
DaimlerChrysler Commercial Vehicles NAFTA

Analyst Conference

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President and CEO Freightliner LLC

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Agenda



- **Overview**
- Status of Business
- Outlook

The Freightliner Group is North America's premier manufacturer of transport solutions. It comprises the region's leading commercial vehicle brands.



COMMERCIAL VEHICLE BRANDS



STRATEGIC PARTNERS

DaimlerChrysler Services Truck Finance



Freightliner LLC produces heavy and medium duty trucks as well as Fire trucks, School Buses, Chassis.



Freightliner LLC product range

EXAMPLES



Century S/T



Business Class M2



L-Line



Acterra

Freightliner Trucks:

Heavy-duty and medium duty trucks for long hauls. Regional transportation and services

Sterling Trucks:

Heavy-duty and medium work trucks for regional hauls and diverse vocational applications



Western Star Trucks:

Severe-duty and heavy-duty custom trucks for long-hauls and vocational applications



Thomas Built Buses:

School and commercial buses



Freightliner Custom Chassis Corporation:

Chassis for motorhomes, walk-in vans, school and shuttle buses.



American LaFrance:

Fire and emergency apparatus: chassis aerials, pumpers, rescuers, tankers, ambulances, wildland firefighting vehicles

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Freightliner Sales and Revenue



	2003	2004	Δ
Unit sales (w/o Sprinter)	119,315	152,354	+33,039
<i>Sprinter Sales</i>	8,946	12,836	+3,890
Revenue (US\$ bn)	9.9	12.4	+2.5
<i>Revenue excl. DDC (US\$ bn)</i>	9.2		

Market and Market Shares



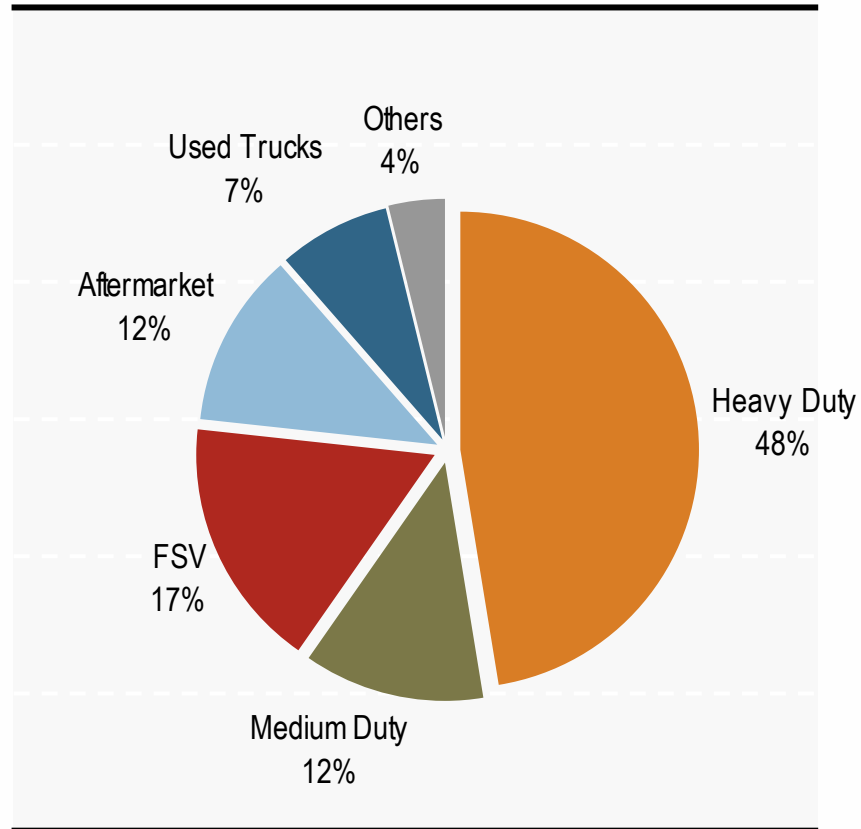
	2003	2004	Δ
Market Size Class 8	180	251	+71
Market Share Class 8	37.7%	35.0%	-2.7pp
Market Size Class 6/7	134	161	+27
Market Share Class 6/7	31.6%	31.0%	-0.6pp
Market Size Class 5	33	40	+7
Market Share Class 5	1.6%	1.4%	-0.2pp

