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Continuation of contracting truck markets: Daimler Trucks changes its outlook for 2016

- **EBIT from ongoing business and unit sales to be significantly lower in 2016 than in 2015**
- **2016 will nonetheless be one of Daimler Trucks' most profitable years**
- **Weaker development especially in NAFTA region and Middle East**
- **Unchanged outlook for Group EBIT from ongoing business**

Stuttgart, Germany - The world's major truck markets are in a period of sustained contraction. Daimler Trucks, the leading truck manufacturer worldwide, has therefore adjusted its outlook for this year. Daimler Trucks now expects EBIT from the ongoing business and unit sales to be significantly lower in 2016 than the very good levels of last year. In 2015, Daimler Trucks achieved the best EBIT in its history of €2.7 billion.

Profitability this year is to remain very high also after the adjusted outlook. Dr. Wolfgang Bernhard, Member of the Board of Management of Daimler AG and Head of the Daimler Trucks and Daimler Buses divisions, stated: "The situation of global truck markets has been challenging for several months and has recently got worse. Especially in the NAFTA region, but also in the Middle East, demand is weaker than previously expected. We have therefore adjusted our outlook for the rest of this year. Although the forecast is for lower numbers than in 2015, we continue to anticipate a high level of earnings in the full year. 2016 will be one of Daimler Trucks' most profitable years, due not least to the successful continuation of our efficiency actions."

In recent weeks, the situation in major markets has changed significantly. In the **NAFTA** region, Daimler Trucks is defending its clear market leadership with its strong product portfolio. At the same time, there has been no revival of orders received, especially in the heavy-duty segment (Class 8). The overall market for Class 6 to 8 trucks will contract by approximately 15% in 2016. This can be only partially offset by the market development in

Europe. Although demand in **Europe** is significantly higher than last year, the competitive situation has become much more intense and is influencing market players' pricing. Another factor is that the persistently low price of oil is having a sustained negative impact on demand in the **Middle East**.

Furthermore, the development of markets in **Brazil, Indonesia and Turkey** is negative. The outlook for those markets has been worsening since the beginning of the year and continues to worsen. The Brazilian market will contract by about 20%, now that the political and thus also economic situation there has deteriorated once again. The same applies to Indonesia, where Daimler Trucks anticipates a decrease of about 15%. Demand in Turkey will also be substantially lower than last year, due not only to purchases being brought forward to 2015, but also to very negative geopolitical conditions.

Against the backdrop of this development, Daimler Trucks will intensify the efficiency actions that are already being taken. In Brazil, further workforce adjustments will have to be made, for which Daimler Trucks has made a voluntary severance offer. In this context, Daimler Trucks anticipates expenses totaling up to €100 million as a special reporting item in 2016.

However, nothing has changed with regard to the medium- and long-term growth drivers and success factors for the key markets of Daimler Trucks.

“Along with managing volatile truck markets, we continue to pursue our strategy systematically. With our technologically leading position, global presence and intelligent platform concepts, we will take further determined measures also in the future,” stated Bernhard.

Daimler continues to assume that Group EBIT from the ongoing business will increase slightly in the year 2016.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “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; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for 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 for 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 government 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 and Opportunity Report" in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the 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 since they are based solely on the circumstances at the date of publication.

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

Bjoern Scheib

Tel. +49/711-17-95256

Lutz Deus

Tel. +49/711-17-92261

Alexander Vollmer

Tel. +49/711-17-97778

Rolf Bassermann

Tel. +49/711-17-95277

Julian Krell

Tel. +49/711-17-99320

Edith Callsen

Tel. +49/711-17-97366

Daniel Eichele

Tel. +49/711-17-92104

Viktor Schmidt

Tel. +49/711-17-76169

E-mail: ir.dai@daimler.com