

DAIMLER

German & Austrian Corporate Conference

Bodo Uebber

Member of the Board of Management

responsible for Finance & Controlling / Daimler Financial Services

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 balance-sheet and financial figures

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

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

Challenges and Opportunities

Challenges

- US economic situation
- Unfavorable exchange rates
- Increase in raw material and energy prices
- Market development / competition
- Measures to comply with emission regulations / CO₂

Opportunities

- Successful introduction of new products
- Growth in traditional and emerging markets along the value chain
- Excellence Programs (MBC: “Go for 10”, DT: “Global Excellence”) will further increase efficiency and productivity
- Ongoing quality initiatives will further improve customer satisfaction and warranty costs

Mercedes-Benz Cars

Maybach

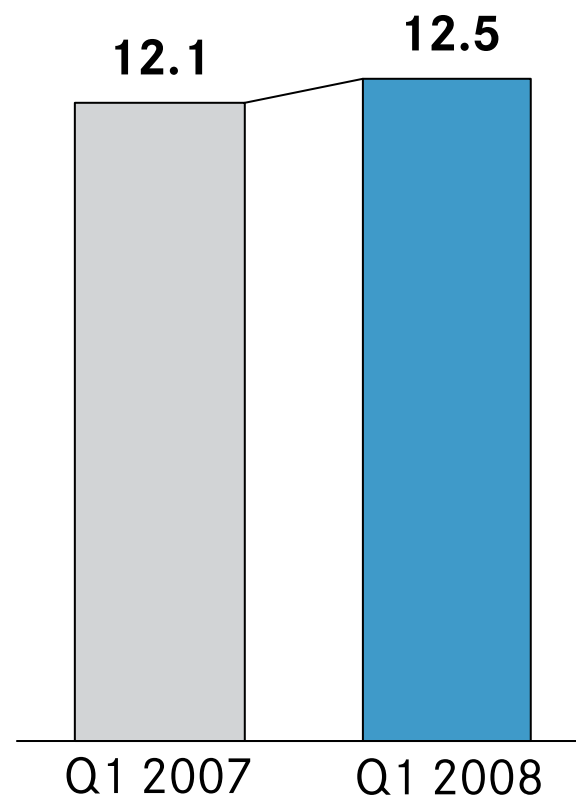
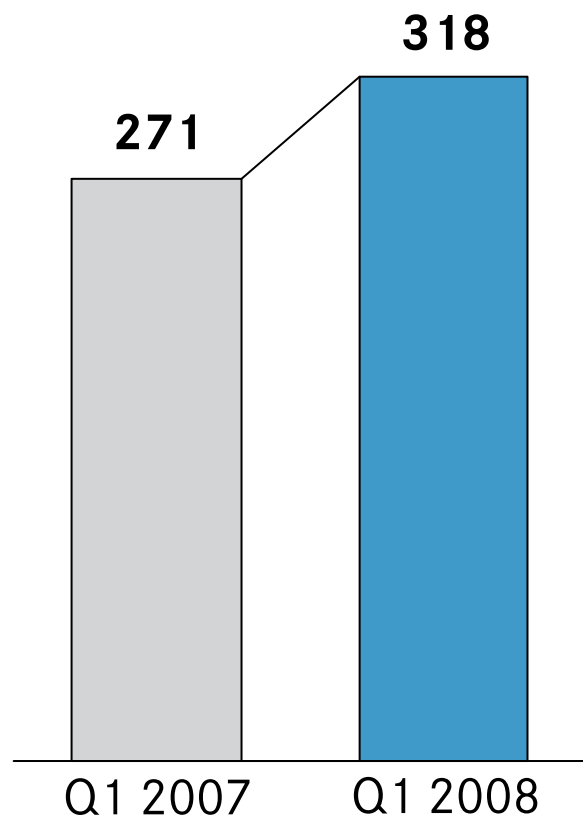
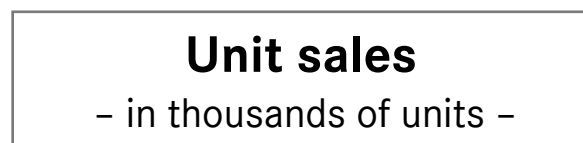


