

DAIMLER

**Deutsche Bank German & Austrian
Corporate Conference 2009**

June 2009

Final separation from all Chrysler issues signed

- Daimler, Chrysler, Cerberus and US-Pension Benefit Guaranty Corporation (PBGC) achieved agreement on Daimler's final separation from Chrysler, independently from Chrysler's future
- Redemption of Daimler's 19.9% share in Chrysler Holding
- Waiver of 2nd Lien Note and Subordinated Loan by Daimler
- Daimler released from all possible legal litigations by Chrysler and Cerberus
- Daimler safeguards pension payments for former DaimlerChrysler employees of total USD 0.6 bn in three equal installments in the upcoming three years
- PBGC guarantee reduced from USD 1.0 bn to USD 0.2 bn
- Daimler remains supplier to Chrysler of components and services (i. e. dealer financing until end of September 2009) and warrantor for certain guarantees
- Maximum negative EBIT effect in Q2 2009 of up to USD 0.7 bn
- Total cash burden of USD 0.6 bn in 2009 - 2011

Summary Q1 2009

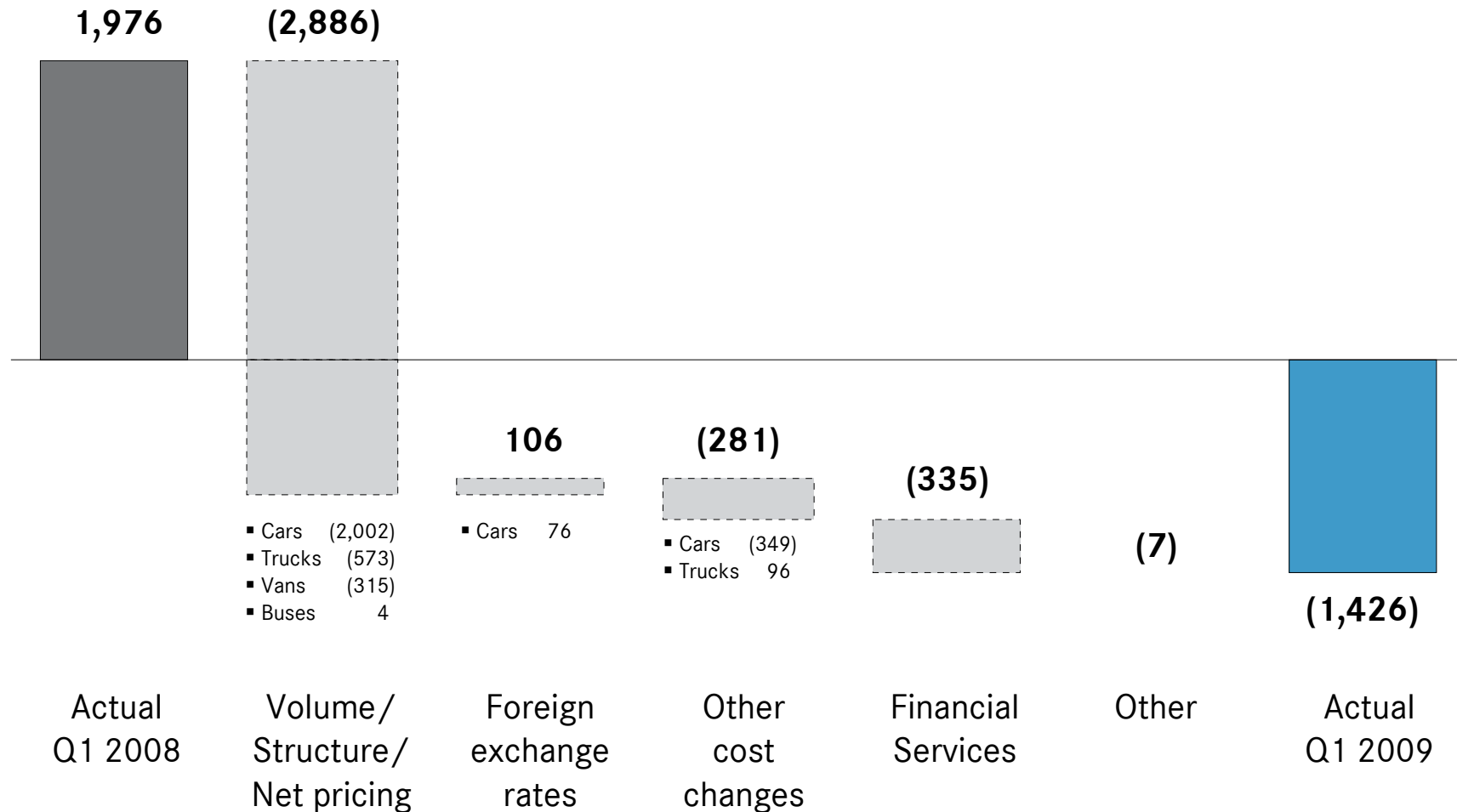
- Financial and economic crisis worsened
- Weak markets led to lower unit sales in all automotive divisions
- Revenue decreased in line with lower unit sales to €18.7 billion
- EBIT fell to minus €1.4 billion
- Net profit decreased from €1.3 billion to minus €1.3 billion
- Net liquidity of industrial business at €3.7 billion
- Group-wide measures initiated in order to reduce or avoid expenses and cash outflows by €4 billion
- Investment of Aabar (Abu Dhabi) strengthened financial position

Key financials

- in billions of € -	Q1 2008	Q1 2009
EBIT	2.0	(1.4)
Net profit	1.3	(1.3)
Earnings per share (in €)	1.29	(1.40)
Free cash flow industrial business	1.0	(1.1)
Net liquidity industrial business (2008: year-end)	3.1	3.7

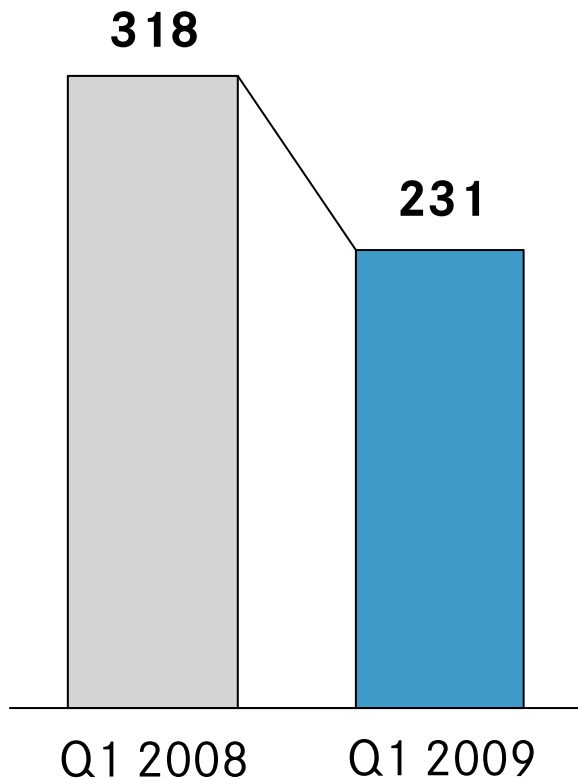
Group EBIT decreased in Q1 2009 due to financial and economic crisis

