

# DAIMLERCHRYSLER



Andreas Renschler

Member of the Board of Management of DaimlerChrysler AG  
Responsible for Truck Group  
- Stuttgart, February 23, 2007 -



Media Round Table 2007

1

## Truck Group Record 2006

- Business Situation
- Truck Group Target

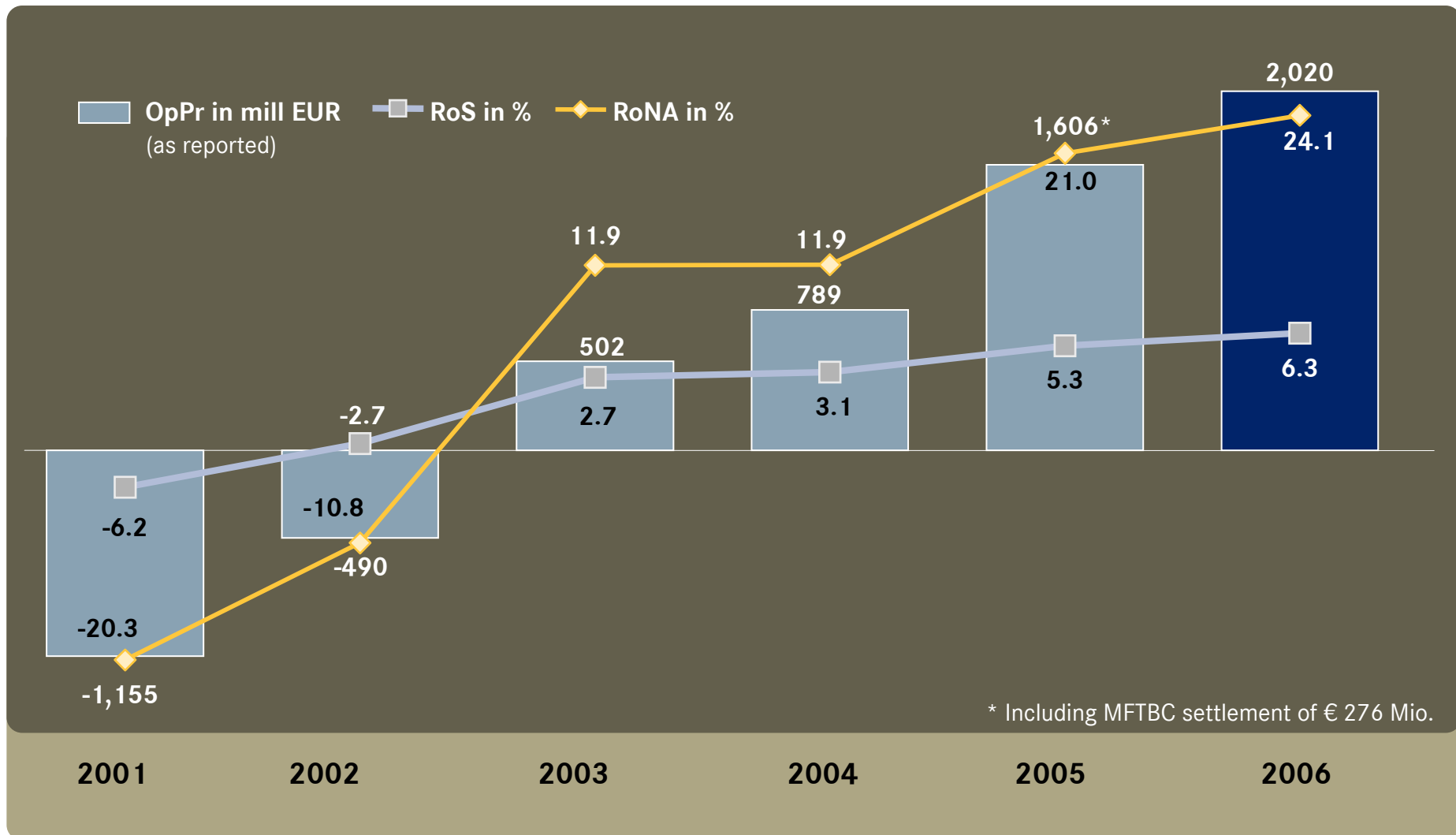
2

## Global Excellence Update

## TRUCK GROUP AGAIN WITH RECORD RESULTS IN 2006

		Actual 2005	Actual 2006	Delta in %
Group Sales	in units	529,499	536,956	1%
Revenues	in mill. EUR	30,368	31,988	5%
Operating Profit	in mill. EUR	1,606	2,020	26%
Workforce	empl.	84,254	83,237	-1%

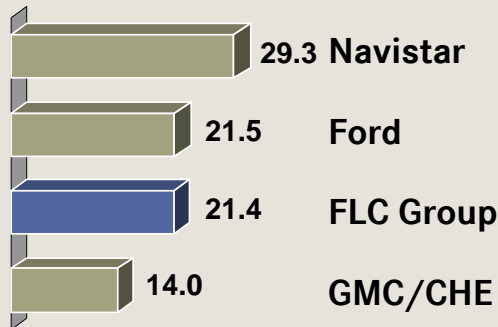
## TRUCK GROUP SHOWS AN IMPRESSIVE TURNAROUND



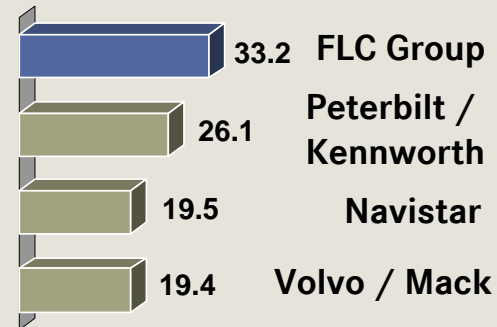
# TRUCK GROUP TODAY - A STRONG GLOBAL PLAYER

