

DAIMLER

Update on Daimler in China

Merrill Lynch China Conference

November 08, 2012

Beijing, China



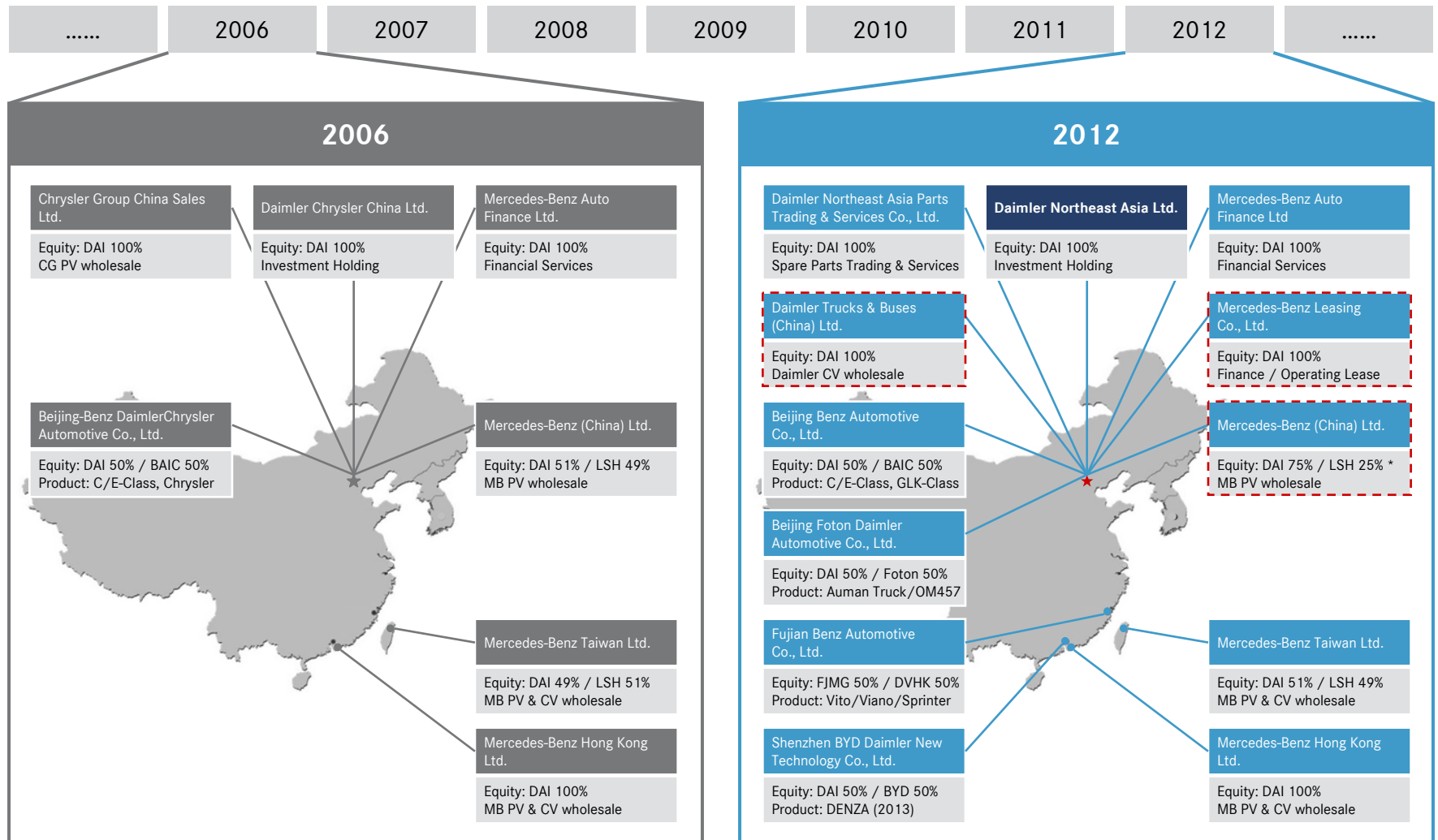
Content

1 Significance of China Market to Daimler

2 China is Upgrading its Growth Quality

3 Daimler Getting Prepared for Future in China

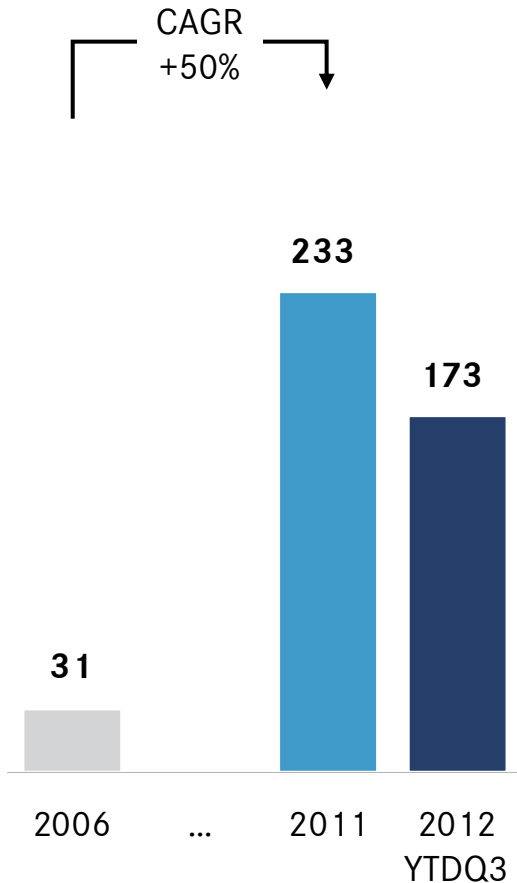
Daimler is the ONLY premium manufacturer in China that covers all automotive segments



