

# DAIMLER

---

## Daimler Trucks & Daimler Buses Division Day Mitsubishi Fuso Truck and Bus Corporation

Dr. Albert Kirchmann  
President and CEO – Mitsubishi Fuso Truck and Bus Corporation  
Head of Trucks Asia  
Wörth November 30th, 2010



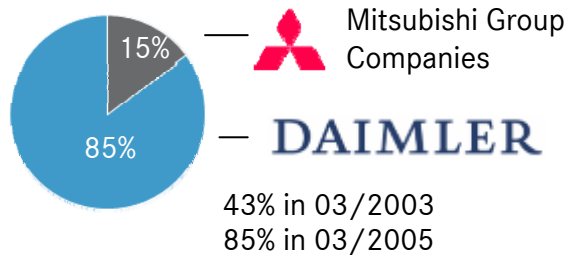
- **Fuso Profile**
- **Current performance**
- **Changing truck industry**
- **Global Excellence**
- **Outlook 2011**



## Fuso Profile

## Fuso – key information

### Fuso Ownership Structure



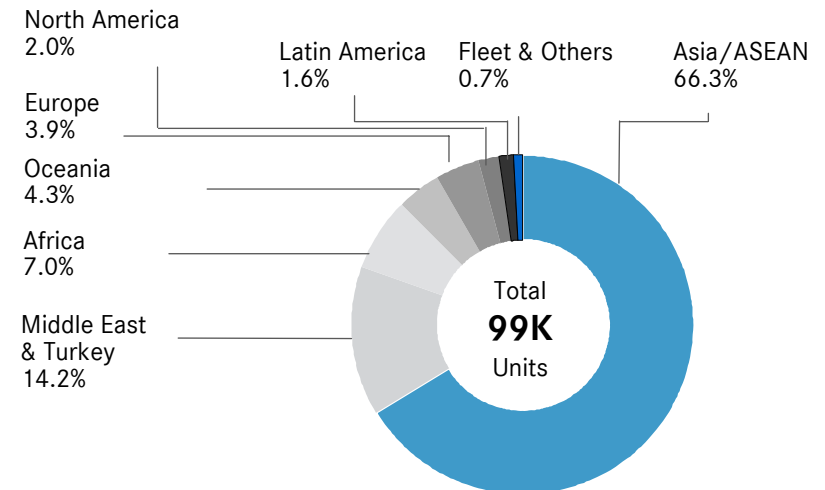
### Corporate History

- 1932 First Fuso bus 'B46' built
- 1949 Mitsubishi Fuso Motors Sales founded
- 1970 Fuso merged under newly founded Mitsubishi Motors Corp.
- 2003 MFTBC founded. DC takes 43% equity
- 2004 MFTBC fully consolidated in DC Commercial Vehicles Division
- 2005 DC raises to 85% equity
- 2007 Fuso celebrates 75<sup>th</sup> anniversary

### Corporate Statistics (2009)

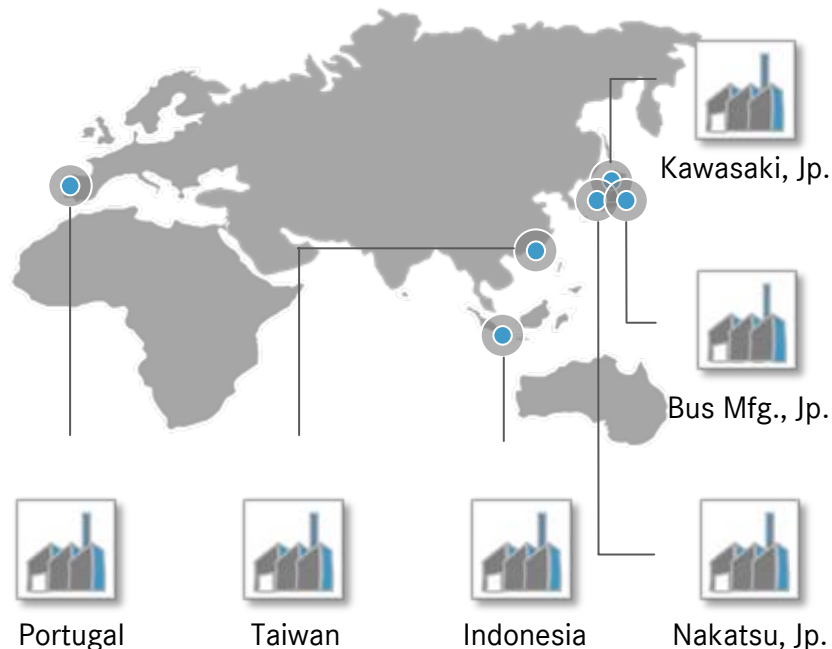
Sales Volume:	99,500 units
Domestic:	23,000 units
International:	76,500 units
Employees:	14,100

