essere discriminati in modo arbitrario, ossia senza un valido motivo. Qualora una delibera dell'assemblea degli azionisti violi il principio di uguale trattamento, potrà essere richiesto l'annullamento della stessa per via giudiziale.

La portata dei diritti degli azionisti di minoranza dipende dal numero di azioni o percentuale del capitale sociale detenuti dall'azionista stesso.

Ad esempio, azionisti che detengano complessivamente un decimo o un ammontare proporzionale di € 1.000.000,00 del capitale sociale di MAN AG potranno chiedere al tribunale di nominare un rappresentante per far valere le richieste di risarcimento danni. Inoltre, gli azionisti che detengano complessivamente un centesimo o un ammontare proporzionale di € 100.000,00 del capitale sociale di MAN AG al momento di presentazione della domanda potranno richiedere l'ammissione di un'azione legale al tribunale del distretto in cui ha sede la Società per far valere richieste di risarcimento danni a proprio nome. Per maggiori dettagli si rimanda al Prospetto Informativo sezione "Management — Sintesi".

Orientamento generale in base al diritto svedese

In base alla Legge svedese sulle Società, gli azionisti di minoranza godono di determinati diritti che li tutelano da azioni pregiudizievoli della maggioranza. Il principio generale è che tutti gli azionisti devono essere trattati in modo uguale. Inoltre, come norma generale, né il consiglio di amministrazione, o qualsiasi altro rappresentante della società, né una maggioranza con diritto di voto in occasione di un'assemblea degli azionisti, potranno concludere operazioni o adottare altri provvedimenti idonei a recare un beneficio indebito ad un azionista o ad un terzo a svantaggio di un altro azionista.

Gli azionisti di minoranza sono inoltre tutelati per il fatto che determinate questioni devono essere definite da differenti maggioranze qualificate.

10.9 Esclusione degli Azionisti di minoranza

Orientamento di MAN AG

L'Articolo 327a *et seq* della Legge tedesca sulle Società per Azioni relativo agli "squeeze-out" stabilisce che un azionista che possieda il 95% del capitale sociale (azionista principale) possa richiedere che l'assemblea generale degli azionisti di una società per azioni tedesca deliberi di trasferire le azioni degli altri azionisti di minoranza all'azionista principale a fronte di un adeguato corrispettivo pecuniario. L'importo di tale corrispettivo spettante agli azionisti di minoranza deve tenere conto della situazione finanziaria della società per azioni tedesca al momento dell'approvazione della delibera. Elemento determinante nel calcolo del corrispettivo è l'intero valore della società, calcolato normalmente utilizzando il metodo della capitalizzazione degli utili.

In alternativa, gli articoli 39a et seq. della Legge sull'Acquisto e Acquisizione di Valori Mobiliari stabiliscono che dopo un'acquisizione o un'offerta pubblica obbligatoria di acquisizione in seguito alle quali l'offerente si trovi a detenere azioni che rappresentano almeno il 95% del capitale con diritto di voto, l'offerente ha diritto ad esercitare uno "squeeze-out" delle rimanenti azioni con diritto di voto in cambio di un prezzo equo attraverso una pronuncia giudiziale senza una delibera favorevole dell'assemblea degli azionisti. Contemporaneamente, qualora un offerente detenga azioni equivalenti ad almeno il 95% del capitale della società oggetto dell'offerta, questi avrà anche diritto di effettuare uno "squeeze-out" delle azioni privilegiate rimanenti prive del diritto di voto. Il prezzo dovrà avere la stessa forma del corrispettivo proposto nell'offerta, con un'alternativa in contante da offrire in ogni evenienza. L'offerente dovrà esercitare il diritto di "squeeze-out" entro tre mesi dal termine del periodo di accettazione. Nel caso in cui in seguito all'accettazione dell'offerta l'offerente abbia acquisito azioni equivalenti ad almeno il 90% delle azioni comprese nell'offerta si presupporrà che il corrispettivo proposto nell'offerta costituisca un prezzo equo.

Dopo un'acquisizione o un'offerta pubblica obbligatoria di acquisizione, gli azionisti della società oggetto dell'offerta che non hanno offerto le proprie azioni nel periodo di offerta, potranno accettare l'offerta entro

tre mesi dal termine del periodo di accettazione, purché l'offerente abbia diritto a presentare una richiesta di "squeeze-out" come descritto sopra.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Esclusione degli Azionisti di Minoranza".

Orientamento generale in base al diritto svedese

Ai sensi della Legge svedese sulle Società, quando un soggetto (persona fisica o giuridica, svedese o straniero) direttamente o indirettamente attraverso entità giuridiche possieda oltre il 90% delle azioni di una società, tale soggetto ha il diritto di acquistare le azioni rimanenti di tale società (procedura conosciuta come "*squeeze-out*"). Gli azionisti di minoranza hanno il corrispondente diritto di obbligare tali azionisti a rilevare le loro quote. Qualora le parti non raggiungano un accordo sul prezzo, lo stesso sarà determinato da un tribunale arbitrale e, nel caso di un'acquisizione obbligatoria iniziata subito dopo o entro un ragionevole periodo di tempo dopo un'offerta pubblica rivolta a un elevato numero di soggetti in base alla quale l'offerente (o suoi affiliati) hanno acquisito la maggioranza delle azioni detenute dall'offerente, questo sarà normalmente lo stesso del prezzo pagato in tale offerta.

10.10 Nomina e Revoca di Amministratori e Revisori

Posizione di MAN AG

Il "*German Co-determination Act*" ("*Mitbestimmungsgesetz*") disciplina la composizione del consiglio di sorveglianza della Società. Conformemente a quanto previsto da tale legge, il consiglio di sorveglianza della Società è costituito da 20 membri: dieci rappresentanti degli azionisti e dieci rappresentanti dei dipendenti. I rappresentanti degli azionisti sono eletti dall'assemblea annuale degli azionisti di MAN AG. I rappresentanti dei dipendenti sono eletti in conformità con quanto previsto nel "*German Co-determination Act*". Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Consiglio di Sorveglianza".

Lo statuto di MAN AG prevede che i membri del consiglio di sorveglianza della Società durino in carica per cinque anni, ciascuno dei quali calcolato dalla data in cui un'assemblea annuale degli azionisti si conclude alla data in cui la successiva assemblea annuale degli azionisti si conclude. Ai sensi del diritto tedesco, la durata in carica di ciascun membro ha termine non oltre la data in cui si conclude l'assemblea annuale degli azionisti di MAN AG in occasione della quale gli azionisti stessi ratificano gli atti compiuti dal consiglio di sorveglianza nel corso del quarto esercizio sociale successivo all'anno nel quale detto membro del consiglio di sorveglianza fu nominato, non computandosi l'anno nel quale l'incarico dello stesso ha avuto inizio. I membri del consiglio di sorveglianza della Società possono essere rieletti.

Il consiglio di sorveglianza nomina ciascun membro del comitato esecutivo di MAN AG per la durata massima di cinque anni. I membri del comitato esecutivo possono essere rieletti.

In determinate circostanze il consiglio di sorveglianza può rimuovere un membro del comitato esecutivo prima della scadenza della carica.

Alla data del presente Documento d'Offerta il comitato esecutivo della Società è composto da sei membri. Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Comitato Esecutivo".

I revisori possono essere revisori qualificati e società di revisione qualificate. Il revisore deve essere eletto, annualmente, dall'assemblea degli azionisti con la maggioranza dei voti espressi. Solo il consiglio di sorveglianza può avanzare una proposta per la nomina dei revisori in occasione della pubblicazione dell'avviso di convocazione contenente l'ordine del giorno. Il comitato di revisione istituito dal consiglio di sorveglianza di MAN AG ha il compito di approvare la proposta per la nomina di un revisore per conto del consiglio di sorveglianza di MAN AG.

Inoltre, su richiesta dei rappresentanti legali, del consiglio di sorveglianza o di azionisti che detengano almeno il 10% del capitale sociale o, nominalmente, € 1.000.000,00 (a condizione che tali azionisti abbiano sollevato eccezioni in occasione della nomina del revisore), il tribunale dovrà nominare un diverso revisore qualora ciò risulti necessario per motivi attinenti alla persona del revisore scelto.

Orientamento generale ai sensi del diritto svedese

I membri del consiglio sono eletti, a maggioranza, dall'assemblea degli azionisti e rimangono, di regola, in carica fino alla successiva assemblea annuale. I membri del consiglio possono essere rieletti. In qualsiasi

momento, il membro stesso può rinunciare all'incarico ovvero quest'ultimo può essere revocato dall'assemblea degli azionisti. Inoltre, nelle imprese di maggiori dimensioni, i sindacati hanno diritto, per legge, a nominare da uno a tre membri del consiglio, a seconda del numero dei lavoratori e della natura dell'attività.

I revisori sono eletti, a maggioranza, in occasione dell'assemblea degli azionisti e rimangono in carica fino all'assemblea annuale degli azionisti che si tiene nel corso del quarto esercizio sociale successivo alla loro nomina. In caso di rielezione di un revisore, l'assemblea degli azionisti può deliberare che il revisore rieletto rimanga in carica fino all'assemblea ordinaria degli azionisti che si terrà nell'arco del terzo esercizio sociale successivo alla nomina. In qualsiasi momento, il revisore stesso può rinunciare all'incarico o quest'ultimo può essere revocato dall'assemblea degli azionisti. Inoltre, gli azionisti di minoranza che detengano almeno il 10% delle azioni hanno il diritto di nominare un revisore o uno *"special examiner"*.

Il Codice Svedese comprende diverse disposizioni relative alla composizione e alla nomina del consiglio, incluse norme sui comitati di nomina, costituiti da soggetti nominati o dall'assemblea degli azionisti o in conformità con i criteri fissati dall'assemblea stessa. Compito del comitato di nomina è proporre i membri del consiglio e i revisori nonchè la relativa remunerazione.

10.11 Bilanci e Revisione Contabile

Posizione di MAN AG

MAN AG redige il proprio bilancio annuale consolidato e i rendiconti infrannuali, che vengono pubblicati ogni trimestre, in conformità con i Principi Contabili Internazionali ("IFRS"). Il bilancio non consolidato di MAN AG è redatto in conformità con il *"German Commercial Code"*. Il bilancio annuale deve essere redatto dal comitato esecutivo ed esaminato dal revisore e dal consiglio di sorveglianza. Il bilancio annuale resta accessibile da parte del pubblico per 90 giorni dalla chiusura dell'esercizio sociale. I rendiconti infrannuali restano accessibili al pubblico per 45 giorni dalla chiusura del relativo periodo di riferimento.

Il revisore effettua una revisione contabile del bilancio di MAN AG e del bilancio consolidato, nonché della relazione di gestione, che riguarda sia le operazioni della società sia quelle del gruppo. Il revisore partecipa alle assemblee del consiglio di sorveglianza concernenti l'approvazione del bilancio annuale e del bilancio consolidato e riferisce sui i principali risultati della propria revisione.

Il consiglio di sorveglianza di MAN AG ha istituito un comitato di revisione composto da cinque membri. Il compito principale di tale comitato consiste nella preparazione delle decisioni del consiglio di sorveglianza della Società in merito all'approvazione del bilancio annuale e del bilancio consolidato. Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Consiglio di Sorveglianza".

Orientamento generale ai sensi del diritto svedese

Una società svedese quotata deve soddisfare i requisiti di informativa indicati nello *"Swedish Annual Reports Act"* (*årsredovisningslag (1995:1554)*) i Principi Contabili Internazionali (IFRS) (ove applicabili) e negli impegni di quotazione contrattualmente assunti con la relativa borsa valori o mercato autorizzato. Ai sensi dello *"Swedish Annual Reports Act"* un rendiconto annuale deve essere presentato all'autorità di vigilianza entro un mese dalla data di approvazione del bilancio da parte dell'assemblea degli azionisti. Entro due mesi dalla chiusura del relativo periodo contabile deve essere, inoltre, presentato all'ente di registrazione un rendiconto infrannuale relativo ad almeno metà, e non oltre i due terzi, dell'esercizio. Ai sensi dell'accordo di quotazione stipulato con la Borsa di Stoccolma, entro due mesi dalla chiusura di ciascun periodo contabile devono essere pubblicati rendiconti trimestrali ed un rendiconto dei dati reddituali non sottoposti a revisione.

Il consiglio di amministrazione di una società è responsabile del rispetto di tali requisiti di informativa.

Una società quotata svedese deve conformarsi ai Principi Contabili Internazionali ("IFRS").

Il Codice Svedese prevede diverse disposizioni sulla contabilità e sulla revisione, incluse norme che disciplinano il riesame generale di almeno un rendiconto infrannuale, i comitati obbligatori di revisione e regole sul controllo interno.

10.12 Pagamento dei Dividendi

Posizione di MAN AG

I dividendi possono essere pagati soltanto per utili annuali netti (*Bilanzgewinn*) conseguiti dalla Società, sulla base di delibera degli azionisti assunta in occasione dell'assemblea annuale relativa al precedente esercizio sociale. Lo statuto di MAN AG stabilisce che la delibera dell'assemblea degli azionisti relativa alla distribuzione degli utili netti annuali debba riservare, per essere distribuita agli azionisti, una percentuale di utile equivalente ad almeno il 4% del capitale sociale.

Lo statuto della Società prevede che il diritto ai dividendi inerente a nuove azioni emesse a seguito di un aumento del capitale sociale possa contenere previsioni in deroga alle disposizioni del *"German Stock Corporation Act"*. Ai sensi dell'Articolo 24(3) dello statuto della Società, la distribuzione degli utili netti annuali dovrà avvenire secondo il seguente ordine:

(1) pagamento di un dividendo privilegiato pari a € 0,11 per azione privilegiata ai titolari di azioni privilegiate senza diritto di voto,

(2) pagamento di un dividendo fino a € 0,11 per azione ordinaria ai titolari di azioni ordinarie e

(3) pagamento, in egual misura, di un dividendo addizionale ai titolari di azioni ordinarie e di azioni privilegiate senza diritto di voto, in proporzione al numero di azioni detenute.

Se, e nella misura in cui, gli utili non siano sufficienti ai fini della distribuzione del dividendo privilegiato di cui al precedente punto (1), l'importo mancante dovrà essere corrisposto successivamente, senza interessi, venendo computato sugli utili netti risultanti dagli esercizi successivi, prima della distribuzione del dividendo spettante ai titolari di azioni ordinarie. Nel caso in cui gli utili netti disponibili per la distribuzione non siano sufficienti per pagare sia tali arretrati sia il dividendo privilegiato di € 0.11 risultante dal nuovo esercizio sociale, gli arretrati dovranno essere pagati per primi, secondo l'ordine di maturazione e, solo successivamente, dovrà essere pagato il dividendo privilegiato risultante dal nuovo esercizio sociale.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Certificazione, Diritto ai Dividendi e Cedibilità delle Azioni".

I dividendi approvati in occasione di un'assemblea degli azionisti devono essere pagati subito dopo tale assemblea, salvo diversa delibera dell'assemblea stessa in merito.

Orientamento generale ai sensi del diritto svedese

In base allo *"Swedish Companies Act"* solo l'assemblea degli azionisti può autorizzare il pagamento di dividendi. I dividendi non possono superare l'importo indicato dal consiglio di amministrazione, fatti salvi i casi in cui una richiesta in tal senso venga formulata e votata dai titolari di almeno il 10% del numero complessivo di azioni (vedi anche la sezione "Diritti della Minoranza" sopra) ovvero lo statuto preveda un importo maggiore, e possono essere pagati solo con i fondi disponibili per i dividendi (sulla base del bilancio annuale approvato). Ai sensi del diritto svedese, non è possibile corrispondere acconti sui dividendi in relazione ad un esercizio sociale con riferimento al quale i bilanci, controllati dal revisore, non siano stati approvati dall'assemblea annuale degli azionisti della relativa società. La prassi abituale in Svezia consiste nel pagamento annuale dei dividendi. Tuttavia, il pagamento dei dividendi più volte l'anno è, comunque, consentito dallo *"Swedish Companies Act"*.

Il pagamento dei dividendi deve essere eseguito subito dopo una data (*"record date"*) che sarà fissata dall'assemblea degli azionisti e che non potrà essere successiva al giorno precedente alla data di convocazione della successiva assemblea annuale degli azionisti.

10.13 Diritti di Rimborso e Riacquisto

Posizione di MAN AG

Il diritto tedesco permette ad una società quotata l'acquisto di azioni proprie soltanto entro limiti determinati. In base al *"German Stock Corporation Act"*, è possibile un riacquisto di azioni da parte della Società, qualora, *inter alia*:

- le azioni debbano essere offerte ai dipendenti; ovvero
- il riacquisto di azioni venga effettuato in virtù di una delibera dell'assemblea degli azionisti che preveda il rimborso di azioni in conformità con le disposizioni che disciplinano la riduzione del capitale sociale; ovvero
- il riacquisto di azioni sia stato autorizzato da una delibera dell'assemblea degli azionisti, autorizzazione valida per un massimo di 18 mesi, che fissi il controvalore minimo e massimo nonché la percentuale di capitale sociale, che non deve superare il 10% del capitale sociale di MAN AG, e il cui scopo non sia di negoziare le azioni proprie di MAN AG. L'assemblea degli azionisti può autorizzare il comitato esecutivo a rimborsare le azioni di MAN AG senza la necessità di un'ulteriore delibera da parte dell'assemblea. Il comitato esecutivo dovrà informare la successiva assemblea degli azionisti in particolare in merito ai motivi dell'acquisto, al numero di azioni acquistate e al prezzo di acquisto. Il comitato esecutivo della Società è stato autorizzato ad acquistare azioni ordinarie e/o privilegiate senza diritto di voto della Società alle condizioni stabilite dalla delibera dell'assemblea generale degli azionisti di MAN AG del 19 maggio 2006. Per maggiori dettagli si rimanda al Prospetto Informativo, sezione "Acquisto e Impiego di Azioni Proprie".

Il numero di azioni proprie detenute da MAN AG non deve superare il 10% del capitale sociale. Fino a quando la Società sarà titolare di azioni proprie, la Società non potrà esercitare alcun diritto connesso alle azioni medesime.

Le azioni possono essere annullate mediante rimborso obbligatorio ovvero tramite acquisto da parte della società. Tale rimborso sarà regolato sulla base delle disposizioni relative a un'ordinaria riduzione di capitale.

Orientamento generale ai sensi del diritto svedese

Lo *"Swedish Companies Act"* consente alle società quotate di riacquistare le proprie azioni. La società può detenere azioni proprie fino al 10% del proprio capitale sociale per una successiva rivendita o per l'annullamento con il consenso degli azionisti. L'assemblea degli azionisti può delegare al consiglio di amministrazione il potere di riacquistare o di alienare azioni entro limiti prefissati. Tali delibere degli azionisti devono essere approvate da una maggioranza che rappresenti i due terzi dei voti espressi e i due terzi del capitale sociale rappresentato in assemblea. Lo *"Swedish Companies Act"* richiede, altresì, che gli acquisti di azioni proprie di una società siano finanziati con gli utili distribuibili calcolati in base all'ultimo bilancio annuale approvato. Inoltre, l'accordo di quotazione assunto con la SSE contiene un'indicazione dettagliata di requisiti e limitazioni applicabili all'acquisto e alla vendita in borsa delle azioni proprie di una società.

Un rimborso di azioni può essere effettuato attraverso una procedura legislativa di rimborso ai sensi dello *"Swedish Companies Act"*, che richiederà, di regola, l'approvazione dello *"Swedish Companies Registration Office"* (*Bolagsverket*) ovvero di un tribunale ordinario, qualora esso si traduca nella restituzione agli azionisti di capitale sociale ovvero nella destinazione, ad una riserva disponibile, di un importo corrispondente alla riduzione del capitale sociale.

10.14 Diritti di Sottoscrizione

Posizione di MAN AG

Il *"German Stock Corporation Act"* prevede che a tutti gli azionisti spettino in generale diritti di sottoscrizione in relazione ad azioni di nuova emissione (così come con riguardo ad opzioni di sottoscrizione di obbligazioni convertibili, obbligazioni con opzione, certificati di partecipazione agli utili e obbligazioni semplici di nuova emissione). Generalmente, i diritti di sottoscrizione sono liberamente trasferibili e possono essere negoziati nelle Borse tedesche nell'arco di un determinato periodo prima della scadenza del periodo di

sottoscrizione. L'assemblea generale degli azionisti di MAN AG può escludere i diritti di sottoscrizione con una delibera approvata da una maggioranza che rappresenti almeno i tre quarti del capitale sociale rappresentato in assemblea. L'esclusione dei diritti di sottoscrizione richiede, inoltre, una relazione del comitato esecutivo della Società che fornisca una giustificazione alla decisione dimostrando che l'interesse della Società ad escludere i diritti di sottoscrizione sia superiore all'interesse degli azionisti alla concessione degli stessi diritti. In mancanza di tale giustificazione, i diritti di sottoscrizione per l'emissione di nuove azioni possono essere esclusi nel caso in cui l'aumento di capitale sociale avvenga in denaro, l'importo di tale aumento non superi il 10% del capitale sociale esistente della Società e il prezzo di emissione delle nuove azioni non sia considerevolmente inferiore al prezzo di mercato.

Orientamento generale ai sensi del diritto svedese

In mancanza di una delibera che escluda tali diritti, gli azionisti godono, in generale, di diritti di prelazione per la sottoscrizione di azioni di nuova emissione (oltre che di titoli convertibili e *warrant* di nuova emissione) dietro pagamento di denaro o a fronte di scambio di tali azioni con altre azioni appartenenti alla stessa classe di azioni da essi attualmente detenuta, in proporzione alla relativa partecipazione. In caso di emissione di una sola classe di azioni da sottoscriversi dietro pagamento di denaro o a fronte di scambio con altre azioni, tutti gli azionisti, a prescindere dalla classe di azioni da essi detenuta, ovvero solo i titolari della stessa classe di azioni in emissione, a seconda di quanto previsto dallo statuto, avranno diritti di prelazione per la sottoscrizione delle azioni. La delibera che escluda i diritti di prelazione degli azionisti in relazione ad un'emissione di azioni deve essere approvata da una maggioranza che rappresenti almeno i due terzi dei voti espressi e almeno i due terzi di tutte le azioni presenti o rappresentate in assemblea e, anche qualora sia raggiunta la maggioranza richiesta, la delibera non deve attribuire ad un azionista o ad un terzo alcun indebito vantaggio a danno di un altro azionista.

10.15 Voto degli Azionisti su Provvedimenti strutturali relativi alla società

Posizione di MAN AG

Il diritto tedesco prevede che l'assemblea degli azionisti deliberi nei casi in cui vi sia una modifica degli elementi fondamentali della società, soprattutto in seguito a provvedimenti strutturali quali *squeeze-out*, provvedimenti regolati dal *"German Transformation Act"*(*Umwandlungsgesetz*) (ad es., fusioni, *spin-off* o modifiche della forma giuridica), la cessione di tutte le attività della società, l'approvazione di accordi d'impresa e lo scioglimento della società. Affinché tali delibere siano efficaci, la legge richiede, generalmente, che esse siano approvate da una maggioranza qualificata che rappresenti almeno i tre quarti del capitale sociale rappresentato in assemblea e la maggioranza dei voti espressi e che siano depositate nel registro delle imprese.

Orientamento generale ai sensi del diritto svedese

La vendita, da parte della società, di tutte o di una parte rilevante delle proprie attività richiede generalmente una delibera da parte degli azionisti.

Una fusione e una scissione ai sensi dello *"Swedish Companies Act"* richiede (quale regola generale) l'approvazione da parte della maggioranza degli azionisti della società che rappresenti almeno i due terzi dei voti espressi in assemblea e almeno i due terzi delle azioni rappresentate in tale assemblea (per ciascuna classe di azioni).

10.16 Norme relative alle Acquisizioni

Posizione di MAN AG

A MAN AG si applica il *"Securities Acquisition and Takeover Act"*. Tale Legge regolamenta tutte le offerte pubbliche volte all'acquisizione di determinati titoli azionari, scambiati sul mercato, di società per azioni aventi sede in Germania e le cui azioni siano ammesse alle contrattazioni in un mercato regolamentato in Germania o altrove all'interno dell'Area Economica Europea, a fronte di capitale, di denaro contante o di una combinazione di questi, ed indipendentemente dalla dimensione o dello scopo dell'acquisizione.

Il *"Securities Acquisition and Takeover Act"* opera una distinzione tra offerte pubbliche (*Öffentliches Angebot*), offerte di acquisizione (*Übernahmeangebot*) e offerte pubbliche obbligatorie di acquisizione (*Pflichtangebot*).

Offerta Pubblica

Un'offerta pubblica è definita come un'offerta, annunciata al pubblico, di acquisire il capitale azionario (o valori mobiliari garantiti da capitale, ad es. azioni convertibili) di una società target attraverso l'acquisto o lo scambio con i singoli azionisti. Un soggetto, allorché decida di presentare un'offerta pubblica, è obbligato, con sollecitudine, ad annunciare al pubblico la propria intenzione. Entro quattro settimane da tale annuncio pubblico, l'offerente deve presentare un dettagliato documento d'offerta (*Angebotsunterlage*) al *"Federal Financial Supervisory Authority"* per la relativa approvazione. Il Documento d'Offerta, una volta approvato, deve essere pubblicato su internet e, alternativamente, o diffusamente distribuito gratuitamente o pubblicato sulle gazzette ufficiali a ciò designate. L'offerta deve rimanere aperta per almeno quattro settimane. Tale periodo sarà prolungato automaticamente in caso di modifica dell'offerta ovvero nel caso in cui un'offerta concorrente sia presentata da parte di un terzo nell'arco del periodo di offerta.

Offerta di Acquisizione

Le offerte di acquisizione sono offerte mirate a conseguire il controllo di una società target. In base al *"Securities Acquisition and Takeover Act"*, il controllo si ritiene acquisito nel caso in cui si detenga almeno il 30% dei diritti di voto di una società. Le offerte di acquisizione sono regolamentate, oltre che dalle disposizioni relative alle offerte pubbliche, anche da altre norme. Il *"Securities Acquisition and Takeover Act"* stabilisce, in particolare, che un'offerta di acquisizione deve essere estesa a tutti gli azionisti in modo non discriminatorio. Non è consentita, invece, un'offerta di acquisizione limitata, vale a dire un'offerta di acquisizione attraverso la quale l'offerente cerchi di acquisire il 30% o più, ma meno del 100% delle azioni con diritto di voto ancora in circolazione. Inoltre, il corrispettivo offerto per le azioni deve essere adeguato.

Offerta pubblica obbligatoria di acquisizione

Il *"Securities Acquisition and Takeover Act"* stabilisce che un azionista che detenga almeno il 30% delle azioni con diritto di voto di MAN AG ha l'obbligo, entro sette giorni di calendario, di rendere pubblica tale circostanza, inclusa la percentuale dei suoi diritti di voto, su almeno un giornale ufficiale autorizzato dalla Borsa nazionale ovvero attraverso un sistema elettronico di divulgazione delle informazioni finanziarie. L'azionista deve, quindi, rivolgere un'offerta pubblica obbligatoria di acquisizione a tutti gli azionisti, salvo il caso in cui sia concessa una deroga a tale obbligo.

Orientamento generale ai sensi del diritto svedese

Offerta Pubblica

Lo *"Swedish Takeover Act"* (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), le *"Takeover Rules"* e lo *"Swedish Financial Instruments Trading Act"* si applicano, in generale, alle offerte di acquisizione rivolte ad azionisti di società quotate nella SSE e consistenti nella proposta di cessione delle azioni all'offerente secondo condizioni generali, indipendentemente dal fatto che tali offerte siano promosse da un'entità giuridica svedese o straniera o da una persona fisica. Le norme riguardano le acquisizioni pubbliche di azioni quotate nella SSE, emesse non solo da società svedesi ma anche, a certe condizioni, da società straniere.

Offerte pubbliche obbligatorie di acquisizione

In base allo *"Swedish Takeover Act"*, qualsiasi soggetto, da solo o d'intesa con altri, che acquisisca azioni in una società svedese quotata in Borsa o in un mercato autorizzato con l'obiettivo di raggiungere una partecipazione di almeno il 30% dei voti della società target, ha l'obbligo di presentare un'offerta pubblica per l'acquisto di tutte le azioni rimanenti e, di regola, di tutti gli altri strumenti finanziari. Nell'ambito di un'offerta pubblica obbligatoria di acquisizione il corrispettivo deve essere in denaro ovvero includere strumenti di pagamento alternativi al denaro di pronta liquidità. Un'offerta pubblica obbligatoria di acquisizione può essere effettuata solo subordinatamente all'approvazione da parte di un'autorità di vigilanza.

10.17 Responsabilità degli Amministratori

Posizione di MAN AG

In base al *"German Stock Corporation Act"*, una società per azioni non può limitare o escludere la responsabilità personale dei membri del comitato esecutivo o del consiglio di sorveglianza in relazione a

danni conseguenti alla violazione di propri doveri nello svolgimento delle proprie mansioni. Il Codice tedesco sulla Corporate Governance prevede, inoltre, che, qualora la società sottoscriva una polizza di assicurazione di responsabilità civile per amministratori e funzionari a favore del comitato esecutivo e del consiglio di sorveglianza, dovrà essere concordata un'idonea franchigia.

I membri del comitato esecutivo e del consiglio di sorveglianza non devono essere ritenuti responsabili per danni nei confronti della società qualora abbiano agito in conformità con una valida delibera dell'assemblea degli azionisti.

Il fatto che il consiglio di sorveglianza abbia approvato una condotta del comitato esecutivo non esclude automaticamente la responsabilità per danni. La Società può rinunciare all'esercizio di azioni di risarcimento danni avanzate nei confronti di membri dei propri organi ovvero addivenire ad una definizione stragiudiziale di tali azioni solo qualora (i) siano trascorsi almeno tre anni dall'insorgenza di tale richiesta, (ii) la definizione della lite sia approvata, in occasione dell'assemblea annuale degli azionisti della Società, da una delibera degli azionisti che riporti la maggioranza semplice dei voti, e (iii) non si registri il voto contrario di una minoranza degli azionisti che sia titolare complessivamente di un decimo del capitale sociale.

Orientamento generale ai sensi del diritto svedese
La responsabilità degli amministratori è disciplinata dallo *"Swedish Companies Act"*. La legge svedese stabilisce che rientra nella competenza dell'assemblea annuale degli azionisti di una società di capitali decidere se esonerare il consiglio di amministrazione e l'amministratore delegato dalla responsabilità che ciascun amministratore altrimenti avrebbe in relazione all'attività svolta dalla società nel precedente esercizio sociale. Tale delibera, nel caso in cui si riveli fondata su informazioni non corrette sotto diversi aspetti rilevanti, potrà essere revocata dalla maggioranza semplice dei voti dell'assemblea degli azionisti. In presenza di un voto contrario all'esonero da responsabilità di un amministratore proveniente da azionisti che rappresentino almeno il 10% del capitale sociale, la società e tali azionisti hanno il diritto di promuovere un'azione nei confronti di tale amministratore dinanzi al tribunale svedese competente.

Qualora tale azione sia promossa da azionisti che rappresentino almeno il 10% del capitale sociale, la stessa sarà presentata a nome e per conto della società.

Gli azionisti potranno, inoltre, formulare una richiesta di risarcimento dei danni direttamente nei confronti degli amministratori qualora questi abbiano violato lo statuto, lo *"Swedish Companies Act"* o qualche norma legislativa applicabile ai rendiconti annuali (e, ove applicabile, disposizioni legislative relative alla redazione dei prospetti informativi e dei documenti d'offerta). Non è raro che una società quotata in borsa sottoscriva polizze assicurative a favore dei propri amministratori e funzionari a copertura di responsabilità a cui sarebbero, altrimenti, andati incontro.

10.18 Remunerazioni degli Amministratori

Posizione di MAN AG
La remunerazione dei membri del comitato esecutivo è determinata dal consiglio di sorveglianza. Nel determinare la remunerazione complessiva dei singoli membri del comitato esecutivo, il consiglio di sorveglianza dovrà garantire che tale compenso sia ragionevole in relazione ai doveri propri del membro del comitato esecutivo e alla situazione della società.

I membri del consiglio di sorveglianza possono ricevere un compenso per il proprio lavoro. Tale compenso potrà essere determinato in statuto o approvato dall'assemblea degli azionisti. Esso deve essere ragionevole in relazione ai doveri propri del membro del consiglio di sorveglianza e alla situazione della società.

Per maggiori dettagli si rimanda al Prospetto Informativo, sezioni "Comitato Esecutivo" e "Consiglio di Sorveglianza".

Orientamento generale ai sensi del diritto svedese
L'assemblea degli azionisti delibera in merito al compenso dei singoli membri del consiglio di una società svedese. L'assemblea annuale degli azionisti dovrà, inoltre, deliberare sui principi che regolano la remunerazione dell'amministratore delegato e di altri dirigenti. Il consiglio potrà derogare a tali principi solo

qualora sia autorizzato in tal senso dalla delibera dell'assemblea degli azionisti. Lo *"Swedish Annual Reports Act"* fissa alcuni requisiti di informativa relativi alla remunerazione del consiglio e dell'amministratore delegato.

10.19 Comunicazione delle Partecipazioni

Posizione di MAN AG

In quanto società quotata, MAN AG deve soddisfare le disposizioni contenute nel *"German Securities Trading Act"*. In base a tali disposizioni, gli azionisti sono tenuti a comunicare, per iscritto, a MAN AG le percentuali dei propri diritti di voto non appena queste raggiungano, superino o diminuiscano al di sotto di, determinate soglie per effetto di acquisizioni, alienazioni o altrimenti. Tali soglie sono fissate al 5%, 10%, 25%, 50% e 75% dei diritti di voto di una società quotata. Gli azionisti devono, inoltre, comunicare prontamente, e in ogni caso entro sette giorni di calendario, alla *"German Federal Financial Supervisory Authority"* la variazione della percentuale dei propri diritti di voto e i motivi di tale variazione. MAN AG è tenuta a pubblicare tale comunicazione su almeno un giornale a tiratura nazionale autorizzato dalle Borse nazionali (*überregionales Börsenpflichtblatt*) senza ritardi ingiustificati e in nessun caso oltre nove giorni lavorativi dal giorno in cui ha ricevuto tale comunicazione.

Le soglie fissate ai sensi del *"German Securities Trading Act"* e del *"Securities Acquisition and Takeover Act"* sono calcolate tenendo in considerazione il controllo effettivo, piuttosto che diretto, dei diritti di voto. Qualora un azionista non fornisca prontamente queste informazioni, come richiesto, la legge tedesca gli impedisce di esercitare i propri diritti connessi alle azioni quali, in particolare, i diritti di voto e, in generale, anche il diritto di percepire dividendi, fino a quando le informazioni richieste siano state fornite. L'azionista potrà, inoltre, essere soggetto ad una sanzione amministrativa pecuniaria per non avere rispettato i requisiti di comunicazione. In base al *"German Stock Corporation Act"*, un soggetto che arrivi a detenere oltre il 25% del capitale sociale di MAN AG ha il dovere di darne comunicazione scritta a MAN AG. A tali azioni non sarà associato alcun diritto fino a quando non sarà effettuata tale comunicazione.

Orientamento generale ai sensi del diritto svedese

In base alle *"Rules Concerning the Disclosure of Acquisitions and Transfers of Shares, etc."*, di natura non legislativa, emesse dallo *"Swedish Industry and Commerce Stock Exchange Committee"*, chiunque acquisti o venda azioni, strumenti di debito convertibili, opzioni, *futures* e determinati altri strumenti di una società svedese quotata alla SSE è tenuto a riferire alla società e alla SSE eventuali operazioni per effetto delle quali: (i) l'acquirente arrivi a possedere il 5 % o più dei diritti di voto o del numero di azioni della società; ovvero (ii) la partecipazione del venditore scenda al di sotto della soglia percentuale. La stessa regola trova applicazione per ogni multiplo del 5% delle azioni rispetto al quale la partecipazione dell'acquirente o del venditore arrivi ad essere pari, superiore o inferiore, ossia 10, 15, 20% ecc. fino a, ed incluso il, 90%. Tali variazioni nella proprietà devono, inoltre, essere riferite a un'agenzia di stampa riconosciuta e a un giornale con tiratura nazionale. Le comunicazioni devono essere effettuate, al più tardi, entro le ore 9.00 del primo giorno di negoziazioni successivo all'effettuazione dell'operazione. Le operazioni dell'acquirente e del venditore sopra descritte includono, ai fini dell'applicazione delle regole, operazioni in azioni e in altri strumenti di rilievo posseduti da determinate parti correlate.

Il *"Financial Instruments Trading Act"* fissa determinati obblighi di informazione a carico di qualsiasi soggetto che abbia acquisito o ceduto azioni in una società svedese che abbia emesso azioni registrate presso una Borsa situata od operante in uno stato nell'ambito dell'EEA o che, ancorché non registrate, siano quotate in una Borsa o mercato autorizzato in Svezia. Tale soggetto dovrà, entro sette giorni da un'acquisizione o cessione, comunicare, per iscritto, tale acquisizione o cessione alla società e alla Borsa o al mercato autorizzato svedesi interessati (o alla SFSA qualora le azioni siano registrate in una Borsa al di fuori della Svezia) nel caso in cui, per effetto dell'acquisizione, la partecipazione dell'acquirente raggiunga o superi una delle soglie del 10, 20, 33⅓, 50 e 66⅔% dei diritti di voto o se, in seguito alla cessione, la partecipazione del cedente scenda al di sotto di una di dette soglie. Le operazioni dell'acquirente e del cedente sopra descritte includono operazioni in azioni possedute da determinate parti correlate.

Il *"Securities Reporting Act"* (*lag(2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument*) richiede che le persone fisiche con lo status di soggetti rilevanti in una società quotata comunichino le proprie partecipazioni o le variazioni intercorse nelle proprie partecipazioni in una società

quotata alla SFSA. La SFSA mette, poi, tali informazioni a disposizione del pubblico. Il "*Securities Reporting Act*" si applica anche alle partecipazioni di certe parti correlate. Un soggetto rilevante in una società quotata è tenuto a comunicare, per iscritto, la propria partecipazione nella società (ed eventuali variazioni intercorse nelle stesse) alla SFSA entro i cinque giorni lavorativi successivi: (i) alla quotazione degli strumenti finanziari della società in una Borsa o in un mercato autorizzato; (ii) all'insorgenza dello status di soggetto rilevante; (iii) all'effettuazione di un'acquisizione o cessione di strumenti finanziari; ovvero (iv) al momento in cui il soggetto rilevante viene a conoscenza della transazione eseguita da una parte correlata che determini l'insorgere del requisito della comunicazione. La società quotata è, inoltre, tenuta a informare la SFSA dell'identità dei soggetti rilevanti e di eventuali cambiamenti negli stessi entro 14 giorni dalla data di insorgenza dello status di soggetto rilevante. La società quotata è, inoltre, tenuta ad informare, per iscritto, il soggetto avente lo status di soggetto rilevante relativamente a tale comunicazione.

10.20 Distribuzione di Attivo in caso di Liquidazione

Posizione di MAN AG

Una società per azioni può, *inter alia*, essere sciolta in qualsiasi momento in virtà di delibera approvata dall'assemblea degli azionisti. Tale delibera deve essere approvata dalla maggioranza di almeno tre quarti del capitale sociale rappresentato in assemblea al momento dell'approvazione della delibera e dalla maggioranza dei voti espressi. Una causa di scioglimento della società può essere costituita anche dall'avvio di una procedura fallimentare. Tale procedura deve essere avviata in caso di mancanza di liquidità o eccessivo indebitamento della società. Il comitato esecutivo dovrà riferire lo scioglimento della società affinché venga iscritta nel registro delle imprese.

In caso di scioglimento della società in forza di relativa delibera dell'assemblea degli azionisti, allo scioglimento farà seguito la liquidazione. La liquidazione è attuata dai liquidatori, che agiscono in luogo del comitato esecutivo. I liquidatori hanno il compito di liquidare l'attività della società. In caso di scioglimento della società a causa dell'avvio di procedure fallimentari, tali procedure sostituiscono la liquidazione.

In caso di liquidazione della Società, i titolari delle nuove Azioni Ordinarie di MAN hanno diritto agli eventuali proventi della liquidazione in proporzione alla relativa partecipazione posseduta nel capitale sociale della Società.

Orientamento generale ai sensi del diritto svedese

La liquidazione volontaria di una società svedese richiede una delibera dell'assemblea degli azionisti approvata con la maggioranza semplice dei voti espressi, salvo il caso in cui lo statuto richieda una maggioranza qualificata. Una società svedese può, inoltre, essere sottoposta a una procedura di liquidazione obbligatoria, ad esempio qualora il capitale sociale sia inferiore alla metà del capitale sociale emesso e il primo non sia stato ripristinato entro otto mesi dall'assemblea degli azionisti in cui sia stata accertata tale differenza.

Al momento della liquidazione di una società svedese, il liquidatore distribuisce equamente il residuo tra gli azionisti in proporzione alle rispettive partecipazioni, salvo per quanto diversamente stabilito nello statuto. Qualora la società sia insolvente, il liquidatore presenta istanza di fallimento.

11. Indirizzi

MAN Aktiengesellschaft
Landsberger Str. 110
D — 80339 Munich
Germania

Scania Aktiebolag
SE — 15187 Södertälje
Svezia

Appendice I IL Prospetto Informativo

Sommario del Prospetto Informativo in svedese
Disponibile solo nella versione svedese del presente Documento di Offerta.

Sintesi del Prospetto Informativo in Svedese
Disponibile solo nella versione svedese del presente Documento di Offerta.

NOTA DI SINTESI

La presente nota di sintesi deve essere considerata quale introduzione al Prospetto Informativo, in quanto ne riassume alcune selezionate informazioni. Qualsiasi decisione di investire nelle azioni descritte nel presente documento deve fondarsi sul Prospetto Informativo nella sua interezza. Prima di procedere a qualsivoglia investimento, leggere accuratamente il Prospetto informativo nella sua totalità, ivi compresa la sezione "Fattori di rischio" e il bilancio, comprensivo della nota integrativa, riportati nella presente nota di sintesi a partire da pagina F-2. MAN Aktiengesellschaft (di seguito "MAN AG" o la "Società", oppure, congiuntamente con le proprie controllate su base consolidata, salvo laddove diversamente richiesto dal contesto, "MAN",il "Gruppo MAN" o il "Gruppo"), si assume la responsabilità per il contenuto della presente nota di sintesi. Resta inteso, tuttavia, che la Società potrà essere ritenuta responsabile per il contenuto della presente nota di sintesi solo qualora la stessa risultasse fuorviante, inesatta o contraddittoria rispetto alle altre sezioni del Prospetto Informativo. Qualora un investitore dovesse adire l'autorità giudiziaria sulla base delle informazioni contenute nel presente Prospetto Informativo, a tale investitore potrebbe essere richiesto, ai sensi delle leggi vigenti nei singoli Stati Membri dello della Comunità Europea, di assumersi l'onere della traduzione del presente Prospetto Informativo prima dell'avvio della procedura.

RIEPILOGO DELLE ATTIVITÀ DI MAN

Attività

Il Gruppo MAN, guidato dalla capogruppo MAN AG, fornisce servizi d'investimento e industriali, nei seguenti comparti chiave: veicoli commerciali, servizi industriali, motori diesel e turbine. Alle suddette aree di attività si affiancano i servizi finanziari offerti da MAN Financial Services. Nei nove mesi precedenti al 30 settembre 2006, MAN ha generato vendite per €9,470 milioni e un reddito operativo pari a €751 milioni.

MAN AG (unitamente alle proprie controllate "MAN Nutzfahrzeuge"), che guida la divisione dei veicoli commerciali, è uno dei principali produttori europei (dal punto di vista della quota di mercato) di veicoli commerciali, con stabilimenti dislocati in quattro diversi paesi europei, nonché strutture aggiuntive e rapporti di collaborazione in tutto il mondo. La gamma produttiva comprende mezzi che vanno da 7,5 a 50 tonnellate di peso lordo, per trasporti sulle brevi e lunghe distanze, automezzi ad uso militare e di pubblica utilità, autobus e corriere, oltre che motori diesel e a gas per veicoli, navi e produzione di energia. Le suddette attività possono contare su di una rete di vendita e assistenza a livello internazionale. Avendo generato vendite per €6,145 milioni e un reddito operativo pari a €449 milioni, nei nove mesi precedenti al 30 settembre 2006, la divisione veicoli commerciali rappresenta la principale divisione del Gruppo MAN.

MAN Ferrostaal AG (unitamente alle sue controllate "MAN Ferrostaal") è fornitore di servizi e impianti industriali a livello globale. MAN Ferrostaal opera in qualità di *general contractor* e offre servizi per lo sviluppo e la gestione dei progetti, nonché soluzioni di finanziamento. La sua offerta si concentra, in particolare, su progetti "chiavi in mano" nel settore degli impianti industriali e ai relativi sistemi di finanziamento, e sulla distribuzione di attrezzature per navi, macchinari e mezzi di trasporto, oltre che sulle commercio di prodotti in acciaio e sulla fornitura di servizi logistici. MAN Ferrostaal sta attualmente procedendo alla cessione della propria partecipazione di maggioranza nelle attività di commercio dell'acciaio. Il commercio dell'acciaio è già considerata come un'attività dismessa. Nei nove mesi precedenti al 30 settembre 2006, le vendite di MAN Ferrostaal sono state pari a €935 milioni. Il reddito operativo generato di €77 milioni.

MAN Diesel SE (unitamente alle sue controllate "MAN Diesel") è una delle principali società al mondo (dal punto di vista della quota di mercato) di progettazione e realizzazione di motori diesel di grandi dimensioni, destinati in primo luogo ad applicazioni marittime, ma anche di tipo fisso. La società occupa una posizione di rilievo sul relativo mercato, in particolare nel campo della progettazione di motori diesel a due tempi per i sistemi di propulsione impiegati su navi di grosse dimensioni. Anche con riferimento ai motori a quattro tempi MAN Diesel opera sul mercato navale: i suoi motori sono installati su navi e, in misura minore, integrati in impianti per la produzione di energia. I motori a due tempi sono prodotti principalmente da società licenziatarie, mentre gran parte dei motori a quattro tempi è prodotta direttamente da MAN Diesel presso i propri diversi stabilimenti. Nei nove mesi precedenti al 30 settembre 2006, le vendite di MAN Diesel sono state pari a €1,316 milioni, con un reddito operativo generato pari a €157 milioni.

MAN TURBO AG (unitamente alle sue controllate "MAN Turbo") opera nella produzione e nella fornitura di servizi per compressori e turbine industriali. Tramite la sua controllata MAN DWE GMbH, la società offre anche sistemi a reazione. Offre altresì una gamma completa di turbomacchine destinate all'uso in vari settori, dall'industria petrolifera a quella del gas e alle raffinerie, dall'industria chimica a quella dei gas industriali, fino alla produzione di energia. Nei nove mesi precedenti al 30 settembre 2006, le vendite di MAN TURBO sono state pari a €606 milioni, con un reddito operativo generato pari a €46 milioni.

Strategia e punti di forza

Strategia del Gruppo

Gli obiettivi di MAN nello svolgimento delle proprie attività possono essere riassunti come segue: il Gruppo intende rafforzare ulteriormente la sua posizione già competitiva sul mercato, proseguire nel processo di espansione globale, concentrarsi sulle proprie attività chiave, sfruttare eventuali sinergie ed aumentare la propria competitività e redditività al fine di creare maggior valore per i propri azionisti. La strategia di MAN nel raggiungimento dei propri obiettivi è:

- **Posizione di leader nel mercato**
  MAN è un gruppo di progettazione nel campo dei trasporti che si colloca nei primi tre posti di ciascuno dei comparti chiave in cui opera. Il Gruppo intende incrementare ulteriormente la propria quota di mercato, in tutti i settori, offrendo prodotti di qualità superiore e perseguendo la soddisfazione della propria clientela e la fidelizzazione della stessa, grazie anche all'attenzione rivolta a soluzioni integrate di prodotti e servizi.

- **Espansione internazionale**
  MAN è una società globale, con attività in oltre 100 paesi del mondo. La rete mondiale è supportata da una gamma di marchi forti e dalla competenza dei rivenditori, da un servizio di assistenza di prima qualità, da un'ampia copertura del mercato e dall'offerta di soluzioni innovative di finanziamento. Il Gruppo intende migliorare ulteriormente la propria posizione globale in termini di produzione e vendita, nonché di assistenza al fine di sfruttare con particolare efficienza il mercato potenziale attuale e avvantaggiarsi di ogni opportunità che possa presentarsi nei più appetibili mercati in crescita.

- **Maggiore attenzione alla progettazione nel campo dei trasporti**
  MAN è riuscita ad ottimizzare il proprio portafoglio di attività nel corso degli ultimi anni. La Società si è progressivamente trasformata da conglomerato industriale diversificato in società specializzata nella progettazione nel campo dei trasporti. MAN continuerà quindi a sviluppare la sua presenza nei settori in forte crescita e a concentrarsi ulteriormente nel proprio ambito di attività, non solo attraverso una politica di acquisizioni strategiche, come la proposta già in discussione di rilevare la Scania AB, ma altresì operando attenti disinvestimenti di attività che non rientrano nel *core business,* come quella riguardante la MAN Roland Druckmaschinen Aktiengesellschaft ("MAN Roland") e la prevista cessione del pacchetto di maggioranza nelle attività di commercializzazione di prodotti in acciaio.

- **Potenti sinergie**
  Le divisioni del Gruppo MAN, unendo i propri punti di forza individuali e il proprio know-how generano forti sinergie. A questo proposito, MAN Ferrostaal opera con sempre maggiore frequenza come partner di progetto per le altre realtà del Gruppo MAN. MAN, auspica di rafforzare ulteriormente la cooperazione tra le varie divisioni per sfruttare le sinergie lungo tutta la catena del valore, incrementando, al contempo, il potenziale di crescita nell'intero Gruppo. Un esempio di questa politica è rappresentato dalla cooperazione in atto tra MAN Nutzfahrzeuge e MAN Ferrostaal per la distribuzione di autobus in Messico.

- **Competitività e redditività**
  MAN è un operatore competitivo sul mercato in tutti i settori *core* in cui opera e in passato ha saputo aumentare notevolmente la propria redditività. MAN intende rafforzare la propria capacità concorrenziale e migliorare prestazioni e rendimenti, sostenuta in questo percorso da nuove economie di scala, una miglior efficienza dei costi, un cospicuo potenziale di innovazione e, non ultima, una crescente quota di vendita di servizi.

Per implementare la suddetta strategia, MAN ha fissato alcuni principi di base nell'ambito della propria *governance* industriale. In particolare, detti principi statuiscono che, sebbene ogni divisione debba avere l'obiettivo di uno sviluppo autonomo all'interno del Gruppo, ciascuna di esse dovrà avere come termine di paragone il proprio rivale più forte sul mercato di riferimento. È fatto divieto di qualsiasi forma di aiuto o sovvenzione incrociata. Regola questa che promuove una maggior consapevolezza della redditività. Il perseguimento della redditività operativa rappresenta il principio guida.

Punti di forza

- **MAN è leader in mercati via di sviluppo**

  MAN è un gruppo europeo, attivo a livello mondiale nella progettazione nel campo dei trasporti e rinomato per la propria tecnologia all'avanguardia e per i marchi consolidati a livello internazionale.

  MAN Nutzfahrzeuge è uno dei maggiori produttori europei di veicoli commerciali (dal punto di vista della quota di mercato), supportato da una vasta rete di vendite e assistenza internazionale. La *joint venture* di recente costituzione con la Force Motors in India e il nuovo stabilimento per la costruzione di automezzi pesanti in Polonia consentiranno a MAN di rafforzare ulteriormente la propria posizione concorrenziale nei mercati internazionali in crescita di maggiore interesse.

  MAN Diesel vanta una posizione solida sul mercato dei motori a due tempi per applicazioni marittime. MAN Diesel opera anche sul mercato dei motori diesel a quattro tempi per l'utilizzazione in campo marittimo e per la produzione di energia. Nella variegata gamma di segmenti di prodotto di cui dispone, MAN Diesel può contare su di una vasta rete di licenziatari, in particolare operanti nelle nazioni asiatiche dove è più attiva l'industria navale.

  MAN TURBO è un produce e commercializza altresì compressori, impiegati principalmente per applicazioni nel campo della produzione e del trasporto di energia.

- **MAN è il leader tecnologico nei settori *core* in cui opera**

  Nel corso della sua lunga storia, MAN è sempre riuscita a mantenere una posizione di leader tecnologico dedicando costantemente i propri sforzi e le proprie risorse alle attività di ricerca e sviluppo. MAN Nutzfahrzeuge è nota per la propria salda posizione in ambito tecnologico. Ad esempio, è un fornitore leader di sistemi innovativi per il post-trattamento dei gas di scarico, capace di soddisfare i requisiti di una clientela che sempre più si trova a dover rispondere a stringenti norme in materia di emissioni. Nello specifico, MAN è stato il primo produttore a convertire tutti i propri veicoli ai motori Common Rail e guida la sfida sulla tecnologia NOx, necessaria per conformarsi ai i nuovi standard sulle emissioni EPA07 ed Euro 6. Inoltre, MAN Nutzfahrzeuge è sempre in prima fila nello sviluppo di veicoli a motore ibrido, oltre che nel settore della tecnologia a celle di carburante da montare su veicoli commerciali.

  I motori "intelligenti" sviluppati da MAN Diesel aiutano i clienti a ridurre il costo delle proprie attività e offrono grande flessibilità in termini di modalità di funzionamento. Peraltro, questi motori gestiti via computer, spiccano per affidabilità, flessibilità nel controllo delle emissioni e ridotti consumi di carburante e lubrificanti.

  I compressori e le turbomacchine prodotti da MAN TURBO, insieme ai sistemi a reazione prodotti dalla controllata MAN DWE GmbH, sono rinomati per la loro elevata affidabilità. MAN TURBO commercializza altresì compressori e turbomacchine per applicazioni in condizioni di lavoro estreme.

- **MAN offre una vasta gamma di prodotti e servizi**

  MAN offre un portafoglio prodotti completo e la società vanta una vasta rete di servizi in ciascuno dei settori in cui opera.

  MAN Nutzfahrzeuge offre alla clientela una gamma completa di veicoli commerciali che comprendono mezzi pesanti, leggeri e medi (da 7,5 a 50 t), oltre ad autobus e corriere per collegamenti urbani ed extraurbani.

  MAN TURBO propone una vasta gamma di turbomacchine per il settore petrolifero e del gas, oltre che sistemi a reazione e turbomacchine per l'industria di trasformazione. L'offerta di prodotto è affiancata da un'ampia rete di assistenza globale.

Nel loro complesso, MAN Nutzfahrzeuge e MAN Diesel offrono la gamma più completa di motori (dal punto di vista della gamma della potenza di erogazione) dell'industria in termini di resa, spaziando dai 110 ai 97.300 kW.

MAN Ferrostaal vanta personale particolarmente esperto nella gestione dello sviluppo e dei progetti oltre a una mentalità fortemente orientata alla fornitura di servizi.

- **MAN è una società che opera a livello globale con un marchio consolidato**
  MAN è una società che opera a livello globale presente sul mercato nelle principali aree economiche e con stabilimenti produttivi in Europa, Asia, Africa e nell'area NAFTA, affiancati da una rete d'assistenza di estensione mondiale. Nel 2005, il 75% circa delle vendite MAN è stato generato al di fuori della Germania.

  MAN Ferrostaal opera precipuamente come piattaforma generale per la vendita e la fornitura di servizi all'interno del Gruppo MAN, aggiungendo alla propria portata globale un know-how di produzione in tutte le proprie divisioni. Un esempio dei vantaggi di un simile approccio è rappresentato dal riuscito ingresso nel 2004 della MAN Ferrostaal nel mercato messicano degli autobus, dove oggi opera come agente generale per la MAN Nutzfahrzeuge. Il progetto messicano è solo il primo passo di un accordo di cooperazione di più ampio respiro in cui i punti di forza di MAN Nutzfahrzeuge, quale produttore di soluzioni per il trasporto orientato al mercato, e di MAN Ferrostaal, come piattaforma internazionale di vendita, si combineranno in tutto il mondo.

  L'affermazione geografica di MAN Nutzfahrzeuge è andata rafforzandosi grazie al nuovo stabilimento realizzato in Polonia e alla joint venture con la Force Motors in India.

  MAN Diesel fornisce motori diesel su base globale, rivolgendosi in particolare a clienti dislocati nei paesi asiatici dove è più attiva l'industria della cantieristica navale. Il servizio assistenza sui motori della MAN Diesel è svolto dalla rete globale PrimeServ. Considerata la crescente importanza proprio di tali servizi, la rete PrimeServ ha assunto un ruolo chiave nella strategia di crescita della MAN Diesel.

- **MAN opera in mercati in espansione**
  L'avanzata della globalizzazione e dell'industrializzazione nei paesi emergenti ha dato nuova linfa alla domanda di energia e di soluzioni nel campo dei trasporti. Come gruppo di progettazione proprio nell'ambito dei trasporti, MAN ritiene di essere in una posizione ideale per trarre dei vantaggi da questa tendenza.

  La globalizzazione e l'industrializzazione stimola i commerci internazionali e incrementa i trasporti transnazionali di beni e merci. I volumi dei trasporti di merci su ruota dovrebbero crescere vertiginosamente nel prossimo futuro, in particolare in Europa dell'Est e in Asia. Dato il suo marchio consolidato e l' affidabilità dei suoi prodotti, MAN Nutzfahrzeuge ritiene di essere nella giusta posizione per trarre beneficio da questi sviluppi. Peraltro, con la realizzazione di un nuovo stabilimento in Polonia e di una joint venture in Asia, MAN Nutzfahrzeuge ha ulteriormente rafforzato il suo profilo di crescita nei principali mercati emergenti. Come accade per i volumi delle merci trasportate su ruota, anche l'aumento del trasporto delle merci via mare aumenta le prospettive di crescita di MAN Diesel.

  MAN TURBO è coinvolta nei maggiori progetti relativi all'energia elettrica e ai gas, ad esempio nel trasporto di tubazioni del gas o GTL. Trae quindi vantaggio dalla crescente domanda di energia fossile, di soluzioni nel trasporto del gas, combustibili sintetici (ad esempio GTL) e di energia ad emissione ridotta, principalmente sulla scia di consumi energetici in rialzo a seguito della progressiva industrializzazione nei paesi asiatici, in Europa dell'est e in altre aree emergenti del mondo.

- **I dipendenti più qualificati scelgono MAN**
  I dipendenti MAN sono esperti, altamente qualificati e motivati. MAN è senz'altro un datore di lavoro ambito, capace di offrire una vasta gamma di opportunità di formazione professionale. I dipendenti MAN vantano capacità tecniche e di gestione di assoluto rilievo. Il gruppo ritiene di aver saputo dar vita a uno degli organici più forti e capaci dell'intero comparto.

RIEPILOGO DEI FATTORI DI RISCHIO

Rischi relativi all'Offerta

- Le informazioni riguardanti Scania contenute nel presente Prospetto informativo sono basate esclusivamente su informazioni di dominio pubblico.
- MAN potrebbe non conseguire attraverso l'integrazione con Scania i benefici previsti.
- Il perfezionamento dell'offerta pubblica di acquisto è soggetto, tra l'altro, all'autorizzazione dell'autorità garante della concorrenza e del mercato.
- MAN potrebbe non raggiungere un livello di accettazione dell'offerta tale da consentire di esercitare uno squeeze-out sulle residue azioni di Scania AB.
- MAN avrà, a seguito del perfezionamento dell'offerta di acquisto, un indebitamento di entità consistente, che potrebbe danneggiare le sue prospettive future, limitare il flusso di cassa disponibile e influenzare la sua capacità di adempiere ai propri obblighi nei confronti dei creditori.
- Il mancato ottenimento di un rating di tipo *"investment grade"* potrebbe far aumentare il costo del capitale a carico di MAN.
- Possibile perdita di esponenti chiave del *management* Scania che avrebbero potuto costituire un valore per il gruppo risultante dall'integrazione di MAN e Scania dopo l'acquisizione (il "Gruppo Consolidato").
- MAN avrà un'esposizione debitoria, a seguito del perfezionamento dell'offerta d'acquisto, tale da renderla sensibile alle variazioni degli attuali tassi di interesse applicati.
- Dal momento che il prezzo d'acquisto di Scania sarà sensibilmente più alto del valore di libro dei beni della stessa, la prevista acquisizione di Scania genererà, dopo l'allocazione, in una certa misura, dei costi relativi alla combinazione delle due attività ai beni acquistati ed alle passività e passività potenziali assunte, un significativo avviamento, soggetto a periodici *impairment test*.

Rischi relativi alle attività

- Nei mercati in cui opera, MAN è esposta a un'intensa concorrenza, a tendenze che spingono verso il consolidamento e al rischio di non essere più essere in grado di competere con successo.
- MAN potrebbe non essere in grado di sviluppare altri prodotti innovativi o di adeguarsi, con sufficiente rapidità, all'avanzamento tecnologico.
- I prodotti MAN potrebbero essere causa di azioni legali o essere oggetto di campagne di ritiro legate al rendimento o alle prestazioni dei prodotti stessi o ancora a scostamenti dai requisiti specifici di qualità fissati dai clienti.
- MAN potrebbe essere ritenuta responsabile in funzione di dichiarazioni e garanzie rilasciate in qualità di *general contractor* nei contratti per la realizzazione di progetti industriali e/o di altri prodotti o servizi personalizzati.
- MAN potrebbe essere tenuta a corrispondere notevoli somme a titolo di indennizzo e risarcimento danni in funzione di dichiarazioni e garanzie concesse in occasione dei processi di disinvestimento condotti in passato.
- I clienti potrebbero rivelarsi insolventi e inadempienti o non accettare le consegne stabilite in contratti a lungo termine.
- MAN potrebbe violare le condizioni imposte in relazione alle assicurazioni-credito concesse da terzi.
- I clienti potrebbero esercitare i diritti derivanti da obblighi di riacquisto di MAN e da garanzie finanziarie passibili, sulla base di tale obbligo potenziale, di influenzare negativamente la condizione finanziaria e i risultati delle attività.

- MAN potrebbe essere ritenuta responsabile per garanzie rilasciate a terzi in favore delle proprie controllate e delle società le cui partecipazioni sono state oggetto di dismissione, ivi compresa MAN Roland, che non sono più sotto il controllo di MAN.
- La stipulazione di contratti di somministrazione di entità consistente, a prezzo fisso e a lungo termine espone MAN e le sue attività al rischio di perdite.
- La capacità di MAN di presentare offerte per vincere importanti appalti può dipendere dalla sua capacità di ottenere garanzie finanziarie o di esecuzione da parte di istituti finanziari.
- Le misure poste in essere da MAN per ottimizzare la struttura del personale e i processi operativi potrebbero non consentire di conseguire i risultati auspicati.
- La perdita di un fornitore o l'interruzione delle consegne di materie prime, pezzi, sottounità o componenti potrebbe avere un effetto negativo sulle attività commerciali di MAN.
- MAN potrebbe essere influenzata negativamente da interruzioni dei lavori o da altre questioni sindacali.
- MAN potrebbe non essere in grado di finanziare le proprie necessità di spesa oppure i mezzi propri potrebbe non essere inutilizzabili.
- Termini e condizioni dei finanziamenti *senior* stipulati da MAN potrebbero limitare le attività attuali e future, in particolare per quanto attiene alla capacità di rispondere a possibili variazioni nelle sue attività o all'implementazione di taluni progetti.
- Gli obblighi di MAN in materia previdenziale sono parzialmente finanziati da fondi pensione non interamente controllati da MAN e soggetti alle di oscillazioni del mercato.
- MAN fa affidamento sull'impiego di personale dirigenziale chiave e di dipendenti altamente qualificati, la cui perdita potrebbe influenzare negativamente le attività di MAN.
- MAN non può essere certa di poter reperire e fidelizzare dipendenti qualificati in futuro.
- Gli stabilimenti produttivi e i prodotti MAN sono esposti a rischi operativi anche derivanti da incidenti.
- MAN fa affidamento sul funzionamento ininterrotto e sulla continua integrazione dei suoi sistemi informatici e di elaborazione dati.
- MAN potrebbe non riuscire a tutelare adeguatamente i propri diritti di proprietà intellettuale ed il proprio know-how.
- MAN non può escludere la possibilità di una violazione, da parte sua, dei diritti di proprietà intellettuale di terzi né la possibilità di dover dipendere da diritti di proprietà intellettuale concessi in licenza da terzi.
- MAN è esposta a rischi di natura politica, economica e d'altro tipo derivanti dallo svolgimento di attività multinazionali/internazionali e da limitazioni imposte alle esportazioni/importazioni.
- MAN è soggetta al rispetto di svariati requisiti in materia ambientale e ai sensi di legge. Non può dunque escludersi la possibilità che MAN possa essere esposta a responsabilità per il mancato adempimento a detti requisiti o per contaminazioni preesistenti.
- I rischi derivanti dalle attività di leasing e di finanziamento delle vendite possono influire negativamente sui futuri risultati operativi di MAN e sui suoi flussi di cassa.
- MAN può essere esposta a rischi di natura fiscale derivanti da futuri accertamenti fiscali.

Rischi relativi al comparto industriale

- Le attività di MAN sono influenzate dalle condizioni economiche generali e dall'andamento ciclico dei mercati in cui opera. Un indebolimento delle condizioni economiche o una curva discendente dei mercati in cui opera MAN, potrebbe generare una riduzione della domanda e, conseguentemente, avere un impatto negativo sulle sue attività.
- L'aumento del costo dell'energia, del costo delle materie prime e di altri beni, così come il costo del lavoro o dei servizi forniti da terzi, potrebbe avere un effetto negativo sui risultati delle attività di MAN.

- I costi e i risultati operativi di MAN possono altresì essere influenzati negativamente nel caso in cui l'effettivo impiego e sfruttamento delle capacità produttive fosse significativamente inferiore a quanto previsto da MAN.
- Le oscillazioni dei tassi di cambio e dei relativi rischi possono influenzare negativamente i risultati operativi di MAN.
- L'industria globale dei veicoli commerciali è soggetta a normative sempre più stringenti in materia di emissioni che richiedono che i produttori di veicoli e motori investano somme consistenti nelle attività di ricerca e sviluppo, portando potenzialmente a un aumento dei prezzi dei relativi prodotti che potrebbero ad una riduzione della redditività.

Riepilogo delle informazioni generali sulla Società

Sede legale ed esercizio fiscale della Società	La società ha sede legale a Monaco di Baviera, in Germania, dove è iscritta al numero HRB 78706 nel registro commerciale presso il tribunale (Amtsgericht) di Monaco di Baviera. La sede della Società si trova a Landsberger Str. 110, 80339 Monaco di Baviera, Germania (telefono: +49 89 360980). L'esercizio fiscale della Società corrisponde all'anno solare.

Riepilogo del capitale sociale e della direzione della Società

Capitale sociale emesso	Il capitale sociale emesso della Società, come risulta dall'iscrizione nel registro delle imprese alla data di pubblicazione del presente Prospetto Informativo, è pari a €376.422.400,00, rappresentato da 147.040.000 azioni al portatore, di cui 140.974.350 azioni ordinarie e 6.065.650 azioni privilegiate senza diritto di voto. Le azioni sono emesse senza valore nominale e ciascuna di esse rappresenta una quota ideale del capitale sociale della Società pari a €2,56. A seguito dell'aumento di capitale previsto in relazione all'offerta di acquisto (come da definizione infra), il capitale sociale della Società ammonterà a €444.739.822,08, rappresentato da 173.726.493 azioni al portatore, di cui 167.660.843 saranno azioni ordinarie e 6.065.650 saranno azioni privilegiate senza diritto di voto.
comitato esecutivo e consiglio di sorveglianza	Il comitato esecutivo della Società è composto da cinque membri alla data del presente Prospetto informativo: Dipl.-Ing. Håkan Samuelsson Karlheinz Hornung Dr. Matthias Mitscherlich Dr.-Ing. Georg Pachta-Reyhofen Dipl.-Ökonom Anton Weinmann Il consiglio di sorveglianza della Società è composto da 20 membri. Il presidente del consiglio di sorveglianza è il Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz.
Principali azionisti	Volkswagen Aktiengesellschaft, Berliner Ring 2, 38436 Wolfsburg — 15,06% dei diritti di voto

Informazioni finanziarie consolidate e dati di gestione — Sintesi

Le tabelle riportate di seguito costituiscono un sintetico riepilogo delle informazioni finanziarie rettificate e consolidate, non certificate, di MAN AG e di altri dati per gli esercizi chiusi al 31 dicembre 2004 e 2005 e delle informazioni finanziarie rettificate e consolidate, certificate, e di altri dati per l'esercizio chiuso al 31

dicembre 2003, nonché relative al periodo di nove mesi (non certificato) chiuso al 30 settembre 2006 e delle informazioni finanziarie comparate, non certificate, e di altri dati per il periodo di nove mesi chiuso al 30 settembre 2005, costituiscono inoltre un riepilogo di informazioni finanziarie non certificate, a scopo illustrativo (MAN e Scania) contenute nel presente Prospetto informativo alla voce "Informazioni finanziarie illustrative (MAN e Scania)".

Le informazioni finanziarie consolidate selezionate e gli altri dati sono stati ottenuti o estrapolati dai bilanci consolidati MAN AG redatti in conformità con i principi IFRS e sulla base di dati storici non certificati. In futuro, i bilanci consolidati annuali e i bilanci consolidati ad interim predisposti dal Gruppo MAN continueranno a essere redatti in conformità con i principi IFRS. I bilanci consolidati, redatti in conformità con i principi IFRS per gli esercizi chiusi al 31 dicembre 2003 e 2004 sono stati certificati da BDO Deutsche Warentreuhand Aktiengesellschaf, mentre il bilancio consolidato per l'esercizio chiuso al 31 dicembre 2005 è stato certificato da KPMG Deutsche Treuhand-Gesellschaft, Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft. I bilanci ad interim redatti in conformità ai principi IFRS per i periodi chiusi al 30 settembre 2005 e 30 settembre 2006 non sono certificati. Le informazioni finanziarie certificate per gli esercizi chiusi al 31 dicembre 2005 e 2004 sono state rettificate allo scopo di eliminare l'impatto delle attività oggetto di dismissione e delle attività detenute a fini di cessione sulle condizioni finanziarie e sui risultati del gruppo MAN. Inoltre, tali rettifiche assicurano che i bilanci presentati siano basati su metodi contabili attualmente vigenti. Nello specifico, le rettifiche si riferiscono ai principali disinvestimenti operati da MAN nel 2005 e nel 2006 (MAN Roland, MAN TAKRAF Fördertechnik GmbH, MAN Technologie AG e Schwäbische Hüttenwerke GmbH), alla classificazione delle attività di compravendita di acciaio della MAN Ferrostaal quali attività dismesse e alle diverse prassi contabili per le vendite oggetto di obbligo di riacquisto nel 2005.

I risultati operativi per i periodi di riferimento della presente nota di sintesi non sono necessariamente indicativi dei risultati che possono essere previsti per periodi futuri, e i risultati effettivi possono differire sostanzialmente da quelli indicati nelle dichiarazioni previsionali a seguito di svariati fattori, quali, a titolo meramente esplicativo e non esaustivo, quelli di cui alla sezione "Fattori di rischio" e riportati altrove nel presente Prospetto Informativo.

Le Informazioni Finanziarie Illustrative (MAN e Scania) contenute nel presente Prospetto Informativo relativamente ai nove mesi conclusi al 30 settembre 2006 e all'esercizio chiuso al 31 dicembre 2005, non sono state certificate o sottoposte ad altra revisione. Le Informazioni Finanziarie Illustrative (MAN e Scania) includono il Gruppo Scania in aggiunta alle controllate già consolidate nel Gruppo MAN. Ai fini della redazione delle Informazioni finanziarie illustrative (MAN e Scania), nel conto economico per il periodo dal 1 gennaio al 31 dicembre 2005, si presume che l'acquisizione in oggetto abbia avuto luogo in data 1 gennaio 2005. Ai fini della redazione delle Informazioni Finanziarie Illustrative (MAN e Scania) nello stato patrimoniale illustrativo al 30 settembre 2006 e nel conto economico per il periodo di nove mesi concluso al 30 settembre 2006, si è presunto che l'acquisizione abbia avuto luogo in data 1 gennaio 2006. Le Informazioni finanziarie illustrative (MAN e Scania), così come riportate nel presente Prospetto Informativo non costituiscono informazioni finanziarie proforma nell'accezione attribuita a tale espressione dal Regolamento della Commissione (EC) 809/2004 del 29 aprile 2004. MAN AG ha offerto a Scania AB di collaborare alla redazione del Documento di Offerta. Scania AB ha rifiutato di collaborare. Conseguentemente, MAN AG non ha avuto accesso alle necessarie informazioni finanziarie. A causa del mancato accesso alle informazioni finanziarie di Scania AB, MAN AG non è in grado di fornire informazioni finanziarie proforma conformi ai requisiti di cui all'Allegato II del Regolamento della Commissione (EC) 809/2004 del 29 aprile 2004, né ai requisiti di cui nell'Interpretazione dei principi contabili emanata dall'IDW (Institut der Wirtschaftsprüfer in Deutschland — Albo dei revisori contabili) in materia di informazioni finanziarie proforma. In particolare, non è garantita la coerenza dei metodi contabili e di rilevazione utilizzati. In relazione ai metodi di presentazione, MAN ha allineato la presentazione delle linee guida utilizzate per la redazione dello stato patrimoniale e del conto economico di MAN e Scania al fine di conseguire una struttura uniforme e di natura maggiormente informativa delle Informazioni Finanziarie Illustrative (MAN e Scania). Non è stata considerata alcuna allocazione preliminare del prezzo d'acquisto. Invece delle informazioni finanziarie proforma, MAN AG ha fornito le Informazioni Finanziarie Illustrative (MAN e Scania) al fine di fornire un'indicazione delle presunte condizioni finanziarie e dei risultati operativi del Gruppo Combinato.

Taluni dati numerici, informazioni finanziarie e dati di mercato riportati nel presente Prospetto informativo sono soggetti a rettifiche da arrotondamento, condotte in conformità con la migliore prassi commerciale. Ne consegue che le cifre aggregate indicate nel presente Prospetto Informativo possono non corrispondere agli importi iscritti nei documenti che ne sono stati fonte.

Informazioni finanziarie selezionate dal bilancio consolidato di MAN AG

Dati selezionati del conto economico consolidato

	Periodo di nove mesi chiuso al 30 settembre (non certificati)		Esercizio al 31 dicembre (non certificato)		(certificato)
In milioni di €	Iscritto 2006	Comparabile 2005	Rettificato 2005[1]	Rettificato 2004[2]	Iscritto 2003
Vendite	**9,470**	**8,204**	**11.500**	**10.998**	**15.021**
Costi di vendita[3]	–7,298	–6,468	–9.018	–8.680	–12.313
Utile lordo	**2,172**	**1,736**	**2.482**	**2.318**	**2.708**
Reddito operativo[4]	**751**	**449**	**670**	**521**	**383**
Interesse netto[5]	–44	–59	–66	–104	–122
Poste straordinarie	0	–38	–37	0	0
Imposte sul reddito	–183	–100	–160	–116	–69
Risultato da attività dismesse	153	17	0	0	43
Partecipazioni di minoranza	–8	–6	–6	–5	–8
Utile netto escluse le partecipazioni di minoranza	**669**	**263**	**401**	**296**	**227**

[1] Rettifiche riferite principalmente alle operazioni cessate e, come riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[2] Rettifiche riferite principalmente alle operazioni cessate e, come riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[3] Esclude interessi divisone Financial services.

[4] Include risultato interessi divisione Financial services.

[5] Esclude interessi divisone Financial services.

Dati selezionati dello stato patrimoniale consolidato

	Nove mesi al 30 settembre (non certificati)		Esercizio al 31 dicembre (non certificato)		(certificato)
in milioni di €	Iscritto al 30 settembre 2006	Comparabile al 31 dicembre 2005	Rettificato 2005[6]	Rettificato 2004[7]	Iscritto 2003
Disponibilità liquide	1,152	1,191	1.423	975	548
Altre attività liquide	7,049	7,272	6.077	5.842	6.675
Immobilizzazioni	3,163	3,127	2.913	2.780	3.932
Attività da finanziamenti alla clientela[8]	2,406	2,408	2.408	2.252	–
Totale attività	**13,770**	**13,998**	**12.821**	**11.849**	**11.155**
Ratei passivi e passività correnti	5,979	6,523	5.363	4.405	5.180
Ratei passivi e passività non correnti	2,307	2,338	2.153	2.443	3.191
Partecipazioni di minoranza	24	58	32	32	64
Capitale netto	3,669	3,220	3.414	3.073	2.720
Passività da finanziamenti alla clientela[9]	1,791	1,859	1,859	1.896	–
Totale capitale e passività	**13,770**	**13,998**	**12.821**	**11.849**	**11.155**

[6] Rettifiche riferite principalmente alle operazioni cessate e, riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[7] Rettifiche riferite principalmente alle operazioni cessate e, riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[8] Riclassificati da immobilizzazioni; nessuna riclassificazione attuata per i dati certificati del 2003.

[9] Riclassificati da ratei passivi e passività correnti e non correnti; nessuna riclassificazione attuata per i dati certificati del 2003.

Dati selezionati del flusso di cassa consolidato

In milioni di €	Periodo di nove mesi al 30 settembre (non certificati) Iscritto 2006	Comparabile 2005	Esercizio al 31 dicembre (non certificato) Rettificato 2005[10]	Rettificato 2004[11]	(certificato) Iscritto 2003
Utili monetari[12]	813	491	765	653	857
Flusso di cassa da attività operative	346	722	977	818	924
Flusso di cassa da attività di investimento	–248	–253	–344	–276	–335
Flusso di cassa disponibile	98	469	633	542	589
Flusso di cassa da attività di finanziamento	–104	–191	–226	–456	–623

[10] Rettifiche riferite principalmente alle operazioni cessate e, riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[11] Rettifiche riferite principalmente alle operazioni cessate e, riferite al 2004, alle vendite soggette al riacquisto delle obbligazioni.

[12] Flusso di cassa ascrivibile all'utile netto di esercizio.

Informazioni finanziarie illustrative selezionate

Dati selezionati del conto economico consolidato

In milioni di €	Dati illustrativi combinati MAN + Scania (non certificati) Periodo di nove mesi al 30 settembre 2006	Esercizio chiuso al 31 dicembre 2005
Vendite	**15,334**	**18.512**
Costi di vendita	–11,695	–14.301
Utile lordo	**3,639**	**4,211**
Reddito operativo[13]	**1,417**	**1.409**
Interesse netto[14]	–275	–299
Poste straordinarie	0	–37
Imposte (sul reddito)	–323	–320
Risultato da attività dismesse	153	0
Partecipazioni di minoranza	–8	–6
Utile netto escluse le partecipazioni di minoranza	**964**	**747**

[13] Include risultato interessi divisione Financial services.

[14] Esclude interessi divisone Financial services.

Dati selezionati dello stato patrimoniale consolidato

in milioni di €	Dati illustrativi combinati MAN + Scania (non certificati) Periodo di nove mesi al 30 settembre 2006
Disponibilità liquide	2,202
Altre attività liquide	9,527
Immobilizzazioni	13,634
Attività da finanziamenti alla clientela	5,715
Totale attività	**31,078**
Ratei passivi e passività correnti	8,964
Ratei passivi e passività non correnti	11,977
Partecipazioni di minoranza	25
Capitale netto	5,447
Passività da finanziamenti alla clientela	4,665
Totale capitale e passività	**31,078**

RIEPILOGO DELL'OFFERTA

Offerta d'acquisto	Previa autorizzazione del consiglio di sorveglianza, il comitato esecutivo di MAN AG ha annunciato in data 18 settembre 2006 la

propria decisione di procedere con un'offerta pubblica rivolta agli azionisti di Scania AB per la cessione di tutte le azioni di Scania Aktiebolag ("Scania AB") a MAN AG. Dopo aver acquistato le azioni di classe A e B di Scania AB, MAN AG ha modificato i termini dell'Offerta di acquisto in data 12 ottobre 2006 al fine di riflettere il prezzo più elevato pagato per l'acquisto delle azioni di Scania AB (l' "Offerta").

Il corrispettivo offerto a ciascun azionista, titolare di azioni di Scania AB, consiste in un misto di contanti e azioni ordinarie (*Stammaktien*) di MAN AG oppure in un pagamento interamente in contanti. Per ciascuna delle azioni di classe A e B di Scania AB cedute, MAN AG offre in conformità all'Alternativa Base (di seguito "Alternativa base") 0,151 azioni ordinarie MAN AG di nuova emissione (*Stammaktien*) (la "Componente Azionaria MAN") e €41,12 (la "Componente in contanti").

Inoltre, a tutti gli azionisti Scania AB è offerta un'Alternativa Tutto Contante, pari a €51,29, nonché la possibilità di aumentare la percentuale della componente azionaria del corrispettivo totale ai sensi dell'Offerta in conformità alla alternativa in azioni e contanti in proporzione variabile ("Alternativa in Azioni e Contanti in Proporzione Variabile"). Ciascun azionista Scania AB che detiene un numero pari o inferiore a 100 azioni Scania AB potrà scegliere se ricevere SEK 475 per ciascuna azione Scania di classe A o B ("Alternativa in contanti per piccoli azionisti"). MAN AG si riserva il diritto di rettificare il prezzo dell'offerta nel caso in cui Scania AB procedesse al pagamento di dividendi o a qualsiasi altra cessione di valore prima che venga fissata definitivamente l'Offerta.

Nel caso le azioni ordinarie MAN AG (*Stammaktien*) dovessero essere emesse ex novo un aumento di capitale, il comitato esecutivo della Società provvederà a deliberare, previo consenso del consiglio di sorveglianza, un aumento del capitale sociale della Società, per un massimo di €68.317.422,08, portandolo da €376.422.400,00 a un massimo di €444.739.822,08 in conformità alle autorizzazioni concesse nell'Articolo 4(3) dello statuto della Società (2005 Capitale sociale autorizzato), mediante l'emissione di un massimo di 26.686.493 nuove azioni ordinarie al portatore senza valore nominale, con ciascuna di dette azioni a rappresentare una quota del capitale azionario emesso della Società pari a €2.56 (con le azioni risultanti dall'aumento di capitale in seguito, le "Azioni Ordinarie MAN").

MAN AG si riserva il diritto di utilizzare azioni ordinarie proprie di MAN AG (*Stammaktien*) riacquistate, direttamente o indirettamente, da MAN AG ai sensi della delibera dell'assemblea dei soci di MAN AG del 19 maggio 2006, o di analoga decisione che sarà deliberata alla scadenza del periodo indicato nella suddetta delibera, quale componente del corrispettivo ai sensi dell'Offerta al posto di parte o di tutte le nuove azioni ordinarie di MAN AG (*Stammaktien*) risultanti dall'aumento di capitale (le Azioni Ordinarie MAN e le azioni riacquistate, di cui sopra, collettivam nete le "Azioni Offerte").

	Le Azioni Offerte conferiranno il diritto al pieno pagamento dei dividendi a decorrere dal 1 gennaio 2006, qualora la chiusura dell'Offerta avesse luogo prima che l'assemblea dei soci di MAN AG deliberi in merito alla ripartizione dell'utile annuo netto per l'esercizio 2006, ovvero a decorrere dal 1 gennaio 2007 se la finalizzazione dell'Offerta avrà luogo successivamente a tale data, ma prima che l'assemblea annuale dei soci di MAN AG decida in merito alla ripartizione dell'utile annuo netto per l'esercizio 2007.
Periodo di accettazione	Il periodo per l'accettazione inizierà a decorre il 20 novembre e terminerà l'11 dicembre 2006. Si prevede che la quotazione delle Azioni di Nuova Emissione entri in vigore e che gli scambi possano aver luogo in regime normale alla Borsa di Francoforte immediatamente successivamente alla data in cui MAN AG annuncerà l'adempimento di tutte le condizioni dell'Offerta.
Consegna delle Azioni Offerte	Le Azioni Offerte saranno assegnate agli azionisti di Scania AB in forma di diritti di comproprietà derivanti da certificato azionario unico depositato presso il depositario per i titoli collettivi Clearstream Banking AG, 60485 Francoforte sul Meno, Germania. L'inizio della assegnazione delle Azioni Offerte è previsto dopo la scadenza del periodo di accettazione, a decorrere presumibilmente dal quinto giorno successivo alla data in cui MAN AG annuncerà che l'offerta è incondizionata, con il passaggio dei servizi di gestione a libro della Clearstream Banking AG ai servizi di gestione a libro di VPC AB, ovvero il SwedishCentral Securities Sepository And Clearing Organisation("VPC").
ISIN; WKN; Common Code; Simboli di borsa	International Securities Identification Number (ISIN): DE0005937007 Codice di identificazione nazionale tedesco (WKN): 593 700 Common Code: 001117254 Simbolo del titolo: MAN

MAN Aktiengesellschaft

Securities Prospectus
for the offer of

up to 26,686,493 ordinary bearer shares *(auf den Inhaber lautende Stammaktien)* with no par value

each such share representing a proportionate amount of the issued share capital of €2.56 per share

of

MAN Aktiengesellschaft

Munich, Germany

— International Securities Identification Number (ISIN): DE0005937007 —
— German Securities Code (WKN): 593 700 —
— Common Code: 001117254 —
— Trading symbol: MAN —

14 November 2006

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SUMMARY

The following summary should be read as an introduction to this Prospectus. It summarises selected information from the Prospectus. Any decision to invest in the shares described herein should be based on the entire Prospectus. The entire Prospectus should be carefully read, including "Risk Factors" and the financial statements, including the notes thereto, which are included herein beginning on page F-2 before making an investment decision. MAN Aktiengesellschaft ("MAN AG" or the "Company", and together with its subsidiaries on a consolidated basis, unless the context otherwise requires, "MAN", "MAN Group" or the "Group"), assumes responsibility for the content of this summary. However, the Company can be held liable for that content only if the summary is misleading, inaccurate or contradictory when read in conjunction with the other portions of the Prospectus. Should an investor file claims in court on the basis of the information contained in this Prospectus, the plaintiff investor may be required by the laws of the individual member states of the European Economic Area to bear the cost of translating the Prospectus before the proceedings begin.

SUMMARY OF MAN'S BUSINESS

Business

MAN Group, headed by MAN AG as a holding company, is a manufacturer of capital goods and provider of industrial services. Core business areas are Commercial Vehicles, Industrial Services, Diesel Engines and Turbomachines. These business areas are supplemented by MAN Financial Services. MAN generated sales of €9,470 million and an operating profit of €751 million in the nine-month period ended 30 September 2006.

MAN Nutzfahrzeuge AG (together with its subsidiaries "MAN Nutzfahrzeuge") heading the business area Commercial Vehicles, is one of Europe's leading manufacturers of commercial vehicles (based on market share) with production facilities in four different European countries and additional facilities and cooperations worldwide. The product range includes trucks from 7.5 to 50 tons gross weight for long and short distance transportation, trucks for military and public utility purposes, buses and coaches as well as diesel and gas engines for vehicles, boats and power generation. These activities are supported by an international sales and service network. With sales of €6,145 million and an operating profit of €449 million in the nine-month period ended 30 September 2006, Commercial Vehicles is the largest division within the MAN Group.

MAN Ferrostaal AG (together with its subsidiaries "MAN Ferrostaal") is a global supplier of industrial services and systems. MAN Ferrostaal acts as a general contractor and offers project development, project management and financial solutions. Its offerings focus on lump-sum turnkey projects in the area of industrial plants, related financing concepts, the distribution of ships, machinery and transport-related equipment, as well as trading in steel products and the provision of logistic services. MAN Ferrostaal is currently in the process of divesting its majority participation in the steel trading business. Steel trading is already being treated as discontinued operation. In the nine-month period ended 30 September 2006 MAN Ferrostaal's sales amounted to €935 million. The operating profit was €77 million.

MAN Diesel SE (together with its subsidiaries "MAN Diesel") is one of the world's leading designers and manufacturers of large diesel engines for primarily maritime but also stationary applications (based on market share). The company holds a strong market position, particularly in the design of two-stroke diesel engines for propulsion systems used in large sea vessels. With its four-stroke engines, MAN Diesel also operates in the marine market. The four-stroke engines are equipped into vessels and, to a lesser extent, into power plants. While the two-stroke engines are mainly manufactured by its licensees, MAN Diesel produces a substantial part of the four-stroke engines at MAN Diesel plants. In the nine-month period ended 30 September 2006, MAN Diesel generated sales of €1,316 million and an operating profit of €157 million.

MAN TURBO AG (together with its subsidiaries "MAN TURBO") is a manufacturer of and service provider for turbo compressors and industrial turbines. Through its subsidiary MAN DWE GmbH it also supplies reactor systems. It offers a complete range of turbomachines for industries including oil and gas, refinery, chemical, industrial gases and power generation. In the nine-month period ended 30 September 2006, MAN TURBO generated sales of €606 million and an operating profit of €46 million.

Strategy and Strengths

Group Strategy

MAN's business is built upon the following objectives: the Group aims to further strengthen its competitive position, continue global expansion, focus on its core businesses, leverage synergies and further enhance competitive strength as well as profitability in order to increase shareholder value. MAN's strategy in reaching its goals is:

- **Leadership**

MAN is a transport-related engineering group ranking among the top three in all of its core business areas. The Group aims to further improve its market share in all business areas by offering premium products and achieving high customer satisfaction and retention through focusing on integrated product and service solutions.

- **International Expansion**

MAN is a global company, doing business in more than 100 countries around the world. The worldwide operations are supported by strong brands and dealers, best-in-class service, vast market coverage and creative financial solutions. The Group intends to further improve its global footprint in terms of manufacturing and sales and service network in order to utilise existing market potential more efficiently and benefit from opportunities in attractive growth markets.

- **Increased Focus on Transport-related Engineering**

MAN has successfully streamlined its business portfolio over the past years. The Company has evolved from a diversified industrial conglomerate into a focused transport-related engineering company. MAN will continue to develop its presence in the high growth business sectors and increase its focus, not only by making strategic acquisitions like the proposed acquisition of Scania AB, but also by divestment strategies concerning non-core assets such as MAN Roland Druckmaschinen Aktiengesellschaft ("MAN Roland") and the intended disposal of the majority participation in the steel trading activities.

- **Leverage Synergies**

The business areas of the MAN Group generate strong synergies by combining their individual strengths and product know-how. MAN Ferrostaal is increasingly acting as project partner for other entities of the MAN Group. MAN intends to further strengthen the cooperation between business areas to exploit synergies along the value chain and further enhance the growth potential of the Group. For instance, MAN Nutzfahrzeuge is cooperating with MAN Ferrostaal concerning the distribution of buses in Mexico.

- **Competitive Strength and Profitability**

MAN is a competitive market participant within all of its core business areas and has enhanced profitability significantly in the past. MAN aims to further build on its competitive strengths and improve performance driven by scale, greater cost efficiency, strong innovation potential and a growing share of service sales.

In order to implement its strategy, MAN has established core principles within its Industrial Governance framework. Specifically, these principles advocate that while each business area should have the scope to develop within the Group it must also measure itself against the strongest competitor within its respective market. Cross-subsidisation is ruled out. This promotes greater consciousness of profitability. Operating profitably is a maxime.

Strengths

- **MAN holds leading market positions in attractive markets**

MAN is a European transport-related engineering group with global reach renowned for its leading edge technology and strong international brands.

MAN Nutzfahrzeuge is one of Europe's leading manufacturers of commercial vehicles (based on market share), supported by an extensive international sales and service network. The recently founded joint

venture with Force Motors in India and the new truck plant in Poland will enable MAN to expand its competitive positioning in highly attractive international growth markets.

MAN Diesel holds a strong position in the market for two-stroke marine propulsion engines. MAN Diesel also operates in the market for four-stroke diesel engines for marine and power plant applications. Across many of its product segments, MAN Diesel profits from an extensive network of licensees, especially in the large shipbuilding nations of Asia.

MAN TURBO is a manufacturer and service provider in the world market for turbo compressors, mainly used in energy generation and energy transportation applications.

- **MAN is a technology leader in its core business areas**

In the course of its longstanding history, MAN has always been able to achieve positions as a technology leader by consistently focusing on research and development.

MAN Nutzfahrzeuge is well known for its strong technological position. For example, it is a leading supplier of innovative exhaust gas after-treatment systems, catering for all customer requirements with respect to meeting tightening global emission standards. Specifically, MAN is the first manufacturer to convert all of its vehicles to Common Rail engines and it leads the competition in NOx technology which is required to meet next generation emissions standards EPA07 and Euro 6. Furthermore, MAN Nutzfahrzeuge is at the forefront of the development of hybrid drive vehicles as well as fuel cell technology for commercial vehicle applications.

"Intelligent" engines developed by MAN Diesel help customers to reduce cost of operation and provide a high degree of flexibility in terms of operating modes. Furthermore, these computer controlled engines offer enhanced reliability, emission control flexibility, and reduced fuel and lube oil consumption.

Turbo compressors and turbomachines manufactured by MAN TURBO as well as reactor systems produced by its subsidiary MAN DWE GmbH are renowned for their high reliability. MAN TURBO is a supplier for turbo compressors and turbomachines for operation under extreme conditions.

- **MAN offers a broad range of products and services**

MAN offers a comprehensive product portfolio and has an extensive service network in each of its business areas.

MAN Nutzfahrzeuge provides customers with a complete range of commercial vehicles, including heavy, light and medium trucks (7.5 to 50 tons) as well as city, inter-city buses and coaches.

MAN TURBO has a complete range of turbomachines for the oil and gas sectors as well as reactor systems and turbomachines for the process industry. The product offering is supported by an extensive global service network.

Together, MAN Nutzfahrzeuge and MAN Diesel provide the broadest range of engines (based on the power output range) within the industry by output, ranging from 110 to 97,300 kW.

MAN Ferrostaal has a highly experienced project development and project management workforce as well as a strong service mentality.

- **MAN is a global company with a well established brand name**

MAN is a global company with market presence in most major economic regions with production facilities in Europe, Asia, Africa and NAFTA region and is supported by a global service network. In 2005, almost 75% of MAN's sales were generated outside Germany.

MAN Ferrostaal increasingly acts as an international sales and service platform within the MAN Group combining its global reach with the product know-how of the other business areas of MAN. One example of the benefits of this approach is the successful entry of MAN Ferrostaal in the Mexican bus market in 2004 where it acts as a general agent for MAN Nutzfahrzeuge. The Mexican project is the first step in a broad-based cooperation arrangement in which the strengths of MAN Nutzfahrzeuge as a producer of market-

oriented transport solutions and MAN Ferrostaal as an international sales platform are to be combined around the globe.

The geographical footprint of MAN Nutzfahrzeuge has been further strengthened by the new plant in Poland and the joint venture with Force Motors in India.

MAN Diesel supplies diesel engines on a global basis, in particular to customers in the large shipbuilding nations of Asia. Servicing of MAN Diesel's engines is carried out by the strong global PrimeServ network. Due to the growing importance of services, the PrimeServ network is key to MAN Diesel's further growth strategy.

- **MAN operates in growing markets**

Increasing globalisation and industrialisation in developing countries drive transportation requirements and demand for energy. As a transport-related engineering group, MAN believes to be ideally positioned to benefit from this trend.

Globalisation and industrialisation drives international trade and increases cross boarder transportation of goods. Freight volumes handled by trucks are expected to grow over-proportionally in the future, particularly in the countries of Eastern Europe and Asia. Given its known brand name and the reliability of its products, MAN Nutzfahrzeuge believes to be well positioned to benefit from these developments. Furthermore, by setting up its new plant in Poland and Joint Venture activities in Asia, MAN Nutzfahrzeuge has added to its growth profile in key developing markets.

Similarly to freight volumes handled by trucks, transportation of goods via ships is also increasingly driving MAN Diesel's growth prospects.

MAN TURBO is involved in major oil and gas projects, e.g. gas pipeline transport or GTL. It benefits from increasing demand for fossil energy, gas transport solutions, synthetic fuels (e.g. GTL) and emission reduced power generation, mainly driven by growing energy consumption on account of the ongoing industrialisation in Asian countries, Eastern Europe, and other emerging regions.

- **MAN attracts highly skilled employees**

MAN's employees are experienced, highly qualified and motivated. MAN is an attractive employer and offers a wide range of training opportunities. MAN's employees have strong technological and management capabilities. The Group believes that it has attracted one of the strongest teams within the industry.

Summary of Risk Factors

Risks relating to the Acquisition Offer

- Information on Scania in this Prospectus is based on publicly available information only.
- MAN may not realise the expected benefits from an integration of Scania.
- Completion of the Acquisition Offer is conditional, inter alia, on antitrust regulatory approval.
- MAN may complete the Acquisition Offer at a level of acceptances which does not allow a squeeze-out of the remaining Scania AB shares.
- MAN will have, as a result of the completion of the Acquisition Offer, a substantial amount of debt outstanding, which could harm its future prospects, limit its free cash flow and have an impact on its ability to fulfil its debt obligations.
- Failure to obtain investment grade rating would raise MAN's costs of financing.
- Loss of key Scania management members, who would have been of value for the group combining the businesses of MAN and Scania, after consummation of the acquisition (the "Combined Group").
- MAN will have as a result of the completion of the Acquisition Offer a substantial amount of debt, exposing it to interest rate changes.

