

Second-quarter operating result better than in the first quarter despite worldwide recession

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- **EBIT of minus €1,005 million (Q1 2009: minus €1,426 million)**
- **EBIT includes special factors of minus €604 million for Chrysler and Daimler Trucks**
- **EBIT from continuing operations of minus €401 million (Q1 2009: minus €1,421 million)**
- **Industrial free cash flow increases to plus €1.4 billion due to active inventory reductions**
- **Net loss of €1,062 million (Q1 2009: net loss of €1,286 million)**
- **Operating profitability expected to improve gradually in the course of the year**

Stuttgart – Despite the ongoing worldwide recession, Daimler (stock-exchange abbreviation DAI) succeeded in improving its EBIT from continuing operations compared with the first quarter of 2009 to minus €401 million in the second quarter (Q1 2009: minus €1,421 million). This demonstrates the effects of the programs of measures that have been taken.

Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars: “Above all at Mercedes-Benz Cars, but also at Mercedes-Benz Vans and Daimler Financial Services, we succeeded in improving earnings in the second quarter compared with the first quarter of 2009. This demonstrates that we are on the right track and that the measures we have taken are having positive

effects. However, a comparison with the very good second quarter of last year shows that there is still a lot of work to be done.” Page 2

Second quarter of 2009 compared with Q2 2008

Daimler posted EBIT of minus €1,005 million for the second quarter of 2009 (Q2 2008: plus €2,053 million).

The earnings decline in the second quarter of 2009 compared with the second quarter of last year was primarily the result of lower unit sales by Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans and Daimler Buses. An additional factor was the expenditure related to optimizing and repositioning the business operations of the subsidiaries Mitsubishi Fuso Truck and Bus Corporation (€204 million) and Daimler Trucks North America (€13 million). Daimler Financial Services posted lower earnings due to the increased cost of risk.

Earnings were also reduced by lower interest rates for discounting non-current provisions as well as by currency effects (in total €214 million). Due to the significant increase in corporate insolvencies in Germany, annual contributions to the German Pension Protection Association can be expected to rise in 2009. The Group recognized proportionate provisions of €78 million for this purpose in the second quarter of 2009.

The fall in earnings was mitigated by the measures taken by the Group to reduce costs and improve efficiency following the onset of the global economic crisis.

In the context of agreements entered into with Chrysler, Cerberus and the US Pension Benefit Guaranty Corporation (PBGC) concerning issues still open with regard to Chrysler, Daimler relinquished its

19.9% equity interest in Chrysler effective June 3, 2009 and undertook, Page 3
as already reported at the end of April, to make three payments of
US \$200 million into Chrysler's pension plans, one upon the signing of
the agreements and one in each of the next two years. Those
agreements resulted in a total expense of €387 million in the second
quarter of 2009.

Earnings in the second quarter of 2008 were positively affected by the
transfer of shares in EADS (€35 million). There was an opposing effect
from charges of €373 million relating to Daimler's equity interest in
Chrysler (See page 10 for special factors).

The Group posted a net loss of €1,062 million (Q2 2008: net profit of
€1,395 million) and earnings per share amounted to minus €0.99
(Q2 2008: plus €1.40).

Unit sales down by 31% in second quarter

In the second quarter of 2009, Daimler sold 391,500 cars and
commercial vehicles worldwide, which was 31% fewer than in the
same period of last year.

The Daimler Group's second-quarter revenue decreased significantly
from €26.0 billion in 2008 to €19.6 billion this year. Adjusted for the
exchange-rate effects, revenue fell by 27%.

At the end of the second quarter of 2009, Daimler employed
257,400 people worldwide (Q2 2008: 275,000). Of that total,
162,800 were employed in Germany (Q2 2008: 168,300).

The free cash flow from the industrial business amounted to plus
€1.4 billion in the second quarter of 2009, and was affected by the

progress made with the reduction of working capital. At Mercedes-Benz Cars for example, vehicle inventories were reduced by about 44,000 vehicles in the second quarter, thus achieving the target that had been set. All the other divisions also reduced their stocks of vehicles.

The Group's industrial net liquidity increased, also after taking account of the dividend distribution of €556 million in April, from €3.7 billion (end of Q1 2009) to €4.6 billion. This was primarily the result of the positive free cash flow in the industrial business in the second quarter of 2009.