### MFTBC Global Sales By Region 2009

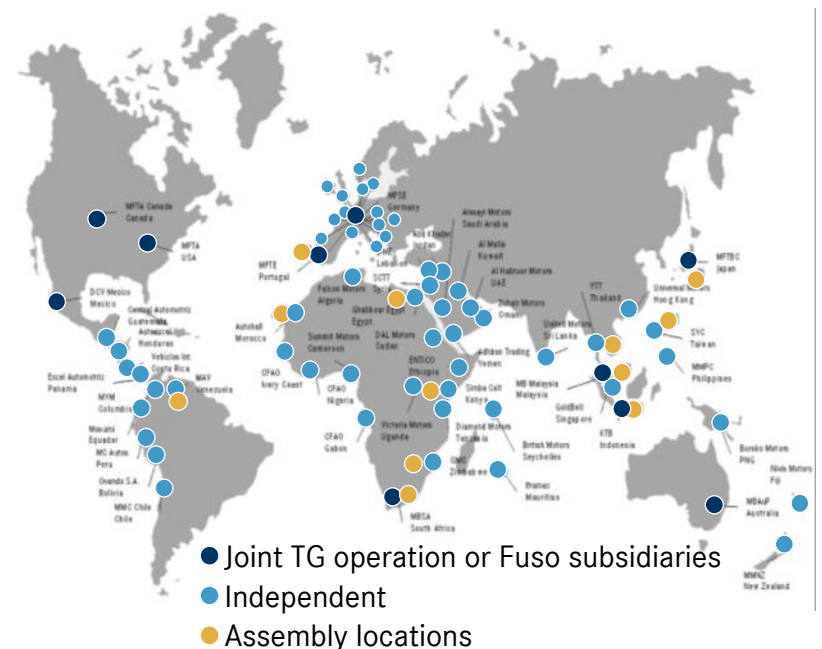


## Fuso/Trucks Asia operations covered by global production facilities and sales/after-sales network

### Global Production Footprint - Key Facilities



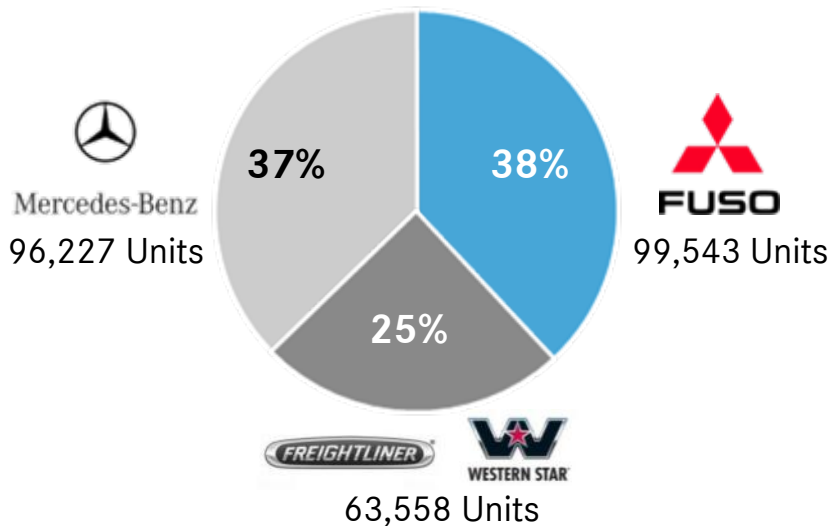
### Extensive world wide sales and after-sales network in over 150 countries



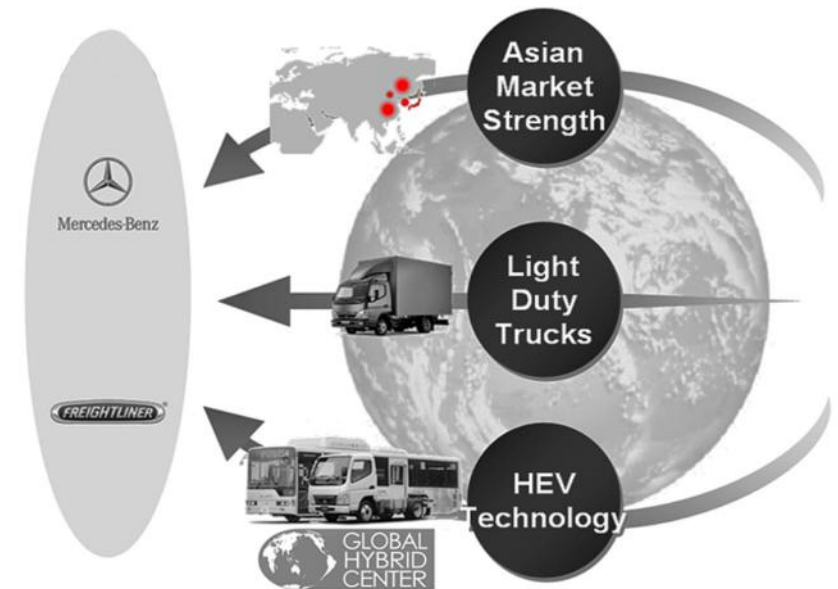
## Fuso/Trucks Asia is an integral and important part of Daimler Trucks

