DaimlerChrysler

DaimlerChrysler Truck Group

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- Analyst Meeting MATS -

Agenda

DaimlerChrysler

1 **DaimlerChrysler Truck Group 2005**

2 **Freightliner LLC**

3 **Beat the cycle**

BRANDS OF DAIMLERCHRYSLER TRUCK GROUP & BUSES

Commercial Vehicles

Mercedes-Benz

FREIGHTLINER

FUSO

STERLING TRUCKS

WESTERN STAR TRUCKS

SETRA

orion

Components

DETROIT DIESEL

Mercedes-Benz

Trucks

Buses

NEW DAIMLERCHRYSLER TRUCKS AND BUSES IN 2006

TRUCK GROUP & BUSES

Truck Group	Actual 2004	Actual 2005	Delta in %
Group Sales	420,644 units*	529,499 units	+26 %
Workforce	82,633 empl.	84,254 empl.	

*) Fuso only 8 months consolidated

Buses			
Group Sales	32,810 units	36,221 units	+10%
Workforce	17,494 empl.	17,313 empl.	

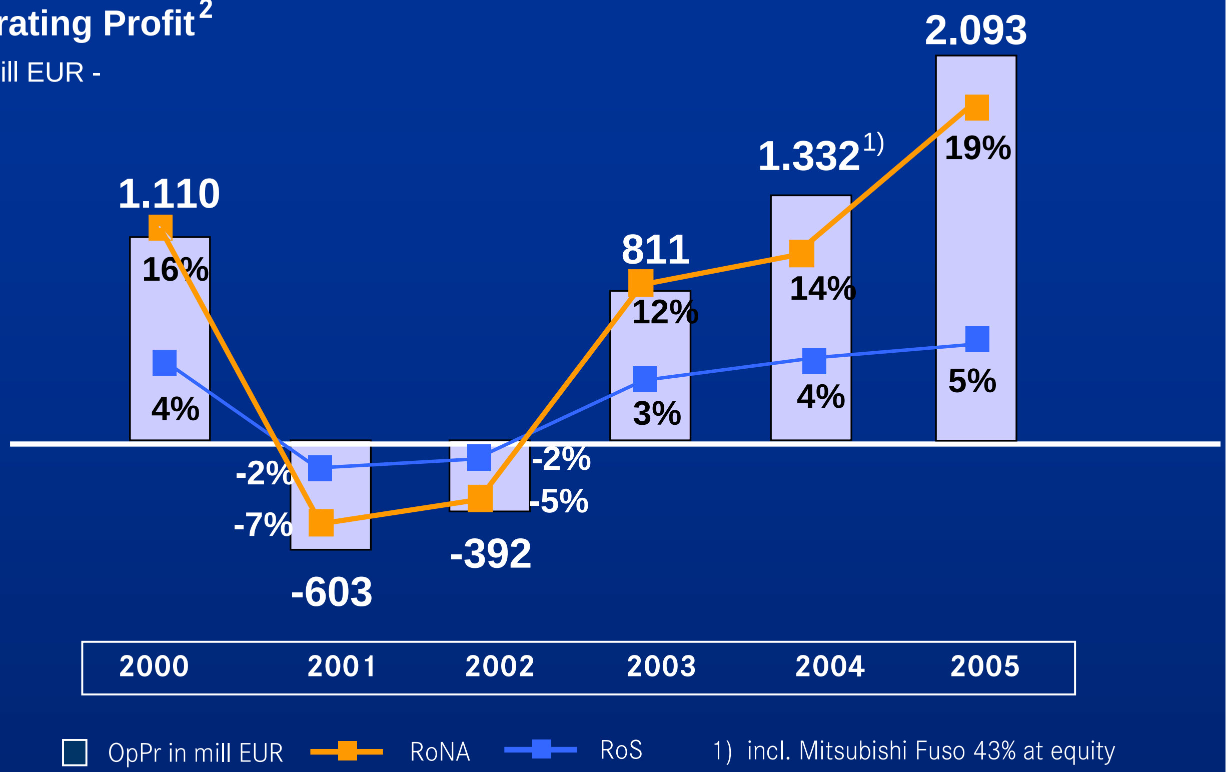
TRUCK GROUP² SHOWS A SIGNIFICANT PROFIT IMPROVEMENT

Sharp increase in Operating Profit 2005

- + Higher unit sales in all business units
- + Strong demand for heavy duty trucks
- + Cost and productivity improvements
- + Settlement with MMC
- \- Increase in raw material

