

**Financial year 2007: Group EBIT  
of €8.7 billion (2006: €5.0 billion)**

Date:  
February 14, 2008

- **Net profit of €4.0 billion (2006: €3.8 billion)**
- **Earnings per share of €3.83 (2006: €3.66)**
- **Revenue of €99.4 billion at prior-year level (€99.2 billion)**
- **Dividend to rise to €2.00 per share (2006 €1.50)**
- **Share buyback will be continued, effective today**
- **Outlook: further significant improvement of EBIT from continuing operations expected**

Stuttgart - Daimler AG (stock abbreviation DAI) today presented its preliminary and unaudited figures for the Group and the divisions for the 2007 financial year.

Daimler achieved **EBIT** of €8,710 million in 2007 (2006: €4,992 million), surpassing the earnings target of at least €8.5 billion that had previously been announced for the year 2007.

There was a positive impact from the significantly higher EBIT from the Mercedes-Benz Cars division, which profited from the efficiency improvements it achieved and from the favorable development of unit sales. The Daimler Trucks division achieved earnings in excess of the high prior-year level despite the decrease in unit sales in the NAFTA region and Japan. Daimler Financial Services was unable to equal its

prior-year earnings, primarily due to the expense of setting up its own financial services organization in the NAFTA region following the separation from Chrysler Financial. The EBIT posted by Vans, Buses, Other was higher than in 2006 due to earnings improvements in the vans and buses units, but also due to special gains realized in connection with the transfer of interest in EADS. However, this segment's EBIT was negatively impacted by the Group's share of the results of EADS and Chrysler.

Moreover, EBIT was negatively impacted by unfavorable currency hedging conditions. Earnings in both years were impacted by **special items**, as shown in the table on pages 13 and 14. In the year 2007, earnings included gains on the transfer of shares in EADS as well as charges relating to the new management model and the 19.9% interest in Chrysler.

Despite charges totaling €2.2 billion related to the Chrysler transaction, **net profit** of €4.0 billion was higher than in the prior year (2006: €3.8 billion). Earnings per share reached €3.83, compared with €3.66 in 2006.

The Board of Management recommends to the Supervisory Board that for the year 2007, a **dividend** of €2.00 be distributed for each share entitled to a dividend (2006: €1.50). Related to the number of shares entitled to a dividend as of December 31, 2007, this constitutes a dividend distribution of €2,028 million (2006: €1,542 million). The proposed dividend takes into account both the development of operating result and cash flow in 2007 as well as the outlook for the following years.

The Group's **value added** increased by €0.8 billion to €1.4 billion in 2007, representing a return on net assets of 10.5% (2006: 8.3%). This

significantly exceeded the minimum required rate of return of 7%, i.e. value was created. All divisions contributed to this development.

Page 3

### **Unit sales and revenue**

Daimler sold a total of 2.1 million vehicles in 2007, thus surpassing the number sold in the 2006 by 1%. Group revenue of €99.4 billion equaled the prior-year level; adjusted for currency translation effects, the increase amounted to 3%.

### **Workforce**

As of December 31, 2007, Daimler employed a workforce of 272,382 people worldwide (2006: 274,024). Of that total, 166,679 were employed in Germany (2006: 166,592) and 24,053 in the United States (2006: 27,629). The number of apprentices and trainees at year-end was 9,300 (2006: 9,352). The size of the workforce decreased compared with the end of the prior year, due to the implementation of the new management model and other efficiency-enhancing programs.

### **Profit sharing**

For the year 2007, the Board of Management decided on a voluntary profit-sharing bonus of €3,750 per person for the approximately 131,000 eligible employees of Daimler AG, significantly exceeding the €2,000 paid out in the prior year. The 2007 bonus will be paid out in April 2008. With this high level of profit sharing, the Group is honoring the employees' major contribution to the achievement of operating profit as well as to the successful realignment of Daimler during the year under review.

## **Investment in safeguarding the future**

Page 4

Expenditure for research and development increased significantly to €4.1 billion in 2007 (2006: €3.7 billion). This figure includes expenditure to secure Daimler's leading position in safety standards and for the further development of alternative drive systems, fuel cell and battery technology.

At Mercedes-Benz Cars, research and development expenditure increased to €2.7 billion from €2.3 billion in 2006. Daimler Trucks spent €1.0 billion on research and development (2006: €1.0 billion).

