

DAIMLER

Banker's Day India

Marc Llistosella,
CEO and Managing Director of DICV



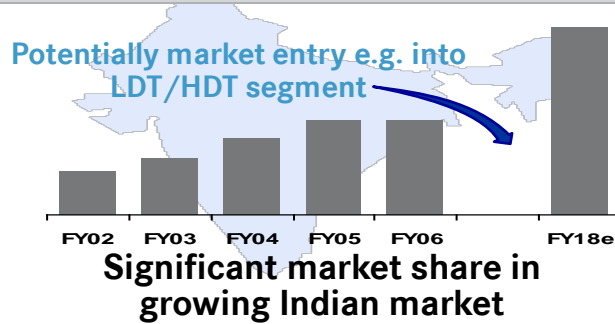
BHARATBENZ

Daimler India Commercial Vehicles Pvt. Ltd.

T/I Llistosella, December 2012

Indian market entry fulfils 4 strategic targets for Daimler Trucks

Access to Indian market



Indian low-cost export hub



Sourcing



Usage of low cost base for Daimler overall

Excellence centres



Low cost services for Cost Planning, Computer Aided Engineering & IT

Product development combined the best of two worlds – German DNA and Indian Engineering

Thorough studies of trucking conditions in India



- Mapping of road data for usage profiles
- Face-to-Face talks with drivers, fleet owners, customers and experts
- Matching of demand with existing Daimler platforms

Based on the findings, decision for two platforms was taken

Mercedes-Benz Axor



Mitsubishi Fuso Canter/ Fighter



- All Parts adapted to market requirements and production capability
- Local Sourcing as much as possible
- Import mineralized to bare essential

The result: A range of modern vehicles from 9-49 tons, delivering best Value for Money, driving the change

