Q2 MAN Group:

Significant earnings improvement attributable to Commercial Vehicles

MAN Group € million	2010 H1	2009 H1	Change in %	2010 Q2	2009 Q2	Change in %
Order intake	7,268	4,568	59	3,745	2,278	64
Revenue	6,734	5,666	19	3,612	3,110	16
Operating profit	404	244	66	276	144	92

- Positive order intake trend continues
- Revenue up 16%
- Operating profit significantly improved in the Commercial Vehicles business in particular; stable performance in the Power Engineering business
- Profitable growth supported by BRIC strategy
- Outlook for full-year 2010: Significant increase in order intake, revenue growth will remain above 10%, return on sales expected to match H1 level

Interim Report as of June 30, 2010 – Q2 2010

MAN SE

Letter to our Shareholders
Commercial Vehicles sees clear upward trend

Dear Shareholders,

The MAN Group performed well in the second quarter; the timid signs of recovery at the beginning of the year were confirmed and strengthened. Better macroeconomic developments and reduced uncertainty in the financial sector and in manufacturing industry had a positive effect on the transportation and energy markets. MAN's key performance indicators have improved significantly compared with the difficult year 2009. At the same time, many areas still have a long way to go to return to the high levels of capacity utilization in previous record years.

In the second quarter of 2010, MAN received orders worth €3.7 billion — up 6% on Q1 and 64% more than in the prior-year quarter. Orders in the first six months totaled €7.3 billion, a year-on-year increase of 59%. This growth was driven by both business areas, with Commercial Vehicles up 70% year-on-year in the first half of 2010 and Power Engineering recording 39% more orders. Above all, the steady upward trend at MAN Nutzfahrzeuge is boosting our expectations of a sustained improvement. Order intake at MAN Latin America in the second quarter exceeded the historic high achieved in Q1.

MAN Diesel & Turbo recorded year-on-year growth in order intake of 41% in the second quarter and 28% in the first six months. At €7.7 billion, the MAN Group's order backlog in H1 was 4% higher than at the end of 2009.

Revenue rose by 16% in the second quarter to a total of €3.6 billion. In the first half of 2010, it was up by 19% year-on-year to €6.7 billion. This is primarily attributable to the second quarter in the Commercial Vehicles business area, while revenue in the Power Engineering business area declined slightly. Business was down by 23% in the Engines & Marine Systems strategic business unit and by 5% in the Turbo Machinery strategic business unit. This decrease was partially offset by the 57% increase in revenue in the Power Plants strategic business unit.

The upturn in business in the Commercial Vehicles business area led to a sharp rise in the MAN Group's operating profit, from €244 million in the first half of 2009 to €404 million in H1/2010. The Power Engineering business area continues to account for the majority of this figure, at €245 million. MAN Diesel & Turbo and Renk again achieved high double-digit returns on sales. At 6%, the figure for the MAN Group as a whole has already returned to a respectable level.

The sometimes extremely diverse performance of the Commercial Vehicles and Power Engineering business areas shows that MAN is well balanced from a cyclical perspective: In 2009, the weakness in the Commercial Vehicles business area was offset by the high order backlog in the Power Engineering business area, and now the growing momentum in the commercial vehicles markets will act as a counterbalance.

This balance also applies to the regional breakdown of our business. While Europe is set for relatively low growth rates in the long term, key emerging economies are returning to their past growth momentum. The transportation and energy markets in particular are currently recording high growth and continue to offer significant potential. Our Company already has a very strong presence especially in the high-growth BRIC countries. This enables MAN to achieve higher profitable growth, additional synergies, and better risk diversification.

The uncertainty on the global markets has not yet disappeared completely. Nevertheless, we believe that stronger domestic and international demand will be the basis for positive growth beyond 2010. Due to the continued growth in Brazil, MAN Latin America will remain a stable earnings driver. The order situation in the Power Engineering business area will remain low but stable. The business area's high order backlog should again allow it to aim for a double-digit return. We expect the MAN Group's return on sales to match the level for the first six months.

Dr.-Ing. Georg Pachta-Reyhofen

CEO of MAN SE

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Introduction

The Group interim financial report of MAN SE meets the requirements for a half-yearly financial report in accordance with the applicable provisions of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) and, in accordance with section 37w of the WpHG, comprises the condensed interim consolidated financial statements, the interim management report of the Group, and a responsibility statement. The interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and the related Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The Group interim financial report should be read in conjunction with the annual report for fiscal year 2009 and the additional information on the Company contained in it.

At a Glance

MAN Group **€ million** (unless otherwise stated)	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
Order intake	7,268	4,568	59	3,745	2,278	64
Germany	1,724	1,196	44	976	601	62
Other countries	5,544	3,372	64	2,769	1,677	65
Revenue	6,734	5,666	19	3,612	3,110	16
Germany	1,487	1,346	10	819	677	21
Other countries	5,247	4,320	21	2,793	2,433	15
Order backlog [1]	7,706	7,422	4	7,706	7,422	4
Headcount [1] [2]	47,559	47,743	0	47,559	47,743	0
of which: subcontracted employees	2,099	1,643	28	2,099	1,643	28
Germany	27,108	26,768	1	27,108	26,768	1
Other countries	20,451	20,975	–2	20,451	20,975	–2
			€ million			**€ million**
Operating profit	404	244	160	276	144	132
Earnings effects from purchase price allocations	–48	–	–48	–25	–	–25
Losses from nonrecurring items	–	–71	71	–	–61	61
Earnings before tax (EBT)	285	118	167	216	38	178
Net income	200	208	–8	151	27	124
Earnings per share from continuing operations in €	1.37	0.52	0.85	1.05	0.15	0.90
Earnings per share from continuing operations excluding effects of purchase price allocations and nonrecurring items in €	1.58	0.85	0.73	1.15	0.44	0.71
ROS (%)	6.0	4.3	–	7.7	4.6	–
Income from discontinued operations, net of tax	–	125	–125	–	–	–
Capital expenditures	138	1,533	–1,395	87	95	–8
Depreciation, amortization, and impairment of noncurrent assets	222	166	56	113	88	25
R&D expenditures	265	227	38	137	116	21
Cash earnings	394	333	61	304	175	129
Net cash provided by operating activities	710	399	311	211	258	–47
Net cash used in investing activities	–121	–1,850	1,729	–79	–76	–3
Free cash flow	589	–1,451	2,040	132	182	–50
of which: from acquisitions and divestments	–	–1,696	1,696	–	–5	5
Net financial debt [1]	–2,252	–2,634	382	–2,252	–2,634	382
Total equity [1]	5,513	5,129	384	5,513	5,129	384

Any differences in this Group interim financial report are due to rounding.
[1] As of June 30, 2010 vs. December 31, 2009
[2] Including subcontracted employees
The order situation, revenue, earnings, and cash flow for the first six months of 2009 do not include any Q1/2009 figures for MAN Latin America.

Interim Management Report as of June 30, 2010

Economic environment

The global economy expanded in the first quarter of 2010, and economic indicators are also pointing to robust growth for Q2. The recovery is being driven by the effects of monetary and fiscal policy measures. This global economic growth was accompanied by a further upturn in world trade. Although inflation increased worldwide due mainly to higher commodity prices, the underlying price pressure remained limited overall; this applies in particular to major developed economies and is attributable to low capacity utilization and stable inflation expectations.

The economic situation in the euro zone continued to improve. Most countries returned to positive real GDP growth and capacity utilization increased in the manufacturing sector. This gradual recovery is primarily the result of the ongoing improvement in demand outside Europe. Economic growth in Latin America accelerated further in the first half of 2010. The economy in Brazil — a key market for us — strengthened significantly. Industrial output grew by 18.1% in Q1/2010, after increasing by 5.9% in the last quarter of 2009. Overall growth everywhere in the region should continue to accelerate over the course of the entire year. The main driver of this will be domestic demand, which remains robust. In Asia’s emerging economies, GDP growth also continued to speed up in the first half of 2010. The economic strength of these countries was due in particular to the positive effects of fiscal and monetary policy.

Order intake continues to recover; revenue up significantly on prior quarter

Order intake amounted to €3.7 billion in the second quarter of 2010, a 6% improvement on the previous quarter. The first six months saw a sharp increase of 59% as against 2009, which was driven by both business areas.

Order intake by business area

€ million	**H1/2010**	**H1/2009**	**Change in %**	**Q2/2010**	**Q2/2009**	**Change in %**
Commercial Vehicles	5,186	3,049	70	2,777	1,684	65
Power Engineering	2,119	1,526	39	977	595	64
Others/consolidation	–37	–7	–	–9	–1	–
MAN Group	**7,268**	**4,568**	**59**	**3,745**	**2,278**	**64**

Order intake at MAN Nutzfahrzeuge rose continuously in the first half of the year to €3.7 billion, up 37% on H1/2009 (€2.7 billion). Heavy trucks continued their positive performance from the first quarter.
MAN Latin America again exceeded its historic high from Q1, recording an order intake of €1.5 billion in the first six months.
The Power Engineering business area lifted its order intake by 39% compared with the first half of 2009 to €2.1 billion. At +64%, the second quarter in particular was up year-on-year. MAN Diesel & Turbo

contributed an order intake of €1.8 billion in the first six months, an increase of 28% on the previous year. This includes a €294 million order from Brazil received by the Power Plants strategic business unit in Q1. In June, Renk was awarded an order worth around €130 million by Tognum AG, Friedrichshafen. As a result, Renk's order intake amounted to €0.4 billion in the first half of 2010 (previous year: €0.1 billion).

In the first six months of 2010, international orders rose by 64% year-on-year to €5.5 billion. This growth is mainly attributable to the Commercial Vehicles business area. In Germany, too, order intake continued to recover due to higher truck orders. In the first half of the year, orders in Germany climbed by 44% year-on-year to €1.7 billion (previous year: €1.2 billion). The order backlog totaled €7.7 billion, a reduction of 11% in the past twelve months (previous year: €8.7 billion).

Revenue by business area

€ million	**H1/2010**	**H1/2009**	**Change in %**	**Q2/2010**	**Q2/2009**	**Change in %**
Commercial Vehicles	4,820	3,644	32	2,650	2,029	31
Power Engineering	1,946	2,065	–6	972	1,093	–11
Others/consolidation	–32	–43	–	–10	–12	–
MAN Group	**6,734**	**5,666**	**19**	**3,612**	**3,110**	**16**

Revenue for the first six months increased by 19% to €6.7 billion, compared with €5.7 billion in the prior-year period. It was also up on the previous quarter (+16%) as a result of an improvement in the Commercial Vehicles business area. The MAN Group recorded its highest quarterly revenue since the end of fiscal year 2008. MAN Nutzfahrzeuge contributed revenue of €1.8 billion in the second quarter and a 26% improvement as against Q1. MAN Nutzfahrzeuge generated total revenue of €3.3 billion in the first six months and MAN Latin America recorded €1.5 billion. Revenue in the Power Engineering business area remained at the level of the previous quarter, and declined by 6% compared with the first half of 2009. MAN Diesel & Turbo generated revenue of €1.8 billion and Renk €0.2 billion. The MAN Group's domestic revenue amounted to €1.5 billion, up 10% year-on-year, while international revenue totaled €5.2 billion (+21%). This reflects the increasing internationalization of the Group's business activities.

