

DAIMLER

Annual Press Conference FY 2007 and Q4 2007 Results

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Finance & Controlling and Daimler Financial Services

February 14, 2008

Important achievements in FY 2007

● Improved profitability

- Significantly improved performance at Mercedes-Benz Cars
- Daimler Trucks increased earnings despite substantial downturn in the NAFTA region
- Daimler Financial Services generated solid earnings ratios despite set-up costs for a separate North American organization
- Higher unit sales of Mercedes-Benz Vans and Daimler Buses

● Optimized business portfolio

- Transfer of the majority in Chrysler
- Reduction of interest in EADS
- Sale of Potsdamer Platz and real estate in Japan

● Optimized capital structure

- 50 million shares equivalent to €3.5 billion bought back
- Program will be continued today
- Further programs subject to development of earnings, cash flows and net liquidity

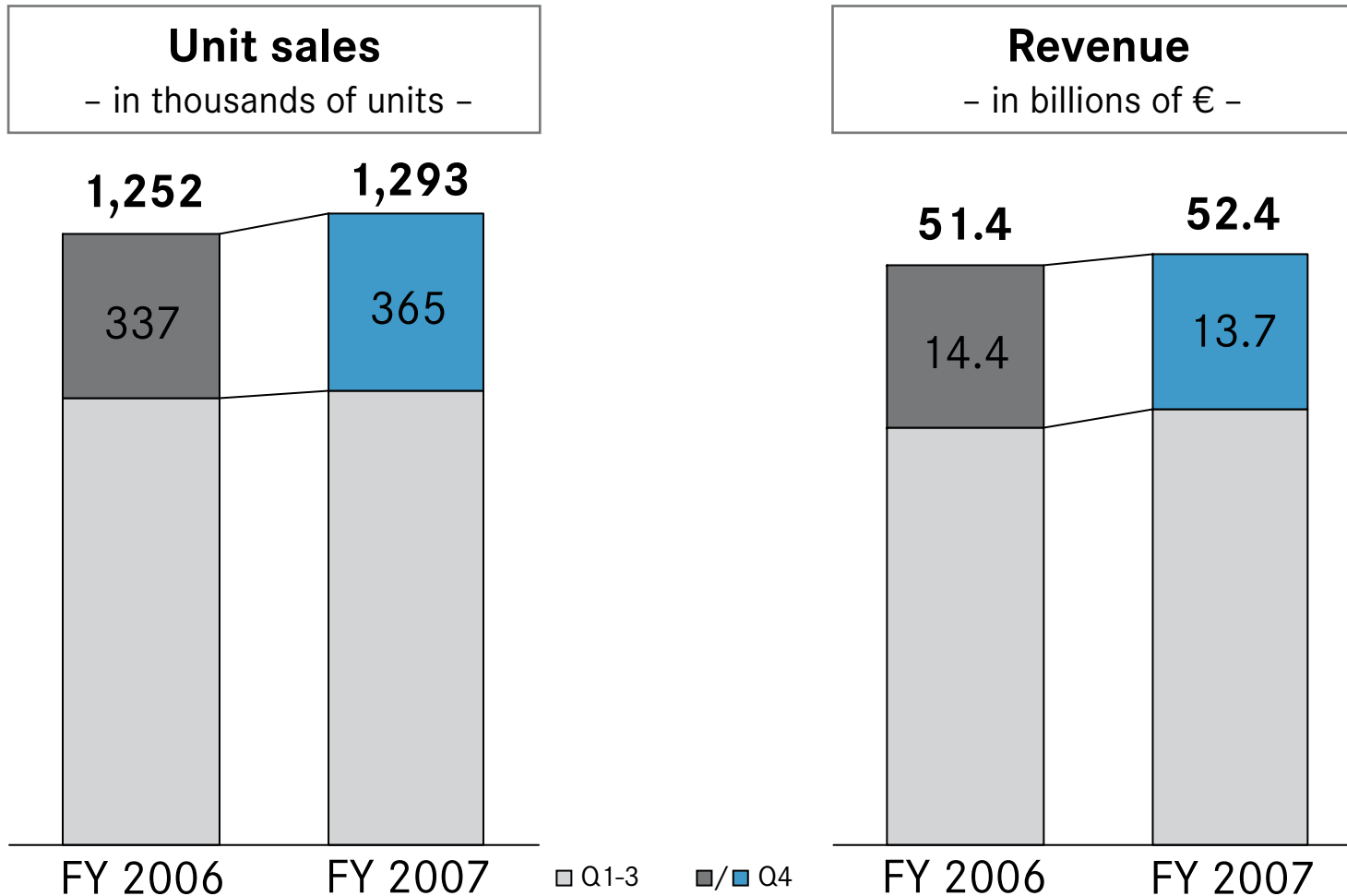
Transfer of majority in Chrysler to Cerberus

- As a consequence, substantially improved risk profile
- Negative cash impact of €0.5 billion
- Net profit impact from the transaction of €2.2 billion
- Risk from healthcare obligations and pensions transferred
- Guarantee of US-\$1.0 billion pension obligation for a maximum of 5 years
- Subscription of a second-lien loan of US-\$1.5 billion for Chrysler's automotive business

