

DAIMLER

Q3 and January-September 2012 Results

Bodo Uebber

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

October 24, 2012

Highlights in Q3 2012

Group sales	528,600	(+1%)
Sales record at Mercedes-Benz Cars	345,400	(+2%)
Further sales increase at Daimler Trucks	119,100	(+3%)

Market launch of the new A-Class and the new CLS Shooting Brake

Start of production of Mercedes-Benz Antos distribution truck

Market launch of the first BharatBenz trucks in India

First jointly produced Auman truck rolled off the assembly line in China

Sales start of the new urban delivery van Mercedes-Benz Citan

Accelerating economic slowdown in the course of Q3 2012

Stronger headwind for world economy, mainly in Western Europe and in important emerging markets

Accelerating downward trend of the Western European car and van markets

Demand for medium and heavy trucks in Western Europe affected by heightened uncertainty

Growth of truck sales in the North American market slowed down

Brazilian market for commercial vehicles did not show the expected turnaround so far

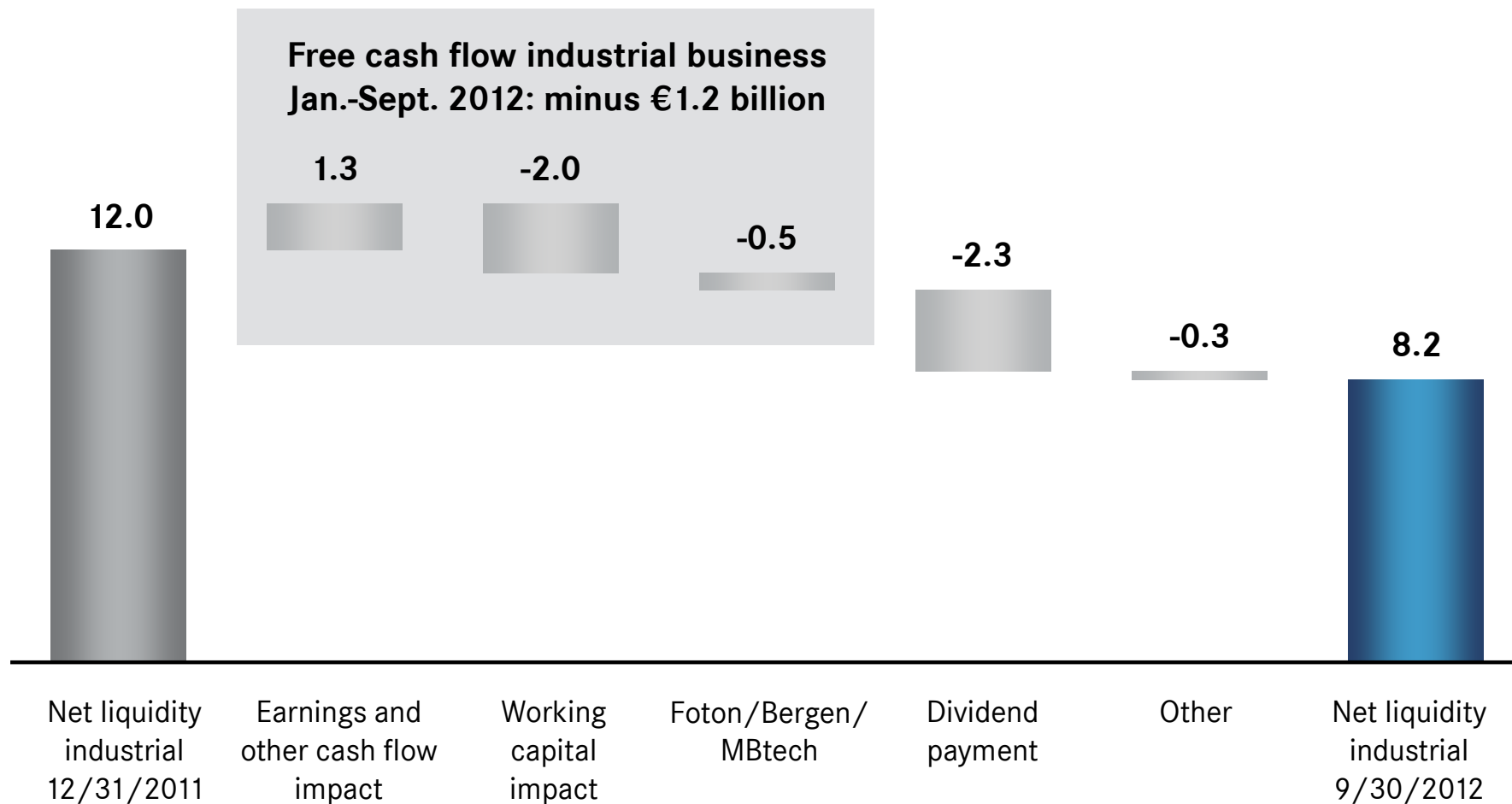
Key financials

- in billions of euros -

	Q3 2011	Q3 2012
Revenue	26.4	28.6
EBIT		
as reported	2.0	1.9
from ongoing business	2.1	1.9
Net profit	1.4	1.2
Earnings per share (in euros)	1.21	1.03
Net liquidity industrial business (2011: year-end)	12.0	8.2
Free cash flow industrial business	-0.8	-0.2

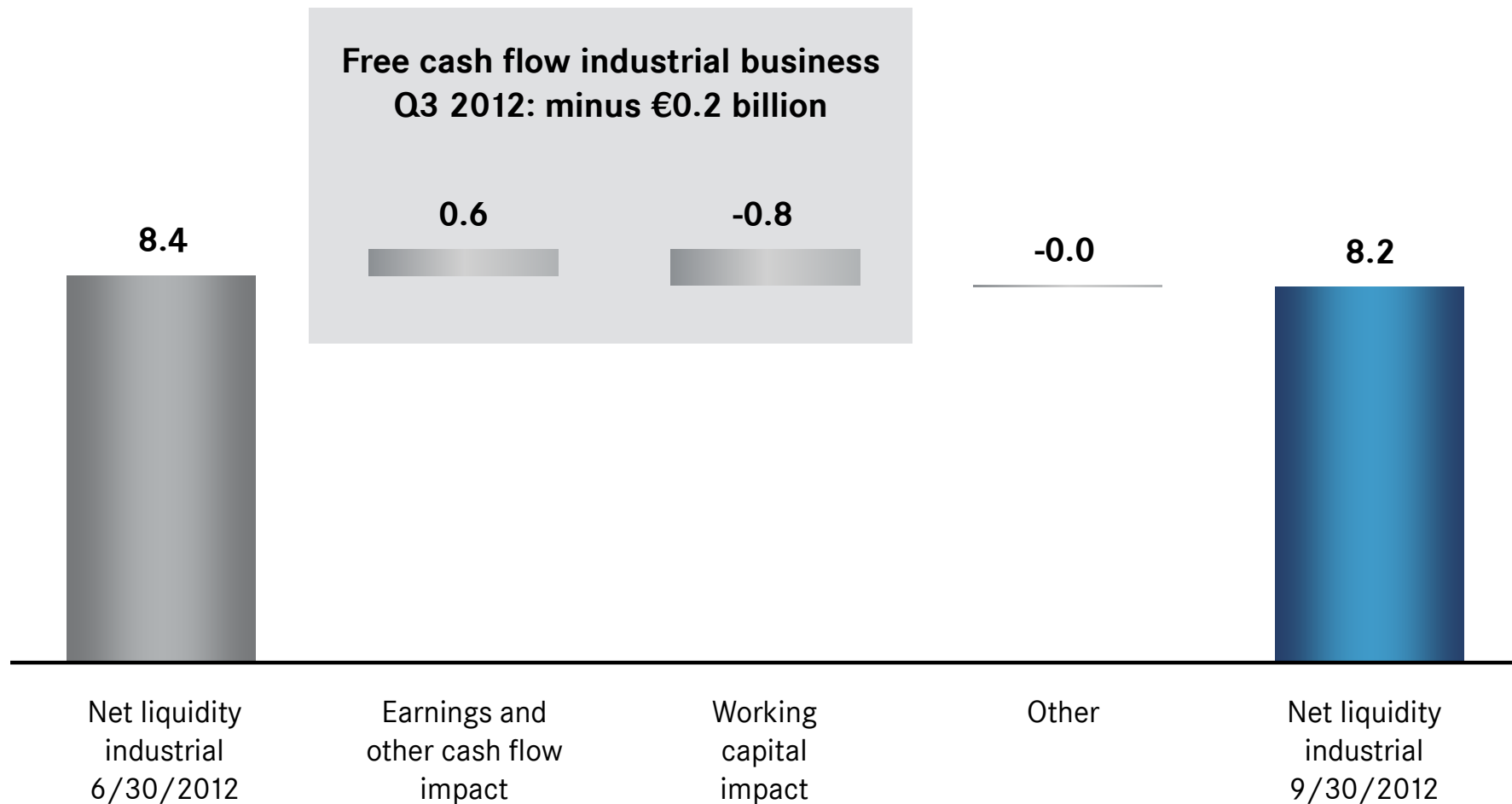
Net industrial liquidity: Development in the first nine months of 2012

