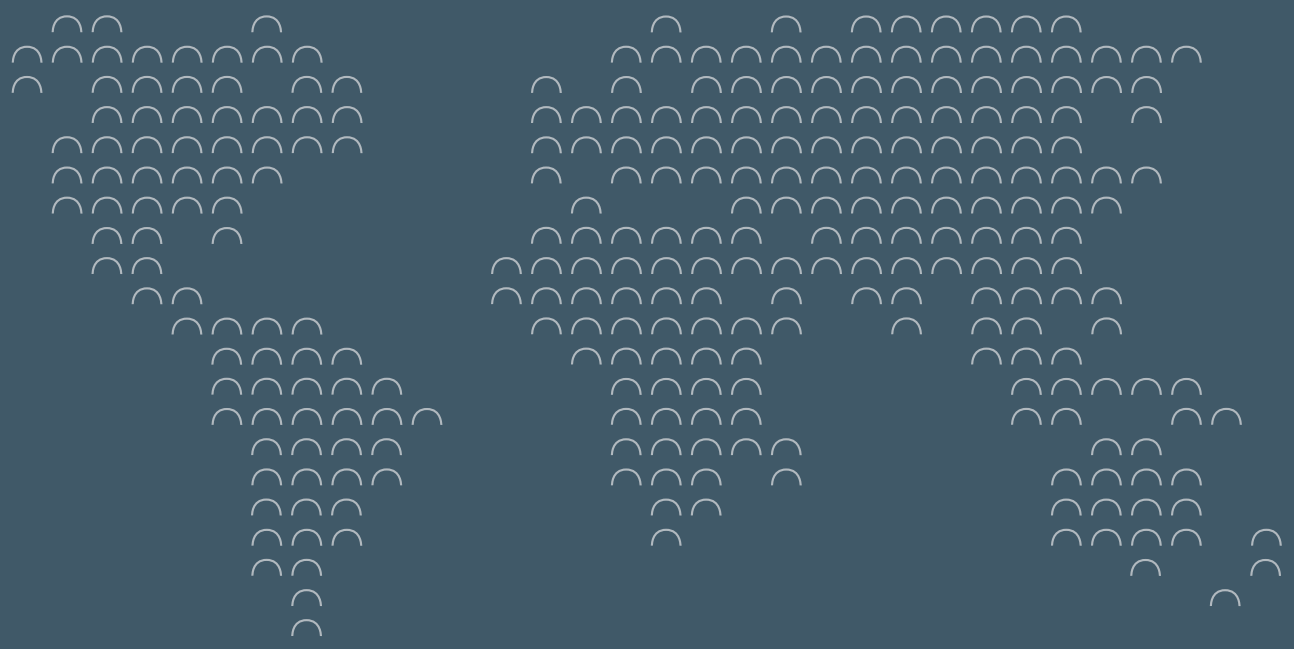
Interim Report as of June 30, 2007 – Q2 2007
MAN AG



ENGINEERING THE FUTURE

At a glance

MAN Group	2007	2006	Change	2007	2006	Change
€ million	H1	H1	in %	Q2	Q2	in %
Order intake	9,567	7,973	+20	4,754	4,054	+17
Germany	2,469	2,130	+16	1,045	1,045	0
Abroad	7,098	5,843	+21	3,709	3,009	+23
Net sales	6,769	6,044	+12	3,467	3,177	+9
Germany	1,679	1,567	+7	823	780	+5
Abroad	5,091	4,477	+14	2,644	2,397	+10
Order backlog *)	13,536	11,298	+20	13,536	11,298	+20
Headcount *)	51,225	50,290	+2	51,225	50,290	+2
Germany	29,833	29,399	+1	29,833	29,399	+1
abroad	21,392	20,891	+2	21,392	20,891	+2
Headcount incl. temporary/loaned employees *)	54,965	53,715	+2	54,965	53,715	+2
Germany	32,010	31,368	+2	32,010	31,368	+2
Abroad	22,955	22,347	+3	22,955	22,347	+3
			in € mill.			in € mill.
Operating profit	721	473	+248	403	262	+141
Nonrecurring net result	241	—	+241	241	—	+241
EBT	935	432	+503	630	230	+400
EAT (net income)	668	352	+316	440	198	+242
EpS of continuing operations (€)	4.47	2.13	+2.34	2.98	1.15	+1.83
EpS of continuing operations excl. nonrecurring result (€)	3.55	2.13	+1.42	2.06	1.15	+0.91
ROS in %	10.7	7.8	—	11.6	8.2	—
Net result of discontinued operations	5	35	–30	0	27	–27
Capital expenditures	402	216	+186	120	131	–11
Amortization/depreciation/write-down	220	157	+63	141	84	+57
R&D expenditures	200	198	+2	101	99	+2
Cash earnings	776	526	+250	514	286	+228
Cash flow from operating activities	968	212	+756	767	171	+596
Cash flow from investing activities	(243)	(186)	–57	9	(111)	+120
Free cash flow	725	26	+699	776	60	+716
Net financial debt *)	(724)	(946)	+222	(724)	(946)	+222
Equity *)	4,850	3,779	+1,071	4,850	3,779	+1,071

Any differences in this interim report are due to rounding. The prior-year H1 data has throughout been restated on a like-for-like basis and excludes the discontinued Printing Systems and Steel Trade operations (IFRS 5).

*) As of June 30, 2007, versus December 31, 2006

The MAN Group in Q2/2007:

- Q2/2007 operating profit: €403 million, up 54 percent from year-earlier €262 million; six-month (H1) operating profit: €721 million, up 52 percent

- Q2 sales up 9 percent to €3.5 billion; H1 sales rising 12 percent to €6.8 billion

- Q2 and H1 order intake €4.8 billion (up 17 percent) and €9.6 billion (up 20 percent), respectively

- Strong earnings improvement by Commercial Vehicles, despite underperformance by Buses; Trucks' H1 ROS 11.1 percent; H1 operating loss of Buses at €13 million

- Restructuring regimen planned for Buses, impairment loss of Neoplan goodwill and expected restructuring expenses of together €130 million shown within the nonrecurring result

- ERF case settled by agreement with Freightliner: MAN receiving £250 million in damages (as nonrecurring income not reflected in operating profit either)

- At 10.7 percent for H1/2007, ROS first time double-digit (up from 7.8 percent); excluding the Scania dividend (€43 million), H1 ROS equals 10.0 percent

- Earnings per share (EpS) €4.47 (up from €2.13), EpS excluding nonrecurring result: €3.55

- Prospects: for all of 2007 we expect sales to climb 10+ percent, with ROS just above 10 percent

Q2/2007 management report

Economic environment stable

The economy continued to make headway in the second quarter, with Germany turning into a mainstay of European upswing. The prime driving forces are capital expenditures on the part of the business community with increased spending on capacity expansion given the heavy workloads of production companies and the building and construction sector. Versus the previous quarter, business confidence, albeit still strong, has somewhat subsided. Concurrently, the congenial economic climate is increasingly impacting on the German job market and thereby encouraging consumer spending. The global economy, too, continued its uptrend, especially in the emerging countries and C&E Europe.

