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Daimler India Commercial Vehicles Pvt. Ltd.

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## **Daimler rolls out FUSO trucks from Chennai as a part of its Asian strategy**

- **Select Operations of Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler India Commercial Vehicles (DICV) grouped under the umbrella of “Daimler Trucks Asia“**
- **Five models under the Fuso brand to be launched in 15 markets in Asia & Africa starting June 2013**
- **Combined target of MFTBC and DICV to double annual sales to 290,000 units by 2020**

**Chennai:** Daimler India Commercial Vehicles Pvt. Ltd. (DICV), a 100% wholly owned subsidiary of Daimler AG, Stuttgart, Germany along with Mitsubishi Fuso Truck and Bus Corporation, Japan (MFTBC) , a Daimler Company, today launched its strategic new products under the brand ‘FUSO’, manufactured at DICV’s manufacturing plant at Oragadam, near Chennai.

The new FUSO trucks are based on the ‘Daimler Trucks Technical Platforms’ and will be exported to important markets in Asia & Africa. This range provides the FUSO brand fresh impetus in addressing product segments that were not available earlier.

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**Dr. Albert Kirchmann – Head – Daimler Trucks Asia and President & CEO, MFTBC**, said:

“Today is an exciting moment for us. The New Asia Business Model will enable us to unlock full potential among MFTBC and DICV, and we are already bringing strategies into reality. We have done our homework in repositioning our MFTBC operations, ramping up DICV business, and establishing presence of the BharatBenz brand in India. Coming out of the unimaginable 2011 earthquake crisis in Japan, we have achieved a record operational result in 2012. Now, with the strategic FUSO truck ready for launch for export outside of India, our growth story ‘FUSO 2015’ is at full speed ahead.”

**Mr. Marc Llistosella, Managing Director and CEO - DICV**, said: “Over the last 4 years DICV has made clear promises to deliver the most-reliable and cost-efficient trucks to the Indian trucker and we have delivered on all of them. The launch of FUSO trucks from our manufacturing facility at Chennai is a clear demonstration of the same exacting quality standards practised by Daimler facilities around the world.

The export potential of DICV adds strength to our business plan while also encouraging the possibility of higher sourcing from the Indian suppliers”.

**Mr. Kai-Uwe Seidenfuss, Senior Vice President - Sales and After Sales, MFTBC**, said, “Our new lineup of fuel-efficient, state-of-the-art FUSO trucks will fill the growing customer demand in Asia and Africa, thus adding further growth for Daimler Trucks Asia. Moving ahead, we will supply a total of 15 export markets starting with Sri Lanka in June 2013 followed by other select markets.”

The FUSO trucks range manufactured at DICV’s Oragadam plant comprise 5 models spanning Medium/Heavy-duty (25 – 49 tonnes referred to as ‘**FJ**’, ‘**FO**’ & ‘**FZ**’) and Light/Medium-duty (9 – 16 tonnes referred to as ‘**FA**’ & ‘**FI**’). These trucks will be exported and sold through the FUSO Network to 15 markets in Asia and Africa like Indonesia, Thailand, Malaysia, Tanzania, Malawi, Uganda, Zimbabwe, Mozambique, Mauritius and the Seychelles. The first launch markets will be Sri Lanka in June 2013, followed by Bangladesh, Zambia, Kenya and Brunei later this year. Further markets are currently evaluated and will be communicated at a later time.

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Daimler Truck's '**Asia Business Model**' clearly paves the way for better synchronisation of its available strengths. While the Indian and Japanese markets remain Trucks Asia's important focus markets, the global economy shows significant growth potential shifting to Asia and its surrounding developing markets like Africa. The new Asia Business Model is designed to address these trends and strengthen Trucks Asia operations for the mid- to long-term.

## **Focus Areas:**

### **1. Integrated Asia product portfolio**

Strong focus will be placed on an integrated Trucks Asia product portfolio which will offer a wider choice to our customers. The new strategic FUSO trucks unveiled today is one successful example of short-term projects underway between DICV and MFTBC.