- in billions of euros -



Net industrial liquidity: Development in Q3 2012

- in billions of euros -



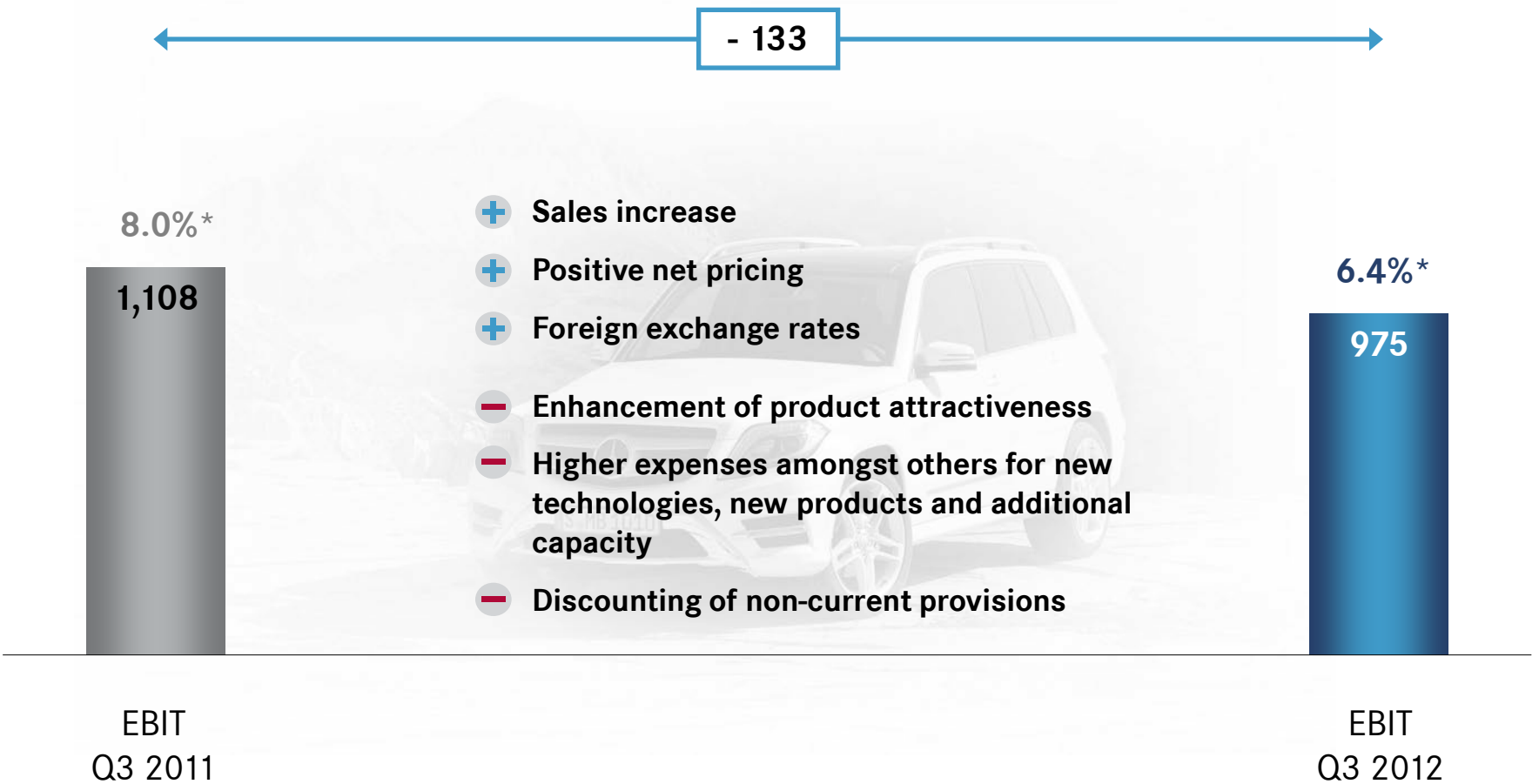
Key balance-sheet figures

- in billions of euros -

Daimler Group	Dec. 31, 2011	Sept. 30, 2012
Equity ratio	26.3%	26.1%
Gross liquidity	11.9	16.3
Industrial business		
Equity ratio	46.4%	45.2%
Net liquidity	12.0	8.2

Mercedes-Benz Cars: Effects from higher unit sales compensated by investments for future growth