- Market position 12/2006 [%] -

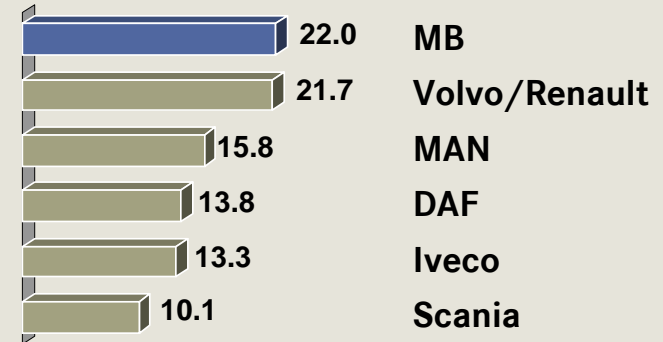
## NAFTA Cl. 5-7



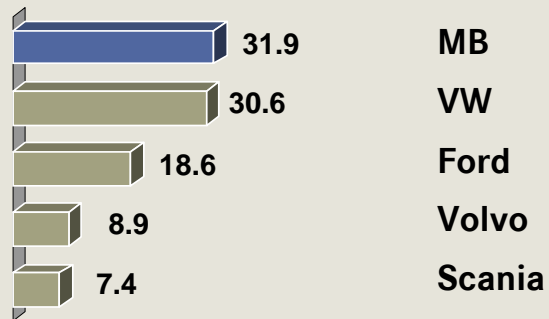
## Cl. 8



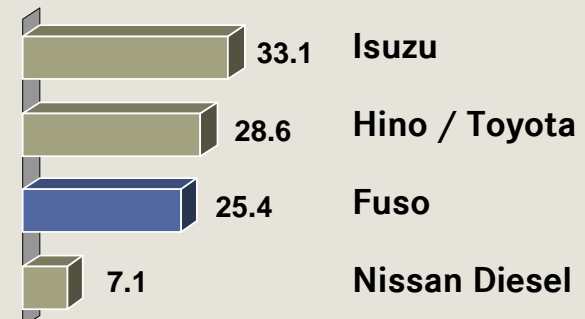
## Western Europe MDT/HDT



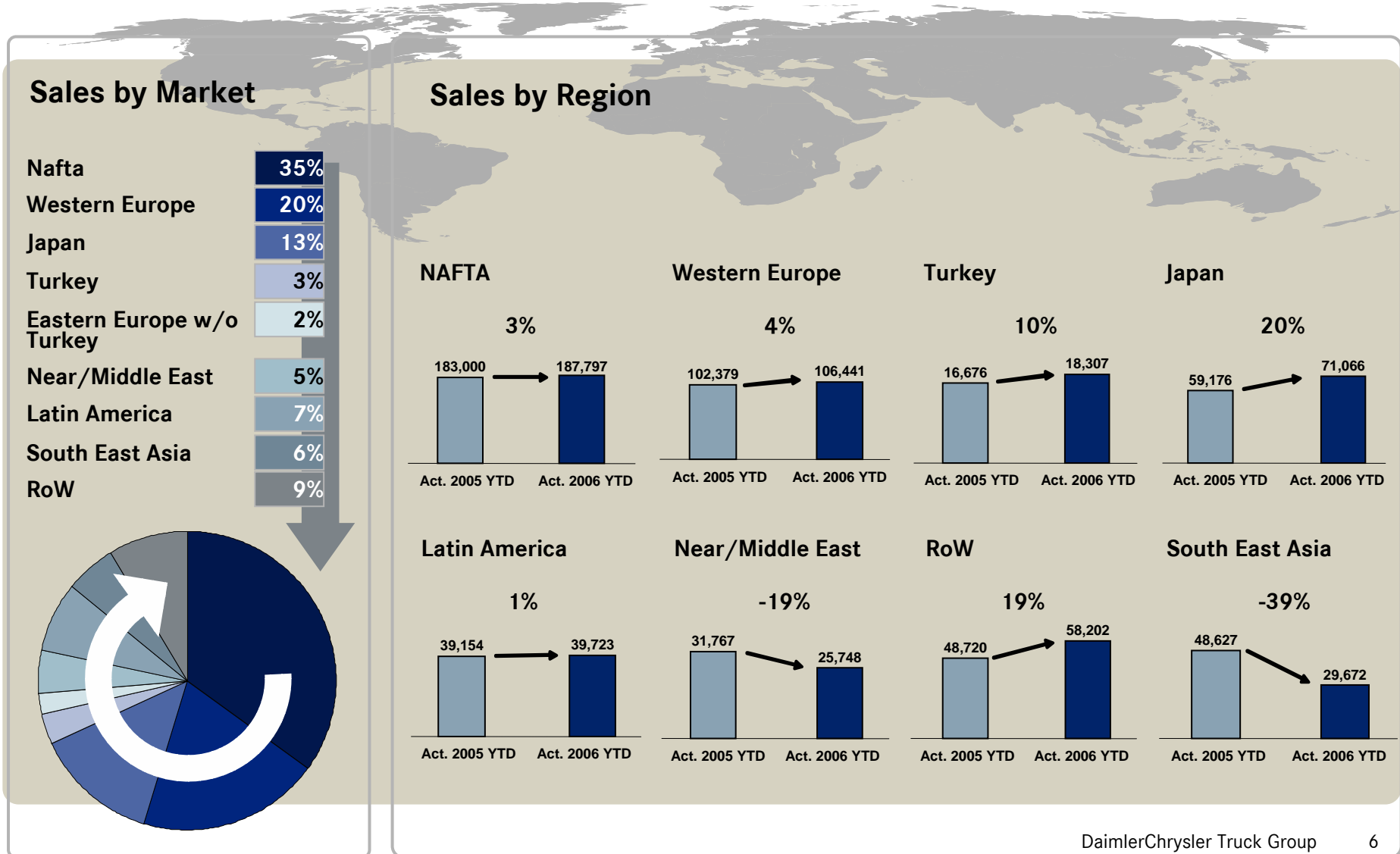
## Brazil MDT/HDT



## Japan Trucks



## TRUCK GROUP – SALES BY REGION/ MARKET 2005 vs. 2006



**2006: STABLE MARKET SITUATION COMPARED TO 2005**  
**2007: GREAT CHALLENGE IN NAFTA AND JAPAN**

- in thsd. Units -

**EU/LA**

Western Europe (MDT/HDT)

Actual  
2005

322

Actual  
2006

334

Delta  
in %

4%

Trend  
2007



Turkey (MDT/HDT)

42

42

0%



Brazil (MDT/HDT)

73

68

-7%



**NAFTA**

NAFTA Cl. 5-7 Trucks

218

235

8%



NAFTA Cl. 8 Trucks

310

351

13%



**Asia**

Japan Total Trucks (Calendar Year)

