Q2/03

Interim Report as of 30 June 2003
MAN Aktiengesellschaft

E N G I N E E R I N G T H E F U T U R E

Overview: Development of the divisions

New orders by division
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
Commercial Vehicles	3,186	3,305	– 4	1,568	1,706	– 8
Industrial Services	1,481	1,465	1	1,050	909	16
Printing Machines	706	773	– 9	332	411	– 19
Diesel Engines	630	591	7	302	289	5
Industrial Equipment and Facilities	1,415	1,460	– 3	650	796	– 18
Financial Services	291	299	– 3	144	127	13
Other, Consolidated	(393)	(297)	–	(195)	(171)	–
New orders MAN Group	**7,316**	**7,596**	**– 4**	**3,851**	**4,067**	**– 5**

Sales by division
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
Commercial Vehicles	3,044	3,017	1	1,672	1,665	0
Industrial Services	1,247	1 063	17	688	599	15
Printing Machines	677	850	– 20	370	474	– 22
Diesel Engines	598	691	– 13	302	380	– 21
Industrial Equipment and Facilities	1,576	1,329	19	789	756	4
Financial Services	298	315	– 5	149	143	4
Other, Consolidated	(426)	(324)	–	(225)	(180)	–
Sales MAN Group	**7,014**	**6,941**	**1**	**3,745**	**3,837**	**– 2**

Earnings before interest and taxes (EBIT) by division
€ million

	Jan. – June 2003	Jan. – June 2002	Change in € mill.	April – June 2003	April – June 2002	Change in € mill.
Commercial Vehicles	41	(33)	74	58	21	37
Industrial Services	30	36	(6)	14	18	(4)
Printing Machines	(31)	14	(45)	(7)	12	(19)
Diesel Engines	25	43	(18)	16	24	(8)
Industrial Equipment and Facilities	(2)	(39)	37	1	2	(1)
Financial Services	38	45	(7)	18	23	(5)
MAN AG, Other, Consolidated	3	8	(5)	(1)	12	(13)
EBIT MAN Group	**104**	**74**	**30**	**99**	**112**	**(13)**

Earnings before taxes on income (EBT) by division
€ million

	Jan. – June 2003	Jan. – June 2002	Change in € mill.	April – June 2003	April – June 2002	Change in € mill.
Commercial Vehicles	2	(75)	77	38	0	38
Industrial Services	30	44	(14)	15	24	(9)
Printing Machines	(37)	11	(48)	(10)	11	(21)
Diesel Engines	18	36	(18)	12	20	(8)
Industrial Equipment and Facilities	(4)	(36)	32	(6)	7	(13)
Financial Services	9	12	(3)	4	7	(3)
MAN AG, Other, Consolidated	6	11	(5)	2	9	(7)
EBT MAN Group	**24**	**3**	**21**	**55**	**78**	**(23)**

Higher earnings for the first six months confirm prospects of improved results in 2003

- Earnings before interest and taxes of €104 million (€74 million) in the first six months of 2003 and earnings before taxes of €24 million (€3 million) show a marked improvement over last year. Strong recovery in the performance of Commercial Vehicles, but losses in the Printing Machines Division.

- Second quarter of 2003 brought substantial improvement in earnings compared with previous quarter, but a drop against the relatively strong second quarter of 2002.

- New orders of €7.4 billion in the first six months of 2003 were 4% below the 2002 figure due to economic and currency influences. Sales rose 1% to €7.0 billion. Significant growth in Industrial Services and Industrial Equipment and Facilities, notable drop for Printing Machines.

- Prospects for 2003: new orders and sales in the order of last year´s figures. Due to the successful turnaround in the Commercial Vehicles Division, prospects of an overall improvement in MAN Group performance.

- Outlook 2004: following consistent restructuring since 2001 and additional measures introduced in 2003, sustained increase in the profitability of the MAN Group. Sharp upturn in earnings expected in 2004 subject to a more positive economic environment.

- Commercial Vehicles: good intake of new orders in July.