The MAN Group again showing vigorous growth

Following the strong Q1/2007 growth, Q2 order intake was again very buoyant. Orders valued at €4.8 billion rose 17 percent over the year-earlier €4.1 billion. At €9.6 billion, H1 orders were up 20 percent from €8.0 billion. Most of the growth is attributable to business at Commercial Vehicles where H1 orders leaped 23 percent to €6.5 billion. Whereas Trucks orders accelerated 29 percent, new Buses business sagged 8 percent. Diesel Engines, too, made further headway in H1/2007 and, propelled by strong demand for marine propulsion systems, topped its high year-earlier figure by 27 percent to reach €1.5 billion. Demand at Turbo Machinery was just short of the high year-earlier level while Industrial Services lifted its order intake by 12 percent.

MAN is pressing ahead with its internationalization efforts. In H1/2007, orders from Germany climbed 16 percent to €2.5 billion, outside of Germany by 21 percent to €7.1 billion, mainly on account of contracts for trucks which surged 36 percent to €4.0 billion.

The rush of incoming orders and an order backlog which since January 1 has risen by 20 percent to a new record of €13.5 billion, are reflected in mushrooming sales, too. Whereas Q2 sales rose 9 percent from €3.2 billion to €3.5 billion, the figure for both quarters combined is now €6.8 billion, equivalent to a 12-percent growth versus the year-earlier €6.0 billion. All the manufacturing areas reported sales gains: Turbo Machinery and Commercial Vehicles even double-digit at 21 and 14 percent, respectively, and Diesel Engines 7 percent. It is becoming increasingly evident, however, that even steeper growth is also hinging of the ability of our suppliers to deliver the necessary key components. Sales at Industrial Services slipped by 7 percent from the year-earlier level, the latter having included the meanwhile sold-off TAKRAF Group (prorated at €56 million). Allowing for TAKRAF, sales were unchanged.

Another emphatic earnings hike, restructuring regimen planned for Buses

A major focus of our efforts is to achieve rising business volumes with, at the same time, a continuous improvement of the operating performances of all our business areas. This is a path we continued to take

in Q2/2007. The operating profit jumped from €262 million last year to €403 million, the Scania dividend accounting for €43 million. For 2007 the H1 operating profit surged 52 percent to €721 million (up from €473 million in 2006). As a consequence, ROS rose from 7.8 to 10.7 percent in H1/2007. Excluding the Scania dividend, the figure is 10.0 percent and, for the first time ever in the Group's history, of double-digit magnitude.

Once more all the business areas upped their returns. With another gain in business volume and ongoing efficiency campaigns, Commercial Vehicles lifted its operating profit by €136 million from €298 million to €434 million and its ROS from 7.4 to 9.4 percent. Clouding the solid progress reported by Trucks (ROS rising from 8.0 to 11.1 percent), is the €13 million H1 operating loss of Buses due to poorer margins and heavier personnel expenses. Diesel Engines likewise showed improved earnings and a higher ROS; the operating profit reached €123 million (up from €101 million), ROS rising from 11.5 to 13.1 percent. Working closer to capacity and booking profitable contracts, Turbo Machinery raised its operating profit from €28 million to €41 million, equivalent to an ROS of 8.5 percent (up from 7.0). The operating profit at Industrial Services inched up by €2 million to €53 million, ROS from 8.1 to 9.2 percent.

In Q2 the following factors produced a nonrecurring result that impacted on EBT but not on the operating profit: On the one hand, we orchestrated a restructuring program for Buses after this unit failed by far to attain the target return despite massive efforts, this underperformance prompting us to write down the €85 million goodwill from the Neoplan acquisition by a full €65 million, a grave impairment loss. Expected restructuring expenses totaled another €65 million, which we accrued. On the other hand, we agreed with Freightliner to settle the year-long ERF litigation against payment of £250 million in damages. In this context, we wrote off and derecognized the residual €34 million goodwill from the ERF acquisition since the damages paid reduced the historical cost of the investment to nil, the reason for goodwill capitalization thus becoming inexistent. Finally, the nonrecurring result includes €33 million from the stock split and subsequent stock repurchase by Scania, bringing the nonrecurring income to a net total of €241 million.

The MAN Group's H1 EBT (including the nonrecurring income) soared from €432 million a year ago to €935 million in 2007, its H1 net income (EAT) surging from €352 million in 2006 to €668 million. Earnings per share (EpS) of continuing operations improved to €3.55 excluding nonrecurring income and €4.47 including it (up from €2.13).

The MAN Group's prospects

The worldwide economic prospects for the latter half of this year we consider to be still congenial; current forecasts by the economic research institutes are predicting for the Eurozone this year an average real GDP growth of 3 percent. In all, therefore, we are looking to a robust economic environment and strong demand for our products and services.

For all of this year, the MAN Group will raise its order intake by around 5 percent (2006: €16.6 billion) and its sales by over 10 percent (2006: €13.0 billion). The Group's operating profit (2006: €1,105 million) will once again outpace sales, with ROS (2006: 8.5 percent) for the full 12 months just over 10 percent.

Excellent cash conversion in Industrial Business

The MAN Group's H1 free cash flow amounted to €725 million, Industrial Business providing €837 million while the balance of €112 million was used by Financial Services for the scheduled expansion of commercial vehicles financing. The free cash flow generated by Industrial Business includes nonrecurring income of €367 million from the ERF settlement and an offsetting net expense of €22 million (representing the net from the acquisition in Q1 of further Scania shares, the Scania dividend and the stock split with subsequent stock repurchase by Scania). Adjusted for this nonrecurring result, the free cash flow provided by Industrial Business came to €492 million, thus outnumbering the €480 million net income (EAT) earned by Industrial Business after adjustment for the nonrecurring result (€241 million), the Scania dividend (€43 million) and the related taxes, and underlining the MAN Group's excellent cash conversion in H1/2007.

We used the high free cash flow to pay a higher total dividend of €297 million (up €94 million), transfer another €207 million to our pension fund, and redeem €253 million of financial liabilities.

Consequently, the MAN Group's net financial debt was whittled down by €222 million, from €946 million at December 31, 2006, to €724 million as of June 30, 2007. Industrial Business improved its net liquid assets to €773 million (up from €572 million) while Financial Services, due to its refinancing business, reported a net financial debt of €1,497 million (down from €1,518 million).

Asset and capital structure further upgraded

As of June 30, 2007, the MAN Group reported total assets of €16.5 billion (up from €15.2 billion at December 31, 2006). Noncurrent assets climbed €0.7 billion to €7.7 billion, mainly thanks to the stepped-up stake in Scania and the Scania stock price hike. By the end of H1/2007, current assets edged up from €8.2 billion to €8.7 billion, the increased business volume primarily swelling inventories by €0.4 billion to €3.4 billion while trade receivables remained virtually unchanged despite the high sales.

