



Mercedes-Benz iPod Reference Guide

The iPod Integration Kit



Available in a Mercedes-Benz near you.

Mercedes-Benz iPod Integration Kit



September, 2005

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Introducing the iPod

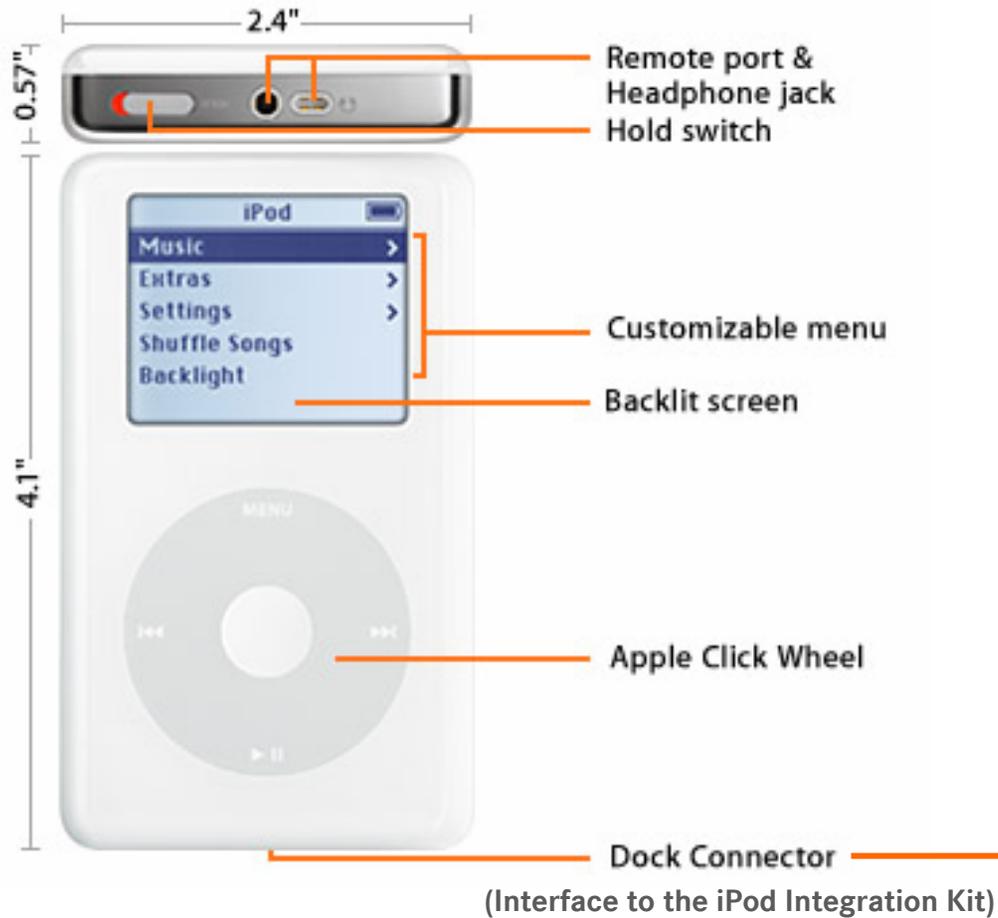
Throw out your old Walkman...

here
comes the
iPod!



Apple's iPod is a portable personal digital music storage and retrieval device (similar in size and purpose to a Sony Walkman®) where thousands of songs (or other data) can be stored on the internal hard drive.

Music is stored in compressed, digital-file formats, allowing efficient use of the hard drive and using about one megabyte of storage for a minute of music.



* iPod 20 GB is shown.

* Actual size varies by model.



