


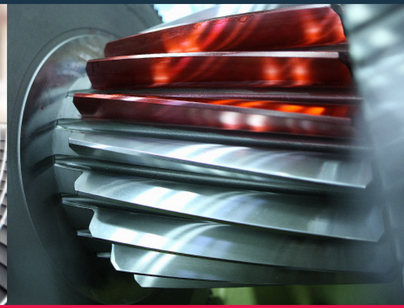

Q3 MAN Group:
Difficult quarter due to strained commercial vehicles market

€ million	2014 Q1 - Q3	2013 Q1 - Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake	11,147	12,195	-9	3,473	4,349	-20
Sales revenue	10,214	11,341	-10	3,515	3,712	-5
Operating profit	304	36	746	82	159	-49

- Order intake and sales revenue down significantly year-on-year
- Commercial Vehicles business area: European market down significantly following introduction of Euro 6, further deterioration in the market environment in Brazil, clear slump in the Russian market
- Improvement in operating profit in the first nine months primarily attributable to Power Engineering; Commercial Vehicles business area records considerable decline in operating profit due to market-related factors
- Net cash flow impacted by increase in working capital and payment of prior-period taxes
- Outlook for full-year 2014 adjusted: Considerable decline in operating profit in the Commercial Vehicles business area due to lower unit sales, MAN Group's sales revenue significantly below the prior-year level, slight increase in operating profit attributable to Power Engineering

Interim report as of September 30, 2014 - Q3 2014

MAN SE

Letter to our Shareholders
Difficult quarter due to strained commercial vehicles market

Dear Shareholders,

The third quarter of the current fiscal year was again overshadowed by the difficult situation in the international commercial vehicles markets. In particular, the situation in Europe and South America — important sales markets for MAN — remains tense on the back of the economic downturn in these regions. In Europe, we are also still feeling the pull-forward effects from the introduction of the Euro 6 emission standard. Political uncertainties surrounding the Ukraine crisis and in the Middle East also had an impact.

This saw the MAN Group's order intake decline by 20% year-on-year to €3.5 billion in the third quarter of 2014. MAN Truck & Bus recorded an order intake of €2.1 billion in the third quarter of 2014, substantially below the prior-year figure (€2.8 billion). It should however be noted that the previous year includes pull-forward effects in connection with the Euro 6 emission standard. MAN Latin America's orders were also down year-on-year in the third quarter of 2014, declining by 26% to €534 million. This was primarily due to the significant deterioration in the market environment and the depreciation of the Brazilian real. In the Commercial Vehicles business area, order intake for the first nine months was 13% lower than in the previous year. By contrast, the order situation was slightly better in the Power Engineering business area, where order intake rose to €2.7 billion in the same period. MAN Diesel & Turbo's marine business picked up again, lifting order intake by 7% to over €2.4 billion in the first three quarters. At €321 million, Renk did not match the prior-year figure.

The MAN Group's sales revenue declined by approximately 5% year-on-year to €3.5 billion in the third quarter. The figure for the first nine months of 2014 was down 10% at €10.2 billion. The Commercial Vehicles business area generated sales revenue of approximately €2.5 billion in the period from July to September 2014. The Power Engineering business area saw sales revenue increase year-on-year and contributed €1.0 billion to the MAN Group's sales revenue.

The MAN Group's operating profit improved significantly as against the previous year, rising by €268 million to €304 million in the first nine months of fiscal 2014. The MAN Group's operating return on sales was 3.0% (previous year: 0.3%). However, a look at the third quarter of 2014 reveals a different picture: The Commercial Vehicles business area recorded an operating profit of €18 million, while the Power Engineering business area generated an operating profit of €83 million. This corresponds to a decline of €80 million and €20 million, respectively, as against the prior-year quarter. This is largely attributable to the lower capacity utilization at MAN Truck & Bus and the significant decline in sales volumes at MAN Latin America.

In the past, we were able to rely on our business areas to compensate for difficult situations — and this is also the case today. For example, the Power Engineering business area accounted for the largest share of the MAN Group's operating profit in the period from January to September 2014. However, MAN Diesel & Turbo's operating profit also deteriorated year-on-year on the third quarter of 2014 and amounted to €59 million. By contrast, Renk reported a very good quarter, with operating profit increasing to €24 million.

Overall, our figures are certainly less than satisfactory. This is why we are doing everything we can to get back on track as soon as possible. For example, we have successfully introduced cost-cutting measures over the past few months such as changes to the production structure in the bus business, the introduction of short-time working in Steyr and Salzgitter, and strict cost discipline. Some of these cuts are painful. But they are necessary. The outstanding response to the products and services showcased at the SMM and the IAA — both large trade fairs — in September shows that we can look to the future with confidence.

We are expecting a significant year-on-year decline in sales revenue and moderately higher operating profit for fiscal year 2014. The MAN Group's operating return on sales will slightly exceed the 2013 figure.

Dr.-Ing.Georg Pachta-Reyhofen
Chief Executive Officer of MAN SE

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Introduction

The Group interim financial report of MAN SE meets the requirements for a quarterly financial report in accordance with the applicable provisions of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) and, in accordance with section 37x(3) of the WpHG, comprises the condensed interim consolidated financial statements and the interim management report of the Group. The interim consolidated financial statements have been prepared in compliance with IAS 34 in accordance with the International Financial Reporting Standards (IFRSs) and related Interpretations issued by the International Accounting Standards Board (IASB), that were effective at the end of the reporting period and endorsed by the European Union (EU). The Group interim financial report should be read in conjunction with the annual report for fiscal year 2013 and the additional information on the Company contained in it.

Disclosures on changes to the structure of financial reporting and on changes to the definition of control measures starting in fiscal 2014 due to the integration into the Volkswagen Group are included in the interim management report and the notes to the condensed interim consolidated financial statements.

All figures are rounded, so minor discrepancies may arise from addition of these amounts.

At a Glance

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake	11,147	12,195	–9	3,473	4,349	–20
Germany	2,411	2,745	–12	801	1,069	–25
Other countries	8,736	9,450	–8	2,672	3,280	–19
Order backlog[1]	6,394	5,776	11	6,394	5,776	11
Headcount[1]	55,983	56,102	0	55,983	56,102	0
Germany	32,488	32,430	0	32,488	32,430	0
Other countries	23,495	23,672	–1	23,495	23,672	–1
Sales revenue	10,214	11,341	–10	3,515	3,712	–5
Germany	2,079	2,288	–9	712	751	–5
Other countries	8,135	9,053	–10	2,803	2,961	–5
			€ million			€ million
Operating profit	304	36	268	82	159	–78
Operating return on sales (%)	3.0	0.3	2.7	2.3	4.3	–2.0
Profit/loss before tax from continuing operations	203	–53	256	45	77	–32
as a % of sales revenue	2.0	–0.5	2.5	1.3	2.1	–0.8
Profit/loss after tax	118	–596	714	26	–218	244
Profit/loss attributable to shareholders of MAN SE	108	–604	712	22	–221	243
ROS (%)[2]	3.4	1.6	1.8	2.7	5.2	–2.5
ROCE (%)[2]	6.3	3.4	2.9	4.9	11.0	–6.1
Gross cash flow	101	557	–456	–74	358	–431
Net cash provided by/used in operating activities	–1,102	–281	–821	–194	254	–447
Cash flows from investing activities attributable to operating activities	110	–303	413	–115	–100	–15
of which: from acquisitions and divestments	417	–	417	–	–	–
of which: investments in property, plant, and equipment	–182	–218	36	–69	–72	3
as a % of sales revenue	1.8	1.9	–	2.0	1.9	–
capitalized development costs	–135	–98	–37	–50	–31	–19
as a % of sales revenue	1.3	0.9	–	1.4	0.8	–
Net cash flow	–992	–584	–408	–308	154	–463
Depreciation and amortization of, and impairment losses on noncurrent assets	654	666	–12	215	246	–32
R&D expenditures	429	406	23	151	135	16
Cash and cash equivalents [1]	624	1,137	–513	624	1,137	–513
Net financial debt [1]	–1,517	–1,315	–202	–1,517	–1,315	–202
Total equity [1]	5,801	5,227	574	5,801	5,227	574

Any differences in this Group interim financial report are due to rounding.
1) As of September 30, 2014, vs. December 31, 2013.
2) The actual ROS and ROCE values according to the previous logic will also be reported on a voluntary basis in fiscal 2014.

Interim Management Report as of September 30, 2014

Economic environment

The slight revival of the global economy has continued in the year to date, although it varied from region to region. The economic situation in the industrialized nations improved despite the continued presence of structural obstacles. At the same time, economic growth in a number of emerging economies slowed due to currency volatility and structural deficits.

The economic recovery in Western Europe continued in the reporting period but slowed over the course of the year. Most northern European countries saw moderate growth, while the recession came to an end in most of the crisis-hit southern European countries. The German economy lost momentum but continued to benefit from the positive consumer sentiment and the stable situation on the labor market. Central Europe also recorded positive economic growth in the first nine months of 2014. Sentiment in Eastern Europe deteriorated due to the conflict between Russia and Ukraine.

Despite the difficult weather-induced conditions at the beginning of the year, the U.S. economy continued its recovery in the reporting period. Consumer sentiment boosted the economy, while the unemployment rate declined further. Growth in Brazil — a key market for MAN — was down significantly on the relatively low prior-year figure in the first nine months of 2014. Recessionary trends and very high inflation continued to impact the situation in Argentina.

The Chinese economy again recorded robust growth, though the pace slowed slightly. India’s economy was weighed down by structural problems and an ongoing reluctance to invest, although there have been signs of a moderate upward trend since the new government took office.

Changes to financial reporting

The integration of the MAN Group into the Volkswagen Group also results in structural adjustments to financial reporting and changes to the definition of control measures.

Changes to the structure of the income statement

The MAN Group has prepared its income statement in line with the structure used by Volkswagen since the beginning of fiscal 2014. A comparison of the format of the income statement used previously to the new format for the period from January 1 to September 30, 2013, and for the third quarter of 2013, as well as the most important differences are provided in the "Notes to the Condensed Interim Consolidated Financial Statements."

Changes to the definition of control measures

MAN calculated its financial control measures on the basis of the definitions and structures used in the Volkswagen Group's financial reporting for the first time starting in fiscal 2014. The main differences are explained in the following.

The operating profit used in the MAN Group until December 31, 2013, essentially corresponded to earnings before interest and taxes (EBIT). When calculating operating profit, adjustments were made for earnings effects from purchase price allocations and, in individual cases, effects from nonrecurring items. According to the Volkswagen Group's definition, operating profit is calculated as profit before tax and before the financial result. As a result, net investment income in particular is no longer part of operating profit. This is now presented in the share of profits and losses of equity-method investments or in the other financial result. However, earnings effects relating to tangible and intangible assets resulting from the acquisition of an individual segment are eliminated from the operating profit of that segment.

The operating return on sales for the MAN Group, the business areas, and the segments is expressed as operating profit as a percentage of sales revenue.

The actual ROS and ROCE values according to the logic used until December 31, 2013, will continue to be reported on a voluntary basis in 2014.

Restatement of comparative periods

The income statement and the control measures published in this Group interim financial report are no longer comparable with the figures reported in prior periods due to the changes to the structure of financial reporting and the definition of control measures. The prior-period figures presented in this report were therefore adjusted accordingly.

Divestments

Volkswagen Financial Services AG, Braunschweig, (VWFS) acquired the shares of MAN Finance International GmbH, Munich, (MAN Finance) effective January 1, 2014. The bundling of the infrastructure, resources, and expertise of VWFS and MAN Finance facilitates the development of integrated transportation solutions for MAN Truck & Bus's customers, including in other markets. MAN Finance will remain MAN Truck & Bus's exclusive sales support organization.

MAN Finance was presented as "Financial Services" in MAN's reporting until December 31, 2013, and is included in all related prior-year information.

For further information, see the "Notes to the Condensed Interim Consolidated Financial Statements."

The MAN Group's order situation

The MAN Group's order intake in the first three quarters was €11.1 billion, down significantly on the prior-year level (€12.2 billion).

Order intake by business area

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Commercial Vehicles[1]	8,420	9,677	–13	2,636	3,516	–25
Power Engineering[1]	2,749	2,701	2	843	863	–2
Others	–22	–184	–	–6	–31	–
MAN Group	**11,147**	**12,195**	**–9**	**3,473**	**4,349**	**–20**

1) Consolidated presentation of business areas starting in 2014.

Order intake in the Commercial Vehicles business area declined by 13% year-on-year to €8.4 billion in the first nine months. Measured in terms of units, order intake was 16% lower at 89,627 vehicles.

MAN Truck & Bus generated an order intake of €6.8 billion in the first nine months, down 8% on the previous year. The number of vehicles ordered decreased by 12% to 55,050 vehicles. Order intake in the third quarter was substantially below the prior-year level at €2.1 billion (previous year: €2.8 billion). The decline was mainly attributable to the high order intake in Europe in the third quarter of 2013 due to truck purchases pulled forward ahead of the introduction of the Euro 6 emission standard. Order intake also declined in Russia on the back of the effects of the crisis in Ukraine this year.

MAN Latin America recorded an order intake of €1.7 billion in the first nine months, well below the prior-year figure (€2.3 billion). This was largely due to lower unit sales, which declined by 21% to 36,168 vehicles as a result of the further deterioration of the business environment in Latin America. The depreciation of the Brazilian real also had a negative effect.

The Power Engineering business area generated an order intake of €2.7 billion in the reporting period, up slightly on the previous year. MAN Diesel & Turbo's orders rose by 7% to over €2.4 billion. The increase is mainly attributable to the Engines & Marine Systems strategic business unit, which more than offset the slight declines in the Turbomachinery and Power Plants strategic business units. At €321 million, Renk's order intake in the first nine months was well below the prior-year figure (€421 million).

The proportion of international orders in the MAN Group in the first nine months was on a level with the previous year, at 78%.

