

# DAIMLER

## Daimler in China

Significance of China Market to Daimler

China is Upgrading its Growth Quality

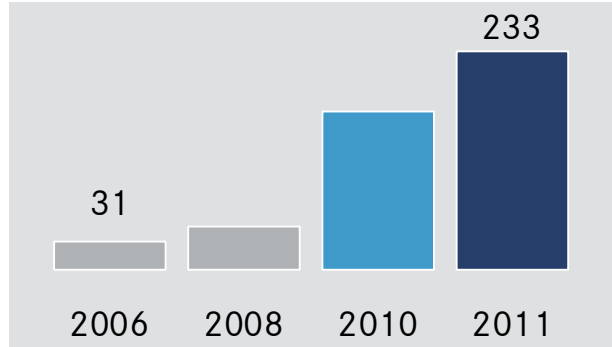
Daimler Getting Prepared for Future in China



# Significant growth of Daimler business in China

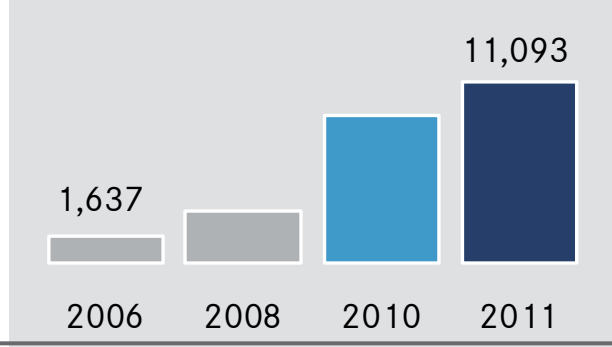


■ Wholesale Volume  
PV / Trucks / Van  
[in thousand units]



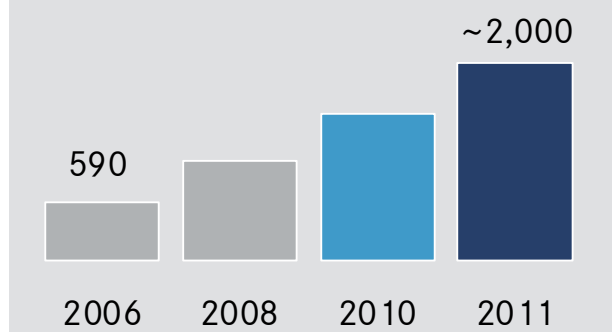
**CAGR  
+50%**

■ Group Revenue  
PV / Trucks / Van  
[in million EUR]



**CAGR  
+47%**

■ Headcount China



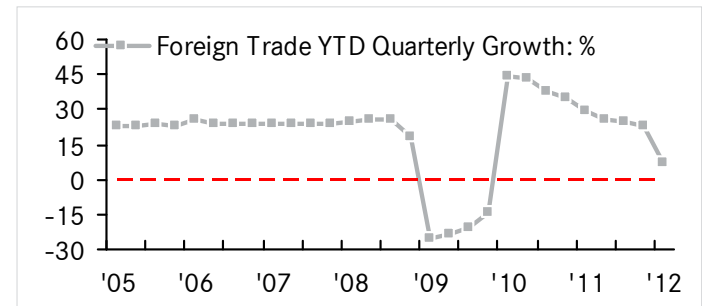
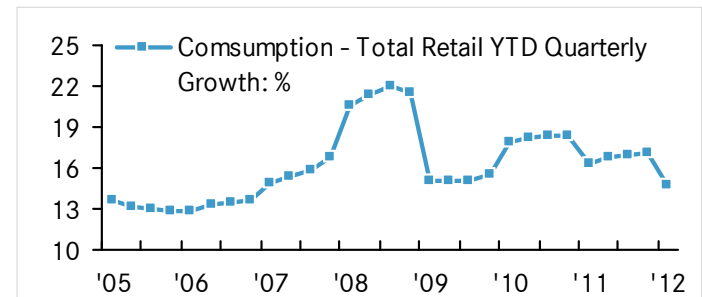
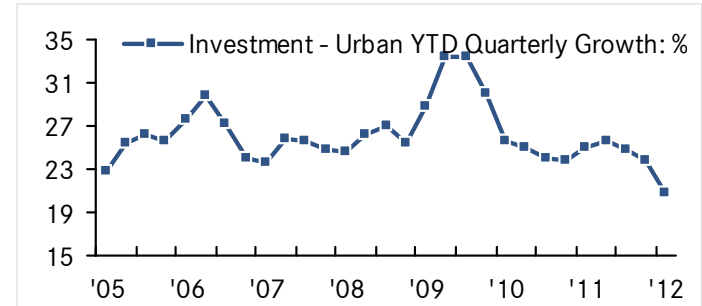
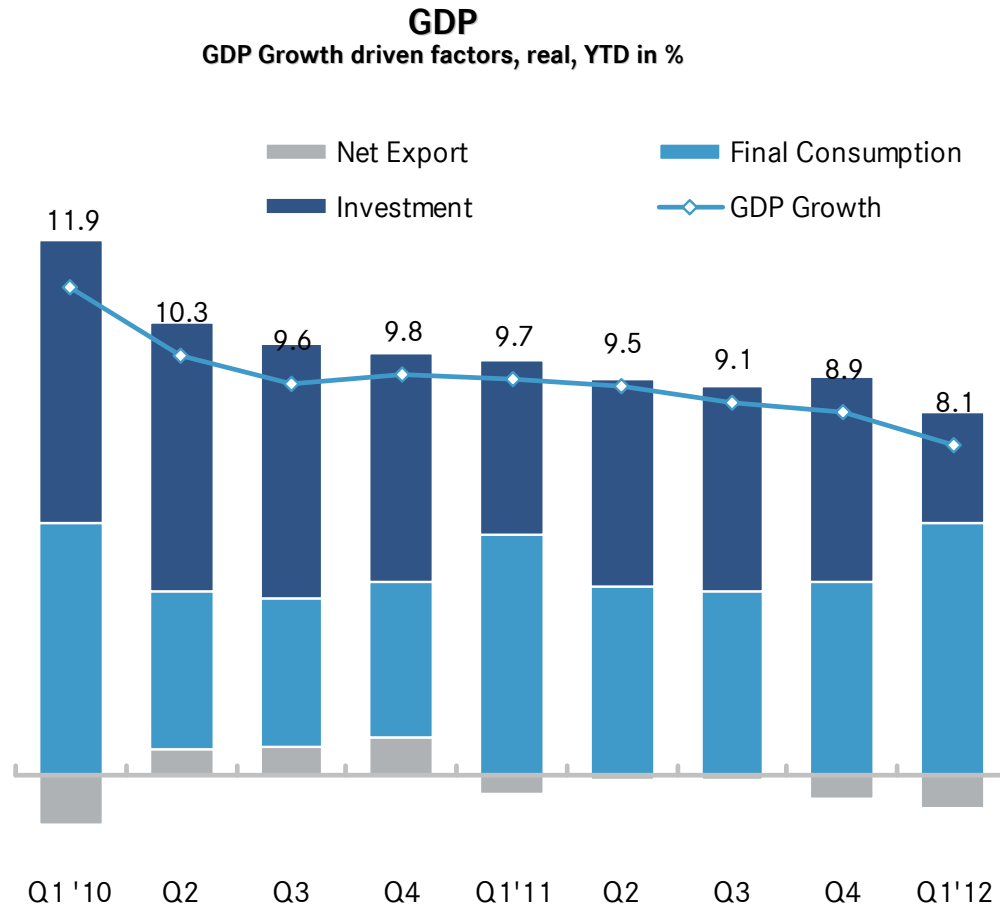
**CAGR  
+28%**

