



Mercedes-Benz



2010 Southern Automotive Conference

Matt Kendrick, General Counsel
Mercedes-Benz U.S. International, Inc.



Mercedes-Benz

MBUSI: From the Announcement in 1993 ...





Mercedes-Benz

Difficult Times Called for Difficult Measures

Zero-Based Approach to spending

Maintained Focus on Continuous Improvement

Maintain momentum on work related to future products

Consolidation of Paint 1 into Paint 2 (Energy Savings)

4-Day Work Week through much of 2009

Retirement Program and Limited Voluntary Separation Packages





Mercedes-Benz

MBUSI Body Shop Expansion

- Expansion of Body Shop 225,000 sq. ft.
- Upgrade of Original Plant 1 Body Shop.
- Construction start March 15th, 2009.
- Construction Complete February 1st, 2010.
- Process Equipment Installed by October 20

WWW.TUSCALOOSANEWS.COM

MERCEDES PLANS \$290M EXPANSION FOR PLANT

Organizers hope it will create more jobs as economy recovers

By Patrick Rupinski
Staff Writer

TUSCALOOSA | Mercedes-Benz plans to spend \$290 million for a plant expansion and high-technology equipment at its Vance factory over the next 2 1/2 years.

International — the Vance-based subsidiary that makes Mercedes' SUVs.

"We have built where our market is, and the USA is our strongest market," he said. "We are proud to stay here and invest for the future," he said.

MERCEDES IN VANCE



Mercedes-Benz became the first automaker to locate in Alabama. Honda and Hyundai and dozens of automotive suppliers followed. Here's a brief look at Mercedes' history in the state.

1993: Mercedes picks Vance as the site for its first automotive plant in North America.
1994: Construction, cost \$400





MBUSI Body Shop Expansion Celebration



The Birmingham News
Friday, August 27, 2010

Mercedes bulks up its body shop

Plans to hire 500 temporary workers

By DAWN KENT
News Staff Writer

Mercedes-Benz is expanding its operations in Alabama with a bigger body shop that helps solidify the future of the Vance auto factory, as well as plans to hire up to 500 temporary workers to match the pace of rising vehicle demand.

The German automaker held a grand opening Thursday for a \$150 million addition to the plant's body shop, which will be used to launch the next-generation of the M-Class SUV next year, along with other future products.

Officials also used the occasion to announce plans to add 450 to 500 temporary workers across the plant over the coming months. Mercedes will contract with an agency to supply the workers, and ads for the new jobs will go out in September.

The news is a sharp turnaround from the situation at the plant last year, when a global industry downturn forced the automaker to slash production and put employees on four-day workweeks. Part of the cutbacks included the elimination of temporary jobs and employees, bringing the existing work force down to about 2,800 people.

Now, however, employees are working overtime as vehicle demand rebounds. The new temporary workers will be hired gradually and help the plant manage the peaks and valleys that come with vehicle demand.

Former employees who took a buyout will not be eligible to apply, plant officials said.



The body shop expansion will allow Mercedes-Benz to make doors for the next-generation M-Class SUV at the Vance plant, instead of getting them from a South Carolina supplier. This is the first one made there and is signed by employees.

MERCEDES HIGHLIGHTS

- Hire 450 to 500 temporary workers to keep up with rising vehicle demand
- New body shop expansion will launch next-generation versions of the plant's current products
- New M-Class SUV due next year, new GL-Class full-sized SUV due in 2012
- Body shop addition also will launch next-generation C-Class sedan in 2014, as production moves from Germany to Alabama

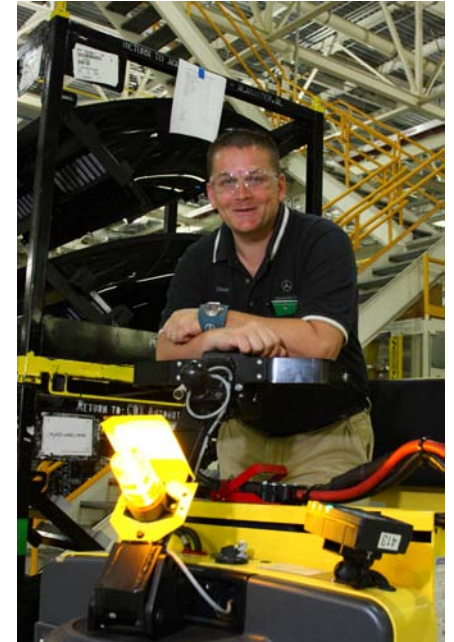


Bill Taylor, far right, former head of Alabama's Mercedes-Benz operations and current president of the Economic Development Partnership of Alabama, was among those who toured the Vance plant's body shop expansion.

