

# DAIMLER

---

## Q2 and Half-Year 2010 Results

July 27, 2010

## Key financials

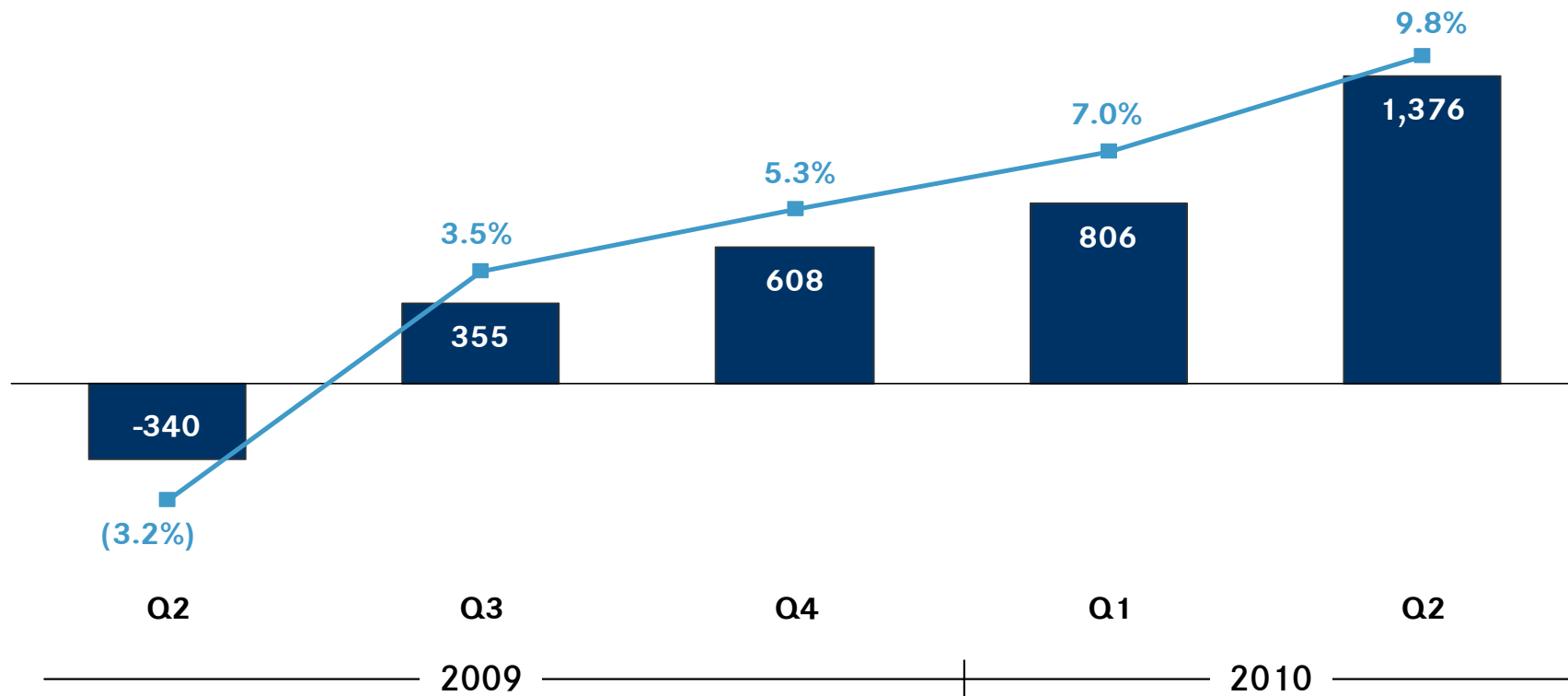
- in billions of € -	Q2 2009	Q2 2010
Revenue	19.6	25.1
EBIT	(1.0)	2.1
Net profit (loss)	(1.1)	1.3
Earnings (loss) per share (in €)	(0.99)	1.18
Free cash flow industrial business (January-June)	0.3	2.8
Net liquidity industrial business (2009: year-end)	7.3	9.4

## Key developments Q2 2010

- Strong EBIT performance driven by double-digit volume growth in all divisions
- Improved model-mix
- Very good pricing position
- Strong industrial cash flow
- Sustainable cost reduction and efficiency enhancement
- Further progress on regional strategies and co-operations

# Continued strong improvement of EBIT over the last quarters

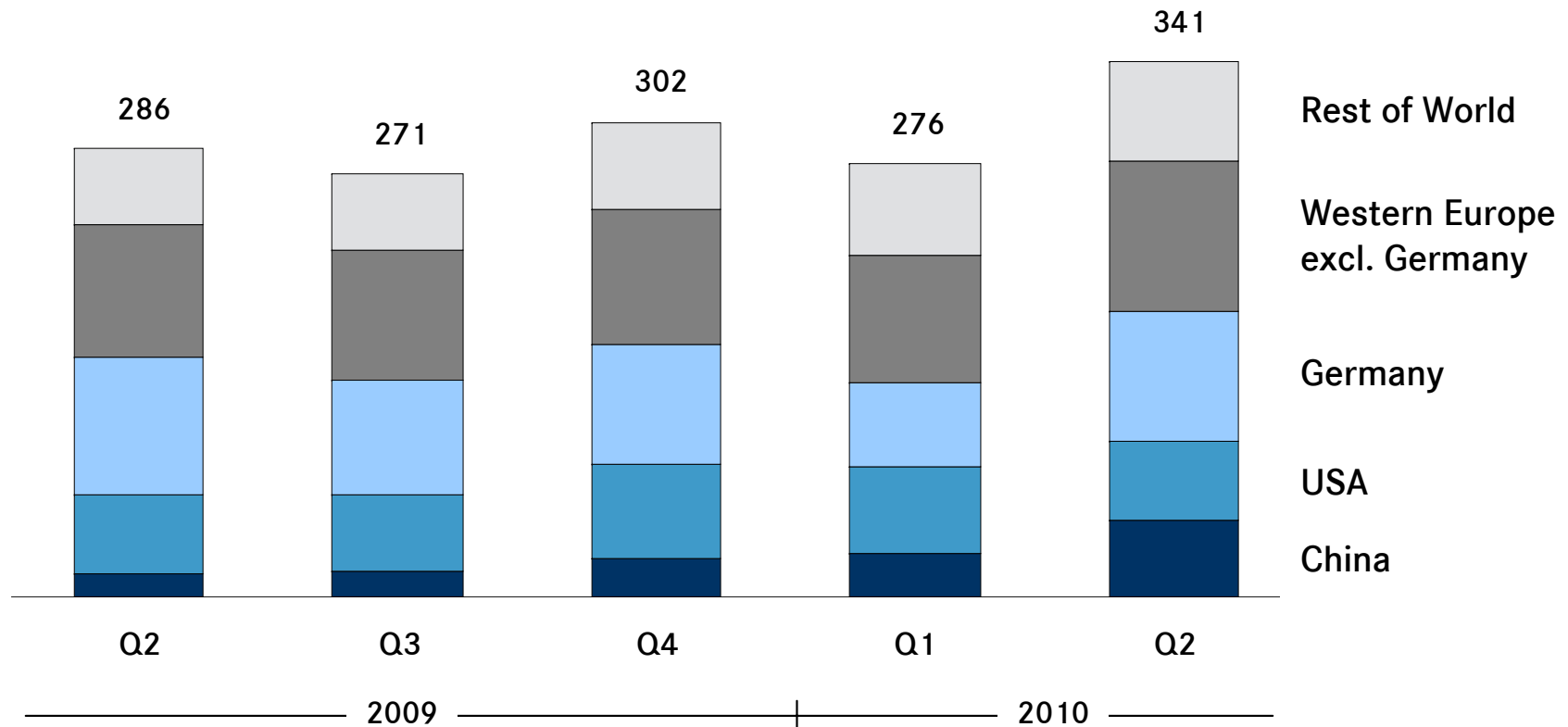
– EBIT in millions of €, return on sales in % –



