

DAIMLER

Bankers Meeting Japan 2010

Dr. Michael Mühlbayer

Senior Vice President
Investor Relations & Treasury

Agenda

1 Financial Results

2 Liquidity and Debt

3 Daimler Truck Strategy

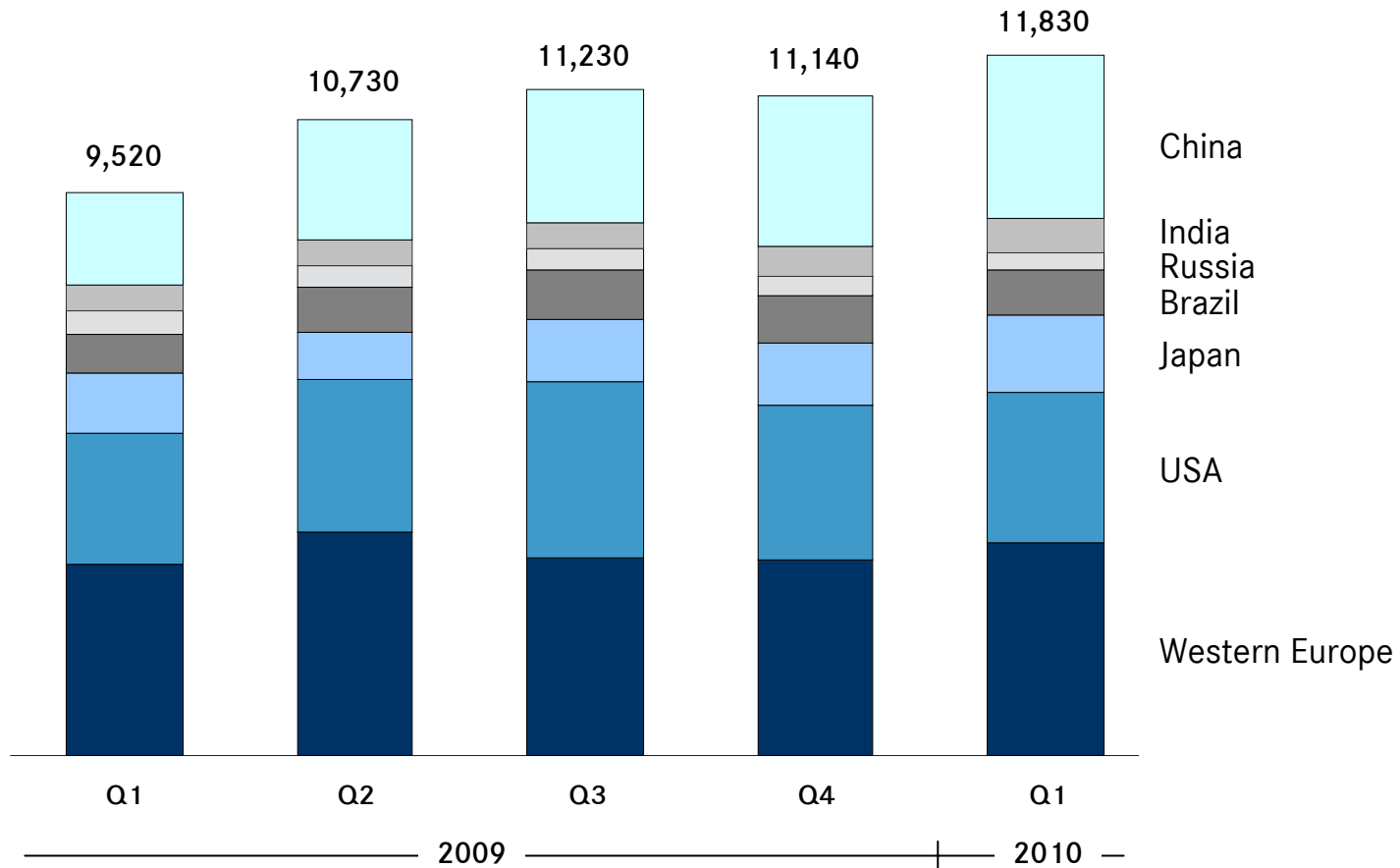
4 Mercedes-Benz Cars Strategy

Highlights Q1 2010

- World economy continued recovery path in Q1
- Market success of our attractive product portfolio
- Strong performance with EBIT of €1.2 billion driven by very positive development of Mercedes-Benz Cars and Daimler Trucks
- Net profit improved to €0.6 billion
- Positive free cash flow

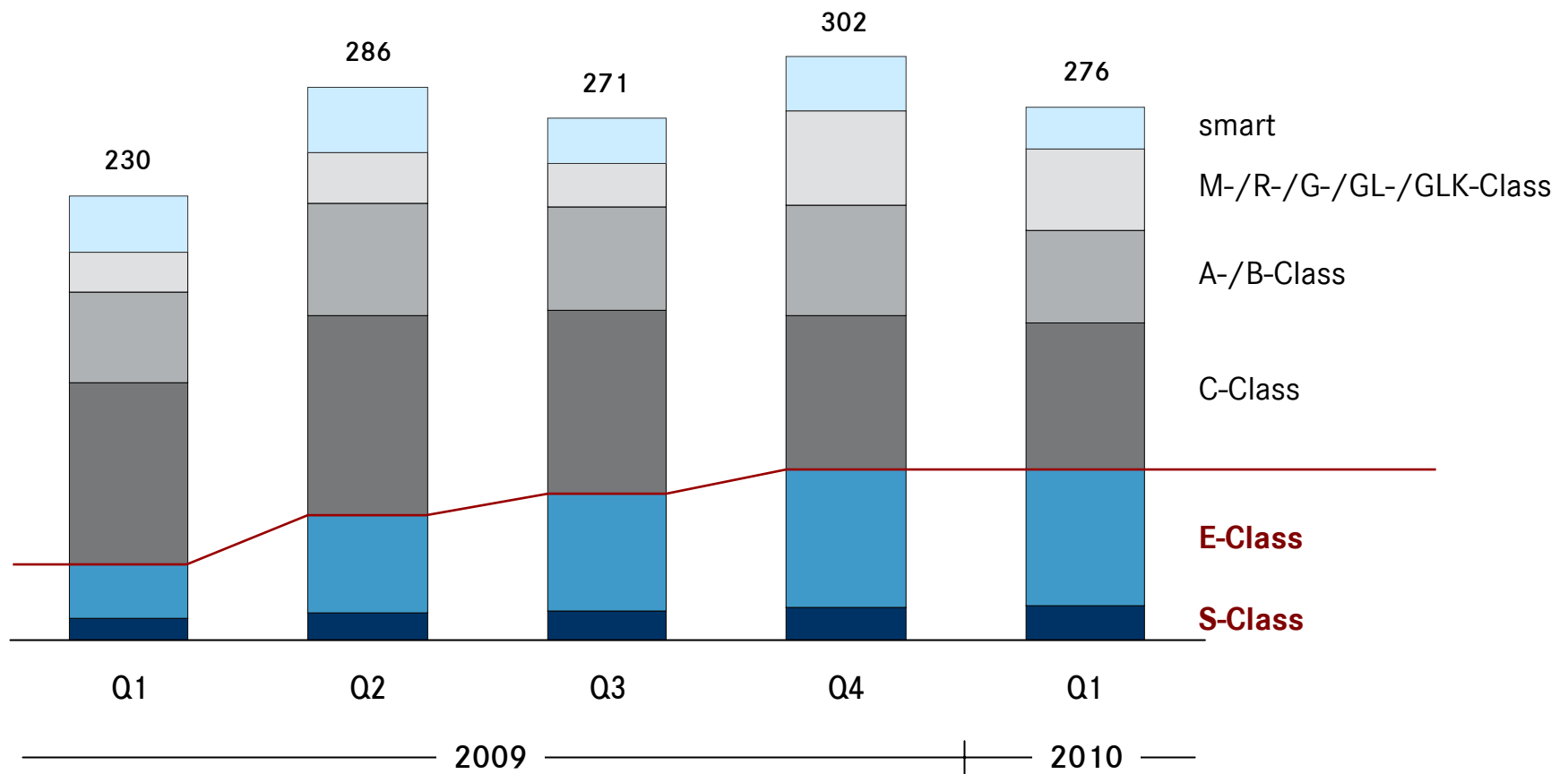
Car markets development in the last 15 months

– in thousands of units –



Mercedes-Benz model mix improved by launch of new E-Class and new-generation S-Class

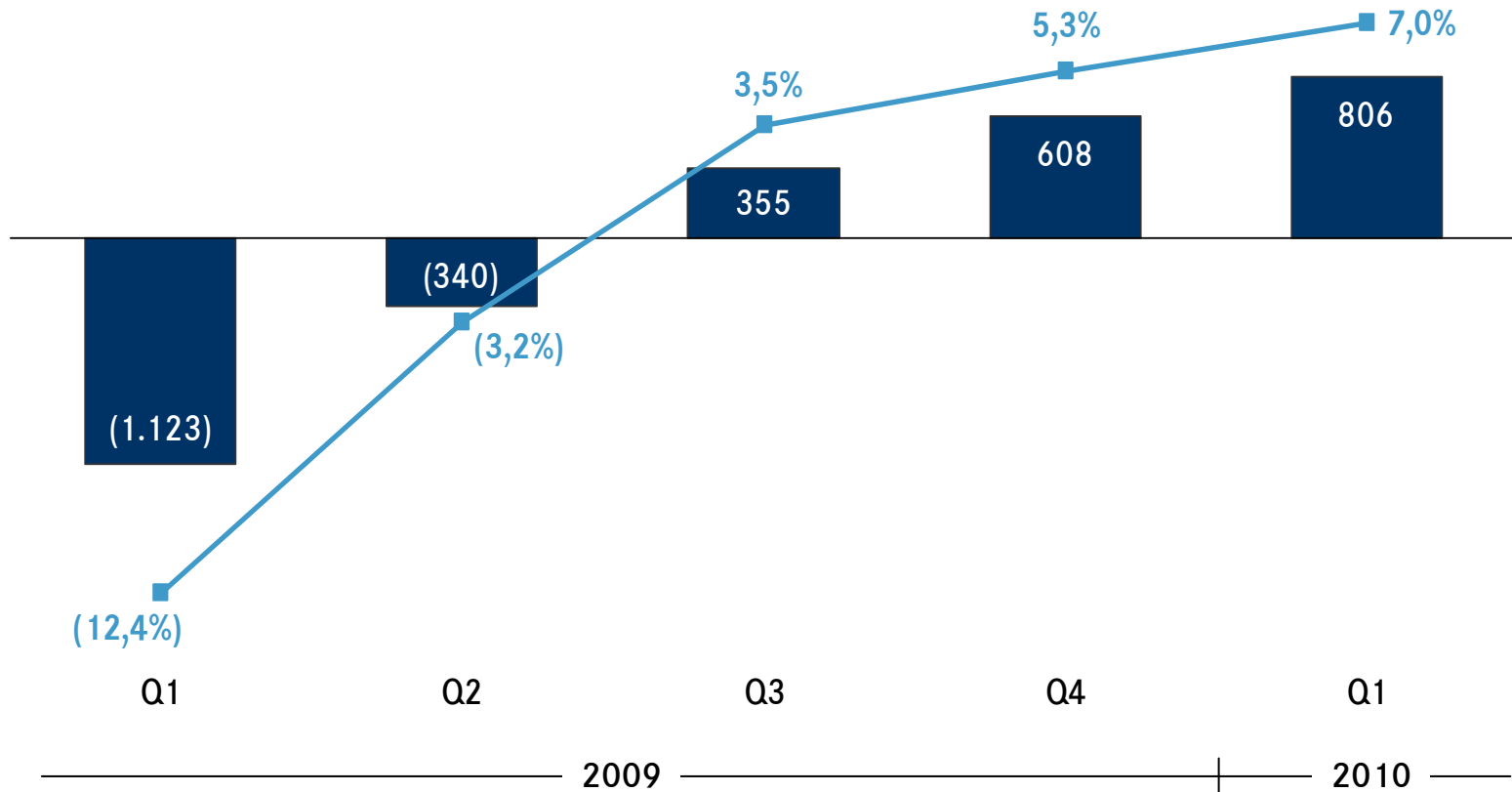
– Group sales in thousands of units* –



* Excluding Mitsubishi vehicles produced and/or sold in South Africa

MBC with strong performance due to higher volume, more favorable model mix and better margins

– EBIT in millions of €, return on sales in % –



Product highlights Mercedes-Benz Cars

E-Class Cabriolet



R-Class



SLS AMG



F 800 Style



Truck industry shows recovery:
Positive development of business climate...

