

DAIMLER

Annual Press Conference FY 2008 and Q4 2008 Results

Bodo Uebber

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

February 17, 2009

Major characteristics in FY 2008

● Dramatic market turbulences in H2/2008

- Worldwide financial and economic crisis
- High volatility of raw-material prices and major currencies

● Decrease in EBIT

- Mercedes-Benz Cars strongly impacted by deteriorating car markets
- Daimler Trucks EBIT impacted by negative market development and DTNA repositioning
- Mercedes-Benz Vans and Daimler Buses at record result levels
- Financial Services continued with solid performance
- Significantly negative EBIT impact from Chrysler (€3.2 billion)

● Solid financial position

- Cash flow impacted by increase of working capital
- Net liquidity of industrial business at comfortable level
- Strong balance sheet

Key financials

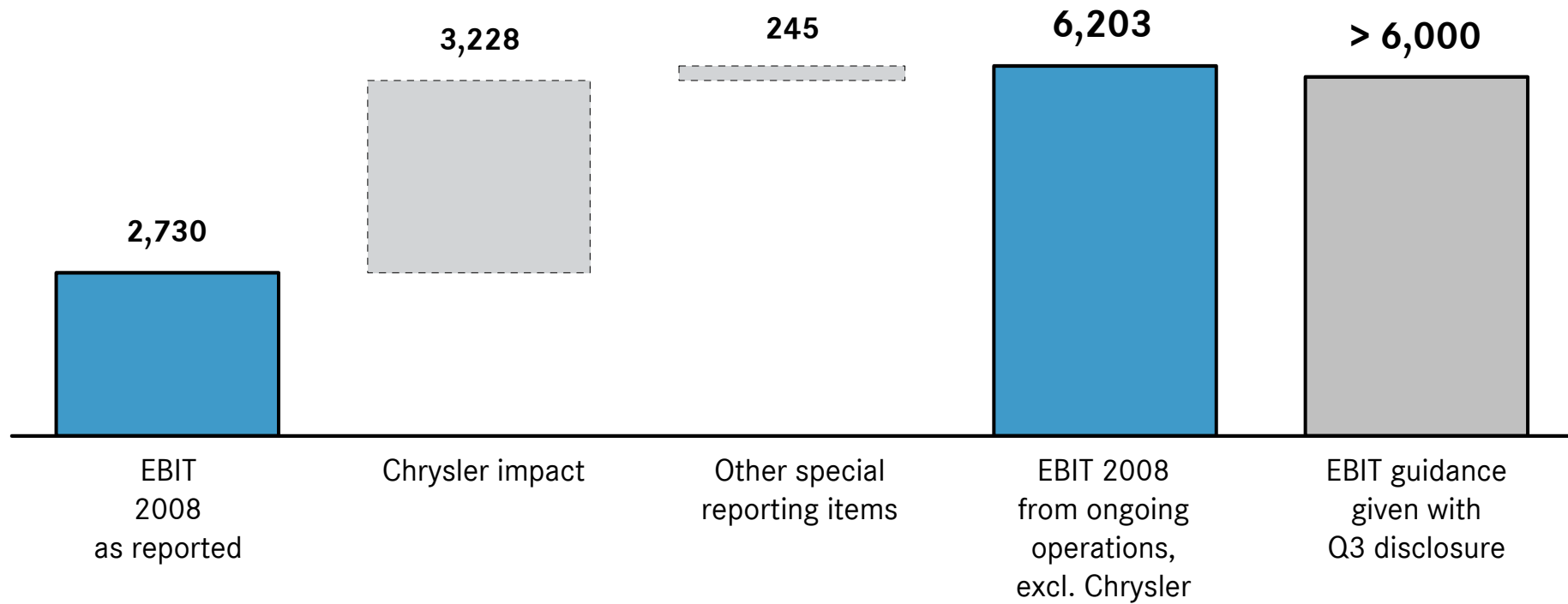
- in billions of € -	FY 2007	FY 2008
EBIT	8.7	2.7
Net profit	4.0	1.4
Earnings per share (in €)	3.83	1.41
Free cash flow industrial business	7.6	(3.9)
Net liquidity industrial business (at period end)	12.9	3.1

Significant earnings impact related to Chrysler

- Negative impact on EBIT of €3.2 billion, of which
 - at equity result of minus €1.4 billion
 - Impairment of Chrysler-related assets of €1.8 billion
- Carrying amount of equity stake, subordinated and second lien loan adjusted to zero
- Cash impact in 2008 of €1 billion from pay-out of the second lien loan in June
- Guaranties provided by Daimler reduced in FY 2008 by €0.4 to €0.3 billion; related collateral provided by Chrysler decreased by €0.1 to €0.2 billion
- At equity result is not indicative for US GAAP results to be reported by Chrysler Holding LLC due to significant valuation differences between US GAAP and IFRS
- Negotiations with Cerberus Capital Management on redemption of remaining stake in Chrysler ongoing