- in millions of € -

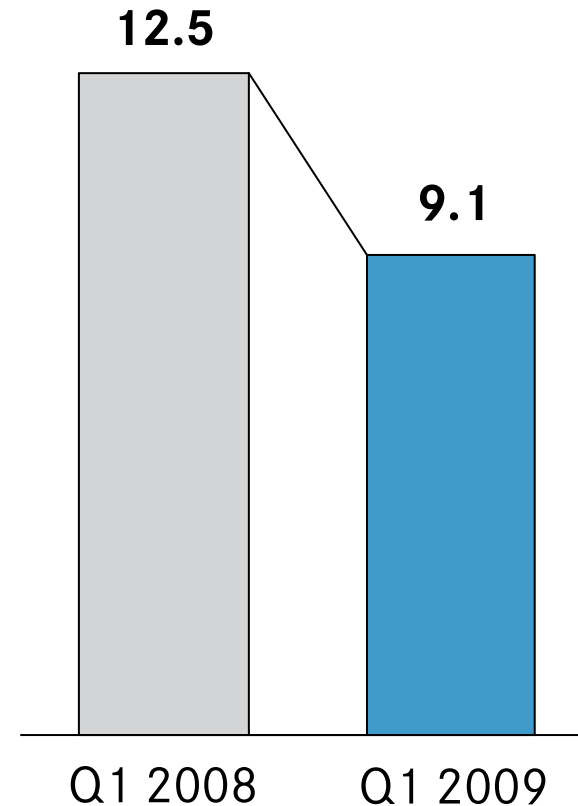


Unit sales and revenue declined due to weak worldwide demand and model change of E-Class