MAN Group
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	7,316	7,596	– 4	3,851	4,067	– 5
Sales	7,014	6,941	1	3,745	3,837	– 2
Employees *	74,607	75,953	– 2	74,607	75,953	– 2
Earnings before interest and taxes	104	74	40	99	112	– 12
Earnings before taxes	24	3	> 100	55	78	– 29
Net income	16	2	> 100	34	45	– 24
Net income after minority interests	14	10	40	38	45	– 16
Earnings per share in €	0.10	0.07	40	0.26	0.31	– 16

* Number at 30 June 2003 compared with 30 June 2002

Economic environment

The global economy remained weak during the first half of 2003, although there were signs of a slight upward trend in early summer. Negative impulses came from the Iraq crisis, intermittently soaring oil prices and the outbreak of the SARS lung infection. Meanwhile, these uncertainties are decreasing and prospects improving. However, as yet there has been no full-scale recovery.

The moderate economic upswing in the US continued throughout, mainly as a result of the generally expansive monetary environment which showed considerable further improvement following a marked devaluation of the US dollar. In the countries of Eastern Asia, the slowdown in economic growth continued into 2003, partially due to the SARS epidemic, while in Central and Eastern European countries, momentum weakened, even though their economies still recorded significant growth. In the euro zone, economic growth almost came to a standstill during the first six months. Whereas domestic demand was nothing more than restrained, foreign demand was curbed by the increasing value of the euro against other currencies.

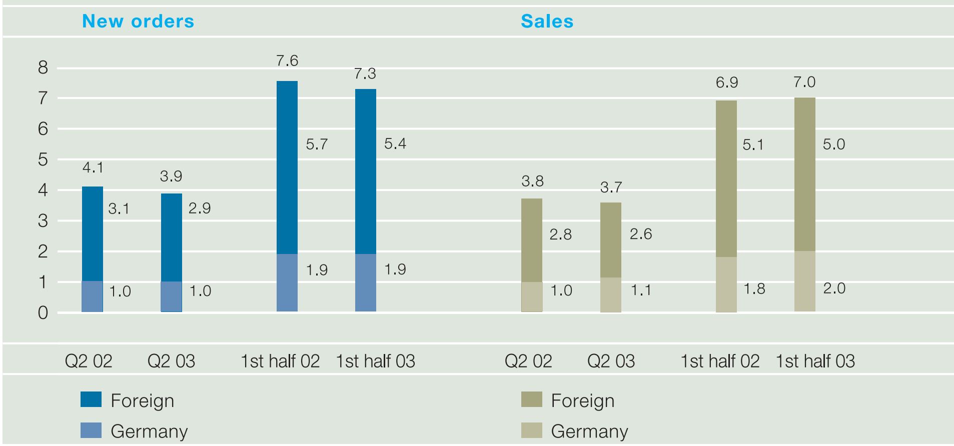
In Germany, the economy remaines lethargic. Production has been stagnating on a national scale for three years. In addition to the world economic situation, rising unemployment and an on-going lack of consumer confidence continue to dampen both consumer demand and investment activity.

Of those sectors in which the MAN Group operates, Printing Machines and Industrial Equipment and Facilities were most strongly affected by the poor economic situation. The demand for commercial vehicles was also initially subdued, but in June, and to an increasing extent in July, the number of new orders began to rise. The positive project situation points towards mounting signs of a recovery in our fields of activity.

Business performance remained restrained

During the first six months of 2003, new orders of €7,316 million were 4% lower than the previous year. In the case of domestic business, a good second quarter (+9%) made up for the shortfall recorded at the end of the first three months, resulting in a marginal overall plus of 1% to reach €1,868 million. Foreign business amounted to €5,448 million, 5% weaker than in 2002. This was due to exchange-rate effects and a weak second quarter for Printing Machines and Industrial Equipment and Facilities, marked by low volumes of

Business volume 2nd quarter / first six months 2003
€ billion



major orders. On the other hand, the Industrial Services Division was for instance able to book a major order worth over US$500 million for another methanol plant in Trinidad and Tobago.

Sales rose by 1% to €7,014 million. In Germany, sales of €1,960 million exceeded last year´s figure by 7%, with all sectors recording an increase, with the exception of Printing Machines. Foreign sales of €5,054 million were 1% lower, due solely to currency effects, the adjusted figures showing growth of 2%.

Based on a year-on-year comparison, orders on hand fell by 10% to €9,710 million.