- Since the purchase price of Scania will be far in excess of the book value of Scania's net assets, MAN's planned acquisition of Scania will generate, after allocating costs of the business combination to the assets acquired and liabilities and contingent liabilities assumed to a certain extent, a significant amount of goodwill, which will be subject to periodic impairment tests.

Risks relating to the Business

- In the markets it serves, MAN is exposed to intense competition, trends towards consolidation or MAN may not be able to compete successfully.
- MAN may not be able to further develop innovative products or adapt to technological advances quickly enough and new and improved products or materials may replace the products MAN offers.
- MAN's products may be subject to lawsuits and recall campaigns for performance-related issues or deviations from specific quality requirements set by its customers.
- MAN may be held liable for representations and warranties given as general contractor in contracts for the construction of industrial projects and/or other customer-tailored products or services.
- MAN may be subject to significant claims arising from representations and warranties or indemnities granted in the course of the various divestments carried out in the past.
- Customers may default or fail to take delivery in connection with long-term contracts.
- MAN may violate conditions in connection with credit insurances granted by third parties.
- Customers could exercise their rights from buyback obligations and financing guarantees which under a potential obligation would adversely affect the financial condition and results of operations.
- MAN may be held liable for guarantees given to third parties in favour of its subsidiaries and divested companies, including MAN Roland, which are no longer controlled by MAN.
- Undertaking large, long-term, fixed-price contracts for MAN's sales exposes its business to risk of losses.
- MAN's ability to bid for large contracts may depend on its ability to obtain performance or financial guarantees from financial institutions.
- The measures taken by MAN to optimise its personnel structure and operational processes may not achieve anticipated results.
- A loss of suppliers or interruptions in the delivery of raw materials, parts, sub-assemblies or components could have an adverse effect on MAN's business activities.
- MAN may be adversely impacted by work stoppages and other labour matters.
- MAN may not be able to finance its capital expenditure requirements or capacity may not be utilisable.
- The terms of MAN's senior credit facilities may restrict its current and future operations, particularly its ability to respond to changes in its business or to take certain actions.
- MAN's pension obligations are partly funded by designated pension assets that are only to some extent controlled by MAN and subject to fluctuations in market conditions.
- MAN depends on the services of key management personnel and highly skilled employees, the loss of whom could adversely affect MAN's business.
- MAN cannot be certain that it will be able to recruit or retain qualified employees in the future.
- MAN's production plants and products are exposed to operational and accident risks.
- MAN depends on the uninterrupted operation and continued integration of its computer and data-processing systems.
- MAN may not succeed in adequately protecting its intellectual property and technical expertise.

- MAN cannot exclude the possibility that it infringes the intellectual property rights of third parties and/or becomes dependent on licensing intellectual property from third parties.
- MAN is exposed to political, economic and other risks arising from operating a multinational/ international business and to export/import restrictions.
- MAN is subject to many different environmental and other regulatory requirements. The possibility that MAN may be exposed to liability for failure to comply with these requirements or for pre-existing contamination cannot be excluded.
- Risks arising from the leasing and sales financing business may adversely affect MAN's future operating results and cash flows.
- MAN may face tax risks that result from future tax audits.

Risks Relating to the Industry

- MAN's business is affected by the general economic conditions and the cyclical nature of the markets it serves. A softening of economic conditions or a downturn in the markets which MAN serves, could lead to a reduction in demand and therefore have a material adverse effect on its business.
- Rising prices for energy, raw materials and other goods as well as labour costs or prices for services supplied by third parties could have an adverse effect on MAN's results of operations.
- MAN's costs and results of operations would be adversely affected if the actual utilisation of its production capacities were significantly lower than MAN anticipated.
- Fluctuations in currency exchange rates and related risks may adversely affect MAN's results of operations.
- The global commercial vehicles industry is subject to increasingly strict emissions regulations which demand that vehicle and engine manufacturers spend large amounts on respective R&D which could lead to an increase of product prices which could result in reduced profitability.

Summary of General Information on the Company

Registered office and fiscal year of the Company	The Company has its registered office in Munich, Germany and is registered under HRB 78706 in the commercial register maintained by the local court (*Amtsgericht*) of Munich. The headquarters of the Company are located at Landsberger Str. 110, 80339 Munich, Germany (telephone: +49 89 360980). The Company's fiscal year is the calendar year.

Summary of Share Capital and Management of the Company

Issued share capital	The Company's issued share capital as recorded in the commercial register as of the date of this Prospectus amounts to €376,422,400.00, divided into 147,040,000 bearer shares of which 140,974,350 are ordinary shares and 6,065,650 are non-voting preference shares. The shares are issued with no par value, each such share representing a portion of the Company's issued share capital of €2.56. Following the implementation of the capital increase contemplated in connection with the Acquisition Offer (as defined below), the Company's issued share capital would amount to up to €444,739,822.08, divided into up to 173,726,493 bearer shares of which up to 167,660,843 would be ordinary shares and 6,065,650 are non-voting preference shares.
Executive board and supervisory board	The Company's executive board consists of five members as of the date of this Prospectus: Dipl.-Ing. Håkan Samuelsson Karlheinz Hornung Dr. Matthias Mitscherlich Dr.-Ing. Georg Pachta-Reyhofen Dipl.-Ökonom Anton Weinmann The Company's supervisory board consists of 20 members. The chairman of the supervisory board is Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz.

Principal Shareholders

Volkswagen Aktiengesellschaft, Berliner Ring 2, 38436 Wolfsburg	15.06% of voting rights

Selected Consolidated Financial Information and Operating Data

The following tables provide a summary of MAN AG's selected consolidated unaudited adjusted financial and other data as of and for the years ended 31 December 2004 and 2005 and MAN AG's selected consolidated audited financial and other data as of and for the year ended 31 December 2003 and the nine months (unaudited) ended 30 September 2006 and comparative unaudited financial and other data as of and for the nine months ended 30 September 2005 as well as a summary of the unaudited illustrative financial information (MAN and Scania) contained in this Prospectus (the "Illustrative Financial Information (MAN and Scania)").

The selected consolidated financial and other data was obtained or derived from MAN AG's consolidated financial statements prepared in accordance with IFRS and additional unaudited historical data. In the future, the consolidated financial statements and consolidated interim financial statements of the MAN Group will continue to be prepared in accordance with IFRS. BDO Deutsche Warentreuhand Aktiengesellschaft audited the consolidated financial statements prepared in accordance with IFRS for the financial years ended 31 December 2003 and 2004; the consolidated financial statements for the year ended 31 December 2005 have been audited by KPMG Deutsche Treuhand-Gesellschaft, Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft. MAN AG's consolidated interim financial statements prepared under IFRS for the periods ended 30 September 2005 and 30 September 2006 are unaudited. The audited financial information for the years ended 31 December 2005 and 2004 has been adjusted with the aim to eliminate the impact of the divested businesses and businesses held for sale on the financial condition and results of the MAN Group. Furthermore, the adjustments ensure that the financials presented are based on the current accounting methods. Specifically, adjustments refer to major divestments MAN made in 2005 and 2006 (MAN Roland, MAN TAKRAF Fördertechnik GmbH, MAN Technologie AG and Schwäbische Hüttenwerke GmbH), to the classification of the steel trading business of MAN Ferrostaal as discontinued operations and to changed accounting policies for sales subject to buyback obligations in 2005.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and the actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to, those listed under "Risk Factors" and included elsewhere in this Prospectus.

The Illustrative Financial Information (MAN including Scania) contained in this Prospectus as of and for the nine months ended 30 September 2006 and for the year ended 31 December 2005, has not been audited or subjected to other review. The Illustrative Financial Information (MAN and Scania) includes Scania Group in addition to the subsidiaries consolidated in the MAN Group. For purposes of the preparation of the Illustrative Financial Information (MAN and Scania) in the income statement for the period from 1 January through 31 December 2005, it is assumed that the acquisition had taken place as of 1 January 2005. For purposes of the preparation of the Illustrative Financial Information (MAN and Scania) in the illustrative balance sheet as of 30 September 2006 and the illustrative income statement for the nine-month period ended 30 September 2006, it is assumed that the acquisition had taken place as of 1 January 2006. The Illustrative Financial Information (MAN and Scania) as included in this Prospectus is not pro forma financial information within the meaning of Commission Regulation (EC) 809/2004 of 29 April 2004. MAN AG has offered Scania AB to cooperate in the preparation of the Offer Document. Scania AB has declined such cooperation. Accordingly MAN AG has not been given access to the necessary financial information. Because of the lack of access to Scania AB's financial information, MAN AG is unable to provide pro forma financial information that complies with the requirements of Annex II of Commission Regulation (EC) 809/2004 of 29 April 2004, and with the requirements of the Accounting Practice Statement of the IDW (Institute of German Public Accountants) regarding pro forma financial information. In particular, the consistency of accounting and measurement methods is not guaranteed. With respect to presentation methods, MAN adjusted the presentation of selected balance sheet and income statement lines of MAN and Scania in order to arrive at a uniform and more informative structure of the Illustrative Financial Information (MAN and Scania). No preliminary allocation of the purchase price has been taken into account. Instead of pro forma financial information, MAN AG has provided Illustrative Financial Information (MAN and Scania) with the aim of providing an indication of the financial condition and results of operations (within certain ranges) of the Combined Group.

Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to established commercial standards. As a result, the aggregate amounts in this Prospectus may not correspond in all cases to the amounts contained in the underlying sources.

Selected Financial Information from MAN AG's Consolidated Financial Statement

Selected consolidated income statement data

	Nine-month period ended 30 September (unaudited)		Year ended 31 December (unaudited)		(audited)
(in € millions)	Reported 2006	Comparable 2005	Adjusted 2005[3]	Adjusted 2004[3]	Reported 2003
Sales	**9,470**	**8,204**	**11,500**	**10,998**	**15,021**
Cost of sales[2]	–7,298	–6,468	–9,018	–8,680	–12,313
Gross profit	**2,172**	**1,736**	**2,482**	**2,318**	**2,708**
Operating profit[1]	**751**	**449**	**670**	**521**	**383**
Net interest[2]	–44	–59	–66	–104	–122
Non-recurring items	0	–38	–37	0	0
Income taxes	–183	–100	–160	–116	–69
Result from discontinued operations	153	17	0	0	43
Minority interests	–8	–6	–6	–5	–8
Net income after minority interests	**669**	**263**	**401**	**296**	**227**

[1] Including Financial Services interest result.
[2] Excluding Financial Services interest result.
[3] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected consolidated balance sheet data

	(unaudited)		31 December (unaudited)		(audited)
(in € millions)	Reported 30 September 2006	Comparable 31 December 2005	Adjusted 2005[3]	Adjusted 2004[3]	Reported 2003
Liquid assets	1,152	1,191	1,423	975	548
Other current assets	7,049	7,272	6,077	5,842	6,675
Non-current assets	3,163	3,127	2,913	2,780	3,932
Assets from customer finance[1]	2,406	2,408	2,408	2,252	–
Total assets	**13,770**	**13,998**	**12,821**	**11,849**	**11,155**
Current accruals and liabilities	5,979	6,523	5,363	4,405	5,180
Non-current accruals and liabilities	2,307	2,338	2,153	2,443	3,191
Minority interests	24	58	32	32	64
Shareholders' equity	3,669	3,220	3,414	3,073	2,720
Liabilities from customer finance[2]	1,791	1,859	1,859	1,896	–
Total equity and liabilities	**13,770**	**13,998**	**12,821**	**11,849**	**11,155**

[1] Reclassified from non-current assets; no reclassification undertaken in audited 2003 figures.
[2] Reclassified from current and non-current accruals and liabilities; no reclassification undertaken in audited 2003 figures.
[3] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected consolidated cash flow data

(in € millions)	Nine-month period ended 30 September (unaudited) Reported 2006	Comparable 2005	Year ended 31 December (unaudited) Adjusted 2005[2]	Adjusted 2004[2]	(audited) Reported 2003
Cash earnings[1]	813	491	765	653	857
Cash flow from operating activities	346	722	977	818	924
Cash flow from investing activities	-248	-253	-344	-276	-335
Free Cash Flow	98	469	633	542	589
Cash flow from financing activities	-104	-191	-226	-456	-623

[1] Cash flow attributable to the net income of the year.
[2] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected Illustrative Financial Information

Selected consolidated income statement data

(in € millions)	Illustrative combined MAN + Scania (unaudited) Nine-month period ended 30 September 2006	Year ended 31 December 2005
(unaudited)		
Sales	**15,334**	**18,512**
Cost of sales	-11,695	-14,301
Gross profit	**3,639**	**4,211**
Operating profit[1]	**1,417**	**1,409**
Net interest[2]	-275	-299
Non-recurring items	0	-37
Taxes	-323	-320
Result from discontinued operations	153	0
Minority interests	-8	-6
Net income after minority interests	**964**	**747**

[1] Including Financial Services interest result.
[2] Excluding Financial Services interest result.

Selected consolidated balance sheet data

(in € millions)	Illustrative combined MAN + Scania (unaudited) Nine-month period ended 30 September 2006
Liquid assets	2,202
Other current assets	9,527
Non-current assets	13,634
Assets from customer finance	5,715
Total assets	**31,078**
Current accruals and liabilities	8,964
Non-current accruals and liabilities	11,977
Minority interests	25
Shareholders' equity (MAN shares)	5,447
Liabilities from customer finance	4,665
Total equity and liabilities	**31,078**

Summary of the Offer

The Acquisition Offer	As authorised by its supervisory board, the executive board of MAN AG on 18 September 2006 announced its decision to make a public offer to the shareholders of Scania Aktiebolag ("Scania AB") to tender all shares in Scania AB to MAN AG. After purchasing A and B shares of Scania AB, MAN AG amended the terms of its Acquisition Offer on 12 October 2006 to reflect the highest price it has paid for shares of Scania AB (the "Acquisition Offer"). The consideration offered to each holder of Scania AB shares consists of either a combination of cash and MAN AG ordinary shares (*Stammaktien*) or cash only. For each A or B share of Scania AB tendered, MAN AG offers under the Basic Alternative (the "Basic Alternative") 0.151 new MAN AG ordinary shares (*Stammaktien*) (the "MAN Share Component") and €41.12 (the "Cash Component"). Furthermore, all Scania AB shareholders are offered an All Cash Alternative of €51.29 and can elect to increase the proportion of the new MAN AG ordinary shares (*Stammaktien*) part of the total consideration under the Acquisition Offer according to a Mix and Match Facility ("Mix and Match Facility"). Each Scania AB shareholder who holds 100 or less Scania AB shares will have the option to elect to receive SEK475 for each Scania A or B share tendered (the "Guaranteed SEK Cash Alternative"). MAN AG reserves the right to adjust the offer price should Scania AB pay any dividend or make any other value transfer prior to the settlement of the Acquisition Offer. In the event the MAN AG ordinary shares (*Stammaktien*) result from a capital increase, the Company's executive board will resolve, with the approval of the supervisory board, to increase the issued share capital of the Company by up to €68,317,422.08 from €376,422,400.00 to up to €444,739,822.08 under the authorisations granted in Article 4(3) of the Company's articles of association (2005 Authorised Share Capital), by issuing up to 26,686,493 new ordinary bearer shares with no par value, each such share representing a portion of the Company's issued share capital of €2.56 (the shares resulting from the capital increase, the "New Shares"). MAN AG reserves the right to use own MAN AG ordinary shares (*Stammaktien*) bought back, directly or indirectly, by MAN AG under the terms of the resolution by MAN AG's general shareholders' meeting of 19 May 2006, or a similar authorisation to be resolved after the aforementioned authorisation has expired, as part of the consideration under the Acquisition Offer, in lieu of some or all new MAN AG ordinary shares (*Stammaktien*) resulting from a capital increase (the shares resulting from the capital increase and the shares bought back, as described above, hereinafter the "Offered Shares"). The Offered Shares carry full dividend entitlement as of 1 January 2006 if closing of the Acquisition Offer occurs before the annual shareholders' meeting of MAN AG has decided on the appropriation of the annual net profits for the fiscal year 2006, and as of

	1 January 2007 if the closing of the Acquisition Offer occurs thereafter but before the annual shareholders' meeting of MAN AG has decided on the appropriation of the annual net profits for the fiscal year 2007.
Acceptance Period	The acceptance period commences on 20 November 2006 and ends on 11 December 2006. It is expected that listing of the New Shares will become effective and dealings, for normal settlement, on the Frankfurt Stock Exchange begin shortly following the date on which MAN AG announces that all conditions to the Acquisition Offer have been fulfilled.
Delivery	The Offered Shares will be delivered to shareholders of Scania AB in the form of co-ownership rights in a global share certificate deposited with the collective securities depositary Clearstream Banking AG, 60485 Frankfurt am Main, Germany. Delivery of the Offered Shares is expected to commence after the expiry of the acceptance period, presumably on the fifth business day after MAN AG has declared the offer unconditional, through the book-entry facilities of Clearstream Banking AG into the book-entry facilities of VPC AB, the Swedish Central Securities Depository & Clearing Organisation ("VPC").
ISIN; WKN; Common Code; Stock Exchange Symbols	International Securities Identification Number (ISIN): DE0005937007 German Securities Code (WKN): 593 700 Common Code: 001117254 Trading symbol: MAN

RISK FACTORS

Before deciding to purchase or otherwise acquire the Offered Shares, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. The occurrence of one or more of these risks alone or in combination with other circumstances may have a material adverse effect on MAN's business and cash flows, financial condition and results of operations. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Additional risks and uncertainties of which MAN AG is not currently aware, could have a material adverse effect on its business and cash flows, financial condition and results of operations. The market price of its shares could fall if any of these risks were to materialise, in which case an investor could lose all or part of his investment. The risk factors mentioned below do not only apply to MAN AG before completion of the Acquisition Offer but also to the Combined Group including Scania.

Risks Relating to the Acquisition Offer

Information on Scania in this Prospectus is based on publicly available information only.

The information on Scania in this Prospectus is based on publicly available information only and has neither been verified by MAN AG nor been commented on or confirmed by the board of directors of Scania. This information may not be correct or may be incomplete. MAN AG has strived to ensure that the information compiled concerning Scania is accurate, complete and not misleading. However, MAN AG and its executive board are unable to confirm that the information on Scania is accurate, complete and not misleading.

MAN may not realise the expected benefits from an integration of Scania.

MAN expects that the Scania AB acquisition will result in increased profit growth. MAN cannot be sure that it will realise these anticipated benefits in full or at all. Achieving the expected benefits from this acquisition will depend, in part, upon whether the operations, personnel, technologies, products and businesses of Scania can be integrated in an efficient and effective manner within MAN's existing businesses. MAN's management team may encounter unforeseen difficulties in managing the integration of the businesses. The process of integrating such businesses may prove disruptive to its business, may take longer than MAN anticipated and may cause an interruption of and have a material adverse effect on its combined businesses. In addition, there can be no assurance that the integration costs will not exceed those estimated by MAN nor that the estimated cost synergies will be achieved.

Completion of the Acquisition Offer is conditional, inter alia, on antitrust regulatory approval.

Completion of the Acquisition Offer is conditional on, inter alia, antitrust regulatory clearances. The relevant antitrust authority, in particular the European Commission, may refuse its approval or may seek to make its approval subject to compliance by MAN or Scania with onerous conditions. These conditions, if accepted, could have the effect of imposing additional significant costs on MAN, of limiting MAN's revenues, requiring divestitures of certain assets or imposing other operating restrictions upon the combined businesses of MAN and Scania.

MAN may complete the Acquisition Offer at a level of acceptances which does not allow a squeeze-out of the remaining Scania AB shares.

MAN may not obtain sufficient acceptances to enable MAN to achieve 100% ownership in Scania AB. In the event MAN should decide to proceed with the Acquisition Offer at a lower level of acceptances than 90%, this could have adverse consequences with respect to the combination of MAN and Scania as well as the future operations of the two companies. Further, if MAN does not obtain the required share capital of Scania AB to be able to carry out a squeeze-out of the remaining Scania AB shares, the market price of MAN AG shares may be adversely affected post the completion of the Acquisition Offer causing a potential write-down requirement for MAN AG of its holding in Scania AB.

MAN will have, as a result of the completion of the Acquisition Offer, a substantial amount of debt outstanding, which could harm its future prospects, limit its free cash flow and have an impact on its ability to fulfil its debt obligations.

While MAN currently has virtually no gearing in its industrial business, the company will be substantially leveraged following the completion of the Acquisition Offer. The substantial level of indebtedness post completion of the Acquisition Offer increases the possibility that MAN may be unable to generate sufficient cash to pay, when due, the principal of, interest on or other amounts due in respect of its indebtedness. MAN's future substantial indebtedness, combined with its lease and other financial obligations and contractual commitments could have other important consequences. For example, it could:

- make MAN more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limit MAN's flexibility in planning for, or reacting to, changes in its business and the industry in which MAN operates;
- place MAN at a competitive disadvantage compared to its competitors that have less debt than MAN does;
- limit MAN's ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of its business strategy or other purposes or obtain additional bank guarantees required for its operations; and
- require MAN to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes.

Any of the above listed factors could materially adversely affect MAN's business, financial condition or results of operations.

Failure to obtain investment grade rating would raise MAN's costs of financing.

The future assessment of MAN's creditworthiness by rating agencies will have a decisive impact on the amount of interest expense MAN will pay. Failure to obtain an investment grade rating post the successful completion of the Acquisition Offer will generally result in MAN receiving less favourable financing terms, would raise its financing costs and could limit its access to financing. These events would have a material adverse effect on MAN's business, financial condition and results of operations.

In general, MAN's creditworthiness will have a decisive impact on its financing cost. Therefore, the deterioration of its creditworthiness would adversely affect MAN's business, financial condition and results of operations.

Loss of key Scania management members, who would have been of value for the Combined Group.

There is a risk that the completion of the Acquisition Offer may lead to key members of the Scania management team choosing not to remain with the Combined Group. The loss of key members of Scania's management team may adversely affect the Combined Group's business, financial condition and results of operations.

MAN will have as a result of the completion of the Acquisition Offer a substantial amount of debt, exposing it to interest rate changes.

MAN's interest expense from borrowing, in particular from the Credit Agreement in connection with the acquisition, is influenced by market-based fluctuations in interest rates. Increases in interest rates can cause its interest expense to increase. If MAN is unsuccessful in minimising the effect of fluctuations in interest rates through suitable hedging transactions or by compensating for temporarily or permanently elevated interest expense by generating sufficient cash from its operating activities, it may need to obtain some of the funding it requires on the capital markets or utilise additional lines of credit. Suitable or sufficient credit

facilities may not be available to MAN, or may only be available subject to increased pledges of collateral or risk premiums set by the banks. In addition, funding through the capital markets may not be available to MAN at all or in sufficient amounts.

Interest-rate hedging transactions will not fully protect MAN from fluctuations in interest rates or, conversely, will generate unnecessary expenses as a result of favourable movements in interest rates. The assumptions and decisions MAN makes with regard to the future movement of interest rates and the degree to which it is risk averse will have a significant effect on the success of its hedging strategy. If unsuccessful, this would have a material adverse effect on MAN's business, financial condition and results of operations.

Since the purchase price of Scania will be far in excess of the value of Scania's net assets, MAN's planned acquisition of Scania will generate, after allocating costs of the business combination to the assets acquired and liabilities and contingent liabilities assumed to a certain extent, a significant amount of goodwill, which will be subject to periodic impairment tests.

MAN's offer to purchase all the shares of Scania AB is based on a price of €51.29 per Scania AB share, which is equivalent to a total purchase price of approximately €10.3 billion, for all of Scania AB's outstanding shares. According to Scania AB's balance sheet as of 31 December 2005, which is contained in the financial section of this Prospectus, the shareholders' equity of Scania AB at that particular balance sheet date amounted to €2.5 billion. As a result, upon completion of the acquisition MAN will record a significant portion of the difference between the purchase price, Scania's net assets as of that date and the allocation of costs of the business combination to the assets acquired and liabilities and contingent liabilities assumed to a certain extent, as goodwill, which MAN expects could be between €3.4 billion and €5.1 billion, based on an illustrative purchase price allocation. The International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and applied by the Company require, under IFRS 3 "Business Combinations", IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets" that MAN carry out impairment tests on goodwill. As a result, MAN allocates goodwill to its cash-generating units and tests the goodwill for impairment on an annual basis. In addition, MAN must carry out an impairment test during a financial year any time there are particular circumstances that indicate an asset may have been impaired. In particular, if the integration of Scania meets with unexpected difficulties, if the businesses of Scania do not develop as expected, or if MAN's businesses overall develop in a manner that MAN does not anticipate, MAN may be required to record impairments on the Scania goodwill in accordance with IFRS, which could have a material adverse effect on MAN's business, financial condition and results of operations.

Risks Relating to the Business

In the markets it serves, MAN is exposed to intense competition, trends towards consolidation or MAN may not be able to compete successfully.

MAN faces significant competition in all market segments in which it offers its products and services. Major providers, in particular, therefore attempt to gain or hold market shares by lowering prices and by offering favourable payment conditions.

The principal competitive factors include price, quality, costs, delivery terms, service, production capacity, technological know-how, product design and innovation. MAN may not be able to compete successfully in its industries and, therefore, may even lose strategic partners and/or clients. Hence, increased competition may have a material adverse effect on MAN's business, cash flows and ability to make required payments on its debt by reducing its sales or margins.

The markets in which MAN is active are also characterised by a trend towards consolidation, and MAN expects this trend to continue. This development could lead to the formation of larger enterprises with bundled purchasing power and cost-effective structures, which in turn would increase competition even further. MAN might be unsuccessful in achieving adequate market shares and margins, which could have a material adverse effect on its business, financial condition and results of operations.

MAN may not be able to further develop innovative products or adapt to technological advances quickly enough and new and improved products or materials may replace the products MAN offers.

The future success of MAN depends on its ability to develop and launch new and improved products in a timely manner. The engine market, in particular, is characterised by progressive development towards higher performance and simultaneously more fuel-efficient, less polluting and quieter engines, growing demands by customers and regulations with respect to efficiency and ease of maintenance of the engines. These new developments and adjustments may create technical problems or delays. Some of MAN's innovations are very costly and time consuming. MAN also depends on important suppliers being competitive in their respective areas. In the event MAN should experience technical problems or delays, its financial condition and results of operations could be materially adversely affected. If new or better developed products can be offered by competitors at prices that are more attractive than MAN's prices, or if such products are more attractive than MAN's for other reasons, demand for its products would fall, which would have a material adverse effect on its business, financial condition and results of operations.

MAN's products may be subject to lawsuits and recall campaigns for performance-related issues or deviations from specific quality requirements set by its customers.

Companies with a large manufacturing business like MAN are regularly subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warranty obligations, treatment errors and other claims. Some of the products MAN manufactures and sells are inherently risky and, therefore, contain a higher potential for damages than other products. Claims arising from product liability or other due-care violations and breaches of contract, recall campaigns or fines imposed by governments in this context could result in high costs for MAN. Such costs include for example costs for recall campaigns, product repair and substantial legal costs, regardless of whether damages are ultimately awarded. These events could have a material adverse effect on MAN's business, financial condition and results of operations. In addition, alleged or actual cases of liability, particular in the automotive and truck industry could damage MAN's reputation, which could also have a material adverse effect on its business, financial condition and results of operations.

MAN manufactures products pursuant to customer specifications and quality requirements. If the products manufactured and delivered by MAN do not meet the requirements agreed with its customers, production of the relevant products could be discontinued until the cause of the product defect has been identified and remedied. Due to defects in quality, customers may reject delivery of products until the cause of the defect has been remedied. In addition, failure to perform quality requirements may negatively affect the market acceptance of MAN's other products and its market reputation in various market segments. Quality defects may also result in MAN being held liable for actual and consequential damages, which may result in substantial costs. Any such developments may materially adversely affect MAN's business, financial condition or results of operations.

MAN may be held liable for representations and warranties given as general contractor in contracts for the construction of industrial projects and/or other customer-tailored products or services.

In contracts for industrial plants, machinery and other products, MAN, as general contractor, regularly gives representations and warranties in connection with the performance and delivery time of complex projects where MAN acts as a general contractor. Problems with partner companies, subcontractors, suppliers or supplies from MAN's own plants, unforeseen developments at project sites, unexpected technical problems and other logistical difficulties can cause production delays and lead to additional costs. Such developments may lead to a violation of the representations and warranties given in the engineering, procurement and/or construction contracts. In these cases, MAN usually has to pay graduated contractual penalties and/or rectify the situation at its own expense. MAN's customer may also be entitled to unwind the contract. Each of these circumstances could have a material adverse effect on its business, financial condition and results of operations.

MAN may be subject to significant claims arising from representations and warranties or indemnities granted in the course of the various divestments carried out in the past.

MAN has carried out a significant number of divestments in the past, especially during the last three years such as, but not limited to, the divestment of its shares in MAN Roland, in MAN TAKRAF Fördertechnik GmbH and Schwäbische Hüttenwerke GmbH. In accordance with market practice, the underlying agreements contain representations and warranties of MAN AG (or guaranteed by MAN AG as the parent company of the seller) as well as indemnities on or other forms of retention of such risks as performance guarantees of or for the sold entities, environmental liabilities caused prior to the execution of the transfer and other risks. While for any specifically known likely risk adequate accruals have been provided in MAN's accounts, claims may be raised on the basis of these contractual undertakings which currently are unknown, are considered unlikely or exceed such accruals and which might have a material adverse effect on MAN's business, financial condition and results of operations.

Customers may default or fail to take delivery in connection with long-term contracts.

MAN develops and constructs products for its customers and operates plants at the customer's site (on-site plants). In most cases, MAN is paid in several tranches. If customers with bulk-orders fail to fulfil their payment obligations or if one or more customers become insolvent or otherwise default on payments, MAN's high expenditure for the development and construction of the products or the operation of plants may not be recovered through the planned long-term supply to the customer. If MAN is not able to make these expenditures otherwise economically viable, such developments could have a material adverse effect on its business, financial condition and results of operations.

MAN may violate conditions in connection with credit insurances granted by third parties.

In some cases, state authorities or other third parties grant financing for projects to be executed by MAN. Such financing is secured by third-parties' insurances. The financing is subject to certain conditions to be observed by MAN in connection with the implementation of a project. If MAN does not observe the conditions of the financing the insurance may not be obliged to make payments in case of a stoppage of the project or other problems. As a consequence, MAN may be held liable by the state authority or other third party financing institutions and may be required to compensate such parties for its financing. This could adversely affect MAN's business, financial condition and results of operation.

Customers could exercise their rights from buyback obligations and financing guarantees which under a potential obligation would adversely affect the financial condition and results of operations.

When entering into contracts for the sale of trucks, in a substantial number of cases MAN obliges itself to buy back trucks. If the selling prices obtainable for used vehicles drop appreciably below the calculated buyback prices MAN will incur significant losses. Furthermore, contracts entered into by the business unit Industrial Services often provide for the obligation of MAN, under certain circumstances, to accept customer financing arrangements with a first loss piece or credit guarantees in favour of the customer. MAN has set up provisions for parts of these risks. It may, nevertheless, be obliged to adjust the values recorded in its books. Should the used trucks selling prices drop and customers exercise their return rights or should MAN be called upon in connection with financing guarantees, its financial condition and results of operation could be adversely affected.

MAN may be held liable for guarantees given to third parties in favour of its subsidiaries and divested companies, including MAN Roland, which are no longer controlled by MAN.

As is customary in the industries, in which MAN is active, MAN has given guarantees to third parties in favour of the Group companies as the security for advance payments, warranties and their performance of obligations under the contracts entered into with MAN's customers or suppliers. These contingent liabilities include guarantees given in favour of MAN Roland and retained after the sale of MAN's shares therein to a joint venture with Allianz Capital Partners Management GmbH, in which MAN AG currently holds a 35% share, which per 20 October 2006, amounted to a nominal total of approximately €536 million.

Defaults under the contracts entered into between the Group companies (including MAN Roland) and their suppliers or customers could lead to MAN's liability under the guarantees. The major portion of these guarantees is represented by performance guarantees, implying that MAN would have to source the respective goods externally and sell those goods on to the customer. External sourcing would likely only be feasible at higher prices. Should MAN be held liable for all or a substantial part of guarantees at the same time, this may materially adversely affect MAN's business, financial condition and results of operations.

Undertaking large, long-term, fixed-price contracts for MAN's sales exposes its business to risk of losses.

As part of MAN's business, MAN signs contracts with its customers which may take many months or even years to complete. While MAN has implemented measures to assist itself in completing its contracts on time and within budget, there can be no assurance that MAN will not experience material delays or budget overruns in connection with some of its contracts due to factors outside of its control.

Furthermore, although some of MAN's contracts are "cost-plus", in which MAN earns a margin over production costs, most of its contracts are "fixed-price", in which MAN receives a set price for delivery of products. Although MAN does have some ability to renegotiate the prices in certain circumstances, fixed-priced contracts are inherently risky due to the fact that MAN assumes most of the risk associated with completing the contract as well as the potential cost of post-completion warranty obligations should the product fail to meet required specifications. In addition, contracting conditions normally include provisions for liquidated damages or liability for consequential loss for delay. Any cost overruns or delays on a contract could have a material adverse effect on MAN's business financial condition or results of its operations.

In addition, some of MAN's contracts may be modified or cancelled by its customers for reasons beyond its control, including lack of or changes in funding. Failure by customers to obtain funds for any of MAN's contracts, or any modification of its contracts as a result of a change in funding or for any other reason, could have a material adverse effect on MAN's financial condition or results of its operations.

MAN's ability to bid for large contracts may depend on its ability to obtain performance or financial guarantees from financial institutions.

In the normal course of business, MAN is asked to provide performance or financial guarantees or bonds to its customers in relation to its contracts. These guarantees include guarantees that a contract will be completed or that MAN's products will be delivered at certain set times and will meet certain defined criteria. Some customers require that MAN's guarantees be issued by a financial institution in the form of a letter of credit, surety bond or other financial guarantee. A deterioration of MAN's credit rating and financial position or change in regulations regarding its products prevents MAN from obtaining such guarantees or bonds from financial institutions or makes the process more difficult or expensive. If MAN is not able to obtain performance guarantees or if such performance guarantees were to become too expensive, MAN could be prevented from bidding on or obtaining certain contracts or its profit margins with respect to those contracts could be adversely affected, which could in turn have a material adverse effect on MAN's business, financial condition and results of operations.

The measures taken by MAN to optimise its personnel structure and operational processes may not achieve anticipated results.

The different business areas of MAN constantly review the cost structure and the organisation of operational processes in order to optimise such structures and processes, such as changes in the distribution process or information technology applications. All such measures are based on assumptions and estimates. These underlying assumptions and estimates may prove to be false or incomplete. Furthermore, the measures may be inadequate or insufficient to generate the anticipated improvements or may not be correctly executed. If such measures prove to be erroneous or insufficient and the anticipated results will not be achieved the financial condition and results of operations of MAN could be adversely affected.

A loss of suppliers or interruptions in the delivery of raw materials, parts, sub-assemblies or components could have an adverse effect on MAN's business activities.

MAN uses a large number of suppliers to procure raw materials, parts, sub-assemblies, components and technical modules that MAN needs for production. Since MAN's procurement logistics are mostly organised on a just-in-time basis, late deliveries of essential materials may cause delays in the completion of certain projects, parts of projects or products. This may cause delays in delivery or finalisation of MAN products or projects and may result in MAN having to purchase products or services from third parties at higher costs. All this may lead to order cancellations by the respective customers or even claims for damages. Operational interruptions or prolonged loss of production at individual sites can significantly affect the delivery capacity of the entire business division.

In certain instances, MAN's various business divisions rely on only one supplier for individual parts, sub-assemblies and components. If such a supplier were unable to make deliveries to MAN temporarily or permanently, it is possible that MAN may not always be able to remedy such a situation in a timely fashion. This also applies in cases where MAN's production plants are linked with third-party production plants in integrated production structures. If an external or internal supplier of important raw materials, parts, sub-assemblies or components becomes permanently unable to deliver or unable or unwilling to supply MAN for other reasons, MAN could, in individual cases, be forced to change its product specifications in order to be able to use raw materials, parts, sub-assemblies or components from other suppliers. In extreme cases, this could mean that, at least temporarily, individual projects cannot be finalised and equipment cannot be built, delivered or serviced, which could have a material adverse effect on MAN's business, financial condition and results of operations.

MAN may be adversely impacted by work stoppages and other labour matters.

A part of MAN's workforces are unionised. While MAN has not experienced any material strikes, lockouts or work stoppages in the last three years, there can be no assurance that its relationships with these employees and their unions will be as amicable or that MAN will not encounter strikes, further unionisation efforts or other types of conflicts with labour unions or its employees. MAN cannot guarantee that it will not encounter future unionisation efforts or other types of conflicts with labour unions or its employees.

Many of MAN's OEM customers and their suppliers also have unionised workforces. Work stoppages or slow-downs experienced by OEMs or their other suppliers could result in slow-downs or closures of MAN assembly plants where its products are needed for assembly. In the event that one or more of MAN's customers or their suppliers experience a material work stoppage, such work stoppage could have a material adverse effect on MAN's business.

MAN may not be able to finance its capital expenditure requirements or capacity may not be utilisable.

As a manufacturer, MAN is required to expend significant amounts of capital for engineering, development, tooling and other costs.

MAN made capital expenditures totalling approximately €404 million in 2005. Also in the future, MAN intends to invest substantially in both, maintenance and new equipment, facilities and other assets. In order to finance such expenditures, MAN intends to use cash in hand, funds from operations, certain equity and debt instruments, including drawing under its existing senior credit facilities. However, no assurance can be given that such sources will provide MAN with a sufficient amount of cash in a timely manner.

Furthermore, MAN may be required to spend more than anticipated on capital expenditures. Failure to make appropriate levels of capital expenditures may have an adverse impact on MAN.

If MAN builds up capacity which cannot be utilised fully due to an error in its projection of market developments or the buildup of production capacities by its competitors, or if other factors render the utilisation of its production capacities insufficient despite measures MAN puts in place to improve flexibility, its costs would rise as compared to revenues, which could have a material adverse effect on its business, financial condition and results of operations.

The terms of MAN's senior credit facilities may restrict its current and future operations, particularly its ability to respond to changes in its business or to take certain actions.

MAN's senior credit facilities contain, and any other future financial indebtedness of MAN would likely contain, a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on its ability to engage in acts that may be in its best long-term interests. MAN's senior credit facilities include restrictive covenants that, among other things, restrict its and its subsidiaries' ability to:

- create or permit to subsist encumbrances over its assets;
- dispose of all or any substantial part of its assets;
- incur financial indebtedness at the level of MAN's subsidiaries;
- grant any credits to, or give any guarantee for indebtedness of, unconsolidated companies; and
- materially change the general nature of the business conducted by MAN and its subsidiaries.

Also, the senior credit facilities require MAN to comply with a specified financial ratio of net debt to EBITA relating to its industrial business (which becomes more restrictive over time). Its ability to comply with that ratio may be affected by events beyond its control, and it cannot be assured that MAN will at all times meet this ratio. This could limit its ability to obtain future financings, make needed capital expenditures, withstand a future downturn in its business or the economy in general or otherwise conduct necessary corporate activities.

A breach of any of the covenants or an inability to comply with the required financial ratio in MAN senior credit facilities would result in a default under the senior credit facilities. If any such default occurred, the lenders under the senior credit facilities may elect to declare all outstanding advances, together with accrued interest and other fees, to be immediately due and payable. In case of a deterioration of Net Debt to EBITDA ratio, interest rates may increase. The lenders will also have the right in these circumstances to terminate any commitments they have to make further advances. This could have an immediate material adverse effect on MAN's financial condition.

MAN's pension obligations are partly funded by designated pension assets that are only to some extent controlled by MAN and subject to fluctuations in market conditions.

MAN has committed various defined benefit pensions vis-à-vis its employees, deferred and current retirees. As of 31 December 2005, the pension obligations of the Group totalled €1,958 million. The pension obligations are partly funded by designated pension assets, which are mostly held in almost independent pension schemes or in a trust where MAN can only determine the strategic asset allocation. Those plan assets are separated from operating assets and set aside solely for the purpose of meeting pension obligations.

The pension funds are obliged to manage the assets as prudent investors and have mandated generally accepted investment firms to manage the assets according to investment principles set up together with pension advisors. So MAN neither determines the portfolio strategy in each individual case nor does it influence tactical asset allocation decisions. The plan assets are invested in equities, fixed income securities and other investment forms. The market values of the plan assets are subject to fluctuations of capital market conditions which cannot be influenced by MAN. However, a change of market values due to movements of interest rates is compensated to a certain extent by a change of the present values of MAN's pension obligations. A negative development of capital market conditions, in particular a downturn of equity markets, could result in an increased underfunding of MAN's pension obligations potentially causing a negative impact on MAN's financial situation, which could lead to the potential requirement for MAN to make additional contributions.

MAN depends on the services of key management personnel and highly skilled employees, the loss of whom could adversely affect MAN's business.

MAN's ability to compete successfully and implement its business strategy is impacted by the efforts of its senior management personnel. MAN also depends on its ability to attract and retain a highly skilled workforce. The loss of the services of any of these individuals could have a material adverse effect on its business.

MAN cannot be certain that it will be able to recruit or retain qualified employees in the future.

MAN's future success depends on its ability to attract and retain highly qualified executive employees and skilled staff, particularly specialists in the field of mechanical, electrical, control, production and operations engineering as well as commercial and accounting activities. In previous years, there was intensive competition in all of MAN's areas of activity for employees with scientific, technological or industry-specific expertise. If MAN is not able to continue to recruit and retain highly qualified management and sufficient numbers of skilled staff in the areas of research and development, production, marketing, distribution and service, MAN's financial condition and results of operations could be adversely affected. If MAN experiences a high level of staff turnover or if specialist teams are recruited away from MAN by its competitors, MAN may not be able to recruit new staff in the labour market without delays or incurring additional costs.

The loss of qualified employees or continuing difficulties in recruiting suitable employees could result in MAN being unable to implement important decisions and measures, which could have a material adverse effect on its business, financial condition and results of operations.

MAN's production plants and products are exposed to operational and accident risks.

MAN's production plants may be subject to operational breakdowns and external factors outside of its control, such as natural disasters, terrorism or other third-party interference. Breakdowns, however, may also result from failures, accidents or other mistakes in the operating process, including faulty construction and operator mistakes or the mishandling of hazardous materials. There is a risk of injury or damage to persons, the property of others or the environment in these events, which may lead to considerable financial costs and maybe also prosecution. MAN's insurance coverage may prove insufficient in individual cases. The occurrence of such operational interruptions or accidents can also adversely affect MAN's market reputation, lead to a reduction in orders and therefore lower revenues. Any breakdown or stoppage of production may result in losses in revenues or additional costs, which could have a material adverse effect on MAN's business, financial condition and results of operations.

MAN depends on the uninterrupted operation and continued integration of its computer and data-processing systems.

MAN's ability to keep its production plants in each of its divisions running depends on the efficient and uninterrupted operation of its computer and data-processing systems. The integration and the improvement of these systems require substantial further efforts, especially with regard to efficient controlling. In addition, computer and data-processing systems are susceptible to breakdowns, damage, power failure, viruses, fire and other events. Breakdowns or interruptions in the computer and data processing systems that MAN uses can adversely affect its ability to maintain its production processes in an efficient manner and to safeguard sufficient supervision, which could, in particular due to its complex production processes, adversely affect MAN's business, financial condition and results of operations.

MAN may not succeed in adequately protecting its intellectual property and technical expertise.

MAN has obtained or applied for a large number of intellectual property rights, such as patents, that are of considerable importance to its business. While there is a presumption that patents are valid, the granting of a patent does not necessarily imply that they are effective or that possible patent claims can be enforced to the degree necessary or desired. In addition, MAN cannot guarantee that all of the intellectual property rights MAN has applied for in connection with its new technological developments will be granted in each

of the countries where MAN considers this necessary or desirable or might not be able to extend protection for its substantial intellectual property rights. Further, MAN cannot exclude the possibility that third parties may copy its products or otherwise infringe its intellectual property rights and that MAN, for legal or factual reasons, will be unable to prevent such infringement.

In addition, non-confidential know-how and industrial secrets that are not patented or cannot be patented are of paramount importance in MAN's business, in particular in areas with technologically demanding products and production processes. This may lead to restrictions regarding the sale of the affected products or the application of the respective production processes or to an obligation to pay license fees. All these events could affect its competitive position and any reduction in revenues resulting from it would have a material adverse effect on its business, financial condition and results of operations.

MAN cannot exclude the possibility that it infringes the intellectual property rights of third parties and/or becomes dependent on licensing intellectual property from third parties.

MAN cannot exclude the possibility that MAN infringes or will infringe intellectual property rights of third parties, since its competitors also submit a large number of inventions for intellectual property protection. In this case, MAN would not be able to manufacture, use or market the affected technologies or products in the countries where intellectual property rights were granted to third parties and would be forced to make changes to manufacturing processes and/or products. In addition, MAN could be liable to pay compensation for infringements. MAN could also be forced to purchase licenses to make use of technology from third parties, which would entail additional costs. However, MAN may not receive the licenses it needs for its business at reasonable terms to the extent required. In addition, existing licenses may not continue to be in effect to the extent MAN requires. MAN may not obtain the required regulatory approvals, which could in certain cases lead to a loss of all or part of the funds already invested.

Any restrictions on delivery and production due to patent infringement or production interruptions resulting from patent infringement, whether due to a change in a manufacturing process or for other reasons, or the subsequent acquisition of corresponding licenses could have a material adverse effect on its business, financial condition and results of operations.

MAN is exposed to political, economic and other risks arising from operating a multinational/international business and to export/import restrictions.

MAN manufactures its products in a number of countries, and offers most of its products and services worldwide. Some of the countries in which MAN manufactures or offers services or to which it exports its products are subject to less stable economic, political and legal conditions compared to Western Europe and North America. This applies in particular to a number of countries, particularly in Asia, South America and the Middle East, that MAN has identified as growth markets for its products and services or in which it is planning to set up new production facilities. These regions have repeatedly fallen victim to political and economic crises and conflicts in the past. For this reason, MAN is exposed to a series of risk factors which it can hardly influence and which could adversely affect its business activities in these countries. These factors include, among others:

- political, social, economic, financial or market-related instability or volatility (including the risk of abduction of employees);
- outbreaks of crises, armed conflicts or terrorist attacks;
- deterioration of infrastructure;
- foreign currency control provisions and other regulations or restrictions with respect to exchange rates and foreign currencies;
- trade restrictions or expropriations;
- deterioration of insurance conditions; and
- insufficiently developed and differentiated legal and administrative systems (which could lead to inadequate protection of intellectual property or impair the enforcement of payment and other claims).

Each of these factors could adversely affect MAN's business activities and growth opportunities in these countries, and therefore have a material adverse effect on its business, financial condition and results of operations.

MAN is subject to many different environmental and other regulatory requirements. The possibility that MAN may be exposed to liability for failure to comply with these requirements or for pre-existing contamination cannot be excluded.

MAN, as a worldwide operating group, must observe a large number of different regulatory systems across the world that change frequently and are continuously evolving and becoming more stringent, in particular with respect to environmental, chemicals and hazardous materials as well as health regulations. This applies further to air, water and soil pollution regulations and to waste legislation, all of which have recently been toughened through new laws, in particular, but not limited to, in the European Union and the United States. In the past, adjusting to these new requirements has required significant investments by MAN and MAN assumes that further significant investments in this regard will be required in the future.

MAN primarily operates sites that have been used industrially by MAN or by legal predecessors for a long period of time. It cannot be ruled out that contaminated ground at current or former MAN's sites may be discovered, which would result in substantial environmental clean-up costs for MAN and could harm MAN's market reputation and customer relationships. MAN can also be held liable for pollution on sites other than those on which MAN operates or operated in the past to which pollution may have spread. In addition, in the course of MAN's divestments, MAN assumed in some cases contractual liability for waste and other environmental damage. Under some of these agreements, MAN will continue to be liable for waste and other environmental damage at those sites for a certain period into the future or in case of insolvency of the buyer.

Risks arising from the leasing and sales financing business may adversely affect MAN's future operating results and cash flows.

The offers of MAN Finance in connection with the sale of vehicles and other transactions involve several risks, including increased refinancing cost, credit risk and cost of capital as well as the potential inability to recover the investments in leased vehicles and to collect the sales financing receivables. MAN Finance will need to incur additional short-term and long-term debt in the future. The nature and amounts of such indebtedness can be expected to vary from time to time as a result of the volume of its business, market conditions and other factors. In addition, MAN Finance expects to continue to sell and securitise receivables. A significant reduction in financing support could have a material adverse effect on MAN's financial condition. Furthermore, MAN's ability to recover its investments in leased vehicles may deteriorate as a result of a decline in resale prices of used vehicles. The ability to collect sales financing receivables could be negatively impacted by consumer and dealer insolvencies. If any of these risks materialise, the future operating results, financial condition and cash flows could be adversely affected.

MAN may face tax risks that result from future tax audits.

MAN's companies that are based in Germany are subject to regular external tax audits. MAN's subsidiaries in other countries are subject to tax audits by the relevant local tax authorities. The most recent external tax audit of MAN's companies that are based in Germany covered the fiscal years ended 30 June 1994 to 2000 and the fiscal years ended 31 December 2000 and 2001 and its results are still preliminary. MAN cannot exclude the possibility that the currently ongoing or any future tax audits of its German and foreign subsidiaries will lead to additional tax claims that could have a material adverse effect on its business, financial condition and results of operations.

Risks Relating to the Industry

MAN's business is affected by the general economic conditions and the cyclical nature of the markets it serves. A softening of economic conditions or a downturn in the markets, which MAN serves, could lead to a reduction in demand and therefore have a material adverse effect on its business.

The products and services that MAN produces, provides and sells worldwide are used in a variety of different manufacturing industries. MAN depends on the cyclicality of the markets and volatility of the sub-markets in which its business divisions and units are active. Since MAN's principal markets are located in Europe and Asia, economic developments in those regions have the greatest impact on demand for the products and services MAN offers. Typically, a weak economy produces declines in sales and margins, particularly in the capital goods market and associated services. These developments affect in particular engineering activities, industrial services and trucks. MAN is also affected by the changing market cycles and volatility in which its customers are active. In Commercial Vehicles in particular, order back-logs are expected to significantly decrease in the medium term. The effects of such developments can be amplified by the fact that MAN cannot easily reduce available production capacity and associated costs, or otherwise adapt to reductions in demand.

In the past, the overall demand for industrial services has been subject to repeated slumps that were due in part to structural and economic developments in individual markets or customer industries and also to generally weak economic conditions. MAN has also been affected by similar factors. Similar developments have also been observed in the area of global truck sales. Future weaknesses in the global economy, an economic downturn or the absence of a recovery in one or more of MAN's major markets and industries could lead to a reduction in sales volumes, revenues or attainable margins. MAN's failure to compensate for negative developments in one sub-market by reducing costs or through potential positive developments in another sub-market could have a material adverse effect on its business, financial condition and results of operations. The greater the number of its sub-markets that are affected, the greater the risk MAN is exposed to.

Rising prices for energy, raw materials and other goods as well as labour costs or prices for services supplied by third parties could have an adverse effect on MAN's results of operations.

MAN's production activities are dependent on a large number of raw materials, supplies, parts, sub-assemblies, components and technical modules from third-party suppliers. MAN uses large quantities of energy from various sources. Energy and raw material prices have risen considerably in recent years and are sometimes subject to substantial cyclical fluctuations. In particular, the price of crude oil, which, *inter alia*, also influences the prices of many raw materials and energy prices, has significantly increased in the last two years. In addition, MAN is dependent on movements in the price of steel, lead and copper. MAN has master agreements with its major suppliers under which prices are usually renegotiated on an annual basis. Continued rises in MAN's costs for energy, raw materials and other materials due to, for example, price increases imposed on MAN by its suppliers that cannot be passed on to the customer or offset with cost savings elsewhere could have a material adverse effect on its business, financial condition and results of operations. The same applies if MAN is unsuccessful in managing its labour costs or in minimising the effects of fluctuations in energy prices or if customers, due to rising energy prices, refrain from ordering new MAN products.

MAN's costs and results of operations would be adversely affected if the actual utilisation of its production capacities were significantly lower than MAN anticipated.

As a result of a cyclical downturn or for other reasons, the utilisation of capacities at MAN's production facilities may deteriorate. This could have an adverse effect on its cost structure and thus on its results of operations. The effect of these risks may even be greater if MAN happens to make incorrect estimates with regard to the development of its major markets and customer industries or if MAN's expectations with regard to the duration and nature of individual market cycles on which its corporate policies and decisions about its investments and expansion of capacities are based should prove to be erroneous.

Fluctuations in currency exchange rates and related risks may adversely affect MAN's results of operations.

As a group that operates worldwide, MAN generates a significant portion of its revenues and income and incurs a significant portion of its expenses in currencies other than the Euro, which include the U.S. dollar, the British pound sterling, the Danish krona, the Turkish lira, the South African rand as well as currencies in Eastern Europe and Asia. Fluctuations in the exchange rates of the respective currencies can have translation and transaction effects. Currency translation effects occur when the financial statements of MAN's consolidated subsidiaries that are recorded in their respective local currency are converted into Euro, MAN's reporting currency. As MAN's expenses and income in the respective currencies rarely match for any given period, an unfavourable movement in these foreign currencies in relation to each other and to the Euro can, due to the cross-border supply of goods and services, lead to differences between the costs of the goods and services MAN supplies in one currency and the sales MAN generates from them in another, which is called a transaction effect. The negative effect of such an unfavourable movement could directly affect MAN's business, financial condition and results of operations. Fluctuations in the currencies that are most important for MAN, in particular the U.S. dollar, the British pound sterling, the Danish krona, the Turkish lira, the South African rand as well as currencies in Eastern Europe and Asia, may result in negative transaction and translation effects in the future. After the proposed acquisition of Scania AB, MAN's currency exposure would increase to non-Euro currencies, especially the Swedish krona. MAN is adversely impacted by translation and transaction effects in particular when the British pound sterling or the U.S. dollar is weak in comparison to the Euro. In addition, an unfavourable movement in exchange rates can mean a considerable competitive disadvantage with respect to MAN's competitors from other currency regions and can lead to declines in orders, particularly in MAN's truck and engineering activities. All of these factors can have significantly material adverse effects on MAN's business, financial condition and results of operations.

Hedging transactions may not fully protect MAN against currency fluctuations or, conversely, will result in unnecessary expenses in the event of favourable currency movements. The assumptions and decisions MAN makes with regard to the future movement of exchange rates and the degree to which MAN undertakes risk avoidance or tolerates risk therefore have a significant effect on the success of MAN's hedging strategy, which if unsuccessful, would have a material adverse effect on its business, financial condition and results of operations.

The global commercial vehicles industry is subject to increasingly strict emissions regulations which demand that vehicle and engine manufacturers spend large amounts on respective research and development ("R&D") which could lead to an increase of product prices which could result in reduced profitability.

Given increasing global awareness of the harmful effects of the emissions of internal combustion engines, governments are tightening regulations about permissible emission levels. While originally having started in the developed markets, this trend is now also widespread in emerging markets, which are key growth areas in the global commercial vehicle industry. The impact on vehicle manufacturers are increased R&D expenditures to reduce the emissions of their engines as well as increased selling prices of vehicles due to greater content of expensive technologies. The timing of the introduction of new emission regulations often increases the cyclicality of vehicle sales owing to pre-buying behaviour of customers prior to new regulations coming in effect, which is then sometimes followed by a drop in demand. In addition, new engine technologies may emerge which may give a competitive advantage to the competitor who introduces the technology first and makes existing technology obsolete. Together, these trends may reduce the financial performance and increase the cyclicality of the business.

GENERAL INFORMATION

Responsibility for the Contents of this Prospectus

The Company, with its registered office in Munich, Germany, assumes responsibility for the content of this Prospectus, pursuant to Section 5(4) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declares that the information contained in this Prospectus is, to its knowledge, correct and contains no omission likely to affect its import, and that it has taken all reasonable care to ensure that the information contained in this Prospectus is, to its knowledge, correct and contains no omission likely to affect its import. Notwithstanding Section 16 of the German Securities Prospectus Act, MAN AG is not required by law to update this Prospectus.

Documents Available for Inspection

For as long as this Prospectus is valid, the following documents, or copies thereof, may be inspected during regular business hours at MAN AG offices at Landsberger Str. 110, Munich, Germany:

- MAN AG's articles of association;
- the Company's consolidated interim financial statements (prepared in accordance with IFRS) for the nine-month period ended 30 September 2006;
- the Company's consolidated financial statements (prepared in accordance with IFRS) as of and for the fiscal years ended 31 December 2005, 2004 and 2003;
- the Company's unconsolidated financial statements (prepared in accordance with the German Commercial Code, (*Handelsgesetzbuch—"HGB"*)) as of and for the fiscal years ended 31 December 2005 and 2004.

Subject Matter of this Prospectus

The subject matter of this Prospectus are up to 26,686,493 ordinary bearer shares (*Stammaktien*) with no par value, each representing a proportionate amount of the Company's issued share capital of €2.56, with full dividend entitlement as of 1 January 2006 if closing of the Acquisition Offer occurs before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2006, and as of 1 January 2007, if the closing of the Acquisition Offer occurs thereafter but before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2007. The Offered Shares either result from a capital increase against contribution in kind from authorised capital to be resolved by MAN's executive board with the approval of its supervisory board or, alternatively, are own shares of MAN AG which MAN AG will have bought back directly or indirectly. The Offered Shares are subject to German law.

Notices

According to MAN's articles of association, notices are published in the electronic version of the German Federal Gazette. Notices relating to MAN's shares are also published in the electronic version of the German Federal Gazette and in an official national journal accredited by the Frankfurt Stock Exchange (*überregionales Börsenpflichtblatt*).

All notices required under German stock exchange laws will be published in an official national journal accredited by the Frankfurt Stock Exchanges and, if required, in the printed version of the Federal Gazette.

Forward-Looking Statements; References

This Prospectus contains certain forward-looking statements. Forward-looking statements may be identified by the fact that they do not relate strictly to historic or current facts or by the use of terminology. Forward-looking statements include, but are not limited to, statements about the expected future businesses of MAN and Scania resulting from a successful transaction. This applies also, in particular, to statements in this Prospectus containing information on future financial results, earning capacity, plans and expectations

regarding MAN's business and management, its future growth and profitability, and general economic and regulatory conditions and other factors that may affect MAN as well as Scania.

Forward-looking statements in this Prospectus are based on current estimates and assumptions made by MAN AG to the best of its present knowledge. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including MAN's financial condition and results of operations, to differ materially from or fail to meet expectations expressed or implied by such forward-looking statements. MAN's as well as Scania's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors/shareholders are strongly advised to read the following sections of this Prospectus: "Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Recent Developments and Outlook". These sections include more detailed descriptions of factors that might have an impact on its business and the markets in which MAN and Scania operate.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur, and forward-looking estimates and forecasts derived from third-party studies that have been reproduced in this Prospectus may prove to be inaccurate. See "*—Presentation of Sources of Market Data; Accounting Regulations; Additional Financial and Numerical Data*". Any such forward-looking statements speak only as of the date on which they are made and MAN does not assume the obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except to the extent legally required.

References to Scania are to Scania Aktiebolag or, depending on the context, to Scania Aktiebolag and its subsidiaries.

Currency Presentation

The amounts in this Prospectus in "€", "EUR" or "Euro" refer to the legal currency of the Federal Republic of Germany since 1 January 1999.

The amounts in this Prospectus in "$", "U.S. $", "U.S. dollar" or "U.S.D." refer to the legal currency of the United States of America.

The amounts in this Prospectus in "SEK" or "Swedish krona" refer to the legal currency of Sweden.

The amounts in this Prospectus in "£", "GBP", "pound sterling", "British pound sterling" or "British pound" refer to the legal currency of the United Kingdom of Great Britain and Northern Ireland.

The following table contains information regarding the exchange rates between the U.S. dollar, British pound and Swedish krona and the Euro for the periods and dates listed. These exchange rates are based on the exchange rates as of the relevant period end dates and the average exchange rates calculated for the relevant periods on a monthly basis. The methodology is consistent with the treatment in MAN's audited annual reports.

Exchange Rate	1 January to 30 September 2006	1 January to 31 December 2005	1 January to 31 December 2004	1 January to 31 December 2003
Period end ($ to €)	1.2660	1.1797	1.3621	1.2630
Average ($ to €)	1.2451	1.2456	1.2424	1.1329
Period end (£ to €)	0.6777	0.6853	0.7051	0.7048
Average (£ to €)	0.6858	0.6839	0.6795	0.6911
Period end (SEK to €)	9.2797	9.3885	9.0206	9.0800
Average (SEK to €)	9.3084	9.2844	9.1283	9.1453

Presentation of Sources of Market Data; Accounting Regulations; Additional Financial and Numerical Data

This Prospectus contains or refers to numerical data, market data, analyst reports, and other publicly available information about MAN's industry and estimates that MAN has made based largely on published market data or on numerical data derived from publicly available sources. To the extent MAN's estimates are based on information that is not available from publicly available sources, MAN believes that it has prepared these estimates with due care and that these estimates reproduce the relevant information in a neutral manner. Any information in this Prospectus that MAN has derived from publicly available sources or that MAN has otherwise derived from third-party sources has been accurately reproduced. As far as MAN is aware and is able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, investors should be aware that market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is often inherently predictive and speculative.

Investors should also be aware that MAN has not verified numerical data, market data, and other information from publicly available sources and assumes no liability for the correctness of numerical data, market data, and other information from publicly available sources.

Unless otherwise indicated, the financial information in this Prospectus related to MAN has been prepared in accordance with IFRS that are applicable as of the relevant reporting date of the respective annual or interim financial statements. The audited financial information for the years ended 31 December 2005 and 2004 has been adjusted with the aim to eliminate the impact of the divested businesses and businesses held for sale on the financial condition and results of the MAN Group. Furthermore, the adjustments ensure that the financials presented are based on the current accounting methods. Specifically, adjustments refer to major divestments MAN made in 2005 and 2006 (MAN Roland, MAN TAKRAF Fördertechnik GmbH, MAN Technologie and Schwäbische Hüttenwerke GmbH), to the classification of the steel trading business of MAN Ferrostaal as discontinued operations and to changed accounting policies for sales subject to buyback obligations in 2005. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview" for a discussion of the adjustments undertaken.

Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to established commercial standards. As a result, the aggregate amounts in this Prospectus may not correspond in all cases to the amounts contained in the underlying sources.

The Acquisition Offer to Scania AB Shareholders

The delivery of the Offered Shares and the issuance and listing of the New Shares, is subject to the condition that the Acquisition Offer is completed. MAN AG reserves the right to withdraw the Acquisition Offer in the event that it is clear that any of the offer conditions is not fulfilled or cannot be fulfilled. However, the Acquisition Offer may only be withdrawn with reference to the non-fulfilment of certain conditions if such non-fulfilment is of material importance for MAN AG's acquisition of the shares in Scania AB. The exact number of Offered Shares depends on the number of Scania AB shareholders accepting the Acquisition Offer under the Basic Alternative and the election by Scania AB shareholders to increase the proportion of the new MAN AG ordinary shares (*Stammaktien*) part under the Mix and Match Facility of the Acquisition Offer.

As authorised by the MAN AG supervisory board (*Aufsichtsrat*), the MAN AG executive board (*Vorstand*) on 18 September 2006 announced a public offer to the shareholders of Scania AB to tender all shares in Scania AB to MAN AG. Scania AB's A and B shares are listed on the Stockholm Stock Exchange, Large Cap, Industrials.

The following documents are prepared in relation to the Acquisition Offer:

- A Swedish language offer document (the "Offer Document"), to which is appended this Prospectus to be approved and registered by the Swedish Financial Supervisory Authority (the "SFSA"; Sw: *Finansinspektionen*) and that is also available in an English version.

- This English language Prospectus relating to the Offered Shares approved by the German Financial Services Authority (*BaFin, Bundesamt für Finanzdienstleistungsaufsicht*) and published by MAN AG and to be registered by the Swedish Financial Supervisory Authority together with a Swedish translation of its table of contents and summary section which, except for the translation of the table of contents and the summary, is only available in English.
- An information brochure (the "Information Brochure"), which is available in Swedish and English. The Information Brochure is not, and does not purport to be, either an offer document or a prospectus according to applicable legal rules.

The information concerning Scania contained herein has been compiled from publicly available information on Scania only and has not been commented on or verified by Scania. MAN AG has strived to ensure that the information concerning Scania compiled is accurate, complete and not misleading. However, MAN AG and its executive board (*Vorstand*) are unable to confirm that the information concerning Scania is accurate, complete and not misleading. MAN AG has not assumed any obligation to independently verify any information on Scania herein and disclaims any liability with respect to the information herein.

Exclusion of Certain Jurisdictions

This Prospectus and the information contained herein are not for distribution or transmission, directly or indirectly, in or into the United States, Australia, Canada or Japan or any jurisdiction in which the making of the Acquisition Offer or the acceptance thereof would not be made in compliance with the laws of such jurisdiction ("Restricted Jurisdiction").

The Acquisition Offer will not be made, directly or indirectly, in or into or by the use of the mails or any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Australia, Canada or Japan or any other Restricted Jurisdiction, and the Acquisition Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within the United States, Australia, Canada or Japan or any other Restricted Jurisdiction.

The Acquisition Offer will not be made to residents of the United States or any other U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) or to residents of Australia, Canada or Japan or any other Restricted Jurisdiction.

This Prospectus and other documents related to the Acquisition Offer may not be electronically accessed by residents of the United States or other U.S. persons or from the United States or from, or by residents of, Australia, Canada or Japan or any other Restricted Jurisdiction. Copies of this Prospectus, and of any other documents related to the Acquisition Offer, are not being and must not be mailed or otherwise distributed or sent in or into or from the United States, Australia, Canada or Japan or any other Restricted Jurisdiction. Persons receiving this Prospectus (including banks, brokers, custodians, nominees and trustees) or other documents related to the Acquisition Offer must not distribute or send such documents in, into or from the United States, Australia, Canada or Japan or any other Restricted Jurisdiction. Any purported acceptance that is post-marked in or otherwise dispatched from or indicates use of any means or instrumentality of interstate or foreign commerce of the United States, Australia, Canada or Japan or any other Restricted Jurisdiction will be invalid.

INFORMATION ABOUT THE OFFERED SHARES

Form; Voting Rights

The Offered Shares are ordinary bearer shares with no par value. Each Offered Share represents a notional amount of MAN AG's share capital of €2.56. Each Offered Share carries one vote at the Company's annual shareholders' meeting. There are no restrictions on voting rights.

For a detailed description of the Company's share capital and shares, see *"Description of Share Capital and Applicable Regulations"*.

Dividend Entitlement; Share of Liquidation Proceeds

The Offered Shares entitle holders to dividend rights as from 1 January 2006, which includes the full fiscal year for 2006, if closing of the Acquisition Offer occurs before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2006, and as of 1 January 2007, if the closing of the Acquisition Offer occurs thereafter but before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2007, and for all subsequent fiscal years. MAN AG's articles of association provide that the dividend rights of New Shares issued as part of a capital increase may be determined in deviation from Section 60(2) of the German Stock Corporation Act (*Aktiengesetz*). However, pursuant to Section 24(3) of the Company's articles of association, the holders of non-voting preference shares are entitled to a preference dividend.

In the event all available new MAN AG ordinary shares are issued under the Acquisition Offer, the shareholdings of current shareholders of MAN AG would be diluted by 15.4%.

If the Company is liquidated, the holders of the Offered Shares are entitled to any liquidation proceeds in proportion to their holdings in the Company's share capital.

Admission to Stock Exchange Trading; Certification; Delivery

It is expected that listing of the New Shares to the official market segments (*amtlicher Markt*) of the Frankfurt Stock Exchange and to the sub-segment of the official market segment with further post-admission obligations of the Frankfurt Stock Exchange (Prime Standard) would become effective and dealings, for normal settlement, on the Frankfurt Stock Exchange would begin shortly following the date on which MAN AG would announce that all conditions to the Acquisition Offer have been fulfilled.

The Offered Shares will be delivered to shareholders of Scania AB in the form of co-ownership rights in a global share certificate deposited with the collective securities depositary Clearstream Banking AG, 60485 Frankfurt am Main, Germany. Offered Shares are expected to be delivered shortly following the date on which MAN AG would announce that all conditions to the Acquisition Offer have been fulfilled through the book-entry facilities of Clearstream Banking AG into the book-entry facilities of VPC. Pursuant to the Company's articles of association, shareholders are not entitled to receive individual share certificates.

Legal Basis for the Issuance of the New Shares

The legal basis for the issuance of the New Shares are the provisions of the German Stock Corporation Act, Sections 182 and 186 in connection with Section 203.

Transferability; Prohibitions on Disposal

The Offered Shares are freely transferable; there are no legal restrictions in trading in the Offered Shares.

Notices and Paying Agent

According to the Company's articles of association, notices are published in the electronic version of the German Federal Gazette (*elektronischer Bundesanzeiger*).

All notices required under German Stock Exchange laws will be published in an official national journal accredited by the Frankfurt Stock Exchange and, if required, in the German Federal Gazette.

MAN AG is required to specify and announce at least one financial institution as payment agent in Germany at the counter of which, in particular, any dividends due will be paid out. The paying agent for MAN AG's shares is Bayerische Hypo- und Vereinsbank AG, Arabellastr. 12, 81925 München.

ISIN; WKN; Common Code; Stock Exchange Symbols

International Securities Identification Number (ISIN): DE0005937007

German Securities Code (WKN): 593 700

Common Code: 001117254

Trading symbol: MAN

Costs of MAN in Connection with the Offered Shares

MAN AG estimates that the total costs of MAN AG in connection with the Offered Shares and the preparation of the Securities Prospectus (including any fees payable to legal advisors and to the printer, as the case may be) will amount to €2.7 million. Provisions to be paid to a bank accompanying the proposed capital increase will consist of a lump-sum payment of around €400,000, which is currently subject to negotiation between the Company and the bank.

CAPITALISATION AND INDEBTEDNESS, WORKING CAPITAL

The following tables illustrate MAN AG's capitalisation as of 30 September 2006 prior to completion of the Acquisition Offer on an actual basis. These tables should be read in conjunction with MAN AG's unaudited consolidated interim financial statements as of and for the nine-month period ended 30 September 2006 and the accompanying notes (see *"Financial Information—Unaudited consolidated financial Statements of MAN AG as of and for the nine months ended 30 September 2006"*).

CAPITALISATION

(in € millions) (unaudited)	30 September 2006 (prior to completion of the Acquisition Offer)
Financial liabilities	
Long-term financial liabilities	511
Thereof: guaranteed by third parties	0
Thereof: secured by third parties	0
Thereof: unsecured	511
Short-term financial liabilities	617
Thereof: guaranteed by third parties	0
Thereof: secured by third parties	0
Thereof: unsecured	617
Financial liabilities	1,128
Group equity	
Subscribed capital	376
Capital reserves	795
Retained earnings	2,505
Accumulated other comprehensive income	-7
Total equity (excluding minority interests)	3,669
Minority interests	24
Capitalisation (total)	3,693
Number of Company shares	**147,040,000**

NET LIQUID ASSETS

(in € millions) (unaudited)	30 September 2006 (prior to completion of the Acquisition Offer)
Cash and cash equivalents	990
Securities	162
Available cash and cash equivalents and securities	1,152
Short-term capital market liabilities	101
Short-term liabilities to banks	516
Short-term financial debt	617
Long-term capital market liabilities	305
Long-term liabilities to banks	206
Long-term financial debt	511
Net liquid assets	24

Breakdown of Net Liquid Assets

(in € millions) (unaudited)	30 September 2006 MAN Group	Industrial Business	Financial Services
Cash & cash equivalents	990	979	11
Short-term securities	162	162	–
Intragroup financing	–	842	–842
Financial liabilities	–1,128	–669	–459
Total	**24**	**1,314**	**–1,290**

Contingent and Indirect Liabilities

MAN's contingent liabilities, largely consisting of guarantees, suretyships and joint liabilities, increased between 31 December 2005 and 30 September 2006 by €281 million up to €1,048 million in connection with the divestment of MAN Roland Druckmaschinen AG.

Working Capital

MAN believes that, according to currently available information, it will be in the position to meet all of its payment obligations due in the next twelve months.

EARNINGS PER SHARE AND DIVIDEND POLICY

The Offered Shares entitle holders to dividends as from 1 January 2006, if closing of the Acquisition Offer occurs before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2006, and as of 1 January 2007, if the closing of the Acquisition Offer occurs thereafter but before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2007. However, pursuant to Section 24(3) of the Company's articles of association, the holders of non-voting preference shares are entitled to a preference dividend.

The consolidated earnings per share (i.e. net income from continuing operations after minority interests according to consolidated financial statements) in accordance with IFRS and the dividends paid by MAN AG for the fiscal years 2001, 2002, 2003, 2004 and 2005 are listed below. The earnings per share were calculated with each share representing a notional amount of MAN AG's issued share capital of €2.56.

	Net income from continuing operations after minority interests according to consolidated financial statements (IFRS) (in € millions)	Net income from continuing operations after minority interests according to consolidated financial statements (IFRS) (per share in €)	Net income according to financial statements of the Company (HGB) (in € millions)	Total distributed dividends (in € millions)	Dividends based on MAN AG's annual financial statements (HGB) (per share in €)
2001	151	1.01	88	88	0.60
2002	135	0.92	108	88	0.60
2003	184	1.25	180	110	0.75
2004	308	2.09	204	154	1.05
2005	462	3.04	269	199	1.35

The dividend for the previous fiscal year is proposed by the Company's executive board and supervisory board and approved for payment by the shareholders at shareholders' meeting of the following year. Dividends approved at the shareholders' meeting are payable on the first business day following the shareholders' meeting, provided that the dividend resolution does not stipulate otherwise. Dividend payment claims are subject to a three-year statute of limitation in favour of the Company. MAN's paying agent for the dividends is Bayerische Hypo- und Vereinsbank AG, Munich.

Detailed information about the dividends is published in the electronic version of the German Federal Gazette (*Bundesanzeiger*) and in at least one official national journal accredited by the Frankfurt Stock Exchange (*überregionales Börsenpflichtblatt*). Dividends may only be paid from the Company's retained earnings (*Bilanzgewinn*) recorded in its annual unconsolidated financial statements, which are prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), as opposed to MAN AG's consolidated financial statements, which are prepared in accordance with IFRS. The accounting principles of the German Commercial Code and IFRS differ in certain respects. Because the Company functions as a holding company, accumulated profits are also affected by subsidiaries' dividend distributions. When calculating retained earnings available for distribution, the net income for the period (*Periodenergebnis*) must be adjusted for profit/loss carry-forwards from the prior fiscal year and for withdrawals from or allocations to reserves. German law requires certain reserves to be established, and such reserves must be deducted in calculating retained earnings available for distribution. Withholding tax (*Kapitalertragsteuer*) of 20% plus a 5.5% solidarity surcharge on the withholding tax is withheld from the dividends paid. See *"Taxation in the Federal Republic of Germany—Taxation of Shareholders—Taxation of Dividends."* MAN AG intends to continue to pay dividends depending on the earnings situation. However, MAN AG's ability to pay dividends in future years will depend on the amount of distributable retained earnings that are available. MAN AG can provide no assurance regarding the amounts of future retained earnings, if any, and consequently, the Company can provide no assurance that it will pay dividends in future years. Moreover, dividends paid in prior years are not indicative of the amounts of future dividend payments.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

The following tables provide a summary of MAN AG's selected consolidated unaudited adjusted financial and other data as of and for the year ended 31 December 2004 and 2005 and MAN AG's selected consolidated audited financial and other data as of and for the year ended 31 December 2003 and the nine-month period (unaudited) ended 30 September 2006 and comparative unaudited financial and other data as of and for the nine-month period ended 30 September 2005 as well as a summary of the unaudited illustrative financial information (MAN and Scania) contained in this Prospectus the "Illustrative Financial Information (MAN and Scania)".

The selected consolidated financial and other data was obtained or derived from MAN AG's consolidated financial statements prepared in accordance with IFRS and additional unaudited historical data. In the future, the consolidated financial statements and consolidated interim financial statements of the MAN Group will continue to be prepared in accordance with IFRS. BDO Deutsche Warentreuhand Aktiengesellschaft audited the consolidated financial statements prepared in accordance with IFRS for the financial years ended 31 December 2003 and 2004; the consolidated financial statements for the year ended 31 December 2005 have been audited by KPMG Deutsche Treuhand-Gesellschaft, Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft. MAN AG's consolidated interim financial statements prepared under IFRS for the nine-month periods ended 30 September 2005 and 30 September 2006 are unaudited. The audited financial information for the years ended 31 December 2005 and 2004 has been adjusted with the aim to eliminate the impact of the divested businesses and businesses held for sale on the financial condition and results of the MAN Group. Furthermore, the adjustments ensure that the financials presented are based on the current accounting methods. Specifically, adjustments refer to major divestments MAN made in 2005 and 2006 (MAN Roland, MAN TAKRAF, MAN Technologie and Schwäbische Hüttenwerke), to the classification of the steel trading business of Ferrostaal as discontinued operations and to changed accounting policies for sales subject to buy-back obligations in 2005. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operation—Overview" for a discussion of the adjustments undertaken.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and the actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to, those listed under "Risk Factors" and included elsewhere in this Prospectus. Please see "General Information—Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

The Illustrative Financial Information (MAN including Scania) contained in this Prospectus as of and for the nine-month period ended 30 September 2006 and for the year ended 31 December 2005, has not been audited or subjected to other review. The Illustrative Financial Information (MAN and Scania) includes Scania Group in addition to the subsidiaries consolidated in the MAN Group. For purposes of the preparation of the Illustrative Financial Information (MAN and Scania) in the income statement for the period from 1 January through 31 December 2005, it is assumed that the acquisition had taken place as of 1 January 2005. For purposes of the preparation of the Illustrative Financial Information (MAN and Scania) in the illustrative balance sheet as of 30 September 2006 and the illustrative income statement for the period from 1 January through 30 September 2006, it is assumed that the acquisition had taken place as of 1 January 2006. The Illustrative Financial Information (MAN and Scania) as included in this Prospectus is not pro forma financial information within the meaning of Commission Regulation (EC) 809/2004 of 29 April 2004. MAN AG has offered Scania AB to cooperate in the preparation of the Offer Document. Scania AB has declined such cooperation. Accordingly MAN AG has not been given access to the necessary financial information. Because of the lack of access to Scania AB's financial information, MAN AG is unable to provide pro forma financial information that complies with the requirements of Annex II of Commission Regulation (EC) 809/2004 of 29 April 2004, and with the requirements of the Accounting Practice Statement of the IDW (Institute of German Public Accountants) regarding pro forma financial information. In particular, the consistency of accounting and measurement methods is not guaranteed. With respect to presentation methods, MAN adjusted the presentation of selected balance sheet and income statement lines of MAN and Scania in order to arrive at a uniform and more informative structure of the Illustrative Financial Information (MAN and Scania). No preliminary allocation of the purchase price has been taken into account.

Instead of pro forma financial information, MAN AG has provided Illustrative Financial Information (MAN and Scania) with the aim of providing an indication of the financial condition and results of operations (within certain ranges) of the Combined Group, after consummation of the acquisition. Please see "Illustrative Financial Information (MAN and Scania)" for a discussion of the uncertainties, risks and assumptions associated with the Illustrative Financial Information (MAN and Scania). Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to established commercial standards. As a result, the aggregate amounts in this Prospectus may not correspond in all cases to the amounts contained in the underlying sources.

Selected financial information from MAN AG's consolidated financial statement

Selected consolidated income statement data

	Nine-month period ended 30 September (unaudited)		Year ended 31 December (unaudited)		(audited)
(in € millions)	Reported 2006	Comparable 2005	Adjusted 2005[3]	Adjusted 2004[3]	Reported 2003
Sales	**9,470**	**8,204**	**11,500**	**10,998**	**15,021**
Cost of sales[2]	-7,298	-6,468	-9,018	-8,680	-12,313
Gross profit	**2,172**	**1,736**	**2,482**	**2,318**	**2,708**
Operating profit[1]	**751**	**449**	**670**	**521**	**383**
Net interest[2]	-44	-59	-66	-104	-122
Non-recurring items	0	-38	-37	0	0
Income taxes	-183	-100	-160	-116	-69
Result from discontinued operations	153	17	0	0	43
Minority interests	-8	-6	-6	-5	-8
Net income after minority interests	**669**	**263**	**401**	**296**	**227**

[1] Including Financial Services interest result.
[2] Excluding Financial Services interest result.
[3] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected consolidated balance sheet data

	(unaudited)		(unaudited)		(audited)
(in € millions)	Reported 30 September 2006	Comparable 31 December 2005	Adjusted 2005[3]	Adjusted 31 December 2004[3]	Reported 2003
Liquid assets	1,152	1,191	1,423	975	548
Other current assets	7,049	7,272	6,077	5,842	6,675
Non-current assets	3,163	3,127	2,913	2,780	3,932
Assets from customer finance[1]	2,406	2,408	2,408	2,252	-
Total assets	**13,770**	**13,998**	**12,821**	**11,849**	**11,155**
Current accruals and liabilities	5,979	6,523	5,363	4,405	5,180
Non-current accruals and liabilities	2,307	2,338	2,153	2,443	3,191
Minority interests	24	58	32	32	64
Shareholders' equity	3,669	3,220	3,414	3,073	2,720
Liabilities from customer finance[2]	1,791	1,859	1,859	1,896	-
Total equity and liabilities	**13,770**	**13,998**	**12,821**	**11,849**	**11,155**

[1] Reclassified from non-current assets; no reclassification undertaken in audited 2003 figures.
[2] Reclassified from current and non-current accruals and liabilities; no reclassification undertaken in audited 2003 figures.
[3] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected consolidated cash flow data

			Year ended 31 December		
	(unaudited)		(unaudited)		(audited)
(in € millions)	Reported 30 September 2006	Comparable 31 December 2005	Adjusted 2005[2]	Adjusted 2004[2]	Reported 2003
Cash earnings[1]	813	491	765	653	857
Cash flow from operating activities	346	722	977	818	924
Cash flow from investing activities	-248	-253	-344	-276	-335
Free Cash Flow	98	469	633	542	589
Cash flow from financing activities	-104	-191	-226	-456	-623

[1] Cash flow attributable to the net income of the year.
[2] Adjustments relate primarily to discontinued operations and, as they relate to 2004, to sales subject to buyback obligations.

Selected illustrative financial information

Selected consolidated income statement data

	Illustrative combined MAN + Scania	
(in € millions) (unaudited)	Nine-month period ended 30 September 2006	Year ended 31 December 2005
Sales	**15,334**	**18,512**
Cost of sales	-11,695	-14,301
Gross profit	**3,639**	**4,211**
Operating profit[1]	**1,417**	**1,409**
Net interest[2]	-275	-299
Non-recurring items	0	-37
Taxes	-323	-320
Result from discontinued operations	153	0
Minority interests	-8	-6
Net income after minority interests	**964**	**747**

[1] Including Financial Services interest result.
[2] Excluding Financial Services interest result.

Selected consolidated balance sheet data

(in € millions) (unaudited)	Illustrative combined MAN + Scania Nine-month period ended 30 September 2006
Liquid assets	2,202
Other current assets	9,527
Non-current assets	13,634
Assets from customer finance	5,715
Total assets	**31,078**
Current accruals and liabilities	8,964
Non-current accruals and liabilities	11,977
Minority interests	25
Shareholders' equity	5,447
Liabilities from customer finance	4,665
Total equity and liabilities	**31,078**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Investors should read the following discussion of results of operations and financial condition of the MAN Group in conjunction with the audited historical consolidated financial statements and the notes related thereto as well as the unaudited adjusted financial information based on the audited financial information appearing elsewhere in this Prospectus, including "Summary—Summary Financial Information" and "Selected Consolidated Financial Information and Operating Data." The audited historical consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board as adopted by the Commission of the European Union and contain the audited financial information in accordance with IFRS as of and for the years ended 31 December 2003, 2004 and 2005, as well as the comparative figures, respectively, for each previous financial year.

The interim consolidated financial statements of the Company as of and for the nine-month period ended 30 September 2006 are contained in the financial statements section of this Prospectus. These interim financial statements were also prepared in accordance with IFRS, and contain the unaudited financial information in accordance with IFRS as of and for the nine-month period ended 30 September 2006 and comparative figures as of and for the nine-month period ended 30 September 2005. In the future, the consolidated financial statements and consolidated interim financial statements of the MAN Group will continue to be prepared in accordance with IFRS.

The following discussion of results of operation and financial condition is based upon the unaudited adjusted financial information for the years ended 31 December 2005 and 2004, and the unaudited financial information for the nine-month periods ended 30 September 2006 and 2005. The audited financial information for the years ended 31 December 2005 and 2004 has been adjusted with the aim of eliminating the impact of the divested businesses and businesses held for sale on the financial condition and results of the MAN Group, in order to aid the comparability of results of prior periods and to reflect decisions to discontinue certain operations. Comparison of the financial condition and results of operation for the year ended 31 December 2004 against the year ended 31 December 2003 is not included in the discussion that follows because the audited financial statements for the year ended 31 December 2003 cannot be adjusted for comparability. MAN has changed accounting policies for sales subject to buyback obligations in 2005. To the extent that the buyback obligation still existed after 1 January 2004, the revenue from any such sale has retrospectively been accounted for as lease instead of recognising realised sales. No data for financial statements of before 2004 had been collected and calculated when these adjustments were undertaken in the course of the preparation of MAN's annual report 2005 due to the enormous efforts associated with the data collection for this type of accounting change. Furthermore, adjustments for divestments undertaken in 2005 and 2006 were not applied to years prior to 2004 since the respective data for some of these divisions was not available. Please refer to "—Overview—Basis of Presentation and Notes on Comparability" below for information on the financial information and statements that form the basis of this discussion.

The Company's separate statutory financial statements as of and for the year ended 31 December 2005, which are included in the financial statements section of this Prospectus, were prepared in accordance with the German Commercial Code (Handelsgesetzbuch). HGB and IFRS differ in certain material respects. Please refer to "—Additional Information from the Separate Statutory Financial Statements of MAN AG" below for a discussion of these statements.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and the actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and included elsewhere in this Prospectus. Please see "General Information—Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Unless otherwise specifically noted, the figures contained in the tables and text below are stated in millions of euros. As a result, those figures have been rounded. Any percentage changes shown in the tables and text below have also been rounded to one decimal place.

Overview

The Group

The MAN Group, headed by MAN AG as a holding company, is a manufacturer of capital goods and provider of industrial services. Its core business areas are Commercial Vehicles, Industrial Services, Diesel Engines and Turbomachines. These business areas are supplemented by MAN Financial Services.

The Commercial Vehicles business is the MAN Group's largest division, and is one of Europe's leading manufacturers of commercial vehicles (based on market share) with production facilities in four different countries. It had sales of €6,145 million and operating profit of €449 million in the nine-month period ended 30 September 2006. The Industrial Services business supplies industrial services and systems worldwide, and acts as a general contractor and offers project development and as well as logistical services. Until recently it had also been involved in steel trading, but this division is now being discontinued. For the nine-month period ended 30 September 2006, the sales and operating profit of Industrial Services were €935 million and €77 million respectively. The Diesel Engines business is one of the world's leading designs and manufacturers of large diesel engines, primarily for maritime but also stationary applications (based on market share). This business generated sales of €1,316 million and operating profit of €157 million in the nine-month period ended 30 September 2006. Finally, the Turbomachines business is a manufacturer and service provider of turbo compressors and industrial turbines, and also supplies reactor systems through its subsidiary MAN DWE GmbH. Its product range has applications in the oil and gas, basic chemistry and power generation industries. In the nine-month period ended 30 September 2006, this business had sales of €606 million and operating profit of €46 million. Of the MAN Group's sales and operating profit in the nine-month period ended 30 September 2006, €312 million and €25 million respectively were attributable to the MAN Financial Services business.

The MAN Group had worldwide sales of €9,470 million in the nine-month period ended 30 September 2006, and €11,500 million and €10,998 million for the years ended 31 December 2005 and 2004, respectively. The Group's operating profit was €751 million in the nine-month period ended 30 September 2006, and €670 million and €521 million for the years ended 31 December 2005 and 2004, respectively. Net income after minority interests was €669 million in the nine-month period ended 30 September 2006, and €401 million and €296 million for the years ended 31 December 2005 and 2004, respectively. The MAN Group (adjusted) had a total of 48,697 employees as of 31 December 2005 and 50,268 employees as of 30 September 2006.

Basis of Presentation and Notes on Comparability

Management's discussion and analysis of results of operations and financial condition is based on the unaudited adjusted annual consolidated financial statements of the MAN Group for the years ended 31 December 2004 and 2005, and the unaudited interim financial statements for the MAN Group for the nine-month periods ended 30 September 2005 and 2006. The adjusted figures are derived from the MAN Group's historical audited annual consolidated financial statements. Adjustments refer to major divestments MAN made in 2005 and 2006 (MAN Roland, MAN TAKRAF Fördertechnik GmbH, MAN Technologie AG and Schwäbische Hüttenwerke GmbH), to the classification of the steel trading business of MAN Ferrostaal as discontinued operations and to changed accounting policies concerning buy-back obligations in the Commercial Vehicles business area in 2005.

The adjustments aim to eliminate the impact of the divested businesses and businesses held for sale on the financial condition and results of the MAN Group. Furthermore, the adjustments ensure that the financials presented are based on the current accounting policies. For this purpose it was assumed that the disposals were undertaken prior to the beginning of the respective reporting period. As the first step of the adjustment, the financial impact of the divested businesses and businesses held for sale was eliminated from the historical financial results in 2004 and 2005. The previously consolidated business transactions between the divested businesses, business held for sale and the remaining business segments have been accounted for in the consolidated financial statements, particularly with respect to accounts receivable, accounts payable, sales and cost of sales. The impact of the disposals on the equity, cash and other positions was included in the adjusted balance sheet while the steel trading business, which has not yet been

divested, was recorded as financial investment valued at book value of net assets. Interest from purchase price payments has not been considered. The accounting policies concerning buy-back obligations in the Commercial Vehicles and Financial Services business areas, which were adopted and first reflected in the financial statements for 2005, have been retrospectively adjusted in the financial statements for 2004, and also applied to the unaudited interim financial statements for the nine-month period ended 30 September 2006 and 2005. For further information on these adjustments, please refer to Note 5 to the audited financial statements as of and for the year ended 31 December 2005 included in the financial statements section of this Prospectus.

	Sales		Operating Profit		Balance Sheet Total	
2004	(€ millions)	in %	(€ millions)	in %	(€ millions)	in %
Audited	**14,947**	**100.0**	**573**	**100.0**	**11,724**	**100.0**
Adjustments						
Printing	-1,620	-10.8	-3	-0.5	-1,497	-12.8
Steel business	-1,459	-9.8	-31	-5.4	-288	-2.4
MAN TAKRAF	-94	-0.6	-3	-0.5	-115	-1.0
Others (disposal in 2005)	-443	-3.0	-7	-1.2	-369	-3.1
Accounting for buy-back obligations	-466	-3.1	-8	-1.5	1,655	14.1
Consolidation	133	0.9	–	–	739	6.3
Adjusted (unaudited)	**10,998**	**73.6**	**521**	**90.9**	**11,849**	**101.1**

	Sales		Operating Profit		Balance Sheet Total	
2005	(€ millions)	in %	(€ millions)	in %	(€ millions)	in %
Audited	**14,671**	**100.0**	**765**	**100.0**	**13,998**	**100.0**
Adjustments						
Printing	-1,738	-11.8	-65	-8.5	-1,483	-10.6
Steel business	-1,375	-9.4	-25	-3.3	-274	-2.0
MAN TAKRAF	-123	-0.8	-5	-0.7	-130	-0.9
Consolidation	65	0.4	–	–	710	5.1
Adjusted (unaudited)	**11,500**	**78.4**	**670**	**87.5**	**12,821**	**91.6**

Future Changes to Accounting

MAN intends to change the accounting policies concerning defined benefit plans pursuant to IAS 19.93A. This policy refers to actuarial gains and losses and envisages that these will be recognised in the period outside of profit and loss accounts and charged directly against equity, net of tax. Applying this policy to the unaudited adjusted financial statements as of 31 December 2005, this change would result in an increase in pension obligations of €346 million, an increase in deferred tax assets of €138 million and a decrease in equity of €208 million. A corresponding effect on the accounts would appear in the financial statements of the Group as of and for the year ended 31 December 2006.

Key Factors Affecting Results of Operations and Financial Conditions

External market-based factors

Effects of general economic conditions

As a provider of capital equipment and industrial services, MAN is susceptible to economic cycles and the overall level of economic activity in its major markets and those of its customers. In particular, the global volume of trade affects the MAN Group's business. Two of MAN's four business areas, i.e. Commercial Vehicles and Diesel Engines, service the transportation industry by providing commercial vehicles and marine engines. The overall increase in global trade, the exploitation of new markets in Eastern Europe and Asia as well as the emergence of large countries such as China and India as major industrial producers and

consumers of goods have increased demand by the transportation industry for MAN's products and will continue to play an important role for its business. While MAN sees itself as protected to some degree from cyclical market down-turns due to well-filled order books and backlogs, in particular in the Diesel Engines business area and to some degree also in Commercial Vehicles, MAN expects these current, strongly positive market conditions to weaken in the near future. In Commercial Vehicles in particular, order back-logs are expected to significantly decrease in the medium term.

Competition

In the Diesel Engines and Turbomachines business areas, MAN operates in a concentrated market, in which only a few players have achieved the market reputation for reliability and technical innovation required to compete successfully in the market. Customers for MAN's turbomachines and marine engines require a very high level of reliability throughout the useful life of the equipment and are therefore willing to accept high prices for equipment quality meeting their expectations. MAN therefore needs to consistently monitor and improve its production standards to ensure consistently high production quality, which in turn requires major capital investments. To some degree the same holds true for the Commercial Vehicles business area. In the Commercial Vehicles market, reliability of the vehicle, fuel consumption, compliance with environmental standards and to a lesser degree the price of the vehicle are important competitive factors. Due to the highly complex emissions standards applied in Western markets and the large investment and technological expertise required to keep pace with these standards, MAN's technology in these areas will allow it to maintain a competitive edge. In addition, due to MAN's considerable share of the existing population of commercial vehicles in Western Europe, as well as the global reach of its Diesel Engines and Turbomachines business areas, the spare parts business has become a major contributor to sales and profits in these business areas. Notably in the segment of commercial vehicles, MAN faces competition from independent repair shops and service providers. MAN expects to leverage its brand in this segment and to grow its sales in spare parts, a business, which delivers higher margins. In the Industrial Services business area, the demand by public and public sector companies in emerging markets for industrial services and systems, as well as services relating to project development, depends substantially on the availability of limited recourse financing from financial institutions, as such entities are unable to fund such projects themselves. The availability and terms of such financing increases competition and has affected sales of the Industrial Services business area.

High energy and commodity prices

MAN's production activities are dependent on a large number of raw materials and supplies, in particular steel, parts, subassemblies, components and technical modules from third-party suppliers. MAN uses large quantities of energy from various sources. Energy and raw material prices have risen considerably in recent years and are sometimes subject to substantial cyclical fluctuations. In particular, the price of crude oil, which also influences the prices of many raw materials and energy prices, has significantly increased in the last few years and has had a negative effect on the cost of sales and gross margins. While high energy prices negatively affect MAN's business to the extent that in production MAN is a consumer of energy, the high price level for oil, natural gas and other petrochemical products has also had a positive effect on MAN's business by increasing demand for MAN's products and services. The oil and gas industry has been and continues to be a major customer of MAN's Turbomachines and Industrial Services businesses. The increased production volumes of oil and gas at high price levels have allowed the energy industry to invest in new infrastructure, which requires turbo compressors and other capital goods manufactured by MAN. High energy prices have also led to liquified natural gas becoming a viable source of energy, leading to the emergence of a new industry. MAN's businesses have benefited from this development, not only from direct sales of equipment to this new industry, but also from the increased demand it has created for shipping capacity, and accordingly for marine engines which MAN produces. High prices of diesel fuels have also incentivised transportation companies to invest in more fuel-efficient fleets, *inter alia* from MAN, thereby helping operators to reduce their expenses by an amount greater than the expenses and depreciation associated with the new equipment purchase.

