

Daimler continues along successful path: Group EBIT of more than €7.0 billion expected for 2010

- **Group EBIT in the third quarter of €2,418 million (Q3 2009: €470 million)**
- **Net profit in Q3 of €1,610 million (Q3 2009: €56 million)**
- **Revenue in the third quarter significantly above prior-year level at €25.1 billion (Q3 2009: €19.3 billion)**
- **Free cash flow increases to €5.3 billion in first nine months of 2010**
- **Mercedes-Benz Cars anticipates EBIT of approximately €4.5 billion for full-year 2010**
- **Daimler Trucks expects to post EBIT of more than €1.1 billion for the full year**

Stuttgart – In the third quarter of 2010, Daimler AG (stock-exchange symbol DAI) continued its excellent performance of the first half of the year. The automotive group achieved EBIT of €2,418 million for the reporting period (Q3 2009: €470 million). This repeated positive result was aided by the worldwide recovery of automobile markets, an attractive product range and sustained efficiency improvements.

Daimler assumes it will be able to continue along this successful path also in the fourth quarter. Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars: “Of course, the world economy is not yet as stable as it was before the recession, but we are confident that we will continue to operate successfully in our markets.” For the year 2010, the Daimler Group now anticipates EBIT from its ongoing business of more than €7.0 billion. Page 2

In the third quarter of 2010, EBIT was boosted by a gain of €183 million that was realized upon the adjustment of health-care and pension benefits at the US subsidiary, Daimler Trucks North America. In addition, the positive verdict in a lawsuit involving Daimler led to a gain of €218 million. The special factors affecting earnings in the third quarter are shown in the table on page 8.

The good EBIT trend led to a significant improvement in **net profit** to €1,610 million (Q3 2009: €56 million). Earnings per share improved accordingly to €1.44 (Q3 2009: €0.04).

Unit sales up by 23% in the third quarter

In the third quarter of 2010, Daimler sold 475,100 cars and commercial vehicles worldwide, surpassing the prior-year figure by 23%.

The Daimler Group’s third-quarter revenue of €25.1 billion was 30% higher than in the prior-year quarter; adjusted for exchange-rate effects, revenue grew by 22%.

The free cash flow of the industrial business for the period of January through September increased by a significant €3.1 billion to €5.3 billion.

At the end of the third quarter of 2010, Daimler employed 259,943 people worldwide (Q3 2009: 256,857). Of that total, 164,589 were employed in Germany (Q3 2009: 163,538).

Details of the divisions in the third quarter

Mercedes-Benz Cars increased its unit sales once again in the third quarter: by 17% to 317,500 vehicles. Revenue rose by 33% to €13.7 billion.

The division achieved third-quarter EBIT of €1,299 million, which is an increase of €944 million compared to the prior-year quarter, continuing the positive trend of the first half of the year (Q3 2009: EBIT of €355 million). The return on sales improved from 3.5% to 9.5%.

Also in the third quarter, the excellent earnings resulted primarily from the high level of unit sales, especially in China and the United States, as well as from an advantageous product mix. There were positive effects also from better pricing and from the advantageous development of exchange rates and warranty expenses. There were negative effects from increased research and development expenditure.

Daimler Trucks increased its unit sales substantially to 94,800 vehicles, compared with 66,100 in the third quarter of last year. Revenue rose by 47% to €6.4 billion.

The division posted EBIT of €500 million, improving on the result for the prior-year period by €627 million (Q3 2009: EBIT of minus €127 million). The return on sales amounted to 7.8% (Q3 2009: minus 2.9%).

The positive earnings trend was mainly a result of the good development of unit sales in all major markets. Sustained efficiency improvements, in particular from the repositioning of the subsidiaries Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation, also had a positive impact on the development of EBIT. An additional factor at Daimler Trucks North America was a gain of €183 million from the adjustment of health-care and pension benefits. There were opposing effects from charges relating to the revaluation of long-term warranty and service obligations as well as an increase in research and development costs.

Mercedes-Benz Vans sold a total of 53,700 vehicles in the third quarter (Q3 2009: 40,100). Revenue of €1.9 billion was also significantly higher than in the prior-year period (Q3 2009: €1.6 billion).

