

DAIMLER

Corporate Presentation – Summer 2013



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Highlights of Q2 2013

Group unit sales	605,800	(+6%)
Record unit sales at Mercedes-Benz Cars	404,700	(+9%)
Strong order intake at Daimler Trucks	125,800	(+19%)

Increased share of core markets

World premiere of new S-Class

Launch of new E-Class coupe and convertible

Euro VI portfolio of Mercedes-Benz trucks completed by new Arocs and new Atego

Sale of remaining stake in EADS

Key financials

- in billions of euros -

	Q2 2012	Q2 2013
Revenue	28.9	29.7
EBIT*		
as reported	2.3	5.2
from ongoing business	2.3	2.1
Net profit*	1.6	4.6
Earnings per share (in euros)*	1.39	2.65
Net liquidity industrial business (2012: year-end)	11.5	11.3
Free cash flow industrial business	1.0	3.5

* The previous year's figures have been adjusted, primarily for effects arising from application of the amended version of IAS 19. Additional information on the adjustments to the prior-year figures is disclosed in chart No. 40 of this presentation.

Key balance-sheet figures

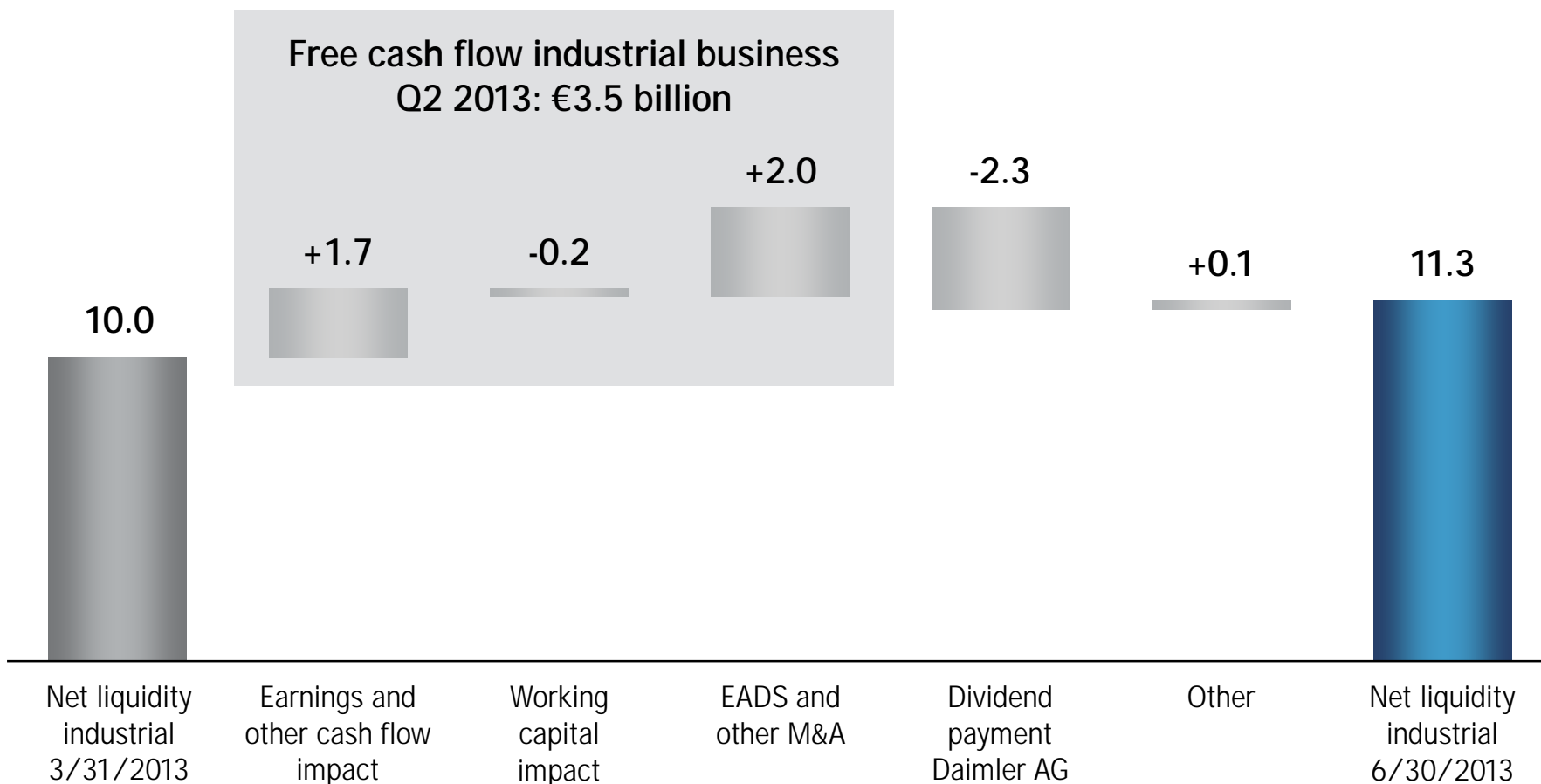
- in billions of euros -

Daimler Group	Dec. 31, 2012	June 30, 2013
Equity ratio	22.7%*	24.0%
Gross liquidity	16.6	18.9
Industrial business		
Equity ratio	39.8%*	41.4%
Net liquidity	11.5	11.3

* Figures adjusted primarily for effects arising from application of the amended version of IAS 19.
Additional information on the adjustments to the prior-year figures is disclosed in chart No. 40 of this presentation.

Net industrial liquidity: development in Q2 2013

- in billions of euros -



Unit sales

- in thousands of units-

	Q2 2012	Q2 2013	% change
Daimler Group	570.3	605.8	+6.2
of which			
Mercedes-Benz Cars	370.4	404.7	+9.3
Daimler Trucks	122.2	123.8	+1.3
Mercedes-Benz Vans	69.3	69.4	+0.2
Daimler Buses	8.4	7.9	-6.0

Revenue by segment

- in billions of euros -

	Q2 2012	Q2 2013	% change
Daimler Group	28.9	29.7	+2.8
of which			
Mercedes-Benz Cars	15.4	16.3	+6.2
Daimler Trucks	8.1	8.0	-2.0
Mercedes-Benz Vans	2.4	2.4	+0.6
Daimler Buses	1.0	0.9	-8.1
Daimler Financial Services	3.3	3.5	+8.8
Contract volume of Daimler Financial Services*	80.0	81.4	+1.8

* Figures as of December 31, 2012 and June 30, 2013.

EBIT by division

- EBIT in millions of euros; RoS in % -

	Q2 2012		Q2 2013	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	2,268	7.5	5,242	18.8
of which				
Mercedes-Benz Cars	1,337	8.7	1,041	6.4
Daimler Trucks	524	6.4	434	5.4
Mercedes-Benz Vans	200	8.3	204	8.4
Daimler Buses	-59	-5.8	27	2.9
Daimler Financial Services	338	-	319	-
Reconciliation	-72	-	3,217	-

* Return on sales; Daimler Group excluding Daimler Financial Services

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Daimler's identity: a unique combination of leading technologies, strong brands and market leverage



Daimler strategy: Combining growth and efficiency across the entire group

Growth Strategies

- Strengthening core business
- Growing in new markets
- Leading in green and safety technologies
- Shaping new mobility services

Efficiency Programs

- Modularization
- Cost reduction
- Flexibility

Combining growth and efficiency in every division

Examples for Mercedes-Benz Cars and Daimler Trucks

Growth Strategy Mercedes-Benz 2020

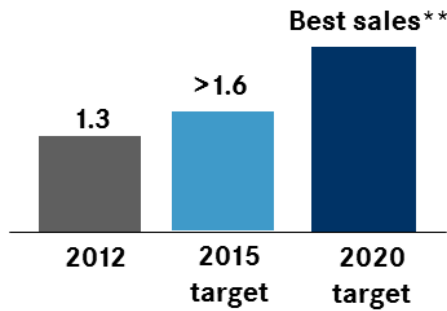
"Fit for Leadership"

Growth Strategy Daimler Trucks Global Excellence

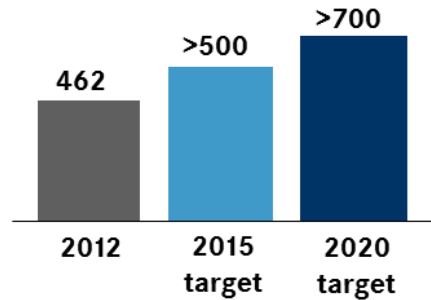
"Daimler Trucks #1"

Our growth targets

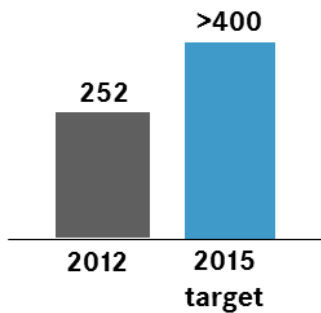
Mercedes-Benz Cars
- in million units*-



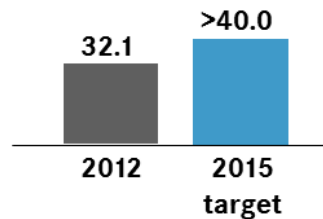
Daimler Trucks
- in thousands of units -



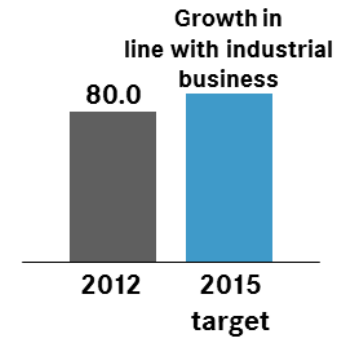
Mercedes-Benz Vans
- in thousands of units -



Daimler Buses
- in thousands of units -



Daimler Financial Services
- contract volume in billions of euros -



* Without smart **Within automotive premium segment; schematic representation

Our financial targets

Return on Sales / Return on Equity¹ in %



10

Mercedes-Benz
Cars



8

Daimler
Trucks



9

Mercedes-Benz
Vans



6

Daimler
Buses



17

Daimler
Financial Services¹

“Return on Sales” target automotive business 9 percent

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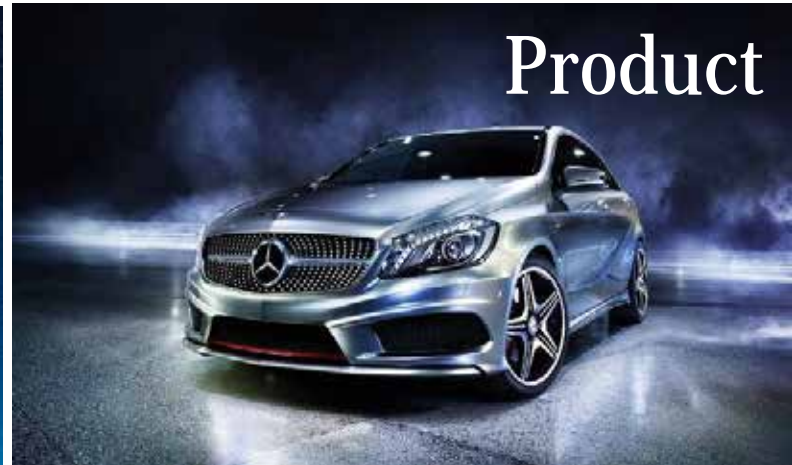
Appendix

