

# DAIMLER

**German, Swiss & Austrian Corporate Conference 2012**



## Agenda

### **1** Q1-2012 Results

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### 2 Daimler Strategy

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### 3 Mercedes-Benz Cars

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### 4 Daimler Trucks

## Highlights in Q1 2012

Group sales	502,000	(+9%)
Sales record at Mercedes-Benz Cars	338,000	(+9%)
Strong sales increase at Daimler Trucks	108,000	(+21%)
Revenue	€ 27 billion	(+9%)
EBIT from ongoing business	€ 2.2 billion	(+3%)
Net profit	€ 1.4 billion	(+20%)
World premiere of new A-Class and introduction of new SL		
Opening of new plant for compact cars in Kecskemét		
Opening of our new BharatBenz plant in India		

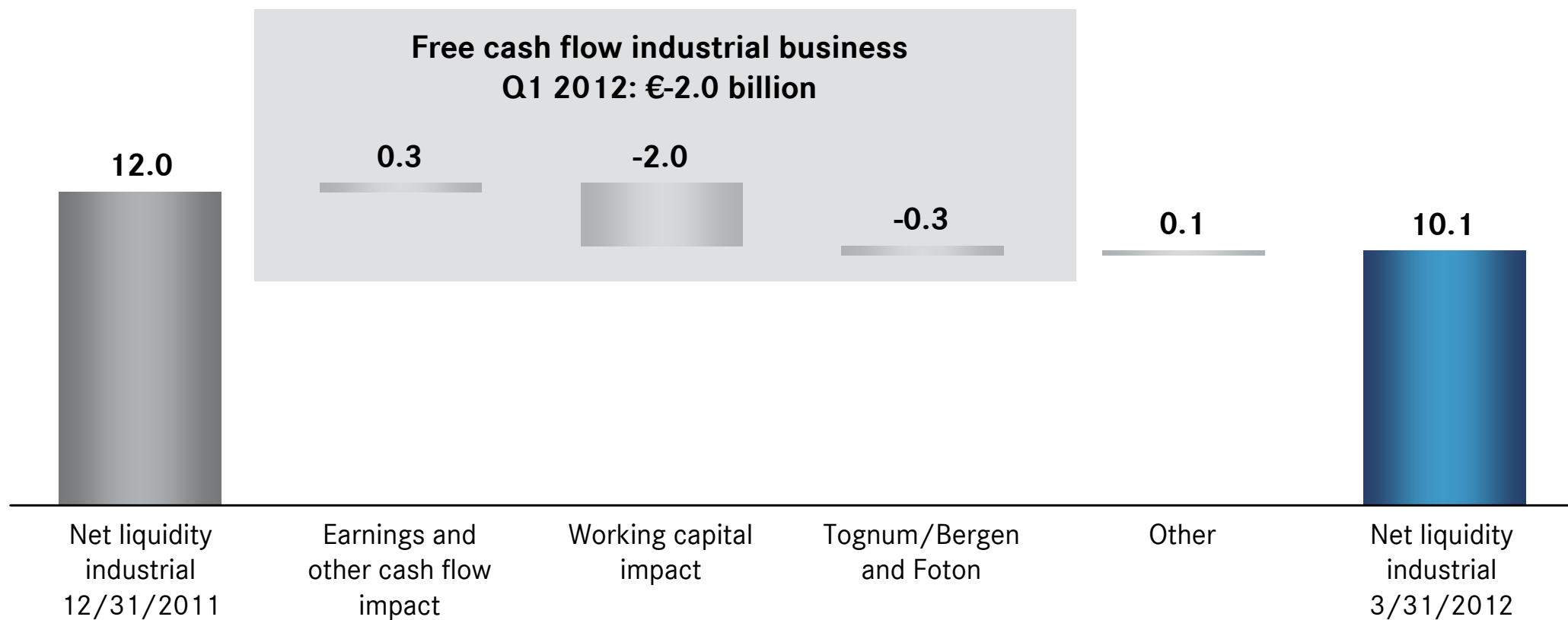
## Key financials

- in billions of euros -

	Q1 2011	Q1 2012
Revenue	24.7	27.0
EBIT		
as reported	2.0	2.1
from ongoing business	2.1	2.2
Net profit	1.2	1.4
Earnings per share (in euros)	0.99	1.25
Net liquidity industrial business (2011: year-end)	12.0	10.1
Free cash flow industrial business	-0.5	-2.0

## Solid net industrial liquidity

- in billions of euros -



## Key balance-sheet figures

- in billions of euros -

<b>Daimler Group</b>	<b>Dec. 31, 2011</b>	<b>Mar. 31, 2012</b>
Equity ratio	26.3%	26.5%
Gross liquidity	11.9	13.6
<b>Industrial business</b>		
Equity ratio	46.4%	45.4%
Net liquidity	12.0	10.1

