

DAIMLER

Dresdner Kleinwort German Investment Seminar
New York - January 14, 2008

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Head of Investor Relations

Agenda

1 Group Performance

2 Performance of Business Units

3 Sustainable Mobility

4 Direction of the New Daimler

Key financials

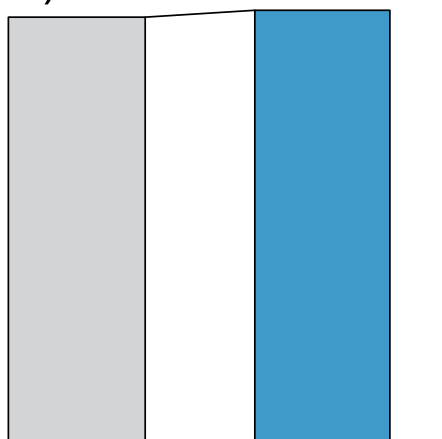
| - in billions of € - | Q1-Q3 2006 | Q1-Q3 2007 |
|--|------------|------------|
| Unit sales (in thousands of units) | 1.516 | 1.514 |
| Revenues | 72.2 | 72.9 |
| EBIT | 4.4 | 7.3 |
| Net profit (loss) | 3.8 | 2.3 |
| of which valuation allowances on deferred tax assets | - | (2.2) |
| Earnings per share (in €) | 3.66 | 2.13 |
| Free cash flow industrial business (Jan. - Sept.) | 0.03 | 5.7 |
| Net liquidity industrial business (2006: year-end) | 9.9 | 13.7 |

Net profit affected by valuation allowances on deferred tax assets and EADS transfer of interest

- in millions of € -

**Net profit from
continuing operations**

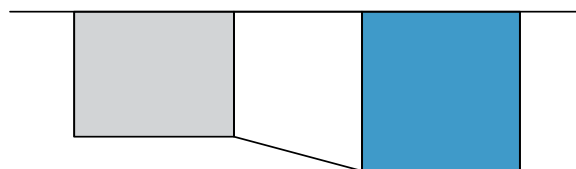
3,111 **3,155***



Q1-Q3 2006 Q1-Q3 2007

**Net profit from
discontinued operations**

(684) **(867)**

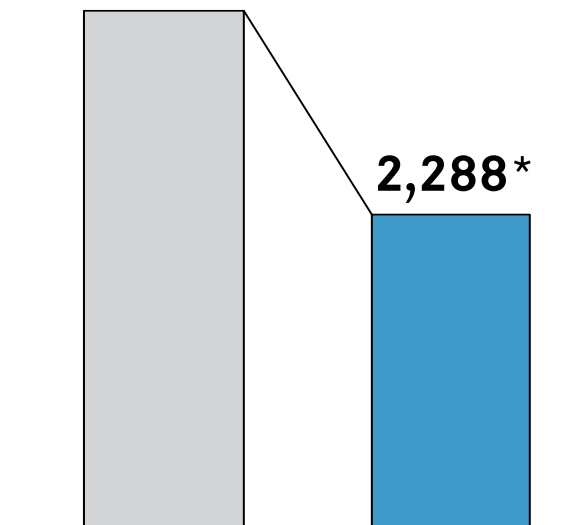


Q1-Q3 2006 Q1-Q3 2007

Net profit Group

3,795

2,288*



Q1-Q3 2006 Q1-Q3 2007

* Of which valuation allowances on deferred tax assets of €2,216 million

Key balance-sheet and financial figures

| - in millions of € - | Dec. 31, 2006 | Sept. 30, 2007 |
|--|---------------|----------------|
| Daimler Group | | |
| Equity ratio ¹⁾ | 16.5% | 27.5% |
| Gross liquidity | 14,447 | 23,516 |
| Free cash flow (January - September) ²⁾ | 67 | 5,792 |
| Industrial Business | | |
| Equity ratio ¹⁾ | 27.2% | 43.3% |
| Net liquidity | 9,861 | 13,652 |
| Free cash flow (January - September) | 28 | 5,675 |

1) Excluding dividend payment

2) After net debt financing of Daimler Financial Services

Share buyback program to buy back nearly 10% of outstanding shares for up to EUR 7.5 billion until August 2008

First buyback phase completed (August – December 2007)

- 49.96 million shares bought back for total amount of approximately €3.48 billion
- This represents 4.73% of the 1,055.8 million shares outstanding at the beginning of the buyback program.
- All 49.96 million shares had been redeemed by December 20, 2007.
- Total shares outstanding as of December 31, 2007: 1,013.9 millions shares
(as of December 31, 2006: 1,028.2 million shares)

Second buyback phase (February – August 2008)

- Up to EUR 4 billion, equivalent to the FY2007 anticipated retained earnings of Daimler AG