# Daimler China performance YTD May 2012



# Economic Growth: Soft Landing achieved

## With Structural Changes Taking Place

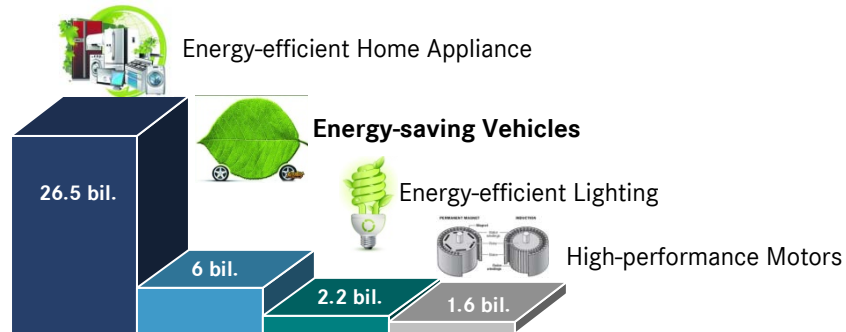


# Shifting from “Curbing Inflation” to “Stabilizing Growth”

## New Stimulus to Address Economic Slowdown

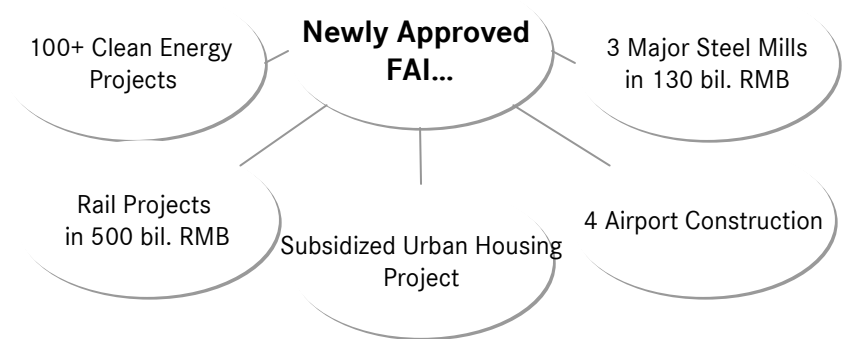
### Governmental Expenditure

> 36.3 Billion to Subsidize Energy-efficient Product



### Industrial Policy

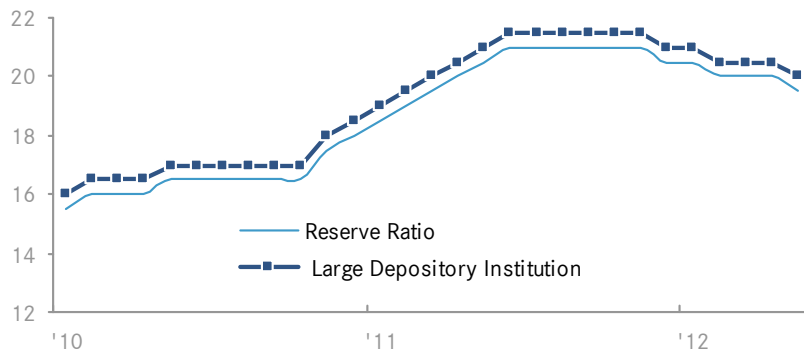
> Speeding More Investment in Fixed Assets



