

Speeches by

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and

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Finance & Controlling and Daimler Financial Services**

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Dr. Dieter Zetsche

**Chairman of the Board of Management
of Daimler AG
and Head of Mercedes-Benz Cars**

Welcoming remarks

Good morning, ladies and gentlemen.

We are publishing our financial results for 2016 today. I can tell you straight away that Daimler has set new records for unit sales, revenue and earnings. But what is just as important is that in the best year in our company's history so far, we also initiated the biggest-ever transformation at Daimler. Those who wish to shape the future of the automobile at the forefront of the automotive industry need both financial strength and innovative skill. In 2016, we demonstrated that the combination of these two factors at Daimler is stronger now than ever before.

Let me now briefly turn to the highlights of the past financial year.

Review

Back in 2011, we set ourselves the goal of making Mercedes-Benz the leading premium manufacturer also in terms of unit sales by 2020. We achieved this goal early – last year, in fact. Mercedes now stands at the top of the premium segment. Our dynamic sales development is largely the result of the strength and appeal of our products, including several new models that we launched in 2016. They include the new E-Class, the GLC Coupé, and a whole range of exciting dream cars – from the SL and the SLC to the C-Class and S-Class convertibles. The Mercedes-Benz Cars division sold 2.2 million vehicles in 2016 – ten percent more than in the previous year.

smart also played a role in this positive development. Sales increased by 19 percent in 2016 to the new record of 144,400 units. smart was especially popular in China, where sales rose by 70 percent in comparison with the previous year. smart has supplied cars with electric drive for ten years – but now we've introduced electric versions of every model in the smart portfolio.

Our Mercedes-AMG sports car brand is also a major sales driver. AMG sold approximately 100,000 cars in 2016, an increase of 44 percent. This impressive growth is the result of an ongoing model offensive: More than ten models were added to the AMG portfolio in 2016. AMG is also celebrating an important anniversary this year: The brand has been offering its customers the excitement and fascination of motorsports for 50 years now. Our engineers have come up with the perfect birthday gift for AMG: a street-legal hypercar that we will present this year, equipped with hybrid drive from our Formula 1 racecars. It also offers a preview of things to come at AMG. Our customers are passionate about performance – and we will define performance in the era of electric drive.

Daimler Trucks faced several difficulties in 2016. Nonetheless, we were able to maintain our leading position in key markets. Daimler Trucks remains the world's biggest manufacturer of

trucks of over six tons gross vehicle weight. Unit sales at Daimler Trucks decreased by 17 percent in 2016, however. Whereas developments were positive in Europe, sales in Latin America once again fell significantly, mainly due to the recession in Brazil. The situation was varied in Asia. Sales were up slightly in Japan but decreased in India. Sales fell also in Indonesia, where the market contracted sharply once again. Sales in the NAFTA region were significantly lower than the exceptionally high level recorded in the previous year. Nonetheless, with a market share of 39 percent, we are the leader by a large margin for Class 6 to 8 trucks in the NAFTA region. The Freightliner Cascadia is the best-selling truck in the heavy-duty Class 8 segment in the United States. More than 400,000 Cascadia trucks have been sold since the model was first launched in 2007. We presented the new Cascadia in September. Daimler invested approximately 300 million US dollars in this new truck, which is a product of the outstanding work done by 800 engineers. As a result, the Cascadia once again sets the standards for connectivity, efficiency and safety. Daimler Trucks presented many other examples of its technology leadership at the IAA Commercial Vehicles trade fair in Hanover last fall, but I'll talk more about that later.

Mercedes-Benz Vans continued to be successful and also posted record unit sales in 2016. The 12 percent sales increase at the division was driven primarily by the V-Class and the Vito. Both of them are now also available in China. Our Sprinter remains extremely popular – especially in North America. That's why we're building a new production plant in South Carolina. We are investing 500 million US dollars in this facility, which will create up to 1,300 new jobs. In 2017, we will expand the Mercedes-Benz Vans portfolio to include the first pickup ever built by a premium manufacturer. The X-Class, as the new model will be known, will be launched towards the end of this year.

