

Daimler Trucks arranges for return to the Iranian market

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- **Letters of intent signed with Iran Khodro Diesel (IKD) and Mammut Group**
- **High pent-up demand, resulting in rising truck sales in Iran**
- **Revitalization of powertrain activities for engines and axles**
- **Preparations done for comprehensive market re-entry with the Mercedes-Benz and FUSO brands**
- **Plans to open an office in the first quarter of 2016**
- **Dr Wolfgang Bernhard: "Daimler commercial vehicles have always had an excellent reputation in Iran. And right now, there is a huge demand for commercial vehicles, especially trucks. We will quickly resume our business activities in the market. Our letters of intent with our local partners IKD and Mammut Industries are important pre-requisites to resume business quickly."**

Stuttgart/Tehran – Daimler Trucks, the world's leading truck manufacturer, is setting the course for a return to the Iranian market, having signed letters of intent with its local cooperation partners Iran Khodro Diesel (IKD) and the Mammut Group. Daimler AG have already had successful business relations with IKD for the past 50 years. IKD is a subsidiary of Iran Khodro Industrial Group, the largest vehicle manufacturer in the MENA region having more than 50% market share in Iran and has been cooperating with Daimler for over half a century. The areas of cooperation include a joint venture for local production of Mercedes-Benz trucks and powertrain components plus the establishment of a sales company for Mercedes-Benz trucks and components. Furthermore, there are plans for Daimler to return as a shareholder in the former engine joint venture Iranian Diesel Engine Manufacturing Co. (IDEM). In addition to this, both partners are looking at establishing a joint venture for local sales of Mercedes-Benz commercial vehicles. Daimler and IKD are about to benefit from each other's competitive advantages to satisfy the large demand for trucks. In the short term, therefore both parties have a strategic alliance on a win-win basis through joint ventures in their scope.

Dr. Wolfgang Bernhard: "Daimler commercial vehicles have always had an excellent reputation in Iran. And right now, there is a huge demand for commercial vehicles, especially trucks. We plan to quickly resume our business activities in the market there. The signing of the letters of intent with our local partners IKD and Mammut Group are important pre-requisites to resume business quickly."

High pent-up demand in Iranian truck market

With its growth potential following many years of sanctions and the pent-up demand in the transport sector, Iran offers promising opportunities for Daimler Trucks. Despite the sanctions, Iran was one of the largest national economies in the Middle East, with a nominal gross domestic product (GDP) of 415 billion US dollars in 2014. Industry accounts for almost half of the Iranian national economy. The Ministry of Industry, Mine and Trade estimates that about 200,000 commercial vehicles will be replaced in the coming years – some 56,000 of them in the next three to five years alone.

Professionalization of sales and after-sales

By signing the letter of intent, Daimler Trucks has started the process for a comprehensive re-entry into the Iranian market considering the persistent sanctions regime and further export control regulations. The first Mercedes-Benz Actros and Axor trucks could be supplied to the country in the form of CKD (completely knocked down) kits before the end of the year. In addition to this, Daimler Trucks is pursuing the aim of establishing an even firmer foothold in the local market by revitalizing the engine cooperation with IDEM and establishing a sales joint venture. Furthermore, Daimler Trucks is aiming to establish a sales joint venture to professionalize all sales and after-sales activities in Iran. Daimler Trucks likewise intends to open a representative office in Tehran during the first quarter of 2016. With these commitments, Daimler Trucks is therefore committed to assist with the country's economic and social development.

Sales of FUSO trucks together with Mayan Mammut Group

In addition to the plans for Mercedes-Benz trucks, Daimler Trucks also sees great opportunities for Mitsubishi FUSO – especially in the light-duty-truck segment. Here FUSO offers the world's most proven and successful light-duty truck in the shape of the Canter. To open up this market, Daimler and Mayan have signed a distribution agreement for the FUSO brand. Mayan is part of the Mammut Group. The Dubai-based Mammut Group is one of the Middle East's largest truck bodybuilders and distributors. Mayan will be

responsible for opening up the Iranian market in close cooperation with FUSO.

Mercedes-Benz trucks: Successful history in Iran

Daimler can build on a long and successful history in Iran: The company has been present in the market with Mercedes-Benz trucks and passenger cars since 1953, interrupted only by the sanctions phase between 2010 and 2016. Mercedes-Benz commercial vehicles are still present here and remain very much visible on Iran's roads. Previously Daimler sold up to 10,000 vehicles per year here, most of them commercial vehicles.

Daimler Regional Center for Commercial Vehicles

Daimler's commercial vehicle business in in the Middle East and North Africa (MENA) is organized through a regional center. From its base in Dubai, Daimler Commercial Vehicles Middle East & North Africa (DCV MENA) is supporting 19 countries - from Morocco to Pakistan. The new company is responsible for business in the region with the group's entire commercial vehicle portfolio – from the Mercedes-Benz Citan city van to the Mercedes-Benz Actros heavy-duty truck.

Forward-looking statements:

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, 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.

Daimler at a Glance

Daimler AG is one of the world's most successful automotive companies. With its divisions Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses and Daimler Financial Services, the Daimler Group is one of the biggest producers of premium cars and the world's biggest manufacturer of commercial vehicles with a global reach. Daimler Financial Services provides financing, leasing, fleet management, insurance, financial investments, credit cards, and innovative mobility services. The company's founders, Gottlieb Daimler and Carl Benz, made history with the invention of the automobile in the year 1886. As a pioneer of automotive engineering, Daimler continues to shape the future of mobility today: The Group's focus is on innovative and green technologies as well as on safe and superior automobiles that appeal and fascinate. Daimler consequently invests in the development of alternative drive trains with the long-term goal of emission-free driving: from hybrid

vehicles to electric vehicles powered by battery or fuel cell. Furthermore, the company follows a consistent path towards accident-free driving and intelligent connectivity all the way to autonomous driving. This is just one example of how Daimler willingly accepts the challenge of meeting its responsibility towards society and the environment.