

DAIMLER

Daimler Trucks & Daimler Buses Division Day Daimler Trucks North America

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President and CEO – Daimler Trucks North America
Wörth November 30th, 2010



- **DTNA Key Information**
- **Current performance**
- **Changing truck industry**
- **Global Excellence**
- **Outlook 2011**



DTNA Key Information

DTNA Key Information

Corporate Statistics (2006)

Sales Volume:	178,000 units
Domestic U.S.:	151,000 units
CAN / Mexico:	21,000 units
Export:	6,000 units
Employees:	25,000

Corporate Statistics (2009)

Sales Volume:	65,000 units
Domestic U.S.:	53,000 units
CAN / Mexico:	9,000 units
Export:	3,000 units
Employees:	14,000

Market Presence (2009)

Freightliner Trucks:

- #1 in Class8 in NAFTA: 31%
- #2 in Class 6/7 in NAFTA: 27%

Freightliner Customs Chassis:

FCCC Leader in Walk in Vans and Recreational Vehicles

Thomas Built Buses Leader in :

- Type A – Buses (24% Market Share)
- Type C - C2 Conventional (31% Market Share)
- Type D - Front & Rear Engine Transit (42% Market Share)

Export Markets

Exporting into 30 countries worldwide with 3,000 units sold in 2009 (5,700 in 2010)

DTNA Key Information

Corporate History

1940s



Freightliner founded by Leland James. First full scale manufacturing facility opens in Portland, Oregon

1980s



Daimler Benz AG acquires Freightliner Corporation from Consolidated Freightways

2000



Freightliner acquires Western Star, a manufacturer of heavy duty trucks for long haul and vocational applications

2000



DaimlerChrysler AG acquires 100% of Detroit Diesel Shares

2004



Freightliner opens an advanced wind tunnel testing facility in Portland, Oregon

2008



Freightliner launches the Cascadia - its new Class 8 model with benchmark aerodynamics

2009



DTNA open its green field developed benchmark truck manufacturing plant in Saltillo, Mexico

Main truck production sites of Daimler Trucks North America

Total Truck Production Volume:
2008: 80,000 units (incl. St. Thomas)
2009: 43,000 units (incl. St. Thomas)

Portland, USA



Area: 105,000 m²
 Employees: 700
 Volume 2008: 6,000 units
 Volume 2009: 3,800 units

Saltillo, Mexico



Area: 3 000 000 m²
 Employees: 1,400
 Volume 2008: SOP in 2009
 Volume 2009: 7,900 units

Santiago, Mexico



Area: 360,00 m²
 Employees: 1,700
 Volume 2008: 24,000 units
 Volume 2009: 18,400 units

Mt. Holly, USA

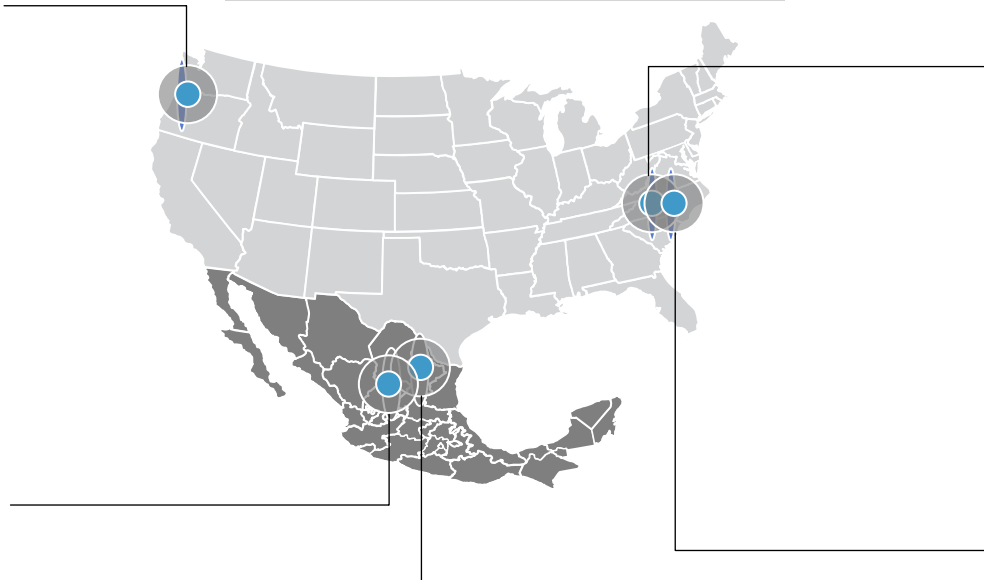


Area: 433,000 m²
 Employees: 500
 Volume 2008: 14,000 units
 Volume 2009: 2,200 units

Cleveland, USA



Area: 720,000 m²
 Employees: 1,300
 Volume 2008: 24,000 units
 Volume 2009: 9,700 units



DTNA is more than just a truck manufacturer

- Largest Heavy Duty engine manufacturer
- Successful Freightliner Custom Chassis
- Profitable school bus unit
- Growing REMAN
- Western Star is the most dynamic brand
- Growing captive axle business