Mercedes-Benz

iPod Key features

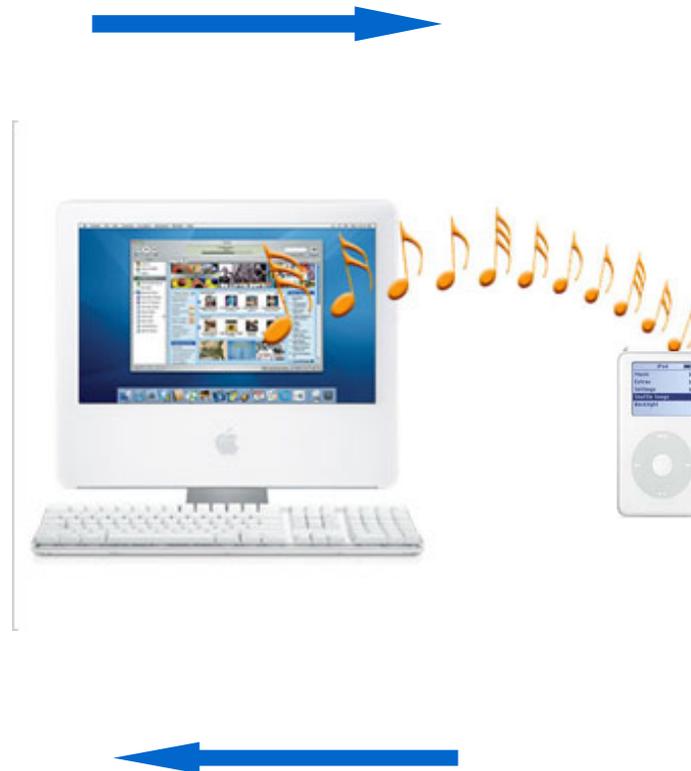
- Storage for compatible models: 2 to 60 gigabytes.
- Song capacity: up to 15,000 songs, depending on model.
- Use it with Mac OS X or Windows 2000 / XP Operating Systems.
- Rechargeable battery for up to 12 hrs. continuous usage.
- Sync and charge via included Firewire or USB 2.0 cables for interface with base computer.
- Usable as a portable hard drive for documents, pictures and other data.
- Five simple buttons control Play/Pause, Skip Forward, Skip Back, Volume Up/Down, and Select.
- Preview, purchase, and download from more than 2 millions songs at iTunes, Apple's online Music Store.
- Enjoy a variety of formats for music (MP3, AAC, AIFF, WMA, and Apple Lossless) and photos (JPEG, BMP, GIF, TIFF, and PNG).

Getting Started with iPod

With an iPod, you have a portable music player that is big enough to hold your music and small enough to take with you everywhere

Finding and Playing Songs on Your iPod

No matter how many songs you have, you can find the right one with iPod's easy-to-use interface. Just use the Click Wheel to browse through your music by play list, song, artist, album, or genre.



Transferring Your iTunes Music to Your iPod

It starts at your computer with the iPod and iTunes software installations. Then, you can buy songs from the online iTunes music store (just 99c per song), or import your personal CD collection to your iTunes music library.

Once you have songs in your iTunes library, connect your iPod to your computer by a USB or Firewire cable, and iTunes automatically transfers your music to your iPod



- 61% of iPod owners use their iPod daily
- 86% have broadband Internet-Access
- 60% use their iPod in the car – *a figure that will grow with the proliferation of vehicle integration kits*

• Apple predicts iPod Sales will total 23.6 million by 2006 vs. 13.5 million of 2005

• Over 400 million songs have been purchased and downloaded from the iTunes Music Store

- Over 10 Million iPod devices have been sold worldwide – a majority in the USA
- Apple iPod represents nearly 75% MP3 Player Market share in the US

Identifying different iPod Models

iPod shuffle

512 MB

1 GB

120 songs

240 songs

\$99

\$129

(Not currently compatible with Mercedes-Benz iPod Integration Kit)



iPod mini

4 GB

6 GB

1,000 songs

1,500 songs

\$199

\$249

Colors: silver, blue, pink and green



iPod U2 Special Edition

20 GB

5,000 songs

\$329



(earlier generations iPod available in 10GB to 40GB configurations)



Also known as 3rd Generation



Also known as 4th Generation

iPod

20 GB

60 GB

5,000 songs

15,000 songs

\$299

\$399

(iPod and iPod photo lines now combined as "iPod")



iPod nano

2 GB

4 GB

500 songs 1,000 songs

\$199

\$249

Colors: black and white





Introducing the iPod Integration Kit for Mercedes-Benz

**How do you move a
Mercedes-Benz
through 10,000 songs?**



Introducing the iPod Integration Kit for Mercedes-Benz

With the iPod Integration Kit for Mercedes-Benz!

“See what you’re hearing”

The iPod* Integration Kit for Mercedes-Benz is an integrated system solution that provides direct connectivity between a customer's iPod device and the electronics and audio systems of the vehicle.

