

---

# **MERCEDES CAR GROUP**

## ***DIVISION DAY***

**“Mercedes Car Group On The Way Back To  
Benchmark Profitability”**

**Dr. Dieter Zetsche**

**Stuttgart**  
**September 19th, 2006**

# PERFORMANCE REVIEW 2005 – 2006

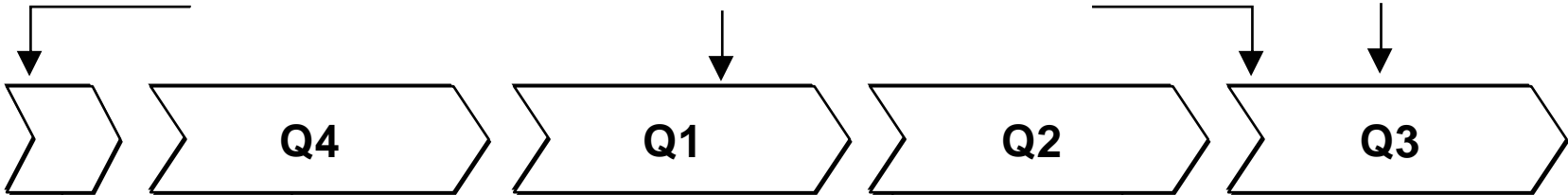
<b>Production Efficiency MB:</b>	<b>ca. +10%</b>
<b>Fixed Cost Base MB:</b> (expectation '06 vs. actuals '05)	<b>ca. -6%</b>
<b>Product Quality Improvement MB:</b> (expectation '06 vs. actuals '05)	<b>ca. +25%</b>

**Announcement Headcount Reduction 8,500**

**Smart: Focus on fortwo**

**Reduction Target 8,500 reached**

**Refined MB Brand Positioning**



**5 Major Product Launches:**



New S-Class



New R-Class



New GL-Class



E-Class  
(New Generation)