Interest rates

The MAN Group meets its financing needs through a combination of cash flow from operations and, to a lesser extent, debt capital market instruments and bank loans, and has in place an appropriate interest rate hedging strategy. Financing the acquisition of Scania will significantly increase MAN's financial liabilities and associated interest expenses. Future interest rate risks, especially those related to the acquisition financing, are expected to be hedged in line with the Group's existing risk strategy, and may be hedged by corresponding interest derivatives. The aggregate interest rate risk, to the extent possible, is managed at the Group level. See *"Risk Factors—Risks Related to the Acquisition Offer—MAN's acquisition of Scania requires substantial financing and is therefore susceptible to changes in interest rates."*

Currency fluctuations

The MAN Group's reporting and functional currency is the Euro. However, as a group that operates worldwide, MAN generates a significant portion of its revenues and income and incurs a significant portion of its expenses in currencies other than the Euro, which primarily include the U.S. dollar, the British pound sterling, the Turkish lira, the South African rand and the Danish krona as well as currencies of eastern European and Asian countries. Therefore, the MAN Group's sales and results of operations will be exposed to fluctuations in the relative values of the relevant currencies for so long as no hedging is applied. Furthermore, the acquisition of Scania would increase MAN's currency exposure to non-Euro currencies, and in particular to the Swedish krona. The MAN Group manages exchange rate risk primarily by hedging transactions at the Group level, and any further foreign exchange risks, especially those related to the acquisition of Scania, are expected to be hedged in line with this existing strategy at Group level. See *"—Quantitative and Qualitative Disclosure About Market Risk—Currency Risks" and "Risk Factors—Risks Related to the Business—Fluctuations in exchange rates and related risks may adversely affect MAN's results of operations."*

Operational factors

Innovations

The economic success and competitiveness of the MAN Group depends on its ability to keep adapting its current product range according to technological progress and customer requirements, as well as its ability to set technological standards in certain areas, whilst at the same time maintaining its products' reputation for reliability and durability. As a result, innovations from MAN's R&D activities are critical for its long-term success. In the Commercial Vehicle business area, R&D efforts focus on reliability, fuel efficiency, reduction of emissions (exhaust, noise) and safety. In the Diesel Engines business area, the emphasis of innovation is on reliability and reduced emissions. In the Turbomachines business area, R&D concentrates on enhancing efficiency and power of the equipment. Creating a new design for a turbomachine is very costly and time consuming. Furthermore, MAN's competitors in this market include certain aircraft engine manufacturers who benefit from applying aircraft engine designs to innovations in very large turbomachines. MAN expects its R&D spending to remain at historic absolute levels but to decrease as a percentage of sales.

Capital investments

The MAN Group businesses require regular new and continued capital investments to expand and modernise existing production facilities. This is especially true for the Commercial Vehicles business area. Capital investments, predominant in this business area, have led to an increase in capital expenditure for the MAN Group by 21.7% from 2004, to a total of €404 million in 2005. An increase in the production capacity of commercial vehicles entails considerable risk as the future demand for commercial vehicles is difficult to assess due to the highly fragmented nature of the transportation industry in which excess capacity cannot be easily identified. Increases in production capacity cannot be made gradually, as any new plant requires a minimum capacity in order to be efficient. Following completion of the truck plant in Poland by the end of 2006, capital expenditure levels are expected to revert back to normal levels in 2007. Of the total planned capital expenditures of €335 million in 2007, €220 million relates to the Commercial Vehicles business area and €50 million is dedicated to the further expansion of MAN's Turbomachines business area.

Acquisitions and geographical expansion
In the Commercial Vehicles business area, the market is characterised by a high degree of fragmentation such that a consolidation would likely result in an overall increase of efficiency. Participants in such consolidation could therefore benefit from resultant synergies and enhance geographical reach. MAN in the Commercial Vehicles business area is mainly a supplier to the transportation industry in Western Europe. It has only recently entered into a cooperation agreement with Navistar regarding engines for commercial vehicles in the United States, formed a production joint venture in India and is building production facilities in Poland. MAN's decision to take over Scania allows MAN to play an active role in industry consolidation, enjoy synergies and increase its geographical reach to markets beyond Europe. In the three remaining business areas, i.e. Turbomachines, Diesel Engines and Industrial Services, MAN already operates on a global scale and considers the market is already concentrated to the extent that there are few opportunities for further consolidation.

Results of Operations

Overview

Income Statement

Discussion of Individual Items in the Income Statement
The composition of individual items on the income statement of the MAN Group is explained below:

Sales. Sales consists of the sale of products and services. Revenue from such sales is recognised as and when the underlying products or goods are delivered or the services are rendered and after risk has been passed on to the customer. Revenues from customised manufacturing contracts are recognised on a percentage-of-completion basis.

Cost of sales. Cost of sales is the costs of goods and services sold. It includes the cost of materials and supplies as well as manufacturing expenses that are directly attributable to production, depreciation of tangible assets related to production, amortisation of certain intangible assets and inventory write-downs.

Other operating income. Other operating income reflects gains from financial instruments, income from the release of accruals, income from other trade business as well as gains from the disposal of tangible and intangible assets. The gains from financial instruments primarily reflect the results from hedges, the method of presentation of which was changed in 2005; they are no longer offset against the corresponding results from accounting for the hedged items.

Selling expenses and general administration expenses. Selling expenses are comprised of costs related to sales organisation, while general administration expenses reflect expenses, such as those relating to administrative and headquarter functions, which are not otherwise allocated to cost of sales or selling expenses.

Other operating expenses. Other operating expenses reflect expenses that are not assigned to any of the functional expense categories, primarily cost of sales; and comprise research and development expenses; additions to other accruals; losses on financial instruments; allowances for receivables; write-downs of goodwill; legal, audit, counselling and consultancy fees; and personnel expenses that cannot be allocated.

Net profit/(loss) from associated affiliates. Net profit/(loss) from associated affiliates consists of MAN's part of the profit or loss of investees on which MAN has significant influence.

Other income from investments. This includes dividends received from other investments and write-downs of investments.

EBIT. EBIT is earnings before interest and taxes.

Net interest. Net interest includes interest income and expenses of the Industrial business areas, and of the Financial Services areas, as well as the interest component from pension obligations and plan assets.

Income taxes. Income taxes reflect the current tax expenses and deferred taxes as well as income tax expense or income relating to prior periods.

Net result of discontinued operations. This line item consists of the net post-tax result of discontinued operations and the post-tax gain or loss from the disposal of such operations.

Net income. Net income reflects income after taxes on income, including deferred taxes.

Minority interests. Minority interests reflects net income attributable to minority interests in equity.

Operating profit. MAN's key parameter for assessing and controlling a business area's profitability is operating profit. For its industrial business areas (i.e., all MAN Group business areas other than Financial Services), operating profit generally equals EBIT, while for the Financial Services division it generally equals earnings before tax (EBT). Certain important, one-time factors or effects are eliminated on a case-by-case basis.

Nine-Month Period Ended 30 September 2006 compared to the Nine-Month Period ended 30 September 2005

The table below sets forth the income statement information for the nine-month period ended 30 September 2006 and 2005. The figures are derived from the unaudited consolidated interim financial statements as of and for the nine months ended 30 September 2006 which were prepared in accordance with IFRS and are contained in the financial statements section of this Prospectus.

	Nine months ended 30 September			
	2006	2005	Change	
	(€ millions, except EpS data) (unaudited)			(%)
Sales	9,470	8,204	1,266	15.4
Cost of sales	-7,298	-6,468	-830	12.8
Gross profit	**2,172**	**1,736**	**436**	**25.1**
Other operating income	229	204	25	12.3
Selling expenses	-598	-581	-17	2.9
General administration expenses	-487	-434	-53	12.2
Other operating expenses	-567	-540	-27	5.0
Net P/L from associated affiliates	34	55	-21	38.2
Other income from investments	3	0	3	-
Earnings before interest and taxes	**786**	**440**	**346**	**78.6**
Net interest expense	-79	-88	9	10.2
Earnings before taxes	**707**	**352**	**355**	**100.9**
Income taxes	-183	-100	-83	83.0
Net result of discontinued operations	153	17	136	-
Net income	**677**	**269**	**408**	**151.7**
Minority interests	-8	-6	-2	33.3
Net income after minority interests	**669**	**263**	**406**	**154.4**
EpS of continuing operations (in €)	**3.51**	**1.67**	**1.84**	**110.2**

Sales

In the nine months ended 30 September 2006, sales were €9,470 million, as compared to €8,204 million in the nine months ended 30 September 2005, representing an increase of 15.4%. This increase is primarily due to increased sales by the Commercial Vehicles segment, partially as a result of the increased global demand and use of transport as well as the prospect of the new EURO 4 emission standard entering into force on 1 October 2006. The increase in sales was also supported by strong demand by the Diesel Engines and Turbomachines segments.

Cost of sales

In the nine months ended 30 September 2006 cost of sales was €7,298 million, as compared to € 6,468 million in the nine months ended 30 September 2005, representing an increase of 12.8%. This increase is primarily due to the increased sales over these periods. Gross margin as a result increased from 21.2% to 22.9%.

Other operating income

In the nine months ended 30 September 2006, other operating income was €229 million, as compared to €204 million in the nine months ended 30 September 2005, representing an increase of 12.3%. This increase is primarily due to increased gains from financial instruments, partially offset by decreased income from the release of accruals.

Selling expenses

In the nine months ended 30 September 2006, selling expenses were €598 million, which is relatively flat compared to €581 million in the nine months ended 30 September 2005, showing a 2.9% increase.

General administrative expenses

In the nine months ended 30 September 2006, general administrative expenses were €487 million, as compared to €434 million in the nine months ended 30 September 2005, representing an increase of 12.2%. This increase is primarily due to higher IT services expenses and fees for external services as well as growth in Commercial Vehicles and in Turbomachines.

Other operating expenses

In the nine months ended 30 September 2006, other operating expenses were €567 million, as compared to €540 million in the nine months ended 30 September 2005, representing an increase of 5.0%. This increase is primarily due to increased losses from financial instruments and R&D expenses.

Net profit from associated affiliates

In the nine months ended 30 September 2006, net profit was €34 million, as compared to €55 million in the nine months ended 30 September 2005, representing a decrease of 38.2%. This decrease is primarily due to decrease in net income from methanol Company MHTL, Trinidad & Tobago, partially offset by net income from Roland Beteiligungs GmbH for the period July to September 2006.

Other income from investments

In the nine months ended 30 September 2006, other income from investments was €3 million.

Earnings before interest and tax (EBIT)

In the nine months ended 30 September 2006, EBIT was €707 million, as compared to €352 million in the nine months ended 30 September 2005, representing an increase of 100.9%. This increase mainly reflects the increased sales, as well as improved capacity utilisation and cost savings, in 2006.

Income taxes

In the nine months ended 30 September 2006, income taxes were €183 million, as compared to €100 million in the nine months ended 30 September 2005, representing an increase of 83.0%. This increase is in line with the higher operating profit in 2006. The average tax rate was 25.8% and 28.4% in the nine-month periods ended 30 September 2006 and 2005, respectively.

Net income

In the nine months ended 30 September 2006, net income was €677 million, as compared to €269 million in the nine months ended 30 September 2005, representing an increase of 151.7%. This increase results from sales growth in 2006, as well as improved cost savings and an only underproportionate increase in expenses.

Minority interests

In the nine months ended 30 September 2006, minority interests were €8 million, as compared to €6 million in the nine months ended 30 September 2005. Minority interest refers to a subsidiary of the Diesel Group and to RENK.

Segment discussion

The tables below set forth selected financial information from the business segments of the MAN Group for the nine months ended 30 September 2005 and 2006.

(€ millions, except for ROS) (unaudited unadjusted)	Commercial Vehicles		Industrial Services[1]		Diesel Engines		Turbo-machines		Other		MAN-Group[1]	
Nine months ended 30 September	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Order intake	7,734	7,159	887	1,474	1,951	1,750	1,200	631	534	266	12,306	11,280
Segment sales	6,145	5,220	935	898	1,316	1,183	606	462	468	441	9,470	8,204
Operating profit	449	282	77	54	157	78	46	22	22	13	751	449
Return on Sales (ROS)[2] (in %)	7.3	5.4	8.2	6.0	11.9	6.6	7.6	4.8	–	–	7.9	5.5

[1] Adjusted for these periods, see "*—Basis of Presentation and Notes on Comparability*".
[2] ROS is the margin returned by the operating profit on net sales, and is calculated by dividing operating profit by net sales.

Commercial Vehicles

Order intake of Commercial Vehicles increased by 8.0% from €7,159 million in the nine months ended 30 September 2005, to €7,734 million in the nine months ended 30 September 2006, of which Trucks accounted for €6,509 million. The figure for 2006 includes €1,620 million attributable to a contract awarded by the British Ministry of Defence (MoD) for about 7,200 vehicles to be delivered between 2007 and 2013. Excluding the MoD contract, order intake of Trucks rose 28.8%. Sales in the nine months ended 30 September 2006 increased 17.7% to €6,145 million, with Trucks accounting for €5,082 million, equivalent to a 15.2% increase. At €1,063 million, Bus sales were 31.2% higher than in the nine months ended 30 September 2005.

Operating profit of Commercial Vehicles increased 59.2% from €282 million in the nine months ended 30 September 2005, to €449 million in the nine months ended 30 September 2006. ROS rose from 5.4% to 7.3% over the same period. The Trucks unit increased its operating profit by 52.7%, mainly due to improved capacity utilisation, higher sales and cost reduction measures. Operating profit of the Bus unit also increased, by 255.6%, for similar reasons.

Industrial Services

Order intake of Industrial Services totalled €887 million for the nine months ended 30 September 2006, 39.8% less than the order intake for the comparable period in 2005. The main reason for this decrease is that in 2005, the largest order for this segment, for a methanol complex in Oman, had been booked in the second quarter, whereas during 2006, the largest orders are expected to be received in the fourth quarter. Of the 2006 total order intake, €444 million represents Projects, and €443 million represents Services. Sales increased over this period, by 4.1%. Operating profit over the period rose 42.6%, mainly due to increased profit contributions from ongoing projects, as well as the benefits realised from restructuring programmes. ROS rose by 36.7% from 6.0% to 8.2% over this period.

Diesel Engines

Order intake of Diesel Engines reached €1,951 million in the nine months ended 30 September 2006, reflecting an 11.5% increase of the comparable period in 2005. Despite this overall increase, order intake for two-stroke diesels fell from very high €635 million to €466 million, as many shipyards had been booked beyond 2008 and shipping lines were therefore hesitant to award contracts for new vessels. The Four-Stroke unit did witness a 33.2% increase in its order intake for both marine and stationary propulsion plants, from €1,115 million to €1,485 million. Sales increased by 11.2% to €1,316 million, of which the Two-Stroke unit accounted for €444 million (reflecting a 15.3% increase) and the Four-Stroke unit accounted for €872 million (reflecting a 9.3% increase).

Operating profit doubled from the comparable period in the prior year, from €78 million to €157 million, of which €80 million is attributable to the Two-Stroke unit (compared to €56 million in the comparable period during 2005), and €77 million is attributable to the Four-Stroke unit (compared to €22 million in the comparable period during 2005). ROS improved from 6.6% to 11.9% over the same period.

Turbomachines

Order intake of Turbomachines rose by 90.2% to €1,200 million in the nine months ended 30 September 2006, as compared to €631 million in the nine months ended 30 September 2005. This increase is mainly a result of the construction of new plants being completed, in particular for the oil and gas industry, air separation applications and the steam turbine sector. During the nine months ended 30 September 2006, MAN TURBO booked the largest order in its history, for an air separation plant for the world's largest GTL complex in Qatar, which will also require reactors of MAN DWE GmbH. Sales accordingly rose over the period by 31.2%, from €462 million to €606 million. Operating profit more than doubled over the period, from €22 million to €46 million. ROS reached 7.6%, compared to 4.8% in the comparable period in the prior year.

Other

"Other" in the table above includes inter alia MAN Financial Services and adjustments for consolidation. The higher sales and operating profit in the nine months ended 30 September 2006 as compared to the comparable period in 2005 is primarily attributable to RENK. "Other" segment results for the nine months ended 30 September 2005 include those of MAN DWE GmbH, which for 2006 are included in the Turbomachines segment results.

Year ended 31 December 2005 compared to the Year ended 31 December 2004

The table below sets forth the unaudited adjusted income statement information for the years ended 31 December 2005 and 2004. The figures are derived from the audited consolidated financial statements as of and for the year ended 31 December 2005 which were prepared in accordance with IFRS and are contained in the financial statements section of this Prospectus, and have been adjusted as described above in "—Basis of Presentation and Notes on Comparability."

	Nine months ended 31 December			
	2005	2004	Change	%
	(€ millions, except EpS data) (unaudited adjusted)			
Sales	**11,500**	**10,998**	**502**	**4.6**
Cost of sales	-9,018	-8,680	-338	3.9
Gross profit	**2,482**	**2,318**	**164**	**7.1**
Other operating income	433	234	199	85.0
Selling expenses	-774	-751	-23	3.1
General administration expenses	-603	-517	-86	16.6
Other operating expenses	-909	-704	205	29.1
Net P/L from associated affiliates	46	0	46	-
Other income from investments	-1	-7	6	85.7
Earnings before interest and taxes	**674**	**573**	**101**	**17.6**
Net interest expense	-107	-156	49	31.4
Earnings before taxes	**567**	**417**	**150**	**36.0**
Income taxes	-160	-116	-44	37.9
Net income	**407**	**301**	**106**	**35.2**
Minority interests	-6	-5	-1	20.0
Net income after minority interests	**401**	**296**	**105**	**35.5**
EpS of continuing operations (in €)	**2.73**	**2.01**	**0.72**	**35.8**

Sales

In the year ended 31 December 2005, sales were €11,500 million, as compared to €10,998 million in the year ended 31 December 2004, representing an increase of 4.6%. This increase is primarily due to increased sales by the Commercial Vehicles, Diesel Engines and Turbomachines business areas, which were partially offset by the 20.9% decrease in sales of the Industrial Services.

Cost of sales

In the year ended 31 December 2005, cost of sales was €9,018 million, as compared to €8,680 million in the year ended 31 December 2004, representing an increase of 3.9% driven by increased sales, albeit at a lower rate. Gross margin as a result increased from 21.1% to 21.6%.

Other operating income

In the year ended 31 December 2005, other operating income was €433 million, as compared to €234 million in the year ended 31 December 2004. This increase of €199 million is primarily due to the abovementioned changed method in presentation of gains from financial instruments. See *"Overview—Income Statement—Discussion of Individual Items in the Income Statement—Other operating income."*

Selling expenses
In the year ended 31 December 2005, selling expenses were €774 million, which was relatively stable as compared to selling expenses of €751 million in the year ended 31 December 2004. The slight increase is mainly due to sales growth in the Commercial Vehicles business area.

General administrative expenses
In the year ended 31 December 2005, general administrative expenses were €603 million, as compared to €517 million in the year ended 31 December 2004. This increase is primarily due to higher IT services expenses as well as growth in the Commercial Vehicles.

Other operating expenses
In the year ended 31 December 2005, other operating expenses were €909 million, as compared to €704 million in the year ended 31 December 2004. This increase is primarily a result of the abovementioned change in presentation of gains from financial instruments, as well as higher additions to other accruals and non-recurring expenses from the closedown of two plants amounting to €37 million.

Net profit from associated affiliates
Net profit from associated affiliates in 2005 of €46 million results from the fact that petrochemical investees of Industrial Services profited from the combination of MAN's methanol and ammonia project companies into a combined group.

Earnings before interest and taxes (EBIT)
In the year ended 31 December 2005, EBIT was €674 million, as compared to €573 million in prior year, representing an increase of 17.6%. This increase primarily results from increased sales and EBIT, lower net interest expense and improved margins in all business areas.

Net interest expenses
Net interest expense decreased by 31.4% from €156 million in the year ended 31 December 2004, to €107 million in 2005. This decrease results from an increased proportion of net liquid assets, which led to decreased interest expenses due to banks.

Income taxes
In the year ended 31 December 2005, income taxes were €160 million, as compared to €116 million in the year ended 31 December 2004, representing an increase of 37.9%. The average tax rate was stable over the period, at 28.2% and 27.8% in 2005 and 2004, respectively.

Net income
In the year ended 31 December 2005, net income was €407 million as compared to €301 million in the year ended 31 December 2004, representing an increase of 35.2%. This substantial increase results from sales growth in 2005, reduced cost ratios and lower net interest expenses.

Minority interests
In the year ended 31 December 2005, minority interests were €6 million, as compared to €5 million in the year ended 31 December 2004. Minority interests represent minority interest in S.E.M.T. Pielstick SA France and RENK AG, Augsburg.

Segment discussion

The tables below set forth selected unaudited adjusted financial information of the business segments of the MAN Group for the years ended 31 December 2005 and 2004.

(€ millions, except for ROS) (unaudited adjusted)	Commercial Vehicles		Industrial Services[1]		Diesel Engines		Turbo-machines[2]		Other[1]		MAN Group[1]	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Order intake	9,434	7,589	1,655	1,669	2,203	1,872	962	749	270	186	14,525	12,064
Segment sales	7,377	6,799	1,291	1,632	1,666	1,421	762	749	405	397	11,500	10,998
Operating profit	469	322	61	39	117	55	50	52	(27)	53	670	521
Return on Sales (ROS)[3] (in %)	6.4	4.7	4.7	2.4	7.0	3.9	6.6	6.9	–	–	5.8	4.7

[1] Adjusted for discontinued operations for these periods, see also "Basis of Presentation and Notes on Comparability".
[2] Includes MAN DWE GmbH, which is integrated in MAN Turbomachines since 1 January 2006.
[3] ROS is the margin returned by the operating profit on net sales, and is calculated by dividing operating profit by net sales.

Commercial Vehicles

Order intake of Commercial Vehicles increased by 24.3% to €9,434 million in 2005, of which trucks accounted for €8,043 million. The total figure for 2005 also includes €1,358 million representing a contract awarded by the British Ministry of Defence (MoD) for 5,165 vehicles to be delivered between 2007 and 2013. Excluding the MoD contract, order intake of trucks rose by 5.0%. Despite the highly competitive market environment for buses, MAN's bus orders at €1,391 million showed a 14.0% gain. Sales in 2005 increased by 8.5% to €7,377 million, with trucks accounting for €6,209 million, equivalent to an increase of 11.7%. At €1,168 million, bus sales were almost 6.0% lower than the previous year's sales.

At €469 million, Commercial Vehicles posted its highest ever operating profit in 2005, a €147 million or 45.7% increase from 2004. ROS rose from 4.7% to 6.4%. In the Trucks unit, operating profit increased by €148 million, or 51.9%, to €433 million. At €36 million, the Bus unit's operating profit almost matched the level of the prior year.

Industrial Services

Adjusted order intake of Industrial Services reached €1,655 million, of which €1,034 million reflects the result of a 6.9% increase in the Projects and Contracting business, and €621 million reflects the result of an 11.5% decrease in Services and Logistics activities. Despite higher order intake in 2005, sales in 2005 decreased, as expected, by 20.9% to €1,291 million. This was due to the projects business, which posted a sales decrease of 33.3% down to €807 million, recognising sales according to the percentage-of-completion method, which led to sales being unevenly distributed over the respective years. In 2005, Industrial Services achieved one of the best results in its history. Its adjusted operating profit rose by 56.4% to €61 million, and ROS reached 4.7%.

Diesel Engines

Order intake of Diesel Engines rose significantly in 2005. At €2,203 million, the 2005 order intake reflected a 17.7% increase over the already strong levels of 2004. Sales also climbed to €1,666 million, reflecting a 17.2% increase from 2004. On account of the substantial contribution by the Four-Stroke unit, the operating profit rose to €117 million, more than double that of the year before. ROS improved from 3.9% to 7.0%.

Turbomachines

Adjusted order intake of Turbomachines (which includes order intake of MAN DWE GmbH since its integration into Turbomachines in 2006) increased by 28.4% from €749 million in 2004 to €962 million in 2005, due to increased demand from the energy generation, pipeline and gas to liquid industries, especially in Asia. Sales, however, remained relatively flat, increasing 1.7% from €749 million in 2004 to €762 million in 2005. The operating profit was also stable, decreasing from €52 million in 2004 to €50 million in 2005. Over the same period, ROS decreased from 6.9% to 6.6%.

Other

"Other" in the table above includes inter alia, MAN Financial Services and adjustments for consolidation. The lower operating profit in 2005 as compared to 2004 is mainly due to the absence of a headquarters allocation being charged in previous years.

Liquidity and Capital Resources

Cash flow

The operational liquidity requirement for the MAN Group arises primarily from financing net working capital and customer leases extended by MAN Financial Services. To date, the MAN Group has met its operational liquidity requirements primarily through cash flow generated from operations.

The following table summarises the MAN Group's unaudited adjusted cash flows for the years ended 31 December 2004 and 2005, and for the nine-month periods ended 30 September 2005 and 2006.

(unaudited adjusted) (€ millions)	Nine-month period ended 30 September		Year ended 31 December[1]	
	2006	2005	2005	2004
Cash flow from/(used in) operating activities	346	722	977	818
Cash flow from/(used in) investing activities	-248	-253	-344	-276
Cash flow from/(used in) financing activities	-104	-191	-226	-456

[1] Adjusted for discontinued operations for these periods; see also "Basis of Presentation and *Notes on Comparability*".

Cash flow from operating activities

The cash flow from operating activities is primarily the net cash inflow from net income, the change of net working capital and from the outflow of cash relating to the MAN Financial Services business. In the nine-month period ended 30 September 2006, the Group's cash flow from operating activities decreased by €376 million, from €722 million in the nine-month period ended 30 September 2005, to €346 million. The decrease of cashflow from operating activities is due to an increased finance volume of MAN Financial Services according to its growth in Europan countries and to a stronger increase of inventories and receivables. In the year ended 31 December 2005, the Group's cash flow from operating activities increased approximately €159 million, from €818 million in 2004 to €977 million in 2005. The increase between 2004 and 2005 results from the fact that in 2005, as compared to 2004, the Group experienced a net cash flow from operations from higher earnings, a lower cash outflow from net working capital (namely inventories, prepayments received, trade receivables and trade payables), and an increase of accruals and other liabilities, all of which were partially offset by a larger outflow from the growing Financial Services business.

Cash flow from investment activities

Cash flow from investment activities is primarily the net cash outflow related to capital expenditures in tangible and intangible assets. In the nine-month period ended 30 September 2006, the Group's net cash outflow from investment activities decreased from an outflow of €253 million in the nine-month period ended 30 September 2005, to an outflow of €248 million. The cash flow in 2006 included increased cash outflow for additions to investments, offset by cash inflow from the disposal of investments.

In the year ended 31 December 2005, the Group's net cash outflow from investment activities increased from an outflow of €276 million in the year ended 31 December 2004, to an outflow of €344 million. This is primarily a result of an overall increase in investments for expansion of production capacity in the Commercial Vehicles and Diesel Engines business areas.

Cash flow from financing activities

Cash flow from financing activities is primarily the cash used to redeem financial liabilities, to endow pension plan assets and to pay dividends. In the nine-month period ended 30 September 2006, the Group's net cash outflow from financing activities decreased from an outflow of €191 million in the nine-month period ended 30 September 2005, to an outflow of €104 million. The decrease of cash flow results from borrowing financial liabilities.

In the year ended 31 December 2005, the Group's net cash outflow from financing activities decreased from an outflow of €456 million in the year ended 31 December 2004, to an outflow of €226 million. The cash flow from financing activities for 2005 incorporates a special endowment of pension plans, while the cash flow in 2004 reflects primarily redemption of financial liabilities.

Capital expenditure

The MAN Group's capital expenditure was €554 million in the nine-month period ended 30 September 2006, and €286 million in the nine-month period ended 30 September 2005, and €404 million and €332 million in the years ended 31 December 2005 and 2004, respectively. As of 31 December 2005, R&D expenses amounted to €385 million (2004: €361 million).

Total capital expenditure in 2006 is expected to amount to €480 million, excluding capitalised R&D expenditures. This figure represents an increase of €104 million, or 27.7%, compared to 2005. The increase is primarily driven by substantial investment by the Commercial Vehicles business area for the construction of the new plant in Poland and significant expansion investment to support the growth of Turbomachines. Following completion of the construction of the truck plant in Poland by the end of 2006, capital expenditures are expected to revert to normal levels in 2007. Of the total planned capital expenditures of €335 million in 2007, €220 million relates to Commercial Vehicles and €50 million is dedicated to the further expansion of Turbomachines.

Liabilities

The following table summarises the unaudited financial information with respect to liabilities of the MAN Group as of 30 September 2006:

		Payment Due by Period	
(unaudited)		Less than	More than
(in € millions)	Total	1 year	1 year
Liabilities			
Financial liabilities	1,128	617	511
Trade payables	1,455	1,455	–
Pre-payments received	1,522	1,522	–
Current income tax liabilities	186	186	–
Liabilities of discontinued operations	97	97	–
Other liabilities	2,748	1,432	1,316
Total	**7,136**	**5,309**	**1,827**

Financial liabilities

As at 30 September 2006, the MAN Group had financial liabilities of €1,128 million, of which €305 million related to bonds, €101 million to commercial papers, €265 million to a senior credit facility and €457 million to amounts due to banks. The bonds referred to are the €300 million 5.375% bonds issued by MAN Financial Services plc in December 2003 and guaranteed by MAN AG. These bonds had a book value of €305 million as of 30 September 2006, and a fair value of €312 million as of the same date. The bonds will mature on 8 December 2010. As at 31 December 2005, the MAN Group had financial liabilities of €934 million, of which €314 million related to the bonds, €114 million related to commercial papers, and €506 million was due to banks.

Pre-payments received

Pre-payments received primarily relate to the projects businesses of Industrial Services, Diesel Engines and Turbomachines.

Other liabilities

Other liabilities of the Group include €1,791 million of deferred income from sales of Commercial Vehicles that are accounted for as operating leases, and which includes the Lotan programme, a sale-and-lease-back

structure valued at €470 million. For further information about this programme, see *"Business—Material Contracts—The Lotan Programme."*

Additional information from the separate statutory financial statements of MAN AG

The financial condition and results of operations of the MAN Group are also reflected in MAN AG's separate statutory financial statements which are prepared according to German HGB and briefly illustrated below.

Income statement	For the year ended 31 December	
(in € millions)	2005	2004
Net investment income	310	234
Other income and expenses, net	–43	–17
Earnings before tax (EBT)	**267**	**217**
Income taxes	2	–13
Net income	**269**	**204**
Transfer to reserves retained from earnings	–70	–50
Net earnings	**199**	**154**

MAN AG's net income for 2005 was €269 million. As is usual for a group holding company, MAN AG's profit is primarily comprised of income from its subsidiaries.

Of MAN AG's net income, €70 million, representing a €20 million increase from 2004, was transferred to reserves retained from earnings. MAN AG's net earnings of €199 million, representing a €45 million increase from 2004, were paid as a cash dividend of €1.35 per MAN share, compared to €1.05 in 2004.

Assets	For the year ended 31 December	
(in € millions)	2005	2004
Fixed assets	1,435	1,457
Intragroup finance receivables, cash & cash equivalents	2,524	2,162
Other current assets	114	155
	4,073	**3,774**

The Company's fixed assets, which decreased from €1,457 million in 2004 to €1,435 million in 2005, consist essentially of shares in MAN subsidiaries. The intragroup finance receivables and the cash and cash equivalents originate from the Group's cash pooling system that is managed and operated by MAN AG.

Equity & Liabilities	For the year ended 31 December	
(in € millions)	2005	2004
Shareholders' equity	1,877	1,763
Financial liabilities	1,892	1,732
Remaining liabilities	304	279
	4,073	**3,774**

Shareholders' equity is comprised of the capital stock contributed by MAN AG's shareholders which remained unchanged between 2004 and 2005 at €376 million, the additional paid-in capital which also

remained unchanged over the period at €795 million, the reserves retained from earnings of €507 million which increased from €437 million in 2004, and the net earnings of €199 million which had increased from €154 million in 2004.

The equity ratio (adjusted) amounted to 26.9% in 2005 and 26.2% in 2004. The equity per share (adjusted) amounted to €23.22 in 2005 and €20.90 in 2004.

Financial liabilities refer to the MAN Group's cash pooling system, which is managed and operated by MAN AG.

MAN AG's net liquid assets as of 31 December 2005 amounted to €632 million, reflecting an increase from €430 million as of the end of the prior year.

Quantitative and Qualitative Disclosure About Market Risk

The business of the MAN Group is subject to various market risks, including fluctuations in commodity and energy prices, currency risks and interest rate risks. These factors could cause adverse fluctuations to MAN's revenues, operating expenses and the availability and cost of financing.

Commodity and energy prices

The MAN Group purchases steel and other materials, and consumes large quantities of energy, required for its operations. These expenses are affected by commodity pricing and may be subject to price fluctuations as a result of seasonality, political climate, demand and other factors that are outside the MAN Group's control and are generally unpredictable. Energy and raw material prices have risen considerably in recent years and are sometimes subject to substantial cyclical fluctuations. In particular, the price of crude oil, which also influences the prices of many raw materials and energy prices, has significantly increased in the last few years. While high energy prices negatively affect MAN's business to the extent that in production MAN is a consumer of energy, the high price level for oil, natural gas and other petrochemical products has also had a positive effect on MAN's business by increasing demand for MAN's products and services. The oil and gas industry has been and continues to be a major customer of MAN's Turbomachines and Industrial Services businesses. The increased production volumes of oil and gas at high price levels have allowed the energy industry to invest in new gas pipelines which require turbo compressors and other capital goods manufactured by MAN. High energy prices have also led to liquified natural gas becoming a viable source of energy, leading to the emergence of a new industry. MAN's businesses have benefited from this development, not only from direct sales of equipment to this industry, but also from the increased demand it has created for shipping capacity, and accordingly for marine engines which MAN produces. High prices of diesel fuels have also incentivised for transportation companies to invest in more fuel-efficient fleets, *inter alia* from MAN, thereby helping operators to reduce their expenses by an amount greater than the expenses and depreciation associated with the new equipment purchase.

The directors of the Company believe that the Group has adequate procedures in place to mitigate this risk (for instance, by ensuring that the MAN Group is able to pass commodity price increases on to its customers) and, where the risk is not sufficiently mitigated, the impact on the financial condition or results of operations of the MAN Group would not be significant. The MAN Group does aim to minimise the effects of fluctuations in energy prices through hedging transactions.

Currency risks

The MAN Group's reporting and financing currency is the Euro. However, as a group that operates worldwide, MAN generates a significant portion of its revenues and income and incurs a significant portion of its expenses in currencies other than the Euro, which primarily include the U.S. dollar, the British pound sterling, the South African rand and the Danish krona as well as currencies of eastern European and Asian countries. Therefore, the MAN Group's sales and results of operations will be exposed to fluctuations in the relative values of the relevant currencies, for so long as no hedging is applied. Furthermore, the acquisition of Scania would increase MAN's currency exposure to non-Euro currencies, and in particular to the Swedish krona. As of 30 September 2006, €1 was valued at $1.2660, £0.6777 and SEK 9.2797. The MAN Group manages this exchange rate risk at the Group level. Within the MAN Group, principally all firm customer

contracts and all of the Group's own purchase orders in foreign currency are hedged. Further foreign exchange risks, especially those related to the acquisition of Scania, are expected to be hedged in line with this existing strategy at the Group level.

Interest rate risk

The MAN Group meets is financing needs through a combination of cash flow from operations and also, to a lessor extent, debt capital market instruments and bank loans. Though customer finance transactions, particularly leases, are largely contracted at fixed interest rates, refinancing is usually based on variable rates. The aggregate interest rate risk, to the extent possible, is managed at the Group level. The interest rate risk is hedged against on a case-by-case basis; volume and terms are aligned with the payback or redemption structure of defined customer portfolios and are further subject to the level of collateral security. Financing the acquisition of Scania will significantly increase MAN's financial liabilities and associated interest expenses. MAN has in place an appropriate interest rate hedging strategy. Future interest rate risks, especially those related to the acquisition financing, are expected to be hedged in line with the Group's existing risk strategy and may be hedged by corresponding interest derivatives.

Critical Accounting Policies

Critical accounting policies are those that the Company believes are most important in portraying its financial condition and results of operations, and which require the greatest amount of subjective or complex judgment by the Group's management.

MAN Group companies are committed to various defined benefit pension plans. As of 31 December 2005, the MAN Group's defined benefit pensions and similar obligations totalled €1,958 million, of which €1,595 million relate to Germany. In the actuarial methods that are used to establish the MAN Group's pension liabilities, several important assumptions have to be made, especially those relating to the discount rate and the expected return on plan assets. Other assumptions relate to the rate of wage and salary increases, and estimated life expectancy. To the extent that any such assumptions or estimates may need to be revised, they may have material effects on MAN's pension obligations and results.

The Commercial Vehicles business delivers a substantial portion of its products with repurchase or "buy-back" obligations, based on defined buy-back prices. In these cases, due to such an obligation, income from the transaction is not recognised initially, but instead over time. In case of major changes in the market for used vehicles, this will affect MAN's income and successive recognition of operating profit.

Current Trading and Prospects

Due to the strong probability that the global economy will continue to strengthen, MAN expects order intake for the whole of 2006 to at least match the high levels of the previous year, which were €14,500 million on an adjusted basis. Even though one very large order form the UK Ministry of Defence boosted order intake of Trucks in 2005, the Commercial Vehicles business area is likely to have an even better year in 2006 with respect to order intake, although growth is expected to slow in the fourth quarter of 2006. The Diesel Engines business area expects to repeat the good level of order intake of the previous year. Turbomachines is expected to continue to post increased order intake growth due to external and internal growth. Industrial Services also expects growth especially from major orders in its Project and Contracting business.

The MAN Group's sales for all of 2006 are likely to increase by a good 10% from the adjusted €11,500 million of 2005. The MAN Group's operating profit, which was €670 million on an unaudited, adjusted basis in 2005, is also expected to increase substantially and to outpace the growth in sales. MAN expects to significantly exceed its target for ROS of 7.5%.

For 2007, the economy is again predicted to grow, albeit less vigorously than in 2006. MAN expects its business will continue to exhibit significant growth.

BUSINESS

Overview

MAN Group, headed by MAN AG as a holding company, is a manufacturer of capital goods and provider of industrial services. Core business areas are Commercial Vehicles, Industrial Services, Diesel Engines and Turbomachines (see *"General Information on the Company—Group Structure"*). These business areas are supplemented by MAN Financial Services. MAN generated sales of €9,470 million and an operating profit of €751 million in the nine-month period ended 30 September 2006.

MAN Nutzfahrzeuge heading the business area Commercial Vehicles, is one of Europe's leading manufacturers of commercial vehicles (based on market share) with production facilities in four different European countries and additional facilities and cooperations worldwide. The product range includes trucks from 7.5 to 50 tons gross weight for long and short distance transportation, trucks for military and public utility purposes, buses and coaches as well as diesel and gas engines for vehicles, boats and power generation. These activities are supported by an international sales and service network. With sales of €6,145 million and an operating profit of €449 million in the nine-month period ended 30 September 2006, Commercial Vehicles is the largest division within the MAN Group.

MAN Ferrostaal is a global supplier of industrial services and systems. MAN Ferrostaal acts as a general contractor and offers project development, project management and financial solutions. Its offerings focus on lump-sum turnkey projects in the area of industrial plants, related financing concepts, distribution of ships, machinery and transport-related equipment, as well as trading in steel products and the provision of logistic services. MAN Ferrostaal is currently in the process of divesting its majority participation in the steel trading business. Steel trading is already being treated as discontinued operation. In the nine-month period ended 30 September 2006 MAN Ferrostaal's sales amounted to €935 million. The operating profit was €77 million.

MAN Diesel is one of the world's leading designers and manufacturers of large diesel engines for primarily maritime but also stationary applications (based on market share). The company holds a strong market position, particularly in the design of two-stroke diesel engines for propulsion systems used in large sea vessels. With its four-stroke engines, MAN Diesel also operates in the marine market. The four-stroke engines are equipped into vessels and, to a lesser extent, into power plants. While the two-stroke engines are mainly manufactured by its licensees, MAN Diesel produces a substantial part of the four-stroke engines at MAN Diesel plants. In the nine-month period ended 30 September 2006, MAN Diesel generated sales of €1,316 million and an operating profit of €157 million.

MAN TURBO is a manufacturer of and service provider for turbo compressors and industrial turbines. Through its subsidiary MAN DWE GmbH it also supplies reactor systems. It offers a complete range of turbomachines for industries including oil and gas, refinery, chemical, industrial gases and power generation. In the nine-month period ended 30 September 2006, MAN TURBO generated sales of €606 million and an operating profit of €46 million.

History

MAN's business activities date back to the 18th century when the steel mill operation St. Antony close to Osterfeld (Oberhausen) and the steel mill operation Gute Hoffnung in Sterkrade (Oberhausen) were founded in 1758 and 1782 respectively. They merged with the steel mill operation Neu Essen in Essen to become Hüttengewerkschaft und Handlung Jacobi, Haniel & Huyssen. In 1873 the merged company was renamed Gutehoffnungshütte Actienverein für Bergbau und Hüttenbetrieb in Sterkrade ("GHH").

In 1840 Sander'sche Maschinen-Fabrik in Augsburg was founded. Between 1893 and 1897, Sander'sche Maschinen-Fabrik assisted with the development of the world's first diesel engine by Rudolf Diesel. A merger led to the registration of the new enterprise as Maschinenfabrik Augsburg—Nürnberg AG ("M.A.N.") in 1908.

In 1921 GHH acquired a majority in M.A.N. Through further acquisitions and organic growth in the following decades, GHH and M.A.N. became major heavy-industry companies with interests in commercial vehicles, heavy diesel engines and other engineering activities.

The 1970s and 1980s saw the takeover of Automobilwerke AG Büssing, Braunschweig and B&W Diesel group, Denmark by M.A.N. To reduce its dependence on the European economy, M.A.N. began expanding in Asia, the Middle East, and the U.S. in the 1980s. Subsequently, M.A.N. began to license its technology and divested its less-profitable product lines (pumps, heavy cranes). In 1986 GHH merged with M.A.N. to form MAN AG. The company was reorganised and relocated to Munich. In 2001 the NEOPLAN Bus Company was bought to form the Neoman Bus group and the MAN's turbomachinery business was merged with Sulzer Turbo (Switzerland). Since 2005, MAN has been concentrated on transport-related engineering. Hence, various subsidiaries, such as MAN Technologie, Schwäbische Hüttenwerke, MAN Logistics and MAN WOLFFKRAN were sold in 2005. In 2006 the majority of MAN Roland as well as 100% of MAN TAKRAF were sold.

Group Strategy

MAN's business is built upon the following objectives: The Group aims to further strengthen its competitive position, continue global expansion, focus on its core businesses, leverage synergies and further enhance competitive strength as well as profitability in order to increase shareholder value. MAN's strategy in reaching its goals is:

- **Leadership**

MAN is a transport-related engineering group ranking among the top three in all of its core business areas. The Group aims to further improve its market share in all business areas by offering premium products and achieving high customer satisfaction and retention through focusing on integrated product and service solutions.

- **International Expansion**

MAN is a global company, doing business in more than 100 countries around the world. The worldwide operations are supported by strong brands and dealers, best-in-class service, vast market coverage and creative financial solutions. The Group intends to further expand its global footprint in terms of manufacturing as well as sales and service network in order to utilise existing market potential more efficiently and benefit from opportunities in attractive growth markets.

- **Increased Focus on Transport-related Engineering**

MAN has successfully streamlined its business portfolio over the past years. The Company has evolved from a diversified industrial conglomerate into a focused transport-related engineering company. MAN will continue to develop its presence in the high growth business sectors and increase its focus, not only by making strategic acquisitions like the proposed acquisition of Scania AB, but also by divestment strategies concerning non-core assets such as MAN Roland and the intended disposal of the majority participation in the steel trading activities.

- **Leverage Synergies**

The business areas of the MAN Group generate strong synergies by combining their individual strengths and product know-how. MAN Ferrostaal is increasingly acting as project partner for other entities of the MAN Group. MAN together intends to further strengthen the cooperation between business areas to exploit synergies along the value chain and further enhance the growth potential of the Group. For instance, MAN Nutzfahrzeuge is cooperating with MAN Ferrostaal concerning the distribution of buses in Mexico.

- **Competitive Strength and Profitability**

MAN is a competitive market participant within all of its core business areas and has enhanced profitability significantly in the past. MAN aims to further build on its competitive strengths and improve performance driven by scale, greater cost efficiency, strong innovation potential and a growing share of service sales.

In order to implement its strategy, MAN has established core principles within its Industrial Governance framework. Specifically, these principles advocate that while each business area should have the scope to develop within the Group it must also measure itself against the strongest competitor within its respective market. Cross-subsidisation is ruled out. This promotes greater consciousness of profitability. Operating profitably is a maxime.

Strengths

- **MAN holds leading market positions in attractive markets**

MAN is a European transport-related engineering group with global reach renowned for its leading edge technology and strong international brands.

MAN Nutzfahrzeuge is one of Europe's leading manufacturers of commercial vehicles (based on market share), supported by an extensive international sales and service network. The recently founded joint venture with Force Motors in India and the new truck plant in Poland will enable MAN to expand its competitive positioning in highly attractive international growth markets.

MAN Diesel holds a strong position in the market for two-stroke marine propulsion engines (based on market share). MAN Diesel also operates in the market for four-stroke diesels for marine and power plant applications. Across many of its product segments, MAN Diesel profits from an extensive network of licensees, especially in the large shipbuilding nations of Asia.

MAN TURBO is a manufacturer and service provider in the world market for turbo compressors, mainly used in industries like oil and gas, refinery, chemical, industrial gases and power generation.

- **MAN is a technology leader in its core business areas**

In the course of its longstanding history, MAN has always been able to achieve positions as a technology leader by consistently focusing on research and development.

MAN Nutzfahrzeuge is well known for its strong technological position. For example, it is a leading supplier of innovative exhaust gas after-treatment systems, catering for all customer requirements with respect to meeting tightening global emission standards. Specifically, MAN is the first manufacturer to convert all of its vehicles to Common Rail engines and it leads the competition in NOx technology which is required to meet next generation emissions standards EPA07 and Euro 6. Furthermore, MAN Nutzfahrzeuge is at the forefront of the development of hybrid drive vehicles as well as fuel cell technology for commercial vehicle applications.

"Intelligent" engines developed by MAN Diesel help customers to reduce cost of operation and provide a high degree of flexibility in terms of operating modes. Furthermore, these computer controlled engines offer enhanced reliability, emission control flexibility, and reduced fuel and lube oil consumption.

Turbo compressors and turbomachines manufactured by MAN TURBO as well as reactor systems produced by its subsidiary MAN DWE GmbH are renowned for their high reliability. MAN TURBO is a supplier for turbo compressors and turbomachines for operation under extreme conditions.

- **MAN offers a broad range of products and services**

MAN offers a comprehensive product portfolio and has an extensive service network in each of its business areas.

MAN Nutzfahrzeuge provides customers with a complete range of commercial vehicles, including heavy, light and medium trucks (7.5 to 50 tons) as well as city buses, inter-city buses and coaches.

MAN TURBO has a complete range of turbomachines for the oil and gas sectors as well as reactor systems and turbomachines for the process industry. The product offering is supported by an extensive global service network.

Together, MAN Nutzfahrzeuge and MAN Diesel provide the broadest range of engines (based on the power output range) within the industry by output, ranging from 110 to 97,300 kW.

MAN Ferrostaal has a highly experienced project development and project management workforce as well as a strong service mentality.

- **MAN is a global company with a well established brand name**

MAN is a global company with market presence in most major economic regions with production facilities in Europe, Asia, Africa and NAFTA region and is supported by a global service network. In 2005, almost 75% of MAN's sales were generated outside Germany.

MAN Ferrostaal increasingly acts as an international sales and service platform within the MAN Group combining its global reach with the product know-how of the other business areas of MAN. One example of the benefits of this approach is the successful entry of MAN Ferrostaal in the Mexican bus market in 2004 where it acts as a general agent for MAN Nutzfahrzeuge. The Mexican project is the first step in a broad-based cooperation arrangement in which the strengths of MAN Nutzfahrzeuge as a producer of market-oriented transport solutions and MAN Ferrostaal as an international sales platform are to be combined around the globe.

The geographical footprint of MAN Nutzfahrzeuge has been further strengthened by the new plant in Poland and the joint venture with Force Motors in India.

MAN Diesel supplies diesel engines on a global basis, in particular to customers in the large shipbuilding nations of Asia. Servicing of MAN Diesel's engines is carried out by the strong global PrimeServ network. Due to the growing importance of services, the PrimeServ network is key to MAN Diesel's further growth strategy.

- **MAN operates in growing markets**

Increasing globalisation and industrialisation in developing countries drive transportation requirements and demand for energy. As a transport-related engineering group, MAN believes to be ideally positioned to benefit from these trends.

Globalisation and industrialisation drive international trade and increases cross boarder transportation of goods. Freight volumes handled by trucks are expected to grow over–proportionally in the future, particularly in the countries of Eastern Europe and Asia. Given its known brand name and the reliability of its products, MAN Nutzfahrzeuge believes to be well positioned to benefit from these developments. Furthermore, by setting up its new plant in Poland and Joint Venture activities in Asia, MAN Nutzfahrzeuge has added to its growth profile in key developing markets.

Similarly to freight volumes handled by trucks, transportation of goods via ships is also increasingly driving MAN Diesel's growth prospects.

MAN TURBO is involved in major oil and gas projects, e.g. gas pipeline transport or GTL. It benefits from increasing demand for fossil energy, gas transport solutions, synthetic fuels (e.g. GTL) and emission reduced power generation, mainly driven by growing energy consumption on account of the ongoing industrialisation in Asian countries, Eastern Europe, and other emerging regions.

- **MAN attracts highly skilled employees**

MAN's employees are experienced, highly qualified and motivated. MAN is an attractive employer and offers a wide range of training opportunities. MAN's employees have strong technological and management capabilities. The Group believes that it has attracted one of the strongest teams within the industry.

Business Areas

MAN AG serves as holding company for the MAN Group. MAN Group is divided into the main business areas Commercial Vehicles, Industrial Services, Diesel Engines and Turbomachines supplemented by MAN Financial Services.

Commercial Vehicles

MAN Nutzfahrzeuge is one of Europe's leading manufacturers of commercial vehicles (based on market share) with own production facilities in 4 different countries. Its product range includes trucks from 7.5 to

50 tons gross weight for long and short distance transportation, trucks for military and public utility purposes, buses and coaches, corresponding support services as well as diesel and gas engines for vehicles, boats and power generation. These activities are backed by an international sales and service network. For the nine-month period ended 30 September 2006, the sales of MAN Nutzfahrzeuge amounted to €6,145 million, constituting 64.9% of the Group's sales. The operating profit was €449 million, constituting 59.8% of the Group's total operating profit.

The activities of the MAN Nutzfahrzeuge are split into two divisions: Trucks and buses, jointly forming the business area Commercial Vehicles. The following tables set forth key business data of the business area and its divisions from 2003 through 30 September 2006:

Commercial Vehicles

Key business data	Nine-month period ended			
(in € millions)	30 September 2006	2005	2004	2003
Order intake	7,734[1]	9,434[1]	7,589	6,772
Sales	6,145	7,377	6,799	6,707[2]
Order backlog	4,504	3,228	1,594	1,409
Operating profit	449	469	322	203[2]

[1] Including the abovementioned order by the British Ministry of Defense (MoD) amounting to €1,358 million in 2005 and €262 million in 2006, see *"Business—Material Contracts—MAN Nutzfahrzeuge"* below.
[2] Reported without correction of lease accounting.

Truck Division

Key business data	Nine-month period ended			
(in € millions)	30 September 2006	2005	2004	2003
Order intake	6,509[1]	8,043[1]	6,369	5,572
Sales	5,082	6,209	5,557	5,492[2]
Order backlog	3,811	2,662	1,252	1,047
Operating profit	417	433	285	198[2]

[1] Including the abovementioned order by the British Ministry of Defense (MoD) amounting to €1,358 million in 2005 and €262 million in 2006, see *"Business—Material Contracts—MAN Nutzfahrzeuge"* below.
[2] Reported without correction of lease accounting.

Bus Division

Key business data	Nine-month period ended			
(in € millions)	30 September 2006	2005	2004	2003
Order intake	1,225	1,391	1,220	1,200
Sales	1,063	1,168	1,242	1,215[1]
Order backlog	693	566	342	362
Operating profit	32	36	37	5[1]

[1] Reported without correction of lease accounting.

The following table sets forth the share of each product line in the total sales of MAN Nutzfahrzeuge from 2003 through 30 September 2006:

Product Line	Nine-month period ended			
(in %)	30 September 2006	2005	2004	2003[1]
Trucks	54	54	50	51
Buses	14	12	15	15
After-sales	18	19	20	20
Engines and Components	6	7	7	6
Used vehicles and others	8	8	8	8

[1] Reported without correction of lease accounting.

The following table depicts the share of each region in the 2003 through 2005 sales of MAN Nutzfahrzeuge:

Sales by Region

(In %)	2005	2004	2003[1)]
Germany	31	33	35
Other EU	47	45	45
Other Europe[1)]	10	9	9
Americas	1	1	1
Asia	5	6	6
Rest of World	6	6	5

[1)] Reported without correction of lease accounting.

Products

The commercial vehicle division of MAN manufactures and sells a full range of trucks and buses for all main purposes in a number of countries, but mainly in Europe under the brands MAN, and for buses additionally under NEOPLAN. It offers reliable, customer-oriented solutions for goods and passenger transport. In terms of sales, MAN Nutzfahrzeuge is one of the largest manufacturers of trucks and buses in Europe (based on market share). In addition, MAN's commercial vehicle division also offers support services for trucks and buses as well as engines, other equipment and components, including diesel and gas engines for vehicles, boats and power generation.

Commercial Trucks

Starting in 2000 MAN Nutzfahrzeuge has introduced a complete new truck family, the Trucknology® Generation (TG). The product portfolio of the truck business covers all weight classes and ranges from heavy trucks—the MAN TGA class—to light class vehicles—the MAN TGL class. It also includes the medium-sized MAN TGM class. All of the truck classes are suitable for a variety of uses and can generally be categorised as trucks for long distance transport, trucks for local and distribution transport, trucks for heavy-duty and building site transport.

Heavy Trucks

TGA trucks have a gross weight between 18 to 50 tons. This class has been created for long-distance transport and heavy-duty assignments. Its strengths are its robustness, high payload and loading capacity. It is available with various 6 and 10-cylinder engines (in the range of 310 to 660 hp).

Light/Medium Trucks

MAN also offers light and medium trucks: TGL trucks are the light commercial vehicle family of MAN Nutzfahrzeuge with 7.5 to 12 tons gross-weight capacity. They are offered for a variety of distribution purposes. The engines range from 150 hp to 240 hp.

TGM trucks are medium-sized commercial vehicles and offer gross weight capacities between 13 and 26 tons. Compared to the TGA class, they have a smaller cabin size and smaller engines ranging from 240 hp to 330 hp.

The following table sets forth, by range of trucks, the number of trucks produced by MAN Nutzfahrzeuge from 2003 through 30 September 2006:

	Nine-month period ended			
Range of Commercial Trucks	30 September 2006	2005	2004	2003
Heavy	43,479	49,711	45,982	39,176
Light/Medium	16,006	19,028	18,571	16,201

Engines

The new engine generation has been equipped with Common Rail technology since 2004, all engines with ratings up to 480 hp will comply with the new Euro 4 standard and some of the engines already comply with Euro 5. Engines up to 480 hp are available in the EGR-Solution (MAN-EGR with MAN PM-KAT®), which does not need additional AdBlue® equipment and infrastructure. Since 2006, MAN has been offering engines with SCR technology under the name of MAN AdBlue®, particularly for use in long-haul trucks.

Military Trucks

TGA, TGM and TGL trucks are also offered as militarised vehicles and are modified accordingly. Such modifications include single tires on all axles, improved off-road mobility, roof hatch, holders for special military equipment, etc. The primary purpose of the militarised versions of the TGA, TGM and TGL trucks is support. They are used as tank tractors, tankers or transporters. In addition MAN Nutzfahrzeuge is also active in the development and distribution of special military off road-trucks (HX/SX Series).

In 2005 and 2006, MAN has been awarded a major contract for the delivery of more than 7,200 military trucks by the British Ministry of Defence (MoD), scheduled for delivery between 2007 and 2013. See *"Business—Material Contracts—MAN Nutzfahrzeuge"*.

Buses

MAN's bus business is run by the legal entity NEOMAN Bus GmbH, Salzgitter, Germany ("NEOMAN"). The company has implemented a dual brand strategy and markets its buses under the brands MAN and NEOPLAN. All buses have captive MAN engines and the product lines of MAN and NEOPLAN generally share the same platform.

The following models are offered under the MAN brand:

- **Coaches:** Lion's Coach is a tourist coach that offers design and first-class touring comfort. Lion's coaches are available in lengths between 12 and 13.80 metres.
- **Interurban coaches:** Lion's Regio, Lion's City Ü, Lion's City TÜ are inter-city coaches which can be used for inter-city transport or for touring. Lion's interurban buses are available in lengths between 12.00 and 13.90 metres.
- **City buses:** Lion's City, Lion's City T and Lion's Classic are used to serve public city passenger traffic. Most of them have low-floor technique and satisfy scheduled service requirements. Lion's city buses are available in lengths between 10.50 and 18.75 metres.

Covering the top of the bus segments, the brand NEOPLAN is sold to the same bus segments as MAN's other bus lines. Following bus models are offered under the Neoplan brand:

- **Coaches:** Starliner (luxury coach with a length of 12.99 to 13.99 metres and height of 3.9 metres), Skyliner (double-decker coach), Cityliner (classic coach with a length of 12.40 to 13.99 metres) and Tourliner (standard/economic coach).
- **Interurban coaches:** Trendliner (inter-city coaches available in lengths between 12 and 13.90 metres).
- **City buses:** Centroliner (a flexible and economic inter-city bus, also available as articulated bus) and Electroliner (operated with primary energy from electricity).

MAN has also a full bus chassis programme including monocoque and semi-monocoque frames. The chassis are supplied to builders of city buses, inter-city buses and coaches. In some countries (such as the UK) MAN's bus activities are limited to the supply of chassis.

The following table sets forth, by buses and coaches as well as by chassis, the number of buses produced by NEOMAN during each of the years 2003 through 30 September 2006:

	Nine-month period ended			
Range of Buses	30 September 2006	2005	2004	2003
Buses and coaches	3,025	3,169	3,047	3,374
Chassis	2,572	3,108	3,171	3,226

After-Sales Service for Trucks and Buses
MAN Nutzfahrzeuge provides complete transport solutions with a wide range of after—sales—services. In particular the "Made for Europe" package of services for truck tractors, specifically for the international longhaul transport sector, offers tailor made combinations of truck repair and maintenance contracts with a European wide coverage.

A full range of services including driver trainings (fuel economy, safety), fleet management, telematics as well as maintenance contracts is offered through MAN Nutzfahrzeuge.

In focussing its strategy on gaining customer loyalty through providing after-sales-services, as of 30 September 2006 MAN Nutzfahrzeuge directly operates more than 250 after-sales-service centers and also has a network of roughly 750 independent service partners in Europe.

After-sales service for trucks and buses in export markets (i.e. outside Europe) are provided by MAN Nutzfahrzeuge's overseas sales organisation (importers, dealers and service-partners), including wholly owned subsidiaries. MAN Nutzfahrzeuge is constantly enhancing its quality control, after-sales services and spare part supply arrangements to promote customer satisfaction in export markets. MAN Nutzfahrzeuge ensures that its foreign distributors coordinate after-sales repair and maintenance services in their respective countries for trucks and buses.

MAN Nutzfahrzeuge offers standard warranties of 12 months for all parts and of 24 months on powertrains and gearboxes. For high-end NEOPLAN coaches the standard warranty is 24 month for all parts (incl. powertrains and gearboxes). Further warranty extension can be purchased by the customer.

Engines and Components
MAN Nutzfahrzeuge also produces engines and components. Engines are manufactured in Nuremberg, while components are manufactured in Munich and Salzgitter. The Company's core competence in this field lies in the research, development and production of diesel and gas engines.

Product Segments

MAN Nutzfahrzeuge manufactures vehicle engines, industrial engines, marine engines and components. The vehicle engine product portfolio comprises diesel engines and gas engines for trucks, buses and coaches. MAN Nutzfahrzeuge manufactures 4, 6 and 10 cylinder high torque diesel engines with injection pump or with Common Rail fuel injection all of which—except for the 10 cylinder engines—fulfil Euro 4 and partly Euro 5 emission standards. MAN aims to comply with the forthcoming U.S. emission standard under the EPA 2007 regulations. MAN Nutzfahrzeuge also produces engines for use with natural gas (CNG) and liquid gas (LPG) for buses that fulfil emission standard EEV.

In cooperation with the U.S. truck manufacturer Navistar International Corporation, MAN Nutzfahrzeuge develops its D20 CR/D26 CR engine families for use in Navistar trucks in the U.S. from 2007 onwards, thereby fulfilling the stricter emission requirements set forth by the EPA 2007 standards. The series production is expected to start in the second half of 2007.

MAN Nutzfahrzeuge also produces engines for industrial use. One part of the product portfolio comprises stationary MAN diesel engines for gensets to be used for emergency power supply, peak load and continuous operations as well as for cogeneration plants. MAN Nutzfahrzeuge produces diesel engines designed to drive centrifugal pumps and special purpose vehicles. The Company manufactures train engines for railcars.

Furthermore, MAN Nutzfahrzeuge produces marine propulsion engines. They are offered as diesel engines with 6 to 12 cylinders for heavy-, medium- and light-duty operation. The MAN engine diagnostic and monitoring system (MMDS) allows comfortable diagnosis and control of various engine and gearbox parameters. Additionally, there is the option to process general boat data.

MAN Nutzfahrzeuge also manufactures components. The product portfolio comprises axles, cabins and transfer cases.

The following table sets forth the number of engines produced by MAN Nutzfahrzeuge during each of the years 2003 through 30 September 2006:

	Nine-month period ended			
Type of Engines	30 September 2006	2005	2004	2003
Vehicle Engines	70,217	80,600	76,400	66,113
Off highway applications	4,862	9,100	6,800	5,768

MAN Nutzfahrzeuge offers after-sales services for its engines and components. The Company also provides consulting services from the planning phase to the engine installation.

Production

MAN Nutzfahrzeuge operates 13 facilities for the production and/or assembly of trucks, buses, engines and components on a global basis. Eleven of these sites are in Europe (Germany, Austria, Poland and Turkey). In Germany, the company manufactures trucks, buses and engines in Munich, Salzgitter, Gustavsburg, Nuremberg, Pilsting and Plauen. MAN Nutzfahrzeuge is currently building a new production facility in Niepolomice near Cracow, Poland. Upon completion expected for the third quarter of 2007, the site will be used for the production of the new TGA WW—a truck class for distribution outside of Europe and Central Asia. The company furthermore has facilities for the assembly of Completely-Knocked-Down (CKD) Trucks and Buses in South Africa (trucks and buses) and Mexico (only buses).

In April 2006 MAN Nutzfahrzeuge entered into a joint venture with the Indian company Force Motors. MAN Nutzfahrzeuge holds now a 30% stake in the resulting company MAN Force Trucks Private Limited, which is expected to start delivery of heavy trucks for the Asian market in Pithampur in India in Q2 2007. The new company aims to produce 24,000 vehicles per year, of which half are produced for the local Indian market.

In June 2006 MAN Nutzfahrzeuge has opened an assembly facility to manufacture complete buses and bus-chassis in Queretaro, Mexico. The distribution will be carried out by MAN Nutzfahrzeuge's sister company MAN Ferrostaal as prime contractor.

Production Facilities

MAN Nutzfahrzeuge has production and assembly sites in Germany and other European countries. The following table sets forth the sites which host manufacturing facilties only:

Production sites

Site	Country	Main activities
Gustavsburg	Germany	Pressed parts and components
Nuremberg	Germany	R&D and production of engines
Starachowice	Poland	Parts manufacturing
		Production of buses

At the following sites parts and components are assembled:

Assembly sites

Site	Country	Main activities
Plauen	Germany	Assembly of buses
Pilsting	Germany	Assembly of buses
Vienna	Austria	Assembly of special-purpose-vehicles and heavy trucks
Poznan	Poland	Assembly of city- and intercity-buses
Cracow (under construction)	Poland	Assembly of heavy trucks

Additional sites for assembly of CKD Trucks and Buses in South Africa (trucks and buses) and Mexico (only buses).

The following sites combine production and assembly facilities:

Combined sites

Site	Country	Main activities
Munich	Germany	Assembly of heavy trucks
		Cab production
		Axles production
		Headquarters and central functions
Salzgitter	Germany	Assembly of heavy trucks
		Assembly of buses and bus-chassis
		Axles production
Steyr	Austria	Assembly of light and medium trucks
		Cab production
		Pressed parts
Ankara	Turkey	Production and assembly of buses and city buses
Pithampur	India[1)]	Production and assembly of trucks having a gross weight of 16 tons and above
		Cab production
		Axles production

[1)] In the joint venture.

Cost Reduction

MAN Nutzfahrzeuge continues to focus on reducing costs and improving efficiencies through various measures, including the following:

- MAN Nutzfahrzeuge is expanding its international production network outside Western Europe. Construction of a truck assembly plant near Crakow/Poland is underway whilst a further truck assembly in a Joint Venture Company in India, and a bus production in Mexico have already been added. Thereby, the presence in supply as well as in sales markets will be strengthened significantly. Similarly, advantages in lower labour costs can be achieved.
- MAN Nutzfahrzeuge is constantly optimising its production network. The production network is being reviewed and projects are being set up in order to focus on core competencies.
- Another focus lies on the continuous improvement of production and logistics processes. By means of the MAN Production System, standardised best practice processes, are being rolled out throughout the MAN Nutzfahrzeuge plants. Ongoing productivity programmes ensure a MAN Nutzfahrzeuge-wide implementation.

Sources of Supply

As the company attaches great importance to the quality and reliability of its products and services, it develops the majority of the important components of trucks and buses itself or together with partners. MAN Nutzfahrzeuge purchases raw materials, parts and components from numerous outside suppliers. MAN Nutzfahrzeuge's decision on whether to manufacture or to purchase from suppliers any particular

component is made competitively on commercial terms. Although MAN Nutzfahrzeuge manufactures certain major components, including engines, axles and truck cabs, other components are, to a large extent, purchased from suppliers outside of the MAN Nutzfahrzeuge. Increasingly, MAN Nutzfahrzeuge contracts with suppliers to develop and manufacture an entire functional unit, such as completely finished seats, with the supplier assuming full responsibility for production to MAN Nutzfahrzeuge's specifications. The primary prerequisites for cooperation with suppliers are near zero—defect quality level, competitive prices, and flexible and reliable delivery performance. MAN Nutzfahrzeuge also considers strategic and environmental matters in its selection of suppliers.

The strategic procurement makes a maximum contribution to the development and production of leading-edge products and increases corporate value. This is achieved by:

- Partnership-based cooperation with suppliers
- Use of global procurement possibilities
- Continuous improvement in the value of products and services purchased

MAN Nutzfahrzeuge has worked, and will continue to work, closely with its parts suppliers by providing technical support and by co-development. Hence, MAN Nutzfahrzeuge is dependent on certain suppliers of key components. In the past, MAN Nutzfahrzeuge has been able to obtain consistent supplies of high quality at competitive prices.

Sales and Distribution

Domestic Distribution
In Germany MAN Nutzfahrzeuge operates its domestic sales network for trucks exclusively through the MAN Nutzfahrzeuge Vertrieb GmbH (MVD) and its approximately 26 regional branches. NEOMAN Bus Vertrieb GmbH (BVD) is the wholly owned bus distributor for Germany.

MAN Nutzfahrzeuge believes it has generated substantial brand loyalty with its customers. To foster this increasingly important brand loyalty, MAN Nutzfahrzeuge has placed emphasis on its after-sales service and direct marketing towards its customers.

International Distribution
MAN Nutzfahrzeuge operates a wide international sales network for trucks and buses through more than 80 own and third party import companies worldwide. The same network is used for spare parts and in some cases for used vehicles, too.

Furthermore, in major export markets, in addition to the importer, independent dealers support the sale and distribution of trucks and buses.

MAN Nutzfahrzeuge's principal export markets are Western Europe and Poland, Turkey, Russia and South Africa (all with MAN subsidiaries). In addition to the export of vehicles, MAN Nutzfahrzeuge sells components such as engines for a variety of purposes.

In Mexico, MAN Nutzfahrzeuge's affiliated company on the same group level, MAN Ferrostaal, operates the sales and after-sales network for the bus activities. More cooperations of this or a similar kind are intended in other regions of the world.

Research and Development
MAN Nutzfahrzeuge's research and development focuses on its customers' business, environmentally adapted solutions and safety awareness. In 2005, the company invested €211 million (2004: €192 million; 2003: €176 million) in research and development. In product development, only commercially worthwhile projects are pursued and all business units use a well-structured process with quality gates and milestones specifying the requirements that have to be fulfilled before a project is allowed to continue. Safety and

environmental requirements are also key parameters in the process. A few of MAN Nutzfahrzeuge's most important research and development activities since 2003 are listed below:

- Several years ago MAN Nutzfahrzeuge chose cooled exhaust-gas recirculation (EGR) as the cornerstone of its engine strategy. A further development of EGR technology is the basis for MAN Nutzfahrzeuge solutions aimed at compliance with forthcoming exhaust-gas standards such as Enhanced Environmentally friendly Vehicle (EEV) Euro 5 and 6 or the U.S. limits under the EPA 2007 and EPA 2010 regulations. In cooperation with U.S. commercial vehicle manufacturer Navistar International Corporation the D20 CR/D26 CR engine is planned to be further developed with a view to satisfying the strict U.S. EPA 07 standards and the somewhat less strict Euro 5 standard on EGR basis without any additive. Additionally MAN Nutzfahrzeuge developed a SCR (Selective Catalytic Reduction) solution and thus gives customers the opportunity to choose between both alternatives.

Alternative Drive Systems

- Due to resource constraints on fossil fuels and the need for emission reductions the use of alternative fuels is likely to play an important role in the future. The Company believes that MAN Nutzfahrzeuge is the leader for natural gas (CNG) propulsion technology for city buses in Europe. In Berlin the operation of the first buses using hydrogen for propulsion coincided with technical validation at Munich airport. The most progressive propulsion for city buses is a combination of fuel cells and hybrid technology.

- MAN Nutzfahrzeuge is working on future-oriented technologies for use in public transport and in the lightweight distribution sector. The objective is to achieve significant reduction in consumption and in emissions. Several distribution vehicles with parallel hybrid drives with different dimensions are currently being tested: one vehicle features a starter alternator integrated in the clutch housing, another vehicle is equipped with an electrodynamic moving-off element (EDA) developed together with ZF Friedrichshafen. First results show that, depending on the type of vehicle operation, fuel savings of up to 15% are possible.

Driver assistance and safety systems

For MAN Nutzfahrzeuge safety is a pivotal element of vehicle design and a key success factor for success in international competition. Therefore, MAN Nutzfahrzeuge jointly develops with suppliers various advanced electronic safety systems for trucks and buses.

Ongoing research and development

- In an effort to reduce the risk of accidents involving pedestrians or cyclists located in the right blind spot area, MAN Nutzfahrzeuge is developing a system called Ultrasonic Guard System (UGS). UGS assists the driver in detecting other road users when turning right.

- Further safety systems such as emergency breaking systems, night-vision-systems and active lane keeping systems are being developed by MAN Nutzfahrzeuge in cooperation with its suppliers. The intensive and continuous cooperation of MAN Nutzfahrzeuge in joint research projects highlights the importance of driver assistance and safety systems to MAN Nutzfahrzeuge.

- Most of the above developments are based on CAD-simulations, hardware-in-the-loop, software-in-the-loop and driving simulations.

Market and Competition

The commercial vehicles industry is one of the major global capital goods industries with an estimated total annual volume of more than 2 million vehicles (including trucks and buses larger than 6 and 8 tons, respectively). While Asia is by far the largest market in terms of volumes, North America is the largest market in terms of sales followed by Western Europe. While the industry remains fragmented in many areas, a number of manufacturers with global scale have emerged. This development is expected to further accelerate. The historically separate geographical markets are expected to continue to internationalise on the back of converging emission standards and increasing customer needs in areas such as density of service networks, quality of infrastructure and technical product requirements.

Market Size and Expected Development

The commercial vehicles market comprises two major segments—trucks and buses—whereby the volumes in trucks are estimated to be about ten times larger than those in bus markets and amount to 2.1 million and 0.2 million, respectively. Asia is estimated to be by far the largest market in terms of volumes in both trucks and buses, followed by North America and Western Europe.

The Company estimates that in 2005 a total of 2.1 million trucks (> 6 tons) and a total of 0.2 million buses (> 8 tons) were sold globally. The Company believes that the share of regions in the global market was in the year 2005 thereby as follows:

	2005	
	Trucks	Buses
Asia	44%	41%
North America	21%	28%
Western Europe	12%	16%
Eastern Europe	9%	6%
Other	14%	9%
Number of units[m]	2.1	0.2

Tightening emissions regulations (reduction in nitrogen oxide (NOx) and in particulate matter) are expected to cause an interim sharp decrease in volumes in 2007 that will primarily affect North America. However, a number of analysts expect this downturn to be more than offset by a recovery of global demand in 2008. A push in production across markets and a rise in production in 2008 is expected to result in a 4% increase in global sales in 2008 compared to 2006.

Trucks

The European market shares for trucks > 6 tons of MAN Nutzfahrzeuge and its the largest European competitors for the fiscal years 2003, 2004 and 2005, and the nine-month period ended 30 September 2006 are shown below (all figures derived from official registration data obtained from public registration authorities of different countries):

Market share				
Trucks > 6 tons	**Nine-month period ended**			
(in %)	**30 September 2006**	**2005**	**2004**	**2003**
DaimlerChrysler	21.8	22.2	21.8	21.1
MAN	15.7	15.7	15.3	14.9
IVECO	13.8	14.2	14.8	14.8
DAF	13.3	12.8	12.0	11.7
Volvo	11.5	11.5	12.1	12.3
Renault	11.0	10.9	11.2	11.5
Scania	9.9	10.1	10.0	10.6

The European truck market is expected to grow by 5% in 2006, followed by a modest decline projected for 2007. In 2005 the Western European market was characterised by a slow production growth caused by declines in truck exports. In 2006, a moderate increase is expected with an output of around 460,000 units, followed by a potential decrease in 2007 by about 5%, as domestic markets decline (source: Quarterly Journal "Global Insight World Truck Industry Forecast Report September 2006", page 3). Western European market will reach the peak of its current replacement cycle. Therefore, Global Insight expects a moderate decline next year and a recovery starting in the latter part of 2008. A possible increase of truck production in Eastern Europe may be based on good economic fundamentals as well as favourable developments in domestic markets, especially in Russia. Growth in the Eastern European market is caused by good economic fundamentals (source: Quarterly Journal "Global Insight World Truck Industry Forecast Report September 2006", pages 2, 3).

Growth in Asia is expected to be led by the Indian market in 2006. The peak will be driven by structural changes, infrastructure elements, and unprecedented economic developments. After a strong decrease of demand for heavy-duty trucks in China in 2005 due to earlier overloading regulations, combined with new engine standards, vehicle weight legislation and government efforts in order to cool the overheating economy a slow recovery is expected for 2006, to be continued in 2007 (source: Quarterly Journal "Global Insight World Truck Industry Forecast Report September 2006", pages 2, 3).

For the United States market a strong growth is expected in 2006 due to pre-buying activity ahead of the new EPA 2007 engine emission regulations. Sales are forecasted to grow by 8.6% in 2006, followed by a significant decrease of around 22% in 2007, particularly in the heavy truck sector (up to 32% decrease), as a result of the present surge (source: Quarterly Journal "Global Insight World Truck Industry Forecast Report September 2006", page 2).

Truck Industry Consolidation in General

The truck industry currently faces several challenges, such as rising costs relating to legislative and market pressures, cyclical demand. These challenges are met by convergence of the global emission standards that trucks must meet—especially in the three major markets—together with the more standardised requirements of truck customers enabling trucks in different markets to share a large number of components. As a consequence, truck architecture (powertrain, electronics and cabins) can be standardised and substantial scale effects and critical mass can be generated more easily. The truck industry has further experienced increasingly demanding emission standards, e.g. the EPA 2007 or Euro 5 regulations, and a consolidation of suppliers.

Buses

The passenger transport market is driven by GDP—growth in certain countries and the move towards public transport development in light of fuel price increases. A third major driver is the need to adapt buses to the evolving emission standards. In the Bus Division just under 62% of the vehicles were sold in Europe, 19% of those to Germany.

The largest European markets for buses are France, Germany and Great Britain, followed by Spain and Italy. The European market shares for buses > 8 tons of MAN Nutzfahrzeuge and its largest European competitors for the fiscal years 2003, 2004 and 2005, and the nine-month period ended 30 September 2006 are shown below (all figures derived from official registration data obtained from public registration authorities of different countries):

Market share

Buses > 8 tons (in %)	**Nine-month period ended 30 September 2006**	**2005**	**2004**	**2003**
EVOBUS	24.0	25.1	25.7	26.7
Iribus	18.9	19.6	19.7	17.8
MAN	15.5	12.8	13.7	14.2
Volvo	11.2	13.3	11.7	11.6
Scania	8.1	8.2	7.8	8.1

Industrial Services

MAN Ferrostaal is a supplier of industrial services and systems with worldwide presence. It acts as a general contractor and offers project development, project management and financial solutions. Its wide range of offerings extends to services for turnkey construction of industrial plants, including necessary financing concepts, distribution of ships, machinery and transport-related equipment, as well as steel trading (that is being treated as discontinued operations as of 30 September 2006) and provision of logistic services. For the nine-month period ended 30 September 2006 MAN Ferrostaal's sales amounted to €935 million, constituting

9.9% of the Group's sales. The operating profit was €77 million, constituting 10.3% of the Group's total operating profit. The following table sets forth key business data from 2003 through 30 September 2006:

in € millions	Nine-month period ended 30 September 2006[1]	2005[2]	2004[2]	2003[2]
Order Intake	887	3,077	3,508	2,738
Sales	935	2,789	3,185	2,880
Operating profit	77	90	72	73

[1] Steel trading business accounted for as discontinued operations.
[2] Not adjusted for discontinued operations.

MAN Ferrostaal is split into two divisions: Projects and Services.

The Projects division constitutes 55% of MAN Ferrostaal's total sales as of 30 September 2006 (31 December 2005: 29%; 31 December 2004: 35%; 31 December 2003: 53%). It is sub-divided into two business segments, Industrial Projects and Marine Business, and is focused on the construction of industrial plants as well as on ship projects.

The Services division constituted 45% of MAN Ferrostaal's total sales as of 30 September 2006 (31 December 2005: 71%; 31 December 2004: 65%; 31 December 2003: 47%). It is sub-divided into two business segments, Equipment Solutions and Supply Chain Solutions, and comprises services for the automotive, transportation, machine and steel sectors.

MAN Ferrostaal increasingly acts as project partner for other entities of the MAN Group. It currently develops a programme for a group-wide platform with a focus on international sales of MAN products and services with a view to generating synergies between the different business units of the MAN Group. For this purpose, it makes use of its international representations and longstanding experience in various countries as well as its relationships with customers and authorities in markets, where other business units of the MAN Group are not yet represented at all or where their representation has potential to be expanded. As a result, MAN Ferrostaal combines its strengths with the product know-how of the other business areas of the MAN Group.

The following table depicts the share of each region in the years 2003-2005 unadjusted sales of MAN Ferrostaal:

Sales by Region

(in %)	2005	2004	2003
Germany	16	15	17
Other EU	9	10	11
Other Europe	6	10	7
Americas	50	46	40
Asia	14	10	16
Rest of World	6	9	9

Projects

The Projects division comprises the business segments Industrial Projects and Marine Business.

Industrial Projects

In the business segment Industrial Projects, MAN Ferrostaal carries out major industrial projects on a lump-sum-turn-key basis on behalf of its customers. MAN Ferrostaal acts as a general contractor for the realisation of mainly power and fuel related industrial projects. Most of the project business is generated in emerging countries that possess substantial natural resources and a strong need for project financing (Latin America, South East Asia, Middle East). The market strengths of MAN Ferrostaal include project development, financing solutions—in selected cases with own equity involvement for a limited period of

time—and project management. Typically, the contractual value of MAN Ferrostaal's large scale projects ranges between €100 million and €1 billion. Current major lump-sum-turn-key projects generate annual sales in the range of around €250 to €300 million. MAN Ferrostaal guarantees its customers the full contractual performance in terms of availability, quality and plant performance. As a result, it issues guarantees between 5-10% of the contractual value to its customers. Normally the execution phase lasts between 2-3 years. The warranty period lasts between 1-2 years after the start of plant operations. Generally, MAN Ferrostaal receives prepayments in the range of 5-15% of the contractual value from its customers. These prepayments are usually covered by bank or parent company guarantees. MAN Ferrostaal works with selected financial institutions and mainly operates with limited recourse financing. MAN Ferrostaal is not dependent on captive technologies. It has access to proven technology through long-term global partnerships. MAN Ferrostaal offers its customers tailor made solutions based on their individual needs.

Marine Business
The business segment Marine Business is focused on services encompassing the design, construction-management, financing and supply of ships in collaboration with renowned shipyards, acting as a general contractor for projects both in Germany and abroad. MAN Ferrostaal's product portfolio is focused on special vessels, such as powerful tugboats and double-hulled tankers. In collaboration with ThyssenKrupp Marine Systems, MAN Ferrostaal sells naval ships on a worldwide basis. Another key activity in this business segment is the handling of obligations arising from countertrade deals. As of October 2006, MAN Ferrostaal mainly has offset obligations in Greece, Portugal and South Africa. In the future, MAN Ferrostaal is planning to offer its countertrade expertise to companies outside the MAN Group.

Services
The Services division comprises the business segments Equipment Solutions and Supply Chain Solutions. MAN Ferrostaal operates these businesses on a back-to-back basis.

Equipment Solutions
In the business segment Equipment Solutions, MAN Ferrostaal is an international sales and service partner for renowned machine manufacturers, with a focus on integrated printing, packaging and high-quality special machines. The Company believes MAN Ferrostaal to have a strong local market presence in Latin America and Asia. MAN Ferrostaal further acts as a systems supplier with a broad portfolio covering entire value chains, for which it offers intelligent financing solutions. In addition, it develops and implements complex infrastructure projects and supplies traffic and transport systems. It offers tailor made infrastructure and transport systems, such as railway systems. MAN Ferrostaal operates a back-to-back business model by simultaneously buying and selling. As a general contractor in rail projects, MAN Ferrostaal conducts studies of existing transport systems, evaluates needs for modernisation as well as plans the construction, extension and modernisation of these systems. In cooperation with MAN Nutzfahrzeuge, MAN Ferrostaal sets the basis for the entry into new geographical markets for the construction and distribution of commercial vehicles. For example, MAN Nutzfahrzeuge lately entered into the Mexican market as manufacturer of buses with the support of MAN Ferrostaal. The latter is now exclusively responsible for the sales of MAN Nutzfahrzeuge buses in this region as well as for the management of the after-sales services. This cooperation will be extended to various markets in South East Asia.

Supply Chain Solutions
In the business segment Supply Chain Solutions, MAN Ferrostaal offers customers in the steel and automotive industries comprehensive solutions, such as the organisation of just-in-sequence module and system assembly. Further, MAN Ferrostaal buys, distributes and sells on a back-to-back basis a wide range of steel and non-ferrous metals on a global basis. It provides the funding for these deals and also handles the logistics. MAN Ferrostaal is currently in the process of divesting its steel trading business. It is already being treated as discontinued operation.

Sales and Distribution

MAN Ferrostaal has a strong international sales organisation. More than 40% of the employees work abroad with representations in more than 60 countries around the globe. The Company believes that MAN Ferrostaal has an especially strong local presence in the regions of Latin America and South East Asia.

Market and Competition

MAN Ferrostaal is active in more than 60 countries worldwide. In 2005, orders from abroad made up 84% of the total order intake. The most important regions in 2005 were Asia with 27% (including the Near and Middle East), followed by Europe with 26%, Latin America with 23%, North America with 20% and others with 4% of order intake. Germany contributed 16% to the order intake. The following table sets forth the order intake in the years 2003 through 30 September 2006:

Order intake (in %)	Nine-month period ended 30 September 2006	2005	2004	2003
Germany	25	16	15	17
Europe (including Germany)	25	26	37	34
Latin America	28	23	24	27
North America	0	20	23	13
Asia	14	27	12	13
Rest of World	8	4	4	13

The main growth areas for the Industrial Projects field are Latin America and South East Asia.

The Company appreciates the competitive situation of MAN Ferrostaal as follows:

- MAN Ferrostaal does not have any direct competitors offering the same range of products and services. Notwithstanding, the company faces competition throughout its business segments.
- In Equipment Solutions the international sales organisation of Heidelberger Druckmaschinen is MAN Ferrostaal's main competitor in the Print and Packaging unit. In the business unit Industrial Systems and Transportation there is no direct competitor. Unlike other companies MAN Ferrostaal has no binding ties to specific products or producers. In Supply Chain Solutions Van Leeuwen and Kürvers are its main competitors in the Piping unit, TDS Automotive, Schnellecke and Preymesser in its Automotive unit and Stemcor in the steel unit.
- With regard to the segment Industrial Projects Lurgi, Mitsubishi Heavy Industries and Uhde compete with MAN Ferrostaal in the Petrochemicals business unit. Its main rivals in the Power Plants business unit are Iberinco Spain, Lentjes Germany and AE + E Austria. In the Metallurgy business unit, its main competitors are SMS Demag, Danieli and Bechtel. In the unit Pulp and Paper Metso Kvaerner and Andritz compete with MAN Ferrostaal. In the Oil and Gas business unit, Technip, Snam Progetti and ABB Italy are MAN Ferrostaal's main rivals. With regards to the segment Marine Business various international shipyards are its main competitors.

Diesel Engines

MAN Diesel is composed of two divisions: two-stroke (low speed) engines and four-stroke (medium speed) engines. The service activities for both divisions are bundled within PrimeServ. The product line of MAN Diesel contains standard solutions and customised concepts based on diesel and gas engines. For the nine-month period ended 30 September 2006, the sales of MAN Diesel amounted to €1,316 million, constituting 13.9% of the Group's sales. The operating profit was €157 million, constituting 20.9% of the Group's total

operating profit. The following table sets forth key business data of MAN Diesel from 2003 through 30 September 2006:

Key business data (in € millions)	Nine-month period ended 30 September 2006	2005	2004	2003
Order Intake	1,951	2,203	1,872	1,460
Sales	1,316	1,666	1,421	1,312
Operating Profits	157	117	55	58

The following table depicts the sales share of MAN Diesel of each region in the years 2003 through 2005:

Sales by Region (in %)	2005	2004	2003
Germany	15	17	13
Other EU	22	24	24
Other Europe	9	7	8
Americas	13	11	13
Asia	37	38	39
Rest of World	4	3	3

Two-stroke engines
The two-stroke division designs and, to a much lesser extent, manufactures diesel engines with outputs ranging from 1,100 kW to 97,300 kW mainly for ship propulsion systems but also for diesel power plants. The two-stroke engines are characterised by its low speed between 100 and 250 rpm. As a consequence, these engines are extremely sturdy so that their product life may be up to 40 years.

The engines department mainly designs two-stroke diesel engines as well as complete propulsion systems with engine shafts and propeller for large cargo ships and tankers. The main profit in the two-stroke engine division is not generated by manufacturing but by granting licences for the developed engines to licensees all over the world. The licensees have to pay a fee to MAN Diesel per kW build.

The engine programme covers engines that are mechanically driven and have camshaft controlled timing of fuel injection, exhaust valves, starting air valves and cylinder lubrication (MC-C/MC programmes) and the new generation of electronically controlled diesel engines (ME/ME-B/ME-C/ME-GI programmes). The latter offers reduced operating costs, lower emissions, increased reliability and provides a high degree of flexibility in terms of operating modes and programmes. In principle all ME engines are also available for LNG carrier propulsion as dual fuel engines with high pressure gas injection.

Four-stroke engines
The four-stroke engines division within MAN Diesel develops and manufactures four-stroke engines that have a long tradition in marine propulsion. The second central application of four-stroke engines is power generation. In contrast to the two-stroke engine division, the four-stroke engines are to a large extent manufactured by MAN Diesel in-house.

Four-stroke engines in the marine application are of major importance in cargo and passenger ship propulsion. The four-stroke engines are characterised by higher power density due to the higher speed between 400 to up to 1,200 rpm and, therefore, cause less vibration. The power output ranges from 500 to 22,000 kW. Four-stroke engines of this type from MAN Diesel offer a power to weight ratio and a size that makes them ideal in particular for smaller container vessels and large multi-purpose freighters. To a lesser extent, they are equipped in cruise vessels and ferries.

Furthermore, MAN Diesel provides auxiliary marine engines or complete sets for power generation, the so called GenSets. A wider range of automated systems has increased the demand for electricity on board

ships. The MAN Diesel GenSets secure reliable and economical power generation. Overall installation costs can be minimised by using compact modular fuel treatment systems, available in standard sizes.

Four-stroke diesel engines in the power generation application dominate base load power generation up to plant sizes of 200 Megawatt (mW). These engines meet current emission standards and are able to comply with more stringent national codes by adding emission reduction equipment. In addition to four-stroke engines suitable for operation on residual fuels, crude oil and distillate fuels, MAN Diesel offers a variety of engines for operation on gas, with retrofit possibilities. MAN Diesel power generation plants are not restricted to traditional land-based stationary installations but are also applicable to barge-mounted floating plants and containerised GenSets. The company's scope of involvement ranges from equipment supply to full turnkey project responsibility, with operation and maintenance (O&M) services tailored to customer requirements.

Key Components

The performance of a diesel engine is defined by its power output, its fuel consumption and its emissions. These characteristics to a large extent depend on the performance of the key components integrated in or attached to the engine. The key components of today's diesel engines are the fuel injection system, the turbocharger as well as the electrical control system. The Company believes that MAN Diesel is the only major manufacturer worldwide of diesel engines operating on heavy fuel which has developed and manufactures all three components in close coordination with the development and production of the engine itself. MAN Diesel is thereby able to control the adjustment and tuning between the engine and the components as well as between the components in order to optimise the specifications of and collaboration between the different units.

Injection Systems

MAN Diesel has a history of developing and manufacturing fuel injection systems both for two-stroke and for four-stroke engines at its own research and production sites. In the direct fuel injection system, the fuel is injected right into the combustion chamber of each cylinder, as opposed to conventional multi point fuel injection, where the fuel is injected into the intake manifold. The direct injection enables stratified charge combustion for improved fuel efficiency and emission levels at low load.

MAN Diesel also developed and manufactures Common Rail injection systems. In the view of the Company, MAN Diesel was first in the world to operate on heavy fuel oil, to a large extent for its four-stroke engines. Common Rail refers to a small accumulation tank called Rail where the pressure of the fuel remains almost constant and always available in order to supply the electronic injectors for an optimum injection. The protection of the environment, the need to reduce the consumption of fuel and to make the diesel engines more silent and better performing are the key factors that determined the development of the Common Rail system. MAN Diesel also offers dual fuel four-stroke engines (DF). They efficiently run on liquid fuels or natural gas with emissions far below the IMO limit. The possibility to switch over immediately from gas to diesel operation and vice versa provides full flexibility at multiple applications like in the marine sector for LNG tankers or in the stationary sector for high efficiently operating power stations.

Turbochargers

MAN Diesel designs and together with its licencees manufactures modern high efficiency exhaust gas turbochargers for two-stroke and four-stroke engines which improve the power output and fuel efficiency of a wide range of engines. The output spectrum of the turbochargers both for two- and four-stroke engines ranges from 390 kW to 35,400 kW per turbocharger. One or more turbochargers increase the power output of a diesel engine by up to 200%.

MAN Diesel has expertise in turbochargers dating back to 1934, when its first turbocharger for a diesel engine was developed. PBS Turbo, a Czech subsidiary of MAN Diesel, also has its own turbocharger programme, which is less expensive and offers turbochargers for special and established markets of Eastern European and non-European countries. Most of MAN Diesel's turbochargers are also produced by licensees in Japan, Korea and Russia.

More than 20,000 high efficiency turbochargers are currently in operation. The large worldwide turbocharger licensee network guarantees flexible availability, while over 50 service bases on all five continents provide support around-the-clock.

Control Systems

This product family includes a range of digital electronic governors and engine management systems to control complex engines, including those with electronic fuel injection.

Production

Locations and Production Facilities
Large bore four-stroke medium-speed engines and larger turbochargers are produced in Augsburg, Germany. The site also features the research and development department for the four-stroke engines and turbochargers. The manufacturing with its specialised machine tools is focused on key components. Hand-moulded castings are the focus of the MAN Diesel foundry, also situated in Augsburg.

In Saint Nazaire, France, S.E.M.T. Pielstick, a 100% subsidiary, produces four-stroke engines for marine propulsion as well as power generation.

In Frederikshavn, Denmark, the engines department designs and manufactures a variety of small bore four-stroke propulsion engines and GenSets, two-stroke diesel engines as well as complete propulsion systems with engine, gearbox, propeller and electronic control for small and medium vessels. The design department and distribution platform for GenSets is located in Holeby, Denmark.

The two-stroke engine activities of MAN Diesel, including administrative and commercial functions, are concentrated in Copenhagen. The site features development and design facilities as well as a small specialised production site for the manufacturing of key components for the MAN Diesel two-stroke engines. Further, this site provides the MAN Diesel service department with spare parts and the licensees with newly manufactured components in the two-stroke business.

Another facility is located in Velka Bites, Czech Republic, where PBS Turbo engineers and produces the smaller MAN Diesel turbochargers. The MAN Diesel turbochargers are also assembled in China.

Licensees
MAN Diesel maintains relationships with more than 40 individual licensees for the production of its diesel engines and turbochargers in China, Croatia, the Czech Republic, Indonesia, Japan, Iran, South Korea, Poland, Russia, Spain, Taiwan, U.S. and Vietnam. The licensees acquire licences to build MAN Diesel products based on MAN Diesel designs and manufacture the products at their own production facilities. The royalties paid MAN Diesel are based on the number of kW manufactured by the licensee. 90% of MAN Diesel's turnover from these licences is generated from licensees in Korea, Japan and China.

MAN Diesel usually grants non-exclusive licenses and supplies know-how regarding design, choice of materials and manufacturing methods. It also usually limits its liability for engines defects to such know-how provided as licensor, while the licensee has the liability for production and material defects. In any case liability is capped and consequential damages are excluded. MAN Diesel is usually not liable for any compensation or damages payable by the licensee to its customer or third parties.

Raw Materials and Sources of Supply
MAN Diesel has a network of long-standing suppliers. The evaluation of potential suppliers is based on common criteria such as technology, quality, logistics, commercial viability and management. The suppliers assume full responsibility for the quality of the products supplied.

The MAN Diesel products designed for two-stroke engines are the most common types of products that are sourced globally. The purchasing range for four-stroke engines and turbochargers comprises forging parts, casting parts, plate cutting parts, finished machined parts as well as plant equipment and accessories. Both for two- and four-stroke engines, there are only 3 suppliers for crankshafts and only 2 suppliers for pistons in Europe. Additional suppliers are located in Asia.

There are distinct purchasing departments at each of the Group's distribution locations. In principle these departments are coordinated by a central group function for purchasing but act autonomous, with responsibility towards its location.

Sales

MAN Diesel's customer base primarily includes companies from South East and Central Asia, Europe and Central/South America. The vast majority of its customers are shipyards at different locations worldwide. Some of the largest order intakes as of 30 September 2006 originate from customers in Central/South America, China and Korea. The following table sets forth the order intake from 2003 through 30 September 2006:

Order intake	Nine-month period ended 30 September 2006	2005	2004	2003
Total (in € thousand)	1,951	2,203	1,872	1,460
Germany in %	8	16	13	22
Non-German in %	92	84	87	78

Domestic Sales

Domestic sales mainly focus on diesel engines and relating equipment for specialised marine applications such as high tech and research vessels. 8% of MAN Diesel's order intake for the nine-month period ended 30 September 2006, were generated in Germany.

International Sales

The other 92% of MAN Diesel's order intake for the nine-month period ended 30 September 2006 resulted from the application of MAN Diesel's engines in the international shipbuilding, particularly South-East Asia and in the stationary sector.

After-Sales Service

MAN Diesel's service organisation called PrimeServ offers worldwide diesel engine after-sales service. The service covers diesel engines for both marine and power applications. PrimeServ's mission is to service customers throughout the product life cycle as an integrated, globally setup business partner. The range of services offered by PrimeServ includes the fields of maintenance, repair, spare parts sales and operation of an engine. PrimeServ provides a 24-hour worldwide service and online engine monitoring via satellite.

Apart from the MAN Diesel service headquarters in Augsburg (Germany), Copenhagen, Frederikshavn (both Denmark), St. Nazaire (France) and Shanghai (China), 42 service offices and 33 service units on all continents provide comprehensive and continuous support. PrimeServ employees work mainly at service centres, on board of customers' ships and at power stations. The large service network and the extensive service activities result from MAN having a large Diesel engine population in the market.

A long service life associated with MAN Diesel engines requiring components being available for decades. PrimeServ provides a worldwide service network for repairs, delivery of spare parts and maintenance, consisting of a number of services and support partners. In 2006 eight new service hubs (Houston, Los Angeles, Guangzhou, Dalian, Mumbai, Colombo, Madrid, Rotterdam) have been established to enlarge the dense network of PrimeServ locations and authorised partners and agents.

The standard warranty period for MAN Diesel's engines is 12 months after initial operation or 18 months after delivery ex works. The above-mentioned terms also apply to commercial engines that MAN Diesel purchases from its licensees. Guarantee claims for these engines can normally be forwarded to the licensees on the basis of back-to-back-agreements.

