



Mercedes-Benz

THE MARKET

Mercedes-Benz Australia achieved record sales in 1998, a year in which the Australian car market reached a record 807,000 units. In the prestige and luxury car segments, Mercedes-Benz Australia sells premium cars of superb quality, economy, safety and style. In 1998, the luxury car segment consisted of 20,500 units while 27,300 prestige cars were sold.

Mercedes-Benz retail sales increased by 33 percent over the previous year. The number of new vehicles sold was more than two and a half times retail sales in 1993. This growth easily outstripped competitors. The introduction of the A-class and M-class 4WD has opened the way for further sales growth and the opportunity to compete in new segments.

Worldwide Mercedes-Benz sales were up 26 percent in 1998 to a new record of more than 900,000 units.

ACHIEVEMENTS

In 1998, Mercedes McLaren won the FIA Formula One World Championship. Their winning streak began at the 1998 Formula One Australian Grand Prix in Melbourne, where for the second year in a row the Mercedes powered Formula One cars driven by Mika Hakkinen and David Coulthard took out first and second place. The real winners were of course Mercedes-Benz buyers, because lessons learned at the track are soon passed on to Mercedes production cars.

Mercedes-Benz has been a leader in car safety since it began research in this vital field. The company patented the passenger safety cell, and gave the rights free to all other automobile manufacturers, so that lives could be saved on the roads.



foundations for the motorisation of transport with the first light high-speed engine and the first motor vehicles. Their businesses, Daimler-Motoren-Gesellschaft and Benz & Cie, and were soon locked in competition for both customers and success on the racetrack.

With demand growing at home and abroad, both firms gradually extended their sales network. Then, in 1926, they joined forces to form Daimler-Benz AG. Headquartered in Stuttgart in southern Germany, Daimler-Benz became Europe's largest industrial conglomerate. Even before the recent merger, it employed more than 300,000 people worldwide with annual revenues exceeding DM100 billion.

Although most famous for the unmistakable Mercedes-Benz marque, Daimler-Benz has effectively been in the mobility business by road, rail, sea and air. The Group consisted of four business units: passenger cars, commercial vehicles, aerospace and services - and three directly managed businesses: rail systems, microelectronics and diesel engines. Together they offered skills, solutions and synergy in every field of transportation and beyond.

The merger announcement of Daimler-Benz and Chrysler on May 7, 1998 by Bob Eaton and Jürgen Schrempp created the new DaimlerChrysler AG which will be the world's third biggest (in sales) or fifth biggest (in vehicle production) and, in global terms, best positioned car manufacturer.

Daimler-Benz and the Chrysler Corporation complement each other perfectly. Both are leading manufacturers in the automobile industry who are extremely successful in different markets with different model ranges. The merger of the

When Mercedes began crash testing in 1954, few could see the sense of deliberately crashing vehicles, but it allowed the development of the crumple zone and the safety steering system. Mercedes was first to introduce ABS braking and the airbag, as well as seat belt pre-tensioning devices.

Mercedes' own standards for safety far exceed any government regulations.

HISTORY

The history of Daimler-Benz and of the automobile began on the twenty-ninth of January 1886, when Karl Benz was granted a patent for his three-wheeled motor carriage. Ten years later, Gottlieb Daimler produced the first truck.

The history of the Daimler-Benz Group parallels the development of the motor car. Daimler and Benz, the great engineers and founders of the firm, worked on their inventions in the early '80s of the last century without ever meeting each other. In Cannstatt and Mannheim - only about 100 kilometres apart - they laid the



two companies is the biggest industrial marriage in history. DaimlerChrysler's reach does not cover just cars and commercial vehicles - it extends to aerospace, services, finance, railway systems, automotive electronics and diesel engines.

Prior to 1999, Australian distribution had been handled for 40 years by a wholly-owned subsidiary of Daimler-Benz AG. The automotive marque is now distributed by DaimlerChrysler Australia/Pacific Pty. Ltd, formerly Mercedes-Benz (Australia).

In Australia and the South Pacific, Mercedes-Benz is ideally placed to benefit from the global manufacturing platform of DaimlerChrysler AG. Already, the organisation sources products and components from three continents - cars from Europe and America, Freightliner trucks from North America and bus chassis from Brazil.

THE PRODUCT

Mercedes-Benz is one of the world's few true luxury marques. In Fortune magazine's 1998 American Consumer Satisfaction Index, Mercedes-Benz was voted number one, which demonstrates the esteem in which it is held.