**Further programs subject to development
of earnings, cash flows and net liquidity**

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Mercedes-Benz Cars

Maybach



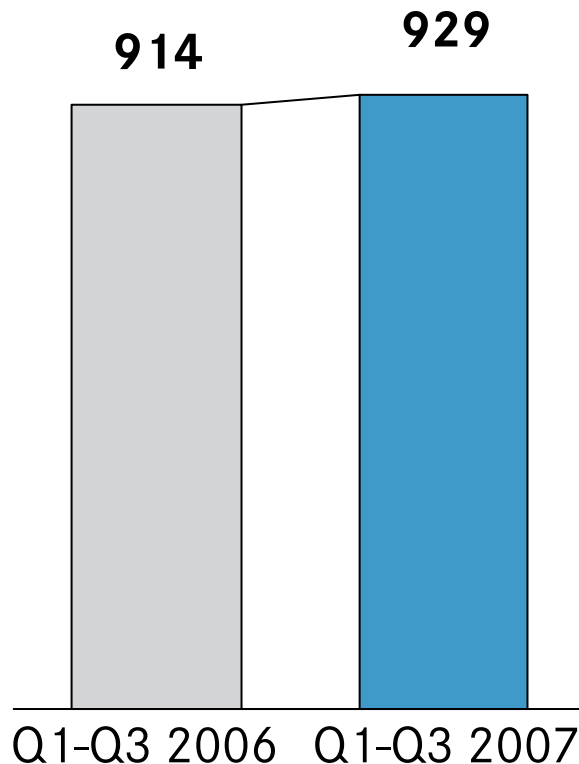
Mercedes-Benz



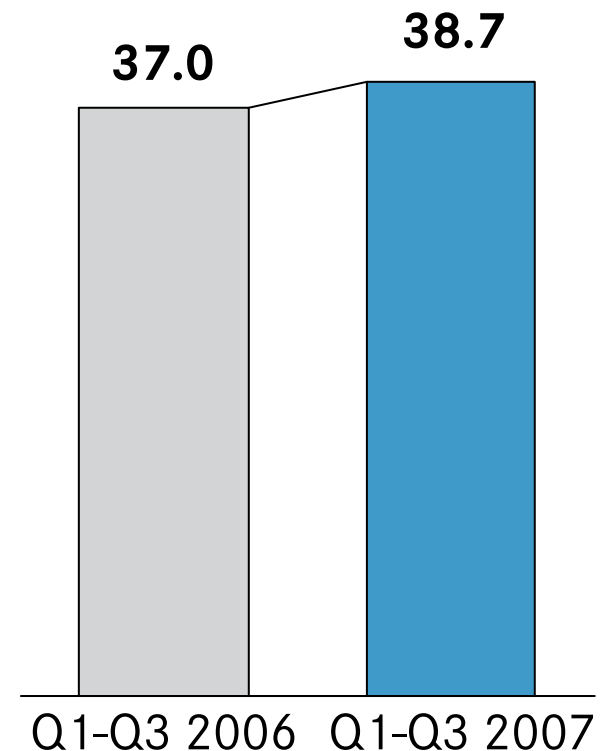
smart

Higher unit sales and revenues due to success of new products

Unit sales
- in thousands of units -

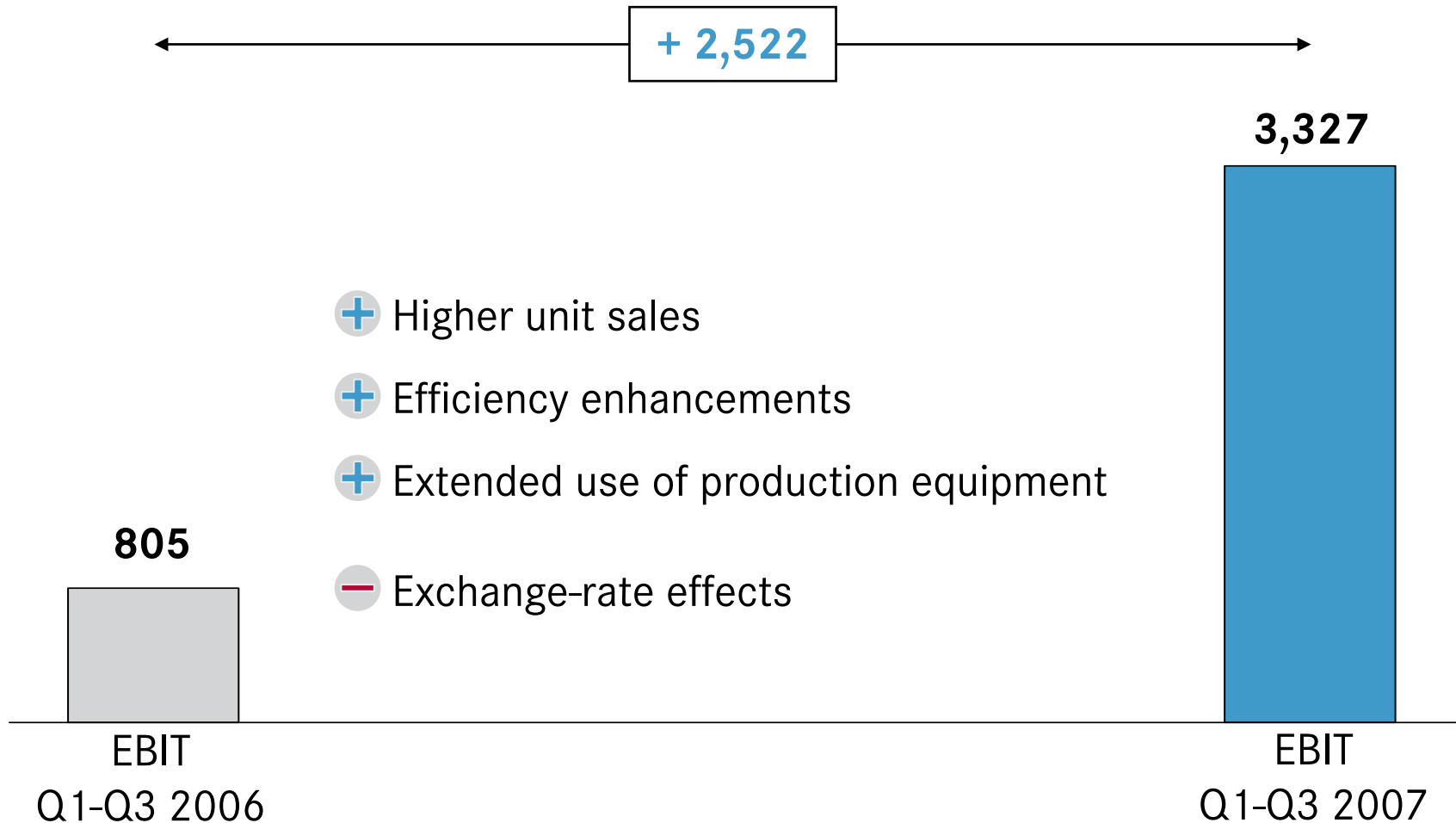


Revenues
