

DAIMLER

Q3 and January-September 2014 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

October 23, 2014

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Results for Q3 2014

Outlook for 2014

Developments at the Divisions

Highlights of Q3 2014

Group unit sales

637,400

+7%

Highest unit sales ever at Mercedes-Benz Cars

431,000

+9%

Significant increase in EBIT from ongoing business

€2.8bn

+21%

World debut of the new Mercedes-AMG GT sports car

Presentation of the new smart fortwo and smart forfour

Presentation of the self-driving Mercedes-Benz Future Truck 2025

Production launch of the new Mercedes-Benz Vito mid-size van

Sale of 50-percent equity interest in Rolls-Royce Power Systems Holding completed

Restructuring of the cooperation with Tesla

- Very successful partnership will be continued, but this does not require a financial stake
- Daimler continues to purchase the powertrain for the Mercedes-Benz B-Class Electric Drive from Tesla
- Change in Tesla board composition after the annual meeting triggered remeasurement of Tesla stake and a non-cash EBIT effect of €718 million in Q2 2014
- This was partially offset by negative non-cash EBIT effects due to the share price hedge
- In mid-October 2014, Daimler discontinued the share-price hedge and sold the stake in Tesla of approximately 4%
- Cash inflow of €0.6 billion in Q4 2014 will be used to strengthen Daimler's operational business
- EBIT effect of €488 million in Q1-Q3 2014
- A further gain of €0.1 billion will be recognized in Group EBIT in the fourth quarter

Key financials

- in billions of euros -

	Q3 2013	Q3 2014
Revenue	30.1	33.1
EBIT		
as reported	2.2	3.7
from ongoing business	2.3	2.8
Net profit	1.9	2.8
Earnings per share (in euros)	1.72	2.56
Net liquidity industrial business (2013: year-end)	13.8	17.9
Free cash flow industrial business	1.6	5.4

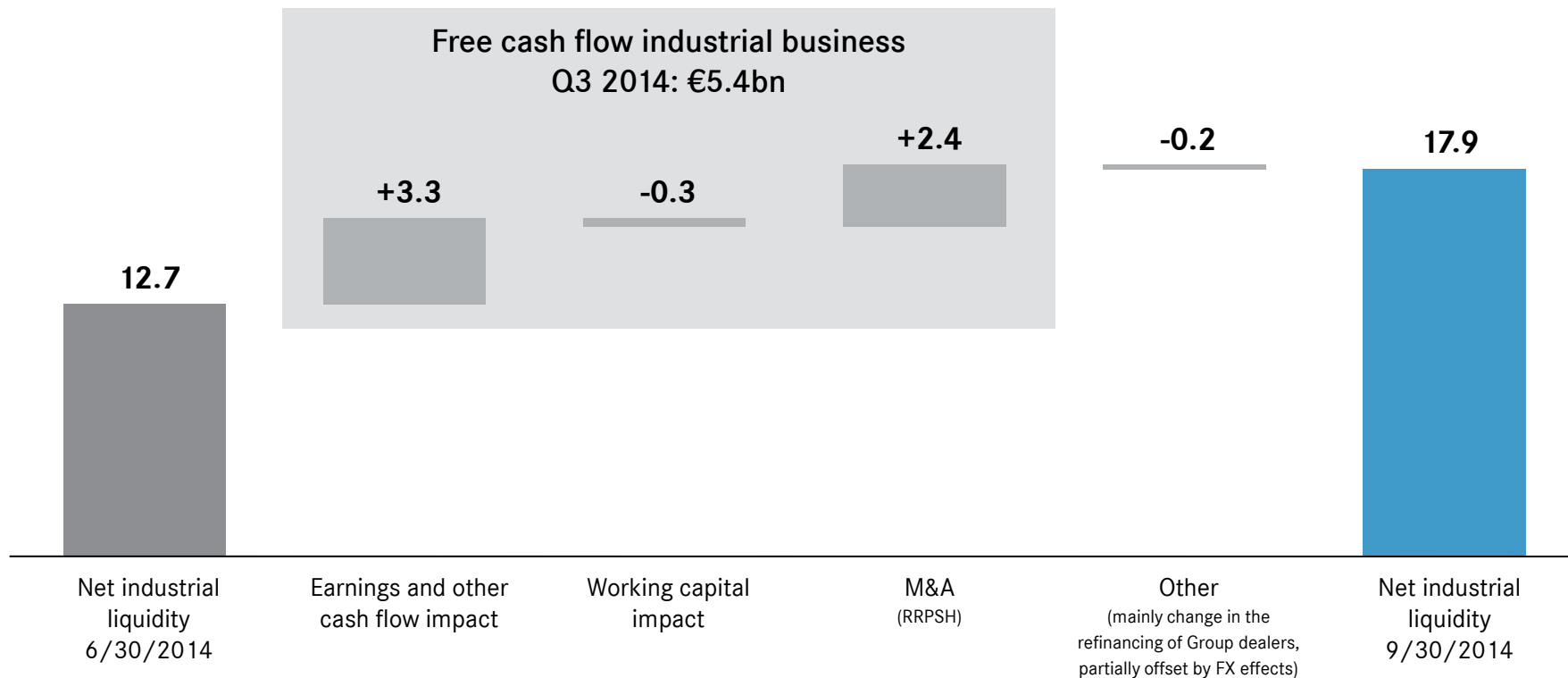
Key balance sheet figures

- in billions of euros -

Daimler Group	Dec. 31, 2013	Sept. 30, 2014
Equity ratio	24.3%	24.1%
Gross liquidity	18.1	19.5
Industrial business		
Equity ratio	43.4%	42.8%
Net liquidity	13.8	17.9

Net industrial liquidity: development in Q3 2014

- in billions of euros -



Unit sales

- in thousands of units -

	Q3 2013	Q3 2014	% change
Daimler Group	594.9	637.4	+7
of which			
Mercedes-Benz Cars	395.4	431.0	+9
Daimler Trucks	124.5	125.6	+1
Mercedes-Benz Vans	65.3	72.2	+11
Daimler Buses	9.6	8.6	-11

