

DAIMLER

Q1 2014 Results

Bodo Uebber

Member of the Board of Management

Finance & Controlling and Daimler Financial Services

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Results for Q1 2014

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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

Significant positive EBIT and cash flow effects from investments in Tesla and Rolls-Royce Power Systems expected

Tesla

- Daimler hedged capital gains of Tesla stake in Q4 2013
- Further share price increases of Tesla caused a negative non-cash accounting effect in Q1 2014
- Upcoming change in Tesla board composition will cause significant non-cash capital gain in Q2 2014
- Book value of at-equity investment in Tesla: €12 million
- Fair value of our stake in Tesla was €736 million at March 31, 2014
- Successful partnership to be continued

Rolls-Royce Power Systems

- Daimler decided to sell 50-percent equity interest in Rolls-Royce Power Systems Holding (RRPSH) to Rolls-Royce by making use of its put option
- Fair market value determined at €2.43 billion
- Book value of investment in RRPSH: €1.4 billion
- Transaction is subject to regulatory approvals
- Close cooperation with Rolls-Royce Power Systems to be continued

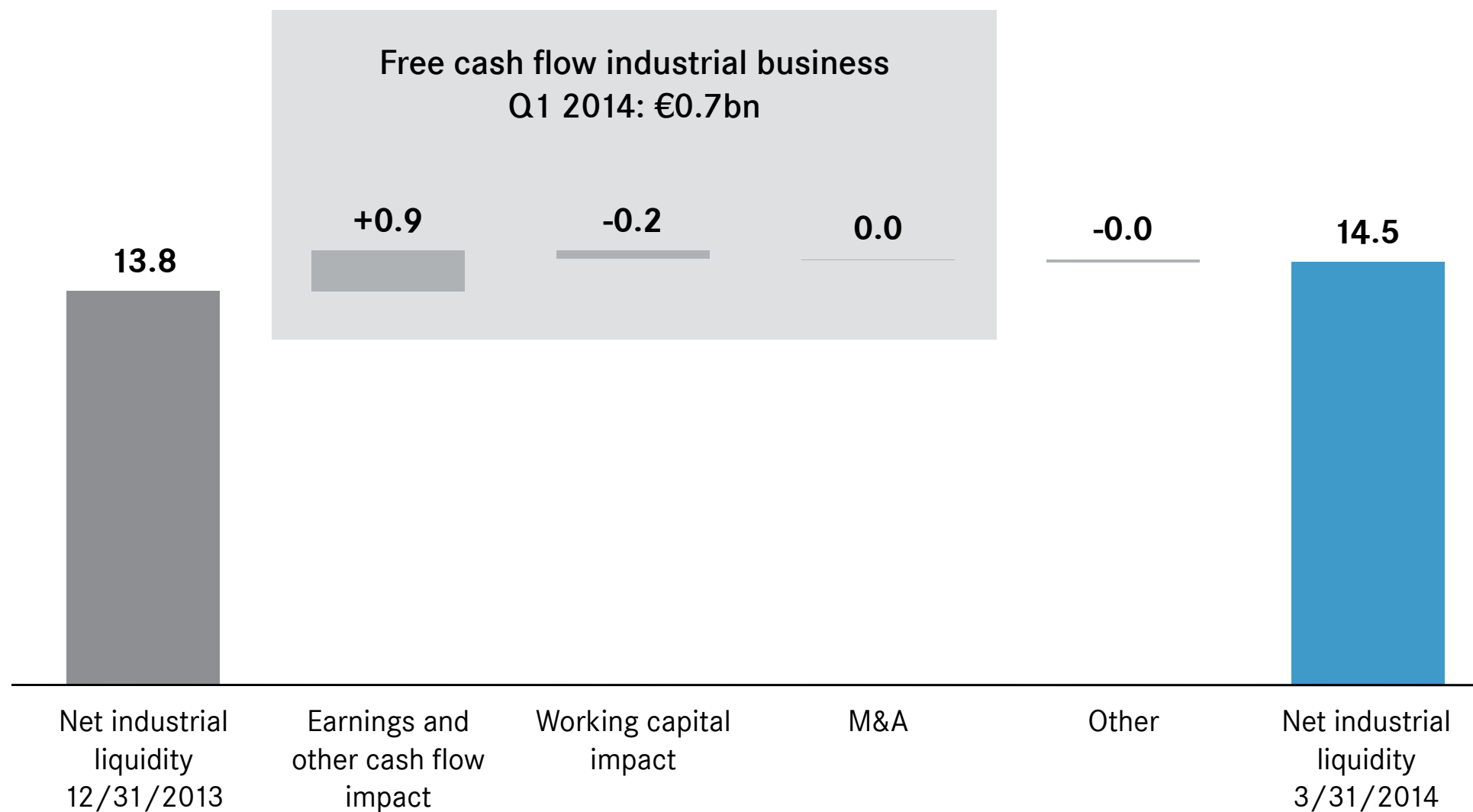
Key balance sheet figures

– in billions of euros –

Daimler Group	Dec. 31, 2013	March 31, 2014
Equity ratio	24.3%	23.9%
Gross liquidity	18.1	18.3
Industrial business		
Equity ratio	43.4%	41.8%
Net liquidity	13.8	14.5

Increase in net industrial liquidity in Q1 2014

- in billions of euros -



Unit sales

- in thousands of units -

	Q1 2013	Q1 2014	% change
Daimler Group	501.6	565.8	+13
of which			
Mercedes-Benz Cars	341.5	389.5	+14
Daimler Trucks	101.4	108.5	+7
Mercedes-Benz Vans	52.6	61.1	+16
Daimler Buses	6.0	6.7	+11

Product highlights (I)



New S-Class Coupé



New C-Class



New GLA-Class

Product highlights (II): Mercedes-Benz and smart electric vehicles



Product highlight (III)



New Mercedes-Benz V-Class

Product highlights



New Mercedes-Benz Actros SLT



Freightliner Cascadia Evolution



New BharatBenz heavy-duty truck

Product highlight



Mercedes-Benz Sprinter

Product highlights



Mercedes-Benz Citaro LE



Setra MultiClass 400



Mercedes-Benz Sprinter Transfer



Setra TopClass 500

Revenue by division

– in billions of euros –

	Q1 2013	Q1 2014	% change
Daimler Group	26.1	29.5	+13
of which			
Mercedes-Benz Cars	14.1	17.0	+21
Daimler Trucks	7.0	7.1	+1
Mercedes-Benz Vans	2.0	2.2	+11
Daimler Buses	0.8	0.9	+14
Daimler Financial Services	3.6	3.8	+6
Contract volume of Daimler Financial Services*	83.5	84.3	+1

* Figures as of December 31, 2013 and March 31, 2014.