- in billions of € -

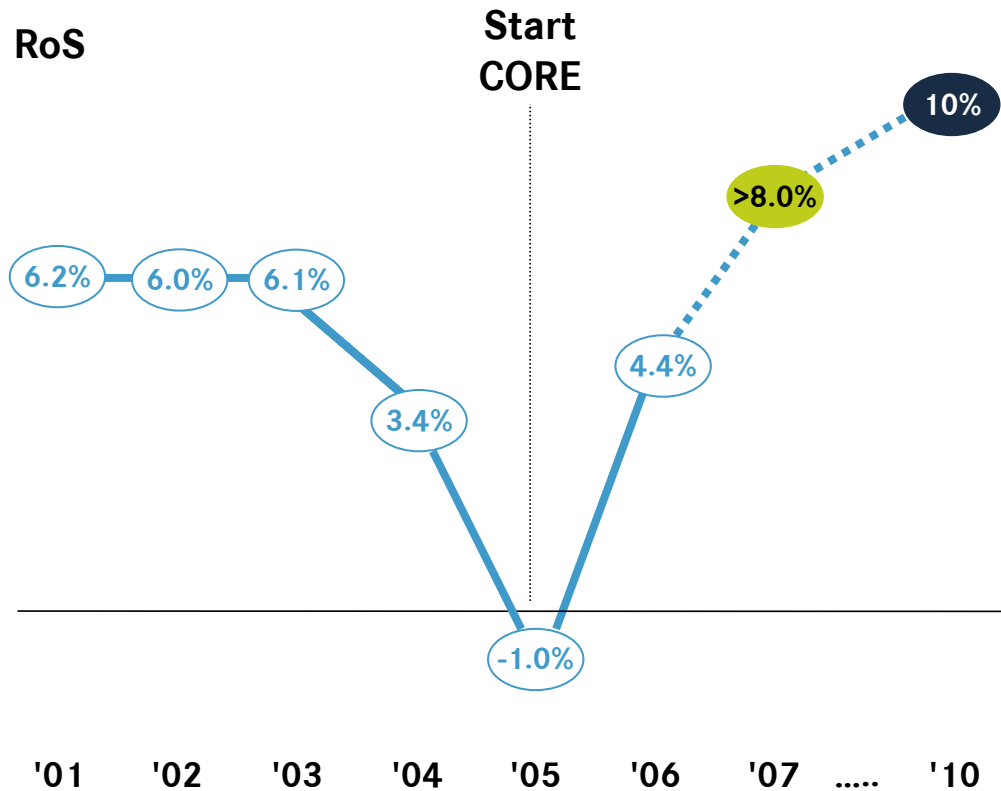


Increase in EBIT driven by higher volume and improved efficiency

- in millions of € -



Significantly more than 8% RoS in 2007
10% RoS in 2010 at the latest



Major levers

CORE

- Production & material efficiency
- Quality

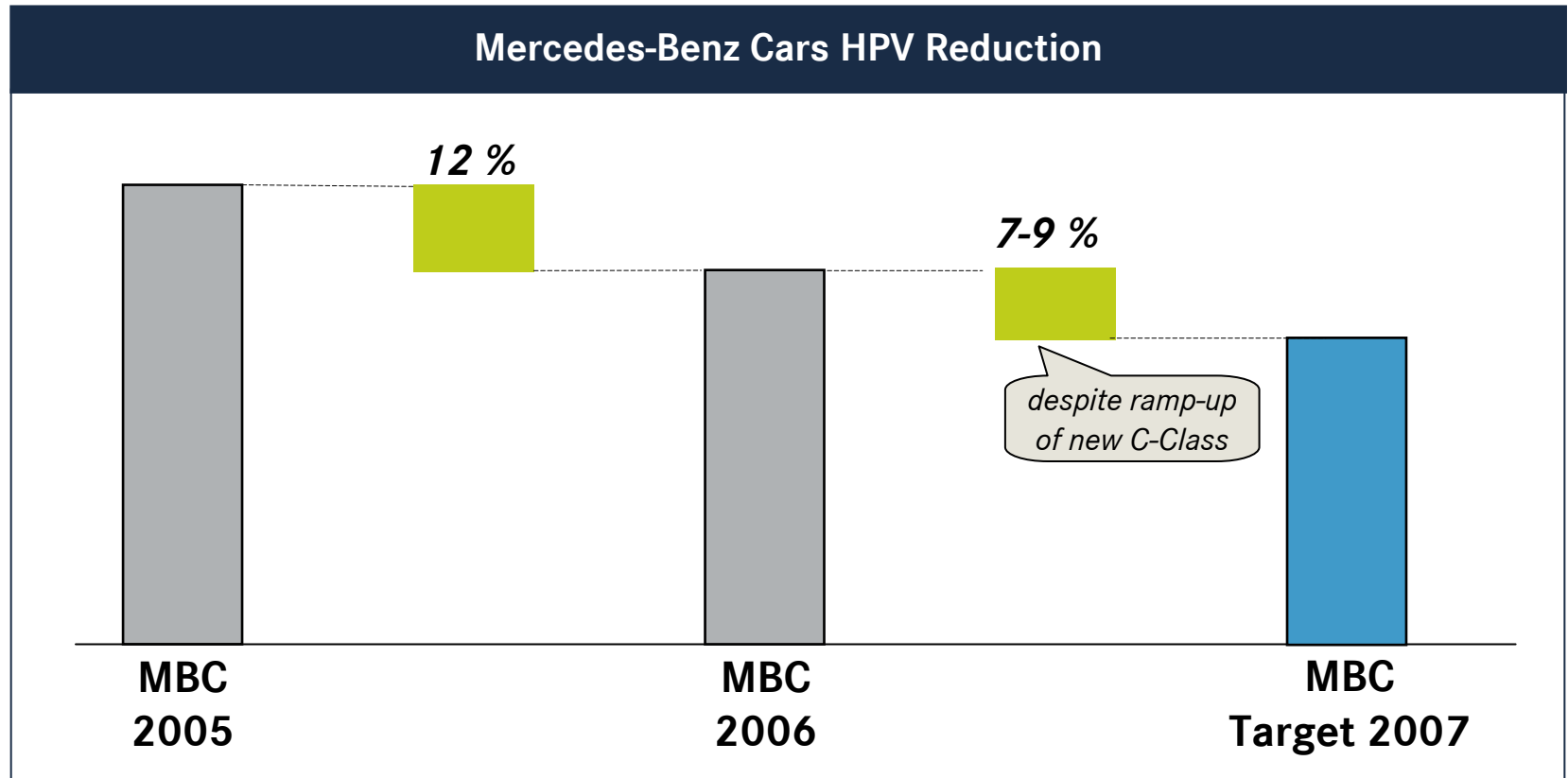
Module strategy

Brand positioning

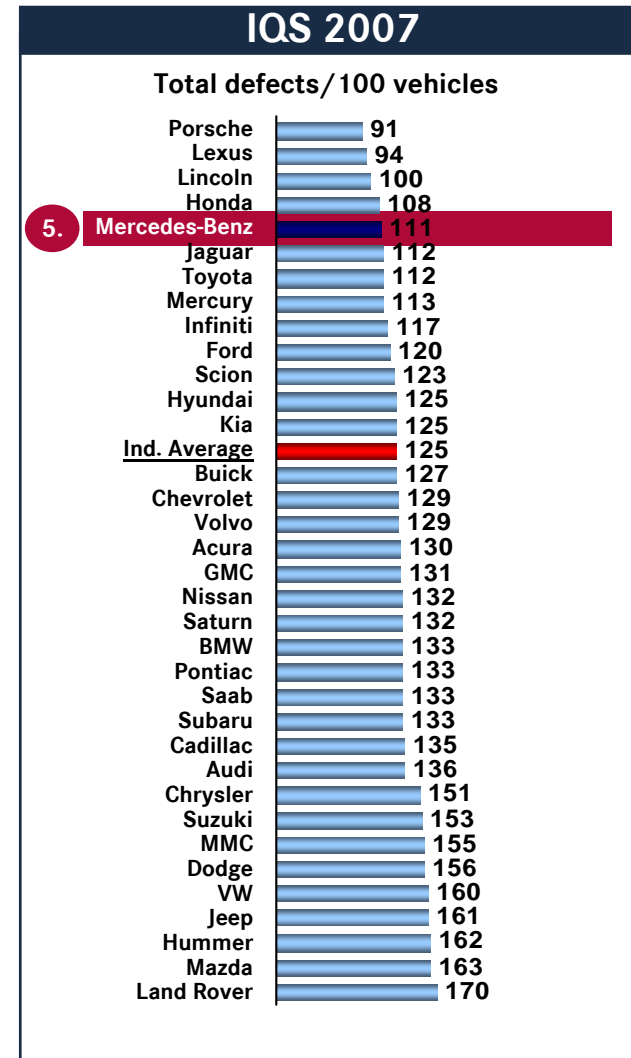
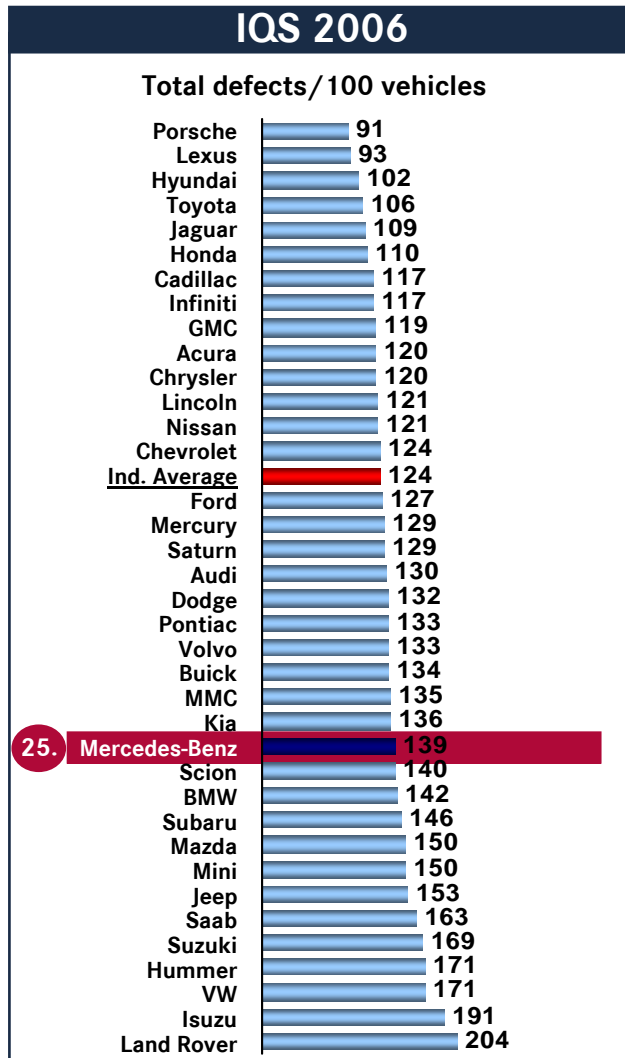