Product highlights



New Mercedes-AMG GT



New Mercedes-Benz S 500 PLUG-IN HYBRID



New Mercedes-Benz C-Class Estate



New smart fortwo and smart forfour

Product highlights

Mercedes-Benz Future Truck 2025



New Mercedes-Benz Arocs SLT



New Western Star 5700XE



New FUSO Super Great V



Product highlights



New Mercedes-Benz Vito

Product highlights



Mercedes-Benz Travego



Mercedes-Benz Citaro G



Setra MultiClass 400 LE Business



Setra ComfortClass 500 HD

Revenue by division

– in billions of euros –

	Q3 2013	Q3 2014	% change
Daimler Group	30.1	33.1	+10
of which			
Mercedes-Benz Cars	16.5	18.7	+13
Daimler Trucks	8.0	8.5	+6
Mercedes-Benz Vans	2.3	2.5	+12
Daimler Buses	1.1	1.0	-8
Daimler Financial Services	3.7	4.0	+9
Contract volume of Daimler Financial Services*	83.5	93.7	+12

* Figures as of December 31, 2013 and September 30, 2014.

EBIT by division

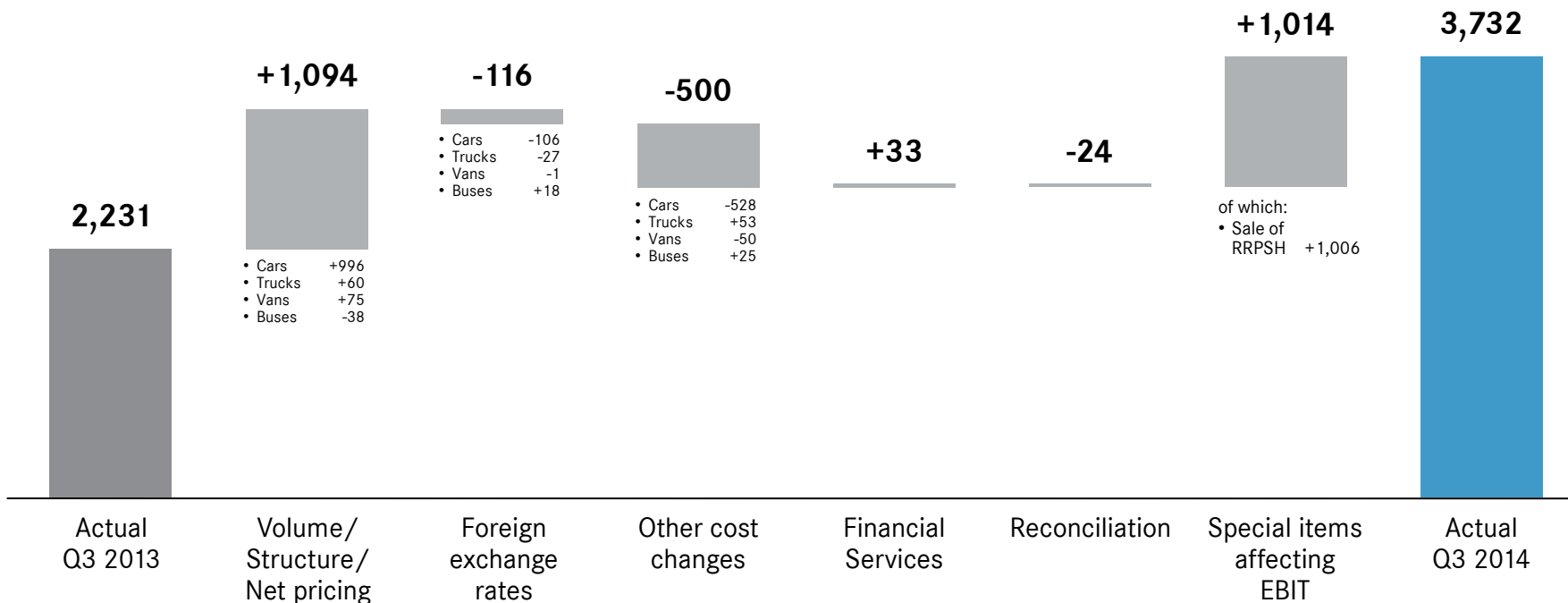
– EBIT in millions of euros; RoS in % –

	Q3 2013		Q3 2014	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	2,231	7.2	3,732	11.6
of which				
Mercedes-Benz Cars	1,200	7.3	1,584	8.5
Daimler Trucks	522	6.5	588	6.9
Mercedes-Benz Vans	152	6.7	176	7.0
Daimler Buses	59	5.2	64	6.2
Daimler Financial Services	322	–	355	–
Reconciliation	-24	–	965	–

* Return on sales; Daimler Group excluding Daimler Financial Services

Group EBIT in Q3 2014

- in millions of euros -



Special items affecting EBIT

– in millions of euros –

	Q3		January-September	
	2013	2014	2013	2014
Mercedes-Benz Cars				
Impairment of investments in the area of alternative drive systems	-51	-30	-94	-30
Daimler Trucks				
Workforce adjustments*	-8	-30	-103	-106
Mercedes-Benz Vans				
Reversal of impairment of investment in FBAC	-	-	-	+61
Daimler Buses				
Business repositioning	-2	-	-26	-9
Reconciliation				
Divestiture of EADS shares	+13	-	+3,222	-
Measurement of put option for Rolls-Royce Power Systems Holding	-21	-	-50	-118
Sale of shares in Rolls-Royce Power Systems Holding	-	+1,006	-	+1,006
Hedge of Tesla share price	-	-1	-	-230
Remeasurement of Tesla shares	-	-	-	+718

* Daimler Trucks expects expenses from workforce adjustments in a total of more than €150 million in 2014 and 2015, the majority of which will be recognized in 2014.

