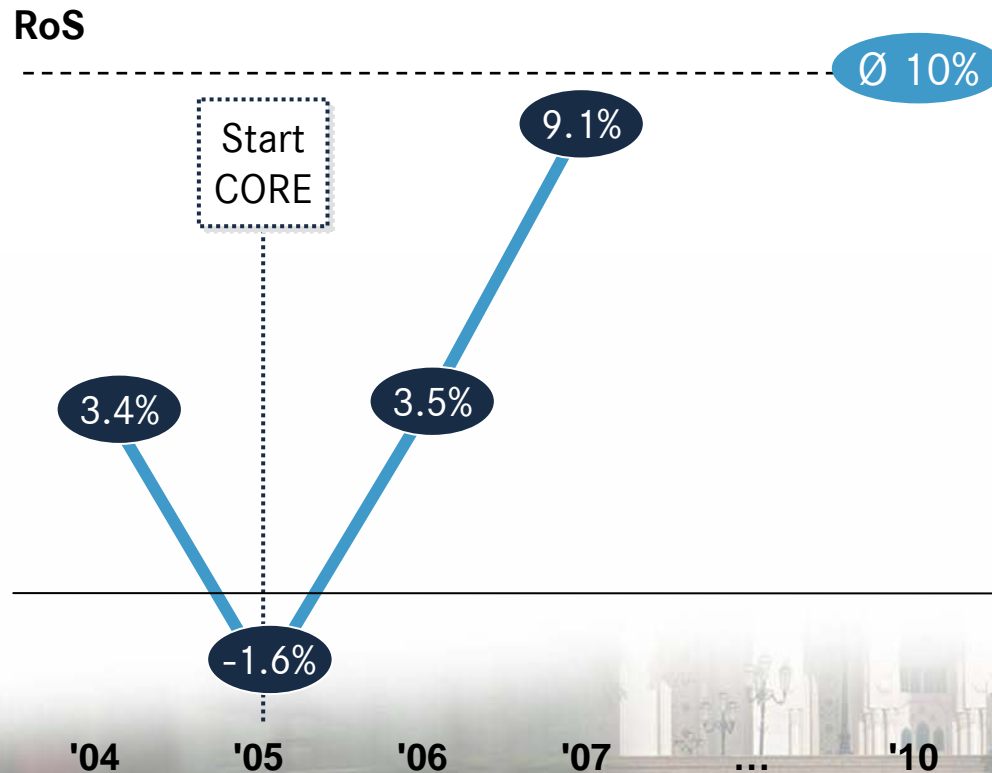


Investor & Analyst Technology Day
Mercedes-Benz Cars on the “Road to the Future”
Dr. Dieter Zetsche

Target for Mercedes-Benz Cars

Achieve average RoS of 10%



'04

'05

'06

'07

...

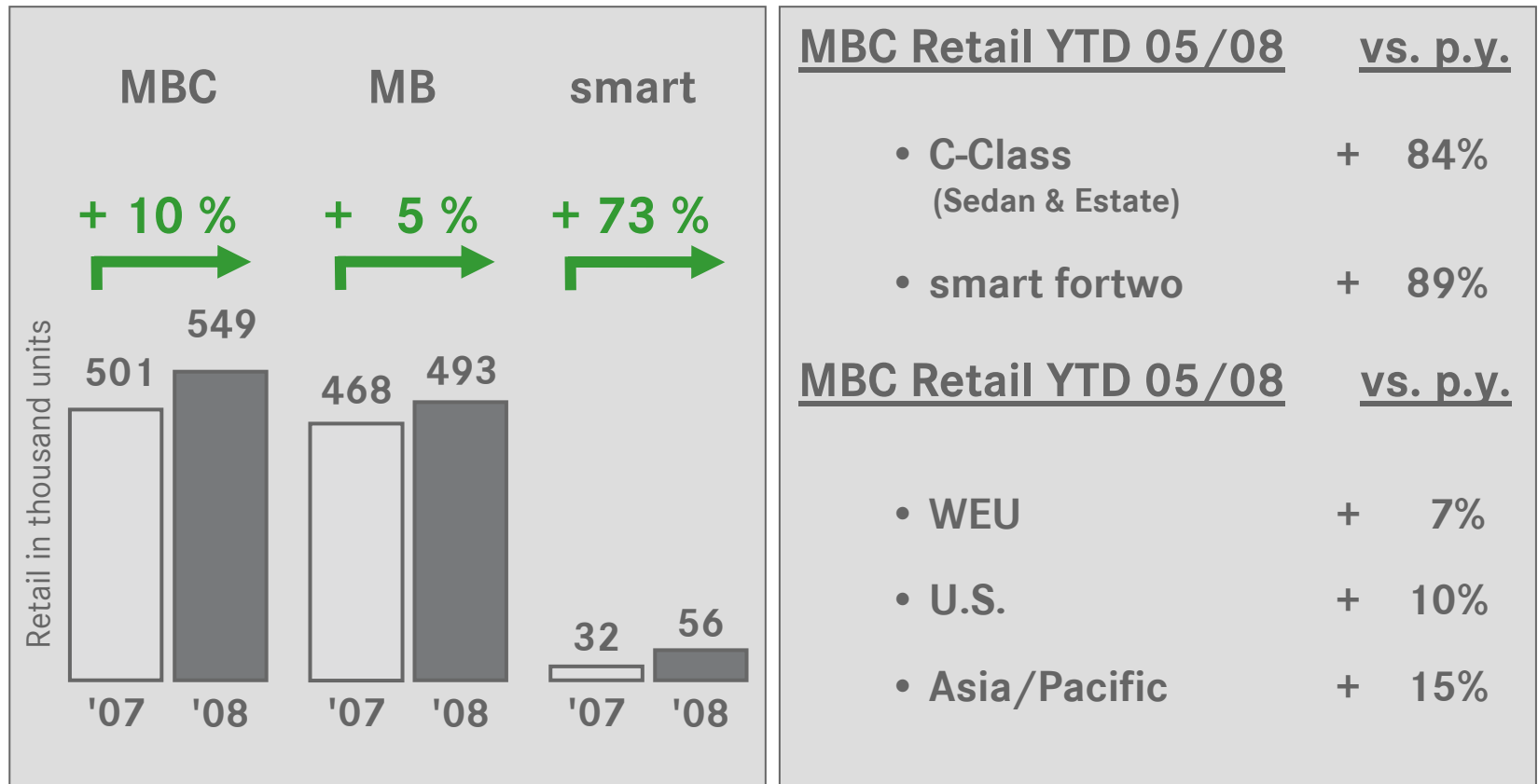
'10



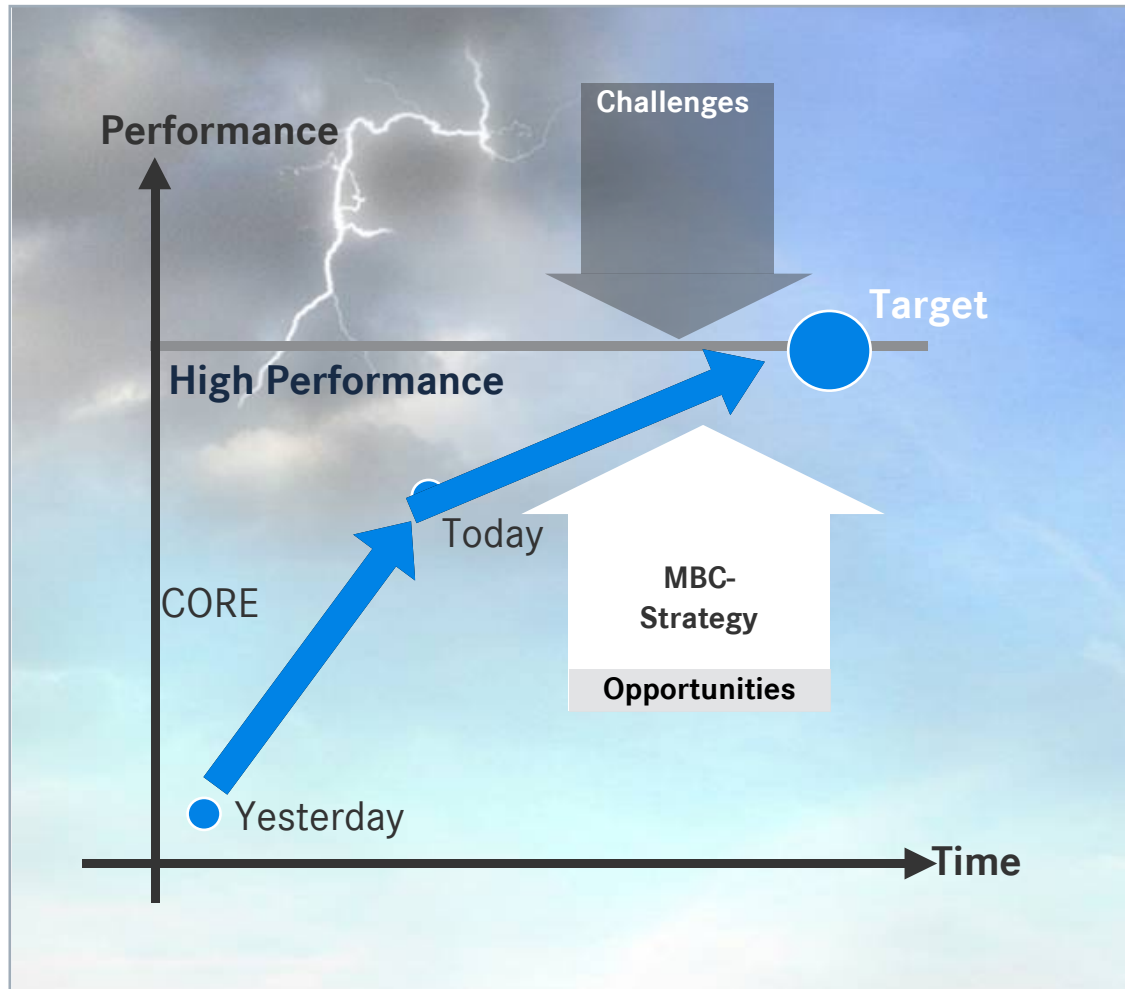
Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

Sales Increase in the first 5 months 2008

Above strong 2007 sales figures



After successful 2007, MBC addresses future challenges to strategic and financial targets