### Daimler Trucks Total Sales Units (2009)

259,328 Units



### Key roles of Fuso in Daimler Trucks



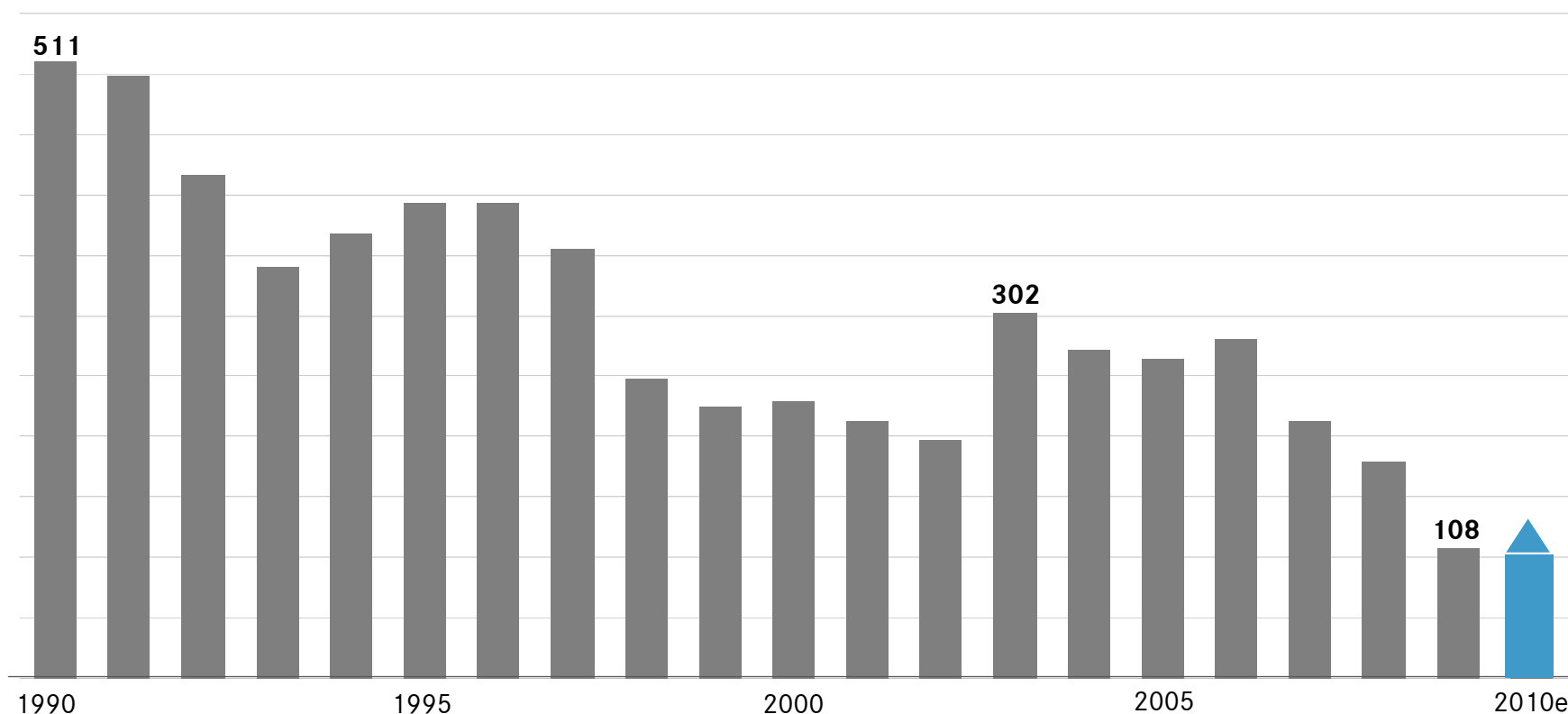


## Current Performance

# Even Before Economic Crisis, Japan Commercial Vehicle Market in Structural Change

## Total Market Japan (LDT/MDT/HDT/Bus)

- '000 units -

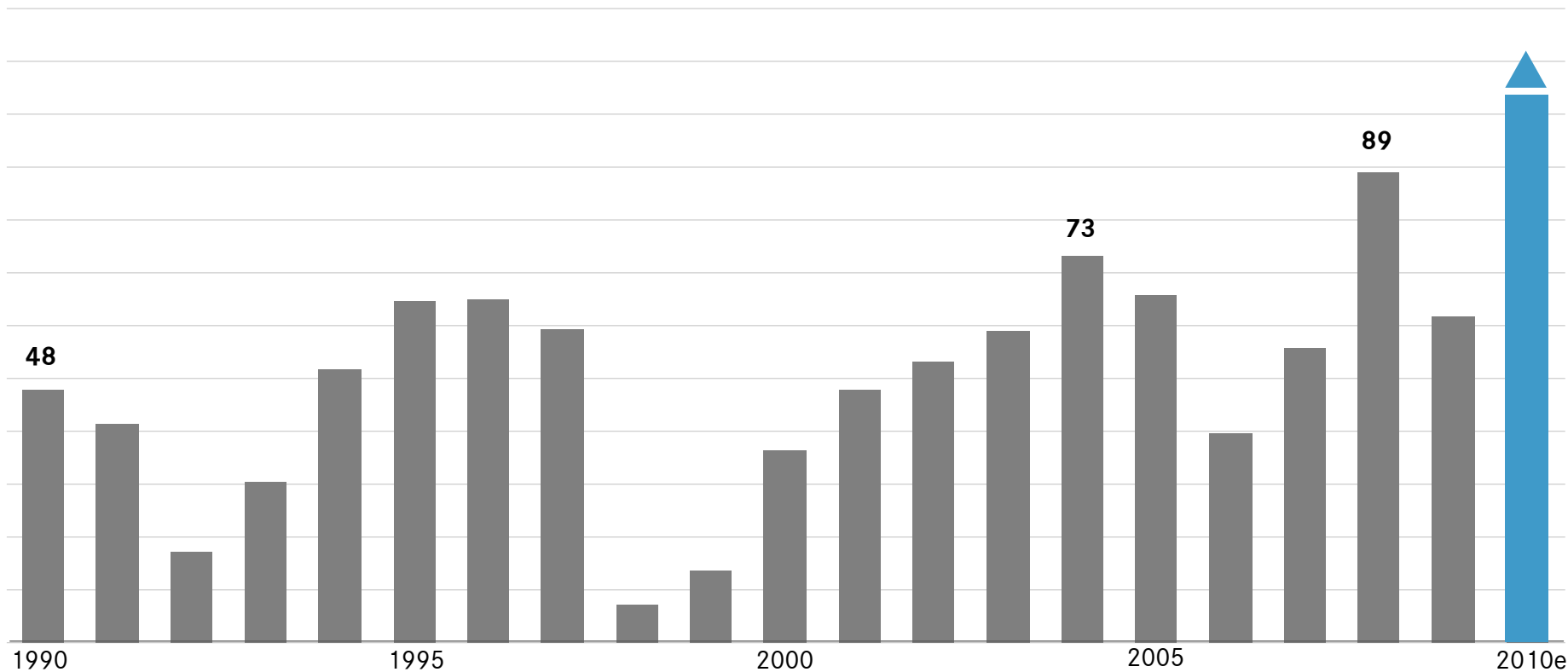