- Strong increase driven by higher sales volume in all regions, especially in China
- More favorable product mix and better pricing
- Positive exchange rate development and efficiency enhancements

# Chinese market continues to gain importance

- Unit sales in thousands\* -

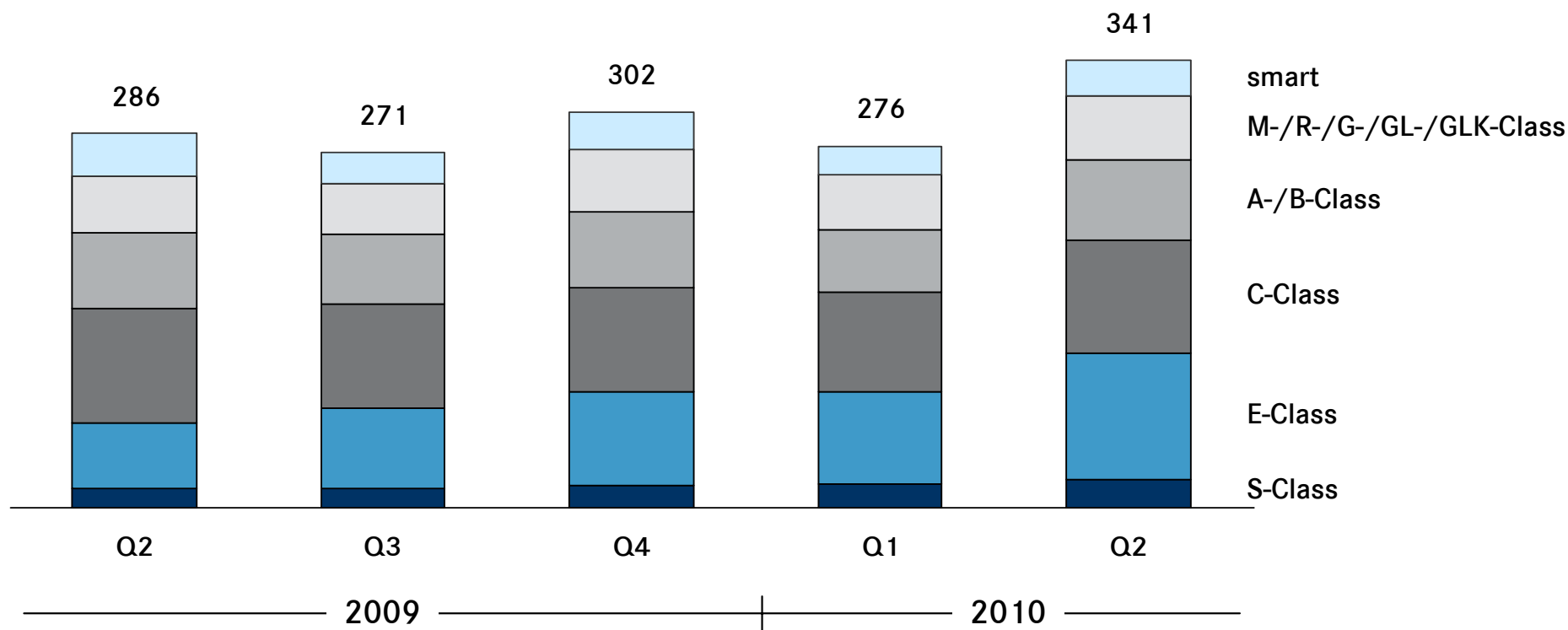


- Sales increased year-over-year by 19%
- Percentage of China on total unit sales rose from 5% to 14%
- Significant gains of market share in Germany

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

# Strong model mix

- Unit sales in thousands\* -

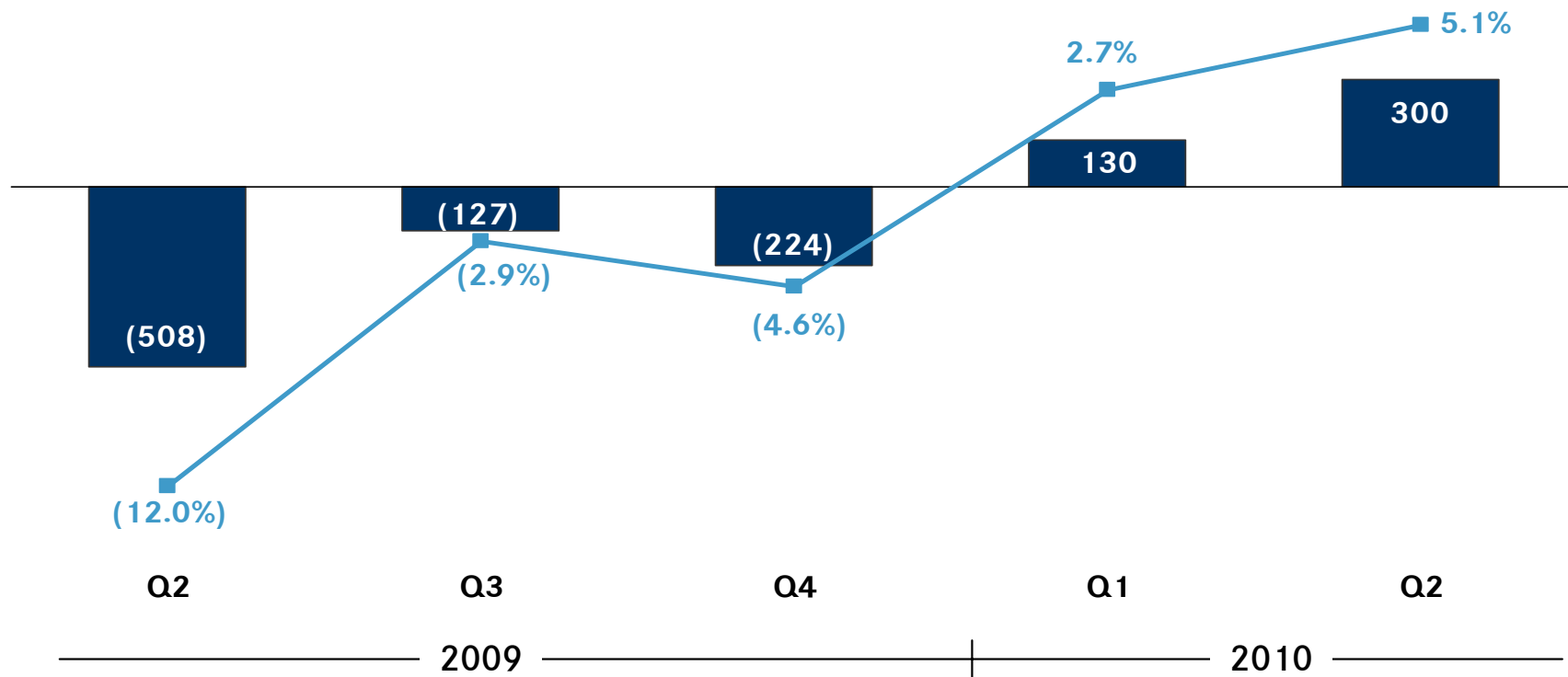


- Market success of attractive and competitive model range
- Sales of E-Class rose year-over-year by 91%
- Percentage of E- and S-Class on total unit sales increased from 23% to 35%

