

Jahrespressekonferenz
Annual Press Conference
February 6, 2014

Jahrespressekonferenz Annual Press Conference February 6, 2014

Dr. Dieter Zetsche

Chairman of the Board of Management
Head of Mercedes-Benz Cars

DAIMLER

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DAIMLER

Positive sales momentum

		2012	2013
	Mercedes-Benz Cars	1,452	1,566
	Daimler Trucks	462	484
	Mercedes-Benz Vans	252	270
	Daimler Buses	32.1	33.7
	Daimler Financial Services	80.0	83.5

in thousands of units/DFS: contract volume in bn €

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Gaining market share in many countries and regions



Mercedes-Benz Cars



Daimler Trucks

*#1 in NAFTA



Mercedes-Benz Vans



Daimler Buses

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China: Improving our presence – step by step

<p>Reorganization of Sales Operations</p>  <p>Integrated sales organization</p> <p>Imported Mercedes-Benz cars Locally produced Mercedes-Benz cars</p>	<p>Expansion Dealer Network</p> 	<p>Extension Product and Service Portfolio</p> 
<p>Extension Local Production</p> 	<p>Expansion Local CV Business</p> 	<p>Strategic Investment in BAIC Motor</p> 

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Daimler: Key financials

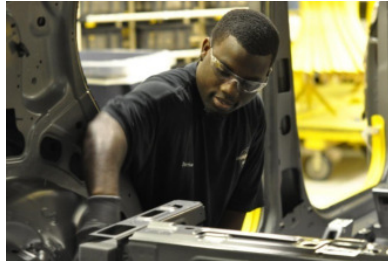
- in billions of euros -

	2012	2013
Revenue	114.3	118.0
EBIT	8.8	10.8
Net profit	6.8	8.7
Dividend (proposed)	2.20	2.25

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DAIMLER

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Bodo Uebber

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

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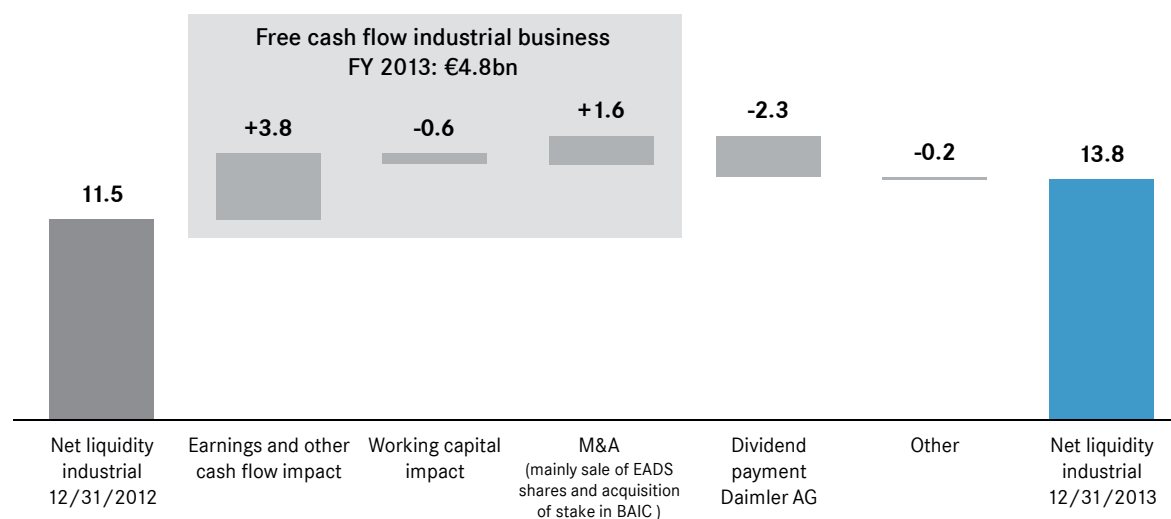
- in billions of euros -

	2012	2013
Unit sales (in thousands of units)	2,198.0	2,353.6
Revenue	114.3	118.0
EBIT*		
as reported	8.8	10.8
from ongoing business	8.2	7.9
Net profit*	6.8	8.7
Earnings per share (in euros)*	6.02	6.40
Dividend per share (in euros)	2.20	2.25

* 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 is provided in Note 1 of the notes to the consolidated financial statements.

Increase in net industrial liquidity in 2013

- in billions of euros -



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Key balance sheet and financial figures

- in billions of euros -

Daimler Group	Dec. 31, 2012	Dec. 31, 2013
Equity ratio	22.7%*	24.3%
Gross liquidity	16.6	18.1
Industrial business		
Equity ratio	39.8%*	43.4%
Net liquidity	11.5	13.8
Free cash flow	1.5	4.8

* Figures adjusted primarily for effects arising from application of the amended version of IAS 19.
Additional information on the adjustments is provided in Note 1 of the notes to the consolidated financial statements.

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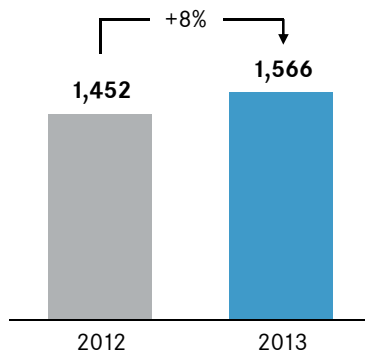
Group Financials

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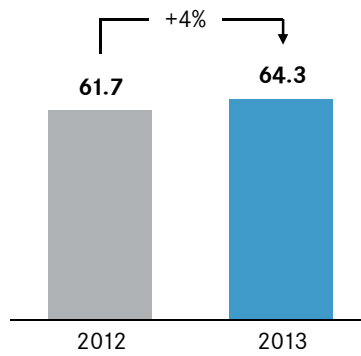
Outlook

