

DAIMLER

UniCredit Automotive Credit Conference



Kurt Schäfer
Vice President Treasury

Contents

Highlights First Quarter 2014

Daimler Strategy

Mercedes-Benz Cars

Daimler Trucks

Outlook 2014

Financing Strategy

Highlights of Q1 2014

Group unit sales	565,800	(+13%)
Record unit sales at Mercedes-Benz Cars	389,500	(+14%)
Further growth in revenue	€29.5bn	(+13%)

Market launch of the new C-Class and the new GLA

World premiere of the new S-Class Coupé and the new V-Class

Presentation of the new Mercedes-Benz SLT heavy-haulage vehicle

700,000 customers registered for car2go

Sale of 50% equity interest in Rolls-Royce Power Systems Holding decided

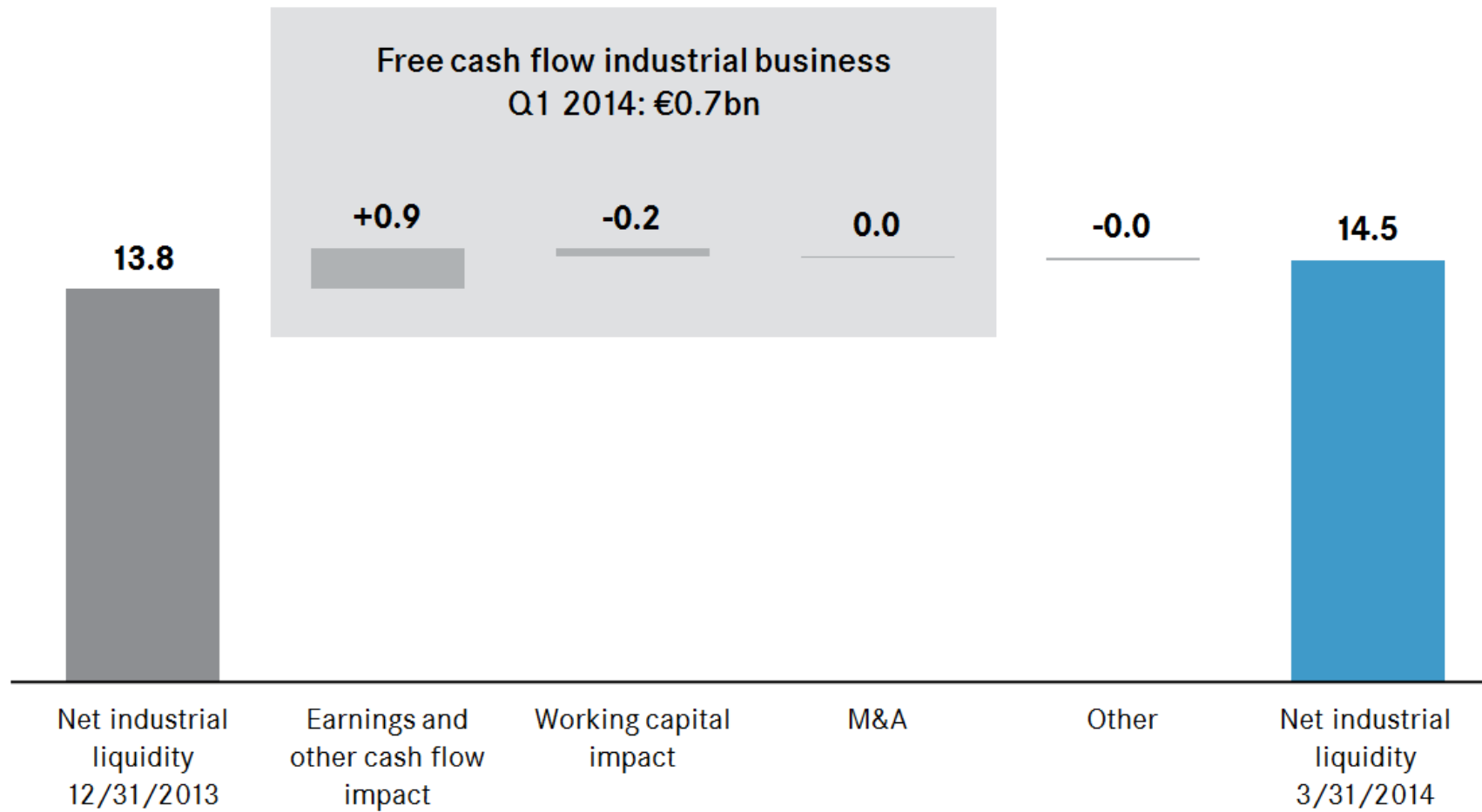
Key financials

- in billions of euros -

	Q1 2013	Q1 2014
Revenue	26.1	29.5
EBIT		
as reported	0.9	1.8
from ongoing business	0.9	2.1
Net profit	0.6	1.1
Earnings per share (in euros)	0.50	0.96
Net liquidity industrial business (2013: year-end)	13.8	14.5
Free cash flow industrial business	-1.2	0.7

Increase in net industrial liquidity in Q1 2014

- in billions of euros -



Contents

Highlights First Quarter 2014

Daimler Strategy

Mercedes-Benz Cars

Daimler Trucks

Outlook 2014

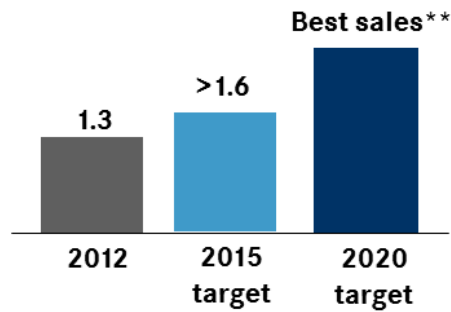
Funding Strategy

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

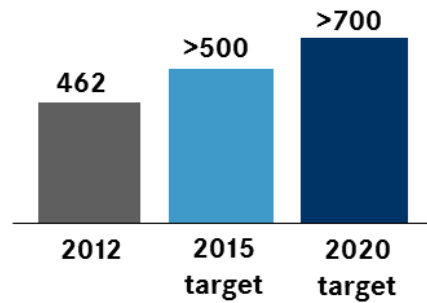


Our growth targets

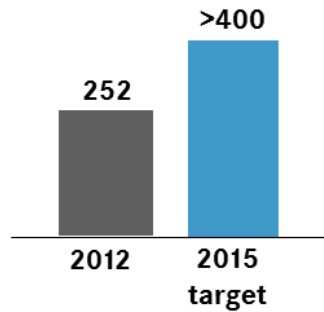
Mercedes-Benz Cars
- in million units*-



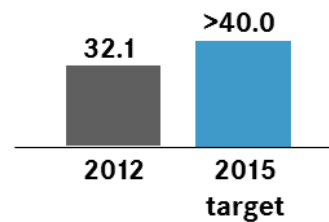
Daimler Trucks
- in thousands of units -



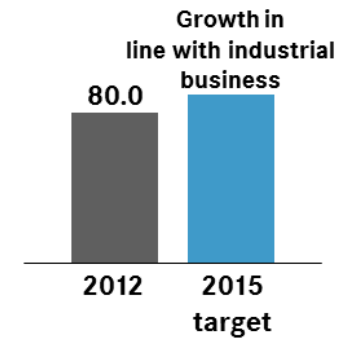
Mercedes-Benz Vans
- in thousands of units -