Operating profit improved significantly in Q2

The MAN Group generated an operating profit of €404 million in the first half of 2010, an improvement of 66% as against the previous year (€244 million). This growth is attributable to the Commercial Vehicles business area. MAN Nutzfahrzeuge in particular had a strong second quarter. The Power Engineering business area also performed better than in Q1, although its operating profit for the first six months was down 12% year-on-year.

The improvement in Others/consolidation results mainly from the higher earnings contributions from our investments in associates.

Operating profit/loss by business area						
€ million	**H1/2010**	**H1/2009**	**Change € million**	**Q2/2010**	**Q2/2009**	**Change € million**
Commercial Vehicles	180	18	162	167	13	154
Power Engineering	245	278	–33	127	146	–19
Others/Consolidation	–21	–52	31	–18	–15	–3
MAN Group	**404**	**244**	**160**	**276**	**144**	**132**

The return on sales for the MAN Group after the first six months was 6.0%, compared with 4.3% in the prior-year period. In the second quarter, the European commercial vehicles business recorded a clearly positive profit of €71 million for the first time since spring 2009. This figure mainly reflects one-time license income of €40 million from our strategic partner Sinotruk Ltd., Hong Kong/China.

MAN Nutzfahrzeuge generated an operating profit of €14 million in the first half of the year. €42 million of this is attributable to commercial vehicles operations, which resulted mainly from improved capacity utilization and license income. The financing business reduced MAN Nutzfahrzeuge's earnings by €28 million. The division's return on sales rose from –0.5% in the previous year to 0.4%.

In the first six months, MAN Latin America contributed €166 million to the operating profit of Commercial Vehicles. At €96 million, its profit for the second quarter in particular was 37% higher than in Q1/2010. When comparing these figures with the previous year, it should be noted that MAN Latin America was not consolidated until the second quarter. The Commercial Vehicles business area recorded an overall operating profit of €180 million in the first half of 2010.

The Power Engineering business area recorded an operating profit of €245 million in the first six months. MAN Diesel & Turbo contributed €220 million, just below the previous year's figure (€245 million). Its quarterly profit was €10 million lower than in 2009. Earnings in this division were impacted by cost overruns and provisions as well as expenses for setting up the division. MAN Diesel & Turbo's return on sales was 12.5% after the first six months (previous year: 13.5%). Renk generated an operating profit of €25 million in the first half of the year, down €33 million on H1/2009. This reflected lower capacity utilization in particular. Renk's H1 return on sales remained high at 13.3% (previous year: 13.6%).

The MAN Group's earnings before tax amounted to €285 million in the first six months (previous year: €118 million). This figure includes the earnings effects from the purchase price allocation performed as part of the acquisition of MAN Latin America, which amount to €–48 million. To enhance long-term comparability, the depreciation and amortization effects included in purchase price allocation are not included in operating profit.

Net income in the reporting period amounted to €200 million, compared with €208 million in the previous year. The prior-year figure contained net income of €125 million from discontinued operations in connection with the sale of 70% of the shares of Ferrostaal AG. The tax rate remained on a level with the previous year, at 29.7%. Earnings per share from continuing operations were €1.37 as against €0.52 in the prior-year period.

Free cash flow remains positive

Free cash flow by business area

€ million	H1/2010	H1/2009	Change € million	Q2/2010	Q2/2009	Change € million
Commercial Vehicles	282	212	70	60	283	–223
Power Engineering	345	–31	376	93	–32	125
Others/consolidation	–38	–1,632	1,594	–21	–69	48
MAN Group	**589**	**–1,451**	**2,040**	**132**	**182**	**–50**

The free cash flow from the MAN Group's operating and investing activities in the first half of the year amounted to €589 million (previous year: €–1,451 million). Cash flow reached €282 million in the Commercial Vehicles business area and €345 million in the Power Engineering business area. In the prior-year period, the "Others/consolidation" item for MAN SE was affected by a total of €–1.7 billion following the acquisition of MAN Latin America and the sale of Ferrostaal. Adjusted for the effects of these portfolio measures, free cash flow totaled €245 million in the first six months of 2009.

Cash earnings in the first half of the year improved to €394 million due to earnings-related factors. Net cash provided by the MAN Group's operating activities totaled €710 million, with the Industrial Business contributing €643 million and Financial Services €67 million. This improvement is mainly attributable to the increase in trade payables due to volume-related factors. Investing activities in the MAN Group led to a cash outflow of €121 million in the first half of 2010.

Net cash used in financing activities amounted to €295 million after the first six months (previous year: net cash provided by financing activities of €1,383 million). The figure for the prior-year period contained the bridge finance raised for the acquisition of MAN Latin America.

Liquidity and financial resources

The MAN Group's net financial debt was €–2,252 million on June 30, 2010, compared with €–2,634 million at the end of 2009. Net financial debt in the Industrial Business fell to €–489 million (previous year: €–822 million). Net financial debt in the Financial Services business declined to €–1,763 million in the first half of the year (previous year: €–1,812 million).

On April 7, 2010, Standard & Poor's lowered MAN's long-term rating from A– to BBB+. The rating had been on Standard & Poor's watch list since December 2009. The rating awarded by Moody's is unchanged at A3.

Headcount almost unchanged

On June 30, 2010, the MAN Group employed 47,559 people. The headcount therefore declined by 184 compared with December 31, 2009 (47,743). At the end of the second quarter, 27,108 people were employed in Germany and 20,451 abroad; this means that the proportion of employees abroad was constant, at 43%.

The number of employees at MAN Nutzfahrzeuge fell from 31,519 on December 31, 2009, to 31,118, owing primarily to staff turnover. MAN Latin America employed 1,579 people as of June 30, 2010, 69 more than at year-end 2009. MAN Diesel & Turbo's workforce continued to rise as against the end of 2009 by an additional 172 employees to 12,683. This growth relates primarily to the Power Plants strategic business unit. Renk, which employed 1,871 people at the end of June, saw only a minor reduction in its headcount as against December 31, 2009. The MAN Group had 2,099 subcontracted employees as of June 30, 2010 (December 31, 2009: 1,643). The number of subcontracted employees increased by 13% in both the first and second quarters of 2010.

Divestments

The contractually agreed put option for the remaining 30% interest in Ferrostaal AG (Ferrostaal) was exercised by MAN at the beginning of January 2010. The purchaser refused to complete the transaction, referring among other things to the ongoing investigations by the public prosecution authorities at Ferrostaal. In MAN's view, there is no legal basis for this refusal.

See the "Notes to the Consolidated Financial Statements" for further information.

Outlook for the MAN Group

The effects of the expansion in the global economy contributed to an improvement in earnings in the Commercial Vehicles business area in the second quarter. The upturn in domestic and international demand will form the basis for further positive growth that we expect to continue beyond 2010. Due to the continued growth in Brazil, MAN Latin America will remain a stable earnings driver.

Order intake in the Power Engineering business area is expected to be higher in 2010 than in the previous year. However, the effects of the recession mean that the order situation will remain low but stable. The business area's order backlog should again allow it to aim for a double-digit return.

The MAN Group expects to continue its positive performance and, for full-year 2010, is forecasting a significant increase in order intake, revenue growth of more than 10%, and a return on sales at the level of the first six months.

Revision of financial control measures

From fiscal year 2010, the key financial control measures in the MAN Group are defined as return on sales (ROS), which is the ratio of operating profit to revenue, and return on capital employed (ROCE), which is the ratio of operating profit to annual average capital employed. These primary indicators are used to assess the performance goals of the Group as a whole and its divisions.

In addition to these control measures, return on equity before tax (ROE) will be used as a further profitability indicator beginning in fiscal year 2010. It is only calculated at Group level and is included in the determination of the variable remuneration of MAN SE's Executive Board. Return on equity before tax is calculated by dividing earnings before tax by the MAN Group's average equity.

Alongside ROS, another key indicator previously used to determine the performance-related remuneration of managers was MAN value added (MVA). This financial measure, which was calculated as the difference between operating profit and the cost of capital, will no longer be used for control purposes from fiscal year 2010. Instead, the modified measure referred to as the "delta to the cost of capital" (ROCE–WACC) will be introduced for the MAN Group as a component of performance-related remuneration. It corresponds to the difference between ROCE and the weighted average cost of capital (WACC). The cost of capital for fiscal year 2010 is 10%.

The Group is currently developing the further details of the modified elements of its financial control system and the resulting implementation measures.

Effect on Executive Board remuneration

In June 2010, the Supervisory Board of MAN SE amended the remuneration components for the members of the Executive Board of MAN SE in those cases where the calculation of the annual bonus based on business performance no longer depends on the previously used "MAN value added." Instead, the achievement of targets will be determined using the newly introduced "delta to the cost of capital" measure as well as the other new indicator — ROE — which is only used for the performance-related remuneration of Executive Board members. An average figure over two years will be used to determine the achievement of targets under the "delta to the cost of capital" factor. 50% of the bonus under the ROE factor will be paid in shares.

Risk report

The risk report should be read in conjunction with our disclosures in the 2009 Annual Report. The MAN Group's risk position has not changed significantly as against the assessment contained in that report.

With respect to current developments in connection with the economic situation and their effects on MAN's order situation in particular, as well as on its revenue and earnings, please see the sections entitled "Economic environment" and "Outlook for the MAN Group," and the information provided on the individual segments in "The Divisions in Detail."

Rapid clarification of bribery allegations

Please see the "Notes to the Consolidated Financial Statements" for information relating to the "investigations by the public prosecution authorities."

MAN shares

The first half of the year on the stock markets was dominated by considerable volatility caused by recurring fears among investors of an economic downturn and unstable public finances. Following heavy fluctuations, the DAX, Germany's benchmark index, closed June 30, 2010 at 5,966 points — almost unchanged as against the beginning of the year. MAN common shares clearly outperformed the German benchmark index and their value has increased by around a quarter since the year began.

During the period from January 1 to June 30, 2010, the price of MAN common shares rose by €13.51 or around 25% from a closing price of €54.44 on December 30, 2009 to €67.95 on June 30, 2010.

On June 30, 2010, MAN SE's index-related market capitalization amounted to around €6,815 million, based on a 70.1% free float. As a result, MAN moved up one place compared with the previous quarter to 21st in the DAX ranking. In terms of trading volume, MAN was in 20th position in Q2/2010, as against 19th in the previous quarter.