251

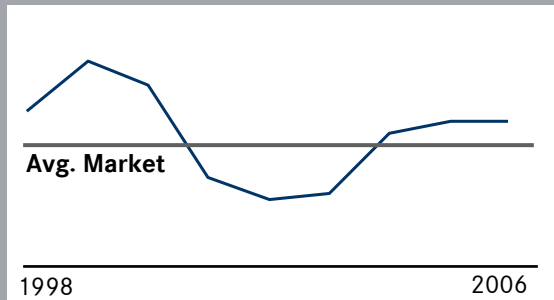
268

6%



## GLOBAL EXCELLENCE TARGET REMAINS AMBITIOUS

### Avg. Market Development



### Benchmark / Regional Champions

- Europe / Latin America
- NAFTA
- Japan

### Model Mix



### Scale

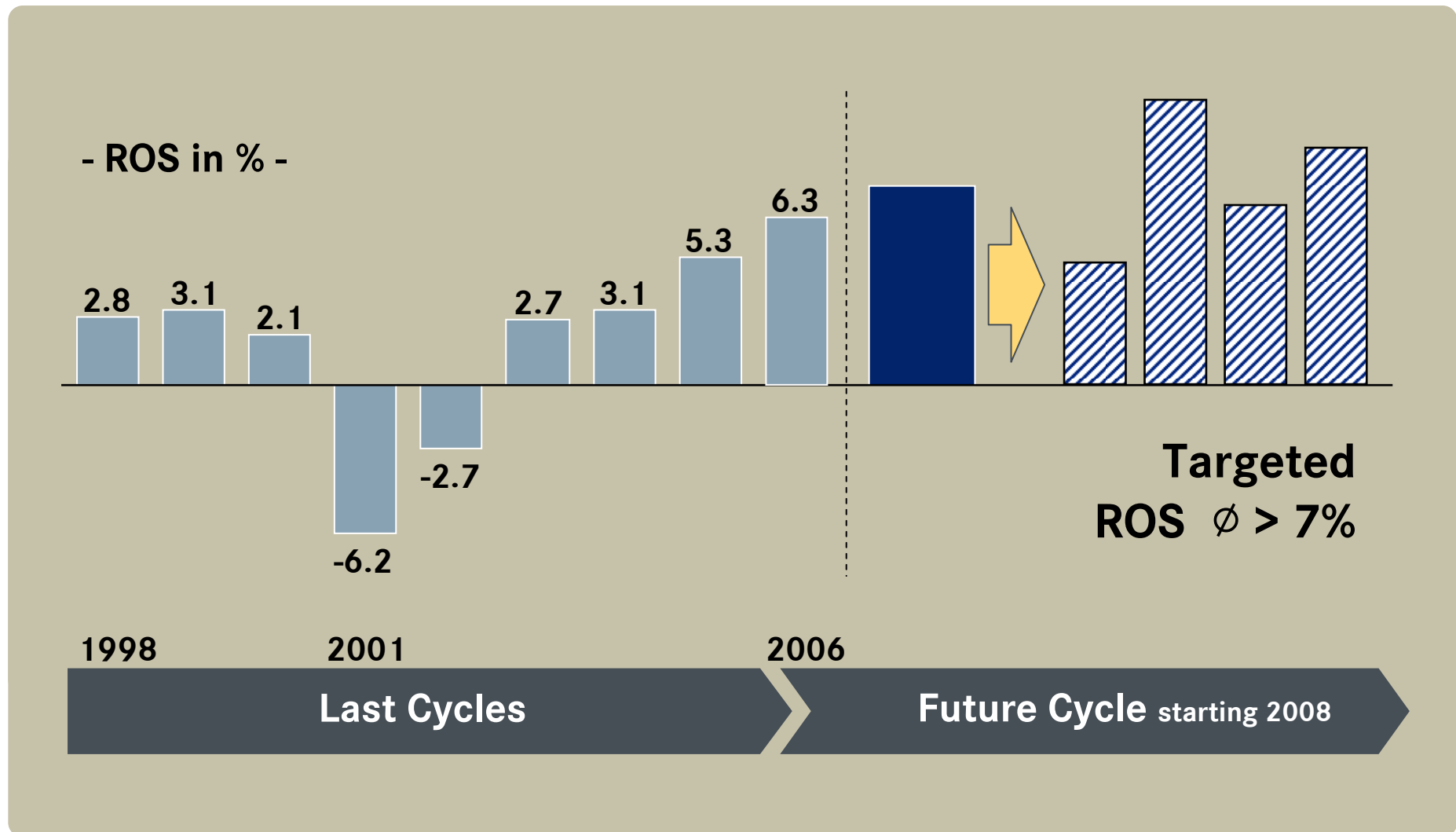


ROS

∅ > 7%



## HIGHER AVERAGE ROS-LEVEL TARGETED IN FUTURE CYCLES



1

## Truck Group Record 2006

Business Situation  
Truck Group Target

2

## Global Excellence Update

## EXECUTION OF GLOBAL EXCELLENCE REMAINS KEY DRIVER FOR TRUCK GROUP'S VALUE CREATION



## CLEAR FOCUS ON CORE BUSINESS

2003

- ▼ MBLenk to Thyssen Krupp Automotive

2004

- ▼ Outsourcing of Wiring Harnesses

2005

- ▼ American LaFrance
- ▼ MBLenk

2006

- ▼ MFTBC Foundry
- ▼ Dealer restructuring US & Japan



## IMPROVEMENT IN OPERATIONS – 2005 VS. 2006

Hours per Vehicle

> 10%

Product Quality\*

> 5%

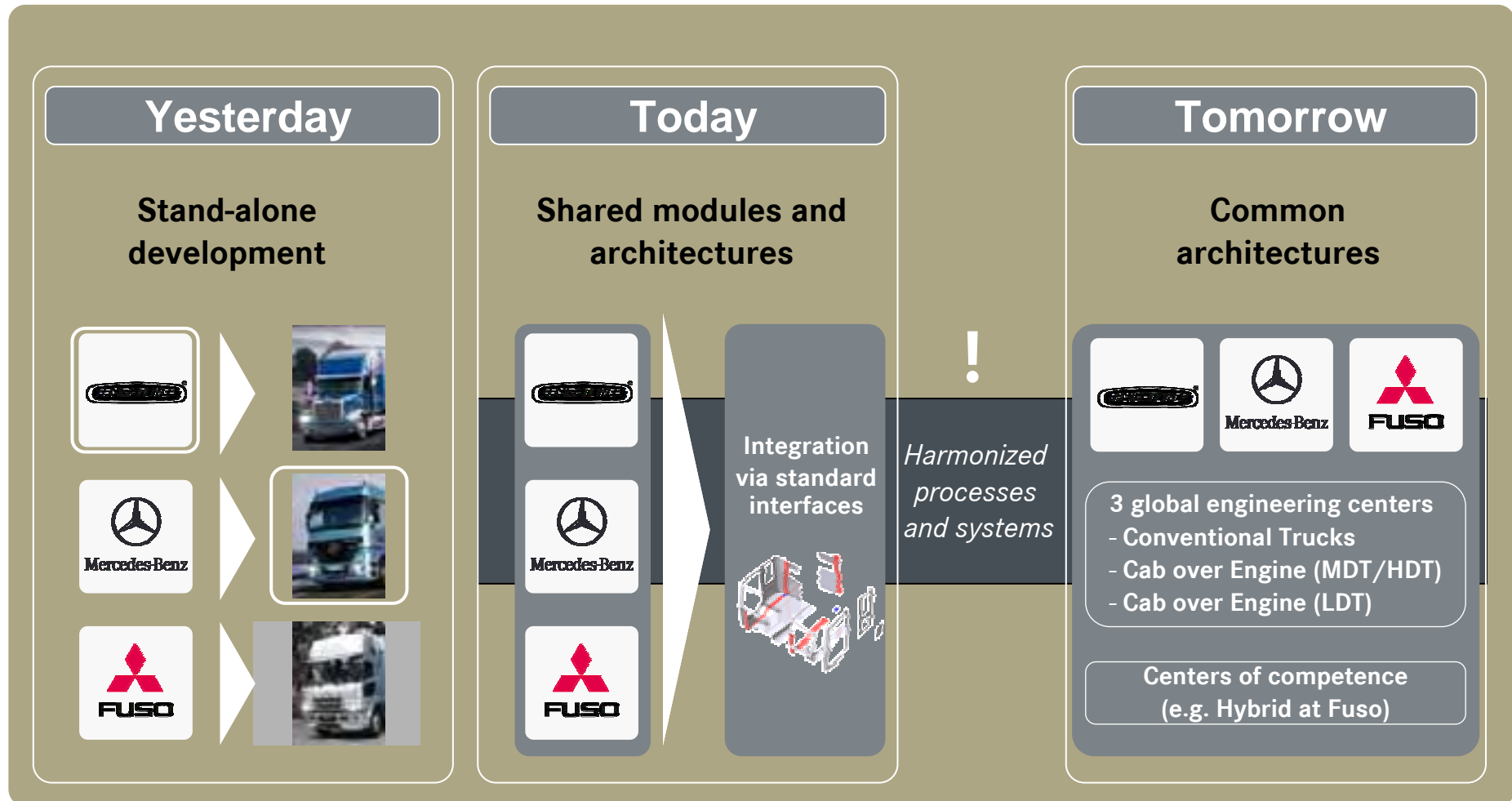
Material Cost & Manufacturing fixed cost

