

# DAIMLER

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## **Conference Call Q1 2008 Results**

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Member of the Board of Management  
Finance & Controlling and Daimler Financial Services

April 29, 2008

## Summary Q1 2008

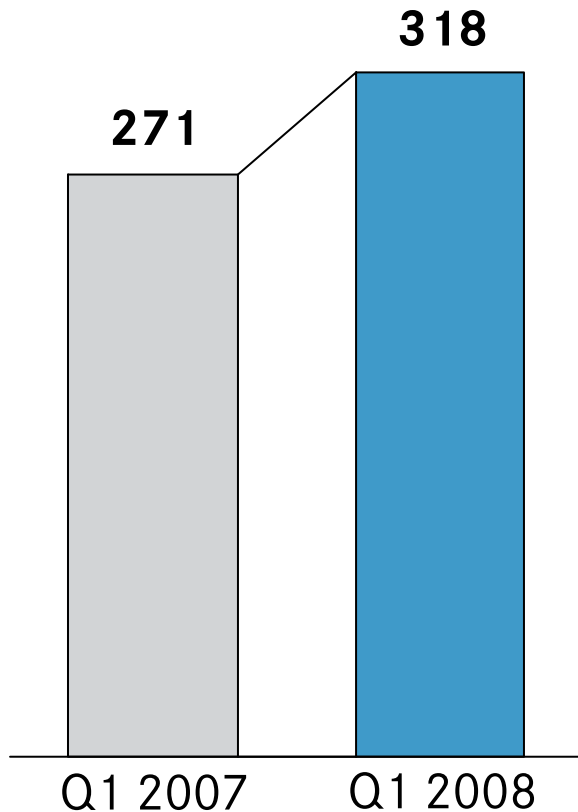
- Unit sales up 9%, marking new record levels at Mercedes-Benz Cars, Mercedes-Benz Vans and Daimler Buses
- Revenue increased slightly to €23.5 billion; adjusted for exchange-rate effects and changes in the consolidated Group, the increase was 4%
- EBIT was €2.0 billion
  - Increased EBIT at Mercedes-Benz Cars, offsetting lower earnings at Daimler Trucks and Daimler Financial Services
  - Gain on sale of Potsdamer Platz of €0.4 billion
  - Gain on transfer of EADS shares of €0.1 billion in Q1 2008 and €1.6 billion in Q1 2007
  - Charges related to Chrysler of €0.5 billion, without any cash impact
- Net profit decreased from €2 billion to €1.3 billion
- Net liquidity of Industrial Business at €11.7 billion after share buyback of €2.7 billion during Q1 2008

## Key financials

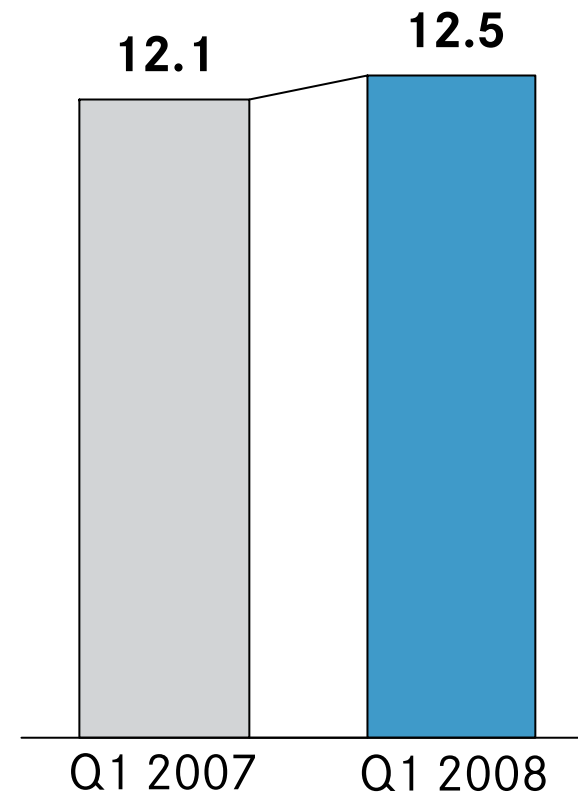
- in billions of € -	Q1 2007	Q1 2008
EBIT	3.3	2.0
Net profit	2.0	1.3
Earnings per share (in €)	1.89	1.29
Free cash flow industrial business	2.9	1.0
Net liquidity industrial business (at period end)	12.9	11.7

Higher unit sales and revenue mainly reflect strong demand for the new C-Class and smart fortwo

