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## **Daimler Buses on the upswing: Growth and efficiency program GLOBE2013 is having an effect**

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Stuttgart – Daimler Buses on the upswing, in the run-up to the Busworld motor show in Kortrijk, Belgium (October 18-23), Daimler's bus division is reporting a positive operating result for the second quarter as well as rising sales figures and an increase in incoming orders, even though the market continues to be challenging. Moreover, production capacity is improving at the division's European plants. As a result, the outlook for the year as a whole is cautiously optimistic.

Simultaneously, Daimler Buses is demonstrating its technological lead even in economically difficult times, as it has become the first manufacturer to switch all of the model series of its Mercedes-Benz and Setra brands in Europe to the upcoming Euro VI emissions standard. Demand will also be boosted by new model series.

## **Operating result is back in the black; market position strengthened**

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The GLOBE2013 program that Daimler Buses launched last year is beginning to have an effect. The resulting increase in sales and efficiency has pushed Daimler Buses back into the black. In the second quarter, the division posted EBIT of €27 million, thus almost completely offsetting the loss recorded in the first three months of the year. EBIT totaled -€4 million in the first half of 2013, compared to -€164 million in the same period of last year. The division's revenues amounted to €1.685 billion, compared to €1.746 billion in the first half of 2012. Daimler Buses sold a total of 13,946 chassis and complete vehicles (January-June 2012: 13,314). In the market for buses over 8 tons GVW, Daimler Buses strengthened its leading position in Germany (54.1 percent market share) and in Western Europe (29.8 percent).

“We are on the upswing,” says Hartmut Schick, Head of Daimler Buses. “Our operating result was back in the black in the second quarter of 2013. This improvement was primarily driven by our chassis business in Latin America. However, our business with complete buses in Europe is also slowly moving back into positive terms. Despite facing a very challenging environment, we made our division sustainably more efficient without losing sight of the key preconditions for ensuring future growth with new technologies and new products.”

### **Cautious optimism for full-year 2013**

The outlook for the year as a whole is cautiously optimistic. Incoming orders are substantially higher than they were in the same period of last year. The rising number of orders is also increasing production capacity at the European plants. As a result, the company is already planning to have employees work more than ten Saturday shifts in Mannheim and Neu-Ulm during the second half of the year.

Several major new orders have contributed to this increase. For example, Wiener Linien have ordered 217 Mercedes-Benz Citaro, 172 Citaro will be supplied to the Belgian capital of Brussels, and 132 Citaro will be sent to the Dutch transportation company Qbuzz. Moreover, the Austrian federal railway company ÖBB has ordered a total of 390 units of the Mercedes-Benz Citaro and Intouro models and the Setra MultiClass series. Daimler Buses has also placed successful bids for tenders outside Europe. For example, the company is now successively supplying 2,600 school buses and 520 city buses to São Paulo and Fortaleza in Brazil, while Johannesburg, South Africa, will receive 134 Mercedes-Benz chassis.

### **First bus manufacturer to offer a complete range of Euro VI-compliant vehicles**

In addition, Daimler Buses plans to achieve a better EBIT result than in 2012. The division is the world's first manufacturer to offer its complete range of Mercedes-Benz and Setra brand vehicles in accordance with the Euro VI emissions standard, which will become mandatory in the EU beginning in January 2014.

“The success of our technology initiative speaks for itself,” says Schick. “Daimler Buses will have delivered around 1,700 Euro VI-compliant vehicles in Western Europe by the end of the year. We are thus putting more Euro VI-compliant buses on the road than all the other manufacturers combined. Almost one third of the city buses that are currently being ordered from us are Euro VI-compliant vehicles.”

In the complex transition to the Euro VI standard, Daimler Buses has not only installed additional exhaust treatment technology in the vehicles but also introduced new engines and powertrains that have turned the expected increase in fuel consumption into a substantial reduction. This decline in fuel consumption has been demonstrated in several independent tests. The developers have also offset the added weight of the extra technology. In addition, Daimler Buses decided to take advantage of the switch to the Euro VI standard to

create completely new constructions. Examples of this include the Mercedes-Benz Citaro and the Setra ComfortClass 500.

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**Highlight of the new product offensive:  
the new Setra TopClass 500**

The most recent high point of the renewal of the product range is the new Setra TopClass 500, which will celebrate its public debut at Busworld Kortrijk in late October. The look and technology of the new TopClass are setting the standards for luxury-class travel coaches. The new Setra TopClass 500 is a veritable milestone, as is demonstrated, for example, by its new SkyView glass roof, the vehicle's unprecedented aerodynamics (0.33 Cd value), the driver area that is perfectly adapted to the vehicle operator, and Predictive Powertrain Control (PPC) – a cruise control system that enhances fuel efficiency and that is without parallel in the bus sector.

Mercedes-Benz will also present numerous new developments in the fall of 2013. The focus will be on the completely updated model range of the best-selling Citaro city bus, the attractive new Turismo K midibus, and the expanded and upgraded family of the especially economical Intouro intercity bus. Last but not least, Mercedes-Benz will also be offering the first minibuses that comply with the new Euro VI emissions standard. These vehicles are based on the new Mercedes-Benz Sprinter.

“All of this shows that Daimler Buses is once again presenting the very best in technology, comfort, and design,” says Schick. “We offer our customers the ideal combination of first-rate products and top-class service.”

**Cooperation with Wrightbus**

Daimler Buses is also successfully enhancing its global position. In India, it recently gained Wrightbus as a new partner for the long-term exploration of this promising growth market.

Daimler Buses has also intensified the marketing of used vehicles, and it will now offer used buses through its BusStore brand. This brand will consolidate the company's entire used bus business in a Europe-wide network. Customers will now be able to choose from a far wider selection of used vehicles from Mercedes-Benz, Setra, and all other common brands. All of the vehicles will be checked to ensure that they meet high quality standards.

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 sovereign-debt crisis in the euro zone; 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; 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.

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

**Bjoern Scheib**

Tel. +49/711-17-95256

**Alexander Vollmer**

Tel. +49/711-17-97778

**Julian Krell**

Tel. +49/711-17-99320

**Lutz Deus**

Tel. +49/711-17-92261

**Rolf Bassermann**

Tel. +49/711-17-95277

**Dr. Stephan Georg Schön**

Tel. +49/711-17-95361

**E-mail:** [ir.dai@daimler.com](mailto:ir.dai@daimler.com)