Operating Profit 2

\- in mill EUR -



1) incl. Mitsubishi Fuso 43% at equity (from 04/2004 100 % consolidated)

2) OpProfit incl. Truck Group, Buses and Vans; Values for Truck Group will be published for the first time end of April 2006

STRONG MARKETS IN 2005.
2006 EXPECTED TO BE ON 2005 LEVEL

- in ‘000 units -	Actual 2004	Actual 2005	Act. 05 vs. Act. 04	Trend 2006
Western Europe Trucks (MDT/HDT)	302	322	+ 6%	→
NAFTA Cl. 8 Trucks	251	310	+ 24%	↗
NAFTA Cl. 5-7 Trucks	201	218	+ 8%	↗
Japan Total Trucks (Calendar Year)	260	251	- 3%	↗
Western Europe Buses/Coaches (heavy)	26	26	+1%	→

SALES UP IN ALL BUSINESS UNITS

- in '000 units -	Actual 2004	Actual 2005	Act. 05 vs. Act. 04
Trucks	421	529	+26%
Trucks w/o Fuso	303	351	+ 16%
Mercedes-Benz	137	148	+ 8%
Freightliner	165	203	+ 23%
Fuso*	118	179	
Buses	33	36	+ 10%

* not comparable due to only 8 months full consolidation in 2004

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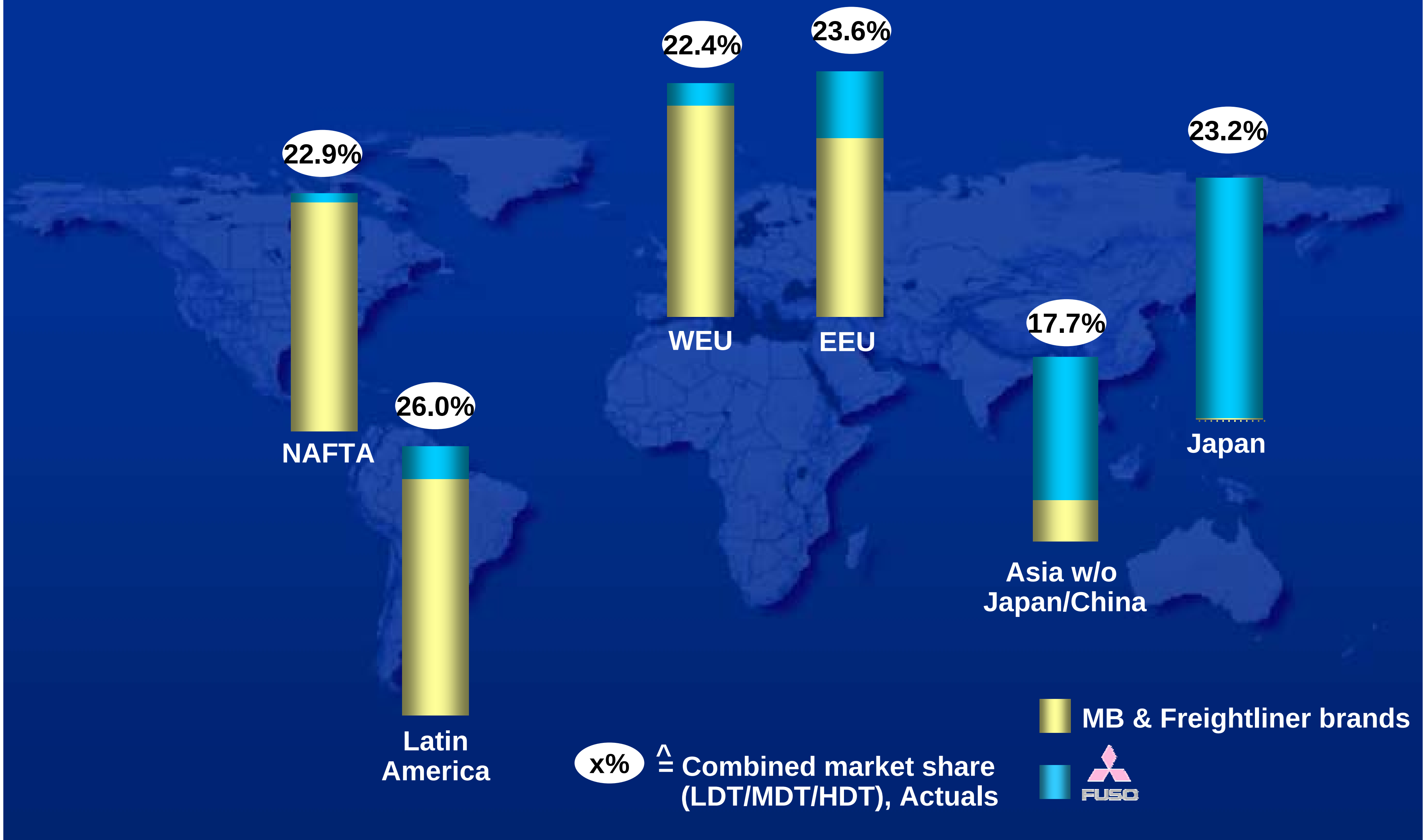
FUSO IMPORTANT PILLAR FOR ASIA STRATEGY



