

# Truck Group Division Day 2006



**Chris Patterson**

**Freightliner LLC President & CEO  
- Mannheim, November 17, 2006 -**

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

## COMMERCIAL VEHICLE BRANDS



## STRATEGIC PARTNERS

DaimlerChrysler Truck Financial



# WE ARE THE LARGEST HDT MANUFACTURER IN NORTH AMERICA AND A LEADING PRODUCER OF MDT AND SPECIALIZED CV

Century S/T



FREIGHTLINER  
Run Smart

L-Line



STERLING  
TRUCKS

4900 EX Logging



WESTERN STAR

**Largest heavy-duty (class 8) truck manufacturer in North America**

Business Class



FREIGHTLINER  
Run Smart

Acterra



STERLING  
TRUCKS

**Second largest medium-duty (class 5-7) truck manufacturer in North America**

C2



Thomas  
BUILT BUSES

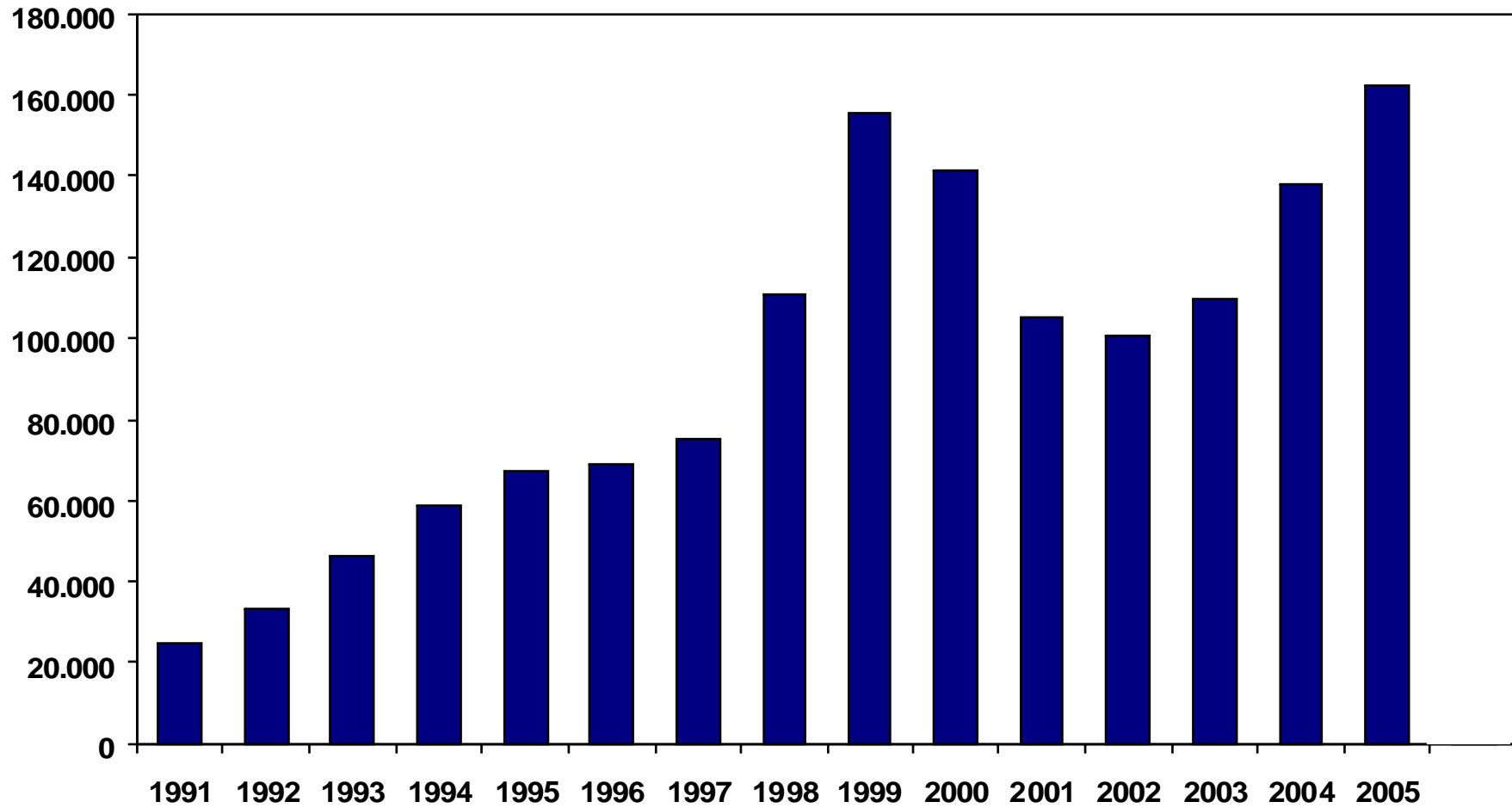
**Leading school bus manufacturer in North America**