Market and Competition

The substantial increase in international trade during the past years, which was primarily caused by high growth rates of the GDP in the People's Republic of China and other Asian emerging countries, led to constantly increasing freight volumes. More than 70% of the world trade (measured in ton kilometer) is carried out by sea or via inland water ways (source: market research by Fearnleys). Thus, the increased freight volume in turn have considerably increased the demand for ship tonnage and thereby for new cargo vessels. The most important markets were and still are the ship building countries in the Far East such as South Korea, Japan and the People's Republic of China whereas China has gained considerable during the past years and intends to become the market leader in the ship building industry within the next decade.

Driven by Korea and especially China the shipbuilding industry remains on a very high level of activity. Slight declines of some vessel types are compensated by an acceleration of demand of other types like LNG carriers or ships for the offshore industry.

The stationary electricity generation has developed just as well as the shipbuilding market during the past five years. The favourable economic development has led to an increased demand for electricity which, amongst others, led to an increased demand for diesel engine-power plants. The slow and medium speed market of diesel and gas engines shows an increase of more than 70%, namely from 2,830 mW p.a. (or 530 engines) up to 4,900 mW (or 1,100 engines) for the past 5 years (source: magazine "Diesel & Gas Turbine Worldwide" issue Oct. 2002, pages 32 to 40 and issue Oct. 2006, pages 28 to 36). Today, the most important markets are in Europe (increased gas engines business), South-East Asia and Australasia as well as in Central America and the Caribbean. The demand in Central Asia as well as in North and South America has slightly decreased.

MAN Diesel is the global market leader in the overall marine diesel engines business based on the worldwide engine output (including engines produced by licensees). In particular, it is the market leader for the design of two-stroke diesel engines with a market share of 77% (including those manufactured by licensees) (source: own calculation based on datafile of Lloyd's Register—Fairplay Ltd., status Jan. 2006). The two main competitors in this field are Wärtsilä with a market share of 19% and Mitsubishi with a share of 4% (based on the kW/mW ordered for ships in total in 2005). In the field of medium marine speed engines MAN Diesel's market share is 38% (source: own calculation based on the magazine "Diesel & Gas Turbine Worldwide", issue Nov. 2005, pages 24 to 30). The two main competitors are Wärtsilä and CAT/MaK.

In the field of stationary diesel engines for power generation (low and medium speed) of more than 3.5 mW MAN Diesel has a market share of 34% (source: own calculation based on the magazine "Diesel & Gas Turbine Worldwide", issue Nov. 2005, pages 24 to 30). The two main competitors are Wärtsilä and CAT/MaK. In the sector of stationary power of more than 7.5 mW, MAN Diesel with a market share of 38% (source: own calculation based on the magazine "Diesel & Gas Turbine Worldwide", issue Nov. 2005, pages 24 to 30) and Wärtsilä with a share of 50% are the main players. Regarding power plants with power output of less than 3.5 mW the market is more diverse. Still, MAN Diesel has a market share of 19% (source: own calculation based on the magazine "Diesel & Gas Turbine Worldwide", issue Oct. 2005, pages 40 to 48) in this field.

Research and Development

MAN Diesel has been developing new emission control methods for more than three decades. The methods include engine component modifications and exhaust gas after-treatment.

The most important research and development activities in the past three fiscal years are listed below:

- Common-Rail technology: Since 2004, this technology has been available to MAN Diesel's four-stroke engine range. This in-house product, the development of which has started 2003, combines conventional components of existing MAN injection systems with up-to-date hydraulic and electronic elements.

- HERCULES: This project, started in 2004, in cooperation with Wärtsilä Corporation aims to maximise fuel efficiency, reduce emissions and improve life cycle costs of marine propulsion systems.

- Further development projects for MAN Diesel include electronic controlled two-stroke engines (ME) (started long before 2003) and two-stroke gas engines (ME-GI) as propulsion system for large LNG-Carriers (started mainly in 2005).

Turbomachines

For the nine-month period ended 30 September 2006, the sales of MAN TURBO amounted to €606 million, constituting 6.4% of the Group's sales. The operating profit was €46 million, constituting 6.1% of the Group's total operating profit. It is a leading manufacturer of and service provider for turbo compressors and industrial turbines. It operates six plants in four countries. MAN TURBO offers a complete range of turbomachines for industries including oil and gas, refinery, chemical, industrial gases and power generation. Furthermore, it offers reactor systems. The following table sets forth key business data of MAN TURBO from 2003 through 30 September 2006.

(in € millions)	Nine-month period ended 30 September 2006[1]	2005[2]	2004[2]	2003[2]
Order Intake	1,200	850	675	658
Sales	606	694	659	567
Operating Profits	46	43	36	29

[1] Includes MAN DWE GmbH and B&V Industrietechnik GmbH.
[2] Not adjusted.

MAN TURBO has grown organically as well as through acquisitions. The group acquired the turbo compressor businesses of BORSIG in 1996 and of Sulzer (excluding service business) in 2001. In 2006, MAN TURBO acquired the steam turbine division of B&V Industrietechnik GmbH along with its facilities in Hamburg, and also integrated MAN DWE, a manufactor of reactor systems.

Products

MAN TURBO has three business divisions, New Equipment, Services and Reactor Systems (the latter from year 2006 on). In 2005, approximately 65% (2004: 63%; 2003: 58%) of MAN TURBO's sales were generated by New Equipment, while approximately 35% (2004: 37%; 2003: 42%) was generated by Services.

New Equipment

The New Equipment division comprises the business segments turbo compressors and turbines relating to different kinds of applications. In 2005, MAN TURBO's sales from New Equipment reflect these segments in the following proportions: 74% from turbo compressors (2004: 76%, 2003: 72%) and 26% from turbines (2004: 24%, 2003: 28%).

Turbo compressors

Turbo compressors are used for compressing and transporting gases in different applications. MAN TURBO offers a wide variety of turbo compressors, namely axial, centrifugal, pipeline, isotherm, gear-type and process-gas screw, as well as vacuum blowers. Turbo compressors are the main component of air separation units, used for example in oil and gas production as well as liquefaction and coal conversion, and are also key elements for the construction of pipelines, for gas transport and many other industrial processes.

MAN TURBO also manufactures expanders. Expanders are used as the drives for turbo compressors, pumps and generators by means of energy regeneration. The key applications for expanders are in coal and oil gasification plants, nitric acid plants, theraphthalic acid plants, fluid catalytic cracking (FCC) plants, residual catalytic cracking (RCC) plants, and blast furnace top gas plants. Compared to turbines (described below) which are also used for power generation, expanders are cost effective for customers because they use the thermal energy as by-products of chemical processes. However, expanders have shorter life spans and therefore incur higher maintenance costs that contribute to the sales of the Service Division.

Turbines

MAN TURBO manufactures both industrial gas and steam turbines, in the form of THM gas turbines, FT8 gas turbines, and steam turbines. THM gas turbines are used for mechanical drives in turbo compressors and pumps, and for generator drives in gas turbine power stations, municipal utilities, combined heat and power stations, combined cycle power stations, and for marine drives. The FT8 is an aero-derivative gas turbine of the 25 mW-class which also serves as generator- or mechanical drive in various applications. Steam turbines also have similar applications, in addition to use for generator applications in biomass and industrial power stations and waste-to-energy plants.

Reactor Systems

Since the integration of MAN DWE, MAN TURBO manufactures special apparatus for the petrochemical industry and tubular reactor systems for the chemical industry at its facilities in Deggendorf, Germany. Reactor systems are used for the production of chemical feedstocks and perform a central function within a chemical production plant.

Services
MAN TURBO's Services division offers a broad range of after-sales support for its customers. Revenue from Services constituted approximately 35% of the business area's total sales in 2005.

MAN TURBO provides spare parts supply as well as servicing and maintenance which involve the monitoring of machinery condition and the overhaul and repair support worldwide. Furthermore, MAN TURBO provides technical and other support to its customers in the first instance via a 24-hour telephone hotline. It provides more detailed and tailored technical advice through its consultancy service, offering diagnostic options and cost-optimised repair suggestions. MAN TURBO offers not only technical services, but also commercial and logistical advice regarding revamps, modernisations and relocations. Laboratory services are also offered, such as visual checks of plants, diagnostic reports, vibrations measurements, frequency analyses, endoscopies and crack tests.

Through its field commissioning service, MAN TURBO provides the staff required for the planning and construction of new machines, commissioning, inspection and maintenance work. The upgrading services applies to control systems and instrumentation, condition monitoring, bearing modification, changing seal system, material optimisation, and emission reduction.

Production

Facilities
MAN TURBO operates six plants: four in Germany (Oberhausen, Berlin, Hamburg and Deggendorf), and one each in Switzerland (Zurich) and Italy (Schio). The group also expects to open an additional facility in China in 2008. The MAN TURBO administrative headquarters are in Oberhausen.

Products manufactured in Oberhausen include turbo compressors, large horizontal split casings, and steam and gas turbines. The primary markets which the Oberhausen facility serves are basic-, chemical- and petrochemical industries, the oil & gas midstream sector and the power generation sector (gas and steam).

At the Berlin facility, MAN TURBO manufactures turbo compressors and 3-D impellers, both of which are used in the downstream refinery market.

The Hamburg facility manufactures steam turbines of up to 20 mW, which are used primarily in power generation (conventional, waste, incineration, and biomass).

The Deggendorf facility produces reactor systems that are used in the GTL (Gas-to-liquid), refinery, basic chemistry and special applications.

In Zurich, MAN TURBO manufactures turbo compressors, braised impellers, which are used in upstream oil and gas, industrial gases, and vacuum markets.

The Schio facility focuses on the manufacturing of welded castings used in air separation.

A facility will be added in China. It is expected to be operational in 2008 and will specialise in the production of basic turbomachinery components and rotating equipment packaging. It is also expected to increase local service activities.

MAN TURBO's facilities are used for manufacturing and product testing. Unlike any of its competitors, MAN TURBO's facilities at Oberhausen are able to accomodate turbomachinery trains weighing up to 1,000 tons for assembly and testing. MAN TURBO has made substantial investments over the past 3 years in order to upgrade the Oberhausen and Zurich facilities, providing the basis for testing of large, fully assembled trains.

Sources of Supply
MAN TURBO's manufacturing activities rely on the supply of steel, as well as components such as casted casings, rotors, electrical motors, gear boxes, temperature and C&I equipment, silencers and air filters.

Generally MAN TURBO's suppliers are third parties, but in some cases MAN Diesel SE supplies castings.

For each item MAN TURBO requires, it has more than one supplier and is therefore not dependent on any single supplier.

Sales
MAN TURBO has a sales organisation with industry-specific focus. It is supported by strong and continued investment in research and development, to ensure its products' performance remains competitive. This is further enhanced by local presence of sales, marketing and service employees in several countries worldwide. Service workshops have also been set up in China, Brazil, Argentina, Iran, Qatar and South Africa.

MAN TURBO's customers are mainly active in the oil and gas as well as the industrial gas industries.

The following table sets forth incoming orders for the New Equipment Business Division based on regions for the years 2003 through 30 September 2006:

Order intake in %	Nine-month period ended 30 September 2006	2005	2004	2003
Asia	38	43	41	52
Europe	26	22	32	24
Middle East & Africa	26	19	21	14
Americas	10	16	8	10

The following table sets forth incoming orders for the New Equipment Business Division based on applications for the years 2003 through 30 September 2006:

Order intake in %	Nine-month period ended 30 September 2006	2005	2004	2003
Oil	39	39	39	25
Industrial Gases	18	21	24	19
Refineries	15	11	5	10
Power Generation	11	8	9	6
Iron and steel	6	7	3	7
Fertiliser	6	7	8	5
Chemical/Petrochemicals	4	7	12	28

Research and Development
Since 2003, MAN TURBO continues to invest in research and development in order to sustain improvements in its products' performance and efficiency, and to achieve cost optimisation and prolong the useful life of existing and delivered products for which it provides maintenance services.

The research and development function focuses on the following areas: thermodynamics, aerodynamics, vibration analysis, mechanical developments (including e.g. up-grading), laboratory and analysis technique, material sciences and design.

The most recent research and development achievements relate to the GTL technology, testing techniques, and subsea technologies for the oil and gas industry.

Market and Competition

The turbomachinery market is a global capital goods market mainly driven by the development in the oil and gas industry. Due to declining gas reserves in EU and North America and shifts towards increasing gas imports of various countries there is an increasing demand for gas storage to secure balanced gas availability during the year. MAN TURBO has developed a special oil free compressor to import/export gas to/from these underground storage facilities. For instance UK gas storage facilities rely on this type of compressor—the Company estimates that MAN TURBO had nearly 100% market share during the past years.

Future market potential is expected to arise in the Former Soviet Union/Caspian region, Middle East and South America.

MAN TURBO encounters competition in all business activities. The turbomachinery industry has experienced recent consolidation and now comprises seven competitors: GE Oil & Gas, Siemens PGI, Dresser-Rand, Ebara-Elliott, Solar Turbines (Caterpillar), Rolls-Royce and Mitsubishi Heavy Industries.

In the aftermarket MAN TURBO competes partly with the OEMs mentioned above, three major independent service providers, various small local providers and many of its clients' in-house services.

Market Outlook

Population and economic growth are the key drivers for increasing fossil fuel demand. Fossil fuel consumption will increase with predominance of gas and coal (source: International Energy Agency; Publication: World Energy Outlook, 2004). Correlating is a further increase in transport and storage infrastructure for fossil fuels and an increasing demand for refinery and petrochemical products. MAN TURBO's product portfolio and sales and service network provide opportunities to benefit from the increasing investment in global energy infrastructure.

Financial Services

MAN Finance's product range covers financial and operating leases, full service products and hire purchases. It plays a significant part in MAN's strategy, fulfilling the market's growing demand for financial solutions as part of its service offering. MAN Finance is currently present with subsidiaries in 8 countries including Germany, UK, Austria, Spain, Italy, France, Turkey and Russia. Furthermore it has a 50% joint venture in South Africa. In these countries, on the average more than 25% of new MAN trucks sold in the nine-month period ended 30 September 2006 were financed by MAN Finance. At present MAN Finance is financing more than 38.000 trucks. More than 85% of MAN Finance's total portfolio of €1,835 million as of 30 September 2006 is related to commercial vehicles.

The residual value risk for operating leases is borne by the selling entity. In respect to the credit risk, MAN Finance has established standard credit approval procedures. Concentration on single customers is limited to 5% of the overall portfolio. The interest rate risk is limited by matched funding. More than 85% of the interest rate risk is covered by fixed loans or swaps.

Several subsidiaries of MAN Finance lease real estate to MAN Group companies.

MAN Finance is financed through a mix of equity and debt, both internal and external debt. As of the end of 2005 MAN Finance's equity amounted to €132 million. The debt position contained two securitisation programmes, one in Germany called Lotan with a volume of €470 million and one in UK called TARS with a volume of GBP 77.3 million, a €300 million bond and internal debt.

Intellectual Property

MAN primarily uses patents to protect latest results of research and development (R&D) and sets a high value on strategic patent management. For such purpose, MAN ensures that each R&D activity is accompanied by a specific cluster of patents to safeguard R&D investments, to protect own developments against unauthorised copying, to achieve or maintain an exclusive market position and to prevent MAN from cost-intensive infringement claims by third parties. For this purpose MAN maintains two Intellectual Property departments within the MAN Group: one is responsible for MAN Nutzfahrzeuge, the other, which is part of MAN Diesel takes care of all other companies of the MAN Group (in particular MAN Diesel and MAN TURBO). A significant number of inventions from the patent portfolio are used by MAN in its current product lines. However, in MAN's opinion, the success of its business does not depend on any single patent or patent application within its portfolio.

As of 30 September 2006, MAN's IP-portfolio consists of approximately 2,700 trademarks, 5,000 patents, 200 design patents and 50 utility models worldwide. MAN AG believes that its intellectual property is a proof of innovative strength and the high quality of products and services provided by the MAN Group. MAN generally markets its own developments and, MAN Diesel as well as to a lesser extent MAN Nutzfahrzeuge being an exception, rather seldomly issues licenses to third parties. MAN believes that it is not dependent on licenses granted by or to third parties.

Employees

The following tables show the number of MAN employees by taking into account the discontinued operations as well as by displaying the overall number from 2003 through 30 September 2006. The first table lists the employees by Business Area, the second table by region:

	Nine-month period ended 30 September 2006[1]	2005	2004	2003
Commercial Vehicles	34,194	33,368	33,810	34,094
Diesel Engines	6,351	6,423	6,731	6,625
Turbomachines	3,187	2,476	2,472	2,494
Industrial Services	4,263	4,099	4,096	6,151
Other Industrial Holdings	1,564	1,938	1,935	2,089
Financial Services	148	124	102	87
HQ	561	269	253	245
MAN Group	**50,268**	**48,697**	**49,399**	**51,785**
Discontinued businesses				
Printing systems[2]	0	8,832	9,026	9,465
Industrial Services[3]	0	210	188	154
Other Industrial Holdings	0	464	646	2,754
Total	**50,268**	**58,203**	**61,259**	**64,158**

[1] As of the date of this Prospectus, the number of employees has not materially changed.
[2] On 17/18 July 2006, the majority of the Printing Systems business area, which was operated under MAN Roland, was sold.
[3] Steel trading.

	Nine-month period ended 30 September 2006	2005	2004	2003
Germany	29,426	28,609	29,433	30,939
Austria	4,017	4,034	4,112	4,481
Poland	3,288	2,899	2,785	2,233
Turkey	2,842	2,580	2,532	2,498
Denmark	2,545	2,527	2,489	2,368
Great Britain	1,422	1,633	1,835	1,833
France	1,223	1,310	1,347	1,751
South Africa	882	823	757	766
Switzerland	721	693	691	692
Spain	562	496	501	489
Other countries	3,340	3,093	2,917	3,735
MAN Group	**50,268**	**48,697**	**49,399**	**51,785**
Discontinued businesses	0	9,506	**11,860**	**12,373**
Total	**50,268**	**58,203**	**61,259**	**64,158**

MAN is member of several regional employers' associations (*tariffähige Arbeitgeberverbände*) in the metal and electrical industries (*Metall- und Elektroindustrie*), as well as the automotive industry (*Kraftfahrzeuggewerbe*) and employers' associations for wholesale, foreign commerce, publishing and services (*Großhandel, Außenhandel, Verlage und Dienstleistungen*) in Germany. MAN is also bound by several wage agreements, which have been negotiated with union representatives. In addition, MAN is party to works council agreements (*Betriebsvereinbarungen*) negotiated with works councils at individual facilities or with its Group works council.

In the last five years, MAN has experienced no major strikes or labour-related work stoppages. MAN believes it has a good relationship with its employees, works councils and trade unions. This also applies to the relationship with the other entities that represent its employees in the various countries in which MAN operates.

Pensions

MAN Group companies have promised various defined benefit pensions. As of 31 December 2005 MAN's defined benefit pensions and similar obligations totalled €1,958 million, thereof €1,595 million in Germany and €363 million abroad.

By way of a so called Contractual Trust Arrangement (CTA) established in December 2005 MAN has started to fund its German pension obligations vis-à-vis current employees, deferred and current retirees. For this purpose, MAN has transferred an initial cash contribution in the amount of €350 million in December 2005 to the MAN Pension Trust e.V. which is obliged to manage the assets as a prudent investor. The pension assets are separated from MAN's other operating assets and set aside solely for the purpose of meeting pension obligations. As of 31 December 2005 German plan assets totalled to €351 million. Some non-German subsidiaries have funded their defined benefit obligations within special pension schemes while some special employee obligations are unfunded. The plan assets abroad amount to €190 million as of 31 December 2005. The total funding status of MAN's pension plans as of 31 December 2005 amounted to €1,417 million, thereof about €1,244 million in Germany and €173 million abroad. Actuarial gains and losses are accounted according to IAS 19. Unrecognised actuarial losses amount to €346 million, thereof €274 million in Germany and €72 million abroad as of 31 December 2005. The pension accruals amount to €1,071 million, thereof €970 million in Germany and €101 million abroad as of 31 December 2005.

Fixed Assets and Real-Estate Holdings

MAN owns most of the real estate on which its plants and offices are located. The majority of the real estate leased from third parties is used for MAN's service divisions. MAN also holds long-term leases on real

estate in countries in which ownership of the property in question is impossible because of local legislation. Small extensions to existing areas are leased as necessary.

As of 30 September 2006, MAN owned a total of approximately 12.5 km^2 of real estate, approximately 8 km^2 of which was in Germany. MAN believes that of the real estate holdings in Germany approximately 32% is not operationally necessary. Of the 8 km^2, approximately 0.32 km^2 is real estate that is used exclusively for residential purposes (of the 0.32 km^2 approximately 0.22 km^2 with heritable building rights in favour of third parties) and 5.4 km^2 is property on which commercial plants and buildings for MAN's production, service, sales and distribution departments which are operationally used have been erected. In the medium term, MAN plans to sell the real estate that is not operationally necessary. MAN's real estate is free of material encumbrances. For environmental matters that might affect the use of MAN's property, see *"—Regulation and Regulatory Environment—Environmental Management"*.

The net book value of technical equipment and machinery as of 31 December 2005 was €525 million (31 December 2004: €565 million). This technical equipment and machinery belongs primarily to significant production facilities in the MAN Nutzfahrzeuge Business Area and in particular the truck Business Division. Additionally, the net book value of other equipment, furniture, fixtures, and office equipment as of 31 December 2005 amounted to €209 million (31 December 2004: €214 million). MAN's fixed assets are free of material encumbrances.

Environmental and Quality Management

MAN recognises sustainability as a decisive component for industrial competence and strategic industrial management. Considering environmental, social and quality issues when pursuing economical prosperity has been identified within the MAN Group as a key success factor for long-term oriented industrial companies. Framework recommendations of the Company provide for the adoption of effective quality and environmental management systems in the Group. Constant advancement and modernisation has been used to increase the reliability and innovativeness. By reviewing and improving environmental processes MAN has reached a high standard in environmental and safety management, which reduces operating risks and ensures consideration of environmental issues in all industrial processes.

MAN has been conducting quality and environmental management systems for more than a decade. The quality management systems of all material production sites and most of the manufacturing units have been certified with regard to environmental management. Regular quality and environmental audits to ensure commitment of the Business Areas and Business Divisions of MAN to the sustainability approach are taking place in course of the certification procedures.

Insurances

In order to save insurance premia MAN Group's insurance coverage is dealt with centrally. MAN AG has purchased what it considers to be standard industrial liability insurance (including environmental liability coverage), as well as property insurance and other types of insurance coverage that it considers necessary. The Company has arranged for members of its executive board and supervisory board, as well as for all officers of affiliated companies under it's leadership both within and outside of Germany, directors and officers (D&O) liability insurance with a deductible to be paid by the individuals covered.

MAN Nutzfahrzeuge, MAN Ferrostaal and MAN Finance have, however, not purchased insurances covering guarantee or implied warranty claims. Costs of potential product recalls are only covered for MAN Diesel by an insurance contract.

Material Contracts

Financing of the Acquisition Offer

The Company has obtained committed funds to finance the Acquisition Offer by means of a credit agreement entered into on 17 September 2006 (the "Credit Agreement") with Citigroup Global Markets Limited and The Royal Bank of Scotland plc as bookrunners and Citibank N.A., The Royal Bank of Scotland plc, Bayerische Landesbank, WestLB AG and Svenska Handelsbanken AB as mandated lead arrangers.

The Credit Agreement provides for committed funds which will be used, among other things, to finance the cash part of the consideration in the Acquisition Offer, to refinance certain parts of existing indebtedness and to pay transaction expenses, as well as to provide ongoing working capital for the Combined Group.

Draw down under the Credit Agreement is subject to the conditions for the Acquisition Offer being satisfied or waived (where such waiver requires consent from the mandated lead arrangers in certain circumstances) and the Company and its material subsidiaries not becoming insolvent or subject to insolvency proceedings. Besides the foregoing, draw down is subject to a limited number of conditions which are customary for a financing of this kind and which the Company in practice controls. Such other conditions include that certain representations, primarily with respect to the corporate status of the Company and the legality and effectiveness of the financing documents, are correct. They also include that the Company does not breach certain customary undertakings, relating primarily to the Company's compliance with laws and regulations relating to the Acquisition Offer and restrictions on granting security and incurring financial indebtedness.

The loans made available under the Credit Agreement are not secured, but the Credit Agreement is subject to covenants that will affect the Company's flexibility in structuring its operations. For example, until the Company obtains a Standard & Poor's BBB+ rating and a Moody's Investors Service, Inc. Baa1 rating for its long-term senior unsecured (and not credit enhanced) debt, the Company may not, in its industrial business, exceed a specified ratio of net debt to EBITDA. In addition, certain covenants that apply under the Credit Agreement for its entire lifetime will limit the ability of the Company and its consolidated subsidiaries to use their assets as security for financial indebtedness, dispose of assets, make loans to, or provide guarantees for the indebtedness of, unconsolidated companies and to assume additional financial liabilities. Any breach of the covenants under the Credit Agreement (in some cases after expiration of the time granted to remedy the breach) will give the lenders a contractual right to terminate the loan prior to maturity. The lenders are also entitled to accelerate the maturity of the facility if there are certain other grounds for termination. In particular, there is a cross-default provision under which the lenders are entitled to terminate the credit facility if the Company and/or certain of its subsidiaries have, under certain conditions, defaulted on obligations under other financial indebtedness of any type whatsoever in an aggregate amount of more than €50 million. An early termination right for the lenders also arises if a "Change of Control Event" occurs, i.e. an event pursuant to which the Company becomes the subsidiary of another company or pursuant to which one or more person(s) acting either individually or in concert obtain(s) control of the Company.

It is intended to refinance in part the funds obtained pursuant to the Credit Agreement through a combination of funds raised in the equity and debt capital markets (including approximately €2 billion from new equity or equity-like capital), proceeds from disposals of selected businesses and cash flows generated in the ordinary course of business.

It is the Company's intention to obtain an investment-grade rating for the Combined Group following the Closing of the Acquisition Offer.

Sale of MAN Roland

On 15/16 May 2006, the Company entered into a framework agreement with Allianz Capital Partners Management GmbH for the sale of the majority of its Printing Systems Business Area which was operated under MAN Roland. The sale of all MAN AG's shares in MAN Roland to a Joint Venture Company with Allianz Capital Partners Management GmbH, in which the Company holds a participation of 35%, was consummated as of 17/18 July 2006. The total purchase price was €624 million. The Company furnished the usual warranties and certain indemnification assurances with regard to the sold business segment, including environmental liabilities and tax liabilities. Apart from claims for indemnification for and claims arising from lacking title to the shares and interests sold, MAN AG's entire liability under the share purchase agreement was limited to a maximum of €200 million. Under the agreement, claims for damages resulting from environmental liabilities will be time-barred 18 months after expiration of the year in which the respective expenses incurred. The agreement also provides that MAN AG must be notified of any claims for breach of warranty by 30 April 2008, except for claims resulting from a breach of MAN AG's obligation to transfer unrestricted title to the shares and interests sold; these claims may be asserted within five years. MAN AG additionally furnished representations under a non-compete and non-poaching clause.

MAN Nutzfahrzeuge

MAN Nutzfahrzeuge entered into a joint venture agreement in India with Force Motors Ltd. on 30 April 2006. By this agreement of strategic importance for the Asian market, the parties engage in the joint development, production and marketing of heavy commercial vehicles with gross vehicle weight of 16 tons and above through the joint venture company MAN Force Trucks Private Ltd. MAN Nutzfahrzeuge will hold a 30% equity stake in the joint venture company, while Force Motors Ltd. will hold the remaining stake.

On 31 March 2005, MAN AG's subsidiary MAN ERF UK Ltd. entered into a sale and service agreement with the British Ministry of Defence. The contract has been awarded to MAN ERF UK Ltd. as a result of a call for tenders of the British Ministry of Defence and deals with the provision of support vehicles and related services. Apart from its main obligation to deliver certain goods, MAN ERF UK Ltd. has agreed to provide for long-term support comprising of, amongst others, the delivery of spare parts and various services. Such obligation may last up to 20 years. MAN furnished the usual warranties and assurances with regard to the sold products and accepted the British general terms for defence contracts.

LOTAN Programme

The LOTAN programme is a sale-and-lease-back structure for refinancing an amount of €470 million of customer lease contracts of MAN Financial Services GmbH ("MFS"), a wholly-owned subsidiary of MAN Finance. The liabilities resulting from that sale-and-lease-back structure are recorded under "other liabilities"—deferred income (*vorausgezahlte Einnahmen*) in the balance sheet of MAN Group with an amount of €470 million being part of a total €1,859 million as of 31 December 2005.

The LOTAN programme is structured as follows:

- MFS sells trucks and accessories to a special purpose entity LOTAN Mobiliengesellschaft mbH & Co. KG ("LOTAN"). The purchase price is based on the time value of the underlying lease contracts between MFS and its customers (lessees). The LOTAN programme only encompasses trucks and accessories where the lease contract between MFS and the customer includes a contractual residual value clause.
- In the next step, the trucks are leased out by LOTAN to KGAL Asset Rental GmbH ("KGAL").
- In a third step, the trucks are leased back by MFS from KGAL. The reason for this lease-back is that the sale of the trucks is not disclosed to MFS' customers and thus the lease contracts between MFS and the customers remain unchanged and MFS continues to collect the receivables.
- LOTAN refinances the sales of the trucks through a special purpose entity provided by Dresdner Kleinwort, TGAF Inc. ("TGAF"), which refinances itself through another Dresdner Kleinwort's conduit Silvertower and a Landesbank Hessen-Thüringen's conduit Opus Alpha. Silvertower and Opus Alpha issue commercial papers in line with an asset backed programme. The repayment of the commercial papers is financed by the receivables of KGAL resulting from the lease agreements with MFS and assigned by KGAL to TGAF.

The residual value risk with respect to the trucks is originally borne by LOTAN. As part of the overall structuring, MFS has to compensate LOTAN, via KGAL, part of the losses resulting from the residual value risk.

TARS Programme

TARS programme is a £145 million securitisation of the UK operating lease and contract hire portfolio of MAN Financial Services plc ("MFS UK"). As a result of amendments of the underlying contracts in the end of 2005, MAN has moved TARS onto the balance sheet of MFS UK (a subsidiary of MAN Finance).

The TARS programme is structured as follows: MFS UK sells its trucks and associated operating lease receivables against end customers into a special purpose vehicle Trucks and Receivables Securitisation, Ltd ("TARS"). TARS obtains the purchase price to be paid for the trucks from The Royal Bank of Scotland ("RBS") through the conduit Thames Asset Global Securitisation No. 1, Inc. ("TAGS") on a senior basis and from MFS UK as subordinated loan on a junior basis. Based on this structure, TARS takes on two risks—the credit risk on the end customers during the lease term, and the residual value position at the end of the lease term.

However, at the end, the residual value risk is taken over by MFS UK by providing a residual value guarantee. The assets owned by TARS are transferred for security purposes to RBS. The servicing of the lease receivables against the end customers has been undertaken by MFS UK.

Contractual Trust Arrangement

For further information on the Contractual Trust Arrangement (CTA) established in 2005, see *"—Employees—Pensions—"*.

Litigation

Risks from litigation may exist, in particular from potential claims for damages in connection with product liability. MAN attempts to avoid claims by applying strict quality and safety standards. Apart from those risks, the Company and its subsidiaries are parties to various administrative, judicial or arbitration proceedings. Most of these proceedings constitute ordinary, routine proceedings that are incidental to MAN's Business. However, it cannot be excluded that the final resolution of some of these proceedings could cause the Group to incur considerable costs and cash outflows. Although the final resolution of any such proceeding could have a significant effect on the Group's earnings in any particular period, MAN believes that any resulting obligations are unlikely to have a material adverse effect on the financial condition or profitability of the Company or of its Group. Such proceedings have not been threatened, either. Finally, MAN is not aware that any significant proceedings have been initiated, nor have been pending in the past twelve months, except for the case mentioned below.

MAN is party to several judicial proceedings in connection with the construction of a city railway in Medellín, Colombia. The city railway was engineered and constructed by a syndicate that consists, among others, of MAN. As works on the city railway have been delayed, the syndicate claims damages in an amount of approximately U.S.$500 million from the contractor. The proceedings have been initiated by the syndicate on 19 August 1997 with the arbitrational tribunal according to the UNCITRAL having its seat in Panama. On 25 June 1999, the contractor raised claims in the aggregate amount of U.S.$446 million against the syndicate, arguing nonfulfilment/deficiencies of the railroad. This proceeding has been pending before the administrative tribunal Medellín, Colombia, since 5 July 2000.

Regulation and Regulatory Environment

General

MAN is engaged in business activities being subject to mandatory regulation and, in particular, environmental laws. Depending on the applicable law to each individual site, strict environmental regulation may apply. Theses regulations refer to the operation and maintenance of the production and manufacturing sites, as well as to the products manufactured by MAN. Additionally, only two installations (heat plants) in two sites of MAN are subject to the European emissions trading scheme.

For instance, numerous sites, or at least installations on-site, operated by MAN, require an erection and operating permit, which can only be issued by the authority if the operator complies with certain requirements regarding the protection of the environment and the surrounding area. Furthermore, MAN as the operator is responsible for compliance with those requirements during the whole life-cycle of the installations.

Due to the use of hazardous substances in the production processes, e.g. volatiles and acids, MAN needs to comply with certain environmental regulation regarding the handling, storage, use and transport of those hazardous substances. This regulation forms a comprehensive system of environmental requirements, which sets forth certain requirements for the protection of employees and consumers. Furthermore, the amount of volatile organic compounds currently used in the production process is regulated and needs to be minimised.

Additionally, the configuration of products of MAN is partially regulated by mandatory provisions dealing with environmental, quality and safety standards, for instance with regard to the exhaust system configuration of and the amount of pollutants emitted by engines, commercial vehicles and machines.

The environmental regulation being applicable to the operation and production processes of MAN is subject to permanent assessment and amendment of both the competent German, European and other legislatory bodies. Therefore, it is possible that the corresponding requirements are aggravated in the future. This could affect the operations and production processes of MAN, unless adjustments required by law are made. Required adjustments will have financial impacts. Permits granted for the operation and production processes of MAN do, in general, not protect against those subsequent requirements. Any infringement of the requirements imposed by laws, regulations and permits, regardless of fault, may lead in the last resort to a ban of operations for the area of activity or business in question. The operator and the responsible parties acting on its behalf may also be held liable for any bodily injury of property damage.

However, MAN is not aware of any significant violation of environmental laws and regulations that apply to its sites and installations. MAN is in possession of the material licenses required for its operation and production processes. These licenses are valid and in force. There is only one ongoing licensing procedure for an installation subject to licensing, which will be completed in the near future. Permission for early start has been granted. MAN has also been granted emission certificates pursuant to European emission trading scheme for the current trading period from 2005-2007 to operate the installations being subject to that regulation as applied for.

Environmental Management

MAN is aware of contaminations of some sites, but considers the costs for clean-up activities insignificant. MAN is only aware of one non-material ongoing remediation activities. However, in some cases those activities are predicted for the future if excavating works are conducted.

Due to the long-term industrial use of some production sites and although investigations have been conducted in the past, there can be further, currently unknown contamination in the production sites currently operated or formerly owned by MAN. It is possible that due to the contamination MAN could be held liable by the authorities or by third parties for the remediation or the cost for the remediation of the contamination.

Reserves have been established for potential costs incurring from indemnifications granted by MAN for costs resulting from contaminations in the context of divestment activities. The Company believes that those reserves are sufficient.

Export Restrictions

MAN Ferrostaal has joined a partnership agreement with HDW AG, a subsidiary of ThyssenKrupp AG. Both parties have founded the Marine Force International LLP, which is, among others, engaged in the delivery of submarines intended to be used for military purposes. The export of those submarines is, among others, subject to permission under the War Weapons Control Act (*Kriegswaffenkontrollgesetz*).

Some of the products produced by MAN can be used for both civilian and military purposes (dual use products). The export of those products is subject to specific legal requirements. The competent authorities are entitled, in cases in which the civilian use of the products to be exported is not clearly explained or may be contrary to Germany's interests, to prohibit the export of these dual use products.

MAN exports, furthermore, in some cases, its products into countries which might potentially be made subject of an international embargo due to political developments. Depending on the scope of such embargo, the export of MAN's products might be affected by the ban on exports imposed by the embargo.

ACQUISITION OFFER TO ACQUIRE ALL SHARES OF SCANIA AB

Description of the Acquisition Offer

As authorised by the MAN AG supervisory board (*Aufsichtsrat*), the executive board (*Vorstand*) of MAN AG on 18 September 2006 announced its decision to make a public offer to the shareholders of Scania AB to tender all shares in Scania AB to MAN AG. Scania AB's A and B shares are listed on the Stockholm Stock Exchange, Large Cap, Industrials. On 12 October 2006, following purchases of Scania AB A and B shares by MAN AG, the terms of the Acquisition Offer were amended to reflect the highest price MAN AG has paid for Scania AB shares. Accordingly, MAN AG's offer for both Scania AB A and B shares was increased to represent a value of €51.29 (approximately SEK 475) for each Scania AB's A and B share. MAN AG reserves the right to adjust the offer price should Scania AB pay any dividend or make any other value transfer prior to the settlement of the Acquisition Offer. In the case of a cash dividend or other cash value transfer, the offer price will be reduced with the same amount as paid out or transferred per share. In the case of value transfers in kind, the reduction of the offer price shall equal the market value of what has been transferred. To the extent the consideration, paid per shareholder, includes cash, in whole or in part, the reduction shall first be made against this cash consideration under the Acquisition Offer. In the event a reduction is also made against the share component in the Offer, each MAN AG ordinary share (*Stammaktie*) shall be attributed a value of €67.34.

The Offer of €51.29 (corresponding to SEK 475) per Scania AB A and B share implies a value for Scania AB of €10.3 billion (corresponding to approximately SEK 95 billion) (all calculations of the offer value in this Prospectus are based on the closing price in XETRA-trading for MAN AG's ordinary shares (*Stammaktien*) of €67.34 on the Frankfurt Stock Exchange on 11 October 2006 and an exchange rate of SEK 9.261: €1.00, which is the WMR's fixing at 1600 GMT, 11 October 2006). The consideration offered to each holder of Scania AB shares consists of either a mixture of cash and new MAN AG ordinary shares (*Stammaktien*) or cash only.

For each Scania AB A or B share tendered, MAN AG offers under the Basic Alternative (the "Basic Alternative")

0.151 new MAN AG ordinary shares (*Stammaktien*) (the "MAN Share Component") and

€41.12 (the "Cash Component").

MAN AG reserves the right to deliver own MAN AG ordinary shares (*Stammaktien*) bought back, directly or indirectly, by MAN AG, in lieu of all or part of the new MAN AG ordinary shares (*Stammaktien*). In this case, all references in the section "Acquisition Offer to acquire all shares of Scania AB" to new MAN AG ordinary shares (Stammaktien) shall apply in the same manner to own MAN AG ordinary shares (Stammaktien) bought back as described above.

Assuming an acceptance rate of 100% under this Basic Alternative, the aggregate MAN Share Component would consist of 26,686,493 new MAN AG ordinary shares (*Stammaktien*). As an alternative to the Basic Alternative, for each Scania AB A or B share tendered, MAN AG offers €51.29 in cash (the "All Cash Alternative"). Each Scania AB shareholder who holds in aggregate 100 or less Scania AB shares will have the option to elect to receive SEK 475 for each Scania AB A or B share tendered (the "Guaranteed SEK Cash Alternative").

Scania AB shareholders who accept the Acquisition Offer are being offered a Mix and Match Facility allowing them to increase the proportion of the new MAN AG ordinary shares (Stammaktien) part of the total consideration compared with the Basic Alternative. Under the Mix and Match Facility, a price of €67.34 (corresponding to the closing price in XETRA-trading for MAN AG's ordinary shares (Stammaktien) of €67.34 on the Frankfurt Stock Exchange on 11 October 2006) per one new MAN AG ordinary share (Stammaktie) will be used for calculation purposes regarding the exchange of cash for new MAN AG ordinary shares (Stammaktien) (for one Scania AB A or B share for which the mix and match election is satisfied, one Scania AB share will be exchanged for 0.76166 new MAN AG ordinary shares (Stammaktien)). The total number of MAN AG ordinary shares (Stammaktien) to be issued under the Acquisition Offer (including the Mix and Match Facility) will not exceed that number of MAN AG ordinary shares (Stammaktien) that would be

issued to Scania AB shareholders (not counting MAN AG) assuming an acceptance rate of 100% under the Basic Alternative (the "Maximum Number").

Scania AB shareholders who accept the Acquisition Offer may elect to receive new MAN AG ordinary shares (Stammaktien) instead of cash, thereby increasing the number of new MAN AG ordinary shares (Stammaktien) compared to which they would otherwise be entitled to under the Basic Alternative, and accordingly reducing the number of Scania AB A or B shares for which the cash consideration is paid.

Valid elections for new MAN AG ordinary shares (Stammaktien) made by Scania AB shareholders under the Mix and Match Facility will be satisfied with 0.76166 new MAN AG ordinary shares (Stammaktien) for every Scania AB share tendered, to the extent sufficient new MAN AG ordinary shares (Stammaktien) are available (a) within the Maximum Number of MAN AG ordinary shares (Stammaktien), (b) as a result of Scania AB shareholders electing the All Cash Alternative, thereby releasing new MAN AG ordinary shares (Stammaktien) to which they would otherwise be entitled under the Basic Alternative, and (c) as a result of Scania AB shareholders holding in aggregate 100 or less Scania AB shares electing the Guaranteed SEK Cash Alternative, thereby also releasing new MAN AG ordinary shares (Stammaktien) to which they would otherwise be entitled under the Basic Alternative.

To the extent valid elections for new MAN AG ordinary shares (Stammaktien) under the Mix and Match Facility cannot be satisfied in full, they will be scaled down on a pro rata basis and for Scania AB A or B shares for which an election cannot be satisfied in full a consideration in cash with €51.29 per Scania AB share will be paid. The total mix of shares and cash per each individual shareholder will not contain fewer new MAN AG ordinary shares (Stammaktien) than would have been received under the terms of the Basic Alternative of the Acquisition Offer.

Under the Basic Alternative, the All Cash Alternative and the Mix and Match Facility, the following applies:

Scania AB shareholders tendering more than 20,000 Scania AB shares under the Acquisition Offer will receive any cash amount under the Acquisition Offer paid in Euro; and

Scania AB shareholders tendering up to and including 20,000 Scania AB shares under the Acquisition Offer will be paid in SEK at the ECB fixing of EUR/SEK on the second business day prior to closing, but will have the option to elect to receive any cash amount under the Acquisition Offer in EUR.

The Acquisition Offer provides that the Offered Shares would rank pari passu in all respects with the existing MAN AG ordinary shares (*Stammaktien*), including the right to receive all dividends and other distributions (if any) declared, made or paid by MAN AG after the date of transfer of the Offered Shares. Accordingly, the Offered Shares will have full dividend entitlement as of 1 January 2006, if closing of the Acquisition Offer occurs before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2006, and as of 1 January 2007, if the closing of the Acquisition Offer occurs thereafter but before the annual shareholders' meeting of MAN AG has resolved on the appropriation of the annual net profits for the fiscal year 2007.

The acceptance period commences on 20 November 2006 and ends on 11 December 2006. It is expected that listing of the New Shares would become effective and dealings, for normal settlement, on the Frankfurt Stock Exchange would begin shortly following the date on which MAN AG would announce that all conditions to the Acquisition Offer have been fulfilled.

MAN AG has appointed Svenska Handelsbanken AB as exchange agent (the "Exchange Agent") for handling the technical implementation of the Acquisition Offer. The Scania AB shares delivered for exchange will be transferred directly from the Scania AB shareholders to MAN AG without the Exchange Agent acquiring title in these shares. The Exchange Agent will transfer the Scania AB shares tendered into the Acquisition Offer to MAN AG in the Exchange Agent's own name with the authorization of the Scania AB shareholders accepting the Acquisition Offer to do so. In the event of a capital increase necessary for the issuance of new MAN Ordinary Shares, the Exchange Agent will subscribe to these shares to be issued in its own name but for the account of the accepting Scania AB shareholders.

Delivery of Offered Shares

Trades in the Offered Shares, being German securities, would not be capable of being settled within the normal Swedish settlement system. In addition, opening a shareholding account with a depository financial institution which is a participant in Clearstream and trading the Offered Shares through Clearstream may involve a number of unfamiliar formalities for certain Swedish and other investors. Therefore, in order to facilitate dispositions and purchases of the Offered Shares in Sweden, MAN AG intends that the Offered Shares will initially be delivered, held and settled in the Swedish Central Securities Depository & Clearing Organisation ("VPC").

To that effect, VPC will issue dematerialised depository interests (the "VPC-shares", referred to also as Foreign Shares) representing entitlements to the Offered Shares. The VPC-Shares will be referred to in Sweden as MAN AG ordinary shares and will have the same ISIN. Upon receipt of the VPC-shares, Scania shareholders will be the holder of the Offered Shares and, being shareholders of MAN AG, entitled to exercise all shareholder rights attaching to the Offered Shares.

Settlement of the Offered Shares will be effected as follows: For the purpose of implementing the Acquisition Offer, Bayerische Landesbank will act as account operator in the Clearstream system on behalf of MAN AG, and Svenska Handelsbanken AB will act as account operator on behalf of MAN AG in the VPC system.

- In case of the issuance of New Shares, MAN AG shall deposit via Bayerische Landesbank a global share certificate representing the New Shares with Clearstream for credit to a securities deposit account in the name of the Exchange Agent who will be the first holder of the New Shares. The Exchange Agent, acting for the account of the relevant former Scania shareholders, will hold the New Shares solely for the purpose of implementing the capital increase. Upon instructions from the Exchange Agent, the New Shares will be transferred to a securities deposit account controlled by VPC, and upon the New Shares having been credited to the account, the Exchange Agent will deliver the VPC-shares in the VPC system to the former Scania shareholders' securities accounts held directly in VPC, either in the form of a shareholders' account or in the form of a custody account (the "VPC Accounts") indicated on the acceptance forms.
- In the event that MAN AG uses own MAN AG ordinary shares (*Stammaktien*) bought back, directly or indirectly, as part of the consideration under the Acquisition Offer, it will deliver these shares to a securities deposit account designated by the Exchange Agent. The Exchange Agent, acting for the account of the relevant former Scania shareholders, will hold the MAN AG shares solely for the purpose of settling the Acquisition Offer. The securities deposit account designated by the Exchange Agent will be a securities deposit account controlled by VPC, and upon the MAN AG shares having been credited to the account, the Exchange Agent will deliver the MAN AG shares in the VPC system to the former Scania shareholders' VPC Accounts indicated on the acceptance forms.

The VPC-shares may be held, transferred and settled solely within VPC by authorised account operating institutes, e.g. banks and brokers. Although purchases and sales may be effected through private arrangements with assistance of one or more account operating institutes in the VPC system, the holders of the VPC-shares will, at their option, be able to effect the cancellation of their VPC-shares in the VPC system and will be entitled to arrange for the transfer of their Offered Shares (as represented by their holding of the VPC-share) into a shareholding account with a depository financial institution which is a participant in Clearstream. This will allow trading of the Offered Shares on the Frankfurt Stock Exchange. Certain transfer fees will be payable by a holder of VPC-shares who makes such a transfer.

Documents

The following documents are prepared in relation to MAN AG's offer to the shareholders in Scania AB:

- A Swedish language offer document (the "Offer Document"; Sw: *Erbjudandehandling*), to which is appended this Prospectus, to be approved and registered by the Swedish Financial Supervisory Authority (the "SFSA"; Sw: *Finansinspektionen*) and is also available in an English version.

- This English language prospectus relating to the Offered Shares approved by the German Financial Services Authority and published by MAN AG and registered by the Swedish Financial Supervisory Authority together with a Swedish translation of its table of contents and summary section which, except for the translation of the table of contents and the summary, is only available in English.
- An information brochure (the "Information Brochure"), which is available in Swedish and English. The Information Brochure is not, and does not purport to be, either an offer document or a prospectus according to applicable legal rules.

The information concerning Scania contained herein has been compiled from publicly available information on Scania only and has not been commented on or verified by Scania. MAN AG has strived to ensure that the information concerning Scania compiled is accurate, complete and not misleading. However, MAN AG and its executive board are unable to confirm that the information concerning Scania is accurate, complete and not misleading. MAN AG has not assumed any obligation to independently verify any information on Scania herein and disclaims any liability with respect to the information herein.

Reasons for the Acquisition Offer

The combination of Scania and MAN represents a unique opportunity to create the leading European truck manufacturer and number 3 in a global perspective (based on sales). The Combined Group is well positioned to tackle the challenges in the global truck industry and to continue the successful development of Scania and MAN on a joint basis. Both MAN and Scania are strong brands. The Combined Group would pursue a dual brand strategy to maximise the value of the Scania and the MAN brands. The distinct brand identities will be preserved through separate sales & marketing channels. R&D of brand relevant components would remain separate, and final product assembly would continue in separate plants.

Further rationale for the combination includes the following, outlined in more detail below:

- Enhanced Growth Prospects
- Improved Customer Offering
- Significant Cost Benefits
- Strong Management Team & Cultural Fit

Enhanced growth prospects

MAN and Scania can better target new markets by pooling resources, investing jointly into production capacity and networks in growth regions and combining management expertise.

While MAN offers both heavy trucks as well as light and medium trucks, Scania is focused on heavy trucks. Scania has a strong position in heavy trucks in certain key markets where MAN, as yet, is under-represented. This offers the opportunity to launch a new range of Scania light and medium trucks adapted from the new successful MAN platform leveraging Scania's distribution and service networks in these markets. MAN's existing production network and technology in this segment would enable the Combined Group to introduce these new products without significant additional R&D and capacity investment.

Developing a broader product offering would enable the Combined Group to offer one-stop solutions under both brands which are increasingly demanded by large fleet operators.

Improved customer offering

The Combined Group could offer customers a broader product range and a denser sales and service network supported by world class customer finance operation. At the same time, customers will be able to continue to receive the expected performance, quality and identity from each brand.

The Combined Group would combine MAN's strong position with large fleet operators and Scania's excellent relationships with smaller hauliers providing an attractive base for market positioning and growth.

Significant cost benefits

The Combined Group would be able to deliver inter alia strong economies of scale and scope in purchasing, sales and service networks, basic R&D, and back office functions. Estimated cost synergies amount to at least €500 million p.a. by year three, while total expected integration costs during the first two years are estimated at €150 million.

MAN AG believes that further value can be achieved in the long-term by integrating and coordinating a common next generation vehicle platform.

Strong management team & cultural fit

The Combined Group would bring together the top management skills and experience of both MAN and Scania, based on a common engineering focused tradition and culture, to create one of the strongest management teams in the industry. The strengthened team would be well placed to face the future challenges of the industry with increased confidence and to take the combined business into new markets. Bringing together the best of both senior teams will ensure the successful integration of the two businesses.

Financing of the Acquisition Offer

For further information on the financing of the Acquisition Offer, see: *"Material Contracts—Financing of the Acquisition Offer"*.

Financial Effects of the Transaction

The transaction is expected to be accretive on an earnings per MAN AG share basis for the year ended 31 December 2007 prior to one-off costs. This does not mean that the earnings per share of MAN AG in the fiscal year following the completion of the Acquisition Offer, or in any subsequent period, will necessarily be greater than those for the relevant proceeding period.

Combined Group

Combining MAN and Scania would create the leading European truck manufacturer and the number three player on a worldwide basis. It would unite two of the strongest commercial vehicle brands, preserved through a dual brand strategy. Together, MAN and Scania would:

- Achieve profitable growth by jointly targeting developing markets and by extending the Scania product range;
- Respond more effectively to changes in customer behaviour offering total packages including improved after-sales service and customer finance;
- Combine research and development know-how to address market challenges of reducing emissions and fuel consumption;
- Deliver full run rate cost synergies of at least €500 million p.a. within three years with expected integration costs of €150 million in total;
- Create value for shareholders—transaction expected to be accretive to MAN AG earnings per share in year 1, prior to one-off costs, and returns are expected to exceed MAN AG's cost of capital as benefits are realised.

Based on 2005 figures, MAN and Scania would have pro-forma sales of €18,512 million and an operating profit of €1,409 million. The total number of employees would be some 80,000.

The Combined Group would be well capitalised for future growth. MAN AG is targeting an investment grade rating. MAN AG anticipates that as part of its refinancing of the transaction it would issue up to €2 billion of new equity or equity-like capital.

No significant site closures would result from the combination. Management positions would be shared between MAN and Scania managers, based on the principle of "best person for the job". Scania executives would take up senior group positions and join the Combined Group's management board.

MAN AG has no register of shareholders and has thus no information about its ownership structure. As of 4 October 2006, based on notice of the shareholder, MAN AG has been informed by Volkswagen Aktiengesellschaft, Berliner Ring 2, 38436 Wolfsburg ("Volkswagen AG"), that it holds 15.06% of MAN AG's ordinary shares. Apart from this, MAN AG has not received any notice that indicates a current shareholding of more than 5% of the voting rights. The Company believes that the rest of MAN AG's ordinary and non-voting preference shares (*Vorzugsaktien*) are in free float. Assuming an acceptance rate of 100% under the Basic Alternative and assuming the issuance of New Shares, Volkswagen AG, with a holding of 16.0% of the voting rights in the Combined Group, would be the only shareholder with a holding exceeding 5% of voting rights.

The Combined Group would be a pan-European business benefiting from the strengths of both businesses in terms of geographical presence, technological know-how, brand image and management resources.

Headquarters

Group headquarters would be located in Munich, Germany, while Södertälje, Sweden, would remain headquarters of Scania and become the group center for selected key operations and functions. MAN AG intends to convert into a Societas Europaea ("SE"). This would create a new and effective governance structure and ensure representation of Scania employees on the supervisory board of the SE. Further, MAN AG would have its primary listing on the Frankfurt Stock Exchange (DAX) and depending on the future shareholder structure, may consider a secondary listing in Stockholm.

Manufacturing locations

As a general principle, MAN AG foresees a balanced approach to the distribution of component production between the two companies and is convinced that the combination can be achieved and the synergies that have been identified secured without any major production or R&D site closures with related effects on employment to result from the combination.

Management

Scania's management team would remain largely unchanged and should benefit from new opportunities created through the combination at the group and divisional levels. Scania's management team would remain largely unchanged and should benefit from new opportunities created through the combination at the group and divisional levels. For the process of combining MAN and Scania and for the management of the Combined Group thereafter, a new management team will be nominated, led by MAN's CEO, Mr. Håkan Samuelsson. MAN AG intends to invite Scania executives to take up senior roles within, and to join the management board of, the Combined Group. MAN AG intends to invite Scania executives to take up senior roles within, and to join the management board of, the Combined Group.

MAN envisages that middle-management roles will be awarded on the basis of a "best person for the job" approach. The Combined Group would aim to provide an attractive working environment for its employees.

GENERAL INFORMATION ON THE COMPANY

Company Formation, Name, Registered Office and Fiscal Year

The origins of MAN AG date back to 1758, when the ironworks St. Antony were founded close to Osterfeld (Oberhausen). In 1808, this company merged with the two ironworks Gute Hoffnung in Sterkrade (Oberhausen) and Neu Essen in Essen to become Hüttengewerkschaft und Handlung Jacobi, Haniel & Huyssen. The merged company was later renamed Gutehoffnungshütte, Actienverein für Bergbau und Hüttenbetrieb. In 1921, the merged company gained control over M.A.N. Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft, the origins of which date back to 1840 when Sander'sche Maschinen-Fabrik was founded in Augsburg. In 1986 Gutehoffnungshütte Actienverein für Bergbau und Hüttenbetrieb became legal successor of M.A.N. Maschinenfabrik Augsburg-Nürnberg by way of merger and changed its name to MAN Aktiengesellschaft. The Company is registered under HRB 78706 in the commercial register at the local court (*Amtsgericht*) of Munich, Germany.

The Company's registered office is in Munich, Germany. MAN's headquarters are located at Landsberger Str. 110, 80339 Munich, Germany (telephone: +49 89 360980).

The Company's fiscal year corresponds to the calendar year.

As a German stock corporation (*Aktiengesellschaft*), the Company is governed by German corporate law.

Duration and Dissolution

The Company has an indefinite term. However, except in the event of insolvency, it can be dissolved by a resolution of its shareholders' meeting with a three-quarters majority of the share capital represented. If that were to happen, any Company assets remaining after the adjustment of liabilities according to the requirements of the German Stock Corporation Act (*Aktiengesetz*) would be distributed among its shareholders on a proportional basis based on the numbers of shares held by each shareholder.

Corporate Purpose

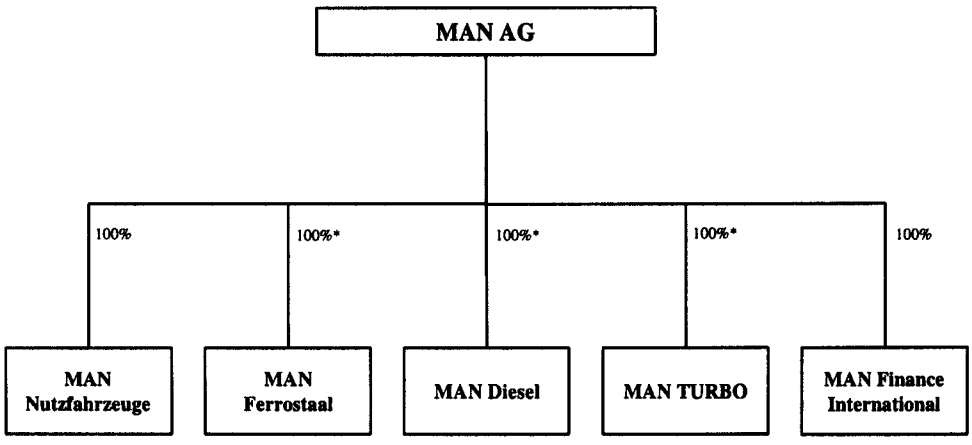
Pursuant to Article 2 of its articles of association, the Company's corporate purpose is (a) to acquire and hold interests in companies of all kinds, in particular companies operating in the fields of mechanical and plant engineering, vehicle and engine construction and trading and (b) to manufacture such goods and to process materials of all kinds. The Company is permitted to enter into all transactions and take all measures which may be deemed necessary or expedient for purposes of accomplishing its corporate purpose.

Group Structure

MAN AG is the parent company of the MAN Group. MAN AG performs centralised control tasks within the framework of its function of managing its Group and does not conduct operational business.

In July 2006, MAN AG sold its shares in MAN Roland to a joint venture company with Allianz Capital Partners Management GmbH in which MAN AG holds a participation of 35%. For further information on the sale, see *"Business—Material Contracts—Sale of MAN Roland—"*.

The following chart sets forth the simplified group structure as 30 September 2006:



[1] MAN AG holds 94.9% of its shares in MAN Diesel, MAN Turbo and MAN Ferrostaal indirectly through holding subsidiaries and the rest of the respective shares directly.

Primary affiliated companies

The table below contains information about MAN AG's primary affiliated companies (with the exception of distribution companies) as of 30 September 2006 (adjusted figures for discontinued operations in millions, in the respective currency):

	MAN Nutzfahrzeuge	MAN Diesel	MAN TURBO	MAN Ferrostaal	MAN Finance
Registered Office	Munich	Augsburg	Oberhausen	Essen	Munich
Founded in	Germany	Germany	Germany	Germany	Germany
Corporate purpose	Production of vehicles (esp. trucks and buses)	Production of diesel engines and powertrains	Production of turbomachines and turbo compressors	Trade, engineering and financing of industrial goods	Financial services for MAN Group
Currency	€	€	€	€	€
Outstanding Contributions	–	–	–	–	–
Subscribed Capital	320.00	100.00	20.50	70.00	40.00
Reserves	429.04	152.59	42.06	27.53	1.54
Operating profit for the year as of September 30, 2006 (Subgroup)	448.55	157.24	46.17	77.41	25.08
Share of subscribed capital	100%	100%	100%	100%	100%
Liabilities of MAN AG from financial services	105.27	–	–	–	12.17
Financial debt to MAN AG	210.71	167.62	60.40	88.51	–
Currency of parent company	EUR	EUR	EUR	EUR	EUR
Income/loss from the investment in 2005	160.04	10.88	4.74	60.39	25.63
Book value of the investment in the balance sheet of MAN AG or the specified holding company	448.94	97.84 (held by MAN B&W Diesel Beteiligungs GmbH)	44.43 (held by MAN Maschinen- und Anlagenbau GmbH)	145.7 (held by MAN Ferrostaal Beteiligungs GmbH)	80.01 (held by MAN Financial Services GmbH)

Independent Auditors

The independent auditors of MAN AG's annual consolidated financial statements for the fiscal years ended 31 December 2003 and 2004 were BDO Deutsche Warentreuhand, Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Munich, Elisenstraße 3, 80335 Munich ("BDO"). The independent auditors of MAN AG's annual

consolidated financial statements for the fiscal year ended 31 December 2005 were KPMG Deutsche Treuhand-Gesellschaft, Aktiengesellschaft, Wirtschaftsprüfungsgsellschaft, Munich, Ganghoferstraße 29, 80339 Munich ("KPMG"). The change of the auditor has been effected in order to concentrate all group-wide auditing mandates on one international firm. BDO audited the Company's annual unconsolidated financial statements prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*) and MAN AG's annual consolidated financial statements prepared in accordance with IFRS as of and for the years ended 31 December 2003, 2004. KPMG audited the corresponding financial statements, also in accordance with IFRS as of 31 December 2005. Both auditors have issued unqualified audit opinions with respect to the financial statements, respectively. BDO and KPMG are members of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

KPMG has also been appointed as MAN AG's independent auditor for the year ended 31 December 2006.

Disclosure Requirements for Shareholdings

As a listed company, MAN AG must comply with the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*). These provisions state that shareholders are required to notify MAN AG in writing of the percentages of their voting rights as soon as they reach, exceed or fall below certain thresholds as a result of acquisitions, disposals or other means. These thresholds are set at 5%, 10%, 25%, 50% and 75% of a listed company's voting rights. Shareholders must also promptly notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) of the change in percentage of their voting rights and the reasons for the changes, in any event no later than seven calendar days. MAN AG is required to publish this notification in at least one nationally circulated newspaper authorised by the nationals stock exchanges (*überregionales Börsenpflichtblatt*) without undue delay and under no circumstances later than nine calendar days after MAN AG's receipt of the notification.

The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) provides that any shareholder whose voting rights amount to or exceed 30% of MAN AG's voting shares is required within seven calendar days to publish this fact, including the percentage of his or her voting rights, in at least one official newspaper authorised by the national stock exchange (*überregionales Börsenpflichtblatt*) or by means of an electronically operated system for disseminating financial information (*elektronisch betriebenes Informationsverbreitungssystem*). The shareholder must then make a mandatory public acquisition offer to all of its shareholders unless an exemption has been granted from this obligation.

These thresholds under the German Securities Trading Act and the German Securities Acquisition and Takeover Act are calculated on the basis of effective, rather than direct, control of voting rights. If a shareholder fails to disclose this information promptly as required, German law prohibits the shareholder from exercising its rights relating to the shares, in particular voting rights and generally also the right to receive dividends, until the required information has been disclosed. In addition, the shareholder may be fined for failing to comply with the notification requirements.

DESCRIPTION OF SHARE CAPITAL AND APPLICABLE REGULATIONS

Issued Share Capital

MAN AG's issued share capital recorded in the commercial register (*Handelsregister*) as of the date of this Prospectus amounts to €376,422,400.00, divided into 147,040,000 bearer shares of which 140,974,350 are ordinary shares (*Stammaktien*) and 6,065,650 are non-voting preference shares (*Vorzugsaktien*). The shares are issued with no par value, each such share with a notional value of €2.56.

Following the implementation of the capital increase required for the issuance of the New Shares ("Capital Increase"), MAN AG's issued share capital would amount to up to €444,739,822.08, divided into 173,726,493 bearer shares of which up to 167,660,843 would be ordinary shares and 6,065,650 would be non-voting preference shares.

Certification and Transferability of Shares

MAN AG's shares are evidenced by two global certificates deposited with Clearstream Banking AG, 60485 Frankfurt am Main, Germany. Shareholders are not entitled to issuance of actual share certificates. MAN AG's shares are freely transferable.

General Information on Capital Measures and Dividend Entitlement

A resolution of MAN AG's general shareholders' meeting (*Hauptversammlung*) is required to increase MAN AG's issued share capital. The Company's articles of association (*Satzung*) provide that the dividend entitlement of new shares issued in connection with a capital increase may deviate from the provisions of the German Stock Corporation Act (*Aktiengesetz*). Pursuant to Article 24(3) of the Company's articles of association the annual net profits shall be disposed in the following order: (1) payment of a preference dividend to holders of non-voting preference shares of €0.11 per non-voting preference share, (2) payment of a dividend to holders of ordinary shares of up to €0.11 per ordinary share and (3) equal payment of an additional dividend to the holders of ordinary shares and of non-voting preference shares according to the proportional number of shares held. If and to the extent, adequate net profits are not available to pay the preference dividend according to (1) above, any shortfall shall be subsequently payable without interest out of the net profits of the following fiscal years, prior to distributing a dividend to holders of ordinary shares. Should the net profits available for distribution not be adequate to pay such arrears in addition to the preference dividend of €0.11 for the new fiscal year, the arrears shall be paid out first in order of accrual and only subsequently the preference dividend for the new year.

A resolution of MAN AG's shareholders' meeting may also authorise the Company's executive board to increase the issued share capital with the approval of the Company's supervisory board within a specified period not exceeding five years (authorised capital). The amount of the authorised capital may not exceed half of the issued share capital existing at the time the resolution of MAN AG's general shareholders' meeting is registered. MAN AG's shareholders may also resolve to create conditional capital, but only for specific purposes, such as granting conversion rights or options to holders of convertible bonds and certain similar instruments, with the aim of preparing for a merger with another company or granting subscription rights to employees or members of management of the Company or an affiliated company. In no event may the nominal amount of the conditional capital exceed half of the issued share capital existing at the time of the resolution on the conditional capital increase. The nominal amount of the conditional capital for granting subscription rights to employees and members of management of the Company or an affiliated company may also not exceed 10% of the issued share capital existing at the time of the resolution on the conditional capital increase. The shareholders' resolutions described above each require a majority vote of at least three-quarters of the issued share capital represented at such general shareholders' meeting. A resolution to reduce the issued share capital requires a majority of the votes cast and a majority of at least three quarters of the issued share capital represented at the meeting where the vote is taken.

Statutory Subscription Rights

The German Stock Corporation Act provides that all shareholders generally have subscription rights with respect to newly issued shares (as well as to options to subscribe to newly issued convertible bonds, option bonds, profit participation certificates and income bonds). Subscription rights are generally freely transferable and may be traded on the German stock exchanges during a specific period prior to the expiration of the subscription period. MAN AG's general shareholders' meeting may exclude subscription rights by a majority of at least three-quarters of the issued share capital represented at the meeting approving the resolution. The exclusion of subscription rights further requires a report by the Company's executive board that sets forth the justification for the decision by showing that the Company's interest in excluding subscription rights outweighs the interest of shareholders in the subscription rights being granted. Without such a justification, subscription rights for the issuance of new shares may be excluded if the share capital is being increased for cash consideration, the amount of the capital increase does not exceed 10% of the Company's existing share capital and the issue price of the new shares is not substantially lower than the market price.

Exclusion of Minority Shareholders

Section 327a *et seq* of the German Stock Corporation Act concerning squeeze-outs provide that a shareholder who owns 95% of the issued share capital (principal shareholder) may request that the general shareholders' meeting of a German stock corporation resolve to transfer the shares of the other minority shareholders to the principal shareholder in return for an adequate cash compensation. The amount of this cash compensation to be paid to the minority shareholders must take account of the German stock corporation's financial condition at the time the resolution is passed. The full value of the German stock corporation, which is normally calculated using the capitalisation of earnings method (*Ertragswertmethode*), is decisive for determining the compensation amount.

In addition to the provisions on the squeezing out of the minority shareholders, Sections 319 *et seq.* of the German Stock Corporation Act provide for the integration (*Eingliederung*) of stock corporations. Under these provisions, the general shareholders' meeting of a German stock corporation may resolve to integrate a company if 95% of the shares of such company are held by the future principal company. The shareholders excluded from the integrated company are entitled to an adequate compensation that must generally be granted in the form of shares of the principal company. The amount of the compensation must be calculated using what is known as the merger value ratio between the two companies, in other words the exchange ratio that would be adequate were the two companies to merge. In contrast to the squeeze-out of minority shareholders, integration is only possible when the future principal company is a stock corporation with a stated domicile in Germany.

Alternatively, Sections 39a et seq of the German Securities Acquisition and Takeover Act (*Wertpapier-erwerbs- und Übernahmegesetz*) provide that after a takeover or a mandatory public acquisition offer which results in the offeror holding shares representing at least 95% of the capital carrying voting rights, the offeror is entitled to exercise a squeeze-out of the remaining voting shares in exchange for a fair price through a judicial decision without a consenting resolution by the shareholders' meeting. If at the same time an offeror holds shares representing at least 95% of the capital of the offeree company, he is also entitled to squeeze-out the remaining preference non-voting shares that do not carry voting rights. The price shall take the same form as the consideration offered in the bid, with a cash alternative to be offered in any event. The offeror shall exercise the right of squeeze-out within three months of the end of the acceptance period. The consideration offered in the bid shall be presumed to constitute a fair price where, through the acceptance of the bid, the offeror has acquired shares representing not less than 90% of the shares comprised in the bid. After a takeover or a mandatory public acquisition offer, the shareholders of the offeree company who did not tender their shares during the tender period, may offer their shares within three months of the expiration of the acceptance period, as long as the offeror is entitled to file an application for a squeeze-out as described above.

Capital Increase for the New Shares

The New Shares offered hereby, which are governed by the laws of the Federal Republic of Germany, would be issued by utilising part of MAN AG's 2005 Authorised Share Capital in accordance with Article 4(3) of the Company's articles of association. The 2005 Authorised Share Capital was approved by a resolution of MAN AG's general shareholders' meeting on 3 June 2005, and entered in the commercial register of the local court of Munich on 23 September 2005 (see "*—2005 Authorised Share Capital—*"). The Company's executive board would resolve, with the approval of the supervisory board, to make use of the authorisation and issue for the offering of up to 26,686,493 New Shares, each such share with a notional value of €2.56 (no par value shares). Once the implementation of the Capital Increase would be entered in the commercial register, MAN AG's issued share capital would amount to up to €444,739,822.08 (increased from €376,422,400.00 by up to €68,317,422.08), and the remaining 2005 Authorised Share Capital, on the basis of the authorisation mentioned above, would be reduced accordingly.

2005 Authorised Share Capital

MAN AG's 2005 Authorised Share Capital as of the date of this Prospectus (prior to registration of the implementation of the capital increase in the commercial register) amounts to €188,211,200.00.

On 3 June 2005, MAN AG's general shareholders' meeting resolved to authorise the Company's executive board to increase MAN AG's share capital on or prior to 2 June 2010, with the approval of its supervisory board, by up to €188,211,200.00 through one or several issues of new ordinary bearer shares for cash and/or non-cash consideration ("2005 Authorised Share Capital").

In case of capital increases for cash consideration, shareholders must be generally granted subscription rights. The Company's executive board is nevertheless authorised, with approval of the supervisory board, to exclude subscription rights if and to the extent (a) necessary to grant subscription rights for new shares to creditors of convertible bonds or holders of option bonds, which have been or will be issued by the Company or its Group companies, to the extent they would be entitled to such subscription rights after the exercise of their conversion rights or options, and/or (b) the issue price of the new shares does not fall below the market price of the shares by more than 5% and the shares issued according to Section 186(3) sent. 4 of the German Stock Corporation Act do not exceed a total of 10% of MAN AG's share capital; counted towards this limitation must be shares issued or sold in direct or corresponding application of Section 186(3) sent. 4 of the German Stock Corporation Act due to other authorisations during the term of the mentioned authorisation by the time of its utilisation; counted towards this limitation must be also shares which have been issued and may be issued respectively due to the execution of bonds with conversion or option rights at the time of utilisation of the authorisation according to Section 186(3) sent. 4 of the German Stock Corporation Act; and/or (c) to realise any required fractional amounts for rounding off of MAN AG's share capital.

The Company's executive board is also authorised, with approval of the supervisory board, to exclude the subscription right in capital increases in exchange for non-cash consideration for purposes of the acquisition of companies, of equity interests in companies or of important assets of companies. However, the Company's executive board decided to make only use of that authorisation up to an amount of 20% of MAN AG's share capital existing at the time the resolution of MAN AG's general shareholders' meeting was registered and—to the extent this amount is lower—of the share capital existing at the time of utilisation of the authorisation respectively. The capital increase in exchange for non-cash consideration is thereby limited to a maximum amount of €68,317,422.08, corresponding to 26,686,493 ordinary bearer shares. The Company's executive board declared its decision during the general shareholders' meeting on 3 June 2005.

The Company's executive board is also authorised, with approval of the supervisory board, to determine further details of the implementation of capital increases.

The authorisation to exclude the subscription right in capital increases in exchange for non-cash consideration for purposes of the acquisition of companies, of equity interests in companies or of important assets of companies has been exercised up to an amount of 20% of MAN AG's share capital to implement the capital increase described in this Prospectus. See "*—Capital Increase for the New Shares*".

2005 Conditional Share Capital

MAN AG's 2005 Conditional Share Capital recorded in the commercial register amounts to €76,800,000.00 as of the date of this Prospectus.

Article 4(4) of the Company's articles of association provides that MAN AG's share capital is conditionally increased by up to €76,800,000.00, divided into up to 30,000,000 ordinary bearer shares. The conditional capital increase will be implemented only if and to the extent that the holders of conversion or option rights attached to bonds issued by the Company or its Group companies in exchange for cash contributions pursuant to authorisation granted by resolution of MAN AG's general shareholders' meeting of 3 June 2005 exercise their conversion or option rights and as far as no other forms of fulfilment are used for appliance. The new shares shall carry dividend rights for the first time for the fiscal year of their issue (2005 Conditional Share Capital).

Under the terms of a resolution of MAN AG's general shareholders' meeting of 3 June 2005, the Company's executive board was authorised, with the approval of the supervisory board, on one or more occasions through 2 June 2010, to issue convertible bonds and/or option bonds (jointly: "Bonds") on behalf of the Company for a total nominal amount of up to €1,500,000,000.00, with a term not to exceed 20 years from the date of the issue and to grant the holders of Bonds conversion or option rights to new ordinary bearer shares of the Company representing a proportional amount of the share capital up to €76,800,000.00, in accordance with the terms and conditions of the Bonds. The Bonds will be issued in exchange for cash contributions.

The Company's executive board was also authorised to take over the guarantee for Bonds issued by other Group companies and to fulfil any conversion or option rights attached to these Bonds by providing shares of the Company.

The Company's executive board was also authorised, with the approval of the supervisory board, and in consultation with the executive bodies of any Group companies issuing Bonds to determine further conditions of the Bonds including, but not limited to interest rate, issue price, term and denomination, subscription and exchange ratio respectively, option and conversion price respectively and option and conversion periods respectively.

Bonds must be generally granted to the shareholders for subscription. The Company has also to ensure the granting of shareholders' statutory subscription rights as far as Bonds are issued by other Group companies. The Company's executive board was nevertheless authorised, with the approval of the supervisory board, to exclude the subscription right if and to the extent (a) the issue price of the Bonds was not significantly below the market value of the Bonds determined using generally accepted valuation methods; this authorisation to exclude subscription rights in the sense of Section 186(3) sent. 4 of the German Stock Corporation Act applies, however, only for Bonds with conversion or subscription right to shares representing a proportional amount of MAN AG's share capital of up to 10%; counted towards this limitation must be shares issued or disposed of or have to be issued in direct or corresponding application of Section 186(3) sent. 4 of the German Stock Corporation Act due to other authorisations during the term of the mentioned authorisation by the time of its utilisation; (b) necessary for balancing fractional amounts resulting from the subscription ratio and (c) to grant a subscription right to holders of existing conversion or option rights to shares of the Company as compensation for dilution of the economic value of such rights to the extent to which they would be entitled upon exercising their rights.

Convertible Bonds and Option Bonds

The Company has not issued any convertible bonds or option bonds as of the date of this Prospectus.

Purchase and Use of Own Shares

As a result of the expiration on 2 December 2006 of the authorisation issued by MAN AG's 2005 general shareholders' meeting to purchase ordinary and/or non-voting preference shares of the Company, the Company's executive board was again authorised to purchase ordinary and/or non-voting preference shares

of the Company under the terms of a resolution by MAN AG's general shareholders' meeting of 19 May 2006, with a revocation of the earlier authorisation.

The Company's executive board is authorised, with approval of the supervisory board, on one or more occasions to purchase ordinary and/or non-voting preference shares of the Company up to a limit of 10% of MAN AG's share capital by 18 November 2007. The purchase may also be executed by other Group companies and/or by third parties on behalf of the Company and of other Group companies respectively.

The shares may be purchased on the stock exchange or by means of a public tender offer directed to the holders of the relevant class of shares. The purchase price (without incidental purchase costs) for the purchase on the market may not exceed and may not fall short respectively the price for the relevant class of shares as determined by the opening auction in XETRA trading (or a comparable successor system) on the trading date by more than 10%. In the event of a public tender offer, the purchase price offered or the limits of any price range offered per share (without incidental purchase costs) may not exceed and may not fall short respectively the closing price of the relevant class of shares in XETRA trading (or a comparable successor system) on the third day of stock exchange trading prior to the date the offer is publicly announced by more than 20%. If the total amount subscribed exceeds the volume of the tender offer, acceptance has to be made on a pro-rata basis. The terms of the offer can express a preference for the purchase of tendered shares to the extent permitted by law, but in lots of maximal 100 shares or fewer per shareholder.

The Company's executive board is authorised, with approval of the supervisory board, to use repurchased own ordinary shares for any purpose permitted by law other than sale via the stock exchange or under a tender offer to all shareholders under exclusion of shareholders' subscription rights, including in particular if and to the extent (a) the repurchased own ordinary shares are sold at a price not significantly below the stock market price and/or (b) such disposal represents a consideration within the scope of a company merger or for the acquisition of companies or equity interests in companies and/or (c) such own shares are used for the fulfilment of convertible or option rights in connection with bonds issued by the Company or another Group company; shares transferred due to such authorisation may not exceed 10% of the share capital to the extent they are used for fulfilment of convertible and option rights in connection with bonds issued in corresponding application of Section 186(3) sent. 4 of the German Stock Corporation Act; counted towards this limitation must be shares issued or sold in direct or corresponding application of Section 186(3) sent. 4 of the German Stock Corporation Act during the term of the authorisation by the time of its utilisation; counted towards this limitation must be also shares which have been issued and may be issued respectively due to the execution of bonds with conversion or option rights at the time of utilisation of the authorisation according to Section 186(3) sent. 4 of the German Stock Corporation Act.

The Company's executive board is also authorised, with approval of the supervisory board, to collect the own ordinary and/or non-voting preference shares without any further resolution being passed at a general shareholders' meeting.

As of the date of this Prospectus, the Company does not hold any Own Shares within the meaning of Section 71(1) sent. 1 no. 8 of the German Stock Corporation Act.

Management Stock Programme and Stock Appreciation Rights Plans

Under the Management Stock Programme of the Company ("MSP"), which was implemented as of1 July 2005, selected executive and management board members of Group companies are granted taxable cash compensation on condition that they appropriate 50% to purchase ordinary shares of the Company. Such shares are acquired and held in custody centrally by the Company in the name and for the account of the beneficiaries, who may freely dispose of the shares after a three-years vesting period. During this waiting period, the shares may not be sold, assigned, pledged or hedged. When an MSP participant goes into retirement or his employment with a Group company is terminated the period is shortened to one year as from the date of retirement or separation.

Under the MSP 2005, eligible participants acquired a total 44,504 ordinary shares of the Company at an average price of €42.14, including 20,035 ordinary shares for the Company's executive board members. The

cash payments are fully expensed in the year when the MSP is granted. For the MSP 2005, the cash payments totalled €3,754,000.00 within the entire Group.

Under the MSP 2006, eligible participants acquired a total 33,799 ordinary shares of the Company at an average price of €54.17, including 12,781 ordinary shares for the Company's executive board members. The cash payments are fully expensed in the year when the MSP is granted. For the MSP 2006, the cash payments totalled €3,650,327.00 within the Group.

Effective 1 July 2000, 2001, 2003 and 2004, the Company had implemented Stock Appreciation Rights Plans ("SARP(s)"). Members of the Group companies' executive and management boards were granted Stock Appreciation Rights ("SAR(s)") which, after a two-year qualifying period within the succeeding five years, were exercisable and convertible into taxable income (phantom stock options), subject to the Company's ordinary shares price trend in absolute and relative terms.

The strike price of an SARP is in each case the closing stock prices as quoted by the XETRA system for Company's shares, averaged over the ten trading days preceding 1 July (plan issuance date). If and when the Company's shares price rises at least 20% above the strike price and, after expiration of the qualifying period, Company's shares has outperformed the Dow Jones Euro Stoxx 50 index at least once during five consecutive trading days, plan participants can exercise their SARs.

Under the 2000 and 2001 SARPs (both granted on a DM basis), participants receive cash of DM 4.00 or €2.045 per SAR for an increase of Company's shares price rise by 20% above the strike price. For every further full percentage point above this 20% threshold, the cash payable increases by DM 0.15 or €0.0767, up to an aggregate maximum payment per SAR of DM 24.00 or €12.27. Under the 2003 and 2004 SARPs (€ -based), participants will receive cash of €4 per SAR if the market price of a Company's share is 20% in the money, and €0.15 for each additional full percentage point of increase, up to an aggregate maximum of €24 per SAR.

€10,440,000.00 (up from €380,000.00) was paid out to the eligible participants in the fiscal year 2005 as SARs were exercised, including €1,112,000.00 (up from nil) under the SARP 2000, €1,707,000.00 (up from €380,000.00) under the SARP 2001, and €7,621,000.00 (up from nil) under the SARP 2003.

€4,957,000.00 (up from €168,000.00) was paid out to the Company's executive board members as SARs were exercised, including €561,000.00 (up from nil) under the SARP 2000, €690,000.00 (up from €168,000.00) under the SARP 2001, and €3,706,000.00 (up from nil) under the SARP 2003.

SAR valuation is based on the fair value, which in addition to the share price trend up to the balance sheet date, also accounts for the potential future trend of Company's shares on the basis of historical volatility factors, as well as for contractual restrictions on exercise. The accruals for SARPs total €3,547,000.00 as of 31 December 2005 (down from €5,978,000.00).

Due to the strong increase in the Company's share prices in 2005 and the distribution of the expenses over the two-year qualifying period, the expenses incurred in connection with the SARP 2005 in fiscal year 2005 totalled €8,008,000.00 (up from €5,505,000.00).

Based on the 2005 closing stock price, the SARs exercisable at the balance sheet date had a value of €1,153,000.00 (up from nil).

Listing

The Company's shares have been admitted to the official market segment (*amtlicher Markt*) of the Frankfurt Stock Exchange (Prime Standard) and to the stock exchanges of Hamburg, Dusseldorf, Berlin, Stuttgart, Munich, Hanover.

MANAGEMENT

OVERVIEW

The Company's governing entities are the executive board (*Vorstand*), the supervisory board (*Aufsichtsrat*) and the general shareholders' meeting (*Hauptversammlung*). The powers of these entities are governed by the German Stock Corporation Act (*Aktiengesetz*), the Company's articles of association (*Satzung*) and the rules of procedure of the executive board and the supervisory board. The German Stock Corporation Act requires the Company to have a two-tier management and control system consisting of the executive board and the supervisory board. The two boards work independently of each other, and no person may serve as a member of both boards at the same time. In accordance with the Company's articles of association, MAN AG can be legally represented by two members of its executive board or by one executive board member together with an authorised signatory (*Prokurist*).

In accordance with the German Stock Corporation Act and the Company's articles of association, the executive board is responsible for managing the Company's day-to-day business. In addition, the executive board legally represents MAN AG in its dealings with third parties. The Company's executive board is solely responsible for MAN AG's management, and the annual shareholders' meeting may not issue instructions to the executive board.

In addition to the Company's executive board, MAN AG has established a management board, consisting of the members of its executive board and currently one additional member, belonging to the executive board of MAN TURBO. The additional member, Mr. Jürgen Maus, joins the Company's executive board meetings as a permanent guest in advisory capacity for an adequate consideration of the interests relating to the Business Area he is responsible for, i.e. MAN TURBO.

The Company's supervisory board oversees and advises the executive board and is responsible for appointing and recalling members of the executive board. In addition, the Company's supervisory board represents MAN AG in transactions with any member of its executive board. While the executive board is required to submit regular reports on it's day-to-day operations and fundamental corporate planning issues to the supervisory board, the supervisory board may also request special reports from the executive board at any time. The Company's supervisory board generally may not exercise any management functions. However, according to the rules of procedure of the supervisory board, certain types of transactions may not be carried out by the executive board without the consent of the supervisory board. If the Company's supervisory board refuses to approve certain transactions contemplated by the executive board, the executive board can request that the annual shareholders' meeting makes the final decision.

The articles of association of MAN AG provide that the members of the Company's supervisory board shall be elected for a five-year term, each year being calculated from the end of one ordinary shareholders' meeting to the end of the next ordinary shareholders' meeting. Under German law, each member's term expires no later than at the end of MAN AG's annual shareholders' meeting at which the shareholders ratify the acts of the supervisory board for the fourth fiscal year after the year in which the supervisory board member was elected, not counting the year in which the member's term begins. The Company's supervisory board members may be re-elected.

In carrying out their duties, the members of the executive board and the supervisory board have to exercise the standard of care of a prudent and conscientious business person. In complying with this standard of care, the members of these boards have to take into account a broad range of considerations, including its interests and the interests of the Company's shareholders, employees and creditors. The executive board in particular must respect the Company's shareholders' right to equal treatment.

The German Stock Corporation Act prohibits individual shareholders and any other persons from influencing the Company to cause a member of its executive board or supervisory board to take actions that are detrimental to the Company. Anyone who uses his or her influence to cause a member of the Company's executive board or supervisory board, an authorised signatory or an authorised agent (*Handlung-*

sbevollmächtigter) to act in a way that is detrimental to the Company or its shareholders is liable to the Company for any damage deriving from such act.

Furthermore, the members of the Company's executive board and supervisory board are also jointly and severally liable if they breach their duties and cause damage to the Company. Where a breach of duty by members of the Company's executive board or supervisory board causes damages to the Company, the Company may assert claims for compensation against the members of its executive board or supervisory board. The executive board represents the Company in court when claims are asserted against supervisory board members, and the supervisory board represents the Company when claims are asserted against executive board members. According to a decision by the German Federal Supreme Court, the supervisory board has a duty to assert claims for compensation against the executive board that are likely to succeed in court unless there are strong reasons involving the good of the corporation for not doing so, and these reasons outweigh or are at least as compelling as the reasons in favour of asserting the claims. However, even if the board entitled to represent the Company decides not to pursue a claim, the Company must under German law assert claims for damages against members of its executive board or its supervisory board if its annual shareholders' meeting resolves by simple majority to do so. The Company's annual shareholders' meeting may appoint special representatives to assert the claims for damages.

Shareholders owning in the aggregate a total of one-tenth or a proportionate amount of €1,000,000.00 of MAN AG's issued share capital may request the court to appoint a representative to assert the claims for damages. In addition, shareholders owning in the aggregate a total of one-hundredth or a proportionate amount of €100,000.00 of MAN AG's issued share capital at the time the motion is filed may apply for the admission of a lawsuit to the district court where the Company's registered office is located asserting its claims for damages in their own name. One of the conditions for the admission of such a lawsuit is that the respective shareholder has made an unsuccessful request to the Company to file a suit within a reasonable period of time. Moreover, there must be evidence to justify the presumption that the Company has suffered a loss due to dishonesty or a gross violation of the law or the Company's articles of association. The Company is entitled at all times to assert a claim for damages on its own. If the Company files a suit, any pending shareholders' lawsuit relating to the admission of a lawsuit or the shareholders' lawsuit itself becomes inadmissible.

The Company may only waive claims for damages asserted against members of its boards or make an out-of-court settlement for such claims if (i) at least three years have passed since the relevant claim came into existence, (ii) the settlement is approved by a shareholders' resolution at the Company's annual shareholders' meeting by a simple majority of votes, and (iii) a minority of shareholders owning an aggregate total of one-tenth of its issued share capital do not record an objection.

Executive Board

The Company's executive board consists of five members as of the date of this Prospectus.

The rules of procedure of the Company's executive board grant each member of the executive board a specific area of responsibility within the scope of the executive board's decisional responsibility. The members of the Company's executive board are nevertheless jointly responsible for managing the Group. The Company's executive board constitutes a quorum when the majority of its members participate in a given resolution by voting. Resolutions are passed by a simple majority of the votes cast unless a greater majority is required by law. In case of a tie, the chairman casts the deciding vote.

In accordance with the German Stock Corporation Act, the Company's executive board must submit regular reports to the supervisory board, particularly on their planned business policy and fundamental issues of corporate planning, the profitability of the Company, day-to-day business and any other transactions that may be of material importance to MAN's profitability or liquidity.

The table below lists the names of the members of the Company's executive board as of the date of this Prospectus and includes their age, principal areas of responsibility, the year in which each member was first appointed and all companies or partnerships in which the members held seats on an administrative, management or supervisory entity or of which they were partners during the last five years. This table does not list every membership of the Company's executive board members on the administrative, management, or supervisory entities of its subsidiaries:

Name	Age (in years)	Year first appointed	Area of responsibility/ activity	Other directorships (including executive board and other supervisory board appointments)[1]
Dipl.-Ing. Håkan Samuelsson	55	2000 (Chairman since 2005)	Chairman	Non Group appointments Supervisory board appointments MAN Roland AG[2] Deutsche Bank AG (Regional Advisory Board Europe) Group appointments Supervisory board appointments MAN Nutzfahrzeuge AG (Chairman) MAN TURBO AG (Chairman) MAN Ferrostaal AG (Chairman) MAN Diesel SE (Chairman) RENK Aktiengesellschaft (Chairman) NEOMAN Bus GmbH (Chairman) MAN Diesel SE, Denmark MAN Technologie AG (01/2005–06/2005)[2]
Karlheinz Hornung	55	2004	CFO	Non Group appointments Executive board appointments MAN Roland AG[2] Metallgesellschaft AG (Financial Director) (1994–1995) MG Trade Services AG (Chairman) (1995–2000) MG Technologies AG (1998–03/2004) Supervisory board appointments MG Venture Capital AG (Chairman) (2001–03/2004) Demag Cranes AG Dynamit Nobel AG (1998–03/2004) GEA AG (2001–03/2004) Lurgi AG (1998–03/2004) Lurgi Lentjes AG (1998–03/2004) MG Vermögensverwaltungs AG (1998–03/2004) SAFIC-ALKAN AG (1995–06/2002) Solvadis ag (1998–2003) MG Trade Services AG (2002–03/2004) MG plc, London (2000–2001) Group appointments Supervisory board appointments MAN Capital Corporation, U.S. (Chairman) MAN Nutzfahrzeuge AG MAN Ferrostaal AG MAN Diesel SE MAN TURBO AG MAN Diesel SE, Denmark

Name	Age (in years)	Year first appointed	Area of responsibility/ activity	Other directorships (including executive board and other supervisory board appointments)[1]
Dr. Matthias Mitscherlich	57	2003	Industrial Services	**Non Group appointments** **Executive board appointments** Klöckner & Co. Group (Chairman of executive board of Klöckner INA GmbH) (1995–1999) NUKEM GmbH (1996–1999) Athens International Airport SA (Chief Executive Officer) (01/2000–10/2002) **Supervisory board appointments** SMS Demag AG (03/2003–03/2004) MAN Roland AG[2] (05/2003–07/2006) Coface Holding AG Coface Kreditversicherung AG Nationalbank AG **Group appointments** **Executive board appointments** MAN Limited, London **Supervisory board appointments** MAN Ferrostaal AG (Chairman) MAN Ferrostaal Power Industry GmbH MAN TURBO AG (Deputy Chairman)
Dr.-Ing. Georg Pachta-Reyhofen	51	2006	Diesel	**Group appointments** **Executive board appointments** MAN Diesel SE (Chairman)
Dipl.-Ökonom Anton Weinmann	50	2005	Commercial Vehicles	**Group appointments** **Executive board appointments** MAN Nutzfahrzeuge AG (Chairman) **Supervisory board appointment)** Renk AG MBD A/S Kopenhagen MAN Nutzfahrzeuge Vertrieb GmbH NEOMAN Bus GmbH NEOPLAN Bus GmbH MAN Nutzfahrzeuge Österreich MAN TURBO (2001-2004) Brüder Henn Graph. Syst. (until 2000)

[1] Broken down by statutory supervisory boards and comparable committees of German and international companies
[2] The majority in MAN Roland was sold in July 2006, MAN Technologie AG was sold in 2005

Dipl.-Ing. Håkan Samuelsson

Born on 19 March 1951 in Motala, Sweden. He began studying at the Royal Institute of Technology in Stockholm in 1972, obtaining a degree in mechanical engineering (M.Sc.M.E.). In 1977, he joined Scania AB, Södertälje, Sweden, in the field of braking systems design. He subsequently held various technical management positions, becoming director of Powertrain in 1988. In 1993, he took over as Technical Director of Scania Latin America and in 1996 was appointed to the executive board of Scania AB, with responsibility for development and production. In July 2000, he was appointed Chairman of the executive board of MAN Nutzfahrzeuge as well as a member of the executive board of MAN AG; both located in Munich. Since January 2005 he has been Chairman of the executive board of MAN AG.

Karlheinz Hornung

Born on 24 December 1950 in Heilbronn. After finishing school, completing a commercial training course and training as a tax advisor, he joined the Finance and Controlling Department of Kolbenschmidt AG, Neckarsulm, a subsidiary of Metallgesellschaft AG, in 1977. He later became the Kolbenschmidt AG's head of the Central Finance and Controlling Division. In 1992, he became Director of Administration and Finance at KS Automobil-Sicherheitstechnik GmbH in Aschaffenburg. After returning to Kolbenschmidt AG in 1993, he took over as head of Finance, Controlling and Information Systems. In 1994, he became Financial Director at Metallgesellschaft AG, also acting as a member of the executive board of MG Trade Services AG from 1995 onwards. In 1998, he moved to join the executive board of MG Technologies AG, with responsibility for Controlling and IT, and from 1999 also for Accounting. In 2000, he became responsible for the entire finance department, as well as Investor Relations and as of 2003, was also in charge of Human Resources. Since October 2004, he has been a member of the MAN AG executive board, responsible for Controlling and, in addition to this, has been appointed CFO (Chief Financial Officer) of MAN AG with effect of 1 January 2006.

Dr. Matthias Mitscherlich

Born on 25 January 1949 in Konstanz. Following his high-school graduation in 1967, he studied law at the University of Gießen. From 1972, he was a junior lawyer at the Higher Regional Court District of Hamburg from where he graduated in 1976. After which he completed a masters' degree at the University of New York. After various positions (including joint partner of Mitscherlich & von Scheven GmbH, Duisburg) in 1983 he joined Klöckner INA (Nigeria) Limited. He then worked in several divisions of the Klöckner & Co Group. In 1994, he became Managing Director and in 1995 Chief executive Officer of Klöckner INA GmbH. In 1996, he became Managing Director of NUKEM GmbH. In January 2000, he became a member of the executive board and from July 2000, Chief Executive Officer of Athens International Airport S.A. In November 2002, he became a member of the executive board of MAN Ferrostaal AG and was appointed Chairman in January 2003. At the same time he joined the executive board of MAN Aktiengesellschaft.

Dr.-Ing. Georg Pachta-Reyhofen

Born on 28 June 1955 in Munich. Between 1974-1981, he studied mechanical engineering at the Technical University of Vienna, qualifying with Dipl. Ing. (TU). Between 1981-86, he worked as Assistant at the Institute of Combustion Engines and Motor Vehicle Construction at the Technical University of Vienna, during which time he wrote research papers in mixture formation and exhaust gas emissions from combustion engines. In 1985, he obtained his Doctorate in engineering science (Dr.techn.). In 1986 he joined the MAN Group at ÖAF Gräf und Stift AG, Vienna (now MAN Sonderfahrzeuge AG) holding various positions until 1995. Between 1996-99, he worked with MAN A.S. (now MAN Türkiye) as head of Engineering and in 1998 became a member of the executive board with responsibility for development, quality assurance and logistics. Between 1999-2001, he was head of Engine Development at the Nuremberg plant of MAN Nutzfahrzeuge. Since 2001, he has been a member of the executive board at MAN Nutzfahrzeuge, responsible for Technology and Purchasing. On 1 July 2006, Pachta-Reyhofen was appointed to the executive board of MAN AG. As of the same date, he also took over as executive board chairman of MAN Diesel.

