

Realignment of Mitsubishi Fuso Truck and Bus Corporation

**Investor Relations
Release**

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- **Mid- to Long-Term Initiatives to Address Structural Market Changes**
- **Expected Annual Earnings Improvements of €760 million (¥100 billion) by 2011 with Estimated Program Costs of €260 million (¥35 billion) in total**

Stuttgart, Germany / Kawasaki, Japan - Mitsubishi Fuso Truck and Bus Corporation (MFTBC), one of Asia's leading commercial vehicle manufacturers and an integral part of Daimler Trucks, today announced a major realignment of its operations to address structural changes in the company's business and markets. Japan remains MFTBC's most important market, but the Japanese commercial vehicle market is experiencing a long-term downward trend with growth potential shifting to developing economies. The realignment is intended to address these trends and strengthen the company's operations for the mid- to long-term. Additional short-term actions are already implemented to address the ongoing global economic crisis.

Andreas Renschler, Member of the Board of Management of Daimler AG and responsible for Daimler Trucks, said: "Daimler Trucks' program of 'Global Excellence' calls for early and effective adjustments to market cycles. In this regard, Fuso has taken decisive steps to reduce costs and capacity to address the severe commercial vehicle market downturn over the past several months. Now we take further,

more far-reaching measures to strengthen Fuso's ability to deliver benchmark profitability in a rapidly transforming global commercial vehicle market."

MFTBC Chairman Takao Suzuki said: "Within the realignment, all planned initiatives by Fuso together form a strong, mid-term plan for addressing the new realities of the global commercial vehicle market, increasing our competitiveness and continuing a spirit of partnership with our customers."

Daimler Trucks has been using the Global Excellence program since 2005 to implement and support its strategic approach. The program concentrates on short-, medium-, and long-term goals that are based above all on boosting efficiency and making the most of economies of scale. Global Excellence encompasses four initiatives: Management of Market Cycles, Operational Excellence, Growth and Penetration of Markets and Future Product Generations and Technologies.

Short-Term Response to Market Situation Already Underway

In response to the current severe downturn in global truck markets, MFTBC has already implemented numerous short-term steps to reduce costs and adapt capacity.

The company has reduced inventory levels by 45% since the fourth quarter of 2008 and decreased expenses by 20% in the first quarter of 2009. It has implemented temporary shut-downs of its plants and headquarters and minimized spending on non-product-related initiatives. Labor costs have also been reduced via base pay reductions for management and non-management levels, management bonus reductions, work-sharing initiatives including overtime reduction and the release of non-full-time employees.

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Now MFTBC will implement separate and comprehensive new measures to address structural market changes, including the higher growth expectations in international markets outside Japan. Over the past six years, the company's international sales have grown from 52% (of volumes) in 2003 to 78% in 2008. With the higher relative international sales expected to continue and minimal long-term growth expected in the Japanese commercial vehicle market, the company will align its product portfolio, manufacturing network, dealer network and cost structure accordingly.

The realignment measures cover five key areas:

1. Streamlining Product Portfolio

MFTBC will focus on a core product line-up and profitable variants. The company will reduce the number of model variants by 50% and parts variants by 30% by the end of 2010. This will result in less complexity and cost in numerous functional areas.

At the same time, the company will maintain a high value product line with many attractive options for customers. Strong investment in new products will continue, including the development of a new light-duty truck.

2. Realignment of Manufacturing Operations

MFTBC will realign manufacturing operations for greater plant utilization and production closer to markets.

The company will consolidate bus production at the Toyama, Japan, plant, with the transfer of light bus production from the Oye plant to Toyama, by the end of the second quarter 2010. The Oye plant, located near Nagoya, Japan, will be closed.

Also in Japan, MFTBC will optimize operations at the main Kawasaki plant, concentrating assembly into one part of the plant and substantially improving Kawasaki's inbound plant logistics and overall efficiency.

In Southeast Asia, MFTBC will close its Thailand plant by end of 2009, with integration of Thailand production into the company's ASEAN production footprint. The plant, located in Lardkrabang in the Bangkok area, produces light-, medium- and heavy-duty trucks for the Thailand market. MFTBC remains committed to the Thailand market, and will continue sales and after sales operations in Thailand.