The division reported an operating profit of €122 million (Q3 2009: €1 million). The return on sales amounted to 6.4%, compared with 0.1% in the prior-year period. The significant earnings improvement resulted primarily from the substantial increase in unit sales compared with the third quarter of last year. Sustained efficiency gains also had a positive impact on EBIT.

Daimler Buses increased its unit sales by 9% to 9,100 buses and bus chassis. As this growth resulted solely from the continuing positive development of chassis sales, revenue was slightly below the prior-year level at €1,007 million (Q3 2009: €1,024 million).

The division achieved EBIT of €11 million (Q3 2009: €23 million) and a return on sales of 1.1% (Q3 2009: 2.2%). This earnings development is mainly due to the unfavorable model mix; deliveries of bus chassis increased while unit sales of complete buses decreased.

Daimler Financial Services' contract volume increased to €61.1 billion at the end of the third quarter, which is 5% above the level at the end of 2009. Adjusted for exchange-rate effects, the portfolio remained stable. New business increased to €7.3 billion (Q3 2009: €6.0 billion).

The division significantly improved its operating profit to €317 million (Q3 2009: €101 million). This increase in earnings was mainly caused by lower expenses for risk provisions and higher interest margins.

The reconciliation of the divisions' EBIT to Group EBIT takes into account Daimler's proportionate share of its equity-method investment in EADS, other gains or losses at the corporate level, and the effects on earnings of eliminating intra-Group transactions between the divisions.

Outlook

Based on the divisions' planning, Daimler expects **total unit sales** and **Group revenue** to increase significantly in full-year 2010 (2009: 1.6 million vehicles and €78.9 billion).

In view of the good business developments in all divisions, the Daimler Group is targeting **EBIT** from its ongoing business of more than €7.0 billion in 2010.

This expectation is based on the assumption of continued stable economic developments and the ongoing market success of the Group's products. The biggest risks are seen in the high volatility of the international financial markets and the possible worsening of the macroeconomic environment.

The divisions' expectations for EBIT from the ongoing business in 2010 are as follows:

- **Mercedes-Benz Cars** expects to achieve EBIT of approximately €4.5 billion.
- **Daimler Trucks** anticipates EBIT of more than €1.1 billion.
- **Mercedes-Benz Vans** assumes it will achieve EBIT of approximately €430 million.
- **Daimler Buses** expects to post EBIT of approximately €180 million.
- **Daimler Financial Services** anticipates EBIT of more than €900 million.

Mercedes-Benz Cars will continue to profit during the rest of this year from the success of its current product range, above all from the new E-Class models. Unit sales will be boosted also by the new super sports car Mercedes-Benz SLS AMG and by the new generations of the R-Class and the CL-Class. Since the third quarter of 2010, Mercedes-Benz automobiles have been successively equipped with the new and particularly fuel-efficient six and eight cylinder gasoline engines. For

the smart brand, an increase in demand is anticipated following the launch of a new generation of the smart fortwo. On the basis of an attractive and competitive range of vehicles, the division assumes that unit sales of the Mercedes-Benz brand will increase by a double-digit rate in 2010.

The global market revival will continue to have a positive impact on unit sales at **Daimler Trucks**. Increased unit sales are anticipated above all in Europe, Indonesia, Brazil and the United States. The division expects significant sales impetus from the new Mercedes-Benz trucks Axor and Atego. The new Atego and the Atego BlueTec Hybrid were voted Truck of the Year 2011 at Germany's IAA Commercial Vehicles trade fair. In the United States, the engines of the new generation of heavy-duty engines offered with BLUETEC technology to fulfill the EPA10 emission regulations are leading to rising demand for Freightliner trucks. The presentation of the new Fuso Canter in the fourth quarter will generate further sales growth for the Trucks Asia unit.

Against the backdrop of rising demand and the market recovery in the vans business, as well as the launch of the new generation of Vito and Viano models, **Mercedes-Benz Vans** expects a significant increase in unit sales compared with 2009.

Daimler Buses anticipates growth in unit sales in 2010, primarily due to the development of chassis sales in Latin American markets. In Western Europe, however, unit sales will remain below the prior-year level for market reasons.