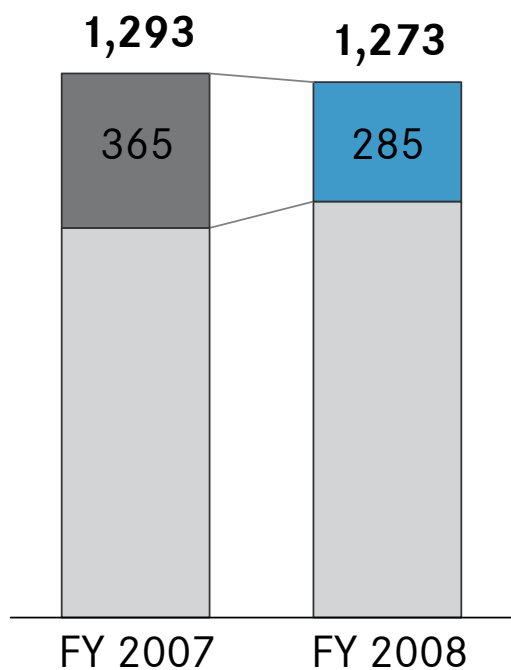
EBIT from ongoing operations meets Q3 guidance

- in millions of € -

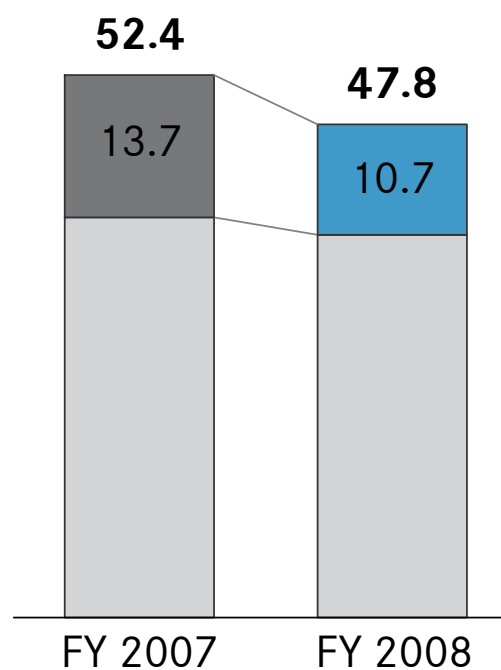


Lower unit sales and revenue due to the deterioration of the market environment

Unit sales
- in thousands of units -

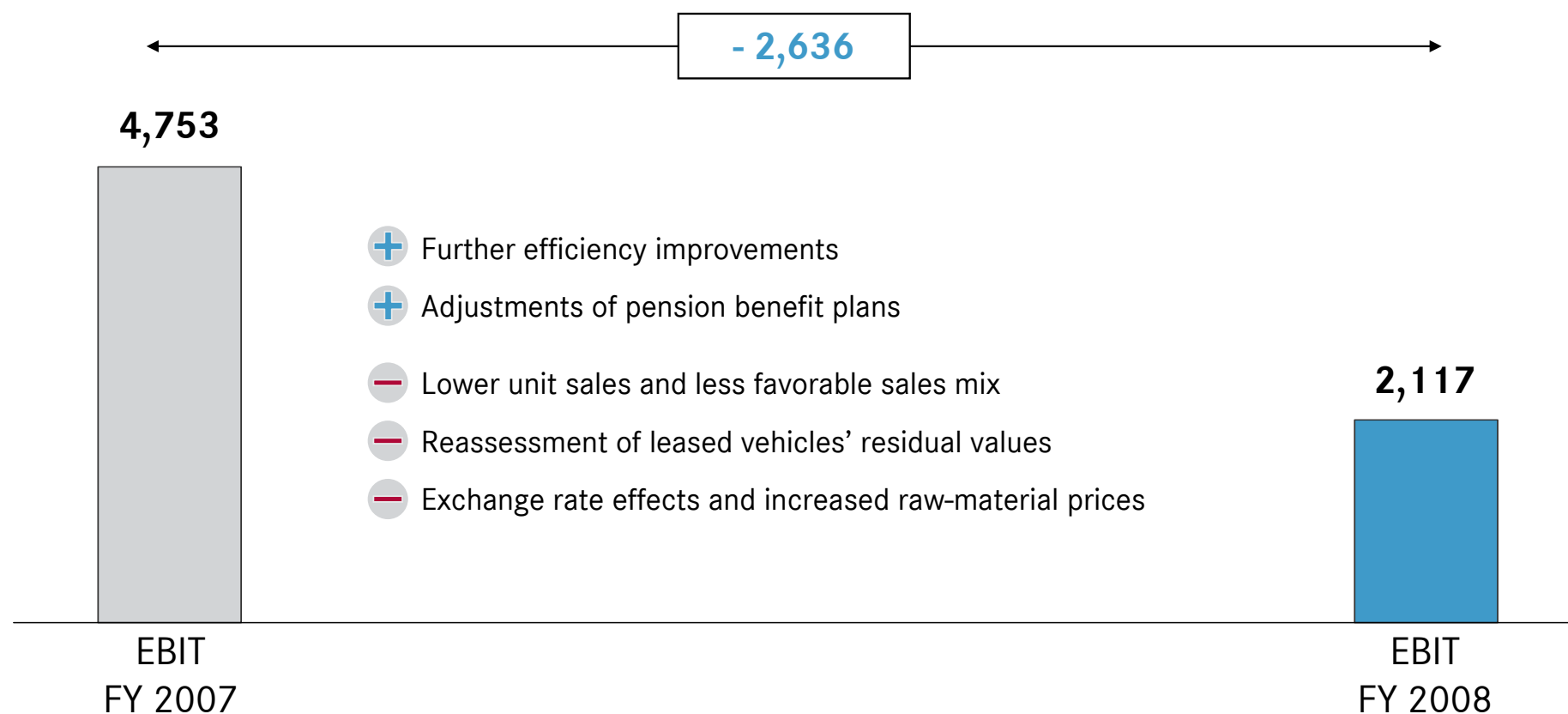


Revenue
- in billions of € -



EBIT decreased significantly with the decline in market demand starting in Q3 2008