Unit sales
- in thousands of units -

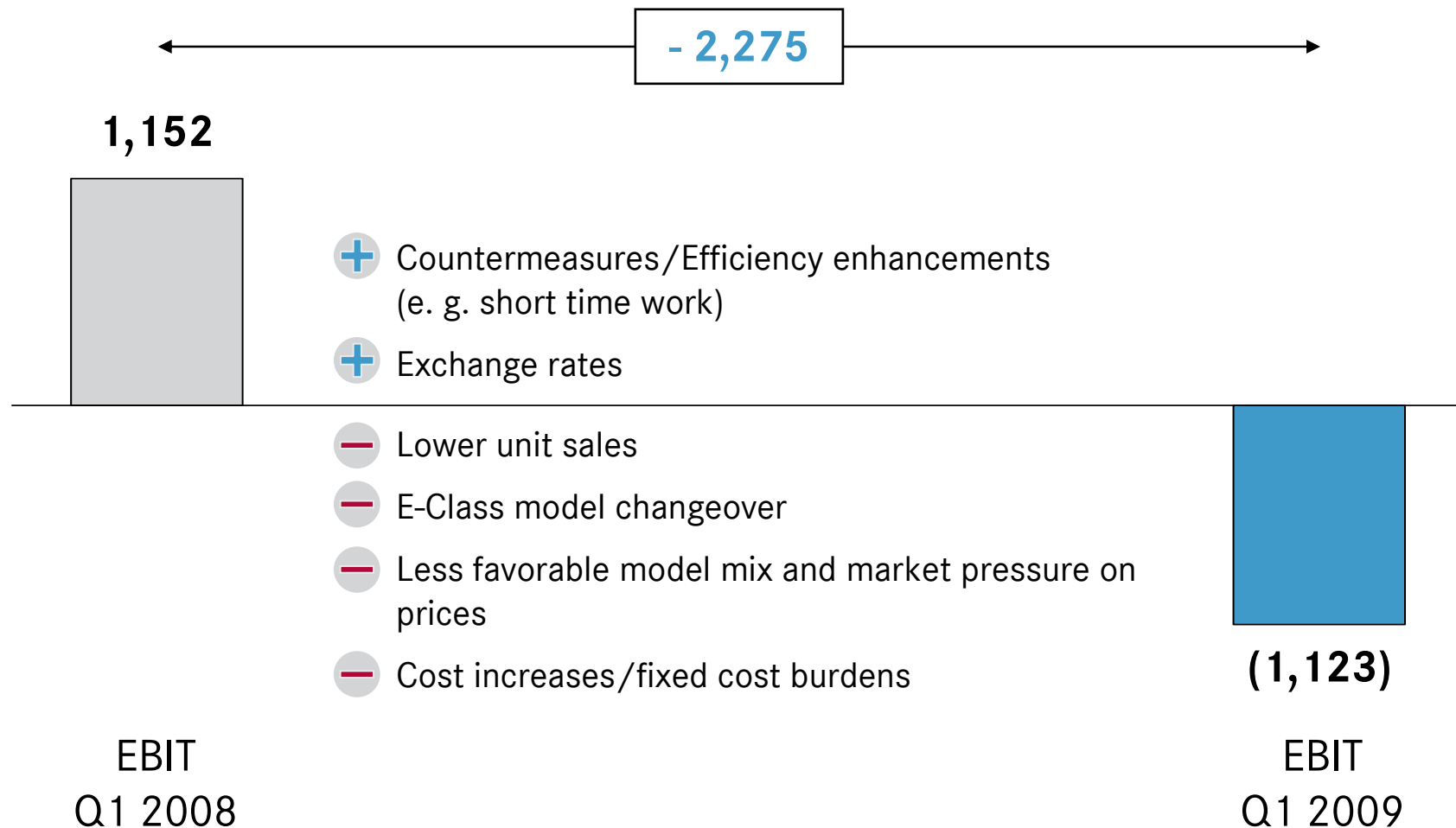


Revenue
- in billions of € -



Decrease in EBIT results primarily from lower unit sales

- in millions of € -

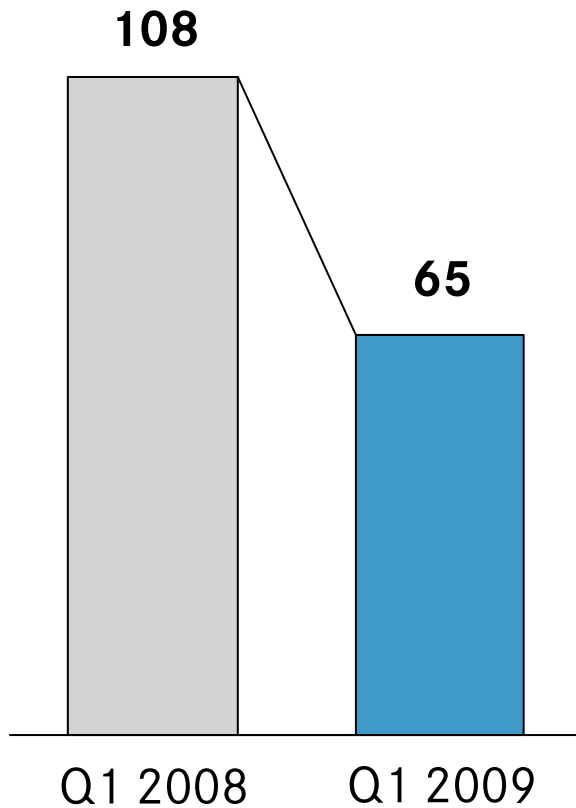


Product highlights

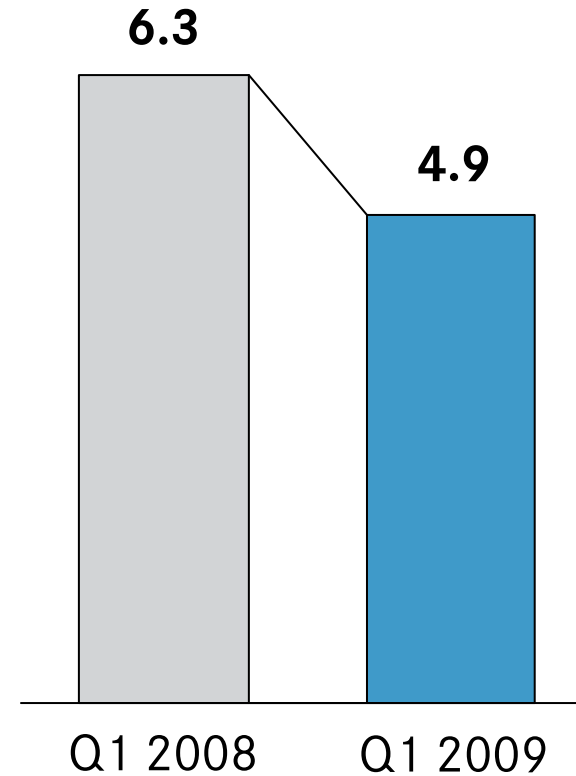


Lower unit sales reflect weak demand in all major regions

Unit sales
- in thousands of units -