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OUR BRANDS ARE THE LEADERS IN THE NORTH AMERICAN COMMERCIAL VEHICLE INDUSTRY

COMMERCIAL VEHICLE BRANDS

FREIGHTLINER Run Smart

STERLING TRUCKS

WESTERN STAR TRUCKS

SELECTRUCKS FREIGHTLINER

FREIGHTLINER Custom Chassis

Thomas BUILT BUSES

DETROIT DIESEL

STRATEGIC PARTNERS

DaimlerChrysler Truck Financial

TA TravelCenters of America

PRODUCT RANGE INCLUDES HEAVY AND MEDIUM DUTY TRUCKS AS WELL AS S BUSES AND CHASSIS

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.

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SALES UP 20 % REVENUES UP 23 %

	2004	2005	Δ	
Unit sales (w/o Sprinter)	152,354	182,369	+30.015	+ 20%
Sprinter Sales	*12,836*	*20,200*	*+7,364*	
Revenue (US$ bn)	12.4	15.2	+2.8	+ 23%

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MARKET SHARE CLASS 8 UP 1.2pp
CLASS 6/7 DOWN 0.7pp

	2004	2005	Δ
Market Size Class 8	251	310	+59
Market Share Class 8	34.9%	36.1%	+1.2pp
Market Size Class 6/7	161	166	+5
Market Share Class 6/7	31.0%	30.3%	-0.7pp
Market Size Class 5	40	52	+12
Market Share Class 5	1.4%	1.4%	0.0pp

Notes: Market size in ‘000 units

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EPA 2007 PREPARATIONS ARE AHEAD OF THE CURVE

We are ready

- Redeveloped Engines, After-treatment Device & Diesel Particulate Filters
- EPA ’07 Support Tools, Manufacturing Facility, Suppliers & Quality Control
- Engine & Vehicle Testing

Minimize Cost Implications For Our Customers

- Proprietary Engine Supplier (DDC) Means Optimized Engine Performance & Installation Cost
- Up-charge Projection for Medium-duty High Volume Engines:

  Between $4,500 - $6,000

- Up-charge Projection for Heavy-duty High Volume Engines:

  Between $7,000 - $10,000

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EPA 10 & HYBRID TECHNOLOGY

Strategy For EPA 2010: SCR Technology

- DDC is testing SCR Technology
- DaimlerChrysler is SCR Pioneer with "BlueTec" SCR Technology

BLUETEC

FedEx Hybrid Step-In-Van

- Hybrid Drive Systems become viable option for distribution & vocational work
- FedEx recently ordered 75 Diesel-Electric Hybrids For U.S. Fleet

Prototype Freightliner – Eaton Hybrid M 2

- Hybrid FL-Business Class M2 increasingly viable option for distribution and vocational work
- Parallel set-up of Hybrid drive and Diesel-Engine Drive power sent to axles via automated transmission

