

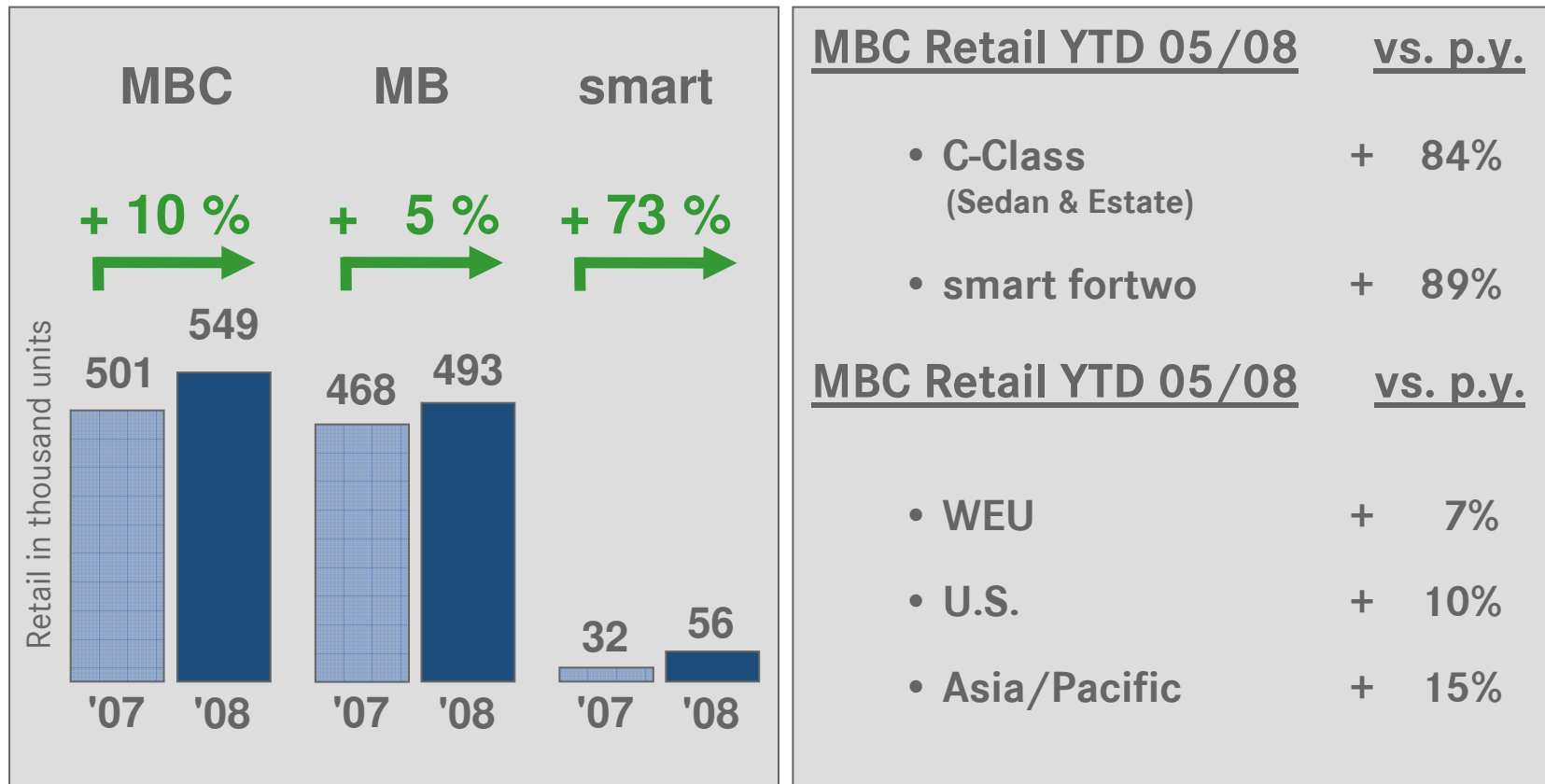


Challenges & Opportunities for MBC Sales & Marketing Stuttgart, June 9, 2008

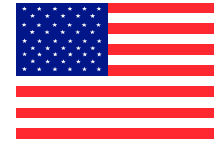
Dr. Klaus Maier

Executive Vice President, Mercedes-Benz Cars, Sales & Marketing

Sales increase in the first five months ...