Total equity rose by €1.1 billion to €4.9 billion after the addition of H1 net income of €0.7 billion and another €0.7 billion substantially as other comprehensive income (OCI) from unrealized gains/losses, and the deduction of the €0.3 billion dividend payout. The equity ratio thus improved from 24.8 to 29.5 percent, at Industrial Business even to 32.1 percent (up from 27.2). Noncurrent liabilities and accruals shrank by €0.4 billion to €4.5 billion as financial liabilities were redeemed and another €0.4 billion was transferred to the CTO Pension Fund Trust. In contrast, current liabilities and accruals grew by €0.6 billion to €7.1 billion, basically due to higher prepayments received.

Growth again drives up headcount

At June 30, 2007, the MAN Group employed a workforce of 51,225, an extra 935 versus the 50,290 at December 31, 2006. Most of the additional manpower was recruited to cope with rising business in the manufacturing areas and the resulting growth plans. Commercial Vehicles employed an extra 539 persons, chiefly in connection with the setting-up of the Polish plant and the organization of the Russian sales network. Diesel Engines (up 190), Turbo Machinery (up 160), and RENK (up 122) all hired additional labor. The decline at Industrial Services (down 144) results from the sale of Metallwerk Elisenhütte GmbH with a workforce of 144.

In Germany, the MAN Group employed 29,833 persons at June 30, 2007 (up from 29,399 at Dec. 31, 2006); abroad 21,392 (up from 20,891 at Dec. 31, 2006). As a consequence, 42 percent were employed outside of Germany. Loaned labor added up to 3,740 (at June 30, 2007). This was 9 percent more than at Dec. 31, 2006, and necessary to deal with the higher workloads.

Risk report

Compared with our assessments for the financial statements 2006 risks have since not materially changed.

MAN stock

H1/2007 was a period in which the prime German stock market index, the DAX, proved to be in good shape and advanced by around 21 percent. A medley of upbeat business and economic data, repeated takeover conjectures, and improved consumer confidence within Germany drove the DAX in the direction of its all-time high of 8,136 points.

Amid this congenial market environment our common stock—which also benefited from favorable analyst opinions—mounted 56 percent in price from €38.30 to €106.76 in the period January 1 to June 30, 2007. In fact, in the first half of 2007 MAN stock was absolute front-runner among all the DAX members.

In May and June 2007, we were notified by MAN stockholders about certain ownership changes. The voting stake held by UBS AG, Zurich, Switzerland, in MAN AG crossed the 3-percent threshold on May 21, 2007, to reach 3.32 percent. On June 7, 2007, the stake then slipped back below the 3-percent mark to 2.12 percent.

MAN AG's index-relevant market capitalization (based on 70.1-percent free float) amounted to €10,475 million at June 30, 2007, the Company thus ranking 20th (previous quarter 23rd) among the DAX members. In terms of market trading volume, MAN ranked 20th (previous quarter 19th).

Key figures by business area

Order intake by business area								
€ million	H1/2007	H1/2006 LFL	Change in %	H1/2006 publ.	Q2/2007	Q2/2006 LFL	Change in %	Q2/2006 publ.
Commercial Vehicles	6,504	5,292	+23	5,292	2,994	2,655	+13	2,655
Diesel Engines	1,537	1,214	+27	1,214	908	683	+33	683
Turbo Machinery	723	750	–4	750	370	434	–15	434
Industrial Services	647	580	+12	1,260	409	206	+99	541
Others/consolidation	155	136	+14	313	73	76	–3	337
MAN Group	**9,567**	**7,973**	**+20**	**8,829**	**4,754**	**4,054**	**+17**	**4,650**

Sales by business area								
€ million	H1/2007	H1/2006 LFL	Change in %	H1/2006 publ.	Q2/2007	Q2/2006 LFL	Change in %	Q2/2006 publ.
Commercial Vehicles	4,608	4,041	+14	4,041	2,370	2,148	+10	2,148
Diesel Engines	941	877	+7	877	484	415	+17	415
Turbo Machinery	482	399	+21	399	264	216	+22	216
Industrial Services	580	623	–7	1,185	276	329	–16	625
Others/consolidation	157	104	+51	278	73	69	+5	186
MAN Group	**6,769**	**6,044**	**+12**	**6,780**	**3,467**	**3,177**	**+9**	**3,590**

Operating profit by business area								
€ million	H1/2007	H1/2006 LFL	Change in %	H1/2006 publ.	Q2/2007	Q2/2006 LFL	Change in %	Q2/2006 publ.
Commercial Vehicles	434	298	+46	298	233	171	+36	171
Diesel Engines	123	101	+22	101	66	50	+32	50
Turbo Machinery	41	28	+46	28	23	18	+28	18
Industrial Services	53	51	+4	65	21	28	–25	38
Others/consolidation	70	(5)	—	(4)	60	(5)	—	(4)
Operating profit	**721**	**473**	**+52**	**488**	**403**	**262**	**+54**	**273**
Nonrecurring income	241	—	—	—	241	—	—	—
Net interest expense	(27)	(41)	—	(44)	(14)	(32)	—	(33)
EBT	**935**	**432**	**+116**	**444**	**630**	**230**	**+174**	**240**
Income taxes	(272)	(115)	—	(115)	(190)	(59)	—	(59)
Net result of discontinued operations	5	35	–86	23	0	27	—	17
EAT (net income)	**668**	**352**	**+90**	**352**	**440**	**198**	**+122**	**198**

The business areas in detail

COMMERCIAL VEHICLES

€ million	H1/2007	H1/2006	Change in %	Q2/2007	Q2/2006	Change in %
Order intake	6,504	5,292	+23	2,994	2,655	+13
thereof Trucks	5,688	4,406	+29	2,505	2,219	+13
thereof Buses	816	886	–8	490	436	+12
Net sales	4,608	4,041	+14	2,370	2,148	+10
thereof Trucks	3,898	3,369	+16	1,991	1,788	+11
thereof Buses	711	672	+6	379	360	+5
Total vehicles sold	46,914	39,814	+18	24,523	21,310	+15
thereof Trucks	43,275	36,326	+19	22,599	19,428	+16
thereof Buses	3,639	3,488	+4	1,924	1,882	+2
Employees *)	34,733	34,194	+2	34,733	34,194	+2
			in € mill.			**in € mill.**
Operating profit/(loss)	434	298	+136	233	171	+62
thereof Trucks	431	269	+162	242	151	+91
thereof Buses	(13)	11	–24	(17)	10	–27
thereof Financial Services (MFI)	16	18	–2	8	10	–2
ROS in %	9.4	7.4	—	9.8	8.0	—

*) Headcount at June 30, 2007, versus December 31, 2006

Demand for commercial vehicles was again remarkably robust and H1/2007 order intake added up to €6,504 million, 23 percent higher than in H1/2006 (€5,292 million). The repeated surge of new orders booked by Trucks (up 29 percent) particularly benefited the heavy TGA series, albeit the number of mid-range trucks ordered also rose by 21 percent. Within Buses, chassis demand climbed 10 percent but for complete buses, especially cross-country, demand was still declining. Nonetheless, it still proved possible to catch up to an appreciable degree on the Q1 shortfall.

