

Daimler CEO Zetsche before Annual Meeting: “We have a clear strategy for sustainable profitable growth”

**Investor Relations
Release**

Date:
April 9, 2008

- **Sustainable mobility through technical innovation**
- **Daimler is well prepared for the current economic challenges;
mid-term profitability targets affirmed**
- **Shareholders decide on increase in dividend by one third to
€2.00 per share (2006: €1.50)**

Berlin – Daimler AG expects approximately 6,600 shareholders to attend today’s first Annual Meeting under the new name of Daimler in Berlin.

Six months after the start of Daimler, Chairman of the Board of Management (CEO) and head of Mercedes-Benz Cars Dr. Dieter Zetsche sums up positively (according to the text of the speech): “All of our business operations are developing well – our key figures are significantly better than they have been in recent years.” Addressing the shareholders, Zetsche says, “Your company has made substantial progress over the past two years. Old virtues have given us new strength.” Looking into the future, the Chairman of the Board of Management says, “We have a clear strategy for sustainable profitable growth.”

Sustainable mobility and accident-free driving are the most important focuses of Daimler’s research and development work. “We invented the automobile – and we are passionately shaping its future,” Zetsche says. The world is embarking on a second “automotive century,” in which the number of automobiles in the world is growing five times as

fast as its population. In the long term, this increase will only be ecologically acceptable if passenger cars and commercial vehicles become cleaner. Zetsche: “Customers expect us to provide solutions – and we are willing to accept a pioneering role when it comes to clean and safe automobiles.” Daimler has the required innovative power and the financial means to meet this challenge.

In 2007, Daimler invested €4.1 billion in research and development and €1.8 billion in environmental protection. In the coming years, the company will increase these budgets even further, investing almost €14 billion in research and development in the period up to 2010.

These efforts are all the more important for the CEO of Daimler AG because so far no single technology has emerged as being clearly superior to all the others: “There is no clear route to the mobility of tomorrow.”

Daimler’s “road map for sustainable mobility” consists of three pillars: the ongoing optimization of vehicles with innovative combustion engines; the additional improvement of efficiency through hybridization – i.e. the combination of a combustion engine with an electric motor; and zero-emission driving with fuel cells and battery-driven systems.

Moreover, the company is also actively involved in the search for future energy sources, namely clean fuels for combustion engines as well as new energy sources for zero-emission driving, if possible from regenerative production.

Zetsche emphasizes that Daimler will not start building only small cars: “Our route to sustainable mobility is based on technological innovations, not renunciation.” The company has the concrete goal of

offering at least one model in each of the Mercedes-Benz core model series that is a leader in terms of consumption and emissions. In addition zero-emission driving, Daimler is also pursuing the goal of accident-free driving.

Page 3

Daimler presented its figures for 2007 in February, reporting total revenue of €99.4 billion. EBIT of €8.7 billion was significantly higher than the prior-year result and also above the EBIT target that Daimler had set itself of at least €8.5 billion. Value added doubled to €1.4 billion, which corresponds to a return on net assets of 10.5%. The Group's minimum required rate of return of 7% was thus significantly surpassed. Dieter Zetsche: "We are creating value."

On this basis, Daimler is striving to achieve sustainable growth and profitability on the level of the best in the industry.

According to the text of his speech, Zetsche essentially confirms the outlook for 2008 and the coming years that was presented at the Annual Press Conference: "Currently, the economic climate suggests that things will get tougher rather than easier." Key factors are the credit crisis in the United States, the ongoing weakening of the dollar against the euro, the development of the raw material markets, and the low level of confidence in the US economy with possible effects around the world.

In Daimler's view, the automotive markets will not remain unaffected by these developments. For example, the demand for passenger vehicles in the United States is likely to be much lower this year than in 2007; in Western Europe, it is expected to remain flat. Growth in the industry will therefore continue to be driven by the emerging markets, whose growth is so dynamic that it will more than offset the triad's

weakness. Overall, Daimler assumes that the global market for passenger cars will grow by approximately 2% in 2008.

Page 4

With regard to commercial vehicle markets, Europe is expected to maintain last year's high sales level. In North America, Daimler does not anticipate a recovery before the second half of the year.

Concerning economic risks, Zetsche states, "Daimler has secured approximately 80% of its business volume against exchange-rate risks for 2008. And we have already hedged more than 40% of that risk for 2009. In addition, we aren't involved in the subprime lending business. Thanks to our high level of gross liquidity, we currently don't need to raise capital on the market."

The economic slowdown is expected primarily to affect the volume segment for passenger vehicles. The premium segment – in which Mercedes-Benz Cars is active – is generally more stable, especially in the United States. Dieter Zetsche: "So we're well equipped to successfully handle the current macroeconomic challenges." The Board of Management Chairman also reaffirms the Group's mid-term profitability targets that were announced in February.

Overall, Daimler aims to achieve an average return on sales in its automotive business of 9% across all market and product cycles beginning in 2010. Mercedes-Benz Cars aims to achieve an average return on sales of 10% beginning in 2010. For Daimler Trucks, the company aims to post an average return on sales of 8% beginning in 2010 over the cycle. Daimler Financial Services' global contract volume is expected to continue expanding. In that business, the Group aims to achieve a return on equity of at least 14% in 2008 and beyond.

Zetsche once again affirms the outlook for business developments in 2008 as announced at the Annual Press Conference in February. At the Group level, Daimler expects unit sales to increase further in 2008, while EBIT from the operating business is expected to be significantly higher than in 2007. EBIT for 2006 included several one-time effects such as a substantial gain on the transfer of EADS shares, but also charges related to Chrysler and the implementation of the new management model.

The figures presented for 2007 also had a positive impact on the assessments of the credit rating agencies. Zetsche says: "Our long-term credit rating has also developed positively. And that's yet another indicator of our improved risk profile, our increased profitability, and our solid financial structure."

The Board of Management and the Supervisory Board recommend to today's Annual Meeting that a dividend of €2.00 per share be distributed to the shareholders: "Of course, you, our shareholders, should benefit in particular from all these successes. That's why we would like to increase the dividend by a third."

On March 28, 2008, Daimler concluded the share buyback program that it started in 2007. Dr. Zetsche: "At our Annual Meeting last year, you authorized us to acquire almost 10% of the outstanding shares. We have taken advantage of this opportunity." At today's Annual Meeting, the company therefore requests authorization for further share buybacks. Dieter Zetsche: "In this way, we are further demonstrating our confidence in your company's future prospects."

However, the further steps to be taken for the optimization of the capital structure will depend on the development of Daimler's cash flows and net liquidity, as well as developments in the capital markets.

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 Investor Relations information on Daimler is available on the Internet via www.daimler.com/investors and on handhelds via <http://mobile.daimler.com>.

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

Friedrich Lauer
Tel. +49/711-17-20538
Fax +49/711-17-34270
Friedrich.Lauer@daimler.com

Lutz Deus
Tel. +49/711-17-21421
Fax +49/711-17-34275
Lutz.Deus@daimler.com

Bjoern Scheib
Tel. +49/711-17-21475
Fax +49/711-17-34275
Bjoern.Scheib@daimler.com