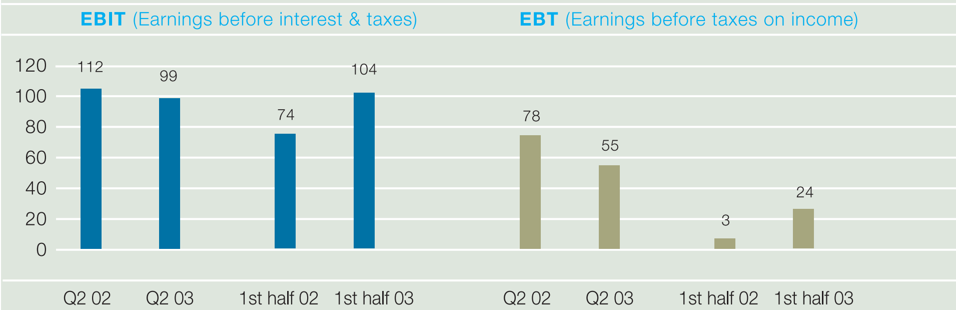
At 30 June 2003, MAN Group employees numbered 74,607, representing 1,346 or 1.8% fewer than at 30 June 2002 in nominal terms and 2,127 or 2.8% fewer on a comparable basis. Compared with the equivalent figure at 31 December 2002 (75,368), the number of employees declined by 761 or 1.0%. In those companies currently undergoing restructuring, there has been a total reduction of 1,494 employees since the beginning of 2003. This was partially offset by an increase at the Commercial Vehicles subsidiaries in Turkey and Poland as relocated production activities gathered momentum, and by a rise in the sector of logistics services by a total of 733 employees. This structure-related decline in the number of personnel will continue throughout the current financial year and into 2004.

Continued improvement in earnings

With earnings before interest and taxes (EBIT) of €104 million (€74 million) and earnings before taxes (EBT) of €24 million (€3 million), the MAN Group achieved significantly better results for the first six months of 2003 than in 2002. The prime reason for this was the strong recovery in the performance of the Commercial Vehicles Division, reflecting the successful restructuring and productivity-enhancement measures introduced in the truck and bus units. On the other hand, there was a negative impact from the loss situation in the Printing Machines Division arising from the on-going weak situation in terms of demand and employment, especially in the sector of sheetfed presses, and from the loss recorded by Industrial Equipment and Facilities due to the performance at MAN Technologie and in the SMS Group. In the second quarter of 2003, Industrial Services and Diesel Engines also performed weaker than during the relatively strong second quarter of 2002, with the result that for the three months ended 30 June 2003, overall earnings fell short of the 2002 results.

Net income of the MAN Group amounted to €16 million (€2 million), of which €34 million (€ 45 million) were generated during the second quarter. After deduction of the earnings accruing to minority interests, earnings per share of €0.26 (€0.31) were recorded for the second quarter of 2003 and of €0.10 (€0.07) for the first six months.

Earnings 2nd quarter / first six months 2003
€ million



Positive financial situation

The cash flow (according to DVFA/SG) of € 321 million was lower than the previous year (€358 million), in spite of the improved earnings situation. This was due to declining depreciation in the wake of considerably lower capital expenditure.

During the first six months, the MAN Group achieved a net cash inflow from operating activities of €69 million (2002: net cash outflow of €71 million). This positive figure resulted mainly from the fact that it was possible to limit the rise in committed working capital normally registered during the first six months to €252 million (€429 million).

The total cash used in investing activities was reduced to €201 million (€363 million) as a result of lower expenditure on fixed assets (–13% to €186 million) and assets leased out (–55% to €109 million due to revolving refinancing of part of the portfolio). Over the next few months of the current year, we shall be adhering consistently to our policy of moderate capital expenditure and continuing our efforts to reduce the amount of funds tied up in current assets and in the leasing portfolio.

