

DAIMLERCHRYSLER

FRANKFURT INTERNATIONAL MOTOR SHOW INVESTOR CONFERENCE 2007

Dr. Dieter Zetsche
Chairman of the Board of Management
Head of Mercedes Car Group

September 12, 2007

AGENDA

- 1 Operative Performance**

- 2 Sustainable Mobility**

- 3 Direction of the New Daimler**

SUMMARY Q2/2007

- Revenues decreased by 3% to EUR 23.8 billion, reflecting lower unit sales and exchange-rate effects
- EBIT of EUR 2.1 billion (-10%), mainly reflecting:
 - Significantly improved profitability at the Mercedes Car Group and the Truck Group
 - Gains in Q2 2006 from the valuation of the EADS forward transaction
- Net profit of EUR 1.8 billion (Q2 2006: EUR 2.1 billion), reflecting higher income tax expense and the development of EBIT
- Net liquidity level of EUR 13.9 billion (Year end 2006: EUR 9.9 billion) due to a strong free cash flow

OPTIMIZATION OF BALANCE SHEET STRUCTURE WITH A SHARE BUYBACK PROGRAM

Reasons for a share buyback:

- Reducing excess liquidity in the industrial business
- Optimizing the capital structure
- Improving financial leverage
- Letting shareholders participate in the company's business success

Volume parameters:

- Cash out of up to EUR 7.5 billion within 12 months
- Buyback of nearly 10% of the outstanding shares during that period