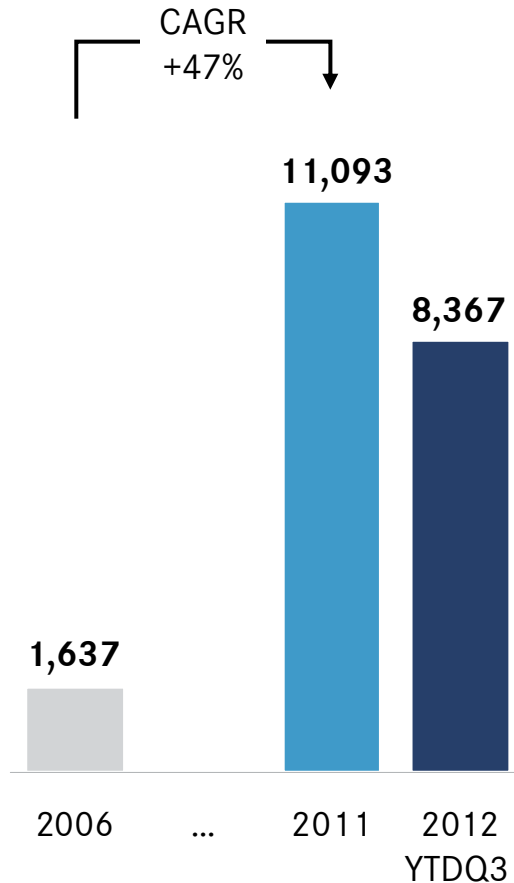
*under approval

Significant growth of Daimler business in China

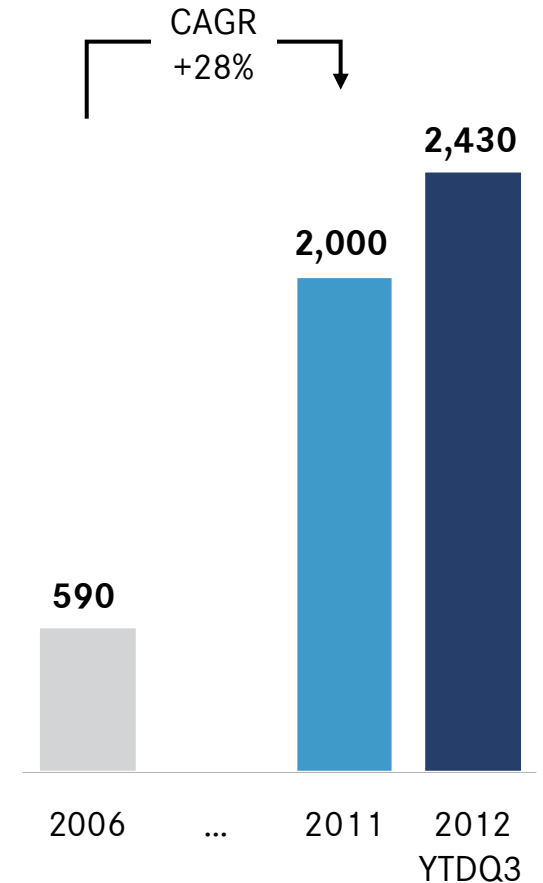
Wholesale Volume
[in thousands of units]



Group Revenue
[in million EUR]



