

As of March 31, 2010

How much of MTU is there in Tognum?

Tognum and MTU – are these actually two names for the same company? Some people find it fairly difficult to come to a decision on this subject. But then the answer is much easier than it may appear at first sight. Tognum AG is the holding, or, parent company whilst MTU Friedrichshafen GmbH is one of its subsidiaries – albeit by far the largest of them all. Together with a number of other subsidiaries, they make up the Tognum group. Because Tognum is far more than just MTU Friedrichshafen.

Small wonder these names are subject to some confusion – after all, the parent company Tognum is considerably younger than its 100-year-old subsidiary MTU. Moreover, until the parent company Tognum was founded, MTU was known to be the driving force for quite some time. This is exemplified by the fact, that at a time when MTU Friedrichshafen was mostly owned by the DaimlerChrysler group, MTU was not reduced to managing its own operations, but successfully headed DaimlerChrysler’s “Off-Highway” business unit, comprising all activities focusing on drive systems designed for applications beyond the mere use “on the highway”. Apart from MTU Friedrichshafen itself, this also included the Off-Highway segment of DaimlerChrysler’s subsidiary Detroit Diesel in the US, as well as injection system specialist L’Orange with its headquarters in Zuffenhausen and a few other shareholdings.

When DaimlerChrysler’s entire “Off-Highway” business unit was acquired by finance investor EQT at the beginning of 2006, this name was, of course, no longer feasible. Of course, the easiest solution, i.e. naming this corporate group after its largest company with the most well-known name – MTU Friedrichshafen, seemed obvious. However, outside the DaimlerChrysler group, there was another company named MTU, i.e. today’s MTU Aero Engines, formerly named “MTU München”. For this reason, the companies grouped around MTU Friedrichshafen needed a new name: one to demonstrate their independence and to ensure that – at a later date, when potentially going public – any confusion that might arise in connection with these names could be avoided well in advance. With the help of experts, the artificial name “Tognum” was created, based on both a Germanic (“tog”) and a Romance (“um”) semantic root which is pronounced fairly similarly throughout most Western languages – a great advantage for a corporation with an international outlook. The Germanic and Nordic meaning of “tog” is “to tug or tow powerfully”, whilst the Latin neutral ending “um” symbolizes important objects or monuments to be found in words like *coliseum* or *forum*. In Northern and Central Europe, the particle “um” may also symbolize “home”. Tognum therefore combines the power and intrinsic origin of its brands.

Undoubtedly, MTU is the Tognum group's strongest brand with an excellent reputation worldwide. Most of the Tognum group's products are sold under this brand name. MTU continues to be the brand for diesel engines and drive & propulsion systems for ships, yachts and heavy land and rail vehicles. For this reason, the name of this company developing and manufacturing the lion's share of the products, shall remain the same: MTU Friedrichshafen GmbH.

However, MTU continues to diversify: the new "MTU Onsite Energy" brand launched in the summer of 2008, manufacturing onsite power generation systems, is also based on MTU's leading global reputation. This is because the Tognum group has, in the meantime, expanded to incorporate a few additional subsidiaries operating in the growing power generation market: the shares of MDE Dezentrale Energieanlagen GmbH (headquarters in Augsburg) manufacturing cogeneration power plants on the basis of gas engines, were increased by 100% in January 2006. One year later, Tognum acquired fuel cell specialist CFC Solutions in Ottobrunn near Munich. In April 2007, the Tognum group was joined by US power generation systems manufacturer Katolight. By now, they had all been trading under their previous names and now carry the "MTU Onsite Energy" label – no matter if their focus is on power generation systems based on diesel engines, gas engines, fuel cells or gas turbines. In this way, they trade under the brand name "MTU Onsite Energy".

The Tognum group is also home to one additional company: L'Orange GmbH with their headquarters in Zuffenhausen near Stuttgart and manufacturing facilities in Glatten (Black Forest) and in Wolfratshausen near Munich. The company develops and manufactures injection systems for MTU high-speed diesel engines as well as medium-speed engines produced by other manufacturers.

At the end of 2009, the Tognum group with their 27 fully consolidated companies throughout the world employed approximately 8,700 staff members around the globe. Tognum features development centers and production facilities in Friedrichshafen, Augsburg, Zuffenhausen, Glatten, Wolfratshausen, Ottobrunn, Istanbul (Turkey), Detroit (USA) and Mankato (USA), as well as in Suzhou (China). The focus remains on MTU Friedrichshafen GmbH with approximately 6,000 staff on site in Friedrichshafen.

The Tognum AG's headquarters is also located in Friedrichshafen. Approximately 600 staff work for Tognum AG itself, most of whom have changed over from MTU Friedrichshafen to Tognum and have been tasked with so-called corporate functions – these include Strategy, Finance, Controlling, IT, Quality Assurance, HR, Marketing and Communications. For this reason, it should be said: Tognum is the name of the corporation whose shares are traded on the Frankfurt Stock Exchange.

All of this means: Tognum and MTU are not two names for the same company, but clearly serve to structurize the tasks of the parent Tognum and the main subsidiary MTU. Nevertheless: there is a lot of MTU's substance in Tognum. One minor example would be Tognum's corporate logo which is based on MTU's original logo – both the "m" and the "u" are completely identical.