Challenges and Opportunities

Challenges

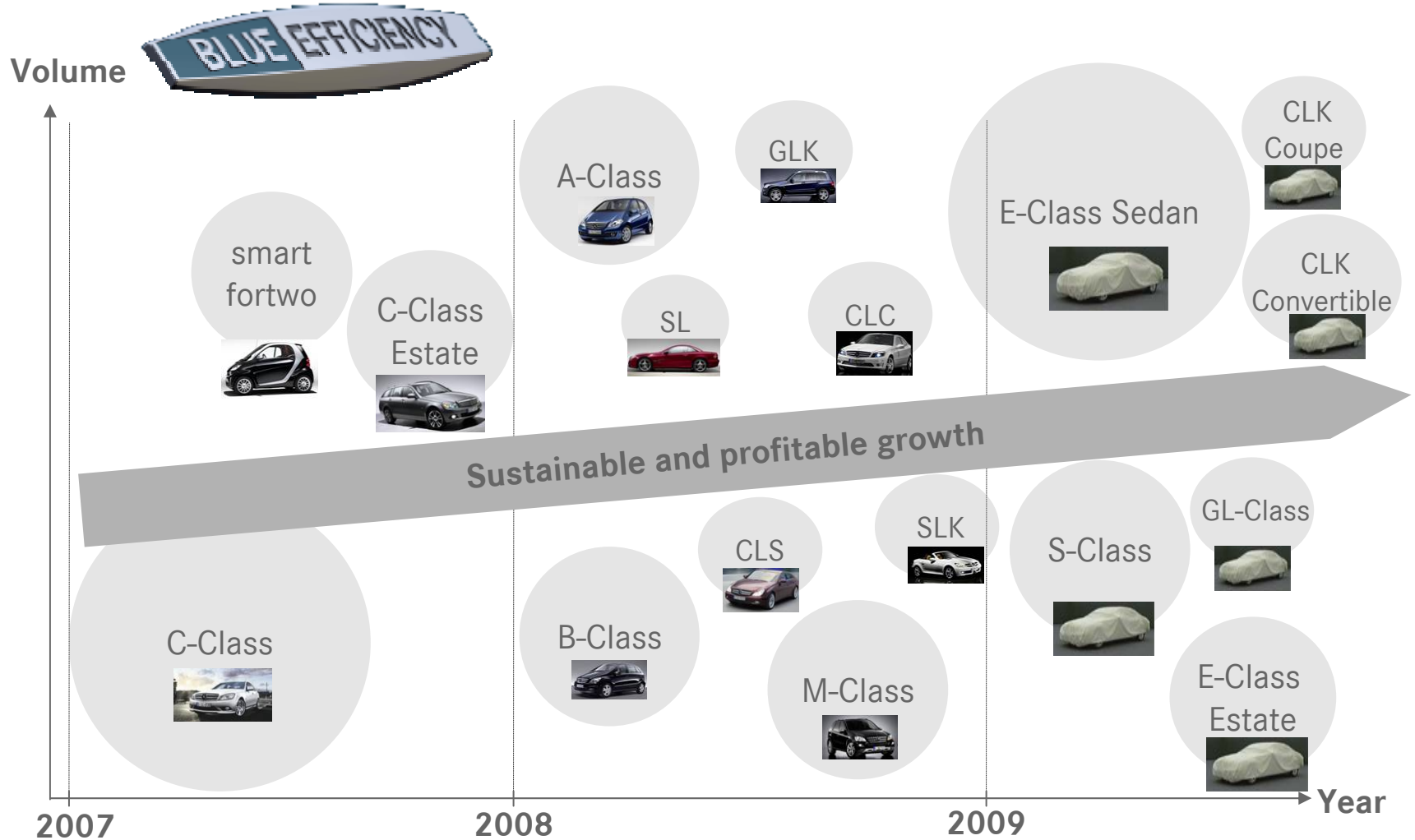
- US economic situation
- Unfavorable exchange rates
- Increase in raw material and energy prices
- Market development / competition
- Measures to comply with emission regulations / CO₂

Opportunities

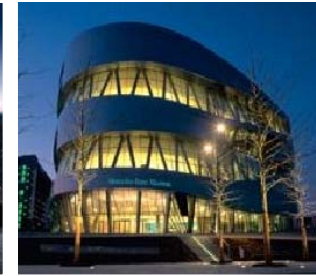
- Successful introduction of new products
- Growth in traditional and emerging markets
- Business Innovation and growth along the value chain up- and downstream
- Excellence Programs will further increase efficiency and productivity
- Ongoing quality initiatives will further improve customer satisfaction and warranty costs

MBC products set for profitable growth in the future

20 Fuel Efficiency models in 2008 with up to 12% fuel efficiency



Outstanding brand for outstanding individuals



Experiencing
personal
respect

Enjoying
something
special



Receiving
social
acknowledgment

Conserving
the
environment



Appreciation

Daimler intellectual property portfolio

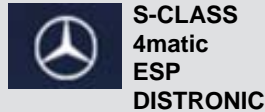
IP-protection safeguards long-term competitiveness

Patents



1.500 new patents annually, portfolio 21.000

Brand



800 new Trademark applications annually, portfolio: 36.000

Design



600 design patent applications per year, portfolio: 5.000

Focus on three technology fields

Integrated safety approach



Sustainable mobility

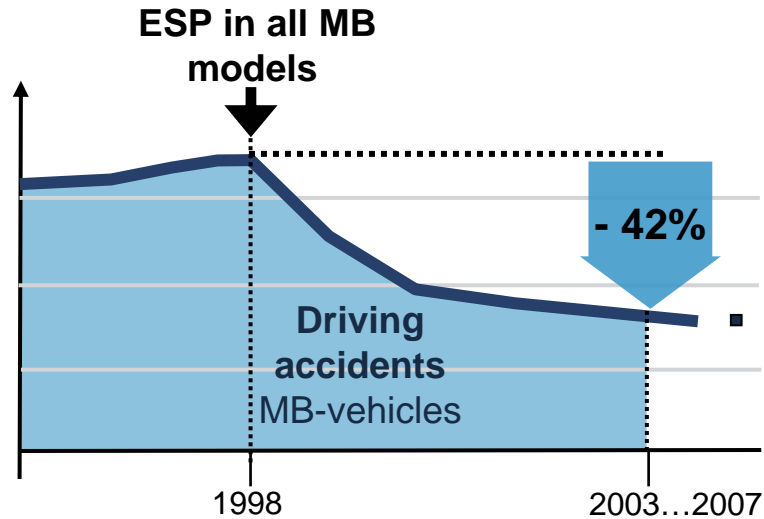


Individualized vehicles



Integrated safety approach

Mercedes-Benz roadmap for accident-free driving



20XX Accident-free driving

- Car-to-Car communication
- Intersection Assist
- PRE-SENSE, crash analysis
- Traffic sign recognition
- Lane departure prevention
- Drowsiness detection

2007 Blind Spot Assist

2006 PRE-SAFE® brake

2005 Brake Assist PLUS

2002 PRE-SAFE®

1998 Windowbag, adaptive front airbag

1996 Brake Assist (BAS)

1995 Electronic Stability Program (ESP)

1980 Airbag, belt tensioner

1978 ABS

1959 Crumple zone

Integrated safety approach

Safety Innovations will remain a top priority


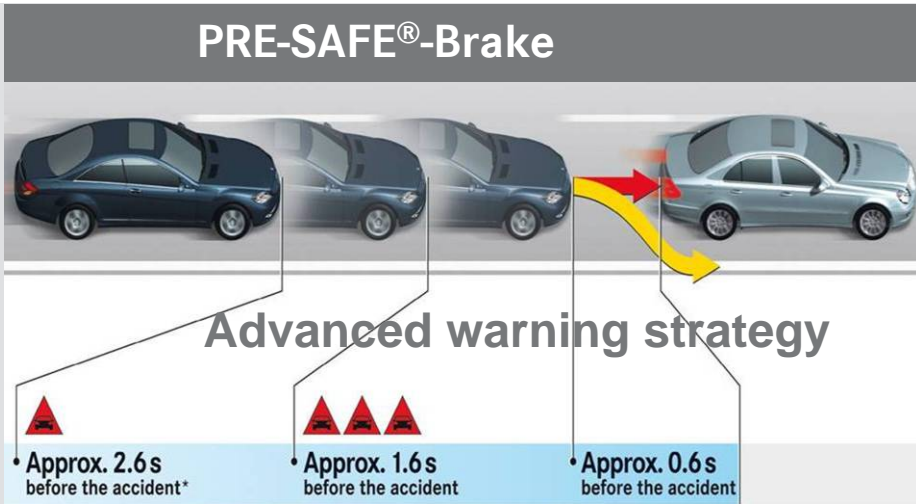
PRE-SAFE®-Brake

Blind-Spot-Assist

On the road today

Advanced warning strategy

- Approx. 2.6s before the accident*
- Approx. 1.6s before the accident
- Approx. 0.6s before the accident

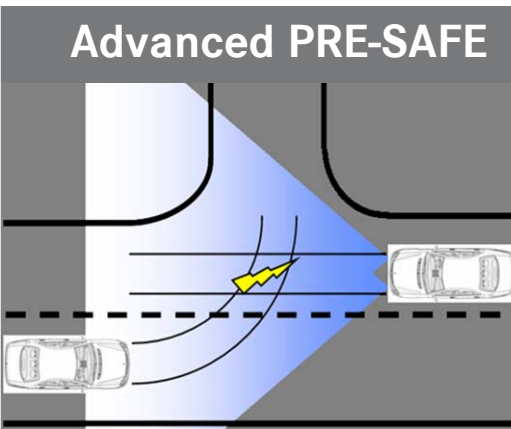
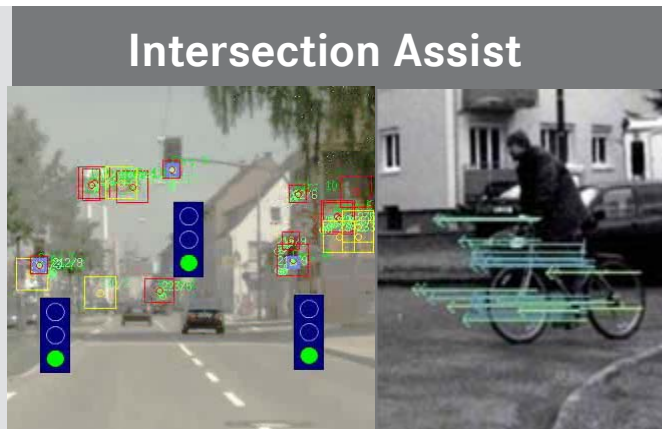
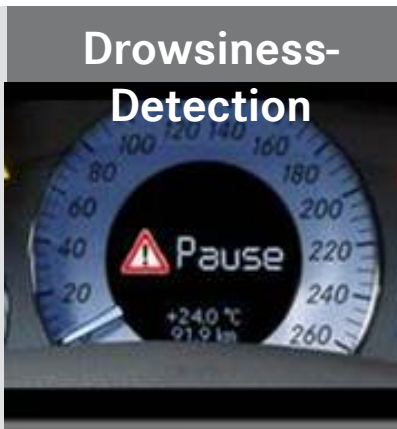


Coming soon...

Drowsiness-Detection

Intersection Assist

Advanced PRE-SAFE



Individualized vehicles

Largest premium product portfolio



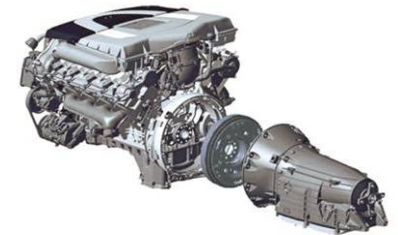
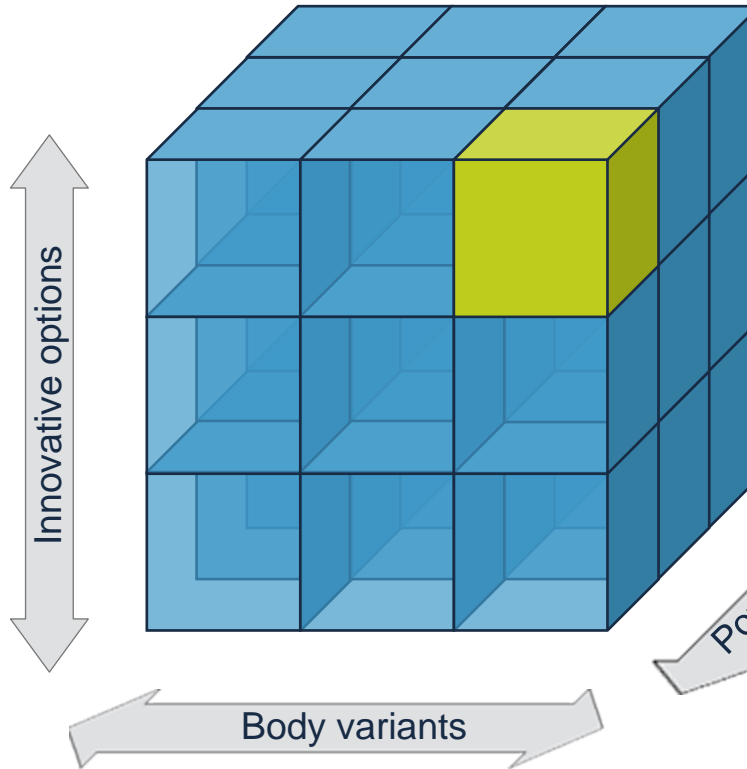
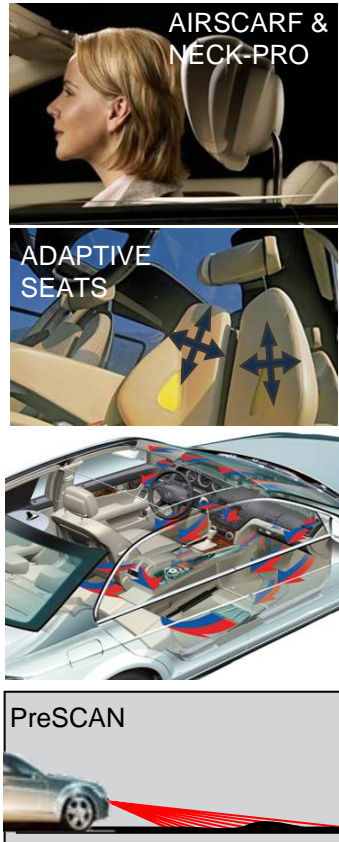
For different:

- Mobility needs
- Application areas
- Equipment- and comfort needs



Individualized vehicles

Maximum customer's choice as competitive advantage



- Fuel Cell
- BlueHYBRID
- DIESOTTO
- BlueTEC
- CGI



Sustainable Mobility

Significant improvements in environmental friendliness are decisive element of our claim to be No. 1

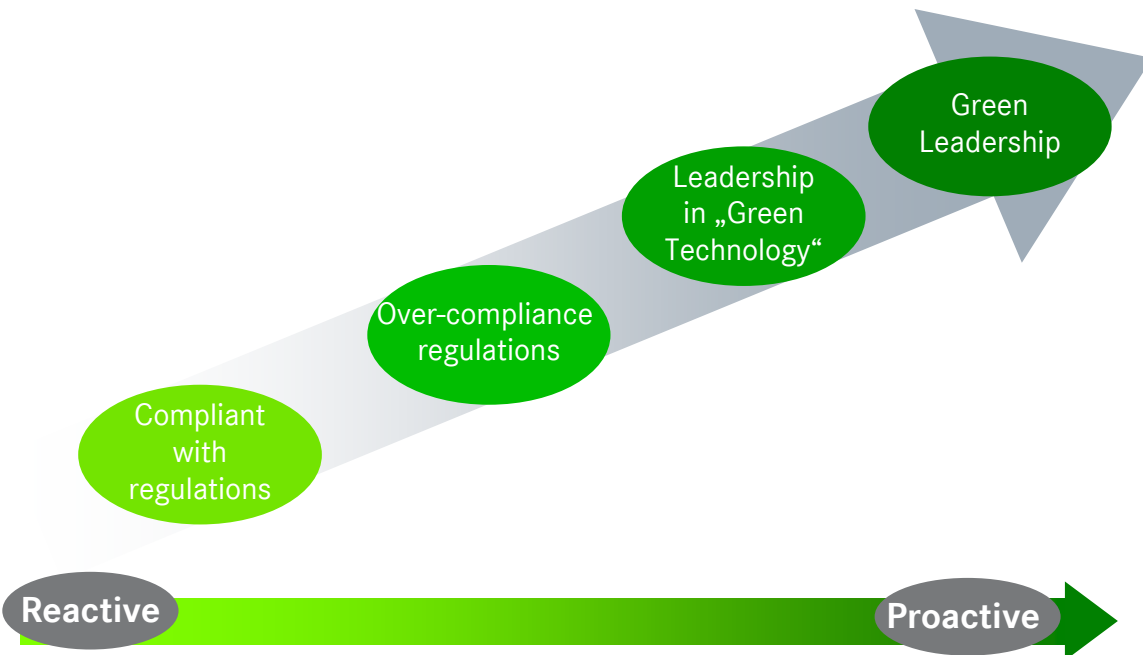
Aspiration: Leadership in “Green Technologies”

Customer advantages

Fuel efficient cars



Eco-friendly brand



In comparison to small car manufacturers our product portfolio allows no absolute „Green Leadership“