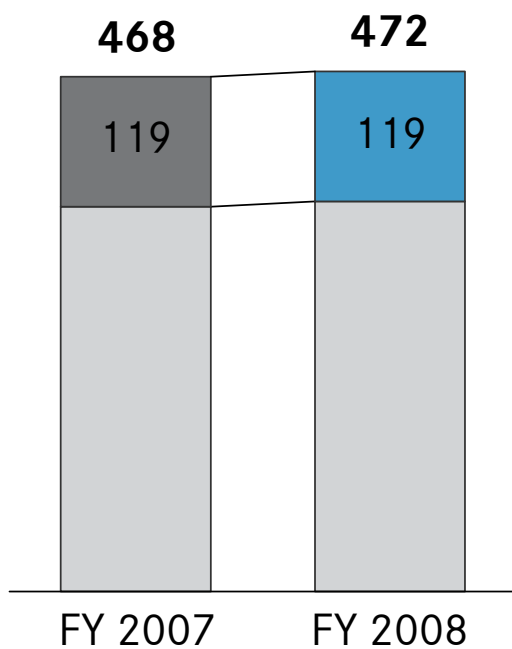
- in millions of € -



Growth mainly in Brazil and Asian markets partly offset by the decline in NAFTA and Japan

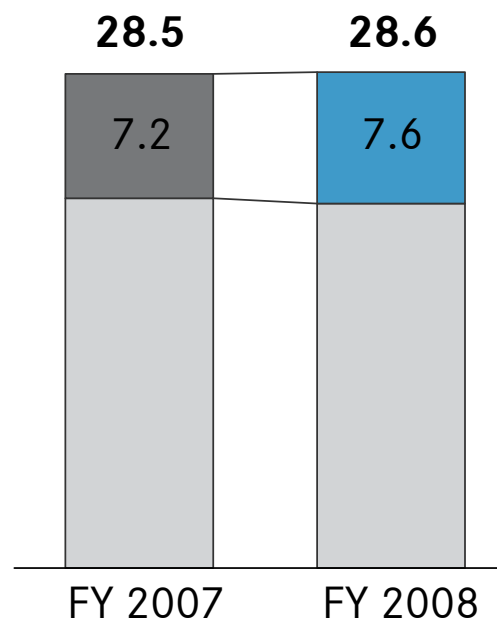
Unit sales

- in thousands of units -



Revenue

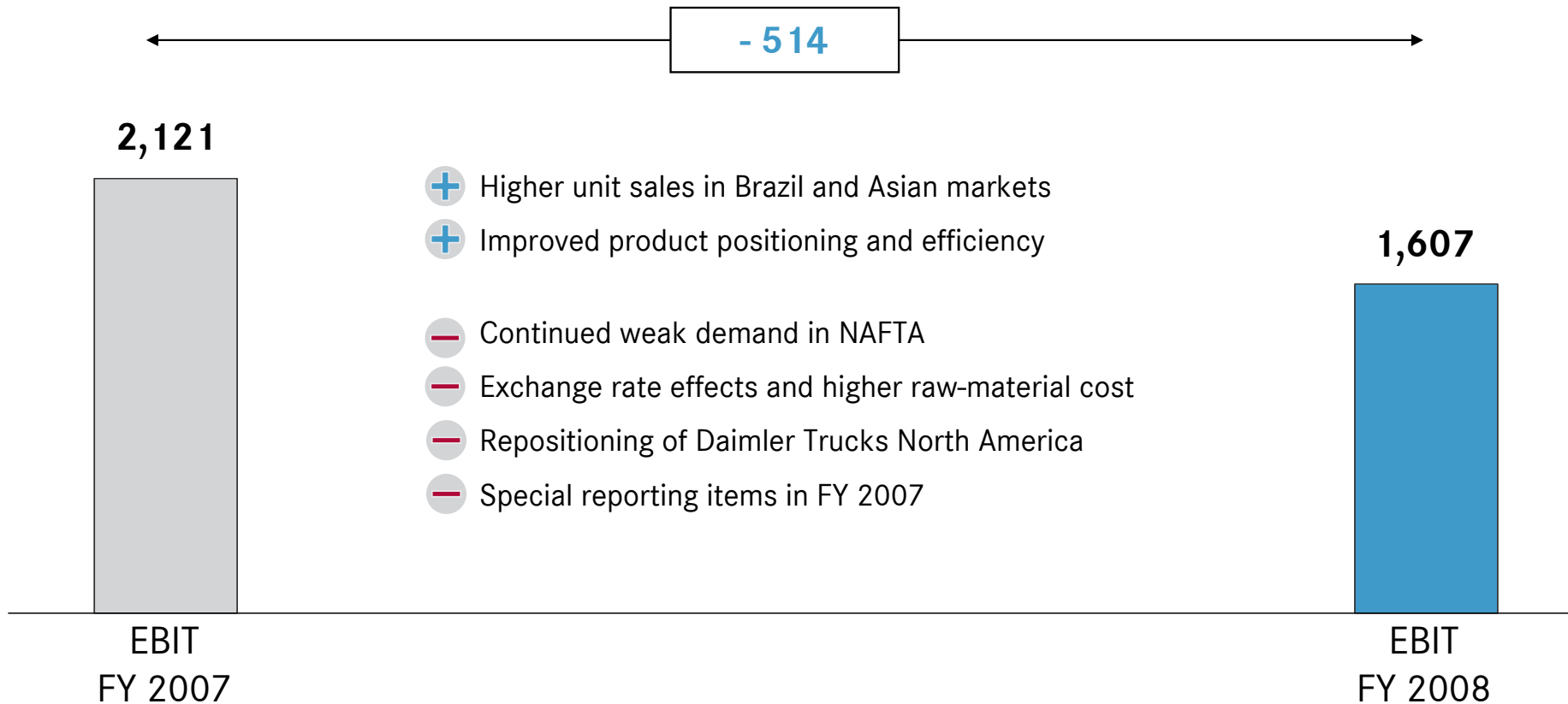
- in billions of € -



□ Q1-3 ■ / ■ Q4

Decrease in EBIT primarily due to the repositioning in the NAFTA region

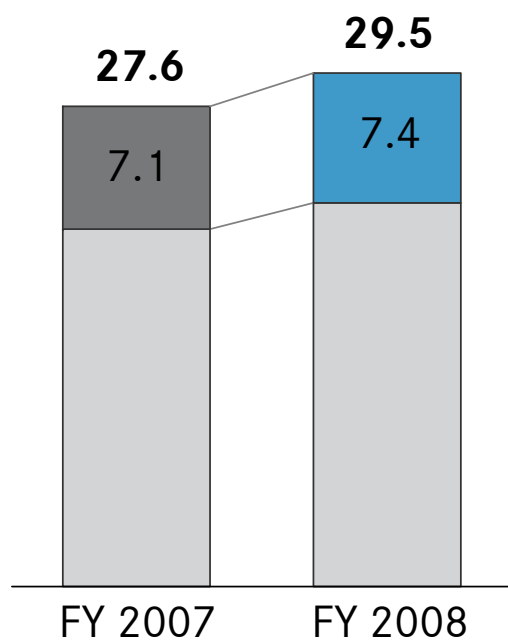
- in millions of € -



Solid business development in a difficult environment

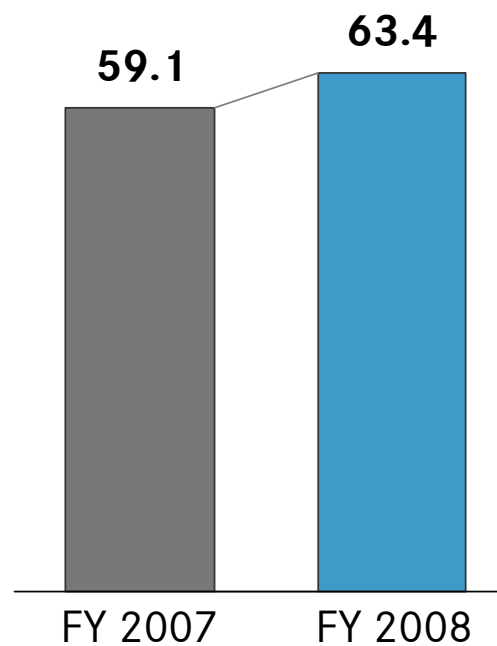
New business

- in billions of € -



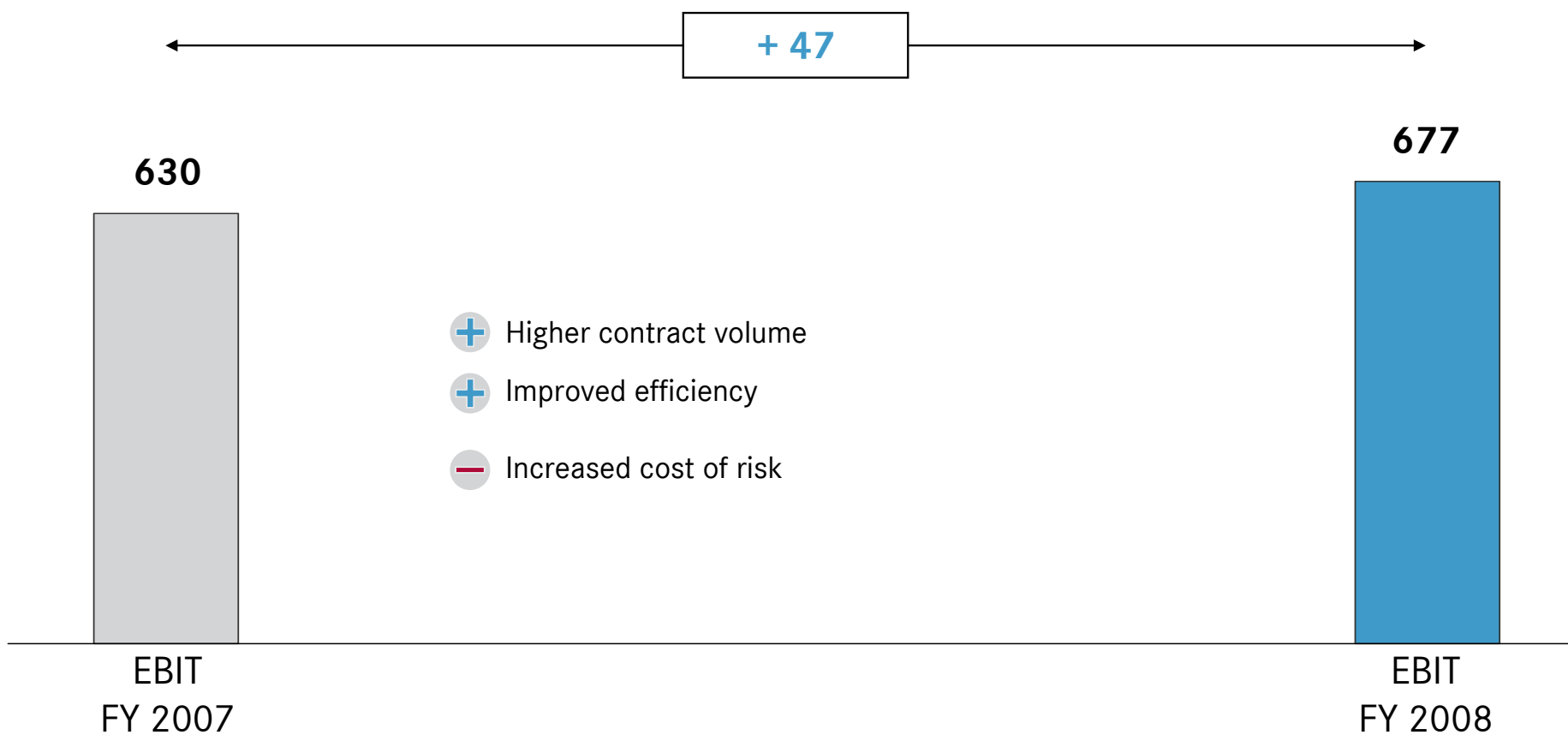
Contract volume

- in billions of € -



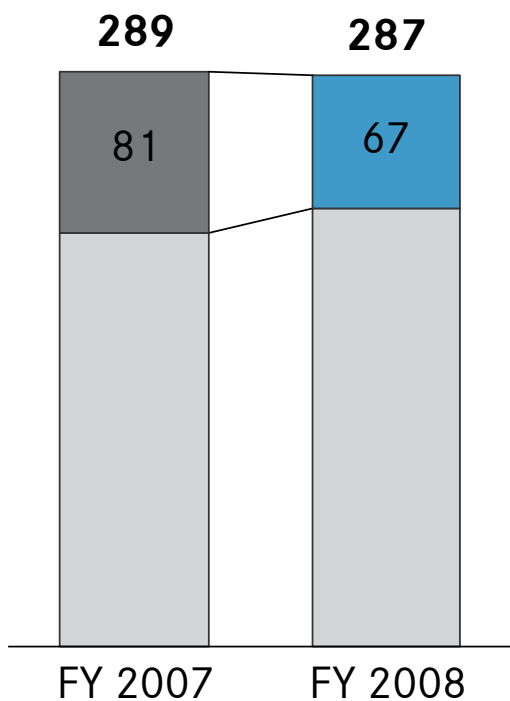
EBIT slightly above prior-year's level

