

# Daimler Buses.

Numerous new products and the systematic continuation of the “GLOBE 2013” growth and efficiency program contributed to the turnaround at Daimler Buses. Higher unit sales and further efficiency progress led to a significant earnings improvement in financial year 2013. The division thus confirmed its leadership in the core markets of Western Europe and Latin America. During the year under review, the division focused on converting the entire European product range to Euro VI-compliant exhaust-gas technology. Daimler Buses set new standards in the luxury coach segment with the presentation of the new Setra TopClass 500.

## D.07

### Daimler Buses

	2013	2012	13/12 % change
Amounts in millions of euros			
EBIT	124	-221	.
Revenue	4,105	3,929	+4
Return on sales (in %)	3.0	-5.6	.
Investment in property, plant and equipment	76	82	-7
Research and development expenditure thereof capitalized	181 3	222 23	-18 -87
Production	34,467	31,384	+10
Sales	33,705	32,088	+5
Employees (December 31)	16,603	16,901	-2

**Earnings significantly above prior-year level.** Worldwide, Daimler Buses sold 33,700 buses and bus chassis in 2013 (2012: 32,100). With this growth of 5%, the division confirmed its leading position in its core markets for buses with a gross vehicle weight of over eight tons. ↗ **D.07** Growth impetus was provided above all by our core markets Western Europe and Latin America. Revenue improved by 4% to €4.1 billion. EBIT of plus €124 million was significantly better than in the previous year (2012: minus €221 million). In 2012, expenses of €155 million were incurred for the reorganization of the North American and European business systems. Those measures and other measures taken in Latin America adversely affected EBIT by €39 million in 2013.

**Positive impact of the “GLOBE 2013” growth and efficiency program.** In 2012, we launched the “GLOBE 2013” growth and efficiency campaign in order to utilize additional growth potential and to strengthen the division’s competitiveness, especially in Europe. Daimler Buses successfully completed this program by the end of 2013 and implemented the related measures. They include the systematic further development of our European production network, the reduction of variable costs and the optimization of fixed costs. Some of the measures will take effect in 2014. Growth in our core markets and in new markets was supported by a new-customer offensive and a new system of market management. Measures taken in the after-sales business also contributed to growth.

## D.08

### Unit sales by Daimler Buses

	2013	2012	13/12 % change
Total	33,705	32,088	+5
Western Europe	6,714	5,851	+15
thereof Germany	2,440	2,039	+20
Mexico	2,959	3,477	-15
Latin America (excluding Mexico)	19,118	17,800	+7
Asia	1,704	1,886	-10
Other markets	3,210	3,074	+4



Upper picture: Luxury and economy for a state-of-the art travel experience – the Setra TopClass 500 sets new standards in the premium class.  
Lower picture: The success of the Mercedes-Benz Tourismo is based on its clear focus as an extremely economical and safe coach.

### **Successful business developments in all core regions.**

In Western Europe, the Daimler Buses brands Mercedes-Benz and Setra offer not only a complete range of city buses, inter-city buses and coaches, but also bus chassis. Sales in this region grew by 15% to 6,700 units due to growth in the business with complete buses. ↗ **D.08** Daimler Buses further enhanced its leading position in Western Europe and attained market share of 30.9% in 2013 (2012: 28.3%). The very high demand for our Mercedes-Benz buses, in particular for the new Citaro city bus, had a very positive effect on our unit sales in Germany, with growth of 20% to 2,400 units. Our market share here was 51.2% (2012: 48.9%). In Turkey, we posted sales of 1,200 units (2012: 1,100 units), although the market there has become more competitive. In Latin America (excluding Mexico), the market recovered significantly following the introduction of the stricter Euro V exhaust-gas standards in 2012. Sales of Mercedes-Benz bus chassis rose by 7% to 19,100 units. However, demand in Brazil did not meet expectations due to uncertainty in the market related to the political conditions there. With a market share of 41.6% (2012: 42.7%), we retained our leading position in the Latin American market. Sales of 3,000 units in Mexico were lower than in the previous year. After the reorganization of the North American business system and the end of production of Orion buses in 2012, unit sales in the United States fell, as expected.