# The Indonesian market is recovering

## Total Market Indonesia (LDT/HDT/Bus)

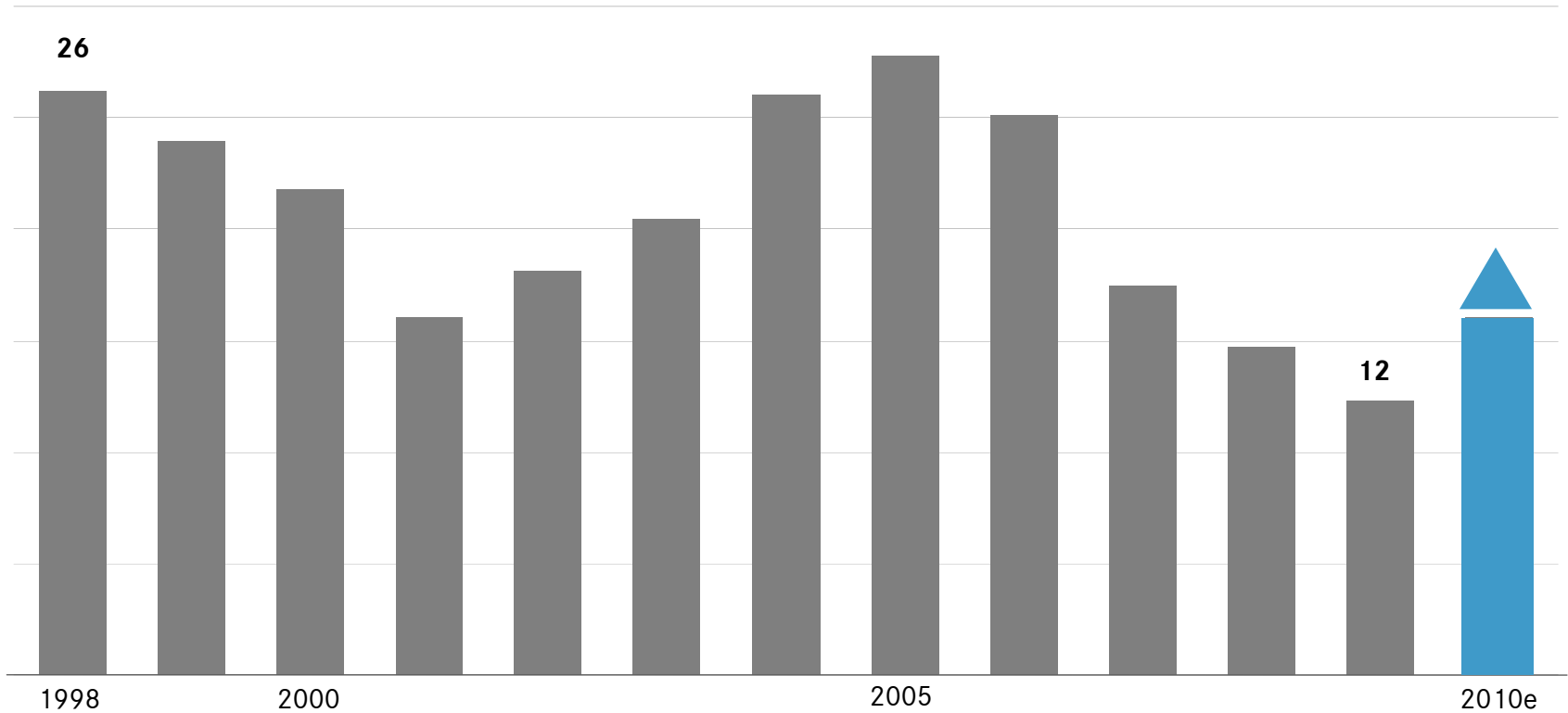
- '000 units -



## The Taiwan market is recovering

### Total Market Taiwan (LDT/MDT/HDT/Bus)

- '000 units -

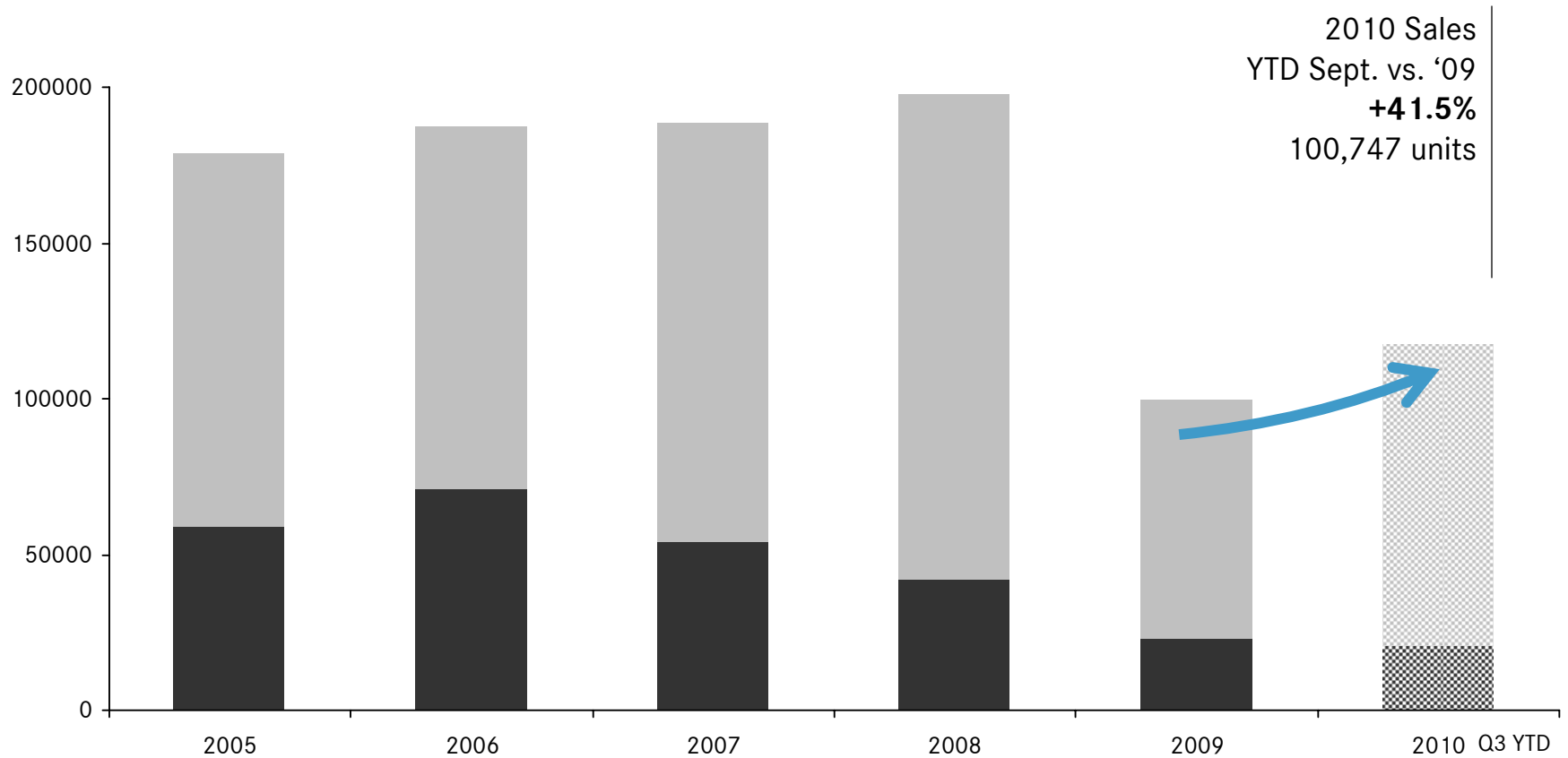


## Fuso Sales Now in Recovery Mode

Sales @ DAI OU

➤ International

➤ Japan Domestic



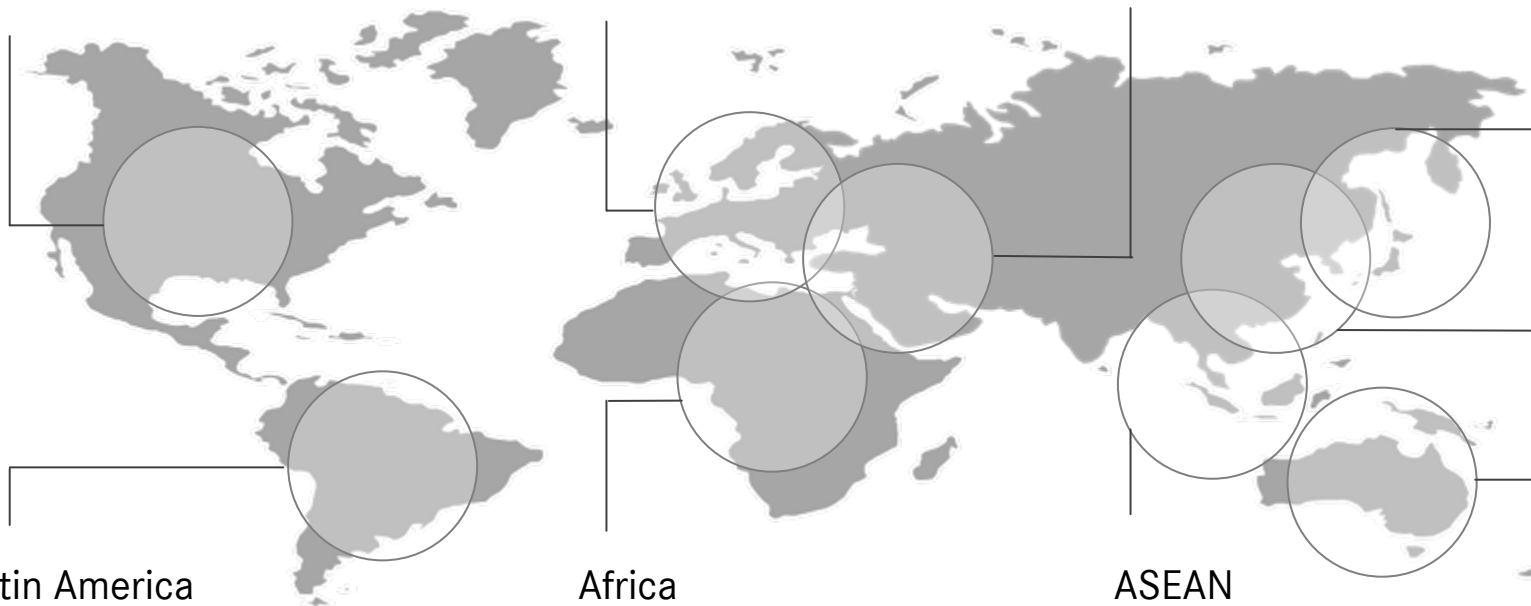
## Sales Increasing in All World Regions, Including Japan