Mercedes-Benz Cars: Success of attractive models

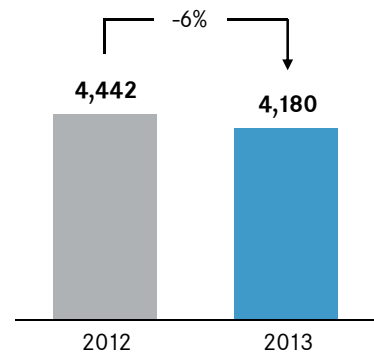
Unit sales
- in thousands of units -



Revenue
- in billions of euros -

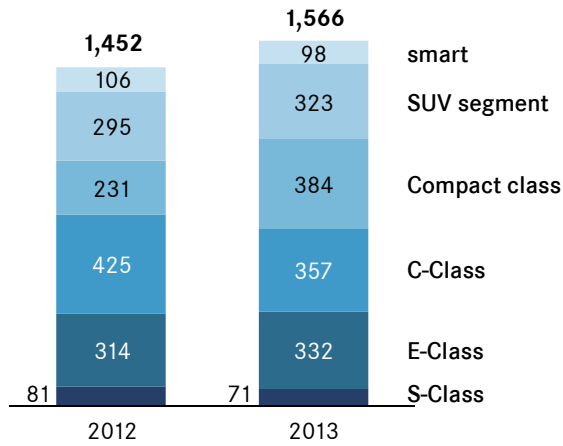


EBIT from ongoing business
- in millions of euros -



Mercedes-Benz Cars: Significant sales increase

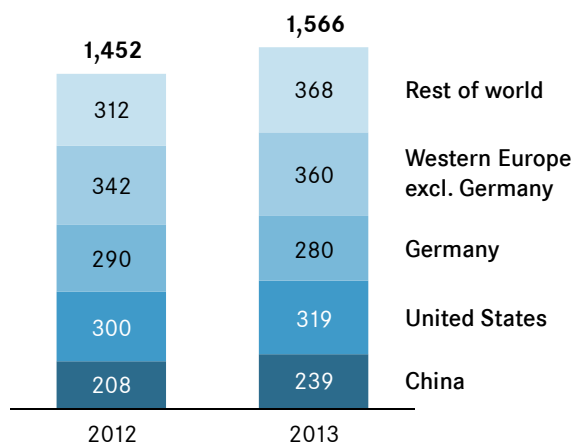
- in thousands of units -



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Mercedes-Benz Cars: Balanced sales structure

- Unit sales in thousands -



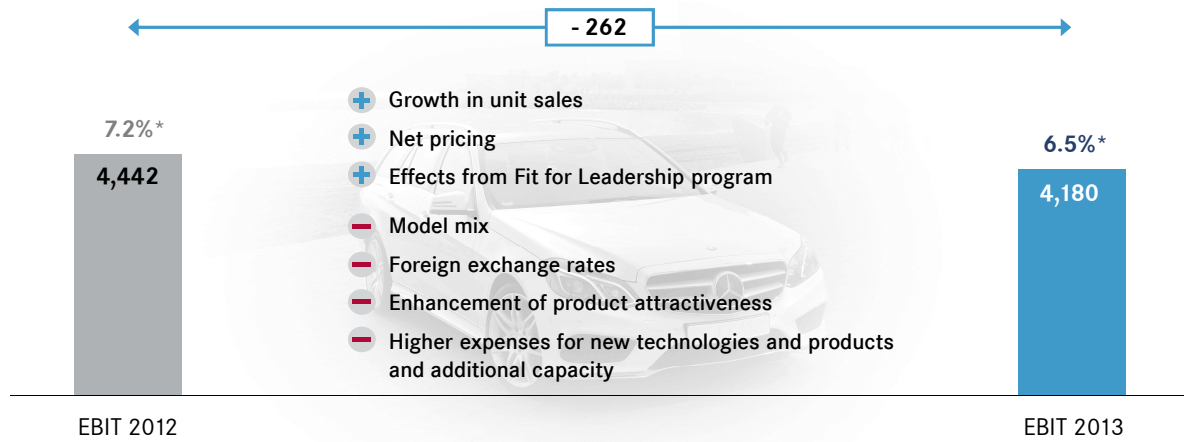
Market position



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Mercedes-Benz Cars: EBIT from ongoing business