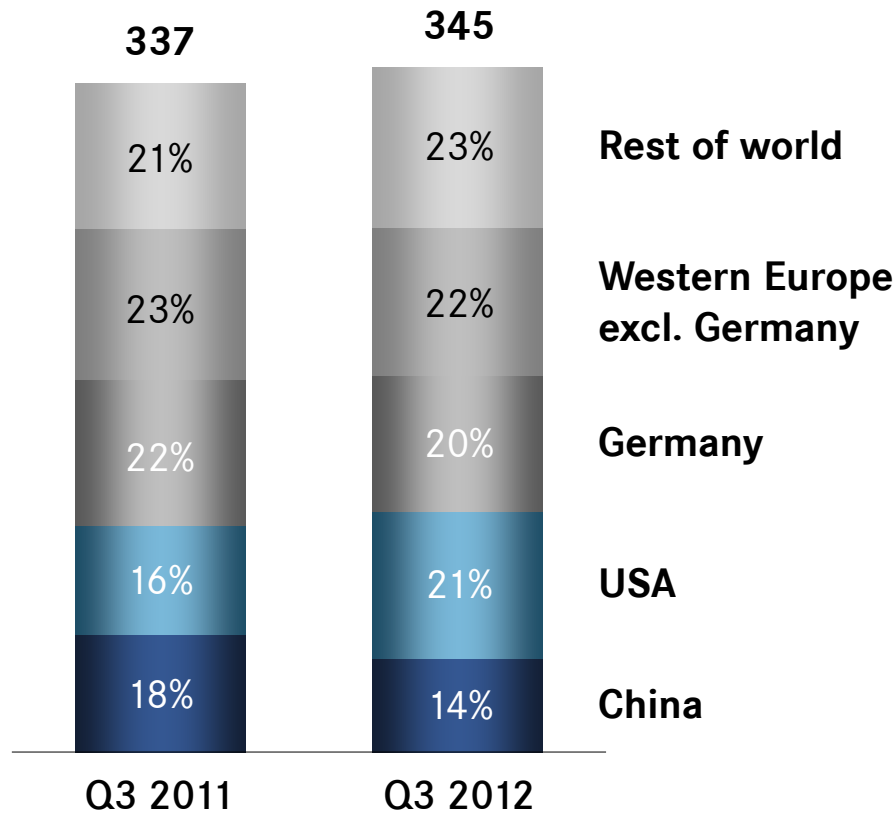
- in millions of euros -



* Return on sales

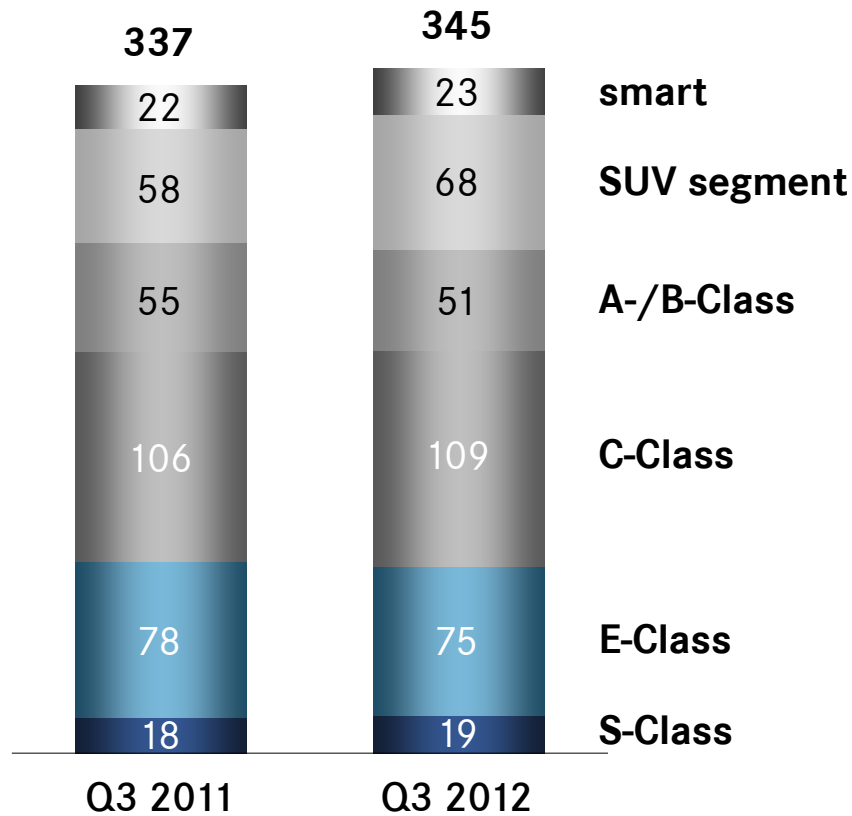
Balanced sales structure

- Unit sales in thousands -



Unit sales increase mainly driven by M- and B-Class

- Unit sales in thousands -



Product highlights

New A-Class



CLS Shooting Brake



SLS AMG Coupé Electric Drive

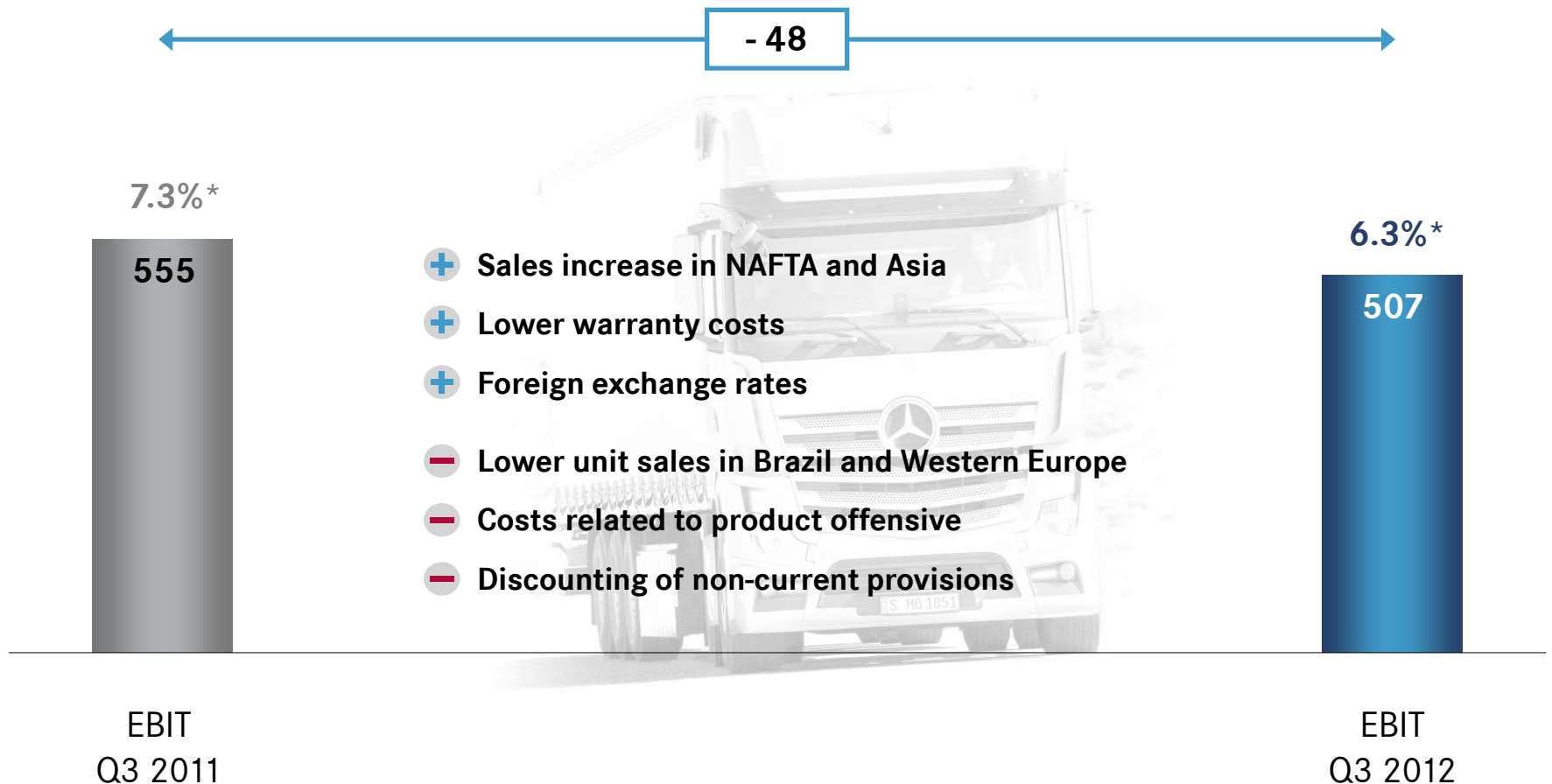


New GL-Class



Daimler Trucks: Effects from higher unit sales in NAFTA and Asia compensated by costs from product offensive