EBIT from ongoing business

- EBIT in millions of euros; RoS in % -

	Q3 2013		Q3 2014	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	2,300	7.5	2,787	8.4
of which				
Mercedes-Benz Cars	1,251	7.6	1,614	8.6
Daimler Trucks	530	6.6	618	7.3
Mercedes-Benz Vans	152	6.7	176	7.0
Daimler Buses	61	5.4	64	6.2
Daimler Financial Services	322	-	355	-
Reconciliation	-16	-	-40	-

* Return on sales; Daimler Group excluding Daimler Financial Services

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Our product offensive continues

2014

2015



Mercedes-Benz
Cars



Mercedes-Benz
Vans



Daimler
Trucks



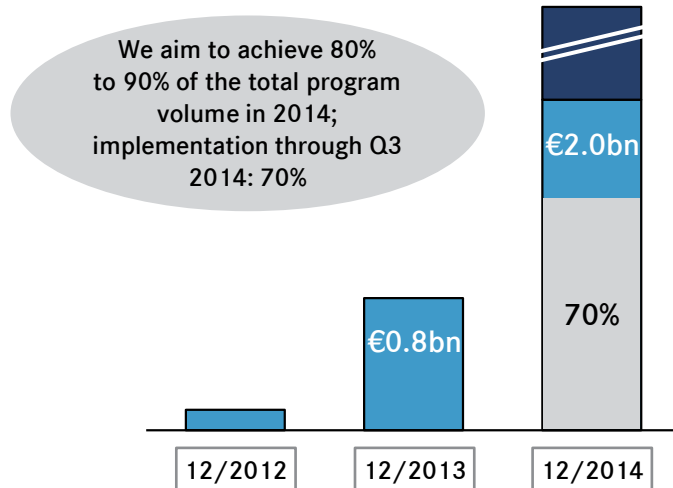
Daimler
Buses



Mercedes-Benz Cars: Fit for Leadership

Flight path towards benefits

- Additional top-line effects
- Cost reduction



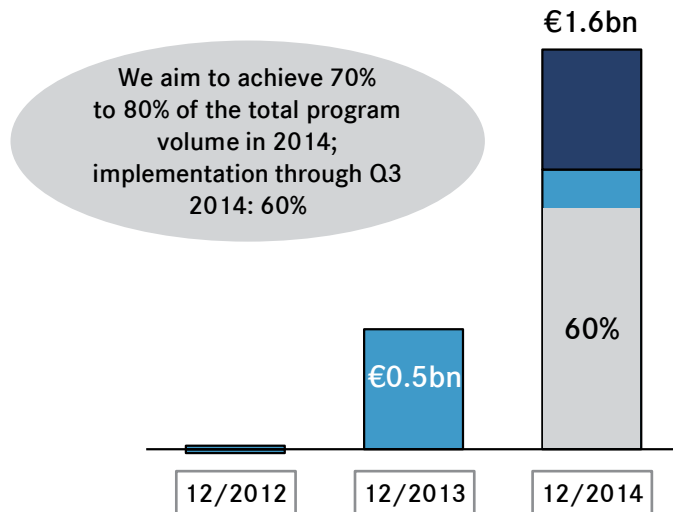
Key levers

- 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 #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

Assumptions for automotive markets in 2014

Car markets	Global	around +3%
	Western Europe	moderate market recovery
	USA/Asia	significant growth in China, moderate growth in USA
Medium- and heavy-duty truck markets	NAFTA region	around +10%
	Europe	around -10%
	Japan*	around +10%
	Brazil	around -15%
Van markets	Europe	mid-size/large vans: slight market recovery small vans: slightly above the prior-year level
Bus markets	Western Europe	slightly above the prior-year level
	Brazil	significantly below the prior-year level

In general, we carefully monitor the development in the emerging markets.

* including light-duty trucks

Sales outlook for 2014



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



- Slightly 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



- Unit sales slightly below the prior year
- Significantly higher sales of complete buses in Western Europe
- Significantly lower unit sales in Latin America

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



Significantly above the prior year



Slightly above the prior year

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

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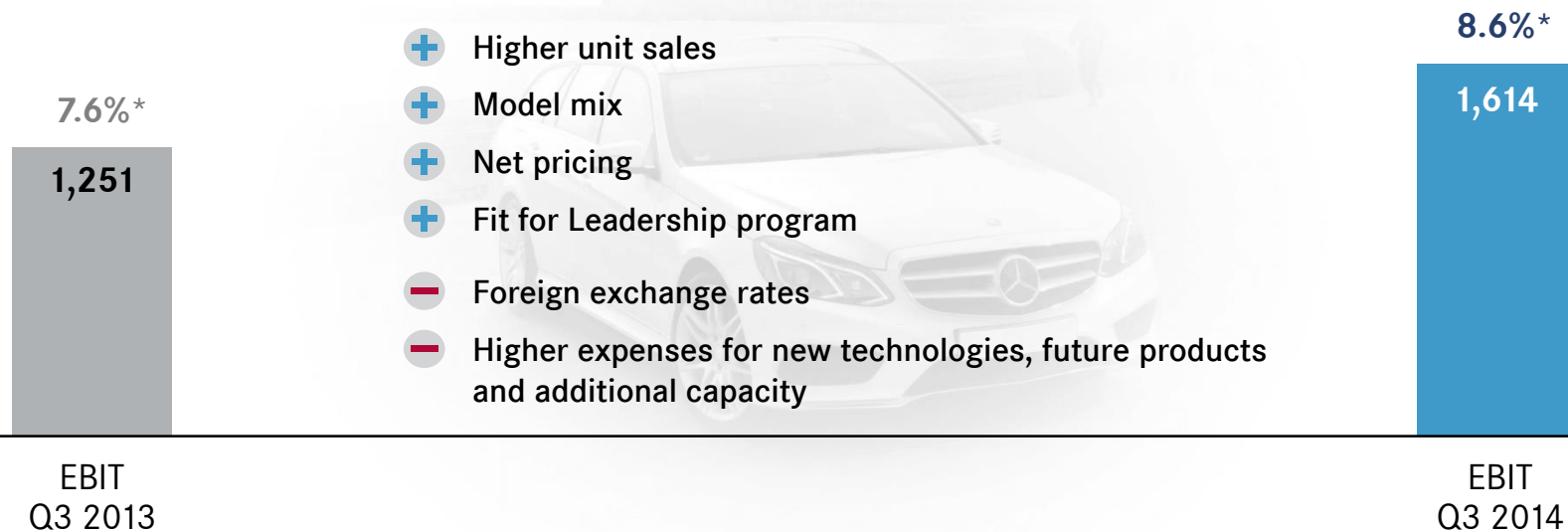
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Mercedes-Benz Cars: EBIT from ongoing business