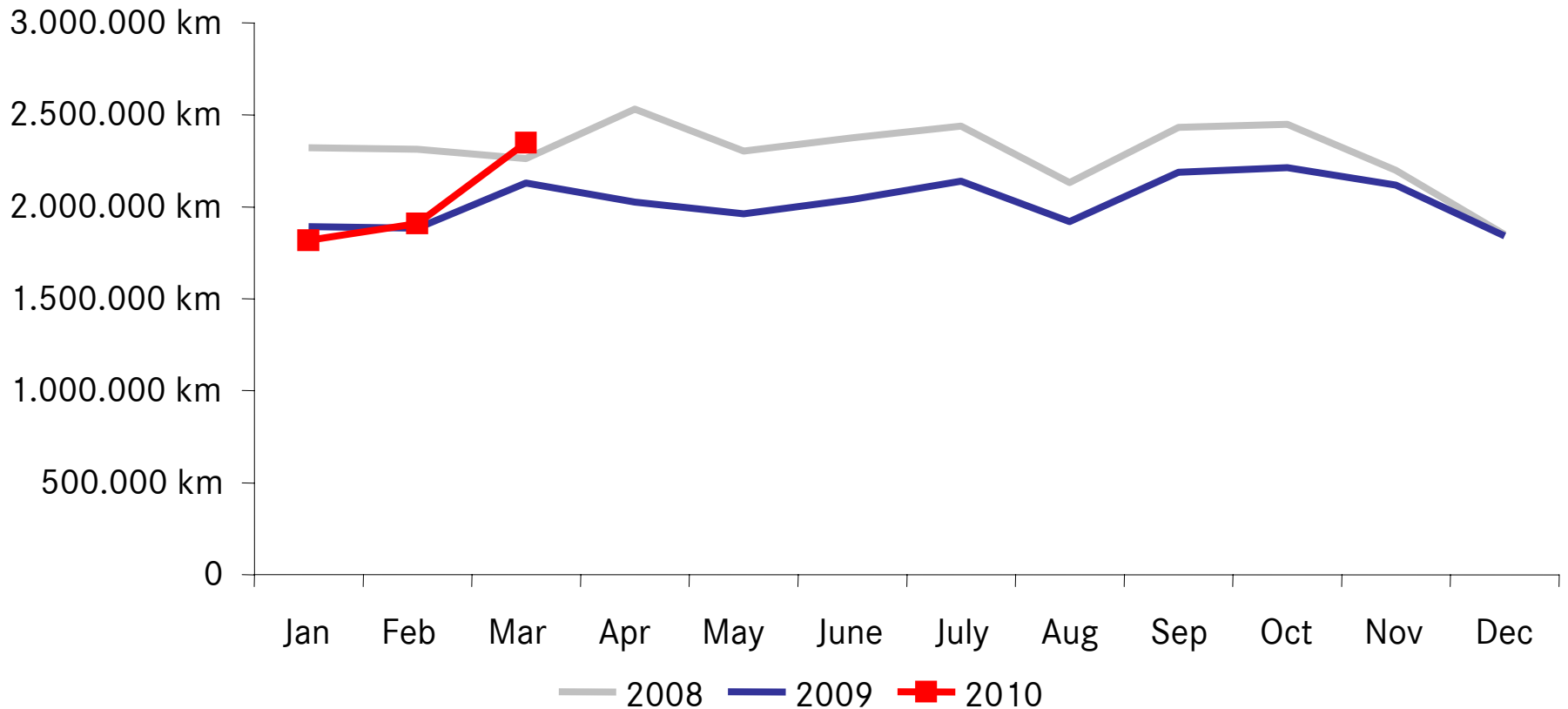
SCI Logistics Barometer (Germany)



N.B: Comparable to “ifo Business Climate” Index, but with focus on transport business; Source: www.sci.de

...Rising transports on German highways in March 2010

Toll statistics (Germany)

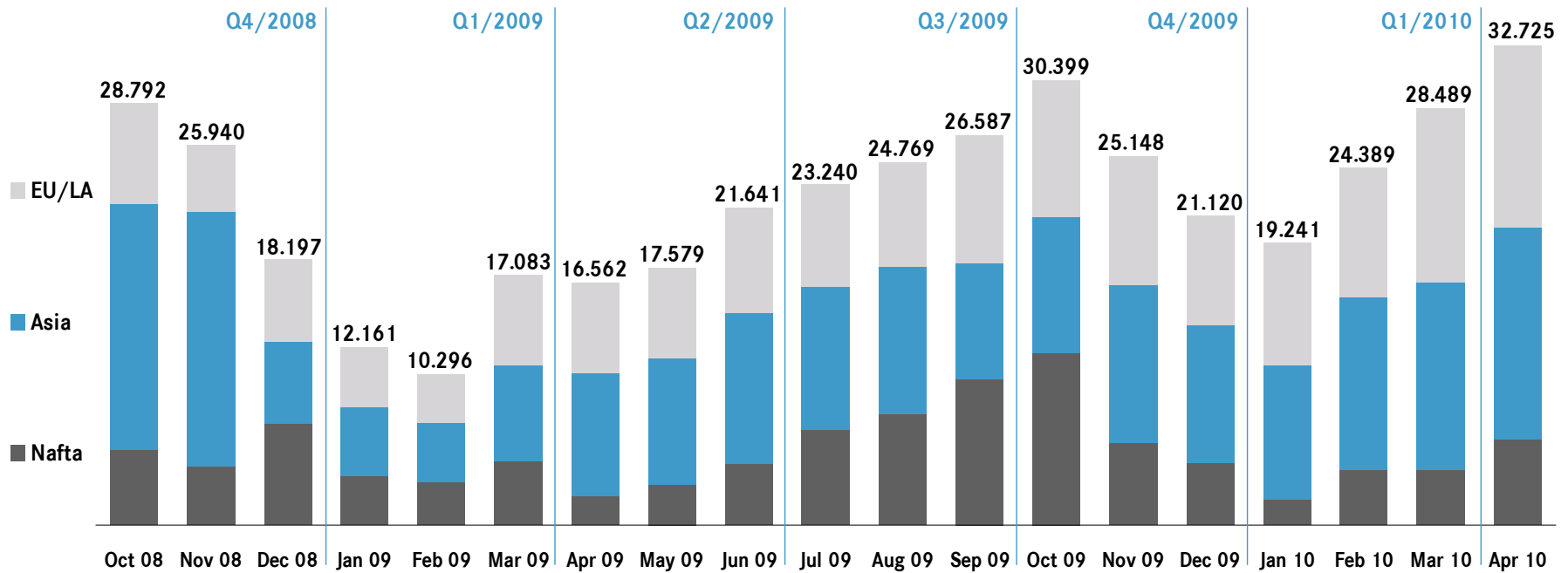


N.B: km = Driven kilometers on highways, charged by Toll Collect; Source: Bundesamt für Güterverkehr, 03/2010