### Monetary Policy



> RRR Cut for monetary easing



### Fiscal Policy

> Tax cut to encourage mid/small enterprises

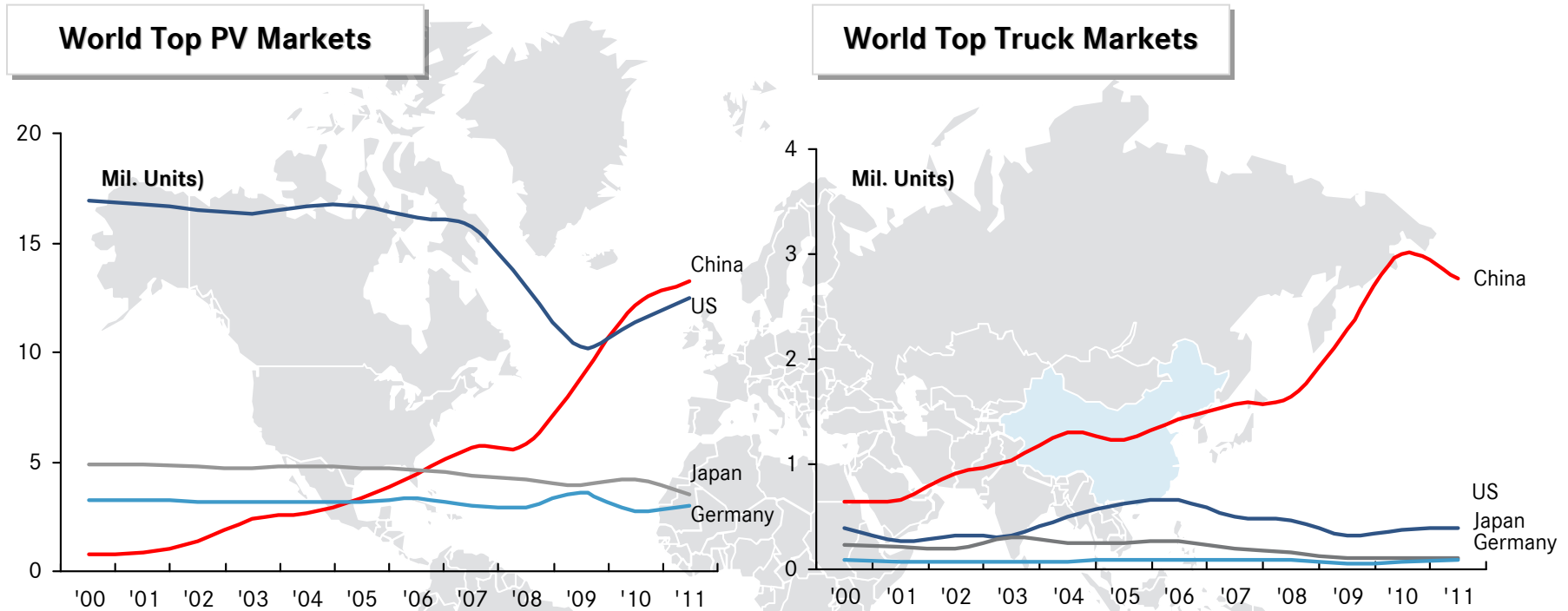
The “Experimental Structural Tax Cut” in Shanghai, which allowed companies in service industry to pay value-added taxed instead of business tax, is expected to expand to 10 provinces and municipalities.

In the meantime, the government promised that the existing 50% tax cut for small and low-profit enterprises would be extended to the end of 2015.