The solution offers the ability to connect and show the iPod device with a specially designed interface in the glovebox, which charges the iPod while allowing the driver to manipulate iPod menus and device functions via the multifunction steering wheel buttons.



Instrument Cluster Display



Glove Compartment Interface

* iPod is a Apple product that is sold separately , is not included with the iPod Integration Kit for Mercedes-Benz.



iPod Integration Kit Key Features & Benefits

Features

- The iPod Integration Kit for MB is engineered specifically for the Apple iPod.
- System is engineered by Mercedes-Benz for Mercedes-Benz .
- Direct hard-wired solution incorporates the proprietary connection port for the iPod device and is located in the glove box, taking the place of the “Aux” jack.
- Steering wheel controls are used to access and operate every function/menu of the iPod.
- Multifunction display of iPod music menu items.
- Interface is independent of the CD-changer.

Benefits

- The iPod Integration Kit is compatible with the best-selling MP3 device on the market. Most iPod models those with a dock connector are compatible.
- The Kit is covered under the standard MBUSA new vehicle limited warranty (4 years/50, 000 miles) if installed at time of initial delivery.
- System offers the highest level of integration which is available at the moment, far superior than any aftermarket solution.
- Digital audio quality is maintained with virtually no static, distortion, or loss of fidelity.
- The iPod is securely stowed in the glove box and doesn't move around inside vehicle.
- The iPod continually charges while connected.
- No limitation or special configuration of playlists is required, while the complete music content of the iPod is usable.
- No other integration solution lets you “See what you're hearing”- on an in dash multifunctional display. The driver is getting the same information which is displayed on the iPod on the multifunctional display.
- The steering wheel control is designed to help to keep the customer's hands on the wheel and eyes on the road for minimal distraction.
- Songs can be selected by shuffle, artists, albums, songs, genres, composers, or any playlist that has been created by the user.
- Both CD-changer and iPod Integration Kit can be installed in the vehicle.



iPod Integration Kit Key Points

Installation:

Through the dealers
and VPC's

The Kit includes:

Unique glovebox interface, vehicle
interface module, and all necessary
cables and installation hardware

Pricing:

MSRP begins at \$299 +
installation cost

Engineered for:

M-Class (164), CLK-Class ('05 on), C-Class
('05 on), E-Class ('04 on), CLS-Class ('06 on),
SLK-Class ('05 on, w/COMAND), and
R-Class ('06 on)

Installation at dealer:

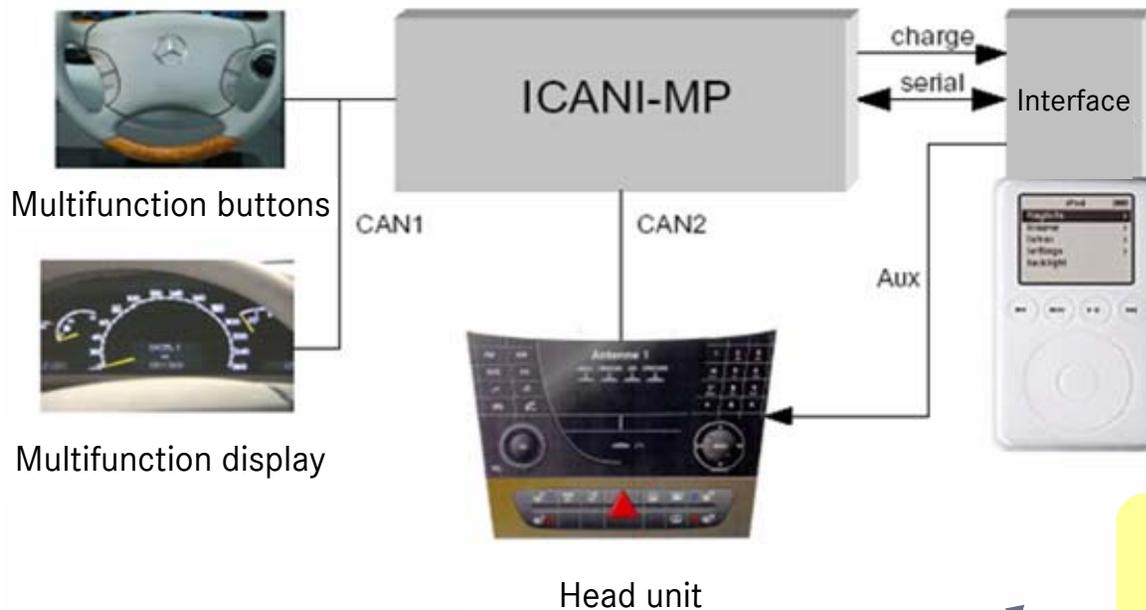
Approximately 1 hour
for most vehicles
(could be longer for E
and CLS Class)