North America  
**+132.7%**

Europe and Turkey  
**+158.5%**

Middle East  
**+11.0%**

Japan  
**+3.7%**



Latin America  
**+231.9%**

Africa  
**+28.6%**

ASEAN  
**+63.0%**

NE Asia<sup>1</sup>  
**+50.8%**

Oceania  
**±0.0%**

Fuso OU Units Sales, 2010 YTD Sept. vs. 2009 YTD Sept.

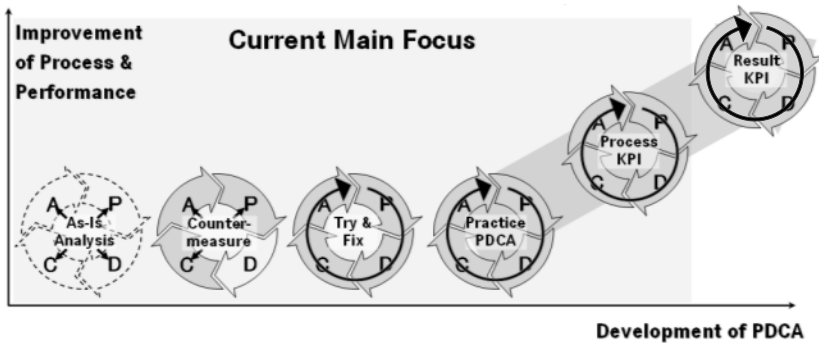
<sup>1</sup>Excluding Japan



## Changing truck industry

## Fuso brings focus on downstream business

### Domestic Retail Program



- Reliable** Full-Support System
- Safety** Expert Knowledge & High Technical Capability
- Reasonable** Reliable Warranty by Fuso

### International “WE PROMISE” Program



Implemented in 26 markets



# Fuso a leader in green technologies, working on three major fronts for fuel efficiency and low emissions

New powertrain, Hybrid technology and Electric vehicle are key elements for GREEN Technology.



Canter



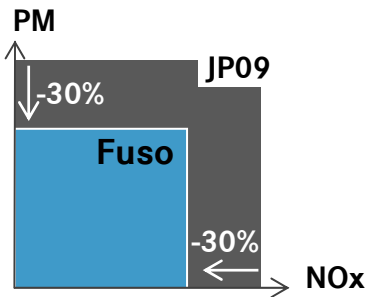
New transmission "DUONIC"



Canter Eco Hybrid  
(Over 1,000 units sold)



Canter E-CELL:  
based on 3S13



Fuso fulfills "beyond JP09"



After treatment System "BlueTec®"



Aero Star Eco Hybrid



MHI EV bus (Aero Star Eco Hybrid based: now in body builder for EV modification)

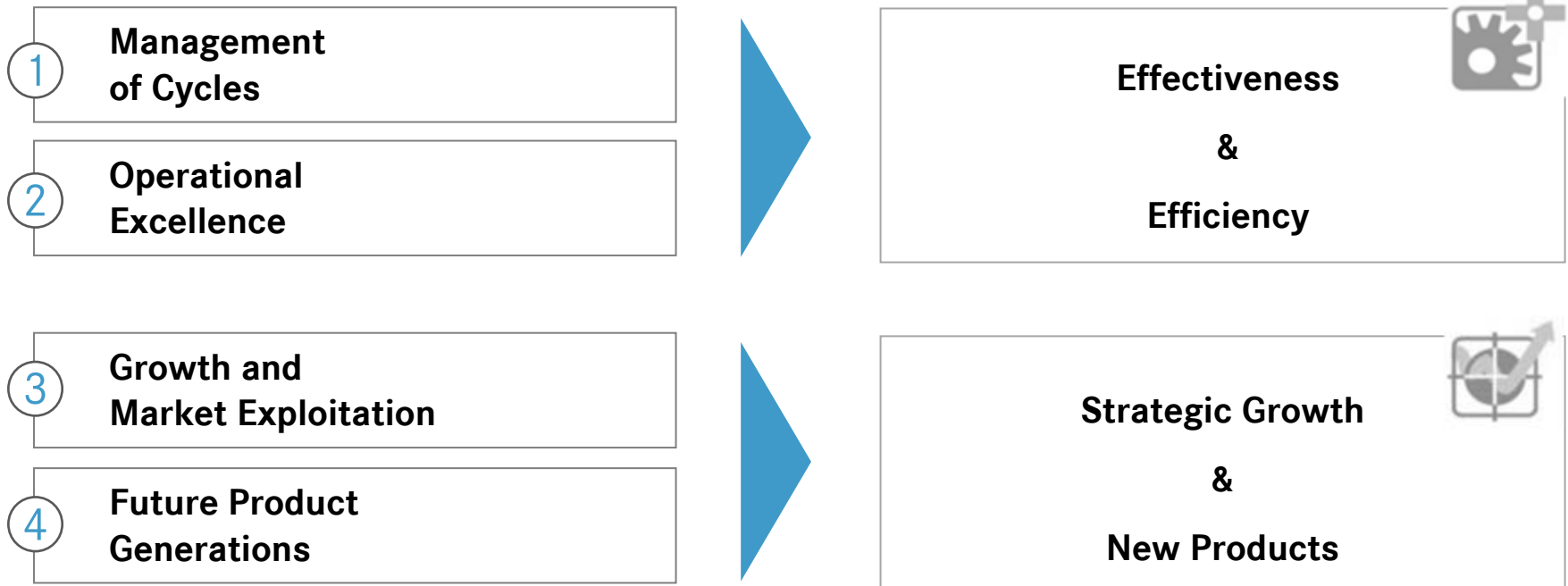


**Global Excellence**



# “Global Excellence” as underlying strategic program

## Global Excellence - Pillars



# Fuso's Realignment is almost completed

## Streamlining Product Portfolio

- Reduced model variants 50%.
- Reduced parts variants 30%.

