

# DAIMLER

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## Daimler Trucks & Daimler Buses Division Day Daimler Buses

Hartmut Schick  
Head of Daimler Buses  
Wörth November 30th, 2010



## Agenda

- **Current performance**
- **Get to “6”**
- **Strategy**
- **Outlook 2011**



**Current performance**

## Daimler Buses – key information

### Daimler Buses Brands



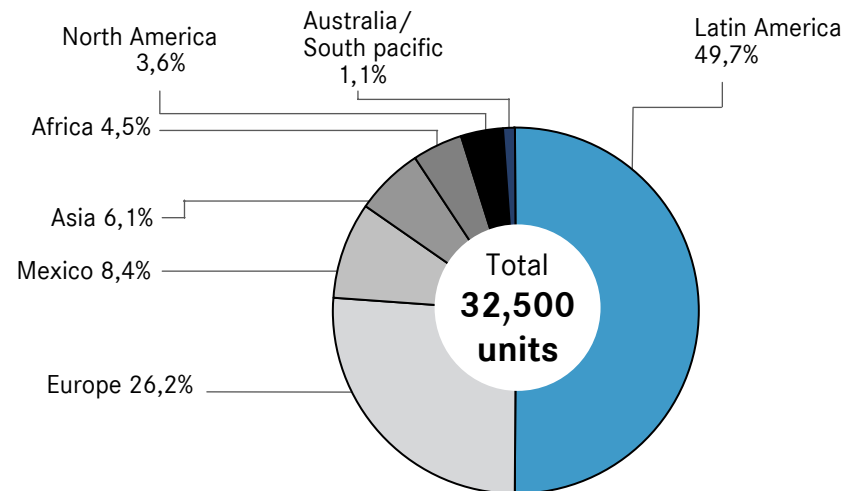
### Corporate History

- 1995 EvoBus GmbH founded (merger of MB & Setra)
- 1996 Service brand OMNIplus launched
- 2001 EvoBus management also responsible for the worldwide Daimler bus activities
- 2001 75,000 Setra delivered
- 2008 Best year ever
- 2009 Mercedes-Benz BlueTec Hybrid unveiled  
World premiere of Mercedes-Benz FuelCELL Hybrid
- 2010 30,000 Mercedes-Benz Citaro  
3,000 Orion VII Hybrid

### Corporate Statistics (2009)

Sales Volume:	32,500 units
Employees:	17,188

### Daimler Buses International Sales 2009



## Daimler Buses – Global Network

Daimler Buses is a global Full-Line-Supplier



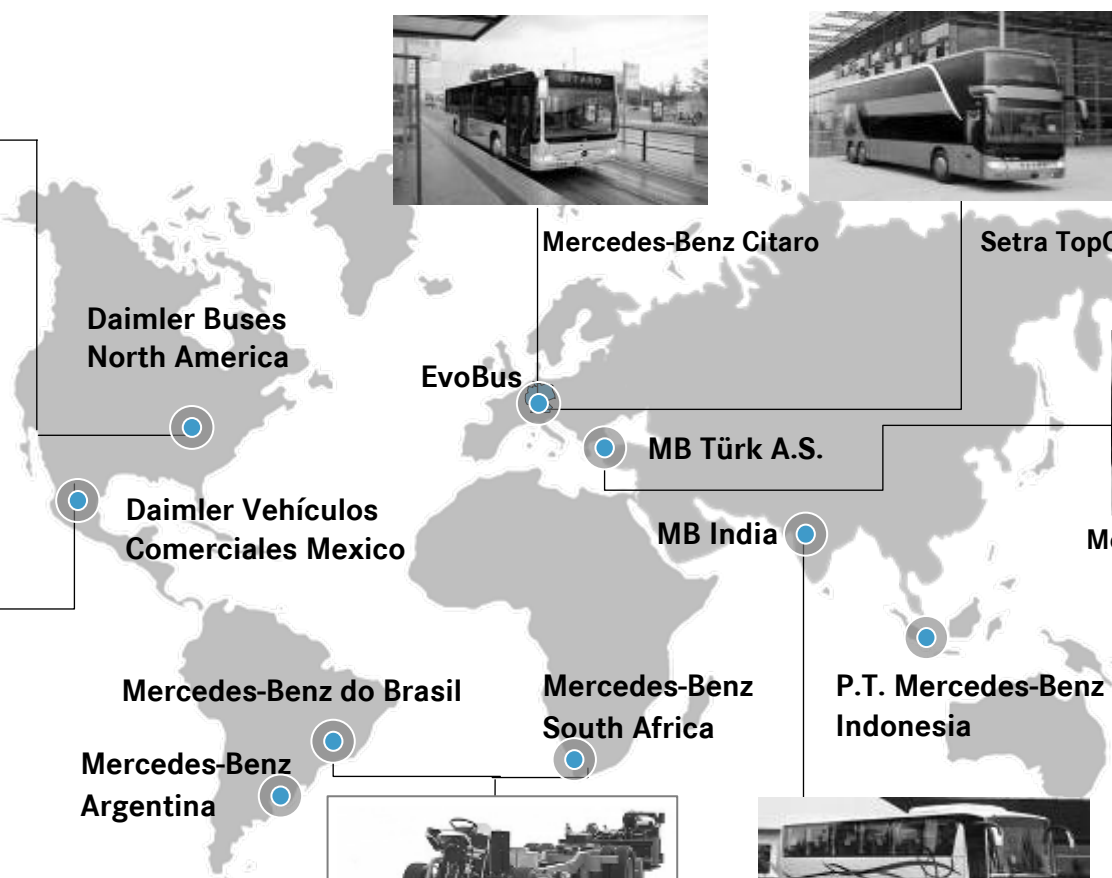
Orion VII (Hybrid)



Mercedes-Benz Citaro



Setra TopClass 400



Daimler Buses  
North America

EvoBus

MB Türk A.S.

