



Q3

MAN Group:

Commercial Vehicles drives continuous improvement in earnings

MAN Group € million	2010 Q1-Q3	2009 Q1-Q3	Change in %	2010 Q3	2009 Q3	Change in %
Order intake	10,984	7,225	52	3,716	2,657	40
Revenue	10,491	8,770	20	3,757	3,104	21
Operating profit	728	378	93	324	134	142

- Commercial Vehicles order intake up more than 70%
- 20% year-on-year revenue growth
- Continuous improvement in operating profit, driven by Commercial Vehicles
- Stable performance by Power Engineering business area; Power Plants strategic business unit profitable in Q3
- Outlook for full-year 2010: Increase in revenue of more than 20% year-on-year; return on sales expected to match level of first nine months

Letter to our Shareholders

Upturn boosted by increasing demand at Commercial Vehicles

Dear Shareholders,

The MAN Group performed well in the third quarter of 2010 and continued growing, recording an increase in revenue and a significant improvement in earnings.

MAN's key performance indicators point to a clear upward trend. The economic environment improved further in recent quarters, and this is having a positive effect on the transportation and energy markets. The European commercial vehicles market is recovering faster than expected, while earnings in the Power Engineering business area remain high.

MAN's orders in the period ended September 30, 2010 totaled €11.0 billion, a year-on-year increase of 52%. This growth was driven primarily by the Commercial Vehicles business area, whose order intake was up by 71% compared with the prior-year period. The European commercial vehicles market in particular saw a continuous recovery in the first nine months of fiscal 2010, which led to a significant rise in order intake at MAN Nutzfahrzeuge. MAN Latin America again exceeded its record order intake from the previous quarter. Order intake in the Power Engineering business area in the period from January to September increased by 19% as against the first three quarters of 2009 to €3.0 billion. MAN Diesel & Turbo contributed an order intake of €2.6 billion, an improvement of 11% on the previous year. The Turbo Machinery strategic business unit in particular continued its positive trend in Q3.

In the first three quarters, the MAN Group's revenue increased

by 20% year-on-year to €10.5 billion. It was again up on the previous quarter (+4%), primarily due to an improvement in the Commercial Vehicles business area. Revenue in the Power Engineering business area also rose slightly compared with the second quarter, and narrowly declined by 6% as against the first nine months of the previous year, mainly as a result of the large-bore diesel engines business. The Power Plants strategic business unit performed strongly, exceeding its prior-year revenue by 47%.

The improvement in operating profit continued in the third quarter. The Group's cumulative operating profit for the first three quarters has almost doubled year-on-year to €728 million. This mainly reflects high commercial vehicle unit sales in Europe and South America. The Commercial Vehicles business area contributed €151 million in Q3. A further €129 million came from the Power Engineering business area, which matched the previous quarter's level. The return on sales for the MAN Group after the first nine months was 6.9%, compared with 4.3% in the prior-year period.

In the commercial vehicles business, MAN profited from the potential offered by the global markets. The Chinese market for heavy trucks is expanding rapidly. MAN has long been present in this market and is benefiting from its strategic partnership with Sinotruk. The Brazilian market is also continuing to develop extremely positively; MAN is the market leader in Brazil for trucks starting at 5 t.

Our Concept S study attracted a great deal of attention from visitors and the media at the 63rd

International Commercial Vehicles Motor Show (IAA) in Hanover. MAN used the event to showcase the technological expertise in the Group's forward-looking transportation solutions. Our appearance at the IAA focused on optimizing aerodynamics for long-haul trucks as well as on hybrid solutions for distribution trucks and city buses.

The Commercial Vehicles business area will again repeat its positive performance in the next quarter. Order intake in the Power Engineering business area will remain constant in Q4 compared with the previous quarter; revenue and earnings are expected to be stable. The Power Engineering business area's order backlog will again allow it to generate a double-digit return on sales for 2010.

We expect the MAN Group to continue its positive performance in the fourth quarter and, for full-year 2010, we are forecasting a significant increase in order intake, revenue growth of more than 20%, and a return on sales at the level of the first nine 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 quarterly financial report in accordance with the applicable provisions of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) and, in accordance with section 37x(3) of the WpHG, comprises the condensed interim consolidated financial statements and the interim management report of the Group. 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	2010	2009	Change	2010	2009	Change
€million (unless otherwise stated)	Q1–Q3	Q1–Q3	in %	Q3	Q3	in %
Order intake	10,984	7,225	52	3,716	2,657	40
Germany	2,558	1,754	46	834	558	49
Other countries	8,426	5,471	54	2,882	2,099	37
Revenue	10,491	8,770	20	3,757	3,104	21
Germany	2,333	1,969	19	846	623	36
Other countries	8,158	6,801	20	2,911	2,481	17
Order backlog ¹⁾	7,371	7,422	–1	7,371	7,422	–1
Headcount ^{1) 2)}	47,787	47,743	0	47,787	47,743	0
of which: subcontracted employees	2,225	1,643	35	2,225	1,643	35
Germany	27,208	26,768	2	27,208	26,768	2
Other countries	20,579	20,975	–2	20,579	20,975	–2
			€million			€million
Operating profit	728	378	350	324	134	190
Earnings effects from purchase price allocations	–83	–40	–43	–35	–40	5
Losses from nonrecurring items	–	–93	93	–	–22	22
Earnings before tax (EBT)	541	155	386	256	37	219
Net income	380	214	166	180	6	174
Earnings per share from continuing operations in €	2.58	0.54	2.04	1.21	0.02	1.19
Earnings per share from continuing operations excluding effects of purchase price allocations and nonrecurring items in €	2.98	1.17	1.81	1.40	0.32	1,08
ROS (%)	6.9	4.3	–	8.6	4.3	–
ROCE (%) ³⁾	16.4	9.0	–	21.6	8.8	–
Income from discontinued operations, net of tax	–	125	–125	–	–	–
Capital expenditures	213	1,590	–1,377	75	57	18
Depreciation, amortization, and impairment of noncurrent assets	332	295	37	110	129	–19
R&D expenditures	412	364	48	147	137	10
Cash earnings	633	424	209	239	91	148
Net cash provided by operating activities	952	958	–6	242	559	–317
Net cash used in investing activities	–198	–1,875	1,677	–77	–25	–52
Free cash flow	754	–917	1,671	165	534	–369
of which: from acquisitions and divestments	–7	–1,676	1,669	–7	20	–27
Net financial debt ¹⁾	–2,083	–2,634	551	–2,083	–2,634	551
Total equity ¹⁾	5,495	5,129	366	5,495	5,129	366

Any differences in this Group interim financial report are due to rounding.

¹⁾ As of September 30, 2010 vs. December 31, 2009

²⁾ Including subcontracted employees

³⁾ CE definition adjusted in 2010; securities and cash and cash equivalents also deducted (similar adjustment made to previous year)
The order situation, revenue, earnings, and cash flow do not include any Q1/2009 figures for MAN Latin America.

Interim Management Report as of September 30, 2010

Economic environment

The economic situation in the euro zone has brightened in the past three quarters. GDP grew by 1.9% in Q2/2010 compared with 0.8% in the first quarter. The strong economic recovery experienced by Latin America since Q1/2010 continued into the third quarter. In Brazil — a key market for MAN — high corporate investment, rising industrial output, and buoyant consumer spending led to growth of 8.8% on an annualized basis. Economic output in Asia's emerging economies for the second quarter of 2010 confirmed this region's sustained and robust development. However, GDP growth rates in several countries were somewhat lower than in the previous quarter. GDP growth in Asia was driven by consumer spending and capital investments, while a substantial current account surplus in some countries had a comparatively greater effect on growth. In China, real year-on-year GDP growth slowed to 10.3% in the second quarter of 2010 (after 11.9% in Q1). This slight decline reduces the continuing risk of the country's economy overheating. China's economic growth is being driven primarily by international demand.

Although the global economic recovery is expected to continue, the pace of growth at international level will slow somewhat because support from the global inventory cycle and fiscal stimuli will diminish. The economy in the emerging markets continues to record strong growth overall, although short-term indicators could point to a certain slowdown in this expansion. In most advanced economies, the recovery will be curbed somewhat by the weak labor market situation and more cautious procurement in various sectors.

Continued growth in order intake; revenue up again on prior quarter

The first nine months saw a sharp increase of 52% in order intake as against 2009 that was driven disproportionately by the Commercial Vehicles business area. At €3.7 billion, order intake in Q3/2010 was on a level with the previous quarter.

Order intake by business area						
€million	2010 Q1–Q3	2009 Q1–Q3	Change in %	2010 Q3	2009 Q3	Change in %
Commercial Vehicles	8,044	4,705	71	2,858	1,656	73
Power Engineering	3,003	2,528	19	884	1,002	–12
Others/Consolidation	–63	–8	–	–26	–1	–
MAN Group	10,984	7,225	52	3,716	2,657	40

Order intake at MAN Nutzfahrzeuge rose continuously in the first nine months of fiscal 2010 to €5.7 billion, up 47% on the prior-year period (€3.9 billion). At €2.0 billion, the usually weaker third quarter was again 3% above the already strong Q2. MAN Latin America recorded a total order intake of

€2.4 billion in the period to the end of September. At €840 million in Q3, its order intake again slightly exceeded the historic high from the previous quarter.