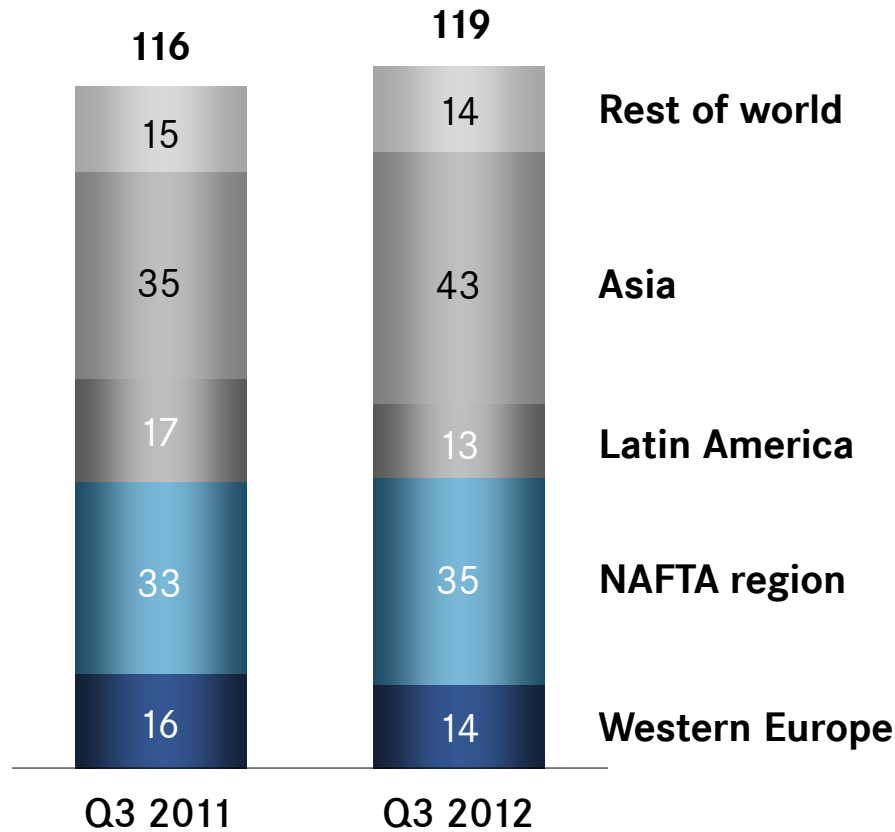
- in millions of euros -



* Return on sales

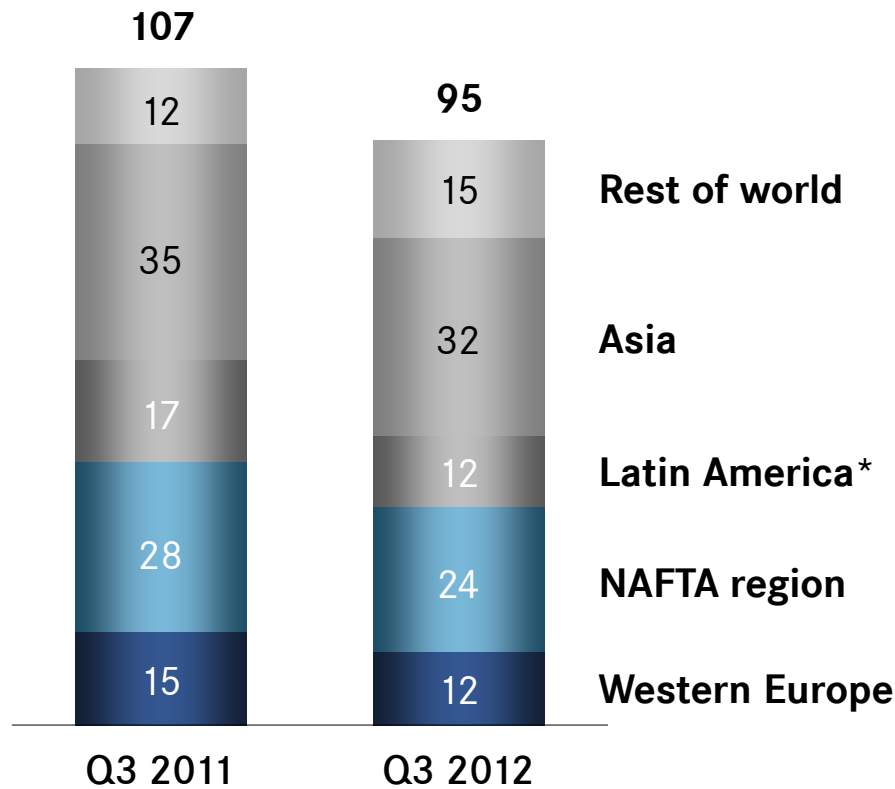
Sales increase driven by business in NAFTA and Asia

- in thousands of units -



Lower level of order intake in all major regions

- in thousands of units -



* Due to the business model, incoming orders in Brazil correspond with unit sales.

