

# DAIMLER

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## **Annual Press Conference 2007 Results**

Dr. Dieter Zetsche  
Chairman of the Board of Management  
Head of Mercedes-Benz Cars

February 14, 2008

## Strong financial performance

- in billions of € -	2006	2007	% change
Revenue	99.2	99.4	0
EBIT	5.0	8.7	+74
Net profit	3.8	4.0	+5
Dividend (in EUR)	1.5	2.0	+33

## 2007 group achievements

- Set new strategic direction for group – review and confirmation of business strategies
- Significantly reduced risk factors and volatility through sale of 80.1% stake in Chrysler
- Substantially improved profitability
- Achieved milestones for safe and sustainable mobility
- Further optimized net assets through reduction of real estate holdings



# Hitting on all cylinders

Mercedes-Benz  
Cars



Best-ever sales level;  
Return on Sales at 9.1% in 2007

Daimler Trucks



Profit level above previous year  
due to success of “Global Excellence”

Mercedes-Benz  
Vans



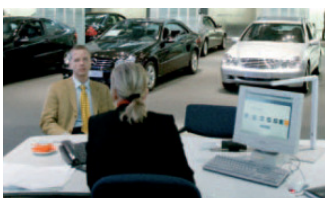
Record sales across the entire model  
range

Daimler Buses



Benchmark in profitability;  
sales above 2006

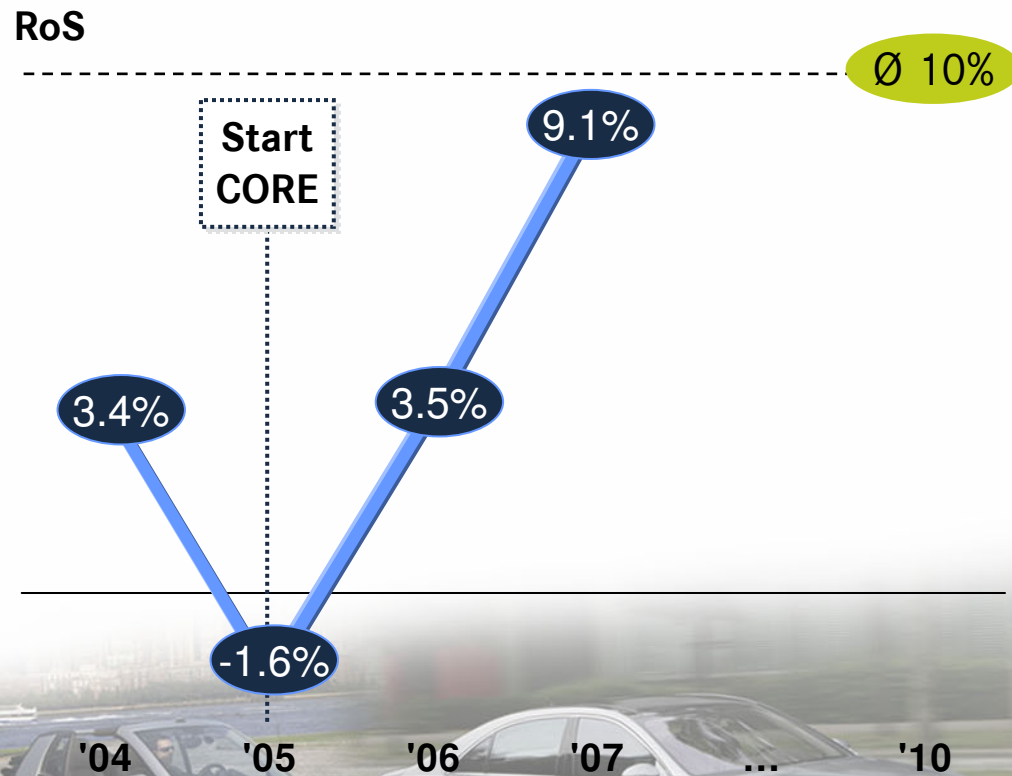
Daimler  
Financial Services



Return on Equity at 14.8% despite  
separation from Chrysler Financial

# Target for Mercedes-Benz Cars

## Achieve average RoS of 10%



### Major levers

- Operational excellence
- Growth through regional strategies
- CSI #1
- Brand strategy "Appreciation"
- "Road to the Future"