Details of the divisions in the second quarter

In a still-difficult market environment worldwide, **Mercedes-Benz Cars** sold 287,200 vehicles in the second quarter of this year (Q2 2008: 354,000). So although unit sales were 19% below the very good prior-year figure, the car division posted a significant 24% increase compared with the first quarter of 2009, due in part to the full availability of the GLK compact sport-utility vehicle and the launch of the new E-Class. Revenue fell by 18% compared with the second quarter of last year to €10.6 billion.

The division's **EBIT** amounted to minus €340 million and was thus significantly lower than in the prior-year period (plus €1,212 million), but substantially better than the result for the first quarter of 2009. The decline in earnings was mainly caused by the significant decrease in demand for automobiles and the resulting falls in unit sales in the NAFTA region, Germany and the other key European markets. Earnings were additionally reduced by ongoing price pressure and an unfavorable model mix.

There were positive effects on earnings from the measures implemented to optimize operations as well as from the actions taken to adjust personnel expenses.

As a result of the ongoing worldwide market weakness, **Daimler Trucks'** second-quarter unit sales decreased by 56% to 54,100 units. However, the division's market share increased in nearly all its major markets. Revenue fell from €7.4 billion to €4.2 billion.

The division's **EBIT** was significantly less than the very high prior-year level at minus €508 million (Q2 2008: plus 608 million). The continuing decline in vehicle shipments was the main reason for the earnings trend in the second quarter of 2009. Other negative factors included the plan approved in May 2009 for the comprehensive realignment of the business operations of Mitsubishi Fuso Truck and Bus Corporation and the actions initiated last year for the repositioning of Daimler Trucks North America, which reduced second-quarter EBIT by €204 million and €13 million respectively. Currency effects also had a negative impact on earnings. There were positive effects from adjusting personnel costs and from other measures that were taken.

Mercedes-Benz Vans significantly increased its unit sales compared with the first quarter to 41,900 vehicles, but was not able to approach the record figure for the prior-year period (Q2 2008: 78,600). Revenue of €1.5 billion was also significantly lower than in the second quarter of last year (€2.6 billion).

The division was also unable to escape the general market development and posted **EBIT** of minus €10 million for the second quarter (Q2 2008: plus €262 million). Positive effects resulted from efficiency improvements and the development of some currencies.

Daimler Buses sold 8,300 buses and chassis in the period under review (Q2 2008: 11,100). As a result of the recession, demand for chassis was particularly weak in Latin America. In addition to the ongoing contraction of markets in South America, Daimler encountered a sharp drop in demand also in Mexico in the second quarter, whereas unit sales in the United States increased compared with the prior-year period. In Europe, the division's city-bus business remained stable, while demand for coaches weakened. Due to positive structural effects, revenue fell at a lower rate (-17%) than unit sales to €1.1 billion.

The division achieved **EBIT** of €49 million and was thus unable to match the excellent earnings of the prior-year period (€170 million). The decrease in earnings was primarily due to the substantial drop in demand.

At the end of the second quarter, **Daimler Financial Services'** contract volume amounted to €60.3 billion, close to the level of a year earlier but 5% lower than at December 31, 2008. Adjusted for exchange-rate effects, there was a decrease of 6% from the level at the end of 2008. Compared to the second quarter of 2008, new business decreased by 16% to €6.5 billion.

The division posted second-quarter **EBIT** of €79 million (Q2 2008: €183 million). The decline in earnings was primarily due to higher expenses for credit risks as well as lower interest-rate margins. Expenditure was also incurred for the expansion of the direct banking business at Mercedes-Benz Bank, which is designed to enhance sales support for the automotive divisions.

Other business activities – in particular the investments in EADS and Tognum, which are accounted for using the equity method – have been included under the item “Reconciliation” since the beginning of 2009.

In the second quarter of 2009, Daimler’s share in the net profit of EADS amounted to €15 million (Q2 2008: €32 million). As a result of the agreements reached between Daimler, Chrysler, Cerberus and the Pension Benefit Guaranty Corporation (PBGC), and the valuation of Chrysler-related assets, expenses of together €387 million were incurred.

Outlook

Based on the divisions’ planning, Daimler expects its **total unit sales** to decrease significantly in the year 2009 (2008: 2.1 million vehicles).