Product highlights



Mercedes-Benz Antos



Freightliner Coronado



Fuso Canter Eco Hybrid



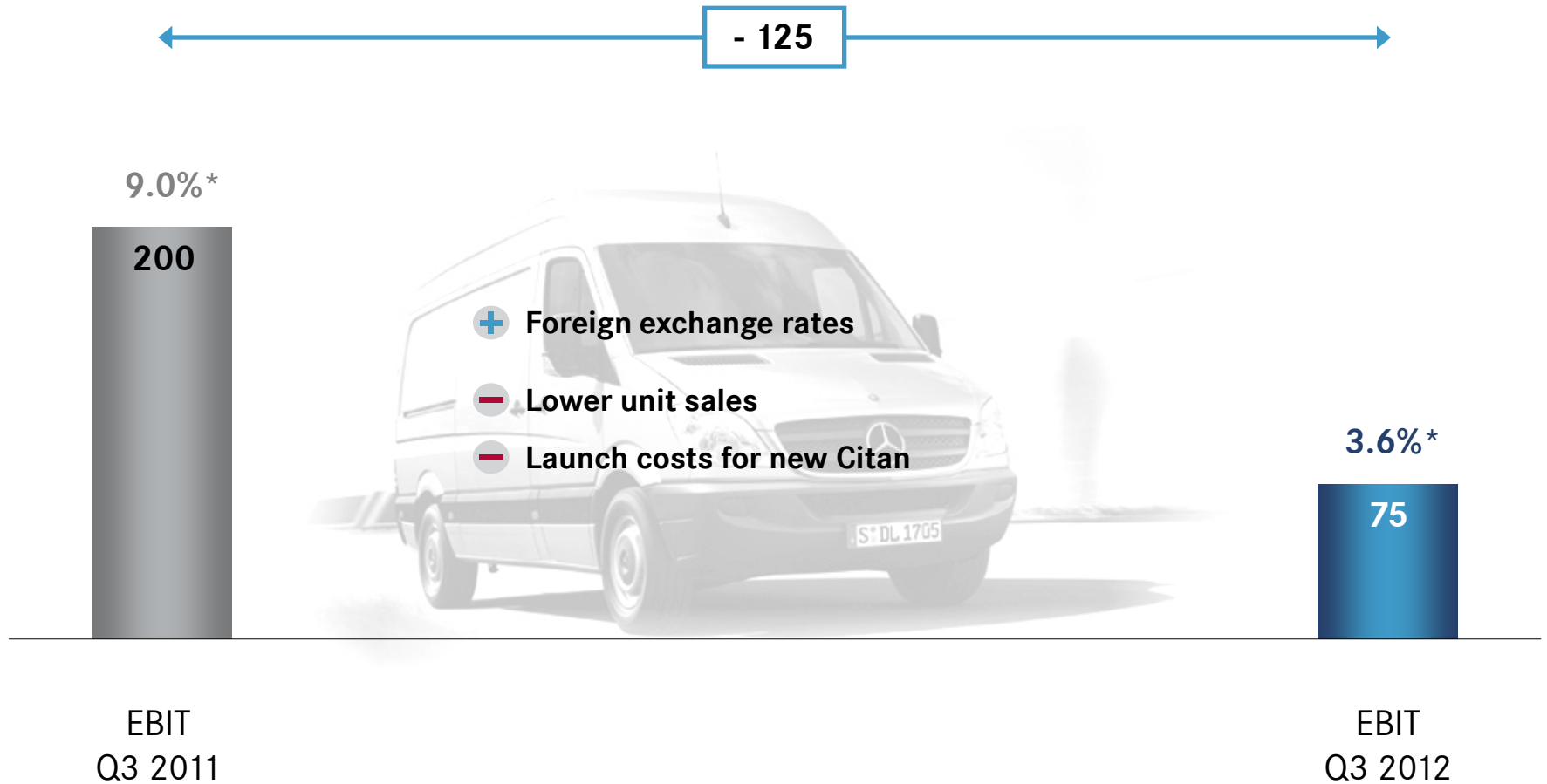
Auman truck



BharatBenz trucks

Mercedes-Benz Vans: EBIT affected by weak markets

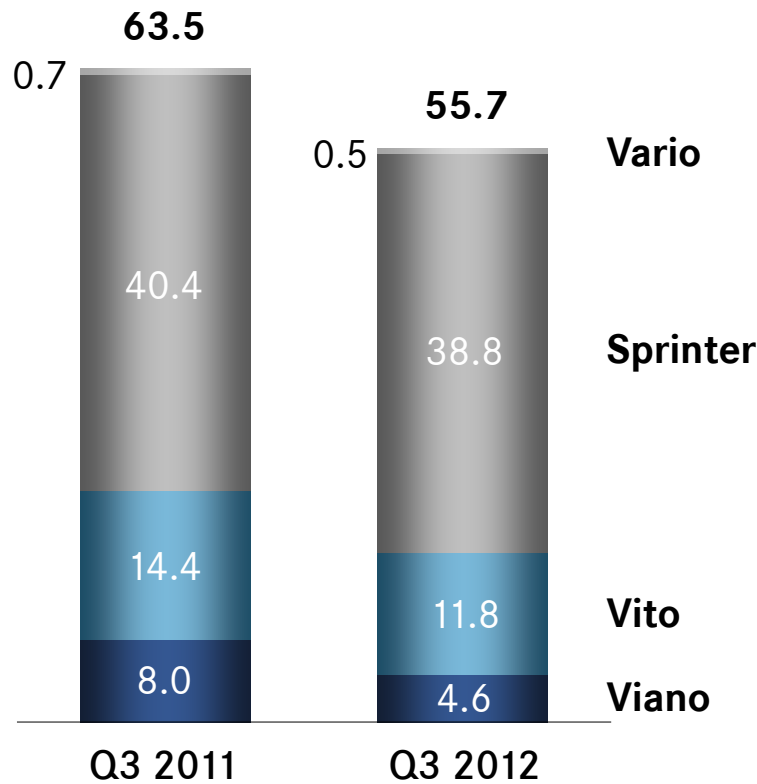
- in millions of euros -



* Return on sales

Lower unit sales due to weak markets in Western Europe

- Unit sales in thousands -



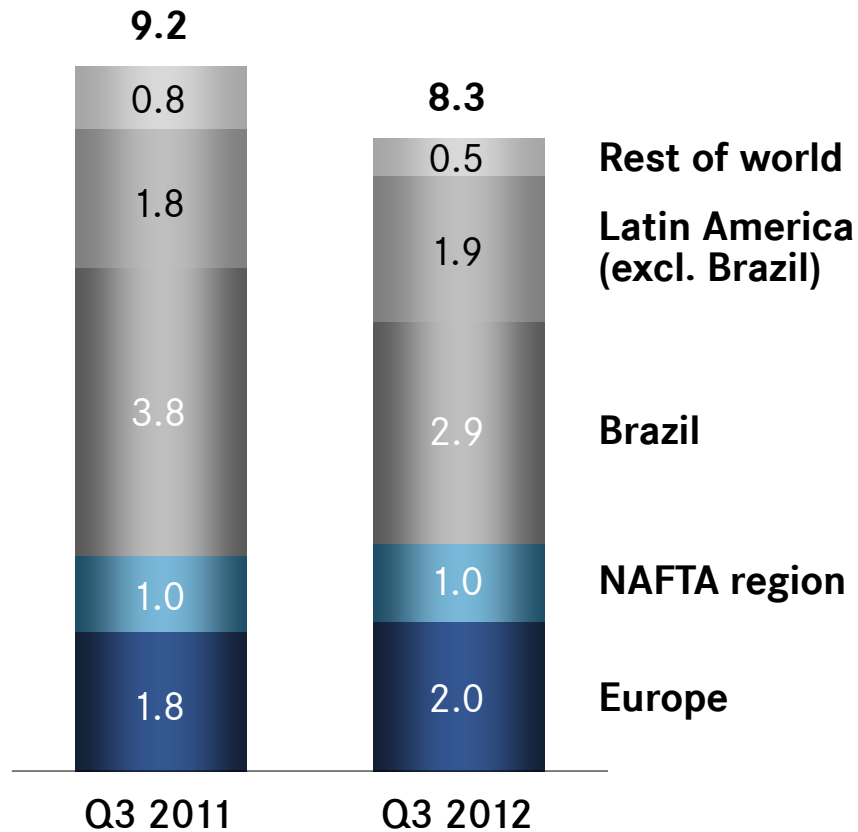
Product highlight



New city van Citan

Decrease in unit sales due to weaker demand in Brazil

- Unit sales in thousands -



Product highlights

Mercedes-Benz Citaro



Mercedes-Benz Travego



Setra TopClass 400



Setra ComfortClass 500



Daimler Financial Services: EBIT close to last year's level

- in millions of euros -



- + Higher contract volume
- + Foreign exchange rates
- Normalization of cost of risk
- Lower interest result

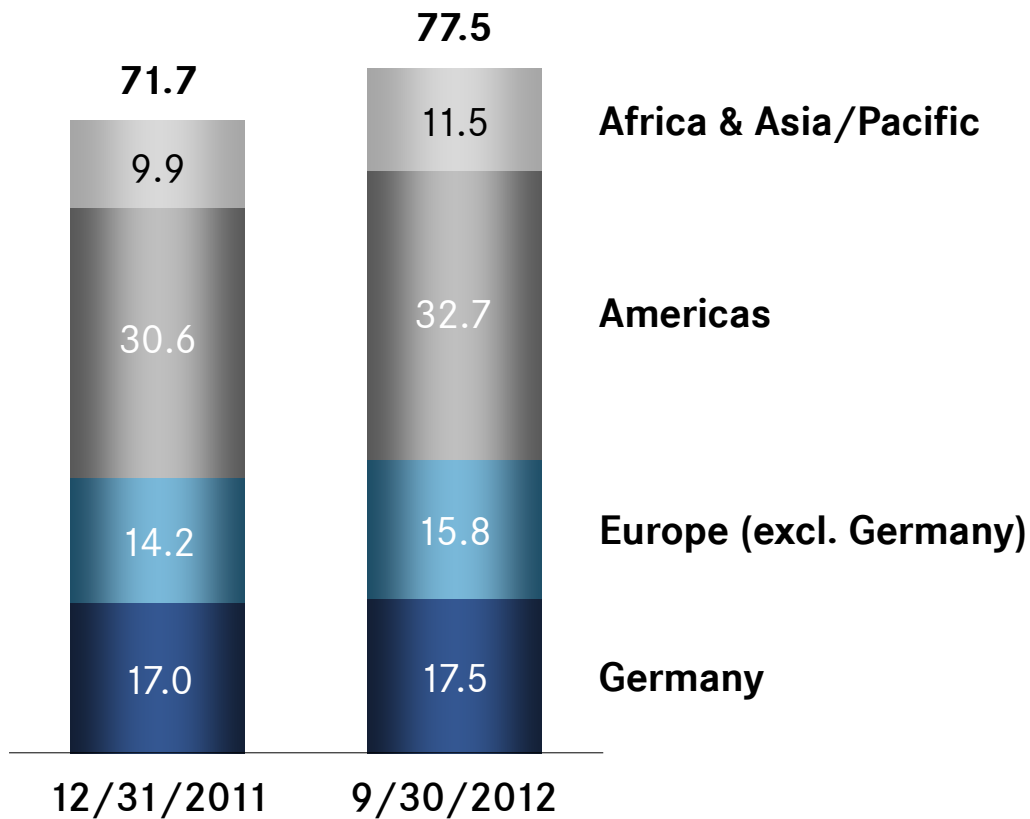


EBIT
Q3 2011

EBIT
Q3 2012

Increase in contract volume due to growing automotive business

- in billions of euros -



Assumptions for automotive markets 2012

Car markets	Global	Growth of 4% to 5%
	Western Europe	Reduced expectation at around -10%
	U.S./Asia	Significant growth potential expected
Truck markets	Global	Decline due to decreasing truck market in China
	NAFTA	Around +10%
	Europe	Around -10%
	Japan	Around +20%
	Brazil	-20% to -25%, due to weak economy and new emission regulations
Van markets	Europe	Around -10%
	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



- Further sales increase
- Launch of six attractive new products in 2012
- Growth potential especially in the NAFTA region



- Unit sales above prior year
- Growth expected in NAFTA and Asia
- Declining sales in Latin America due to weak market
- In Europe stronger performance than market



- Unit sales slightly below prior year's level
- Positive impact from new city van Citan



- Unit sales expected significantly below prior year's level
- Stable sales volume of complete buses in Europe expected

2012 expectations for EBIT from ongoing business

This guidance reflects a significant slowdown of major markets and intensified competition since Q2 2012.

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We expect Group EBIT for FY 2012 of around €8 billion based on the following divisional EBIT:



Around €4.4 billion



Around €1.7 billion



Around €650 million



Around minus €80 million



Daimler Financial Services

Around €1.3 billion

This guidance is based on the most recent market expectations and exchange rate environment. Risks exist in light of a difficult economic environment and volatile markets.

The operating performance in Q4 2012 will be driven by:



- Weaker European markets
- Support of dealer network in China
- Higher unit sales driven by new compact cars



- Weaker than expected European and Brazilian markets
- Slowdown of demand in NAFTA
- Expenses related to the start of business in India and China



- Weak Western European markets continue to impact business
- Higher unit sales due to Citan launch



- Lower unit sales due to weak Western European and Brazilian markets
- Charges of around €40 million for business repositioning



Daimler Financial Services

- Normalization of cost of risk

Mercedes-Benz Cars: Mid-term financial performance

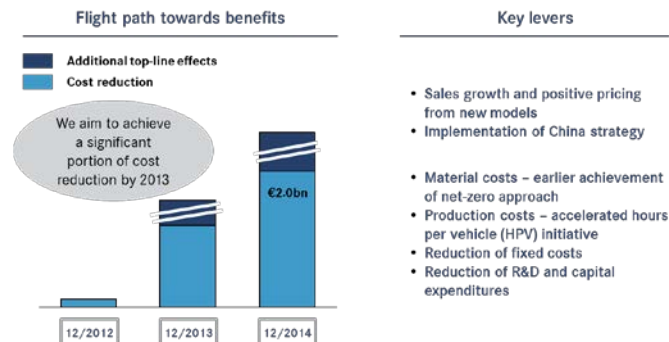
Strategic return target: Return on sales of 10% on average

Challenges

- Worsened economical environment
- Market demand weaker than expected
- Increasing competition in core markets
- Model changeover of key products; meaningful profit contribution from successor models as of H2 2013
- China business structure
- Continued investments in our growth strategy

Opportunities/Management initiatives

- Strong growth momentum based on new models
- Implementation of China strategy
- Fit for Leadership: targeted benefits of €2.0 billion by the end of 2014



To achieve 10% RoS in 2013 has become more challenging based on current market developments. We continue to target a RoS of 10% on average, however, from a later starting point.