A key area for Daimler's research and development activities in 2007 was once again the ongoing development of innovative drive technologies. In order to reduce CO<sub>2</sub> emissions even further and to be able to offer vehicles that are compatible with future requirements over the long term, the company is also working on alternative drive systems such as fuel cells, electric vehicles and lightweight construction methods. The vision of accident-free driving is another main area of research at the Daimler Group and has high strategic importance.

Daimler invested €2.9 billion in property, plant and equipment in 2007. This investment focused on new vehicle models that were already launched in 2007 or will be launched in the following years. Of the total capital expenditure on property, plant and equipment, €2.0 billion was invested in Germany.

## **Share buyback program**

In order to optimize its capital structure, the Group initiated a share buyback program in August 2007. In this context, it was announced

that up to €7.5 billion would be applied to buy back nearly 10% of the company's own shares. By the middle of December 2007, 50 million shares had been acquired for €3.5 billion. These shares were canceled by the end of the year. The share buyback program will be continued today.

The program is based on the retained earnings in the balance sheet of Daimler AG. In its 2007 financial statements, Daimler AG will report a net profit of €12.4 billion, of which a dividend pay-out of €2.0 billion is proposed. This means that the company will have sufficient retained earnings to carry out further share buybacks.

### **The divisions in detail**

**Mercedes-Benz Cars**, comprising the brands Mercedes-Benz, Maybach, smart, Mercedes AMG, and Mercedes-Benz McLaren, sold 1,293,200 vehicles in 2007, exceeding the record figure set in the prior year by 3%. The Mercedes-Benz brand increased unit sales in the year under review by 3% to 1,180,100 vehicles. The smart brand sold 103,100 vehicles, thus equaling the prior-year level (102,700).

The division posted revenue of €52.4 billion in 2007, which was 2% higher than the prior-year level.

Mercedes-Benz Cars improved its EBIT to €4.753 billion (2006: €1,783 million), and its return on sales of 9.1% significantly surpassed its original target of 7%. The cost efficiency of the Mercedes-Benz Cars division was further improved. The significant increase in earnings was also due to the positive development of unit sales. However, currency effects had a negative impact on EBIT in 2007.

The new C-Class was the most important new product launched by Mercedes-Benz in 2007. Mercedes-Benz unveiled the new C-Class station wagon at the Frankfurt International Motor Show (IAA) in September 2007, just a few months after the sedan's launch.

Demand was still very strong for the full-size premium cars of Mercedes-Benz also in the fifth year after market launch, especially for the sedan and the station wagon of the E-Class. The S-Class was also very successful: it defended its leading position as the top-selling luxury sedan in 2007.

In October 2007, Mercedes-Benz sold the 250,000th vehicle of the second generation of the M-Class since its market launch in April 2005.

The new smart fortwo has met with outstanding response from customers, also in the United States, where it was launched in January 2008.

Under the motto of "Fascination and Responsibility", Mercedes-Benz presented an array of new, particularly economical and low-emission vehicles at the Frankfurt Motor Show. Alongside its F 700 research vehicle with DIESOTTO and hybrid drive, the brand presented 19 future models on the "Road to the Future," including seven hybrids from five model series and the B-Class FCell equipped with zero-emission fuel-cell drive. This demonstrates the division's ambition to continue offering its customers superior, luxurious, safe and environmentally friendly automobiles.

**Daimler Trucks** sold 467,700 vehicles in 2007 (-9%). The decline was largely due to significantly lower market volumes in some of the division's key sales markets: the United States, Canada, and Japan.

Unit sales in Europe and Latin America increased significantly, however. Revenue of €28.5 billion (2006: €31.8 billion) was also down from the prior year as a result of the lower unit sales (-10%). Nonetheless, with EBIT of €2.1 billion, the division once again succeeded in surpassing its very high prior-year earnings by 15%. The return on sales rose from 5.8% to 7.5%.

The increase in earnings was primarily due to the efficiency improvements achieved in the context of the Global Excellence program, a more favorable model mix, and higher unit sales of trucks in Europe and Latin America.

Trucks Europe/Latin America increased its unit sales by 13% to the record level of 159,900 vehicles in 2007, benefitting in particular from strong demand for the Mercedes-Benz Actros. In anticipation of the new EPA07 emission limits, which took effect in the United States and Canada at the beginning of 2007, many customers brought forward their purchases to 2006, resulting in exceptionally good sales figures for that year. However, due to this development and a cyclical decline in the US market, the Trucks NAFTA unit sold 119,000 vehicles in 2007, as expected, this was a significant decrease compared to the prior year (2006: 187,400). Sales of 188,700 vehicles by Trucks Asia were slightly higher than the prior-year level due to the positive development of unit sales outside Japan.