EBIT by division

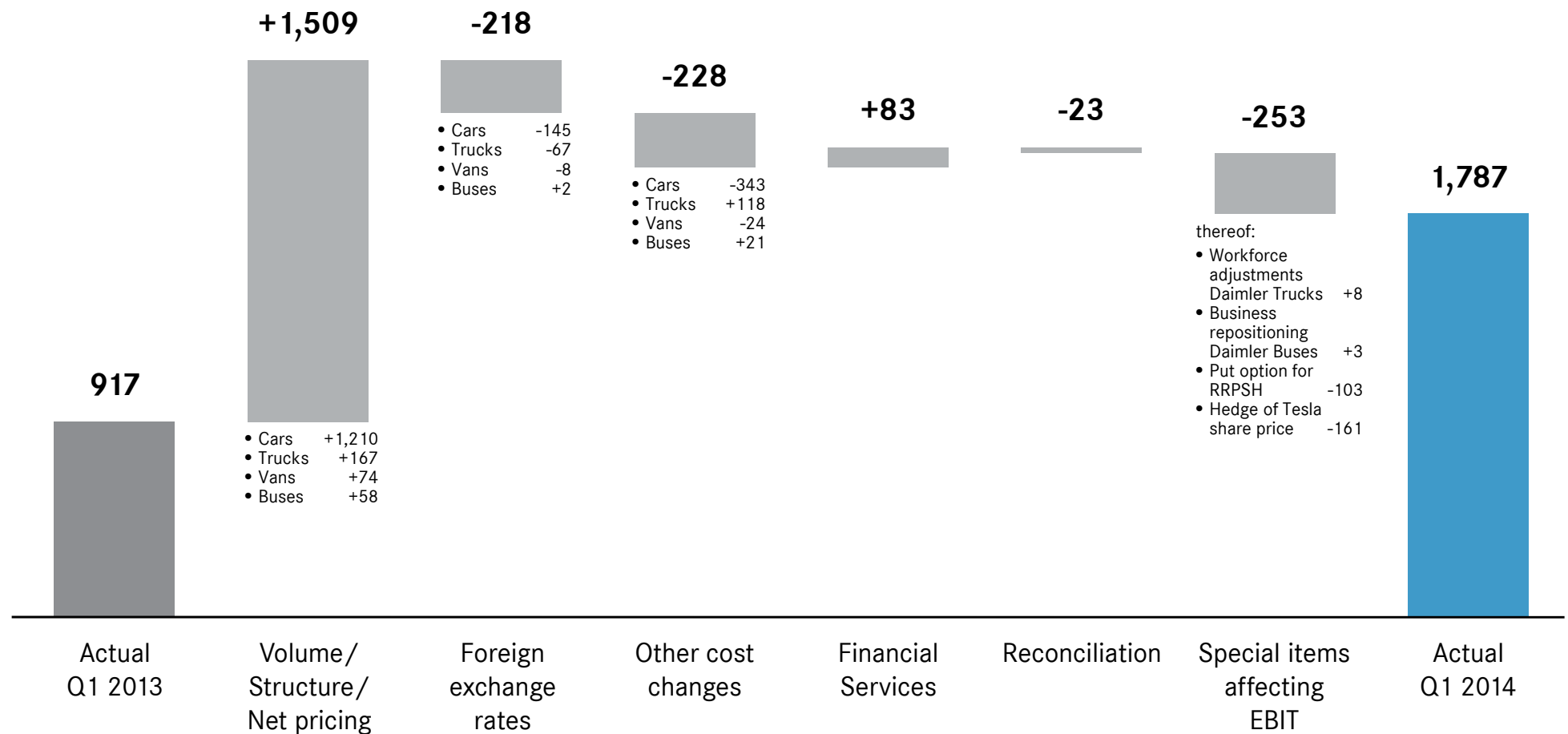
– EBIT in millions of euros; RoS in % –

	Q1 2013		Q1 2014	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	917	2.7	1,787	5.4
of which				
Mercedes-Benz Cars	460	3.3	1,183	7.0
Daimler Trucks	116	1.7	341	4.8
Mercedes-Benz Vans	81	4.1	123	5.6
Daimler Buses	-31	-4.1	53	6.2
Daimler Financial Services	314	–	397	–
Reconciliation	-23	–	-310	–

* Return on sales; Daimler Group excluding Daimler Financial Services

Group EBIT in Q1 2014

- in millions of euros -



Special items affecting EBIT

- in millions of euros -

	1 st quarter	
	2013	2014
Daimler Trucks		
Workforce adjustments*	-13	-5
Daimler Buses		
Business repositioning	-4	-1
Reconciliation		
Measurement of put option for Rolls-Royce Power Systems Holding	-15	-118
Hedge of Tesla share price	-	-161

* Daimler Trucks expects expenses from workforce adjustments in a total of up to €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 % –

	Q1 2013		Q1 2014	
	EBIT	RoS*	EBIT	RoS*
Daimler Group	949	2.8	2,072	6.5
of which				
Mercedes-Benz Cars	460	3.3	1,183	7.0
Daimler Trucks	129	1.8	346	4.9
Mercedes-Benz Vans	81	4.1	123	5.6
Daimler Buses	-27	-3.6	54	6.3
Daimler Financial Services	314	–	397	–
Reconciliation	-8	–	-31	–

* Return on sales; Daimler Group excluding Daimler Financial Services

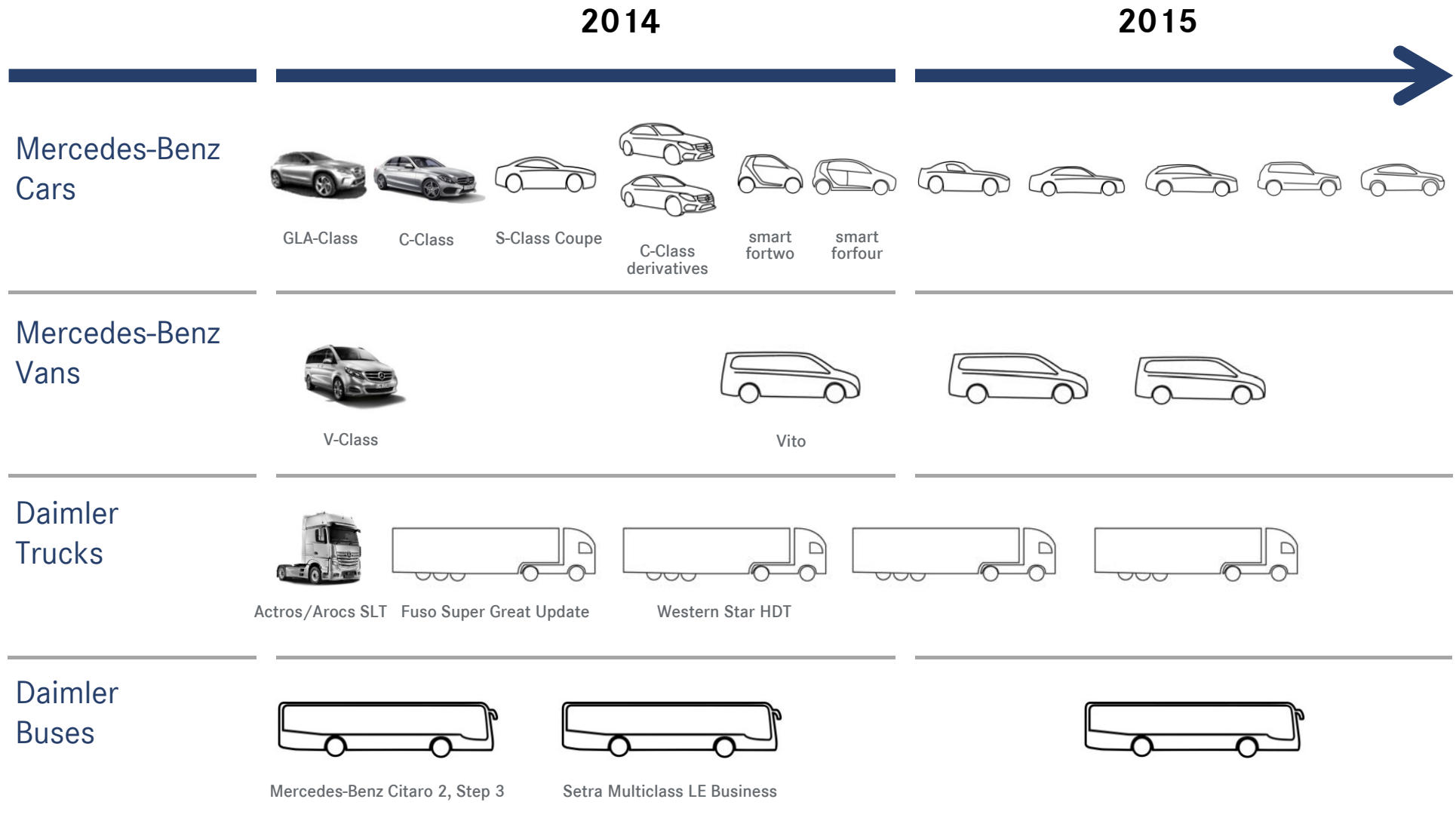
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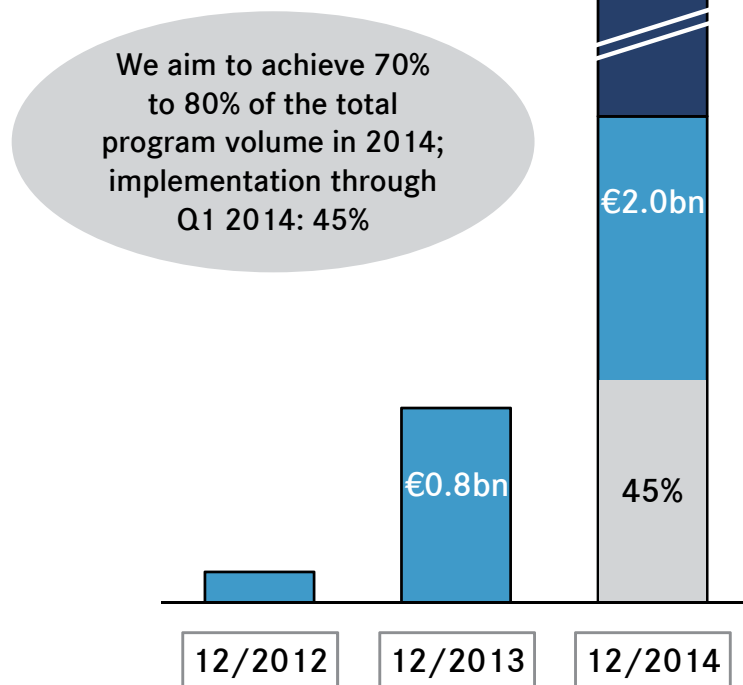
Our product offensive continues