Mercedes-Benz Cars anticipates a revival of business in the second half of the year. Sales impetus will be provided not only by the full availability of the new E-Class sedan and E-Class coupe, but also by the new generation of the S-Class, which was launched at the end of June 2009. With the S 400 HYBRID and additional high-volume BlueEFFICIENCY models, the entire model range will be supplemented with particularly environmentally friendly and fuel-efficient drive systems. Furthermore, the GLK compact sport-utility vehicle has been available with the new four-cylinder diesel engine as an entry model since the end of March 2009, and the E-Class station wagon will be launched this autumn. With the smart fortwo, new sales potential will be utilized this year with launches in important growth markets such as China and Brazil.

However, Mercedes-Benz Cars will not be able to fully compensate for the weakness in the first half of this year of some major sales markets and market segments. Overall, the division's unit sales will therefore be lower in 2009 than in the prior year. Lower volumes are anticipated above all in the markets of the United States, Western Europe and Japan. Unit sales should be partially stabilized by growth in the emerging markets, however, particularly in China. The division expects its total unit sales in the second half of the year to be higher than in the first half.

Based on the expected development of unit sales, Mercedes-Benz Cars anticipates a gradual improvement in profitability so that a positive operating result should be achieved in the second half of the year.

As a result of the continuing global economic crisis, **Daimler Trucks** expects its unit sales to fall significantly in full-year 2009. From today's perspective, the division assumes that unit sales in the second half of the year will be at the same level as in the first half and that its market shares will at least remain stable. The decline in unit sales will also have an impact on the division's earnings. The measures taken to reduce costs will only partially offset that negative effect. The expenses of the measures initiated to reposition and restructure Daimler Trucks North America and Mitsubishi Fuso will reduce EBIT in full-year 2009.

Due to the ongoing recession in major economies, the **Mercedes-Benz Vans** division expects unit sales in the second half of the year to be only slightly higher than in the first half. Based on the countermeasures that have been taken, the earnings situation is expected to improve slightly in the coming quarters.

Daimler Buses assumes that demand in its core markets will stabilize at current levels. EBIT is expected to be positive in the second half of the year, despite higher research and development spending for new products. Page 9

Daimler Financial Services anticipates rising credit defaults and continued high refinancing expenses in full-year 2009. The division strives to compensate for the increased costs at least partially through its efficiency programs. The operating result for the second half of the year is expected to be slightly positive. Full-year contract volume is likely to be lower than in 2008.

The **Daimler Group** assumes that its total revenue will decrease significantly in full-year 2009 (2008: €95.9 billion).

As a result of reduced production volumes and the targeted productivity advances, the Group assumes that the number of employees at the end of 2009 will be lower than a year earlier.

At the Group level, **measures** have been taken with the aim of reducing costs and avoiding additional expenditure in a total amount of €4 billion. As well as reducing labor costs, these actions include reducing fixed costs and further streamlining the Group's organizational structures. The measures taken will supplement the existing efficiency-enhancing programs. In addition, projects are being examined and those that are not directly relevant to competitiveness are being postponed.

Based on these measures, which will have a full impact in the second half of the year, and due to the launch of the new E-Class, the **Daimler Group** anticipates a gradual improvement in its operating profitability in the course of the year.

The special items shown in the following table affected EBIT in the second quarters of the years 2009 and 2008:

Special items affecting EBIT		
Amounts in millions of €	Q2 2009	Q2 2008
Daimler Trucks		
Realignment of Mitsubishi Fuso Truck and Bus Corporation	(204)	-
Repositioning of Daimler Trucks North America	(13)	-
Reconciliation		
Gains related to the transfer of shares in EADS	-	35
Equity-method result Chrysler	-	(356)
Other expenses related to Chrysler	(387)	(17)
New management model	-	(63)

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 and in Asia; 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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Figures for the 2nd Quarter 2009/1st Quarter 2009

Daimler Group amounts in €	Q2 2009	Q1 2009	Change Q2/Q1
Revenue, in millions	19,612	18,679	+ 5 %
EBIT, in millions	(1,005)	(1,426)	+ 30 %
Special items, in millions	(604)	(5)	-
EBIT from ongoing business, in millions	(401)	(1,421)	+ 72 %
Net profit, in millions	(1,062)	(1,286)	+ 17 %
Net profit from continuing operations, in millions	(1,062)	(1,286)	+ 17 %
Earnings per share (EPS)	(0.99)	(1.40)	+ 29 %
Employees (June 30)	257,427	263,819	- 2 %