reduced



\* All vehicle complaints within first 12 months in Service

# FOCUS ON PROCESSES AND SYSTEMS IN ORDER TO BENEFIT FROM COMMON GLOBAL PLATFORMS



## GROWTH AND MARKET EXPLOITATION INITIATIVES

### Traditional markets

- Europe: Truck Dedication
- NAFTA: Product/market approach Sterling
- Fuso: International markets

Dedicated downstream activities  
Enhanced product portfolio

### Emerging markets

- China
- India
- Eastern Europe

Adjust business model to market  
(esp. sales & after sales)  
Adapt products to region

## CHINA: 24% SHARE PARTICIPATION IN FOTON GOVERNMENTAL APPROVAL STILL PENDING



- Foton as LDT market leader (Market Share 35%) in biggest LDT market of the world

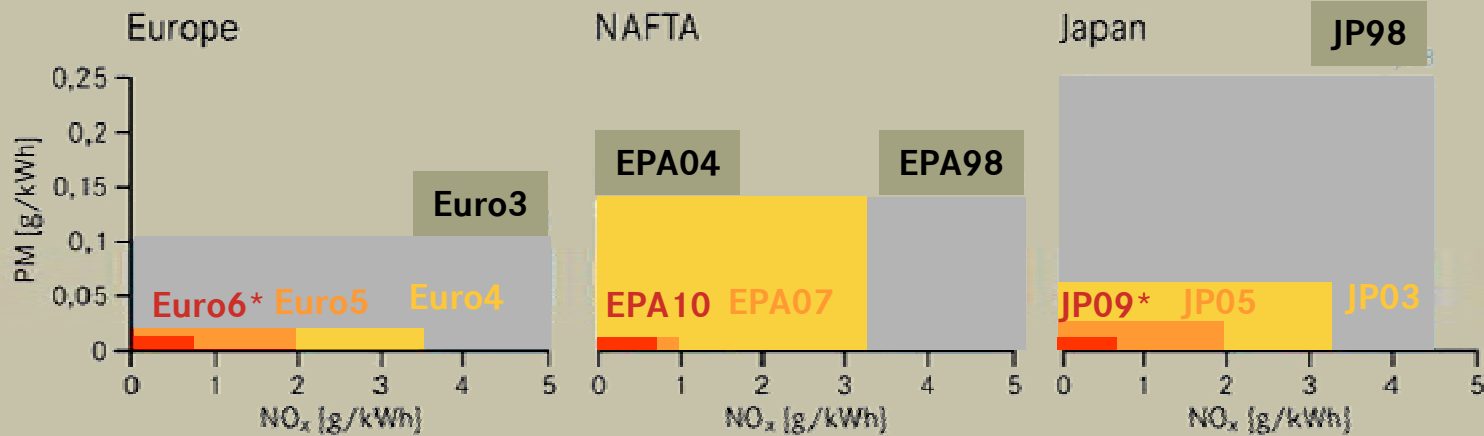
- Immediate possibility of realizing China initiatives for TG with young, dynamic company

- Foton as full range OEM present in LDT, MDT, HDT Truck segments

- Future MDT/ HDT market entry possible with new brand, new products including dedicated dealer network