On our way to leadership in the premium segment



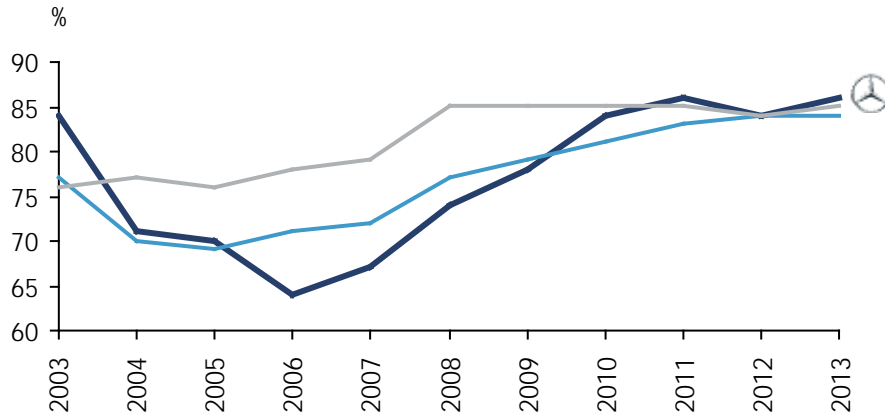
Mercedes-Benz 2020

Four levers of Mercedes-Benz 2020

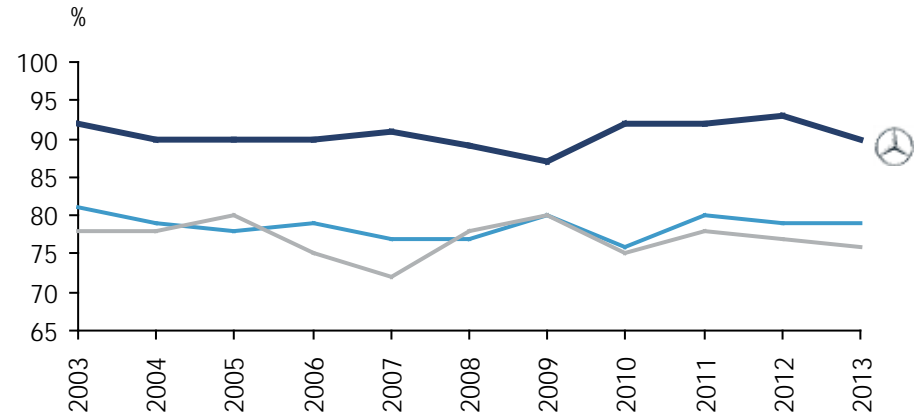


Brand: Development of brand value and perception

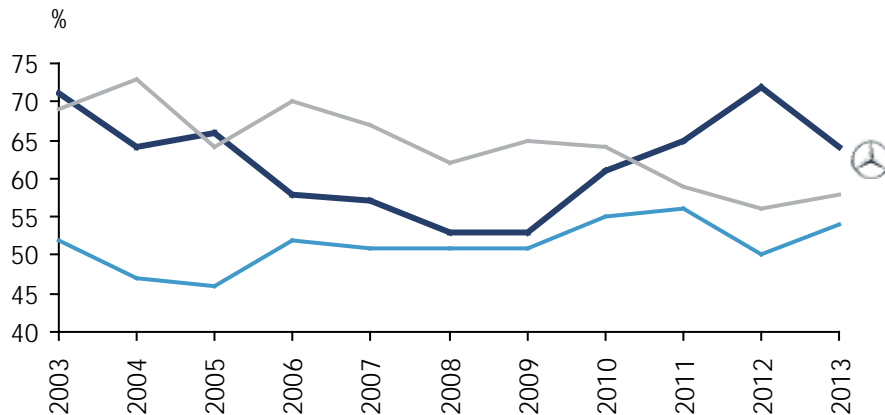
Product reliability – AMS Survey



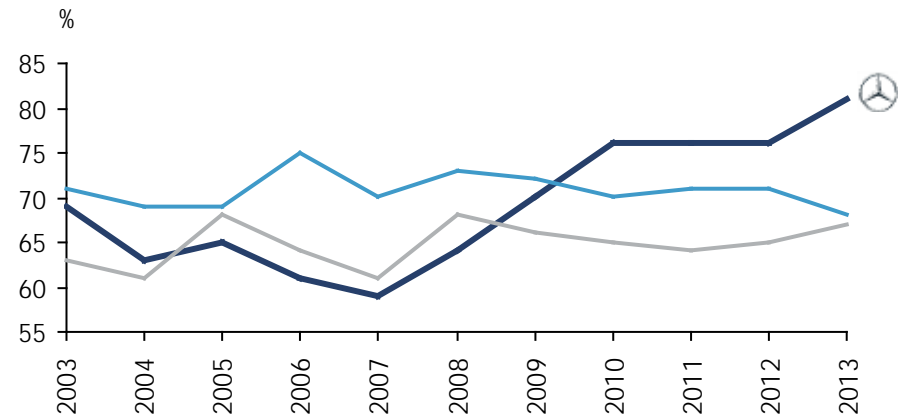
Safety – AMS Survey



Perception of advertisement – AMS Survey

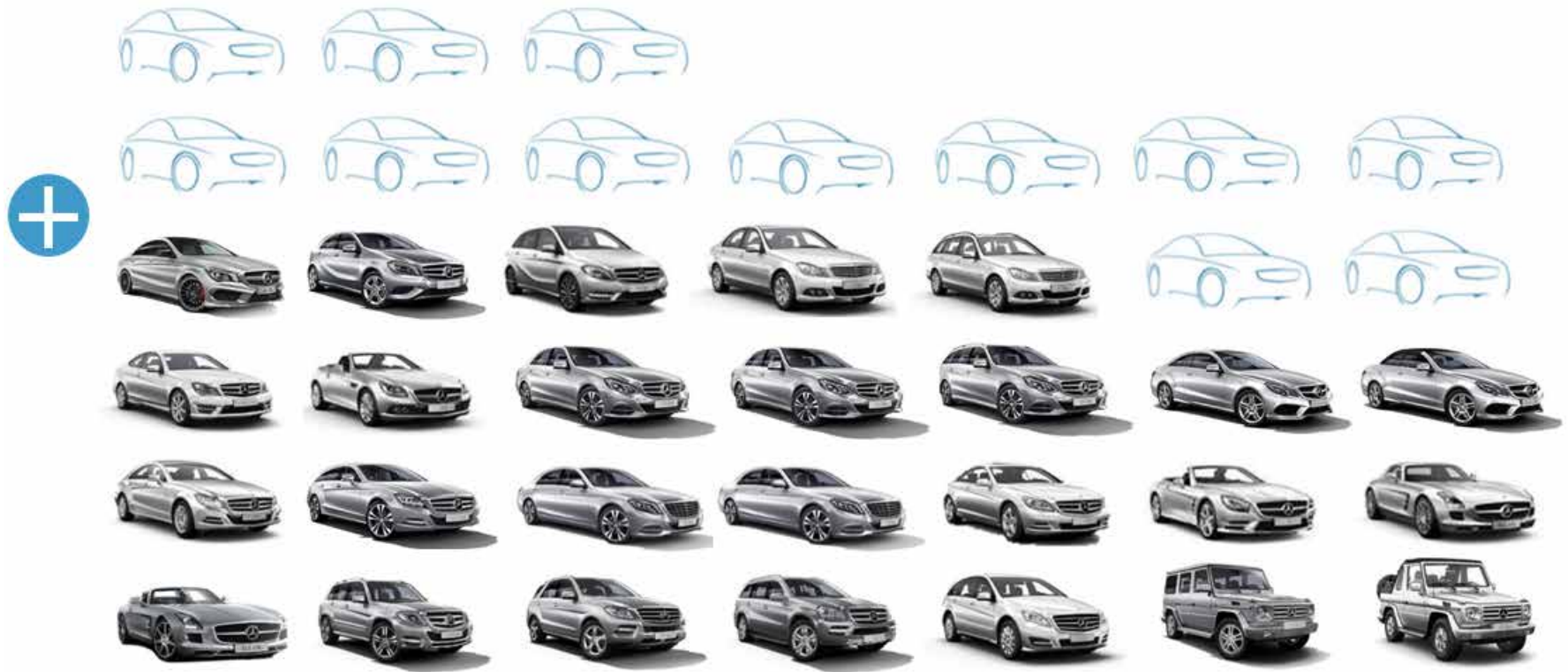


Good aftersales – AMS Survey



— Competitor A — Competitor B

Products: Adding 12 new models to our existing portfolio by 2020



Products: Our new A-Class



Products: Our new CLA-Class



Products: Our new E-Class Family



Products: SUV Offensive – Our new GLK-, G- and GL-Class



Products: Our flagship – the new S-Class



Products: Our flagship – the new S-Class



Products: Our flagship – the new S-Class



Products: Our flagship – the new S-Class



Products: New compact SUV – the new GLA



Products: Three essential drive systems

High-tech combustion engines

CDI, CGI, BlueTEC



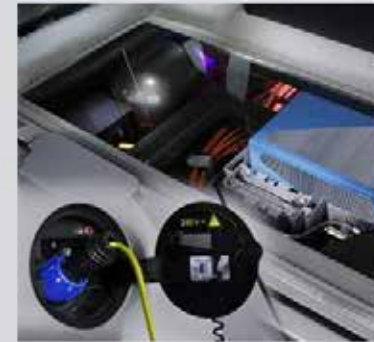
Combustion engines with hybridization

HYBRID, BlueTEC HYBRID, Plug-in HYBRID



Electric vehicles with battery and fuel cell

E-CELL, F-CELL



A 180 CDI BlueEFFICIENCY Edition

3,6 l/km
92 gCO₂/km



E 300 BlueTEC Hybrid

4,2 l/km
109 gCO₂/km

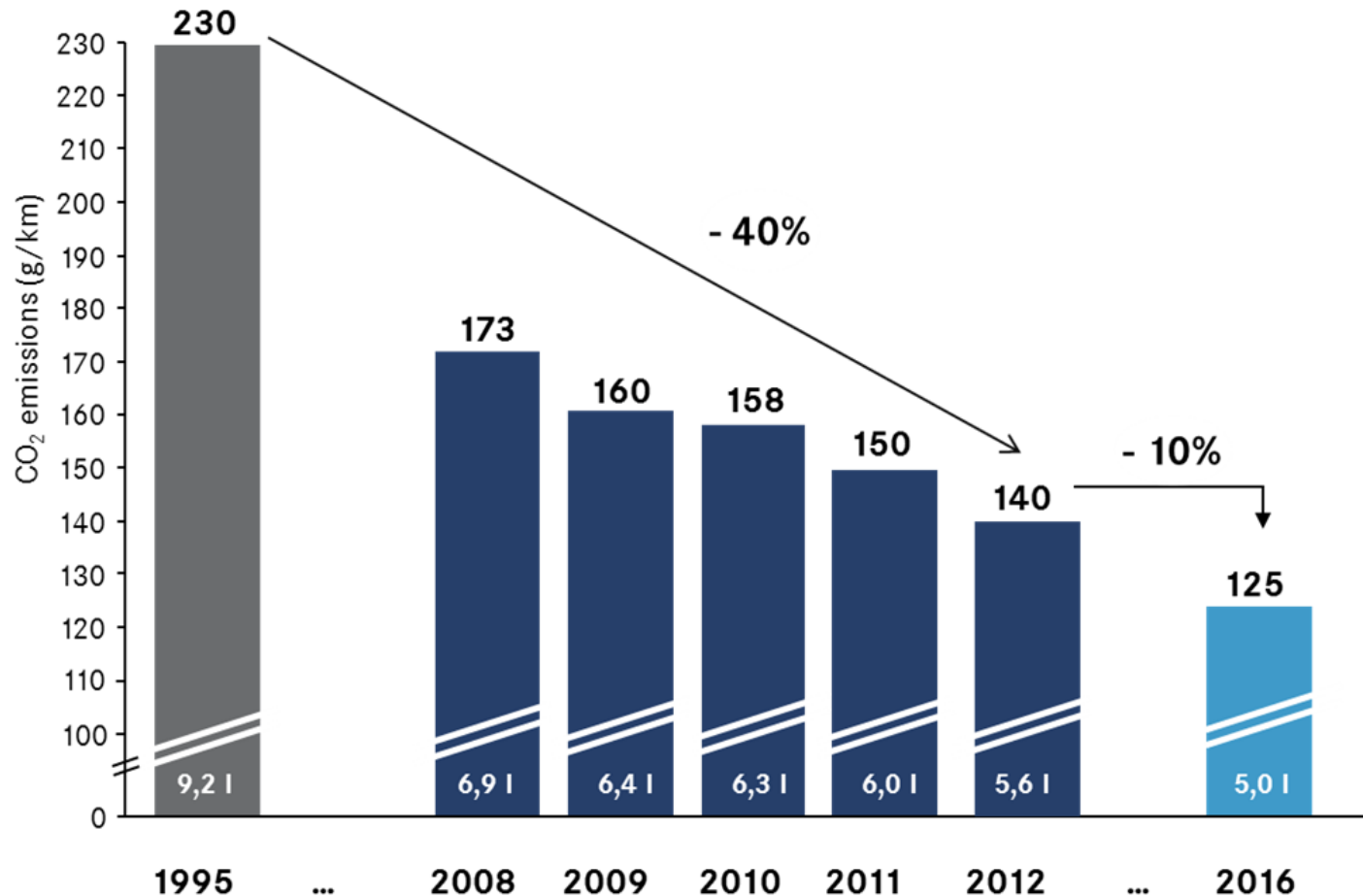


SLS AMG Coupé Electric Drive

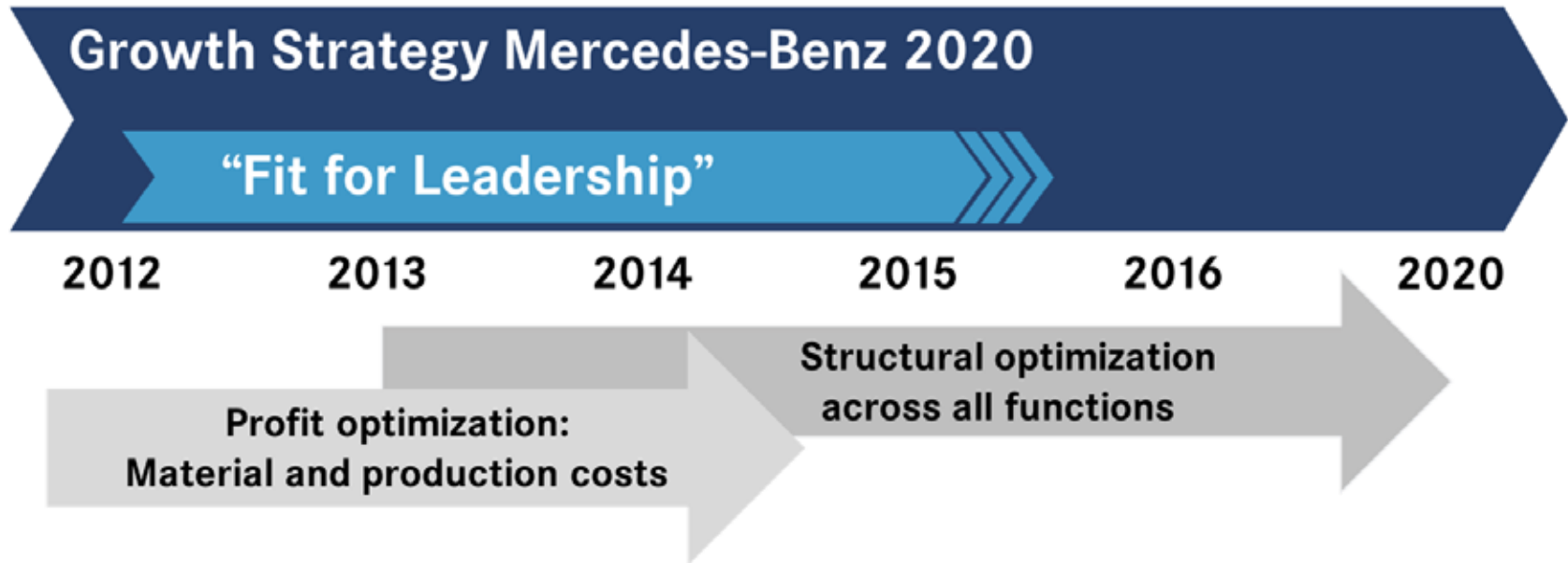
0 l/km
0 gCO₂/km

Reducing CO₂ emissions

Average CO₂ emissions per kilometer of our Mercedes-Benz Car fleet in Europe

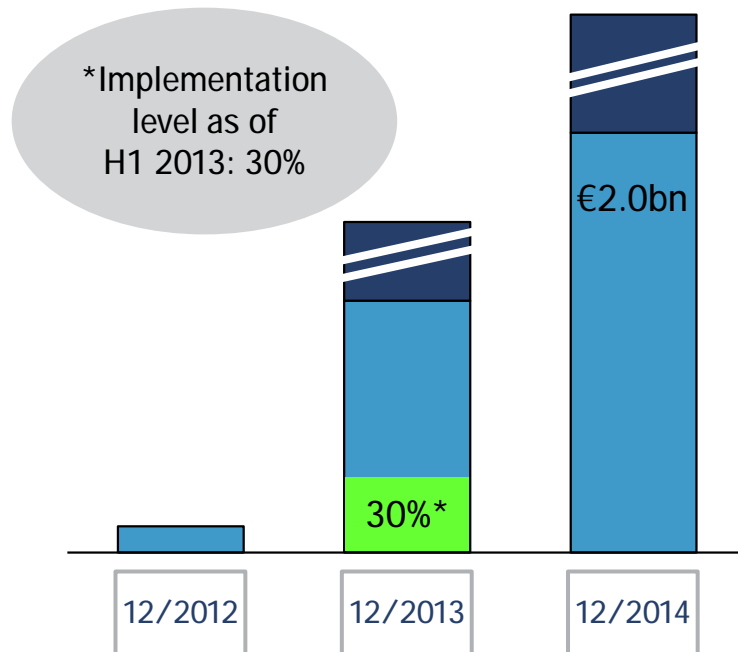
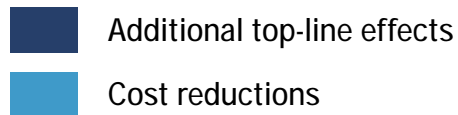


Connecting growth and efficiency



Mercedes-Benz Cars: Fit for Leadership

Flight path towards benefits



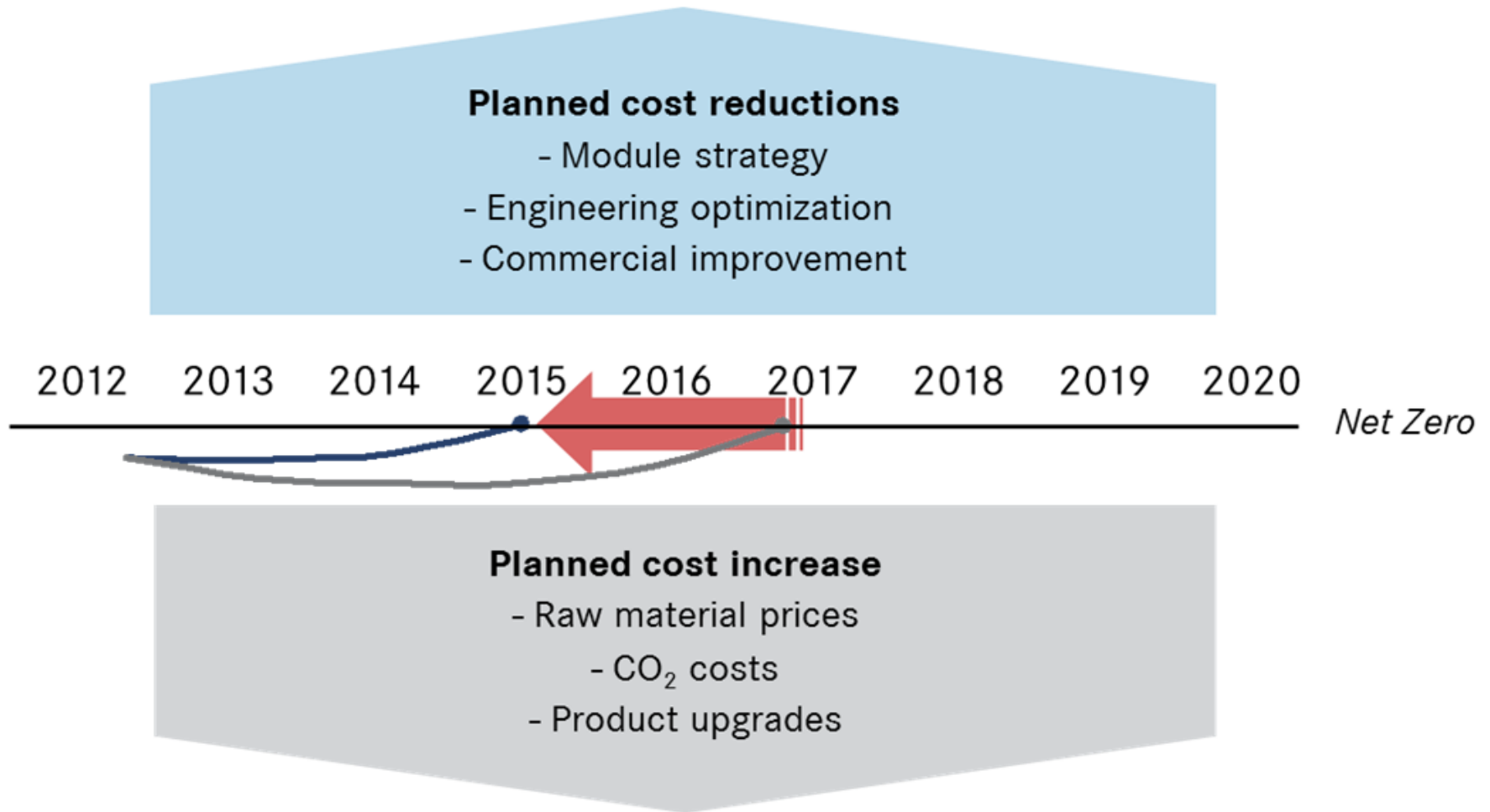
Key levers

- Material costs/net-zero approach
- Further reduction of hours per vehicle
- Optimization of funding requirements
- Reduction of fixed costs
- Increased efficiency in application of funds
- Higher flexibility of MBC business model

