

# DAIMLER

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## **Mercedes-Benz Cars Sales and Marketing Strategy**

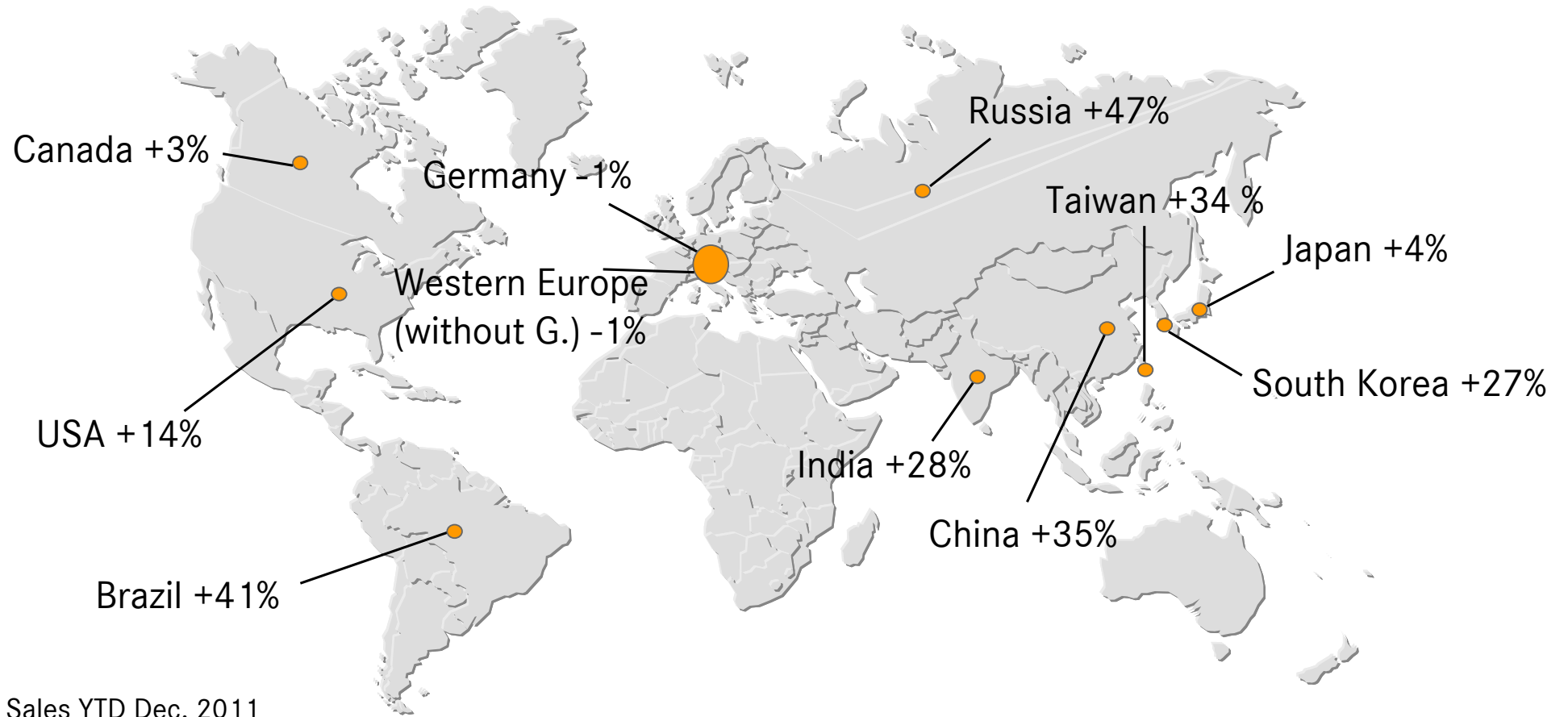
MBC Division Day 2012

Dr. Joachim Schmidt

Executive Vice President Mercedes-Benz Cars, Sales and Marketing

Kecskemét, March 29, 2012

# With 1,279,100 units sales of Mercedes-Benz Passenger Cars up 9% worldwide in 2011



Group Sales YTD Dec. 2011

# Successful across all segments – strong end of lifecycle for B- and M-Class

Group Sales YTD  
December 2011



Compact segment  
192,000 (-14%)



C-Class segment\*  
412,000 (+20%)



E-Class segment  
340,000 (+3%)



S-Class segment  
81,000 (+0%)



SUVs\*\*  
254,000 (+25%)



smart  
100,000 (+6%)