Key financials

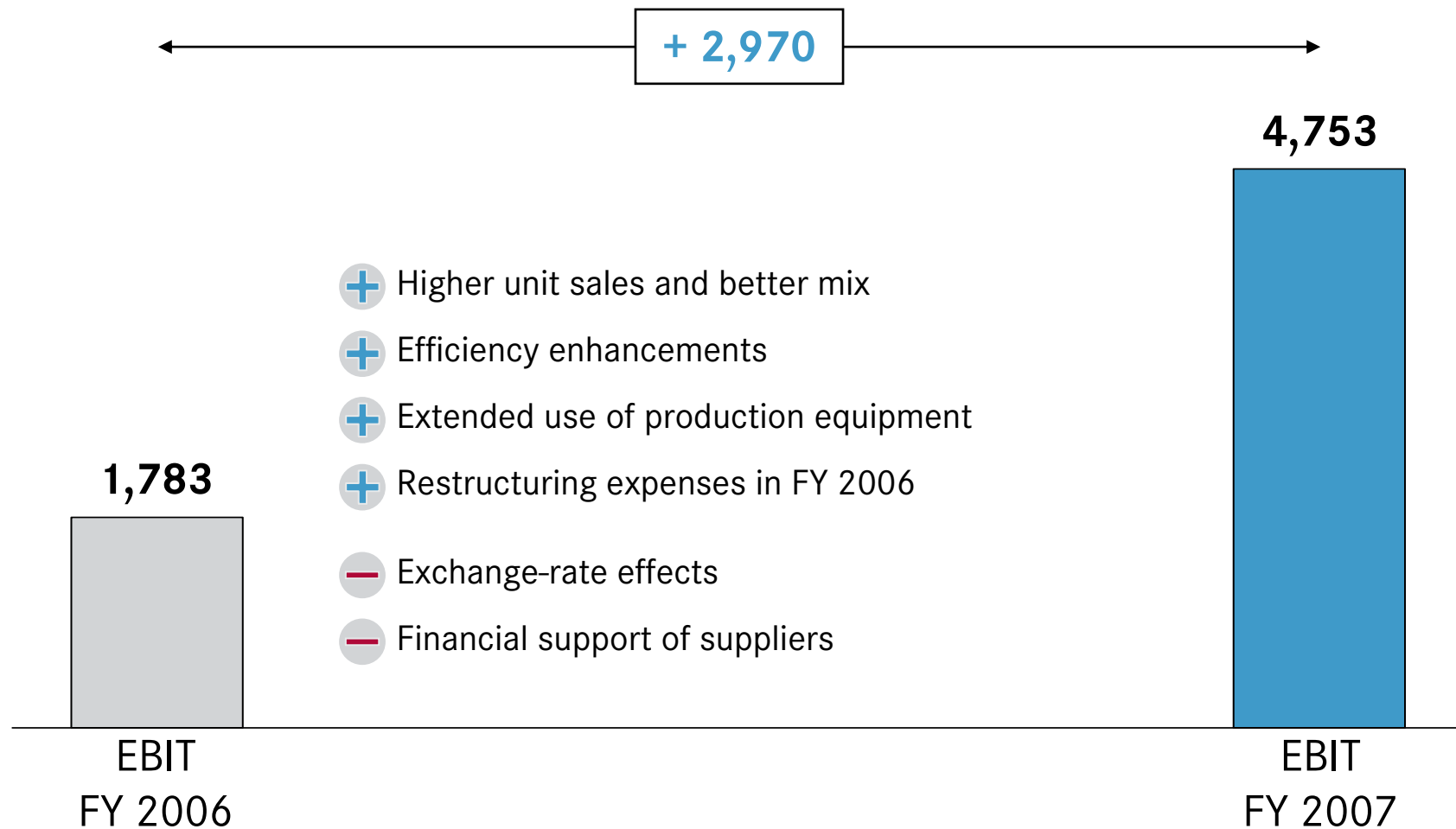
- in billions of € -	FY 2006	FY 2007
EBIT	5.0	8.7
Net profit	3.8	4.0
Net profit from continuing operations	3.2	4.9
Earnings per share (in €)	3.66	3.83
Free cash flow industrial business	2.7	7.6
Net liquidity industrial business (at period end)	9.9	12.9