The MAN Group's order backlog as of September 30, 2014, was €6.4 billion, up €0.6 billion compared with December 31, 2013. The Commercial Vehicles business area recorded an increase of €0.5 billion and the order backlog in the Power Engineering business area rose by €0.1 billion.

Results of operations, financial position, and net assets

The MAN Group's results of operations

The MAN Group's sales revenue decreased by 10% year-on-year to €10.2 billion in the first nine months (previous year: €11.3 billion).

Sales revenue by business area

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Commercial Vehicles[1]	7,586	8,755	–13	2,514	2,833	–11
Power Engineering[1]	2,642	2,760	–4	1,008	919	10
Others	–13	–174	–	–7	–41	–
MAN Group	**10,214**	**11,341**	**–10**	**3,515**	**3,712**	**–5**

[1] Consolidated presentation of the business areas starting in 2014.

The Commercial Vehicles business area reported sales revenue of €7.6 billion in the first three quarters, 13% less than in the previous year (€8.8 billion). MAN Truck & Bus generated sales revenue of €5.9 billion in the first three quarters, down €529 million on the prior-year figure. Unit sales decreased by 4% to 50,987 vehicles. MAN Latin America saw sales revenue decline by 25% to €1.7 billion (€2.3 billion) and unit sales by 21% to 36,168 vehicles.

Sales revenue in the Power Engineering business area declined by 4% year-on-year to €2.6 billion in the first nine months. At €2.3 billion, MAN Diesel & Turbo's sales revenue was down 4% on the prior-year figure in the first nine months. Renk reported sales revenue of €347 million, on a level with the previous year (€350 million).

The MAN Group's domestic sales revenue declined by €0.2 billion year-on-year to €2.1 billion, while international sales revenue fell by €0.9 billion. The proportion of international orders was on a level with the previous year at 80%.

Operating profit/loss by business area

€ million	2014 Q1–Q3	2013 Q1–Q3	Change € million	2014 Q3	2013 Q3	Change € million
Commercial Vehicles[1)]	168	245	–77	18	98	–80
Power Engineering[1)]	197	–91	288	83	104	–20
Others	–61	–119	57	–20	–42	23
MAN Group	**304**	**36**	**268**	**82**	**159**	**–78**

1) Consolidated presentation of business areas starting in 2014.

The MAN Group recorded an operating profit of €304 million in the first three quarters of fiscal 2014 — a significant improvement compared with the no more than modest operating profit of €36 million in the prior-year period.

This improvement is primarily attributable to the Power Engineering business area, which recorded an operating profit of €197 million (previous year: operating loss of €91 million). In the Commercial Vehicles business area, operating profit was significantly below the prior-year figure at €168 million (previous year: €245 million) due to the decline in sales revenue. The operating loss attributable to Others narrowed by €57 million year-on-year. The MAN Group's operating profit for the first three quarters includes income of approximately €46 million from the settlement relating to D&O insurance and former Executive Board members as authorized by the 2014 Annual General Meeting.

The MAN Group's operating return on sales in the first nine months was 3.0% (previous year: 0.3%). The operating return on sales for the Commercial Vehicles business area declined to 2.2% (previous year: 2.8%). In the Power Engineering business area, the operating return on sales improved to 7.5% (previous year: –3.3%).

MAN Truck & Bus recorded an operating profit of €88 million in the first nine months, on a level with the previous year (€92 million). This was primarily attributable to lower sales revenue and the deterioration in capacity utilization, particularly in the third quarter and, at the same time, improved margins as a result of reduced material costs. MAN Truck & Bus's operating return on sales was 1.5% (previous year: 1.4%). MAN Latin America generated an operating profit of €76 million in the reporting period (previous year: €153 million). This decrease is mainly due to lower sales revenue, greater competition, and the depreciation of the Brazilian real against the euro. The operating return on sales amounted to 4.4% (6.7%).

In the Power Engineering business area, MAN Diesel & Turbo again posted a significantly positive operating profit of €147 million, after an operating loss of €138 million in the previous year. The negative prior-year figure was primarily attributable to considerable additional provisions for a power plant project that had not yet been completed. MAN Diesel & Turbo's operating return on sales was 6.4% (previous year: –5.7%). Renk recorded an operating profit of €50 million in the first nine months, on a level with the previous year (€47 million). The operating return on sales amounted to 14.3% (13.4%).

The improvement in the operating loss attributable to Others is primarily due to lower purchase price allocation effects and reduced nonpersonnel expenses and project costs.

The financial result deteriorated by €12 million year-on-year to €–101 million (previous year: €–89 million). Unlike in the prior-year period, no dividend was received from Scania in fiscal 2014. This was partially offset by the impairment loss on the carrying amount of the Rheinmetall MAN Military Vehicle GmbH, Munich, (RMMV) joint venture and proportionate restructuring expenses recognized in fiscal 2013.

All in all, the MAN Group's profit before tax amounted to €203 million in the first nine months (previous year: €–53 million). The Group recorded profit after tax of €118 million in the reporting period, compared with a net loss of €596 million in the previous year. The prior-year figure was negatively impacted by nonrecurring earnings effects of €–304 million from discontinued operations. The tax rate was 42.0% (previous year: –450.4%). The comparative prior-year period comprised prior-period taxes and valuation allowances on deferred tax assets in respect of tax loss carryforwards.

Earnings per share from continuing operations were €0.74 as against €–2.04 in the previous year.

The MAN Group's financial position

Net cash flow from the MAN Group's operating and investing activities attributable to operating activities amounted to €–992 million after the first nine months (previous year: €–584 million).

Net cash flow by business area

€ million	2014 Q1–Q3	2013 Q1–Q3	Change € million	2014 Q3	2013 Q3	Change € million
Commercial Vehicles[1]	–368	–280	–87	101	126	–25
Power Engineering[1]	–90	–208	118	27	31	–4
Others	–534	–96	–438	–435	–3	–433
MAN Group	**–992**	**–584**	**–408**	**–308**	**154**	**–463**

[1] Consolidated presentation of business areas starting in 2014.

This included the following nonrecurring items: a net inflow of €415 million from the sale of MAN Finance in the first quarter, as well as the prepayment of the expected tax liability for fiscal 2013 (€130 million) in the second quarter. MAN also paid prior-period taxes in the amount of €691 million including interest, of which €370 million related to discontinued operations, in the first nine months. Excluding payments for prior-period taxes, net cash flow in the third quarter was positive, as in the previous year, and amounted to €435 million.

At €101 million, the MAN Group's gross cash flow in the first nine months was lower than in the previous year (€557 million), despite a considerable improvement in the profit before tax. This was primarily due to tax payments.

The increase in the MAN Group's working capital reduced cash flows from operating activities by €1,203 million (€838 million). This is primarily attributable to the €454 million increase in inventories in the current year (previous year: €466 million), the €218 million decline in provisions (previous year: increase of €140 million), and the €297 million decrease in trade payables (previous year: €117 million). The increase in inventories and the decrease in trade payables is mainly due to higher stockpiled inventories and lower procurement volumes at MAN Truck & Bus. The decline in provisions is mainly attributable to tax interest payments by MAN SE. Within working capital, the €398 million increase in assets leased out (previous year: €253 million) was largely offset by the depreciation of assets leased out and by offsetting effects in cash flows from operating activities within other liabilities.

Net cash provided by investing activities attributable to operating activities amounted to €110 million (previous year: net cash used in investing activities attributable to operating activities of €303 million) and was dominated by the net cash inflow of €415 million from the sale of MAN Finance. Excluding this effect, investments were on a level with the previous year.

In the Commercial Vehicles business area, net cash flow declined to €–368 million in the first three quarters of 2014 (previous year: €–280 million). The Power Engineering business area recorded a net cash flow of €–90 million in the reporting period (previous year: €–208 million). Net cash flow from Others was €–534 million (previous year: €–96 million) and includes the cash inflow from the sale of MAN Finance and the negative effects from tax payments.

Cash outflows from financing activities in the reporting period amounted to €114 million (previous year: €358 million). This mainly relates to the €724 million loss absorption by Truck & Bus GmbH for 2013 and the MAN SE dividend of €21 million. In addition, bonds in the amount of €520 million were repaid and other financial liabilities were reduced by €294 million.

The MAN Group's net financial debt was €1,517 million on September 30, 2014, a deterioration of €202 million as against December 31, 2013.

As announced, the cooperation with rating agency Moody's was terminated at the end of March 2014.

Structure of the MAN Group’s balance sheet

The MAN Group’s total assets amounted to €18,506 million at the end of the reporting period, 17.9% lower than on December 31, 2013 (€22,537 million).

Current assets declined to €7,586 million in the reporting period (December 31, 2013: €12,588 million). At the same time, current liabilities and provisions decreased by 35.6% to €7,443 million (December 31, 2013: €11,561 million). Both effects related mainly to the sale of MAN Finance to VWFS as of January 1, 2014. MAN Finance was presented as held for sale as of December 31, 2013. For further information, see “Divestments” and the “Notes to the Condensed Interim Consolidated Financial Statements.” Noncurrent and current financial liabilities declined by €823 million in the first nine months of fiscal 2014. This change is primarily attributable to the repayment of bonds and the reduction of other financial liabilities.

The higher carrying amount of the investment in Scania AB, Södertälje/Sweden, (Scania) as of September 30, 2014, as against December 31, 2013, led to an increase in noncurrent assets of €880 million.

The MAN Group’s equity increased to €5,801 million as of September 30, 2014, compared with December 31, 2013 (€5,227 million). This change is primarily attributable to the measurement of the investment in Scania. The preparation of the condensed interim consolidated financial statements after appropriation of net profit led to a decrease in reported equity as of September 30, 2014. The equity ratio was 31.4% (previous year 23.2%).

	MAN Group			
€ million	**9/30/2014**	**6/30/2014**	**3/31/2014**	**12/31/2013**
Noncurrent assets	10,920	10,866	10,832	9,949
Current assets	7,586	7,708	8,125	12,588
Total assets	**18,506**	**18,574**	**18,957**	**22,537**
Total equity	5,801	5,844	5,711	5,227
Noncurrent liabilities and provisions	5,261	5,768	5,858	5,749
Current liabilities and provisions	7,443	6,961	7,388	11,561

Headcount

The definition of headcount was also adapted in line with Volkswagen's reporting. It comprises active employees, employees in the passive phase of partial retirement, and vocational trainees. It does not include subcontracted employees. The comparable prior-year figures (as of December 31, 2013) were adjusted accordingly.

The MAN Group had 52,128 (previous year: 52,182) active employees on September 30, 2014. A further 597 (630) employees were in the passive phase of partial retirement, and 3,258 (3,290) young people were in vocational traineeships. The MAN Group employed a total of 55,983 (previous year: 56,102) people worldwide at the end of the reporting period, on a level with the previous year. The proportion of employees in Germany was unchanged as against December 31, 2013, at 58% or 32,488 employees (previous year: 32,430 employees).

The MAN Group also had 1,214 subcontracted employees at the end of the third quarter, compared with 1,327 as of December 31, 2013.

Outlook for the MAN Group

The MAN Group's Management anticipates slightly stronger global economic growth in 2014 compared with the previous year. There are still significant uncertainties surrounding economic growth prospects in the future. Among other things, these are due to the debt situation in many countries, which remains strained, and geopolitical tensions and conflicts such as the crisis in Ukraine and the escalating situation in the Middle East. Assuming that the moderate growth trend is not negatively impacted by unforeseen events and the geopolitical situation does not escalate, MAN SE's Executive Board currently expects the following:

In the Commercial Vehicles business area, MAN expects unit sales for 2014 to be well below the prior-year level on the back of declining markets in South America, Europe, and Russia. This means that sales revenue will be down considerably year-on-year. Operating profit and the operating return on sales will be well below the previous year, mainly as a result of lower volumes.

Order intake and sales revenue in the Power Engineering business area are expected to be close to the prior-year figure in fiscal 2014. Operating profit and the operating return on sales will improve significantly but will continue to be impacted by the fierce competition, the slow license business in the marine sector, and customer reticence in the after-sales business. The Power Engineering business area is therefore expected to record a higher single-digit operating return on sales in 2014.

As a result, the MAN Group will see a significant year-on-year decline in sales revenue and slightly higher operating profit in 2014. The operating return on sales will slightly exceed the 2013 figure.

Report on Risks and Opportunities

The Report on Risks and Opportunities should be read in conjunction with our disclosures in the 2013 consolidated financial statements. The MAN Group's risk position has not changed significantly as against the assessment contained in that report.

With respect to current developments in connection with the economic situation and their effects on MAN's order situation in particular, as well as on its sales revenue and earnings, please see the sections entitled "Economic environment" and "Outlook for the MAN Group," along with the information provided on the individual segments in "The Divisions in Detail."

Litigation/legal proceedings

For information regarding "Litigation/legal proceedings," please see the "Notes to the Condensed Interim Consolidated Financial Statements."

MAN shares

Following the upward trend seen in the equity markets in the first half of 2014, the stock markets were frequently unnerved by geopolitical crises in the third quarter of 2014. Accordingly, the economic outlook for the euro zone darkened — the markets were impacted by the depreciation of the euro against the dollar, deflationary trends, weaker exports and a drastic drop in order intake in Germany in August. The markets were temporarily buoyed in the year to date by hopes that the Ukraine crisis would ease and by the European Central Bank's decision to cut its key interest rates to a record low of 0.05% and to buy government bonds. The ongoing weak phase in the euro zone and a slight economic downturn in China contrasted with the economic recovery in the U.S.A., which continued to pick up speed in the reporting period.

The German benchmark index, the Dax, lost around 1% in the first nine months of 2014, closing trading at 9,474 points on September 30, 2014. The MDax declined by 3.5% in the same period, closing at 15,995 points. MAN's shares remained virtually unchanged in the period from January to September 2014 after closing at €89.25 on December 31, 2013. They weakened by approximately 1% in the third quarter to close at €89.10 on September 30, 2014, compared with a closing price of €90.25 on June 30, 2014.