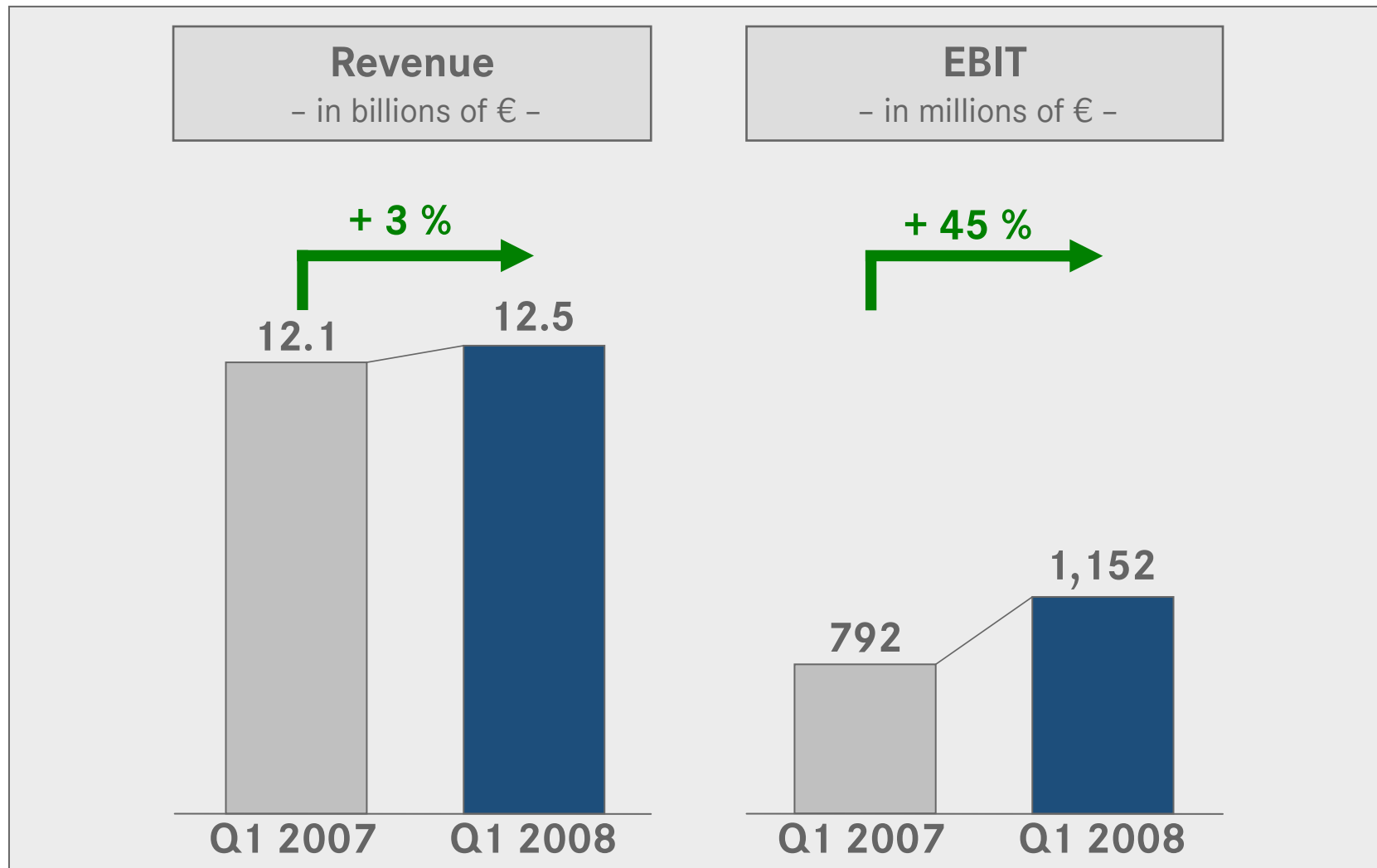


... also in difficult markets - example U.S.



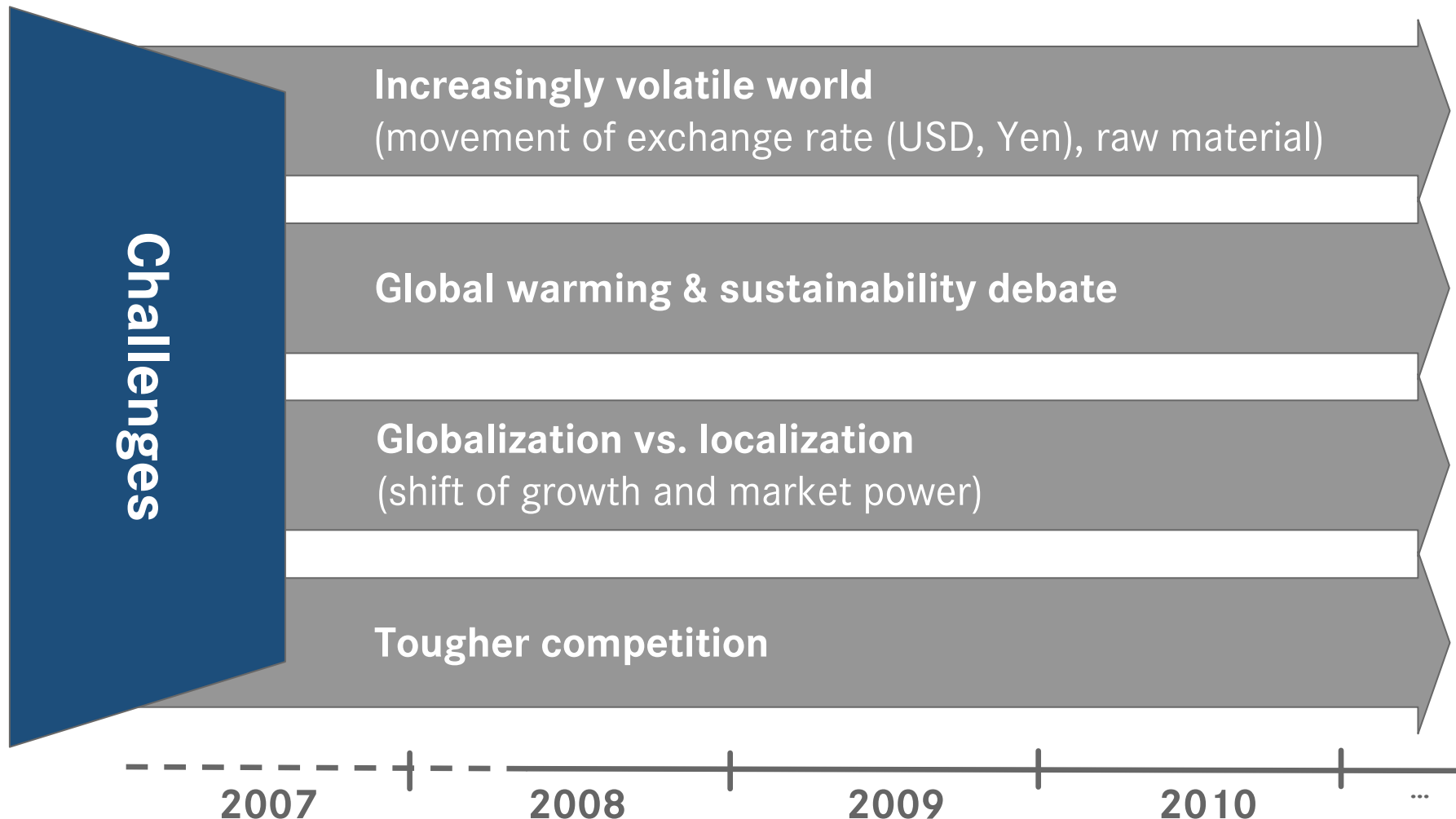
	Market	Mercedes-Benz Retail		
	MTD	MTD actual sales (in units)	vs. p.y. (in %)	YTD vs. p.y. (in %)
January	- 4.7 %	18,300	+ 7.0%	+ 7.0%
February	- 6.3 %	18,600	+ 7.3%	+ 7.2%
March	- 12.0 %	20,800	- 3.7%	+ 3.0%
April	- 6.9 %	20,300	- 3.0%	+ 1.3%
May	- 10.7 %	21,800	+ 0.1%	+ 1.1%

Profitable growth reflected by MBC Revenue and EBIT results





Despite this success, MBC must address enormous challenges in the future



We are meeting the challenges with a forward looking strategy

We will be the world champion in the automotive decathlon.

We secure our own future with 10% return on sales.

We will succeed despite multiple challenges such as economic downturns, CO₂, currency fluctuation, higher raw materials prices and competition.

Nevertheless with courage, enthusiasm and joy we will succeed.

No later than 2010 and onwards.



MBC addressed key questions for the future

Mission

What do we stand for?

- We invented the car – now we are passionately shaping its future!
- We are the most successful car company in the premium and luxury market!
- We are the decathlon world champion!



Targets

What do we want to achieve?