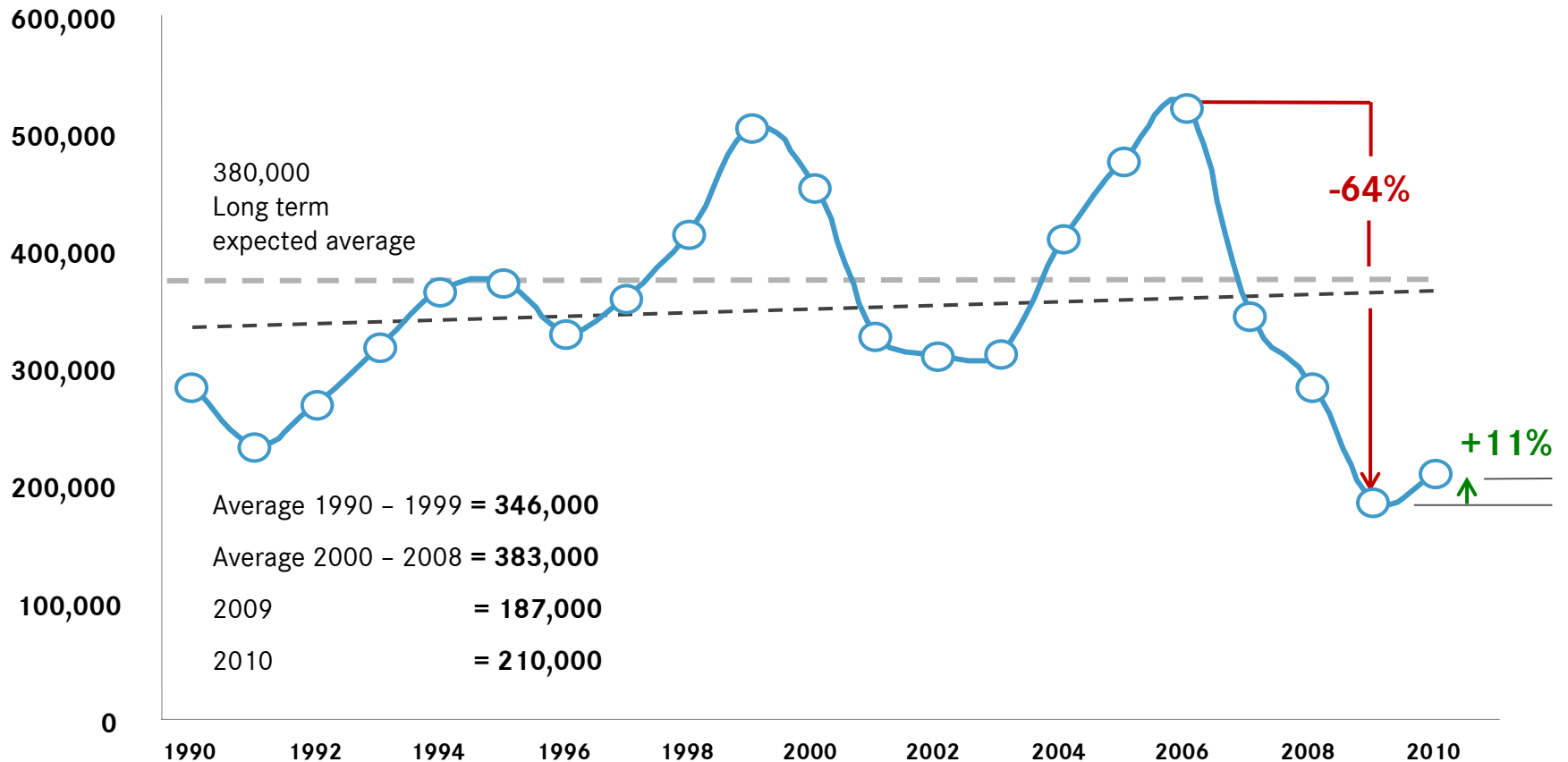
Subunit concept to leverage the strength of the core truck business



Current Performance

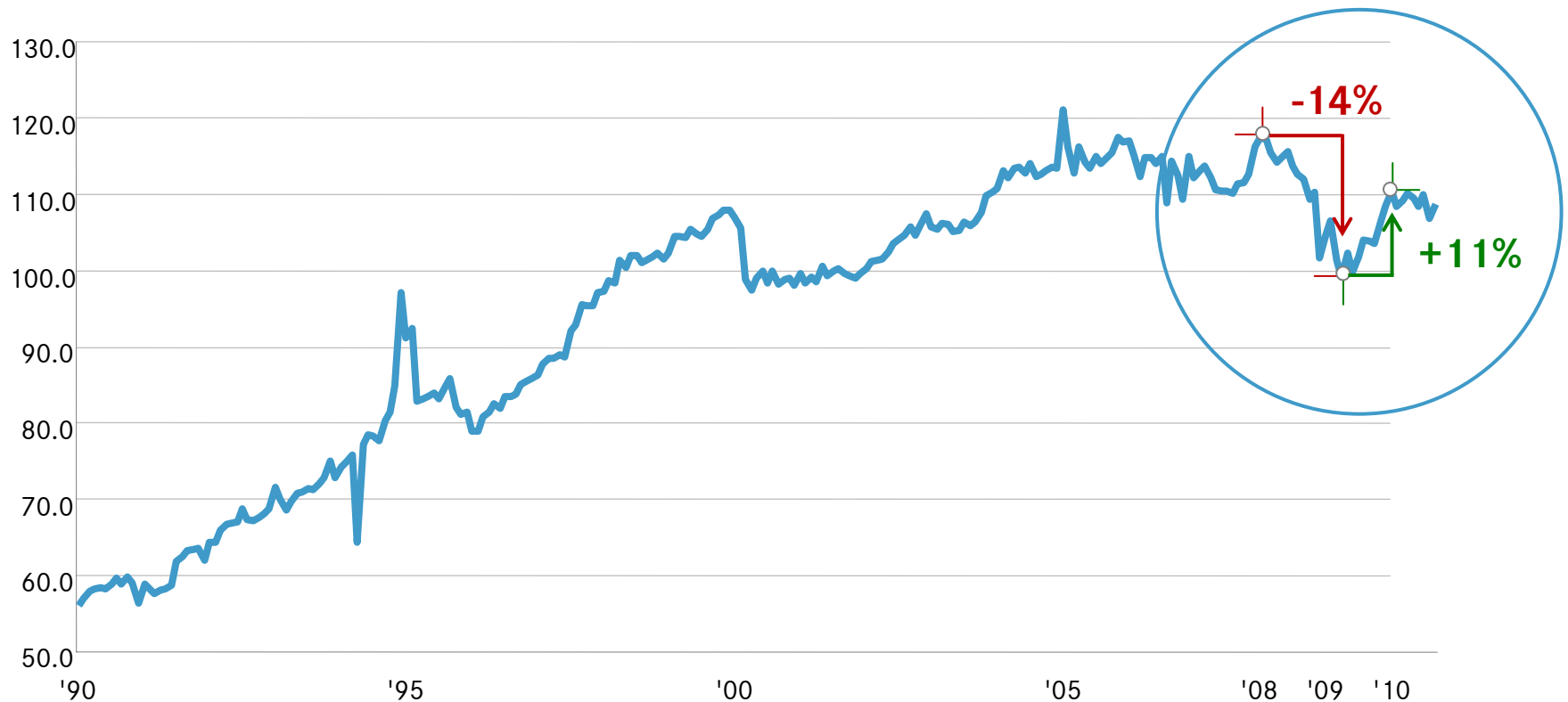
Despite slight recovery 2010 is still the second worst market for the North American trucking industry