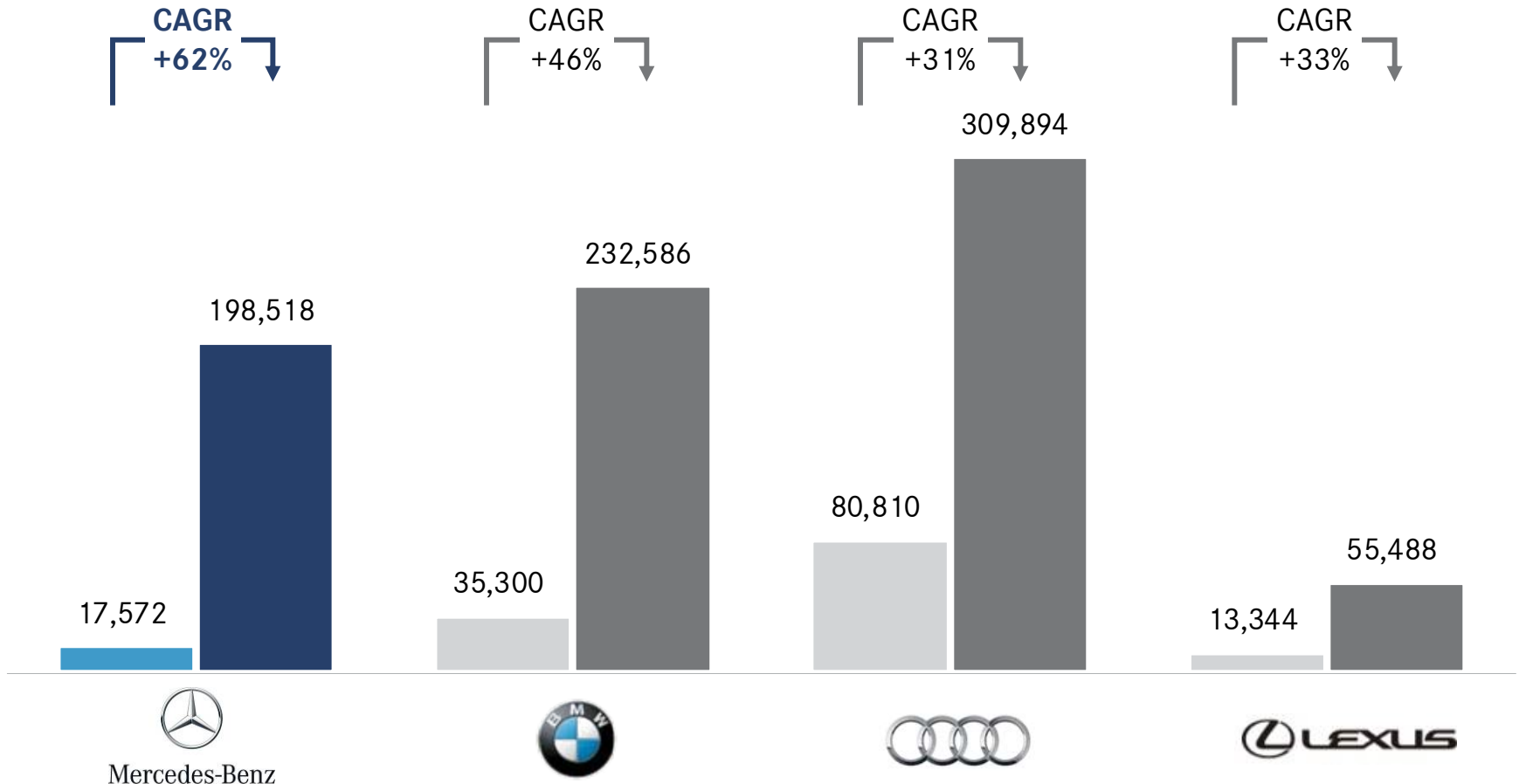
Headcount



We have been posting very strong sales dynamics in the last five years

Competitor Retail Analysis

Compound Annual Growth Rate (2006 – 2011)



Note: China excludes Hong Kong. MB with smart, BMW with MINI. Competitors' figures based on press release, estimation for Lexus sales in September 2012

But now the market growth is normalizing and competition is intensifying

Competitor Analysis

Retail performance & Growth Rate (2012 YTDQ3)



Mercedes-Benz



Note: China excludes Hong Kong. MB with smart, BMW with MINI. Competitors' figures based on press release, estimation for Lexus sales in September 2012

Division's Performance in the first three quarters

Mercedes-Benz Cars



152,476
units delivered to customer

3rd
largest market for Daimler

Mercedes-Benz Trucks



5,055
units delivered to customer

65%
WEU segment share

Mercedes-Benz Vans



6,500
units delivered to customer

63
dedicated dealers

Auto Finance



18
billion RMB Portfolio

15.5%
penetrate rate for MBC

In 2011, we talked about “Localization”, we delivered



June 28, 2011 – Strategic Framework Agreement



December 05, 2011 - Job#1 local produced GLK-Class



July 08, 2011 – Cornerstone of BBAC Engine Plant



September 25, 2012 – Cornerstone of BBAC Plant Extension

We talked about “Foton Project”, and we delivered



We also talked about “NEV”, and we again delivered



April 23, 2012 – DENZA Show Car World premier at Auto China

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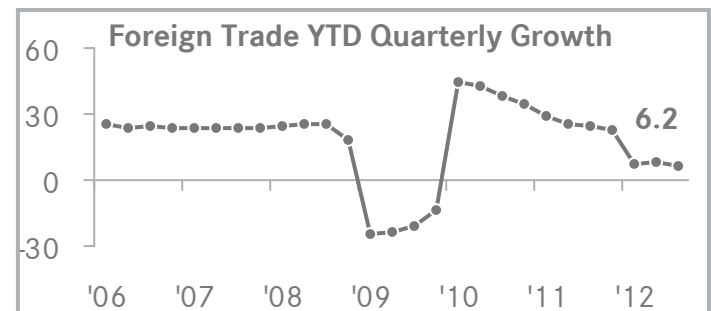
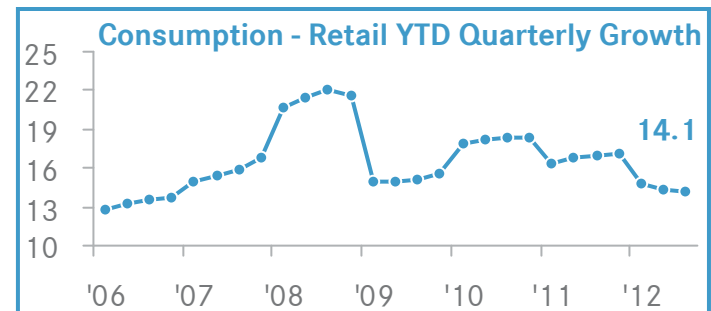
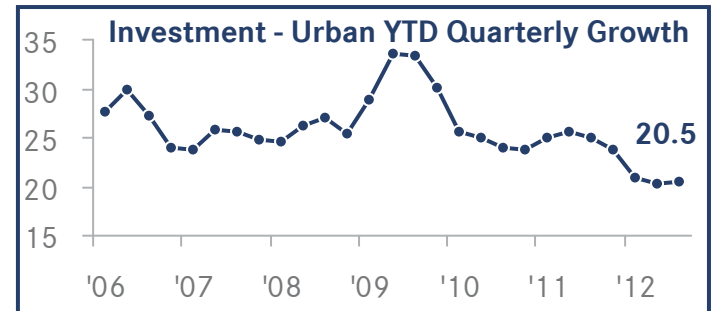
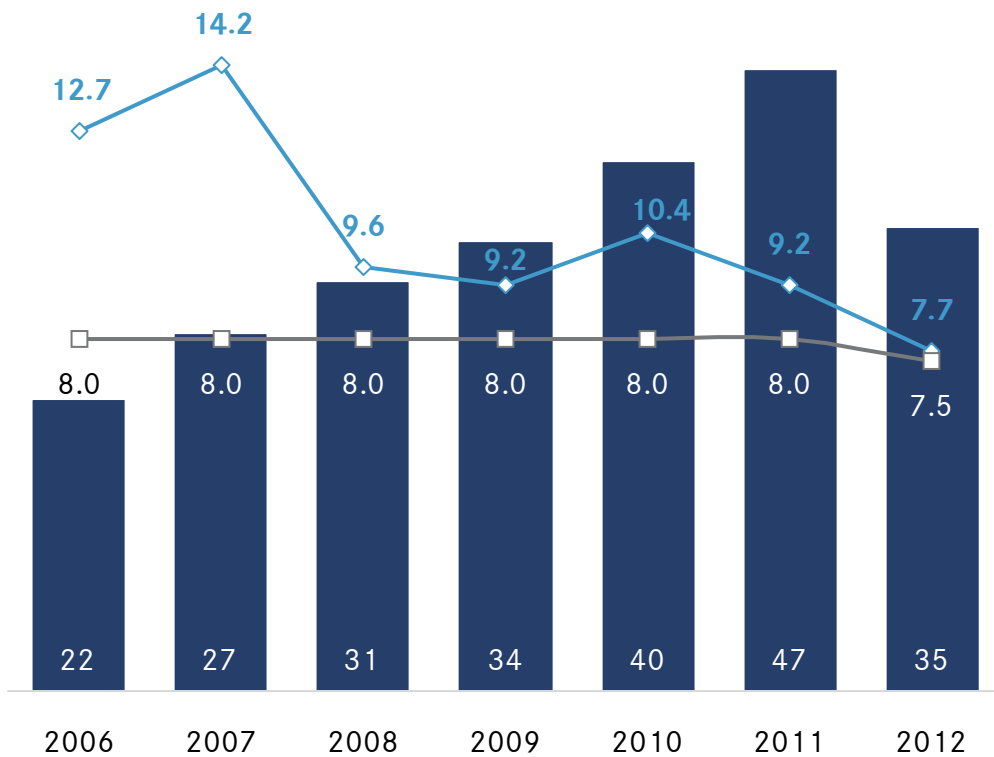
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GDP slows to 7.7% in the first three quarters, but overall economy has shown signs of picking up