Customer care & future growth

Note: RoS as reported

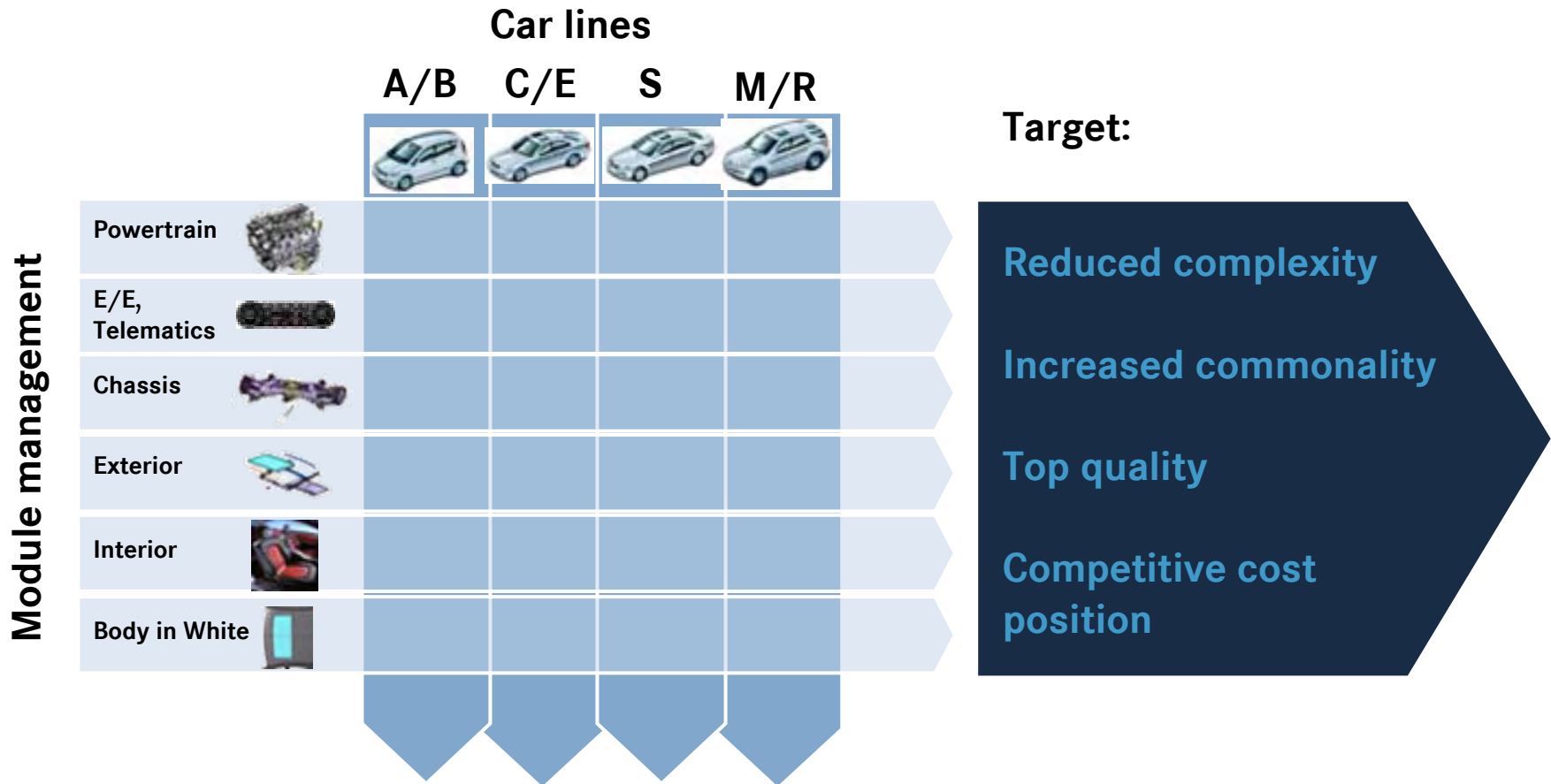
MBC has reduced HPV by more than 12% in 2006
Ambitious targets for this and next years are set



MB quality made a big step towards where it needs to be
Huge jump in J.D. Power Initial Quality Study (IQS) ranking



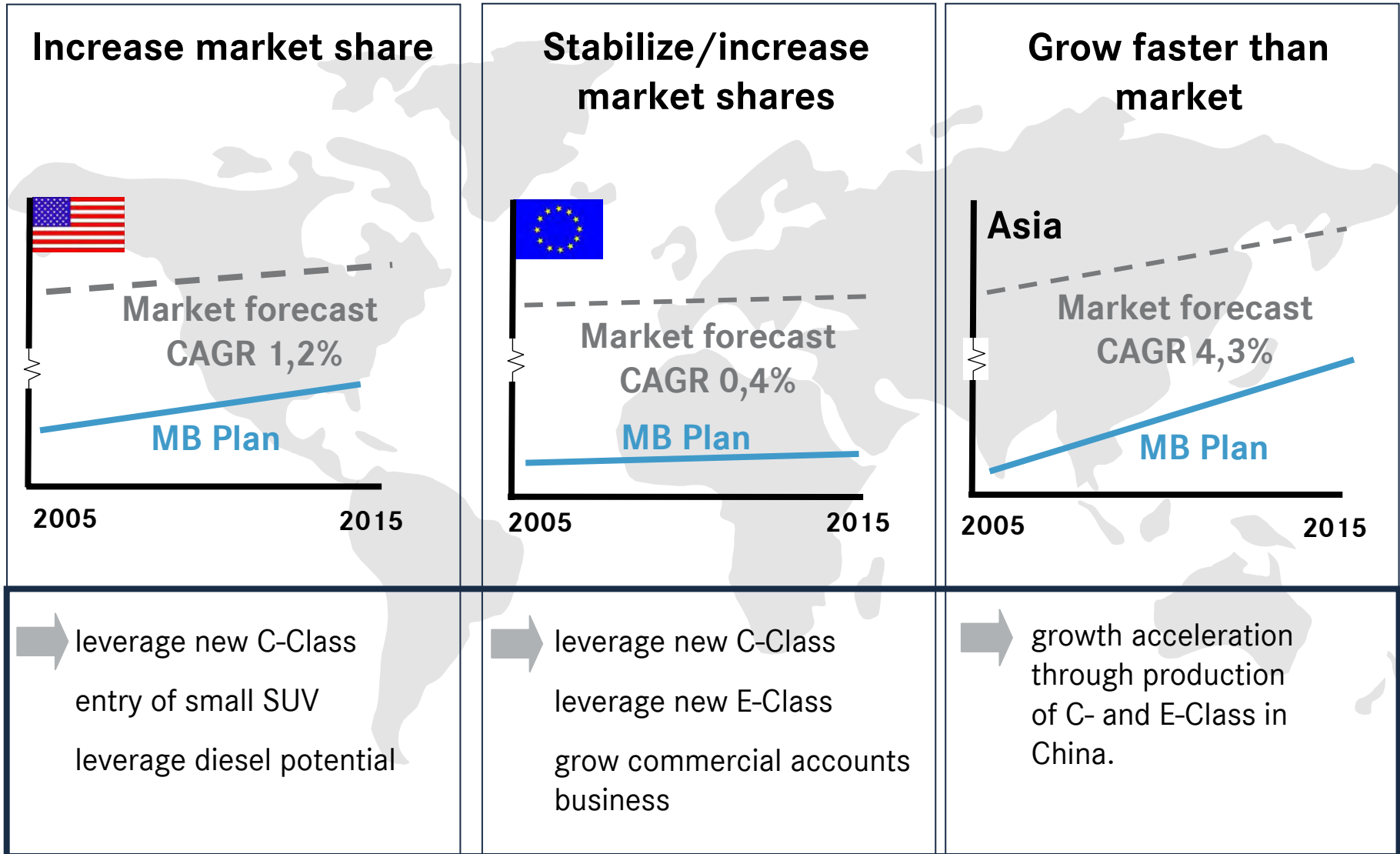
Module strategy: from car line specific organization to cross-modular organization