NAFTA Market Class 6-8



US Trucking tonnage far above 2009 level but still volatile

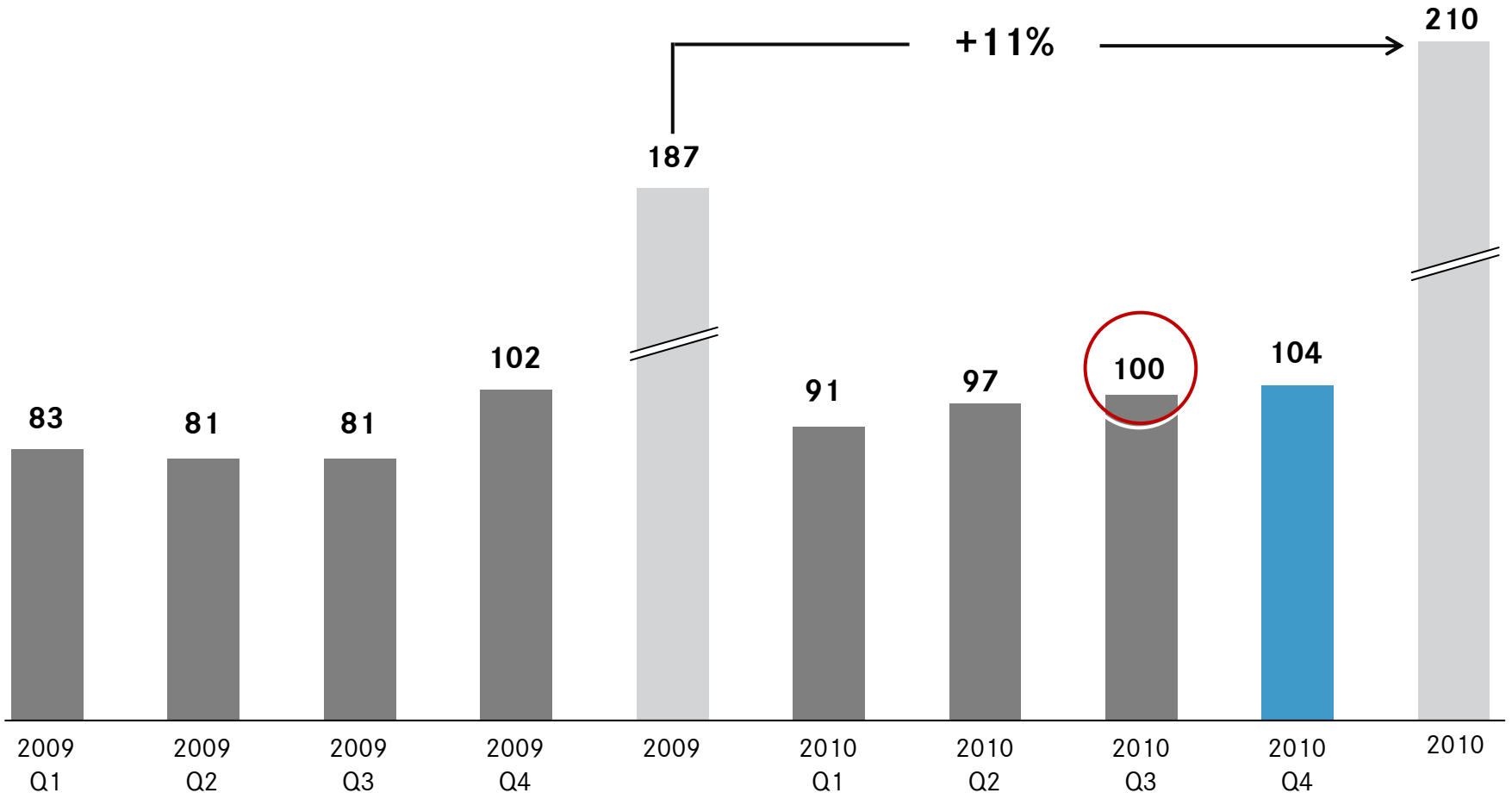
US Truck Tonnage Seasonally-Adjusted Index History (2000=100)



Source: American Trucking Association (ATA)