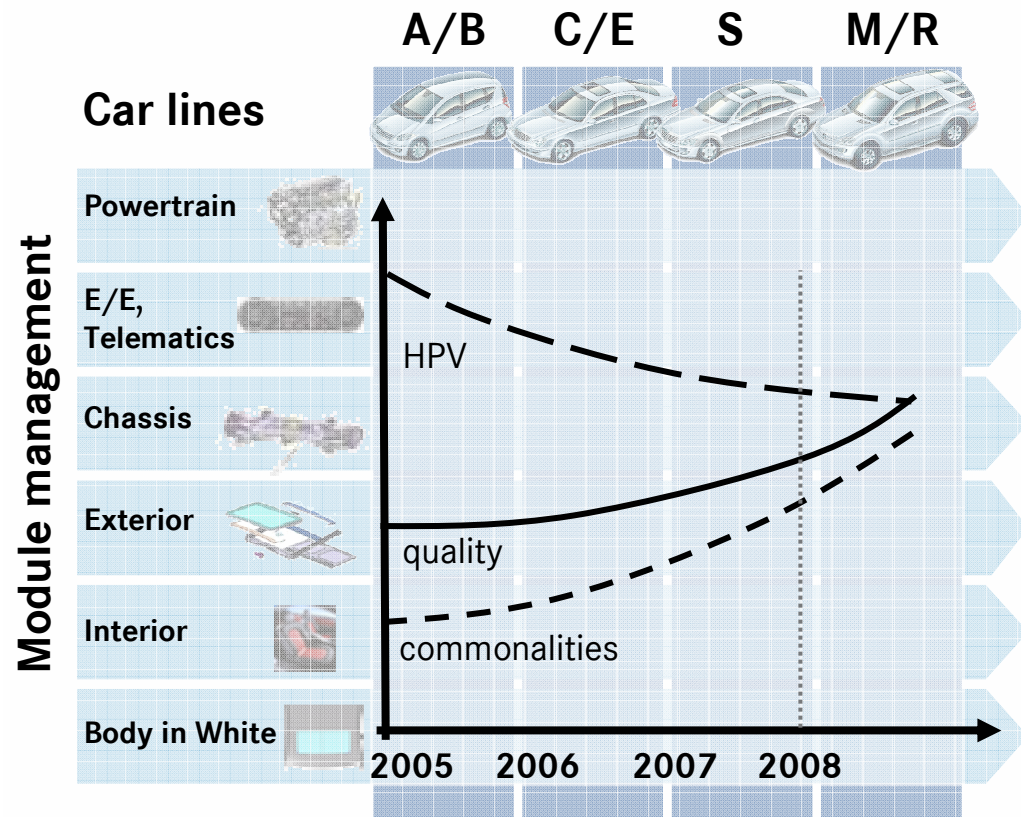


Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

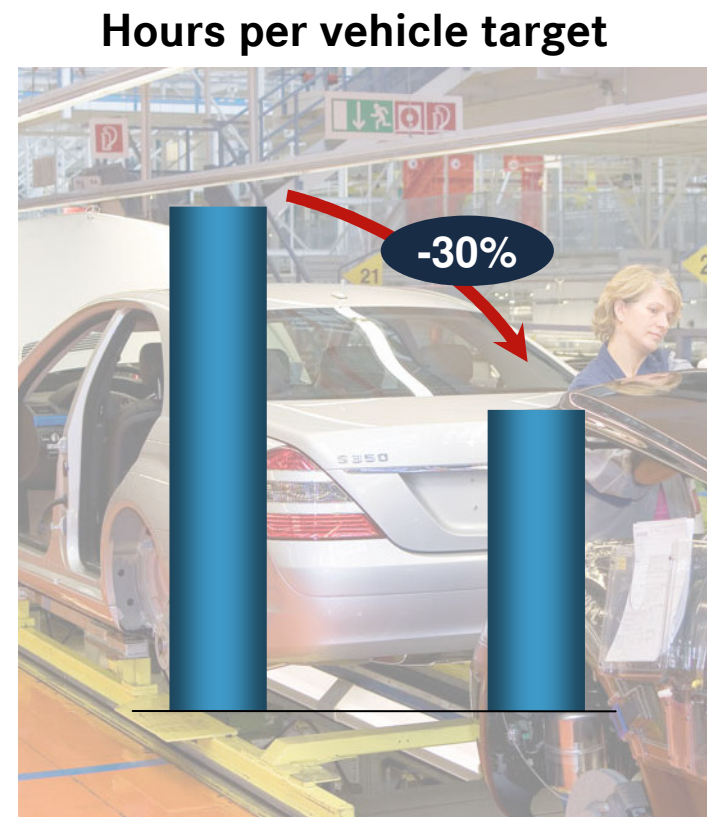