Daimler Buses
- in thousands of units -



Daimler Financial Services
- contract volume in billions of euros -



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

Combining growth and efficiency

Product
offensive in
all divisions



Efficiency
programs
on track



Contents

Highlights First Quarter 2014

Daimler Strategy

Mercedes-Benz Cars

Daimler Trucks

Outlook 2014

Financing Strategy

Strong Compact Car Portfolio: Our A-, B-, CLA- and GLA-Class



CLA-, A-, B- and GLA-Class

The new S-Class



S-Class Sedan

The new S-Class Interior



S-Class

New C-Class launched March 2014



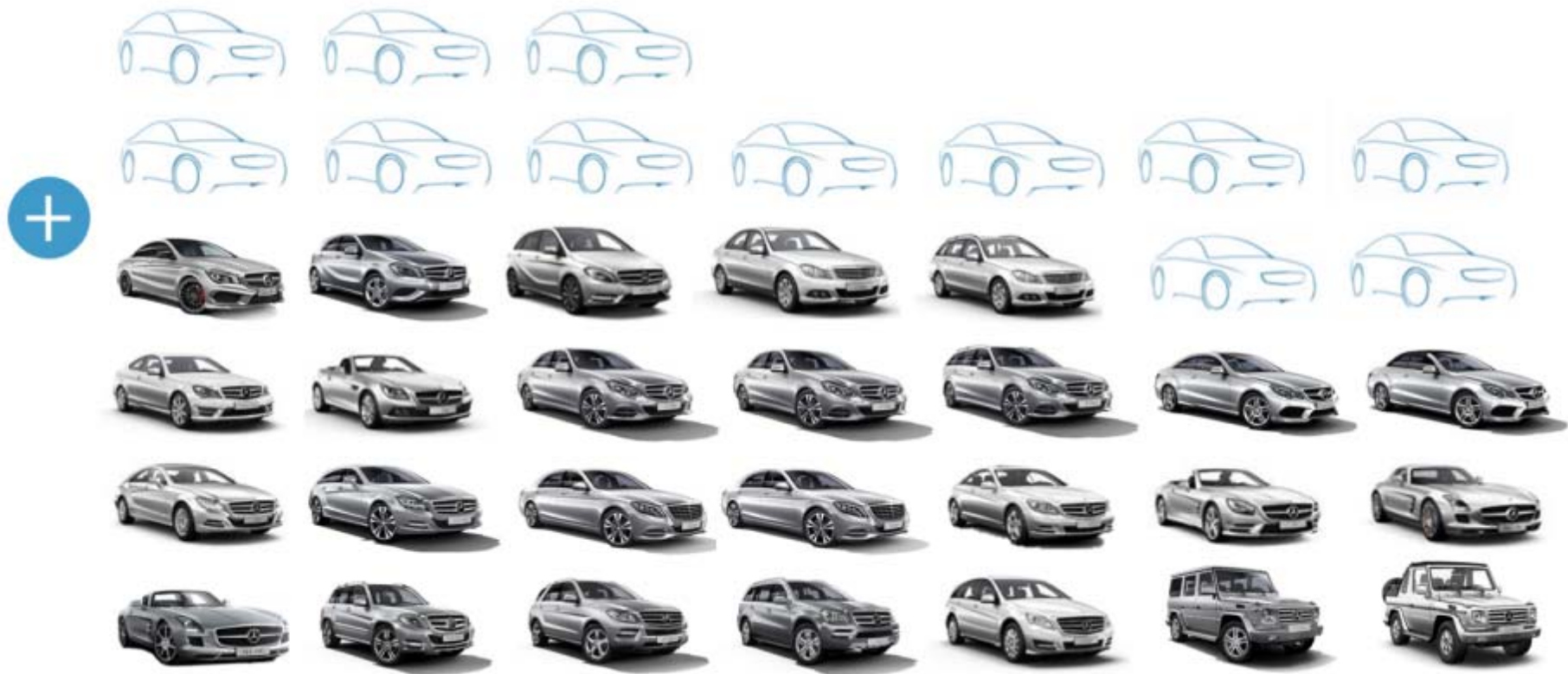
C-Class Sedan

New C-Class significantly upgraded



C-Class

Product Offensive continues: 12 additional models by 2020



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



Integrated Sales Organization



Expansion Dealer Network



Extension Product Portfolio



Extension Local Production



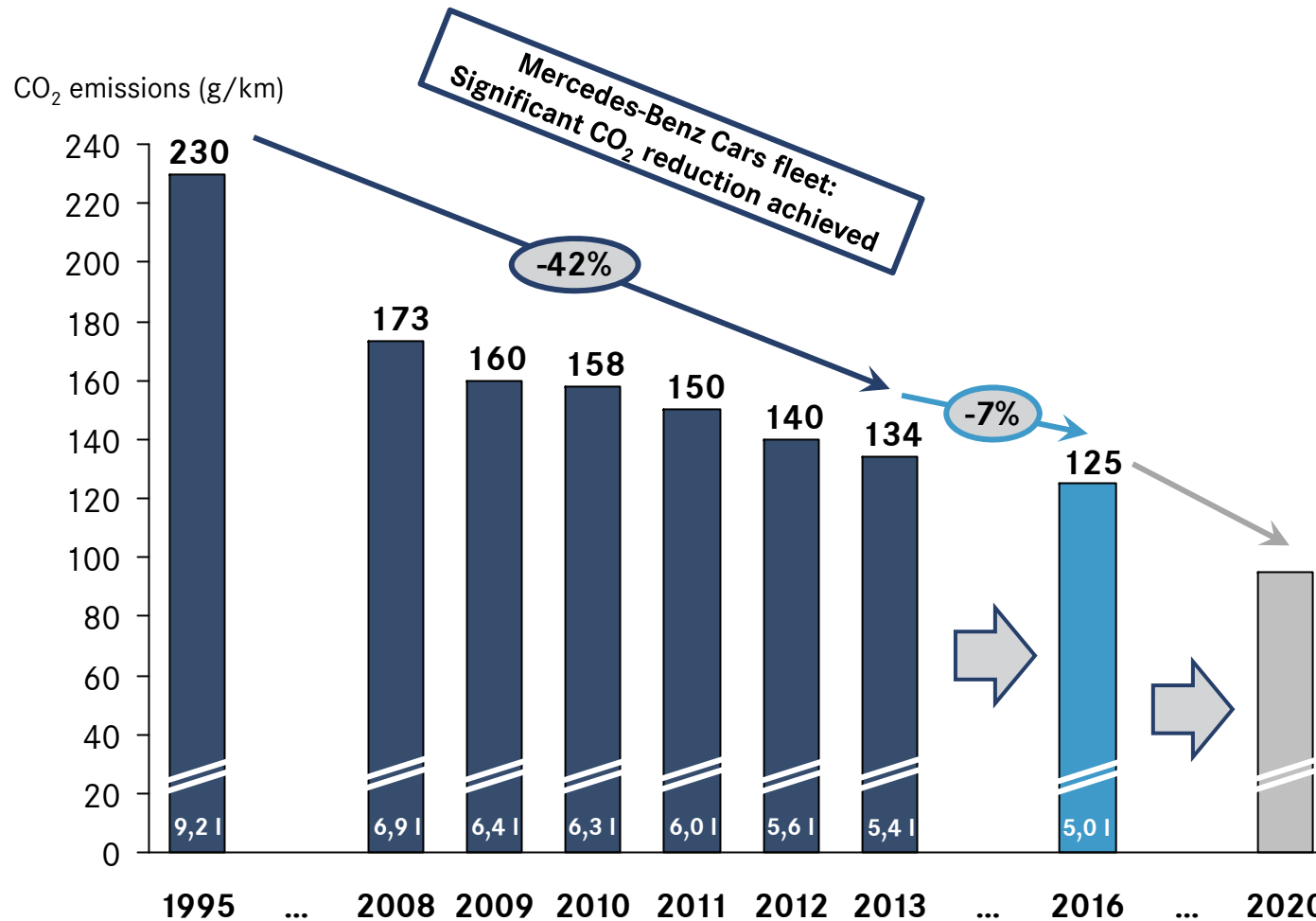
Extension Local R&D



Leverage Financial Services

Targets to reduce CO₂ emissions

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



Products with electric drive systems, examples:



S 500 PLUG-IN HYBRID



E 300 BlueTEC HYBRID



B-Class Electric Drive



smart fortwo electric drive

The new Mercedes-Benz B-Class Electric Drive

Launch: 2014 in the USA
(followed by Europe)

Engine: 13 kW

Range: 200 km (NEFZ),
115 Miles (US City)

v_{\max} : 160 km/h (100 mph)



The new S-class

Premium Performance with 3 liters per 100km



150 + 20kW
500 + 250 Nm
4,4 l/100km
115 g CO2/km

Fuel Economy / Efficiency Label:

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

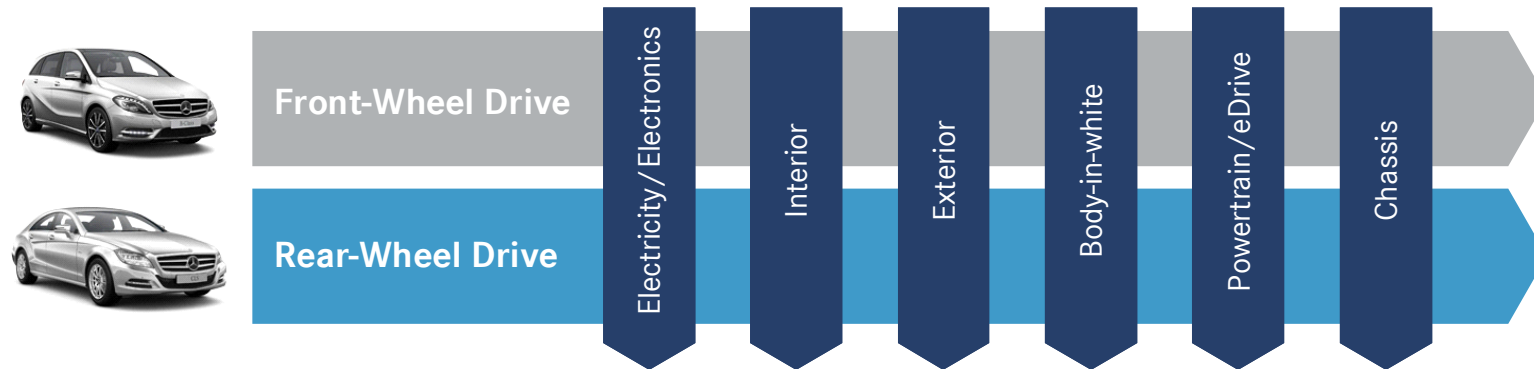
S 300 BlueTEC HYBRID

S 500 PLUG-IN-HYBRID

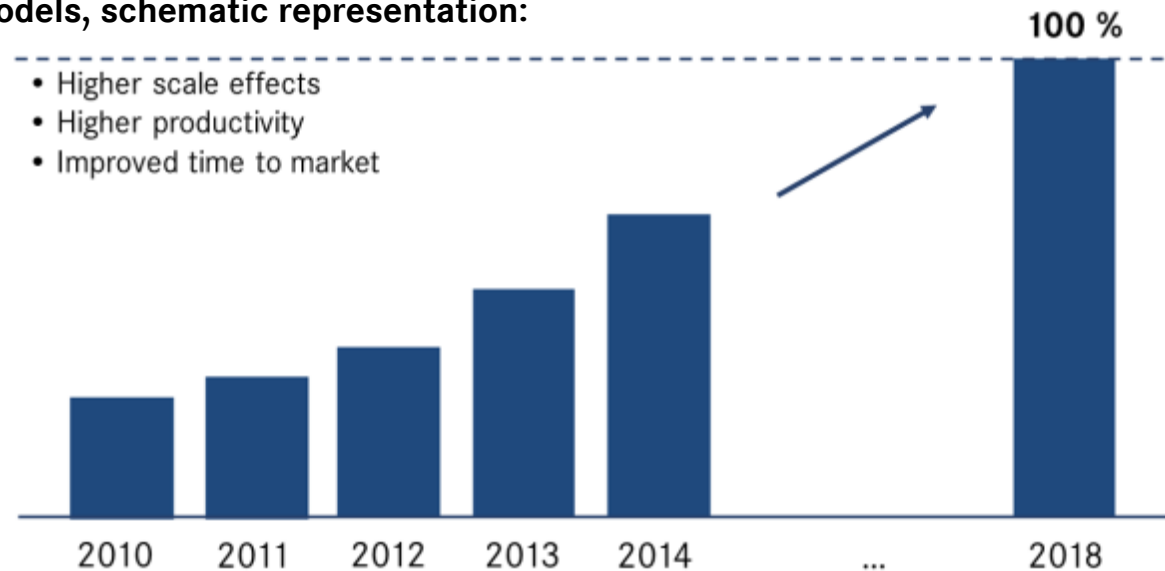
245 + 80 kW
480 + 340 Nm
30 km electrical range
3 l/100km 69 g CO2

Module strategy on track

Common vehicle architectures and module strategy enable efficient use of resources



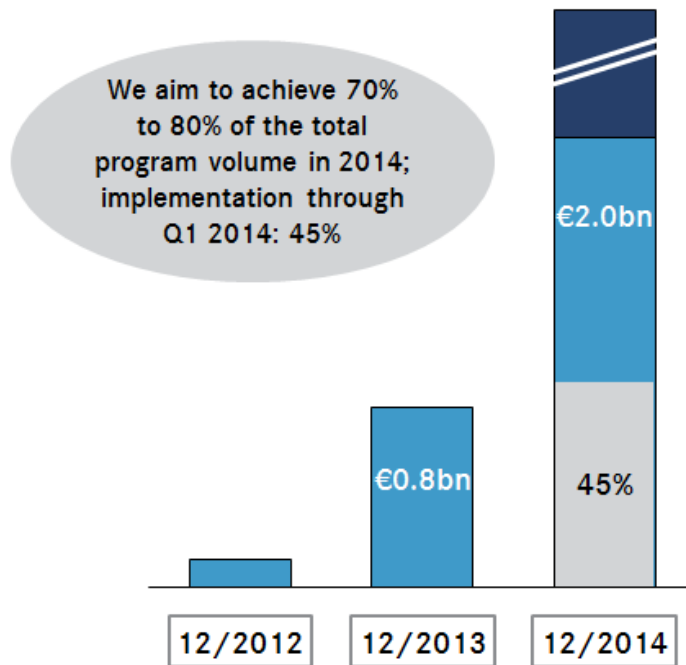
Rollout of module strategy within all passenger car models, schematic representation:



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

Contents

Highlights First Quarter 2014

Daimler Strategy

Mercedes-Benz Cars

Daimler Trucks

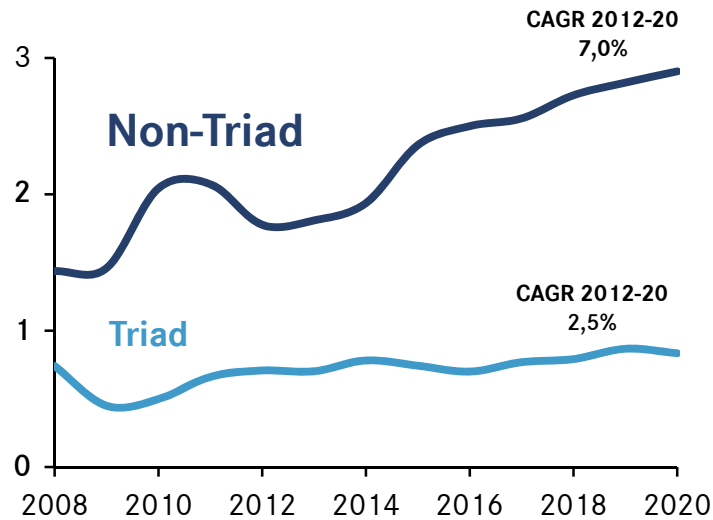
Outlook 2014

Financing Strategy

Megatrends impacting global truck business

Regional volume growth

M/HDT in million units, source SP



Major growth in Non-Triad

Legislation

selected examples (JP, US, EU)