**Unit sales**  
- in thousands of units -

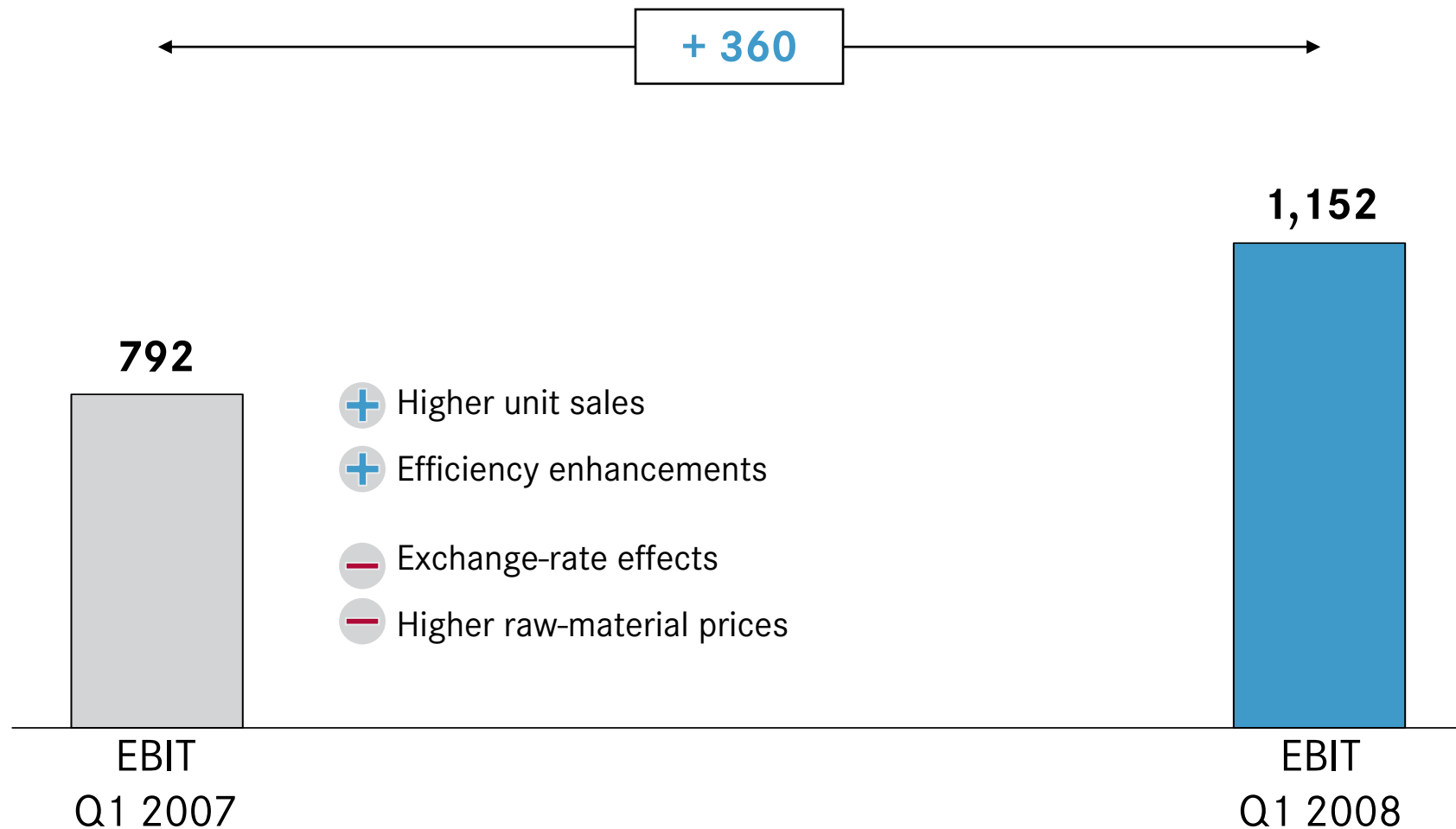


**Revenue**  
- in billions of € -



# Increase in EBIT results from higher unit sales and further efficiency improvements

- in millions of € -



New Products

CLC-Class



Vision GLK BlueTEC HYBRID



SLK-Class



CLS-Class

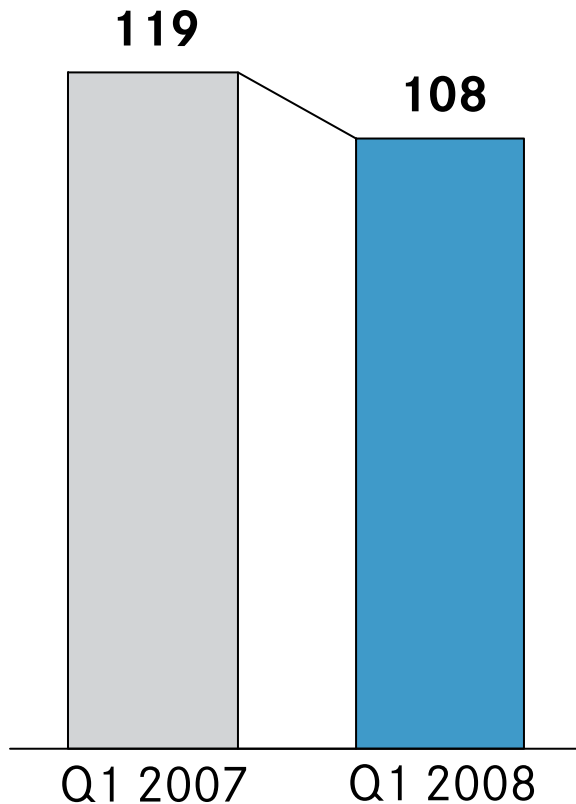


SL-Class

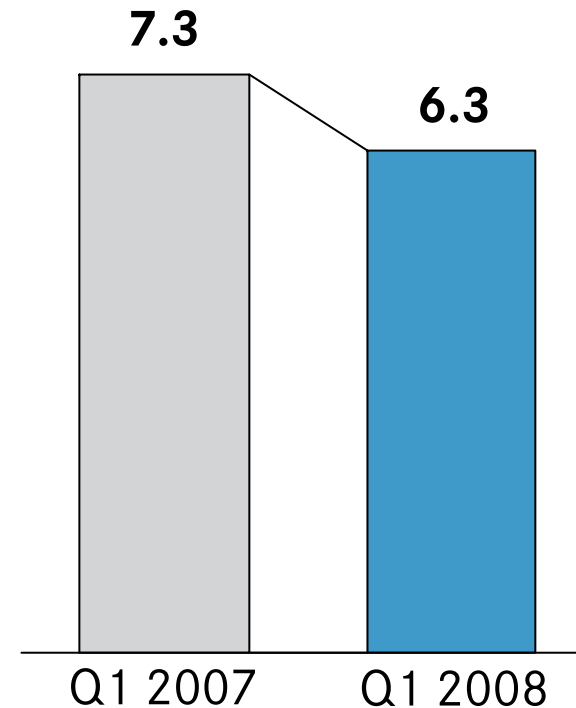


# Lower unit sales reflect weak demand in the US and supplier bottlenecks in Germany

**Unit sales**  
- in thousands of units -