Business development at Daimler Buses in 2016 was once again impacted by the difficult economic situation in Latin America, which led to a seven-percent decline in sales of our buses and chassis worldwide. However, we were still able to maintain our undisputed leadership in our traditional core markets, and actually extended our lead in Europe and Brazil.

Daimler Financial Services enjoyed another record year in 2016. Worldwide, we concluded about 1.6 million new financing and leasing contracts last year. The number of vehicle on the division's books passed four million for the first time ever, and the value of all vehicles financed or leased worldwide grew to nearly 133 billion euros, an increase of 14 percent. The acquisition of the leasing specialist Athlon contributed to the increase in contract volume at Daimler Financial Services. This strategic investment has made us a key player in the European fleet sector.

Let me now turn to our results for the year 2016. I'd like to begin with the key financials. Later on, Bodo Uebber will present the development of the individual divisions and further details of the Group's figures.

Group revenue increased by 3 percent to €153.3 billion. The Group's EBIT was €12.9 billion; adjusted for special items, EBIT amounted to €14.2 billion. The company's net profit totaled €8.8 billion. At the 2017 Annual Shareholders' Meeting, the Board of Management and the Supervisory Board will recommend the payment of a dividend of 3 euros and 25 cents per share. All of our achievements last year were made possible by our 282,000 employees, and that's why I would like to sincerely thank each and every one of them for their untiring dedication and outstanding work in 2016! This April, the eligible employees of Daimler AG will receive a profit-sharing payout of €5,400. And now, please allow me to hand you over to Bodo Uebber.

Bodo Uebber
Member of the Board of Management
of Daimler AG for
Finance & Controlling and Daimler Financial Services

Thank you, Dieter!

Mercedes-Benz Cars

Ladies and gentlemen, now that Dieter Zetsche has given you an overview of the Group's development, I'll go straight into the details of the individual divisions. I would just like to say that the financial figures are preliminary and not yet audited, as usual at this time of the year.

Mercedes-Benz Cars continued along its path of highly profitable growth in 2016: Unit sales increased by 10% to the new record of 2.2 million vehicles and revenue rose by 7% to 89.3 billion euros.

EBIT adjusted for special items also increased – to 8.9 billion euros or 7% more than in the previous year – despite high advance expenditure for our product offensive. So we once again achieved our target for return on sales of 10%.

The main reason for the positive business development was the success of our new products. The SUVs were especially popular: Our unit sales in the SUV segment increased by 31% to 712,000 vehicles. We sold more than 250,000 units of the new GLC alone. The SUV segment meanwhile accounts for about a third of our total unit sales.

The models of the A-/B-Class and the C-Class continued to be very successful. In the year of the model change, we sold almost as many units of the E-Class as in the previous year. The new model has been extremely well received by customers and provided strong sales impetus as of the third quarter.

Our flagship, the S-Class, continued to perform very well: With 84,000 units sold, it was once again the world's bestselling luxury sedan also in 2016. We sold 144,000 units of the smart fortwo and smart forfour last year, significantly more than ever before.

We gained market share in almost all regions. Mercedes-Benz not only grew faster than the worldwide car market, it also delivered more cars in the premium segment than any other manufacturer. We are the number one in the premium segment in Germany and some other key European markets, as well as in the United States, Canada and Japan.

In Europe, we increased our unit sales by 12%. We also significantly improved our position in China. Our unit sales there grew by 22% to 488,000 vehicles, 65% of which were from local production. Overall, we had a very balanced distribution of unit sales across the regions.

The high level of unit sales by Mercedes-Benz Cars was the crucial factor for the increased earnings of our car division and for the repeated achievement of the 10% return on sales. Other factors with a positive impact on earnings were better pricing and efficiency actions.

We substantially increased our advance expenditure for new technologies and vehicles once again last year. More and more priority is being placed on future issues such as increasing connectivity, autonomous driving and electrification, which we summarize under the acronym CASE.

On the foreign-exchange side, positive effects from the development of the US dollar and the renminbi were largely offset by opposing effects from the development of currencies of emerging markets.