Notes: Market size in '000 units

Revenue Break Down 99 vs. 04

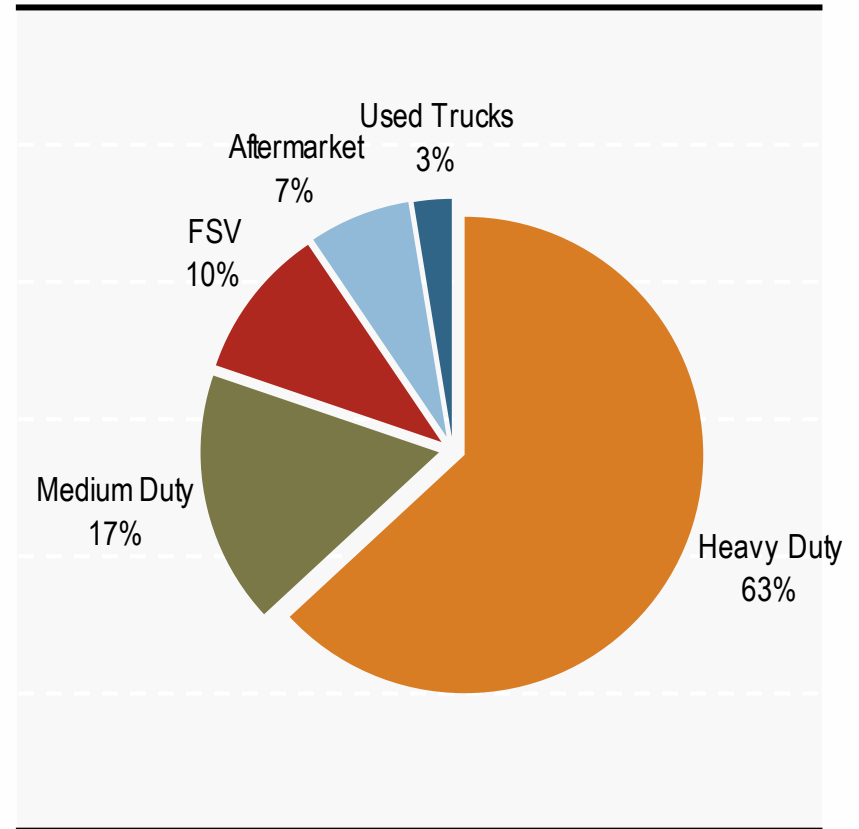


Revenue Mix 2004



Notes: CVD/N

Revenue Mix 1999



Notes: CVD/F

Pricing



	2001	2003	2004
Heavy Duty (FTL, STL, WST)	\$62,246	\$66,896	\$69,060
	Average improvement ~11%		
Medium Duty (FTL, STL)	\$42,018	\$42,591	\$44,301
	Average improvement ~5%		