## Realignment of Manufacturing Operations

- Integration HD/MD lines Kawasaki plant, Aug. 09
- Thailand plant sold, Jan. 2010
- Oye bus plant closed, May 2010

## Streamlining Japan Retail Network & Enhancing International After Sales

- Japan sales locations reduced 25%.
- "Good Support" campaign launched in April 2010 to increase service quality, availability, revenues.

## Material Cost Optimization

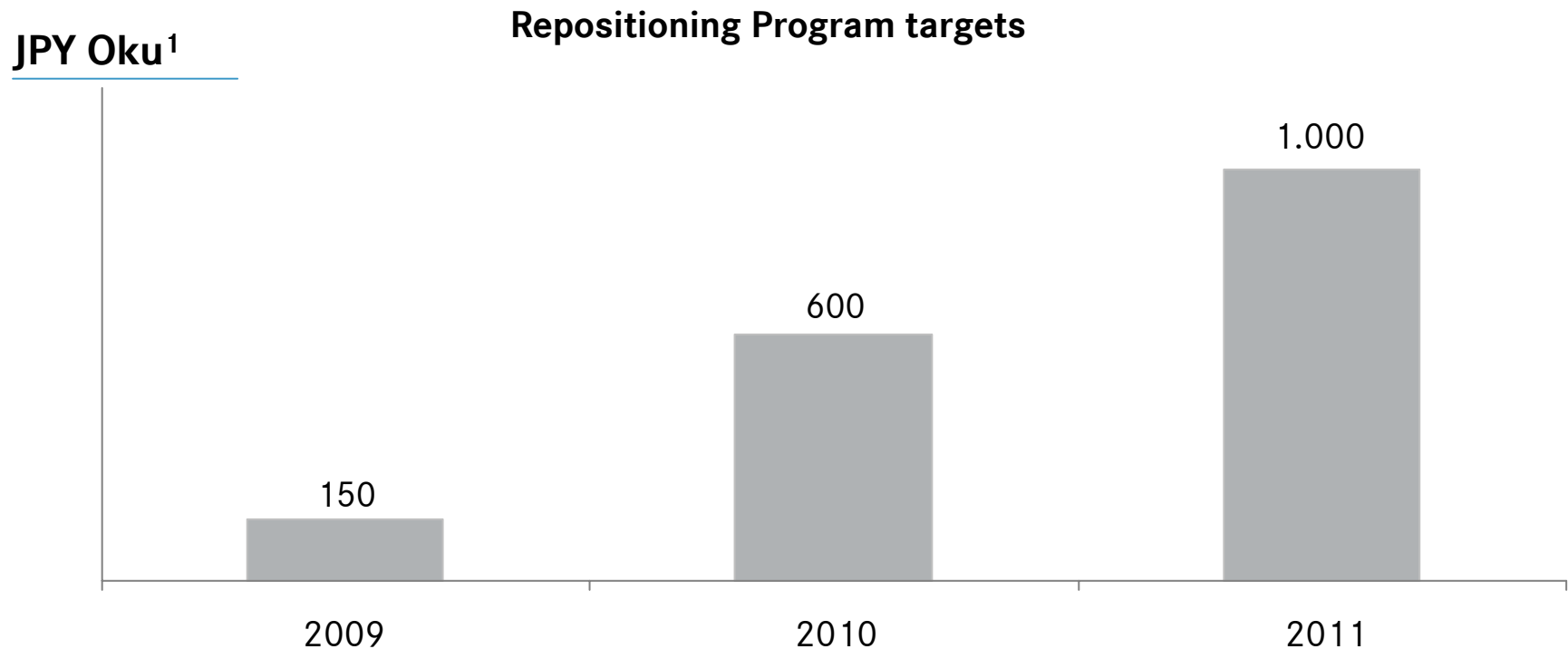
- Total material cost optimization.
- Improvement of global sourcing rate

## Fixed Cost Reduction

- Fixed cost reduction of 25% achieved.
- Workforce reduction 2,300 people completed.

**760 MEU improvement by 2011 Program Costs of 260 MEU**

# Repositioning Program target was clearly achieved



1. Annual EBIT improvements at normal year volume

# Fuso made structural/ fundamental changes to enhance efficiency

## Plant productivity increase

Closure of Oye plant

Sale of Thailand plant to 3rd party

Integration of MDT into HDT line

MDT line



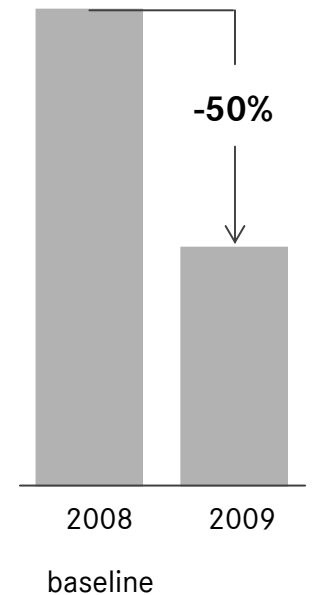
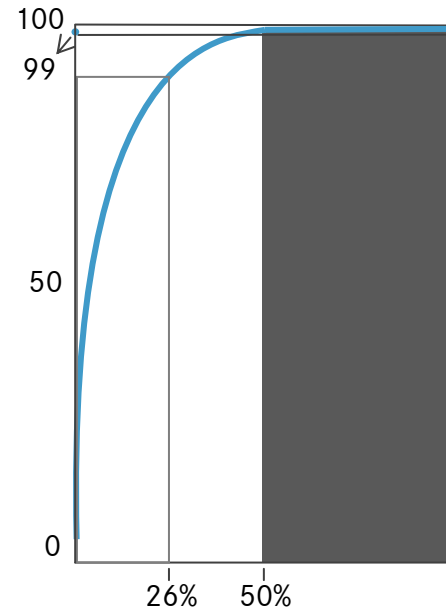
MDT/HDT line



