

## **Reaching the next milestone of its platform strategy: Daimler Trucks expands production of powertrain components in the USA**

- **Detroit: Launch of localized series production of the DT12 automated transmission for the NAFTA market**
- **Future production of new DD5 and DD8 medium-duty truck engines for North America also in Detroit**
- **Daimler Trucks invests \$475 million and announces creation of approximately 330 new jobs in Detroit**
- **Dr. Bernhard, Member of the Board of Management, responsible for Daimler Trucks & Buses:**  
**“This is a major step in executing our global platform strategy. The decisions we announced today will make us even more competitive tomorrow.”**

Detroit – Additional power for Daimler Trucks' business in the USA: At the plant of subsidiary “Detroit” in Redford, Detroit (Michigan), Dr. Wolfgang Bernhard, Member of the Daimler AG Board of Management, responsible for Daimler Trucks & Buses, today gave the starting signal for localized series production of the DT12 automated manual transmission. At the same time Dr. Bernhard told the assembled guests, including around 2.000 employees, that the new DD5 and DD8 engines from the medium-duty engine family for the NAFTA market would also be produced in Detroit effective 2018. With these steps, the world's most successful commercial vehicle manufacturer consequently continues to implement its global platform rollout.

One of Daimler Trucks' three strategic pillars is the use of intelligent platforms. This means: Proven platforms and modules like engines or transmissions are used in many different markets with vehicle-specific adaptations – across all commercial vehicle brands. The Daimler Trucks & Buses portfolio includes Mercedes-Benz trucks & buses, Setra, Freightliner, Western Star, BharatBenz, FUSO, and Thomas Built Buses. With its aggregate-brand “Detroit”, Daimler Trucks has been offering American customers a perfectly harmonized powertrain crafted with own engines, transmissions and axles. Having started this business in 2012, Daimler Trucks has been the first manufacturer in the North American market to offer an integrated powertrain manufactured under one roof.

“The success of our integrated powertrain for heavy-duty vehicles in the US is phenomenal: Already, over 40 percent of the Freightliner Cascadia models are supplied with the DT12 automated manual transmission. So, naturally, it makes sense to now also produce this bestseller locally. We are very proud to celebrate the production launch of the transmission with our highly motivated team here in Detroit. And I am really excited, that in the future we will also produce our medium duty engines DD5 and DD8 here,” said Dr. Wolfgang Bernhard. “This is a major step in executing our global platform strategy. The decisions we announced today will make us even more competitive tomorrow,” continues Dr. Bernhard.

### **\$475 million investments in new transmission and engine production**

Under the theme “Built in Detroit”, Michigan's Governor Rick Snyder and Daimler Trucks honored the production launch in the North American industrial metropolis. Daimler Trucks has invested \$100 million in the new production of the DT12 automated manual transmission in Detroit. For this, Daimler Trucks is creating around 170 new jobs in the local area, making a major contribution to the revitalization of Detroit. For the development and production of the new DD5 and DD8 engines, Daimler Trucks will additionally invest over \$375 million, creating approximately 160 more jobs locally.

Founded in 1938, the “Detroit” aggregate plant in Redford has been owned by Daimler AG since 2000. In an area covering more than 280,000 square meters some 2200 employees produce engines, transmissions and axles for Daimler Trucks' American commercial vehicle-brands.

In the commercial vehicle business, the powertrain – comprising engine, transmission and axles – is a decisive factor for both the manufacturer's and customer's economic success due to its share of the added value in truck construction, which amounts to in excess of 50 percent. Unlike in Europe, it is quite common in the North American commercial vehicle market that the customer has third party aggregates in their trucks. Here Daimler Trucks' global powertrain strategy approaches successfully: The fully integrated powertrain offers clear cost and efficiency advantages for both sides and guarantees the lowest Total Cost of Ownership (TCO) for the hauliers. The DT12 transmission – smartly steered by the Detroit Intelligent Powertrain Management – achieves up to three percent better fuel consumption compared with a conventional manual transmission. The customers in North America are convinced. Thanks to the high demand, Daimler Trucks has succeeded in further strengthening its position as the market leader in the USA this year: In the first ten months of the year, its market share grew to approximately 40 percent (Class 6-8).