Daimler Trucks: Mid-term financial performance

Strategic return target: Return on sales of 8% on average over the cycle

Challenges

Demand in core markets still below normal-year level

NAFTA Market recovery in 2012; 2013 slight market growth potential, but still below pre-crisis level

Europe Recovery in 2012 slowed down by sovereign debt crisis; 2013 market without improvement and still significantly below pre-crisis level

LA Instable market development; impacts from economic slow-down and introduction of EURO V put 2013 market development at risk

Japan Growth due to reconstruction measures and governmental subsidies after the earthquake expected to decline in 2013

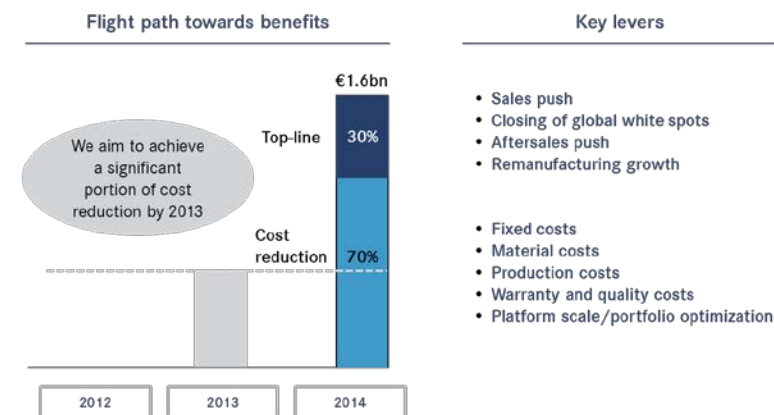
China 2013 market expected to be still below 2011 level

Increasing competitiveness in core markets

Opportunities/Management initiatives

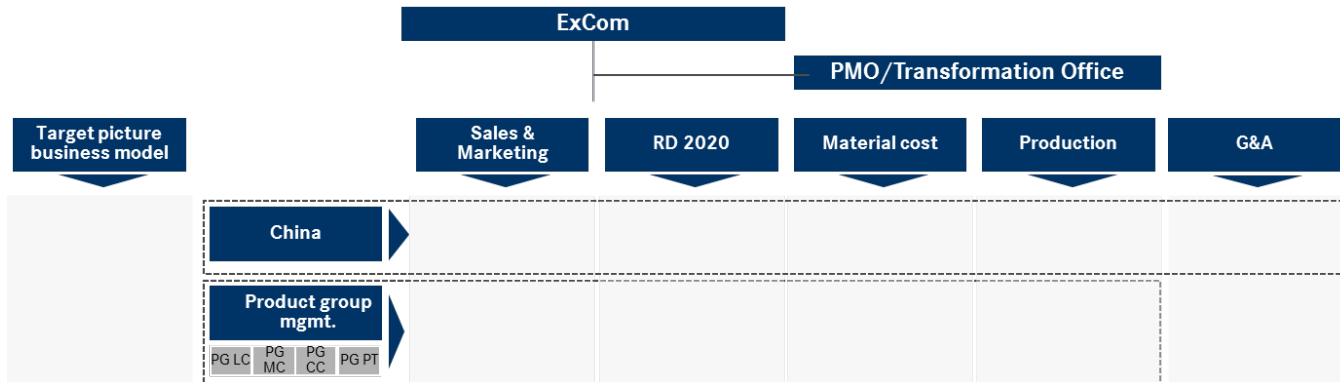
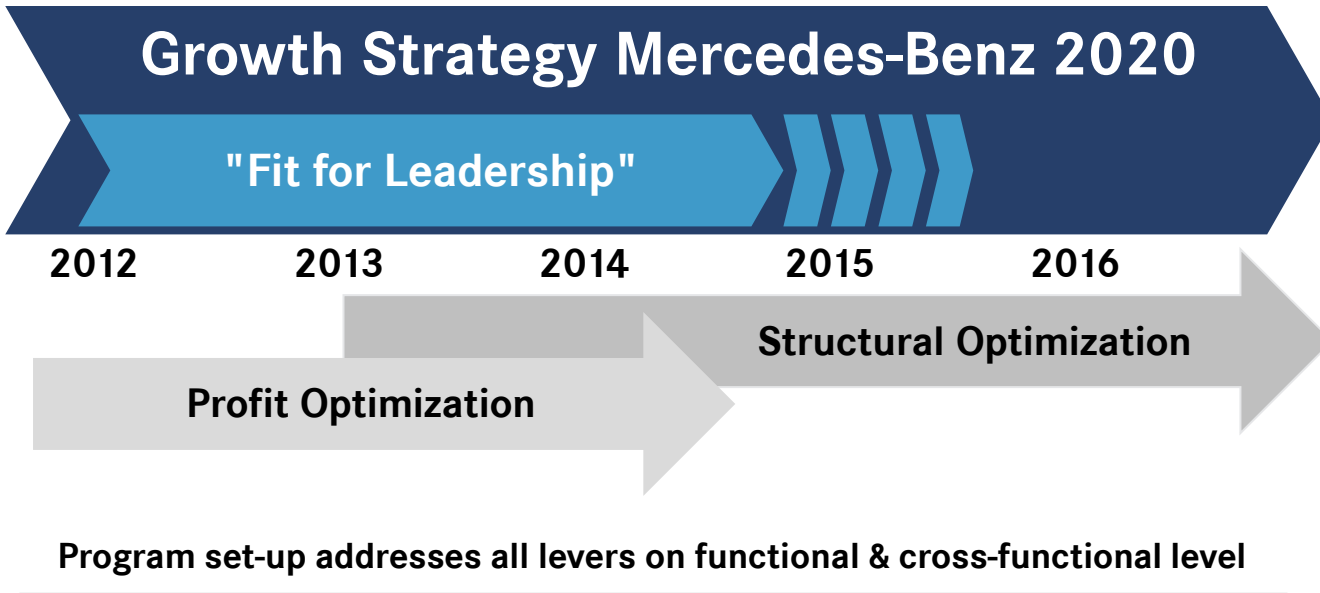
Accelerated recovery of core markets (e.g. Europe, Brazil, China)

Realization of measures defined under DT# 1



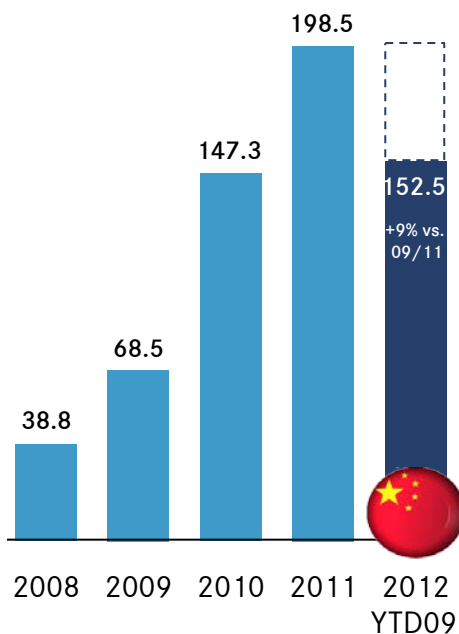
To achieve 8% RoS in 2013 has become more challenging based on current market developments. We continue to target a RoS of 8% on average over the cycle, supported by DT#1, however, from a later starting point.

Mercedes-Benz Cars: Fit for Leadership



Core elements of the MBC China strategy

MBC Retail Performance (units in thousands, incl. smart)



Measures in 2012

- New product launches (M-Class and B-Class)
- Full availability of locally produced GLK
- Continue to strengthen brand/product positioning through marketing & PR platforms
- Setup of new Regional West Office in Chengdu (4 regions' build-up completed)
- Leasing company established
- Share increase MB China (Daimler 75%/LSH 25%)

Mid-term

- Extension of attractive product portfolio
- Dealer professionalization and expansion of network
- Ensure China-specific product and market requirements through further extension of local R&D capacity and competence
- Reduction of material costs/expansion of "Chinese Supplier Base"
- Expansion of production capacity

Network Development

- Expand dealer network from 207 outlets in 2011 to approximately 260 in 2012

- Further increase dealer network – average 50 new dealers per year

Looking beyond 2012

In 2014, Mercedes-Benz Cars will have a significantly younger model lineup than today.