## Model variants reduction by 50%

Contribution margin Percent

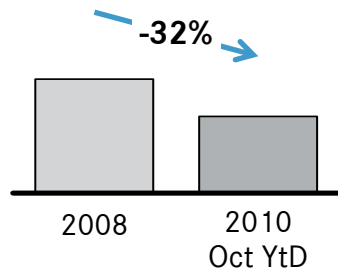
Number of truck variant



# Fuso's key performance indicators have improved against baseline 2008 due to the realignment program

## Fixed costs

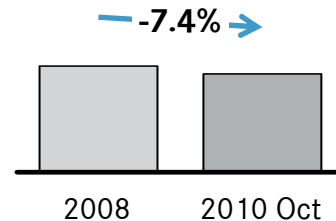
JPY oku, MFTBC, monthly average



## Material costs

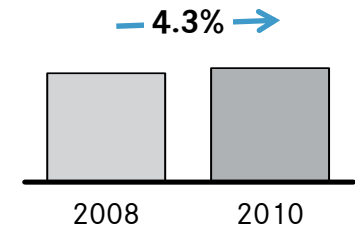
(domestic)

Index vs. 2008 for Canter<sup>1</sup>



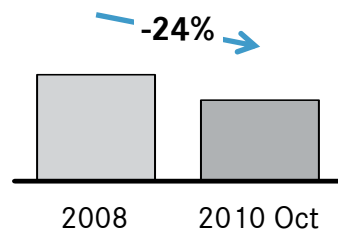
## Net revenue (domestic)

JPY millions per unit for Canter in Q3



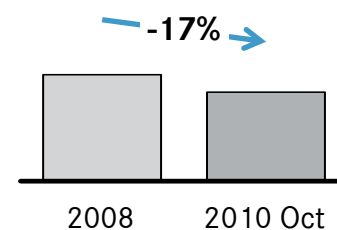
## Inventory level

# of units, Fuso OU, end of...



## Net assets

JPY oku, Fuso OU, end of...



1. Reference model for domestic Canter: FE70BB1A3 in 2008, FE70BB1A6 after model change in 2010

## Fuso is leveraging HD engine concept within Daimler group

### USA



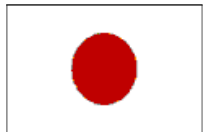
1  
SOP 2009

Volume of production in 2009: **19,387**



[DD15-14.8l, DD13-12.8l]

### Japan



2  
SOP 2010



[Engine / Fuso Super Great JP09, 04/2010]

### EU



3

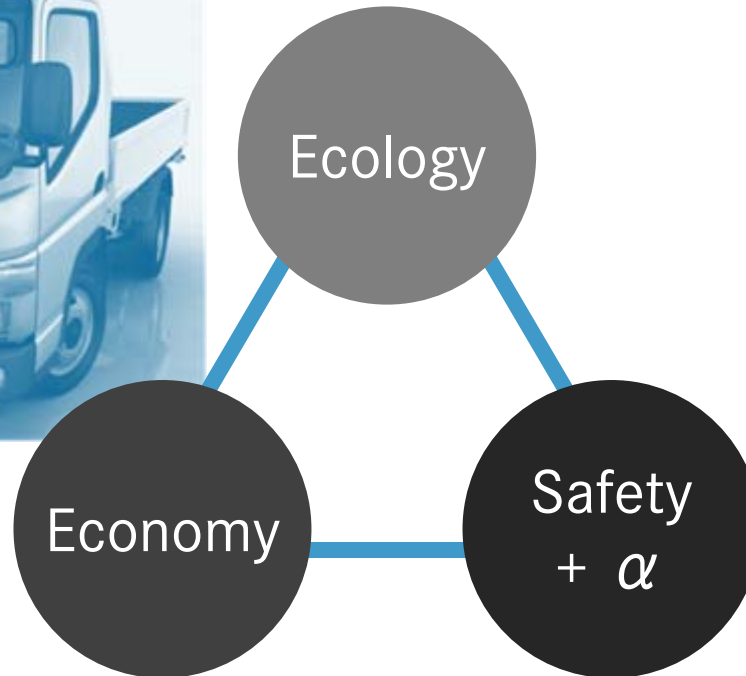


- New Technology
- Global Experience



6R10 for post JP09 was developed at the initiative of FUSO.

## New Canter LDT - 3 pillars of innovation



### ▪ **Ecology**

- Engine + BlueTec®
- Clean emission (-30% PM & NOx)
- CO2 reduction

### ▪ **Economy**

- FES and actual FC superiority
- Light chassis (IFS, Frame)
- Eco drive support device
- Maintenance interval extension

### ▪ **Safety + $\alpha$**

- Brake over-ride & 4-wheel disc brake
- Duonic (shock, creep, p-range, m-mode)
- Reliable vehicle (3.2 mil km running)

# New Canter to Significantly Increase Global Sourcing

Previous Generation Canter



New Generation Canter (2010)



Percentage of  
Parts Value  
Sourced  
Outside Japan





# Fuso A Key Part of Daimler RIC Market Strategy

Numerous market initiatives underway in Russia, India, China

## Russia



Partnership with Kamaz

- Cooperation with HDT market leader to enter Russian volume market.
- JV “Fuso Kamaz Trucks Rus.”
- Local production at Naberezhnye Chelny.
- Fuso Canter sales started in 2010.
- Dealer network expansion underway.
- Evaluate product line expansion.

## India



Market presence established

- Collaboration with Daimler India Commercial Vehicles (DICV).
- New test track opened in 2010, production in 2012.
- Fuso LB sales started in 2010 with focus customers.
- Localization and light bus line-up expansion.