China Economic Growth – Gross Domestic Product
Volume in Trillion RMB, Annual / YTD Growth in percentage

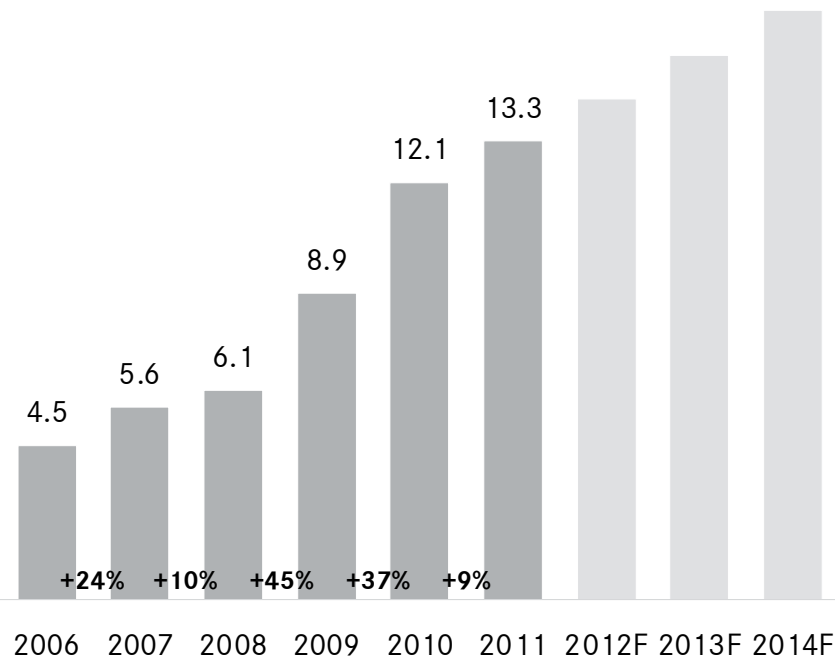
■ GDP Volume ◆ GDP Growth (Real) □ GDP Growth (Target)



Market growth is normalizing in China, overall passenger car market expected to continue to grow