August 26, 2010



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Next Generation C-Class Launching in 2014





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PRODUCT INTRODUCTION TIMELINE (2010–2014)



**R-Class
Facelift**



**M-Class
Successor**



**GL-Class
Successor**

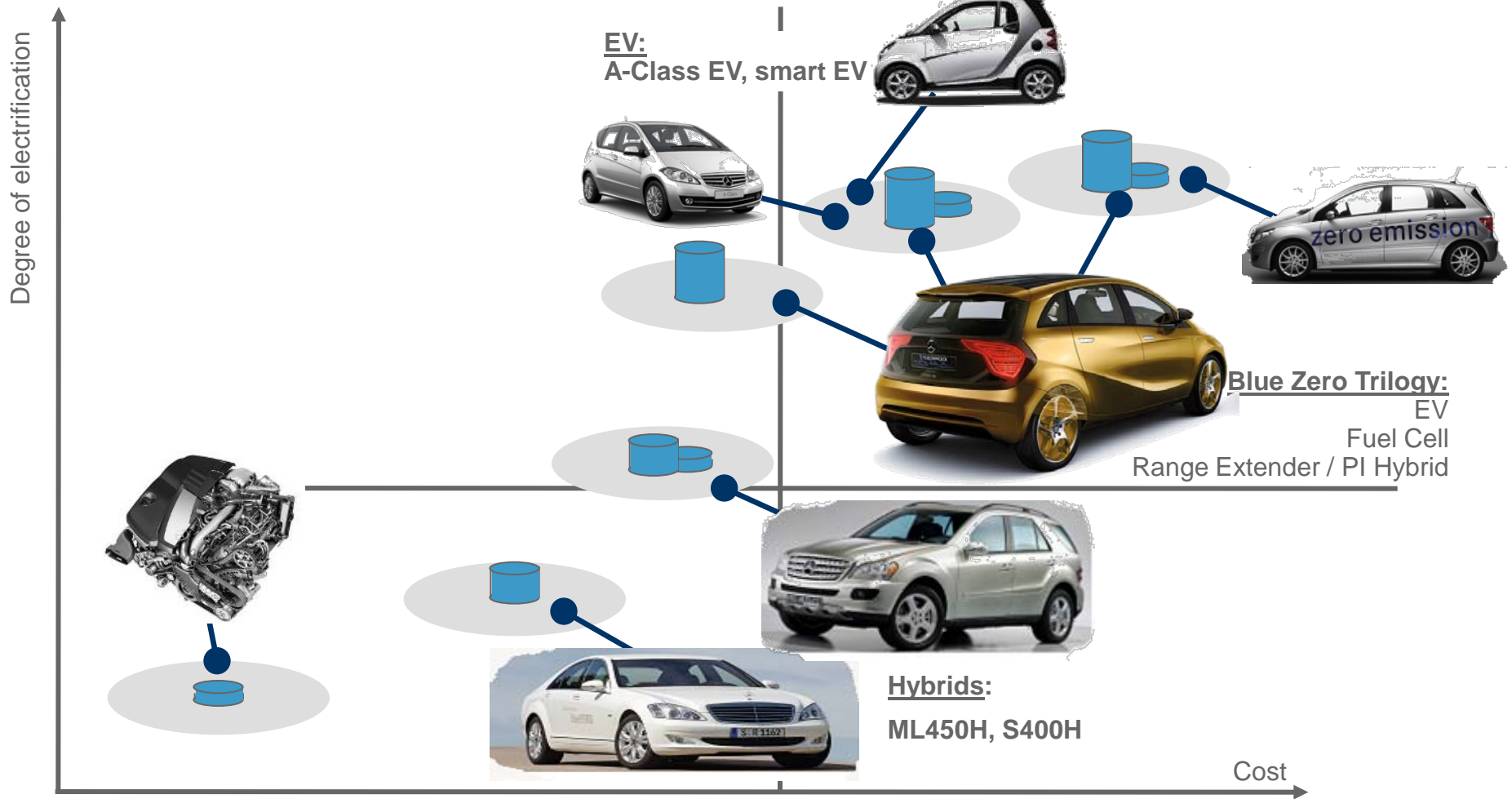


**C-Class
Sedan**



2010 FOCUS

2010 TIMELINE	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MY11 W164, MOPF BR251		PT1	PT2		PT3	Shutdown	Jbb 1					
MY11.5 X164 OM642 LS EU5							PT1		PT2	Jbb 1		
MY12 X164, BR251				PRP1				PRP2		Null Series		
W166		E-Phase-Mild Hybrid						B-Phase				PT1
X166		E-Phase										



With cost and infrastructure as a driver, Internal Combustion Engines (ICEs) will be the mainstay of mobility for some time to come. However, a wide variety of different drive technologies will continue to exist side by side.



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