Daimler van joint venture Fujian Benz Automotive Corporation opens new product development center in China

- Chinese van joint venture Fujian Benz Automotive Corporation to commence local product development following van production
- New center encompasses a design and computation department, a proving ground, several component and complete-vehicle test rigs, an electromagnetic compatibility (EMC) lab, an exhaust gas lab, a prototype production department, an endurance testing workshop, and other facilities
- Total investment of RMB 500 million (approx. €60 million)

Volker Mornhinweg: “Our new product development center in Fuzhou is an important milestone in our ‘Vans goes global’ growth strategy.”

Fuzhou, China – After only two years of construction, Fujian Benz Automotive Corporation’s new product development center was officially opened today in Fuzhou. Fujian Benz Automotive Corporation is a joint venture of Daimler and several partners for the production of vans in China. The new product development center is the first such facility of Mercedes-Benz Vans outside Germany. The center encompasses a design and computation department, a proving ground, several component and complete-vehicle test rigs, an electromagnetic compatibility (EMC) lab, an exhaust gas lab, a
prototype production department, an endurance testing workshop, and other facilities. The center focuses on Mercedes-Benz van models that are manufactured and sold in China: the Sprinter, the Vito, and the Viano. A total of RMB 500 million (approx. €60 million) was invested in the new center.

“Our new product development center in Fuzhou is an important milestone in our ‘Vans goes global’ growth strategy,” says Volker Mornhinweg, Head of Mercedes-Benz Vans. “We have been producing the Vito and the Viano in China since 2010, and we also started manufacturing a bus version of the Sprinter in the Fujian Benz Automotive Corporation joint venture in 2011. These production activities are now being supplemented with product development know-how. This allows us to adapt our vans to local customer needs more effectively, and it demonstrates once again that we aim to be the global player among the world’s van manufacturers.”

One part of the new product development center is concentrated at the Fujian Benz production plant in Qinkou. The overall vehicle development department is located on approximately 11,000 square meters of built-up area. The department is responsible for product development and prototype construction as well as component and complete-vehicle testing. The approximately 53,000-square-meter proving ground is also located in Qinkou. Among other things, the facility features a 1,400-meter circuit that includes a test track, a torture track, a steeply banked curve, and a water trough. At the proving ground, engineers examine the vehicles’ acceleration, braking, and driving behavior and subject the vans to endurance tests.

The second part of the new product development center is housed in a neighboring industrial area for high-tech businesses. There, Fujian Benz has concentrated the EMC lab, the exhaust gas test lab, and the chassis dynamometers on a built-up area of more than
8,000 square meters. The EMC lab tests the electromagnetic properties of the vehicles and the components. In the exhaust gas center, the developers drive the vehicles through the relevant fuel consumption and exhaust gas cycles and work to enhance them.

“We’re extremely proud that we can now begin to develop vans locally here in China,” says Dr. Sascha Paasche, Head of Engineering at Mercedes-Benz Vans, during the opening ceremony in Fuzhou. “It’s a big advantage to be so close to the Chinese market and its customers. As a result, Mercedes-Benz Vans is now not only the world’s only premium manufacturer with its own van production operations in China, but also the only one with a local van product development center. We are developing in China for China.”

Fujian Benz Automotive Corporation was established in Fuzhou in October 2007. It is a joint venture between Daimler AG, Fujian Motor Industry Group Company (FJMG), and the Taiwan-based China Motors Corp (CMC). The Vito and Viano models are manufactured at the Fuzhou plant, where a bus version of the Sprinter also went into production in October 2011. In China, the vehicles from Mercedes-Benz Vans are currently serving the markets for high-end passenger transport operations and exclusive shuttle services.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “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; a deterioration of our funding 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 preference towards smaller, lower margin vehicles; or a possible lack of acceptance of our products or services which limits our ability to achieve prices as well as to adequately utilize our production capacities; price increases in 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 of 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 governmental investigations and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties,
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