At Daimler Trucks, the product offensive and the regional launches will be completed in 2014.

All divisions will consistently implement their initiatives to further enhance efficiency and realize further optimization potentials.

We will optimize our business model and better exploit our potential in China.

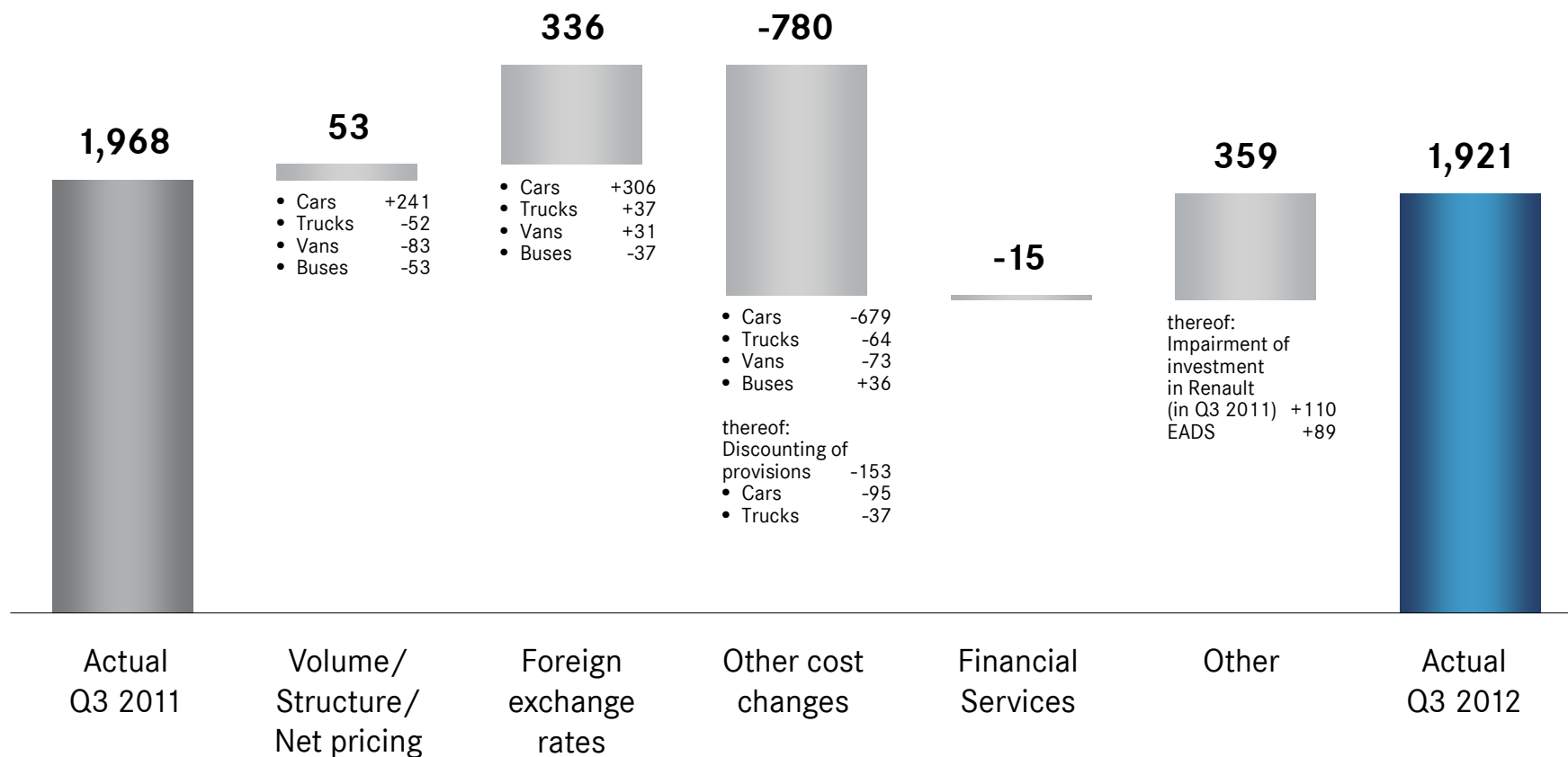
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Q3 and January-September 2012 Results

Appendix

Group EBIT in Q3 2012

- in millions of euros -



Special items affecting EBIT

- in millions of euros -

	Q3		January - September	
	2011	2012	2011	2012
Daimler Trucks				
Natural disaster in Japan	-9	-	-47	-
Impairment of investment in Kamaz	-23	-	-23	-
Daimler Buses				
Business repositioning*	-	-16	-	-98
Daimler Financial Services				
Natural disaster in Japan	-	-	-29	-
Reconciliation				
Impairment of investment in Renault	-110	-	-110	-

* For the fourth quarter of 2012, Daimler Buses expects further special items from the repositioning of the European and North American businesses of approximately €40 million.

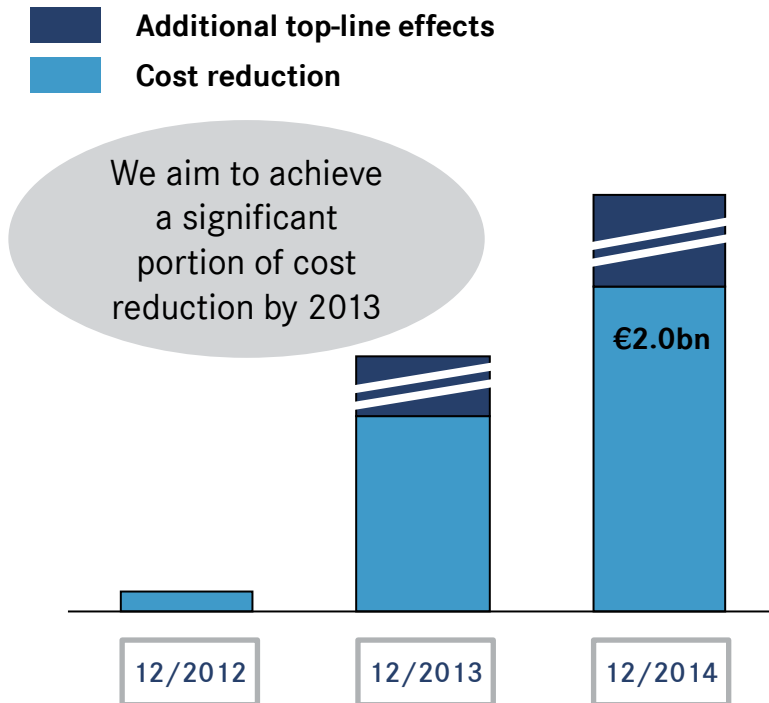
EBIT from ongoing business

- in millions of euros -

	Q3		January - September	
	2011	2012	2011	2012
Daimler Group	2,110	1,937	6,789	6,392
of which				
Mercedes-Benz Cars	1,108	975	3,962	3,541
Daimler Trucks	587	507	1,524	1,414
Mercedes-Benz Vans	200	75	579	440
Daimler Buses	25	-29	53	-107
Daimler Financial Services	337	322	1,027	1,004
Reconciliation	-147	87	-356	100