Mercedes-Benz



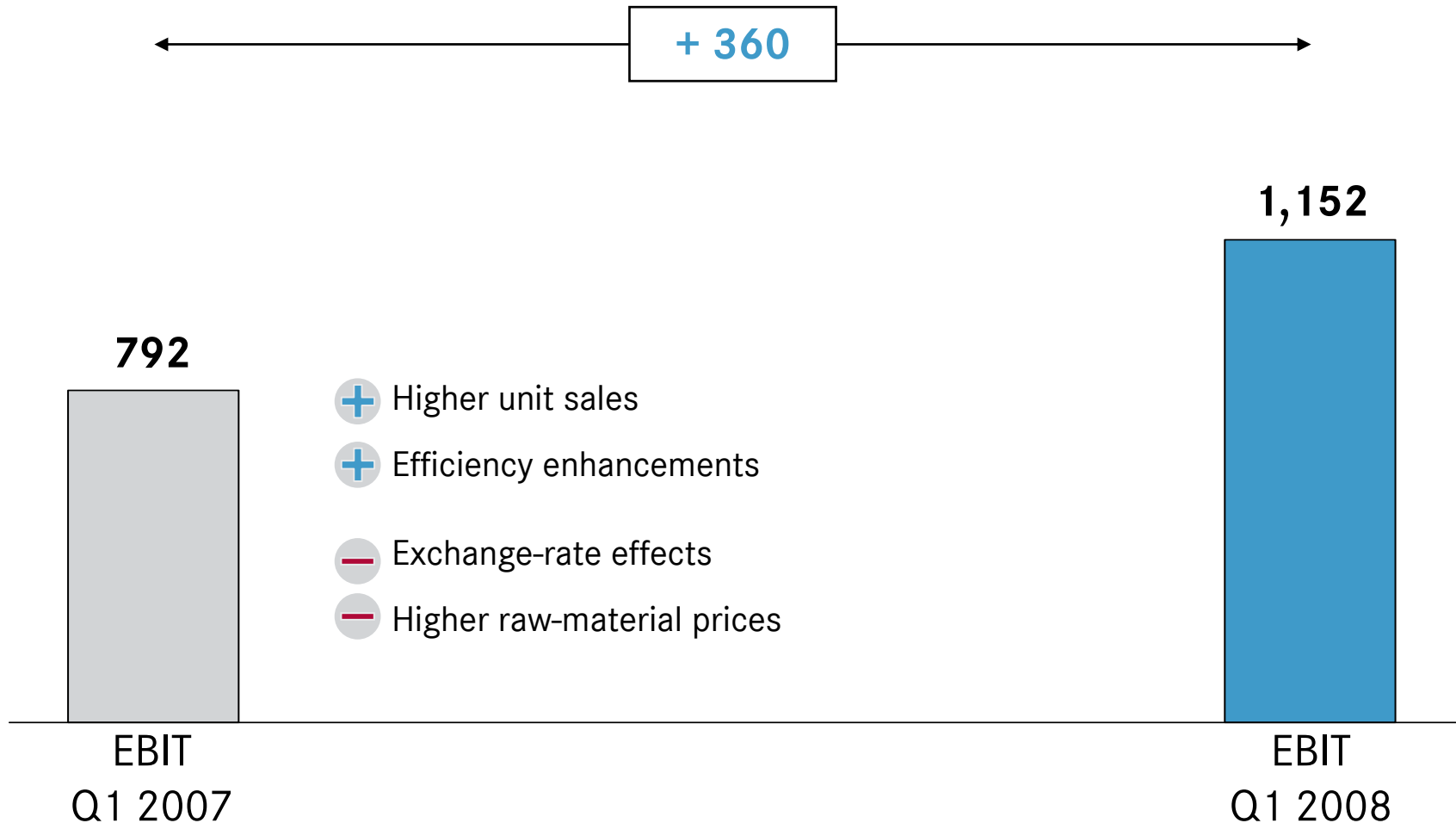
smart

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



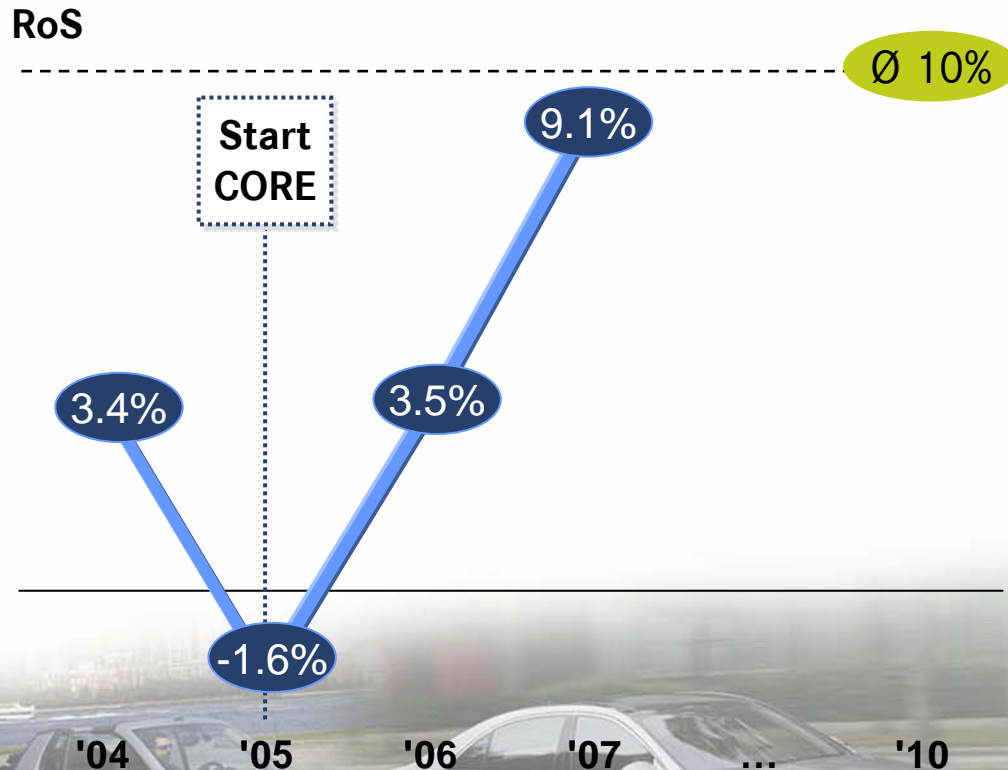
Increase in EBIT results from higher unit sales and further efficiency improvements

- in millions of € -



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"