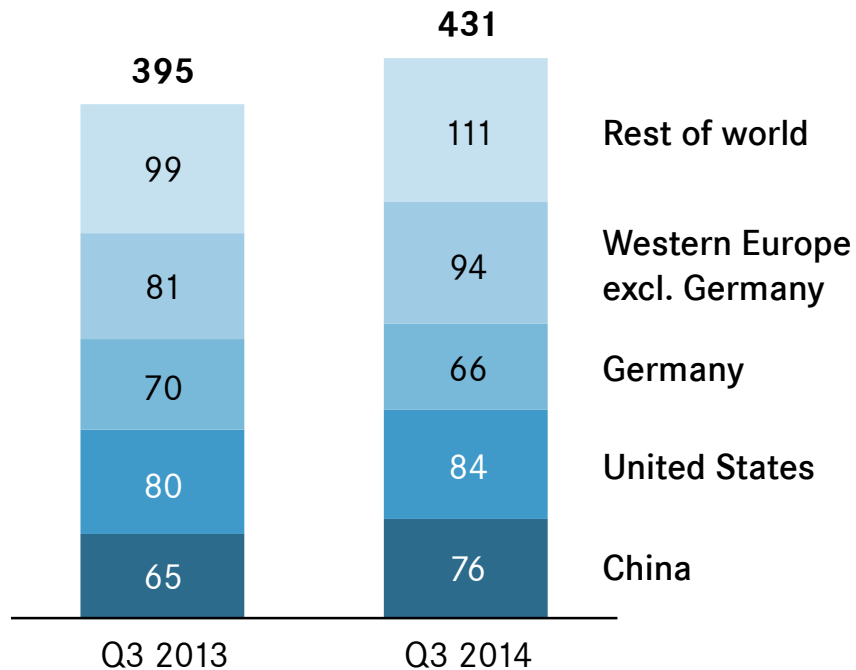
- in millions of euros -



* Return on sales

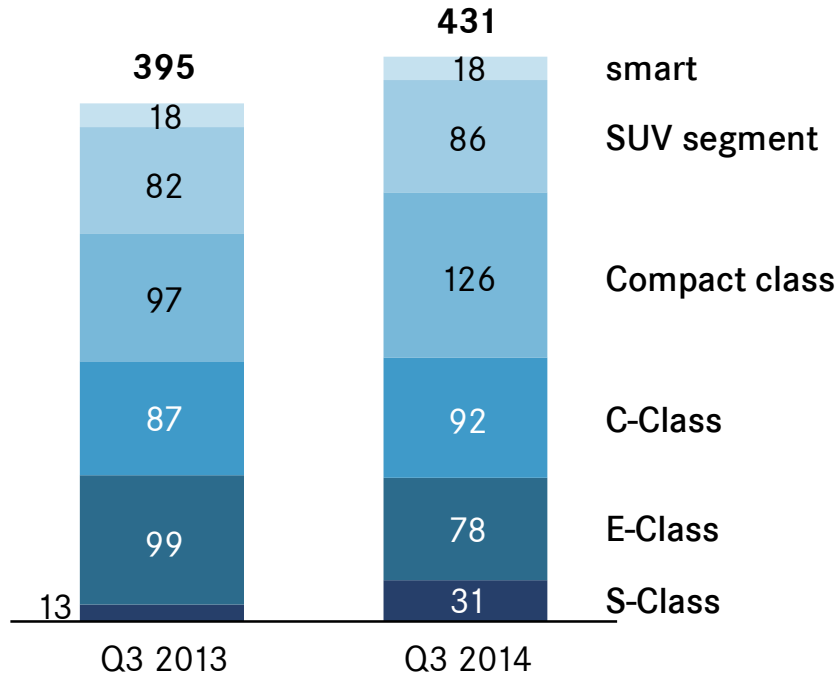
Mercedes-Benz Cars: Balanced sales structure