Mercedes-Benz offers over 35 passenger car model configurations under \$100,000, and the most extensive range above this amount. Vehicles include the new, innovative and unique A-class; the popular 4 cylinder, V6 or turbo diesel C-class; the V6 and V8 E-class; the M-class 4WD; the new spacious and elegant S-class saloon; the luxurious CL500, SL-class convertible; the CLK Coupe, CLK Cabriolet, SLK Roadster and Mercedes AMG, three letters that stand for peak performance.

A quick glimpse of the new Mercedes-Benz 'Maybach', introduced at the 1997 Tokyo Motor Show, clearly places the company at the forefront of vehicle innovation for the next millennium.

RECENT DEVELOPMENTS

In 1998, Mercedes-Benz (Australia), now DaimlerChrysler Australia/Pacific, introduced a number of new models. Newest to the Mercedes-Benz line-up, the A-class is an automotive answer to an ever-changing world. It redefines the concept of the automobile both for today and for future generations. The A-class is an entirely new category of vehicle that deftly defies conventional thinking. It is just as comfortable as a mid-size saloon and, incredibly, just as safe.

With the production of the M-class, Mercedes-Benz has for the first time introduced an all-activity saloon that offers legendary standards of luxury, performance, comfort, safety and quality.

The new S-class, introduced in the first half of 1999, once again reasserts its position as the benchmark against which all other luxury-class saloons are measured. In all automotive technology fields, the new S-class sets standards that guarantee even greater measures of comfort, environmental responsibility and driving pleasure.

Also launched in 1998 was the Mercedes-Benz Driver Safety Training School - the first National Driver Training School of its type to be instigated by a car manufacturer. Operated throughout Australia, the driver safety course is designed to assist participants to identify risks, avoid hazards and cope with critical driving situations. Mercedes-Benz has sourced the most experience driver training instructors available in the market today, from Federal Police instructors to Motorsport drivers. Mercedes-Benz is also associated with Frank Gardner's Performance Driving Centre in Queensland.

PROMOTION

The promotion strategy has reflected the evolving Mercedes-Benz range. Over the past few years, the Mercedes-Benz marque has dramatically expanded the range of vehicle on offer, and the

addition of the M-class and A-class was viewed by some as a potential threat to the integrity of the brand. This was anticipated in the promotion strategy well in advance.

The "Oh Lord Won't You Buy Me A Mercedes-Benz" TV campaign has been used extensively, to appeal to a wider prospect group. This new group is much younger than the traditional Mercedes-Benz owner, with more relaxed lifestyle values.

The "Oh Lord" campaign has been used to introduce the new models and also to provide a younger feel for the marque. At the same time Mercedes-Benz has continued to make extensive use of magazines and newspapers.

Mercedes-Benz continues to sponsor carefully selected events, including The Presidents Cup



Golf, Australian Fashion Week, Horse Racing, Tennis, opera and other cultural events as well as closely related vehicle activities including Formula One and CARTS. Each is selected because of its ability to support the total promotional strategy and the marque's values. The integrity of the brand has been maintained throughout.

BRAND VALUES

Like no other brand, Mercedes-Benz incorporates the highest standards of quality, safety, innovative drive and visual appeal. Even though the Mercedes-Benz brand is over 100 years old, it is always young at heart. Links with the world of style through Mercedes-Benz fashion week and sponsorship of both the arts and sports such as horseracing, tennis and golf help maintain the image and keep Mercedes-Benz in touch with what its customers love and how they live.

THINGS YOU DIDN'T KNOW ABOUT MERCEDES-BENZ

- Mercedes cars are famous throughout the world, but few people are aware of the origin of the name. In 1899 Emil Jellinek, the first general distributor of Daimler cars and a keen racing driver, took part in a car race in Nice driving a Daimler. He named the car after his 11-year-old daughter, Mercedes. The Mercedes went on to win various titles in Nice and the name became the obvious choice for the company's production cars, giving birth to a brand synonymous with engineering excellence.
- The three-pointed star is intended to symbolise the threefold nature of transport motorisation on land, sea and in the air. It stands for service and safety, and all over the world the name "Mercedes-Benz" is a symbol of pioneering spirit and tradition.
- Mercedes-Benz was the first automobile manufacturer to introduce ABS braking, the airbag and pre-tensioning devices.
- Mercedes-Benz patented the passenger safety cell and gave the rights of the patent free to all other automobile manufacturers.