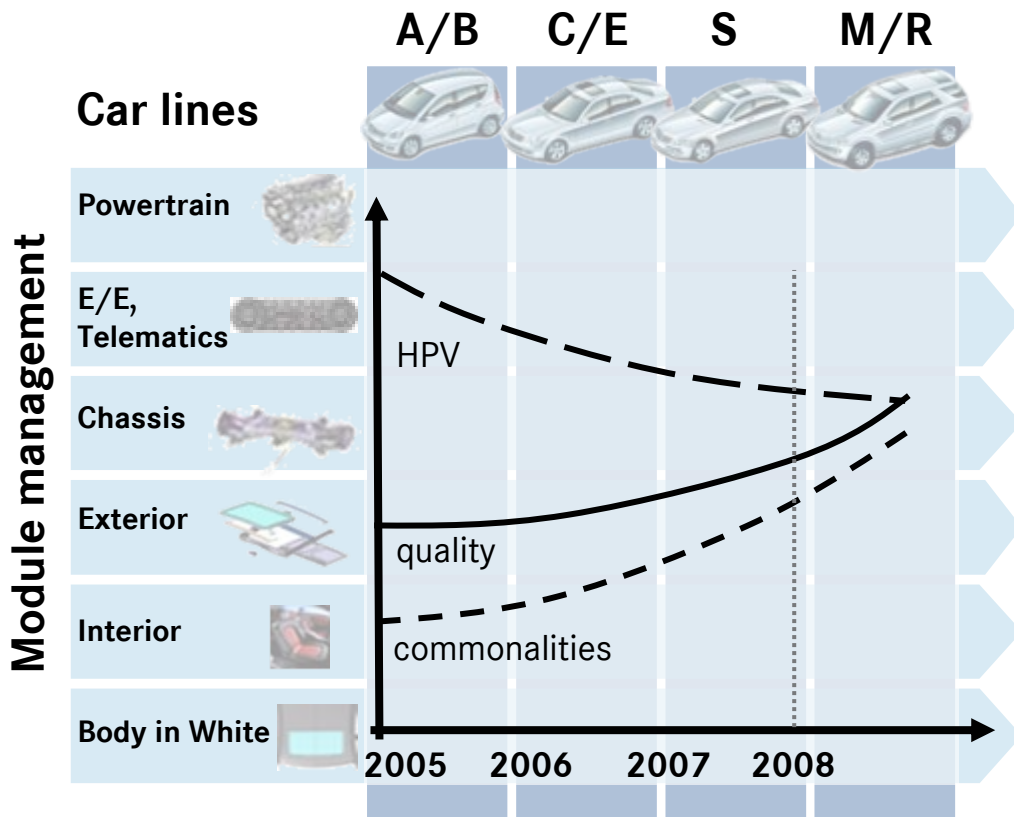


Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

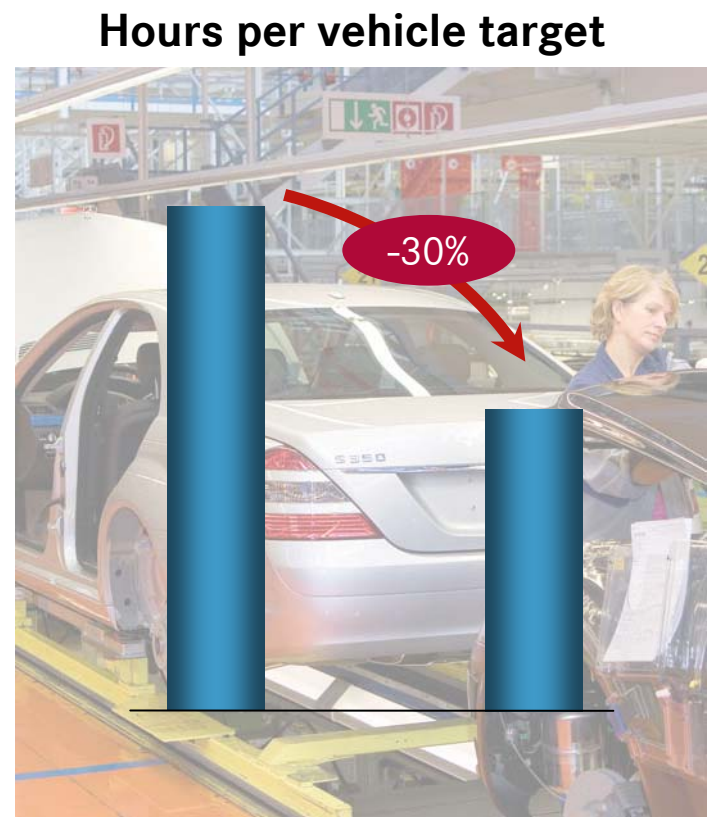
Operational excellence

Module management and plant performance

Development

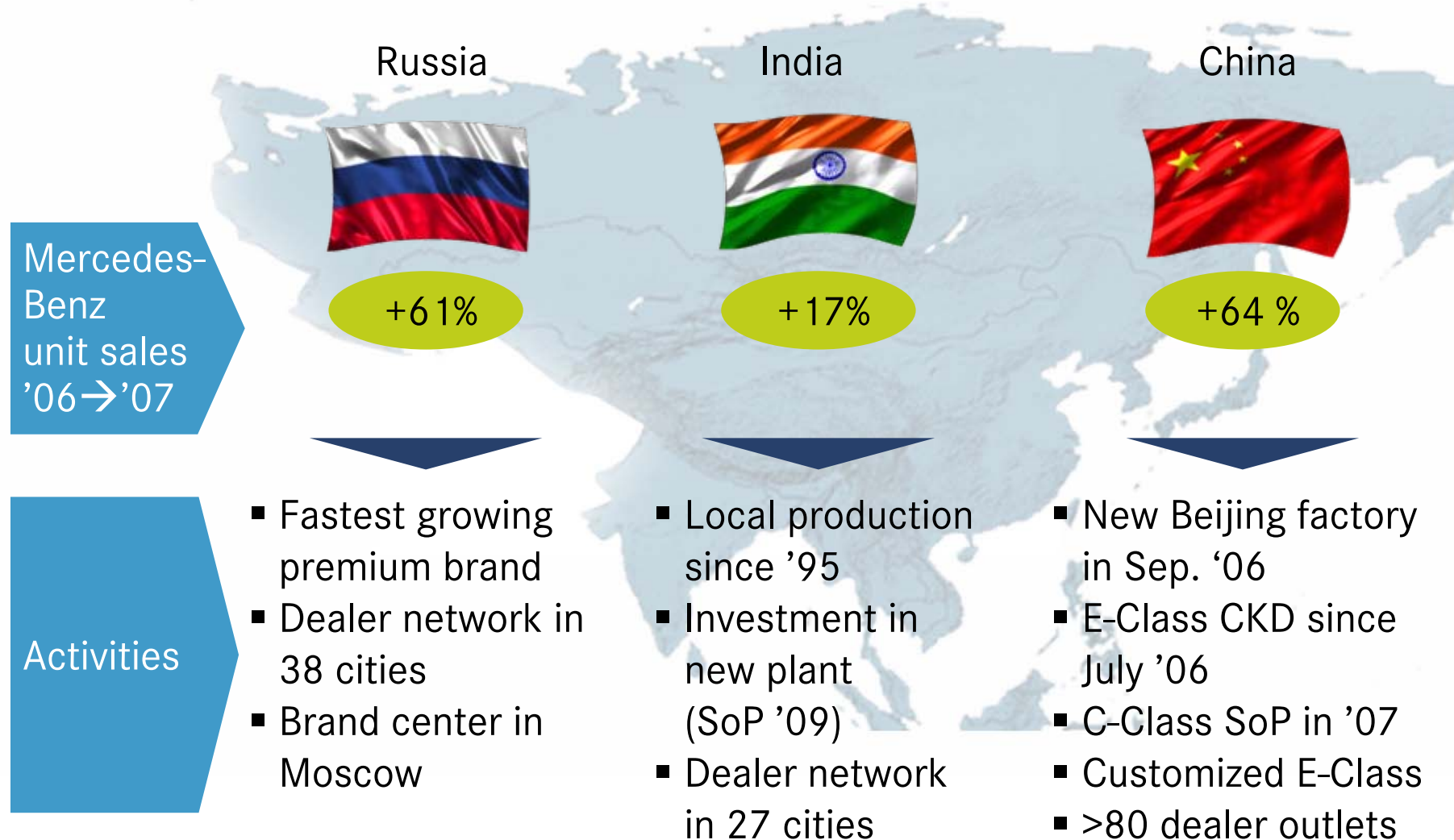


Plants



Emerging markets

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



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

New products 2008/2009

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

2008

New C-Class Sports Coupe CLC
New compact SUV GLK
New Generations:
 SL
 SLK
 CLS
 A-/B-Class
 M-Class

2009

New:
 E-Class Sedan
 E-Class Estate
 CLK Coupe
 CLK Convertible
New Generations: S-Class
 GL-Class

