

DAIMLER

Daimler Trucks Division Day

Global Powertrain



Mercedes-Benz



BHARATBENZ

Mannheim, June 28th 2012

Stefan E. Buchner

Head of Global Powertrain, Procurement and Manufacturing Engineering Trucks

Daimler Trucks

Agenda

1

New Daimler Trucks OU – Global Powertrain, Procurement and Manufacturing Engineering Trucks

2

Current performance - Powertrain business levers

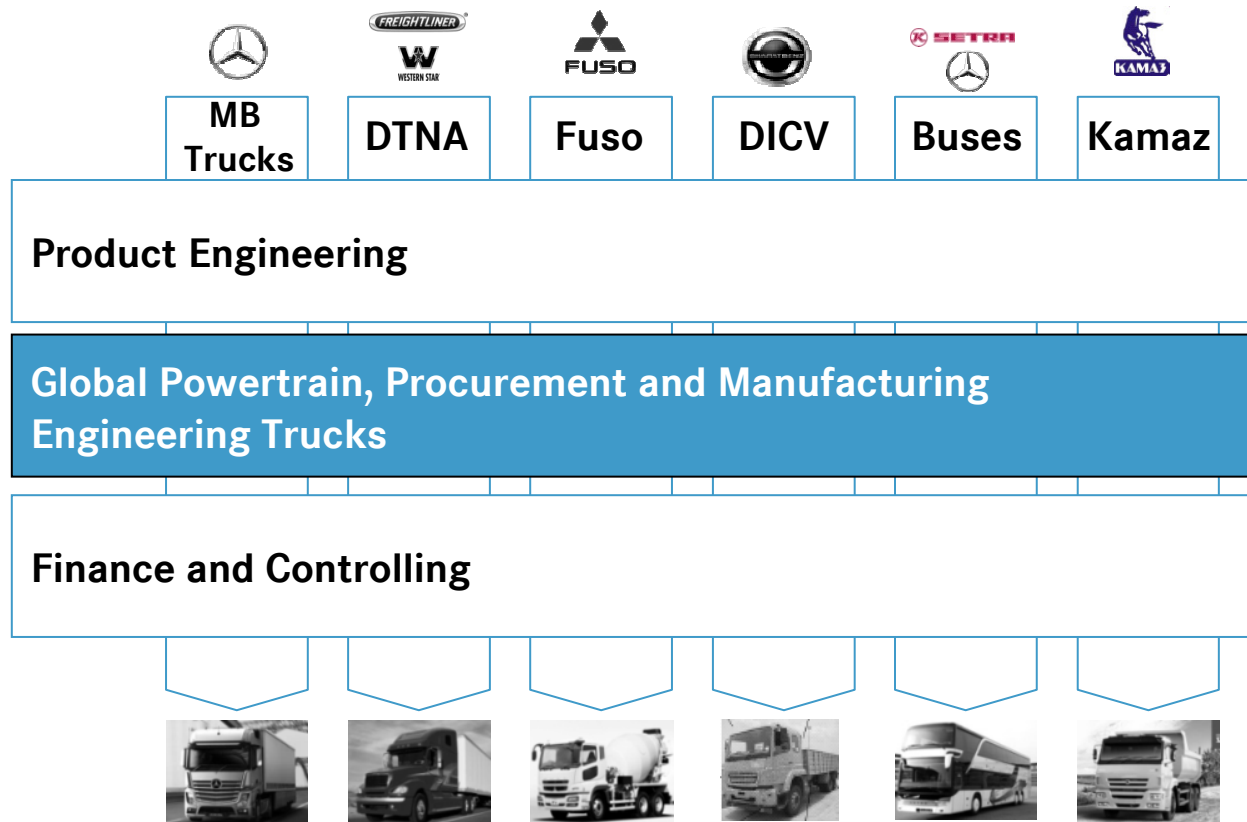
3