Daimler Trucks order intake shows continuous increase in 2010

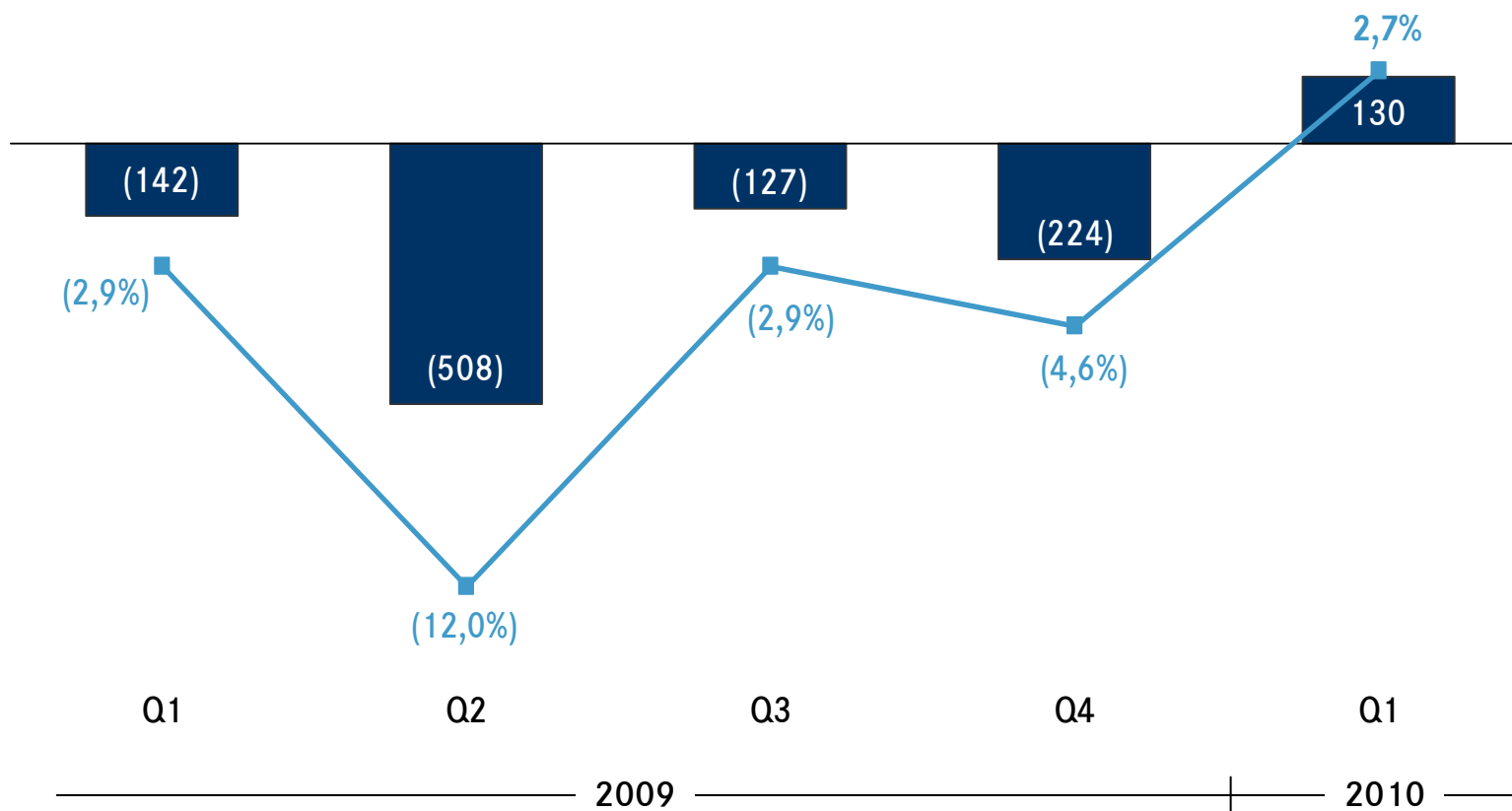
Incoming Orders - Monthly development

- in units -



Positive Daimler Trucks EBIT in Q1 2010

– EBIT in millions of €, return on sales in % –

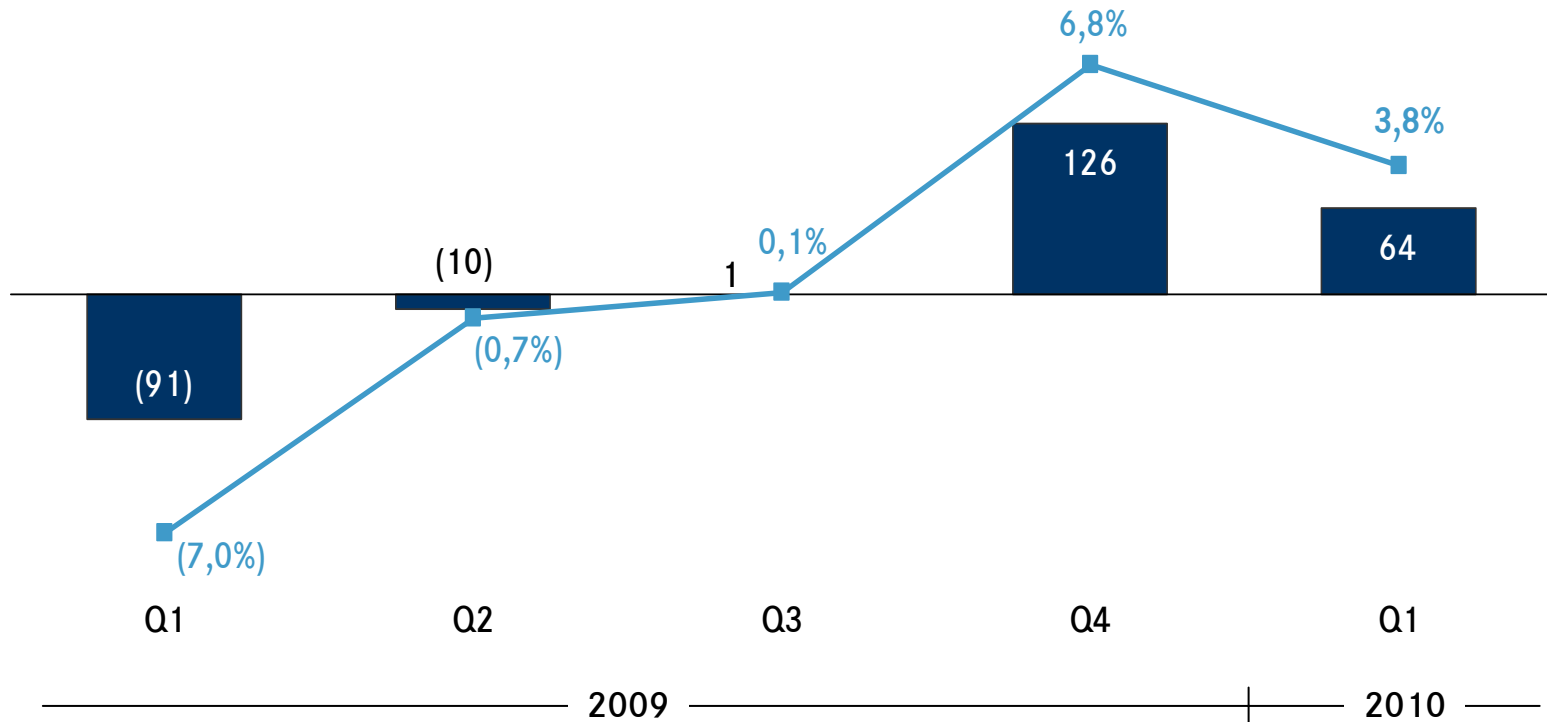


Product highlights Daimler Trucks



EBIT of Mercedes-Benz Vans increased in line with higher unit sales

– EBIT in millions of €, return on sales in % –



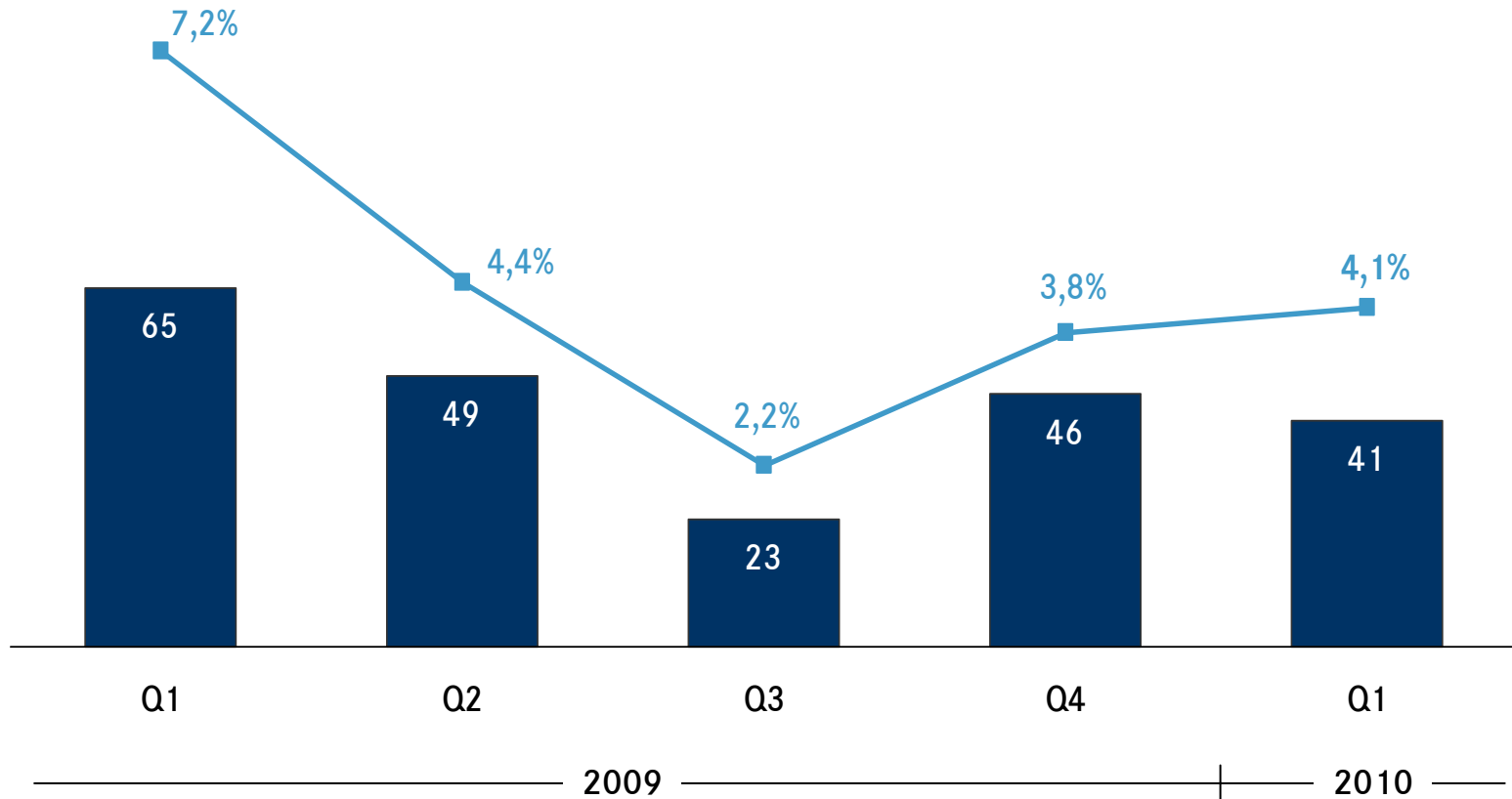
Product highlights Mercedes-Benz Vans



Mercedes-Benz Vito E-Cell

Daimler Buses continued its good performance despite less favorable model mix

– EBIT in millions of €, return on sales in % –



Product highlights Daimler Buses

Mercedes-Benz Citaro BlueTec Hybrid



Mercedes-Benz Travego "Safety Edition"



Setra TopClass S 417

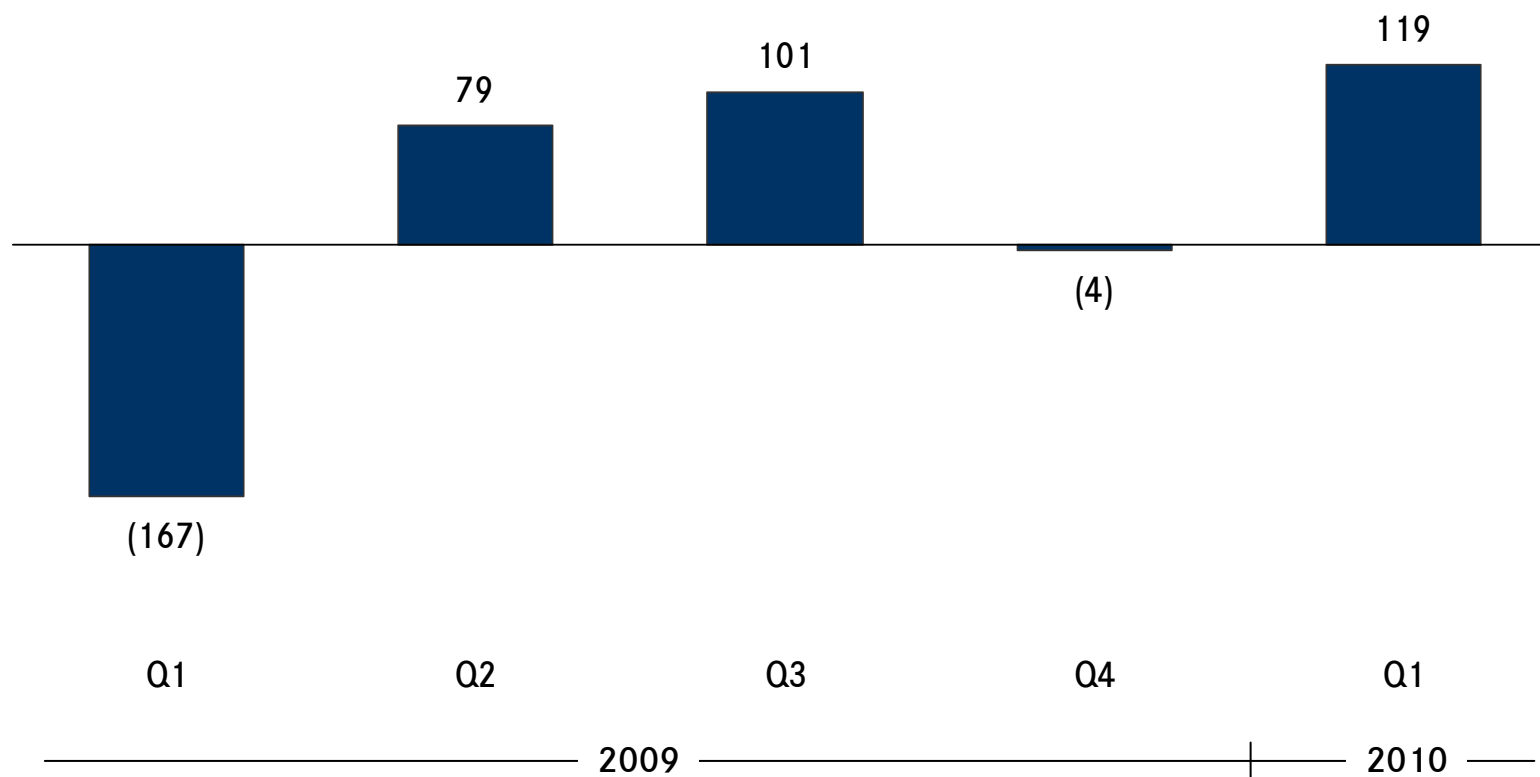


Orion Diesel-Electric Hybrid



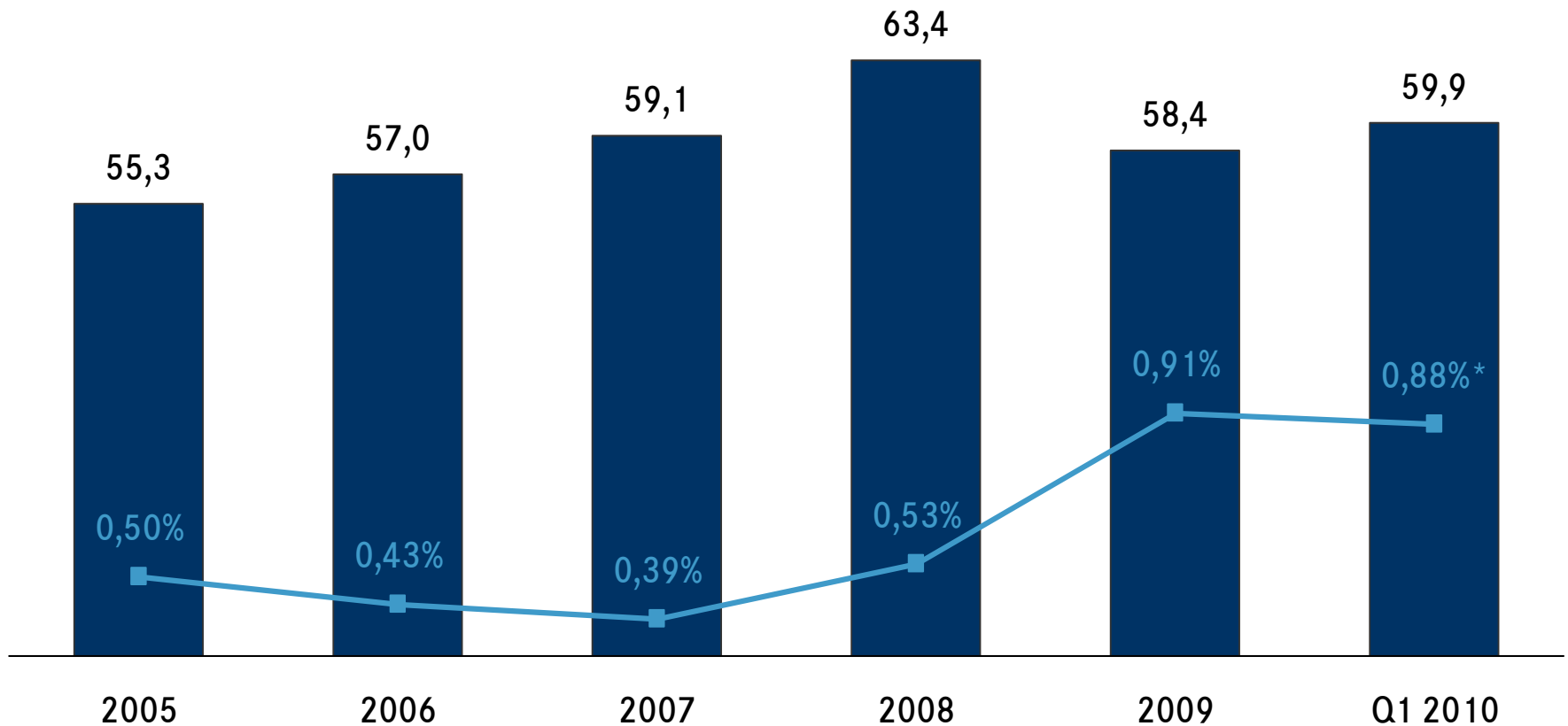
Strict risk management pays off at Daimler Financial Services

– EBIT in millions of € –



Financial Services Portfolio and Net Credit Losses

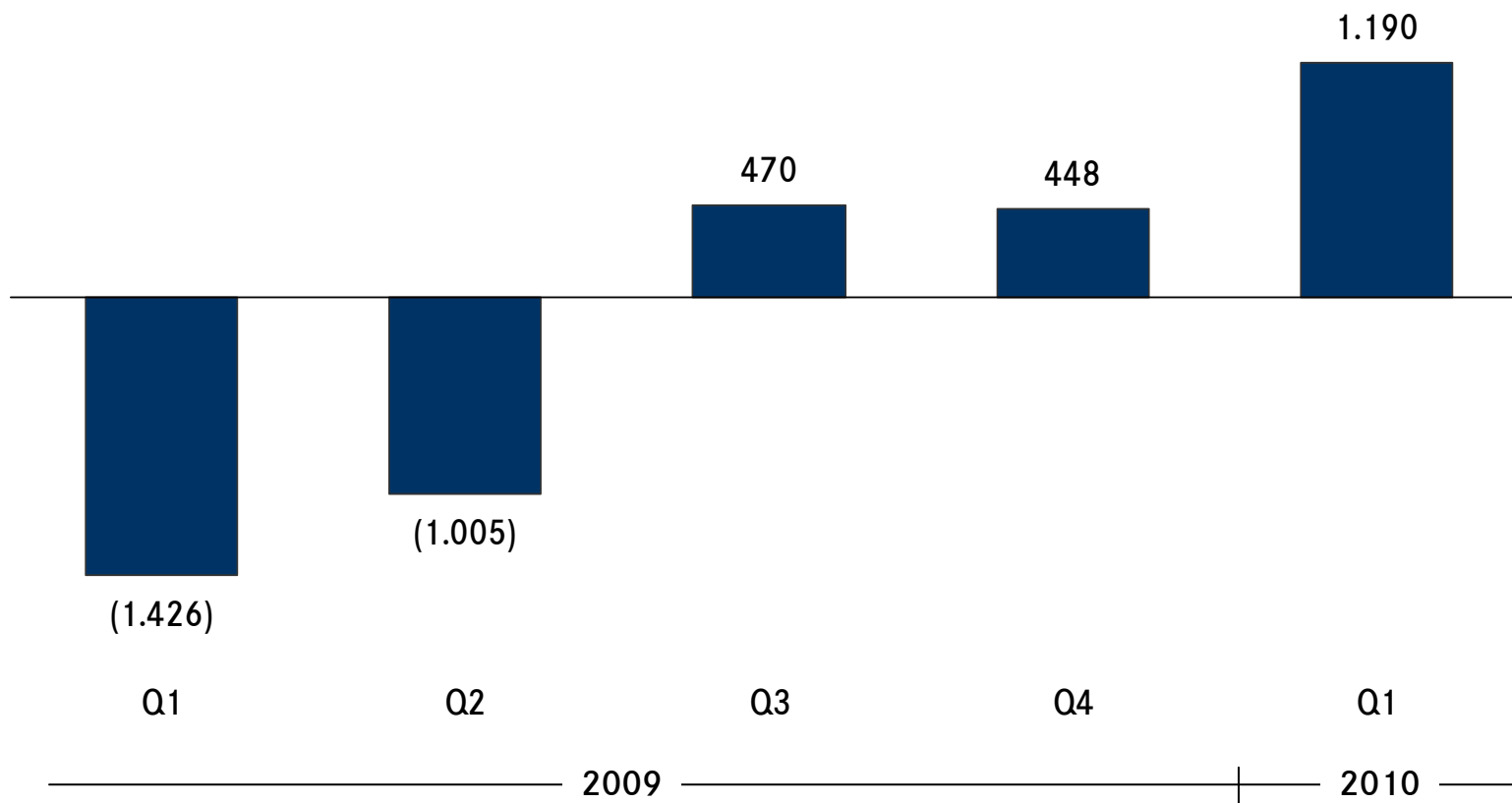
– Portfolio in billions of €, Net Credit Losses in % of global automotive portfolio subject to credit risk –



* annualized rate

Daimler Group results on track

- EBIT in millions of € -



Assumptions for automotive markets in 2010

● Car markets

- Worldwide market expected to grow by approximately 3 to 4%
- Growth potential in particular in China and North America