Driven by the very strong demand for trucks, H1/2007 sales mounted 14 percent to €4,608 million. Truck business advanced 16 percent, sales scaling to €3,898 million. In the first 5 months of 2007, our share of the European market for trucks of over 6 t GVW inched up 1.1 percentage points to 16.7 percent.

Profitability at Commercial Vehicles again made great strides forward and thanks to ongoing efficiency enhancements and the large volumes we managed to push up the H1/2007 operating profit by €136 million from €298 million to €434 million and thus raise ROS from 7.4 to 9.4 percent, Q2 ROS reaching 9.8 percent. H1 ROS at Trucks amounted to 11.1 percent (up from 8.0) and in Q2 even surged to 12.2 percent (up from 8.4). Following a modest Q1/2007 profit, Buses reported a Q2 loss of €17 million in the wake of poorer margins and higher personnel expenses. In all, the H1 loss at Buses came to €13 million (down from a black €11 million in H1/2006). Despite enormous efforts we have so far not nearly

closed in on the benchmark set for Buses. As a consequence, we had to write down the €85 million goodwill from the Neoplan acquisition by €65 million. We therefore planned a restructuring regimen for this unit and the success of the restructuring plans will materialize step by step over the years ahead. The restructuring expenses were currently estimated at €65 million and fully provided for. Being non-recurring, the goodwill write-down and restructuring accruals are not reflected in operating profit.

Our outstanding order position in the truck sector makes us again confident as to the latter half of 2007. In H2/2007 we are expecting cost burdens from the rollout of the new TGS/TGX series and the start-up of production at Kraków, Poland. Hence and assuming that sales climb from €8,685 million in 2006 to about €9,700 million this year, we are looking to an ROS for all of 2007 at the level of H1/2007 (8.0 percent in 2006).

DIESEL ENGINES

€ million	H1/2007	H1/2006	Change in %	Q2/2007	Q2/2006	Change in %
Order intake	1,537	1,214	+27	908	683	+33
thereof Two-Stroke	443	275	+61	247	130	+89
thereof Four-Stroke	1,094	939	+16	661	553	+20
Net sales	941	877	+7	484	415	+17
thereof Two-Stroke	290	289	0	149	139	+8
thereof Four-Stroke	651	588	+11	335	276	+22
Employees *)	6,598	6,408	+3	6,598	6,408	+3
			in € mill.			**in € mill.**
Operating profit	123	101	+22	66	50	+16
thereof Two-Stroke	66	48	+18	38	24	+14
thereof Four-Stroke	57	53	+4	28	26	+2
ROS in %	13.1	11.5	—	13.7	12.0	—

*) Headcount at June 30, 2007, versus December 31, 2006

Demand for diesel engines remained unslaked in H1/2007 and at €1,537 million order intake once again overshot a very high year-earlier €1,214 million by 27 percent. Most welcome was the fact that orders rose by 61 percent from €275 million to €443 million for the highly profitable two-stroke diesels. Order intake for the four-stroke variety also advanced, from €940 million to €1,094 million, with demand focusing on marine diesel engines.

H1 sales mounted 7 percent to €941 million; Two-Stroke at €290 million remained at the year-earlier volume of €289 million, Four-Stroke expanded 11 percent to €651 million (up from €588 million). The main reasons for the relatively moderate gains were the bottlenecks at many of our suppliers and hence the delay in the delivery of the required components.

Nonetheless we improved the operating profit by 23 percent or €22 million to €123 million; Two-Stroke by €18 million to €66 million, Four-Stroke from €53 million to €57 million. By the end of June, ROS amounted to 13.1 percent (up from 11.5).

For the current year 2007, we are predicting an order intake surpassing the very high level of 2006 (€2,619 million) and a sales growth in the region of 10 percent (2006: €1,802 million). The H1/2007 ROS of 13.1 percent we aim to raise slightly and hence report another much improved operating profit (2006: €229 million).

TURBO MACHINERY

€ million	H1/2007	H1/2006	Change in %	Q2/2007	Q2/2006	Change in %
Order intake	723	750	–4	370	434	–15
Net sales	482	399	+21	264	216	+22
Employees *)	3,417	3,257	+5	3,417	3,257	+5
			in € mill.			in € mill.
Operating profit	41	28	+13	23	18	+5
ROS in %	8.5	7.0	—	8.7	8.3	—

*) Headcount at June 30, 2007, versus December 31, 2006

H1/2007 demand for turbo machinery was again strong and order intake at €723 million almost matched the high year-earlier €750 million. Whereas demand for new equipment tapered somewhat versus H1/2006, service business again flourished.

The steady influx of fresh orders meant a gain in sales throughout to €482 million (up 21 percent) for H1/2007. The higher volume of business and improved margins allowed the operating profit to shoot up by €13 million to €41 million (up 47 percent). The performance also reflects the effect of the steps taken in previous years to hone business processes. H1 ROS ascended from 7.0 to 8.5 percent.

June 2007 saw the foundation stone laid for a new plant in China, MAN's first production plant in this country. Turbo Machinery is building in Changzhou, some 200 km westward of Shanghai, a production and servicing shop where a workforce of around 200 will make the basic turbo machinery parts then to be assembled into complete units together with key components shipped in from Europe.

For all of 2007 we expect order influx to remain buoyant, albeit slightly short of the €1,498 million in 2006 when several megacontracts were booked. The rise in sales and operating profit shown in H1/2007 will continue into H2 with the result that fiscal 2007 should close with sharp gains (2006: €908 million sales and €71 million operating profit).

INDUSTRIAL SERVICES

€ million	H1/2007	H1/2006	Change in %	Q2/2007	Q2/2006	Change in %
Order intake	647	580	+12	409	206	+99
thereof Projects	251	303	–17	167	80	+108
thereof Services	397	277	+43	242	126	+93
Net sales	580	623	–7	276	329	–16
thereof Projects	273	329	–17	108	169	–36
thereof Services	307	294	+5	168	160	+5
Employees *)	4,171	4,290	–3	4,171	4,290	–3
			in € mill.			**in € mill.**
Operating profit	53	51	+2	21	28	–7
ROS in %	9.2	8.1	—	7.6	8.3	—

*) Headcount at June 30, 2007, versus December 31, 2006

Order intake at Industrial Services in H1/2007 mounted 12 percent to €647 million of which €397 million was derived from Services and €251 million from Projects. The second half of the year is expected to result in sizable projects on a scale of earlier years.

H1 sales added up to €580 million, 7 percent down from 2006, a period which had included the meanwhile sold-off TAKRAF Group (prorated at €56 million). Adjusted for this divestee, sales match the 2006 level. The operating profit at Industrial Services inched up by €2 million to €53 million; ROS climbed from 8.1 to 9.2 percent.

For all of 2007 we are still confident of clearly surpassing the year-earlier operating profit of €119 million. As to order intake, whose volume largely hinges on new megacontracts, we will remain slightly short of the exceptionally high level of 2006.