\*w/o GLK  
\*\*incl. GLK

## The smart story continues!

Sales of smart fortwo increased by +6% to 100,000 units in 2011

**smart defended segment leadership  
in Germany with 29.000 deliveries**

**Italy still 2nd biggest market  
with 24,000 units**

**More than 11,000 units delivered to  
Chinese customers**

**Very high growth rates also e.g.  
in Mexico, the Netherlands, Poland  
and Czech Republic**





# Current performance and our targets for 2012



# Firework of new products at Detroit Motor Show and in Geneva



**New SL**



**E-Class Hybrids**



**smart for-us**



**New A-Class**



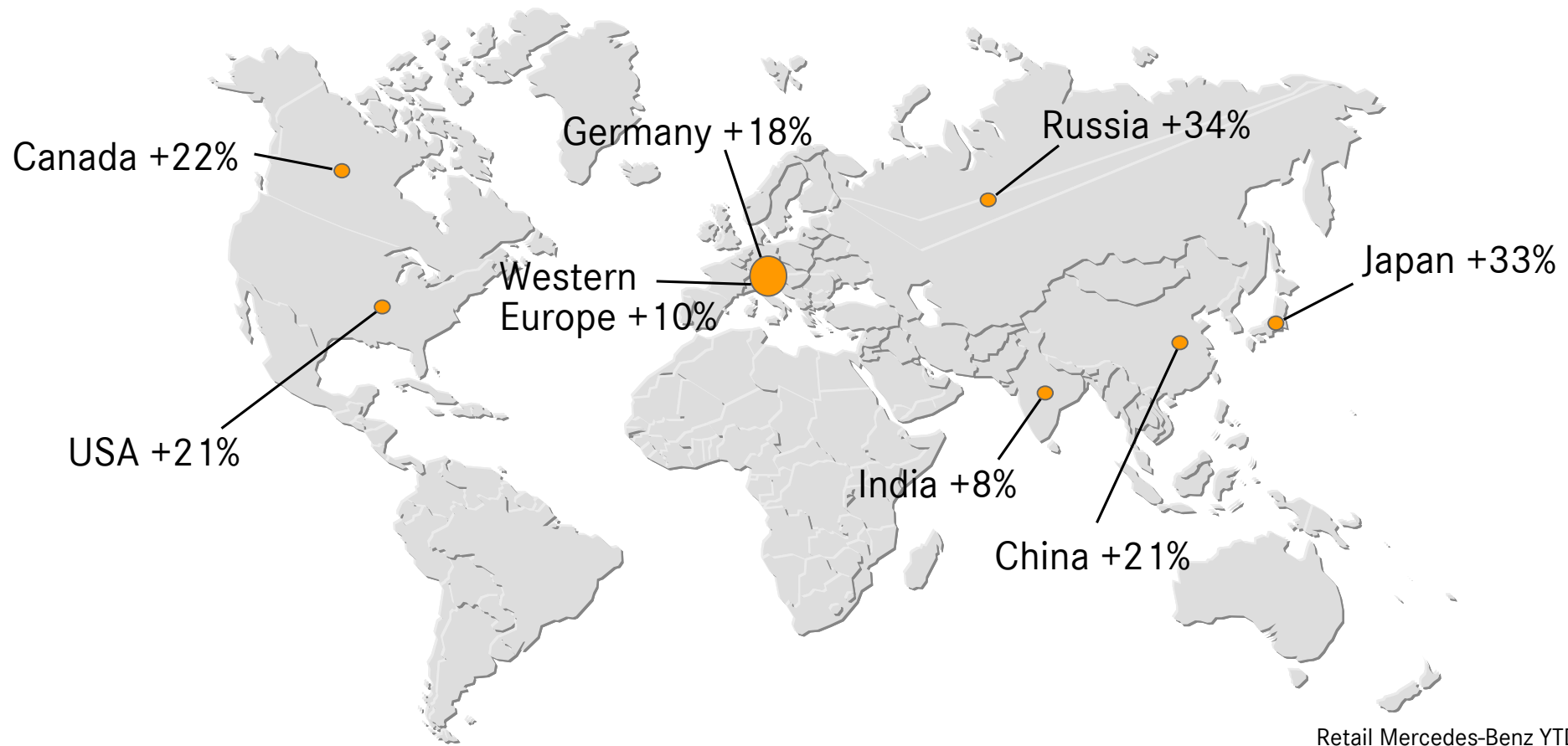
**C-Class Sport**



**smart brabus electric drive**

Current performance 2012

# New sales record in Jan.-Feb. 2012 with 182.600 units (+13%) and strongest growth of all premium competitors



Retail Mercedes-Benz YTD Feb. 2012



Current performance 2012

# We grow again across all model ranges



**Compact Segment +7%**



**C-Class Segment +29%**



**E-Class Segment +3%**



**S-Class Segment +30%**



**SUVs +2%**  
**M-Class +18%**



**smart fortwo +17%**

Retail YTD Feb. 2012

# Mid-term targets: sales and marketing strategy outlook





Mercedes-Benz 2020