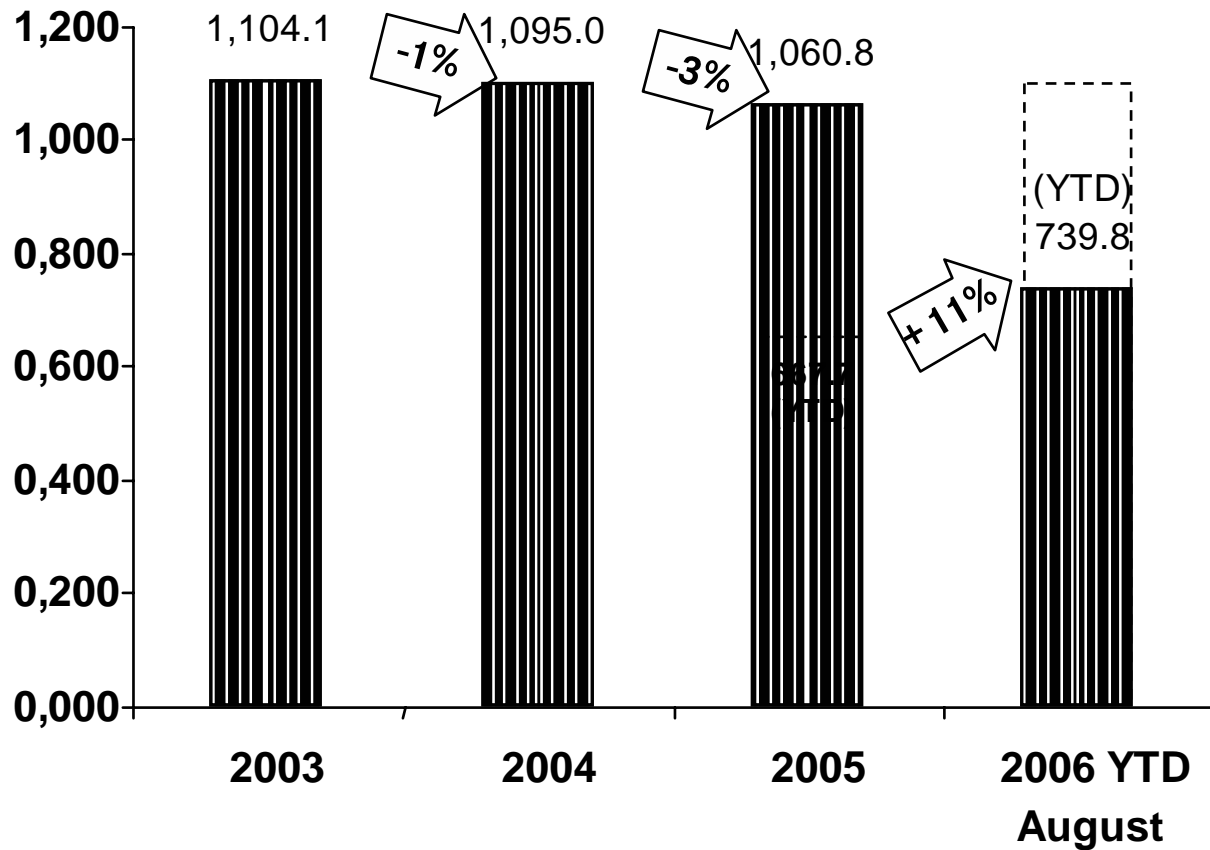


New CL-Class

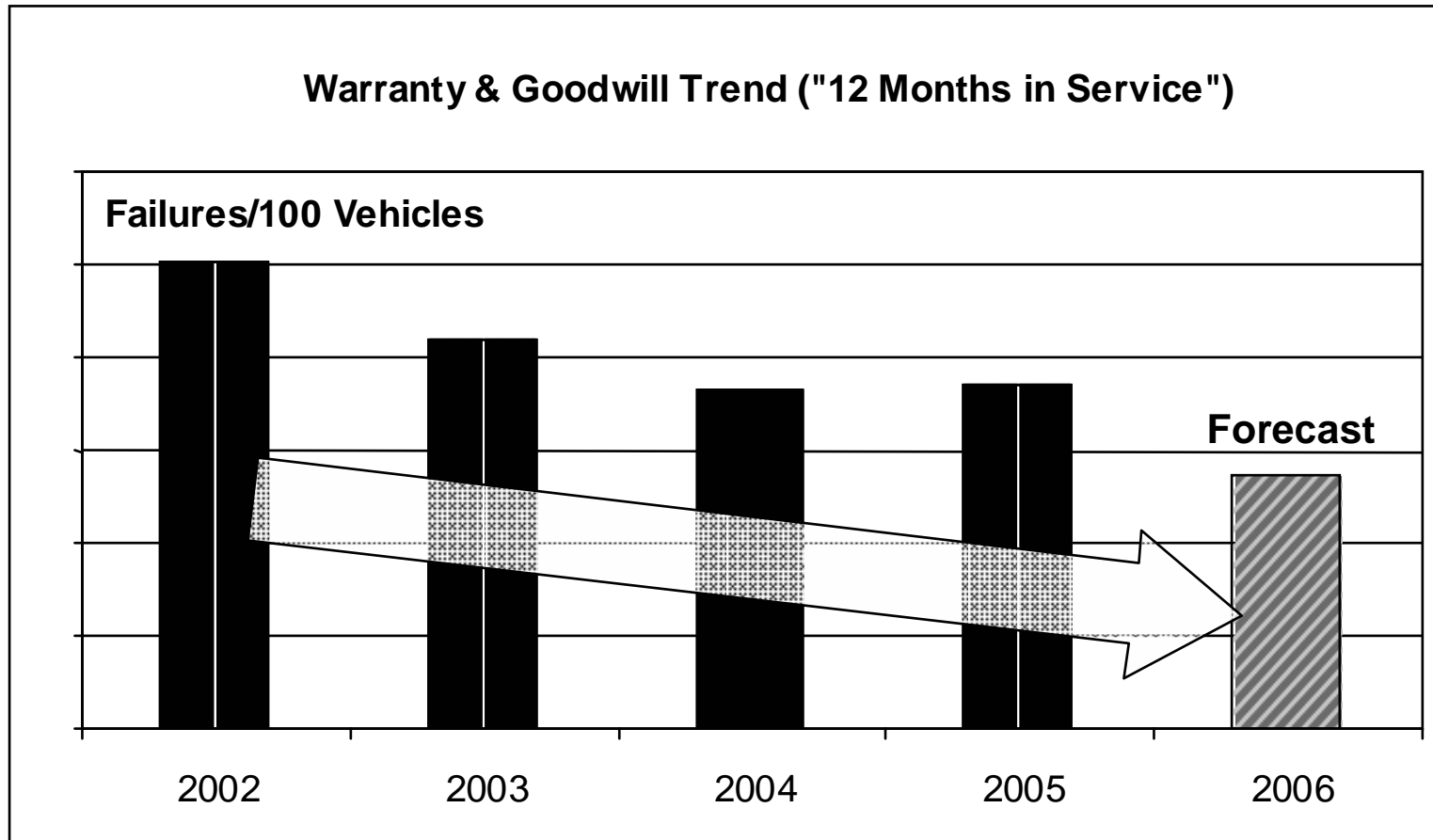
**Retail Sales MB YTD August 2006: +11%**