Quarterly NAFTA Class 6-8 Market

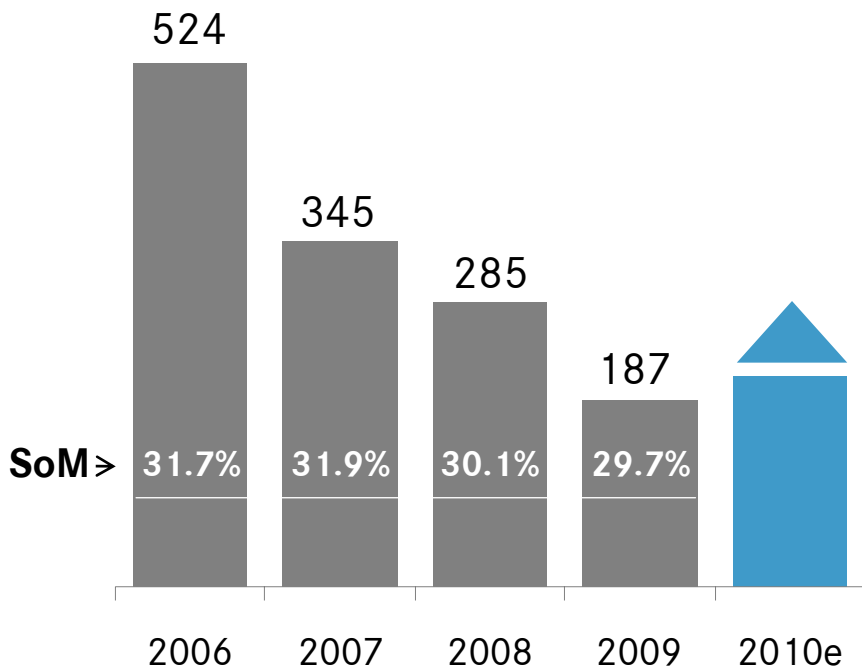
Gradual improvement from the recession



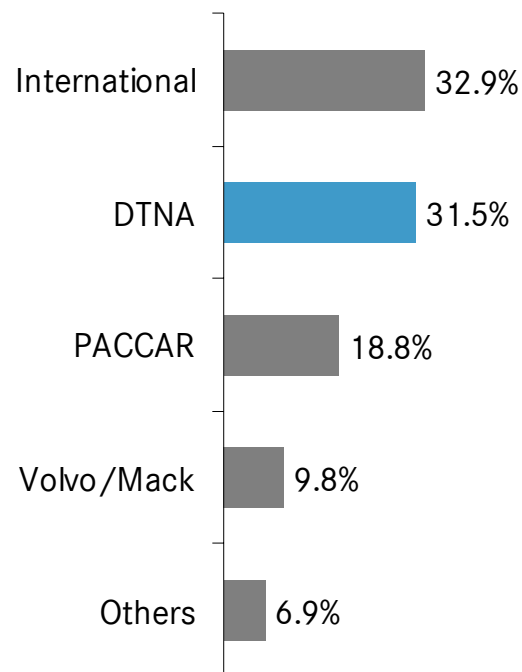
DTNA NAFTA Class 6-8 retails sales and market share