Trucks equipped with the environmentally friendly BLUETEC technology continued to enjoy outstanding success in 2007. Well over 100,000 of these trucks have been put on the road since the technology was introduced in 2005.

In May 2007, Freightliner presented its new Cascadia Class 8 heavy-duty truck, which is designed primarily for long-distance haulage and

sets the benchmark in the NAFTA region. Built on an entirely new platform, the Cascadia is the top-performing, most efficient, and driver-friendliest semi truck on the US market. The Cascadia has benefited in many ways from Daimler Truck's worldwide development network. For example, it is the first truck that will be equipped with an engine from the new Heavy Duty Engine Platform and with systems from the new joint electrical/electronic platform.

Daimler Trucks further intensified its activities in emerging markets in the year under review: In December 2007, Daimler reached an understanding with the Indian Hero Group on the establishment of a joint venture; the first step is to be the local production of light, medium and heavy-duty commercial vehicles for the Indian volume market. Variants of current Daimler Trucks models will be produced that are tailored for the Indian market. And in response to the dynamic growth of the commercial vehicle market in Russia, the Group is now considering the development of its own production facilities there.

The development of **Daimler Financial Services** was generally stable in 2007. The financial year was affected by the separation of Chrysler's financial services business in North America, which had become necessary due to the transfer of a majority interest in Chrysler. Worldwide contract volume increased by 4% to €59.1 billion; adjusted for exchange-rate effects, the increase was 9%. At the end of the year 2007, the division's portfolio comprised 2.3 million leased and financed vehicles. New business of €27.6 billion was at the high level of the prior year; adjusted for exchange-rate effects, new business grew by 3%.

**Daimler Financial Services** posted EBIT of €630 million, which was lower than in 2006 (€807 million). The positive business development of Daimler Financial Services could not offset the expenses connected

with setting up a separate financial services organization in the NAFTA region following the transfer of a majority interest in Chrysler. Nonetheless, with a return on equity of 14.8% in 2007, the division achieved its previously announced target of more than 14%. Page 9

The **Vans, Buses, Other** segment primarily comprises the Mercedes-Benz Vans and Daimler Buses units, the Group's 19.9% equity interest in Chrysler Holding LLC, its holding in the European Aeronautic Defence and Space Company (EADS), which was 24.9% at year-end, and real-estate activities.

Primarily due to stronger demand for vans and buses, the revenue generated by the Vans, Buses, Other segment increased by 7% to €14.1 billion.

The EBIT of the Vans, Buses, Other segment amounted to €1,956 million in 2007 (2006: €1,327 million). The Mercedes-Benz Vans and Daimler Buses units profited from the good development of unit sales and both achieved higher earnings. The segment's EBIT was also boosted by special gains realized in connection with the transfer of interest in EADS (2007: €1,573 million, 2006: €519 million). In the fourth quarter, however, prorated charges of €235 million were recognized in connection with the A400M project (continuing operations, therefore not included in the tables on pages 13 and 14).

Like Daimler's stake in EADS, as of August 4, 2007, its interest in Chrysler Holding LLC is also accounted for in the Vans, Buses, Other segment using the equity method with a time lag of three months. In the year 2007, this resulted in a negative contribution to earnings of €377 million, including expenses of €322 million relating to additional restructuring measures and expenses due to the new agreement reached with the UAW in the fall of 2007, which were recognized without a time lag.

In accordance with IFRS, further expenses due to the new agreement reached between Chrysler and the UAW in the fall of 2007 had to be recognized immediately at their present value. On the other hand, the same agreement also results in significantly lower future healthcare costs.

**Mercedes-Benz Vans** set a new record by selling 289,100 vehicles worldwide in 2007 (2006: 256,900). Nearly all markets and product lines contributed to this strong performance. Worldwide sales of the Sprinter van totaled 184,300 units (2006: 157,200).

**Daimler Buses** sold 39,000 complete vehicles and chassis worldwide in 2007, thus surpassing the prior year's high figure by 8% and successfully defending its leading position in all core markets.

Although Airbus, Eurocopter, and EADS Astrium all made positive contributions to the business development of **EADS**, the year under review was also negatively impacted by delays in the A380 and A400M programs, as well as by the weakness of the US dollar. Daimler's share of the result of EADS amounted to a profit of €13 million (2006: loss of €193 million).

