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Daimler India Commercial Vehicles Pvt. Ltd.

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Second wave of growth: DICV inaugurates bus manufacturing plant and reveals a range of new products

- Inauguration of new bus manufacturing facility
- New range of Mercedes-Benz Buses and BharatBenz Buses expand the current product portfolio
- Premiere of the new BharatBenz 3143 as first local deep mining truck & BharatBenz 4940 as local heavy duty tractor
- Investment of INR 425 crore for the bus plant facility

Oragadam, India: Daimler India Commercial Vehicles Pvt. Ltd. (DICV), a 100% wholly owned subsidiary of Daimler AG, Stuttgart, Germany, today announced the inauguration of its new bus manufacturing facility in Oragadam and unveiled its second wave of products – BharatBenz and Mercedes-Benz buses as well as a new range of new BharatBenz high-power engine trucks and BharatBenz heavy duty tractors.

The new state-of-the-art bus manufacturing plant, constructed within the existing premises of DICV spread across an area of 27.91 acres, will manufacture and assemble buses under two brands: Mercedes-Benz and BharatBenz. With an investment of INR 425 Cr, the bus plant is set up for an initial capacity of 1,500 units which can be further expanded to 4,000 units subsequently.

Dr. Wolfgang Bernhard, member of the Board of Management responsible for Daimler Trucks and Buses; **Mr. Hartmut Schick**, Head of Daimler Buses; **Mr. Marc Llistosella**, Head of Daimler Trucks Asia; **Mr. Markus Villinger**, Managing Director Daimler Buses India; **Mr. Erich Nesselhauf**, Managing Director and CEO, Daimler India Commercial

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Vehicles and **Mr. Mark Nodder**, Chairman and CEO, Wrightbus were present at the ceremony in Oragadam.

Speaking on the occasion, **Dr. Wolfgang Bernhard**, member of the Board of Management responsible for Daimler Trucks and Buses, said, "We have become firmly established in the Indian market with our BharatBenz brand, despite only operating in the market since 2012. We continue to strengthen our presence in the Indian commercial vehicle market with new products, now also including buses. In doing so, we are opening a new chapter of growth." He added, "This investment represents the ongoing pursuit of our strategy of targeted expansion for our global market presence."

Mr. Hartmut Schick, Head of Daimler Buses, specified, "We see enormous potential for growth in the Indian market. For example, we expect the volume of the Indian market for buses weighing over eight tons to more than double by the year 2020. Our two-brand strategy allows us to offer our customers in the region the right products and services for them."

Mr. Marc Llistosella, Head of Daimler Trucks Asia, stated, "Opening another production facility and introducing a second wave of products in such a short time is another testimony for the strength of our Indian operations. And in combination with our worldwide FUSO network, this makes the recipe for sustainable growth at Daimler Trucks Asia."

Introducing the second wave of DICV products

BharatBenz and Mercedes-Benz buses: Comfort travel for several distances

With the opening of the bus plant DICV is expanding its business and becomes a full-fledged CV manufacturer in the Indian market. It will adopt a two-fold strategy with BharatBenz and Mercedes-Benz buses that will cater to the Indian customer. BharatBenz buses manufactured at the Oragadam plant will be front-engine for short distance travel targeting school, staff and tourist transportation. The premium segment will be addressed with Mercedes-Benz rear-engine buses for inter-city transportation. The new plant will manufacture buses with gross vehicle weight of 9, 16 and above 16 ton range.

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“The growth in the industry will position India as the second largest bus market with high strategic relevance for Daimler Buses. The new bus plant will create 1,300 job opportunities in the state, 300 for DICV and additional 1,000 at Wrightbus International. I would like to thank our highly motivated staff for completing the project in record time”, said **Mr. Markus Villinger**, Managing Director of Daimler Buses India.

