

DAIMLER

German Investment Conference 2010

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Investor Relations and Treasury

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Agenda

1 Financial Results

2 Daimler Truck Strategy

3 Mercedes-Benz Cars Strategy

Key financials

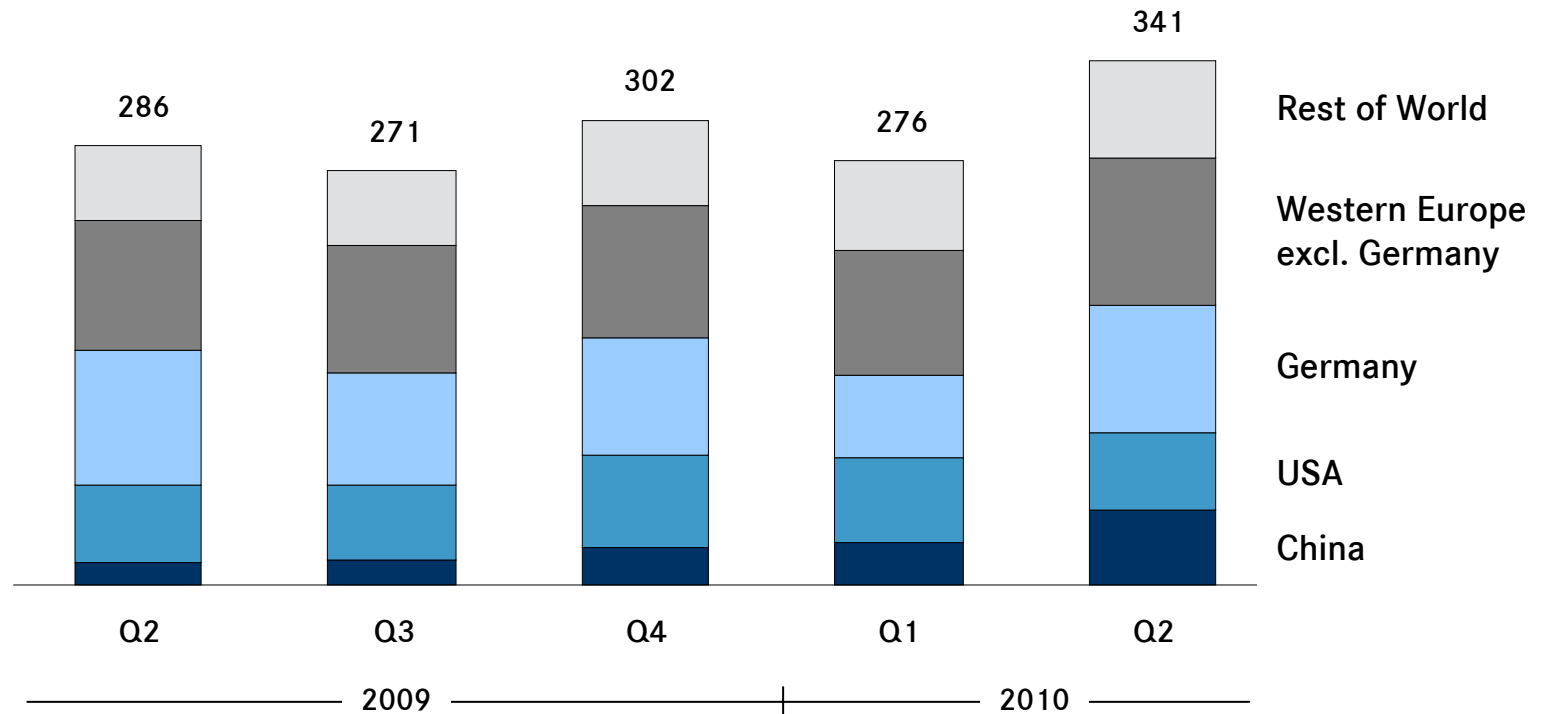
- in billions of € -	Q2 2009	Q2 2010
Revenue	19.6	25.1
EBIT	(1.0)	2.1
Net profit (loss)	(1.1)	1.3
Earnings (loss) per share (in €)	(0.99)	1.18
Free cash flow industrial business (January-June)	0.3	2.8
Net liquidity industrial business (2009: year-end)	7.3	9.4

Key developments 2010

- Strong EBIT performance driven by double-digit volume growth in all divisions
- Improved model-mix
- Very good pricing position
- Strong industrial cash flow
- Sustainable cost reduction and efficiency enhancement
- Further progress on regional strategies and co-operations

Chinese market continues to gain importance

- Unit sales in thousands* -

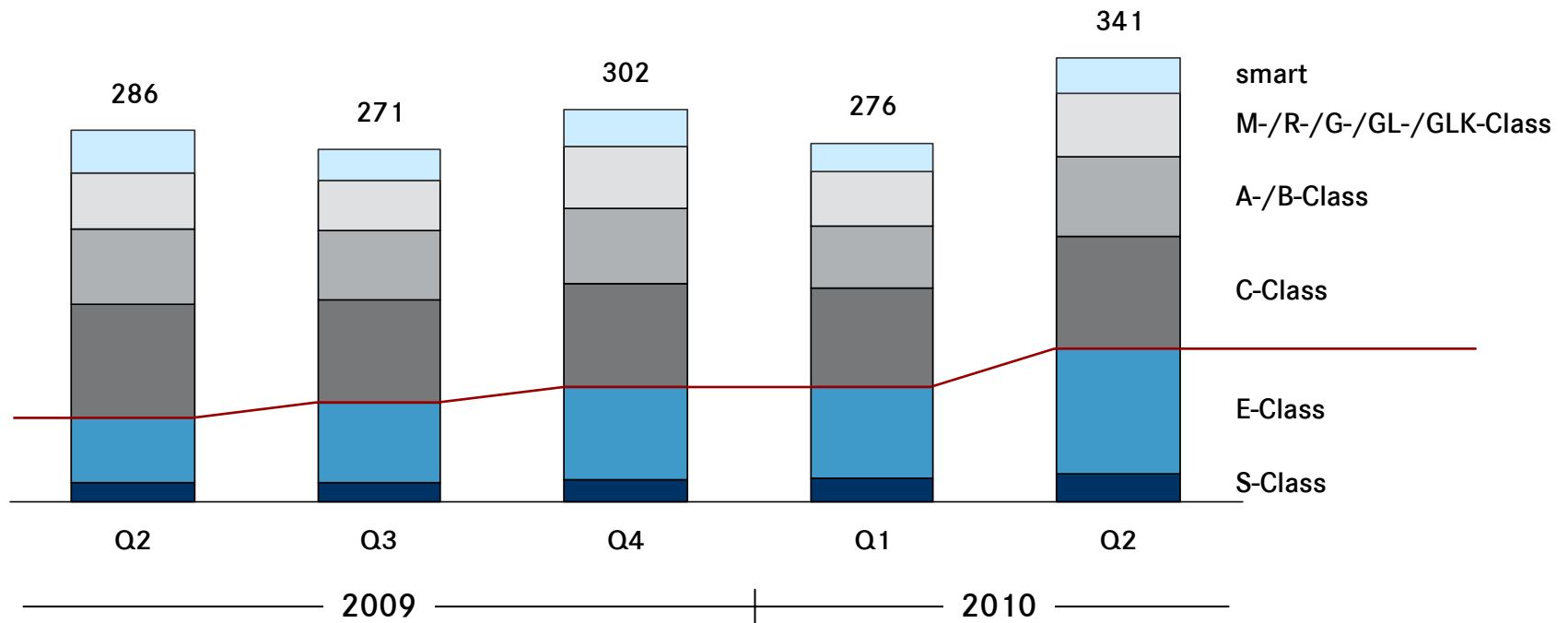


- Sales increased year-over-year by 19%
- Percentage of China on total unit sales rose from 5% to 14%
- Significant gains of market share in Germany

* Excluding Mitsubishi vehicles produced and/or sold in South Africa

Strong model mix

- Unit sales in thousands* -

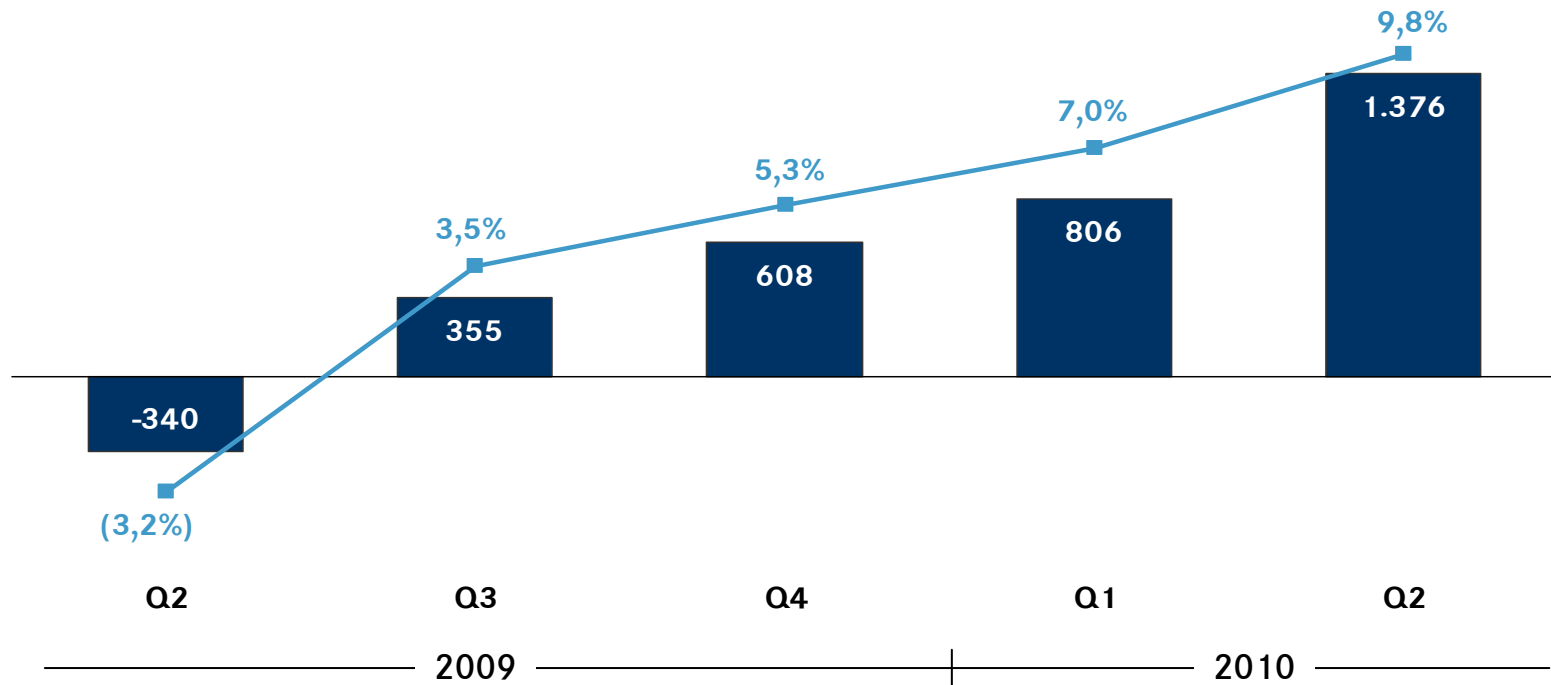


- Market success of attractive and competitive model range
- Sales of E-Class rose year-over-year by 91%
- Percentage of E- and S-Class on total unit sales increased from 23% to 35%