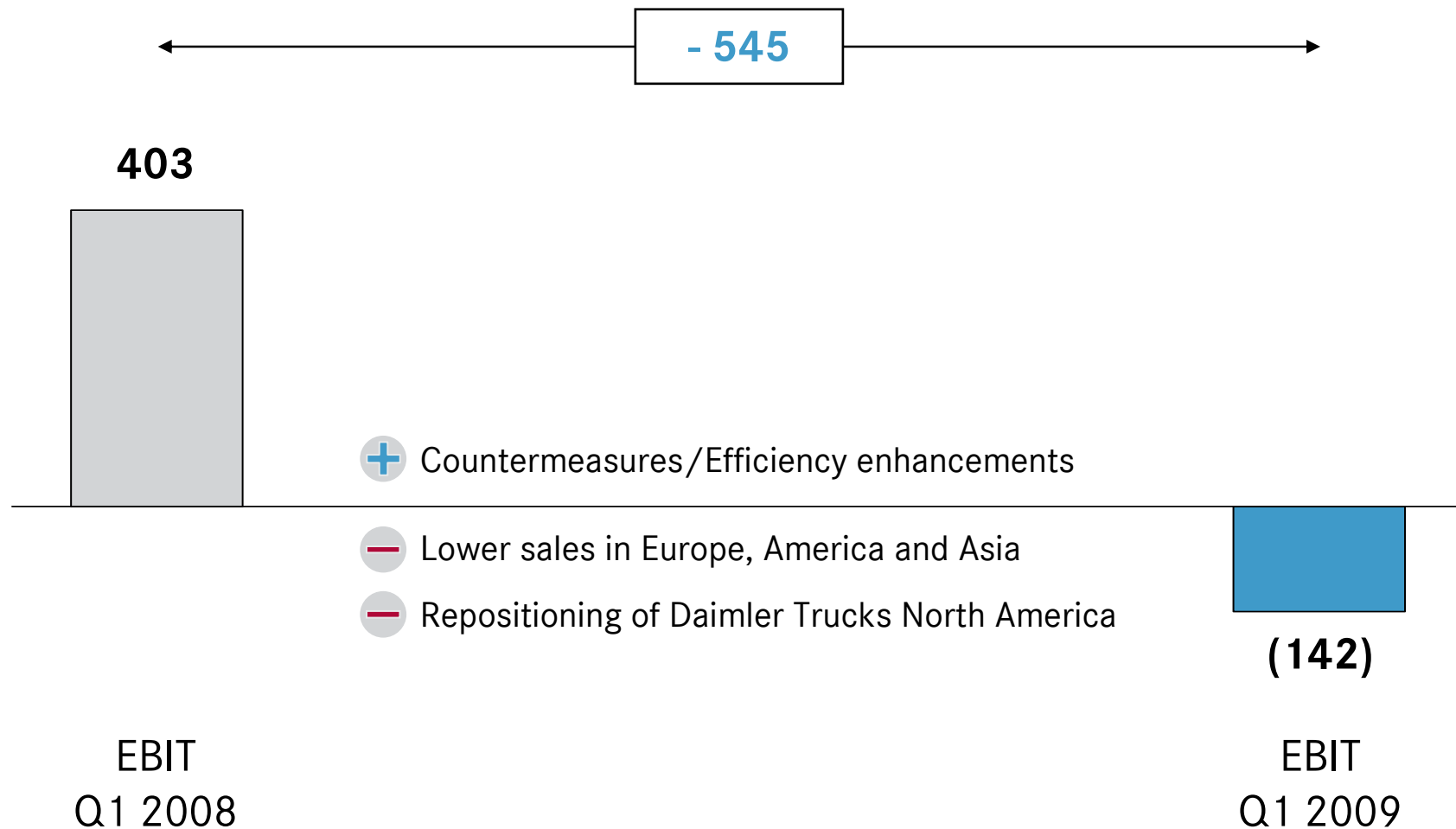


Revenue
- in billions of € -



Lower EBIT primarily due to tough market environment almost worldwide

- in millions of € -



Product highlights

Mercedes-Benz Construction Actros

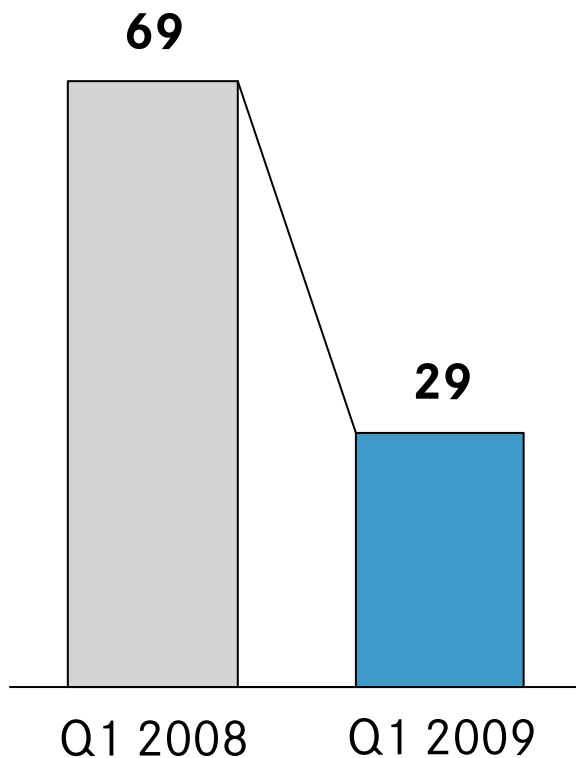


Mitsubishi Fuso Canter Eco Hybrid

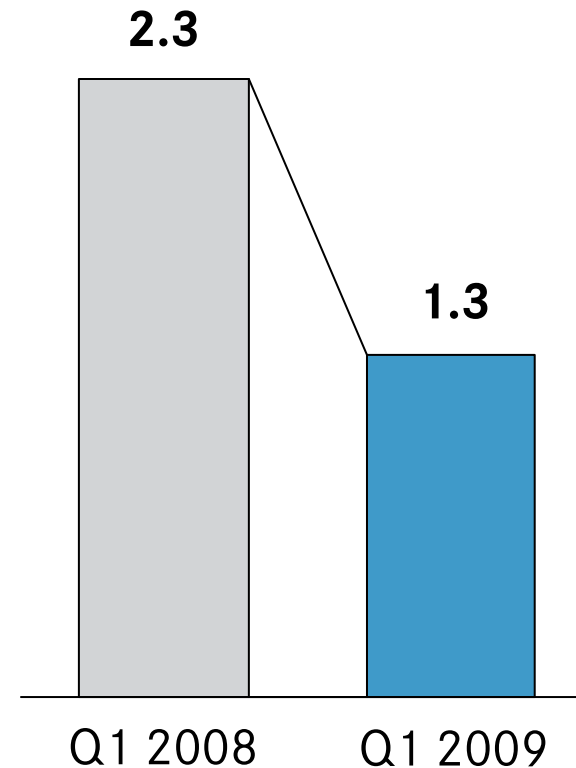


Van markets were especially weak in Europe and the U.S.