# Operational excellence

## Module management and plant performance

### Development

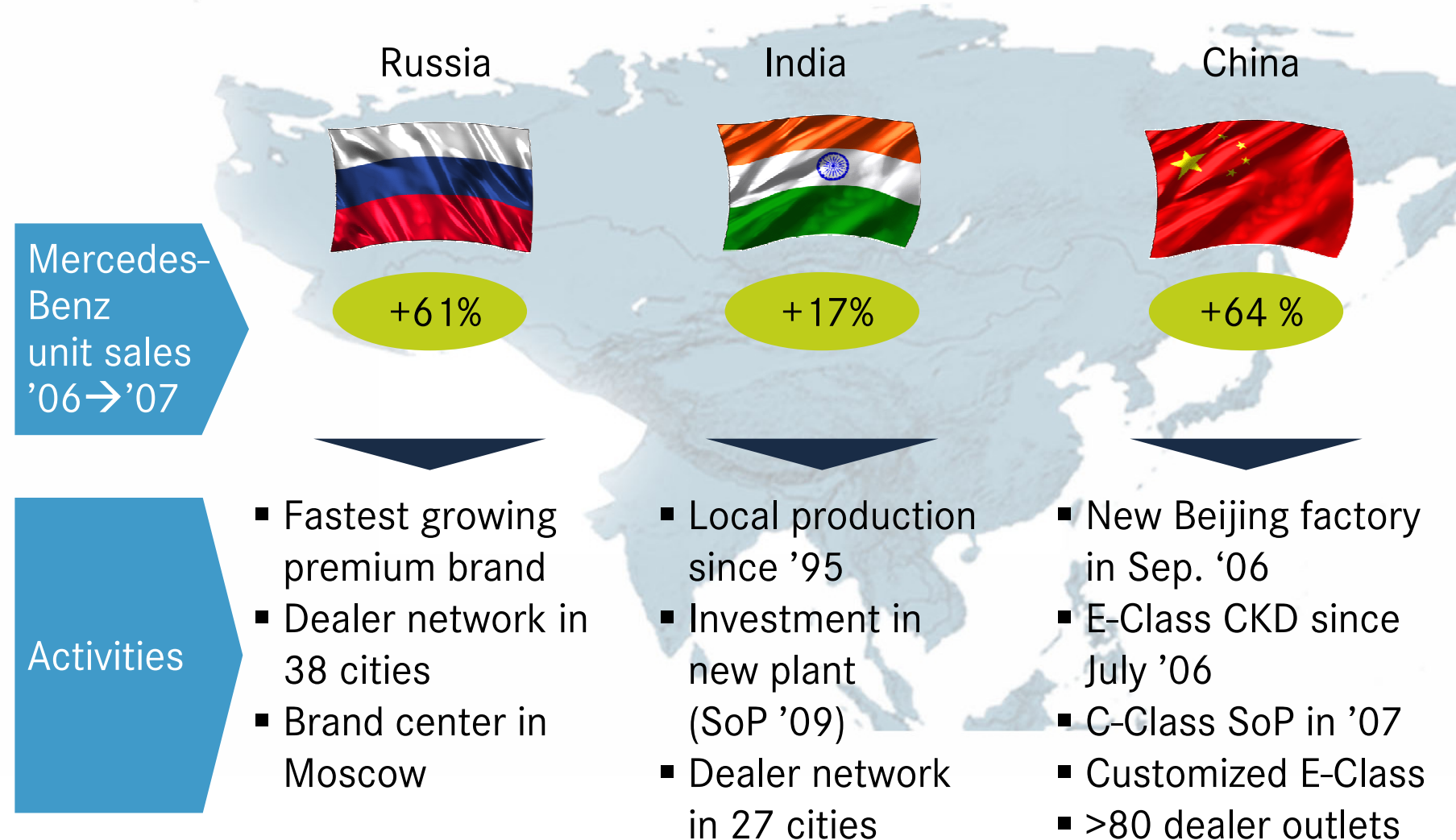


### Plants



## Emerging