



# News service MAN Group

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## MAN Roland Maintains Its Position In a Difficult Market

The MAN Roland Druckmaschinen Group was able to maintain its position in an exceptionally difficult market during the 2002 financial year. Internationally, the situation in the graphic arts industry remains tense. Weaker demand means that competition and pricing pressures will continue to be tough. The underlying cause of the current situation is the slump in the advertising market that has made many printing companies and publishing houses put their investment plans, if only temporarily, on hold. New orders fell from EUR 2 billion to EUR 1.5 billion, with sales falling from EUR 2.1 billion to EUR 1.8 billion. Orders on hand came to EUR 0.9 billion, down from EUR 1.3 billion. A decline in sales and the cost of restructuring efforts mean that pre-tax earnings of EUR 10 million are significantly lower than the previous year's figure of EUR 89 million. MAN Roland has launched a package of measures designed to save the group of companies around EUR 130 million over the next few years. The measures affect each of the three business sectors of the world's second largest printing systems manufacturer and market leader in newspaper printing: savings of EUR 80 million are expected to be achieved in the sheet-fed press sector, EUR 35 million in the web press sector, and EUR 15 million in the trade and services sector and the international sales network. The package is designed to continuously strengthen the MAN Roland Group's earning power and improve its market position. Fundamental objectives are to streamline the organization and thus accelerate reaction time to changing market conditions. Looking at the 2003 financial year, MAN Roland expects new orders and sales to be roughly in line with last year's levels. A significant improvement is anticipated for 2004 because of more favorable economic conditions, the push from the drupa 2004 trade fair, and the positive effects of the efficiency improvement program and its streamlining measures.

### Double-digit decrease in new orders, sales, and orders on hand

In the financial year 2002 MAN Roland achieved EUR 1.542 billion in new orders, down 23% compared to the previous year: EUR 701 million for sheet-fed systems (-16%), EUR 613 million for web-fed systems (-32%), and EUR 228 million for trade and services (-11%). Sales of EUR 1.808 billion were down by 13% compared to last year. Sheet-fed system sales came to EUR 706 million (-24%), web system sales were EUR 869 million (-2%), and trade and services sales were EUR 233 million (-11%). Like last year, the export share of sales amounted to 79%. As of December 31, 2002, the MAN Roland Group orders on hand amounted to EUR 904 million, or 29% less than on the last day of December 2001. Weak market demand has made capacity adjustments necessary in all three business sectors.

### Fewer employees

As of December 31, 2002, the MAN Roland Group employed 10,300 persons (compared to a permanent staff of 10,570 on December 31, 2001). Despite taking on 115 apprentices during the reporting period, the number of payrolled employees, including those in the Group's newly consolidated companies, was reduced by 752. This figure represents a reduction in permanent staff of 576 positions.



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A total of 373 positions are currently being eliminated in the sheet-fed press sector as part of the planned facilities consolidation measures. In addition, further personnel adjustments are planned for both the sheet-fed and web press sectors, and for the sales companies.

### Investments with a view to the future

In the year under review, EUR 69 million (compared to EUR 63 million the previous year) were spent for leasing agreements, rationalization measures, replacements and reinvestments, and for the continuation of reorganization measures.

### Results and outlook

Pre-tax earnings of EUR 10 million are significantly lower than the previous year's figure of EUR 89 million. While the web press sector operating results were very good, both the sheet-fed press sector and the trade and services sector recorded losses. The shortfall in the sheet-fed press sector is primarily due to structural changes entailed by facilities concentration measures in Offenbach, as well as to the extraordinary expenses incurred in connection with customer financing in the USA the previous year. The trade and services loss is fundamentally attributable to the shrinking volume – itself a result of a slow market – in trade-related business (prepress and finishing, and consumables).

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MAN Roland Druckmaschinen Group		2002	2001	Change in %
<b>New orders</b>	<b>million EUR</b>	<b>1 542</b>	<b>1 993</b>	<b>- 23</b>
Germany	million EUR	273	425	- 36
Abroad	million EUR	1 269	1 568	- 19
<b>Sales</b>	<b>million EUR</b>	<b>1 808</b>	<b>2 081</b>	<b>- 13</b>
Germany	million EUR	382	437	- 13
Abroad	million EUR	1 426	1 644	- 13
<b>Orders on hand (December, 31)</b>	<b>million EUR</b>	<b>904</b>	<b>1 273</b>	<b>- 29</b>
<b>Employees (December, 31)</b>	<b>Number</b>	<b>10 300</b>	<b>10 570</b>	<b>- 3</b>
<b>Investments incl. Leasing</b>	<b>million EUR</b>	<b>69</b>	<b>63</b>	<b>+10</b>
<b>Pre-tax earnings</b>	<b>million EUR</b>	<b>10</b>	<b>89</b>	<b>- 89</b>