Daimler Vehículos  
Comerciales Mexico

MB India



Mercedes-Benz Tourismo

Mercedes-Benz do Brasil

Mercedes-Benz  
South Africa

P.T. Mercedes-Benz  
Indonesia

Mercedes-Benz  
Argentina



O 500 MA



MB Intercity Luxury Coach

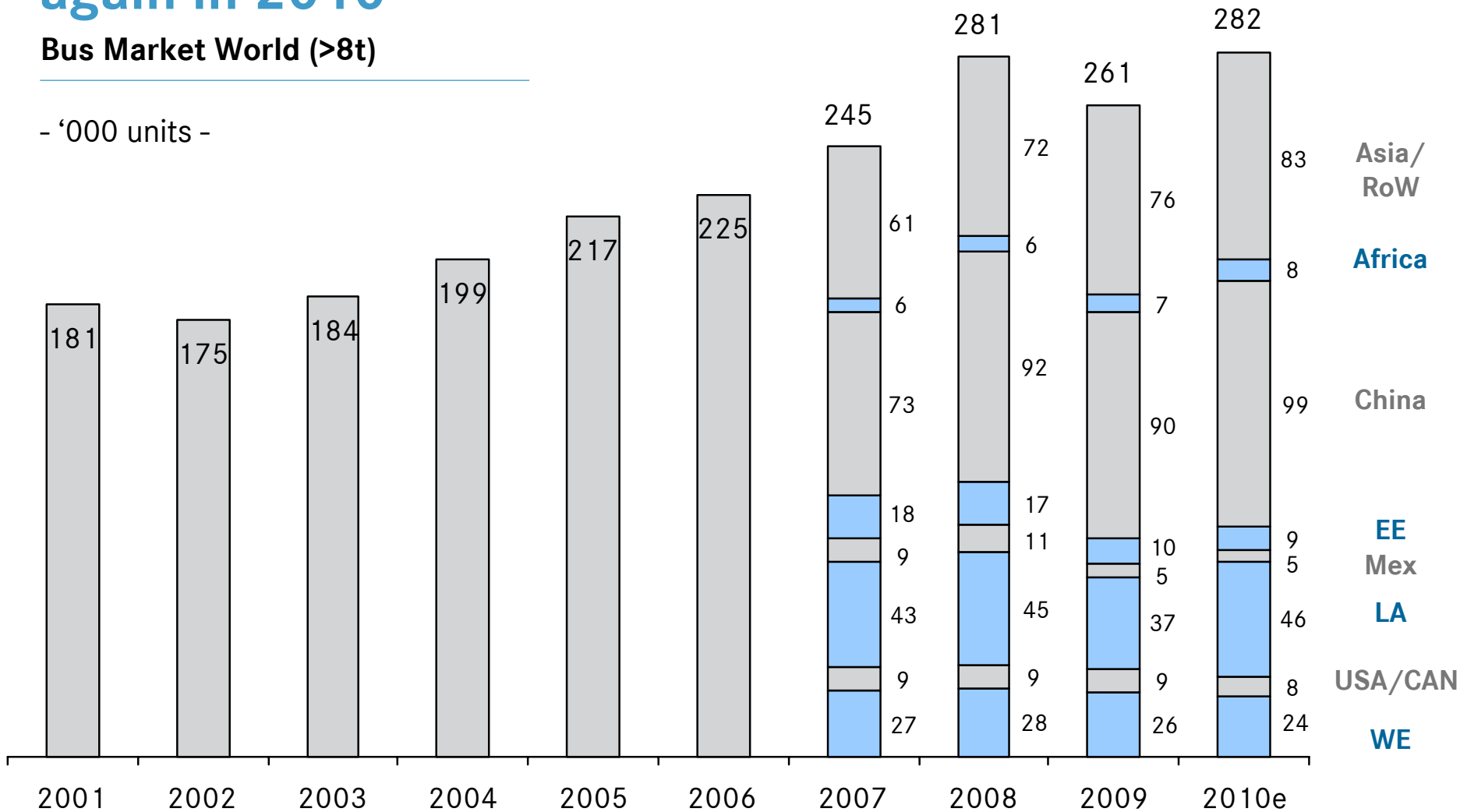


Mercedes-Benz Multigo

# The World Bus Market will reach the pre-crisis level again in 2010

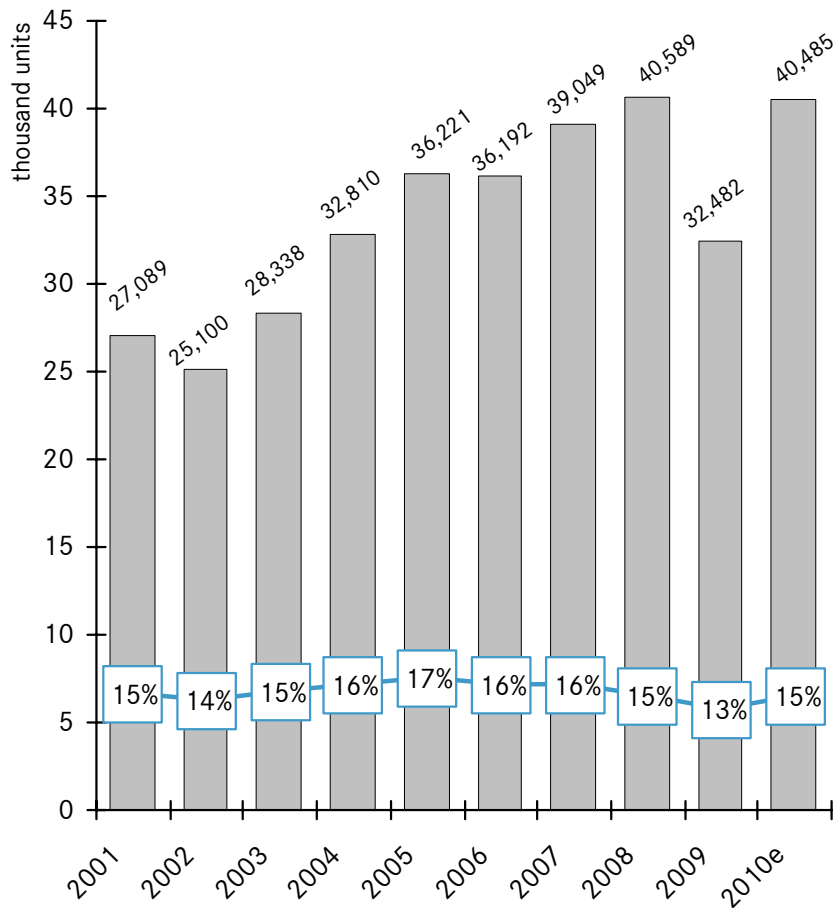
## Bus Market World (>8t)

