

## Investor Relations Release

January 22, 2019

### **New site in the global battery production network Mercedes-Benz Cars to build battery factory in Jawor, Poland**

- **The global battery production network of Mercedes-Benz Cars is increasing to nine factories on three continents.**
- **Markus Schäfer, Member of the Divisional Board of Management of Mercedes-Benz Cars, Production and Supply Chain: “We will electrify the complete Mercedes-Portfolio until 2022 and will be able to offer in each segment various electrified alternatives to our customers. We will produce batteries on our own, what we consider a significant success factor in the era of electric mobility. After the production of high-tech engines, we will establish an additional future technology in Poland.”**
- **Mateusz Morawiecki, Prime Minister of the Republic of Poland: “The decision of Mercedes-Benz Cars to start the production of electric batteries for a new type of vehicles in Jawor shows that companies that have started operations in our country positively assess the investment climate and want to continue to grow here. We are witnessing the 4.0 industrial revolution in which Poland plays a leading role.” Last year, Mercedes-Benz sold more than 2.3 million cars worldwide (+0.9%), making 2018 the most successful year in terms of sales in the company’s history.**

Stuttgart, Germany / Jawor, Poland – In the course of the electric initiative Mercedes-Benz Cars will build a battery factory at the Polish site in Jawor and thus extend the global battery production network of up to nine factories. “We will electrify the complete portfolio until 2022 and will be able to offer in each segment various electrified alternatives to our customers. This includes more than ten pure electric vehicles. We will produce batteries on our own, what we consider a significant success factor in the era of electric mobility. After the production of high-tech engines, we will establish additional future technology in Poland. The battery factory in Jawor is the second largest investment at this new Mercedes-Benz site,” says Markus Schäfer, Member of the Divisional Board of Management of Mercedes-Benz Cars, Production and Supply Chain.

In Jawor, approximately 100 km away from the German border, a state-of-the-art engine factory is currently being built. The plant will produce four cylinder engines for hybrid and conventionally driven vehicles. This will be the first production site of Mercedes-Benz Cars in Poland and will offer more than 1.000 jobs.

“The decision of Mercedes-Benz Cars to start the production of electric batteries for a new type of vehicles in Jawor shows that companies that have started operations in our country positively assess the investment climate and want to continue to grow here. We are witnessing the 4.0 industrial revolution in which Poland plays a leading role. All the more we are glad that in Jawor will be produced not only traditional engines, but also the hearts of cars of the future, namely electric batteries”, says Mateusz Morawiecki, Prime Minister of the Republic of Poland.

The engine production in Jawor will start in 2019 and supply car plants of Mercedes-Benz in Europe and around the world. With the construction of a battery factory on the existing ground at the site approximately 300 new jobs will be created. The battery assembly will be equipped with cutting-edge technologies. The series production of batteries for vehicles of the product and technology brand EQ is slated at the beginning of the next decade.

“The engine plant and the new battery factory in Jawor are important parts of our global powertrain production network. With nine factories in our global battery production network we are very well positioned. It became apparent that building an engine factory in Jawor has been a good decision. This success story will be continued with the battery factory. We are looking forward to strengthen the collaboration with the region and the Polish colleagues,” says Frank Deiß, Head of Production Powertrain Mercedes-Benz Cars.

Mercedes-Benz Cars belongs to the first and biggest industrial companies in Poland who have concluded contracts with local green electricity and heat suppliers. The engine factory as well as the battery factory will be supplied with CO<sub>2</sub>-neutral energy. Thus, within the global production network of Mercedes-Benz Cars Jawor is one of the pioneers.

### **Global battery production network**

Daimler is investing more than one billion euros in a global battery production network, within the worldwide production organization of Mercedes-Benz Cars. At the moment the battery production network consists of eight factories at six sites on three continents:

- In Kamenz the battery production is running since 2012. Additionally a second battery factory is being built at this site. The series production will start in spring 2019.
- At the Mercedes-Benz plant in Untertürkheim two battery factories are planned.
- Currently Daimler and Joint-Venture partner BAIC together are building a local battery production at the existing location in Yizhuang Industrial Park in Peking (China).
- Near the existing Mercedes-Benz SUV plant in Tuscaloosa (USA) construction works of a battery factory have recently begun.
- Together with the local partner Thonburi Automotive Assembly Plant (TAAP) construction of a battery production in Bangkok (Thailand) is underway.
- At the Mercedes-Benz car site in Sindelfingen a new battery factory is planned.

With Jawor, the global battery production network grows to nine factories at seven sites on three continents.

## **Purchase of cells secures best possible technology**

The intelligence of the battery is integrated in a highly complex overall system. Daimler is therefore concentrating on the key competence of the battery assembly. Cells are an essential component of the battery. Daimler is buying the cells on the world market and is instructing the suppliers to produce based on special specifications. In this way, the company is securing itself the best possible technology. With the purchase of battery cells for more than 20 billion euros, the company is establishing the preconditions for the consistent change towards an electrical future. The cells will be used in the electric fleet of the electric smart, SUV, vans, buses and trucks (light and heavy duty version) as well as vehicles of the next generation of the product and technology brand EQ.

## **About Mercedes-Benz Cars Operations**

Mercedes-Benz Cars Operations is responsible for passenger car production at over 30 locations around the world. Two of them are currently under construction. Within a flexible and efficient production network with around 78,000 employees, it includes the central functions of production planning, TECFACTORY, logistics, and quality. The network is based on the product architectures of front-wheel drive (compact cars) and rear-wheel drive (for example the S-Class, E-Class, and C-Class) as well as the SUV and sports car architectures. In addition, there is a powertrain production compound (engines, transmissions, axles and components). Each of these production compounds is grouped around a lead plant that serves as a center of competence for the ramp-up of new products, technology and quality assurance. Mercedes-Benz Cars is ready for the electric mobility: Around the globe electro hubs for the production of electric vehicles and batteries are being built. The focus of day-to-day work is on the continuous improvement and refinement of state-of-the-art production methods, which allow future high-tech vehicles to be produced in a way that is efficient, flexible and environmentally friendly, according to the Mercedes-Benz quality standards. All of this revolves around the employees and their expertise, whose work is systematically supported by ergonomic workplace design and intelligent automation. In addition to its own production plants, Mercedes-Benz is increasingly leveraging partnerships and utilizing capacities at contract manufacturers as part of its growth strategy.

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 and tariff regulations; 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.

If you have any questions, please contact our Investor Relations Team:  
<https://www.daimler.com/investors/services/contacts.html>

**E-mail:** ir.dai@daimler.com  
**Fax:** +49 (0) 711 17 94075

For an overview of major roadshows and conferences please see:  
<https://www.daimler.com/investors/events/roadshows>