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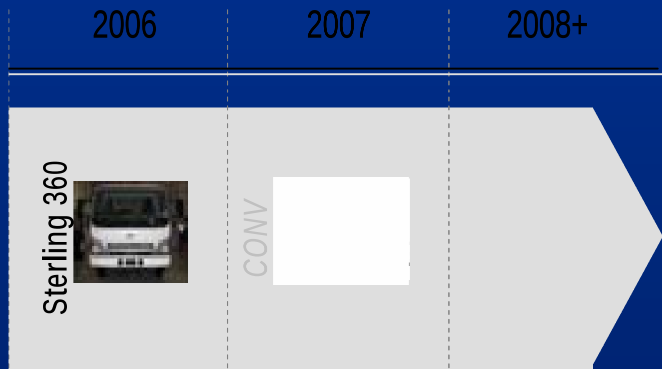
COLLABORATION WITH INTERNAL PARTNERS

Launch of the Sterling 360 in 2006

- Result of a collaboration with Mitsubishi-Fuso Truck & Bus Corporation
- Freightliner LLC only industry OEM to offer complete line-up of Class 3 – 8 vehicles
- Logical extension of the Sterling product line

New Mid-Range product in 2007

- Further extension of the Sterling product line
- Cooperation with another DCAG sister company



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New Addition to Freightliner Trucks Product Line

- Completely redesigned Freightliner Truck under development for launch in Mid-2007
- New Truck will replace Century Class and Columbia and complement new Detroit Diesel and Mercedes-Benz engines
- Testing shows impressive results to date

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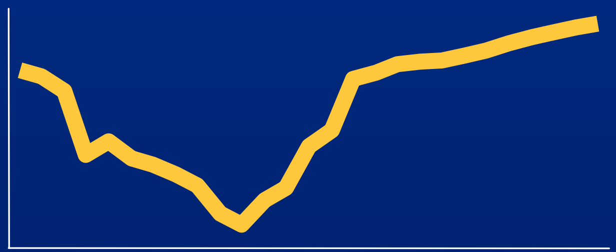
GLOBAL EXCELLENCE COVERS 4 INITIATIVES PREPARING OUR TRUCK BUSINESS FOR FUTURE CHALLENGES

Total Triad truck market

Note: Western Europe >6t, NAFTA >6t, Japan >3t

Total Non-triad truck market



Note: Non-triad market >6t

Global Excellence

- Optimization of business model
- Operational Excellence
- Growth and market exploitation
- Future product generations