* Excluding Mitsubishi vehicles produced and/or sold in South Africa

Continued strong improvement of EBIT over the last quarters

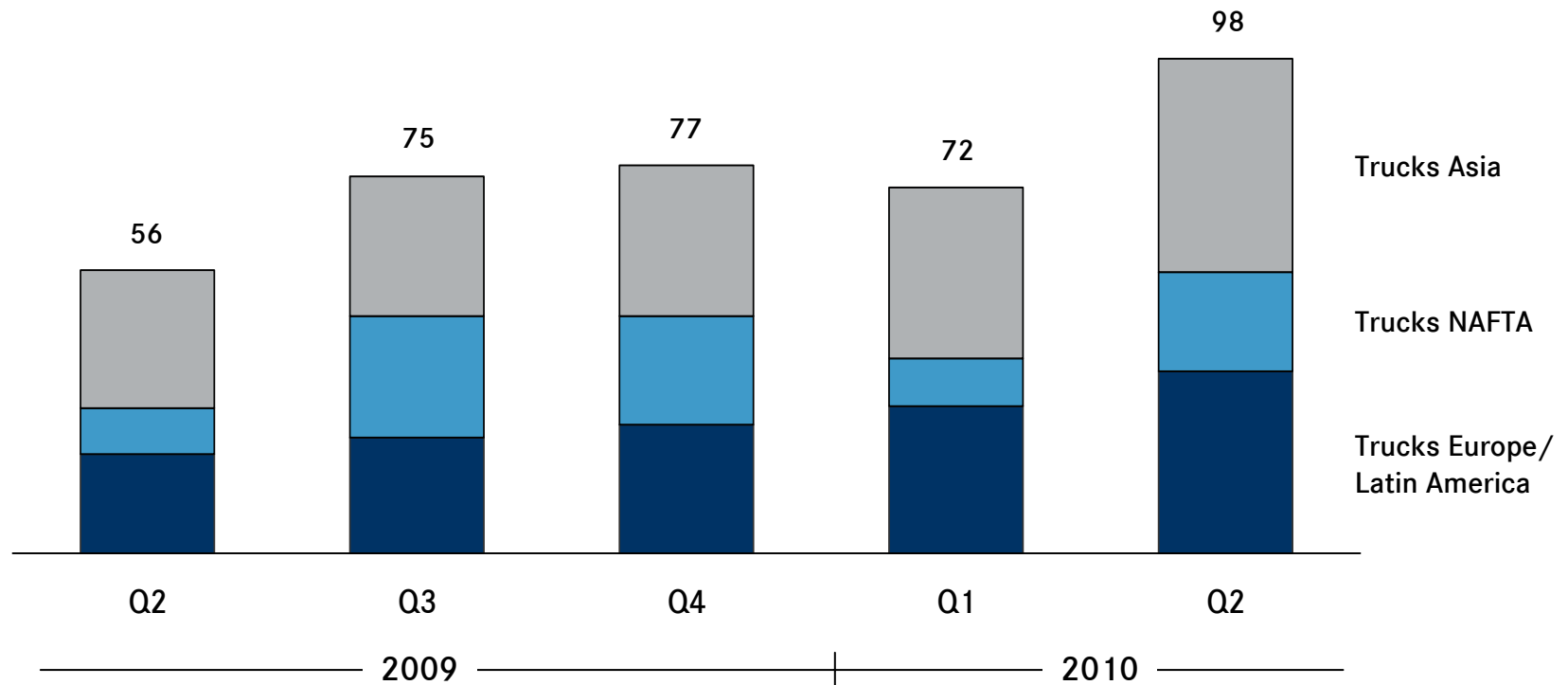
– EBIT in millions of €, return on sales in % –



- Strong increase driven by higher sales volume in all regions, especially in China
- More favorable product mix and better pricing
- Positive exchange rate development and efficiency enhancements

Incoming orders are recovering in the truck business

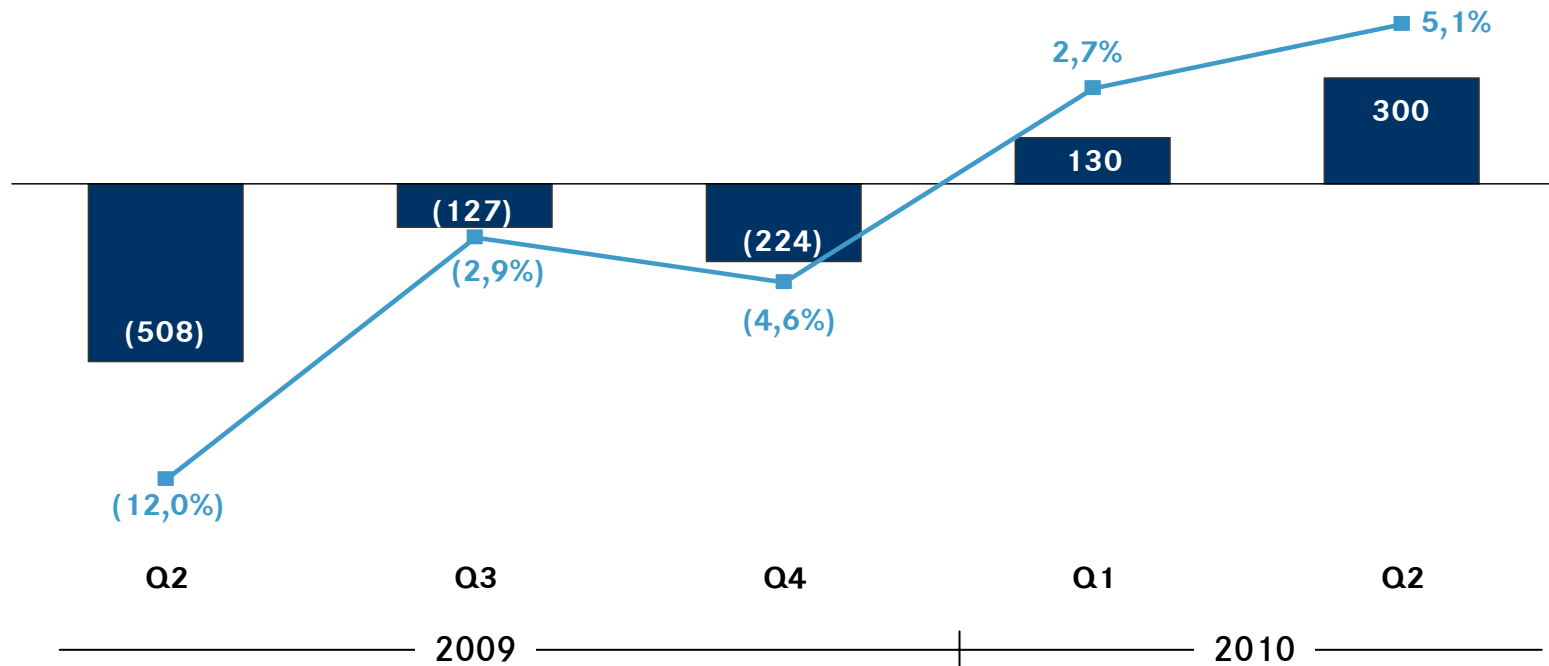
– Incoming orders in thousands of units –



- Incoming orders continued to exceed sales
- Positive development in nearly all regions

Higher volume and cost improvements drive significant increase in Q2 EBIT

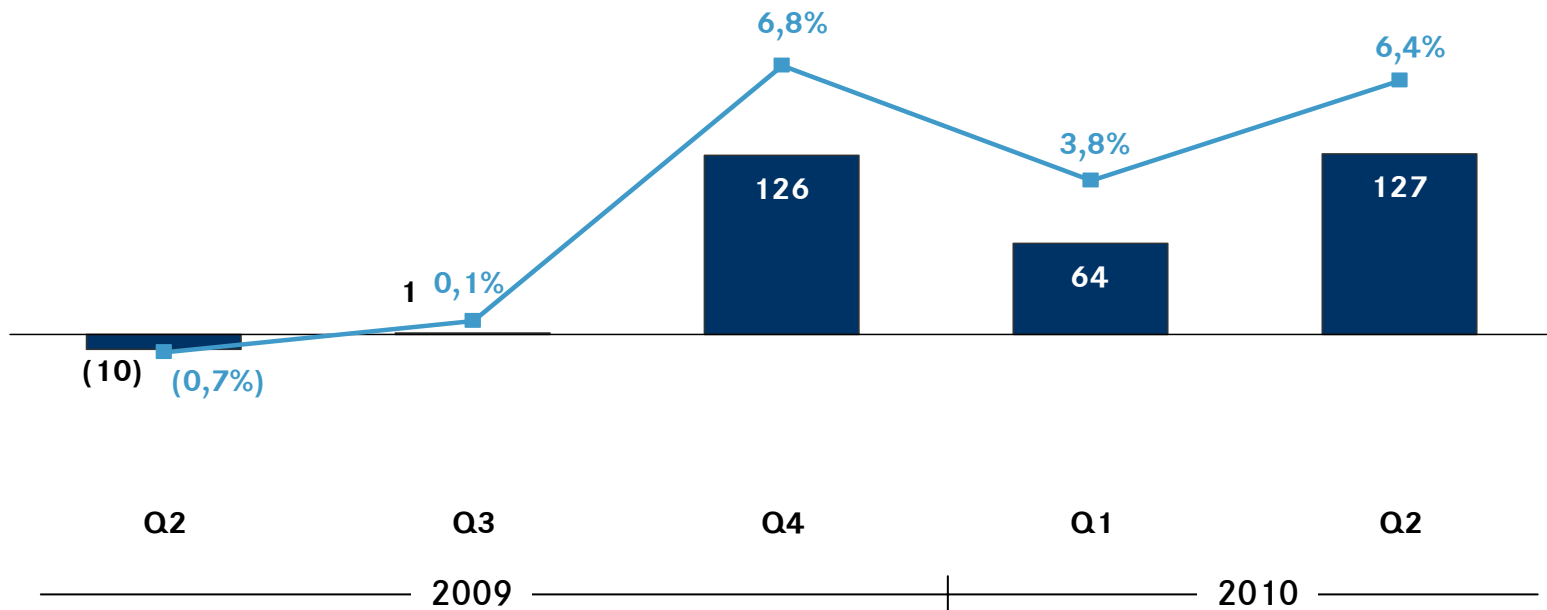
– EBIT in millions of €, return on sales in % –



- Good performance due to sales increase
- Reduction of break-even in line with repositioning in Asia and North America