20 FE-Types in 2008

... further roll-out of FE-optimized models



New C-Class Sports Coupe



New Generation SLK



Vision GLK Townside

Daimler Trucks



Mercedes-Benz

FUSO



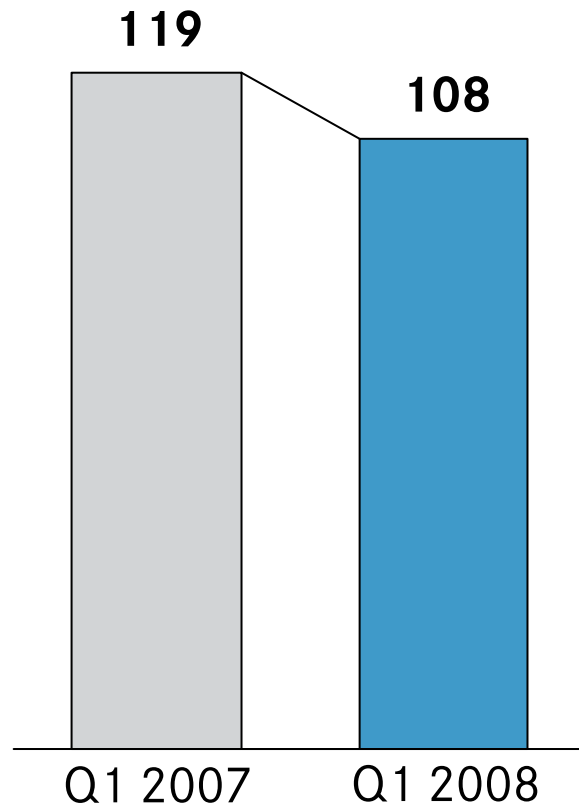
Freightliner

Western Star

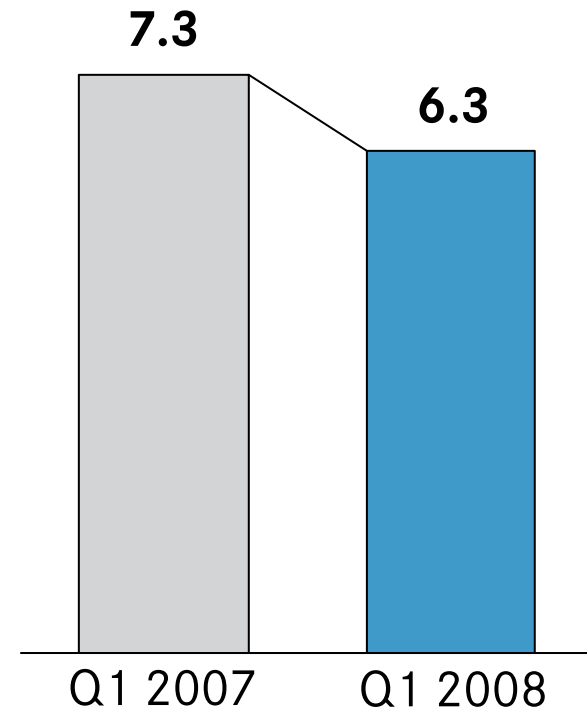
Sterling

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

Unit sales
- in thousands of units -

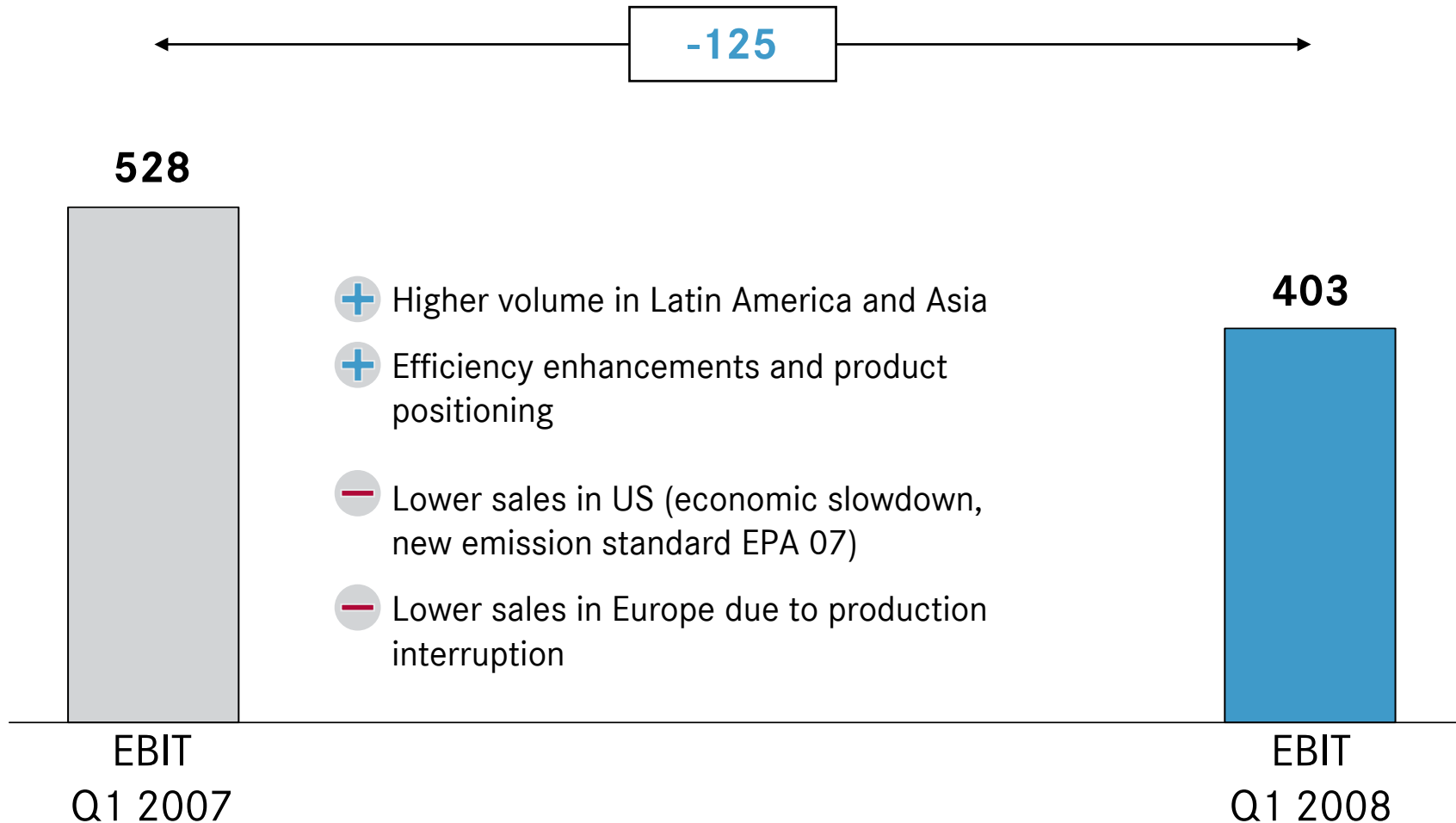


Revenue
- in billions of € -



Lower EBIT primarily reflects tough market environment in the US

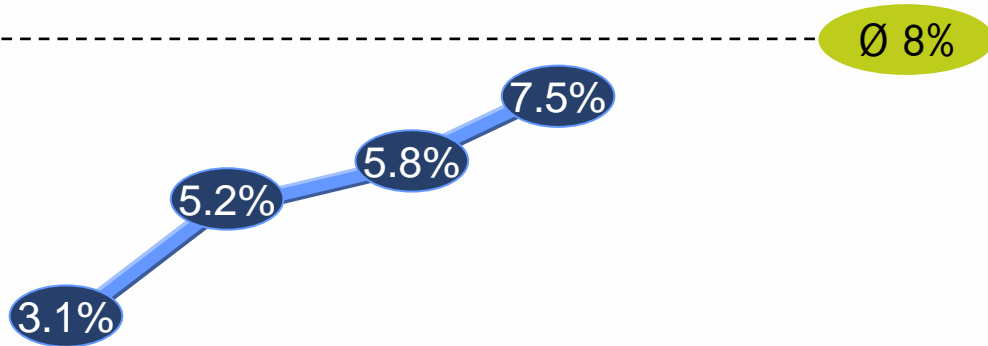
- in millions of € -



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



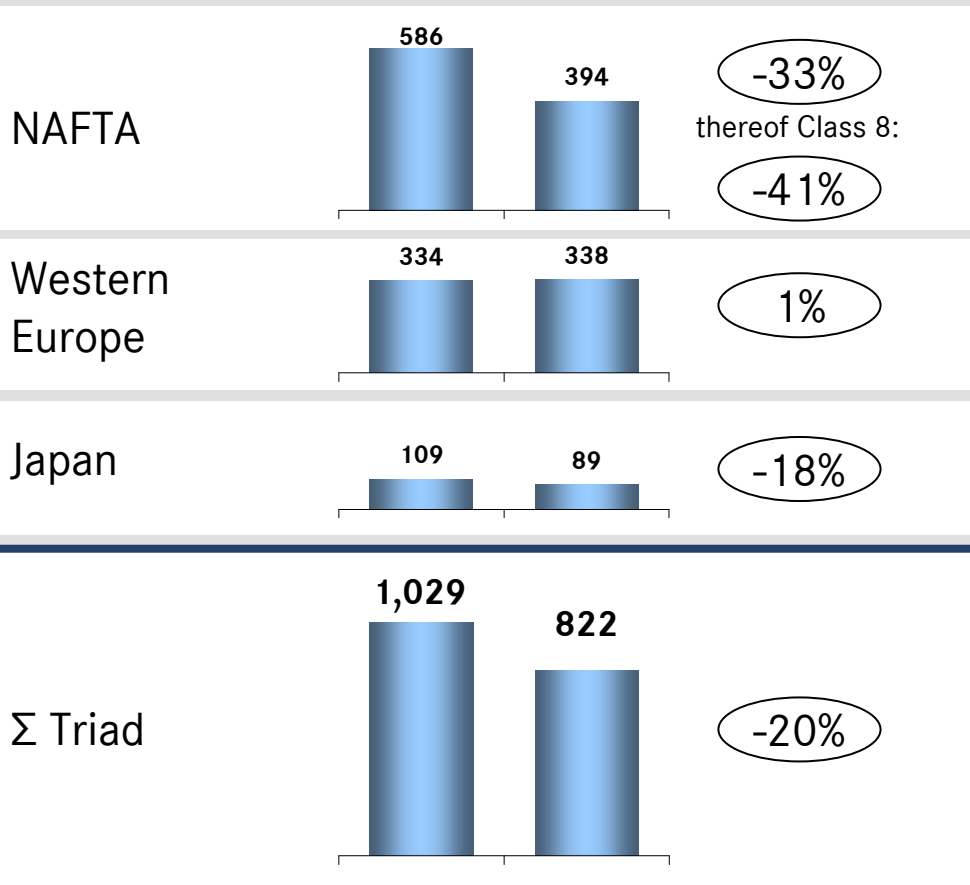
Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

Management of cycles

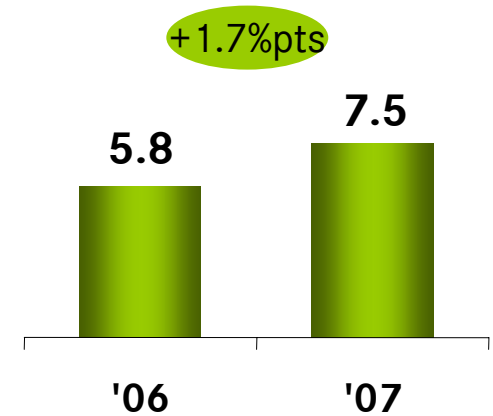
Higher profitability despite regional market downturns

Truck Market '06→'07

Thousand units



Profitability (RoS %) Daimler Trucks



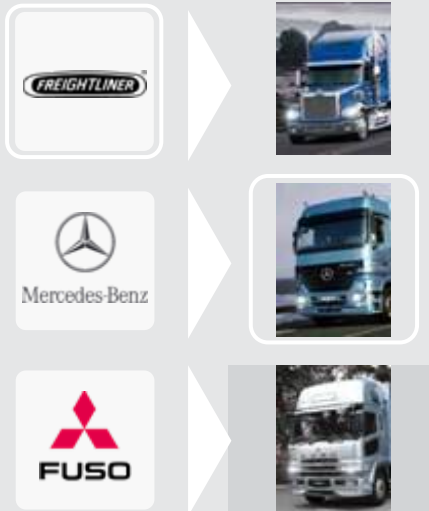
Management of cycles (started in 2005) proved successful