Sustainable Mobility

Mercedes-Benz Roadmap

Optimization of our vehicles with high-tech combustion engines

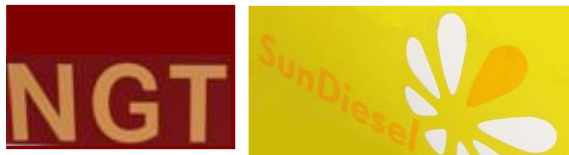
BlueEFFICIENCY
CGI, BlueTEC
DIESOTTO

Hybridization for further increase in efficiency

HYBRID
Range Extender
Plug-In

Emission-free driving with fuel-cell/ electric vehicles

Fuel cell
Battery-/E-Drive



Energy sources for the mobility of the future

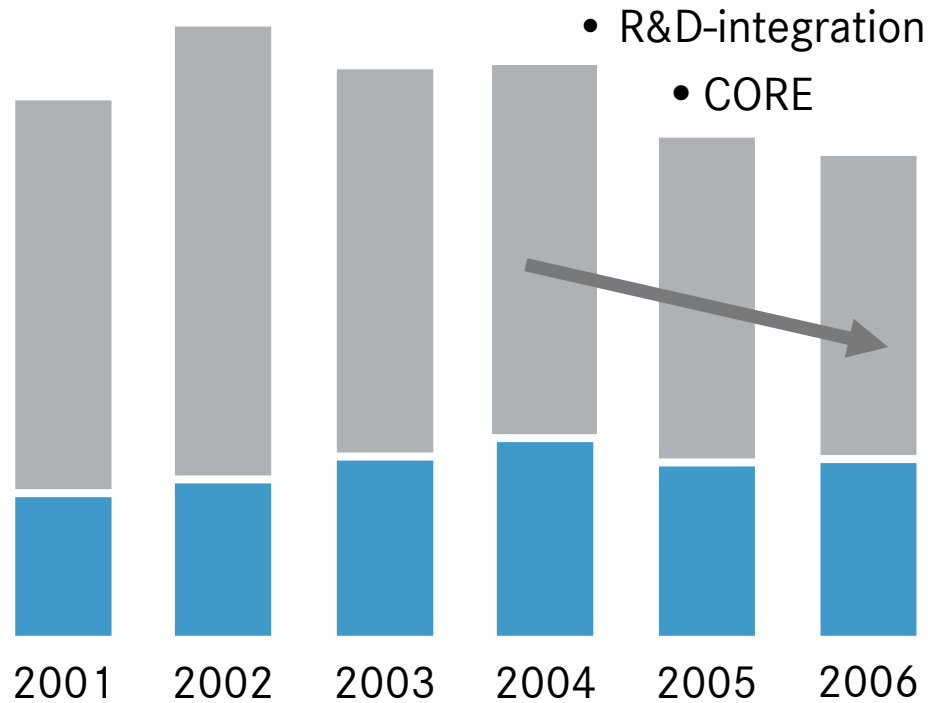


Clean fuels for combustion engines

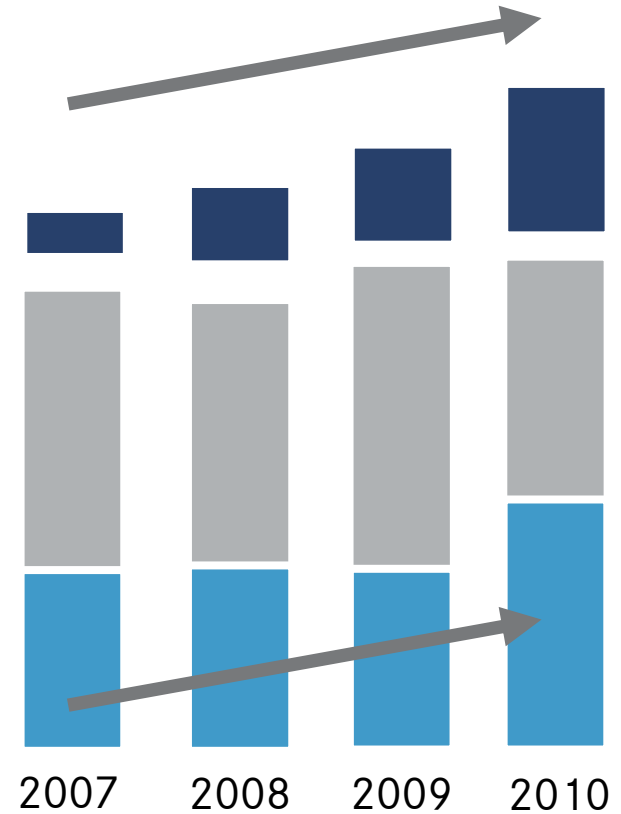
Emission-free driving

Sustainable Mobility

Research & Development budget

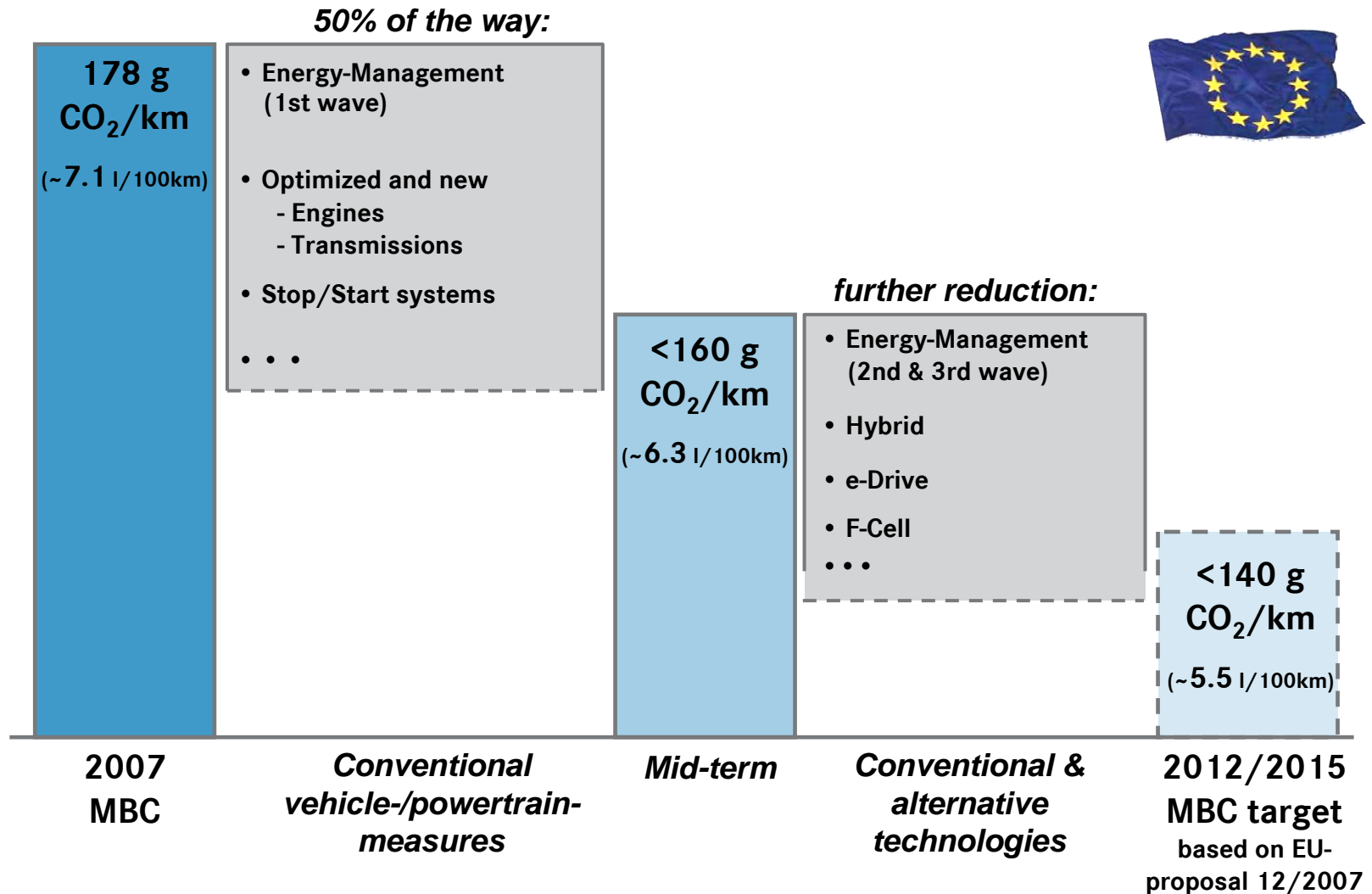


Fuel economy campaign



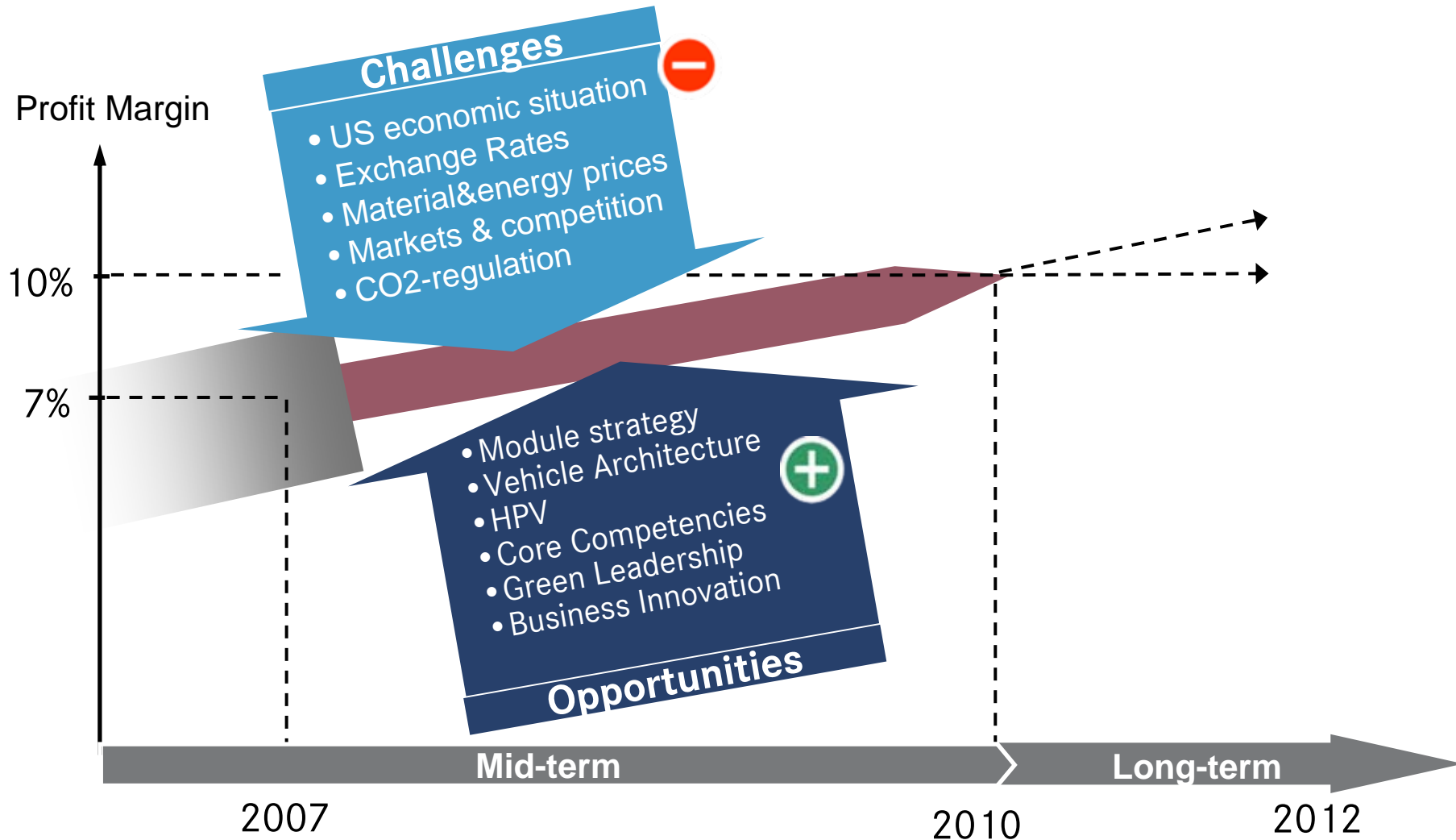
Sustainable Mobility

Possible Development of MBC EU Fleet Average



[FE-values „l/100km“ based on expected Diesel/Gasoline mixture]

Challenges & Opportunities



Road to the Future:

Comprehensive approach to master sustainable mobility

C 300 BlueTEC HYBRID

S 400 BlueTEC HYBRID

B-Class F-Cell

E 300 BlueTEC HYBRID

C 250 BlueTEC

ML 450 BlueHYBRID

S 400 BlueHYBRID

C 200 CDI BlueEFFICIENCY

C 180 Komp. BlueEFFICIENCY

R, ML, GL 320 BlueTEC

B 150 BlueEFFICIENCY

B 170 NGT BlueEFFICIENCY

A 160 CDI BlueEFFICIENCY

A 150 BlueEFFICIENCY

smart ed

E300 BlueTEC

E350 CGI BlueEFFICIENCY

smart mhd

2011

2010

2009

2008

2007

DAIMLER

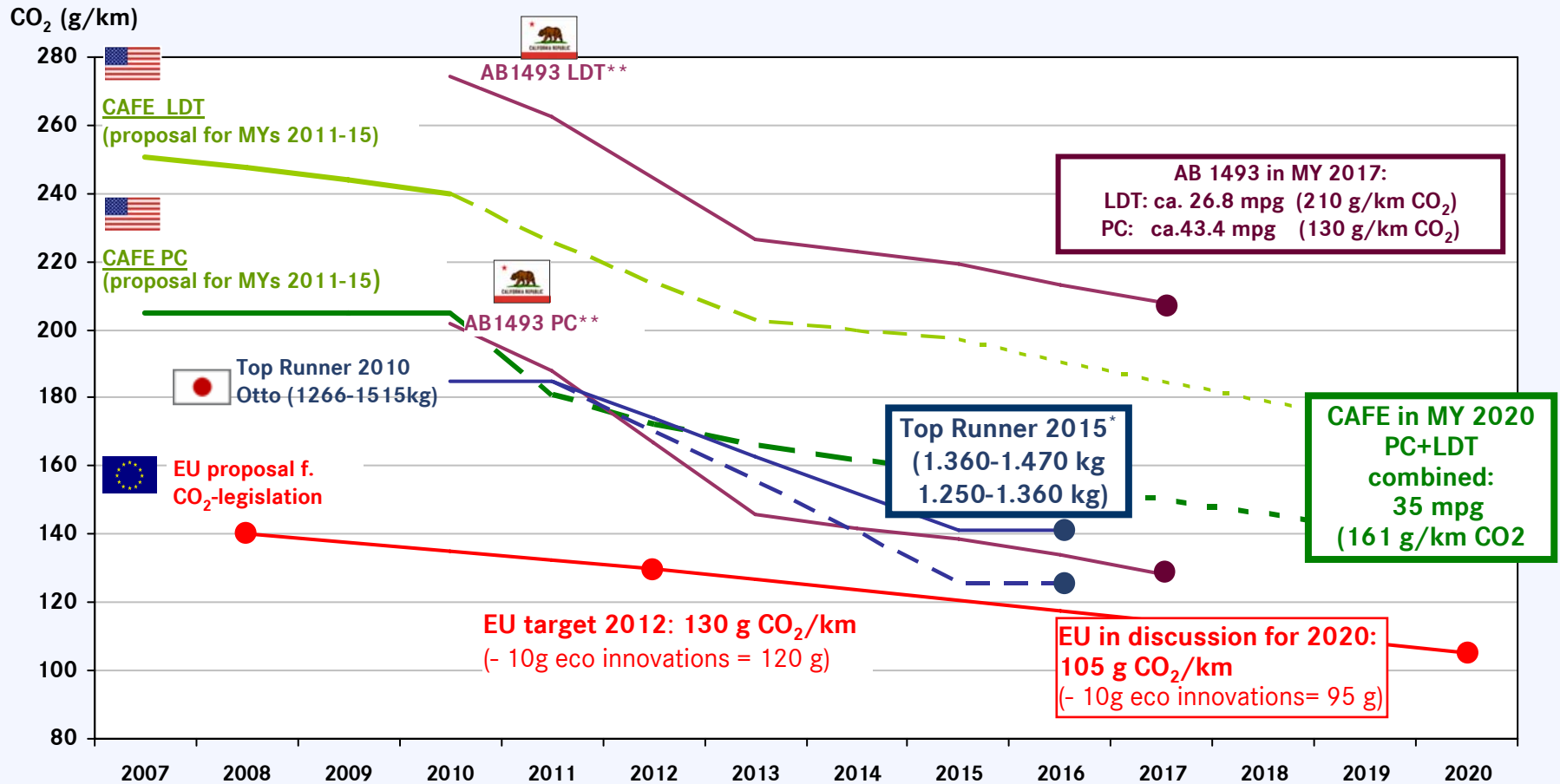
Fuel Consumption & Emissions: Technological Challenge & Chance



Prof. Dr. Herbert Kohler
Vice President Vehicle & Powertrain
Group Research & Advanced Engineering
Chief Environmental Officer

1. Regulations and Policies
2. Achievements
3. Technology Portfolio for a Sustainable Mobility

Tightening CO2 Regulation for Passenger Cars and Light Duty Vehicles in the Triade



PC = passenger cars, LDT = light duty trucks. Years mean model year for US purpose.

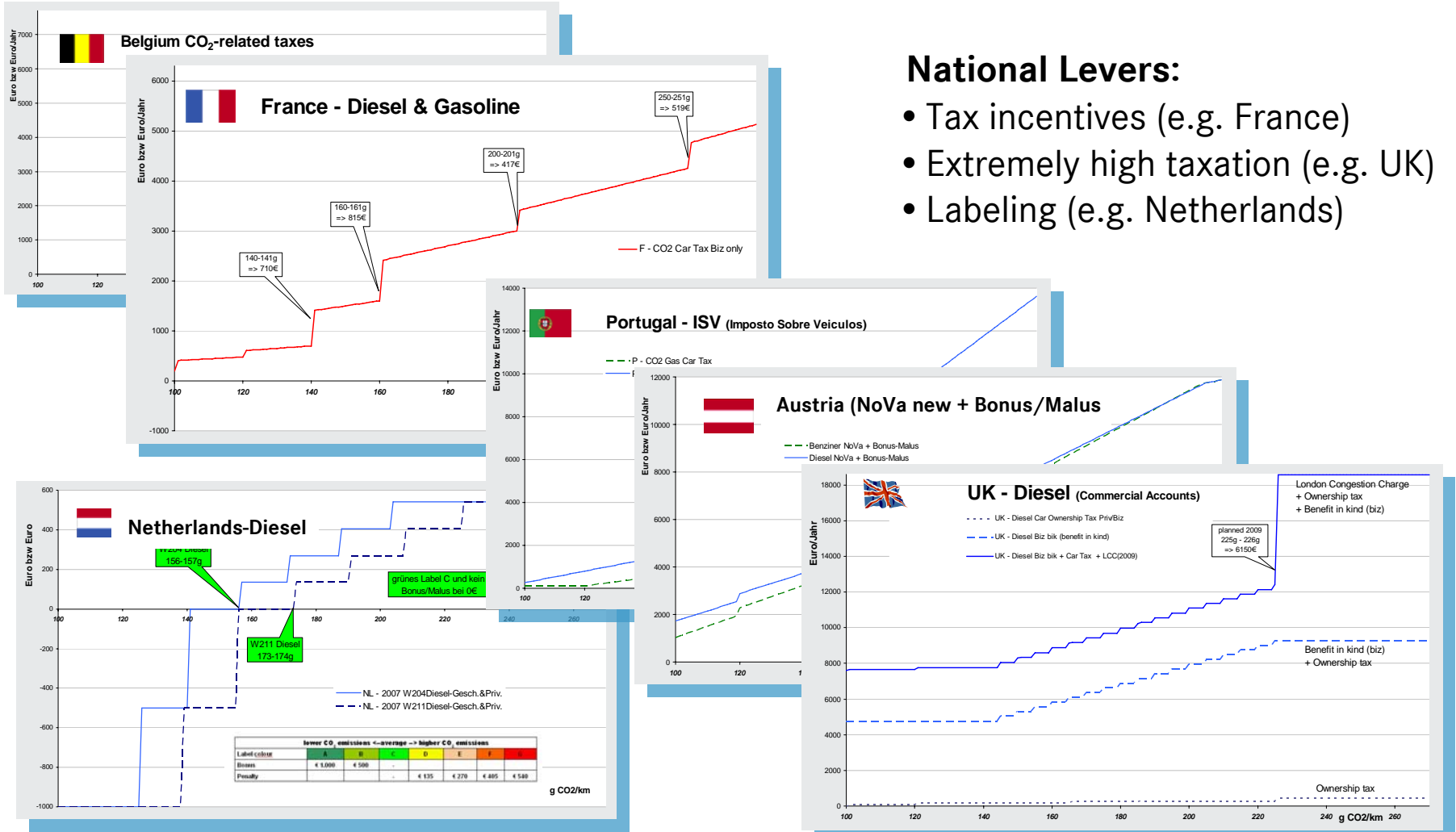
* value for better comparison transferred to 10.15-mode-test cycle (in fact JC08-test cycle)