# Ambition to lead



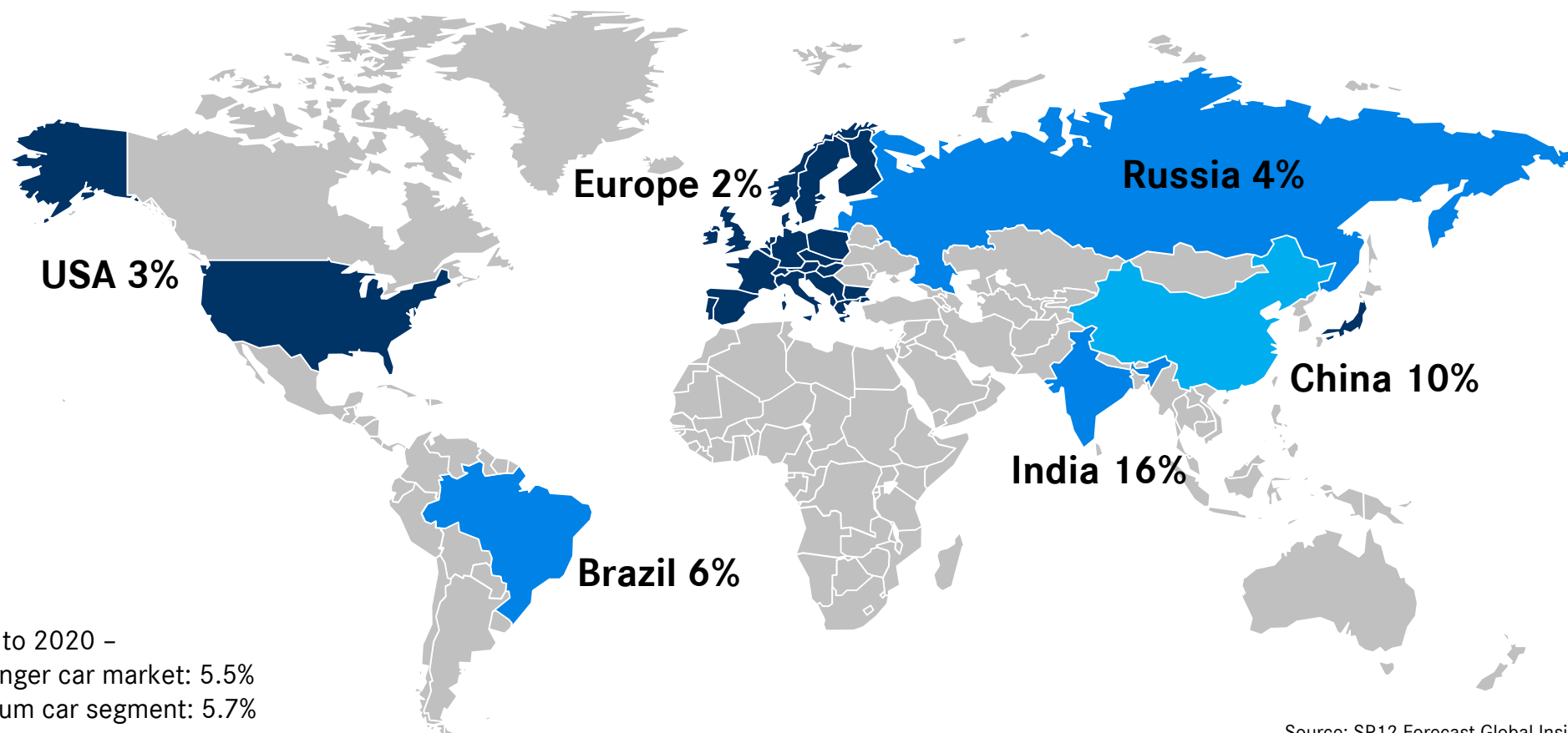
## Mercedes-Benz 2020

BRAND – PRODUCTS – SALES – PROFIT

# Four levers of Mercedes-Benz 2020



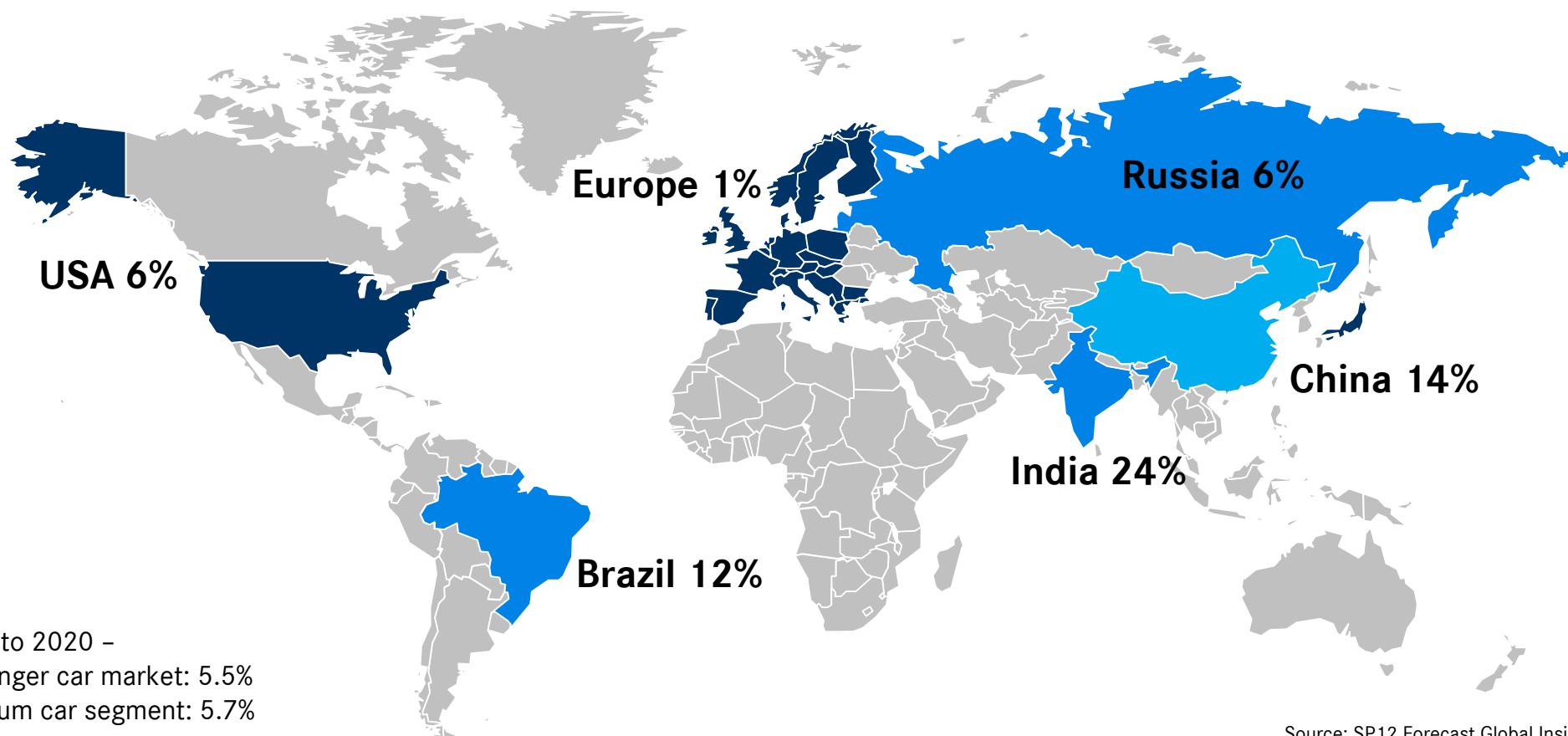
# Auto industry continues to be a growth industry - Passenger car market to grow from about 60 to 100 mio. units by 2020



-CAGR 2011 to 2020 -  
Global passenger car market: 5.5%  
Global premium car segment: 5.7%

Source: SP12 Forecast Global Insight

# Premium luxury market offers even higher growth perspectives – especially in BRIC markets

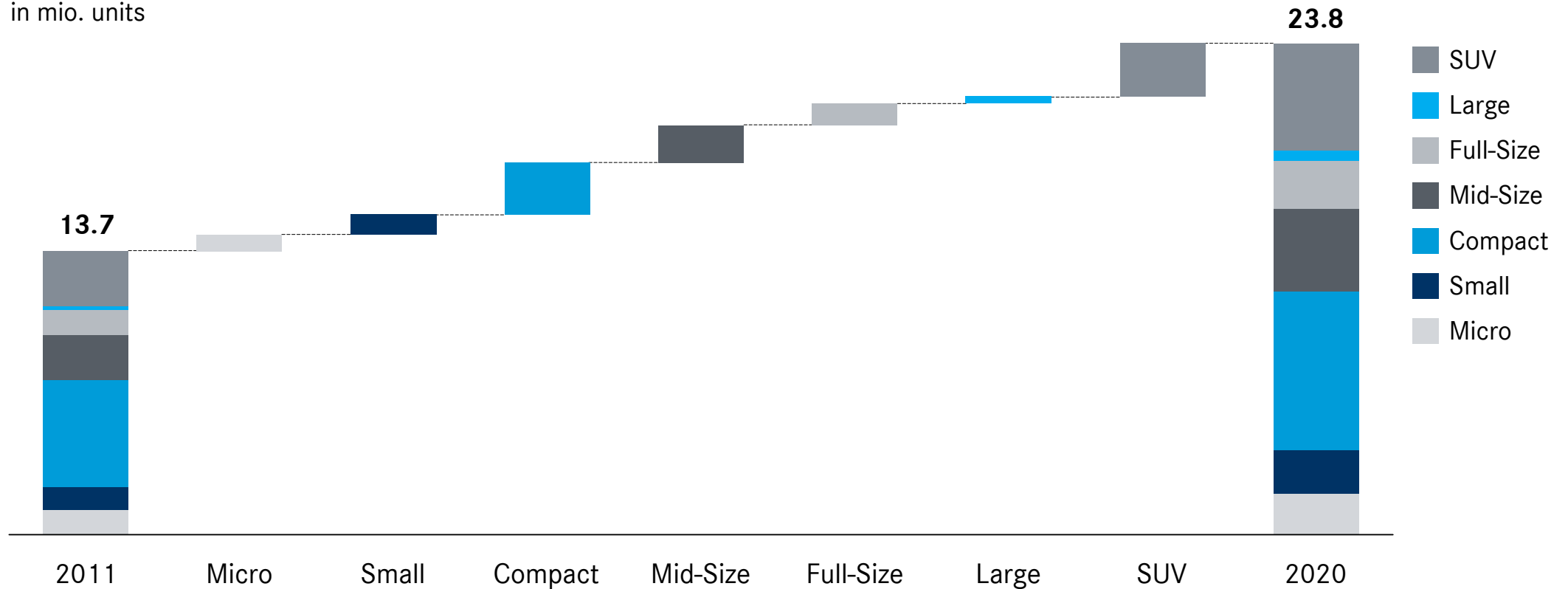


Source: SP12 Forecast Global Insight

Automotive market development – Future segment development

For the premium/luxury market strong growth is expected especially in the compact and SUV segment by 2020 – followed by mid-size and full-size segments

in mio. units



Source: SP12 Forecast Global Insight



# Strong growth in the premium/luxury market comes especially from important emerging markets

**Top 10 Premium/Luxury Markets 2020** (in '000 units)

			2020	CAGR
1. China			6,858	14.2%
2. USA			3,478	5.6%
3. Germany			2,111	0.8%
4. UK			1,220	0.9%
5. France			1,149	0.2%
6. Italy			1,113	1.1%
7. Brazil			752	12.0%
8. Russia			723	5.9%
9. Spain			714	6.0%
10. India			459	24.3%