Operational excellence

Focus on processes and systems in order to benefit from common global platforms

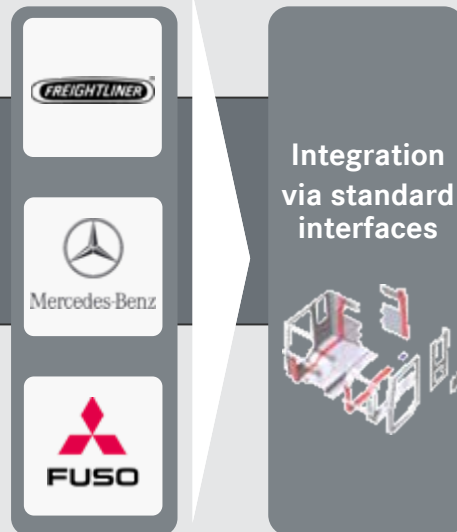
Yesterday

Stand-alone development



Today

Shared modules and architectures



!
Harmonized processes and systems

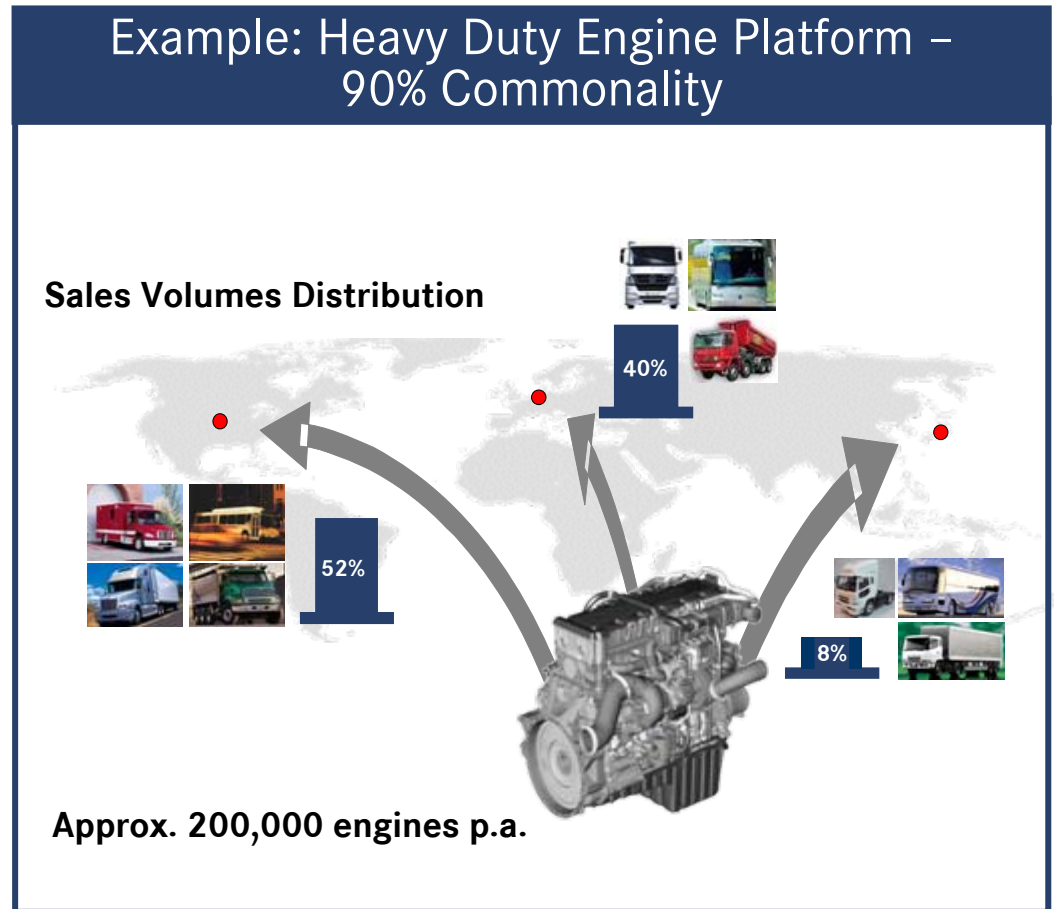
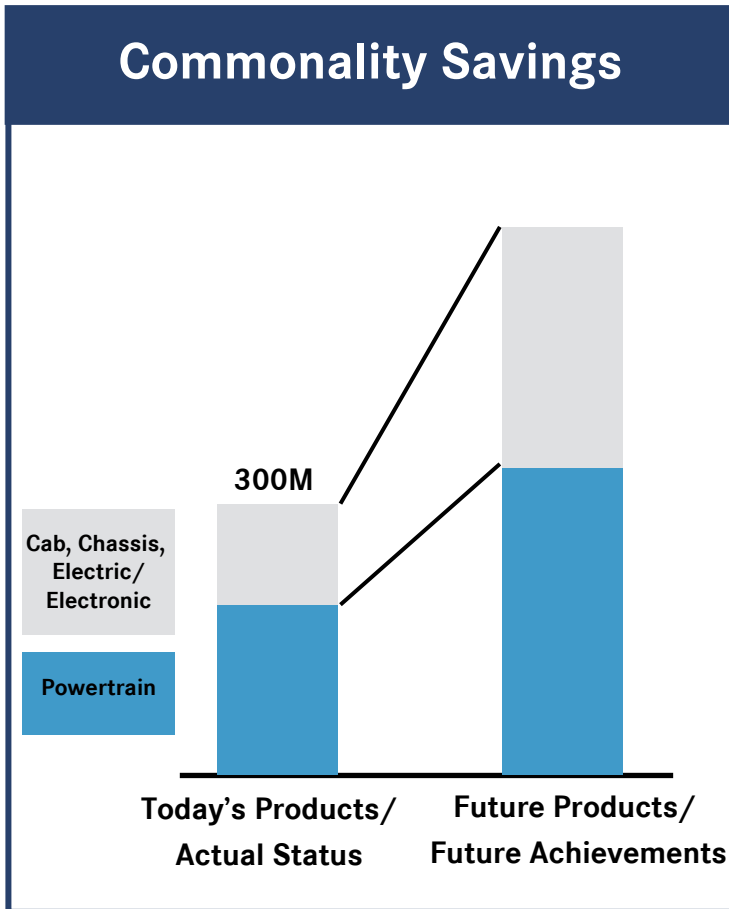
Tomorrow

Common architectures



Operational excellence

In addition to cycle management commonality savings are major lever for profitability



Market penetration & growth

Emerging Markets: Addressing growth markets Brazil, Russia, India, and China

Brazil



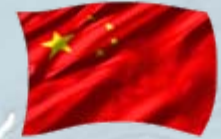
Russia



India



China



Daimler
Truck
unit sales
'06→'07

Combined BRIC sales growth

+ 29 %

Activities

- MB market leader
- MB production hub for Latin America, part of global network
- Modified European and local products