FREIGHTLINER  
Custom Chassis

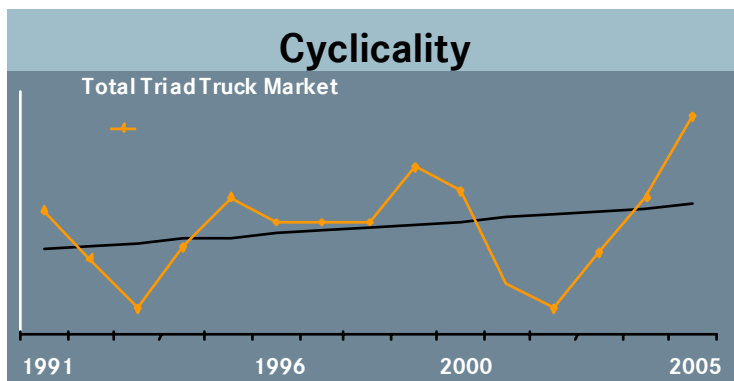
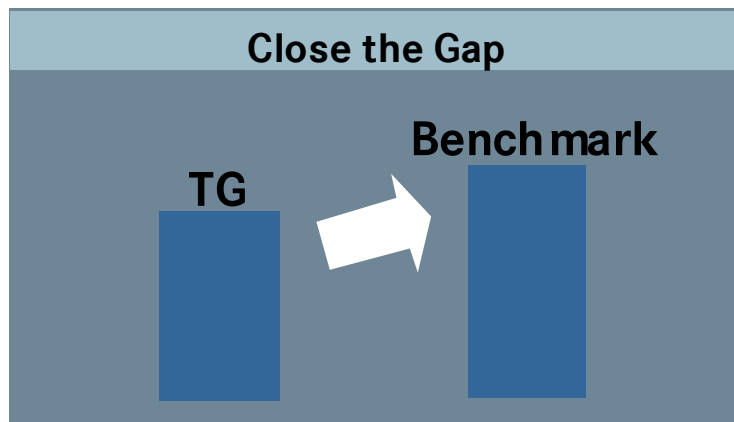


**Leading chassis producer for diesel walk-in-vans and diesel motor home chassis**

## NAFTA CLASS 6 - 8 UNIT SALES: FREIGHTLINER WILL SET COMPANY RECORDS FOR SALES IN 2006



# 2007 GLOBAL EXCELLENCE ACTIVITIES WILL FOCUS ON BUSINESS CYCLE MANAGEMENT TO REDUCE RISK AND IMPROVE PROFIT PERFORMANCE



## Global Excellence

Management of Cycles

Operational Excellence

Growth and market exploitation

Future product generations

## PROACTIVE CYCLE MANAGEMENT AT FREIGHTLINER INCLUDES PRODUCTION FOOTPRINT STRATEGY AND CONTINUOUS OVERHEAD OPTIMIZATION