# MB DOWNWARD SALES TREND STOPPED

Mercedes-Benz  
Retail Sales  
[ 1,000 units ]



# PRODUCT QUALITY SIGNIFICANTLY IMPROVED



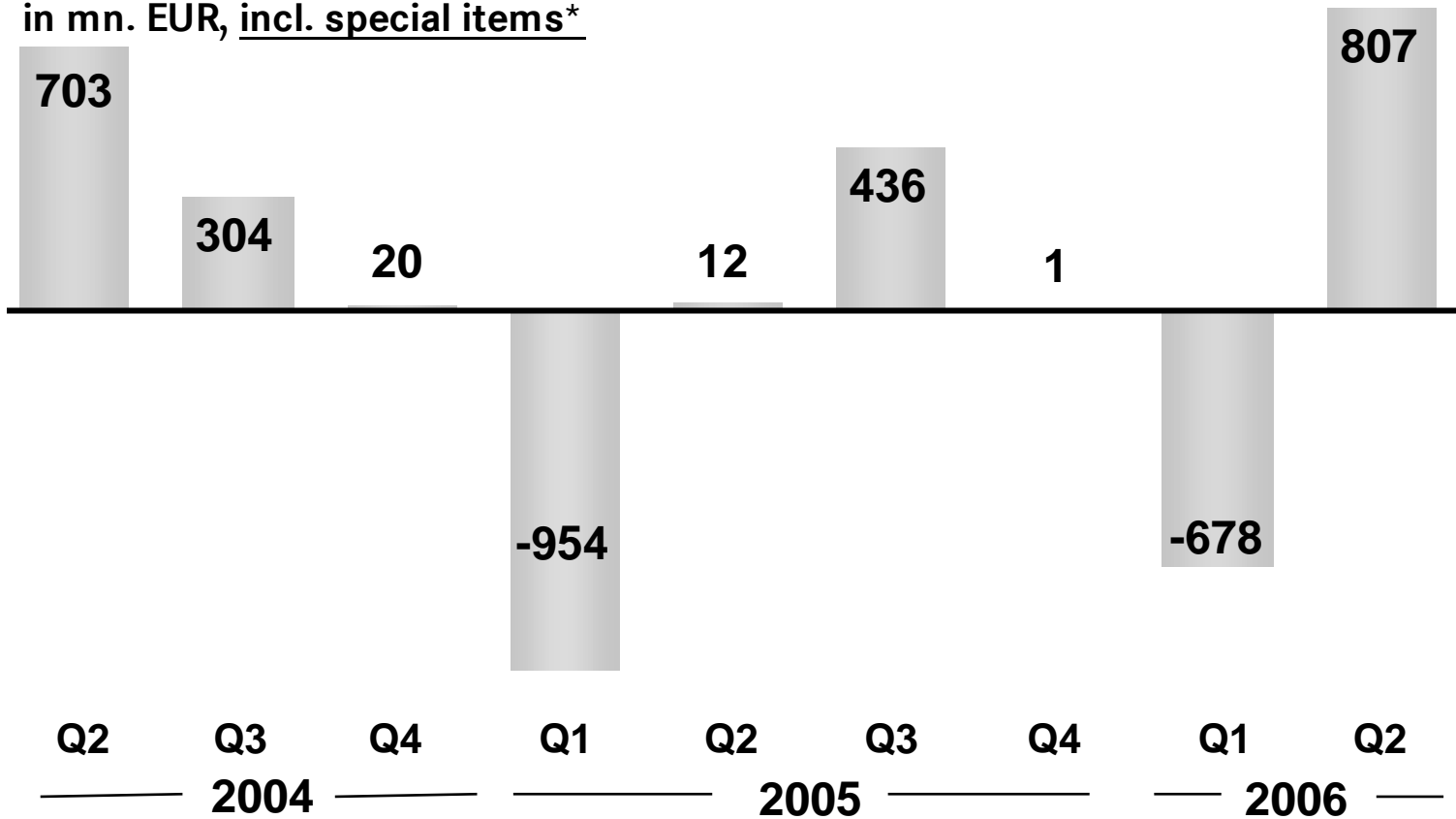
# SUCCESSFUL PRODUCT LAUNCHES

		Production Output	Quality	Market Perception
<b>S-Class</b>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>R-Class</b>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>GL-Class</b>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>E-Class (New