

DAIMLER

Corporate Presentation Q1 2011

Key developments in Q1 2011

- **Strong EBIT of €2 billion marks a further step to reach our mid-term profitability targets**
- **Group sales increased by 15%**
 - Mercedes-Benz Cars +12%
 - Daimler Trucks +27%
 - Mercedes-Benz Vans +16%
 - Daimler Buses -8%
- **Mercedes-Benz Cars on track to post new record sales in 2011**
- **Successful start of Daimler Trucks into 2011; increased market shares and incoming orders of Daimler Trucks North America**
- **Continued strong net liquidity of the industrial business of €12.4 billion**

Effects of the situation in Japan

● Effects on our business in Japan

- Mitsubishi Fuso Truck and Bus Corporation resumed production of parts and components on March 29, 2011 and of vehicles on April 20, 2011
- Daimler Financial Services Japan expects higher credit losses in affected regions

● Financial impact recorded in Q1

- Mitsubishi Fuso Truck and Bus Corporation: €49 million
- Daimler Financial Services Japan: €29 million

● Effects on our business outside Japan

- Currently no material impacts on production outside of Japan
- Monitoring of effects on supply chains and credit risks
- Counter measures in place to minimize potential impacts

Key financials

- in billions of euros -

	Q1 2010	Q1 2011
Revenue	21.2	24.7
EBIT	1.2	2.0
Net profit	0.6	1.2
Earnings per share (in euros)	0.65	0.99
Net liquidity industrial business (2010: year-end)	11.9	12.4
Free cash flow industrial business	0.3	-0.5

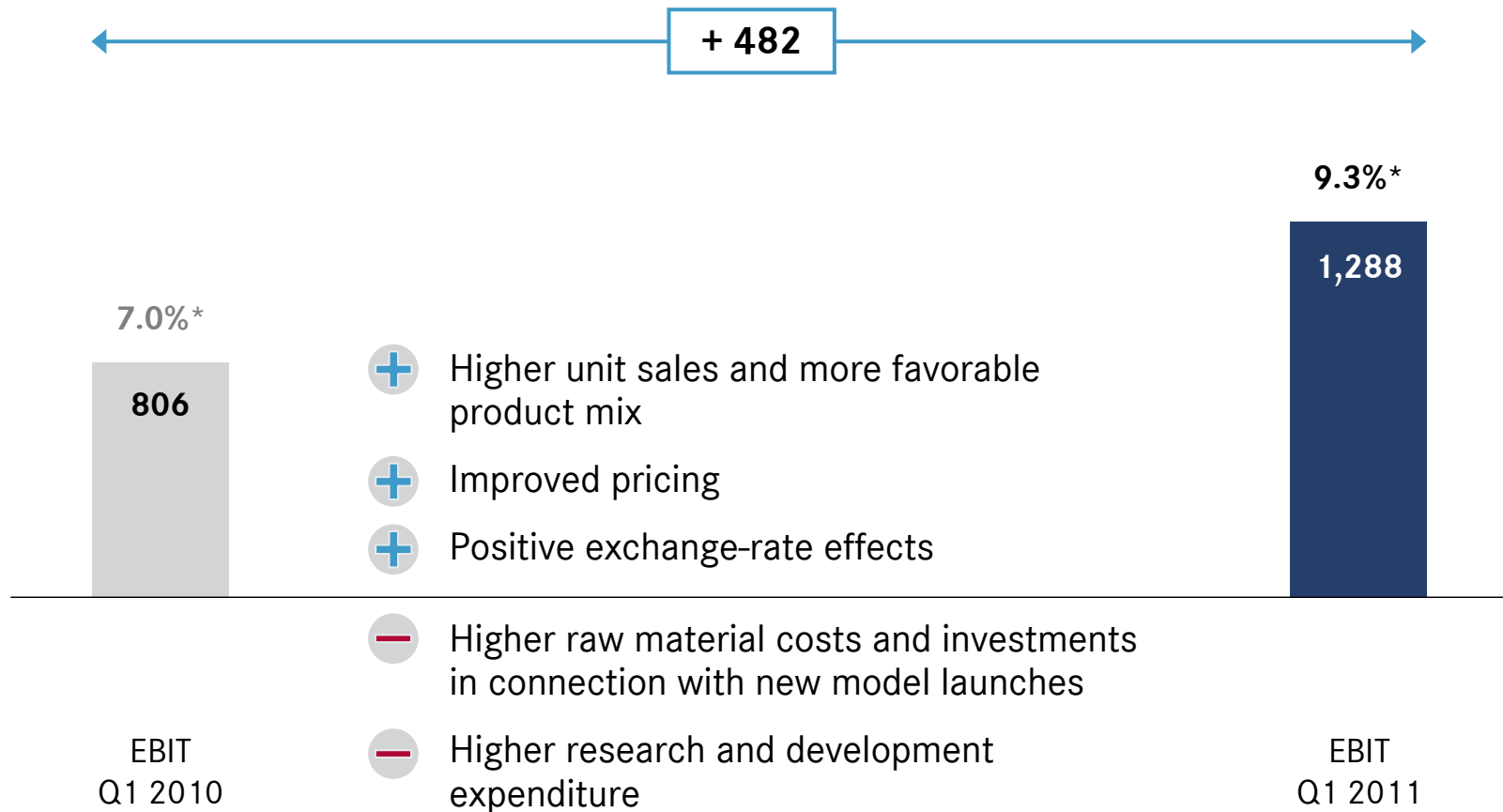
Key balance-sheet figures

- in billions of euros -

	Dec. 31, 2010	Mar. 31, 2011
Daimler Group		
Equity ratio	26.5%	27.4%
Gross liquidity	13.0	11.1
Industrial business		
Equity ratio	45.8%	46.7%
Net liquidity	11.9	12.4

Strong EBIT performance

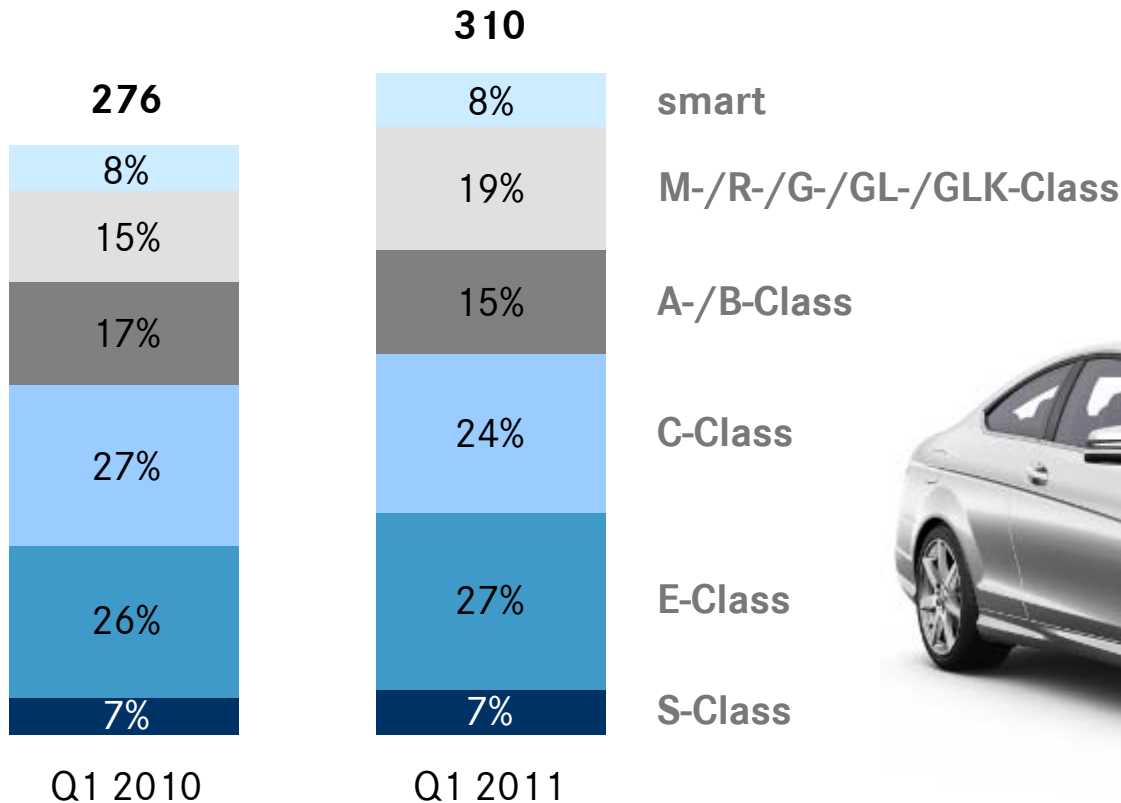
- in millions of euros -



* Return on sales

Significant increase in unit sales

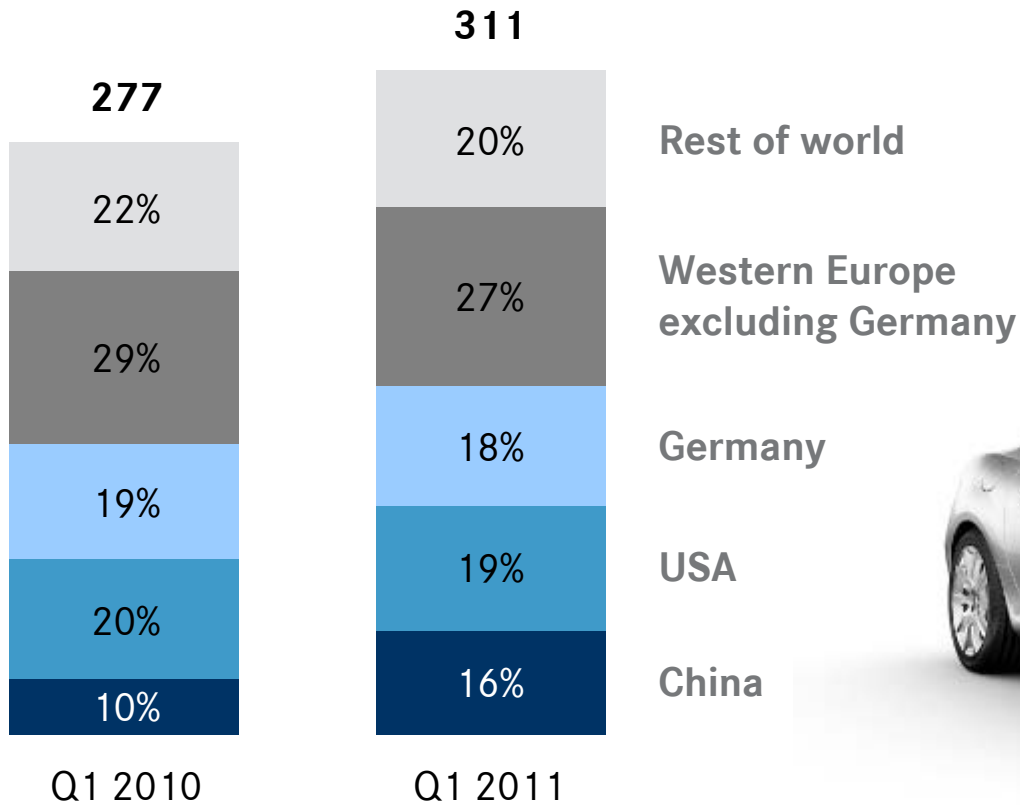
- Unit sales in thousands* -



* Excluding Mitsubishi vehicles produced and/or sold in South Africa

Balanced sales structure

- Unit sales in thousands -



Product highlights

B-Class F-CELL



New SLK roadster



New C-Class Coupe

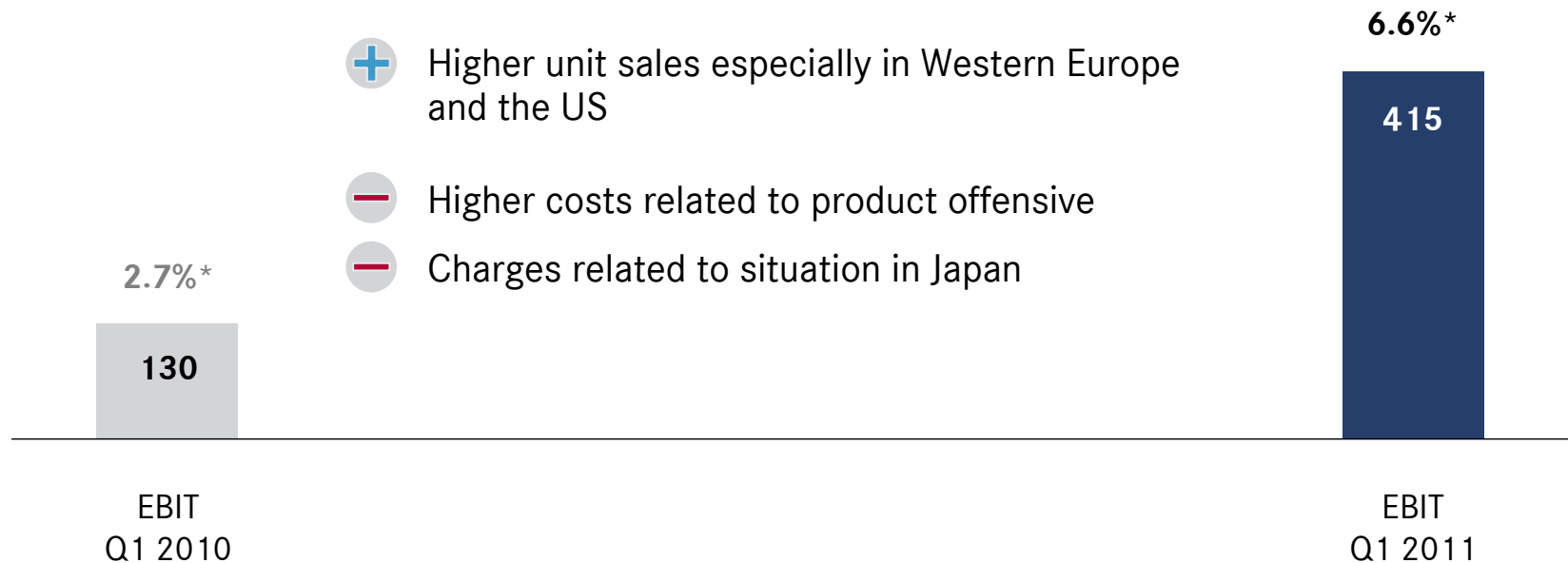
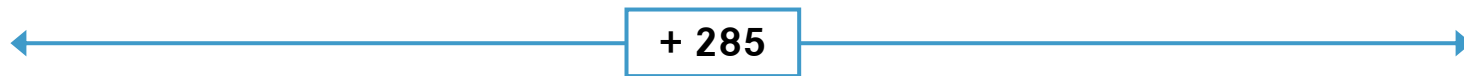