● Truck markets

- Demand for medium- and heavy-duty trucks expected to increase globally, driven by Latin America, North America and Asia
- Europe: slightly higher than 2009
- NAFTA region: +10%
- Brazil: +20 to 25%
- Japan: +20 to 30%

● Van markets

- Positive market development expected from low level

● Bus markets

- Growing worldwide market primarily driven by Latin American markets, while Western European bus markets are expected to decline

Outlook 2010 for Daimler sales

● Mercedes-Benz Cars

- Unit sales should grow at around double the rate of the global market
- Demand stimulated by attractive and competitive product portfolio

● Daimler Trucks

- 2010 unit sales expected to increase from low level
- Main drivers are increased demand in Latin America and market recovery in North America and Japan

● Mercedes-Benz Vans

- Positive unit sales development should continue

● Daimler Buses

- Higher unit sales anticipated due to market growth in Latin America

Outlook 2010 for EBIT

Mercedes-Benz Cars

- Results from ongoing business should benefit from higher unit sales and improved margins
- EBIT from the ongoing business of €2.5 to 3 billion expected

Daimler Trucks

- Profit of €500 to 700 million expected, driven by the ongoing repositioning and efficiency programs and slight volume growth

Mercedes-Benz Vans

- Should achieve EBIT of approximately €250 million

Daimler Buses

- EBIT of approximately €180 million expected

Daimler Financial Services

- EBIT from the ongoing business of more than €500 million expected

Daimler Group

- We expect Daimler to post EBIT from the ongoing business of more than €4 billion
- For the reconciliation between the sum of the segments and the Group, charges of €200 million are expected
- We still have a cautious look at the development of the automotive markets and continue to monitor risks along the automotive value chain