Next level of OU optimization - Global Powertrain at Daimler Trucks

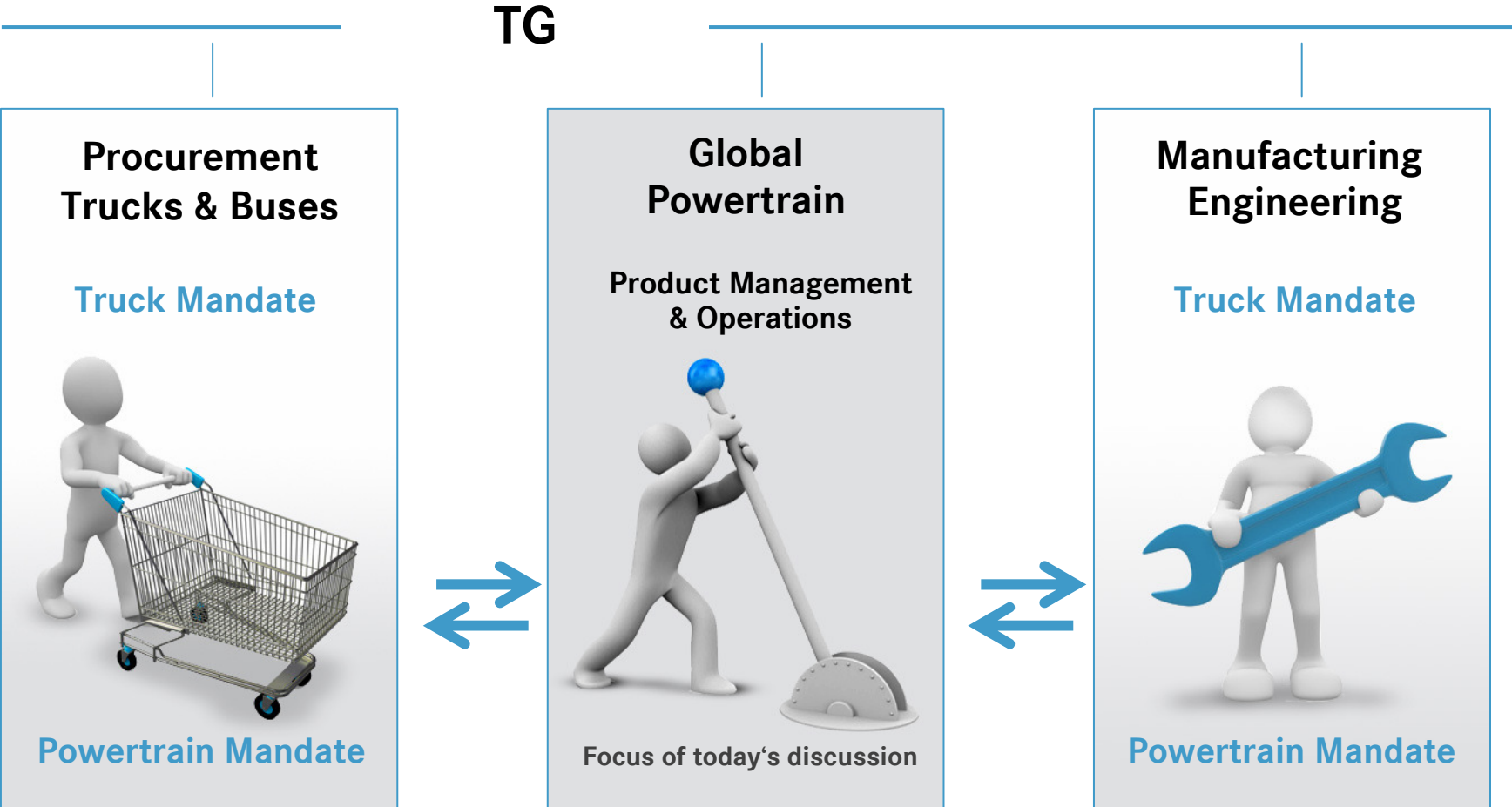
4

Conclusion

Daimler Trucks - implementation of a new Operating Unit Global Powertrain, Procurement and Manufacturing Engineering Trucks



TG – three global and cross functional responsibilities

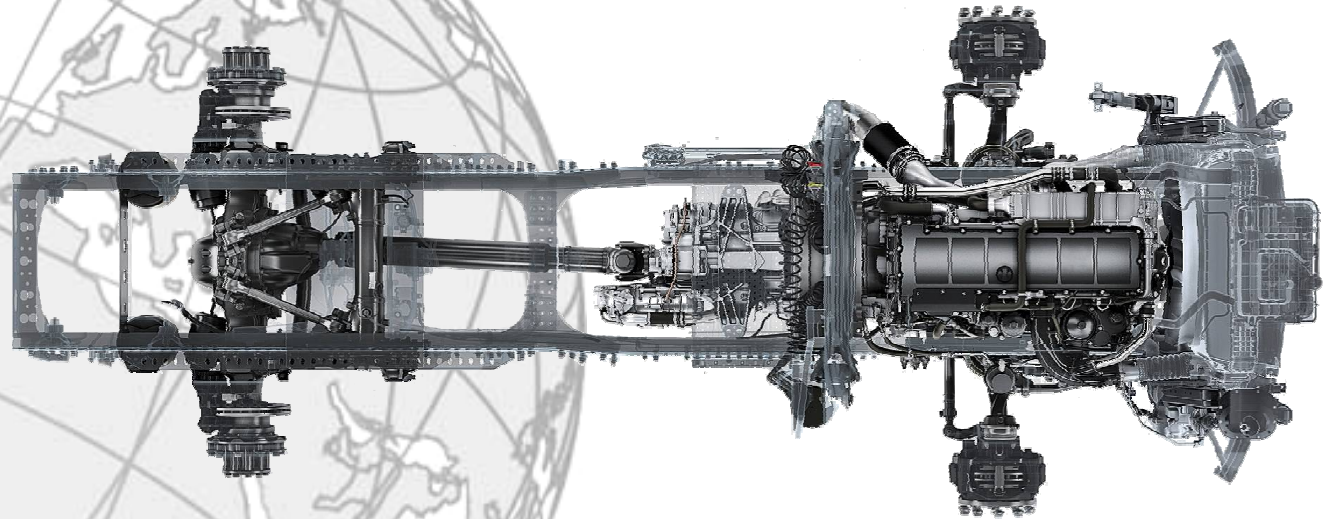


Our Powertrain challenges for Daimler Trucks

1 **From the markets:** Fuel economy, emission regulation, future drive technology