** assumption: Adjustment of use of AB1493 by one year due to waiver refusal by EPA

Source: GR/VZ

Diverse Individual National Regulations:

Difficult to manage by OEMs. Therefore DAI pursues and supports the harmonization of standards and regulations!

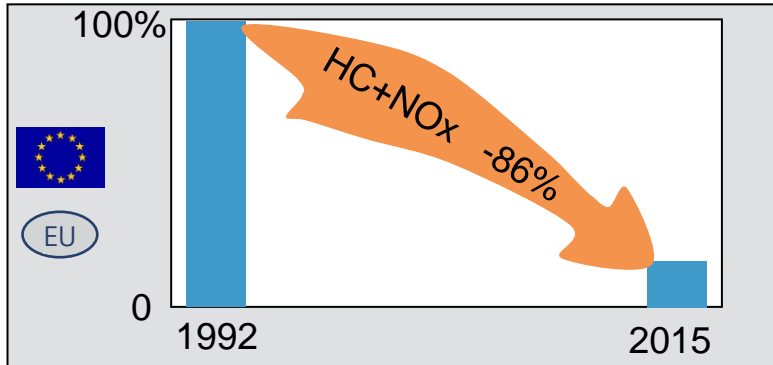


National Levers:

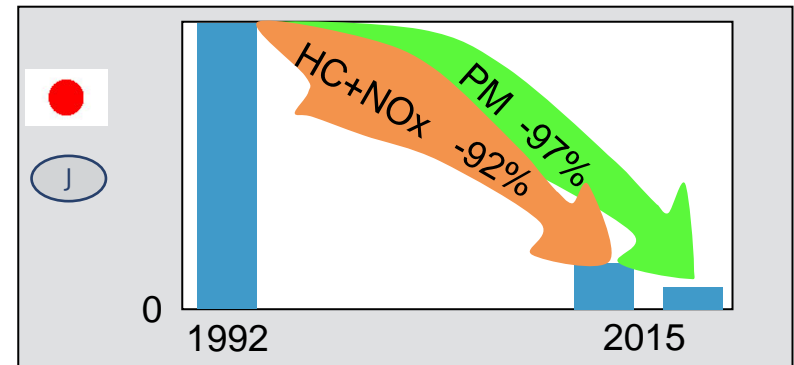
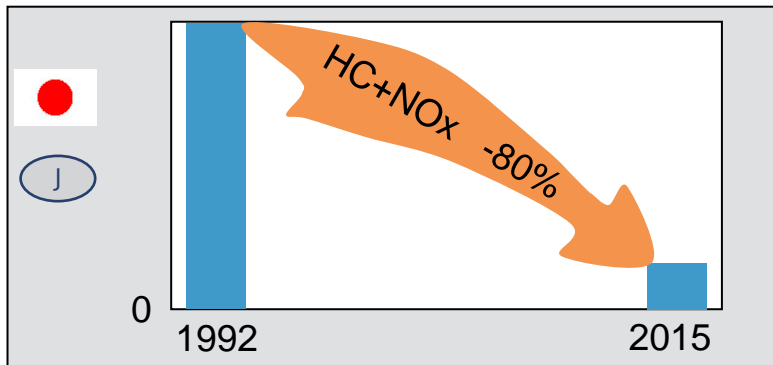
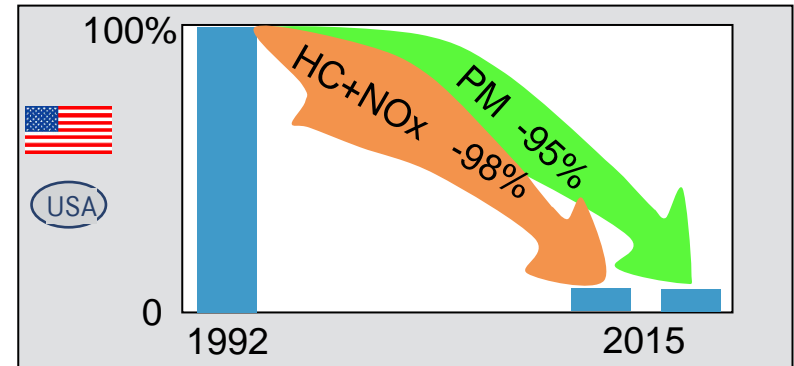
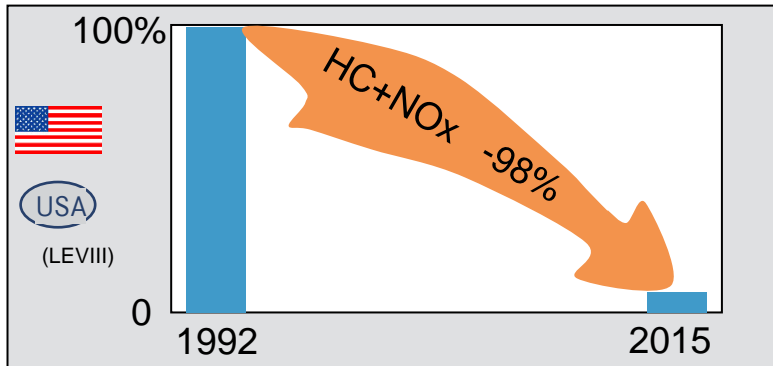
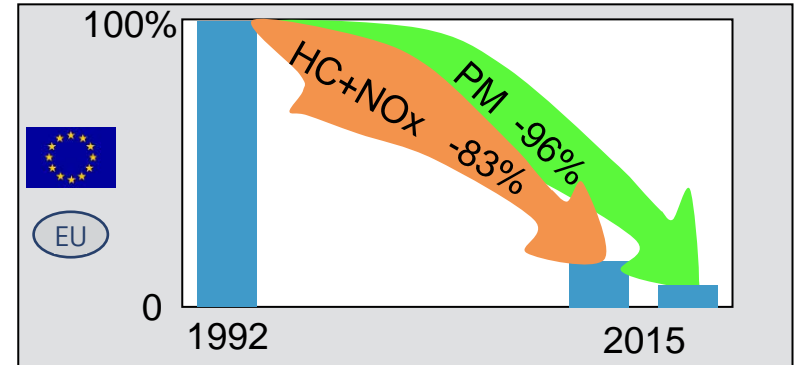
- Tax incentives (e.g. France)
- Extremely high taxation (e.g. UK)
- Labeling (e.g. Netherlands)