- in millions of € -

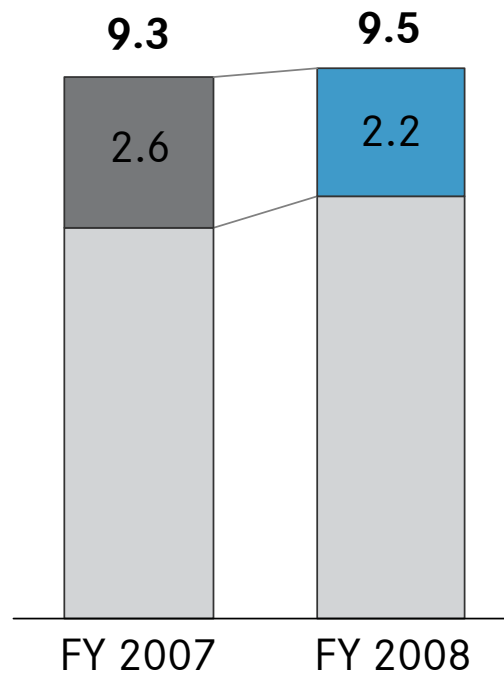


Unit sales on second-best level ever

Unit sales
- in thousands of units -



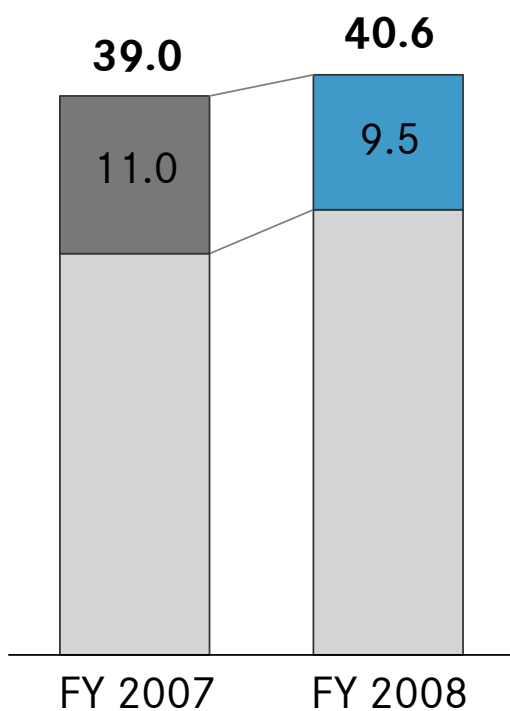
Revenue
- in billions of € -



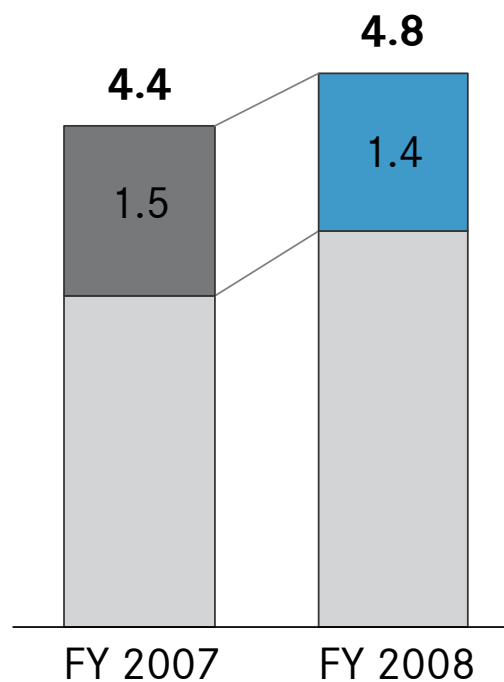
□ Q1-3 ■ / ■ Q4

Sales record mainly driven by increases in Europe and NAFTA

Unit sales
- in thousands of units -



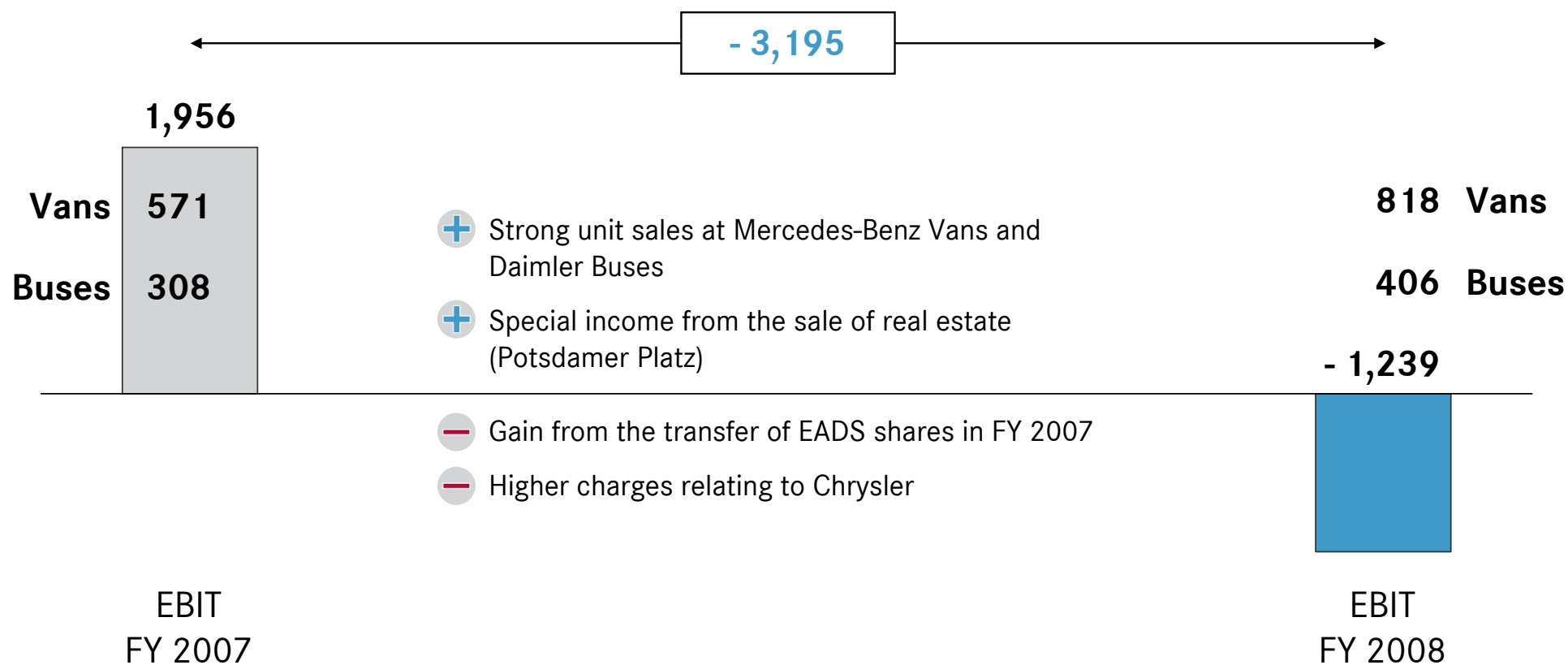
Revenue
- in billions of € -



□ Q1-3 ■ / ■ Q4

Higher EBIT of vans and buses offset by negative effects relating to Chrysler

- in millions of € -



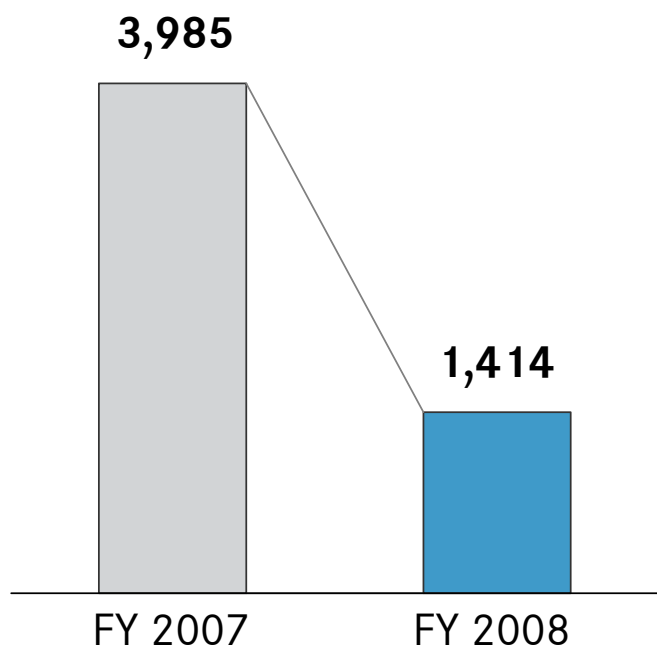
Sharp decline of EBIT in Q4 2008

- in millions of € -	Q4 2007	Q4 2008
Mercedes-Benz Cars	1,426	(359)
Daimler Trucks	512	86