- Most successful team in the automotive industry
- Clearly profiled brand portfolio with Mercedes-Benz as the most fascinating brand
- Superior products/services and innovation leadership
- Fascinated customers



Measures

What are we doing?

- Program CSI No. 1
- Clear Mercedes-Benz Brand positioning
- Growth by Top Product and Service Portfolio and regional strategies
- TrueBlueSolutions and CO₂-Offensive
- Quality and efficiency program



Results

What is the expected outcome?

- Proud to hold up the „Star“
- Profitable growth
 - Continuous 10% return on sales (RoS)
 - Secure, attractive jobs



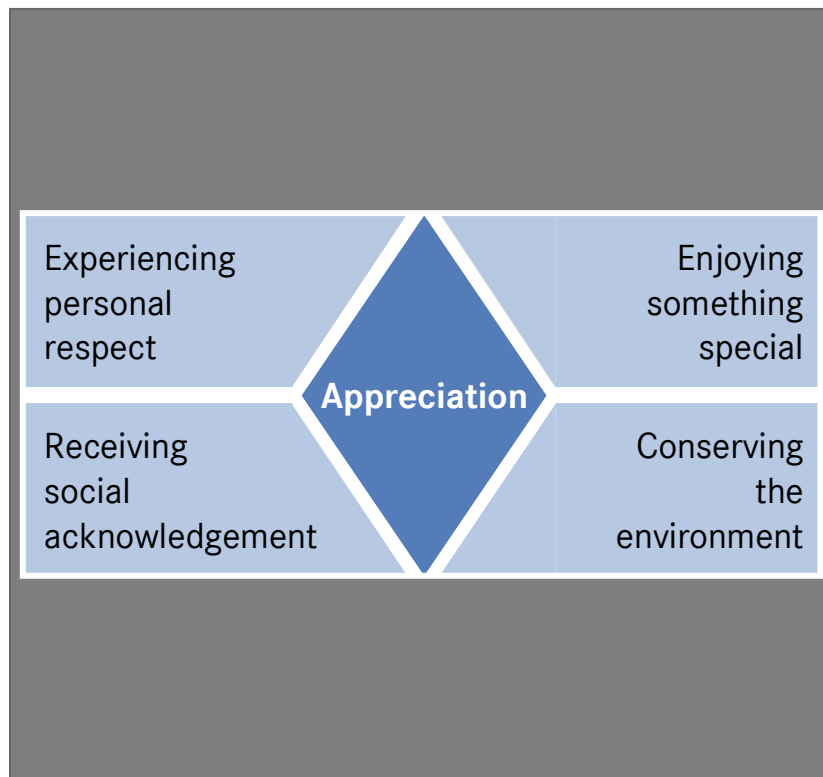
Measures: what are we doing?

<p>Excellence Process</p> 	<p>Quality and Efficiency Program</p> 	<p>Clear Mercedes-Benz Brand Positioning</p> 
<p>CSI No. 1 Program</p> 	<p>Target Group and Regional Specific Offerings</p> 	<p>TrueBlueSolutions and CO₂ Offensive</p> 



Mercedes-Benz brand-positioning: appreciation means leadership in five dimensions

Our brand promises



Product dimensions



Mercedes-Benz: one of the most successful auto brands in J.D. Power IQS 2008

Total ranking

Rank	Problems per 100 vehicles
1. Porsche (-)	87 (- 4)
2. Infiniti (+ 7)	98 (- 19)
3. Lexus (- 1)	99 (+ 5)
4. Mercedes-Benz (+ 1)	104 (- 7)
4. Toyota (+ 2)	104 (- 8)
6. Mercury (+2)	109 (- 4)
7. Honda (- 3)	110 (+ 2)
8. Ford (+2)	112 (- 8)
8. Jaguar (-2)	112 (-)
10. Cadillac (+ 15)	113 (- 22)
10. Chevrolet (+ 5)	113 (- 16)
10. Audi (+ 16)	113 (- 23)
13. Pontiac (+ 8)	114 (- 19)
13. Hyundai (- 1)	114 (- 11)
15. Lincoln (- 12)	115 (+ 15)
Industry	118 (- 7)
16. Buick (- 2)	118 (- 9)
17. Acura (-)	119 (- 11)

Product Award



J.D. Power
Gold Award



E-Class



CLK

Plant Quality Award



J.D. Power
Platinum Award



Sindelfingen
plant

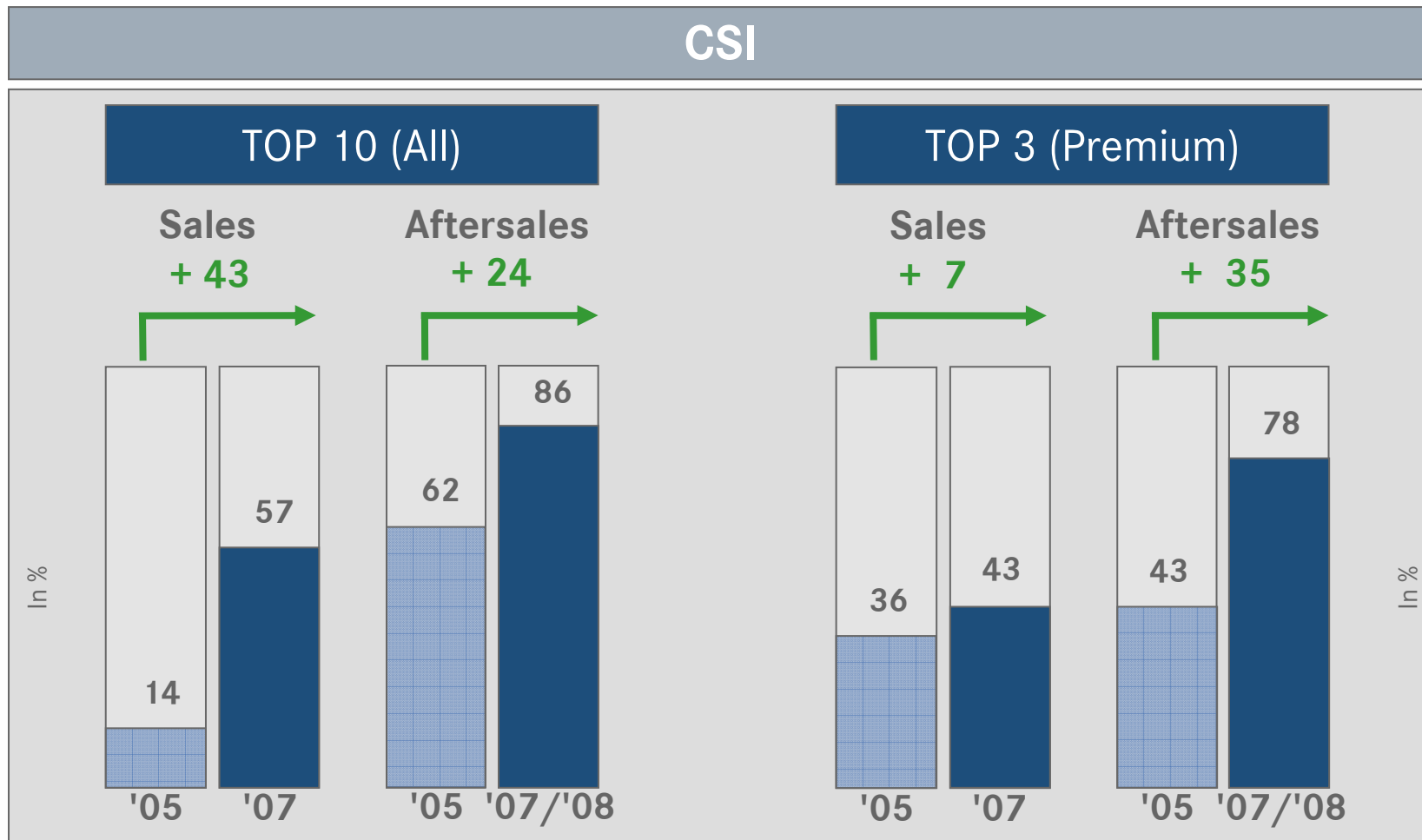
The external CSI studies show that the competitive position of Mercedes-Benz has strongly improved since the start of CSI No.1