Emissions

e.g. Post JP 09
 (NO_x 0.4 g/kWh, PM 0.01 g/kWh)



Consumption

e.g. GHG 2017



Safety

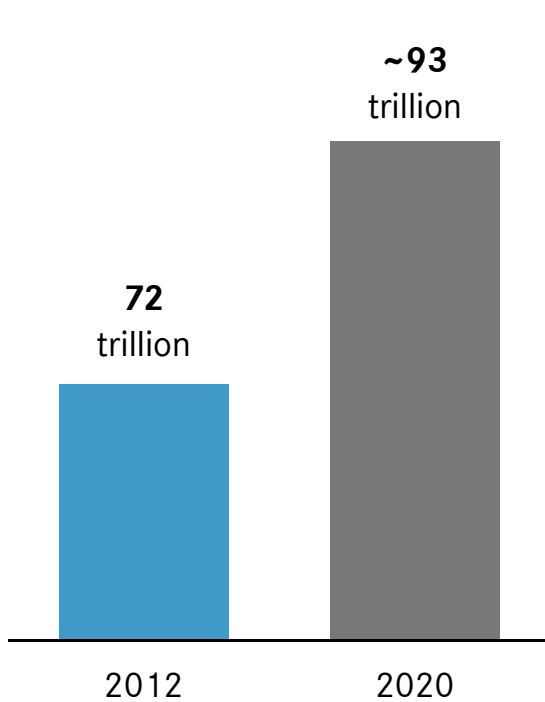
e.g. AEBS: emergency braking system



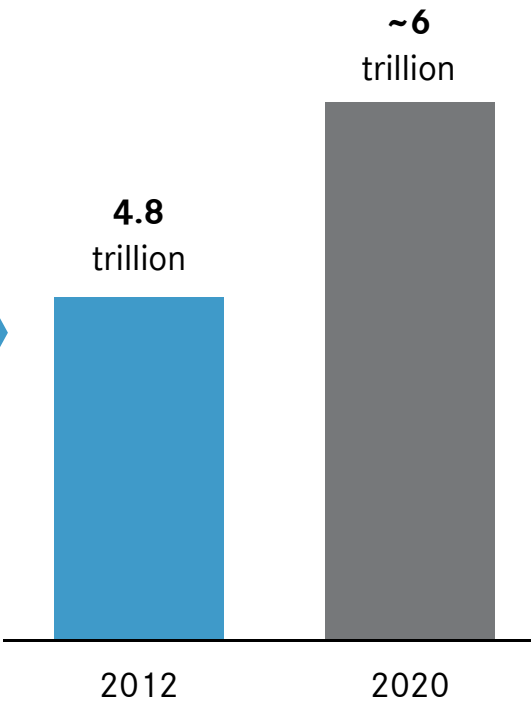
Standards regarding Emission, Consumption and Safety driven by Triad

Long-term outlook for truck industry shows strong growth potential in Non-Triad

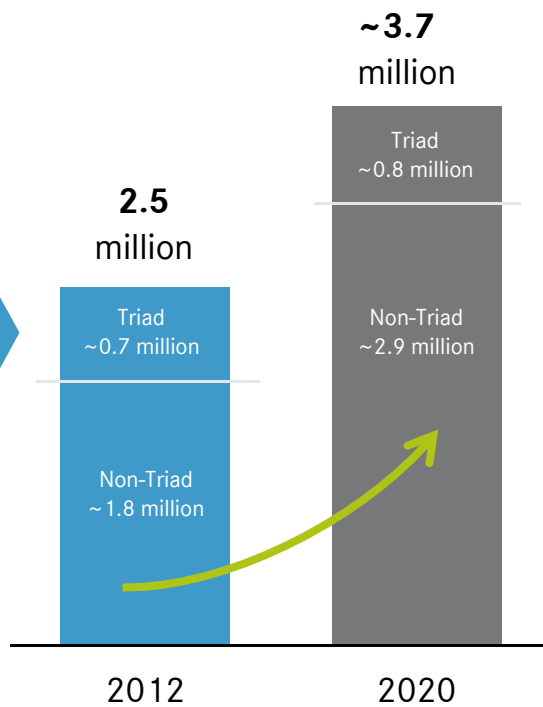
World GDP
in USD¹



Transport volume
OECD, in ton-kilometer²



Truck demand
World, in units³






¹ real, in 2012 USD; source: Daimler AG

² All transport modes; Source: OECD International Transport Forum, Daimler AG

³ medium and heavy duty trucks; Source: Daimler AG
Triad: Western Europe, NAFTA (Cl. 6-8), Japan

Strategy of Daimler Trucks within the three defined market segments

Triad	Follower	Developer
		
EPA10 Euro VI JP09	Euro IV/V	< Euro IV
<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> ▪ Focus Technological Leadership ▪ Improve Cost Position 	<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> ▪ Push Platform Concept for Follower ▪ Successfully manage Turnaround Brazil 	<div style="text-align: center; margin-bottom: 10px;">  </div> <ul style="list-style-type: none"> ▪ Increase Revenue Base ▪ Leverage Indian Strength