Light Duty

Heavy Duty

9 Ton

12 Ton

16 Ton

25 Ton

31 Ton

40 Ton

49 Ton



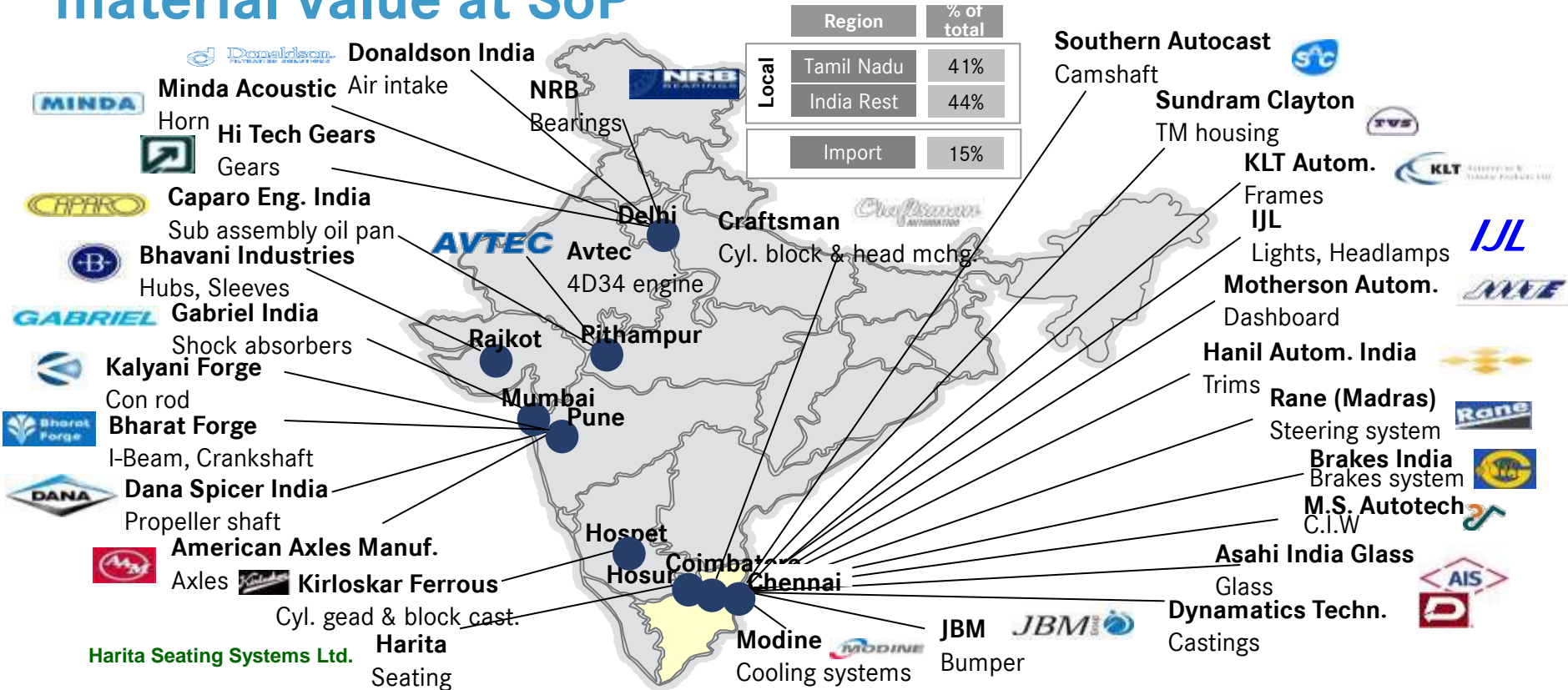
Powered by World Class Engines

- 4 cylinder
- 80kW ~ 125kW
- Fuel efficient for last mile distribution
- 6 cylinder
- 170kW ~ 205kW
- Long service intervals reduce service cost





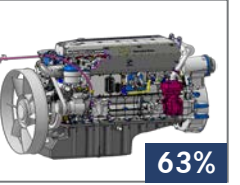






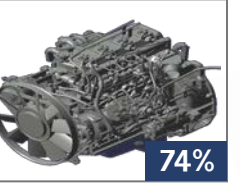


More than 6.5 Mio km on the state-of-the-art test track and Indian roads make reliability certain from day one



DICV's Supply Chain is on track to localize 85% of material value at SoP



85% localization target will be achieved by end of 2012 once testing of local parts is finalized

Entire Vehicle 2523R	Front Axle (VL4 6.6)	Rear & TAG Axle (RS4 440 & NR4)	Transmission (G85 SAE2)	Engine (OM906 230hp)	Frame (2523R)	Cab (Sleeper Cab)
 85%	 86%	 94%	 80%	 63%	 96%	 99%
In-house assy	AAM (KTO parts from DAI network)	AAM (KTO parts from DAI network)	In-house assy, all parts bought out	In-house assy, all parts bought out	KLT (KTO parts from DAI network)	MS Autotech
Entire Vehicle 914R	Front Axle (IF 3.6)	Rear Axle (AAM design)	Transmission (MO36S6)	Engine (4D34i)	Frame (914R)	Cab (Day Cab)
 85%	 92%	 100%	 90%	 74%	 96%	 99%
In-house assy	AAM	AAM	In-house assy, all parts bought out	AVTEC	KLT (KTO parts from DAI network)	MS Autotech

The DICV plant has become the home of Daimler truck manufacturing excellence in India for India



- 400 acres of land
- 176.000 sqm of covered plant area.
- Annual production capacity of 36.000 units per year, scalable to 72.000.
- High level of automation to pass on cost benefits down the value chain.
- One of only three worldwide Daimler Truck plants to produce engines and trucks

Latest technology & uncompromised Daimler standards ascertain highest precision & superior quality



Production facility incorporates state-of-the-art machinery and high level of automation