- Unit sales in thousands -



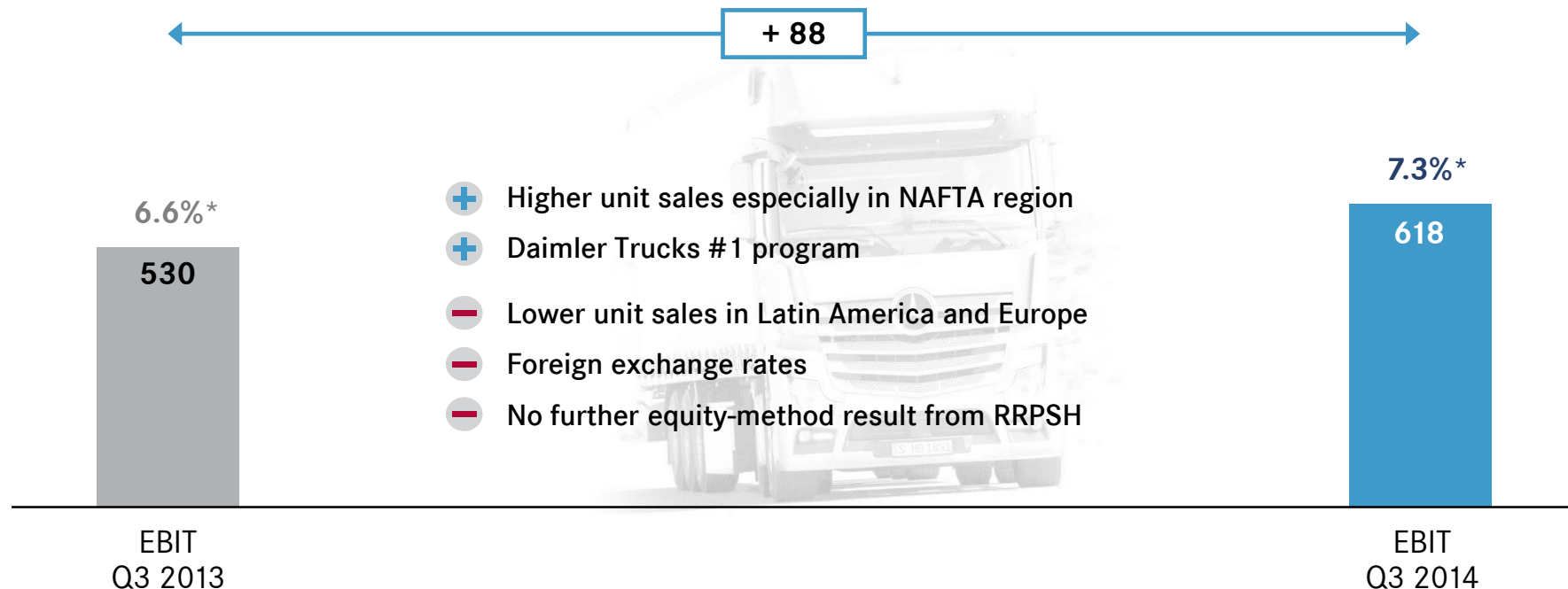
Mercedes-Benz Cars: Sales volume on record level

- in thousands of units -



Daimler Trucks: EBIT from ongoing business

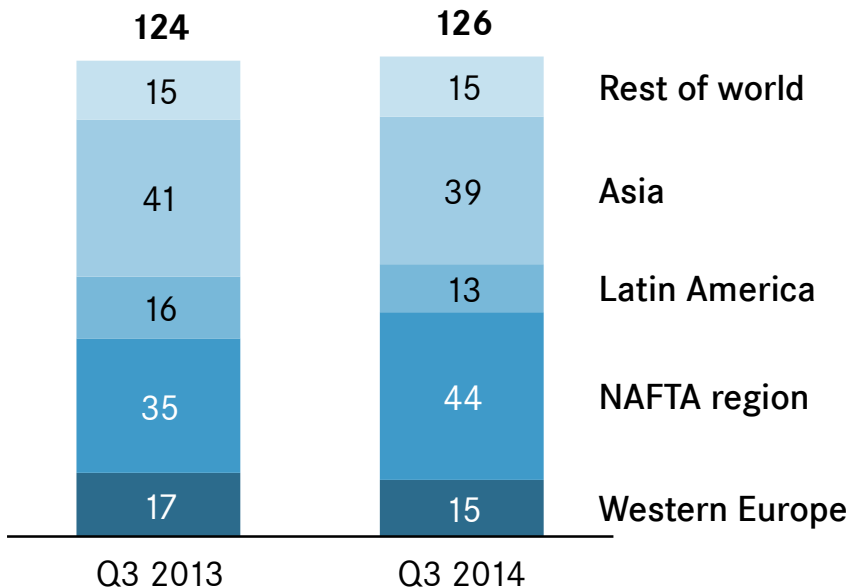
- in millions of euros -



* Return on sales

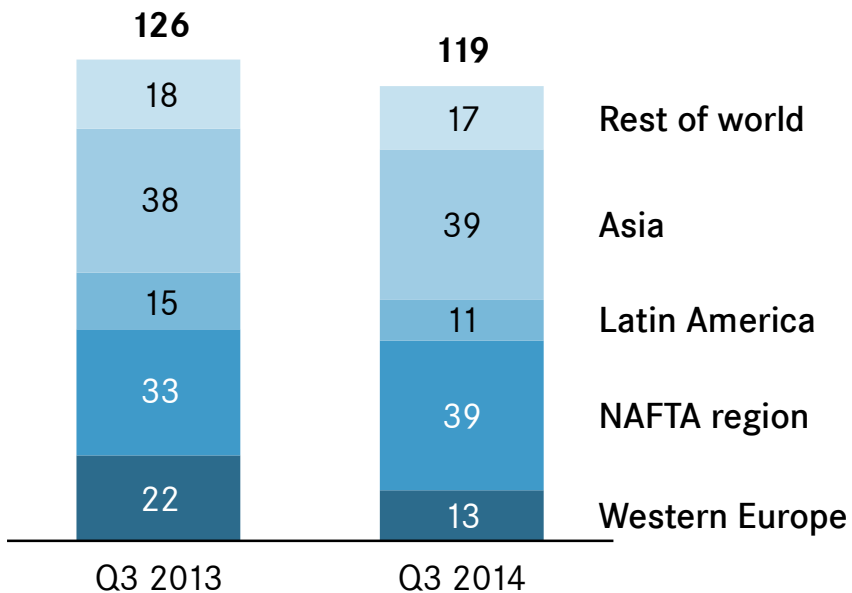
Daimler Trucks: Higher unit sales in NAFTA region