Mercedes-Benz Cars: Mid-term financial performance

Flight path towards benefits

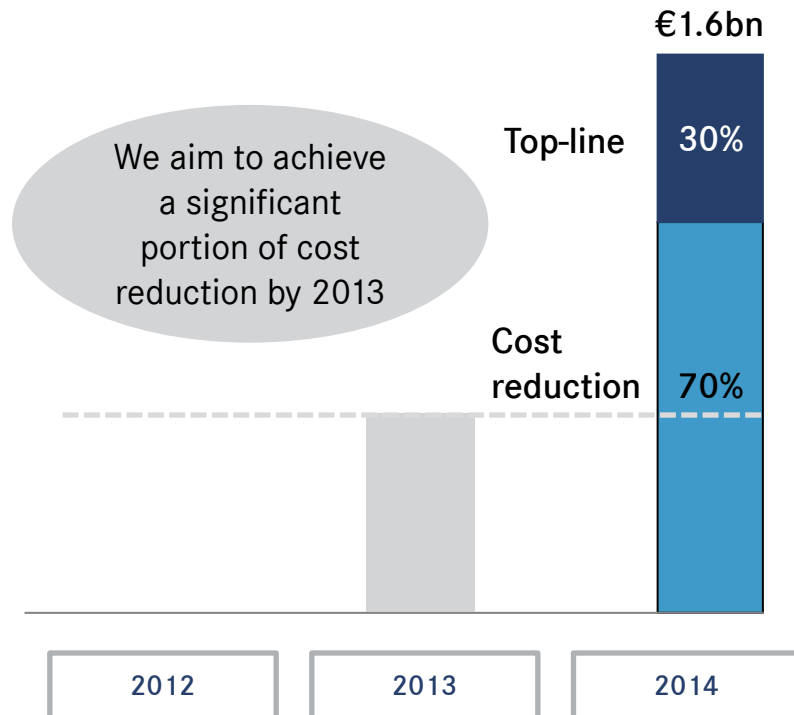


Key levers

- Sales growth and positive pricing from new models
- Implementation of China strategy
- Material costs – earlier achievement of net-zero approach
- Production costs – accelerated hours per vehicle (HPV) initiative
- Reduction of fixed costs
- Reduction of R&D and capital expenditures

Daimler Trucks: Mid-term financial performance

Flight path towards benefits



Key levers

- Sales push
- Closing of global white spots
- Aftersales push
- Remanufacturing growth

- Fixed costs
- Material costs
- Production costs
- Warranty and quality costs
- Platform scale/portfolio optimization

Mercedes-Benz Vans: Mid-term financial performance

Strategic return target: RoS of 9% on average

Challenges

- European market weaker than expected
- Increasing competition in core markets

Opportunities/Management initiatives

- Further efficiency enhancements due to “Performance Vans 2013” program
- “Van goes global” program, thus less dependent on European market
- Start of van production in Russia for the fast-growing local market
- Mid-term extension of our facility in Argentina preparing the regional hub for new models
- Optimization of our China business to increase sales and efficiency

To achieve 9% RoS in 2013 has become more challenging based on current market developments. We continue to target a RoS of 9% on average, however, from a later starting point.

Daimler Buses: Mid-term financial performance

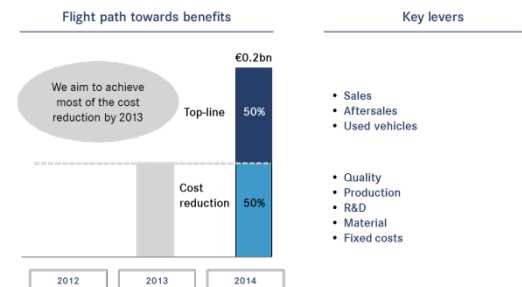
Strategic return target: RoS of 6% on average

Challenges

- No significant improvement of core markets
- Increasing competition negatively impacts sales and price development mainly in Europe and Brazil

Opportunities/Management initiatives

- Repositioning of European and North American businesses
- Realization of 0.2 billion net benefits based on Globe²⁰¹³ initiatives in Europe by 2014
- High competitiveness of new Euro VI product generations

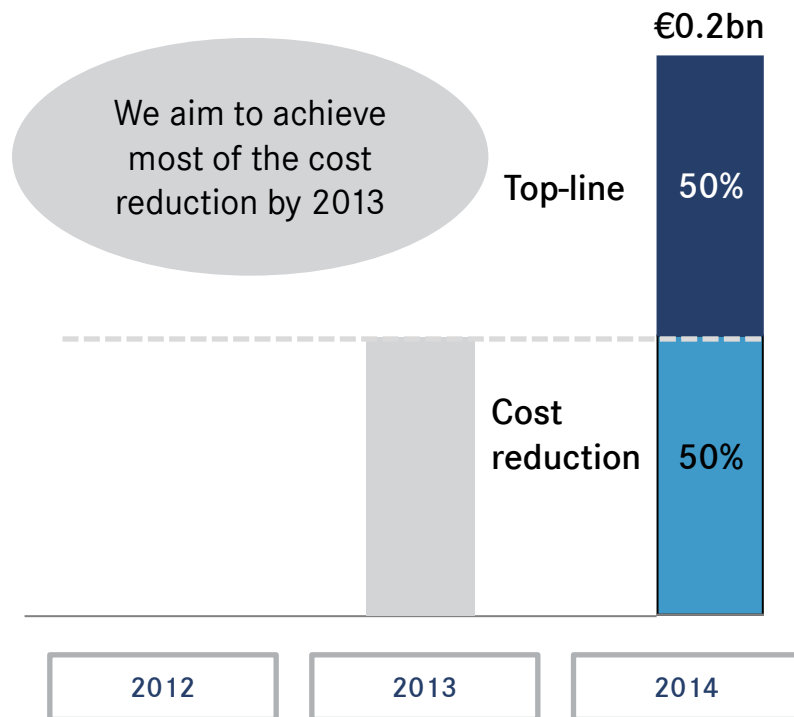


To achieve 6% RoS in 2013 has become more challenging based on current market developments. We continue to target a RoS of 6% on average, however, from a later starting point.

Daimler Buses: Mid-term financial performance

Management Initiative GLOBE²⁰¹³:
targeted net benefits at EvoBus of €0.2 billion by 2014

Flight path towards benefits

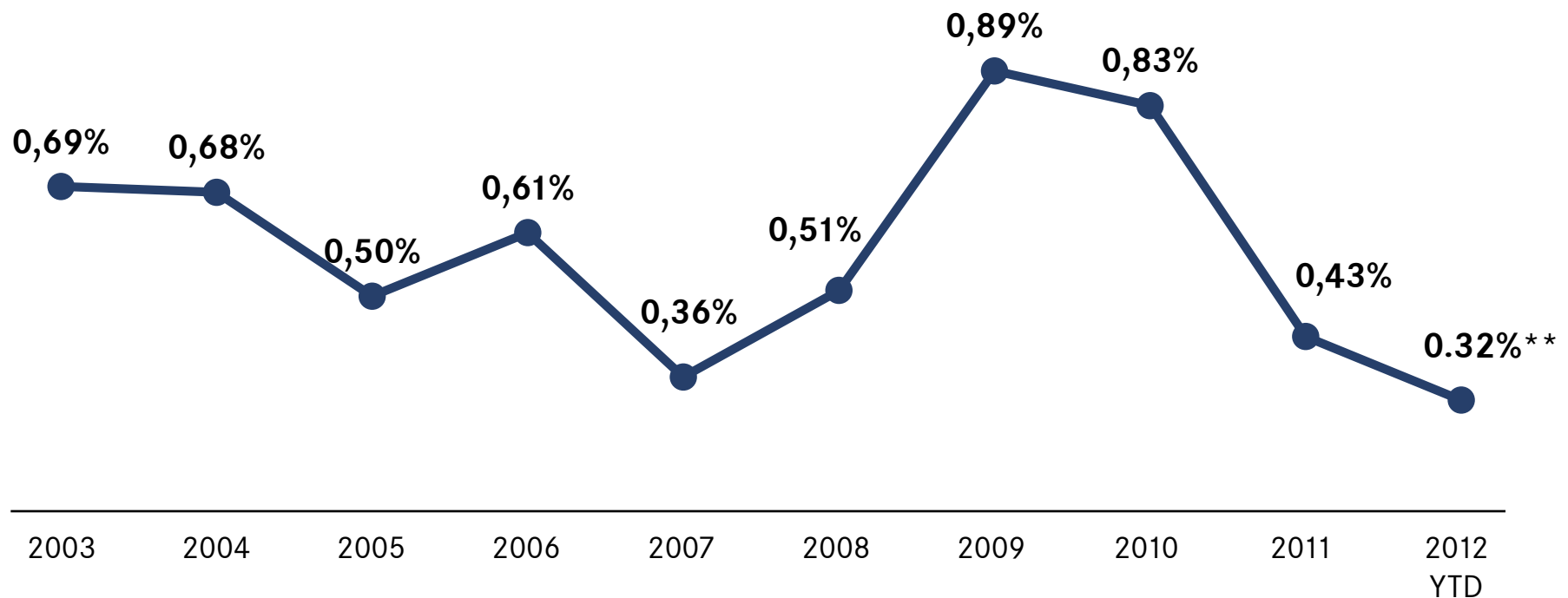


Key levers

- Sales
- Aftersales
- Used vehicles

- Quality
- Production
- R&D
- Material
- Fixed costs

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 euro zone; 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.