markets

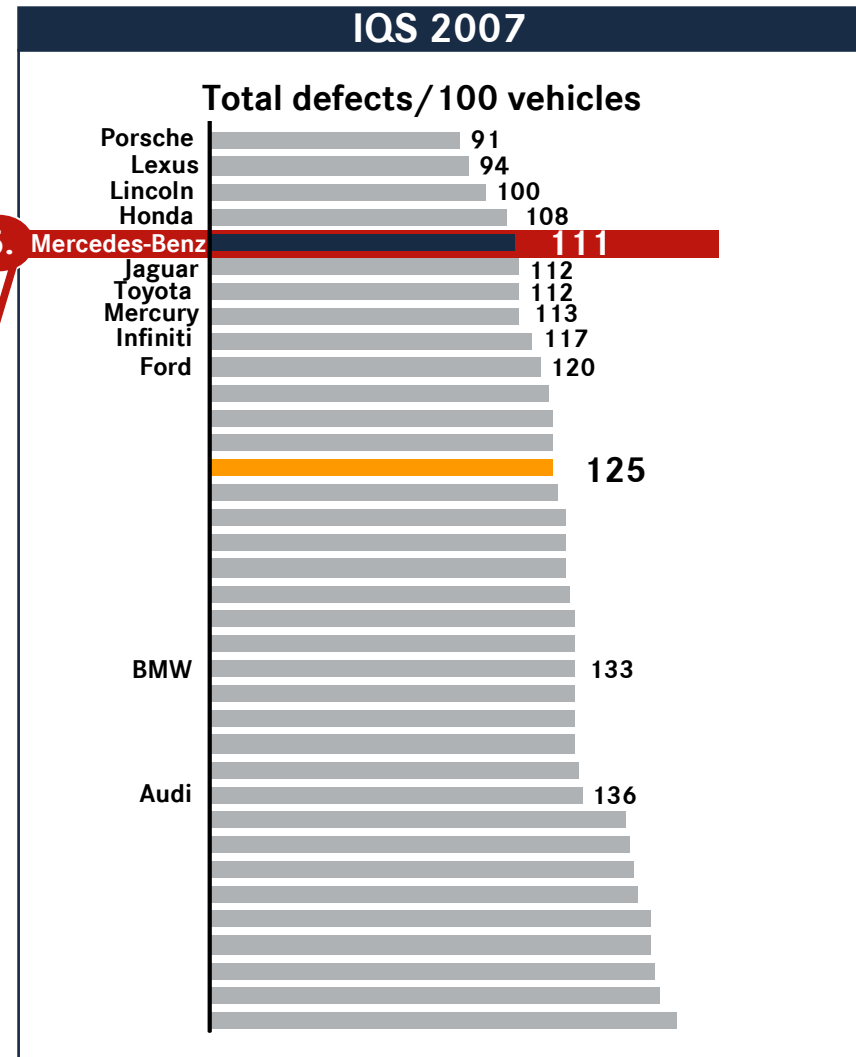
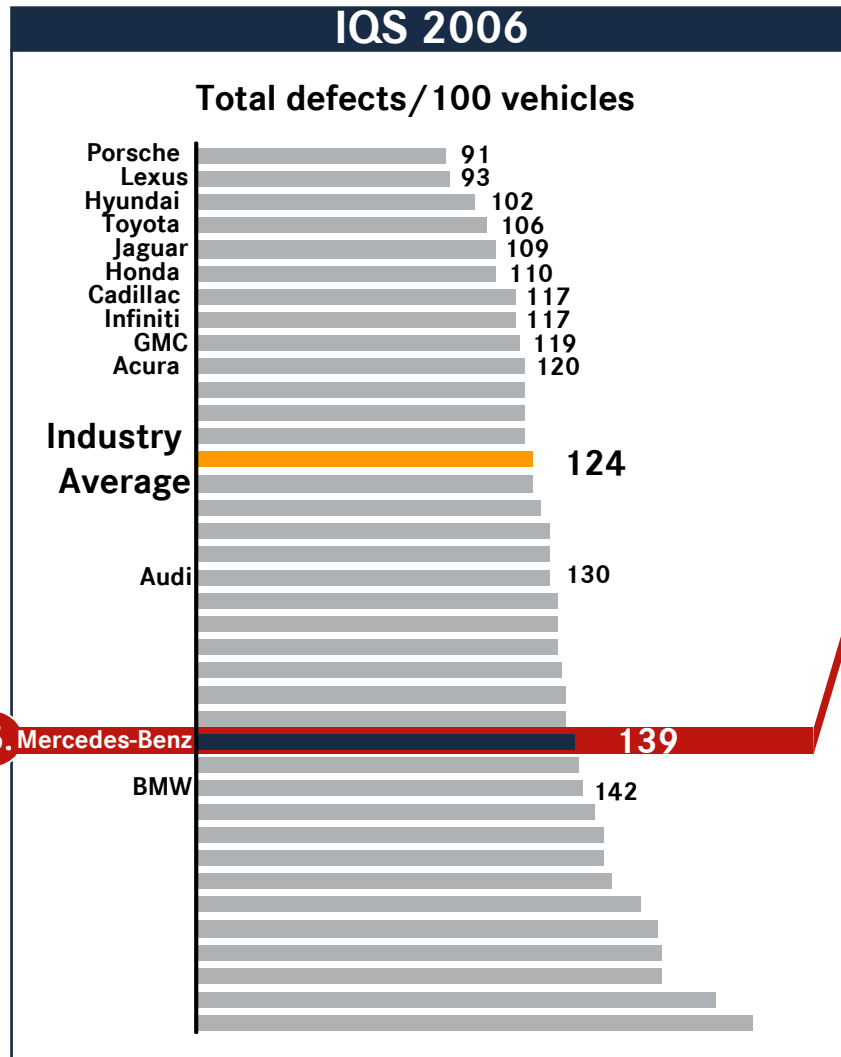
Expanding in high-growth markets Russia, India, and China