Product Offensive at Daimler Trucks



New Actros



Cascadia



Super Great HDEP



Actros Brazil



Antos



Severe Duty Line



Canter Hybrid



MDEG/HDEP



Bharat Benz

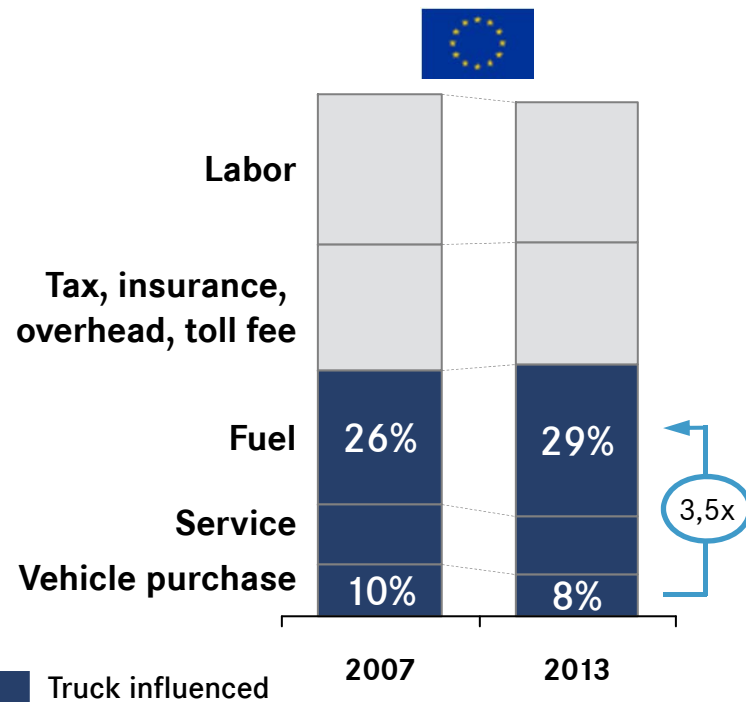


Auman

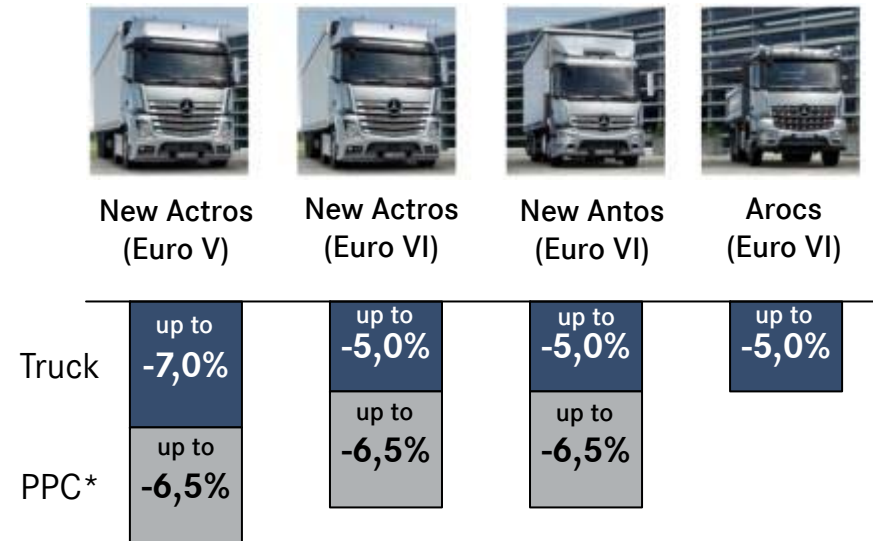
Product offensive to continue over next years

TCO increasingly relevant as key driver for customer decisions

Typical operator cost structure (triad)



DT benchmark in fuel efficiency - example Europe -



*Predictive Powertrain Control

New global engine generation ensures benchmark position in all regions

Source: Bundesverband Güterkraftverkehr, Logistik und Entsorgung; Trucker's Report

Increasing Global Commonality of Engines and Powertrain Components

Strong product base...



HDEP/MDEG
The new global engine platforms



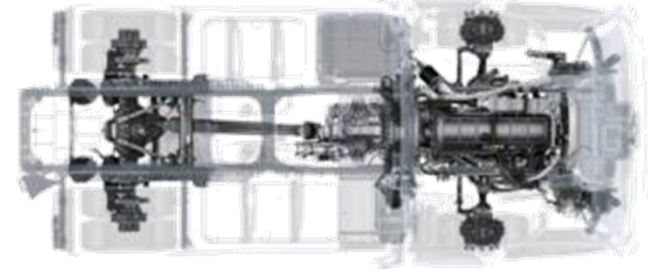
PowerShift
Perfect integration for high performance



Common Axle Platform
Cutting edge, globally

...and a clear vision

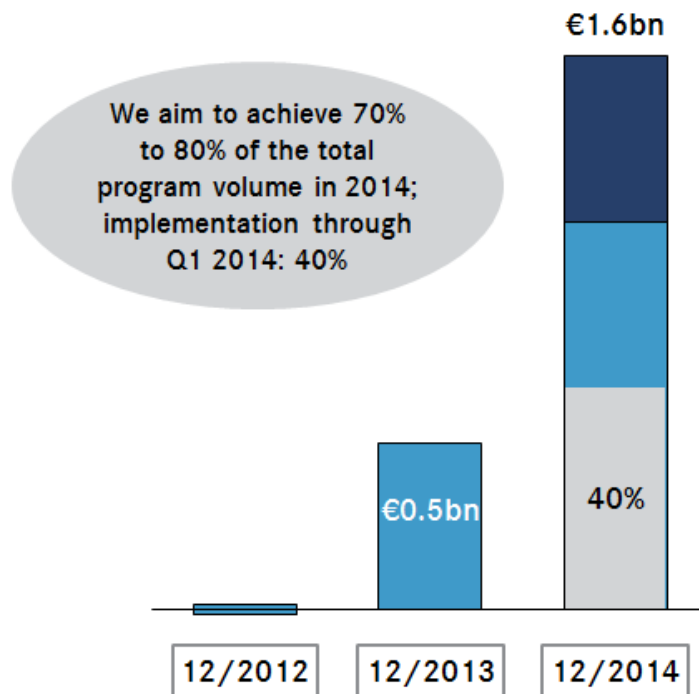
Integrated Powertrain with global application (Daimler inside)



Daimler Trucks #1

Flight path towards benefits

- Top-line effects (30%)
- Cost reductions (70%)