The Power Engineering business area lifted its order intake by 19% compared with the first nine months of 2009 to €3.0 billion. MAN Diesel & Turbo contributed an order intake of €2.6 billion, an increase of 11% on the previous year. The Turbo Machinery strategic business unit continued its positive trend in Q3. Renk recorded an order intake of €0.4 billion in the first nine months of 2010 (previous year: €0.2 billion). Even excluding the major order worth around €130 million received in the second quarter of 2010, Renk's order intake is above the previous year.

In the first nine months of 2010, international orders rose by 54% year-on-year to €8.4 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 period to the end of September, orders in Germany climbed by 46% year-on-year to €2.6 billion (previous year: €1.8 billion).

The order backlog amounted to €7.4 billion as of September 30 (September 30, 2009: €8.2 billion), a reduction of 10% in the past twelve months. While the Commercial Vehicles business area's order backlog remained almost unchanged, the figure for the Power Engineering business area declined due to continued high revenue.

Revenue by business area						
€million	2010 Q1-Q3	2009 Q1-Q3	Change in %	2010 Q3	2009 Q3	Change in %
Commercial Vehicles	7,563	5,662	34	2,743	2,018	36
Power Engineering	2,981	3,155	-6	1,035	1,090	-5
Others/Consolidation	-53	-47	-	-21	-4	-
MAN Group	10,491	8,770	20	3,757	3,104	21

Revenue for the first nine months of fiscal 2010 increased by 20% to €10.5 billion, compared with €8.8 billion in the prior-year period. It was again up on the previous quarter (+4%), primarily due to an improvement in the Commercial Vehicles business area. As a result, the MAN Group maintained the highest level of revenue since the end of fiscal 2008 that it had achieved in the second quarter of 2010. MAN Nutzfahrzeuge generated total revenue of €5.2 billion in the first nine months and MAN Latin America recorded €2.4 billion. Both MAN Nutzfahrzeuge and MAN Latin America again increased their revenue as against the previous quarter.

Revenue in the Power Engineering business area also increased slightly compared with Q2, and again declined by 6% as against the first nine months of 2009. MAN Diesel & Turbo generated revenue of €2.7 billion and Renk €0.3 billion. As in the first six months, the year-on-year decrease is mainly attributable to the Engines & Marine Systems strategic business unit. The MAN Group's domestic revenue amounted to €2.3 billion, up 19% year-on-year, while international revenue totaled €8.2 billion (+20%).

Continuous improvement in operating profit

The MAN Group generated an operating profit of €728 million in the first three quarters of 2010. This is almost double the prior-year figure (€378 million). The Commercial Vehicles business area contributed €151 million to this in the third quarter. Although the Power Engineering business area was 11% below the prior-year period, it matched the level of the previous quarter in Q3/2010. The improvement in Others/Consolidation results mainly from the higher earnings contributions from our investments in associates.

Operating profit/loss by business area						
€million	2010 Q1–Q3	2009 Q1–Q3	Change €million	2010 Q3	2009 Q3	Change €million
Commercial Vehicles	331	18	313	151	0	151
Power Engineering	374	421	–47	129	143	–14
Others/Consolidation	23	–61	84	44	–9	53
MAN Group	728	378	350	324	134	190

The return on sales for the MAN Group after the first nine months was 6.9%, compared with 4.3% in the prior-year period. The European commercial vehicles business continued its clear positive trend from Q2, recording a quarterly profit of €59 million. Excluding the one-time license income of €40 million from Sinotruk recognized in the second quarter, this represents an increase of €28 million. MAN Nutzfahrzeuge generated an operating profit of €73 million in the period to the end of September. €106 million of this is attributable to commercial vehicles operations, which profited mainly from increased unit sales and the resulting higher capacity utilization. The financing business reduced MAN Nutzfahrzeuge's earnings by €33 million. The division's return on sales for the first nine months rose from –1.2% in the previous year to 1.4%.

In the first nine months, MAN Latin America contributed €258 million to the Commercial Vehicles business area's operating profit. At €92 million, operating profit in the South American commercial vehicles business was on a level with the second quarter. 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 generated an overall operating profit of €331 million in the first three quarters of fiscal 2010.

The Power Engineering business area recorded a total operating profit of €374 million in the period to the end of September. MAN Diesel & Turbo contributed €332 million, 11% below the previous year's figure (€374 million). This figure continues to reflect cost overruns and provisions as well as expenses for setting up the Power Plants strategic business unit. The power plant business generated an operating profit in the third quarter. MAN Diesel & Turbo's return on sales was 12.3% after the first nine months (previous year: 13.3%). Renk recorded an operating profit of €42 million in the first three

quarters of 2010 (previous year: €47 million). This corresponds to a return on sales of 14.5% (previous year: 13.5%).

The MAN Group's earnings before tax amounted to €541 million in the first nine months of fiscal 2010 (previous year: €155 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 €-73 million, and from the interest in Sinotruk acquired at the end of 2009, which amount to €-10 million. Purchase price allocation for Sinotruk was completed in the third quarter and was therefore included in the Group's results for the first time. To enhance long-term comparability, the effects of purchase price allocations are not included in operating profit.

Net income in the reporting period amounted to €380 million, compared with €214 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 quarters, at 29.7%. Earnings per share from continuing operations were €2.58 as against €0.54 in the prior-year period.

Free cash flow continues to improve

Overall, cash earnings in the first three quarters improved to €633 million (previous year: €424 million). The year-on-year increase in cash earnings contrasted with a €363 million decline in the reduction of net capital employed compared with 2009 due to business operations. Net cash provided by the MAN Group's operating activities totaled €952 million after the first nine months, with the Industrial Business contributing €947 million and Financial Services €5 million. Investing activities in the MAN Group led to a cash outflow of €198 million. The free cash flow from the MAN Group's operating and investing activities in the first three quarters amounted to €754 million (previous year: €-917 million).

Free cash flow by business area						
€million	2010 Q1-Q3	2009 Q1-Q3	Change €million	2010 Q3	2009 Q3	Change €million
Commercial Vehicles	327	525	-198	45	313	-268
Power Engineering	542	104	438	197	135	62
Others/Consolidation	-115	-1,546	1,431	-77	86	-163
MAN Group	754	-917	1,671	165	534	-369

Free cash flow in the Commercial Vehicles business area reached €327 million and was therefore on a level with operating profit. Free cash flow in the Power Engineering business area amounted to €542 million. The €165 million increase in the MAN Group's free cash flow in the third quarter is due mainly to the profit-related growth in cash earnings by €239 million, in particular 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 €759 million in the first nine months of 2009.

The MAN Group's net cash used in financing activities amounted to €274 million at the end of September (previous year: net cash provided by financing activities of €1,119 million). The figure for the prior-year period contained the finance raised for the acquisition of MAN Latin America.

Liquidity and financial resources

The MAN Group's net financial debt declined to €-2,083 million on September 30, compared with €-2,634 million at the end of 2009. Net financial debt in the Industrial Business fell to €-277 million (previous year: €-822 million). At €-1,806 million, net financial debt in the Financial Services business at the end of September was on a level with the prior year (€-1,812 million).

In addition, the Group decided in mid-July 2010 to reduce the volume of its syndicated credit line from €2.0 billion to €1.5 billion due to the good cash flow situation and the positive development of the operating business.

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 was unchanged at A3 in September 2010.

Headcount up slightly in Q3

The MAN Group employed 47,787 people on September 30, 2010 (including subcontracted employees). The headcount is therefore almost unchanged as against December 31, 2009 (47,743). This is primarily attributable to an increase of 228 employees in the third quarter, following a decline in the first six months. Improved unit sales in commercial vehicles operations enabled the extent of short-time working to be reduced significantly. The MAN Group had 2,225 subcontracted employees as of September 30, 2010 (December 31, 2009: 1,643). The number of subcontracted employees has increased by 582 in the course of the year. At the end of the third quarter, 27,208 people were employed in Germany and 20,579 abroad; this means that the proportion of employees abroad was unchanged, at 43%.

The number of employees at MAN Nutzfahrzeuge fell from 31,519 on December 31, 2009 to 31,398, owing primarily to staff turnover. The division recorded an upward trend in the third quarter with an additional 280 employees. MAN Latin America continued to increase its workforce by a further 117 staff in the third quarter to 1,696 as of September 30, compared with 1,510 at year-end 2009.

As of September 30, 2010, MAN Diesel & Turbo reduced its headcount slightly to 12,496 as against December 31, 2009 (12,511). The continuous increase of 301 employees in the Power Plants strategic

business unit since the end of 2009 contrasts with a decline in the workforce at the other strategic business units, in particular in the third quarter.