- in millions of euros -

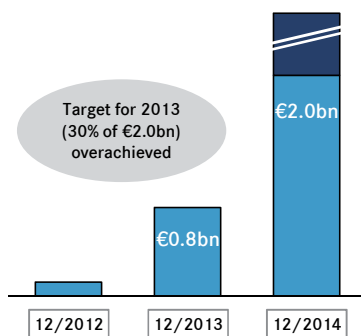


* Return on sales

Mercedes-Benz Cars: Fit for Leadership

Flight path towards benefits

- Additional top-line effects
- Cost reduction



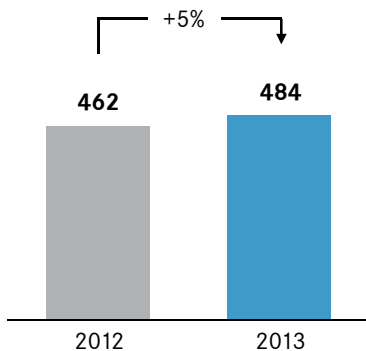
Key levers

- 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

Daimler Trucks: Successful product offensive

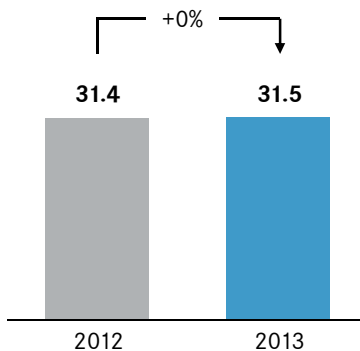
Unit sales

- in thousands of units -



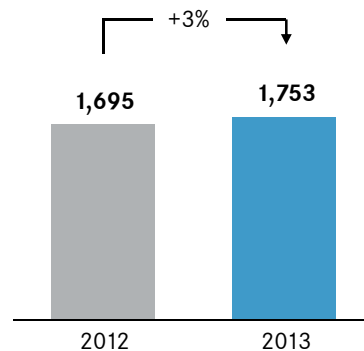
Revenue

- in billions of euros -



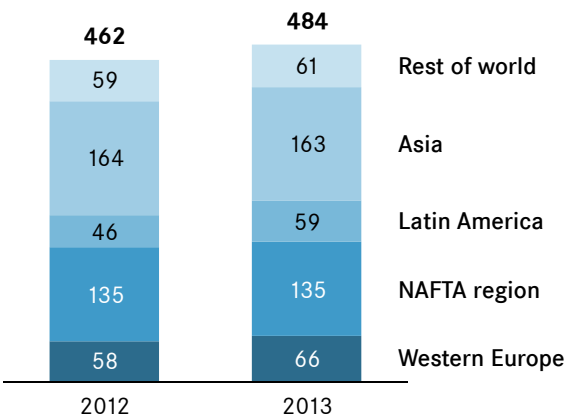
EBIT from ongoing business

- in millions of euros -



Daimler Trucks: Increase in unit sales

- in thousands of units -

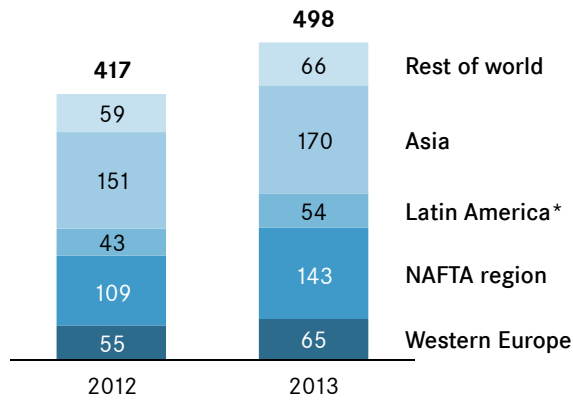


Market position



Daimler Trucks: Higher incoming orders

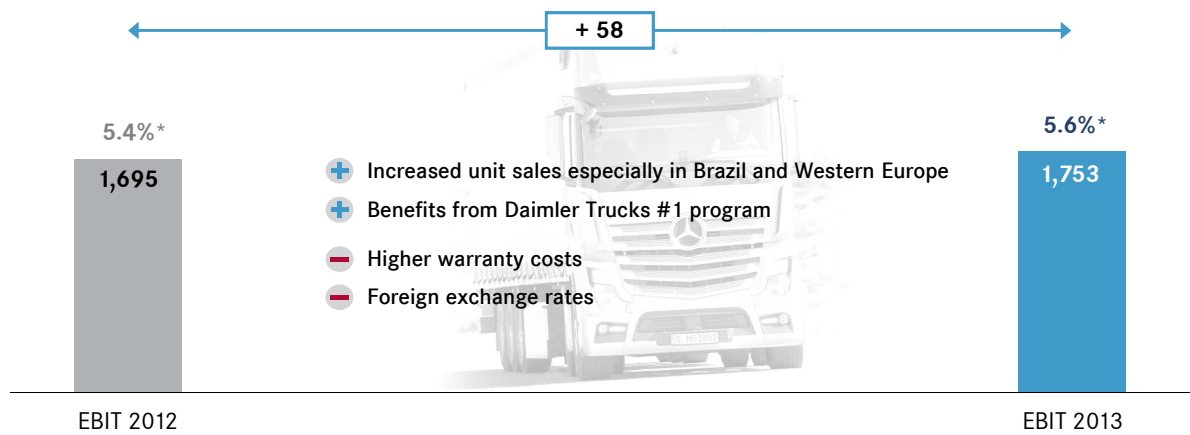
- in thousands of units -



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

Daimler Trucks: EBIT from ongoing business

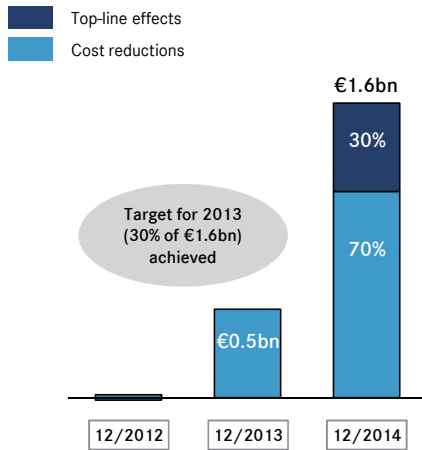
- in millions of euros -



* Return on sales

Daimler Trucks #1

Flight path towards benefits

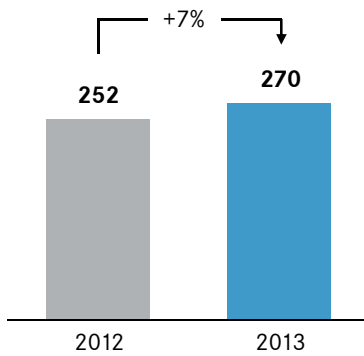


Key levers

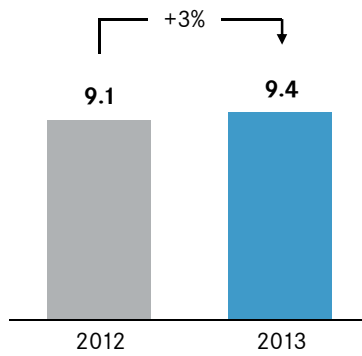
- Sales and aftersales push
- Module strategy to realize global scale
- Asia Business Model
- Strong efficiency push in all operating units:
 - Fixed costs
 - Material costs
 - Production costs
 - Warranty and quality costs