Compatible with:

3rd and 4th Generation iPod, iPod
Mini, iPod U2 Special Edition,
iPod and iPod nano; any iPod
equipped with docking port

iPod Integration Kit Operation

The iPod is connected to the vehicle's Head unit via the CAN-Bus & AUX input connector. Installation of the iPod docking cable requires removal of the vehicle's AUX connector (If equipped). Therefore other audio devices can no longer be connected to the AUX input.



The interface kit consists of ICANI and AUX connection cable

iPod Integration Kit operation via Multifunction Steering Wheel

COMAND

Once the iPod is connected via the glovebox cable, press the audio button twice to bring up the main audio menu



Switch to the auxiliary mode by pressing the AUX soft key to bring up AUX mode



Using leftmost multifunction steering wheel buttons, scroll through menus on multifunction display until 'iPod' menu is displayed



Press and hold 'select/phone connect' button until music begins to play. In this mode you will see the song title on the multifunction display. (Head unit does not display iPod music data). Up & down buttons can be used to go to the next tracks, to the beginning of the actual track or the previous tracks

Audio 20

Once the iPod is connected via the glovebox cable, press and hold the CDC Button to bring up the AUX mode



Multifunction Steering Wheel iPod Navigation Mode and Play Mode

iPod Navigation mode (menu navigation)

1. Arrow up:

Scroll up through music menu items

2. Select:

Press key briefly to start selected track (play mode) or enter a sub-menu (function).

3. + and - : Increase and reduce volume

4. Menu:

Return to the previous music menu item

5. Arrow down:

Scroll down through music menu items



iPod Play mode (song navigation)

1. Arrow up:

Press briefly and the track is started over. Press and hold to reverse through the current track

3. + and - : Increase and reduce volume

4. Menu::

Changes display to the iPod navigation menu

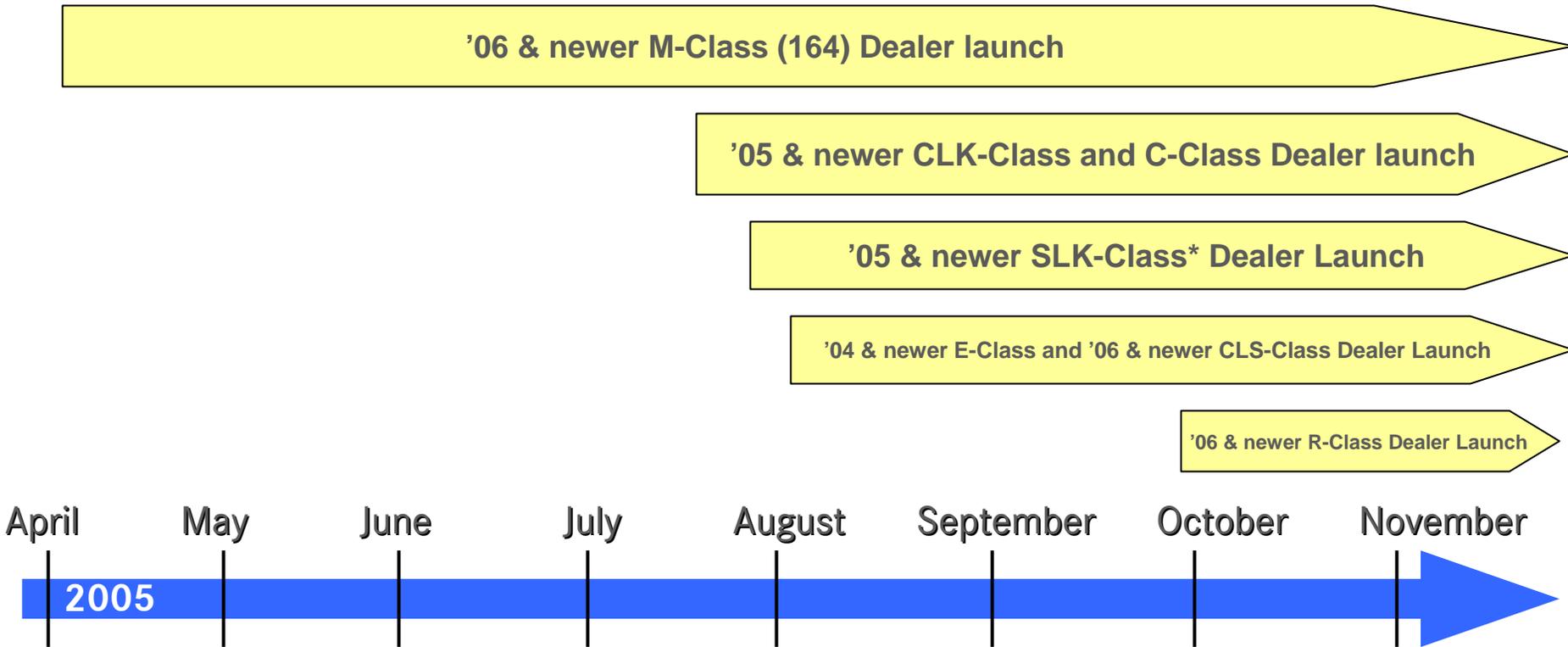
5. Arrow down:

Press briefly and the next track begins. Press and hold to fast forward through the current track





iPod Integration Kit Availability by Model/Year



*SLK-Class requires COMAND system

Launch dates are estimated and may change without notice

iPod Integration Kit Vehicle Compatibility Matrix

Vehicle Model / Baureihe	W164	V220	C215	R230	W211
					
Ipod Adaptor Availability		NO AUX INPUT			
Launch date	April '05	Not Currently Available/No Plans	Not Currently Available/No Plans	Not Currently Available/No Plans	August '05

Vehicle Model / Baureihe	S211	C219	W203 (MOPF / facelift)	S203 (MOPF / facelift)	CL203 (MOPF / facelift)
					
Ipod Adaptor Availability					
Launch date	August '05	August '05	July '05	July '05	July '05

Vehicle Model / Baureihe	R171	C209	A209	V251	V221
					
Ipod Adaptor Availability	Command Radio Only				TBD
Launch date	July '05	July '05	July '05	October '05	September '05

Available

Conditional Available

Not Available

* Information subject to change



Mercedes-Benz iPod Integration Kit vs. Aftermarket Integration Solutions

Pro's and Con's of Aftermarket Solutions

Pro's	Con's
<ul style="list-style-type: none">✓ Kits are compatible to many vehicle with a broad range of head-units.	<ul style="list-style-type: none">✗ Does not integrate into the car's head unit or Audio System . (i.e. Can not control the iPod via the radio or steering wheel buttons)
<ul style="list-style-type: none">✓ Widely available at retail electronic stores.	<ul style="list-style-type: none">✗ Loss of Audio Quality due to poor interface with factory Audio System.
	<ul style="list-style-type: none">✗ Aftermarket MOST or D2B solutions can pose a risk to vehicles electronics systems which may not be covered under vehicles warranty.✗ These retail solutions are not tested and certified with factory BUS Systems.✗ High risk for customer to visit dealerships with complaints.
	<ul style="list-style-type: none">✗ Cluttered vehicle interior and risk of theft due to visible cables, cradles, etc.



Mercedes-Benz iPod Integration Kit vs. Selected Competitive Solutions

Snapshot of Selected Competitors

	System Description	Functionality	Dealer Price	Install Time
MB (introduced Spring '05)	Hard-wired interface; control through steering wheel buttons; menu/song information via multifunction display; charging/connection in glovebox; cradle available	Artist/Title displayed Full music menu functionality MOST-Bus vehicles Charges battery	\$299 + install	1-3 hr
BMW (introduced Summer '04)	Hard-wired interface; control through steering wheel buttons and head unit ; menu/track numbers via dashboard display; charging/connection in glovebox; no cradle provided	Mimics CD Changer No Artist/song title displayed Requires separate playlists to be established – only up to five CAN –Bus vehicle only (for now) Charges Battery	\$149 + install	1 hr +
Volvo (in development – announced Spring '05)	Two variations available. Both control through radio Hard-wired charging/connection in glovebox or dash-board-mounted FM transmitter	In development	Not currently available	Not currently available
Dension iceLink (in development)	Hard-wired interface; cradle available; control through steering wheel buttons; charging/connection in glovebox	OEM-style solution, MOST-Bus kit available	\$229 + install Cradle \$20	1 hr +
Belkin – individual components (Currently available)	Cradle Separate charger via cigarette lighter; FM Modulator or Cassette Adaptor	Cup-holder mount Charger and Amplifier Play iPod audio through vehicle radio – via FM modulation iPod is controlled through iPod itself-no external functionality	Approx. \$20 - \$50	None