Generation)</b>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>CL-Class</b>		<input type="radio"/> (ramp-up ongoing)	<input type="radio"/>	<input type="radio"/>

# OPERATING PROFIT DEVELOPMENT IMPACTED BY RESTRUCTURING CHARGES

Target:  
RoS  
7%

in mn. EUR, incl. special items\*

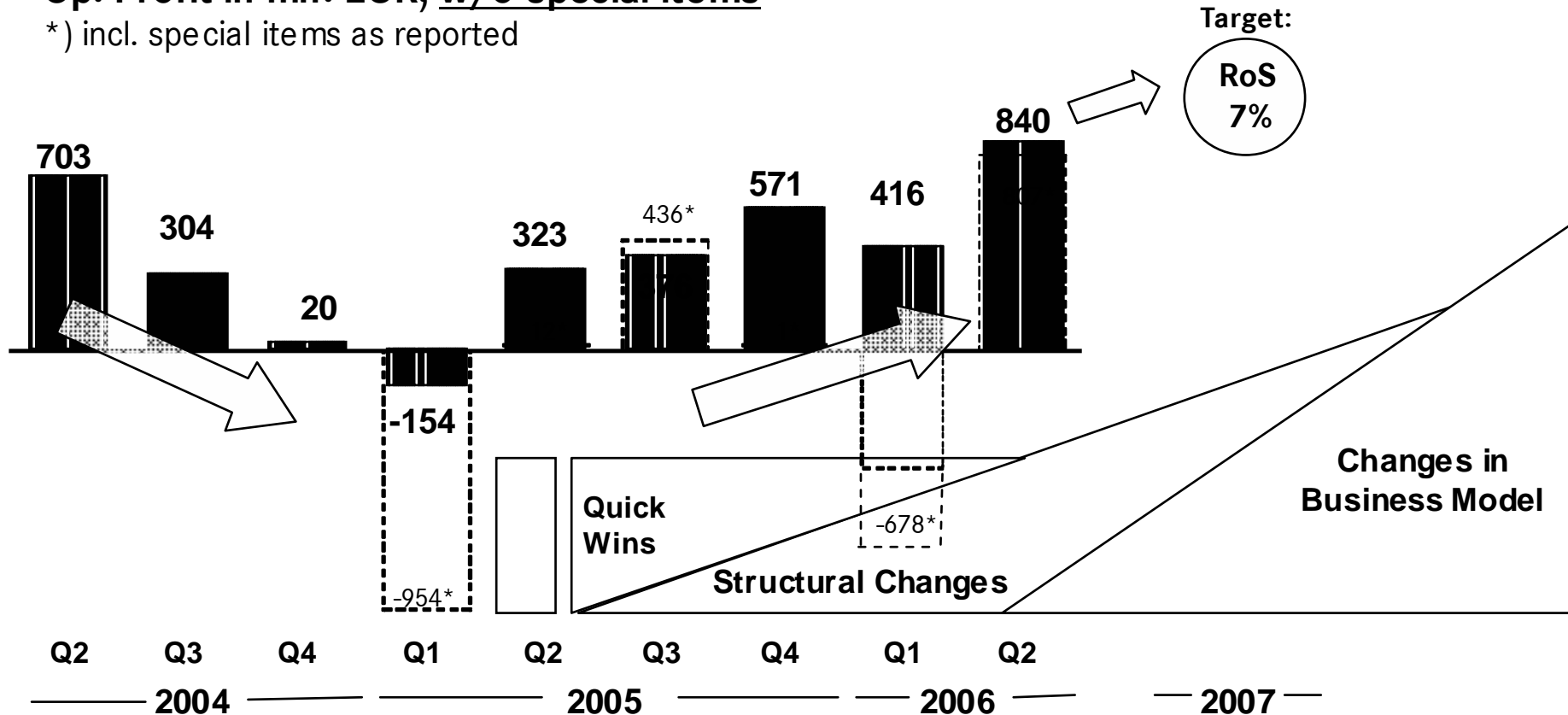


* smart restructuring	-800	-311	0	0	-982	-13
* MBPC staff reduction	0	0	0	-570	-203	-20
* Other special items	0	0	+60	0	+91	0