Consolidated overview of the MAN Group
€ million

Jan. – June	2003	2002	Change in %
New orders			
Germany	1,868	1,857	1
Foreign	5,448	5,739	– 5
	7,316	**7,596**	**– 4**
Sales			
Germany	1,960	1,826	7
Foreign	5,054	5,115	– 1
	7,014	**6,941**	**1**
Orders on hand *	**9,710**	**10,757**	**– 10**
Employees * (number)			
Germany	48,282	49,924	– 3
Foreign	26,325	26,029	1
	74,607	**75,953**	**– 2**
Capital expenditure			
of which on tangible & intangible fixed assets	186	214	– 13
of which on assets leased out	109	244	– 55
of which on equity interests & other financial investments	17	32	– 47
	312	**490**	**– 36**
Depreciation on fixed assets	**280**	**328**	**– 15**
Cash flow (according to DVFA/SG)	**321**	**358**	– 10
Cash and cash equivalents *	**544**	**504**	**8**
Cash balance*	**(473)**	**(867)**	**45**
Research and development	**243**	**264**	– 8

* Figure at closing date of 30 June 2003 compared with 30 June 2002

Outlook

Economic trends

According to current forecasts by leading economic research institutes, the prevailing economic trend is expected to reverse in the course of this year, a recovery in the global economy being predicted for 2004. At the present time, growth of over 2% is anticipated for the US in 2003 and well over 3% in 2004. In the countries of East Asia, the retardant influences should gradually recede during the second half of 2003, with a rise in the GDP of more than 2% forecast for the Asian-Pacific region (including Japan) in both 2003 and 2004. Latin America can expect a marked recovery from 2004 onwards, with growth of just under 4%. Based on current forecasts, the economy in Western Europe will gain momentum only slowly during the second half, with growth for 2003 remaining under 1% and economic growth of 2% expected in 2004. Gross capital investment will probably continue to decline initially, but show a distinct recovery in 2004 as a result of rising demand and production.

Based on this gradual improvement in the international economic environment, a slight economic recovery is also expected in Germany, although the GDP will probably continue to stagnate throughout 2003. Next year, it is anticipated that the economy will regain some strength from quarter to quarter, with overall growth reaching about 1.5%.

Business volume and earnings

Based on the prospects and targets for our individual divisions and the status of several major projects, we are confident that as a whole, the MAN Group will once again achieve a business volume in the order of the previous year. In view of the first signs of a slight upward trend, most notably in the sectors Commercial Vehicles and Printing Machines, with a high intake of orders in the webfed offset sector, as well as the rather brighter general mood, we anticipate that incoming orders will increase significantly in the second half compared with the first six months of this year. There is also the possibility that the bottleneck created by a lack of decisions on major orders that have been in the pipeline for some time, could be cleared to the benefit of MAN.

In 2003, there has been special focus on measures aimed at realising a sustained improvement in cost structures and earnings. Efforts have been concentrated primarily on the bus and truck sectors of the Commercial Vehicles Division, whereby the first effects are already reflected in the results, and on Printing Machines, where further modifications to structures and capacities were initiated, especially in the sheetfed sector. In the case of DSD, which belongs to the Ferrostaal Group, efforts have been directed at improving capacity utilisation and order processing, while the Diesel Engines Division is currently carrying out further structural and capacity adjustments. In the SMS Group, similar measures targeted both metallurgical plant and rolling mill technology and the loss-making plastics technology business. In view of the successful turnaround currently underway in the Commercial Vehicles Division and our expectations relating to new orders and sales, we envisage achieving an overall improvement in pre-tax earnings for the 2003 financial year compared with 2002 (€219 million), in spite of considerable pressure from the Printing Machines Division.

The restructuring and cost-reduction measures outlined above will lead to a sustained increase in the profitability of the MAN Group. Based on this fact and against the background of the current forecasts of an economic recovery, we are expecting to see a sharp upturn in earnings in 2004.