OTHERS/CONSOLIDATION

€ million	H1/2007	H1/2006	Change in %	Q2/2007	Q2/2006	Change in %
Order intake	155	136	+14	73	76	–3
thereof RENK	221	170	+30	111	82	+35
thereof shared services/cons.	(66)	(34)	—	(38)	(6)	—
Net sales	157	104	+51	73	69	+5
thereof RENK	196	151	+30	92	79	+15
thereof shared services/cons.	(39)	(47)	—	(18)	(10)	—
Employees *)	2,306	2,141	+8	2,306	2,141	+8
thereof RENK	1,697	1,575	+8	1,697	1,575	+8
thereof shared services	403	362	+11	403	362	+11
thereof MAN AG	206	204	+1	206	204	+1
			in € mill.			**in € mill.**
Operating profit	70	(5)	+75	60	(5)	+65
thereof RENK	31	16	+15	13	8	+5
thereof MAN AG and shared services	(12)	(19)	+7	(1)	(11)	+10
thereof Scania dividend payout	43	—	+43	43	—	+43
thereof investee Roland (at equity)	11	—	+11	6	—	+6
thereof consolidation	(3)	(2)	–1	(1)	(2)	+1

*) Headcount at June 30, 2007, versus December 31, 2006

Subsumed under the umbrella of Others/Consolidation are the industrial subsidiary RENK, as well as MAN AG as Corporate Center (including its shared services companies) and MAN intragroup consolidation transactions.

Business at RENK again boomed, with H1 order intake of €221 million and sales of €196 million. Versus H1/2006, the operating profit almost doubled from €16 million to €31 million.

H1 expenses of Corporate Center (including its shared services companies) totaled €12 million (down from €19 million). Further contributors were the prorated H1/2007 investment income of €11 million from the Roland Group; the year before, this company had not yet been sold but disclosed as discontinued Printing Systems operation. The Scania dividend payment added €43 million to operating profit.

Semiannual financial statements as of June 30, 2007

Statement of the Executive Board

To the best of our knowledge and in accordance with the applicable interim financial reporting principles, we state that (i) the abridged IFRS interim consolidated financial statements present a true and fair view of the MAN Group's asset and capital structure, financial position and results of operations, (ii) the interim group management report presents a fair review of the Group's business trend, performance and position, and (iii) the principal risks and rewards associated with the Group's expected development for the remaining months of the fiscal year have been duly described.

Munich, July 31, 2007

Håkan Samuelsson
CEO

Prof. Dr. h. c. Karlheinz Hornung
CFO

MAN consolidated income statement

€ million	MAN Group		Industrial Business		Financial Services	
H1	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Net sales	**6,769**	**6,044**	**6,769**	**6,044**	**—**	**—**
Cost of sales	(5,151)	(4,677)	(5,151)	(4,677)	—	—
Gross margin	**1,618**	**1,367**	**1,618**	**1,367**	**—**	**—**
Other operating income	679	358	572	133	107	225
Selling expenses	(435)	(395)	(432)	(392)	(3)	(3)
General administrative expenses	(356)	(324)	(349)	(319)	(7)	(5)
Other operating expenses	(684)	(558)	(599)	(359)	(85)	(199)
Net P/L from associated affiliates	57	22	53	22	4	—
Other income from investments	83	3	83	3	—	—
EBIT	**962**	**473**	**946**	**455**	**16**	**18**
Interest income	19	21	19	21	—	0
Interest expense	(46)	(62)	(46)	(62)	(0)	(0)
EBT	**935**	**432**	**919**	**414**	**16**	**18**
Income taxes	(272)	(115)	(268)	(110)	(4)	(5)
Net result of discontinued operations	5	35	5	35	—	—
EAT (net income)	**668**	**352**	**656**	**339**	**12**	**13**
Minority interests	(6)	(4)	(6)	(4)	—	—
Net income after minority interests	**662**	**348**	**650**	**335**	**12**	**13**
EpS of continuing operations in €	**4.47**	**2.13**	**4.39**	**2.04**	**0.08**	**0.09**

MAN consolidated income statement

€ million	MAN Group		Industrial Business		Financial Services	
Q2	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Net sales	**3,467**	**3,177**	**3,467**	**3,177**	**—**	**—**
Cost of sales	(2,639)	(2,453)	(2,639)	(2,453)	—	—
Gross margin	**828**	**724**	**828**	**724**	**—**	**—**
Other operating income	498	184	447	67	51	117
Selling expenses	(222)	(200)	(221)	(199)	(1)	(1)
General administrative expenses	(172)	(166)	(169)	(164)	(3)	(2)
Other operating expenses	(389)	(287)	(350)	(183)	(39)	(104)
Net P/L from associated affiliates	24	7	24	7	0	—
Other income from investments	77	0	77	0	—	—
EBIT	**644**	**262**	**636**	**252**	**8**	**10**
Interest income	8	10	8	11	—	(1)
Interest expense	(22)	(42)	(22)	(43)	(0)	1
EBT	**630**	**230**	**622**	**220**	**8**	**10**
Income taxes	(190)	(59)	(188)	(56)	(2)	(3)
Net result of discontinued operations	0	27	0	27	—	—
EAT (net income)	**440**	**198**	**434**	**191**	**6**	**7**
Minority interests	(2)	(2)	(2)	(2)	—	—
Net income after minority interests	**438**	**196**	**432**	**189**	**6**	**7**
EpS of continuing operations in €	**2.98**	**1.15**	**2.94**	**1.09**	**0.04**	**0.06**

MAN consolidated balance sheet as of June 30, 2007

Assets

€ million	MAN Group		Industrial Business		Financial Services	
	6/30/07	**12/31/06**	**6/30/07**	**12/31/06**	**6/30/07**	**12/31/06**
Intangible assets	346	439	345	438	1	1
Tangible assets	1,693	1,649	1,690	1,559	3	90
Investment properties	44	77	44	42	0	35
Shares in associated affiliates	249	196	245	196	4	—
Financial investments	2,131	1,400	2,131	1,399	0	1
Assets leased out	2,353	2,395	1,473	1,590	880	805
Deferred tax assets	755	697	751	692	4	5
Other noncurrent assets	164	145	164	145	0	0
Noncurrent assets	**7,735**	**6,998**	**6,843**	**6,061**	**892**	**937**
Inventories	3,418	3,032	3,394	2,983	24	49
Trade receivables	2,979	2,987	2,274	2,324	705	663
Income tax assets	83	25	83	25	—	—
Assets of discontinued operations	221	244	221	244	—	—
Other current assets	891	798	691	596	200	202
Cash and cash equivalents	1,128	1,162	1,116	1,147	12	15
Current assets	**8,720**	**8,248**	**7,779**	**7,319**	**941**	**929**
	16,455	**15,246**	**14,622**	**13,380**	**1,833**	**1,866**