Key data by division

Order intake by division € million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
MAN Truck & Bus	6,770	7,382	–8	2,114	2,797	–24
MAN Latin America	1,729	2,295	–25	534	719	–26
MAN Diesel & Turbo	2,440	2,281	7	753	679	11
Renk	321	421	–24	95	184	–49
Others	–22	–184	–	–6	–31	–
Consolidation within the business areas[1)]	–91	–	–	–17	–	–
MAN Group	**11,147**	**12,195**	**–9**	**3,473**	**4,349**	**–20**

Sales revenue by division € million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
MAN Truck & Bus	5,931	6,460	–8	2,017	2,114	–5
MAN Latin America	1,729	2,295	–25	534	719	–26
MAN Diesel & Turbo	2,309	2,410	–4	883	795	11
Renk	347	350	–1	130	125	5
Others	–13	–174	–	–7	–41	–
Consolidation within the business areas[1)]	–88	–	–	–43	–	–
MAN Group	**10,214**	**11,341**	**–10**	**3,515**	**3,712**	**–5**

Operating profit/loss by division € million	2014 Q1–Q3	2013 Q1–Q3	Change € million	2014 Q3	2013 Q3	Change € million
MAN Truck & Bus	88	92	–4	9	48	–40
MAN Latin America	76	153	–77	9	50	–41
MAN Diesel & Turbo	147	–138	285	59	84	–25
Renk	50	47	3	24	19	5
Others	–61	–119	57	–20	–42	23
Consolidation within the business areas[1)]	4	–	4	1	–	1
Operating profit	**304**	**36**	**268**	**82**	**159**	**–78**
Financial result	–101	–89	–12	–37	–82	45
Profit/loss before tax	**203**	**–53**	**256**	**45**	**77**	**–32**
Income tax expense	–85	–239	154	–19	9	–28
Loss from discontinued operations, net of tax	–	–304	304	–	–304	304
Profit/loss after tax	**118**	**–596**	**714**	**26**	**–218**	**244**

1) Consolidated presentation of business areas starting in 2014.
In this Group interim financial report, the breakdown of order intake, sales revenue, and operating profit/loss by division is based on the segment reporting used in the MAN Group.

The Divisions in Detail

MAN Truck & Bus

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake	6,770	7,382	–8	2,114	2,797	–24
of which: Trucks	5,679	6,090	–7	1,741	2,361	–26
of which: Buses	1,091	1,025	6	373	350	7
of which: Financial Services	–	310	–	–	105	–
of which: consolidation	–	–43	–	–	–19	–
Order intake (units)[1]	55,050	62,511	–12	16,196	25,584	–37
of which: Trucks	50,947	58,491	–13	14,788	24,271	–39
of which: Buses	4,103	4,020	2	1,408	1,313	7
Sales revenue	5,931	6,460	–8	2,017	2,114	–5
of which: Trucks	5,016	5,246	–4	1,715	1,734	–1
of which: Buses	914	947	–3	302	291	4
of which: Financial Services	–	310	–	–	106	–
of which: consolidation	–	–43	–	–	–16	–
Vehicle sales (units)[1]	50,987	53,232	–4	17,894	17,983	–
of which: Trucks	47,600	49,646	–4	16,766	16,874	–1
of which: Buses	3,387	3,586	–6	1,128	1,109	2
Production (units)	53,390	55,193	–3	17,980	19,671	–9
of which: Trucks	49,753	51,224	–3	16,713	18,431	–9
of which: Buses	3,637	3,969	–8	1,267	1,240	2
Headcount[2]	36,560	36,887	–1	36,560	36,887	–1
			€ million			€ million
Operating profit/loss[3]	88	92	–4	9	48	–40
of which: Trucks	131	135	–4	18	58	–40
of which: Buses	–42	–46	4	–9	–10	1
of which: Financial Services	–	3	–3	–	1	–1
Operating return on sales (%)	1.5	1.4	–	0.4	2.3	–

1) No elimination of unit sales figures between Financial Services and Trucks/Buses.
2) Headcount as of September 30, 2014, vs. December 31, 2013.
3) 2013: Including consolidation effects between Financial Services and Trucks/Buses.

The Financial Services business is included in all related prior-year information.

In the first three quarters of the current fiscal year, the European truck market was down slightly on the prior-year level. In the first quarter of 2014, the truck market was buoyed by a more positive economic environment and additional registrations of Euro 5 vehicles. Some of these registrations related to vehicles that were already produced or sold in the fourth quarter of 2013 due to the pull-forward effects from the introduction of the Euro 6 emission standard. These two effects tailed off from the second quarter of 2014, leading the figure to already fall short of the prior-period level in this quarter. MAN Truck & Bus is expecting a sharp market downturn in full-year 2014, due to the fact that a significant portion of demand was already pulled forward to 2013 in advance of the Euro 6 emission rules in force starting in 2014, and given expectations of continued weak macroeconomic growth.

In the first three quarters, the European bus market was up slightly on the prior-year level. The assumption for full-year 2014 is a modest downward trend, since some demand for 2014 had already been pulled forward to the fourth quarter of 2013 in the bus market, too, due to the implementation of the Euro 6 emission rules.

Order intake at MAN Truck & Bus in the first three quarters declined by 8% year-on-year to €6,770 million. Measured in terms of units, order intake was down 12% on the previous year, at 55,050 vehicles (previous year: 62,511).

The Trucks business recorded an order intake of €5,679 million (previous year: €6,090 million). Order intake measured in unit terms decreased by 13% year-on-year to 50,947 vehicles (previous year: 58,491), primarily due to the 39% year-on-year decrease in order intake in the third quarter. The decline was mainly attributable to the high order intake in Europe in the third quarter of 2013, especially in Germany, as a result of truck purchases pulled forward ahead of the introduction of the Euro 6 emission standard on January 1, 2014. Order intake also decreased in Russia due to the effects of the crisis in Ukraine.

Order intake in the Buses business in the first three quarters was up 6% on the previous year, mainly due to prices and the mix. Measured in unit terms, the order intake figure of 4,103 was slightly above the 4,020 recorded in the previous year. The declining order intake observed in South Africa, France, and Australia, among other countries, was offset by factors including a large chassis order from Singapore, a major order for city buses from Sweden in the first quarter of 2014, and a large order for city buses from Germany in the third quarter of 2014.

MAN Truck & Bus generated sales revenue of €5,931 million, an 8% decrease year-on-year from €6,460 million. At 50,987 vehicles, unit sales were also down by 4% on the prior-year figure of 53,232.

The Trucks business recorded a decline in sales revenue to €5,016 million (previous year: €5,246 million). At 47,600 trucks, unit sales decreased by 4% on the prior-year figure (49,646) in a fiercely competitive market. Unit sales declined in Russia, Austria, and Saudi Arabia in particular. By contrast, countries such as Spain, the United Arab Emirates, and South Korea saw increases in unit sales. Overall, MAN Truck & Bus's share of the European market for trucks over 6 t was 16.2% in the first three quarters (previous year: 16.3%).

The Buses business generated sales revenue of €914 million, down on the prior-year figure of €947 million. It sold 3,387 buses (previous year: 3,586), a year-on-year decrease of 6%. The main drivers for this were the city bus business in Turkey and Sweden, as well as the chassis business in France and Australia. In the European market for buses over 8 t, MAN Truck & Bus had a market volume of 10.5% (previous year: 12.3%) in the first three quarters.

While production volumes in the Trucks business remained similar to the prior-year level in the first half of 2014, these were scaled back by 1,718 vehicles (9%) year-on-year in the third quarter due to weaker demand. The drop in demand also led to a 332-vehicle (8%) year-on-year reduction in production volumes in the Buses business in the first nine months.

The headcount as of September 30, 2014, decreased by 327 people to 36,560, compared with 36,887 as of December 31, 2013. This was mainly attributable to the sale of the Financial Services business to VWFS as of January 1, 2014. On the reporting date of September 30, 2014, there were 33,647 active employees. 450 employees were in the passive phase of their partial retirement. In addition, 2,463 young people were in vocational traineeships.

Nine months into 2014, operating profit was lower than the prior-year figure, at €88 million (previous year: €92 million). This corresponds to an operating return on sales of 1.5% (previous year: 1.4%). Operating profit in the Trucks business declined to €131 million (previous year: €135 million). This was primarily attributable to lower sales revenue and the deterioration in capacity utilization, in particular in the third quarter, and at the same time, improved margins as a result of reduced material costs. The operating loss in the Buses business narrowed to €42 million (previous year: €46 million) despite the decline in volumes and restructuring measures for the Plauen bus plant. In the prior-year period, the loss included valuation allowances on receivables.

The Management of MAN Truck & Bus expects unit sales and sales revenue for 2014 to be significantly less than the prior-year level. 2014 operating profit, and thus the operating return on sales, are expected to be well below the prior-year level. MAN Truck & Bus is working systematically to improve its earnings quality in the long term in a highly competitive market environment. Comprehensive measures have already been taken to cut costs, increase efficiency, and introduce more flexibility into production.

MAN Latin America

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake	1,729	2,295	–25	534	719	–26
Order intake (units)	36,168	45,789	–21	10,971	15,488	–29
Sales revenue	1,729	2,295	–25	534	719	–26
Vehicle sales (units)	36,168	45,789	–21	10,971	15,488	–29
Production (units)	35,924	49,490	–27	11,387	16,991	–33
Headcount[1)]	2,001	2,020	–1	2,001	2,020	–1
			€ million			€ million
Operating profit	76	153	–77	9	50	–41
Operating return on sales (%)	4.4	6.7	–	1.6	6.9	–

1) Headcount as of September 30, 2014, vs. December 31, 2013.

MAN Latin America received orders of €1.7 billion in the first three quarters of 2014 (previous year: €2.3 billion). Order intake was down 25% year-on-year due to the deteriorating market environment and the depreciation of the Brazilian real. Measured in terms of units, order intake declined by 21% to 36,168 vehicles.

New registrations for trucks weighing 5 t and over in Brazil declined by 14% to 97,818 units. The worsening business climate and a further slowing of the economy had a significant impact on this trend. The Brazilian Development Bank has now returned to a simplified allocation method for subsidized financing, and in addition is now also offering full financing. However, this has not yet led to any measurable effects. MAN Latin America sold 26,646 trucks in the Brazilian truck market. This corresponds to a decline of 17% as against the prior-year quarter. With a total of 26,332 new truck registrations (previous year: 30,881), MAN Latin America maintained its eleven-year market leadership, achieving a market share of 26.9% in the first nine months (previous year: 27.3%).

New registrations in the Brazilian bus market decreased by 17% in the first nine months, to 19,985 vehicles. MAN Latin America sold 5,122 bus chassis (previous year: 7,694) and achieved a market share of 25.9% (previous year: 29.0%) in the declining market, with 5,171 new bus registrations (previous year: 6,967). The decrease in market share is mainly attributable to lower registrations of government-sponsored school buses. MAN Latin America was disproportionately represented in this market segment. The company nevertheless again occupied the number two position in the Brazilian bus market.

Brazil's commercial vehicles exports declined by 19% year-on-year as a result of the currently weak economy in Latin American markets, primarily Argentina. MAN Latin America remained one of Brazil's leading exporters, with 18% of the country's commercial vehicle exports. The company sold 4,400 vehicles (previous year: 5,841) outside Brazil.

Production volumes declined by 27% compared with the prior-year period. MAN Latin America produced 29,886 trucks (previous year: 40,303) and 6,038 bus chassis (previous year: 9,187) in the first three quarters. Production volumes were adjusted to match the lower level of demand.

Operating profit declined to €76 million in the first nine months, as against the €153 million recorded in the prior-year period. This was mainly caused by lower sales volumes, the depreciation of the Brazilian real, and more intense competition. MAN Latin America's operating return on sales was 4.4% (previous year: 6.7%).

The Management of MAN Latin America is expecting considerably lower sales revenue in full-year 2014. The decrease is mainly attributable to lower market volumes, the resulting considerable decline in unit sales, and negative currency effects. Operating profit will be impacted by lower unit sales, intensifying competition, and the associated price pressure, as well as by the depreciation of the Brazilian real. Operating profit and the operating return on sales are expected to be substantially below the 2013 level.

MAN Diesel & Turbo

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake[1]	2,440	2,281	7	753	679	11
of which: Engines & Marine Systems	1,301	1,091	19	436	346	26
of which: Power Plants	305	322	–5	59	69	–14
of which: Turbomachinery	834	868	–4	258	265	–3
Sales revenue[1]	2,309	2,410	–4	883	795	11
of which: Engines & Marine Systems	1,012	972	4	354	324	9
of which: Power Plants	454	404	12	237	116	104
of which: Turbomachinery	843	1,034	–18	291	355	–18
Headcount[2]	14,906	14,560	2	14,906	14,560	2
			€ million			€ million
Operating profit/loss[1]	147	–138	285	59	84	–25
of which: Engines & Marine Systems	108	95	13	42	51	–9
of which: Power Plants	21	–288	309	17	7	10
of which: Turbomachinery	18	55	–37	0	26	–26
Operating return on sales (%)	6.4	–5.7	–	6.7	10.6	–

1) Including consolidation adjustments between the Engines & Marine Systems, Power Plants, and Turbomachinery strategic business units.
2) Headcount as of September 30, 2014, vs. December 31, 2013.

As before, the situation in the market for large merchant ships such as container and freight ships remains strained due to overcapacity. Despite this, the mood is improving slightly in the market amid expectations of an upturn. Four-stroke applications for merchant and special-purpose ships saw continued stable demand in the first nine months of 2014. Overall, the marine market exhibited marginally positive tendencies as against the comparable prior-year period.

Demand for energy generation remains high, particularly in the developing countries and emerging economies, with a strong trend towards higher flexibility and decentralized availability. There is also a global trend towards gas as a fuel. However, there are signs of delays in awarding contracts, particularly for larger projects, due to currency fluctuations and more difficult financing conditions for customers. Compared with the same period in the previous year, the energy generation market proved stable overall.