Mercedes-Benz Cars: Fit for Leadership

Flight path towards benefits

- Additional top-line effects
- Cost reduction



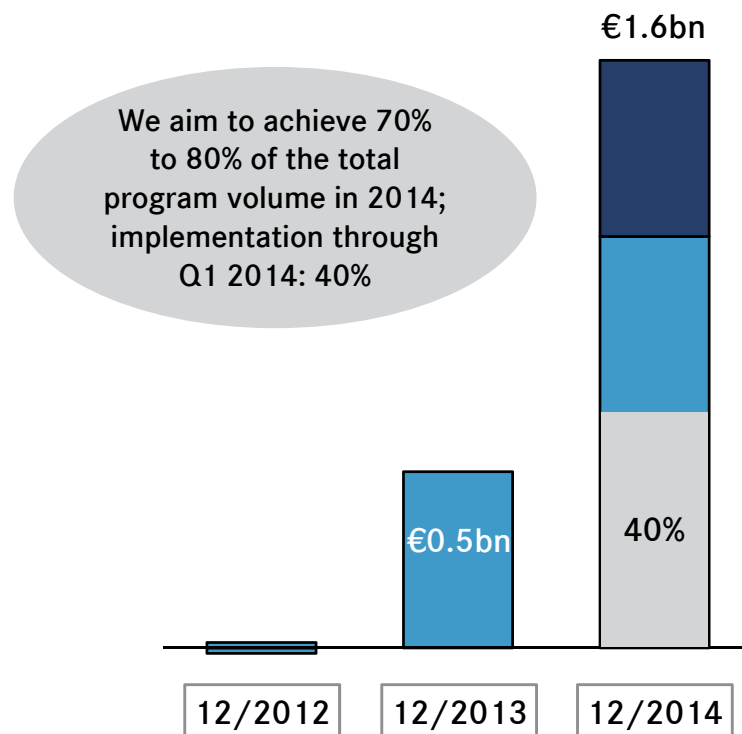
Key levers

- 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	+4% to 5%
	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	slightly below the prior-year level
	Japan*	slightly above the prior-year level
	Brazil	around -10%
Van markets	Europe	midsize/large vans: slight market recovery small vans: in the magnitude of the prior year
Bus markets	Western Europe	slightly above the prior-year level
	Brazil	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 and compact cars
- Launch of new GLA, C-Class, CLS, CLS Shooting Brake and smart



- Significantly 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



- Slightly higher unit sales
- Significantly higher sales of complete buses in Western Europe
- 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



Slightly above the prior year



Daimler Financial Services

Slightly above the prior year

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

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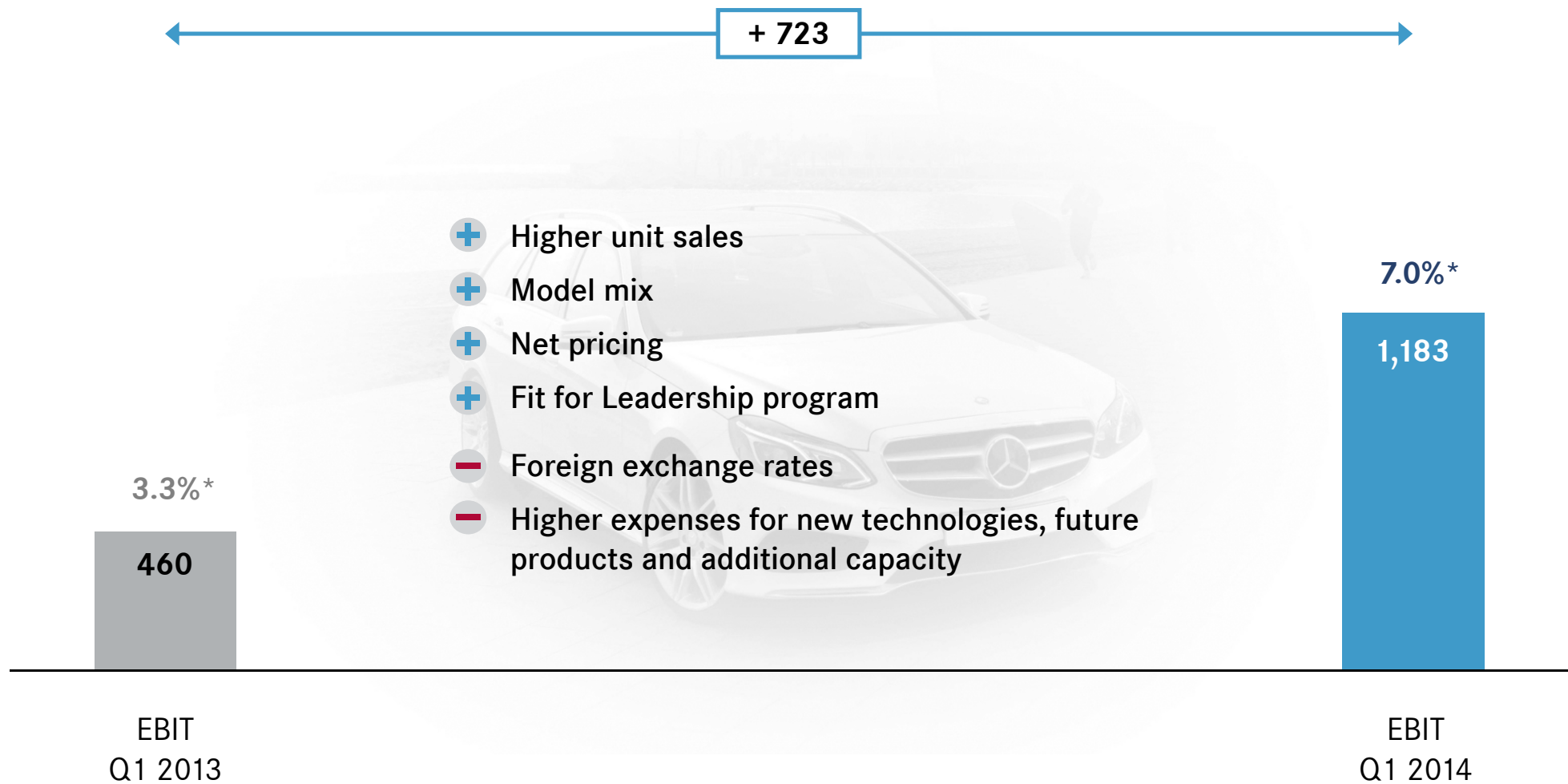
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Mercedes-Benz Cars: EBIT from ongoing business