Fit for Leadership

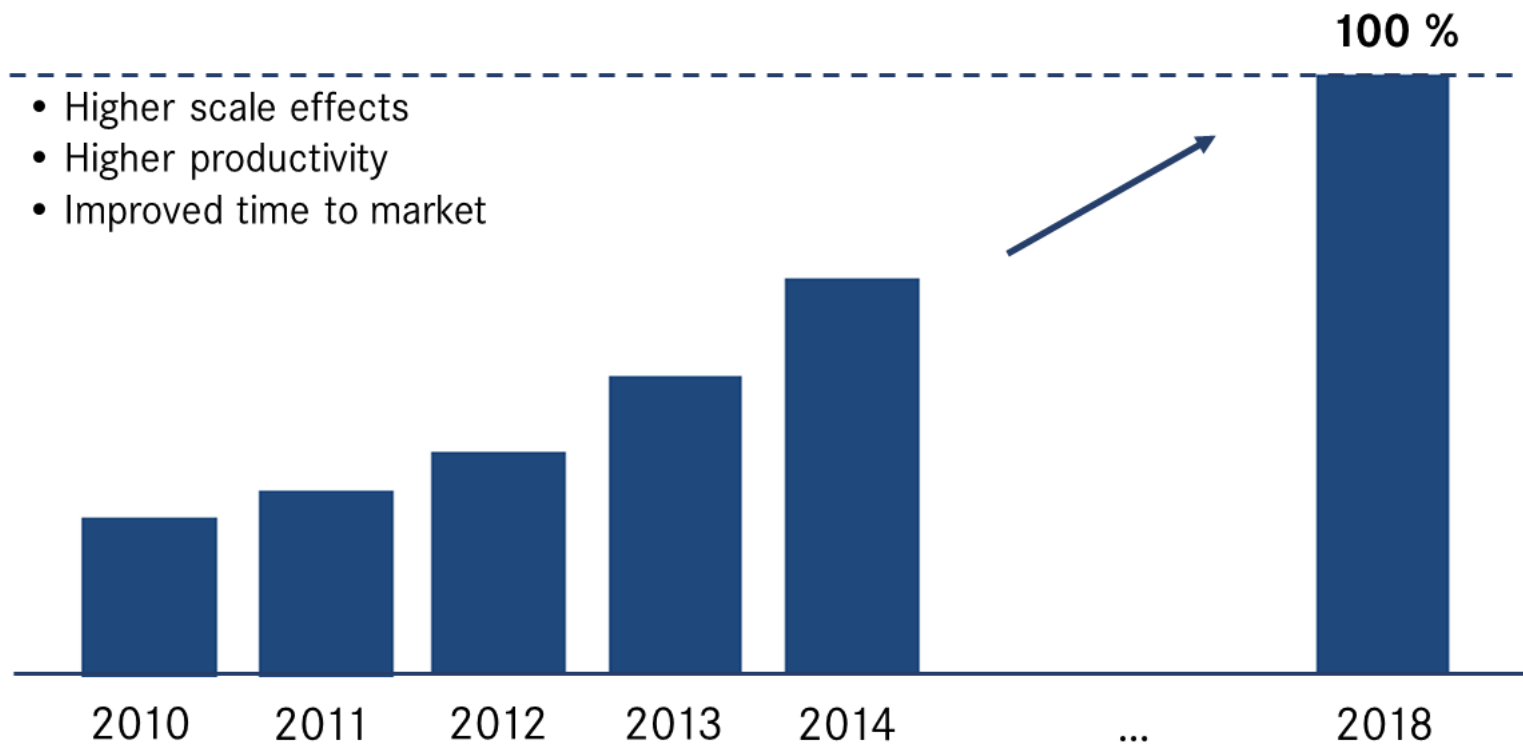
- Comprises measures to accelerate growth and to improve efficiency. Key elements are based on the MB 2020 strategy
- Short term cost improvements:
 - 2bn EUR cost improvement until end of 2014. The cost reductions will be achieved through enforcement and acceleration of already established and new measures.
 - Around 30% effective in 2013
 - 40% are coming from material-cost improvements, 20% lower production costs and further 40% of fix cost reductions (incl. R&D and SG&A).
 - Key Initiatives
 - Net Zero Approach
 - Modular strategy
 - HPV improvement from 40 to 30 hours per vehicle by 2015.
- Medium term structural measures:
 - Improvement of MBC business system e.g. structures in development, production, sales and marketing are under scrutiny.
 - China Business Model.

Accelerated achievement of “Net Zero”



Module strategy on track

Rollout of module strategy within all passenger car models, schematic representation



Increasing productivity even further

Mercedes-Benz passenger cars: reduction of hours per vehicle



We do our homework and we're determined to pick up the pace in China



Board of Management Position



Integrated Sales Organization



Expansion Dealer Network



Extension Product Portfolio



Extension Local Production



Leverage Financial Services

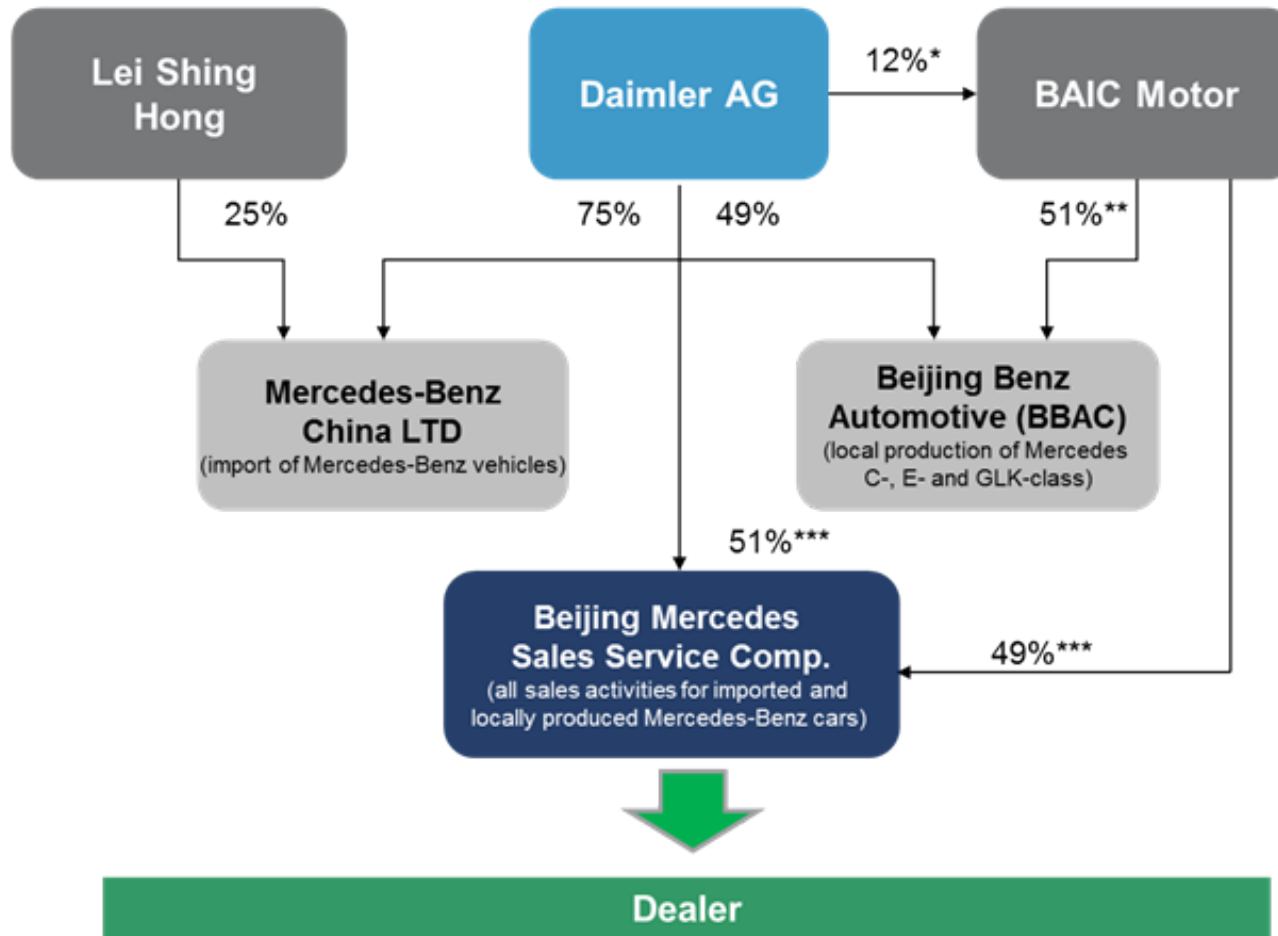


Extension Local R&D



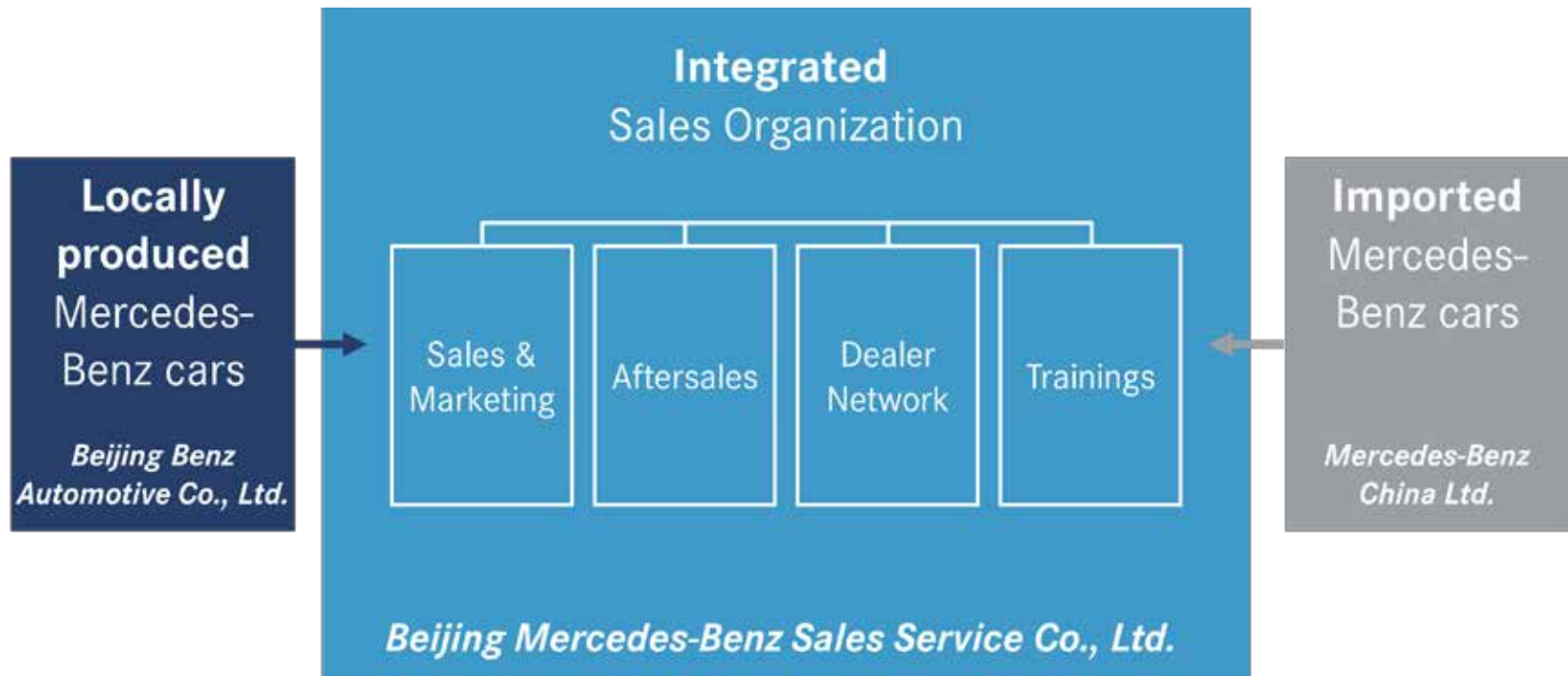
Strategic Investment in BAIC

Future Sales Structure in China - Imports and Domestic Wholesale



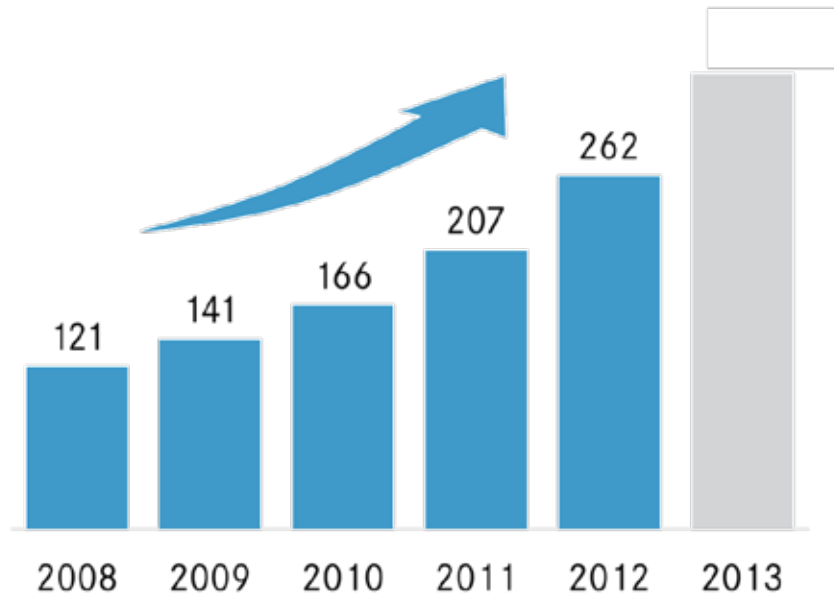
*Under approval **Currently 50/50, shareholding under approval *** Currently 50/50, shareholding under approval

Integrated sales organization put locally produced and imported Mercedes cars under one roof



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

Mercedes-Benz PC Network Development
Number of outlets, including AS only outlets



