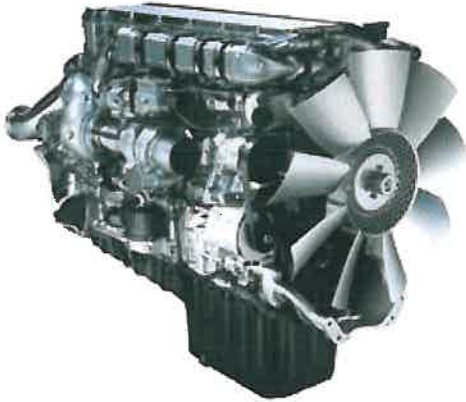


6/18/2010

Detroit Diesel to invest \$194 million to expand Michigan plant



The DDC facility employs 1,900 people and manufactures heavy-duty diesel engines for the commercial truck market.

The Trucker News Services

REDFORD TOWNSHIP, Mich. — Detroit Diesel Corp. (DDC) announced Friday that it will invest approximately \$194 million to expand existing operations at its manufacturing facility in Redford Township, Mich.

The announcement was made in an all-employee town hall meeting at the three million square foot Redford Township site with key federal, state and local officials in attendance.

The DDC facility employs 1,900 people and manufactures heavy-duty diesel engines for the commercial truck market.

Company officials also confirmed Friday that its Redford Township investment will be supported by a variety of state and local incentives as announced by Michigan Gov. Jennifer Granholm and Redford Township Supervisor Tracey Schultz Kobylarz earlier this week.

These incentives include a Michigan Economic Growth Authority (MEGA) award of \$56.8 million as well as other state and local tax credits and abatements.

The company's investment will provide expanded and benchmark manufacturing capacity for heavy-duty diesel engines featuring Daimler's proprietary BlueTec selective catalytic reduction technology, designed to meet EPA 2010 emission standards, according to Henning Oeltjenbruns, vice president and plant manager, who said the new family of engines represents the state-of-the-art in technology for fuel efficiency and emissions reduction.

A major portion of the capital spending will support the machining line for the cylinder heads of these new engines.

The investment will also cover facility renovations, infrastructure improvements, and procurement of machinery and equipment, as well as ongoing routine and incidental capital investment associated with the production of engines at DDC.

"Detroit Diesel's decision to invest in its Redford Township facility demonstrates that we are globally competitive," Granholm said. "Our world-class skilled workforce, strong public-private partnership and manufacturing support systems make this a wise choice. This investment further solidifies Michigan's reputation as the 'place to be' for domestic and international car and truck companies such as Daimler."

"An investment on this scale only works with the commitment of strong and dedicated partners," Oeltjenbruns said. "We welcome the recent UAW commitment to a new master agreement. We applaud the State of Michigan, Redford Township and Wayne County for their shared commitment to a generous incentive package. We are pleased to announce that Daimler will make its own commitment by investing \$194 million. There is no better way to show our appreciation for this support, and our trust in the people of Detroit Diesel."

Expansion-related construction at the site is expected to begin in July 2010 with completion projected for September 2011. The Redford manufacturing facility is located in Redford Township, Michigan.

Detroit Diesel Corporation is a manufacturer of on-highway heavy-duty diesel engines for the commercial truck market.