Mercedes-Benz Vans: Success in volatile markets

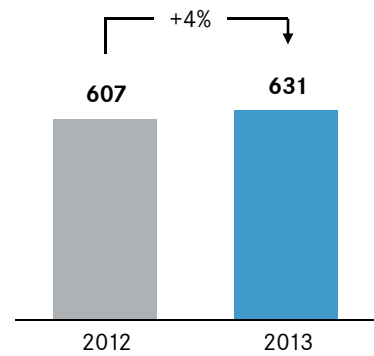
Unit sales
- in thousands of units -



Revenue
- in billions of euros -

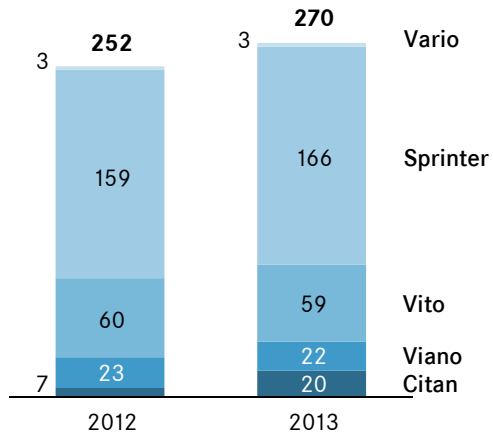


EBIT from ongoing business
- in millions of euros -



Mercedes-Benz Vans: Higher unit sales

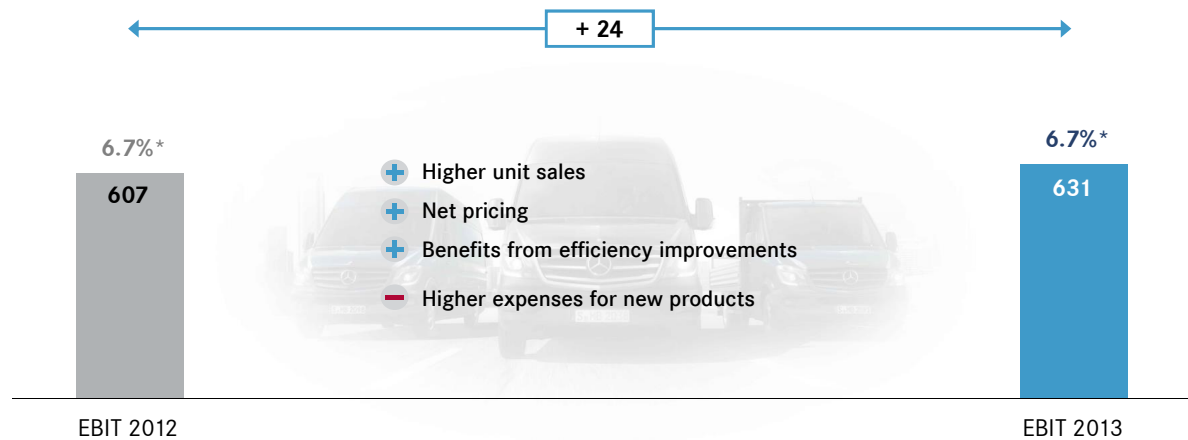
- in thousands of units -



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Mercedes-Benz Vans: EBIT from ongoing business

- in millions of euros -



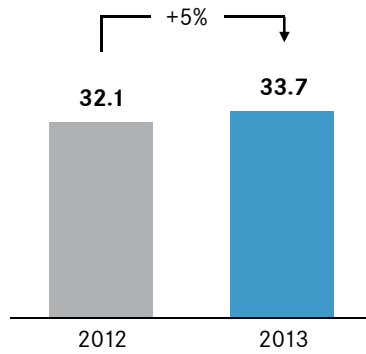
* Return on sales

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Daimler Buses: Turnaround achieved

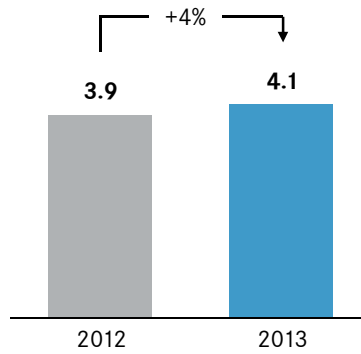
Unit sales

- in thousands of units -



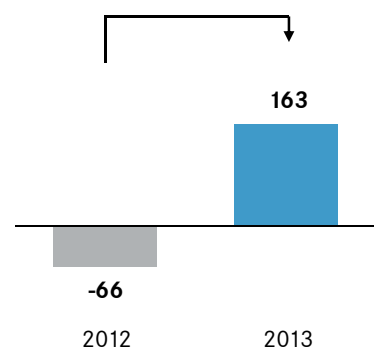
Revenue

- in billions of euros -



EBIT from ongoing business

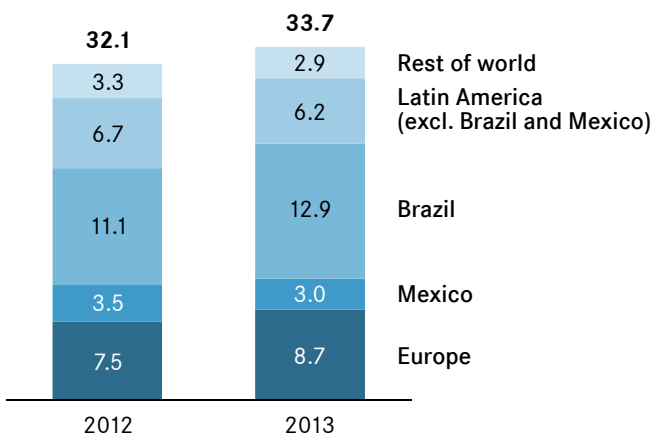
- in millions of euros -



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Daimler Buses: Sales growth especially in Brazil and Europe

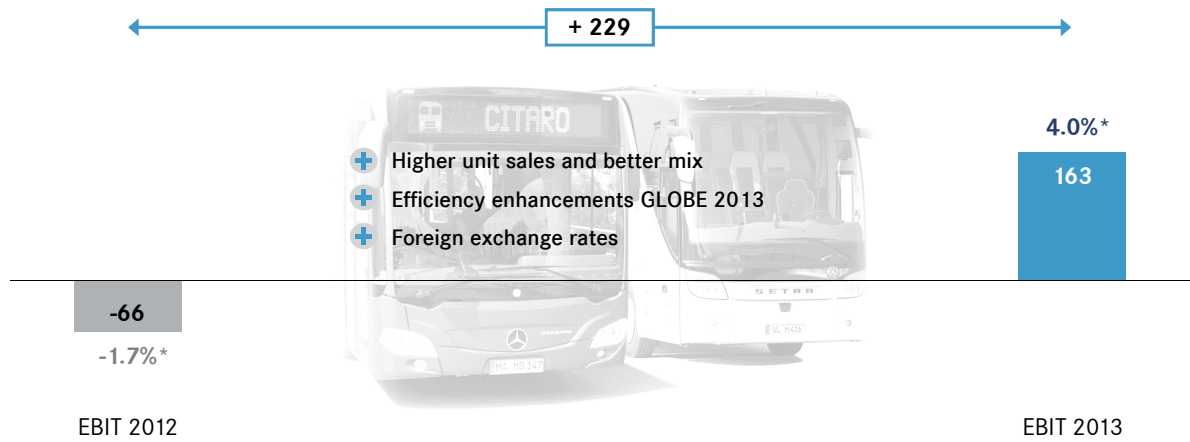
- in thousands of units -



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Daimler Buses: EBIT from ongoing business