2 **From Daimler Trucks growth strategy:** New markets and brands

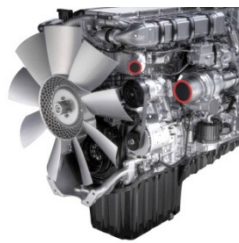
3 **From the high share within the value chain:** 50% value share of a Truck



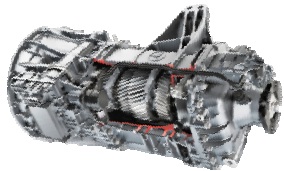
*Selected products illustrated
(for illustration purposes)*

We have a strong product base to start from

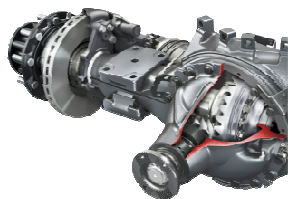
Strong and innovative product base...



HDEP/MDEG
The new global engine platforms



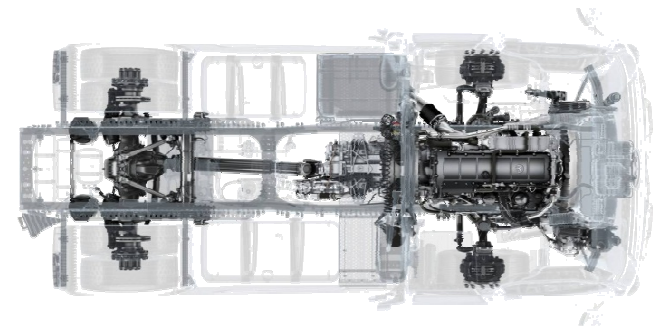
PowerShift
Perfect integration for high performance



Common Axle Platform
Cutting edge, globally

*Selected products illustrated
(for illustration purposes)*

... providing an integrated Powertrain



Our target - global innovation with local adaptation for all Powertrain components

One engine



Four brands



80 % commonality = scale realization

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Global Excellence has brought Daimler Trucks to a new level – foundation laid