- 16 robots in Cab-in-white/
38% automation
- 100% automated Paint shop
with 2 coat Mitsubishi
Kawasaki paint process
- Engine production in line
with Rastatt and Manheim
plants
- 100% of the engines
produces are tested on load
and non load benches
- Filtered air-ventilation
provides dust free engine
production area

Flexible production process allows assembly of 17 different models from two brands on two lines

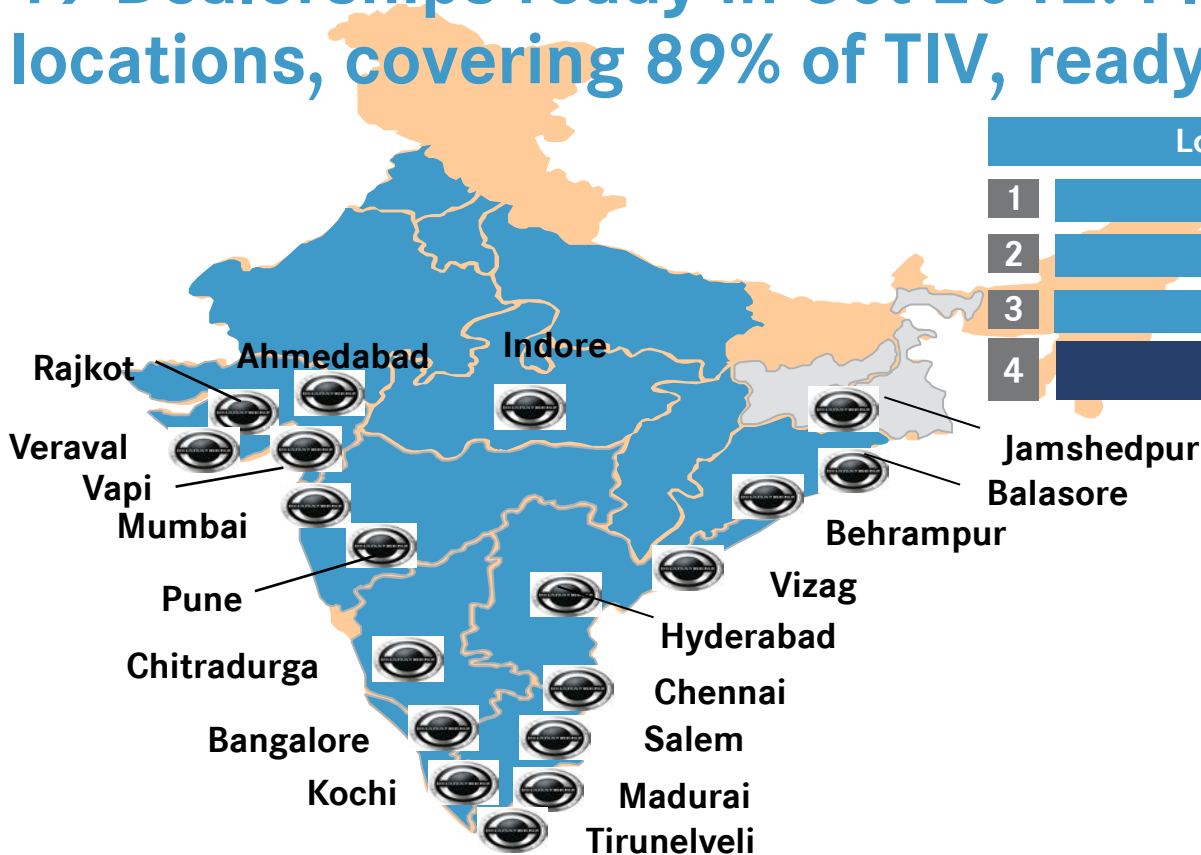


- Lean manufacturing according to Daimler Truck Operating System (TOS)
- Fishbone concepts routes 65% of material Just-in-time and Sequence to the line, cutting inventory costs
- 6 Quality inspection gates in assembly line
- An integrated training facility and learning islands along the line, guarantee for skilled workers