New C-Class sedan



Significant improvement in EBIT

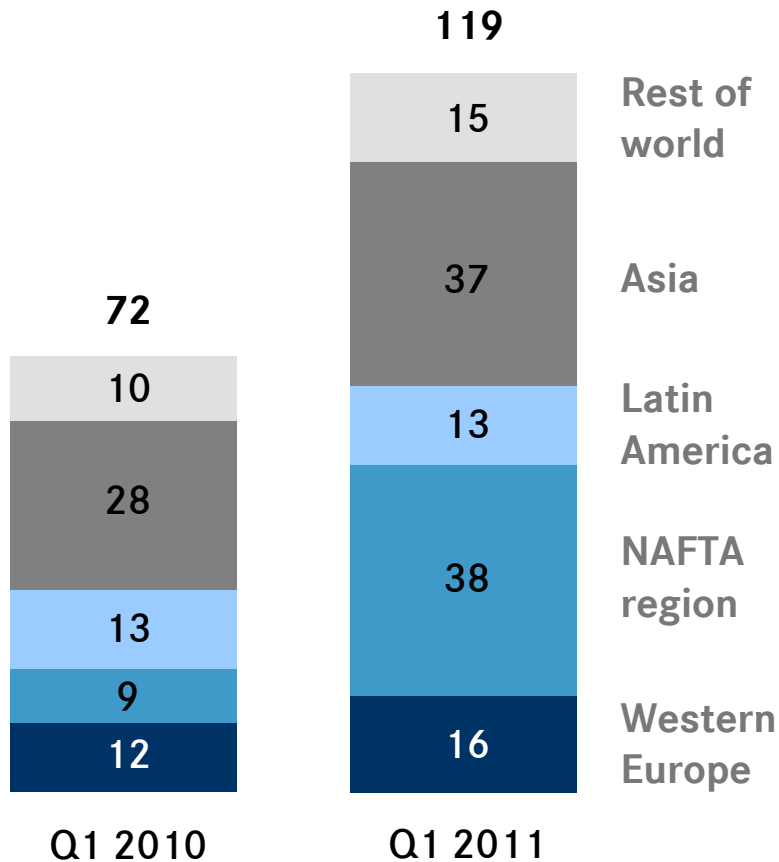
- in millions of euros -



* Return on sales

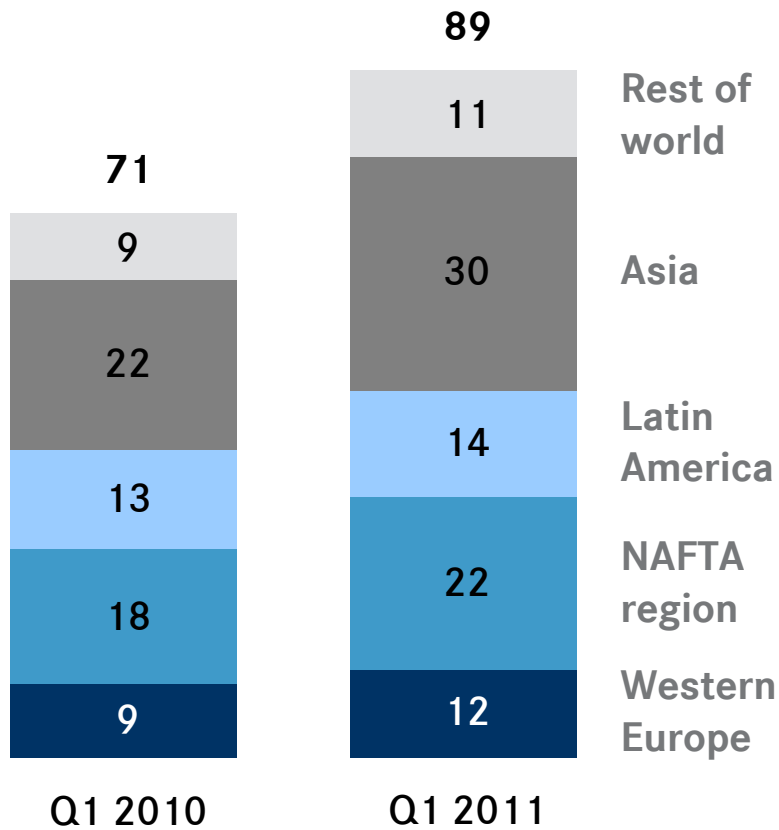
Incoming orders rose significantly

- in thousands of units -



Increases in unit sales

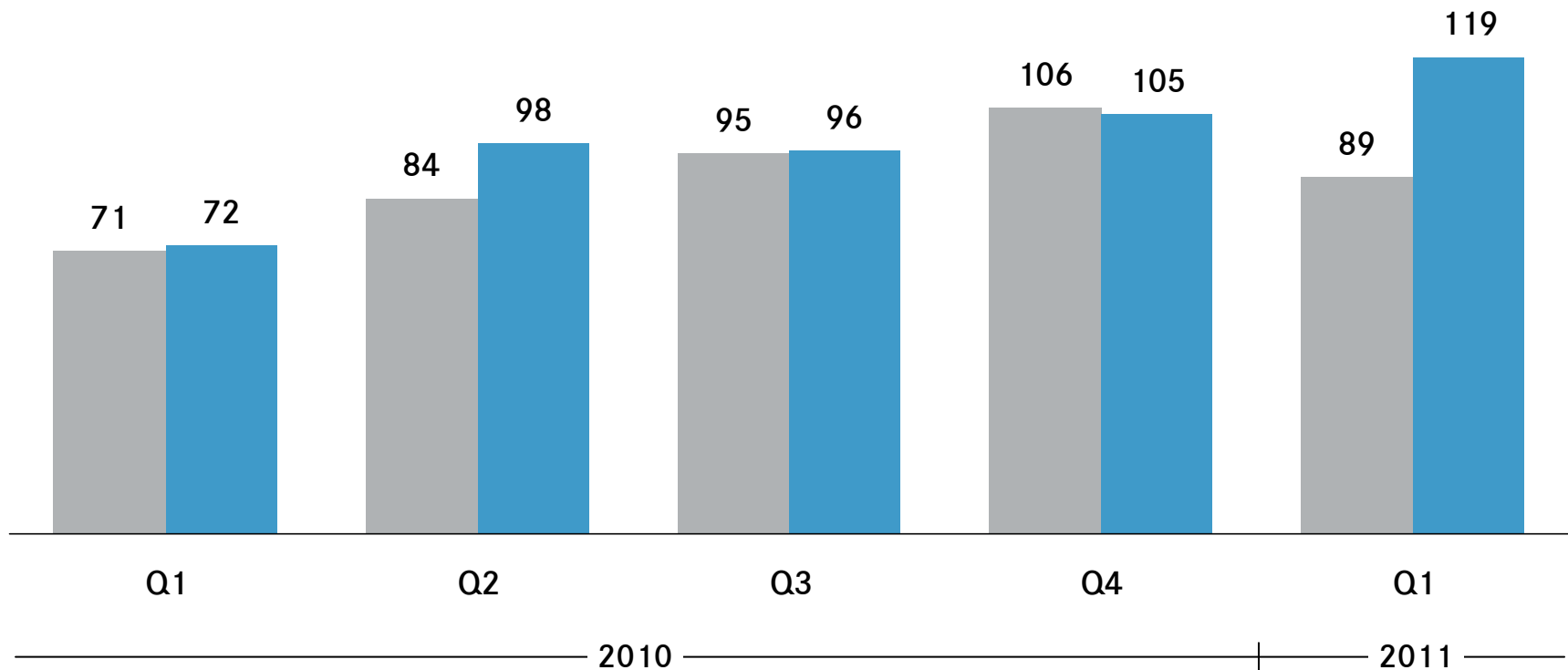
- in thousands of units -



Incoming orders in Q1 2011 clearly above prior year

- in thousands -

■ Unit sales ■ Incoming orders



Product highlights

Fuso, Freightliner and Mercedes-Benz Hybrid Trucks



BharatBenz Truck Prototypes



Freightliner Vocational Truck



Western Star Vocational Truck



Strong earnings performance at Mercedes-Benz Vans

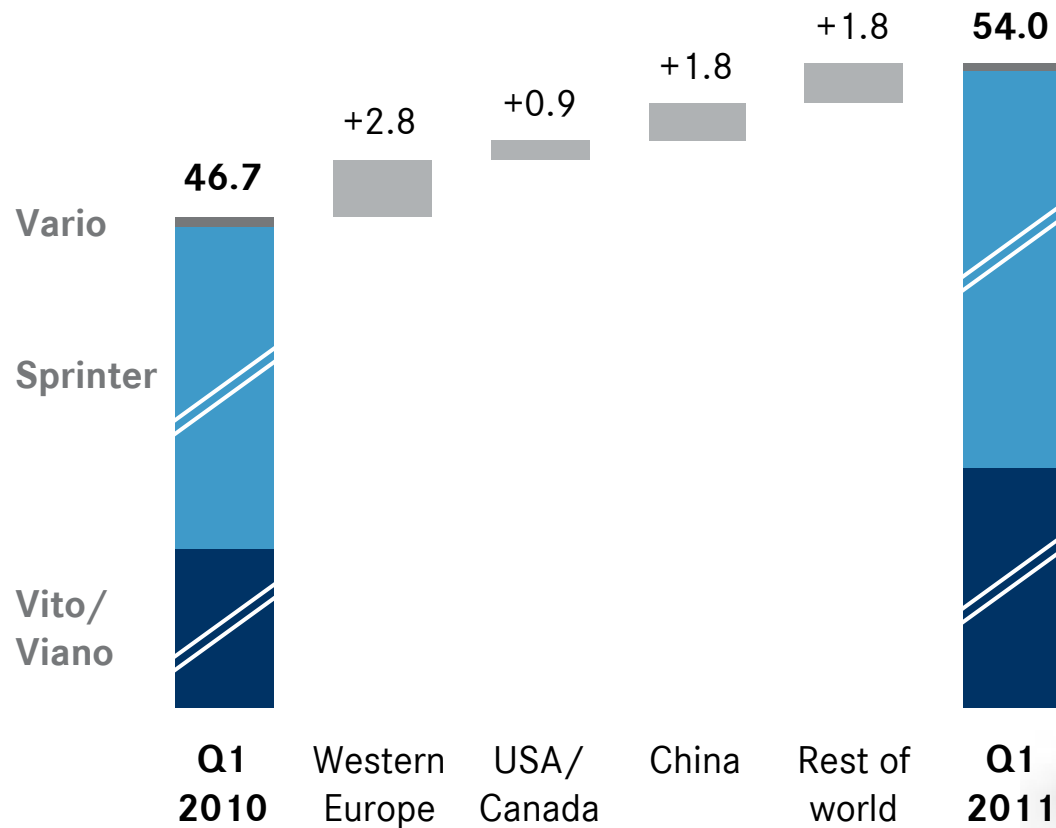
- in millions of euros -



* Return on sales

Increased sales in all major markets

- Unit sales in thousands -

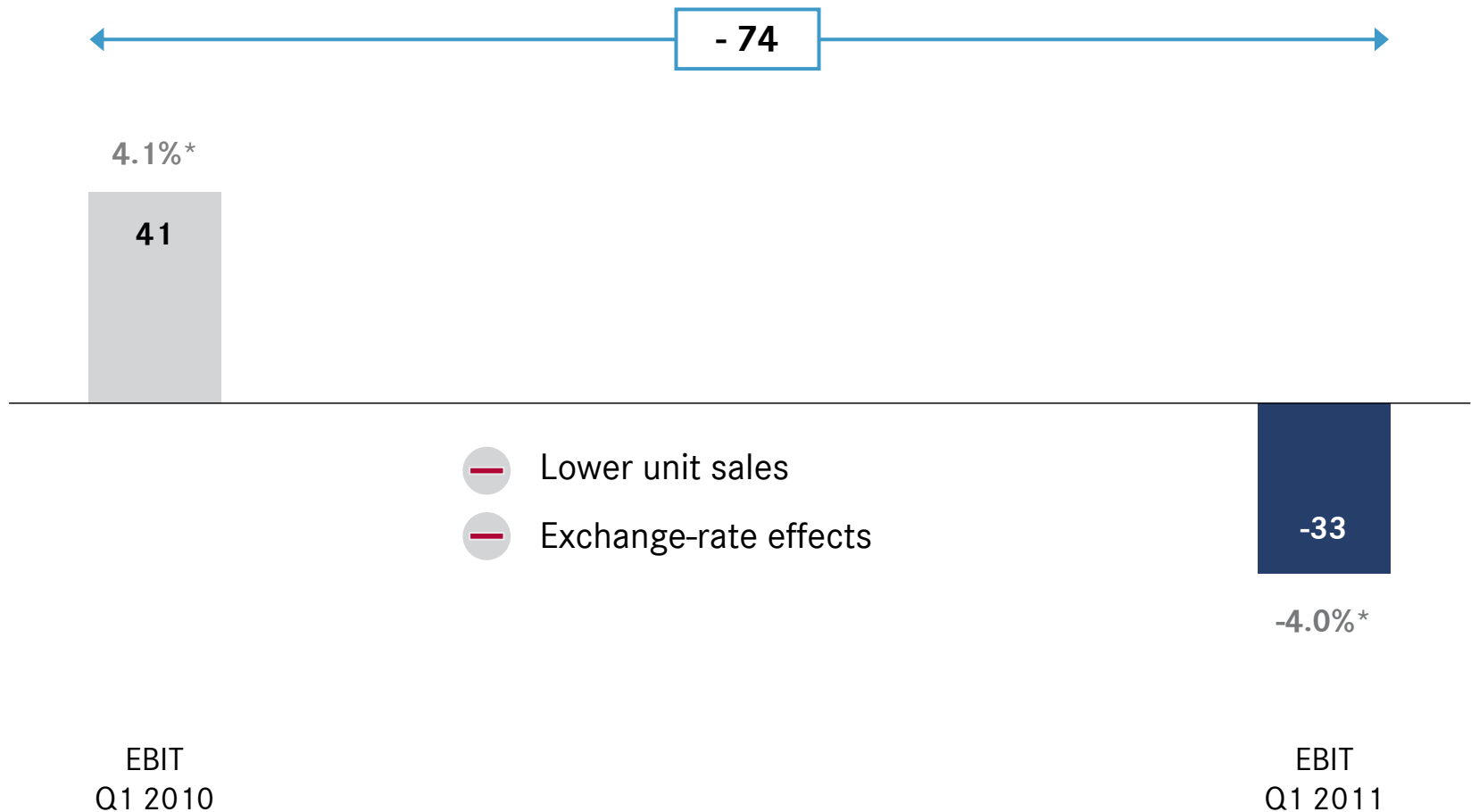


Product highlights



Negative EBIT due to weak city-bus business

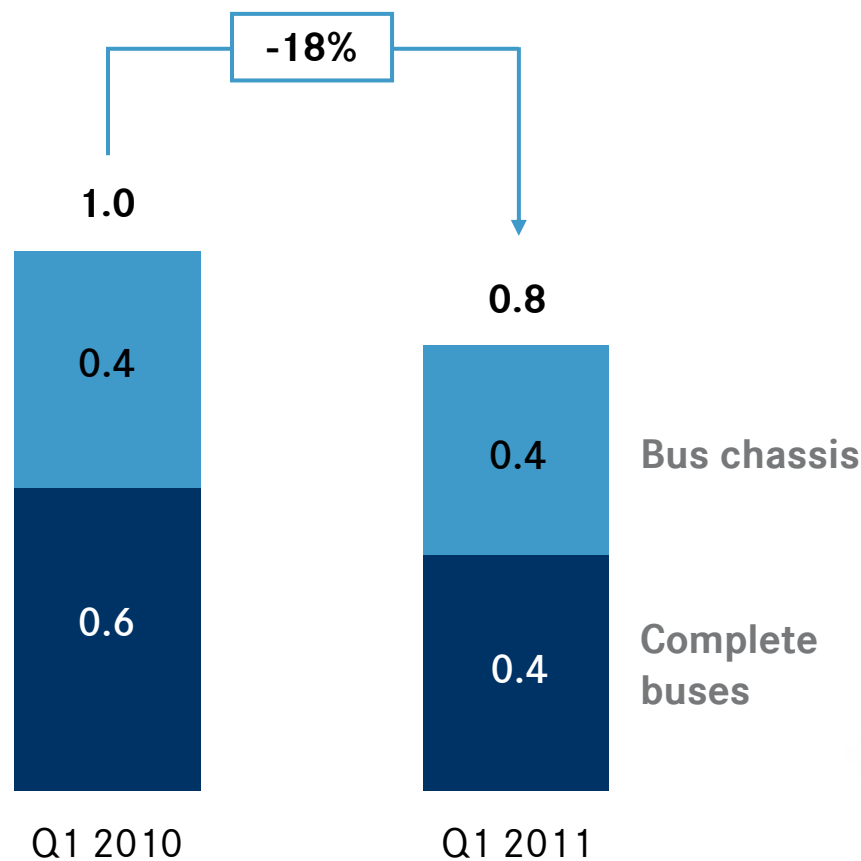
- in millions of euros -



* Return on sales

Revenue decrease due to lower unit sales and weaker mix

- in billions of euros -



Product highlights

Mercedes-Benz CapaCity



Mercedes-Benz Citaro



Setra TopClass 400

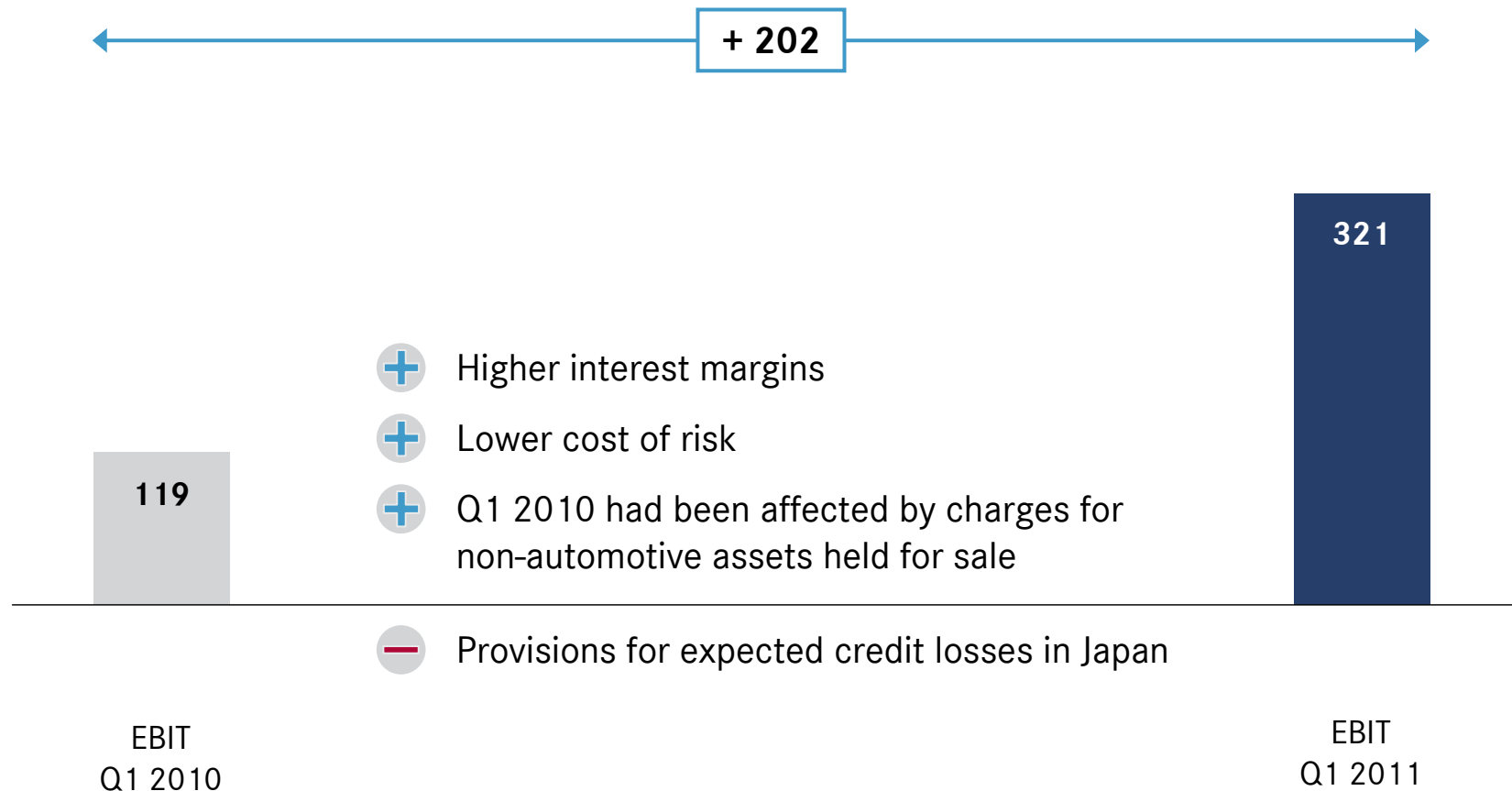


Orion VII Transit Bus

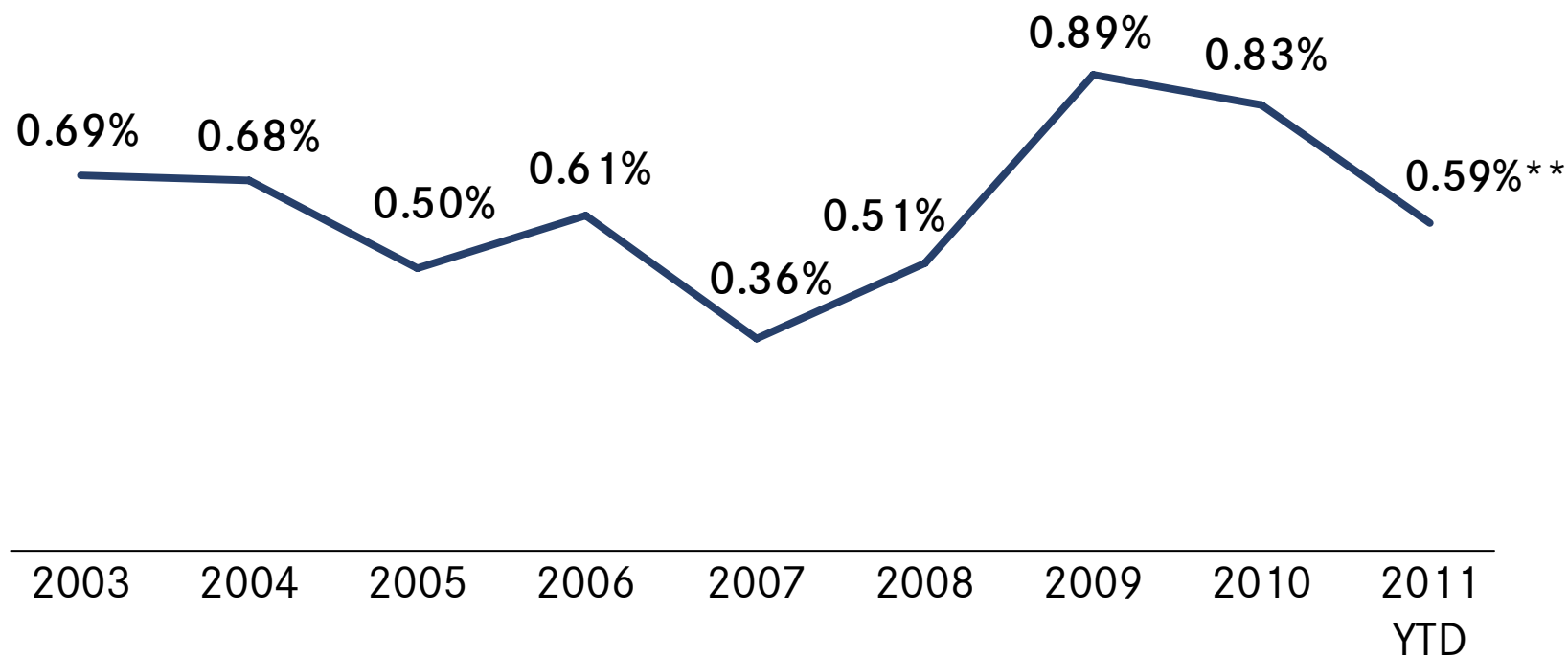


Strong earnings increase at Daimler Financial Services

- in millions of euros -



Net credit losses* decreased significantly



* as a percentage of portfolio, subject to credit risk

** annualized rate

Assumptions for automotive markets in 2011

● Car markets

- Worldwide market expected to grow by approximately 5 to 7%
- Growth potential especially in the United States and Asian emerging markets, particularly China and India
- Overall Western European market expected to be flat; in Germany, however, distinct market growth anticipated

● Truck markets

- Further market growth expected for medium- and heavy-duty trucks in the triad
- Europe: +20 to 25%
- NAFTA region: +30 to 35%
- Brazil: moderate increase in market volume
- Japan: cannot be accurately forecasted on the basis of the information currently available

● Van markets

- Market growth of 8% expected in Europe, in the United States double-digit growth rate expected

● Bus markets

- In Europe stable market volume on low level assumed due to weak city-bus business
- Slightly increasing demand expected in Latin America

Sales outlook 2011

● Mercedes-Benz Cars

- Further sales increase of Mercedes-Benz vehicles to record level of more than 1.2 million units
- Growth potential especially in North America and BRIC countries

● Daimler Trucks

- Daimler Trucks maintains its overall target to increase unit sales substantially despite the situation in Japan