MB-Ranking Industry 2006 => 2007		
Sales		After-Sales
17 → 13 ↑	Germany	15 → 9 ↑
6 → 2 ↑	UK	8 → 6 ↑**
14 → 11 ↑	France	16 → 10 ↑
28 → 9 ↑	Italy	11 → 8 ↑
17 → 15 ↑	Spain	5 → 9 ↓
17 → 8 ↑	Switzerland*	11 → 12 ↓
6 → 16 ↓	Sweden*	11 → 12 ↓
26 → 19 ↑	Netherlands*	3 → 8 ↓
9 → 2 ↑	Japan	1 → 2 ↓

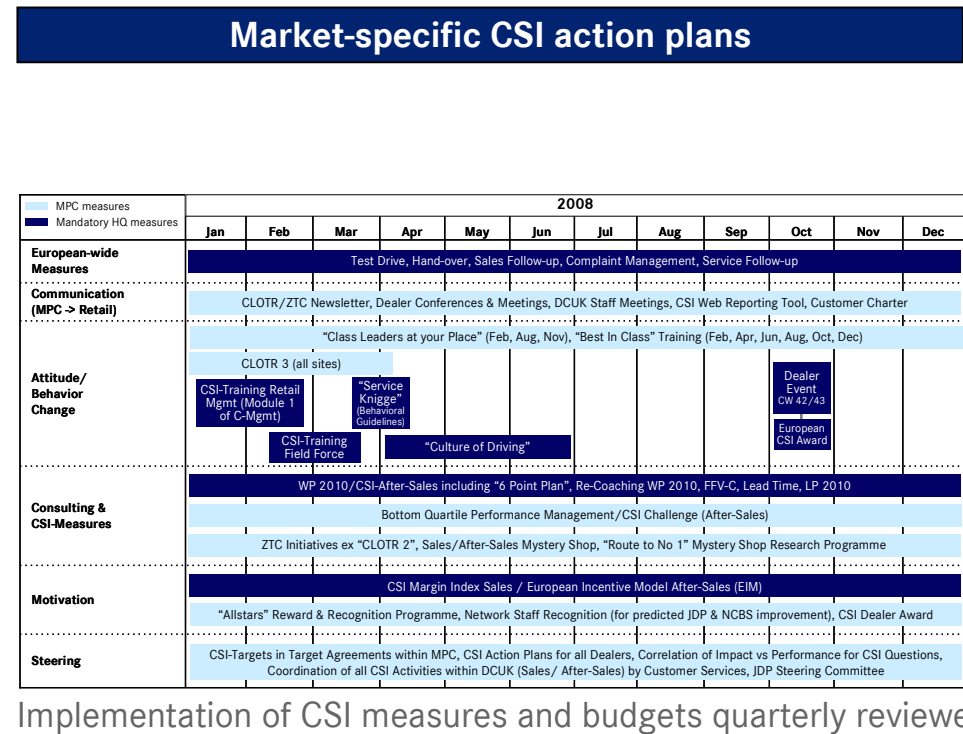
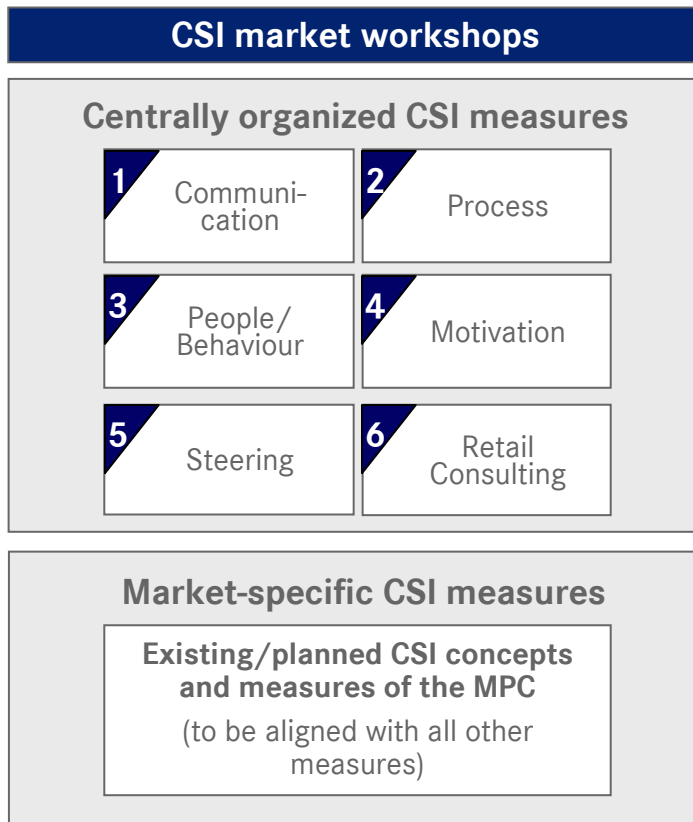
* 2005 => 2007 results because NCBS is surveyed only every 2 years