Higher unit sales and revenue reflect success of new products

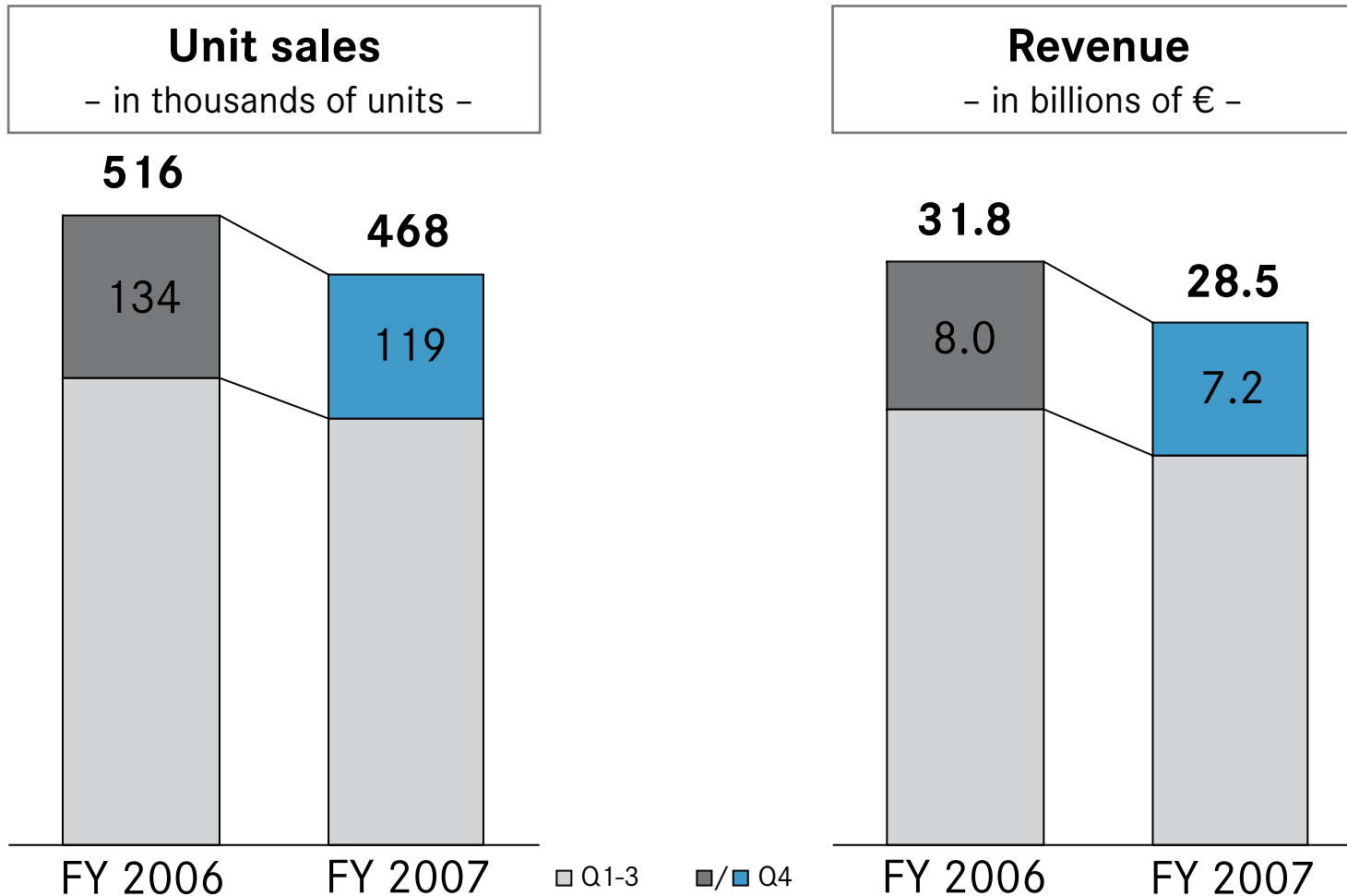


EBIT increased mainly due to higher volume and substantially improved efficiency

- in millions of € -