Development of Emission Limits in the Triad

Gasoline Passenger Cars

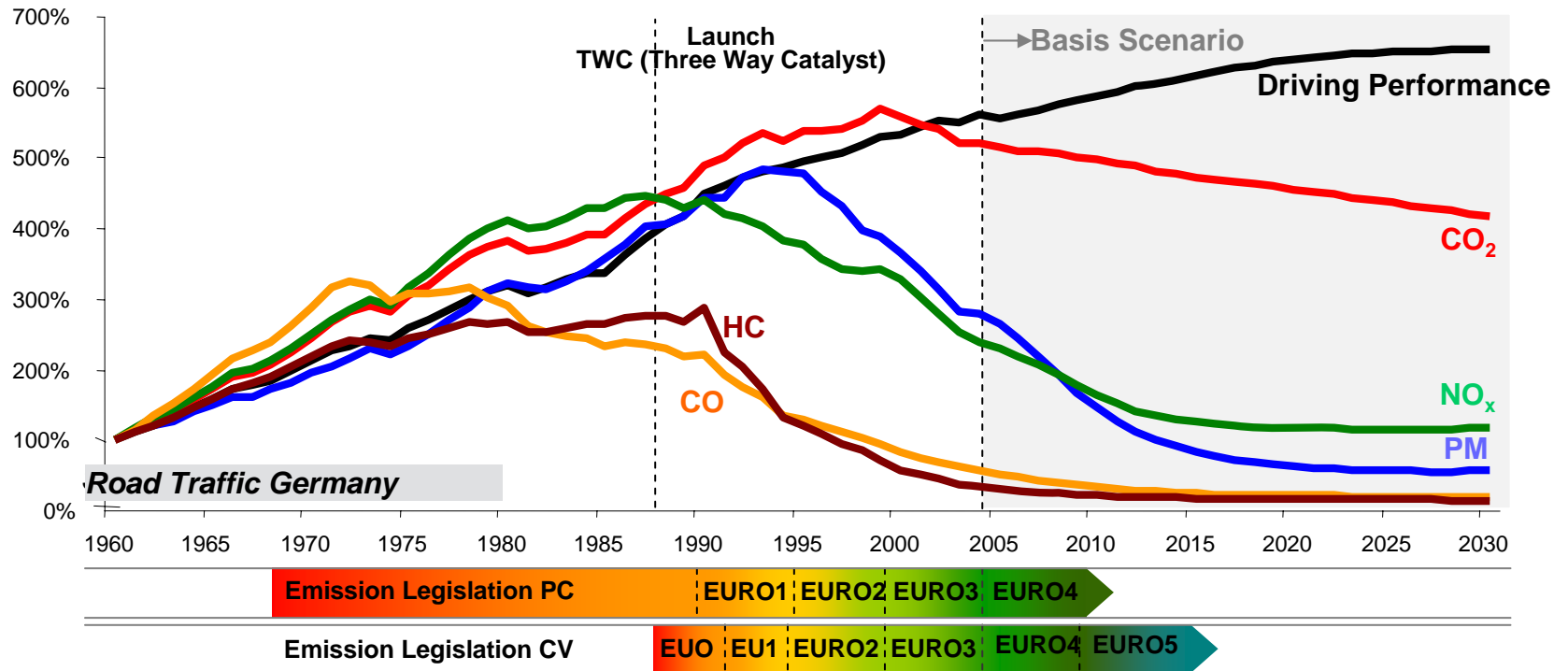


Diesel Passenger Cars



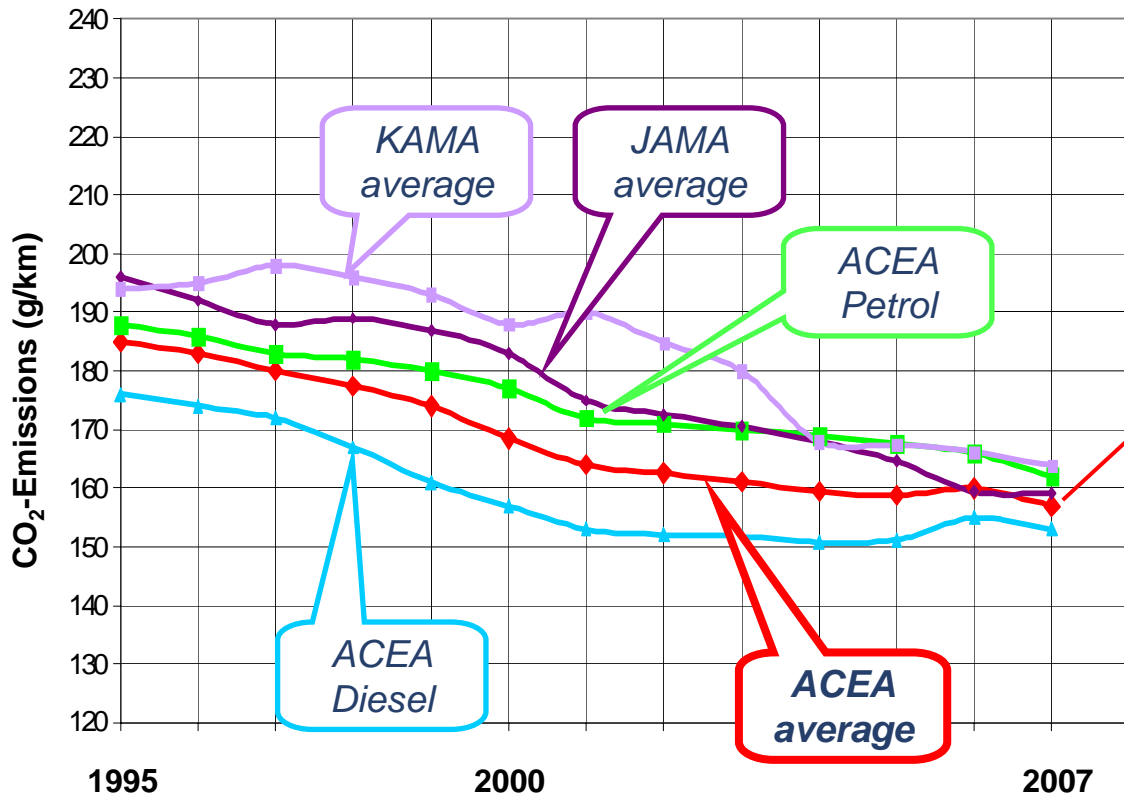
1. Regulations and Policies
2. Achievements
3. Technology Portfolio for a Sustainable Mobility

Trend of Driving Performance and Emissions



Through further technical improvements significant reduction on pollutants has been achieved whilst driving performance increased. Also a turnaround on CO₂ emission has been achieved. (Source: TREMOD)

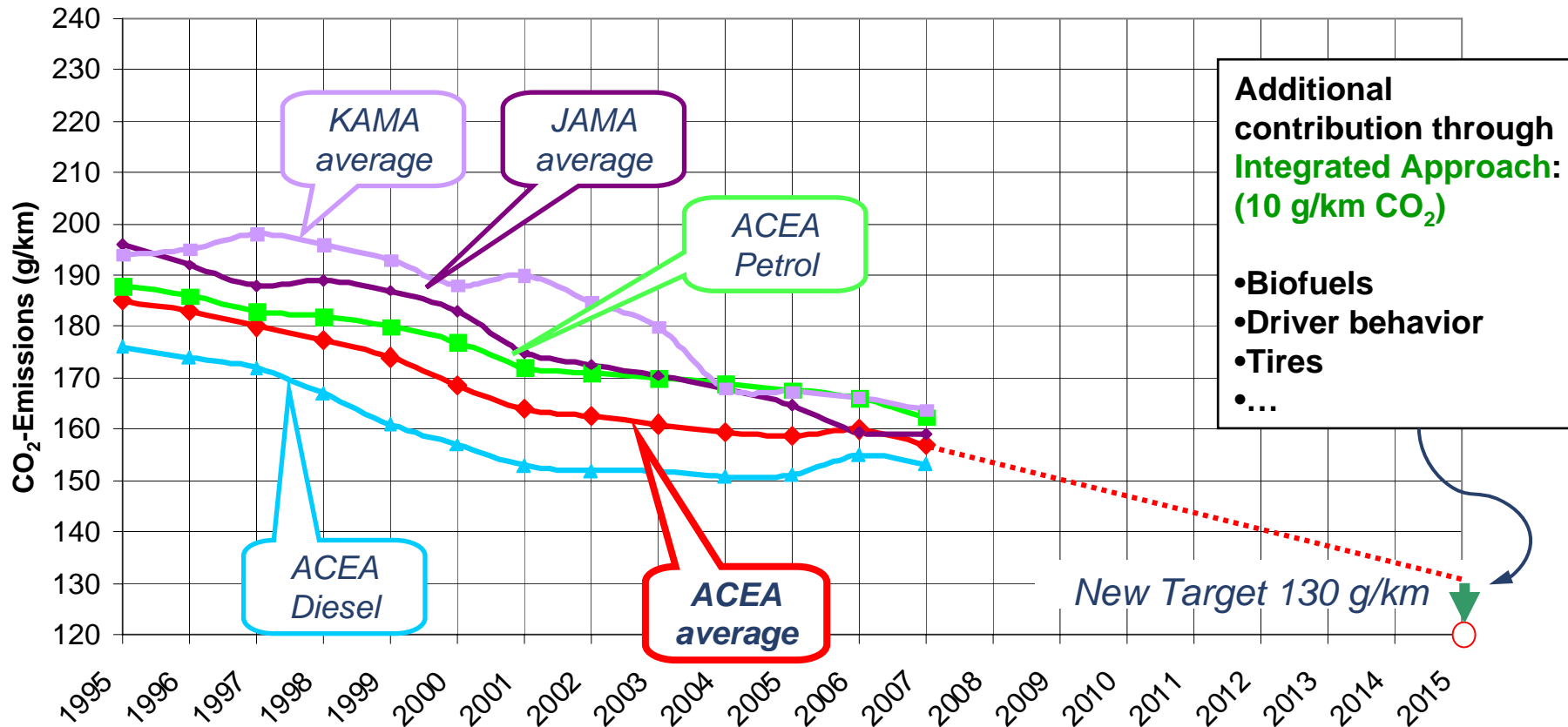
ACEA Has Made Significant Progress in Reducing CO₂-Emissions!



Decrease despite negativ impact of
 - legislation
 (safety, emissions etc.)
 - market developments
 (Comfort, SUVs etc.)

- i** ACEA average in Europe **decreased by 15%** since 1995
- i** ACEA average is **lower than** that of **Japanese or Korean** cars sold in Europe

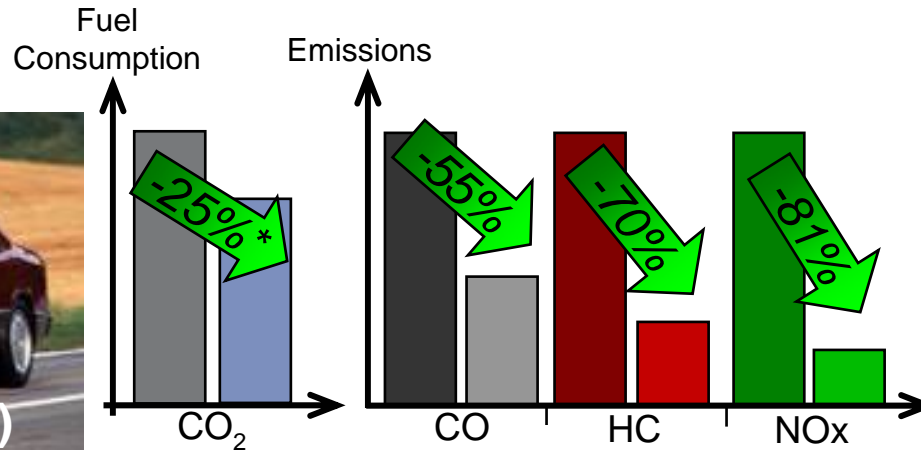
Further Goals Are Being Discussed - “Challenge & Chance” for the Automotive Industry



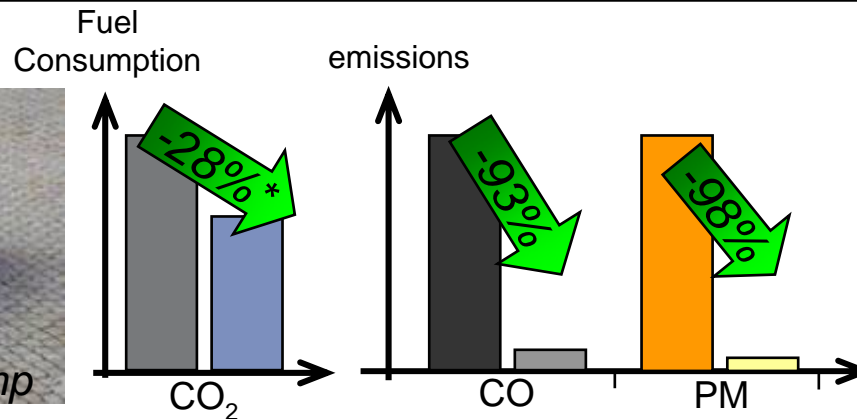
- i** ACEA average in Europe decreased by 15% since 1995
- i** ACEA average is lower than that of Japanese or Korean cars sold in Europe

Mercedes-Benz: Compared to 1990, MB Portfolio has Reduced CO₂-Emissions by 30%!

Gasoline



Diesel



Today 11 Models between 4,9 (115g/km) and 6,5 l/100 km (150g/km)

Sales volume EU: 20% around 5l/100km, 38% under 6,5 l/100km



CO₂ –World Champion and most-sold 3-liter car

1. Regulations and Policies
2. Achievements
3. Technology Portfolio for a Sustainable Mobility

Origins of CO2 in a Passenger Vehicle

10% Weight

8% other:

Climate Control, Electrics, Steering,

13% transmission

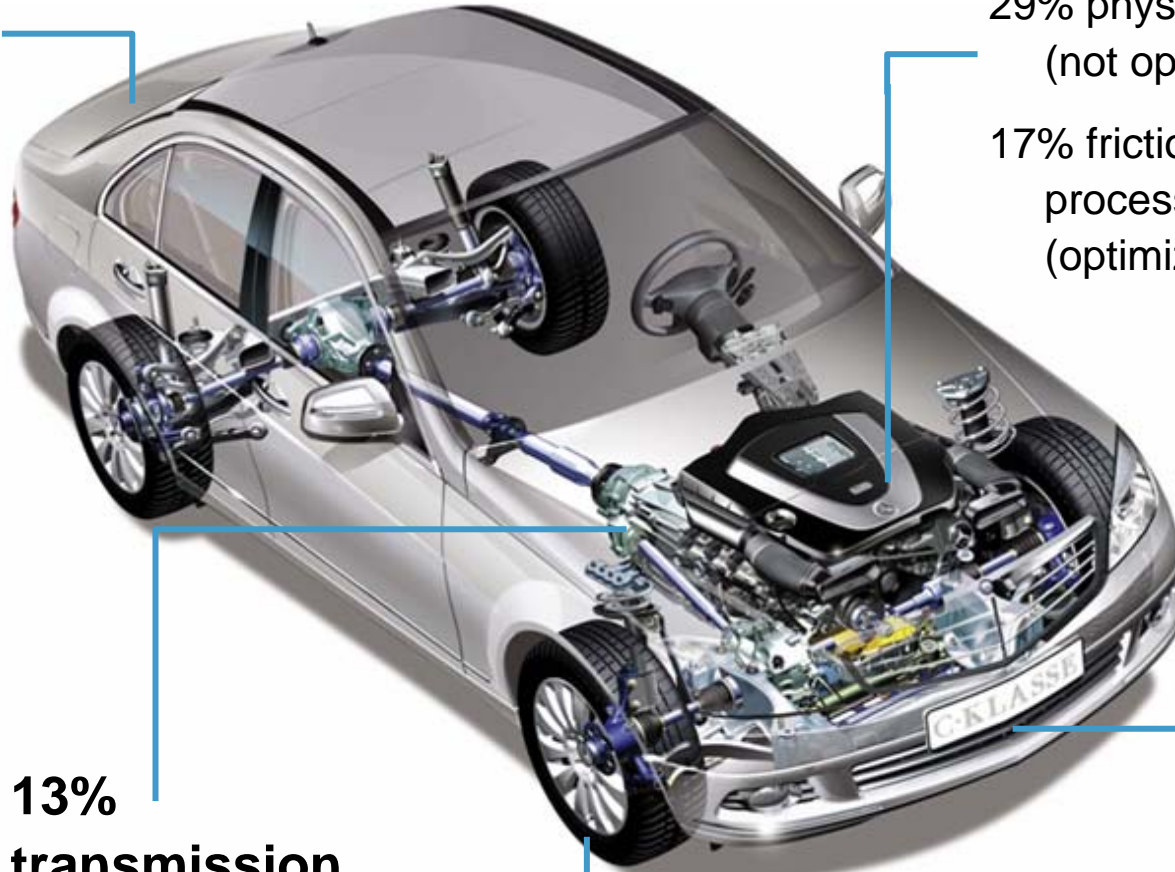
12% roll resistance

46% Engine

29% physical efficiency (not optimizable)