Unit sales
- in thousands of units -

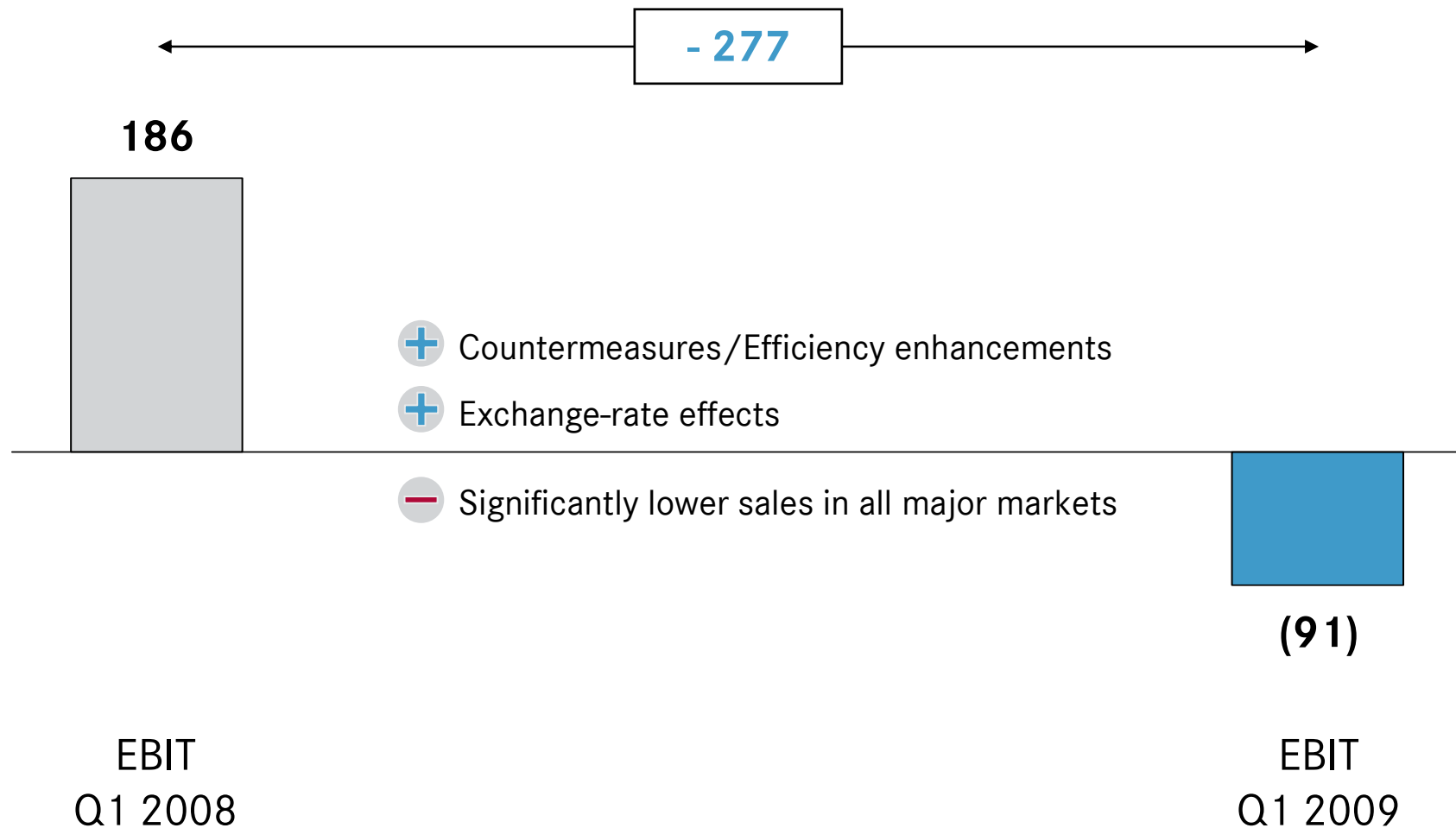


Revenue
- in billions of € -



Lower EBIT due to sharp decline in sales

- in millions of € -

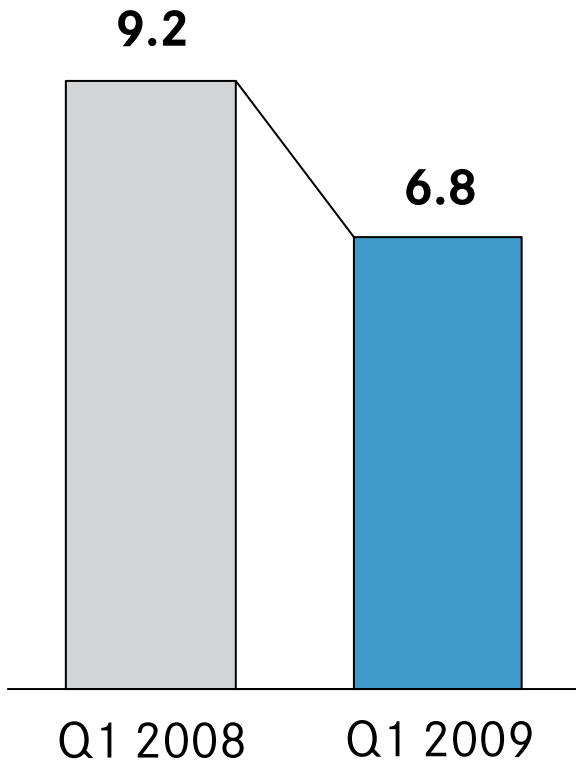


Product highlights

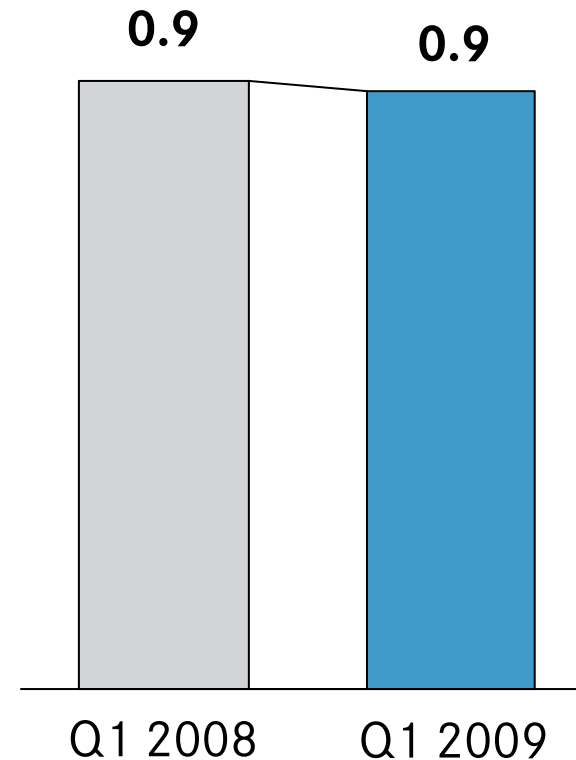


Overall stable bus business in Europe and NAFTA; weak chassis demand in Latin America