Agenda

1 Financial Results

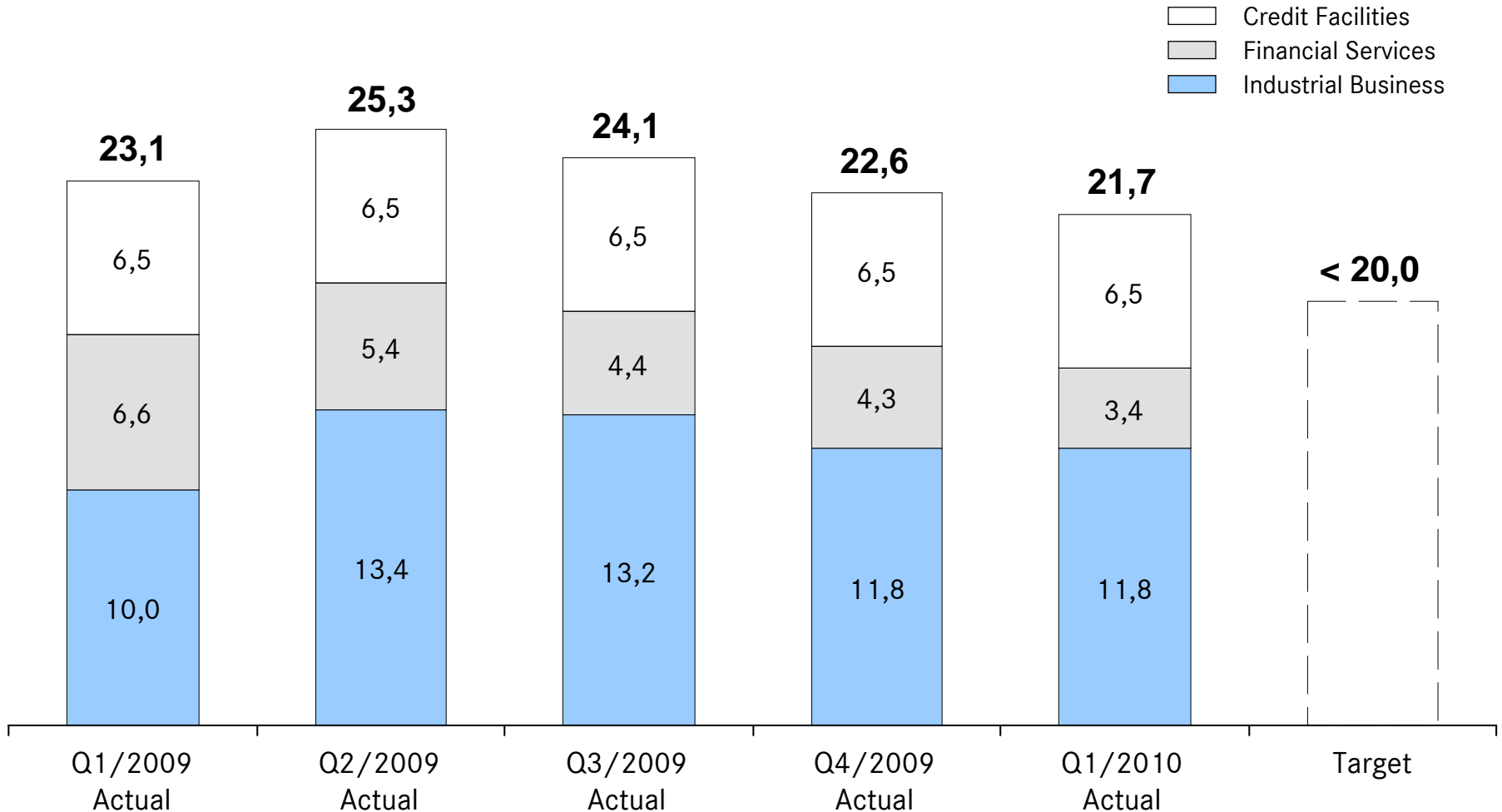
2 Liquidity and Debt

3 Daimler Truck Strategy

4 Mercedes-Benz Cars Strategy

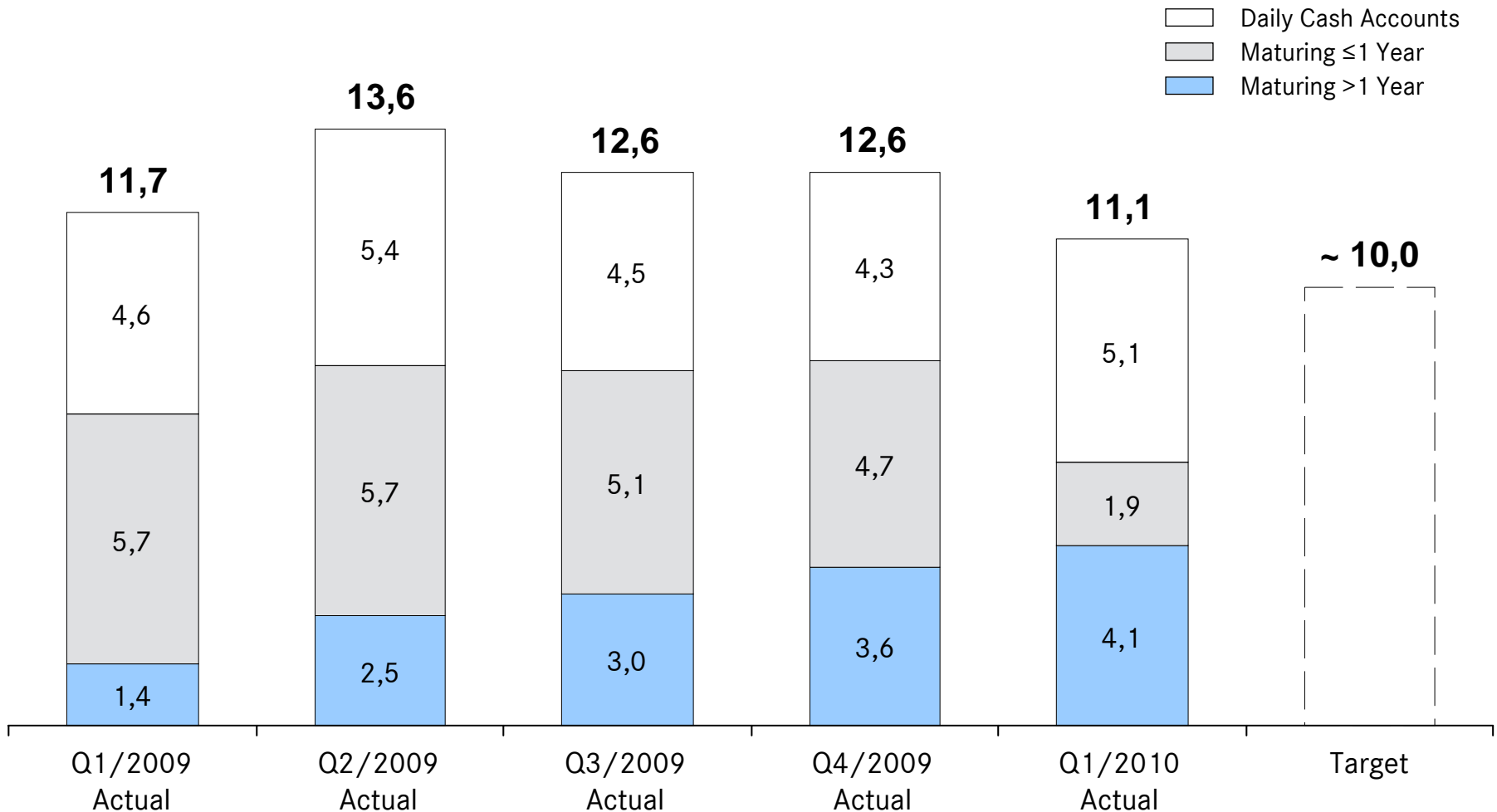
Total Liquidity Development 2009–2010

- in billions of € -



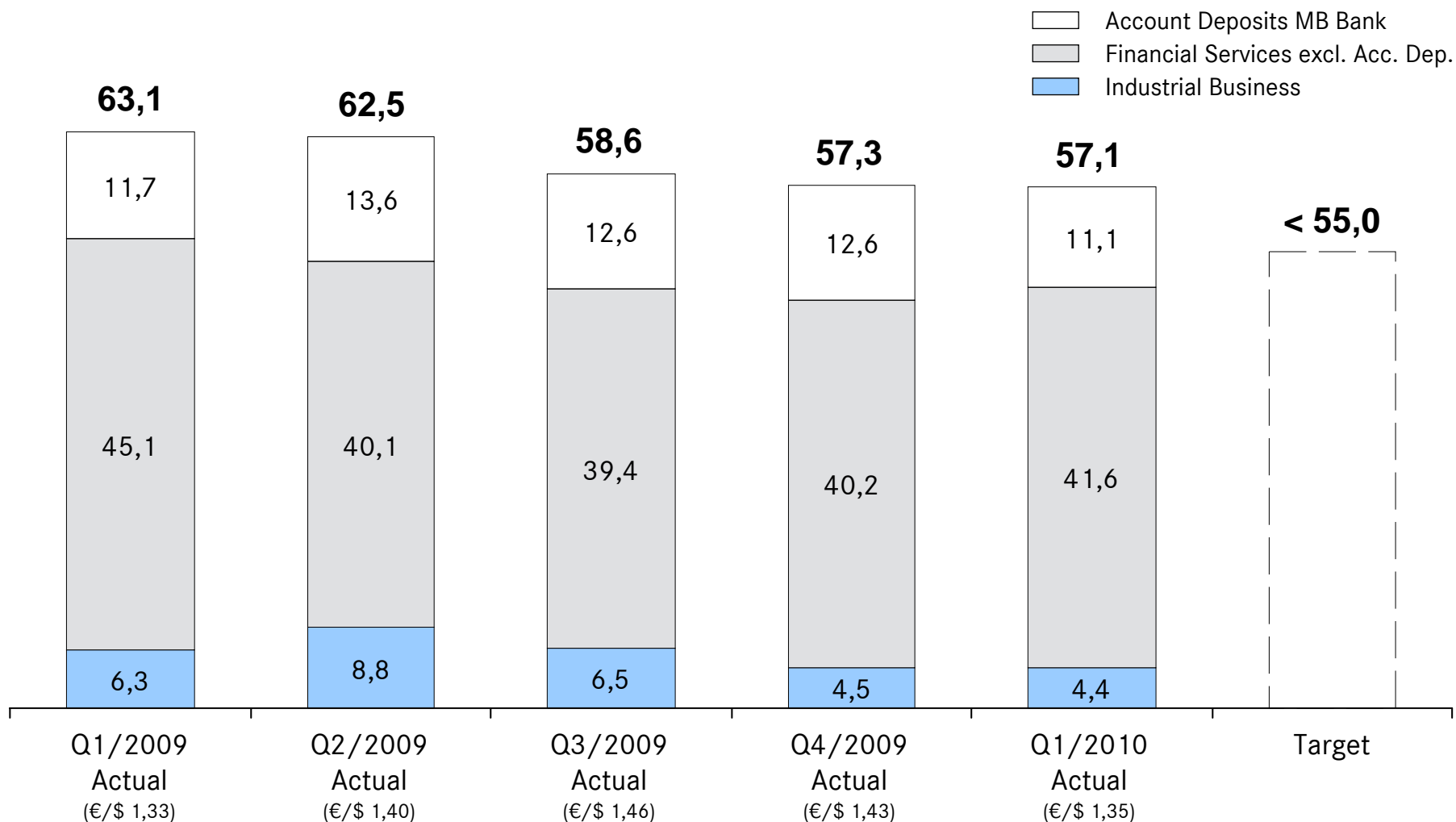
Account Deposits Development 2009–2010

– in billions of € –



Financing Liabilities Development 2009–2010

– in billions of € (nominal amount) –



Financing Liabilities Development 2009–2010

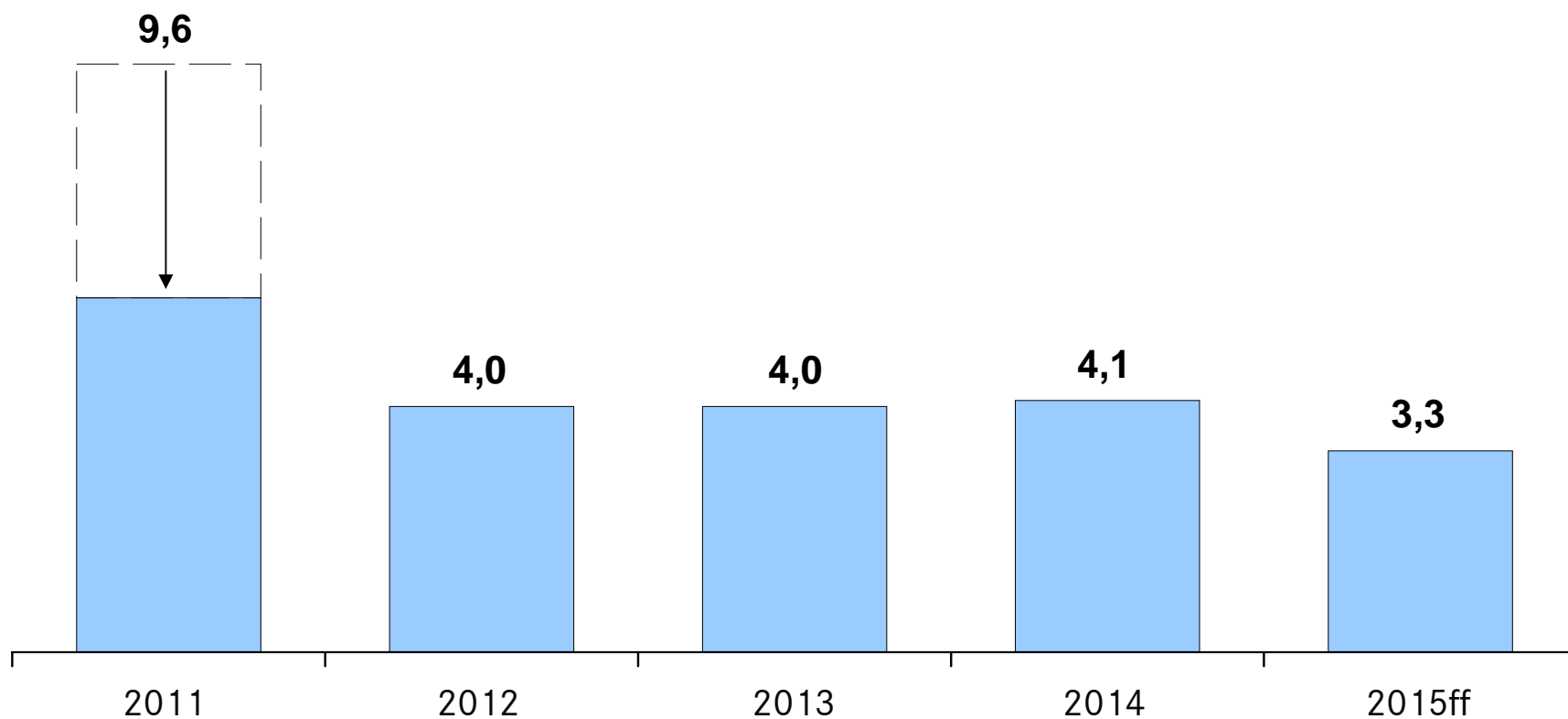
- Financing debt actively reduced by about €6 bn year-over-year

In billions of €	Actual Q1 2009	Actual Q1 2010	Variance Q1 2009 vs. Q1 2010
Bonds	32,9	30,1	- 2,8
Bank Loans	14,6	13,3	- 1,2
Account Deposits	11,7	11,1	- 0,6
ABS	1,4	1,2	- 0,2
Commercial Paper	1,5	0,1	- 1,4
Other	0,9	1,3	+ 0,4
Financing Liabilities (hedged nominal amount)	63,1	57,1	-5,9

Bond Maturities after 2010

- in billions of € -

- Volume to be redeemed in 2011 depends on Industrial Free Cash Flow and growth of Financial Services portfolio



Funding Principles

- **More than 95%** of Funding applies to **Financial Services assets**, reflecting funding for our customers and dealers

- Based on such asset structure, the **following funding principles** are applied:
 - Liquidity matched funded
 - Interest rate matched funded
 - Currency matched funded

- Exceptions from these principles to be defined and closely monitored (e.g. interest mismatch in Euroland for Financial Services to benefit from steep yield curve)

Strong Balance Sheet

- in billions of € -	Dec. 31, 2009	Mar. 31, 2010
Daimler Group		
Equity ratio	24.7%	24.5%
Gross liquidity	16.1	15.2
Industrial business		
Equity ratio	42.6%	41.0%
Net liquidity	7.3	7.4

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Daimler Trucks Strategy: Global Excellence

Overall Vision:

“We are No. 1 in the global Truck business, create superior value for our customers and are benchmark for quality and profitability”




Pillars

- 1 Management of Cycles
- 2 Operational Excellence
- 3 Growth and Market Exploitation
- 4 Future Product Generations



Effectiveness & Efficiency



Strategic Growth & New Products



Production flexibility & “Kurzarbeit”: Winning combination

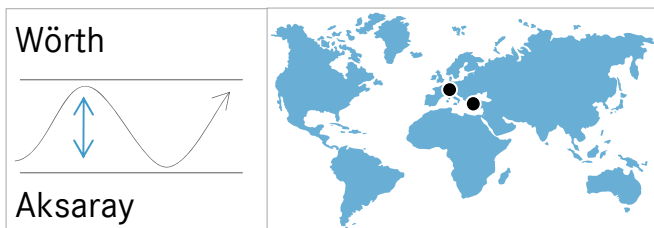
Flexible working hours



Flexible cycle time

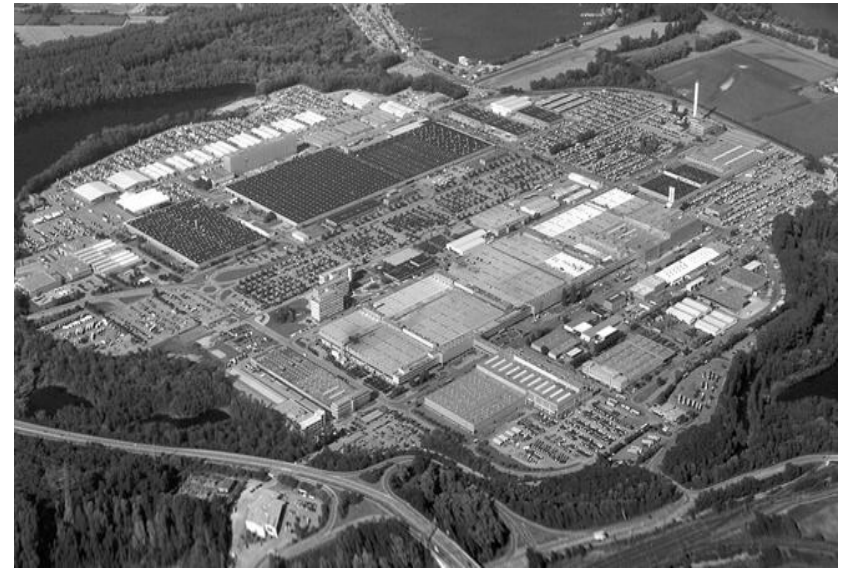


Flexible network

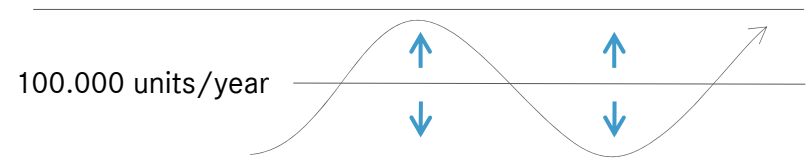


* Wörth Plant

Success factor flexibility*



120.000 units/year



70.000 units/year

Regional programs implemented

Daimler Trucks EU/LA



Contingency Program Mercedes-Benz Aggregates & Trucks

- Flexibility in
 - Working hours
- Flexibility in
 - Cycle time
- Inclusion of all Subunits and R&D, Cross functions and HQ
- Fixed cost reduction

Daimler Trucks NAFTA



Repositioning Program DTNA Repositioning

- Two brand strategy
- Adjustment of plant capacity to longterm market demand
- Direct material cost optimization
- New plant in Saltillo, Mexico
- Lean production

.....

2010:	600 mill. US\$ (acc.) 480 mill. €
2011:	900 mill. US\$ (acc.) 720 mill. €

Daimler Trucks Asia



Realignment Program Fuso Realignment

- Streamlining product portfolio
- Realignment of manufacturing operations
- Streamlining Japan retail network and enhancing international after sales
- Material cost optimization
- Fixed cost reduction

.....

2010:	594 Oku Yen (acc.) 450 mill. €
2011:	1,003 Oku Yen (acc.) 760 mill. €

Scope 2009/
Further improvements 2010 and 2011

BRIC strategy with tailor-made approaches

Status Quo



Brazil

Top position in truck market

- Further strengthen market position
- Integration into international network
 - Components
 - Products
- Capacity increase



Russia

Partnership with Kamaz



- Cooperation with HDT market leader to enter Russian volume market
- JV “Fuso Kamaz Trucks Rus”
- JV “MB Trucks Vostok”
- MoU: Stake increase in Kamaz



India

Market entry realized

- Market entry in volume truck segment
- Tailored to Indian market
- Construction work ongoing
- Test ground opened
- New brand



China



Lol with Foton

- Decision for JV between Daimler and Beiqi Foton affirmed in Lol
- Shareholder structure 50:50
- JV focus on production of medium/ heavy-duty trucks and technology exchange



Strategic Direction



Strengthening of **leadership position** in truck market

“**Create Russian champion**” with clear focus on trucks

“Driving the future” of Daimler Trucks by **entering the Indian mass market**

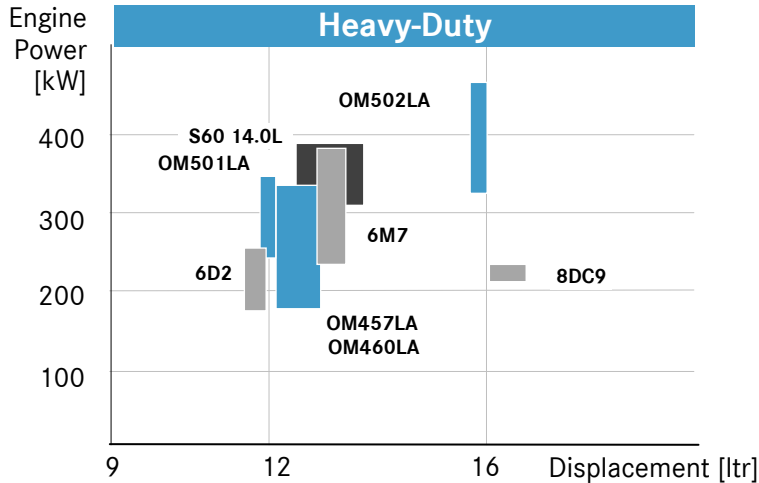
Entry into big volume CV market China **with strong local partner**

Commonality: New Heavy Duty Engine Generation

PAST 4 Engine Families / 4 Production Sites → **FUTURE** 1 New Engine Generation / 2 Production Sites

- Opportunities and Challenges:**
- Economies of scale
 - Standardized and scalable production network
 - Overall product specifications are driven by strongest regional emission requirements
 - Balanced global value streams