Strong earnings performance at Mercedes-Benz Vans

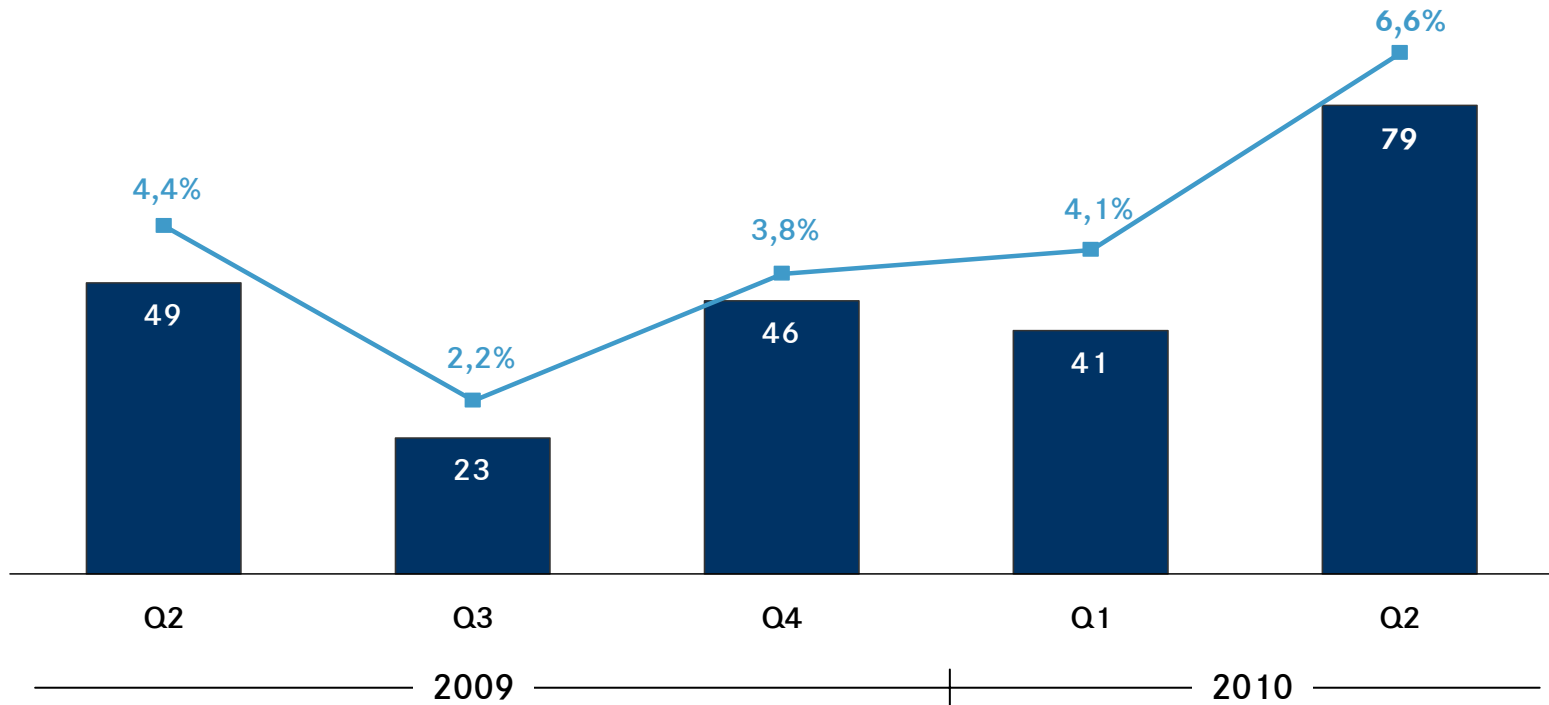
– EBIT in millions of €, return on sales in % –



- Earnings improvement mainly due to higher sales volume
- Sustainable measures to reduce cost and enhance efficiency

Continued good performance at Daimler Buses based on positive development in Latin America

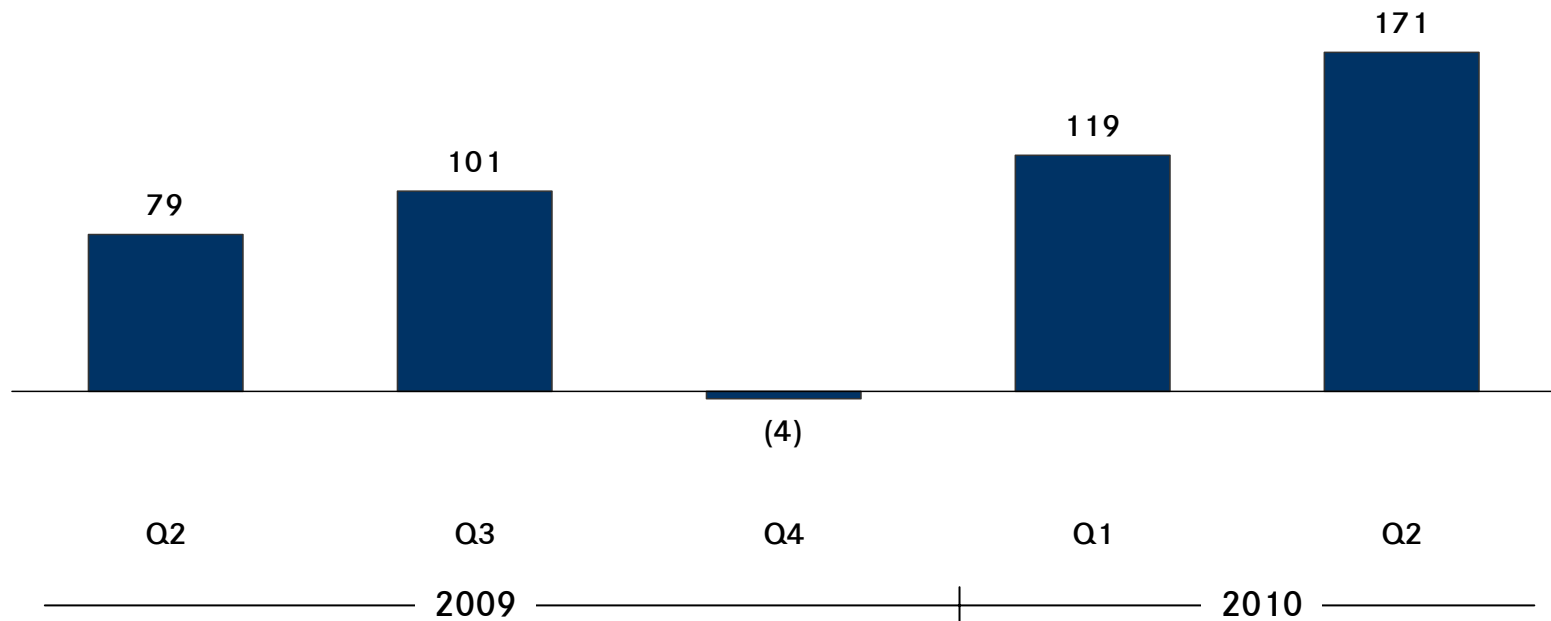
– EBIT in millions of €, return on sales in % –



- Significantly higher deliveries of bus chassis in Latin America, especially in Brazil
- In all other major markets ongoing difficult market conditions
- Positive impacts from ongoing efficiency measures and favorable exchange rate effects

Strict risk management pays off at Financial Services – Q2 EBIT increases despite restructuring charges

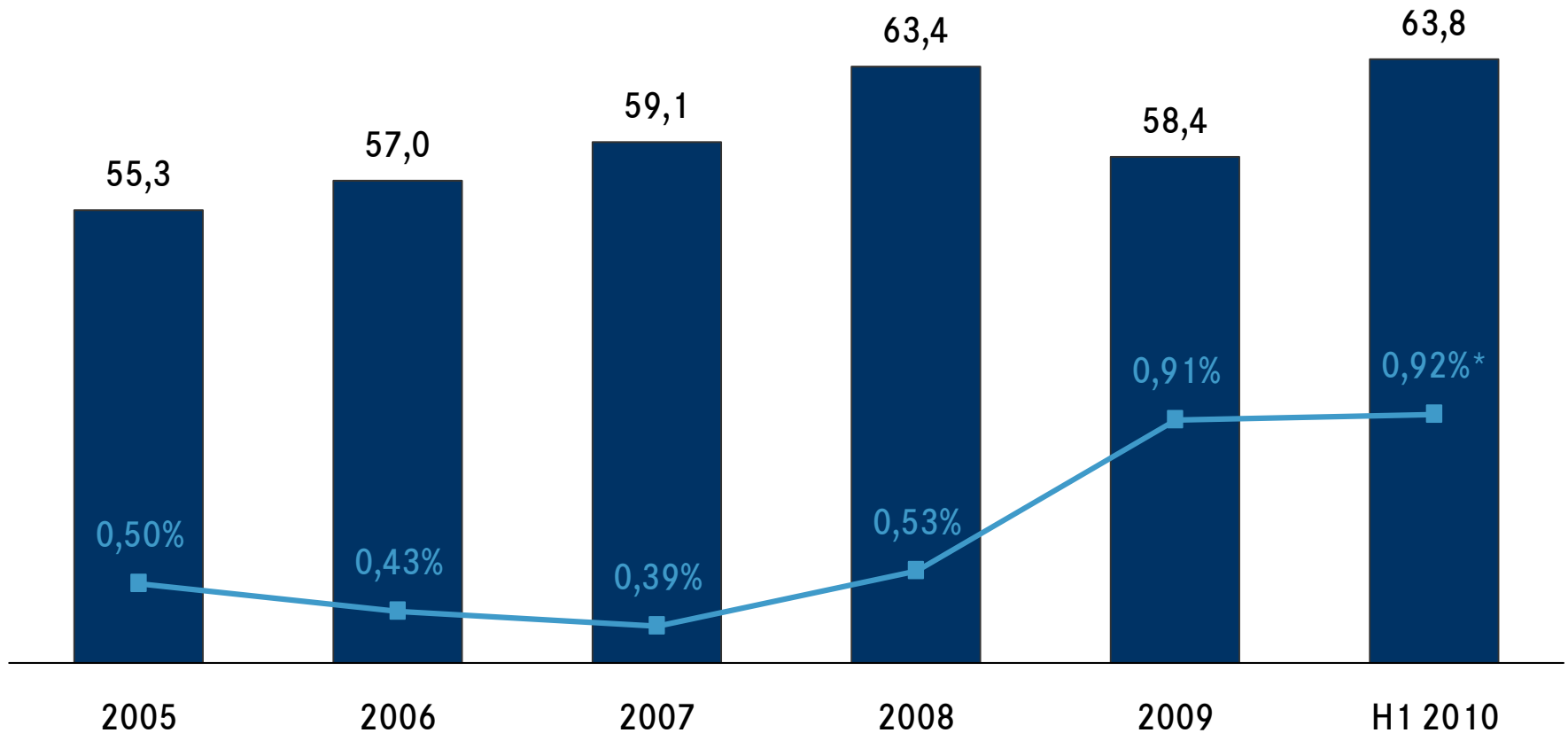
– EBIT in millions of € –



- Lower cost of risk
- Higher interest margins
- Charges for the repositioning of business activities in Germany compensated