Growth: fueled by sharpened brand positioning and improved customer care



Region specific growth strategies



Products

C-Class station wagon, C-Class sedan and smart fortwo



New products to come

2008

New C-Class Sports Coupe

New SL

SLK Facelift

A-/B-Class Facelift

M-Class Facelift

New Small SUV



2009

New E-Class Sedan

New CLK Coupe

S-Class Facelift

New E-Class Estate

New CLK Convertible



Daimler Trucks



Mercedes-Benz

FUSO



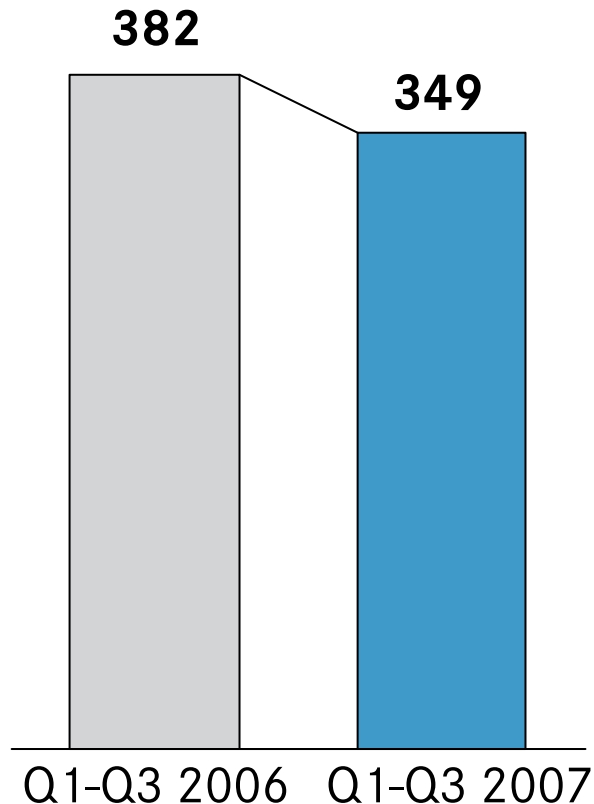
Freightliner

Western Star

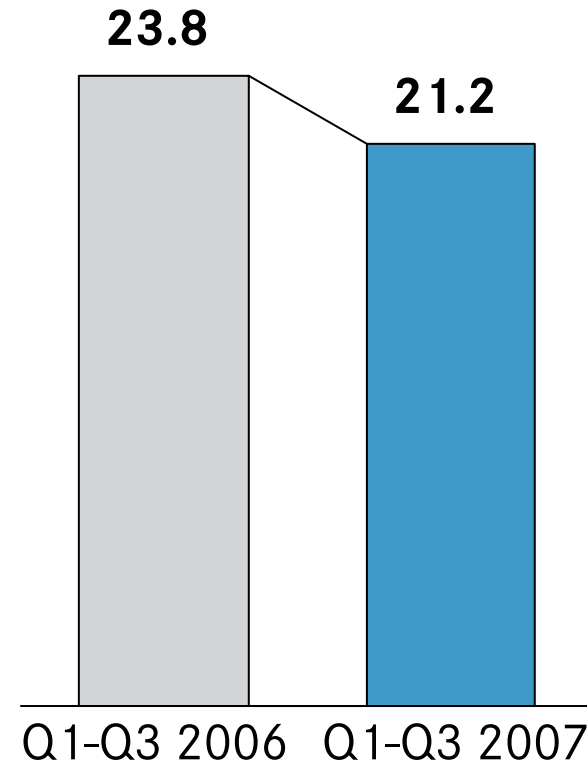
Sterling

Lower unit sales and revenues due to the drop in demand in the NAFTA region and Japan