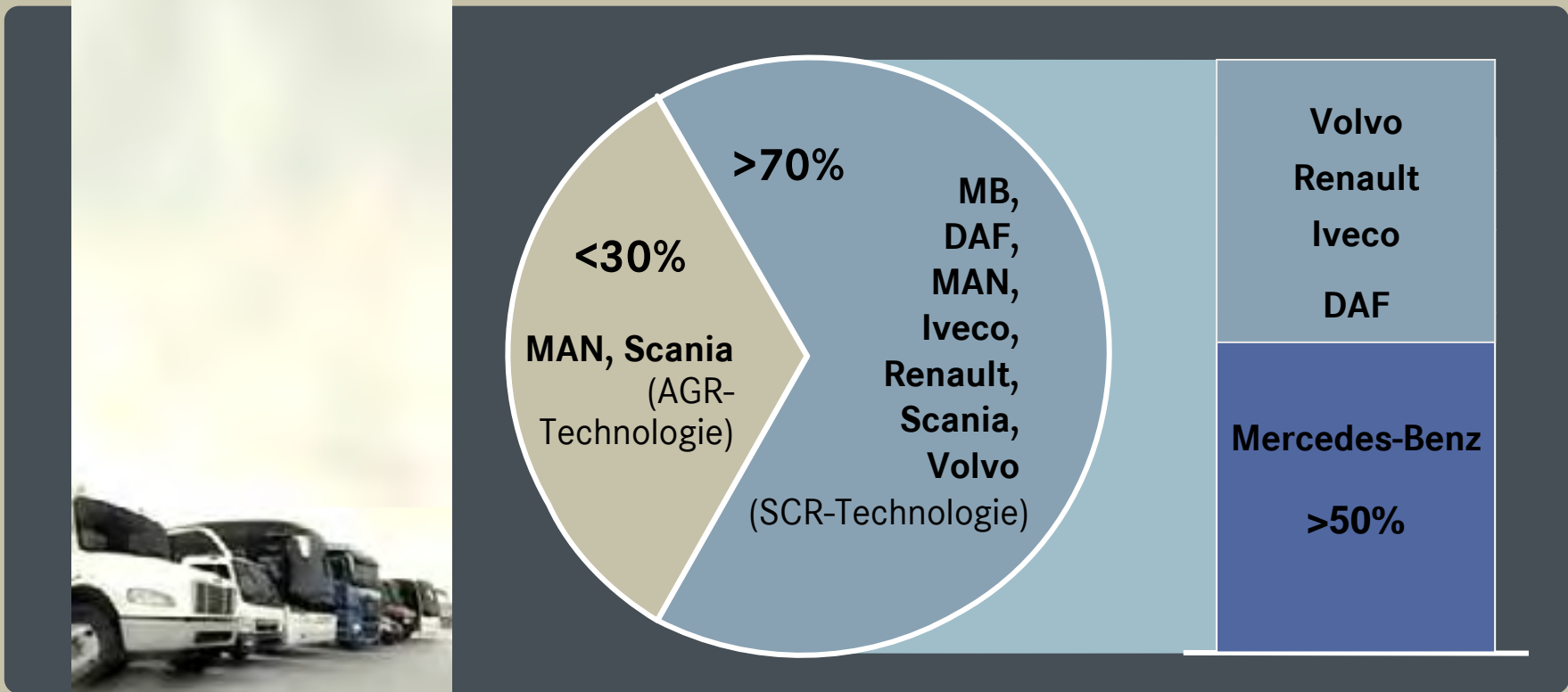
## TRUCK GROUP AS LEADER IN TECHNOLOGY - PRE-FULFILLMENT OF EURO IV AND V -



\*Still under negotiation

# TRUCK GROUP LEADER IN SCR TECHNOLOGY – PREFULFILLMENT OF EURO V RIGHT DECISION

Registrations HDT segment in Germany (Oct – Dec, 2006)