Daimler Financial Services	109	153
Vans, Buses, Other	(492)	(1,658)
Reconciliation / Elimination	(162)	(169)
Daimler Group	1,393	(1,947)¹⁾

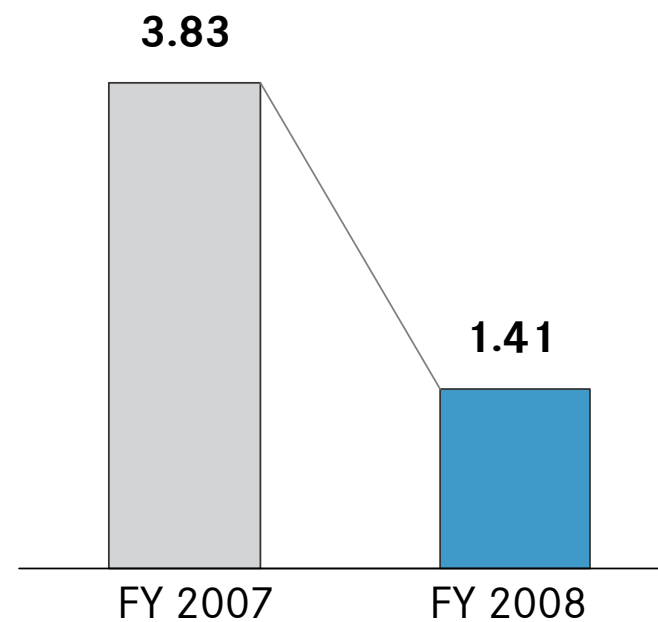
1) EBIT of €272 million excluding Chrysler and special items

Net profit and earnings per share

Net profit
- in billions of € -



Earnings per share
- in € -



Key balance-sheet and financial figures

- in millions of € -	Dec. 31, 2007	Dec. 31, 2008
Daimler Group		
Equity ratio ¹⁾	26.9%	24.3%
Gross liquidity	17,055	8,003
Industrial Business		
Equity ratio ¹⁾	43.7%	42.7%
Net liquidity	12,912	3,106
Free cash flow (12-months period)	7,637	(3,915)

1) Excluding dividend payment

Assumptions for the automotive markets in 2009

● Passenger car and light truck markets:

- Continuing decrease of demand worldwide
- Significant decline compared to 2008 in all volume markets
- Most emerging markets expected to perform below prior-year's level

● Commercial vehicle markets:

- Significantly lower demand in the triad markets
- Market decrease also expected for emerging markets
- Stabilization of CV market in 2010

● However:

- We expect a bottoming-out of the current market trends in H2/2009

Outlook 2009

- **Significant decrease in business volume expected**
- **Substantial burdens on the earnings of the Daimler Group and its divisions expected**
- **Measures to improve efficiency are ongoing**

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Questions & Answers

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Liquidity

- in millions of € -	Dec. 31, 2007			Dec. 31, 2008		
	Group	IB	FS	Group	IB	FS
Cash and cash equivalents	15,631	14,894	737	6,912	4,664	2,248
Marketable securities and term deposits	1,424	1,276	148	1,091	959	132
Gross liquidity	17,055	16,170	885	8,003	5,623	2,380
Short term financing liabilities	(23,100)	6,886	(29,986)	(27,428)	6,057	(33,485)
Long term financing liabilities	(31,867)	(11,905)	(19,962)	(31,209)	(10,505)	(20,704)
Financing liabilities, net	(54,967)	(5,019)	(49,948)	(58,637)	(4,448)	(54,189)
Market valuation and currency hedges for financing liabilities	1,761	1,761	0	1,931	1,931	0
Financial liabilities (nominal)	(53,206)	(3,258)	(49,948)	(56,706)	(2,517)	(54,189)
Net liquidity	(36,151)	12,912	(49,063)	(48,703)	3,106	(51,809)