Mercedes Benz iPod Integration Kit

Main Competitive Advantages

- The iPod kit for some other solutions will be recognized as a CD-changer, therefore you have the same functionality as with a CD-changer but nothing more. The CD-changer compatibility will be lost ?. The customer won't be able to see any track information on the music or the artist he is listening to.
- Other solutions do not display specific information. Mercedes-Benz uses the multifunctional display to show music menu selections and song information.
- Some solutions only accept up to 5 playlists, which have to be configured specifically for use in the car. Regular iPod playlists won't be accepted. With the Mercedes-Benz solution, one can listen to any iPod playlist that has been previously established in the iPod.
- Some solutions do not contain a cradle, the iPod will only be put in the glove box. Mercedes-Benz solution offers a cradle (TBA).



iPod Integration Kit for Mercedes-Benz Value Proposition

What's in it for the dealership?

- Profit opportunity for dealership is 28% on equipment (based on MSRP), plus any additional net revenue from installation, supporting integration of one of the hottest products in the industry!
- DNet of equipment is \$215, with MSRP of \$299 (plus installation). This indicates equipment margin of 28% (\$84/unit).
- Installation is recommended between 1-3 hours, depending on vehicle, which represents further service revenue.

What's in it for the customer?

- Enhanced in-vehicle entertainment experience.
- Superior OEM-engineered solution, resulting in the highest level of integration currently available.
- Value solution that provides to the customer everything he loves about his iPod in the vehicle that he loves to drive.



How to demonstrate/sell the iPod Integration Kit

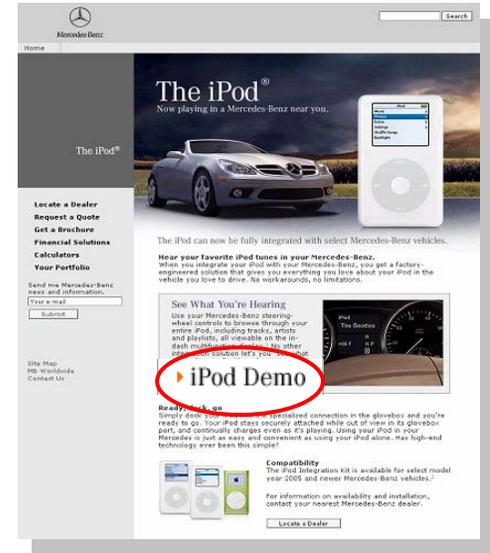
- Become familiar with the iPod and the iPod Integration Kit by thoroughly reading this document and other marketing materials (it's important that you review the Mercedes-Benz website because it is your customer's primary source of information before they come into the dealership).
- Be sure your dealership has a demonstration iPod *that is loaded with appropriate content for your customers*. (iPods and other Apple products can be purchased at apple.com). Alternatively, use the customer's iPod for demonstration of the Integration Kit.
- Be certain your dealership has equipped a demonstration vehicle with the iPod Integration Kit.
- Pre-qualify the customer: Is the customer familiar with iPod? If not, are they interested in enhanced audio system and entertainment options for their vehicle?
- **Keep in mind that the customer who already owns an iPod is most likely to order the iPod Integration Kit. Market estimates indicate close to 100% penetration rate of an OEM-integrated solution for the "iPod Involved" customer.**
- During demonstration of the vehicle's interior features (which should include, where applicable, demonstration of Tele Aid, Navigation, Hands-Free Communication System, SIRIUS Satellite Radio and Rear Seat Entertainment System) introduce the customer to the iPod Integration Kit, describing features and benefits of the solution (see earlier slide).
- Plug in the iPod and play appropriate music content for the customer. Show the customer how the system functions, including the multifunction steering wheel buttons, display, and glovebox-mounted interface.
- Explain system pricing and financing options.
- Provide the customer with applicable marketing materials/take-aways (see next slide).
- Answer any questions the customer has (see FAQ section in this document).