Global Excellence

Global Excellence Pillars

Management of Cycles

Operational Excellence

Growth and Market Exploitation

Future Product Generations

Achievements so far

Flexibility Measures ✓

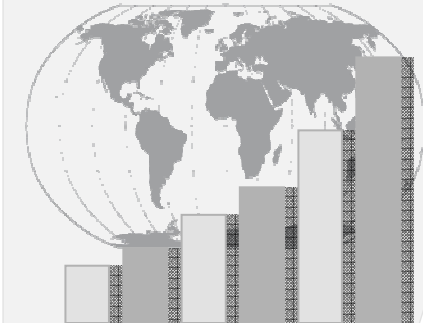
Efficiency Programs ✓

BRIC Expansion ✓

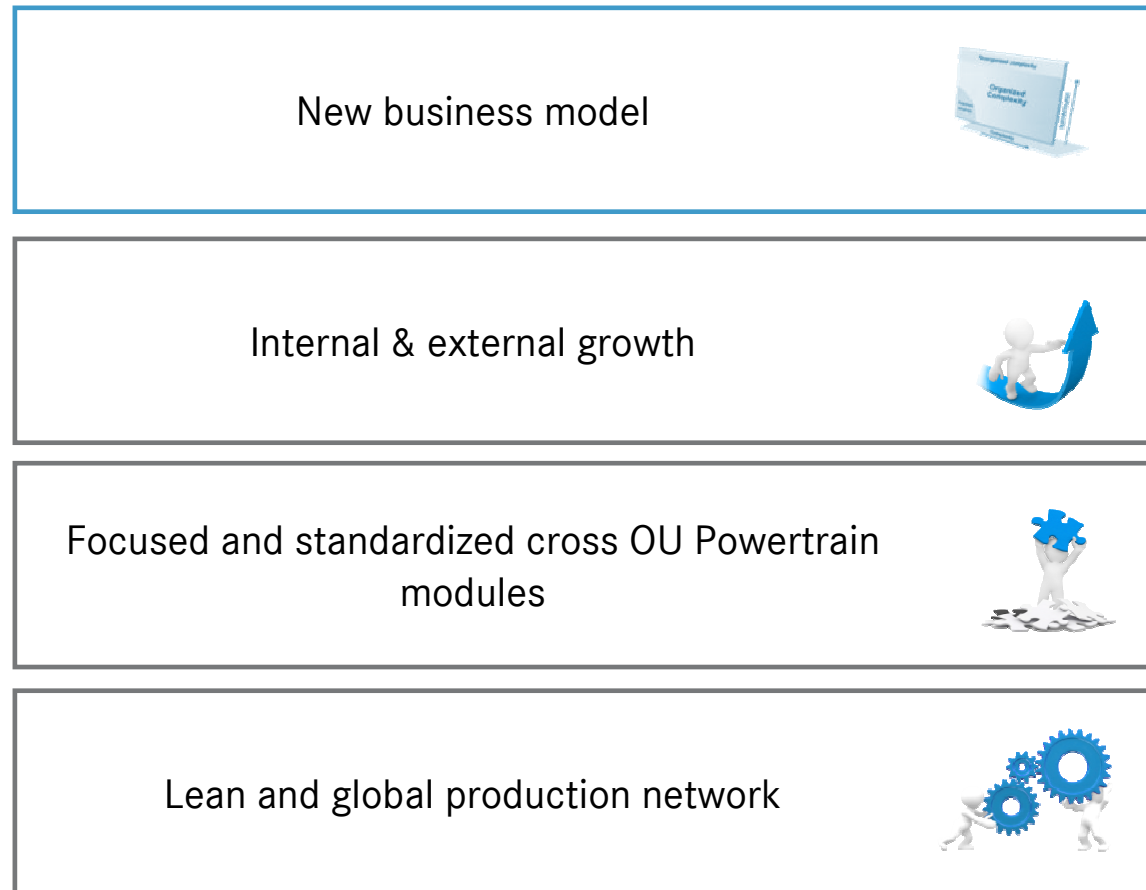
Global Platform Roll-out ✓

Next phase

Strengthen global industry leadership

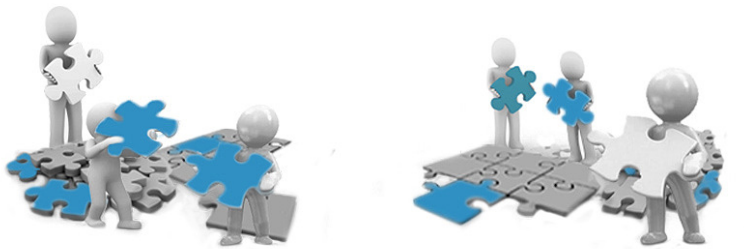


Powertrain business levers



The new Global Powertrain business model as base to foster our overall performance