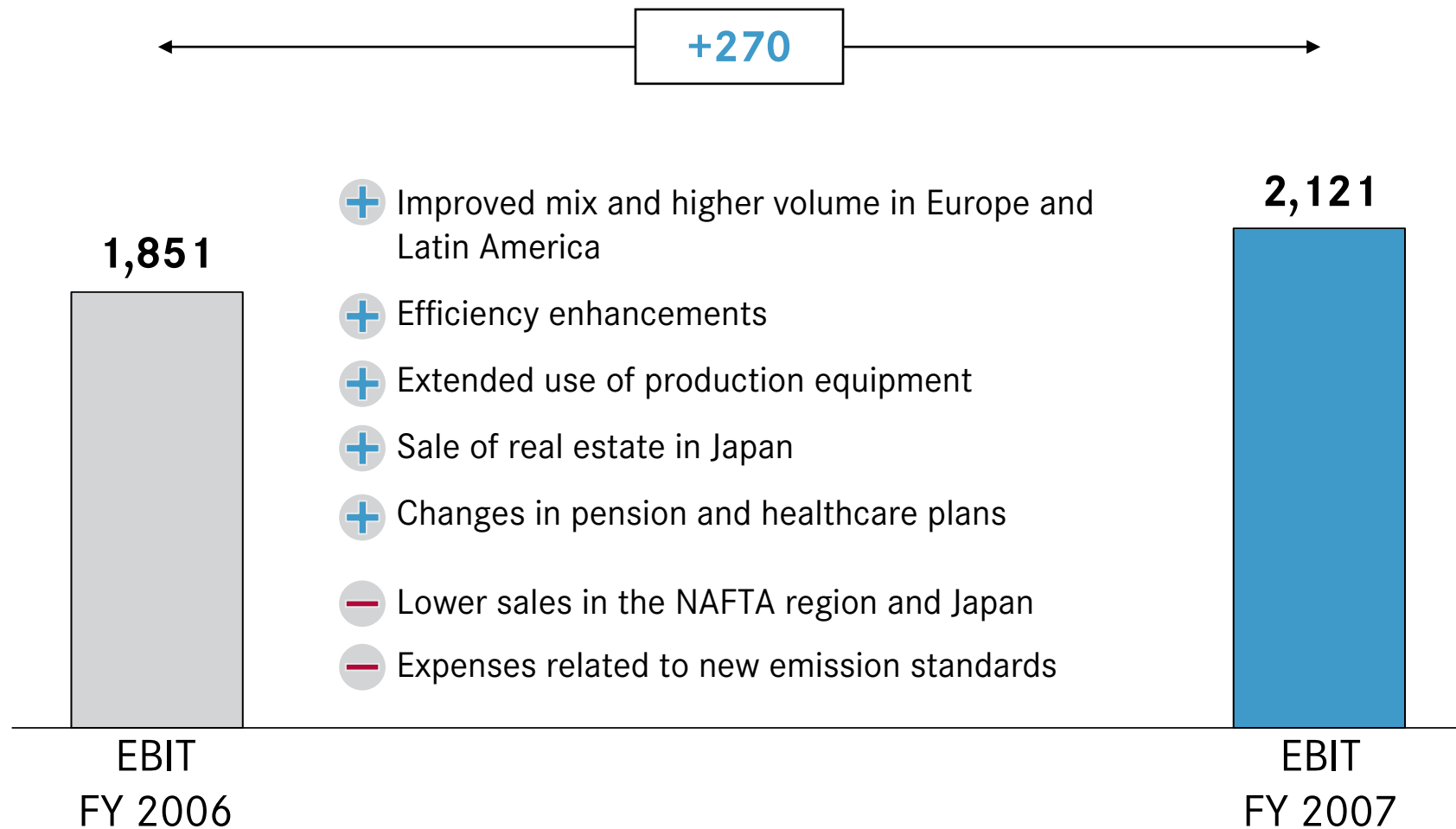


Growth in Europe and Latin America partially offset the strong decline in NAFTA and Japan



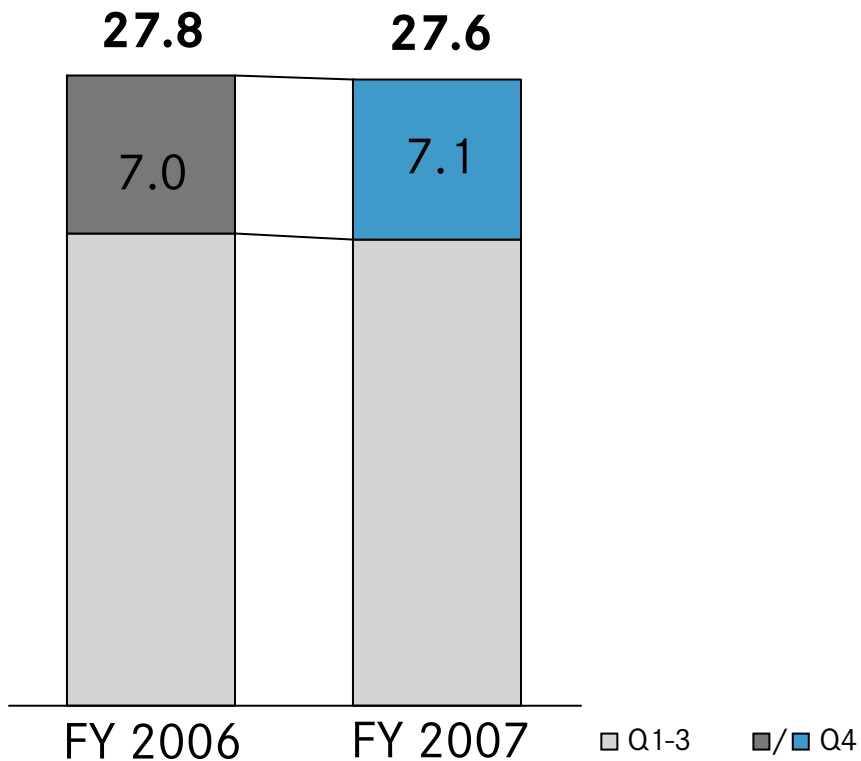
Increase in EBIT despite weak truck markets in the NAFTA and Japan