Unit sales
- in thousands of units -

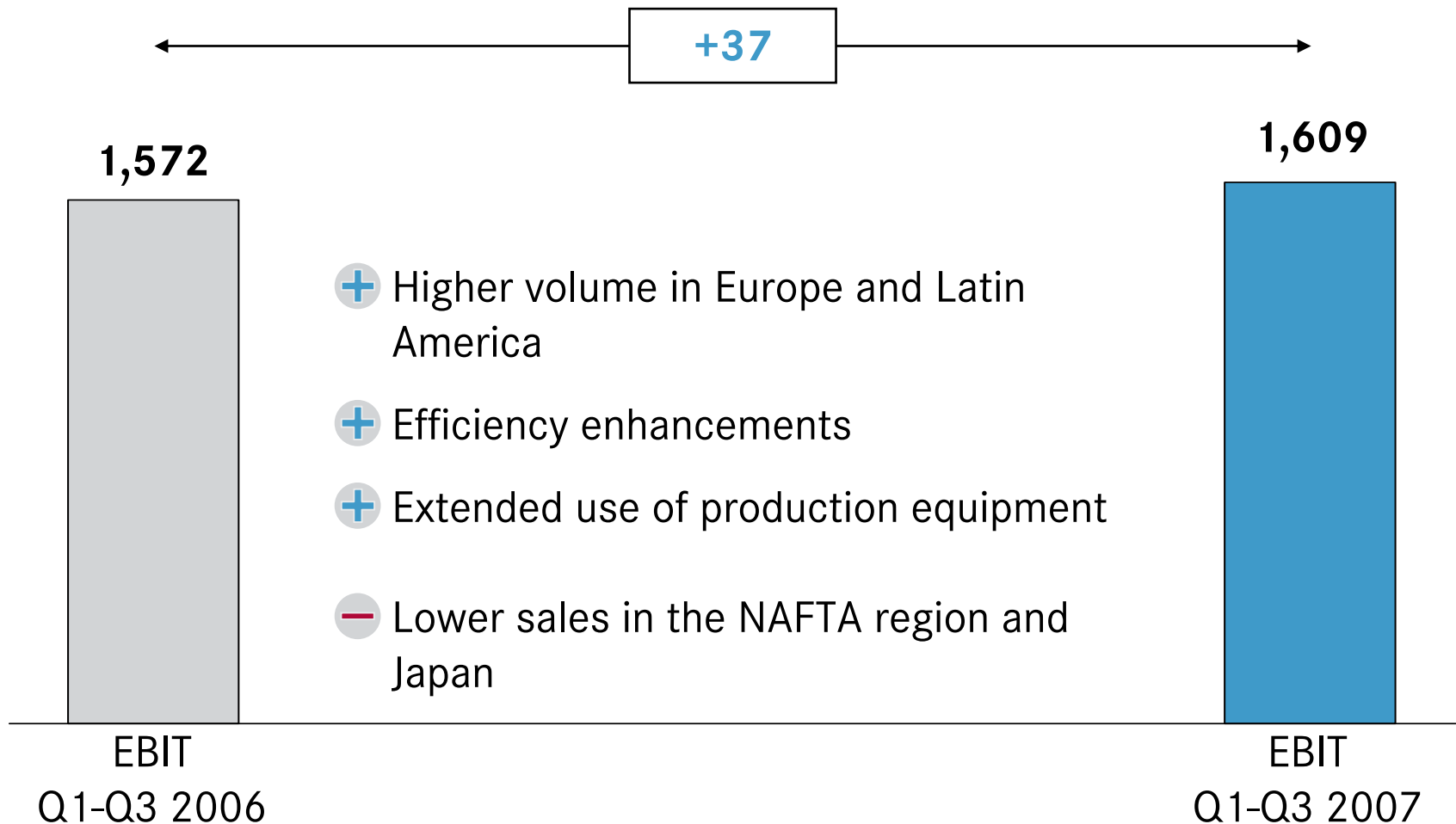


Revenues
- in billions of € -

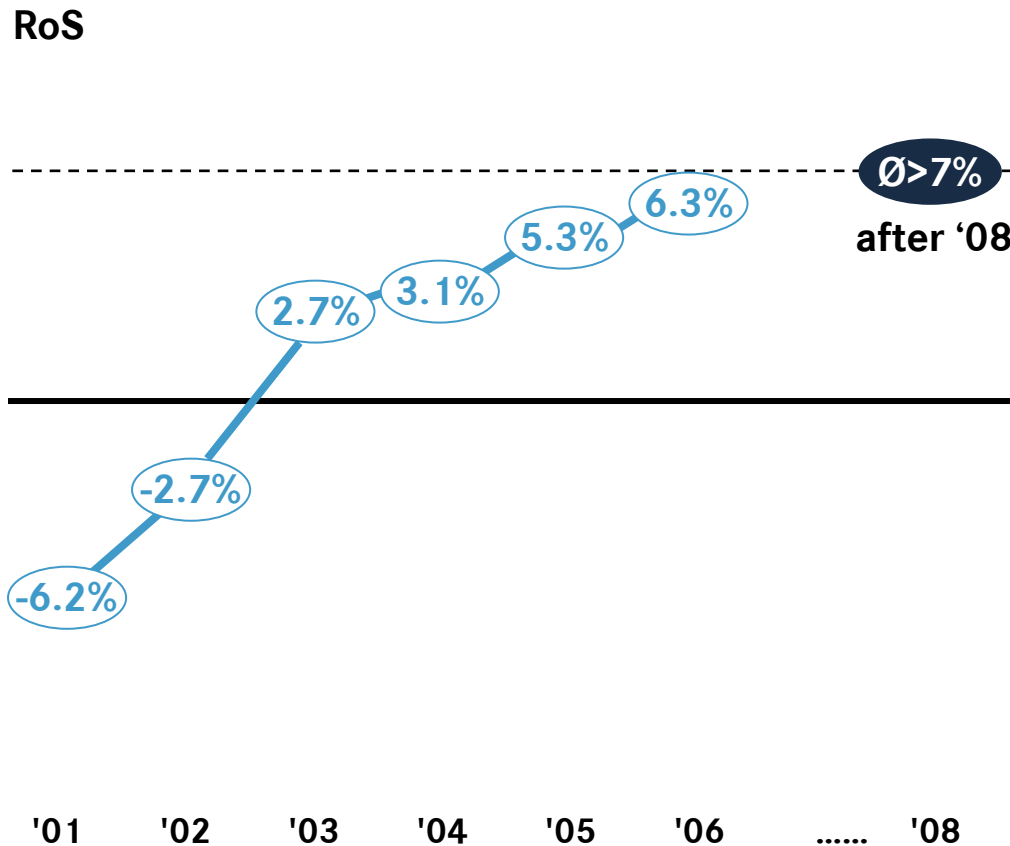


Strong EBIT despite weak truck demand in the NAFTA region and Japan

- in millions of € -



Target: RoS of at least 7% and RoNA of 30% over the cycle



“Global Excellence” as major lever

Management of cycles

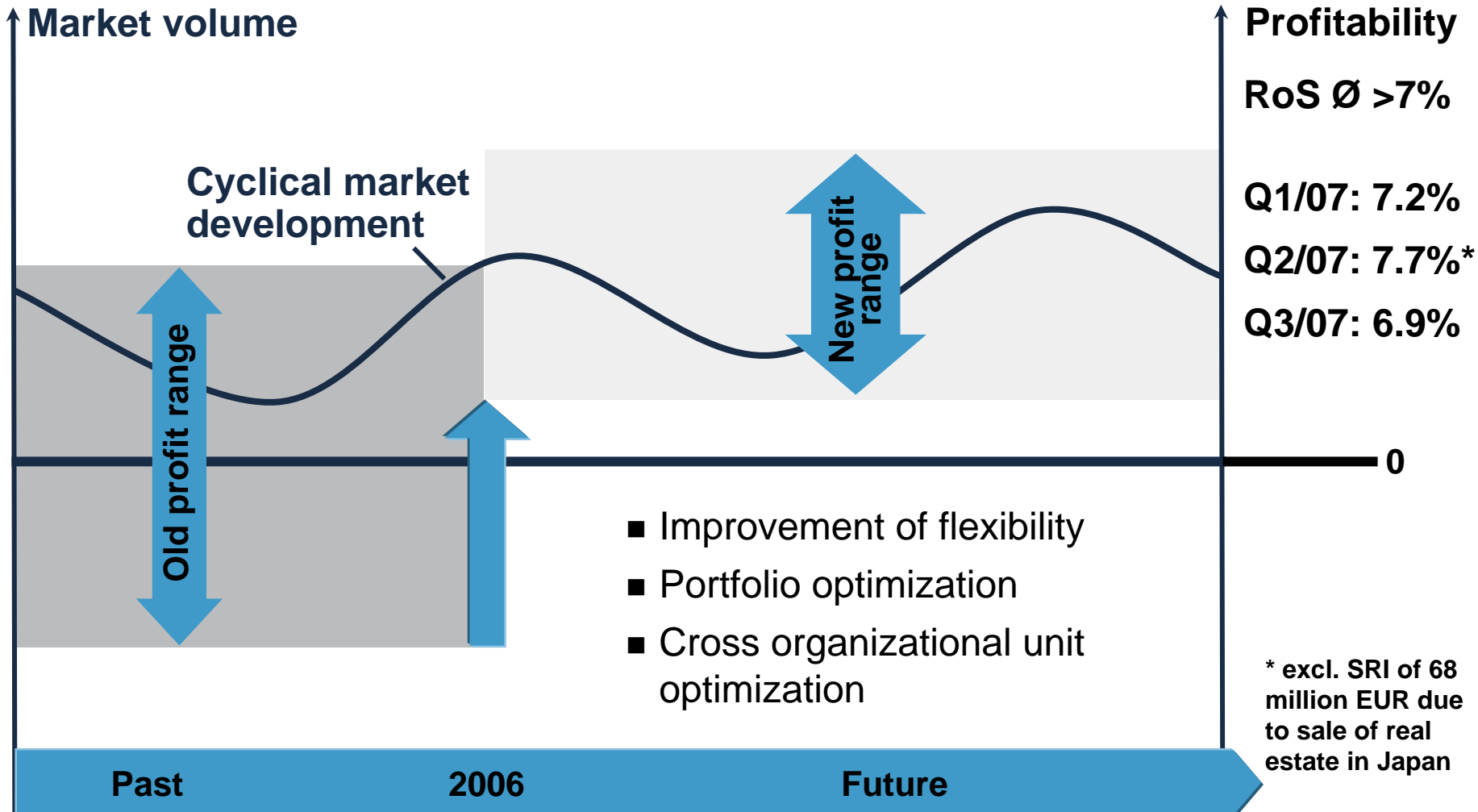
Operational excellence

Market penetration & growth

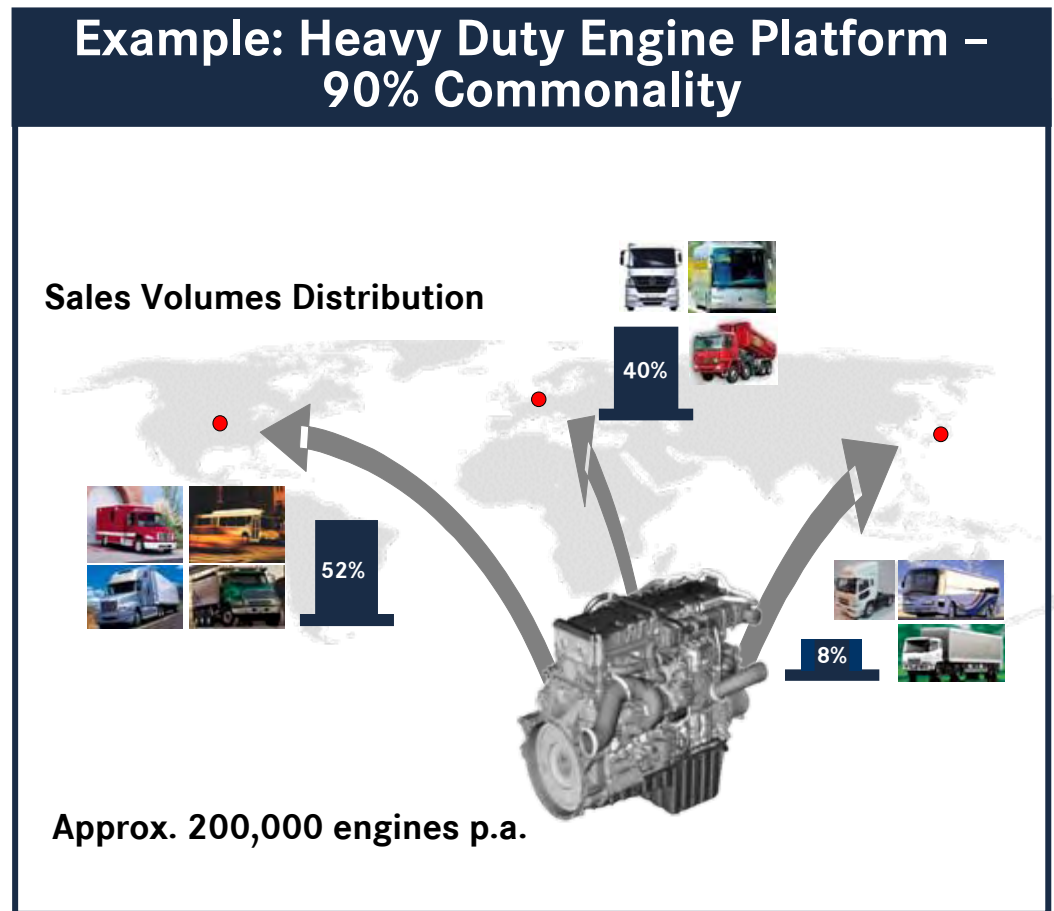
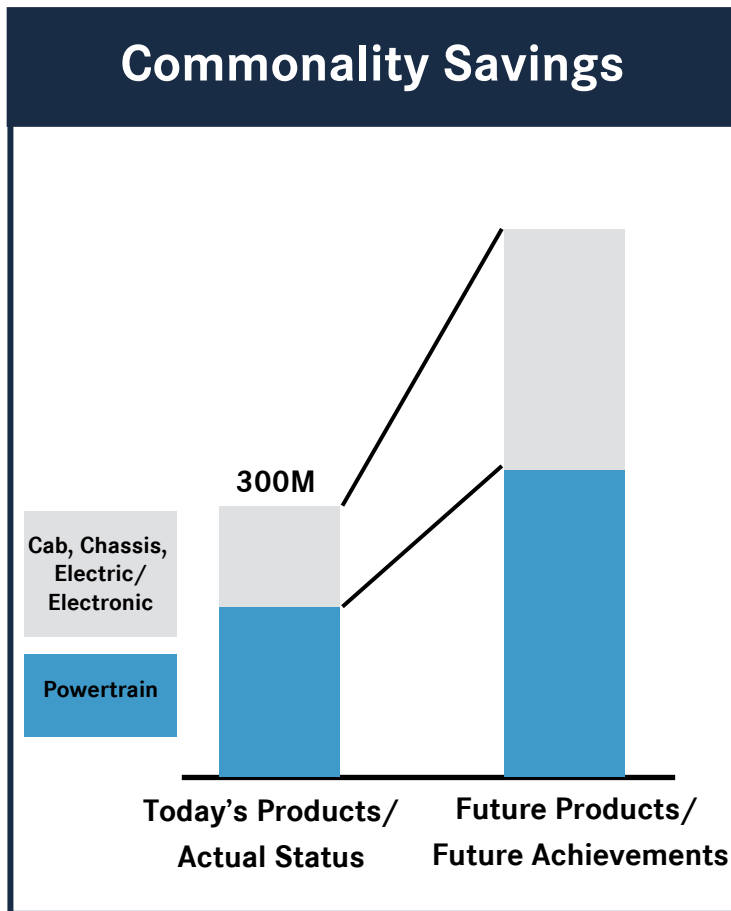
Future products