- in thousands of units -



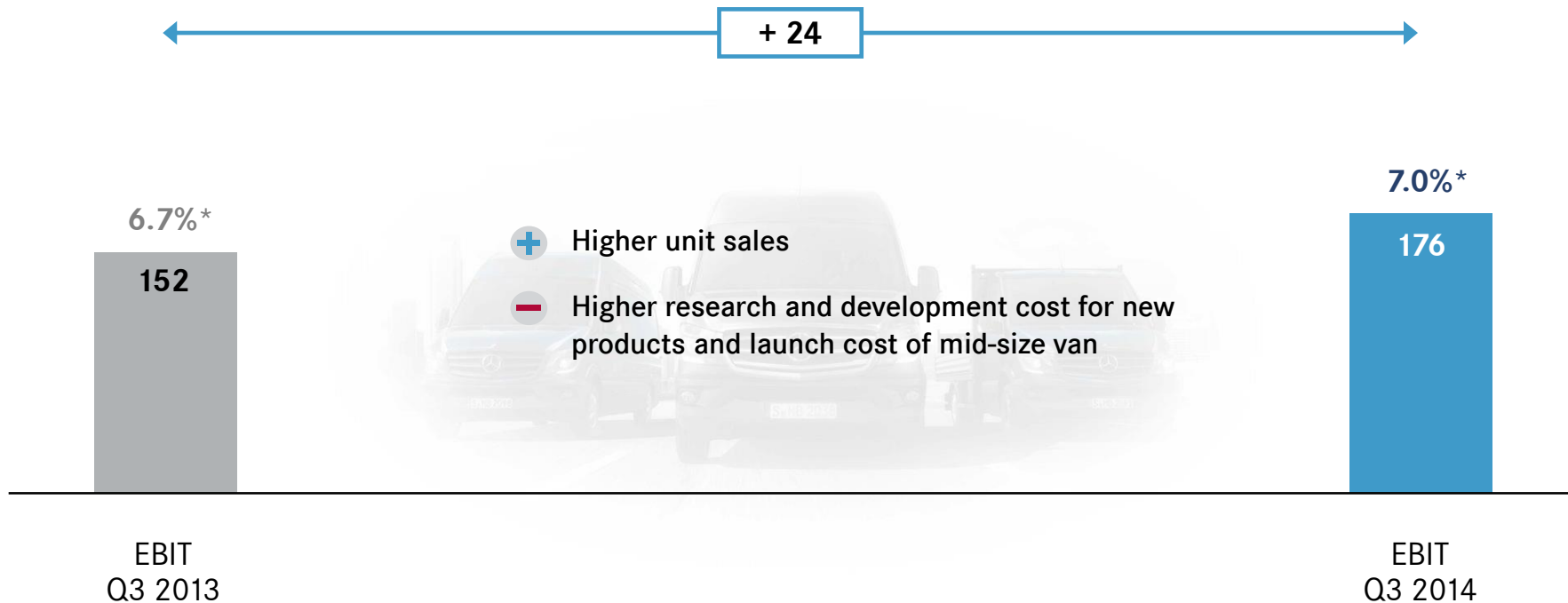
Daimler Trucks: Incoming orders below prior year