Consumer brochure

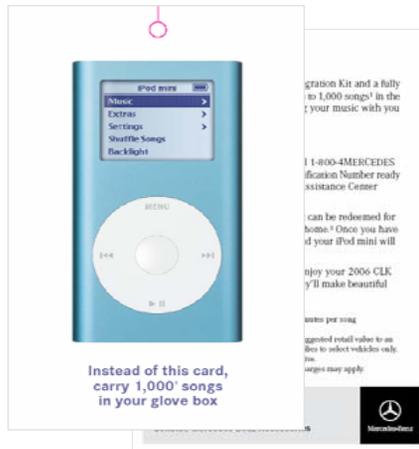


Part number TEL-05-IPOF-01A
Order via NetStar



www.MBUSA.com/iPod

(Note Online iPod demo inside the web page)



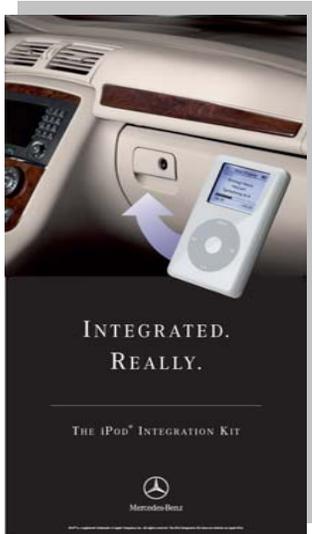
iPod Card



Window Stickers



Mercedes-Benz Credit Invoice Message (July'05)



R/M-Class Accessory Horizontal and Vertical Indoor Banners



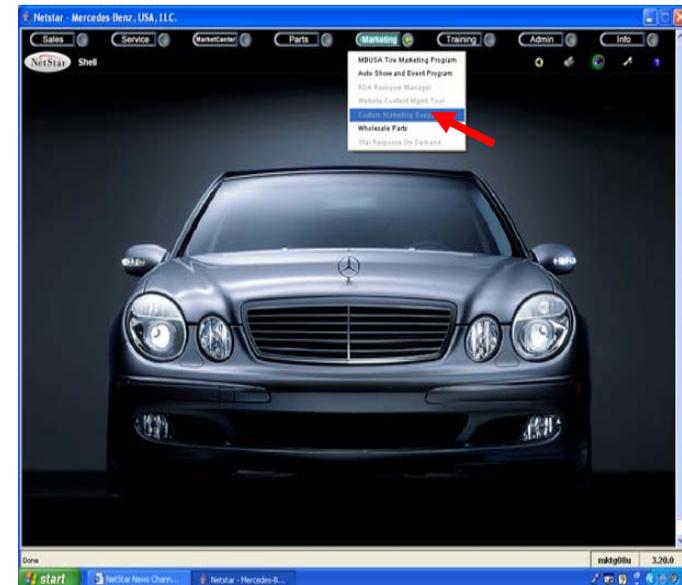
to hang in the show room or service and parts

R/M-Class Accessory Table Tent Card

to use in the service and parts area. Place on parts counter and on sales, F&I and service advisor desks



How to order?



to order these pieces go to NetStar

↳ Click on the Marketing tab

↳ Click on Custom Marketing Support

↳ Click on Accessories

Merchandising Poster featuring iPod Integration Kit



Merchandising System (M-Class refresh) featuring iPod Integration Kit



iPod Integration Kit for Mercedes-Benz

Frequently Asked Questions

Q. What is the iPod Integration Kit for Mercedes-Benz?

A. The iPod Integration Kit for Mercedes-Benz is an integrated system solution that provides connectivity between a customer's iPod device and the electronics and audio systems of the Mercedes-Benz vehicle. The solution offers the ability to connect and stow the iPod device with a specially designed interface in the glovebox, which charges the iPod device while allowing the driver to manipulate iPod menus and device functions via the multifunction steering wheel buttons. Also, the driver can conveniently reference iPod menu, Playlist, or artist/title information on the Multifunction display on the dashboard.