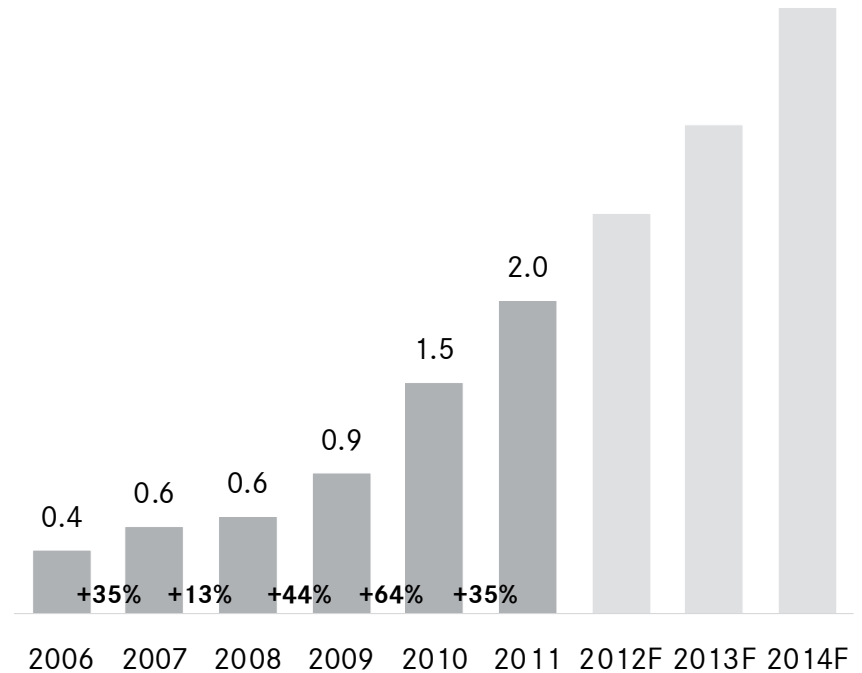
PV Market Development

In million units, 2006 - 2014



Premium/Luxury Market Development

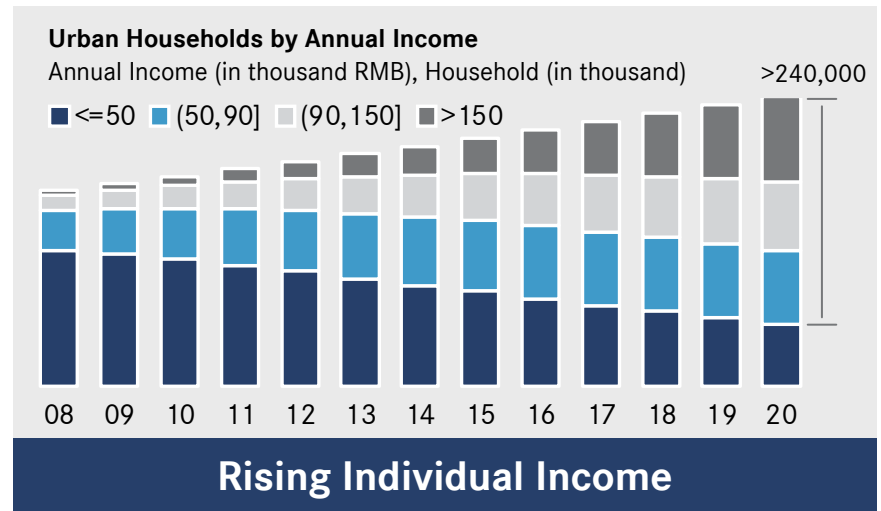
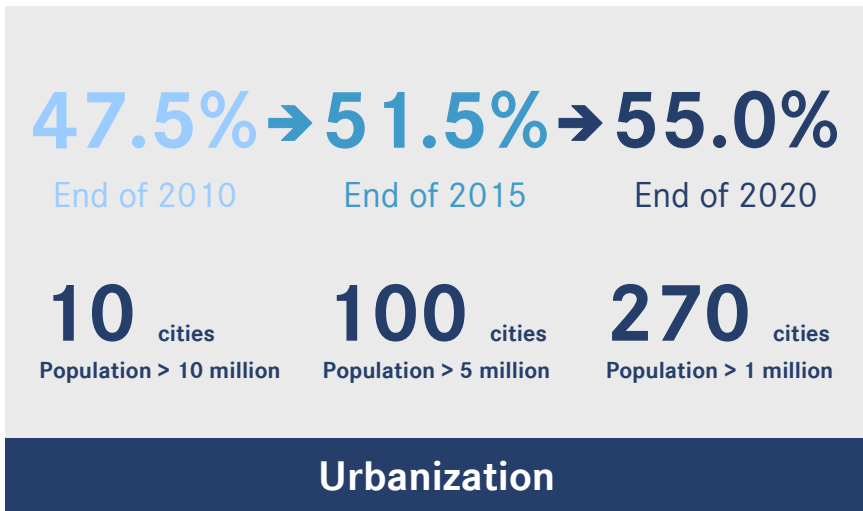
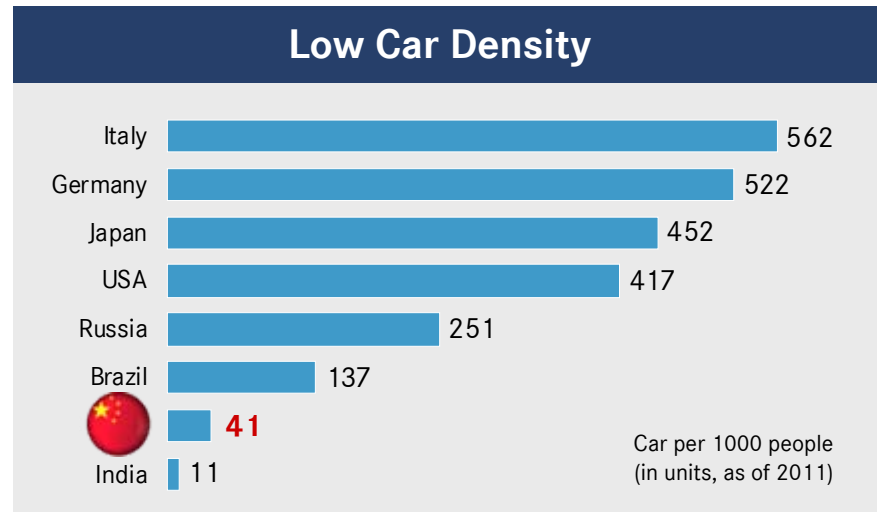
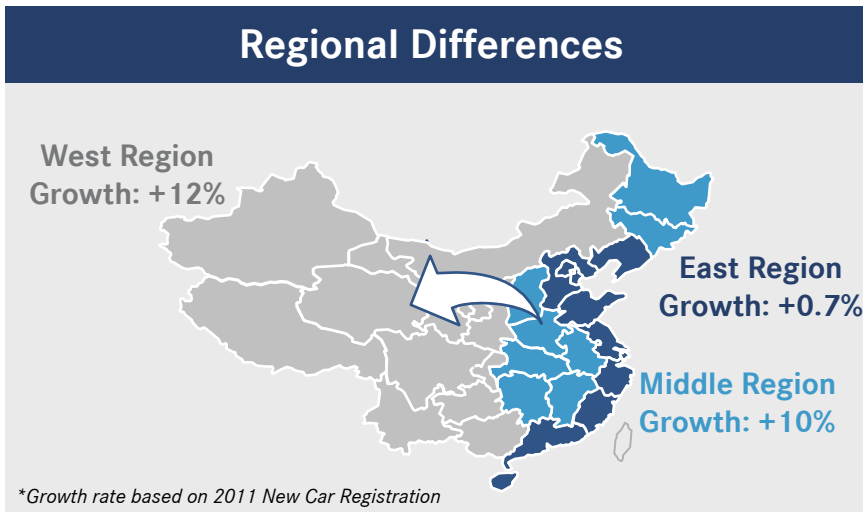
In million units, 2006 - 2014



