

Date:
October 27, 2011

Daimler remains on course: very successful third quarter, Group EBIT from ongoing business of €2,110 million (Q3 2010: €2,022 million)

- **Group EBIT including special items of the quarter of €1,968 million (Q3 2010: €2,418 million)**
- **Net profit of €1,360 million (Q3 2010: €1,610 million)**
- **Revenue significantly higher than last year at €26.4 billion (Q3 2010: €25.1 billion)**
- **Mercedes-Benz Cars posts EBIT of €1,108 million (Q3 2010: €1,299 million) despite startup costs for new models**
- **Daimler Trucks increases EBIT to €555 million (Q3 2010: €496 million)**
- **Forecast affirmed for 2011: Group EBIT from ongoing business expected to very significantly exceed the level of 2010**

Stuttgart – Daimler AG (stock-exchange symbol DAI) continued its successful course in the third quarter of 2011. Group EBIT amounted to €1,968 million (Q3 2010: €2,418 million). Adjusted for special factors, however, EBIT from the ongoing business of €2,110 million was higher than in the prior-year period (Q3 2010: €2,022 million).

Net profit for the period was €1,360 million (Q3 2010: €1,610 million) and earnings per share amounted to €1.21 (Q3 2010: €1.44).

The development of earnings in the third quarter of 2011 primarily reflects the higher vehicle shipments by all divisions. As already announced in the second quarter, EBIT at Mercedes-Benz Cars was impacted by changes in the product mix and by charges due to the upcoming model changes. All other divisions posted higher earnings than in the prior-year period.

“Daimler operated very successfully also in the third quarter. All divisions developed as we expected,” commented Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars. “Our company is extremely well positioned in this jubilee year and has a very sound balance sheet. All the divisions are pursuing their goals very consistently and are right on track. At the same time, we are more flexible than ever before, so that we can react quickly to future developments,” Zetsche pointed out. He affirmed the forecast for full-year 2011: “We continue to expect Group EBIT from the ongoing business to very significantly exceed the level of 2010.”

Net profit for the third quarter of 2011 includes charges from the impairment of Daimler’s investments in Renault and Kamaz of €110 million and €23 million respectively. The investments had to be impaired to their fair values due to the sharp fall in both companies’ share prices.

The special factors that affected EBIT in the third quarter are shown in the table on page 9.

Total unit sales up by 11% in third quarter

In the third quarter of 2011, Daimler sold 525,500 cars and commercial vehicles worldwide, surpassing the figure for the prior-year period by 11%.

Group revenue increased significantly by 5% to €26.4 billion (Q3 2010: €25.1 billion). Adjusted for exchange-rate effects, the increase was 8%.

The net liquidity of the industrial business amounted to €10.4 billion at September 30, 2011 (December 31, 2010: €11.9 billion). Excluding the increase in our investment in Tognum and the contributions to our pension funds, the free cash flow of the industrial business was also significantly positive at €1.5 billion.

At the end of the third quarter, Daimler employed 269,887 **people** worldwide (September 30, 2010: 259,943). Of that total, 167,948 were employed in Germany (September 30, 2010: 164,589).

Details of the divisions

Mercedes-Benz Cars continued its positive business development and achieved a new record for unit sales in a third quarter of 337,200 vehicles (Q3 2010: 317,500). The Mercedes-Benz brand also set a new third-quarter record with sales of 315,400 units (Q3 2010: 294,400). The division's revenue increased to €13.8 billion (Q3 2010: €13.7 billion).

The division achieved EBIT of €1,108 million, despite a large number of factors with a negative impact on earnings (Q3 2010: €1,299 million). The division's return on sales was 8% (Q3 2010: 9.5%). Record unit sales in the third quarter were offset in particular by changes in the product mix, as well as by the impact of higher material costs, exchange-rate movements, upcoming model changes and increased research and development expenses. The high quality of the products led to lower warranty expenses.

Daimler Trucks also continued its successful business development and increased its unit sales by 22% compared with the third quarter of last year to sell 115,600 vehicles. The division's revenue grew to €7.6 billion (Q3 2010: €6.4 billion).

Daimler Trucks' EBIT amounted to €555 million and its return on sales was 7.3% (Q3 2010: €496 million and 7.7%).

The positive development of earnings is primarily due to substantial growth in unit sales compared with the prior-year period. Sales growth was particularly strong in the NAFTA region, Europe and Latin America. There were opposing, negative effects on third-quarter earnings from increased material costs, high advance expenditure for the current product offensive and the impairment of the equity interest in Kamaz.

Mercedes-Benz Vans increased its unit sales by 18% to 63,500 vehicles (Q3 2010: 53,700). Revenue of €2.2 billion was also significantly higher than in the third quarter of last year (€1.9 billion).

The division achieved third-quarter EBIT of €200 million (Q3 2010: €122 million). Its return on sales improved to 9%, compared with 6.4% in the prior-year period.