MAN consolidated balance sheet as of June 30, 2007

Equity & liabilities

€ million	MAN Group		Industrial Business		Financial Services	
	6/30/07	**12/31/06**	**6/30/07**	**12/31/06**	**6/30/07**	**12/31/06**
Capital stock	376	376				
Additional paid-in capital	795	795				
Retained earnings	3,099	2,731				
Accumulated OCI	554	(144)				
Stockholders' equity	**4,824**	**3,758**	**4,671**	**3,622**	**153**	**136**
Minority interests	26	21	26	21	—	—
Total equity	**4,850**	**3,779**	**4,697**	**3,643**	**153**	**136**
Noncurrent financial liabilities	1,487	1,678	1,145	1,334	342	344
Pension obligations	576	946	574	943	2	3
Deferred tax liabilities	502	441	470	408	32	33
Other noncurrent accruals	516	509	516	509	0	0
Other noncurrent liabilities	1,424	1,354	1,424	1,352	0	2
Noncurrent liabilities and accruals	**4,505**	**4,928**	**4,129**	**4,546**	**376**	**382**
Current financial liabilities	365	430	226	327	139	103
Due to/(from) intragroup financing	—	—	(1,028)	(1,086)	1,028	1,086
Trade payables	1,584	1,602	1,504	1,513	80	89
Prepayments received	1,969	1,557	1,964	1,557	5	—
Current income tax liabilities	620	409	613	409	7	0
Liabilities of discontinued operations	83	95	83	95	—	—
Other current accruals	1,113	1,006	1,108	998	5	8
Other current liabilities	1,366	1,440	1,326	1,378	40	62
Current liabilities and accruals	**7,100**	**6,539**	**5,796**	**5,191**	**1,304**	**1,348**
	16,455	**15,246**	**14,622**	**13,380**	**1,833**	**1,866**

MAN consolidated statement of cash flows

€ million	MAN Group		Industrial Business		Financial Services	
H1	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
EBT	935	432	919	414	16	18
Current income taxes	(331)	(89)	(328)	(89)	(3)	0
Cash earnings of discontinued operations	4	38	4	38	—	—
Amortization/depreciation/write-down of noncurrent assets other than assets leased out	220	157	220	154	0	3
Change in pension accruals	6	14	6	14	0	0
Undistributed P/L of associated affiliates	(58)	(25)	(54)	(25)	(4)	—
Other noncash income/expenses, net	—	(1)	—	(1)	—	—
Cash earnings	**776**	**526**	**767**	**505**	**9**	**21**
Change in inventories	(436)	(452)	(461)	(453)	25	1
Change in prepayments received	410	199	405	197	5	2
Change in trade receivables	100	37	145	78	(45)	(41)
Change in trade payables	(36)	(1)	(28)	11	(8)	(12)
Change in income tax assets/liabilities	149	64	142	64	7	0
Change in assets leased out	42	(60)	117	19	(75)	(79)
Change in customer payments for assets leased out	(97)	(50)	(97)	(50)	—	—
Change in other accruals	113	(13)	115	(18)	(2)	5
Change in other assets	(114)	(57)	(110)	(64)	(4)	7
Change in other liabilities	85	7	103	(2)	(18)	9
Elimination of net gain/loss from fixed-asset disposal	(17)	(4)	(17)	(4)	0	0
Other changes in working capital	(7)	16	(2)	17	(5)	(1)
Net cash provided by/(used in) operating activities	**968**	**212**	**1,079**	**300**	**(111)**	**(88)**
Cash outflow for additions to tangible/intangible assets and investment properties	(205)	(200)	(204)	(200)	(1)	0
Cash outflow for additions to investments	(197)	(16)	(197)	(16)	—	0
Cash inflow from fixed-asset disposal	155	43	155	37	0	6
Net cash used in investing activities of discontinued operations	(2)	(13)	(2)	(13)	—	—
Cash inflow from the disposal of discontinued operations and investments	6	—	6	—	—	—
Net cash (used in)/provided by investing activities	**(243)**	**(186)**	**(242)**	**(192)**	**(1)**	**6**
Free cash flow from operating and investing activities	**725**	**26**	**837**	**108**	**(112)**	**(82)**

MAN consolidated statement of cash flows (continued)

€ million	MAN Group		Industrial Business		Financial Services	
H1	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Free cash flow from operating and investing activities	**725**	**26**	**837**	**108**	**(112)**	**(82)**
Dividend payout	(297)	(203)	(297)	(203)	—	—
Securities sold	0	7	0	7	—	—
Financial liabilities (redeemed)/incurred	(253)	(225)	(289)	(245)	36	20
Change in intragroup finance	—	—	(76)	(62)	76	62
Special endowment of pension plan	(207)	(44)	(207)	(44)	0	—
Net cash provided by/(used in) financing activities of discontinued operations	4	(4)	4	(4)	—	—
Net cash (used in)/provided by financing activities	**(753)**	**(469)**	**(865)**	**(551)**	**112**	**82**
Net change in cash & cash equivalents	**(28)**	**(443)**	**(28)**	**(443)**	**0**	**0**
Opening cash & cash equivalents	**1,162**	**1,019**	**1,147**	**1 009**	**15**	**10**
Consolidation-related change in cash & cash equivalents	4	(10)	7	(12)	(3)	2
Parity-related change in cash & cash equivalents	1	(10)	1	(8)	0	(2)
Change in cash & cash equivalents of discontinued operations (separate asset line)	(11)	(21)	(11)	(21)	—	—
Closing cash & cash equivalents	**1,128**	**535**	**1,116**	**525**	**12**	**10**
Breakdown of net liquid assets at 6/30/2007 and 12/31/2006						
Cash & cash equivalents	1,128	1,162	1,116	1,147	12	15
Intragroup finance	—	—	1,028	1,086	(1,028)	(1,086)
Financial liabilities	(1,852)	(2,108)	(1,371)	(1,661)	(481)	(447)
	(724)	**(946)**	**773**	**572**	**(1,497)**	**(1,518)**

MAN statement of changes in comprehensive income

€ million		
H1	**2007**	**2006**
Currency translation differences from non-German subsidiaries	(9)	(35)
Change in fair value of securities and financial investments	606	(7)
Change in fair value of financial derivatives	(7)	(2)
Change in actuarial losses on pensions	165	7
Consolidation group change	2	(25)
Proratable deferred taxes	(57)	(1)
Gains/losses directly recognized in equity, net	**700**	**(63)**
Earnings after taxes (EAT)/net income	**668**	**352**
Comprehensive income	1,368	289
thereof minority interests	8	(19)
thereof MAN stockholders	1,360	308

The €700 million net gain directly recognized in equity substantially includes the €606 million increase in fair value of the Scania stock held, the €165 million decrease in actuarial losses on pension obligations (after the discount rate for German obligations was stepped up from 4.25 percent at December 31, 2006, to 5.0 percent as of June 30, 2007) and the offsetting negative €60 million of deferred taxes proratable thereto. They are shown within the accumulated OCI.

Notes to the consolidated financial statements

Details of the semiannual financial statements

General

These semiannual financial statements as of June 30, 2007, conform with the International Financial Reporting Standards (IFRS) and related Interpretations of the International Accounting Standards Board (IASB) whose application to interim reports is mandatory in the European Union (EU). Consequently, this semiannual report does not comprise all the information and disclosures in the notes which the IFRS require for consolidated financial statements as of year-end but should be read in the context of MAN's published IFRS consolidated financial statements for fiscal 2006. Unless expressly otherwise stated, the accounting and valuation methods applied to these interim consolidated financial statements are identical with those adopted for the consolidated financial statements as of December 31, 2006, and to which reference is made for full details.