Dipl.-Ökonom Anton Weinmann

Born on 14 January 1956 in Landshausen, Germany. Weinmann studied Business and Economics at the University of Augsburg. After graduating in 1982, he joined the MAN Group. First he worked for the former MAN in Augsburg and in 1986 joined MAN Nutzfahrzeuge in Munich. He was appointed head of the Financial Accounts department in 1989, becoming head of Reporting and Controlling in 1990 and head of the Participations division in 1996. In 1998, he became a member of the executive board of MAN Roland, Augsburg and in 2001 a member of the executive board of MAN Nutzfahrzeuge, Munich. Since 1 January 2005, he has been Chairman of the executive board of MAN Nutzfahrzeuge and also a member of the executive board of MAN Aktiengesellschaft; both positions are in Munich.

The business address of the members of the Company's executive board is its headquarters in Munich, Germany.

The current terms of office of the members of the Company's executive board will end on the following dates:

Dipl.-Ing. Håkan Samuelsson on 31 December 2009

Karlheinz Hornung on 30 September 2007

Dr. Matthias Mitscherlich on 31 October 2007

Dr.-Ing. Georg Pachta-Reyhofen on 30 June 2011

Dipl.-Ökonom Anton Weinmann on 31 December 2009

The employment contracts for the members of the Company's executive board were entered into for the length of their terms of office. If the members' employment relationships end on the specified dates, their employment contracts provide for pension benefits and certain payments as compensation for early termination if such termination is not the result of any misconduct of the respective member.

In 2005 the Company paid members of its executive board cash compensation totalling €7,899,000.00 for their services to the MAN Group. Of this amount, €3,493,000.00 related to fixed salaries and €4,406,000.00 to variable compensation. Moreover, in 2005, under the Management Stock Programme of the Company ("MSP") an additional aggregate amount of €1,689,000.00 has been granted to the members of the executive board of the Company in order to purchase shares of the Company and to pay taxes resulting from the additionally granted cash amount.

In 2005, under the MSP 2005, 20,035 shares with an average market value of €42.14 per share were bought by the members of the executive board.

In 2006, under the MSP 2006, members of the Company's executive board have additionally been granted an amount corresponding to 50% of their fixed compensation, provided however that 50% of the additionally granted amount are used for the purchase of shares in the Company. Under the MSP 2006, 12,781 shares with an average market value of €54.17 per share were bought by the members of the executive board.

The Company's executive board members are not allowed to sell shares purchased under the MSP 2005 prior to 1 July 2008 and shares purchased under the MSP 2006 prior to 1 July 2009.

In 2000, 2001, 2003 and 2004, under the Stock Appreciation Rights Plans of the Company ("SARP(s)") members of the Company's executive board had been granted Stock Appreciation Rights. Under these SARPs members of the executive board were entitled to participate in the profit of the Company according to the development of its shares within five years of the respective introduction of such SARP. In 2005, under the SARPs the Company has paid €4,957,000.00 to the members of its executive board.

As of 31 December 2005, accruals totalling €740,000.00 were set aside for pension expenses for the active members of the Company's executive board.

Payments to retired executive board members and their surviving dependents amounted to €5,810,000.00 in 2005. Provisions for pension obligations for these individuals amounted in aggregate to €26,068,000.00 as of 31 December 2005.

The Company has purchased directors and officers' liability insurance, with a deductible, for each member of its executive and supervisory boards and for all governing entities of its affiliated companies, both inside and outside Germany. This insurance coverage is valid all over the world. The policy covers the legal costs of defending a member of a governing entity and any awarded compensation to be paid up to the total of the limit of indemnity.

The Company has not granted any loans to the members of its executive board. The members of the Company's executive board have not entered into any transactions with the Company that have been outside the ordinary course of business.

The members of the Company's executive board have not been charged with fraud or similar crimes during the five years prior to the date of this Prospectus. While acting in their capacity as members of an administrative, management or supervisory entity or as a member of the senior management of another

company, the Company's executive board members have not been involved in the insolvency or liquidation of a company. In addition, they have not been the subject of any other investigations and/or sanctions or penalties imposed by public authorities (including any professional organisations or associations). In addition, no member of the Company's executive board has been banned by any court from holding seats on an administrative, management or supervisory entity of a company that is an issuer of securities or from acting as a member of management or executive boards of any issuer during the five years prior to the date of this Prospectus.

There are no familial relationships between any members of the Company's executive board. There are no familial relationships between any members of the Company's executive board and any members of the Company's supervisory board.

Management Board

MAN's management board consists of the members of the executive board and the following additional member:

Jürgen Maus
Born on 4 April 1944 in Oberhausen. Following commercial training and military service, in 1966 he joined Gutehoffnungshütte in Sterkrade. After holding various positions, he became head of department in the Mechanical Engineering Division in 1980, with responsibility for Controlling. Following further assignments, he took over as Senior Manager for Commercial Operations in 1987. In 1996, he was appointed Managing Director at GHH BORSIG Turbomaschinen GmbH, becoming a member of the Executive Board of MAN Turbomaschinen AG in 1999 and Executive Board Chairman in 2002. Since 2005, he has been a member of the Management Board at MAN Aktiengesellschaft.

Supervisory Board

The German Co-determination Act of 1976 (*Mitbestimmungsgesetz*) governs the composition of the Company's supervisory board. Pursuant to this act, the Company's supervisory board consists of 20 members: Ten shareholder representatives and ten employee representatives. The shareholder representatives are elected by MAN AG's annual shareholders' meeting. The employee representatives are elected in accordance with the provisions of the German Co-determination Act of 1976.

Resolutions of the Company's supervisory board require a simple majority vote by its members, unless otherwise required by German law. In the event of a tie, the chairman of the supervisory board will be entitled to cast two votes if a second round of voting on the same subject results also in a tie.

The Company's supervisory board must convene at least twice during each six-month calendar period.

The following table lists the names of the members of the Company's supervisory board as of the date of this Prospectus and includes their positions on the supervisory board, the year in which each member was first appointed and the names of all companies or partnerships in which supervisory board members currently hold a seat on an administrative, management or supervisory entity of which they are a partner. This table does not list every membership of the Company's supervisory board members on the administrative, management or supervisory entities of its subsidiaries:

Name (principal occupation)	Position	Member since	Other directorships
Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz	Chairman	1997	**Non Group appointments** **Executive board appointments** Thyssen Krupp AG (Chairman) **Supervisory board appointments** AXA Konzern AG Bayer AG RWE AG ThyssenKrupp Automotive AG (Chairman) ThyssenKrupp Elevator AG (Chairman) ThyssenKrupp Services AG (Chairman) ThyssenKrupp Technologies AG (Chairman) Thyssen Inc./ U.S. ThyssenKrupp Budd Company/ U.S. RAG AG (Deputy Chairman) Eisen- und Hüttenwerke AG (1999-2001) Hapag Lloyd AG (1998-2001) Krupp Thyssen Stainless GmbH (1995-2001) RWE Plus AG (2000-2003) Strabag AG (1995-2002) ThyssenKrupp Materials & Services AG (1999-2001) ThyssenKrupp Stahl AG (1998-2001) ThyssenKrupp Steel Beteiligungen AG (2001-2005) Commerzbank AG (1998-2006) Deutsche Bahn AG (2001-2006) TUI AG (2001-2006)
Lothar Pohlmann[1)]	Deputy Chairman	17 May 2002	**Group appointments** Chairman of the General Works Council at MAN AG MAN TURBO AG (Deputy Chairman of the Works Council, Sterkrade plant)

Wilfried Loos[1)]	Member	14 September 2006	**Group appointments**
			MAN Vertrieb Deutschland GmbH (Deputy Chairman)
Michael Behrendt	Member	3 June 2005	**Non Group appointments**
			Executive board appointments
			Hapag-Lloyd AG
			(Chairman)
			CP Ships Ltd.
			(Chairman)
			VTG Lehnkering AG
			(10/1999-12/2003)
			Tui AG
			Supervisory board appointments
			VTG Lehnkering AG
			(Chairman)
			(03/2004-01/2006)
			Hapag-Lloyd Container Linie GmbH
			(Chairman)
			(01/2001-06/2006)
			Barmenia Krankenversicherung a.G.
			(Deputy Chairman)
			Barmenia Lebensversicherung a.G.
			(Deputy Chairman)
			Algeco SA
			(Deputy Chariman)
			(03/1995-04/2004)
			Barmenia Allgemeine Versicherungs- AG
			Esso Deutschland GmbH
			ExxonMobil Central Europe Holding GmbH
			Hamburgische Staatsoper GmbH
			Waggon Holding AG
			(04/1999-12/2002)
			Dr. Schirm AG
			(01/1999-07/2001)
Dr. Dipl.-Ing. Herbert H. Demel	Member	3 June 2005	**Non Group appointments**
			Executive board appointments
			Magna Powertrain AG (Austria)
			Volkswagen do Brazil
			(1997-2002)
			Magna Steyr AG
			(2002-2003)
			Fiat Auto S.p.A.
			(2003-2005)
			Supervisory board appointments
			IWKA AG
			(2005-2006)
			Magna Powertrain AG (Austria)
Detlef Dirks[1)]	Member	17 May 2002	**Group appointments**
			MAN Diesel SE
			(Chairman of the Works Council,
			Augsburg plant)
Jürgen Dorn[1)]	Member	17 May 2002	**Group appointments**
			Supervisory board appointments
			MAN Nutzfahrzeuge AG
			(Chairman of the Central Works Council)

Klaus Eberhardt	Member	3 June 2005	**Non group appointments** **Executive board appointments** Rheinmetall AG (Chairman) Rheinmetall AG Unternehmensbereich Defence Rheinmetall DeTec AG (03/2004-07/2005) Aditron AG (07/1999-03/2001) Rheinmetall Elektronik AG (03/1997-03/2001) **Supervisory board appointments** Kolbenschmidt Pierburg AG Hirschmann Electronics Holding S.A. Rheinmetall Defence Electronics GmbH Rheinmetall Waffe Munition GmbH Rheinmetall Landsysteme GmbH Oerlikon Contraves AG (Switzerland) Nitrochemie AG Nitrochemie Wimmis AG (Switzerland) Eckart-Wälzholz-Junius Familienstiftung Dietrich-Wälzholz Familienstiftung Rheinmetall DeTec AG (01/2000-02/2004) STN ATLAS Elektronik GmbH (02/2000-04/2002) Jagenberg AG (2000-2003) Aditron AG (04/2001-10/2003) Rheinmetall Elektronik AG (03/2001-08/2002) Pierburg AG (04/2000-04/2002) Gesellschafterausschuss Preh GmbH & Co. KG (04/2000-10/2003) Rheinmetall W&M GmbH (03/2004-05/2004) Shareholder Committee EMG EuroMarine Electronics GmbH (01/2000-12/2003) STN ATLAS Elektronics GmbH (04/2003-12/2003)
Robert Glauber[1)]	Member	14 September 2006	–

Dr. rer. nat. Hubertus von Grünberg	Member	3 June 2005	**Non Group appointments**
			Supervisory board appointments
			Continental AG
			(Chairman)
			Allianz Versicherungs-AG
			Deutsche Telekom AG
			Schindler Holding/CH
			Deutsche Post AG
			SAI Automotive AG
			(2002-2003)
Jürgen Hahn[1)]	Member	17 February 2002	**Group appointments**
			MAN Ferrostaal AG
Dr. phil. Klaus Heimann[1)]	Member	17 May 2002	**Non group appointments**
			Supervisory board appointments
			Krones AG
Jürgen Kerner[1)]	Member	3 May 2006	**Non group appointments**
			Supervisory board appointments
			IWKA AG
			SGL Carbon AG
			MAN Roland AG
			FSC GmbH
			(2000-2004)
			Group appointments
			Supervisory board appointments
			MAN Diesel SE
Dr. jur. Karl-Ludwig Kley	Member	3 June 2005	**Non group appointments**
			Executive board appointments
			Merck KG aA
			(Vice Chairman)
			Air Dolomiti SpA
			(Vice President)
			(10/1999-12/2003)
			Deutsche Lufthansa AG
			(09/1998-05/2006)
			Amadeus, Gtd S.A.
			(11/1998-01/2006)
			Thomas Cook AG
			(11/2003-01/2004)

			Supervisory Board appointments Lufthansa Systems Group GmbH (Chairman) (04/2002-09/2003) Start Amadeus GmbH (Chairman) (04/2001-02/2003) Albatros Versicherungsdienste GmbH (Chairman) (09/1998-12/2002) Delvag Luftfahrtversicherungs-AG (Chairman) (09/1998-09/2006) Delvag Rückversicherungs-AG (Chairman) (09/1998-12/2002) Lufthansa AirPlus Servicekarten GmbH (Chairman) (01/2001-05/2006) Westdeutsche Landesbank AG (07/2003-06/2004) Bewag AG (02/2002-01/2003) Hamburgische Electricitäts-Werke AG Vattenfall Europe AG Merck KG aA (03/2004-06/2006) Gerling Finanzen- und Privat Service AG (06/1999-12/2003) Thomas Cook AG (01/2004-05/2006) LSG Lufthansa Service Holding AG (09/1998-09/2006) Lufthansa Cargo AG (09/1998-05/2006) Lufthansa Technik AG (01/1998-05/2006) Gerling Konzern Allgemeine AG (05/2004-06/2006) KGAL (06/1998-06/2006) Landesbank Hessen-Thüringen (11/2002-06/2003)
Prof. Dr. rer. pol. Renate Köcher	Member	3 June 2005	**Non Group appointments** **Managing directorship** Allensbach Institute for Public Opinion Research **Supervisory board appointments** Allianz AG BASF AG Infineon Technologies AG
Nicola Lopopolo[1)]	Member	17 May 2002	–

Prof. Dr.-Ing. Dr. h. c. mult. Dr.-Ing. E. h. mult. Joachim Milberg	Member	3 June 2005	**Non Group appointments** **Executive board appointments** BMW AG (Chaiman) (1999-2002) **Supervisory board appointments** BMW AG (Chairman) acatech–Konvent für Technikwissenschaften der Union der deutschen Akademien der Wissenschaften e.V. (Chairman) Allianz Versicherungs-AG Bertelsmann AG Festo AG Leipziger Messe Gesellschaft mbH TÜV Süddeutschland Holding AG (Deputy Chaiman) Deere & Company Max-Planck-Gesellschaft (Administrative Council and Senat) Royal Dutch Petroleum Company/Shell (2000-2003)
Thomas Otto[1)]	Member	1 December 2004	**Group appointments** **Supervisory board appointments** MAN Nutzfahrzeuge AG (Deputy Chairman) MAN Nutzfahrzeuge Vertrieb GmbH **Non Group appointments** **Supervisory board appointments** SMS GmbH (03/2001-03/2006) TA Triumph Adler AG (06/2000-05/2005)
Dr.-Ing. E. h. Rudolf Rupprecht	Member	3 June 2005	**Group appointments** **Supervisory board appointments** MAN Diesel SE MAN Ferrostaal AG MAN TURBO AG MAN Nutzfahrzeuge AG RENK AG **Non Group appointments** **Supervisory board appointments** SMS GmbH Novelis Inc. Bayerische Staatsforsten AöR KME AG Salzgitter AG MAN Roland AG[2)]

Dr. rer. nat. Hanns-Helge Stechl	Member	3 June 2005	Non Group appointments Executive board appointments BASF AG (Deputy Chairman) (1995-1999) Supervisory board appointments Pfleiderer AG (1995-07/2002)

[1] Employee representative

[2] The majority in MAN Roland was sold in July 2006

Members of the Company's supervisory board may be contacted at the address of its headquarters in Munich, Germany.

The Company's supervisory board has established three committees consisting of certain of its members: the standing committee, the audit committee, and the executive personnel committee. The standing and the audit committee each have five members and the executive personnel committee has three members.

The standing committee (composed of Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz (Chairman), Dr. jur. Karl-Ludwig Kley, Prof. Dr.-Ing. Dr. h. c. mult. Dr.-Ing. E. h. mult. Joachim Milberg, Lothar Pohlmann and Thomas Otto) is responsible for the approval of corporate actions which according to a vote of the shareholders' meeting require such consent. Moreover, it discusses measures with the Company's executive board that according to its rules of procedure require the former approval by the supervisory board.

The main responsibility of the audit committee (composed of Dr. jur. Karl-Ludwig Kley (Chairman), Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz, Prof. Dr.-Ing. Dr. h. c. mult. Dr.-Ing. E. h. mult. Joachim Milberg, Thomas Otto and Lothar Pohlmann) is to prepare the decisions of the Company's supervisory board to adopt its annual financial statements and approve its consolidated financial statements. It discusses the Company's interim reports with the executive board and also deals with issues related to risk management. In addition, it makes proposals as to the election of the annual auditor.

The executive personnel committee (composed of Prof. Dr.-Ing. Dr. h.c. Ekkehard D. Schulz and Prof. Dr.-Ing. Dr. h. c. mult. Dr.-Ing. E. h. mult. Joachim Milberg and Lothar Pohlmann) makes decisions on behalf of the Company's supervisory board concerning employment, pension and other agreements with members of the executive board. In addition, it regularly confers on long-term succession planning for the Company's executive board and decides on loans to be granted to persons listed in Sections 89 and 115 of the German Stock Corporation Act as well as on side jobs of members of the executive board.

The term of office of the Company's current supervisory board members expires upon completion of the annual shareholders' meeting in May 2007.

The remuneration paid to the Company's supervisory board is set forth in Article 12 of the Company's articles of association. The members of the Company's supervisory board received an aggregate amount of €1,850,625.00 in 2005, €220,000.00 of which related to fixed compensation remuneration, €118,125.00 of which related to supervisory board audit committee appointments and €1,512,500.00 of which related to variable remuneration. Under the Company's new remuneration regime, each supervisory board member receives a fixed compensation of €35,000.00. The additional variable remuneration is no longer based on the amount of dividends but on the earnings per share (*Ergebnis pro Aktie*). The chairman receives two times and every deputy one-and-a-half times the fixed compensation of a member of the supervisory board. The chairman of a committee is paid an additional 100% of the fixed compensation annually and every member of a committee is paid an additional 50% of the fixed compensation annually.

The Company has purchased directors and officers' liability insurance, with a deductible, for each member of its executive and supervisory boards and for all governing entities of its affiliated companies, both inside and outside Germany. This insurance coverage is valid all over the world. The policy covers the legal costs of defending a member of a governing entity and any awarded compensation to be paid up to the total of the limit of indemnity.

One member of the supervisory board has been granted a 25 years term loan with an annual interest rate of five per cent, which is secured by a mortgage. As of 31 December 2005 the outstanding loan amounted to €28,000.00 (€31,000.00 in 2004). Apart from that, MAN AG has not granted any loans to the members of its supervisory board. The Company's supervisory board members have not entered into any transactions with the Company that have been outside the ordinary course of business.

As far as the Company is aware, the members of its supervisory board have not been charged with fraud or similar crimes during the last five years prior to the date of this Prospectus. As far as the Company is aware, the members of its supervisory board have not been involved in any insolvency or liquidation of a company in the past while acting as members of an administrative, management or supervisory entity or as a member of the senior management of another company. In addition, as far as the Company is aware, the members of its supervisory board have not been the subject of any other investigations and/or sanctions or penalties imposed by public authorities, including any professional organisations or associations. They have also not been banned by any court from holding seats on any administrative, management, or supervisory body of a company that is an issuer of securities or from acting as a member of management or of the executives board of any issuer during the five years prior to the date of this Prospectus.

There are no familial relationships between any members of the Company's supervisory board. There are no familial relationships between any members of the supervisory board and any members of the executive board. There are no service agreements between the Company or any of its subsidiaries and any member of its supervisory board that provide for benefits if the services of a member of the supervisory board are terminated.

Equity Interests Held by Executive Board and Supervisory Board Members in the Company or in the Company's Businesses

As of the date of this Prospectus, the members of the Company's executive board held a total of 28,439 shares representing a notional amount of MAN AG's issued share capital totaling €72,803.84. No member of the Company's supervisory board held any share in the Company. Apart from rights under the MSP and the SARPs, as of the date of this Prospectus, the members of the Company's executive board and supervisory board held no option rights. Consequently, no member of the Company's executive board or supervisory board, directly or indirectly, held shares or options exceeding 1% of the shares MAN AG has issued. In addition, the total number of shares and options held by the members of the Company's executive board and supervisory board as of 31 December 2005 did not exceed 1% of the shares MAN AG has issued.

Conflicts of Interest

There are no consulting or other contracts for work and services between MAN AG and the members of its supervisory board. As of the date of this Prospectus, there are no transactions between MAN AG or its affiliated companies and members of its executive board and related parties. There are no conflicts of interest of the Company's executive board and supervisory board members that must be disclosed immediately to the supervisory board.

Certain members of the Company's supervisory board and executive board are or were previously members of the supervisory boards or management boards of other companies. MAN has commercial relationships with almost all of those companies, but those relationships are structured and implemented on an arm's length basis.

Annual Shareholders' Meeting

MAN AG's annual shareholders' meeting may be held at the Company's registered office or in a German city where a stock exchange is located. MAN AG's annual shareholders' meeting may be convened by the Company's executive board or, in cases required by law, by the Company's supervisory board or a group of shareholders who, in the aggregate, hold at least 5% of MAN AG's issued share capital. Pursuant to the Company's articles of association, only shareholders who register for MAN AG's annual shareholders' meeting and provide evidence of their share ownership are entitled to attend the meeting and vote. The

Company must receive the registration and evidence of share ownership at the address provided for that purpose in the invitation by the seventh day before its annual shareholders' meeting at the latest. The evidence of share ownership may be provided in the form of a special evidence of share ownership obtained from the custodial institution and relating to the twenty-first day before MAN AG's annual shareholders' meeting. The registration and the evidence of share ownership must be in the German or English language. Printed versions (*Textform*) of either is sufficient.

MAN AG's annual shareholders' meeting must be convened at least 30 days before the registration date for shareholders. The last date on which shareholders may register is not to be included when calculating this 30-day period.

Each of MAN AG's ordinary shares entitles the holder to one vote at the annual shareholders' meeting.

Resolutions of MAN AG's annual shareholders' meeting are passed with a simple majority of votes cast unless the law requires a larger majority of the votes cast or capital represented at the meeting. Shareholders can exercise their voting rights by proxy. In accordance with the German Corporate Governance Code, MAN AG names one or more proxies to exercise shareholders' voting rights according to the relevant shareholder's instructions.

Pursuant to the German Stock Corporation Act, resolutions of fundamental importance to the Company require not just a majority of votes cast, but also a majority of at least three-quarters of MAN AG's issued share capital represented at the time of the resolution. Resolutions of fundamental importance include in particular:

- Capital increases;
- The creation of authorised or conditional capital;
- Capital reductions;
- The conclusion of inter-company agreements (*Unternehmensverträge*);
- Changes in legal form, mergers, and other structural measures in accordance with the German Transformation and Reorganisation Act (*Umwandlungsgesetz*);
- Amendments to the Company's articles of association (unless otherwise specified in the articles of association); and
- The liquidation of the Company.

Corporate Governance

The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) contains recommendations and suggestions for managing and monitoring listed companies in Germany. It is based on internationally and nationally recognised standards for good and responsible corporate governance. The purpose of the German Corporate Governance Code is to make the German corporate governance system transparent for investors. The German Corporate Governance Code was passed by the Government Commission of the German Corporate Governance Code (*Regierungskommission Deutscher Corporate Governance Kodex*) on 26 February 2002 and has been amended since then, including most recently on 21 May 2003 (effective as of 4 July 2003) and on 2 June 2005 (effective as of 12 July 2005).

There is no legal obligation to comply with the recommendations or suggestions of the German Corporate Governance Code. Section 161 of the German Stock Corporation Act only requires that the Company's executive board and supervisory board declare on an annual basis either that the recommendations of the German Corporate Governance Code were and will be adhered to or state which recommendations were or will not be followed (comply or explain principle). This declaration must be available to shareholders on an ongoing basis. No disclosure is required when companies deviate from the suggestions in the German Corporate Governance Code.

The Company adheres to the recommendations of the Government Commission on the German Corporate Governance Code dated 21 March 2003 and, since 21 July 2005, with the recommendations of the German

Corporate Governance Code dated 2 June 2005. In 2005, the Company did not adhere to Item 4.2.4 sent. 2 of the German Corporate Governance Code (individualised statement of executive board compensation). The aggregate compensation paid to the Company's entire executive board was shown in the notes to its consolidated financial statements or in its remuneration report broken down according to fixed components, success-based components and, where applicable, components with a long-term incentive effect. Furthermore, the Company disclosed the remuneration paid to the chairman of its executive board. However, due to a change in legislation, the Company is meanwhile in principle obliged to individualise and disclose the remuneration of each executive board member and supervisory board member in the annual report.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

MAN AG has no register of shareholders and has thus no information about its ownership structure. As of 4 October 2006, based on notice of the shareholder, MAN AG has been informed by Volkswagen Aktiengesellschaft, Berliner Ring 2, 38436 Wolfsburg ("Volkswagen AG"), that it holds 15.06% of MAN AG's ordinary shares. Apart from this, MAN AG has not received any notice that indicates a current shareholding of more than 5% of the voting rights. The Company believes that the rest of MAN AG's ordinary and non-voting preference shares (*Vorzugsaktien*) are in free float. Assuming an acceptance rate of 100% under the Basic Alternative and assuming the issuance of New Shares, Volkswagen AG, with a holding of 16.0% of the voting rights in the Combined Group, would be the only shareholder with a holding exceeding 5% of voting rights.

All of MAN AG's ordinary shares have identical voting rights. There are no multiple voting rights, while MAN AG's non-voting preference shares (*Vorzugsaktien*) do not grant any voting rights.

Related Party Transactions and Legal Relationships

In addition to the subsidiaries included in MAN AG's consolidated financial statements, MAN AG has direct or indirect relationships with many different affiliated, non-consolidated subsidiaries, joint ventures and associated companies while conducting its normal business activities. The business relationships with those companies are carried out on arm's length terms. The list of MAN AG's complete shareholdings is on record in the commercial registers of the local court (*Amtsgericht*) of Munich, Germany.

The total transactions between the Group and those related companies, without taking into account the sale of MAN Roland, was lower than 1.0% of total sales for fiscal year 2005, lower than 2.5% for 2004 and lower than 4.5% for 2003.

The volume of those transactions may change due to the sale of MAN Roland (see *—Material Contracts—Sale of MAN Roland—*). After completion of this sale, the Company will continue to provide certain services to MAN Roland and its subsidiaries that might be considered as Related Party transactions.

During the past year, certain members of the Company's supervisory board and executive board have been or were supervisory board or executive board members of other companies. MAN AG has normal business relationships with almost all of those companies. The conditions for the sale of products and services when dealing with these companies are on an arm's length basis.

TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section "Taxation in the Federal Republic of Germany" contains a short summary of certain key German tax principles that may be or may become relevant with respect to the acquisition, holding, or transfer of shares. This summary does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. The summary is based upon the domestic German tax laws in effect as of the time of the preparation of this Prospectus and upon the double taxation treaties currently in force between Germany and other countries. Provisions in both areas may change, possibly with retroactive effect.

Prospective purchasers of the shares offered herein are advised to consult their tax advisors as to the tax consequences of the acquisition, holding and transfer of shares, and as to the procedures that must be followed to receive a refund of German withholding tax (dividend withholding tax—Kapitalertragsteuer). Such tax advisors will also be able to appropriately consider the particular tax situation of each individual shareholder.

Taxation of the Company

Profits earned by German corporations, whether they are distributed or retained, are generally subject to corporate income tax (*Körperschaftsteuer*) at a uniform rate of 25%, plus a solidarity surcharge (*Solidaritätszuschlag*) of 5.5% thereon (resulting in a total tax liability of 26.375%).

95% of dividends or other profit shares (*Gewinnanteile*) received by the Company from shares in domestic or foreign corporations are generally exempt from corporate income tax. The remaining 5% of such revenues are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge). The same applies to profits earned by the Company from the sale of shares in another domestic or foreign corporation.

In addition, German corporations are subject to trade tax (*Gewerbesteuer*) with respect to income from permanent establishments in Germany. The effective rate of the trade tax depends on the local municipalities in which the Company maintains its permanent establishments. Trade tax generally amounts to between approximately 12% and 20% of the taxable profits that are subject to trade taxation (*Gewerbeertrag*), depending on the local tax multiplier (*Hebesatz*) of the municipality. The trade tax qualifies as a deductible business expense for purposes of calculating the corporate income tax base and trade tax base.

Profit shares received from domestic or foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner for trade tax purposes as for corporate income tax purposes. However, 95% of such profit shares and capital gains are tax-exempt only if the Company has held at least 10% of the registered share capital (*Grund- oder Stammkapital*) of the distributing corporation at the beginning of the relevant tax assessment period. Additional limitations apply with respect to profit shares received from foreign corporations.

The taxable income of a given year may be off set against a tax loss carryforward up to an amount of €1 million. Only 60% of the taxable income exceeding that threshold may be off set against a tax loss carryforward. The remaining 40% of the taxable income are subject to tax (*Mindestversteuerung*). Unused tax loss carryforwards may be carried forward indefinitely. Such limitation of the use of loss carryforwards applies to both corporate income and trade tax purposes.

Taxation of the Shareholders

Shareholders are taxed in connection with the holding of shares (taxation of dividends), the sale of shares and subscription rights (taxation of capital gains) and the gratuitous transfer of shares and subscription rights (inheritance and gift tax).

Taxation of dividends

With respect to Germany and the countries where the Acquisition Offer is being made, the following applies to taxes on income from the shares withheld at source by the Company.

Withholding tax in general

The Company must generally withhold and remit to the German tax authorities, for the account of its shareholders, a dividend withholding tax (in the amount of 20% on dividends distributed by the Company, plus a solidarity surcharge of 5.5% on the amount of the withholding tax (a total of 21.1%)). The dividend withholding tax base is the amount of dividends approved for distribution by the Company's *General Shareholders' Meeting.*

Dividend withholding tax is, in principle, withheld regardless of whether and, if so, to what extent dividends are tax-exempt at the level of the shareholder and regardless of whether the shareholder is a resident or non-resident of Germany.

The dividend withholding tax rate for distributions to non-resident shareholders may be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, including Austria, Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, and UK, where the Acquisition Offer is being made, provided that the shares are not held as part of the business property of a permanent establishment or fixed base *(feste Einrichtung)* in Germany or as part of a business property for which a permanent representative in Germany has been appointed, and non-resident shareholders may get a refund in the amount of the difference between the withholding tax levied (21.1%) and the withholding tax generally applicable under the double taxation treaty, accordingly. The dividend withholding tax is generally reduced by refunding, upon application to the German tax authorities (*Bundeszentralamt für Steuern,* Hauptdienstsitz Bonn-Beuel, An der Küppe 1, D-53225 Bonn), the difference between the total amount withheld, including solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty (usually 15%). Forms for the refund procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern,*http://www.bzst.bund.de) or the German embassies or consulates.

Where dividends are distributed to an EU parent company within the meaning of Article 2 of the Parent-Subsidiary Directive (EC Directive 90/435/EEC of the Council dated 23 July 1990), the levy of the dividend withholding tax may be waived entirely upon application, provided that additional requirements are met, in particular, a certain minimum shareholding must exist.

Resident shareholders

If a shareholder (individual or corporation) is a tax resident of Germany (i.e., as a rule, a person or a corporation whose residence, habitual abode, registered domicile or place of management is located in Germany) any dividend withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities by the Company will be credited against the respective shareholder's personal income or corporate income tax liability or, if the dividend withholding tax exceeds the amount of the shareholder's personal income or corporate income tax liability, is refunded to the shareholder in the amount of the overpayment.

If an individual who is a tax resident of Germany holds shares as non-business (private) assets, 50% of all dividends are included in taxable investment income (the "half-income method"—*Halbeinkünfteverfahren*). These taxable dividends are subject to a progressive income tax rate (up to 42% plus a 5.5% solidarity surcharge thereon). Assuming that the maximum tax rate of 42% applies, the total tax liability would be approximately 44.3% (according to the Taxation Amendment Act 2007 (*Steueränderungsgesetz 2007*) the maximum tax rate in certain cases should amount to 45% in the future, and the total tax liability approximately 47.48%). Only one half of the expenses having an economic nexus with these dividends are tax-deductible.

Individuals who hold shares as non-business (private) assets are entitled to a "savers' exemption" (*Sparer-Freibetrag*) in the amount of €1,370.00 (or €2,740.00 for married couples filing jointly) per calendar year with respect to their investment income. According to the Taxation Amendment Act 2007 (*Steueränderungsgesetz 2007*) this savers' exemption is supposed to be reduced to €750.00 (alternatively €1,500 for married couples filing jointly) with effect as of the assessment period 2007. In addition, such persons are entitled to a lump-sum deduction in the amount of €51.00 (alternatively €102.00 for married couples filing jointly) for income-connected expenses (*Werbungskostenpauschale*), unless proof of higher income-connected expenses is furnished. 50% of the shareholder's dividends, plus other investment income, are subject to tax only if and

to the extent they exceed, the savers' exemption after deduction of actual income-connected expense's (in the case of dividends, only a 50% deduction applies) or the lump-sum deduction for income-connected expenses.

If the shares form part of a business property, taxation depends upon whether the shareholder is a corporation, sole proprietor or partnership (*Mitunternehmerschaft*):

(i) Subject to certain exceptions for companies in the finance and insurance sector, in principle, 95% of dividends received by resident corporations are exempt from corporate income tax and the solidarity surcharge, while the remaining 5% of dividends are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge). Moreover, actual business expenses directly related to the dividends are deductible. No minimum shareholding limit or minimum holding period applies. However, the full amount of any dividends remaining after deduction of business expenses having an economic nexus with the dividends is subject to trade tax, unless the corporation held at least 10% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the dividends are not subject to trade tax; however, according to the German tax authorities an amount of 5% of the dividends, which are deemed non-deductible business expenses, will be subject to trade tax.

(ii) If the shares form part of the business property of a sole proprietor, 50% of dividends are considered income for purposes of calculating the shareholder's income tax liability. Only 50% of business expenses having an economic nexus to the dividends are tax-deductible. If the shares form part of the business property of a permanent establishment of a commercial trade or business maintained in Germany, dividends are also subject to trade tax in the full amount, unless the taxpayer held at least 10% of the Company's registered share capital at the beginning of the relevant tax assessment period. Trade tax due is, in principle, credited against the shareholder's personal income tax liability in accordance with a lump-sum tax credit method (*pauschaliertes Anrechnungsverfahren*).

(iii) If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. Taxation of each partner depends upon whether the partner is a corporation or an individual: if the partner is a corporation, 95% of dividends are generally tax exempt (see subsection (i) above). If the partner is an individual, 50% of dividends are subject to personal income tax, plus solidarity surcharge (see subsection (ii) above). If the shares form part of the business property of a domestic permanent establishment of a commercial trade or business of the partnership, the dividends are subject to trade tax at the level of the partnership. The corporate income tax and personal income tax exemptions described above (95% exemption on dividends for corporations, 50% exemption on dividends for individuals) apply accordingly if the partnership held at least 10% of the Company's registered share capital at the beginning of the relevant tax assessment period. Otherwise, the dividends are subject to trade tax in the full amount. If the partner is an individual, then the trade tax paid by the partnership is generally credited against the partner's personal income tax liability in accordance with a lump-sum tax credit method. However, in the opinion of the German tax authorities, the 5% of the dividends not considered to be deductible business expenses will be subject to trade tax if the partners are corporations.

Non-resident shareholders

If a shareholder (individual or corporation) who is subject to non-resident taxation in Germany holds shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities by the Company is credited against the respective shareholder's personal income or corporate income tax liability or, if the dividend withholding tax exceeds the amount of the shareholder's personal income or corporate income tax liability, is refunded to the shareholder in the amount of the overpayment. In all other cases, the withholding of dividend withholding tax discharges any tax liability of the shareholder in Germany. A tax refund will be paid only pursuant to the above paragraph *"Withholding Tax in General."*

If the shares are held by an individual as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany

has been appointed, 50% of dividends received are subject to German income tax, plus solidarity surcharge. If the shares form part of the business property of a permanent establishment maintained by a commercial trade or business in Germany, dividends are also generally subject to trade tax in the full amount after deduction of any business expenses having an economic nexus to the dividends, unless the taxpayer held at least 10% of the Company's registered share capital at the beginning of the relevant tax assessment period. Trade tax paid is credited in principle against the shareholder's personal income tax liability in accordance with a lump-sum tax credit method.

Subject to certain exceptions for companies in the finance and insurance sector, generally 95% of dividends received by foreign corporations subject to non-resident taxation in Germany are exempt from corporate income tax and the solidarity surcharge, provided that the shares form part of the business property of a permanent establishment or a fixed base in Germany or form part of a business property for which a permanent representative in Germany has been appointed. 5% of dividends are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge). If the shares form part of the business property of a permanent establishment in Germany, dividends are also subject to trade tax after deduction of any business expenses having an economic nexus to the dividends, unless the corporation held at least 10% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the dividends are not subject to trade tax; however, in the opinion of the German tax authorities, an amount of 5% of the dividends, which are deemed non-deductible business expenses, will be subject to trade tax.

Dividend payments made to enterprises in the financial and insurance sectors and to pension funds are subject to different rules, which are described below.

Taxation of Capital Gains

Resident shareholders

Capital gains from the sale of shares held as non-business (private) assets by an individual who is a tax resident of Germany are, in principle, subject to income tax plus solidarity surcharge provided that the shares are sold within one year of the date of acquisition. In respect of shares which have been deposited with a depositary for collective depositary purposes pursuant to Section 5 of the German Deposit Act (*Depotgesetz*) it is deemed that the shares which have been acquired first are sold first. The tax base is generally 50% of the capital gains. Capital gains are not taxed if, in combination with other profits from personal sales transactions in the same calendar year, the total capital gain is less than €512.00. Losses from the sale of shares may be offset only by profits from personal sales transactions in the same calendar year or, absent such profits, by profits from personal sales transactions in the previous year or subsequent years if certain requirements are met.

If the shares are held as non-business (private) assets of an individual who is a tax resident of Germany, 50% of capital gains from the sale of shares are subject to tax based upon the applicable individual income tax rate, plus a solidarity surcharge in the amount of 5.5% thereon, even after expiration of the aforementioned one-year period, if the individual or, in the event of a gratuitous transfer, the individual's legal predecessor or, in the event of several successive gratuitous transfers, any legal predecessor of the individual has (or have), at any point during the five years immediately preceding the transfer, held, directly or indirectly, at least 1% of the capital of the Company. In principle, only 50% of losses from the sale of shares and 50% of expenses having an economic nexus thereto may be claimed as tax deductions.

If the shares are part of a business property, then taxation depends upon whether the shareholder is a corporation, sole proprietor, or partnership:

(i) Subject to certain exceptions for companies in the finance and insurance sector, 95% of capital gains from the sale of shares derived by taxpayers resident in Germany and subject to corporate income tax are generally, irrespective of the amount and holding period of the investment, exempt from corporate income and trade tax (including solidarity surcharge), while the remaining 5% of capital gains are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge) and trade tax. Losses from the sale of shares or any other reductions of profits related to the sold shares generally do not qualify as tax-deductible business expenses.

(ii) If the shares are part of the business property of a sole proprietor who is a tax resident of Germany, capital gains from the sale of shares are always subject to income tax and the solidarity surcharge, and, if the shares are part of the business property of a permanent establishment maintained in Germany by a commercial trade or business, are also subject to trade tax. The tax base is 50% of the capital gains from the sale of shares. Only 50% of losses from such sales and 50% of expenses having an economic nexus thereto may be claimed as tax deductions. Trade tax generally is credited against the shareholder's personal income tax liability in accordance with a lump-sum tax credit method.

(iii) If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. Taxation depends upon whether the respective partner is a corporation or an individual: if the partner is a corporation, the tax principles applying to capital gains which are outlined under (i) above apply however, in so far, too, the German tax authorities may hold a different position, but it is unclear whether this position has become out-dated due to the development of the case law. If the partner is an individual, the tax principles applying to capital gains which are outlined under (ii) above apply. If the shares are part of the business property of a permanent establishment maintained in Germany by a commercial trade or business of the partnership, capital gains from the sale of shares are subject to trade tax at the level of the partnership. The corporate income tax and personal income tax exemptions described above (95% capital gains exemption for corporations, 50% capital gains exemption for individuals) also apply accordingly for purposes of trade tax to the extent the partners of the partnership are corporations or individuals, respectively. Capital losses and other reductions of profits related to the disposed shares, in principle, do not qualify as tax-deductible for trade tax purposes if the partner is a corporation, if the partner is an individual only 50% of such reductions of profits are, in principle, qualified as tax-deductible. If the partner is an individual, the trade tax apportionable to that partner and paid by the partnership is generally credited against the partner's personal income tax liability in accordance with a lump-sum tax credit method.

Specific provisions, which are set forth below, that deviate from these principles, apply with respect to capital gains from sales which are realised by companies of the financial and insurance sector as well as by pension funds.

Non-resident shareholders

If the shares are sold by an individual who resides abroad and is subject to non-resident taxation in Germany and if (i) such individual holds the shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed or (ii) such individual or, in the event of a gratuitous transfer of the shares, his or her legal predecessor held, at any point in time during the five years immediately preceding the sale of the shares or the subscription rights, directly or indirectly, at least 1% of the capital of the Company, 50% of capital gains are subject to German income tax, plus a 5.5% solidarity surcharge thereon, and, if the shares form part of the business property of a permanent establishment maintained in Germany by a commercial trade or business, also to trade tax. Except in case (ii) above, however, most double taxation treaties provide for full exemption from German taxation.

Subject to certain exceptions for companies in the finance and insurance sector, 95% of capital gains earned by foreign corporations subject to non-resident taxation in Germany are in principle exempt from trade tax and corporate income tax and the solidarity surcharge, while the remaining 5% of capital gains are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge) provided (i) such corporation holds the shares as part of the business property of a permanent establishment or a fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, or, (ii) such corporation (or, in the event of a gratuitous transfer of the shares or the subscription rights, his or her legal predecessor) held, at any point in time during a five year period immediately preceding the sale of the shares, directly or indirectly, at least 1% of the capital of the Company. If the shares form part of the business property of a permanent establishment maintained in Germany of a commercial trade or business held by such corporation, 5% of the capital gains are also subject to trade tax. Losses from the sale of shares or other reductions of profits related to the sold shares generally do not qualify as tax-deductible business expenses.

Special treatment of companies in the finance and insurance sector and pension funds

If financial institutions (*Kreditinstitute*) or financial services providers (*Finanzdienstleistungsinstitute*), including those domiciled in another member state of the European Community or another contracting state to the EEA Agreement, hold or sell shares or subscription rights which are allocable to the trading book (*Handelsbuch*) pursuant to Section 1(12) of the German Banking Act (*Gesetz über das Kreditwesen*), neither the dividends nor capital gains will be subject to the half-income method or the 95% exemption from corporate income tax and from any applicable trade tax, unless the dividends are accorded favourable tax treatment under the Parent-Subsidiary Directive (EC Directive 90/435/EEC of the Council dated 23 July 1990). The foregoing sentence also applies correspondingly to shares, which are acquired by a financial enterprise within the meaning of the German Banking Act for purposes of realizing short-term gains from proprietary trading, and to shares, which in the case of life insurance or health insurance companies, qualify as a capital investment or which are held by pension funds.

Inheritance and gift tax

The transfer of shares to another person by gift or *cause mortis* is generally subject to German inheritance and gift tax only if:

(i) the decedent, donor, heir, beneficiary, or any other transferee maintains a residence or has his or her habitual abode, its registered domicile or place of management in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany; or

(ii) the shares are held by the decedent or donor as part of a business property for which a permanent establishment is maintained in Germany or for which a permanent representative in Germany has been appointed; or

(iii) the decedent or donor, either individually or collectively with related parties, holds, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The few German treaties for the avoidance of double taxation regarding inheritance and gift tax currently in force usually provide that German inheritance or gift tax may be assessed only in the cases described in subsection (i) and, subject to some limitations, subsection (ii). Special rules apply to certain German citizens who neither maintain a residence nor have their habitual abode in Germany.

Other taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, business owners may however opt for the payment of value-added tax on transactions that are otherwise tax-exempt. No net wealth tax is currently imposed in Germany.

INFORMATION ON SCANIA

The information in this Prospectus referring to Scania has been compiled from information published by Scania only and has not been commented on or verified by Scania. MAN has strived to ensure that the information compiled is accurate, complete and not misleading. However, MAN AG and its executive board (Vorstand) are unable to confirm that the information on Scania is accurate, complete and not misleading. References to Scania are to Scania Aktiebolag or, depending on the context, to Scania Aktiebolag and its subsidiaries.

Overview

Scania develops and manufactures trucks and buses for heavy road transport as well as industrial and marine engines. A growing proportion of its operations consists of service related products and customer finance. Scania aims to offer its customers cost-effective and reliable transport solutions. Scania operates in about a hundred countries and has more than 30,000 employees.

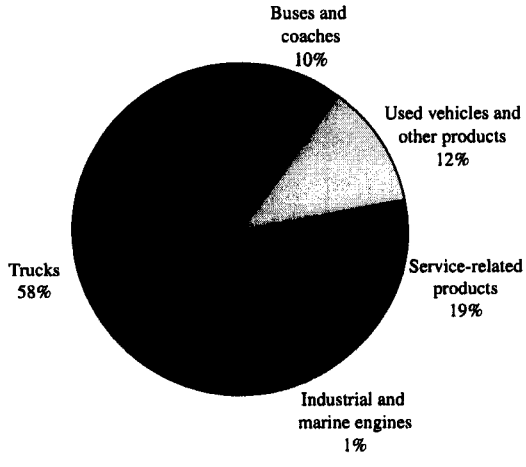
Strategy in Summary

- Concentration on heavy transport vehicles—the most profitable segment within the transport equipment industry
- Modular product system—closely match individual customer requirements, while simplifying parts management
- Integrated offering—including range of vehicles, service concept and financing
- Focus on growth markets including markets such as Eastern Europe, Latin America and Asia

Business Areas

Scania's operations are divided into five business units: trucks, buses, industrial and marine engines, service-related products and customer finance operations.

Sales Revenue by Business Unit, 2005



Revenue in Scania's Ten Largest Markets, Vehicles and Service

	SEKm	2005	2004
1	Great Britain	7,787	7,744
2	Brazil	4,968	3,815
3	Sweden	3,947	3,499
4	Germany	3,928	3,816
5	France	3,901	3,545
6	The Netherlands	3,785	2,448
7	Italy	3,445	3,276
8	Spain	3,318	3,205
9	Norway	3,052	2,220
10	Finland	2,813	2,482

Trucks

Scania develops, manufactures and markets trucks with a gross vehicle weight of more than 16 tons, intended for long-distance, construction and distribution haulage.

Scania's customers are large transport and logistics companies and smaller hauliers.

Sales revenue of new trucks amounted to SEK 37,778 million in 2005 (SEK 33,407 million in 2004) whereas sales from second hand trucks were SEK 7,670 million in 2005 (SEK 6,792 million in 2004). During the same year, 52,567 (50,563 in 2004) new trucks were delivered.

The number of delivered trucks in Scania's main markets is illustrated in the table below.

Scania's Ten Largest Truck Markets, Vehicles Delivered to Customers

Rank	Country	2005	2004
1	Great Britain	5,343	5,863
2	Brazil	5,157	6,047
3	France	3,954	3,650
4	Germany	3,831	3,455
5	Italy	3,170	3,149
6	Spain	3,022	3,187
7	The Netherlands	2,602	2,287
8	Sweden	2,101	1,966
9	Turkey	2,019	1,969
10	Argentina	1,651	873

Buses

Scania's bus and coach operations focus on buses with high passenger capacity for use as tourist coaches and in intercity and urban traffic. Operations focus on close collaboration with selected bodybuilding companies in order to offer the customer complete vehicles. Scania carries out bodybuilding of city buses in its own subsidiary Scania Omni.

Scania's customers in city bus services are often private operators, in many cases active in more than one country. To a growing extent, they are demanding total transport solutions. Service and repair contracts, financing and traffic planning are examples of the elements that may be included in Scania's bus business.

Customers in the tourist coach segment previously composed their own coach by ordering the chassis from one manufacturer and the body from another. Today more and more customers, especially in Europe, want to buy complete buses from one supplier. Scania solves this with the help of partnerships with a number of selected bodybuilding companies.

Sales revenue amounted to SEK 6,256 million in 2005 (SEK 5,504 million in 2004) while 5,816 (5,519 in 2004) buses and coaches were delivered during the same year.

The number of delivered buses and coaches in Scania's main markets is illustrated in the table below.

Scania's Ten Largest Bus and Coach Markets, Vehicles Delivered to Customers

Rank	Country	2005	2004
1	Brazil	884	623
2	Spain	559	592
3	Great Britain	529	444
4	Italy	338	325
5	Mexico	336	381
6	Russia	274	270
7	Iran	264	300
8	Sweden	218	69
9	South Africa	205	81
10	Australia	172	205

Industrial & marine engines

Scania's industrial and marine engines are used in a variety of applications and sectors at sea and on land. Their starting point is always Scania's basic engines, which are adapted to customer requirements and needs.

Sales revenue amounted to SEK 803 million in 2005 (SEK 658 million in 2004).

The number of delivered industrial and marine engines in Scania's main markets is illustrated in the table below.

Scania's Ten Largest Markets for Industrial and Marine Engines, Delivered to Customers

Rank	Country	2005	2004
1	Brazil	1,781	1,392
2	Great Britain	682	355
3	Sweden	540	505
4	Spain	521	734
5	Germany	496	144
6	Norway	281	217
7	The Netherlands	267	313
8	Italy	253	202
9	Finland	196	174
10	Argentina	170	211

Service-related products

Scania offers a broad range of services supporting its commercial vehicles, bus and industrial and marine engine products, including repair services and spare parts. Thereby Scania benefits from a large active fleet of Scania vehicles estimated to amount to more than 500,000 vehicles that need servicing.

Sales revenue amounted to SEK 12,591 million in 2005 (SEK 11,418 million in 2004) which accounted for 19% of Scania's total sales revenue.

Customer finance

Scania offers its customers various forms of individually tailored financing solutions for new and used vehicles bought via Scania dealers. Financial services are an important part of Scania's product range.

In many Western and Central European countries, Scania offers financing through its own finance companies. Scania also offers financing opportunities in other important global markets elsewhere in the world—in some countries in cooperation with local banks.

Customer Finance operations contributed with an operating income of SEK 529 million in 2005 (SEK 450 million in 2004) while the portfolio size by the end of 2005 amounted to around SEK 30 billion.

SUMMARY OF FINANCIAL INFORMATION

	IFRS		Swedish GAAP		IFRS	
Key Financial ratios[1]	**2005**	**2004**	**2004**	**2003**	**Jan-Sep 2006**	**Jan-Sep 2005**
Scania Group						
Operating margin	10.8%	11.6%	11.2%	10.1%	11.9%	10.4%
Earnings per share, SEK	23.3	21.6	20.4	15.2	20.6	15.7
Equity per share, SEK	118.6	107.1	105.3	91.3	123.2	113.5
Return on equity	20.8%	21.8%	20.8%	17.4%	23.5%[2]	20.9%[2]
Dividend, SEK per share	15.0	15.0	15.0	6.0	na	na
Dividend as percentage of net income	64.3	69.5	na	39.6	na	na
Equity/assets ratio	30.3%	30.3%	30.0%	27.7%	28.3%	29.3%
Net debt, excluding provisions for pensions, SEKm	25,476	23,115	23,115	24,291	24,080	26,517
Net debt/equity ratio	1.07	1.08	1.10	1.33	0.98	1.17
Vehicles and Service						
Operating margin	10.0%	10.8%	10.4%	9.4%	11.2%	9.6%
Profit margin	11.5%	11.5%	11.1%	10.0%	na	na
Capital turnover rate, times	2.43	2.50	2.53	2.21	na	na
Return on capital employed	27.9%	29.0%	28.1%	22.0%	30.1%	28.4%
Return on operating capital	26.3%	29.0%	na	23.1%	na	na
Net debt, excluding provisions for pensions, SEKm	269	854	854	2,647	-2,371	2,389
Net debt/equity ratio	0.01	0.05	0.05	0.17	-0.11	0.13
Interest coverage, times	7.0	8.7	8.4	6.2	na	na
Customer Finance						
Gross margin	1.9%	1.7%	na	na	na	na
Equity/assets ratio	10.0%	11.2%	11.2%	11.5%	10.3%	11.2%

[1] Before 2004, recognised according to Swedish accounting standard. After that, according to IFRS.
[2] Number of shares: 200 million before and after full dilution.

	IFRS		Swedish GAAP		IFRS	
MSEK	2005	2004	2004	2003	Jan-Sep 2006	Jan-Sep 2005
Income statement						
Revenues	63,328	56,788	56,788	50,581	51,731	45,042
EBITDA[1]	9,356	8,589	na	na	8,450	6,680
EBITDA margin	14.8%	15.1%	na	na	16.3%	14.8%
EBIT	6,859	6,599	6,337	5,125	6,164	4,702
of which: Vehicles and Services	6,330	6,149	5,887	4,759	5,790	4,305
Customer Finance	529	450	450	366	374	397
EBIT margin	10.8%	11.6%	11.2%	10.1%	11.9%	10.4%
EBT	6,765	6,276	6,014	4,604	6,005	4,595
Net income	4,665	4,316	4,077	3,034	4,115	3,141
Balance sheet						
Total assets	78,218	70,703	70,225	65,835	87,205	77,534
Net debt(–) Net cash(+)	25,476	23,115	23,115	24,291	24,080[2]	26,517[2]
of which: Vehicles and Services	269	854	854	2,647	–2,371	2,389
Customer Finance	25,207	22,261	22,261	21,644	26,451	24,128
Shareholders' equity	23,736	21,433	21,050	18,251	24,646	22,702
Cash flow analysis						
Investments in fixed assets, net	3,597	2,798	2,798	3,285	2,668	2,819
Operating cash flow	8,030	5,725	5,725	6,173	8,345	5,325

[1] EBITDA calculated as EBIT plus D&A of the Vehicles and Service Division (excl. short term leases)
[2] Excluding interest bearing receivables

Definitions

Operating margin	Operating income as a percentage of sales revenue.
Earnings per share	Net income for the year excluding minority interest divided by number of shares.
Equity per share	Total equity excluding minority interest divided by the number of shares.
Return on shareholders' equity	Net income for the year as a percentage of equity.
Equity/assets ratio	Equity as a percentage of total assets on each respective balance sheet date.
Net debt, excluding provision for pensions	Long- and short-term borrowings (excluding pension liabilities) minus liquid assets and net market value of derivatives for hedging of borrowings.
Net debt/equity ratio	Net debt as a percentage of equity.
Capital employed	Total assets minus operating liabilities.
Operating capital	Total assets minus liquid investments and operating liabilities.
Profit margin	Operating income plus financial income as a percentage of sales revenue.
Capital turnover	Sales revenue divided by capital employed (total assets minus non-interest-bearing liabilities).
Return on capital employed	Operating income plus financial income as a percentage of capital employed.
Return on operating capital	Operating income plus financial income as a percentage of operating capital.

Interest coverage	Operating income plus financial income divided by financial expenses.
Gross margin, Customer Finance	Operating income as a percentage of average portfolio.

Share Capital and Ownership Structure

Share capital

A total of 200 million Scania AB shares are currently outstanding. The share capital is divided into 100 million Series A shares and 100 million series B shares. Each A share represents one vote and each B share one tenth of a vote. Otherwise there are no differences between these types of shares. The nominal value per share is SEK 10.

During the most recent five year period, Scania AB has not issued any warrants or similar financial instruments that could result in the number of Scania AB shares increasing.

Ownership structure

On 31 October 2006, Scania had 112,687 shareholders (source: www.scania.com). The table below presents the largest shareholders of Scania AB as of 7 November 2006.

The Largest Shareholders

# Shareholder	# of series A shares	# of series B shares	Share of capital (%)	Share of votes (%)
1 Volkswagen AG	37,400,000	0	18.7	34.0
2 MAN AG	15,186,773	8,081,486	11.6	14.5
3 Investor AB	22,006,757	0	11.0	20.0
4 Wallenberg-stiftelser	11,671,218	0	5.8	10.6
Other Shareholders	13,735,252	91,918,514	52.8	20.8
Total number of shares	100,000,000	100,000,000	100	100

Source: Aktieservice, November 7, 2006; MAN AG

Listing of the Shares

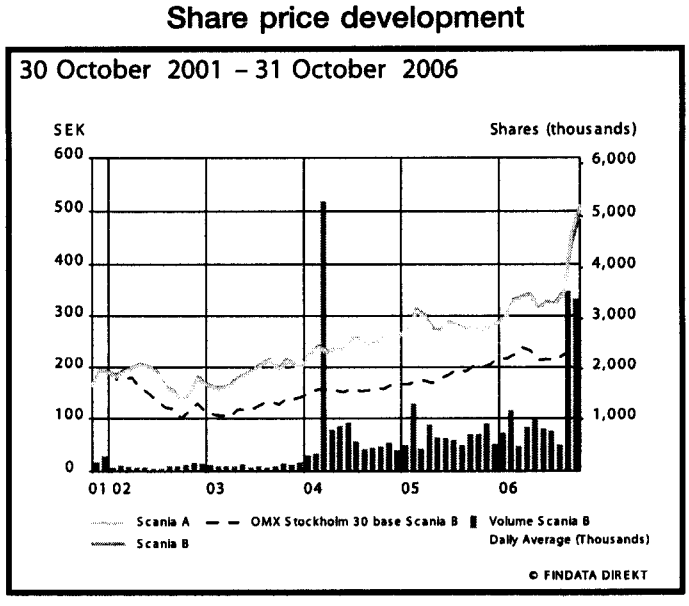
Since 1 April 1996, both types of Scania AB shares—Series A and B—have been quoted on the Stockholm Stock Exchange and currently on the Stockholm Stock Exchange, Large Cap, Industrials (*Sw. Stockholmsbörsen, Large Cap, Industrials*).

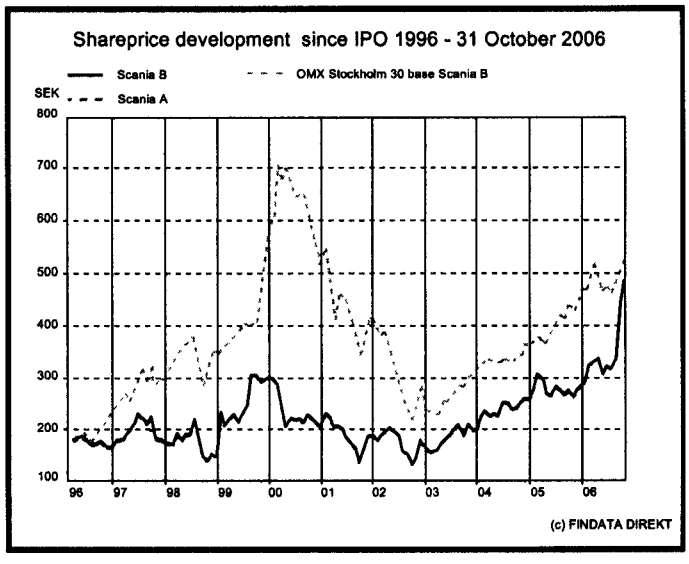
Share Capital and Its Development Over Last 4—6 Years

Date	Transaction	Change in # of A shares	Change in share capital (SEK)	Total # of A shares	Total # of B shares	Total # of A & B shares	Total share capital (SEK)	Nominal value A & B shares, (SEK)
May 5, 2006	Reduction of share capital	(26,296,508)	(262,965,080)	100,000,000	100,000,000	200,000,000	2,000,000,000	10
February 25, 2005	New issue	26,296,508	262,965,080	126,296,508	100,000,000	226,296,508	2,262,965,080	10

Share price development and turnover over last 4—6 years

The first graph below presents the share price development and the trading volume for the Scania share of series A and B from October 2001 until October 2006 along with the development of the Stockholm All Share Index during the same period. In the second graph, the share price development for the Scania AB share of series A and B since the IPO along with the development of the Stockholm All Share Index during the same period is illustrated.





Dividend Policy

Scania AB's dividend reflects the company's earnings and capital structure. Since Scania AB joined Stockholm Stock Exchange (*Sw. Stockholmsbörsen*) in 1996, the dividend has averaged 54.2% of net income.

Transferability of Scania AB Shares

No material provisions exist in the articles of association that restrict the transferability of Scania AB shares.

Authorisation of the Board of Scania AB

No authorisations are in place that allows the board of directors of Scania AB to issue new shares or sell or buy Scania shares.

Shareholder Agreements, etc.

Scania's annual report 2005 does not refer to any shareholder agreements among shareholders, shareholders and the bidder or shareholders and the target.

Material Litigation

Scania AB stated in its 2005 Annual Report that it is party to legal proceedings and related claims that are normal in its operations. However, Scania AB management has made the assessment that the ultimate resolution of these proceedings will not have any material impact on the financial position of the Group.

Further, there are also demands and claims that are normal in operations and that do not lead to legal proceedings. Scania has made the assessment that these demands and claims will not have any material impact on the financial position of Scania.

Demands and claims aimed at Scania, including demands and claims that lead to legal proceedings, may be related to infringements of intellectual property rights, faults and deficiencies in products that have been delivered, including product liability or other legal liability for the companies in the group.

Board of Directors and Management

Board of directors[1)]

Bernd Pischetsrieder

Born: 1948

Chairman since: 2002

Shares in Scania: 0

Chairman, Remuneration Committee. Other directorships: Audi AG, SEAT S.A., Dresdner Bank AG, Metro AG, Münchener Rückversicherungs-Gesellschaft AG and Tetra-Laval Group.

Relevant working experience: Chairman of the Board of Management of Volkswagen AG. Chairman, ACEA and various previous management positions at BMW AG.

Sune Carlsson

Born: 1941

Vice Chairman since: 2004

Shares in Scania: 0

Member, Remuneration Committee. Other directorships: Chairman of Atlas Copco AB, Board member, Investor AB and Autoliv Inc.

Relevant working experience: Various management positions at ASEA and ABB as well as President and CEO of AB SKF, 1998-2003

[1)] Source: Scania's annual report 2005 apart from number of shares which is collected from the Swedish Financial Supervisory Authority's website as of October 12, 2006.

Leif Östling

Born: 1945

Member since: 1994

Shares in Scania: 100,472 plus 40,000 via related companies

President and CEO of Scania AB.Other directorships: AB SKF, ISS A/S, Confederation of Swedish Enterprise and Association of Swedish Engineering Industries.

Relevant working experience: Various management positions at Scania AB since 1972, President and CEO of Scania AB since 1994.

Vito H. Baumgartner

Born: 1940

Member since: 2004

Shares in Scania: 600

Member, Audit Committee. Other directorships: AB SKF, PartnerRE Ltd. and Northern Trust Global Services.

Relevant working experience: Group President Caterpillar Inc.

Staffan Bohman

Born: 1949

Member since: 2005

Shares in Scania: 5,000

Chairman, Audit Committee. Member, Ownership Structure Committee. Other directorships: Atlas Copco AB, Dynapac AB, EDB Business partner, InterIKEA, Ratos, SwedFund International Trelleborg AB.

Relevant working experience: Former CEO of DeLaval AB, Gränges AB and Sapa AB.

Peggy Bruzelius

Born: 1949

Member since: 1998

Shares in Scania: 2,000

Member, Remuneration Committee. Chairman, Ownership Structure Committee. Other directorships: Chairman of Grand Hôtel Holdings AB and Lancelot Asset Management AB. Deputy Chairman of Electrolux AB. Board member, Industry and Commerce Stock Exchange Committee, Axel Johnson AB, AB Ratos, Axfood AB, Syngenta AG and The Body Shop International PLC.

Relevant working experience: Various management positions at ABB.

Andreas Deumeland

Born: 1956

Member since: 2003

Shares in Scania: 0

Corporate secretary and Head of Group Product Planning at Volkswagen AG.

Relevant working experience: Various positions at Volkswagen AG and Veba Oil, 1996-1999.

Lothar Sander

Born: 1950

Member since: 2000

Shares in Scania: 0

Member, Audit Committee. Other directorships: Flughafen Braunschweig GmbH and TAS Tvornica Automobilia Sarajevo, as well as a number of directorships in subsidiaries of the Volkswagen Group.

Relevant working experience: Various management positions at Volkswagen AG and Member of the Board of Management of the Volkswagen Brand.

Peter Wallenberg Jr.

Born: 1959

Member since: 2005

Shares in Scania: 1,500

CEO of Grand Hôtel Holdings. Other directorships: SEB Kort AB, General Motors Norden AB, Stockholmsmässan AB, Royal Swedish Automobile Club, Stockholm Chamber of Commerce, Knut and Alice Wallenberg Foundation and W Capital Management AB.

Relevant working experience: Various positions at Grand Hôtel.

Kjell Wallin

Born: 1943

Member since: 1998

Shares in Scania: 0

Representative of the Swedish Metal Workers' Union at Scania.

Relevant working experience: Various positions at Scania.

Jan Westberg

Born: 1944

Member since: 1996

Shares in Scania: 0

Representative of the Federation of Salaried Employees in Industry and Services (PTK) at Scania.

Relevant working experience: Various positions at Scania since 1975, former local Chairman of Metal Worker's Union and Swedish Association of Supervisory (LEDARNA), currently of Swedish Union of Clerical and Technical Employees in Industry (SIF).

Niclas Wilhelmsson

Born: 1965

Deputy Member since: 2003

Shares in Scania: 0

Representative of the Swedish Metal Workers' Union at Scania.

Relevant working experience: Various positions at Scania since 1989.

Stefan U. Klingberg

Born: 1969

Deputy Member since: 2006

Shares in Scania: 0

Representative of the Federation of Salaried Employees in Industry and Services at Scania.

Executive management[2)]

Leif Östling

President and CEO

Born: 1945

Joined Scania in: 1972

Shares in Scania: 100,472 plus 40,000 via related companies

Jan Ytterberg

Chief Financial Officer, CFO and Head of Finance and Business Control

Born: 1961

Joined Scania in: 1987

Shares in Scania: 252

Per Hallberg

Group Vice President

Head of Production and Procurement

Born: 1952

Joined Scania in: 1977

Shares in Scania: 163

Hans-Christer Holgersson

Group Vice President

Head of Sales and Services Management

Born: 1953

Joined Scania in: 1985

Shares in Scania: 0

Hasse Johansson

Group Vice President

Head of Research and Development

Born: 1949

Joined Scania in: 2001

Shares in Scania: 193

Per-Erik Lindquist

Group Vice President

Head of Franchise and Factory sales

Born: 1960

Joined Scania in: 1984 employed until 2000, rejoined Scania in 2004

Shares in Scania: 113

Auditors[3)]

Caj Nackstad
Authorised public accountant
KPMG Bohlins AB

[2)] Source: www.scania.com apart from number of shares which is collected from the Swedish Financial Supervisory Authority's website as of October 12, 2006.

[3)] Source: Scania's Annual Report 2005.

Jan Birgerson
Authorised public accountant
Ernst & Young AB

Thomas Thiel
Deputy
Authorised public accountant
KPMG Bohlins AB

Björn Fernström
Deputy
Authorised public accountant
Ernst & Young AB

Articles of Association

Articles of association of Scania
Adopted at the Annual General Meeting on 4 May 2006.

§ 1
The registered name of the company is Scania Aktiebolag. The company is a public company (publ).

§ 2
The aim of the company's operations is to carry on, directly or through subsidiaries or associated companies, development, manufacturing and trading in motor vehicles and industrial and marine engines; to own and manage real property and movable property, to carry on financing business (although not activities that require a permit according to the Banking and Financing Business Act); as well as other operations compatible with the above.

§ 3
The company's registered office shall be in the municipality of Södertälje.

§ 4
The company's share capital shall be a minimum of two billion kronor (SEK 2,000,000,000) and a maximum of eight billion kronor (SEK 8,000,000,000).

§ 5
The total number of shares in the company shall be a minimum of two hundred million (200,000,000) and a maximum of eight hundred million (800,000,000).

The shares may be issued in two series, Series A and Series B. A maximum of 800,000,000 Series A shares and a maximum of 800,000,000 Series B shares may be issued, subject to the limitation that the total number of Series A and Series B shares may not exceed 800,000,000 shares. In a vote at a General Meeting of shareholders, each Series A share carries one vote and each Series B share carries one-tenth of a vote.

If the company decides to issue new shares of both Series A and Series B and the shares are not to be paid by consideration in kind, existing holders of Series A shares and Series B shares shall have the preferential right to subscribe for new shares of the same type in proportion to the number of existing shares of each type held by such existing shareholder ("primary preferential right"). Shares not subscribed for by shareholders with a primary preferential right shall be offered to all shareholders for subscription ("subsidiary preferential right").

If the total number of shares to be offered is not sufficient to cover the subscriptions made through the exercise of subsidiary preferential rights, such shares shall be distributed among the subscribers in relation to the number of existing shares they already hold and, where this is not possible, through the drawing of lots. If the company decides to issue new shares of only Series A or Series B, for which consideration in kind is not paid, all shareholders, regardless of whether such shareholders currently hold shares of Series A or

Series B, shall have the preferential right to subscribe for new shares in proportion to the number of shares held by them prior to such issuance.

The above shall not in any way limit the ability of the company to make decisions regarding cash issues or issues where consideration is paid by offsetting against a debt, which diverge from the shareholders' preferential rights.

In the case of an increase in equity through a bonus issue, new shares of each type shall be issued in proportion to the number of shares of the same type already existing. Existing shares of a particular type will thereby carry the right to new shares of the same type. The aforesaid shall not in any way limit the ability of the company to, through a bonus issue, following the necessary changes in the Articles of Association, issue shares of a new type.

What has been stipulated above regarding shareholders' preferential rights to new shares shall apply correspondingly to the new issue of warrants and convertible debentures.

§ 6
In addition to those board members who are appointed according to law by a party other than the Annual General Meeting, the board of directors shall comprise a minimum of three and a maximum of ten members with a maximum of two deputies. These members and deputies shall be elected at each Annual General Meeting for the period up to the end of the next Annual General Meeting.

§ 7
The company signatory (or signatories) are the person(s) appointed for this purpose by the board of directors.

§ 8
Two auditors and two deputy auditors shall be appointed at the Annual General Meeting, for the period up to the end of the Annual General Meeting held during the fourth fiscal year after the election of the auditors, to carry out the company's audit. If the same auditor is to be reappointed after the term has come to an end, the General Meeting may decide that the appointment shall be valid up to the close of the Annual General Meeting held during the third fiscal year after the election of the auditor.

§ 9
The company's fiscal year shall be the calendar year.

§ 10
The Annual General Meeting shall be held in the municipality of Södertälje or the municipality of Stockholm. The meeting shall be opened by the chairman of the board or the person appointed to do so by the board.

§ 11
The Annual General Meeting shall be held once a year, by June at the latest.

The following matters shall be dealt with at the Annual General Meeting:
1. Election of a chairman for the meeting;
2. Approval of the voting list;
3. Approval of the agenda;
4. Election of two persons to verify the minutes;
5. Consideration of whether the meeting has been duly convened;
6. Presentation of the annual accounts and auditors' report, and the consolidated annual accounts and auditors' report;

7. Resolutions concerning
   a. adoption of the income statement and balance sheet and the consolidated income statement and balance sheet;
   b. distribution of the profit or loss according to the adopted balance sheet;
   c. discharge of the members of the board and the president from liability for the fiscal year;
8. Determination of the number of board members and deputy board members;
9. Determination of remuneration for the board and auditors;
10. Election of board members and deputy board members;
11. Election of auditors and deputy auditors when applicable;
12. Other matters to be dealt with at the Annual General Meeting pursuant to the Swedish Companies Act or the Articles of Association.

§ 12
At a General Meeting, each shareholder entitled to vote may vote for the full number of votes held or represented by him.

§ 13
Notice convening the Annual General Meeting, or an Extraordinary General Meeting where a change in the Articles of Association is on the agenda, shall be issued no earlier than six weeks and no later than four weeks prior to the Meeting. Notice convening other Extraordinary General Meetings shall be issued no earlier than six weeks and not later than two weeks prior to the Meeting.

Notice convening a General Meeting shall be in the form of an announcement in the Swedish official gazette (Post-och Inrikes Tidningar) and in the Swedish national-circulation newspapers Dagens Nyheter and Svenska Dagbladet. Shareholders who wish to attend a General Meeting must be included in a printout of the shareholder list reflecting conditions five weekdays prior to the General Meeting, and must also register with the company no later than 16.00 CET on the date stated in the notice convening the Meeting. Such a day may not be a Sunday, another public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not be earlier than five weekdays prior to the meeting.

Shareholders may bring one or two assistants to a General Meeting, although only if the shareholder has given prior notice thereof to the company as stipulated in the preceding section.

§ 14
The company's shares shall be registered in a central securities depository register according to the Financial Instruments Accounting Act (1998:1479).

16 October 2006
SCANIA INTERIM REPORT*
JANUARY–SEPTEMBER 2006

- **Scania reports record earnings and cash flow for the third quarter**
- **Deliveries will total about 65,000 vehicles during 2006**
- **Operating income 2006 will substantially exceed SEK 8,000 m.**
- **The production rate will be further increased from the first quarter of 2007**

FIRST THREE QUARTERS IN BRIEF		Nine months			Q3	
Units		**2006**	2005	Change in %	**2006**	2005
Trucks and bus chassis						
– Order bookings		**49 481**	44 991	10	**13 544**	13 455
– Deliveries		**46 783**	41 249	13	**14 959**	12 226
Revenue and earnings						
SEK m. (unless otherwise stated)	*EUR m.* **					
· **Revenue, Scania Group**	*5 583*	51 731	45 042	15	16 507	14 608
Operating income, Vehicles and Service	*625*	**5 790**	4 305	34	**1 883**	1 060
Operating income, Customer Finance	*41*	**374**	397	-6	**134**	146
Operating income	*666*	**6 164**	4 702	31	**2 017**	1 206
Income before taxes	*649*	**6 005**	4 595	31	**1 912**	1 155
· **Net income**	*445*	**4 115**	3 141	31	**1 281**	825
Operating margin, percent		**11,9**	10,4		**12,2**	8,3
Return on equity, percent ***		**23,5**	20,9			
Return on capital employed, Vehicles and Service, percent		**30,1**	28,4			
· **Earnings per share, SEK** ***		**20,58**	15,71	31	**6,41**	4,13
Cash flow, Vehicles and Service	*575*	**5 330**	2132		**2 072**	1 191
Number of employees, 30 September		**32 211**	30 675			

Number of shares: 200 million

*An Interim Report reviewed by the company's auditors will be published on 30 October.

** Translated to euros solely for the convenience of the reader at a balance sheet date exchange rate of SEK 9.27 = EUR 1.00.

*** Attributable to Scania's shareholders.

Unless otherwise stated, all comparisons in brackets refer to the same period of last year.

This report is also available at www.scania.com

SCANIA, FIRST NINE MONTHS OF 2006 – COMMENTS OF THE PRESIDENT AND CEO

Scania's revenue rose by 15 percent to SEK 51,731 m. in the first nine months of 2006. Operating income increased by 31 percent to SEK 6,164 m., resulting in an operating margin of 11.9 percent. Net income strengthened by 31 percent to SEK 4,115 m., equivalent to earnings per share of SEK 20.58 (15.71). The cash flow for Vehicles and Service amounted to SEK 5,330 m. (2,132). Vehicle order bookings rose by 10 percent, while deliveries increased by 13 percent. Service and Customer Finance operations showed a continued good trend.

In the third quarter, Scania reported record earnings and cash flow. Earnings were favourably affected by substantially higher volume and increased capacity utilisation. The cash flow is an effect of strong earnings development and continued focus on working capital. The lag in deliveries of about 1,000 vehicles that existed at the end of the second quarter has now been delivered.

Order bookings for trucks rose by 12 percent during the first nine months of 2006. In western Europe, order bookings were 2 percent higher. Demand in central and eastern Europe increased by 76 percent. Most countries in the region noted a continued increase in order bookings, with an especially strong upturn in Russia and Poland.

Order bookings from markets in the European Union were affected less than previously anticipated by pre-buy effects in the run-up to the Euro 4 environment regulation that entered into force on 1 October. Order bookings in the EU, which have shifted to Euro 4 and Euro 5 trucks, are thus better than expected. There is a shortage of transport capacity in Europe, and the supply of used vehicles is limited.

In Latin America, order bookings increased by 16 percent. An upturn in Brazil and Peru was partly offset by a downturn in Argentina. In other markets, demand rose by 9 percent; Asia strengthened while order bookings in Africa were unchanged.

After weak demand early in the year, demand for buses and coaches improved following the launch of the new bus and coach range. Virtually all regions showed a positive trend at the end of the period.

Scania's concentration of European axle and gearbox production in Södertälje and of parts management in Belgium is expected to lead to savings of more than SEK 300 m. per year starting in 2007 and with full effect from 2009 onward.

Scania will continue to develop its sales and service business in the new structure. The service offering will be expanded and introduced in new markets. Within the next few years, the potential for savings in the sales and service organisation amounts to more than SEK 500 m. annually.

Customer Finance is continuing to perform well. Scania maintains its market penetration of more than one third of new vehicle sales in markets with captive customer finance operations, despite increased competition from banks and finance companies. The credit portfolio is growing, with well-balanced risk and with low provisions for bad debts. At the end of September, the portfolio amounted to about SEK 30,700 m., which was more than SEK 2,000 m. more than on the same date last year. During 2006, new operations have been established in Turkey and in Chile. A new rental concept is about to be introduced in the European market, starting in the Benelux countries.

Scania's strategic alliances with Cummins and Hino are performing well. Through its partnership with Cummins, Scania has secured the technology required to meet the Euro 6 environmental regulation. In South Korea, Scania will during 2007 begin to distribute Hino's medium -duty trucks. In India, Scania has established a partnership with Larsen & Toubro, the leading supplier of construction equipment in India. Larsen & Toubro will distribute Scania's multi-wheeler construction trucks to its customers in the construction and mining segments.

Strong economic growth is contributing to higher demand for transport equipment. Scania's deliveries will total about 65,000 vehicles during 2006 and operating income will substantially exceed SEK 8,000 m. Based on current order bookings and sizeable order backlog, Scania has decided to further increase its rate of production starting in the first quarter of 2007. Due to expectations of higher future growth in transport demand, within the next several years Scania intends to expand production capacity to 100,000 vehicles, which it can achieve with limited capital spending.

On 18 September, MAN AG presented a public offer for Scania, which was unanimously rejected by the Board of Directors. On 4 October Volkswagen announced its acquisition of 15 percent of the shares in MAN. Because of this, a conflict of interest has occurred, which means that the representatives of Volkswagen on Scania's Board do not participate in any decisions regarding MAN. On 12 October MAN modified the terms of the offer to SEK 475. Scania's Board of Directors subsequently rejected MAN's modified offer as it substantially underestimates the value of Scania.

Following the completion of the previously announced capital structure review, management has concluded that the company has the ability to make a special distribution of up to SEK 7,000 m., equivalent to SEK 35 per share, before the end of 2006. Given the current circumstances, the Board will review the timing of such distribution before the year end.

MARKET OVERVIEW
Trucks

Scania's order bookings in the first nine months of 2006 amounted to 45,205 (40,200) trucks, an increase of 12 percent.

In western Europe, order bookings rose by 2 percent to 25,205 units. Order bookings increased in most markets of western Europe, offset somewhat by a downturn in the Nordic countries and Great Britain.

During the third quarter, order bookings slowed somewhat after the gradual transition to Euro 4 and Euro 5. The quarter's order bookings amounted to 6,447 units, equivalent to a decline of 16 percent compared to the corresponding quarter of last year.

The total market for heavy trucks in western Europe rose by 8.2 percent during the first nine months of 2006 and amounted to about 201,200 units, according to preliminary data. Scania truck registrations totalled about 25,700 units, equivalent to a market share of about 12.8 (13.0) percent.

In central and eastern Europe, the strong trend continued. During the nine-month period, order bookings increased by 76 percent to 7,093 (4,024) trucks. In the third quarter, order bookings were 41 percent higher than in the year-earlier period, totalling 2,156 (1,527) trucks. Demand rose in most markets, especially in Russia and Poland.

Number of Scania truck registrations, Scania's 10 largest markets, January-September (preliminary)

	2006	2005	Change in %
Great Britain	**4 724**	4 091	16
Brazil	**3 782**	3 945	-4
Germany	**3 494**	3 151	11
France	**2 850**	2 997	-5
Spain	**2 328**	2 297	1
Italy	**2 304**	2 184	6
The Netherlands	**2 199**	1 668	32
Russia*	**1 839**	1026	79
Sweden	**1 669**	1 622	3
Turkey	**1523**	1305	17

* deliveries

Scania's market share, heavy trucks, Scania's 10 largest markets, January-September, percent (preliminary)

	2006	2005
Great Britain	**16,5**	15,4
Brazil	**25,7**	24
Germany	**7,1**	7,4
France	**8,2**	8,9
Spain	**9,8**	10,3
Italy	**12,8**	13
The Netherlands	**19,1**	18,3
Russia	**not available**	n/a
Sweden	**44,6**	46,6
Turkey	**6,4**	5,9

In Latin America, order bookings rose by 16 percent during the first nine months. In the third quarter, order bookings increased by 6 percent. An increase in Brazil and Peru was somewhat offset by a decrease in Argentina during the third quarter.

Order bookings in Asia rose by 14 percent during the first nine months. In the third quarter, order bookings rose by 48 percent, mainly attributable to Taiwan and the United Arab Emirates.

Buses and coaches

During the first three quarters, Scania's order bookings for buses and coaches declined by 11 percent to 4,276 (4,791) units. In Europe, demand fell by 22 percent compared to the corresponding period of 2005. Last year there were a number of major orders. In Latin America, order bookings fell by 13 percent, while "Other markets" rose by 12 percent.

During the third quarter, order bookings rose by 36 percent to 1,342 (989) buses and coaches. In Europe, order bookings were up 60 percent, mainly attributable to Russia and Great Britain. In Latin America, order bookings rose by 17 percent. Developments were especially good in Brazil. In "Other markets", Scania's order bookings rose by 26 percent.

Industrial and marine engines

Scania's deliveries of industrial and marine engines during the first three quarters rose by 20 percent to 4,576 (3,801) units. Order bookings rose by 10 percent to 4,602 (4,179) units. During the third quarter, deliveries rose by 7 percent, while order bookings increased by 1 percent.

REVENUE

During the first nine months of 2006, Scania **delivered** 42,452 (36,894) trucks, an increase of 15 percent. In the third quarter, deliveries rose by 26 percent to 13,531 (10,778) trucks. During the third quarter, Scania caught up with the lag in deliveries at the end of the previous quarter.

Deliveries of bus chassis totalled 4,331 (4,355) units during the first nine months. In the third quarter, deliveries amounted to 1,428 (1,448) bus chassis.

Revenue rose by 15 percent to SEK 51,731 m. (45,042) during the first nine months of 2006. Positive currency rate effects influenced revenue by about SEK 800 m. During the third quarter, revenue rose by 13 percent to SEK 16,507 m. (14,608). Currency rate effects amounted to about SEK -150 m.

New vehicle sales revenue rose by 17 percent during the first nine months of 2006, and by 15 percent in the third quarter.

Service revenue during the first nine months increased by 11 percent in Swedish kronor, equivalent to 9 percent in local currencies, reaching SEK 10,080 m. (9,121). During the third quarter, service revenue was SEK 3,250 m. (3,076), an upturn of 6 percent, equivalent to 9 percent in local currencies.

EARNINGS

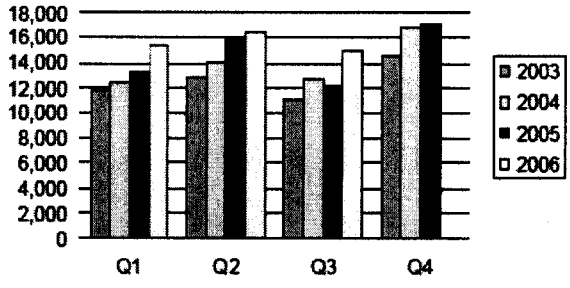
Scania's operating income rose by 31 percent to SEK 6,164 m. (4,702) during the first nine months of 2006. In the third quarter, operating income rose by 67 percent to SEK 2,017 m. (1,206).

Operating income in Vehicles and Service increased by 34 percent to SEK 5,790 m. (4,305) during the first nine months. Increased vehicle volume and better capacity utilisation were the main contributors to the earnings improvement. Increased service-related sales also contributed favourably. These effects were offset primarily by increased research and development expenses.

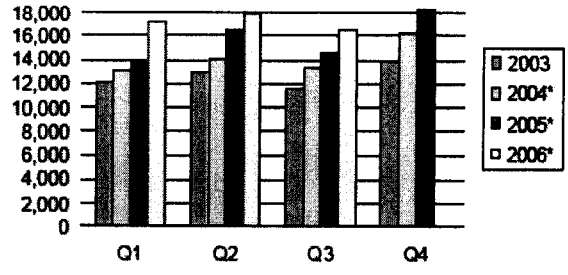
Revenue by market (SEK m.), Scania's 10 largest markets, January-September

	2006	2005	Change in %
Great Britain	**6 547**	5 846	12
Brazil	**4 021**	3 644	10
Sweden	**3 330**	2 976	12
Germany	**3 180**	2 682	19
The Netherlands	**2 955**	2 457	20
France	**2 931**	2 687	9
Spain	**2 532**	2 274	11
Italy	**2 442**	2 354	4
Norway	**2 235**	2 131	5
Finland	**2 146**	2 148	0

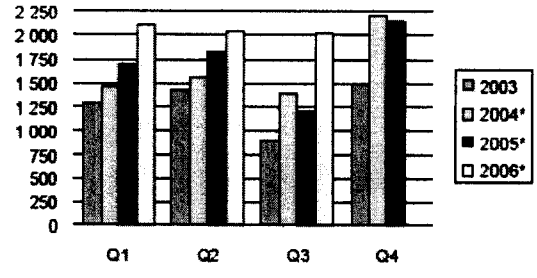
VEHICLES DELIVERED (units)



REVENUE (SEK m.)



OPERATING INCOME (SEK m.)



* 2004, 2005 and 2006 in accordance with IFRS

Scania's research and development expenditures amounted to SEK 2,046 m. (1,810). After adjusting for SEK 91 m. (239) in capitalised expenditures and depreciation of SEK 270 m. (208) on previously capitalised expenditures, recognised expenses increased to SEK 2,225 m. (1,779).

Compared to the first nine months of 2005, currency spot rate effects totalled about SEK -375 m. Currency hedging income amounted to SEK +25 m. During the first nine months of 2005, the impact of

currency hedgings on earnings was SEK -215 m. Compared to the first nine months of 2005, the total currency rate effect was thus SEK -135 m.

In the third quarter, operating income in Vehicles and Service increased by SEK 823 m. to SEK 1,883 m. (1,060). Higher volume together with better capacity utilisation contributed to the improved earnings. Research and development expenses increased by SEK 124 m. compared to the corresponding quarter of last year. Compared to the third quarter of 2005, currency spot rate effects totalled about SEK -145 m. Currency hedging income amounted to SEK +60 m. During the third quarter of 2005, the impact of currency hedgings on earnings was SEK -45 m. The total currency rate effect was thus SEK -40 m.

Operating income in Customer Finance amounted to SEK 374 m. (397) during the first nine months. During the third quarter, operating income was SEK 134 m. (146). The positive effect of increased financing volume was offset by lower interest margins. Operating expenses increased due to continued expansion in growth markets. At the end of September, the size of the portfolio amounted to about SEK 30,700 m., which represented an increase of about SEK 1,000 m. since the end of 2005. In local currencies, the portfolio increased by about SEK 1,400 m.

Scania's net financial items amounted to SEK -159 m. (-107). Net interest items amounted to SEK -173 m. (-151). Higher interest expenses were partly offset by improved net debt. Other financial income and expenses amounted to SEK 14 m. (44). This included SEK 37 m. (20) in positive valuation effects related to financial instruments where hedge accounting was not applied. In addition, the acquisition of Ainax had a positive effect of SEK 50 m. on financial income during 2005. Other financial income and expenses
also included bank-related expenses.

The Scania Group's **tax expenses** in the first nine months of 2006 were equivalent to 31.5 (31.6) percent of income after financial items.

Net income increased by 31 percent during the first nine months and amounted to SEK 4,115 m. (3,141). During the third quarter, net income rose by 55 percent to SEK 1,281 m. (825).

CASH FLOW

Scania's cash flow in Vehicles and Service amounted to SEK 5,330 m. (2,132) in the first nine months of 2006. During the third quarter, cash flow in Vehicles and Service amounted to SEK 2,072 m. (1,191).

Tied-up working capital during the first nine months of 2006 decreased by SEK 1,816 m., despite higher volume. This was mainly due to increased liabilities and reduced receivables, which were partly offset by increased inventory. During the third quarter the tied-up working capital decreased by SEK 916 m. due to decreased inventories and receivables.

Net investments including acquisitions amounted to SEK 2,668 m. (2,819), including SEK 91 m. (239) in capitalisation of development expenditures.

PARENT COMPANY

The assets of the **Parent Company**, Scania AB, consist of shares in Scania CV AB and Ainax AB. Scania CV AB is the parent company of the Group that comprises all production and sales and service companies as well as other companies. The income of Scania AB after financial items amounted to SEK 478 m. (434) during the first nine months. According to a resolution approved by the Annual General Meeting and implemented through a decision of the Swedish Companies Registration Office, during the third quarter of 2006 Scania's share capital was reduced by SEK 262,965,080 through a withdrawal of 26,296,508 Series A shares in Scania that are owned by Scania. Scania's share capital has thus been restored to what it was before the offer for Ainax was completed. Liquidation of Ainax AB is expected to be concluded during 2006.

MISCELLANEOUS

Number of employees

The number of employees at the end of September 2006 was 32,211, compared to 30,765 at the end of 2005. The number of employees increased mainly in production, in bus bodybuilding and in

research anddevelopment. In the sales network, the number of employees increased primarily outside western Europe.

Accounting principles
Scania applies International Financial Reporting Standards (IFRS) as approved by the European Commission for application in the EU. Scania's interim reporting is designed in accordance with IAS 34, "Interim Financial Reporting", and RR 31, "Interim Reporting for Groups". Accounting principles and calculation methods are unchanged from those applied in the Annual report for 2005. New IFRS accounting principles during 2006 have not had an impact on Scania's financial reporting.

Annual General Meeting
The AGM will be held on Thursday, 3 May 2007 in Södertälje, Sweden.

Södertälje, 16 October 2006
LEIF ÖSTLING
President and CEO

This report has not been subjected to review by the company's auditors.

Financial information from Scania

Scania's Year-end Report for 2006 will be published on 8 February 2007.

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Such forward-looking statements involve risks and uncertainties that could significantly alter potential results. These statements are based on certain assumptions, including assumptions related to general economic and financial conditions in the company's markets and the level of demand for the company's products.

This report does not imply that the company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with the Stockholm Stock Exchange, if and when circumstances arise that will lead to changed compared to the date when these statements were issued.

In the Interim Report for the first half of 2006, the following was stated by Leif Östling, President and CEO:

"Scania is now reviewing its capital structure and will present a proposal to the AGM 2007. Given current order books and production rates, Scania's deliveries will be substantially higher during 2006 than during 2005. Within the next few years, the potential for cost savings in the sales and service organisation will amount to at least SEK 500 m. annually. Due to disruptions in production, some 1,000 vehicles that would have been invoiced in the second quarter will instead be invoiced during the third quarter. This adversely affected earnings in the second quarter by about SEK 250 m. in the form of lower invoicing and additional production-related expenses."

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Income statement

Amounts in SEK m. unless otherwise stated	Nine months				Q3			
	*EUR m.**	**2006**	2005	Change in %	**2006**	2005	Full year 2005	Oct 05 - Sep 06
Vehicles and Service								
Sales revenue	*5 583*	**51 731**	45 042	15	**16 507**	14 608	63 328	70 017
Cost of goods sold	*-4 155*	**-38 503**	-34 199	13	**-12 128**	-11 257	-47 835	-52 139
Gross income	*1428*	**13 228**	10 843	22	**4 379**	3 351	15 493	17 878
Research and development expenses	*-240*	**-2 225**	-1 779	25	**-705**	-581	-2 484	-2 930
Selling expenses	*-476*	**-4 408**	-4 103	7	**-1 466**	-1 473	-5 829	-6 134
Administrative expenses	*-87*	**-808**	-662	22	**-322**	-239	-858	-1004
Share of income in associated companies	*0*	**3**	6	-50	**-3**	2	8	5
Operating income, Vehicles and Service	*625*	**5 790**	**4 305**	**34**	**1 883**	**1 060**	**6 330**	**7 815**
Customer Finance								
Interest and lease income	*281*	**2 602**	2 597	0	**875**	884	3 518	3 523
Interest and depreciation expenses	*-207*	**-1 918**	-1 900	1	**-656**	-636	-2 575	-2 593
Interest surplus	*74*	**684**	697	-2	**219**	248	943	930
Other income and expenses	*4*	**36**	34	3	**16**	19	40	42
Gross income	*78*	**720**	731	-2	**235**	267	983	972
Selling and administrative expenses	*-32*	**-297**	-266	12	**-98**	-89	-374	-405
Bad debt expenses	*-5*	**-49**	-68	-28	**-3**	-32	-80	-61
Operating income, Customer Finance	*41*	**374**	397	-6	**134**	146	529	506
Operating income	*666*	**6 164**	4 702	31	**2 017**	1 206	6 859	8 321
Net interest items	*-19*	**-173**	-151	15	**-66**	-61	-187	-209
Other financial revenues and expenses	*2*	**14**	44	-68	**-39**	10	93	63
Net financial items	*-17*	**-159**	-107	49	**-105**	-51	-94	-146
Income after financial items	*649*	**6 005**	4 595	31	**1 912**	1 155	6 765	8 175
Taxes	*-204*	**-1 890**	-1 454	30	**-631**	-330	-2 100	-2 536
Net income	*445*	**4 115**	3 141	31	**1 281**	825	4 665	5 639
Attributable to:								
Scania shareholders	*445*	***4 115***	*3 141*		***1 281***	*825*	*4 665*	*5 639*
Minority interest	*0*	***0***	*0*		***0***	*0*	*0*	*0*
Includes depreciation of[1]	*-247*	***-2 286***	*-1 978*		***-769***	*-653*	*-2 707*	*-3 015*
Number of shares: 200 million								
Earnings per share, SEK, (no dilution) **		**20,58**	15,71		**6,41**	4,13	23,33	28,20
Return on equity, in percent[2] **		**23,5**	20,9				20,8	
Operating margin, in percent		**11,9**	10,4		**12,2**	8,3	10,8	11,9

Acquired companies have the following accumulated effect in 2006:
Sales revenue, SEK +155 m.; "Gross income", SEK +56 m., "Expenses", SEK -30 m.; "Operating income", SEK +26 m.; and "Income after financial items", SEK +23 m.

[1]Refers to Vehicles and Service, of which short-term rental in nine month amounted to -173 (-145).
[2]Calculations are based on rolling 12-month income.
* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.27 = EUR 1.00.
** Attributable to Scania shareholders' part of earnings

Revenue and deliveries, Vehicles and Service

Amounts in SEK m. unless otherwise stated	Nine months *EUR m.*	Nine months **2006**	Nine months 2005	Change in %	Full year 2005	Oct 05 - Sep 06
Revenue						
Trucks	*3 312*	**30 687**	26 292	17	37 778	42 173
Buses*	*553*	**5 127**	4 447	15	6 256	6 936
Engines	*76*	**707**	526	34	803	984
Service-related products	*1088*	**10 080**	9 121	11	12 591	13 550
Used vehicles	*407*	**3 768**	3 575	5	4 897	5 090
Miscellaneous	*229*	**2 124**	2 170	-2	2 773	2 727
Revenue deferral[3]	*-82*	**-762**	-1089		-1 770	-1 443
Total	*5 583*	**51 731**	45 042	15	63 328	70 017
Revenue[4]						
Western Europe	*3 629*	**33 627**	30 357	11	42 027	45 297
Central and eastern Europe	*588*	**5 445**	3 686	48	5 586	7 345
Latin America	*688*	**6 371**	5 375	19	7 575	8 571
Asia	*359*	**3 327**	2 945	13	4 138	4 520
Other markets	*319*	**2 961**	2 679	11	4 002	4 284
Total	*5 583*	**51 731**	45 042	15	63 328	70 017
Total delivery volume, units						
Trucks		**42 452**	36 894	15	52 567	58 125
Buses*		**4 331**	4 355	-1	5 816	5 792
Engines		**4 576**	3 801	20	5 704	6 479

[3]Refers to the difference between sales recognised as revenues and sales value based on deliveries.
[4]Revenues from external customers by location of customers.
* Including body-built buses and coaches.

