

## Strategic partnership: Daimler acquires stake in Tesla

Press Information

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- **German automaker acquires nearly 10 percent of one of the leading electric vehicle companies**
- **Automakers agreed to cooperate in battery systems, electric drive systems and vehicle projects**

Stuttgart, Germany, and San Carlos, USA - Daimler AG has acquired an equity stake of nearly 10 percent of Tesla Motors Inc.

This investment deepens the relationship between the inventor of the automobile and the newest member of the global auto industry.

Tesla is the only production automaker selling a highway capable electric vehicle in North America and Europe.

The two companies have already been working closely to integrate Tesla's lithium-ion battery packs and charging electronics into the first 1,000 units of Daimler's electric smart car.

In order to benefit from each other's know-how, the investment enables the partners to collaborate even more closely on the development of battery systems, electric drive systems and in individual vehicle projects.

"Our strategic partnership is an important step to accelerate the commercialization of electric drives globally," said Dr. Thomas Weber, Member of the Board of Daimler AG, responsible for Group Research and Mercedes-Benz Cars Development. "

As a young and dynamic company, Tesla stands for visionary power and pioneering spirit. Together with Daimler's 120 years of experience in the automotive sector this collaboration is a unique combination of two company's strengths. This marks another important milestone in Daimler's strategy for sustainable mobility."

"Daimler has set the benchmark for engineering excellence and vehicle quality for more than a century. It is an honour and a powerful endorsement of our technology that Daimler would choose to invest in and partner with Tesla," said Tesla CEO and Product Architect Elon Musk.

"Daimler is also on the leading edge in the field of sustainable mobility. Among others the lithium-ion pouch-cell battery developed by Daimler and especially designed for automotive applications is of interest to us. We are looking forward to a strategic cooperation in a number of areas including leveraging Daimler's engineering, production and supply chain expertise. This will accelerate bringing our Tesla Model S to production and ensure that it is a superlative vehicle on all levels."

### **Together on the road to electro-mobility**

As part of the collaboration, Prof. Herbert Kohler, Vice President E-Drive and Future Mobility at Daimler AG, will take a seat on Tesla's board of directors.

This long-term partnership with Tesla complements Daimler's multi-faceted strategy to advance the electrification of the automobile.

Daimler is also moving forward the industrialization of lithium-ion technology.

In March, the company founded the Deutsche Accumotive GmbH, a joint venture with Evonik Industries AG. As a result, Daimler is the first vehicle manufacturer worldwide that develops, produces and markets batteries for automotive applications. This is based on a Daimler stockholding in Li-Tec, the German specialist for lithium-ion battery cells.

100 smart electric cars have already been undergoing large-scale trials in London since 2007. These electric vehicles are being tested in day-to-day assignments by fleet operators and private customers. Page 3

Later this year the smart assembly plant in Hambach, France, will start production of up to 1,000 units of the second-generation smart fortwo with electric drive, which will initially be used for mobility projects such as e-mobility Berlin or e-mobility Italy.

This year Daimler is also starting small-series production of the Mercedes-Benz B-Class with a fuel cell drive system.

In 2010 the company will introduce its first battery-powered Mercedes-Benz.

As of 2012, Daimler plans to equip all smart and Mercedes-Benz electric vehicles with own produced lithium-ion batteries.

In 2004, Tesla began development of its first electric vehicle, the Roadster, which remains the only highway capable EV for sale in North America or Europe.

The Tesla Roadster is the first production battery electric vehicle to travel more than 200 miles per charge and the first US- and EU-certified lithium-ion battery electric vehicle.

This green super car accelerates from 0 to 60 mph in 3.9 seconds yet gets the equivalent of 256 miles per gallon.

The Roadster, which travels an estimated 244 miles per charge with zero tailpipe emissions, is the first production vehicle to break the historical compromise between automobile performance and efficiency.

The Tesla Model S builds upon the success of the Tesla Roadster by leveraging its technology into the world's first fully electric sedan. Based in Silicon Valley, Tesla unveiled the Model S in March and plans to produce it in California starting in late 2011. Page 4

### **About Daimler**

Stuttgart, Germany-based Daimler AG, with its businesses Mercedes-Benz Cars, Daimler Trucks, Daimler Financial Services, Mercedes-Benz Vans and Daimler Buses, is a globally leading producer of premium passenger cars and is the global market leader for heavy- and medium-duty trucks and buses.

The Daimler Financial Services division has a broad offering of financial services, including vehicle financing, leasing, insurance and fleet management.

Daimler sells its products in nearly every country and has production facilities on five continents.

Founders, Gottlieb Daimler and Karl Benz, continued to make automotive history following their invention of the automobile in 1886.

As an automotive pioneer, Daimler and its employees willingly accept an obligation to act responsibly towards society and the environment and to shape the future of safe and sustainable mobility with groundbreaking technologies and high-quality products.

The current brand portfolio includes the world's most valuable automobile brand, Mercedes-Benz, as well as smart, AMG, Maybach, Freightliner, Western Star, Mitsubishi Fuso, Setra, Orion and Thomas Built Buses.

The company is listed on the stock exchanges in Frankfurt, New York and Stuttgart (stock exchange abbreviation DAI).

In 2008, the Group sold 2.1 million vehicles and employed a workforce of over 270,000 people; revenue totalled €95.9 billion and EBIT amounted to €2.7 billion. Daimler is an automotive Group with a commitment to excellence, and aims to achieve sustainable growth and industry-leading profitability.

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### **About Tesla Motors**

San Carlos, California-based Tesla Motors Inc. makes electric vehicles with exceptional design, performance and efficiency, while conforming to all North American and European safety, environmental and durability standards.

The Roadster has a 0-to-60 mph acceleration of 3.9 seconds yet is more energy efficient than a Toyota Prius.

Tesla expects to begin producing the all-electric, zero-emission Model S sedan in late 2011.