- Local plant targeted
- Sales & service network expansion

- JV with Hero contracted
- Actros production in Pune

- Cooperation with Chinese OEM

New Products

Mitsubishi Canter Eco Hybrid



Actros



Freightliner Cascadia



Vans and Buses

Mercedes-Benz Sprinter

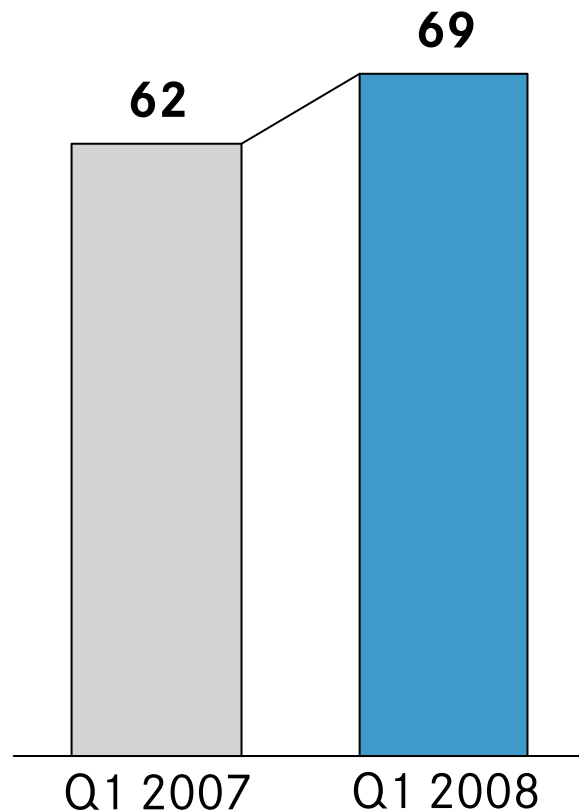


Setra TopClass 400

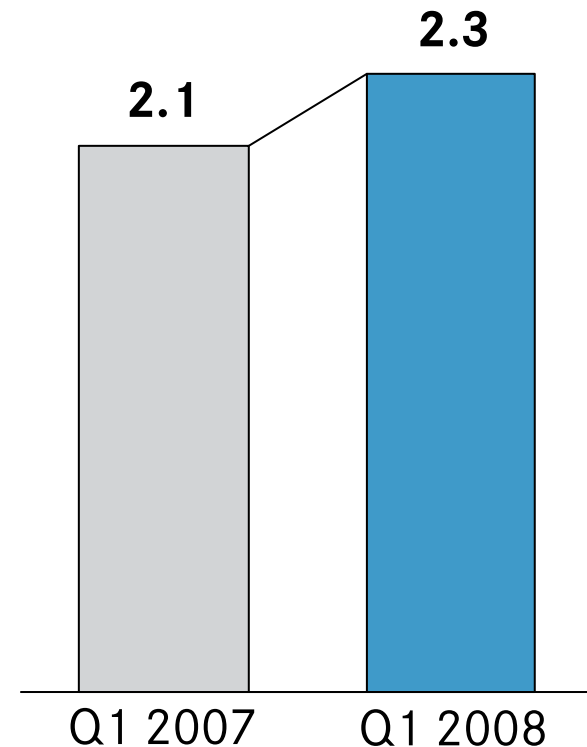


Growth at Mercedes-Benz Vans reflects continued strong demand for all models

Unit sales
- in thousands of units -



Revenue
- in billions of € -



Major performance levers

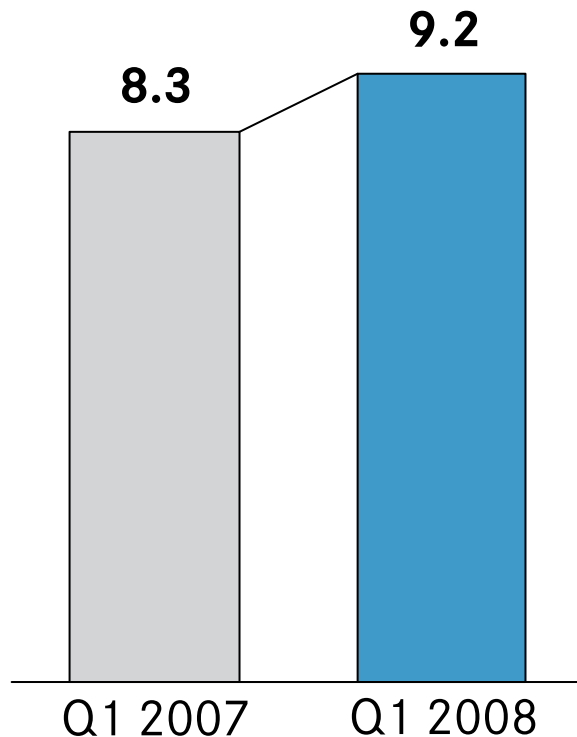
Mercedes-Benz Vans

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

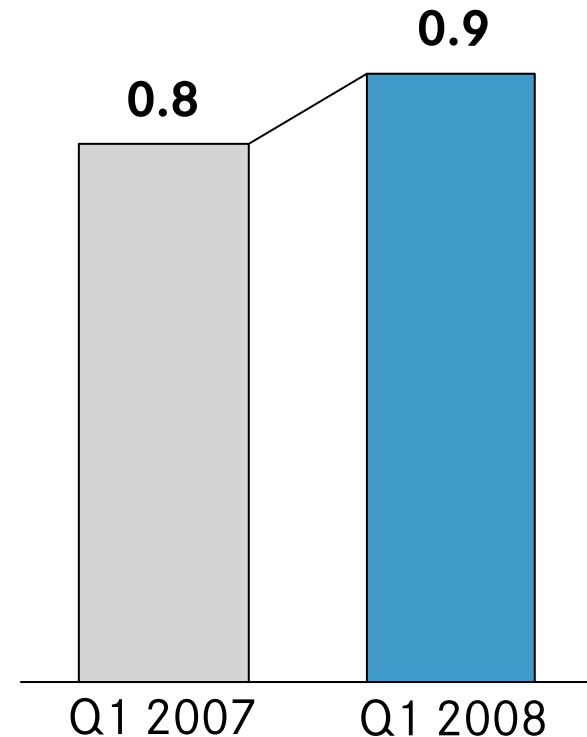


Positive market environment in Latin America and high demand in Europe pushed unit sales