- European business expected to grow in line with market expansion
- Significant growth of unit sales in the NAFTA region based on strong order situation and growing market shares
- Mercedes-Benz do Brasil expects to remain on current high level
- Further growth in Asia; development in Japan difficult to predict

● Mercedes-Benz Vans

- Positive sales development should continue, driven by the recovery of important markets, the introduction of the Sprinter in China and capacity increase in Argentina

● Daimler Buses

- Sales target of more than 40,000 units, based on positive chassis business in Latin America
- Business of complete buses in Europe and North America expected to remain weak

Earnings outlook for 2011

● Challenges

- Raw material and oil prices
- Exchange-rate fluctuations
- Effects of the situation in Japan
- Higher labor costs
- Research and development expenditure
- Investment in plants, products and regions

● Opportunities

- Faster recovery of the mature automotive markets
- Additional growth potential especially in Asia and Eastern Europe
- Opportunities from cooperations
- Strong technological position

● Daimler Group earnings

- 2011 EBIT from ongoing business expected to significantly exceed level of 2010
- First quarter developments have shown that we continue to make good progress toward the targeted rates of return to be achieved on a sustained basis as of the year 2013

Aiming for superior performance

Mission statements and financial targets from 2013 onwards (RoS/RoE* in %)

Mercedes-Benz Cars: “Most successful premium manufacturer“		10
Daimler Trucks: “No. 1 in the global truck business“		8**
Mercedes-Benz Vans: “Most successful van manufacturer”		9
Daimler Buses: “No. 1 in the global bus business”		6
Daimler Financial Services: “Best financial services provider”		17

* Automotive Business: Return on Sales (RoS); Daimler Financial Services: Return on Equity (RoE)

** over the cycle

Mercedes-Benz Cars



Mercedes-Benz Cars Strategy



The most successful car company in the premium and luxury market



Our strategic pillars

Superior Products & Customer Experience

Leading Brands

Innovation & Technology Leadership

Global Presence & Network

Operational Excellence

High Performing, Inspired People

Current topics

- Constantly leading & profitable large cars
- New attractive compact cars (MB/smart)
- Delightful customer care
- Brand positioning and claim
- Green technology leadership
- Global footprint
- Cooperations
- Powerful sales & service organization
- Excellence

GO FOR 10

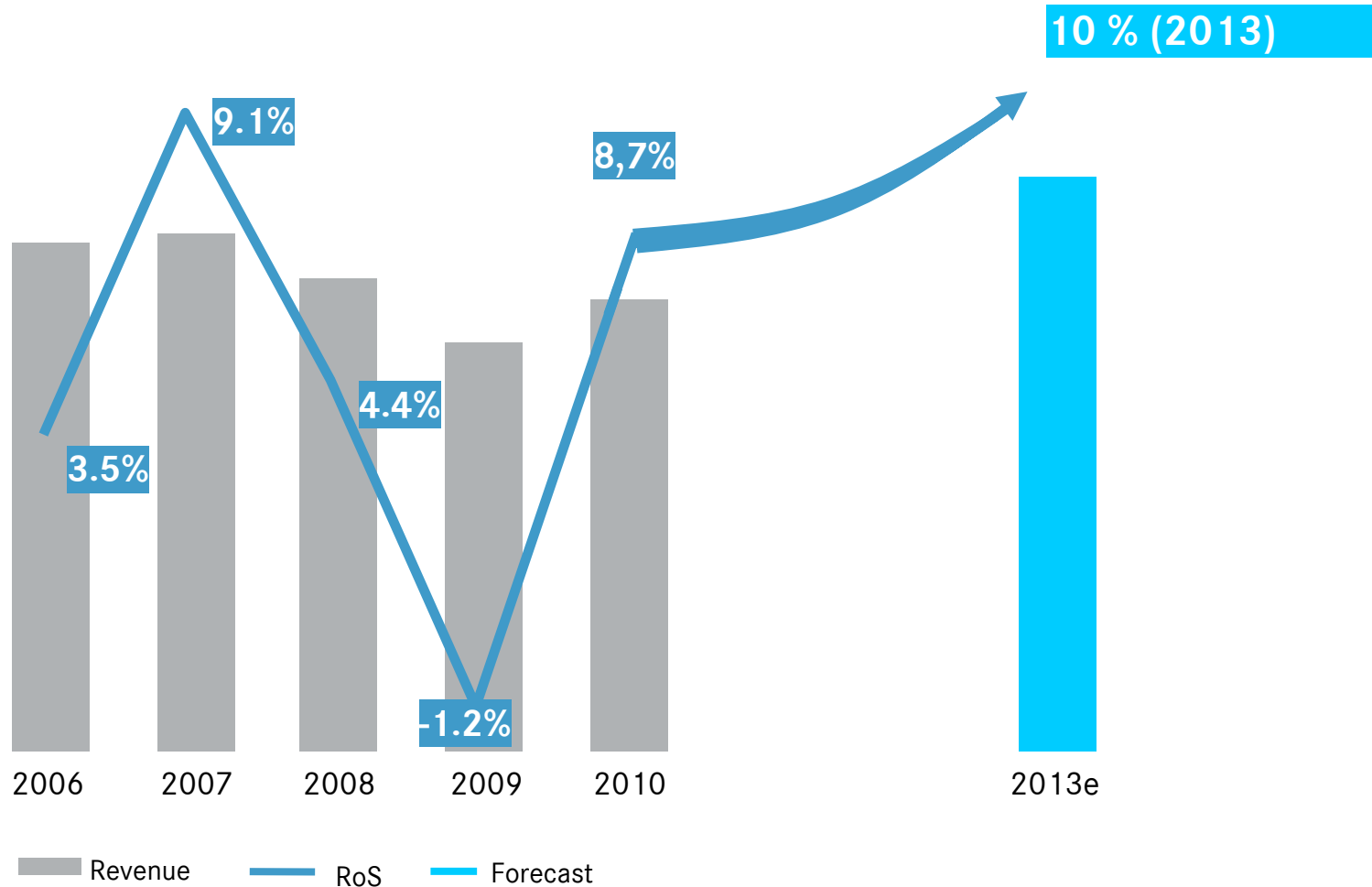
Profitable Growth

10%

RoS

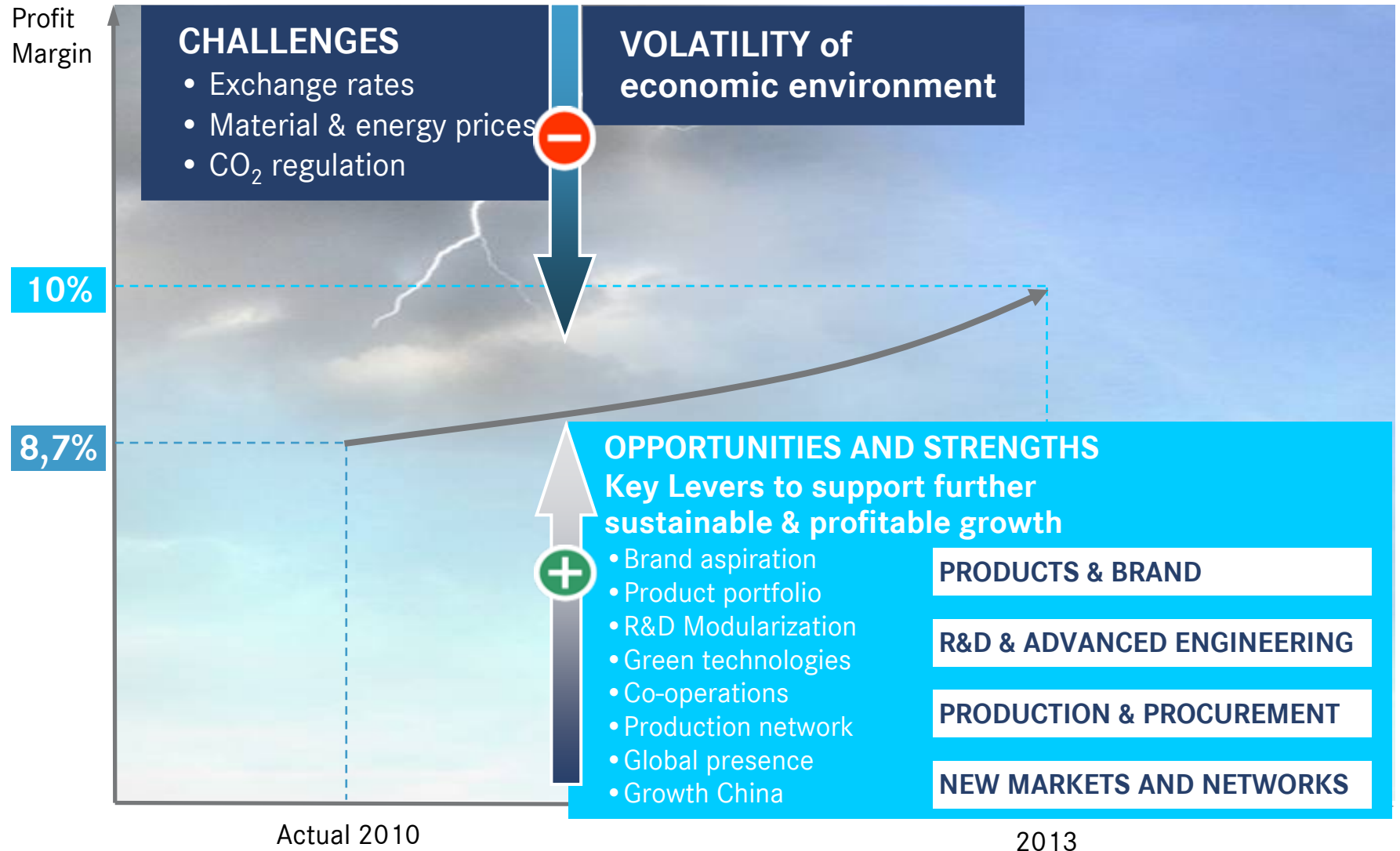
Determined to post 10% return on sales in 2013