** 2007 => 2008

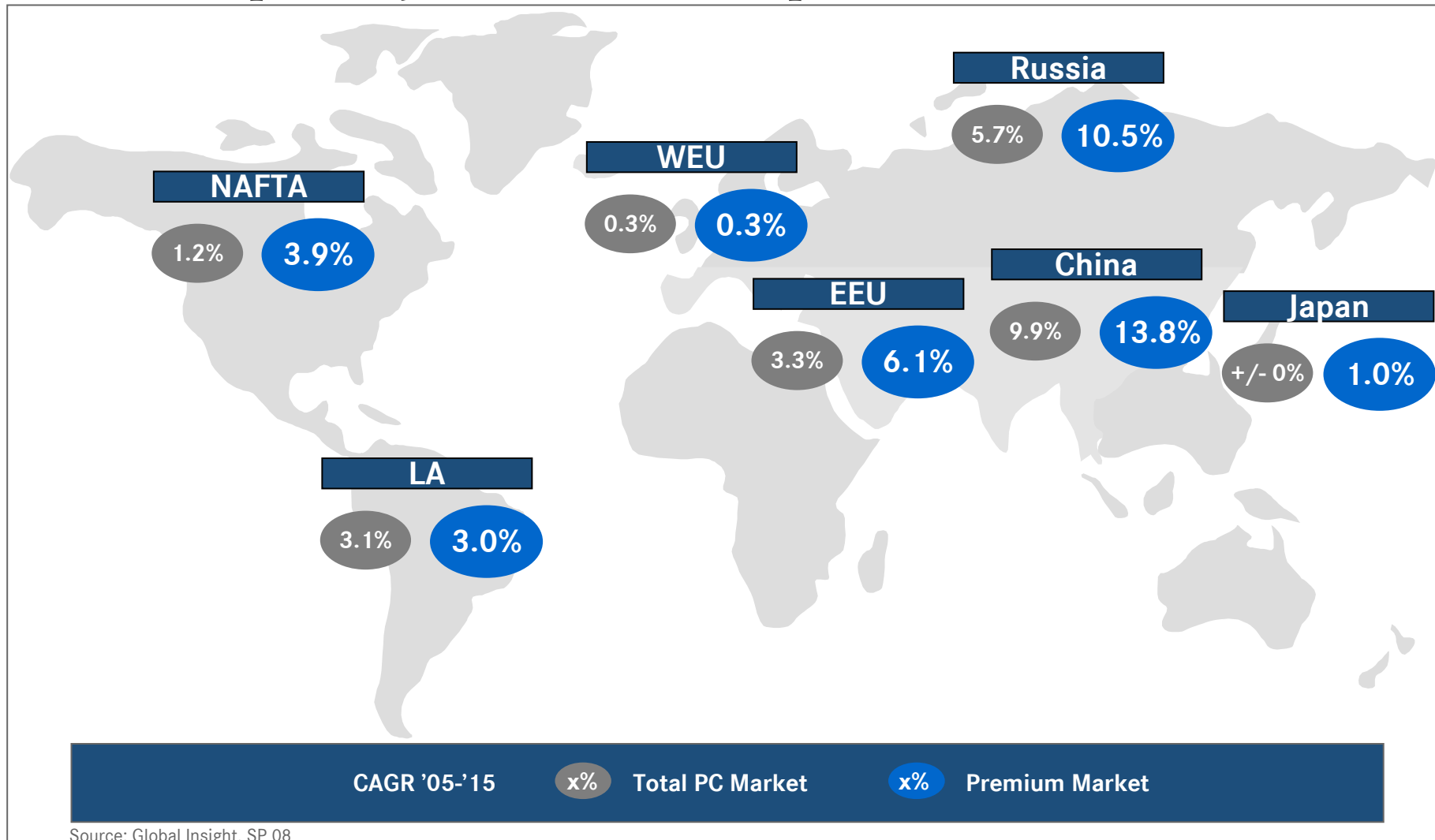
43% of our markets in Sales and 78% in Aftersales are already in the CSI TOP 3 compared to other premium manufactures



The successful process of combining central & decentral measures with focus on few elements will be continued in order to reach sustainability