BharatBenz dealerships to be benchmark setups in the Indian CV industry



19 Dealerships ready in Oct 2012. Plan to have 109 locations, covering 89% of TIV, ready by Jan 2014



Location Readiness Plan		
1	Oct'12	19
2	Jan'13	57
3	Jun '13	80
4	Total Jan '14	109

Areas under prospecting

DICV completed tying up with leading financiers, BharatBenz Financial continues to be the first option

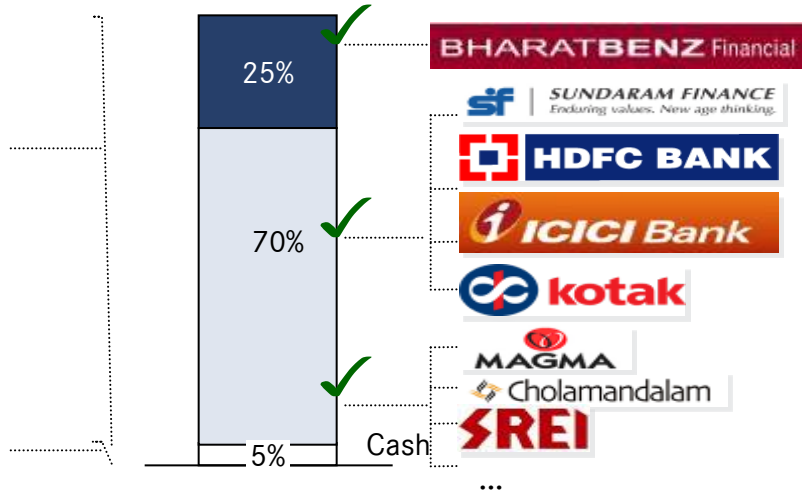
Financing Share India
Sales facilitation for commercial vehicles largely through loans

Financing Mode DICV
DICV established BharatBenz Financial and tied up with leading commercial vehicle financiers

Financing Mode Indian CV OEM
Truck OEM's secure business with captive and engage with financiers through tie ups

About 95% commercial vehicles are financed by loan in India

5% of the commercial vehicles are perceived to be directly paid in cash



1. Captive to be 1st choice financier for commercial vehicle sales
2. Truck manufacturers directly tie up 3-4 strategic commercial vehicle financiers
3. Coverage of other portfolio through mostly regional relations with relevant financiers

Same Financer Terms as Tata Motors

More than 500 vehicles delivered, first customers satisfied with high confidence in BharatBenz



Sanam Dhir
Dhir Roadlines, Mumbai -
Fleet owner 300 vehicles

“Very comfortable for drivers. I will not like to comment on mileage now. I am sure it will deliver better than my Tata fleet, is it 8% or 16% is the only question”

No of BharatBenz Vehicles: 2 nos.



Byram Dhalla
BD Dhalla Logistics,
Mumbai - Fleet owner of 150 vehicles,
longest established transporter in Mumbai

“Thrilled. I did not expect this performance. I am getting about 15% lower fuel bills now”

No of BharatBenz Vehicles: 2 nos.



HR Khurana
Sheetal Parivahan, Mumbai -
Pioneers in refer operations
in India

“Vehicles are very good and delivering higher mileage. My drivers are very happy and are not wanting to drive other vehicles”