Financial Services Portfolio and Net Credit Losses

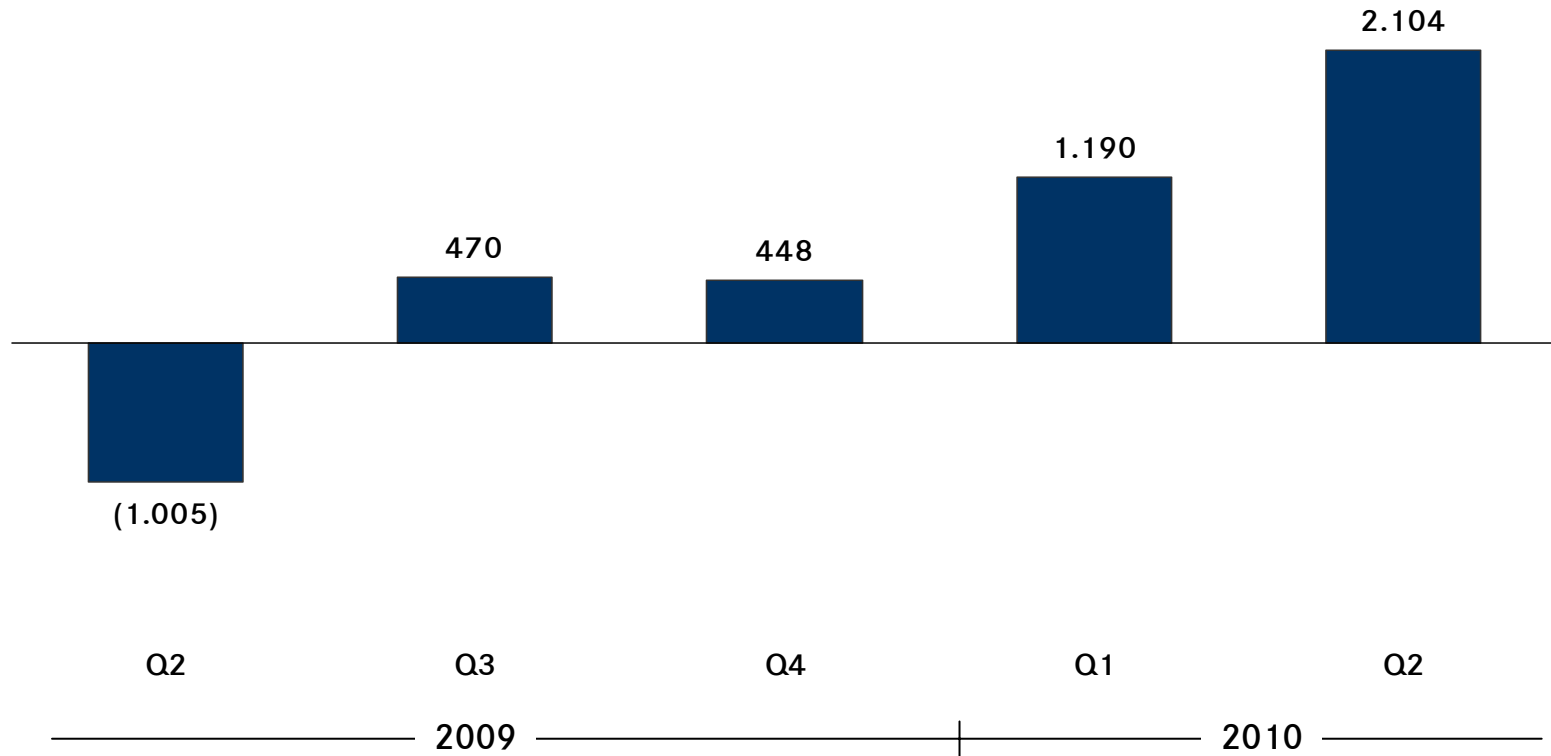
– Portfolio in billions of €, Net Credit Losses in % of global automotive portfolio subject to credit risk –



* annualized rate

Strategy pays off, Group on track

- EBIT in millions of € -



- Unit sales increased by double-digit rates in all vehicle divisions
- Strong product portfolio, better pricing and positive development of exchange rates
- Measures to reduce cost and improve efficiency turned out as sustainable in Q2

Assumptions for automotive markets in 2010

● Car markets

- Worldwide market expected to grow by approximately 8%
- Growth potential in particular in China and North America

● Truck markets

- Demand for medium- and heavy-duty trucks expected to increase globally, driven by Latin America, North America and Asia
- Europe: +5 to 10%
- NAFTA region: +10 to 15%
- Brazil: +25 to 30%
- Japan: +20 to 30%

● Van markets

- Positive market development expected from low level

● Bus markets

- Growing worldwide market primarily driven by Latin American markets, while Western European bus markets are expected to decline

Outlook 2010 for Daimler sales

● Mercedes-Benz Cars

- Demand stimulated by attractive and competitive product portfolio
- Unit sales of the Mercedes-Benz brand expected to grow at a double-digit rate

● Daimler Trucks

- 2010 unit sales expected to increase significantly from low level
- Main drivers are increased demand in Latin America and market recovery in North America and Asia

● Mercedes-Benz Vans

- Significant increase of unit sales compared to 2009 expected

● Daimler Buses

- Higher unit sales anticipated due to market growth in Latin America

Outlook 2010 for EBIT

- **Mercedes-Benz Cars**
 - Results from ongoing business should benefit from continued high unit sales and improved margins
 - We are targeting EBIT of €4.0 billion
- **Daimler Trucks**
 - EBIT of approximately €1 billion expected, driven by the volume growth, ongoing repositioning and efficiency programs
- **Mercedes-Benz Vans**
 - Should achieve EBIT of approximately €350 million
- **Daimler Buses**
 - EBIT of approximately €180 million expected
- **Daimler Financial Services**
 - EBIT from ongoing business of approximately €800 million expected
- **Daimler Group**
 - We are targeting EBIT from ongoing business of €6.0 billion
 - For the reconciliation between the sum of the segments and the Group, charges of €200 million are expected
 - Due to fragile macro-environment, risks remain in Q3 and Q4 2010. The updated outlook is assuming that the automotive markets remain stable and risks along the automotive value chain do not materialize.

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Daimler Trucks Strategy: Global Excellence

Overall Vision:

“We are No. 1 in the global Truck business, create superior value for our customers and are benchmark for quality and profitability”




Pillars

- 1 Management of Cycles
- 2 Operational Excellence
- 3 Growth and Market Exploitation
- 4 Future Product Generations



Effectiveness & Efficiency



Strategic Growth & New Products



Production flexibility & “Kurzarbeit”: Winning combination

Flexible working hours



Flexible cycle time



Flexible network

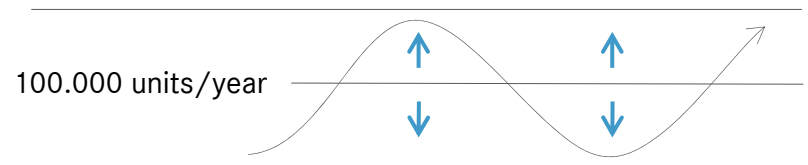


* Würth Plant

Success factor flexibility*



120.000 units/year



70.000 units/year

Regional programs implemented

Daimler Trucks EU/LA



Contingency Program Mercedes-Benz Aggregates & Trucks

- Flexibility in
 - Working hours
- Flexibility in
 - Cycle time
- Inclusion of all Subunits and R&D, Cross functions and HQ
- Fixed cost reduction

Daimler Trucks NAFTA



Repositioning Program DTNA Repositioning

- Two brand strategy
- Adjustment of plant capacity to longterm market demand
- Direct material cost optimization
- New plant in Saltillo, Mexico
- Lean production

.....

2010:	600 mill. US\$ (acc.) 480 mill. €
2011:	900 mill. US\$ (acc.) 720 mill. €

Daimler Trucks Asia



Realignment Program Fuso Realignment

- Streamlining product portfolio
- Realignment of manufacturing operations
- Streamlining Japan retail network and enhancing international after sales
- Material cost optimization
- Fixed cost reduction

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2010:	594 Oku Yen (acc.) 450 mill. €
2011:	1,003 Oku Yen (acc.) 760 mill. €

Scope 2009/
Further improvements 2010 and 2011

BRIC strategy with tailor-made approaches

Status Quo



Brazil

Top position in truck market

- Further strengthen market position
- Integration into international network
 - Components
 - Products
- Capacity increase



Russia

Partnership with Kamaz



- Cooperation with HDT market leader to enter Russian volume market
- JV “Fuso Kamaz Trucks Rus”
- JV “MB Trucks Vostok”
- MoU: Stake increase in Kamaz



India

Market entry realized

- Market entry in volume truck segment
- Tailored to Indian market
- Construction work ongoing
- Test ground opened
- New brand



China



Lol with Foton

- Decision for JV between Daimler and Beiqi Foton affirmed in Lol
- Shareholder structure 50:50
- JV focus on production of medium/ heavy-duty trucks and technology exchange



Strategic Direction



Strengthening of **leadership position** in truck market

“**Create Russian champion**” with clear focus on trucks

“Driving the future” of Daimler Trucks by **entering the Indian mass market**

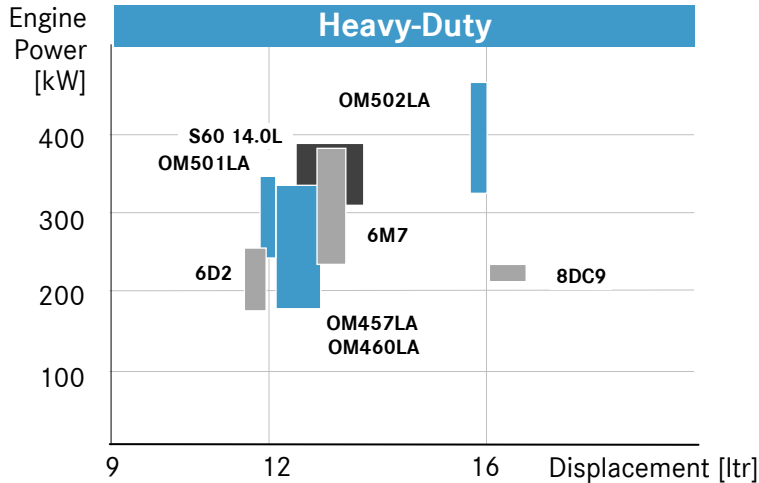
Entry into big volume CV market China **with strong local partner**

Commonality: New Heavy Duty Engine Generation

PAST 4 Engine Families / 4 Production Sites → **FUTURE** 1 New Engine Generation / 2 Production Sites

- Opportunities and Challenges:**
- Economies of scale
 - Standardized and scalable production network
 - Overall product specifications are driven by strongest regional emission requirements
 - Balanced global value streams