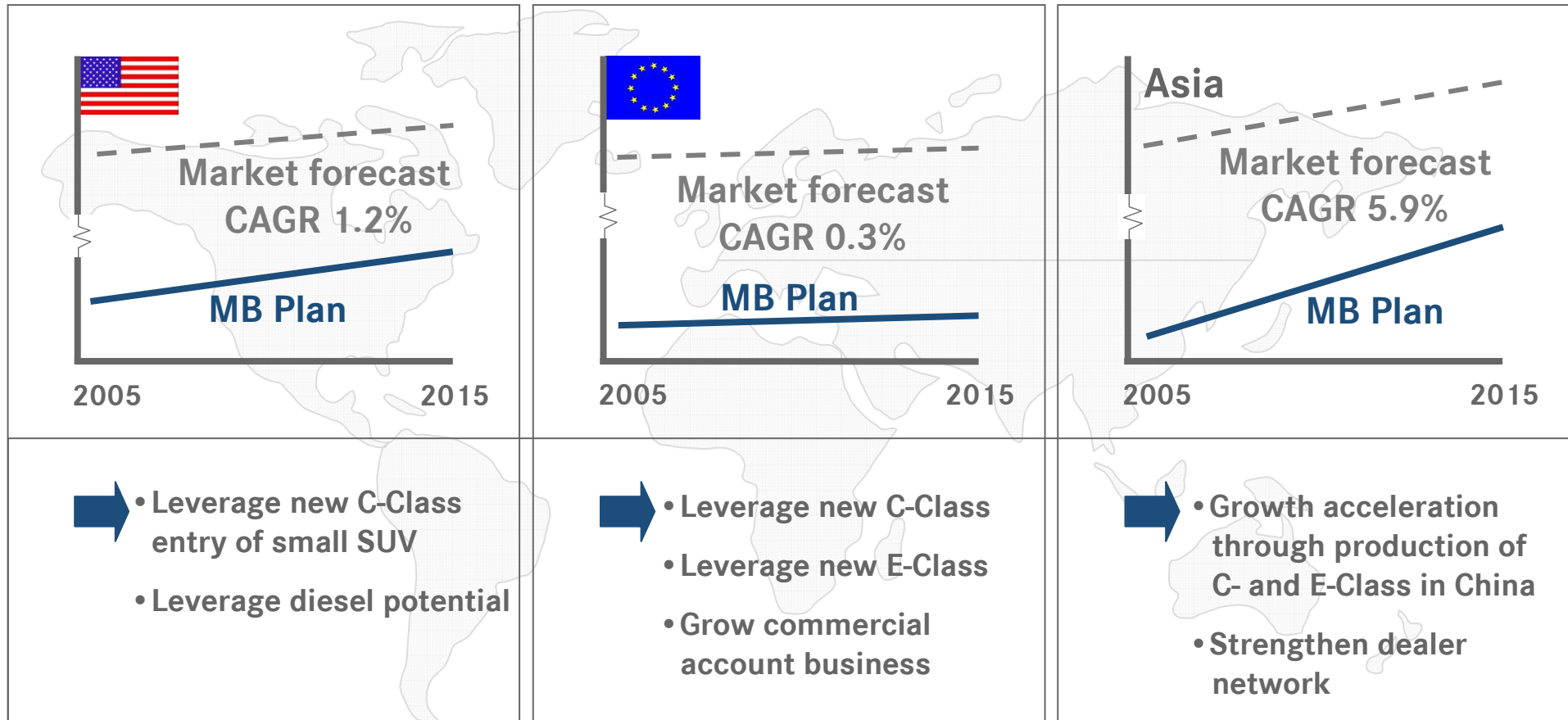


Growth especially in Eastern Europe and China

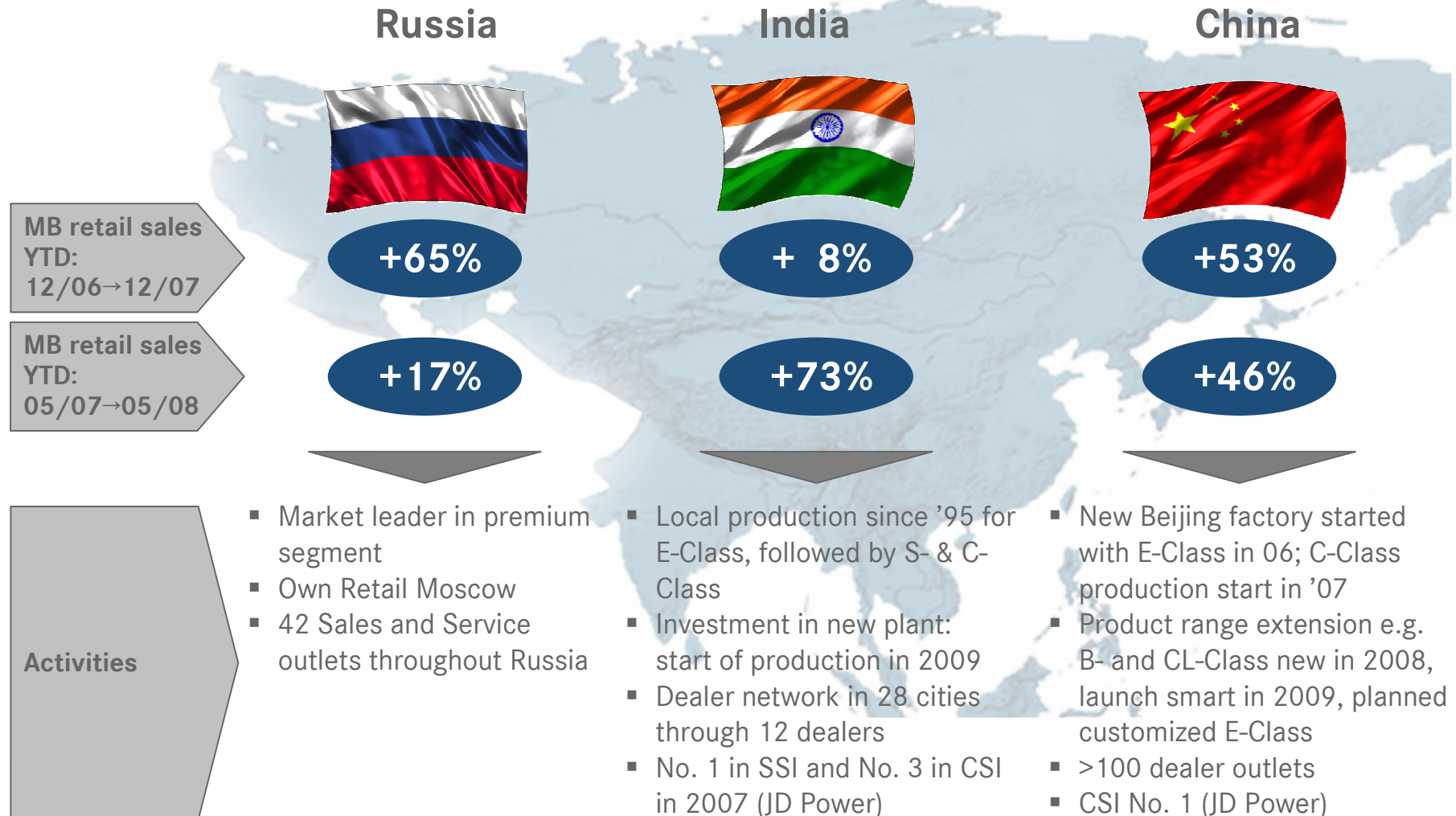


Source: Global Insight, SP 08

Region specific growth strategies at Mercedes-Benz Cars



Special focus of Mercedes-Benz Cars in emerging markets



The product portfolio will be even more oriented towards specific target groups and regional specific requirements

- After two extensive product offensives, MBC covers now almost every profitable niche
- Future focus on regional expansion and reaching younger target groups