# China Automotive Market

Continued to top world sales in both PV and CV segments

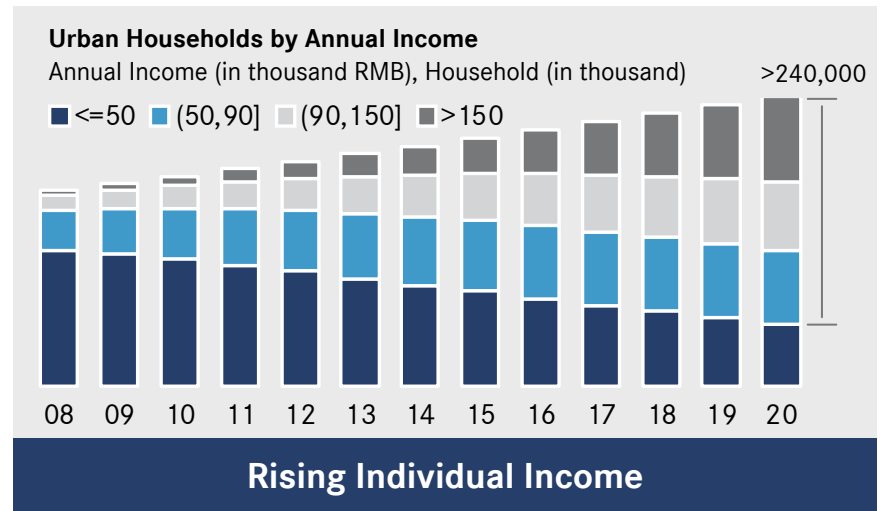
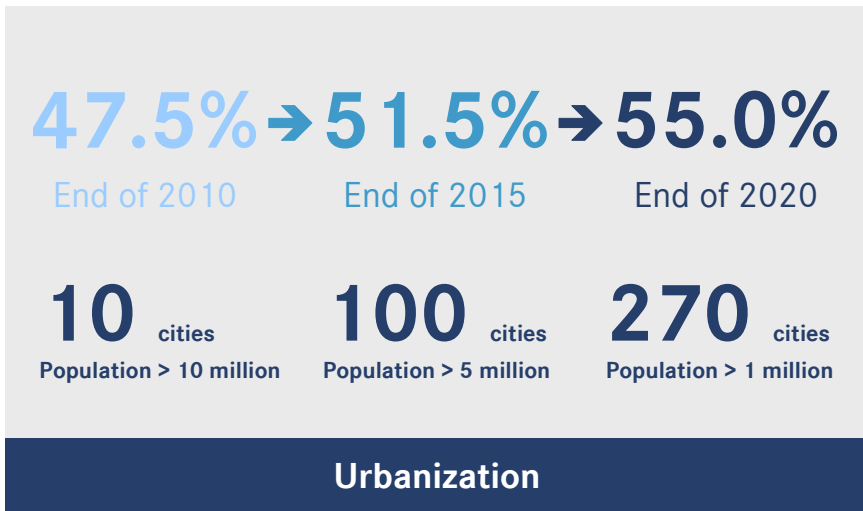
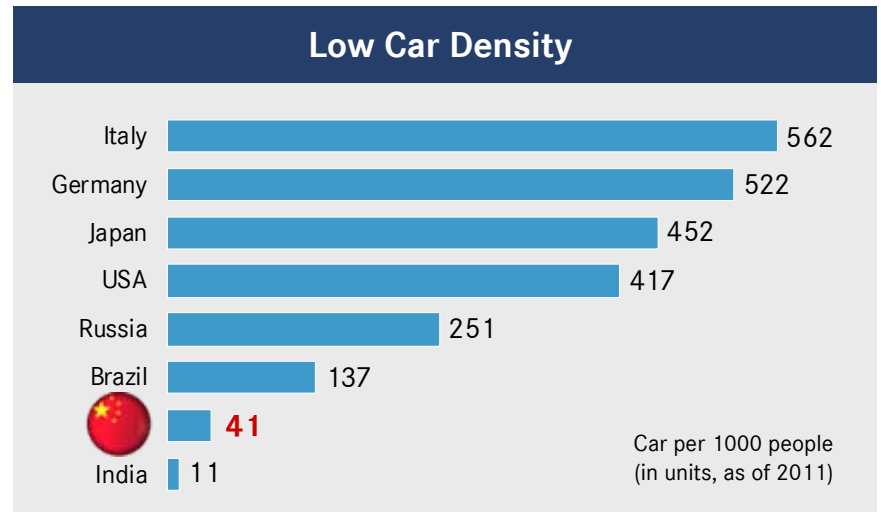
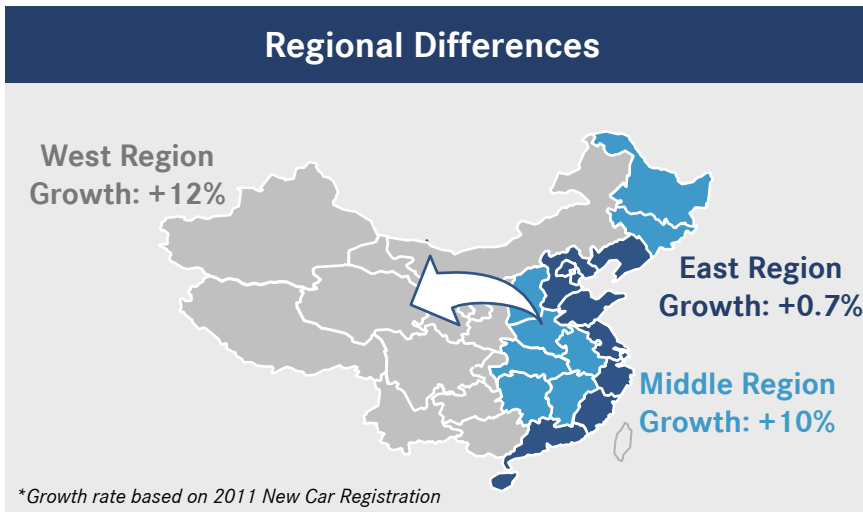


➤ China surpassed the United States to become the world's No. 1 PV market in 2010. Despite a slowdown in growth rate, China PV sales continued to lead world major markets for the second year in the row in 2011.

