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Daimler invests 500 million Euros in new battery factory in Germany

- **Daimler subsidiary Deutsche ACCUMOTIVE triples its production space.**
- **Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars: "To get closer to fully electric driving, we keep investing big in the key component of emission-free vehicles: powerful batteries. We are now devoting another 500 million Euros to build a second battery factory in Germany."**
- **New battery factory will produce lithium-ion batteries for hybrid and electric vehicles of the brands Mercedes-Benz and smart.**

Stuttgart/Kamenz - Daimler consistently expands its activities in the area of electromobility and invests around 500 million Euros in the construction of a new battery factory. This will lead to a significant expansion of the production capacities for lithium-ion batteries of Deutsche ACCUMOTIVE located in the Saxon city of Kamenz. The new factory will produce batteries for electric and hybrid vehicles of the brands Mercedes-Benz and smart. As a first step, the full Daimler subsidiary has purchased about 20 hectares of land adjacent to the existing battery factory.

"To get closer to fully electric driving, we keep investing big in the key component of emission-free vehicles: powerful batteries. We are now devoting another 500 million Euros to build a second battery factory in Germany. This underlines our commitment to the consistent expansion of electromobility", said Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars.

With the growing electrification of the automobile, the demand for highly efficient lithium-ion batteries is also rising steadily. Through its entry into the new business field with stationary battery storage for private and industrial applications, Deutsche ACCUMOTIVE will tap into additional growth opportunities.

By the end of 2014, the Daimler subsidiary had already announced its plans for a significant increase in its production capacities and an investment of around 100 million Euros in the expansion of the existing battery factory. "With the purchase of the new land, our production area at the site will be tripled. The previous 20,000 square meters will be stocked up by an additional 40,000 square meters of production space. We will expand the production capacity consistently in the coming years", said Harald Kröger, Head of Development Electrics/Electronics and e-Drive Mercedes-Benz Cars.

The groundbreaking ceremony for the new factory is planned for fall 2016. The topping-out ceremony will then follow in spring 2017. The new production plant is to start operations in summer 2017.

Daimler entered into the business with stationary battery storage with Deutsche ACCUMOTIVE last year. The scalability of the systems enables the use of the lithium-ion batteries in big industry for network stabilization and smoothing of peak shaving for energy producers as well as private households, for example in conjunction with photovoltaic installations. Mercedes-Benz energy storage units for private households can already be ordered and will soon be installed at customers in collaboration with selected sales partners. In the area of industrial applications, around 29 megawatt will be connected to the network jointly with different partners.

About Deutsche ACCUMOTIVE

The company Deutsche ACCUMOTIVE, founded in 2009, is a wholly-owned subsidiary of Daimler AG. The company develops and sells highly complex drive batteries for hybrid and electric vehicles based on lithium-ion technology. The company headquarters of Deutsche ACCUMOTIVE, located in Nabern in the Stuttgart area, also houses the research and development function. The production takes place in the Saxon city of Kamenz. The Daimler subsidiary employs more than 380 employees – 260 in Kamenz and about 120 in Nabern. Since the start of series production in 2012, more than 70,000 lithium-ion batteries have been delivered.

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, 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 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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