Note: SoP=Start of Production; Unit sales = wholesale

# Quality/customer experience

Mercedes-Benz quality took a big step up



25. Mercedes-Benz 139

5. Mercedes-Benz 111



## New products 2007

C-Class sedan, C-Class station wagon, and smart fortwo



C-Class station wagon



smart fortwo



C-Class sedan

## New products 2008/2009

GLK and CLC in 2008, E-Class and CLK in 2009

2008		2009	
<b>New C-Class Sports Coupe</b>	<b>CLC</b>	<b>New:</b>	<b>E-Class Sedan</b>
<b>New compact SUV</b>	<b>GLK</b>		<b>E-Class Estate</b>
<b>New Generations:</b>	<b>SL</b>		<b>CLK Coupe</b>
	<b>SLK</b>		<b>CLK Convertible</b>
	<b>CLS</b>	<b>New Generations:</b>	<b>S-Class</b>
	<b>A-/B-Class</b>		<b>GL-Class</b>
	<b>M-Class</b>		

20 FE-Types in 2008 ... further roll-out of FE-optimized models



New C-Class Sports Coupe



New Generation SLK

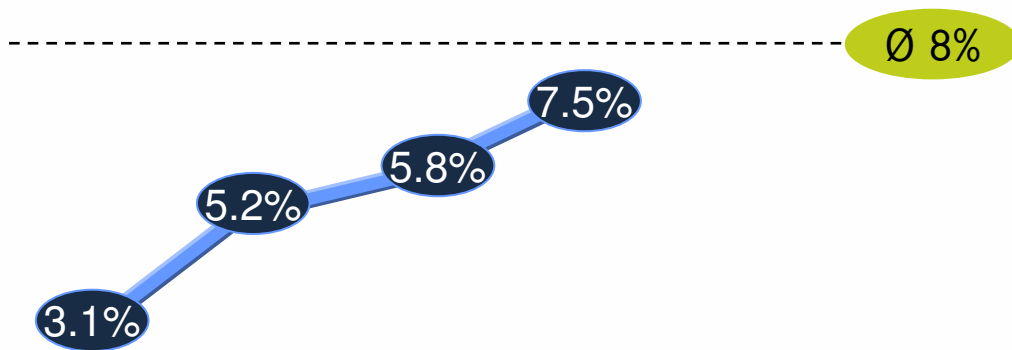


Vision GLK Townside

# Higher margin target for Daimler Trucks

## 8% RoS on average over the market cycle

RoS



**“Global Excellence” as major lever**

Management of cycles

Operational excellence

Market penetration & growth

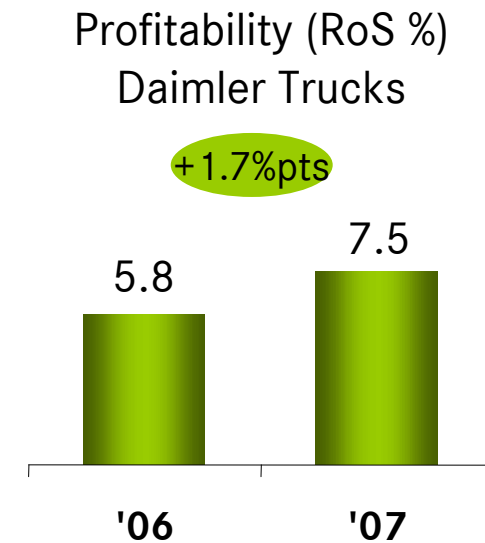
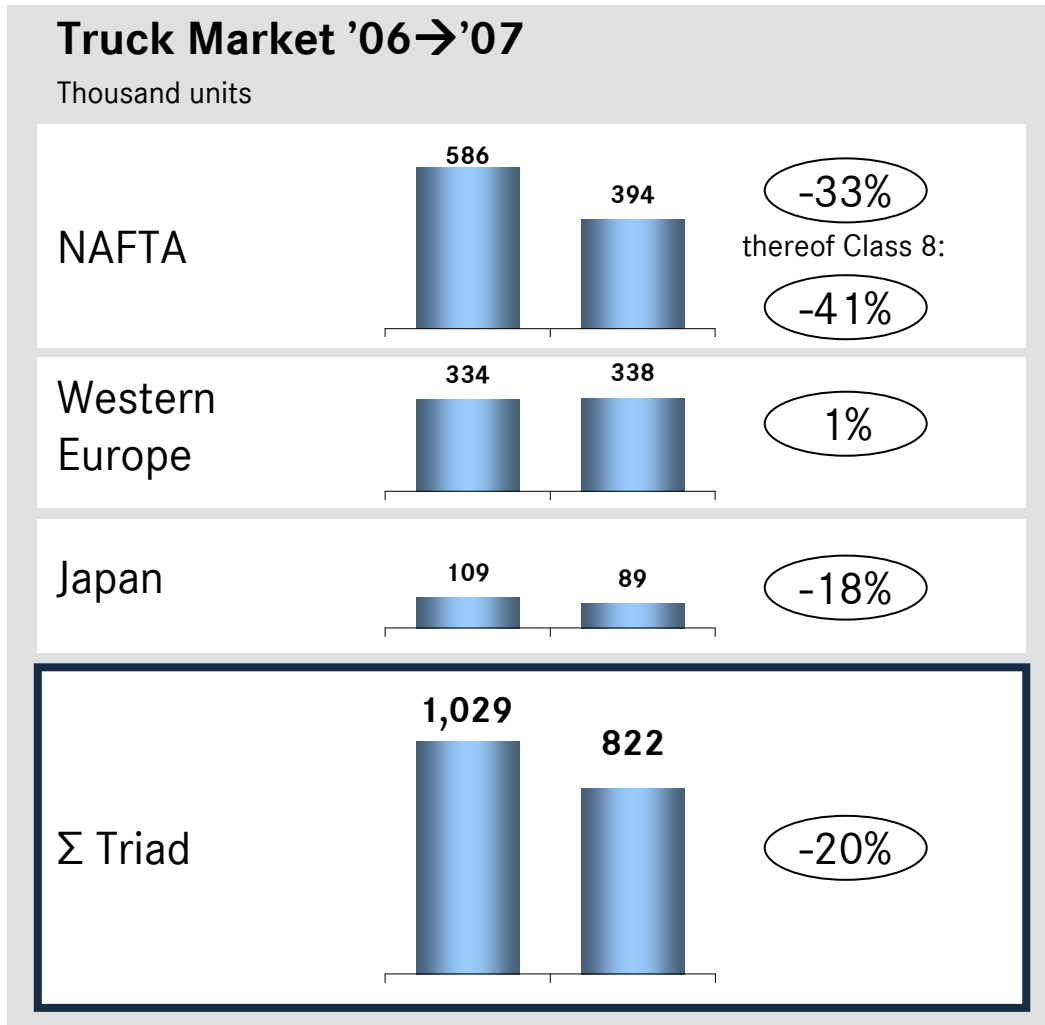
Future products/technologies



Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

# Management of cycles

Higher profitability despite regional market downturns



Management of cycles (started in 2005) proved successful

Truck market: HDT, MDT

## Emerging markets

Addressing growth markets Brazil, Russia, India, and China



## Quality/customer experience

### “Truck Dedication” at Mercedes-Benz Trucks

**Today: Partly mixed Mercedes-Benz outlets (PV/CV)**



**Future: Dedicated Mercedes-Benz truck outlets**



“Truck Dedication” means:

- Well-accessible locations
- Spacious workshops
- Tailored investments and services
- Extended opening hours

## New products 2007

Freightliner Cascadia, Fuso Super Great and Mercedes-Benz Compact Unimog



Freightliner Cascadia



Fuso Super Great



Mercedes-Benz Compact Unimog

## New products 2008

New Actros and Hybrid LDT and MDT in Europe



New Mercedes-Benz Actros



Fuso Canter Eco Hybrid for UK



Mercedes-Benz Atego BLUETEC Hybrid



# Mercedes-Benz Vans: New products 2007/2008

Freightliner Sprinter, new Viano type and Sprinter NGT



Freightliner Sprinter



Viano X-CLUSIVE



Sprinter NGT (natural gas technology)

## Major performance levers

### Mercedes-Benz Vans

- Next product generation (incl. CSI# 1)
- Efficiency and standardization program
- Growth in core and emerging markets
- Production capacity enhancement to cover growing market demand