### Global Excellence

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Future product generations

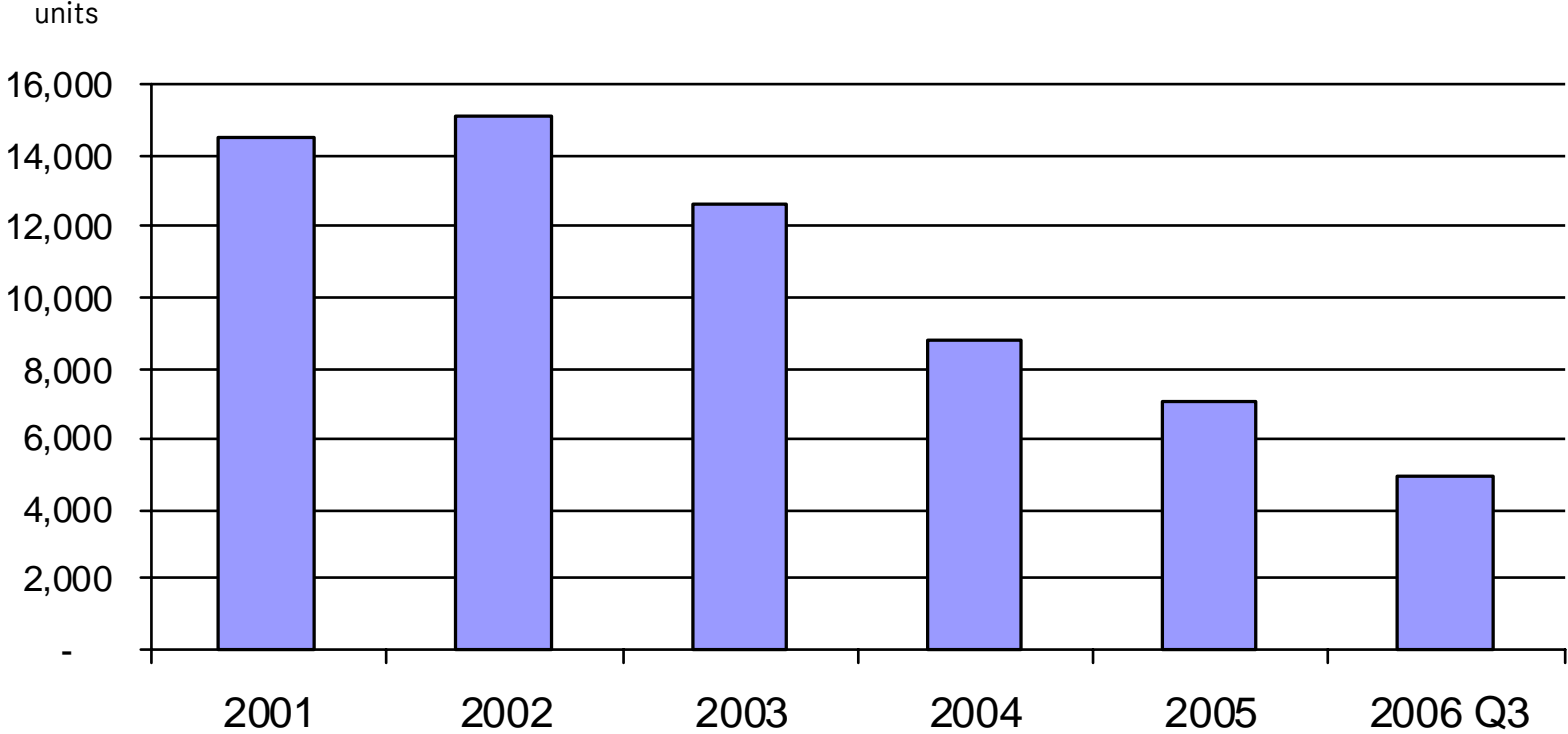
- **Product range simplification**
  - Freightliner Cargo, FLD, Argosy, FS 65
- **Project timing**
  - EPA 07, FTL New Truck, After sales Systems
- **Continuous evaluation of portfolio**
  - American LaFrance, Retail Branches

# OPERATION EXCELLENCE IS THE OBJECTIVE OF ALL ACTIVITIES AT FREIGHTLINER



- Clear focus on efficiency and process improvements
- Introduced Corporate Scorecard
- Zero Based Budgeting to reduce Fixed costs
- Establishment of Continuous Improvement office