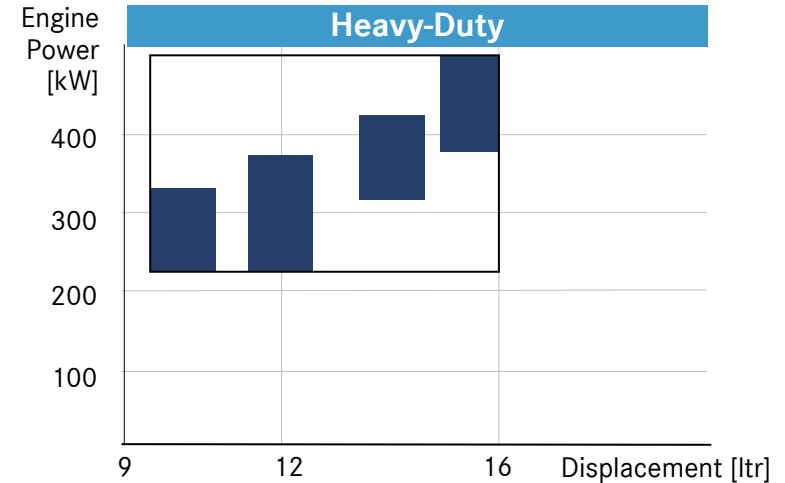
Current Engine Portfolio



Multiple engine series in same segments

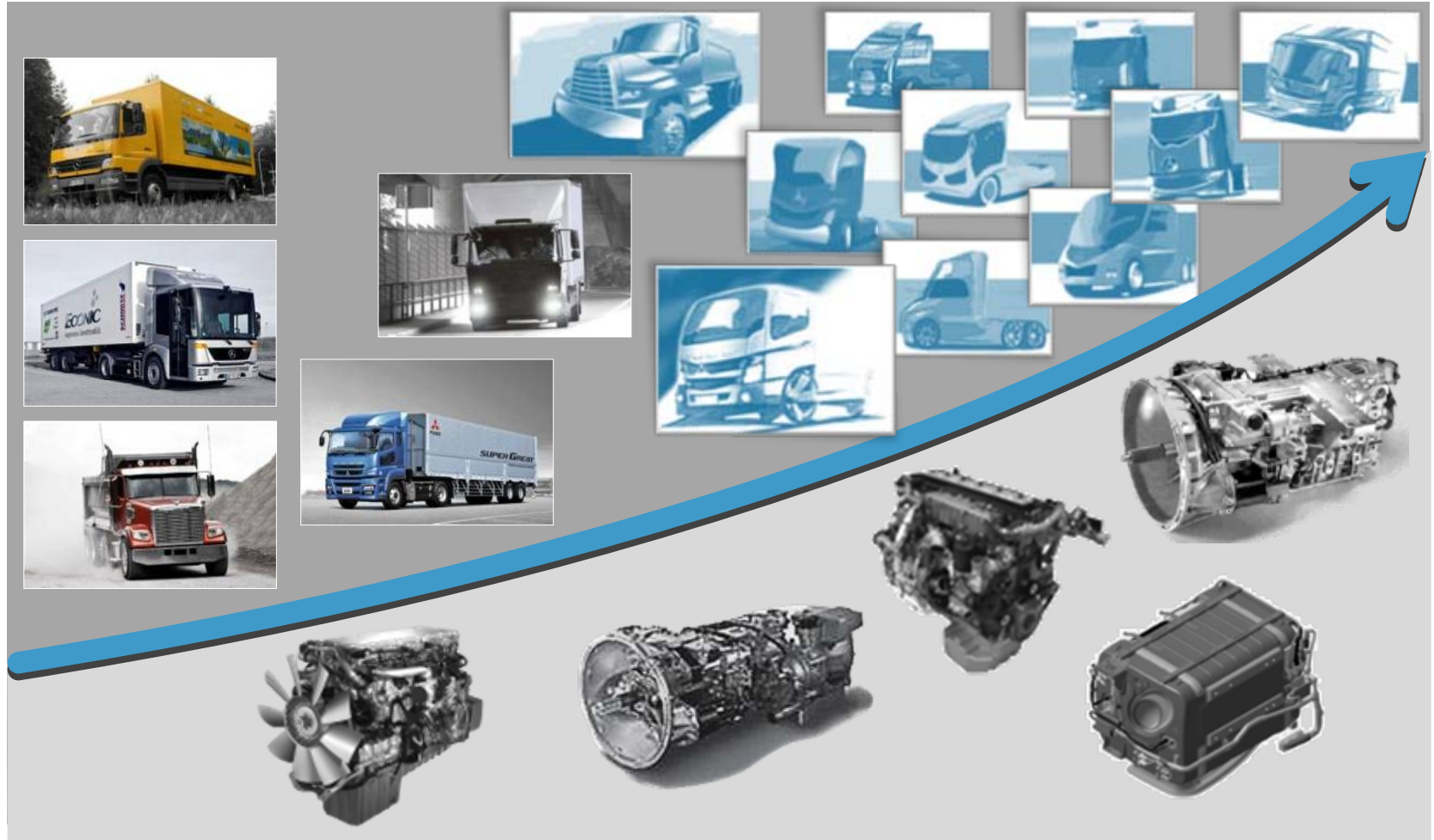


Future Engine Portfolio



One platform, different number of engine series

Most comprehensive product launch ever



2010

Shaping Future Transportation: Safe & Clean

Shaping Future Transportation

→ SafeDrive Technologies



Daimler Trucks leading in industry

- >10,000 Active Brake Assist system in customer use
- >110,000 assistance systems on the road

→ CleanDrive Technologies



Daimler Trucks as market leader

- > 280,000 vehicles with SCR technology
- >13,000 vehicles with alternative drivetrain

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Four levers for generating more momentum

Leading products and brands



Pioneering technologies and business models



New markets and networks

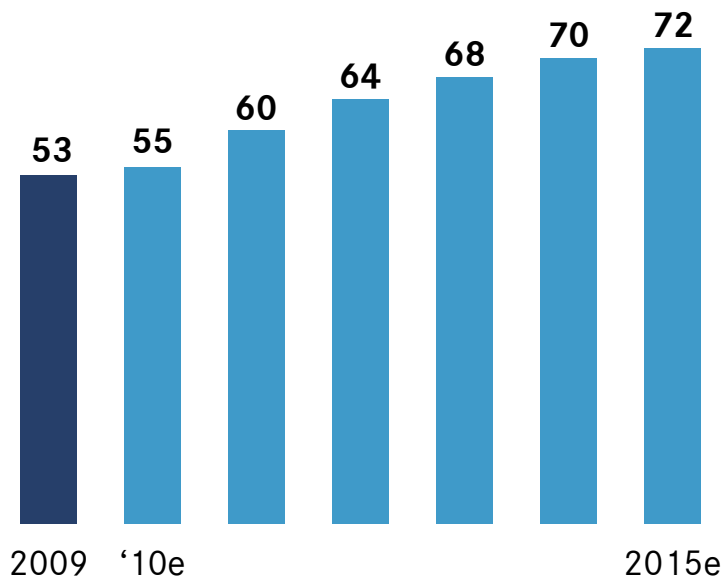


Continuing efficiency gains

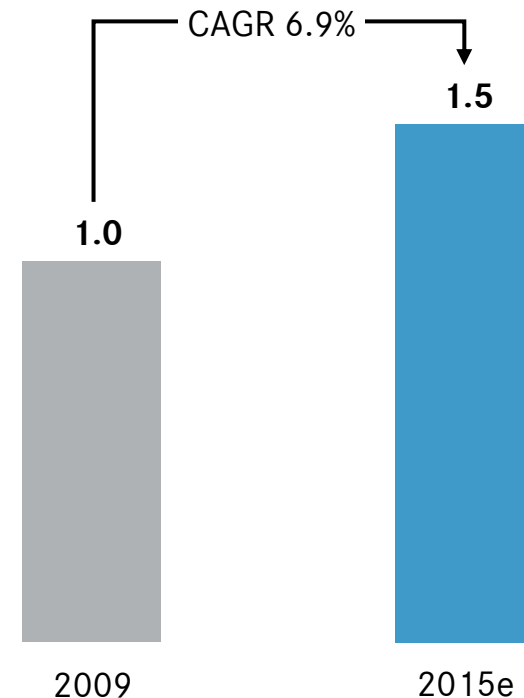


Aiming for 1.5 million vehicle sales in 2015

World passenger car sales
[million units]



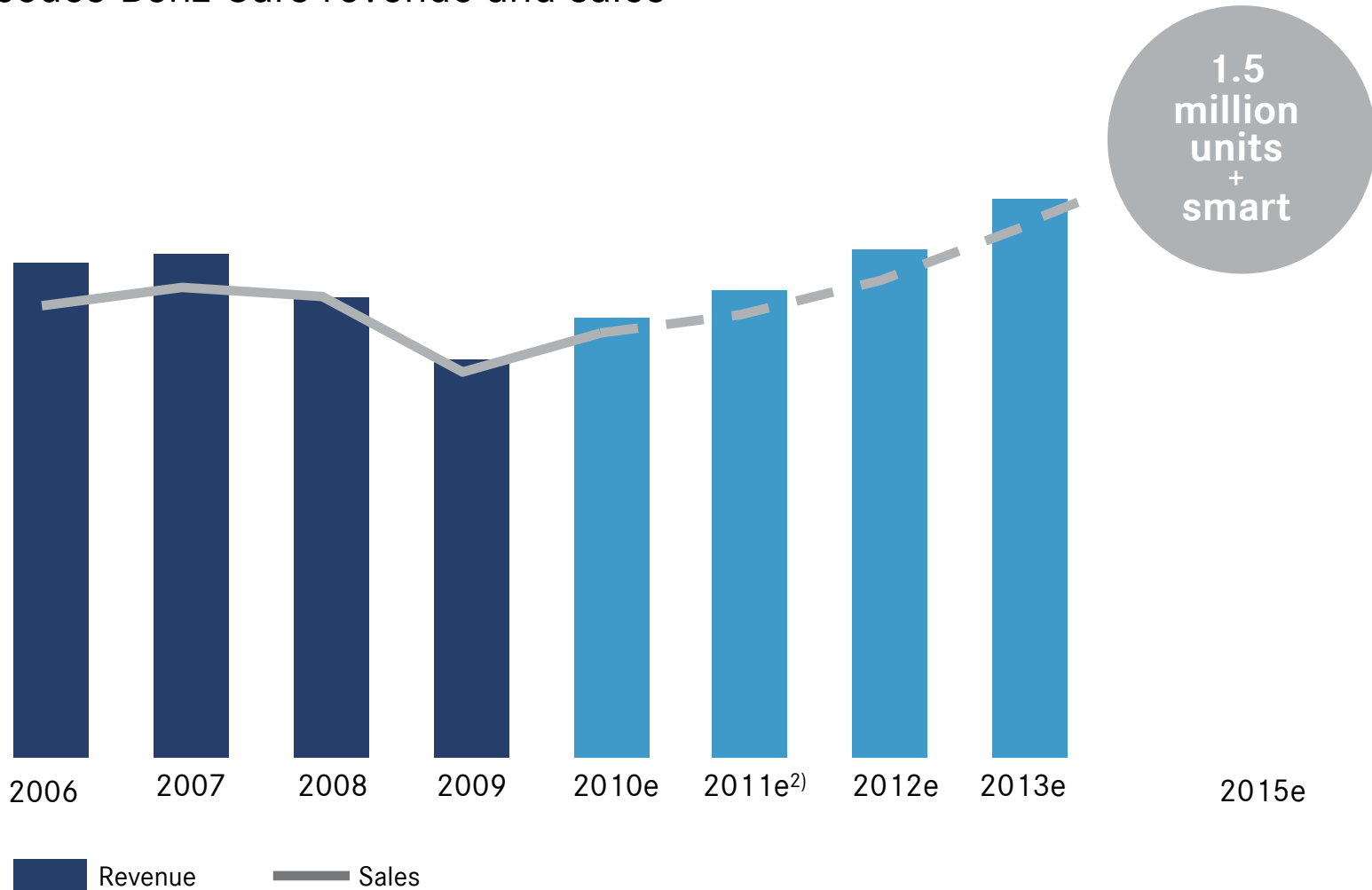
Mercedes-Benz Passenger Cars* vehicle sales
[million units]