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

# Higher volume and cost improvements drive significant increase in Q2 EBIT

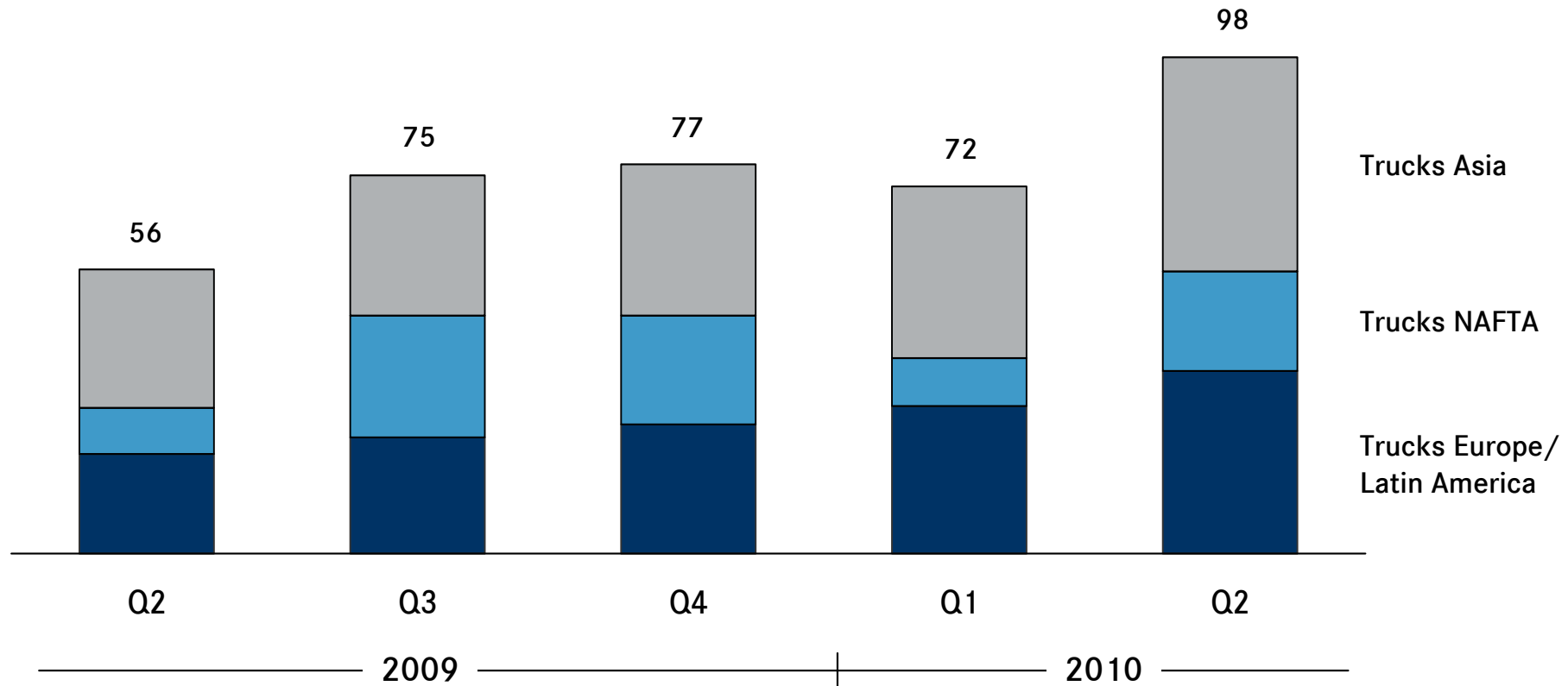
- EBIT in millions of €, return on sales in % -



- Good performance due to sales increase
- Reduction of break-even in line with repositioning in Asia and North America

# Incoming orders are recovering in the truck business

- Incoming orders in thousands of units -

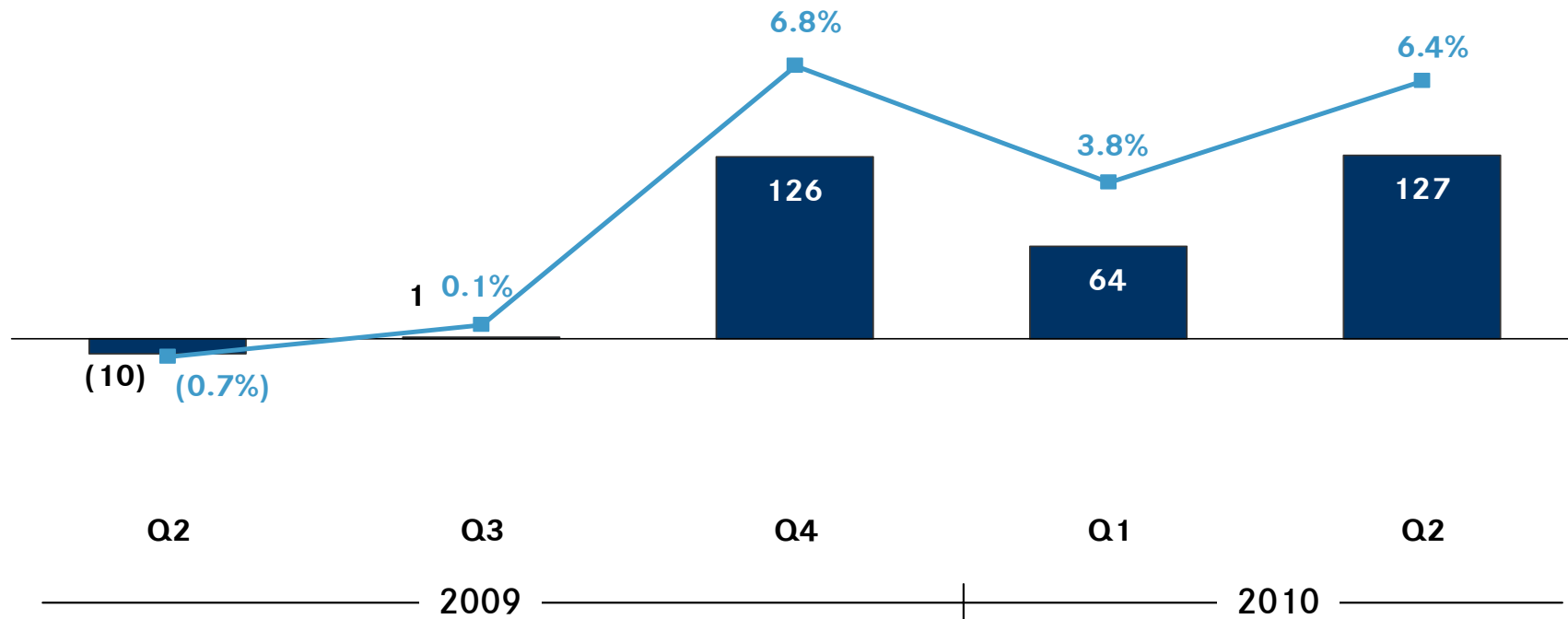


- Incoming orders continued to exceed sales
- Positive development in nearly all regions