Key data by division

Order intake by division

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
MAN Nutzfahrzeuge	3,654	2,661	37	1,961	1,296	51
MAN Latin America	1,532	388	–	816	388	110
MAN Diesel & Turbo	1,767	1,386	28	735	523	41
Renk	352	140	151	242	72	236
Others/consolidation	–37	–7	–	–9	–1	–
MAN Group	**7,268**	**4,568**	**59**	**3,745**	**2,278**	**64**

Revenue by division

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
MAN Nutzfahrzeuge	3,288	3,256	1	1,834	1,641	12
MAN Latin America	1,532	388	–	816	388	110
MAN Diesel & Turbo	1,758	1,823	–4	894	962	–7
Renk	188	242	–22	78	131	–41
Others/consolidation	–32	–43	–	–10	–12	–
MAN Group	**6,734**	**5,666**	**19**	**3,612**	**3,110**	**16**

Operating profit/loss by division

€ million	H1/2010	H1/2009	Change € million	Q2/2010	Q2/2009	Change € million
MAN Nutzfahrzeuge	14	–17	31	71	–22	93
MAN Latin America	166	35	131	96	35	61
MAN Diesel & Turbo	220	245	–25	118	128	–10
Renk	25	33	–8	9	18	–9
Others/consolidation	–21	–52	31	–18	–15	–3
Operating profit	**404**	**244**	**160**	**276**	**144**	**132**
Earnings effects from purchase price allocations	–48	–	–48	–25	–	–25
Gains/losses from nonrecurring items	–	–71	71	–	–61	61
Net interest income/expense	–71	–55	–16	–35	–45	10
Earnings before tax (EBT)	**285**	**118**	**167**	**216**	**38**	**178**
Income taxes	–85	–35	–50	–65	–11	–54
Income/loss from discontinued operations, net of tax	–	125	–125	–	–	–
Net income	**200**	**208**	**–8**	**151**	**27**	**124**

In this Group interim financial report, the breakdown of order intake, revenue, and operating profit by division is based on the segment reporting used in the MAN Group. Compared with the previous year, the former MAN Diesel and MAN Turbo divisions have been merged to form the MAN Diesel & Turbo division. Renk is also reported as a separate division from Q1/2010. Prior-period amounts have been adjusted accordingly.
The order situation, revenue, and earnings for the first six months of 2009 do not include any Q1/2009 figures for MAN Latin America.

The Divisions in Detail

MAN Nutzfahrzeuge

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
Order intake	3,654	2,661	37	1,961	1,296	51
of which: Trucks	3,062	2,093	46	1,656	992	67
of which: Buses	592	568	4	305	304	0
Order intake (units)	30,217	19,940	52	16,678	9,240	80
of which: Trucks	27,428	17,390	58	15,185	8,012	90
of which: Buses	2,789	2,550	9	1,493	1,228	21
Revenue	3,288	3,256	1	1,834	1,641	12
of which: Trucks	2,756	2,606	6	1,516	1,265	20
of which: Buses	532	650	–18	318	376	–15
Vehicle sales (units)	24,486	24,346	1	14,731	12,139	21
of which: Trucks	22,047	21,296	4	13,257	10,375	28
of which: Buses	2,439	3,050	–20	1,474	1,764	–16
Employees [1]	31,118	31,519	–1	31,118	31,519	–1
			€ million			**€ million**
Operating profit/loss [2]	14	–17	31	71	–22	93
of which: Trucks	41	–13	54	79	–24	103
of which: Buses	1	21	–20	12	20	–8
of which: Financial Services	–28	–24	–4	–20	–18	–2
ROS (%) [2]	0.4	–0.5	–	3.9	–1.3	–

1) Headcount (including subcontracted employees) as of June 30, 2010 vs. December 31, 2009
2) Including consolidation effects between Financial Services and Trucks/Buses

The continuous recovery of the European commercial vehicles market in the first six months of fiscal 2010 led to a significant year-on-year rise in order intake at MAN Nutzfahrzeuge. At €3.7 billion in the first half of 2010, order intake at MAN Nutzfahrzeuge was up 37% on the previous year's level, with the Trucks business seeing a 46% year-on-year rise. In terms of units, the order intake for the Trucks business grew by an impressive 58%. The increase was attributable to Europe, the Middle East, and the CIS countries. The order intake in the Buses business rose by 4%. This figure includes two major orders—totaling 950 buses—from RATP Paris and Deutsche Bahn AG. The 9% rise in terms of unit sales was mainly attributable to the order situation for city buses, which has improved as against the prior-year period.

Revenue at MAN Nutzfahrzeuge was up 1% year-on-year (+€32 million) to €3.3 billion, with a 6% increase in revenue in the Trucks business offset by an 18% decline in revenue in the Buses business. Unit sales in the Trucks business rose by 4%, while those in the Buses business were down 20% year-on-year.

The positive business performance is particularly evident from an analysis of Q2/2010 on a standalone basis. Increases in order intake and revenue are more apparent for this period than for the half-yearly comparison. Order intake in Q2/2010 rose by 51% year-on-year and revenue increased by 12%.

Operating profit for the first half of the year rose by €31 million compared with the prior-year figure (a loss of €17 million) to €14 million. This was attributable to an increase in revenue and improved capacity utilization in Q2, as well as to one-time license income of €40 million from Sinotruk. The €28 million loss (previous year: €24 million) from Financial Services due to higher risk provisions is negatively impacting operating profit. Short-time working again continued at sites in Germany, Austria, and Turkey in Q2/2010.

MAN Nutzfahrzeuge believes that the recovery on the European commercial vehicles market will continue in the second half of the year. As a result, further order intake, revenue, and operating profit growth is expected.

Because the order situation improved over the course of the first half of 2010 and this trend is expected to continue in the second half of the year, short-time working was discontinued at the Nuremberg and Steyr, Austria, sites at the end of Q2. Short-time working is being scaled back at the Munich and Salzgitter sites compared with the first half of the year.

At the beginning of January 2010, MAN Nutzfahrzeuge announced that it had signed an agreement with Rheinmetall AG, Düsseldorf, on the formation of a joint venture for wheeled military vehicles. Rheinmetall holds a 51% stake in the new company and MAN Nutzfahrzeuge holds 49%. The first contractually agreed transaction stage was completed at the beginning of May 2010. In this first step, the two companies’ wheeled military vehicles development and sales activities were combined under the umbrella of the new company. Under the second contractually agreed stage in the transaction — expected for the beginning of January 2012 — the two companies’ production capacities are scheduled to be integrated organizationally into the joint venture.

MAN Latin America

€ million	H1/2010	H1/2009 [1]	Change in %	Q2/2010	Q2/2009[1]	Change in %
Order intake	1,532	388	–	816	388	110
Order intake (units)	32,988	10,939	–	16,748	10,939	53
Revenue	1,532	388	–	816	388	110
Vehicle sales (units)	32,988	10,939	–	16,748	10,939	53
Employees [2]	1,579	1,510	–	1,579	1,510	5
			€ million			€ million
Operating profit	166	35	131	96	35	61
ROS (%)	10.8	9.1	–	11.8	9.1	–

[1] Included as of March 31, 2009/April 1, 2009. The order situation, revenue, earnings, and cash flow for the first six months of 2009 do not include any Q1/2009 figures for MAN Latin America.
[2] Headcount (including subcontracted employees) as of June 30, 2010 vs. December 31, 2009

Driven by the strong Brazilian market and the partial recovery of some Latin American export markets, MAN Latin America set new quarterly and half-yearly records, at 16,748 vehicles sold in Q2/2010 (+53% compared with Q2/2009) and revenue of €816 million (+110% compared with Q2/2009).

Operating profit rose to €96 million and the return on sales amounted to 11.8%. As a result, both key performance indicators reached their highest levels since the acquisition by MAN SE. The positive results are mainly due to the increased unit sales volume and improved cost efficiency.

The Brazilian market — which is important for MAN Latin America — recorded strong growth in almost all sectors. The volume of truck unit sales was buoyed by the government's investment subsidy programs (tax cuts and subsidized financing). For the eighth year running, MAN Latin America has been the Brazilian market leader for trucks over 5 t.

Fueled by the recovery of some Latin American markets — primarily Argentina — vehicle exports reached 2,161 (+68% compared with Q2/2009). For the second year in a row, MAN Latin America is the leading exporter of trucks over 5 t.

Against this background, the outlook for MAN Latin America's full-year business performance in 2010 remains positive. In Brazil, government incentives were extended until the end of the year and the official GDP growth forecast for 2010 as a whole was increased to 7.3%. Positive developments can also be seen on the major export markets. The introduction of a third shift in the Resende plant enables MAN Latin America to directly profit from the rise in demand.

MAN Diesel & Turbo

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
Order intake [1]	1,767	1,386	28	735	523	41
of which: Engines & Marine Systems	795	540	47	349	239	46
of which: Power Plants	493	324	52	127	62	105
of which: Turbo Machinery	479	522	–8	259	222	17
Revenue [1]	1,758	1,823	–4	894	962	–7
of which: Engines & Marine Systems	759	956	–21	375	490	–23
of which: Power Plants	310	205	52	180	115	57
of which: Turbo Machinery	689	662	4	339	357	–5
Employees [2]	12,683	12,511	1	12,683	12,511	1
			€ million			€ million
Operating profit	220	245	–25	118	128	–10
of which: Engines & Marine Systems	199	164	35	126	82	44
of which: Power Plants	–96	9	–105	–85	8	–93
of which: Turbo Machinery	117	72	45	77	38	39
ROS (%)	12.5	13.5	–	13.3	13.4	–

1) Including consolidation adjustments between the Engines & Marine Systems, Power Plants, and Turbo Machinery strategic business units
2) Headcount (including subcontracted employees) as of June 30, 2010 vs. December 31, 2009

Order intake at MAN Diesel & Turbo amounted to €735 million in Q2/2010. As a result, order intake in the first half of the year amounted to €1,767 million, up 28% on the previous year's low level of €1,386 million. The Engines & Marine Systems strategic business unit increased order intake from €540 million in the previous year to €795 million in 2010 (+47%). This is due to a slight rise in the new engines business and to organizational changes. In the Power Plants strategic business unit, order intake rose by 52% from €324 million to €493 million in 2010, mainly as a result of a €294 million major order from Brazil received in Q1/2010. The Turbo Machinery strategic business unit fell 8% short of the previous year's figure of €522 million, at an order volume of €479 million, as a result of the general weak state of the market and delays in contract awards.

Revenue amounted to €894 million in the second quarter of 2010, down 7% on the previous year's figure of €962 million. At €1,758 million, revenue in the first six months was 4% below the comparable prior-year figure (€1,823 million). With revenue of €759 million, the Engines & Marine Systems strategic business unit in particular was unable to match the previous year's figure of €956 million

(–21%). By contrast, in the Power Plants strategic business unit, revenue (€310 million) was a significant 52% above the prior-year level (€205 million). The Turbo Machinery strategic business unit again increased its revenue slightly, from €662 million in 2009 to €689 million in 2010 (+4%).

Operating profit in the first six months was unable to match the previous year's level. Profit generated by Engines & Marine Systems amounted to €199 million (previous year: €164 million). The Power Plants strategic business unit recorded a €96 million loss (previous year: profit of €9 million). Earnings in this strategic business unit were impacted by cost overruns and provisions as well as expenses for setting up the strategic business unit. By contrast, the Turbo Machinery strategic business unit saw a significant rise in profit to €117 million (previous year: €72 million). MAN Diesel & Turbo's return on sales remained healthy at 12.5%.