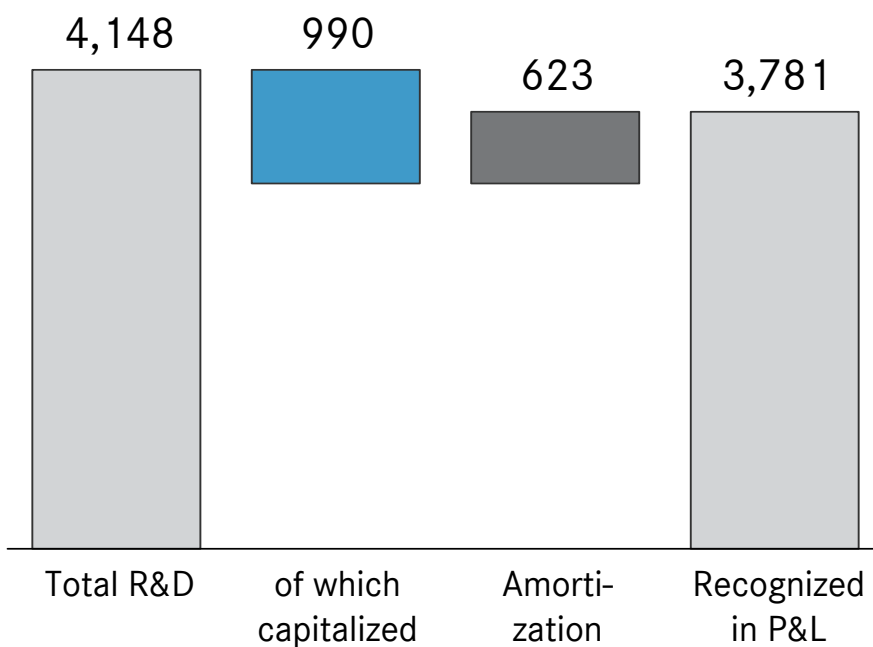
Funding status of pension and healthcare benefits

– continuing operations –

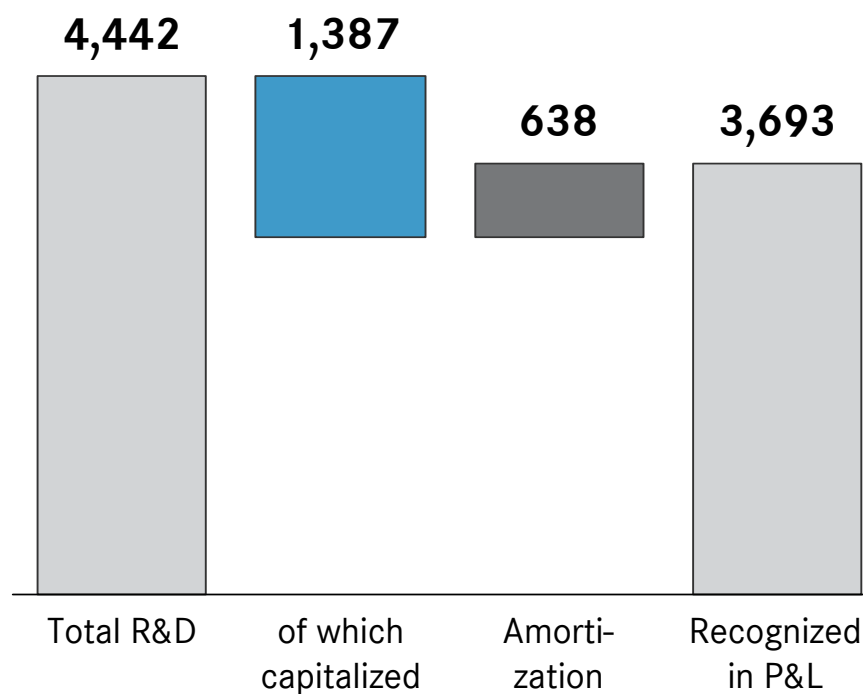
– in billions of € –	Dec. 31, 2007	Dec. 31, 2008
Pension benefits		
Benefit obligations	(15.7)	(15.0)
Plan assets	13.8	10.1
Funded status	(1.9)	(4.9)
Healthcare benefits		
Benefit obligations	(0.9)	(1.0)
Plan assets	0.1	0.0
Reimbursement Medicare Act	0.1	0.1
Funded status	(0.7)	(0.9)

Research & Development costs

FY 2007
- in millions of € -



FY 2008
- in millions of € -



Special items affecting EBIT

- in millions of € -	4th Quarter		Fiscal Year	
	2007	2008	2007	2008
Mercedes-Benz Cars				
Reassessment of residual values	-	(16)	-	(465)
Financial support for suppliers	-	-	(82)	-
Adjustment of pension benefit plans	-	84	-	84
Daimler Trucks				
Repositioning of Daimler Trucks North America	-	(233)	-	(233)
Adjustments of pension benefit plans/healthcare benefit plans	86	29	86	29
Sale of real estates in Japan	10	-	78	-
Vans, Buses, Other				
Sale of real estate	73	-	73	449
Transfer of shares in EADS	12	-	1,573	130
Restructuring program at EADS	-	-	(114)	-
Equity result Chrysler	(377)	(343)	(377)	(1,390)
Impairments of loans and other assets relating to Chrysler	-	(1,670)	-	(1,838)
Reconciliation				
New management model	(96)	(78)	(256)	(247)

Disclaimer

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

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 a lack of improvement or a further deterioration of global economic conditions; a continuation or worsening of the turmoil in the credit and financial markets, which could result in ongoing high borrowing costs or limit our funding flexibility; changes in currency exchange rates and interest rates; the introduction of competing, fuel efficient products and the possible lack of acceptance of our products or services which may limit our ability to adequately utilize our production capacities or raise prices; price increases in fuel, raw materials, and precious metals; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a further decline in resale prices of used vehicles; the effective implementation of cost reduction and efficiency optimization programs at all of our segments, including the repositioning of our truck activities in the NAFTA region; the business outlook of Chrysler, in which we hold an equity interest and some of whose obligations we have guaranteed; the business outlook of companies in which we hold an equity interest, most notably EADS; 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.