# Strong earnings performance at Mercedes-Benz Vans

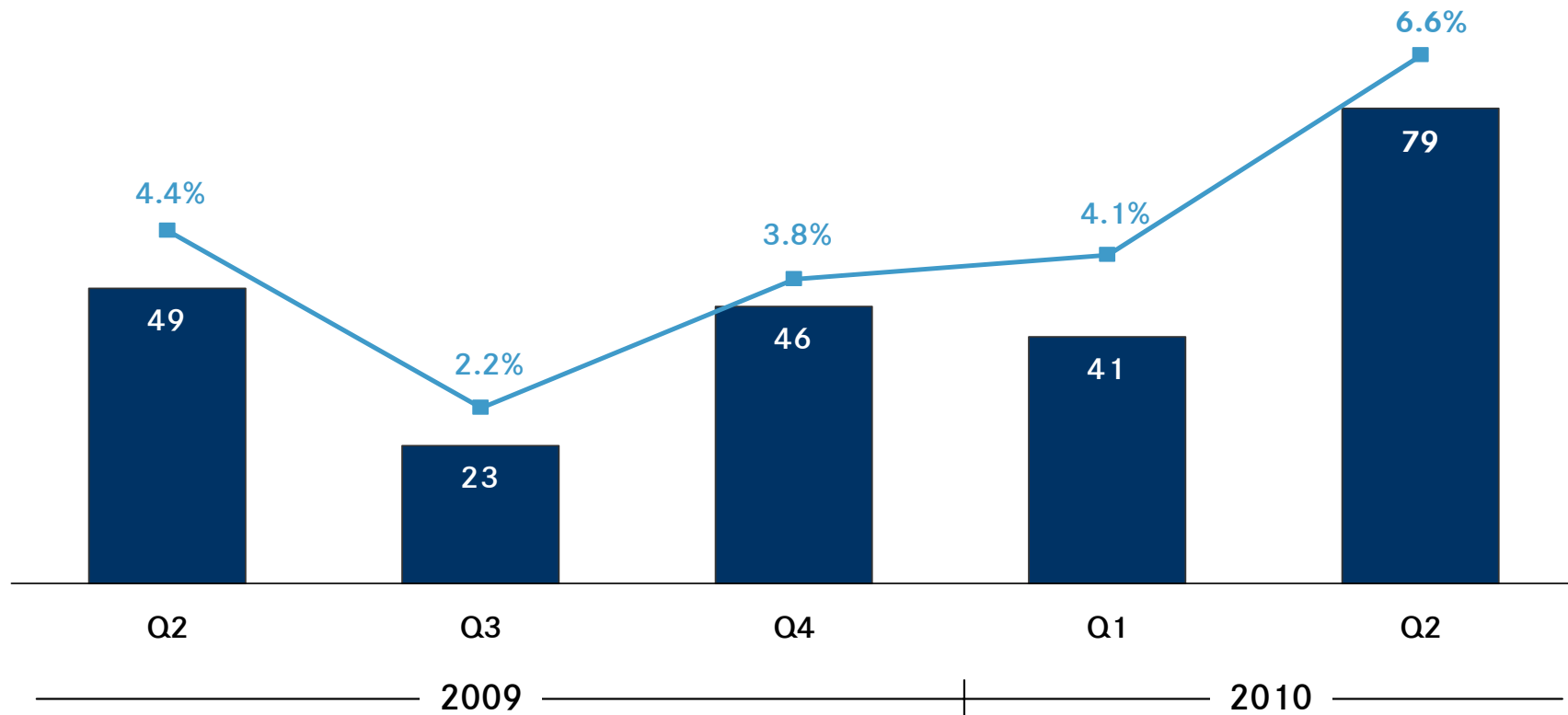
- EBIT in millions of €, return on sales in % -



- Earnings improvement mainly due to higher sales volume
- Sustainable measures to reduce cost and enhance efficiency

## Continued good performance at Daimler Buses based on positive development in Latin America

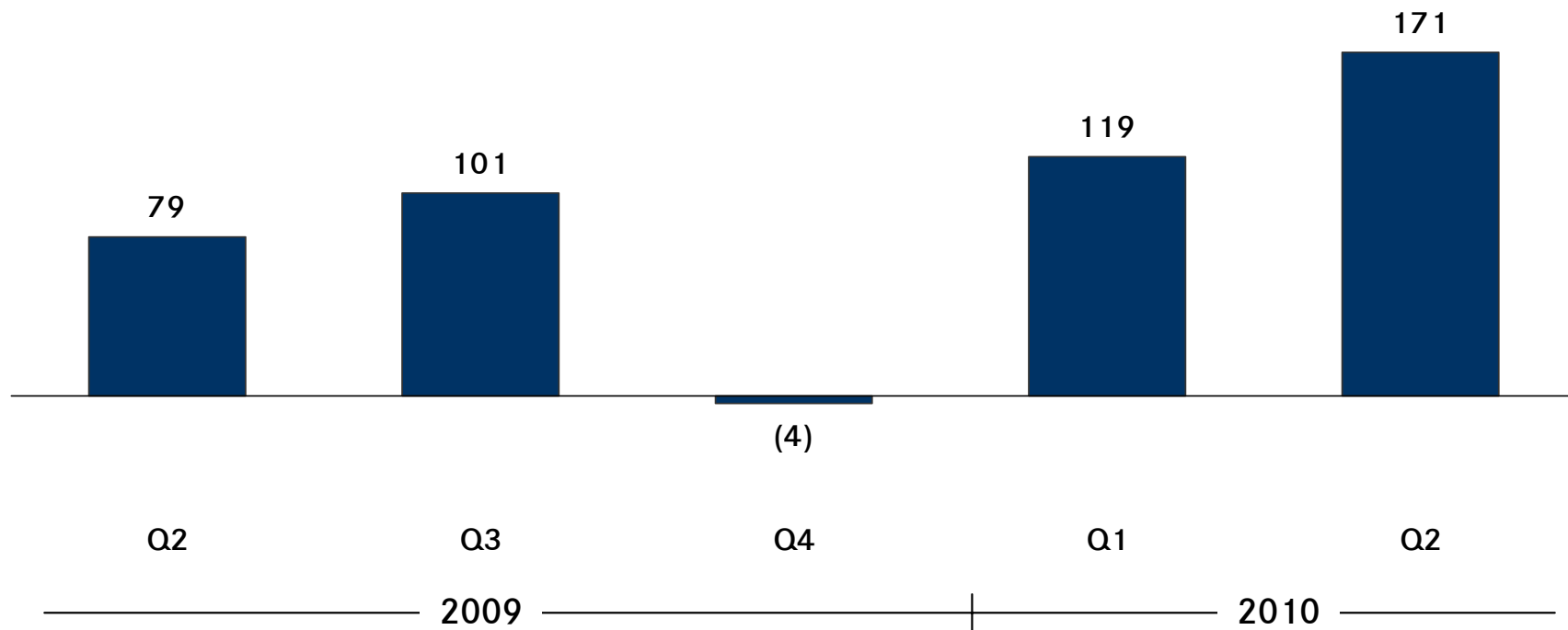
- EBIT in millions of €, return on sales in % -