Source: Global Insight SP12

Automotive market development – Key emerging markets

# China expected to become the most important premium car market in 2012!



30 mio.  
passenger  
vehicles  
in 2020



Second largest  
market for  
luxury products  
worldwide



Regional  
differences  
Low car density  
Massive  
urbanization



Rapidly growing  
middle class  
and increasing  
incomes



Environmental  
challenges  
Support of  
fuel efficient  
vehicles



Largest  
S-Class market  
High share of  
chauffeur cars



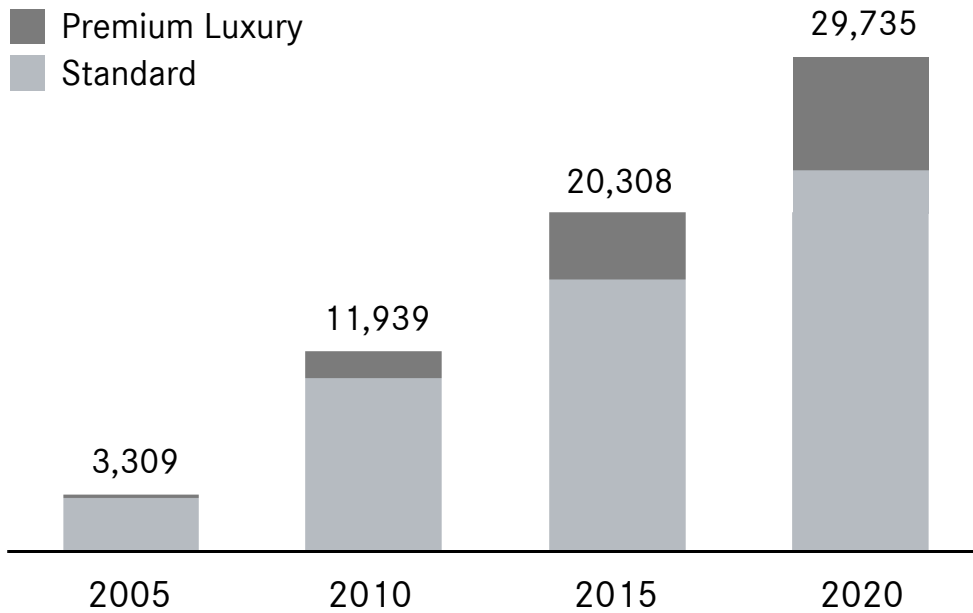


# Overall market and premium/luxury segments will maintain solid growth in China driven by stable economic growth

## Passenger Vehicle Market

in '000 units

- Premium Luxury
- Standard



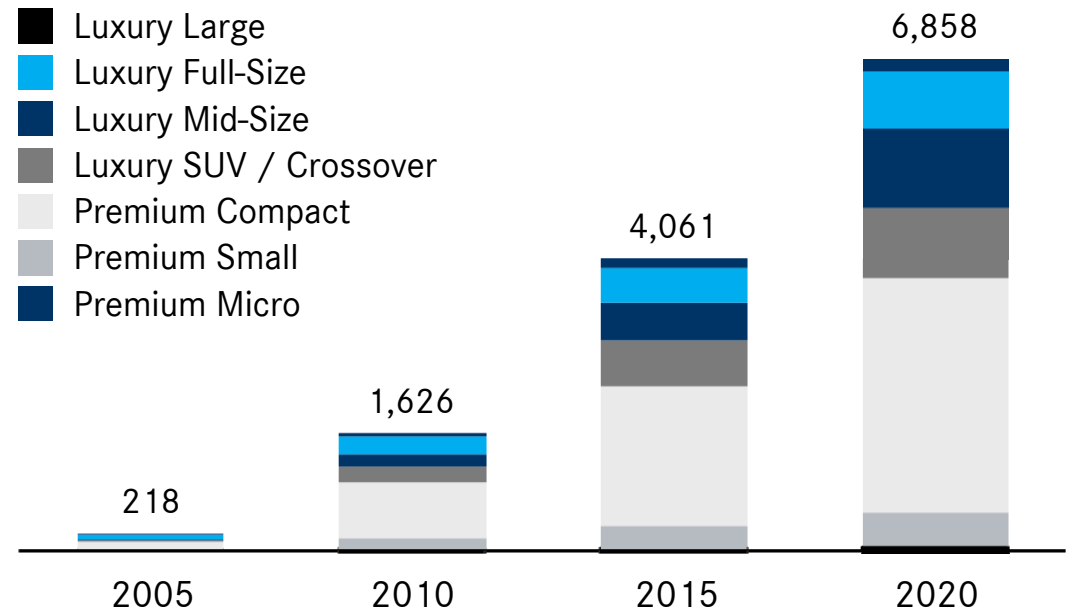
**Total Market: 9.5%**

**Standard: 8.4%**

## Premium Luxury PV Market

in '000 units

- Luxury Large
- Luxury Full-Size
- Luxury Mid-Size
- Luxury SUV / Crossover
- Premium Compact
- Premium Small
- Premium Micro