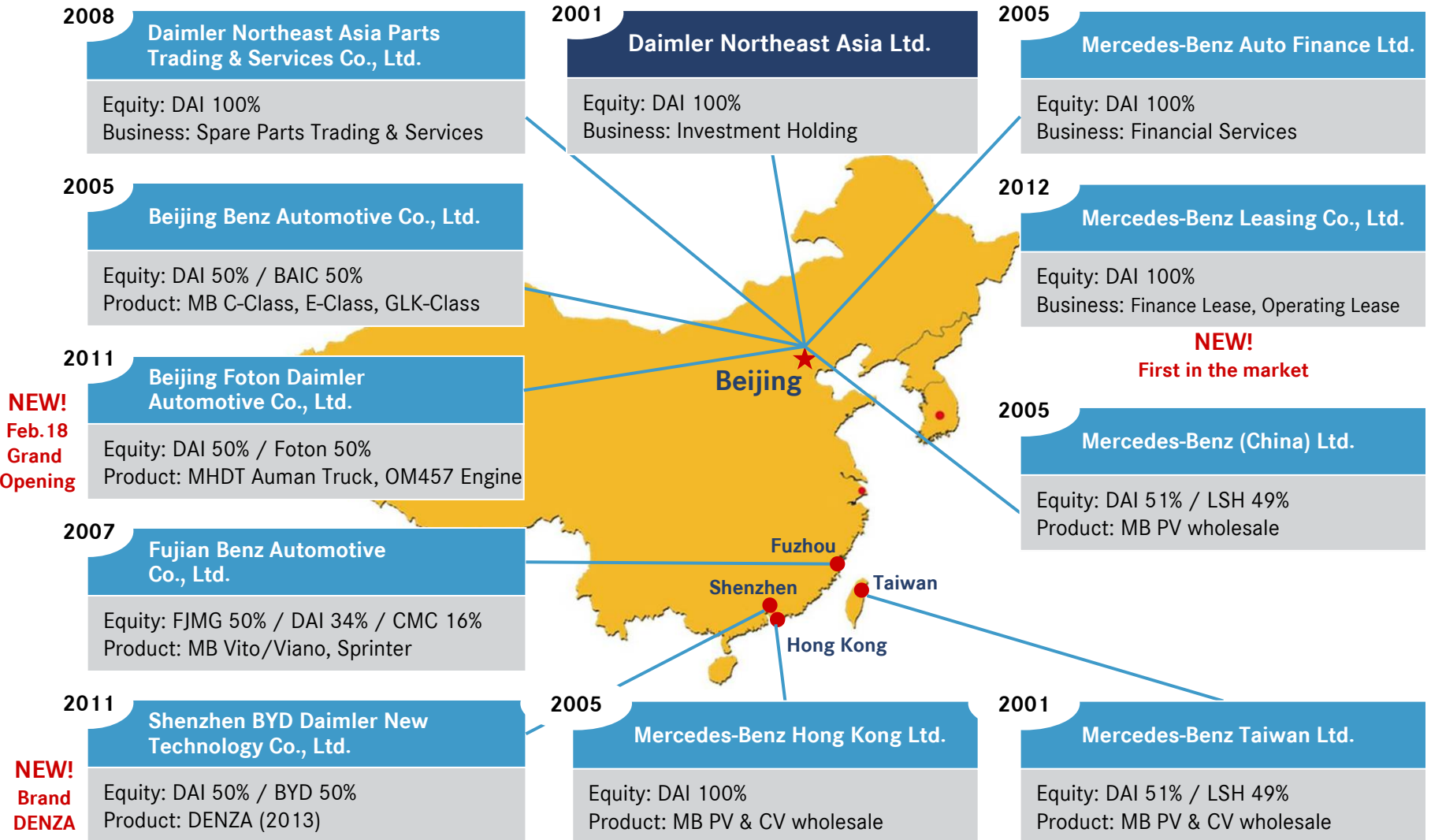
➤ Despite a negative growth in total sales due to weakened macro economic growth, China market continued to dominate world truck sales, accounting for more than 50% of the world's total truck sales for the year 2011.



# Regional difference, low car density, urbanization and rising individual income provide potential for growth



# Daimler is the ONLY premium manufacturer in China that covers all automotive segments





## Mercedes-Benz 2020: Ambition to lead

Leading Globally Requires Leadership Position in China



Mercedes-Benz 2020

**Best BRAND – Best PRODUCTS – Best SALES – Best PROFITABILITY**

# In China, Mercedes-Benz is not only a car brand, but THE car brand

**AMBITION TO LEAD**

**Responsibility**      **Fascination**

- Delightful Customer Care
- Refined Sportiness
- Distinctive Style
- Trendsetting Design
- Exemplary Safety
- Perceivable Quality
- Energizing Comfort
- Passionate Innovation
- Holistic Sustainability
- Delightful Customer Care

**SLS AMG**

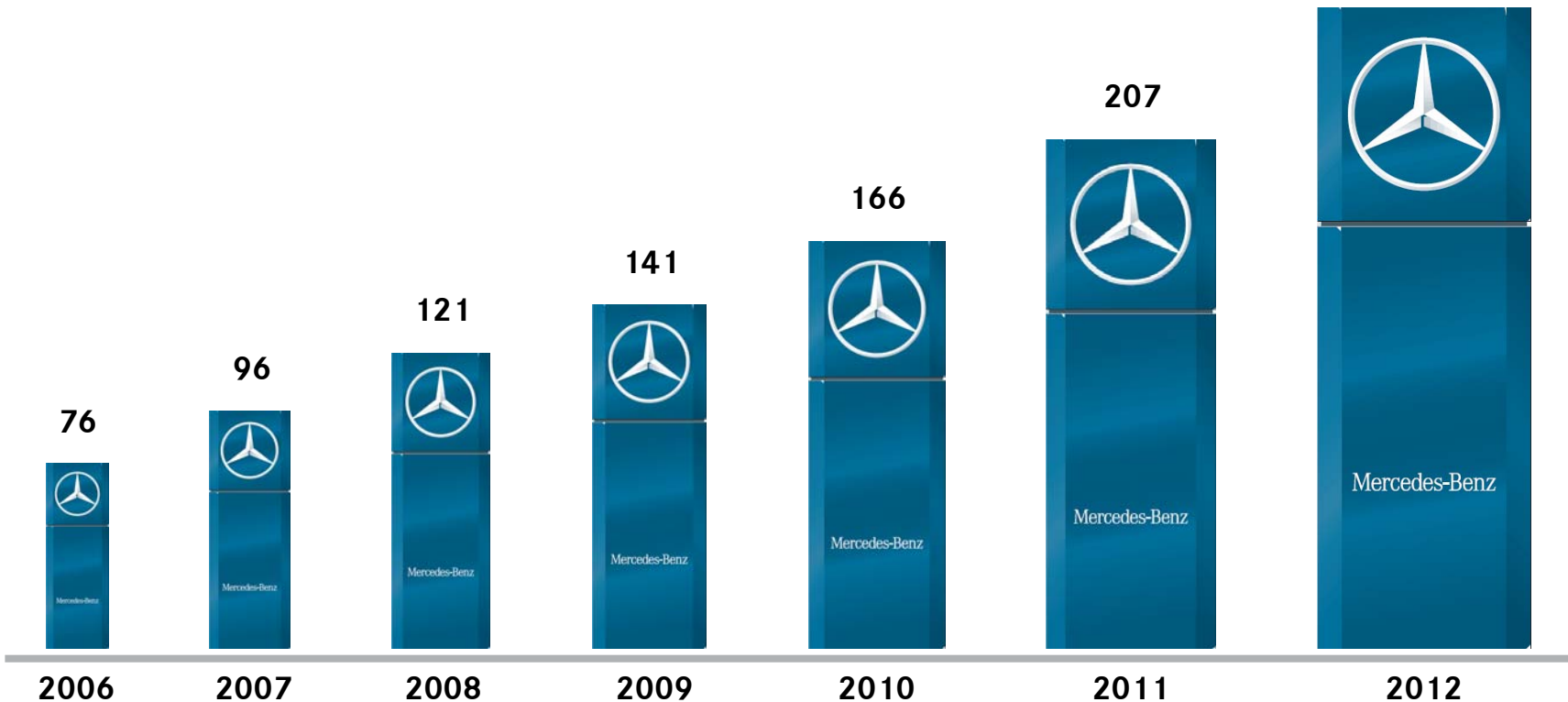
**Mercedes-Benz has outperformed all the competitors in terms of overall brand leadership in China in 2011**