In 2013, we'll celebrate 7 product premieres in China



New A-Class



LWB E-Class Facelift



New S-Class



E-Class Coupe Facelift



E-Class Cabriolet Facelift

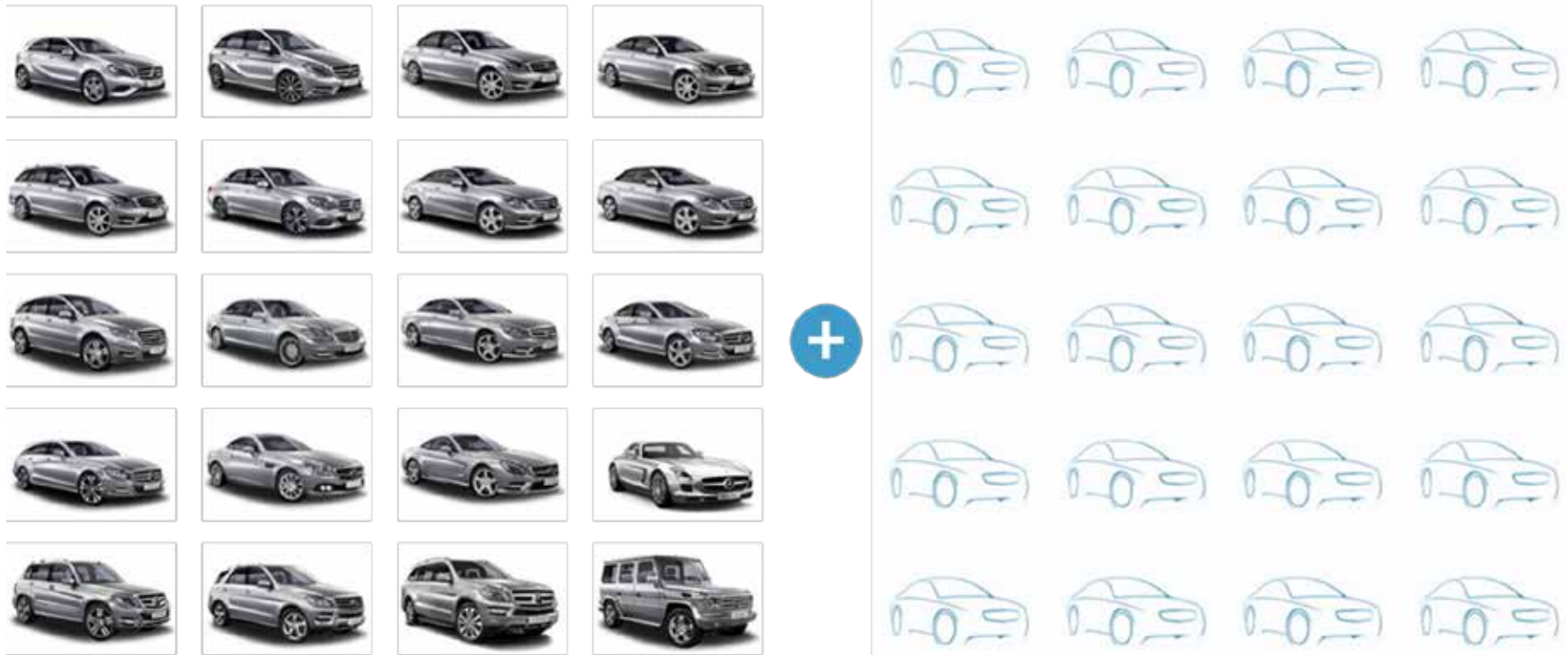


New CLS Shooting Break

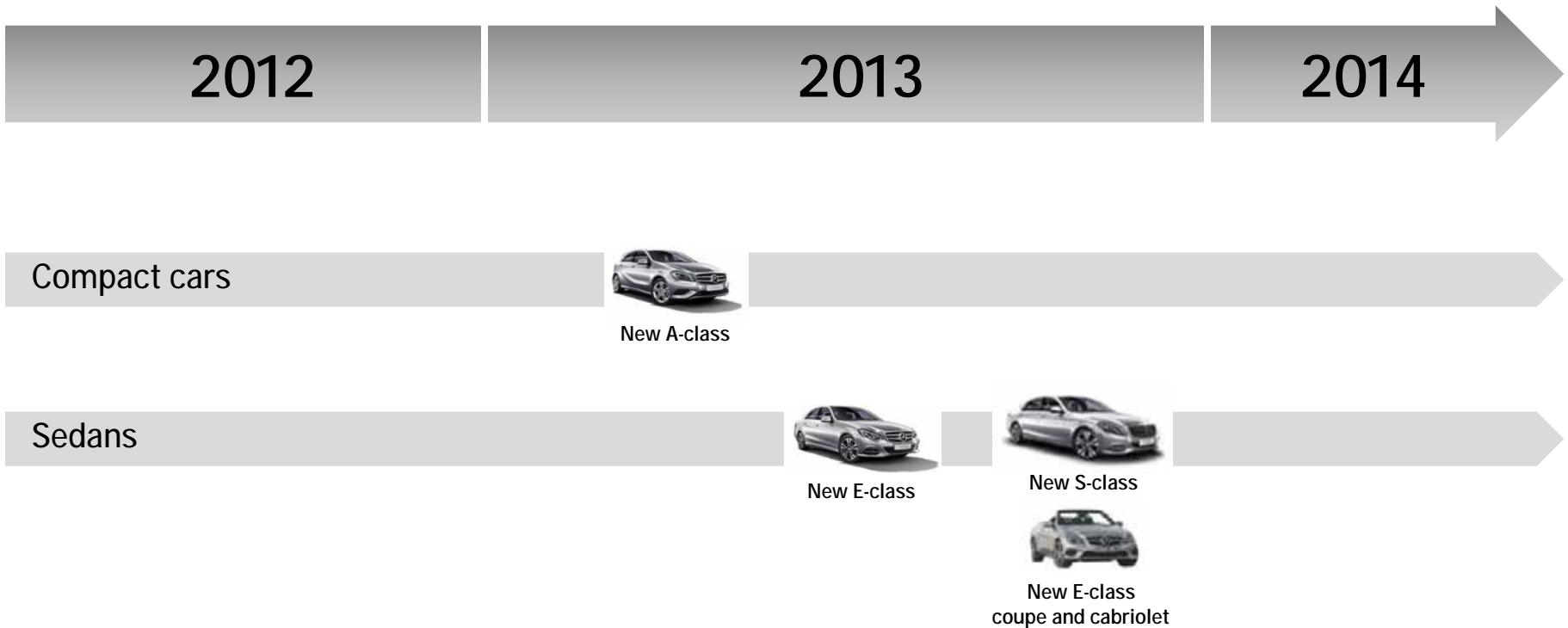


New GL-Class

Overall, we will introduce around 20 new or face-lifted vehicles in China by 2015



Products: Rampup of new Products through successive Regional Rollout at the example of selected models in China

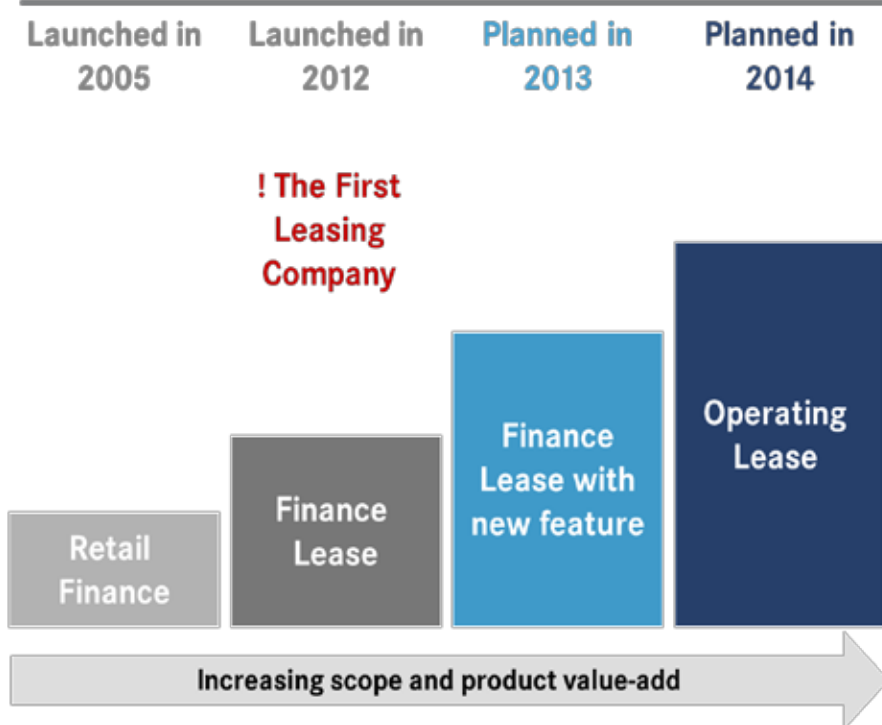


Extension of production capacity in Beijing



Further developed our sales activities regarding our financial services

Mercedes-Benz Financials Product Roadmap



Extension of local R&D capacity and competence



Road Testing



Telematic & Infotainment



Mercedes-Benz Advanced Design Center

Strategic investment in BAIC motor



Financial Outlook and Targets

- ▶ **Sales leadership**

Milestones: >1.5 in 2014 / >1.6 in 2015

- ▶ **Technology leadership**

Milestone: 125 g CO₂ / 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%

- ▶ **Strategic Return Target**

10% RoS on average

DT#1 with right structure to strengthen leadership position: "As global as possible, as local as necessary"



Truck industry offers positive mid-term dynamics

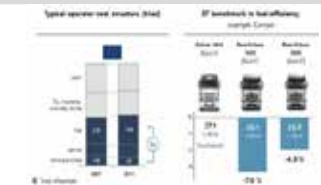
① 3.6% p.a. global growth, increasing relevance of RIC



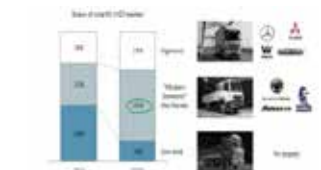
② Convergence of emission regulations



③ TCO increasingly relevant for customers



④ Vehicle upgrading – "Modern Domestic" becoming biggest segment



⑤ Structural growth of high margin aftersales business

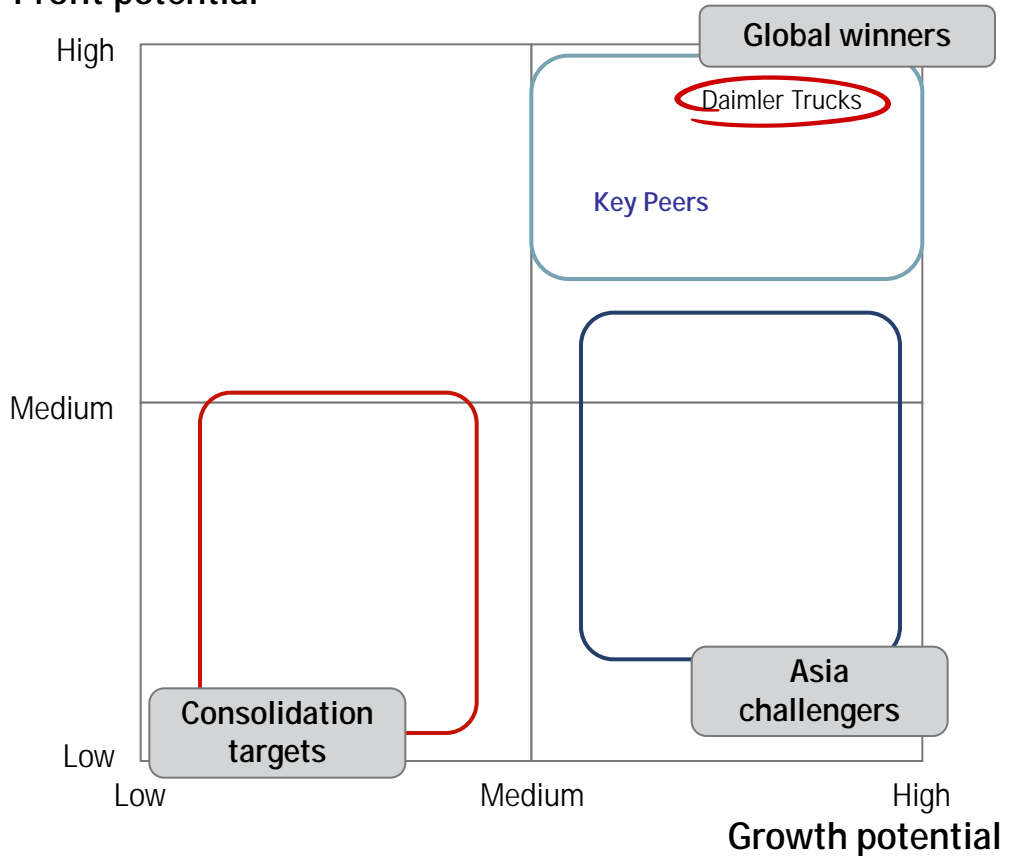


Mid-term industry dynamics give DT a clear advantage over its regional competitors in the future

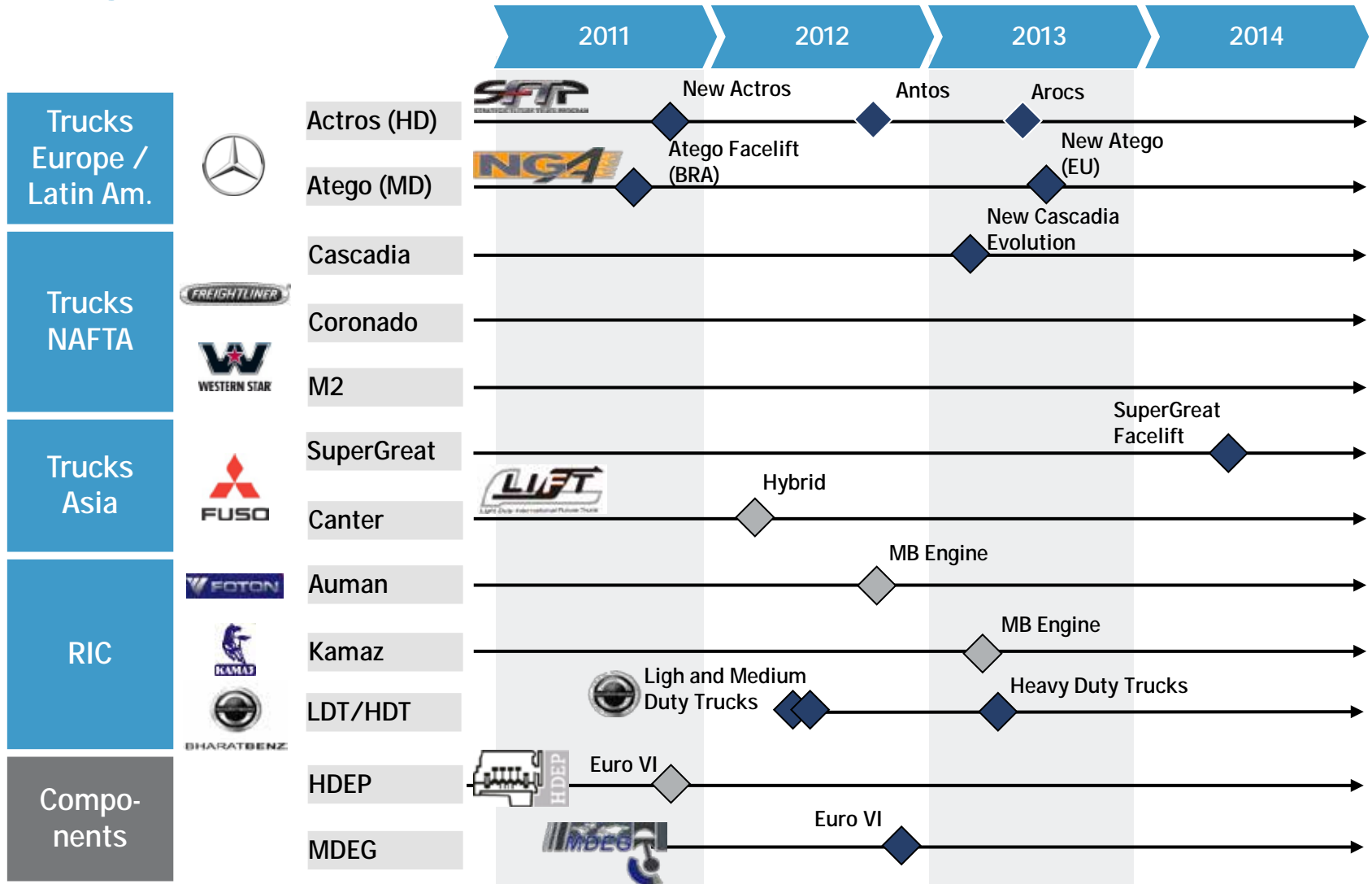
Industry trends

- ▶ Triad recovery and BRIC growth
- ▶ Convergence of emission regulations
- ▶ Vehicle upgrading – new "Modern Domestic"
- ▶ Increasing TCO relevance
- ▶ Profit growth in aftersales

Profit potential



Strong product pipeline with new global platforms safeguards DT's competitiveness



The foundation for profitable growth has been laid with a strong product pipeline with new global platforms



SFTP



Cascadia



Super Great HDEP



Actros Brazil



Antos



Severe Duty Line



Canter Hybrid



MDEG/HDEP



Bharat Benz



Auman

Product offensive to continue over next years

Increasing Global Commonality of Engines and Powertrain Components

Strong product base...