Regional expansion

Stronger differentiation of target group

Stretched E-Class China



GLK with focus USA and younger customers
Offroad-Styling-Package



Sports-Package-Exterior








Sporty successor of A-Class



External press speculation

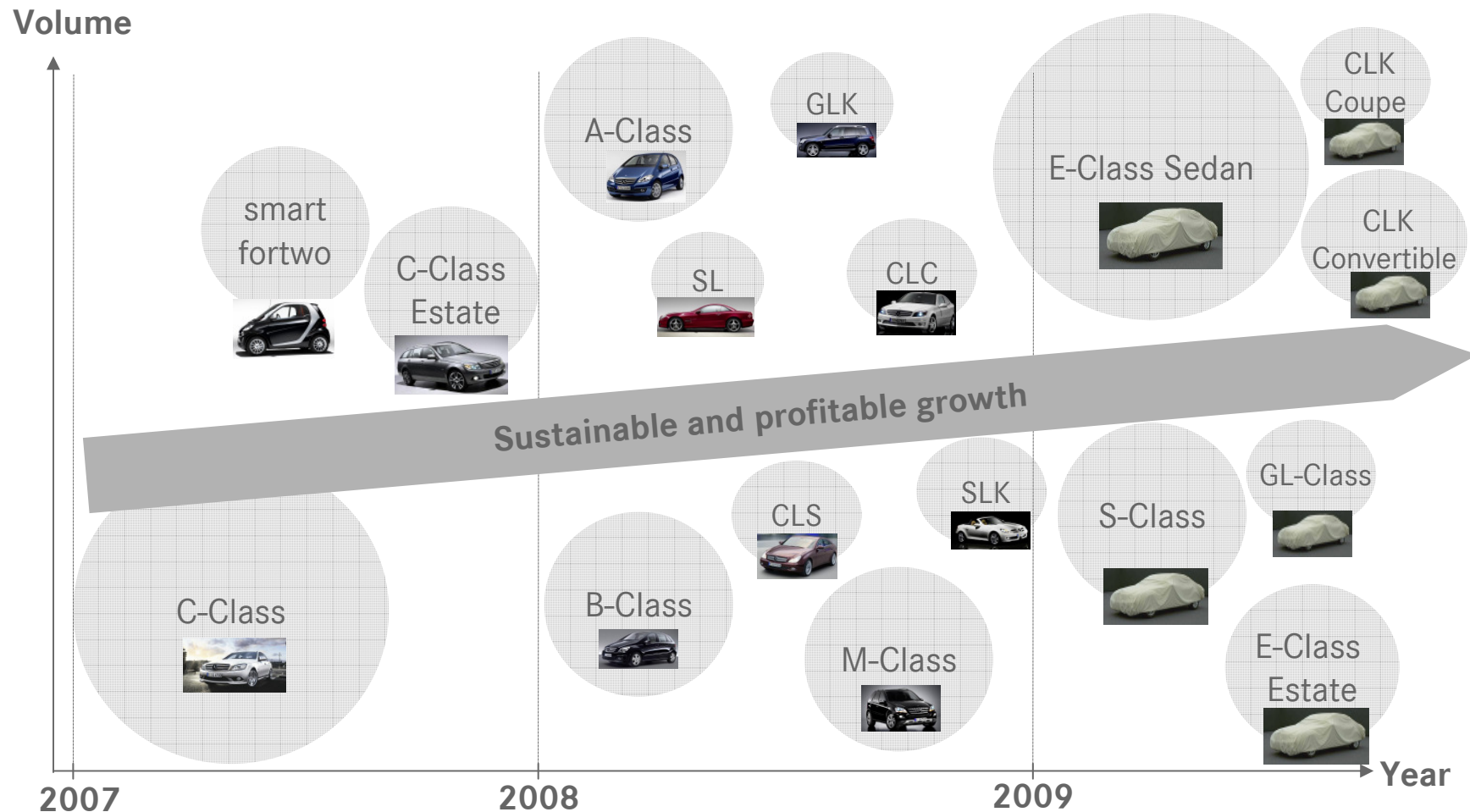


Still growing segments in the automotive markets

Segment	Growth 2007 - 2010	Respective MB models
SUV	24%	 <p><i>M-Class</i> <i>GL-Class</i> <i>GLK-Class</i> <i>G-Class</i></p>
Crossover/MPV	21%	 <p><i>R-Class</i> <i>B-Class</i></p>
Luxury Full-Size Car	15%	 <p><i>E-Class</i></p>
Specialty	14%	 <p><i>CLC-Class</i> <i>CLS-Class</i> <i>SLK-Class</i> <i>CLK-Class</i> <i>CL-Class</i> <i>SL-Class</i></p>
Compact Car	12%	 <p><i>A-Class</i></p>

Source: Global Insight, SP 08

With the new 2008 and 2009 products Mercedes-Benz Cars will also grow profitably in the future



2nd generation smart fortwo is also promising one year post launch



Status one year after market launch:

- Handover of the 100,000th smart fortwo
- Since then sales increase by 90%

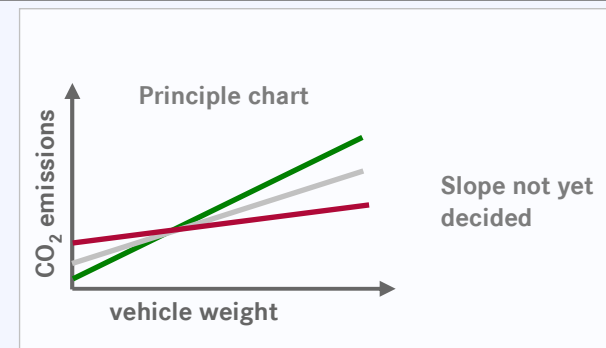
- Today, approx. 70 dealers in 35 US States
- 8,900 smart fortwo sold in the US per May
- In May, US third biggest market after Italy and Germany

A major environmental challenge: EU CO₂-legislation

EU Commission proposal

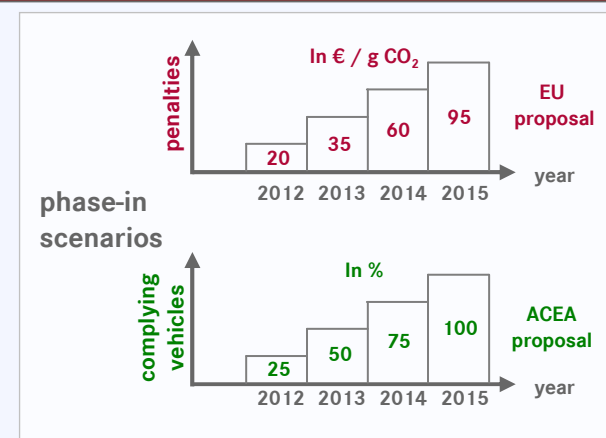
Positive aspects

- Weight-based system** (takes physics into account)
- Individual targets** (for each car/model)
- Linear function** (every gram of CO₂ counts equal)
- Phase-in 2012 to 2015** (challenged by European Parliament)
- Eco-innovations** (with further potential)



Negative aspects

- 130g limit** (in combination with flat slope very challenging)
- High penalties** (up to **95 Euro/g CO₂** in 2015)
- Phase in via increasing penalties** → via complying vehicles preferred by ACEA members



