Mercedes-Benz Vans realigns its strategy for future Sprinter production

- Large van segment to remain a long-term growth market
- Production capacity in Germany to be used solely for Mercedes-Benz vehicles in the future
- Contract manufacturing for Volkswagen to cease in late 2016 as agreed

Stuttgart – Mercedes-Benz Vans is already creating the conditions that will enable it to master the challenges associated with the model changeover of the Sprinter large van in a few years time. It is also realigning the Sprinter production strategy for the long-term. To enable the division to respond to future growth, it will not extend its contract manufacturing agreement with Volkswagen AG in relation to large vans after the contract expires as scheduled at the end of 2016. A reissue of the cooperation with Volkswagen is not intended. The Sprinter is the most successful model produced by Daimler’s van division, and the vehicle lends its name to an entire van segment. Around 150,000 Sprinters are currently built each year.

According to Volker Mornhinweg, Head of Mercedes-Benz Vans: "Both partners had a benefit from the long lasting cooperation. With the next Sprinter, which is currently in development, we will ultimately be dependent on the production capacities that we have
currently made available to Volkswagen. That's why our employees will only produce our own brands in the future."

The most important markets for Mercedes-Benz Vans are in Europe, which accounts for 60 percent of total sales. As part of the "Vans goes global" business strategy, the growth markets of South America and Asia, as well as the Russian market, are increasingly being opened up through local sales and production activities. For example, the Sprinter is also rolling off the assembly line in Argentina (since 2007) and China (since 2011). Since July 2013, the Sprinter has also been manufactured in cooperation with the partner company GAZ in Russia. In addition, the van has been assembled from CKD kits in the U.S. since 2010. As a result, the Sprinter’s global production network is already positioned to accommodate future growth and produce a new generation of vehicles.

The contract manufacturing of large vans for Volkswagen by Mercedes-Benz began in 2005 with the model changeover for the Sprinter. By the end of 2012, around 280,000 large vans had been produced for the Wolfsburg-based company at the Mercedes-Benz plants in Düsseldorf and Ludwigsfelde. The agreements governing the contract manufacturing of large vans for VW were fixed to run until the end of 2016 from the outset.

Thanks to the Sprinter, Mercedes-Benz is the market leader for medium and large vans in Europe (EU 24), with a market share of 18.1 percent in 2012. In North America, Mercedes-Benz Vans is growing twice as fast as the market. This success is partially due to its dual-brand strategy: the Sprinter is sold as either a Mercedes-Benz or Freightliner-branded vehicle. In 2012 sales jumped by 19 percent to a total of 21,500 units.

At the end of April 2013, Mercedes-Benz Vans celebrated the world premiere of the new Sprinter. The van is now series produced at the plants in Düsseldorf and Ludwigsfelde. Like its predecessors, the
new model drives innovation in its class and is way ahead of other vehicles in its segment when it comes to fuel efficiency. Now it is once again setting standards with five new safety systems, engines complying with the future Euro VI emissions standard and a striking look. Five new assistance systems – including some world premieres in the van segment – are helping to reduce the number of accidents even further. Celebrating their world premiere in the Sprinter are the standard-fit Crosswind Assist and the optional Collision Prevention Assist and Blind Spot Assist.

In the first half of the year, Mercedes-Benz Vans achieved sales of 122,059 units – slightly more than the previous year's figure of 120,547 units. Eastern Europe, Latin America and China have made significant contributions to this growth, whereas the difficult financial situation in large parts of Western Europe has put a strain on the sales of Mercedes-Benz Vans there. For 2013 as a whole, however, Mercedes-Benz Vans still expects to achieve overall higher sales as well as an EBIT comparable to that of the previous year.

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, some of which we describe under the heading “Risk Report” in Daimler’s most recent Annual Report. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.
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