



Hans Jørgen Cornett
Executive Vice President,
Sales and Marketing

Dave Anderson
President and CEO

Jim Wilcox
Executive Vice President
and COO

Karl Schmidt
Executive Vice President and CFO

Know-How in Motion

Financial Perspectives 2005

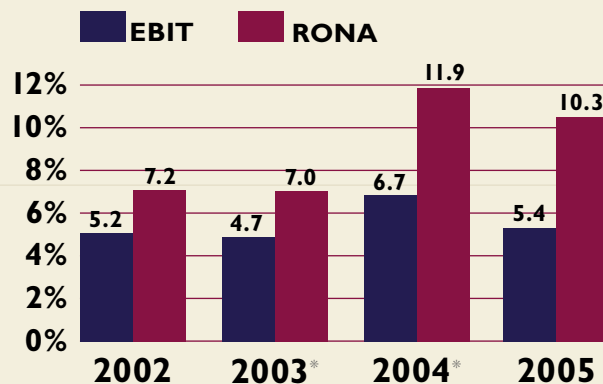
Our Strategic Financial Goals since 2003

- Our performance has kept our **Investment Grade Credit Rating above BBB** throughout the cycle (BBB bank rating since 2004), thereby allowing us to reduce borrowing costs and maintain excellent relationships with the investment community.
- **EBIT margin of ~12 % is a realistic goal.**
Our earnings before interest and taxes (EBIT) to sales ratio is solid.
- **Return on Net Assets (RONA) of 16% is what we strive for.**
Sauer-Danfoss yields appropriate returns for shareholders.

Financial overview: Consistent growth

\$ in Million	2003	2004	2005
Sales	1,127	1,404	1,548
EBITDA *	124	170	172
EBIT*	44	88	84
Net Income	11	33	39
Capital Expenditures	60	79	95
Earnings per share (\$)	0.24	0.70	0.81
As Reported - Diluted	0.36	0.80	0.81
Excl. Restructuring	0.36	0.85	1.04
Excl. Restr. And SAP			

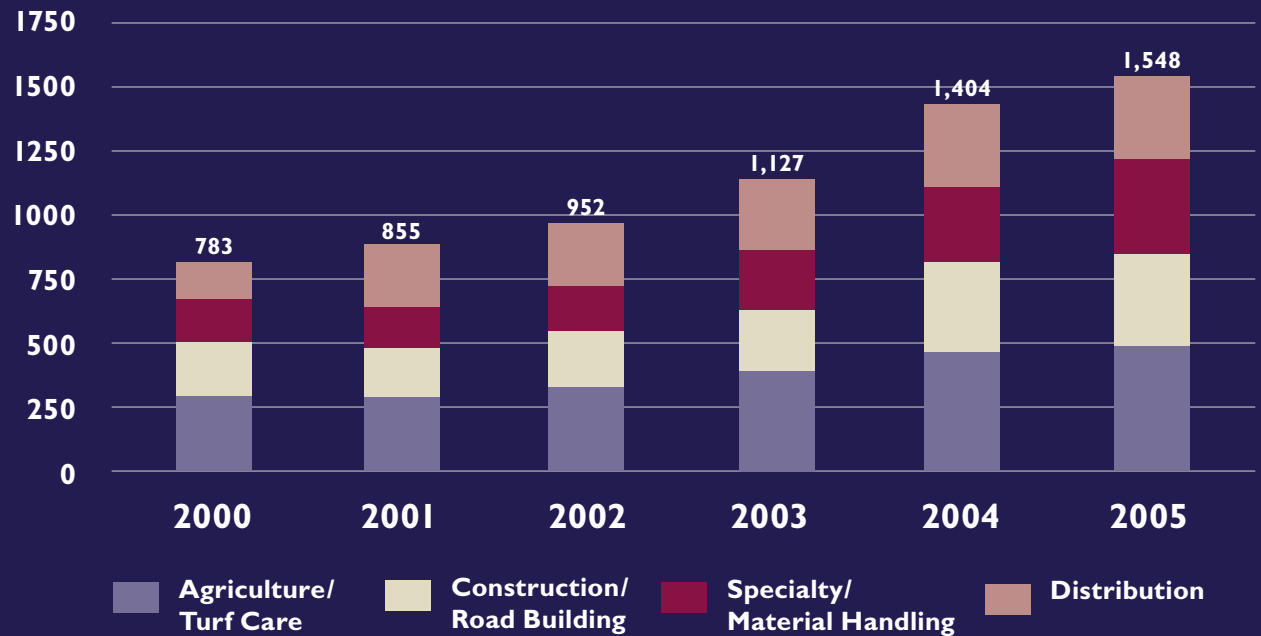
* Before deducting Minority Interest



* without restructuring costs

“ Double Digit Organic Growth in all Market Segments. ”