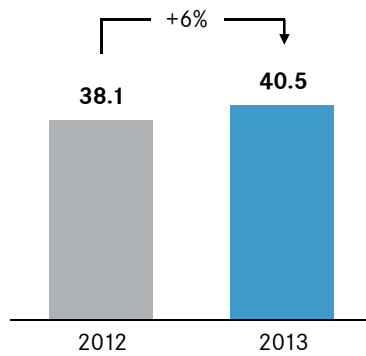
- in millions of euros -



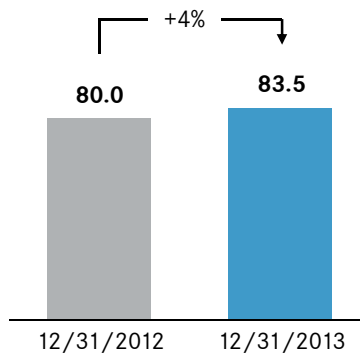
* Return on sales

Daimler Financial Services: Further business growth

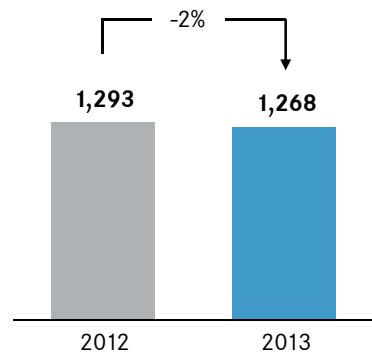
New business
- in billions of euros -



Contract volume
- in billions of euros -

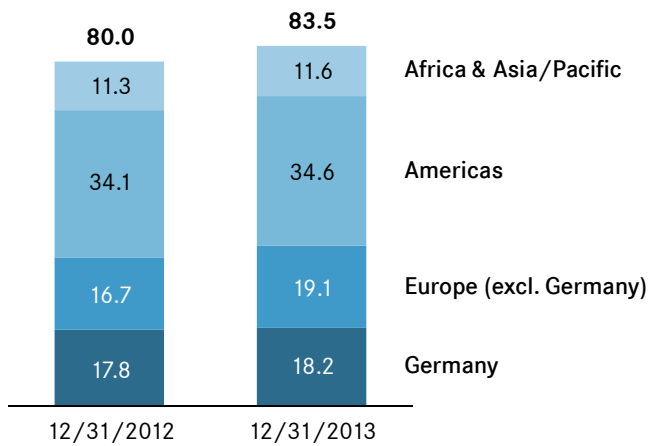


EBIT
- in millions of euros -



Daimler Financial Services: Higher contract volume

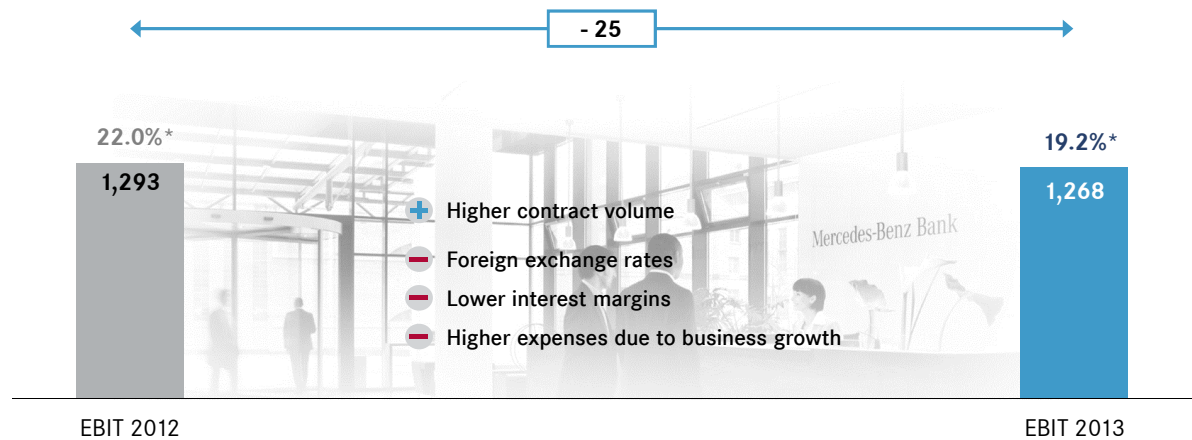
- in billions of euros -



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Daimler Financial Services: EBIT

- in millions of euros -



* Return on equity

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EBIT from ongoing business in Q4 2013

- EBIT* in millions of euros; RoS** in % -

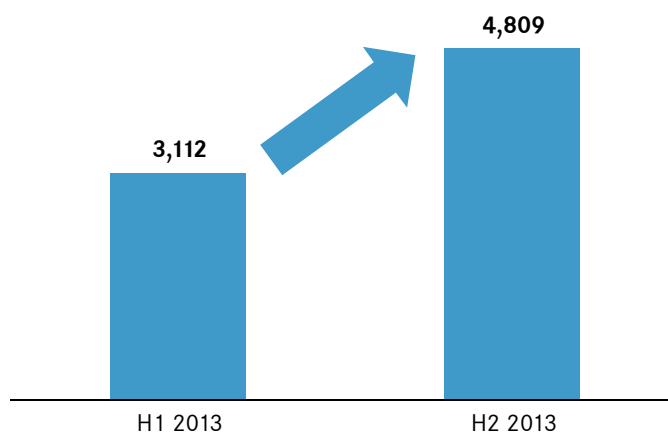
	Q4 2012	Q4 2013	RoS** Q4 2013
Daimler Group	1,739	2,530	7.8
of which			
Mercedes-Benz Cars	851	1,385	8.0
Daimler Trucks	294	578	6.8
Mercedes-Benz Vans	165	194	7.2
Daimler Buses	36	82	6.3
Daimler Financial Services	289	313	18.8
Reconciliation	104	-22	-

* 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 is provided in Note 1 of the notes to the consolidated financial statements.