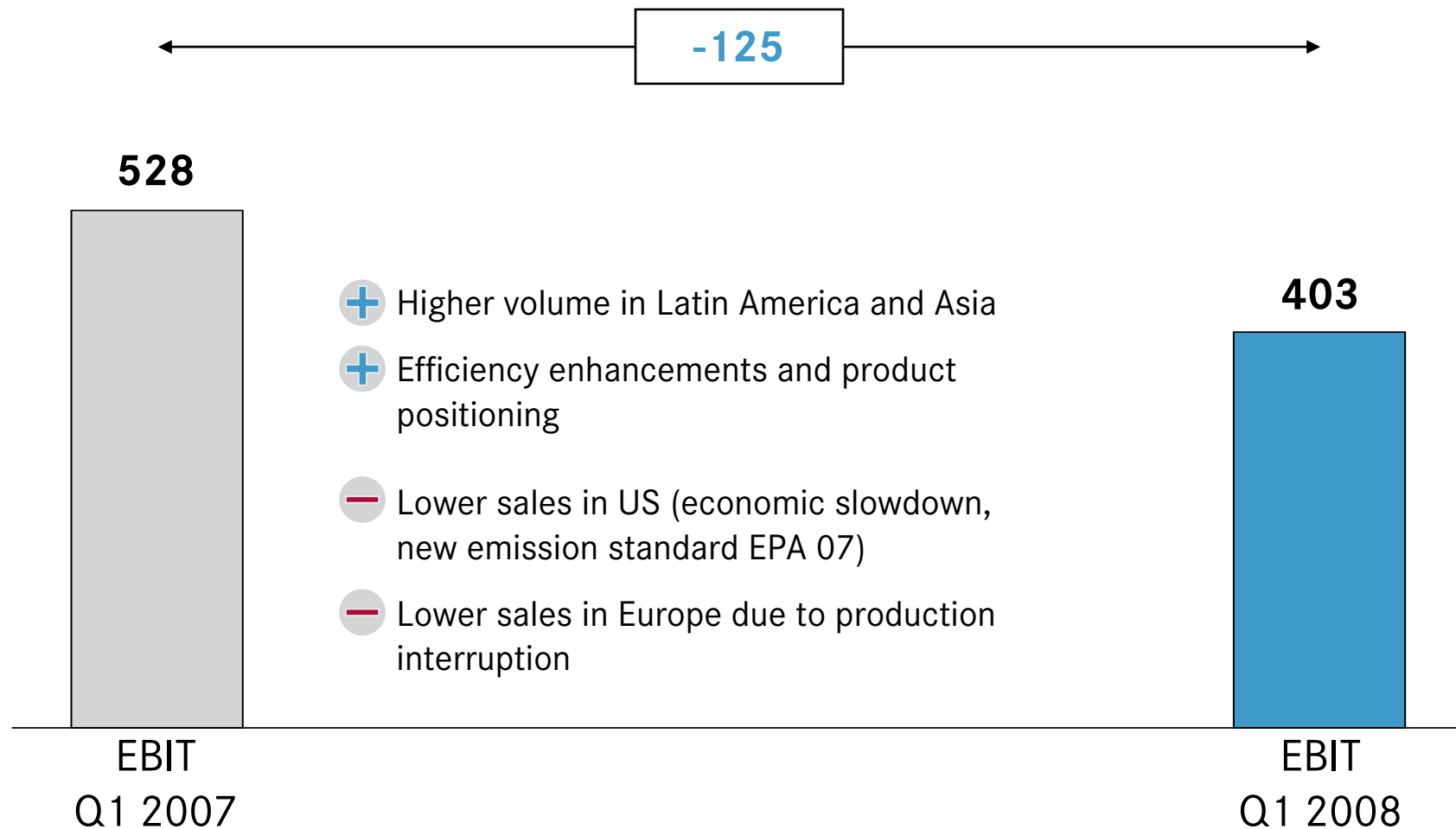


**Revenue**  
- in billions of € -



# Lower EBIT primarily reflects tough market environment in the US

- in millions of € -





# New Products

Mitsubishi Canter Eco Hybrid



Atego BlueTec HYBRID

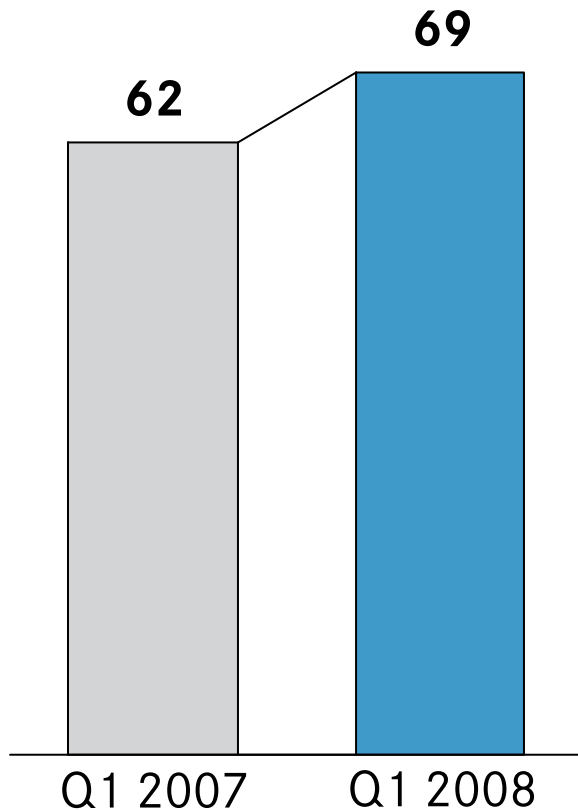


Actros

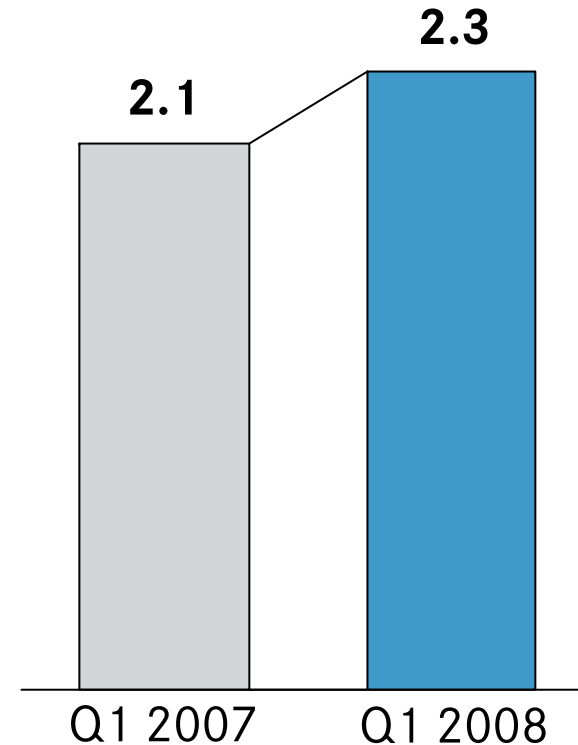


# Growth at Mercedes-Benz Vans reflects continued strong demand for all models

**Unit sales**  
- in thousands of units -