Renk, which employed 1,892 people at the end of September, saw only a minor reduction in its headcount as against December 31, 2009 (1,903).

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 addition, International Petroleum Investment Company, Abu Dhabi/U.A.E. (IPIC), notified MAN at the end of September 2010 that it had filed an arbitration action to unwind the Ferrostaal transaction, and additionally for compensation for damages incurred. The arbitration action was served on MAN on October 18, 2010. MAN is currently analyzing the precise content of the action.

See "Litigation/legal proceedings" and the "Notes to the Consolidated Financial Statements" for further information.

Outlook for the MAN Group

In the Commercial Vehicles business area, we expect a further improvement in the order situation and operating profit in the fourth quarter. For MAN Nutzfahrzeuge, we expect this trend to continue in the following quarters. MAN Latin America will remain a stable earnings driver due to the pace of growth in the region.

The Power Engineering business area's order intake in the coming quarter is expected to be on a level with Q3. The after-effects of the recession continue to impact revenue and earnings. However, the business area's order backlog will again allow it to generate a double-digit full-year return on sales.

The MAN Group expects to continue its positive performance in the fourth quarter and, for full-year 2010, is forecasting a significant increase in order intake of at least 45%, revenue growth of more than 20%, and a return on sales at the level of the first nine 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%.

In June 2010, the Supervisory Board of MAN SE amended the remuneration components for the members of the Executive Board of MAN SE in this respect. 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."

For information on potential risks in connection with the Ferrostaal transaction, please also see the sections entitled "Divestments" and the "Notes to the Consolidated Financial Statements."

Litigation/legal proceedings

Please see "Divestments" and the "Notes to the Consolidated Financial Statements" for information relating to litigation/legal proceedings.

MAN shares

The DAX, Germany's benchmark index, increased significantly in the third quarter of 2010. Investor sentiment has improved further, and fears of another setback for the economy have subsided. The DAX rose by a good 5% in September 2010 alone. This represents the largest September growth in share prices since 1997. Since the beginning of the year, the DAX has increased by around 5% and closed at 6,229 points on September 30, 2010. In the past quarter it grew by a good 4%.

In this stock market environment, MAN common shares increased sharply in both the third quarter and over the year to date and clearly outperformed their benchmark index, the DAX. During the period from January 1 to September 30, 2010, the price of MAN common shares rose by €25.52 or around 47% from a closing price of €54.44 on December 30, 2009 to €79.96 on September 30, 2010. MAN common shares were the fourth-best DAX stock in the past quarter, recording a price gain of around 18%.

Key data by division

Order intake by division						
€ million	2010 Q1–Q3	2009 Q1–Q3	Change in %	2010 Q3	2009 Q3	Change in %
MAN Nutzfahrzeuge	5,672	3,864	47	2,018	1,203	68
MAN Latin America	2,372	841	–	840	453	86
MAN Diesel & Turbo	2,564	2,304	11	797	918	–13
Renk	439	224	96	87	84	3
Others/Consolidation	–63	–8	–	–26	–1	–
MAN Group	10,984	7,225	52	3,716	2,657	40

Revenue by division						
€ million	2010 Q1–Q3	2009 Q1–Q3	Change in %	2010 Q3	2009 Q3	Change in %
MAN Nutzfahrzeuge	5,191	4,821	8	1,903	1,565	22
MAN Latin America	2,372	841	–	840	453	86
MAN Diesel & Turbo	2,693	2,807	–4	935	984	–5
Renk	288	348	–17	100	106	–6
Others/Consolidation	–53	–47	–	–21	–4	–
MAN Group	10,491	8,770	20	3,757	3,104	21

Operating profit by division						
€ million	2010 Q1–Q3	2009 Q1–Q3	Change € million	2010 Q3	2009 Q3	Change € million
MAN Nutzfahrzeuge	73	–59	132	59	–42	101
MAN Latin America	258	77	181	92	42	50
MAN Diesel & Turbo	332	374	–42	112	129	–17
Renk	42	47	–5	17	14	3
Others/Consolidation	23	–61	84	44	–9	53
Operating profit	728	378	350	324	134	190
Earnings effects from purchase price allocations	–83	–40	–43	–35	–40	5
Losses from nonrecurring items	–	–93	93	–	–22	22
Net interest expense	–104	–90	–14	–33	–35	2
Earnings before tax (EBT)	541	155	386	256	37	219
Income taxes	–161	–66	–95	–76	–31	–45
Loss from discontinued operations, net of tax	–	125	–125	–	–	–
Net income	380	214	166	180	6	174

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 do not include any Q1/2009 figures for MAN Latin America.

The Divisions in Detail

MAN Nutzfahrzeuge



€million	2010	2009	Change	2010	2009	Change
	Q1-Q3	Q1-Q3	in %	Q3	Q3	in %
Order intake	5,672	3,864	47	2,018	1,203	68
of which: Trucks	4,797	3,061	57	1,735	968	79
of which: Buses	875	803	9	283	235	20
Order intake (units)	46,948	28,383	65	16,731	8,443	98
of which: Trucks	43,096	24,644	75	15,668	7,254	116
of which: Buses	3,852	3,739	3	1,063	1,189	-11
Revenue	5,191	4,821	8	1,903	1,565	22
of which: Trucks	4,397	3,835	15	1,641	1,229	34
of which: Buses	794	986	-19	262	336	-22
Vehicle sales (units)	40,691	35,480	15	16,205	11,134	46
of which: Trucks	37,054	30,824	20	15,007	9,528	58
of which: Buses	3,637	4,656	-22	1,198	1,606	-25
Employees ¹⁾	31,398	31,519	0	31,398	31,519	0
			€million			€million
Operating profit/loss ²⁾	73	-59	132	59	-42	101
of which: Trucks	104	-59	163	63	-46	109
of which: Buses	2	32	-30	1	11	-10
of which: Financial Services	-33	-32	-1	-5	-8	3
ROS (%) ²⁾	1.4	-1.2	-	3.1	-2.7	-

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

²⁾ Including consolidation effects between Financial Services and Trucks/Buses

The European commercial vehicles market experienced a consistent recovery in the first nine months of fiscal 2010, which led to a significant year-on-year rise in order intake at MAN Nutzfahrzeuge. At €5.7 billion in the first three quarters of 2010, order intake at MAN Nutzfahrzeuge was up 47% on the previous year's level, with the highest increases being recorded in Germany, the United Kingdom, and Russia. The Trucks business saw a year-on-year rise of 57%. As in the first two quarters of 2010, this positive development is primarily attributable to the heavy trucks area. In terms of units, the order intake for the Trucks business grew by an impressive 75%. The order intake in the Buses business rose by 9%. This figure includes two major orders—totaling 950 buses—from RATP Paris and

Deutsche Bahn AG. The 3% rise in unit sales can be broken down into a clear increase in orders for city buses and a tangible decline in chassis.

Revenue at MAN Nutzfahrzeuge was up 8% year-on-year (+€370 million) to €5.2 billion; revenue in the Trucks business rose 15% while revenue in the Buses business declined by 19%. Unit sales in the Trucks business were up 20%, while in the Buses business they were down 22% year-on-year. Germany, Turkey, and Russia recorded the highest increases in unit sales. The positive overall business trend can clearly be seen from an analysis of Q3/2010 on a standalone basis. Increases in order intake and revenue for this period are even more significant than for the first three quarters of the fiscal year. Order intake for Q3/2010 on a stand-alone basis rose by 68% year-on-year, while revenue increased by 22%.

Operating profit rose by €132 million compared with the prior-year figure (a loss of €59 million) to €73 million. This was attributable not only to the increase in revenue, and hence to improved capacity utilization, but also to the license income received from Sinotruk in Q2/2010. The €33 million loss (previous year: €32 million loss) recorded by Financial Services due to the high level of risk provisions negatively impacted operating profit. Q3/2010 also saw an improvement in the operating profit in comparison to Q2/2010 (after adjustment for the license income received from Sinotruk) due to higher unit sales and a clear reduction in the risk provisions at Financial Services. Short-time working at sites in Germany was reduced considerably in Q3/2010 as a result of the improved order situation and increased production. On average, short-time working was in force at German sites on 33 days in the first nine months of fiscal 2010; it was discontinued in Nuremberg and Steyr/Austria at the end of the first half of 2010.

MAN Nutzfahrzeuge is expecting the positive trend in the European commercial vehicles market to continue in the last three months of 2010. As a result, we are expecting to see a further improvement in order intake, revenue, and operating profit in comparison to Q3 2010.