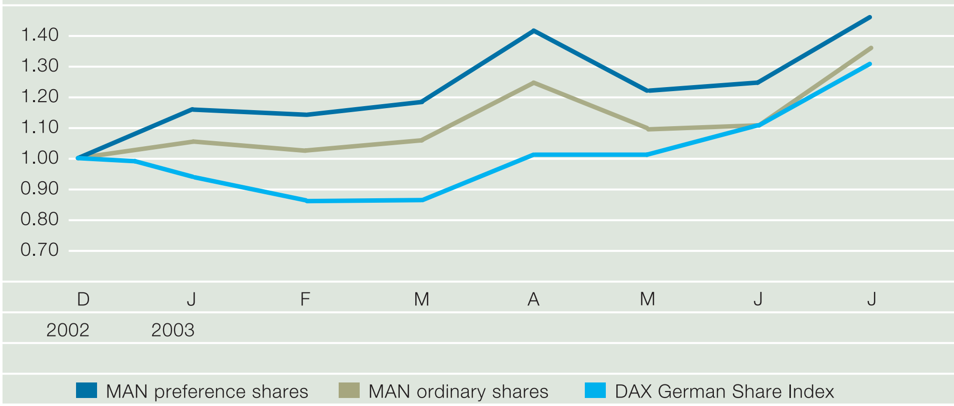
MAN shares

Between January and July 2003, MAN ordinary shares gained €4.73 or 36% based on their price of €13.15 on 31 December 2002, reaching €17.88. MAN preference shares rose by €4.60 or 46% from their level of €9.90 on 31 December 2002, reaching €14.50. By comparison, the DAX 30 as reference index rose by 21% over the same period.

Since the beginning of July, this trend in our share prices has also been influenced by conjecture on possible changes among MAN Group shareholders on the one hand, and on structural changes in the Commercial Vehicles sector on the other. We continue to regard the Commercial Vehicles Division as an integral part of the MAN Group and do not wish to make any comment on speculation instigated by third parties.

The Annual General Meeting held on 4 June 2003 voted in favour of renewing authorisation to repurchase shares. As a result, the MAN AG Executive Board is now entitled, subject to approval by the Supervisory Board, to repurchase the company´s own shares up to an amount equivalent to 10% of the share capital. This authorisation expires on 4 December 2004. However, at the present time, no such measures are envisaged.

MAN shares vs. the DAX in 2003
31 December 2002 = 1.00



MAN Roland squeeze-out

The squeeze-out of the remaining MAN Roland Druckmaschinen AG shareholders (1.4%) took full legal effect following transfer of the MAN Roland shares to MAN AG, as no objections to the resolution were raised at the MAN Roland Druckmaschinen AG Annual General Meeting on 22 May 2003. Compensation amounting to €31.79 per share has meanwhile been paid out.

The operating divisions in detail

Commercial Vehicles

In a difficult economic environment, new orders reached €3,186 million, 4% less than the previous year. Due to an improvement in market shares, truck activities were able to report almost stable incoming orders of € 2,665 million (–1%), even though orders in Western Europe fell another 3% in 2003. The bus sector recorded €521 million, a drop of 14% resulting from a weaker second quarter, particularly in the case of city buses. A revival is expected for the second half of the year, the good intake of new orders in July substantiating this forecast.

Sales rose by 1% to €3,044 million, the truck sector achieving 4% growth to reach €2,549 million. In spite of declining orders during the first half of 2003, volume sales of MAN trucks rose by 10% to 25,857 units, our market share in Western Europe expanding by 2.3 percentage points to 15.6%. Bus sales declined by 13% to €495 million.

Over the past twelve months, the number of employees has increased slightly on balance to 34,697. As a result of beginning to relocate labour-intensive manufacturing activities, especially in the bus sector, to Turkey and Poland, the workforces in these countries received a strong boost with 1,221 new employees. This was offset by a total reduction of 965 employees in domestic manufacturing companies and sales subsidiaries. We expect the number of personnel engaged in bus construction in Germany to decrease by about another 700 by the beginning of 2004.

After losses in the first quarter, the second quarter figures showed a sharp improvement in earnings with an EBIT of €58 million and an EBT of €38 million. On a cumulative basis, an EBIT of €41 million (–€33 million) and a positive EBT of €2 million (–€75 million) were recorded. Fifty percent of this improvement compared with 2002 was attributable to the truck operations, which were able to increase their EBIT from €16 million to €52 million as a result of higher production volumes, lower costs and enhanced productivity, even in the face of currency losses accruing largely from the pound sterling and the US dollar. The bus sector succeeded in improving its EBIT by €38 million to –€11 million, based on better-quality earnings, savings in material and personnel, as well as the absence of extraordinary costs.

We still envisage an increase in business volume for the full year of 2003, in spite of a declining truck market in Western Europe. As a result of this increase, coupled with the already effective restructuring and productivity-enhancing measures introduced, we still anticipate a marked improvement in pre-tax earnings in 2003 (2002: €13 million).