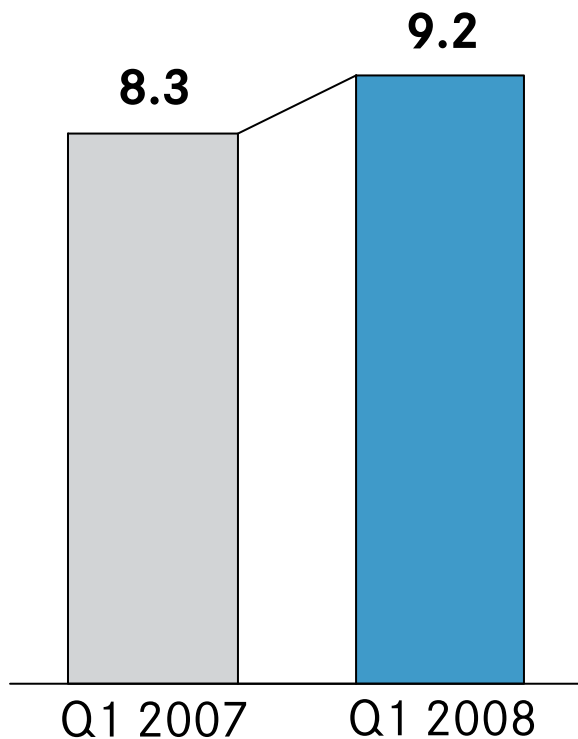


**Revenue**  
- in billions of € -

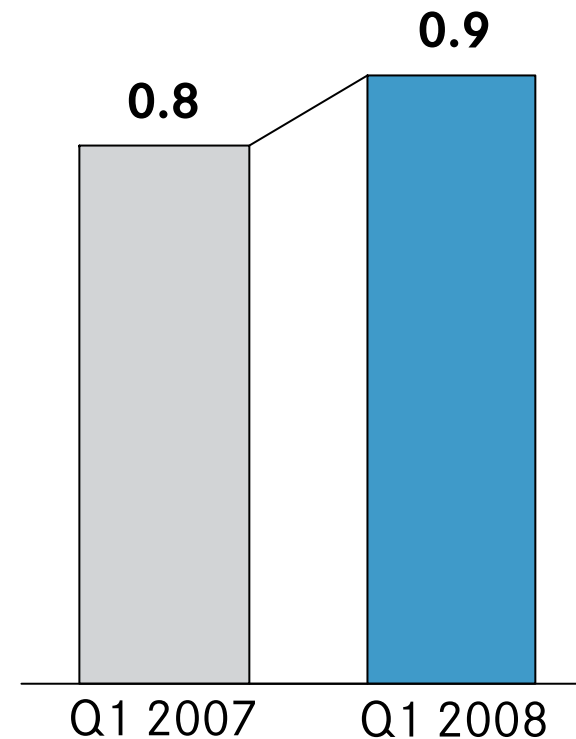


# Positive market environment in Latin America and high demand in Europe pushed unit sales

**Unit sales**  
- in thousands of units -



**Revenue**  
- in billions of € -





# Product highlights

Setra TopClass 400

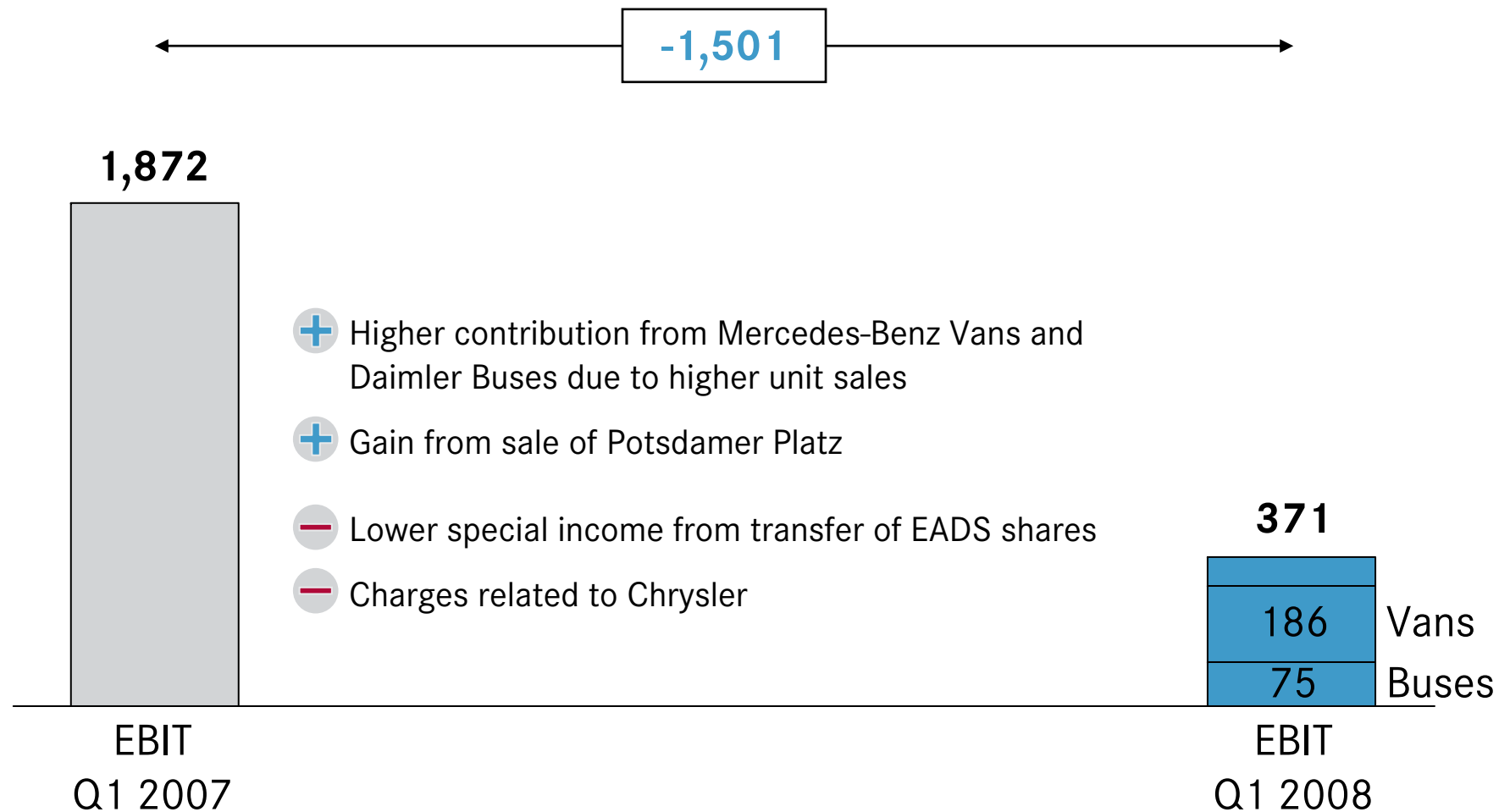


Mercedes-Benz Sprinter



# While special income was substantially lower than in 2007, earnings from ongoing business increased

- in millions of € -