Quarterly data, earnings

Amounts in SEK m. unless otherwise stated	2006				2005			
	EUR m.	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Vehicles and Service								
Sales revenue	*1 781*	**16 507**	17 978	17 246	18 286	14 608	16 561	13 873
Cost of goods sold	*-1 309*	**-12 128**	-13 521	-12 854	-13 636	-11 257	-12 624	-10 318
Gross income	*472*	**4 379**	4 457	4 392	4 650	3 351	3 937	3 555
Research and development expenses	*-76*	**-705**	-791	-729	-705	-581	-631	-567
Selling expenses	*-158*	**-1 466**	-1 514	-1 428	-1 726	-1 473	-1 398	-1 232
Administrative expenses	*-35*	**-322**	-251	-235	-196	-239	-217	-206
Share of income in associated companies	*0*	**-3**	6	0	2	2	1	3
Operating income, Vehicles and Service	*203*	**1 883**	1 907	2 000	2 025	1 060	1 692	1 553
Customer Finance								
Interest and lease income	*95*	**875**	866	861	921	884	858	855
Interest and depreciation expenses	*-71*	**-656**	-631	-631	-675	-636	-631	-633
Interest surplus	*24*	**219**	235	230	246	248	227	222
Other income and expenses	*2*	**16**	8	12	6	19	2	13
Gross income	*26*	**235**	243	242	252	267	229	235
Selling and administrative expenses	*-11*	**-98**	-101	-98	-108	-89	-91	-86
Bad debt expenses	*0*	**-3**	-16	-30	-12	-32	-13	-23
Operating income, Customer Finance	*15*	**134**	126	114	132	146	125	126
Operating income	*218*	**2 017**	2 033	2 114	2 157	1 206	1 817	1 679
Net interest items	*-7*	**-66**	-62	-45	-36	-61	-41	-49
Other financial revenues and expenses	*-4*	**-39**	13	40	49	10	-34	68
Net financial items	*-11*	**-105**	-49	-5	13	-51	-75	19
Income before taxes	*207*	**1 912**	1 984	2 109	2 170	1 155	1 742	1 698
Taxes	*-68*	**-631**	-597	-662	-646	-330	-581	-543
Net income	*139*	**1 281**	1 387	1 447	1 524	825	1 161	1 155
Attributable to: Scania shareholders	*139*	***1 281***	*1 387*	*1 447*	*1 524*	*825*	*1 161*	*1 155*
Minority interest	*0*	***0***	*0*	*0*	*0*	*0*	*0*	*0*
Earnings per share, SEK *		**6,41**	6,94	7,24	7,62	4,13	5,81	5,78
Operating margin, in percent		**12,2**	11,3	12,3	11,8	8,3	11,0	12,1

* Attributable to Scania shareholders' part of earnings

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	EUR m.	2006 30 Sep	30 Jun	31 Mar	2005 31 Dec	30 Sep	30 Jun	31 Mar
Vehicles and Service								
ASSETS								
Non-current assets								
Intangible non-current assets	*268*	**2 486**	2 568	2 647	2 685	2 699	2 819	2 667
Tangible non-current assets	*1 829*	**16 950**	16 660	16 872	16 692	16 305	16 030	14 959
Rental assets	*448*	**4 149**	3 881	3 875	3 981	3 769	3 677	3 561
Shares and participations	*16*	**150**	136	129	96	116	121	96
Interest-bearing receivables	*31*	**285**	269	303	531	562	604	534
Other receivables	*176*	**1 627**	1 554	1 543	1 202	704	790	810
Current assets								
Inventories	*1 087*	**10 073**	10 461	10 748	9 949	11 071	11 470	10 957
Interest-bearing receivables	*93*	**860**	461	531	494	474	531	476
Other receivables[5]	*1 219*	**11 291**	11 996	11 831	11 582	11 768	12 191	10 448
Short-term investments	*119*	**1105**	368	791	1 194	1 444	1 307	716
Liquid assets	*911*	**8 444**	1 970	5 389	1 422	1 043	1 267	1 963
Total assets	*6 197*	**57 420**	50 324	54 659	49 828	49 955	50 807	47 187
EQUITY AND LIABILITIES								
Equity								
Scania shareholders	*2 306*	**21 373**	20 211	22 147	20 673	19 407	18 289	19 410
Minority interest	*1*	**8**	8	8	9	6	6	8
Total equity	*2 307*	**21 381**	20 219	22 155	20 682	19 413	18 295	19 418
Interest-bearing liabilities	*798*	**7 391**	2 263	5 174	3 290	5 470	6 942	4 168
Non-current liabilities								
Provisions for pensions	*386*	**3 575**	3 522	3 487	3 445	2 634	2 644	2 557
Other provisions	*367*	**3 400**	3 357	3 230	2 872	3 048	3 183	3 225
Other liabilities	*286*	**2 648**	2 449	2 668	2 664	2 398	2 367	2 346
Current liabilities								
Provisions	*118*	**1 097**	1 038	1 071	962	1 368	1 536	1 230
Other liabilities[6]	*1 935*	**17 928**	17 476	16 874	15 913	15 624	15 840	14 243
Total equity and liabilities	*6 197*	**57 420**	50 324	54 659	49 828	49 955	50 807	47 187
[5]Including derivatives with positive value for hedging of borrowings	*65*	**602**	541	469	788	1 058	801	547
[6]Including derivatives with negative value for hedging of borrowings	*42*	**389**	443	485	383	464	0	0
Net cash (-) / Net debt (+) excl. provisions for pensions, incl. derivatives as above	*-255*	**-2371**	-173	-990	269	2 389	3 567	942

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated		2006			2005			
	EUR m.	**30 Sep**	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Customer Finance								
ASSETS								
Non-current assets								
Intangible non-current assets	*1*	**13**	13	12	13	12	13	12
Other tangible non-current assets	*3*	**24**	23	23	23	24	23	22
Operating lease assets	*748*	**6 933**	6 803	7 073	7 269	7 083	7 279	7 075
Financial receivables	*1 748*	**16 197**	15 587	15 171	15 012	13 250	13 485	12 805
Other receivables	*18*	**165**	206	202	116	180	183	218
Current assets								
Inventories	*0*	**0**	0	0	0	9	9	42
Financial receivables	*813*	**7 531**	7 494	7 463	7 353	8 214	8 395	7 740
Other receivables	*63*	**592**	586	460	496	368	379	367
Short-term investments	*0*	**0**	0	0	0	0	0	13
Liquid assets	*20*	**185**	148	260	177	143	214	198
Total assets	*3 414*	**31 640**	30 860	30 664	30 459	29 283	29 980	28 492
EQUITY AND LIABILITIES								
Equity								
Scania shareholders	*352*	**3 265**	3 139	3 156	3 054	3 289	3 393	3 392
Total equity	*352*	**3 265**	3 139	3 156	3 054	3 289	3 393	3 392
Interest-bearing liabilities	*2 874*	**26 636**	25 738	25 692	25 384	24 271	24 762	23 378
Non-current liabilities								
Provisions for pensions	*2*	**14**	13	14	13	10	10	9
Other provisions	*64*	**591**	582	594	578	695	660	619
Other liabilities	*2*	**20**	14	11	2	22	21	19
Current liabilities								
Provisions	*0*	**1**	1	1	0	0	0	0
Other liabilities	*120*	**1 113**	1 373	1 196	1 428	996	1 134	1 075
Total equity and liabilities	*3 414*	**31 640**	30 860	30 664	30 459	29 283	29 980	28 492

Balance sheet by business segment

Amounts in SEK m. unless otherwise stated	EUR m.	2006 30 Sep	30 Jun	31 Mar	2005 31 Dec	30 Sep	30 Jun	31 Mar
Eliminations								
ASSETS								
Operating lease assets	-152	-1 408	-1 374	-1 352	-1 367	-1 317	-1 362	-1 296
Other current receivables	-48	-447	-703	-589	-702	-387	-449	-397
Total assets	-200	-1 855	-2 077	-1 941	-2 069	-1 704	-1 811	-1 693
EQUITY AND LIABILITIES								
Other current liabilities	-200	-1 855	-2 077	-1 941	-2 069	-1 704	-1 811	-1 693
Total equity and liabilities	-200	-1 855	-2 077	-1 941	-2 069	-1 704	-1 811	-1 693
Scania Group								
ASSETS								
Non-current assets								
Intangible non-current assets	269	2 499	2 581	2 659	2 698	2 711	2 832	2 679
Tangible non-current assets	1 832	16 974	16 683	16 895	16 715	16 329	16 053	14 981
Rental and operating lease assets	1 044	9 674	9 310	9 596	9 883	9 535	9 594	9 340
Shares and participations	16	150	136	129	96	116	121	96
Interest-bearing receivables	1 779	16 482	15 856	15 474	15 543	13 812	14 089	13 339
Other receivables	194	1 792	1 760	1 745	1 318	884	973	1 028
Current assets								
Inventories	1 087	10 073	10 461	10 748	9 949	11 080	11 479	10 999
Interest-bearing receivables	906	8 391	7 955	7 994	7 847	8 688	8 926	8 216
Other receivables[7]	1 234	11 436	11 879	11 702	11 376	11 749	12 121	10 418
Short-term investments	119	1105	368	791	1 194	1 444	1 307	729
Liquid assets	931	8 629	2 118	5 649	1 599	1 186	1 481	2 161
Total assets	9 411	87 205	79 107	83 382	78 218	77 534	78 976	73 986
TOTAL EQUITY AND LIABILITIES								
Equity								
Scania shareholders	2 658	24 638	23 350	25 303	23 727	22 696	21 682	22 802
Minority interest	1	8	8	8	9	6	6	8
Total equity	2 659	24 646	23 358	25 311	23 736	22 702	21 688	22 810
Non-current liabilities								
Interest-bearing liabilities	2 108	19 536	18 652	20 345	19 323	20 946	22 743	19 493
Provisions for pensions	388	3 589	3 535	3 501	3 458	2 644	2 654	2 566
Other provisions	431	3 991	3 939	3 824	3 450	3 743	3 843	3 844
Other liabilities	288	2 668	2 463	2 679	2 666	2 420	2 388	2 365
Current liabilities								
Interest-bearing liabilities	1 564	14 491	9 349	10 521	9 351	8 795	8 961	8 053
Provisions	118	1 098	1 039	1 072	962	1 368	1 536	1 230
Other liabilities[8]	1 855	17 186	16 772	16 129	15 272	14 916	15 163	13 625
Total equity and liabilities	9 411	87 205	79 107	83 382	78 218	77 534	78 976	73 986
[7]Including derivatives with positive value for hedging of borrowings	65	602	541	469	788	1 058	801	547
[8]Including derivatives with negative value for hedging of borrowings	42	389	443	485	383	464	0	0
Equity/assets ratio, in percent		28,3	29,5	30,4	30,3	29,3	27,5	30,8

Statement of recognised income and expenses and changes in equity

Amounts in SEK m. unless otherwise stated	EUR m.	Nine months 2006	Nine months 2005	Full year 2005
Exchange rate difference for the period	-38	-353	1 302	1 307
Hedge reserve				
Fair value changes on cash flow hedging recognised directly in equity	24	222	-520	-607
Cash flow hedge reserve transferred to sales revenue in income statement	-2	-20	248	415
Actuarial gains and losses related to pension liabilities recognised directly in equity	0	0	0	-770
Tax attributable to items recognised directly in equity	-6	-54	76	271
Total income and expenses recognised directly in equity	-22	-205	1106	616
Net income for the period	444	4 115	3 141	4 665
Total recognised income and expenses for the period	422	3 910	4 247	5 281
Of which, attributable to:				
Scania AB shareholders	422	3 911	4 246	5 277
Minority interest	0	-1	1	4
Equity, 1 January	2 561	23 736	21 433	21 433
Change in accounting principles	-	-	22	22
Adjusted opening balance	2 561	23 736	21 455	21 455
Total recognised income and expenses for the period	422	3 910	4 247	5 281
Dividend	-324	-3 000	-3 000	-3 000
Equity at the end of the period	2 659	24 646	22 702	23 736
Of which, attributable to:				
Scania AB shareholders	2 658	24 638	22 696	23 727
Minority interest	1	8	6	9

Cash flow statement

Amounts in SEK m. unless otherwise stated	Nine months EUR m.	Nine months 2006	Nine months 2005	2006 Q3	2006 Q2	2006 Q1	Q3
OPERATING ACTIVITIES							
Income after financial items	648	6 005	4 595	1 912	1 984	2 109	1 155
Items not affecting cash flow	260	2 409	2 128	806	835	768	760
Taxes paid	-203	-1 885	-2 110	-521	-755	-609	-469
Cash flow from operating activities before change in working capital	705	6 529	4 613	2 197	2 064	2 268	1 446
of which: Vehicles and Service	667	6 182	4 239	2 071	1 941	2 170	1 288
Customer Finance	38	347	374	126	123	98	158
Change in working capital etc., Vehicles and Service	196	1816	712	916	924	-24	802
Cash flow from operating activities	901	8 345	5 325	3 113	2 988	2 244	2 248
INVESTING ACTIVITIES							
Net investments, Vehicles and Service	-288	-2 668	-2 819	-915	-797	-956	-899
Net investments in credit portfolio etc., Customer Finance	-214	-1 982	-971	-838	-678	-466	184
Cash flow from investing activities	-502	-4 650	-3 790	-1 753	-1 475	-1 422	-715
Cash flow from Vehicles and Service	575	5 330	2132	2 072	2 068	1 190	1191
Cash flow from Customer Finance	-176	-1635	-597	-712	-555	-368	342
FINANCING ACTIVITIES							
Change in net debt from financing activities	687	6 370	893	5 181	-2 029	3 218	-1 820
Dividend to shareholders	-324	-3 000	-3 000	-	-3 000	-	-
Cash flow from financing activities	363	3 370	-2107	5 181	-5 029	3 218	-1 820
Cash flow for the year	762	7065	-572	6 541	-3 516	4 040	-287
Liquid assets at beginning of period	173	1 599	1 589	2 118	5 649	1 599	1 481
Exchange rate differences in liquid assets	-4	-36	169	-31	-15	10	-8
Liquid assets at end of period	931	8 628	1 186	8 628	2 118	5 649	1 186

Number of employees

	2006			2005			
	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Production and corporate units	**16 106**	15 935	15 481	15 174	15 251	15 170	15 308
Research and development	**2 161**	2 127	2 111	2 058	2 053	2 001	1 956
Sales and service companies	**13 510**	13 344	13 247	13 128	12 988	12 889	12 589
Vehicles and Service	**31 777**	31 406	30 839	30 360	30 292	30 060	29 853
Customer Finance	**434**	429	420	405	383	368	362
Total number of employees	**32 211**	31 835	31 259	30 765	30 675	30 428	30 215

Quarterly data, units by geographic area

	2006			2005				
	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks								
Western Europe	**6 447**	8 155	10 603	34 900	10 211	7 630	8 863	8 196
Central and eastern Europe	**2 156**	2 686	2 251	6 005	1 981	1 527	1 495	1 002
Latin America	**1 977**	2 217	2 087	7 608	2 177	1 863	1 560	2 008
Asia	**1 030**	1 642	1 947	5 257	1 199	695	1 862	1 501
Other markets	**592**	789	626	2 772	774	751	613	634
Total	**12 202**	15 489	17 514	56 542	16 342	12 466	14 393	13 341
Trucks delivered								
Western Europe	**7 295**	8 545	8 848	31 392	9 119	6 149	8 689	7 435
Central and eastern Europe	**2 062**	2 014	1 577	5 693	1 939	1 229	1 339	1 186
Latin America	**2 196**	1 991	1 728	7 776	2 220	1 718	2 078	1 760
Asia	**1 348**	1 660	1 179	5 415	1 562	1 212	1 516	1 125
Other markets	**630**	661	718	2 291	833	470	491	497
Total	**13 531**	14 871	14 050	52 567	15 673	10 778	14 113	12 003
Order bookings, buses*								
Western Europe	**458**	390	496	2 568	739	326	673	830
Central and eastern Europe	**126**	130	62	348	58	38	121	131
Latin America	**365**	509	411	1 785	303	312	388	782
Asia	**185**	268	284	628	89	97	237	205
Other markets	**208**	136	248	717	66	216	283	152
Total	**1 342**	1 433	1 501	6 046	1 255	989	1 702	2 100
Buses delivered*								
Western Europe	**513**	641	590	2 271	685	526	573	487
Central and eastern Europe	**100**	109	58	394	126	95	89	84
Latin America	**509**	470	387	1 727	384	324	633	386
Asia	**121**	223	102	616	113	164	183	156
Other markets	**185**	133	190	808	153	339	176	140
Total	**1 428**	1 576	1 327	5 816	1 461	1 448	1 654	1 253

* Including body-built buses and coaches.

COMPARABLE SHARE DATA FOR SCANIA AB AND MAN AG

MAN AG

MAN AG is listed on the Frankfurt stock exchange and the stock is a member of the DAX index (measures the performance of Germany's 30 largest companies in terms of order book volume and market capitalisation). As of 31 October 2006 MAN had 147,040,000 individual, no-par shares, including 140,974,350 common shares (96%) and 6,065,650 preferred shares (4%).

	2003	2004	2005
EPS, EUR[1)]	1.54	2.08	3.04
EPS, SEK[1)]	14.0	18.7	28.6
Equity per share, EUR[1)]	18.5	18.5	20.7
Equity per share, SEK[1)]	167.8	166.2	194.7
ROE[2)]	9%	11%	16%

[1)] As from 2004 changed accounting policies for commercial vehicles sold with buyback obligation (recognized as operating lease)

[2)] Calculated as EPS divided by opening equity per share

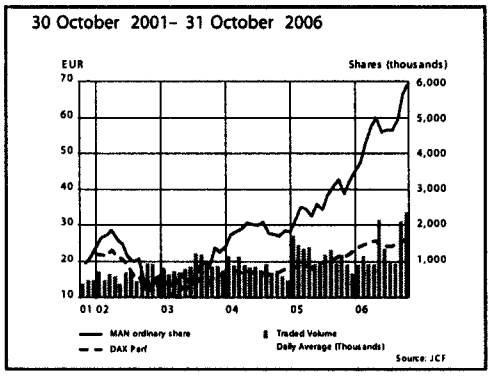
Source: Company reports

Shareholder structure

Shareholder	% of capital	% of votes
Volkswagen AG	14.44%	15.06%

No other shareholder has declared a holding of more than 5% of voting rights in MAN AG.

Share price development



Scania AB

Scania AB is listed on the Stockholm Stock Exchange, Large Cap, Industrials. As of 31 October 2006 it had 200 million shares in issue held by 112,687 shareholders.

	2003	2004	2005
EPS, SEK	15.2	21.6	23.3
Equity per share, SEK	91.3	107.1	118.6
ROE[1)]	18%	24%	22%

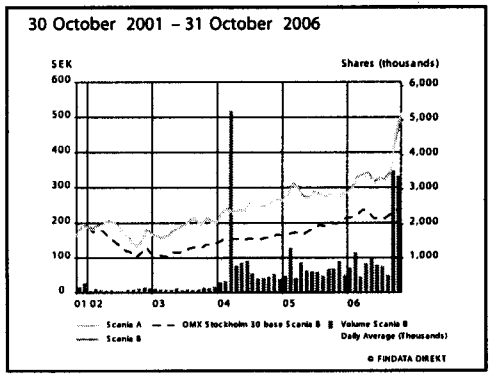
[1)] Calculated as EPS divided by opening equity per share

Source: Company reports

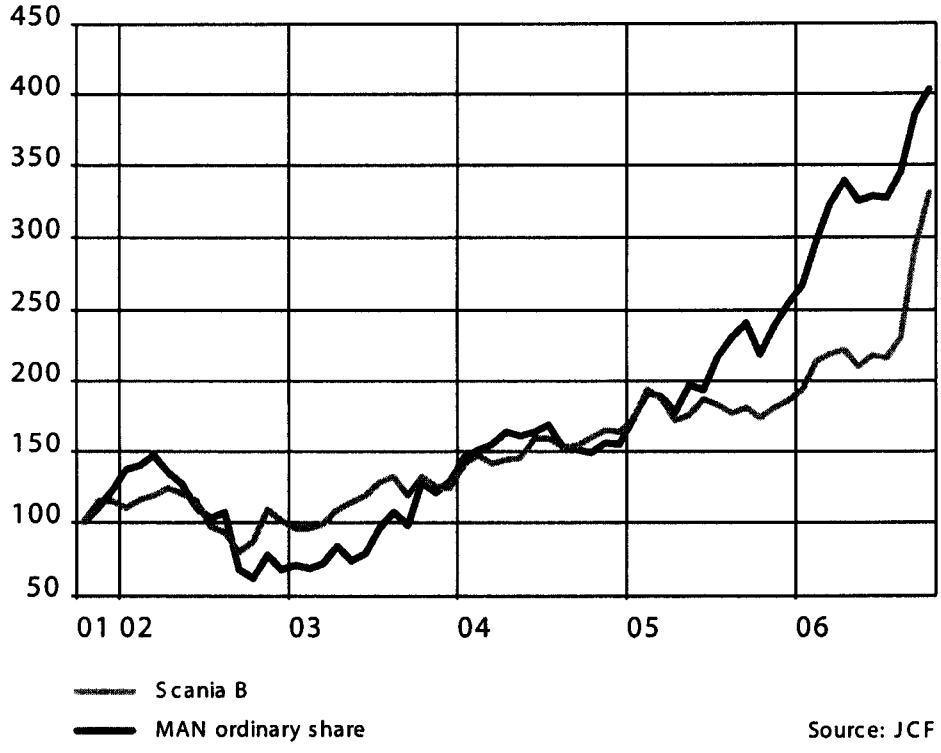
# Shareholder	% of capital	% of votes
1 Volkswagen AG	18.7%	34.0%
2 MAN AG	11.6%	14.5%
3 Investor	11.0%	20.0%
4 Wallenberg-stiftelser	5.8%	10.6%
Other Shareholders	52.8%	20.8%
Total number of shares	100%	100%

Source: Aktieservice, 7 November 2006; MAN AG

Share price development



Total return from 30 October 2001 (Base 100) – 31 October 2006



ILLUSTRATIVE FINANCIAL INFORMATION

Introduction

The MAN Group has prepared an illustrative balance sheet as of 30 September 2006 and an illustrative income statement for the period from 1 January to 31 December 2005 and from 1 January to 30 September 2006 to present by way of example the probable effects of the acquisition of Scania during the periods specified above (the "Illustrative Financial Information (MAN and Scania)"). Due to the specific factors outlined below, the Illustrative Financial Information (MAN and Scania) does not represent what is commonly understood under "pro forma financial information" within the meaning of the Commission Regulation (EC) No. 809/2004 of 29 April 2004. According to the current status of the takeover process during which MAN AG aims to acquire all shares of Scania AB not already held by MAN AG, Scania AB refused to disclose to MAN AG or to otherwise make accessible to MAN AG certain financial and other information. The required information requested but not provided by Scania AB should have included in particular the details of the accounting principles applied in the financial data prepared according to IFRS and information concerning details of Scania's assets and liabilities required for a purchase price allocation. Even if this exchange of information were possible before the acquisition, reliable results would not be available before the completion of the takeover due to the time required to incorporate this information into the financial data (even once all information is available, IFRS 3 "Business Combinations" allows for a period of up to 12 months for completing the purchase price allocation). Due to a lack of access to Scania's financial information, MAN AG is unable to prepare "pro forma financial information" in accordance with Annex II of Commission Regulation (EC) No. 809/2004 of 29 April 2004 and IDW AcPS 1.004 "Preparation of Pro forma Information" the "Accounting Practice Statement on the Preparation of Pro Forma Information" promulgated by the German Institute of Auditors (IDW). For information on the restrictions applicable to this Illustrative Financial Information (MAN and Scania), see also below under (a) *"Uniform Accounting, Measurement and Presentation Principles"* and (b) *"Allocation of the Purchase Price to the Acquired Assets and Liabilities"*. MAN AG has prepared the following unaudited adjusted Illustrative Financial Information (MAN and Scania) to model the effects of the planned acquisition of Scania. The underlying assumptions used by MAN AG's management for the preparation of the Illustrative Financial Information (MAN and Scania) are described below in section "Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania)". Certain numerical data, financial information and market data in this Prospectus are subject to rounding adjustments that were carried out according to established commercial standards. As a result, the aggregate amounts in this Prospectus may not correspond in all cases to the amounts contained in the underlying sources.

The following financial statements were used to determine the published financial data for preparing the Illustrative Financial Information (MAN and Scania):

- the published IFRS consolidated financial statements of MAN Group as of and for the year ended 31 December 2005 audited in accordance with Section 315a of the German Commercial Code (HGB), adjusted to ensure comparability as described in the above chapter *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and the unaudited, published IFRS consolidated interim financial statements of MAN AG as of and for the nine-month period ended 30 September 2006,
- the published IFRS consolidated financial statements of Scania Group as of and for the year ended 31 December 2005 audited in accordance with Generally Accepted Auditing Standards in Sweden, and the unaudited, published IFRS consolidated interim financial statements of Scania Group and for the nine month period ended 30 September 2006.

For purposes of the illustrative income statement as of the year ended 31 December 2005, the assumption was made that the acquisition had taken place effective 1 January 2005. For purposes of the illustrative income statement for the first nine months 2006 and the illustrative balance sheet as of 30 September 2006, the assumption was made that the acquisition had taken place effective 1 January 2006.

All adjustments regarding Scania are based exclusively on publicly available information, because up to the time of preparation of the Illustrative Financial Information (MAN and Scania), no transfer of control within

the meaning of IFRS 3 "Business Combinations" had taken place. Moreover, all adjustments relate exclusively to preliminary estimates and are based on management assumptions that are considered to be plausible. All adjustments are outlined below in the section *"Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania)"*.

Because the Illustrative Financial Information (MAN and Scania) assumes the hypothetical acquisition of Scania as of 1 January 2005 or, respectively, as of 1 January 2006, the Illustrative Financial Information (MAN and Scania) does not comply with International Financial Reporting Standards (IFRS), but instead solely reflects the assumptions and adjustments to the historical base figures of the MAN Group and Scania listed below and made by MAN AG.

The explanations do not include:

- any synergies, cost savings or other implications which could occur in the future or are expected as the result of the acquisition of Scania;
- any cash or non-cash expenses which the MAN Group would have to assume upon acquiring Scania as these are not know to MAN;
- details regarding any specific purchase price allocation in accordance with IFRS 3 "Business Combinations".

At the time of preparation of the information, only publicly available information concerning Scania was available to MAN AG. This fact results in the restrictions set out below in respect of the information, which must be taken into account when reviewing the corresponding figures.

Uniform accounting, measurement and presentation principles

The historical figures for the Illustrative Financial Information (MAN and Scania) were prepared by MAN, as well as Scania, in accordance with International Financial Reporting Standards (IFRS) that have been approved by the European Commission for application in the European Union. In addition, Scania applied the Swedish Financial Accounting Standards Council's RR30 "Supplementary rules for consolidated financial statements". Due to the fact that only publicly available information on Scania was available, no adjustments could be made to ensure the application of uniform accounting and measurement principles.

This type of adjustment could, however, prove to be necessary after all information becomes available. The base figures for MAN Group and Scania in the illustrative balance sheet as of 30 September 2006 and the illustrative income statement from 1 January to 31 December 2005 and 1 January to 30 September 2006 are therefore not fully comparable.

In terms of presentation, MAN's and Scania's financial statements differ concerning the presentation of customer finance business and the level of detail. MAN AG adjusted the presentation of selected balance sheet and income statement line items in order to arrive at a uniform and more informative structure of MAN's and Scania's Financial Information based on information in Scania's consolidated financial statements as of and for the year ended 31 December 2005 and consolidated interim financial statements as of and for the nine-month period ended 30 September 2006.

Allocation of the purchase price to the acquired assets and liabilities

The Illustrative Financial Information (MAN and Scania) is based on the assumption that the purchase method is applied to the acquisition in line with IFRS 3 "Business Combinations." The rules concerning purchase price allocation and subsequent accounting for goodwill are derived from the application of IFRS 3 "Business Combinations", IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets" IFRS requires that all assets, liabilities and contingent liabilities be measured at fair value at the time of acquisition ("purchase price allocation"). This includes in particular intangible assets that were not capitalised in Scania's financial statements to date (e.g. brand name, technology, geographical presence and service network etc.).

No detailed purchase price allocation could be performed because only publicly accessible information was available until the date of publication of the Prospectus. As a result, MAN AG's assumption for the purposes

of the Illustrative Financial Information (MAN and Scania) was that the entire difference (purchase price less equity before purchase price allocation) is allocated as consolidation difference to intangible assets.

Anyone assessing the Illustrative Financial Information (MAN and Scania) should note that after Scania is actually acquired, a purchase price allocation will in any case lead to the recognition of hidden reserves and charges in the assets, liabilities and contingent liabilities of Scania, and therefore also to reduced earnings due to depreciation/amortisation expense related to these fair value adjustments. Depending on which assets are affected, the depreciation/amortisation periods differ, which complicates the analysis further.

The Illustrative Financial Information (MAN and Scania) was prepared for purely illustrative purposes. The Illustrative Financial Information (MAN and Scania) contains uncertainties and assumptions, and for this reason, this information is not an indicator of the actual financial condition and results of operations that would have resulted if the structure assumed for the Illustrative Financial Information (MAN and Scania) had already existed as of 1 January 2005 or until 30 September 2006. Moreover, the intention of presenting this information is not to forecast the future financial condition or results of operations.

Assumptions underlying the preparation of the illustrative financial information (MAN and Scania)

Acquisition cost of the Scania shares and financing

According to the Acquisition Offer described in chapter *"Acquisition Offer to Acquire All Shares in Scania AB"*, MAN AG offers under the Basic Alternative 0.151 (new) MAN AG ordinary shares and €41.12 cash for each Scania share, representing, at the time the Acquisition Offer was increased, a value of €51.29. As an alternative to the Basic Alternative, for each share tendered MAN offers €51.29 in cash under the All Cash Alternative. Those shares acquired by MAN prior to the Acquisition Offer are entitled to the same cash consideration of €51.29 per share.

The calculation of the acquisition cost assumes an acceptance rate of 100% under the Basic Alternative as well as the implementation of a capital increase, implying an aggregate MAN share component of 26,686,493 new MAN AG ordinary shares representing 18.15% of the current MAN AG share capital and 15.36% of the increased MAN AG share capital.

The ancillary costs of the acquisition were assumed to amount to a flat 1% of the total acquisition costs. A precise determination was not possible at the time of preparation of the Illustrative Financial Information (MAN and Scania). In accordance with the assumptions regarding the acquisition, the costs of the acquisition of all shares of Scania in the Illustrative Financial Information (MAN and Scania) are calculated as follows:

Acquisition of Scania AB

(Shares (in millions)/€ million)	
Scania shares outstanding	**200**
Offering price for the shares outstanding	51.29
Total offer value (based on 100% acceptance)	10,258
Ancillary acquisition costs	102
Acquisition costs, total	**10,360**
Financing of the acquisition	
Credit Facility	8,563
New MAN AG shares	1,797
Financing, total	**10,360**
New MAN AG shares issued in transaction	26.7
in % of MAN's existing shares	18.15

The MAN Group intends to finance the cash element of the acquisition of Scania by way of its Senior Credit Facility. The Senior Credit Facility carries a variable interest rate based on a spread over EURIBOR. Illustrative interest expenses for the acquisition related drawings under the Senior Credit Facility are calculated based

on a spread over average EURIBOR in 2005 and the nine-month period from January to September 2006 and result in interest expenses of €223 million for the year 2005 and €214 million for the nine-month period from 1 January to 30 September 2006.

Since the Acquisition Offer contains an All Cash Alternative, the number of new MAN AG shares used in the transaction may vary depending on how many Scania shareholders choose the Basic Alternative. The presentation of the Illustrative Financial Information MAN and Scania assumes that all remaining Scania shareholders choose the Basic Alternative instead of the All Cash Alternative. The table below shows the sensitivity of capital increase, debt financing and interest expenses as well as net income effect after taxes for the year ended 31 December 2005 and the first nine-month period ended 30 September 2006 with respect to the portion of Scania shareholders choosing the Basic Alternative.

Illustrative overview of financing of the acquisition of Scania, interest and net income effects

Percent of Scania Shareholders choosing the Basic Alternative (in %)	Financing Structure			Year ended Dec 31 2005		First 9 months 2006	
	New MAN AG shares used (million)	Capital increase (€ millions)	Debt financing (€ millions)	Interest expenses (€ millions)	Net income effect (€ millions)	Interest expenses (€ millions)	Net income effect (€ millions)
100	26,686	1,797	8,563	223	156	214	150
90	24,018	1,617	8,743	227	160	218	153
75	20,015	1,348	9,012	234	165	225	158
0	0	0	10,360	269	189	259	181

Purchase price allocation with regard to the initial consolidation of Scania

Business combination accounting in accordance with IFRS 3 "Business Combinations" is performed by identifying an acquirer, date of acquisition, acquisition cost and the purchase price allocation.

The consolidation difference from the acquisition of Scania before any purchase price allocation is calculated as of 1 January 2006. MAN has assumed that Scania's equity as of 1 January 2006 was identical with the equity as of 31 December 2005.

Illustrative consolidation difference from an acquisition of Scania

(in € millions)	
Indicative purchase price including transaction costs	10,360
Equity Scania before minority interest per 1 January 2006	2,527
Difference between purchase price and acquired equity before purchase price allocation	7,833

In accordance with IFRS 3 "Business Combinations" the purchase price for the Scania shares to be acquired must be allocated to the corresponding assets, liabilities and contingent liabilities ("purchase price allocation"). No purchase price allocation could be performed for purposes of this Illustrative Financial Information (MAN and Scania), because only publicly accessible data was available as of the date of this Prospectus. The total difference in the amount of €7,833 million was reported as a consolidation difference in intangible assets. Anyone reviewing the Illustrative Financial Information (MAN and Scania) should note that once all information is available (after the actual acquisition of Scania), the purchase price allocation to be performed will lead to the recognition of hidden reserves and charges in the assets, liabilities and contingent liabilities of Scania. This will result in reductions in profits due to the depreciation/amortisation that have to be undertaken then (for more information, see *"Introduction—Allocation of the Purchase Price to the Acquired Assets and Liabilities"*).

For an illustrative approximation of the effects of the purchase price allocation yet to be performed MAN management has estimated bandwidths for potential hidden reserves and charges in those balance sheet items which would presumably be most affected by an actual purchase price allocation as well as average useful lives for these items.

Illustrative Overview of Effects from a Potential Purchase Price Allocation

(in € millions, unless indicated otherwise)	PPA% Low	PPA% High	Allocation Low	Allocation High	Average Useful Life	Effect on income year 1 Low	Effect on income year 1 High	Effect on income year 2 Low	Effect on income year 2 High
Intangible assets—amortisation	25%	35%	1,958	2,742	8	-245	-343	-245	-343
Intangible assets—no amortisation	15%	25%	1,175	1,958	0	0	0	0	0
Tangible assets	5%	10%	392	783	15	-26	-52	-26	-52
Inventories, Order backlog (intangible assets)	5%	10%	392	783	1	-392	-783	0	0
Fair value adjustments	**50%**	**80%**	**3,917**	**6,266**					
Operating Profit impact						**-663**	**-1,178**	**-271**	**-395**
Deferred taxes			**-1,167**	**-1,868**		**197**	**351**	**81**	**118**
Potential earnings effect after deferred taxes						**-465**	**-827**	**-190**	**-277**
Goodwill			**5,084**	**3,434**					
Consolidation difference total			**7,833**	**7,833**					

MAN has applied a number of illustrative assumptions in its determination of the earnings impact of a potential purchase price allocation. Specifically, MAN assumes that between 25% and 35% of the residual value, meaning the difference between the purchase price paid and the net assets acquired, or €1,958 million to €2,742 million could be allocated to intangible assets such as technology-based intangible assets, like patent and unpatented technology and customer-related intangible assets, such as customer contracts and related customer relationship. Based on MAN's accounting policies, MAN assumes that these assets would have an average useful life of 8 years, resulting in annual amortisation of between €245 million and €343 million in the first and second year following the transaction. Furthermore, MAN assumes that between 15% and 25% of the residual value or €1,175 million to €1,958 million could be allocated to intangible assets with an indefinite lifetime such as the trade name. These intangible assets would not be subject to amortisation but to an annual impairment test. MAN further makes the assumption that between 5% and 10% of the residual value or €392 million to €783 million could be allocated to tangible assets such as property, plant and equipment. MAN assumes that these assets are depreciated over an average useful life of 15 years resulting in annual depreciation of between €26 million and €52 million in the first and second year following the transaction. In addition, MAN assumes that between 5% and 10% or €392 million to €783 million of the residual value could be allocated to inventories, work in progress and order backlog (recognised as intangible assets). MAN assumes that the realisation of sales associated with these items would take place within one year following the transaction. Resulting expenses including amortisation of capitalised order backlog would amount to between €392 million and €783 million in the first year following the transaction.

The total step up to derive the fair values of the tangible and intangible assets acquired leads to a bandwidth between 50% and 80% of the residual value being allocated to the assets acquired. According to management's assumptions the book values of the liabilities equal their fair market values and therefore no additional liabilities have been considered in the potential purchase price allocation. After deducting deferred taxes, this would lead to a goodwill in a range between €3,434 million and €5,084 million. Goodwill capitalised is subject to an annual impairment test. Due to the depreciation, amortisation and expense of the capitalised residual value arising from the business combination, operating profit would decline by between €663 million and €1,178 million in the first year following the purchase price allocation and between €271 million and €395 million in the second year. After taxes, calculated on the basis of an average tax rate of 30%, net income would decline by between €465 million and €827 million in the first year following the purchase price allocation and between €190 million and €277 million in the second year.

The results of the illustrative purchase price allocation above can deviate substantially from the actual conditions, because to date only publicly accessible information on Scania has been available. The future depreciation/amortisation in the MAN Group after initial consolidation of Scania could therefore differ substantially from the bandwidths outlined above.

Average tax rate of the combined group MAN and Scania

The Illustrative Financial Information (MAN and Scania) assumes that the financing costs are fully tax deductible. Accordingly, an average tax rate for the Combined Group based on the figures for fiscal 2005 was assumed:

Assumed Average MAN and Scania Combined Tax Rate

(in € millions)	
Tax expense in fiscal 2005	
MAN Group adjusted	160
Scania Group	226
Total	386
Earnings before taxes on income (EBT)	
MAN Group adjusted	567
Scania Group	729
Total	1,296
Assumed average tax rate of the Combined Group	30%

Foreign currency translation of Scania's financial statements

Foreign currency translation is performed based on the functional currency concept pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates." Due to the lack of information, Scania's income statement items from the consolidated financial statements for the year ended 31 December 2005 have been translated at an average 2005 rate of 9.2844 SEK/EUR. Scania's consolidated interim financial statements as of 30 September 2006, have been presented by Scania with a convenience translation to Euro at a balance sheet date exchange rate of 9.27 SEK/EUR. To allow for reconciliation to the consolidated interim financial statements of Scania for the nine-month period ended 30 September 2006 MAN has used the translated figures provided in these published financial statements. Accordingly, MAN has not recognised any additional translation differences in Scania's equity.

Uniform presentation of MAN's and Scania's financial information

In terms of presentation, MAN's and Scania's financial statements differ in particular concerning the presentation of customer finance business and the level of detail. MAN AG adjusted the presentation of selected balance sheet and income statement lines in order to arrive at a uniform and more informative structure of MAN's and Scania's Financial Information based on information in Scania's consolidated financial statements as of and for the year ended 31 December 2005 and consolidated interim financial statements as of and for the nine-month period ended 30 September 2006.

Specifically, MAN has undertaken the following adjustments in the income statement:

- Research & development expenses and bad debt expenses of Scania have been reclassified to other operating expenses, and
- net interest of MAN's Financial Service business has been reclassified to Cost of Sales.

In the consolidated interim balance sheet as of 30 September 2006, MAN has undertaken the following adjustments:

- Lease assets from customer finance of Scania and MAN have been reclassified from tangible assets to a separate line "Assets from operating lease" within a separate section "Customer Finance Assets";
- Financial receivables from Scania's customer finance activities have been reclassified from non-current and current interest bearing receivables to a separate line "Financial leases" within the section "Customer Finance Assets";

- Trade receivables for Scania have been excluded from other current receivables and reclassified to "Trade receivables" using an estimated allocation key based on the actual allocation in the consolidated balance sheet as of 31 December 2005;
- Trade payables for Scania have been excluded from other current liabilities and reclassified to "Trade payables" using an estimated allocation key based on the actual allocation in the consolidated balance sheet as of 31 December 2005;
- Financial liabilities from Scania's customer finance activities have been reclassified from interest bearing liabilities to a separate section "Liabilities from Customer Finance"; and
- Deferred income from sales with buyback obligation which are accounted for as operating leases by MAN has been reclassified from other liabilities to a separate section "Liabilities from Customer Finance".

To provide for a better overview of the Financial Information, MAN has also summarised some smaller line items in the income statement and the balance sheet.

Illustrative financial information (MAN and Scania) for the year ended 31 December 2005

The following table provides an overview of the summary illustrative consolidated income statement of MAN and Scania for the year ended 31 December 2005. Regarding sources of financial data of MAN and Scania, please refer to the section *"Introduction"* above.

Summary illustrative income statement from 1 January to 31 December 2005[1)]

(in € millions)	MAN (adjusted unaudited)	Scania (audited translated)	Purchase	Illustrative MAN + Scania (Unaudited and only based on published financial information)
Sales	**11,500**	**7,012**		**18,512**
Cost of sales	-9,059	-5,242		-14,301
Gross profit	**2,441**	**1,770**	**0**	**4,211**
Other operating income	433	4		437
Selling and general administrative expenses	-1,377	-761		-2,138
Other operating expenses	-872	-276		-1,148
Net result from investments	45	1		46
Operating Profit	**670**	**739**	**0**	**1,409**
Net interest	-66	-10	-223	-299
Net result from non-recurring factors	-37	0		-37
Earnings before taxes	**567**	**729**	**-223**	**1,073**
Income taxes	-160	-226	66	-320
Net income	**407**	**502**	**-156**	**753**
Minority interest	-6	0		-6
Net income after minority interest	**401**	**502**	**-156**	**747**

[1)] This is not pro forma financial information within the meaning of the European Commission Regulation (EC) No. 809/2004 of 29 April 2004.

The column "Purchase" includes the interest expense net of tax shield resulting from the financing of the acquisition. No depreciation/amortisation from a purchase price allocation is reflected in this column. Regarding the underlying assumptions and sensitivities with respect to interest calculation and depreciation/amortisation resulting from an illustrative purchase price allocation please refer to the above section *"Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania)"*.

Illustrative Financial Information (MAN and Scania) for the Nine Month Period Ended 30 September 2006

Summary Illustrative Income Statement from 1 January to 30 September 2006[1)]

(in € millions)	MAN (as reported)	Scania (as reported)	Purchase	Illustrative MAN + Scania
Sales	**9,470**	**5,864**		**15,334**
Cost of sales	-7,333	-4,362		-11,695
Gross profit	**2,137**	**1,502**	**0**	**3,639**
Other operating income	229	4		233
Selling and general administrative expenses	-1,085	-595		-1,680
Other operating expenses	-567	-245		-812
Net result from investments	37	0		37
Operating Profit	**751**	**666**	**0**	**1,417**
Net interest	-44	-17	-214	-275
Net result from non-recurring factors	0	0		0
Earnings before taxes	**707**	**649**	**-214**	**1,142**
Income taxes	-183	-204	64	-323
Result from discontinued operations	153	0		153
Net income	**677**	**445**	**-150**	**972**
Minority interest	-8	0		-8
Net income after minority interest	**669**	**445**	**-150**	**964**

[1)] This is not pro forma financial information within the meaning of the European Commission Regulation (EC) No. 809/2004 of 29 April 2004 (for details see section *"Introduction"* above).

The column "Purchase" includes the interest expense net of tax shield resulting from the financing of the acquisition. No depreciation/amortisation from a purchase price allocation is reflected in this column. Regarding the underlying assumptions and sensitivities with respect to interest calculation and depreciation/amortisation resulting from an illustrative purchase price allocation please refer to the above section *"Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania)"*.

Summary Illustrative Consolidated Balance Sheet as of 30 September 2006[1)]

(in € millions)	MAN (as reported)	Scania (as reported)	Purchase	Illustrative MAN + Scania
Intangible assets	423	269	7,833	8,525
Tangible assets	1,637	2,128		3,765
Investments	637	16		653
Other non-current assets	466	225		691
Non-current assets	**3,163**	**2,638**	**7,833**	**13,634**
Inventories	3,338	1,087		4,425
Trade receivables	2,760	916		3,676
Liquid assets	1,152	1,050		2,202
Other current assets	951	411	64	1,426
Current assets	**8,201**	**3,464**	**64**	**11,729**
Assets from operating lease	2,406	748		3,154
Financial leases—non-current part	0	1,748		1,748
Financial leases—current part	0	813		813
Assets from Customer Finance	**2,406**	**3,309**	**0**	**5,715**
Total assets	**13,770**	**9,411**	**7,897**	**31,078**
Shareholders' Equity	**3,669**	**2,658**	**(880)**	**5,447**
Minority interest	24	1		25
Equity	**3,693**	**2,659**	**(880)**	**5,472**
Non-current financial liabilities	511	0	8,563	9,074
Pension obligations	1,060	388		1,448
Other non-current accruals and liabilities	736	719		1,455
Non-current accruals and liabilities	**2,307**	**1,107**	**8,563**	**11,977**
Current financial liabillities	617	798	214	1,629
Trade payables	1,455	618		2,073
Prepayments received	1,522	0		1,522
Other current accruals and liabilities	2,385	1,355		3,740
Current accruals and liabilities	**5,979**	**2,771**	**214**	**8,964**
Liabilities from Customer Finance	**1,791**	**2,874**		**4,665**
Total equity and liabillities	**13,770**	**9,411**	**7,897**	**31,078**

[1)] This is not pro forma financial information within the meaning of the European Commission Regulation (EC) No. 809/2004 of 29 April 2004 (for details see section *"Introduction"* above).

The column "Purchase" includes the acquisition cost and its financing. The consolidation difference is presented under intangilble assets; no purchase price allocation has been undertaken. Regarding the presentation of the illustrative consolidated balance sheet, underlying assumptions and sensitivities with respect to financing of the Acquisition Offer, interest calculation and effects from an illustrative purchase price allocation please refer to the above section *"Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania)"*.

The adjustment of Equity in the column "Purchase" is calculated as the capital increase through issuance of new MAN AG shares, offset by the elimination of Scania's equity per 1 January 2005 and the negative impact of interest expenses on net income post tax.

As outlined in the *"Assumptions Underlying the Preparation of the Illustrative Financial Information (MAN and Scania),"* it is assumed that the capital increase was completed as of 1 January 2006. The assumption includes the issue of a total of 26,686,493 million new MAN AG shares.

Liabilities from interest expenses have been included in current financial liabilities whereas the corresponding deferred taxes have been included in other current assets.

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FINANCIAL STATEMENTS

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AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF MAN AS OF AND FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2005 (IFRS)

MAN GROUP: CONSOLIDATED INCOME STATEMENT FOR FISCAL 2005

		MAN Group		Industrial Business		Financial Services	
(€ million)	Note	2005	2004	2005	2004	2005	2004
Net sales	(35)	14,671	14,038	14,371	13,749	300	289
Cost of sales		–11,729	–11,276	–11,497	–11,056	–232	–220
Gross margin		2,942	2,762	2,874	2,693	68	69
Other operating income	(8)	474	263	415	208	59	55
Selling expenses		–931	–927	–926	–922	–5	–5
General administrative expenses		–703	–628	–694	–621	–9	–7
Other operating expenses	(9)	–1,070	–855	–1,026	–822	–44	–33
Net P/L from associated affiliates	(10)	46	–	46	–	–	–
Other income from investments	(10)	–1	–6	–1	–6	–	–
EBIT		757	609	688	530	69	79
Interest income	(11)	38	23	37	23	1	0
Interest expense	(11)	–157	–190	–115	–138	–42	–52
EBT		638	442	610	415	28	27
Income taxes	(12)	–181	–122	–171	–113	–10	–9
Net result of discontinued operations		15	–2	15	–2	–	–
Net income		472	318	454	300	18	18
Minority interests		10	15	10	15	–	–
Net income after minority interests		462	303	444	285	18	18
EpS of continuing operations in €	(13)	3.04	2.08	2.92	1.96	0.12	0.12

MAN GROUP: CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2005

ASSETS		MAN Group		Industrial Business		Financial Services	
(€ million)	Note	12/31/05	12/31/04	12/31/05	12/31/04	12/31/05	12/31/04
Intangible assets	(15)	455	413	454	412	1	1
Tangible assets	(16)	1,882	1,992	1,726	1,863	156	129
Shares in associated affiliates	(17)	147	2	147	2	–	–
Other investments	(17)	156	161	154	160	2	1
Assets leased out	(18)	2,408	2,252	1,619	1,623	789	629
Deferred tax assets	(12)	356	394	355	391	1	3
Other noncurrent assets	(21)	131	186	131	186	–	–
Noncurrent assets		**5,535**	**5,400**	**4,586**	**4,637**	**949**	**763**
Inventories	(19)	3,453	3,393	3,445	3,386	8	7
Trade receivables	(20)	3,177	2,962	2,725	2,752	452	210
Income tax assets		33	104	33	104	–	–
Other current assets	(21)	609	759	537	693	72	66
Short-term securities		172	157	172	157	–	–
Cash & cash equivalents		1,019	604	1,009	602	10	2
Current assets		**8,463**	**7,979**	**7,921**	**7,694**	**542**	**285**
		13,998	**13,379**	**12,507**	**12,331**	**1,491**	**1,048**

EQUITY & LIABILITIES

EQUITY & LIABILITIES		MAN Group		Industrial Business		Financial Services	
(€ million)	Note	12/31/05	12/31/04	12/31/05	12/31/04	12/31/05	12/31/04
Capital stock		376	376				
Additional paid-in capital		795	795				
Retained earnings		2,043	1,729				
Accumulated OCI		6	–21				
Stockholders' equity		**3,220**	**2,879**	**3,088**	**2,733**	**132**	**146**
Minority interests		58	86	58	86	–	–
Total equity	**(22)**	**3,278**	**2,965**	**3,146**	**2,819**	**132**	**146**
Noncurrent financial liabilities	(23)	336	366	22	67	314	299
Pension obligations	(24)	1,185	1,716	1,183	1,714	2	2
Deferred tax liabilities	(12)	385	352	357	317	28	35
Other noncurrent accruals	(25)	420	424	420	424	0	0
Other noncurrent liabilities	(26)	1,132	1,149	1,132	1,149	–	–
Noncurrent liabilities and accruals		**3,458**	**4,007**	**3,114**	**3,671**	**344**	**336**
Current financial liabilities	(23)	682	387	566	369	116	18
Due to/(from) intragroup financing		–	–	–677	–301	677	301
Trade payables		1,679	1,622	1,552	1,510	127	112
Prepayments received		1,740	1,399	1,740	1,397	0	2
Current income tax liabilities		121	66	121	66	0	0
Other current accruals	(25)	1,255	1,134	1,229	1,100	26	34
Other current liabilities	(26)	1,785	1,799	1,716	1,700	69	99
Current liabilities and accruals		**7,262**	**6,407**	**6,247**	**5,841**	**1,015**	**566**
		13,998	**13,379**	**12,507**	**12,331**	**1,491**	**1,048**

MAN GROUP: CONSOLIDATED CASH FLOW STATEMENT 2005

	MAN Group		Industrial Business		Financial Services	
(€ million)	2005	2004	2005	2004	2005	2004
EBT	638	442	610	415	28	27
Current income taxes	–109	–119	–101	–104	–8	–15
Amortization/depreciation/write-down of tangible/intangible assets and investments	378	402	369	363	9	39
Increase in pension accruals	56	38	56	37	0	1
Undistributed P/L of associated affiliates	–47	–	–47	–	–	–
Other noncash income and expenses	–40	–1	–40	–1	–	–
Cash earnings	**876**	**762**	**847**	**710**	**29**	**52**
Change in inventories	–129	–316	–129	–328	0	12
Change in prepayments received	371	217	372	217	–1	0
Change in trade receivables	–119	–158	130	–15	–249	–143
Change in trade payables	60	10	46	48	14	–38
Change in assets leased out	–169	–224	–13	–325	–156	101
Change in income tax assets/liabilities	129	3	129	3	0	0
Change in other accruals	142	202	151	199	–9	3
Change in other assets	–44	–61	–148	–67	104	6
Change in other liabilities	159	482	200	432	–41	50
Elimination of the net gain/loss from fixed-asset disposal	–11	–11	–12	–10	1	–1
Other changes in working capital	2	40	3	34	–1	6
Net cash provided by/(used in) operating activities	**1,267**	**946**	**1,576**	**898**	**–309**	**48**
Cash outflow for additions to tangible/ intangible assets	–412	–357	–379	–327	–33	–30
Cash outflow for additions to investments	–27	–32	–25	–32	–2	–
Cash outflow for shares in consolidated subsidiaries	–1	–	–1	–	–	–
Cash inflow from fixed-asset disposal	62	48	58	45	4	3
Cash inflow from the disposal of discontinued operations	0	–	0	–	–	–
Net cash used in investing activities	**–378**	**–341**	**–347**	**–314**	**–31**	**–27**
Free cash flow from operating and investing activities	**889**	**605**	**1,229**	**584**	**–340**	**21**
Intragroup dividend distribution	–	–	19	20	–19	–20
Dividend payout	–159	–117	–159	–117	–	–
Securities sold/(purchased)	–12	14	–12	14	–	–
Financial liabilities (redeemed)/incurred	156	–266	58	–284	98	18
Change in intragroup finance	–	–	–265	20	265	–20
Special endowment of pension plan	–500	–	–500	–	–	–
Net cash (used in)/provided by financing activities	**–515**	**–369**	**–859**	**–347**	**344**	**–22**
Net change in cash & cash equivalents	**374**	**236**	**370**	**237**	**4**	**–1**
Opening cash & cash equivalents	**604**	**380**	**602**	**377**	**2**	**3**
Consolidation-related change in cash & cash equivalents	**5**	**3**	**4**	**1**	**1**	**2**
Parity-related change in cash & cash equivalents	**36**	**–15**	**33**	**–13**	**3**	**–2**
Closing cash & cash equivalents	**1,019**	**604**	**1,009**	**602**	**10**	**2**

The cash flow from operating activities includes the cash inflow from interest of €38 million (up from €23 million), as well as the cash outflow for interest of €71 million (down from €102 million) and for income taxes refunded at €24 million (up from €115 million of income taxes paid).

MAN GROUP: CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2005

(€ million)	Capital Stock	Additional Paid-In Capital	Retained earnings	Accumulated OCI: Currency translation differences	Accumulated OCI: Statement at FV of fin. instruments	Minority interests	Total
Balance at Dec. 31, 2003	376	795	1,535	–49	2	64	2,723
Dividend payout			–110			–7	–117
Net income for 2004			303			15	318
Currency translation effects				5		–1	4
Changes in unrealized gains/losses					17	6	23
All other changes			1	4		9	14
Balance at Dec. 31, 2004	376	795	1,729	–40	19	86	2,965
Dividend payout			–154			–5	–159
Net income for 2005			465		–3	10	472
Currency translation effects				41	1	2	44
Changes in unrealized gains/losses					–12		–12
All other changes			3			–35	–32
Balance at Dec. 31, 2005	376	795	2,043	1	5	58	3,278

The *all other changes* line reflects changes in the OCI of associated affiliates at €12 million (up from 0 million), as well as minority interests in the equity of Schwäbische Hüttenwerke (disposed of in 2005) at a negative €36 million.

The total accumulated OCI of €6 million (up from a negative €21 million) breaks down into €8 million allocable to Industrial Business (up from a negative €37 million), and a red €2 million to Financial Services (down from a black €16 million). For further details of equity, see Note (22).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) General

The consolidated financial statements of MAN AG for the fiscal year ended December 31, 2005, conform with the International Financial Reporting Standards (IFRS, which include the International Accounting Standards, or IAS) of the International Accounting Standards Board (IASB), London, UK. Moreover, all such Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as require application in fiscal 2005 have been duly taken into account. All the Standards applied have also been adopted by the Commission of the European Union (EU).

With a view to deepening the insight into the MAN Group's net assets, financial position and results of operations, MAN AG has additionally broken down the consolidated financial information into Industrial Business and Financial Services. Industrial Business covers all MAN Group companies other than Financial Services. The allocation of assets leased out differs from that in the segment reports in Note (35). The balances from eliminating intragroup transactions between Financial Services and Industrial Business have been assigned to the latter segment.

(2) Consolidation

(a) Consolidation group

Besides MAN AG as the parent, all subsidiaries are included whose financial and business policies can be controlled by MAN AG under the articles of association of, or an intercompany or other contractual agreement with, any such subsidiary. This control is attributable to MAN AG directly or indirectly holding the voting majority of virtually all its subsidiaries, an exception being Intermesa Trading Ltda., a Brazilian company in which MAN Ferrostaal AG holds a 48.5-percent stake and whose control by MAN has been contractually agreed upon.

Companies acquired during the fiscal year are included *pro rata temporis* (p.r.t.) as from the date at which control over financial and business policy is transferred, while those disposed of during the fiscal year are excluded from consolidation as from the date of transfer of beneficial ownership.

Number of consolidated companies

	Germany	Abroad	Total
Included as of December 31, 2004	74	120	194
Newly included in fiscal 2005	5	17	22
Excluded in fiscal 2005	12	6	18
Included as of December 31, 2005	67	131	198

One addition to the consolidation group as of December 31, 2005, refers to Truck and Securitisation Ltd. (TARS), a London-based company that finances part of the customer leases in Great Britain. The inclusion became necessary when, upon amendment of the underlying contracts, MAN had thereunder assumed a material portion of this company's risks. The remaining newly included companies are several smallish firms.

Selected consolidated companies are listed on pages 161 and 162. A complete listing of the MAN Group's shareholdings will be filed with the Commercial Register of the Local Court of Munich under no. HRB 78 706.

(b) Consolidation principles

The consolidated financial statements are based on MAN AG's and its consolidated subsidiaries' annual financial statements as prepared in accordance with groupwide uniform accounting and valuation principles.

The purchase method is used for capital consolidation. The book values of assets and liabilities—particularly intangible assets—in the acquiree's accounts are reviewed and, on certain conditions, re-accounted for and/or restated to their fair value. Any difference between the purchase cost of the acquiree and the prorated equity is allocated to one or more cash-generating units (CGUs) and capitalized as goodwill. The CGU including the assigned goodwill is tested for impairment at least once annually and, if found impaired, written down to its current fair value.

All intercompany accounts (profits, gains, losses, income, expenses, receivables and payables) among companies included in the consolidated financial statements, as well as intercompany profits/losses from intragroup transfers of inventories and noncurrent assets, are all eliminated. Deferred taxes are calculated for consolidation transactions recognized in net income.

(c) Currency translation

The consolidated financial statements are prepared in €. The functional currency method is used to translate the financial statements of non-Euroland companies. Balance sheet lines are translated at the current, and income statement captions at the annual average, rates. The annual average rates are derived from the monthly means.

In the fixed-asset schedule, accruals analysis and statement of changes in equity, the fiscal year's opening and closing balances as well as consolidation group changes are translated at the applicable current rates, while for the remaining balance sheet lines, the annual average rates are used. Differences from the prior-year currency translation of balance sheet captions are recognized in equity only (OCI).

The Euro (€) Exchange Rates of Major Currencies are as Follows:

	Current rate of €1 at		Average rate of €1 in	
	12/31/2005	12/31/2004	2005	2004
US dollar	1.1797	1.3621	1.2456	1.2424
Pound sterling	0.6853	0.7051	0.6839	0.6795
Danish krone	7.4605	7.4388	7.4516	7.4400
Swiss franc	1.5551	1.5429	1.5473	1.5445
Swedish krona	9.3885	9.0206	9.2844	9.1283
Polish zloty	3.8600	4.0845	4.0313	4.5429
Japanese yen	138.90	139.65	136.92	133.93
South African rand	7.4642	7.6897	7.8901	7.9721
Canadian dollar	1.3725	1.6416	1.5122	1.6162

(3) Accounting and Valuation

(a) Income/gains and expenses/losses

Sales are recognized as and when the underlying products or goods have been delivered or the services rendered and after risk has passed to the customer, always net after all sales deductions, such as cash and other discounts, allowances granted to customers, etc. Revenues from customized manufacturing contracts are recognized on a percentage-of-completion (PoC) basis, see note (g) hereof for details.

Sales where a Group company incurs a buy-back obligations are accounted for as operating leases.

Operating expenses are recognized when the underlying products or services are utilized, whereas expenses for advertising and sales promotion and other sales-related expenses are recognized when incurred. We provide for accrued warranty obligations when the products are sold. Interest and other cost of debt are expensed in the period.

(b) Intangible assets

Separately acquired intangible assets are capitalized at purchase cost. According to IFRS 3, intangibles acquired in a business combination have since fiscal 2004 been capitalized at fair value as of the acquisition date.

Finite-lived intangibles are amortized on a straight-line basis over their useful lives. The amortization range of software varies between three and eight years, while licenses and similar rights or assets are amortized over the agreed or contractual term of use. Intangible assets whose useful life cannot be determined are not amortized but tested at least once annually for impairment. If found impaired, they are written down to their current fair value. If the fair value of an intangible asset (other than goodwill) previously written down rebounds, the intangible asset is written up accordingly.

Intangible assets created through research activities are not capitalized but directly expensed. Expenses incurred for the development of new products and series are capitalized when the new products or series are found technically feasible and scheduled for internal use or marketing. Development expenditures are not capitalized unless future cash inflows are highly probable to recover them. Capitalized development costs are amortized as from the date of market roll-out. Amortization is charged on a straight-line basis, as a rule over five to seven years (ten years within Diesel Engines).

(c) Tangible assets

Tangible assets are carried at historical (purchase or production) cost, less depreciation and, where appropriate, write-down. The production cost of internally manufactured tangibles includes all direct costs (labor and materials), as well as prorated indirect materials and indirect labor.

Unless subject to capitalization, maintenance and repair (M&R) costs are expensed, as are interest costs in the period of their incurrence.

Tangible assets are depreciated according to the straight-line method over their estimated useful lives. Tangibles whose fair value has decreased below net book value are written down to their current fair value. If the fair value of an asset previously written down rises again, the asset is written up accordingly.

The Groupwide Uniform Asset Depreciation Ranges are Based on the Following Useful Lives:

	Years
Buildings	20 to 50
Land improvements	8 to 20
Production plant and machinery	5 to 15
Factory and office equipment	3 to 10

(d) Associated affiliates

Associated affiliates are investees on which MAN AG exerts significant influence, which is generally deemed to apply if a voting interest of 20 to 50 percent is held. Associated affiliates are carried at equity.

Associated affiliates are capitalized at cost. Subsequently, MAN AG's share in the profits or losses generated after the acquisition date is recognized in the income statement as income from investments. Any other changes in equity are recognized in equity only. Intercompany profits/losses from business transacted

between Group companies and associated affiliates are eliminated pro rata within the net P/L from associated affiliates.

(e) Leasing, assets leased out

Leases for tangible assets (investment leases) where substantially all the risks and rewards incidental to beneficial ownership of the leased asset are transferred to an MAN Group company are capitalized and therefore treated as capital leases (*a.k.a.* finance leases). In these cases, the lessee recognizes the leased asset and a corresponding financial liability. All other leases where MAN Group companies are lessees are accounted for as operating leases, the lease payments being expensed.

Assets leased out under operating leases (customer financing) and products sold subject to a buyback obligation are recognized by the lessor at production cost to the Group and depreciated on a straight-line basis over the underlying lease term or until bought back, respectively.

(f) Inventories

Inventories are stated at the lower of (purchase or production) cost or net realizable value. Production cost includes all manufacturing-related direct costs, as well as proratable fixed and variable indirect materials and indirect labor. The allocable overheads are mostly determined on a normal workload basis; in all other cases, their allocation is based on the actual, if corresponding to the normal, capacity utilization rate. General administrative and selling (GAS) expenses are not capitalized, nor are any debt interest costs.

Raw materials and merchandise are generally priced at average purchase cost. Risks resulting from slow-moving items and from the obsolescence or reduced utility of inventories, as well as uncompleted contracts that involve impending losses, are allowed for by writing inventories down to their net realizable values.

(g) Customized manufacturing contracts

Contracts for customized manufacture (or construction) are recognized according to the percentage-of-completion (PoC) method: Based on agreed revenues and expected contract costs, sales and cost of sales are recognized by prorating them at the PoC achieved by the balance sheet date. The contract progress, or PoC, is as a rule determined either on a cost-to-cost basis (i.e., from the ratio the costs incurred by the balance sheet date bear to the expected total contract costs), or on the basis of agreed milestones in cases where new and complex contracts are involved. In the balance sheet, the contract portions proratable according to such PoC are shown as trade receivables net after deducting customer prepayments.

Expected losses on customized manufacturing contracts (so-called onerous contracts) are immediately and fully expensed. Where the estimate of the outcome (P/L) of a PoC contract is not yet sufficiently reliable, revenues are recognized only at the amount of contract costs actually incurred.

(h) Receivables

Receivables and other assets are generally valued at principal or par. Non- or low-interest receivables with a remaining term above 3 months are discounted at 4.0 percent. Receivables which are highly probable to be uncollectible are fully written off (specific bad-debt allowance). A flat allowance for doubtful accounts provides for the general collection risk on the basis of empirical data.

(i) Securities

Securities, if available for sale, are carried at fair value (as a rule the stock market price), the differences between cost and fair value being recognized as other comprehensive income (OCI) within equity, after duly accounting for deferred taxes.

(j) Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between tax bases and book values, for consolidation transactions recognized in net income, as well as for tax loss carryovers. Deferred taxes are calculated at the tax rates current at December 31, 2005; in Germany, this rate is 39.9 percent (up from 39.4). The increase is attributable to a higher average municipal factor applied to the municipal trade tax of German Group companies.

Deferred tax assets are not recognized unless the attendant tax reductions will probably materialize. Deferred taxes account only for those amounts of loss carryovers for which taxable income sufficient for realizing the deferred tax assets is expected in the future.

(k) Pension obligations

Pension obligations are determined according to the projected unit credit (PUC) method by measuring the defined benefit obligations on the basis of the prorated entitlements acquired by the balance sheet date, duly taking into account assumptions of the future trend of certain parameters that impact on future pension levels.

Pension accruals only show that part of the benefit obligations which already had been recognized in the income statement. Moreover, the fair value of pension plan assets has been deducted. The DBO portion not yet recognized as pension accruals is based on actuarial gains and losses. Actuarial losses in excess of a 10-percent range of the DBO's present value will additionally be recognized in expense over a maximum period of 10 years.

(l) Other accruals

The other accruals provide for all identifiable risks and uncertain commitments at the amount likely to be realized or utilized. Warranty accruals provide for the obligations on the basis of previously incurred warranty expenses, the warranty period and the sale of warranted products, as well as for specific warranties for known claims. Accrued costs yet to be billed, impending losses on uncompleted contracts and other business obligations are provided for at the best estimate of future cash outflows, as a rule the future production cost thereof. Noncurrent accruals are discounted at an annual rate of 4.0 percent. Accruals for obligations owed in kind are not discounted since they are predicated on current prices.

(m) Financial derivatives and hedges

The MAN Group uses various financial derivatives to hedge current or planned/forecasted underlying transactions. Financial derivatives of relevance to the MAN Group are currency forwards and interest rate swaps.

According to IAS 39, financial derivatives are measured at fair (market) value. The fair value of currency forwards is determined on the basis of the forward rate as of December 31 for the remaining term of each contract in relation to the contracted forward rate. We determine the fair value of forex options by means of generally accepted option pricing techniques, key factors being the residual term, the reference interest rate and the current exchange rate and its volatility. The fair value of interest rate swaps is obtained by discounting the expected future cash flows over the remaining contract term on the basis of current market rates and the yield curve. If their fair value is positive, financial derivatives are shown within the *other current assets* and, if negative, as *other current liabilities*.

For derivative financial instruments that bear a hedging relationship, the changes in fair value in the fiscal year are recognized in accordance with the underlying hedge type.

If the currency forward hedges an effective underlying transaction (including, without being limited to, an uncompleted contract or a trade receivable), or if an interest rate hedge provides cover for the rate fluctuation risks attaching to fixed-rate receivables from customer financing and leasing, this is a fair value

hedge (FVH). In this case, changes in the hedge's and the underlying's fair values are recognized in net income.

Cash flow hedges (CFHs) basically include upstream exchange rate hedges for future sales revenues from series manufacture, for high-probability customer projects. In this case, any change in fair value is recognized in a separate equity line (*other comprehensive income*) after deducting deferred taxes. A CFH is restated as fair value hedge immediately when, and not after, the trade receivable has been recognized.

Any financial derivatives that fail to meet the stringent requirements of IAS 39 for a hedging relationship are considered instruments held for trading, and for these, any differences from fair value remeasurement are immediately and fully recognized in the income statement.

For details of the MAN Group's hedging strategy and current notional volumes, see Note (29).

(n) Estimates

Preparing the consolidated financial statements requires certain assumptions and estimates to be made for the valuation of some assets and liabilities and the disclosure of contingent liabilities, as well as for the recognition of income and expenses. This applies in particular to pension obligations, other accruals, the capitalization of deferred tax assets for loss carryovers and of development costs, as well as to the disclosure of leased assets. Actual values may differ from those estimates. If the original basis of an estimate changes, the effect of this balance sheet change is recognized in the income statement.

(4) Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and breaks down cash flows into those from operating, investing and financing activities. Effects of consolidation group changes are eliminated in the lines concerned. The net parity change in cash and cash equivalents is shown in a separate line. The indirect method is used to determine the cash flow from operating activities.

In the cash flow from operating activities, the noncash operating expenses and income, as well as the net gain/loss from the disposal of intangibles, tangibles and investments, are all eliminated. Cash earnings are shown in a separate line within this caption and represent the change in cash and cash equivalents attributable to the net income for the year.

The cash flow from investing activities reflects the cash outflow for tangible and intangible assets, investments (including those newly consolidated in the period), and assets leased out. This cash outflow is offset against the cash inflow from the disposal of tangible and intangible assets, investments, assets leased out, and discontinued operations. Cash and cash equivalents taken over are deducted from the expenditures for acquiring consolidated subsidiaries.

The cash flow from financing activities mirrors the cash dividends distributed, capital paid in by stockholders, cash inflow from and outflow for securities, as well as financial liabilities redeemed or newly raised. Cash and cash equivalents comprise cash on hand and in bank, as well as within the segments the receivables from MAN's intragroup finance transactions.

(5) Changed Accounting Methods and Rules

In fiscal 2005, we have retroactively changed our accounting for sales subject to buyback obligations. To the extent that the buyback obligation still existed after January 1, 2004, the revenue from any such sale has retrospectively been accounted for as lease instead of recognizing realized *net sales.* This changed accounting practice solely affects Commercial Vehicles and aims at enhancing the comparability of MAN financial information with that of our competitors. While the 2004 comparatives have been restated accordingly, the financial statement data of pre-2004 periods has not.

The changed accounting method has entailed an increase in *assets leased out* while on the liabilities side, the purchase price payments by customers have been shown as deferred income within the *other liabilities*. In the income statement, a lower total of *net sales* is disclosed since the revenue from the original sale is earned only in the amount of the difference between current selling price and future buyback price. Furthermore, accounting for an operating lease also implies that sales and profits are distributed over the lease term.

The changed accounting policy impacts on our financial information and indicators as follows:

	2005			2004		
(€ million)	Previous accounting	Change	Current accounting	Previous accounting	Change	Current accounting
Assets leased out	622	1,786	2,408	610	1,642	2,252
Deferred tax assets	312	44	356	350	44	394
Trade receivables	3,339	–162	3,177	2,993	–31	2,962
Equity	3,344	–66	3,278	3,031	–66	2,965
Other accruals	1,800	–125	1,675	1,735	–177	1,558
Other noncurrent liabilities	12	1,120	1,132	4	1,145	1,149
Other current liabilities	1,046	739	1,785	1,046	753	1,799
Net sales	14,955	–284	14,671	14,504	–466	14,038
Cost of sales	–12,023	294	–11,729	–11,724	448	–11,276
Gross margin	2,932	10	2,942	2,780	–18	2,762
Operating profit	765	–	765	566	–9	557
EBT	638	–	638	450	–8	442
Income taxes	–181	–	–181	–125	3	–122
Net income	472	–	472	323	–5	318
EpS in €	3.04	–	3.04	2.11	–0.03	2.08
ROS in %	5.1	0.1	5.2	3.9	0.1	4.0

In the segment reports in Note (35), vehicles sold subject to buyback obligations are shown within Commercial Vehicles. A certain number of the vehicles are leased through MAN Finance to customers. In MAN's consolidated financial statements, the changed accounting for vehicles leased out by MAN Finance has no impact at all.

In MAN's consolidated financial statements for fiscal 2005, we have applied for the first time the revised IAS 24, *Related Party Disclosures;* IAS 32, *Financial Instruments: Disclosure and Presentation*; and IAS 39, *Financial Instruments: Recognition and Measurement*. IAS 24 and IAS 32 have entailed additional disclosures in these notes.

As from fiscal 2005 and in line with IAS 39, expenses/losses and income/gains from hedge accounting are no longer offset against the corresponding profit contributions of the hedged underlyings. The new policy has resulted in an increase in other operating income/expenses and in a correspondingly higher total of cost of sales.

The requirements of IAS 39 for risk transfer upon the sale or factoring of receivables have become more stringent, meaning that a number of intragroup receivables sales transacted without sufficient risk transfer between Industrial Business companies and MAN Financial Services now result in a continuing involvement of the seller and therefore remain on the face of the balance sheet. The sale by the MAN Group of receivables to third parties is not affected by the changed rule, only segment reporting.

Another segment reporting change concerns the shift from the management to the risk & reward approach. This has implied that tangible assets leased intragroup via MAN Finance are now treated as capital-leased by, if ownership of the leased assets is likely at lease-end to be transferred to, the Group company as lessee.

In the wake of certain organizational changes, the Commercial Vehicles business area redefined in 2004 and 2005 the bases of expense allocation to selling and general administrative expenses.

Application of the new Interpretations IFRIC 4 and IFRIC 5 was not obligatory for 2005. No significant effects are expected from their application in future periods.

(6) Acquisition and Disposal of Investments, Call and Put Options

(a) Acquisitions

The MAN Group did not acquire any significant investments in 2005 or 2004.

(b) Disposals in 2005

In fiscal 2005, MAN AG shed a number of marginal (noncore) operations, such as its investments in Schwäbische Hüttenwerke GmbH, MAN Technologie AG, MAN WOLFF-KRAN GmbH, and MAN Logistics GmbH (including the subsidiaries of each investee). During the year, these companies were accounted for separately as discontinued operations according to IFRS 5.

The consolidated financial statements 2005 show the posttax result and the cash flow from the disposal of these companies in separate lines.

The divestments impacted on the financial statements 2005 as follows:

(€ million)	Sold at	Cash flow from operating activities	Total
Schwäbische Hüttenwerke	52	–5	47
MAN Technologie	2	–60	–58
MAN WOLFFKRAN	2	17	19
MAN Logistics	0.026	–8	–8
Total	**56**	**–56**	**0**

The cash flow from operating activities shows the outflow from the MAN Group of cash and cash equivalents after deconsolidation. The divestments produced total pretax and posttax profits of €23 million and €15 million, respectively (disclosed in a separate income statement line).

The prior-year comparatives in the income statement have been adjusted accordingly: Revenues and expenses of these investees have been eliminated and their posttax results shown separately, see page 120 for the changed figures. As permitted by IFRS 5, the prior-year balance sheet has not been adjusted. As of December 31, 2004, the discontinued operations reported noncurrent assets of €150 million, current assets of €226 million, noncurrent liabilities of €122 million, current liabilities of €169 million, and equity of €85 million.

The MAN Group's business areas disposed of further investments. MAN Nutzfahrzeuge has spun off its Penzberg plant into Automotive Components Penzberg GmbH and transferred its majority interest in this company under a management buyout agreement. Similarly, MAN B&W Diesel shed its heating system operations by MBO, too. The effects of these disposals are insignificant and included in the BUs' financial data.

(c) Disposals in prior years subject to call and put options

On December 7, 2004, Essen-based MAN Ferrostaal sold and transferred a majority stake in DSD Steel Group GmbH, a subsidiary bundling its structural steel business, to the Belgian Pirson Group. The 51-percent stake was sold at a price of €10.2 million while for the remaining 49 percent, put and call options exist that are

exercisable by Pirson as from 2007 and by MAN Ferrostaal as from 2010 on the basis of the then current value of the stake.

In fiscal 2003, the MAN Group sold and transferred its 51-percent stake in SMS AG to the Weiss family, which held the remaining 49 percent. The sale and transfer were effected in two lots of 25.5 percent each; the first lot was transferred in fiscal 2003 whereas for the remaining 25.5 percent, reciprocal put and call options have been negotiated, exercisable by MAN as from December 31, 2007.

(7) Adjustment of Prior-Year Comparatives

The changed accounting and valuation policies, methods and rules, as well as the accounting for discontinued operations in accordance with IFRS 5, have entailed the adjustment of the prior year's comparatives. In the balance sheet, only the lines mentioned in Note (5) are affected while in the income statement, the changes refer to the accounting for discontinued operations according to IFRS 5 and the revised method to account for sales subject to buyback obligations, as well as, at Commercial Vehicles, for cost of sales, selling and general administrative expenses.

Adjustments of the Consolidated Income Statement 2004

(€ million)	2004 published	Adjustment due to IFRS 5	Accounting change	2004 comparable
Net sales	14,947	–443	–466	14,038
Cost of sales	–12,125	381	468	–11,276
Gross margin	2,822	–62	2	2,762
Other operating income	270	–8	1	263
Selling expenses	–958	17	14	–927
General administrative expenses	–611	17	–34	–628
Other operating expenses	–892	28	9	–855
Net P/L from associated affiliates	1	–1	–	–
Other income from investments	–8	2	–	–6
EBIT	624	–7	–8	609
Net interest result of Financial Services	–52	–	–	–52
Net interest result of Industrial Business	–119	4	–	–115
EBT	453	–3	–8	442
Income taxes	–130	5	3	–122
Result of discontinued operations	–	–2	–	–2
Net income	323	–	–5	318
Minority interests	15	–	–	15
Net income after minority interests	308	–	–5	303
EpS in €	2.09	0.02	–0.03	2.08

In segment reporting, the changed allocation of receivables and leased tangibles has decreased the MAN Finance segment's book values as of December 31, 2004, by €571 million and €116 million, respectively, and increased the other segments' book values correspondingly. MAN Finance's inter-company transfers and the associated expenses have been reduced by €28 million. The prior-year data has been restated accordingly.

(8) Other Operating Income

Notes to the Consolidated Income Statement

(€ million)	2005	2004
Gains from financial instruments	142	15
Income from the release of accruals	91	42
Income from other trade business, net	71	53
Gains from the disposal of tangible/intangible assets	19	25
Miscellaneous	151	128
	474	263

The gains from financial instruments substantially reflect the results from hedges, which as from 2005 are no longer offset against the corresponding results from accounting for the underlyings.

(9) Other Operating Expenses

(€ million)	2005	2004
Research and development	333	320
Provisions in the year	272	171
Losses on financial instruments	121	17
Allowances for receivables	58	82
Write-down of goodwill	0	18
Miscellaneous	286	247
	1,070	855

The other operating expenses comprise the expenses not assigned to any of the functional expense categories (primarily to cost of sales); R&D expenses reflect only such portion as is neither contract-related production cost nor capitalized development costs. The miscellaneous other operating expenses have been incurred for legal, audit, counseling and consultancy fees, functionally unallocable personnel expenses, as well as a multitude of single items.

(10) Net Investment Income

(€ million)	2005	2004
Net P/L from associated affiliates	46	–
Other income from investees	6	11
Expenses from loss absorption	–1	–2
Write-down of investments	–7	–14
Write-up of investments	1	1
Net gain/(loss) from the disposal of investments	0	–2
	45	–6

The net P/L from associated affiliates substantially mirrors the net income proratable to MAN of CEL Consolidated Energy Ltd., Port of Spain, Trinidad & Tobago.

(11) Net Interest Expense

(€ million)	2005	2004
Interest and similar income	38	23
Interest and similar expenses	-71	-102
Interest portion of addition to pension accruals	-86	-88
	-119	-167

(12) Income Taxes

Breakdown of income tax expense:

(€ million)	2005	2004
Current taxes		
Germany	43	56
abroad	66	63
Deferred taxes		
Germany	88	13
abroad	-16	-10
	181	122

Reconciliation of Calculated to Actual Income Tax Expense:

(€ million)	2005	%	2004	%
EBT	638	100.0	442	100.0
Calculated income tax	255	39.9	174	39.4
Tax-free income	-43	-6.7	-23	-5.2
Foreign tax rate differentials	-40	-6.3	-27	-6.1
Statement at equity of associated affiliates	-17	-2.7	-	-
Utilization of loss carryovers not recognized in prior years	-7	-1.1	-21	-4.8
Non-utilization and adjustments of tax loss carryovers	25	3.9	7	1.6
Nondeductible business expenses	8	1.3	9	2.0
Effects of tax rate changes	1	0.2	-	-
Goodwill amortization	-	-	7	1.6
Taxes for prior years	-	-	-1	-0.2
Other	-1	-0.1	-3	-0.7
Actual tax expense	181	28.4	122	27.6

Income tax was calculated by applying a total 39.9 percent (up from 39.4) to EBT, this percentage being the combined result from municipal trade income tax at 18.4 percent, corporate income tax at 25.0 percent, solidarity surtax of 5.5 percent of corporate income tax less 4.9 percentage points for municipal trade income tax deductibility from the corporate income tax assessment base.

German companies have capitalized deferred tax assets for loss carryovers (corporate income tax and municipal trade tax) at a total €33 million (down from €84 million), foreign companies for their local taxes a total €14 million (up from €9 million). Tax loss carryovers exist at €658 million (up from €622 million) but have not been capitalized due to vague realizability.

The Deferred Taxes are Allocable to the Following Balance Sheet Lines:

(€ million)	12/31/2005	12/31/2004
Deferred tax assets		
Inventories and receivables	109	86
Other accruals	108	85
Pension accruals	87	124
Other liabilities	5	6
Loss carryovers	47	93
	356	**394**
Deferred tax liabilities		
Noncurrent assets	265	252
Inventories and receivables	96	61
Other assets	5	12
Untaxed/special reserves in separate fin. statements	8	9
Other accruals	11	18
	385	**352**

(13) Earnings per Share (EpS)

(€ million)	2005	2004
Net income after minority interests	462	303
thereof posttax P/L of discontinued operations	15	-2
Net income from continuing operations after minority interests	**447**	**305**
Number of shares outstanding (million)	147.0	147.0
EpS (€)	**3.04**	**2.08**

In accordance with IAS 33, the number of shares outstanding on an annual average is divided into the Group's net income from continuing operations after minority interests to obtain earnings per share. No unexercised stock options existed to dilute earnings per share, whether at December 31, 2005 or 2004. If MAN AG's contingent (authorized but unissued) capital is issued, earnings will be diluted in the future.

EpS of discontinued operations came to €0.10 (up from a negative €0.02).

(14) Additional Notes to the Consolidated Income Statement

Cost of Materials

(€ million)	2005	2004
Cost of raw materials, supplies, and merchandise purchased	6,820	6,919
Cost of services purchased	557	434
	7,377	7,353

Personnel Expenses

(€ million)	2005	2004
Wages and salaries	2,668	2,595
Social security taxes, pension expense and related employee benefits	639	582
	3,307	3,177

The pension expense of €181 million (down from €184 million), including €111 million (down from €114 million) for the Statutory Social Security Insurance, is part of the corresponding functional expenses and does not include the interest portion contained in the period's pension provision at €86 million (down from €88 million).

Annual Average Headcount

	2005	2004
Commercial Vehicles	33,645	33,955
Industrial Services	4,833	5,633
Printing Systems	8,981	9,319
Diesel Engines	6,650	6,670
Turbomachines	2,458	2,486
Others	2,321	2,308
	58,888	60,371

Breakdown of amortization/depreciation/write-down of fixed assets:

Amortization/Depreciation

(€ million)	2005	2004
of intangible assets	75	64
of tangible assets	269	283
	344	347

Write-Down

(€ million)	2005	2004
of goodwill	–	18
of tangible assets	20	20
of investments	14	17
	34	55

The reasons for write-down are explained in Notes (15) et seq.

Payments under operating leases totaled €18 million (up from €14 million).

NOTES TO THE CONSOLIDATED BALANCE SHEET

(15) Intangible Assets

(€ million)	Licenses, software, similar rights and assets	Capitalized development costs	Goodwill	Intangible assets
Gross book value at 1/1/2004	115	255	325	695
Accumulated amortization/write-down	-86	-98	-110	-294
Balance at 1/1/2004	**29**	**157**	**215**	**401**
Additions	21	74	-	95
Disposals	-1	-	-	-1
Amortization/write-down	-17	-47	-18	-82
Balance at 12/31/2004	**32**	**184**	**197**	**413**
Gross book value at 12/31/2004	125	329	197	651
Accumulated amortization/write-down	-93	-145	-	-238
Balance at 1/1/2005	**32**	**184**	**197**	**413**
Consolidation group changes	-1	-	-	-1
Additions	34	85	-	119
Disposals	-1	-	-	-1
Amortization/write-down	-17	-58	-	-75
Currency translation differences	0	0	-	0
Balance et 12/31/2005	**47**	**211**	**197**	**455**
Gross book value at 12/31/2005	**131**	**400**	**197**	**728**
Accumulated amortization/write-down	**-84**	**-189**	**-**	**-273**

The amortization charged in the period to finite-lived intangibles (licenses, software, similar rights and assets, as well as development costs) totaled €75 million (up from €64 million) and is included in the appropriate functional expense categories, mainly cost of sales, while no write-down was charged to goodwill in 2005 (down from €18 million).

Analysis of goodwill

(€ million)	Balance at 12/31/2005	Balance at 12/31/2004
Trucks	34	34
Buses	91	91
Commercial Vehicles	125	125
Web-fed presses (Printing Systems)	9	9
Medium-speed engines (Diesel Engines)	14	14
Turbomachines	49	49
	197	197

The goodwill has been assigned to the above business areas and originates exclusively from acquisitions and initial consolidation that took place prior to January 1, 2004.

We test goodwill at least once annually for impairment by contrasting the book value of the CGUs (to which the goodwill has been assigned) to their value in use. The latter is calculated by taking the expected future cash flows as stated in the current 3-year plan and discounting them at the MAN Group's WACC of 11.0 percent before taxes (DCF method). The cash flows are determined individually on the basis of the sales and cost plan for each segment to which goodwill has been assigned. The cash flows of the third plan year are carried forward without applying any rate of increase. The value is impaired if the value in use is smaller than the book value including assigned goodwill.

Due to the results of the impairment tests in 2005, no write-down has been charged.

(16) Tangible Assets

(€ million)	Land and buildings	Production plant and machinery	Other plant, factory and office equipment	Prepayments on tangibles, construction in progress	Tangible assets
Gross book value at 1/1/2004	2,136	2,159	1,428	31	**5,754**
Accumulated depreciation/write-down	–1,009	–1,562	–1,131	–	**–3,702**
Balance at 1/1/2004	**1,127**	**597**	**297**	**31**	**2,052**
Consolidation group changes	–6	–2	–3	0	**–11**
Additions	33	111	83	35	**262**
Book transfers	8	49	–32	–25	**0**
Disposals	–8	–3	–5	0	**–16**
Depreciation/write-down	–63	–149	–91	–	**–303**
Currency translation differences	5	3	0	0	**8**
Balance at 12/31/2004	**1,096**	**606**	**249**	**41**	**1,992**
Gross book value at 12/31/2004	2,154	2,095	1,374	41	**5,664**
Accumulated depreciation/write-down	–1,058	–1,489	–1,125	–	**–3,672**
Balance at 1/1/2005	**1,096**	**606**	**249**	**41**	**1,992**
Consolidation group changes	–22	–36	–8	–3	–69
Additions	36	121	83	53	293
Book transfers	10	18	8	–38	–2
Disposals	–26	–18	–8	0	–52
Depreciation/write-down	–79	–128	–82	–	–289
Currency translation differences	6	2	1	0	9
Balance et 12/31/2005	**1,021**	**565**	**243**	**53**	**1,882**
Gross book value at 12/31/2005	2,117	1,904	1,293	53	5,367
Accumulated depreciation/write-down	–1,096	–1,339	–1,050	–	3,485

The depreciation charged to tangible assets at €269 million (down from €283 million) is included in the appropriate functional expense categories, mainly cost of sales. Write-down, which is recognized in other operating expenses, came to €20 million (virtually unchanged) and refers to land and buildings which after closedown of Commercial Vehicles and HQ operating space have been written down to their estimated net fair value.

The investment properties have a total book value of €11 million (down from €12 million), which substantially equals their fair value. Rental income was earned at an unchanged €2 million.

Charges and similar encumbrances on land collateralize liabilities at €13 million (up from €7 million).

(17) Investments

(€ million)	2005	2004
Shares in associated affiliates	147	2
Other investments	156	161
	303	**163**

As from 2005, CEL Consolidated Energy Ltd., Port of Spain, Trinidad & Tobago (CEL), has been carried at equity as associated affiliate. After completion of the process of reshuffling the investments in several methanol and ammonia plant operator companies, MAN Ferrostaal with its 44.7-percent stake in, exercises significant influence on, CEL. The latter, in turn, owns an interest in Methanol Holdings (Trinidad) Ltd., Trinidad & Tobago (MHTL). Therefore, MAN Ferrostaal's indirect stake in MHTL comes to 19.4 percent.

For fiscal 2005, CEL reports assets of €429 million, liabilities of €46 million, and an EBT of €85 million.

Besides CEL, another three (up from one) small-business companies are carried at equity.

A total €14 million (down from €17 million) was charged as write-down to investments, which is shown at €7 million each within the net investment income (down from €14 million) and the result of discontinued operations (up from €3 million).

(18) Assets Leased Out

(€ million)	2005	2004
Gross book value at 1/1	3,211	2,889
Accumulated depreciation/write-down	-959	-860
Balance at 1/1	**2,252**	**2,029**
Consolidation group changes	-16	-
Additions	1,013	1,003
Book transfers	2	-
Disposals	-380	-341
Depreciation/write-down	-464	-438
Currency translation differences	1	-1
Balance at 12/31	**2,408**	**2,252**
Gross book value at 12/31	3,409	3,211
Accumulated depreciation/write-down	-1,001	-959

Most of the assets leased out are commercial vehicles. For accounting details, see Note (5).

Future rents from noncancelable operating leases

(€ million)	12/31/2005	12/31/2004
Due within 1 year	660	665
Due >1 to 5 years	839	819
Due after 5 years	6	8
	1,505	1,492

(19) Inventories

(€ million)	12/31/2005	12/31/2004
Raw materials and supplies	497	495
Work in process and finished products	2,118	2,239
Merchandise	570	498
Prepayments made	268	161
	3,453	3,393

Inventories of €354 million were written down (up from €348 million), the write-down totaling €31 million (down from €71 million).

(20) Trade Receivables

(€ million)	12/31/2005	12/31/2004
PoC receivables	143	125
Due from investees	38	35
Receivables from customers	2,996	2,802
	3,177	2,962

€216 million (down from €289 million due to allowance utilization) allows for specific bad debts among trade receivables.

Receivables of €12 million (down from €19 million) have been assigned as collateral security to banks under customer financing contracts.

€338 million (down from €414 million) of the receivables has a lock-in period (i.e., with fixed interest rates) above one year, including €9 million (up from nil) above five years. The remaining €2,839 million (up from €2,548 million) is either not covered by any lock-in agreements, or interest rates have been fixed for less than one year.

We make credit insurance contracts to manage the default risk inherent in trade receivables from customers, mainly by obtaining Hermes cover for export receivables. Moreover, a certain portion of the secured and unsecured portfolio of receivables from plant business is sold to banks by nonrecourse factoring.

The receivables under customized manufacturing contracts recognized according to the PoC method were determined as follows:

(€ million)	12/31/2005	12/31/2004
Production cost incl. prorated P/L from customized manufacturing contracts	1,542	1,746
less milestones capitalized as WIP	-8	-10
less amounts billed to customers	-327	-344
PoC receivables, gross	1,207	1,392
less prepayments received	-1,064	-1,267
	143	125

Further prepayments received at €379 million (up from €155 million) for which no contract costs have been incurred are shown as liabilities.

Sales from long-term manufacturing contracts totaled €1,115 million (down from €1,246 million). Orders and parts thereof billed to customers are shown under receivables from customers.

(21) Other Assets

(€ million)	12/31/2005	12/31/2004
Loans and other receivables from third parties	198	185
Financial derivatives	78	242
Non-income tax assets	72	57
Reserve from employer's pension liability insurance	54	56
Prepaid expenses and deferred charges	42	42
Due from investees from intragroup finance	29	41
Sundry current assets	267	322
	740	945

The other assets are disclosed in these balance sheet lines:

(€ million)	12/31/2005	12/31/2004
Other noncurrent assets	131	186
Other current assets	609	759

Pursuant to IAS 39, financial derivatives are stated at fair value. Since they mostly hedge against currency risks from customer contracts, their positive fair (market) values contrast with decreased values in the balance sheet lines of the underlyings.

€45 million (down from €66 million) of the other assets has a lock-in period above one year, including €7 million (up from nil) above five years. The remaining €695 million (down from €759 million) is either not covered by any lock-in agreements, or interest rates have been fixed for less than one year.

(22) Equity

(€ million)	12/31/2005	12/31/2004
Capital stock	376	376
Additional paid-in capital	795	795
Retained earnings	2,043	1,729
Accumulated OCI	6	-21
Stockholders' equity	3,220	2,879
Minority interests	58	86
Total equity of the MAN Group	3,278	2,965

For movements of equity in the period, see the statement of changes in equity on page 108.

(a) Capital stock, authorized capital moves

MAN AG's capital stock amounts to an unchanged €376,422,400, divided into 147,040,000 no-par shares which included 140,974,350 shares of common, and 6,065,650 shares of nonvoting preferred, stock. A cumulative preferred dividend of €0.11 per share of nonvoting preferred stock is guaranteed, payable in arrears within the succeeding years if omitted in periods of loss.

The capital authorized by the annual stockholders' meeting of December 15, 2000, has been superseded by new authorized capital, as resolved by the annual stockholders' meeting of June 3, 2005. The Executive Board of MAN AG is authorized, after first obtaining the Supervisory Board's approval, to increase the Company's capital stock on or before June 2, 2010, by an aggregate maximum of €188,211,200 (50 percent of the capital stock) through one or several issues of bearer shares of common stock in return for cash or contributions in kind. According to the statement of May 24, 2005, the Executive Board will exercise this

authority, when increasing the capital against contributions in kind, only up to an aggregate €75,284,480 (20 percent of the current capital stock). When raising the capital stock in return for cash, stockholders must generally be granted a subscription right. Moreover, the Executive Board is authorized, subject to the Supervisory Board's prior approval, to exclude the stockholders' subscription right (i) in a stock issue in return for cash contributions under the terms of Art. 186 German Stock Corporation Act ("AktG") to the extent that the new stock is required to avoid fractions and/or for issuance to bondholders upon their exercise of option or conversion rights, as well as (ii) in the case of a noncash capital increase.

At their annual meeting on June 3, 2005, the stockholders further authorized the Executive Board, subject to the Supervisory Board's prior consent, to raise an aggregate maximum of €1.5 billion on or before June 2, 2010, by issuing once or several times convertible and/or warrant bonds with a maximum term of 20 years as from issuance date. The bondholders will in this case be granted warrants or conversion privileges for subscribing for new bearer shares of MAN AG common stock at a maximum of €76,800,000 (around 20 percent) of the capital stock, all subject to the detailed convertible or warrant bond terms. The capital stock is thus conditionally increased by up to €76,800,000, divided into a maximum of 30,000,000 bearer shares of common stock. The contingent capital increase will only be implemented to the extent that (i) convertible or warrant bondholders exercise their bond rights and (ii) such rights are not settled or satisfied other than by stock issue. The new stock will for the first time rank for dividend for the year of issuance. Bonds shall be issued in return for cash.

The authority conferred by resolution of the annual stockholders' meeting of June 9, 2004, to repurchase treasury stock was rolled over by resolution of the annual stockholders' meeting of June 3, 2005. The Executive Board is authorized, after obtaining approval from the Supervisory Board, to repurchase on or before December 2, 2006, once or several times MAN AG common and/or nonvoting preferred stock. The authority is capped to an aggregate 10 percent of the capital stock. Such treasury stock may also be reacquired by other Group companies and/or third parties for the account of MAN AG or other Group companies.

The Executive Board has further been authorized, subject to the Supervisory Board's prior approval, to use repurchased treasury shares of common stock also in a way other than by (i) sale on stock markets or (ii) public offering to all stockholders, such as for any other lawful purposes while excluding stockholders from subscription.

(b) Reportable stakes in MAN AG

At the beginning of fiscal 2005, a stake in excess of 25 percent in MAN AG's voting stock had been held by Regina-Verwaltungsgesell-schaft mbH, Munich (jointly owned at 25 percent each by Allianz AG, Allianz Lebens-versicherungs-AG, Commerzbank AG, and Münchener Rückversicherungs-Gesellschaft). In January 2005, Regina Verwaltungsgesell-schaft mbH notified us pursuant to Art. 21(1) German Securities Trading Act ("WpHG") that its voting interest in MAN AG was meantime nil. Furthermore, Allianz AG and Commerzbank AG communicated that at that time their directly held or assigned voting stakes corresponded to 0.82 and 0.74 percent, respectively.