* excludes smart

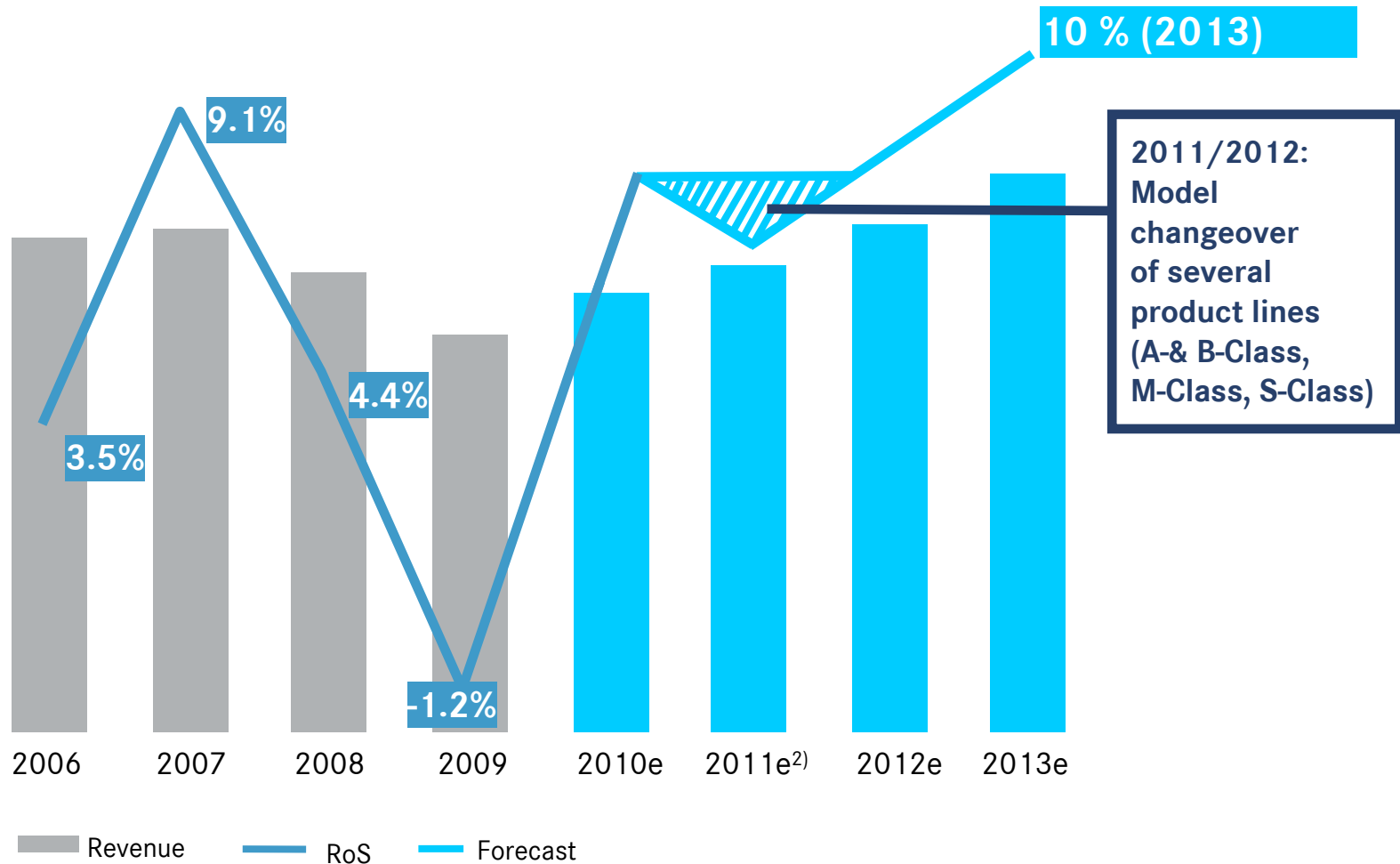
Forecasted revenue in line with sales development

Mercedes-Benz Cars revenue and sales



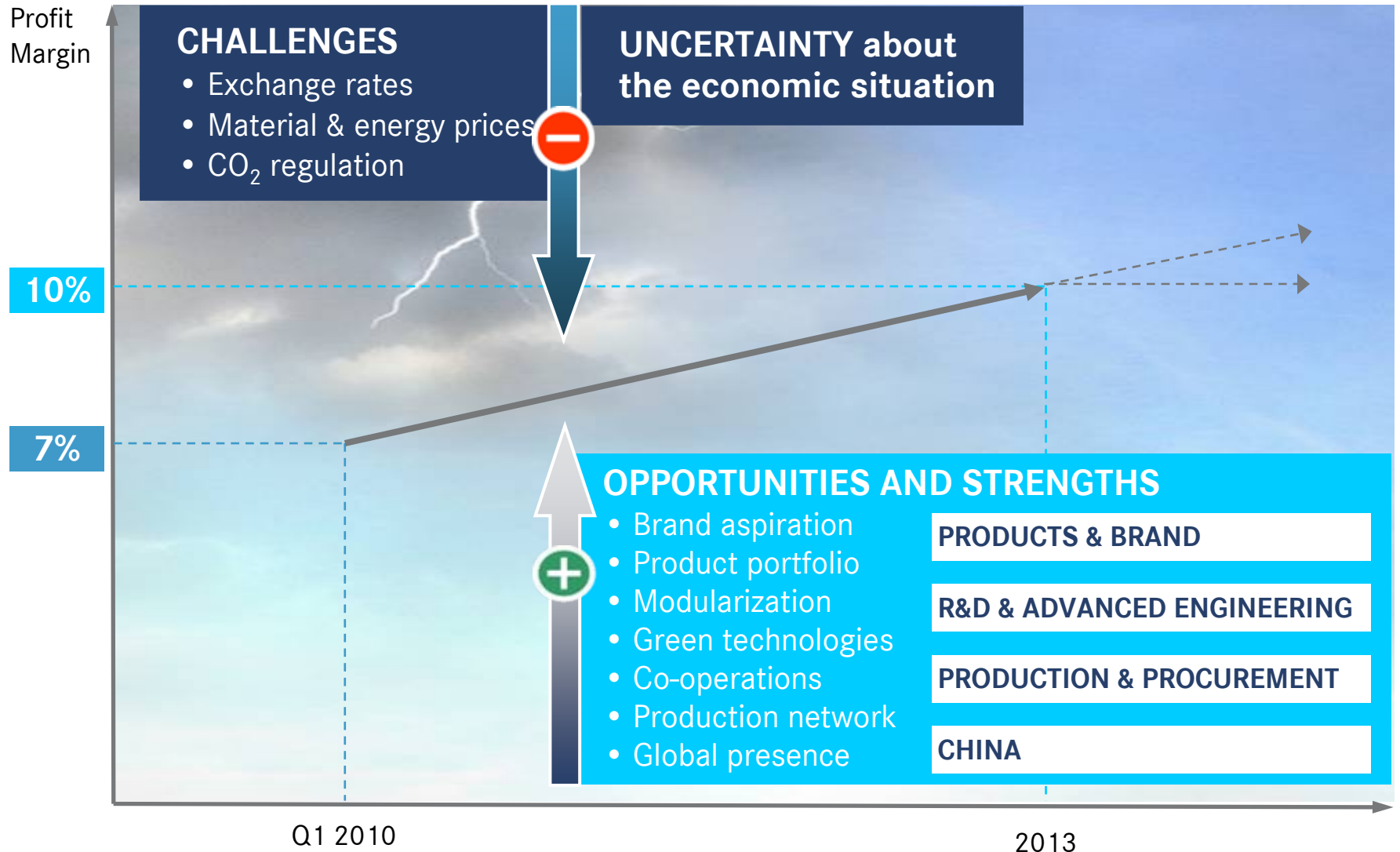
Determined to post 10% return on sales in 2013

Mercedes-Benz Cars Revenue and Return on Sales* [in %]



* Note: before '05: RoS based on operating profit (US GAAP); from '05: RoS based on EBIT (IFRS)

Safeguarding our earnings in a difficult environment



Concept Shooting Break – Expanding the top line

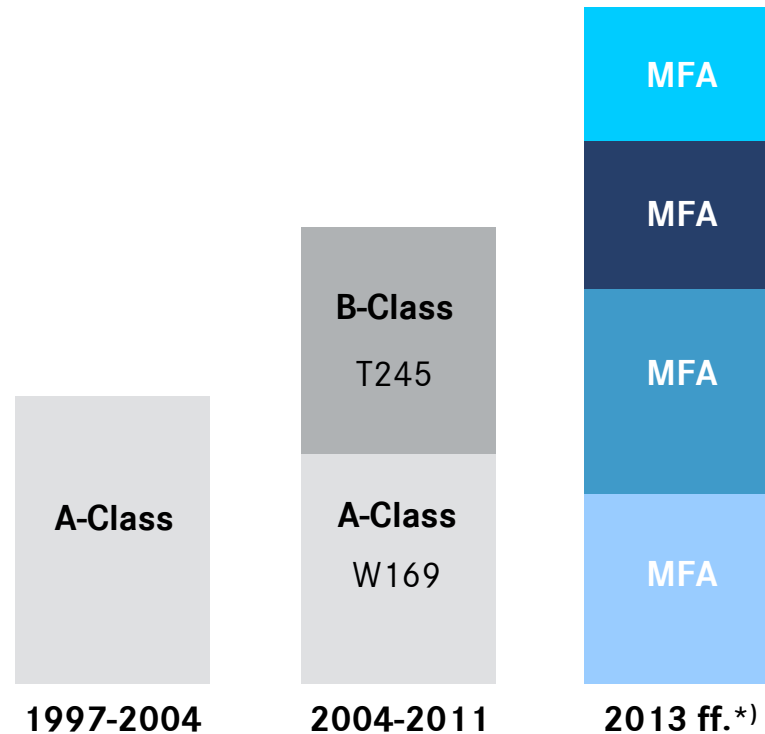


Concept Shooting Break – Expanding the top line



Expanding our product portfolio below the C-Class

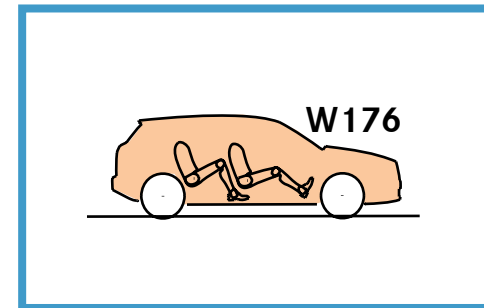
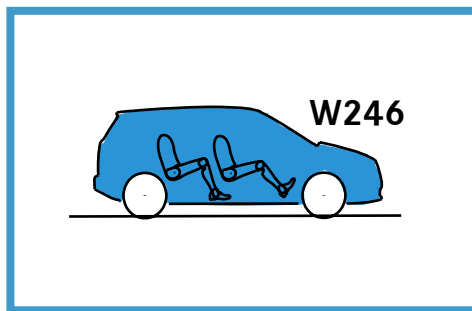
Mercedes-Benz' path to growth in the compact segment