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

Contents

Highlights First Quarter 2014

Daimler Strategy

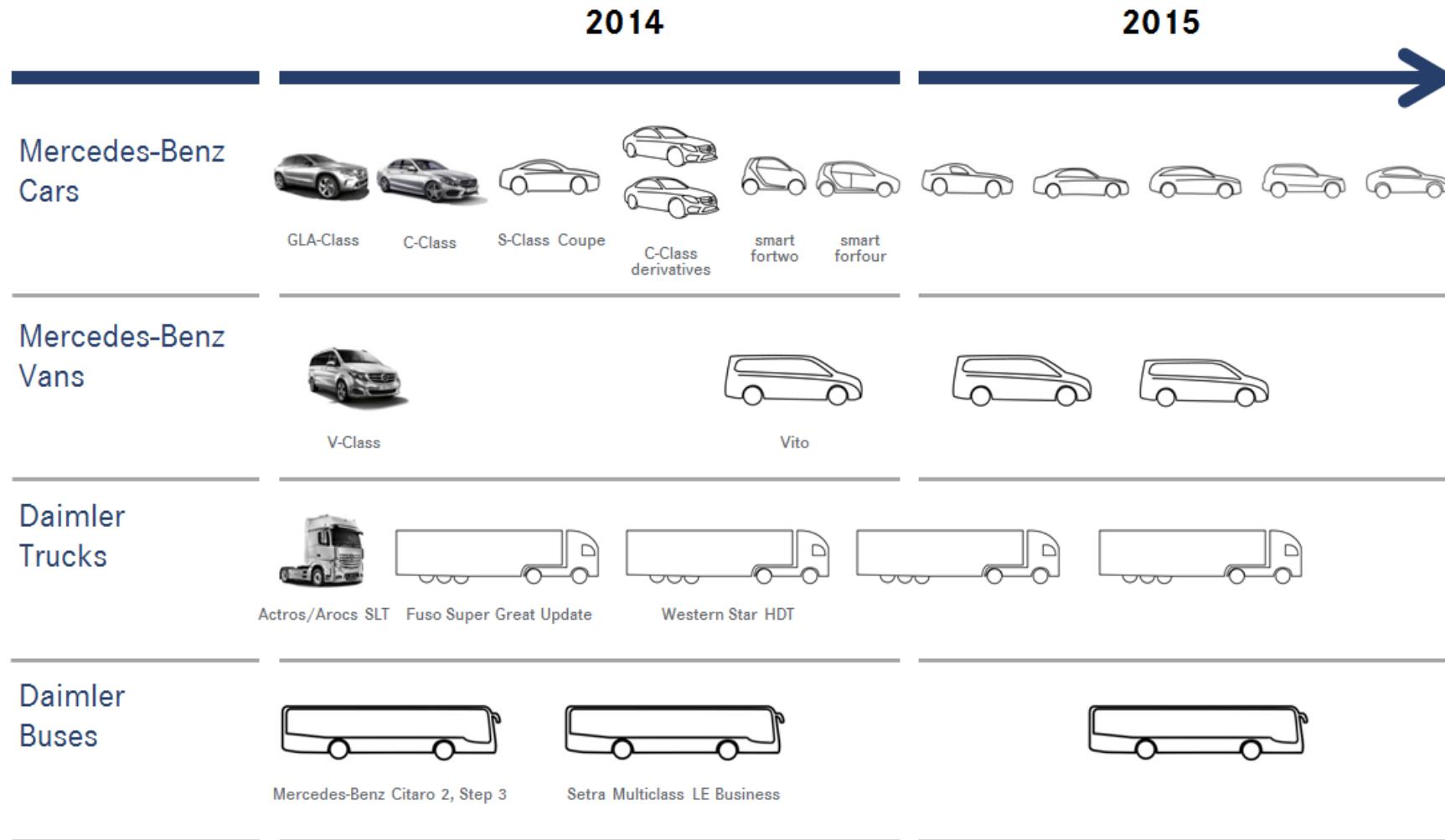
Mercedes-Benz Cars

Daimler Trucks

Outlook 2014

Financing Strategy

Our product offensive continues



Earnings and Sales outlook for 2014

	Unit Sales	EBIT from Ongoing Business*
DAIMLER	significantly higher yoy	significantly higher yoy
	significantly higher yoy	significantly higher yoy
	significantly higher yoy	significantly higher yoy
	significantly higher yoy	prior year's level
	slightly higher yoy	slightly higher yoy
 Daimler Financial Services		slightly higher yoy

*This guidance is based on the current market expectations and exchange rate environment.

Our financial targets



„Return on Sales“ target automotive business: 9 percent

Contents

Highlights First Quarter 2014

Daimler Strategy

Mercedes-Benz Cars

Daimler Trucks

Outlook 2014

Financing Strategy

Financial Services is with a Portfolio of EUR 82 bn. present in 40 countries

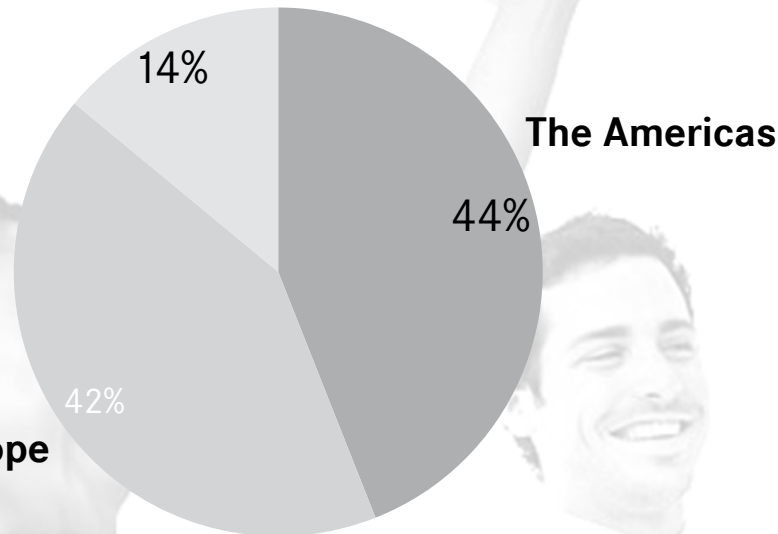
Contract Volume

Product Range Daimler Financial Services

Contract Volume

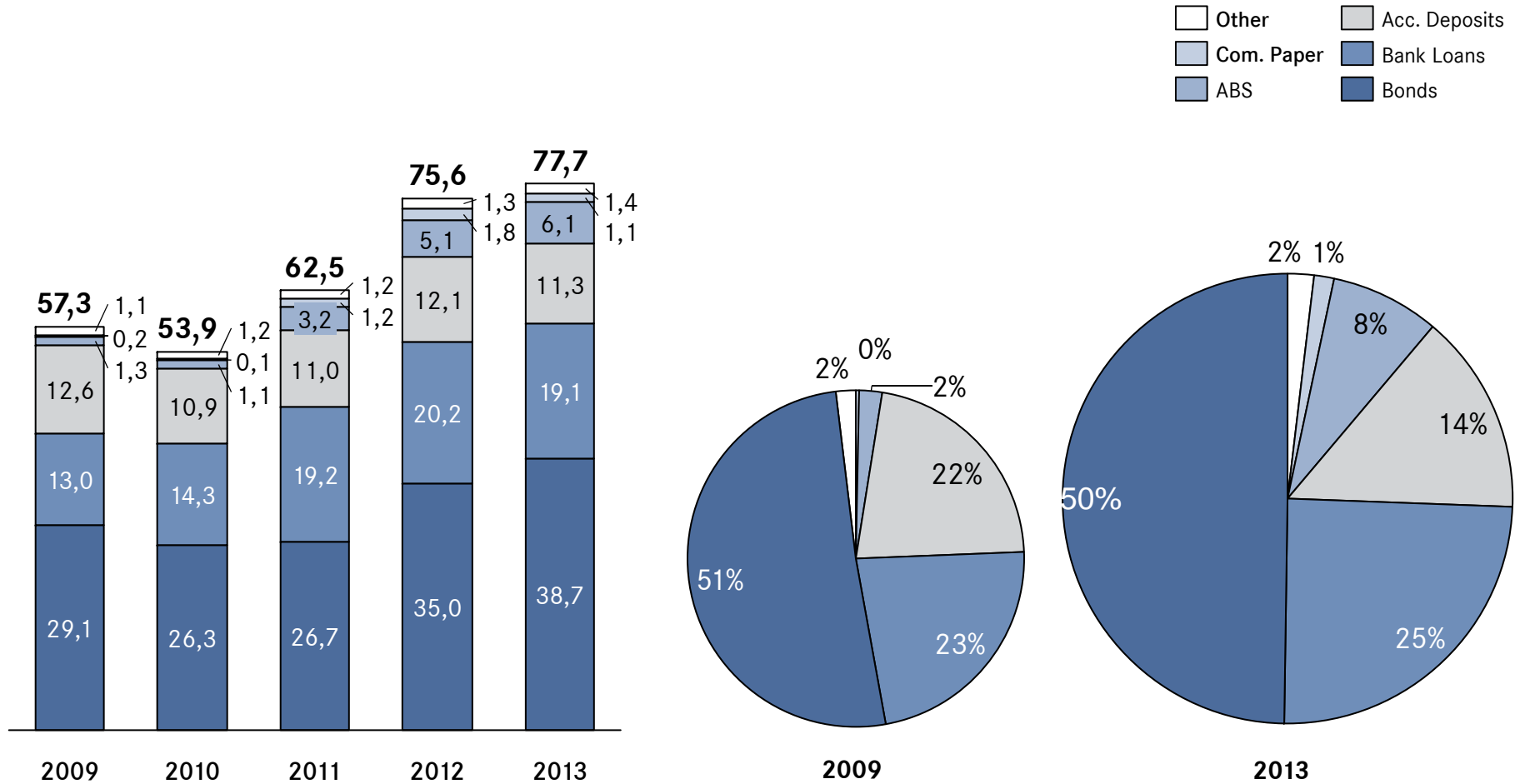
Product Range Daimler Financial Services