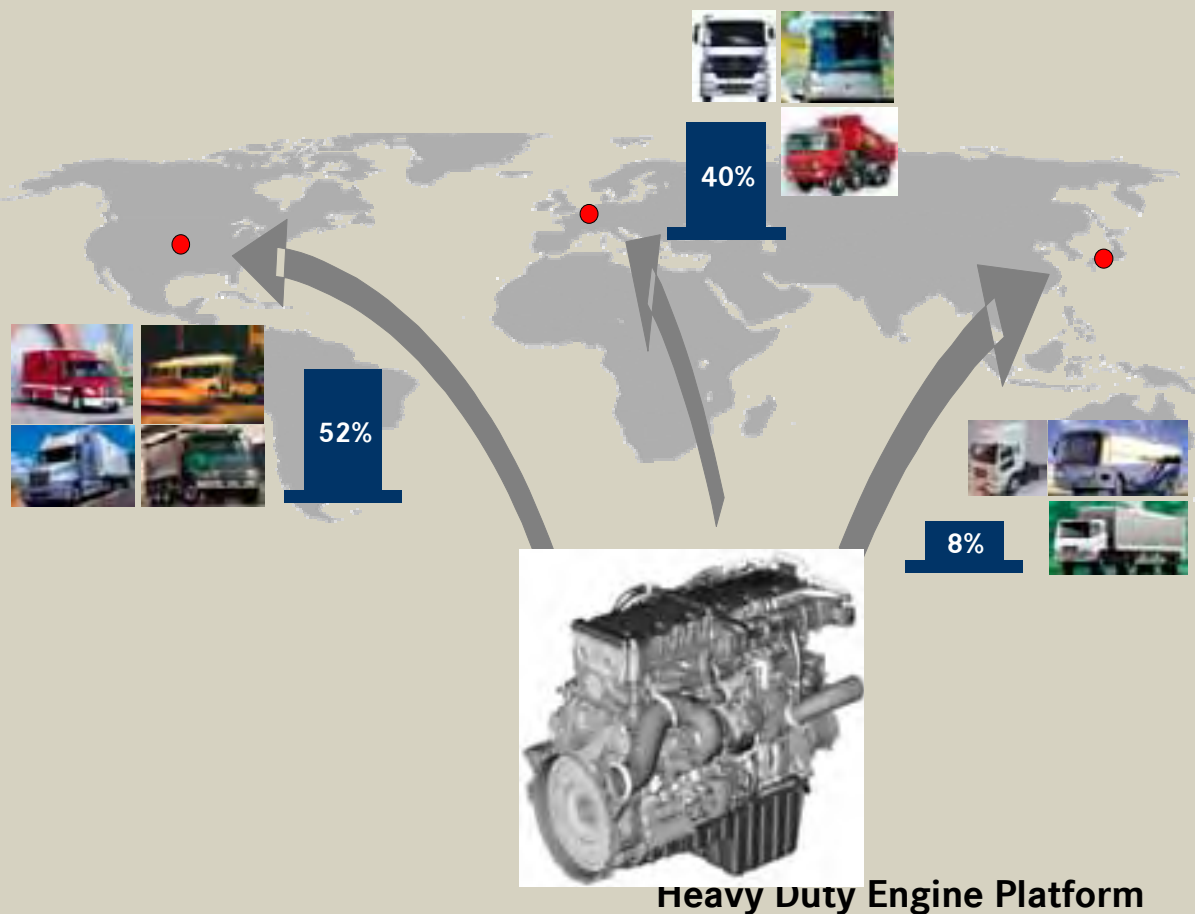


**Mercedes-Benz with over 40,000 Blue-Tec trucks on the road\***

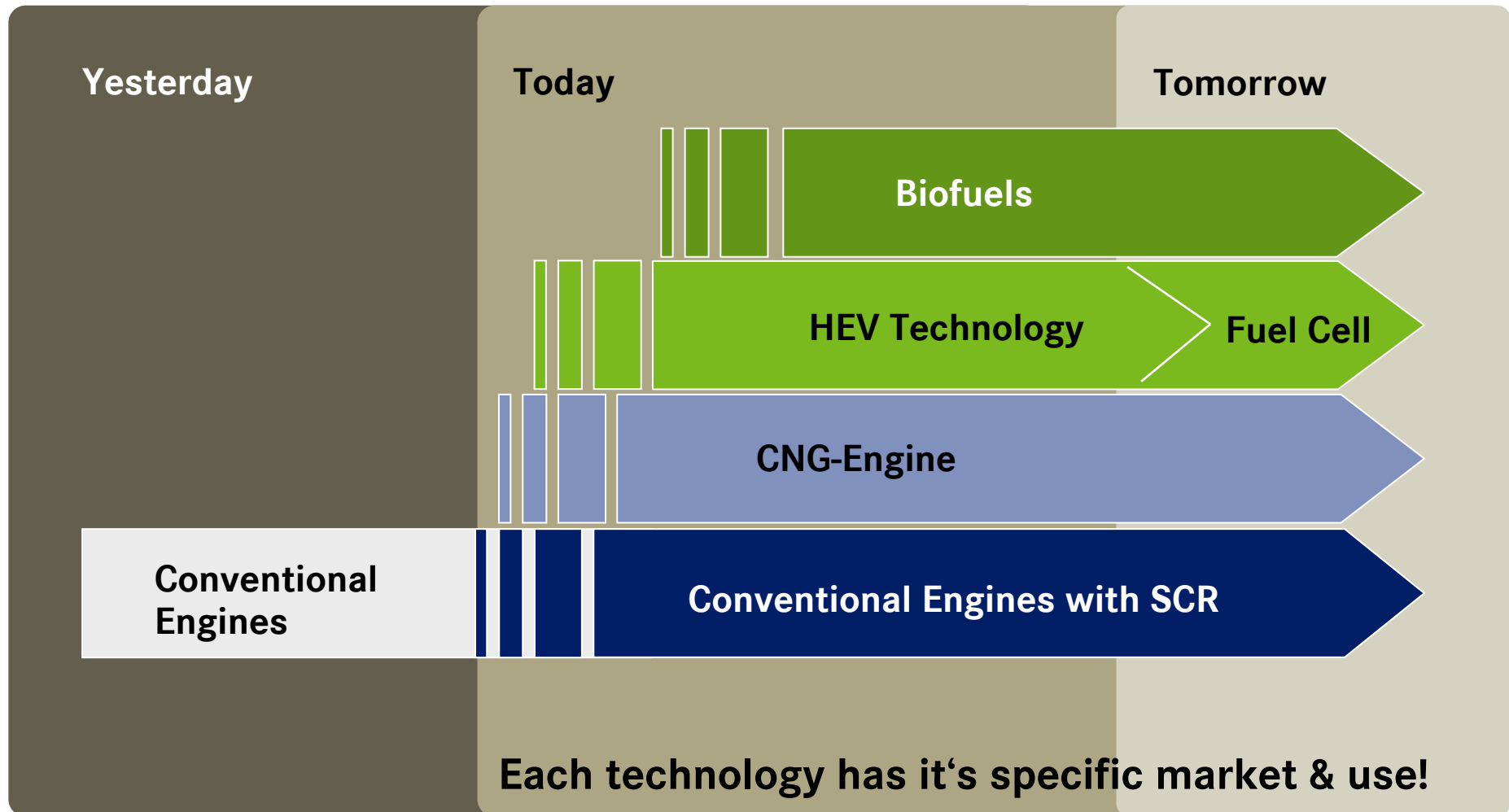
\*Since market introduction

## FUTURE CONVENTIONAL ENGINE TECHNOLOGY: HDEP NEXT STEP TO KEEP COMPETITIVE MOMENTUM

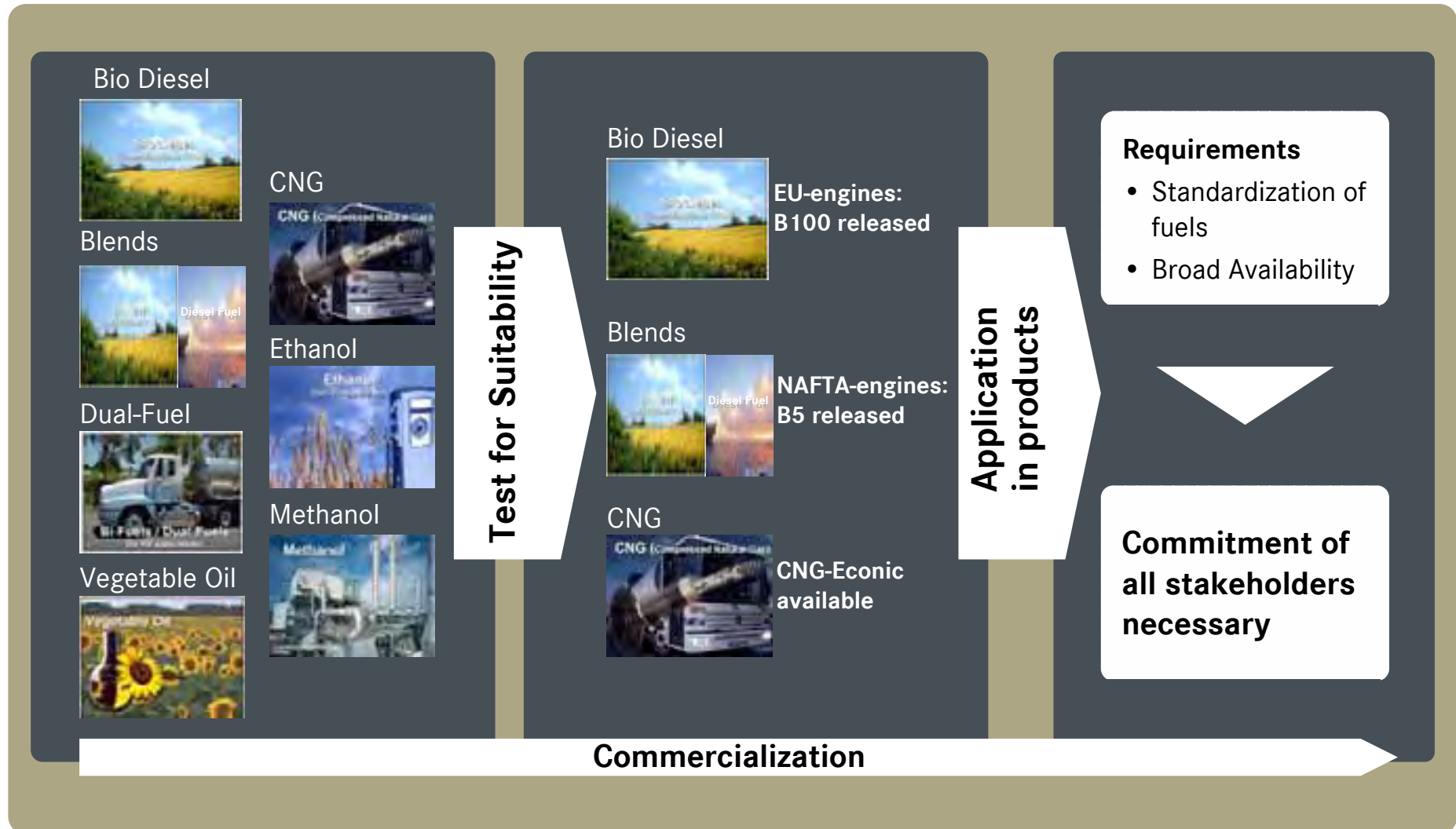
- Significant increase of injection pressure
- Improved Efficiency (Fuel Consumption)
- Reduced Raw Emission and Particles
- US Engine ramp 2007; Vehicle launch in 2008
- 200,000 units p.a. targeted
- 90% common parts world-wide