Unit sales
- in thousands of units -

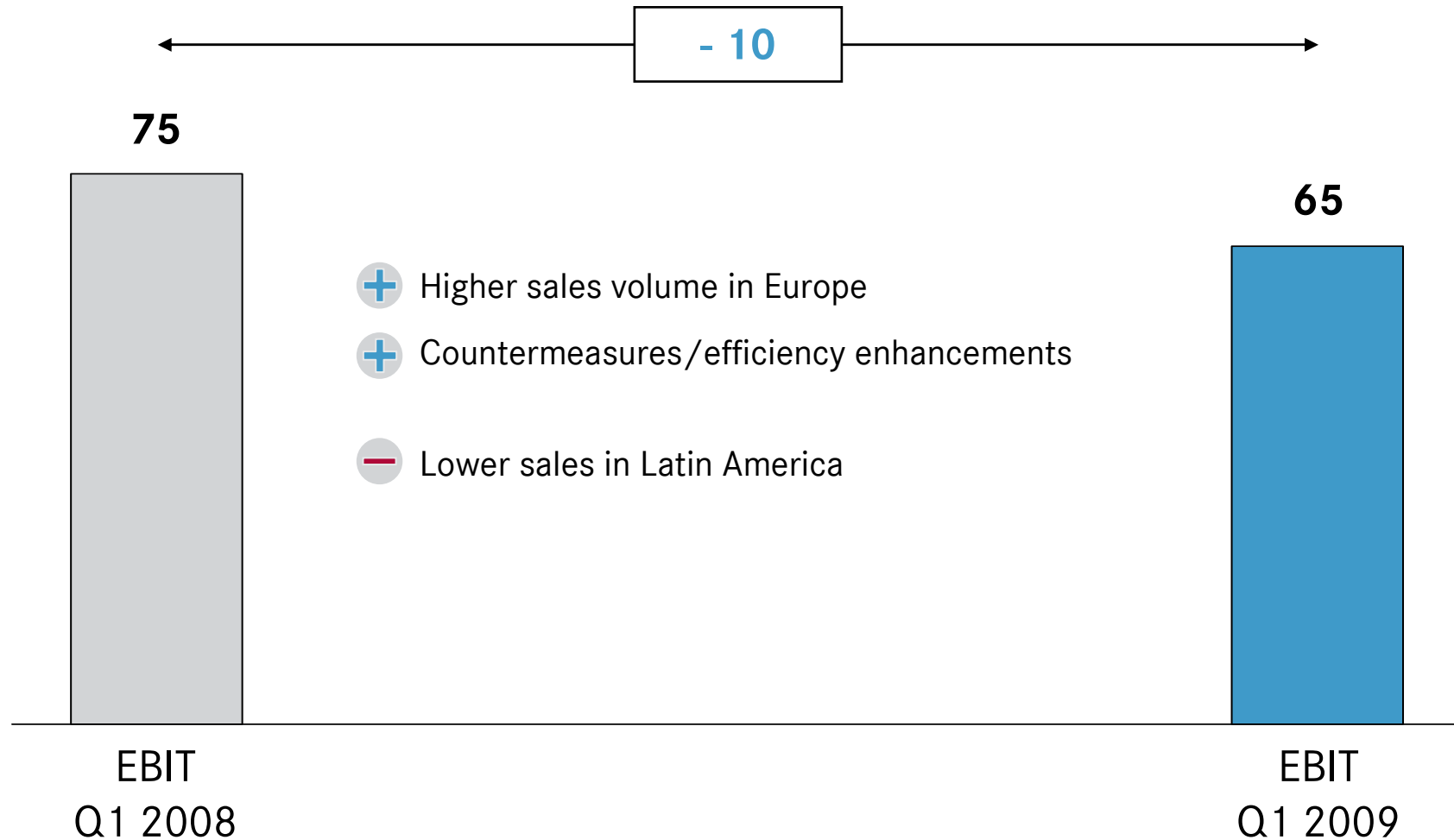


Revenue
- in billions of € -



Decrease in EBIT due to overall sales decline

- in millions of € -

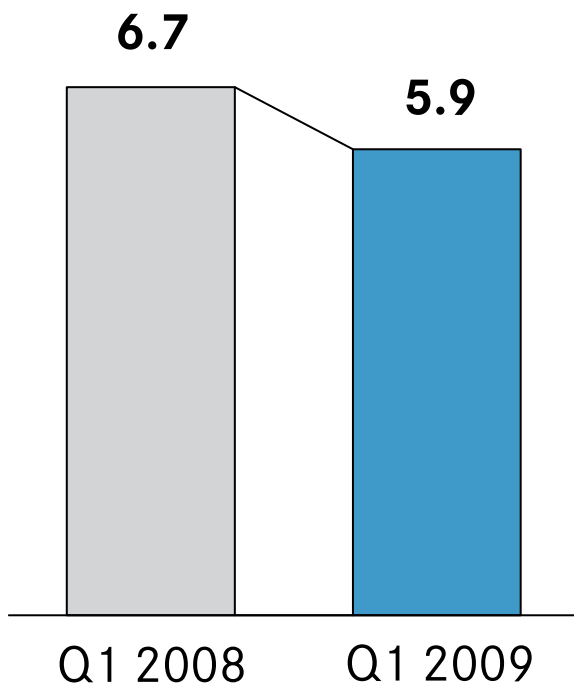


Product highlights

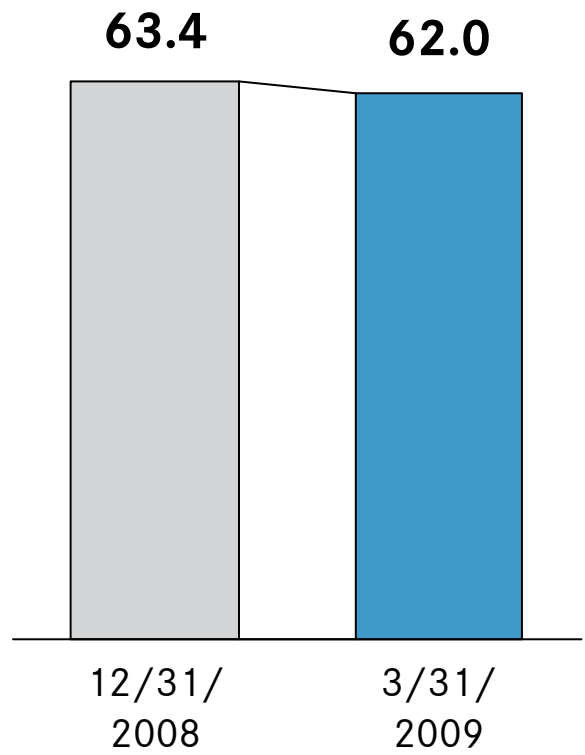


Decrease in contract volume compared to year-end 2008

New business
- in billions of € -

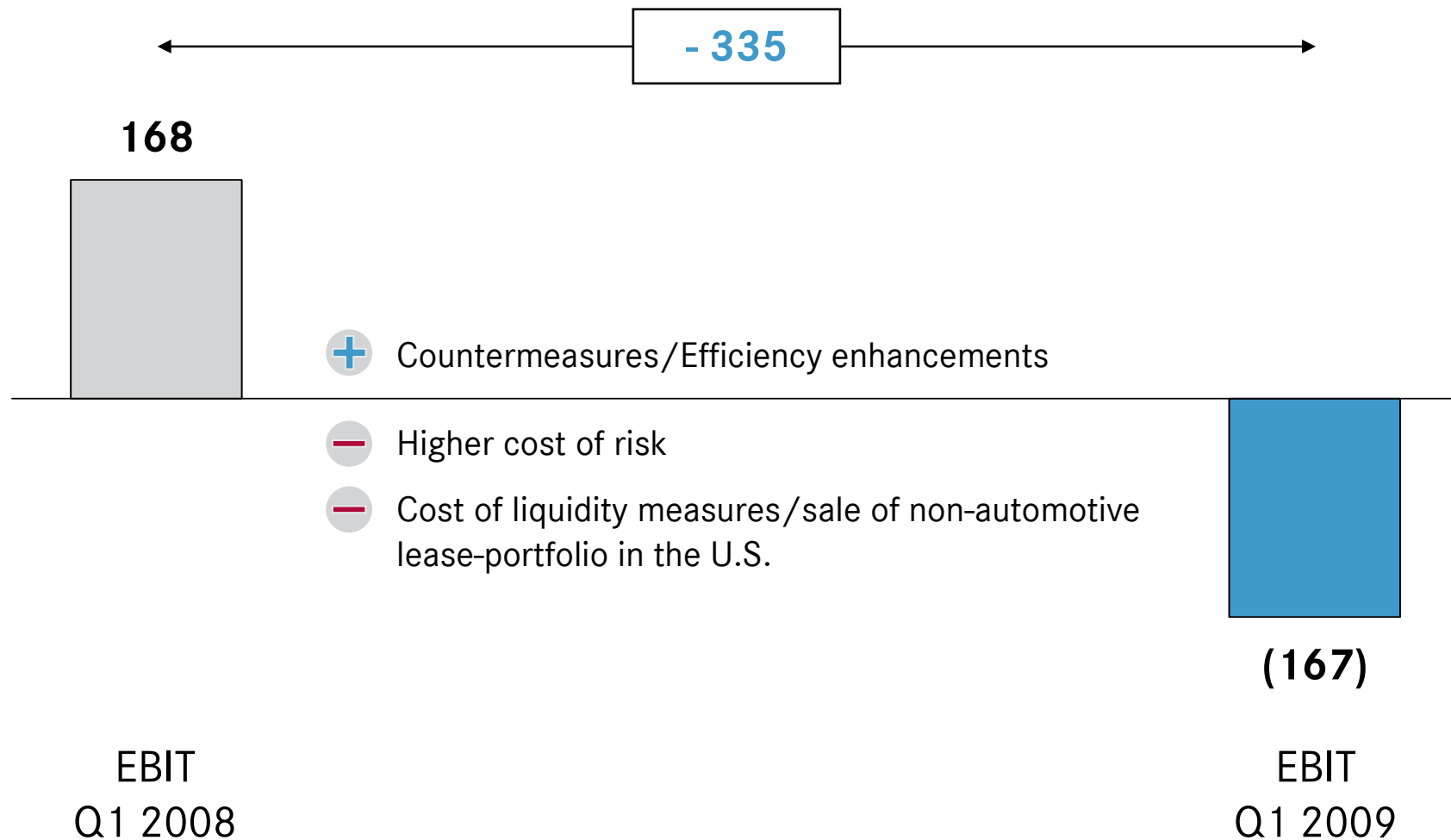


Contract volume
- in billions of € -



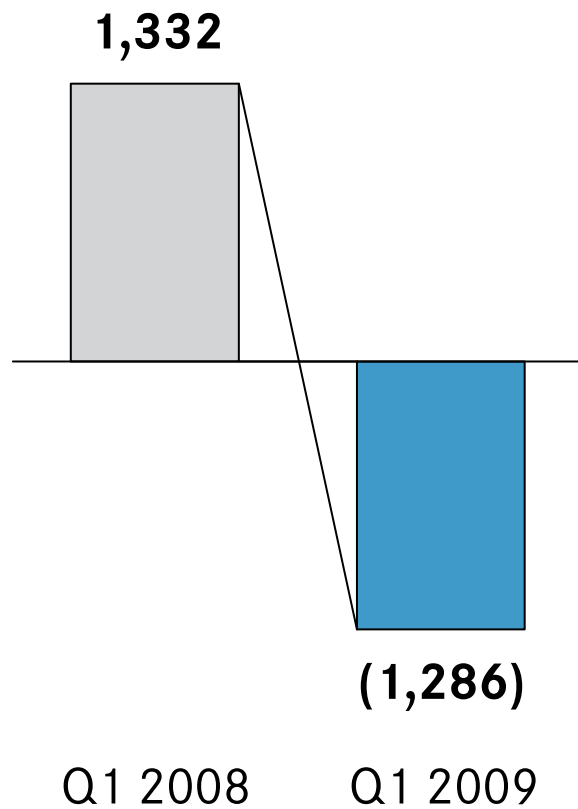
Daimler Financial Services affected by higher cost of risk