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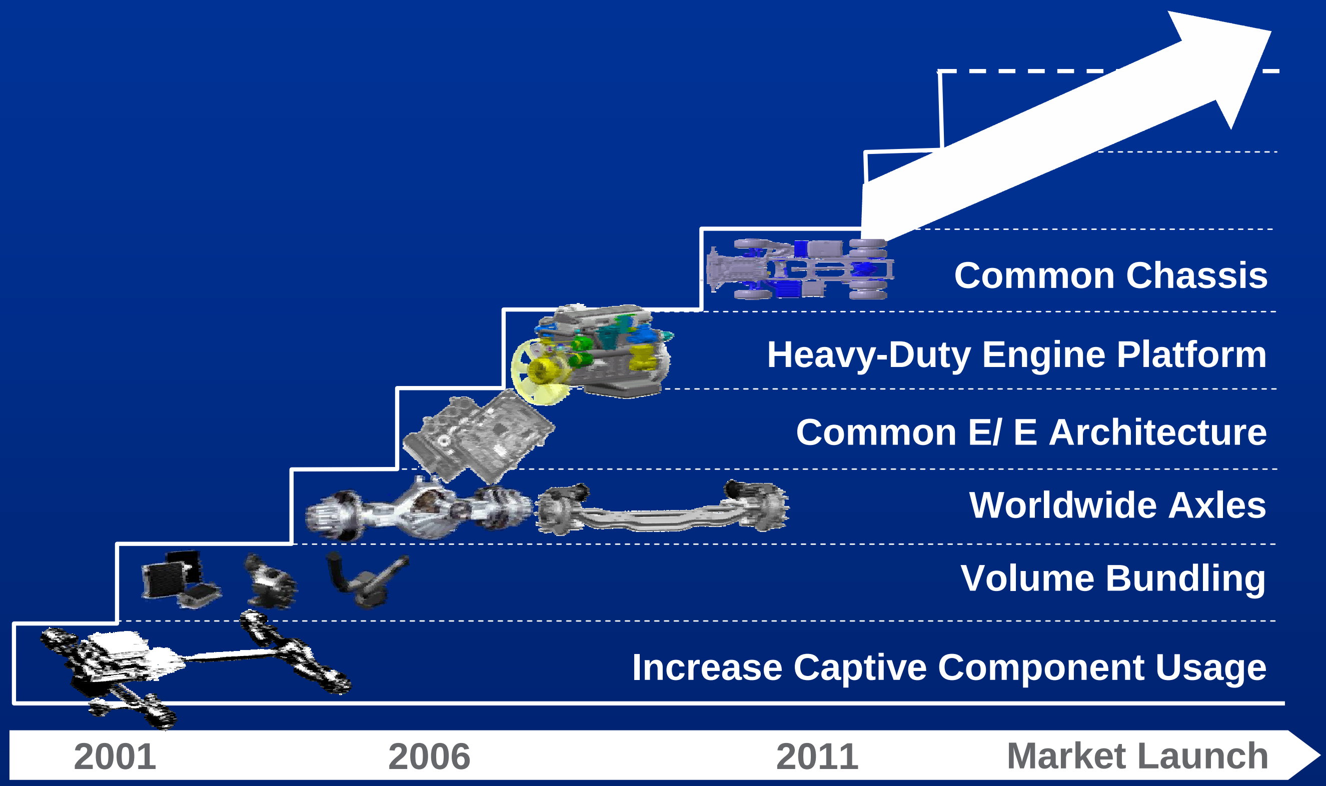
COMMONALITY SAVINGS CONTRIBUTE TO OPERATIVE PERFORMANCE



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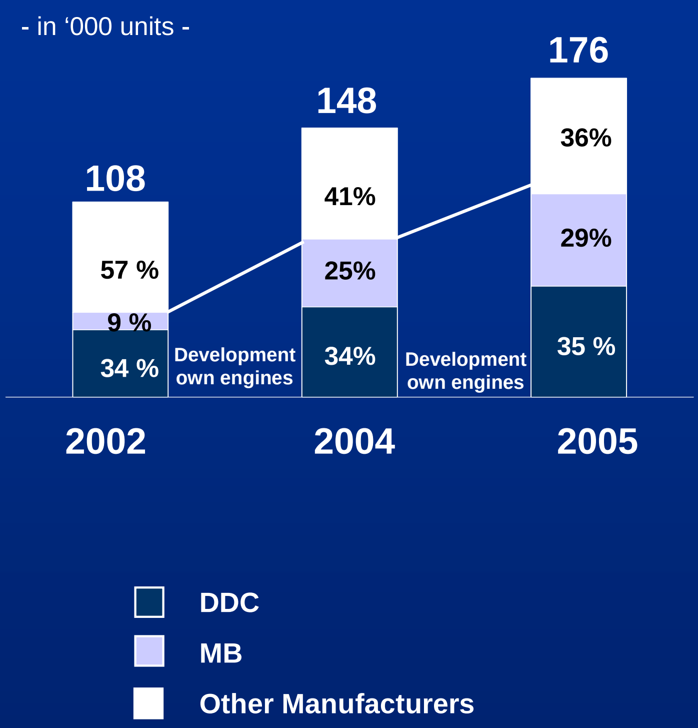
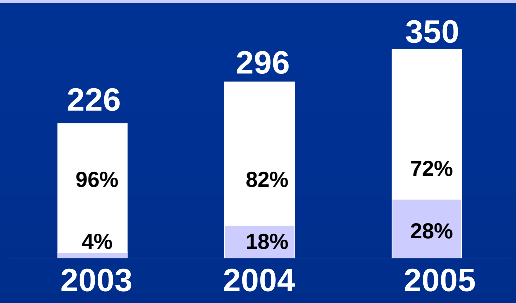
EXAMPLE FREIGHTLINER: PENETRATION RATE OF MB ENGINES, AXLES AND TRANSMISSION