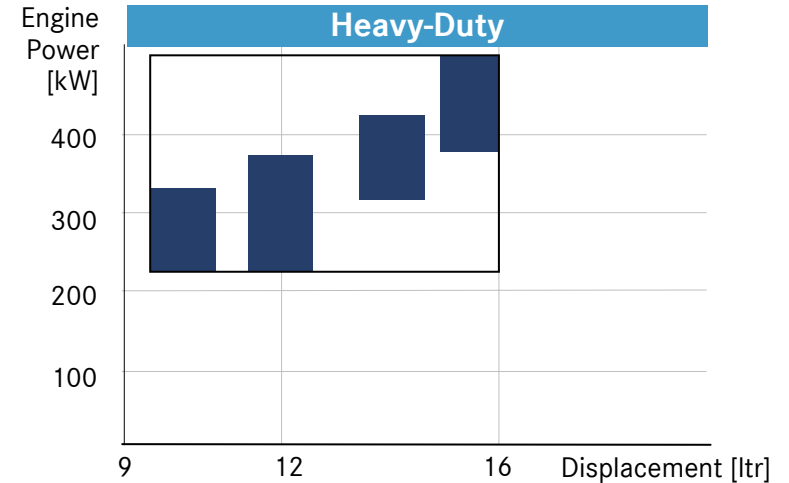
Current Engine Portfolio



Multiple engine series in same segments

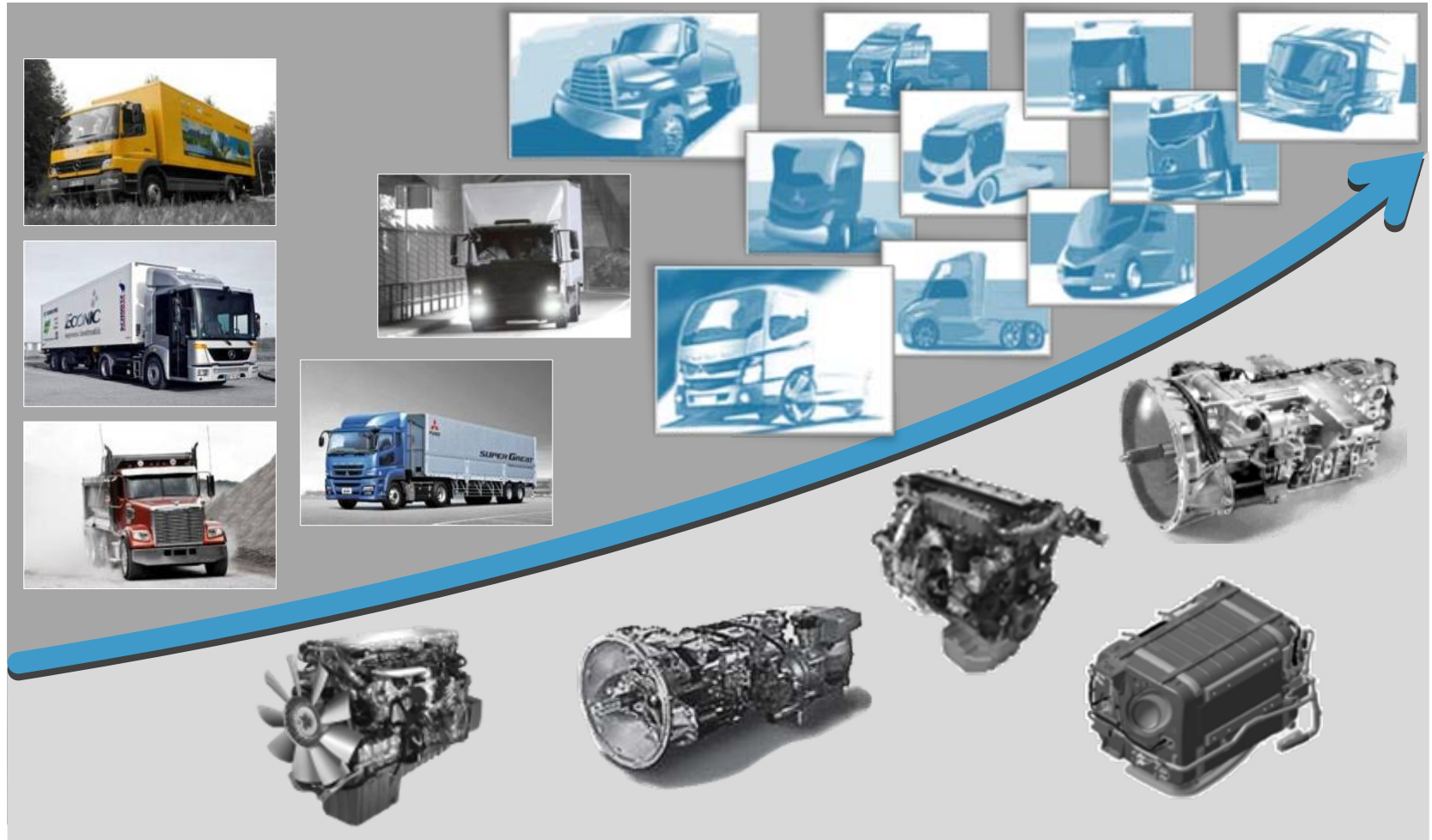


Future Engine Portfolio



One platform, different number of engine series

Most comprehensive product launch ever



Shaping Future Transportation: Safe & Clean

Shaping Future Transportation

→ SafeDrive Technologies



Daimler Trucks leading in industry

- >10,000 Active Brake Assist system in customer use
- >110,000 assistance systems on the road

→ CleanDrive Technologies



Daimler Trucks as market leader

- > 280,000 vehicles with SCR technology
- >13,000 vehicles with alternative drivetrain

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Four levers for generating more momentum

Leading products and brands



Pioneering technologies and business models



New markets and networks

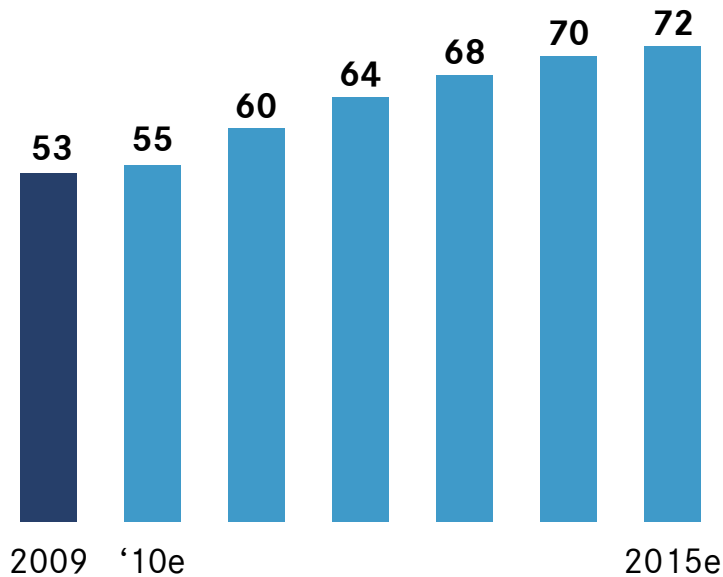


Continuing efficiency gains

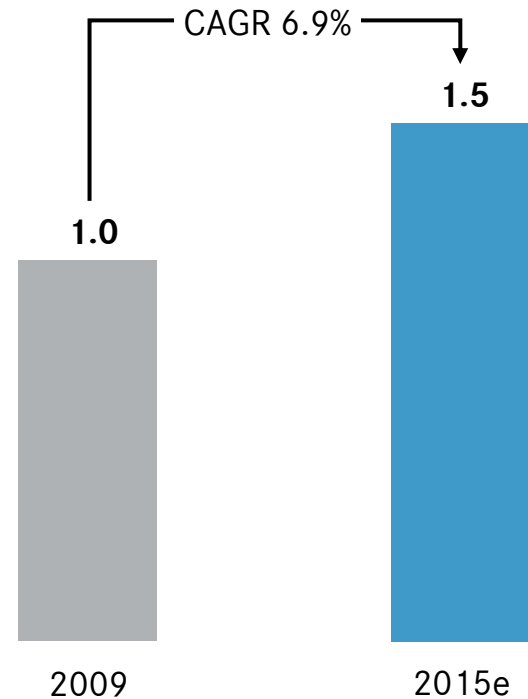


Aiming for 1.5 million vehicle sales in 2015

World passenger car sales
[million units]



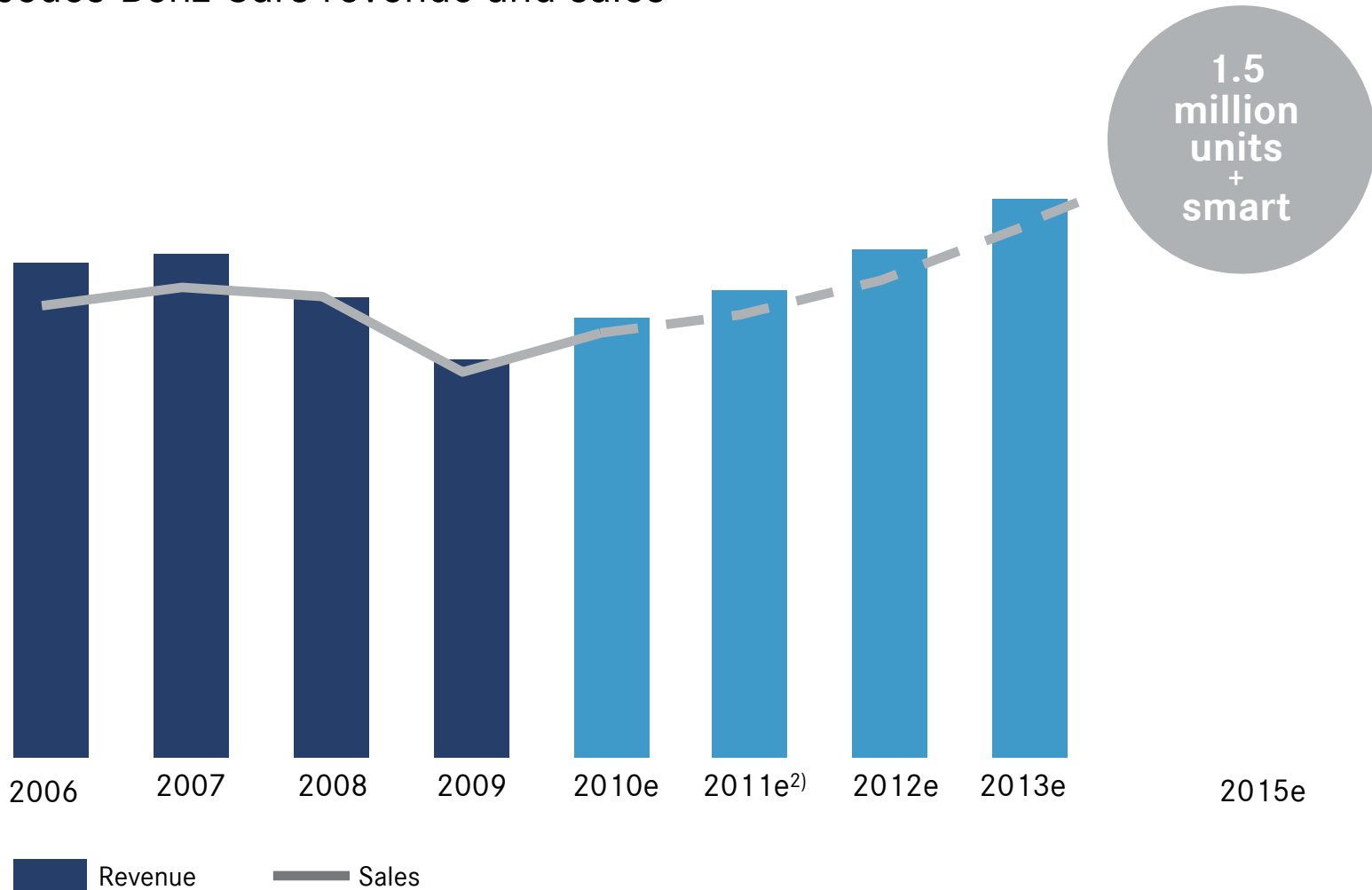
Mercedes-Benz Passenger Cars* vehicle sales
[million units]



* excludes smart
Investor Relations and Treasury / Dr. Michael Mühlbayer

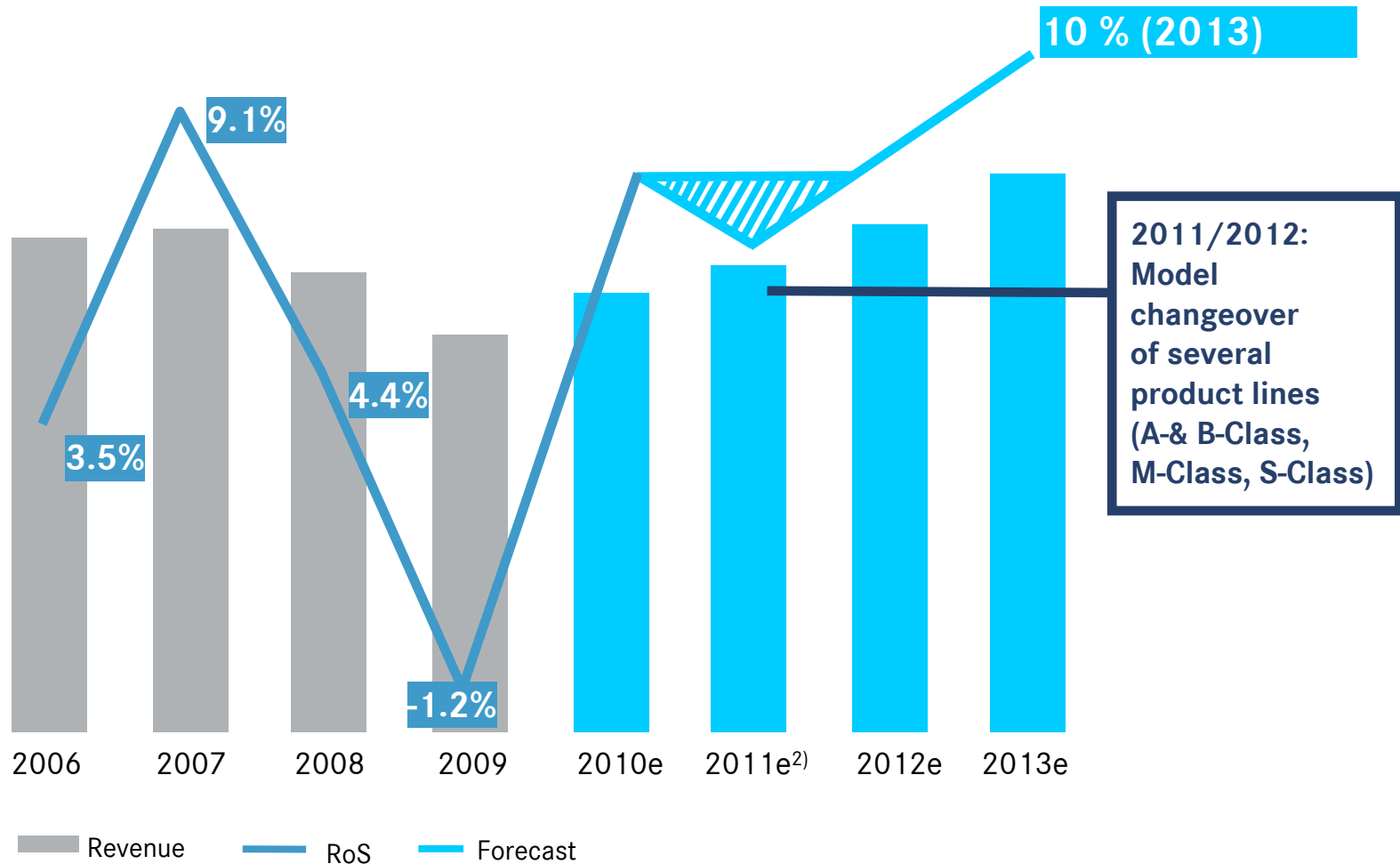
Forecasted revenue in line with sales development