- Significantly higher deliveries of bus chassis in Latin America, especially in Brazil
- In all other major markets ongoing difficult market conditions
- Positive impacts from ongoing efficiency measures and favorable exchange rate effects

## Strict risk management pays off - Q2 EBIT increases despite restructuring charges

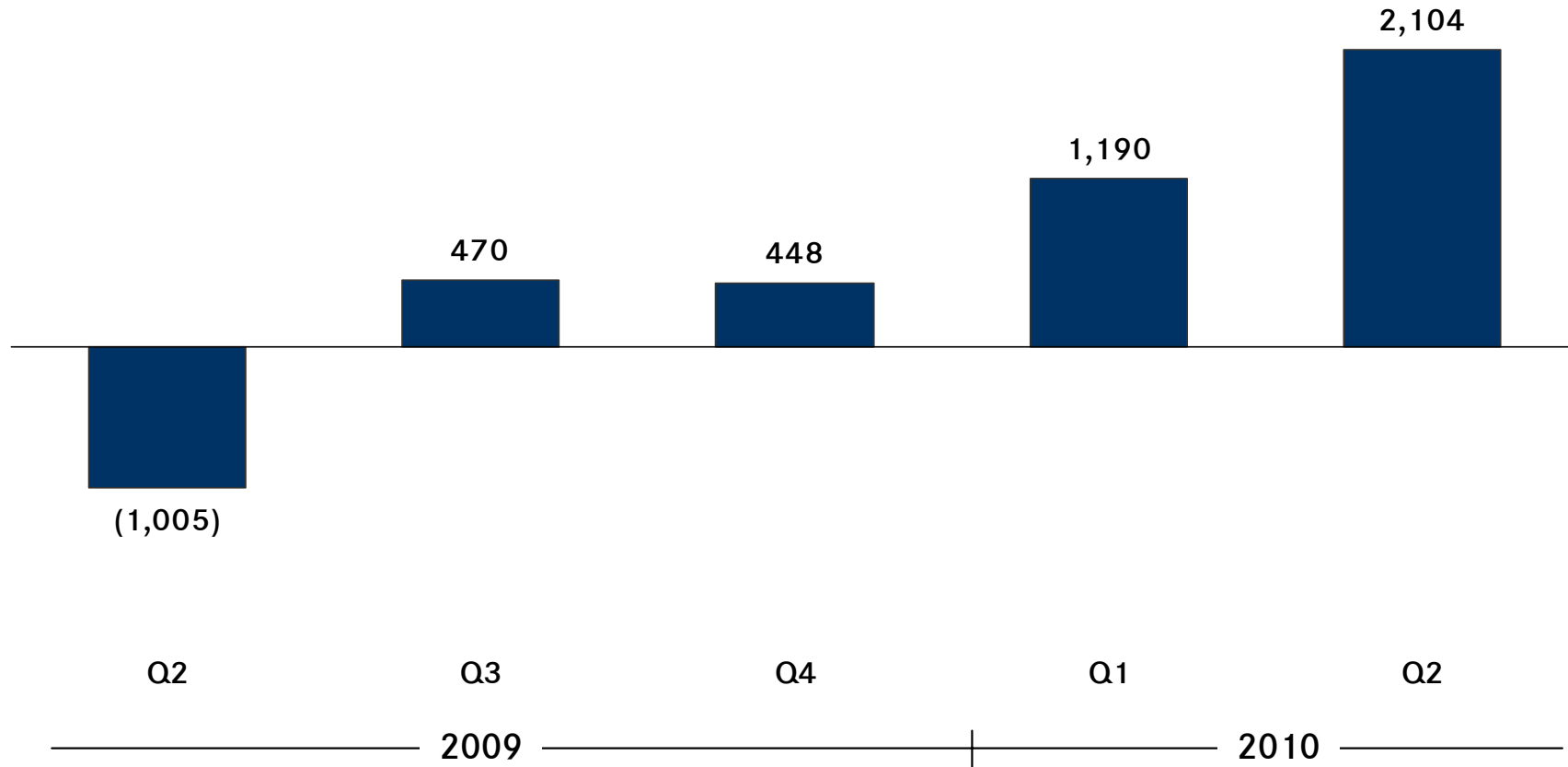
- EBIT in millions of € -



- Lower cost of risk
- Higher interest margins
- Charges for the repositioning of business activities in Germany compensated

## Strategy pays off, Group on track

- EBIT in millions of € -



- Unit sales increased by double-digit rates in all vehicle divisions
- Strong product portfolio, better pricing and positive development of exchange rates
- Measures to reduce cost and improve efficiency turned out as sustainable in Q2

## Assumptions for automotive markets in 2010

### ● Car markets

- Worldwide market expected to grow by approximately 8%
- 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: +5 to 10%
- NAFTA region: +10 to 15%
- Brazil: +25 to 30%
- 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

- Demand stimulated by attractive and competitive product portfolio
- Unit sales of the Mercedes-Benz brand expected to grow at a double-digit rate

### ● Daimler Trucks

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

### ● Mercedes-Benz Vans

- Significant increase of unit sales compared to 2009 expected

### ● 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 continued high unit sales and improved margins
- We are targeting EBIT of €4.0 billion

### Daimler Trucks

- EBIT of approximately €1 billion expected, driven by the volume growth, ongoing repositioning and efficiency programs