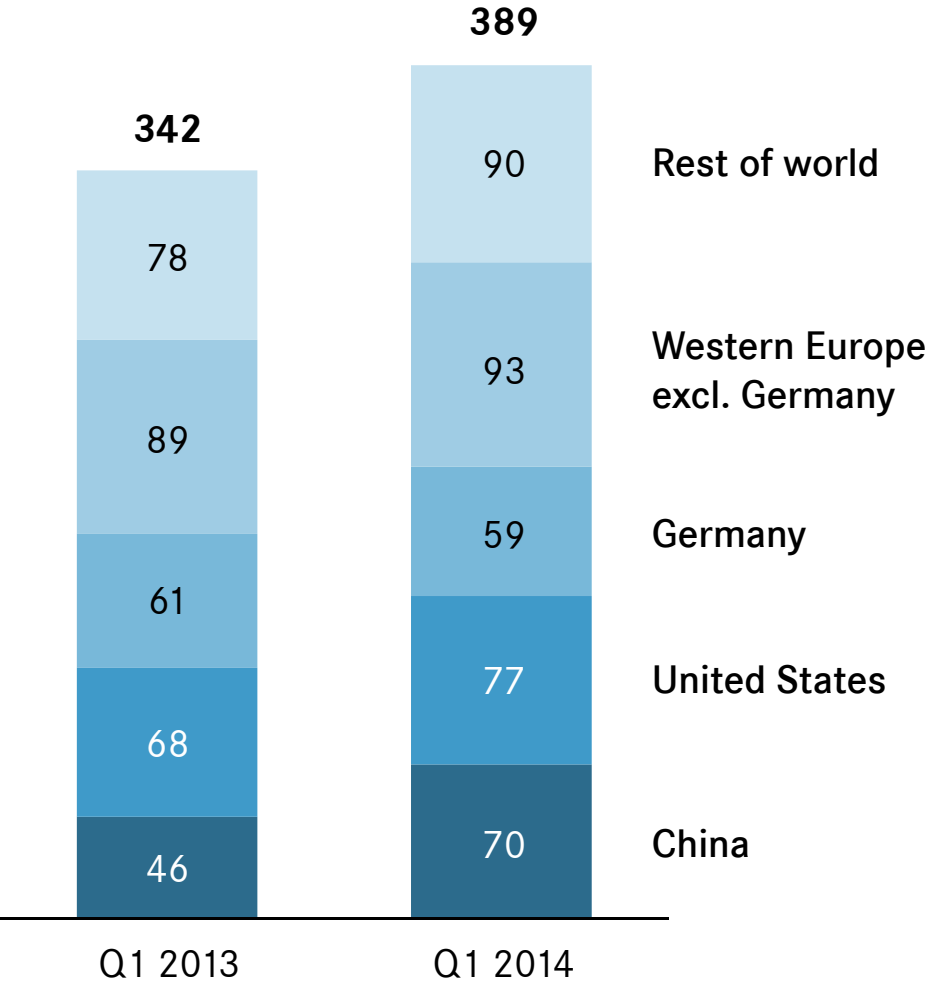
- in millions of euros -



* Return on sales

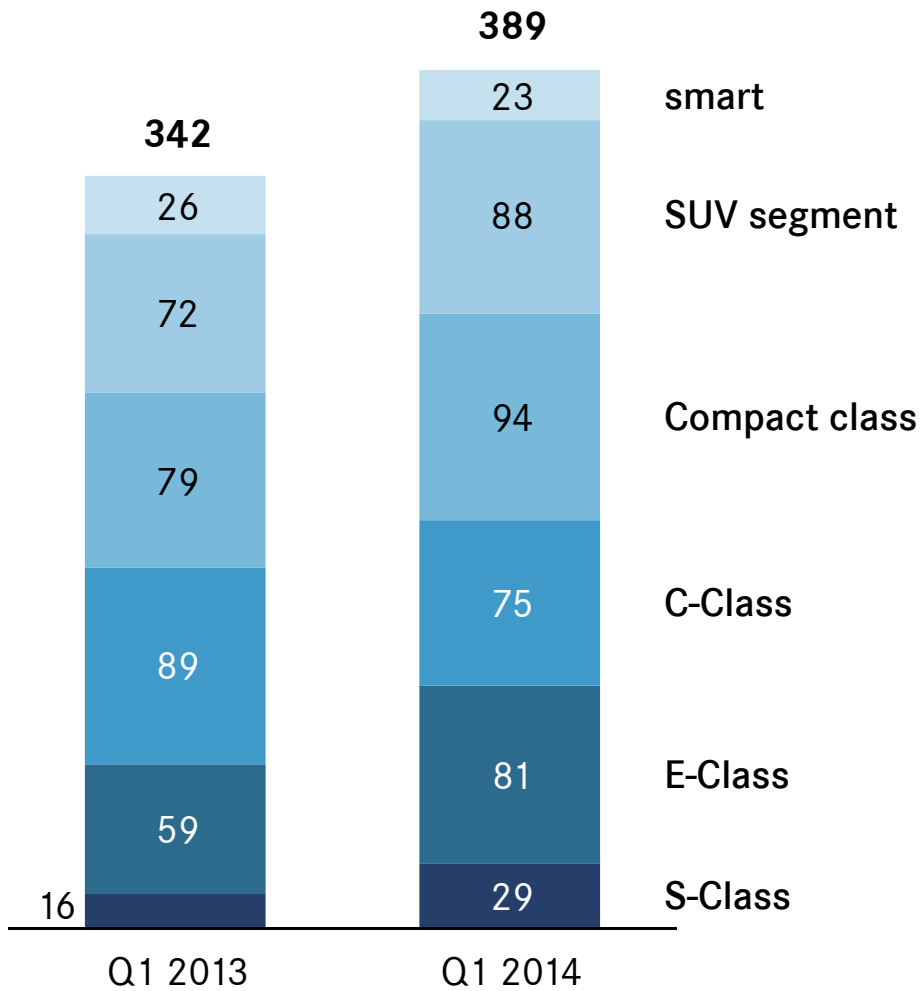
Mercedes-Benz Cars: Balanced sales structure