- in millions of € -

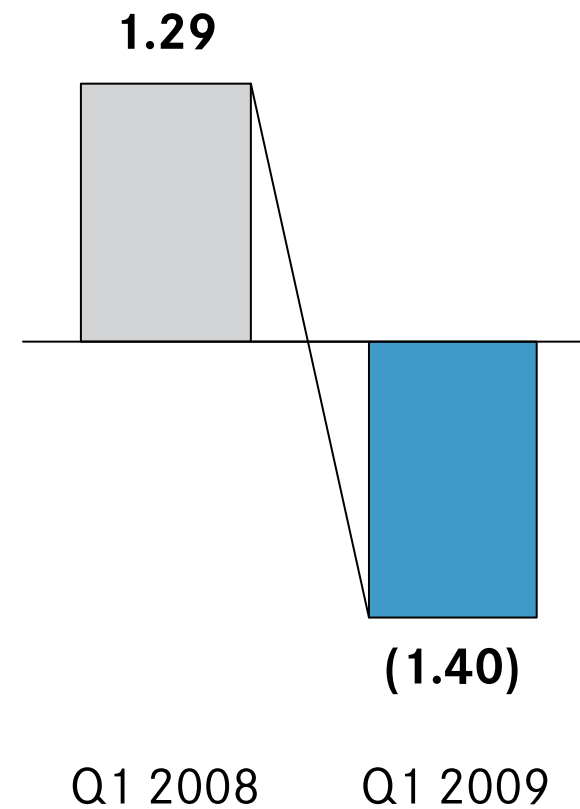


Net profit and earnings per share

Net profit
- in millions of € -



Earnings per share
- in € -



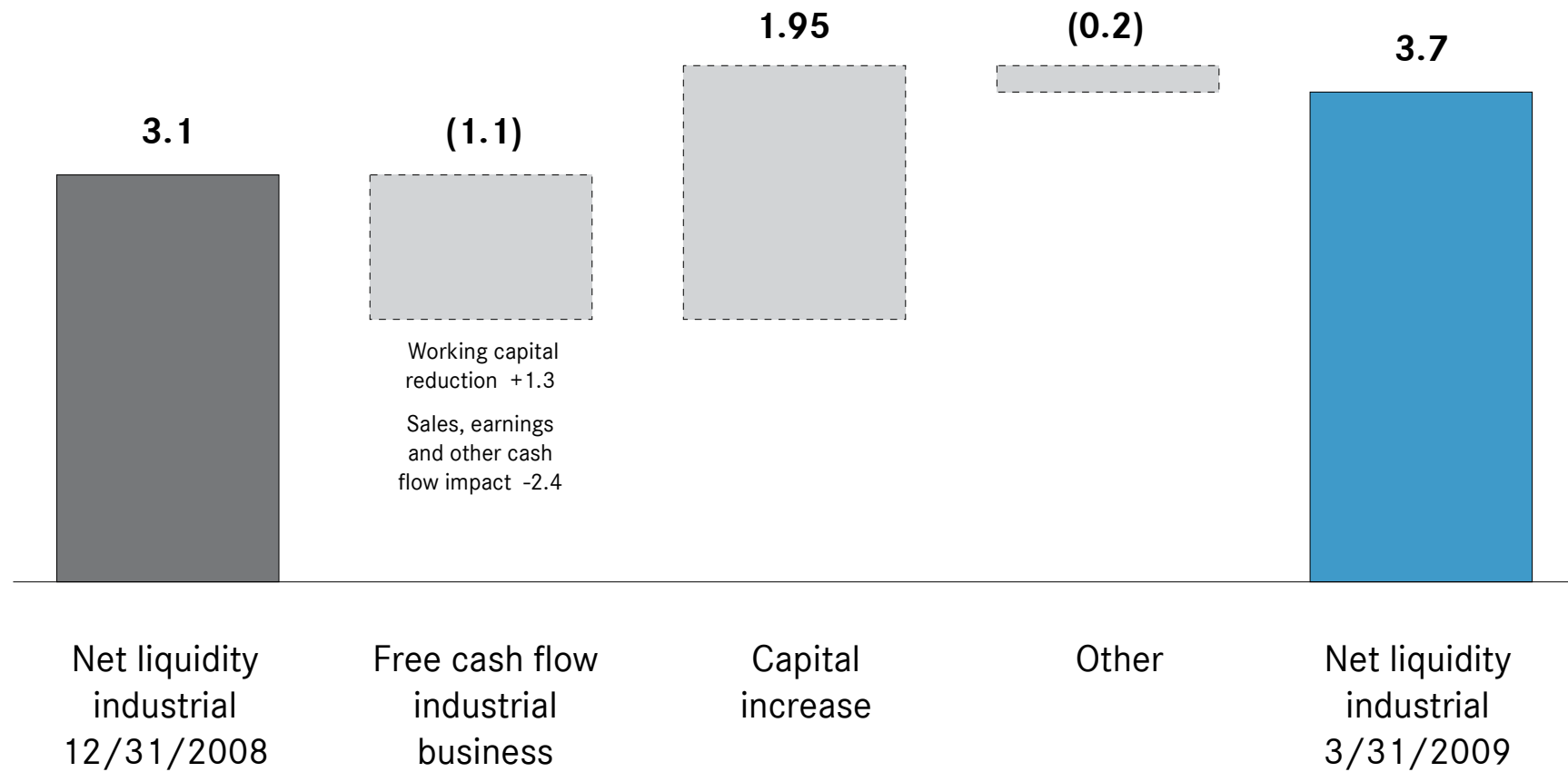
Key balance-sheet and financial figures

- in billions of € -	Dec. 31, 2008	Mar. 31, 2009
Daimler Group		
Equity ratio ¹⁾	24.3%	23.8%
Gross liquidity	8.0	16.7
Industrial business		
Equity ratio ¹⁾	42.7%	42.1%
Net liquidity	3.1	3.7
Free cash flow (January to March)	1.0	(1.1)

1) Excluding dividend payment

Changes in net liquidity industrial business

- in billions of € -



Financing liabilities (nominal)

- in billions of € -	Mar 31, 2009	thereof maturing in		
		Q2 2009	Q3 2009	Q4 2009
Bonds	32.9	0.8	4.5	1.3
Bank loans	14.6	3.1	1.3	2.0
ABS	1.4	0.5	0.1	0.1
Commercial paper	1.5	1.2	0.2	0.1
Account deposits	11.7	5.6	0.8	0.6
Other	0.9	0.1	0.1	0.1
Total	63.1	11.3	6.9	4.2

Increase of share capital by 10%

- Aabar Investments of Abu Dhabi new major shareholder
- Cash inflow of €1.95 billion will further improve Daimler's sound financial position
- Cash inflow gives greater flexibility to invest in innovative automotive technologies during a period of economic uncertainty and macroeconomic instability
- The investment complements a broad range of initiatives already undertaken by Daimler to react to the changing market environment

Countermeasures 2009 vs. actual 2008 totaling €4 bn

<p>Net proceeds</p>	<p>20%</p>	<ul style="list-style-type: none"> • Safeguard of positive net pricing despite severe headwind from markets • Selective price increases of new products in markets where Daimler products hold an outstanding premium brand status • Earlier market launch of new E-Class sedan in the U.S. • Optimization of pricing potential of extras/packages and fuel efficiency features
<p>Personnel costs</p>	<p>40%</p>	<ul style="list-style-type: none"> • Short-time work in production and other functions • Package of measures agreed with Employee Council to reduce labor costs of Daimler AG • No (paid) overtime, restricted hiring and no external temps • Significant reduction of bonus
<p>Material costs</p>	<p>15%</p>	<ul style="list-style-type: none"> • Achieving lower prices based on declining raw material world-market prices (e. g. steel) • Accelerated implementation of module strategy • All taken measures implemented in a way that does not overstretch suppliers' financial capabilities
<p>Further overheads</p>	<p>25%</p>	<ul style="list-style-type: none"> • Immediate expense cut and spending stop (e. g. external services, consultants, reduction of travel costs) • Prioritization of investment projects (e. g. maintenance projects) • Focusing of marketing budget (e. g. reduction of expenses for automotive fairs) • Optimization of non-productive material (e. g. better bundling, re-negotiations)

Total: €4 bn

Consequent reduction of working capital to free up invested capital

Finished goods inventory

- Rigorous **adoption of production program** to sales program

Used cars inventory

- Significant **reduction of used cars inventory** in Q1 2009

Manufacturing supplies/
goods in progress/
spare parts

- Management by **benchmark based days-of-inventory (DIO) targets** for different inventories
- Optimization of **logistics chain** and production system

Trade payables/
receivables

- Rollout of **corporate project “Procurement-to-Pay”**
- Consequent **harmonization of payment terms**

Assumptions for automotive markets in 2009

● Passenger vehicle markets

- Worldwide market decrease of 10% to 20% vs. 2008 expected

● Truck markets

- Significant decreases of medium and heavy duty truck markets expected globally
- Western Europe -40% to -50%
- NAFTA -20% to -30%
- Japan -40% to -50%
- Market recovery not before end of 2009/beginning of 2010 expected