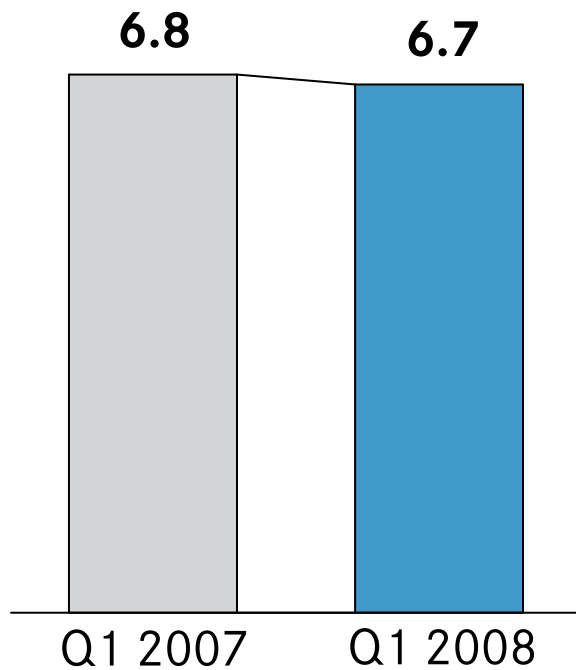
## Status of Chrysler separation and financial impact

- Financial Services successfully separated
- International Chrysler sales organization separated and prepared for transfer
- Negative impact on EBIT in Q1 2008 of €0.5 billion without any cash impact
  - Chrysler at-equity result of €-340 million, mainly reflecting developments in Q4/2007
    - ongoing result of €-246 million
    - special reporting items (mainly restructuring) of €-94 million
  - Impairment of rights related to residual values of Chrysler vehicles (€-151 million)
- Results are not indicative for US GAAP results to be reported by Chrysler Holding LLC due to significant valuation differences between US GAAP and IFRS
- Book value as of March 31, 2008: €547 million
- Guaranties provided by Daimler were reduced by \$0.3 to \$0.7 billion, the related collateral provided by Chrysler decreased by \$0.1 to \$0.4 billion