# Mercedes-Benz Cars: EBIT almost at prior year's level

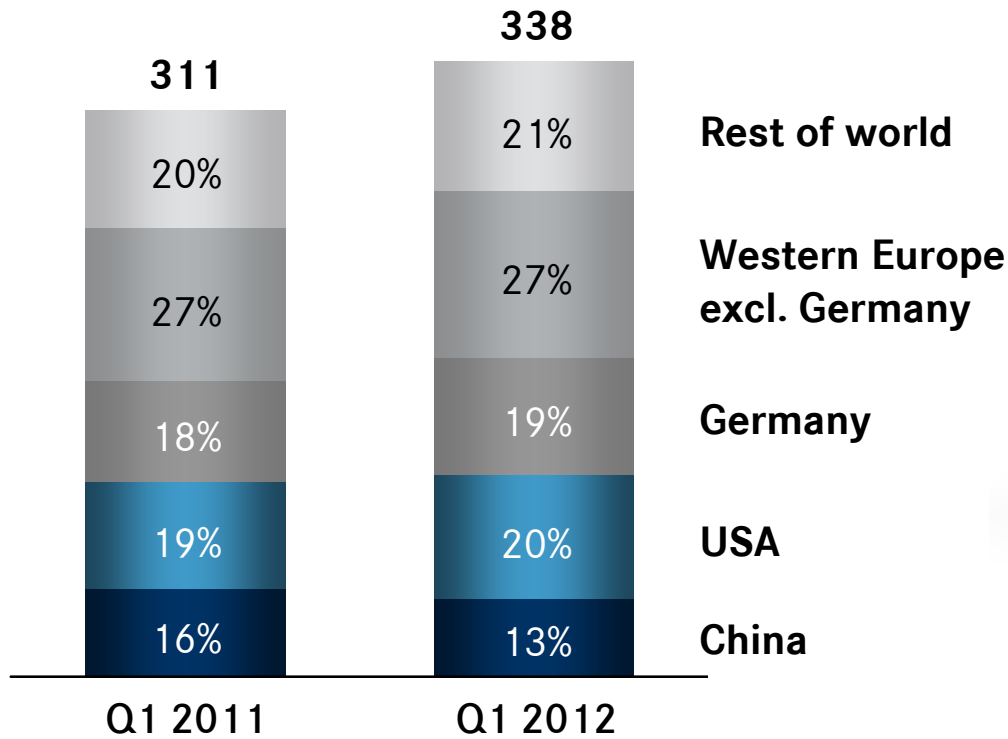
- in millions of euros -



\* Return on sales

# Balanced sales structure

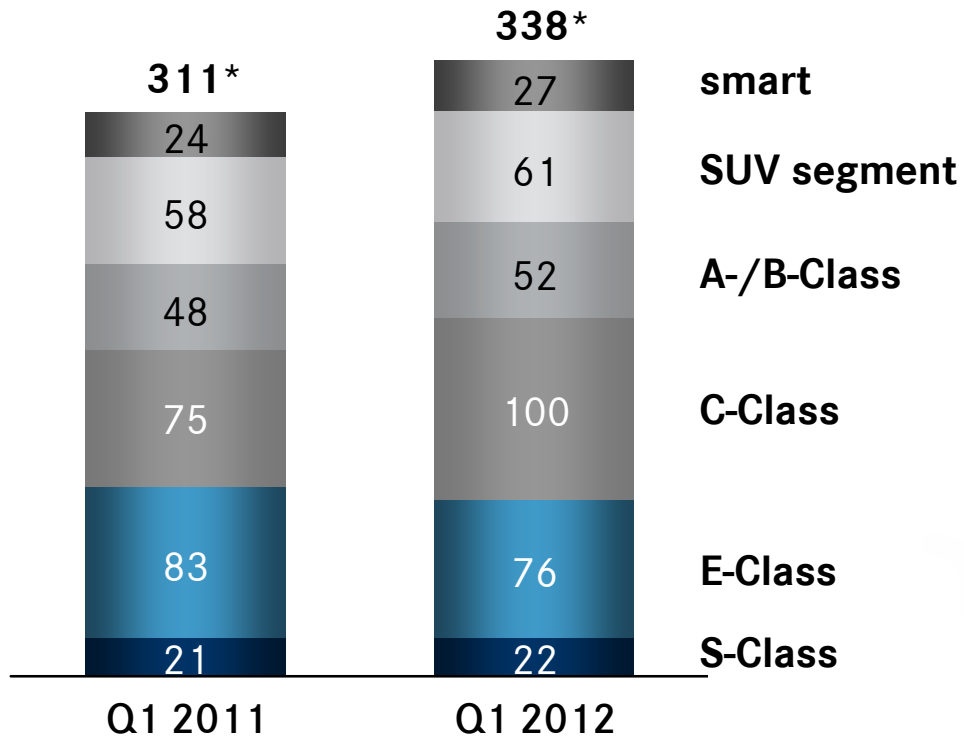
- Unit sales in thousands -





# Unit sales increase mainly driven by C-Class

- Unit sales in thousands -



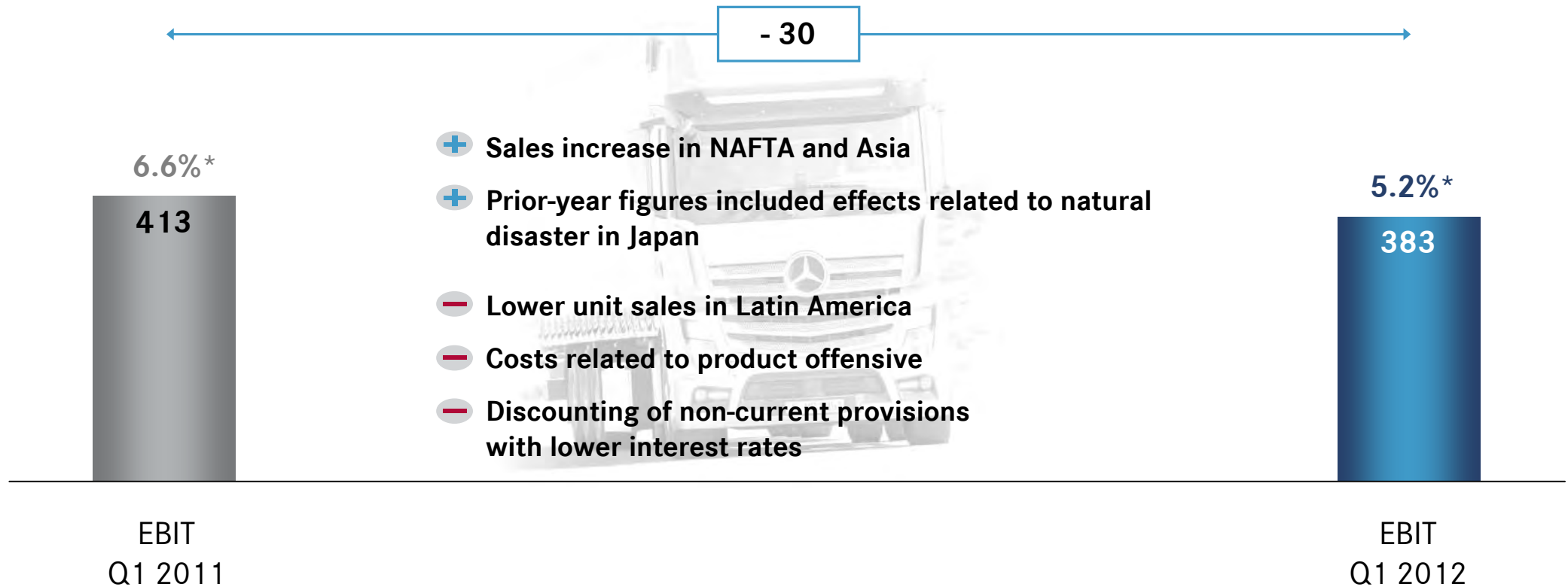
\* Including Mitsubishi vehicles produced and/or sold in South Africa

## Product highlights



# Daimler Trucks: EBIT affected by product offensive and slow start in Latin America

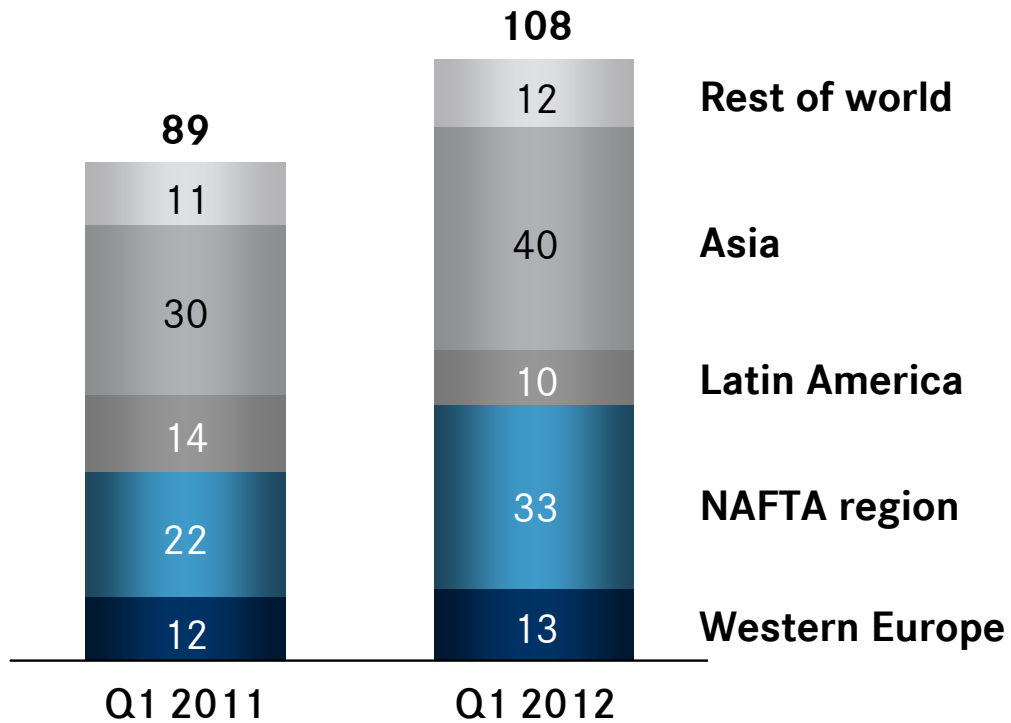
- in millions of euros -



\* Return on sales

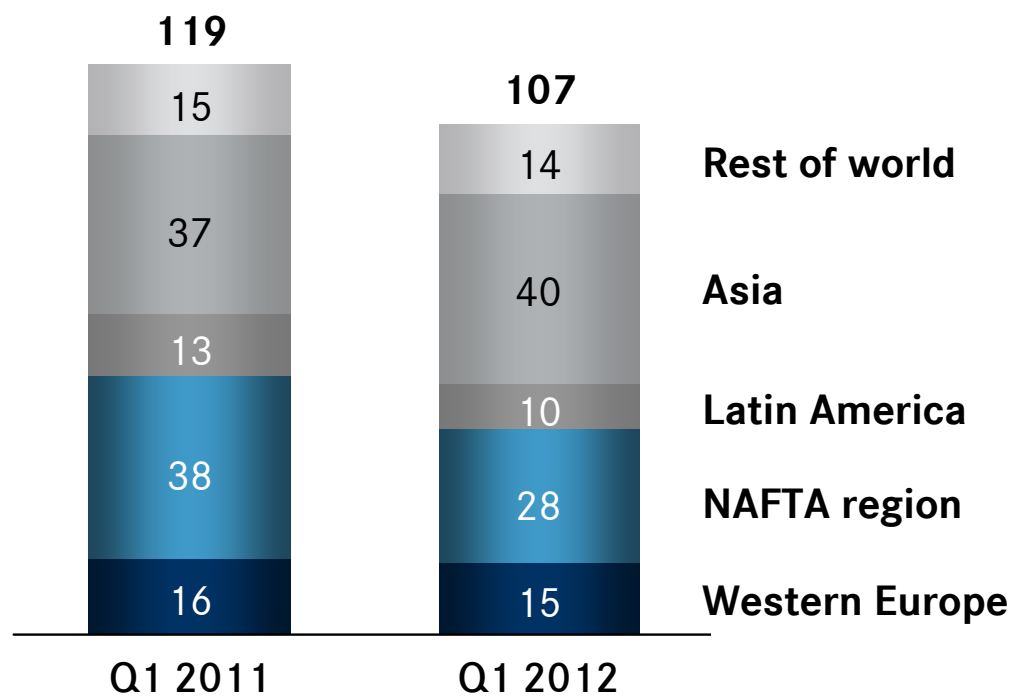
# Sales increase driven by business in NAFTA and Asia