We expect the order intake for the current fiscal year to again be higher than the prior-year level, which was affected by the economic crisis. We currently anticipate that revenue will reach roughly the same level as in 2009. Over the rest of the fiscal year, operating profit will be impacted by a decline in capacity utilization. Nevertheless, earnings quality will remain in the double-digit range in 2010 due to the existing order backlog and the cost reduction measures that were introduced in the previous year.

Renk

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
Order intake	352	140	151	242	72	236
Revenue	188	242	–22	78	131	–41
Employees [1]	1,871	1,903	–2	1,871	1,903	–2
			€ million			€ million
Operating profit	25	33	–8	9	18	–9
ROS (%)	13.3	13.6	–	11.5	13.8	–

[1] Headcount (including subcontracted employees) as of June 30, 2010 vs. December 31, 2009

The unusually high order intake of €242 million in Q2/2010 was mainly due to the long-awaited order recorded at the end of Q2 to deliver transmissions for the PUMA, a German infantry fighting vehicle. Renk also received an order for two 7.5 and 15 MW testing systems for wind power equipment from Clemson University, South Carolina, to be installed at a newly established wind energy research and development center. Order intake in the Special Gear Units and Slide Bearings businesses in Q2 was on a level with the previous year's low figure, while orders for Standard Gear Units rose considerably.

Revenue in Q2/2010 was noticeably lower than in Q1. As a result, revenue of €188 million for the first six months of 2010 declined by €54 million (–22%) year-on-year. Only the Vehicle Transmissions business increased its revenue. Special and Standard Gear Units as well as Slide Bearings recorded a significant reduction in revenue compared with 2009, which had been supported by a high order backlog.

Due to the high order intake in the first half of the year, the order backlog increased from €415 million (December 31, 2009) to €568 million (June 30, 2010). As a result of the predominately long processing time required for orders received in 2010, we do not expect any significant impetus for revenue in the current or the coming fiscal year.

Declining revenue, combined with unsatisfactory capacity utilization in some cases, was reflected by an operating profit of €25 million (previous year: €33 million). The earnings quality achieved again remained at a healthy level, with a return on sales of 13.3% (previous year: 13.6%).
Revenue in fiscal 2010 is expected to be down significantly on 2009. The smaller sales base and risk provisions for offshore wind power equipment are impacting earnings.

Others/consolidation

€ million	H1/2010	H1/2009	Change in %	Q2/2010	Q2/2009	Change in %
Employees [1]	308	300	3	308	300	3
of which: MAN Shared Services	119	122	–2	119	122	–2
of which: MAN SE	189	178	6	189	178	6
			€ million			€ million
Operating loss	–21	–52	31	–18	–15	–3
of which: MAN SE and MAN Shared Services	–30	–20	–10	–20	1	–21
of which: investment in Scania AB (equity method)	30	2	28	19	2	17
of which: investment in Sinotruk Ltd. (equity method)	6	–	6	–	–	–
of which: investment in manroland AG (equity method)	–13	–30	17	–4	–14	10
of which: consolidation	–14	–4	–10	–13	–4	–9

[1] Headcount (including subcontracted employees) as of June 30, 2010 vs. December 31, 2009

"Others/consolidation" comprises MAN SE and its Shared Services companies, as well as the consolidation adjustments between the MAN Group's divisions. The operating loss also contains MAN's share of the net income/loss of Scania AB, Sinotruk Ltd., and manroland AG.

In the first half of the year, the operating loss at the Corporate Center and its Shared Services companies amounted to €30 million (previous year: operating loss of €20 million). The deterioration in profit compared with the prior-year period was mainly due to exchange rate differences. The share of income from the Scania investment amounted to €30 million in the first half of the year and, due to the staggered inclusion of this company, includes Scania's figures for both Q4/2009 and Q1/2010. The lower contribution to earnings compared with the prior-year period was the result of the initial inclusion of Scania using the equity method in Q2 and Scania's poorer earnings development in 2009 due to economic conditions. The equity interest acquired in Chinese truck manufacturer Sinotruk at the end of 2009 contributed €6 million to earnings in the first half of 2010. The performance of manroland (€–13 million) continued to be dominated by the weak market situation in the printing machine sector. The higher cost factors from consolidation result from a rise in eliminated intercompany profits due to increasing intragroup transactions.

Related party disclosures

Please refer to the "Notes to the Consolidated Financial Statements" for related party disclosures.

Condensed Interim Consolidated Financial Statements as of June 30, 2010

MAN Consolidated Income Statement

reporting period January 1 to June 30

€ million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Revenue	**6,734**	**5,666**	**6,734**	**5,666**	**–**	**–**
Cost of goods sold and services rendered	–5,181	–4,439	–5,181	–4,439	–	–
Gross margin	**1,553**	**1,227**	**1,553**	**1,227**	**–**	**–**
Other operating income	219	293	133	189	86	104
Selling expenses	–532	–384	–528	–379	–4	–5
General and administrative expenses	–347	–322	–335	–309	–12	–13
Other operating expenses	–541	–598	–444	–489	–97	–109
Share of net income/loss of equity-method investments	4	–38	5	–37	–1	–1
Income/loss from financial investments	0	–5	0	–5	–	–
Earnings before interest and taxes (EBIT)	**356**	**173**	**384**	**197**	**–28**	**–24**
Interest income	25	14	25	13	0	1
Interest expense	–96	–69	–95	–68	–1	–1
Earnings before tax (EBT)	**285**	**118**	**314**	**142**	**–29**	**–24**
Income taxes	–85	–35	–85	–35	0	0
Income from discontinued operations, net of tax	–	125	–	125	–	–
Net income/loss	**200**	**208**	**229**	**232**	**–29**	**–24**
Net income/loss attributable to noncontrolling interests	–1	7	–1	7	–	0
Net income/loss attributable to shareholders of MAN SE	**201**	**201**	**230**	**225**	**–29**	**–24**
Diluted/basic earnings per share from continuing operations in €	**1.37**	**0.52**				
Diluted/basic earnings per share from continuing and discontinued operations in €	**1.37**	**1.37**				

* The classification into Industrial Business and Financial Services is not a required disclosure under IFRSs.

MAN Consolidated Income Statement

reporting period April 1 to June 30

€ million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Revenue	**3,612**	**3,110**	**3,612**	**3,110**	**–**	**–**
Cost of goods sold and services rendered	–2,726	–2,525	–2,726	–2,525	–	–
Gross margin	**886**	**585**	**886**	**585**	**–**	**–**
Other operating income	79	195	37	144	42	51
Selling expenses	–280	–209	–278	–207	–2	–2
General and administrative expenses	–158	–167	–152	–160	–6	–7
Other operating expenses	–275	–296	–222	–236	–53	–60
Share of net income/loss of equity-method investments	–1	–24	0	–24	–1	0
Income/loss from financial investments	0	–1	0	–1	–	–
Earnings before interest and taxes (EBIT)	**251**	**83**	**271**	**101**	**–20**	**–18**
Interest income	12	12	12	11	0	1
Interest expense	–47	–57	–46	–57	–1	0
Earnings before tax (EBT)	**216**	**38**	**237**	**55**	**–21**	**–17**
Income taxes	–65	–11	–66	–12	1	1
Net income/loss	**151**	**27**	**171**	**43**	**–20**	**–16**
Net income/loss attributable to noncontrolling interests	–2	5	–2	5	–	0
Net income/loss attributable to shareholders of MAN SE	**153**	**22**	**173**	**38**	**–20**	**–16**
Diluted/basic earnings per share from continuing operations in €	**1.05**	**0.15**				
Diluted/basic earnings per share from continuing and discontinued operations in €	**1.05**	**0.15**				

* The classification into Industrial Business and Financial Services is not a required disclosure under IFRSs.

MAN Consolidated Reconciliation of Comprehensive Income for the Period

reporting period January 1 to June 30

€ million	2010	2009
Net income	**200**	**208**
Currency translation differences	278	8
Change in fair values of derivatives	–41	51
Actuarial losses attributable to pensions	–94	–45
Other comprehensive income for the period from equity-method investments	13	8
Deferred taxes	44	–3
Other comprehensive income for the period	**200**	**19**
Total comprehensive income for the period	**400**	**227**
of which attributable to noncontrolling interests	–1	7
of which attributable to shareholders of MAN SE	**401**	**220**

The other comprehensive income amounting to €200 million contains actuarial losses from pensions, mainly as a result of the decrease in the discount rate applied to German pension obligations from 5.25% as of December 31, 2009 to 4.5% as of June 30, 2010. It also includes offsetting currency translation differences from the translation of the financial statements of foreign consolidated Group companies, in particular due to the appreciation of the Brazilian real against the euro. Other comprehensive income for the period from equity-method investments relates primarily to the investments in Scania and Sinotruk.

reporting period April 1 to June 30

€ million	2010	2009
Net income	**151**	**27**
Currency translation differences	188	49
Change in fair values of derivatives	–19	70
Actuarial gains/losses attributable to pensions	–37	47
Other comprehensive income for the period from equity-method investments	–3	8
Deferred taxes	29	–25
Other comprehensive income for the period	**158**	**149**
Total comprehensive income for the period	**309**	**176**
of which attributable to noncontrolling interests	–2	5
of which attributable to shareholders of MAN SE	**311**	**171**

MAN Consolidated Balance Sheet as of June 30, 2010

Assets

€ million	MAN Group		Industrial Business *		Financial Services *	
	6/30/10	12/31/09	6/30/10	12/31/09	6/30/10	12/31/09
Intangible assets	1,879	1,662	1,876	1,658	3	4
Property, plant, and equipment	2,089	2,110	2,087	2,108	2	2
Equity-method investments	1,638	1,630	1,633	1,625	5	5
Financial investments	49	93	49	68	–	25
Assets leased out	1,595	1,433	1,065	896	530	537
Noncurrent finance lease receivables	715	738	–	–	715	738
Deferred tax assets	1,019	877	996	858	23	19
Other noncurrent assets	153	118	146	110	7	8
Noncurrent assets	**9,137**	**8,661**	**7,852**	**7,323**	**1,285**	**1,338**
Inventories	3,199	3,037	3,156	2,989	43	48
Trade receivables	2,311	2,202	1,998	1,896	313	306
Current finance lease receivables	368	358	–	–	368	358
Current income tax receivables	128	112	125	111	3	1
Assets held for sale	139	139	139	139	–	–
Other current assets	835	750	807	713	28	37
Marketable securities	158	134	158	134	–	–
Cash and cash equivalents	861	502	812	455	49	47
Current assets	**7,999**	**7,234**	**7,195**	**6,437**	**804**	**797**
	17,136	**15,895**	**15,047**	**13,760**	**2,089**	**2,135**

* The classification into Industrial Business and Financial Services is not a required disclosure under IFRSs.