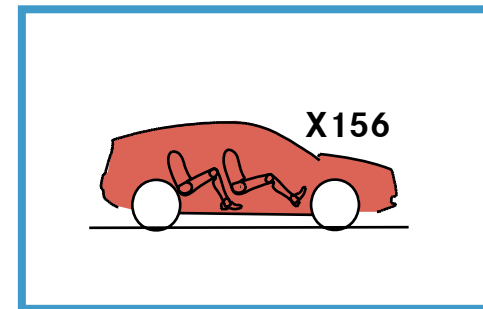
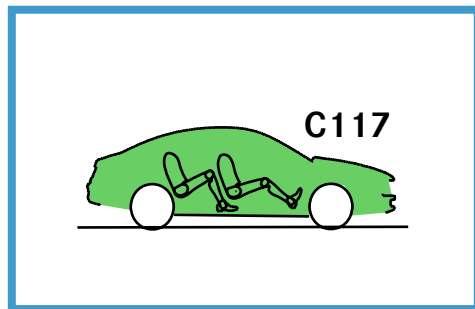
*) With full availability from 2013 onwards

Maximizing customer benefit while enhancing modularization

Example: “Mercedes-Benz Front-Wheel Drive Architecture”



Very high
commonality
rate



Blueprint for “Mercedes-Benz Rear-Wheel Drive Architecture”

Leading the way with green technologies

Examples

C 220 CDI



F 800 Style



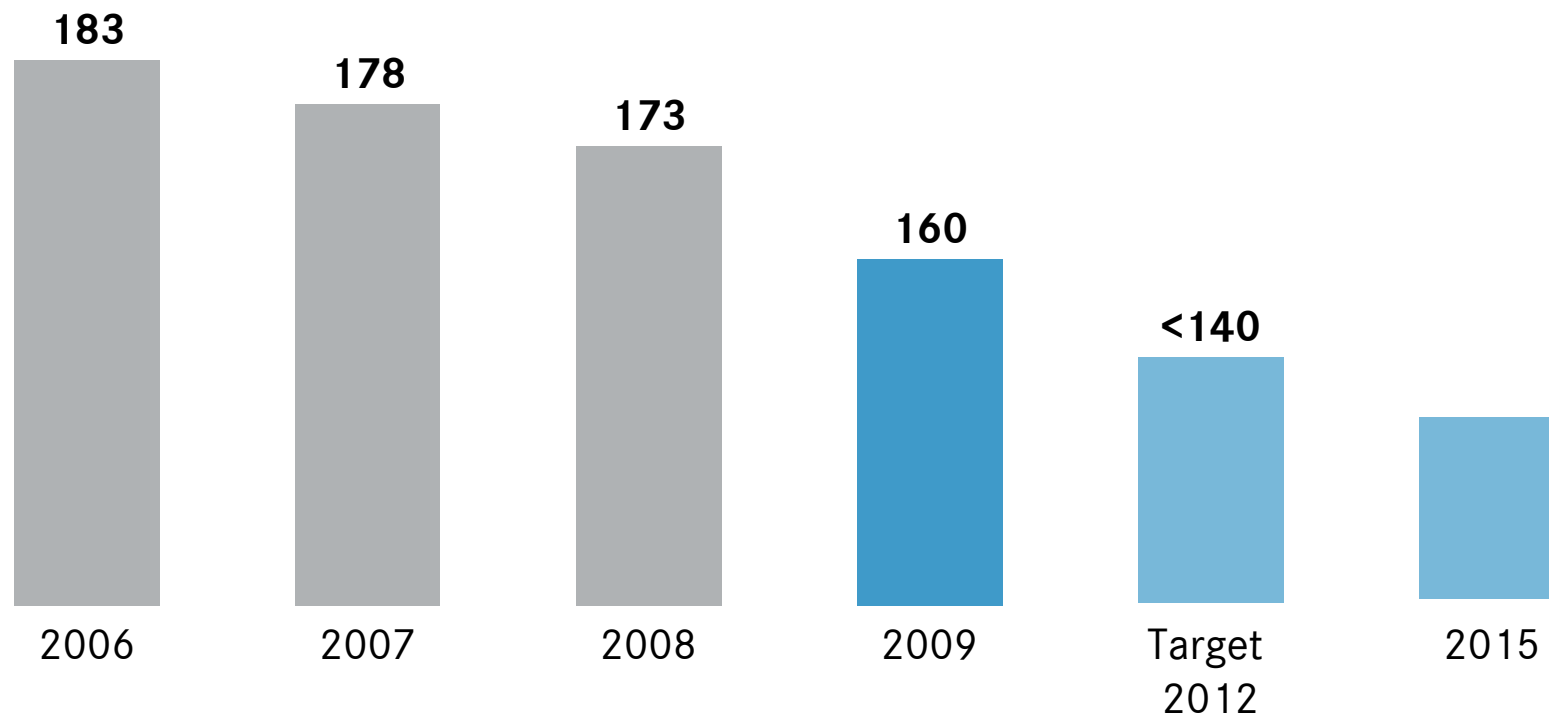
E-smart, E-Cell, F-Cell



*available in the course of 2010

Substantially reducing CO₂ emissions

CO₂ fleet average for Mercedes-Benz Cars
[in grams / kilometer]



New V6 /V8 engines with excellent performance efficiency: Rollout throughout entire fleet has started



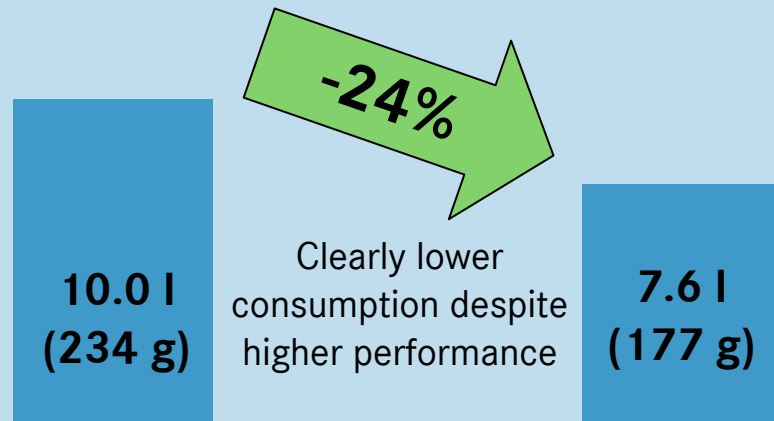
**New generation
V6 engine (M276)**



Mercedes-Benz S 350

- Current generation V6 engine (M272)
- Rated output: 200 kW (272 PS)
- Torque: 350Nm

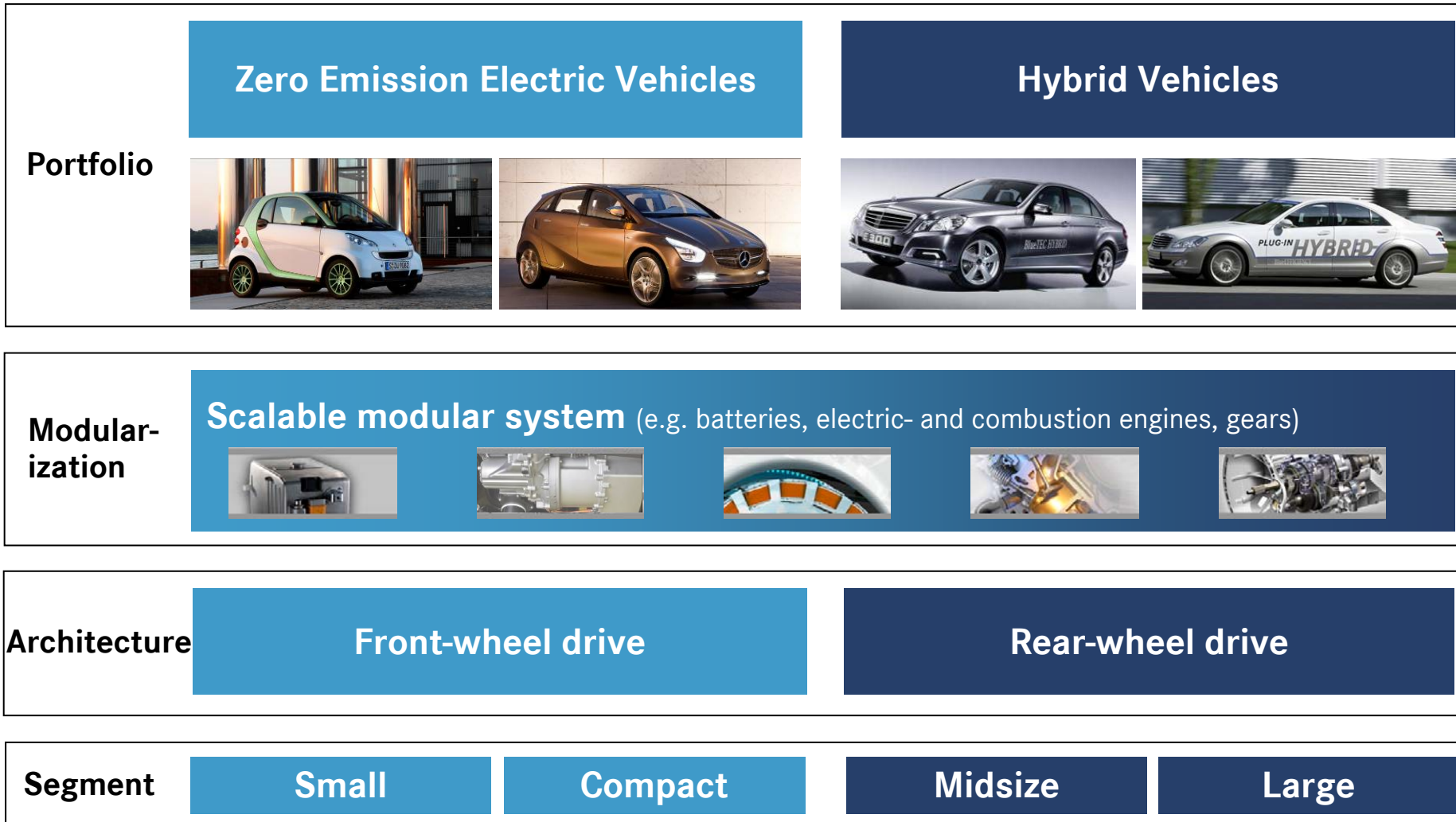
Fuel consumption



Mercedes-Benz S 350 CGI

- New generation V6 engine (M276)
- Rated output: 225 kW (306 PS)
- Torque: 370Nm

Consistent strategy for the electrification of our cars – Safeguarding competitiveness in terms of CO2 and costs