Truck Market NAFTA*

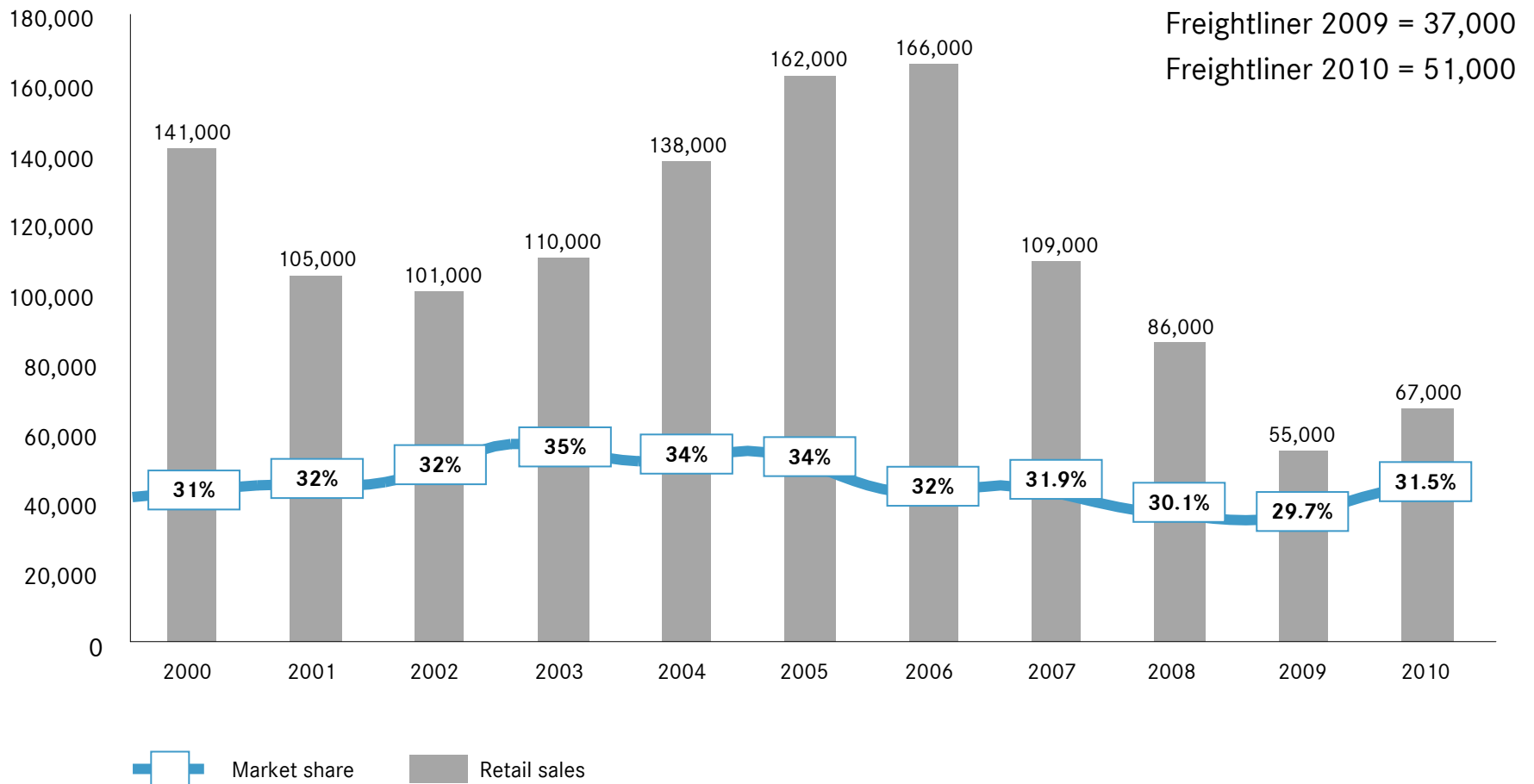
- '000 units -



Market Share NAFTA YTD 10/10



DTNA NAFTA Class 6-8 retails sales and market share





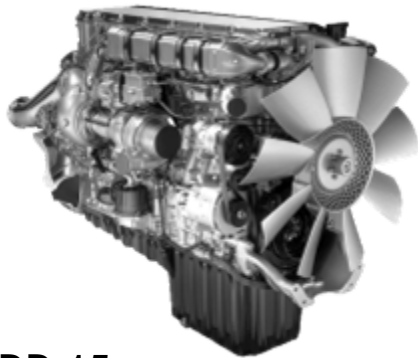
Changing Truck Industry

Fuel efficiency leadership position confirmed

+5% Fuel Efficiency EPA10

Captive Heavy Duty Engine penetration –

EPA 10 Orders = 94%



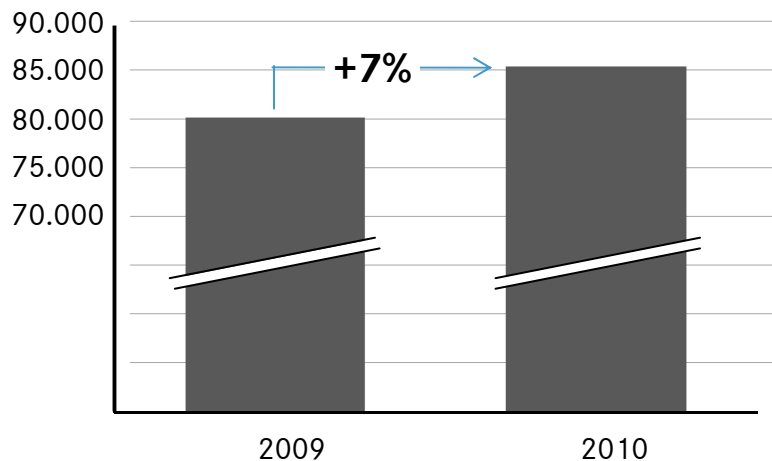
DD 15



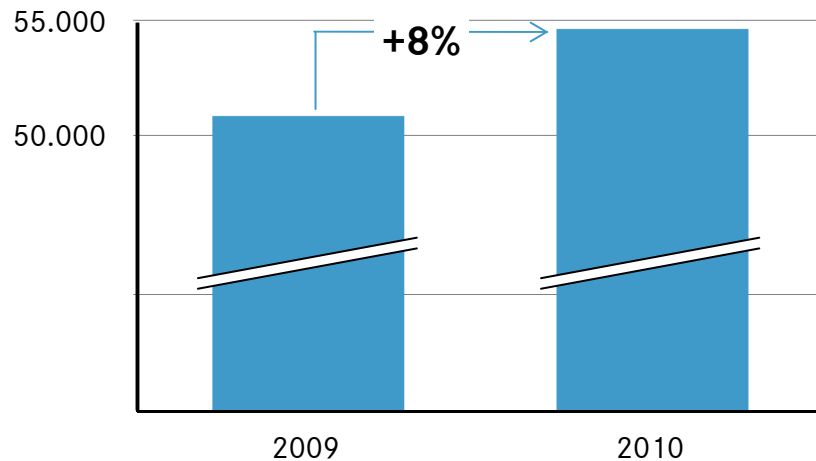
DD 13

Average Net Revenue per Truck 2009 and 2010 including EP07 – EPA 10 mix

Heavy Duty



Medium Duty

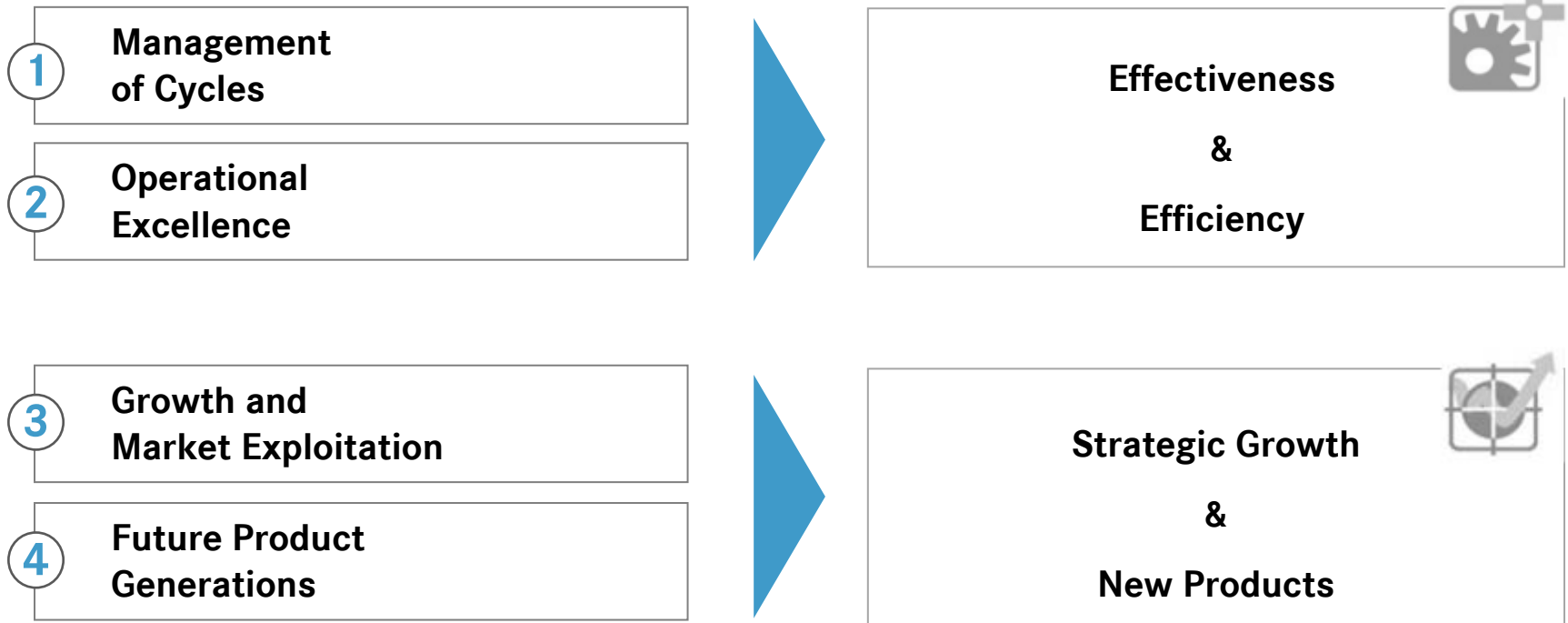




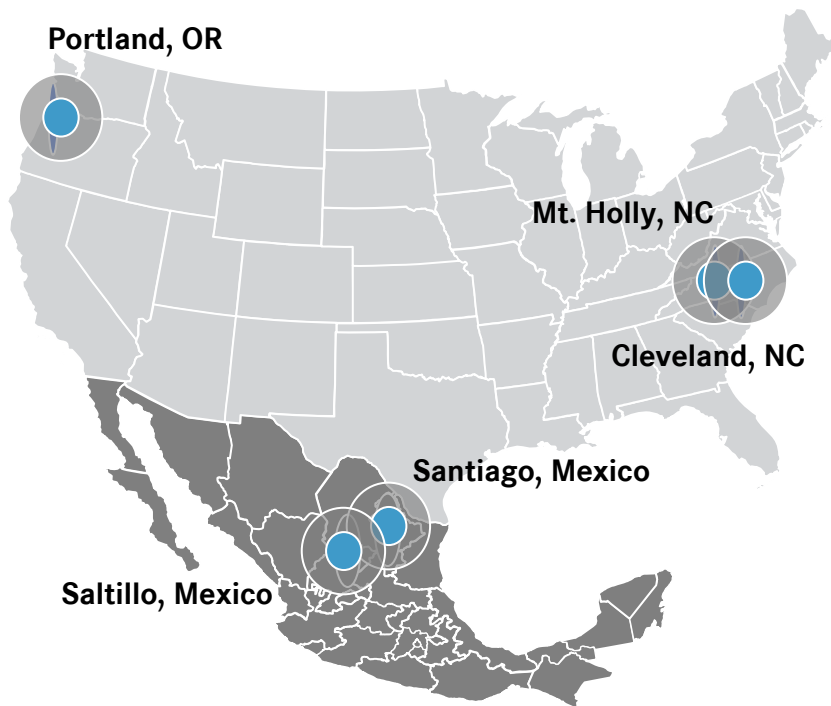
Global Excellence

“Global Excellence”

Global Excellence - Pillars



Winning combination: Production flexibility at Mexican and US production plant network



Increase in Cascadia flexible capacity by approx 100% while lowering total network cost