MAN Consolidated Balance Sheet as of June 30, 2010

Equity and liabilities

€ million	MAN Group		Industrial Business *		Financial Services *	
	6/30/10	12/31/09	6/30/10	12/31/09	6/30/10	12/31/09
Subscribed capital	376	376				
Capital reserves	795	795				
Retained earnings	3,980	3,816				
Accumulated other comprehensive income	292	92				
Equity attributable to shareholders of MAN SE	**5,443**	**5,079**	**5,331**	**4,934**	**112**	**145**
Noncontrolling interests	70	50	70	50	0	0
Total equity	**5,513**	**5,129**	**5,401**	**4,984**	**112**	**145**
Noncurrent financial liabilities	1,947	2,230	1,843	2,032	104	198
Pension obligations	249	160	248	159	1	1
Deferred tax liabilities	667	622	640	597	27	25
Other noncurrent provisions	563	547	563	547	0	0
Other noncurrent liabilities	697	714	696	713	1	1
Noncurrent liabilities and provisions	**4,123**	**4,273**	**3,990**	**4,048**	**133**	**225**
Current financial liabilities	1,324	1,040	407	206	917	834
Intragroup financing	–	–	–791	–827	791	827
Trade payables	1,720	1,368	1,646	1,319	74	49
Prepayments received	945	913	938	908	7	5
Current income tax payables	521	494	520	493	1	1
Other current provisions	1,470	1,313	1,466	1,310	4	3
Other current liabilities	1,520	1,365	1,470	1,319	50	46
Current liabilities and provisions	**7,500**	**6,493**	**5,656**	**4,728**	**1,844**	**1,765**
	17,136	**15,895**	**15,047**	**13,760**	**2,089**	**2,135**

* The classification into Industrial Business and Financial Services is not a required disclosure under IFRSs.

MAN Consolidated Statement of Cash Flows

reporting period January 1 to June 30

€ million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Earnings before tax	285	118	314	142	–29	–24
Current income taxes	–108	–42	–110	–43	2	1
Cash earnings of discontinued operations	–	11	–	11	–	–
Depreciation, amortization, and impairment of noncurrent assets (other than assets leased out) [1)]	222	166	221	165	1	1
Change in pension obligations	–11	17	–11	17	0	0
Net income/loss of equity-method investments	–4	38	–5	37	1	1
Dividends received from equity-method investments	15	25	15	25	–	–
Other noncash income and expense	–5	–	–5	–	–	–
Cash earnings	**394**	**333**	**419**	**354**	**–25**	**–21**
Change in inventories	–67	–197	–74	–238	7	41
Change in prepayments received	0	–21	–1	–21	1	0
Change in trade and finance lease receivables	23	742	–28	613	51	129
Change in trade payables	244	–336	219	–277	25	–59
Change in assets leased out	39	73	55	115	–16	–42
Changes in customer payments for assets leased out	–39	–137	–39	–137	–	–
Change in tax assets and liabilities	11	–70	13	–69	–2	–1
Change in other provisions	122	–29	122	–29	0	0
Change in other assets	–42	16	–53	–22	11	38
Change in other liabilities	52	–34	36	–47	16	13
Change in discontinued operations	–	102	–	102	–	–
Elimination of gains/losses from asset disposals	–3	–2	–3	–2	–	–
Other changes in working capital	–24	–41	–23	–38	–1	–3
Net cash provided by operating activities	**710**	**399**	**643**	**304**	**67**	**95**
Payments to acquire property, plant, and equipment, investment property, and intangible assets	–135	–156	–134	–156	–1	0
Payments to acquire investments	–3	–15	–3	–15	–	–
Payments to acquire subsidiaries, net of cash acquired	–	–1,362	–	–1,362	–	–
Proceeds from asset disposals	17	26	2	26	15	0
Net cash flows from investing activities of discontinued operations	–	–9	–	–9	–	–
Proceeds from disposal of discontinued operations, net of cash disposed	–	–334	–	–334	–	–
Net cash used in/provided by investing activities	**–121**	**–1,850**	**–135**	**–1,850**	**14**	**0**
Free cash flow from operating and investing activities	**589**	**–1,451**	**508**	**–1,546**	**81**	**95**

MAN Consolidated Statement of Cash Flows (cont'd)

reporting period January 1 to June 30

€ million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Free cash flow from operating and investing activities	**589**	**–1,451**	**508**	**–1,546**	**81**	**95**
Dividend payments	–40	–297	–40	–297	–	–
Change in marketable securities	–6	–54	–6	–54	–	–
Issuance of bonds and promissory note loans	–	1,730	–	1,730	–	–
Repayment of promissory note loan	–	–30	–	–30	–	–
Change in other financial liabilities	–249	39	–204	31	–45	8
Change in intragroup financing	–	–	38	105	–38	–105
Net cash flows from financing activities of discontinued operations	–	–5	–	–5	–	–
Net cash provided by/used in financing activities	**–295**	**1,383**	**–212**	**1,480**	**–83**	**–97**
Net change in cash and cash equivalents	**294**	**–68**	**296**	**–66**	**–2**	**–2**
Cash and cash equivalents at beginning of period	**502**	**105**	**455**	**78**	**47**	**27**
Change in cash and cash equivalents of discontinued operations	–	222	–	222	–	–
Change in cash and cash equivalents due to changes in consolidated Group structure	11	2	11	2	–	–
Effect of exchange rate changes on cash and cash equivalents	54	4	50	4	4	0
Cash and cash equivalents at June 30, 2010 and June 30, 2009	**861**	**265**	**812**	**240**	**49**	**25**
Composition of net financial debt at June 30, 2010 and December 31, 2009						
Cash and cash equivalents	861	502	812	455	49	47
Marketable securities	158	134	158	134	–	–
Intragroup financing	–	–	791	827	–791	–827
Financial liabilities	–3,271	–3,270	–2,250	–2,238	–1,021	–1,032
	–2,252	**–2,634**	**–489**	**–822**	**–1,763**	**–1,812**

[1] Intangible assets, property, plant, and equipment, investment property, and investments.
* The classification into Industrial Business and Financial Services is not a required disclosure under IFRSs.

MAN Consolidated Statement of Changes in Equity

€ million	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income	Equity attributable to shareholders of MAN SE	Noncontrolling interests	Total
Balance at December 31, 2009	**376**	**795**	**3,816**	**92**	**5,079**	**50**	**5,129**
Net income	–	–	201	–	**201**	–1	**200**
Other comprehensive income	–	–	–	200	**200**	0	**200**
Total comprehensive income	–	–	201	200	**401**	–1	**400**
Dividend payments	–	–	–37	–	**–37**	–3	**–40**
Other changes	–	–	0	–	**0**	24	**24**
Balance at June 30, 2010	**376**	**795**	**3,980**	**292**	**5,443**	**70**	**5,513**
Balance at December 31, 2008	**376**	**795**	**4,447**	**–263**	**5,355**	**41**	**5,396**
Net income	–	–	201	–	**201**	7	**208**
Other comprehensive income	–	–	–	19	**19**	0	**19**
Total comprehensive income	–	–	201	19	**220**	7	**227**
Dividend payments	–	–	–294	–	**–294**	–3	**–297**
Other changes	–	–	–62	47	**–15**	–1	**–16**
Balance at June 30, 2009	**376**	**795**	**4,292**	**–197**	**5,266**	**44**	**5,310**

The Annual General Meeting of MAN SE on April 1, 2010 resolved to distribute a regular dividend to shareholders for fiscal 2009 totaling €37 million (€0.25 per share). The dividend was paid on April 6, 2010.

The other changes in noncontrolling interests as of June 30, 2010 relate to the initial consolidation of EURO-Leasing GmbH, Sittensen (EURO-Leasing) as of January 1, 2010.

See page 23 for information on changes in other comprehensive income for the period.

Notes to the Condensed Interim Consolidated Financial Statements

Basis of presentation

The accompanying condensed interim consolidated financial statements (interim consolidated financial statements) of MAN SE, Munich, for the period ended June 30, 2010 were prepared in accordance with the International Financial Reporting Standards (IFRSs) and the related Interpretations issued by the International Accounting Standards Board (IASB) applicable to interim financial reporting, as adopted by the European Union. Consequently, these interim consolidated financial statements do not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements, and should be read in conjunction with the Company's published IFRS consolidated financial statements for fiscal 2009. Unless expressly indicated otherwise, the accounting policies applied to interim financial reporting in these interim consolidated financial statements are identical to those adopted for the most recent full-year consolidated financial statements; a detailed description of these accounting policies is given in the notes to the consolidated financial statements for the year ended December 31, 2009.

From the Executive Board's perspective, the accompanying unaudited interim financial report reflects all standard intraperiod adjustments required for the presentation of a true and fair view of the Group's net assets, financial position, and results of operations. The results presented for the first six months of fiscal 2010 and/or for the second quarter are not necessarily indicative of future results.

Preparation of the interim consolidated financial statements requires the Executive Board to make certain assumptions and estimates affecting the measurement and presentation of assets and liabilities, and income and expenses, for the period. Actual amounts may differ from these estimates. In addition to the amounts contained in the financial statements, the interim financial report contains explanatory notes on selected financial statement line items. To enhance comparability, certain amounts relating to the previous fiscal year have been adjusted to conform to the current presentation.

To enable a better insight into the MAN Group's net assets, financial position, and results of operations, the interim consolidated financial statements have been supplemented by a breakdown of figures into the Industrial Business and Financial Services. The Industrial Business comprises all parts of the MAN Group with the exception of MAN Finance. In the MAN Group, MAN Finance primarily operates the sales financing business for MAN Nutzfahrzeuge and is presented under the "Financial Services" heading. To simplify presentation, the elimination of intragroup transactions between the Industrial Business and Financial Services is presented within the Industrial Business.

Basis of consolidation

The interim financial statements as of June 30, 2010 include 116 companies (December 31, 2009: 105), including 30 (31) in Germany and 86 (74) outside Germany. The effects of the changes in the basis of consolidation on the interim consolidated financial statements are insignificant.

Income taxes

The current income tax expense presented in the interim financial statements has been determined on the basis of the expected full-year income tax rate.

New and revised accounting pronouncements

The IASB issued IFRS 3, Business Combinations (IFRS 3 (2008)), on January 10, 2008. This amendment of IFRS 3 (2008) revises the application of the purchase method of accounting to business combinations. Significant amendments relate to the measurement of noncontrolling interests, recognition of step acquisitions, and accounting for contingent consideration and acquisition-related costs. In accordance with the revised IFRS 3, noncontrolling interests can be measured either at fair value (“full goodwill method”) or at the fair value of the proportionate interest of noncontrolling interests in the identified net assets. In the case of step acquisitions, interests held on the date that control is obtained are remeasured, with any adjustments to previously recognized assets and liabilities being recognized in profit or loss. In future, any adjustment to contingent consideration components recognized as liabilities at the date of acquisition is recognized in profit or loss. Acquisition-related costs are recognized as expenses in the period in which they are incurred. MAN has applied IFRS 3 (2008) since January 1, 2010.

Also on January 10, 2008, the IASB issued IAS 27, Consolidated and Separate Financial Statements (IAS 27 (2008)). The main changes in IAS 27 (2008) relate to accounting for transactions in which an entity retains control, and transactions that result in the loss of control. Transactions that do not result in a loss of control are accounted for in equity as transactions with owners. Any retained interest is measured at fair value at the date control is lost. A deficit balance may be reported for noncontrolling interests, i.e., losses are now attributed without limit in proportion to the parent’s interest. MAN has applied IAS 27 (2008) since January 1, 2010.

