

Manufacturing contract for Valmet Automotive

November 26, 2015

Mercedes-Benz Expands Production Capacities for the GLC

- **From 2017, the new GLC will also roll off the line in Uusikaupunki, Finland.**
- **The Bremen plant continues to be the main production plant.**
- **Markus Schäfer, Member of the Divisional Board Mercedes-Benz Cars, Production and Supply Chain Management: "Working with contract manufacturers is an important factor in our global production strategy at Mercedes-Benz Cars."**

Stuttgart, Germany – Mercedes-Benz is continuing its growth strategy and expands production capacities for the new GLC. The main production facility continues to be the Mercedes-Benz plant in Bremen, Germany, where the GLC has been produced since July. The Finnish contract manufacturer Valmet Automotive will produce additional volumes of the new mid-range SUV from 2017, at its plant in Uusikaupunki.

"Working with contract manufacturers is an important factor in our global production strategy at Mercedes-Benz Cars," said Markus Schäfer, Member of the Divisional Board Mercedes-Benz Cars, Production and Supply Chain Management. "We respond flexibly to the level of demand in our markets, and can satisfy our customers' preferences more rapidly."

As the main production facility for the GLC, the utilization of the Bremen plant's capacity is high. That is why Mercedes-Benz is leveraging additional capacities offered by contract manufacturing. "Following a strong launch in Europe, a right-hand drive version of the GLC will also be available for the first time from December. We expect this to be another strong contributor to growth," said Ola Källenius, Member of the Board of Management of Daimler AG responsible for Mercedes-Benz Cars Marketing & Sales. In

October, 47,379 customers decided in favour of an SUV from Mercedes-Benz (+26.1%). This record was set with strong contributions from the GLC which recorded double-digit growth as well as a new sales record last month.

"With Valmet Automotive we have an established and reliable partner offering state-of-the-art technology," stresses Dr. Klaus Zehender, Member of the Divisional Board Mercedes-Benz Cars, Procurement and Supplier Quality. "We have been producing the A-Class there since 2013. We aim to continue this success story with the GLC." Valmet Automotive has been producing additional A-Class volumes under contract for Mercedes-Benz in Uusikaupunki since 2013. The order comprises a total of more than 100,000 units through 2016. The GLC order has a comparable volume.

As the global lead plant for the GLC, Bremen will support the ramp-up of the model series at Valmet Automotive in the same way as the already successful ramp-up at BBAC in Beijing in October 2015. The lead plant concept allows Mercedes-Benz to ensure top quality at all of its locations and production facilities around the world.

About the new Mercedes-Benz GLC

The GLC represents a logical progression for the successful SUV philosophy of Mercedes-Benz. It combines the ultimate in driving comfort with a high level of sportiness, and as a result is impressive both on and off the road. Sensual purity and modern aesthetics complement the classic off-road look of the vehicle's successful predecessor, the GLK. The new GLC impresses in all conditions with the outstanding level of safety that is typical for the brand, state-of-the-art assistance systems and energy-efficiency. Fuel consumption is up to 19 percent lower than for the predecessor model.

About Mercedes-Benz Cars Operations

Mercedes-Benz Cars Operations is responsible for passenger car production at 26 locations around the world as part of a flexible and efficient production network involving more than 70,000 employees. This includes the central functions of planning, Technology Fabric, logistics, and quality management. Mercedes-Benz Cars produced more than 1,754,000 Mercedes-Benz and smart passenger cars last year, marking the fourth record in a row. The network is based on the product architectures of front-wheel drive (compact cars) and rear-wheel drive (for example the S-Class, E-Class, and C-Class) as well as the SUV and sports car architectures. In addition, there is a powertrain production network (engines, transmissions, axles, and components). Each of these production networks is grouped around a lead plant that serves as a center of competence for the ramp-up

of new products, technology, and quality assurance. The focus of day-to-day work is on the continuous improvement and refinement of state-of-the-art production methods, which allow future high-tech vehicles to be produced in a way that is efficient, flexible, and environmentally friendly, according to the typical Mercedes-Benz quality standards. All of this revolves around the employees and their expertise, whose work is systematically supported by ergonomic workplace design and intelligent automation. In addition to its own production plants, Mercedes-Benz is increasingly leveraging partnerships and utilizing capacities at contract manufacturers as part of its growth strategy.

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 worsening of the sovereign-debt crisis in the euro zone; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, 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 insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

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