Maximize Military flexible capacity while decreasing per unit cost across entire network

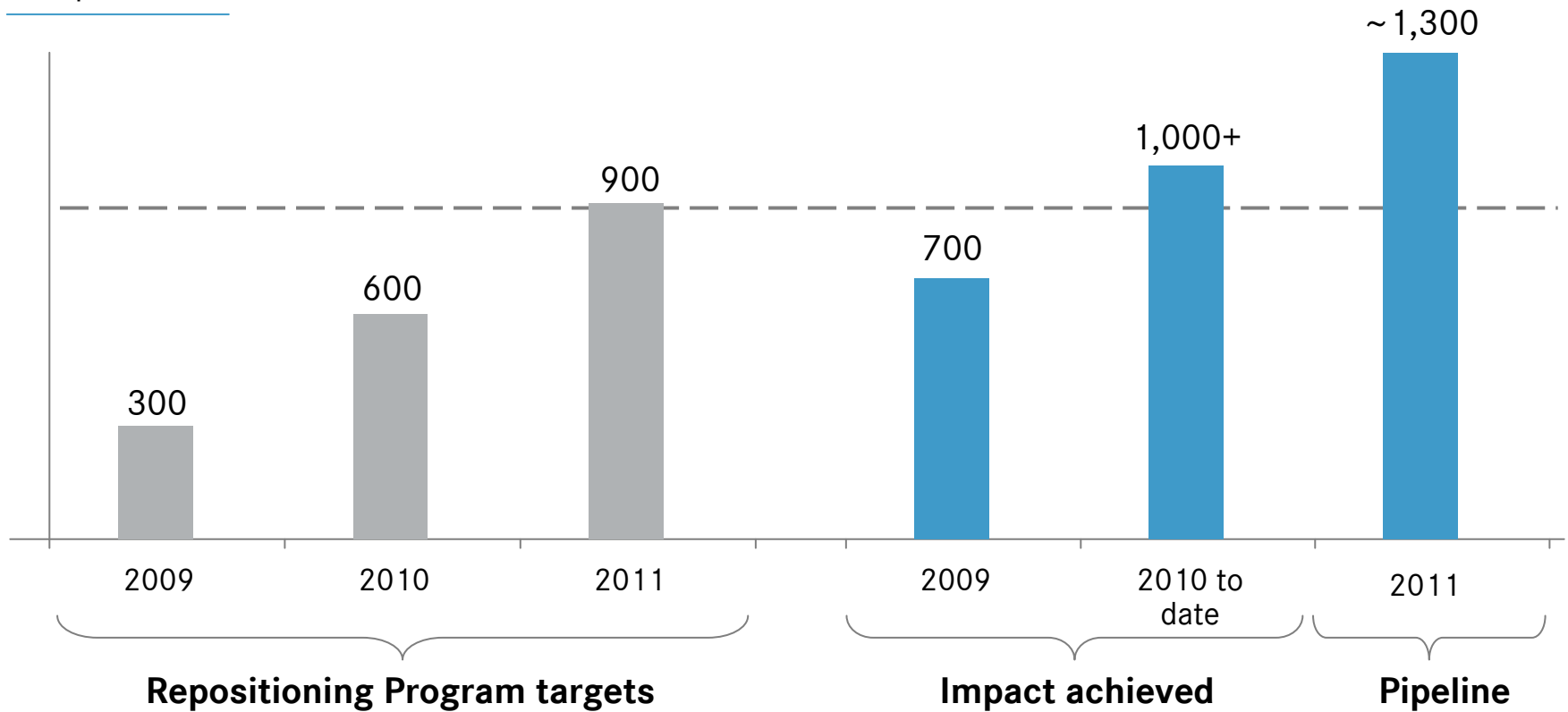


Maximize Medium duty flexible capacity while not increasing per unit cost across entire network



DTNA achieved 3-year Repositioning Program target one year ahead of schedule

US \$M¹



1. Annual EBIT improvements at normal year volume

Comprehensive Repositioning Program has significantly enhanced DTNA's competitive positioning

Business Model Optimization



- Successfully transitioned to 2 Brand Truck Strategy (Freightliner / Western Star) while achieving overall gain in DTNA market share
 - Sterling brand discontinued on schedule and as planned
- Improvement in both truck & aftermarket margins obtained

Structural Manufacturing Optimization



- Saltillo, Mexico, plant fully ramped up in 2010
- St. Thomas, ON plant closed, April 2009
- Union negotiations for North Carolina truck plants and Redford, MI engine plant successfully concluded