Outside of Asia, the company will optimize its overall production and logistics set-up. This initiative will include greater utilization of the Tramagal plant in Portugal, including for production of selected models of the company's next generation light-duty truck.

3. Streamlining and Strengthening Japan Retail Network and Enhancing International After Sales

MFTBC will streamline and strengthen its retail network in Japan to adjust capacity to a declining market and for better customer orientation according to the company's "All for You" philosophy.

The company will reconfigure the network into a "hub-and-spoke set-up," with main "hub" locations offering all services including new vehicle sales and service/parts, connected to satellite service/parts

locations convenient for customers. This set-up will also result in a reduction of the overall number of outlets. In total, the new Japan sales set-up will strive for 25% efficiency improvement by various revenue and cost measures to counterbalance the declining market.

The network redesign will reflect customer geographic locations, as well as the service needs of fleet and individual customers. Therefore, the company will maintain and enhance service levels for customers through increased service productivity and other efficiency measures.

In international markets, MFTBC will strongly focus on growth in after sales. Specifically, the company plans to significantly increase its parts penetration in the international markets, based on market developments and dedicated measures.

4. Material Cost Optimization

MFTBC will leverage its position within the Daimler Trucks worldwide procurement organization for further economies of scale, and to better manage raw material price fluctuations in the future.

The company will also significantly increase global sourcing outside of Japan. Procurement strategies for upcoming new product lines and production shifts closer to markets will strongly contribute to this higher global sourcing share.

5. Fixed Cost Reduction

Related to the above business model changes and other efficiency improvements, MFTBC will reduce its overall fixed costs by 25%. The lower overhead base will enable greater profitability in down cycle markets and release more funds for investment in advanced product technologies.

As a result of the product portfolio streamlining, realignment of manufacturing sites, and streamlining of Japan retail network and other efficiency improvement measures, MFTBC's global workforce will decrease by about 2,300 people (2000 indirect and 300 direct) by the end of 2010. This will be managed through age retirement, voluntary leaves, second career support and other measures. The company will take every step possible to ease the transition for affected employees.

Expected Annual Earnings Improvements of €760 million (¥100 billion) by 2011 and Estimated Program Costs of €260 million (¥35 billion) in total

MFTBC's realignment initiatives comprise approximately 75% cost reductions and 25% revenue enhancements. Together, they are expected to improve annual earnings by €760 million (¥100 billion) by 2011 with estimated program costs of €260 million (¥35 billion) in total in 2009 and 2010.

Andreas Renschler added, "These realignment initiatives are in line with all aspects of Global Excellence and will strengthen Fuso's ability to fulfill its key role as the group's Asia pillar, light-duty truck competence center and leader in hybrid technology development."

Current MFTBC President & CEO Harald Boelstler said: "Fuso has made significant progress in reestablishing a strong market position in Japan, expanding international business, modernizing its business systems and achieving a high level of integration with Daimler Trucks. This realignment starts a new phase in which our operations are closely aligned with fundamental changes in our business."

Dr. Albert Kirchmann, current Head of Finance/Controlling and Business/Product Planning for Daimler Trucks and incoming MFTBC President & CEO, said: “I look forward to leading Fuso during this new phase of the company’s business. I strongly believe in the continuing ability of Fuso employees to confront adversity and achieve challenging goals, while always staying focused on quality and customer needs.”

About MFTBC

Based in Kawasaki, Japan, Mitsubishi Fuso Truck and Bus Corporation (MFTBC) is one of Asia's leading commercial vehicle manufacturers. In 2008, the company sold a total of about 197,700 vehicles including light-, medium- and heavy-duty trucks and buses. Daimler AG owns 85% of MFTBC shares. The remaining 15% of shares are held by various Mitsubishi group companies. MFTBC is an integral part of the Daimler Trucks Division of Daimler AG.

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.

Further Investor Relations information on Daimler is available on the Internet via <http://www.daimler.com/investors> and on handhelds via <http://mobile.daimler.com>.

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