## Contract volume and new business at high level

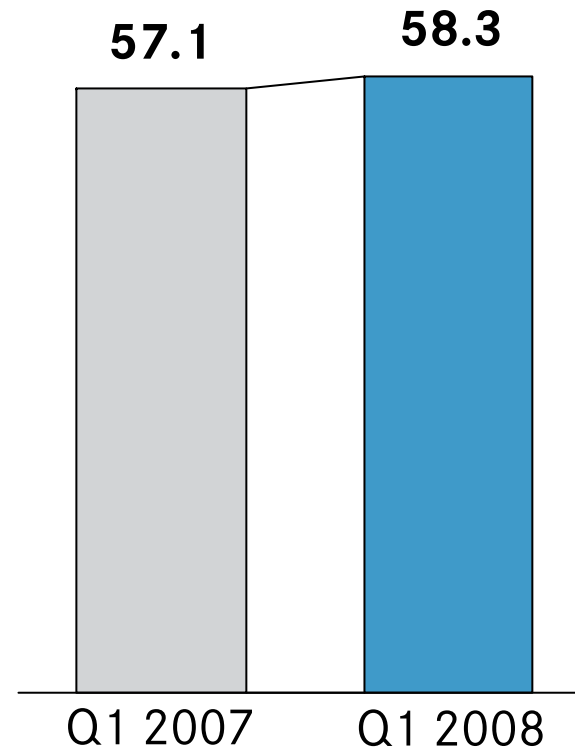
### New business

- in billions of € -



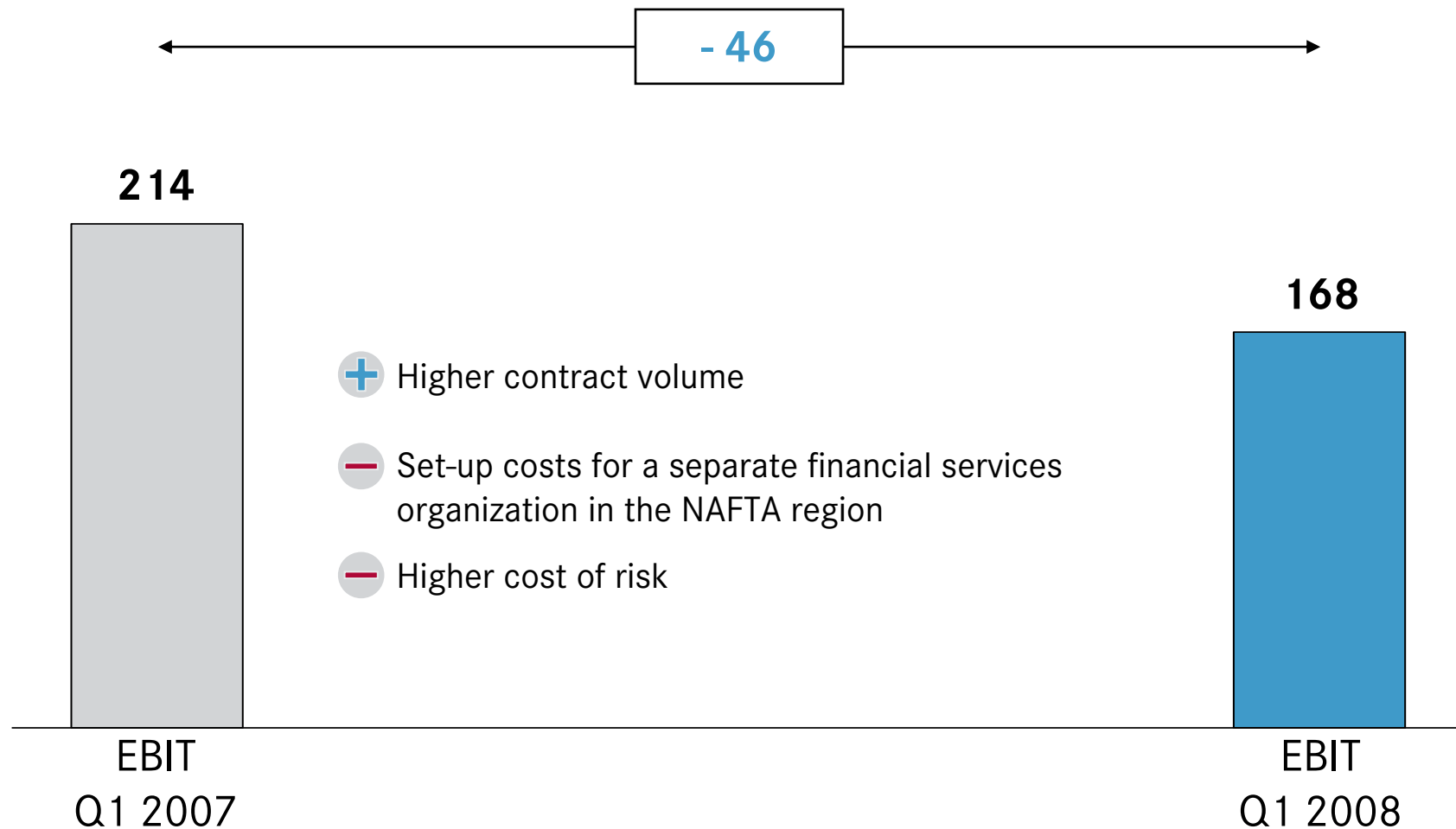
### Contract volume

- in billions of € -



# Daimler Financial Services affected by set-up costs and higher cost of risk

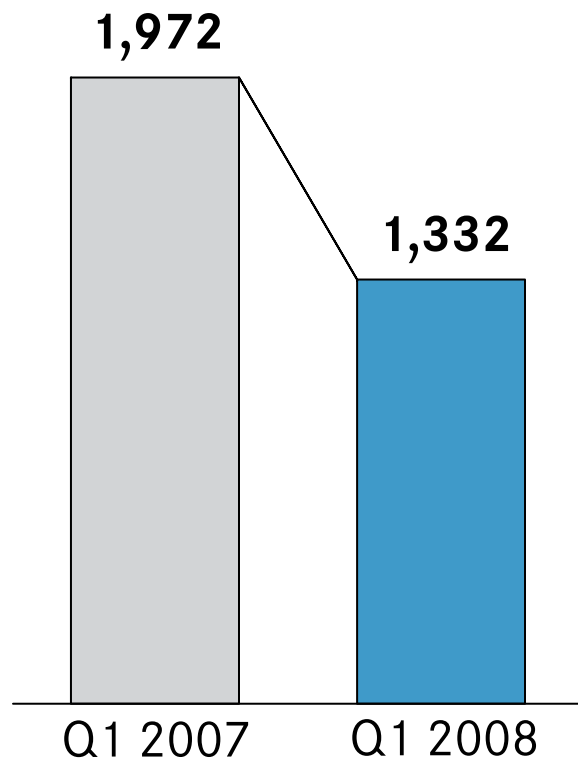
- in millions of € -



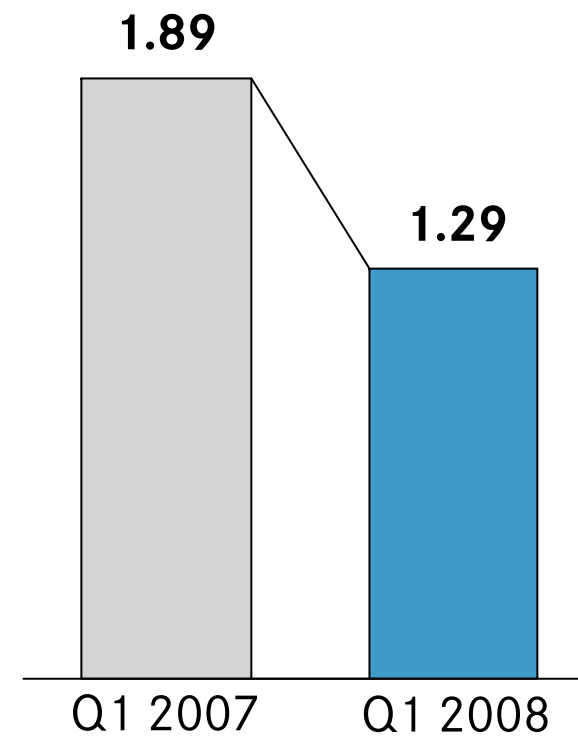


## Net profit and earnings per share

**Net profit**  
- in millions of € -



**Earnings per share**  
- in € -



## Key balance-sheet and financial figures

- in billions of € -	Dec. 31, 2007	Mar. 31, 2008
<b>Daimler Group</b>		
Equity ratio <sup>1)</sup>	26.8%	<b>26.9%</b>
Gross liquidity	17.1	<b>11.7</b>
<b>Industrial Business</b>		
Equity ratio <sup>1)</sup>	43.5%	<b>44.9%</b>
Net liquidity	12.9	<b>11.7</b>
Free cash flow (January to March)	2.9	<b>1.0</b>

1) Excluding dividend payment

## Optimization of the capital structure

- 49.8 million shares have been bought back in Q1 2008, equivalent to an amount of €2.7 billion
- Since August 2007, a total volume of 99.8 million shares has been bought back, corresponding to an amount of €6.2 billion
- All shares were canceled
- Annual Meeting on April 9 approved a new share buyback program
- Optimization of capital structure will be continued, depending on the Group's cash flows and net liquidity as well as developments in the capital markets

## Sales outlook FY 2008

- **Mercedes-Benz Cars**

Unit sales are expected to surpass the record levels of 2007

- **Daimler Trucks**

Rising unit sales are expected for FY 2008, reflecting positive developments in some Asian markets and Europe

- **Mercedes-Benz Vans**

New sales record is expected for FY 2008 as a result of ongoing high demand for Sprinter vans and positive sales trend of Vito/Viano vans

- **Daimler Buses**

Buses unit expects to match the high level of the prior year, reflecting a continuation of strong demand

## Earnings outlook

- **Mercedes-Benz Cars** expects to achieve a further increase in EBIT in 2008
- **Daimler Trucks** assumes earnings in FY 2008 to be higher than in the prior year
- **Daimler Financial Services** assumes a return on equity of at least 14% in 2008