## China



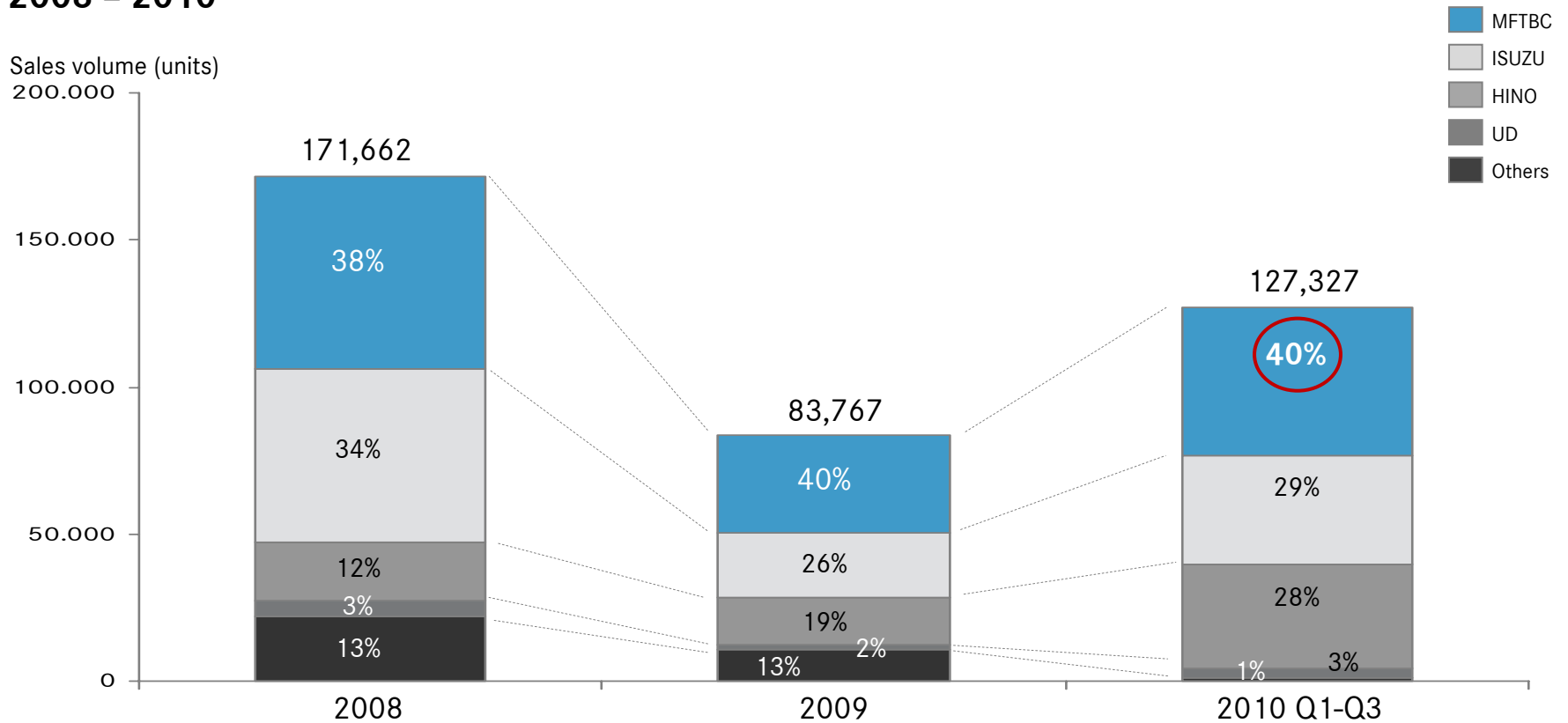
Growth with local partners

- Fuso already serving HDT cab/chassis and industrial engine markets.
- Channel expansion for existing HDT businesses.
- Collaboration with Foton underway.
- Product expansion planned with Euro V models.

Enhancing Presence in Key Growth Markets

# “Next 11 markets” \* Fuso Leader among Japanese OEMs

2008 – 2010



\* Egypt, Indonesia, Iran, Korea, Philippines, Mexico, Nigeria, Pakistan, Turkey, Vietnam, Bangladesh

# Major Product Offensive in 2010



あらたな世界に走りだす

**CANTER**



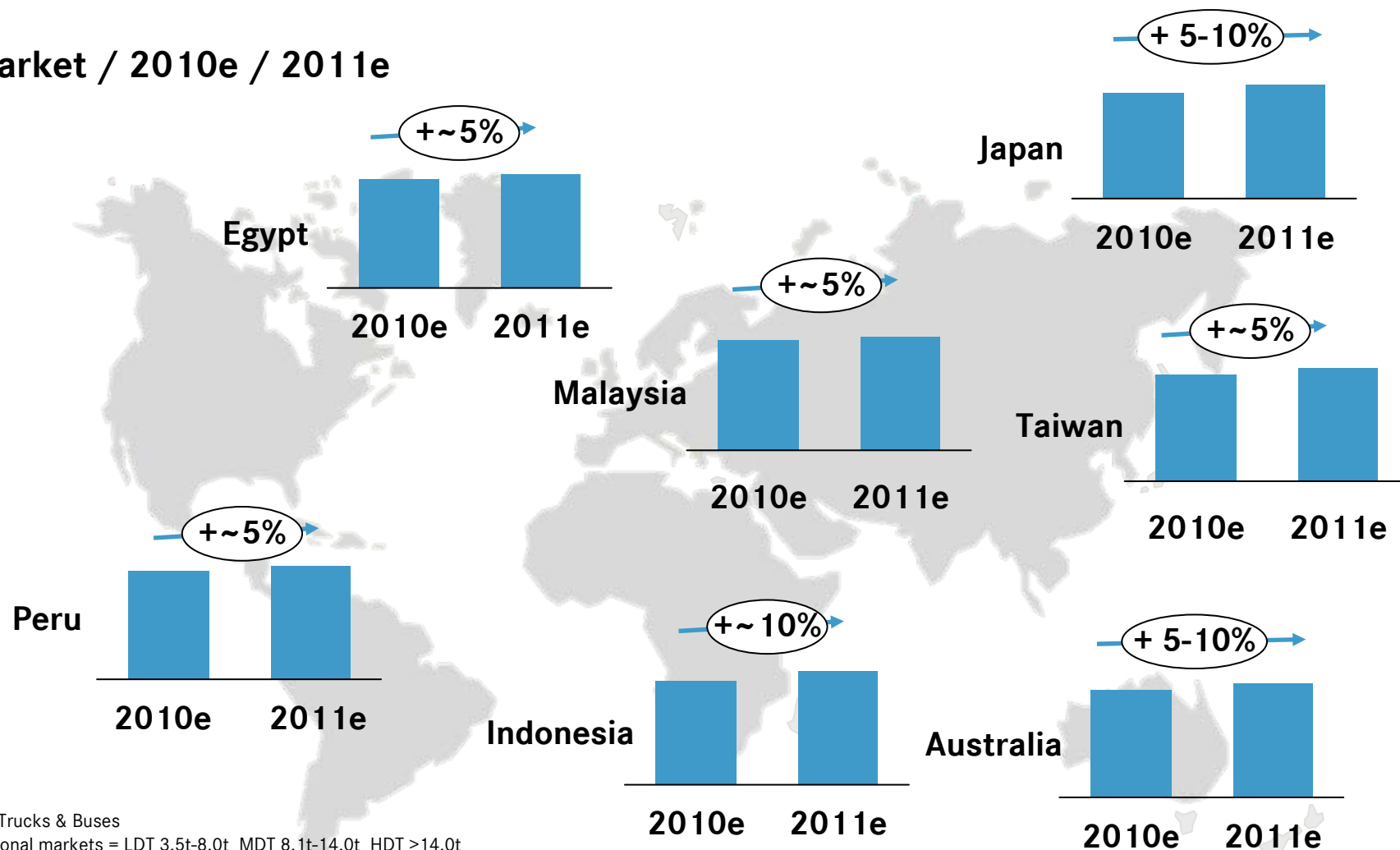
**CANTER  
ECO HYBRID**



## Outlook 2011

## Key Markets Expected to Continue Growth in 2011, Fuso Well Positioned with Strong Market Shares

Market / 2010e / 2011e



Japan = Trucks & Buses

International markets = LDT 3.5t-8.0t MDT 8.1t-14.0t HDT >14.0t

## 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.