HDEP/MDEG
The new global engine platforms



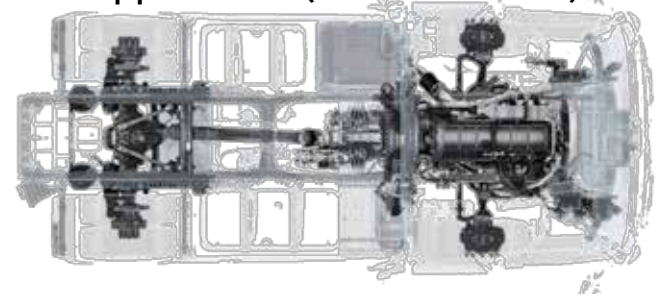
PowerShift
Perfect integration for high performance



Common Axle Platform
Cutting edge, globally

...and a clear vision

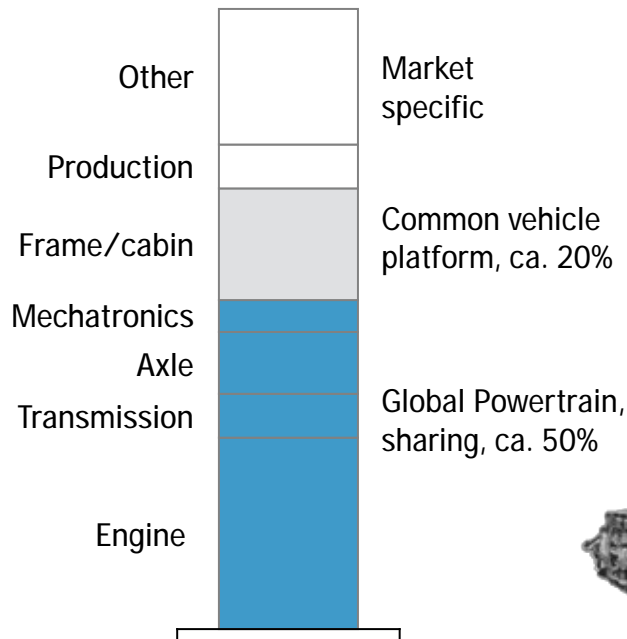
Integrated Powertrain with global application (Daimler inside)



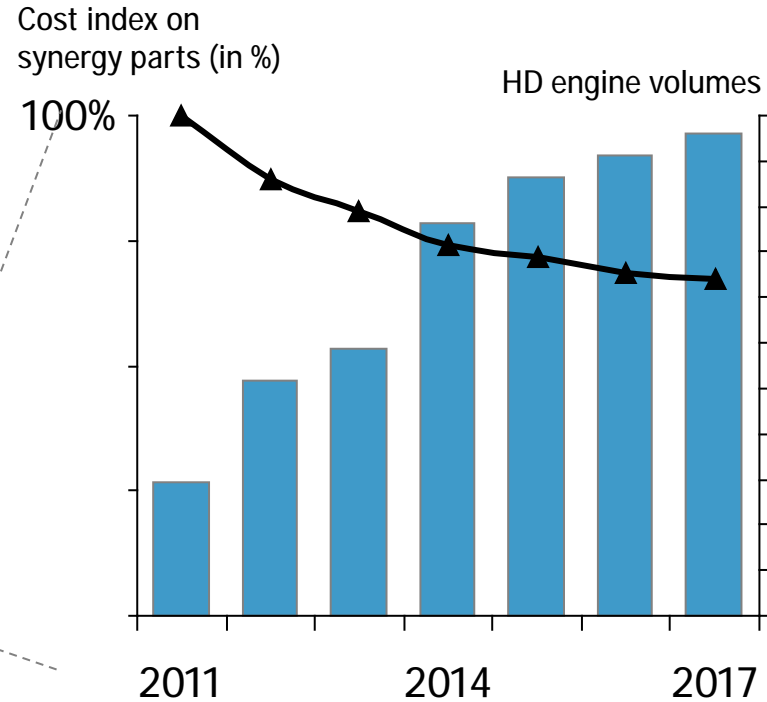
Scale benefits of common modules just starting

Up to 70% of vehicle sharable

SFTP cost structure

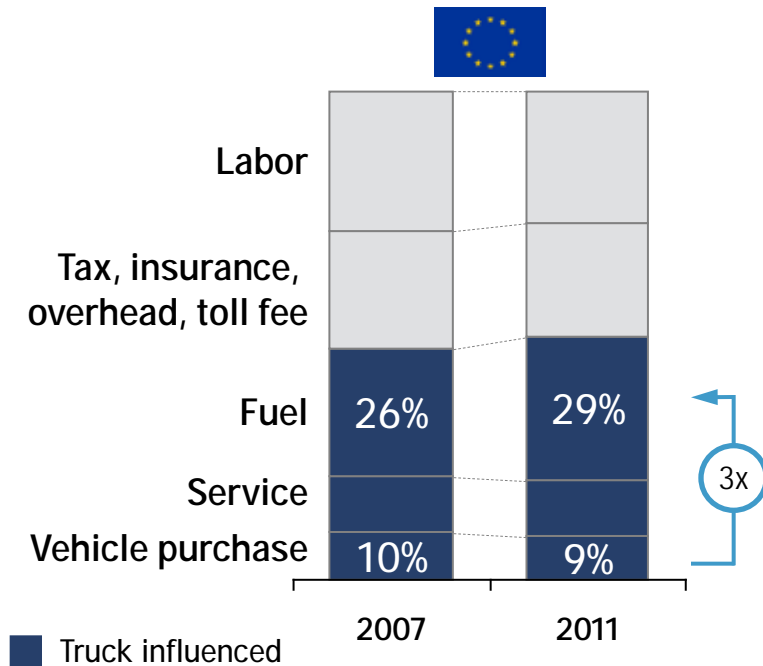


Significant scale benefits (example engine)

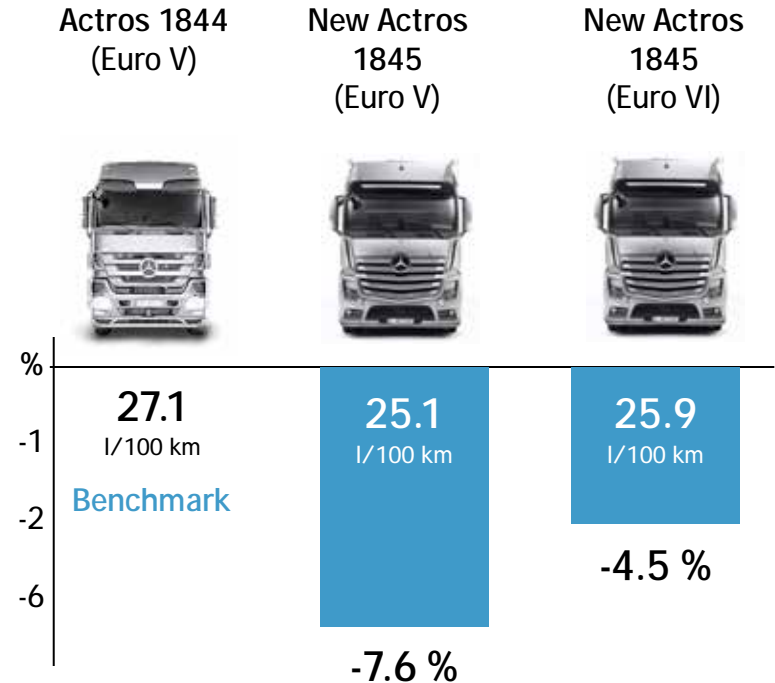


TCO increasingly relevant as key driver for customer decisions

Typical operator cost structure (triad)



DT benchmark in fuel efficiency - example Europe -



New global engine generation ensures benchmark position in all regions

Accelerating Global Excellence: “Daimler Trucks #1”

Global Excellence

Global Excellence Pillars

Management of Cycles

Operational Excellence

Growth and Market Exploitation

Future Product Generations



Achievements so far

Flexibility Measures



Efficiency Programs



BRIC Expansion



Global Platform Roll-out



Current focus



Excellence Programs of OUs

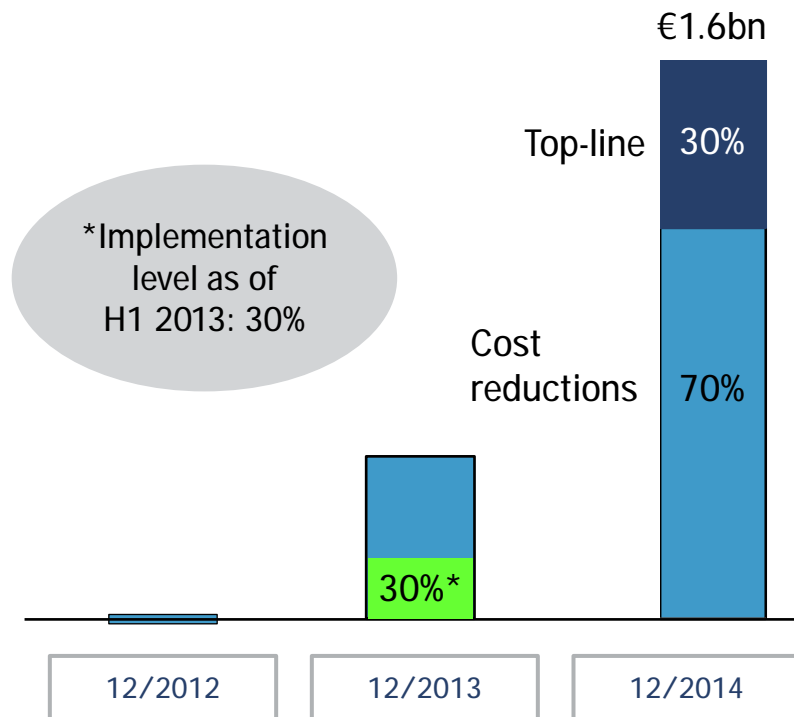


Cross-business Excellence Initiatives



Daimler Trucks #1

Flight path towards benefits



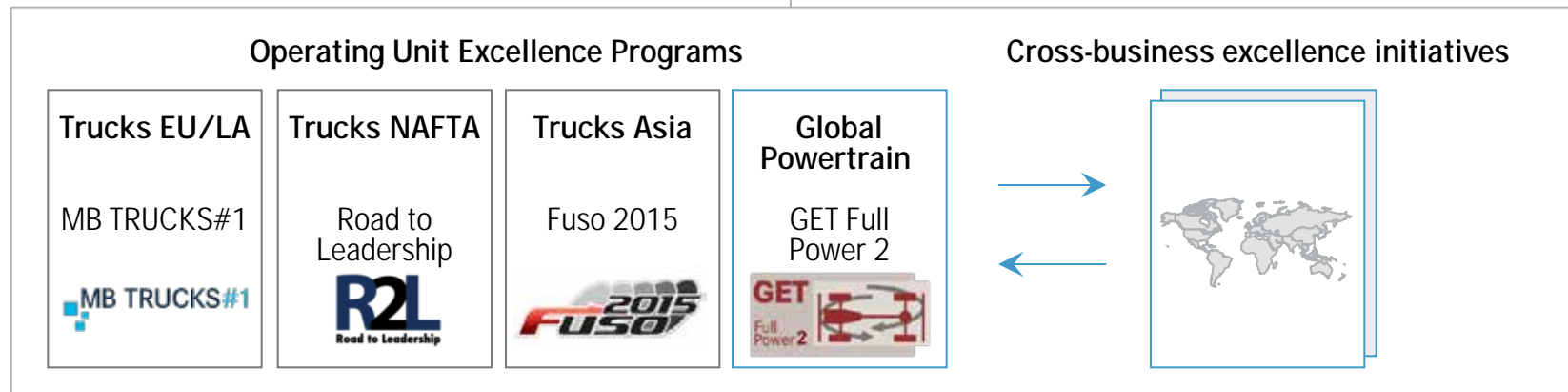
Key levers

- Sales and aftersales push
- Module strategy to realize global scale
- New Asia Business Model
- Strong efficiency push in all operating units:
 - Fixed costs
 - Material costs
 - Production costs
 - Warranty and quality costs

Daimler Trucks #1

- DT#1 comprises of excellence programs in the operating units and cross business initiatives to support the average margin target of 8%.
- DT#1 targets sustainable improvements of €1.6bn by the end of 2014.
 - Around 30% effective in 2013
 - 1/3 by increased revenues and 2/3 efficiency improvements
 - 50% from lower material costs
 - 20% efficiencies in the operations
 - 30% of fix cost reductions (incl. SG&A and Fundings)
 - Key Initiatives:
 - Modular strategy e.g. for the complete drivetrain e.g engines, transmission and axles.
 - Especially in Brazil and in Germany the focus is also on the reduction of fix cost levels and as one step we have recently decided to reduce our headcount in non-production areas by about 800 employees in each of the two countries.

DT#1 with right structure to strengthen leadership position: "As global as possible, as local as necessary"



4 OU Excellence Initiatives covering our global business

- Sales and Aftersales push
- Cost optimization
- Quality push
- People and high performance culture

8 Work packages for synergy effects

- WP1: Daimler Trucks business portfolio
- WP2: Sales push (white spots)
- WP3: Truck sales & marketing dedication
- WP4: Aftersales & downstream push
- WP5: DT product strategy & management
- WP6: New setup Truck Product Engineering
- WP7: Lean Daimler Trucks
- WP8: Asia business Model

Eight cross-business work-packages to achieve our vision



Our Vision:

We are No. 1 in the global Truck business, create superior value for our customers and are benchmark for quality and profitability, [Wave 1](#)

WP 1	WP 2	WP 3	WP 4	WP 5	WP 6	WP 7	WP 8
DT business portfolio	Sales push (white spots)	Truck S&M dedication	Aftersales/downstream push	DT product strategy and management	New TP setup	Lean DT	Asia business model
<ul style="list-style-type: none"> • Optimize funding allocation and portfolio: <ul style="list-style-type: none"> – Businesses – Products – Projects – Cooperations 	<ul style="list-style-type: none"> • Develop untapped or not yet fully covered markets and product segments • Optimize international market management model 	<ul style="list-style-type: none"> • Optimize truck dedication and customer orientation for MB Europe 	<ul style="list-style-type: none"> • Further improve integrated services for our customers • Enhance global aftersales and remanufacturing business 	<ul style="list-style-type: none"> • Realize global scale and sourcing advantages through enhanced platform/module strategy and optimized material costs 	<ul style="list-style-type: none"> • Develop future TP setup • Improve R&D allocation and efficiency • Focus on platform, module and commonality 	<ul style="list-style-type: none"> • Optimize indirect functions • Establish lean processes and mindset 	<ul style="list-style-type: none"> • Develop integrated business model for Asia to increase Asia market exploitation

Financial Outlook and Targets

▶ Outlook 2013

Increase in unit sales and EBIT in the magnitude of the prior year expected

▶ Target

We continue to target a RoS of 8% on average over the cycle, supported by DT#1, however, from a later starting point.

▶ Sales leadership

Milestones: over 500k in 2015 / 700k in 2020

▶ Technology leadership

We offer the best products in terms of TCO and fuel efficiency, globally.

▶ Our vision

No. 1 in the global truck industry and sustainable leadership in profitability. DT#1 targets benefits of 1.6 B€, coming from Sales / After Sales Push, variable / fixed cost reduction and platform/module rollout

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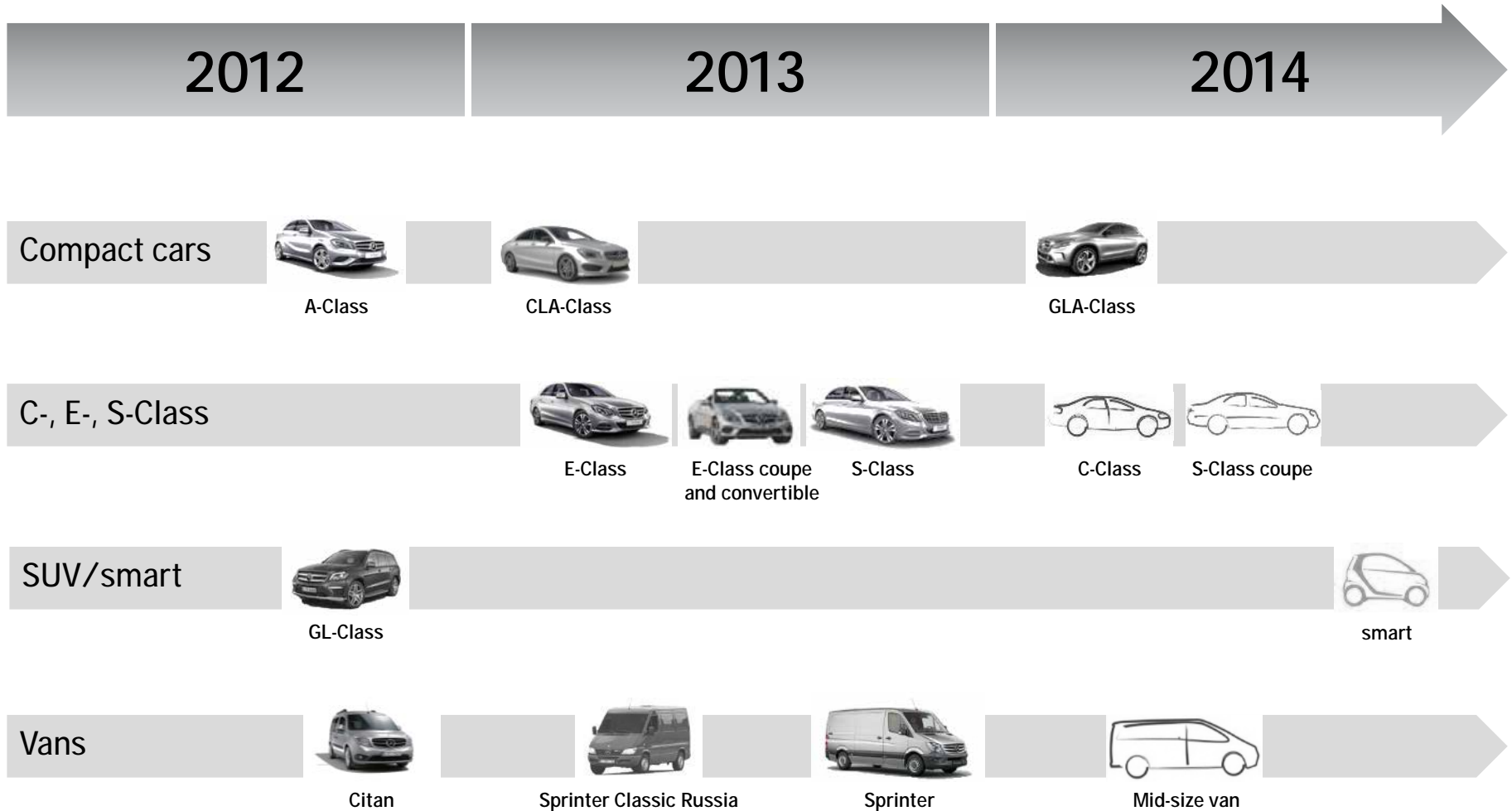
Daimler Group