Daimler Trucks

Daimler Trucks sold 415,000 vehicles last year, which is substantially fewer than in 2015. The development of business was affected by significant market contraction in many regions. We were once again the market leader last year in Europe, the NAFTA region and Indonesia, and for the first time again in Brazil.

The division's revenue decreased – also for general market reasons – by 12% to 33.2 billion euros. EBIT adjusted for special items fell from 2.7 to 2.1 billion euros. Return on sales in 2016 was 6.2%. So in view of the generally very difficult environment, Daimler Trucks achieved a good level of earnings.

There was positive market impetus in Europe, although with declining dynamism in the second half of the year. Our sales in this region increased by 4% to 80,000 trucks. Outside Europe, conditions in the truck markets were very challenging last year.

In Turkey, our unit sales fell by more than half. This was due on the one hand to purchases being brought forward to 2015 because of the introduction of the Euro VI emissions standard in 2016, and on the other hand to the generally difficult situation in the country.

In the NAFTA region, we were not immune to the trend of sharply contracting demand for heavy-duty trucks. Daimler Trucks' unit sales of 146,000 vehicles were 24% below the high prior-year number. We reacted to the market changes already in the first half of the year by reducing production capacities in our North American plants.

In Latin America, the situation remained difficult due to the ongoing deep recession in Brazil. Our unit sales in the region fell to 27,000 vehicles. In view of the ongoing market contraction, we took steps to reduce production capacities also in Brazil.

We had a varied situation of unit sales in Asia: While we achieved growth in Japan, our unit sales decreased in the Indonesian market, which once again contracted sharply, as well as in India and the Middle East.

As a result of decreasing unit sales due to generally weak demand in some key markets, Daimler Trucks was not able to match its high earnings of the previous year, but performed well nonetheless. EBIT adjusted for special items decreased by a quarter to 2.1 billion euros. The lower unit sales resulting from the weak condition of major markets and intense competition in Europe reduced EBIT by approximately 1.6 billion euros.

However, there were positive contributions to earnings from further efficiency improvements, the development of material costs and exchange-rate effects. We systematically continued the efficiency-enhancing activities that have been running in the Truck division since 2012. In order to further strengthen our competitiveness, we are continually optimizing our fixed

costs. We aim to bring Daimler Trucks to the targeted level of profitability on a sustained basis.

We expect that measures to optimize fixed costs will result in expenses in the magnitude of up to 500 million euros, mainly in the second half of 2017. This will be partially offset by income of about 250 million euros in the first quarter of 2017 that we expect from the sale of real estate at our site in Kawasaki, Japan.

Mercedes-Benz Vans

The year 2016 was extremely successful for Mercedes-Benz Vans. The division achieved a new record for unit sales and best-ever EBIT.

Unit sales grew by 12% to 359,000 vehicles. Growth was particularly strong in the midsize segment with the Vito and the V-Class. Our total sales of 141,000 units in this segment were actually 34% higher than in the previous year. Our V-Class, which targets the segment of private customers, is extremely successful. This multipurpose vehicle has been available also as an AMG Line version since 2016.

Sales of our Sprinter remained at the record level of the previous year. And 2016 was the most successful year yet for the Citan urban delivery van. On the basis of this sales success, revenue rose by 12% to 12.8 billion euros.

Mercedes-Benz Vans increased its EBIT adjusted for special items from 952 million to 1.3 billion euros. So the division achieved excellent earnings. Return on sales rose significantly to 10.1% and was thus for the first time in double digits – and well over the targeted return of 9%.

Earnings reflected the very positive development of unit sales, especially in Europe, the NAFTA region and China, as well as further efficiency improvements. We invested substantially in new technologies and products also at the van division.

Daimler Buses

Daimler Buses sold 26,200 buses and bus chassis worldwide in 2016. The decrease of 7% was primarily due to the ongoing difficult economic situation in Brazil.

Nonetheless, the division was able to defend its clear market leadership in its traditional core markets of Europe, Brazil, Turkey, Argentina and Mexico. In Europe, significant growth in our complete-bus business led to a 3% increase in unit sales.