Mercedes-Benz Cars Revenue and Return on Sales* [in %]



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

Safeguarding our earnings in a difficult environment



Refining our brand

The new brand aspiration of Mercedes-Benz



New models in 2010/2011



E-Class convertible



SLS



New generation R-Class



New generation
S-Class Coupe



B-Class F-Cell



A-Class E-Cell



S-Class 4-cyl diesel



New generation smart



CLS



New generation C-Class



SLK



E-Class long version



C-Class Coupe



M-Class



B-Class

New generation Mercedes-Benz C-Class



New generation Mercedes-Benz C-Class - Interior



New C-Class Coupe



New C-Class Coupe - Interior



New Mercedes-Benz SLK



New Mercedes-Benz SLK - Interior



Mercedes-Benz Concept A



Mercedes-Benz Concept A - Interior & Connectivity



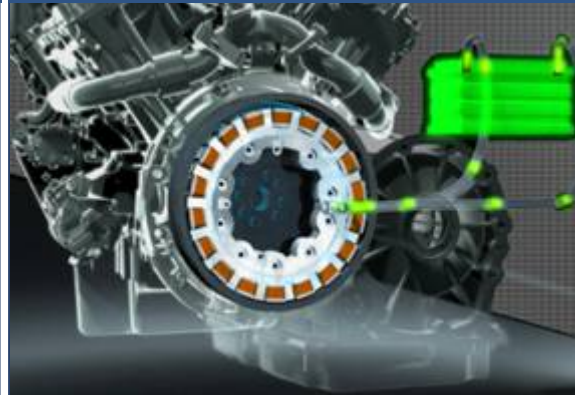
Innovative powertrain systems towards sustainable mobility for the future

Further optimization
of combustion engine



BlueEFFICIENCY
CGI, BlueTec,
Diesotto

Increase efficiency
with hybridization



Hybrid
Range Extender
Plug-In

Locally emission-free
driving



Electric drive
E-CELL/E-CELL PLUS
F-CELL

Clean fuels



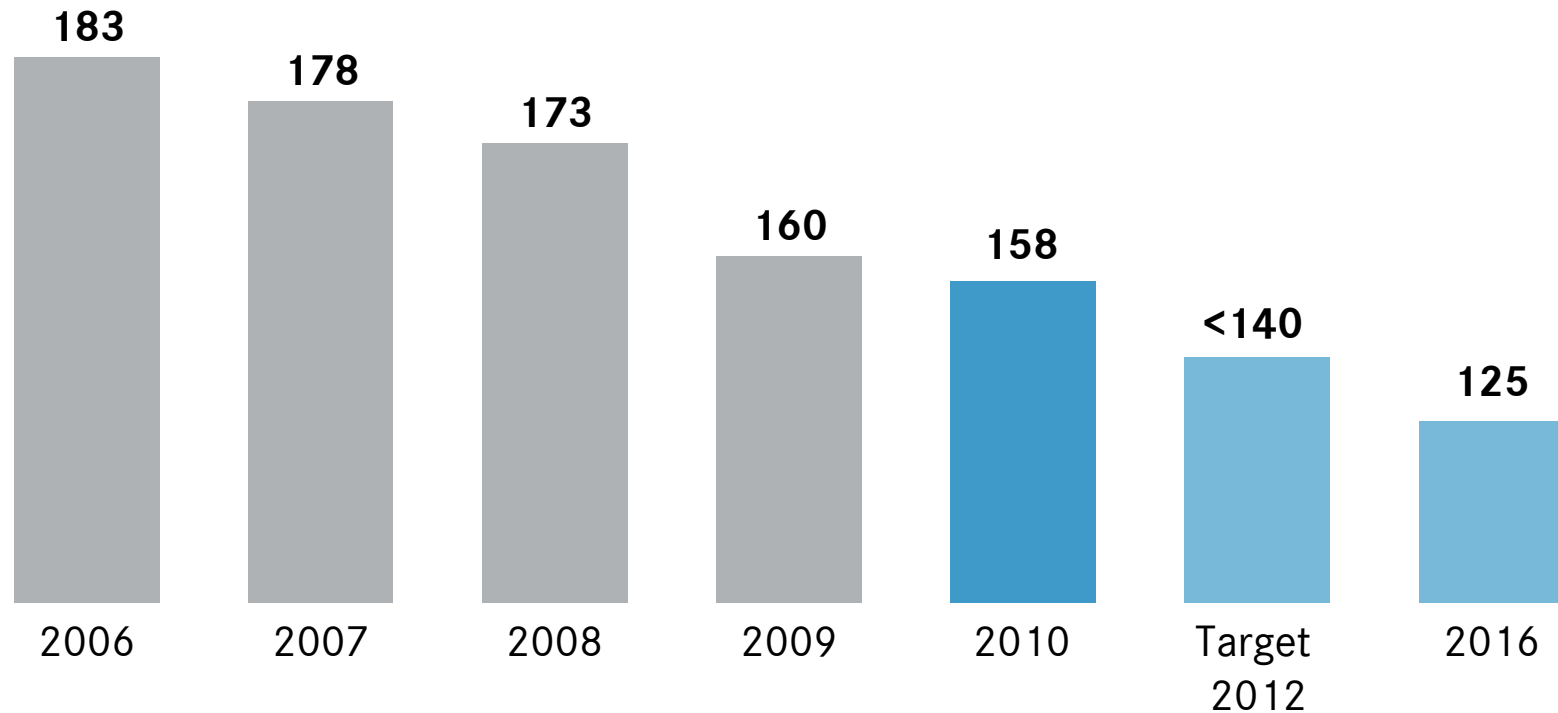
**Energy sources
for future
mobility**

Battery/Fuel cell



Substantially reducing CO₂ emissions

CO₂ fleet average for Mercedes-Benz Cars
[in grams / kilometer]



Our target: zero emission

Recent achievements (examples)



117

gram CO₂/km
4.4 l/100 km

ICE optimization



68

gram CO₂/km
2.9 l/100 km

Hybridization

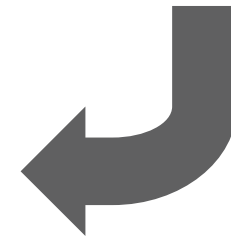
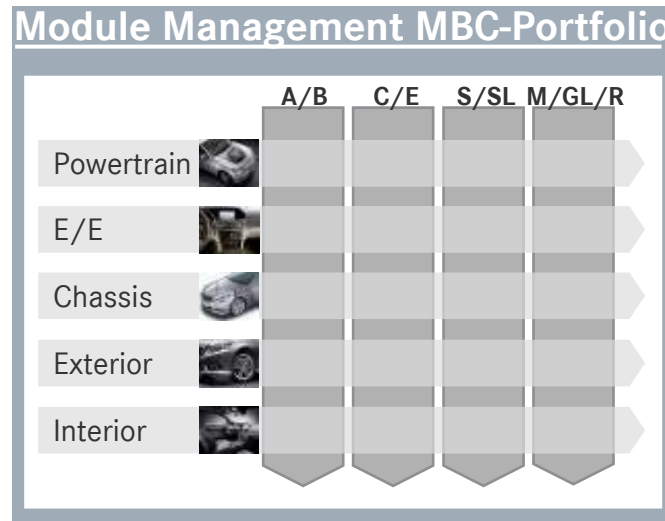
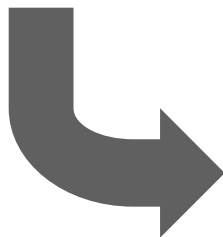
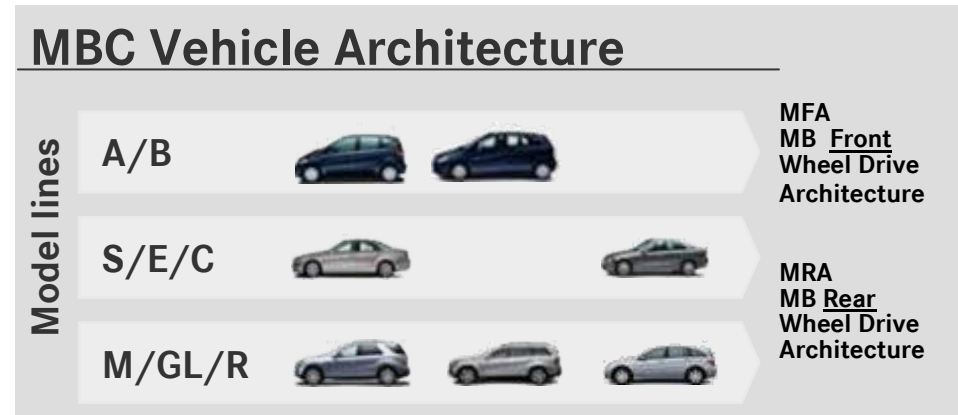
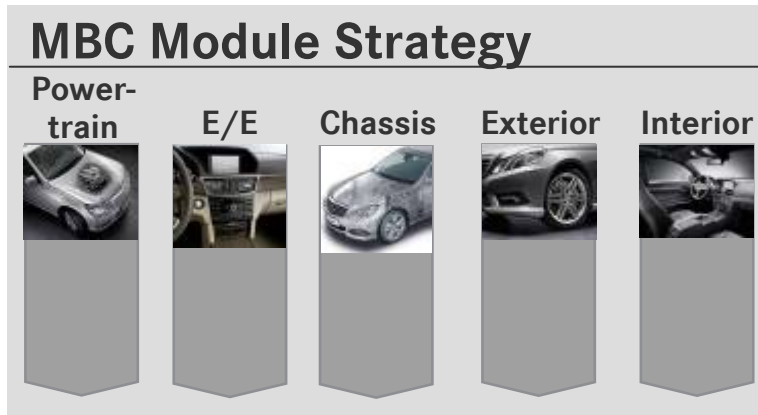


0

gram CO₂/km

E-Drive

MBC vehicle architecture and module strategy enable competitive and cost-efficient product portfolio



Advantage: Less complex, faster to realize , more efficient!

Daimler Module Strategy

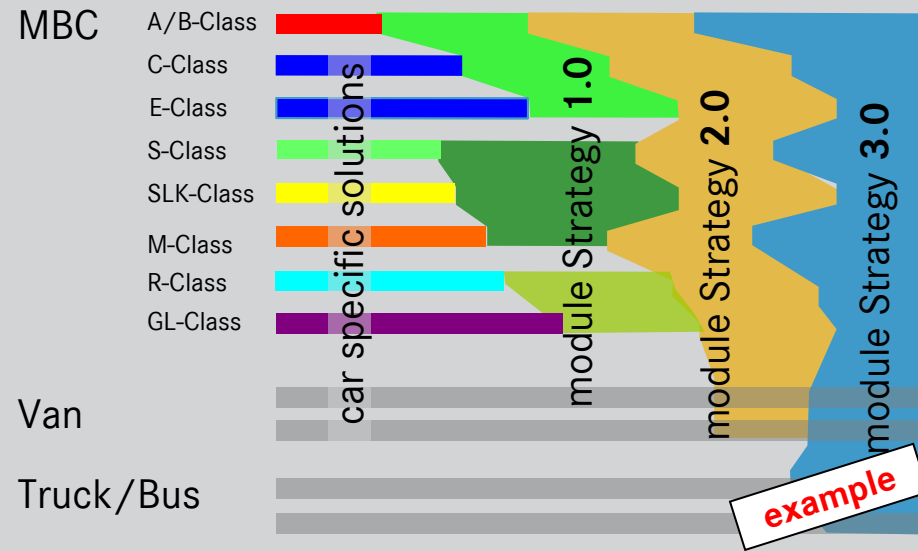
The key to affordable innovations

90 Modules defined for all major components, including eDrive modules



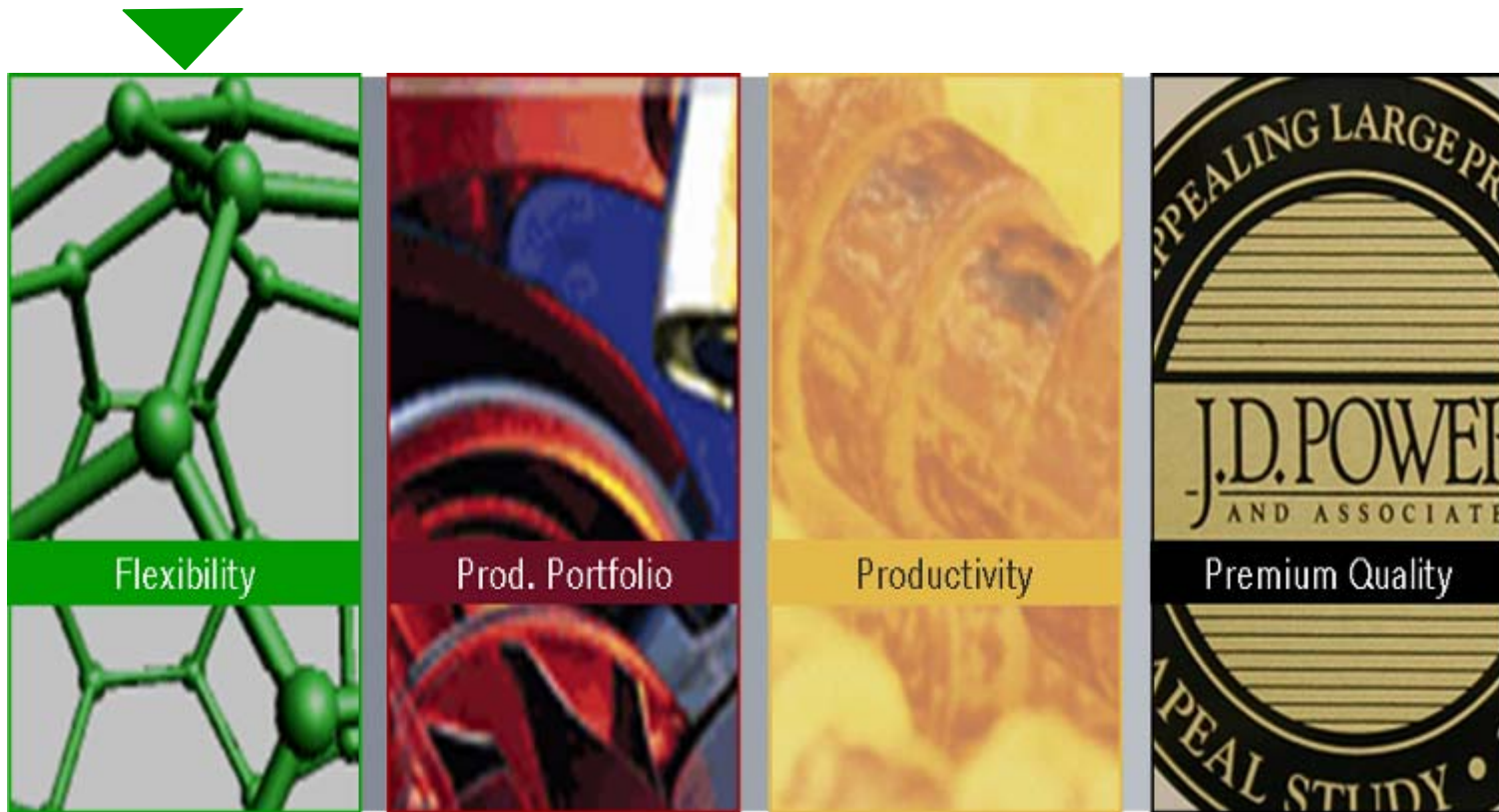
- Modules and sub-modules to be integrated into all major model lines, including Vans, Trucks and Buses
- Operative processes and organization set-up optimized for module strategy
- Larger lot sizes/economies of scale without jeopardizing model differentiation and customization potential