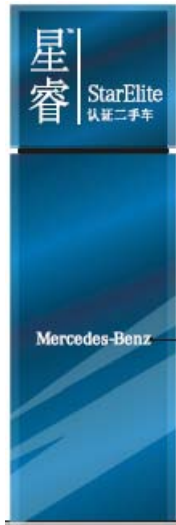
## Network development to support sales growth

### MB Segment Network Development 2006 – 2012 (Estimation)

No. of Outlets

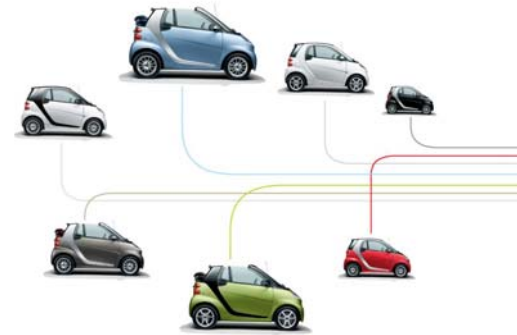
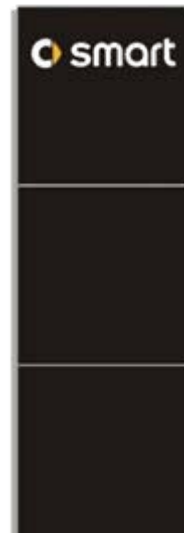


# Daimler addressing the China market in a more matured and customer-oriented way



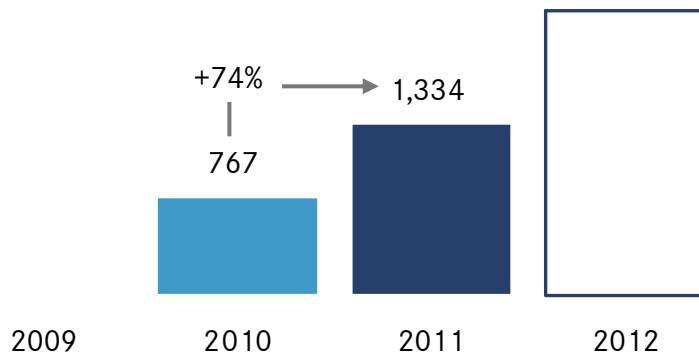
Certified Used Car

- a. Age  $\leq$  4 years
  - b. Mileage  $\leq$  100,000 km
  - c. No structural damage
  - d. 158 points inspection
- Warranty: 1 year/20 TKM
  - Road Side Assistance
  - Next service > 5 TKM
  - Original Mercedes-Benz parts
  - Mercedes-Benz trained technicians

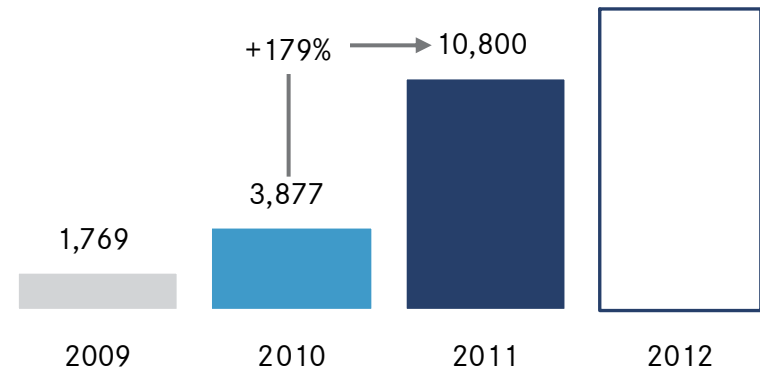


- Worldwide ranking from No. 11 in 2009 to No. 3 in 2011
- 68 smart sales outlets are in operation, covering 57 cities