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	2010	2009 ¹⁾	Change in %	2010	2009 ¹⁾	Change in %
	Q1–Q3	Q1–Q3		Q3	Q3	
Order intake	2,372	841	–	840	453	86
Order intake (units)	50,464	22,964	–	17,476	12,025	45
Revenue	2,372	841	–	840	453	86
Vehicle sales (units)	50,464	22,964	–	17,476	12,025	45
Employees ²⁾	1,696	1,510	12	1,696	1,510	12
				€million		€million
Operating profit	258	77	181	92	42	50
ROS (%)	10.9	9.1	–	11.0	9.1	–

¹⁾ Included as of March 31, 2009/April 1, 2009. The order situation, revenue, earnings, and cash flow do not include any Q1/2009 figures for MAN Latin America.

²⁾ Headcount (including subcontracted employees) as of September 30, 2010 vs. December 31, 2009

MAN Latin America again set new quarterly records thanks to increased demand in the Brazilian market, which was backed by investments in infrastructure and capital goods, and by the recovery of some Latin American export markets: 17,476 vehicles were sold (+45% compared with Q3/2009) and revenue of €840 million (+86% compared with Q3/2009) was recorded.

In Brazil, the largest market in Latin America, MAN Latin America sold 12,775 trucks. MAN remains the market leader in the country with a market share of 30% for trucks over 5 t. In addition, 2,229 bus chassis were sold in Q3, giving MAN Latin America a 30% market share and confirming its second place in the local market. Fueled by the recovery of some Latin American markets—primarily Argentina, Chile, and Peru—vehicle exports reached 2,472 units (+132% compared with Q3/2009). For the second year in a row, MAN Latin America is also the leading exporter of trucks over 5 t.

Operating profit amounted to €92 million (+123% in comparison to Q3/2009); this corresponds to a return on sales of 11.0%. General support for the positive trend in the Brazilian market was provided by the favorable economic environment and government investment subsidy programs, extending Brazil's position as a key commercial vehicles market. We expect this positive trend to continue in the coming quarters.

MAN Diesel & Turbo



€ million	2010	2009	Change in %	2010	2009	Change in %
	Q1-Q3	Q1-Q3		Q3	Q3	
Order intake ¹⁾	2,564	2,304	11	797	918	-13
of which: Engines & Marine Systems	1,144	836	37	349	296	18
of which: Power Plants	591	688	-14	98	364	-73
of which: Turbo Machinery	829	781	6	350	259	35
Revenue ¹⁾	2,693	2,807	-4	935	984	-5
of which: Engines & Marine Systems	1,136	1,397	-19	377	441	-15
of which: Power Plants	549	375	47	239	170	40
of which: Turbo Machinery	1,008	1,036	-3	319	374	-15
Employees ²⁾	12,496	12,511	0	12,496	12,511	0
			€ million			€ million
Operating profit/loss	332	374	-42	112	129	-17
of which: Engines & Marine Systems	273	241	32	74	77	-3
of which: Power Plants	-90	18	-108	6	9	-3
of which: Turbo Machinery	149	115	34	32	43	-11
ROS (%)	12.3	13.3	-	11.9	13.1	-

¹⁾ Including consolidation adjustments between the Engines & Marine Systems, Power Plants, and Turbo Machinery strategic business units

²⁾ Headcount (including subcontracted employees) as of September 30, 2010 vs. December 31, 2009

Order intake at MAN Diesel & Turbo amounted to €797 million in Q3/2010. This brought the order intake for the first nine months of 2010 to €2,564 million, an increase of 11% on the prior-year figure of €2,304 million. The Engines & Marine Systems strategic business unit increased order intake from €836 million in the previous year to €1,144 million in 2010 (+37%). 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 for the first nine months amounted to €591 million, down 14% on the prior-year figure of €688 million despite the major order from Brazil worth €294 million that was received in Q1/2010. The prior-year figure also contained major new construction orders. The Turbo Machinery strategic business unit recorded an order volume of €829 million, up 6% on the prior-year figure (€781 million).

Revenue amounted to €935 million in Q3/2010, a decrease of 5% on the previous year's figure of €984 million. At €2,693 million, revenue for the first nine months was 4% below the prior-year figure (€2,807 million). Revenue in the Engines & Marine Systems strategic business unit in particular (€1,136 million) was unable to match the previous year's figure of €1,397 million (-19%). By contrast,

revenue in the Power Plants strategic business unit (€549 million) was up 47% on the prior-year figure (€375 million). The Turbo Machinery strategic business unit's revenue (€1,008 million) was down slightly on the prior-year level (€1,036 million).

Operating profit in the period under review was unable to match the previous year's level. The aggregate figure generated by Engines & Marine Systems amounted to €273 million (previous year: €241 million). The Power Plants strategic business unit recorded a €90 million loss (previous year: profit of €18 million). Earnings in this strategic business unit were impacted by cost overruns and provisions as well as by set-up expenses. The unit broke even in the third quarter. By contrast, the Turbo Machinery strategic business unit saw a significant rise in profit to €149 million (previous year: €115 million). MAN Diesel & Turbo's return on sales remained healthy at 12.3%.

We expect order intake for the current fiscal 2010 to be higher than the prior-year figure. We currently anticipate that revenue will no longer be able to match the level recorded in 2009. Operating profit will be impacted over the rest of the fiscal year 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	2010 Q1–Q3	2009 Q1–Q3	Change in %	2010 Q3	2009 Q3	Change in %
Order intake	439	224	96	87	84	3
Revenue	288	348	–17	100	106	–6
Employees ¹⁾	1,892	1,903	–1	1,892	1,903	–1
			€million			€million
Operating profit	42	47	–5	17	14	3
ROS (%)	14.5	13.5	–	16.9	13.1	–

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

Q3 saw a further muted increase in the order volume following the sharp boost to order intake in Q2/2010 from the order to deliver transmissions for the PUMA infantry fighting vehicle. All Renk businesses— Vehicle Transmissions, Slide Bearings, Special Gear Units, and Standard Gear Units— recorded higher order intakes in the first nine months of 2010 than in the same period of 2009.

Revenue amounted to €100 million in Q3/2010, a decrease of 6% on the previous year's figure of €106 million. The decline in revenue for the first nine months of 2010 amounted to 17%. Although Vehicle Transmissions again succeeded in increasing its invoiced volumes, Special Gear Units and Standard Gear Units recorded a sharp decline, while Slide Bearings saw a less pronounced decrease. This was due to the fact that a significant order volume was invoiced in 2009 from the high order backlog that existed at the start of the economic crisis. As from 2010, deliveries are mainly based on the significantly lower order intake for the previous two years.

Given the decline in revenue, the operating profit for the first three quarters remained at a strong level, at €42 million (€47 million). This has an effect on the return on sales in particular, which in fact rose one percentage point to 14.5%. Operating profit improved for Vehicle Transmissions but declined at Slide Bearings and Standard Gear Units, primarily due to revenue effects. High risk provisions led to a deterioration in operating profit at Special Gear Units.

Renk is confirming its previous guidance for fiscal 2010. Order intake will be in excess of €500 million, while revenue is expected to be around €400 million. The operating profit will be substantially lower than 2009, although the return on sales will remain in double digits.

Others/Consolidation

€million	2010	2009	Change	2010	2009	Change
	Q1–Q3	Q1–Q3	in %	Q3	Q3	in %
Employees ¹⁾	305	300	2	305	300	2
of which: MAN Shared Services	96	122	-21	96	122	-21
of which: MAN SE	209	178	17	209	178	17
			€million			€million
Operating profit/loss	23	-61	84	44	-9	53
of which: MAN SE and MAN Shared Services	-47	-24	-23	-17	-4	-13
of which: investment in Scania AB (equity method)	64	0	64	34	-2	36
of which: investment in Sinotruk Ltd. (equity method)	29	-	29	23	-	23
of which: investment in manroland AG (equity method)	-13	-35	22	-	-5	5
of which: consolidation	-10	-2	-8	4	2	2

¹⁾ Headcount (including subcontracted employees) as of September 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 profit/loss also contains MAN's share of the net income/loss of Scania AB, Sinotruk Ltd., and manroland AG.