** Return on sales; Daimler Group excluding Daimler Financial Services; return on equity for Daimler Financial Services.

Development of EBIT from ongoing business in 2013

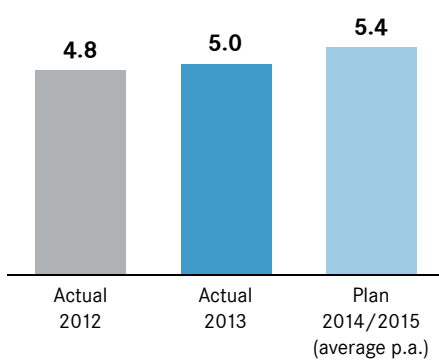
- in millions of euros -



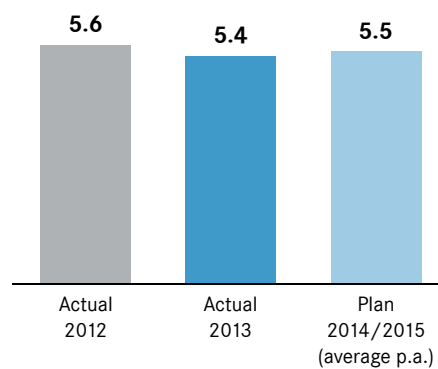
Capital expenditure / Research and development

- in billions of euros -

Investment in property, plant and equipment

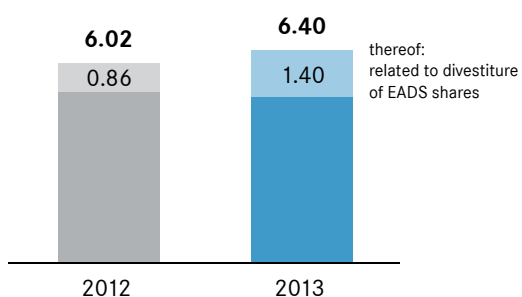


Research and development expenditure

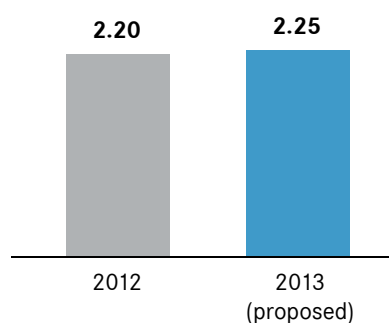


Earnings per share and dividend

Earnings per share
- in euros -



Dividend per share
- in euros -



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Dr. Dieter Zetsche

Chairman of the Board of Management
Head of Mercedes-Benz Cars

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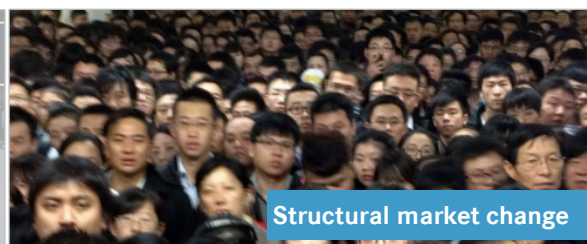
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Major global trends...



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... and our answers.



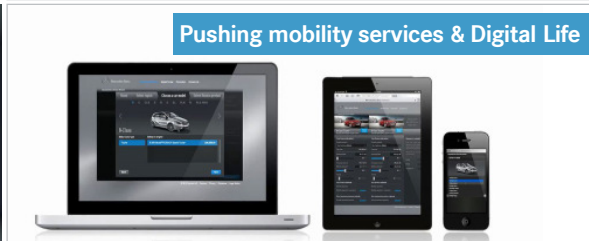
Strengthening core business



Growing in new markets



Leading in Green and Safety



Pushing mobility services & Digital Life



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New smart fortwo and forfour



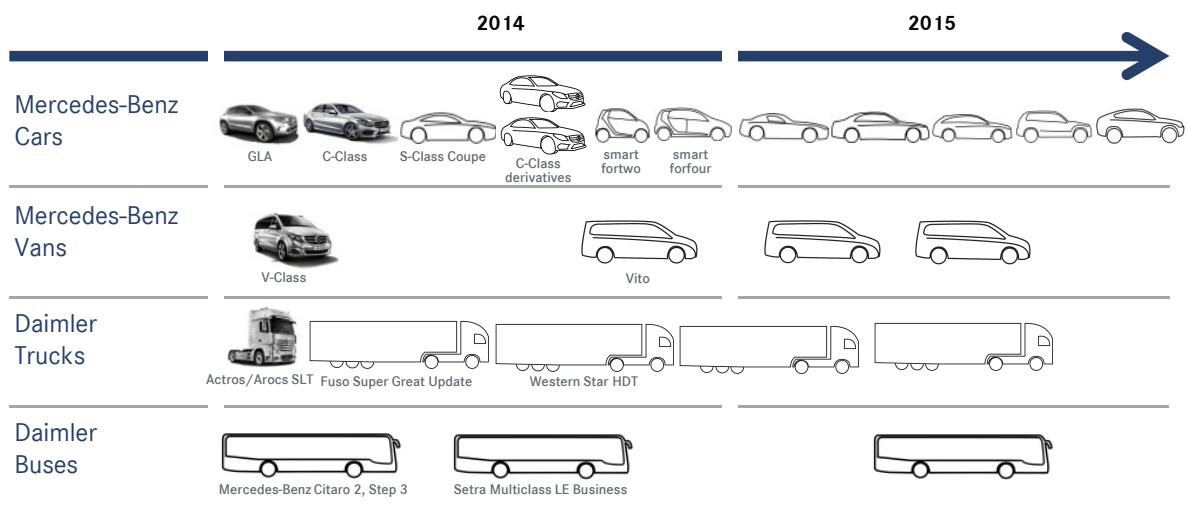
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Our product offensive continues



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Strengthening core business: Combining growth and efficiency

Product
offensive in
all divisions



Efficiency
programs
on track

F4L
FIT FOR LEADERSHIP



Performance
Vans 2013



DFS 2020
Change. Grow. Lead.