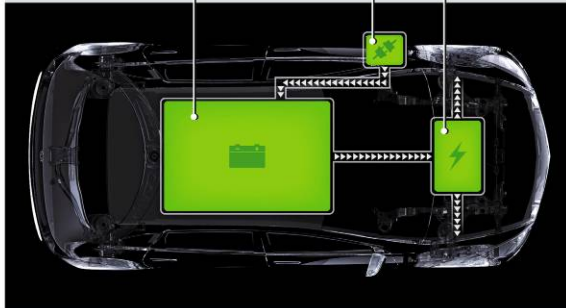


Concept BlueZERO: Flexible vehicle architecture and e-drive module kit



E-CELL

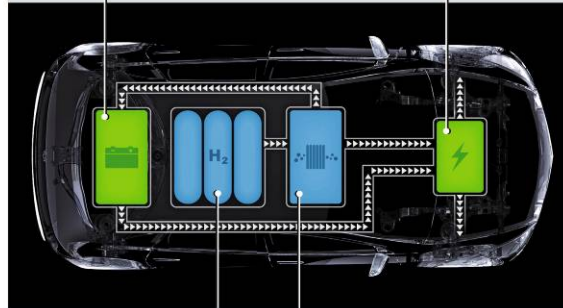
High-voltage battery Charger Electric motor



Range: 200 km

F-CELL

High-voltage battery Electric motor

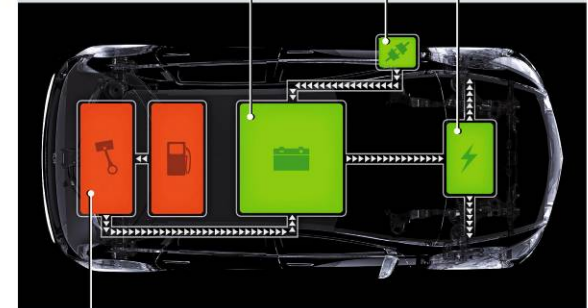


Hydrogen tanks Fuel-cell stack

Range: about 400 km

E-CELL PLUS

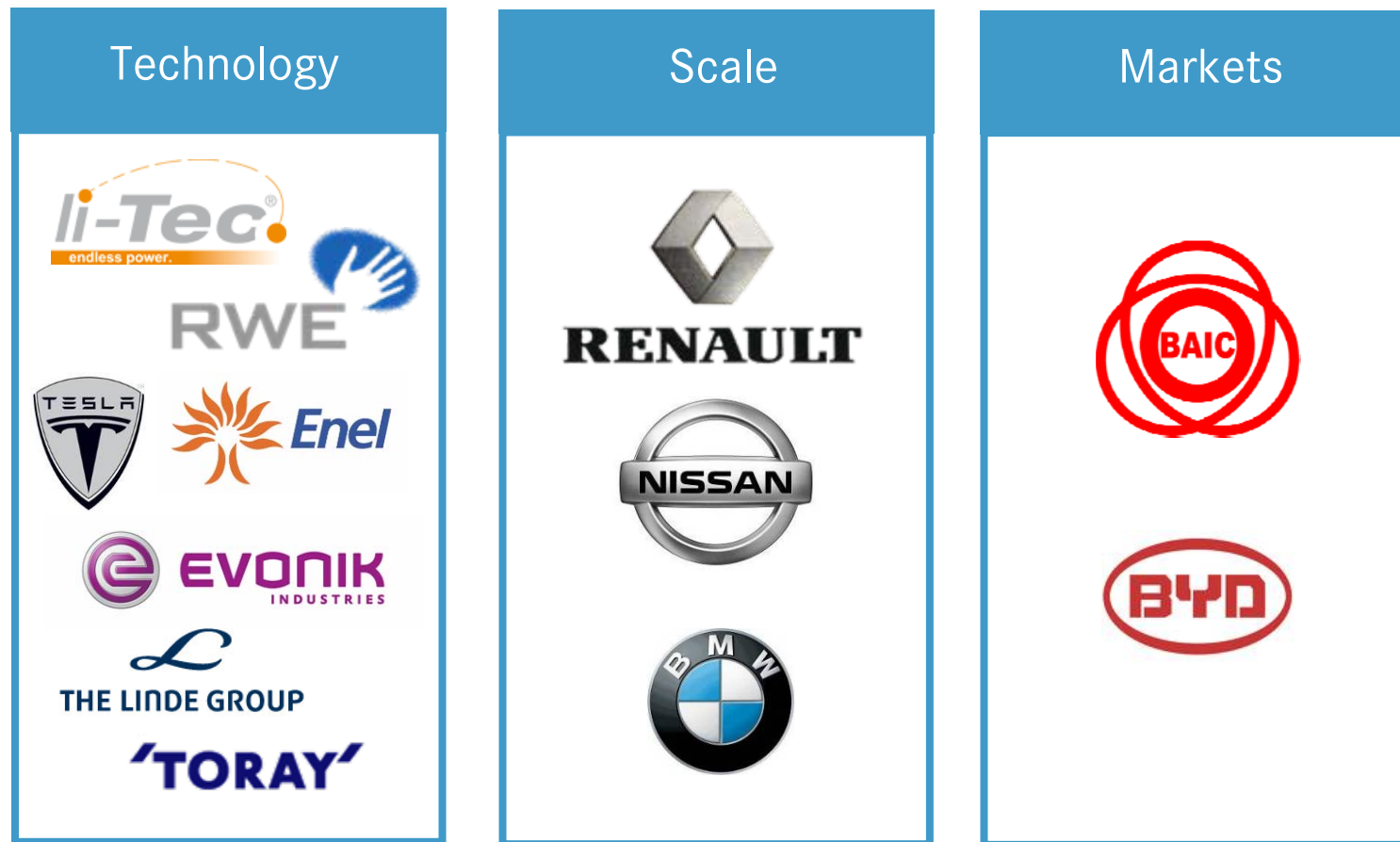
High-voltage battery Charger Electric motor



Combustion engine (range extender) with fuel tank

Range: 600 km

Building a strong network of partners



Renault-Nissan example

Main areas of cooperation

Common vehicle architecture

(Generate necessary scale for smart)

Small engines

(Develop 3-/4-Cylinder for smart and Mercedes-Benz entry models)

Large engines

(Provide 4-/6-Cylinder to Infiniti)

Light commercial vehicles

(Enlarge product portfolio of Mercedes-Benz Vans)

BYD example

Characteristics of the cooperation

Develop “New joint electric vehicle” for the Chinese market

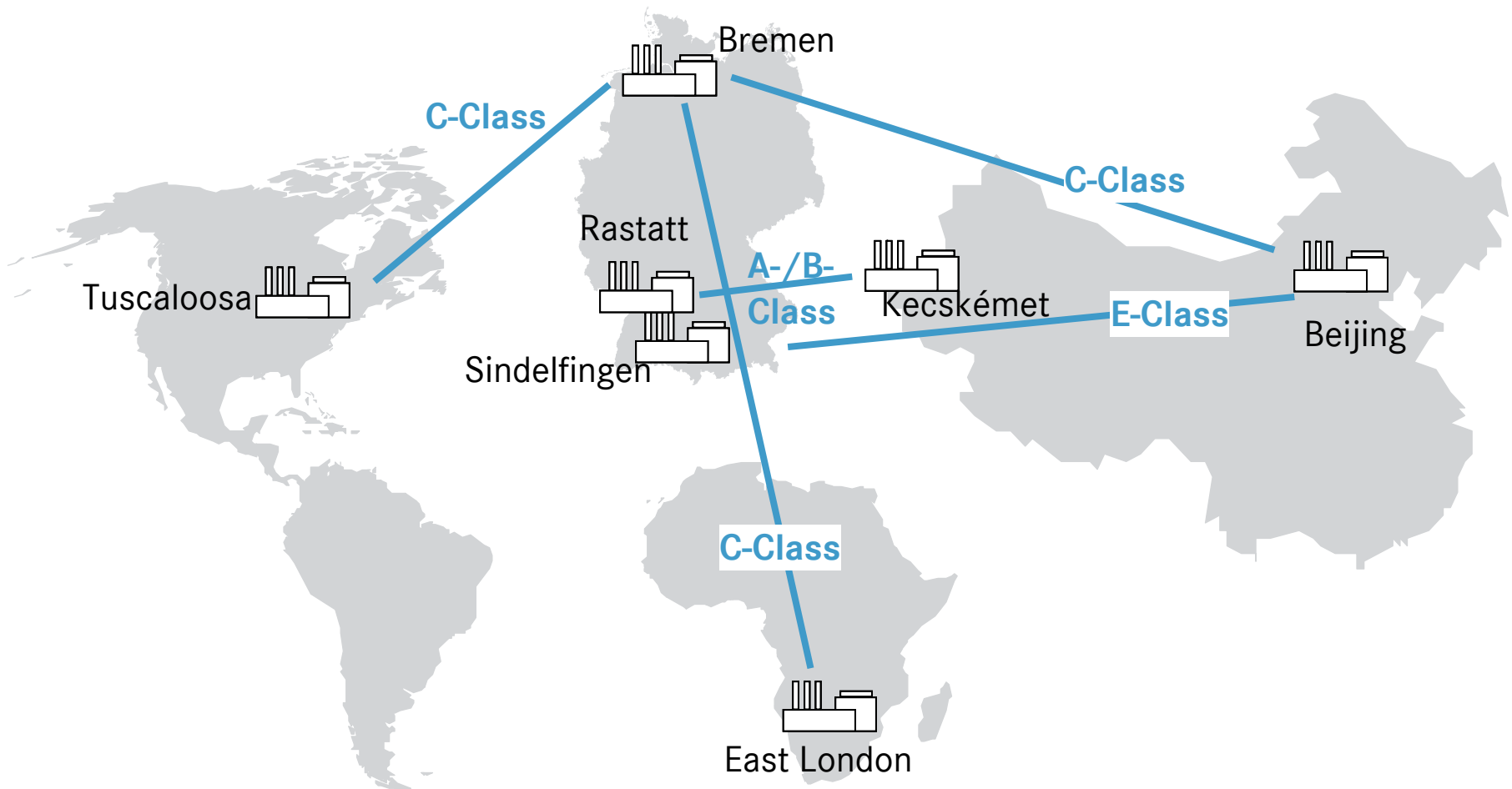
Create new brand

Set up R&D Joint-Venture

Launch new product in 2012

Global production network realigned

Selected Mercedes-Benz Cars production locations and their products as of 2014



Guideline for our development strategy
is our refined brand



Mercedes-Benz SLS AMG



Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including a lack of further improvement or a renewed deterioration of global economic conditions, in particular a renewed decline of consumer demand and investment activity in Western Europe or the United States, or a downturn in major Asian economies; a continuation or worsening of the tense situation in the credit and financial markets, which could result in a renewed increase in borrowing costs or limit our funding flexibility; changes in currency exchange rates or interest rates; the ability to continue to offer fuel-efficient and environmentally friendly products; a permanent shift in consumer preference towards smaller, lower margin vehicles; the introduction of competing, fuel-efficient products and the possible lack of acceptance of our products or services, which may limit our ability to adequately utilize our production capacities or raise prices; price increases in fuel, raw materials and precious metals; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a renewed decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization programs at all of our segments, including the repositioning of our truck activities in the NAFTA region and in Asia; the business outlook of companies in which we hold an equity interest, most notably EADS; the successful implementation of the strategic cooperation with Renault-Nissan, changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk Report” in Daimler’s most recent Annual Report and under the headings “Risk Factors” and “Legal Proceedings” in Daimler’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.