MERCEDES CAR GROUP

Maybach

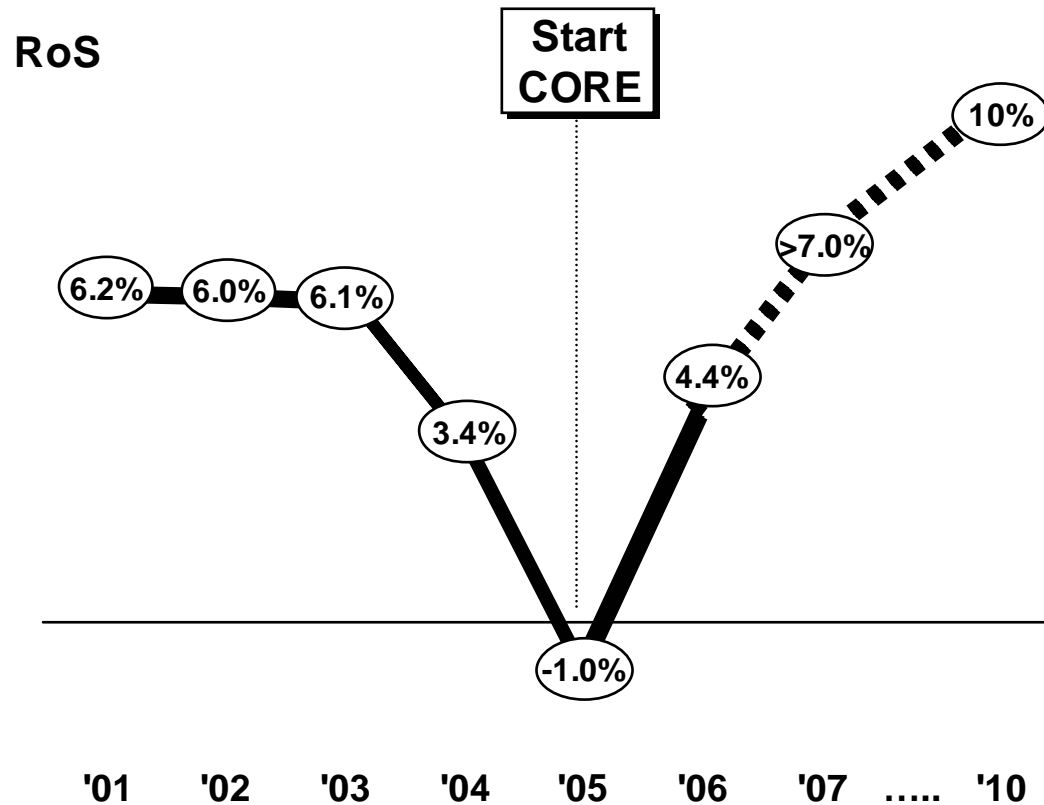


Mercedes-Benz



smart

SIGNIFICANTLY MORE THAN 7% RoS IN 2007
10% RoS IN 2010 AT THE LATEST

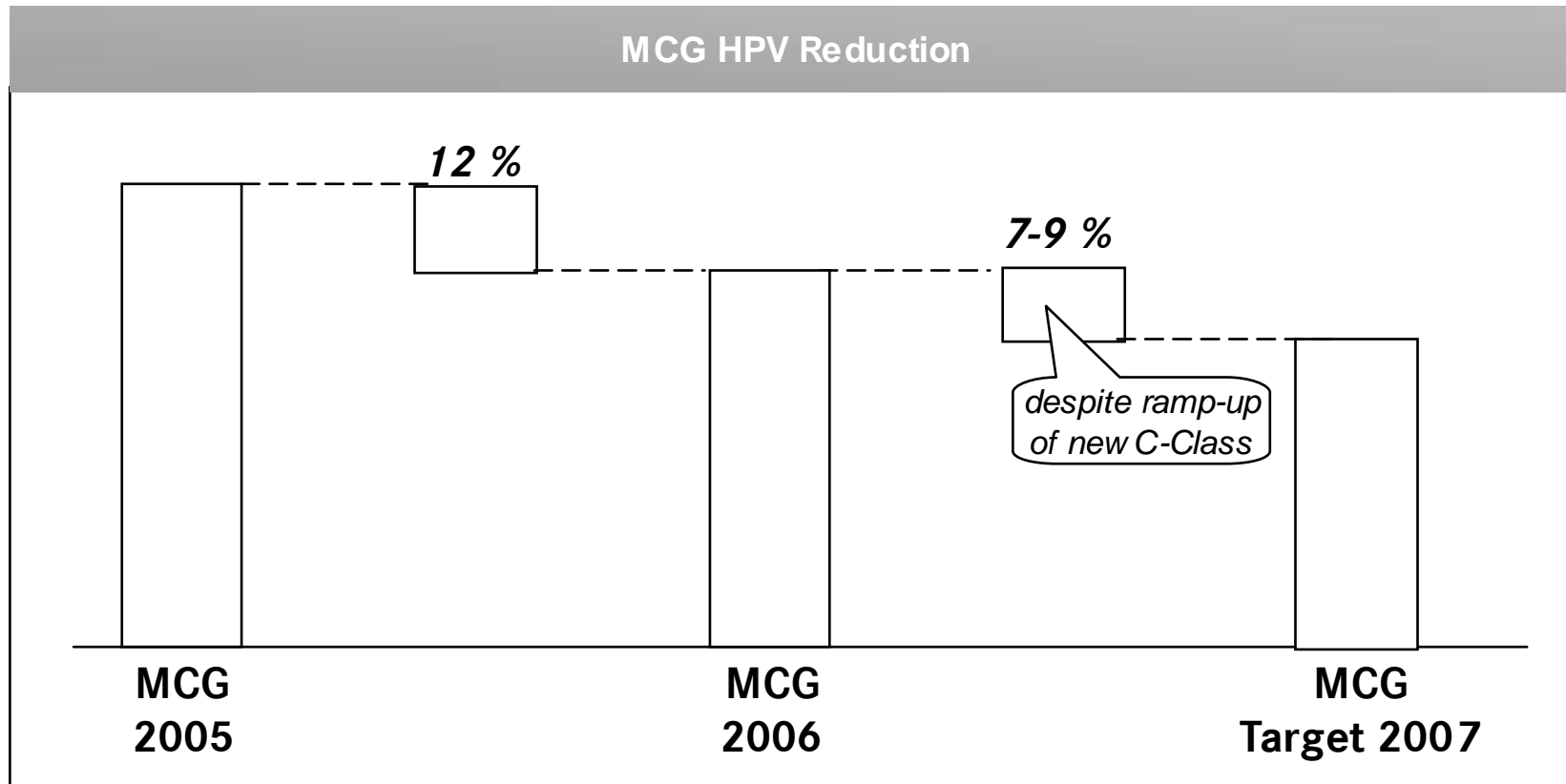


Major levers

- **CORE**
 - Production & material efficiency
 - Quality
- **Module strategy**
- **Brand positioning**
- **Customer care & future growth**