- For 2008, the **Daimler Group** expects EBIT from its ongoing business (excluding Chrysler) well-above the prior-year level; earnings forecasts confirmed for the divisions

# DAIMLER

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## **Conference Call Q1 2008 Results**

Questions & Answers

April 29, 2008

## Special items affecting EBIT

- in millions of € -	1st Quarter	
	2007	2008
<b>Mercedes-Benz Cars</b>		
Financial support for suppliers	(82)	-
<b>Vans, Buses, Other</b>		
Sale of real estate (Potsdamer Platz)	-	449
Gain relating to the transfer of shares in EADS	1,563	102
Restructuring program at Chrysler	-	(94)
Impairment of rights due to reduced residual values of Chrysler vehicles	-	(151)
Restructuring program at EADS	(114)	-
<b>Reconciliation</b>		
New management model	(51)	(45)

## Liquidity

- in millions of € -	Dec. 31, 2007			March 31, 2008		
	Group	IB	FS	Group	IB	FS
Cash and cash equivalents	15,631	14,894	737	10,228	9,415	813
Marketable securities and term deposits	1,424	1,276	148	1,490	1,386	104
<b>Gross liquidity</b>	<b>17,055</b>	<b>16,170</b>	<b>885</b>	<b>11,718</b>	<b>10,801</b>	<b>917</b>
<b>Financial liabilities, net</b>	<b>(54,967)</b>	<b>(5,019)</b>	<b>(49,948)</b>	<b>(50,937)</b>	<b>(1,896)</b>	<b>(49,041)</b>
<b>Market valuation and currency hedges for financing liabilities</b>	<b>1,761</b>	<b>1,761</b>	<b>0</b>	<b>2,751</b>	<b>2,751</b>	<b>0</b>
<b>Net liquidity</b>	<b>(36,151)</b>	<b>12,912</b>	<b>(49,063)</b>	<b>(36,468)</b>	<b>11,656</b>	<b>(48,124)</b>



## Funding status of pension and healthcare benefits

- continuing operations -

- in billions of € -	Dec. 31, 2007	Mar. 31, 2008
<b>Pension benefits</b>		
Benefit obligations	(15.7)	(15.7)
Plan assets	13.8	12.7
Funded status	(1.9)	(3.0)
<b>Healthcare benefits</b>		
Benefit obligations	(0.9)	(0.8)
Plan assets	0.1	-
Reimbursement Medicare Act	0.1	0.1
Funded status	(0.7)	(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; the effects of the subprime crisis which could result in a weaker demand for our products particularly in the U.S. but as well in the European market; changes in currency exchange rates and interest rates; the introduction of competing products and the possible lack of acceptance of our products or services; 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 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.