Already today large range of fuel-efficient vehicles



... A150 BlueEFFICIENCY



A160 CDI BlueEfficiency



B 170 NGT
BlueEFFICIENCY



B 180 CDI



C 200 CDI
BlueEFFICIENCY



E 200 CDI



CLK 220 CDI

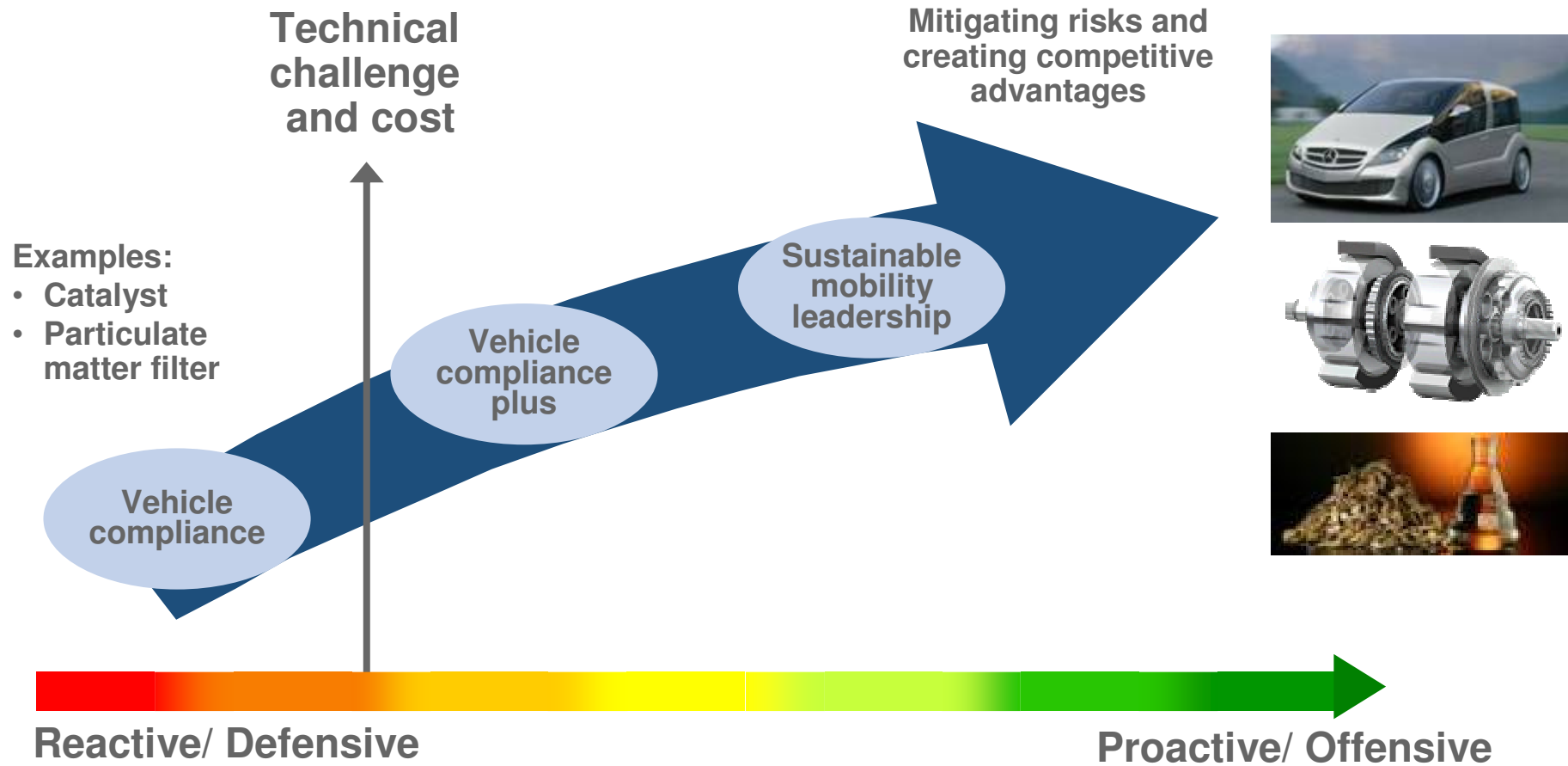


smart cdi
CO₂ World champion


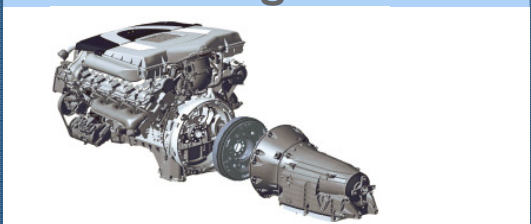



...

- **21%** CO₂ reduction of MB-fleet in Europe since 1995
- **32%** less fuel consumption of MB-fleet in Germany since 1990
- **29%** of new in Europe produced MB vehicles consume less than **6 l/100 km**
- **smart cdi**: Most sold 3-liter car in the world

Our strategy: proactive approach in topics of sustainable mobility



Our answer: roadmap for sustainable mobility

<p>Optimization of our vehicles with high-tech combustion engines</p> <p>BlueEFFICIENCY CGI, BlueTEC DIESOTTO</p> 	<p>Hybridization for further increase in efficiency</p> <p>HYBRID Range Extender Plug-In</p> 	<p>Emission-free driving with fuel-cell/ electric vehicles</p> <p>Fuel cell Battery-/E-Drive</p> 
<p>NGT </p> <p>Clean fuels for combustion engines</p>		<p>Energy sources for the mobility of the future</p> <p>H₂ </p> <p>Emission-free driving</p>

TrueBlueSolutions: our future roadmap 2006 - 2008



• E 320 BlueTEC (US)



• E 300 BlueTEC (Europe)



• R, ML, GL with BlueTEC (US)



• E 350 CGI
(2nd generation direct injection)



• C 200 CDI T



• Start rollout of 20 BlueEFFICIENCY models



• Rollout CGI (C 350 CGI)

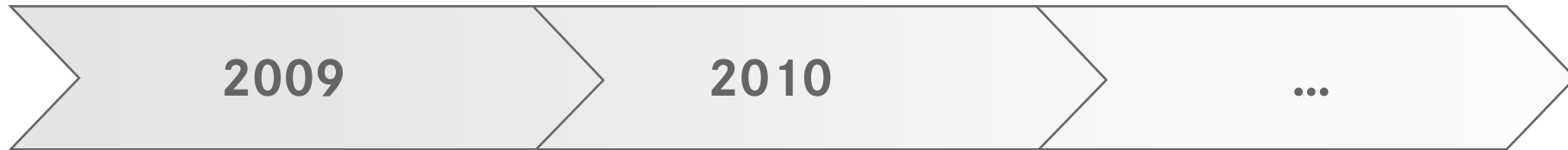


• smart mhd (micro hybrid drive)



• B 170 NGT BlueEFFICIENCY (Natural gas)

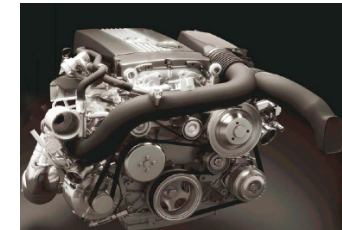
TrueBlueSolutions: our future roadmap 2009 ff.



- **ML 450 BlueHYBRID**
(Two-Mode Hybrid)



- **B-Class F-CELL**



- **DIESOTTO engine**



- **S 400 BlueHYBRID**
(first PC with lithium-ion battery)

- **Start of BlueTEC
HYBRID technology**



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.