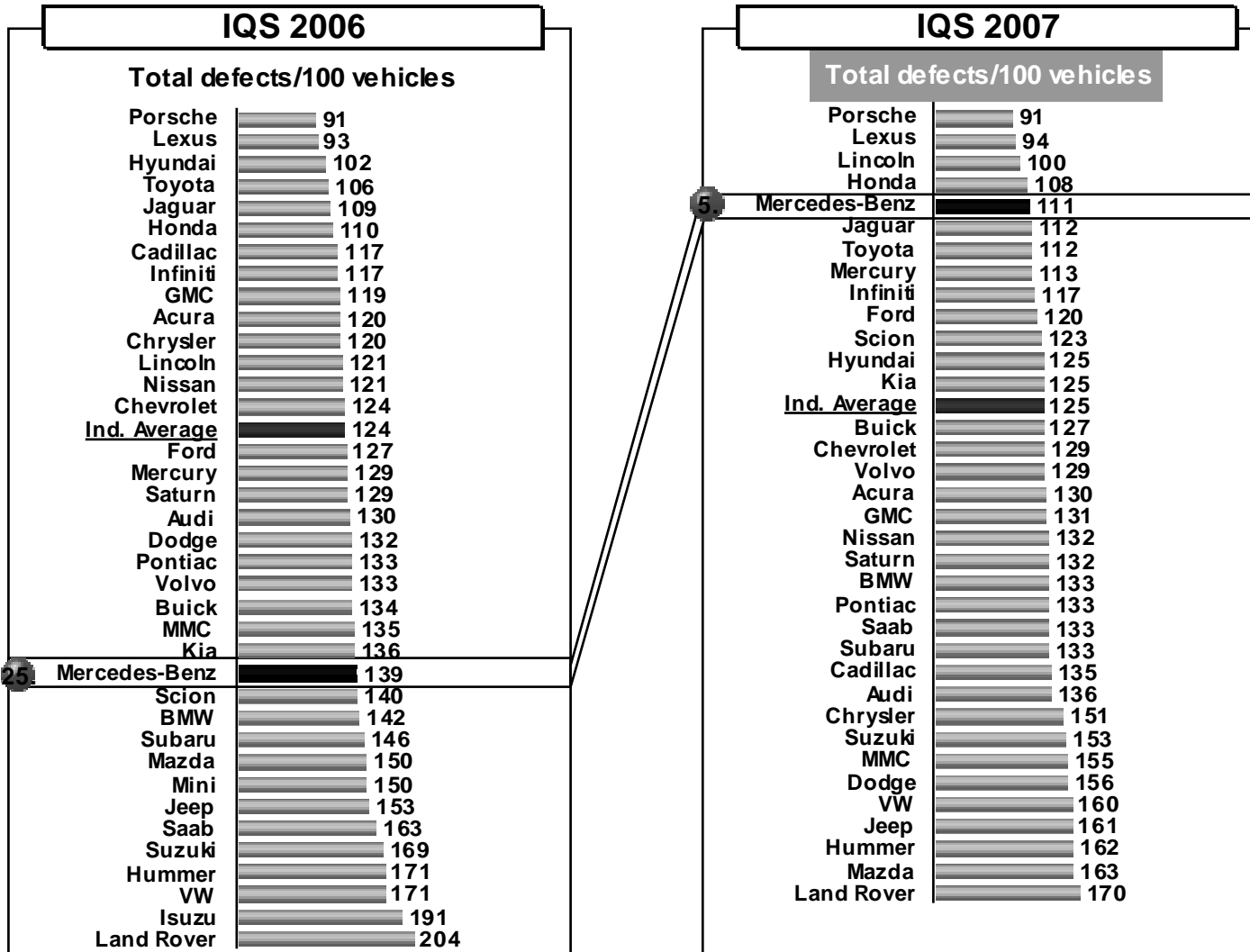
Note: RoS as reported

MCG HAS REDUCED HPV BY MORE THAN 12% IN 2006 AMBITIOUS TARGETS FOR THIS AND NEXT YEARS ARE SET

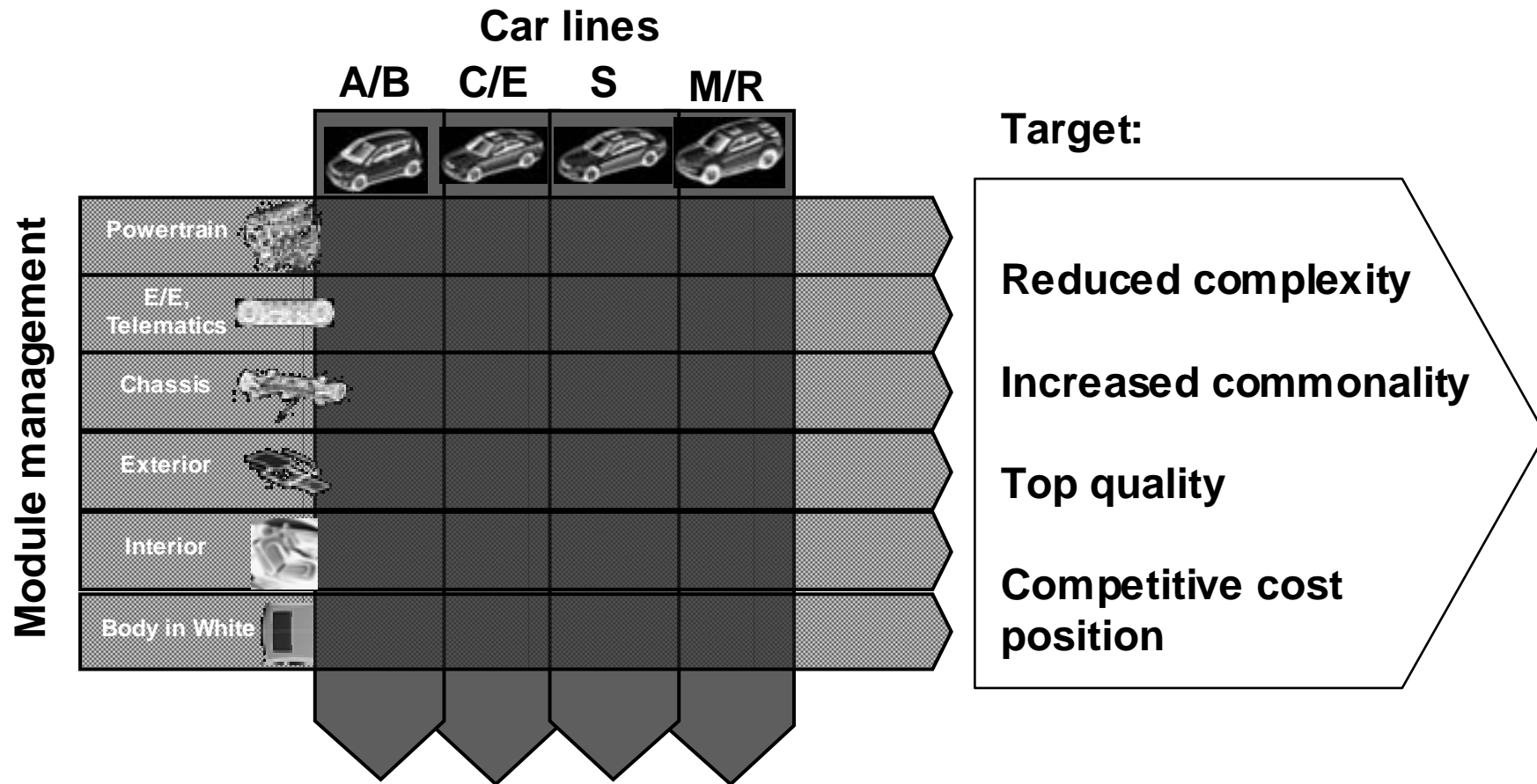


MERCEDES-BENZ QUALITY MADE A BIG STEP TOWARDS WHERE IT NEEDS TO BE

Huge jump in J.D. Power - Initial Quality Study (IQS) ranking



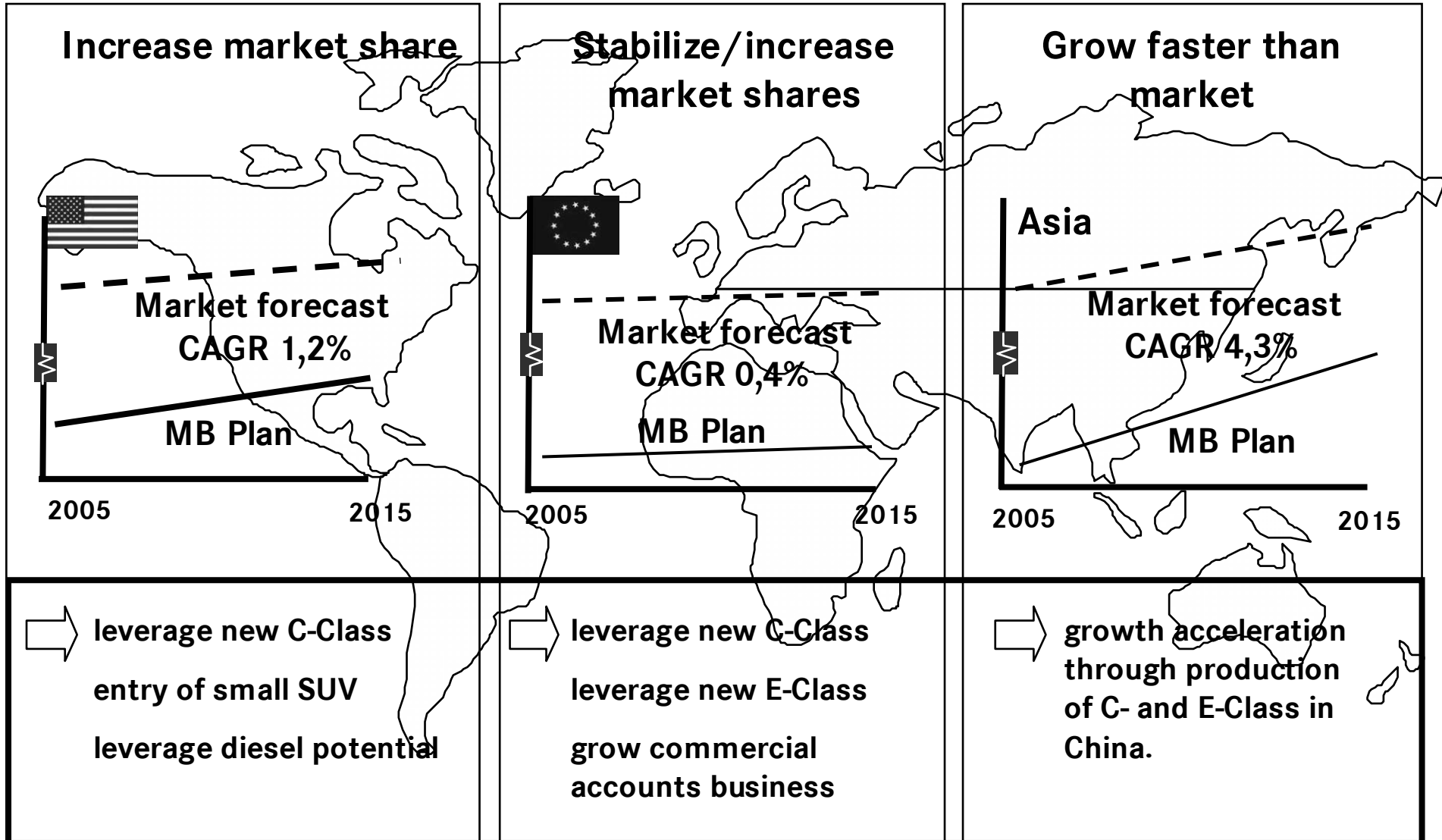
MODULE STRATEGY: FROM CAR LINE SPECIFIC ORGANIZATION TO CROSS-MODULAR ORGANIZATION



GROWTH: FUELED BY SHARPENED BRAND POSITIONING AND IMPROVED CUSTOMER CARE



REGION SPECIFIC GROWTH STRATEGIES



CAGR: Trend adjusted compound annual growth rate, basis total market

NEW C-CLASS ESTATE



C-Class Estate Elegance

(December 2007)

C-Class Estate Avantgarde

(December 2007)