China is now the largest PV market in the world, followed by US and Japan

Growth momentum in Premium/Luxury Market is even stronger than the overall PV Market

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



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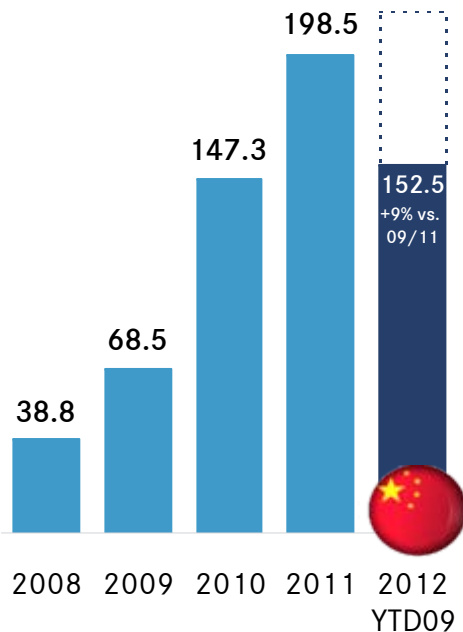
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Core elements of the Daimler China strategy

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 (new S-Class / new A-Class / E-Class FL)
- 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
- Telematics

Network Development

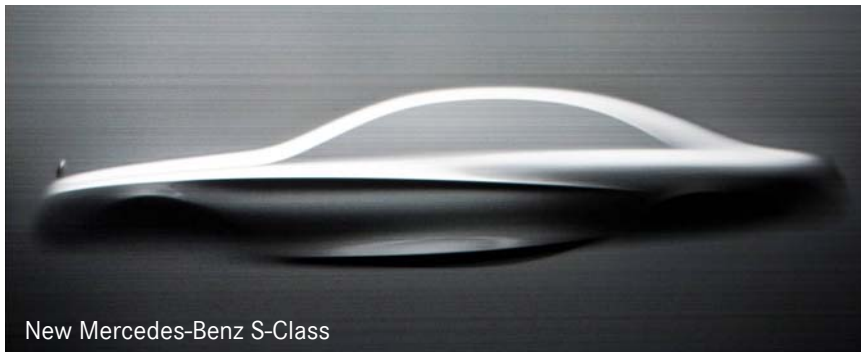
- Expand dealer network from 207 outlets in 2011 to approximately 260 in 2012

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

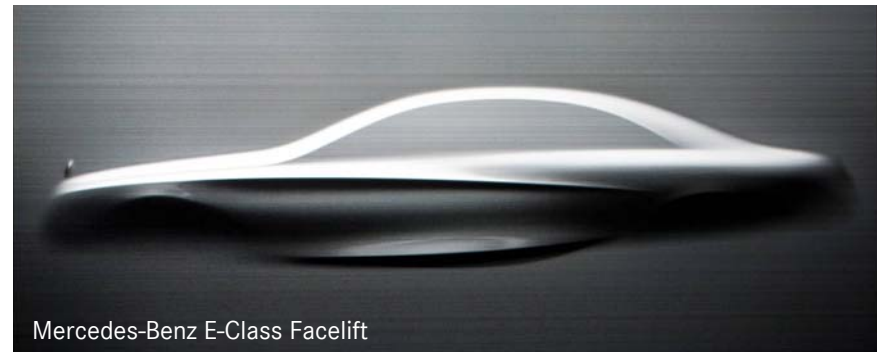
Extension of attractive product portfolio



New Mercedes-Benz A-Class



New Mercedes-Benz S-Class



Mercedes-Benz E-Class Facelift

Daimler is the first premium manufacturer to launch local produced EV in China



Product Information

- **Product Concept:** Standard mid-size sedan
- **Target Customer Group:** Government and Private Customers
- **Battery life:** No replacement of battery in vehicle life
- **Safety:** Fulfillment of Chinese compulsory regulations
- **Top Speed:** 150 km/h
- **Driving Range:** 250 – 300 km (Eco Mode)
- **Quick / Standard Charging time:** ~1 / ~5 hours



* Shenzhen BYD Daimler New Technology Co., Ltd.