The main drivers of the positive earnings trend were the ongoing market recovery and significantly higher unit sales, especially in Germany and the United States. The excellent market reaction to the new generations of the Vito and Viano also made a significant contribution. Earnings were additionally boosted by better pricing. On the other hand, the division's EBIT was negatively affected by higher material costs.

Daimler Buses increased its unit sales to 9,200 complete buses and chassis (Q3 2010: 9,100), mainly because of the positive development of chassis sales. Revenue of €1,041 million was also higher than in the prior-year period (Q3 2010: €1,007 million).

The division achieved EBIT of €25 million (Q3 2010: €11 million). Its return on sales therefore increased from 1.1% to 2.4%. As well as the overall increase in unit sales, this positive earnings development was caused by positive exchange-rate effects.

Daimler Financial Services' contract volume in the sales-financing and leasing business amounted to €65.8 billion at the end of the third quarter, which is 3% higher than at the end of 2010. Adjusted for exchange-rate effects, contract volume increased by 6%. New business of €8.6 billion was 18% higher than in the third quarter of last year.

With EBIT of €337 million in the third quarter of 2011, the division surpassed its earnings of €317 million in the prior-year period. The improvement in earnings was mainly caused by lower provisions for risks and an increased contract volume. There were opposing, negative effects on earnings from higher expenses in connection with the repositioning of business activities in Germany.

The divisions' EBIT is reconciled to Group EBIT. This **reconciliation** primarily reflects the proportionate share of the results of the equity-method investment in EADS as well as other gains and losses at the corporate level.

Items accounted for at the corporate level resulted in a total expense of €250 million (Q3 2010: income of €191 million), mainly reflecting the impairment of the investment in Renault by an amount of €110 million.

In the third quarter Daimler and Rolls-Royce Holdings plc have received all the relevant regulatory approvals for the takeover of Tognum AG. The public tender offer made by Engine Holding GmbH, in which Daimler and Rolls-Royce each hold 50%, was closed in September 2011. At the end of the third quarter, Engine Holding held approximately 98% of the shares in Tognum AG. This business is allocated to the Daimler Trucks division.

Outlook

On the basis of current estimates, the Daimler Group continues to assume that it will post **EBIT** from the ongoing business in 2011 that will be very significantly higher than the level of 2010. The course of business so far this year shows that the Group continues to make good progress towards achieving its targeted rates of return on a sustained basis as of the year 2013. Those targets for return on sales are 10% for Mercedes-Benz Cars, 8% for Daimler Trucks, 9% for Mercedes-Benz Vans and 6% for Daimler Buses; the target for return on equity for Daimler Financial Services is 17%. The targets are based on the assumption of a stable global economic and political environment and intact automotive markets.

Based on the divisions' planning, further growth in **total revenue** to significantly more than €100 billion is expected for full-year 2011. That growth will probably be driven by all of the automotive divisions.

Total unit sales will also increase significantly (2010: 1.9 million vehicles). Unit sales in 2011 are expected to be higher than in the prior year for all divisions.

In view of the continuation of generally good market prospects combined with numerous model changes and new products, **Mercedes-Benz Cars** assumes that the Mercedes-Benz brand will further increase its unit sales to a new record in 2011. Thanks to an up-to-date and competitive model range, the division will profit also in the year 2011 from strong demand for its numerous new models in the C-Class segment and from the continuing market success of its SUVs. In September, shipments of the new M-Class started in the United States. The roadster version of the Mercedes-Benz SLS AMG will follow in the fourth quarter. And in November, the new B-Class will be launched – the first of five new models in the compact-car segment.

On the engines side, Mercedes-Benz Cars is introducing its particularly fuel-efficient four, six and eight-cylinder engines and the eco-start-stop technology in additional models. With the new generation of the C-Class, for example, the C 220 CDI is available with fuel consumption of just 4.4 liters per 100 kilometers and CO₂ emissions of 117 grams per kilometer.

For the smart brand, unit sales are anticipated at roughly the same level as in 2010 due to the full availability of the new generation of the smart fortwo.

Daimler Trucks expects to post significant growth in unit sales in full-year 2011. The need to catch up in both the European market and the NAFTA region is the main reason for the strong revival of demand compared with last year. Reconstruction activities in Japan following the natural disaster this March are boosting the demand for transport in that country. This is supporting the trend of sales returning to their levels of before the disaster.

The so-called RIC markets (Russia, India and China) are growing dynamically and Daimler Trucks is expanding its production capacities accordingly: In India, BharatBenz will open its truck plant in April 2012; in Russia, Daimler Trucks is broadening its cooperation with Kamaz; and in China, Beijing Foton Daimler Automotive Co., Ltd. (BFDA) has obtained final approval from the authorities for the joint venture between Daimler and Foton.

The order situation confirms the expectations for this year: Orders received for 107,200 units in the third quarter remained at a high level, and the order backlog is significantly larger than a year ago. The division anticipates unit sales in the fourth quarter at a higher level than in the prior-year period.