Although Daimler Buses' revenue of 4.2 billion euros was only slightly above the prior-year level, EBIT adjusted for special items increased significantly. Operating profit reached 258 million euros, compared with 202 million in the previous year. This resulted in a return on sales of 6.2%, which is also above the targeted level.

Lower unit sales in Brazil and Turkey naturally had a negative impact on earnings. Additional factors were inflation-related cost increases and higher advance expenditure for new products and technologies. However, these negative effects were more than offset by the strong business with complete buses in Europe, a good product mix, positive exchange-rate effects and further efficiency enhancements.

Daimler Financial Services

Our financial services business was also very successful last year, and continued to grow in parallel with our automotive business.

In the year 2016, Daimler Financial Services concluded 1.6 million new financing and leasing contracts worth a total of 61.8 billion euros, an increase of 7%. This means that about half of all new-vehicle sales by our automotive divisions were supported by sales financing from Daimler Financial Services.

At the end of 2016, the division had more than 4.3 million financed or leased vehicles on its books – representing growth in contract volume of 14% compared with the end of 2015. The acquisition of Athlon Car Lease International contributed contract volume of 3.7 billion euros. Adjusted for Athlon and exchange-rate effects, growth amounted to 10%.

Primarily due to the growth in contract volume, earnings increased by 7% to the new record of 1.7 billion euros. Return on equity was 17.4%. Exchange-rate effects had a negative impact on earnings. Our disciplined risk management meant that cost of risk remained at a very low level.

We also brokered 1.8 million insurance policies last year. The resulting income has the attraction that it can be generated without tying up any capital.

In terms of the performance indicator operating ratio, which is the ratio of operating costs to portfolio, our core business has meanwhile reached a very high level of efficiency with a ratio of significantly less than one percent.

Digital technologies give us the opportunity to develop new and innovative mobility services, whether for private use, business use or the public sector. Some examples here are car2go, CharterWay, Bus Rapid Transit and moovel.

With car2go, our biggest business in the area of private mobility services, we are the world's biggest car-sharing company with 2.2 million customers. And with the moovel mobility platform, we offer customers the possibility to optimally compare, book and pay for various mobility offers.

We see good growth prospects in the field of innovative mobility services also for our investments in Flixbus, a long-distance bus company, and Blacklane. In order to grow the business with limousine services, Daimler increased its stake in Blacklane, a professional chauffeur service, to 31%.

In addition, two innovative, taxi e-hailing companies joined forces last year: the Daimler subsidiary mytaxi and the British company Hailo. With their geographic coverage, we make an excellent combination.

The merger has produced Europe's biggest company in this sector, with 100,000 registered taxi drivers and 6 million customers in more than 50 cities in nine European countries. The company is operating under the name of mytaxi and is based in Hamburg.

Group financials

So there you have the details of the divisions. Now let's have a look at the Group's key figures.

Revenue reached 153 billion euros in 2016, which is 3% more than in the year 2015. Revenue growth amounted to 3% also after adjusting for exchange-rate effects.

Adjusted for special items, we improved our EBIT by 3% to 14.2 billion euros. This means that we achieved the earnings forecast that we announced here one year ago. This result is even more noteworthy because it was achieved against the backdrop of a very challenging environment.

Major truck and bus markets declined significantly in 2016. This fact alone led to negative effects on earnings of about 1.6 billion euros for our trucks and buses divisions. And our research and development activities had an impact from an increase in expenditure compared with 2015 of about 500 million euros.

The free cash flow of the industrial business amounted to 3.9 billion euros and was thus at the prior-year level, although we had increased investment and research and development expenditure, as well as higher income-tax payments. Positive effects resulted from the good earnings of the automotive divisions.

On the other hand, working capital increased in line with the expansion of our business system. The payment of one billion euros in connection with the antitrust investigation at Daimler Trucks also had a negative effect on the free cash flow.

The development of the free cash flow and positive exchange-rate effects led to an increase in the net liquidity of the industrial business. With 19.7 billion euros at the end of the year, we have reached a level of liquidity appropriate to the general risk situation in the financial markets as well as our company's risk profile, and with which we can steadily continue our investment offensive.