**Premium/Luxury: 14.2%**

**CAGR 2011-2020**

Source: SP12 Forecast Global Insight





# India will become the third largest passenger car market by 2020 - Growth potential similar to China

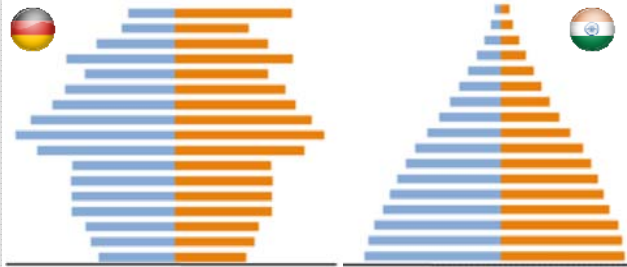
8.6 mio passenger cars in 2020



Average GDP growth of 8% over the last five years to be continued



1.2 billion inhabitants  
>50% younger than 25 years



Emerging of a new and wealthy middle class



Very high chauffeur share



Important production hub  
High import taxes require local production



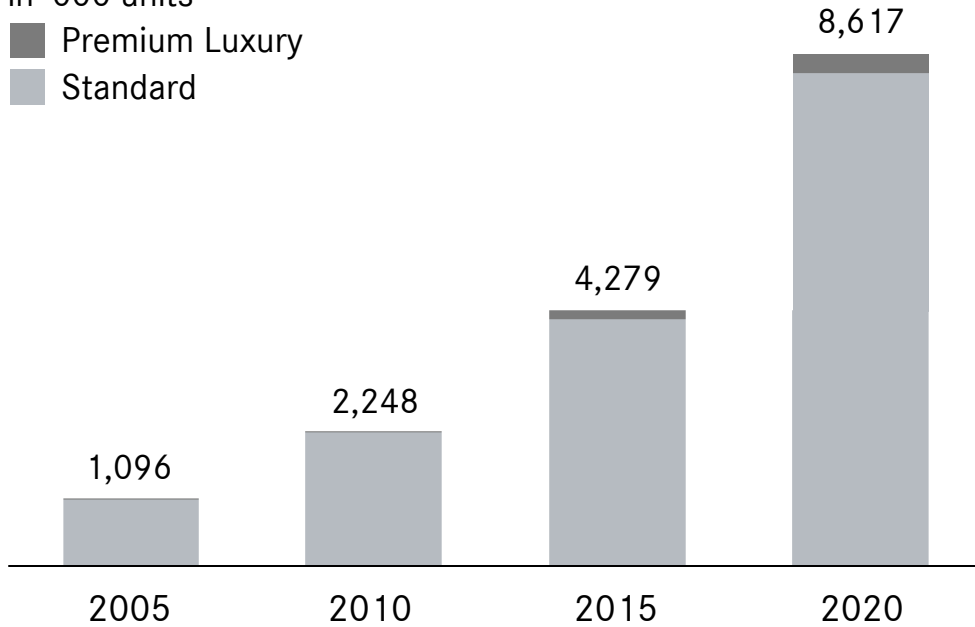


# Passenger car market is expected to grow at 16% CAGR and achieve 8.6 mio. units by 2020

## Passenger Vehicle Market

in '000 units

- Premium Luxury
- Standard



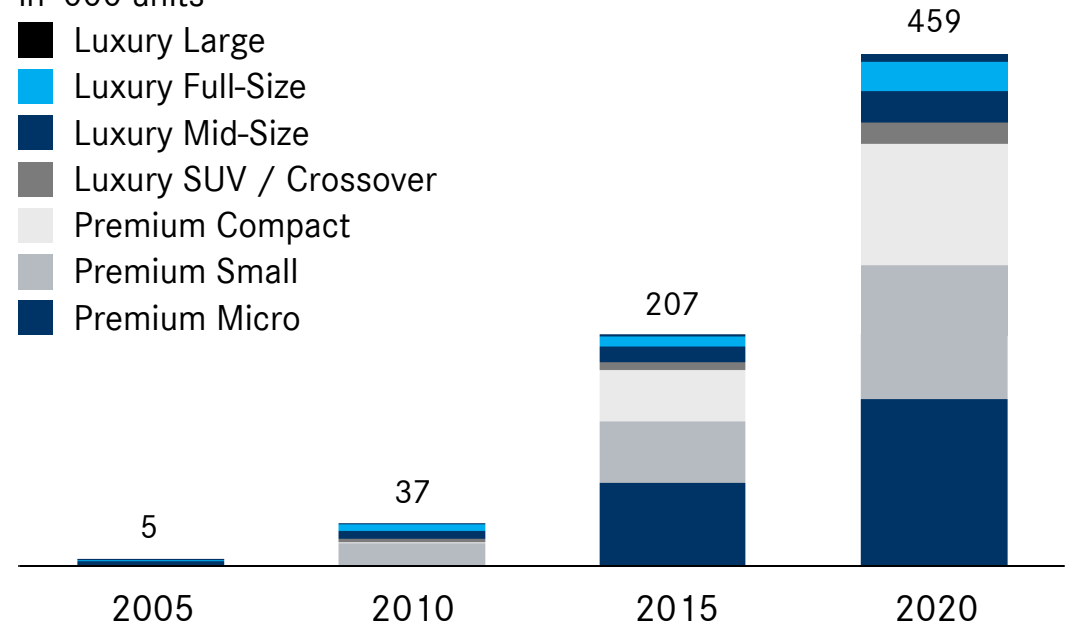
**Total Market: 15.5%**

**Standard: 15.1%**

## Premium Luxury PV Market

in '000 units

- Luxury Large
- Luxury Full-Size
- Luxury Mid-Size
- Luxury SUV / Crossover
- Premium Compact
- Premium Small
- Premium Micro



**Premium/Luxury: 24.3%**

**CAGR 2011-2020**

Source: SP12 Forecast Global Insight



Mercedes-Benz 2020 - PRODUCT

Very promising start for the new B-Class in Europe -  
More than 100,000 orders in our books!



# New M-Class with very successful market start



# New SL Roadster weighs up to 140 kilograms less than its predecessor thanks to intelligent lightweight design

A silver Mercedes-Benz SL Roadster is shown from a front three-quarter view, parked on a wet, reflective surface. The car is the central focus, with its sleek lines and alloy wheels clearly visible. The background features a dark, industrial-style building with large windows and a utility pole with yellow lights. The sky is overcast and grey. Text is overlaid on the top left of the image, and the Mercedes-Benz logo and slogan are in the bottom right.

A Daimler Bf

Nerves of steel.  
Body of aluminium.

The new SL with an entirely aluminium body.

Thanks to lightweight construction throughout, the new SL 350 V6 is 140 kg lighter than its predecessor. Fuel consumption is reduced by 29.6%, while the dynamism and agility have simultaneously been improved. Fuel consumption (urban, extra-urban, combined) 9.9-9.3/6.1-5.4/7.5-6.8 l/100 km, CO<sub>2</sub> emissions (combined) 176-159 g/km. Athlete, aesthete. [www.mercedes-benz.com/sl](http://www.mercedes-benz.com/sl)

Figures do not relate to the specific emissions or fuel consumption of any individual vehicle, do not form part of any offer, and are intended solely to aid comparison between different types of vehicles.

Mercedes-Benz  
The best or nothing.



Mercedes-Benz 2020 – PRODUCT

# Our new A-Class: The pulse of a new generation



Very positive feedback of the international media for the new A-Class

**Mercedes-Benz Builds a Better Small Car**  
MSN Autos.com, 03/06/2012

**New A-Class  
turns on style**  
Auto Express (UK), 03/07/2012

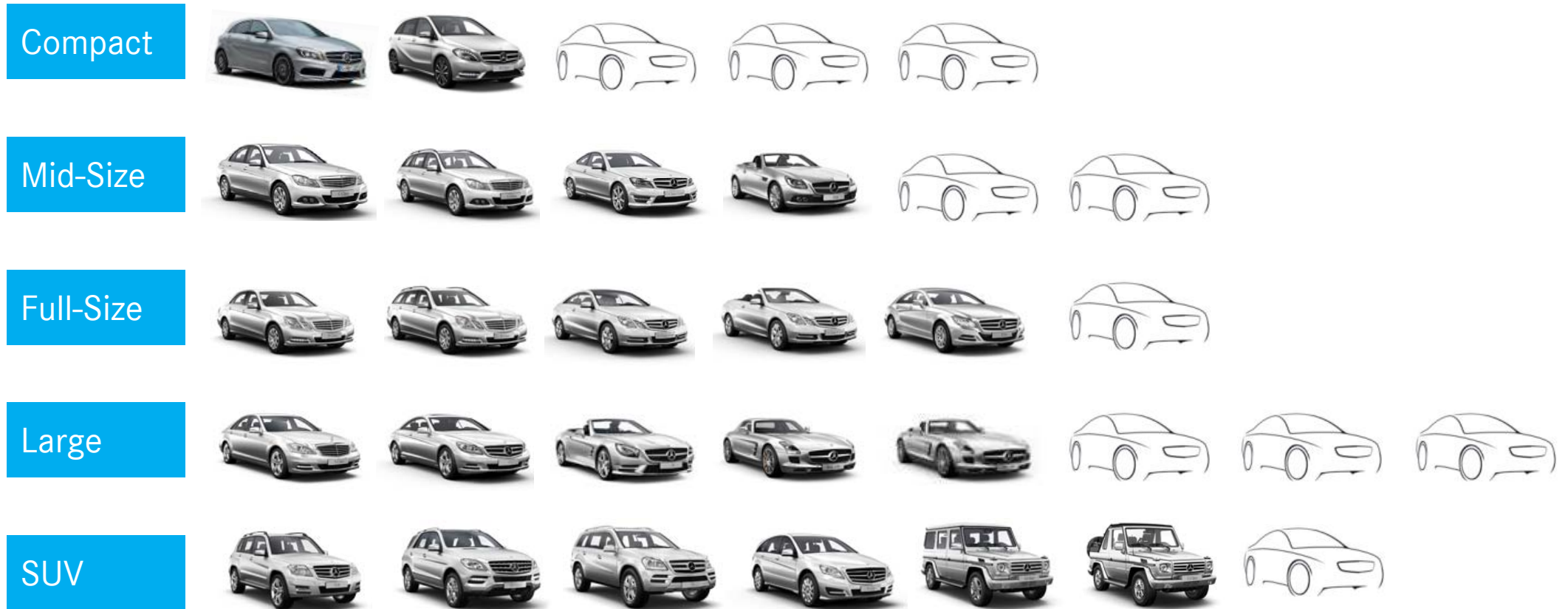
**Mercedes New A-Class Attacks From  
Behind With Apple iPhone: Cars**  
bloomberg.com, 03/06/2012