The operating loss for the Corporate Center and its Shared Services companies after the first nine months of 2010 amounted to €47 million (previous year: operating loss of €24 million). The deterioration as against the comparable prior-year period is due primarily to increased expenses for legal advice, marketing, and the establishment of the compliance organization. MAN's share of income for the quarter from Scania amounted to €64 million; as a result of the staggered inclusion of this company, it includes Scania's figures for both Q4/2009 and H1/2010. The lower level of income in the comparable prior-year period was mainly due to poorer earnings at Scania in 2009 as a result of the economic situation. The equity interest in Chinese truck manufacturer Sinotruk acquired at the end of 2009 contributed €29 million to operating profit, thanks primarily to a strong improvement in earnings in the first half of 2010.

manroland's performance (€-13 million) continued to be dominated by the weak market situation in the printing machine sector. Since Q3/2010, MAN's share of the operating profit/loss of manroland is no longer included in MAN SE's quarterly results, as the value of the carrying amount of the equity investment following the equity adjustment is zero. 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 September 30, 2010

MAN Consolidated Income Statement

reporting period January 1 to September 30

€million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Revenue	10,491	8,770	10,491	8,770	–	–
Cost of goods sold and services rendered	–8,055	–6,836	–8,055	–6,836	–	–
Gross margin	2,436	1,934	2,436	1,934	–	–
Other operating income	333	363	208	211	125	152
Selling expenses	–803	–628	–796	–621	–7	–7
General and administrative expenses	–546	–482	–529	–466	–17	–16
Other operating expenses	–831	–883	–698	–724	–133	–159
Share of net income/loss of equity-method investments	55	–54	56	–52	–1	–2
Income/loss from financial investments	1	–5	1	–5	–	–
Earnings before interest and taxes (EBIT)	645	245	678	277	–33	–32
Interest income	42	30	41	30	1	–
Interest expense	–146	–120	–145	–120	–1	0
Earnings before tax (EBT)	541	155	574	187	–33	–32
Income taxes	–161	–66	–161	–65	0	–1
Income from discontinued operations, net of tax	–	125	–	125	–	–
Net income/loss	380	214	413	247	–33	–33
Net income attributable to noncontrolling interests	0	9	0	9	–	0
Net income/loss attributable to shareholders of MAN SE	380	205	413	238	–33	–33
Diluted/basic earnings per share from continuing operations in €	2.58	0.54				
Diluted/basic earnings per share from continuing and discontinued operations in €	2.58	1.39				

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

MAN Consolidated Income Statement

reporting period July 1 to September 30

€million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Revenue	3,757	3,104	3,757	3,104	–	–
Cost of goods sold and services rendered	–2,874	–2,397	–2,874	–2,397	–	–
Gross margin	883	707	883	707	–	–
Other operating income	114	70	75	22	39	48
Selling expenses	–271	–244	–268	–242	–3	–2
General and administrative expenses	–199	–160	–194	–157	–5	–3
Other operating expenses	–290	–285	–254	–235	–36	–50
Share of net income/loss of equity-method investments	51	–16	51	–15	0	–1
Income from financial investments	1	0	1	0	–	–
Earnings before interest and taxes (EBIT)	289	72	294	80	–5	–8
Interest income	17	16	16	17	1	–1
Interest expense	–50	–51	–50	–52	0	1
Earnings before tax (EBT)	256	37	260	45	–4	–8
Income taxes	–76	–31	–76	–30	0	–1
Net income/loss	180	6	184	15	–4	–9
Net income attributable to noncontrolling interests	1	2	1	2	–	0
Net income/loss attributable to shareholders of MAN SE	179	4	183	13	–4	–9
Diluted/basic earnings per share from continuing operations in €	1.21	0.02				
Diluted/basic earnings per share from continuing and discontinued operations in €	1.21	0.02				

* 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 September 30

€million	2010	2009
Net income	380	214
Currency translation differences	169	254
Change in fair values of derivatives	-30	99
Actuarial losses attributable to pensions	-212	-142
Other comprehensive income for the period from equity-method investments	6	21
Deferred taxes	83	9
Other comprehensive income for the period	16	241
Total comprehensive income for the period	396	455
of which attributable to noncontrolling interests	-1	9
of which attributable to shareholders of MAN SE	397	446

The other comprehensive income amounting to €16 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 4.0% as of September 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 July 1 to September 30

€million	2010	2009
Net income	180	6
Currency translation differences	-109	246
Change in fair values of derivatives	11	48
Actuarial losses attributable to pensions	-118	-97
Other comprehensive income for the period from equity-method investments	-7	13
Deferred taxes	39	12
Other comprehensive income for the period	-184	222
Total comprehensive income for the period	-4	228
of which attributable to noncontrolling interests	0	2
of which attributable to shareholders of MAN SE	-4	226

MAN Consolidated Balance Sheet as of September 30, 2010

Assets

€million	MAN Group		Industrial Business *		Financial Services *	
	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09
Intangible assets	1,797	1,662	1,794	1,658	3	4
Property, plant, and equipment	2,030	2,110	2,028	2,108	2	2
Equity-method investments	1,685	1,630	1,680	1,625	5	5
Financial investments	51	93	51	68	–	25
Assets leased out	1,656	1,433	1,065	896	591	537
Noncurrent finance lease receivables	695	738	–	–	695	738
Deferred tax assets	1,103	877	1,081	858	22	19
Other noncurrent assets	161	118	154	110	7	8
Noncurrent assets	9,178	8,661	7,853	7,323	1,325	1,338
Inventories	3,192	3,037	3,138	2,989	54	48
Trade receivables	2,263	2,202	1,960	1,896	303	306
Current finance lease receivables	353	358	–	–	353	358
Current income tax receivables	143	112	141	111	2	1
Assets held for sale	139	139	139	139	–	–
Other current assets	779	750	745	713	34	37
Marketable securities	122	134	122	134	–	–
Cash and cash equivalents	1,023	502	972	455	51	47
Current assets	8,014	7,234	7,217	6,437	797	797
	17,192	15,895	15,070	13,760	2,122	2,135

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

MAN Consolidated Balance Sheet as of September 30, 2010

Liabilities

€million	MAN Group		Industrial Business *		Financial Services *	
	9/30/10	12/31/09	9/30/10	12/31/09	9/30/10	12/31/09
Subscribed capital	376	376				
Capital reserves	795	795				
Retained earnings	4,149	3,816				
Accumulated other comprehensive income	109	92				
Equity attributable to shareholders of MAN SE	5,429	5,079	5,327	4,934	102	145
Noncontrolling interests	66	50	66	50	0	0
Total equity	5,495	5,129	5,393	4,984	102	145
Noncurrent financial liabilities	1,928	2,230	1,800	2,032	128	198
Pension obligations	376	160	374	159	2	1
Deferred tax liabilities	719	622	688	597	31	25
Other noncurrent provisions	565	547	565	547	0	0
Other noncurrent liabilities	701	714	701	713	0	1
Noncurrent liabilities and provisions	4,289	4,273	4,128	4,048	161	225
Current financial liabilities	1,300	1,040	333	206	967	834
Intragroup financing	–	–	–762	–827	762	827
Trade payables	1,663	1,368	1,589	1,319	74	49
Prepayments received	915	913	908	908	7	5
Current income tax payables	558	494	558	493	0	1
Other current provisions	1,562	1,313	1,559	1,310	3	3
Other current liabilities	1,410	1,365	1,364	1,319	46	46
Current liabilities and provisions	7,408	6,493	5,549	4,728	1,859	1,765
	17,192	15,895	15,070	13,760	2,122	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 September 30

€ million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Earnings before tax	541	155	574	187	-33	-32
Current income taxes	-198	-132	-199	-132	1	0
Cash earnings of discontinued operations	-	11	-	11	-	-
Depreciation, amortization, and impairment of noncurrent assets (other than assets leased out) ¹⁾	332	295	331	294	1	1
Change in pension obligations	0	16	0	16	0	0
Share of net income/loss of equity-method investments	-55	54	-56	52	1	2
Dividends received from equity-method investments	15	25	15	25	-	-
Other noncash income and expense	-2	-	-2	-	-	-
Cash earnings	633	424	663	453	-30	-29
Change in inventories	-90	38	-84	-9	-6	47
Change in prepayments received	-24	-105	-26	-106	2	1
Change in trade and finance lease receivables	30	954	-26	767	56	187
Change in trade payables	212	-396	187	-321	25	-75
Change in assets leased out	-25	105	30	120	-55	-15
Change in customer payments for assets leased out	-48	-156	-48	-156	-	-
Change in tax assets and liabilities	34	19	36	19	-2	0
Change in other provisions	258	-37	258	-38	0	1
Change in other assets	-64	49	-68	12	4	37
Change in other liabilities	49	-21	40	-19	9	-2
Change in discontinued operations	-	102	-	102	-	-
Elimination of gains/losses from asset disposals	-5	-6	-5	-6	-	-
Other changes in working capital	-8	-12	-10	-11	2	-1
Net cash provided by operating activities	952	958	947	807	5	151
Payments to acquire property, plant, and equipment, investment property, and intangible assets	-209	-236	-208	-235	-1	-1
Payments to acquire investments	-4	-17	-4	-17	-	-
Payments to acquire subsidiaries, net of cash acquired	-	-1,337	-	-1,337	-	-
Proceeds from asset disposals	18	67	3	67	15	0
Net cash flows from investing activities of discontinued operations	-	-9	-	-9	-	-
Proceeds from disposal of business activities, net of cash disposed	-3	-343	-3	-343	-	-
Net cash used in/provided by investing activities	-198	-1,875	-212	-1,874	14	-1
Free cash flow from operating and investing activities	754	-917	735	-1,067	19	150