- in thousands of units -



## Incoming orders on unit sales level

- in thousands of units -





## Product highlights

Mercedes-Benz Actros



BharatBenz trucks



Auman heavy truck

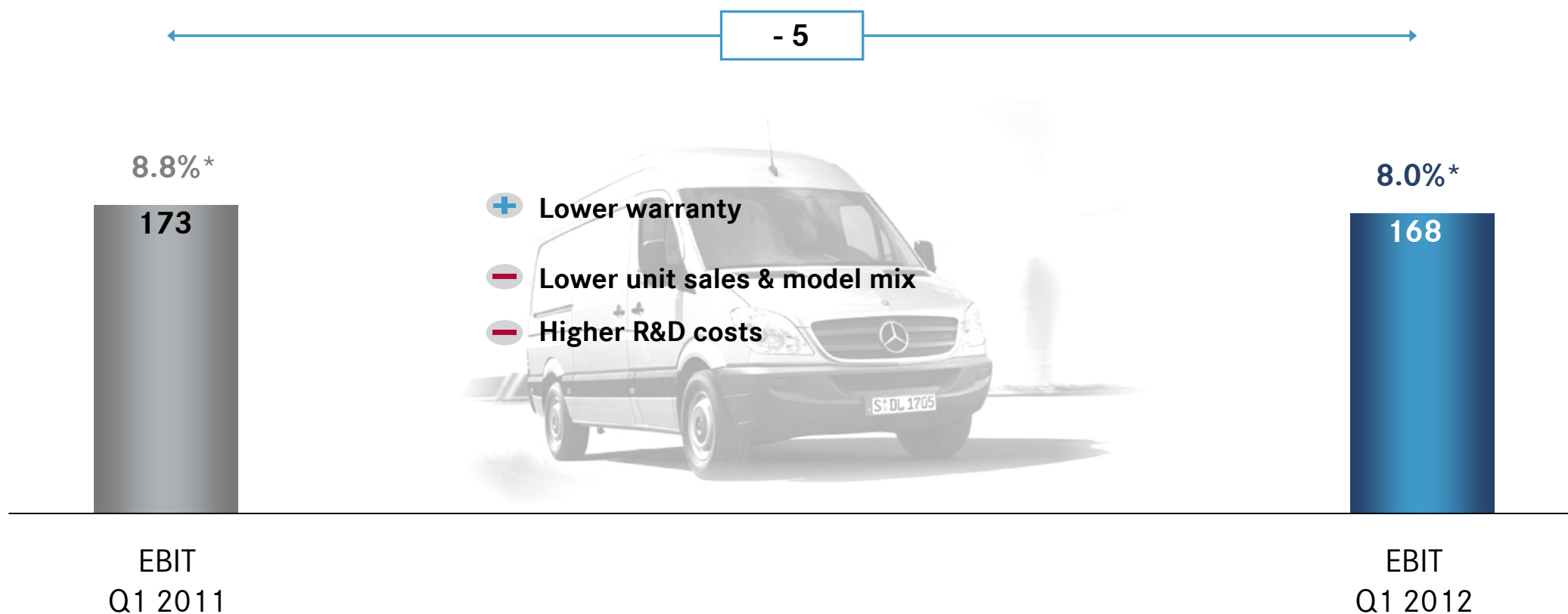


Detroit DD16 engine



# Mercedes-Benz Vans: EBIT on continued high level

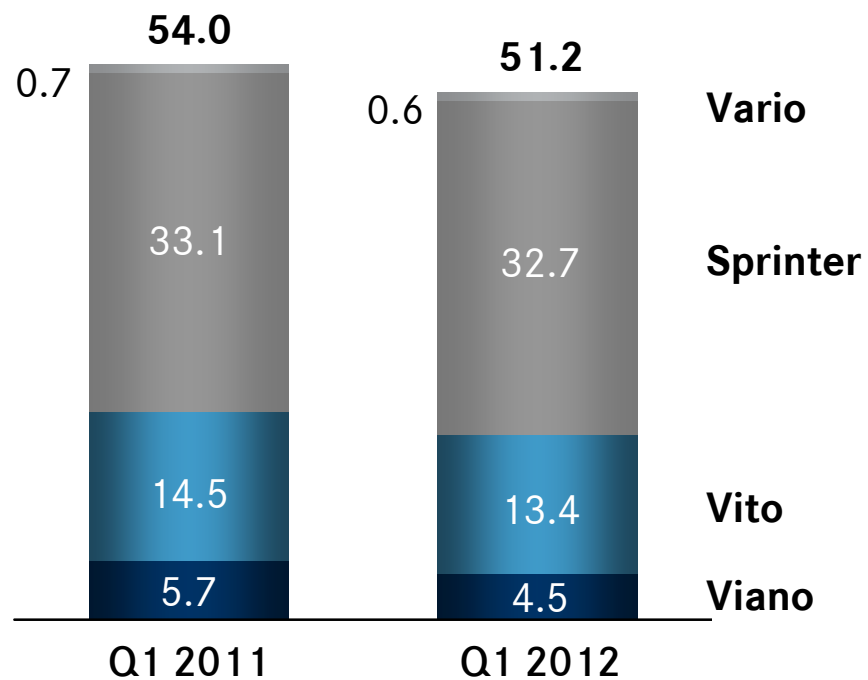
- in millions of euros -



\* Return on sales

## Slight decrease in unit sales

- Unit sales in thousands -





## Product highlights



New city van Citan

# Daimler Buses: Repositioning initiated

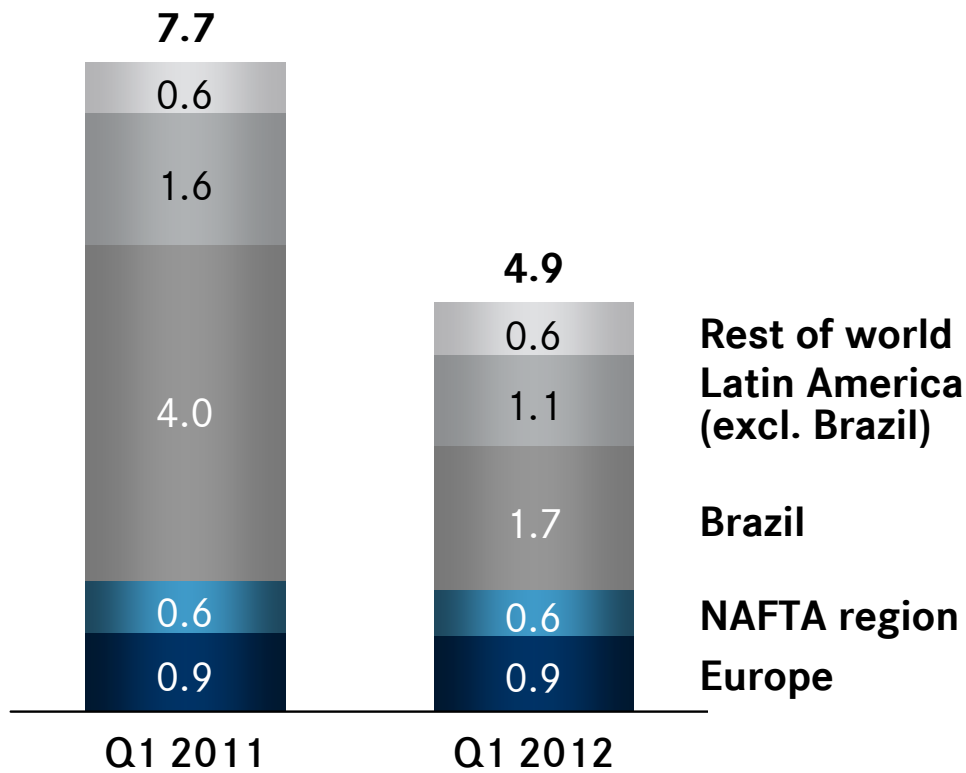
- in millions of euros -



\* Return on sales

## Decrease in unit sales mainly in Brazil

- Unit sales in thousands -



## Repositioning of bus business in Europe and North America to reduce break-even level

### Repositioning of European business (GLOBE<sup>2013</sup>)

Increase market share in Western Europe and presence outside of Europe

Focus on product portfolio with reduced complexity

Balance production between high and low labor cost locations

Reduce fixed and material costs

Streamline organizational structures with lower headcount

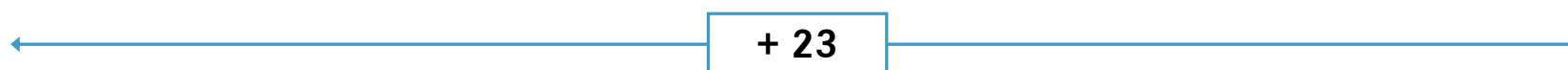
### Repositioning of North American business

Close Orion operations; parts and service business to be continued

New setup of Setra business

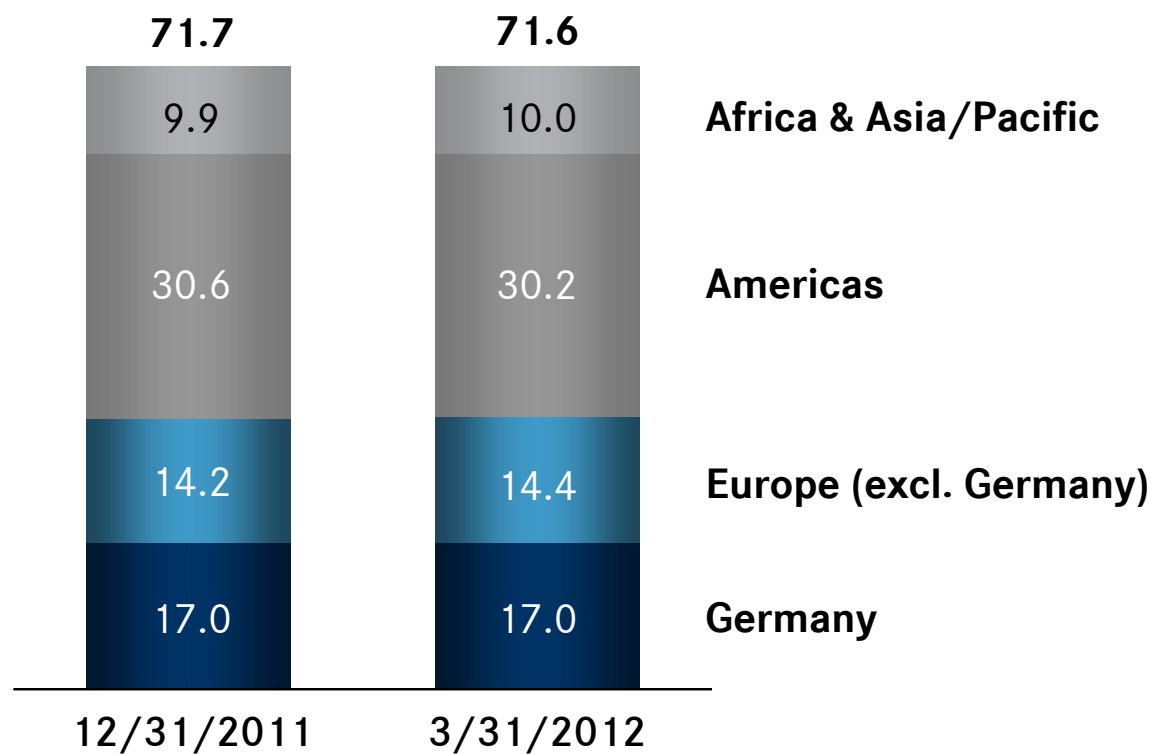
# Daimler Financial Services: Stable earnings development

- in millions of euros -



# Stable contract volume

- in billions of euros -



## Assumptions for automotive markets 2012

Car markets	Global	Growth of approximately 4%
	U.S./Asia	Significant growth potential expected
Truck markets	Global	At least at the level of 2011
	NAFTA	+15% to +20%
	Europe	0% to -10%
	Japan	+15% to +20%
	Brazil	-10% to -20%, due to new emission regulations
Van markets	Europe/China	Slight decrease of medium and large vans
	U.S.	Growth of more than 10%
Bus markets	Western Europe	Stable market development
	Brazil	Decrease due to introduction of new emission regulations



## Sales outlook FY 2012



- Sales increase exceeding market growth
- Launch of six attractive new products in 2012
- Growth potential especially in NAFTA, China and emerging markets



- Unit sales should continue to increase
- Growth expected in NAFTA and Asia
- Declining sales in Latin America due to weak market
- In Europe stronger performance than market



- Positive sales development expected
- New city van Citan to be introduced in fall 2012



- Unit sales expected below previous year's level
- Slight recovery for complete buses in Europe expected



## 2012 targets for EBIT from ongoing business

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EBIT in the magnitude of 2011



EBIT at prior-year level



EBIT at least at prior-year level



EBIT at least at prior-year level



EBIT below prior-year level

Daimler Financial Services

EBIT slightly below prior-year level

Guidance is based on current market expectations and exchange rate environment

## Agenda

1 Q1-2012 Results

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**2 Daimler Strategy**

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3 Mercedes-Benz Cars

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4 Daimler Trucks

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Daimler's identity as an automotive pioneer is fueled by leading technologies, strong brands and global reach

