

Speech by

Dr. Dieter Zetsche

**Chairman of the Board of Management
of Daimler AG**

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Introduction

Good morning, ladies and gentlemen. And welcome to our annual press conference.

What you see here is the outlook for fiscal year 2011 that we presented to you at this very location 12 months ago.

As it happens, it also summarizes the review of what we actually achieved:

- a new unit sales record at Mercedes-Benz Cars;
- a significant unit sales increase at Daimler Trucks;
- an equally significant unit sales increase at Mercedes-Benz Vans;
- sales at the prior year's level at Daimler Buses;
- and further substantial growth in contract volume and new business at Daimler Financial Services.
- This all resulted in considerably higher EBIT for Daimler as a whole from our ongoing business operations than in 2010, which was already a good business year.

Therefore my first message to you is: We took on a lot in 2011 – and we more than achieved it. The anniversary year for the invention of the automobile also marked another successful year for Daimler.

Here you see an overview of our key figures for 2011:

- The Daimler Group recorded revenues of € 106.5 billion in 2011.
- EBIT was at € 8.8 billion, adjusted for special items at € 9 billion.
- Our net income came in at € 6 billion, which was 29 percent higher than in the prior year.

All of these figures are not only good; each also marks the best result ever in the history of Daimler. Our return on net assets is also impressive: At approximately 20 percent it's much higher than our target value of 8 percent. In this respect we've also never been better than we were in 2011. The Board of Management and the Supervisory Board will propose a dividend of € 2.20 per share at the Annual Meeting on April 4 – that's 19 percent more than last year's dividend.

Let us now turn to the situation at our individual divisions. I'm going to focus here on fundamental developments. Bodo Uebber will go into more details on the financial figures later on.

Performance in 2011

Let's begin with **Mercedes-Benz Cars**. Our passenger cars division set three records last year:

- 1.38 million vehicles sold,
- € 57.4 billion in revenues and
- € 5.2 billion EBIT.

Never before have we been better than we were in 2011. More than anything else, this success is the result of outstanding products, one of which is our new B-Class – the first of a total of five planned models for a completely new compact car family. The vehicle has met with outstanding customer response. Incoming orders far exceed our expectations.

Our C-Class also performed extremely well in 2011:

- The upgraded sedan model was once again the world market leader in its segment.
- The station wagon version was also updated and set a new unit sales record.
- And the all-new C-Class coupe was hugely popular with our customers from the very start.

We also set new standards with our new M-Class for efficiency, among other things. The ML 250 BlueTEC 4MATIC consumes just 6 liters of diesel fuel per 100 kilometers, making it the most fuel-efficient SUV in its segment. For this accomplishment, we've received awards not only from the TÜV inspection agency but also from the ÖkoTrend institute. All in all, our range of SUVs sold better in 2011 than ever before.

We also set a new unit sales record in our E-Class segment – largely driven by our new CLS sedan. Our S-Class sedan was also once again the world market leader in its segment.

Developments at our smart brand were very positive as well. In the fifth year of its model cycle, we were once again able to improve sales significantly over the prior year by selling about 100.000 smart fortwo vehicles.

Now let's turn to **Daimler Trucks**. We can look back on an outstanding year at this division as well. Sales and revenues both increased by 20 percent, while EBIT even rose by 41 percent to €1.9 billion. Similar to our passenger cars, we can also thank a strong product lineup for our success – a product range that we updated and further expanded in all market regions.

Last June we presented what will likely be our most important truck for the entire decade: the new Mercedes-Benz Actros. The initial response to the truck on the part of customers and experts has been excellent. Among other things, the new Actros was named "Truck of the Year" in its first year on the market. The model sets completely new standards in many areas, including fuel efficiency and environmental compatibility. The new Actros is the first long-distance hauling truck in the market that already complies with the stringent Euro VI emission limits – and it does so more than two years before that standard will go into effect.

In the U.S. we launched two new trucks in the vocational segment in 2011. This segment covers trucks used in especially demanding applications, including off-road assignments.

We also introduced the new Fuso Canter, which is the most important volume model in our entire product range. We've also taken another important step forward with our modular strategy. Our global platform for heavy-duty engines is now also being used at Mercedes-Benz Trucks. We've now reduced our portfolio from four engine families to just one. Approximately 80 percent of the parts for these engines are now shared worldwide.

Business developments at **Mercedes-Benz Vans** were also very positive in 2011. In particular, the EBIT recorded by our Vans unit was impressive: At € 835 million, it was the best result for vans in our history. The figures for sales and revenues were also excellent. This success was largely due to the new generation of Vito and Viano vans, which also included three additional variants of the two models:

- the Vito "Crew",
- the Vito "Shuttle"
- and the Viano "Avantgarde Edition 125."