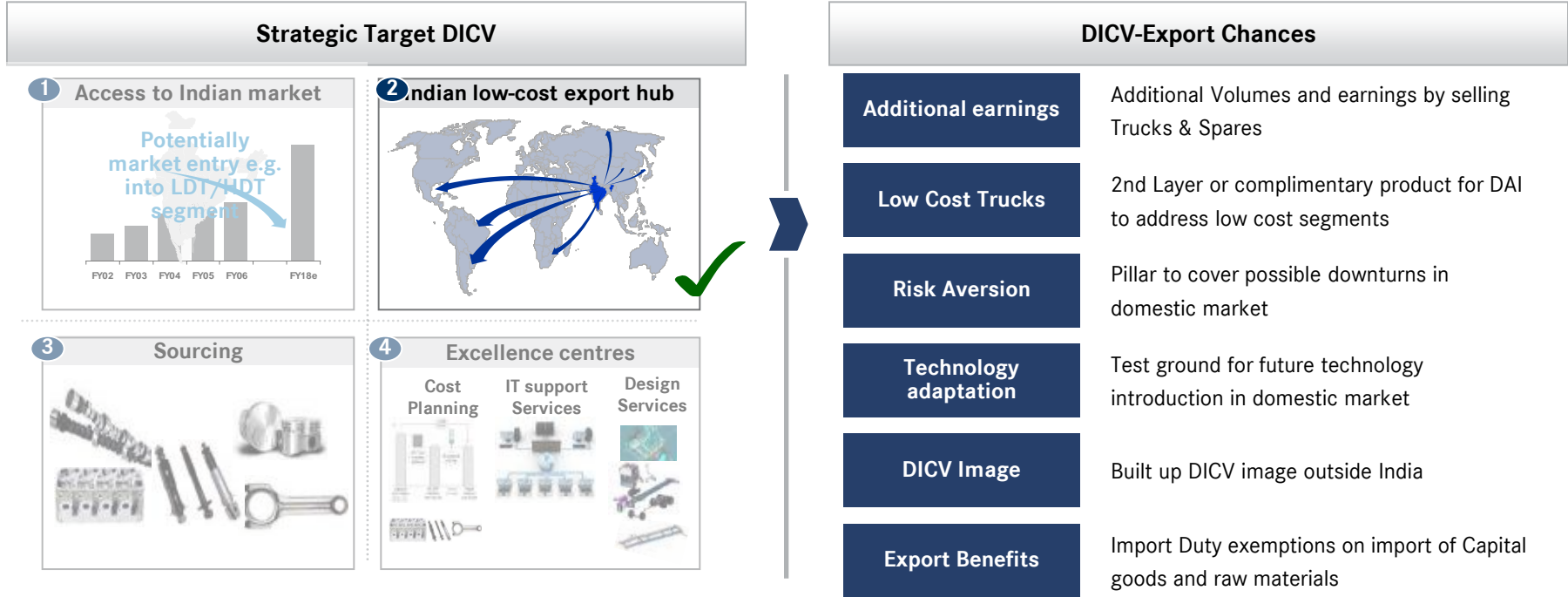
No of BharatBenz Vehicles: 2 nos.



A passionate fan of Benz trucks

“Now comes the real Benz, I used to drive one like a king till the end of 90s. Now although I am bit old but yes I will definitely like to enjoy the drive as soon as possible. When you are going to give the same in the market?”

As centerpiece of DICV's strategy, exports offer multiple chances to target significant markets

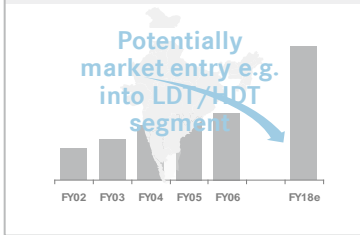


Export opportunities for DICV in relevant export markets through introduced and existing DAI sales networks and strong global brands

Provide Global Support from DICV Shared Services Chennai Center to other Daimler Trucks locations