Former TG structure – divisional, regional



Product management ❌

New TG structure – functional, global



Product management ✅

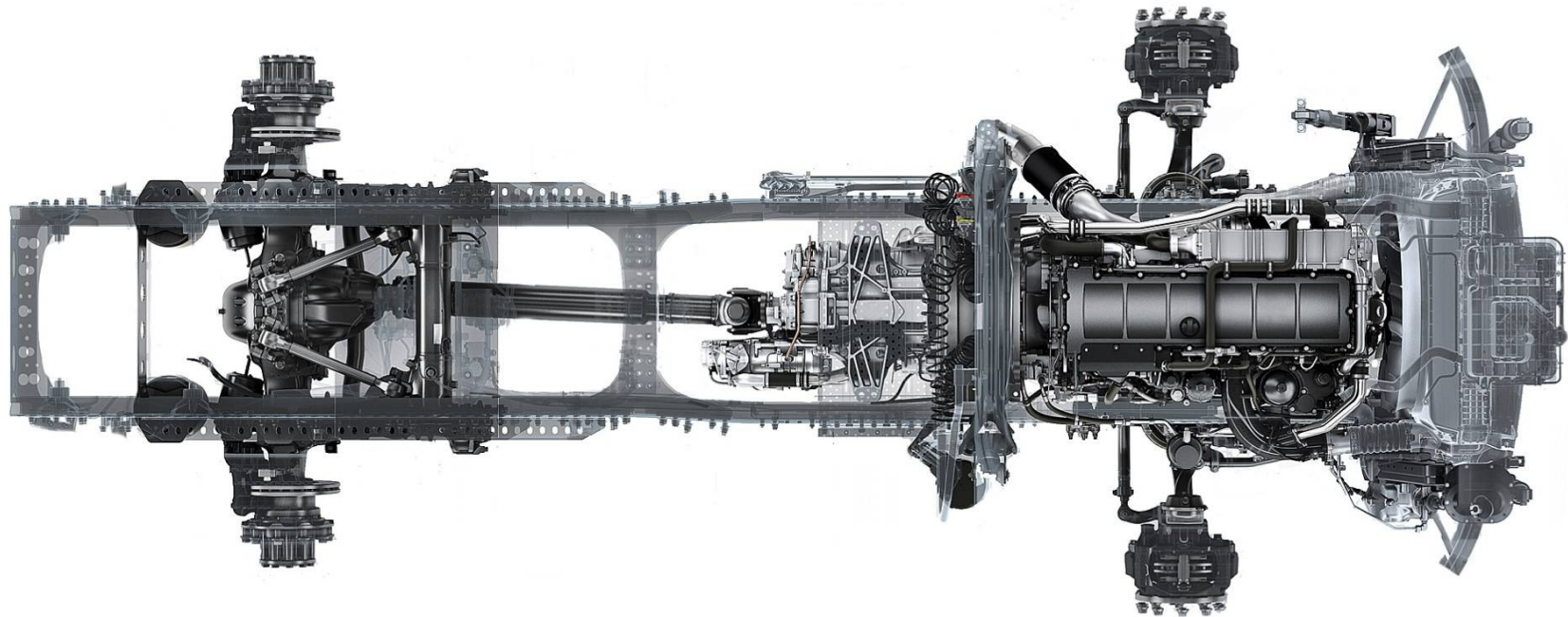
Benefits

- Product optimization with new function
- Better cost position
- Increased transparency
- Global standardization
- Global collaboration
- Substantial change

New business model TG: Product oriented functional organization

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We are focusing on our core business ...



... the On-Highway Truck and Truck related Off-Highway business!

Powertrain business levers

New business model



Internal & external growth



Focused and standardized cross OU Powertrain modules

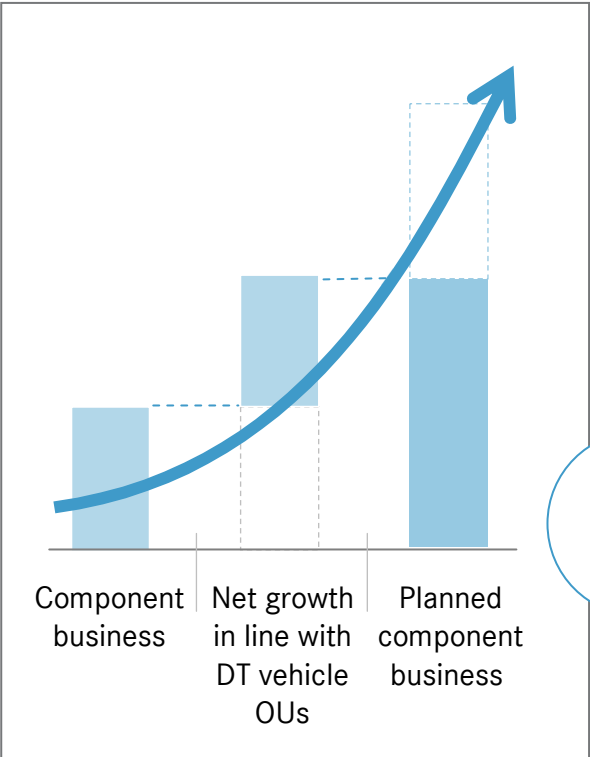


Lean and global production network



Good growth perspective for TG in the next years – doubling of the volumes on the long run

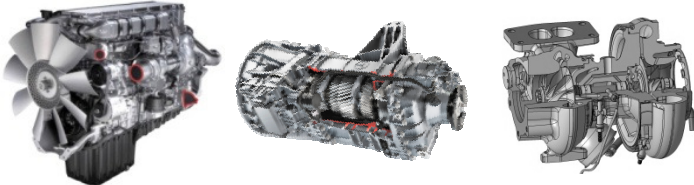
Internal growth



Additional internal and external growth

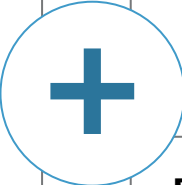
Internal Growth

Increase of NAFTA penetration



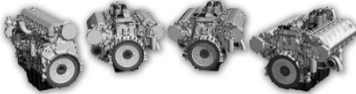
Increase of NAFTA penetration

Launch of new HDEP variants, new automated transmission and turbo charger captive