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



TRUCK GROUP



Mercedes-Benz

FUSO



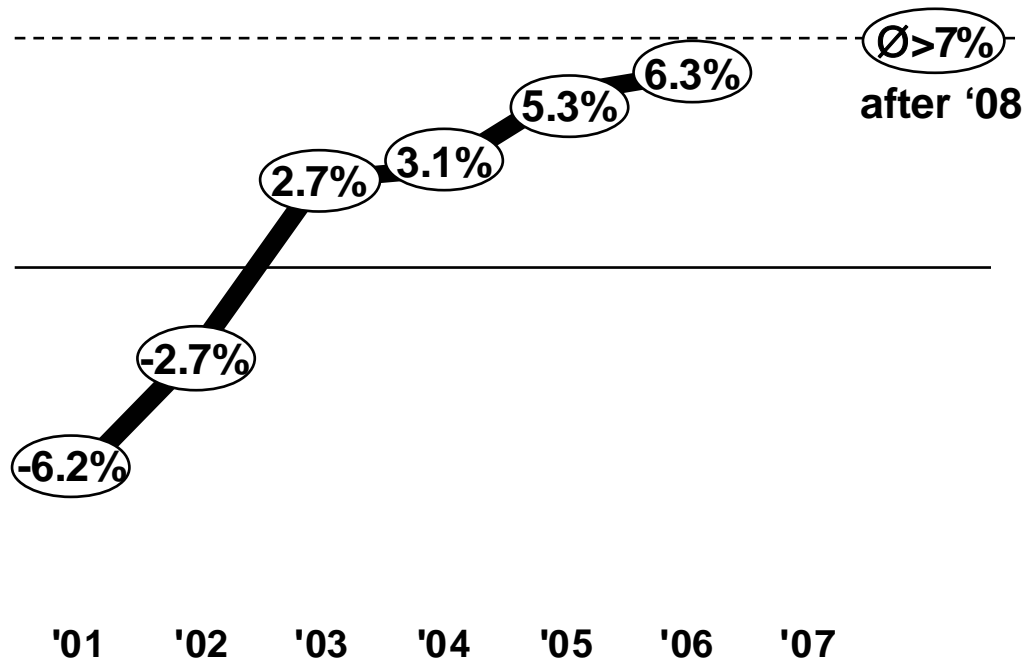
Freightliner

Western Star

Sterling

**TARGET: RoS OF AT LEAST 7% AND
RoNA OF 30% OVER THE CYCLE**

RoS

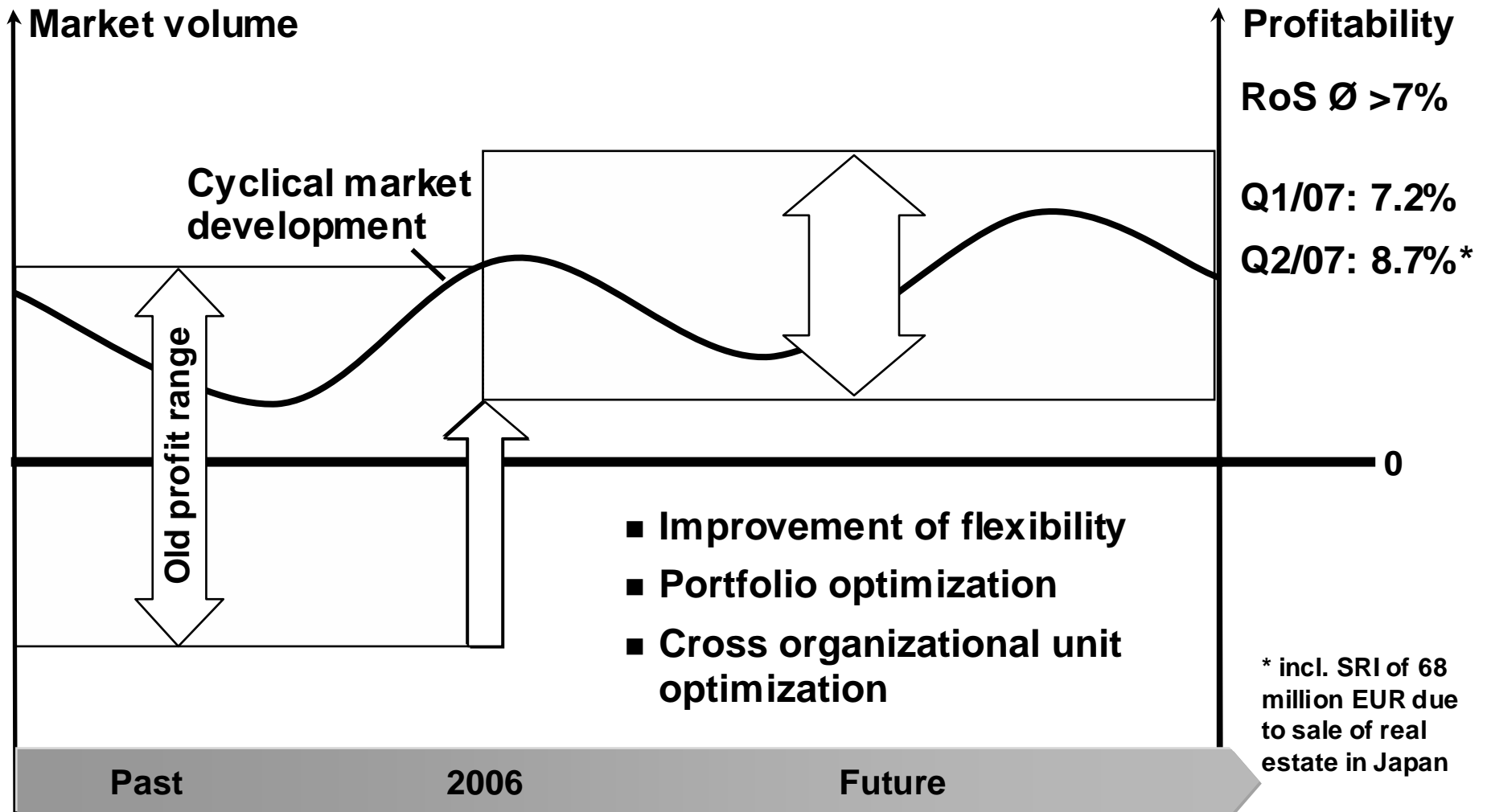


“Global Excellence” as major lever

- Management of cycles
- Operational excellence
- Market penetration & growth
- Future products