- '000 units -

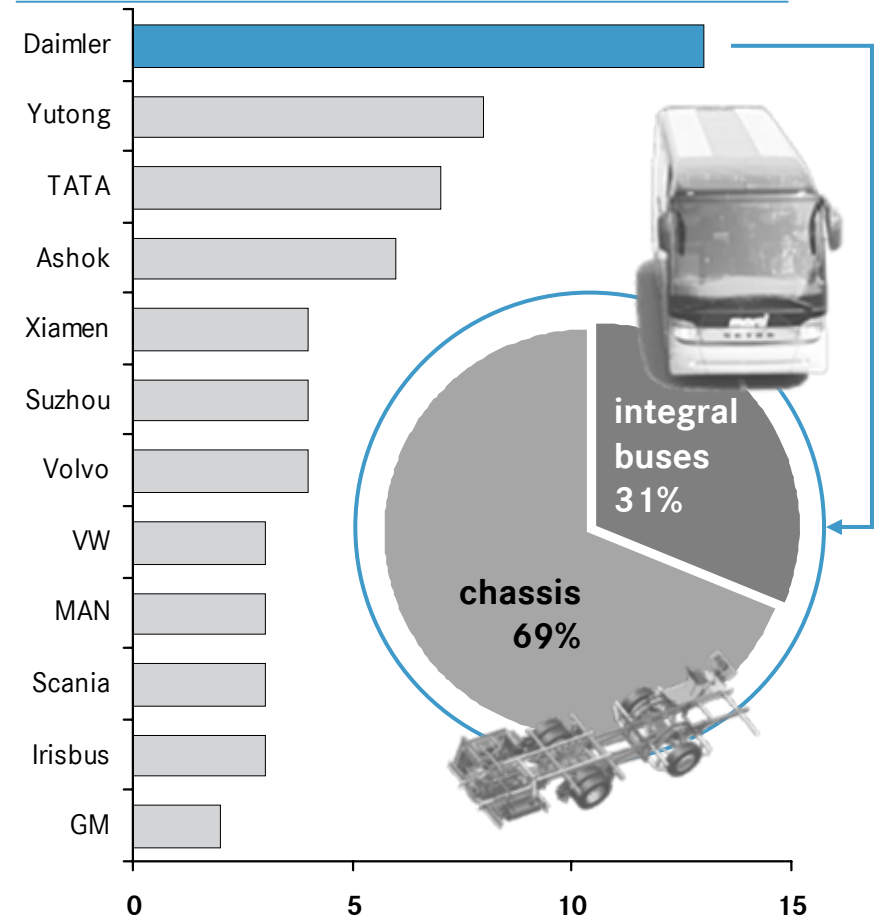


## Clear market leadership since years

### Unit sales & market share 2001–2010



### Peers Market Share 2009 >8 tons gvw

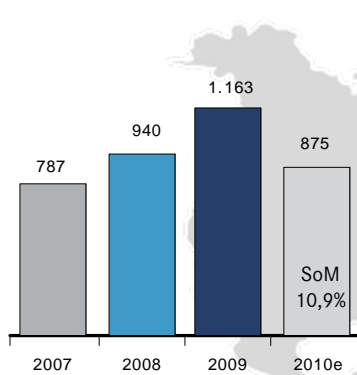


## World Sales Volume Daimler Buses >8t

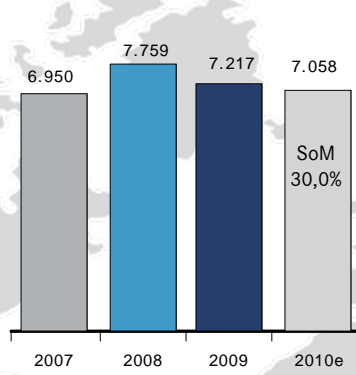
Different sales development: Strong growth in Latin America, decrease in Europe

### Sales > 8t in units

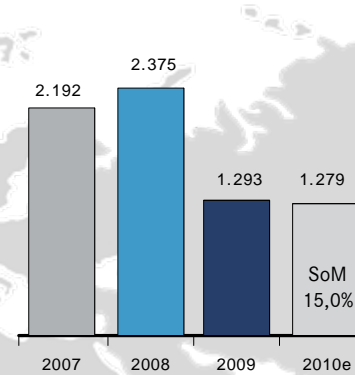
North America (USA/CAN)



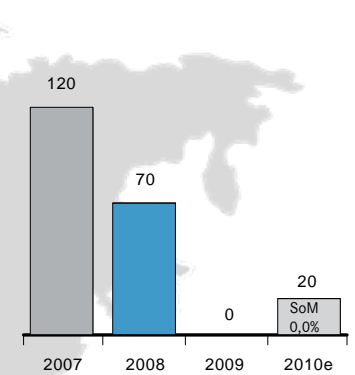
Western Europe (WE)



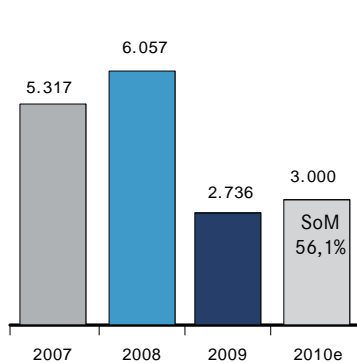
Eastern Europe (EE)



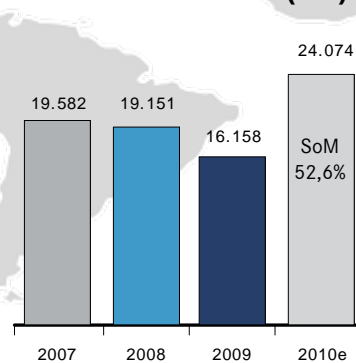
China



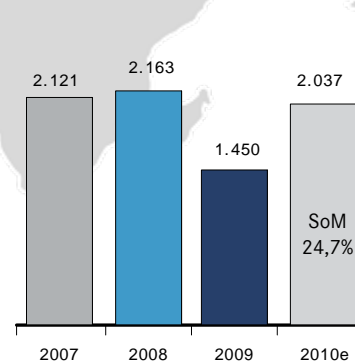
Mexico\*



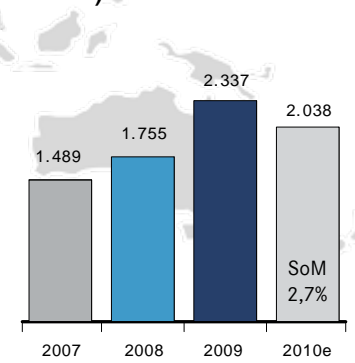
Latin America (LA)