- Unit sales in thousands -



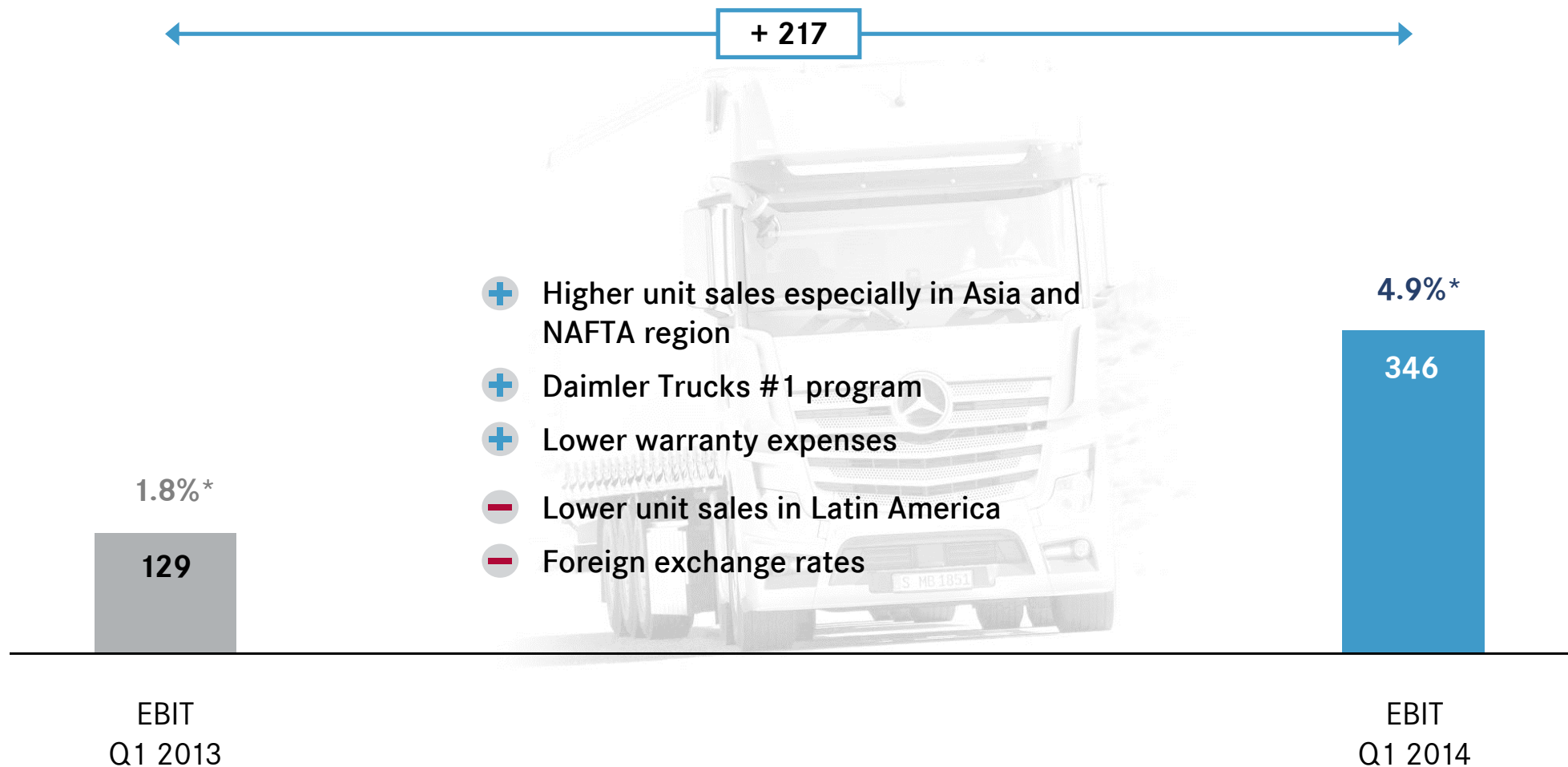
Mercedes-Benz Cars: Significant sales increase