MAN Consolidated Statement of Cash Flows (cont'd)

reporting period January 1 to September 30

€million	MAN Group		Industrial Business *		Financial Services *	
	2010	2009	2010	2009	2010	2009
Free cash flow from operating and investing activities	754	-917	735	-1,067	19	150
Dividend payments	-40	-297	-40	-297	-	-
Change in marketable securities	22	-131	22	-131	-	-
Issuance of bonds and promissory note loans	-	1,730	-	1,730	-	-
Repayment of promissory note loan	-	-30	-	-30	-	-
Borrowings	-	105	-	105	-	-
Repayment of borrowings and syndicated loans	-131	-400	-131	-400	-	-
Change in other financial liabilities	-125	150	-175	141	50	9
Change in intragroup financing	-	-	66	156	-66	-156
Special pension fund endowment	-	-3	-	-2	-	-1
Net cash flows from financing activities of discontinued operations	-	-5	-	-5	-	-
Net cash provided by/used in financing activities	-274	1,119	-258	1,267	-16	-148
Net change in cash and cash equivalents	480	202	477	200	3	2
Cash and cash equivalents at beginning of period	502	105	455	78	47	27
Change in cash and cash equivalents of discontinued operations	-	223	-	223	-	-
Change in cash and cash equivalents due to changes in consolidated Group structure	12	2	12	2	-	-
Effect of exchange rate changes on cash and cash equivalents	29	8	28	8	1	0
Cash and cash equivalents at September 30, 2010 and September 30, 2009	1,023	540	972	511	51	29
Composition of net financial debt at September 30, 2010 and December 31, 2009						
Cash and cash equivalents	1,023	502	972	455	51	47
Marketable securities	122	134	122	134	-	-
Intragroup financing	-	-	762	827	-762	-827
Financial liabilities	-3,228	-3,270	-2,133	-2,238	-1,095	-1,032
	-2,083	-2,634	-277	-822	-1,806	-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	Non-controlling interests	Total
Balance at December 31, 2009	376	795	3,816	92	5,079	50	5,129
Net income	–	–	380	–	380	0	380
Other comprehensive income	–	–	–	17	17	–1	16
Total comprehensive income	–	–	380	17	397	–1	396
Dividend payments	–	–	–37	–	–37	–3	–40
Other changes	–	–	–10	–	–10	20	10
Balance at September 30, 2010	376	795	4,149	109	5,429	66	5,495
Balance at December 31, 2008	376	795	4,447	–263	5,355	41	5,396
Net income	–	–	205	–	205	9	214
Other comprehensive income	–	–	–	241	241	–	241
Total comprehensive income	–	–	205	241	446	9	455
Dividend payments	–	–	–294	–	–294	–3	–297
Other changes	–	–	–62	48	–14	–1	–15
Balance at September 30, 2009	376	795	4,296	26	5,493	46	5,539

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 September 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 September 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 nine months of fiscal 2010 and/or for the third 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 September 30, 2010 include 117 companies (December 31, 2009: 105), including 31 (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 ownership 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 addition, International Petroleum Investment Company, Abu Dhabi/U.A.E. (IPIC), notified MAN at the end of September 2010 that it had filed an arbitration action to unwind the Ferrostaal transaction, and additionally for compensation for damages incurred. The arbitration action was served on MAN on October 18, 2010. MAN is currently analyzing the precise content of the action. See "Litigation/legal proceedings" for further information.

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 September 30, 2010 does not contain any results for Ferrostaal.

Income Statement Disclosures

Other operating income

€million		
reporting period January 1 to September 30	2010	2009
Income from financial services	111	138
Gains on financial instruments	74	110
Other trade income	27	18
Gains on disposal of property, plant, and equipment, and intangible assets	7	14
Miscellaneous other income	114	83
	333	363

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 September 30	2010	2009
Research and development	272	282
Expenses from financial services	73	82
Bad debt allowances on receivables	48	73
Impairment losses on inventories	38	53
Losses on financial instruments	28	113
Legal, audit, and consulting costs	27	12
Losses from nonrecurring items	–	93
Miscellaneous other expenses	345	175
	831	883

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. They also included losses from nonrecurring items of €22 million relating to restructuring expenses as a consequence of the planned discontinuation of engine production at MAN Diesel & Turbo's Frederikshavn site in Denmark and of €21 million relating to exceptional costs incurred in connection with MAN Nutzfahrzeuge's business in Russia.

Net interest expense

€million		
reporting period January 1 to September 30	2010	2009
Interest and similar income	42	30
Interest and similar expenses	-170	-154
Interest component of additions to pension provisions	-65	-60
Return on CTA plan assets	52	49
less: interest expenses reclassified as other operating expenses	37	45
	-104	-90

The increase 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 €37 million (previous year: €45 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 September 30	2010	2009
Net income attributable to shareholders of MAN SE	380	205
of which: income from discontinued operations, net of tax	-	125
Net income from continuing operations attributable to shareholders of MAN SE	380	80
Number of shares outstanding (weighted average, million)	147.0	147.0
Earnings per share from continuing operations in €	2.58	0.54

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 January 1 to September 30, 2010 reporting period and in the third quarter of 2010.

There were no outstanding options on shares as of September 30, 2010 and September 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	9/30/2010	12/31/2009
Licenses, software, similar rights, customer relationships, brands, and other assets	777	783
Capitalized development costs	304	250
Goodwill	716	629
	1,797	1,662

Property, plant, and equipment

€million	9/30/2010	12/31/2009
Land and buildings	945	952
Production plant and machinery	757	802
Other plant, operating and office equipment	256	276
Prepayments and construction in progress	72	80
	2,030	2,110

Equity-method investments

The most significant equity-method investments as of September 30, 2010 are the associates Scania and 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⁾	10,135	9,667
Liabilities ¹⁾	7,390	7,511
Revenue ²⁾	5,631	4,131
Net income ²⁾	479	61

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

Fiscal 2009: Amounts shown relate to the period from October 1, 2008 to June 30, 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⁾	5,732	3,582
Liabilities ¹⁾	3,453	2,245
Revenue ²⁾	3,818	1,551
Net income ²⁾	176	61

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

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 June 30, 2010.

Fiscal 2009: Amounts shown relate to the period from January 1, 2009 to June 30, 2009.

Purchase price allocation was completed in the third quarter of 2010.

Roland

The unrecognized losses of Roland amount to €24 million for the third quarter of 2010 and cumulatively €31 million.

The following table contains summarized financial information on the other associates; the disclosures relate to the full amounts of the associates, and not just to the Group's share:

€million	2010	2009
Assets	1,996	1,940
Liabilities	1,688	1,550
Revenue ¹⁾	1,479	1,557
Net income ¹⁾	-136	-110

¹⁾ 9 months

Inventories

€million	9/30/2010	12/31/2009
Work in progress and finished products	2,105	2,089
Raw materials, consumables, and supplies	493	515
Merchandise	421	280
Prepayments	173	153
	3,192	3,037

Trade receivables

€ million	9/30/2010	12/31/2009
Customer receivables	1,936	1,828
Receivables from investments	149	160
PoC receivables	178	214
	2,263	2,202

Other provisions

€ million	9/30/2010	12/31/2009
Warranties	641	636
Other business-related obligations	599	344
Obligations to employees	221	223
Outstanding costs	192	185
Miscellaneous other provisions	474	472
	2,127	1,860

The increase in provisions for other business-related obligations is primarily a result of cost overruns for projects and provisions in MAN Diesel & Turbo's Power Plants strategic business unit.

Other provisions are reported in the following balance sheet items:

€ million	9/30/2010	12/31/2009
Other noncurrent provisions	565	547
Other current provisions	1,562	1,313

Financial liabilities

€ million	9/30/2010	12/31/2009
Bonds	1,734	1,738
Bank borrowings and other liabilities	876	956
Structured finance	618	576
	3,228	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 A3 rating awarded by Moody's was confirmed in September 2010.

Financial liabilities are reported in the following balance sheet items:

€million	9/30/2010	12/31/2009
Noncurrent financial liabilities	1,928	2,230
Current financial liabilities	1,300	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 maximum total potential contingent liability for Ferrostaal under MAN's obligations from guarantees is €217 million. These guarantees are largely covered by indemnities issued by IPIC, depending on the origination date of the guarantee.

Litigation/Legal proceedings

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."

Others proceedings

The British antitrust authorities (Office of Fair Trading) have launched an investigation into possible price-fixing/antitrust violations at a number of companies active in the UK commercial vehicles market. MAN received a request for information in September 2010 in connection with this investigation. MAN is cooperating with the UK antitrust authorities.

Disclosures in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, are not made about specific litigation if the company comes to the conclusion that such disclosures could seriously undermine the outcome of the respective legal proceedings.

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.

€42 million of the Company's revenue relates to income received in connection with the licensing agreement with Sinotruk governing TGA truck technology, including engines, vehicle chassis, and axles. Any intercompany profits arising were eliminated.

€42 million of the Company's revenue in the first nine 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. In order to make decisions about the allocation of resources and the assessment of performance, the results of these segments are regularly reviewed by MAN SE's Executive Board in its 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 and acquisitions of equity-method investments 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 indicator ROS.