### **DT12 automated manual transmission**

The DT12 heavy-duty automated transmission used in the Freightliner Cascadia and Western Star 5700 XE heavy-duty trucks is extremely popular in North America. Whereas US truckers traditionally used to shift manually, Daimler Trucks has truly revolutionized this market with its North American truck brands Freightliner and Western Star: By 2015 already, over 40 percent of all Freightliner Cascadia models in the NAFTA market were sold with the DT12 transmission. With local production of the DT12 transmission, previously sourced from the Mercedes-Benz plant in Gaggenau / Baden, Germany, Daimler Trucks can now respond more quickly to the rising demand in North America. Furthermore, customers of Daimler Trucks North America benefit from faster delivery times. Daimler Trucks continues to supply its Detroit facility with component parts for the transmission assembly out of Gaggenau.

### **New medium-duty engines**

The new DD5 and DD8 engines are an additional proof of the successful Daimler Trucks strategy of developing aggregates for worldwide use and then adapting them locally. Both engines are from the Medium Duty Engine Generation (MDEG), which Daimler Trucks has developed in Germany to comply with the demanding Euro VI emissions standard. As of their market launch in 2016, the DD5 and DD8 engines will therefore also comply with the NAFTA standard for greenhouse gas emissions (GHG17) a year before it comes into force. The medium-duty four- and six-cylinder engines use

standardized components such as the cylinder head, cylinder block, connecting rods and camshaft. In the future both engines will be used in the entire product portfolio of Daimler Trucks North America. Up until the production launch in Detroit scheduled for 2018, the engines will be supplied from the Mercedes-Benz aggregate-plant in Mannheim, Germany.

### **Global Powertrain: Drive for growth in the commercial-vehicle business**

“Our customers know that, with engines, transmissions and axles 'built in Detroit', they get the best powertrain components, fully integrated and perfectly harmonized,” emphasizes Dr. Frank Reintjes, Head of Global Powertrain & Manufacturing Engineering Trucks.

The Daimler Trucks Global Powertrain plants in Mannheim, Gaggenau, Kassel and Detroit produce powertrain components for the Daimler Trucks vehicles worldwide. Additionally Daimler Trucks also manufactures aggregates at its facilities in Juiz de Fora (Brazil), Oragadam (India) and Kawasaki (Japan). Furthermore, Global Powertrain manufactures aggregates and components for Mercedes-Benz passenger cars and third-party customers. In addition, the division is responsible for production and network planning at all Daimler Trucks production sites.

### **About Daimler Trucks North America**

Daimler Trucks North America LLC based in Portland, Oregon, is the leading manufacturer of heavy-duty trucks in North America. DTNA produces and sells commercial vehicles of the Freightliner, Western Star and Thomas Built Buses brands. The DTNA production network stretches across nine sites. In addition to the headquarters and assembly plant in Portland (Oregon), there are four production plants in North Carolina (Cleveland, Gastonia, High Point and Mount Holly) plus one production plant each in Detroit (Michigan) and Gaffney (South Carolina). DTNA has two further production plants in Mexico (Saltillo and Santiago Tianguistenco).

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**Daimler at a glance**

Daimler AG is one of the world's most successful automotive companies. With its divisions Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans, Daimler Buses, and Daimler Financial Services, the automaker is one of the biggest providers of premium cars and the world's biggest commercial vehicle manufacturer with a global reach. Daimler Financial Services offers financing, leasing, fleet management, insurance, financial investments, credit cards, and innovative mobility services. The company's founders, Gottlieb Daimler and Carl Benz, made history with their invention of the automobile in 1886. As an automotive pioneer, Daimler continues to shape the future of mobility. The company's focus is on innovative and green technologies and safe and superior vehicles that captivate and excite customers. Daimler invests systematically in the development of alternative drive systems – ranging from hybrid vehicles to all-electric vehicles powered by a battery or a fuel cell – with the goal of making emission-free driving possible in the long term. In addition, the company is fully committed to accident-free driving, intelligent networking, and autonomous driving. This is because Daimler considers it a challenge and an obligation to meet its responsibility towards society and the environment. Daimler sells its vehicles and services in almost every country in the world and has production facilities in Europe, North and South America, Asia, and Africa. Its brand portfolio includes the world's most valuable premium automotive brand, Mercedes-Benz, as well as Mercedes-AMG and Mercedes-Maybach; the smart, Freightliner, Western Star, BharatBenz, FUSO, Setra, and Thomas Built Buses brands; and the Daimler Financial Services brands: Mercedes-Benz Bank, Mercedes-Benz Financial, Daimler Truck Financial, moovel, and car2go. The company is listed on the stock exchanges of Frankfurt and Stuttgart (stock exchange symbol DAL). In 2014 the Daimler Group sold more than 2.5 million vehicles and employed a workforce of 279,972 men and women. Its revenue totaled €129.9 billion, and its EBIT amounted to €10.8 billion.