- in thousands of units -



Daimler Trucks: EBIT from ongoing business

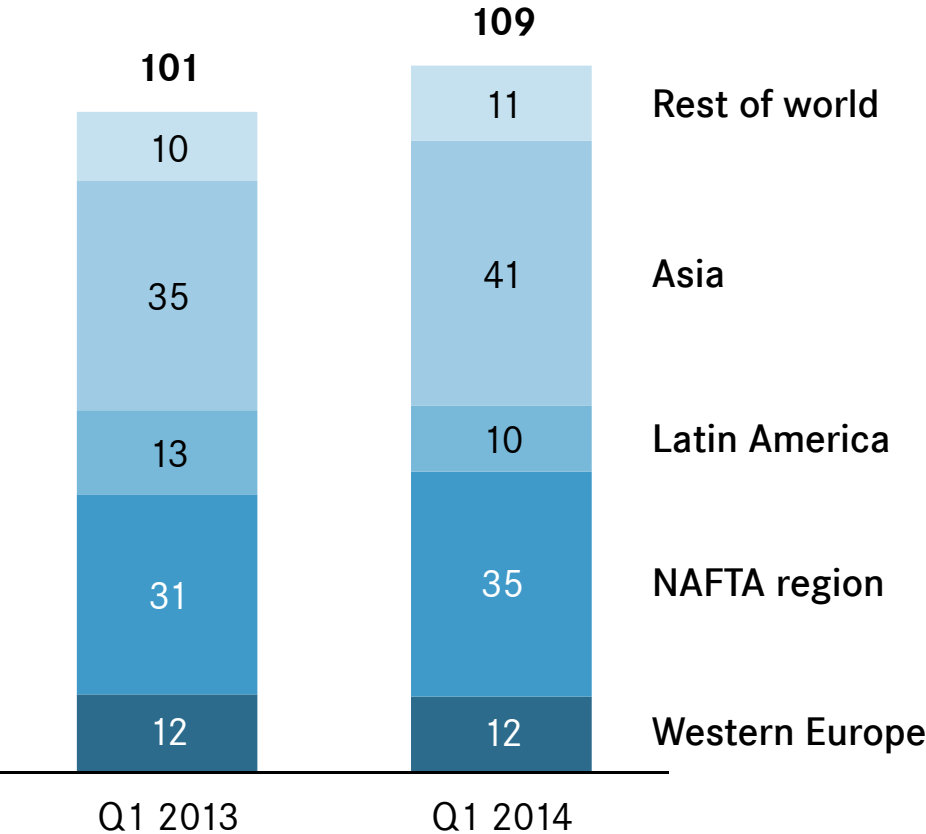
- in millions of euros -



* Return on sales

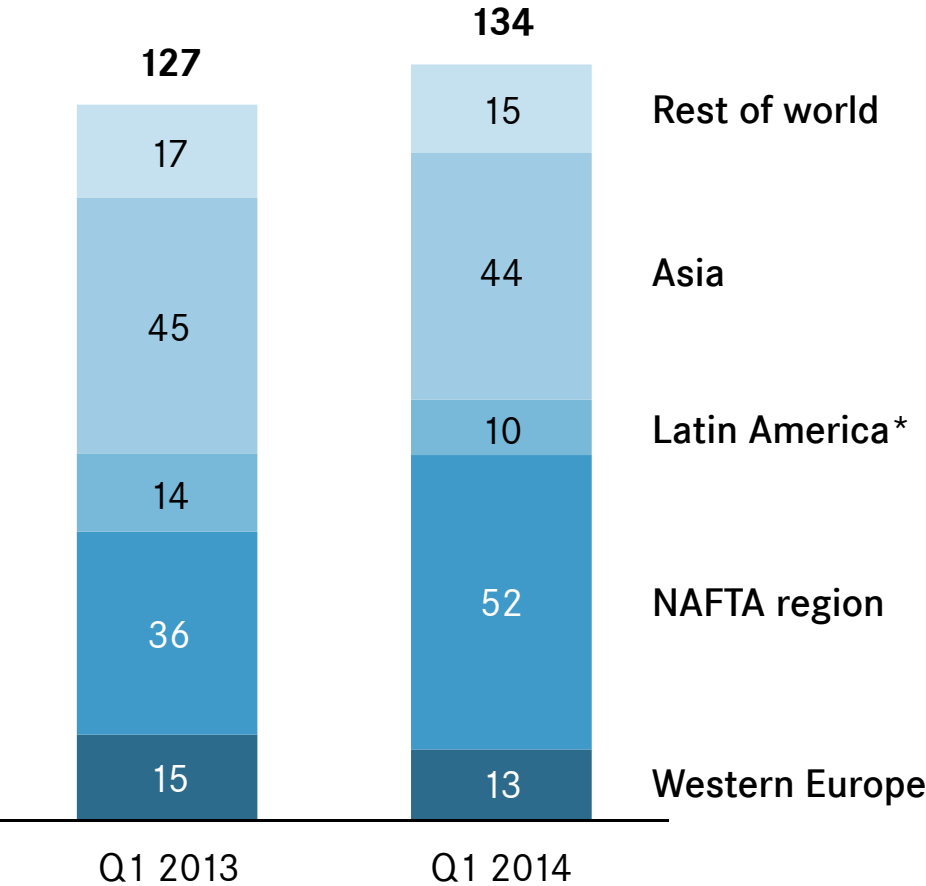
Daimler Trucks: Increase in unit sales

- in thousands of units -



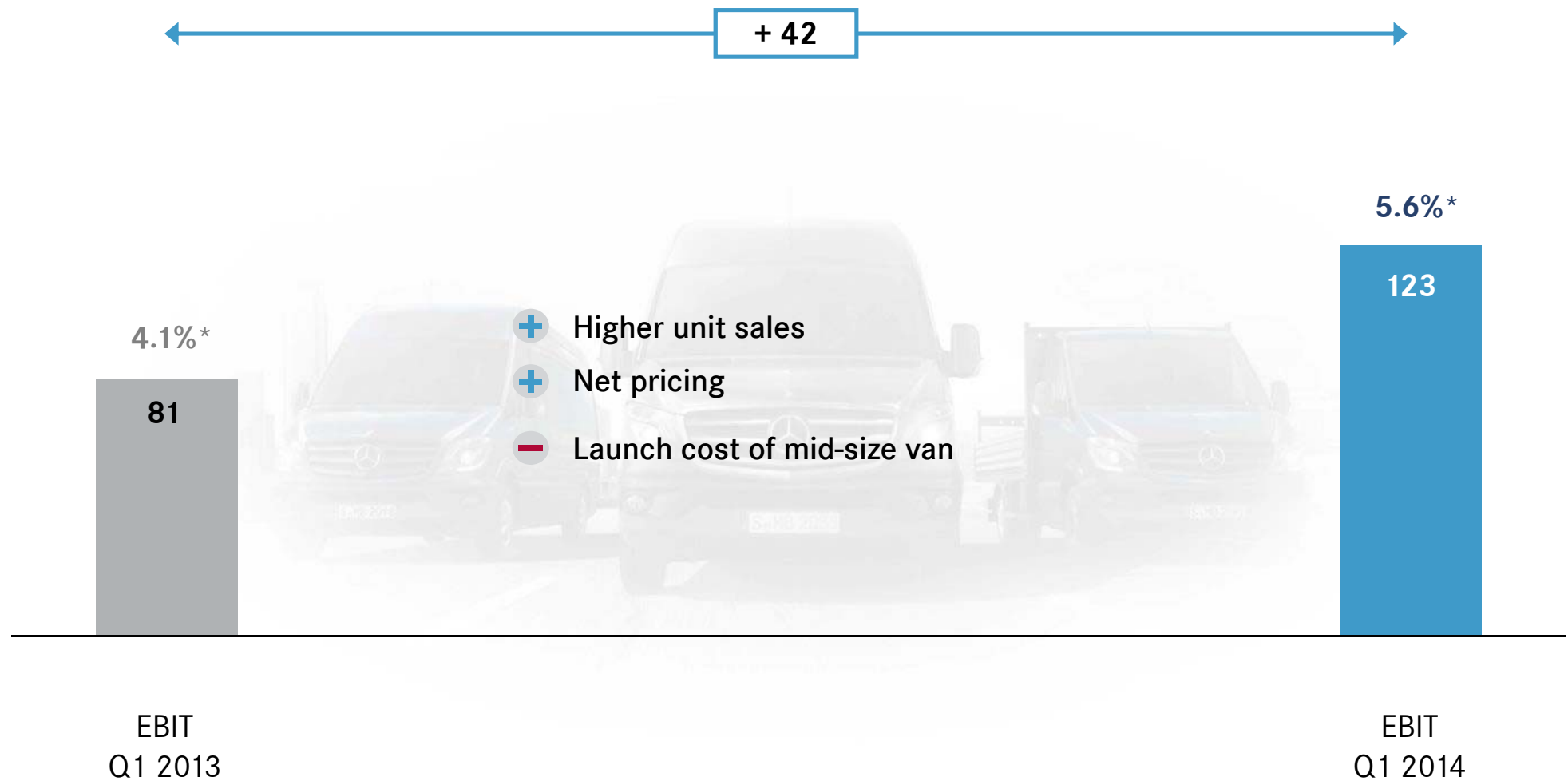
Daimler Trucks: Incoming orders at high level

