

PRESS RELEASE

MAN B&W Diesel Ltd - Reorganisation

MAN B&W Diesel Ltd of Stockport, Cheshire has announced plans to re-organise its engine and aftermarket businesses, and for an investment programme to develop its UK manufacturing facilities. These initiatives demonstrate the commitment of MAN B&W Diesel to the Mirrlees Blackstone, Paxman and Ruston products.

The formation of new High Speed and Medium Speed Strategic Business Units, incorporating all sales, marketing, project management, applications engineering and aftermarket activities, will provide more focused and co-ordinated support for the Marine, Industrial, Power Generation and Rail Traction markets.

The Medium Speed Business Unit will be responsible for the products of Mirrlees Blackstone and most of the Ruston products sold into power generation markets. The High Speed Business Unit will be responsible for all of the Paxman products in all markets and the Ruston products into marine, rail and some industrial applications via specialist packagers and distributors.

More than £20 million will be invested to upgrade and extend the manufacturing facilities at the Stockport site including a centralised R&D facility for all Mirrlees Blackstone, Paxman and Ruston products. Site investment will include major new machine tools, new engine assembly and test areas, a new purpose-built spare parts warehouse and centralised office facilities for the Strategic Business Units.

As part of this programme, the Company intends to progressively transfer production of the Ruston engine range to the Stockport site. The Paxman engine range will continue to be built at the existing factory in Colchester, Essex and there will be further improvement in the Colchester plant and facilities.

The management and organisation of the whole UK company will be modified to recognise the change to a Business Unit structure. The proposed changes will have an impact on people throughout the Company, and the Company recognises that the success of the new business depends on the full support of all employees throughout the process. A detailed programme of consultation with all employees, Trade Unions and representative bodies has begun.

MAN B&W Diesel Ltd is confident that this new structure will enable it to improve its service to customers and to expand business in all its markets.

Information for Editors:

MAN B&W Diesel Ltd is a wholly-owned subsidiary of MAN B&W Diesel AG of Augsburg, Germany, and currently manufactures diesel engines covering the 1-15MW power range at three independent business locations. These are Mirrlees Blackstone at Stockport, Cheshire, Ruston at Newton-le-Willows, Merseyside and Paxman at Colchester, Essex. (It also has a Foundry business at Stamford, Lincolnshire and a Controls business, Regulateurs Europa, at Colchester which are unaffected by this announcement).

18th May 2001

Simon Shand-Brown
PR Manager
MAN B&W Diesel Ltd
Hythe Hill
Colchester, Essex
CO1 2HW

Tel: +44 1206 795151
Fax: +44 1206 797869
Email: simon.shandbrown@manbw ltd.com