Note: RoS as reported

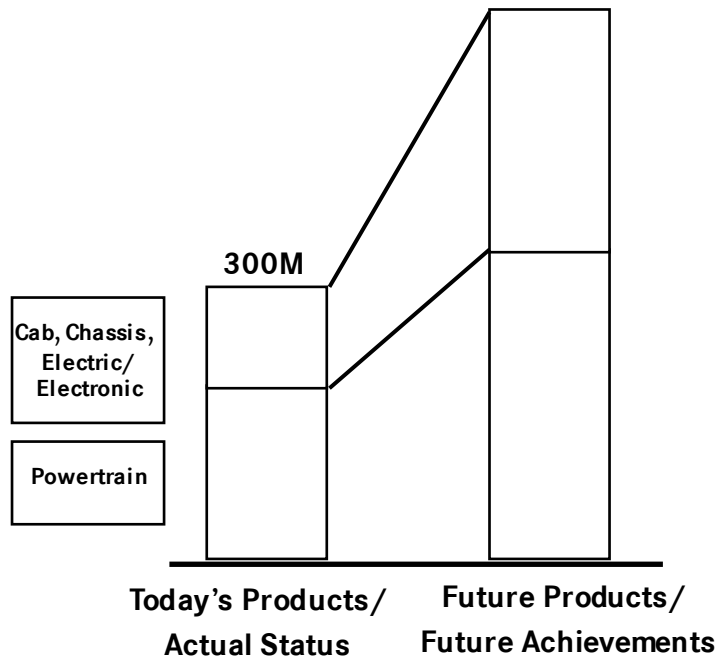
MANAGEMENT OF CYCLES: SUSTAINABLE PROFITABILITY IMPROVEMENT



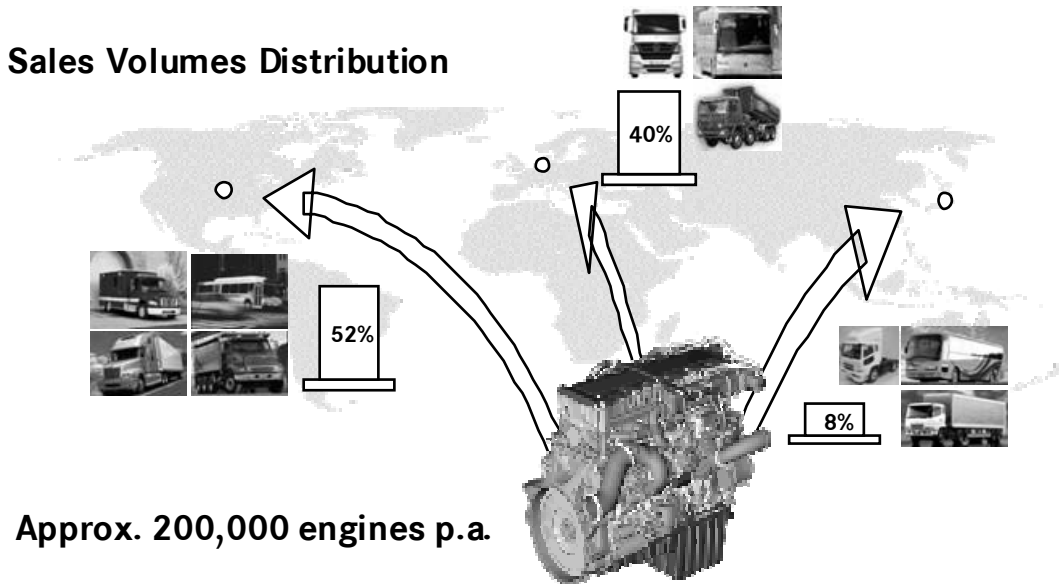
IN ADDITION TO CYCLE MANAGEMENT COMMONALITY SAVINGS ARE MAJOR LEVER FOR PROFITABILITY IN 2007

Commonality Savings

Example: Heavy Duty Engine Platform – 90% Commonality



Sales Volumes Distribution



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

NEW PRODUCTS

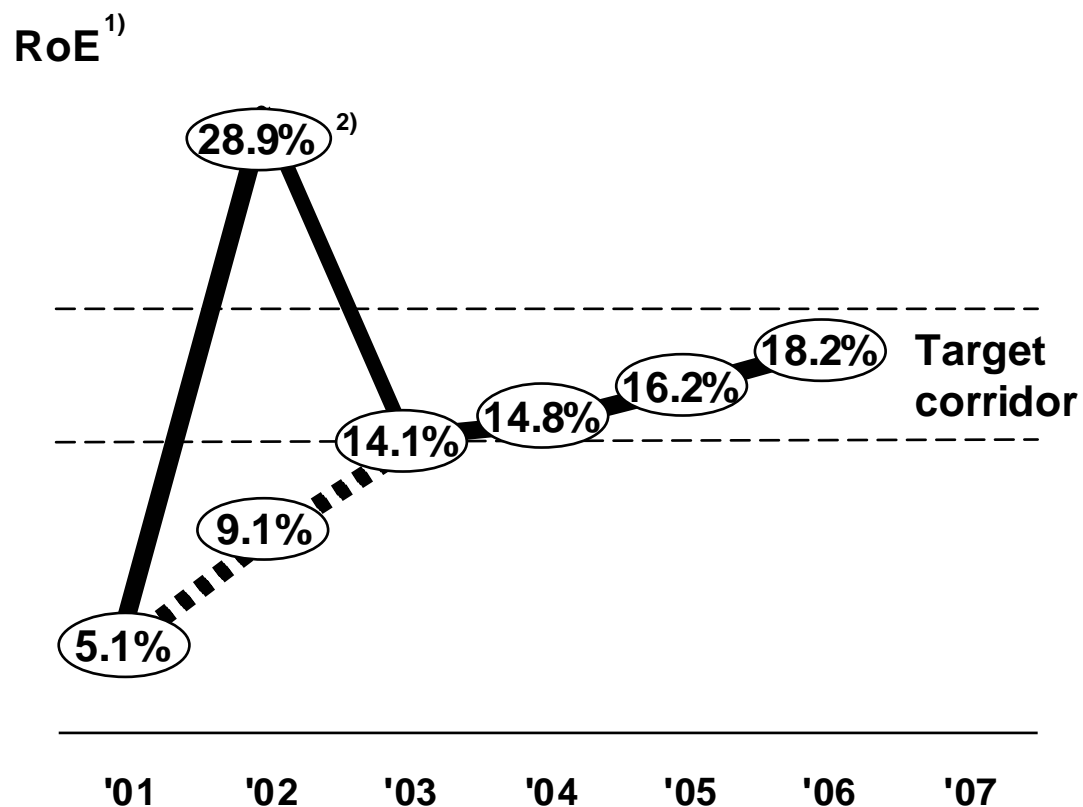


**Freightliner
Cascadia**
(May 2007)

Fuso Super Great
(April 2007)