Variable Cost Reductions



- 20% of addressable materials cost evaluated for global sourcing
- Comprehensive technical cost improvement program well underway (1,200+ initiatives to date)
- Conversion cost improved through better production allocation and logistics savings

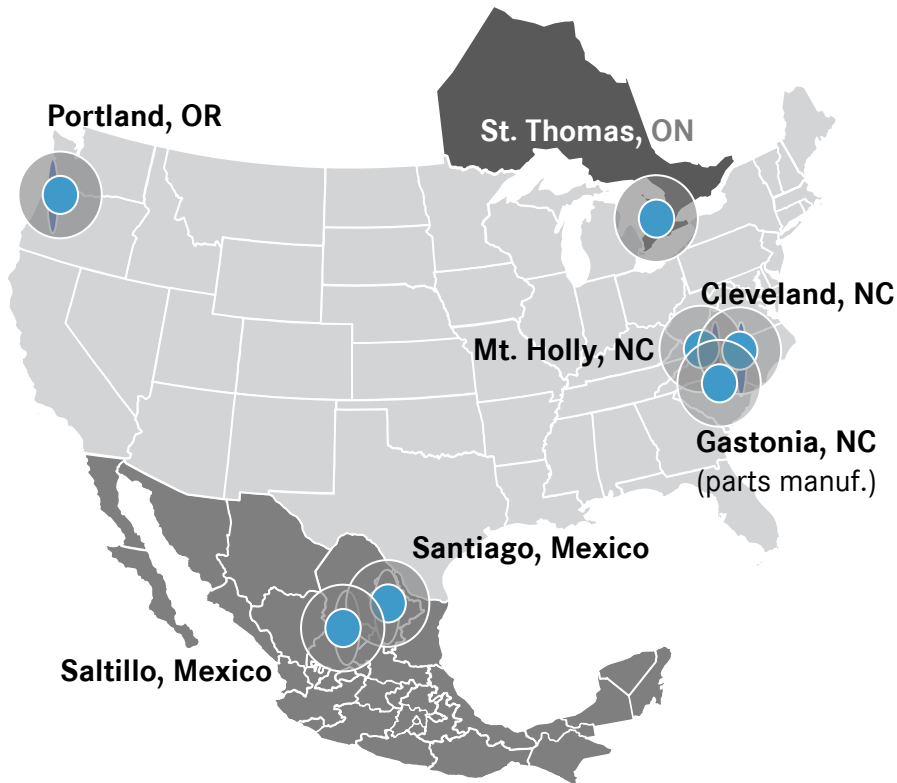
Fixed Cost Reductions



- Structural fixed cost reduced by ~20%
- White collar headcount reduced by 1,200 + employees

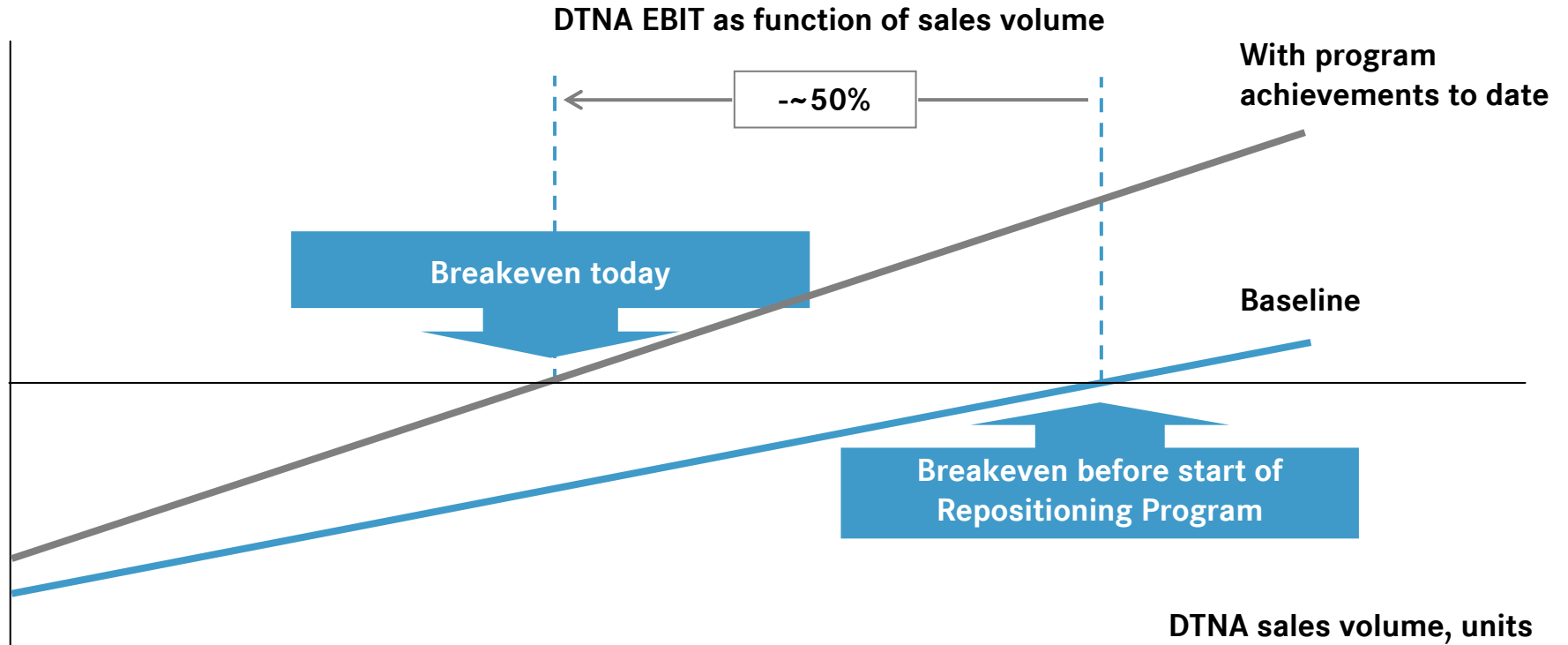
Repositioning Program has made fundamental improvements to DTNA's manufacturing footprint