- in thousands of units -



Mercedes-Benz Vans: EBIT from ongoing business

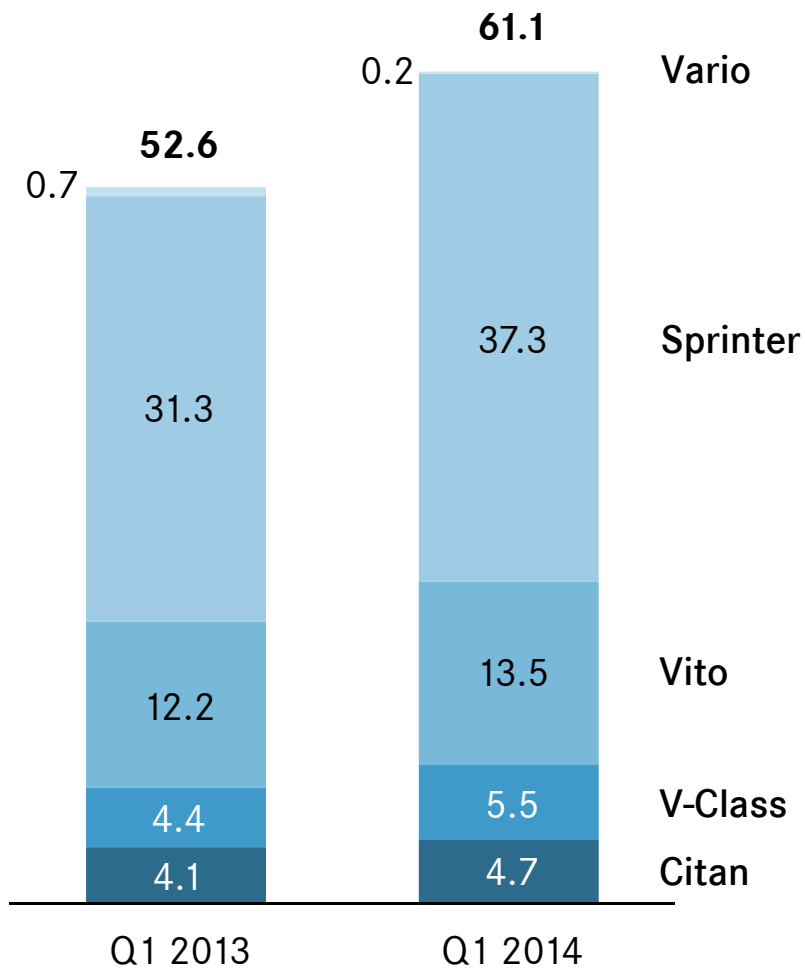
- in millions of euros -



* Return on sales

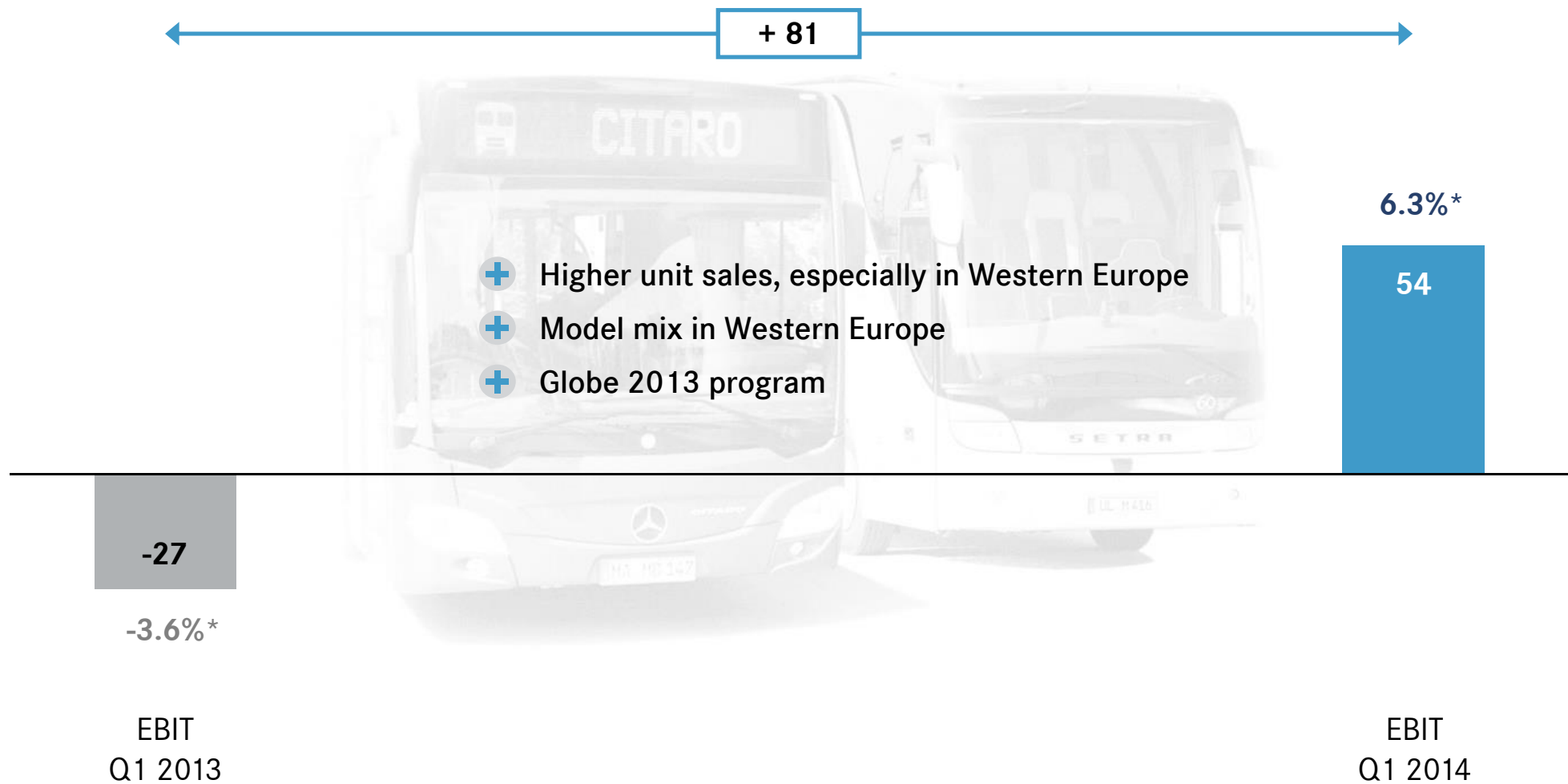
Mercedes-Benz Vans: Higher unit sales

- in thousands of units -



Daimler Buses: EBIT from ongoing business

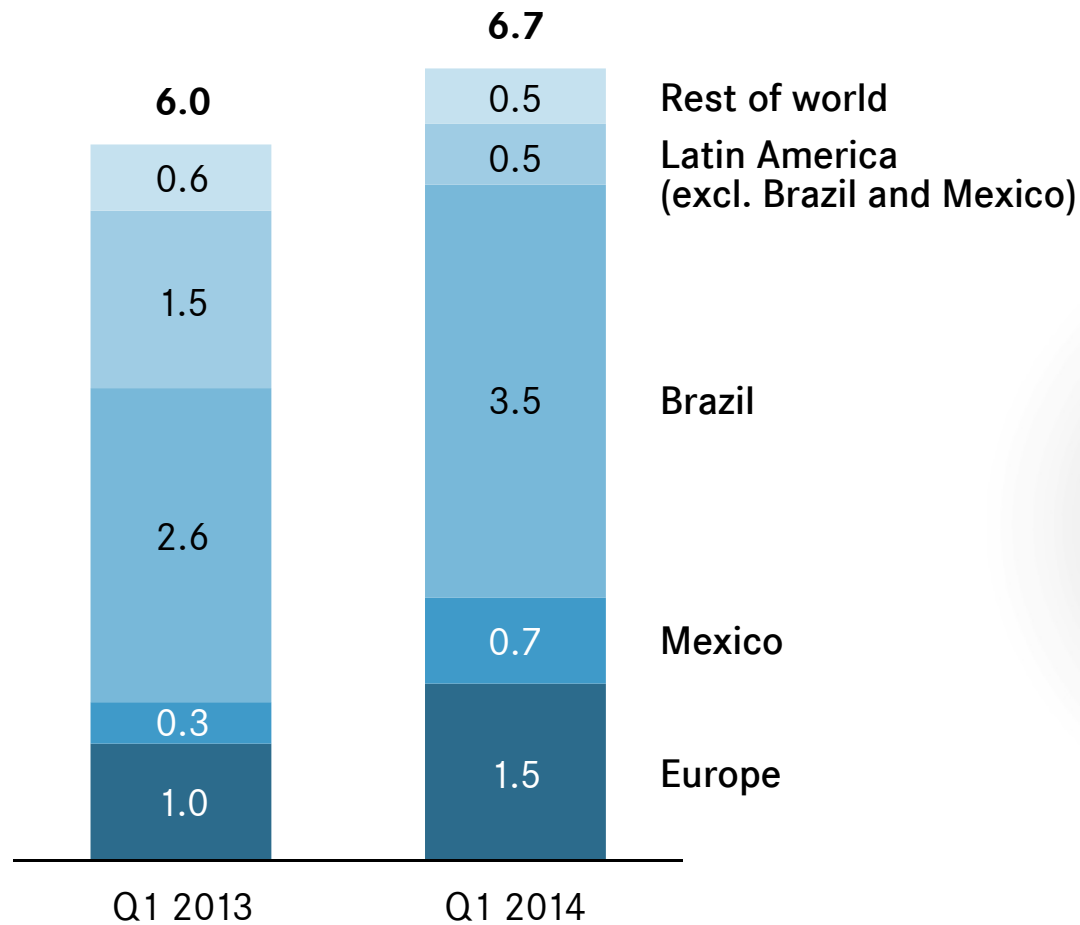
- in millions of euros -



* Return on sales

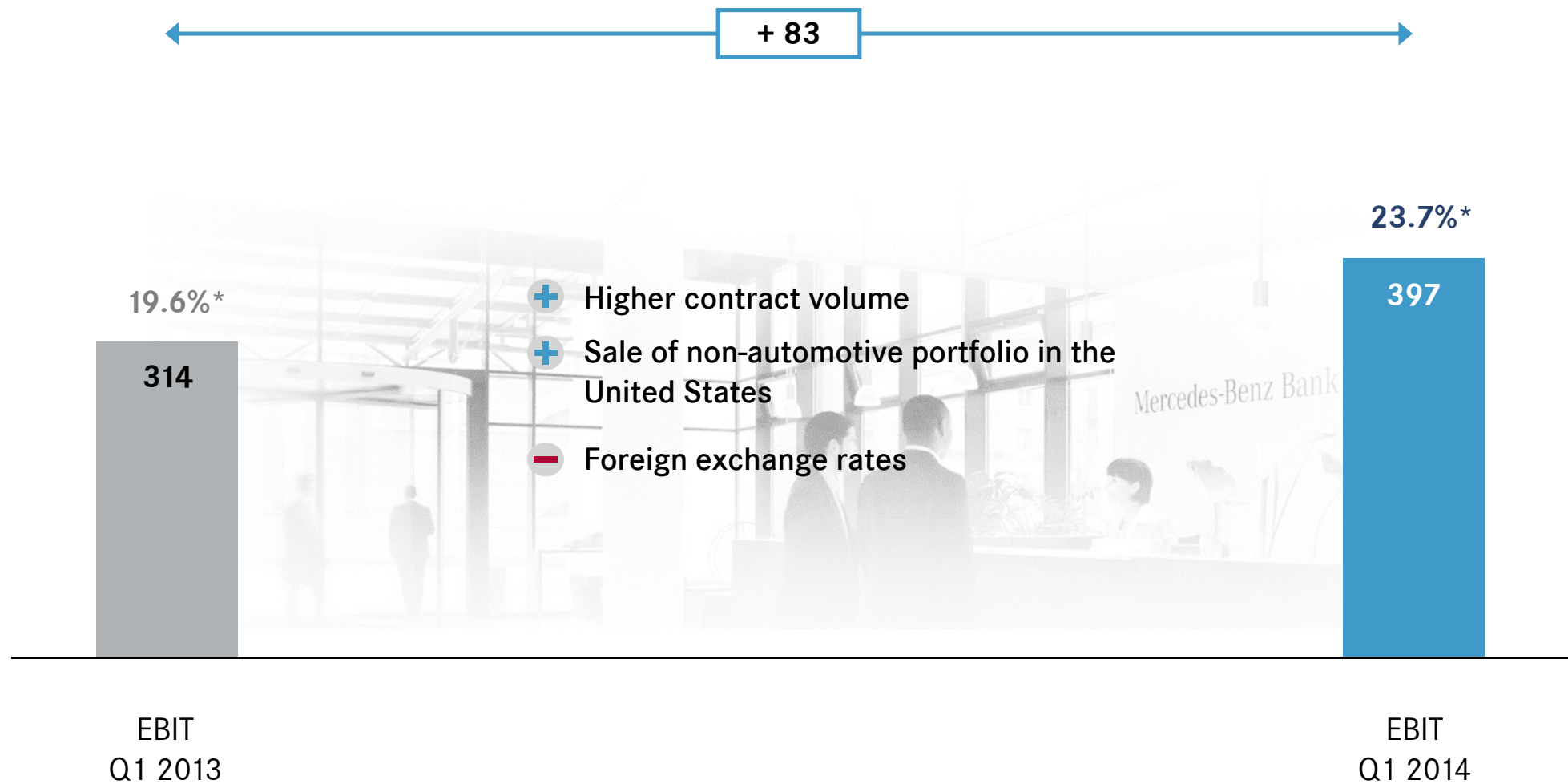
Daimler Buses: Sales growth in the major markets