## Daimler Buses: New products 2007/2008

Orion VII, Mercedes-Benz CapaCity and Conecto, Setra TopClass 400



Orion VII



Mercedes-Benz Capa-City



Mercedes-Benz Conecto



New Setra TopClass 400

## Major performance levers

### Daimler Buses

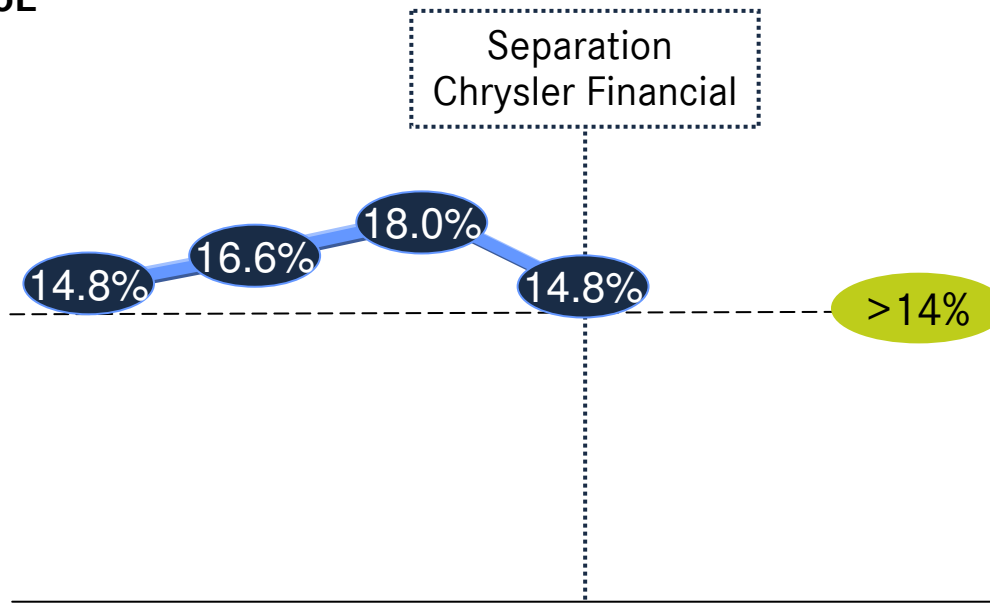
- Next product generation in Europe
- Exploit market opportunities for complete buses
- Growth in emerging markets
- Leadership in alternative propulsion



# Target for Daimler Financial Services

Return on Equity > 14%

RoE



## Major levers

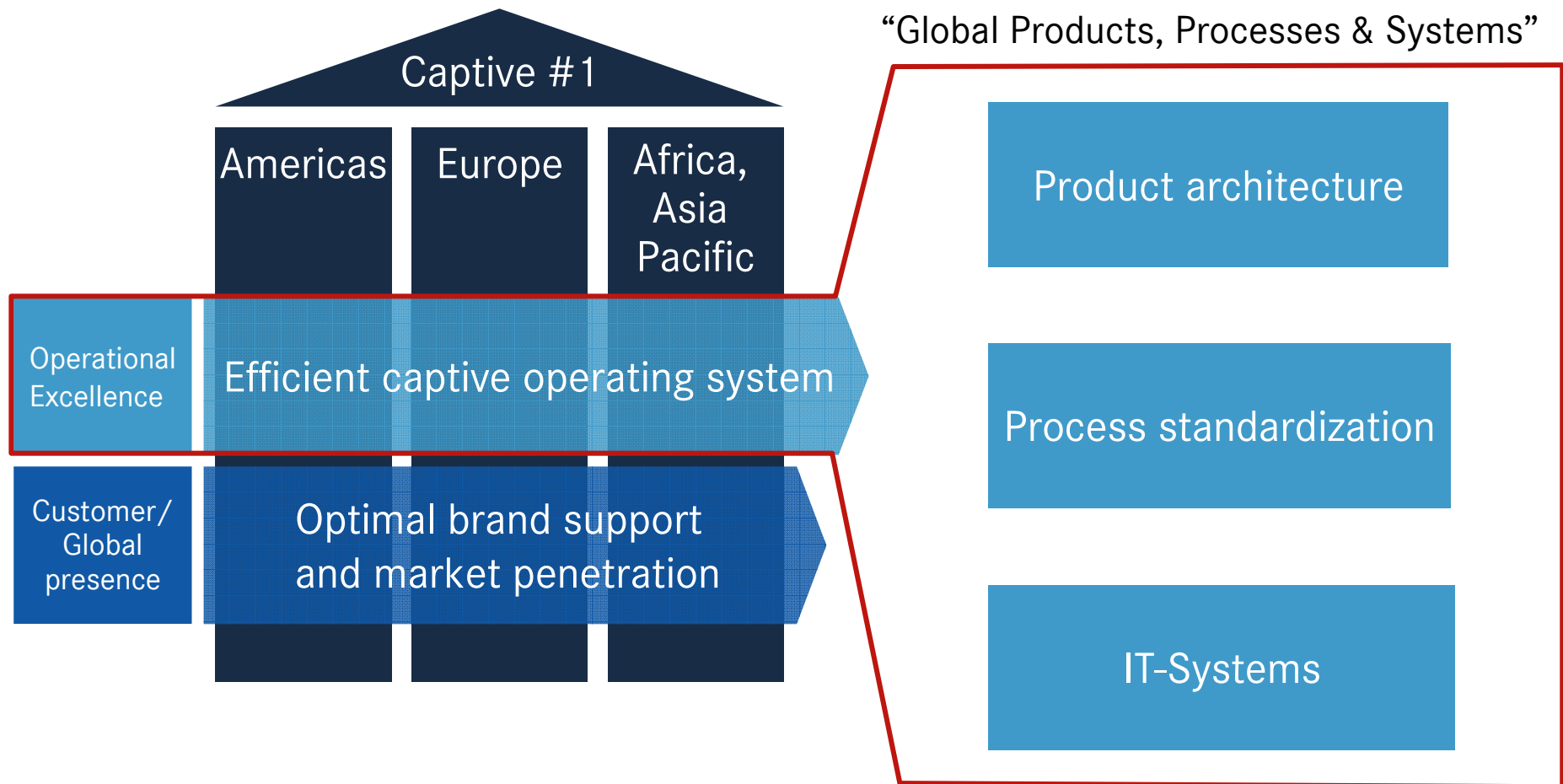
- “Global Products, Processes & Systems” project
- Penetration of existing markets
- Expansion into new markets
- New products
  - Fleet management
  - Insurance



Note: before '05: RoE based on operating profit (US GAAP); from '05: RoE based on EBIT (IFRS)