- in millions of € -

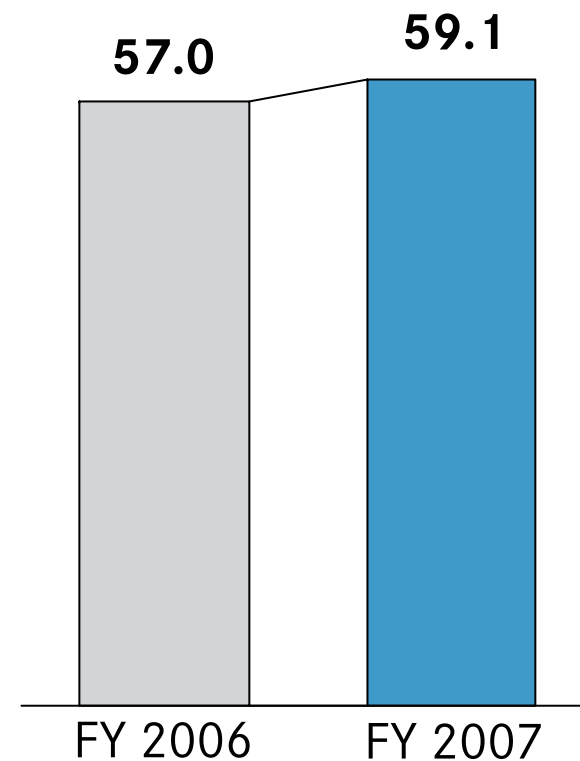


Contract volume continued to grow in all regions

New business
- in billions of € -

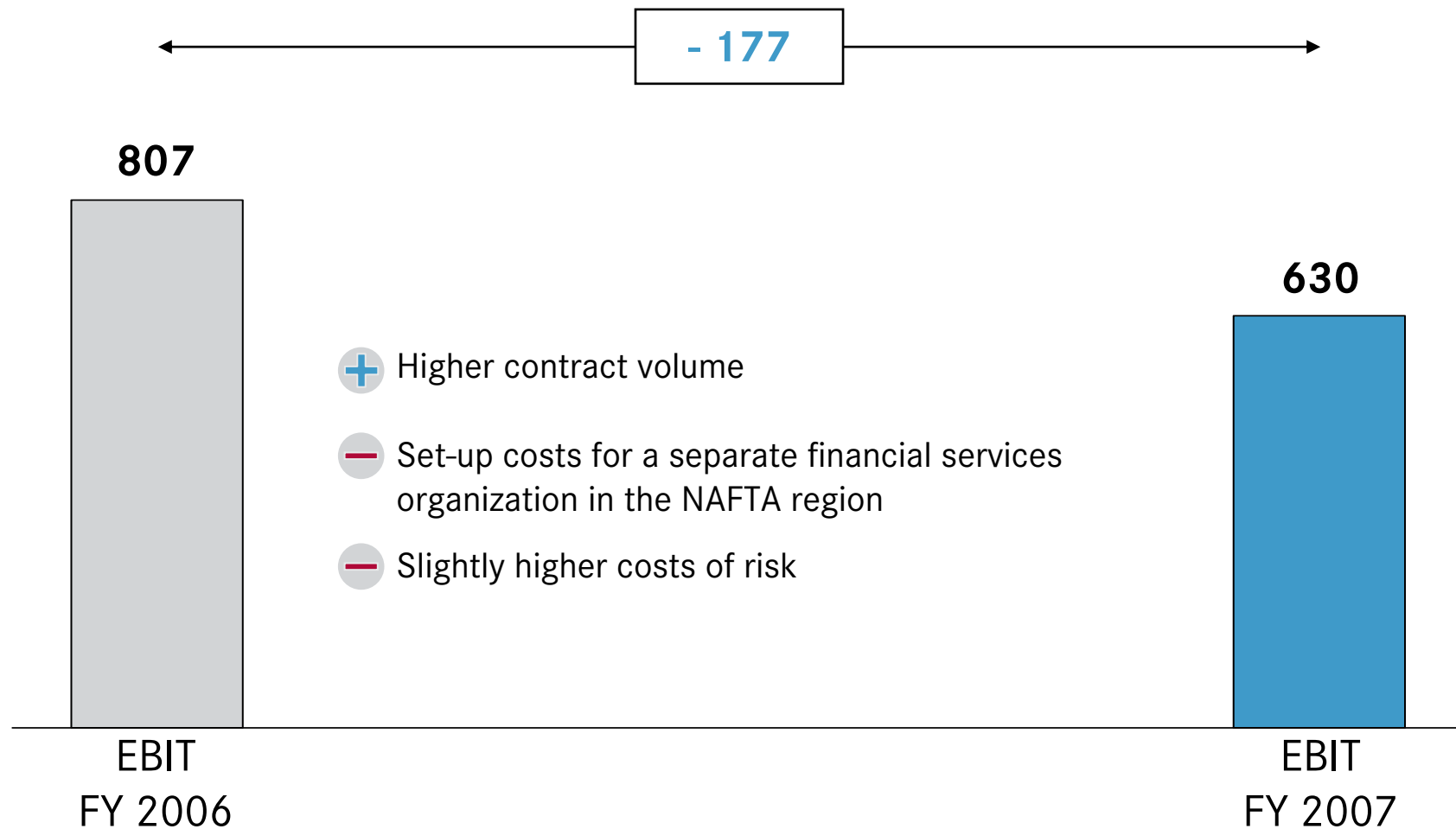


Contract volume
- in billions of € -



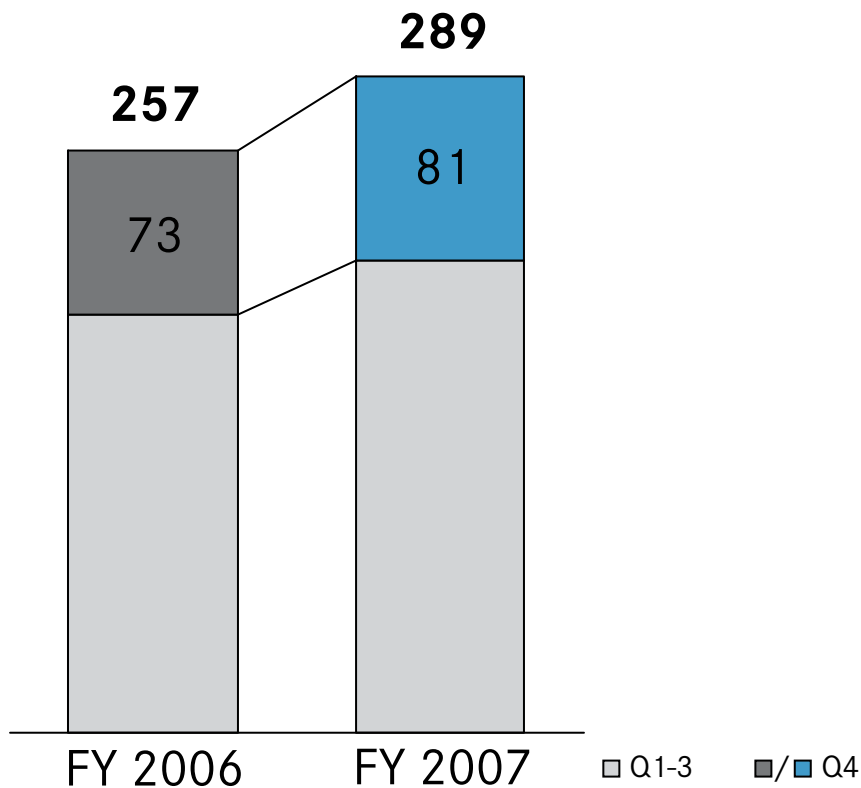
Lower EBIT mainly reflects burdens from setting up a new organization in the NAFTA region