StarElite Pre-Owned Sales



smart retail development in China



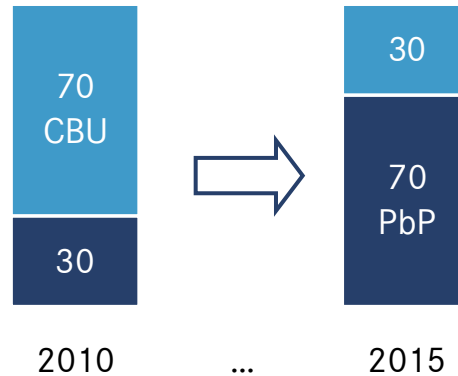


# Deeper cooperation with Strategic Partner

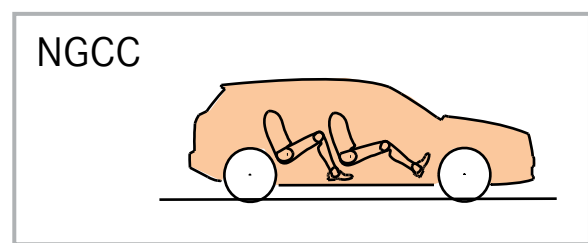
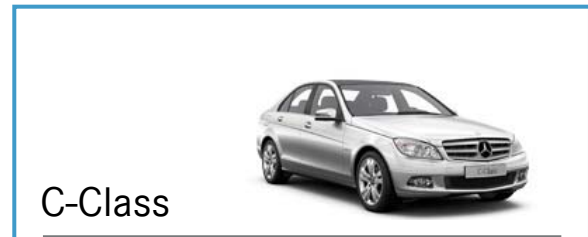
## BBAC Industrialization



Daimler and BAIC  
(Beijing Automotive Group Co., Ltd) agree to extend their wide-ranging strategic partnership



## Future Products Line-up





# DENZA – EV the Future!

## BDNT\* Project well on track with record speed



*"Denza will be at the forefront in leading China's adoption of the vehicles."*

[ChinaDaily](#)

*"Two years ago, Daimler and BYD partnered up to create an electric vehicle for the Chinese market, and now the first fruit of that relationship has debuted."*

[CarAndDriver.com](#)

*"The model is designed to showcase the partners' technological prowess, blending BYD's EV know-how with Daimler's automotive design pedigree."*

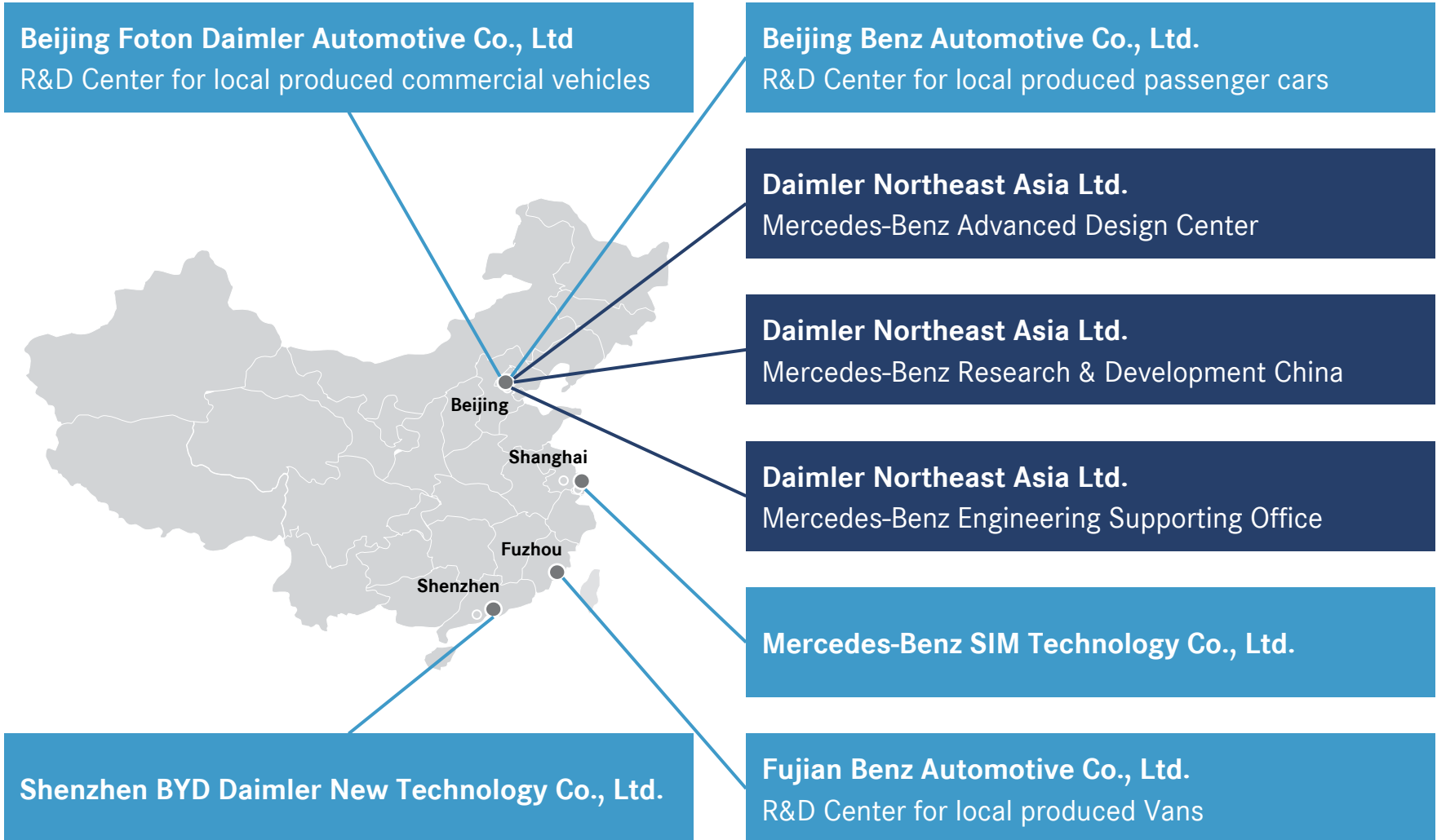
[Yahoo.com](#)