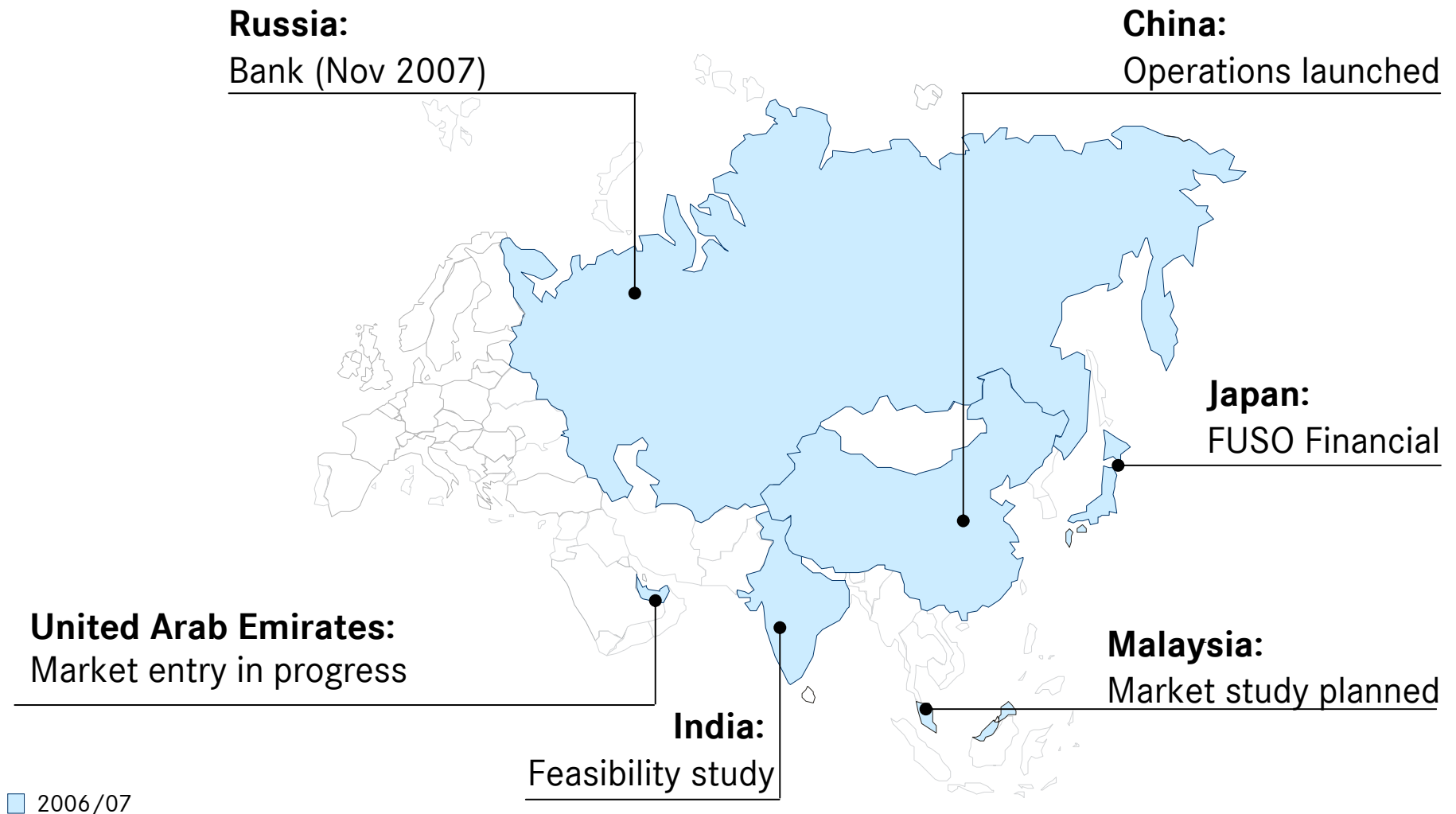
# Operational excellence

Cross-regional operating system to be implemented



## Growth markets

Support brand partners and leverage new opportunities



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# DAIMLER

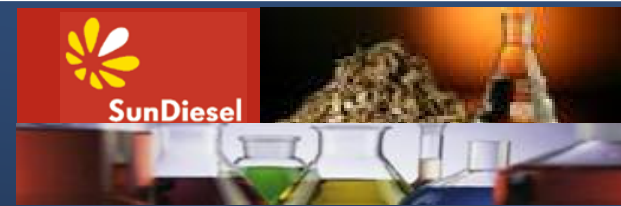


# Safe and sustainable mobility

Emission-free driving  
with fuel cell/battery-drive



Improved & alternative fuels



Efficient cars and trucks  
with *efficient powertrains*  
with or without *hybrid modules*

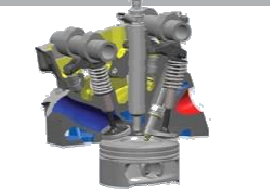

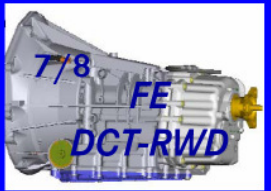

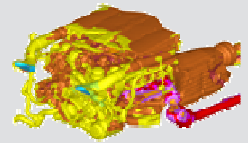


Today

Future

# Comprehensive approach to efficient driving

## With and without hybrid modules

Gasoline engines	Diesel engines	Transmission	Hybrid powertrain	Weight/energy management
Fuel economy types		Efficiency optimized torque converter	Start/Stop	Heat management
2nd generation direct injection: V6/V8 CGI	BLUETEC Clean diesel	Double clutch	Hybrid modules (Gasoline/Diesel)	Energy optimization
Turbocharging w/ direct injection and downsizing	New 4-cylinder diesel engine family	New generation transmission	Mild/full hybrid	Vehicle optimization
DIESOTTO				
				
Powertrain				Beyond powertrain

## Improved and alternative fuel

Biomass can help stretch oil resources

Daimler-Choren cooperation



- Synthetic fuel from biomass (e.g. wood)
- Potential to cover 20% of the Diesel demand in the EU
- Up to 90% less CO<sub>2</sub>-emissions
- 50% less particulates
- 90% less CO- and HC-emissions