Commercial Vehicles
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	3,186	3,305	– 4	1 568	1 706	– 8
Sales	3,044	3,017	1	1 672	1 665	0
Employees *	34,697	34,552	0	34 697	34 552	0
Earnings before interest and taxes	41	(33)	–	58	21	> 100
Earnings before taxes	2	(75)	–	38	0	> 100

* Number at 30 June 2003 compared with 30 June 2002

Industrial Services

Following the placement of contracts for several major projects in the facility construction sector which had been in the pipeline for some time, new orders exceeded the billion-euro mark in the second quarter, reaching €1,050 million, even though steel-trading volumes fell short of the previous year´s figure due to exchange-rate effects. For the first six months, cumulated incoming orders increased by 1% to €1,481 million.

Upheld by good order intakes in previous fiscal periods, sales increased by 17% during the first six months to €1,247 million.

Earnings performance was negatively influenced by losses accruing from contracts and by under-employment in the DSD Group. As a result, earnings before taxes fell from €44 million in 2002 to €30 million. For the full year, we still anticipate a good result, without however equalling the exceptionally high figure recorded in 2002 (€85 million).

Industrial Sevices
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	1,481	1,465	1	1,050	909	16
Sales	1,247	1,063	17	688	599	15
Employees *	6,486	6,872	– 6	6,486	6,872	– 6
Earnings before interest and taxes	30	36	– 17	14	18	– 22
Earnings before taxes	30	44	– 32	15	24	– 38

* Number at 30 June 2003 compared with 30 June 2002

Printing Machines

The economic environment in the graphic industry and consequently the market situation for printing presses continued to be extremely unsatisfactory. New orders in the MAN Roland Group fell yet again by 9% to €706 million compared with last year´s already low figure. In the case of sheetfed printing systems, orders dropped by 5% to €311 million and in the case of webfed presses by 14% to €286 million. However, successful sales activities have recently been recorded in the sectors of large sheetfed printing systems, including the new R 900 XXL, and commercial webfed offset presses. The distribution and services unit registered new orders of €109 million, more or less equalling last year´s figure.

Sales fell by 20% to €677 million, €286 million of which came from sales of sheetfed systems (–9%), €288 million from webfed systems (–33%) and €103 million from distribution and services (–5%). In the case of sheetfed equipment, second-quarter sales of €169 million were once again significantly higher than in the first quarter (€117 million) when production levels are traditionally low, and only marginally lower than the second quarter of 2002 (€178 million). On the other hand, webfed presses registered a relatively steep drop in the second quarter of 2003 (€150 million; first quarter of 2003 €138 million) compared with the previous year´s figure (€241 million) which was well above average due to receipt of final settlements for several major orders.

The number of employees has declined by 6% to 10,025 over the past twelve months, a further reduction in the order of 4% being planned for the second half of this year and in some cases already realised. The sheetfed locations in the Rhine-Main region were mainly affected by the personnel reductions, a second settlement agreement involving a further 356 redundancies being concluded in June. In all, the workforce in the main sheetfed works will have decreased by 1,300 or 30% between mid-2001 and the end of 2004.

Due to the inadequate employment situation in the sheetfed sector, deteriorating prices and falling sales, MAN Roland recorded another significant loss in the second quarter of 2003, which could not as yet be offset by the benefits accruing from the personnel reductions and other cost-saving measures currently underway. The EBIT for the first six months amounted to –€31 million (€14 million), of which –€39 million (–€25 million) resulted from sheetfed activities. Webfed operations continued to generate positive earnings of €9 million (€38 million), which due to the low level of sales were however considerably weaker than the previous year. The distribution and services sector closed with an EBIT of –€1 million (€ 1 million).

Concepts aimed at reducing costs by €130 million by 2005 are currently being implemented and are expected to bring first improvements in 2003. These will however by no means suffice to neutralise the substantial cost burden arising in particular from the deficits in the sheetfed sector, so that the Printing Machines Division will still be reporting a high loss for the full year of 2003. A considerable improvement in earnings is expected for 2004 as a result of the cost-reduction measures and a return to higher sales volumes, with added stimulus expected from the launch of new models and the Drupa trade fair.