The market for new turbomachinery is significantly dominated by contracts awarded for global investment projects in oil and chemical plants. Project volumes in the oil and gas industry remain at a high level, while competitive pressure has intensified as a result of the weak U.S. dollar in the first half of the year and the depreciation of the yen. Demand for turbomachinery in the processing industry was at a low overall level in the first three quarters of 2014, with the already fierce competition becoming even more intense due to the currency issues mentioned. Overall, the turbomachinery market declined slightly as against the prior-year period.

MAN Diesel & Turbo's order intake was €2,440 million in the first nine months of 2014 (previous year: €2,281 million), a 7% increase year-on-year. Order intake amounted to €1,301 million in the Engines & Marine Systems strategic business unit, an improvement of 19% compared with the previous year (€1,091 million). In particular an increase in the license business had a positive effect, while the prior-year figure was not reached in the new construction business despite continued healthy demand for specialist applications such as cruise and offshore ships. In the Power Plants strategic business unit, order intake was €305 million, falling slightly short of the prior-year figure of €322 million (–5%) due mainly to fewer orders in the new construction business. At €834 million, order volumes in the Turbomachinery strategic business unit were down 4% year-on-year (previous year: €868 million). The decline in the new construction business, in particular in the processing industry, was only partly offset by a rise in the after-sales business. A major order was received in the second quarter of 2014 in the field of turbo applications for the oil and gas industry.

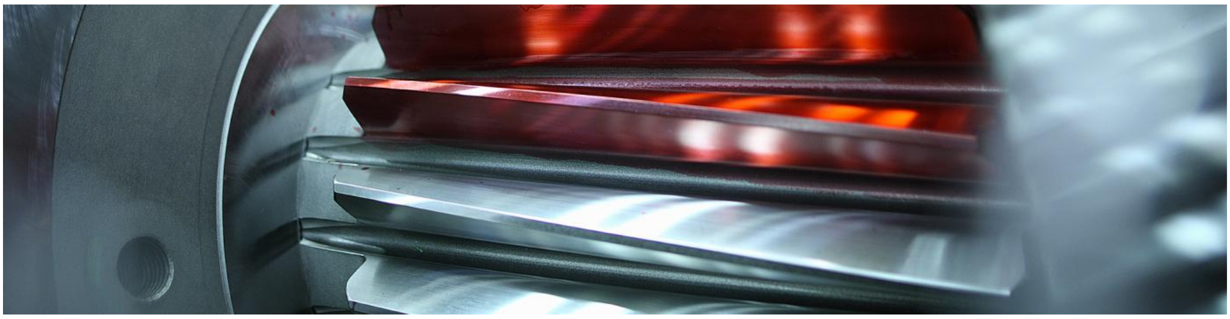
Sales revenue in the first three quarters amounted to €2,309 million, falling 4% short of the figure for 2013 (€2,410 million). At €1,012 million, sales revenue in the Engines & Marine Systems strategic business unit was up 4% on the prior-year figure of €972 million. Sales revenue in the Power Plants strategic business unit was €454 million, up 12% year-on-year (previous year: €404 million) for reasons relating to billing. At €843 million, the Turbomachinery strategic business unit fell short of the 2013 sales revenue figure (€1,034 million) by 18%. This mainly affected the new construction and after-sales businesses.

MAN Diesel & Turbo's operating profit was €147 million in the first nine months of 2014 (previous year: loss of €138 million), corresponding to an operating return on sales of 6.4% (previous year: –5.7%). Profit in the Engines & Marine Systems strategic business unit improved year-on-year to €108 million (previous year: €95 million) as a result of increased capacity utilization. The Power Plants strategic business unit recorded a modest €21 million profit between January and September 2014, after a significant loss of €288 million in the prior-year period due to the recognition of additional provisions for a power plant project that was not yet completed. Operating profit in the Turbomachinery strategic business unit was €18 million (previous year: €55 million). This decline was due primarily to lower sales revenue and decreased capacity utilization.

The slight rise in the headcount in the first three quarters of 2014 is mainly the result of switching subcontracted employees to permanent contracts, and of newly consolidated companies. At 701 as of September 30, 2014, the number of trainees was virtually unchanged on the figure as of December 31, 2013 (714).

For fiscal year 2014, MAN Diesel & Turbo expects order intake and sales revenue to again be roughly on a level with the previous year. There should once again be a significantly positive operating profit, although it will continue to be impacted by the fierce competition in all business markets, the slow license business in the marine sector, and customer reticence in the after-sales business. However, operating profit and the operating return on sales will not reach the very good results achieved in the years up to and including 2012.

Renk



€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Order intake	321	421	–24	95	184	–49
Sales revenue	347	350	–1	130	125	5
Headcount[1)]	2,203	2,306	–4	2,203	2,306	–4
			€ million			€ million
Operating profit	50	47	3	24	19	5
Operating return on sales (%)	14.3	13.4	–	18.4	15.6	–

1) Headcount as of September 30, 2014, vs. December 31, 2013.

The Renk group's order intake for the first nine months of 2014 was almost 25% down on the figure for the previous year, due in particular to declines in vehicle transmissions and special gear units. Order intake for the third quarter of 2014 amounted to €95 million, almost 50% lower than the prior-year figure, which was impacted by major orders in the Vehicle Transmissions and Special Gear Units businesses. The figure for the Slide Bearings business remained roughly the same, while significant growth was recorded in the Standard Gear Units business.

Renk generated sales revenue of €347 million in the first three quarters of 2014, remaining on a similar level to the figure for the previous year of €350 million. The Vehicle Transmissions and Special Gear Units businesses recorded increases year-on-year, while the Standard Gear Units and Slide Bearings businesses experienced declines.

Renk recorded an operating profit of €50 million in the first nine months (previous year: €47 million), resulting in a return on sales of 14.3% (previous year: 13.4%). All businesses generated positive contributions to earnings.

Based on developments to date in the current fiscal year, Renk's Management expects order intake for 2014 to remain unchanged at close to €500 million, with sales revenue slightly down on the prior-year figure of €485 million. Operating profit is expected to exceed the €60 million mark, and thus the operating return on sales will again be in double-digit territory.

Others

€ million	2014 Q1–Q3	2013 Q1–Q3	Change in %	2014 Q3	2013 Q3	Change in %
Headcount[1]	313	329	–5	313	329	–5
of which: MAN Shared Services	56	66	–15	56	66	–15
of which: MAN SE	257	263	–2	257	263	–2
			€ million			€ million
Operating loss	–61	–119	57	–20	–42	23
of which: MAN SE and MAN Shared Services	–24	–66	42	–7	–30	23
of which: earnings effects from purchase price allocations	–37	–60	23	–13	–16	4
of which: consolidation	0	7	–8	0	4	–4

1) Headcount as of September 30, 2014, vs. December 31, 2013.

“Others” comprises MAN SE and its Shared Services companies, the investments held directly by MAN SE, and the consolidation adjustments between MAN Group business areas.

The operating loss amounted to €61 million after the first nine months (previous year: €119 million). This narrowed year-on-year primarily because of lower purchase price allocation effects and lower nonpersonnel expenses and project costs.

Related party disclosures

Please refer to the “Notes to the Condensed Interim Consolidated Financial Statements” for related party disclosures.

Condensed Interim Consolidated Financial Statements as of September 30, 2014

MAN consolidated income statement

Reporting period January 1 to September 30

	MAN Group	
€ million	**2014**	**2013**
Sales revenue	**10,214**	**11,341**
Cost of sales	–8,269	–9,431
Gross profit	**1,946**	**1,910**
Other operating income	380	343
Distribution expenses	–1,165	–1,209
General and administrative expenses	–580	–624
Other operating expenses	–276	–384
Operating profit	**304**	**36**
Share of profits and losses of equity-method investments	16	–41
Finance costs	–144	–150
Other financial result	27	103
Financial result	**–101**	**–89**
Profit/loss before tax	**203**	**–53**
Income tax expense	–85	–239
Loss from discontinued operations, net of tax	–	–304
Profit/loss after tax	**118**	**–596**
of which attributable to noncontrolling interests	9	8
of which attributable to shareholders of MAN SE	**108**	**–604**
Earnings per share from continuing operations in €	**0.74**	**–2.04**
Earnings per share from continuing and discontinued operations in €	**0.74**	**–4.11**

MAN consolidated income statement

Reporting period July 1 to September 30

	MAN Group	
€ million	**2014**	**2013**
Sales revenue	**3,515**	**3,712**
Cost of sales	–2,848	–2,942
Gross profit	**667**	**770**
Other operating income	93	113
Distribution expenses	–405	–393
General and administrative expenses	–178	–191
Other operating expenses	–95	–141
Operating profit	**82**	**159**
Share of profits and losses of equity-method investments	10	–34
Finance costs	–47	–62
Other financial result	0	14
Financial result	**–37**	**–82**
Profit before tax	**45**	**77**
Income tax expense	–19	9
Loss from discontinued operations, net of tax	–	–304
Profit/loss after tax	**26**	**–218**
of which attributable to noncontrolling interests	4	3
of which attributable to shareholders of MAN SE	**22**	**–221**
Earnings per share from continuing operations in €	**0.15**	**0.56**
Earnings per share from continuing and discontinued operations in €	**0.15**	**–1.51**

MAN consolidated reconciliation of comprehensive income for the period

Reporting period January 1 to September 30

€ million	2014	2013
Profit/loss after tax	**118**	**–596**
Items that will not be reclassified to profit or loss		
Remeasurements of pension plans	–188	105
Deferred taxes	60	–25
Other comprehensive income for the period from equity-method investments	–3	–
Items that will be reclassified subsequently to profit or loss		
Currency translation differences	143	–259
Measurement of marketable securities and financial investments	880	–15
Change in fair values of derivatives	–15	–13
Other comprehensive income for the period from equity-method investments	–1	–2
Deferred taxes	–9	–4
Other comprehensive income for the period	**867**	**–213**
Total comprehensive income for the period	**985**	**–809**
of which attributable to noncontrolling interests	7	9
of which attributable to shareholders of MAN SE	**977**	**–818**

The other comprehensive income of €867 million consists of €880 million from the measurement of the investment in Scania AB, Sodertalje/Sweden (Scania), which is classified as an available-for-sale financial asset, and currency translation gains of €143 million from the translation of the financial statements of foreign consolidated Group companies, in particular due to the change in the exchange rate of the Brazilian real to the euro. These items were offset in part by actuarial losses attributable to pensions and other post-employment benefits of €188 million. These result primarily from the decrease in the discount rate for obligations in Germany from 3.7% as of December 31, 2013, to 2.7%. In connection with the sale of MAN Finance, €–10 million was reclassified from other comprehensive income to profit or loss.

MAN consolidated reconciliation of comprehensive income for the period

Reporting period July 1 to September 30

€ million	2014	2013
Profit/loss after tax	**26**	**–218**
Items that will not be reclassified to profit or loss		
Remeasurements of pension plans	–81	37
Deferred taxes	28	–8
Items that will be reclassified subsequently to profit or loss		
Currency translation differences	1	–92
Measurement of marketable securities and financial investments	–	63
Change in fair values of derivatives	–26	6
Other comprehensive income for the period from equity-method investments	2	–4
Deferred taxes	8	–4
Other comprehensive income for the period	**–68**	**–2**
Total comprehensive income for the period	**–42**	**–220**
of which attributable to noncontrolling interests	3	4
of which attributable to shareholders of MAN SE	**–45**	**–224**

MAN consolidated balance sheet as of September 30, 2014

Assets

	MAN Group	
€ million	**9/30/2014**	**12/31/2013**
Intangible assets	2,018	1,924
Property, plant, and equipment	2,124	2,174
Equity-method investments	470	462
Financial investments	2,407	1,522
Assets leased out	2,602	2,483
Income tax receivables	4	–
Deferred tax assets	622	551
Other noncurrent financial assets	500	692
Other noncurrent receivables	172	141
Noncurrent assets	**10,920**	**9,949**
Inventories	3,597	3,112
Trade receivables	2,206	2,346
Current income tax receivables	78	54
Assets held for sale	–	3,986
Other current financial assets	266	1,357
Other current receivables	815	595
Marketable securities	–	1
Cash and cash equivalents	624	1,137
Current assets	**7,586**	**12,588**
	18,506	**22,537**

MAN consolidated balance sheet as of September 30, 2014

Equity and liabilities

	MAN Group	
€ million	**9/30/2014**	**12/31/2013**
Subscribed capital	376	376
Capital reserves	795	795
Retained earnings	4,022	4,329
Accumulated other comprehensive income	530	–350
Equity attributable to shareholders of MAN SE	**5,723**	**5,150**
Noncontrolling interests	78	77
Total equity	**5,801**	**5,227**
Noncurrent financial liabilities	1,457	2,267
Pensions and other post-employment benefits	636	452
Deferred tax liabilities	344	329
Income tax provisions, noncurrent	54	33
Other noncurrent provisions	661	644
Other noncurrent financial liabilities	1,178	1,163
Other noncurrent liabilities	931	861
Noncurrent liabilities and provisions	**5,261**	**5,749**
Current financial liabilities	1,347	1,360
Trade payables	1,656	1,922
Prepayments received	830	852
Current income tax payables	38	23
Liabilities associated with assets held for sale	–	3,525
Income tax provisions, current	67	713
Other current provisions	1,065	1,308
Other current financial liabilities	1,167	755
Other current liabilities	1,273	1,103
Current liabilities and provisions	**7,443**	**11,561**
	18,506	**22,537**

MAN consolidated statement of cash flows

Reporting period January 1 to September 30

	MAN Group	
€ million	**2014**	**2013**
Cash and cash equivalents at beginning of period	**1,208**	**1,366**
Profit/loss before tax of continuing operations	203	–53
Income taxes paid	–726	–86
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant, and equipment, and investment property[1]	275	302
Amortization of capitalized development costs[1]	68	60
Impairment losses on equity investments[1]	0	4
Depreciation of assets leased out[1]	310	274
Change in pension provisions	–1	–3
Loss on disposal of noncurrent assets	–9	–1
Share of profits or losses of equity-method investments	–9	46
Other noncash income and expense	–10	14
Gross cash flow	**101**	**557**
Change in working capital	**–1,203**	**–838**
Change in inventories	–454	–466
Change in receivables	–12	–139
Change in liabilities and prepayments received (excluding financial liabilities)	–121	–27
Change in provisions	–218	140
Change in assets leased out	–398	–253
Change in financial services receivables	–	–93
Net cash used in operating activities	**–1,102**	**–281**
Payments to acquire property, plant, and equipment, investment property, and intangible assets	–182	–218
Additions to capitalized development costs	–135	–98
Payments to acquire other investees	–5	–2
Proceeds from the disposal of subsidiaries, net of cash disposed of	417	–
Proceeds from asset disposals (other than assets leased out)	15	15
Net cash provided by/used in investing activities attributable to operating activities	**110**	**–303**
Net cash flow	**–992**	**–584**

[1] Net of impairment reversals.