Daimler Buses successfully defended its position as the market leader in all of our core markets. Despite a difficult market environment, Daimler Buses was able to post a slight sales increase. Revenues and EBIT declined from the prior year's levels, however. This development was mainly due to low demand for complete buses in Europe and the U.S. Nevertheless, our response to a weak market is a strong product range. The new Mercedes-Benz Citaro, for example, set a benchmark last year in terms of safety, comfort, and economy.

Daimler Financial Services also set three new records last year – for new business, contract volume, and earnings. The latter climbed to € 1.3 billion, a full 58 percent over the very good result achieved in the prior year.

We also expanded our Financial Services portfolio last year to include mobility services. A key element here is our car2go car-sharing program, which we've assigned to our Financial Services organization. We did this because the project has now clearly moved beyond the stage of a forward-looking idea. We therefore believe that placing it in our services portfolio offers us the best chance to develop it into a successful business model over the long term. Our prospects are good, as car2go already has more than 60,000 registered users – and the number of car2go rentals has already eclipsed the one-million mark.

Before I bring this review of last year to a close, I would like to say a few words about how our returns developed in 2011. We were able to increase our returns in 2011 over 2010 at all divisions except Daimler Buses. At Vans and Financial Services we achieved or even surpassed in 2011 the target returns that we had planned to achieve in 2013. Meanwhile, at Cars and Trucks we are getting closer and closer to attaining our long-term target returns of 10 and 8 percent, respectively.

In other words, 2011 was an outstanding year not only because we achieved so many record results, but also because we laid the groundwork for further improvements in the following years. It's clear that there's still room for improvement. A direct comparison with our competitors shows that some of them have already achieved what we still aim to attain. That's why we are rapidly updating and expanding our product range, and we are convinced this will pay off in a big way. When we fully exploit our potential, we will be permanently ahead of the competition. And that's exactly what we aim to do. We want all of our divisions to take and permanently hold the top position in their respective segments.

Our corporate structure aids us in our efforts to achieve leadership. For example, 43 percent of our research and development budget is spent on projects that benefit all of our divisions. Our entire Vans division owes its strong market position to the fact that it's a part of Daimler. We have also achieved synergies as we expand our presence in new growth markets. This enables us to use our capital much more efficiently than we could if we created a separate infrastructure for each division.

Daimler as a whole: fundamental Group strengths

Of course, much more holds Daimler together than just some budgets or synergies. What makes our company a unified whole is the combination of three distinctive strengths:

- Our traditional role as an innovation and technology leader.
- Mercedes-Benz' global reputation as the core brand of all of our divisions.
- And finally, our importance in the market as a supplier of a full range of premium cars, first-rate commercial vehicles, and custom-tailored financial services.

The combination of these three Daimler strengths gives us unique potential, and we intend to fully exploit it in the years ahead.

To this end, we have defined four strategic growth targets, which serve as guiding principles for all of our divisions:

- First, the strengthening of our core business in traditional markets.
- Second, the systematic penetration of new markets, which we will increasingly use as production locations as well – in some cases in cooperation with regional partners.
- Third, the further extension of our leadership position in green and safety technologies.
- And fourth, the development and implementation of new mobility concepts, which will often be supported by the use of digital communications technologies.

That's all for the focal points of our Group-wide strategy. I will now turn to the divisional strategies that are derived from them.

Clear Strategies

In 2011 we established a long-term growth strategy for **Mercedes-Benz Cars**: "Mercedes-Benz 2020." Central to this strategy is building on our claim to leadership. With the strongest brand and the best products we aim to be Number 1 in premium segment sales by the end of the decade at the latest. To this end, we plan to achieve sustainable, profitable growth in all major markets and add production capacity closer to our customers.

Allow me now to review our individual objectives here, especially in terms of our specific plans for 2012.

Let's begin with having the strongest brand.

It's clear that our goal is "The best or nothing," supported by the "classic" attributes of the star, such as quality, safety, and technology leadership, but also increasingly supplemented by additional strengths such as sporty and dynamic design and superior fuel efficiency. In this way we intend to attract new as well as younger customer groups to our brand.

We're going to show you how this can be done in a little less than four weeks, when we will present our new A-Class at the Geneva Motor Show. The car will be delivered to customers beginning in September.

This year we will launch a total of six new Mercedes models – and each of them will underscore our claim of offering the "best products" in every segment. That's how we kicked off this year, for example, by unveiling the latest version of our iconic SL convertible at the Detroit Auto Show. Thanks to the new SL's aluminum body, it is up to 140 kilograms lighter than its predecessor model. Fuel consumption has been reduced by up to 30 percent – without any sacrifice in safety, quality, or comfort. On the contrary, the new SL offers even more of everything that has made it a classic. The car will be available in March.