US / Mexican relation shifted from 70:30 to 30:70



- Eliminated sub-scale truck manufacturing plant in St. Thomas, Canada
- Ramped up new truck manufacturing plant in Saltillo, Mexico, to full production
- Shifted truck production capacity to Mexico
 - Mexico share of capacity increased from 18% to 40%
- Focused Portland plant on production of Western Star trucks
- Increased network flexibility
 - Broadened range of models buildable in Santiago

Repositioning Program significantly reduced DTNA breakeven volume



Program improvements allow DTNA to operate profitably despite current low market volumes

Daimler Captive Components today and tomorrow



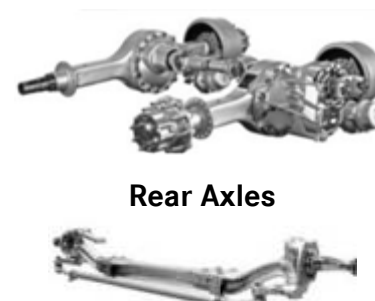
DD15



DD16



DD13



Rear Axles



Front Axles

Today



DD11



Automated Manual Transmission for HD Trucks, Powershift



Medium Duty Engine Platform



Electronics Architecture



Universal Hybrid-Pack for worldwide applications



Advanced fuel saving tandem axle

Tomorrow

Growing importance of Shaping Future Transportation portfolio

Shaping Future Transportation.
CleanDrive Technologies.
A Daimler Initiative.



Sales NAFTA	2009 Actuals	2010 Expectation
FTL M2	430	1,000
Hybrid	60	450
CNG/LNG	370	550
TBB – Bus Hybrid	10	50
FCCC - Step Van	450	370
Hybrid Electric / Hydraulic	200	300
CNG	250	50
Plug-in Electric	0	20
Total Units	890	1,420

New Products DTNA 2011

Western Star Baby 8 Truck



First All-Electric Walk-in Van Chassis



New 108/114SD Vocational



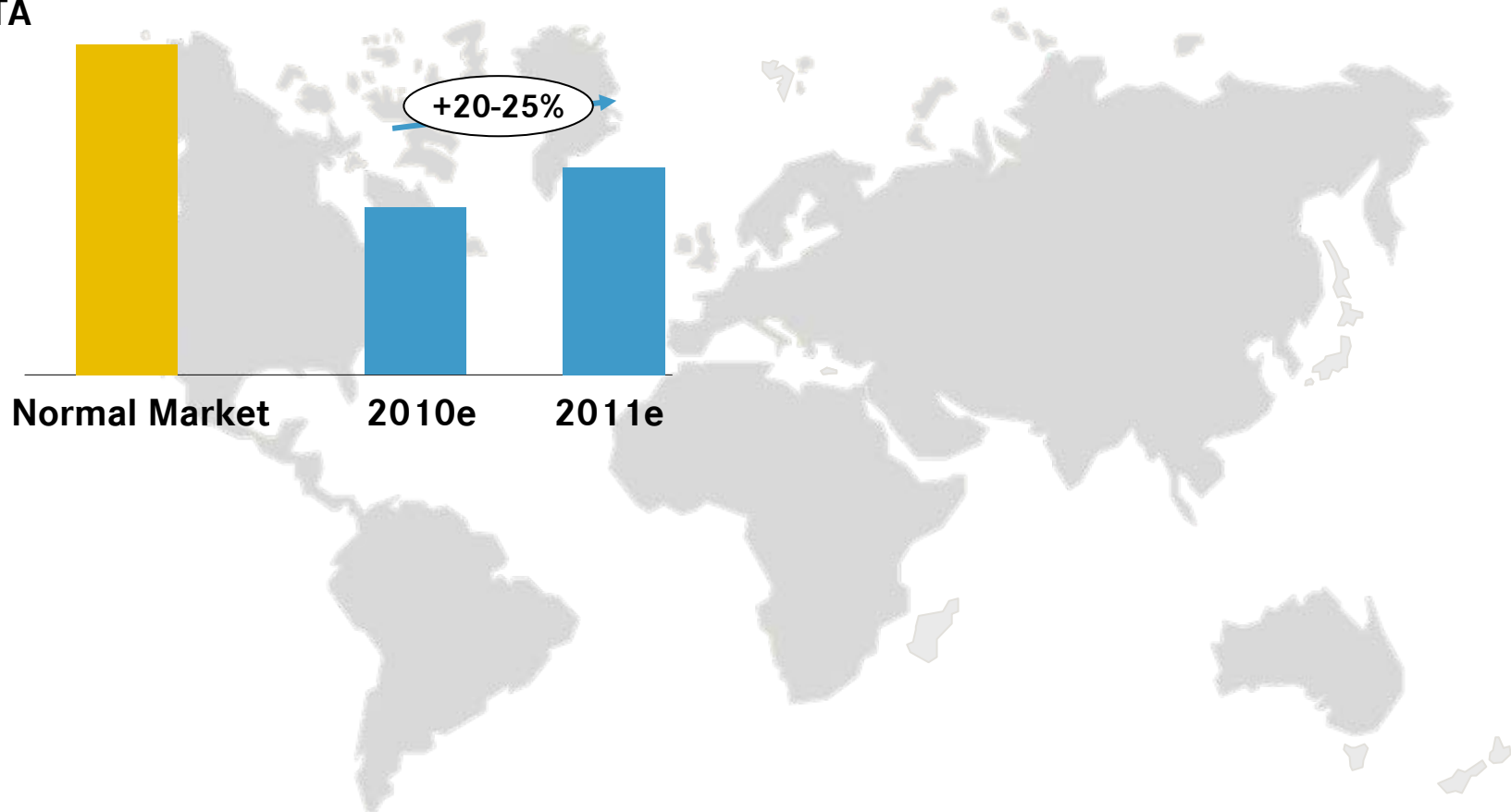


Outlook 2011

Further market growth in 2011

Market (HDT/MDT) – Normal Market / 2010e / 2011e

NAFTA



Daimler Trucks North America:

- The right products
 - + The right brand positioning
 - + The right cost structure
- = The undisputed market leader
in North America**

**WE DON'T JUST BUILD TRUCKS,
WE BUILD BUSINESSES.**



Run Smart™



FREIGHTLINER

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.