**Mercedes aims for younger, female customers with complete  
redesign of A-Class**  
TribTown.com, 03/06/2012

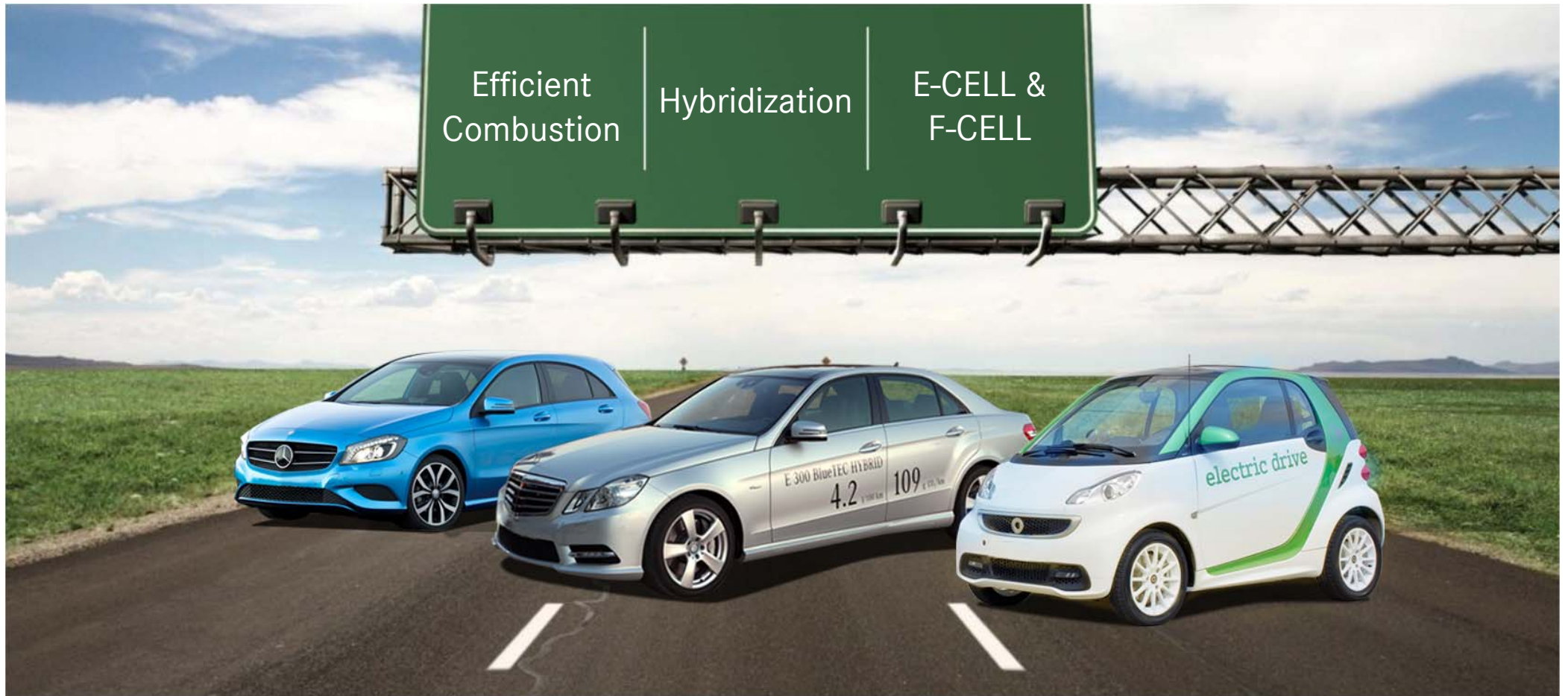
**New Mercedes A-Class is way cooler**  
IOL Motoring.co.za, 03/06/2012



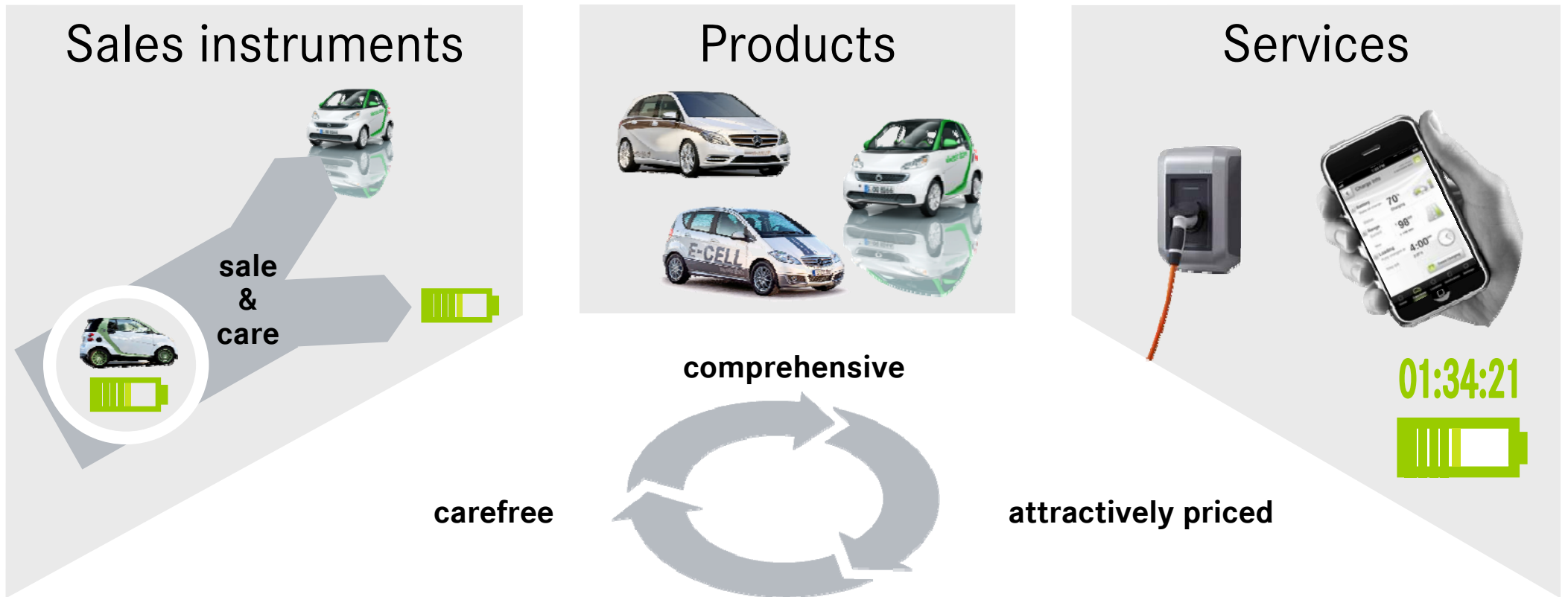
# Portfolio extension: At least 10 additional model series by 2015