Africa



Asia, RoW



\* 2010e incl. Coraza

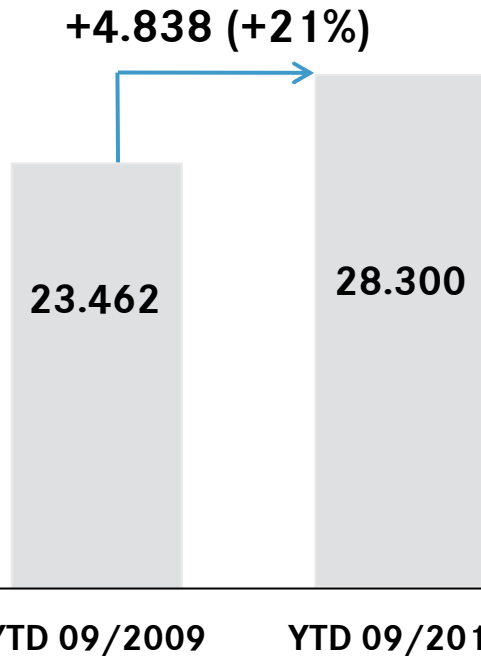


# Strong performance in Sales and Revenues

Revenues increase 6% vs. 2009; EBIT on 2009 level

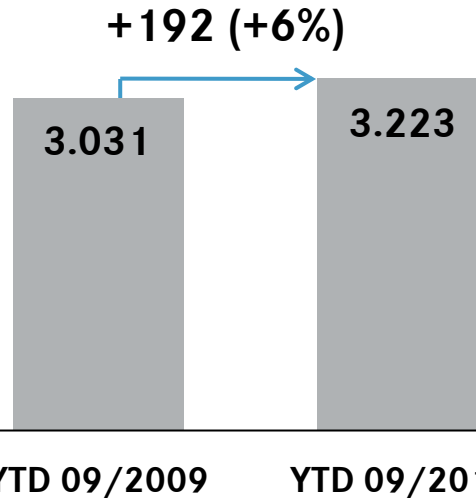
## Unit Sales Buses

- in units -



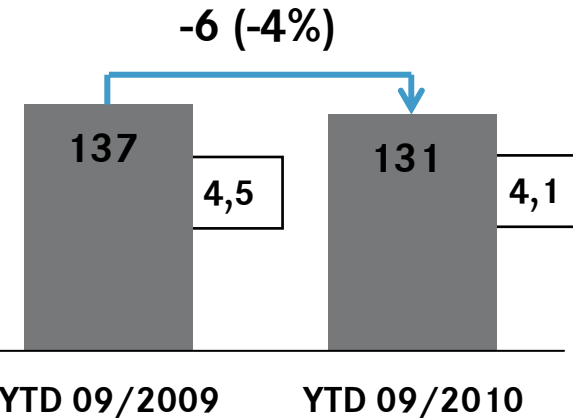
## Revenues Buses

- in millions of EUR -



## EBIT Buses

- in millions of EUR -



ROS



**Get to “6”**

## “Get to 6“, Target = 6% RoS

Daimler Buses benchmark in profitability for many years

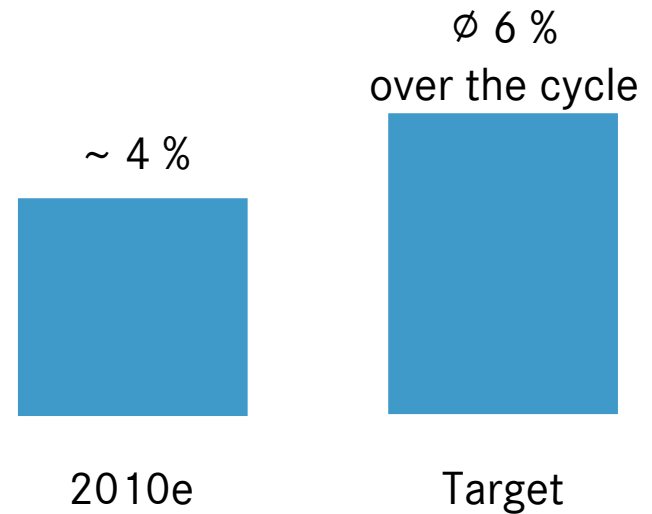
### Vision/ Target

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“We are number 1 in the global bus business and offer our customers superior value by setting the benchmark for sustainability, quality and profitability.

We are shaping the future of mobility and improving the quality of life.“

RoS

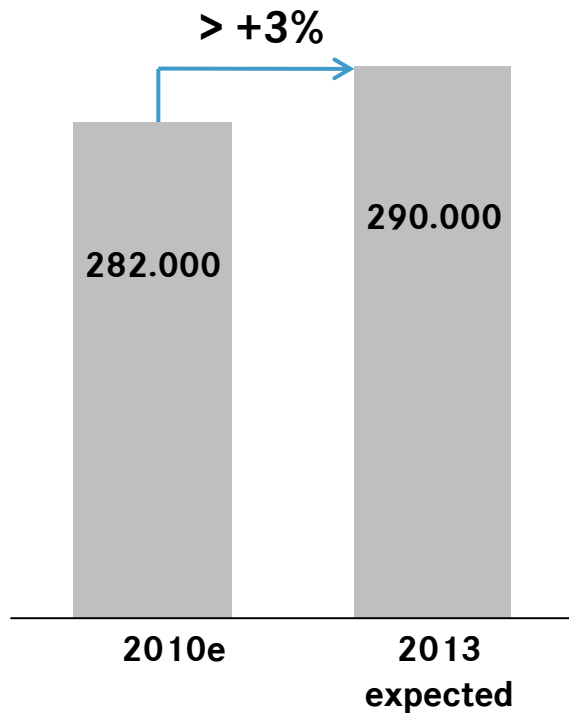


## Market and Sales forecast Daimler Buses for 2013

Daimler Buses plans to increase sales by more than 5% until 2013 and secure market leader position with a SoM of ~15%

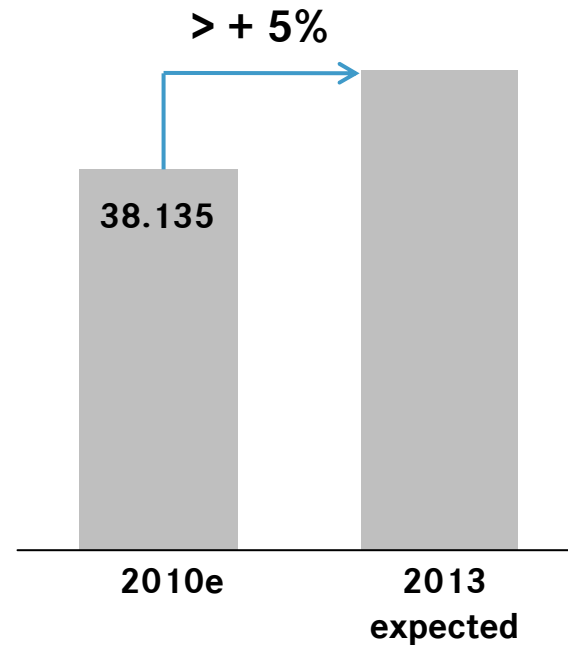
### Global Bus market (in units)