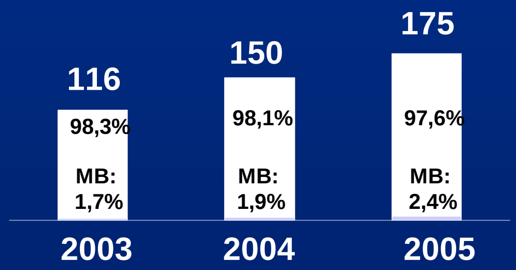
HD/MD Engines



Axles



Transmissions



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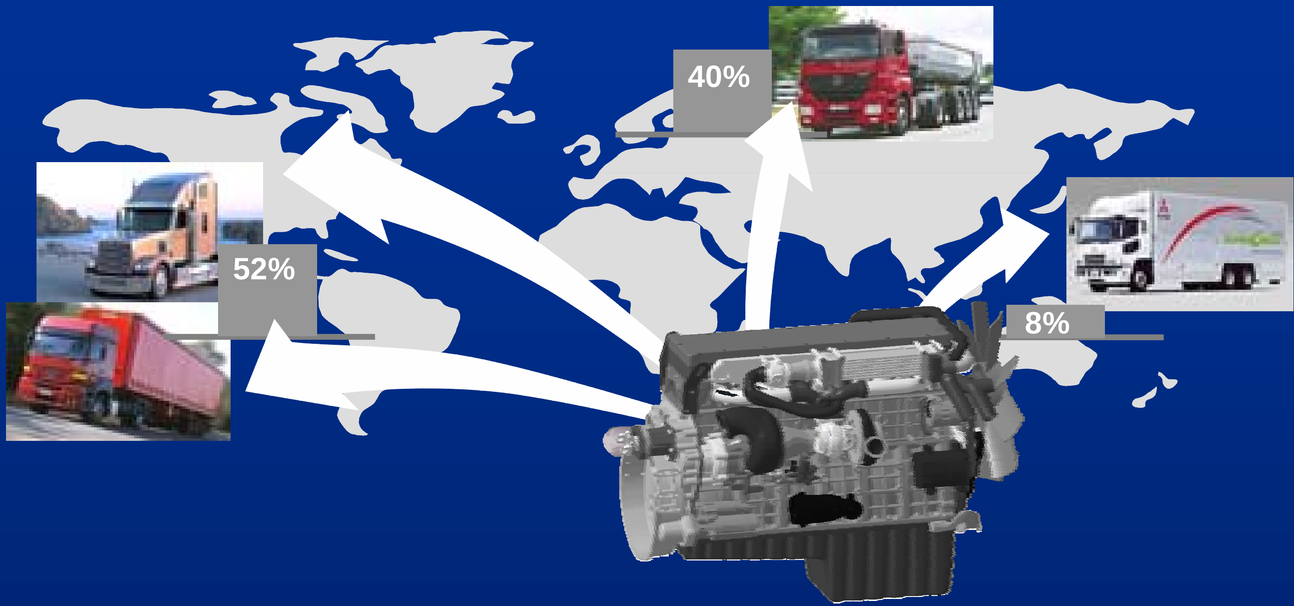
HEAVY-DUTY ENGINE PLATFORM – START OF PRODUCTION IN 2007



- Global module concept with local applications
- Top selling HD-engine worldwide
- Most advanced emission technologies