Model lines 2006 2008 2010 2012 2014 2016



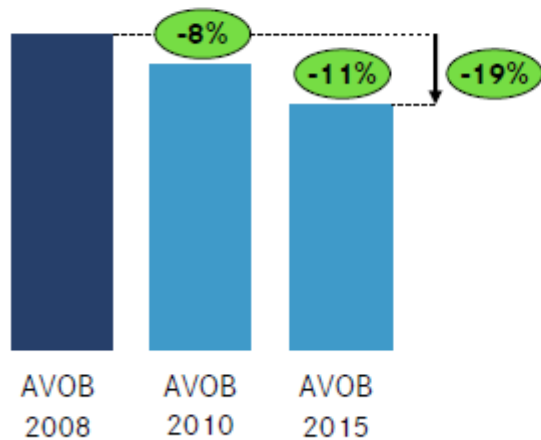
- Quick adaptation of innovations into all products
- Affordable high-tech components
- Extensive testing and experience with modules means Top-Quality
- eHPV significantly decreased
- Substantial Cost benefit

Production Strategy for Operations Cars

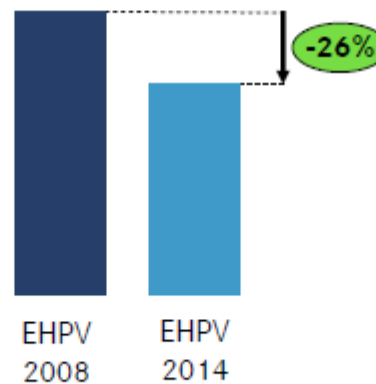


Module strategy leads to significant improvements in terms of production cost, time and quality

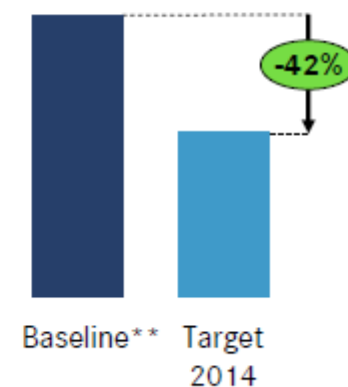
Variable production cost
[million EUR]



eHPV
[minutes]



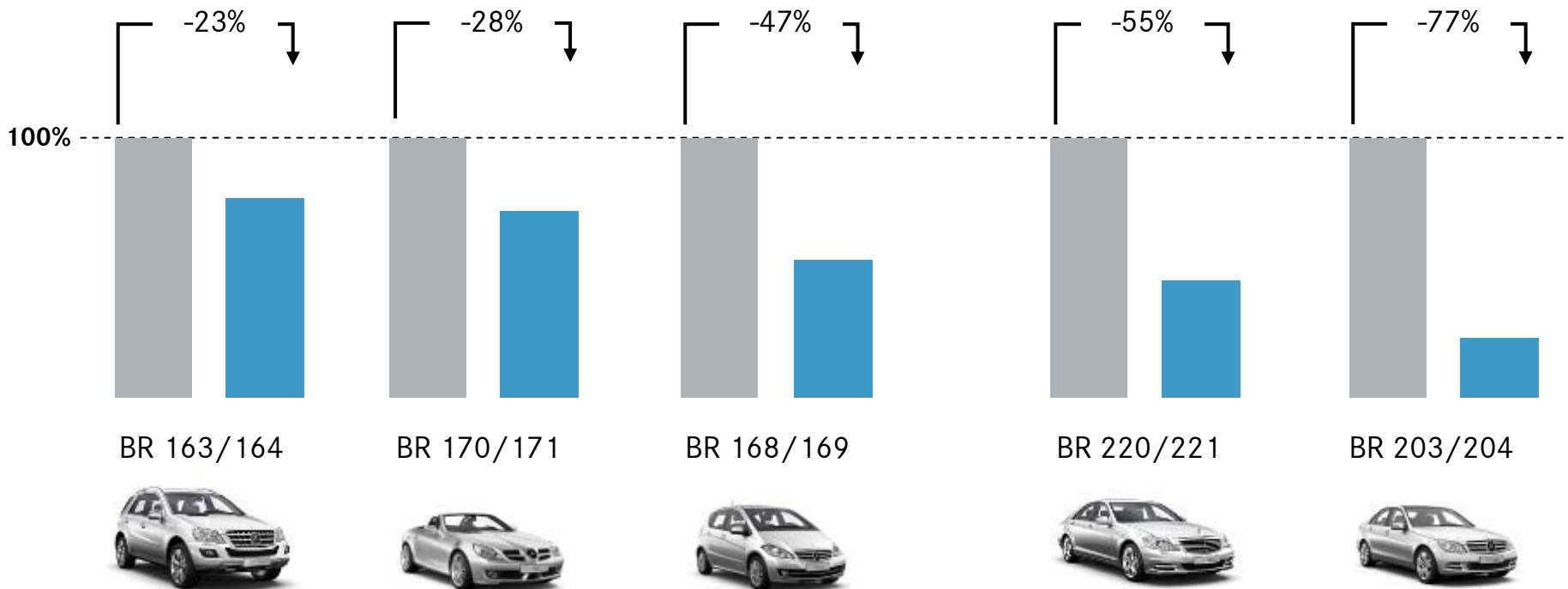
Quality
[FLR/100]



(AVOB = Annual Volume Of Business of components within module strategy)

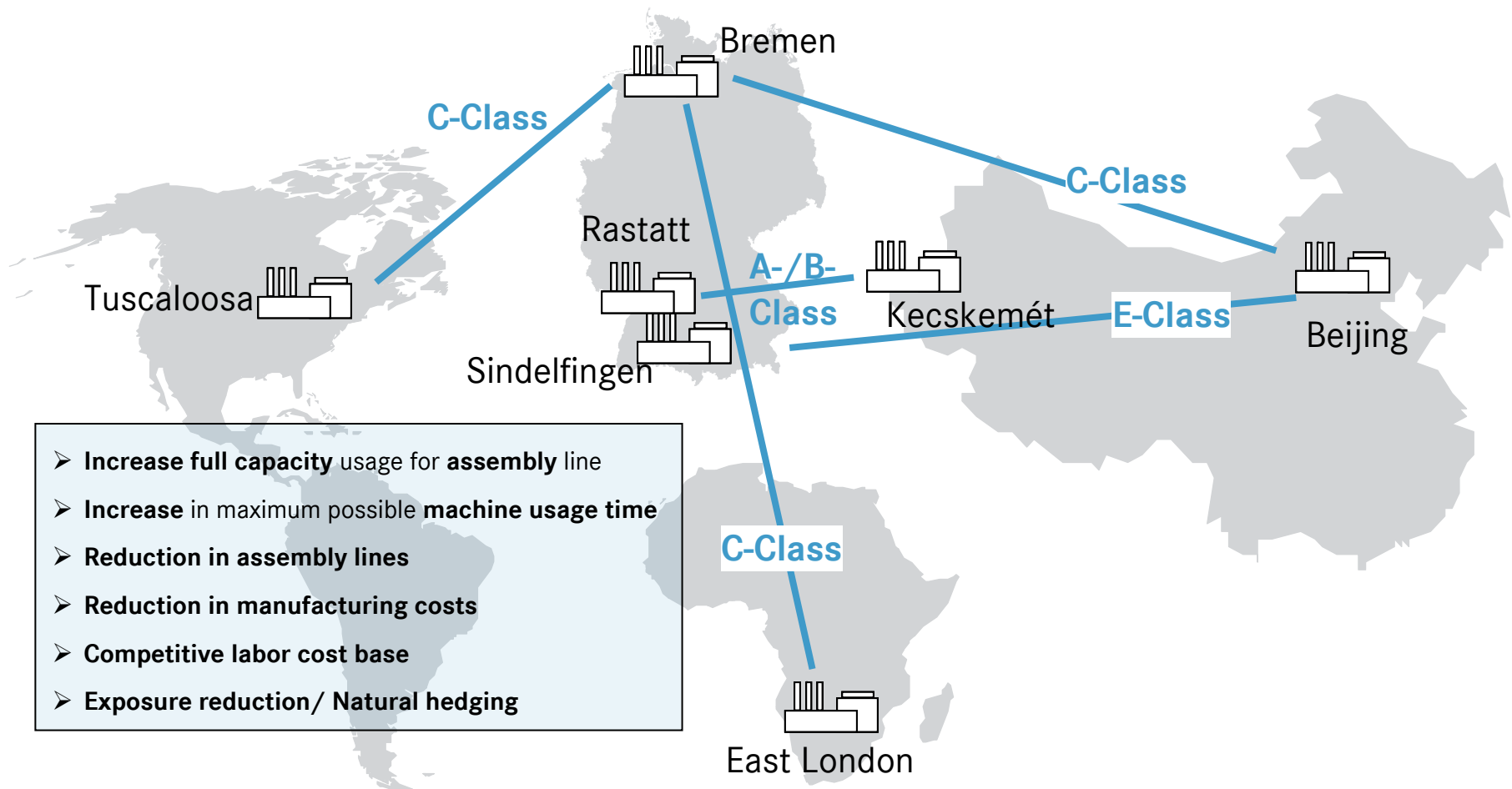
Results of consistent ramp up quality management

Warranty & Goodwill Costs 12 Month in Service – First Production Year



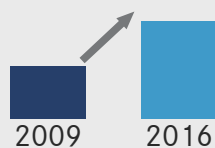
Global production network realigned

Selected Mercedes-Benz Cars production locations and their products as of 2014

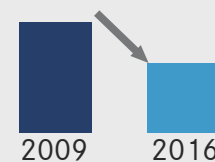


Benefits of the new MBC production structure

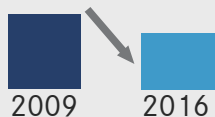
**Production closer
to sales markets**



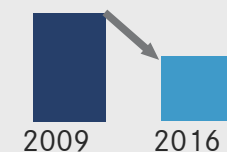
**Net exposure
falls**



**Logistical costs
and duties fall**



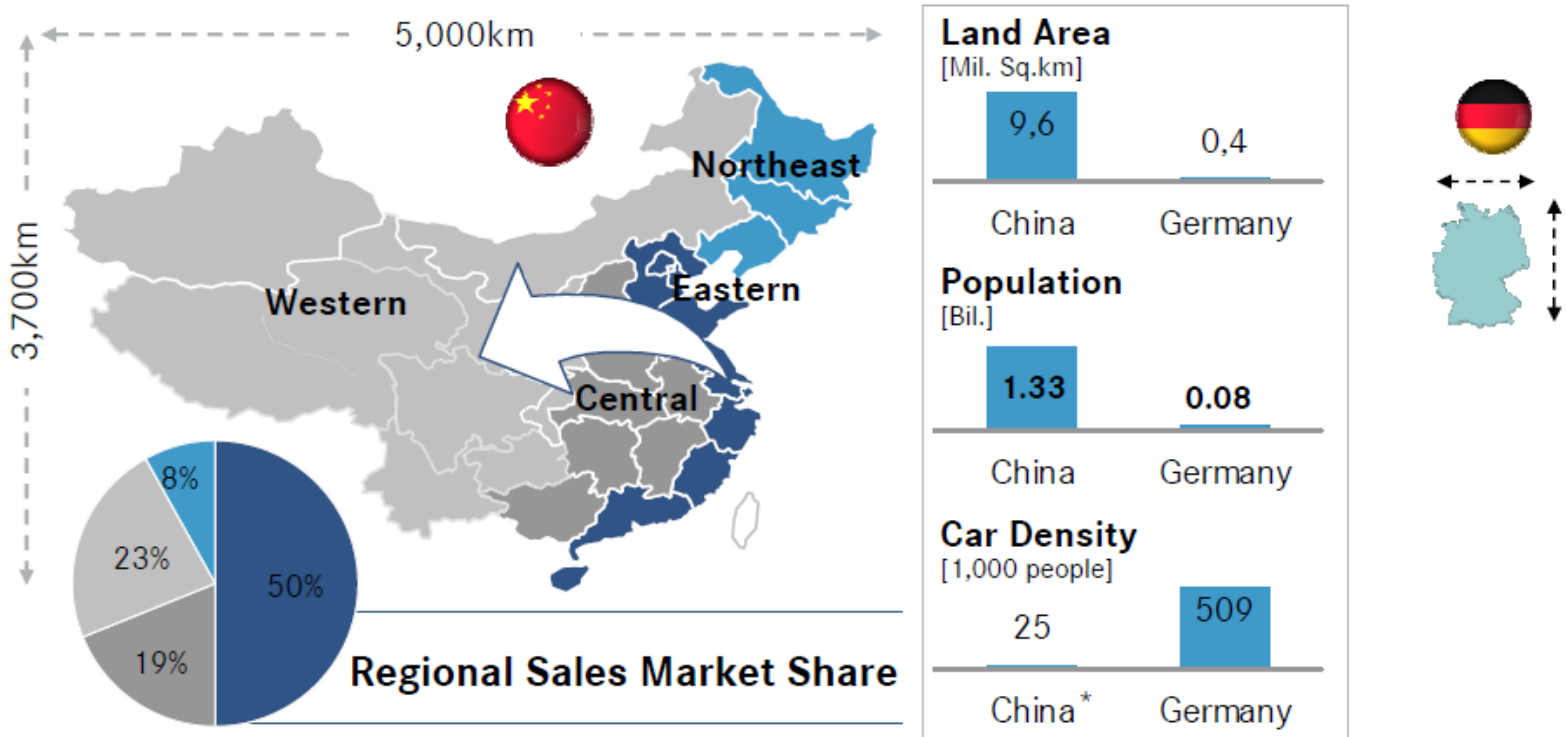
**Competitive
labour cost base**



Mercedes-Benz Passenger Cars with continuous strong sales momentum in Q1 2011 - Group Sales YTD Q1 2011 -