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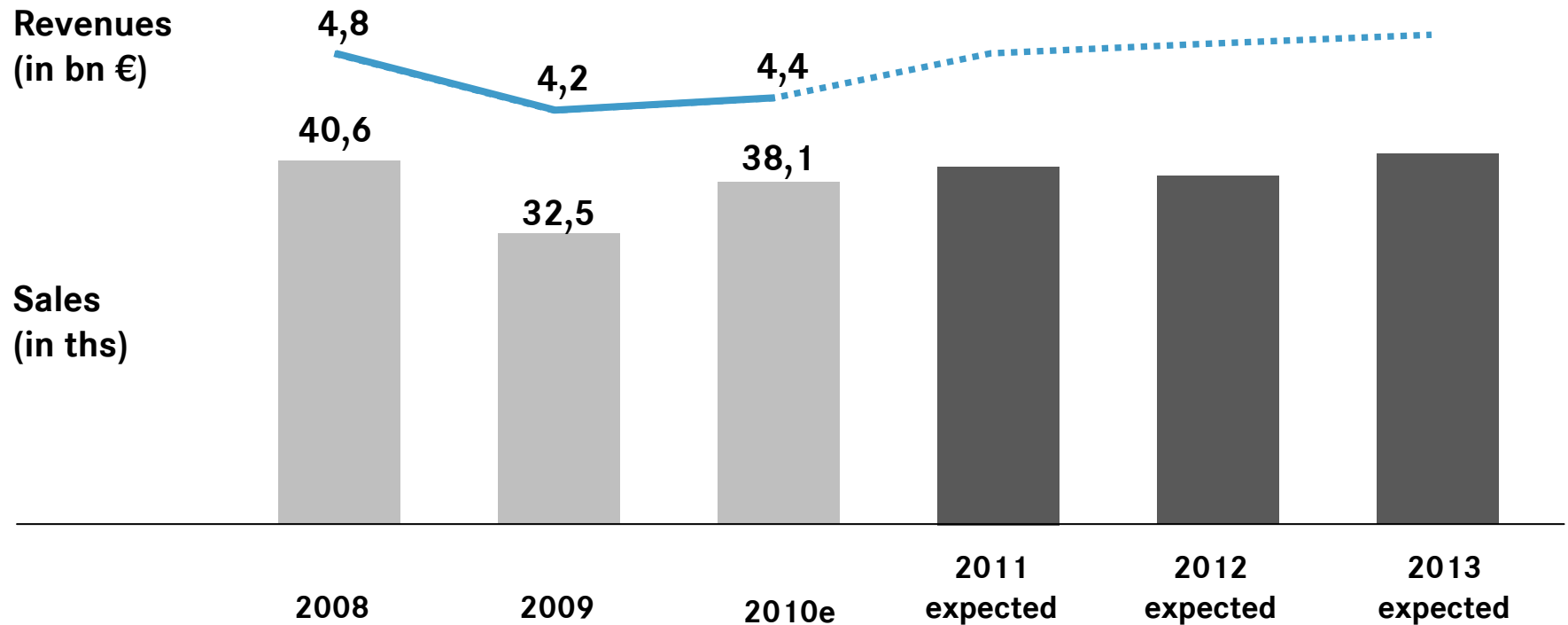
### Daimler Buses - Sales (in units)

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## Development of revenues in line with sales

