



MAN to invest in competitiveness at Munich plant

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Agreement with employee representatives envisages lower personnel costs

The Executive Board of the MAN Nutzfahrzeuge Group, the Works Council and IG Metall (the trade union) have agreed on a comprehensive package which will considerably improve the competitiveness of the Munich plant in the coming years. The package focuses on structural improvements and investments of €190 million up to 2012 aimed at improving productivity and on a new arrangement for working hours. Both components together will result in annual savings of up to €50 million. The agreement comes into force on 1st October 2006.

The investments will systematically improve productivity at the Munich plant from 2007 onwards: highly efficient logistics processes in production will lead to minimised throughput times and idle times and to maximum flexibility in production sequences. Modernisation will also entail new buildings and conversion of existing ones as well as investments in new machinery. As a result productivity will rise by some €26 million per year. In addition MAN will be expanding capacity in research and development.

The plan of action agreed with the trade union and the Works Council envisages longer working hours for employees; this will amount to one to two hours per week, depending on the field of activity. Some of this will be contributed by the employees as free time used for further training. As a result up to €24 million will be saved per year. Together with the improvements in productivity resulting from the investments the total saving will amount to about €50 million per year. During the term of the agreement there will be no dismissals due to operational requirements.

The agreement relates solely to the Munich plant and takes into account the structures that have grown there over the years. These will be systematically modernised by the planned investments. "With the measures we have agreed we are raising the Munich plant to a completely new level of productivity and thereby decisively improving the competitiveness of the Munich location," explained Anton Weinmann, Chairman of the Executive Board of the MAN Nutzfahrzeuge Group. He went on to say that this is a further major step in achieving the envisaged structural savings in the Group.

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