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Technology leadership

Brand

Market leverage



Cars

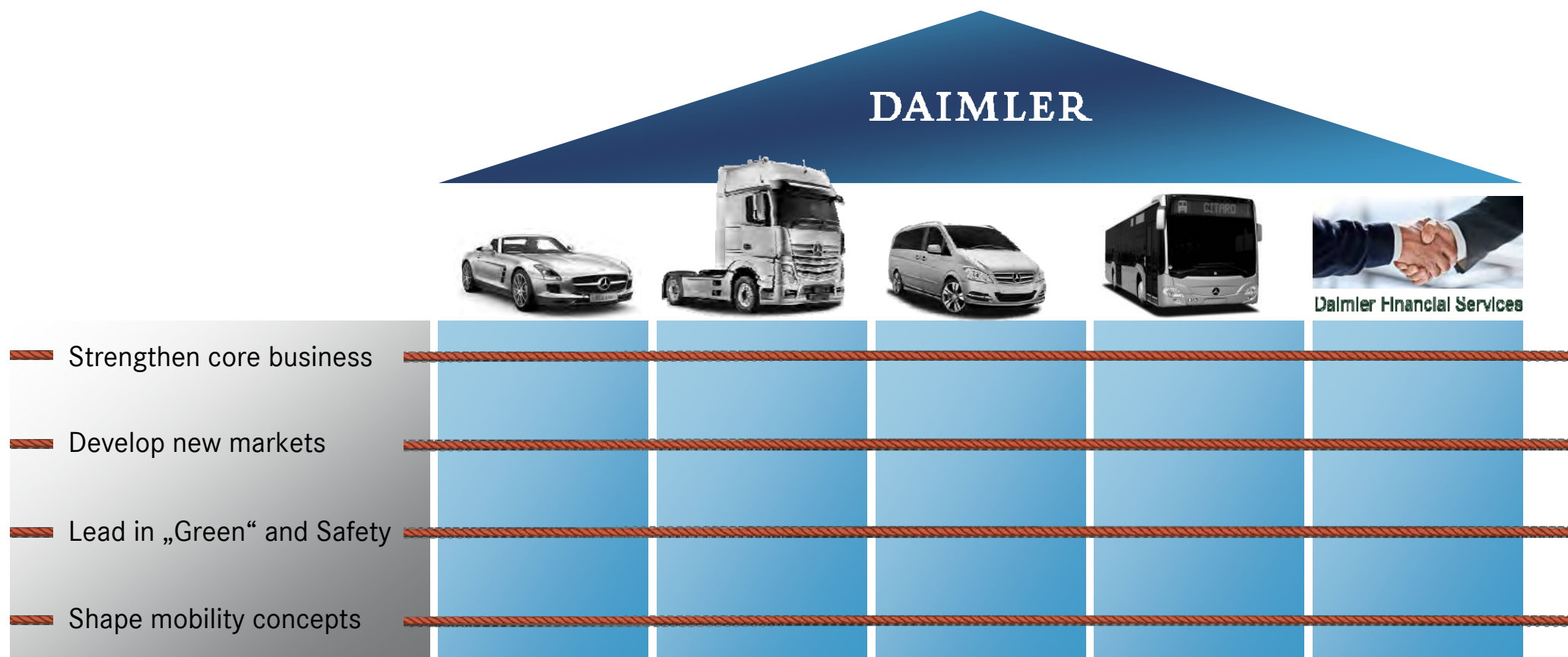
Trucks

Vans

Buses

Services

## Daimler corporate strategy: Four central themes



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## Leadership – a state of mind



Mercedes-Benz 2020

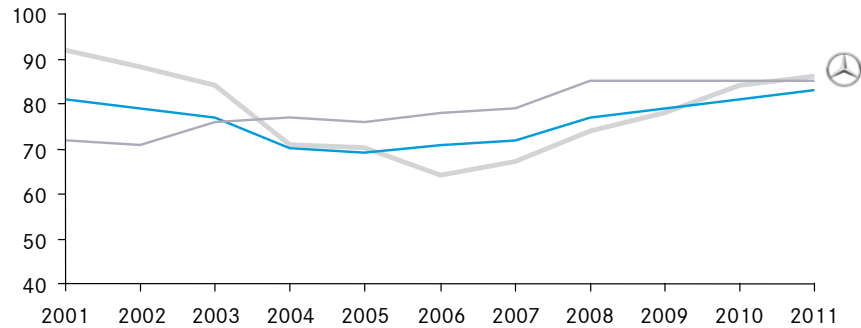
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## Four levers of Mercedes-Benz 2020

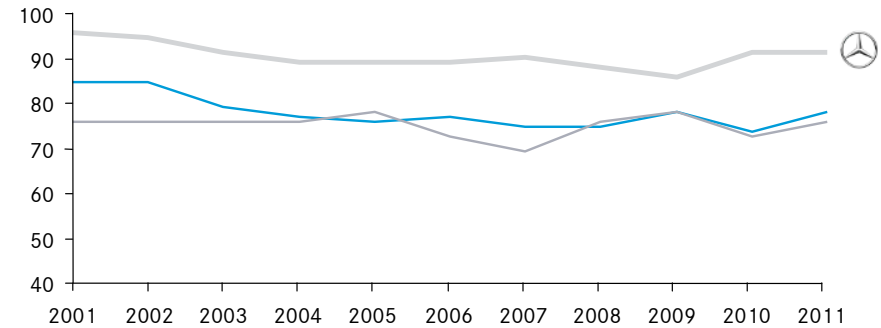


## Brand: Development of brand value and perception

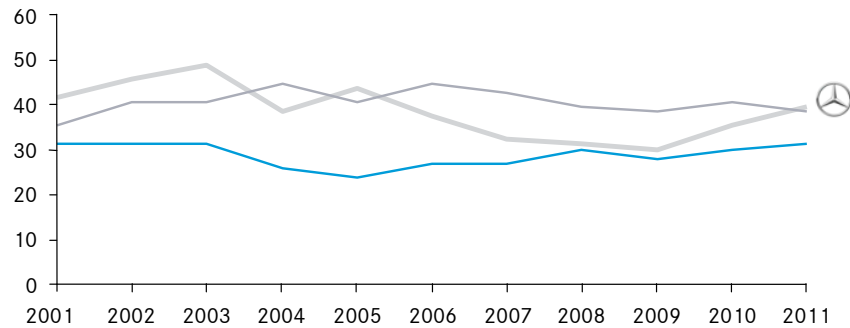
**Product reliability AMS Best Cars**



**Safety AMS Best Cars**



**Perception of advertisement AMS Best Cars**



■ = Competitor A ■ = Competitor B



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## Brand: “The Best or Nothing”



The image features a silver Mercedes-Benz R230 SL convertible with its top down, parked on a road. A circular diagram is overlaid on the left side of the car. The diagram has a central Mercedes-Benz logo with the text "AMBITION TO LEAD" and "Perfection" below it. Surrounding this are two concentric rings of brand values:

- Inner ring: Responsibility, Fascination
- Outer ring: Delightful Customer Care, Refined Sportiness, Distinctive Style, Trendsetting Design, Exemplary Safety, Perceivable Quality, Comfort, Passionate Innovation, Holistic Sustainability

**BEST GLOBAL BRANDS 2011**  
Interbrand

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

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## Products: Ongoing success of our C-Class





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## Products: SUV Offensive - Our new GLK-Class



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## Products: SUV Offensive - Our new M-Class





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## Products: SUV Offensive - Our new GL-Class



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## Products: Our new SL-Class

A Daim

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) 9.9-9.3/6.1-5.4/7.3-6.8 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.

A silver Mercedes-Benz SL-Class convertible is shown from a front three-quarter view, parked on a wet, reflective street. The car's top is down, and its sleek, aerodynamic design is highlighted. In the background, there is a dark, industrial-style brick building with large windows and a utility pole with yellow transformers. The sky is overcast and grey, creating a moody atmosphere. The car's reflection is clearly visible on the wet pavement.



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## Products: The new A-Class



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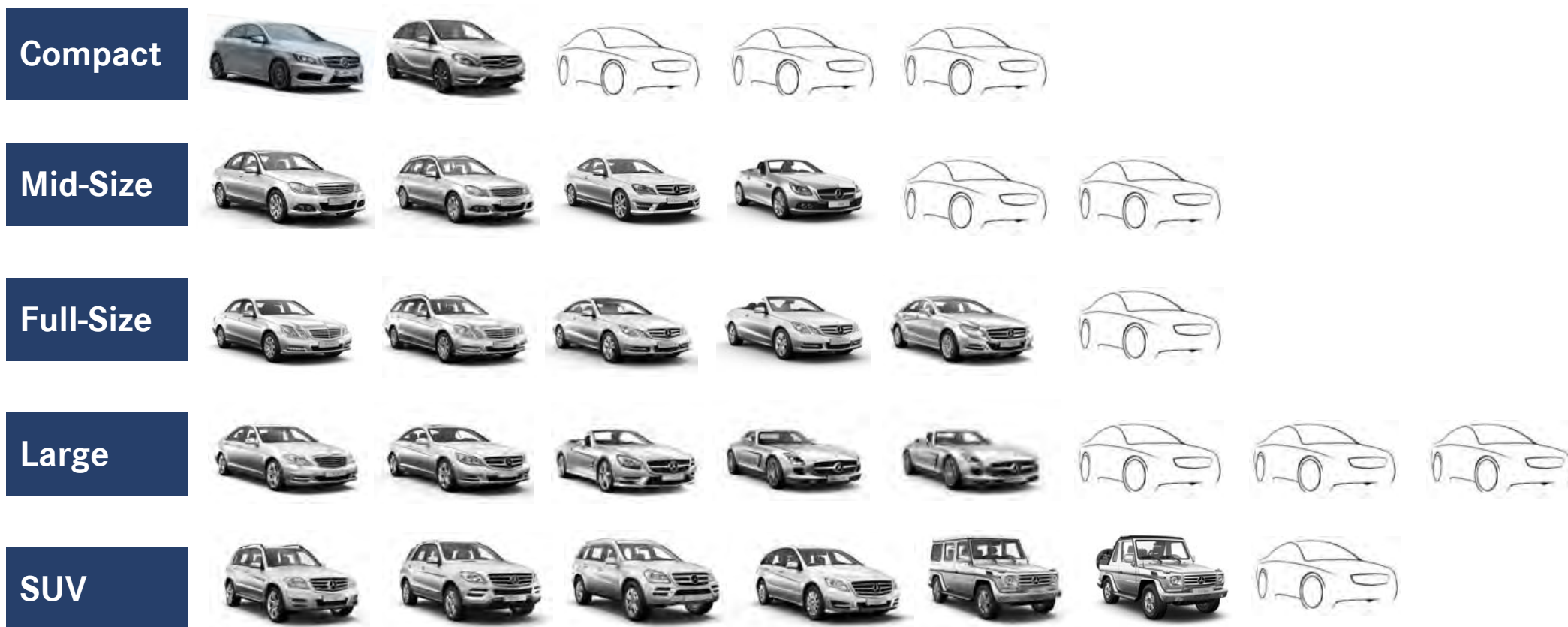
## Products: Mercedes-Benz Concept Style Coupé





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## More to come: At least 10 additional model series by 2015



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## Products: Delivering on responsibility