EBIT by Divisions/Segments in millions of €	Q2 2009	Q1 2009	Change Q2/Q1
Mercedes-Benz Cars	(340)	(1,123)	+ 70 %
Daimler Trucks	(508)	(142)	- 258 %
Mercedes-Benz Vans	(10)	(91)	+ 89 %
Daimler Buses	49	65	- 25 %
Daimler Financial Services	79	(167)	-
Reconciliation	(275)	32	-

Revenue by Divisions/Segments in millions of €	Q2 2009	Q1 2009	Change Q2/Q1
Mercedes-Benz Cars	10,568	9,067	+ 17 %
Daimler Trucks	4,217	4,918	- 14 %
Mercedes-Benz Vans	1,481	1,291	+ 15 %
Daimler Buses	1,103	904	+ 22 %
Daimler Financial Services	3,108	3,150	- 1 %
Reconciliation	(865)	(651)	- 33 %

Unit Sales in units	Q2 2009	Q1 2009	Change Q2/Q1
Daimler Group	391,540	332,252	+ 18 %
Mercedes-Benz Cars	287,243	231,193	+ 24 %
Daimler Trucks	54,134	65,405	- 17 %
Mercedes-Benz Vans	41,871	28,834	+ 45 %
Daimler Buses	8,292	6,820	+ 22 %

Figures for the 2nd Quarter 2009/First Half-Year 2009

Daimler Group amounts in €	Q2 2009	Q2 2008	Change 09/08	YTD 2009	YTD 2008	Change 09/08
Revenue, in millions	19,612	26,005	- 25 %	38,291	50,003	- 23 %
EBIT, in millions	(1,005)	2,053	-	(2,431)	4,029	-
Special items, in millions	(604)	(401)	-	(609)	(386)	-
EBIT from ongoing business, in millions	(401)	2,454	-	(1,822)	4,415	-
Net profit, in millions	(1,062)	1,395	-	(2,348)	2,727	-
Net profit from continuing operations, in millions	(1,062)	1,412	-	(2,348)	2,747	-
Earnings per share (EPS)	(0.99)	1.40	-	(2.37)	2.70	-
Employees (June 30)	257,427	274,999	- 6 %	257,427	274,999	- 6 %

EBIT by Divisions/Segments in millions of €	Q2 2009	Q2 2008	Change 09/08	YTD 2009	YTD 2008	Change 09/08
Mercedes-Benz Cars	(340)	1,212	-	(1,463)	2,364	-
Daimler Trucks	(508)	608	-	(650)	1,011	-
Mercedes-Benz Vans	(10)	262	-	(101)	448	-
Daimler Buses	49	170	- 71 %	114	245	- 53 %
Daimler Financial Services	79	183	- 57 %	(88)	351	-
Reconciliation	(275)	(382)	+ 28 %	(243)	(390)	+ 38 %

Revenue by Divisions/Segments in millions of €	Q2 2009	Q2 2008	Change 09/08	YTD 2009	YTD 2008	Change 09/08
Mercedes-Benz Cars	10,568	12,921	- 18 %	19,635	25,418	- 23 %
Daimler Trucks	4,217	7,385	- 43 %	9,135	13,712	- 33 %
Mercedes-Benz Vans	1,481	2,557	- 42 %	2,772	4,892	- 43 %
Daimler Buses	1,103	1,321	- 17 %	2,007	2,240	- 10 %
Daimler Financial Services	3,108	2,877	+ 8 %	6,258	5,691	+ 10 %
Reconciliation	(865)	(1,056)	+ 18 %	(1,516)	(1,950)	+ 22 %

Unit Sales in units	Q2 2009	Q2 2008	Change 09/08	YTD 2009	YTD 2008	Change 09/08
Daimler Group	391,540	566,480	- 31 %	723,792	1,070,296	- 32 %
Mercedes-Benz Cars	287,243	353,976	- 19 %	518,436	672,261	- 23 %
Daimler Trucks	54,134	122,809	- 56 %	119,539	230,537	- 48 %
Mercedes-Benz Vans	41,871	78,629	- 47 %	70,705	147,255	- 52 %
Daimler Buses	8,292	11,066	- 25 %	15,112	20,243	- 25 %