The three new SUV models we're launching in 2012 will also be much "greener" than their predecessors. Things will kick off in June with the updated GLK and the revamped G-Class. The new GL will then be available starting in September.

In June we'll present the CLS Shooting Break – an all-new model that will define a completely new market segment. The Shooting Break version of the CLS combines the elegance of a sedan with the design of a coupe and the functionality of a station wagon.

Environmental compatibility has been, and will remain, a key factor in the success of our products. Last year we reduced the emissions of our passenger car fleet in Europe from an average of 158 grams of CO₂ per kilometer to 150 grams. We will continue to lower emissions by offering outstanding products in all three lanes of our road map to sustainable mobility:

Along with highly efficient combustion engines like those in our B-Class, the main focus this year will be on hybrid and electric drives. This summer will see the market launch of the E 400 Hybrid and the E 300 BlueTEC Hybrid. The latter consumes just 4.2 liters of fuel per 100 kilometers, making it the most economical upper-range sedan in the world. The CO₂ emissions figure for this model is only 109 grams per kilometer. This summer we will also become the first premium automaker to offer an electric vehicle "for everyone" in the form of the electric smart. The price of the model will be more than competitive: € 16,000 (plus tax) and a 60-euro monthly fee for the vehicle's battery. We plan on unit sales of over five-figures each year, enabling us to achieve an even larger share of the electric car market in Germany – of which we already capture about 25 percent.

We haven't just set ambitious goals for our products and brands. We want to become the best automaker in terms of sales as well. To this end, we will significantly expand our product portfolio by 2015. During this period alone we will introduce no fewer than ten new models across the entire model spectrum. One of these new vehicles will be previewed this coming April at the Beijing Motor Show: a four-door coupe based on our front-wheel drive architecture. Two other models will follow in the years after that – and all of them are going to be game changers in the compact- and mid-size segments.

We'll also be extending our product lineup in the S-Class segment with three additional models. As we announced last year, this move is related to our decision not to create a successor model for the current Maybach.

Based on the product offensive I've just described we aim to achieve the following sales targets:

- at least 1.5 million passenger cars beginning in 2014
- at least 1.6 million vehicles beginning in 2015
- and more automobiles than any other premium manufacturer as of 2020 at the latest.

All of this also requires increased production closer to our customers in growth markets. We are, for example, expanding our manufacturing facility in Tuscaloosa to accommodate C-Class production. We will team up with our partner Renault-Nissan to produce Mercedes-Benz four-cylinder gasoline engines in Decherd, Tennessee. Production will commence in 2014.

We will also significantly expand our capacity in China with the launch of compact car production in the next few years.

Now let's turn to our plans at **Daimler Trucks**. Our goal here is also to get to the very top. With the help of strong products and innovative technologies, we want to defend or take the top position in all of the relevant markets and continue to post sustained growth. Our Global Excellence Strategy defines the path we will take to achieve this goal and ensures that we are well prepared to deal with the market cycles that are typical of the commercial vehicle industry. Our global production network makes us more flexible and efficient than ever before. Global Excellence is now focused on updating and expanding our product range – in both our traditional markets and in new ones.

So, in 2012 and the following years we'll introduce additional variants of the Actros in order to complete our new product portfolio at Mercedes-Benz trucks by offering the optimal solution for a variety of applications. Every new model will be available as Euro VI variant from the outset.

Another green truck highlight will be the Fuso Canter Eco Hybrid, which will be one of Europe's cleanest light-duty trucks when introduced in the second half of this year.

Things are also moving ahead in India, where we will launch the first of our BharatBenz brand trucks this year. We will unveil them in Hyderabad in March. In April we'll open our plant in Chennai. The first vehicles will then roll off the production line in the fall. In the medium term we will be able to manufacture up to 70,000 units each year in India.

I also have news from China to report. We received final approval for our Chinese joint venture with Foton in December. Next week Andreas Renschler and I will be flying to Beijing for an official ceremony kicking off our cooperation in medium- and heavy-duty trucks for the world's largest commercial vehicle market. These trucks will continue to be sold under the Auman nameplate. The joint venture will have an annual production capacity of 160,000 units.

We continue to expand our production capacity in Brazil as well, where our new truck plant went into operation in Juiz de Fora just a few weeks ago. All of these measures will greatly help us achieve our global sales targets. Daimler Trucks plans to sell around 500,000 trucks worldwide beginning in 2013. It aims to significantly increase that number from 2015 on and to raise it to more than 700,000 units by the end of the decade.