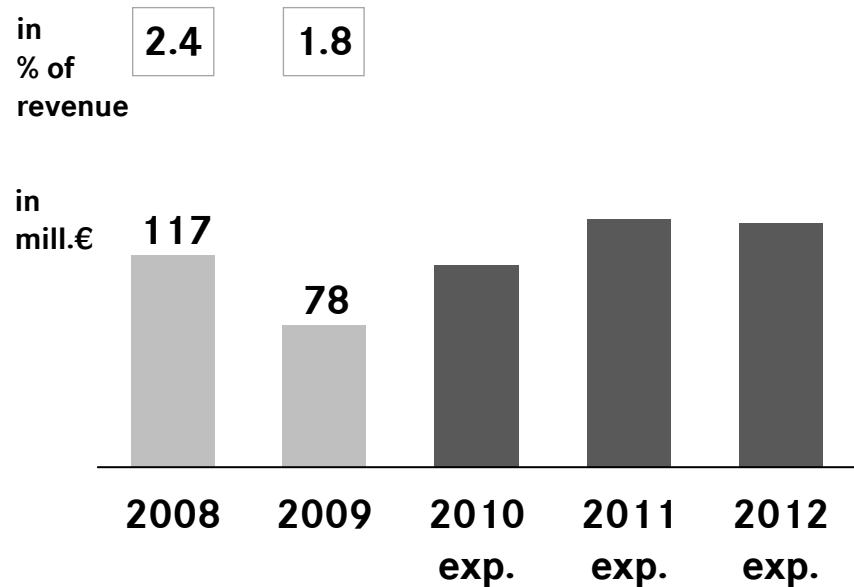
### Revenue / Sales - Forecast



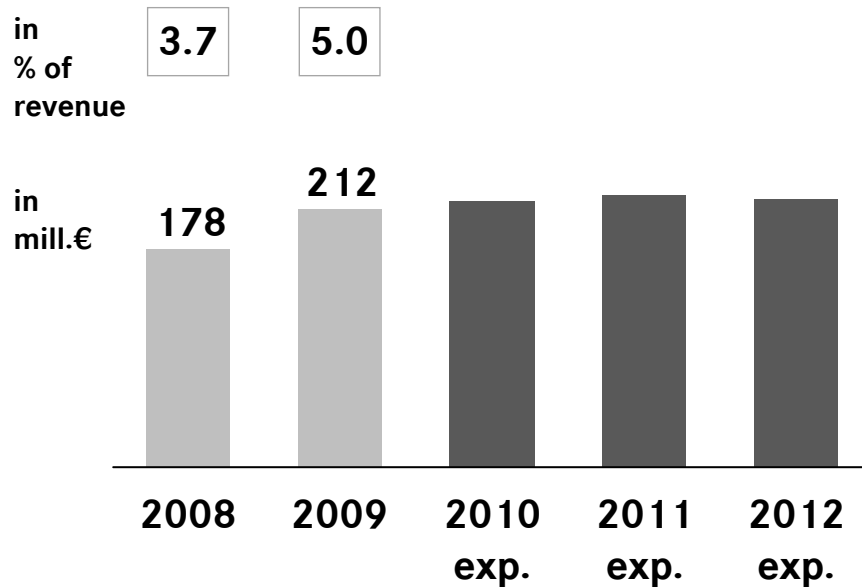
## High funding expenditures 2011/2012

Capital Expenditure / R&D Expenses

### Capital Expenditure pp&e

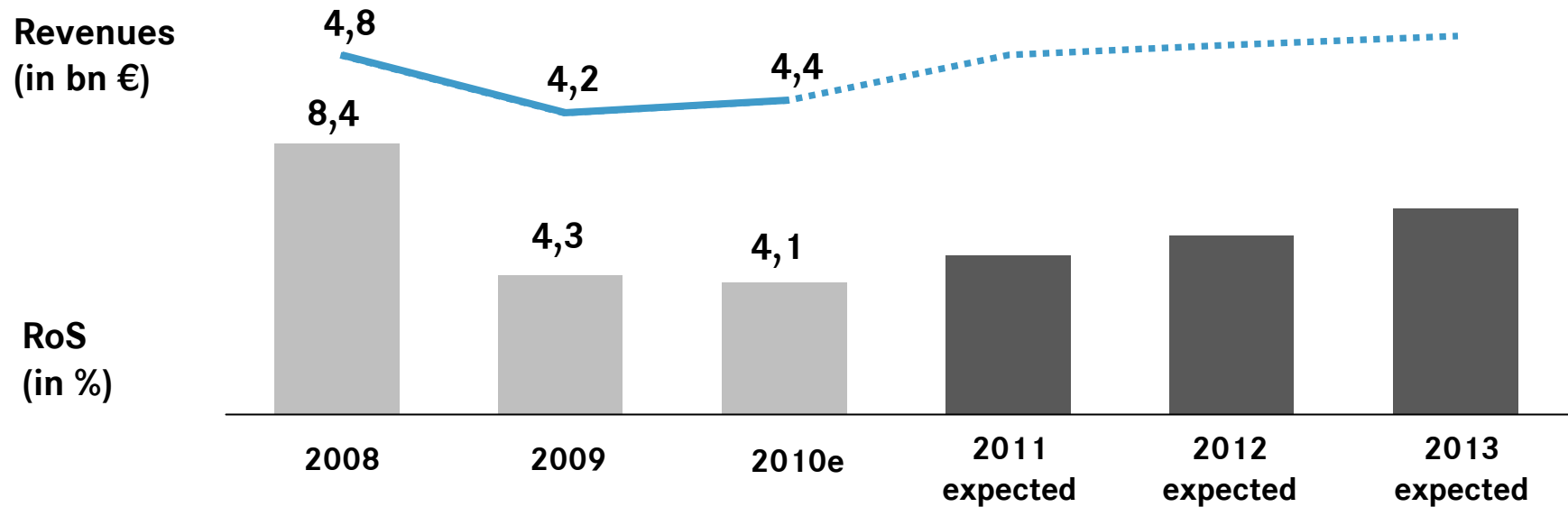


### R&D Expenses



# Daimler Buses is committed to reach 6% RoS in 2013

## Revenue / RoS - Forecast



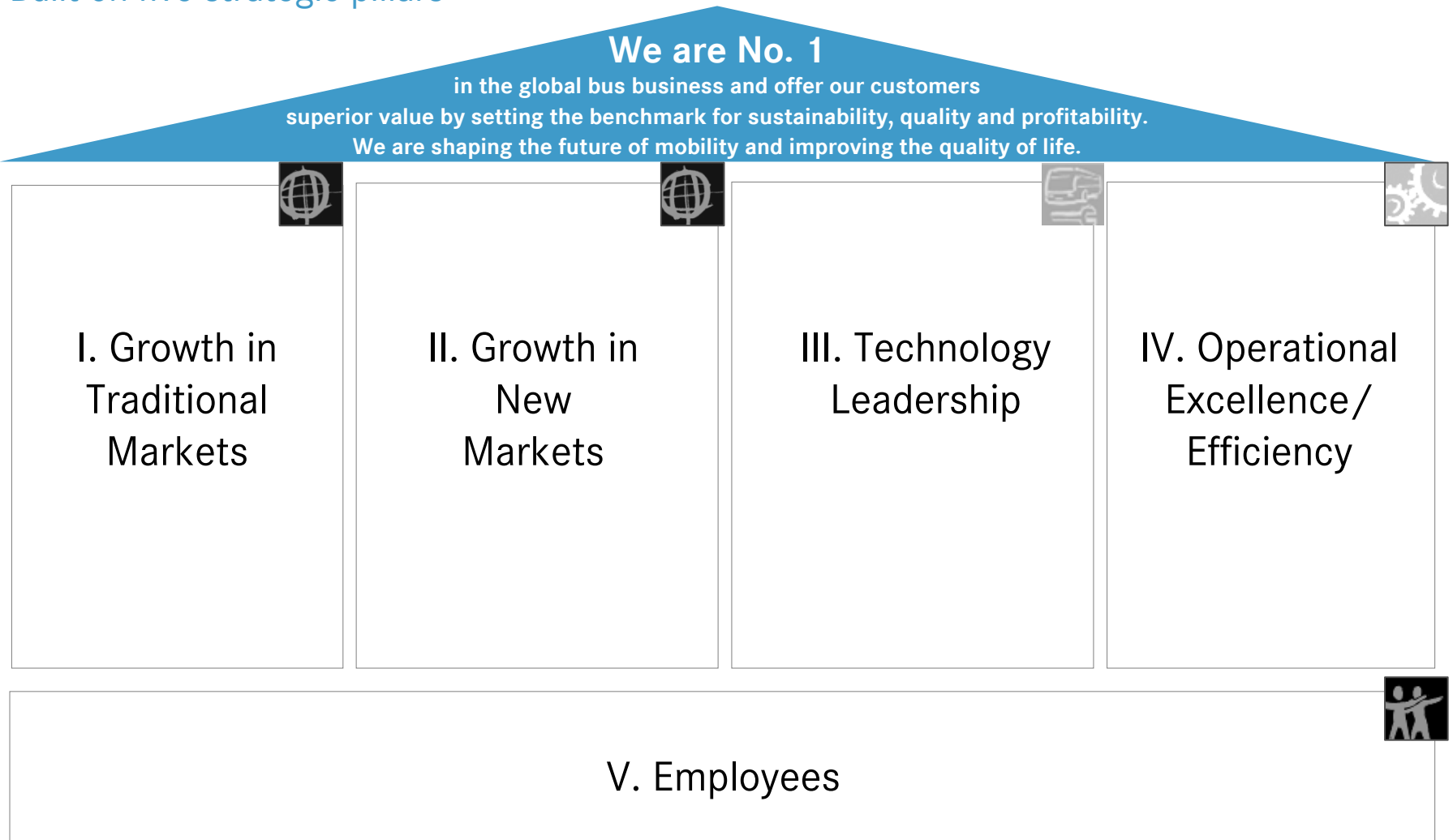


**Strategy**



# Strategy Daimler Buses

Built on five strategic pillars



## I. Growth in Traditional Markets

Leading the European market with benchmark products and a full range product portfolio.

“Bus of the decade”: Mercedes-Benz Citaro with over 30.000 units the most successful city bus of all times