## **Outlook**

The North American market for cars and light trucks is likely to continue suffering from the impact of falling house prices. In Western Europe, the market for passenger cars is likely to remain flat, with total sales of approximately 14.8 million units. Therefore, global growth in 2008 is once again expected to be primarily driven by the high growth rates of the major emerging markets, especially China, India and Russia.

Worldwide markets for commercial vehicles are likely to continue expanding in 2008. In North America, Daimler Trucks expects a recovery of demand for medium and heavy-duty Class 5 to 8 trucks in the second half of the year. A volume similar to the prior-year is expected for the Japanese market for commercial vehicles. In Western Europe, the robust development of the market for medium and heavy-duty trucks seems likely to continue, so demand should be similar to the very high prior-year level.

Daimler anticipates a moderate increase in **revenue** in 2007. From today's perspective, all operations should contribute to this growth. The regional focus of expansion is likely to be mainly in the growth markets of Asia and Eastern Europe.

**Mercedes-Benz Cars** expects to further increase its unit sales in 2008, thus surpassing the record level of the prior year. After posting lower unit sales in 2007 for market-cycle reasons, the **Daimler Trucks** division expects to increase its unit sales once again in 2008. An ongoing rise in unit sales is anticipated for the **Mercedes-Benz Vans** unit in 2008 and 2009. The **Daimler Buses** unit expects to maintain its unit sales in the coming years at levels similar to the high level it achieved in 2007. The **Daimler Financial Services** division anticipates further growth in its worldwide contract volume in 2008.

On the basis of the divisions' planning, the **Daimler Group** expects total unit sales to increase significantly in the year 2008. Further growth is also anticipated in 2009.

**Mercedes-Benz Cars** expects to achieve a renewed increase in EBIT in 2008. As previously announced, the division has the goal of increasing its return on sales to an average of 10% by 2010 at the latest.

Further efficiency improvements in connection with the expected growth in unit sales should result in a renewed increase in earnings for **Daimler Trucks** this year. As of the year 2010, the division intends to achieve an average return on sales of 8% throughout its business cycle; until recently the target was to exceed 7%.

The profitability of the **Mercedes-Benz Vans** unit should continue improving in the coming years. Taking into consideration further productivity and efficiency advances, **Daimler Buses** expects to achieve a high earnings level also in the future.

**Daimler Financial Services** is confident that it will be able to achieve a return on equity of at least 14% in 2008, despite the expenses connected with developing its own financial services organization in North America following the transfer of a majority interest in Chrysler.

On the basis of the divisions' projections, **Daimler** expects to post EBIT from continuing operations of well above the prior-year level in 2008. In the year 2007, earnings included positive contributions in particular from the disposal of shares in EADS and negative contributions related to Chrysler and the new management model (see table on pages 13 and 14).

In the automotive business, the Group aims to achieve an average **return on sales** of 9% throughout the market and product cycles.

A fundamental condition for the targeted increase in earnings is a generally stable economic and political environment, as well as the anticipated moderate rise in the worldwide demand for cars and commercial vehicles. Opportunities and risks may arise from the development of currency exchange rates and raw-material prices.

The Annual Report 2007 will be published on the Internet on February 27 and will be available in printed form as of the beginning of March.

In both 2007 and 2006, the development of earnings was affected by **special items**, which are shown in detail in the following tables: Page 13

Amounts in millions of €	<b>2007</b>	<b>2006</b>
<b>Mercedes-Benz Cars</b>		
Financial support for suppliers	-82	-
Discontinuation of smart forfour	-	-946
Headcount reductions in the context of CORE	-	-286
Expenses relating to new early retirement contracts	-	-216

Amounts in millions of €	<b>2007</b>	<b>2006</b>
<b>Daimler Trucks</b>		
Adjustment of pension plans / healthcare obligations	86	-161
Disposal of real-estate properties in Japan	78	-
Expenses relating to new early retirement contracts	-	-134
Disposal of the off-highway business	-	13

Amounts in millions of €	2007	2006
<b>Vans, Buses, Other</b>		
Gain / expense relating to the transfer of shares in EADS	1.573	519
Restructuring program at EADS	-114	-
Expenses relating to restructuring and UAW contract at Chrysler	-322	-
Disposal of real-estate properties	73	271
Disposal of off-highway business	-	253
Expenses relating to new early retirement contracts	-	-29

Amounts in millions of €	2007	2006
<b>Reconciliation / elimination</b>		
New Management Model	-256	-349

**The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.**

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; changes in currency exchange rates and interest rates; the introduction of competing products and the possible lack of acceptance of our products or services which may limit our ability to 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 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 originally 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.

