



## News service MAN Group

Quarterly report of  
October 19, 1999

### **The MAN Group: Results for the first quarter of the financial year - Getting off to a good start in 1999/2000**

The MAN Group has gotten off to a good start in 1999/2000. In the first three months (July - September) of the financial year, the Group secured new orders worth DM 5.9 billion, up 4% on a year-to-year basis. Its sales came to DM 5.2 billion, a rise of 15%. At DM 20.3 billion, its orders on hand total was up 21%.

**These facts accord to the forecasts we had made for the 1999/2000 financial year as a whole. We expect the year to develop positively for the Group, and for it to record new orders and sales totals above those registered in 1998/1999. We also expect the Group's earnings to remain at the high level previously attained.**

The companies forming the MAN Group secured orders worth DM 5,932 million between July and September, 1999, a rise of DM 253 million over the same period in 1998/99. From customers in Germany the Group secured orders worth DM 2,269 million, a rise of DM 333 million or 17%. The orders booked from abroad amounted to DM 3,663 million, DM 80 million or 2% less than in 1998/99. This decline stemmed from the operations processing large-sized orders.

Our commercial vehicles business area continued the upward trend in new orders of 1998/99 during the first three months of 1999/2000, recording an 18% rise in new orders, which came to DM 2,497 million. Showing a countervailing trend, our industrial services business area recorded a 30% drop in new orders, which amounted to DM 909 million. This drop was primarily attributable to the delays arising in the placing of large-sized orders and to the lower results recorded by the steel-trading operations, which still had performed relatively well in 1998/99's first quarter. Our printing systems business area secured new orders worth DM 900 million, up 4%. The Diesel engines one recorded a 7% decline in new orders, which came to DM 463 million. The new orders total registered by our industrial equipment and facilities business area came to DM 1,177 million, up 24%.

The Group's sales in the first quarter came to DM 5,222 million, up a strong DM 671 million or 15%. Sales in Germany amounted to DM 1,532 million, a rise of 3%; with those made outside the country showing a 20% rise, to DM 3,690 million.

At the end of the first quarter, the Group had orders on hand worth DM 20,288 million, a rise of 21% over June 30, 1999's total.

As of September 30, 1999, the MAN Group employed 70,753 persons, 3,915 more than on June 30, 1999.

In the current financial year 1999/2000 we presume that the world economy will continue on its recovery. We expect the MAN Group to secure new orders worth somewhere around DM 27 billion, up from the DM 24.4 billion recorded in 1998/99, and sales of about DM 26.5 billion (1998/99: DM 25.9 billion). In 1998/99, we registered earnings before taxes on income of DM 1,090 million, a consolidated



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net income of DM 725 million and a rate of return on capital employed of again more than 15%. We are striving to attain this level of results in the current financial year.

Note: Contained in the figures of the first quarter 1999/2000 is Mannesmann Demag Metallurgy (MDM), which was consolidated into the SMS group as of July 1, 1999: New orders secured DM 236 million, sales DM 257 million, orders on hand DM 2,775 million, number of employees 3,471.

### Developments to date in financial year 1999/2000 (July - September, 1999)

MAN Group	July - September 1999/2000		July - September 1998/99 DM mill.	change in %
	EURO mill.	DM mill.		
Total new orders	3,033	5,932	5,679	+ 4
from Germany	1,160	2,269	1,936	+17
from outside Germany	1,873	3,663	3,743	- 2
Total sales	2,670	5,222	4,551	+15
in Germany	783	1,532	1,484	+ 3
outside Germany	1,887	3,690	3,067	+20
Orders on hand				
Sept. 30, 1999/June 30, 1999	10,373	20,288	16,827	+21
from Germany	3,265	6,385	5,325	+20
from outside Germany	7,108	13,903	11,502	+21
Number of employees				
Sept. 30, 1999/June 30, 1999		70,753	66,838	+ 6

New orders	July - September 1999/2000		July - September 1998/99 DM mill.	change in %
	EURO mill.	DM mill.		
Commercial vehicles	1,277	2,497	2,125	+18
Industrial services	465	909	1,292	-30
Printing systems	460	900	867	+ 4
Diesel engines	237	463	499	- 7
Industrial equipment and facilities	602	1,177	951	+24
Other companies, consolidation procedure	- 8	- 14	- 55	-
New orders, MAN Group	3,033	5,932	5,679	+ 4

Sales	July - September 1999/2000		July - September 1998/99 DM mill.	change in %
	EURO mill.	DM mill.		
Commercial vehicles	1,052	2,058	1,856	+11
Industrial services	479	937	937	0
Printing systems	301	589	434	+36
Diesel engines	248	485	482	+ 1
Industrial equipment and facilities	604	1,180	872	+35
Other companies, consolidation procedure	- 14	- 27	- 30	-
Sales, MAN Group	2,670	5,222	4,551	+15