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Daimler AG: Daimler achieves EBIT of €2,053 million in second quarter of 2008

Daimler AG / Quarter Results

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- Net profit of €1,395 million (Q2 2007: €1,849 million)
- Earnings per share of €1.40 (Q2 2007: €1.74)
- Full-year EBIT from ongoing operations (excluding Chrysler) expected to exceed €7 billion

Stuttgart - Daimler AG (stock-exchange abbreviation DAI) continued its successful development of the prior quarter with a very good second quarter of 2008.

Daimler achieved EBIT of €2,053 million in the second quarter of this year (Q2 2007: €2,134 million).

The Mercedes-Benz Cars and Daimler Trucks divisions were able to slightly increase their earnings. The Mercedes-Benz Vans and Daimler Buses units also achieved higher EBIT.

The decrease in Group earnings was mainly related to Daimler's interest in Chrysler (charges of €373 million).

Net profit amounted to €1,395 million (Q2 2007: €1,849 million), equivalent to earnings per share of €1.40 (Q2 2007: €1.74).

Details of the divisions in the first quarter of 2008

Mercedes-Benz Cars increased its unit sales by 11% in the second quarter. Revenue rose by 3% to €12.9 billion.

The division increased its EBIT by 1% to €1,212 million.

Daimler Trucks sold 122,800 vehicles in the second quarter of 2008, significantly more than in the prior-year period (+10%), despite the ongoing weakness of the US economy. Revenue increased from €6.9 billion to €7.4 billion.

The Daimler Trucks division posted EBIT of €608 million, thus slightly exceeding its earnings in the second quarter of last year (€601 million). The result for the prior-year quarter was favorably affected by a special gain of €68 million realized on the sale of real-estate properties in Japan.

Daimler Financial Services increased its total contract volume by 4% to €60.4 billion in the second quarter of 2008. New business of €7.8 billion was 6% higher than in the second quarter of 2007.

EBIT of €183 million reported by Daimler Financial Services for the second quarter of 2008 was lower than the result for the prior-year period (Q2 2007: €220 million).

The second-quarter EBIT of the Vans, Buses, Other segment amounted to €148 million (Q2 2007: €257 million). Mercedes-Benz Vans and Daimler Buses benefited from the continued very positive development of unit sales and

both achieved higher earnings. Mercedes-Benz Vans reported EBIT of €262 million and Daimler Buses reported EBIT of €170 million.

Daimler's share of the earnings of EADS amounted to €32 million (Q2 2007: €95 million). Our interest in Chrysler negatively affected EBIT in the second quarter of 2008 by €373 million; this result includes proportional expenses of €93 million resulting from the restructuring measures at Chrysler.

## Outlook

Although the headwind for the automotive industry and also for Daimler has become stronger as a result of the slowdown of global growth and the weak economy in the United States, Daimler continues to assume that its divisions will be able to achieve their unit-sales targets for full-year 2008.

Based on the divisions' planning, Daimler expects total unit sales to increase in the year 2008 (2007: 2.1 million vehicles).

Mercedes-Benz Cars expects to increase unit sales in the year 2008. The full availability of the new C-Class sedan and station wagon as well as the new smart fortwo will make a big contribution to this sales increase. In the second half of the year, we expect new sales stimulus from the recently introduced A- and B-Class models, the CLS, SLK, SL and the new CLC. The launch of the refreshed M-Class and especially the new GLK in late 2008 will also provide additional sales momentum in the following year. However, for lifecycle reasons, the division expects unit sales of the E-Class to fall somewhat, as this car is in its last full model year. In view of the worsening economic environment, production output will be adjusted compared with the previous planning. The changed market outlook, rising raw-material prices and ongoing negative exchange-rate effects will also lead to burdens on earnings that cannot be fully offset by our significant efficiency improvements and higher unit sales. EBIT is therefore expected to be lower than in the prior year, with a return on sales in the magnitude of 8%.

Daimler Trucks looks forward to rising unit sales in full-year 2008. This is largely due to the positive developments in Europe and growth in Asian markets. Higher material costs and the effects of the weaker US economy will offset this positive development. Overall Daimler Trucks anticipates full-year earnings in the magnitude of €2 billion.

Daimler Financial Services anticipates a moderate increase in its worldwide contract volume in full-year 2008. Despite the expenses connected with setting up its own financial services organization in North America, the division continues to assume that it will achieve a return on equity of at least 14% in the full year.

Due to strong demand for the Sprinter and the positive sales trend of the Vito/Viano, Mercedes-Benz Vans expects significant growth with a new unit-sales record in 2008.

Daimler Buses also expect to match the high level of unit sales achieved in the prior year once again.

The Daimler Group anticipates a slight increase in the total revenue in full-year 2008 (2007: €99.4 billion).

The Daimler Group believes it continues to be very well positioned with regard to the competition. However, it will not be possible to fully compensate for the aforementioned negative macroeconomic factors such as the slowdown of global growth, rising raw-material prices and unfavorable

exchange-rate effects by means of higher unit sales and further efficiency improvements.

On the basis of the divisions' projections, the Daimler Group expects to post EBIT from ongoing operations of more than €7 billion in 2008. Effects related to Chrysler are not included therein. Daimler had previously anticipated EBIT from ongoing operations of significantly above the prior year's level (€7.7 billion).

Further information from Daimler is available on the internet at:  
[www.media.daimler.com](http://www.media.daimler.com)

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 economic downturn or slow economic growth in important economic regions, especially in Europe or North America; the effects of the credit crisis which could result in a weaker demand for our products particularly in the U.S. but as well in the European market; changes in currency exchange rates and interest rates; the introduction of competing products and the possible lack of acceptance of our products or services; price increases in fuel, raw materials, and precious metals; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the business outlook for Daimler Trucks, which may be affected if the U.S. and Japanese commercial vehicle markets experience a sustained weakness in demand for a longer period than expected; the effective implementation of cost reduction and efficiency optimization programs; the business outlook of Chrysler, in which we hold an equity interest, including its ability to successfully implement its restructuring plans; the business outlook of EADS, in which we hold an equity interest, including the financial effects of delays in and potentially lower volumes of future aircraft deliveries; 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.

#### About Daimler

Daimler AG, Stuttgart, with its businesses Mercedes-Benz Cars, Daimler Trucks, Daimler Financial Services, Mercedes-Benz Vans and Daimler Buses, is a globally leading producer of premium passenger cars and the largest manufacturer of commercial vehicles in the world. The Daimler Financial Services division has a broad offering of financial services, including vehicle financing, leasing, insurance and fleet management.

Daimler sells its products in nearly all the countries of the world and has production facilities on five continents. The company's founders, Gottlieb Daimler and Carl Benz, continued to make automotive history following their invention of the automobile in 1886. As an automotive pioneer, Daimler and its employees willingly accept an obligation to act responsibly towards society and the environment and to shape the future of safe and sustainable mobility with groundbreaking technologies and high-quality products. The

current brand portfolio includes the world's most valuable automobile brand, Mercedes-Benz, as well as smart, AMG, Maybach, Freightliner, Sterling, Western Star, Mitsubishi Fuso, Setra, Orion and Thomas Built Buses. The company is listed on the stock exchanges in Frankfurt, New York and Stuttgart (stock exchange abbreviation DAI). In 2007, the Group sold 2.1 million vehicles and employed a workforce of over 270,000 people; revenue totaled €99.4 billion and EBIT amounted to €8.7 billion. Daimler is an automotive Group with a commitment to excellence, and aims to achieve sustainable growth and industry-leading profitability.

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