MAN consolidated statement of cash flows (cont'd)

Reporting period January 1 to September 30

	MAN Group	
€ million	**2014**	**2013**
Net cash flow	**–992**	**–584**
Change in investments in securities and loans	512	3
Net cash provided by/used in investing activities	**623**	**–300**
Dividend payments	–24	–150
Loss absorption	724	–
Issuance of bonds	–	500
Repayment of bonds	–520	–1,094
Change in other financial liabilities	–294	386
Net cash used in financing activities	**–114**	**–358**
Effect of exchange rate changes on cash and cash equivalents	9	–33
Change in cash and cash equivalents	**–584**	**–972**
Cash and cash equivalents at September 30, 2014, and September 30, 2013	**624**	**394**

Composition of net liquidity/net financial debt at September 30, 2014 and December 31, 2013		
Cash and cash equivalents	624	1,208
Cash and cash equivalents presented separately in the balance sheet as assets held for sale	–	–71
Cash and cash equivalents (consolidated balance sheet)	624	1,137
Securities, loans, and time deposits	664	1,175
Gross liquidity (consolidated balance sheet)	**1,288**	**2,312**
Total third-party borrowings	–2,804	–6,837
Third-party borrowings presented separately in the balance sheet as liabilities associated with assets held for sale	–	3,210
Total third-party borrowings (consolidated balance sheet)	–2,804	–3,627
Net financial debt (consolidated balance sheet)	**–1,517**	**–1,315**

MAN consolidated statement of changes in equity

€ million	Sub-scribed capital	Capital reserves	Retained earnings	Other com-prehensive income	Equity attributa-ble to share-holders of MAN SE	Non-controlling interests	Total
Balance at December 31, 2013	**376**	**795**	**4,329**	**–350**	**5,150**	**77**	**5,227**
Profit after tax	–	–	108	–	**108**	9	**118**
Other comprehensive income	–	–	–	869	**869**	–2	**867**
Total comprehensive income	–	–	108	869	**977**	7	**985**
Dividend payments	–	–	–21	–	**–21**	–3	**–24**
Other changes[1)]	–	–	–393	11	**–382**	–4	**–387**
Balance at September 30, 2014	**376**	**795**	**4,022**	**530**	**5,723**	**78**	**5,801**
Balance at December 31, 2012	**376**	**795**	**4,263**	**116**	**5,550**	**69**	**5,619**
Change in accounting policy due to IAS 19 (2011)	–	–	13	–	**13**	0	**13**
Adjusted balance at January 1, 2013	**376**	**795**	**4,276**	**116**	**5,563**	**69**	**5,632**
Loss after tax	–	–	–604	–	**–604**	8	**–596**
Other comprehensive income	–	–	–	–214	**–214**	1	**–213**
Total comprehensive income	–	–	–604	–214	**–818**	9	**–809**
Dividend payments	–	–	–147	–	**–147**	–3	**–150**
Other changes	–	–	–	0	**0**	1	**1**
Balance at September 30, 2013	**376**	**795**	**3,525**	**–98**	**4,598**	**76**	**4,674**

1) Retained earnings include the share of profit/loss to which Truck & Bus GmbH is entitled in the event of profit transfer based on profit/loss under German GAAP, see also “Accounting policies.”

The Annual General Meeting of MAN SE on May 15, 2014, resolved to distribute a dividend to the shareholders totaling €21 million (€0.14 per share). The dividend was paid on May 16, 2014.

See page 29 for information on changes in other comprehensive income for the period.

Notes to the Condensed Interim Consolidated Financial Statements

Basis of presentation

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, MAN SE, Munich, prepared its consolidated financial statements for 2013 in compliance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union. The accompanying condensed interim consolidated financial statements (interim consolidated financial statements) as of September 30, 2014, were prepared in accordance with IAS 34 and do not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements, and should be read in conjunction with the Company's published IFRS consolidated financial statements for fiscal 2013. Unless expressly indicated otherwise, the accounting policies applied to these interim consolidated financial statements are identical to those adopted for the most recent full-year consolidated financial statements; a detailed description of these accounting policies is given in the notes to the consolidated financial statements for the year ended December 31, 2013. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

From the Executive Board's perspective, the accompanying unaudited interim financial report reflects all standard intraperiod adjustments required for the presentation of a true and fair view of the Group's net assets, financial position, and results of operations. The results presented for the first nine months of fiscal 2014 and for the third quarter of the fiscal year are not necessarily indicative of future results.

Preparation of the interim consolidated financial statements requires the Executive Board to make certain assumptions and estimates affecting the measurement and presentation of assets and liabilities, and income and expenses, for the period. Actual amounts may differ from these estimates. In addition to the amounts contained in the financial statements, the interim financial report contains explanatory notes on selected financial statement line items. Due to the integration into Volkswagen's reporting and to enhance comparability, certain amounts relating to the previous fiscal year have been adjusted to conform to the current presentation. For further information, see “Accounting policies” and “Harmonization of income statement presentation with Volkswagen Group.”

As of January 1, 2014, MAN sold the shares of MAN Finance International GmbH, Munich (MAN Finance) to Volkswagen Financial Services AG, Braunschweig (VWFS). See “Divestments” for further information. Until December, 31, 2013, MAN Finance was presented under the “Financial Services” heading in MAN's financial reporting. Due to the sale of MAN Finance to VWFS, the classification of figures into the Industrial Business and Financial Services presented as additional information until December 31, 2013, is no longer disclosed.

Basis of consolidation

The interim financial statements as of September 30, 2014, include 101 companies (December 31, 2013: 122), including 21 (28) in Germany and 80 (94) outside Germany. See “Divestments” for information on the effects of the changes in the basis of consolidation.

Income tax expense

As a general principle, the current income tax expense presented in the interim financial statements has been determined on the basis of the expected full-year income tax rate.

Accounting policies

MAN has applied all accounting pronouncements adopted by the EU and required to be applied as from January 1, 2014.

The pronouncements contained in the “consolidation package” must be applied effective January 1, 2014. These relate to the new standards IFRS 10 “Consolidated Financial Statements,” IFRS 11 “Joint Arrangements,” and IFRS 12 “Disclosure of Interests in Other Entities,” as well as amendments to IAS 28 “Investments in Associates and Joint Ventures.” The basis of consolidation and the subsidiaries to be included in the consolidated financial statements are now defined by IFRS 10. All entities that MAN SE can control directly or indirectly must be included in the basis of consolidation. The switch from IAS 27 to IFRS 10 did not require the MAN Group to make any adjustments because the parent/subsidiary relationships and other control relationships are attributable almost entirely to voting rights majorities. There was therefore no requirement to consolidate additional entities or deconsolidate existing ones.

IFRS 11 governs the definition of and accounting for “joint arrangements” in the consolidated financial statements. Joint arrangements are classified into “joint ventures” and “joint operations.” Because all entities that are jointly controlled by MAN SE or one of its subsidiaries are required to be classified as joint ventures, there were no effects from applying IFRS 11.

IFRS 12 governs all disclosures on interests in other entities and thus combines all of the information required to be disclosed in the notes on subsidiaries, joint arrangements, associates, and consolidated and unconsolidated structured entities. The scope of the information to be disclosed was expanded in some cases.

Under IAS 28, only the equity method may be applied to joint ventures and associates effective January 1, 2014. The option to include these entities in the consolidated financial statements using proportionate consolidation was eliminated. Because proportionate consolidation was not used in the past in the MAN Group, the elimination of this option did not result in any adjustments.

The other accounting pronouncements required to be applied in fiscal year 2014 for the first time do not have any material effects on the presentation of the net assets, financial position, and results of operations in MAN's consolidated interim financial statements. A detailed list of these accounting pronouncements is contained in the notes to the consolidated financial statements in the 2013 Annual Report.

In addition, starting in 2014, the following voluntary changes were made to the accounting policies due to the integration into Volkswagen's financial reporting:

To enhance balance sheet comparability, the prior-year figures for deferred tax assets and liabilities as of December 31, 2013, were changed to reflect the offsetting methodology applied in the Volkswagen Group. This resulted in a €481 million reduction in both the assets and liabilities side of the balance sheet.

Liabilities from other taxes, which were reported in other current liabilities until December 31, 2013, have been classified into noncurrent and current liabilities according to their maturity, so as to ensure their appropriate presentation and to improve comparability. This change is limited to a reclassification within the liabilities side of the balance sheet. As a result, €131 million was reclassified from other current liabilities to other noncurrent liabilities as of September 30, 2014. The prior-year figures were adjusted accordingly (€102 million).

As a rule, until December 31, 2013, financial liabilities from intragroup finance transactions were included in current financial liabilities at the level of the companies consolidated. Starting in fiscal year 2014, items are allocated to noncurrent or current financial liabilities according to their maturity. This did not result in any changes for the MAN Group.

In addition, the financial assets previously reported in "Other assets" are reported separately as current and noncurrent items starting in fiscal 2014. The prior-year figures were adjusted to reflect this change in presentation.

The financial statements of foreign MAN Group companies are translated into euros using the functional currency concept. Until December 31, 2013, income statement items were translated at the average exchange rate for the year, which was generally derived from monthly average exchange rates. Starting in fiscal 2014, income statement items are translated into euros at weighted average rates.

Financial instruments are no longer accounted for at the trade date as they were until December 31, 2013, but at the settlement date — that is, at the date on which the asset is delivered. These two changes did not have a material effect.

See "Harmonization of income statement presentation with Volkswagen Group" for information on the changes to income statement presentation.

In light of the domination and profit and loss transfer agreement entered into by Truck & Bus GmbH, a wholly owned subsidiary of Volkswagen Aktiengesellschaft, Wolfsburg (Volkswagen AG), and MAN

SE, the accompanying condensed interim financial statements have been prepared after appropriation of net profit.

Divestments

MAN SE entered into an agreement with VWFS to sell the shares of MAN Finance. MAN Finance primarily operates the sales financing business for MAN Truck & Bus and has been presented under the “Financial Services” heading in MAN’s financial reporting to date. The transaction was completed on January 1, 2014. See the “Related party disclosures” for further information. The bundling of the infrastructure, resources, and expertise of VWFS and MAN Finance facilitates the development of integrated transportation solutions for MAN Truck & Bus’s customers, including in other markets. MAN Finance will remain MAN Truck & Bus’s exclusive sales support organization.

The assets and liabilities of MAN Finance transferred during the transaction were presented as held for sale as of December 31, 2013. The figures were presented in the MAN Truck & Bus segment. The following table provides information about the carrying amounts of these assets and liabilities as of December 31, 2013, and completion of the transaction:

€ million	**2013**
Intangible assets, property, plant, and equipment, and investments	49
Assets leased out	273
Deferred tax assets	404
Inventories	155
Trade receivables	78
Financial services receivables	2,841
Cash and cash equivalents	71
Miscellaneous other assets	115
Assets held for sale	**3,986**
Financial liabilities	3,210
Deferred tax liabilities	179
Trade payables	55
Other liabilities	81
Liabilities associated with assets held for sale	**3,525**

The transaction resulted in a gain in the single-digit millions, after deduction of the costs related to the sale. The net profit from the transaction is presented in other operating income. Due to the sale proceeds of €486 million, the consolidated statement of cash flows for the reporting period includes €415 million related to the sale of MAN Finance.

Discontinued operations

MAN SE’s annual reports for fiscal years 2010 to 2013 contain detailed information relating to the sale of the shares of Ferrostaal GmbH, Essen (Ferrostaal, formerly Ferrostaal AG).

The net results from Ferrostaal recognized in the “Loss from discontinued operations, net of tax” in the first nine months of fiscal 2013 are as follows:

€ million **Reporting period January 1 to September 30**	**2014**	**2013**
Income and expenses	–	–27
Income taxes	–	–277
	–	**–304**

For the reporting period January 1, 2014, to September 30, 2014, net cash flows from operating activities contain cash flows from discontinued operations amounting to €−370 million. The consolidated statement of cash flows for the reporting period January 1, 2013, to September 30, 2013, does not contain any effects relating to Ferrostaal.

Income Statement Disclosures

Harmonization of income statement presentation with Volkswagen Group

As part of the integration into the Volkswagen Group, starting in fiscal 2014 the presentation of MAN's income statement is consistent with the structure used by Volkswagen. The income statements for the comparable prior-year periods have been adjusted to conform to the new presentation, as shown in the following tables.