Mercedes-Benz Cars revenue and sales



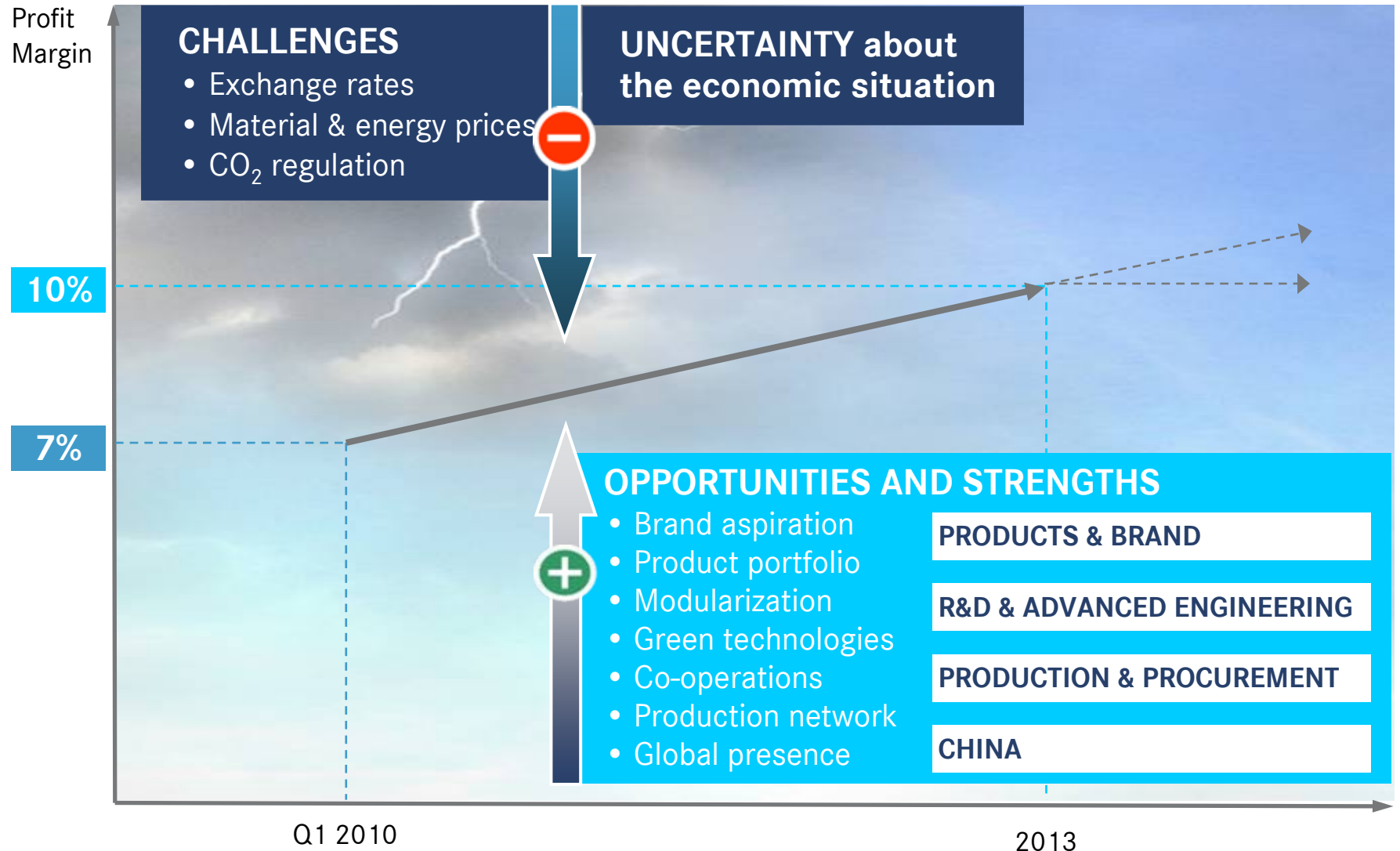
Determined to post 10% return on sales in 2013

Mercedes-Benz Cars Revenue and Return on Sales* [in %]



* Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

Safeguarding our earnings in a difficult environment



Concept Shooting Break – Extending the top line

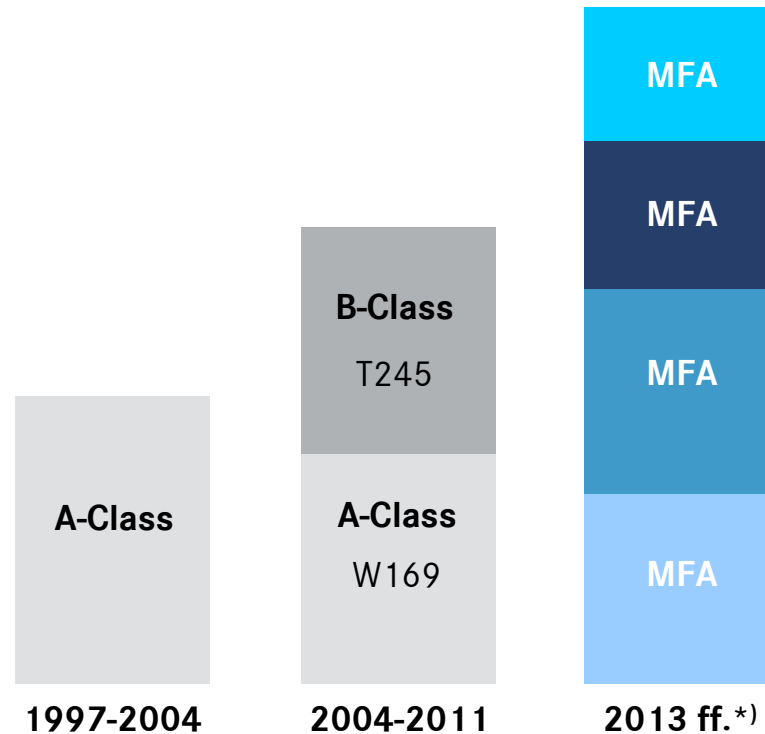


Concept Shooting Break – Extending the top line



Expanding our product portfolio below the C-Class

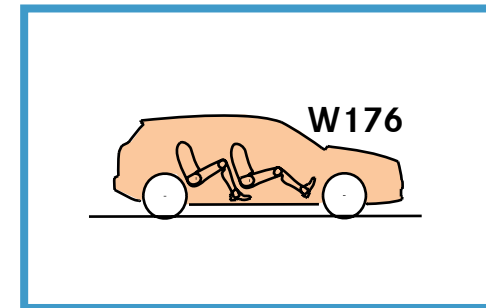
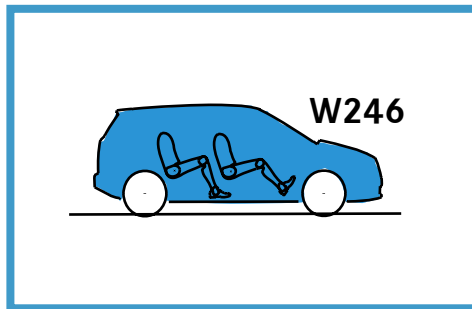
Mercedes-Benz' path to growth in the compact segment



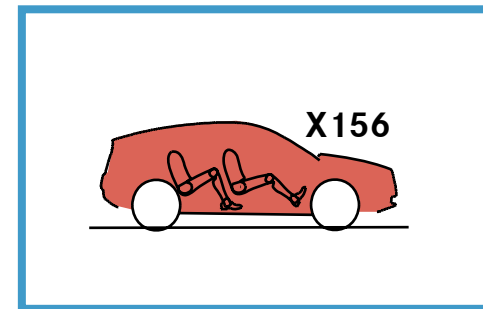
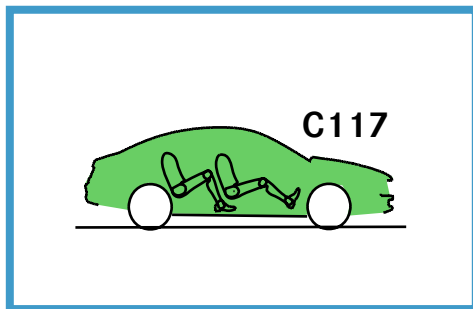
*) With full availability from 2013 onwards

Maximizing customer benefit while enhancing modularization

Example: “Mercedes-Benz Front-Wheel Drive Architecture”



Very high
commonality
rate



Blueprint for “Mercedes-Benz Rear-Wheel Drive Architecture”

Leading the way with green technologies

Examples

C 220 CDI



117
gram CO₂/km*

F 800 Style



68
gram CO₂/km

E-smart, E-Cell, F-Cell

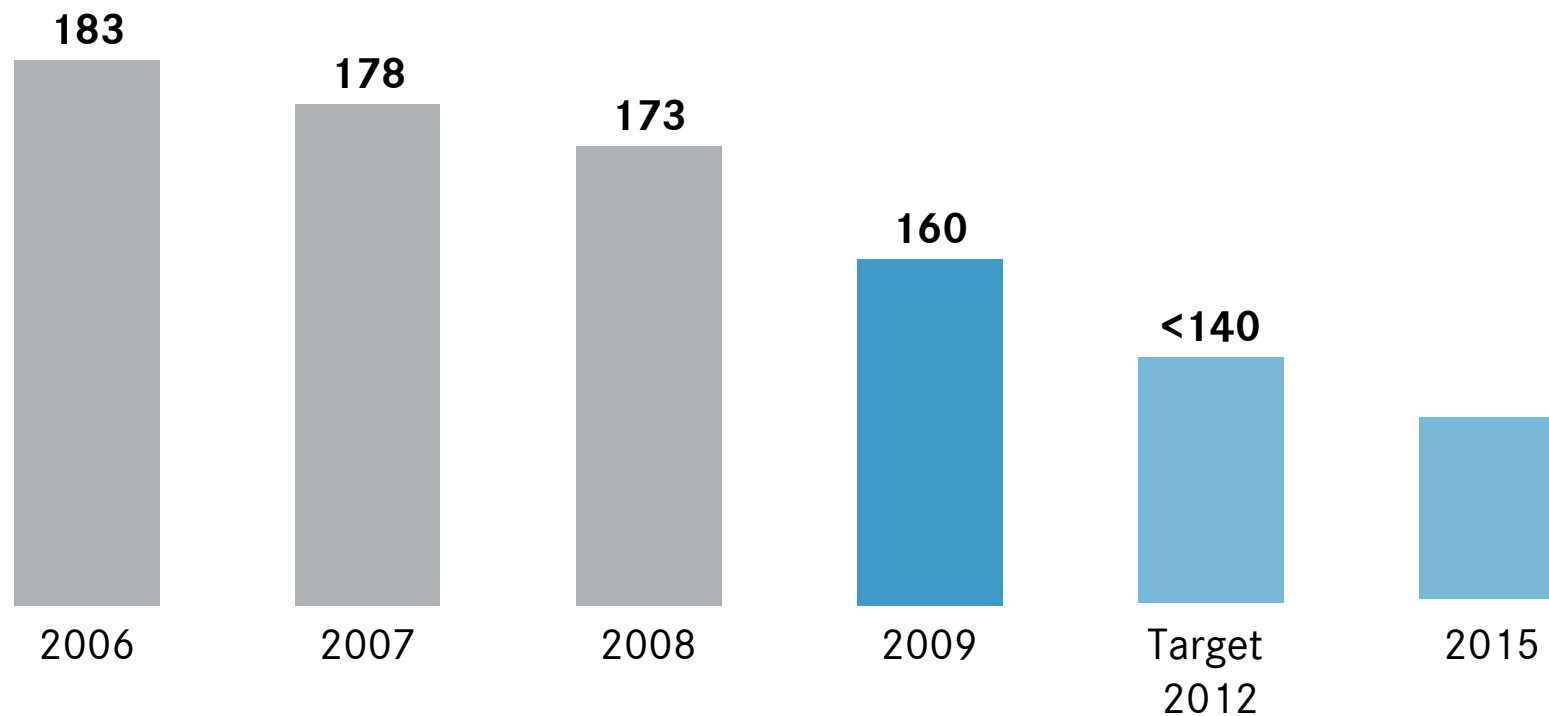


0
gram CO₂/km

*available in the course of 2010

Substantially reducing CO₂ emissions

CO₂ fleet average for Mercedes-Benz Cars
[in grams / kilometer]



New V6 /V8 engines with excellent performance efficiency: Rollout throughout entire fleet has started



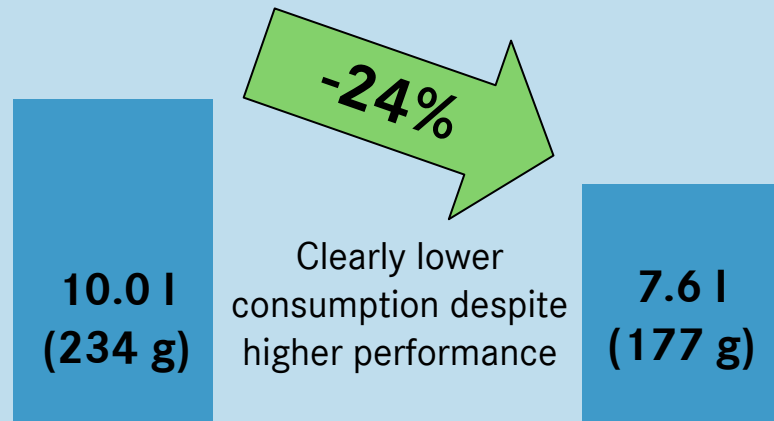
**New generation
V6 engine (M276)**



Mercedes-Benz S 350

- Current generation V6 engine (M272)
- Rated output: 200 kW (272 PS)
- Torque: 350Nm

Fuel consumption



Mercedes-Benz S 350 CGI

- New generation V6 engine (M276)
- Rated output: 225 kW (306 PS)
- Torque: 370Nm

Rollout of hybridization safeguards economic sustainability of large premium cars

2009



ML450 HYBRID :
7,7 l/100km (182 g/km)

2009



S400 HYBRID:
7,9 l/100km (186 g/km)

E300 HYBRID :
4,1 l/100km (109 g/km)

2011



S500 Plug-In- HYBRID :
3,2 l/100km (74 g/km)