Due to the ongoing market recovery, **Mercedes-Benz Vans** also expects to achieve growth in unit sales in its key markets in full-year 2011. In Western Europe, the division will defend its leading market position for medium-sized and large vans and will participate in the market's growth. It expects to see significant increases in unit sales particularly in the United States and Eastern Europe. Furthermore, increased production capacities in Argentina will additionally boost the growth in Latin America.

Daimler Buses assumes it will sell more than 40,000 complete buses and bus chassis in the year 2011. There will be a structural shift from complete buses towards bus chassis.

Daimler Financial Services anticipates growth in its worldwide new business in full-year 2011. After adjusting for exchange-rate effects, contract volume should increase again in the fourth quarter. The division expects a decrease in worldwide credit-risk costs in the full year.

Due to the strong demand for its products, Daimler assumes that its worldwide **workforce** will expand this year compared with the end of 2010.

Page 9

The **special factors** listed in the following table affected EBIT in the third quarters of 2011 and 2010:

Special factors affecting EBIT		
In millions of euros	Q3 2011	Q3 2010
Daimler Trucks		
Impairment of investment in Kamaz	-23	-
Natural disaster in Japan	-9	-
Adjustment of health-care and pension benefits	-	183
Repositioning of Daimler Trucks North America	-	-13
Repositioning of Mitsubishi Fuso Truck and Bus Corporation	-	8
Reconciliation		
Impairment of investment in Renault	-110	-
Gain relating to a legal dispute	-	218

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 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.

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>.

If you have any questions, please contact our Investor Relations Team:

Dr. Michael Muehlbayer
Tel. +49/711-17-93139
Fax +49/711-17-94075
Michael.Muehlbayer@daimler.com

Bjoern Scheib
Tel. +49/711-17-95256
Fax +49/711-17-94075
Bjoern.Scheib@daimler.com

Lutz Deus
Tel. +49/711-17-92261
Fax +49/711-17-94075
Lutz.Deus@daimler.com

Alexander Vollmer
Tel. +49/711-17-97778
Fax +49/711-17-94075
Alexander.Vollmer@daimler.com

Rolf Bassermann
Tel. +49/711-17-95277
Fax +49/711-17-94075
Rolf.Bassermann@daimler.com

Julian Krell
Tel. +49/711-17-99320
Fax +49/711-17-94075
Julian.Krell@daimler.com

Figures for the 3rd quarter and the first nine months 2011

Daimler Group amounts in €	Q3 2011	Q3 2010	Change 11/10	YTD 2011	YTD 2010	Change 11/10
Revenue, in millions	26,407	25,071	+ 5 %	77,474	71,365	+ 9 %
EBIT, in millions	1,968	2,418	- 19 %	6,580	5,712	+ 15 %
Net profit, in millions	1,360	1,610	- 16 %	4,244	3,534	+ 20 %
Earnings per share (EPS)	1.21	1.44	- 16 %	3.71	3.29	+ 13 %
Employees (September 30)	269,887	259,943	+ 4 %	269,887	259,943	+ 4 %

EBIT by Divisions/Segments in millions of €	Q3 2011	Q3 2010	Change 11/10	YTD 2011	YTD 2010	Change 11/10
Mercedes-Benz Cars	1,108	1,299	- 15 %	3,962	3,481	+ 14 %
Daimler Trucks	555	496	+ 12 %	1,454	929	+ 57 %
Mercedes-Benz Vans	200	122	+ 64 %	579	313	+ 85 %
Daimler Buses	25	11	+ 127 %	53	131	- 60 %
Daimler Financial Services	337	317	+ 6 %	998	607	+ 64 %
Reconciliation	-257	173	-	-466	251	-

Revenue by Divisions/Segments in millions of €	Q3 2011	Q3 2010	Change 11/10	YTD 2011	YTD 2010	Change 11/10
Mercedes-Benz Cars	13,826	13,661	+ 1 %	42,333	39,274	+ 8 %
Daimler Trucks	7,619	6,433	+ 18 %	20,509	17,159	+ 20 %
Mercedes-Benz Vans	2,222	1,903	+ 17 %	6,442	5,577	+ 16 %
Daimler Buses	1,041	1,007	+ 3 %	3,038	3,223	- 6 %
Daimler Financial Services	3,006	3,258	- 8 %	8,947	9,641	- 7 %
Reconciliation	-1,307	-1,191	- 10 %	-3,795	-3,509	- 8 %

Unit Sales in units	Q3 2011	Q3 2010	Change 11/10	YTD 2011	YTD 2010	Change 11/10
Daimler Group	525,517	475,110	+ 11 %	1,514,903	1,374,316	+ 10 %
Mercedes-Benz Cars	337,163	317,496	+ 6 %	1,005,516	937,074	+ 7 %
Daimler Trucks	115,634	94,813	+ 22 %	296,352	249,167	+ 19 %
Mercedes-Benz Vans	63,518	53,727	+ 18 %	185,525	159,775	+ 16 %
Daimler Buses	9,202	9,074	+ 1 %	27,510	28,300	- 3 %