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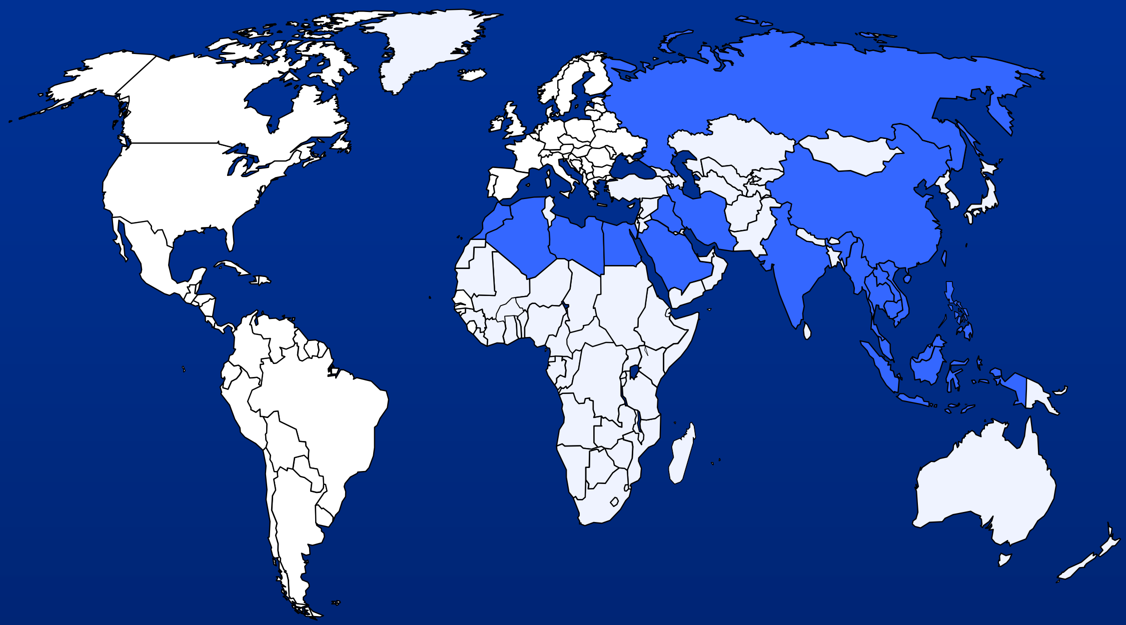
GROWTH FOCUSED ON EMERGING AND EXISTING MARKETS



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1985 MARKS THE START OF FUSO'S PENETRATION OF NORTH AMERICAN MARKET

80's and 90's

- **85** – Start of MFTA (NJ)
- **86** – Signing 1st Dealership (Northeast US)
- **87** – Opening of Central Regional Office & Training Center in MI
- **88** – Opening of Western Regional Office & Training Center in CA
- **90** – **10,000th Truck**
- **93** – FG (4x4) introduced
- **94** – Bridgeport PDC expansion
- **95** – **30,000th Truck**
- **99** – Sales > 6,000 u/yr; Mkt. Entry **Canada**

2000's

- **01** – **60,000th Truck**
- **04** – **TD Canter** Introduced
- **05** – **85,000th Truck**
- **06**

Key Achievements :

- J.D. POWER AND ASSOCIATES / ATD American Truck Dealers: Best Overall Medium Truck, Best Cab-over, High Customer Satisfaction
- 5 YEAR NEW 2006 WARRANTY: Best Warranty in segment

Strive for Premium Image in COE segment

CAB OVER ENGINE MARKET: FUSO WITH POTENTIAL OFFERING PREMIUM PRODUCTS FOR CLASS 3-7 IN THE US

Market Situation 2005

Class	ISUZU GMC	FUSO	UD
3	87%	11%	4%
4	76%	16%	3%
5	64%	24%	13%
6	7%	48%	44%
7	77%	15%	8%