- in millions of € -

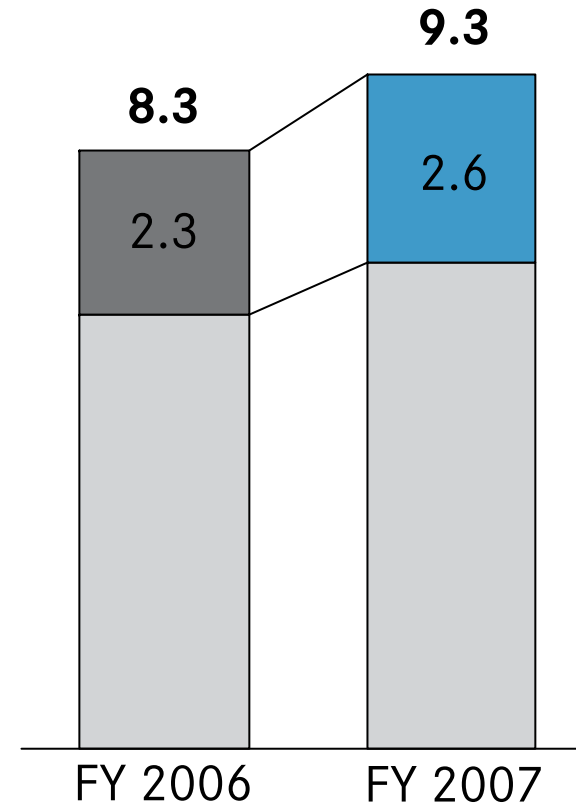


Increase in sales reflects success of Sprinter and Vito/Viano vans

Unit sales
- in thousands of units -

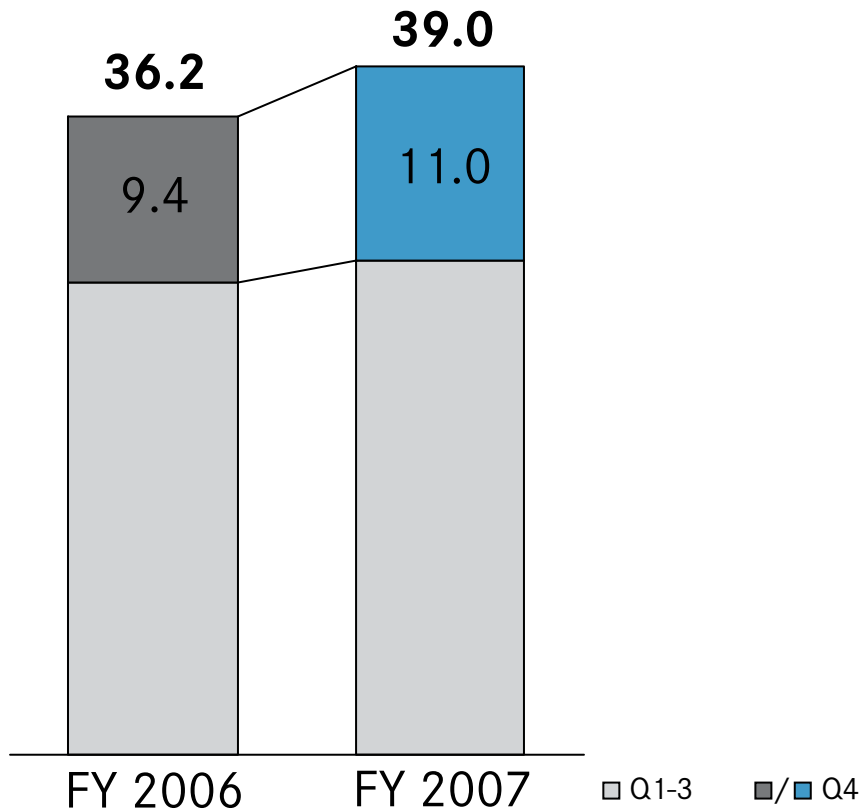


Revenue
- in billions of € -

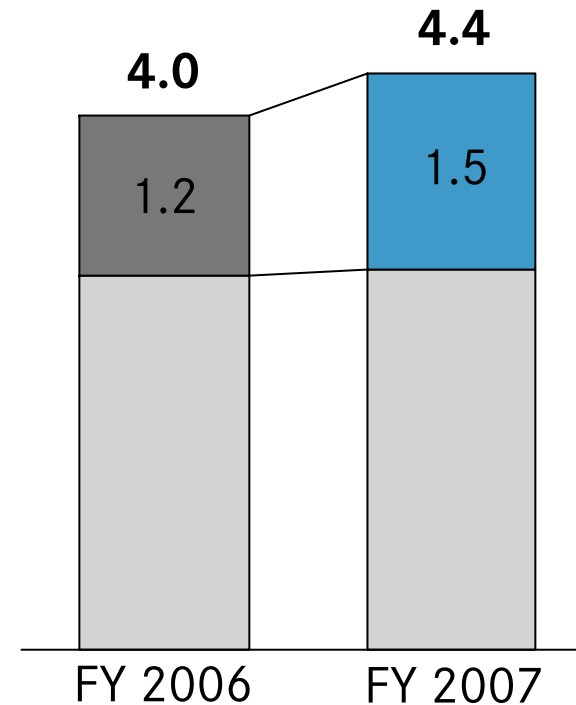


Growth at Daimler Buses driven by Latin America and Eastern Europe

Unit sales
- in thousands of units -

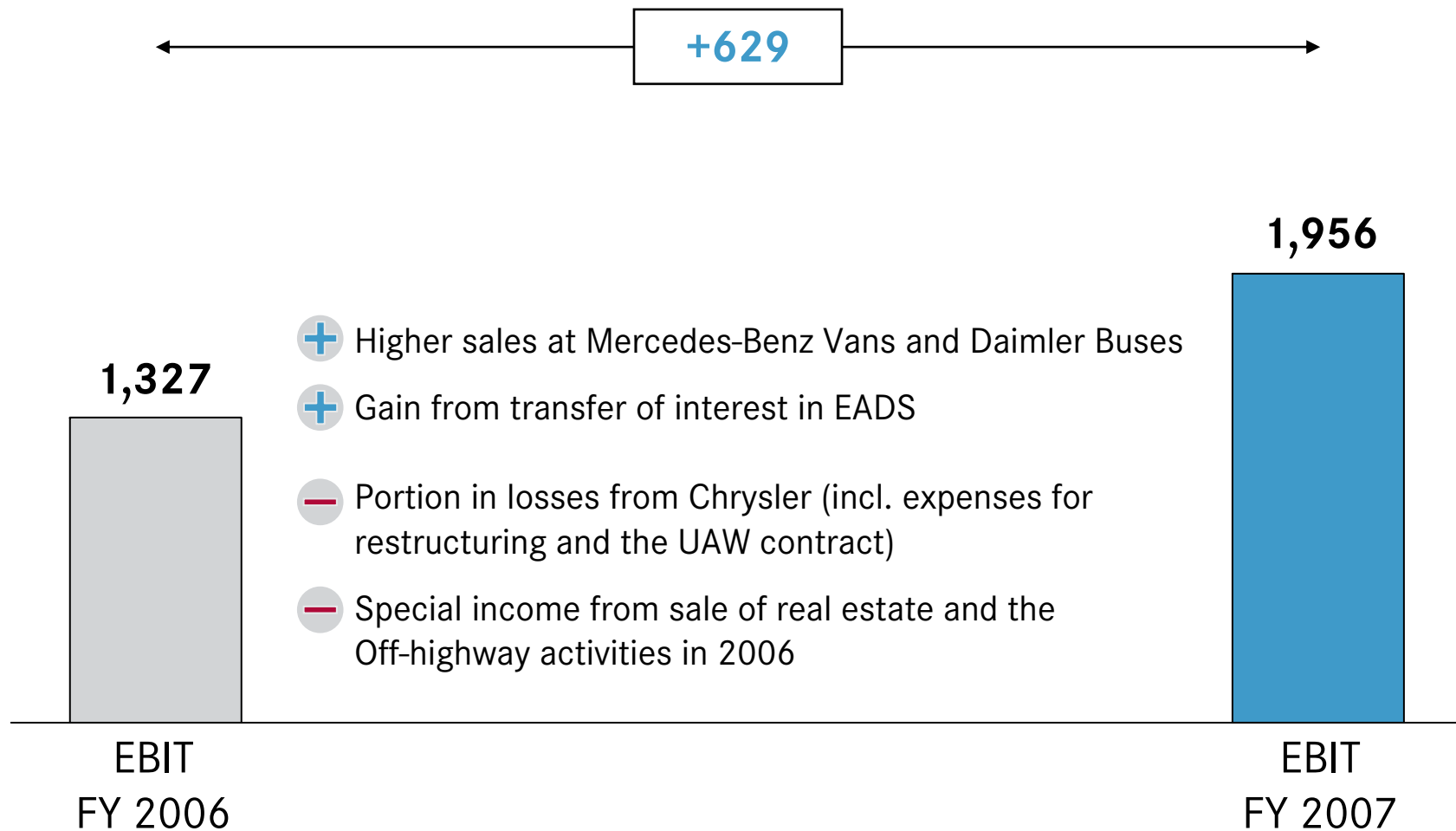


Revenue
- in billions of € -



EBIT increased due to improved earnings at vans and buses and the gain from transfer of EADS shares