### Mercedes-Benz Vans

- Should achieve EBIT of approximately €350 million

### Daimler Buses

- EBIT of approximately €180 million expected

### Daimler Financial Services

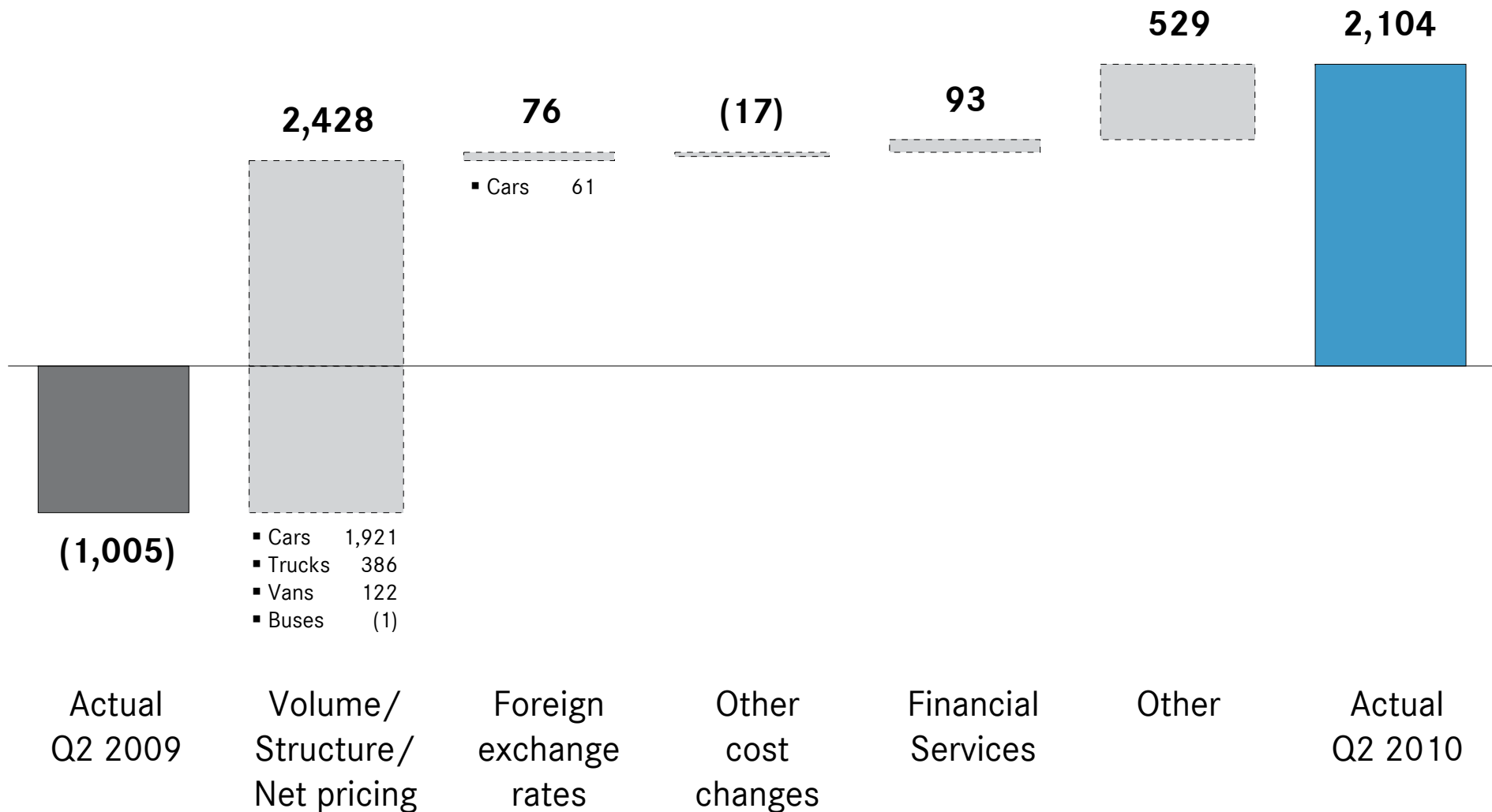
- EBIT from ongoing business of approximately €800 million expected

### Daimler Group

- We are targeting EBIT from ongoing business of €6.0 billion
- For the reconciliation between the sum of the segments and the Group, charges of €200 million are expected
- Due to fragile macro-environment, risks remain in Q3 and Q4 2010. The updated outlook is assuming that the automotive markets remain stable and risks along the automotive value chain do not materialize.

## Group EBIT increased in Q2 2010 due to higher unit sales, improved model mix and better pricing

- in millions of € -





## Special items affecting EBIT / A400M

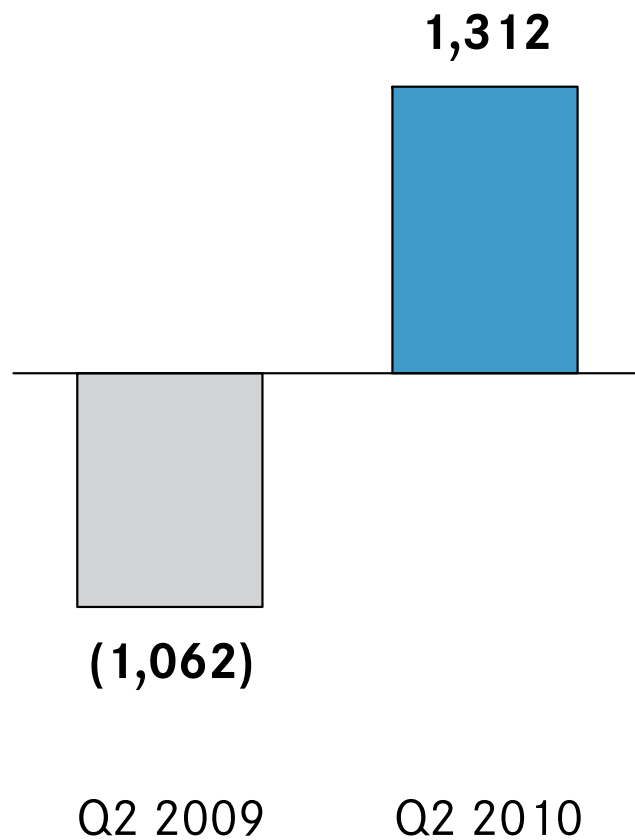
	2nd quarter		January to June	
	2009	2010	2009	2010
- in millions of € -				
<b>Daimler Trucks</b>				
Realignment of Mitsubishi Fuso Truck and Bus Corporation	(204)	(10)	(204)	(15)
Repositioning of Daimler Trucks North America	(13)	(4)	(58)	(16)
<b>Daimler Financial Services</b>				
Repositioning of business activities in Germany	-	(78)	-	(78)
Sale of non-automotive assets	6	26	(22)	(20)
<b>Reconciliation</b>				
Sale of equity interest in Tata Motors	-	-	-	265
Expenses related to Chrysler	(387)	-	(347)	-
<b>A400M military transport aircraft</b>				
		-		(237)*

\* Charges related to the A400M military transport aircraft of EADS are not considered in the calculation of EBIT from ongoing business

## Net profit and earnings per share

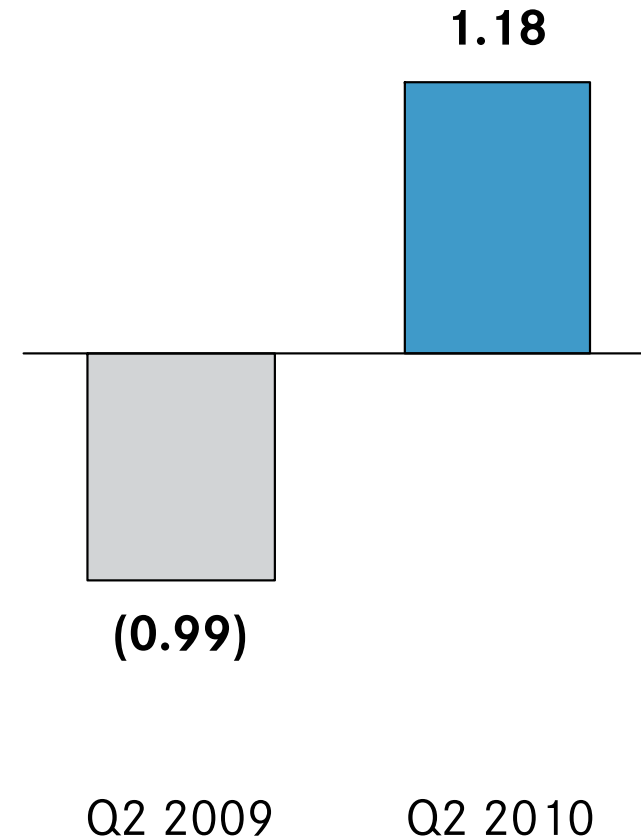
### Net profit (loss)