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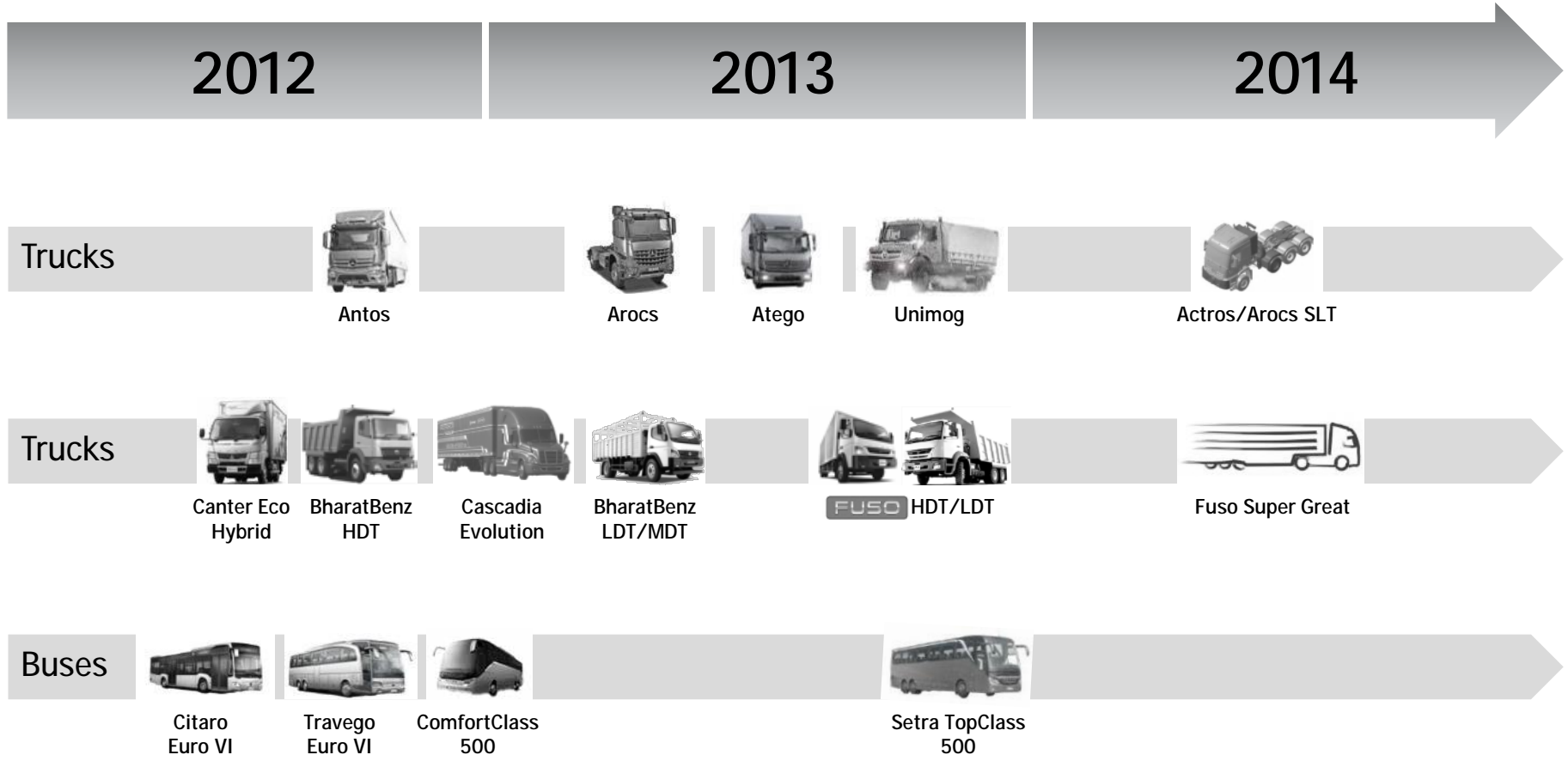
Outlook 2013

Appendix

Launch of new vehicles – Mercedes-Benz Cars & Vans



Launch of new vehicles – Daimler Trucks & Buses



Assumptions for automotive markets in 2013

Car markets	Global	+2% to +4%
	Western Europe	decline
	U.S./Asia	growth in China and USA
Truck markets	NAFTA region	up to -5%
	Europe	around -5%
	Japan	up to -5%
	Brazil	up to +10%
Van markets	Europe	around -5%
Bus markets	Western Europe	at prior year's level
	Brazil	moderate growth

Sales outlook FY 2013



- Further unit sales increase
- Strong momentum from new compact cars and SUVs
- Launch of new CLA, E-Class and S-Class



- Unit sales slightly above prior year
- Further increase based on strong product portfolio
- Growth of market share in major regions



- Growth in unit sales
- Support from new Citan city van and new generation of Sprinter
- Launch of Sprinter Classic in Russia



- Higher unit sales
- Growth supported by new Mercedes-Benz Citaro and Setra 500
- Maintain market leadership in core markets

2013 expectations for EBIT from ongoing business

Second half of 2013:

Significant earnings improvement expected compared with the level of the first half, due to planned new models, increasing effects of the efficiency measures that have been initiated and assumptions made for the development of markets important to Daimler.

Full year 2013:

Daimler Group: Based on our current market expectations and since there will be no further equity-method earnings from EADS, Group EBIT from ongoing business is expected to be below the previous year's level.

Mercedes-Benz Cars: Full-year EBIT is expected to be below the previous year's level.

Daimler Trucks and Mercedes-Benz Vans: Full-year EBIT is expected in the magnitude of the prior year.

Daimler Buses: Earnings are expected to be better than in the prior year.

2014 and the following years:

Improvements in operative profit expected for all automotive divisions and for the Group.

Daimler Financial Services:

Stable development of earnings anticipated in the next two years.

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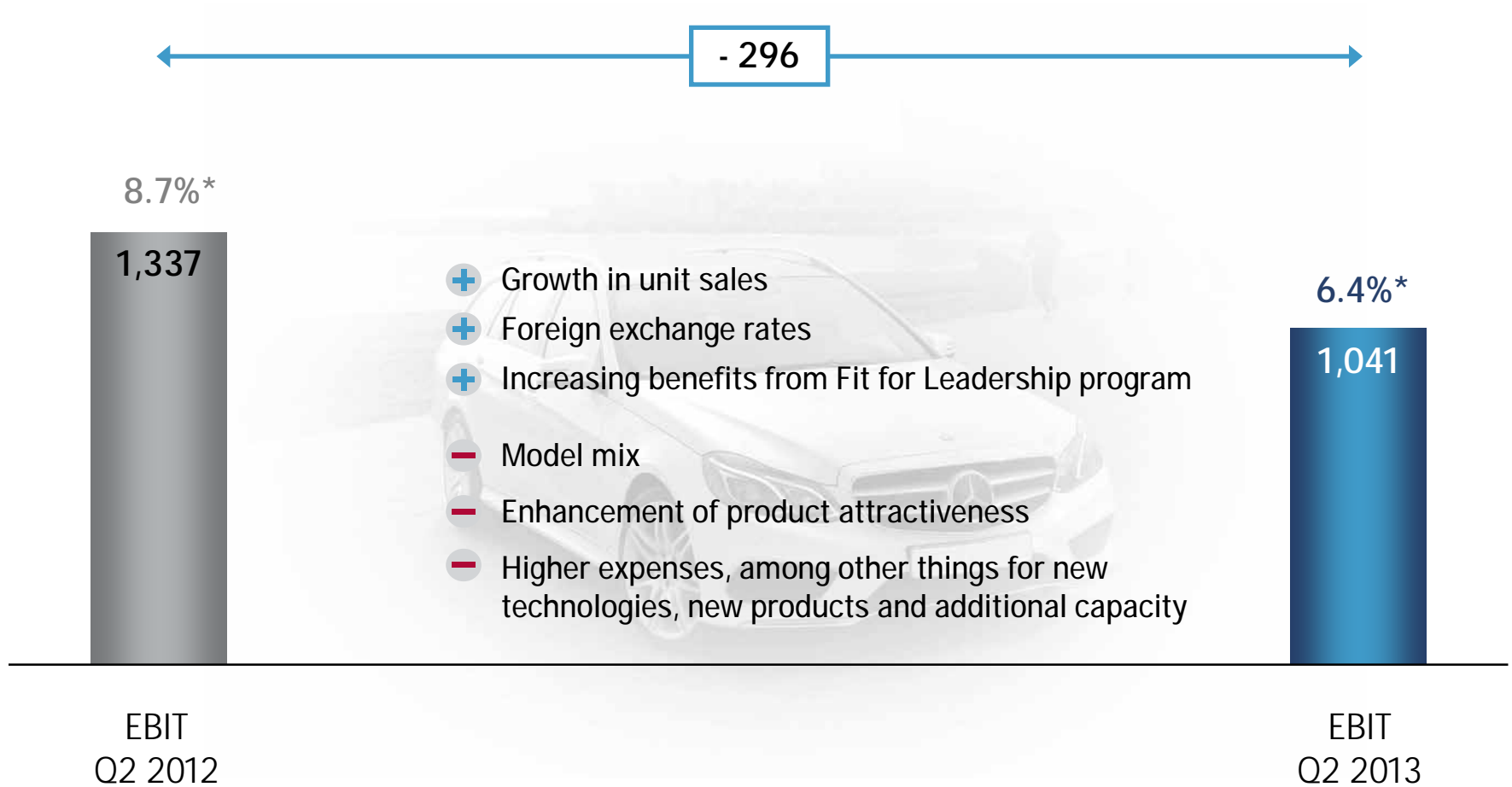
Divisions