- in millions of € -



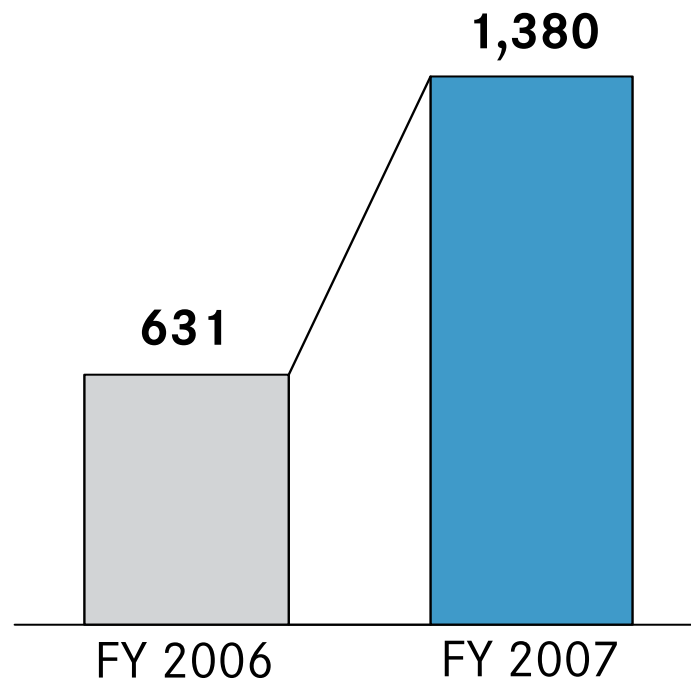
EBIT improved significantly in Q4 2007

- in millions of € -	Q4 2006	Q4 2007
Mercedes-Benz Cars	978	1,426
Daimler Trucks	279	512
Daimler Financial Services	147	109
Vans, Buses, Other	(501)	(492)
Reconciliation / Elimination	(353)	(162)
Daimler Group	550	1,393

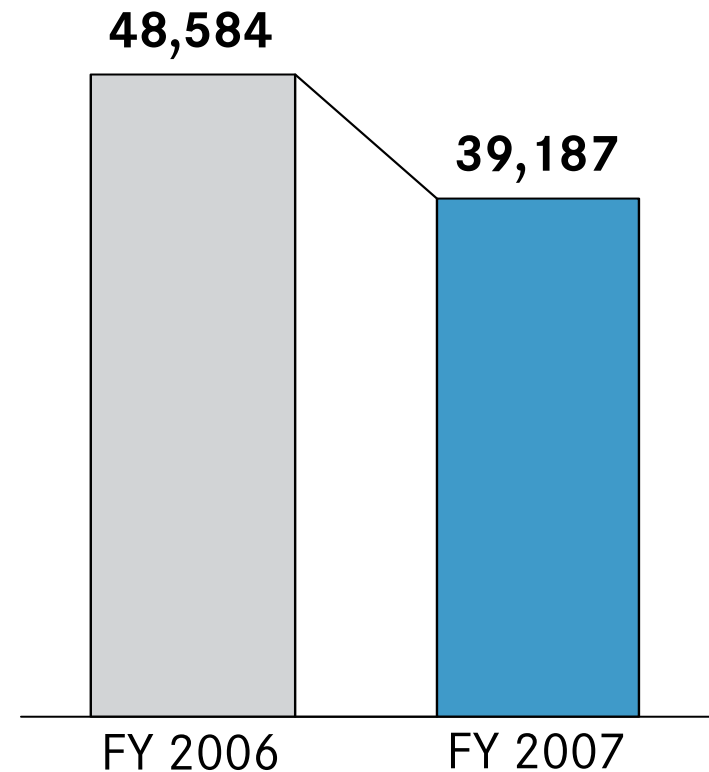
Value added of the Group (after taxes)

- in millions of € -

Value added

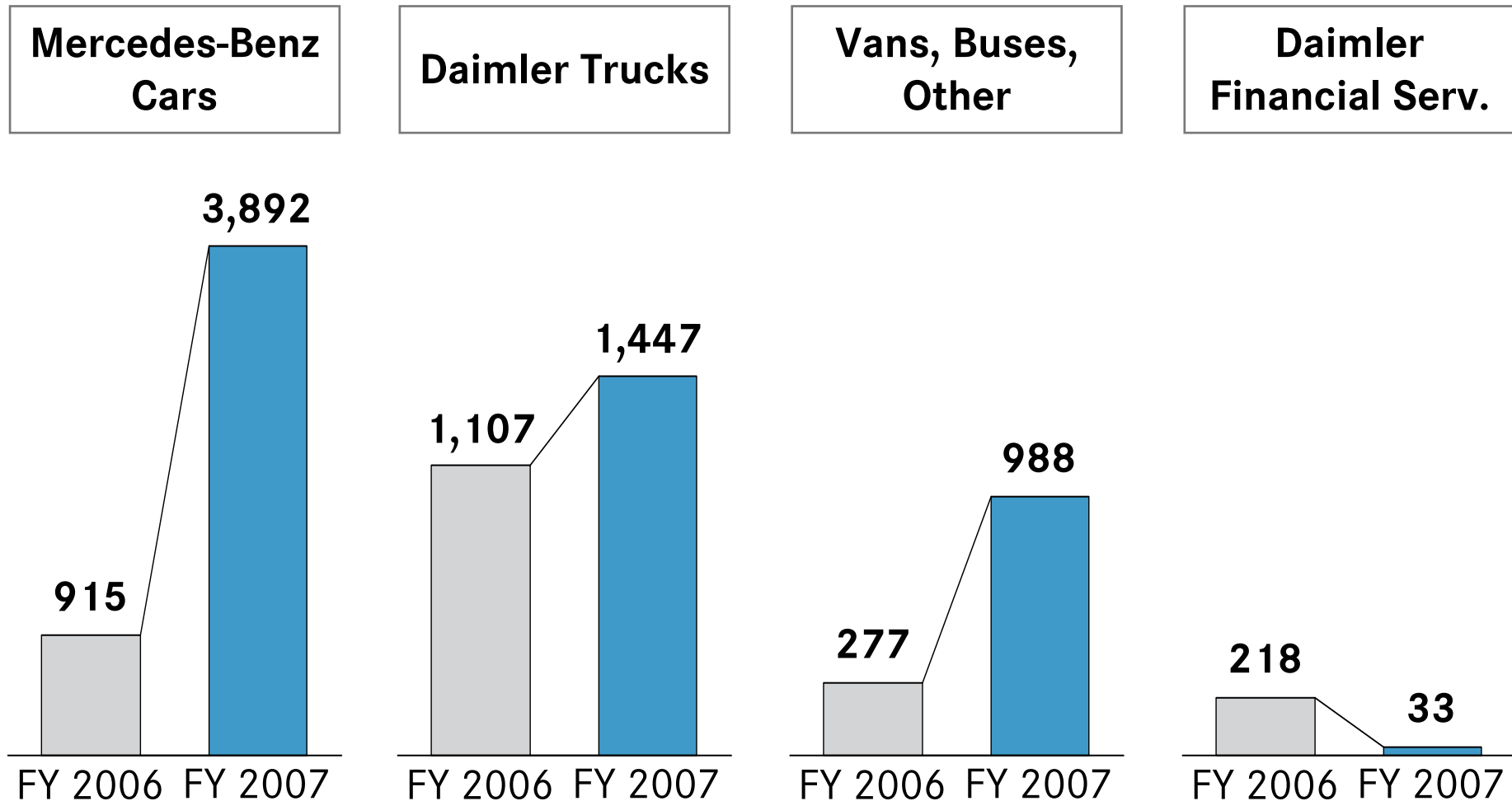


Average net assets



Value added by divisions (before taxes)