China Automotive Market has great future growth potential

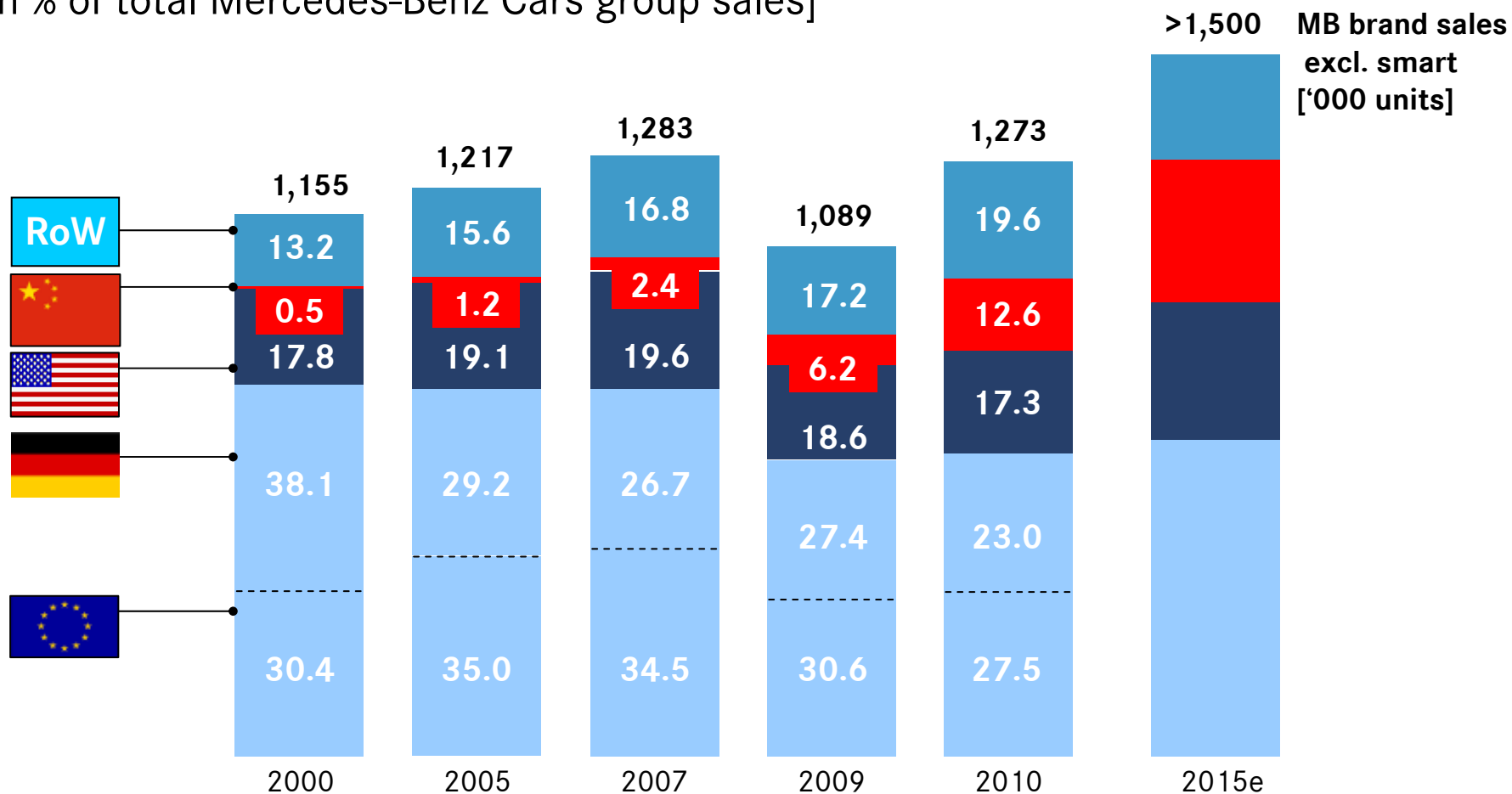


Regional differences and low car density provide great potential for future growth

* Beijing with density of 228

Sales getting more balanced

Share of different markets
[in % of total Mercedes-Benz Cars group sales]





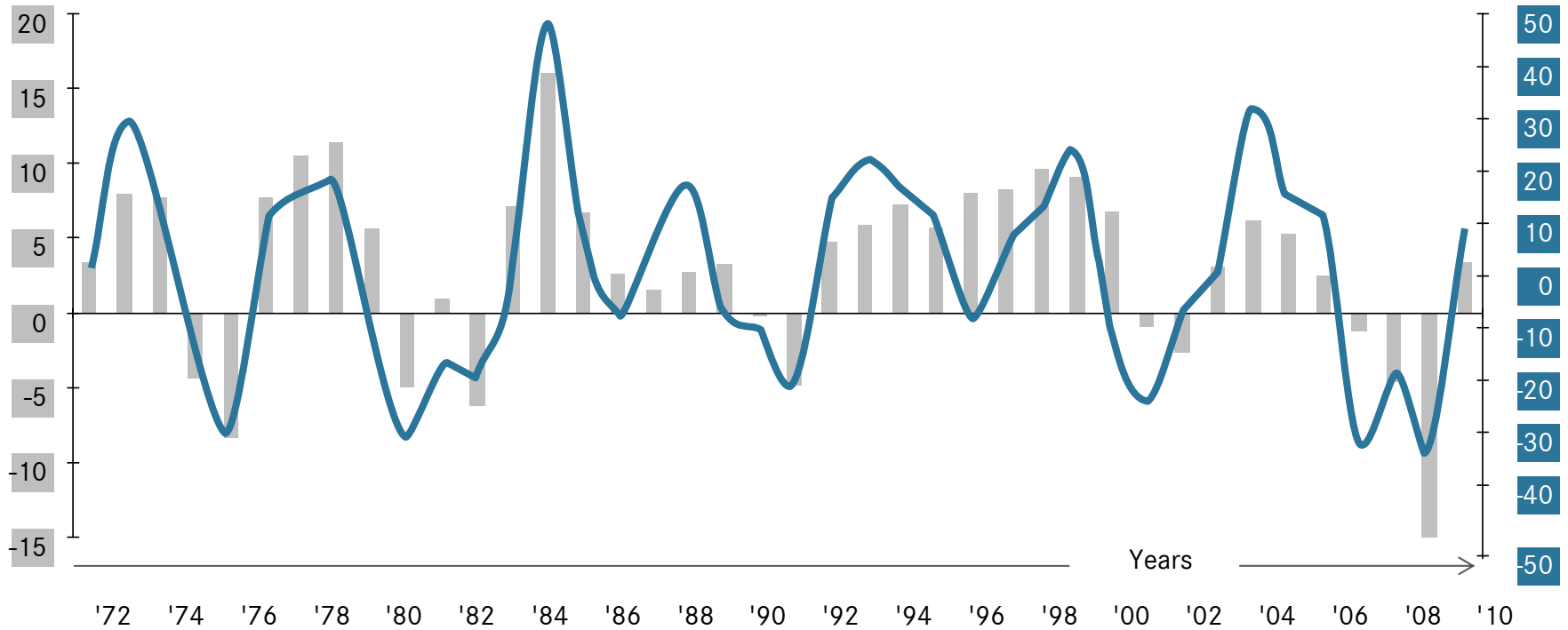
**Daimler Trucks
Size DOES matter!**



Economic growth means truck growth

Fixed Investment
YoY in %

US Truck market
development
(M/HDT)
YoY in %



Daimler Trucks as the global number 1, Market leader in Europe and Nafta region

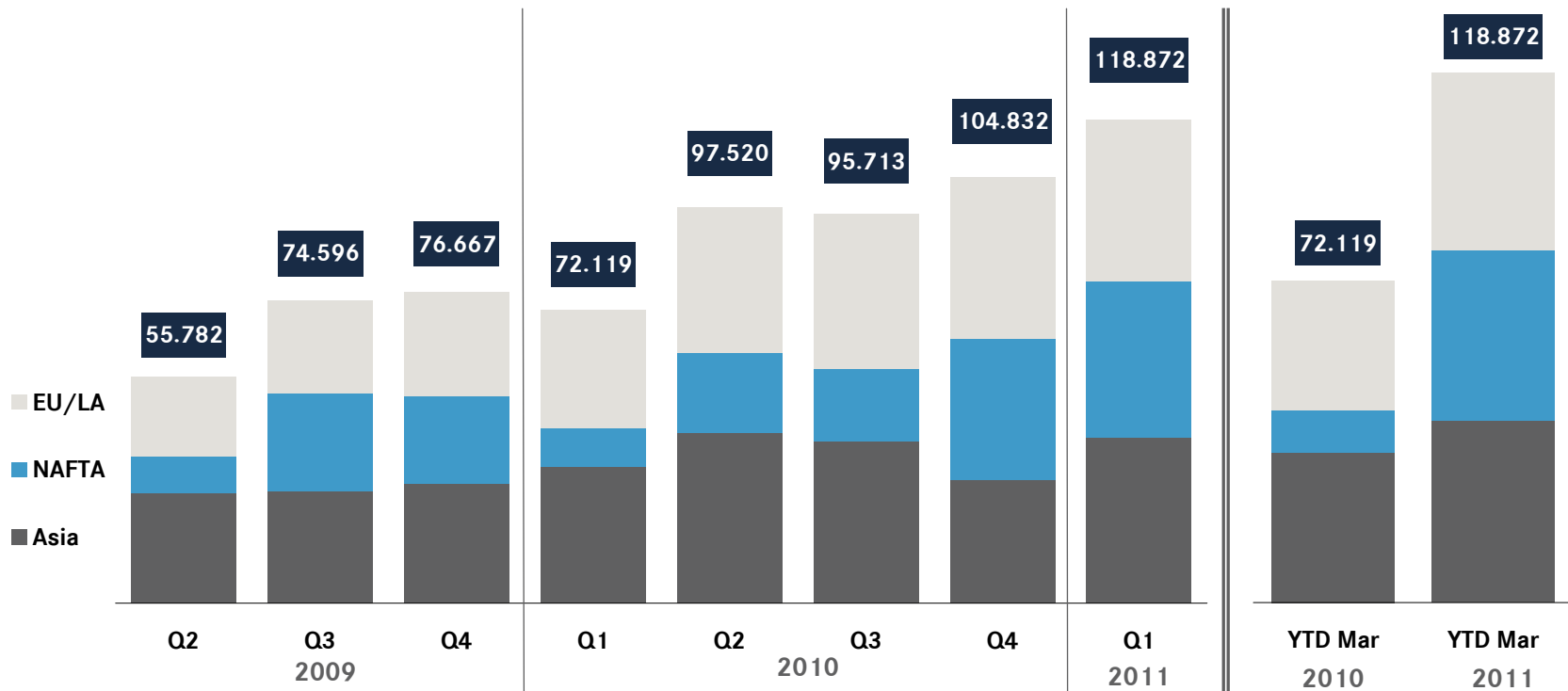
SoM (in %)

	Actual Q1/2010	Actual Q1/2011	Act Q1/2011 vs. Act Q1/2010		
Trucks EU/LA					
EU 29 Trucks (HDT)	20.0%	18.4%	-1.6%-pts.	➤	EU 29
EU 29 Trucks (MDT)	28.0%	30.1%	+2.1%-pts.		No. 1
Brazil Trucks (HDT)	23.5%	26.7%	+3.2%-pts.		MB
Brazil Trucks (MDT)	28.6%	26.8%	-1.8%-pts.		20.3%
Trucks NAFTA					
NAFTA Cl. 8 Trucks	32.4%	37.0%	+4.6%-pts.	➤	Brazil
NAFTA Cl. 6-7 Trucks	27.8%	37.4%	+9.6%-pts.		No. 2
Trucks Asia					
Japan Trucks (HDT)	16.3%	20.1%	+3.8%-pts.	➤	MB
Japan Trucks (MDT)	12.7%	14.5%	+1.8%-pts.		26.7%
Japan Trucks (LDT)	18.4%	21.1%	+2.7%-pts.		NAFTA
					No. 1
					DTNA
					37.1%
					Japan
					No. 3
					Fuso
					19.5%

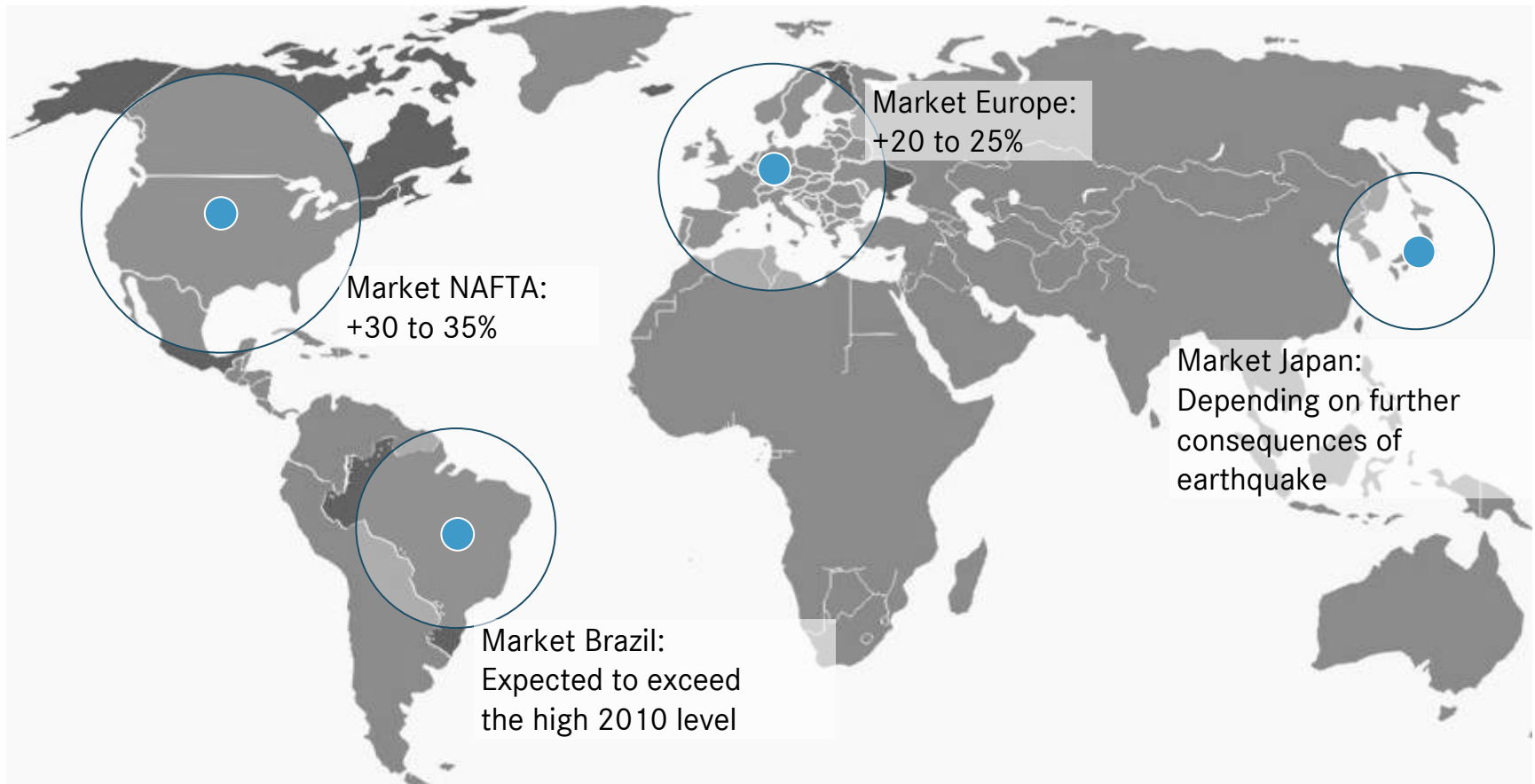
N.B: Figures may not tie due to rounding; Brazil method change based on registrations; Ranks: HDT/MDT, Nafta: Class 6-8, Japan: HDT/MDT/LDT

In Q1/2011, highest incoming orders since Q1/2008, leading to a Book-to-Bill ratio of 133%

Incoming Orders
- in units -



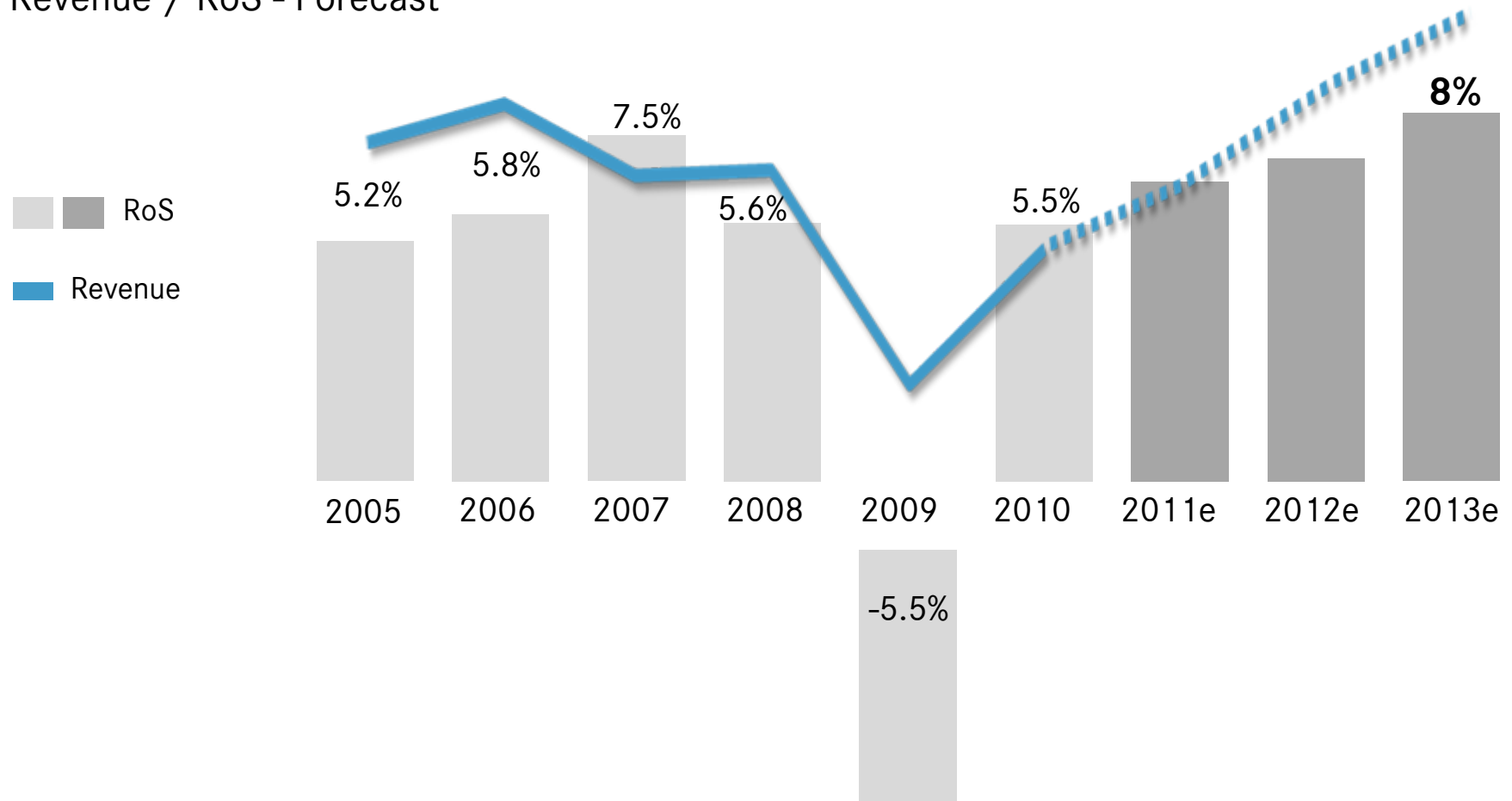
Outlook - FY 2011: Strong sales performance in recovering environment



GET to 8!