Printing Machines
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	706	773	– 9	332	411	– 19
Sales	677	850	– 20	370	474	– 22
Employees *	10,025	10,610	– 6	10,025	10,610	– 6
Earnings before interest and taxes	(31)	14	–	(7)	12	–
Earnings before taxes	(37)	11	–	(10)	11	–

* Number at 30 June 2003 compared with 30 June 2002

Diesel Engines

New orders in the Diesel Engines Division increased by 7% to €630 million. This was attributable to the two-stroke engine business. Overall, new orders for four-stroke medium-speed engines were just under last year´s level, based on stable demand in the Marine Division and a lower volume in the case of power plants. The rate of incoming orders for four-stroke high-speed engines continued to be slow. Due to the timing of settlements, sales fell by 13% during the first half of 2003 to €598 million.

The EBIT reached €25 million (€43 million) and the EBT €18 million (€36 million). The drop was mainly due to declining sales, poorer contract quality in terms of margins and losses due to overcapacity in the four-stroke, high-speed sector. For the full year of 2003, we still anticipate a good result, although lower than the very strong figure recorded in 2002 (€68 million).

Diesel Engines
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	630	591	7	302	289	5
Sales	598	691	– 13	302	380	– 21
Employees *	6,766	7,197	– 6	6,766	7,197	– 6
Earnings before interest and taxes	25	43	– 42	16	24	– 33
Earnings before taxes	18	36	– 50	12	20	– 40

* Number at 30 June 2003 compared with 30 June 2002

Total Industrial Equipment and Facilities

The companies making up the Industrial Equipment and Facilities Division registered a 3% lower volume of new orders than in 2002, reaching €1,415 million. Turbomachines (+34%, due partially to major contracts), MAN Technologie (+8%, due to one major telescope order), the SMS Group´s tubes, long products and forging technology division (+3%) and Schwäbische Hüttenwerke (+13%) were able to increase orders, in some cases by double-digit figures. The overall level of incoming orders in the SMS Group however was considerably lower than in 2002 (–20%), owing to a lower volume of major orders for metallurgical plant and rolling-mill technology and declining activity in the plastics technology business. RENK also recorded an 18% drop in new orders in the first half of 2003 due to the effect of two major orders received during the comparable period in 2002.

Sales in this division increased by 19% and in the SMS Group alone by 21%.

The growth in the workforce resulted from changes in the companies consolidated. On a comparable basis (17,089), the number of employees decreased by 883 or 5.2%, a drop of 185 or 18.6% being recorded by MAN Technologie and of 576 or 5.8% by the SMS Group.

Earnings trends in the Industrial Equipment and Facilities Division were varied. RENK, Schwäbische Hüttenwerke, the SMS Group´s tube, long products and forging technology division and Other Industrial Equipment and Facilities showed positive EBT results and a better overall performance than last year. Earnings in the turbomachinery sector were marginally negative due to continuing sluggish sales. MAN Technologie and the SMS Group´s activities in the sectors of metallurgical plant and rolling-mill technology, as well as plastics technology, recorded notable losses over the first six months in the wake of high levels of underemployment, poor earnings on contracts and additional expenditure on restructuring measures. For the full year of 2003, we are still expecting an overall marked improvement in earnings compared with 2002 (€29 million), in spite of these negative factors.

Industrial Equipment and Facilities
€ million

	Jan. – June 2003	Jan. – June 2002	Change in %	April – June 2003	April – June 2002	Change in %
New orders	1,415	1,460	– 3	650	796	– 18
Sales	1,576	1,329	19	789	756	4
Employees *	16,206	15,471	5	16,206	15,471	5
Earnings before interest and taxes	(2)	(39)	–	1	2	–
Earnings before taxes	(4)	(36)	–	(6)	7	–

* Number at 30 June 2003 compared with 30 June 2002

MAN Group: Consolidated income statement
January – June 2003

€ million	2003	2002
Net sales	**7,014**	**6,941**
Cost of sales	(5,755)	(5,712)
Gross margin	**1,259**	**1,229**
Selling expenses	(563)	(561)
General administrative expenses	(345)	(351)
Other operating income	137	186
Other operating expenses	(387)	(424)
Income from investments	3	(5)
Earnings before interest and taxes / EBIT	**104**	**74**
Net interest result	(80)	(71)
Profit from ordinary operations / EBT	**24**	**3**
Income taxes	(8)	(1)
Net income	**16**	**2**
Income accruing to minority interests	(2)	8
Net income after minority interests	**14**	**10**