- in millions of € -



Key balance-sheet and financial figures

- in millions of € -	Dec. 31, 2006	Dec. 31, 2007
Daimler Group		
Equity ratio ¹⁾	16.5%	26.8%
Gross liquidity	14,447	17,055
Industrial Business		
Equity ratio ¹⁾	27.1%	43.5%
Net liquidity	9,861	12,912
Free cash flow (12-months period)	2,679	7,637

1) Excluding dividend payment

Share buyback will be continued ...

- 50 million shares had been bought back by December 31, 2007, equivalent to an amount of €3.5 billion
- All these shares were canceled by the end of FY 2007
- Share buyback will be continued today

... on the basis of increased retained earnings at Daimler AG

- **Net profit of the parent company Daimler AG increased to €12.4 billion, of which:**
 - €6.2 billion allocated to retained earnings
 - €4.2 billion additionally allocated to retained earnings subject to the decision of the annual meeting
 - €2.0 billion proposed for dividend payment
- **Boost in net profit resulted from:**
 - Strong business performance at Mercedes-Benz Cars and Daimler Trucks
 - Dividend payments from subsidiaries
 - Gain from transfer of interest in EADS
 - Gain from transfer of investments
- **Further programs subject to development of earnings, cash flows and net liquidity**

Assumptions for the automotive markets in 2008

● Passenger car and light truck markets:

- Weakening of the North American market is expected to continue
- Western European markets should perform at prior-year's levels
- High growth rates are anticipated for the emerging markets

● Commercial vehicle markets:

- Cyclical recovery of the North American market
- Western European and Japanese truck markets expected at 2007 levels

Sales outlook FY 2008

- **Mercedes-Benz Cars**

Unit sales expected above the record levels of 2007

- **Daimler Trucks**

Increase in unit sales of Trucks NAFTA anticipated; Trucks Europe/Latin America and Trucks Asia slightly above 2007 levels

- **Mercedes-Benz Vans**

Extension of the Sprinter model range should result in higher unit sales

- **Daimler Buses**

Further growth opportunities in Asia and Russia

Earnings outlook

● Mercedes-Benz Cars ...

... expects higher EBIT in 2008 and ROS of 10% on average as of the year 2010 at the latest.

● Daimler Trucks ...

... expects earnings to increase in 2008, reflecting further efficiency improvements and higher unit sales. Starting in 2010, the division expects a ROS of 8% on average over the business cycle.

● Daimler Financial Services ...

... assumes a return on equity of at least 14% in 2008.

● Daimler Group

For 2008, the Group expects a substantially higher EBIT from its ongoing business and aims for a ROS of 9% on average for its automotive business over the market and product cycles.

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Questions & Answers

February 14, 2008

Special items affecting EBIT

- in millions of € -	4th Quarter		Fiscal Year	
	2006	2007	2006	2007
Mercedes-Benz Cars				
Financial support for suppliers	-	-	-	(82)
Discontinuation of smart forfour	9	-	(946)	-
Headcount reductions in the context of CORE	(16)	-	(286)	-
Expenses relating to new early retirement contracts	(216)	-	(216)	-
Daimler Trucks				
Adjustment of pension plans / healthcare obligations	(161)	86	(161)	86
Disposal of real-estate properties in Japan	-	10	-	78
Expenses relating to new early retirement contracts	(134)	-	(134)	-
Disposal of the off-highway business	13	-	13	-
Vans, Buses, Other				
Gain / expense relating to the transfer of shares in EADS	(241)	12	519	1,573
Restructuring program at EADS	-	-	-	(114)
Expenses relating to restructuring and UAW contract at Chrysler	-	(322)	-	(322)
Disposal of real-estate properties	185	73	271	73
Disposal of off-highway business	15	-	253	-
Expenses relating to new early retirement contracts	(29)	-	(29)	-
Reconciliation / elimination				
New management model	(165)	(96)	(349)	(256)

Liquidity

- in millions of € -	December 31, 2007		
	Group	IB	FS
Cash and cash equivalents	15,631	14,894	737
Marketable securities and term deposits	1,424	1,276	148
Gross liquidity	17,055	16,170	885
Financial liabilities, net	(54,967)	(5,019)	(49,948)
Market valuation and currency hedges for financing liabilities	1,761	1,761	0
Net liquidity	(36,151)	12,912	(49,063)

Funding status of pension and healthcare benefits

– continuing operations –

– in billions of € –	Dec. 31, 2006	Dec. 31, 2007
Pension benefits		
Benefit obligations	(17.2)	(15.7)
Plan assets	13.3	13.8
Funded status	(3.9)	(1.9)
Healthcare benefits		
Benefit obligations	(0.9)	(0.9)
Plan assets	-	0.1
Reimbursement Medicare Act	0.1	0.1
Funded status	(0.8)	(0.7)

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 in important economic regions, especially in Europe or North America; changes in currency exchange rates and interest rates; the introduction of competing products and the possible lack of acceptance of our products or services which may limit our ability to 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 decline in resale prices of used vehicles; the business outlook for Daimler Trucks, which may be affected if the U.S. and Japanese commercial vehicle markets experience a sustained weakness in demand for a longer period than originally expected; the effective implementation of cost reduction and efficiency optimization programs; the business outlook of Chrysler, in which we hold an equity interest, including its ability to successfully implement its restructuring plans; the business outlook of EADS, in which we hold an equity interest, including the financial effects of delays in and potentially lower volumes 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 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.