We're keeping the pedal to the metal at **Mercedes-Benz Vans** as well. We'll introduce the new Mercedes-Benz Citan in April, which will allow us to take the offensive in the small van

segment. The city van also happens to be the first series production vehicle resulting from our partnership with Renault-Nissan.

We plan to gain additional market share in the world's growth markets as well. To this end, we will launch production of the current Sprinter in Argentina. We will also further expand our dealership network in China. Our activities with zero-emission vans are on schedule, as we plan to put at least 2,000 Vito E-CELLs on the road by the end of this year. All of these measures are designed to further our goal of sustainable and profitable growth at Vans: We aim to sell more than 400,000 units worldwide by 2015.

Daimler Buses will introduce a new generation of travel coaches from our top-of-the-line Setra brand this year. We'll also present the world's first travel coach with Euro VI technology in the form of the Mercedes-Benz Travego Edition 1. New model variants of our new Citaro urban bus will be launched as well. Bus operations will begin in India with a vehicle designed especially for the Indian market. At the same time, we continue to implement measures to make our Buses unit even more efficient. Our overall objective here is to safeguard and improve on our position as the market leader in our core markets.

We will also continue to grow **Daimler Financial Services** along with our industrial business in the coming years. A significant proportion of this growth will be generated in India and China. We also want to strengthen the expansion of our mobility services. For example, car2go is being introduced in many European and North American cities this year. The car-sharing system was launched in Lyon at the beginning of February; Düsseldorf followed three days ago. This spring car2go comes to Washington, and in the second half of the year, we will begin the rollout for what will be the world's biggest fully electric car2go fleet in Stuttgart.

car2go also offers proof of how vehicles, drivers, and their environment are increasingly being "networked." Indeed, it's the Internet that makes mobility concepts like car2go truly convenient. Our car-sharing system, for example, has an app that tells you where the nearest available vehicle is parked. This application – and many others – will be expanded and supplemented at all of our divisions this year. One example here is our cloud-based multimedia system mbrace, which ensures that the services and apps in our vehicles are always up to date – automatically via the Internet.

Shared Values

None of the things I've been talking about would be possible without our highly motivated and highly qualified employees, all of whom made once more a key contribution to our record results last year. And I'd like to thank our entire workforce for their effort and dedication. In addition, we will reward them for their outstanding performance by issuing a profit-sharing payout of € 4.100 in April to each of our approximately 125,000 eligible employees at Daimler AG in Germany.

We continue to invest in improving the qualifications of our employees as well – among other things by offering a varied training and continuing education program in green technologies. We also seek to set industry-wide standards for integrity and compliance through

- a Group-wide dialogue on integrity,
- a new due diligence process for compliance issues,

- and a completely reworked whistleblower system that will also include the introduction of a neutral go-between. As we announced last week, the renowned criminal law expert and former vice president of the German Constitutional Court, Professor Winfried Hassemer, took over this function on February 1.

2012 Outlook

What do we expect to achieve in 2012 as a whole? The global economy will probably grow by slightly less than three percent this year. One of the main reasons for this slowdown is the continued uncertainty regarding the economic situation in Europe, which is already impacting the continent's automotive markets. At the global level, however, prospects for the automotive markets are about as good as they were 12 months ago.

- Mercedes-Benz Cars is therefore striving to achieve another sales record, buoyed in particular by markets in China, the other BRIC countries and the U.S.
- Daimler Trucks also expects increased sales, thanks to rising demand in the NAFTA region and Asia.
- Sales will most probably continue to rise at Mercedes-Benz Vans as well.
- Bus sales, on the other hand, will probably decline slightly, due to the introduction of new emission regulations in Brazil.
- And, last but not least, we expect contract volume and new business to continue to rise at Daimler Financial Services.

At the same time, we will also make substantial investments in our future this year – in new products, new technologies, and new markets. Although these efforts will have a positive medium-term effect, they will burden our finances somewhat this year. Despite these expenses, we will strive to keep Daimler's EBIT from ongoing business at last year's high level. At the same time, we expect dividends to continue to steadily improve in the coming years.

As you can see ladies and gentlemen, we've got a lot planned – both for this year and the years to follow. That's why we'll be working at full throttle in 2012:

- We will solidify our traditional strengths and add new ones.
- We will go on the offensive with strong products.
- We will expand our presence in the new growth markets.
- We will put new green vehicles on the road.
- We will continue to promote the networking of vehicles, drivers, and their environment.

All of these measures and activities are geared toward achieving a single goal: We want to be Number 1. That's a very ambitious goal – but we're an ambitious company.

Thank you very much.

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

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 public 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.