Notes: Transaction Prices, incl. RMS and engine escalator

Used Trucks Inventory

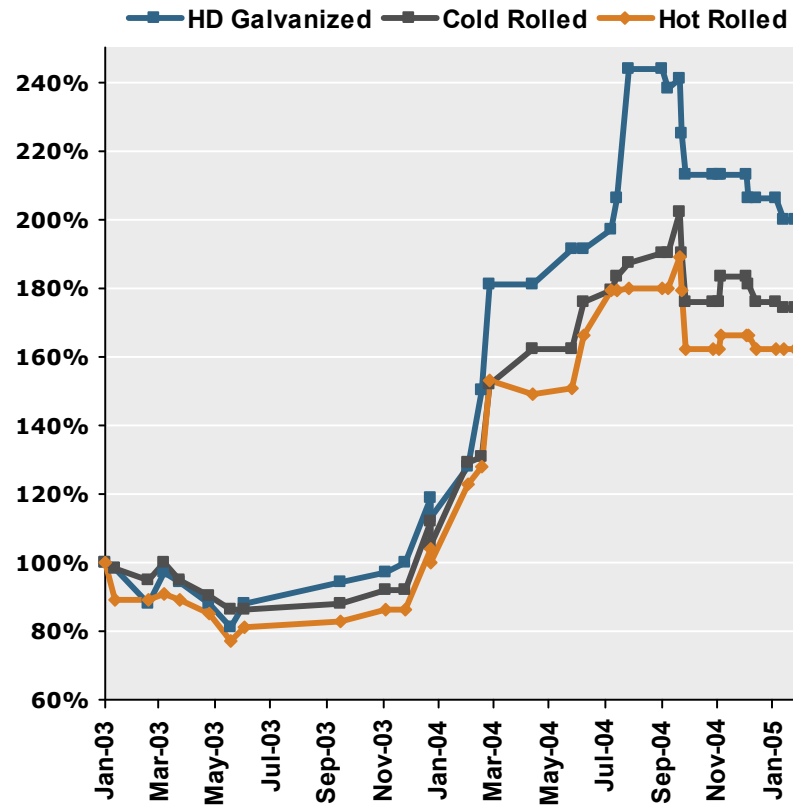


	2002	2003	2004
Corporate	15.100	12.600	9.100
Partially/Owned	5.600	5.200	2.900
Total	20.700	17.800	12.000