17% friction / combustion process etc. (optimizable)

11% air resistance



*) data applies for mid class segment
(3-Litre gasoline engine | RWD | NEFZ)

Daimler's Technology Portfolio for a Sustainable Mobility

Optimizing our vehicles with modern conventional powertrains



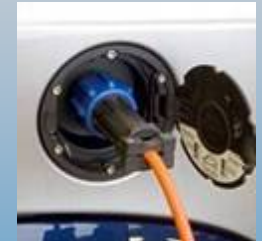
BlueEFFICIENCY

Hybridization for further increase in efficiency



HYBRID Range Extender Plug-In

Emission free driving with fuel cells and battery vehicles



Fuel Cell Veh. Battery-/E-Drive



CGI BlueTec DIESOTTO



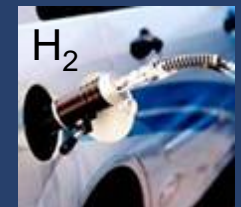
Clean fuels for combustion engines



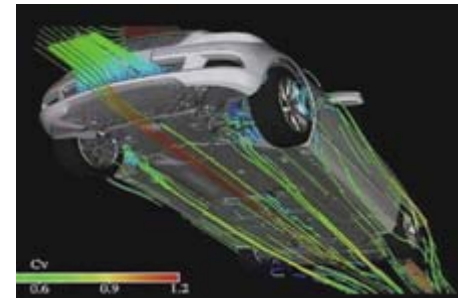
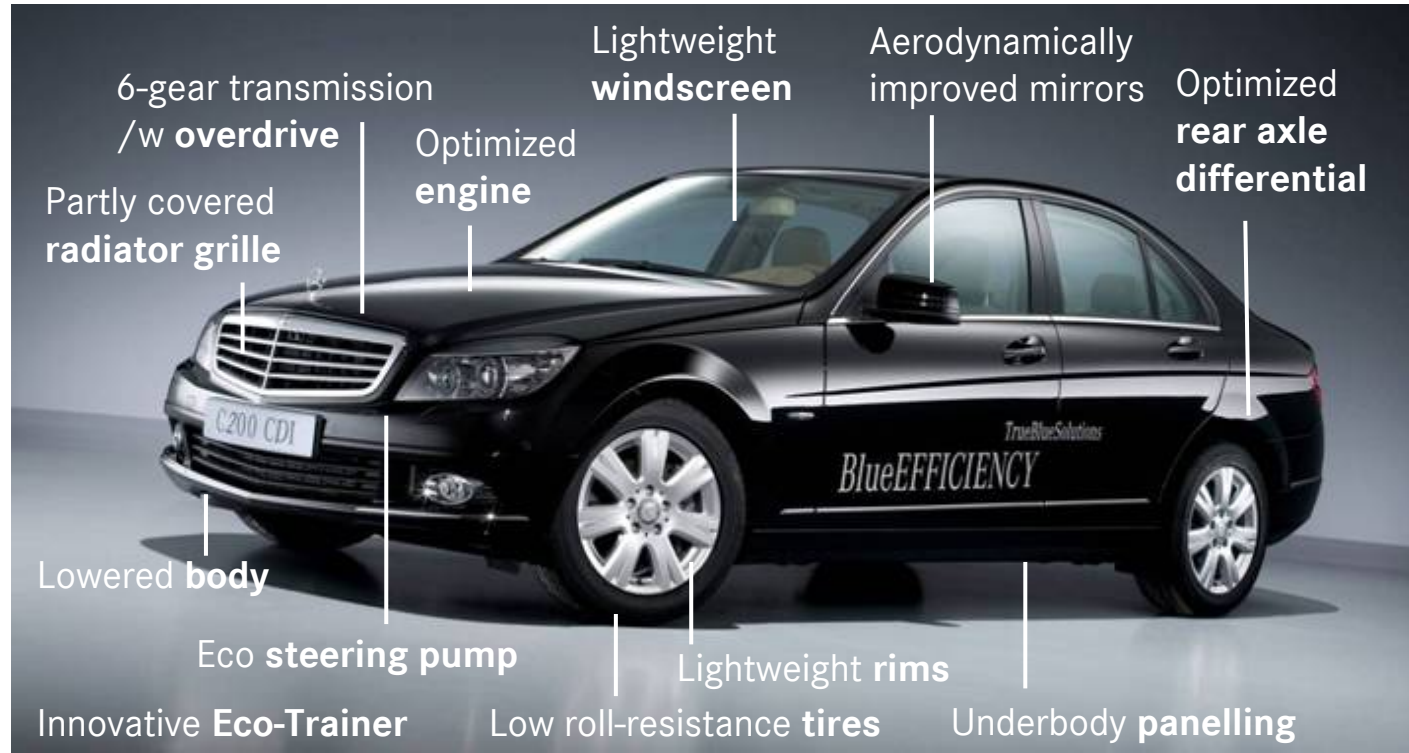
Energy for future mobility



Emission free driving



Maximum Customer Benefit - with BlueEFFICIENCY



Comprehensive Rollout of BlueEFFICIENCY has started



- A150 rsg
- A170 rsg
- A160 CDI

- B150 rsg
- B170 rsg
- B170 NGT

Shown on AMI Leipzig!



- C250 CDI
- C350 CGI
- C250 CGI
- C180 Kompr.
- C200 CDI

Shown in Geneva!



- E350 CGI
- E220 CDI
- E250 CDI
- E350 CDI



- S320 CDI

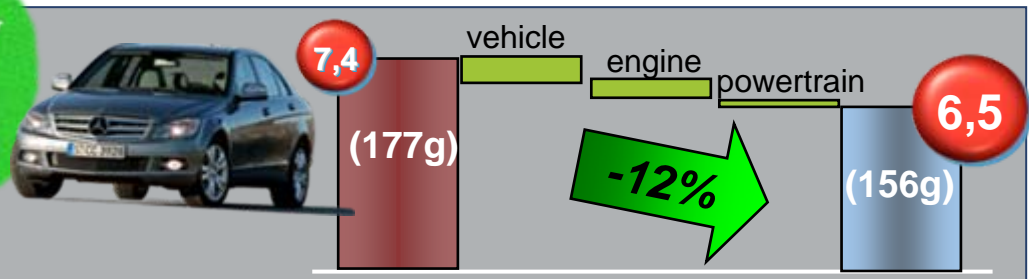


- CLK350 CGI
- CLK350 CDI



- GLK220 CDI

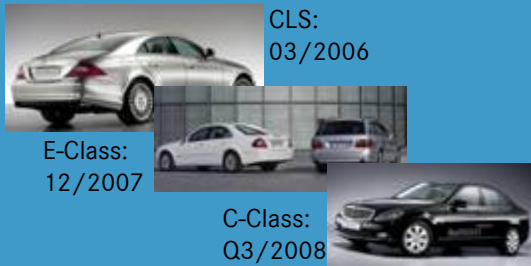
„It's still the same, remarkably well-balanced C-class - it just adds a bit of fun at the gas station...”



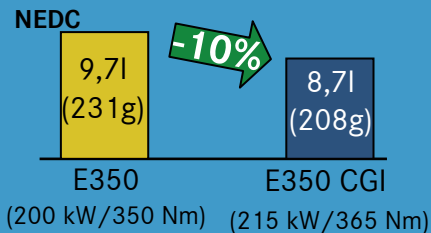
Future of the Combustion Engines with DiesOTTO Technology

Gasoline engines:

- Roll-out of V6-CGI engines on the way



- 4-Cyl direct injection engine with bench-mark properties to hit the market in 2009



DiesOTTO: the best of two worlds

- Continuous improvements on our path to make diesels as clean as gasoline engines and gasoline engines as efficient as diesels
- DiesOTTO technology modules will be introduced step-by-step



DiesOTTO performance in the F700:

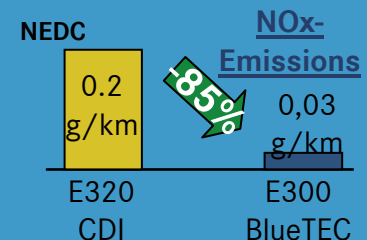
- 175 KW
- 400 Nm
- 5,4 l/100km (127g CO₂/km)

Diesel engines:

- ongoing BlueTEC offensive (Passenger Cars & CVs)



- World's most powerful 4-Cyl. Diesel engine (500 Nm) will enable downsizing, starting in 10/2008; prepared for hybridization and BlueTEC