### **Market launch of buses and coaches compliant with Euro VI.**

In 2013, with a total of six premieres ranging from the Sprinter minibus to the super-high-decker, Daimler Buses completed its line-up of buses and coaches in Europe with vehicles featuring Euro VI-compliant exhaust-gas technology. The Mercedes-Benz Citaro, the most successful city bus of all time, was presented with Euro VI engines already in late 2012. Daimler Buses uses BlueTec 6 technology for exhaust-gas purification in all model series and engines from Mercedes-Benz and Setra. The new engines comply with the strict limits of the Euro VI standard and in some cases the emission levels are significantly below those limits. Emissions of particulates and nitrogen oxides have been reduced to a level that is almost undetectable. In 2013, Mercedes-Benz launched the Travego coach, the Turismo K compact midibus, the Intouro in new lengths, the Citaro LE and the Sprinter Travel. The Setra brand also launched new vehicles, including the Setra TopClass 500 and the S 431 DT double-decker bus of the TopClass 400 series. The new bus generation sets standards in terms of comfort and economy.

**The new Setra TopClass 500 sets new standards in the luxury travel segment.** The dynamic and elegant new coaches of the Setra TopClass 500 series celebrated their world premiere at the “Busworld Kortrijk” bus show. They represent a new travel experience that combines luxury and economy at the highest level. The superior long-distance coaches emphasize the aspects of design, quality and safety, which they combine with the outstanding economical features of the newly launched Setra ComfortClass 500.

**Setra ComfortClass 500 is Coach of the Year 2014.** Barely one year after its world premiere, the new Setra ComfortClass 500 was named “Coach of the Year 2014.” The international “Bus and Coach of the Year” jury of experts awarded the prestigious prize to the S 515 HD after extensive testing. The jury was particularly impressed by the economical overall concept of this generation of Setra coaches, which feature environmentally friendly Euro VI-compliant engines and consume 8.2% less fuel than the preceding model.

The Mercedes-Benz Citaro, which is the first regular-service bus with Euro VI-compliant drive technology, received an award from the “Kraftfahrer-Schutz” automobile club for its environmentally friendly technology.

**Major international contracts.** The Wiener Linien public transport company in Vienna has ordered 217 Mercedes-Benz Citaro buses as part of its fleet modernization program. In another positive development, we won a contract from Österreichische Bundesbahnen (Austrian State Railways) for the delivery of 390 units between 2013 and 2017. In South Africa, Daimler Buses won a Bus Rapid Transit (BRT) contract involving the delivery of 134 Mercedes-Benz Euro V chassis for the Johannesburg metropolitan transport network, which covers around 120 kilometers. In Brazil, following an invitation to tender from the city of Brasilia, we received large orders from four transport companies to renew the bus fleet of the public transport system. The total order comprises 2,100 Mercedes-Benz bus chassis. In addition, 500 bus chassis will go to the operators of the BRT systems in Belo Horizonte.

**Reorganization of used vehicle activities under the new BusStore brand.** As part of the reorganization that saw the introduction of the BusStore brand, Daimler Buses created a Europe-wide network specifically for the marketing of used buses and coaches. With this network, Daimler Buses is strengthening its used-bus business. From now on, the division will offer its customers a large selection of used vehicles from Mercedes-Benz and Setra – as well as all from other common brands – under one roof.

**Reorganization of bus business in India.** Daimler Buses has successfully integrated its bus business in India into Daimler India Commercial Vehicles (DICV). In addition, a cooperation agreement was signed with the British bus body manufacturer Wrightbus in 2013. On behalf of Daimler Buses, Wrightbus will fit the locally produced chassis with vehicle bodies.