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EBIT Mercedes-Benz Cars

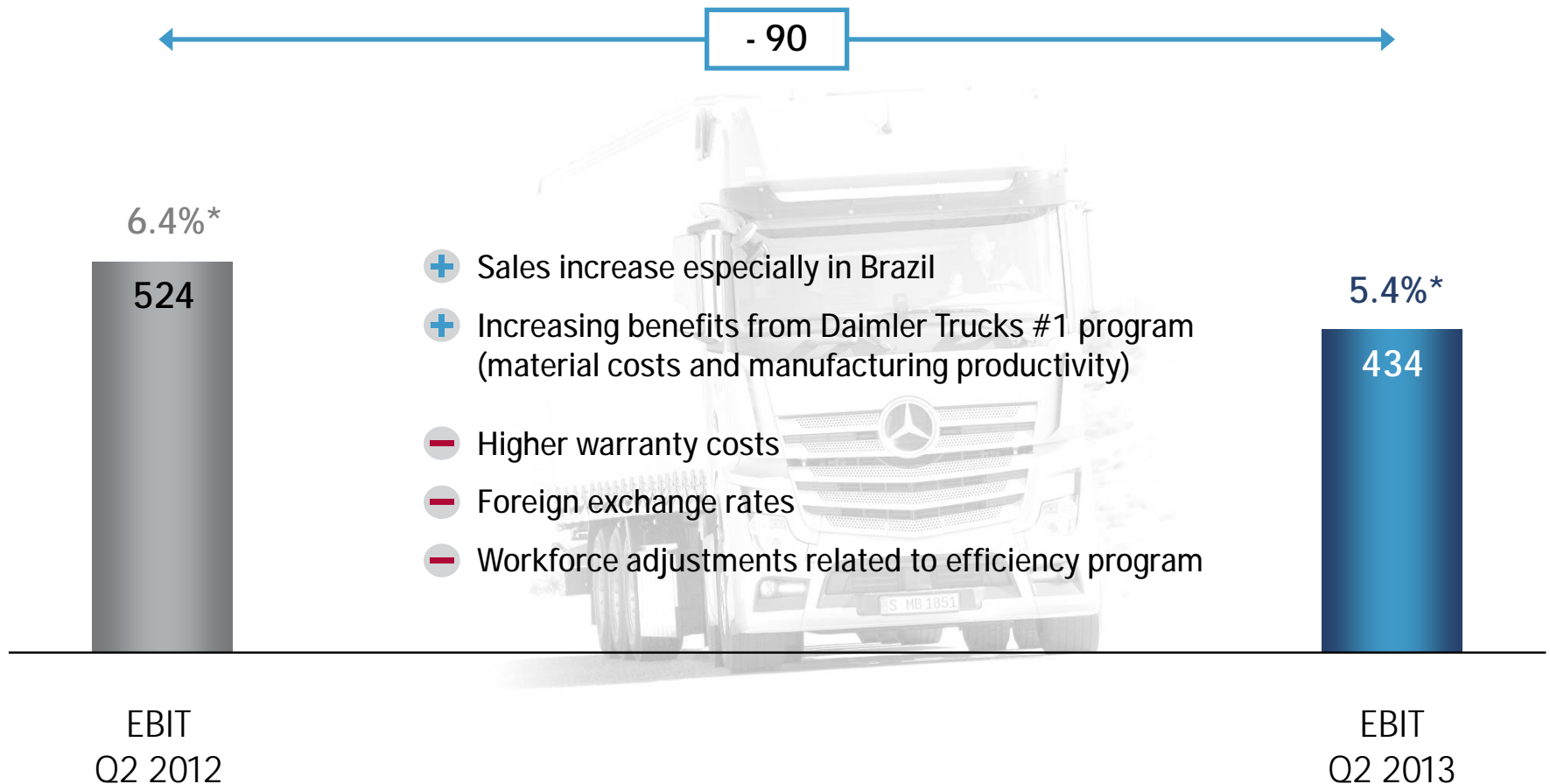
- in millions of euros -



* Return on sales

EBIT Daimler Trucks

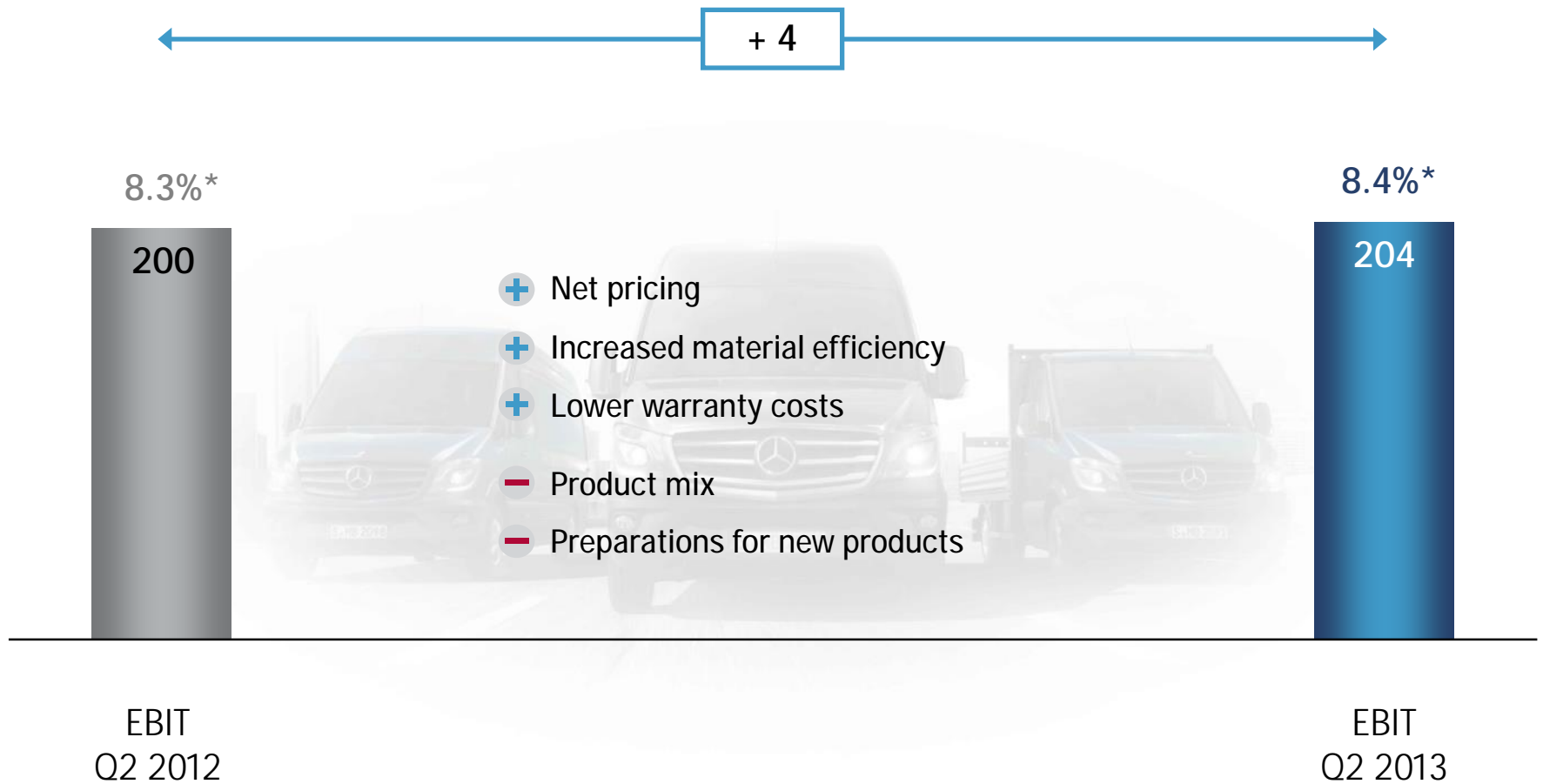
- in millions of euros -



* Return on sales

EBIT Mercedes-Benz Vans

- in millions of euros -



* Return on sales

EBIT Daimler Buses

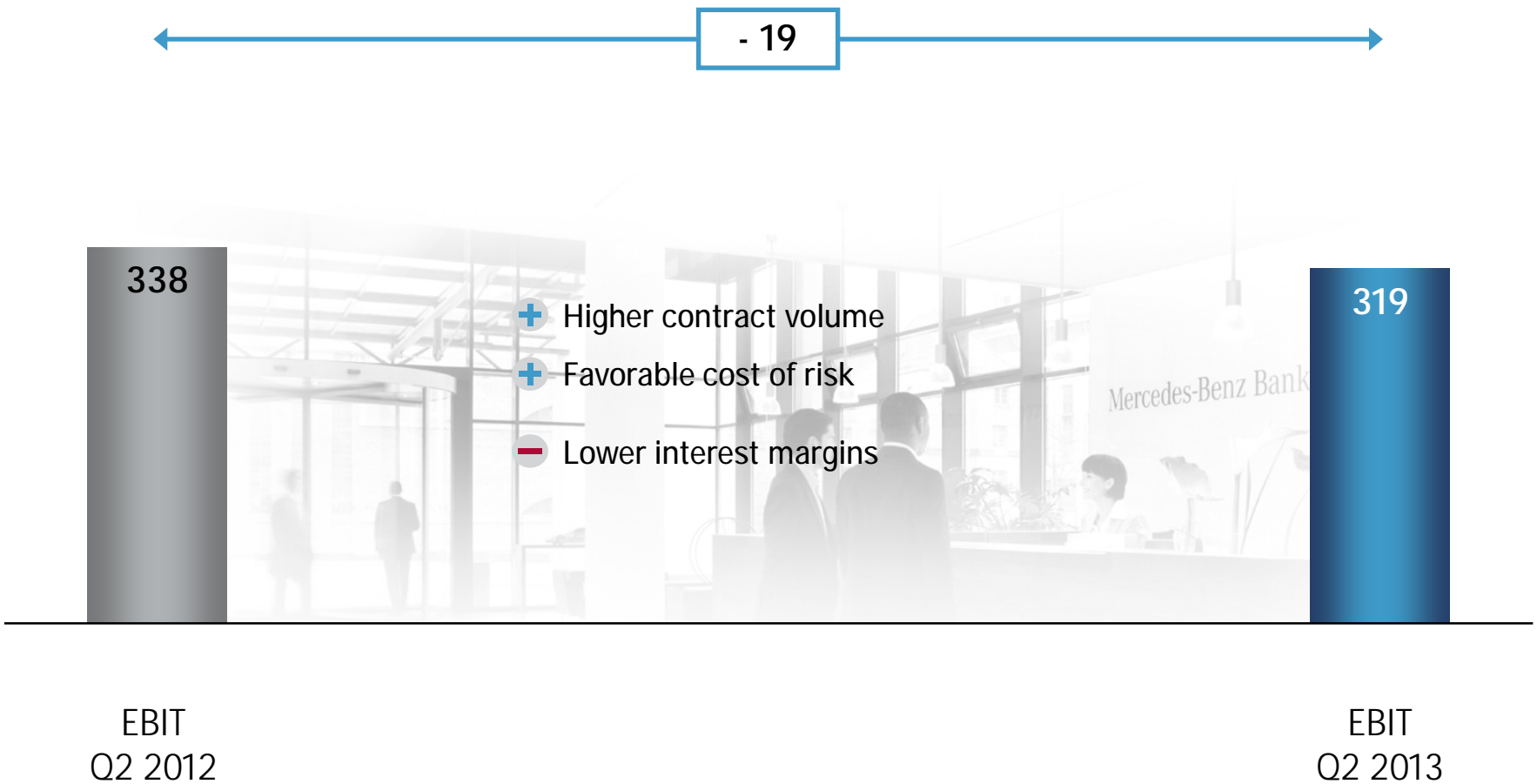
- in millions of euros -



* Return on sales

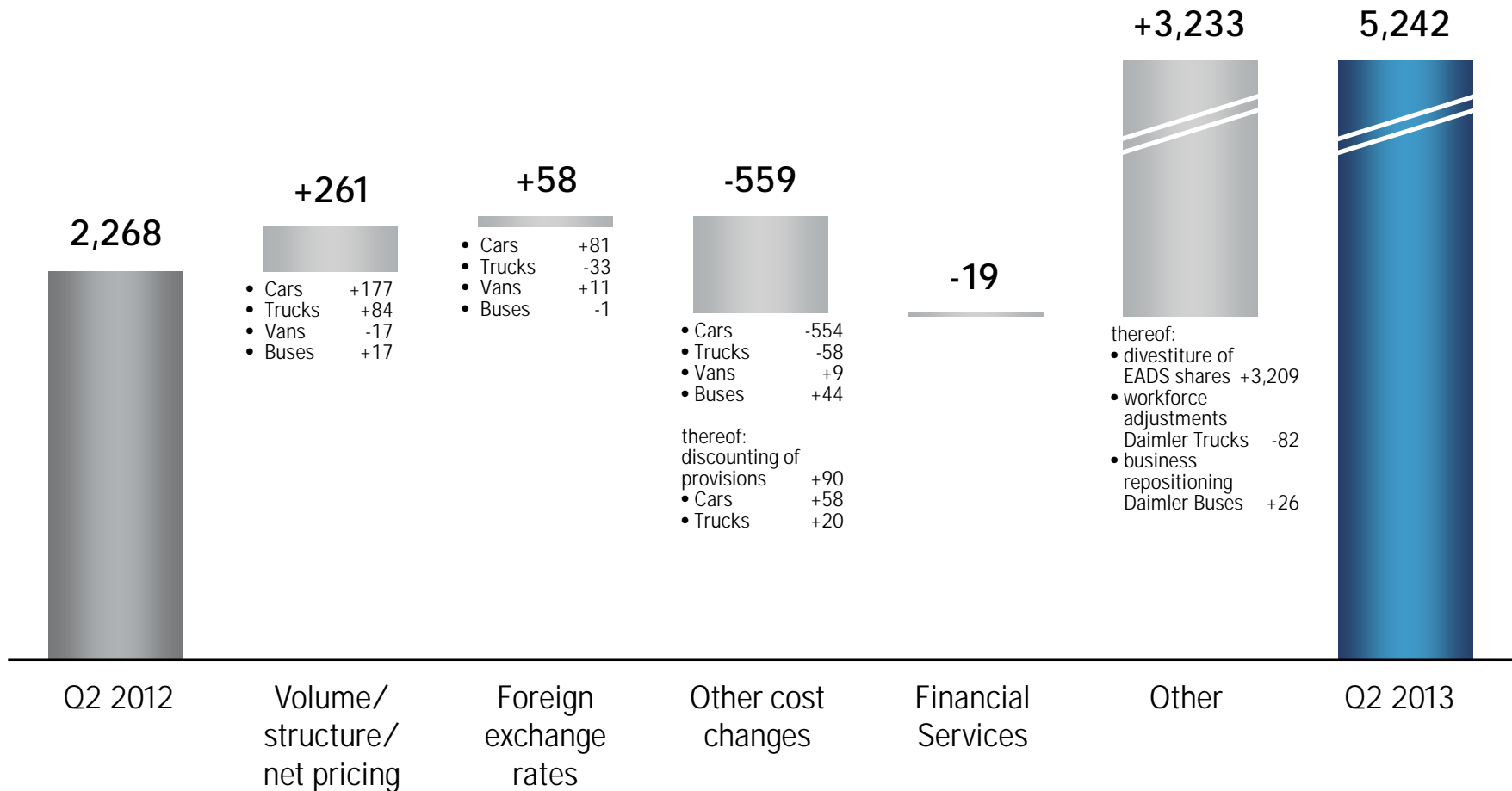
EBIT Daimler Financial Services

- in millions of euros -



Group EBIT in Q2 2013

- in millions of euros -



Special items affecting EBIT

- in millions of euros -

	Q2		January-June	
	2012	2013	2012	2013
Daimler Trucks				
Workforce adjustments*	-	-82	-	-95
Daimler Buses				
Business repositioning**	-46	-20	-82	-24
Reconciliation				
Divestiture of EADS shares	-	+3,209	-	+3,209

* Daimler Trucks expects special items from workforce adjustments of up to €250 million.

** Daimler Buses expects special items from the business repositioning of up to €30 million in full-year 2013.

EBIT from ongoing business

- EBIT in millions of euros; RoS in % -

	Q2 2012		Q2 2013	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	2,314	7.7	2,135	6.9
of which				
Mercedes-Benz Cars	1,337	8.7	1,041	6.4
Daimler Trucks	524	6.4	516	6.5
Mercedes-Benz Vans	200	8.3	204	8.4
Daimler Buses	-13	-1.3	47	5.0
Daimler Financial Services	338	-	319	-
Reconciliation	-72	-	8	-

* Return on sales; Daimler Group excluding Daimler Financial Services

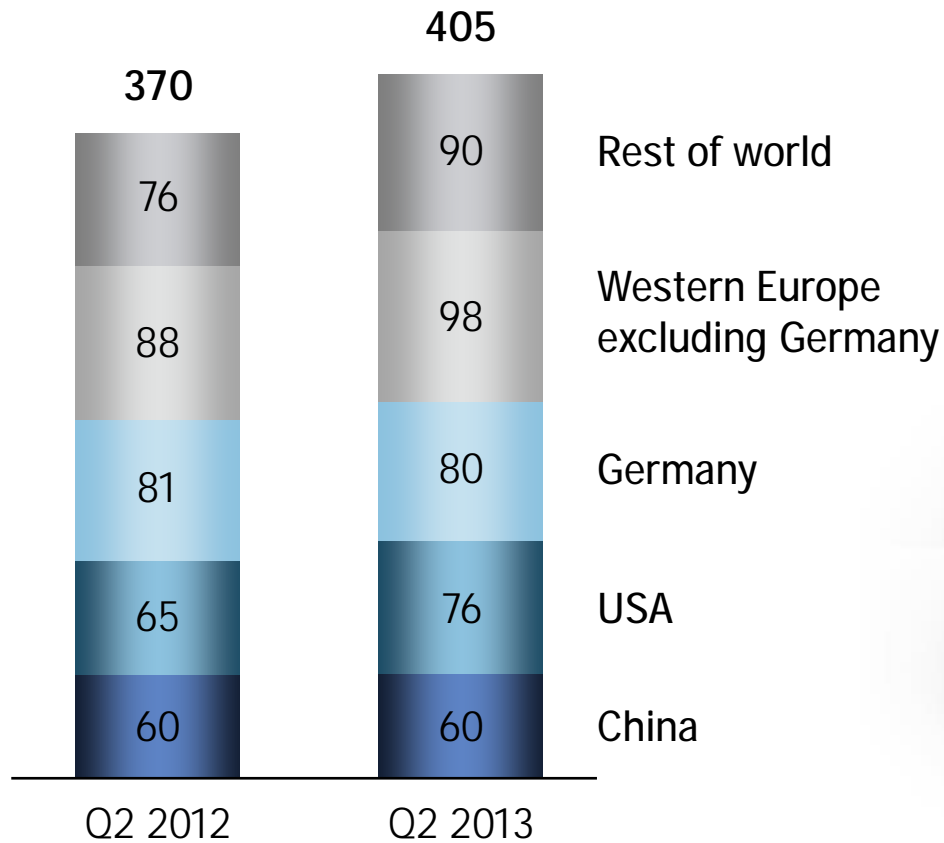
Capital expenditure / Research and development

- in billions of euros -

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2011	Actual 2012	Plan 2013-2014	Actual 2011	Actual 2012	Plan 2013-2014
Daimler Group	4.2	4.8	10.2	5.6	5.6	10.8
of which						
Mercedes-Benz Cars	2.7	3.5	7.3	3.7	3.9	7.6
Daimler Trucks	1.2	1.0	2.0	1.3	1.2	2.3
Mercedes-Benz Vans	0.1	0.2	0.7	0.4	0.4	0.6
Daimler Buses	0.1	0.1	0.2	0.2	0.2	0.3
Daimler Financial Services	0.02	0.02	0.03	-	-	-

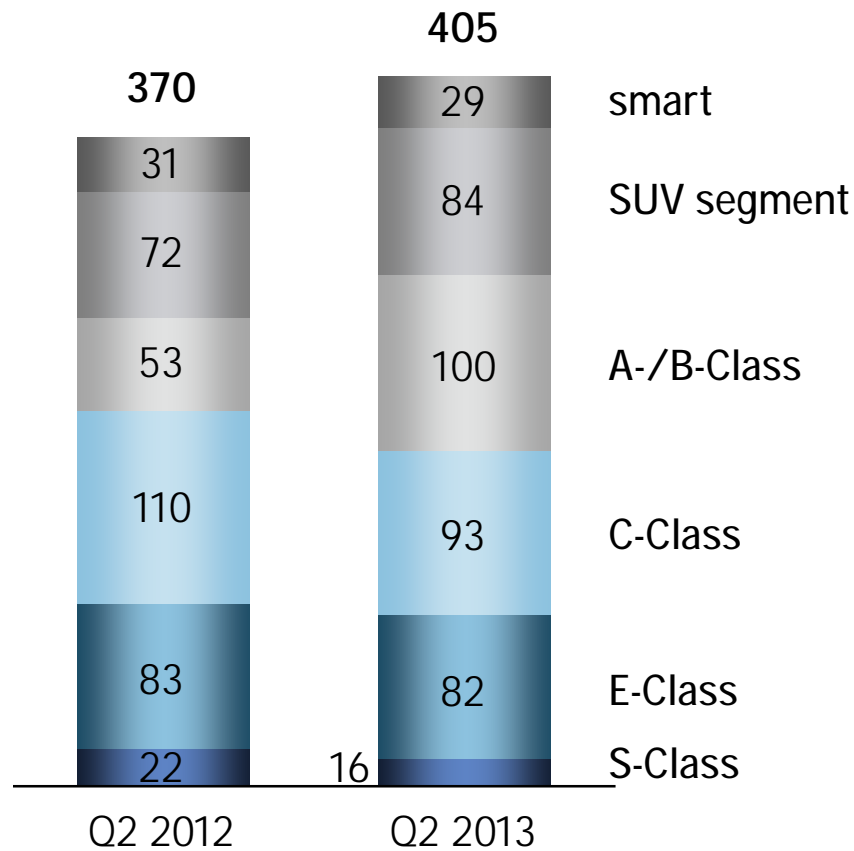
Sales record in Q2 2013

- Unit sales in thousands -



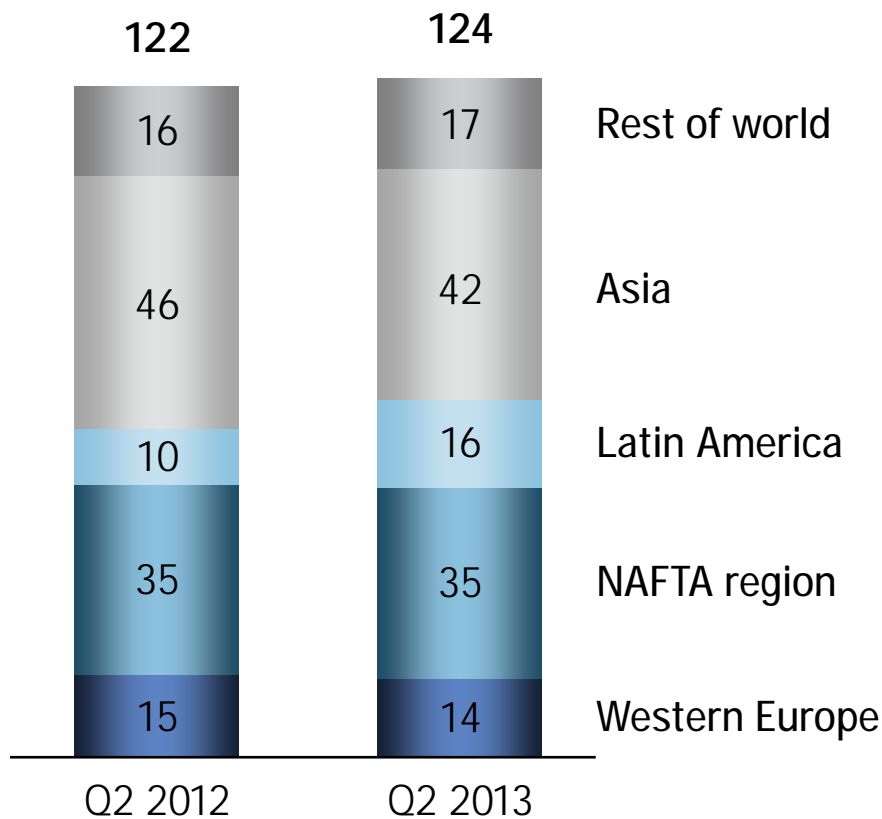
Increased unit sales mainly of A-/B-Class and SUVs