- in millions of € -



### Earnings (loss) per share

- in € -

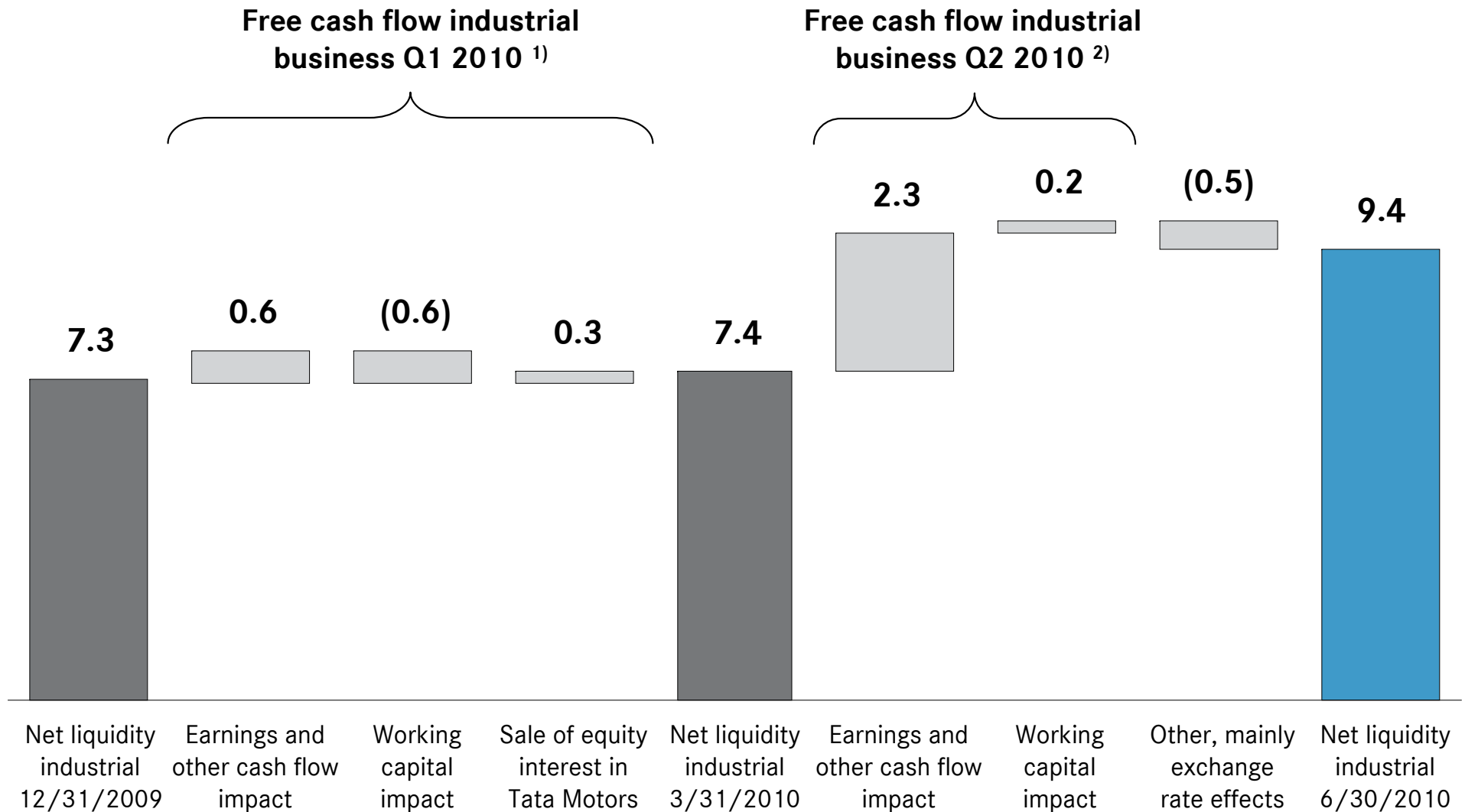


## Key balance-sheet and financial figures

- in billions of € -	Dec. 31, 2009	June 30, 2010
<b>Daimler Group</b>		
Equity ratio	24.7%	25.4%
Gross liquidity	16.1	13.3
<b>Industrial business</b>		
Equity ratio	42.6%	43.0%
Net liquidity	7.3	9.4
Free cash flow (January to June)	0.3	2.8

# Changes in net liquidity industrial business

- in billions of € -



1) €299 million

2) €2,472 million

## Liquidity

Dec. 31, 2009

June 30, 2010

- in millions of € -	Group	IB	FS	Group	IB	FS
Cash and cash equivalents	9,800	6,735	3,065	7,886	6,534	1,352
Marketable securities and term deposits	6,342	5,073	1,269	5,401	4,461	940
<b>Gross liquidity</b>	<b>16,142</b>	<b>11,808</b>	<b>4,334</b>	<b>13,287</b>	<b>10,995</b>	<b>2,292</b>
<b>Financing liabilities (nominal)</b>	<b>(57,301)</b>	<b>(4,523)</b>	<b>(52,778)</b>	<b>(56,569)</b>	<b>(1,598)</b>	<b>(54,971)</b>
<b>Net liquidity</b>	<b>(41,159)</b>	<b>7,285</b>	<b>(48,444)</b>	<b>(43,282)</b>	<b>9,397</b>	<b>(52,679)</b>

## Financing liabilities (nominal)

- in billions of € -	June 30, 2010	thereof maturing in	
		Q3 2010	Q4 2010
Bonds	28.2	0.3	1.3
Bank loans	14.8	2.6	1.7
ABS	1.8	0.3	0.3
Commercial paper	0.1	0.1	0.0
Account deposits	10.7	5.5*	0.2
Other	1.0	0.1	0.1
<b>Total</b>	<b>56.6</b>	<b>8.9</b>	<b>3.6</b>

\* Thereof €5.1 bn daily cash accounts

## Funding status of pension and healthcare benefits

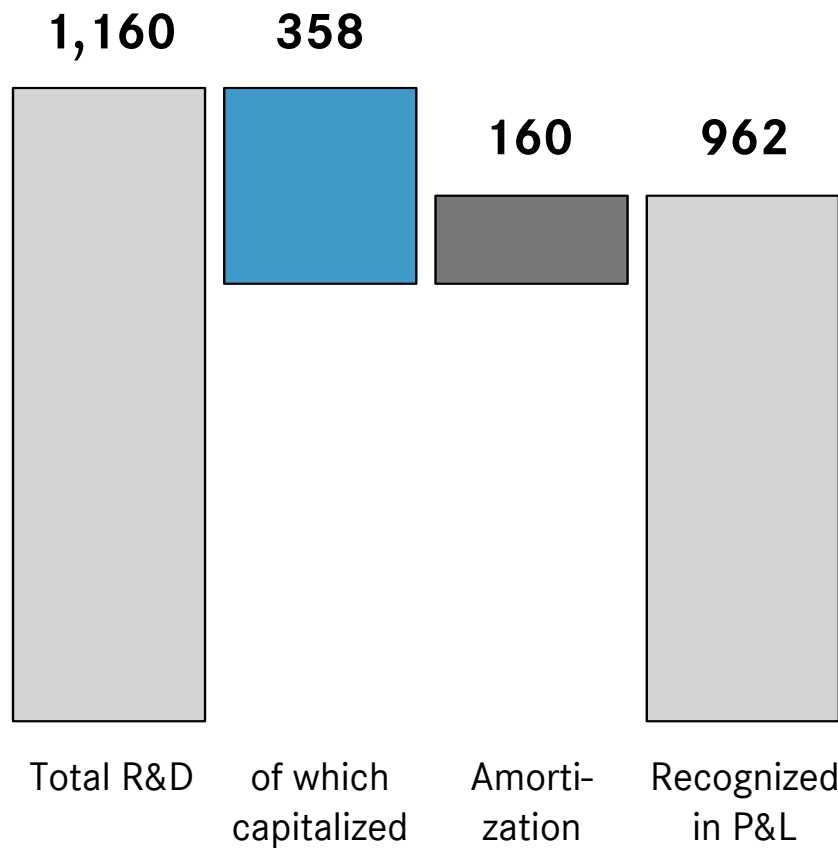
	Pension benefits		Healthcare benefits	
	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010
- in billions of € -				
Benefit obligations*	(16.5)	(17.1)	(1.0)	(1.3)
Plan assets	10.6	10.8	0.0	0.0
Reimbursement Medicare Act			0.1	0.2
<b>Funded status</b>	<b>(5.9)</b>	<b>(6.3)</b>	<b>(0.9)</b>	<b>(1.1)</b>
Provisions	3.1	3.5	0.8	1.0
<b>Funded position net of provisions</b>	<b>(2.8)</b>	<b>(2.8)</b>	<b>(0.1)</b>	<b>(0.1)</b>