From the Executive Board's vantage point, the present unaudited semiannual report reflects all due interim adjustments required by good accounting practice for a reasonable view of the Group's asset and capital structure, financial position and results of operations. The performance data and results shown for this interim period do not necessarily allow a forecast of future business development.

Preparing the consolidated financial statements requires certain assumptions and estimates to be made by the Executive Board for the valuation and disclosure in the period of assets, liabilities and contingent liabilities, as well as the recognition of income and expenses. Actual values may differ from such estimates.

Besides the financial schedules, the semiannual financial information includes explanatory notes to selected financial statement lines. For the segment report, see pages 8–12 hereof.

Consolidation group

The semiannual financial statements as of June 30, 2007, include 157 companies (up from 152 at year-end 2006), thereof 60 German (down from 61) and 97 foreign companies (up from 91). The consolidation group changes have but an insignificant impact on the interim financial statements.

Discontinued operations

In the wake of its shareholding portfolio streamlining, the MAN Group disposed, or initiated the disposal, of several business units in 2006 which qualify for the disclosure as discontinued operations under the terms of IFRS 5. For these units, the posttax result, the net gain or loss from disposal, and the assets, liabilities and cash flows are all shown in separate lines.

In fiscal 2007, MAN Ferrostaal's Steel Trade business is a discontinued operation while the prior-year data also includes the Printing System business area (sold on July 18, 2006).

As discontinued operations, Printing Systems (H1/2006) and the Steel Trade business (H1/2006 and 2007) generated the following 6-month sales, income and expenses:

€ million		
H1	**2007**	**2006**
Net sales	546	1 470
Expenses, other income	(533)	(1,418)
Operating profit	**13**	**52**
Net interest expense	(5)	(2)
Income taxes	(3)	(15)
Net income (posttax profit)	**5**	**35**

The Steel Trade unit's assets separately disclosed in the balance sheet as of June 30, 2007, at €221 million (down from €244 million at December 31, 2006) include noncurrent assets of €19 million (up from €16 million) and current assets of €202 million (down from €228 million). Its total liabilities of €83 million (down from €95 million) break down into €4 million noncurrent (virtually unchanged) and €79 million current (down from €91 million) liabilities and accruals.

The H1 cash flow statement includes the following six-month cash flows of discontinued operations:

€ million		
H1	**2007**	**2006**
Cash flow from operating activities	25	11
Cash flow from investing activities	(2)	(13)
Cash flow from financing activities	4	(4)

The classification of the Steel Trade unit into discontinued operations as well as the different disclosure of Financial Services' income and expenses change the prior-year Q2 comparatives. The change (though made in, and explained in the notes to the consolidated financial statements for, fiscal 2006) had not yet been mirrored in the H1/2006 report.

Reconciled income statement 2006 (like-for-like)

€ million **H1**	**2006 published**	**Adj. Steel Trade**	**Change Financial Services**	**2006 LFL**
Net sales	**6,780**	**(562)**	**(174)**	**6,044**
Cost of sales	(5,348)	537	134	(4,677)
Gross margin	**1,432**	**(25)**	**(40)**	**1,367**
Selling expenses	(404)	9	—	(395)
General administrative expenses	(329)	5	—	(324)
All other income/expenses, net	(188)	(4)	17	(175)
EBIT	**511**	**(15)**	**(23)**	**473**
Net interest expense of Financial Services	(23)	—	23	0
Net interest expense of Industrial Business	(44)	3	—	(41)
EBT	**444**	**(12)**	**0**	**432**
Income taxes	(115)	0	—	(115)
Posttax profit of discontinued operations	23	12	—	35
EAT (net income)	**352**	**—**	**—**	**352**
Minority interests	(4)	—	—	4
Net income after minority interests	**348**	**—**	**—**	**348**
EpS of continuing operations (€)	**2.21**	**(0.08)**	**—**	**2.13**
Order intake	8,829	(677)	(179)	7,973
Operating profit	488	(15)	—	473

Reconciled income statement 2006 (like-for-like)

€ million Q2	2006 published	Adj. Steel Trade	Change Financial Services	2006 LFL
Net sales	**3,590**	**(314)**	**(99)**	**3,177**
Cost of sales	(2,830)	297	80	(2,453)
Gross margin	**760**	**(17)**	**(19)**	**724**
Selling expenses	(204)	4	—	(200)
General administrative expenses	(169)	3	—	(166)
All other income/expenses, net	(101)	(1)	6	(96)
EBIT	**286**	**(11)**	**(13)**	**262**
Net interest expense of Financial Services	(13)	—	13	0
Net interest expense of Industrial Business	(33)	1	—	(32)
EBT	**240**	**(10)**	**0**	**230**
Income taxes	(59)	0	—	(59)
Posttax profit of discontinued operations	17	10	—	27
EAT (net income)	**198**	**—**	**—**	**198**
Minority interests	2	—	—	2
Net income after minority interests	**196**	**—**	**—**	**196**
EpS of continuing operations (€)	**1.21**	**(0.06)**	**—**	**1.15**
Order intake	4,650	(366)	(230)	4,054
Operating profit	273	(11)	—	262

Notes to the income statement

Other operating income

€ million H1	2007	2006
Nonrecurring income	338	—
Gains from financial instruments	154	77
Income from Financial Services	85	174
Income from other trade business	25	28
Income from the release of accruals	20	20
Gains from the disposal of tangible/intangible assets	12	7
Miscellaneous	45	52
	679	**358**

The nonrecurring income reflects the ERF damages less goodwill write-off. The gains from financial instruments basically reflect the results from remeasuring currency and interest rate hedges and effectively hedged underlyings (according to the IAS 39 hedge accounting rules) and contrast with substantially same-amount losses on financial instruments (shown as *other operating expenses*).

The income from Financial Services represents that earned from the business of MAN Finance. The slump from the 2006 level is largely attributable to the shift from operating to capital leases.

Other operating expenses

€ million H1	2007	2006
Losses on financial instruments	145	99
Research and development	134	140
Nonrecurring expenses	130	–
Provisions in the period	80	60
Expenses from Financial Services	49	157
Allowances fro receivables	13	26
Miscellaneous	133	76
	684	**558**

The nonrecurring expenses were incurred to provide for Buses restructuring obligations and recognize the goodwill write-down (impairment loss).

Income from financial investments

The income from financial investments includes the €43 million cash dividend distributed by financial investee Scania AB, as well as a nonrecurring gain of €33 million from the stock split with stock repurchase by Scania. In connection with this repurchase, €65 million was offset against cost.

Net interest expense

€ million **H1**	**2007**	**2006**
Interest and similar income	27	29
less interest income reclassified into net sales	(8)	(8)
Interest and similar expenses	(40)	(53)
Interest portion of addition to pension accruals	(35)	(34)
Interest income from CTA plan assets	10	2
less interest expense of Financial Services reclassified into other operating expenses	19	23
	(27)	**(41)**

Income taxes

The H1/Q2 income tax expense has been determined by applying to EBT for the period the effective tax rate estimated for the MAN Group for the full year 2007 on the basis of the current earnings and tax budget.