Acquisitions and divestments

Acquisitions

In March 2009, MAN completed the acquisition of VW Truck & Bus from Volkswagen AG. This acquisition gives MAN a leading position in the Brazilian commercial vehicles market. The company, which was consolidated as of March 31, 2009, is being managed as a new division, “MAN Latin America.” Purchase price allocation was completed in the first quarter of 2010. Based on the final purchase price allocation, the goodwill resulting from the transaction increased by approximately €33 million compared with December 31, 2009.

The interest in EURO-Leasing was consolidated as of January 1, 2010. Purchase price allocation has not yet been completed.

Divestments and discontinued operations

The contractually agreed put option for the remaining 30% interest in Ferrostaal AG (Ferrostaal) was exercised by MAN at the beginning of January 2010. The purchaser refused to complete the transaction, referring among other things to the ongoing investigations by the German public prosecution authorities at Ferrostaal. In MAN’s view, there is no legal basis for this refusal. The interest in Ferrostaal is reported as “held for sale” until the transaction is completed. The consolidated income statement for the period January 1, 2010 to June 30, 2010 does not contain any results for Ferrostaal.

Income Statement Disclosures

Other operating income

€ million reporting period January 1 to June 30	2010	2009
Income from financial services	77	92
Gains on financial instruments	39	105
Other trade income	22	10
Gains on disposal of property, plant, and equipment, and intangible assets	6	8
Miscellaneous other income	75	78
	219	**293**

Income from financial services represents the income generated by MAN Finance's business.

Gains on financial instruments result primarily from the remeasurement of foreign exchange positions and currency and interest rate hedges. To enable a better insight into the results of operations, gains and losses from currency translation are presented as net amounts.

Other operating expenses

€ million reporting period January 1 to June 30	2010	2009
Research and development	175	174
Expenses from financial services	51	56
Bad debt allowances on receivables	41	58
Losses on financial instruments	37	78
Legal, audit, and consulting costs	21	6
Impairment losses on inventories	18	34
Losses from nonrecurring items	–	71
Miscellaneous other expenses	198	121
	541	**598**

Other operating expenses comprise those expenses that cannot be allocated to the functional expenses, and in particular to cost of goods sold and services rendered. Research and development expenses contain only that portion of R&D expenses that cannot be allocated to contract-related production costs or capitalized development costs. The amortization attributable to capitalized development costs is also reported in “Other operating expenses.”

Losses on financial instruments and expenses from financial services correspond to the related items in “Other operating income.”

Losses from nonrecurring items in the previous year included expenses of €50 million relating to the investigations by the public prosecution authorities due to suspected unlawful commission payments and the internal investigations conducted in this context. Losses from nonrecurring items also included €21 million relating to exceptional costs incurred in connection with MAN Nutzfahrzeuge's operations in Russia.

Net interest income/expense

€ million **reporting period January 1 to June 30**	**2010**	**2009**
Interest and similar income	25	14
Interest and similar expenses	–113	–91
Interest component of additions to pension provisions	–41	–40
Return on CTA plan assets	33	32
less: interest expenses reclassified as other operating expenses	25	30
	–71	**–55**

The decrease in net interest expense is due primarily to the rise in interest expenses relating to the financing of the acquisition of MAN Latin America and the transaction to acquire 25% plus one share of Sinotruk.

The interest expenses of €25 million (previous year: €30 million) reclassified as other operating expenses relate to the refinancing of assets leased out by MAN Finance.

Earnings per share

€ million (unless otherwise stated) **reporting period January 1 to June 30**	**2010**	**2009**
Net income attributable to shareholders of MAN SE	201	201
of which: income from discontinued operations, net of tax	–	125
Net income from continuing operations attributable to shareholders of MAN SE	**201**	**76**
Number of shares outstanding (weighted average, million)	147.0	147.0
Earnings per share from continuing operations in €	**1.37**	**0.52**

Earnings per share are calculated by dividing consolidated net income from continuing operations by the average number of shares outstanding in the year. The number of shares outstanding includes both common and preferred shares because, as in the previous year, both share classes carry the same dividend rights in 2010.

72,472 MAN SE shares were granted in April 2010 under the stock program for managers, which was launched in 2010. There is a four-year lock-up period. After taking the potential dilutive effect relating to the grant of these shares into consideration, diluted earnings per share correspond to basic earnings per share in the first half of 2010 and in the second quarter of 2010.

There were no outstanding options on shares as of June 30, 2010 and June 30, 2009 that dilute earnings per share. Any exercise of MAN SE's contingent capital in future periods will be dilutive.

Balance Sheet Disclosures

Intangible assets

€ million	6/30/10	12/31/09
Licenses, software, similar rights, customer relationships, brands, and other assets	841	783
Capitalized development costs	289	250
Goodwill	749	629
	1,879	**1,662**

Property, plant, and equipment

€ million	6/30/10	12/31/09
Land and buildings	953	952
Production plant and machinery	791	802
Other plant, operating and office equipment	269	276
Prepayments and construction in progress	76	80
	2,089	**2,110**

Equity-method investments

The most significant equity-method investments as of June 30, 2010 are the associates Scania und Sinotruk. The shares in the associate Roland Holding GmbH, Munich, (Roland) and in the joint venture MAN FORCE TRUCKS are also accounted for using the equity method.

Scania

Summarized financial information for Scania (on a 100% basis and thus not adjusted for the equity interest held by MAN) is presented in the following table:

€ million	2010	2009
Assets [1]	9,897	9,667
Liabilities [1]	7,383	7,511
Revenue [2]	3,419	2,783
Net income [2]	225	74

1) Fiscal 2010: Amounts shown relate to the reporting period ended March 31, 2010.
Fiscal 2009: Amounts shown relate to the reporting period ended September 30, 2009.
2) Fiscal 2010: Amounts shown relate to the period from October 1, 2009 to March 31, 2010.
Fiscal 2009: Amounts shown relate to the period from October 1, 2008 to March 31, 2009.

Sinotruk

Summarized financial information for Sinotruk (on a 100% basis and thus not adjusted for the equity interest held by MAN) is presented in the following table:

€ million	2010	2009
Assets [1)]	3,920	3,582
Liabilities [1)]	2,068	2,245
Revenue [2)]	1,372	1,551
Net income [2)]	62	61

1) Fiscal 2010: Amounts shown relate to the reporting period ended December 31, 2009.
Fiscal 2009: Amounts shown relate to the reporting period ended June 30, 2009.

2) Fiscal 2010: Amounts shown relate to the period from July 1, 2009 to December 31, 2009.
Fiscal 2009: Amounts shown relate to the period from January 1, 2009 to June 30, 2009.

Roland

The unrecognized losses of Roland amount to €7 million.

Inventories

€ million	6/30/10	12/31/09
Work in progress and finished products	2,100	2,089
Raw materials, consumables, and supplies	513	515
Merchandise	429	280
Prepayments	157	153
	3,199	**3,037**

Trade receivables

€ million	6/30/10	12/31/09
Customer receivables	2,048	1,828
Receivables from investments	135	160
PoC receivables	128	214
	2,311	**2,202**

Other provisions

€ million	6/30/10	12/31/09
Warranties	642	636
Other business-related obligations	502	344
Obligations to employees	220	223
Outstanding costs	189	185
Miscellaneous other provisions	480	472
	2,033	**1,860**

Other provisions are reported in the following balance sheet items:

€ million	**6/30/10**	**12/31/09**
Other noncurrent provisions	563	547
Other current provisions	1,470	1,313

Financial liabilities

€ million	**6/30/10**	**12/31/09**
Bonds	1,736	1,738
Bank borrowings and other liabilities	965	956
Structured finance	570	576
	3,271	**3,270**

On April 7, 2010, Standard & Poor's lowered MAN's long-term rating from A- to BBB+. The rating had been on Standard & Poor's watch list since December 2009. The rating awarded by Moody's is unchanged at A3.

Financial liabilities are reported in the following balance sheet items:

€ million	**6/30/10**	**12/31/09**
Noncurrent financial liabilities	1,947	2,230
Current financial liabilities	1,324	1,040

€121 million of noncurrent financial liabilities was reclassified to current financial liabilities as of June 30, 2010 when the remaining variable portion of the promissory note loan was called effective October 8, 2010. For further information, please refer to the disclosures in the 2009 Annual Report.

Contingent liabilities

The total potential contingent liability for Ferrostaal under MAN's obligations from guarantees is a maximum of €273 million. These guarantees are largely covered by indemnities issued by the International Petroleum Investment Company, Abu Dhabi/U.A.E., depending on the origination date of the guarantee.

Investigations by the public prosecution authorities

Detailed information on the investigations by the public prosecution authorities and the related internal investigations are provided in MAN SE's Annual Report for fiscal 2009 (Annual Report), in particular in the notes to the consolidated financial statements and in the sections entitled "Rapid clarification of bribery allegations" and "Compliance system" in the Group management report.

As reported, the investigations by the German public prosecution authorities at MAN Group companies were closed in December 2009. The MAN Group companies affected by the investigations reached agreement with the tax authorities on payments of back-taxes for amounts that were critical from a tax perspective. This does not affect the continuing investigations against individuals and responsible managers of MAN Ferrostaal AG, now Ferrostaal AG, and its investees (Ferrostaal), which is no longer a member of the MAN Group. There have been no significant developments for MAN since the publication of the Annual Report. For information relating to Ferrostaal, please also refer to the section entitled “Acquisitions and divestments.”

Related party disclosures

Other than the transactions described below, there have been no material changes in relationships with related parties compared with the disclosures in the consolidated financial statements for the period ended December 31, 2009.

A payment of €39 million was made to Volkswagen AG in early June 2010 in connection with the acquisition of VW Truck & Bus in fiscal 2009 (see note “Acquisitions and divestments”). This payment represents a contractually stipulated payment for transactions related to the period before the acquisition date.

€40 million of the Company’s revenue relates to income received in the second quarter from the licensing agreement with Sinotruk governing TGA truck technology, including engines, vehicle chassis, and axles. Any intercompany profits arising were eliminated.

€41 million of the Company’s revenue in the first six months related to deliveries of goods and services from transactions with Ferrostaal.

Segment reporting

Compared with the previous year, the former MAN Diesel and MAN Turbo divisions have been merged to form the MAN Diesel & Turbo division. The Renk industrial subsidiary is also managed as a separate division from the first quarter of 2010. The activities of the MAN Group are therefore classified into the following reportable segments effective Q1/2010: MAN Nutzfahrzeuge, MAN Latin America, MAN Diesel & Turbo, and the Renk industrial subsidiary. The prior-year figures were adjusted to reflect the new reporting format. Management of each of these segments reports directly to MAN SE’s Executive Board in the latter’s role as chief operating decision-maker.
“Others/consolidation and Reconciliation” mainly comprises MAN’s Corporate Center. Companies with no operating activities and the equity-method investments Scania, Sinotruk, and Roland are allocated to the Corporate Center.