Notes: Average Transaction Prices

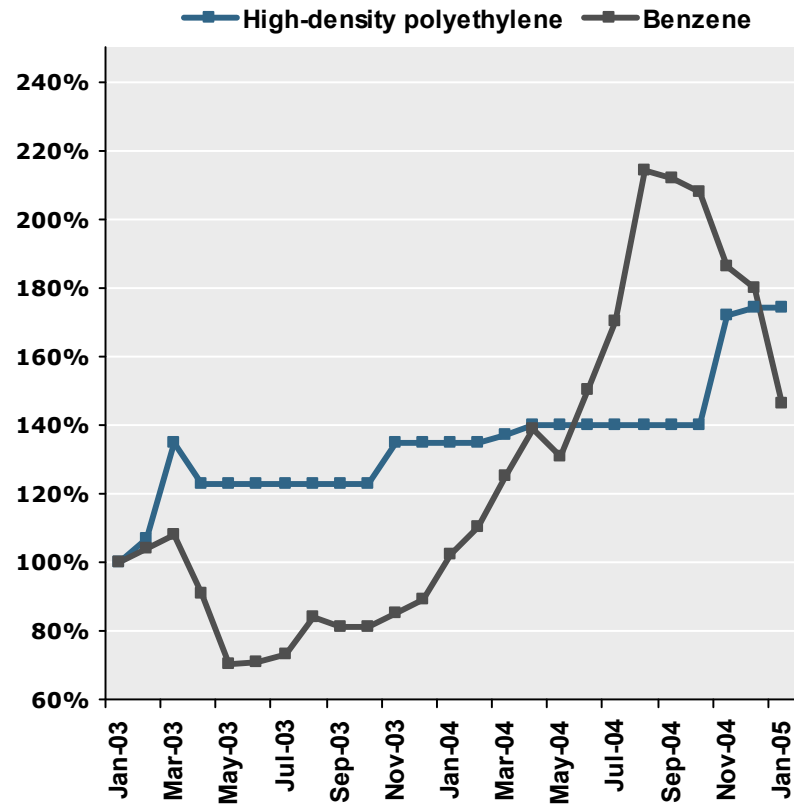
Raw Material Indices

Steel



Source: AMM MIDWEST AVE. MARKET PRICES – PROCESSED STEEL

Other



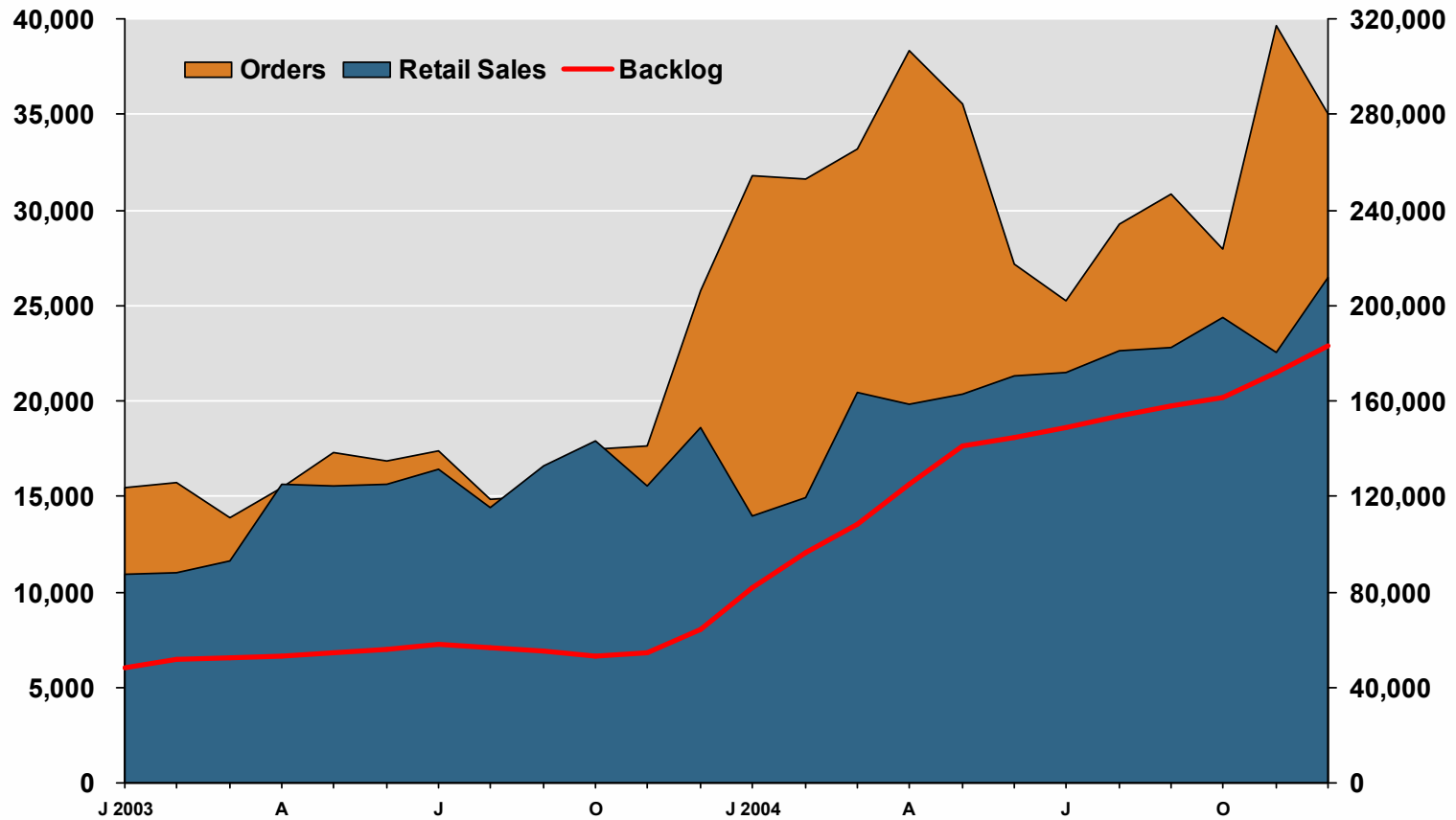
Source: PURCHASING BUSINESS INTELLIGENCE CTR.