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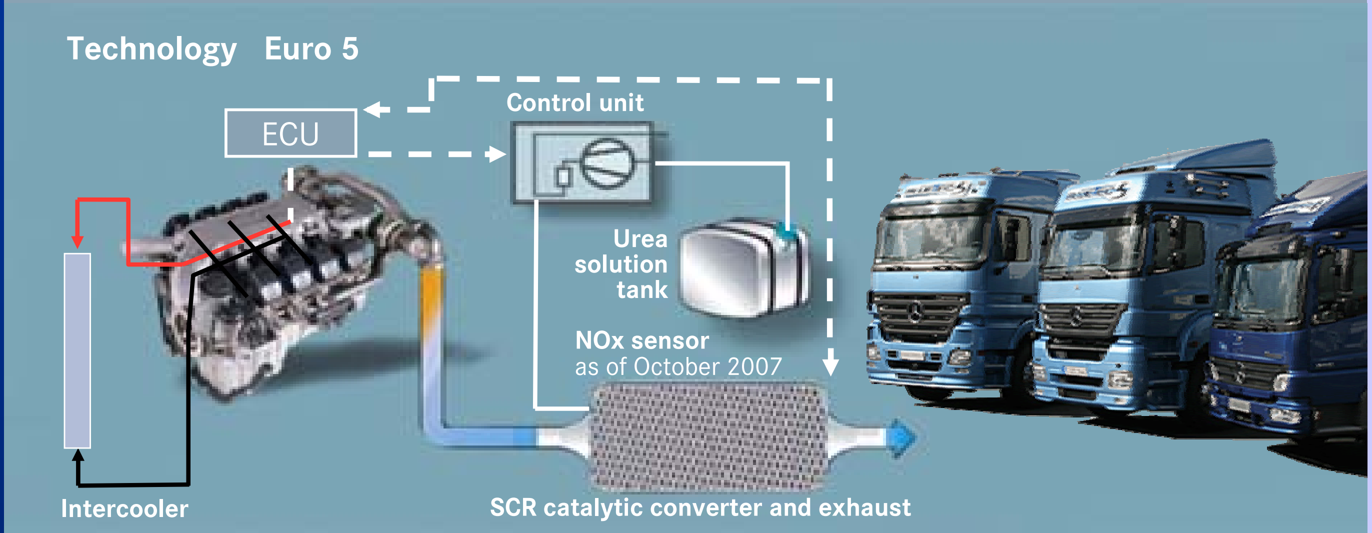
NO.1 IN TECHNOLOGY: IN EUROPE MORE THAN 12,000 MERCEDES-BENZ BLUETEC TRUCKS SOLD.



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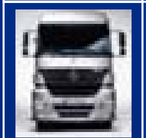
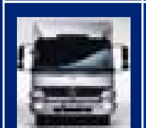
EUROPEAN FLEET OWNERS CONFIRM: 10% REDUCTION IN FUEL CONSUMPTION, COMPARED TO EGR POSSIBLE

Fuel Consumption BLUETEC versus EURO 3			Fuel Consumption EGR versus EURO 3
	OM501	-2 to -3%	+2 to +5%
	OM502	-4 to -6%	
	OM457	-2 to -3%	
	OM906 OM926	-3 to -5%	
	OM904 OM924	-3 to -5%	

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IN THE US: MORE THAN 1,000 ORION HYBRID BUSES SOLD

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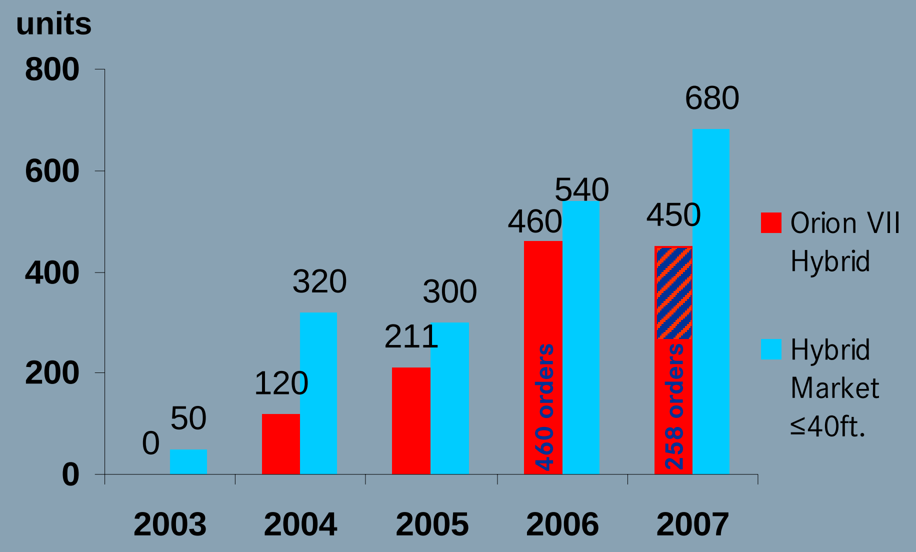
HYBRID BUS SEGMENT RAPIDLY GROWING



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Thank you for your attention!