**ML 250 BlueTEC 4MATIC**

**6.0**



**E 300 BlueTEC HYBRID**

**4.2**

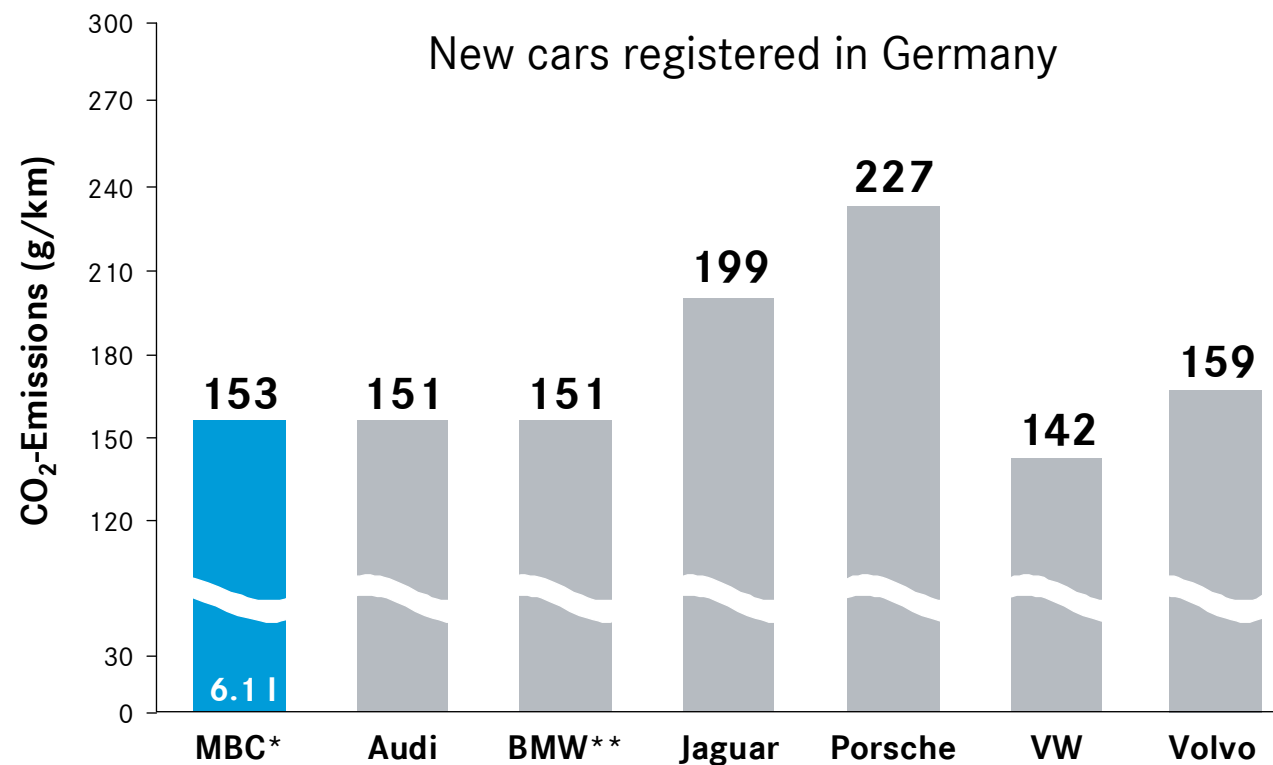


**SLS AMG E-CELL**

**0**

Fuel consumption combined in l/100 km

## Products: CO<sub>2</sub>- Emissions in 2011

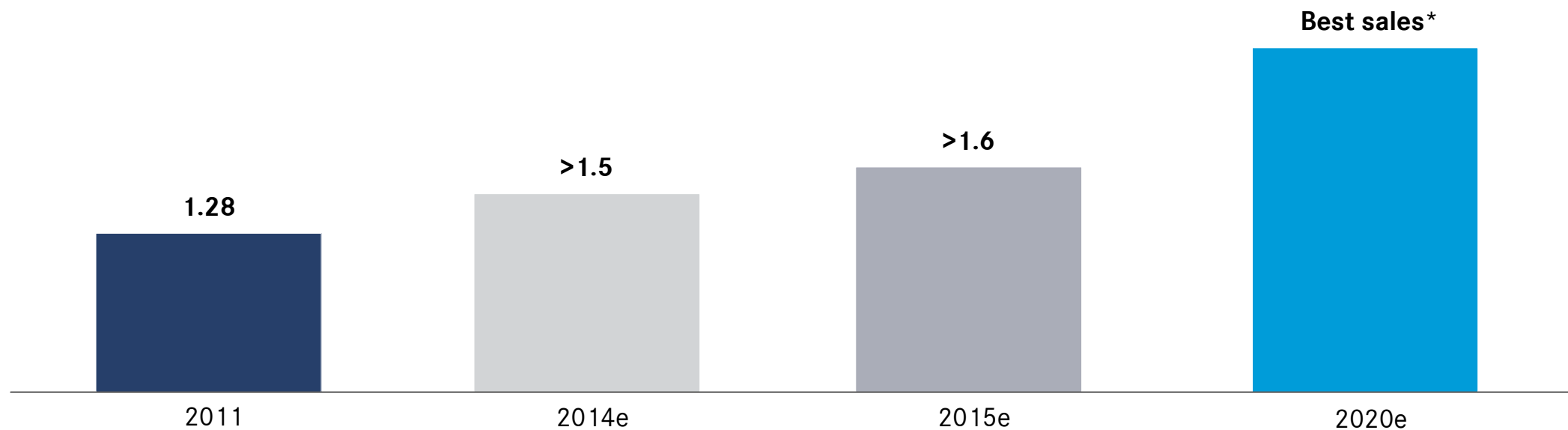


\* Mercedes-Benz Cars incl. smart and excl. Vans    \*\* BMW incl. Mini

Source: Federal Motor Transport Authority (KBA); auto, motor und sport 5/2012

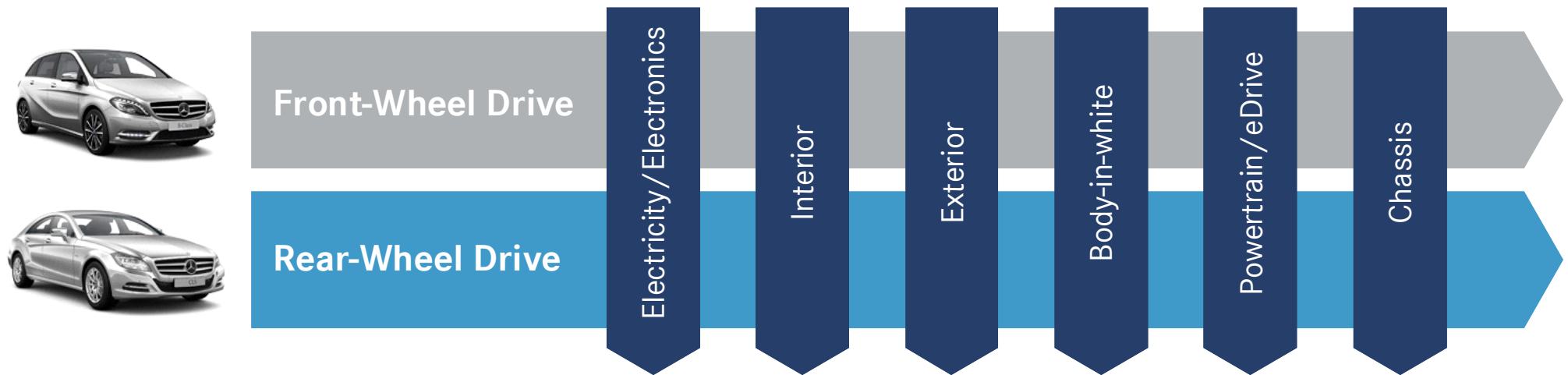
## Sales: At least 1.6 million cars in 2015 – sales leadership in 2020

**Mercedes-Benz sales forecast**  
[million units – without smart]



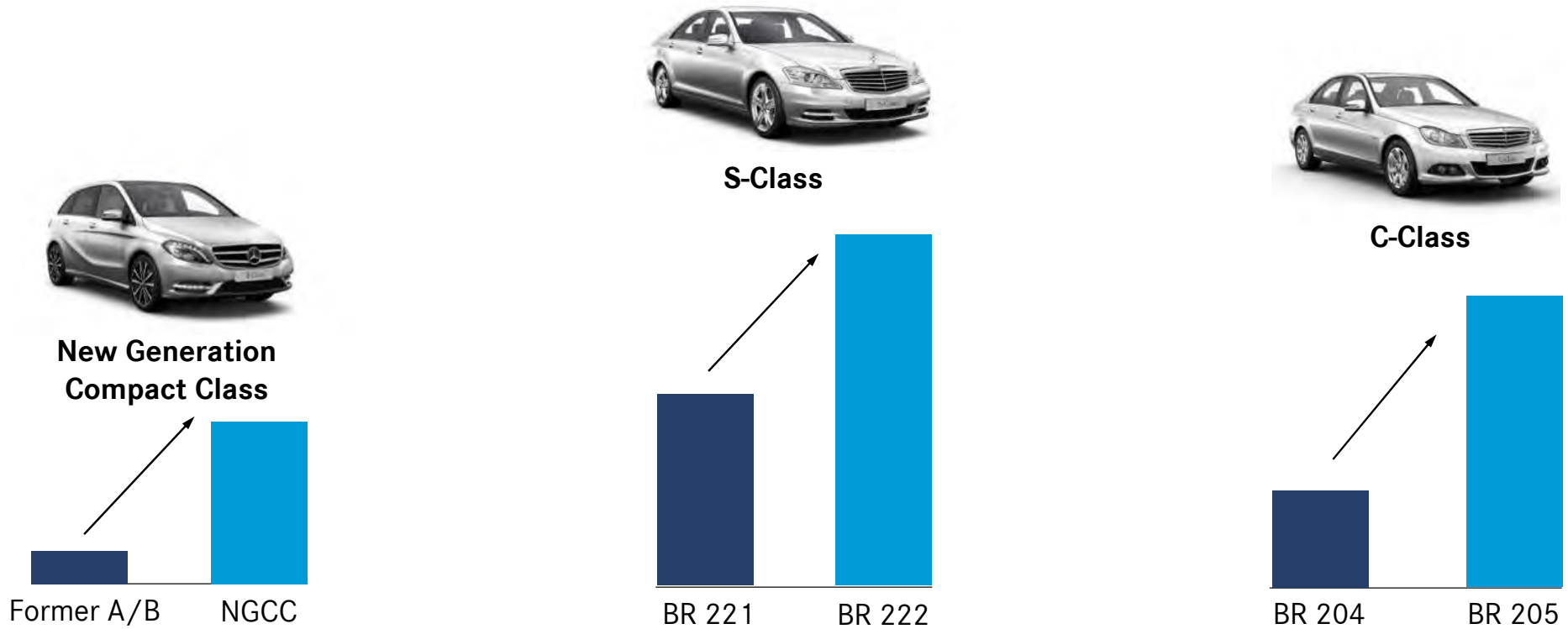
\*Within automotive premium segment; schematic representation

## Profit: Common vehicle architectures and module strategy enable efficient use of resources



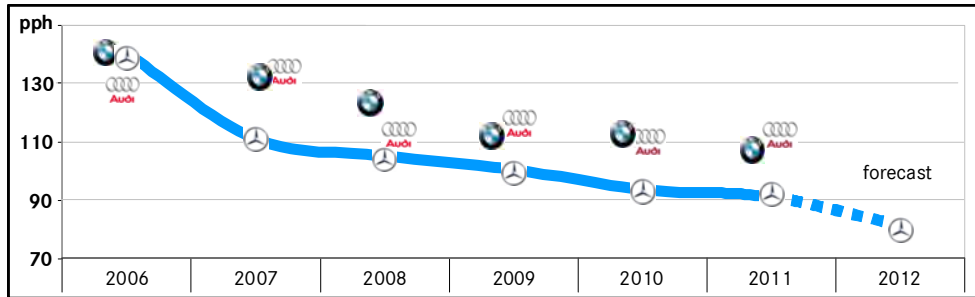
## Profit: Strong improvement at New Generation Compact Cars, S-Class and C-Class