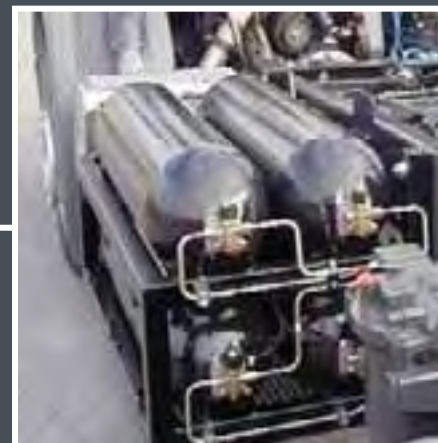
## FURTHER TECHNOLOGIES IN ORDER TO REDUCE EMISSIONS IN OUR TRUCKS



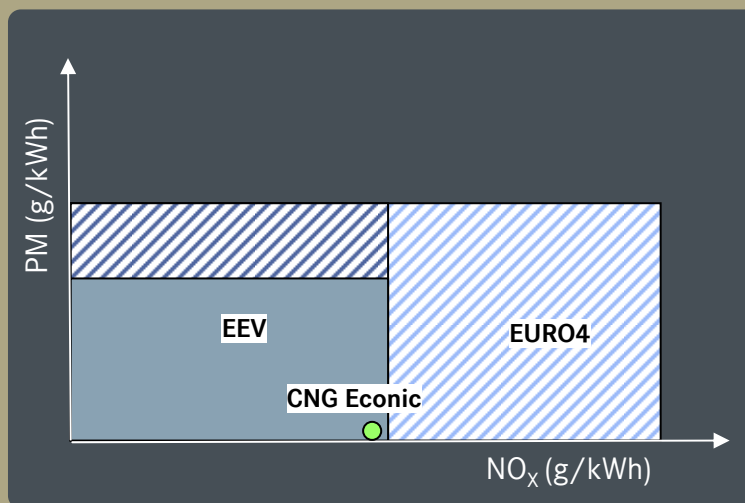
## ALTERNATIVE FUELS BECOME INTERESTING FOR COMMERCIAL USE



### CNG-ECONIC: VIRTUALLY NO PARTICLES PRODUCED - TRUCK GROUP ONLY OEM WITH CNG IN HD SEGMENT



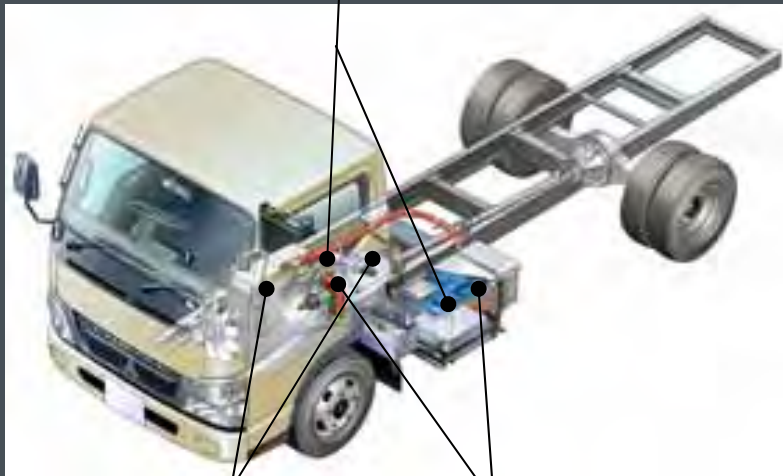
- Good CNG availability from fossil fuels & Biogas → Continuous Market Growth expected
- Complete Solutions available; Mercedes-Benz only OEM with CNG in HDT segment
- Range up to 400 km
- EURO5 and EEV\* compliant



# HYBRID-TECHNOLOGY IS A STEP TOWARDS „GREEN TRUCKS“ - EXAMPLE: FUSO'S CANTER ECO HYBRID

## HEV Basic functionalities

- Electrical starting
- Electrical launch/boosting
- Electrical acceleration assistance



Best point operation

Regenerative braking

## Emissions

~20%\*



## Fuel Consumption

~25%\*\*



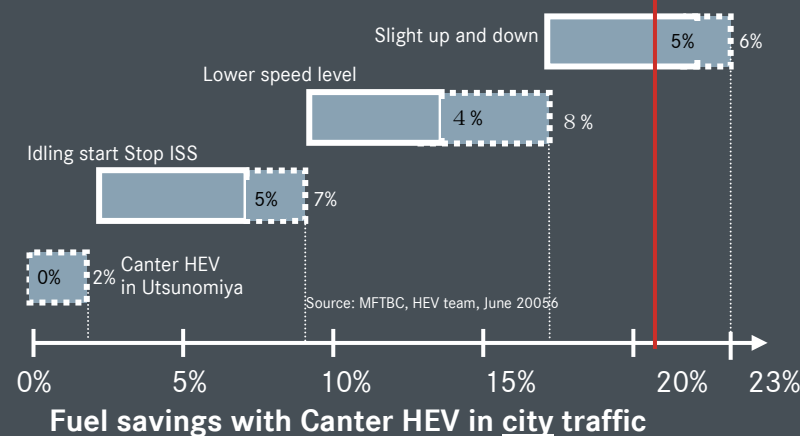
*\*Well to Wheel, \*\*Depending on utilization*

# CANTER ECO HYBRID: FUEL SAVINGS OF ABOUT 20% ACHIEVED; SIMILAR RESULT EXPECTED FOR EU APPLICATION

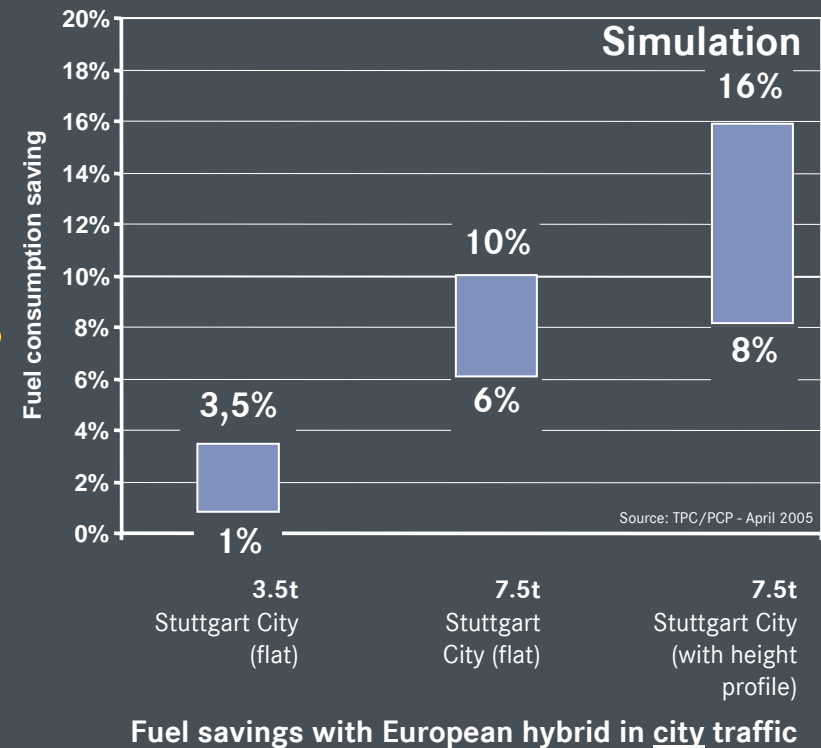
20.5% fuel savings of Canter HEV (l/100km) measured and simulated on Tokyo city route