Reporting period
January 1 to September 30, 2013

Previous structure		**Adjustments due to change in presentation**							**New structure**
€ million		**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**		**€ million**
Sales revenue	**11,203**	**158**					**–20**	**11,341**	**Sales revenue**
Cost of sales	–9,096	–87	–406	–63	353		–132	–9,431	Cost of sales
Gross profit	**2,107**							**1,910**	**Gross profit**
Other operating income	346	–158					155	343	Other operating income
Distribution expenses	–855				–353		–1	–1,209	Distribution expenses
General and administrative expenses	–624							–624	General and administrative expenses
Other operating expenses	–914	87	406	63			–26	–384	Other operating expenses
Share of profits and losses of equity-method investments	–16					16		–	No longer included in operating profit/loss
Impairment losses on equity-method investments	–26					26		–	No longer included in operating profit/loss
Profits and losses of financial investments	58					–58		–	No longer included in operating profit/loss
Earnings before interest and taxes (EBIT)	**76**							**36**	**Operating profit**
						–41		–41	Share of profits and losses of equity-method investments
Interest income	21					58	24	103	Other financial result
Interest expense	–150							–150	Finance costs
								–89	**Financial result**
Loss before tax	**–53**							**–53**	**Loss before tax**
Income tax expense	–239							–239	Income tax expense
Loss from discontinued operations, net of tax	–304							–304	Loss from discontinued operations, net of tax
Loss after tax	**–596**							**–596**	**Loss after tax**
of which attributable to noncontrolling interests	8							8	of which attributable to noncontrolling interests
of which attributable to shareholders of MAN SE	**–604**							**–604**	**of which attributable to shareholders of MAN SE**

Reporting period July 1 to September 30, 2013

Previous structure		**Adjustments due to change in presentation**							**New structure**
€ million		**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**		**€ million**
Sales revenue	**3,664**	**52**					**–4**	**3,712**	**Sales revenue**
Cost of sales	–2,860	–29	–135	30	112		–60	–2,942	Cost of sales
Gross profit	**804**							**770**	**Gross profit**
Other operating income	126	–52					40	113	Other operating income
Distribution expenses	–277				–112		–3	–393	Distribution expenses
General and administrative expenses	–191							–191	General and administrative expenses
Other operating expenses	–294	29	135	–30			19	–141	Other operating expenses
Share of profits and losses of equity-method investments	–9					9		–	No longer included in operating profit/loss
Impairment losses on equity-method investments	–26					26		–	No longer included in operating profit/loss
Profits and losses of financial investments	0					0		–	No longer included in operating profit/loss
Earnings before interest and taxes (EBIT)	**133**							**159**	**Operating profit**
						–34		–34	Share of profits and losses of equity-method investments
Interest income	6					0	8	14	Other financial result
Interest expense	–62							–62	Finance costs
								–82	**Financial result**
Profit before tax	**77**							**77**	**Profit before tax**
Income tax expense	9							9	Income tax expense
Loss from discontinued operations, net of tax	–304							–304	Loss from discontinued operations, net of tax
Loss after tax	**–218**							**–218**	**Loss after tax**
of which attributable to noncontrolling interests	3							3	of which attributable to noncontrolling interests
of which attributable to shareholders of MAN SE	**–221**							**–221**	**of which attributable to shareholders of MAN SE**

The main effects of the change from the income statement structure used by the MAN Group until December 31, 2013, to presentation in accordance with the structure used by Volkswagen are described in the following:

(1) Income and expenses from financial services, which were previously presented in other operating income and other operating expenses, were reclassified to sales revenue and the cost of sales, respectively. See “Divestments” for further information.

(2) Research costs and development costs not eligible for capitalization, and amortization of capitalized development costs, which is included in the cost of inventories, are now recognized in the cost of sales, rather than in other operating expenses as they were until December 31, 2013.

(3) Additions to provisions for expected losses from executory contracts, which were previously recognized in other operating expenses, are now included in the cost of sales.

(4) Order-related distribution expenses, particularly expenses for commissions, freight, and packaging were previously presented in the cost of sales. Starting in fiscal 2014, these expenses are

generally presented in distribution expenses, unless they are closely related to the production process.

(5) The profits and losses of equity-method investments and financial investments are no longer included in operating profit/loss as they were until December 31, 2013, due to the change in the definition of operating profit/loss. Instead, they are presented in the financial result.

(6) The other changes concern the following areas:

- In the case of sale transactions, when the hedged item in a cash flow hedge affects profit or loss, the portion recognized in accumulated other comprehensive income is now reclassified to other operating income and other operating expenses, instead of to sales revenue as was the case until December 31, 2013.
- Valuation allowances, reversals of valuation allowances, and inventory scrapping are now recognized in the cost of sales, rather than as other operating expenses.
- Gains and losses from the measurement and settlement of freestanding derivatives and cash flow hedge ineffectiveness, which were presented in other operating income and other operating expenses until December 31, 2013, are now presented in other financial result.
- Reversals of provisions and accruals are no longer reported in the costs in which the item was recognized, but in other operating income.
- In the past, warranty costs that were passed on to a supplier were deducted from the cost of sales. Starting in this fiscal year, they are presented in other operating income.
- Income and expenses due to changes in exchange rates were previously presented as a net amount in other operating income or other operating expenses. Starting in fiscal 2014, gross figures are presented.
- Currency effects from the measurement of items included in net liquidity are recognized in the financial result. Until December 31, 2013, these effects were presented in other operating income or other operating expenses along with currency effects from receivables and liabilities denominated in foreign currencies.

Other operating income

€ million Reporting period January 1 to September 30	2014	2013
Income from foreign exchange gains	110	103
Income from reversal of provisions and accruals	98	92
Income from reversal of valuation allowances on receivables and other assets	18	17
Gains on disposal of property, plant, and equipment, and intangible assets	8	5
Income from foreign currency hedging derivatives	7	20
Miscellaneous other income	138	106
	380	**343**

Foreign exchange gains comprise gains from changes in exchange rates between the dates of recognition and payment of receivables and liabilities denominated in foreign currencies, as well as exchange rate gains resulting from measurement at the closing rate. Likewise, foreign exchange losses from these items are included in other operating expenses.

Miscellaneous other income includes a total of €46 million from the settlement with D&O insurers and the individual settlements with former members of MAN SE's Executive Board and individual Group companies. The resolutions regarding these settlements were adopted in the first half of 2014.

Other operating expenses

€ million Reporting period January 1 to September 30	2014	2013
Foreign exchange losses	94	138
Losses from foreign currency hedging derivatives	18	1
Valuation allowances on receivables and other assets	16	83
Miscellaneous other expenses	148	162
	276	**384**

Other operating expenses comprise those expenses that are not allocated to the function expenses, and in particular to cost of sales.

Research and development costs

€ million **Reporting period January 1 to September 30**	**2014**	**2013**
Total research and development costs	495	444
of which: capitalized development costs	–135	–98
Capitalization ratio in %	27.2	22.0
Amortization of capitalized development costs	68	60
Research and development costs reported in the income statement	**429**	**406**

Finance costs

€ million **Reporting period January 1 to September 30**	**2014**	**2013**
Interest and similar expenses	126	174
less: interest expenses reclassified as cost of sales	–	–33
Interest expense	**126**	**141**
Interest component of additions to pension provisions less return on CTA plan assets	12	12
Unwinding of discount and effect of change in discount rate on other liabilities	6	–3
Interest cost on liabilities	**18**	**9**
Finance costs	**144**	**150**

The finance costs primarily contain interest expenses for financial liabilities and the interest cost from unwinding of discounts on liabilities.

Earnings per share

€ million (unless otherwise stated) **Reporting period January 1 to September 30**	**2014**	**2013**
Profit/loss after tax attributable to shareholders of MAN SE	108	–604
of which: loss from discontinued operations, net of tax	–	–304
Profit/loss from continuing operations attributable to shareholders of MAN SE	**108**	**–300**
Number of shares outstanding (weighted average, million)	147.0	147.0
Earnings per share from continuing operations in €	**0.74**	**–2.04**

Earnings per share are calculated by dividing consolidated net income from continuing operations by the average number of shares outstanding in the year. The number of shares outstanding includes both common and preferred shares because both share classes carry the same dividend rights in 2014, as in the previous year.

There were no outstanding options on shares as of September 30, 2014, and September 30, 2013, that dilute earnings per share. Any exercise of MAN SE’s contingent capital in future periods will be dilutive.

Balance Sheet Disclosures

Intangible assets

€ million	9/30/2014	12/31/2013
Licenses, software, similar rights, customer relationships, brands, and other assets	377	398
Capitalized development costs	841	766
Goodwill	800	760
	2,018	**1,924**

Property, plant, and equipment

€ million	9/30/2014	12/31/2013
Land and buildings	963	960
Production plant and machinery	591	611
Other plant, operating and office equipment	415	437
Prepayments and construction in progress	155	166
	2,124	**2,174**

Special tools and equipment amounting to €155 million as of September 30, 2014 (December 31, 2013: €178 million), which were previously allocated to production plant and machinery, are allocated to operating and office equipment as of fiscal year 2014. The prior-year figures were adjusted accordingly.

Equity-method investments

The most significant equity-method investment as of September 30, 2014, is the 25% equity interest in the Sinotruk Ltd., Hong Kong/China, associate (Sinotruk). The 49% interest in the Rheinmetall MAN Military Vehicles GmbH, Munich, associate is also accounted for using the equity method.

Summarized financial information for Sinotruk (on a 100% basis and thus not adjusted for the equity interest held by MAN) is presented in the following tables:

Balance sheet		
€ million	**2014[1)]**	**2013[2)]**
Current assets	4,112	3,694
Noncurrent assets	1,922	2,065
Current liabilities	3,377	2,580
Noncurrent liabilities	168	605
Total assets	**6,034**	**5,759**

1) Fiscal 2014: Amounts shown relate to the reporting period ended June 30, 2014.
2) Fiscal 2013: Amounts shown relate to the reporting period ended June 30, 2013.

Statement of comprehensive income		
€ million	**2014[1]**	**2013[2]**
Sales revenue	3,886	3,417
Profit before tax from continuing operations	89	52
Income tax expense	–19	–22
Profit after tax from continuing operations	70	30
Other comprehensive income	–1	–2
Total comprehensive income	**69**	**28**

1) Fiscal 2014: Amounts shown relate to the reporting period from July 1, 2013, to June 30, 2014.
2) Fiscal 2013: Amounts shown relate to the reporting period from July 1, 2012, to June 30, 2013.

The carrying amounts of other associates amounted to €56 million as of September 30, 2014 (December 31, 2013: €59 million). The following table contains summarized financial information on the other associates; the disclosures relate in all cases to the Group's share of the investees:

€ million	2014[1]	2013[2]
Profit/loss after tax from continuing operations	2	–18
Other comprehensive income	–2	–1
Total comprehensive income	**0**	**–19**

1) Fiscal 2014: Amounts shown relate to the reporting period from October 1, 2013, to June 30, 2014.
2) Fiscal 2013: Amounts shown relate to the reporting period from October 1, 2012, to June 30, 2013.

Inventories

€ million	9/30/2014	12/31/2013
Raw materials, consumables, and supplies	490	458
Work in progress	1,065	897
Finished goods and purchased merchandise	1,923	1,655
Prepayments	119	102
	3,597	**3,112**

There was no requirement to recognize or reverse significant impairment losses on inventories in the reporting period.

Trade receivables

€ million	9/30/2014	12/31/2013
Customer receivables	1,905	2,031
PoC receivables	248	241
Receivables from investees	53	74
	2,206	**2,346**

Financial liabilities

€ million	9/30/2014	12/31/2013
Bonds	2,206	2,724
Liabilities to banks	454	598
Liabilities from loans	33	23
Other liabilities to affiliated companies	107	278
Liabilities under finance leases	4	5
	2,804	**3,627**

Financial liabilities are reported in the following balance sheet items:

€ million	9/30/2014	12/31/2013
Noncurrent financial liabilities	1,457	2,267
Current financial liabilities	1,347	1,360

As announced, the cooperation with rating agency Moody’s was ended at the end of March 2014.

Other provisions

€ million	9/30/2014	12/31/2013
Warranties	863	853
Outstanding costs	242	265
Obligations to employees	119	128
Other liabilities arising from operating activities	176	213
Miscellaneous provisions	327	493
	1,727	**1,952**

The miscellaneous provisions relate to obligations in the single-digit millions arising from the restructuring measures for the bus plant in Plauen announced in the second quarter of 2014, as well as to project-related provisions in MAN Diesel & Turbo’s Power Plants strategic business unit and to obligations in the Commercial Vehicles business area.

Other provisions are reported in the following balance sheet items:

€ million	9/30/2014	12/31/2013
Other noncurrent provisions	661	644
Other current provisions	1,065	1,308

Contingent liabilities

The maximum total potential contingent liability for Ferrostaal under MAN's obligations from guarantees is €55 million. MAN's guarantees for Ferrostaal are largely covered by indemnities, depending on the origination date of the guarantee.

Litigation/legal proceedings

MAN SE's Annual Report for fiscal 2013 contains detailed information on litigation and legal proceedings.

The antitrust investigation of several commercial vehicle manufacturers that was launched in 2011 by the South Korean antitrust authorities was terminated at the end of 2013 with the imposition of administrative fines on all the manufacturers involved. An administrative fine of €2 million was imposed on MAN Truck & Bus Korea Ltd. MAN has filed an appeal against this fine with the competent court.

There have been no other significant developments for MAN since the publication of the Annual Report.

Statement of cash flows

The statement of cash flows was modified at the beginning of 2014. The presentation has been adapted to the structure used by Volkswagen. The changes affected the following area:

Starting in 2014, depreciation of assets leased out, gains and losses from asset disposals, and changes in tax assets and liabilities are reported in gross cash flow. These items were previously presented outside of gross cash flow in the MAN Group's financial statements, in net cash provided by/used in operating activities. The prior-year figures were adjusted accordingly. This reclassification increased gross cash flow in the first three quarters of 2014 by €410 million. Net cash provided by/used in operating activities was not affected by the reclassification.

The following table shows an overview of the adjustments made to the prior-year figures in the MAN Group's statement of cash flows.

