



News service MAN Group

Quarterly report of
April 27, 1999

The MAN Group: The first nine months of the 1998/99 financial year

With its individual business divisions showing divergences in their courses of business development, the MAN Group's turnover for the first three quarters of the 1998/99 financial year was up 2% over the previous financial year's large amount. The Group's orders-on-hand total continued to increase during the period under review. The Group's profitability remains strong. We are continuing to forecast that the MAN Group's earnings before taxes on income will amount to DM 1 billion in the 1998/99 financial year.

The **new orders** secured by the MAN Group during the first three quarters of 1998/99 were down 6% over 1997/98, coming to DM 17.4 billion. The total is the product of the divergent results achieved by the Group's individual business divisions. Those divisions in which manufacturing operations predominate either attained or surpassed the previous year's large new order totals. Equaling its 1997/98 result was the commercial vehicles division; exceeding them were the printing systems and Diesel engines ones, both of whose new order totals were up 5%, as well as the industrial systems and facilities one (excluding the results from SMS), which secured 20% more new orders in the period under review. The weakness in some business areas which stems from the low prices for raw materials and other commodities (e.g. steel) caused a decline in the order inflow of the divisions Industrial Services (-21%) and SMS (-30%).

The total amount of orders placed by customers based in Germany came to DM 6.1 billion, down 4% over the previous year. Nearly all of the Group's divisions recorded rises in non-German orders. The exceptions were industrial services (-23%) and SMS (-35%). These strong declines led the overall new orders from non-German customers total to stage a 7% fall.

The Group's **turnover** for the first nine months of 1998/99 amounted to DM 16.2 billion, up 2% over the previous year. Its turnover in Germany came to DM 5.5 billion, up 1% over 1997/98. The figure for the Group's non-German activities was DM 10.7 billion, 2% more than in the previous year. When the results from the industrial services division are excluded, the figure shows a 12% rise.

As of March 31, 1999, the Group had **orders on hand** worth a total of DM 22.4 billion, up 7% over June 30, 1998. Strong rises were registered in a number of the areas in which manufacturing operations predominate. Those areas recently recording weak amounts of new orders continue to have large volumes of orders on hand (Industrial Services, DM 5.0 billion; SMS, DM 6.8 billion).

As of March 31, 1999, the MAN Group's **workforce** totaled 67,248 persons, 5% more than on June 30, 1998. This increase is predominately attributable to changes in the roster of companies comprised in the Group's consolidated accounts.



News service MAN Group

For the **financial year as a whole**, we are continuing to forecast - as stated in our six months' report - that the Group will record a moderate rise in turnover, DM 1 billion in earnings before taxes on income, and a 15% rate of return on capital employed.

MAN Group: Report of its business sectors

New orders	July - March 1998/99		July - March 1997/98	Change in %
	Mill EUR	Mill DM	Mill DM	
Commercial vehicles	3,632	7,103	7,121	0
Industrial services	1,605	3,139	3,976	-21
Printing systems	1,316	2,574	2,458	+5
Diesel engines	691	1,352	1,291	+5
Industrial systems and facilities	1,738	3,400	3,713	-8
Holding, miscellaneous	153	300	462	-
Intra-Group	-218	-427	-475	-
New orders MAN Group	8,917	17,441	18,546	-6

Turnover	July - March 1998/99		July - March 1997/98	Change in %
	Mill EUR	Mill DM	Mill DM	
Commercial vehicles	3,471	6,788	6,209	+9
Industrial services	1,497	2,928	3,966	-26
Printing systems	1,052	2,058	1,603	+28
Diesel engines	673	1,317	1,313	0
Industrial systems and facilities	1,648	3,223	2,799	+15
Holding, miscellaneous	146	286	499	-
Intra-Group	-219	-429	-464	-
Turnover MAN Group	8,268	16,171	15,925	+2