BharatBenz 3143: Entering the mining segment

It is for the first time in the Indian mining segment that a locally manufactured truck enters the deep mining segment. The BharatBenz 3143 will be a natural progression towards high powered, cost efficient mining trucks that will bridge the gap in the industry that currently offers premium trucks and trucks that are underpowered. Developed on the existing Daimler Heavy Duty Truck platform with a 4-axle configuration, it is the most powerful local truck with 430 HP and uses the OM 457 Mercedes-Benz engine. In India, this engine will set the technological benchmark. The BharatBenz 3143 would be available in two variants 19.5Cu.M rock body and 32Cu.M coal carrier. The truck is capable of operating in challenging terrains, is crafted for Indian usage patterns and can efficiently operate in deep mining conditions, making it an unbeatable value proposition.

Completing the high power portfolio, is the BharatBenz 4940TT that is best suited for transporting heavy-lift project cargo in areas of construction and infrastructure projects that include turbines, heat exchangers, windmill propellers and various industrial equipments. This model will be launched in the market later this year.

Mr. Erich Nesselhauf, Managing Director and CEO, Daimler India Commercial Vehicles, emphasized during the unveil ceremony, “Since start of production, we have already over 20,000 trucks on Indian roads. This is a reinforcement of the customers’ acceptance of our products. India has a lot of natural resources like coal, iron and other minerals. We expect the Indian tipper industry to grow substantially by 2020. The 3143 will be a game changer in the deep mining segment targeting the most demanding application with a local product.”

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The DICV plant at Oragadam

After today's inauguration of the bus facility, the DICV plant is the only Daimler Trucks plant worldwide to produce trucks, buses and engines for three brands - Mercedes-Benz, BharatBenz and FUSO - under one roof. The bus chassis are rolled out from the same assembly line as that of BharatBenz trucks, as they are technologically similar to the medium-duty BharatBenz trucks. This showcases once more the flexibility of DICV's assembly lines.

Cooperation with local suppliers and creation of an extensive dealership network

DICV is significantly increasing the network footprint in the country, with its state-of-the-art dealership outlets. By now, DICV has more than 80 dealerships that cover 85% of the Indian market. The buses will be served by the existing dealership network. Daimler Financial Services will also extend attractive financial packages for the bus business.

Export out of India

Under the umbrella of Daimler Trucks Asia, DICV and MFTBC (Mitsubishi Fuso Truck and Bus Corporation) have combined their strength to tap into further sales potential. While DICV focuses on the Indian market and countries such as Nepal, that are related to the Indian market conditions, MFTBC will service the rising demand in the Asian and African regions with its existing portfolio of FUSO trucks from its plant in Kawasaki and the robust FUSO trucks produced in Oragadam. With Trinidad and Tobago, DICV has now launched 12 export markets like Indonesia, Kenya, Nepal and Tanzania to name a few. With a clear view on the growth potential in South America, DICV is in preparations to establish its presence in this region and will continuously add further markets to expand its reach. The bus chassis as well as the heavy duty mining trucks will continue to expand DICV's export business.

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Daimler India Commercial Vehicles (DICV) is a 100% subsidiary of Daimler AG, Stuttgart, Germany. DICV is a fully fledged commercial vehicle player in the Indian market. It currently produces and sells above 9 to 49 tonne trucks for the Indian volume market, under the brand name – BharatBenz. BharatBenz stands for Indian engineering with German DNA. Under its bus division, the company will produce and sell BharatBenz buses and Mercedes-Benz buses from its manufacturing plant at Oragadam. Bharat-Benz products have been engineered to serve all major customer segments with a focus on total-cost-of ownership, safety, reliability and comfort.

Under the umbrella of Daimler Trucks Asia, DICV and MFTBC (Mitsubishi Trucks and Bus corporation) are optimizing research activities, product development and sourcing. The DICV built FUSO trucks from Oragadam are exported to markets in South East Asia, Africa, and Latin America.

The state-of-the-art production plant at Oragadam, near Chennai, spreads over 400 acres (160 hectares). It includes a modern test track designed to simulate Indian conditions – making it one of its kind in Asia. DICV has made an initial investment of 4,400cr and additional 425cr for the bus plant facility (approximately €750 million). Sustainability being a core of Daimler’s corporate culture, DICV will focus on creating efficient, reliable and ecologically friendly products.

Disclaimer: 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 and Opportunity 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.