Unit sales
- in thousands of units -



Revenue
- in billions of € -



Major performance levers

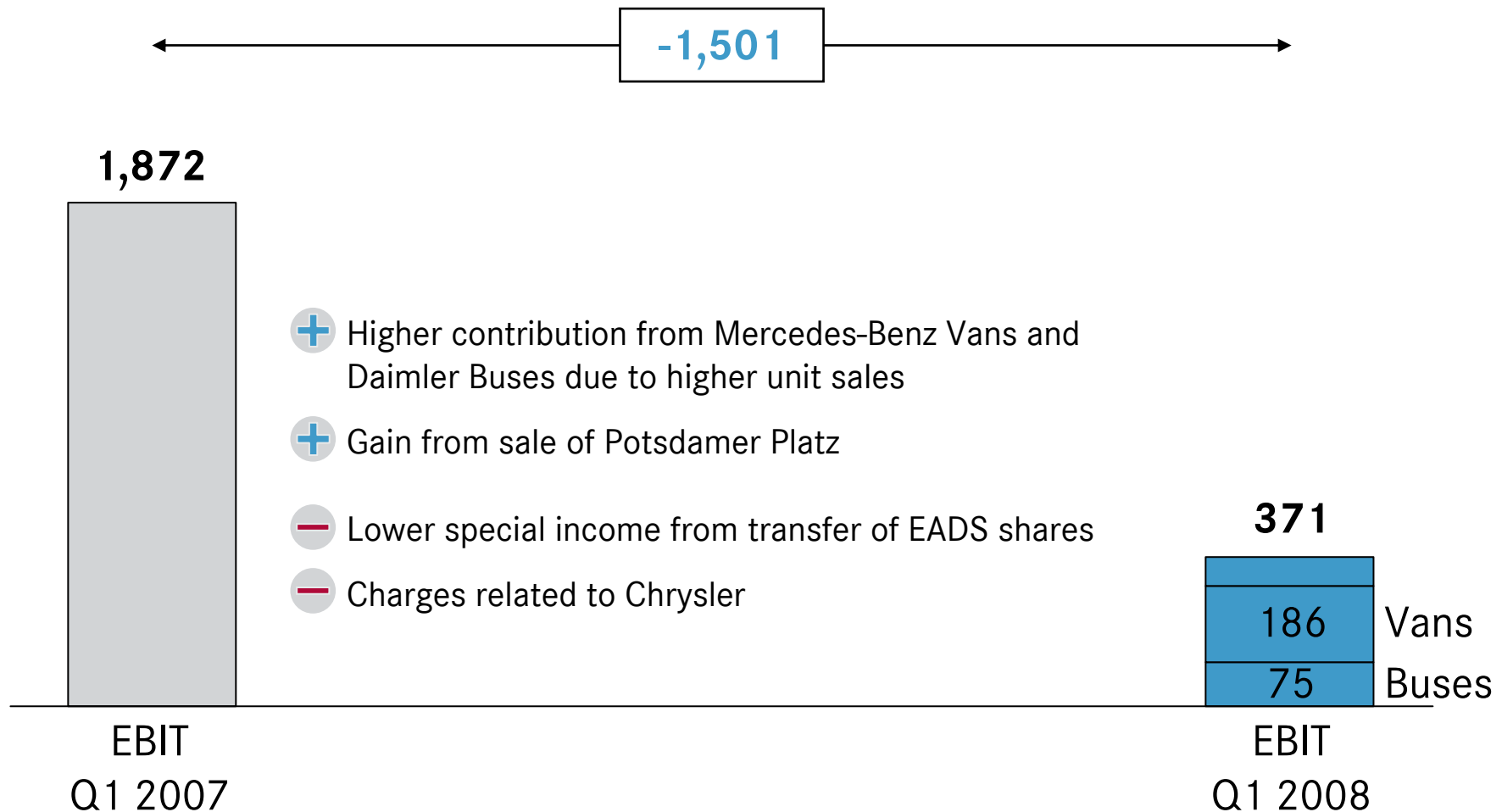
Daimler Buses

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



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

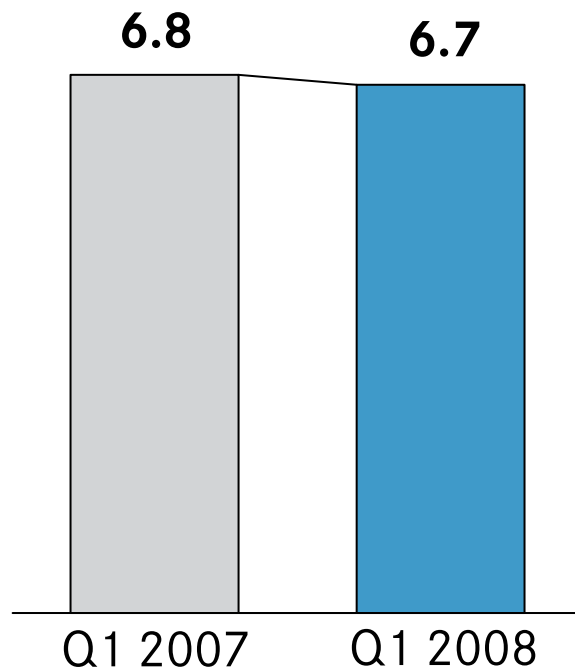
Daimler Financial Services



Contract volume and new business at high level

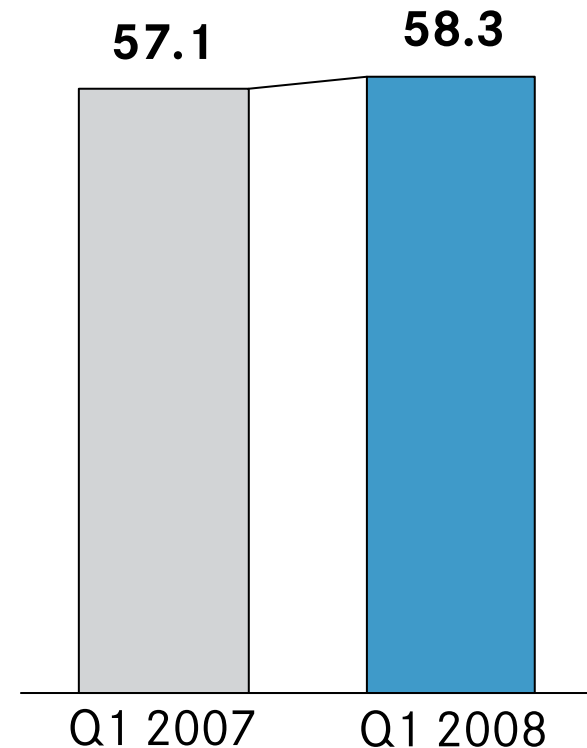
New business

- in billions of € -



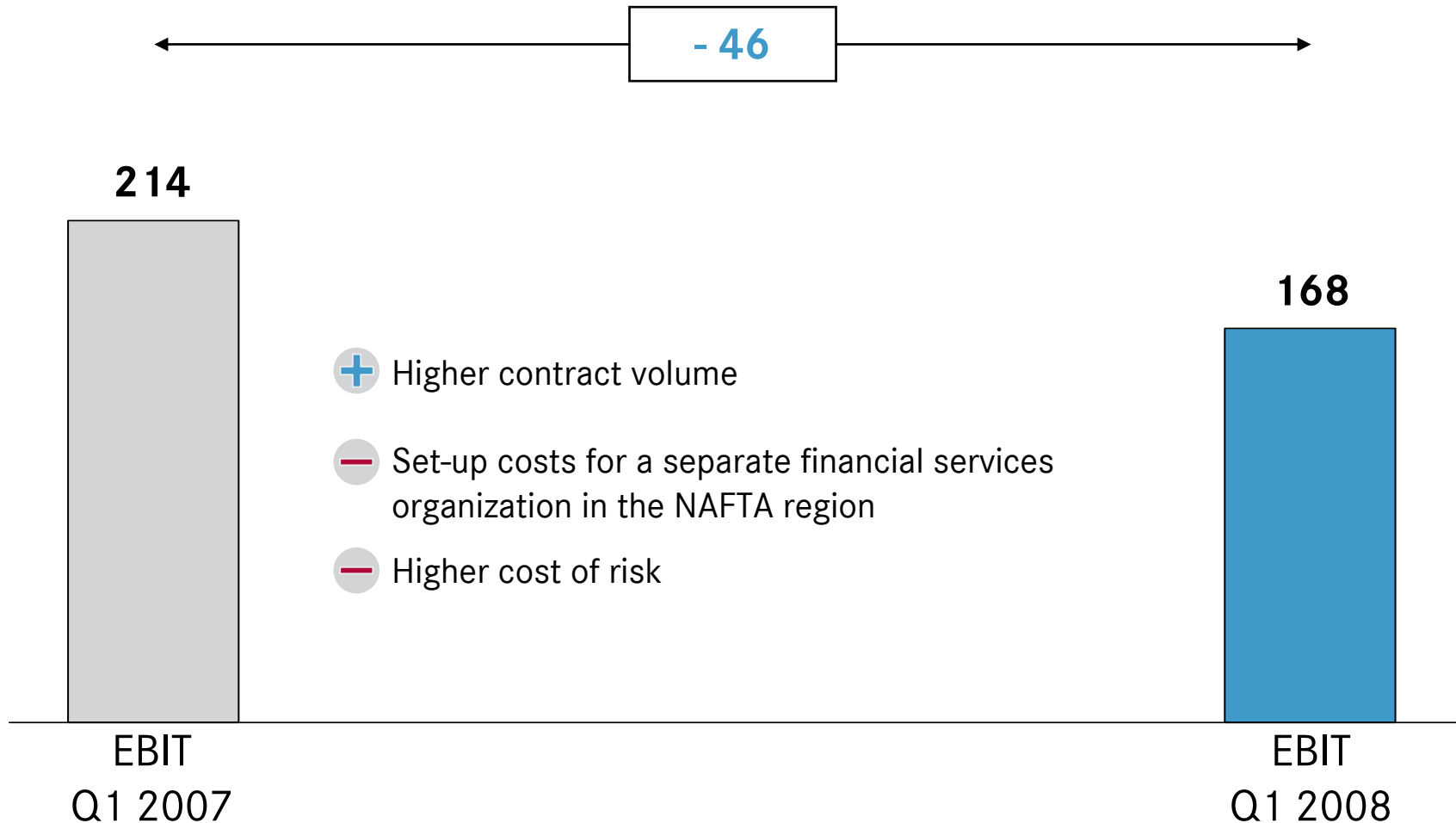
Contract volume

- in billions of € -



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

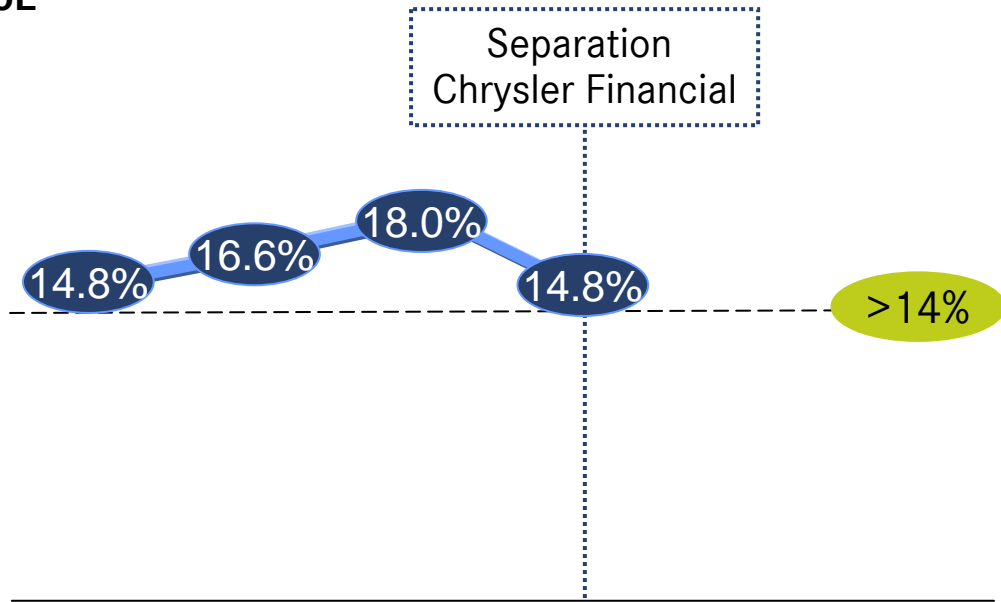
- in millions of € -



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

'04

'05

'06

'07

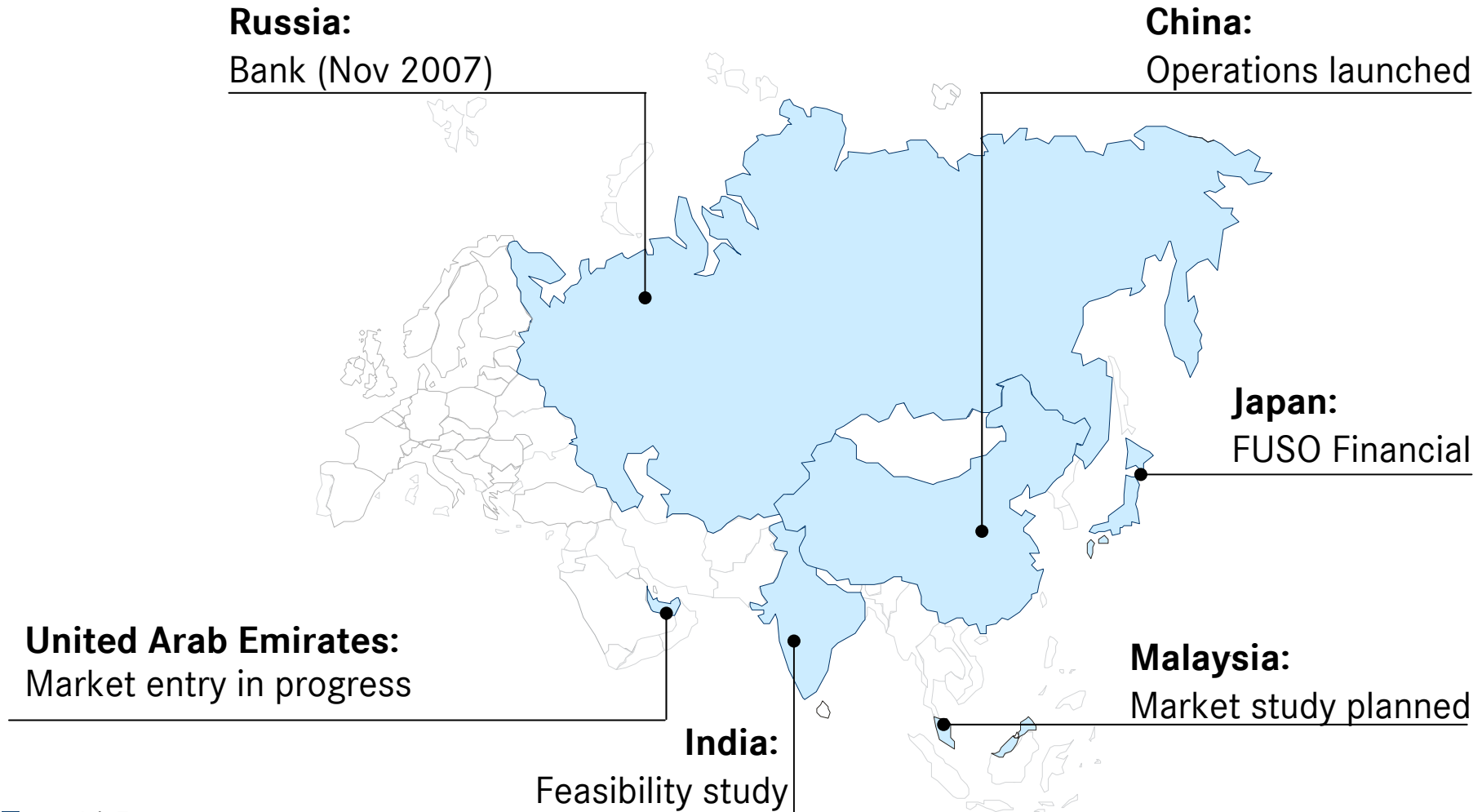
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Note: before '05: RoE based on operating profit (US GAAP); from '05: RoE based on EBIT (IFRS)

Growth markets

Support brand partners and leverage new opportunities

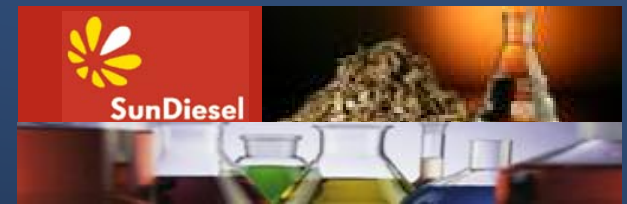


Safe and sustainable mobility

Emission-free driving
with fuel cell/battery-drive



Improved & alternative fuels



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





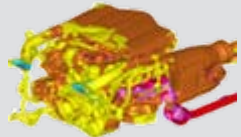


Today

Future

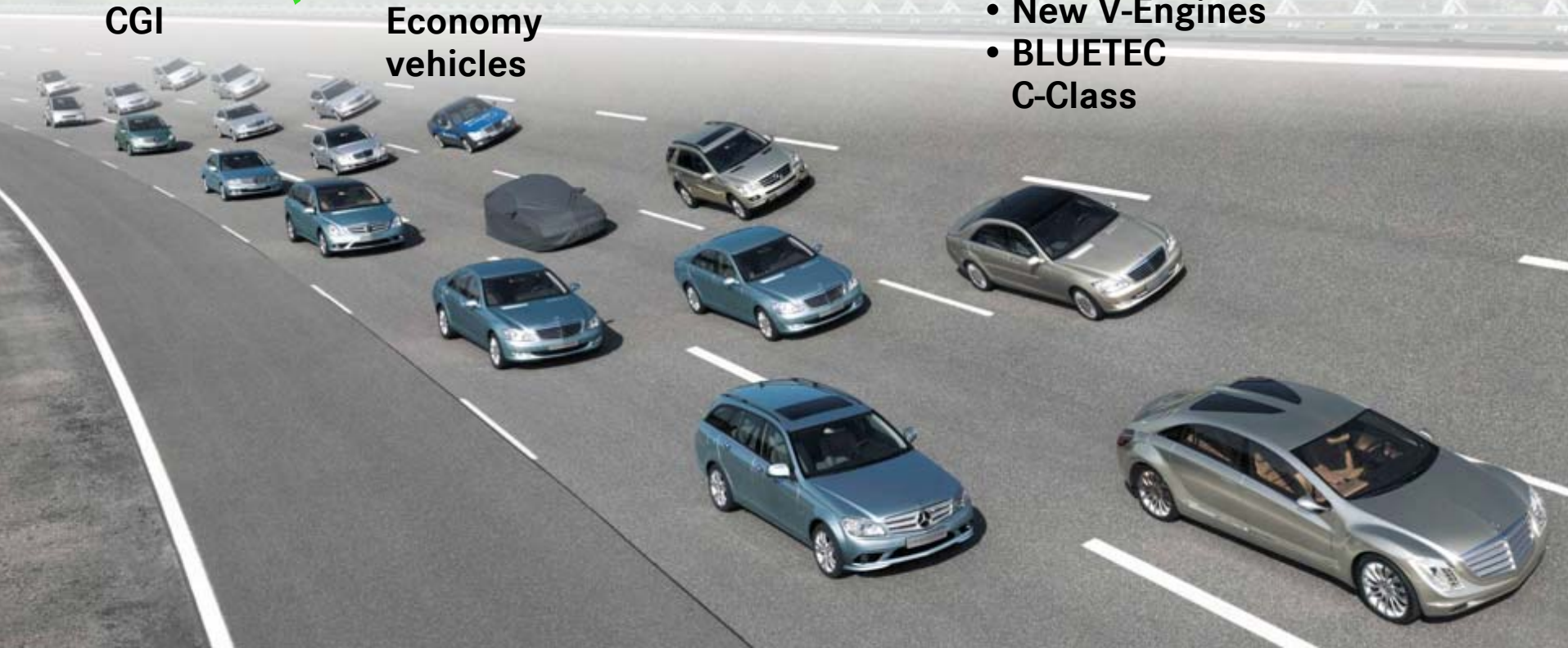
Comprehensive approach to efficient driving

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

Mercedes-Benz Cars “Road to the Future”

2006 / 2007	2008	2009	2010	...