### Product Potential

<b>Top Speed (km/h)</b>	150
<b>Driving Range (km, Eco Mode)</b>	Max. 250-300 (Chinese driving cycle)
<b>Quick / Standard Charging time</b>	~1 hr / ~5 hr
<b>Product Concept</b>	Standard mid-size sedan

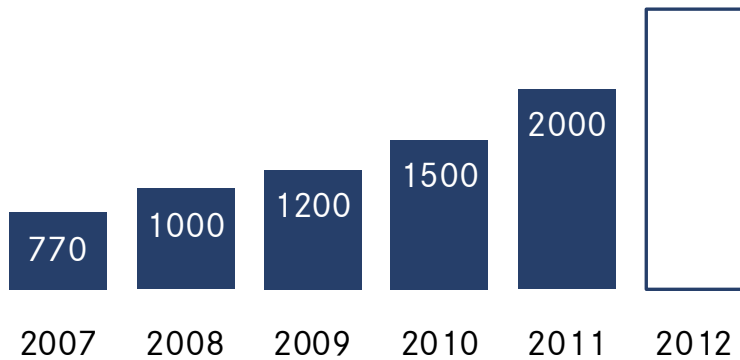
\* Shenzhen BYD Daimler New Technology Co., Ltd.  
Morgan Stanley China Industrials Summit

# Local R&D capability has been set up across Business Units in China

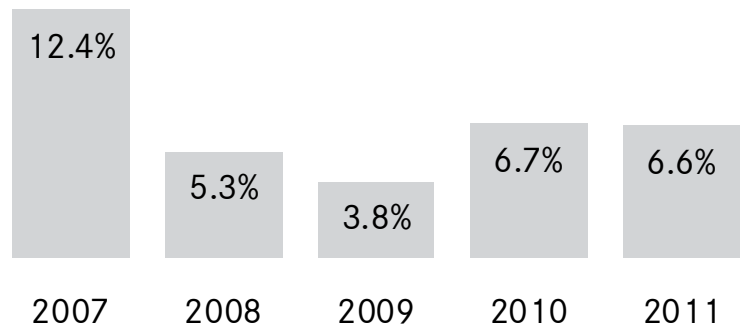


# Sustainable and seamless Talent Pipeline enables business growth

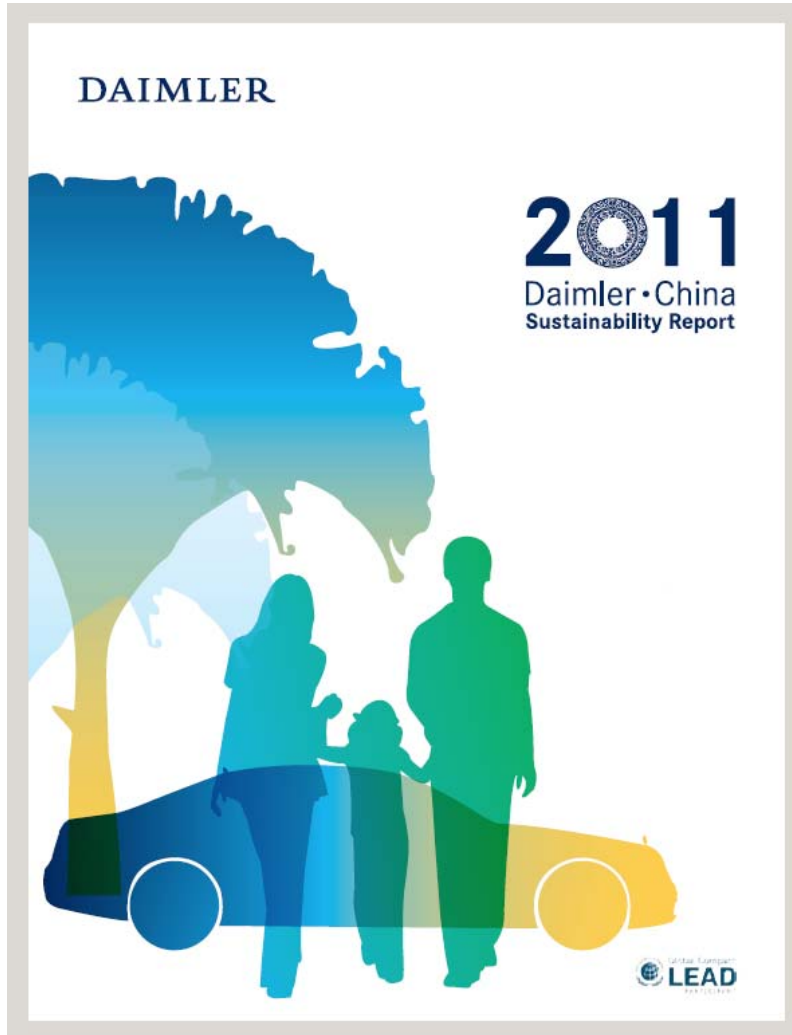
## Headcount Development



## Voluntary Turnover Rate



# Sustainable and Profitable Growth in China



**Sustainability  
Management**

**Integrity**

**Business Operation**

**Product Responsibility**

Operations-related environmental protection

**Our employees**

**Social commitment**

# DAIMLER

## Q & A

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