- Unit sales in thousands -



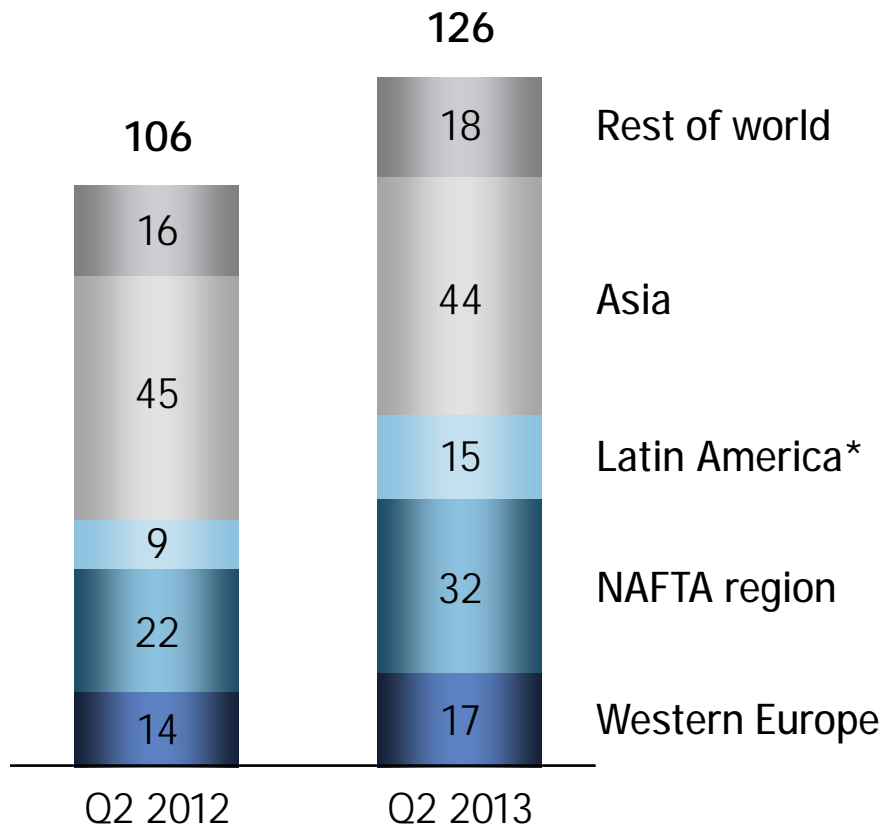
Slight increase in unit sales

- in thousands of units -



Higher level of order intake

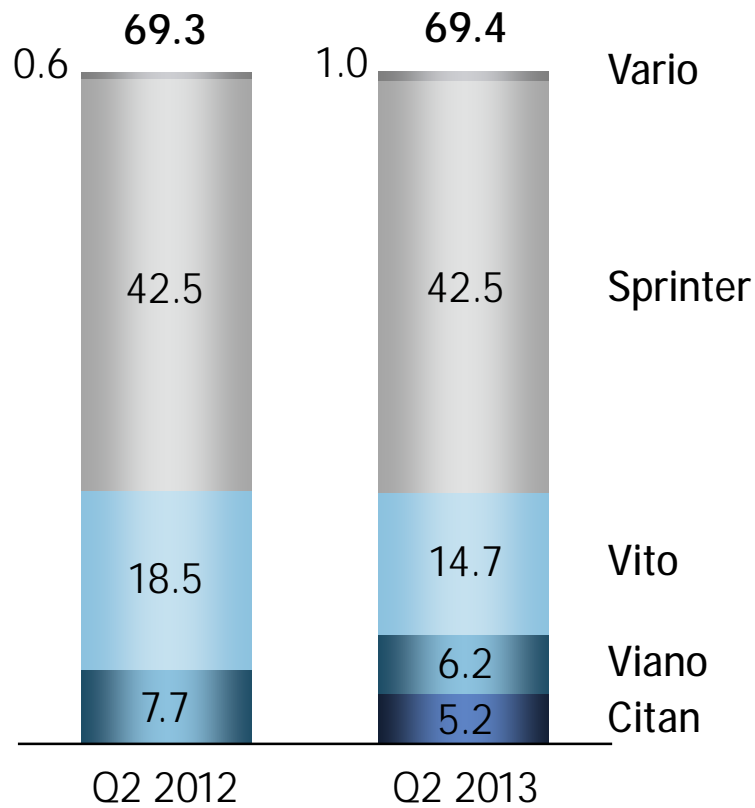
- in thousands of units -



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

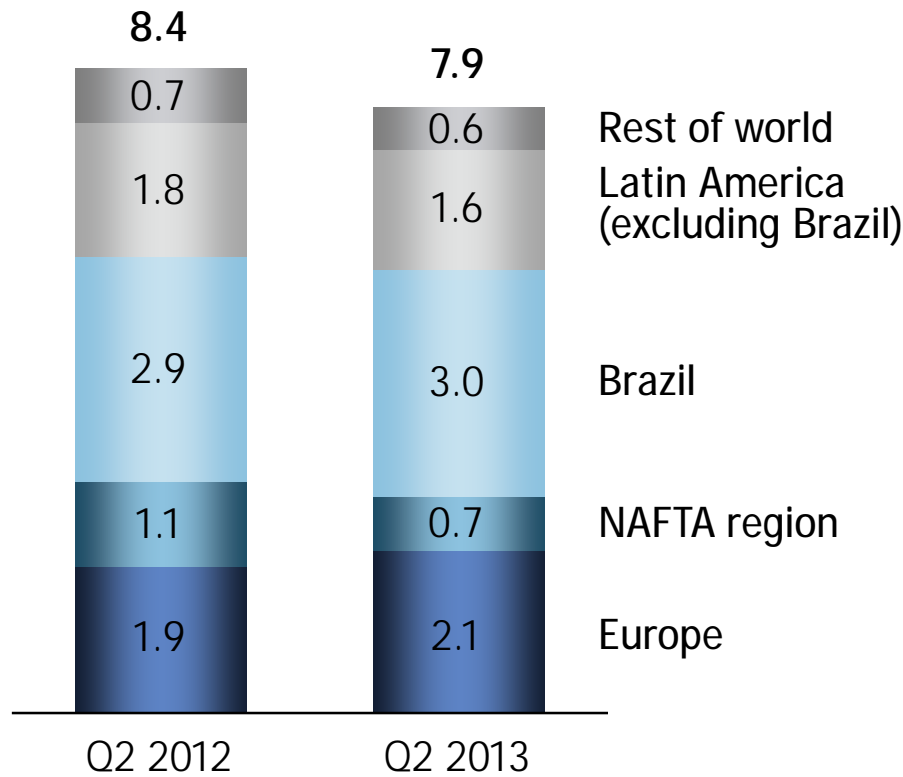
Unit sales slightly above prior year

- Unit sales in thousands -



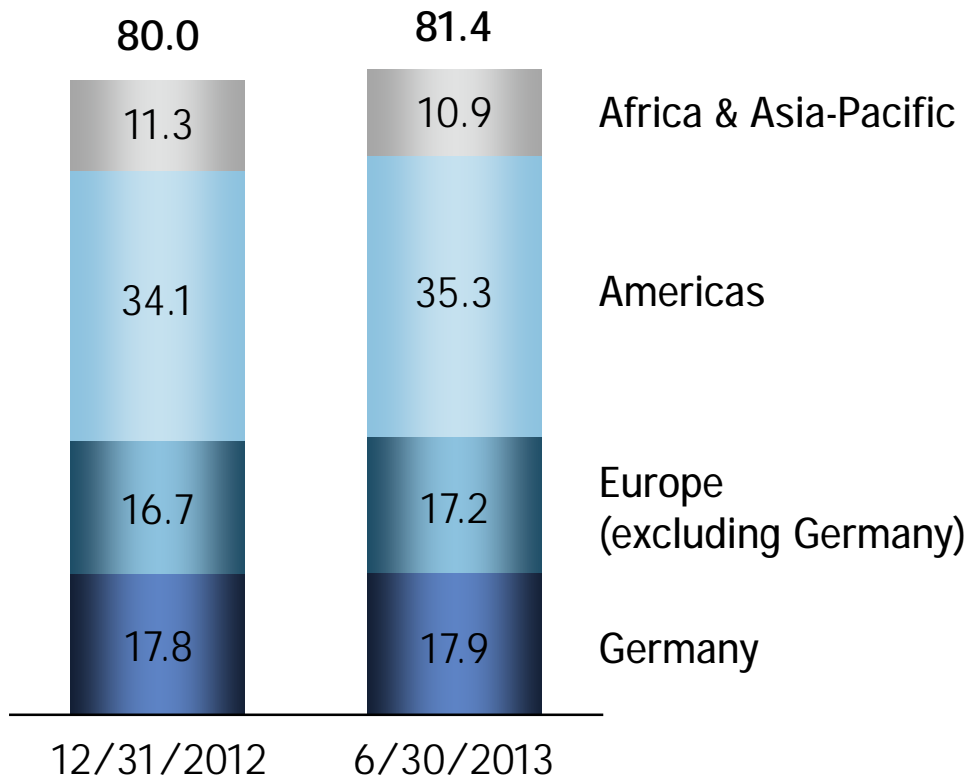
Sales growth in Europe and Brazil

- Unit sales in thousands -

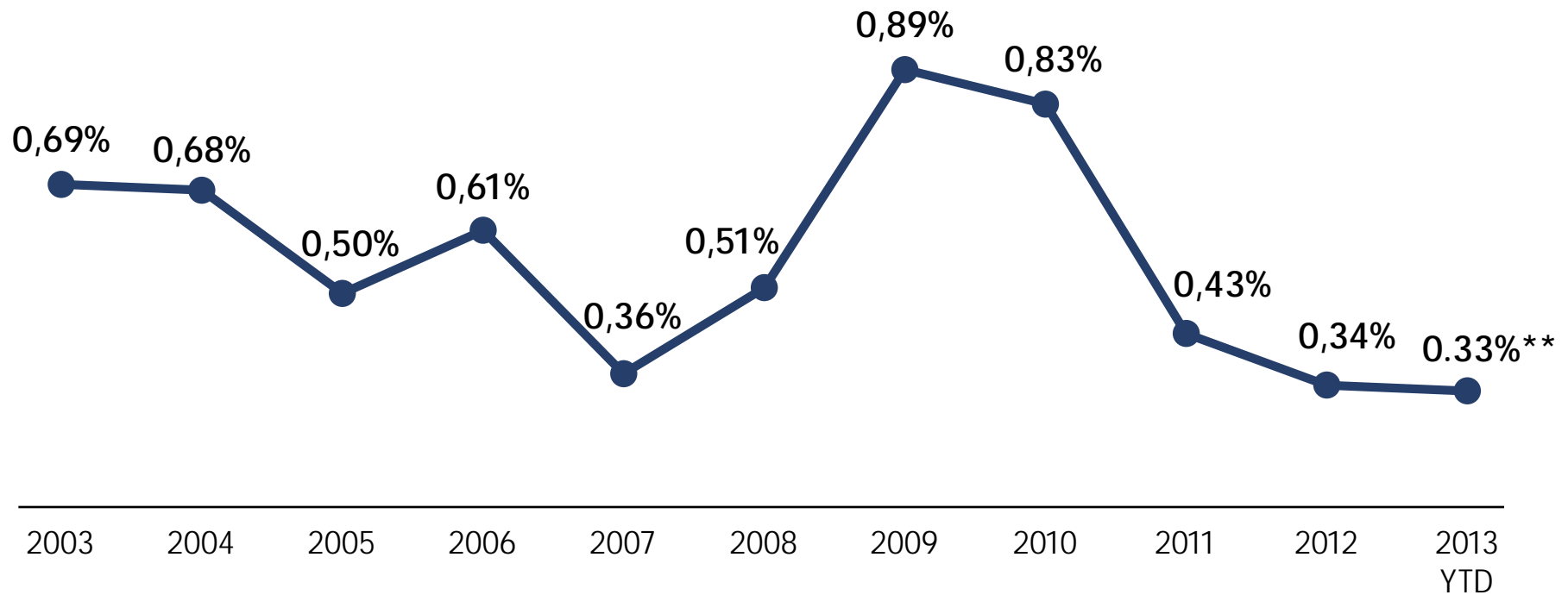


Increase in contract volume driven by growth in Americas region

- in billions of euros -



Net credit losses*



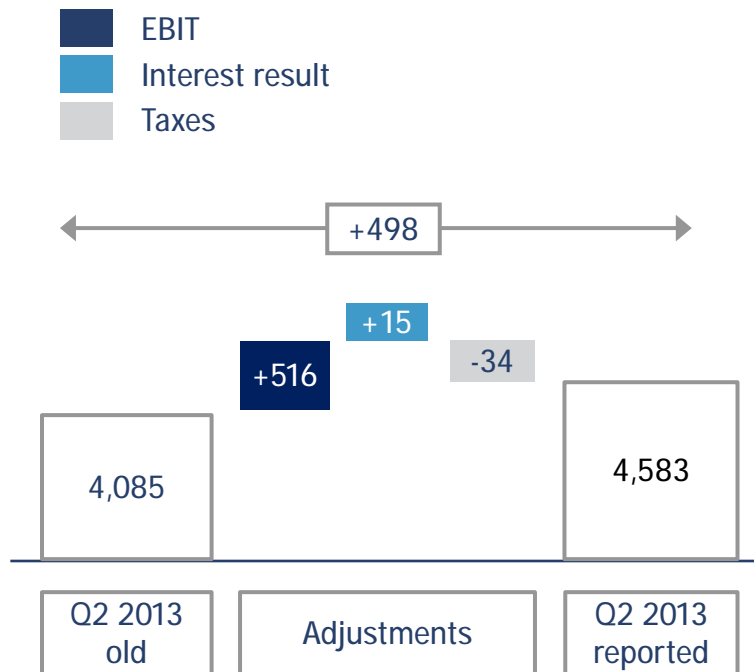
* as a percentage of portfolio, subject to credit risk

** annualized rate

Effects arising from application of the amended accounting standard IAS 19

- in millions of euros -

Net profit



EBIT:

- Divestiture of EADS (€425 million): as corridor method is no longer applied, with the application of IAS 19R the equity investment is reduced mainly by the actuarial losses. As a consequence, the divestiture result increased.
- Effects of part-time early retirement provision (€91 million).

Interest result:

- No amortization of actuarial gains and losses (€87 million).
- Net interest approach: expected rate of return of plan assets equals discount rate of defined benefit obligation (minus €72 million).

Impact of EADS divestiture on tax rate and earnings per share (EPS) in Q2 2013

	As reported	Effect of EADS	Excluding EADS
Earnings before taxes (millions of euros)	5,058	3,209	1,849
Income taxes (millions of euros)	475	27	448
Tax rate	9.4%		24.2%
EPS (euros)	2.65		1.25

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; 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.