EBIT Lifecycle Performance Development

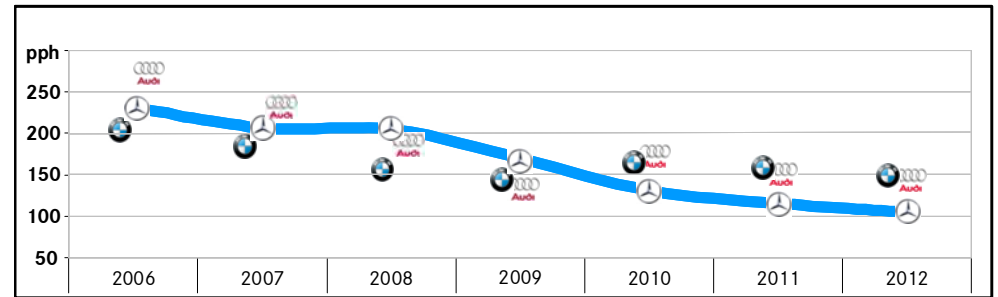


## Profit: Mercedes outperforms competition in initial quality and long term quality dependability

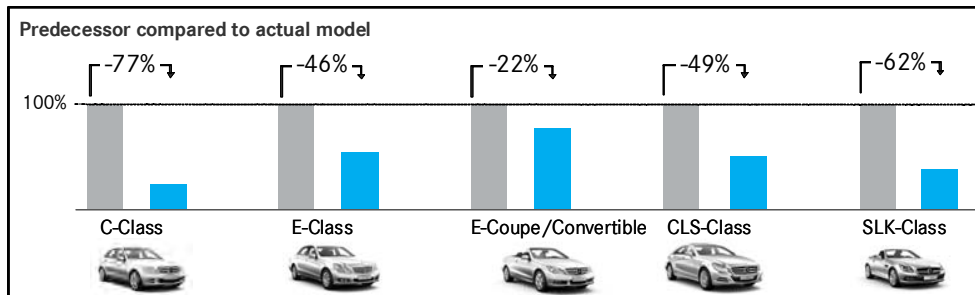
### J.D. Power Initial Quality Study



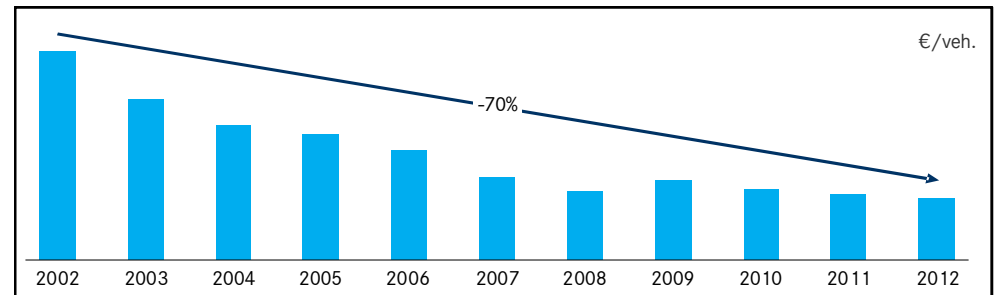
### J.D. Power Vehicle Dependability Study



### Warranty and good will cost – 12 months in sales



### Warranty and good will cost – 60 months in sales

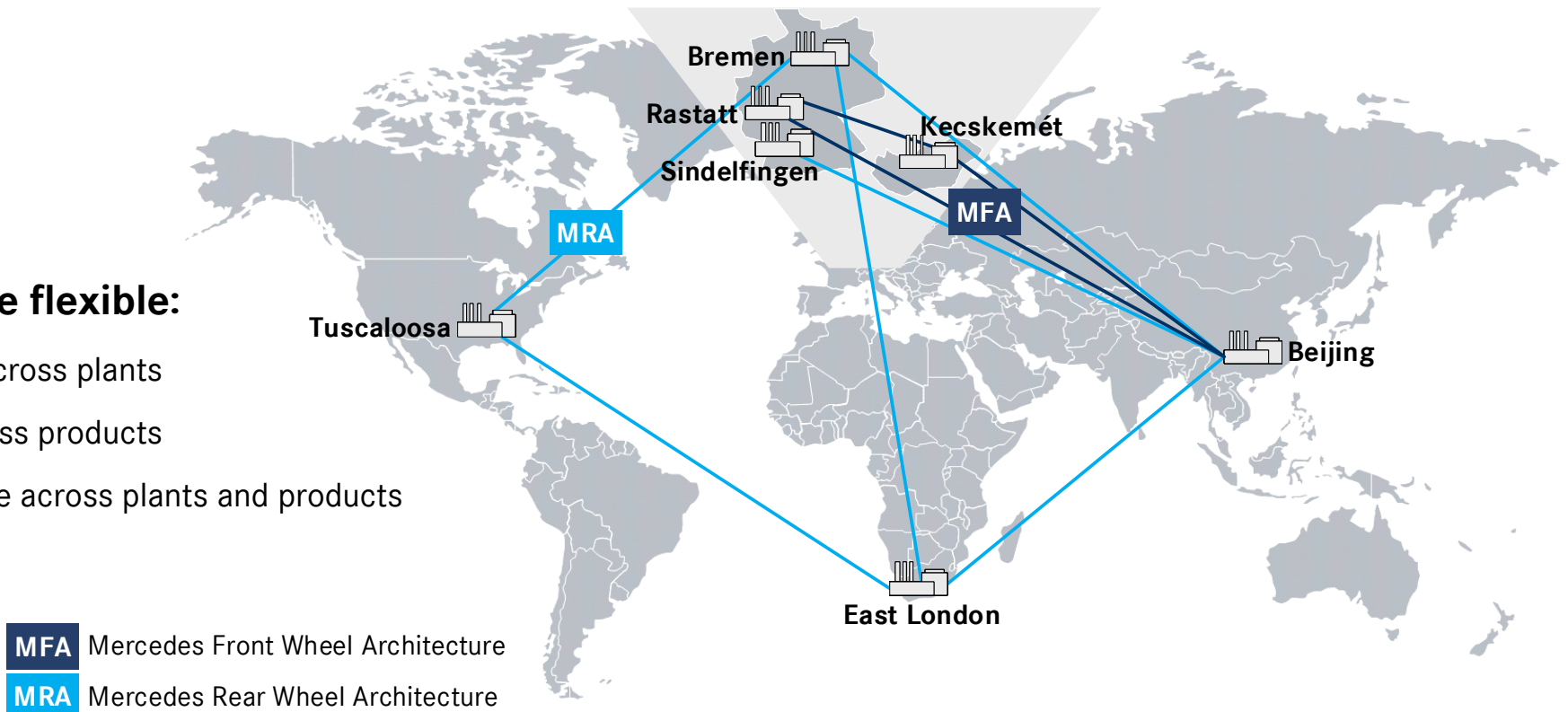




## Profit: By 2015 two flexible manufacturing networks will be established

### We will be more flexible:

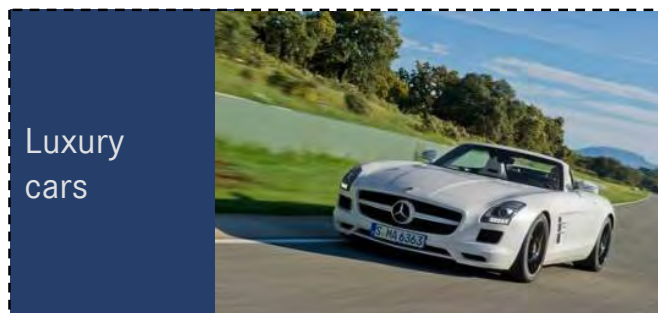
- Within products across plants
- Within plants across products
- Within architecture across plants and products



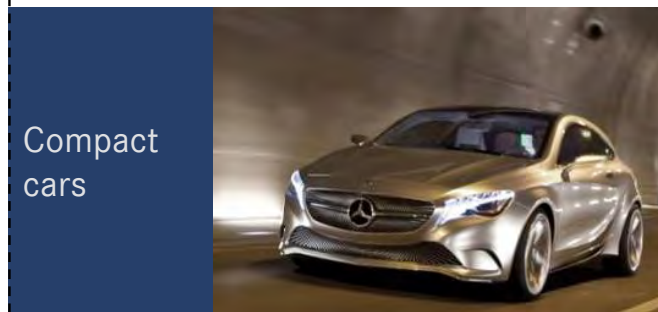
## We follow new paths, but not at the expense of old strengths...



+



+



+



## ...to deliver on our strategic targets

▶ **Sales leadership**

Milestones: >1.5 in 2014 / >1.6 in 2015

▶ **Technology leadership**

Milestone: 125 g CO<sub>2</sub> / km fleet average in 2016

▶ **Flexible footprint and productivity improvement**

Milestone: HPV 30h in 2015

▶ **Capital and cost discipline**

Milestones: CapEx Ratio ~7% / R&D Ratio ~6%

▶ **Sustainable profitability gain**

Milestone: 10% RoS on average from 2013 onwards

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Hungry for more.