- in thousands of units -



Mercedes-Benz Vans: EBIT from ongoing business

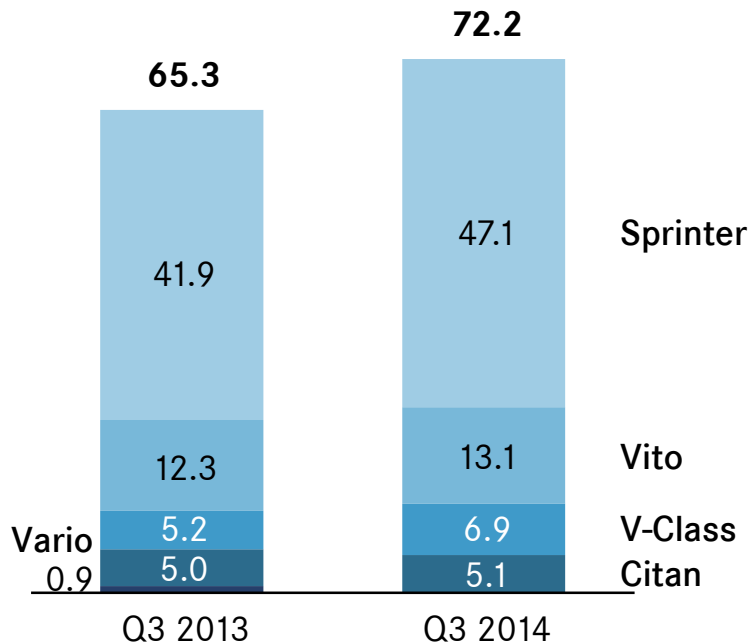
- in millions of euros -



* Return on sales

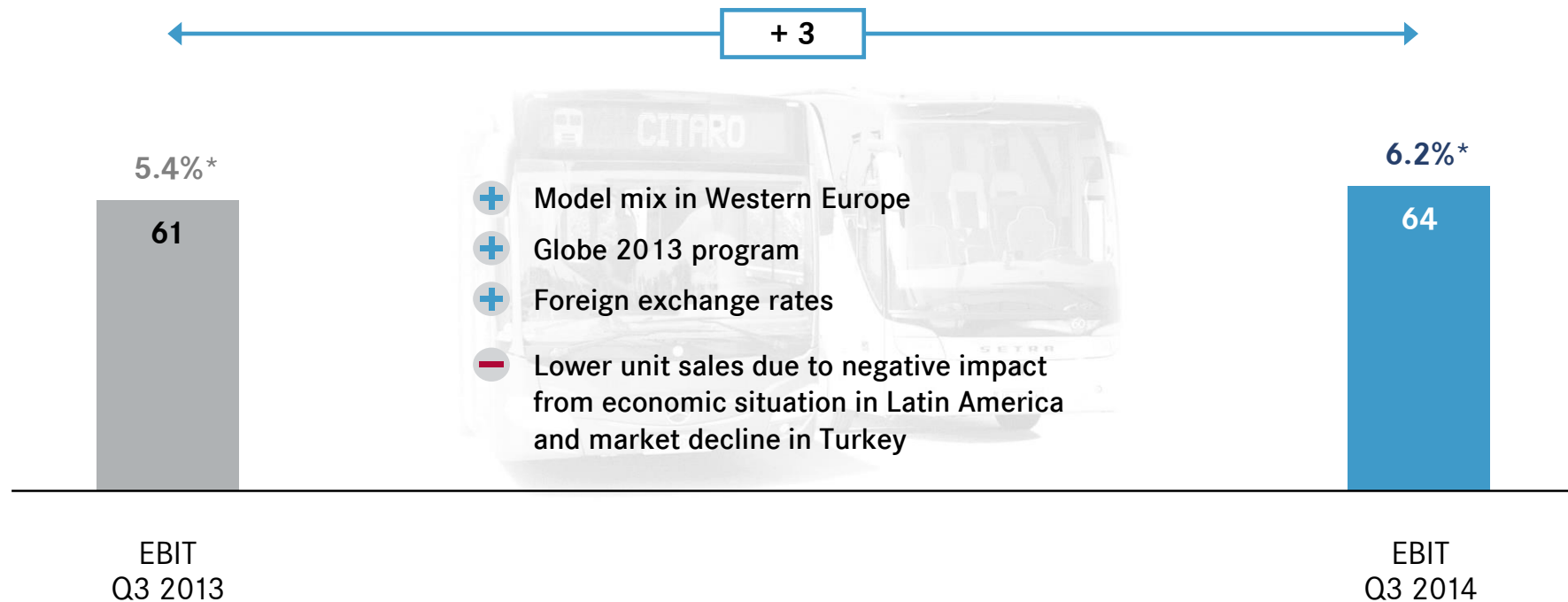
Mercedes-Benz Vans: Higher unit sales

- in thousands of units -



Daimler Buses: EBIT from ongoing business

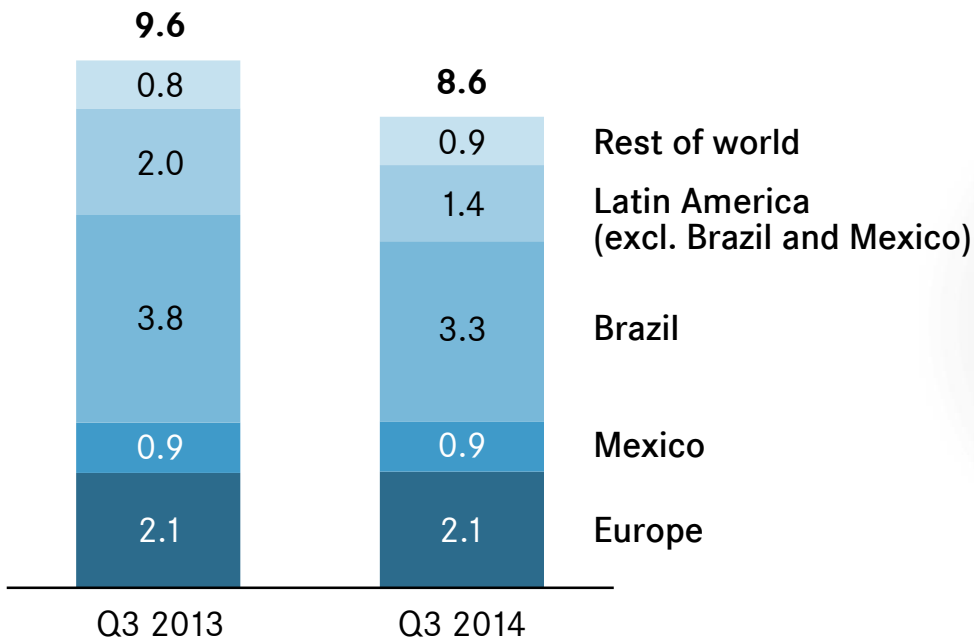
- in millions of euros -



* Return on sales

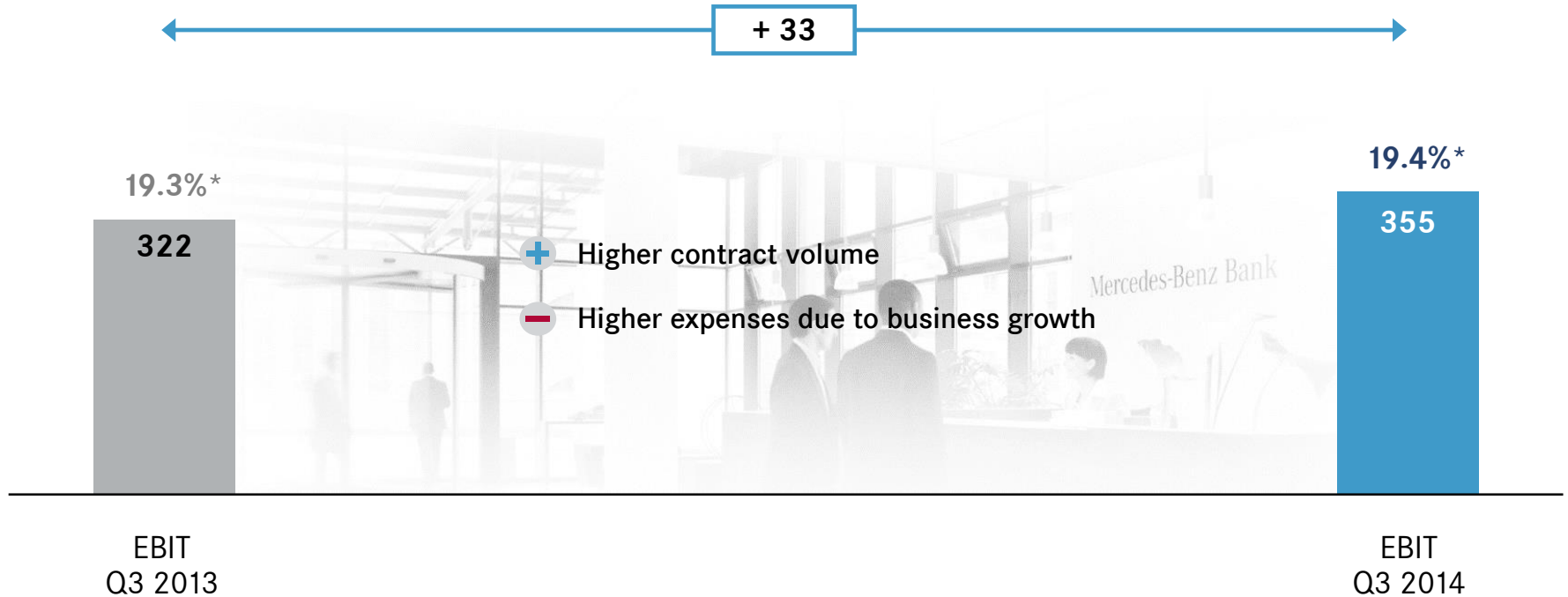
Daimler Buses: Sales decrease in Latin America