Daimler Trucks is determined to reach 8% RoS in 2013

Revenue / RoS - Forecast



Staying the course: Global Excellence

Daimler Trucks Global Excellence

- 1 Management of Cycles
- 2 Operational Excellence
- 3 Growth and Market Exploitation
- 4 Future Product Generations



Cycle management complete in NAFTA: Production flexibility in Mexican and US plant network



Increase in Cascadia flexible capacity by ~ 100% while lowering total network cost



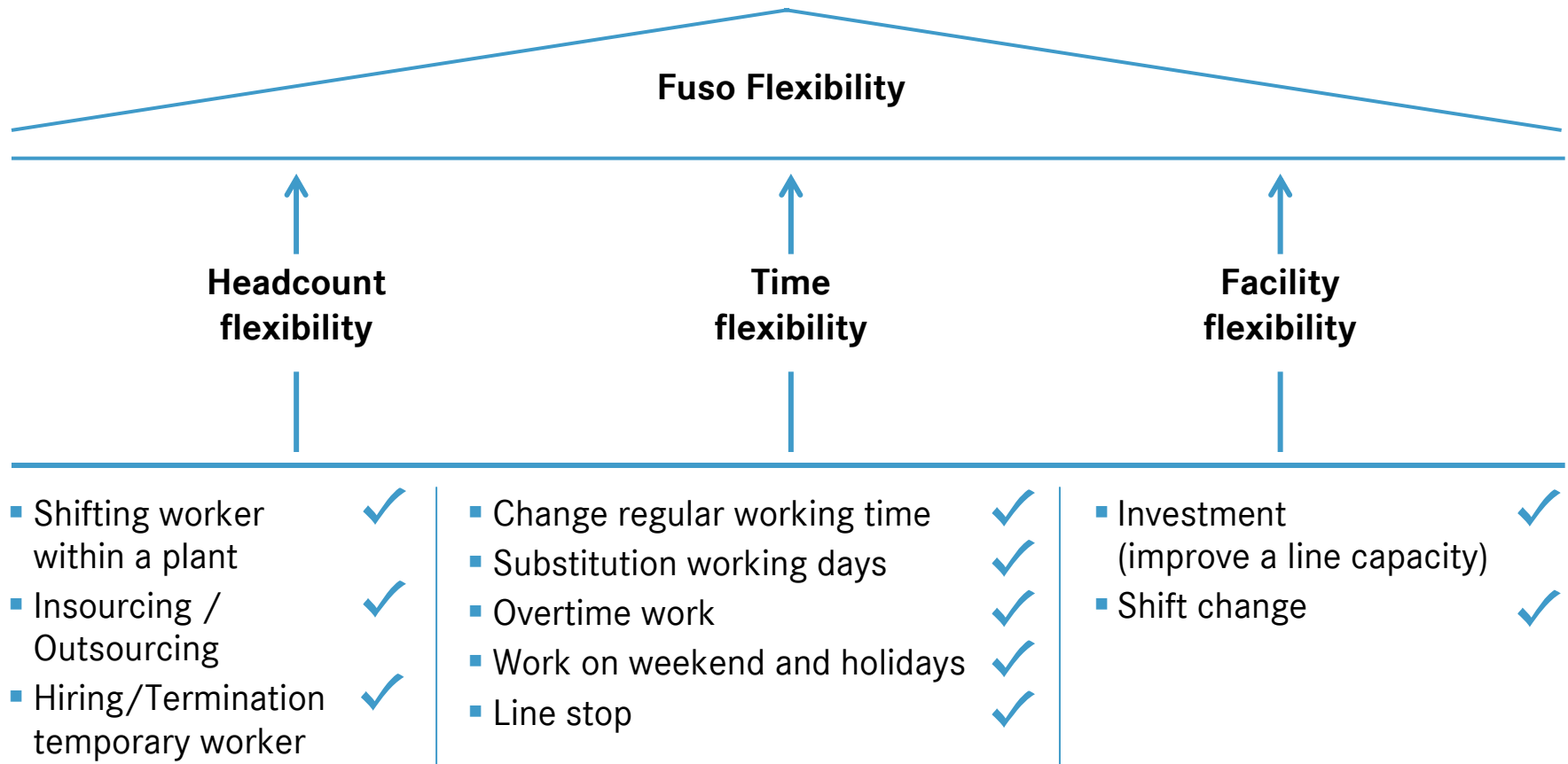
Maximize Military flexible capacity while decreasing per unit cost across entire network



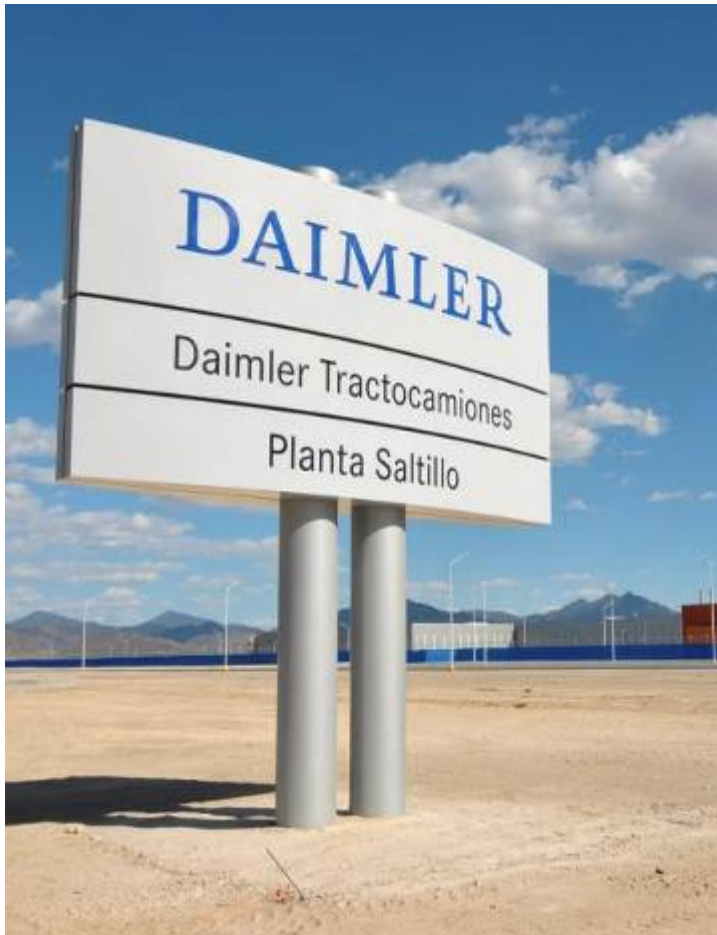
Maximize Medium duty flexible capacity while not increasing per unit cost across entire network



High flexibility at Fuso



State-of-the-art plant in Mexico, Know-how transfer through Truck Operating System



Global Footprint / Local Expertise



Growth in traditional markets: Investment in plant Aksaray / Actros “Made in Turkey”



“
AKSARAY”

**Guinness'e giren kamyon
12 milyon euro yatırımla
Aksaray'da üretilecek**



Actros kamyonlar Aksaray'da üretilmeye başlayacak



Otomotiv devi Mercedes-Benz, Türkiye'ye yeni görev verdi. Düşük yakıt tüketimiyle Guinness Rekorlar Kitabı'na giren Mercedes'in kamyonundaki amiral gemisi ve en pahalısı Actros, 12 milyon euro'luk yatırımla artık Türkiye'de üretilcek

”

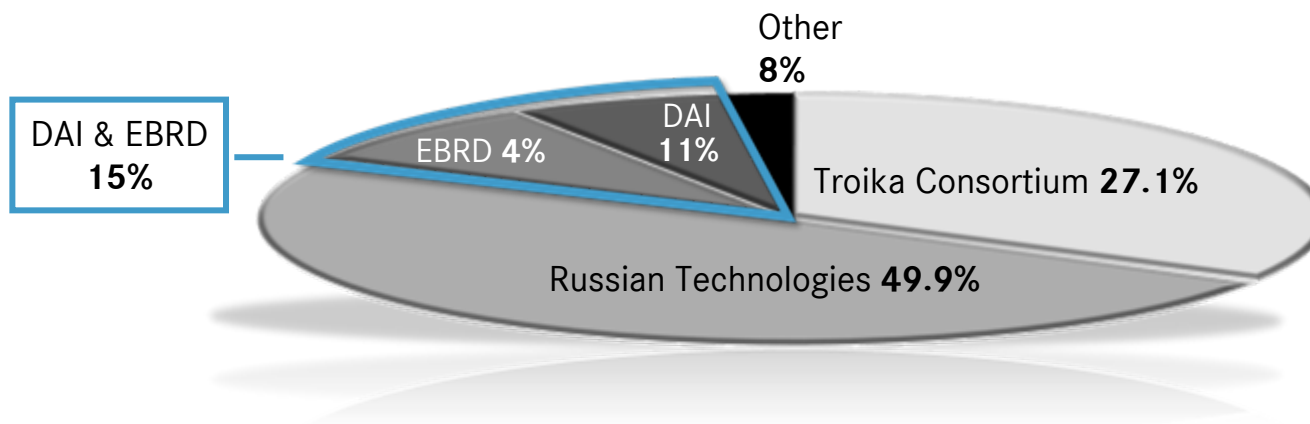
Juiz de Fora transformation into full-fledged CV plant, Actros on-road launch in Brazil, Nationalization started



- Products (2011): Actros and Accelo
- Planned capacity: 15,000 units
- Employment: 1,500 people
- Space: 2.8 mill. sqm
- HDT segment (+63% in 2010) is fastest growing Brazilian market segment
- Market introduction 2010: Actros on-road (CBU)
- Target: 60% nationalization within three years

Russia: Good progress in strategic partnership with Kamaz!

Strategic Partnership with Kamaz



India: New brand for Daimler Trucks: “BharatBenz”



One name will say it all.

Excellence. Strength. Reliability. Prosperity.

In 2012, India's trucking industry will awaken to a name that stands for all this, and much more: BharatBenz.

A name that symbolises a commitment to India from Daimler, the world's leading truck maker, BharatBenz brings with it an investment of over ₹ 4,400 crores in a state-of-the-art manufacturing facility near Chennai, a rich legacy of world-class trucks, and a complete understanding of the requirements of the Indian trucking industry.

Soon, Daimler will begin production of BharatBenz trucks that are made in India, for Indian needs, and deliver on an undisputed reputation for the best in quality, technology, reliability and value. Trucks that are derived from the genes of the world's most respected brands, like Mercedes-Benz, leaders in heavy duty trucks, and Fuso, the frontrunners in light duty trucks.

India's trucking industry will embark on a journey of prosperity. And one name shall lead the way.



BHARATBENZ

China: Making headway with Foton

Frankfurter Allgemeine
ZEITUNG FÜR DEUTSCHLAND

Daimler baut Lastwagen in China

Kooperation mit Foton Motor

THE WALL STREET JOURNAL

Daimler, Beiqi Foton Ink Deal On China Truck Joint Venture



CHINA DAILY

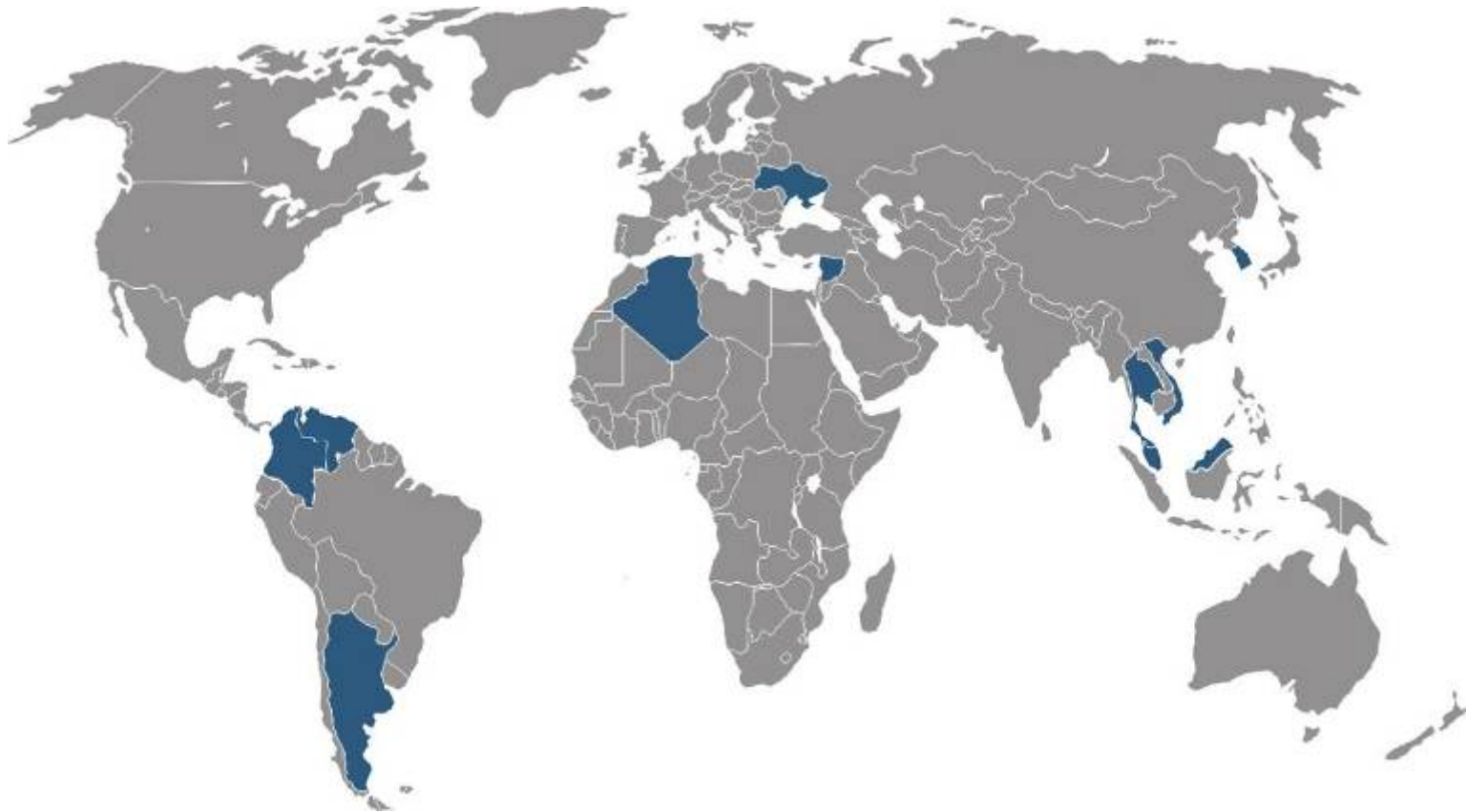
Daimler in truck deal with Foton

Börsen-Zeitung
Zeitung für die Finanzwirtschaft

Daimler gelingt Durchbruch in China

Daimler Trucks “Future Focus Markets”