Class 8 Orders-Backlog-Retail Sales



Orders/Retail Sales

Backlog



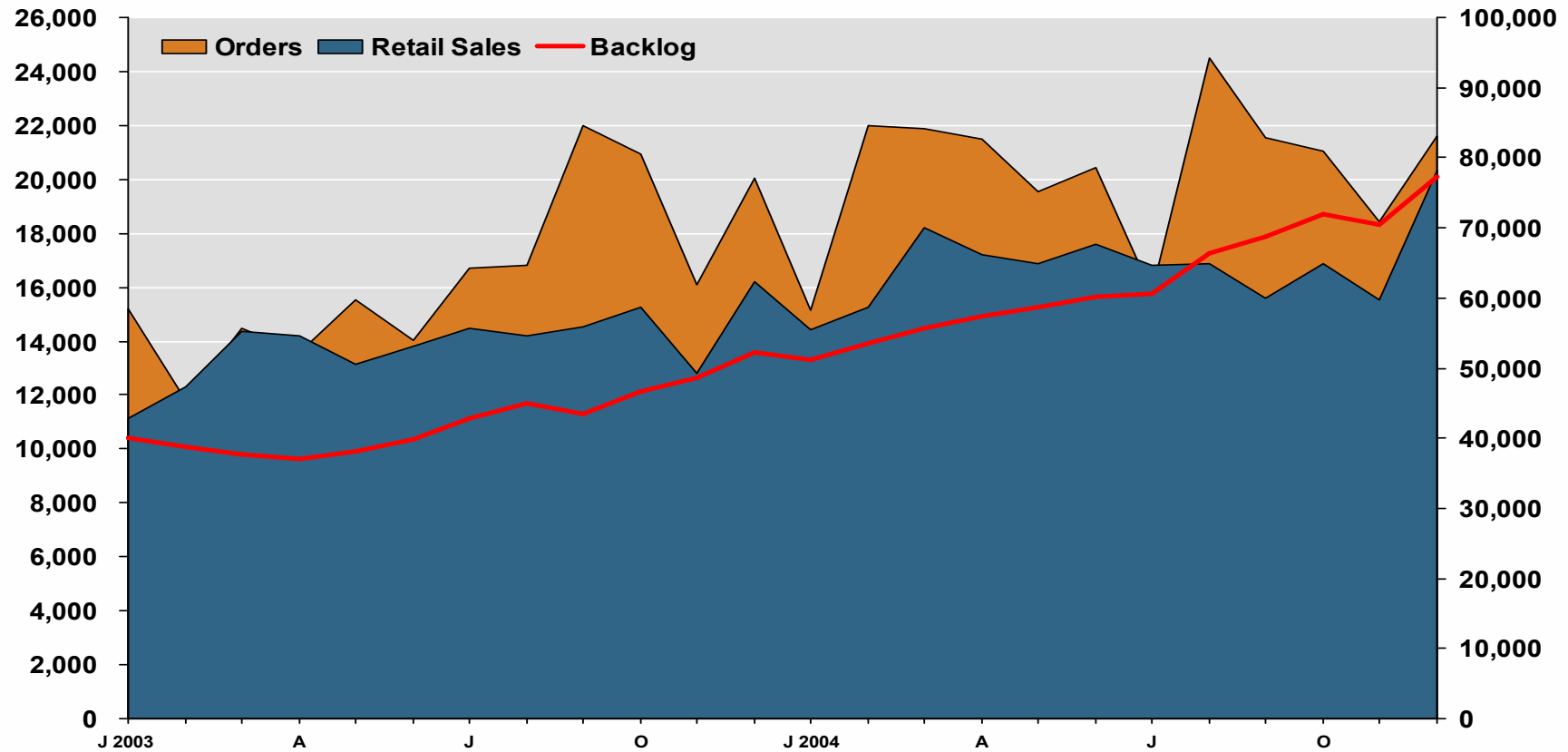
Note: Orders and Backlog are North American and Retail Sales are NAFTA

Marketing Strategy

Class 5-7 Orders-Backlog-Retail Sales



Orders/Retail Sales



Note: Orders and Backlog are North American and Retail Sales are NAFTA

Marketing Strategy

Proprietary Components



	2001	2003	2004	Target 2006
HD Engines (MBE 4000, S60)	57%	73%	78%	~85%
MD Engines (MBE 900)	18%	33%	33%	~50%
Axles	0%	6%	18%	~50%

Notes: 2001/2003 data from component usage report. 2004 data from scheduling document per component marketing group and AAC.

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Outlook assumptions



	2004	2005
Real GDP (% change SAAR)	4.5	3.4
Consumer Spending (% change SAAR)	3.7	3.4
Business Investment Equip (% change SAAR)	12.9	9.1
Unemployment Rate (%)	5.5	5.3
Industrial Production (% change SAAR)	4.5	3.8
Truck Tonnage Long Haul (% change SAAR)	5.0	3.2

Notes: Year end figures, SAAR = Real Economic Activity in Billions of US\$. Seasonally adjusted Quarter to Quarter at Annual Rates

Source: 2004 ACT Outlook Publications, 2005 YE contains DCAG premises

Market Outlook



	2004	2005	Δ
Market size Class 8	251	298	+47
Market size Class 6/7	161	180	+19

Notes: Market size in '000 units

Thank you!