Note: RoS as reported

Management of cycles: Sustainable profitability improvement



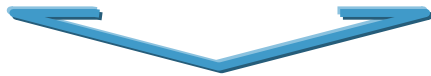
In addition to cycle management commonality savings are major lever for profitability in 2007



Market penetration and growth

Traditional markets

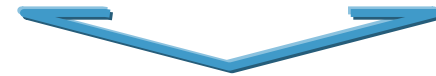
- Europe: Truck Dedication
- NAFTA: Product/market approach Sterling
- Fuso: International markets



Dedicated downstream activities
Enhance product portfolio

Emerging markets

- China
- India
- Eastern Europe



Tailor business model to market (esp. sales & after sales)
Adapt products to region

Pacemaker in engine technology

100.000 BLUETEC trucks sold in Europe



- First to Market in 2005: challenge for competitors
- Pre-fulfillment of EURO 5 (valid from October 2009) is a successful business case for customers
- Fuel reduction, increased residual value, incentive / subsidies and clean image drive customer behavior

Products

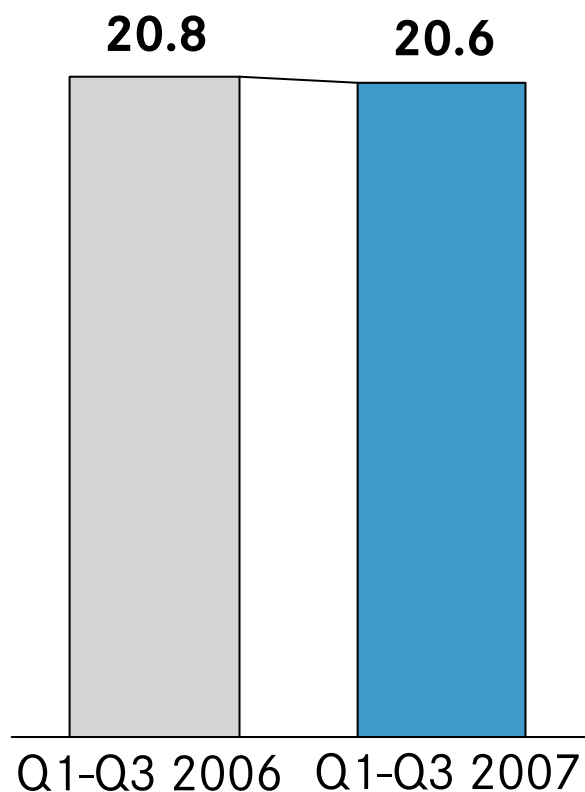
BLUETEC – Actros, Axor and Atego



Contract volume continued to grow in all regions

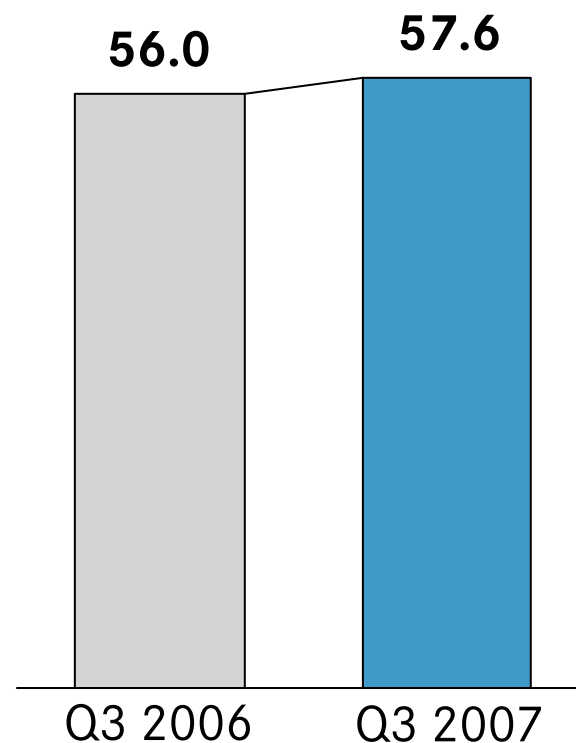
New business

- in billions of € -



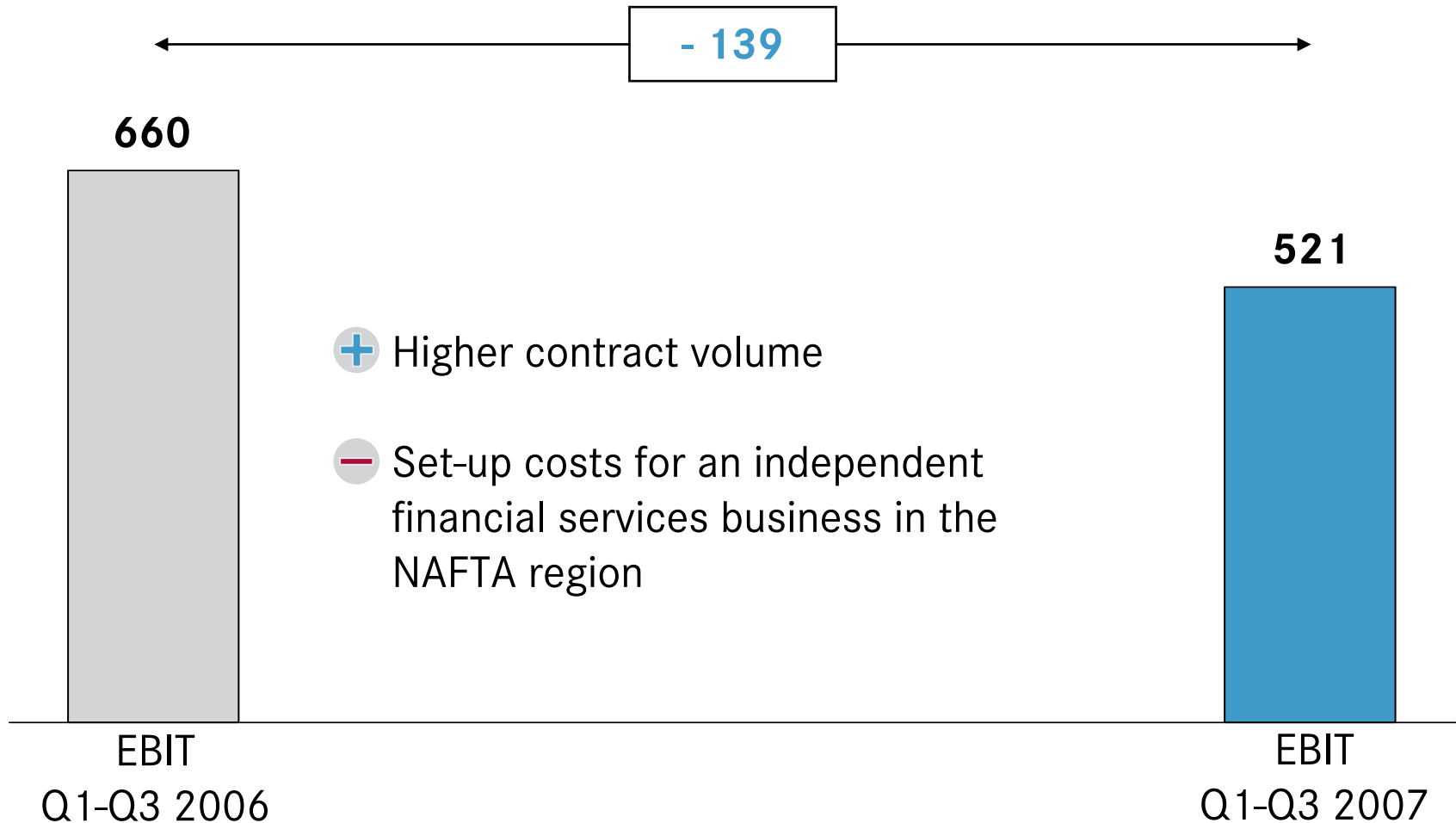
Contract volume

- in billions of € -

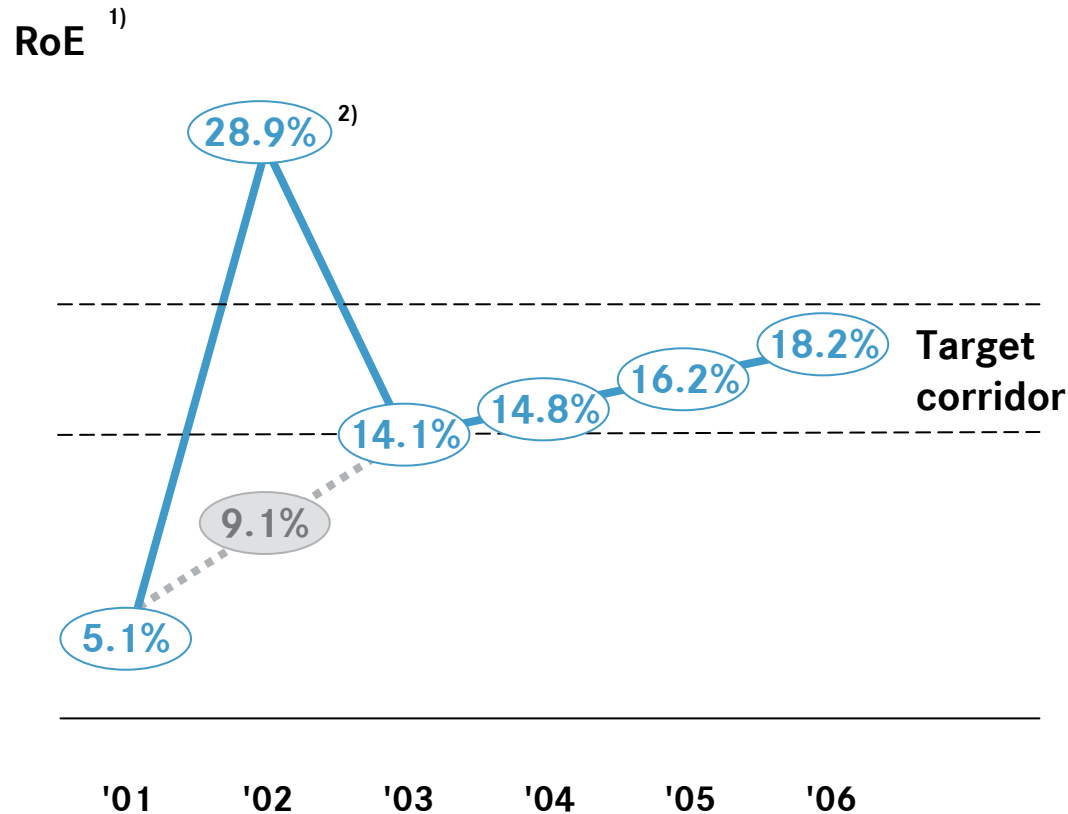


Lower EBIT reflects burdens from setting up a new organization in the NAFTA region

- in millions of € -



Target: maintain high profitability in challenging business environment



Major levers

Brand support

Operational excellence

Regional initiatives and best practices

1) RoE as reported including figures of Chrysler Financial

2) Incl. sale of IT Services

Focusing on both, growth and efficiency to ensure sustainable profitability after the separation from Chrysler

Growth drivers

- 1 Penetration of existing markets
- 2 Expansion into new markets
- 3 New products
 - Fleet Management
 - Insurance