\* Premises based on December 31, 2009

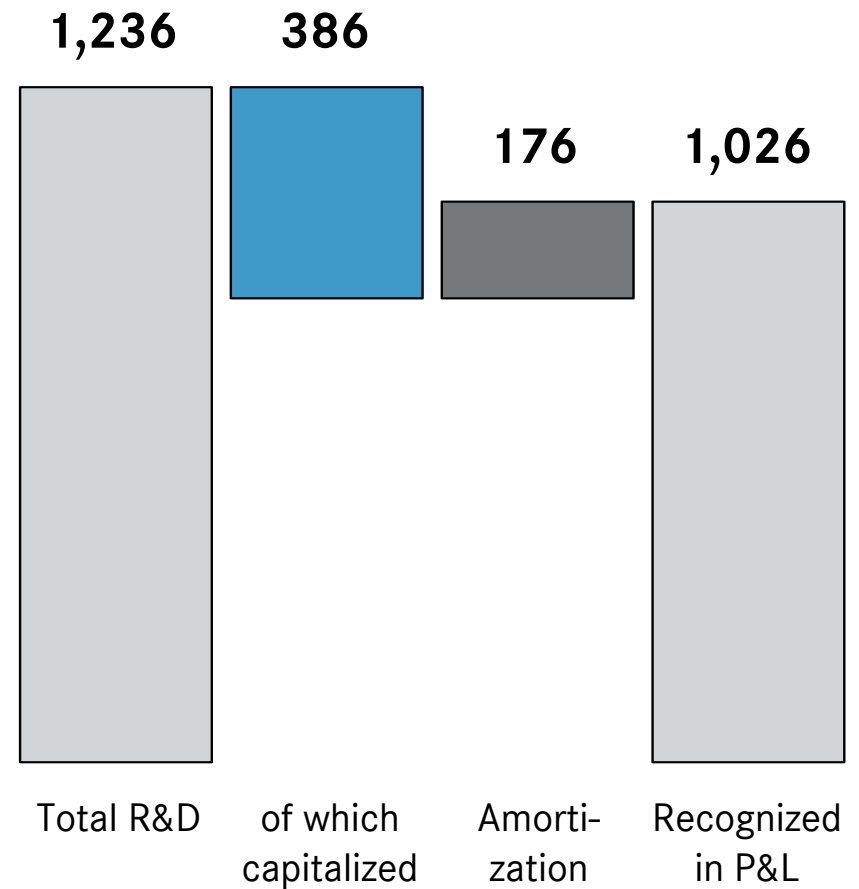
# Research & development costs

- in millions of € -

Q2 2009

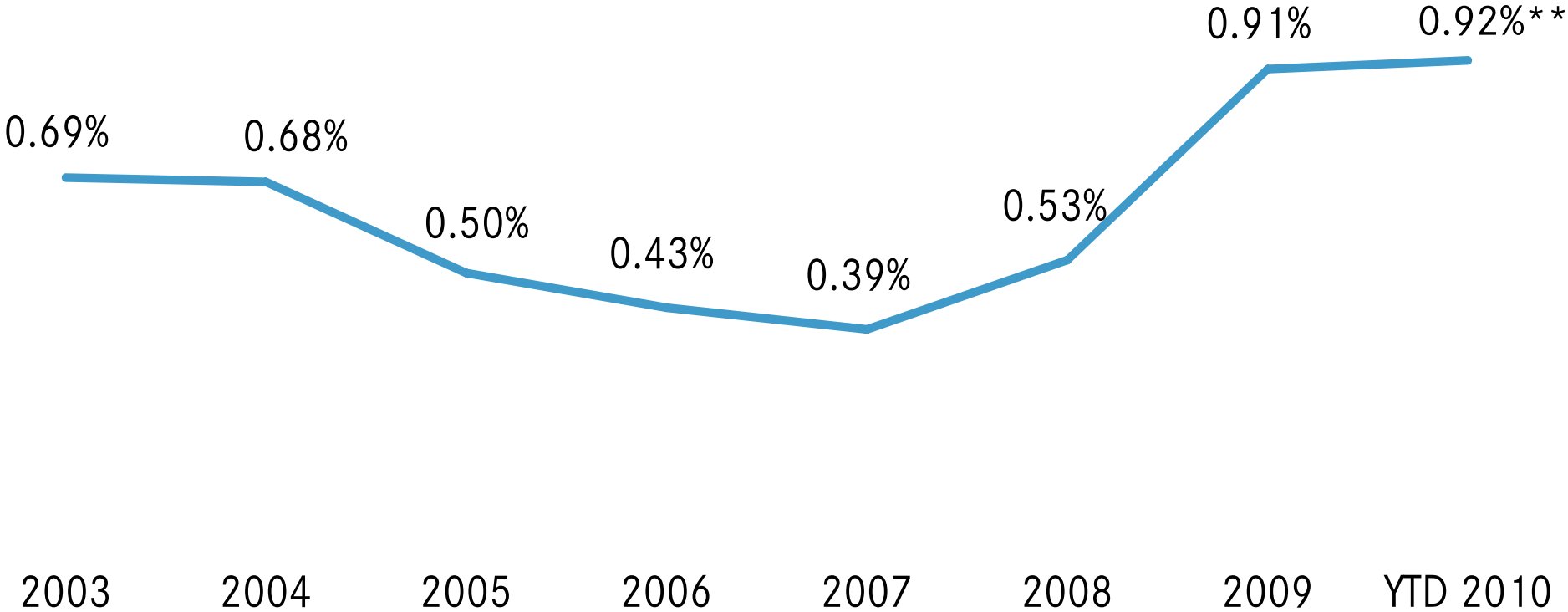


Q2 2010





# Net credit losses\* remain on relatively high level



\* percent of global automotive portfolio subject to credit risk

\*\* annualized rate

## 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 renewed 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-Nissan, 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.