Description of the reportable segments:

MAN Nutzfahrzeuge is expanding from its core Western European market into the growth markets of Eastern Europe and Asia.
As the market leader in Brazil, **MAN Latin America** has an extensive sales and service network in the emerging Latin American markets.
MAN Diesel & Turbo is a global leader in large marine diesel engines and stationary engines, as well as having a substantial product range for turbo machinery.
Renk is a globally recognized manufacturer of high-quality special gear units, propulsion components, and testing systems.

MAN's business activities focus on two business areas: **Commercial Vehicles**, comprising MAN Nutzfahrzeuge and MAN Latin America, and **Power Engineering**, featuring MAN Diesel & Turbo and Renk. MAN is a leading provider in the international commercial vehicles industry and offers customer-focused products and services worldwide. Power Engineering is MAN's second strategic business area and provides a suitable counterbalance to Commercial Vehicles.

The segment information represents continuing operations. The segment disclosures for the current and the previous period therefore do not include the corresponding information for discontinued operations, although it is contained in the consolidated financial statements. For further information on discontinued operations, see the section entitled “Divestments and discontinued operations”.

The key measure for assessing the performance of a segment is operating profit. As a rule, operating profit corresponds to earnings before interest and taxes (EBIT). To enhance the long-term assessment of operating activities, the effects of tangible and intangible assets resulting from business combinations are eliminated from operating profit. In individual cases an adjustment is made for nonrecurring items, which represent income and expenses that are significant in terms of their origin and amount and that do not relate to operating business.
Segment assets and liabilities correspond to the total assets and liabilities of the individual business areas. “Net liquidity/net financial debt” is a financial control measure and is calculated as cash and cash equivalents and marketable securities, less financial liabilities.

Segment financial information is presented in accordance with the disclosure and measurement policies applied to preparation of the consolidated financial statements. Revenues between the segments are transacted on an arm's length basis. Depreciation, amortization, and impairment losses relate to the intangible assets, property, plant, and equipment, investment property, and investments (excluding assets leased out) allocated to the individual divisions. Please see “Control system and value management” in the 2009 Annual report and “Revision of financial control measures” in the Group management report for information on the key performance indicators ROS and ROCE.

The following table contains segment-related information and a reconciliation from operating profit to net income, and from net liquidity/net financial debt to free cash flow.

Segment information (1/3)

€ million	Commercial Vehicles: MAN Nutzfahrzeuge incl. MAN Finance 2010	Commercial Vehicles: MAN Nutzfahrzeuge incl. MAN Finance 2009	Commercial Vehicles: MAN Latin America 2010	Commercial Vehicles: MAN Latin America 2009	Commercial Vehicles[1)] 2010	Commercial Vehicles[1)] 2009
Segment order intake	**3,654**	**2,661**	**1,532**	**388**	**5,186**	**3,049**
of which: Germany	1,381	1,040	–	–	1,381	1,040
of which: other countries	2,273	1,621	1,532	388	3,805	2,009
Intersegment order intake	–24	–2	–	–	–24	–2
Group order intake	3,630	2,659	1,532	388	5,162	3,047
Segment revenue	**3,288**	**3,256**	**1,532**	**388**	**4,820**	**3,644**
of which: Germany	1,252	1,059	–	–	1,252	1,059
of which: other countries	2,036	2,197	1,532	388	3,568	2,585
Intersegment revenue	–22	–7	–	–	–22	–7
Group revenue	3,266	3,249	1,532	388	4,798	3,637
Order backlog at June 30, 2010 and December 31, 2009	**2,872**	**2,603**	**–**	**–**	**2,872**	**2,603**
Total assets at June 30, 2010 and December 31, 2009	**8,146**	**7,967**	**3,234**	**2,556**	**11,380**	**10,523**
of which: inventories	1,622	1,600	193	133	1,815	1,733
of which: trade and finance lease receivables	2,290	2,273	378	199	2,668	2,472
of which: cash and cash equivalents, marketable securities	74	87	565	399	639	486
Segment liabilities at June 30, 2010 and December 31, 2009	**5,862**	**5,676**	**1,521**	**1,104**	**7,383**	**6,780**
of which: trade payables	755	588	378	203	1,133	791
Operating profit/loss	**14**	**–17**	**166**	**35**	**180**	**18**
Earnings effects from purchase price allocations	–	–	–48	–	–48	–
Losses from nonrecurring items	–	–21	–	–	–	–21
Earnings before interest and taxes (EBIT)	**14**	**–38**	**118**	**35**	**132**	**–3**
Net interest income/expense	–19	–28	–6	1	–25	–27
Earnings before tax (EBT) of continuing operations	**–5**	**–66**	**112**	**36**	**107**	**–30**
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	**121**	**70**	**183**	**43**	**304**	**113**
of which: depreciation and amortization	–107	–108	–65	–8	–172	–116
of which: impairment losses	–	–	–	–	–	–
Net liquidity/net financial debt	**–2,055**	**–3,019**	**344**	**293**	**–1,711**	**–2,726**
Reconciliation to free cash flow	–2,209	–3,173	216	235	–1,993	–2,938
Free cash flow	**154**	**154**	**128**	**58**	**282**	**212**
of which: net cash flows from operating activities	214	212	150	65	364	277
of which: net cash flows from investing activities	–60	–58	–22	–7	–82	–65
Capital expenditures	**64**	**76**	**23**	**7**	**87**	**83**
Additional information by segment:						
Headcount including subcontracted employees at June 30, 2010 and December 31, 2009 (no.)	**31,118**	**31,519**	**1,579**	**1,510**	**32,697**	**33,029**
of which: Germany	18,282	18,309	–	–	18,282	18,309
of which: other countries	12,836	13,210	1,579	1,510	14,415	14,720
Headcount at June 30, 2010 and December 31, 2009 (no.)	**30,225**	**30,782**	**1,579**	**1,510**	**31,804**	**32,292**
Key performance indicators						
ROS (%)	0.4	–0.5	10.8	9.1	3.7	0.5

1) Gross presentation excluding consolidation effects

Segment information (2/3)

€ million	Power Engineering					
	MAN Diesel & Turbo		Renk		Power Engineering [1]	
	2010	2009	2010	2009	2010	2009
Segment order intake	**1,767**	**1,386**	**352**	**140**	**2,119**	**1,526**
of which: Germany	170	112	201	47	371	159
of which: other countries	1,597	1,274	151	93	1,748	1,367
Intersegment order intake	–6	–3	–10	–7	–16	–10
Group order intake	1,761	1,383	342	133	2,103	1,516
Segment revenue	**1,758**	**1,823**	**188**	**242**	**1,946**	**2,065**
of which: Germany	203	213	54	102	257	315
of which: other countries	1,555	1,610	134	140	1,689	1,750
Intersegment revenue	–6	–19	–7	–19	–13	–38
Group revenue	1,752	1,804	181	223	1,933	2,027
Order backlog at June 30, 2010 and December 31, 2009	**4,297**	**4,422**	**568**	**415**	**4,865**	**4,837**
Total assets at June 30, 2010 and December 31, 2009	**3,422**	**3,008**	**400**	**393**	**3,822**	**3,401**
of which: inventories	1,268	1,187	120	121	1,388	1,308
of which: trade and finance lease receivables	690	744	66	93	756	837
of which: cash and cash equivalents, marketable securities	666	350	82	53	748	403
Segment liabilities at June 30, 2010 and December 31, 2009	**2,243**	**2,001**	**208**	**201**	**2,451**	**2,202**
of which: trade payables	564	534	35	38	599	572
Operating profit/loss	**220**	**245**	**25**	**33**	**245**	**278**
Earnings effects from purchase price allocations	–	–	–	–	–	–
Gains/losses from nonrecurring items	–	–	–	–	–	–
Earnings before interest and taxes (EBIT)	**220**	**245**	**25**	**33**	**245**	**278**
Net interest income/expense	–1	1	0	0	–1	1
Earnings before tax (EBT) of continuing operations	**219**	**246**	**25**	**33**	**244**	**279**
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	**257**	**276**	**31**	**38**	**288**	**314**
of which: depreciation and amortization	–37	–30	–6	–5	–43	–35
of which: impairment losses	–	–1	–	–	–	–1
Net liquidity/net financial debt	**643**	**363**	**81**	**20**	**724**	**383**
Reconciliation to free cash flow	338	403	41	11	379	414
Free cash flow	**305**	**–40**	**40**	**9**	**345**	**–31**
of which: net cash flows from operating activities	339	25	49	19	388	44
of which: net cash flows from investing activities	–34	–65	–9	–10	–43	–75
Capital expenditures	**40**	**67**	**9**	**10**	**49**	**77**
Additional information by segment:						
Headcount including subcontracted employees at June 30, 2010 and December 31, 2009 (no.)	**12,683**	**12,511**	**1,871**	**1,903**	**14,554**	**14,414**
of which: Germany	6,810	6,415	1,711	1,747	8,521	8,162
of which: other countries	5,873	6,096	160	156	6,033	6,252
Headcount at June 30, 2010 and December 31, 2009 (no.)	**11,537**	**11,641**	**1,813**	**1,868**	**13,350**	**13,509**
Key performance indicators						
ROS (%)	12.5	13.5	13.3	13.6	12.6	13.5

[1] Gross presentation excluding consolidation effects

Segment information (3/3)