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Growing in new markets



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Growing in new markets:
China



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Growing in new markets:
India



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Growing in new markets: Brazil



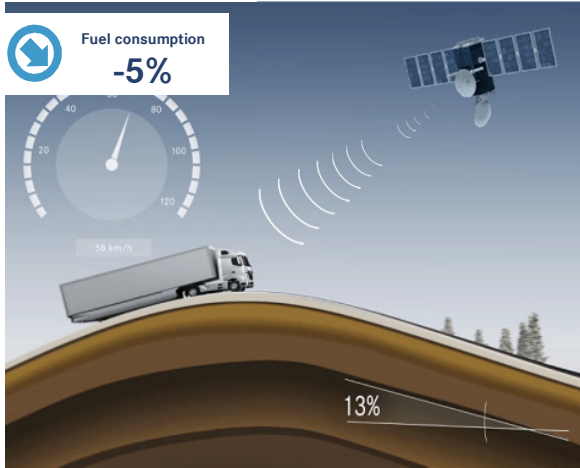
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Leading in Green and Safety



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Leading in green technologies: Benchmark in terms of Total Cost of Ownership



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Leading in safety technologies: Intelligent Drive by Mercedes-Benz



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Pushing mobility services and Digital Life



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Pushing mobility services and Digital Life: Connecting with our customers

Mercedes-Benz <https://www.connection-online.mercedes-benz.com/>

Mercedes-Benz connect me
Hamburg.

CO₂-Effizienz

- A+
- A
- B
- C
- D
- E
- F
- G

42 A-Klasse Angebote.

A 180 STYLE plus xDTM-Rennenz
Kraftstoffverbr. komb.**: 5,5 l/100 km
CO₂-Emissionen komb.**: 128 g/km

A 180 STYLE plus xZubehör-Nutzungs
Kraftstoffverbr. komb.**: 5,5 l/100 km
CO₂-Emissionen komb.**: 128 g/km

A 180 plus xZubehör-Nutzungs
Kraftstoffverbr. komb.**: 5,5 l/100 km
CO₂-Emissionen komb.**: 128 g/km

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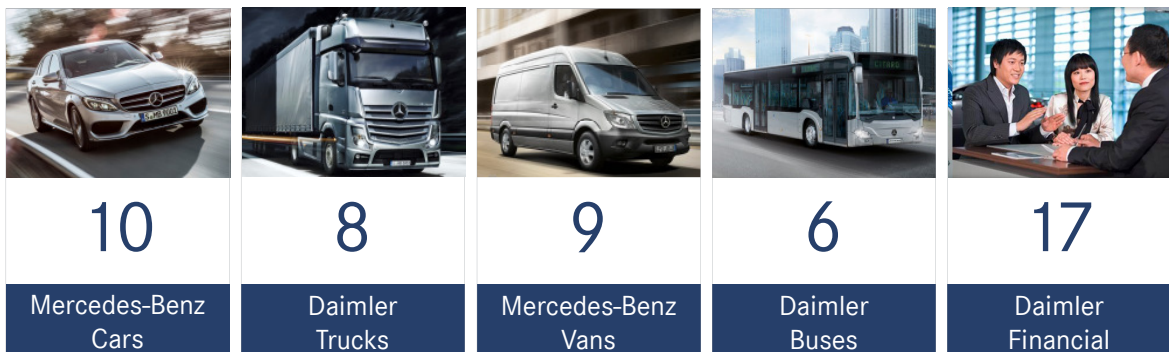
Pushing mobility services and Digital Life: A new dimension of carsharing



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Our financial targets



„Return on Sales“ target automotive business: 9 percent

Return on Sales / Return on Equity¹ in %

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Sales outlook for 2014



- Significantly higher unit sales
- Strong momentum from new S-Class and compact cars
- Launch of new GLA, C-Class family, S-Class coupe and smart family



- Significantly higher unit sales
- Further increase based on full availability of the product portfolio
- Growth potential due to new Asia Business Model



- Significantly higher unit sales
- Additional momentum from new Sprinter and Citan city van
- Launch of new Vito and V-Class



- Significantly higher unit sales
- Positive development in Brazil
- Strengthen market leadership in core markets

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2014 outlook for EBIT from ongoing business

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We expect Group EBIT for FY 2014 to increase significantly based on the following expectations for the divisional EBIT:



Significantly above the prior year



Significantly above the prior year



At prior year's level



Slightly above the prior year



At prior year's level

Daimler Financial Services

[This guidance is based on the most recent market expectations and exchange rate environment.]

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Appendix

Revenue by region

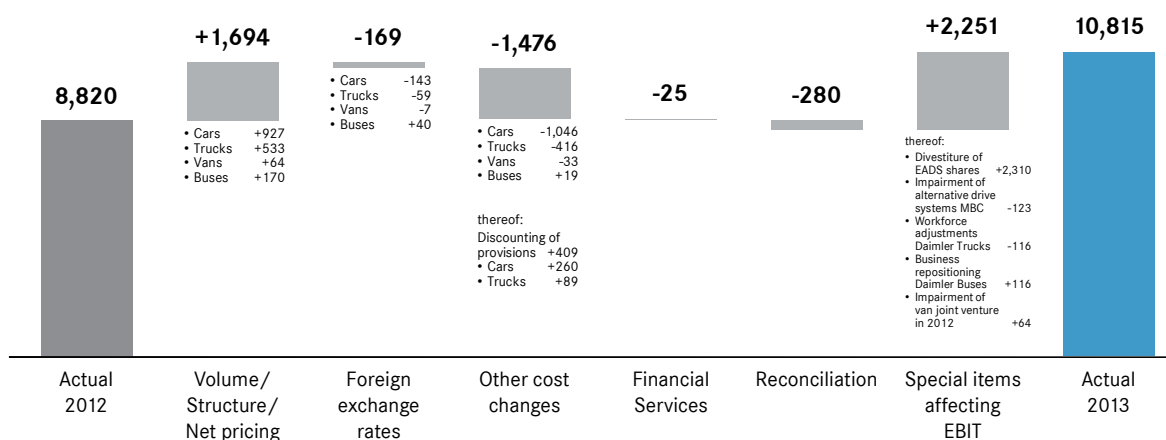
- in billions of euros -

	2012	2013	% Change
Daimler Group	114.3	118.0	+3
of which			
Western Europe	39.4	41.1	+4
of which Germany	19.7	20.2	+3
NAFTA	31.9	32.9	+3
of which United States	27.2	28.6	+5
Asia	25.1	24.5	-3
of which China	10.8	10.7	-1
Other markets	17.9	19.5	+9