Next Gen.
S-Class

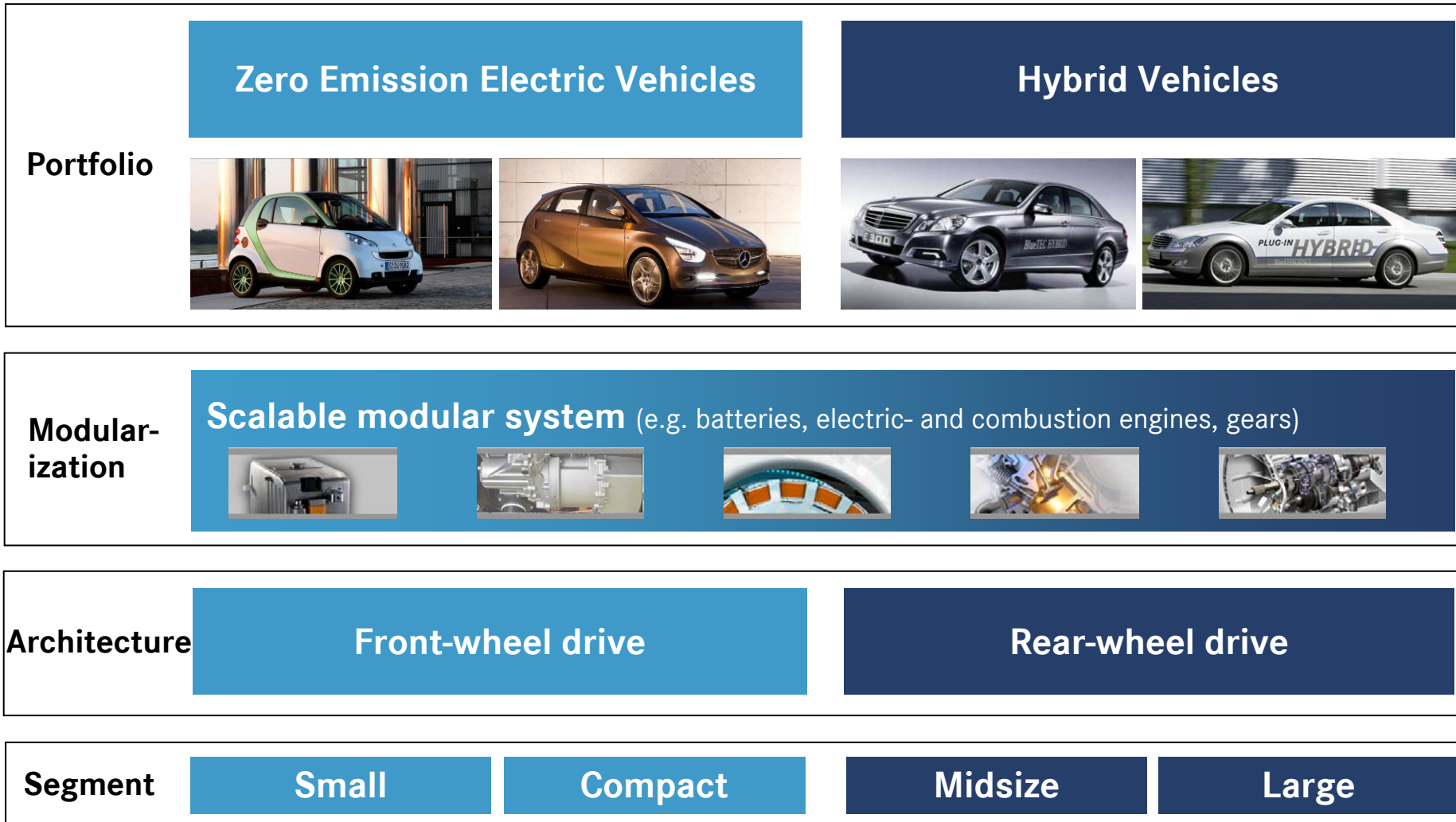


2009

2011

Modular Mercedes-Benz Hybrid-Concept for maximum customer benefit

Consistent strategy for the electrification of our cars – Safeguarding competitiveness in terms of CO2 and costs

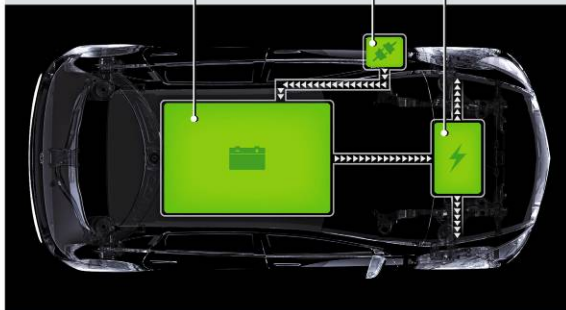


Concept BlueZERO: Flexible vehicle architecture and e-drive module kit



E-CELL

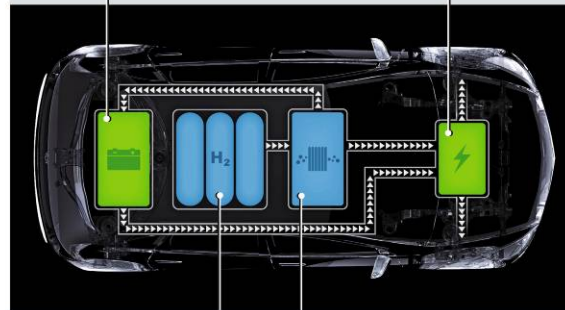
High-voltage battery Charger Electric motor



Range: 200 km

F-CELL

High-voltage battery Electric motor

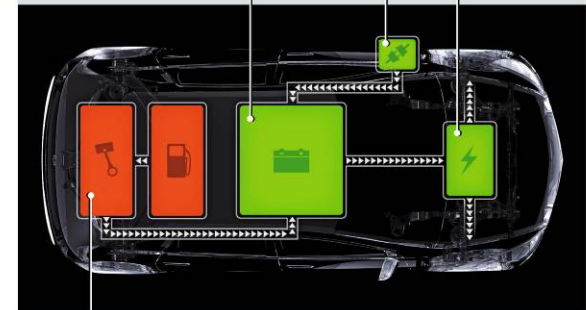


Hydrogen tanks Fuel-cell stack

Range: about 400 km

E-CELL PLUS

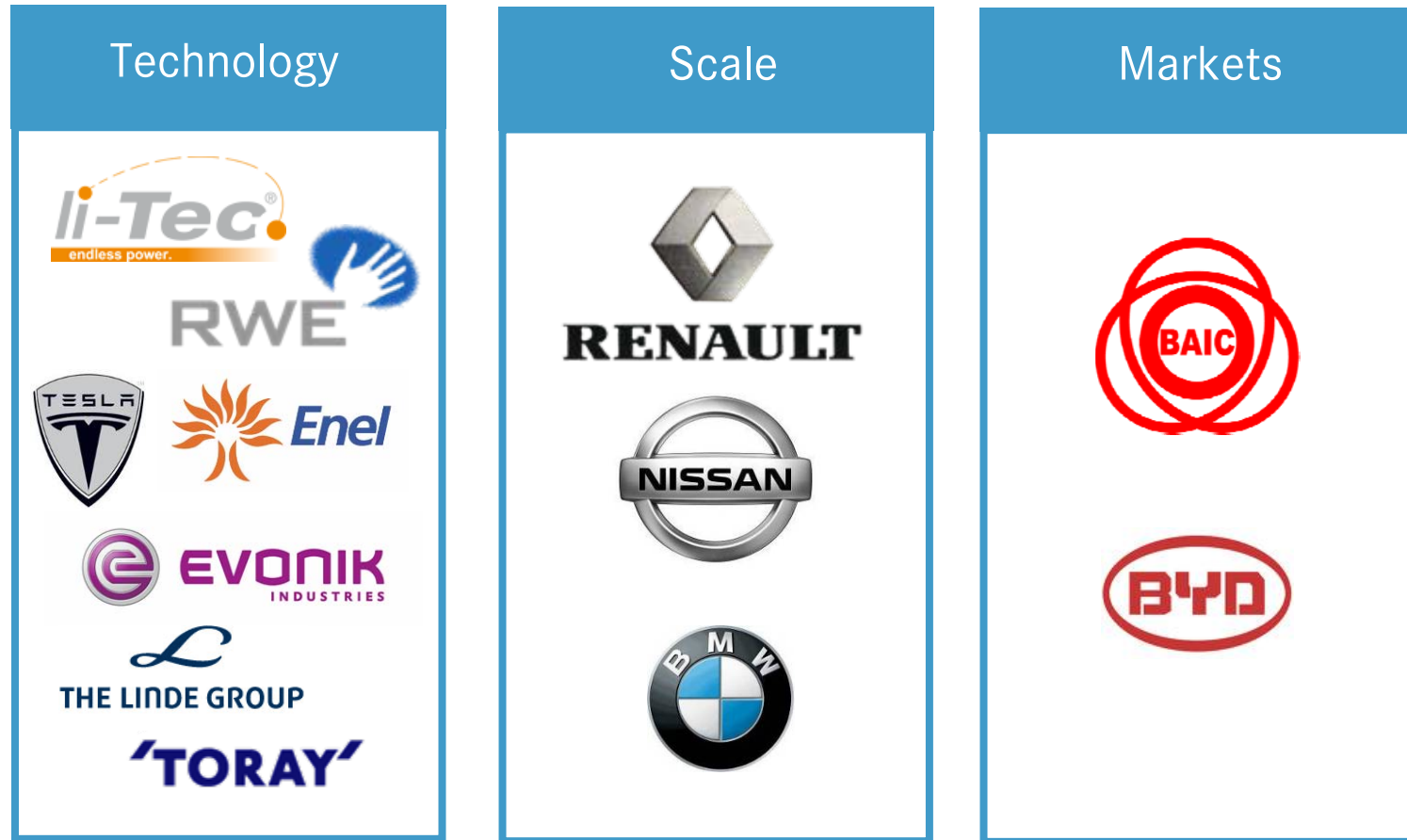
High-voltage battery Charger Electric motor



Combustion engine (range extender) with fuel tank

Range: 600 km

Building a strong network of partners



Renault-Nissan example

Main areas of cooperation

Common vehicle architecture

(Generate necessary scale for smart)

Small engines

(Develop 3-/4-Cylinder for smart and Mercedes-Benz entry models)

Large engines

(Provide 6-/8-Cylinder to Infiniti)

Light commercial vehicles

(Enlarge product portfolio of Mercedes-Benz Vans)

BYD example

Characteristics of the cooperation

Develop “New joint electric vehicle” for the Chinese market

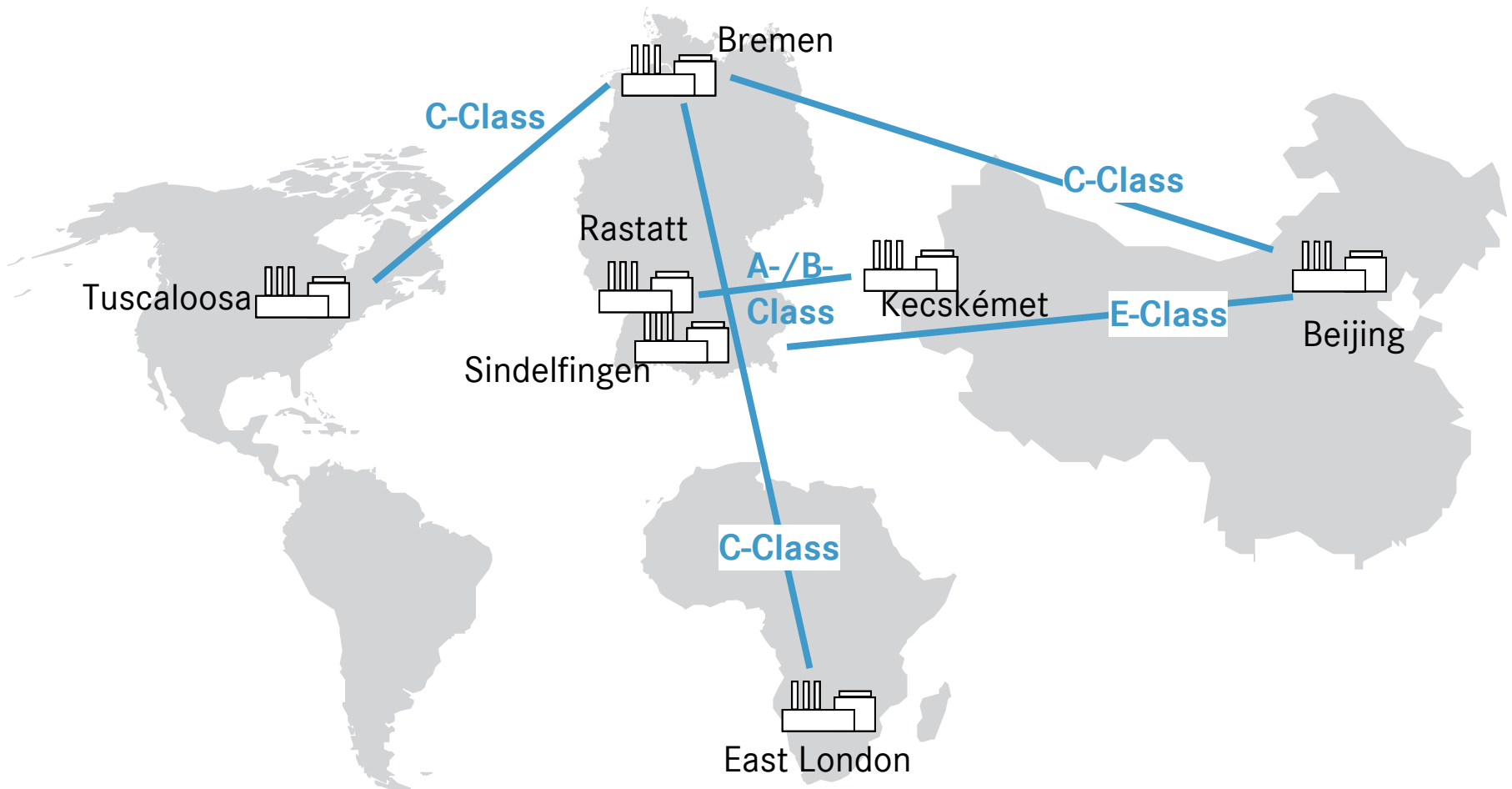
Create new brand

Set up R&D Joint-Venture

Launch new product in 2012

Global production network realigned

Selected Mercedes-Benz Cars production locations and their products as of 2014



Guideline for our development strategy
is our refined brand



Mercedes-Benz SLS AMG



Mercedes-Benz Design Strategy

High Quality as an expression of design



Mercedes-Benz Design Strategy

Form language of the future inspired by nature
Symbolizing aesthetics of sustainability



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Bankers Meeting Japan 2010

Questions & Answers

Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including a lack of further improvement or a renewed deterioration of global economic conditions, in particular a renewed decline of consumer demand and investment activity in Western Europe or the United States, or a downturn in major Asian economies; a continuation or worsening of the tense situation in the credit and financial markets, which could result in a renewed increase in borrowing costs or limit our funding flexibility; changes in currency exchange rates or interest rates; the ability to continue to offer fuel-efficient and environmentally friendly products; a permanent shift in consumer preference towards smaller, lower margin vehicles; the introduction of competing, fuel-efficient products and the possible lack of acceptance of our products or services, which may limit our ability to adequately utilize our production capacities or raise prices; price increases in fuel, raw materials and precious metals; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a further decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization programs at all of our segments, including the repositioning of our truck activities in the NAFTA region and in Asia; the business outlook of companies in which we hold an equity interest, most notably EADS; the successful implementation of the strategic cooperation with Renault, changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk Report” in Daimler’s most recent Annual Report and under the headings “Risk Factors” and “Legal Proceedings” in Daimler’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.