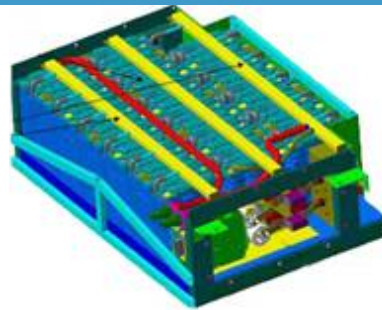
Modular Hybrid Technologies

Powertrain-Integration

Energy storage

High-performance electronics

Hybrid transmission



Pooling expertise and resources

Increase in efficiency by hybridization



S 400 BlueHYBRID with Lithium-Ion Battery



ML 450 BlueHYBRID Two Mode



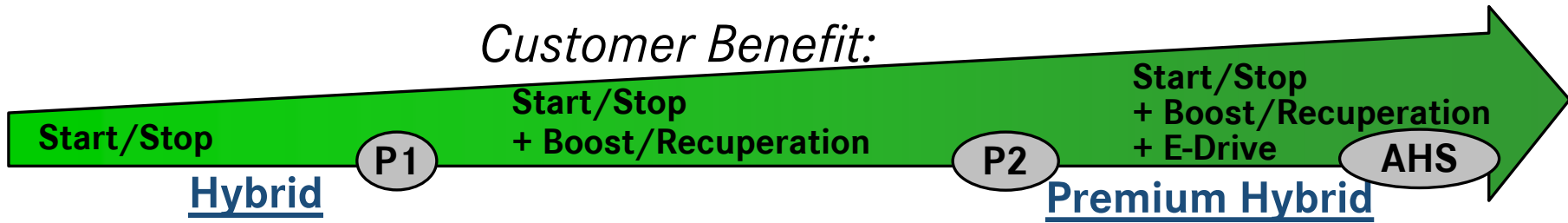
Hybrid City Bus



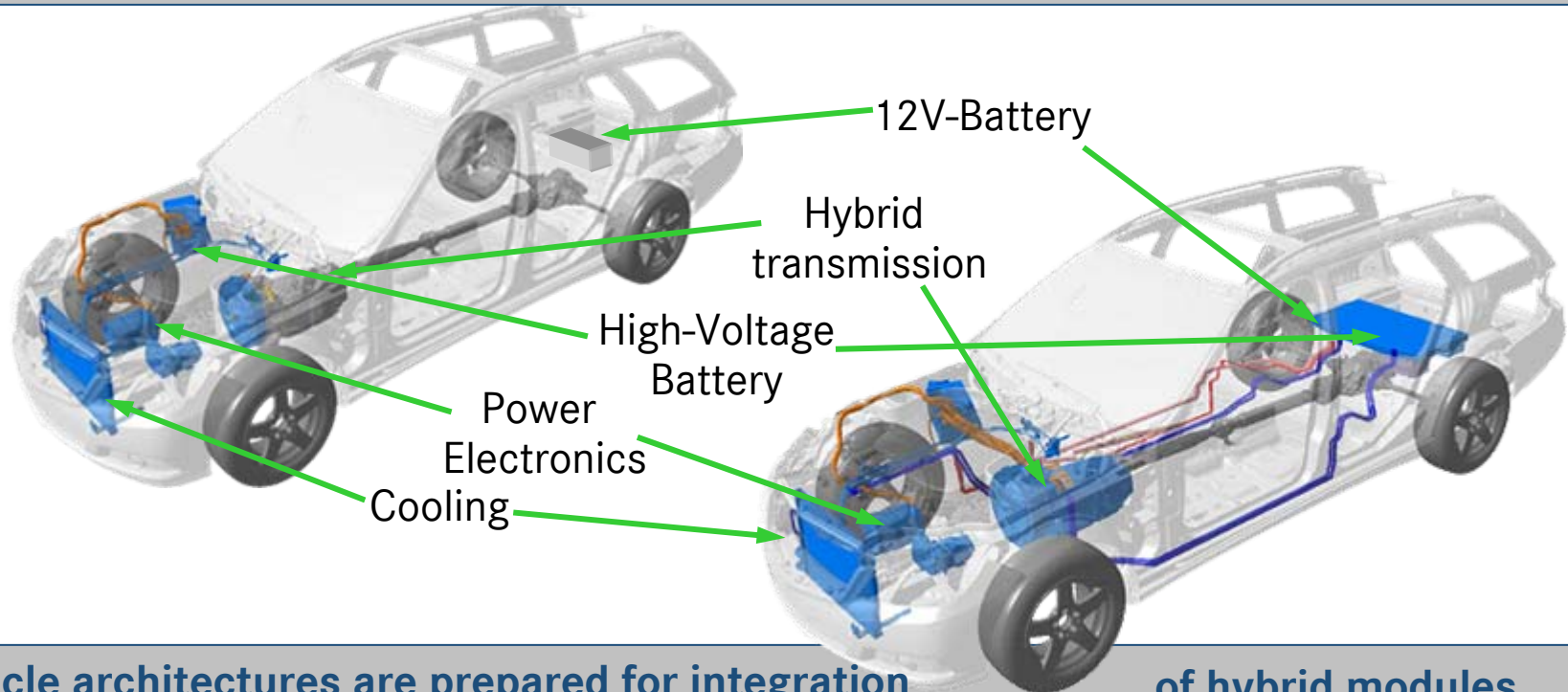
Hybrid Lkw

Our Modular Hybrid System:

Scaleable features for maximum benefit in each vehicle class



The right hybrid for each application – marking hybrid advantages real-life tangible



Vehicle architectures are prepared for integration of hybrid modules

Emission-Free Driving: Fuel-Cell- and Battery-Vehicles

Emission-fees

Congested urban areas

Zero-emission regions

Megacities

Fuel Cell Vehicles



~100 F-CELL vehicles
in customer hands

Enablers

- Technology/components:
 - Battery (esp. Li-Ion)
 - Fuel-cell stacks
 - Hydrogen storage
 - Electric engines
 - Power electronics
- IP-Rights
- Partnerships


Battery-electric veh.



~100 smart ev -
test fleet in London

Electric Driven Vehicles: The 4 Decisive Components

High Voltage Battery

Mild Hybrid	 <p>6-7 Ah</p> <p>Construction kit based on Power Cells</p>
Full Hybrid	
Fuel Cell Vehicle	
Commercial Veh.	<p>30-45 Ah</p> <p>Construction kit based on Energy Cells</p>
Electric Vehicles	

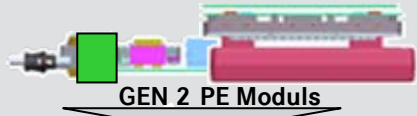

Power Electronics

DC-DC 1,6...2,8kW Inverter 250...320A

GEN 2 PE Moduls

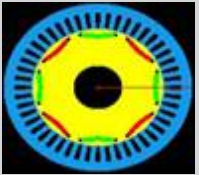
Usable for all applications

eg. GEN 2 Mild Hybrid

Electric Motor

- Futur E-Motor Technology for all Applications: Permanent magnet Synchrons Maschine, **interior rotor** with **burried Magnets**

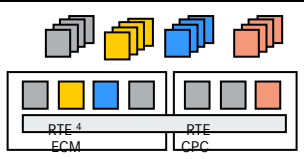


- For **Hybrids**: unified **E-Motor-** (Hardware) for different power levels @ differet voltage levels
- For **FCVs, EVs** with Central- or Wheelhub motors the **E-Motor** will be **scaled** to suit package space (Scaleable parameters: length and diameter)

Controls & Software

- Function moduls capable of **Autocode**
- AUTOSAR** compatibl:e Modular architecture and interfaces

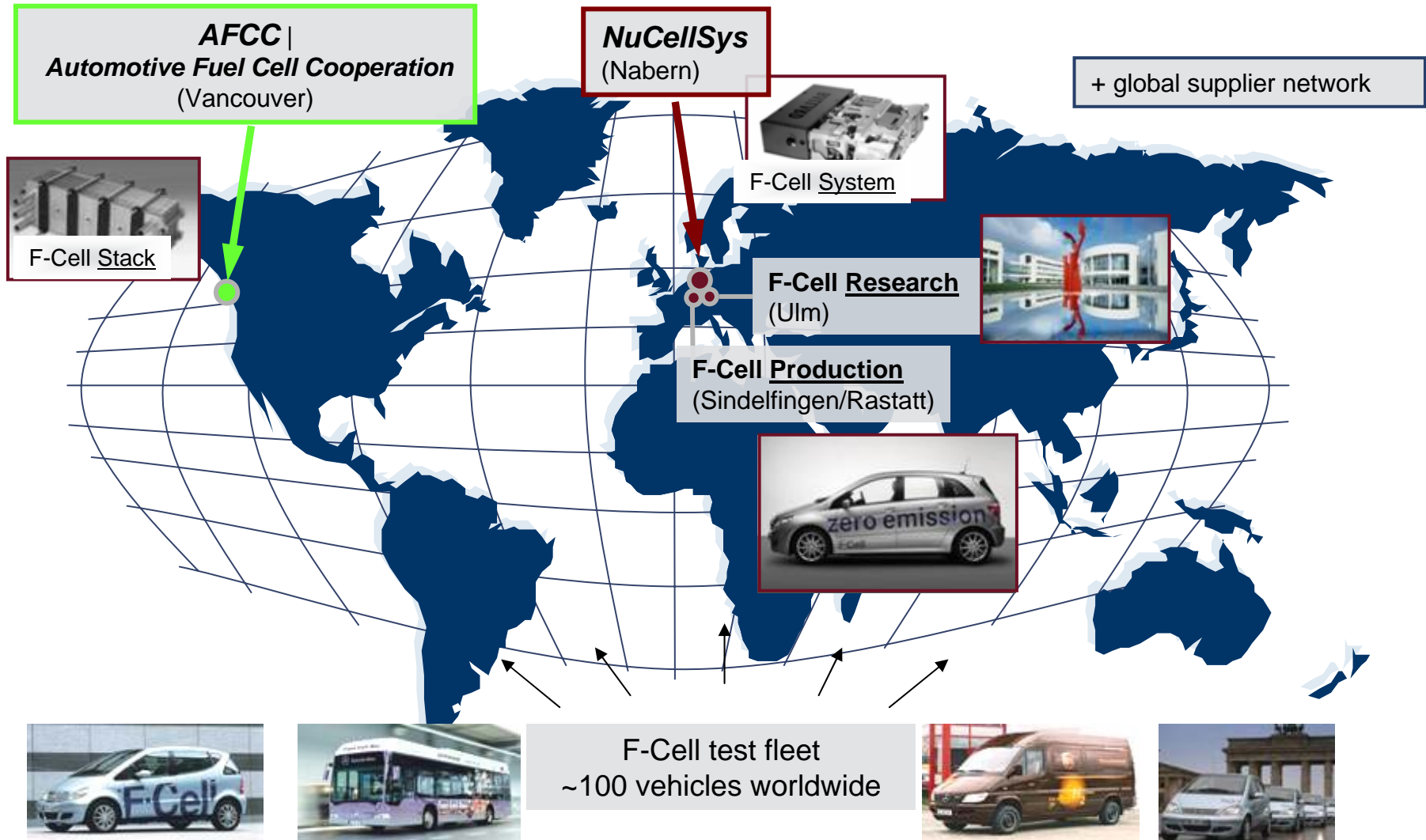
PT-SW construction kit



Funktional sets dependent on Vehicle/Powertrain Controller HW topology

Daimler is active in all 4 components, for example R&D on HV-Batteries.

Fuel Cell Vehicles: Global Knowledge Network to Support Series Production



smart Electric Drive London Project

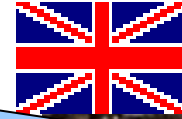
- **Demo fleet of 100 smart electric drive** on the basis of smart fortwo predecessor model

- **Electric drive:**

- 30 kW Permanent Magnet-Motor
- Zebra-Battery 15 kWh (NaNiCl)
- Range: ~ 100 km in EUDC
- max. speed 100 km/h

*„ the car is fabulous –
couldn't be better!“*

Customer's voice in London



- **Customers:**

- Fleet customers preferably in **city area of London** as a 4 year lease model in co-operation with MB UK
- smart ev is **exempt from London congestion charge!**
- As of today **70 vehicles delivered** with very positive feedback from customers
- End of production expected in July 2008

- **Forecast:**

- Investigation of other possible pilot projects on basis of the new smart fortwo for European cities

Emission-Free Driving: Engagement of all Stakeholder is Necessary!

Daimler together with partners supports the build-up of a world wide infrastructure for H2 and electricity

- **Renewable power generation**



- **Public charging infrastructure**



- **Production and distribution of hydrogen for fuel cell vehicles**



Possible Scenarios for Future Mobility

	Global Solutions	Local Solutions
- 2030	<p>Designer fuels from liquefied coal, Available if CO2 capturing is resolved. Sunfuel from energy plants, cultivated on agricultural wasteland</p>	<p>H₂/electric power from renewable energies for ZEV Electricity stored in batteries; improved H₂ storage</p>
- 2020	<p>Unchanged mobility behavior: commuting, suburbs, malls, extending the driving pattern</p>	<p>Mass mobility is shrinking: Car sharing + party shopping emerge. Reduced commuting: mobility alternatives</p> <p>Plug-In combinations for short-range traffic</p> <p>Strict city regulation to reduce pollution/CO2: inner city fuel consumption min. 30mpg for business service cars (New York)</p>
- 2010	<p>Efficient combustion engines: Improvement of fuel quality step by step</p>	<p>H2 as industrial by-product in FCV</p> <p>CO2 reduction strategy in cities: Example: London's congestion charge</p>

Possible Scenarios for Future Mobility

Global Solutions

Local Solutions

- 2030

Designer fuels from liquefied coal, Available...
c... land



- 2020

Mass mobility is shrinking:
Car sharing + party shopping emerge.
Reduced commuting alternatives
Plug-In con... range traffic



- 2010



BlueTEC Hybrid



DiesOTTO



2-mode Hybrid



BlueTEC



BlueEFFICIENCY



FC-Vehicle



F-Cell Busses



Hybrid City Bus

CO2
Exam



B 170 NTG



smart ev

Mercedes-Benz Cars on the “Road to the Future” Q&A



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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.