Daimler's ambition for sales of the future is multichannel oriented, interactive and digital

- **372 million** mobile internet users
- **93.1%** mobile internet users are **below 35 years old**
- Consumers with strong attraction to technical gadgets.
- **8 times** higher usage of Telematics Call Center Services compared to US
- Up to **120,000 Onstar calls** per days. More than **1 million calls** during 2012 China 'Golden week'
- China expected to become the world's largest Telematics services market in 5 years

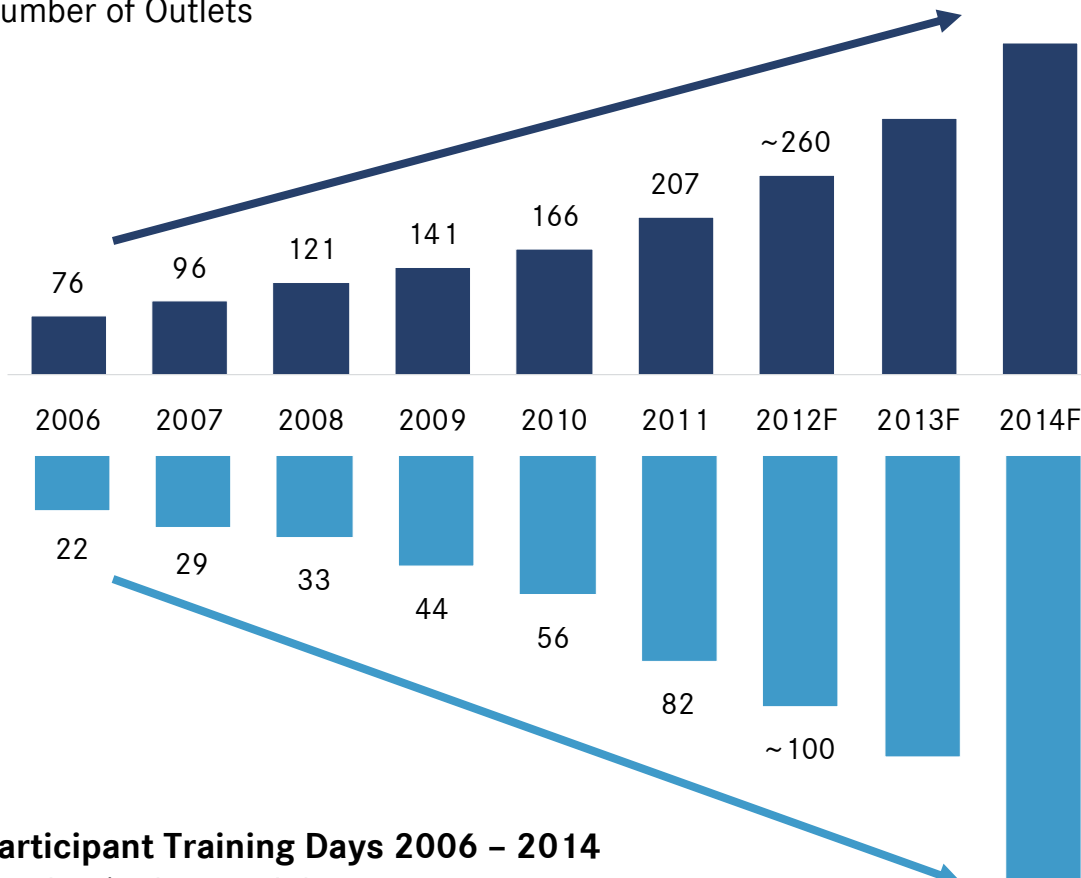
Customers in China are expected to have tremendous demand of Telematics services!



Dealer network expansion will be further accelerating both in quantity and quality