Asia, Africa & Pacific



Financing Liabilities Structure 2009 – 2013

in billions of EUR

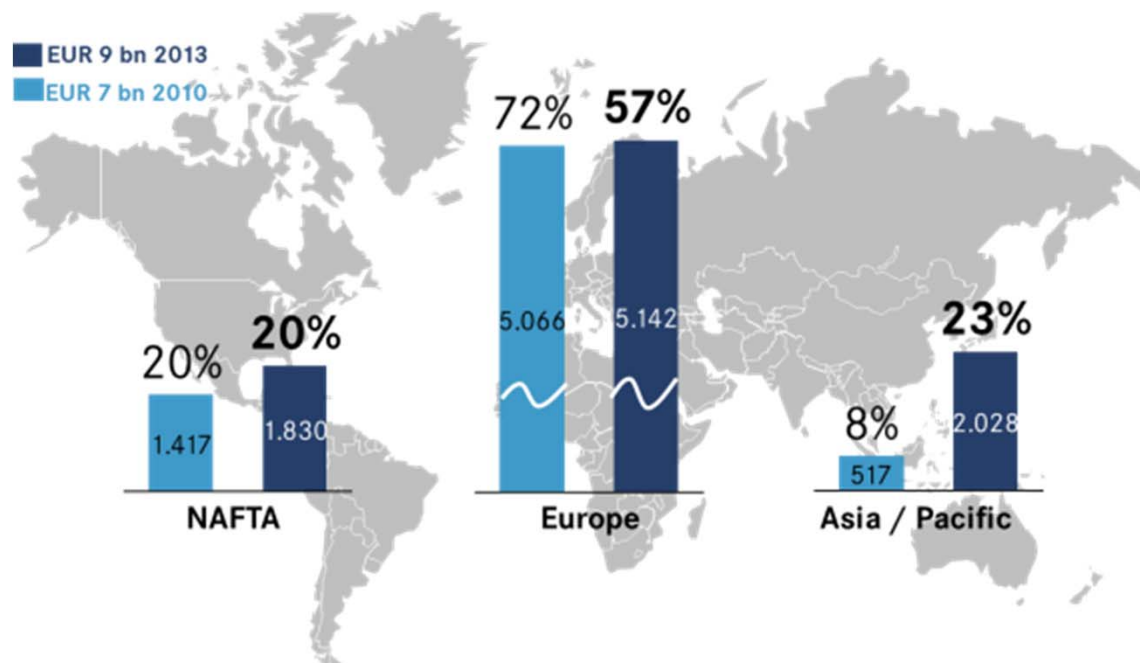


Note: Figures may not be additive due to rounding.

Daimler's changing global footprint reflected in Bank Panel of EUR 9 bn Syndicated Global Credit Facility

Most banks have long established business relationships to Daimler

Daimler honors the support provided by banks



Total Facility amount was increased mainly without higher individual bank commitments

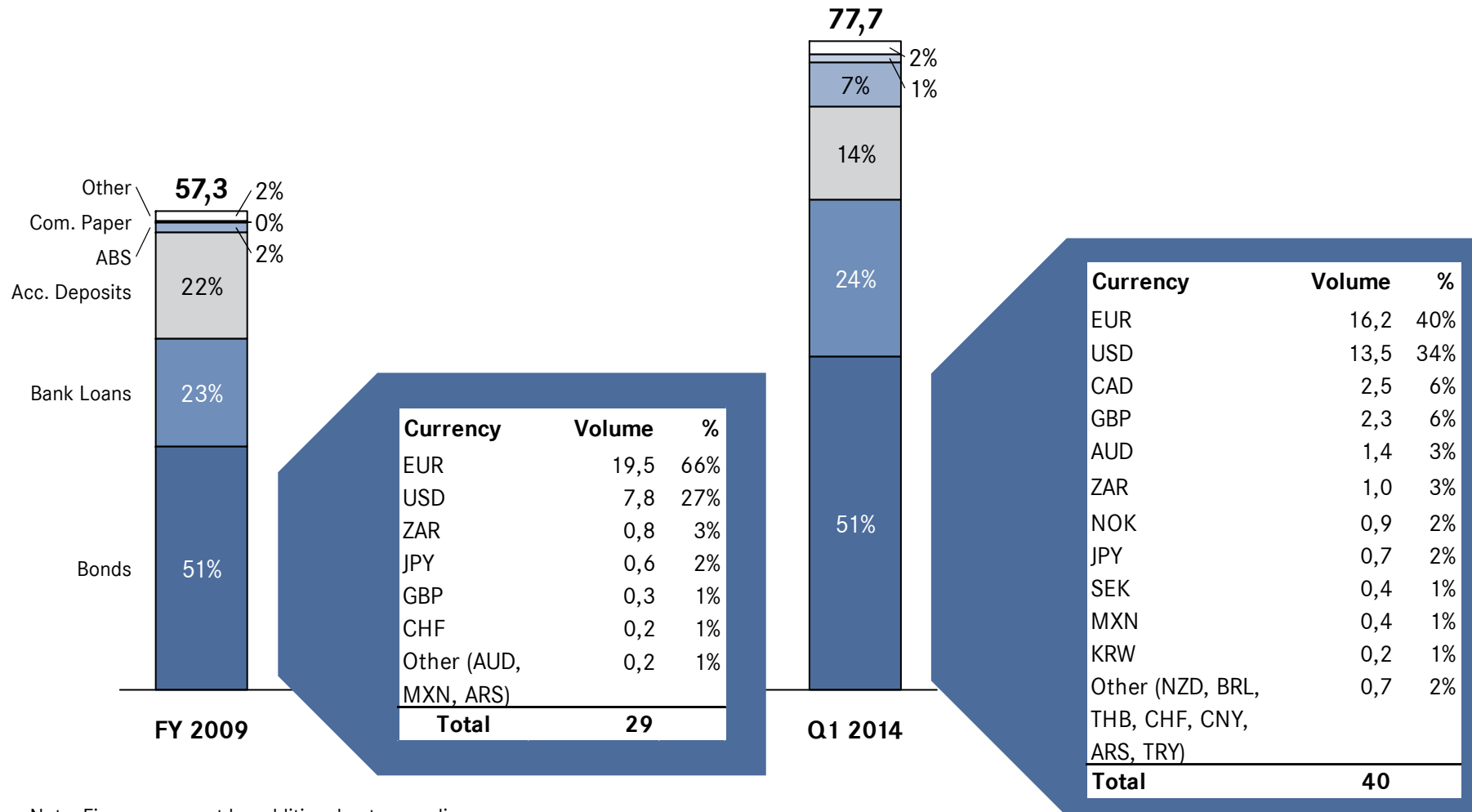
Several Issuing Programs ensure an optimized financing approach and reaches a broad investor base

Global programs:

- 144a / RegS Documentation for US offerings
- Euro MTN Program (multi currency and multi issuers)
- Local Programs established in Mexico, Brazil, Argentina, South Africa, Thailand, Japan, Korea and China
- In future: India and others to be added, when capital markets open and funding requirements justify the effort