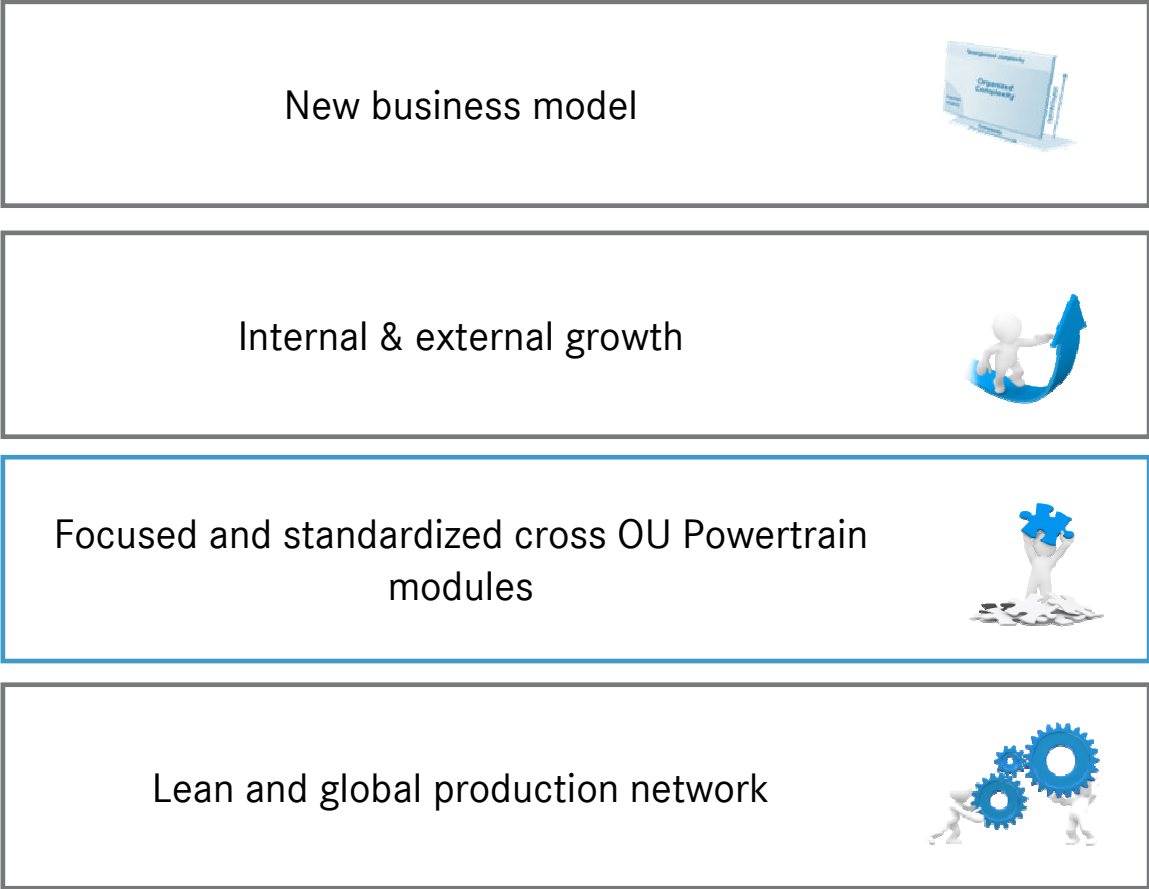


External Growth

Increase in Off-Highway business



Powertrain business levers

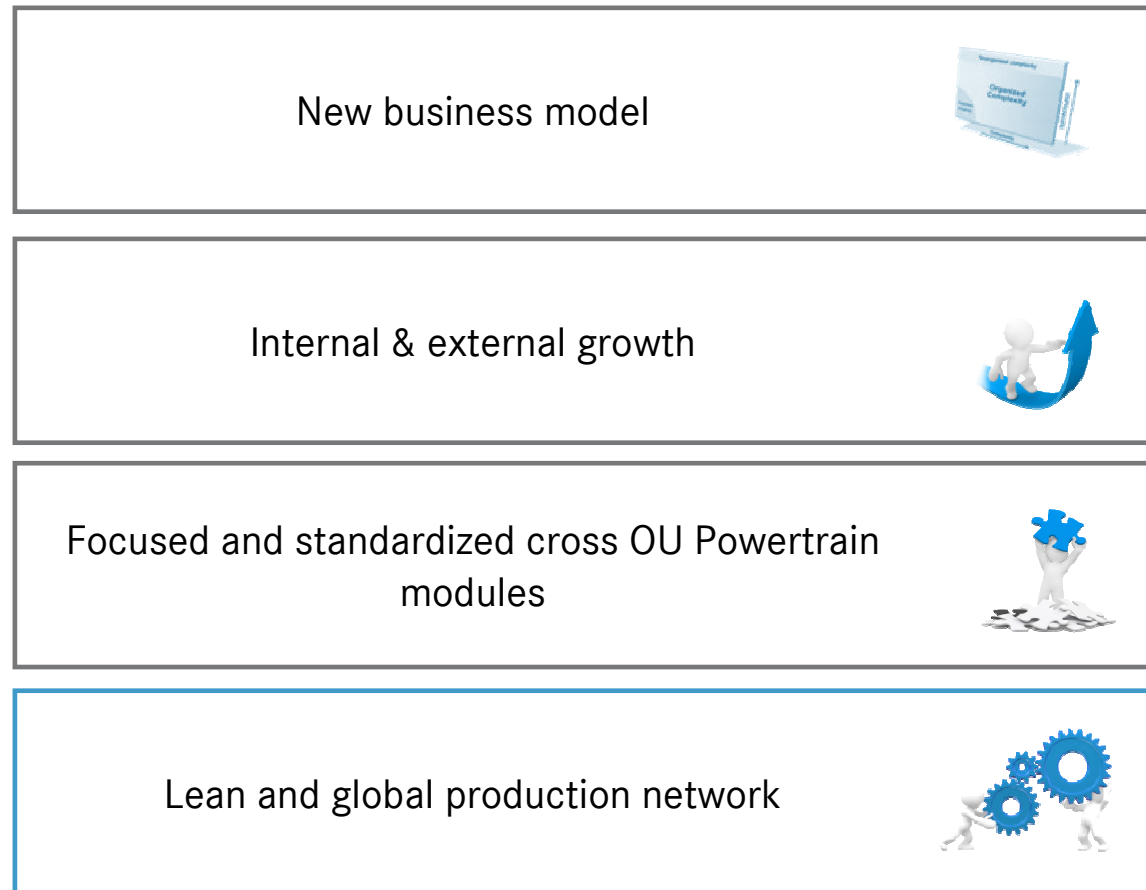


Based on the Global Engine Platform the launch of our new OM 471 together with the New Actros is a success story



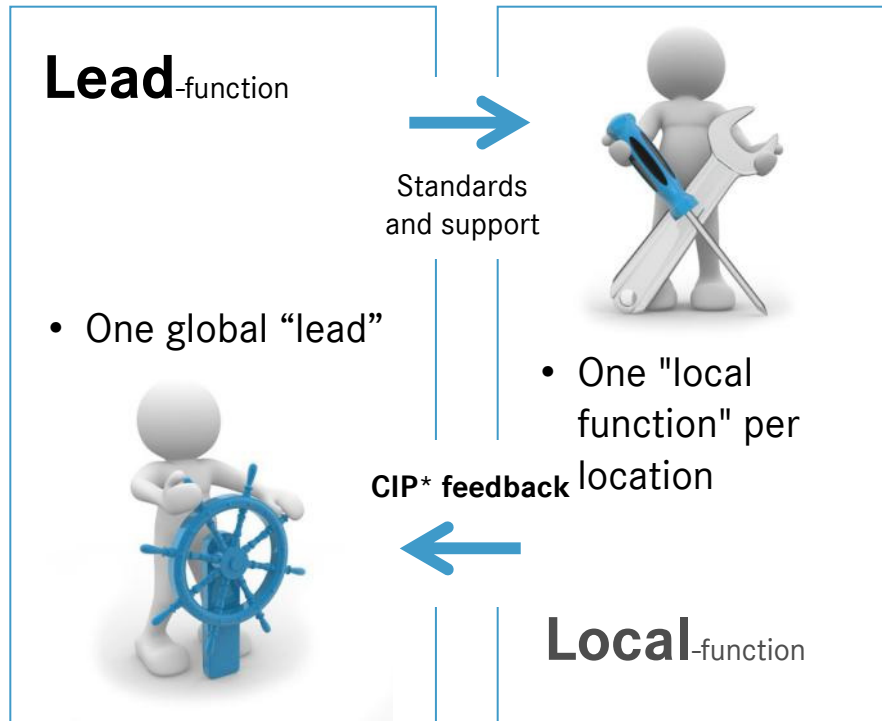
The lower number of variants for less complexity lead to improvement of quality, costs and production efficiency

Powertrain business levers



To manage the increasing complexity in our Operations - realization of Lead-Function concept in all TG plants

Implementation of Lead-Function concept ...



... scope and benefit



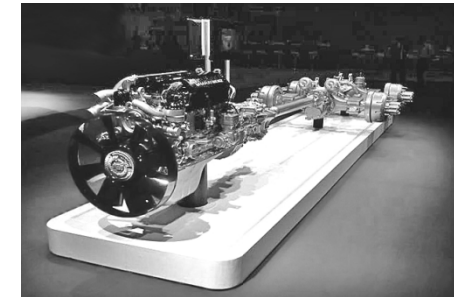
* Continuous improvement process

First steps are taken e.g. with our plant opening in India
- with additional global optimization levers in the future