# TURNAROUND REFLECTED IN OPERATING PERFORMANCE

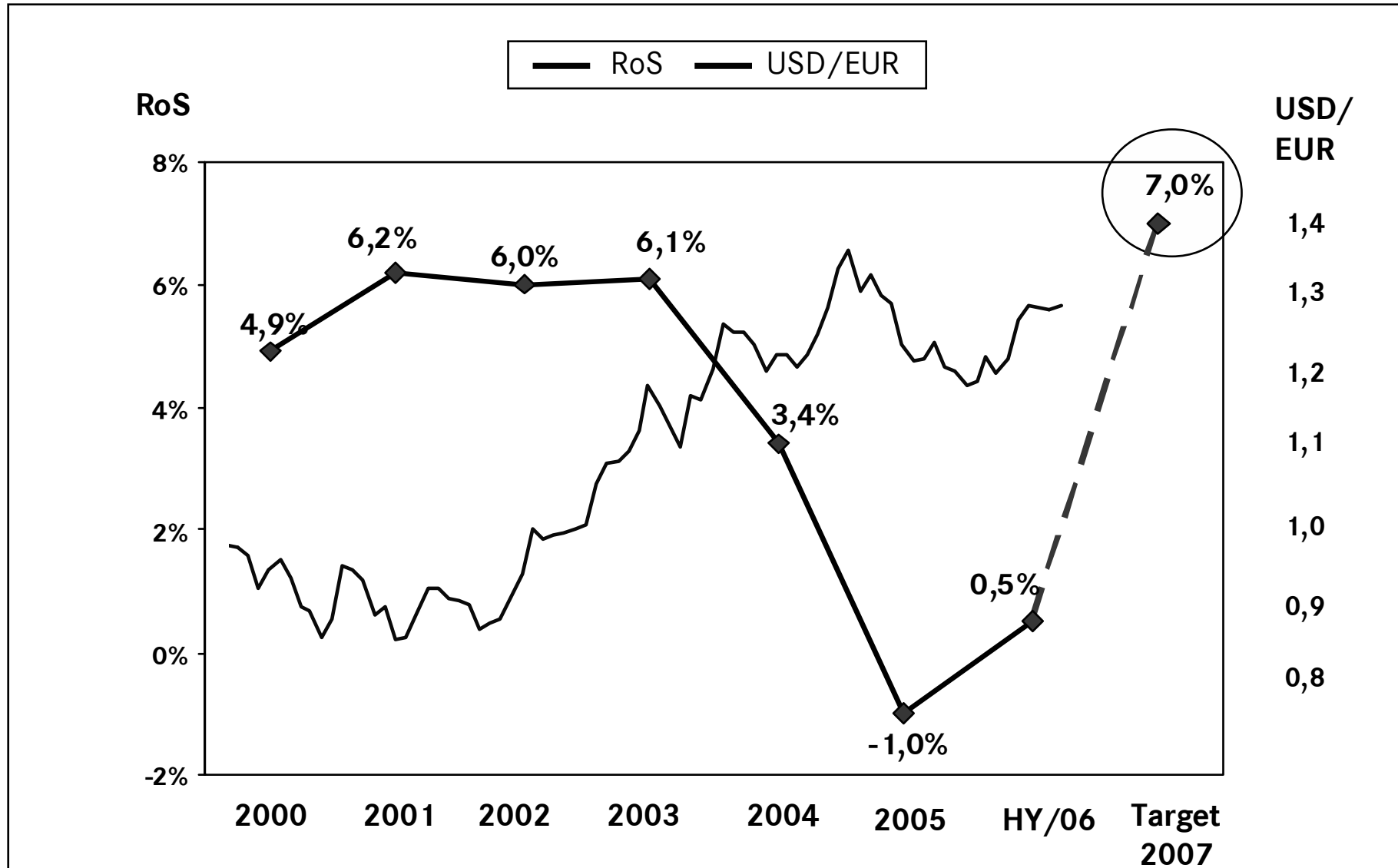
Op. Profit in mn. EUR, w/o special items

