

2010 in Formula 1: Mercedes Grand Prix

Press Information

Daimler AG and McLaren Group change form of their cooperation

16 November 2009

Stuttgart – Mercedes-Benz will enter the Formula 1 World Championship with its own team, beginning with the 2010 season, and Daimler AG and McLaren Group will change their form of cooperation with effect as of 13 November 2009. This was announced by Daimler AG today.

Daimler AG together with Aabar Investments PJSC will take over 75.1 per cent of the Brawn GP team, with Daimler taking 45.1 per cent and Aabar 30 per cent. The rest of the 24.9 per cent will remain with the current stakeholders. With 9.1 per cent, Aabar is the biggest single shareholder of Daimler AG. This transaction is subject to the approval of the EU and the Swiss cartel authorities.

The background to this decision are the new terms and conditions for Formula 1. The “Resource Restrictions” set by FOTA and FIA effectively limit expenditure for the design, construction and running of the racing cars. In addition, there will be a significantly higher income available for a Formula 1 team generated by the commercial rights of the racing series following the signing of the new Concorde Agreement.

The partnership between McLaren Mercedes has been in place since 1995 and ended its 15th joint Formula 1 season in 2009. The change to the form of cooperation is taking place by mutual agreement. Mercedes-Benz and McLaren will continue to co-operate with each other and the supply of engines could continue until 2015.

The McLaren Group have set themselves new targets, especially in the automotive sector, and Daimler understands and respects these new strategic objectives. For this reason, it has been agreed that the buy-back by the McLaren Group of the 40 per cent McLaren share owned by Daimler AG will be completed by 2011.

By taking this decision, Mercedes-Benz resumes its marvellous motor racing history on the 75th anniversary of the Silver Arrows, the world's most unique racing cars. Mercedes wants to continue the tradition in the style of these flawless Silver Arrows, which put their stamp on each era by winning the majority of the races they competed in.

“Mercedes-Benz is the most valued and best-known premium automotive brand in the world. This brand looks for competition of the utmost quality in all relevant fields in order to continually improve its performance in the face of such new challenges”, explains Dr. Dieter Zetsche, CEO of Daimler AG and Head of Mercedes-Benz Cars.

“Due to the new Formula 1 environment, we will face the competition in future on the most important motor sports stage with our own Silver Arrow works team.

“Our new Silver Arrow Formula 1 team is a great sporting and technical challenge and we will tackle this with sporting spirit and full of enthusiasm.”

Mercedes-Benz will restructure their Formula 1 programme and work hard to achieve further savings, going beyond the already completed steps for significant cost reductions and improved efficiency.

Since 1995, the beginning of the partnership, McLaren and Mercedes-Benz have competed in 256 Grand Prix events and have achieved 60 victories. In 1998, 1999 and 2008, the British-German team won the drivers' World Championships, as well as the World Constructors' Championship in 1998. The McLaren Mercedes team became runner-up in the World Championships ten times, with five times in the drivers' and constructors' rankings respectively.

After winning the drivers' title with Lewis Hamilton last year, Vodafone McLaren Mercedes finished third in the World Constructors' Championships this year. The 2008 World Champion won two races with his current car, the MP4-24, achieving a first historic victory with the brake energy-recovery system, KERS Hybrid. No

other driver scored more points in the last eight races from the season's total of 17 races than Lewis Hamilton.

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"I want to thank McLaren for a successful collaboration over the last decade and a half", says Dr. Dieter Zetsche, CEO of Daimler AG and Head of Mercedes-Benz Cars. "For the benefit of both Mercedes and McLaren, we will continue our partnership cooperation in future. We will be rivals on-track but, off-track, we will cooperate with McLaren and the other teams in order to create the best possible product for spectators worldwide."

"We look back on 15 successful years of great collaboration with McLaren; in that time, we won four world-championship titles and finished ten times as runner-up in the drivers' and constructors' rankings," states Norbert Haug, Vice-President Mercedes-Benz Motorsport. "Since the first victory in the 1997 Australian Grand Prix, the modern Silver Arrows have achieved a total of 60 victories in 223 races to ensure that our brand symbol, the star, stands for the greatest successes in Formula 1. We thank our partner and will continue to work with McLaren based on an excellent partnership."

Mercedes Grand Prix, the management team of the former Brawn GP team, will continue to work under the leadership of Ross Brawn, who will continue in his well-known role. The Formula 1 team, as well as the engine team of Mercedes-Benz High Performance Engines, will be co-ordinated by Mercedes-Benz Motorsport, headed by their Vice-President, Norbert Haug.

"Brawn GP has been through an incredible journey over the last 12 months. From fighting for our survival to forging a strong relationship with Mercedes-Benz High Performance Engines, winning both the Constructors' and Drivers' World Championships, and now accepting Daimler and Aabar's offer to buy our team, which will secure its future", Team Principal Ross Brawn looks back on a difficult beginning of the year which eventually turned into an extremely successful season.

"Both I and my fellow Directors at Brawn GP are incredibly proud of our staff, drivers and everyone associated with our team and thank them for their commitment, outstanding teamwork and their focus on achieving results in sometimes difficult circumstances. The senior management group will remain in place to lead our team and on behalf of everyone at Brawn GP, we are honoured to be representing such a prestigious brand as Mercedes-Benz in Formula One next year and will be working together to do our best to reward their faith in our team."

The new Silver Arrow team, Mercedes Grand Prix, will compete in Formula 1 as a works team in its own right. Synergies between the 100 per cent Daimler-owned subsidiary Mercedes-Benz High Performance Engines in Brixworth, UK, and the Mercedes Grand Prix team based about 28 miles from there in Brackley in the UK, will create even greater efficiency.

It is our target to develop a model for our Formula 1 activities which will initially be run with significantly reduced budgets by Mercedes-Benz and which, in the foreseeable future, will be self-financing", comments Norbert Haug. "Furthermore, we naturally want to inspire our faithful spectators and TV viewers worldwide and maximize media coverage for our brand. With Formula 1, Mercedes-Benz can continue to clearly demonstrate its willingness to compete and win on the most important motor sports competition stage in the world."

Khadem Al Qubaisi, Chairman, Aabar Investment PJSC comments: "Aabar is delighted to join forces with Daimler AG and its world leading brand Mercedes-Benz in order to create a new Formula One Team which follows in the footsteps of the longstanding and successful tradition of the famous 'Silver Arrows'.

"Ever since Aabar became the largest shareholder in Daimler AG, the cooperation between our two organisations has been exemplary, and we have already co-invested in Tesla. Aabar is confident that further successes will follow in this arena.

“Bearing in mind the recent outstanding success of the Abu Dhabi GP, which brought Formula One to the United Arab Emirates for the first time, it is especially exciting to realise that next year, our own cars will be in the field, with the genius of Ross Brawn, who is still deeply involved with the team, now backed by the unrivalled excellence of Mercedes-Benz across the entire spectrum of automotive technology. It is a fantastic prospect, which makes me both pleased and proud for my country.”

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