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)

Commercial Vehicles

€ million	MAN Nutzfahrzeuge incl. MAN Finance		MAN Latin America		Commercial Vehicles ¹⁾	
	2010	2009	2010	2009	2010	2009
Segment order intake	5,672	3,864	2,372	841	8,044	4,705
of which: Germany	2,060	1,526	–	–	2,060	1,526
of which: other countries	3,612	2,338	2,372	841	5,984	3,179
Intersegment order intake	–42	–4	–4	–	–46	–4
Group order intake	5,630	3,860	2,368	841	7,998	4,701
Segment revenue	5,191	4,821	2,372	841	7,563	5,662
of which: Germany	1,941	1,555	–	–	1,941	1,555
of which: other countries	3,250	3,266	2,372	841	5,622	4,107
Intersegment revenue	–32	–10	–4	–	–36	–10
Group revenue	5,159	4,811	2,368	841	7,527	5,652
Order backlog at September 30, 2010 and December 31, 2009	2,805	2,603	–	–	2,805	2,603
Total assets at September 30, 2010 and December 31, 2009	8,174	7,967	3,152	2,556	11,326	10,523
of which: inventories	1,586	1,600	262	133	1,848	1,733
of which: trade and finance lease receivables	2,222	2,273	323	199	2,545	2,472
of which: cash and cash equivalents, marketable securities	74	87	535	399	609	486
Segment liabilities at September 30, 2010 and December 31, 2009	5,911	5,676	1,488	1,104	7,399	6,780
of which: trade payables	734	588	340	203	1,074	791
Operating profit/loss	73	–59	258	77	331	18
Earnings effects from purchase price allocations	–	–	–73	–40	–73	–40
Losses from nonrecurring items	–	–21	–	–	–	–21
Earnings before interest and taxes (EBIT)	73	–80	185	37	258	–43
Net interest income/expense	–26	–43	–9	2	–35	–41
Earnings before tax (EBT) of continuing operations	47	–123	176	39	223	–84
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	232	86	285	90	517	176
of which: depreciation and amortization	–159	–166	–100	–53	–259	–219
of which: impairment losses	–	–	–	–	–	–
Net liquidity/net financial debt	–1,997	–2,730	332	359	–1,665	–2,371
Reconciliation to free cash flow	–2,148	–3,150	156	254	–1,992	–2,896
Free cash flow	151	420	176	105	327	525
of which: net cash flows from operating activities	249	513	213	117	462	630
of which: net cash flows from investing activities	–98	–93	–37	–12	–135	–105
Capital expenditures	104	115	38	14	142	129
Additional information by segment:						
Headcount including subcontracted employees at Sept. 30, 2010 and December 31, 2009 (no.)	31,398	31,519	1,696	1,510	33,094	33,029
of which: Germany	18,406	18,309	–	–	18,406	18,309
of which: other countries	12,992	13,210	1,696	1,510	14,688	14,720
Headcount at Sept. 30, 2010 and December 31, 2009 (no.)	30,408	30,782	1,696	1,510	32,104	32,292
ROS (%)	1.4	–1.2	10.9	9.1	4.4	0.3

¹⁾ Gross presentation excluding consolidation effects

Segment information (2/3)

Power Engineering

€ million	MAN Diesel & Turbo		Renk		Power Engineering ¹	
	2010	2009	2010	2009	2010	2009
Segment order intake	2,564	2,304	439	224	3,003	2,528
of which: Germany	293	158	234	72	527	230
of which: other countries	2,271	2,146	205	152	2,476	2,298
Intersegment order intake	-9	-3	-13	-8	-22	-11
Group order intake	2,555	2,301	426	216	2,981	2,517
Segment revenue	2,693	2,807	288	348	2,981	3,155
of which: Germany	333	307	81	136	414	443
of which: other countries	2,360	2,500	207	212	2,567	2,712
Intersegment revenue	-9	-19	-13	-24	-22	-43
Group revenue	2,684	2,788	275	324	2,959	3,112
Order backlog at September 30, 2010 and December 31, 2009	4,048	4,422	549	415	4,597	4,837
Total assets at September 30, 2010 and December 31, 2009	3,593	3,008	412	393	4,005	3,401
of which: inventories	1,224	1,187	123	121	1,347	1,308
of which: trade and finance lease receivables	732	744	65	93	797	837
of which: cash and cash equivalents, marketable securities	867	350	90	53	957	403
Segment liabilities at September 30, 2010 and December 31, 2009	2,326	2,001	210	201	2,536	2,202
of which: trade payables	569	534	37	38	606	572
Operating profit	332	374	42	47	374	421
Earnings effects from purchase price allocations	-	-	-	-	-	-
Losses from nonrecurring items	-	-22	-	-	-	-22
Earnings before interest and taxes (EBIT)	332	352	42	47	374	399
Net interest expense	-1	0	0	-1	-1	-1
Earnings before tax (EBT) of continuing operations	331	352	42	46	373	398
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	387	405	51	55	438	460
of which: depreciation and amortization	-55	-47	-9	-8	-64	-55
of which: impairment losses	-	-6	-	-	-	-6
Net liquidity/net financial debt	834	483	89	36	923	519
Reconciliation to free cash flow	340	403	41	12	381	415
Free cash flow	494	80	48	24	542	104
of which: net cash flows from operating activities	538	175	60	40	598	215
of which: net cash flows from investing activities	-44	-95	-12	-16	-56	-111
Capital expenditures	55	98	13	16	68	114
Additional information by segment:						
Headcount including subcontracted employees at Sept. 30, 2010 and December 31, 2009 (no.)	12,496	12,511	1,892	1,903	14,388	14,414
of which: Germany	6,770	6,415	1,730	1,747	8,500	8,162
of which: other countries	5,726	6,096	162	156	5,888	6,252
Headcount at Sept. 30, 2010 and December 31, 2009 (no.)	11,341	11,641	1,813	1,868	13,154	13,509
ROS (%)	12.3	13.3	14.5	13.5	12.5	13.3

¹⁾ Gross presentation excluding consolidation effects

Segment information (3/3)

€million	Others/Consolidation and Reconciliation						Group	
	Corporate Center ²⁾		Cons./Reconcl.		Total		2010	2009
	2010	2009	2010	2009	2010	2009		
Segment order intake	33	105	-96	-113	-63	-8	10,984	7,225
of which: Germany	33	105	-62	-107	-29	-2	2,558	1,754
of which: other countries	-	-	-34	-6	-34	-6	8,426	5,471
Intersegment order intake	-28	-97	96	112	68	15	-	-
Group order intake	5	8	-	-1	5	7	10,984	7,225
Segment revenue	33	105	-86	-152	-53	-47	10,491	8,770
of which: Germany	33	105	-55	-134	-22	-29	2,333	1,969
of which: other countries	-	-	-31	-18	-31	-18	8,158	6,801
Intersegment revenue	-28	-97	86	150	58	53	-	-
Group revenue	5	8	-	-2	5	6	10,491	8,770
Order backlog at September 30, 2010 and December 31, 2009	-	-	-31	-18	-31	-18	7,371	7,422
Total assets at September 30, 2010 and December 31, 2009	4,501	4,696	-2,640	-2,725	1,861	1,971	17,192	15,895
of which: inventories	0	0	-3	-4	-3	-4	3,192	3,037
of which: trade and finance lease receivables	4	6	-35	-17	-31	-11	3,311	3,298
of which: cash and cash equivalents, marketable securities	1,963	2,238	-2,384	-2,491	-421	-253	1,145	636
Segment liabilities at September 30, 2010 and December 31, 2009	4,304	4,429	-2,542	-2,645	1,762	1,784	11,697	10,766
of which: trade payables	9	14	-26	-9	-17	5	1,663	1,368
Operating profit/loss	33	-59	-10	-2	23	-61	728	378
Earnings effects from purchase price allocations	-10	-	-	-	-10	-	-83	-40
Losses from nonrecurring items	-	-50	-	-	-	-50	-	-93
Earnings before interest and taxes (EBIT)	23	-109	-10	-2	13	-111	645	245
Net interest expense	-68	-48	-	-	-68	-48	-104	-90
Earnings before tax (EBT) of continuing operations	-45	-157	-10	-2	-55	-159	541	155
Earnings before interest, taxes, depreciation, and amortization (EBITDA) of continuing operations	32	-94	-10	-2	22	-96	977	540
of which: depreciation and amortization	-9	-15	-	-	-9	-15	-332	-289
of which: impairment losses	0	0	-	-	0	0	0	-6
Net liquidity/net financial debt	-1,341	-533	0	0	-1,341	-533	-2,083	-2,385
Reconciliation to free cash flow	-1,237	962	11	51	-1,226	1,013	-2,837	-1,468
Free cash flow	-104	-1,495	-11	-51	-115	-1,546	754	-917
of which: net cash flows from operating activities	-100	10	-8	103	-108	113	952	958
of which: net cash flows from investing activities	-4	-1,505	-3	-154	-7	-1,659	-198	-1,875
Capital expenditures	3	1,354	-	-7	3	1,347	213	1,590
Additional information by segment:								
Headcount including subcontracted employees at Sept. 30, 2010 and December 31, 2009 (no.)	305	300	-	-	305	300	47,787	47,743
of which: Germany	302	297	-	-	302	297	27,208	26,768
of which: other countries	3	3	-	-	3	3	20,579	20,975
Headcount at Sept. 30, 2010 and December 31, 2009 (no.)	304	299	-	-	304	299	45,562	46,100
ROS (%)	-	-	-	-	-	-	6.9	4.3

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

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 Pacht-Reyhofen as the CEO of MAN SE for a further five years until June 30, 2016.