Further information is available at [www.daimler.com/investors](http://www.daimler.com/investors)

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

Dr. Michael Mühlbayer  
Tel. +49/711-17-21519  
Fax +49/711-17-34864  
[Michael.Muehlbayer@daimler.com](mailto:Michael.Muehlbayer@daimler.com)

Friedrich Lauer  
Tel. +49/711-17-20538  
Fax +49/711-17-34270  
[Friedrich.Lauer@daimler.com](mailto:Friedrich.Lauer@daimler.com)

Lutz Deus  
Tel. +49/711-17-21421  
Fax +49/711-17-34275  
[Lutz.Deus@daimler.com](mailto:Lutz.Deus@daimler.com)

Bjoern Scheib  
Tel. +49/711-17-21475  
Fax +49/711-17-34275  
[Bjoern.Scheib@daimler.com](mailto:Bjoern.Scheib@daimler.com)

## Daimler – Figures for 2007

<b>Daimler Group</b>	<b>2007</b>	<b>2006</b>
Revenues, in millions of €	99,399	99,222
EBIT, in millions of €	8,710	4,992
Net profit, in millions of €	3,985	3,783
Earnings Per Share (EPS), in €	3.83	3.66
Dividend proposed, in €	2.00	1.50
Value Added, in millions of €	1,380	631
Employees (at year-end)	272,382	274,024

<b>EBIT by divisions</b>	<b>2007</b>	<b>2006</b>
in millions	€ (Euro)	€ (Euro)
Mercedes-Benz Cars	4,753	1,783
Daimler Trucks	2,121	1,851
Daimler Financial Services	630	807
Vans, Buses, Other	1,956	1,327

<b>Revenue by divisions</b>	<b>2007</b>	<b>2006</b>
in millions	€ (Euro)	€ (Euro)
Mercedes-Benz Cars	52,430	51,410
Daimler Trucks	28,466	31,789
Daimler Financial Services	8,711	8,106
Vans, Buses, Other	14,123	13,151

<b>Unit sales by divisions and operating units</b>	<b>2007</b>	<b>2006</b>
Daimler Group <sup>1)</sup>	2,089,000	2,072,900
Mercedes-Benz Cars	1,293,200	1,251,800
Daimler Trucks	467,700	516,100
Vans	289,100	256,900
Buses	39,000	36,200

1) Since Q1/2007 Mitsubishi L200 Pickup and Mitsubishi Pajero vehicles manufactured in South Africa are included at Mercedes-Benz Cars; for prior periods, these vehicles were included only at Group level.

**These figures are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.**

## Daimler – Figures for the 4<sup>th</sup> Quarter 2007

<b>Daimler Group</b>	<b>Q4/2007</b>	<b>Q4/2006</b>
Revenues, in millions of €	26,504	27,024
EBIT, in millions of €	1,393	550
Net profit (loss), in millions of €	1,697	(12)
Earnings Per Share (EPS), in €	1.71	0.01
Employees (at year-end)	272,382	274,024

<b>EBIT by divisions</b>	<b>Q4/2007</b>	<b>Q4/2006</b>
in millions	€ (Euro)	€ (Euro)
Mercedes-Benz Cars	1,426	978
Daimler Trucks	512	279
Daimler Financial Services	109	147
Vans, Buses, Other	(492)	(501)

<b>Revenue by divisions</b>	<b>Q4/2007</b>	<b>Q4/2006</b>
in millions	€ (Euro)	€ (Euro)
Mercedes-Benz Cars	13,725	14,395
Daimler Trucks	7,239	7,961
Daimler Financial Services	2,251	2,089
Vans, Buses, Other	4,308	3,598

<b>Unit sales by divisions and operating units</b>	<b>Q4/2007</b>	<b>Q4/2006</b>
Daimler Group <sup>1)</sup>	575,400	556,500
Mercedes-Benz Cars	364,600	337,400
Daimler Trucks	118,700	134,300
Vans	81,000	72,800
Buses	11,000	9,400

<sup>1)</sup> Since Q1/2007 Mitsubishi L200 Pickup and Mitsubishi Pajero vehicles manufactured in South Africa are included at Mercedes-Benz Cars; for prior periods, these vehicles were included only at Group level.

**These figures are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.**