## Daimler worldwide leader in fuel cell experience

>100 Daimler vehicles in daily operation since 2005

60 Cars



1,642,450 km  
48,000 hrs

37 Buses



2,000,000 km  
130,000 hrs

3 Vans

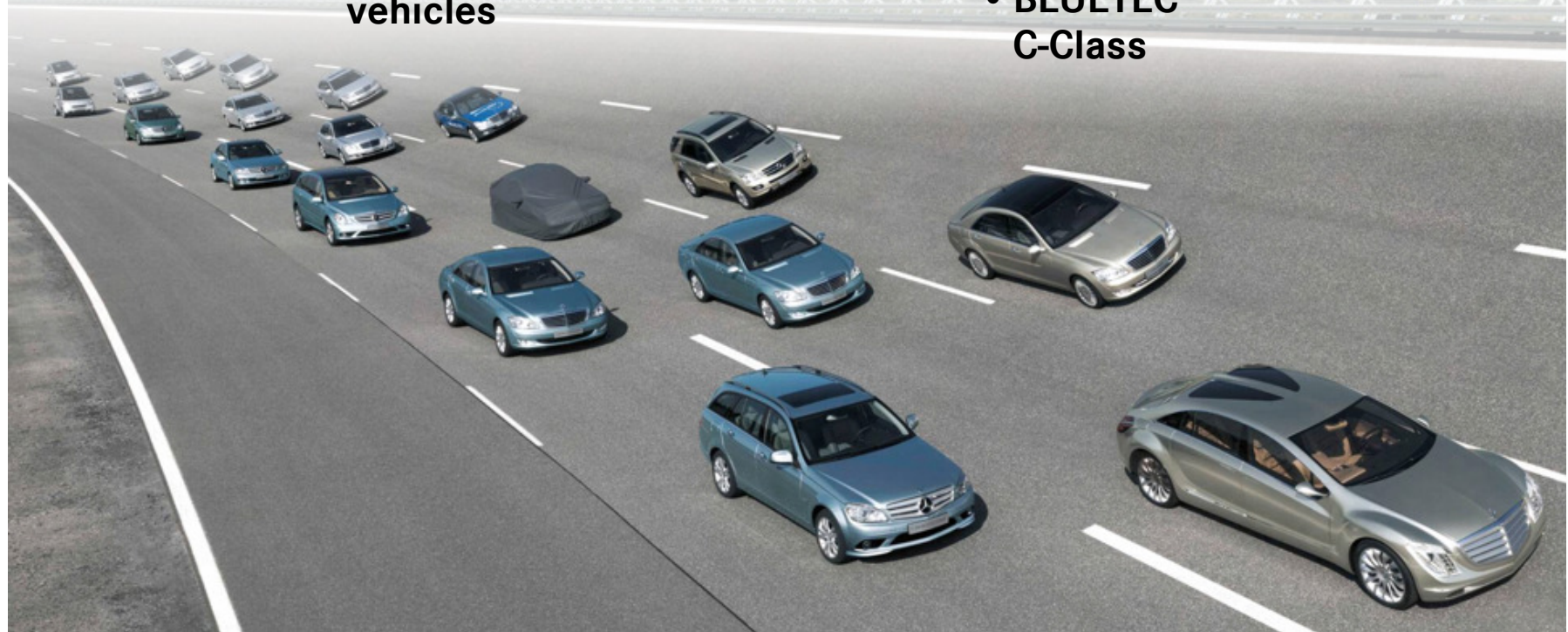


64,000 km  
2,300 hrs

- **First vehicle in 1994**
- **Stability in daily operation: first vehicle surpassed 100,000 km**
- **Customer operation in different climate zones**

# Mercedes-Benz Cars “Road to the Future”

2007	2008	2009	2010	...
<ul style="list-style-type: none"> <li>• BLUETEC E-Class ✓</li> <li>• mhd/ed smart ✓</li> <li>• 2nd Gen. CGI ✓</li> </ul>	<ul style="list-style-type: none"> <li>• BLUETEC ML/R/GL-Class</li> <li>• NGT B-Class</li> <li>• 20 Fuel Economy vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• Hybrid S-Class</li> <li>• Hybrid ML-Class</li> </ul>	<ul style="list-style-type: none"> <li>• Fuel Cell B-Class</li> <li>• BLUETEC Hybrid S-/E-Class</li> <li>• New V-Engines</li> <li>• BLUETEC C-Class</li> </ul>	<ul style="list-style-type: none"> <li>• DiesOtto</li> <li>• Other BLUETEC Hybrids</li> </ul>



## Daimler Trucks and Buses worldwide leader in efficient drives and alternative fuels

- 100,000 Mercedes-Benz BLUETEC trucks
- 1,500 ORION Hybrid buses
- 900 Mercedes-Benz Citaro CNG-buses
- 600 Mercedes-Benz Econic NGT trucks
- 200 Mitsubishi Fuso Canter Eco Hybrid trucks
- 36 Mercedes-Benz Citaro Fuel Cell buses



## CSR / Sustainability

### Manifold initiatives in 2007

- 40% of all apprenticeships of all German automotive manufacturers
- Highest health standards for employees (awarded by the EC)
- Measures to promote diversity among employees
- Day-care centers for children <3 years at 4 German sites
- Comprehensive measures to foster compliance

We want to achieve the following profitability targets





# We want to achieve the following profitability targets



**Mercedes-Benz  
Cars**



**Daimler  
Trucks**



**Mercedes-Benz  
Vans**



**Daimler  
Buses**



**Daimler  
Financial  
Services**

**Daimler Automotive Return on Sales**

**Ø 9 %**

**Return on Equity**

**>14 %**