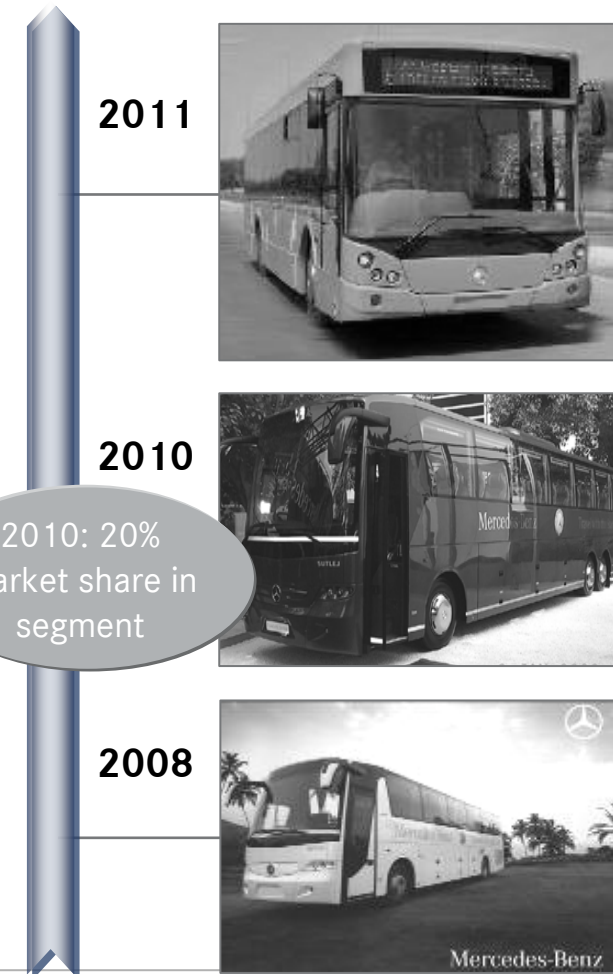
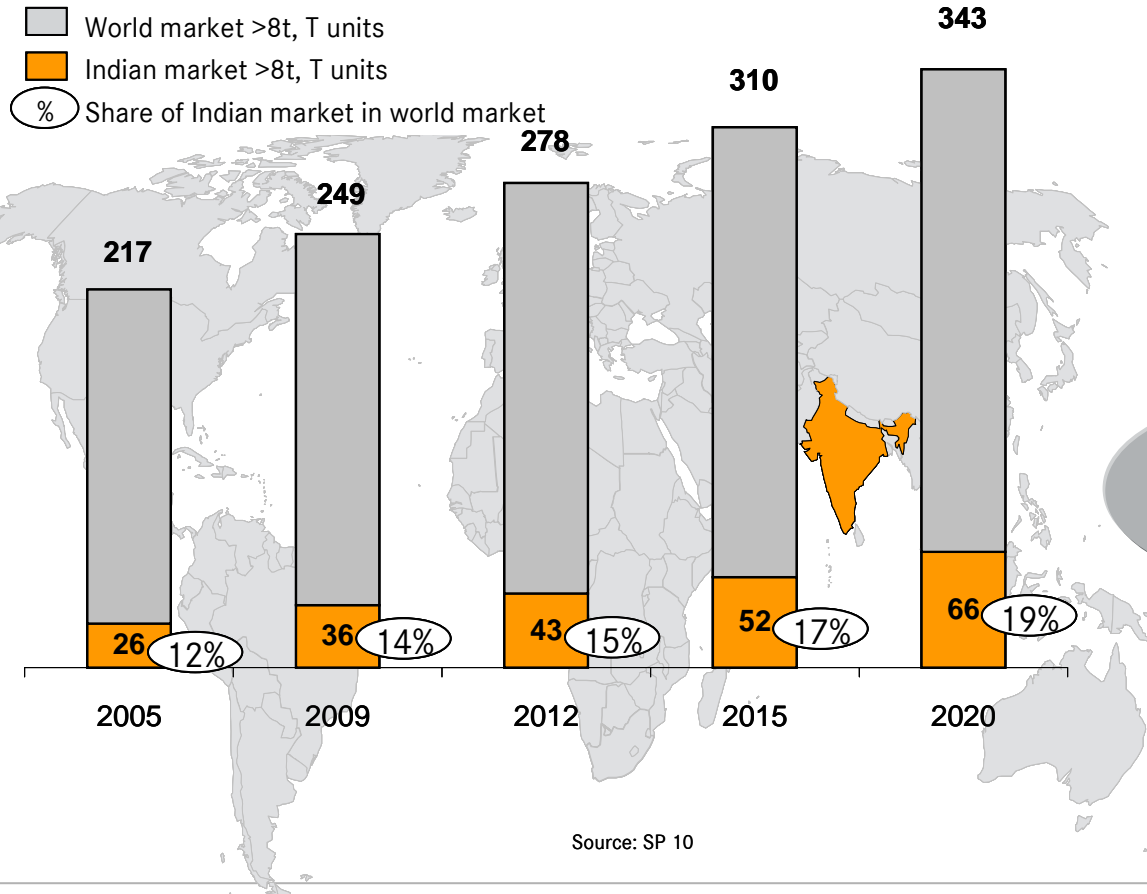
Mercedes-Benz Travego won “Coach of the Year 2010” award



## II. Growth in New Markets

India: After successful market entry with coach, Daimler Buses will enter city bus market in mid 2011

**Bus market development**



## II. Growth in New Markets

- **Russia**
  - Target is to integrate Buses sales organization into MBTV
  - Product projects
  
- **China**
  - Foton opportunities to be evaluated with the brand Mercedes-Benz
  - Ankai cooperation to be continued with future Setra models



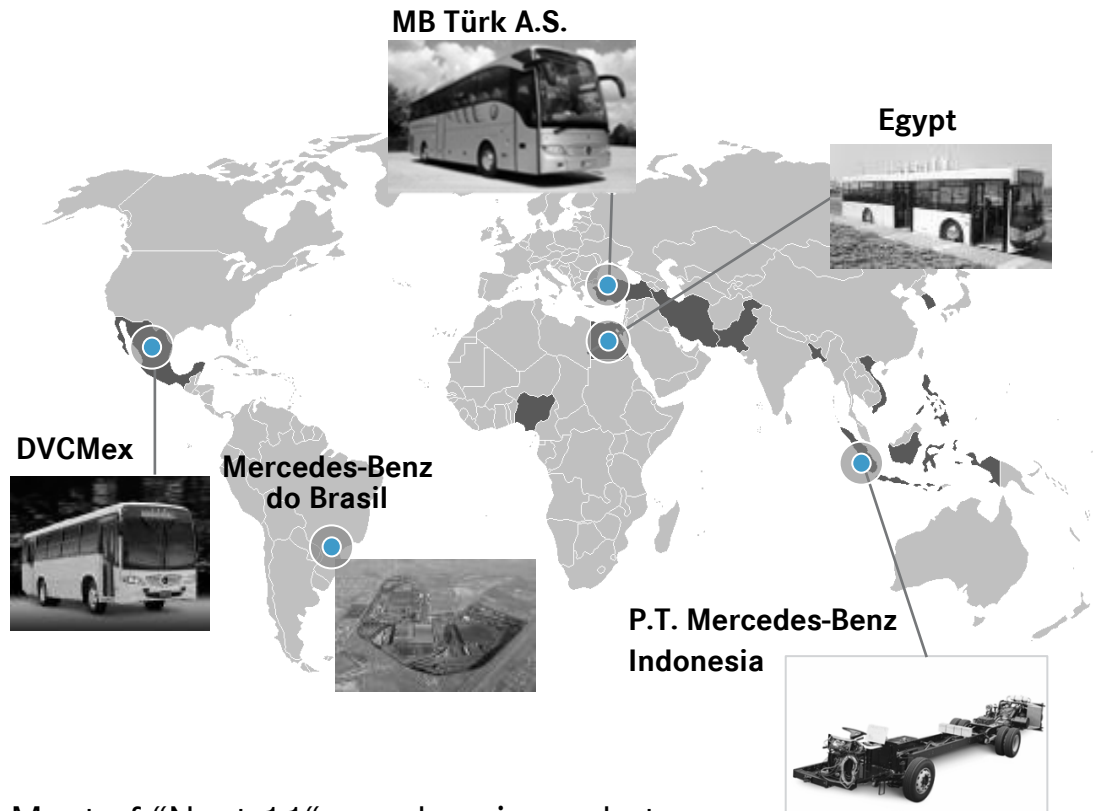
## II. Growth in New Markets: Next 11\*

Daimler Buses already well represented in the most promising countries.

