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Next milestone for Daimler in China: Mercedes-Benz engine plant at Beijing Benz celebrates grand opening

- **First ever Mercedes-Benz passenger car engine-plant outside of Germany**
- **Top-notch facility, built at Beijing Benz Automotive Corporation (BBAC) in only two years**
- **Hubertus Troska: “The investment of around 400 million euros demonstrates our commitment to serving our Chinese customers even better with the latest technology locally made and our confidence in a prosperous future in this market.”**
- **Four and six-cylinder engine production with an annual capacity of 250,000 units in the initial phase**
- **Production follows globally acknowledged Mercedes-Benz quality standards and processes**

Beijing – Mercedes-Benz marked another important milestone in its China strategy with the official opening ceremony of its top-notch engine plant, the first ever for passenger-car engines outside of Germany, built from scratch in only two years after the cornerstone was laid in 2011. An audience of around 400 guests and partners witnessed the ceremony hosted at the Beijing Benz Automotive Corporation (BBAC) engine plant in Beijing on Monday.

“During the past decade of the partnership between Daimler and BAIC, we have seen our production joint venture BBAC grow from strength to strength,” stated Hubertus Troska, Member of the Board of Management of Daimler AG responsible for Greater China and Chairman and CEO of Daimler Greater China. “The investment of around 400 million euros in our first ever passenger-car engine plant outside of Germany demonstrates both our commitment to serving our Chinese customers even better with the latest technology locally made and our confidence in Mercedes-Benz’s prosperous future here in China.”

As a green-field plant that combines state-of-the art technology with sustainable and lean production processes, the new Beijing-based BBAC engine plant will manufacture four and six-cylinder engines to power the passenger cars produced at BBAC and Mercedes-Benz vans produced locally at the joint venture Fujian Benz Automotive Co. Ltd. (FBAC). Being based on a flexible production-line concept, the annual capacity is planned at 250,000 units for the initial phase.

“We are now building the heart of our Mercedes-Benz cars also here in Beijing, underlining our integrated and strong localization strategy,” pointed out Frank Deiss, President and CEO of BBAC. “The production follows our globally acknowledged quality standards and processes, further strengthening Mercedes-Benz Car’s global production footprint.”

The three-pointed star’s renowned quality standards have been built into every step of both engine and vehicle production processes at BBAC, extending along the entire supply chain. Excellence in engineering and dedication is also provided by the staff at the new Mercedes-Benz engine plant and their continuous on-the-job training, flanked by knowledge transfer from international training programs. In this way, it is assured that every engine and every car built in China lives up to the brand value of “the best or nothing” in

exactly the same way as products from any other Mercedes-Benz plant worldwide.

page 3

This attention to quality and excellence has once again earned Mercedes-Benz great appreciation. J.D. Power Asia Pacific's recently released 2013 China Initial Quality Study ranks Mercedes-Benz as the brand with the highest initial quality among 65 international and domestic automakers surveyed, with the brand's long-wheelbase E-Class and the C-Class models dominating their respective segments.

About Beijing Benz Automotive (BBAC)

Together with the long-wheelbase E-Class and the C-Class, GLK-Class vehicles are currently manufactured at Beijing Benz Automotive Company Ltd. (BBAC), a joint venture between Daimler and BAIC Motor. Both companies have celebrated the tenth anniversary of their strategic cooperation this year. In the past decade, BBAC has grown to become a main production hub for Mercedes-Benz. Around 100,000 Mercedes-Benz passenger cars were produced locally at BBAC in 2012. With Daimler's two-billion-euro investment, BBAC is amongst others increasing its production capacities to over 200,000 units by 2015. In the near future, the GLA-Class will complement the portfolio of locally produced Mercedes-Benz passenger cars as the fourth model.

About the global Mercedes-Benz production network

The global production network of Mercedes-Benz Cars includes the German plants in Sindelfingen, Bremen and Rastatt, the Hungarian plant in Kecskemét, the US plant in Tuscaloosa, Alabama, the South African plant in East London and the BBAC (Beijing Benz Automotive Corporation, a joint venture between Daimler and BAIC) production facility in Beijing, China as the main vehicle production facilities.

In addition, there are the German locations of the powertrain production network, which include the Mercedes-Benz Untertürkheim plant (the central location in Germany) as well the plants in Berlin and Hamburg, and the subsidiary MDC Power in Kölleda. The international locations include the new engine plant at the BBAC joint venture in Beijing as well as the Romanian subsidiary Star Transmission. From 2014, Daimler and Nissan will also start the joint production of four-cylinder gasoline engines based on a Mercedes-Benz design at the Nissan plant in Decherd / Tennessee, USA.

With the stringent application of Mercedes-Benz global quality standards, the consistent high quality of production is safeguarded at all production locations.

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 Eurozone; an exacerbation of the budgetary situation in the United States; 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 preference towards smaller, lower-margin vehicles; or 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 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 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 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 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 publication date.

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If you have any questions, please contact our Investor Relations Team:

Bjoern Scheib

Tel. +49/711-17-95256

Alexander Vollmer

Tel. +49/711-17-97778

Julian Krell

Tel. +49/711-17-99320

Lutz Deus

Tel. +49/711-17-92261

Rolf Bassermann

Tel. +49/711-17-95277

Dr. Stephan Georg Schoen

Tel. +49/711-17-95361

E-mail: ir.dai@daimler.com