In March 2005, Frankfurt/Main-based Deutsche Bank AG notified us under the terms of Arts. 21(1) and 24 WpHG that its subsidiary, DWS Investment GmbH, Frankfurt/Main, had exceeded the reportable threshold of 5 percent of MAN AG's voting capital, holding a voting stake of 5.06 percent. In June 2005, Deutsche Bank communicated that the voting interest owned by DWS Investment had fallen below the 5-percent threshold and totaled 4.99 percent.

In July 2005, AXA S.A., Paris, France, notified us according to Arts. 21(1), 22(1) and 24 WpHG that the voting stake allocable to AXA S.A. had crossed above the 10-percent mark, coming to 10.09 percent.

(c) Reserves

MAN AG's additional paid-in capital solely comprises stock premiums paid in under MAN AG's capital increases and the conversion of preferred into common stock. The Group's retained earnings cover MAN AG's reserves retained from earnings of €507 million (up from €437 million), as well as MAN AG's net earnings of €199 million (up from €154 million), the latter corresponding to the total cash dividends distributable. It will be proposed to the annual stockholders' meeting to distribute a €0.30 higher dividend of €1.35 per share.

(d) Accumulated other comprehensive income

Below follows a movement analysis for the statement at fair value of financial instruments in OCI:

(€ million)	Securities	Hedges	Deferred taxes	Total
Balance at December 31, 2004	**18**	**10**	**–9**	**19**
Change through sale or reclassification, recognized in net income	–1	–12	3	–10
Change upon statement at fair value	–	–3	1	–2
Initial consolidation/deconsolidation	–1	–4	2	–3
Currency translation differences	–	1	–	1
Balance at December 31, 2005	**16**	**–8**	**–3**	**5**

(23) Financial Liabilities

(€ million)	12/31/2005	12/31/2004
Bonds	314	299
Commercial papers	114	–
Due to banks	587	454
Other	3	–
	1,018	753

Financial liabilities are disclosed in the following balance sheet lines:

(€ million)	12/31/2005	12/31/2004
Noncurrent financial liabilities		
(remaining term >1 year)	336	366
thereof remaining term >5 years	12	299
Current financial liabilities		
(remaining term <1 year)	682	387

In December 2003, MAN Financial Services plc, Swindon, UK, floated a €300 million €5.375-percent bond issue. As of December 31, 2005, the book value (including the remeasurement to fair value from FVH accounting for interest rate hedges) amounted to €314 million (up from €299 million), the fair value to €321 million (up from €320 million). The bond will mature on December 8, 2010. For this bond issue, MAN AG has issued an irrevocable guaranty for the payment obligations in accordance with the issuance terms.

The commercial papers (CP) were issued through London-based TARS Ltd. and serve to refinance assets leased out.

(24) Pension Obligations

Pension accruals break down as follows:

(€ million)	12/31/2005	12/31/2004
Pension obligations in Germany	1,083	1,646
Pension obligations abroad	102	70
	1,185	1,716

(a) Pension plans and funding

Employees of German MAN subsidiaries benefit from a defined contribution plan (DCP) which centers around the accumulation of capital to be paid out on retirement in one sum; capital redemption in the form of annuities is optional in certain cases. The amount of pension capital is the accumulated total of annual pension modules assigned to employees according to their pensionable pay and their age.

Previously, the DCP was only available to personnel recruited on or after July 1, 1999. In the year under review, with the exception of executive and managerial staff, the vested rights of employees who had joined MAN before that date were transferred to the current DCP, too.

Fiscal 2005 saw MAN's initial steps toward funding the capital for German pension obligations. For this purpose, MAN Pension Trust e.V., a membership corporation under German law, was formed under a Contractual Trust Agreement (CTA) to act as trustee. On December 19, 2005, several Group companies made an initial contribution of a total €500 million to the trust assets.

Under irrevocable agreements, these trust assets are exempt from recourse or attachment by any Group company (trustor) and earmarked solely to fund current pension payments or settle employee claims in the case of employer insolvency. For the purpose of overseeing due and proper management and appropriation of the special pension trust assets, a security trustee independent of the Group has been appointed.

The assets held under the CTA are invested by several asset managers in various funds on the capital market in accordance with specified investment policies, the portfolio structure being as follows:

Bonds	75% to 80%
Equities	20% to 25%

Some non-German subsidiaries (especially in the UK) have incurred defined benefit obligations (DBO) all of which are exclusively plan-funded. Most of the plan assets are invested in equities. Further Group companies (mainly in Austria, Italy, and Turkey) maintain accrual-funded pension plans.

(b) Funding status

The present value of the DBO and the fair value of the plan assets developed as follows:

	Germany		Abroad	
(€ million)	**2005**	**2004**	**2005**	**2004**
Present value of the DBO				
Present value of the DBO at Jan. 1	1,796	1,679	277	246
Consolidation group changes	–102	–3	99	–
Service cost	36	35	10	11
Interest cost	82	90	20	13
Actuarial losses	185	84	56	21
Pension payments	–82	–85	–16	–15
Contributions by beneficiaries	–	–	2	1
Exchange rate and other changes	–2	–4	26	0
Present value of the DBO at December 31	**1,913**	**1,796**	**474**	**277**

The actuarial losses were mainly due to the lower interest rates in 2005 and 2004, as well as to the application of new mortality tables.

	Germany		Abroad	
(€ million)	**2005**	**2004**	**2005**	**2004**
Plan assets				
Fair value of plan assets at January 1	–	–	174	159
Consolidation group changes	–	–	62	–
Expected return on plan assets	1	–	15	15
Difference between expected and actual return on plan assets	–	–	33	4
Current contributions by employers	–	–	10	6
Special endowment by employers	500		1	–
Contributions by beneficiaries	–	–	2	1
Pension payments	–	–	–12	–8
Exchange rate and other changes	–	–	16	–3
Fair value of plan assets at December 31	**501**	**–**	**301**	**174**

Funding level and pension accruals as of December 31, 2005, were as follows:

	Germany		Abroad	
(€ million)	**2005**	**2004**	**2005**	**2004**
Present value of the DBO	1,913	1,796	474	277
less fair value of plan assets	–501	–	–301	–174
Funding level	**1,412**	**1,796**	**173**	**103**
Unrecognized actuarial losses	–329	–150	–71	–33
Pension accruals	**1,083**	**1,646**	**102**	**70**

The present value of the DBO and fair value of plan assets are based on the following parameters:

	Germany		Abroad	
(in %)	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Interest rate	4.25	5.0	4.25-4.9	4.75-5.3
Pension rise	1.5	1.5	2.0-2.9	2.0-2.8
Pay rise	2.5	2.5	3.6-4.4	3.5-4.5
Expected return on plan assets	4.25	–	4.25-7.0	4.25-7.2

The biometrical parameters for pensions in Germany as of December 31, 2005, are based on Prof. Dr. Klaus Heubeck's mortality tables 2005 G and, as of prior year-end, on the mortality tables 1998.

(c) Pension expense

Breakdown of pension expense:

(€ million)	2005	2004
Current service cost	46	46
Pension-related interest cost	102	103
Recognition of actuarial gains and losses	18	1
Expected return on plan assets	–16	–15
	150	**135**

(25) Other Accruals

(€ million)	12/31/2004	Consol. group change, currency transl.	Utilization	Provision in 2005	Release	12/31/2005
Warranties	468	–4	–163	235	–32	504
Unbilled costs from contracts invoiced	296	–5	–135	161	–36	281
Other business obligations	269	2	–59	212	–32	392
Obligations to personnel	243	–17	–40	56	–15	227
Remaining accruals	282	–5	–140	186	–52	271
	1,558	**–29**	**–537**	**850**	**–167**	**1,675**

The other accruals are disclosed in these balance sheet lines:

	12/31/2005		12/31/2004	
(€ million)	noncurrent	current	noncurrent	current
Warranties	154	350	170	298
Unbilled costs from contracts invoiced	87	194	78	218
Other business obligations	29	363	15	254
Obligations to personnel	147	80	157	86
Remaining accruals	3	268	4	278
	420	**1,255**	**424**	**1,134**

The warranty accruals provide for implied and express warranties, as well as accommodation/goodwill warranties voluntarily extended to customers. The accruals for unbilled costs refer to products or services

yet to be provided under contracts already invoiced (or parts thereof) and to obligations under maintenance and service contracts. The other business obligations refer substantially to accrued losses and buyback guaranties.

The obligations to personnel exist for accrued employment anniversary allowances, termination indemnities, and preretirement part-time work, apart from restructuring programs enacted upon closedown of the Stuttgart and Geisenheim locations.

Noncurrent accruals have been discounted at €21 million (up from €18 million).

(26) Other Liabilities

(€ million)	12/31/2005	12/31/2004
Deferred income	1,859	1,896
Liabilities to personnel	417	407
Due to investees from intragroup finance	234	184
Financial derivatives	68	145
Liabilities for non-income taxes	131	137
Accrued charges	63	53
Remaining liabilities	145	126
	2,917	2,948

The other liabilities are disclosed in the following balance sheet lines:

(€ million)	12/31/2005	12/31/2004
Other noncurrent liabilities		
(remaining term >1 year)	1,132	1,149
thereof with a remaining term of >5 years	–	–
Other current liabilities		
(remaining term ≤1 year)	1,785	1,799

The deferred income originates from the sales of commercial vehicles which, due to the associated buyback obligation, are accounted for as operating leases, cf. Note (5). At €1,389 million, this deferred income includes the full purchase price paid by customers (up from €1,292 million) and at €470 million (down from €604 million), the refinancing of the leases through non-group financing companies.

The liabilities to personnel refer to wages, salaries and social security taxes not yet paid at the balance sheet date, as well as to accrued vacation pay, Christmas bonuses, and special year-end payments.

Pursuant to IAS 39, the *other liabilities* include the negative market values of financial derivatives. Since they serve hedging purposes, their negative market values contrast with increased values in the balance sheet lines of the underlyings.

(27) Contingent Assets and Liabilities

Other information

In 2002 MAN AG and MAN Nutzfahrzeuge AG brought an action before the High Court in London, UK, against the Canadian company *Freightliner Ltd.* as successor to the Canadian *Western Star Trucks Holdings Ltd.* The action seeks damages in connection with the acquisition in 2000 from Western Star as seller of the stake in the ERF Group, Manchester, UK. In the first judgments passed in October and December 2005, the High Court held that a claim for damages be admitted to MAN on the merits and awarded in its partial judgment damages of £250 million, further claims yet to be dealt with. The defendant applied for an order of certiorari to appeal from these judgments.

MAN has taken steps to enforce judgment for the adjudicated damages. However, in view of the pending appeal and some enforcement-related imponderabilities, the actual value of this claim is uncertain and has therefore not been capitalized in the balance sheet.

Breakdown of contingent liabilities:

(€ million)	12/31/2005	12/31/2004
Guaranties and suretyships	402	294
Joint liability	311	298
Obligation in favor of consortium partners	44	53
Notes endorsed and discounted	10	60

The contingent liabilities from guaranties and suretyships refer almost exclusively to guaranty bonds furnished by MAN AG and MAN Ferrostaal AG for trade obligations of current and former investees and other entities. Moreover, a debt owed by a consortium partner has been guaranteed, pledged securities providing additional collateral.

A joint liability exists on terms customary in the industry for debts of customers that finance MAN products through nongroup leasing firms or banks; these contingent liabilities refer to printing machines at €163 million (down from €180 million) and commercial vehicles at €148 million (up from €118 million).

(28) Other Financial Obligations

These exist under various leases, the future lease payments within the minimum operating lease terms falling due as follows:

(€ million)	12/31/2005	12/31/2004
Investment leases, due		
within one year	19	19
after one but within five years	45	49
after five years	44	53
	108	**121**
Obligations under leases, due		
within one year	77	79
after one but within five years	222	215
after five years	186	212
	485	**506**

Further financial obligations to third parties exist under pending capital expenditure projects and sourcing contracts but are within the scope of ordinary day-to-day business and hence of no relevance to the financial position.

(29) Derivative Financial Instruments and Hedging Strategies

The MAN Group is exposed to not insignificant an extent to currency and interest rate risks for whose identification, measurement and containment a groupwide risk management system has been set up.

(a) Risk management

MAN Group companies generally hedge their transactions against currency and interest rate risks through MAN AG's Group Treasury, on terms as if at arm's length and using straight and derivative financial instruments.

Group Treasury's risk positions are hedged externally with banks within predetermined risk limits. Hedges are contracted according to groupwide uniform directives in compliance with the German Act on Corporate Control & Transparency ("KonTraG"), as well as with the German Minimum Requirements for Bank Trading Business ("MaH"). Moreover, such contracting is subject to stringent monitoring, which is particularly ensured through the strict segregation of contracting, settlement and controlling duties.

The Group's currency and interest rate risk positions are regularly reported to the Executive and Supervisory Boards. Compliance with guidelines and directives is checked by Internal Auditing.

(b) Currency risks

Any future cash flows not transacted in the presentation currency of a Group company are exposed to currency risks.

Within the MAN Group, principally all firm customer contracts and all of the Group's own purchase orders in foreign currency are hedged. Moreover, hedging transactions provide for planned foreign-currency revenues from bulk manufacturing business within defined limits and for customer projects whose materialization is highly probable (firm commitments).

Currencies presenting merely a minor exchange rate risk due to their close proximity to the euro rate are hedged in isolated cases only. Equity interests or equity-type loans in foreign currency are not subject to any hedging obligation.

External exchange rate hedges are contracted in the form of currency forwards or swaps (90 percent) and currency options (10 percent). Out of the total hedging volume as of December 31, 2005, the US dollar accounted for 43 percent, the pound sterling for 30, the Swiss franc for 9, and the Danish krone another 9 percent.

(€ million)			12/31/2005	12/31/2004
Notional volume	**≤1 year**	**>1 year**	**total**	**total**
currencies bought	1,280	270	1,550	3,309
currencies sold	1,924	571	2,495	4,357
currency options	136	298	434	39
Fair market values	**positive**	**negative**	**total**	**total**
currencies bought	15	–10	5	–122
currencies sold	23	–50	–27	211
currency options	21	0	21	0

(c) Interest rate risks

Customer finance transactions (particularly leases) are largely contracted at fixed interest rates while refinancing is usually based on variable rates. The interest rate risk is hedged against on a case-by-case basis; volume and terms are aligned with the payback or redemption structure of defined customer portfolios and are further subject to the level of collateral security.

As of December 31, 2005, external interest rate swaps existed in €, US$, £ sterling, and Norwegian krone.

(€ million)			12/31/2005	12/31/2004
Notional volume	**≤1 Year**	**>1 Year**	**Total**	**Total**
interest rate receiver swaps	61	398	459	444
interest rate payer swaps	433	933	1,366	1,398
Fair market values	**positive**	**negative**	**total**	**total**
interest rate receiver swaps	16	–1	15	16
interest rate payer swaps	3	–6	–3	–8

(d) Default risks

The maximum loss risk from financial derivatives corresponds to the aggregate total of their positive market values and thus to potential losses of assets that may be incurred if and when contractual obligations are not honored by specific trading counterparts. With a view to reducing this risk, financial derivatives are throughout contracted with banks of prime standing and within specified counterparty limits.

(30) Stock-Based Payments

Executive and management board members of MAN companies receive stock-based payments. Up to fiscal 2004, such payments were based on MAN's Stock Appreciation Rights (SAR) plan, which offered cash payments depending on MAN stock performance (phantom stock options). In fiscal 2005, the MAN Stock Program superseded the SAR, offering cash payments to eligible staff which are earmarked for the purchase of MAN common stock.

(a) MAN Stock Program (MSP)

Under the MSP, which was implemented as of July 1, 2005, selected executive and management board members of MAN companies are granted taxable cash compensation on condition that they appropriate 50 percent to purchase MAN common stock. Such shares are acquired and held in custody centrally by MAN AG in the name and for the account of the beneficiaries, who may freely dispose of the stock after a 3-year qualifying period. During this waiting period, the shares may not be sold, assigned, pledged or hedged. When an MSP participant goes into retirement or separates from the MAN Group, the period is shortened to 1 year as from the date of retirement or separation.

Under the MSP 2005, its participants acquired a total 44,504 MAN common shares at an average price of €42.14, including 20,035 shares for MAN AG's Executive Board members. The cash payments are fully expensed in the year when the MSP is granted. For the MSP 2005, they totaled €3.754 million within the MAN Group.

(b) MAN's SAR plan

Effective July 1, 2000, 2001, 2003 and 2004, the MAN Group had implemented SAR plans. Members of the MAN companies' executive and management boards were granted stock appreciation rights (SARs) which, after a 2-year qualifying period within the succeeding five years, were exercisable and convertible into taxable income (phantom stock options), subject to the MAN common stock price trend in absolute and relative terms.

The strike price of an SAR plan were in each case the closing stock prices as quoted by the Xetra system for MAN shares, averaged over the ten trading days preceding July 1 (plan issuance date). If and when the MAN stock price rises at least 20 percent above the strike price and, after expiration of the qualifying period,

MAN stock has outperformed the Dow Jones Euro Stoxx 50 index at least once during five consecutive trading days, plan participants can exercise their SARs.

Under the 2000 and 2001 SAR plans (both granted on a DM basis), participants receive cash of DM 4.00 or €2.045 per SAR for an MAN stock price rise of 20 percent above the strike price. For every further full percentage point above this 20-percent threshold, the cash payable increases by DM 0.15 or €0.0767, up to an aggregate maximum payment per SAR of DM 24.00 or €12.27. Under the 2003 and 2004 SAR plans (€-based), participants will receive cash of €4 per SAR if the market price of an MAN share is 20 percent in the money, and €0.15 for each additional full percentage point of increase, up to an aggregate maximum of €24 per SAR. The number of SARs developed in the year as follows:

	SARP 2000	SARP 2001	SARP 2003	SARP 2004
Total SARs at January 1, 2005	675,665	546,375	317,550	325,700
exercised in the period	–471,695	–464,875	–317,550	–
Total SARs at December 31, 2005	203,970	81,500	–	325,700
thereof exercisable	203,970	81,500	–	–

The market prices relevant to SAR exercise are as follows:

	SARP 2000	SARP 2001	SARP 2003	SARP 2004
Strike price in €	33.46	25.60	14.55	29.51
Minimum price for exercise in €	40.15	30.72	17.46	35.41
Maximum price for exercise in €	84.77	64.85	36.86	74.76
Market price at Dec. 31, 2005, in €	45.08	45.08	45.08	45.08

€10.440 million (up from €0.380 million) was paid out in the fiscal year as SARs were exercised, including 1.112 million (up from €0) under the SARP 2000, €1.707 million (up from €0.380 million) under the SARP 2001, and €7.621 million (up from nil) under the SARP 2003.

Number of SARs issued to MAN AG Executive Board members:

	SARP 2000	SARP 2001	SARP 2003	SARP 2004
Total SARs at January 1, 2005	293,500	211,000	154,397	154,500
exercised in the period	–243,500	–211,000	–154,397	–
Total SARs at December 31, 2005	50,000	–	–	154,500

€4.957 million (up from €0.168 million) was paid out to MAN AG Executive Board members as SARs were exercised, including €0.561 million (up from nil) under the SARP 2000, €0.690 million (up from €380 million) under the SARP 2001, and €3.706 million (up from nil) under the SARP 2003.

SAR valuation is based on the fair value, which in addition to the stock price trend up to the balance sheet date, also accounts for the potential future trend of MAN stock on the basis of historical volatility factors, as well as for contractual restrictions on exercise. The accruals for SAR plans total €3.547 million as of December 31, 2005 (down from €5.978 million). Due to the soaring MAN stock prices in 2005 and the distribution of the expenses over the 2-year qualifying period, the expenses incurred in fiscal 2005 totaled €8.008 million (up from €5.505 million).

Based on the 2005 closing stock price, the SARs exercisable at the balance sheet date had a value of €1.153 million (up from nil).

RENK AG implemented SAR plans modeled on MAN AG's. As of December 31, 2005, altogether 3,450 SARs remain from the 2003 plan (down from 7,200); for these a (rounded) total of €26,000 has been provided

(down from €27,000). An expense (rounded) of €26,000 was incurred in 2005 for the RENK SAR plans (down from €85,000).

(31) Total Fees of Statutory Auditor

The KPMG fees recognized as expense for the work as group auditor totaled €5.7 million in the fiscal year, including €5.0 million for the annual audit, €0.3 million for other certification, verification or assessment services, and €0.4 million for incidentals.

(32) Remuneration of the Executive Board

The remuneration of MAN AG's Executive Board members consists of three components: a fixed compensation, a variable remuneration, and stock-based payments. In addition, Executive Board members are vested with a pension entitlement.

The fixed compensation is paid monthly as salary, added to this are benefits in kind, such as company car use and payment by the Company of insurance premiums in their favor. The variable remuneration hinges on corporate performance, one-half each being governed by the MAN Group's current ROCE and MAN AG's dividend (all within defined bandwidths).

For the stock-based payments, MAN AG Executive Board members participate in the MAN Stock Program, or MSP (up to 2004, in MAN's SARP). Both the MSP and SARP have been described in Note (30), as have the number of shares or SARs granted to the Executive Board, their value and exercise.

The table below breaks down Executive Board remuneration into its components and subdivides it into the CEO's and the average remuneration of all other Executive Board members, thus waiving any further individualization.

Remuneration in 2005 of the Executive Board:

(€'000)	Fixed salary	Variable performance-related remuneration	Stock-based payments	Pension expense	Total
CEO Håkan Samuelsson	728	986	330	226	2,270
Other Executive Board members	2,765	3,420	1,359	514	8,058
Total	**3,493**	**4,406**	**1,689**	**740**	**10,328**
Average of each Executive Board member excl. CEO	455	563	223	84	1,325

Remuneration in 2004 of the Executive Board:

(€'000)	Fixed salary	Variable performance-related remuneration	Stock-based payments	Pension expense	Total
CEO Dr. Ing. E. h. Rudolf Rupprecht	659	689	266	72	1,686
Other Executive Board members	3,112	2,822	1,228	760	7,922
Total	**3,771**	**3,511**	**1,494**	**832**	**9,608**
Average of each Executive Board member excl. CEO	445	403	175	109	1,132

The amount of variable remuneration is subject to the resolution by the annual stockholders' meeting of the proposed dividend for the fiscal year.

Due to the changed concept, the 2005 volume of stock-based payments is hardly comparable to the prior year's. The 2005 value includes the expenses for both stock purchase and cash payments. The 2004 figure reflects the fair value as of December 31, 2005, of the SARs granted under the SARP 2004. Since the MAN stock price surged in fiscal 2005, this fair value made a €0.844 million leap from €0.650 million at year-end 2004 to €1.494 million as of December 31, 2005. For the exercise of SARs under earlier programs and the related payout after the qualifying period, see Note (30).

The pension obligations to Executive Board members exist as DBO, whose present value as of December 31, 2005, totaled €9.524 million (down from €11.899 million) for active Executive Board members. The expense for the annual provision came to €1.129 million (down from €1.461 million), including €0.741 million (down from €0.832 million) for current service cost and €0.389 million (down from €0.629 million) for interest cost.

Pension payments to former Executive Board members and their surviving dependants amounted to €5.810 million (up from €4.299 million), while the accrual for pension obligations to such former members and their surviving dependants totaled €33.532 million (up from €33.393 million).

The Executive Board members including their memberships in other statutory supervisory and comparable boards are disclosed on pages 158-160 of this annual report.

(33) Supervisory Board

Supervisory Board compensation is subject to the provisions of the bylaws. Accordingly, Supervisory Board members are reimbursed for their office-related expenses and receive an annual fee which consists of a basic €10,000 (€2,500 up to 2004) and a variable fee of €550 for each €0.01 of the MAN AG dividend in excess of €0.10. The Supervisory Board Chairman receives double, the vice-chairpersons 1.5 times, this amount. Members of the Audit Committee are paid an additional 25 percent, the Audit Committee's chairman 50 percent, of the Supervisory Board basic fee.

Supervisory Board Remuneration 2005 in €

Name	Membership in the year	Fixed fee	Variable fee	Audit Committee compensation	Total
Dr.-Ing. Ekkehard D. Schulz, Chairman as from June 3, 2005	all year	15,750.00	108,281.25	11,320.31	135,351.56
Dr. h. c. Eng. Volker Jung, Chairman	up to June 3, 2005	8,500.00	58,437.50	8,367.19	75,304.69
Prof. Dr.-Ing.Joachim Milberg, Vice-Chairman as from June 3, 2005	all year	12,875.00	88,515.63	11,320.31	112,710.94
Dr. rer. pol. Gerlinde Strauss-Wieczorek, Vice-Chairwoman	all year	15,000.00	103,125.00	19,687.50	137,812.50
Dr. oec. Paul Achleitner, Vice-Chairman	up to June 3, 2005	6,375.00	43,828.13	16,734.38	66,937.50
Jürgen Bänsch	all year	10,000.00	68,750.00		78,750.00
Michael Behrendt	all year	10,000.00	68,750.00		78,750.00
Dr.-Ing. Herbert H. Demel	as from June 3, 2005	5,750.00	39,531.25		45,281.25
Detlef Dirks	all year	10,000.00	68,750.00		78,750.00
Jürgen Dorn	all year	10,000.00	68,750.00		78,750.00
Klaus Eberhardt	as from June 3, 2005	5,750.00	39,531.25		45,281.25
Reinhard Frech	as from July 1, 2005	5,000.00	34,375.00		39,375.00
Dr. rer. nat. Hubertus v. Grünberg	all year	10,000.00	68,750.00		78,750.00
Jürgen Hahn	all year	10,000.00	68,750.00		78,750.00
Dr. jur. Heiner Hasford	up to June 3, 2005	4,250.00	29,218.75	8,367.19	41,835.94
Dr. phil. Klaus Heimann	all year	10,000.00	68,750.00		78,750.00
Dr. jur. Karl-Ludwig Kley	as from June 3, 2005	5,750.00	39,531.25	22,640.63	67,921.88
Prof. Dr. rer. pol. Renate Köcher	all year	10,000.00	68,750.00		78,750.00
Nicola Lopopolo	all year	10,000.00	68,750.00		78,750.00
Andreas de Maizière	up to June 3, 2005	4,250.00	29,218.75		33,468.75
Thomas Otto	all year	10,000.00	68,750.00		78,750.00
Lothar Pohlmann	all year	10,000.00	68,750.00	19,687.50	98,437.50
Dr. Ing. E. h. Rudolf Rupprecht	as from June 3, 2005	5,750.00	39,531.25		45,281.25
Ralf Simon	up to June 3, 2005	5,000.00	34,375.00		39,375.00
Dr. rer. nat. Hanns-Helge Stechl	all year	10,000.00	68,750.00		78,750.00
Total 2005		**220,000.00**	**1,512,500.00**	**118,125.00**	**1,850,625.00**
Total 2004		54,583.33	1,140,791.67	82,125.00	1,277,500.00

The rise from 2004 is due to the higher fixed fee (resolved by the annual stockholders' meeting of June 9, 2004) and the increased dividend-related variable remuneration.

Expenses for per diem fees for the participation in Supervisory Board and committee meetings total approx. €60,000 in 2005. No compensation was paid to Supervisory Board members for advisory or agency services. One Supervisory Board member has been granted a 25-year housing loan carrying interest at 5.0 percent annually and secured by a land charge. The loan balance as of December 31, 2005, amounted to €0.028 million (down from €0.031 million).

The Supervisory Board members including their memberships in other statutory supervisory and comparable boards are disclosed on pages 154–157 of the annual report.

(34) Corporate Governance Code

In December 2005, MAN AG's Executive and Supervisory Boards issued, and disclosed to the stockholders on the Internet, their annual statement on the recommendations of the German Corporate Governance Code Government Commission. In its declaration of conformity pursuant to Art. 161 AktG, MAN AG states to adopt the recommendations of the Code as amended up to June 2, 2005, with the exception that the remuneration of individual Executive Board members will be disclosed in the notes to the consolidated financial statements only to the extent that the CEO's remuneration and the average salary of all other Executive Board members are indicated.

Furthermore, the listed subsidiary (Augsburg-based RENK AG) issued, and disclosed to their stockholders on the Internet, the declaration of conformity under the terms of Art. 161 AktG.

(35) Segment Reporting

In accordance with the lineup of products and services, the MAN Group's operations break down into the Commercial Vehicles, Industrial Services, Printing Systems, Diesel Engines and Turbomachines segments. These segments are identical with the MAN Nutzfahrzeuge, MAN Ferrostaal, MAN Roland Druckmaschinen, MAN B&W Diesel and MAN TURBO business areas. Under the umbrella of Others, the remaining industrial subsidiaries RENK and MAN DWE are subsumed, as well as MAN Finance and the parent MAN AG as holding company and HQ, to which also companies with no operating business have been assigned.

Segment financial information conforms with the disclosure and valuation methods applied in formulating the consolidated financial statements. Order intake data has been derived from the Group's reporting system and not been externally audited. Intersegment transfers are based on fair market prices as if at arm's length. Amortization, depreciation and write-down refer to the intangible and tangible assets, investments and assets leased out allocable to each business area. Total segment assets correspond to the consolidated total assets of the companies in the regions concerned. For details of ROS and ROCE, see pages 52 et seq. of the group management report.

Segment Information by Business Area

Condensed Financial Information of the Segments

	Commercial Vehicles		Industrial Services		Printing Systems		Diesel Engines		Turbo-machines	
(€ million)	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Order intake by the segments	**9,434**	**7,589**	**3,077**	**3,508**	**2,109**	**1,885**	**2,203**	**1,872**	**850**	**675**
thereof Germany	2,708	2,699	502	524	317	268	361	250	82	146
thereof abroad	6,726	4,890	2,575	2,984	1,792	1,617	1,842	1,622	768	529
Intersegment order intake	–221	–191	–12	–91	–59	–70	–44	–34	–10	–3
Order intake by the Group	9,213	7,398	3,065	3,417	2,050	1,815	2,159	1,838	840	672
Sales by the segments	**7,377**	**6,799**	**2,789**	**3,185**	**1,738**	**1,620**	**1,666**	**1,421**	**694**	**659**
Intersegment transfers	–83	–34	–14	–73	–62	–73	–37	–37	–3	–57
Group sales	7,294	6,765	2,775	3,112	1,676	1,547	1,629	1,384	691	602
Order backlog at Dec. 31	**3,228**	**1,594**	**2,358**	**2,259**	**1,494**	**1,077**	**1,991**	**1,449**	**621**	**469**
Headcount at Dec. 31	**33,368**	**33,810**	**4,773**	**4,679**	**8,832**	**9,026**	**6,423**	**6,731**	**2,476**	**2,472**
thereof Germany	19,941	20,506	2,808	2,927	7,281	7,448	2,524	2,671	1,632	1,639
thereof abroad	13,427	13,304	1,965	1,752	1,551	1,578	3,899	4,060	844	833
Annual average headcount	**33,645**	**33,955**	**4,833**	**5,633**	**8,981**	**9,319**	**6,650**	**6,670**	**2,458**	**2,486**
EBITDA	**664**	**505**	**112**	**107**	**96**	**61**	**158**	**107**	**56**	**45**
Depreciation/amortization	–219	–183	–22	–35	–43	–58	–41	–52	–13	–9
EBIT	**445**	**322**	**90**	**72**	**53**	**3**	**117**	**55**	**43**	**36**
Interest	–63	–81	–15	–10	–6	–11	–9	–15	–4	–6
EBT	**382**	**241**	**75**	**62**	**47**	**–8**	**108**	**40**	**39**	**30**
Operating profit/(loss)	**469**	**322**	**90**	**72**	**65**	**3**	**117**	**55**	**43**	**36**
Cash earnings	506	386	–17	69	88	56	140	74	50	35
Cash flow from operating activities	523	567	315	–60	251	164	199	89	88	75
Cash flow from investing activities	–229	–205	–25	–14	–33	–32	–40	–21	–5	–17
Free cash flow	294	362	290	–74	218	132	159	68	83	58
Capital expenditures	260	209	33	36	36	32	43	27	13	17

[1] Assets including discontinued operations

Others											
Industrial holdings		MAN Finance		Headquarters		Consolidation		Total		Group	
2005	2004	2005	2004	2005	2004	2005	2004[1]	2005	2004	2005	2004
426	**338**	**325**	**253**	**2**	**2**	**–432**	**–477**	**321**	**116**	**17,994**	**15,645**
147	162	227	281	2	2	–281	–482	95	–37	4,065	3,850
279	176	98	–28	0	0	–151	5	226	153	13,929	11,795
–37	–20	–48	–67	–1	–1	432	477	346	389	–	–
389	318	277	186	1	1	–	–	667	505	17,994	15,645
375	**362**	**300**	**289**	**2**	**2**	**–270**	**–299**	**407**	**354**	**14,671**	**14,038**
–14	–27	–56	3	–1	–1	270	299	199	274	–	–
361	335	244	292	1	1	–	–	606	628	14,671	14,038
722	**676**	**611**	**581**	**0**	**0**	**–132**	**–151**	**1,201**	**1,106**	**10,893**	**7,954**
1,938	**1,935**	**124**	**102**	**269**	**253**	**–**	**–**	**2,331**	**2,290**	**58,203**	**59,008**
1,805	1,785	76	74	264	247	–	–	2,145	2,106	36,331	37,297
133	150	48	28	5	6	–	–	186	184	21,872	21,711
1,942	**1,959**	**115**	**98**	**264**	**251**	**–**	**–**	**2,321**	**2,308**	**58,888**	**60,371**
41	**47**	**78**	**118**	**–52**	**25**	**–18**	**–4**	**49**	**186**	**1,135**	**1,011**
–11	–10	–9	–39	–23	–9	3	–7	–40	–65	–378	–402
30	**37**	**69**	**79**	**–75**	**16**	**–15**	**–11**	**9**	**121**	**757**	**609**
–3	–3	–41	–52	23	11	–1	–	–22	–44	–119	–167
27	**34**	**28**	**27**	**–52**	**27**	**–16**	**–11**	**–13**	**77**	**638**	**442**
36	**37**	**28**	**27**	**–63**	**16**	**–20**	**–11**	**–19**	**69**	**765**	**557**
32	33	29	52	88	16	–40	41	109	142	876	762
32	50	–309	48	442	–30	–274	43	–109	111	1,267	946
–15	–14	–31	–27	–3	16	3	–27	–46	–52	–378	–341
17	36	–340	21	439	–14	–271	16	–155	59	889	605
14	15	35	30	9	1	–3	22	55	68	440	389

CONDENSED FINANCIAL INFORMATION OF THE SEGMENTS

	Commercial Vehicles		Industrial Services		Printing Systems		Diesel Engines		Turbo-machines	
(€ million)	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Noncurrent assets (excl. taxes)	3,610	3,538	368	239	255	263	184	194	105	109
Inventories	1,462	1,366	754	690	493	485	486	492	121	126
Receivables	1,573	1,612	614	667	410	420	349	344	220	203
Taxes	178	168	101	101	40	24	12	18	9	7
Cash & cash equivalents and securities	24	17	545	619	284	305	114	14	55	2
Total assets	**6,847**	**6,701**	**2,382**	**2,316**	**1,482**	**1,497**	**1,145**	**1,062**	**510**	**447**
Equity	1,122	916	336	307	307	312	377	318	114	88
Pension accruals	680	644	30	232	105	246	141	125	69	65
Financial liabilities	752	962	34	125	27	89	2	43	5	35
All other liabilities and accruals	4,119	4,011	1,904	1,581	1,003	824	608	564	291	236
Taxes	174	168	78	71	40	26	17	12	31	23
Net liquid assets/(Net financial debt)	**-728**	**-945**	**511**	**494**	**257**	**216**	**112**	**-29**	**50**	**-33**
Net sales	**7,377**	**6,799**	**2,789**	**3,185**	**1,738**	**1,620**	**1,666**	**1,421**	**694**	**659**
Cost of sales	-5,841	-5,445	-2,470	-2,777	-1,343	-1,259	-1,274	-1,074	-540	-512
Gross margin	**1,536**	**1,354**	**319**	**408**	**395**	**361**	**392**	**347**	**154**	**147**
Selling expenses	-463	-453	-130	-123	-131	-148	-122	-123	-60	-59
General administrative expenses	-352	-291	-99	-97	-78	-89	-63	-68	-35	-36
All other income/expenses, net	-276	-288	0	-116	-133	-121	-90	-101	-16	-16
Net interest result of Financial Services	–	–	–	–	–	–	–	–	–	–
Net interest result of Industrial Business	-63	-81	-15	-10	-6	-11	-9	-15	-4	-6
EBT	**382**	**241**	**75**	**62**	**47**	**-8**	**108**	**40**	**39**	**30**
Indicators										
ROS (%)	6.4	4.7	3.2	2.3	3.7	0.2	7.1	3.9	6.2	5.5
Net capital employed at Dec. 31[1]	2,526	2,498	82	265	155	344	411	463	154	202
Capital employed (weighted annual average)	2,622	2,550	236	212	278	450	451	507	184	230
ROCE (%)[2]	17.9	12.6	38.1	34.1	23.2	0.6	26.1	10.9	23.3	15.7
Value added	181	42	64	49	34	-47	68	0	23	11

[1] MAN Finance: equity and ROE, respectively, instead

[2] Assets including discontinued operations

Others											
Industrial holdings		MAN Finance		Headquarters		Consolidation		Total		Group	
2005	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004[2]**	**2005**	**2004**	**2005**	**2004**
80	79	717	584	173	186	–313	–186	657	663	5,179	5,006
126	125	8	7	0	1	3	101	137	234	3,453	3,393
74	68	755	452	104	299	–313	–344	620	475	3,786	3,721
6	7	1	3	79	183	–37	–13	49	180	389	498
68	64	10	2	2,629	2,446	–2,538	–2,708	169	–196	1,191	761
354	**343**	**1,491**	**1,048**	**2,985**	**3,115**	**–3,198**	**–3,150**	**1,632**	**1,356**	**13,998**	**13,379**
94	88	132	146	977	811	–181	–21	1,022	1,024	3,278	2,965
73	70	2	2	86	236	–1	96	160	404	1,185	1,716
5	10	1,107	618	1,625	1,610	–2,539	–2,739	198	–501	1,018	753
168	164	222	247	249	424	–553	–524	86	311	8,011	7,527
14	11	28	35	48	34	76	38	166	118	506	418
63	**54**	**–1,097**	**–616**	**1,004**	**836**	**1**	**31**	**–29**	**305**	**173**	**8**
375	**362**	**300**	**289**	**2**	**2**	**–270**	**–299**	**407**	**354**	**14,671**	**14,038**
–301	–287	–232	–220	–2	–1	274	299	–261	–209	–11,729	–11,276
74	**75**	**68**	**69**	**0**	**1**	**4**	**0**	**146**	**145**	**2,942**	**2,762**
–20	–20	–5	–5	0	0	0	4	–25	–21	–931	–927
–16	–16	–9	–7	–55	–47	4	23	–76	–47	–703	–628
–8	–2	15	22	–20	62	–23	–38	–36	44	–551	–598
–	–	–41	–52	–	–	–	–	–41	–52	–41	–52
–3	–3	–	–	23	11	–1	0	19	8	–78	–115
27	**34**	**28**	**27**	**–52**	**27**	**–16**	**–11**	**–13**	**77**	**638**	**442**
9.6	10.4	–	–	–	–	–	–	–	–	5.2	4.0
113	107	134	133	–	–	–	–	–	–	4,122	4,328
123	112	141	134	–	–	–	–	–	–	4,010	4,287
29.3	33.5	20.0	20.2	–	–	–	–	–	–	19.1	13.0
23	25	9	9	–76	–3	–5	–4	–49	27	321	82

SEGMENT INFORMATION BY REGIONS

(€ million)	Germany	Other Europe	Other world	Total
2005				
Segment assets at Dec. 31	10,353	2,562	1,083	13,998
Capital expenditures	316	110	14	440
Sales	3,774	6,118	4,779	14,671
Headcount at Dec. 31	36,331	18,617	3,255	58,203
2004				
Segment assets at Dec. 31	10,469	2,226	684	13,379
Capital expenditures	282	96	11	389
Sales	3,540	5,916	4,582	14,038
Headcount at Dec. 31	37,297	18,719	2,992	59,008

See the *Business trend* chapter of the management report for a further breakdown and explanation of sales by geographical markets.

Munich, February 23, 2006

MAN AG
The Executive Board

INDEPENDENT AUDITOR'S REPORT AND OPINION

We have audited the consolidated financial statements (consisting of income statement, balance sheet, cash flow statement, statement of changes in equity, and notes) and the management report on the Company and the Group, all as prepared by MAN AG for the fiscal year ended December 31, 2005. The preparation of the consolidated financial statements and group management report in accordance with the IFRS, whose application is mandatory in the European Union (EU), and the additional financial-accounting provisions of Art. 315a(1) German Commercial Code ("HGB"), as well as with the additional provisions of the Company's bylaws, is the responsibility of the Company's legal representatives. Our responsibility is, based on our audit, to express an opinion on the consolidated financial statements and group management report.

We have conducted our annual group audit in accordance with Art. 317 HGB and with due regard to generally accepted standards on the audit of financial statements as established by IDW, the Institute of Sworn Public Accountants & Auditors in Germany. Said standards require that we plan and perform the audit to obtain reasonable assurance that any misstatement or fraud which has a material impact on the view of the net assets, financial position and results of operations as presented by the consolidated financial statements in accordance with accounting principles generally accepted in Germany and by the group management report is identified. When planning the audit procedures, knowledge and understanding of the Group's business, its economic and legal environment as well as sources of potential errors are given due consideration. An audit includes examining, largely on a test basis, the accounting-related internal control system's effectiveness and the evidence supporting the amounts and disclosures in the consolidated financial statements and group management report. An audit also includes assessing the financial statements of companies included in the consolidated financial statements, the definition of the consolidation group, the accounting principles used, and significant estimates made, by the Company's legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any objections or exceptions.

It is our opinion that, based on our audit conclusions, the consolidated financial statements are in conformity with the IFRS, whose application is mandatory in the EU, and the additional financial-accounting provisions of Art. 315a(1) HGB, as well as with the additional provisions of the Company's bylaws, and, with due regard to these standards, regulations and provisions, present a true and fair view of the Group's net assets, financial position and results of operations. The group management report is in conformity with the consolidated financial statements and presents fairly, in all material respects, both the Group's position and the risks and rewards inherent in its future development.

Munich, March 3, 2006

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dr. Hoyos
Wirtschaftsprüfer

Dr. Dauner
Wirtschaftsprüfer

SUPERVISORY BOARD — OUTSIDE APPOINTMENTS

1 **Dr.-Ing. Ekkehard D. Schulz**
Düsseldorf,
Chairman of the Executive Board
of ThyssenKrupp AG
Chairman (appointed June 3, 2005)
a) RAG AG (additional Deputy Chairman)
Axa Konzern AG
Bayer AG
Commerzbank AG
Deutsche Bahn AG
TUI AG
b) ThyssenKrupp Automotive AG (Chairman)
ThyssenKrupp Elevator AG (Chairman)
ThyssenKrupp Services AG (Chairman)

2 **Dr. Eng. h. c. Volker Jung**
Munich,
former member of the Executive Board
of Siemens AG,
Chairman
(retired June 3, 2005)
a) Direktanlagebank AG
Messe München GmbH
Vattenfall Europe AG
c) INTRACOM S. A., Greece

3 **Dr. rer. pol. Gerlinde Strauss-Wieczorek***
Rüsselsheim,
Secretary of the German
Metalworkers Union,
Deputy Chairwoman

4 **Prof. Dr.-Ing. Joachim Milberg**
Baldham,
Chairman of the Supervisory Board
of BMW AG
Deputy Chairman (appointed June 3, 2005)
a) BMW AG (Chairman)
Allianz Versicherungs-AG
Bertelsmann AG
FESTO AG
Leipziger Messe GmbH
TÜV Süddeutschland Holding AG
c) John Deere & Company

5 **Dr. oec. Paul Achleitner**
Munich,
Member of the Executive Board of
Allianz AG,
Deputy Chairman
(retired June 3, 2005)
a) Bayer AG
RWE AG
b) Allianz Immobilien GmbH (Chairman)
Allianz Dresdner Asset Management
GmbH (ADAM)

6 **Jürgen Bänsch***
Augsburg,
Chairman of the Works Council at
MAN Roland Druckmaschinen AG,
Augsburg Plant

7 **Michael Behrendt**
Hamburg,
Chairman of the Executive Board
of Hapag-Lloyd AG
a) Barmenia Allgemeine Versicherungs-AG
Barmenia Krankenversicherung a. G.
Barmenia Lebensversicherung a. G.
Esso Deutschland GmbH
ExxonMobil Central Europe
Holding GmbH
Hamburgische Staatsoper GmbH
b) Hapag-Lloyd Container Linie GmbH
(Chairman)
d) CP Ships Ltd.

8 **Dr.-Ing. Herbert H. Demel**
Lannach, Austria
Chairman of the Executive Board
of Magna Powertrain AG
(appointed June 3, 2005)
a) IWKA AG

9 **Detlef Dirks***
Augsburg,
Chairman of the Works Council at
MAN B&W Diesel AG,
Augsburg Plant

10 **Jürgen Dorn***
Munich,
Chairman of the Central Works Council at
MAN Nutzfahrzeuge AG
a) MAN Nutzfahrzeuge AG

11 **Klaus Eberhardt**
Gerlingen,
Chairman of the Executive Board
of Rheinmetall AG
(appointed June 3, 2005)
b) Kolbenschmidt Pierburg AG (Chairman)
Rheinmetall Defence Electronics GmbH
(Chairman)
Rheinmetall Landsysteme GmbH
(Chairman)
Rheinmetall Waffe Munition GmbH
(Chairman)
c) Hirschmann Electronics Holding S.A.
(Chairman)
d) Nitrochemie AG (President)
Nitrochemie Wimmis AG (President)
Oerlikon Contraves AG (President)

12 **Reinhard Frech***
Augsburg,
Head of Web-fed Production and Materials
Management
(Purchasing)
(appointed July 1, 2005)
a) MAN Roland Druckmaschinen AG

13 **Dr. rer. nat. Hubertus von Grünberg**
Hanover,
Chairman of the Supervisory Board
of Continental AG
a) Continental AG (Chairman)
Allianz Versicherungs-AG
Deutsche Telekom AG
c) Schindler Holding AG

14 **Jürgen Hahn***
Essen,
commercial employee
at MAN Ferrostaal AG
a) MAN Ferrostaal AG

15 **Dr. jur. Heiner Hasford**
Munich,
Member of the Executive Board of
Münchener Rückversicherungs-Gesellschaft
(retired June 3, 2005)
a) Europäische Reiseversicherung AG
(Chairman)
Commerzbank AG
Nürnberger Beteiligungs-AG
WMF Württembergische Metallwaren-
fabrik AG
b) D.A.S. Deutscher Automobil Schutz—
Allgemeine Rechtsschutz-Versicherungs-
AG
ERGO Versicherungsgruppe AG
Victoria Lebensversicherung AG
Victoria Versicherung AG
d) American Re Corporation

16 **Dr. phil. Klaus Heimann***
Frankfurt/Main,
Secretary of the German Metalworkers
Union
a) Krones AG

17 **Dr. jur. Karl-Ludwig Kley**
Cologne,
Member of the Executive Board
of Deutsche Lufthansa AG
(appointed June 3, 2005)
a) Gerling Allgemeine Versicherungs-AG
Merck KGaA
Thomas Cook AG
Vattenfall Europe AG
b) Delvag Luftfahrt-AG (Vors.)
Lufthansa AirPlus Servicekarten GmbH
(Vors.)
LSG Lufthansa Service Holding AG
Lufthansa Cargo AG
Lufthansa Technik AG
c) Amadeus Global Travel Distribution S.A.
KG Allgemeine Leasing GmbH & Co.

18 **Prof. Dr. rer. pol. Renate Köcher**
Constance,
Managing Director of the Allensbach
Institute for Public Opinion Research
a) Allianz AG
BASF AG
Infineon Technologies AG

19 **Nicola Lopopolo***
Hanover,
Chairman of the Works Council
at RENK AG,
Hanover Plant

20 **Andreas de Maizière**
Bad Homburg,
former Member of the Executive Board
of Commerzbank AG
(retired June 3, 2005)
a) Rheinische Bodenverwaltung AG
(Chairman)
ABB AG
Borgers AG
RWE Power AG
STEAG AG
ThyssenKrupp Stahl AG
b) Hypothekenbank in Essen AG (Chairman)
c) Arenberg-Schleiden GmbH (Chairman)
BVV Versicherungsverein des Bankgewerbes a. G.

21 **Thomas Otto***
Ottweiler,
Secretary of the German Metalworkers
Union
a) MAN Nutzfahrzeuge AG
MAN Nutzfahrzeuge Vertrieb GmbH
SMS GmbH

22 **Lothar Pohlmann***
Oberhausen,
Chairman of the General Works Council
at MAN AG and Chairman of the Works
Council at MAN TURBO AG,
Sterkrade Plant

23 **Dr.-Ing. E. h. Rudolf Rupprecht**
Augsburg,
former Chairman of the
Executive Board of MAN AG
(appointed June 3, 2005)
a) SMS GmbH (Chairman)
Bavarian State Forests AöR
KME AG
Salzgitter AG
c) Karl Augustin GmbH
Novelis Inc.

24 **Ralf Simon***
Munich,
Senior Manager at MAN Nutzfahrzeuge AG
(retired June 30, 2005)
a) Gesellschaft zur Altlastensanierung
in Bayern mbH

25 **Dr. rer. nat. Hanns-Helge Stechl**
Mannheim,
former Deputy Chairman of the
Executive Board of BASF AG

* Elected by Group employees

At March 1, 2006 or date of retirement

a) Supervisory board appointments in German companies
b) Group mandates
c) Appointments to comparable boards inside and outside Germany
d) Appointments to comparable boards outside Germany (Group mandates)

SUPERVISORY BOARD COMMITTEES

1 **Standing Committee**
Dr.-Ing. Ekkehard D. Schulz (Chairman)
Dr. jur. Karl-Ludwig Kley
Prof. Dr.-Ing. Joachim Milberg
Lothar Pohlmann
Dr. rer. pol. Gerlinde Strauss-Wieczorek

2 **Executive Personnel Committee**
Dr.-Ing. Ekkehard D. Schulz (Chairman)
Prof. Dr.-Ing. Joachim Milberg
Dr. rer. pol. Gerlinde Strauss-Wieczorek

3 **Audit Committee**
Dr. jur. Karl-Ludwig Kley (Chairman)
Prof. Dr.-Ing. Joachim Milberg
Lothar Pohlmann
Dr. rer. pol. Gerlinde Strauss-Wieczorek
Dr.-Ing. Ekkehard D. Schulz

EXECUTIVE BOARD—OUTSIDE APPOINTMENTS

1 **Dipl.-Ing. Håkan Samuelsson**
Munich,
Chairman
b) MAN Nutzfahrzeuge AG (Chairman)
MAN Ferrostaal AG (Chairman)
MAN Roland Druckmaschinen AG (Chairman)
MAN B&W Diesel AG (Chairman)
MAN TURBO AG (Chairman)
RENK Aktiengesellschaft (Chairman)
NEOMAN Bus GmbH (Chairman)
c) MAN B&W Diesel A/S, Denmark

2 **Dr. rer. pol. Ferdinand Graf von Ballestrem**
Munich
(retired Dec. 31, 2005)
a) Bayerische Versicherungsbank AG
Hypo Real Estate Holding AG
SMS Demag AG
b) RENK Aktiengesellschaft (Deputy Chairman)
MAN Roland Druckmaschinen AG
MAN Nutzfahrzeuge Vertrieb GmbH
c) MAN Capital Corporation, USA (Chairman)
MAN Financial Services plc., United Kingdom (Chairman)

3 **Prof. Dipl.-Ing. (FH) Gerd Finkbeiner**
Neusäß
b) MAN Nutzfahrzeuge AG
RENK Aktiengesellschaft
c) MAN Roland CEE AG, Austria (Chairman)
MAN Roland Inc., USA (Chairman)
MAN Roland (China) Ltd., China (Chairman)
MAN Roland Western Europe Group B. V., The Netherlands (Chairman)
Votra S. A., Switzerland (Chairman)

4 **Karlheinz Hornung**
Grünwald
b) MAN Nutzfahrzeuge AG
MAN Ferrostaal AG
MAN Roland Druckmaschinen AG
MAN B&W Diesel AG
MAN TURBO AG
c) MAN Capital Corporation, USA (Chairman)
MAN B&W Diesel A/S, Denmark

5 **Dr. jur. Matthias Mitscherlich**
Mülheim a. d. Ruhr
a) Coface Holding AG
Coface Kreditversicherung AG
b) MAN TURBO AG (Deputy Chairman)
MAN Roland Druckmaschinen AG
MAN Ferrostaal Power Industry GmbH

6 **Dr. jur. Hans-Jürgen Schulte LL.M.**
Augsburg
(retired Jan. 31, 2005)
b) Drei Mohren AG (Chairman)
MAN Nutzfahrzeuge AG
RENK Aktiengesellschaft
c) S.E.M.T. Pielstick, France (Chairman)
MAN B&W Diesel Ltd., United Kingdom (Chairman)

7 **Dipl.-Ökonom Anton Weinmann**
Landensberg
b) MAN Nutzfahrzeuge Vertrieb GmbH (Chairman)
MAN B&W Diesel AG
RENK Aktiengesellschaft
NEOMAN Bus GmbH
NEOPLAN Bus GmbH
c) MAN Nutzfahrzeuge Austria AG (Deputy Chairman)
MAN B&W Diesel A/S, Denmark

8 **Dr. rer. nat. Wolfgang Brunn**
Gröbenzell
(Deputy)
(retired Dec. 31, 2005)
a) MT Aerospace AG (Chairman)
b) MAN TURBO AG

At March 1, 2006 or date of retirement

[a] Supervisory board appointments in German companies
[b] Group mandates
[c] Appointments to comparable boards outside Germany (Group mandates)

EXECUTIVE AND MANAGEMENT BOARDS OF GROUP COMPANIES

1 **MAN Nutzfahrzeuge AG,**
Munich
Dipl.-Ökonom Anton Weinmann,
Chairman
Prof. Dr.-Ing. Franz Breun
Peter Erichreinecke
Dr.-Ing. Georg Pachta-Reyhofen
Dipl.-Ing. Lars Wrebo

2 **MAN Ferrostaal AG,**
Essen
Dr. jur. Matthias Mitscherlich,
Chairman
Dipl.-Ing. Jens Gesinn
Helmut Julius
Dr.-Ing. Wolfgang Knothe

3 **MAN Roland Druckmaschinen AG,**
Offenbach
Prof. Dipl.-Ing. (FH) Gerd Finkbeiner,
Chairman
Dr. oec. publ. Ingo Koch
Dr. Markus Rall
Dipl.-Ing.(FH) Paul Steidle

4 **MAN B&W Diesel AG,**
Augsburg
Dipl.-Ing. Fritz Pape
Dr.-Ing. Peter Sunn Pedersen
Tage Reinert
Dr.-Ing. Stefan Spindler
Dr.-Ing. Stephan Timmermann

5 **MAN TURBO AG,**
Oberhausen
Jürgen Maus, Chairman
Dr.-Ing. Hans O. Jeske
Dr. rer. oec. Gerhard Willi Reiff

At March 1, 2006

ABRIDGED LIST OF COMPANIES CONSOLIDATED

AT 31 DECEMBER 2005

	Shareholding %	Sales € million	Employees at Dec. 31, 2005
MAN Nutzfahrzeuge Aktiengesellschaft, Munich	**100**	**5,355**	**12,431**
MAN Nutzfahrzeuge Österreich AG, Steyr, Austria	100	1,087	3,153
NEOMAN Bus GmbH, Salzgitter, Germany	100	790	1 477
NEOMAN Bus Vertrieb GmbH, Ismaning, Germany	100	321	153
NEOPLAN Bus GmbH, Stuttgart, Germany	100	207	933
MAN Türkiye A.S., Akyurt Ankara, Turkey	100	241	2,400
MAN STAR Trucks & Busses Sp. z o.o., Tarnowo Podgórne, Poland	100	228	2,626
MAN Automotive (South Africa) (Pty.) Ltd., Johannesburg, South Africa[1)]	100	276	689
MAN Nutzfahrzeuge Vertrieb GmbH, Munich, Germany	100	1,855	4,652
MAN ERF UK Ltd., Swindon, Wiltshire, United Kingdom	100	668	1,087
MAN Nutzfahrzeuge Vertrieb OHG, Vienna, Austria	100	436	875
MAN Vehiculos Industriales (Espana) S.A., Coslada (Madrid), Spain	100	505	489
MAN Camions et Bus S.A., Every Cedex, France	100	391	500
MAN Veicoli Industriali S.p.A., Dossobuono di Villafranca (Verona), Italy	100	254	116
MAN Truck & Bus S.A., Kobbegem (Brussels), Belgium[1)]	100	151	120
MAN Last og Bus A/S, Glostrup, Denmark	100	121	183
MAN Nutzfahrzeuge (Schweiz) AG, Otelfingen, Switzerland	100	120	117
MAN Last og Buss A/S, Lorenskog, Norway	100	105	199
MAN Veiculos Industriais (Portugal) S.U. Lda., Algés (Lisbon), Portugal	100	69	54
MAN Engines & Components Inc., Pompano Beach, USA	100[2)]	44	40
MAN uzitková vozidla Ceská republika spol.s.r.o., Cestlice, Czech Republic	100	92	72
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti, Hungary	100	51	115
MAN Gospodarska vozila Slovenija d.o.o., Ljubljana, Slovenia	100	34	34
MAN STAR Trucks Sp. z o.o., Nadarzyn, Poland	100	216	273
MAN Úzitkové Vozidlá Slovakia s.r.o., Bratislava, Slovakia	100	25	44
NEOMAN Italia S.r.l., Agata Bolognese, Italy	100	51	27
NEOPLAN Omnibus GmbH, Plauen, Germany	84	49	295
MAN Kamyon ve Otobüs Ticaret A.S. Ankara, Turkey	100	408	180
MAN Ferrostaal Aktiengesellschaft, Essen	**100**	**1,483**	**726**
MAN Ferrostaal Power Industry GmbH, Essen, Germany	100	115	225
MAN Ferrostaal Industrieanlagen GmbH, Geisenheim, Germany	100	97	202
MAN TAKRAF Fördertechnik GmbH, Leipzig, Germany[1)]	100[3)]	140	464
DSD de Venezuela C.A., Caracas, Venezuela	100	41	98
DSD Construcciones y Montajes S.A., Santiago, Chile	100	39	113
Intergrafica Print & Pack Pty. Ltd., Alexandria, Australia	100	35	56
Graphic Systems Australasia Pty. Ltd., Silverwater, Australia	100	20	38
Intermesa Trading S.A., Rio de Janeiro, Brazil[1)]	48,5	223	32
MAN Ferrostaal Incorporated, Houston, USA[1)]	100[2)]	790	478
MAN Ferrostaal Industrie- und System-Logistik GmbH, Essen, Germany[1)]	100	124	1,061
MAN Ferrostaal Piping Supply GmbH, Essen, Germany[1)]	100	98	91
MAN Roland Druckmaschinen AG, Offenbach	**100**	**1,358**	**6,845**
MAN Roland Vertrieb und Service GmbH, Mühlheim/Main, Germany	100	59	130
MAN Roland Vertriebsgesellschaft Bayern mbH, Munich, Germany	100	46	62
MAN Roland Western Europe Group B.V., Amsterdam, The Netherlands[1)]	100[4)]	336	724
MAN Roland Nederland B.V., Amsterdam, The Netherlands	100	49	137
MAN Roland Belgium N.V., Wemmel, Belgium	100	59	119
MAN Roland Great Britain Limited, Mitcham, United Kingdom	100	58	135

	Shareholding %	Sales € million	Employees at Dec. 31, 2005
MAN Roland France SA, Roissy Charles de Gaulle Cedex, France	100	44	88
MAN Roland Swiss AG, Kirchberg, Switzerland	100	33	66
MAN Roland Italia SpA, Segrate Milan, Italy	100	52	76
MAN Roland Sverige AG, Trollhättan, Sweden[1]	100	32	49
MAN Roland Finland Oy, Vantaa, Finland	100	10	31
MAN Roland Danmark A/S, Vaerloese, Denmark	100	16	24
MAN Roland CEE AG, Vienna, Austria[1]	100	62	157
MAN Roland Inc., Westmont, USA[1]	100[2]	297	267
MAN Roland (China) Limited, Hongkong, China[1]	100	64	180
DIC*MANROLAND Co.Ltd., Tokyo, Japan	80	20	67
ppi Media GmbH, Hamburg, Germany	74.8	15	129
MAN B&W Diesel Aktiengesellschaft, Augsburg	**100**	**666**	**2,498**
MAN B&W Diesel A/S, Copenhagen, Denmark	100	714	2,344
MAN B&W Diesel Ltd., Stockport, United Kingdom	100	104	469
S.E.M.T. Pielstick, Villepinte, France	66.6	154	673
MAN B&W Diesel (Singapore) Pte. Ltd., Singapore	100	58	150
PBS Turbo s.r.o., Velka Bites, Czech Republic	100	13	157
MAN B&W Diesel Canada Ltd., Oakville/Canada	100	26	22
MAN B&W Diesel Australia Pty. Ltd., North Ryde, Australia	100	23	35
MAN TURBO AG, Oberhausen	**100**	**456**	**1,632**
MAN TURBO AG Schweiz, Zurich, Switzerland	100	209	576
MAN TURBO S.r.l. De Pretto, Schio, Italy	100	20	200
MAN TURBO Inc. USA, Houston, USA	100[2]	49	19
MAN TURBO South Africa (Pty) Ltd., Elandsfontain, South Africa	100	12	49
RENK Aktiengesellschaft, Augsburg	**76**	**298**	**1,426**
MAN DWE GmbH, Deggendorf	**100**	**62**	**379**
MAN Finance International GmbH, Munich[1]	**100**	**300**	**124**

[1] Sales and employees include companies under operative management.
[2] Held by MAN Capital Corporation, New York, USA.
[3] Held by MAN AG.
[4] 7% share held by Ferrostaal Piping Supply B.V., Hooge Zwaluwe, The Netherlands.

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF MAN AS OF AND FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2004 (IFRS)

CONSOLIDATED INCOME STATEMENT FOR FISCAL 2004

		MAN Group		Industrial Business		Financial Services	
(€ million)	Note	2004	2003	2004	2003	2004	2003
Net sales	(1)	14,947	13,546	14,048	12,919	899	627
Cost of sales		-12,125	-11,067	-11,298	-10,524	-827	-543
Gross margin		**2,822**	**2,479**	**2,750**	**2,395**	**72**	**84**
Other operating income	(2)	270	407	231	369	39	38
Selling expenses		-958	-959	-953	-955	-5	-4
General administrative expenses		-611	-571	-604	-566	-7	-5
Other operating income	(3)	-892	-922	-871	-895	-21	-27
Income from associated affiliates		1	1	1	1	-	-
Other income from investments	(4)	-8	8	-8	8	-	-
Net interest expense of Financial Services	(5)	-51	-60	-	-	-51	-60
Operating profit		**573**	**383**	**546**	**357**	**27**	**26**
Net interest expense of Industrial Business	(5)	-120	-122	-120	-122	-	-
EBT		**453**	**261**	**426**	**235**	**27**	**26**
Income taxes	(6)	-130	-69	-121	-56	-9	-13
Net result of discontinued operations		-	43	-	43	-	-
Net income		**323**	**235**	**305**	**222**	**18**	**13**
Minority interests		-15	-8	-15	-8	-	-
Net income after minority interests		**308**	**227**	**290**	**214**	**18**	**13**
EpS incl. net result of discontinued operations (€)	**(7)**	**2.09**	**1.54**	**1.97**	**1.45**	**0.12**	**0.09**
EpS excl. net result of discontinued operations (€)	**(7)**	**2.09**	**1.25**	**1.97**	**1.16**	**0.12**	**0.09**

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2004

ASSETS

		MAN Group		Industrial Business		Financial Services	
(€ million)	Note	12/31/2004	12/31/2003	12/31/2004	12/31/2003	12/31/2004	12/31/2003
Intangible assets	(9)	413	401	412	400	1	1
Tangible assets	(10)	1,992	2,052	1,751	1,796	241	256
Shares in associated affiliates	(11)	2	4	2	4	–	–
Other investments	(11)	161	155	160	152	1	3
Assets leased out	(12)	610	722	12	17	598	705
Deferred tax assets	(6)	350	408	346	405	4	3
Other noncurrent assets	(15)	186	190	186	189	0	1
Noncurrent assets		**3,714**	**3,932**	**2,869**	**2,963**	**845**	**969**
Inventories	(13)	3,393	3,107	3,386	3,087	7	20
Trade receivables	(14)	2,993	2,851	2,231	2,231	762	620
Income tax assets		104	80	104	80	–	–
Other current assets	(15)	759	637	694	590	65	47
Short-term securities	(16)	157	168	157	168	–	–
Cash & cash equivalents	(16)	604	380	602	377	2	3
Current assets		**8,010**	**7,223**	**7,174**	**6,533**	**836**	**690**
		11,724	**11,155**	**10,043**	**9,496**	**1,681**	**1,659**

Equity & Liabilities

(€ million)	Note	MAN Group 12/31/2004	MAN Group 12/31/2003	Industrial Business 12/31/2004	Industrial Business 12/31/2003	Financial Services 12/31/2004	Financial Services 12/31/2003
Capital stock		376	376				
Additional paid-in capital		795	795				
Retained earnings		1,795	1,596				
Accumulated OCI		(21)	(47)				
Equity of MAN AG stockholders		**2,945**	**2,720**	**2,799**	**2,591**	**146**	**129**
Minority interests		86	64	86	64	–	–
Equity	(17)	**3,031**	**2,784**	**2,885**	**2,655**	**146**	**129**
Noncurrent financial liabilities	(18)	366	626	67	327	299	299
Pension accruals	(19)	1,716	1,681	1,714	1,679	2	2
Deferred tax liabilities	(6)	352	391	317	359	35	32
Income tax liabilities		66	38	66	38	0	–
Other noncurrent accruals	(20)	518	455	518	455	0	0
Other noncurrent liabilities	(21)	4	–	4	–	–	–
Noncurrent liabilities and accruals		**3,022**	**3,191**	**2,686**	**2,858**	**336**	**333**
Current financial liabilities	(18)	387	361	369	361	18	–
Due to/(from) intragroup financing		–	–	-987	-959	987	959
Trade payables		1,622	1,618	1,510	1,462	112	156
Prepayments received		1,399	1,200	1,397	1,199	2	1
Other current accruals	(20)	1,217	1,060	1,185	1,029	32	31
Other current liabilities	(21)	1,046	941	998	891	48	50
Current liabilities and accruals		**5,671**	**5,180**	**4,472**	**3,983**	**1,199**	**1,197**
		11,724	**11,155**	**10,043**	**9,496**	**1,681**	**1,659**

CONSOLIDATED STATEMENT OF CASH FLOWS 2004

	MAN Group		Industrial Business		Financial Services	
(€ million)	2004	2003	2004	2003	2004	2003
EBT	453	261	426	235	27	26
Statutory taxes	–124	–62	–109	–49	–15	–13
Amortization/depreciation/write-down of tangible/intangible assets and investments	402	373	360	348	42	25
Depreciation/write-down of assets leased out	145	152	14	7	131	145
Changes in pension accruals	38	46	37	46	1	–
Undistributed P/L of associated affiliates	–1	–1	–1	–1	–	–
Other noncash expenses and income	–	–1	–	–1	–	–
Cash earnings	**913**	**768**	**727**	**585**	**186**	**183**
Changes in inventories	–316	165	–328	177	12	–12
Changes in prepayments received	217	2	217	1	0	1
Changes in trade receivables	–164	–123	–10	–151	–154	28
Changes in trade payables	10	121	48	90	–38	31
Changes in other accruals	221	25	221	23	0	2
Changes in other receivables and current assets	–61	–6	–67	0	6	–6
Changes in other liabilities	125	23	125	28	0	–5
Elimination of the net gain/loss from the disposal of tangible/intangible assets and investments	–11	–15	–10	–18	–1	3
Other changes in working capital	40	–64	40	–56	0	2
Net cash provided by operating activities	**974**	**906**	**963**	**679**	**11**	**227**
Expenditures for tangible/intangible assets	–357	–402	–327	–322	–30	–80
Expenditures for investments	–32	–18	–32	–18	–	–
Cash inflow from the disposal of tangible/intangible assets and investments	48	214	45	198	3	16
Expenditures for assets leased out	–335	–245	–14	–9	–321	–236
Disposal of assets leased out	307	134	5	15	302	119
Net cash used in investing activities	**–369**	**–317**	**–323**	**–136**	**–46**	**–181**
Free cash flow from operating and investing activities	**605**	**589**	**640**	**543**	**–35**	**46**
Intragroup dividend distribution	–	–	20	21	–20	–21
Dividend payment	–117	–93	–117	–93	–	–
Sale/(purchase) of securities	14	3	14	3	–	–
Change in financial liabilities	–266	–389	–319	–358	53	–31
Net cash (used in)/provided by financing activities	**–369**	**–479**	**–402**	**–427**	**33**	**–52**
Net change in cash & cash equivalents	**236**	**110**	**238**	**116**	**–2**	**–6**
Cash & cash equivalents at beginning of period	**380**	**285**	**377**	**276**	**3**	**9**
Changes in cash & cash equivalents due to changed consolidation group	3	–	1	–	2	–
Parity-related changes in cash & cash equivalents	–15	–15	–14	–15	–1	–
Cash & cash equivalents at end of period	**604**	**380**	**602**	**377**	**2**	**3**
Breakdown of net liquid assets at Dec. 31						
Cash and cash equivalents	604	380	602	377	2	3
Securities	157	168	157	168	–	–
Financial liabilities	–753	–987	551	271	–1,304	–1,258
	8	**–439**	**1,310**	**816**	**–1,302**	**–1,255**

STATEMENT OF CHANGES IN EQUITY 2004

(€ million)	Capital Stock	Additional Paid-In Capital	Reserves retained from earnings	Accumulated OCI: Currency translation differences	Accumulated OCI: Statement at FV of fin. instruments	Minority interests	Total
Balance at Dec. 31, 2002	**376**	**795**	**1,500**	**–6**	**–35**	**261**	**2,891**
Dividend payment			–88			–5	–93
Net income for 2003			227			8	235
Currency translation effects				–42	2	–6	–46
Changes in unrealized gains/losses					19	6	25
Deconsolidation of SMS Group			–13	–3	16	–196	–196
All other changes			–30	2		–4	–32
Balance at Dec. 31, 2003	**376**	**795**	**1,596**	**–49**	**2**	**64**	**2,784**
Dividend payment			–110			–7	–117
Net income for 2004			308			15	323
Currency translation effects				5		–1	4
Changes in unrealized gains/losses					17	6	23
All other changes			1	4		9	14
Balance at Dec. 31, 2004	**376**	**795**	**1,795**	**–40**	**19**	**86**	**3,031**

The accumulated other comprehensive income (OCI) of a negative €21 million (down from a negative €47 million) is allocable to Industrial Business at a red €34 million (down from an equally red €41 million) and Financial Services at a black €13 million (up from a red €6 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General

Accounting and valuation principles

The consolidated financial statements of MAN AG for the fiscal year 2004 conform with the International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) of the International Accounting Standards Board (IASB), London, UK. Moreover, all such Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the previous Standing Interpretations Committee (SIC) as require application in fiscal 2004 have been duly taken into account, as have the standards of the German Accounting Standards Committee (GASC).

The IFRS-based consolidated financial statements also conform with the 7th EU Directive. MAN exercises the option offered in Art. 292a German Commercial Code ("HGB") to present consolidated financial statements according to internationally accepted accounting principles and refrain from formulating group accounts according to German accounting regulations. Disclosures additionally required under HGB regulations have been made in these notes.

With a view to deepening the insight into the MAN Group's net assets, financial position and results of operations, the consolidated financial statement data additionally breaks down into Industrial Business and Financial Services. Industrial Business covers all MAN Group companies other than the Financial Services subgroup (MAN Financial Services). Within the MAN Group, MAN Financial Services provides financial services for customers and group companies, including sales and capital expenditure financing and focusing on leasing commercial vehicles to customers. The balances from eliminating intragroup transactions between Financial Services and Industrial Business have been assigned to the latter segment.

Consolidation Group

Besides MAN AG as the parent, all subsidiaries are included (i) in which MAN AG holds (whether directly or indirectly) the majority of voting rights, and/or (ii) whose financial and business policies can be controlled by MAN AG under the articles of association of, or an intercompany or other contractual agreement with, any such subsidiary; case (ii) applies to Schwäbische Hüttenwerke GmbH as of December 31, 2004, in which MAN AG holds 50 percent of the voting rights, and to Intermesa Trading Ltda., a Brazilian company in which MAN Ferrostaal AG holds a 48.5-percent stake.

Companies acquired during the fiscal year are included p.r.t. as from the date of their acquisition, while those disposed of during the fiscal year are excluded from consolidation as from the date of transfer of beneficial ownership or, if insignificant, retroactively as from January 1, 2004.

NUMBER OF CONSOLIDATED COMPANIES

	Germany	Abroad	Total
Included as of December 31, 2003	74	119	193
Newly included in fiscal 2004	5	9	14
Excluded in fiscal 2004	5	8	13
Included as of December 31, 2004	**74**	**120**	**194**

The newly included companies are 14 smallish firms acquired or newly formed in 2004 or not consolidated the year before due to their insignificance. Altogether 13 companies retired from the consolidation group, through either divestment or merger with other consolidated subsidiaries, or due to their minor significance.

One investee (down from five) is carried at equity as associated affiliate. The noncon-solidated subsidiaries are in the aggregate of minor significance for the presentation of the MAN Group's net assets, financial position and results of operations.

Selected consolidated companies of the MAN Group are listed on the inside back cover of this annual report. A complete listing of the MAN Group's shareholdings will be filed with the Commercial Register of the Local Court of Munich under no. HRB 78 706.

CONSOLIDATION

The consolidated financial statements are based on MAN AG's and its consolidated subsidiaries' annual financial statements as prepared in accordance with groupwide uniform accounting and valuation principles and certified by independent auditors.

The purchase method is used for capital consolidation. The acquiree's liabilities and assets—particularly intangibles—are reassessed in terms of their recognition in the acquiree's accounts and, on certain conditions, thenceforth recognized, or restated to fair value. Any difference between the purchase cost of the acquiree and the prorated equity is allocated to one or more cash-generating units (CGUs) and capitalized as goodwill. The value of the CGU that includes the assigned goodwill is tested for impairment at least once annually and, if found impaired, written down accordingly.

All intercompany accounts (profits, gains, losses, income, expenses, receivables and payables) among companies included in the consolidated financial statements are eliminated. Deferred taxes are calculated for consolidation transactions recognized in net income.

Associated affiliates carried at equity are included on the basis of their financial statements as of December 31, 2004, and shown in a separate balance sheet line. The Group's shares in their net income or loss are disclosed in a separate income statement line.

CURRENCY TRANSLATION

For the consolidated financial statements, the functional-currency method is used to translate the financial statements of non-Euroland companies. Balance sheet lines are translated at the current, and income statement captions at the annual average, rates.

In the fixed-asset schedule, accruals analysis and statement of changes in equity, the fiscal year's opening and closing balances as well as consolidation group changes are translated at the applicable current rates, while for the remaining balance sheet lines, the annual average rates are used. Differences from the currency translation versus the prior year of balance sheet captions are recognized in equity only.

THE EURO (€) EXCHANGE RATES OF MAJOR CURRENCIES ARE AS FOLLOWS:

	Current rate of €1 at		Average rate of €1 in	
	12/31/2004	12/31/2003	2004	2003
US dollar	1.3621	1.2630	1.2424	1.1329
Pound sterling	0.7051	0.7048	0.6795	0.6911
Danish krone	7.4388	7.4450	7.4400	7.4303
Swiss franc	1.5429	1.5579	1.5445	1.5192
Swedish krona	9.0206	9.0800	9.1283	9.1453
Polish złoty	4.0845	4.7019	4.5429	4.4202
Turkish lira (1,000/€)	1,836.20	1,771.64	1,773.96	1,701.10
Japanese yen	139.65	135.05	133.93	131.31
South African rand	7.6897	8.3276	7.9721	8.4767
Canadian dollar	1.6416	1.6234	1.6162	1.5879

Income, Gains, Expenses and Losses

Sales are recognized as and when the underlying products or goods have been delivered or the services rendered and after risk has passed to the customer, always net after all sales deductions, such as cash and other discounts, allowances granted to customers, etc. Revenues from long-term manufacturing contracts (see the notes thereto for details) are recognized on a percentage-of-completion (PoC) basis.

Operating expenses are accounted for when the underlying products or services are utilized, whereas expenses for advertising and sales promotion and other sales-related expenses are recognized when incurred. We provide for accrued warranty obligations when products are sold. Interest and other cost of debt are expensed in the period.

Intangible Assets

Separately acquired intangible assets are capitalized at purchase cost. Applying IFRS 3 as from fiscal 2004 implies that intangibles acquired in a business combination are capitalized at fair value as of the acquisition date. Finite-lived intangibles are amortized on a straight-line basis over their useful lives, as a rule not in excess of ten years. Intangible assets whose useful life cannot be determined are not amortized but tested once annually for impairment. If found impaired, they are written down to their fair value. If the fair value of an intangible asset (other than goodwill) previously written down rebounds, the intangible asset is written up accordingly.

R&D costs are expensed in line with IAS 38. An exception to this practice are the expenses incurred for the development of new products and series: such expenses are capitalized from that year onwards in which the technical completion of the new development and its future marketability are secured. Capitalized development costs are amortized as from the date of market rollout. Amortization is charged per unit or on a straight-line basis over the estimated useful life of four to ten years.

Tangible Assets

Tangible assets are valued at purchase or production cost, less depreciation and, where appropriate, write-down. The production cost of internally manufactured tangible assets includes all direct costs (labor and materials), as well as prorated indirect materials and indirect labor. Maintenance and repair (M&R) and interest costs are expensed in the period of their incurrence.

Tangible assets are depreciated according to the straight-line method over their estimated useful lives. Low-value assets (defined as assets at cost of €410 or less) are fully written off in the year of their purchase. Tangible assets whose fair value has decreased below net book value are written down accordingly. If the fair value of an asset previously written down rises again, the asset is written up accordingly.

The groupwide uniform asset depreciation ranges are based on the following useful lives:

Buildings	20 to 50 years
Land improvements	8 to 20 years
Production plant and machinery	5 to 15 years
Factory and office equipment	3 to 10 years

Leasing, Assets Leased Out

Tangible assets used under leases (investment leasing) are recognized mainly by the lessor as operating-leased. Where in isolated cases the criteria of IAS 17 are met, assets held under capital leases (*a.k.a.* finance leases) are capitalized and depreciated. Assets leased out under operating leases (customer financing) are recognized at cost by the lessor (mainly MAN Financial Services), unless sold to nongroup leasing firms for funding purposes, and depreciated on a straight-line basis over the underlying lease term.

The MAN Financial Services companies as lessors finance not only property, plant and equipment but also the marketing of products by companies of the MAN Group. The term of most leases is below 90 percent of the leased asset's estimated useful life, the general lease conditions being structured to ensure that the leased assets are allocable as operating leases to, and hence capitalizable by, MFI.

Inventories

Inventories are stated at the lower of (purchase or production) cost or net realizable value. Production cost includes all manufacturing-related direct costs, as well as proratable fixed and variable indirect materials and indirect labor. Overhead portions are mostly determined on a normal, in all other cases the actual, workload basis. General administrative and selling (GAS) expenses are not capitalized, nor are any debt interest costs. Raw materials and merchandise are generally valued at average purchase cost. Risks resulting from slow-moving items and from the obsolescence or reduced utility of inventories, as well as uncompleted contracts that involve impending losses are all allowed for by writing them down to their net realizable values.

Long-Term Manufacturing Contracts

Long-term manufacturing (or construction) contracts are recognized according to the percentage-of-completion (PoC) method. The contract progress, or PoC, is determined either on a cost-to-cost basis (i.e., from the ratio the costs incurred by the balance sheet date bear to the expected total contract costs), or on the basis of agreed milestones. Based on agreed revenues and expected contract costs, sales and cost of sales are recognized in line with the PoC achieved. In the balance sheet, the contract portions proratable according to such PoC are shown as trade receivables after deducting customer prepayments.

Expected losses on long-term manufacturing contracts (so-called onerous contracts) are immediately and fully expensed. Where the estimate of the outcome (P/L) of such a long-term contract is not yet sufficiently reliable, revenues are recognized only at the amount of contract costs actually incurred. Any prorated profit will not be realized until after completion has reached a stage where future contract costs and revenues can be reliably estimated.

Receivables, Other Assets, Securities

Receivables and other assets are carried at amortized cost. Receivables which are highly probable to be uncollectible are fully written off (specific bad-debt allowance). A flat allowance for doubtful accounts provides for the general collection risk on the basis of empirical data. Non- or low-interest receivables with a remaining term above 3 months are discounted at 5.5 percent. Where the reasons for any previous specific bad-debt allowance or other write-down have ceased to exist, the charge is reversed and the asset written up accordingly.

Securities and other monetary assets, if available for sale, are carried at fair value, the differences between amortized cost and fair value being recognized as other comprehensive income (OCI) within equity, after duly accounting for deferred taxes. Long-term securities held in connection with pension plans are recognized at amortized cost within noncurrent assets.

Accruals, Liabilities

Pension accruals provide for future pension obligations according to the projected unit credit (PUC) method, duly taking into account future payroll and pension increases. For further details, see Note (19).

Warranty accruals provide for the obligations derived from the total warranty expenses of the warranty period and the sale of warranted products, as well as for specific warranties for known claims. Accrued costs yet to be billed and other business obligations are provided for at the best estimate of future cash outflows or, where owed in kind, the future production cost thereof. The remaining accruals provide for all

identifiable risks and uncertain commitments at the amount expected to be realized or utilized. Accruals that include an interest portion are discounted at an annual rate of 5.5 percent.

Liabilities are generally stated at their settlement amount.

Deferred Taxes

Deferred tax assets and liabilities are recognized for temporary differences between the values in the tax and the financial statements, for consolidation transactions recognized in net income, as well as for tax loss carryovers.

Deferred tax assets are not recognized unless the attendant tax reductions will probably materialize. Deferred taxes account only for those amounts of loss carryovers for which taxable income sufficient for realizing the deferred tax assets is expected in the future.

Deferred taxes are calculated at the tax rates current at December 31, 2004; in Germany, this rate is an unchanged 39.4 percent.

Financial Derivatives and Hedges

The MAN Group uses various financial derivatives to hedge current or planned/forecasted underlying transactions. Financial derivatives of relevance to the MAN Group are currency forwards and interest rate swaps.

Financial derivatives are measured at fair (market) value, which is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in a transaction at arm's length. Within the MAN Group, presently currency forwards, foreign exchange (forex) options and interest rate swaps are contracted. The fair value of currency forwards is determined on the basis of the forward rate as of December 31 for the remaining term of each contract in relation to the contracted forward rate. We determine the fair value of forex options by means of generally accepted option pricing techniques, key factors being the residual term, the reference interest rate and the current exchange rate and its volatility. The fair value of interest rate swaps is obtained by discounting the expected future cash flows over the remaining contract term on the basis of current market rates and the yield curve. If their fair value is positive, financial derivatives are shown within the other current assets and, if negative, as other current liabilities.

For derivative financial instruments that bear a hedging relationship, the changes in fair value in the fiscal year are recognized in accordance with the underlying hedging relationship.

If the currency forward hedges an effective underlying transaction (including, without being limited to, an uncompleted contract or a trade receivable), it is a fair value hedge (FVH). In this case, changes in the currency forward's fair value correspond to opposite changes in the hedged underlying transaction's fair value. In the balance sheet, the fair-value changes are recognized in the appropriate line of the underlying transaction, mainly *trade receivables, inventories*, or *trade payables*. In the income statement, changes in the fair value of hedge and underlying transaction have on balance no effect, the individual items being mutually offset within *other operating expenses*.

Cash flow hedges (CFHs) basically include upstream exchange rate hedges for future sales revenues from series manufacture, for high-probability customer projects, as well as interest rate hedges for refinancing customer financing. In this case, any change in fair value is recognized in a separate equity line (*other comprehensive income*) after deducting deferred taxes.

Any financial derivatives where the stringent requirements of IAS 39 for a hedging relationship are not met are considered instruments held for trading, and for these, any differences from fair value remeasurement are immediately and fully recognized in the income statement.

For details of the MAN Group's hedging strategy and current notional volumes, see Note (25).

Estimates

Preparing the consolidated financial statements requires certain assumptions and estimates to be made for the valuation of some assets and liabilities and the disclosure of contingent liabilities, as well as for the recognition of income and expenses. Actual values may differ from those estimates. If the original basis for an estimate changes, the effect of this change is recognized in the income statement.

Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and breaks down cash flows into those from operating, investing and financing activities. Effects of consolidation group changes are eliminated in the lines concerned. The net parity change in cash and cash equivalents is shown in a separate line. The indirect method is used to determine the cash flow from operating activities.

While the term *cash and cash equivalents* fully corresponds to the equivalent balance sheet caption, the MAN Group controls its financial position on the basis of its net liquid assets, these including not only cash and cash equivalents but also securities and financial debts. The balance of net liquid assets is disclosed in the cash flow statement in a separate line.

In the cash flow from operating activities, the noncash operating expenses and income, as well as the gains from the disposal of intangibles, tangibles and investments are all eliminated. Cash earnings are shown in a separate line within this caption and represent the change in cash and cash equivalents attributable to the net income for the year.

The cash flow from investing activities reflects the cash outflow for tangible and intangible assets, investments (including those newly consolidated in the period), and assets leased out. Cash and cash equivalents taken over are deducted from the expenditures for acquiring consolidated subsidiaries.

The cash flow from financing activities mirrors the cash dividends distributed, capital paid in by stockholders, repurchased treasury stock, cash inflow from and outflow for securities held as liquidity reserve, as well as financial liabilities redeemed or newly raised. Cash and cash equivalents comprise cash on hand and in bank, as well as within the segments the receivables from MAN's intragroup finance transactions.

Changed Accounting Rules

In MAN's consolidated financial statements for fiscal 2004, we have applied the following new IFRS or revised IAS early: IFRS 2, *Share-Based Payment*; IFRS 3, *Business Combinations*; IFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*; IAS 36, *Impairment of Assets*; IAS 38, *Intangible Assets*; as well as the Standards revised in the scope of the IASB Improvements Project, viz. IAS 1, *Presentation of Financial Statements*; IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*; IAS 10, *Events after the Balance Sheet Date*; IAS 16, *Property, Plant and Equipment*; IAS 17, *Leases*; IAS 21, *The Effects of Changes in Foreign Exchange Rates*; IAS 27, *Consolidated and Separate Financial Statements*; IAS 28, *Investments in Associates*; IAS 33, *Earnings per Share*; and IAS 40, *Investment Properties*.

The key changes in comparison to the prior year ensue from the application of the revised IAS 1 and the newly enacted IFRS.

Compared with 2003, the obligatory balance sheet classification rules of IAS 1 (presentation according to the order of liquidity) have entailed several changes in disclosure principles, an essential change being the consistent breakdown of assets, liabilities and accruals into noncurrent and current ones. Balance sheet lines are accordingly assigned to either maturity group in accordance with their remaining term (up to or above 1 year) and/or the company's operating cycle. The changes mainly affect the balance sheet:

– *Deferred tax assets* and certain *other noncurrent assets* are no longer disclosed as a separate caption or within current assets but now shown as noncurrent assets. Instead of financial assets, the shares in

associated affiliates and the other investments are shown in separate lines, the remaining former financial assets being part of the *other noncurrent assets* caption.

– The fixed-asset schedule, which details intangible assets, tangible assets and assets leased out, is now based on net book values. For the annual opening and closing balances, the historical cost and accumulated amortization/depreciation/write-down are reported in addition.

– *Prepayments received* are shown on the liabilities side, their open deduction from inventories being discontinued.

– Liabilities and accruals are broken down into their noncurrent and current portions. This assignment to either liquidity category is based on the remaining term (for financial liabilities) or on the allocation to the operating cycle (for all other accruals and liabilities).

The prior-year comparatives have been regrouped accordingly.

IFRS 2 affects the valuation of MAN's SAR (stock appreciation rights) plan, which now requires to be exclusively measured at the fair value of the phantom stock option. Previously, we had carried the obligations at the intrinsic current value on the basis of MAN's stock price (i.e., the value by which the SAR was in the money at December 31, 2004); for further details, see Note (26).

IFRS 3, as well as the revised IAS 36 and 38, refer to the accounting for business combinations including goodwill from consolidation. Goodwill recognized prior to January 1, 2004, in accordance with IAS 22 is carried over at the book value as of December 31, 2003, and duly tested for impairment, amortization being no longer charged. On balance, the application of IFRS 3 has not had any impact on the MAN Group in 2004 since the discontinued amortization (€19 million in 2003) contrasts with write-down of €18 million charged to the goodwill of the *sheet-fed offset presses* CGU.

IFRS 5 regulates the accounting for, and valuation of, noncurrent assets held for sale, as well as the disclosure of discontinued operations. The Standard did not apply to the 2004 consolidated financial statements while in 2003, it concerned the disposal of the SMS Group—discontinued operations that have been shown on a comparable basis.

Applying the remaining revised IAS has affected the MAN Group merely inasmuch as certain disclosures in the notes have been added or omitted, the effect on the carrying amounts of our assets and liabilities being marginal.

Business Acquisitions and Disposals

The MAN Group made no major acquisitions in 2004 or 2003.

On December 7, 2004, Essen-based MAN Ferrostaal sold and transferred a majority stake in DSD Steel Group GmbH, a subsidiary bundling its structural steel business, to the Belgian Pirson Group. The 51-percent stake was sold at a price of €10.2 million while for the remaining 49%, put and call options exist that are exercisable by Pirson as from 2007 and by MAN Ferrostaal as from 2010 on the basis of the then current value of the stake.

The divestment was transacted with economic effect as of July 1, 2004. The MAN Group's accounts include the DSD companies disposed of for the 6-month period ended June 30, 2004. The transfer meant that an annual sales volume of about 100 million and 1,564 employees have retired from the MAN Group.

In fiscal 2003, with economic effect as of October 1, the MAN Group sold and transferred its 51-percent stake in SMS AG to the Weiss family, which held the remaining 49%. The sale and transfer were effected in two lots of 25.5 percent each; the first lot was transferred in fiscal 2003 whereas for the remaining 25.5 percent, reciprocal put and call options have been negotiated, exercisable by MAN as from December 31, 2007. In MAN's consolidated financial statements for 2004, the SMS Group is shown as

discontinued operation according to IFRS 5: the consolidated income statement and statement of cash flows report the pertinent figures in a separate line for the 9 months ended September 30, 2003.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) Sales by geographical markets

(€ million)	2004	2003
Germany	3,963	3,792
Other EU	5,217	4,609
Other Europe	1,160	1,070
Americas	2,037	1,671
Asia	1,780	1,693
Africa	657	607
Australia and Oceania	133	104
	14,947	**13,546**

(2) Other operating income

(€ million)	2004	2003
Income from other trade business, net	54	87
Income from the release of accruals	43	32
Gains from the disposal of tangible/intangible assets	25	17
Gains from foreign exchange and financial instruments	15	33
Miscellaneous	133	238
	270	**407**

(3) Other operating expenses

(€ million)	2004	2003
Research and development	326	325
Provisions in the year	179	199
Allowances for receivables	83	113
Losses on foreign exchange and financial instruments	18	33
Write-down of goodwill	18	19
Miscellaneous	268	233
	892	**922**

The other operating expenses comprise the expenses not assigned to any of the functional expense categories (primarily to cost of sales); R&D expenses reflect only such portion as is neither contract-related production cost nor capitalized development costs. The miscellaneous other operating expenses were incurred for legal, audit, counseling and consultancy fees, functionally unallocable personnel expenses, financing expenses, as well as a multitude of single items.

(4) Other income from investments

(€ million)	2004	2003
Income from P&L transfer agreements	4	4
Income from investments	7	5
Expenses from loss absorption	-2	-2
Write-down of investments	-17	-3
Write-up of investments	2	0
Net gain/(loss) from the disposal of investments	-2	4
	-8	**8**

The income from investments includes €4 million (down from €5 million) of income from, and €2 million (up from €1 million) of expenses to, nonconsolidated Group companies.

(5) Net interest expense

(€ million)	2004	2003
Interest and similar income	24	22
Interest and similar expenses	-102	-110
Interest portion of addition to pension accruals	-93	-94
	-171	**-182**

Out of the total net interest expense, Industrial Business companies account for €120 million (down from €122 million), Financial Services for €51 million (down from €60 million).

(6) Income Taxes

(€ million)	2004	2003
Current taxes	124	63
Deferred taxes	6	6
	130	**69**

RECONCILIATION OF CALCULATED TO ACTUAL INCOME TAX EXPENSE

(€ million)	2004	%	2003	%
EBT	**453**	**100.0**	**261**	**100.0**
Calculated income tax	178	39.4	103	39.4
Foreign tax rate differentials	-27	-6.0	-15	-5.7
Tax-free income	-23	-5.1	-10	-3.8
Utilization of loss carryovers not recognized in prior years	-21	-4.6	-13	-5.0
Non-utilization and adjustments of tax loss carryovers	7	-1.5	35	13.4
Goodwill amortization/write-down	7	1.5	7	2.7
Nonperiod taxes	-1	-0.2	-35	-13.4
Other	10	2.2	-3	-1.2
Tax expense	**130**	**28.7**	**69**	**26.4**

Income tax was calculated by applying a total 39.4 percent to EBT, this percentage being the combined result from municipal trade income tax at 17.7 percent, corporate income tax at 25.0 percent, solidarity surtax of 5.5 percent of corporate income tax less 4.7 percentage points for deductibility from the corporate income tax assessment base.

Tax loss carryovers utilizable for an indefinite period of time existed at €365 million (up from €304 million)—of which foreign companies account for €365 million (up from €298 million)—but were not recognized due to vague realizability. Additional loss carryovers are available outside of Germany but subject to expiration.

THE DEFERRED TAXES ARE ALLOCABLE TO THE FOLLOWING BALANCE SHEET LINES:

(€ million)	12/31/2004	12/31/2003
Deferred tax assets		
Pension accruals	124	112
Inventories and receivables	41	53
Other accruals	86	120
Loss carryovers	93	112
Other	6	11
	350	**408**
Deferred tax liabilities		
Noncurrent assets	252	250
Inventories and receivables	73	101
Untaxed/special reserves in separate fin. statements	9	12
Other accruals	18	28
	352	**391**

(7) Earnings per share (EpS)

	excl. posttax profit of discontinued SMS Group operations		incl.
	2004	2003	2003
Net income after minority interests (€ million)	308	184	227
Weighted average number of shares issued and outstanding (million)	147.0	147.0	147.0
EpS (€)	2.09	1.25	1.54

In accordance with IAS 33, the number of shares issued and outstanding on an annual average is divided into the Group's net income after minority interests to obtain earnings per share. No unexercised stock options existed to dilute earnings per share, whether at December 31, 2004 or 2003.

(8) Additional notes to the consolidated income statement

THE COST OF SALES INCLUDES THE FOLLOWING COST OF MATERIALS:

(€ million)	2004	2003
Cost of raw materials, supplies, and merchandise purchased	7,097	6,655
Cost of services purchased	468	677
	7,565	**7,332**

PERSONNEL EXPENSES BREAK DOWN AS FOLLOWS:

(€ million)	2004	2003
Wages and salaries	2,711	2,736
Social security taxes, pension expense and related employee benefits	609	617
	3,320	**3,353**

The pension expense of €73 million (up from €62 million) does not include the interest portion contained in the period's pension provision at €93 million (down from €94 million).

ON AVERAGE, THE MAN GROUP EMPLOYED:

	2004	2003
Commercial Vehicles	33,955	34,492
Industrial Services	5,633	7,009
Printing Systems	9,319	9,939
Diesel Engines	6,670	6,748
Turbomachines	2,486	2,510
Other industrial holdings	4,378	4,494
Financial Services	98	85
MAN AG and assigned companies	251	244
	62,790	**65,521**

NOTES TO THE CONSOLIDATED BALANCE SHEET

(9) Intangible assets

(€ million)	Licenses, software, similar rights and assets	Capitalized development costs	Goodwill	Intangible assets
Gross book value at 1/1/2003	104	194	324	622
Accumulated amortization/write-down	–73	–58	–91	–222
Balance at 1/1/2003	**31**	**136**	**233**	**400**
Additions	22	61	3	86
Disposals	–4	–	–	–4
Amortization/write-down	–20	–40	–19	–79
Currency translation differences	0	0	–2	–2
Balance at 12/31/2003	**29**	**157**	**215**	**401**
Gross book value at 12/31/2003	115	255	325	695
Accumulated amortization/write-down	–86	–98	–110	–294
Balance at 1/1/2004	**29**	**157**	**215**	**401**
Additions	21	74	–	95
Disposals	–1	–	–	–1
Amortization/write-down	–17	–47	–18	–82
Balance at 12/31/2004	**32**	**184**	**197**	**413**
Gross book value at 12/31/2004	125	329	197	651
Accumulated amortization/write-down	–93	–145	–	–238

The amortization charged in the period to finite-lived intangibles (licenses, software, similar rights and assets, as well as development costs) totaled €64 million (down from €79 million) and is included in the appropriate functional expense categories, mainly cost of sales, while the write-down of goodwill at €18 million (up from nil) is recognized in other operating expenses.