### II. Growth in New Markets

#### Next 11:

- Turkey: MB bus production
- Mexico: JV with Marcopolo for complete bus production
- Indonesia: assembly of MB bus chassis
- Egypt: MB chassis as basis



Most of “Next 11” are chassis markets served from Brazilian chassis production

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

## II. Growth in New Markets: Bus Rapid Transit (BRT)

BRT: public transport solution for fast growing cities in emerging markets

### Planning

- Planning time significantly shorter compared to (light) rail transportation
- Introduction of new technologies e.g. electronic ticketing

### Invest & Costs

- Clear advantage over rail in investment
- Significantly lower maintenance costs

### Implementation

- BRT systems can be implemented within 1.5 – 2 years
- Flexible solution for fast growing emerging markets



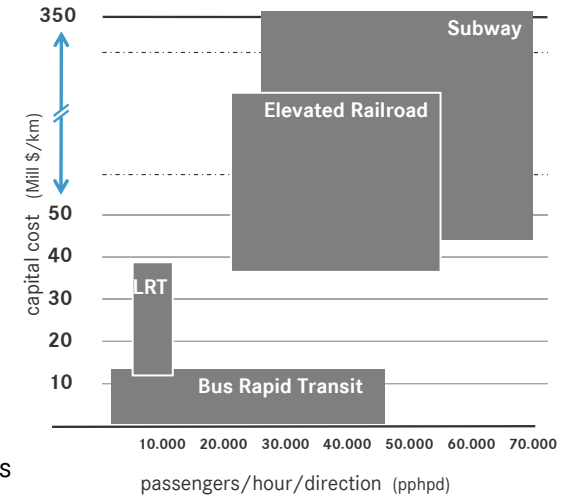
e.g. Istanbul:

- 40 kilometers for Metrobüs bus lines
- 40 km/h average speed
- 700.000 passengers per day

e.g. Brazil:

World soccer championship 2014 and Olympic Games 2016 drive infrastructure:

- 19 BRT corridors
- 11 conventional bus systems
- 5 railway systems



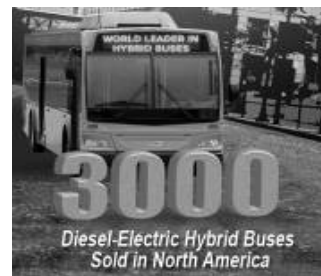
## III. Technology Leadership

Daimler Buses offers zero-emission already today and is leading the way to sustainable mobility.

### III. Technology leadership

- Mercedes-Benz G BlueTec Hybrid & Mercedes-Benz FuelCELL Hybrid
- Over 3000 Orion VII hybrid buses sold in North America
- Technology leader in safety, comfort & design

(e.g. Active Brake Assist, Lane Assistant, coach travelling as alternative to aviation travelling, deluxe equipment in luxury coaches, etc.)



## IV. Efficiency / Operational Excellence:

### IV. Efficiency/ Operational Excellence:

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- Daimler Excellence Program
- Benchmark-based sound long-term profitability
- Operational Excellence program (including Sales Offensive “EOS” and Fix cost program)



Be competitive. Be excellent. Be successful.





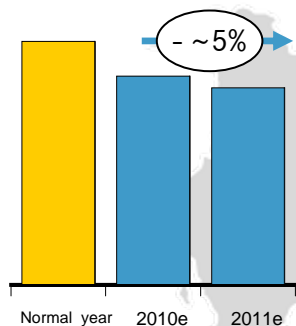
**Outlook**

## World market volume Buses

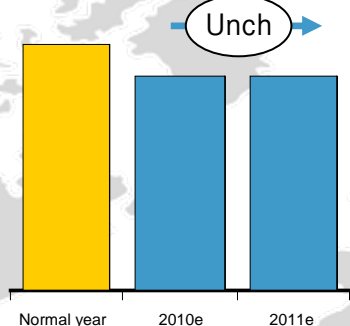
World market 2011 on the same level like 2010

### Market > 8t in units

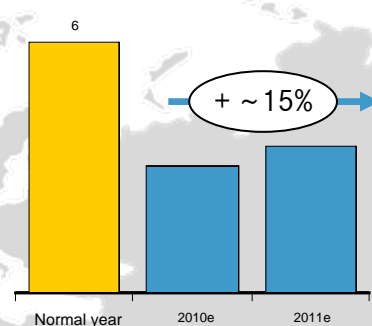
#### North America



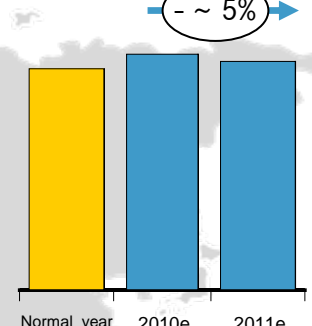
#### Western Europe



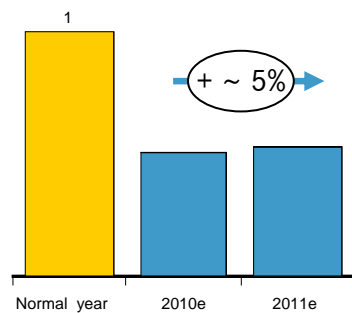
#### Eastern Europe



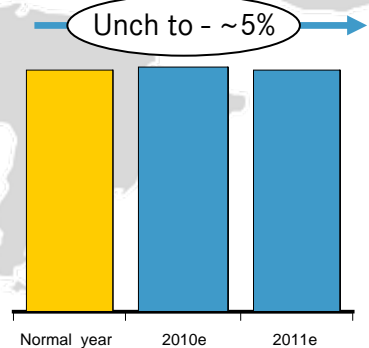
#### China



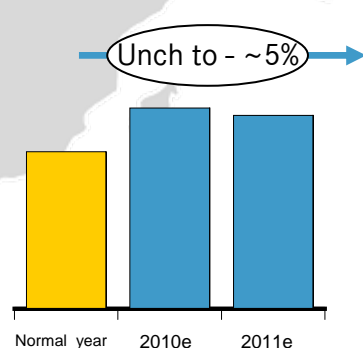
#### Mexico



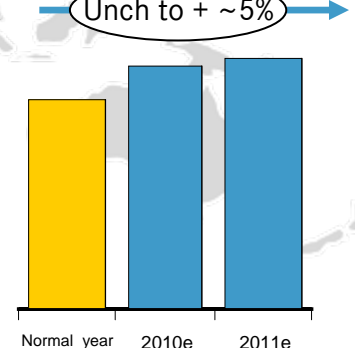
#### Latin America



#### Africa



#### Asia, RoW



\* EAll onwards incl. Coraza

## Outlook

### Daimler Buses

- has a full product range with flexible processes
- is and will be worldwide market leader and benchmark in profitability
- is continuously working on efficiency programs
- is able to invest significantly in new products, alternative drives, flexible production network, production sites
- will assure profitability at 6% over the cycle
- ... is ready for the future –
- **We are the Bus!**



## 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.

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