**Mercedes-Benz
Actros BLUETEC**
(February 2005)

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

VANS AND BUSES



**Setra
Top Class 400**

**Mercedes-Benz
Citaro**

**Mercedes-Benz
Sprinter**

MAJOR LEVERS FOR INCREASED PROFITABILITY

Vans

- Global presence
- Product-related efficiency programs

Buses

- Secure No. 1 position
 - Product leadership
 - Efficiency improvement

SALES OUTLOOK 2007

- **The Mercedes Car Group continues to assume unit sales in full-year 2007 should at least equal the record level of the prior year.**
- **The Truck Group expects significantly lower unit sales than in 2006, reflecting significant decreases in the US, Canada and Japan, all related to stricter emission regulations. A positive development is anticipated for Europe and Latin America.**
- **Vans expects an increase in sales due to strong demand for the new Sprinter and Vito/Viano vans.**
- **Buses anticipates unit sales at the high level of the prior year.**

EARNINGS OUTLOOK 2007

- **The Mercedes Car Group expects to achieve significantly more than 7% ROS in 2007 and aims to increase its ROS to 10% by 2010 at the latest.**
- **The Truck Group expects earnings in the magnitude of the prior year despite market decline in the United States and Japan.**
- **Financial Services expects a stable development for the rest of 2007 but additional 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 expected in the magnitude of EUR 8.5 billion, including:**
 - **a gain of EUR 1.4 billion from the transfer of interest in EADS**
 - **charges of EUR 0.3 billion related to the new management model**
- **The share buyback of up to EUR 7.5 billion reflects our confidence in the future of the “new Daimler”.**

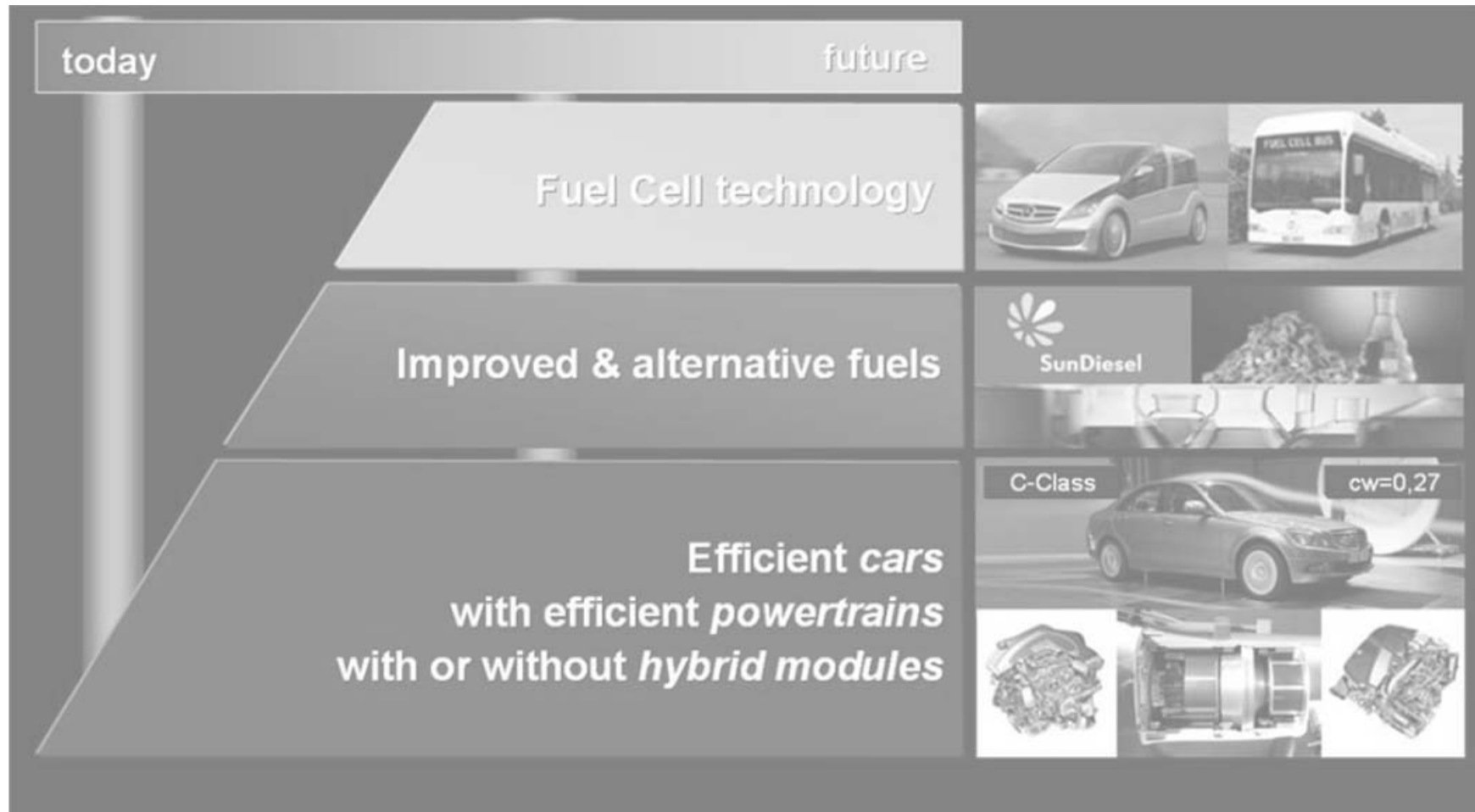
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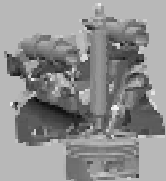



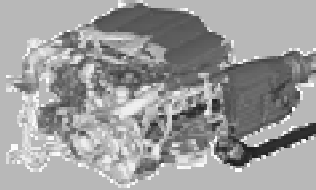
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ROAD TO SUSTAINABLE MOBILITY AND CO₂-REDUCTION