Munich, October 26, 2010

MAN SE
The Executive Board

Overview by Quarter (1/2)

€million	2010					2009			
	Q1-Q3	Q3	Q2	Q1	Total 2009	Q4	Q3	Q2	Q1
Order intake by division									
MAN Nutzfahrzeuge	5,672	2,018	1,961	1,693	5,224	1,360	1,203	1,296	1,365
MAN Latin America	2,372	840	816	716	1,412	571	453	388	–
<i>Commercial Vehicles</i>	<i>8,044</i>	<i>2,858</i>	<i>2,777</i>	<i>2,409</i>	<i>6,636</i>	<i>1,931</i>	<i>1,656</i>	<i>1,684</i>	<i>1,365</i>
MAN Diesel & Turbo	2,564	797	735	1,032	2,936	632	918	523	863
Renk	439	87	242	110	294	70	84	72	68
<i>Power Engineering</i>	<i>3,003</i>	<i>884</i>	<i>977</i>	<i>1,142</i>	<i>3,230</i>	<i>702</i>	<i>1,002</i>	<i>595</i>	<i>931</i>
Others/Consolidation	–63	–26	–9	–28	–6	2	–1	–1	–6
Order intake	10,984	3,716	3,745	3,523	9,860	2,635	2,657	2,278	2,290
Commercial Vehicles order intake (units)	97,412	34,207	33,426	29,779	73,826	22,479	20,468	20,179	10,700
of which: MAN Nutzfahrzeuge	46,948	16,731	16,678	13,539	37,984	9,601	8,443	9,240	10,700
of which: MAN Latin America	50,464	17,476	16,748	16,240	35,842	12,878	12,025	10,939	–
Revenue by division									
MAN Nutzfahrzeuge	5,191	1,903	1,834	1,454	6,395	1,574	1,565	1,641	1,615
MAN Latin America	2,372	840	816	716	1,412	571	453	388	–
<i>Commercial Vehicles</i>	<i>7,563</i>	<i>2,743</i>	<i>2,650</i>	<i>2,170</i>	<i>7,807</i>	<i>2,145</i>	<i>2,018</i>	<i>2,029</i>	<i>1,615</i>
MAN Diesel & Turbo	2,693	935	894	864	3,796	989	984	962	861
Renk	288	100	78	110	474	126	106	131	111
<i>Power Engineering</i>	<i>2,981</i>	<i>1,035</i>	<i>972</i>	<i>974</i>	<i>4,270</i>	<i>1,115</i>	<i>1,090</i>	<i>1,093</i>	<i>972</i>
Others/Consolidation	–53	–21	–10	–22	–51	–4	–4	–12	–31
Revenue	10,491	3,757	3,612	3,122	12,026	3,256	3,104	3,110	2,556
Commercial Vehicles unit sales (units)	91,155	33,681	31,479	25,995	82,609	24,165	23,159	23,078	12,207
of which: MAN Nutzfahrzeuge	40,691	16,205	14,731	9,755	46,767	11,287	11,134	12,139	12,207
of which: MAN Latin America	50,464	17,476	16,748	16,240	35,842	12,878	12,025	10,939	–
Order backlog ¹⁾	7,371	7,371	7,706	7,720	7,422	7,422	8,160	8,661	9,662
Operating profit/loss by division									
MAN Nutzfahrzeuge	73	59	71	–57	–91	–32	–42	–22	5
MAN Latin America	258	92	96	70	142	65	42	35	–
<i>Commercial Vehicles</i>	<i>331</i>	<i>151</i>	<i>167</i>	<i>13</i>	<i>51</i>	<i>33</i>	<i>0</i>	<i>13</i>	<i>5</i>
MAN Diesel & Turbo	332	112	118	102	500	126	129	128	117
Renk	42	17	9	16	66	19	14	18	15
<i>Power Engineering</i>	<i>374</i>	<i>129</i>	<i>127</i>	<i>118</i>	<i>566</i>	<i>145</i>	<i>143</i>	<i>146</i>	<i>132</i>
Others/Consolidation	23	44	–18	–3	–113	–52	–9	–15	–37
Operating profit	728	324	276	128	504	126	134	144	100

¹⁾ As of the reporting date

Overview by Quarter (2/2)

€million	2010					2009			
	Q1-Q3	Q3	Q2	Q1	Total 2009	Q4	Q3	Q2	Q1
Operating profit	728	324	276	128	504	126	134	144	100
Earning effects from purchase price allocations	-83	-35	-25	-23	-62	-22	-40	-	-
Losses from nonrecurring items	-	-	-	-	-656	-563	-22	-61	-10
Earnings before interest and taxes (EBIT)	645	289	251	105	-214	-459	72	83	90
Depreciation, amortization, and impairment losses	332	110	113	109	804	509	129	88	78
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	977	399	364	214	590	50	201	171	168
Earnings before tax (EBT)	541	256	216	69	-331	-486	37	38	80
Income taxes	-161	-76	-65	-20	-53	13	-31	-11	-24
Income from discontinued operations, net of tax	-	-	-	-	126	1	-	-	125
Net income/loss	380	180	151	49	-258	-472	6	27	181
ROS (%)	6.9	8.6	7.7	4.1	4.2	3.9	4.3	4.6	3.9
MAN Nutzfahrzeuge	1.4	3.1	3.9	-3.9	-1.4	-2.0	-2.7	-1.3	0.3
MAN Latin America	10.9	11.0	11.8	9.7	10.1	11.5	9.1	9.1	-
<i>Commercial Vehicles</i>	<i>4.4</i>	<i>5.5</i>	<i>6.3</i>	<i>0.6</i>	<i>0.7</i>	<i>1.6</i>	<i>-0.1</i>	<i>0.7</i>	<i>0.3</i>
MAN Diesel & Turbo	12.3	11.9	13.3	11.8	13.2	12.8	13.1	13.4	13.5
Renk	14.5	16.9	11.5	14.5	13.9	15.2	13.1	13.8	13.5
<i>Power Engineering</i>	<i>12.5</i>	<i>12.4</i>	<i>13.1</i>	<i>12.1</i>	<i>13.3</i>	<i>13.1</i>	<i>13.1</i>	<i>13.5</i>	<i>13.5</i>
Cash earnings	633	239	304	90	396	-28	91	175	158
Net cash provided by operating activities	952	242	211	499	1,462	504	559	258	141
Net cash used in investing activities	-198	-77	-79	-42	-2,584	-709	-25	-76	-1,774
Free cash flow	754	165	132	457	-1,122	-205	534	182	-1,633
Net financial debt ¹⁾	-2,083	-2,083	-2,252	-2,345	-2,634	-2,634	-2,385	-2,955	-2,831
ROCE (%) ²⁾	16.4	21.6	18.6	8.7	8.8	8.5	8.8	9.3	8.7
ROE (%) ³⁾	13.5	18.6	16.1	5.3	-3.6	-36.4	2.8	2.8	16.2
Headcount ^{1) 4)}	47,787	47,787	47,559	47,750	47,743	47,743	48,621	49,472	50,722
of which: subcontracted employees	2,225	2,225	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 €	2.58	1.21	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 (€)	2.98	1.40	1.15	0.43	1.47	0.30	0.32	0.44	0.41
MAN share price ⁵⁾									
High	81.10	81.10	72.81	63.45	61.23	60.96	61.23	50.29	41.78
Low	47.99	65.39	62.35	47.99	30.31	52.10	40.47	35.10	30.31
Quarter-end	79.96	79.96	67.95	61.98	54.44	54.44	56.40	43.70	32.80
MAN share performance (percentage points)									
Performance of MAN shares ⁶⁾	46.9	46.9	24.8	13.9	40.6	40.6	45.7	12.9	-15.3
DAX performance ⁶⁾	4.6	4.6	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⁾ 2009 ROE adjusted for effects of discount. ops. (manroland and Ferrostaal)

⁴⁾ Including subcontracted employees

⁵⁾ XETRA closing prices, Frankfurt

⁶⁾ Cumulative compared with prior-year closing price

MAN SE Financial Diary

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
Report on Q3/2011	November 2, 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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