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Daimler to build global production compound for lithium-ion batteries

- **Daimler subsidiary ACCUMOTIVE starts construction of second battery factory in Kamenz - fourfold increase of production and logistics area up to around 80,000 m²**
- **Expansion of battery production capacities for hybrid and electric vehicles of the brands Mercedes-Benz and smart**
- **Daimler plans an overall investment of more than one billion euros in a global battery production compound – including 500 million euros investment in Kamenz**
- **Kamenz to become competence center within the global battery production compound of Mercedes-Benz Cars**
- **CO₂ neutral production contributes to positive energy balance of electric vehicles**

Stuttgart/Kamenz – Daimler starts the construction phase for a second battery factory at their subsidiary ACCUMOTIVE's site in Kamenz, taking a further consequent step towards electromobility. With an investment of about 500 million euros, the site in Kamenz will be one of the biggest and most modern battery factories in Europe. For the official groundbreaking, Prof. Dr. Thomas Weber (Member of the Board of Management of Daimler AG, Group Research & Mercedes-Benz Cars Development), Markus Schäfer (Member of the Divisional Board of Mercedes-Benz Cars, Production and Supply Chain Management) and Frank Blome (CEO Deutsche ACCUMOTIVE GmbH & Co. KG) met with Stanislaw Tillich (Minister President of the Free State of Saxony and President of the German Bundesrat) and other representatives from politics and economy.

“By 2025, our passenger car product portfolio will contain more than ten fully electric vehicles. At the same time, we are continuously pushing our plug-in-hybrid offensive and the introduction of 48-volt-systems. Highly efficient battery systems are an important aspect of our strategy. They are an integral part of the vehicle architecture and not a ready-made product.

The development, production and integration of those complex systems into our vehicles is one of our core competences”, stated Weber. Today, the company already has a variety of electrified vehicles on the market and the product portfolio is set to grow continuously. At "Mondial de l'Automobile 2016" in Paris, Mercedes-Benz presented its new product brand for electromobility, EQ. It offers a comprehensive electromobile ecosystem consisting of products, services, technologies and innovations. Forerunner of the new brand is the “EQ”-Showcar that celebrated its world premiere in Paris. Series production of the EQ with a range of up to 500 kilometers will start within this decade in the SUV segment. A model offensive will follow subsequently, complementing the portfolio of Mercedes-Benz Cars with electrified models. ACCUMOTIVE will deliver the batteries for the first EQ production model.

Minister President Tillich emphasized: “The investment is a strong sign of trust in the Saxon location here in the Upper Lausatia. This brings us a great deal closer to our goal of getting the traditional Saxon automotive industry ready for the era of electromobility. Electromobility or stationary energy storage – both segments have a great potential for the future.” He also referred to the already existing competence in the Free State, since the battery research alliance of the Fraunhofer society contains four institutes from Saxony.

Daimler invests an overall amount of one billion euros into the global production of battery systems. “We are building a global production compound for lithium-ion batteries. Kamenz will become the competence center of this compound. With the new battery factory, the flexible and efficient production network of Mercedes-Benz Cars deepens crucial know-how for the production of promising future technologies. This also strengthens our global competitiveness and puts us in a very good position concerning future mobility”, said Schäfer.

The new production facility is planned to start operations in the middle of 2018. The area of about 20 hectares is located in immediate proximity of the existing battery factory in Kamenz, about 50 kilometers from Dresden. With the construction of the second facility, the production and logistics area will be quadrupled to about 80,000 square meters. ACCUMOTIVE will gradually increase the number of employees in the coming years. The workforce will double by the end of this decade. “Already in 2012, we started the battery production for vehicles of the brands Mercedes-Benz and smart in Kamenz. For about a year now, we have additionally been producing stationary energy storages. Thanks to the know-how and motivation of our employees we have qualified for a further development step, becoming the competence center for worldwide battery production”, said Blome, who will be responsible for the global battery production

compound. “In our new factory in Kamenz, we pursue a holistic approach starting sustainability already in our production processes.”

The new plant will be constructed as a CO₂-neutral factory. Production facilities will be powered by a cogeneration unit and a photovoltaic system combined with stationary energy storage systems. Solar modules with the surface of two football fields will be installed on the rooftop of the new production building. This equals a capacity of 2 megawatts. The new battery factory will also be benchmark for Industry 4.0 with most modern facilities and technologies.

In the future, Kamenz will produce lithium-ion batteries for all electrified vehicles of Mercedes-Benz and smart – including plug-in hybrids as well as fully electric vehicles. On top of that, Kamenz will produce batteries for stationary Mercedes-Benz energy storage units as well as 48-volt-systems. The 48-volt-system will gradually be integrated into different model ranges.

About ACCUMOTIVE

The company Deutsche ACCUMOTIVE GmbH & Co. KG, founded in 2009, is a wholly-owned subsidiary of Daimler AG. The company develops and produces highly complex drive batteries for hybrid and electric vehicles based on lithium-ion technology for passenger cars of the brands Mercedes-Benz and smart. The company is also responsible for producing energy storage units of Mercedes-Benz Energy GmbH. The company headquarters of ACCUMOTIVE are located in Nabern in the Stuttgart area, housing research and development. The production takes place in the Saxon city of Kamenz. The Daimler subsidiary employs about 490 employees – around 350 in Kamenz and about 140 in Nabern. The ACCUMOTIVE is closely connected to its affiliate Mercedes-Benz Energy GmbH in Kamenz, responsible for the development and worldwide sales of Mercedes-Benz energy storage units for private and industrial applications.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier

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