Diversification of Capital Market Funding supports growth of Financial Services

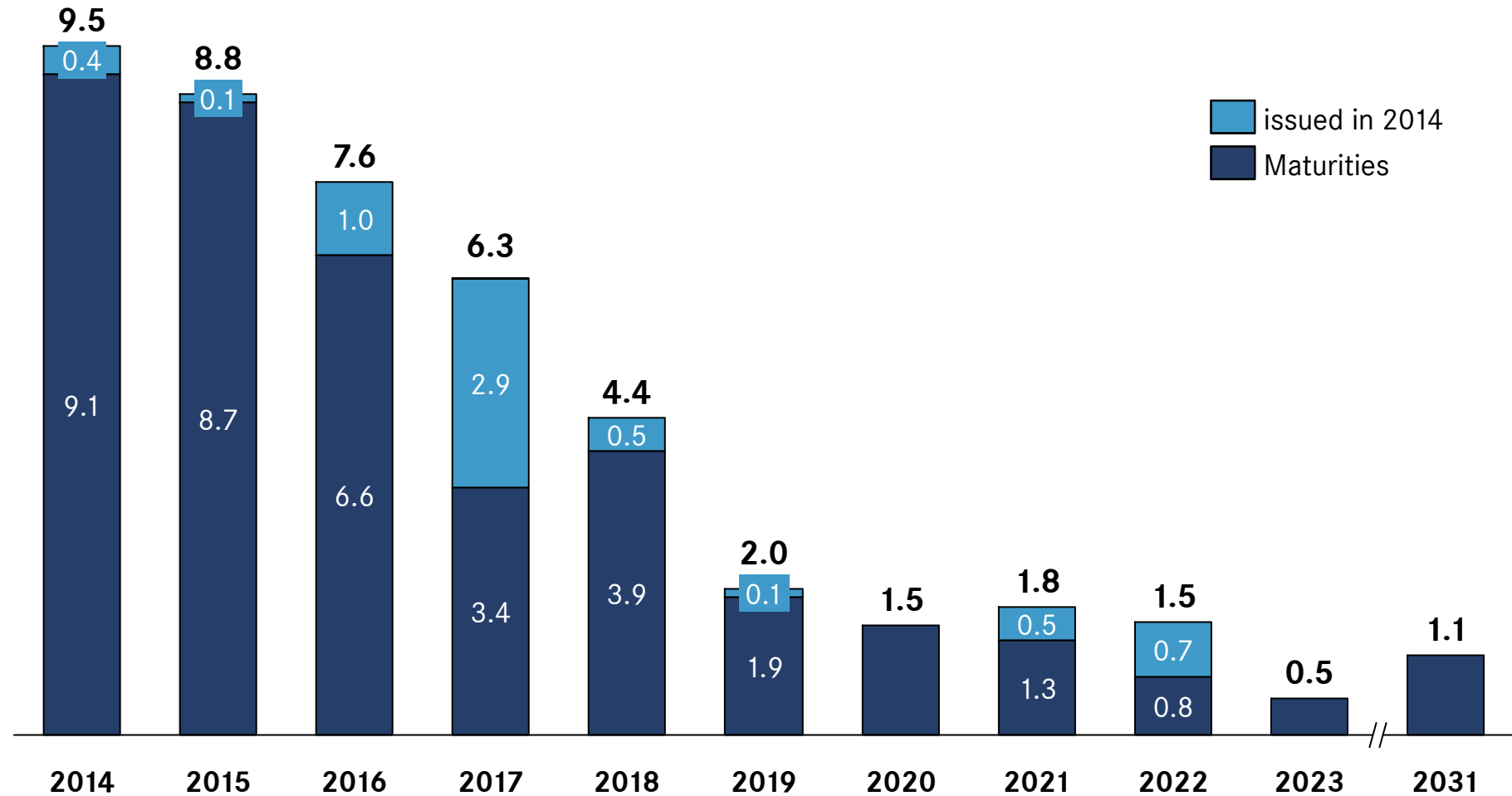
in billions of EUR



Note: Figures may not be additive due to rounding.

Bond maturity profile well balanced

In EUR bn as of May 15th, 2014



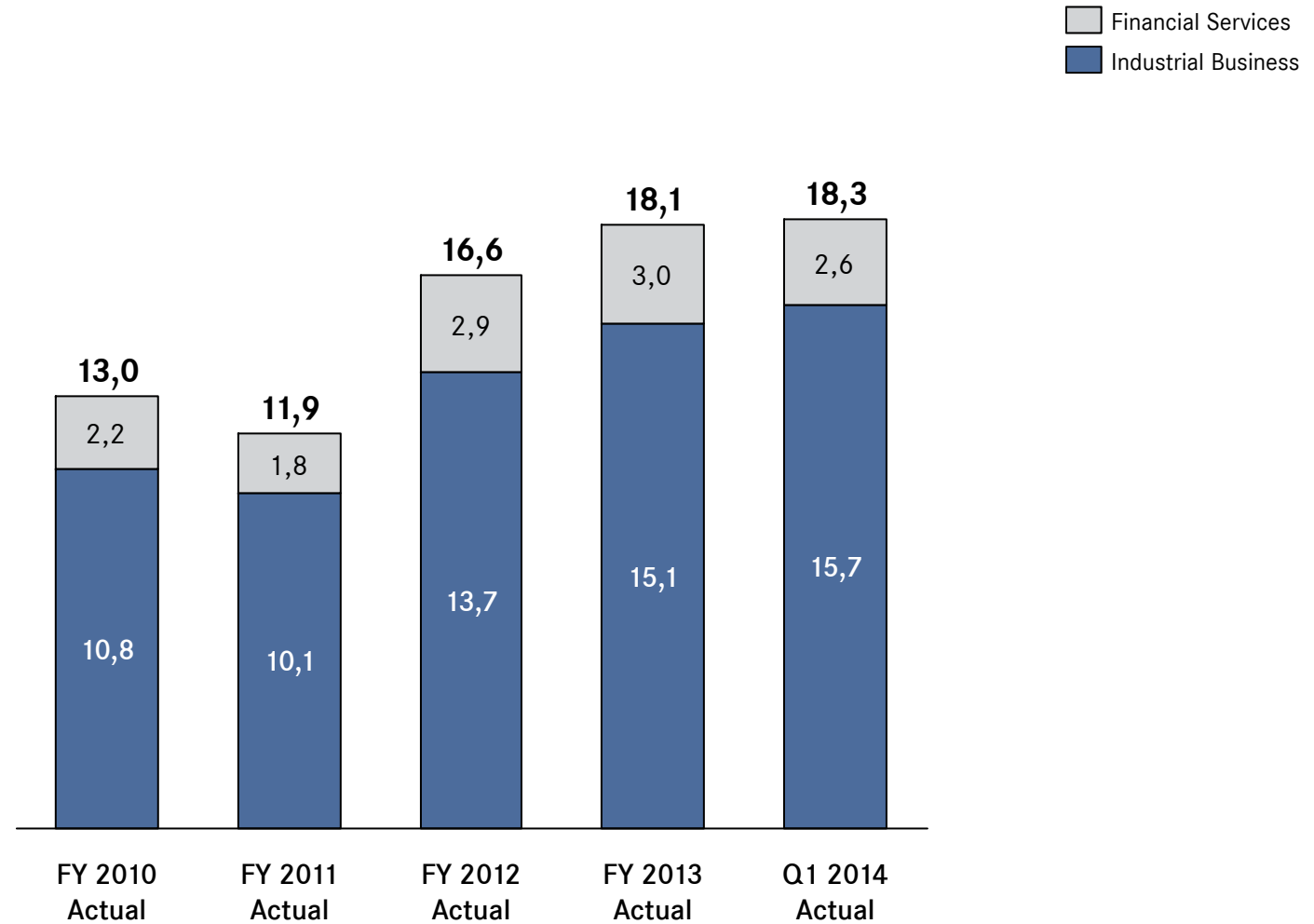
Development of Daimler's 3 Year CDS



Source: Bloomberg

Financial Flexibility: Solid Gross Liquidity

in billions of EUR



Note: Figures may not be additive due to rounding.

Solid Rating critical to support Daimler's Funding

Current Ratings:	S&P:	A- stable	A-2
	Moody's:	A3 stable	P-2
	Fitch:	A- stable	F2
	DBRS:	A (low) stable	R-1 (low)
Daimler target:	Sustaining the A rating at all rating agencies		

Strategic Funding Principles

Targeting Financial Independence

No dependence from single markets, instruments, banks or investors

Diversification of funding sources and instruments:
Bank Loans, Bonds, ABS, CP, Deposits

No Covenants, no MAC, no asset pledges, no CSAs

Maximizing Financial Flexibility

Keeping prudent amount of Cash and Committed Credit Facility

New markets funded via global and local banks first

Early capital market funding to save credit capacity in growth regions

Stringent Funding Policy worldwide

Liquidity matched funding

Interest rate matched funding

Currency matched funding

Country matched funding

Disclaimer

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.