# FREIGHTLINER HAS REDUCED USED TRUCK INVENTORY SIGNIFICANTLY OVER THE LAST 5 YEARS





## GROWTH AND MARKET EXPLOITATION AT FREIGHTLINER LLC

### Global Excellence

Management of Cycles

Operational Excellence

Growth and market exploitation

Future product generations

- Sterling & Western Star Growth Strategies
- Freightliner Medium Duty Growth Strategy
- Growth in Mexican and Latin America
- Growth of After sales Business
  - Remanufacturing core competence
  - Value added Services
  - Channel Development

**Sterling Bullet**



- Market Introduction: mid - 07
- First joint venture with Chrysler Group

**Sterling 360**



- Market Introduction: 02.06
- Close collaboration with Mitsubishi FUSO

**Western Star Trucks**



- Serious Trucks
- Dedicated Manufacturing Plant

**Sterling "Face Lift" Truck**



- Market Introduction: 06.07
- Performance & styling enhancements

## FREIGHTLINER HAS EXCITING NEW PRODUCTS AND COMPONENTS READY FOR THE MARKET IN 2007

### Global Excellence

Management of Cycles

Operational Excellence

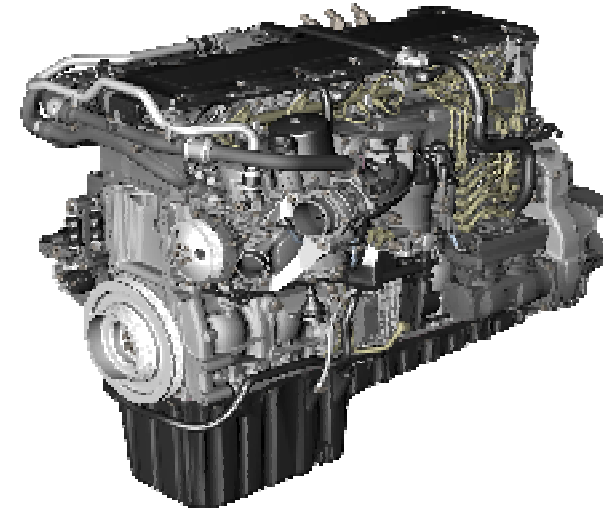
Growth and market exploitation

Future product generations

- EPA 07 – Engines
- New Heavy Duty Engine Platform
- New Bus Generation C2
- New Freightliner Truck (Q3 2007)

### EPA 2007 Engines

### Heavy duty Engine Platform



- Engine testing reaches 13 Million test miles for Series 60, with goal of 14 Million miles by January
- Total of 160 EPA07 production engines built
- Dealer training began in October
- Service parts available by January 1

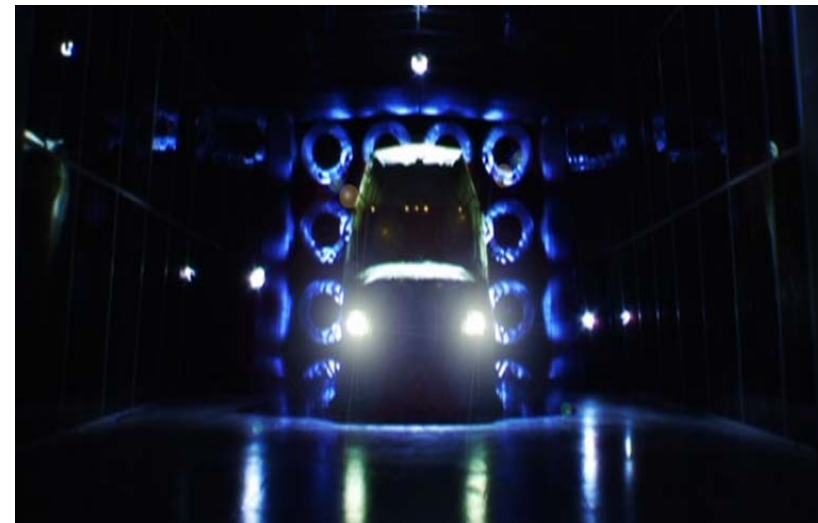
- Ongoing development in Redford, MI & Germany
- Utilized across all Truck Group brands