- in thousands of units -



Daimler Financial Services: EBIT from ongoing business

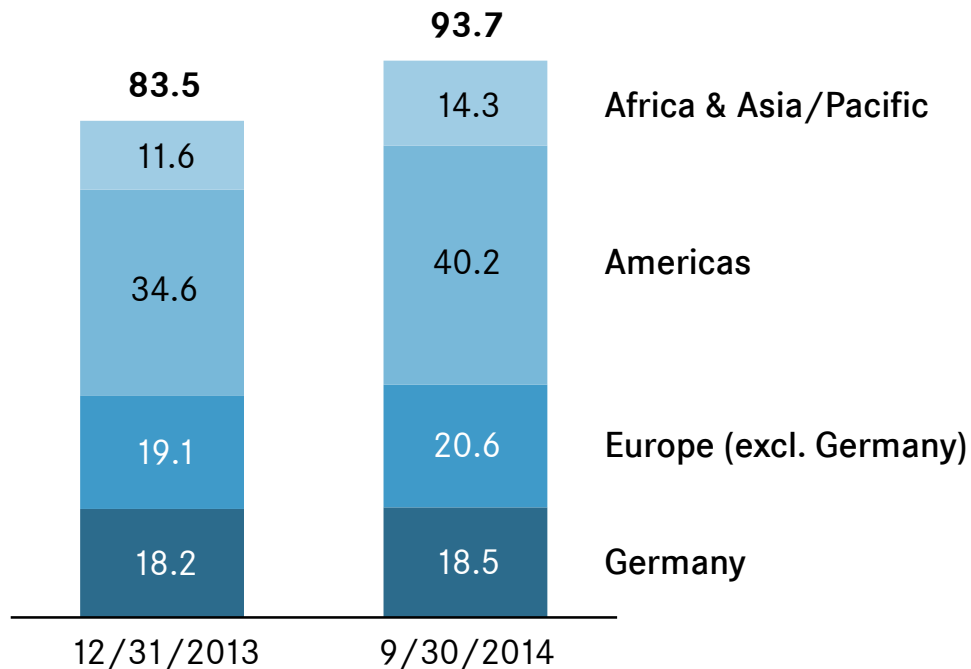
- in millions of euros -



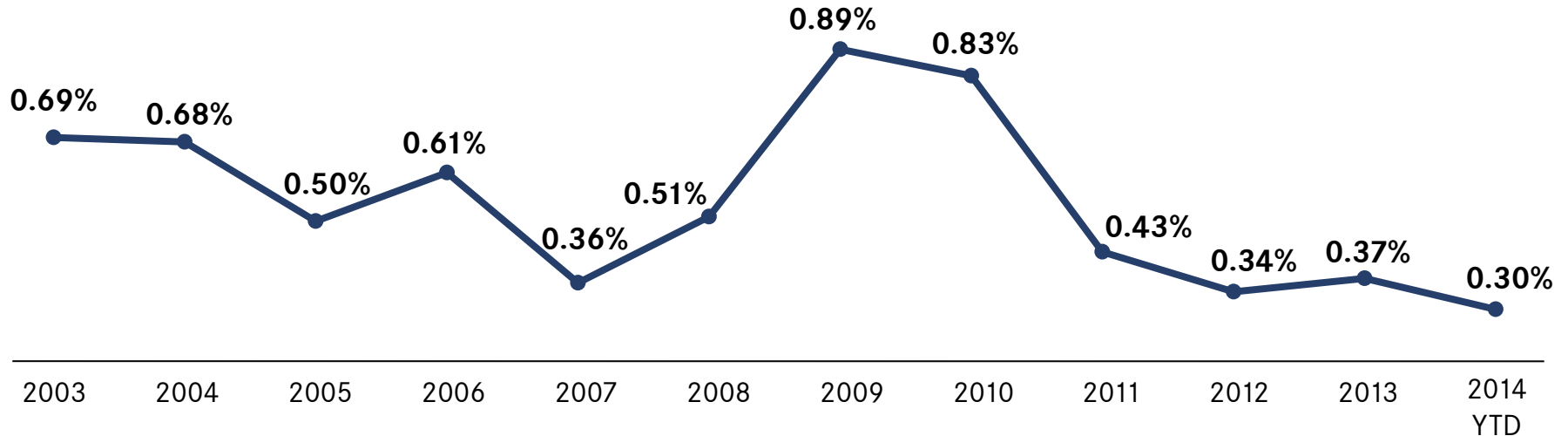
* Return on equity

Daimler Financial Services: Higher contract volume

- in billions of euros -



Daimler Financial Services: Net credit losses* at low level



* as a percentage of portfolio, subject to credit risk

Net profit excluding RRPSH and Tesla

- in billions of euros -

	January-September
	2014
Net profit, Group	6.1
Profit attributable to shareholders of Daimler AG	5.9
M&A transactions (RRPSH and Tesla)	1.4
Profit attributable to shareholders of Daimler AG, excluding M&A transactions	4.5

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 euro zone; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, epidemics, 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 preferences towards smaller, lower-margin vehicles; 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 for 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 for 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 and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes 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 date of publication.