Strategic Target DICV

1 Access to Indian market



2 Indian low-cost export hub



3 Sourcing



4 Excellence centres

Cost Planning	IT support Services	Design Services

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Objectives



Reduced Cost



In-house Business & Technical Expertise



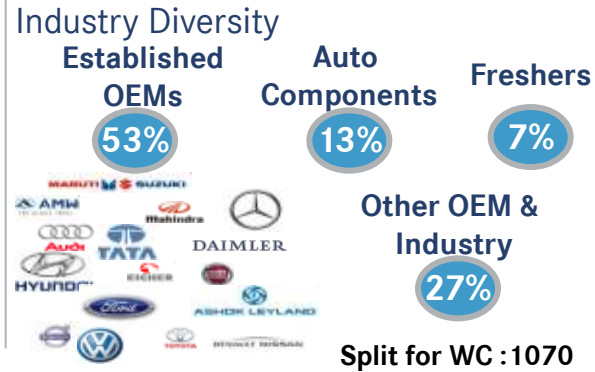
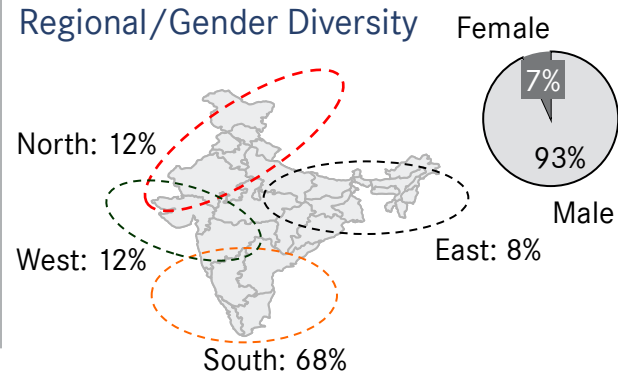
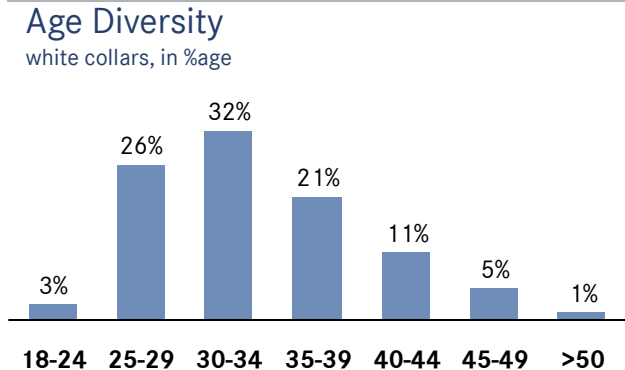
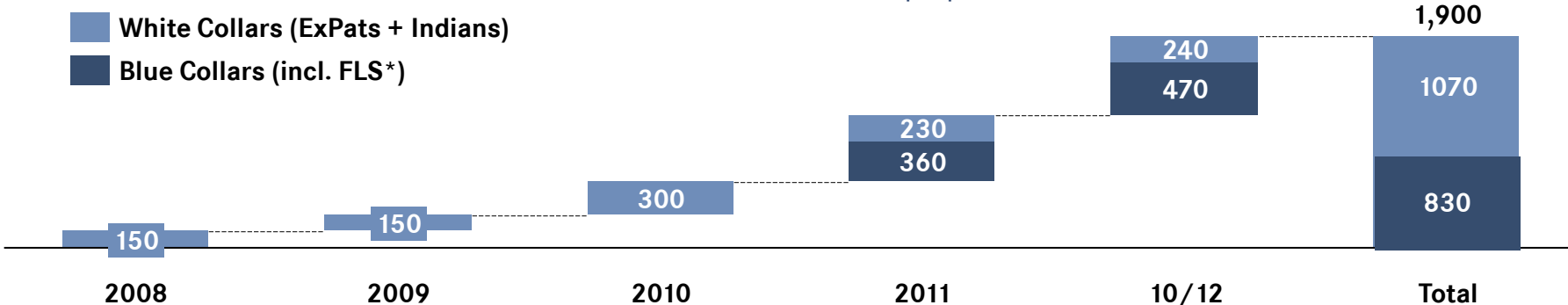
Global Process Implementation



Center of Excellence

DICV with a good mix of experienced employees from multicultural groups, driving professional experience

DICV Headcount ramp-up



* Front line supervisor

“We are ready”



DICV Team, 2012



Power Ahead