Posttax result of discontinued operations

The posttax result of discontinued operations breaks down as follows:

€ million **H1**	**2007**	**2006**
Steel Trade unit	5	12
Printing Systems (MAN Roland)	—	23
	5	**35**

Earnings per share (EpS)

€ million **H1**	**2007**	**2006**
Net income after minority interests	662	348
less posttax result of discontinued operations	5	35
Net income from continuing operations after minority interests	**657**	**313**
Number of shares outstanding (million)	147.0	147.0
EpS (€)	**4.47**	**2.13**

The number of shares outstanding on an annual average is divided into the Group's net income from continuing operations after minority interests to obtain earnings per share. Unchanged versus 2006, the number of shares includes both common and preferred stock as both classes equally share in the 2007 earnings.

No unexercised stock options existed to dilute earnings per share, whether at June 30, 2007 or 2006. If MAN AG's contingent (authorized but unissued) capital is issued, earnings will be diluted in the future.

Notes to the balance sheet

Intangible assets

€ million	6/30/2007	12/31/2006
Licenses, software, similar rights and assets	40	43
Capitalized development costs	221	211
Goodwill	85	185
	346	**439**

Given the below-budget performance within Buses, an impairment test was run on the goodwill value from the Neoplan acquisition and resulted in an impairment loss of €65 million. The €34 million goodwill from the ERF acquisition was written off after the payment of damages reduced purchase cost.

Tangible assets

€ million	6/30/2007	12/31/2006
Land and buildings	797	793
Production plant and machinery	535	525
Other plant, factory and office equipment	200	207
Prepayments on tangibles, construction in progress	161	124
	1,693	**1,649**

Investments

€ million	6/30/2007	12/31/2006
Scania stock	1,958	1,254
Other financial investments	173	146
Shares in associated affiliates	249	196
	2,380	**1,596**

Since the 4-for-1 stock split, the Scania stake has consisted of 60,747,092 class A and 45,125,944 class B Scania shares. The Scania stock was valued at the June 29, 2007 quoted price, the €606 million difference between this current fair value from that at December 31, 2006, being recognized in OCI.

The shares in associated affiliates mainly refer to those held in Roland Holding GmbH and CEL Consolidated Energy, Trinidad & Tobago. The key data of associated affiliates (including their consolidated subsidiaries) reads as follows:

€ million	6/30/2007	12/31/2006
Assets	2,921	2,560
Liabilities	1,967	1,886
Net sales (6 months)	939	2,104
EBT (6 months)	126	123

Inventories

€ million	6/30/2007	12/31/2006
Work in process, finished products	1,804	1,838
Raw materials and supplies	537	487
Merchandise	807	548
Prepayments made	270	159
	3,418	**3,032**

Trade receivables

€ million	6/30/2007	12/31/2006
Receivables from customers	2,269	2,240
Receivables under capital leases	520	536
PoC receivables	131	125
Due from investees	59	86
	2,979	**2,987**

MAN Group: Statement of changes in equity

€ million	Capital stock	Additional paid-in capital	Retained earnings	Accumu-lated OCI	Stock-holders' equity	Minority interests	Total
Balance at December 31, 2006	**376**	**795**	**2,731**	**(144)**	**3,758**	**21**	**3,779**
Dividend for prior year			(294)		**(294)**	(3)	**(297)**
Net income			662		**662**	6	**668**
OCI: curr. translation differences				(9)	**(9)**		**(9)**
OCI: change in unrealized gains/losses				706	**706**	1	**707**
All other changes			2	(1)	**1**	1	**2**
Balance at June 30, 2007	**376**	**795**	**3,101**	**552**	**4,824**	**26**	**4,850**
Balance at December 31, 2006	**376**	**795**	**2,043**	**(245)**	**2,969**	**56**	**3,025**
Dividend for prior year			(199)		**(199)**	(4)	**(203)**
Net income			348		**348**	4	**352**
OCI: curr. translation differences				(35)	**(35)**		**(35)**
OCI: change in unrealized gains/losses				(12)	**(12)**		**(12)**
OCI: change in unrealized gains/losses of discontinued operations				7	**7**		**7**
All other changes						(23)	**(23)**
Balance at June 30, 2006	**376**	**795**	**2,192**	**(285)**	**3,078**	**33**	**3,111**

For details of changes in OCI from unrealized gains/losses, see page 22.

Other accruals

€ million	6/30/2007	12/31/2006
Warranties	497	485
Other business obligations	424	382
Unbilled costs from contracts invoiced	203	212
Obligations to personnel	256	260
Remaining accruals	249	176
	1,629	**1,515**

The remaining accruals include €65 million provided for obligations relating to the restructuring within Buses.

The *other accruals* are disclosed within these balance sheet captions:

€ million	6/30/2007	12/31/2006
Other noncurrent accruals	516	509
Other current accruals	1,113	1,006

Financial liabilities

€ million	6/30/2007	12/31/2006
Due to banks	1,473	1,719
Bonds	295	302
Commercial paper	84	87
	1,852	**2,108**

The accounts due to banks shrank as financial liabilities of €253 million were redeemed.

Contingent liabilities

€ million	6/30/2007	12/31/2006
Guaranties and suretyships	464	472
Buyback guaranties	220	192
Notes endorsed and discounted	11	12
Warranty and indemnity contracts	2	2

The obligations underlying these contingent liabilities have remained substantially unchanged in comparison to December 31, 2006.

Other financial obligations

These exist under various leases and totaled €508 million as of June 30, 2007 (down from €535 million at December 31, 2006).

Further financial obligations to third parties have been taken on for capital expenditure projects in progress and uncompleted sourcing contracts but are within the scope of day-to-day business and therefore do not impact on the financial position.

Segment reporting

In this semiannual report, the breakdown by business area of order intake, sales and operating profit is modeled on the MAN Group's segment report. The MAN Group's reporting structure has remained basically unchanged from that at December 31, 2006, except that Financial Services (MAN Finance Group) has since January 1, 2007, been assigned to Commercial Vehicles. The real-estate and insurance companies previously included in the MAN Finance segment were reallocated to the shared services of Corporate Center or to other group segments.

Review by the statutory group auditor

The interim financial statements as of June 30, 2007 or 2006 were not reviewed by the auditor.

Subsequent events

The Upper House of the German Parliament (Bundesrat) passed on July 6, 2007, the Business Taxation Reform Act 2008 which, however, has not been reflected in the present semiannual financial statements since the substantive legislative procedure had not been completed at June 30, 2007.

Munich, July 31, 2007

MAN AG
The Executive Board

Financial diary of MAN AG	
Report on Q3/2007	October 31, 2007
Annual press conference	March 6, 2008
Analysts conference	March 6, 2008
Internet publication of annual report	March 7, 2008
Annual general meeting on fiscal 2007	April 25, 2008
Report on Q1/2008	May 6, 2008
Report on H1/2008	July 30, 2008

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