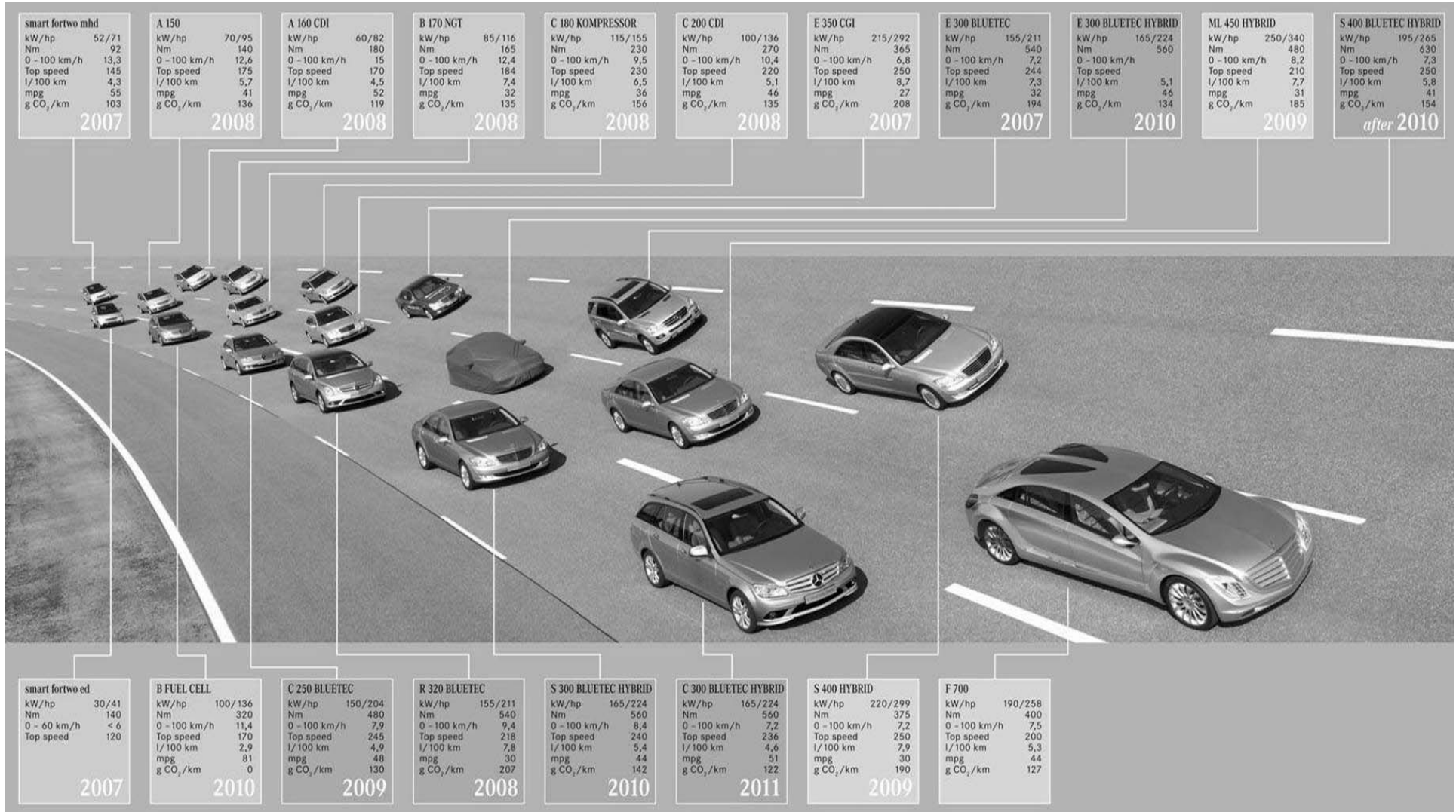


FULLY FLEDGED APPROACH TO ACHIEVE HIGHLY COMPETITIVE FUEL ECONOMY AND EMISSION TARGETS

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 CO2/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

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THE "NEW DAIMLER" WILL STAND ON A VERY SOLID FOUNDATION

- **The new Daimler will be committed to excellence in all its activities**
- **Our aim is to generate substantial profitable growth:**
 - **First: Operational excellence**
 - **Second: Further grow core business in traditional market segments and exploit new market opportunities on a regional basis.**
 - **Third: Further develop innovative, customer-oriented and tailor-made services and other activities, pursuing opportunities along the entire value chain.**
 - **Fourth: Strengthen leadership in areas such as sustainable, environmentally friendly and related technologies.**

 **This will provide for premium profits on an ongoing basis**

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 an economic downturn or slow economic growth, especially in Europe or North America; changes in currency exchange rates and interest rates; introduction of competing products and possible lack of acceptance of our products or services; competitive pressures which may limit our ability to raise prices and reduce sales incentives; price increases in fuel, raw materials, and precious metals; disruption of production or delivery of new vehicles due to shortages of materials, labor strikes, or supplier insolvencies; a decline in resale prices of used vehicles; the business outlook of Chrysler in which we hold an equity interest, including the ability to successfully implement its Recovery and Transformation Plan; the business outlook for our Truck Group, which may experience a stronger than originally expected decline in demand as a result of accelerated purchases in 2006 made in advance of the effectiveness of stricter emission regulations; effective implementation of cost reduction and efficiency optimization programs, including our new management model; the business outlook of our equity investee EADS, including the financial effects of delays in and potentially lower volume of future aircraft deliveries; 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 DaimlerChrysler’s most recent Annual Report and under the headings “Risk Factors” and “Legal Proceedings” in DaimlerChrysler’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.