ANALYSIS OF GOODWILL

(€ million)	Balance at 1/1/2004	Write-down	Balance at 12/31/2004
Trucks	34	–	34
Buses	91	–	91
Commercial Vehicles	**125**	**–**	**125**
Sheet-fed printing presses	18	–18	0
Web offset presses	9	–	9
Printing Systems	**27**	**–18**	**9**
Medium-speed diesel engines	**14**	**–**	**14**
Turbomachines	**49**	**–**	**49**
	215	**–18**	**197**

The goodwill has been assigned to the above subdivisions as CGUs and originates exclusively from acquisitions and initial consolidation that took place prior to January 1, 2004. When IFRS 3 was applied for the first time, the goodwill was carried over at €215 million, its book value as of December 31, 2003.

We test goodwill at least once annually for impairment by contrasting the book values of the CGUs to which the goodwill has been assigned, to their values in use. The latter are calculated by taking the expected future cash flows as stated in the 3-year plan and discounting them at the MAN Group's WACC of 11.0 percent before taxes (DCF method). The value is impaired if the book value including assigned goodwill is smaller than the value in use.

Due to the result from the impairment test in 2004, we wrote down the goodwill of the sheet-fed printing presses subdivision (CGU) by €18 million. The impairment is largely attributable to the downturn in expected business and higher risks at our sales companies in Central and Eastern Europe.

(10) Tangible assets

(€ million)	Land and buildings	Production plant and machinery	Other plant, factory and office equipment	Prepayments on tangibles, construction in progress	Tangible assets
Gross book value at 1/1/2003	2,138	2,179	1,416	80	5,813
Accumulated depreciation/write-down	-985	-1,608	-1,134	0	-3,727
Balance at 1/1/2003	**1,153**	**571**	**282**	**80**	**2,086**
Consolidation group changes	13	3	0	4	20
Additions	31	123	115	47	316
Book transfers	21	47	8	-80	-4
Disposals	-19	-11	-8	-19	-57
Depreciation/write-down	-60	-132	-97	-	-289
Currency translation differences	-12	-4	-3	-1	-20
Balance at 12/31/2003	**1,127**	**597**	**297**	**31**	**2,052**
Gross book value at 12/31/2003	2,136	2,159	1,428	31	5,754
Accumulated depreciation/write-down	-1,009	-1,562	-1,131	0	-3,702
Balance at 1/1/2004	**1,127**	**597**	**297**	**31**	**2,052**
Consolidation group changes	-6	-2	-3	0	-11
Additions	33	111	83	35	262
Book transfers	8	49	-32	-25	0
Disposals	-8	-3	-5	0	-16
Depreciation/write-down	-63	-149	-91	-	-303
Currency translation differences	5	3	0	0	8
Balance at 12/31/2004	**1,096**	**606**	**249**	**41**	**1,992**
Gross book value at 12/31/2004	2,154	2,095	1,374	41	5,664
Accumulated depreciation/write-down	-1,058	-1,489	-1,125	-	-3,672

The depreciation charged to tangible assets at €283 million (down from €285 million) is included in the appropriate functional expense categories, mainly cost of sales. Write-down is recognized in other operating expenses and came to €20 million (up from €4 million).

(11) Investments

STT Technologies Inc., Canada, is carried at equity as associated affiliate of Schwäbische Hüttenwerke as of December 31, 2004. This affiliate's 2004 sales came to €59 million (up from €50 million), its total assets to €36 million (down from €38 million), and its EBT to €4 million (up from €3 million).

In the period, write-down was charged to investments at €17 million (up from €3 million).

(12) Assets leased out

(€ million)	2004	2003
Gross book value at 1/1	1,062	1,104
Accumulated depreciation/write-down	-340	-316
Balance at 1/1	**722**	**788**
Additions	335	245
Book transfers	-	4
Disposals	-307	-134
Depreciation/write-down	-145	-152
Currency translation differences	5	-29
Balance at 12/31	**610**	**722**
Gross book value at 12/31	904	1,062
Accumulated depreciation	-294	-340

Most of the assets leased out are commercial vehicles, besides printing presses and cranes. The total *depreciation/write-down* charged in 2004 breaks down into depreciation of €135 million (down from €152 million) and write-down of €10 million (up from €0 million).

FUTURE RENTS FROM NONCANCELABLE OPERATING LEASES

(€ million)	12/31/2004	12/31/2003
Due within 1 year	249	254
Due >1 to 5 years	311	329
Due after 5 years	5	7
	565	**590**

(13) Inventories

(€ million)	12/31/2004	12/31/2003
Raw materials and supplies	495	513
Work in process and finished products	2,239	2,049
Merchandise	498	405
Prepayments made	161	140
	3,393	**3,107**

(14) Trade receivables

(€ million)	12/31/2004	12/31/2003
Future receivables under long-term manufacturing contracts	125	161
Due from investees	35	45
Receivables from customers	2,833	2,645
	2,993	**2,851**

The future receivables under long-term manufacturing contracts recognized according to the PoC method were determined as follows:

(€ million)	12/31/2004	12/31/2003
Production cost incl. P/L from l/t manufacturing contracts	1,746	1,551
less milestones capitalized as WIP	–10	–20
less amounts billed to customers	–344	–286
Future receivables under l/t manufacturing contracts, gross	**1,392**	**1,245**
less prepayments received	–1,267	–1,084
	125	**161**

Sales from long-term manufacturing contracts totaled €1,246 million (up from €886 million). Orders and parts thereof billed to customers are shown as other receivables due from customers.

€414 million (up from €367 million) of trade receivables falls due after one year.

(15) Other assets

(€ million)	12/31/2004	12/31/2003
Financial derivatives	242	234
Loans and other receivables due from third parties	185	165
Non-income tax assets	57	38
Due from investees from intragroup finance	56	55
Reserve from employer's pension liability insurance	42	43
Pension plan securities	41	40
Prepaid expenses and deferred charges	16	20
Sundry current assets	306	232
	945	**827**

The *other assets* are disclosed in the balance sheet in these lines:

(€ million)	12/31/2004	12/31/2003
Other noncurrent assets	186	190
Other current assets	759	637

Pursuant to IAS 39, financial derivatives are fair-valued. Since they mostly serve hedging purposes, their positive fair (market) values contrast with decreased values in the balance sheet lines of the underlyings.

(16) Short-term securities, cash & cash equivalents

(€ million)	12/31/2004	12/31/2003
Securities	157	168
Cash on hand and in bank	604	380
	761	**548**

The securities are held as liquid investments and have, according to IAS 39, been categorized as available for sale and hence stated at fair value. The gains realized in the year under review from the sale of securities amount to €2 million (down from €4 million), whereas no losses were incurred (down from €2 million). Unrealized gains and losses (netted, after deferred taxes) added €5 million to equity (up from €4 million).

(17) Equity

(€ million)	12/31/2004	12/31/2003
Capital stock	376	376
Additional paid-in capital	795	795
Retained earnings	1,795	1,596
Accumulated OCI	–21	–47
Stockholders' equity	**2,945**	**2,720**
Minority interests	86	64
	3,031	**2,784**

MAN AG's capital stock amounts to an unchanged €376,422,400, divided into 147,040,000 no-par shares which included 140,974,350 shares of common, and 6,065,650 shares of nonvoting preferred, stock.

Authorized capital has existed by dint of resolutions adopted by the annual stockholders' meeting and the special meeting of preferred stockholders, both of December 15, 2000, which may be used by the Executive Board, after first obtaining the Supervisory Board's approval, to increase the Company's capital stock on or before December 15, 2005, by an aggregate maximum of one-half of the capital stock through one or several issues of bearer shares of common and/or preferred stock against contributions in cash and/or in kind. The Executive Board is authorized, with the Supervisory Board's prior approval, to exclude the stockholders' subscription right with respect to contributions in kind and in cash for up to an aggregate 10 percent of the capital stock.

At their annual meeting on June 9, 2004, the stockholders further authorized the Executive Board, subject to the Supervisory Board's prior consent, to repurchase on or before December 8, 2005, once or several times MAN AG common and/or nonvoting preferred stock. The authority is capped to an aggregate 10 percent of the current capital stock, i.e., a maximum of 14,704,000 shares. Such treasury stock may also be repurchased by other Group companies and/or third parties for the account of MAN AG or other Group companies.

An unchanged stake in excess of 25 percent in MAN AG's voting stock was held in 2004 by Regina-Verwaltungsgesellschaft mbH, Munich (jointly owned at 25 percent each by Allianz AG, Allianz Lebensversicherungs-AG, Commerzbank AG, and Münchener Rückversicherungs-Gesellschaft). In January 2005, Regina Verwaltungsgesellschaft mbH notified us pursuant to Art. 21(1) WpHG that its voting interest in MAN AG is meantime nil. Futhermore, Allianz AG and Commerzbank AG communicated that their directly held or assigned voting stakes decreased to 0.82 and 0.74 percent, respectively.

In August 2004, AXA S.A., Paris, France, notified us according to Arts. 21(1), 22(1) and 24 WpHG that the voting stake allocable to AXA S.A. had come to around 7.6 percent as of May 31, 2004.

The additional paid-in capital solely comprises stock premiums paid in under MAN AG's capital increases and the conversion of preferred into common stock. The Group's retained earnings cover MAN AG's reserves retained from earnings of €437 million (up from €387 million), as well as MAN AG's net earnings of €154 million (up from €110 million), the latter corresponding to the total cash dividends distributable. It will be proposed to the annual stockholders' meeting to distribute a €0.30 higher dividend of €1.05 per share.

The other comprehensive income covers the Group's share in currency translation and FI-related gains and losses not yet realized in the Group's earnings; the gains and losses from financial instruments originate primarily from the measurement at fair value of securities and financial derivatives (net after allowing for deferred taxes).

The minority interests in the equity of consolidated subsidiaries refer chiefly to Schwäbische Hüttenwerke (at €36 million), RENK (€19 million), and S.E.M.T. Pielstick (€13 million).

(18) Financial liabilities

(€ million)	12/31/2004	12/31/2003
Bonds	299	299
Due to banks	454	688
	753	**987**

Financial liabilities are disclosed in the balance sheet in the following lines:

(€ million)	12/31/2004	12/31/2003
Noncurrent financial liabilities (remaining term >1 year)	366	626
Current financial liabilities (remaining term ≤1 year)	387	361

Since December 2004, MAN AG has had a syndicated credit facility of €2,000 million at its disposal whose remaining term will expire in December 2009 (with two 1-year renewal options) and which has been granted by a syndicate of 25 German and foreign banks. The previous €1,500 million credit facility was thus superseded. The consortium lead managers are Bayerische Hypo- und Vereinsbank, Calyon, Citigroup Global Markets, Commerzbank, Dresdner Kleinwort Wasserstein, and HSBC Bank. The facility may be utilized in various currencies and amounts and for different terms on a EURI-BOR/LIBOR basis plus a margin of 20 basis points or more annually. At December 31, 2004, this facility had not been utilized (down from €300 million).

In December 2003, MAN Financial Services plc, Swindon, UK, floated a €300 million 5.375-percent bond issue. As of December 31, 2004, the book and fair values amounted to €299 million (virtually unchanged) and €320 million (up from €301 million), respectively. The bond will mature on December 8, 2010. For this bond issue, MAN AG has issued an irrevocable guaranty for the payment obligations in accordance with the issuance terms.

The accounts due to banks include order- or contract-related refinancing, of which €19 million (down from €24 million) is secured through the assignment of receivables, another €7 million thereof (down from €13 million) has been collateralized by land charges and similar encumbrances.

(19) Pension accruals

The MAN Group's pension plans for the employees of German subsidiaries include mainly direct defined benefit obligations (DBO). As a rule, service periods with the Group and pensionable pay will define the amounts of future pensions. Employees recruited after July 1, 1999, benefit from defined contribution plans. The pension plans are in Germany funded by pension accruals. Pension accruals are measured on an actuarial basis according to the projected unit credit method with due regard to future trends. Outside of Germany, either defined benefit or defined contribution plans exist.

At some non-German subsidiaries (especially in the UK and the Netherlands), pension plans are based on contributions to pension funds which invest their assets in securities. The plan assets are measured with due regard to the returns expected thereon.

For the German MAN companies, the following assumptions underlie the present value of the DBO:

%	12/31/2004	12/31/2003
Discount rate	5.0	5.5
Pension rise	1.5	1.5
Pay rise	2.5	2.5

The biometric actuarial calculation is based on the 1998 mortality tables of Prof. Dr. Klaus Heubeck.

The Group's non-German subsidiaries modify these assumptions according to local circumstances.

Pension accruals developed in the period as follows:

(€ million)	2004	2003
Balance at Jan. 1	**1,681**	**1,642**
Current service cost	40	40
Interest cost	93	94
Pension payments	-92	-84
Expense/income from unrecognized actuarial gains and losses	1	0
Effects of consolidation group, exchange rate and other changes	-7	-11
Balance at Dec. 31	**1,716**	**1,681**

Pension accruals were determined as follows:

(€ million)	12/31/2004	12/31/2003
Present value of accrual-funded DBO	1,878	1,748
Present value of plan-funded DBO	195	177
Present value of total DBO	**2,073**	**1,925**
Plan assets	-174	-159
Net liability	**1,899**	**1,766**
Short/(excess) cover of plan assets	6	6
Adjustment due to actuarial gains/(losses)	-189	-91
Pension accruals at Dec. 31	**1,716**	**1,681**

The present value of the defined benefit obligations shows the pension entitlements of employees at balance sheet date. Plan assets are stated at the present value with due regard to expected returns thereon.

In contrast, long-term actuarial assumptions underlie the accrual according to IAS 19 and hence do not account for any variations at balance sheet date if within the corridor specified in IAS 19 (±10% of the DBO's present value). This produced an actuarial loss of €189 million (up from €60 million) or 9.1 percent of total benefit obligations (up from 4.7), and this loss is essentially ascribable to the lower discount rate (down from 6.0 percent at December 31, 2002, then to 5.5 as of December 31, 2003, and to 5.0 at December 31, 2004).

(20) Other accruals

(€ million)	12/31/2003	Change in cons. group, curr. transl.	Utilization	Provisions in 2004	Release	12/31/2004
Warranties	376	-4	-122	241	-28	463
Unbilled costs from contracts invoiced	251	-3	-111	177	-18	296
Other business obligations	365	0	-201	309	-41	432
Obligations to personnel	220	0	-59	88	-5	244
Remaining accruals	303	6	-178	192	-23	300
	1,515	**-1**	**-671**	**1,007**	**-115**	**1,735**

The other accruals are disclosed in these balance sheet lines:

(€ million)	12/31/2004	12/31/2003
Other noncurrent accruals	518	455
Other current accruals	1,217	1,060

The warranty accruals provide for implied and express warranties, as well as accommodation warranties voluntarily extended to customers. The accruals for unbilled costs refer to products or services yet to be provided under contracts already invoiced (or parts thereof) and to obligations under maintenance and service contracts. The other business obligations provide, inter alia, for losses and buyback commitments.

The obligations to personnel exist for accrued employment anniversary allowances, termination benefits, exit plans (severance/redundancy packages), and preretirement part-time work. Some of these accruals include an interest portion and have been discounted at €18 million (up from €10 million). The remaining accruals refer to a plethora of specific risks.

(21) Other liabilities

(€ million)	12/31/2004	12/31/2003
Liabilities to personnel	407	361
Due to investees from intragroup finance	184	87
Financial derivatives	145	134
Liabilities for non-income taxes	137	164
Deferred income	53	52
Remaining liabilities	124	143
	1,050	**941**

The other liabilities are disclosed in the following balance sheet lines:

(€ million)	12/31/2004	12/31/2003
Other noncurrent liabilities	4	–
Other current liabilities	1,046	941

The liabilities to personnel refer to wages, salaries and social security taxes not yet due at balance sheet date, as well as to the prorated vacation pay, Christmas bonuses, and special year-end payments.

Pursuant to IAS 39, the other liabilities include the negative market values of financial derivatives. Since they mostly serve hedging purposes, their negative market values contrast with increased values in the balance sheet lines of the underlyings.

€6 million of the other liabilities is collateralized by land charges and similar encumbrances (virtually unchanged).

SEGMENT REPORTING

SEGMENT INFORMATION BY DIVISIONS

(€ million)	Commercial Vehicles	Industrial Services	Printing Systems	Diesel Engines	Turbo-machines
2004					
Order intake by the divisions	**7,589**	**3,508**	**1,885**	**1,872**	**675**
thereof Germany	2,699	524	268	250	146
thereof abroad	4,890	2,984	1,617	1,622	529
Intersegment order intake	–558	–91	–69	–34	–3
Order intake by the Group	7,031	3,417	1,816	1,838	672
Sales by the divisions	**7,409**	**3,185**	**1,620**	**1,421**	**659**
Intersegment transfers	–545	–73	–73	–37	–57
Group sales	6,864	3,112	1,547	1,384	602
Order backlog at Dec. 31	**1,594**	**2,259**	**1,077**	**1,449**	**469**
EBITDA	**526**	**107**	**61**	**107**	**45**
Depreciation/amortization	–184	–35	–58	–52	–9
EBIT	**342**	**72**	**3**	**55**	**36**
Interest	–82	–10	–11	–15	–6
EBT	**260**	**62**	**–8**	**40**	**30**
Operating profit/(loss)	**342**	**72**	**3**	**55**	**36**
Cash earnings	407	69	56	74	35
Cash flow from operating activities	567	–6	120	90	74
Cash flow from investing activities	–205	–14	–32	–21	–17
Free cash flow	362	–20	88	69	57
Capital expenditures	209	36	32	27	17
2003					
Order intake by the divisions	**6,772**	**2,738**	**1,575**	**1,460**	**658**
thereof Germany	2,401	461	345	324	132
thereof abroad	4,371	2,277	1,230	1,136	526
Intersegment order intake	–471	–74	–75	–28	–43
Order intake by the Group	6,301	2,664	1,500	1,432	615
Sales by the divisions	**6,707**	**2,880**	**1,516**	**1,312**	**567**
Intersegment transfers	–480	–58	–70	–37	–5
Group sales	6,227	2,822	1,446	1,275	562
Order backlog at Dec. 31	**1,409**	**2,186**	**847**	**1,003**	**450**
EBITDA	**385**	**106**	**19**	**100**	**40**
Depreciation/amortization	–182	–33	–45	–42	–11
EBIT	**203**	**73**	**–26**	**58**	**29**
Interest	–82	–8	–11	–14	–6
EBT	**121**	**65**	**–37**	**44**	**23**
Operating profit/(loss)	**203**	**73**	**–26**	**58**	**29**
Cash earnings	297	65	16	67	32
Cash flow from operating activities	225	233	65	72	41
Cash flow from investing activities	–161	3	–30	–39	–10
Free cash flow	64	236	35	33	31
Capital expenditures	189	22	41	42	11

Others/Consolidation					
Remaining industrial holdings	Financial Services	Holding Company	Consolidation	Total	Group
804	**863**	**2**	**-1,091**	**578**	**16,107**
406	607	2	-811	204	4,091
398	256	0	-280	374	12,016
-24	-311	-1	1,091	755	0
780	552	1	0	1,333	16,107
813	**899**	**2**	**-1,061**	**-1,059**	**14,947**
-34	-241	-1	1,061	785	0
779	658	1	0	1,438	14,947
972	**663**	**0**	**-234**	**1,401**	**8,249**
93	**251**	**25**	**-44**	**325**	**1,171**
-48	-173	-9	-21	-209	-547
45	**78**	**16**	**-23**	**116**	**624**
-7	-51	11	0	-47	-171
38	**27**	**27**	**-23**	**69**	**453**
45	**27**	**16**	**-23**	**65**	**573**
68	186	16	2	272	913
79	11	-30	69	129	974
-46	-46	16	-4	-80	-369
33	-35	-14	65	49	605
39	30	1	-2	68	389
890	**607**	**4**	**-960**	**541**	**13,744**
483	463	4	-670	280	3,943
407	144	0	-290	261	9,801
-45	-224	0	960	691	0
845	383	4	0	1,232	13,744
833	**627**	**4**	**-900**	**564**	**13,546**
-23	-224	-3	900	650	0
810	403	1	0	1,214	13,546
1,049	**657**	**0**	**-238**	**1,468**	**7,363**
91	**256**	**-8**	**-21**	**318**	**968**
-41	-170	-3	2	-212	-525
50	**86**	**-11**	**-19**	**106**	**443**
-10	-60	8	1	-61	-182
40	**26**	**-3**	**-18**	**45**	**261**
50	**26**	**-11**	**-19**	**46**	**383**
59	183	33	16	291	768
48	227	59	-64	270	906
-24	-181	31	94	-80	-317
24	46	90	30	190	589
27	80	9	-1	115	420

CONDENSED FINANCIAL INFORMATION OF THE SEGMENTS

	Commercial Vehicles		Industrial Services		Printing Machines		Diesel Engines		Turbo-machines	
(€ million)	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Noncurrent assets excl. deferred taxes	1,395	1,403	239	242	245	271	194	221	98	90
Inventories	1,366	1,332	690	469	485	453	492	424	126	157
Receivables and other current assets	1,214	1,148	565	601	351	358	341	280	203	187
Deferred tax assets and income tax assets	117	130	101	107	24	34	18	25	7	16
Cash and cash equivalents incl. securities	17	19	619	732	305	205	14	22	2	2
Total assets/capital	4,109	4,032	2,214	2,151	1,410	1,321	1,059	972	436	452
Equity	992	898	307	331	312	311	318	241	88	70
Pension accruals	644	618	232	235	246	238	125	122	65	61
Financial liabilities	488	718	23	23	2	2	41	169	23	81
All other liabilities and accruals	1,816	1,610	1,581	1,487	824	739	563	418	236	214
Deferred tax liabilities and income tax liabilities	169	188	71	75	26	31	12	22	24	26
Net liquid assets/(financial debt)	–471	–699	596	709	303	203	–27	–147	–21	–79
Net sales	**7,409**	**6,707**	**3,185**	**2,880**	**1,620**	**1,516**	**1,421**	**1,312**	**659**	**567**
Cost of sales	–6,047	–5,523	–2,777	–2,545	–1,259	–1,197	–1,074	–998	–512	–442
Gross margin	**1,362**	**1,184**	**408**	**335**	**361**	**319**	**347**	**314**	**147**	**125**
Selling expenses	–467	–461	–123	–139	–148	–140	–123	–121	–59	–58
General administrative expenses	–258	–233	–97	–105	–89	–91	–68	–67	–36	–32
All other income/expenses, net	–295	–287	–116	–18	–121	–114	–101	–68	–16	–6
Net interest result of Financial Services	–	–	–	–	–	–	–	–	–	–
Operating profit/(loss)	**342**	**203**	**72**	**73**	**3**	**–26**	**55**	**58**	**36**	**29**
Net interest result of Industrial Business	–82	–82	–10	–8	–11	–11	–15	–14	–6	–6
EBT	**260**	**121**	**62**	**65**	**–8**	**–37**	**40**	**44**	**30**	**23**
Headcount at Dec. 31	**33,810**	**34,094**	**4,679**	**6,689**	**9,026**	**9,465**	**6,731**	**6,625**	**2,472**	**2,494**
thereof in Germany	20,506	21,111	2,927	3,670	7,448	7,806	2,671	2,673	1,639	1,668
thereof abroad	13,304	12,983	1,752	3,019	1,578	1,659	4,060	3,952	833	826
on annual average	**33,955**	**34,492**	**5,633**	**7,009**	**9,319**	**9,939**	**6,670**	**6,748**	**2,486**	**2,510**
Indicators										
EBIT margin	4.6%	3.0%	2.3%	2.5%	0.2%	–1.7%	3.9%	4.4%	5.5%	5.1%
Pretax ROS	3.5%	1.8%	1.9%	2.3%	–0.5%	–2.4%	2.8%	3.4%	4.6%	4.0%
ROCE[1]	16.6%	9.4%	15.8%	15.0%	1.1%	–4.4%	10.7%	11.4%	19.2%	12.4%
Net operating assets at Dec. 31[2]	2,150	2,271	649	535	257	345	460	503	190	221
Net operating assets (weighted annual average)[2]	2,252	2,269	705	595	330	378	504	515	214	228
Capital employed (weighted annual average)[2][3]	2,830	2,773	779	642	457	574	504	515	214	228
ROCE[2]	12.1%	7.3%	18.5%	22.3%	0.6%	–4.5%	11.0%	11.2%	16.8%	12.6%
Value added	30	–102	58	73	–48	–89	0	1	12	4

[1] previous definition = EBIT + CE
[2] for Financial Services: equity or ROE
[3] incl. addition of operating assets funded intragroup

Other Industrial Business											
Remaining industrial holdings		Holding Company		Consolidation		Total		Financial Services		Group	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
211	338	186	45	–45	–52	352	331	841	966	3,364	3,524
230	255	1	0	–4	–3	227	252	7	20	3,393	3,107
130	230	299	13	–178	4	251	247	827	667	3,752	3,488
17	39	184	230	–18	–96	183	173	4	3	454	488
114	408	2,446	2,007	–2,758	–2,850	–198	–435	2	3	761	548
702	1,270	3,116	2,295	–3,003	–2,997	815	568	1,681	1,659	11,724	11,155
173	450	811	241	–116	113	868	804	146	129	3,031	2,784
165	306	236	98	1	1	402	405	2	2	1,716	1,681
18	49	1,610	1,530	–2,756	–2,843	–1,128	–1,264	1,304	1,258	753	987
325	426	425	313	–158	–171	592	568	194	238	5,806	5,274
21	39	34	113	26	–97	81	55	35	32	418	429
96	359	836	477	–2	–7	930	829	–1,302	–1,255	8	–439
813	**833**	**2**	**4**	**–1,061**	**–900**	**–246**	**–63**	**899**	**627**	**14,947**	**13,546**
–676	–697	–1	–2	1,048	880	371	181	–827	–543	–12,125	–11,067
137	**136**	**1**	**2**	**–13**	**–20**	**125**	**118**	**72**	**84**	**2,822**	**2,479**
–37	–39	0	0	4	3	–33	–36	–5	–4	–958	–959
–33	–39	–47	–40	24	41	–56	–38	–7	–5	–611	–571
–22	–8	62	27	–38	–43	2	–24	18	11	–629	–506
–	–	–	–	–	–	–	–	–51	–60	–51	–60
45	**50**	**16**	**–11**	**–23**	**–19**	**38**	**20**	**27**	**26**	**573**	**383**
–7	–10	11	8	0	1	4	–1	–	–	–120	–122
38	**40**	**27**	**–3**	**–23**	**–18**	**42**	**19**	**27**	**26**	**453**	**261**
4,186	**4,459**	**253**	**245**	**0**	**0**	**4,439**	**4,704**	**102**	**87**	**61,259**	**64,158**
3,994	4,265	247	240	0	0	4,241	4,505	74	64	39,506	41,497
192	194	6	5	0	0	198	199	28	23	21,753	22,661
4378	**4494**	**251**	**244**	**0**	**0**	**4,629**	**4,738**	**98**	**85**	**62,790**	**65,521**
5.5%	6.0%	–	–	–	–	–	–	–	–	3.8%	2.8%
4.7%	4.8%	–	–	–	–	–	–	–	–	3.0%	1.9%
8.5%	7.9%	–	–	–	–	–	–	–	–	11.7%	8.3%
249	258	–	–	–	–	–484	–445	133	136	3,355	3,566
323	248	–	–	–	–	–426	–372	134	141	3,713	3,754
323	389	–	–	–	–	–353	–320	134	141	4,565	4,553
13.9%	20.3%	–	–	–	–	–	–	20.2%	18.2%	12.6%	8.4%
10	23	–	–	–	–	7	–15	9	7	68	–121

Comments on Segment Data

In accordance with the lineup of products and services, the MAN Group's operations break down into Commercial Vehicles, Industrial Services, Printing Systems, Diesel Engines, and Turbomachines. These segments are identical with the MAN Nutzfahr-zeuge, MAN Ferrostaal, MAN Roland Druckmaschinen, MAN B&W Diesel and MAN TURBO subgroups. Under the umbrella of Others, the remaining industrial holdings are subsumed, primarily RENK, MAN Technologie, MAN DWE, and Schwäbische Hüttenwerke, as well as MAN Financial Services and the parent MAN AG as holding company, to which also companies with no operating business have been assigned (previously included in the other industrial holdings).

The subgroup allocation to segments corresponds to the MAN Group's breakdown by and into corporate divisions as used for internal management reporting purposes.

Segment financial information conforms with the disclosure and valuation methods applied in formulating the consolidated financial statements. Order intake data has been derived from the Group's reporting system and not been audited. Intersegment transfers are based on fair market prices as if at arm's length. Amortization, depreciation and write-down refer to the intangible and tangible assets, investments and assets leased out allocable to each corporate division. Segment assets correspond to the consolidated total assets of the companies in the regions concerned. For details of ROS and ROCE, see pages 27 et seq.

Segment Information by Regions

(€ million)	Germany	Other Europe	Other world	Total
2004				
Segment assets at Dec. 31	7,744	3,236	744	11,724
Capital expenditures for tangible and tangible assets	282	96	11	389
Headcount at Dec. 31	39,506	18,761	2,992	61,259
2003				
Segment assets at Dec. 31	7,314	3,221	620	11,155
Capital expenditures for tangible and tangible assets	310	101	9	420
Headcount at Dec. 31	41,497	19,141	3,520	64,158

Supplementary Disclosures According to HGB Regulations

Subject to the exceptions below, the accounting and valuation principles applied to and underlying these IFRS consolidated financial statements are, moreover, equivalent to those permitted under German Commercial Code ("HGB") regulations:

– The IFRS require that goodwill from consolidation be capitalized and its value tested annually for impairment and, where required, written down accordingly. In contrast, HGB provisions permit either to capitalize and thereafter amortize goodwill or else offset goodwill against retained earnings.

– The IFRS require that deferred taxes be recognized on (i) all temporary differences between tax bases and the carrying amounts in the consolidated balance sheet and (ii) tax loss carryovers. In contrast, the HGB prescribes in these cases that deferred taxes be recognized on all timing differences (i.e., reversing over time) between the values in the tax balance sheet and the consolidated balance sheet; the capitalization of deferred tax assets in HGB financial statements is optional.

– The recognition of accruals according to IFRS is more restrictive than under HGB regulations. Expenses may not be provided for—specific restructuring accruals excepted—since the recognition of accruals in line with IFRS is generally contingent on the existence of obligations to a third party.

– Pursuant to IFRS, profits from long-term manufacturing or construction contracts must be recognized according to the percentage of completion (PoC). The HGB principally prohibits the recognition of profits from long-term contracts until after the contract has been completed and formally accepted.

– According to IFRS, development costs of newly developed products and series are on certain conditions capitalized as intangible assets whereas the HGB prohibits the capitalization of any internally created intangible assets.

– Under IFRS rules, financial instruments are recognized at their current (i.e., as of the balance sheet date) fair value, with the result that any reserves inherent in these instruments, depending on the latter's classification, are recognized either in net income or solely in equity (OCI). In contrast, such financial instruments are according to HGB carried at the lower of purchase cost or current value.

Art. 292a HGB requires further disclosures to be made in the notes to ensure the equivalence of IFRS financial statements.

	At cost						
(€ million)	Balance at 12/31/2003	Consolidation group changes	Additions	Book transfers	Disposals	Currency translation differences	Balance at 12/31/2004
Licenses, software, similar rights and assets	115	0	21	0	–11	0	125
Capitalized development costs	255	–	74	–	0	0	329
Goodwill	325	–	–	–	–128	0	197
Intangible assets	**695**	**0**	**95**	**0**	**–139**	**0**	**651**
Land and buildings	2,136	–12	33	8	–17	6	2,154
Production plant and machinery	2,159	–9	111	49	–219	4	2,095
Other plant, factory and office equipment	1,428	–8	83	–32	–97	1	1,375
Prepayments made, construction in progress	31	–1	35	–25	0	0	40
Tangible assets	**5,754**	**–30**	**262**	**0**	**–333**	**11**	**5,664**
Assets leased out	**1,062**	**–**	**335**	**0**	**–498**	**5**	**904**
Shares in associated affiliates	5	–	2	–5	0	1	3
Other investments	206	10	32	5	–38	1	216
Securities for pension plan	32	–	0	–	–6	0	26
Long-term loans	24	1	29	–	–10	0	44
Financial assets	**267**	**11**	**63**	**0**	**–53**	**1**	**289**
Fixed assets	**7,778**	**–19**	**755**	**0**	**–1,023**	**17**	**7,508**

The net book values of securities for the pension plan correspond to their fair values and amount to €16 million (down from €20 million).

Within the MAN Group, liabilities with a remaining term above five years do not exist (unchanged).

€11 million of trade payables (down from €22 million) is owed to Group companies.

Other Information

(22) Cash flow statement details

The cash flow from operating activities includes a cash inflow from interest of €24 million (up from €22 million), a cash outflow for interest of €102 million (down from €110 million), as well as the income taxes paid at €115 million (up from €92 million).

(23) Contingent liabilities

(€ million)	12/31/2004	12/31/2003
Buyback guaranties	298	258
Guaranties and suretyships	294	128
Notes endorsed and discounted	60	49
Obligations in favor of consortium partners	53	41
Warranty/indemnity obligations	0	1

The contingent liabilities from guaranties and suretyships refer almost exclusively to guaranty bonds furnished by MAN AG and MAN Ferrostaal AG for trade obligations of current and former investees and other entities. Also included in this caption are buyback guaranties on terms customary in the industry for debts of customers that finance MAN products through nongroup leasing firms or banks; these buyback guaranties refer to printing presses at €180 million (up from €178 million) and commercial vehicles at €118 million (up from €80 million). Moreover, a debt owed by of a consortium partner has been guaranteed, pledged securities providing additional collateral.

(24) Other financial obligations

These exist under leases and are incurred not only for funding investment (capital expenditure) projects but also for refinancing manufacturer leasing business via non-group financing companies.

Future lease payments within the minimum operating lease terms fall due as follows:

(€ million)	12/31/2004	12/31/2003
Investment leases, due		
within one year	19	16
after one but within five years	49	51
after five years	53	76
	121	**143**
Manufacturer leases, due		
within one year	117	118
after one but within five years	138	133
after five years	0	0
	255	**251**
Obligations under leases, due		
within one year	79	86
after one but within five years	215	213
after five years	212	257
	506	**556**

Customary buyback obligations of a total volume of €1,310 million (up from €1,235 million) exist in connection with the sale of commercial vehicles to customers and nongroup financing companies. Accruals of €176 million (up from €150 million) provide for the ensuing market risks.

Further financial obligations to third parties exist under pending capital expenditure projects and sourcing contracts but are within the scope of ordinary day-to-day business and hence of no relevance to the financial position.

(25) Derivative financial instruments

The MAN Group offers its customers worldwide products, services and finance, and is thus exposed to not insignificant an extent to currency and interest rate risks for whose identification, measurement and containment a groupwide risk management system has been implemented.

– *Risk management*

MAN Group companies generally hedge their transactions against currency and interest rate risks through MAN AG's Group Treasury, on terms as if at arm's length and using original (primary) and derivative financial instruments.

Group Treasury's risk positions are hedged externally with banks within predetermined risk limits. Hedges are contracted according to groupwide uniform directives in compliance with the German Act on Corporate Control & Transparency ("KonTraG"), as well as with the German Minimum Requirements for Bank Trading Business ("MaH"). Moreover, such contracting is subject to stringent monitoring, which is particularly ensured through the strict segregation of contracting, settlement and controlling duties.

The Group's currency and interest rate risk positions are regularly reported to the Executive and Supervisory Boards. Compliance with guidelines and directives is checked by Internal Auditing.

– *Currency risks*

Any future cash flows not transacted in the reporting (functional) currency of a Group company are exposed to currency risks. Within the MAN Group, principally all firm customer contracts and all of the Group's own purchase orders in foreign currency are hedged. Moreover, hedging transactions provide for planned foreign-currency revenues from bulk manufacturing business within defined limits and for customer projects whose materialization is highly probable.

Currencies presenting merely a minor exchange rate risk due to their close proximity to the euro rate are hedged in isolated cases only. Equity interests or equity-type loans in foreign currency are not subject to any hedging obligation.

External exchange rate hedges are contracted in the form of currency forwards or swaps (99 percent) and currency options (1 percent). Out of the total hedging volume as of December 31, 2004, the US dollar accounted for 52 percent, the pound sterling for 29, and the Swiss franc for 7 percent.

(€ million)			12/31/2004	12/31/2003
Notional volume	≤1 year	>1 year	total	total
currencies bought	3,113	196	3,309	1,756
currencies sold	4,139	218	4,357	3,131
currency options	38	1	39	115
Market values	positive	negative	total	total
currencies bought	8	–130	–122	–95
currencies sold	217	–6	211	204
currency options	0	0	0	5

– *Interest rate risks*

Customer finance transactions (particularly leases) are largely contracted at fixed interest rates while refinancing is usually based on variable rates. The interest rate risk is hedged against on a case-by-case basis; volume and terms are aligned with the pay-back or redemption structure of defined customer portfolios and are further subject to the level of collateral security.

As of December 31, 2004, external interest rate swaps existed in €, US$, £ sterling, and Norwegian krone.

(€ million)			12/31/2004	12/31/2003
Notional volume	≤1 year	>1 year	total	total
interest rate receiver swaps	0	444	444	320
interest rate payer swaps	452	946	1,398	1,199
Market values	positive	negative	total	total
interest rate receiver swaps	16	0	16	2
interest rate payer swaps	1	-9	-8	-16

– ***Default risks***

The maximum loss risk from financial derivatives corresponds to the aggregate total of their positive market values and thus to potential losses of assets that may be incurred if and when contractual obligations are not honored by specific trading counterparts. With a view to reducing this risk, financial derivatives are throughout contracted with banks of prime standing and within specified counterparty limits.

(26) MAN's SAR plan

Effective July 1, 2000, 2001, 2003, and 2004, the MAN Group implemented SAR plans. Members of the MAN companies' executive and management boards were granted stock appreciation rights (SARs) which, after a 2-year qualifying period within the succeeding five years, are exercisable and convertible into taxable income (phantom stock options), subject to the MAN common stock price trend in absolute and relative terms.

The strike price of an SAR plan are the closing stock prices as quoted by the Xetra system for MAN shares, averaged over the ten trading days preceding July 1 (plan issuance date). If and when the MAN stock price rises at least 20 percent above the strike price and, after expiration of the qualifying period, MAN stock has outperformed the Dow Jones EURO STOXX 50 index at least once during five consecutive trading days, plan participants can exercise their SARs.

Under the 2000 and 2001 SAR plans (both granted on a DM basis), participants receive cash of DM 4.00 or €2.045 per SAR for an MAN stock price rise of 20 percent above the strike price. For every further full percentage point above this 20-percent threshold, the cash payable increases by DM 0.15 or €0.0767, up to an aggregate maximum payment per SAR of DM 24.00 or €12.27. Under the 2003 and 2004 SAR plans (€-based), participants will receive cash of €4 per SAR if the market price of an MAN share is 20 percent in the money, and €0.15 for each additional full percentage point of increase, up to an aggregate maximum of €24 per SAR.

The number of SARs developed in the year as follows:

	SARP 2000	SARP 2001	SARP 2003	SARP 2004
Total SARs at January 1, 2004	675,665	706,165	317,550	-
granted in the period	-	-	-	325,700
exercised in the period	-	-159,790	-	-
Total SARs at December 31, 2004	675,665	546,375	317,550	325,700

The market prices relevant to SAR exercise are as follows:

Strike price in €	33.46	25.60	14.55	29.51
Minimum price for exercise in €	40.15	30.72	17.46	35.41
Maximum price for exercise in €	84.77	64.85	36.86	74.76
Market price at Dec. 31, 2004, in €	28.34	28.34	28.34	28.34

€380,000 (rounded; up from €0) was paid out in fiscal 2004 as SARs were exercised.

SARs granted and issued to MAN AG Executive Board members:

	SARP 2000	SARP 2001	SARP 2003	SARP 2004
Total SARs at January 1, 2004	293,500	281,000	154,397	-
granted in the period	-	-	-	154,500
exercised in the period	-	-70,000	-	-
Total SARs at December 31, 2004	293,500	211,000	154,397	154,500

€168,000 (rounded; up from €0) was paid out in fiscal 2004 as SARs were exercised by MAN AG Executive Board members.

SAR valuation is based on the fair value, which in addition to the stock price trend up to the balance sheet date, also accounts for the potential future trend of MAN stock on the basis of historical volatility factors, as well as for contractual restrictions on exercise. The accruals for SAR plans total €5.978 million as of December 31, 2004 (up from €0.853 million), the expenses incurred amounting to €5.505 million (up from €0.853 million).

RENK AG implemented SAR plans modeled on MAN AG's. Members of RENK AG's executive board were granted SARs in previous years, of which the SARs remaining from the 2000 and 2001 plans were exercised in 2004, entailing the payment of a rounded €57,000 (down from €73,000). As of December 31, 2004, altogether 7,200 SARs remain from the 2003 plan; for these a (rounded) total of €27,000 has been provided (up from €8,000). An expense (rounded) of €85,000 was incurred in 2004 for the RENK SAR plans.

(27) Corporate Governance Code

In December 2004, MAN AG's Executive and Supervisory Boards issued, and disclosed to the stockholders on the Internet, their annual statement on the recommendations of the German Corporate Governance Code Government Commission. In its declaration of conformity pursuant to Art. 161 AktG, MAN AG states to adopt the recommendations of the Code as amended up to May 21, 2003, with the exception that the remuneration of individual Executive Board members will be disclosed in the notes to the consolidated financial statements only to the extent that the CEO's remuneration and the average salary of all other Executive Board members are indicated.

Furthermore, the listed subsidiary (Augsburg-based RENK AG) issued, and disclosed to their stockholders on the Internet, the declaration of conformity under the terms of Art. 161 AktG.

(28) Supervisory and Executive Boards

If the cash dividend distribution is resolved by the annual stockholders' meeting as proposed, the members of the Supervisory Board will according to the bylaws receive for fiscal 2004 a total remuneration of €1.278 million (up from €0.899 million), including approx. €58,300 as fixed (down from €58,800), and approx. €1,219,700 as dividend-related (up from €840,200), fee. No compensation was paid to Supervisory Board members for advisory or agency services.

The altogether eight (on annual average; unchanged) members of the Executive Board received a total €7.450 million (up from €5.293 million), breaking down into €3.771 million (up from €3.466 million) of fixed, and €3.511 million (up from €1.827 million) of variable, corporate performance-related, income, plus around €168,000 (up from nil) paid out under the SAR plan—see Note (26). CEO Dr.-Ing. E.h. Rudolf Rupprecht received a total compensation of €1.348 million (up from €0.965 million), breaking down into €0.659 million (up from €0.504 million) of fixed, and €0.689 million (up from €0.461 million) of variable, corporate performance-related, income. Consequently, the annual salary (rounded) of any of the other seven Executive Board members averaged €0.872 million (up from €0.618 million), including €0.445 million fixed (up from €0.423 million) and €0.403 million variable (up from €0.195 million), plus around €24,000 (up from nil) paid

out under the SAR plans. The variable portion hinges on the scaling of the dividend and return on operating assets (ROA).

The compensation of former Executive Board members and their surviving dependants amounted to €4.299 million (up from €3.722 million), while for the accrued pension obligations to such former members and their surviving dependants, altogether €27.921 million (up from €26.753 million) has been provided.

One Supervisory Board member has been granted a housing loan secured by real collateral, carrying interest at the annual rate of 5.5 percent, and maturing after an agreed term of 25 years. At December 31, 2004, the residual loan balance came to €0.031 million (down from €0.033 million).

The Supervisory and Executive Board members including their memberships in other statutory supervisory and comparable boards are disclosed on pages 150—156 of this annual report.

Munich, March 1, 2005

MAN AG
The Executive Board

INDEPENDENT AUDITOR'S REPORT AND OPINION

We have audited the consolidated financial statements (consisting of income statement, balance sheet, cash flow statement, statement of changes in equity, and notes) as prepared by MAN AG for the fiscal year ended December 31, 2004. The preparation and content of the consolidated financial statements are the responsibility and assertions of the Company's Executive Board. Our responsibility is, based on our audit, to express an opinion on whether the consolidated financial statements conform with the International Financial Reporting Standards (IFRS).

We have conducted our annual group audit in accordance with German auditing regulations and with due regard to generally accepted standards on the audit of financial statements as established by IDW, the Institute of Sworn Public Accountants & Auditors in Germany. Said standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of any material misstatements. When planning the audit procedures, knowledge and understanding of the group's business, its economic and legal environment as well as sources of potential errors are given due consideration. An audit includes examining on a test basis the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, and significant estimates made, by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

It is our opinion that the consolidated financial statements, which are in conformity with IFRS, present a true and fair view of the group's net assets, financial position, the results of its operations and its cash flows in the fiscal year.

Our audit, which also encompassed the group management report prepared by the Executive Board for the fiscal year ended December 31, 2004, has not resulted in any objections or exceptions. It is our opinion that the group management report presents fairly, in all material respects, both the group's position and the risks inherent in its future development.

In addition, we confirm that the consolidated financial statements and group management report for the fiscal year ended December 31, 2004, satisfy the requirements for exempting the company from preparing consolidated group accounts and a group management report in accordance with German law. The consistency with the 7th EC Directive, which is a prerequisite to the exemption from group accounts according to German Commercial Code regulations, has been audited by us on the basis of the interpretation of the Contact Committee for Accounting Directives of the European Commission.

Munich, March 9, 2005

BDO Deutsche Warentreuhand Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Harnacke	Prof. Dr. Bolin
Wirtschaftsprüfer	Wirtschaftsprüfer

EXECUTIVE BOARD—OUTSIDE APPOINTMENTS

Dipl.-Ing. Håkan Samuelsson
Munich,
Chairman (appointed Jan. 1, 2005)

b) MAN Nutzfahrzeuge AG (Chairman)
MAN Ferrostaal AG (Chairman)
MAN Roland Druckmaschinen AG (Chairman)
MAN B&W Diesel AG (Chairman)
MAN TURBO AG (Chairman)
RENK Aktiengesellschaft (Chairman)
MAN Technologie AG (Chairman)
NEOMAN Bus GmbH (Chairman)
c) MAN B&W Diesel A/S, Denmark

Dr.-Ing. E. h. Rudolf Rupprecht
Munich,
Chairman
(retired Dec. 31, 2004)

a) SMS GmbH (Chairman)
Buderus AG
Salzgitter AG
Walter Bau-AG
b) MAN Nutzfahrzeuge AG (Chairman)
MAN Ferrostaal AG (Chairman)
MAN Roland Druckmaschinen AG (Chairman)
MAN B&W Diesel AG (Chairman)
RENK Aktiengesellschaft (Chairman)
MAN Technologie AG (Chairman)
c) MAN B&W Diesel A/S, Denmark

Dr. rer. pol. Ferdinand Graf von Ballestrem
Munich

a) Bayerische Versicherungsbank AG
Hypo Real Estate Holding AG
SMS Demag AG
b) Schwäbische Hüttenwerke GmbH (Chairman)
RENK Aktiengesellschaft (Deputy Chairman)
MAN Technologie AG (Deputy Chairman)
MAN Roland Druckmaschinen AG
MAN Nutzfahrzeuge Vertrieb GmbH
c) MAN Capital Corporation, USA (Chairman)
MAN Financial Services plc., United Kingdom (Chairman)

Prof. Dipl.-Ing. (FH) Gerd Finkbeiner
Neusäß

b) MAN Nutzfahrzeuge AG
RENK Aktiengesellschaft
Drei Mohren AG
c) MAN Roland CEE AG, Österreich (Chairman)
MAN Roland Inc., USA (Chairman)
MAN Roland (China) Ltd., China (Chairman)
MAN Roland Western Europe Group B.V., The Netherlands (Chairman)
Votra S.A., Switzerland (Chairman)

Karlheinz Hornung
Munich
(appointed Oct. 1, 2004)

b) MAN Nutzfahrzeuge AG
MAN Ferrostaal AG
MAN Roland Druckmaschinen AG
MAN B&W Diesel AG
c) MAN B&W Diesel A/S, Denmark

Dr. jur. Matthias Mitscherlich
Mülheim a. d. Ruhr

b) MAN TURBO AG (Deputy Chairman)
MAN Roland Druckmaschinen AG
DSD Industrieanlagen GmbH

Dr. jur. Hans-Jürgen Schulte LL.M.
Augsburg
(retired Jan. 31, 2005)

b) Drei Mohren AG (Chairman)
MAN Nutzfahrzeuge AG
RENK Aktiengesellschaft
c) S.E.M.T. Pielstick, France (Chairman)
MAN B&W Diesel Ltd., United Kingdom (Chairman)

Dipl.-Ökonom Anton Weinmann
Landensberg
(appointed Jan. 1, 2005)

b) MAN B&W Diesel AG
RENK Aktiengesellschaft
MAN Nutzfahrzeuge Vertrieb GmbH
(Chairman)
NEOMAN Bus GmbH
NEOPLAN Bus GmbH
c) MAN Nutzfahrzeuge Österreich AG
(Deputy Chairman)
MAN B&W Diesel A/S, Denmark

Dr. jur. Philipp J. Zahn
Munich
(retired Sept. 30, 2004)

a) SMS Meer GmbH
b) MAN Ferrostaal AG
MAN Roland Druckmaschinen AG
MAN B&W Diesel AG
NEOMAN Bus GmbH
NEOPLAN Bus GmbH
c) MAN B&W Diesel A/S, Denmark

Dr. rer. nat. Wolfgang Brunn
Gröbenzell
(Deputy)

b) MAN TURBO AG

At March 1, 2005 or the date of retirement
[a] Supervisory board apppointments in German companies
[b] Group mandates
[c] Appointments to comparable boards outside Germany (Group mandates)

SUPERVISORY BOARD—OUTSIDE APPOINTMENTS

Dr. Eng. h. c. Volker Jung
Munich,
former member of the Executive Board
of Siemens AG,
Chairman

a) Direktanlagebank AG
Messe München GmbH
Vattenfall Europe AG
c) INTRACOM S.A., Greece

Dr. rer. pol. Gerlinde Strauss-Wieczorek*
Rüsselsheim,
Secretary of the German Metalworkers
Union, Deputy Chairwoman

a) Grammer AG

Dr. oec. Paul Achleitner
Munich,
Member of the Executive Board of
Allianz AG, Deputy Chairman

a) Bayer AG
RWE AG
b) Allianz Immobilien GmbH (Chairman)
Allianz Dresdner Asset Management
GmbH (ADAM)

Jürgen Bänsch*
Augsburg,
Chairman of the Works Council at
MAN Roland Druckmaschinen AG,
Augsburg Plant

Michael Behrendt
Hamburg,
Chairman of the Executive Board
of Hapag-Lloyd AG

a) Barmenia Allgemeine Versicherungs-AG
Barmenia Krankenversicherung a.G.
Barmenia Lebensversicherung a.G.
Esso Deutschland GmbH
ExxonMobil Central Europe
Holding GmbH
Hamburgische Staatsoper GmbH
Pracht Spedition + Logistik GmbH
b) Hapag-Lloyd Container Linie GmbH
(Chairman)
VTG Aktiengesellschaft (Chairman)

Detlef Dirks*
Augsburg,
Chairman of the Works Council at
MAN B&W Diesel AG,
Augsburg Plant

Jürgen Dorn*
Munich,
Chairman of the Central Works Council
at MAN Nutzfahrzeuge AG

a) MAN Nutzfahrzeuge AG

Dr. rer. nat. Hubertus von Grünberg
Hanover,
Chairman of the Supervisory Board
of Continental AG

a) Continental AG (Chairman)
Allianz Versicherungs-AG
Deutsche Telekom AG
c) Schindler Holding AG

Jürgen Hahn*
Essen,
commercial employee
at MAN Ferrostaal AG

a) MAN Ferrostaal AG

Dr. jur. Heiner Hasford
Munich,
Member of the Executive Board of
Münchener Rückversicherungs-
Gesellschaft

a) Europäische Reiseversicherung AG
(Chairman)
Commerzbank AG
D.A.S. Deutscher Automobil Schutz —
Allgemeine Rechtsschutz-
Versicherungs-AG
ERGO Versicherungsgruppe AG
Nürnberger Beteiligungs-AG
Victoria Lebensversicherung AG
Victoria Versicherung AG
WMF Württembergische Metallwaren-
fabrik AG
d) American Re Corporation

Dr. phil. Klaus Heimann*
Frankfurt/Main,
Secretary of the German Metalworkers
Union

a) Krones AG

Prof. Dr. rer. pol. Renate Köcher
Constance,
Managing Director of the Allensbach
Institute for Public Opinion Research

a) Allianz AG
BASF AG
Infineon AG

Nicola Lopopolo*
Hanover,
Chairman of the Works Council
at RENK AG,
Hanover Plant

Andreas de Maizière
Bad Homburg,
Member of the Executive Board
of Commerzbank AG

a) Rheinische Bodenverwaltung AG
(Chairman)
ABB AG
Borgers AG
RWE Power AG
ThyssenKrupp Stahl AG
b) Hypothekenbank in Essen AG (Chairman)
c) Arenberg-Schleiden GmbH (Chairman)
BVV Versicherungsverein des Bankgewerbes a. G.
d) Commerzbank (Eurasija) SAO (Chairman)

Prof. Dr.-Ing. Dr. h. c. mult. Joachim Milberg
Baldham,
former Chairman of the Executive Board
of BMW AG

a) BMW AG (Chairman)
Allianz Versicherungs-AG
FESTO AG
Leipziger Messe GmbH
TÜV Süddeutschland Holding AG
c) John Deere & Company

Thomas Otto*
Ottweiler,
Secretary of the German Metalworkers
Union (appointed Dec. 1, 2004)

a) MAN Nutzfahrzeuge AG
MAN Nutzfahrzeuge Vertrieb GmbH
SMS GmbH
TA Triumph Adler AG

Lothar Pohlmann*
Oberhausen,
Chairman of the Works Council
at MAN TURBO AG,
Sterkrade Plant

Karl-Heinz Schneider*
Augsburg,
First Delegate of the German
Metalworkers Union
(retired Sept. 30, 2004)

a) MAN Roland Druckmaschinen AG
Eurocopter Deutschland GmbH
Augsburger Flughafen GmbH
Stadtwerke Augsburg Verkehrsbetriebe GmbH
Stadtwerke Augsburg Holding GmbH

Prof. Dr.-Ing. Ekkehard D. Schulz
Düsseldorf,
Chairman of the Executive Board
of ThyssenKrupp AG

a) RAG AG (additional Deputy Chairman)
Axa Konzern AG
Commerzbank AG
Deutsche Bahn AG
TUI AG
b) ThyssenKrupp Automotive AG
(Chairman)
ThyssenKrupp Services AG (Chairman)
ThyssenKrupp Steel AG (Chairman)
d) ThyssenKrupp Budd Company

Ralf Simon*
Munich,
Director at MAN Nutzfahrzeuge AG

a) Gesellschaft zur Altlastensanierung
in Bayern mbH

Dr. rer. nat. Hanns-Helge Stechl
Mannheim,
former Deputy Chairman of the
Executive Board of BASF AG

* Elected by Group employees

At March 1, 2005 or the date of retirement

a) Supervisory board apppointments in German companies
b) Group mandates
c) Appointments to comparable boards inside and outside Germany
d) Appointments to comparable boards outside Germany (Group mandates)

SUPERVISORY BOARD COMMITTEES

Standing Committee
Dr. Eng. h. c. Volker Jung (Chairman)
Dr. oec. Paul Achleitner
Dr. jur. Heiner Hasford
Lothar Pohlmann
Dr. rer. pol. Gerlinde Strauss-Wieczorek

Executive Personnel Committee
Dr. Eng. h. c. Volker Jung (Chairman)
Dr. oec. Paul Achleitner
Dr. rer. pol. Gerlinde Strauss-Wieczorek

Audit Committee
Dr. oec. Paul Achleitner (Chairman)
Dr. jur. Heiner Hasford
Dr. Eng. h. c. Volker Jung
Lothar Pohlmann
Dr. rer. pol. Gerlinde Strauss-Wieczorek

EXECUTIVE AND MANAGEMENT BOARDS OF GROUP COMPANIES

MAN Nutzfahrzeuge AG,
Munich
Dipl.-Ökonom Anton Weinmann, Chairman
Prof. Dr.-Ing. Franz Breun
Dr.-Ing. Georg Pachta-Reyhofen
Frederik van Putten

MAN Ferrostaal AG,
Essen
Dr. jur. Matthias Mitscherlich, Chairman
Dipl.-Ing. Jens Gesinn
Helmut Julius
Dr.-Ing. Axel Wippermann

MAN Roland Druckmaschinen AG,
Offenbach
Prof. Dipl.-Ing. (FH) Gerd Finkbeiner, Chairman
Dr. oec. publ. Ingo Koch
Dipl.-Ing. (FH) Paul Steidle

MAN B&W Diesel AG,
Augsburg
Dipl.-Ing. Fritz Pape
Dr.-Ing. Peter Sunn Pedersen
Dr.-Ing. Stefan Spindler
Dr.-Ing. Stephan Timmermann

MAN TURBO AG,
Oberhausen
Jürgen Maus, Chairman
Dr.-Ing. Hans O. Jeske
Dr.-Ing. Josef Meyer
Dr. rer. oec. Gerhard Willi Reiff

RENK Aktiengesellschaft,
Augsburg
Prof. Dr.-Ing. Manfred Hirt, Spokesman
Ulrich Sauter

MAN Technologie AG,
Augsburg
Dr. rer. nat. Wolfgang Brunn, Chairman
Dipl.-Ing. Carl F. Kolbow
Dipl.-Ing. Walter Köppel (Deputy)

MAN DWE GmbH,
Deggendorf
Dr.-Ing. Josef Dachs, Spokesman
Dipl.-Betriebswirt (FH) Reinhold Stock

Schwäbische Hüttenwerke GmbH,
Aalen-Wasseralfingen
Dr.-Ing. Lothar Hauck, Chairman
Dipl.-Ing. Florian Hofbauer

MAN Financial Services GmbH,
Munich
Dipl.-Kfm. Christian Fellerer
Dr. mont. Dipl.-Ing. Lothar Habel
Dipl.-Verw.-Wiss. Rainer Laber

As at March 2005

MAN GROUP: ABRIDGED LIST OF COMPANIES CONSOLIDATED

At December 31, 2004	Shareholding %	Sales € million	Employees at Dec. 31, 2004
MAN Nutzfahrzeuge Aktiengesellschaft, Munich/Germany	**100**	**4,853**	**12,881**
MAN Nutzfahrzeuge Österreich AG, Steyr/Austria	100	1,012	2,583
MAN Sonderfahrzeuge AG, Vienna/Austria	100	45	644
NEOMAN Bus GmbH, Salzgitter/Germany	100	889	1,474
NEOMAN Bus Vertrieb GmbH, Ismaning/Germany	100	393	138
NEOPLAN Bus GmbH, Stuttgart/Germany	100	289	1,106
MAN Türkiye A. S., Akyurt (Ankara)/Turkey	99	306	2,367
MAN STAR Trucks & Busses Sp. z o. o., Tarnowo Podgórne/Poland	100	237	2,586
MAN Automotive (South Africa) (Pty.) Ltd., Johannesburg/South Africa[1]	100	214	592
MAN Nutzfahrzeuge Vertrieb GmbH, Munich/Germany	100	2,148	4,646
MAN ERF UK Ltd., Swindon (Wiltshire)/United Kingdom	100	611	1,090
MAN Nutzfahrzeuge Vertrieb OHG, Vienna/Austria	100	558	882
MAN Vehículos Industriales (España) S. A., Coslada (Madrid)/Spain	100	486	501
MAN Camions et Bus S. A., Evry Cedex/France	100	305	472
MAN Veicoli Industriali S. p. A., Dossobuono di Villafranca/Italy	100	215	110
MAN Truck & Bus S. A., Kobbegem (Brussels)/Belgium[1]	100	120	128
MAN Last og Bus A/S, Glostrup/Denmark	100	116	191
MAN Nutzfahrzeuge (Schweiz) AG, Otelfingen/Switzerland	100	69	104
MAN Last og Buss A/S, Lorenskog/Norway	100	86	204
MAN Veículos Industriais (Portugal) S. U. Lda., Avintes/Portugal	100	55	54
MAN Engines & Components Inc., Pompano Beach/USA	100[2]	33	36
MAN uzitková vozidla Ceská republika spol. s. r. o., Cestlice/Czech Republic	100	72	66
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti/Hungary	100	65	110
MAN Gospodarska vozila Slovenija d. o. o., Ljubljana/Slovenia	100	33	33
MAN STAR Trucks Sp. z o. o., Nadarzyn/Poland	100	166	199
MAN Úzitkové Vozidlá Slovakia s. r. o., Bratislava/Slovakia	100	20	42
MAN Ferrostaal Aktiengesellschaft, Essen/Germany	**100**	**1,836**	**633**
DSD Industrieanlagen GmbH, Essen/Germany	100	121	400
MAN Ferrostaal Industrieanlagen GmbH, Geisenheim/Germany	100	213	257
MAN TAKRAF Fördertechnik GmbH, Leipzig/Germany[1]	100[3]	123	395
DSD de Venezuela C. A., Caracas/Venezuela	100	15	97
DSD Construcciones y Montajes S. A., Santiago/Chile	100	32	95
Intergrafica Print & Pack Pty. Ltd., Alexandria/Australia	100	30	63
Graphic Systems Australasia Pty. Ltd., Silverwater/Australia	100	19	42
Intermesa Trading Ltda., Rio de Janeiro/Brazil[1]	48.5	216	32
MAN Ferrostaal Incorporated, Houston/USA[1]	100[2]	679	105
MAN Ferrostaal Industrie- und System-Logistik GmbH, Essen/Germany[1]	100	113	1,058
MAN Ferrostaal Piping Supply GmbH, Essen/Germany[1]	100	158	77
MAN Roland Druckmaschinen Aktiengesellschaft, Offenbach/Germany	**100**	**1,225**	**7,012**
MAN Roland Vertrieb und Service GmbH, Mühlheim on Main/Germany	100	58	129
MAN Roland Vertriebsgesellschaft Bayern mbH, Munich/Germany	100	55	61
MAN Roland Western Europe Group B. V., Amsterdam/Netherlands[1]	100[4]	335	745

At December 31, 2004	Shareholding %	Sales € million	Employees at Dec. 31, 2004
MAN Roland Nederland B. V., Amsterdam/Netherlands	100	61	154
MAN Roland Belgium N. V. Wemmel/Belgium	100	58	124
MAN Roland Great Britain Limited, Mitcham/United Kingdom	100	50	132
MAN Roland France SA, Roissy Charles de Gaulle Cedex/France	100	42	94
MAN Roland Swiss AB, Kirchberg/Switzerland	100	27	71
MAN Roland Italia SpA, Segrate Milan/Italy	100	56	75
MAN Roland Sverige AB, Trollhättan/Sweden[1]	100	35	51
MAN Roland Finland Oy, Vantaa/Finland[1]	100	18	35
MAN Roland Danmark A/S, Vaerloese/Denmark	100	16	25
MAN Roland CEE AG, Vienna/Austria[1]	100	71	169
MAN Roland Polska Sp. z o. o., Nadarzyn/Poland	100	12	44
MAN Roland Inc., Westmont/USA[1]	100[2]	232	267
MAN Roland (China) Ltd., Hong Kong/China[1]	100	62	169
DIC*MANROLAND Co. Ltd., Tokyo/Japan	80	26	69
ppi Media GmbH, Hamburg/Germany	75	10	132
MAN B&W Diesel Aktiengesellschaft, Augsburg/Germany	**100**	**517**	**2,477**
MAN B&W Diesel A/S, Copenhagen/Denmark	100	585	2,298
S.E.M.T. Pielstick, Villepinte/France	66.6	160	694
MAN B&W Diesel Ltd., Stockport/United Kingdom	100	106	667
MAN B&W Diesel (Singapore), Pte. Ltd., Singapore	100	64	145
MAN TURBO Aktiengesellschaft, Oberhausen/Germany	**100**	**454**	**1,639**
MAN TURBO AG Schweiz, Zürich/Switzerland	100	208	565
MAN TURBO S. r. l. De Pretto, Schio/Italy	100	29	198
RENK Aktiengesellschaft, Augsburg/Germany	**76**	**252**	**1,414**
MAN Technologie Aktiengesellschaft, Augsburg/Germany	**100**	**98**	**498**
MAN DWE GmbH, Deggendorf/Germany	**100**	**82**	**371**
Schwäbische Hüttenwerke GmbH, Aalen-Wasseralfingen/Germany	**50**	**219**	**975**
MAN Logistics GmbH, Heilbronn/Germany	**100**	**20**	**152**
MAN WOLFFKRAN GmbH, Heilbronn/Germany	**100**	**24**	**141**
MAN Financial Services GmbH, Munich/Germany	**100**	**571**	**67**
MAN Financial Services plc, Swindon (Wiltshire)/United Kingdom	100	294	23

[1] Sales and employees include companies under operative management.
[2] Held by MAN Capital Corporation, New York/USA.
[3] Held by MAN AG.
[4] 7% share held by MAN Ferrostaal Piping Supply B. V., Hooge Zwaluwe/Netherlands.

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF MAN AS OF AND FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2003 (IFRS)

MAN GROUP
INCOME STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

(€ million)	Note	MAN Group 2003	2002
Net sales	(1)	**15,021**	**16,040**
Cost of sales		-12,313	-13,365
Gross margin		**2,708**	**2,675**
Selling expenses		-1,113	-1,162
General administrative expenses		-657	-694
Other operating income	(2)	493	403
Other operating expenses	(3)	-959	-826
Income from investments	(4)	5	-5
Earnings before interest and taxes (EBIT)		**477**	**391**
Net interest result	(5)	-174	-172
Profit from ordinary operations/EBT		**303**	**219**
Income taxes	(6)	-68	-72
Net income		**235**	**147**
Minority interests		-8	-12
Net income after minority interests		**227**	**135**
Intragroup dividend distribution		-	-
Transfer (to)/from reserves retained from earnings		-117	-47
Net earnings		**110**	**88**
Earnings per share in €	(7)	**1.54**	**0.92**

thereof	Industrial Business		Financial Services		Continued operations		Discontinued operations	
	2003	2002	2003	2002	2003	2002	2003	2002
	12,919	**13,222**	**627**	**628**	**13,546**	**13,850**	**1,475**	**2,190**
	-10,524	-10,893	-543	-560	-11,067	-11,453	-1,246	-1,912
	2,395	**2,329**	**84**	**68**	**2,479**	**2,397**	**229**	**278**
	-955	-954	-4	-5	-959	-959	-154	-203
	-566	-568	-5	-3	-571	-571	-86	-123
	375	244	38	54	413	298	80	105
	-897	-738	-27	-30	-924	-768	-35	-58
	5	-6	-	-	5	-6	0	1
	357	**307**	**86**	**84**	**443**	**391**	**34**	**0**
	-122	-111	-60	-67	-182	-178	8	6
	235	**196**	**26**	**17**	**261**	**213**	**42**	**6**
	-56	-69	-13	-3	-69	-72	1	0
	179	**127**	**13**	**14**	**192**	**141**	**43**	**6**
	-8	-8	-	-	-8	-8	0	-4
	171	**119**	**13**	**14**	**184**	**133**	**43**	**2**
	71	17	-21	-11	50	6	-50	-6
	-132	-48	8	-3	-124	-51	7	4
	110	**88**	**-**	**-**	**110**	**88**	**-**	**-**
	1.16	**0.81**	**0.09**	**0.10**	**1.25**	**0.91**	**0.29**	**0.01**

MAN GROUP: BALANCE SHEET AS OF DECEMBER 31, 2003

Assets		MAN Group	
(€ million)	Note	12/31/03	12/31/02
Intangible assets		401	520
Tangible assets		2,052	2,296
Assets leased out		722	788
Financial assets		125	158
Fixed assets	**(9)**	**3,300**	**3,762**
Inventories	(10)	3,107	3,773
less prepayments received		-1,200	-1,679
Trade receivables	(11)	2,851	3,293
Other receivables and current assets	(12)	912	779
Short-term securities	(13)	168	668
Cash & cash equivalents	(13)	380	609
Current assets		**6,218**	**7,443**
Deferred tax assets	**(6)**	**408**	**444**
Prepaid expenses & deferred charges		**29**	**43**
		9,955	**11,692**

Equity & liabilities			
(€ million)	Note	12/31/03	12/31/02
Capital stock		376	376
Additional paid-in capital		795	795
Reserves retained from earnings		1,437	1,406
Net earnings		110	88
Other comprehensive income		2	-35
Equity of MAN AG stockholders		**2,720**	**2,630**
Minority interests		64	261
Equity	**(14)**	**2,784**	**2,891**
Pension accruals	(15)	1,681	2,052
Current tax accruals		81	118
Other accruals	(16)	1,515	1,876
Accruals		**3,277**	**4,046**
Financial liabilities		987	1,538
Due to/from intragroup financing		-	-
Trade payables		1,752	1,846
Sundry liabilities		712	830
Liabilities	**(17)**	**3,451**	**4,214**
Deferred tax liabilities	**(6)**	**391**	**476**
Deferred income		**52**	**65**
		9,955	**11,692**

thereof	Industrial Business		Financial Services		Continued operations		Discontinued operations
	12/31/03	12/31/02	12/31/03	12/31/02	12/31/03	12/31/02	12/31/02
	400	399	1	1	401	400	120
	1,796	1,887	256	200	2,052	2,087	209
	17	26	705	762	722	788	–
	122	131	3	2	125	133	25
	2,335	**2,443**	**965**	**965**	**3,300**	**3,408**	**354**
	3,087	3,306	20	8	3,107	3,314	459
	–1,199	–1,220	–1	–	–1,200	–1,220	–459
	2,231	2,145	620	693	2,851	2,838	455
	866	590	46	38	912	628	151
	168	181	–	–	168	181	487
	377	276	3	9	380	285	324
	5,530	**5,278**	**688**	**748**	**6,218**	**6,026**	**1,417**
	405	**383**	**3**	**8**	**408**	**391**	**53**
	27	**30**	**2**	**2**	**29**	**32**	**11**
	8,297	**8,134**	**1,658**	**1,723**	**9,955**	**9,857**	**1,835**

	12/31/03	12/31/02	12/31/03	12/31/02	12/31/03	12/31/02	12/31/02
	2,591	**2,357**	**129**	**124**	**2,720**	**2,481**	**149**
	64	65	–	–	64	65	196
	2,655	**2,422**	**129**	**124**	**2,784**	**2,546**	**345**
	1,679	1,640	2	2	1,681	1,642	410
	81	112	0	0	81	112	6
	1,483	1,366	32	30	1,515	1,396	480
	3,243	**3,118**	**34**	**32**	**3,277**	**3,150**	**896**
	688	1,511	299	0	987	1,511	27
	–958	–1,372	958	1,334	–	–38	38
	1,587	1,425	165	152	1,752	1,577	269
	704	688	8	7	712	695	135
	2,021	**2,252**	**1,430**	**1,493**	**3,451**	**3,745**	**469**
	359	**324**	**32**	**35**	**391**	**359**	**117**
	19	**18**	**33**	**39**	**52**	**57**	**8**
	8,297	**8,134**	**1,658**	**1,723**	**9,955**	**9,857**	**1,835**

MAN GROUP CASH FLOW STATEMENT 2003

	MAN Group	
(€ million)	**2003**	**2002**
Cash & cash equivalents at beginning of period	**609**	**571**
Result from ordinary operations	303	219
Statutory taxes	–61	–55
Amortization/depreciation/write-down of fixed assets	568	660
Changes in pension accruals	49	61
Other noncash expenses and income	–2	0
Cash earnings	**857**	**885**
Elimination of net gain/loss on fixed-asset disposal	–66	–35
Changes in inventories	187	872
Changes in prepayments received	–57	–916
Changes in trade receivables	–68	216
Changes in trade payables	84	11
Changes in other accruals	43	–158
Changes in other receivables and current assets	–7	–25
Other changes in working capital	–49	–153
Cash provided by operating activities	**924**	**697**
Purchase of sundry tangible and intangible assets	–424	–463
Purchase of financial assets	–13	–28
Acquisition of consolidated subsidiaries	–8	–34
Cash & cash equivalents of consolidated subsidiaries taken over	–	2
Increase in assets leased out	–245	–472
Decrease in assets leased out	134	300
Other cash inflow from fixed-asset disposal	221	104
Cash used in investing activities	**–335**	**–591**
Cash inflow from the conversion of preferred into common stock	–	101
Intragroup capital increases	–	–
Intragroup dividend distribution	–	–
Dividend payment	–93	–99
Sale/(purchase) of securities	–167	275
Change in financial liabilities	–363	–257
Cash (used in)/provided by financing activities	**–623**	**20**
Net change in cash & cash equivalents	**–34**	**126**
Change due to cash & cash equivalents redefined as of 1/1/2002	–	–78
Changes in cash & cash equivalents due to changed consolidated group	–187	2
Parity-related changes in cash & cash equivalents	–8	–12
Cash & cash equivalents at end of period	**380**	**609**

thereof	Industrial Business		Financial Services		Continued operations		Discontinued operations	
	2003	2002	2003	2002	2003	2002	2003	2002
	276	**426**	**9**	**36**	**285**	**462**	**324**	**109**
	235	196	26	17	261	213	42	6
	–49	–85	–13	–6	–62	–91	1	36
	355	422	170	171	525	593	43	67
	46	55	0	0	46	55	3	6
	–2	6	0	0	–2	6	0	–6
	585	**594**	**183**	**182**	**768**	**776**	**89**	**109**
	–18	–21	3	–2	–15	–23	–51	–12
	177	564	–12	9	165	573	22	299
	1	–585	1	–3	2	–588	–59	–328
	–151	175	28	–27	–123	148	55	68
	90	–51	31	51	121	0	–37	11
	23	–95	2	2	25	–93	18	–65
	0	–7	–6	–13	–6	–20	–1	–5
	–28	–142	–3	–2	–31	–144	–18	–9
	679	**432**	**227**	**197**	**906**	**629**	**18**	**68**
	–322	–346	–80	–52	–402	–398	–22	–65
	–10	–27	–	–	–10	–27	–3	–1
	–8	–14	–	–	–8	–14	–	–20
	–	–	–	–	–	–	–	2
	–9	–7	–236	–465	–245	–472	–	–
	15	5	119	295	134	300	–	–
	198	75	16	4	214	79	7	25
	–136	**–314**	**–181**	**–218**	**–317**	**–532**	**–18**	**–59**
	–	101	–	–	–	101	–	–
	–	–60	–	60	–	–	–	–
	21	17	–21	–11	–	6	–	–6
	–93	–93	–	–	–93	–93	0	–6
	3	10	–	–	3	10	–170	265
	–359	–162	–30	–53	–389	–215	26	–42
	–428	**–187**	**–51**	**–4**	**–479**	**–191**	**–144**	**211**
	115	**–69**	**–5**	**–25**	**110**	**–94**	**–144**	**220**
	–	–78	–	–	–	–78	–	–
	–	5	–	–2	–	3	–187	–1
	–15	–8	0	0	–15	–8	7	–4
	376	**276**	**4**	**9**	**380**	**285**	**–**	**324**

MAN GROUP
STATEMENT OF CHANGES IN EQUITY 2003

(€ million)	Capital Stock	Additional paid-in capital	Reserves retained from earnings	Net earnings	OCI	Minority interests	Total
Balance at Dec. 31, 2001	**395**	**675**	**1,412**	**88**	**-2**	**294**	**2,862**
Withdrawal of treasury stock	-19	19					
Premium from the conversion of preferred into common stock		101					101
Dividend payment				-88		-11	-99
Net income for 2002				135		12	147
Transfer to reserves retained from earnings			47	-47			
Currency translation effects			-46				-46
Changes in unrealized gains/losses					-33	-26	-59
All other changes			-7			-8	-15
Balance at Dec. 31, 2002	**376**	**795**	**1,406**	**88**	**-35**	**261**	**2,891**
Dividend payment				-88		-5	-93
Net income for 2003				227		8	235
Transfer to reserves retained from earnings			117	-117			
Currency translation effects			-42		2	-6	-46
Changes in unrealized gains/losses					19	6	25
Deconsolidation of SMS Group			-16		16	-196	-196
All other changes			-28			-4	-32
Balance at Dec. 31, 2003	**376**	**795**	**1,437**	**110**	**2**	**64**	**2,784**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General Principles

The consolidated financial statements of MAN AG for the fiscal year ended December 31, 2003, have been prepared according to the IFRS/IAS of the International Accounting Standards Board (IASB) in force and effect as of balance sheet date. All Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable to fiscal 2003 have been applied.

The IFRS-based consolidated financial statements conform with the 7th EU Directive. Its exercise of the option offered in Art. 292a German Commercial Code ("HGB"), viz. to prepare consolidated financial statements according to internationally accepted accounting principles, has exempted MAN from the obligation to publish group accounts according to German accounting regulations.

Subject to the exceptions below, the accounting and valuation principles applied to and underlying these IFRS consolidated accounts are, moreover, equivalent to those permitted under HGB regulations. The following accounting and valuation methods used in MAN's Group accounts depart from German Commercial Code regulations:

– The IFRS require that goodwill be amortized to net income over a range not to exceed 20 years, while HGB provisions permit the offset of goodwill against the reserves retained from earnings.

– The IFRS require that deferred taxes on (i) all differences between tax bases and consolidated balance sheet values and (ii) tax loss carryovers be recognized. In contrast, the HGB demands in these cases that deferred taxes be recognized on all timing differences (i.e., reversing over time) between the values in the tax balance sheet and the consolidated balance sheet.

– The recognition of accruals according to IFRS is more restrictive than under HGB regulations. Expenses may not be provided for, since the recognition of accruals in line with IFRS is contingent on the existence of obligations to a third party. Exceptions to this rule are M&A-related and restructuring accruals.

– Pursuant to IFRS, profits from long-term manufacturing or construction contracts must be recognized according to the percentage of completion (PoC). The HGB principally prohibits the recognition of profits from long-term contracts until after the contract has been completed and accepted.

– According to IFRS, development costs of newly developed products and series are on certain conditions capitalized as intangible assets whereas the HGB prohibits any internally created intangibles assets from being capitalized.

– Under IFRS rules, financial instruments are recognized at their current (i.e., as of the balance sheet date) fair value, with the result that any reserves inherent in these instruments, depending on the latter's classification, are recognized either in net income or solely in equity. In contrast, such financial instruments are according to HGB stated at the lower of purchase cost or current value.

Disclosures and explanations required by the IFRS and the German Commercial Code for group accounts are either made or given on the face of the financial statements or in these notes.

With a view to deepening the insight into the MAN Group's net assets, financial position and results of operations, the consolidated financial statement data now additionally breaks down into Industrial Business and Financial Services. The latter segment provides within the MAN Group financial services for customers and group companies, including sales and capital expenditure financing and focusing on leasing commercial vehicles to customers. The balances from eliminating intragroup transactions between Financial Services and Industrial Business have been assigned to the latter segment.

After our stake in SMS was sold, the SMS Group retired from the MAN Group as of September 30, 2003. Under the terms of IAS 35, the SMS contributions to MAN's consolidated financial statements 2003 and 2002 are separately shown as discontinued operations.

In comparison to the prior year, we changed the disclosure method for two accounting technicalities:

- Deferred tax liabilities are no longer shown within accruals but in a separate line after liabilities.

- Within the cash inflow from operating activities, the cash flow statement separately discloses the cash earnings, i.e., the change in cash & cash equivalents attributable to the year's reported result.

The prior-year comparatives have been adjusted accordingly.

Methods of Consolidation

Consolidation

Besides MAN AG as the parent, all subsidiaries are included (i) in which MAN AG holds (whether directly or indirectly) the majority of voting rights, or (ii) whose financial and business policies can be controlled by MAN AG under the articles of association of, or an intercompany or other contractual agreement with, any such subsidiary; case (ii) applies to Schwäbische Hüttenwerke GmbH as of December 31, 2003, and for the nine months ended September 30, 2003, also to SMS AG in both of which MAN AG holds/held 50% of the voting rights.

Companies acquired during the fiscal year are included p.r.t. as from the date of their acquisition, while those disposed of during the fiscal year are excluded from consolidation as from the date of transfer of beneficial ownership or, if insignificant, retroactively as from January 1, 2003.

Number of consolidated companies	Germany	Abroad	Total
Included as of December 31, 2002	93	157	250
Newly included in 2003	5	12	17
SMS companies retired	–22	–40	–62
Other companies excluded	–2	–10	–12
Included as of December 31, 2003	**74**	**119**	**193**

For fiscal 2003, altogether 193 companies (down from 250) have been consolidated, i.e. 74 German (down from 93) and 119 foreign ones (down from 157). Versus the previous fiscal period, altogether 17 companies were newly consolidated, all firms acquired or newly formed in 2003, or not consolidated the year before due to their insignificance.

Altogether 74 companies retired from the consolidation group, through either divestment or merger with other consolidated subsidiaries, or due to their minor significance.

Divestment of SMS

A major divestment project involved the 62 SMS Group companies which retired from the consolidated group as MAN AG sold its stake in SMS AG. With economic effect as of October 1, 2003, MAN AG transferred its 51-percent stake in SMS AG to equity investment companies of the Weiss family that have held the remaining 49 percent. The sale and transfer were effected in two lots of 25.5 percent each, the first being transferred in fiscal 2003. For the remaining 25.5 percent, reciprocal put and call options have been negotiated, exercisable by MAN as from December 31, 2007.

The SMS Group has been included in MAN's consolidated financial statements p.r.t. for the 9 months ended September 30, 2003, and shown as a discontinued operation under the terms of IAS 35, the prior-year comparatives being disclosed separately. The gain from the disposal of the SMS stock is used to strengthen equity and as prudential reserve. 50 million thereof, transferred to MAN AG's reserves retained from earnings, has been recognized in the Group's EBT and net income after minority interests.

Associated affiliates

Five investees (down from six) are carried at equity as associated affiliates. The non-consolidated subsidiaries are in the aggregate of minor significance for the presentation of the MAN Group's net assets, financial position and results of operations.

Selected consolidated companies of the MAN Group are listed on the inside back cover page of this annual report. A complete listing of the MAN Group's shareholdings will be filed with the Commercial Register of the Local Court of Munich under no. HRB 78 706.

Consolidation principles

The consolidated financial statements are based on MAN AG's and its consolidated subsidiaries' annual financial statements as prepared in accordance with groupwide uniform accounting and valuation principles and certified by independent auditors.

The purchase method is used for capital consolidation, with due recognition in net income, by offsetting the purchase cost of an equity investment against its prorated equity at the date of acquisition. Where based on hidden reserves or burdens, any difference between cost and prorated equity is assigned to the subsidiary's assets and liabilities, as appropriate. Any remaining net equity under cost is capitalized as goodwill under intangible assets and amortized on a straight-line basis as a rule over ten to twenty years. The residual goodwill of deconsolidated companies is released to net income.

Any undistributed reserves earned after the date of initial consolidation are shown in the Group's reserves retained from earnings or as minority interests, as appropriate. The minority interests held by nongroup parties in the equity of consolidated subsidiaries are disclosed separately from MAN AG's stockholders' equity within the Group's equity.

All intercompany accounts (profits, gains, losses, income, expenses, receivables and payables) among companies included in the Group accounts are eliminated. Deferred taxes are calculated for consolidation transactions recognized in net income.

Affiliates carried at equity are included on the basis of their annual accounts as of December 31, 2003. The equity proratable to the Group is shown under financial assets. The Group's shares in their EBT and in income taxes are recognized in the Group's income from investments and in tax expense, respectively.

Currency translation

For the consolidated financial statements, the current-rate method (a.k.a. closing-rate method) is used to translate the annual accounts of non-Euroland companies. Balance sheet lines are translated at the current, and income statement captions at the annual average, rates. Differences from the currency translation versus the prior year of balance sheet captions are recognized in equity only. Therefore, equity shrank by an accumulated €47 million due to currency translation effects (€8 million thereof from the SMS Group's deconsolidation alone); this contrasts with a 5-percent climb in 2002.

In the fixed-asset schedule and accruals analysis, the fiscal year's opening and closing balances are translated at the applicable current rates, while for the remaining balance sheet lines, the annual average rates are used. Currency translation differences are shown separately in the currency adjustment column.

	Current rate of €1 at		Average rate of €1 in	
The euro exchange rates of major currencies are as follows:	**12/31/2003**	**12/31/2002**	**2003**	**2002**
US dollar	1.2630	1.0487	1.1329	0.9442
Pound sterling	0.7048	0.6505	0.6911	0.6281
Danish krone	7.445	7.429	7.430	7.430
Swiss franc	1.5579	1.452	1.519	1.467
Swedish krona	9.0800	9.153	9.145	9.138
Polish zloty	4.7019	4.021	4.420	3.855
Turkish lira (in 1,000)	1,771.64	1,738.00	1,701.10	1,436.40
Japanese yen	135.05	124.39	131.31	117.71
South African rand	8.328	9.009	8.477	9.862

Accounting and Valuation Principles

Intangible assets

Intangible assets other than goodwill and capitalized development costs are capitalized at purchase cost and amortized on a straight-line basis over their useful lives, generally three to five years.

R&D costs are expensed. Excepted from this practice are the expenses incurred for the development of new products and series. Such expenses are capitalized from that year onwards in which the technical completion of the new development and its future marketability are secured. Amortization is charged per unit or on a straight-line basis over the estimated useful life of four to ten years.

Goodwill from capital consolidation is amortized to other operating expenses over ten to twenty years.

Tangible assets

Tangible assets are valued at purchase or production cost, less depreciation and, where appropriate, write-down. The production cost of internally manufactured tangible assets includes all direct costs, as well as prorated indirect production costs. Maintenance and repair (M&R) costs and interest costs are expensed in the period of their incurrence.

Tangible assets are depreciated according to the straight-line method over their estimated useful lives. Low-value assets (defined as assets at cost of €410 or less) are fully written off in the year of their purchase.

Tangible assets whose NRV and value in use have both decreased below net book value are written down accordingly.

The Groupwide Uniform Asset Depreciation Ranges are Based on the Following Useful Lives:

Buildings	20 to 50 years
Land improvements	8 to 20 years
Machinery and production plant	5 to 15 years
Factory and office equipment	3 to 10 years

Leasing

Most leased tangible assets are used under operating leases and hence recognized by the lessor. Where in isolated cases, the criteria of a capital lease (a.k.a. finance lease) are satisfied, these leased assets are capitalized pursuant to IAS 17 and depreciated. The property, plant and equipment leased within the MAN Group from MAN Financial Services (MFI) are shown in MFI's balance sheet.

Products leased out under operating leases are recognized by the lessor (mainly MAN Financial Services) at production cost, unless sold to nongroup leasing firms for financing purposes, and depreciated over the underlying lease term. The MFI companies finance as lessors both tangible assets and the sale of products of MAN Group companies. The lease terms mostly cover less than 90 percent of the leased assets' useful life, the leases themselves being generally configured as operating leases to ensure that the leased assets are assigned to MFI.

Investments

Within investments, shares in major associated affiliates are stated at equity. The remaining investments are carried at the lower of acquisition cost or fair value. As an exception, investments for which a market value can be reliably determined are stated at fair value, the difference from their book value being recognized in equity only, within other comprehensive income, duly accounting for deferred taxes.

Securities

Long- and short-term securities if, as usual, available for sale are fair-valued. The unrealized changes in their fair value are principally recognized in equity only (within other comprehensive income) after deducting deferred taxes. Long-term securities held either to maturity or in connection with pension plans are recognized at amortized cost.

Current assets

Inventories are stated at the lower of cost or net realizable values (NRV). Production cost includes all direct costs, as well as proratable indirect fixed and variable production overheads. Overhead portions are mostly determined on a normal, in all other cases the actual, workload basis. General administrative and selling expenses are not capitalized, nor are any debt interest costs. Raw materials and merchandise are generally valued at average purchase cost. Risks resulting from slow-moving items and from the obsolescence or reduced utility of inventories are adequately and sufficiently allowed for while uncompleted contracts that involve impending losses are stated at their net realizable values.

Long-term manufacturing and construction contracts are recognized according to the percentage-of-completion (PoC) method by apportioning pro rata temporis the agreed revenues earned from, and costs incurred for, contract progress and showing such net revenues, after deduction of customer prepayments, as trade receivables. Such progress, or percentage of completion, is determined either on a cost-to-cost basis (i.e., from the ratio the costs incurred by balance sheet date bear to the expected total contract costs), or on the basis of agreed milestones.

Where the outcome (P/L) of such a long-term contract cannot be reliably estimated, revenues are recognized only at the amount of contract costs actually incurred. Any prorated profit will not be realized until after completion has reached a stage where future contract costs and revenues can be reliably estimated.

Receivables and other current assets are carried at amortized cost. Adequate specific allowances are charged to bad debts and other receivables exposed to identifiable risks. A flat allowance for doubtful accounts provides for the general collection risk on the basis of empirical data.

Monetary assets classified as available for sale are fair-valued, the difference between amortized cost and fair value being recognized in equity only (within other comprehensive income), after allowing for deferred taxes.

The original values of fixed or current assets are reinstated wherever the grounds for any write-down in prior periods do not exist any longer.

Pension accruals provide for future pension obligations according to the projected unit credit (PUC) method, duly taking into account future payroll and pension increases.

Accruals, liabilities

Warranty accruals provide for the obligations derived from the total warranty expenses of the warranty period and the sale of warranted products, as well as for specific warranties for known claims. Accrued costs yet to be billed and other business obligations are provided for at the best estimate of future cash outflows or, where owed in kind, the future production cost thereof. The remaining accruals provide for all identifiable risks and uncertain commitments at the amount expected to be realized or utilized. Accruals that include an interest portion are discounted. Liabilities are principally stated at their settlement amount.

Deferred taxation

Deferred taxes are recognized for temporary differences between the values in the tax and the consolidated financial statements, as well as for consolidation transactions recognized in net income, besides for tax loss carryovers.

Deferred tax assets are not recognized unless the attendant tax reductions will probably materialize. Deferred taxes account only for those amounts of loss carryovers for which taxable income sufficient for realizing the deferred tax assets is expected in the future.

Deferred taxes are calculated at the tax rates current at balance sheet date; in Germany, this rate is an unchanged 39.4 percent.

Financial derivatives and hedges

A financial derivative is a financial instrument whose value changes in response to changes in other variables, whose purchase cost is mostly little or nil and which is settled at some future date. Financial derivatives of relevance to the MAN Group are currency forwards and interest rate swaps.

Financial derivatives are measured at fair (market) value, which is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in a transaction at arm's length. Within the MAN Group, presently currency forwards, foreign exchange options and interest rate swaps are contracted. The fair value of currency forwards is determined on the basis of the forward rate as of December 31 for the remaining term of each contract in relation to the contracted forward rate. The fair value of foreign exchange options is determined by means of generally accepted pricing techniques, key factors being the residual term, the reference interest rate and the current exchange rate and its volatility. The fair value of interest rate swaps is obtained by discounting the expected future cash flows over the remaining contract term on the basis of current market rates and the yield curve. If their fair value is positive, financial derivatives are shown within receivables and other current assets and, if negative, as trade payables.

For derivative financial instruments that bear a hedging relationship, the changes in fair value in the fiscal year are recognized in accordance with the underlying hedging relationship.

If the currency forward hedges an effective underlying transaction (including, without being limited to, an uncompleted contract or a trade receivable), it is a fair value hedge (FVH). In this case, changes in the currency forward's fair value correspond to opposite changes in the hedged underlying transaction's fair value. In the balance sheet, the fair-value changes are recognized in the appropriate line of the underlying transaction, mainly trade receivables, inventories, or trade payables. In the income statement, changes in the fair value of hedge and underlying transaction have on balance no effect, the individual items being mutually offset within other operating expenses.

Cash flow hedges (CFHs) basically include upstream exchange rate hedges for future sales revenues from series manufacture, for high-probability customer projects, as well as interest rate hedges for refinancing customer financing. In this case, any change in fair value is recognized in a separate equity line (other comprehensive income) after deducting deferred taxes.

Any financial derivatives where the stringent requirements of IAS 39 for a hedging relationship are not met are considered instruments held for trading, and for these, any differences from fair value remeasurement are immediately and fully recognized in the income statement.

For details of the MAN Group's hedging strategy, see Note (20).

Income, gains, expenses and losses

Net sales are recognized as and when the underlying products or goods have been delivered or the services rendered, always net after all sales deductions, such as cash and other discounts, allowances granted to customers, etc. Revenues from long-term construction contracts are recognized on a percentage-of-completion basis (see the above comments on current assets).

Operating expenses are recorded when the underlying products or services are utilized, whereas expenses for advertising and sales promotion and other sales-related expenses are recognized when incurred. We provide for accrued warranty obligations when products are sold. Interest expense and other cost of debt are expensed in the period.

Estimates

Preparing the consolidated financial statements requires certain assumptions and estimates to be made for the valuation of some assets and liabilities and the disclosure of contingent liabilities, as well as for the recognition of income and expenses. Actual values may differ from those estimates.

Cash flow statement

This statement breaks down cash flows into those from operating, investing and financing activities. Effects of changes in the group of consolidated companies are eliminated in the lines concerned. The net parity change in cash & cash equivalents is shown in a separate line.

In the cash flow from operating activities, the noncash operating expenses and income, as well as the gains from the disposal of fixed assets (incl. investments) are all eliminated. The cash earnings are shown in a separate line within this caption and represent the change in cash & cash equivalents attributable to the result reported for the year. The interest income of €48 million (down from €71 million), interest expense of €115 million (down from €125 million), and income taxes paid at €92 million (up from €75 million) are allocated to operating activities. The net result from investments stated at equity is not included unless distributed.

The cash flow from investing activities reflects the capital expenditures for fixed assets, the intragroup-financed additions to assets leased out, the cash outflow for acquiring shares in consolidated subsidiaries, and the cash inflow from the disposal of fixed assets (including consolidated investments).

The cash flow from financing activities mirrors the cash dividends distributed, capital paid in by stockholders, repurchased treasury stock, cash inflow from and outflow for securities held as liquidity reserve, as well as financial liabilities redeemed or newly raised. Cash & cash equivalents comprise cash on hand and in bank, as well as the receivables from intragroup finance transactions.

Segment Reporting

Comments on segment data

The MAN Group has been re-segmented for reporting purposes in analogy to the consolidated financial statements, breaking down into Industrial Business, Financial Services and Discontinued Operations.

Industrial Business comprises Commercial Vehicles, Printing Machines, Diesel Engines, Turbomachines, Further Industrial Holdings, and Industrial Services.

The Commercial Vehicles, Printing Machines, Diesel Engines, Turbomachines and Industrial Services corporate divisions are identical with the MAN Nutzfahrzeuge, MAN Roland Druckmaschinen, MAN B&W Diesel, MAN Turbomaschinen and Ferrostaal subgroups. Under the umbrella of Further Industrial Holdings, primarily the following subgroups are subsumed: RENK, MAN Technologie, MAN DWE, as well as Schwäbische Hüttenwerke.

The subgroup allocation corresponds to the MAN Group's breakdown by and into corporate divisions used for internal management reporting purposes.

Order intake data has been derived from the Group's reporting system and not been audited. Intersegment transfers are based on fair market prices as if at arm's length.

Amortization, depreciation and write-down refer to the fixed assets allocated to each corporate division.

Segment assets comprise fixed and current assets, as well as deferred tax assets and prepaid expenses & deferred charges. Segment debt covers accruals, liabilities, deferred tax liabilities, and deferred income.

Key rates of return

This annual report highlights EBIT margin, ROS and ROCE as indicators to control and assess performance by the Group and its corporate divisions with a view to increasing shareholder value. The EBIT margin and the return on sales (ROS) are obtained by dividing net sales into EBIT or EBT, respectively, and used to rate the profitability of current operations.

The return on capital employed (ROCE) is a creditor-oriented indicator that mostly appeals to investors and lenders; it is determined by dividing earnings before taxes and before interest expense by average capital employed. CE equals equity plus interest-bearing debt, the latter including interest-bearing financial liabilities, pension accruals and deferred income.

Further segment data: region-by-region breakdown

(€ million)	Germany	Other Europe	All other regions	Total
2003				
Total assets at Dec. 31	7,417	1,999	539	9,955
Capital expenditures	435	242	13	690
Amortization/depreciation/write-down	385	169	14	568
Headcount at Dec. 31	41,497	19,141	3,520	64,158
2002				
Total assets at Dec. 31	7,232	3,557	903	11,692
Capital expenditures	660	306	31	997
Amortization/depreciation/write-down	456	186	18	660
Headcount at Dec. 31	48,863	20,838	5,353	75,054