€ million	Others/Consolidation and Reconciliation: Corporate Center [2)] 2010	2009	Cons./Reconcil. 2010	2009	Total 2010	2009	Group 2010	2009
Segment order intake	**24**	**93**	**–61**	**–100**	**–37**	**–7**	**7,268**	**4,568**
of which: Germany	24	93	–52	–96	–28	–3	1,724	1,196
of which: other countries	–	–	–9	–4	–9	–4	5,544	3,372
Intersegment order intake	–21	–88	61	100	40	12	–	–
Group order intake	3	5	–	0	3	5	7,268	4,568
Segment revenue	**24**	**93**	**–56**	**–136**	**–32**	**–43**	**6,734**	**5,666**
of which: Germany	24	93	–46	–121	–22	–28	1,487	1,346
of which: other countries	–	–	–10	–15	–10	–15	5,247	4,320
Intersegment revenue	–21	–88	56	133	35	45	–	–
Group revenue	3	5	–	–3	3	2	6,734	5,666
Order backlog at June 30, 2010 and December 31, 2009	**–**	**–**	**–31**	**–18**	**–31**	**–18**	**7,706**	**7,422**
Total assets at June 30, 2010 and December 31, 2009	**4,385**	**4,696**	**–2,451**	**–2,725**	**1,934**	**1,971**	**17,136**	**15,895**
of which: inventories	0	0	–4	–4	–4	–4	3,199	3,037
of which: trade and finance lease receivables	0	6	–30	–17	–30	–11	3,394	3,298
of which: cash and cash equivalents, marketable securities	1,794	2,238	–2,162	–2,491	–368	–253	1,019	636
Segment liabilities at June 30, 2010 and December 31, 2009	**4,155**	**4,429**	**–2,366**	**–2,645**	**1,789**	**1,784**	**11,623**	**10,766**
of which: trade payables	10	14	–22	–9	–12	5	1,720	1,368
Operating profit/loss	**–7**	**–48**	**–14**	**–4**	**–21**	**–52**	**404**	**244**
Earnings effects from purchase price allocations	–	–	–	–	–	–	–48	–
Losses from nonrecurring items	–	–50	–	–	–	–50	–	–71
Earnings before interest and taxes (EBIT)	**–7**	**–98**	**–14**	**–4**	**–21**	**–102**	**356**	**173**
Net interest expense	–45	–29	–	–	–45	–29	–71	–55
Earnings before tax (EBT) of continuing operations	**–52**	**–127**	**–14**	**–4**	**–66**	**–131**	**285**	**118**
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	**0**	**–84**	**–14**	**–4**	**–14**	**–88**	**578**	**339**
of which: depreciation and amortization	–7	–14	–	–	–7	–14	–222	–165
of which: impairment losses	0	0	–	–	0	0	0	–1
Net liquidity/net financial debt	**–1,265**	**–612**	**0**	**0**	**–1,265**	**–612**	**–2,252**	**–2,955**
Reconciliation to free cash flow	–1,238	965	11	55	–1,227	1,020	–2,841	–1,504
Free cash flow	**–27**	**–1,577**	**–11**	**–55**	**–38**	**–1,632**	**589**	**–1,451**
of which: net cash flows from operating activities	–31	–18	–11	96	–42	78	710	399
of which: net cash flows from investing activities	4	–1,559	–	–151	4	–1,710	–121	–1,850
Capital expenditures	**2**	**1,381**	**–**	**–8**	**2**	**1,373**	**138**	**1,533**
Additional information by segment:								
Headcount including subcontracted employees at June 30, 2010 and December 31, 2009 (no.)	**308**	**300**	**–**	**–**	**308**	**300**	**47,559**	**47,743**
of which: Germany	305	297	–	–	305	297	27,108	26,768
of which: other countries	3	3	–	–	3	3	20,451	20,975
Headcount at June 30, 2010 and December 31, 2009 (no.)	**306**	**299**	**–**	**–**	**306**	**299**	**45,460**	**46,100**
Key performance indicators								
ROS (%)	–	–	–	–	–	–	6.0	4.3

[2)] Corporate Center: MAN SE, Shared Services, and holding companies

Review by the Group auditors

The interim financial statements as of June 30, 2010 and 2009 were not reviewed by auditors.

Supervisory Board

On April 1, 2010, the Annual General Meeting of MAN SE elected Ulf Berkenhagen as a member of the Supervisory Board of MAN SE. Stefan W. Ropers left the Supervisory Board of MAN SE at his own request at the end of the Annual General Meeting.

Executive Board

Klaus Stahlmann was appointed to the Executive Board of MAN SE effective January 1, 2010.

On July 2, 2010, the Supervisory Board of MAN SE prolonged the appointment of Dr. Georg Pachta-Reyhofen as the CEO of MAN SE for a further five years until June 30, 2016.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Munich, July 27, 2010

MAN SE
The Executive Board

Overview by Quarter (1/2)

€ million			2010			2009		
	Q1-Q2	Q2	Q1	Total 2009	Q4	Q3	Q2	Q1
Order intake by division								
MAN Nutzfahrzeuge	3,654	1,961	1,693	5,224	1,360	1,203	1,296	1,365
MAN Latin America	1,532	816	716	1,412	571	453	388	–
Commercial Vehicles	*5,186*	*2,777*	*2,409*	*6,636*	*1,931*	*1,656*	*1,684*	*1,365*
MAN Diesel & Turbo	1,767	735	1,032	2,936	632	918	523	863
Renk	352	242	110	294	70	84	72	68
Power Engineering	*2,119*	*977*	*1,142*	*3,230*	*702*	*1,002*	*595*	*931*
Others/consolidation	–37	–9	–28	–6	2	–1	–1	–6
Order intake	**7,268**	**3,745**	**3,523**	**9,860**	**2,635**	**2,657**	**2,278**	**2,290**
			,					
Commercial Vehicles order intake (units)	**63,205**	**33,426**	**29,779**	**73,826**	**22,479**	**20,468**	**20,179**	**10,700**
of which: MAN Nutzfahrzeuge	30,217	16,678	13,539	37,984	9,601	8,443	9,240	10,700
of which: MAN Latin America	32,988	16,748	16,240	35,842	12,878	12,025	10,939	–
Revenue by division								
MAN Nutzfahrzeuge	3,288	1,834	1,454	6,395	1,574	1,565	1,641	1,615
MAN Latin America	1,532	816	716	1,412	571	453	388	–
Commercial Vehicles	*4,820*	*2,650*	*2,170*	*7,807*	*2,145*	*2,018*	*2,029*	*1,615*
MAN Diesel & Turbo	1,758	894	864	3,796	989	984	962	861
Renk	188	78	110	474	126	106	131	111
Power Engineering	*1,946*	*972*	*974*	*4,270*	*1,115*	*1,090*	*1,093*	*972*
Others/consolidation	–32	–10	–22	–51	–4	–4	–12	–31
Revenue	**6,734**	**3,612**	**3,122**	**12,026**	**3,256**	**3,104**	**3,110**	**2,556**
Commercial Vehicles unit sales (units)	**57,474**	**31,479**	**25,995**	**82,609**	**24,165**	**23,159**	**23,078**	**12,207**
of which: MAN Nutzfahrzeuge	24,486	14,731	9,755	46,767	11,287	11,134	12,139	12,207
of which: MAN Latin America	32,988	16,748	16,240	35,842	12,878	12,025	10,939	–
Order backlog [1)]	**7,706**	**7,706**	**7,720**	**7,422**	**7,422**	**8,160**	**8,661**	**9,662**
Operating profit/loss by division								
MAN Nutzfahrzeuge	14	71	–57	–91	–32	–42	–22	5
MAN Latin America	166	96	70	142	65	42	35	–
Commercial Vehicles	*180*	*167*	*13*	*51*	*33*	*0*	*13*	*5*
MAN Diesel & Turbo	220	118	102	500	126	129	128	117
Renk	25	9	16	66	19	14	18	15
Power Engineering	*245*	*127*	*118*	*566*	*145*	*143*	*146*	*132*
Others/consolidation	–21	–18	–3	–113	–52	–9	–15	–37
Operating profit	**404**	**276**	**128**	**504**	**126**	**134**	**144**	**100**

[1)] As of the reporting date

Overview by Quarter (2/2)

€ million		2010			2009			
	Q1-Q2	Q2	Q1	Total 2009	Q4	Q3	Q2	Q1
Operating profit	**404**	**276**	**128**	**504**	**126**	**134**	**144**	**100**
Earnings effects from purchase price allocations	–48	–25	–23	–62	–22	–40	–	–
Losses from nonrecurring items	–	–	–	–656	–563	–22	–61	–10
Earnings before interest and taxes (EBIT)	**356**	**251**	**105**	**–214**	**–459**	**72**	**83**	**90**
Depreciation, amortization, and impairment losses	222	113	109	804	509	129	88	78
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**578**	**364**	**214**	**590**	**50**	**201**	**171**	**168**
Earnings before tax (EBT)	**285**	**216**	**69**	**–331**	**–486**	**37**	**38**	**80**
Income taxes	–85	–65	–20	–53	13	–31	–11	–24
Income from discontinued operations, net of tax	–	–	–	126	1	–	–	125
Net income	**200**	**151**	**49**	**–258**	**–472**	**6**	**27**	**181**
ROS (%)	**6.0**	**7.7**	**4.1**	**4.2**	**3.9**	**4.3**	**4.6**	**3.9**
MAN Nutzfahrzeuge	0.4	3.9	–3.9	–1.4	–2.0	–2.7	–1.3	0.3
MAN Latin America	10.8	11.8	9.7	10.1	11.5	9.1	9.1	–
Commercial Vehicles	*3.7*	*6.3*	*0.6*	*0.7*	*1.6*	*–0.1*	*0.7*	*0.3*
MAN Diesel & Turbo	12.5	13.3	11.8	13.2	12.8	13.1	13.4	13.5
Renk	13.3	11.5	14.5	13.9	15.2	13.1	13.8	13.5
Power Engineering	*12.6*	*13.1*	*12.1*	*13.3*	*13.1*	*13.1*	*13.5*	*13.5*
Cash earnings	394	304	90	396	–28	91	175	158
Net cash provided by operating activities	710	211	499	1,462	504	559	258	141
Net cash used in investing activities	–121	–79	–42	–2,584	–709	–25	–76	–1,774
Free cash flow	**589**	**132**	**457**	**–1,122**	**–205**	**534**	**182**	**–1,633**
Net financial debt [1]	**–2,252**	**–2,252**	**–2,345**	**–2,634**	**–2,634**	**–2,385**	**–2,955**	**–2,831**
ROCE (%) [2]	**13.7**	**18.6**	**8.7**	**8.8**	**8.5**	**8.8**	**9.3**	**8.7**
ROE (%)	**10.8**	**16.1**	**5.3**	**–3.6**	**–36.4**	**2.8**	**2.8**	**16.2**
Headcount [1) 3)]	**47,559**	**47,559**	**47,750**	**47,743**	**47,743**	**48,621**	**49,472**	**50,722**
of which: subcontracted employees	2,099	2,099	1,864	1,643	1,643	1,734	1,738	1,925
Capital markets information								
Earnings/loss per share from continuing operations in €	**1.37**	**1.05**	**0.32**	**–2.69**	**–3.23**	**0.02**	**0.15**	**0.37**
Earnings per share from continuing operations excl. effects of purchase price allocations and nonrecurring items (€)	**1.58**	**1.15**	**0.43**	**1.47**	**0.30**	**0.32**	**0.44**	**0.41**
MAN share price [4]								
High	72.81	72.81	63.45	61.23	60.96	61.23	50.29	41.78
Low	47.99	62.35	47.99	30.31	52.10	40.47	35.10	30.31
Quarter-end	67.95	67.95	61.98	54.44	54.44	56.40	43.70	32.80
MAN share performance (percentage points)								
Performance of MAN shares [5]	24.8	24.8	13.9	40.6	40.6	45.7	12.9	–15.3
DAX performance [5]	0.1	0.1	3.3	23.9	23.9	18.0	0.0	–15.1

[1] As of the reporting date
[2] CE definition adjusted in 2010; securities and cash and cash equivalents also deducted (similar adjustment made to previous year)
[3] Including subcontracted employees
[4] XETRA closing prices, Frankfurt
[5] Cumulative compared with prior-year closing price

MAN SE Financial diary

Report on Q3/2010	October 28, 2010
Annual press conference	March 1, 2011
Internet publication of annual report	March 1, 2011
Annual General Meeting for fiscal 2010	April 8, 2011
Report on Q1/2011	May 3, 2011
Half-yearly report 2011	July 28, 2011

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This is a translation of the German original. In the event of discrepancies between the German language version and any translation thereof, the German language version will prevail.

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