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Group EBIT in 2013

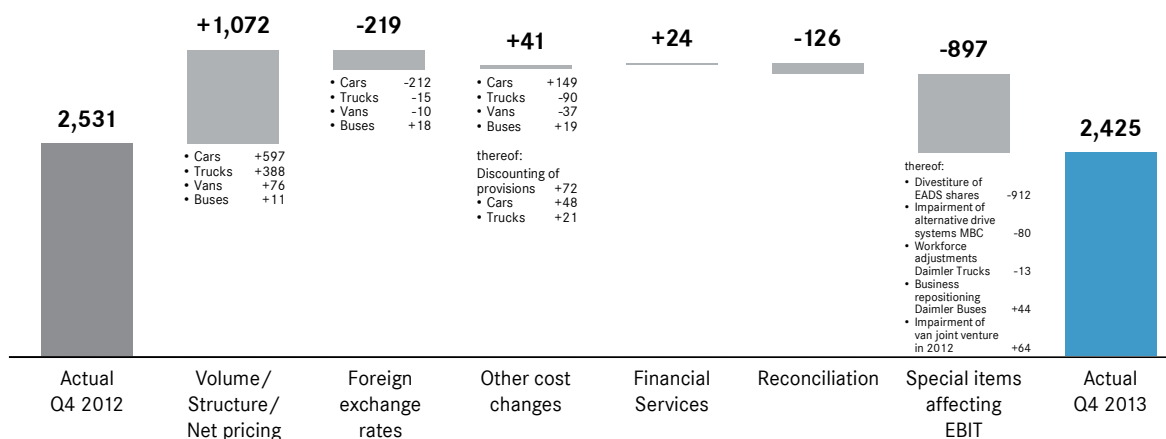
- in millions of euros -



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Group EBIT in Q4 2013

- in millions of euros -



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Special items affecting EBIT

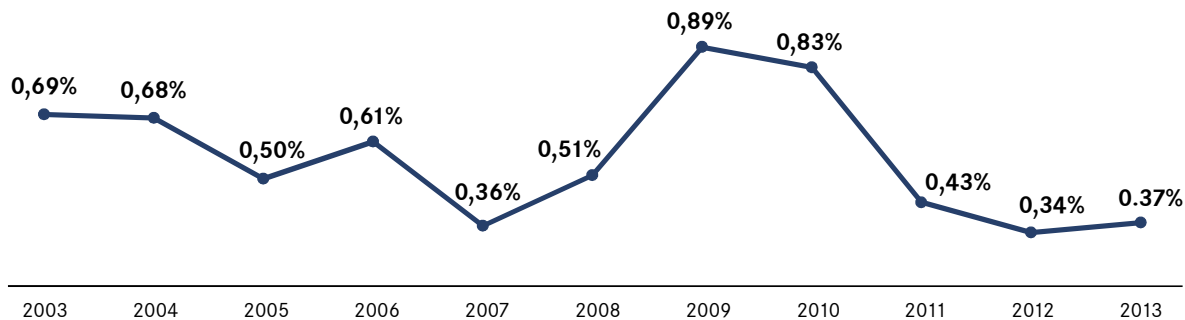
- in millions of euros -

	4th quarter		Full year	
	2012	2013	2012	2013
Mercedes-Benz Cars				
Impairment of investments in the area of alternative drive systems	-	-80	-51	-174
Daimler Trucks				
Workforce adjustments*	-	-13	-	-116
Mercedes-Benz Vans				
Impairment of investment in Fujian Benz Automotive Corporation	-64	-	-64	-
Daimler Buses				
Business repositioning	-57	-13	-155	-39
Reconciliation				
Divestiture of EADS shares	913	1	913	3,223

* Daimler Trucks expects further expenses from workforce adjustments of up to €150 million, the majority of which will be recognized in 2014.

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Daimler Financial Services: Net credit losses* at low level



* as a percentage of portfolio, subject to credit risk

Assumptions for automotive markets in 2014

Car markets	Global	+4% to 5%
	Western Europe	moderate market recovery
	USA/Asia	significant growth in China, moderate growth in USA
Medium- and heavy-duty truck markets	NAFTA region	up to +10%
	Europe	slightly below the prior-year level
	Japan*	slightly above the prior-year level
	Brazil	slightly below the prior-year level
Van markets	Europe	both midsize/large vans and small vans in the magnitude of the prior year
Bus markets	Western Europe	slightly above the prior-year level
	Brazil	in the magnitude of the prior year

* including light-duty trucks

Capital expenditure / Research and development

– in billions of euros –

	Investment in property, plant and equipment			Research and development expenditure		
	Actual 2012	Actual 2013	Plan 2014-2015	Actual 2012	Actual 2013	Plan 2014-2015
Daimler Group	4.8	5.0	10.7	5.6	5.4	11.0
of which						
Mercedes-Benz Cars	3.5	3.7	8.1	3.9	3.8	7.7
Daimler Trucks	1.0	0.8	2.0	1.2	1.1	2.4
Mercedes-Benz Vans	0.2	0.3	0.4	0.4	0.3	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	–	–	–

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Disclaimer

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “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; an exacerbation of the budgetary situation in the United States; a deterioration of our refinancing 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 and 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 government 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 to be incorrect, the 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 since they are based solely on the circumstances at the publication date.

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