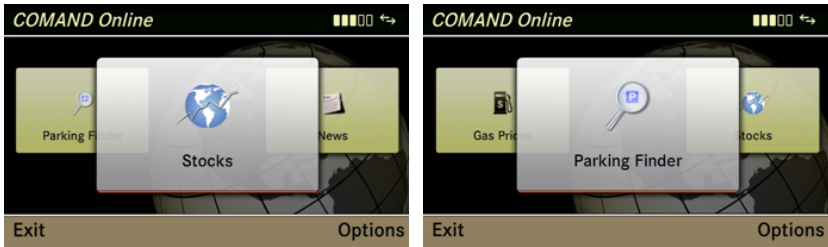
# New models with ever lower emissions



# Daimler's ambition is to ensure an all-embracing eMobility customer offer



# COMAND Online launched in 2011 - New Apps follow in 2012 mbrace2 to be introduced in the US with new SL





We won a wide variety of awards for our products in 2011 and made significant improvements on the quality side



# The best or nothing.



The image features a circular brand strategy diagram on the left and a photograph of a silver Mercedes-Benz SLS AMG sports car with its gull-wing doors open on the right. The diagram is centered around the Mercedes-Benz logo and the slogan "AMBITION TO LEAD". It is divided into two concentric rings of values. The inner ring includes "Responsibility" and "Fascination". The outer ring includes "Delightful Customer Care", "Refined Sportiness", "Distinctive Style", "Trendsetting Design", "Exemplary Safety", "Perceivable Quality", "Energizing Comfort", "Passionate Innovation", and "Holistic Sustainability". A red award graphic from Interbrand is positioned at the bottom left of the diagram, stating "BEST GLOBAL BRANDS 2011".

**BEST GLOBAL BRANDS 2011**  
Interbrand

**Mercedes-Benz is the most valuable premium automotive brand worldwide and Europe's most valuable brand overall**

# Our communication activities support the three brand values



**Fascination**

SLS Campaign

**Perfection**

C-Class Campaign


**Responsibility**

BlueEFFICIENCY Campaign



# Less is more: We focus on five international sponsoring platforms


**Fashion**



The Fashion section features two images. The top image shows a dark Mercedes-Benz convertible parked in a field with a woman in a black dress standing next to it. The bottom image shows a black Mercedes-Benz sedan at night with a woman in a light-colored dress standing by the open driver-side door.

**Sports**

**Golf**      **Motorsports**



The Sports section is divided into two sub-sections. The 'Golf' sub-section contains two images: a white golf ball on a green with a hole nearby, and a hand in a white golf glove. The 'Motorsports' sub-section contains two images: a Formula 1 race car and a Mercedes-Benz rally car.


**Corporate Social Responsibility**

**Laureus**



The Corporate Social Responsibility section features the 'Laureus' sub-section with three images of award winners and one image of a group of people. The first three images show men in suits holding trophies. The fourth image shows a group of diverse people, including children and adults, gathered together.

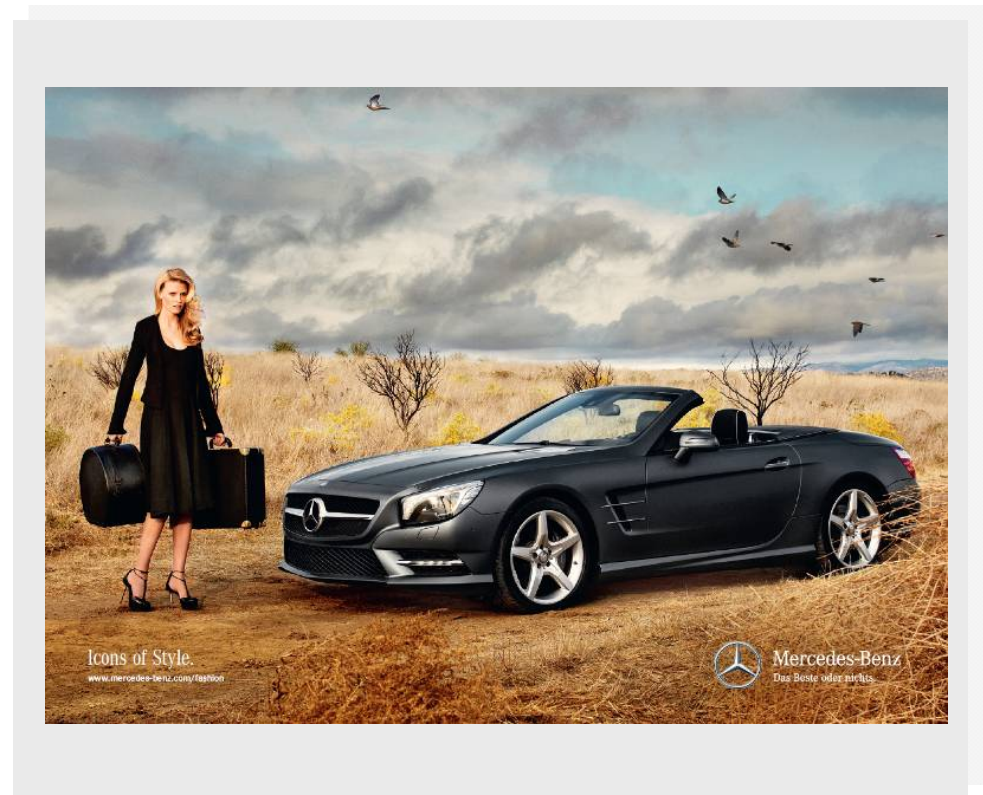
**Classic**



The Classic section features two images. The top image shows a modern, silver, curved Mercedes-Benz car. The bottom image shows a classic silver Mercedes-Benz car with its gull-wing doors open.



By using our sponsorship activities for classical advertising we communicate in an authentic way to our target groups



# We strongly intensified communications of technology leadership and innovations – Activities result in higher scores in brand studies



A silver Mercedes-Benz sedan is shown in motion, driving on a road with a red lane marking. The car is viewed from a front-quarter perspective, moving towards the right. The background is blurred to indicate speed. The license plate reads 'S 0Z 9473'.

A Daimler Brand

Active Lane Keeping Assist. Another attention-grabbing innovation from Mercedes-Benz.

A Mercedes-Benz innovation: a system that can prevent minor lapses of concentration from having major consequences. Active Lane Keeping Assist keeps an eye on the lane markings and can correct the steering angle before the car verges off the road. Active Lane Keeping is available in numerous models such as the CLS and E-Class. [www.mercedes-benz.com/techoenter](http://www.mercedes-benz.com/techoenter)

125! years of innovation

 Mercedes-Benz  
The best or nothing.