### **2. Asia R&D network leveraging DICV and Mercedes-Benz Research & Development India (MBRDI) operations**

An integrated R&D approach will enable Trucks Asia, to leverage Indian cost-efficiency while providing DICV access to MFTBC R&D knowhow and capacity, and vice versa. The global Daimler Trucks Product Engineering organization under one global head will ensure stronger synergy effects as already proven by rest of the Daimler Trucks integrated matrix organization.

### **3. Joint procurement for MFTBC and DICV – full leverage of DICV supplier base**

Great synergies are targeted under the newly aligned Trucks Asia operations from leveraging DICV's supplier base. The tried and tested Supplier base in India through the experience of creating BharatBenz trucks enables the advantage for a coordinated procurement and supplier management function to ensure greater cost-efficiencies while maintaining high quality

### **4. Trucks Asia Kawasaki and Chennai production hubs**

Trucks Asia under the new Asia Business Model is moving towards an optimized Asia footprint with two major production hubs in Kawasaki, Japan, and Chennai, India. The Kawasaki factory is positioned as the central completely-built-up and knocked-down

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vehicles production hub especially in terms of delivering the highest standards to meet ever demanding customer requirements in Japan & international markets. The Chennai plant will concentrate on truck deliveries of Mercedes-Benz and BharatBenz trucks for India and for export of FUSO trucks for select markets in Asia and Africa, thus, complementing Kawasaki hub capacity and the traditional product range.

## **Daimler India Commercial Vehicles Pvt. Ltd.**

Daimler India Commercial Vehicles (DICV) is a 100% subsidiary of Daimler AG, Stuttgart, Germany. DICV will produce light, medium and heavy-duty commercial vehicles for the Indian volume market, under the brand name – BharatBenz. BharatBenz stands for Indian engineering with German DNA. The products will be customized to serve all major customer segments, from owner-drivers up to large fleet operators. The efficiency of BharatBenz trucks will be an optimal fit for customers keen on efficiency, a low Total Cost of Ownership over the life-cycle and highest profit potential for their businesses. 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 a total dedicated investment of over INR 4400 crs (approximately €700 million).

The Company also handles Production, Marketing, Sales and After Sales of Mercedes-Benz Actros Trucks in India. Mercedes-Benz Trucks with the Brand Promise “Trucks you can Trust” are renowned world-wide for their reliability and efficiency under most extreme operating conditions, as well. These trucks also offer the best that Truck Technology has to offer.

Sustainability being a core of Daimler’s corporate culture, DICV will focus on creating efficient, reliable and ecologically friendly products.

## **Mitsubishi FUSO Truck and Bus Corporation**

Based in Kawasaki, Japan, Mitsubishi Fuso Truck and Bus Corporation (MFTBC) is one of Asia's leading commercial vehicle manufacturers. In 2012, the company sold a total of about 174,000 vehicles including light-, medium- and heavy-duty trucks and buses. Daimler AG owns 89.29% of MFTBC shares and various Mitsubishi group companies own 10.71% of MFTBC shares. MFTBC is an integral part of the Daimler Trucks Division of Daimler AG.

## **BharatBenz**

BharatBenz is the Indian truck brand of Daimler AG, the world’s largest Commercial Vehicle manufacturer and inventor of the truck. Backed by over a century of global trucking experience and an in-depth understanding of the Indian terrain, BharatBenz is here to transform the country’s trucking industry. BharatBenz has begun to offer Indian customers an entire truck portfolio in the 6 to 49 tonne range across various applications. The name – BharatBenz - brings out the two most defining qualities of a brand that is being built exclusively for India. ‘Bharat’ carries the values, ideologies and spirit of the nation, and reinforces the brand’s commitment to serve the Indian market. ‘Benz’ upholds the lineage of innovation,

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technological brilliance and engineering excellence that have given unparalleled performance and great value for generations. Powered by the synergy between global leadership in technology and local deep rooted customer knowledge, BharatBenz builds robust, reliable, performance-oriented trucks to drive maximum productivity and deliver maximum value to customers across the country. With BharatBenz, a new era in Indian trucking has arrived.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “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 funding 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 as well as to adequately utilize our production capacities; price increases in fuel or raw materials; disruption of production due to shortages of materials, labour 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, most notably EADS; the successful implementation of strategic cooperation's and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental 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 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 incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.