● Van markets

- No significant improvement compared to the market decline in Q1 expected

● Bus markets

- City bus market expected stable in 2009
- Continuous difficult coach market

Outlook 2009 for Daimler sales

● Mercedes-Benz Cars

- Momentum from new E-Class and new GLK
- Overall sales reduction vs. 2008
- Market shares at least on prior year's level

● Daimler Trucks

- Significantly lower unit sales expected
- Market shares should be maintained in the core markets

● Mercedes-Benz Vans

- Significantly lower unit sales expected

● Daimler Buses

- Unit sales expected to be below 2008, but on a solid level

Outlook 2009 for EBIT

- **Mercedes-Benz Cars**
 - Low point reached in Q1
 - Positive earnings in H2 2009 expected due to cost measures and start of new E-Class
- **Daimler Trucks**
 - Further burdens on earnings expected for Q2 caused by sharp decline of demand worldwide
- **Mercedes-Benz Vans**
 - Further burdens on earnings expected for Q2 caused by sharp decline of demand worldwide
- **Daimler Buses**
 - Positive EBIT expected
- **Daimler Financial Services**
 - Significantly lower earnings expected due to substantially higher cost of risk
 - Low point reached in Q1
- **Daimler Group**
 - Group-wide measures initiated in order to reduce or avoid expenses and cash outflows by €4 bn
 - Gradual improvement of operational earnings during the course of the year, but EBIT in Q2 2009 expected to be significantly negative

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Additional Information

June 2009

Special items affecting EBIT

- in millions of € -	1st Quarter	
	2008	2009
Daimler Trucks		
Repositioning of Daimler Trucks North America	-	(45)
Reconciliation		
Sale of real estate (Potsdamer Platz)	449	-
Transfer of shares in EADS	102	-
Equity result Chrysler	(340)	-
Gains/(Losses) from Chrysler-related assets	(151)	40
New management model	(45)	-

Liquidity

- in millions of € -	Dec. 31, 2008			March 31, 2009		
	Group	IB	FS	Group	IB	FS
Cash and cash equivalents	6,912	4,664	2,248	13,305	7,241	6,064
Marketable securities and term deposits	1,091	959	132	3,363	2,805	558
Gross liquidity	8,003	5,623	2,380	16,668	10,046	6,622
Financing liabilities (nominal)	(56,706)	(2,517)	(54,189)	(63,066)	(6,303)	(56,763)
Net liquidity	(48,703)	3,106	(51,809)	(46,398)	3,743	(50,141)

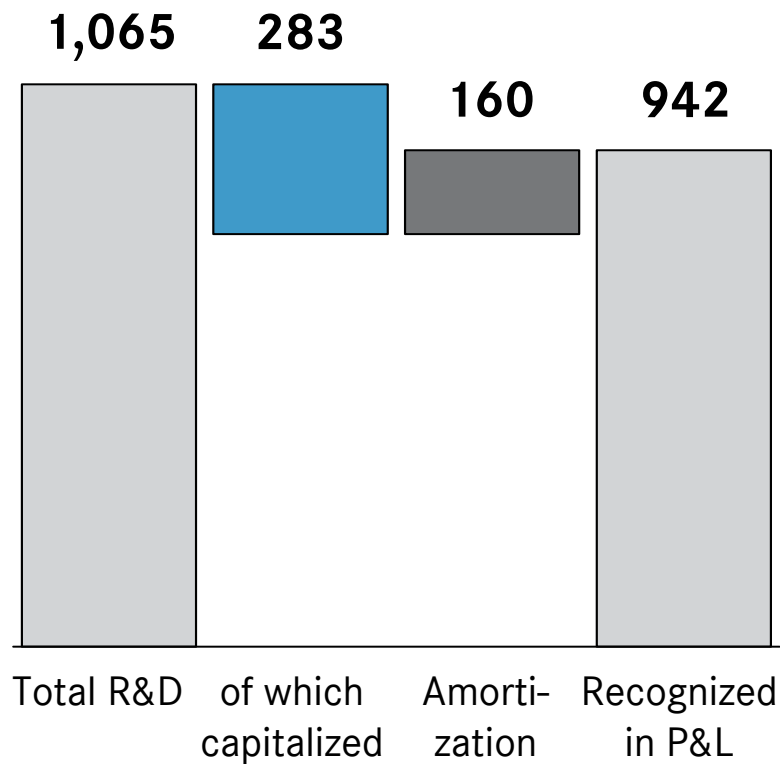
Funding status of pension and healthcare benefits

– continuing operations –

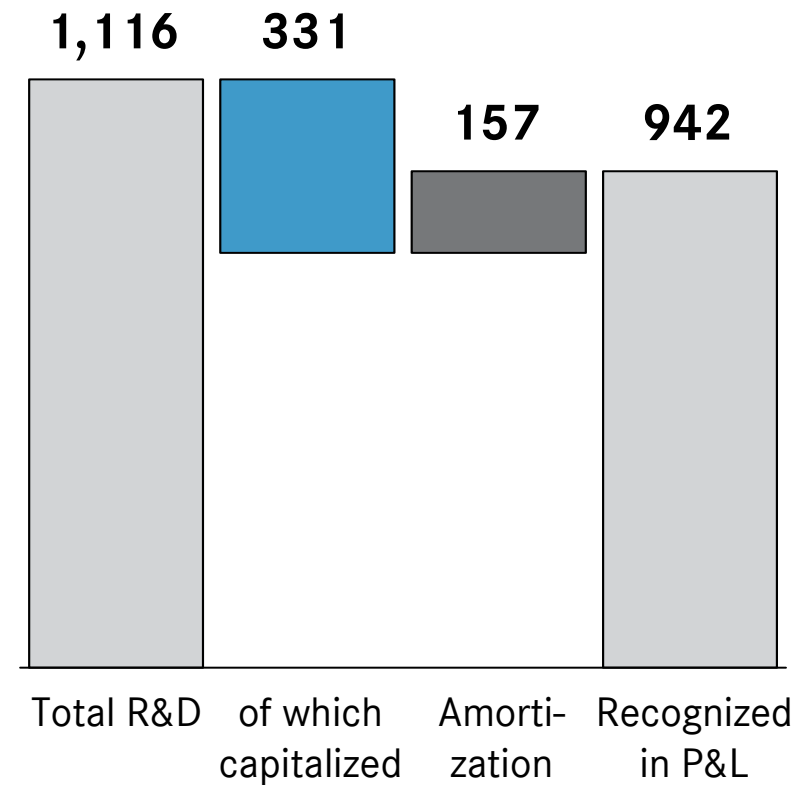
– in billions of € –	Dec. 31, 2008	Mar. 31, 2009
Pension benefits		
Benefit obligations	(15.0)	(15.1)
Plan assets	10.1	9.6
Funded status	(4.9)	(5.5)
Healthcare benefits		
Benefit obligations	(1.0)	(1.1)
Plan assets	0.0	0.1
Reimbursement Medicare Act	0.1	0.1
Funded status	(0.9)	(0.9)

Research & development costs

Q1 2008
- in millions of € -



Q1 2009
- in millions of € -



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 improvement or a further deterioration of global economic conditions; a continuation or worsening of the turmoil in the credit and financial markets, which could result in ongoing high borrowing costs or limit our funding flexibility; changes in currency exchange rates and interest rates; 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 further 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; the business outlook of companies in which we hold an equity interest, most notably EADS; 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.