Plant opening India 05/2012



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Benefits for Daimler Trucks

New production hub

New procurement hub

Additional growth potentials

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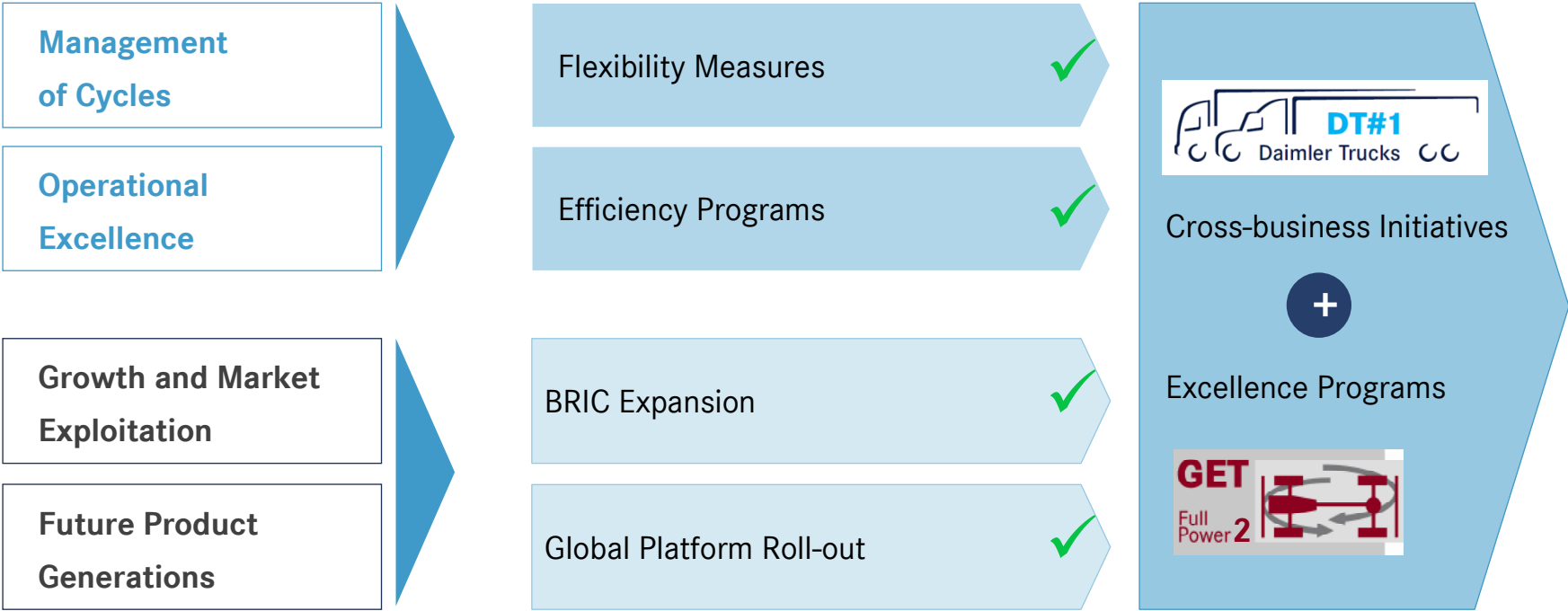
We have defined a clear roadmap for Global Excellence to strengthen our global leadership position: DT#1

Global Excellence

Global Excellence Pillars

Achievements so far

Next phase



Underlining the Daimler Trucks target of 8% RoS across the cycle

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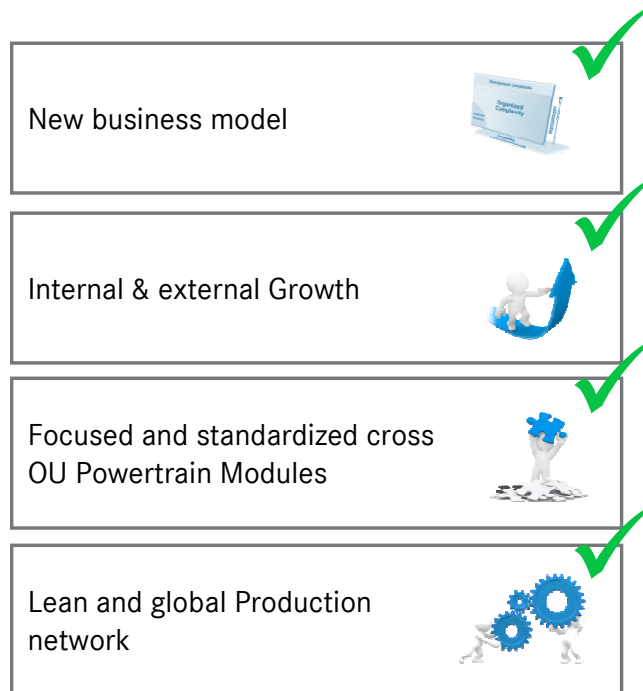
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Next level of OU optimization - Global Powertrain at Daimler Trucks

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Conclusion

Conclusion: We have a modified and ambitious strategy in place ...



Key messages

- **Lean & standardized** production plants
- Increased **BRIC** production share
- Reduced vertical integration – **focus on core business**
- Increased **flexibility**
- Global products to **leverage scale**
- Clear **growth** targets
- Continuous **cost and quality optimization**

... to leverage and push our position as worldwide leading Powertrain manufacturer.

Global Powertrain, Procurement and Manufacturing Engineering Trucks



Thank you for your attention!

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 adverse development of global economic conditions, in particular a decline of demand in our most important markets; a worsening of the sovereign-debt crisis in the eurozone; a deterioration of our funding possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preference towards smaller, lower margin vehicles; or a possible lack of acceptance of our products or services which limits our ability to achieve prices as well as to adequately utilize our production capacities; price increases in fuel or raw materials; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook of companies in which we hold a significant equity interest, most notably EADS; the successful implementation of strategic cooperations and joint ventures; 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 conclusion 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. 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.