<ul style="list-style-type: none"> • BLUETEC E-Class ✓ • mhd/ed smart ✓ • 2nd Gen. CGI ✓ 	<ul style="list-style-type: none"> • BLUETEC ML/R/GL-Class • NGT B-Class • 20 Fuel Economy vehicles 	<ul style="list-style-type: none"> • Hybrid S-Class • Hybrid ML-Class 	<ul style="list-style-type: none"> • Fuel Cell B-Class • BLUETEC Hybrid S-/E-Class • New V-Engines • BLUETEC C-Class 	<ul style="list-style-type: none"> • DiesOtto • Other BLUETEC Hybrids



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

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 %

DAIMLER

German & Austrian Corporate Conference

Additional Information

Bodo Uebber

Member of the Board of Management

responsible for Finance & Controlling / Daimler Financial Services

Special items affecting EBIT

- in millions of € -	1st Quarter	
	2007	2008
Mercedes-Benz Cars		
Financial support for suppliers	(82)	-
Vans, Buses, Other		
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)	-
Reconciliation		
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
Gross liquidity	17,055	16,170	885	11,718	10,801	917
Financial liabilities, net	(54,967)	(5,019)	(49,948)	(50,937)	(1,896)	(49,041)
Market valuation and currency hedges for financing liabilities	1,761	1,761	0	2,751	2,751	0
Net liquidity	(36,151)	12,912	(49,063)	(36,468)	11,656	(48,124)

Funding status of pension and healthcare benefits

– continuing operations –

– in billions of € –	Dec. 31, 2007	Mar. 31, 2008
Pension benefits		
Benefit obligations	(15.7)	(15.7)
Plan assets	13.8	12.7
Funded status	(1.9)	(3.0)
Healthcare benefits		
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.