# Brand opening activities successfully paved the way for the launch of the new A-Class



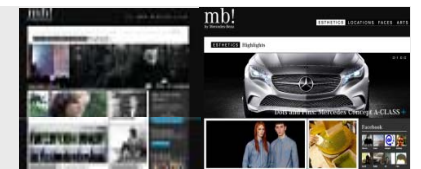
Concept A-CLASS in 20 countries on more than 80 events

Brand opening campaign in 10 countries



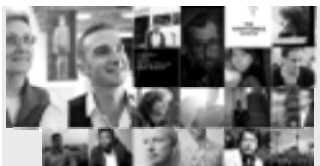
A-qualizer implemented in 38 countries

Local mb! by Mercedes-Benz version in 18 countries



4,000 visitors at Avantgarde Diaries “Transmission 1” in Berlin

200 million hits on the event and online reviews



Avantgarde Diaries Online Magazine with more than 250,000 visitors in 2011 among Top 10 fashion blogs in Germany





# The new A-Class makes the digital communication more progressive, more interactive, more intelligent, more integrated



Configurator Update  
**360° driving experience**



Relaunch  
**TechCenter**



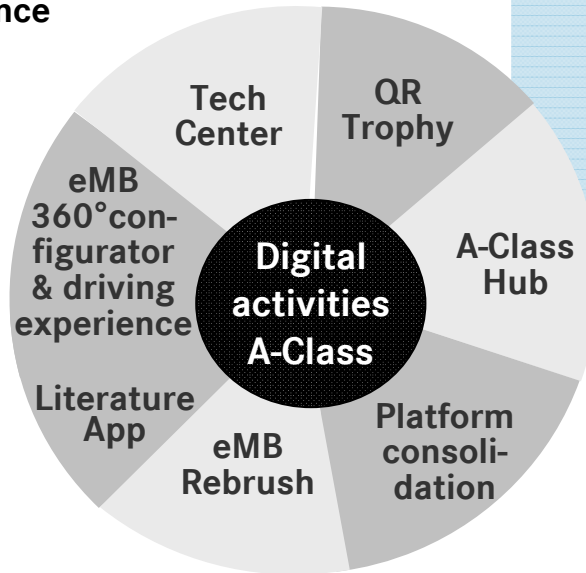
A-Class ✓  
**QR Trophy**

**A-Class specific**

**Online-Hub as the central platform for A-Class content**



**Literature App**



Desktop



Tablet



Mobile

Consolidation of our online platforms - **3 central platforms:**



mercedes-benz.com



mb! Magazine



The Avant/Garde Diaries



# Online platform offers an innovative user experience in a progressive style on all devices



# Key network challenges in growing markets – Strong retail network basis for capturing volume potentials

Key challenges:

Find strong investors



Dynamic speed of network growth



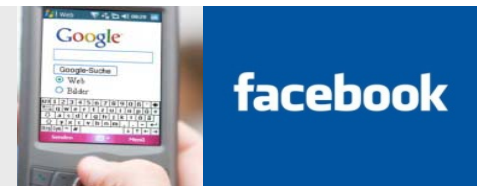
Recruitment and qualification for retail staff



Availability of adequate land plots for new dealerships



- Changing expectations towards car buying process
- New ways of customer contact - more flexible channels and formats
- Achieve “Best Premium Franchise”





# The Mercedes-Benz product and technology offensive is accelerated by major training events and market launch trainings for our retail



EuroTraining “New Generation Compact Cars” in Berlin



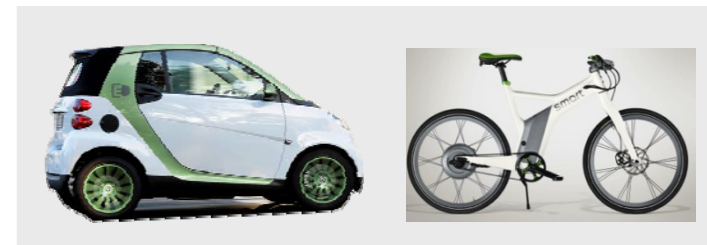
Trainings for processes & systems in Sales, After-Sales and Logistics



Technical trainings for After-Sales personnel (A-, G-, GL-, GLK-, SL-Class, smart electric drive etc.)



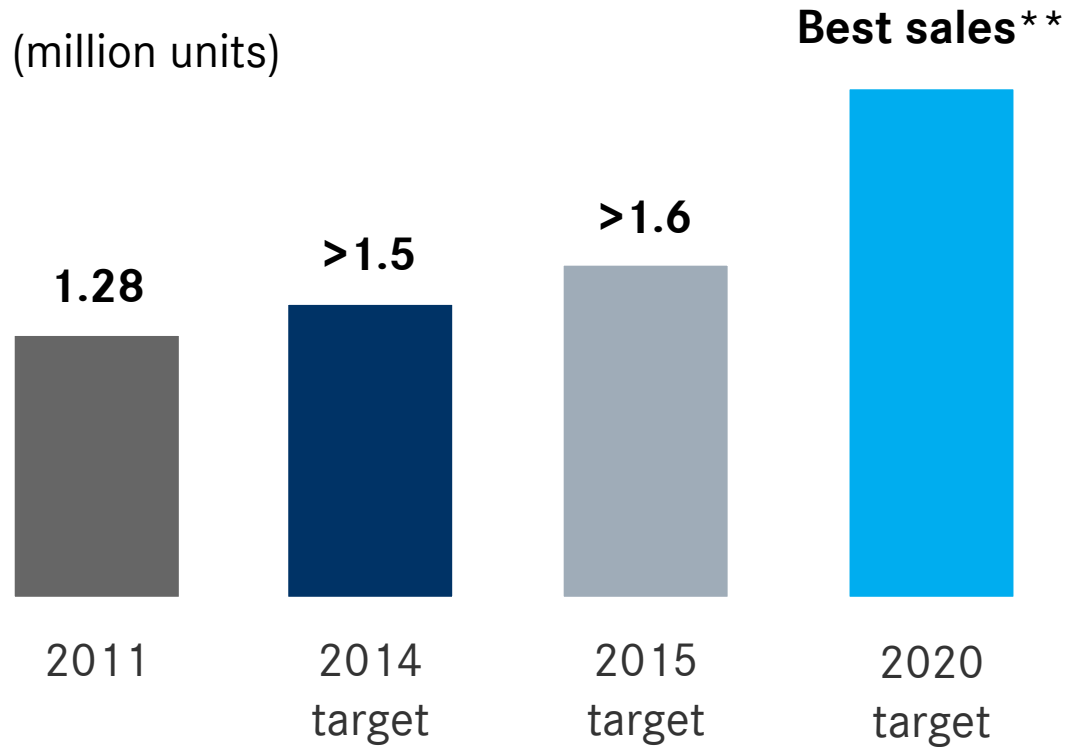
smart EuroTraining electric drive & ebike in Amsterdam





# At least 1.6 million cars in 2015 – sales leadership in 2020

Mercedes-Benz forecast\* (million units)



\* Group Sales without smart \*\*Within automotive premium segment; schematic representation

We will increase our capacities accordingly – close to markets and customers!

A for Attack!



# 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 an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a worsening of the public debt crisis in the eurozone; a deterioration of our funding possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchasing, 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 limits our ability to achieve 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.