



Mercedes-Benz

Mercedes-Benz Canada Inc.  
A DaimlerChrysler Company

June 6, 2007

**M03-07**

**TO ALL MERCEDES-BENZ CANADA DEALER PRINCIPALS AND/OR GENERAL MANAGERS**

**RE: JD Power 2007 Initial Quality Study**

Ladies and Gentlemen:

We are very pleased to inform you that Mercedes-Benz has shown a tremendous improvement in the 2007 JD Power's Initial Quality Study (IQS); we jumped from the 25<sup>th</sup> spot we held in 2006 to a top notch 5<sup>th</sup> ranking in production quality. The IQS measures customer-experienced defects in product quality for passenger cars and light trucks in the U.S. during the first 90 days of ownership.

These results clearly reflect the relentless initiatives launched by Mercedes-Benz to improve customer satisfaction and product quality.

We also received three gold awards for the best in vehicle quality in the respective market segment: this year, the E-Class, S-Class and SL-Class were recipients of the gold "J.D. Power Award". These Mercedes models were considered to be of the highest quality in their respective market segments.

The Mercedes-Benz plant in Sindelfingen also received a silver "J.D. Power Award".

In particular, the most important factors for Mercedes' excellent overall performance were the launch of the new S-Class, the new M-Class and the new generations of the E- and SL-Class. Additionally, all models in the Mercedes-Benz lineup improved their IQS scores.

According to the study, Mercedes-Benz showed the strongest improvement amongst all nameplates against the previous year.

In the annual survey, market researchers asked new car customers who purchased cars between November 1, 2006 and January 31, 2007 about their satisfaction within the first 90 days, and asked them to rate the vehicles' quality of production and design quality. Over 3,500 Mercedes-Benz customers responded to the survey.

These results prove that we are on track to change the course of the previous CSI trend and this excellent performance will certainly help us in our quest to reach our CSI No.1 targets over the next few years.

Sincerely,

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