



MAN Diesel & Turbo kicks off future program

Augsburg, 09/23/2016

Today the Board of MAN Diesel & Turbo announced the start of a comprehensive program dedicated to ensuring the future viability of the company. The engine manufacturer's program, titled "Basecamp 3000+", will tackle development of the company's strategy and portfolio, as well as optimizations to internal processes and improvements to cost structure, with the aim of achieving an improvement in results of over 450 million euros.

Under the proposed plan, each MAN site will specialize in a more clearly defined area, overlap will be reduced and structures simplified. The intention is, therefore, for our Hamburg site to focus exclusively on Service and After Sales in future, and for our sites at Oberhausen and Bengaluru to focus on the production of steam turbines. The Berlin site, which has been producing compressors to date, will become a components facility for turbomachinery.

Further improvements in results of around 350 million euros are to be made through efficiency measures and optimizations across development, sales, quality, product costs and Human Resources.

The Board anticipates that around 1,400 staff will be affected by the planned measures. Any downsizing will be conducted in a manner that takes into consideration the company's ethical duty to its staff.

The board and the Works Council have started negotiations on the proposed restructuring measures.

"Our analyses show that, we have to be able to adapt to a continuously demanding market environment," explained Dr Uwe Lauber, the company's Chief Executive Officer and Chief Technology Officer. "Under these conditions, we must also place ourselves in a robust financial position that enables us to grow. The first stage of the program therefore takes into account the negative market influences that we have been exposed to for some time now and which we will continue to face in the future.

The efforts made in previous years to assert ourselves in a consistently demanding market environment have been successful. Nevertheless, there is still a way to go before we reach "Basecamp 3000+". "Basecamp 3000+" means securing sustainable profitability for the company on a turnover level of three billion euros, making us fit for the journey to the top."

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The company intends to make around 100 million euros of savings through restructuring its group functions and three strategic business units: Engine & Marine Systems, Power Plants and Turbomachinery. The restructuring measures are based upon the analysis of MAN Diesel & Turbo's site network that was conducted over the past few months. This analysis showed the need for capacity adjustments and structural measures aimed at harnessing synergies and optimizing the company's cost structure.

"The analysis confirms that the degree of adjustment required varies for each strategic business unit," said Lauber. "Especially the turbomachinery business is facing particular challenges. Caused by external factors, we expect orders for new turbo engines to remain at their current low level also in the coming years. For this reason, we need to prepare ourselves and increase our flexibility and efficiency even further."

About MAN Diesel & Turbo

MAN Diesel & Turbo SE, based in Augsburg, Germany, is the world's leading provider of large-bore diesel and gas engines and turbomachinery. The company employs around 14,500 staff at more than 100 international sites, primarily in Germany, Denmark, France, Switzerland, the Czech Republic, India and China. The company's product portfolio includes two-stroke and four-stroke engines for marine and stationary applications, turbochargers and propellers as well as gas and steam turbines, compressors and chemical reactors. The range of services and supplies is rounded off by complete solutions like ship propulsion systems, engine-based power plants and turbomachinery trains for the oil & gas as well as the process industries. Customers receive worldwide after-sales services marketed under the MAN PrimeServ brand.