Daimler Financial Services assumes that worldwide credit-risk costs will decrease in full-year 2010. Adjusted for exchange-rate effects, contract volume is expected to show a stable development in the fourth quarter. Page 8

Due to the upturn in demand, the Daimler Group's **worldwide workforce** will grow slightly compared with the end of 2009.

The **special factors** listed in the following table affected EBIT in the third quarters of 2010 and 2009:

Special factors affecting EBIT		
In millions of euros	Q3 2010	Q3 2009
Daimler Trucks		
Repositioning of Daimler Trucks North America	(13)	10
Repositioning of Mitsubishi Fuso Truck and Bus Corporation	8	(13)
Adjustment of health-care and pension benefits	183	-
Daimler Financial Services		
Sale of non-automotive assets	-	3
Reconciliation		
Gain related to a legal proceeding	218	-
Chrysler-related gain	-	48

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 slowdown in the recovery of the global economy or a renewed deterioration of global economic conditions, in particular a renewed decline of consumer demand and investment activity in Western Europe or the United States, or a downturn in major Asian economies; a renewed worsening of the situation in the credit and financial markets, which could result in an increase in borrowing costs or limit our funding flexibility; changes in currency exchange rates or interest rates; the ability to continue to offer fuel-efficient and environmentally

friendly products; a permanent shift in consumer preference towards smaller, lower margin vehicles; 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 renewed 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; the successful implementation of the strategic cooperation with Renault-Nissan, 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://www.daimler.mobi/ir>.

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Figures for the 3rd quarter and the first nine months 2010

Daimler Group amounts in €	Q3 2010	Q3 2009	Change 10/09	YTD 2010	YTD 2009	Change 10/09
Revenue, in millions	25,071	19,310	+ 30 %	71,365	57,601	+ 24 %
EBIT, in millions	2,418	470	+ 414 %	5,712	(1,961)	-
Net profit (loss), in millions	1,610	56	-	3,534	(2,292)	-
Earnings (loss) per share (EPS)	1.44	0.04	-	3.29	(2.30)	-
Employees (September 30)	259,943	256,857	+ 1 %	259,943	256,857	+ 1 %

EBIT by Divisions/Segments in millions of €	Q3 2010	Q3 2009	Change 10/09	YTD 2010	YTD 2009	Change 10/09
Mercedes-Benz Cars	1,299	355	+ 266 %	3,481	(1,108)	-
Daimler Trucks	500	(127)	-	930	(777)	-
Mercedes-Benz Vans	122	1	-	313	(100)	-
Daimler Buses	11	23	- 52 %	131	137	- 4 %
Daimler Financial Services	317	101	+ 214 %	607	13	-
Reconciliation	169	117	+ 44 %	250	(126)	-

Revenue by Divisions/Segments in millions of €	Q3 2010	Q3 2009	Change 10/09	YTD 2010	YTD 2009	Change 10/09
Mercedes-Benz Cars	13,661	10,238	+ 33 %	39,274	29,873	+ 31 %
Daimler Trucks	6,433	4,388	+ 47 %	17,159	13,523	+ 27 %
Mercedes-Benz Vans	1,903	1,601	+ 19 %	5,577	4,373	+ 28 %
Daimler Buses	1,007	1,024	- 2 %	3,223	3,031	+ 6 %
Daimler Financial Services	3,258	2,864	+ 14 %	9,641	9,122	+ 6 %
Reconciliation	(1,191)	(805)	- 48 %	(3,509)	(2,321)	- 51 %

Unit Sales in units	Q3 2010	Q3 2009	Change 10/09	YTD 2010	YTD 2009	Change 10/09
Daimler Group	475,110	386,461	+ 23 %	1,374,316	1,110,253	+ 24 %
Mercedes-Benz Cars	317,496	271,917	+ 17 %	937,074	790,353	+ 19 %
Daimler Trucks	94,813	66,071	+ 44 %	249,167	185,610	+ 34 %
Mercedes-Benz Vans	53,727	40,123	+ 34 %	159,775	110,828	+ 44 %
Daimler Buses	9,074	8,350	+ 9 %	28,300	23,462	+ 21 %