



Mercedes-Benz

THE MARKET

In Australia, Mercedes-Benz sells a range of premium cars in the prestige and luxury car segments, offering superb quality, economy, safety and style. Mercedes-Benz achieved record sales in 2000, a year in which the Australian car market reached 787,100 units.

Mercedes-Benz retail sales have increased dramatically in recent years. The number of new vehicles sold has risen to more than two and a half times the total retail sales of 1993. This growth has easily outstripped competitors. The expansion of the brand into new market segments has been particularly successful. New products such as the M-Class 4WD wagon and A-Class have continued to exceed expectations, whilst

the recent introduction of the new C-Class sedans has yet again made the brand more relevant to younger buyers.

ACHIEVEMENTS

In 1998, Mercedes McLaren won both the FIA Formula One World Drivers and Constructors Championships, and Mika Hakkinen won the drivers title again in 1999. There is no more challenging testing ground than the Formula One grid. Countless hours are spent developing and refining new ideas into working technology. 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.

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 continues to strive to achieve increasingly stringent safety standards of its own, standards that 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 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 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 offer 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 is the world's third biggest car manufacturer (in sales) or fifth biggest (in vehicle production) as well as being the best positioned in global terms.

Daimler-Benz and the Chrysler Corporation complement each other perfectly.

Both are leading manufacturers in the automobile industry and are extremely successful in different markets with different model ranges. The merger of the two companies is the biggest industrial marriage in history.

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, America and Africa, Freightliner trucks from North America and bus chassis from Brazil.

THE PRODUCT

Mercedes-Benz is one of the world's few true luxury marques. The brand has consistently been regarded as one of the most recognised in the world, not just among the automotive industry but in general.

Mercedes-Benz offers over 35 passenger car model configurations under \$100,000, and nearly as many above this. Vehicles include the unique A-Class; the popular 4 cylinder, V6 or Common Rail Direct Injection (CDI) Diesel C-Class; the 2-litre supercharged, V6, V8 and CDI E-Class; the versatile M-Class 4WD; the stylish and luxurious S-Class saloon; the amazing CL-Class coupés and the SL-Class convertible; and the CLK Coupé, CLK Cabriolet, SLK Roadster and Mercedes AMG which define the ultimate in high performance Mercedes-Benz models.

A quick glimpse at the near future reveals a brace of new models that will continue to place the brand



at the forefront of innovation, such as the new SL, the super luxury Maybach and the ultra high performance SLR.

RECENT DEVELOPMENTS

The Mercedes-Benz brand continues to expand. Following the successful introduction of the A and M-Classes in 1998, Mercedes-Benz has continued to launch innovative, exciting products.

In 1999, the new S-Class was launched and immediately dominated the upper luxury car segment. A combination of some of the most advanced technology ever seen in a passenger car

with extremely beautiful styling, the vehicle was awarded many international and local awards including the 1999 "Wheels Car of The Year".

The year 2000 saw Mercedes-Benz launch the successor to the immensely popular C-Class. The new C-Class had been long anticipated and thoroughly exceeded all expectations when it arrived. It appeals to a much wider target audience than before, and as a result the average age of owners has fallen dramatically. More recent



additions to the C-Class range include the Sports Coupé and wagon, still further broadening the appeal of this exciting model family.

Away from new product introductions, Mercedes-Benz announced in 2000 an exciting partnership with the Confederation of Australian Motor Sport (CAMS). The CAMS Institute of Road Safety program is a unique program providing driver safety training at a national level. Its purpose is to help reduce the road toll through education and development of safe driving skills.

PROMOTION

The promotion strategy has reflected the evolving Mercedes-Benz range. The launch of the all new C-Class in 2000 presented Mercedes-Benz in a new and refreshing manner. No longer is Mercedes-Benz a brand for an older generation. Without losing sight of its core values, the brand has been able to become vastly more accessible and appealing to a much wider demographic range.

Increasingly the Internet has become an important tool for communication with consumers and the Mercedes-Benz site is one of the most popular web sites in Australia today. It offers up to the minute information on products and motor sports

involvement as well as access to the dealerships and to Mercedes-Benz itself. The site is updated continually, not just for content but to increase its interactivity so that it remains at the leading edge.

Mercedes-Benz continues to sponsor carefully selected events in both cultural and sports arenas. Every event is selected to support the total promotional strategy and the brand's values. Sporting highlights include the ATP Tennis and, in 2001, the Tennis Masters Cup where the top eight

male players for the year compete in what is arguably the most exclusive tennis tournament all. Mercedes-Benz continues to be the naming sponsor of the Mercedes Australian Fashion Week. This week long event is now firmly established as a part of the major international fashion calendar, and Mercedes-Benz will continue to increase its investment in fashion both locally and internationally.

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

- The Mercedes name originated in 1899 when Emil Jellinek, the first general distributor of Daimler cars and a keen racing driver, drove a Daimler in a car race in Nice. 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.
- 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 pretensioning devices.
- Mercedes-Benz patented the passenger safety cell and gave the rights of the patent free to all other automobile manufacturers.