MBPC Network Development 2006 – 2014

Number of Outlets

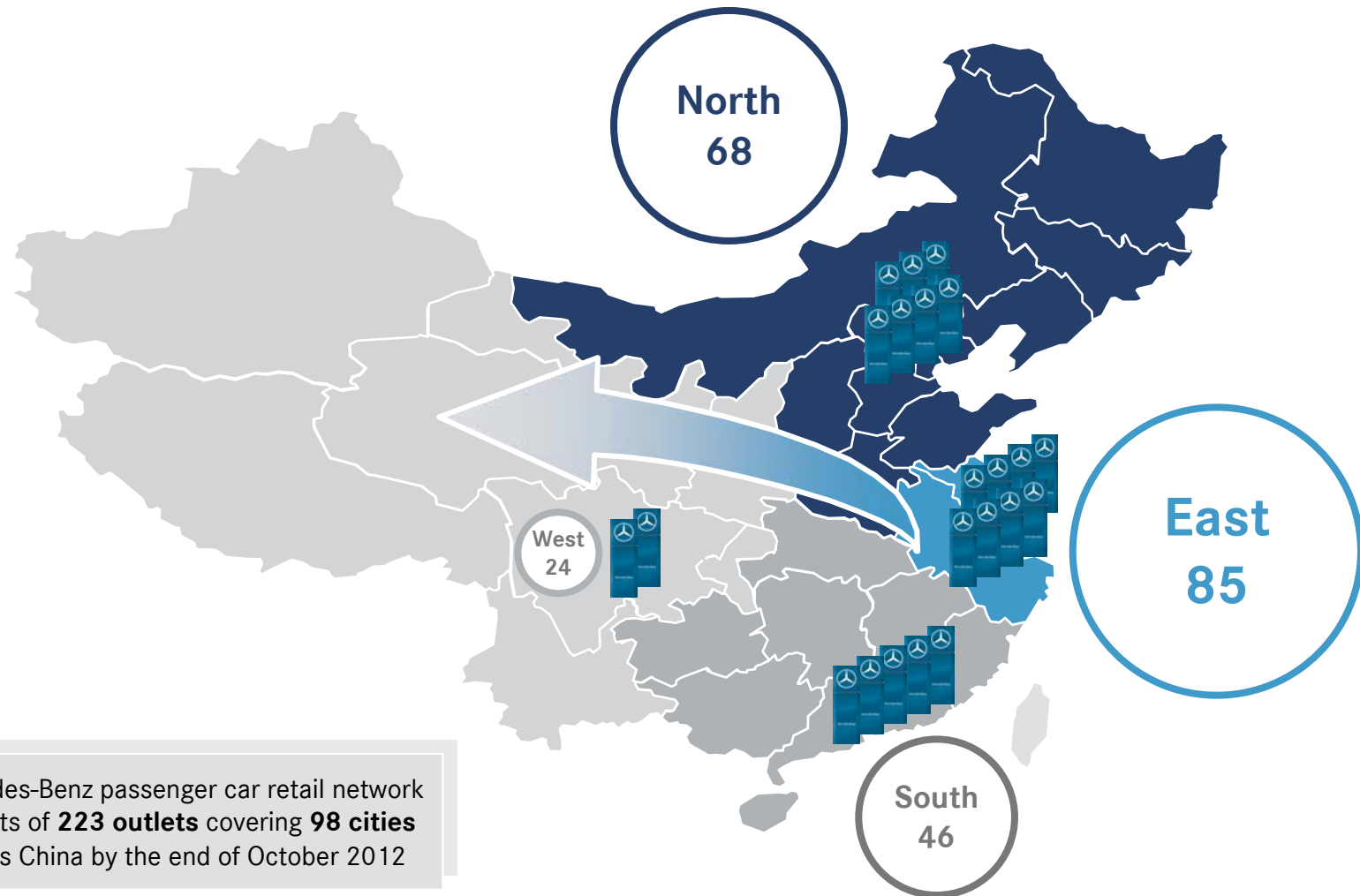


Participant Training Days 2006 – 2014

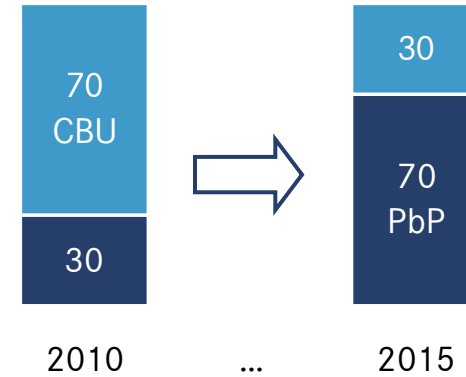
Number in thousand days



Network Strategy / Implementation in line with GDP growth rate of major cities



Expansion of production capacity and local R&D capacity and competence



Capacity Increase

New Plant Layout

Investment Increase

Updated Timeline

Additional Growth Opportunities



smart



StarElite

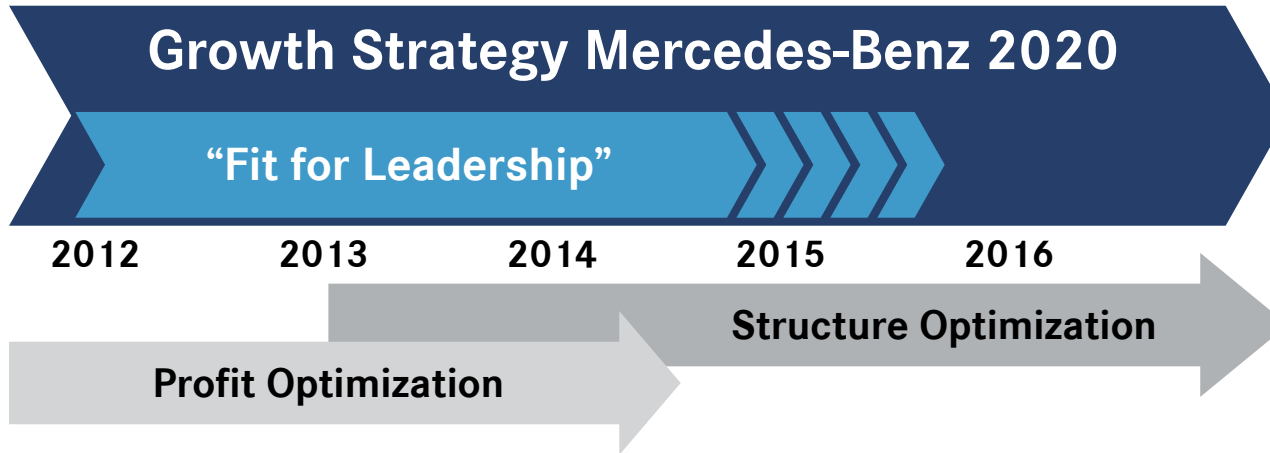
After-sales



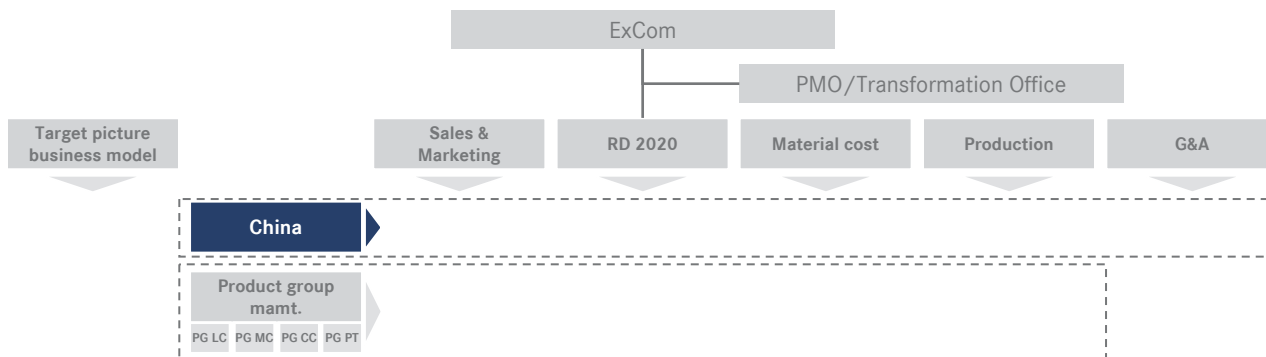
Financial Services



Mercedes-Benz Cars: Fit for Leadership



Program set-up addresses all levels on functional & cross-function level



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Daimler China Business Overview

Questions & Answers



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.