Q. What is included with the iPod Integration Kit for Mercedes-Benz?

A. The Kit includes a unique physical interface for the glovebox, as well as all software to support vehicle system integration and interface functionality. The iPod device is sold separately, and is not included with the iPod Integration Kit for Mercedes-Benz.

Q. Can the iPod Integration Kit for Mercedes-Benz be used with other MP3 or other audio devices?

A. The iPod Integration Kit is engineered with specific software that interprets the data from the Apple iPod device. Other MP3 players or other audio devices will not be compatible with this solution.

Q. For which iPod devices will the solution be compatible?

A. The iPod Integration Kit for Mercedes-Benz is compatible with any iPod device equipped with a dock interface and the latest iPod firmware installed. This includes iPod, iPod Mini, and iPod Photo.



iPod Integration Kit for Mercedes-Benz

Frequently Asked Questions

Q. For which vehicles is the solution available?

A. The iPod Integration Kit for Mercedes-Benz is available for the '06 M-Class, '05 & newer CLK-Class and C-Class, '04 & newer E-Class, '06 and newer CLS-Class, '05 & newer SLK-Class (equipped with COMAND), and '06 & newer R-Class.

Q. Where is the iPod Integration Kit for Mercedes-Benz available for installation?

A. The iPod Integration Kit for Mercedes-Benz is available as dealer-installation or VPC-installation.

Q. What is the price of the iPod Integration Kit for Mercedes-Benz?

A. MSRP for the dealer-installed solution depending on vehicle model begins at \$299 plus installation.

Q. How long does dealership installation take?

A. Dealership installation times vary by model. MBUSA suggests installations range between one to three hours.

Q. Is the solution covered under warranty?

A. If installed at the time of initial vehicle delivery, the iPod Integration Kit is covered under the standard term of the MBUSA new vehicle limited warranty (4 years/50,000 miles). If installed after initial vehicle delivery, the iPod Integration Kit is covered for the remainder of the new vehicle limited warranty or one year, whichever is greater.



iPod Integration Kit for Mercedes-Benz

Frequently Asked Questions

Q. How is the iPod Integration Kit for Mercedes-Benz different from aftermarket solutions?

A. The Mercedes-Benz solution is specifically engineered for Mercedes-Benz vehicle systems. This solution provides increased functionality over aftermarket solutions, such as device function manipulation via the multifunction steering wheel buttons, and view of iPod device data on the Multifunction display. Because the Mercedes-Benz vehicle systems do not recognize the iPod device as a CD changer component, as in most aftermarket solutions, customers can still use both the CD changer and the iPod device, without sacrificing one for the other. Also, unlike aftermarket solutions, the Mercedes-Benz Kit is covered under the terms of the vehicle warranty.

Q. How is the Mercedes-Benz solution different from solutions offered by other vehicle manufacturers?

A. The iPod Integration Kit for Mercedes-Benz offers increased functionality. For instance, the Mercedes-Benz solution will allow the driver to play and view any Playlist that has been created – not having to make a special new Playlist for the vehicle solution, as in other manufacturer’s solutions. Also, song title information can be viewed in the dashboard multifunction display, allowing the driver to “See What You’re Hearing”.

Q. If the iPod Integration Kit for Mercedes-Benz is installed, will other devices such as CD changer be nullified?

A. No. Because this solution recognizes the iPod device as a unique input, other audio inputs such as CD changers, can still be utilized. However the R-Class factory Rear-Seat Entertainment System is not compatible with the iPod Integration Kit.



iPod Integration Kit for Mercedes-Benz Frequently Asked Questions

Q. Is there customer overlap between the Mercedes-Benz owner and the iPod owner?

A. Absolutely. There are over 10 million iPod devices sold through December 31, 2004, accounting for over 90% of the hard disk based MP3 market. In addition, Mercedes-Benz has sold approximately 219,000 vehicles in 2004 alone, or about 4% of domestic US new-vehicle sales. Given these rising statistics, currently about 5% of Mercedes owners also own an iPod – a population that increases every day.

Q. Where can I find more information about the iPod Integration Kit for Mercedes-Benz?

A. Please visit www.mbusa.com/iPod



Mercedes-Benz

HAPPY SELLING

... with one of the industry's coolest and sought after technologies for your customers' vehicle!

MBUSA Telematics Team