€ million **Reporting period January 1 to September 30**		**2013**	
	Unadjusted	Adjustment	Adjusted
Income taxes paid (previously Current income taxes)	–223	137	–86
Depreciation of assets leased out	–	274	274
Gain on disposal of noncurrent assets	–	–1	–1
Gross cash flow (previously Cash earnings)	**147**	**410**	**557**
Change in assets leased out	21	–274	–253
Change in tax assets and liabilities	137	–137	–
Gain on disposal of noncurrent assets	–1	1	–
Net cash used in operating activities	**–281**	**–**	**–281**

Based on the domination and profit and loss transfer agreement between Truck & Bus GmbH and MAN SE, the loss of €724 million for fiscal 2013 was absorbed on March 14, 2014. The loss absorption was recognized in net cash provided by financing activities.

Fair value disclosures

The following table contains an overview of the financial assets and liabilities measured at fair value:

€ million	9/30/2014	Level 1	Level 2	Level 3
Noncurrent assets				
Other financial assets	31	–	31	–
Current assets				
Other financial assets	16	–	16	–
Noncurrent liabilities				
Other financial liabilities	28	–	28	–
Current liabilities				
Other financial liabilities	48	–	48	–

€ million	12/31/2013	Level 1	Level 2	Level 3
Noncurrent assets				
Financial investments	1,485	1,485	–	–
Other financial assets	26	–	26	–
Current assets				
Other financial assets	28	–	28	–
Marketable securities	1	–	1	–
Noncurrent liabilities				
Other financial liabilities	33	–	33	–
Current liabilities				
Other financial liabilities	32	–	32	–

Fair value hierarchy:

Measurement and presentation of the fair values of financial instruments are based on a fair value hierarchy that reflects the availability of the inputs used for measurement and is classified as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This level includes currency forwards and options, commodity futures, interest rate swaps, and cross-currency swaps. The fair value of these financial instruments is determined on the basis of the conditions prevailing at the end of the reporting period, such as interest rates or exchange rates, and using recognized models such as discounted cash flow or option pricing models.

Level 3: Unobservable inputs for the asset or liability.

During the first nine months, there were no reclassifications between Level 1 and Level 2 in fair value measurement, and there were no reclassifications into or out of Level 3 in relation to fair value measurement. If circumstances arise that require a different classification, they are taken into account on a quarterly basis.

Assets and liabilities measured at fair value through profit or loss consist of derivatives or components of derivatives that are not included in hedge accounting.

Available-for-sale financial assets include the investment in Scania. The carrying amount of this investment was €2,365 million as of September 30, 2014 (December 31, 2013: €1,485 million). The shares of Scania have not been measured at fair value since June 2014. Other investments and shares that are measured at cost have a carrying amount of €42 million (December 31, 2013: €37 million). These are investments in and shares of unlisted entities that were not measured using a discounted cash flow method because the related cash flows could not be reliably measured. No quoted market prices are available for the shares of unlisted entities as no active market exists for these shares. The Company currently has no intention to sell these shares.

Financial instruments are divided into the following classes:

- financial instruments measured at fair value,
- financial instruments measured at amortized cost, and
- financial instruments not falling within the scope of IFRS 7.

The following table shows the reconciliation of the balance sheet items to the relevant classes of financial instruments, broken down by the carrying amount and fair value of the financial instruments. The fair value of financial instruments measured at amortized cost, such as receivables and liabilities, is calculated by discounting using a market rate of interest for a similar risk and matching maturity. For reasons of materiality, the fair value of current balance sheet items is deemed to be the same as their carrying amount.

€ million	Measured at fair value Carrying amount	Measured at amortized cost Carrying amount	Measured at amortized cost Fair value	Not within the scope of IFRS 7 Carrying amount	Balance sheet item at 9/30/2014
Noncurrent assets					
Equity-method investments	–	–	–	470	470
Financial investments	–	2,407	–	–	2,407
Other noncurrent financial assets	31	469	469	–	500
Current assets					
Trade receivables	–	2,206	2,206	–	2,206
Other current financial assets	16	250	250	–	266
Cash and cash equivalents	–	624	624	–	624
Noncurrent liabilities					
Financial liabilities	–	1,457	1,546	–	1,457
Other noncurrent financial liabilities	28	1,150	1,195	–	1,178
Current liabilities					
Financial liabilities	–	1,347	1,347	–	1,347
Trade payables	–	1,656	1,656	–	1,656
Other current financial liabilities	48	1,119	1,119	–	1,167

€ million	Measured at fair value Carrying amount	Measured at amortized cost Carrying amount	Measured at amortized cost Fair value	Not within the scope of IFRS 7 Carrying amount	Balance sheet item at 12/31/2013
Noncurrent assets					
Equity-method investments	–	–	–	462	462
Financial investments	1,485	37	–	–	1,522
Other noncurrent financial assets	26	666	666	–	692
Current assets					
Trade receivables	–	2,346	2,346	–	2,346
Other current financial assets	32	1,325	1,325	–	1,357
Marketable securities	1	–	–	–	1
Cash and cash equivalents	–	1,137	1,137	–	1,137
Noncurrent liabilities					
Financial liabilities	–	2,267	2,375	–	2,267
Other noncurrent financial liabilities	33	1,130	1,145	–	1,163
Current liabilities					
Financial liabilities	–	1,360	1,360	–	1,360
Trade payables	–	1,922	1,922	–	1,922
Other current financial liabilities	32	723	723	–	755

Related party disclosures

Following completion of the sale of MAN Finance to VWFS on January 1, 2014, MAN SE no longer exercises any influence over MAN Finance. The relationships with MAN Finance are presented with the relationships with other Volkswagen AG subsidiaries and equity investments that are not part of the MAN Group. See “Divestments” for further information.

There have been no other material changes in relationships with related parties compared with the disclosures in the consolidated financial statements for the period ended December 31, 2013.

The following table shows the volume of relationships with related parties.

€ million **Reporting period January 1 to September 30**	**Sales and services to**		**Purchases from and services rendered by**	
	2014	**2013**	**2014**	**2013**
Truck & Bus GmbH, Volkswagen AG, and Porsche Stuttgart[1)]	5	5	12	9
Other subsidiaries and equity investments of Volkswagen AG that are not part of the MAN Group	846	114	38	16
Unconsolidated subsidiaries of the MAN Group	33	33	2	1
MAN Group joint ventures and associates	126	178	141	167

1) Porsche Automobil Holding SE, Stuttgart, including its affiliated companies and related parties.

Receivables from related parties amounted to €972 million as of September 30, 2014 (December 31, 2013: €866 million). Liabilities to related parties increased in the same period from €1,510 million to €2,279 million. This includes the share of profit/loss to which Truck & Bus GmbH is entitled; see “Accounting policies.” Liabilities to MAN Finance in the amount of €1,668 million are also included. Furthermore, customer liabilities to MAN Finance are covered by standard industry buyback guarantees.

See “Statement of cash flows” for information on the absorption of the loss for fiscal 2013 by Truck & Bus GmbH.

On September 30, 2014, Truck & Bus GmbH, Wolfsburg (Truck & Bus GmbH), a wholly owned direct subsidiary of Volkswagen Aktiengesellschaft, Wolfsburg, held 75.27% of MAN SE’s voting rights and 74.03% of its share capital.

Segment reporting

The activities of the MAN Group are classified into the following reportable segments: MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and the Renk industrial subsidiary. In order to make decisions about the allocation of resources and the assessment of performance, the results of these segments are regularly reviewed by MAN SE's Executive Board in its role as chief operating decision-maker. "Others" mainly comprises MAN's Corporate Center. Companies with no operating activities and the Scania and Sinotruk investments are allocated to the Corporate Center. Consolidation adjustments between a business area's segments are presented in the business area itself. Other consolidation adjustments and the earnings effects of purchase price allocations in the event of the acquisition of an individual segment are reported in the "Others" item.

Description of the reportable segments:

MAN Truck & Bus is a leading supplier of commercial vehicles and transportation solutions and is expanding from its core Western European market into the growth markets of Eastern Europe and Asia.

MAN Latin America is the largest truck manufacturer in Latin America. It leads the truck market in Brazil and is a leading supplier of commercial vehicles and bus chassis for growth markets, with one of the most advanced production facilities worldwide for trucks and buses.

MAN Diesel & Turbo is a global leader in large-bore marine diesel engines and stationary engines and is also one of the leading suppliers of turbomachinery on the global market.

Renk is a globally recognized manufacturer of high-quality special gear units, propulsion components, and testing systems.

MAN's business activities focus on two business areas: **Commercial Vehicles**, comprising MAN Truck & Bus and MAN Latin America, and **Power Engineering**, featuring MAN Diesel & Turbo and Renk. MAN is a leading provider in the international commercial vehicles industry and offers customer-focused products and services worldwide. Power Engineering is MAN's second strategic business area and provides a suitable counterbalance to Commercial Vehicles.

Segment assets and liabilities correspond to the total assets and liabilities of the individual business areas.

Since January 1, 2014, MAN has used operating profit as defined by the Volkswagen Group as the earnings measure for calculating a segment's results of operations. Operating profit previously corresponded to earnings before interest and taxes (EBIT). An adjustment was made for earnings effects from purchase price allocation and, in individual cases, for nonrecurring items. According to the Volkswagen Group's definition, operating profit is calculated as profit before tax and before the financial result. As a result, net investment income in particular is no longer part of operating profit. However, earnings effects relating to tangible and intangible assets resulting from the acquisition of an individual segment are eliminated from the operating profit of that segment. Details on the definition of the new earnings measure can be found in the notes to the interim consolidated financial statements under "Income statement disclosures." The figures for the prior-year period have been adjusted accordingly.

Net cash flow comprises cash flows from operating activities and cash flows from investing activities attributable to operating activities.

Segment financial information is presented in accordance with the disclosure and measurement policies applied to preparation of the interim consolidated financial statements. Sales revenues between the segments are transacted on an arm's length basis. Depreciation, amortization, and impairment losses relate to the intangible assets, property, plant, and equipment, financial investments, and assets leased out allocated to the individual divisions.

The following table contains segment-related information and a reconciliation from operating profit to earnings before tax.

Segment information (1/3)

Reporting period January 1 to September 30 and as of September 30

	Commercial Vehicles					
	MAN Truck & Bus incl. MAN Finance[3]		MAN Latin America		Commercial Vehicles[1]	
€ million	**2014**	**2013[2]**	**2014**	**2013[2]**	**2014**	**2013[2]**
Segment order intake	**6,770**	**7,382**	**1,729**	**2,295**	**8,420**	**9,677**
of which: Germany	2,122	2,328	–	1	2,122	2,329
of which: other countries	4,648	5,054	1,729	2,294	6,297	7,348
Intersegment order intake	–93	–156	–8	–10	–21	–165
Group order intake	6,677	7,226	1,721	2,285	8,398	9,512
Segment sales revenue	**5,931**	**6,460**	**1,729**	**2,295**	**7,586**	**8,755**
of which: Germany	1,737	1,973	–	1	1,737	1,974
of which: other countries	4,193	4,487	1,729	2,294	5,848	6,781
Intersegment sales revenue	–79	–146	–8	–10	–12	–155
Group sales revenue	5,851	6,314	1,721	2,285	7,573	8,600
Order backlog at September 30, 2014, and December 31, 2013	**2,425**	**1,902**	**–**	**–**	**2,415**	**1,902**
Segment assets at September 30, 2014, and December 31, 2013	**9,084**	**13,039**	**1,954**	**1,935**	**10,907**	**14,974**
Segment liabilities at September 30, 2014, and December 31, 2013	**6,647**	**10,175**	**1,085**	**1,137**	**7,596**	**11,312**
Segment profit (operating profit)	**88**	**92**	**76**	**153**	**168**	**245**
Share of profits and losses of equity-method investments	–2	–51	–	–	–2	–51
Net interest income and other financial result	–20	–16	–48	–28	–65	–44
Profit before tax of continuing operations	**67**	**25**	**28**	**126**	**102**	**151**
of which: depreciation and amortization	–507	–460	–31	–42	–534	–502
of which: impairment losses	–	–26	–1	–	–1	–26
Net cash flow	**–286**	**–123**	**–80**	**–157**	**–368**	**–280**
of which: net cash used in operating activities	–119	39	–34	–110	–157	–71
of which: net cash used in investing activities attributable to operating activities	–167	–162	–45	–47	–211	–209
Capital expenditures	**174**	**174**	**45**	**55**	**218**	**229**
Operating return on sales (%)	**1.5**	**1.4**	**4.4**	**6.7**	**2.2**	**2.8**

1) Consolidated presentation of business areas starting in 2014.
2) Sales revenue and operating profit were adjusted due to the retrospective application of the income statement structure used by Volkswagen, see also “Income statement disclosures.” See “Accounting Policies” for an explanation of the adjustments made to the segment assets and liabilities.
3) MAN Finance was sold as of January 1, 2014. See “Divestments” for further information.

Segment information (2/3)

Reporting period January 1 to September 30 and as of September 30

	Power Engineering					
	MAN Diesel & Turbo		Renk		Power Engineering[1]	
€ million	2014	2013[2]	2014	2013[2]	2014	2013[2]
Segment order intake	**2,440**	**2,281**	**321**	**421**	**2,749**	**2,701**
of which: Germany	216	261	79	168	289	429
of which: other countries	2,224	2,020	243	253	2,460	2,273
Intersegment order intake	–2	–3	–12	–18	–1	–20
Group order intake	2,438	2,278	310	403	2,748	2,681
Segment sales revenue	**2,309**	**2,410**	**347**	**350**	**2,642**	**2,760**
of which: Germany	229	212	120	116	342	328
of which: other countries	2,080	2,198	226	234	2,300	2,432
Intersegment sales revenue	–3	–2	–12	–18	–2	–20
Group sales revenue	2,306	2,408	334	332	2,640	2,740
Order backlog at September 30, 2014, and December 31, 2013	**3,383**	**3,245**	**616**	**648**	**3,991**	**3,893**
Segment assets at September 30, 2014, and December 31, 2013	**3,641**	**3,691**	**585**	**581**	**4,221**	**4,268**
Segment liabilities at September 30, 2014, and December 31, 2013	**2,286**	**2,284**	**271**	**278**	**2,551**	**2,559**
Segment profit or loss (operating profit or loss)	**147**	**–138**	**50**	**47**	**197**	**–91**
Share of profits and losses of equity-method investments	4	4	–	–	4	4
Net interest income and other financial result	–4	–2	0	0	–4	–1
Profit/loss before tax of continuing operations	**148**	**–135**	**50**	**47**	**197**	**–88**
of which: depreciation and amortization	–65	–61	–12	–12	–76	–73
of which: impairment losses	–	–4	–	–	–	–4
Net cash flow	**–99**	**–254**	**5**	**46**	**–90**	**–208**
of which: net cash provided by/used in operating activities	–14	–178	17	61	3	–117
of which: net cash used in investing activities attributable to operating activities	–84	–76	–12	–15	–93	–91
Capital expenditures	**85**	**77**	**12**	**15**	**98**	**92**
Operating return on sales (%)	**6.4**	**–5.7**	**14.3**	**13.4**	**7.5**	**–3.3**

1) Consolidated presentation of business areas starting in 2014.
2) Sales revenue and operating profit were adjusted due to the retrospective application of the income statement structure used by Volkswagen, see also “Income statement disclosures.” See “Accounting Policies” for an explanation of the adjustments made to the segment assets and liabilities.