## Agenda

1 Q1-2012 Results

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2 Daimler Strategy

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3 Mercedes-Benz Cars

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**4 Daimler Trucks**



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## The new Actros: „Truck of the Year“



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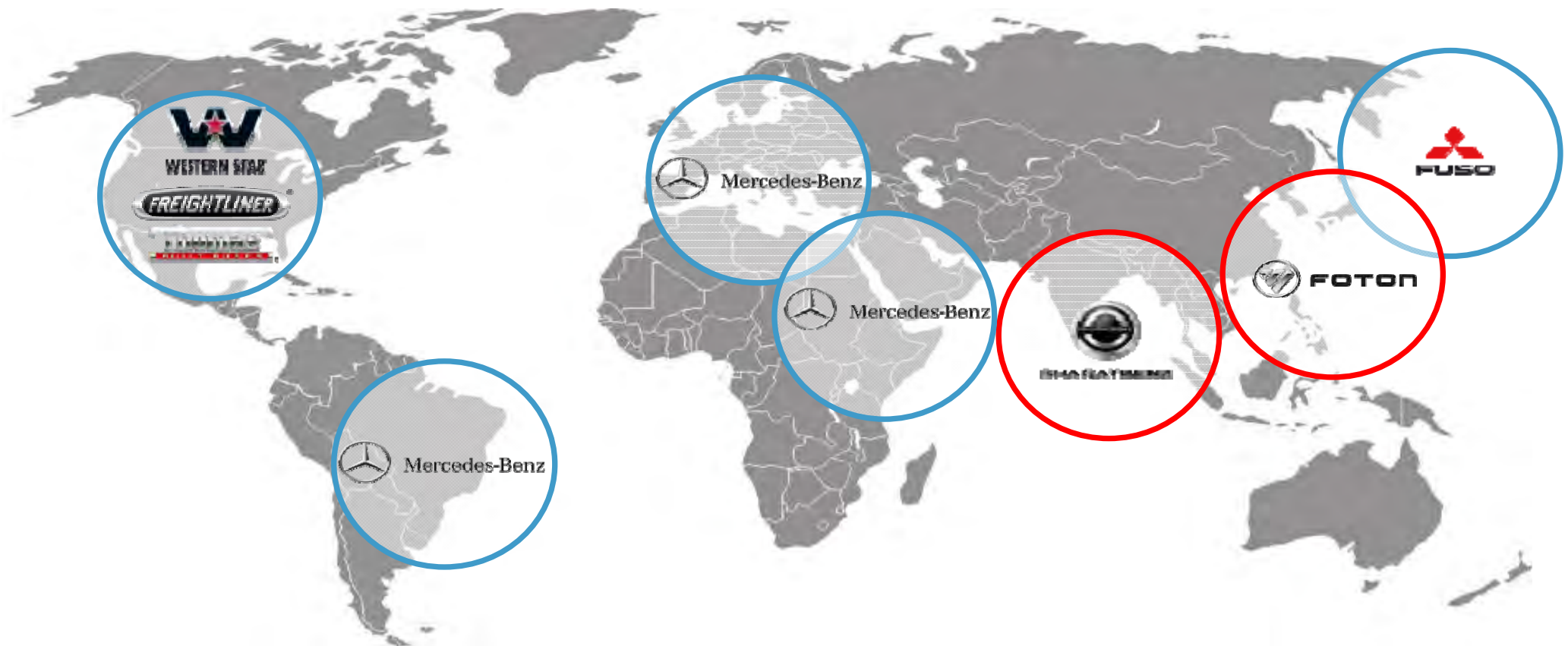
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## Further Actros models launched in 2012 and 2013





## Daimler Trucks position: Excellent coverage of Triad and Brazil, increasing RIC presence



## BharatBenz products will cover the complete Indian truck range and service all customer applications



- 4 cylinder
- 80kW ~ 125kW
- Fuel efficient for last mile distribution
- 6 cylinder
- 170kW ~ 205kW
- Long service intervals reduce service cost

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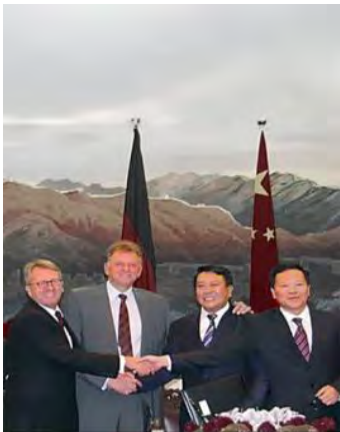
## Opening of Daimler India Commercial Vehicles truck plant in Chennai in April 2012





# China: Daimler Trucks obtained economic interest in the JV with Foton

Signing  
JV Contract



July 2010

MofCom  
Filing

- Negotiation on **2nd plant** governmental approval requirements in progress



October 2011  
Business License

**FOTONDAIMLER**

Contribution  
Process

- Transfer of Auman assets to BFDA
- Request of all licenses



March 2012  
Start of Economic  
Interest

Full Operation →

- 2 production plants
- Maximum capacity 160,000 units/year



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## Regional Champions: Auman Trucks in China



## Global Excellence: Our new engines

① Management of Cycles

② Operational Excellence

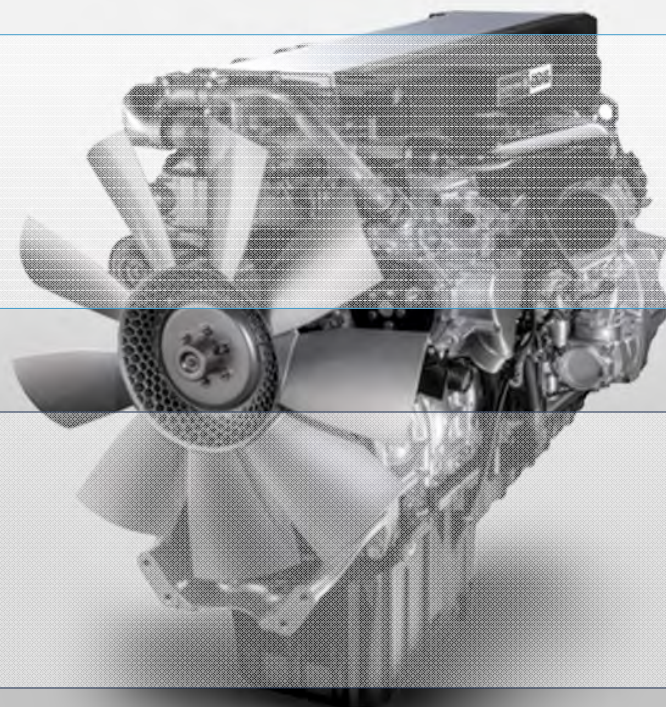
③ Growth and Market Exploitation

④ Future Product Generations



Effectiveness & Efficiency

Strategic Growth & New Products



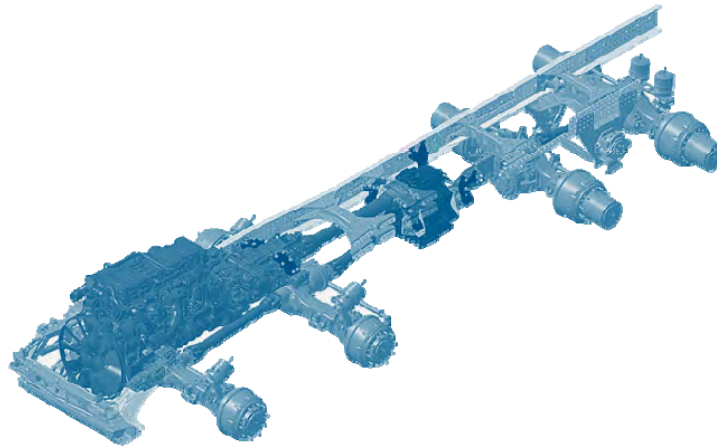
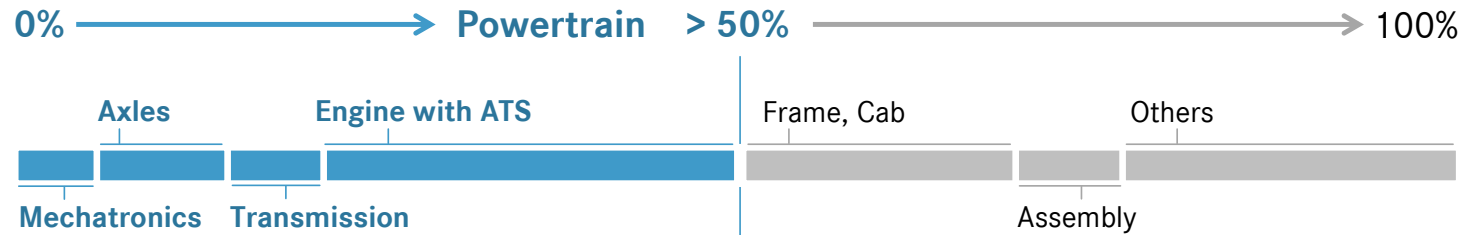
## Over 50% of the cost of a modern truck is the powertrain

### Increasing requirements

- Fuel economy
- Emission regulation
- Future drive technology



### High share within the value chain





## Daimler Trucks implemented a global heavy-duty engine platform

### USA

- Portland/OR
- Cleveland/NC
- Mount Holly/NC
- Redford/MI
- High Point/NC
- Gaffney/SC
- Gastonia/NC

### Mexiko

- Saltillo
- Santiago Tianguistenco
- Toluca

### Brazil

- São Bernardo do Campo
- Juiz de Fora

### Germany

- Gaggenau
- Kassel
- Mannheim
- Wörth
- Stuttgart (HQ)

### France

- Molsheim

### Portugal

- Tramagal

### Russia

- Chelny

### Turkey

- Aksaray

### India

- Chennai

### South Africa

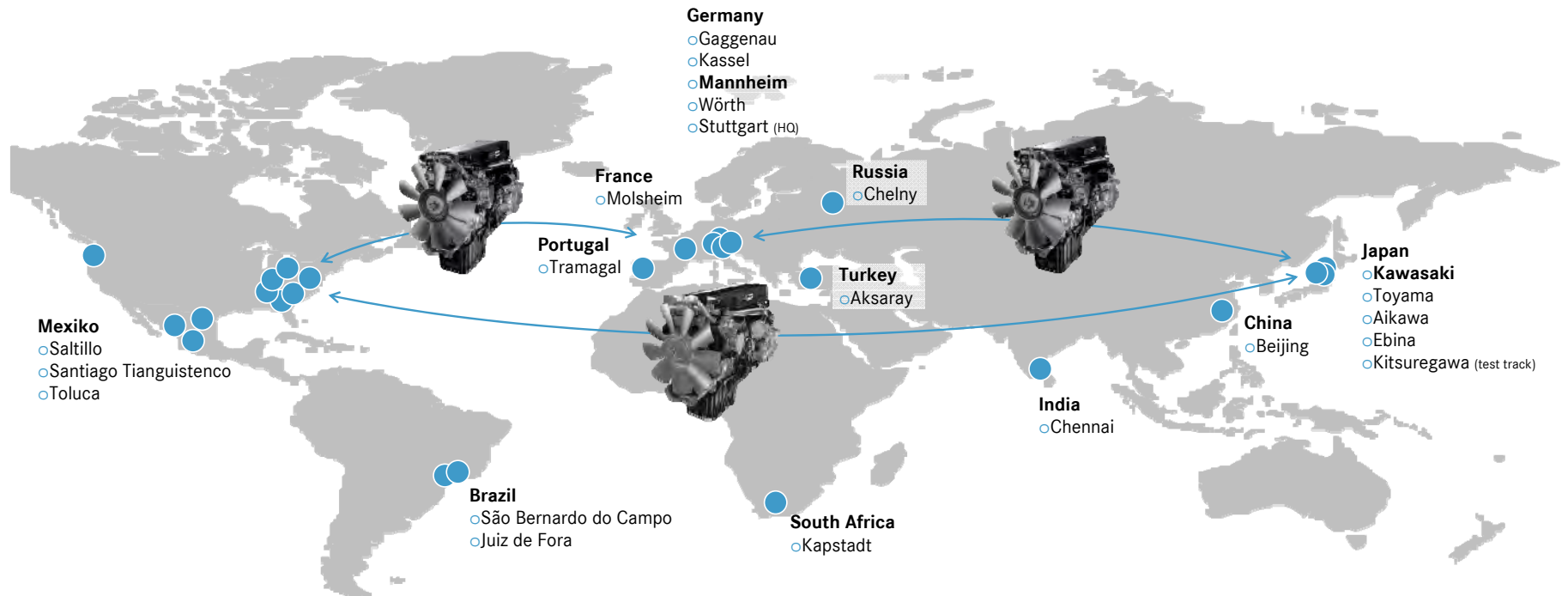
- Kapstadt

### Japan

- Kawasaki
- Toyama
- Aikawa
- Ebina
- Kitsuregawa (test track)