New C2 Product

Freightliner New Truck Project



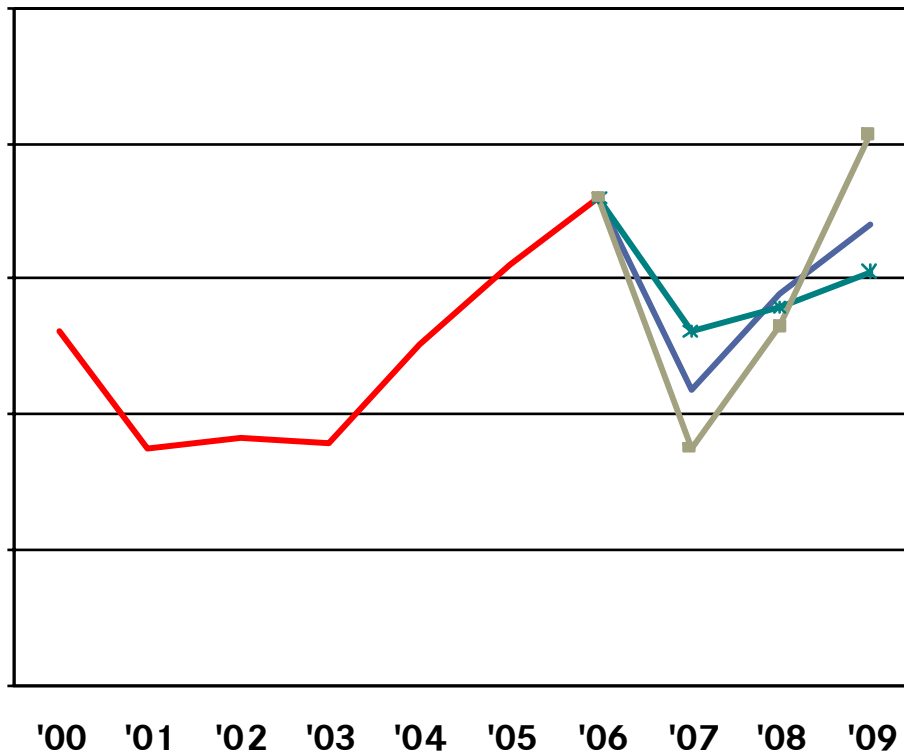
- Gains In Market Share & Profitability
- Strong C2 Sales



- Market Introduction: May 2007
- Century Class S/T & Colombia Successor
- Designed with “Fuel Consumption” & “Driver Retention” specifically in Mind

## FREIGHTLINER IS PREPARED TO PROACTIVELY MANAGE FUTURE MARKET DEVELOPMENTS

— ACTUAL      — CURRENT FORECAST  
—\*— Scenario 1 (H 2007/L 2009)      —■— Scenario 2 (L 2007/H 2009)



- Production capacity will be managed proactively
- Fixed Overhead will be reviewed on a monthly basis

## DISCLAIMER

This presentation contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "project" and "should" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in Europe or North America; changes in currency exchange rates, interest rates and in raw material prices; introduction of competing products; increased sales incentives; the effective implementation of our new management model, and the CORE program, including the new business model for smart, at the Mercedes Car Group; renewed pressure to reduce costs in light of restructuring plans announced by our major competitors in NAFTA; the ability of the Chrysler Group to reduce dealer inventories with current incentive programs and respond to a shift in market demand for smaller, more fuel efficient vehicles; lower profit contributions by EADS due to delays in deliveries of the Airbus A380; disruption of production or vehicle deliveries, resulting from shortages, labor strikes or supplier insolvencies; the resolution of pending governmental investigations; and decline in resale prices of used vehicles. If any of these or other risks and uncertainties occur (some of which are described under the heading "Risk Report" in DaimlerChrysler's most recent Annual Report and under the heading "Risk Factors" in DaimlerChrysler's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission), or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.