- in thousands of units -



Daimler Financial Services: EBIT from ongoing business

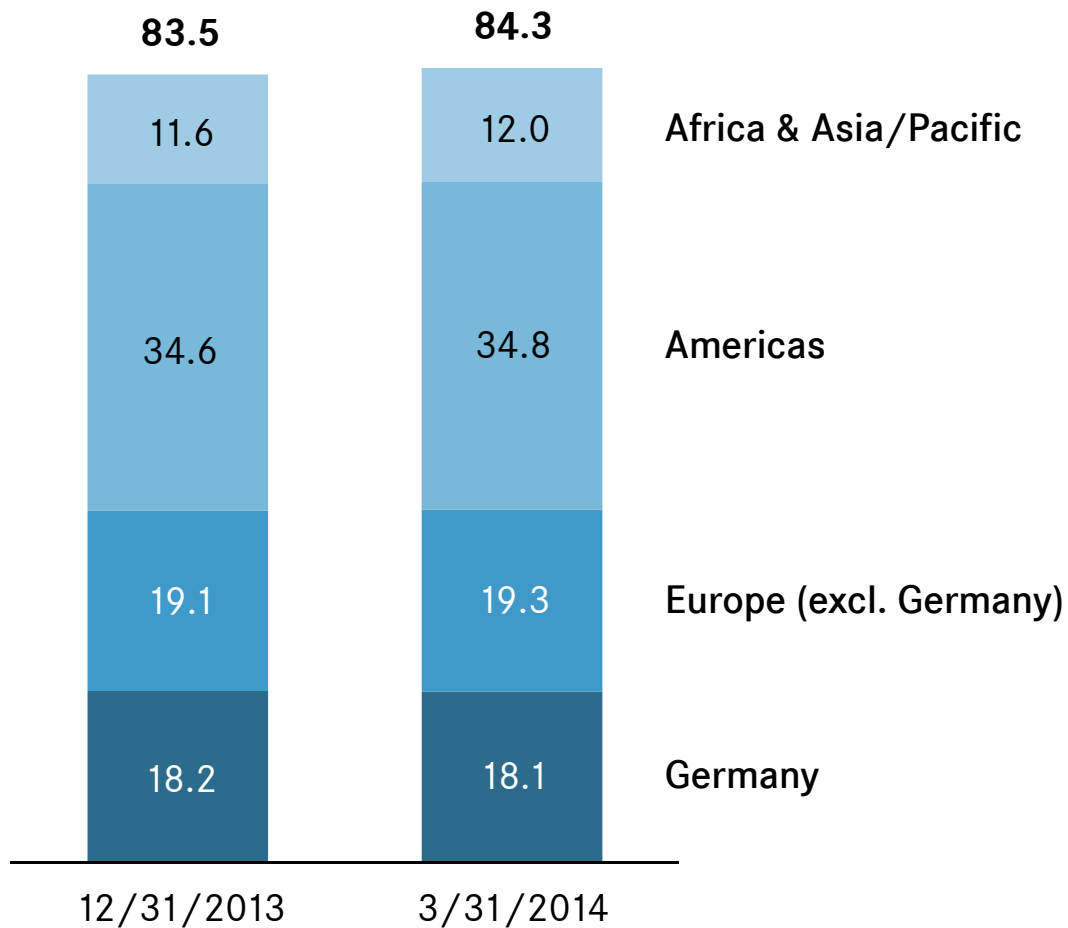
- in millions of euros -



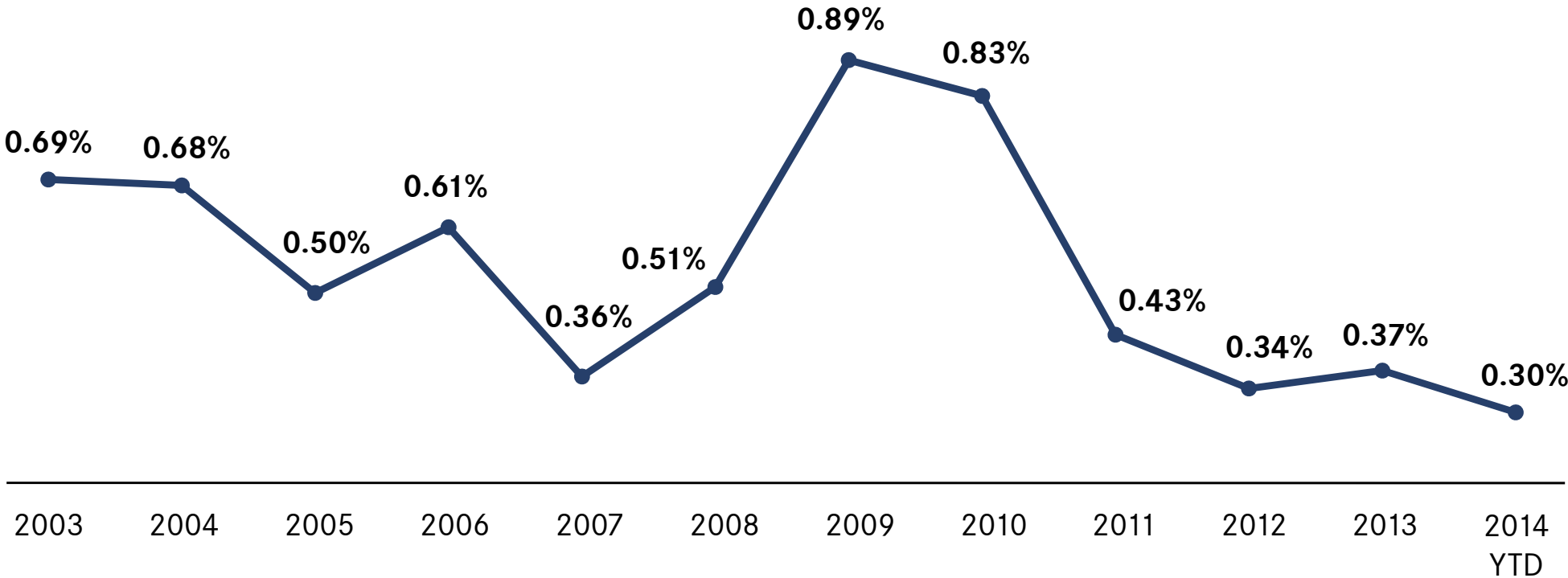
* Return on equity

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

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, 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.