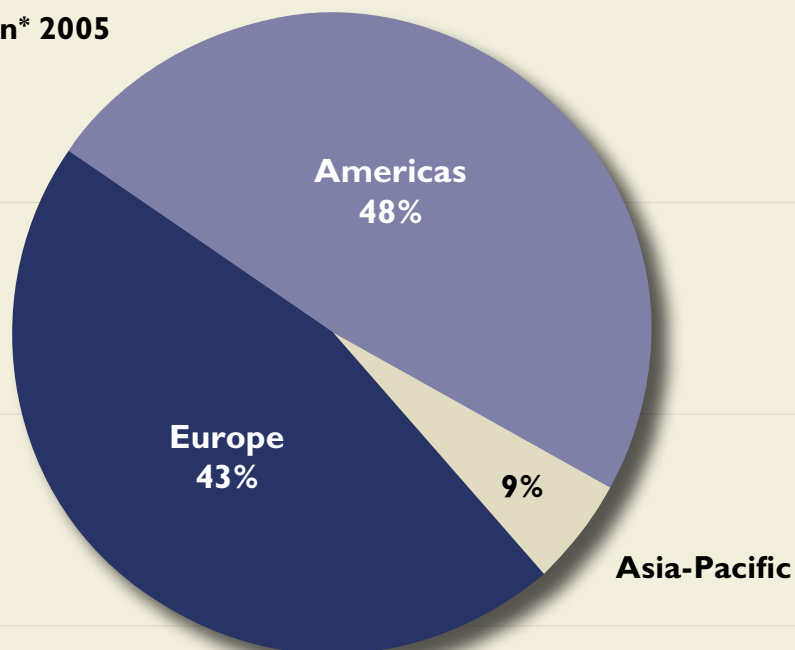
Sales per Market in \$ Million



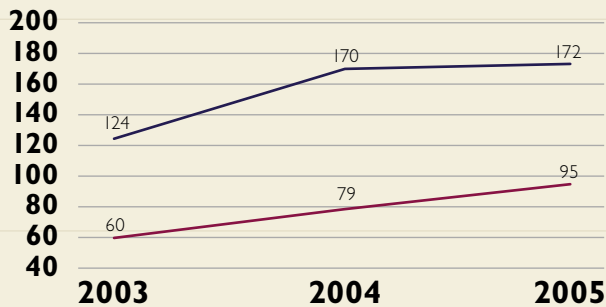
“ We are where our Customers are. ”

Sales Split by Region* 2005

Total Sales \$1.5 billion
* based on destination of sale



Headline?



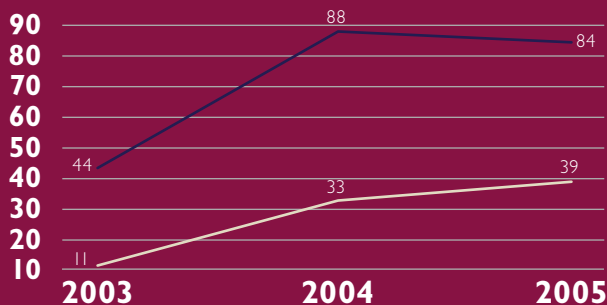
“ Strong Operational Cash Flow Supports our Capital Expenditure Needs. ”

■ EBITDA* ■ CapX
* Before Deducting Minority Interest

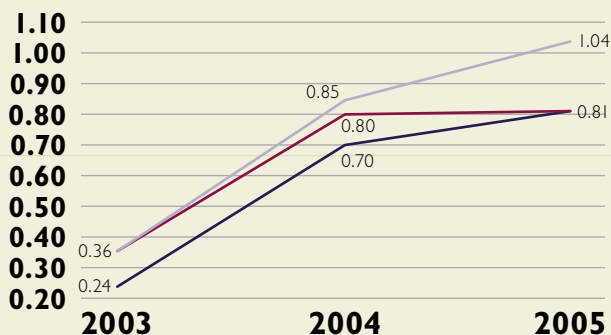
“ Improving our Bottom Line Performance. ”

■ EBIT* ■ Net Income
* Before Deducting Minority Interest

Headline?



Headline?

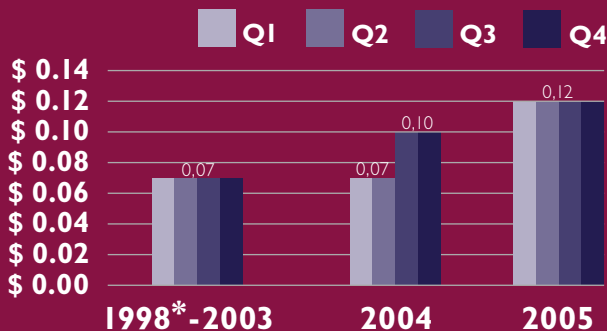


“ Operational Improvements of Significance. ”

■ EPS - Diluted ■ EPS Excl. Restructuring
■ EPS Excl. Restructuring and SAP Roll-Out:

“ Consistent and Increasing Returns to our Shareholders. ”

Quarterly Dividend Payout



* Since Initial Public Offering



Board of Directors

From upper left:

Hans Kirk

Execu Officer, Danfoss A/S

Klaus H. Murmann

Chairman Emeritus,
Sauer-Danfoss Inc.

Jørgen M. Clausen

Chairman, Sauer-Danfoss Inc.,
and President and Chief Executive
Officer, Danfoss A/S

Johannes F. Kirchhoff

Managing Director, FAUN Umwelt-
technik GmbH & Co. KG

Kenneth D. McCuskey

Corporate Secretary,
Sauer-Danfoss Inc.

Ole Steen Andersen

Executive Vice President and Chief
Financial Officer, Danfoss A/S

F. Joseph Loughrey

President and Chief Operating
Officer, Cummins Inc.

Sven Murmann

Vice Chairman, Sauer-Danfoss Inc.,
and Managing Director, Sauer Holding
GmbH

David J. Anderson

President and Chief Executive Officer,
Sauer-Danfoss Inc.

Nicola Keim

Lawyer by Profession

Steven H. Wood

Chief Financial Officer,
Becker Underwood

**For further information please contact:
Sauer-Danfoss Inc. – Investor Relations**

Sauer-Danfoss Inc.

2800 East 13th Street
Ames, IA 50010, USA

Kenneth D. McCuskey
Executive Vice President and
Chief Accounting Officer
kmccuskey@sauer-danfoss.com
Phone: +1 515 239 6364
Fax: +1 515 239 6443

Sauer-Danfoss Inc.

Krokamp 35
D-24539 Neumünster, Germany

John N. Langrick
Director of Finance Europe
jlangrick@sauer-danfoss.com
Phone: +49 4321 871 190
Fax: +49 4321 871 121

