



Cooperation agreement signed

MAN B&W Diesel and CSIC intensify cooperation

Munich, 20 June 2005. The MAN B&W Diesel Group and the China Shipbuilding Industry Corporation (CSIC) agreed upon comprehensive cooperation with regard to the development and production of large diesel engines. The frame agreement, which was recently signed in Munich, also provides for close cooperation in the purchase and production of components, personnel training and production for MAN B&W turbochargers. Signing of the agreement was the focus of a comprehensive programme organised for the visit of the CSIC Top Management to the MAN B&W locations in Copenhagen, Augsburg and Munich.

“This agreement will deepen and extend our cooperation. The projected further development of our collaboration offers new potentials both for MAN B&W Diesel and CSIC in order to jointly and efficiently operate in the growing vessel building market to the mutual benefit of both parties”, said Håkan Samuelsson, Executive Board Chairman of the MAN Group, when signing the contract. While Li Changyin, CSIC President, emphasised: “With MAN B&W, we gained an excellent partner worldwide rich in experience with regard to the development and manufacture of large diesel engines.”

MAN B&W and CSIC are united by many years of partnership. The Chinese shipbuilding group already holds licences for the manufacture of two-stroke and medium-speed four-stroke engines. The frame agreement which has now been signed comprises a closer technical

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cooperation covering all engine types. Also in the future, large MAN B&W medium-speed engines will be licence-built by CSIC and their associated companies as well as components for radial and axial turbochargers. In addition, CSIC will be supported by MAN B&W in the establishment of their own crankshaft manufacturing site in China.

A further target of the two companies is the achievement of considerable synergy effects via a joint production and purchasing volume. It is planned to jointly procure and produce engine parts in China.

CSIC is China's largest ship building company and leading supplier of vessels. The group comprises 47 industrial companies, 28 research centres and a further 15 business units, with 160 000 employees in 20 provinces and towns.

Caption:

Håkan Samuelsson (left), Executive Board Chairman of the MAN Group, and Li Changyin, CSIC President, signing the contract in Munich.

About MAN B&W Diesel

The MAN B&W Diesel Group is leading supplier of large-bore diesel engines for marine propulsion and power stations with a unit output of up to 97 MW per engine. The two-stroke and four-stroke engines produced by MAN B&W Diesel and their licensees are, with a market share of approx. 50 %, leaders on the world market with regard to the propulsion of large ocean-going vessels. Moreover, the company is one of the leading suppliers of diesel power stations and turbochargers. The Group Division, with approx. 7 000 employees and manufacturing plants in Germany, Denmark, England, France, the Czech Republic and China achieves an annual turnover of more than 1.4 billion Euro. MAN B&W Diesel is a subsidiary of the MAN Aktiengesellschaft, Munich. The MAN Group is one of the leading European suppliers of capital goods in the fields of commercial vehicles, constructional engineering and engineering contracting with a turnover of approx. 15 billion Euro and 62 000 employees.

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