### China

- Beijing



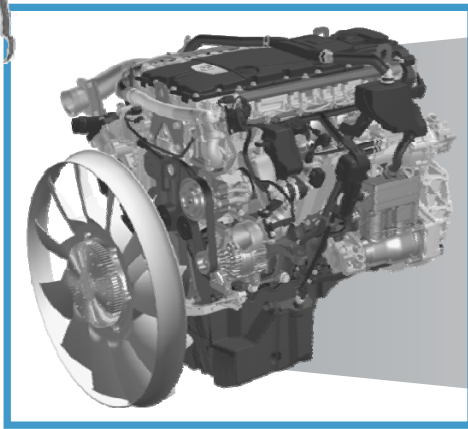
## ...and now also introduced of the new medium-duty Engine Platform

Engines for all truck and bus applications

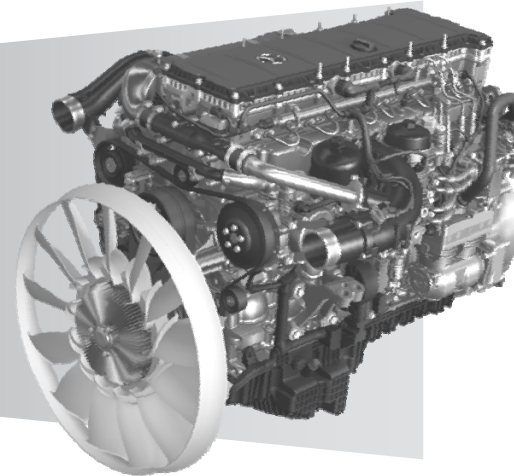


### Medium-Duty Engine Platform

- Compact
- Powerful



5.1 litres to 12.8 litres



### Heavy-Duty Engine Platform

- Robust
- Efficient
- High performance

115 kW to 375 kW

Municipal utility

City bus

Urban delivery

Interurban bus

Regional delivery

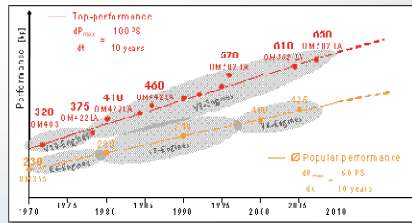
Coach

Construction

Long-haul

## The New Engine Generation

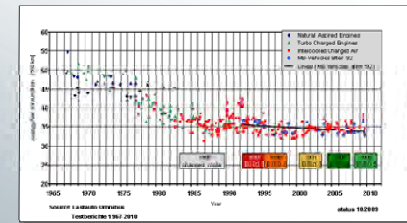
Requirements set by global legislations, customer and market demands



### Performance

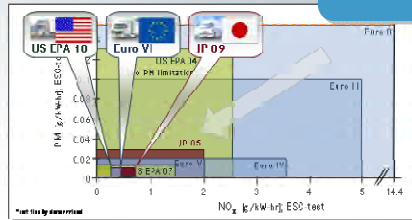
### The most economic engines in Total Cost of Ownership

- Low fuel consumption
- Long service intervals
- Operational performance
- First complete range of engines meeting Euro VI requirements

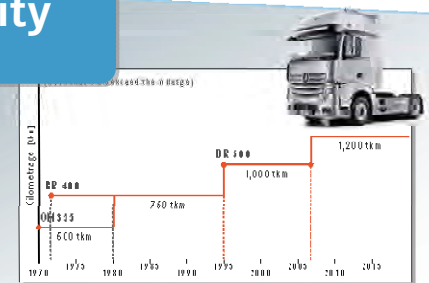


### Fuel consumption

### Emissions



### Reliability



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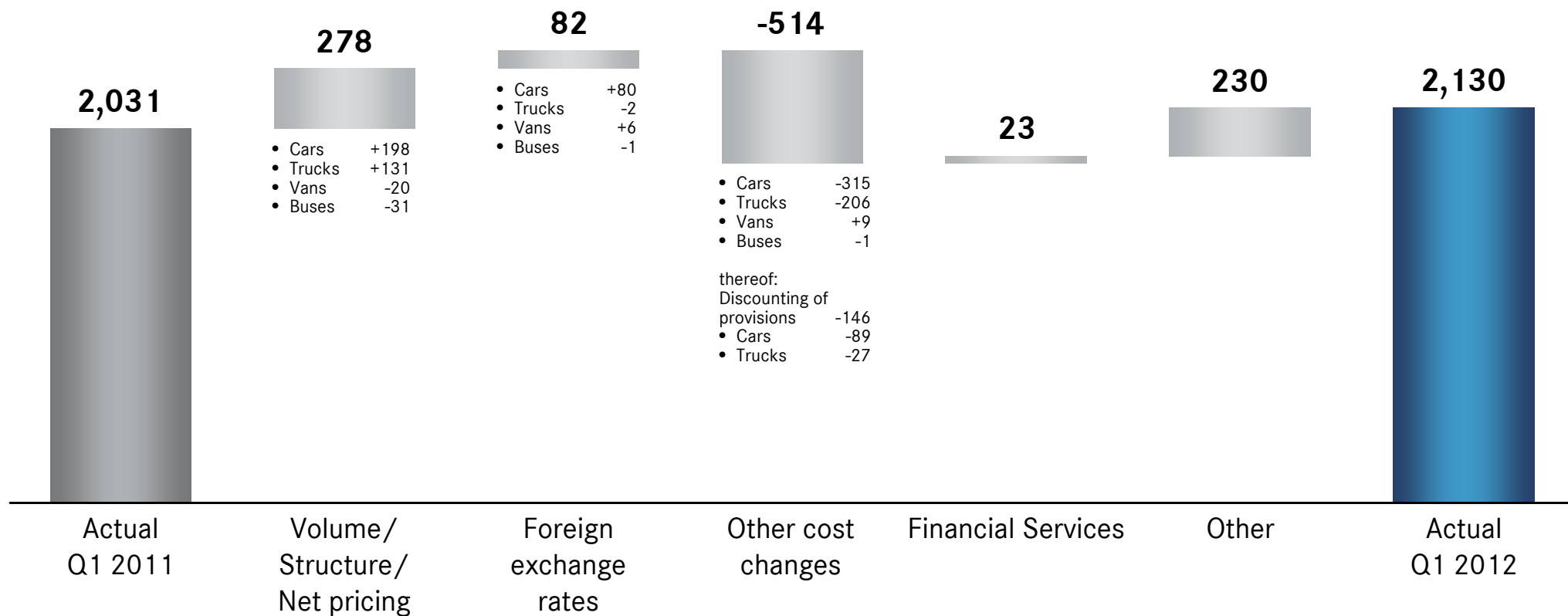
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Appendix



## Group EBIT in Q1 2012

- in millions of euros -





## Special items affecting EBIT

- in millions of euros -

	1st quarter	
	2011	2012
<b>Daimler Trucks</b>		
Natural disaster in Japan	-49	-
<b>Daimler Buses</b>		
Business repositioning*	-	-36
<b>Daimler Financial Services</b>		
Natural disaster in Japan	-29	-

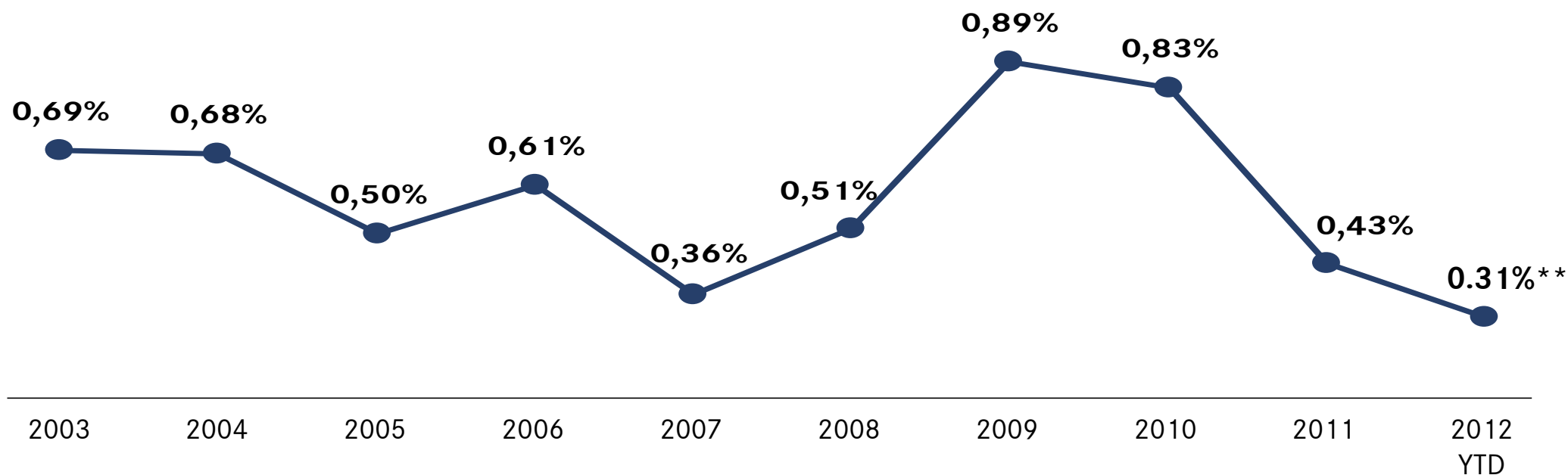
\* During the course of the year 2012, Daimler Buses expects further special items from the repositioning of the European business of up to €50 million and of the North American business of approximately €60 million.

## EBIT from ongoing business

- in millions of euros -

	Q1 2011	Q1 2012
<b>Daimler Group</b>	2,109	2,166
of which		
Mercedes-Benz Cars	1,288	1,252
Daimler Trucks	462	383
Mercedes-Benz Vans	173	168
Daimler Buses	-33	-67
Daimler Financial Services	350	344
Reconciliation	-131	86

## Net credit losses\* decreased significantly



\* as a percentage of portfolio, subject to credit risk

\*\* annualized rate

## 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 worsening of the sovereign-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.