Segment information (3/3)

Reporting period January 1 to September 30 and as of September 30

	Others						Group	
	Corporate Center [2]		Cons./Reconcil.		Total			
€ million	**2014**	**2013[1]**	**2014**	**2013[1]**	**2014**	**2013[1]**	**2014**	**2013[1]**
Segment order intake	**13**	**12**	**–35**	**–196**	**–22**	**–184**	**11,147**	**12,195**
of which: Germany	12	12	–13	–24	–1	–12	2,411	2,745
of which: other countries	1	–	–22	–172	–21	–172	8,736	9,450
Intersegment order intake	–12	–10	35	196	23	186	–	–
Group order intake	1	2	–	–	1	2	11,147	12,195
Segment sales revenue	**13**	**12**	**–26**	**–186**	**–13**	**–174**	**10,214**	**11,341**
of which: Germany	12	12	–13	–26	–1	–14	2,079	2,288
of which: other countries	1	–	–13	–160	–12	–160	8,135	9,053
Intersegment sales revenue	–12	–10	26	186	14	176	–	–
Group sales revenue	1	2	–	–	1	2	10,214	11,341
Order backlog at September 30, 2014, and December 31, 2013	**–**	**–**	**–12**	**–19**	**–12**	**–19**	**6,394**	**5,776**
Segment assets at September 30, 2014, and December 31, 2013	**7,498**	**5,321**	**–4,120**	**–2,026**	**3,379**	**3,295**	**18,506**	**22,537**
Segment liabilities at September 30, 2014, and December 31, 2013	**4,335**	**6,074**	**–1,777**	**–2,635**	**2,558**	**3,439**	**12,705**	**17,310**
Segment profit or loss (operating profit or loss)	**–24**	**–66**	**–37**	**–52**	**–61**	**–119**	**304**	**36**
Share of profits and losses of equity-method investments	12	4	2	2	14	6	16	–41
Net interest income and other financial result	55	–8	–103	5	–48	–3	–117	–48
Profit/loss before tax of continuing operations	**43**	**–70**	**–139**	**–46**	**–96**	**–116**	**203**	**–53**
of which: depreciation and amortization	–6	–6	–37	–55	–42	–61	–653	–636
of which: impairment losses	0	0	–	–	0	0	–1	–30
Net cash flow	**–513**	**–72**	**–20**	**–24**	**–534**	**–96**	**–992**	**–584**
of which: net cash provided by/used in operating activities	–1,000	–67	52	–26	–948	–93	–1,102	–281
of which: net cash provided by/used in investing activities attributable to operating activities	487	–5	–73	2	414	–3	110	–303
Capital expenditures	**7**	**7**	**–1**	**–10**	**7**	**–3**	**323**	**318**
Operating return on sales (%)	**–**	**–**	**–**	**–**	**–**	**–**	**3.0**	**0.3**

1) Sales revenue and operating profit were adjusted due to the retrospective application of the income statement structure used by Volkswagen, see also “Income statement disclosures.” See “Accounting Policies” for an explanation of the adjustments made to the segment assets and liabilities.

2) Corporate Center: MAN SE, Shared Services, and holding companies.

Executive Board

Dr. René Umlauft left the Executive Board of MAN SE effective the end of August 31, 2014, due to the regular end of his term of office.

Munich, October 22, 2014

MAN SE
The Executive Board

Overview by Quarter (1/3)

€ million	2014 Q1-Q3	2014 Q3	2014 Q2	2014 Q1	Total 2013	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Order intake by division[2)]									
MAN Truck & Bus	6,770	2,114	2,390	2,267	9,551	2,169	2,797	2,392	2,194
MAN Latin America	1,729	534	625	570	2,955	660	719	754	822
Commercial Vehicles[1)]	8,420	2,636	2,984	2,800	12,506	2,829	3,516	3,146	3,015
MAN Diesel & Turbo	2,440	753	901	786	3,407	1,126	679	874	727
Renk	321	95	102	125	504	83	184	121	116
Power Engineering[1)]	2,749	843	1,001	905	3,911	1,209	863	995	843
Others	–22	–6	–9	–6	–211	–27	–31	–102	–52
Order intake	**11,147**	**3,473**	**3,976**	**3,699**	**16,207**	**4,012**	**4,349**	**4,039**	**3,806**
Commercial Vehicles order intake (units)[1)]	**89,627**	**26,981**	**32,874**	**29,772**	**139,271**	**30,971**	**41,072**	**34,054**	**33,174**
MAN Truck & Bus	55,050	16,196	20,657	18,197	78,914	16,403	25,584	18,838	18,089
MAN Latin America	36,168	10,971	12,806	12,391	60,357	14,568	15,488	15,216	15,085
Intersegment order intake	–1,591	–186	–589	–816	–1,528	–206	–310	–467	–545
Group order intake	89,627	26,981	32,874	29,772	137,743	30,765	40,762	33,587	32,629
Sales revenue by division[2)]									
MAN Truck & Bus	5,931	2,017	2,131	1,782	9,251	2,791	2,114	2,404	1,942
MAN Latin America	1,729	534	625	570	2,955	660	719	754	822
Commercial Vehicles[1)]	7,586	2,514	2,735	2,336	12,207	3,452	2,833	3,158	2,764
MAN Diesel & Turbo	2,309	883	726	700	3,390	980	795	872	743
Renk	347	130	108	108	485	135	125	103	123
Power Engineering[1)]	2,642	1,008	830	804	3,875	1,115	919	975	865
Others	–13	–7	–4	–2	–221	–47	–41	–98	–36
Sales revenue	**10,214**	**3,515**	**3,561**	**3,138**	**15,861**	**4,520**	**3,712**	**4,036**	**3,594**
Commercial Vehicles unit sales (units)[1)]	**85,678**	**28,043**	**31,249**	**26,386**	**141,919**	**42,898**	**33,471**	**34,752**	**30,798**
MAN Truck & Bus	50,987	17,894	18,827	14,266	81,562	28,330	17,983	19,536	15,713
MAN Latin America	36,168	10,971	12,806	12,391	60,357	14,568	15,488	15,216	15,085
Intersegment sales	–1,477	–822	–384	–271	–1,586	–447	–442	–371	–326
Group sales	85,678	28,043	31,249	26,386	140,333	42,451	33,029	34,381	30,472
Order backlog[3)]	**6,394**	**6,394**	**6,583**	**6,297**	**5,776**	**5,776**	**6,710**	**6,184**	**6,169**
Commercial Vehicles production (units)[1)]	**87,830**	**28,906**	**29,367**	**29,557**	**142,517**	**37,834**	**36,662**	**35,941**	**32,080**
MAN Truck & Bus	53,390	17,980	19,961	15,449	81,193	26,000	19,671	19,085	16,437
MAN Latin America	35,924	11,387	10,063	14,474	61,324	11,834	16,991	16,856	15,643
Intersegment production	–1,484	–461	–657	–366	–1,306	–308	–393	–307	–298
Group production	87,830	28,906	29,367	29,557	141,211	37,526	36,269	35,634	31,782

1) Consolidated presentation of business areas starting in 2014.
2) 2013: Adjusted to reflect the retrospective application of the income statement structure used by Volkswagen, see also “Income statement disclosures.”
3) As of the reporting date.
This information is reported on a voluntary basis.

Overview by Quarter (2/3)

	2014				2013				
€ million	Q1-Q3	Q3	Q2	Q1	Total 2013	Q4	Q3	Q2	Q1
Operating profit/loss by division[2]									
MAN Truck & Bus	88	9	68	11	244	152	48	66	–22
MAN Latin America	76	9	36	32	220	67	50	45	59
Commercial Vehicles[1]	168	18	107	42	464	219	98	111	37
MAN Diesel & Turbo	147	59	55	33	–41	97	84	–104	–118
Renk	50	24	12	14	66	19	19	11	17
Power Engineering[1]	197	83	67	47	25	116	104	–93	–101
Others	–61	–20	–20	–21	–180	–62	–42	–44	–34
Operating profit/loss	**304**	**82**	**154**	**68**	**309**	**273**	**159**	**–26**	**–98**
Financial result	**–101**	**–37**	**–39**	**–26**	**–137**	**–48**	**–82**	**39**	**–46**
Profit/loss before tax	**203**	**45**	**116**	**42**	**172**	**225**	**77**	**14**	**–144**
Income tax expense	–85	–19	–52	–14	–377	–138	9	–55	–193
Loss from discontinued operations, net of tax	–	–	–	–	–308	–4	–304	–	–
Profit/loss after tax	**118**	**26**	**63**	**28**	**–513**	**83**	**–218**	**–41**	**–337**
Operating return on sales (%)	**3.0**	**2.3**	**4.3**	**2.2**	**1.9**	**6.0**	**4.3**	**–0.6**	**–2.7**
MAN Truck & Bus	1.5	0.4	3.2	0.6	2.6	5.4	2.3	2.7	–1.1
MAN Latin America	4.4	1.6	5.7	5.5	7.4	10.1	6.9	6.0	7.1
Commercial Vehicles[1]	2.2	0.7	3.9	1.8	3.8	6.3	3.5	3.5	1.3
MAN Diesel & Turbo	6.4	6.7	7.5	4.8	–1.2	9.9	10.6	–11.9	–15.9
Renk	14.3	18.4	11.0	12.8	13.5	14.0	15.6	10.2	13.8
Power Engineering[1]	7.5	8.3	8.0	5.9	0.6	10.4	11.3	–9.6	–11.7

[1] Consolidated presentation of business areas starting in 2014.
[2] 2013: Adjusted to reflect the retrospective application of the income statement structure used by Volkswagen, see also “Income statement disclosures.”

This information is reported on a voluntary basis.

Overview by Quarter (3/3)

€ million	2014 Q1-Q3	2014 Q3	2014 Q2	2014 Q1	Total 2013	2013 Q4	2013 Q3	2013 Q2	2013 Q1
Gross cash flow[1]	101	–74	215	–40	986	429	358	193	6
Net cash provided by/used in operating activities	–1,102	–194	–220	–688	136	417	254	–385	–150
Net cash provided by/used in investing activities attributable to operating activities	110	–115	–113	338	–526	–223	–100	–118	–85
Net cash flow	**–992**	**–308**	**–333**	**–350**	**–390**	**194**	**154**	**–503**	**–235**
Net financial debt[2]	**–1,517**	**–1,517**	**–1,225**	**–864**	**–1,315**	**–1,315**	**–4,641**	**–4,797**	**–4,152**
ROCE (%)[3]	**6.3**	**4.9**	**8.9**	**5.3**	**6.9**	**17.4**	**11.0**	**4.1**	**–4.7**
ROS (%)[3]	**3.4**	**2.7**	**4.5**	**3.0**	**3.0**	**6.7**	**5.2**	**1.8**	**–2.3**
Headcount[2] [4]	**55,983**	**55,983**	**55,480**	**55,462**	**56,102**	**56,102**	**56,178**	**55,455**	**55,896**
Capital markets information									
Earnings per share from continuing operations (€)	**0.74**	**0.15**	**0.42**	**0.17**	**–1.47**	**0.57**	**0.56**	**–0.29**	**–2.31**
MAN share price[5]									
High	93.80	90.80	93.30	93.80	89.74	89.72	88.14	86.51	89.74
Low	87.99	87.99	89.75	89.25	82.35	88.02	84.00	83.76	82.35
Quarter-end	89.10	89.10	90.25	92.50	89.25	89.25	88.14	83.90	83.87
MAN share performance (%)									
Performance of MAN shares	–0.2	–1.3	–2.4	3.6	10.5	1.3	5.1	0.0	3.9
Dax performance	–0.8	–3.6	2.9	0.0	25.5	11.1	8.0	2.1	2.4
MDax performance	–3.5	–4.9	2.1	–0.7	39.1	10.2	9.7	2.9	11.8

1) Gross cash flow is presented in accordance with the new statement of cash flows presentation. See "Statement of cash flows" in the notes to the condensed interim consolidated financial statements for further information
2) As of the reporting date.
3) For the actual ROCE and ROS values, operating profit is compared with the average capital employed — in accordance with the methodology applied to date — with the previous income statement structure used to determine operating profit.
4) Including employees in the passive phase of partial retirement and trainees, excluding subcontracted employees. The prior-year figures were adjusted accordingly.
5) Xetra closing prices, Frankfurt.

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MAN SE Financial Diary*

Annual press conference	March 11, 2015
Internet publication of annual report	March 11, 2015
Report on Q1/2015	April 28, 2015
Annual General Meeting for fiscal 2014, Hanover	May 6, 2015
Half-yearly report 2015	July 28, 2015
Report on Q3/2015	October 27, 2015

*The latest information can be found on MAN's website at
→ www.man.eu/corporate under "Investor Relations"

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This is a translation of the German original. In the event of discrepancies between the German language version and any translation thereof, the German language version will prevail.

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