Efficiency drivers

- 1 Leverage efficiencies by implementing a global process & IT landscape

Profitable Growth

Further growth in Eastern Europe and Latin America

Unit sales Vans

- in thousands of units -

Revenues Vans

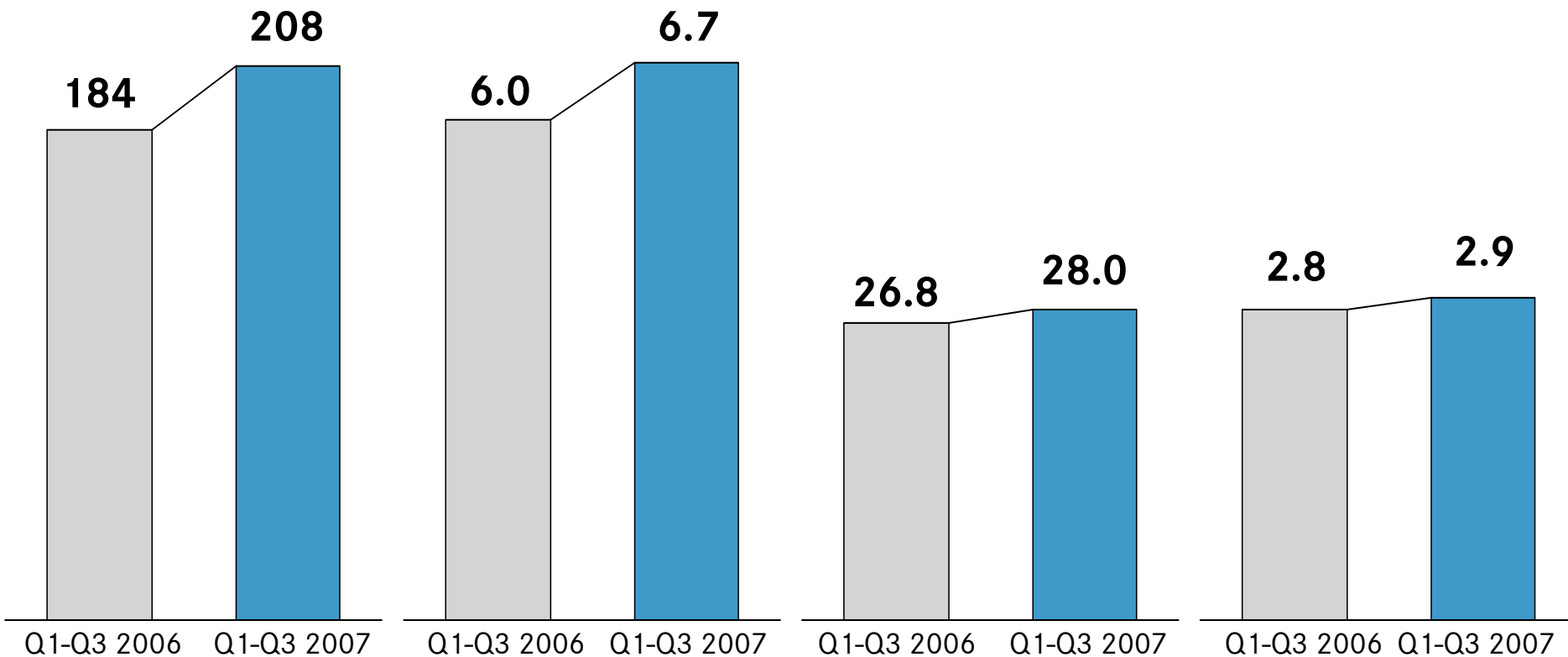
- in billions of € -

Unit sales Buses

- in thousands of units -

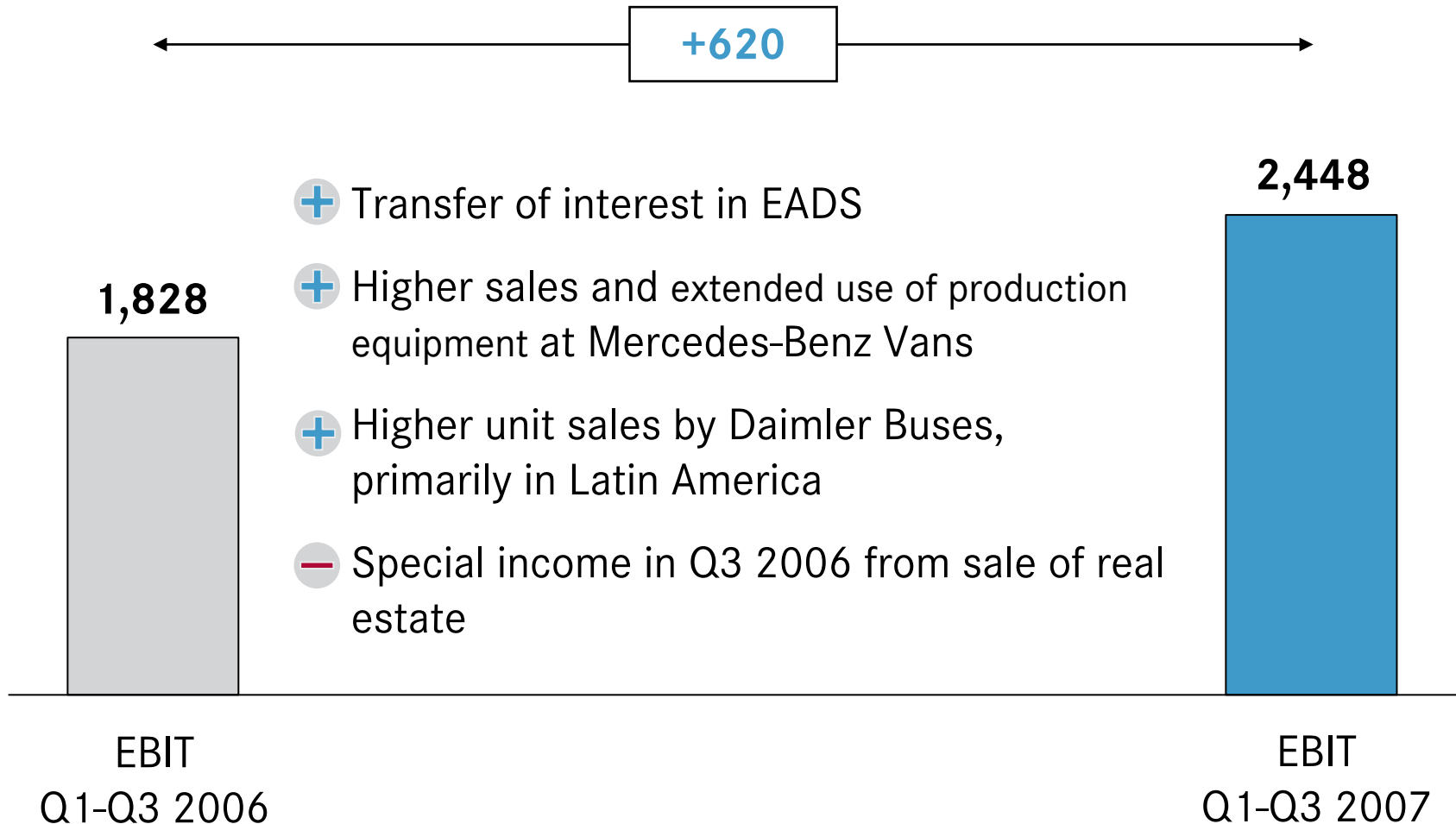
Revenues Buses

- in billions of € -



Higher EBIT as a result of the transfer of interest in EADS and improved profitability of vans and buses

- in millions of € -



Major levers for increased profitability

Vans

Global presence

Product-related efficiency programs

Buses

Secure No. 1 position

- Product leadership
- Efficiency improvement

Products

Van models Vito and Sprinter

Bus models Citaro and Conecto



Earnings outlook FY 2007

- **Mercedes-Benz Cars** expects to achieve significantly more than 8% ROS in 2007 and aims to increase its ROS to 10% by the year 2010.
- **Daimler Trucks** expects earnings in the magnitude of the prior year despite market decline in the United States and Japan.
- **Daimler Financial Services** incurs expenses due to the separation of its NAFTA business. However, it assumes it will achieve a return on equity of more than 14%.
- **Group** EBIT of at least €8.5 billion expected, including:
 - a gain of €1.4 billion from the transfer of interest in EADS
 - charges of €0.3 billion related to the new management model

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Road to sustainable mobility and CO₂-reduction

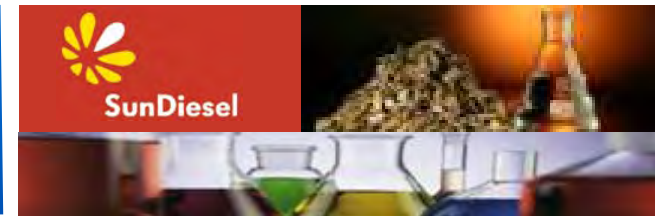
today

future

**Emission-free driving
with fuel cell/battery-drive**



Improved & alternative fuels





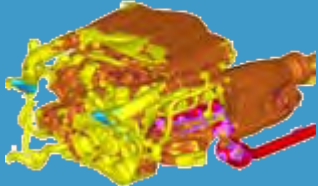


**Efficient cars
with efficient powertrains
with or without hybrid modules**

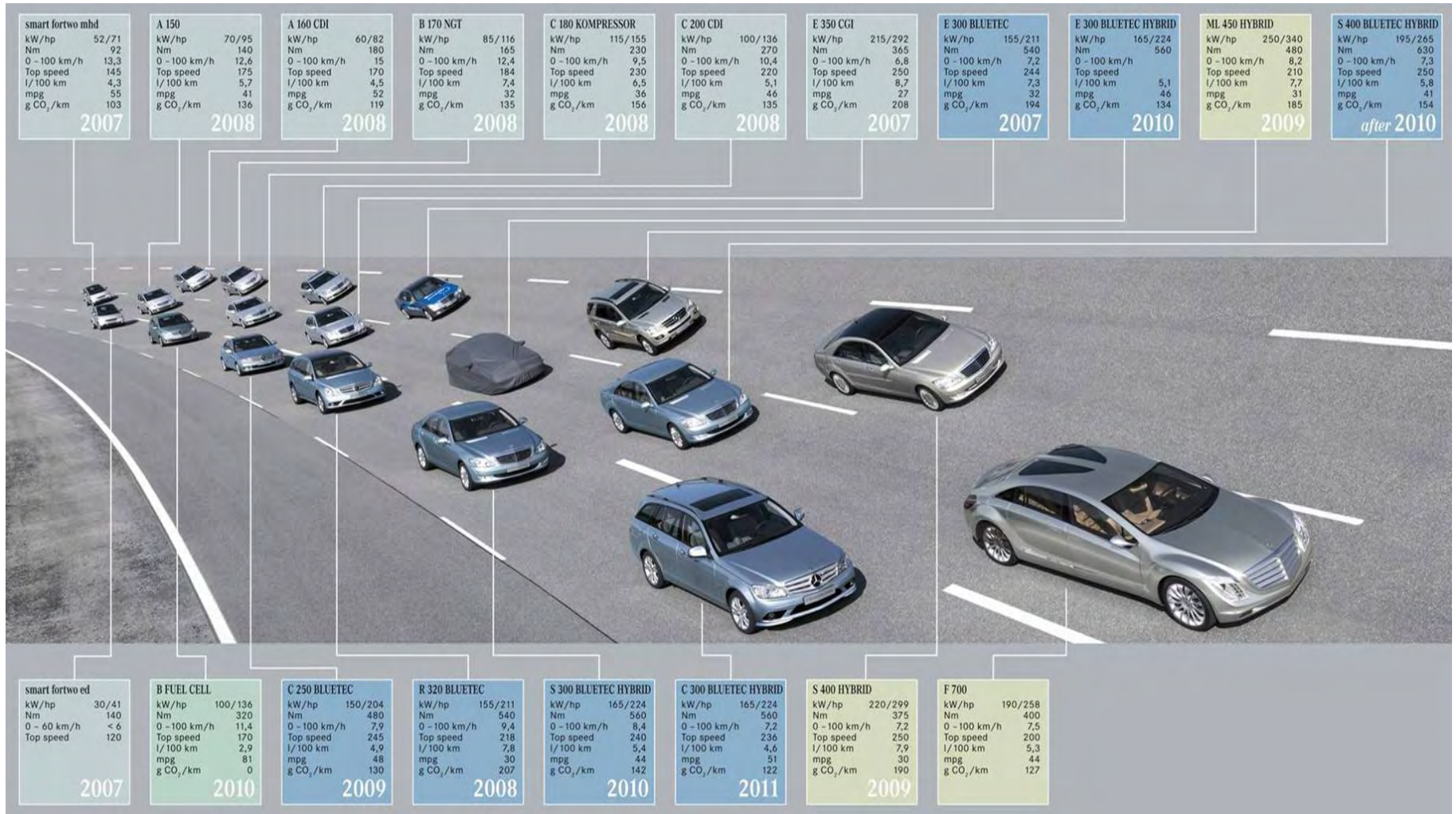


Fully fledged approach to achieve highly competitive fuel economy and emission targets

Examples

| Gasoline Engines | Diesel Engines | Transmission | Hybrid Powertrain | Weight/Energy Management |
|---|---|--|---|---|
| Fuel economy types | | Double clutch | Start/Stop | Heat management |
| 2nd generation direct injection: V6/V8 CGI | BLUETEC Clean Diesel | More gears | Hybrid Modules (Gasoline/Diesel) | Energy optimization |
| Turbocharging w/ direct injection and downsizing | | | Full Hybrid | Vehicle optimization |
| DIESOTTO | | | | |
|  |  |  |  |  |

Our products for the road to the future



E 300 BLUETEC - Launch in Europe by end of this year



E 300 BLUETEC

| | |
|-----------------------|---------|
| kW/hp | 155/211 |
| Nm | 540 |
| 0 – 100 km/h | 7.2 |
| Top speed | 244 |
| l/100 km | 7.3 |
| mpg | 32 |
| g CO ₂ /km | 194 |

S 300 BLUETEC HYBRID will be launched in 2010



S 300 BLUETEC HYBRID

| | |
|-------------|---------|
| kW/hp | 165/224 |
| Nm | 560 |
| 0 –100 km/h | 8.4 |
| Top speed | 240 |
| l/100 km | 5.4 |
| mpg | 44 |
| g CO2/km | 142 |

Worldwide leading fuel cell experiences:

>100 Daimler vehicles in daily operation since 2005

Examples

60 Cars



~ 1,450,000 km
~ 42,500 hrs

36 Buses



~ 1,900,000 km
~ 126,000 hrs

3 Vans



~ 64,000 km
~ 2,300 hrs

First F-Cell vehicle surpassed 100,000 km in January 2007

Note: Data as of August 2007

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The “New Daimler” will stand on a very solid foundation

**Daimler will be committed to excellence in all its activities:
Our aim is to be among the top performers in profitable growth**

First

No compromise on operational excellence and high performance culture

Second

Further grow core business in traditional market segments and exploit new market opportunities on a regional basis

Third

Further develop innovative, customer-oriented services and technologies
(pursuing activities along our entire value chain)

Fourth

Grow and innovate new businesses in related areas
(such as based on sustainable, environmentally friendly technologies)

This should provide for premium profits at industry leading profitability levels on an ongoing basis

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Friedrich Lauer
Head of Investor Relations

Disclaimer

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