

Daimler Board of Management decides on a comprehensive plan for diesel engines

July 18, 2017

- **Massive expansion of voluntary service actions to over three million vehicles in Europe**
- **No costs will be involved for customers**
- **Rapid market launch of the new Diesel engine family**

Stuttgart – The Daimler Board of Management has approved a comprehensive plan for diesel engines: “The public debate about diesel engines is creating uncertainty – especially for our customers. We have therefore decided on additional measures to reassure drivers of diesel cars and to strengthen confidence in diesel technology,” stated Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars. “We are convinced that diesel engines will continue to be a fixed element of the drive-system mix, not least due to their low CO₂ emissions.”

The plan comprises a massive expansion of the current service action for vehicles in customers’ hands as well as a rapid market launch of a completely new Diesel engine family.

Expansion of voluntary service action

Since March, Mercedes-Benz has offered its customers of compact-class cars an improvement in NOx emissions for one engine version. Approximately 45 percent of those cars have meanwhile been updated. A voluntary service action is also being carried out for V-Class customers – so far with approximately 75 percent of the vehicles in Germany.

In order to effectively improve the emissions of additional model series, Daimler has now decided to extend the service action to include over three million Mercedes-Benz vehicles. For this purpose, the company’s engineers are making use of latest knowledge gained during the development of the new family of diesel engines.

The measures to be taken for nearly all EU5 and EU6 vehicles in Europe will be carried out in close cooperation with the German regulatory authorities. The company is investing about 220 million euros. The service actions involve no costs for the customers. The implementation of the measures will be starting in the next weeks. Due to the large number of vehicles this will continue over a longer period of time.

In this way, Daimler is making a significant contribution to the reduction of nitrogen-oxide emissions from diesel vehicles in European inner cities.

Fast market launch of the new engine family

Mercedes-Benz has already proven that diesel engines can meet the stricter EU emission regulations to come in the future with a completely new engine family. With an investment of approximately three billion euros, the company has developed a new generation of engines whose exemplary emissions have been confirmed by measurements carried out by independent institutes. Following the market launch of the new four-cylinder OM 654 engine in the new E-Class in 2016, the launch of the modular engine family will now be implemented rapidly across the entire model portfolio.

Solutions for the mobility of the future

Daimler will continue to make a significant contribution to the improvement of air quality in cities and to climate protection with the systematic electrification of its vehicles, with mobility services such as moovel and car2go, and with increasingly clean combustion engines. Diesel engines will continue to play an important role for a long time yet due to their significantly higher efficiency than gasoline engines.

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 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 or of investigations requested by governments 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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