April – June 2003

€ million	2003	2002
Net sales	**3 745**	**3 837**
Cost of sales	(3 050)	(3 141)
Gross margin	**695**	**696**
Selling expenses	(288)	(284)
General administrative expenses	(163)	(176)
Other operating income	48	90
Other operating expenses	(193)	(210)
Income from investments	0	(4)
Earnings before interest and taxes / EBIT	**99**	**112**
Net interest result	(44)	(34)
Profit from ordinary operations / EBT	**55**	**78**
Income taxes	(21)	(33)
Net income	**34**	**45**
Income accruing to minority interests	4	0
Net income after minority interests	**38**	**45**

General principles

The interim report has been prepared according to IAS 34 and is based on the accounting and valuation methods used for the previous consolidated financial statements at 31 December 2002. The interim financial statements have not been audited.

The scope of consolidation includes 249 companies, after 250 companies at 31 December 2002. The effect of this change in the scope of consolidation on the Group´s assets, financial position and earnings is negligible.

MAN Group: Consolidated balance sheet as of 30 June 2003

Assets
€ million

	30 June 2003	31 Dec. 2002
Intangible assets	505	520
Tangible assets	2,260	2,296
Assets leased out	738	788
Financial assets	161	158
Fixed assets	**3,664**	**3,762**
Inventories	3,967	3,773
Prepayments received	(1,615)	(1,679)
Trade receivables	3,068	3,293
Other receivables and current assets	854	779
Short-term securities	699	668
Cash and cash equivalents	544	609
Current assets	**7,517**	**7,443**
Deferred taxes	**444**	**444**
Prepaid expenses and deferred charges	**67**	**43**
	11,692	**11,692**

Equity & liabilities
€ million

	30 June 2003	31 Dec. 2002
MAN AG shareholders´ equity	2,516	2,630
Minority interests	248	261
Equity	**2,764**	**2,891**
Pension accruals	2,073	2,052
Tax accruals, deferred tax liabilities	546	594
Other accruals	1,861	1,876
Accruals	**4,480**	**4,522**
Financial liabilities	1,716	1,538
Trade payables	1,841	1,846
Other liabilities	826	830
Liabilities	**4,383**	**4,214**
Deferred income	**65**	**65**
	11,692	**11,692**

MAN Group: Consolidated cash flow statement
January - June 2003

€ million

	2003	2002
Cash and cash equivalents at beginning of year	**609**	**571**
Net income	16	2
Other non-cash expenses and income	305	356
Cash flow	**321**	**358**
Other changes in working capital	(252)	(429)
Net cash from operating activities	**69**	**(71)**
Capital expenditure	(312)	(490)
Proceeds on disposal of assets	111	127
Net cash used in investing activities	**(201)**	**(363)**
Dividends paid	(93)	(93)
Changes in financial liabilities and short-term securities	172	461
Net cash used in financing activities	**79**	**368**
Net change in cash and cash equivalents	**(53)**	**(66)**
Other changes in cash and cash equivalents	(12)	(1)
Cash and cash equivalents at end of the period	**544**	**504**

MAN Group: Consolidated statement of changes in equity
January - June 2003

€ million

	MAN AG shareholders' equity	minority interests	Total
Balance at 31 December 2002	**2 630**	**261**	**2,891**
Dividends paid	(88)	(5)	(93)
Net income	14	2	16
Currency translation effects	(28)	(5)	(33)
All other changes	(12)	(5)	(17)
Balance at 30 June 2003	**2,516**	**248**	**2,764**
Balance at 31 December 2001	**2,568**	**294**	**2,862**
Dividends paid	(88)	(5)	(93)
Net income	10	(8)	2
Currency translation effects	(32)	(3)	(35)
Übrige Veränderungen	(22)	(25)	(47)
Balance at 30 June 2002	**2,436**	**253**	**2,689**

Munic, 13 August 2003

MAN Aktiengesellschaft
Executive Board

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Financial calendar

Report on first half of 2003	13 August 2003
Report on third quarter of 2003	12 November 2003
Preliminary figures on orders & sales for 2003	15 January 2004
Letter to MAN shareholders on 2003	4 March 2004
Press conference on 2003 *	30 March 2004
Conference with analysts on 2003 *	30 March 2004
Report on first quarter of 2004	13 May 2004
Annual general meeting on financial year 2003	9 June 2004
Report on first half of 2004	12 August 2004
Report on third quarter of 2004	11 November 2004

* Presentation of annual report