\* ) incl. special items as reported



smart restructuring	-800	-311	0	0	-982	-13
MBPC staff reduction	0	0	0	-570	-203	-20
Other special items	0	0	+60	0	+91	0

## DEVELOPMENT OF MCG ROS AND E/R USD/EUR





## SMART GOES USA

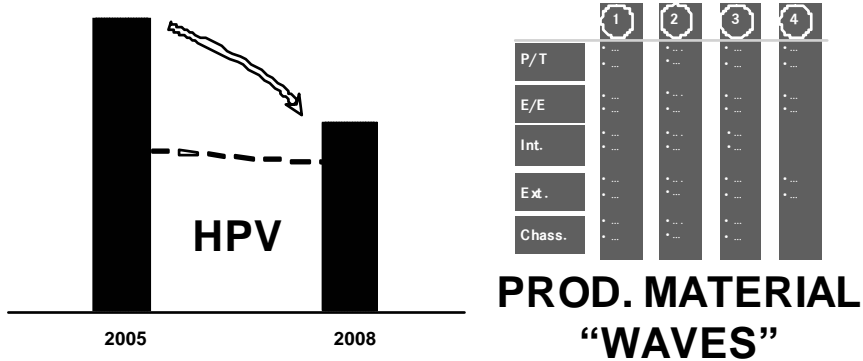


- Two strong partners (UnitedAuto and smart).
- The right product, at the right time, for the right market.
- Meeting the strong public demand and the increasing economical & environmental consciousness in the US.



# MAJOR LEVERS

## PRODUCTION & MATERIAL EFFICIENCY

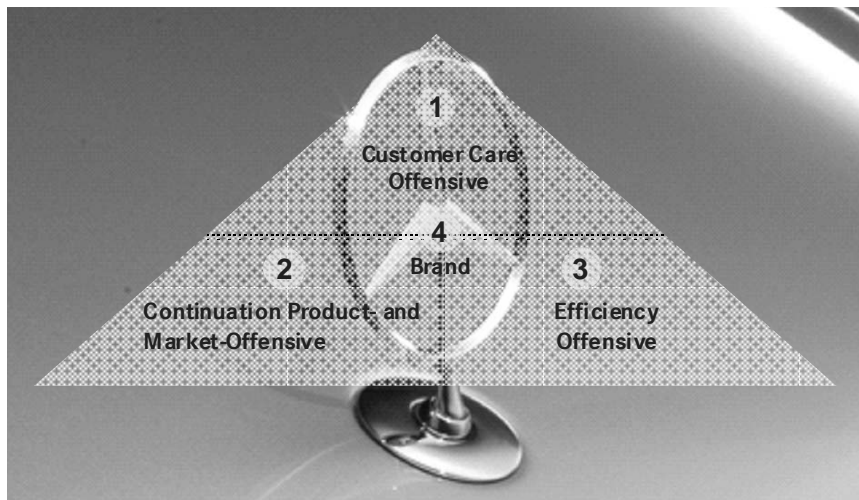


## MODULE STRATEGY

	A/B	C/E	S	M/R
Powertrain	...	...	...	...
E/E, Telematics	...	...	...	...
Chassis	...	...	...	...
Exterior	...	...	...	...
Interior	...	...	...	...
BIW	...	...	...	...

**CarLines**  
(Vehicle Architecture)

## CUSTOMER CARE & GROWTH



## BRAND POSITIONING



# NEW CL-CLASS

Mercedes-Benz Museum



## DISCLAIMER

This presentation contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in Europe or North America; changes in currency exchange rates, interest rates and in raw-material prices; introduction of competing products; increased sales incentives; the effective implementation of our New Management Model, and the CORE program, including the new business model for smart, at the Mercedes Car Group; renewed pressure to reduce costs in light of restructuring plans announced by our major competitors in NAFTA; disruption of production or vehicle deliveries, resulting from shortages, labor strikes or supplier insolvencies; the resolution of pending governmental investigations; and decline in resale prices of used vehicles. If any of these or other risks and uncertainties occur (some of which are described under the heading “Risk Report” in DaimlerChrysler’s most recent Annual Report and under the heading “Risk Factors” in DaimlerChrysler’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission), or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.