20.5% Measured

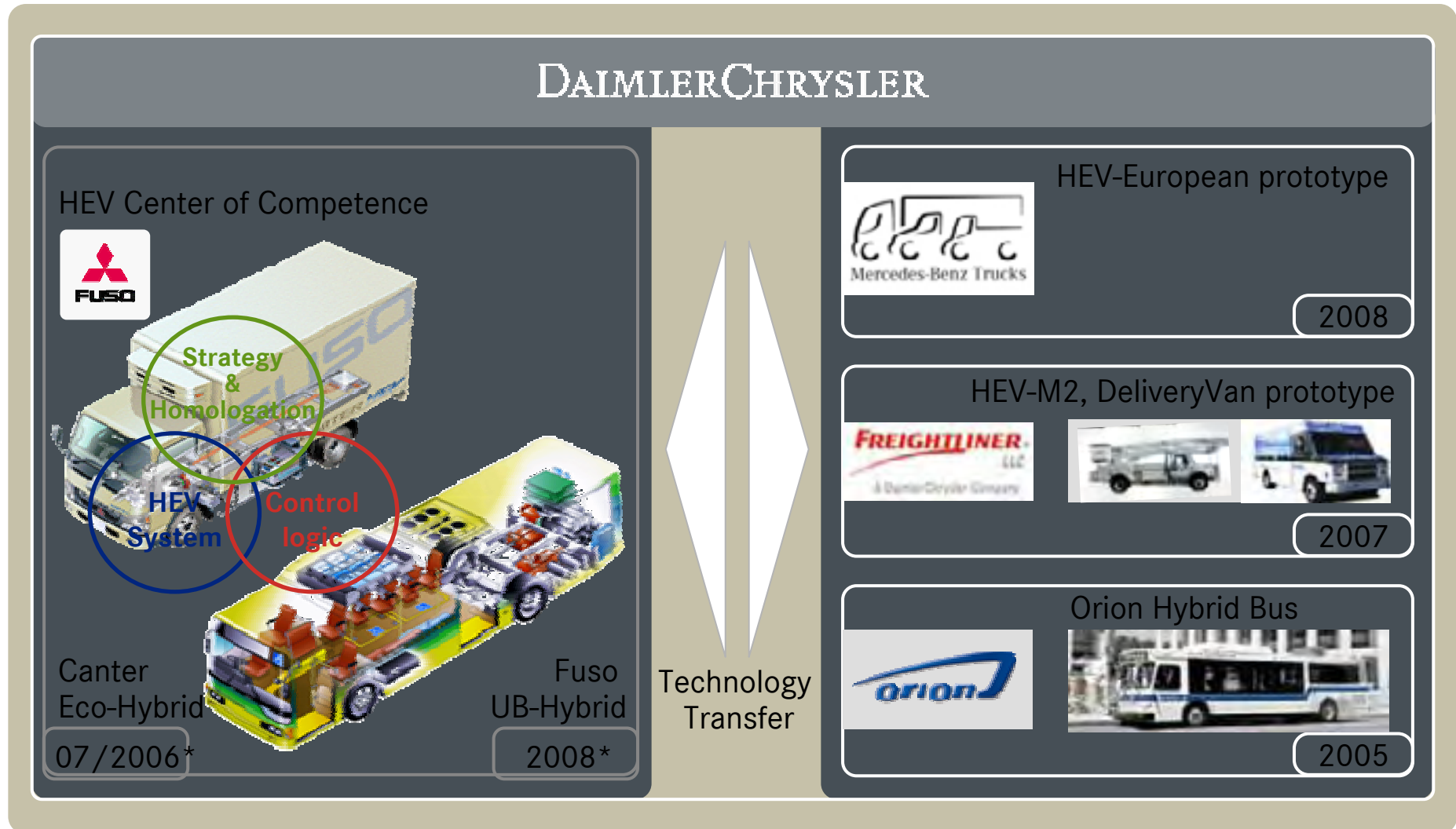


Fuel Economy up to 16% expected with 7.5t European Hybrid on Stuttgart city route





# HYBRID TECHNOLOGY IS A SUCCESS STORY OF THE TRUCK GROUPS' DEVELOPMENT NETWORK



\*Market Launch

## TRUCKS INTRODUCED IN 2006

**Mitsubishi Fuso  
Canter Eco Hybrid  
(July)**



**Sterling 360 LDT  
(May)**



**Western Star  
Stratosphere  
(October)**

## NEW TRUCKS TO COME IN 2007

Mercedes-Benz  
Compact  
Unimog



Fuso  
Super Great



New  
Freightliner  
Heavy-Duty Truck

# GLOBAL EXCELLENCE PROVIDES FURTHER GROWTH OPPORTUNITIES AND SUPERIOR INDUSTRY POSITION

### Business Situation 2006

- Truck Group with record year
- Increased profitability (26%)

### Global Excellence

- Measures from Initiative “Beat the Cycle” implemented, TG prepared for 2007
- Operative Excellence further to be improved
- Market optimization ongoing, Chinese cooperation with Foton in progress

### Future Products & Technologies

- Future technologies for conventional engines and vehicle innovations still offer significant potential for emission and fuel savings
- Alternative and conventional technologies required to reduce emission and fuel consumption for respective applications
- Alternative fuels for special applications successfully commercialized
- Hybrid technology successful in stop-and-go environment -> adjustment of test cycles for emission regulations required; Truck group industry leader of hybrid technology
- Truck Group as technological leader in its industry

## 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 an economic downturn or slow economic growth, especially in Europe or North America; changes in currency exchange rates and interest rates; introduction of competing products and possible lack of acceptance of our products or services; competitive pressures which may limit our ability to reduce sales incentives and raise prices; price increases in fuel, raw materials, and precious metals; disruption of production or delivery of new vehicles due to shortages of materials, labor strikes, or supplier insolvencies; a decline in resale prices of used vehicles; the ability of the Chrysler Group to reduce costs, especially in light of restructuring activities underway at some of our major competitors in the NAFTA region, and to respond to shifts in market demand towards smaller, more fuel efficient vehicles; effective implementation of cost reduction and efficiency optimization programs, including our new management model; the business outlook of our equity investee EADS, including the financial impact of delays in and potentially lower volume of future aircraft deliveries; 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 are described under the heading “Risk Report” in DaimlerChrysler’s most recent Annual Report and under the headings “Risk Factors” and “Legal Proceedings” in DaimlerChrysler'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.