- Algeria
- Argentina
- Columbia
- Malaysia
- South Korea
- Syria
- Thailand
- Ukraine
- Venezuela
- Vietnam



Most comprehensive product launch ever



Coronado



Canter



Atego



New Atego/Axor



Fuso Super Great



Fuso Fighter



2010

2011 - 2013

Significant product launches at all Operating Units in 2010, Fuso with completely new product portfolio



Coronado

Super Great

Fighter



Atego

Axor

Atego HEV

Canter

New FTL Severe Duty (SD) Lineup

108 SD Set Back



108/114 SD Set Back Lineup



114 SD Set Forward

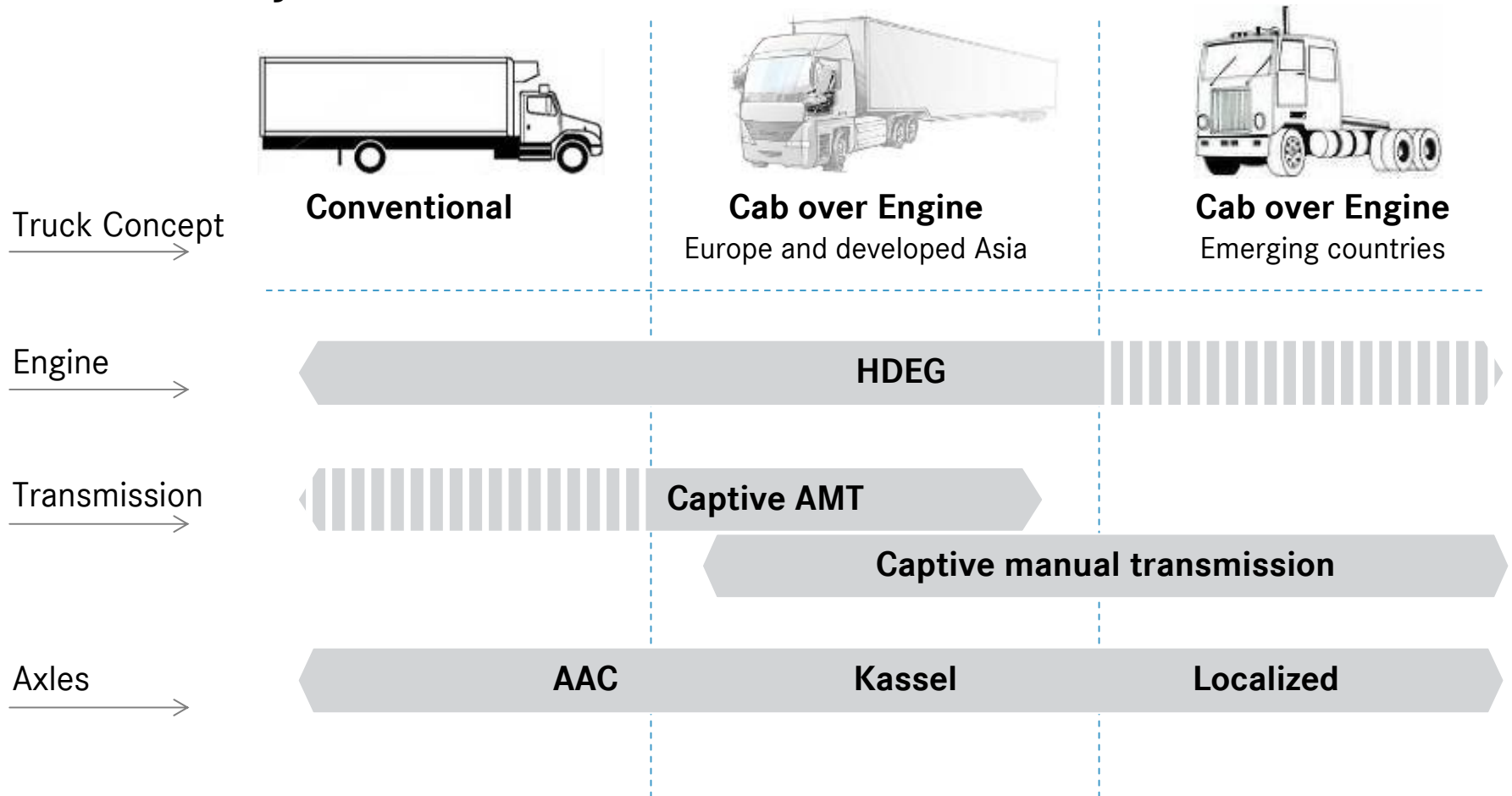


114 SD Set Forward (MATS)



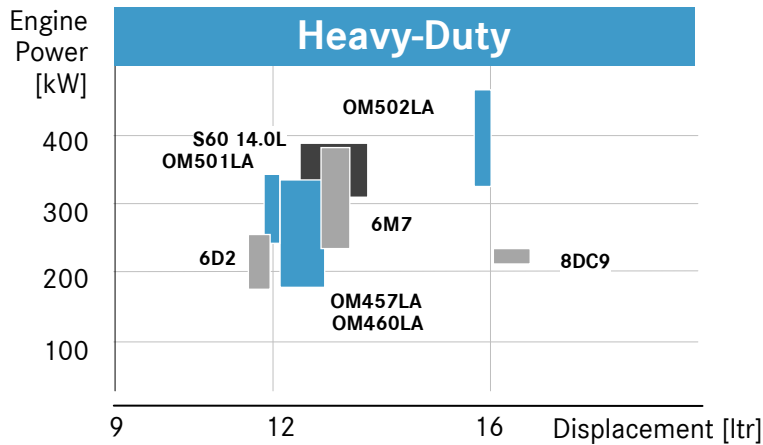
Commonality – Modular truck concept: Unified aggregates for different truck concepts

Commonality

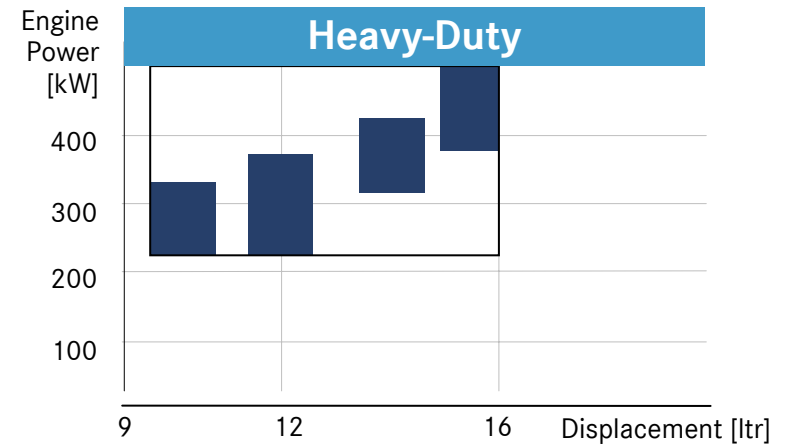


Commonality – HDEG: Substitution of multiple platforms by global platforms

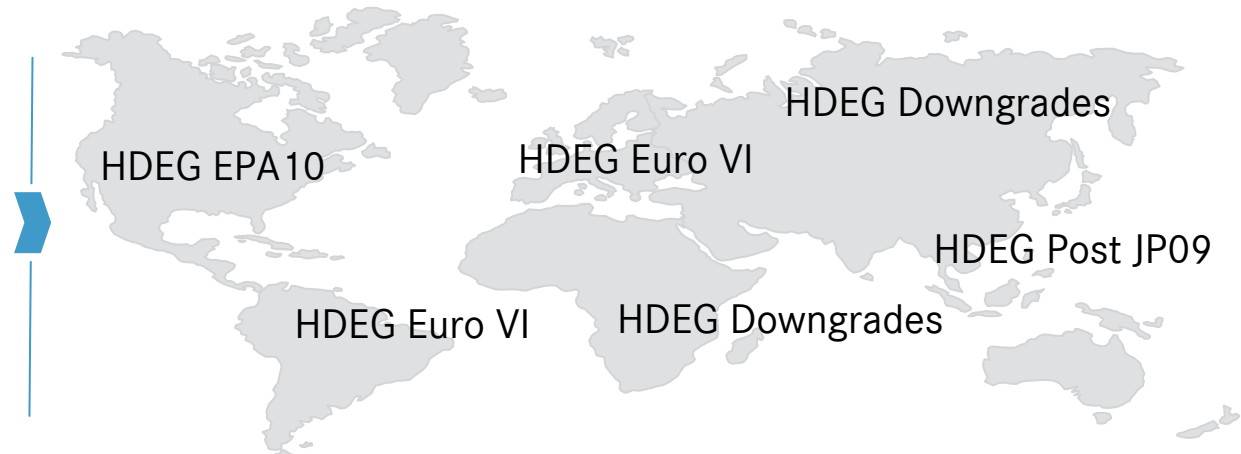
Current Engine Portfolio



Future Engine Portfolio



Market Introduction HDEG EPA07 North America



Heavy-Duty Engine Generation: Start of Production in Mannheim on March 17, 2011

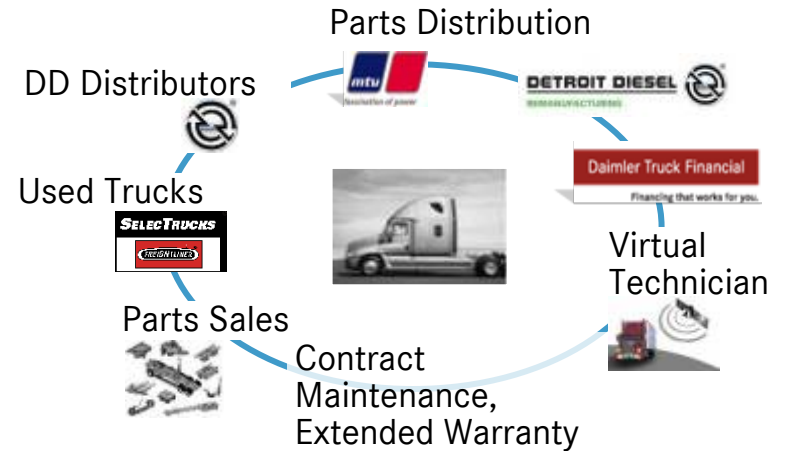


Trucks supported by comprehensive service portfolio

Trucks EU/LA



Trucks North America



Trucks Asia

Domestic Retail Program

Advertisement for the Domestic Retail Program in Asia. It features a poster with the text "Good サポート 宣言!" and "安心・安全 走行時！要付". To the right are three blue boxes with white text: **Reliable Full-Support System**, **Safety Expert Knowledge & High Technical Capability**, and **Reasonable Reliable Warranty by Fuso**. A white Fuso truck is shown in the background.

International "WE PROMISE" Program

Advertisement for the International "WE PROMISE" Program. It features two posters. The left poster shows a person and a truck with the text "FUSO" and "Australia's top truck brand". The right poster shows a handshake and the text "KAWASAKI".

"TCO" = Key Buying Criteria: 90% of costs occur after truck purchase

Size DOES matter!

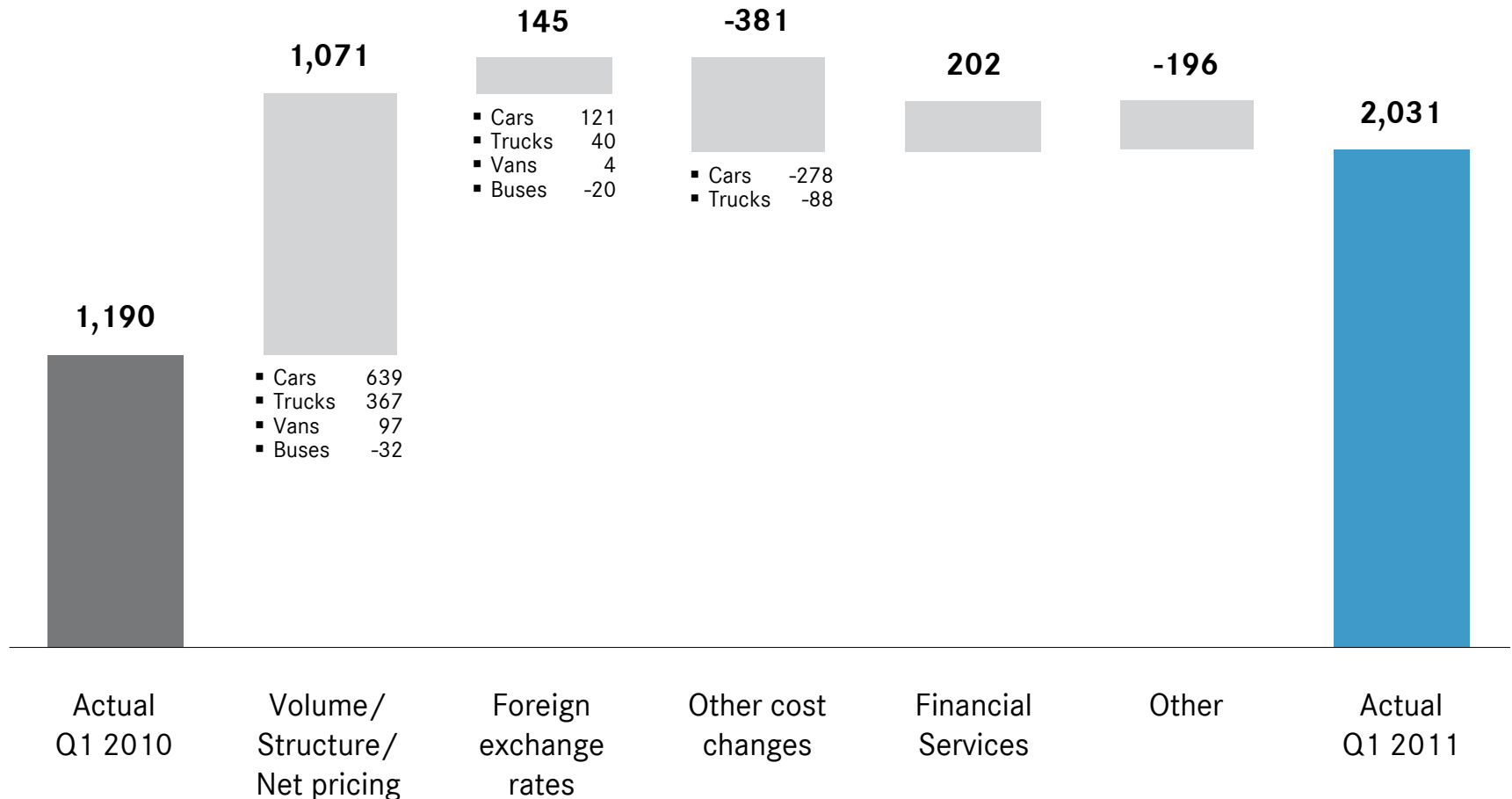


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Appendix

Group EBIT in Q1 2011

- in millions of euros -



Special items affecting EBIT / A400M

- in millions of euros -

	1st quarter	
	2010	2011
Daimler Trucks		
Natural disaster in Japan	-	-49
Repositioning of Daimler Trucks North America	-12	-
Repositioning of Mitsubishi Fuso Truck and Bus Corporation	-5	-
Daimler Financial Services		
Natural disaster in Japan	-	-29
Sale of non-automotive assets	-46	-
Reconciliation		
Sale of equity interest in Tata Motors	265	-
A400M military transport aircraft	-237*	-

* Charges related to the A400M military transport aircraft of EADS are not considered in the calculation of EBIT from ongoing business

Further increase in net industrial liquidity in Q1 2011

- in billions of euros -



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 adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our funding possibilities on the credit and financial markets; events of force majeure, including, amongst others, natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchases, production or financial services activities; changes in currency exchange rates; a shift in consumer preference towards smaller, lower margin vehicles; or a possible lack of acceptance of our products or services which may limit our ability to implement prices as well as to adequately utilize our production capacities; price increases in fuel or raw materials; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook of companies in which we hold a significant equity interest, most notably EADS; the successful implementation of strategic cooperations and joint ventures; 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 conclusion 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. 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.