The Group's financial strength is also reflected by the upgrade of our credit ratings by Standard & Poor's. In November, the rating agency lifted Daimler's long-term rating from A- to A and the short-term rating from A-2 to A-1.

The free cash flow of the industrial business was significantly higher than the dividend payment in 2016. For 2017, we expect a free cash flow in the magnitude of last year and thus once again higher than the proposed dividend for the year 2016, although we further increase our investment in new products and technologies.

Ladies and gentlemen, from this chart, you can see that our EBIT adjusted for special items has grown steadily in recent years, and once again increased slightly in 2016. This shows that with the measures taken to enhance efficiency in recent years and with our very attractive products, we have made considerable progress and stabilized our business development despite the volatile market developments.

I would like to take this opportunity to point out that adjusted EBIT will no longer be presented separately in our reporting as of the year 2017. We are changing over to unadjusted EBIT also for our earnings guidance for 2017, which we will present to you today.

With this change, we also react to new guidelines of the European Securities and Markets Authority ESMA. In the context of our commentary, we will of course continue to report on significant items affecting our EBIT, so you will continue to have a high degree of transparency on our business operations also in the future.

Net profit increased slightly in 2016 to 8.8 billion euros, of which 8.5 billion euros is attributable to the shareholders of Daimler AG. This represents earnings per share of about 8 euros.

We want our shareholders to participate appropriately in the company's success of the year 2016. At the Annual Shareholders' Meeting on March 29, the Board of Management and the Supervisory Board will therefore propose again the payment of a dividend of 3 euros and 25 cents per share. This represents a dividend distribution of 3.5 billion euros, as in the previous year. This means that we are just above our target of 40% for the dividend ratio.

On the basis of the current share price, the proposed dividend payout represents a dividend yield of about 4.5%. In the current situation of low interest rates, that represents a very attractive return.

Investment in the future

But we will apply the funds earned last year also to continue investing substantially in our future over the coming years.

In order to implement our growth strategy with new products, innovative technologies and modern production facilities, we once again increased the funds applied to secure our future in 2016, from an already high level by more than 1.8 billion euros to a total of 13.5 billion euros. 7.6 billion euros of that was accounted for by research and development expenditure and 5.9 billion euros by investment in property, plant and equipment.

We will continue increasing that expenditure in the years 2017 and 2018, and will invest more than 14 billion euros in property, plant and equipment and over 16 billion euros in research and development projects. This substantial expenditure is required because the automotive industry is faced with a fundamental transformation.

As the inventor of the automobile, we aim to play a leading role in shaping the mobility of the future. In this context, we are increasingly focusing on the strategic areas of the future of digitization and electrification. This is being supported with innovative mobility services. We intend to occupy a leading position in these fields individually and by linking them up intelligently.

The proportion of total investment accounted for by these future-oriented and green technologies has steadily increased in recent years and will continue to do so.

For us, it is particularly important that we are making this investment from a position of financial strength, against the backdrop of our solid balance sheet ratios.

We also invested once again in our employees' company pensions in 2016. For the long-term strength of the pension-plan assets, approximately 1.8 billion euros was allocated to the German assets. This was done by contributing the 3.1% shareholdings in each of Renault and Nissan.

With this renewed extraordinary contribution, we have improved the funded status of our pension obligations to 75%, despite the low level of interest rates and the resulting increase in the fair value of pension obligations. At the end of 2016, the pension assets amounted to 23.4 billion euros. In addition to the very solid balance sheet ratios, we also have a funded status of our pension obligations that is relatively high compared with other companies.

Daimler's success in the past financial year has a lot to do with our employees' commitment and expertise. We are honoring this with a very high profit sharing of 5,400 euros, which we will pay out to the eligible employees in April.

Ladies and gentlemen, those were our key figures for 2016. I will now hand you back over to Dieter Zetsche, who will explain to you our prospects for the year 2017 and beyond.

Dr. Dieter Zetsche

**Chairman of the Board of Management
of Daimler AG
and Head of Mercedes-Benz Cars**

Outlook

Thank you, Bodo. As we look ahead, I can tell you that we will continue to focus on the things that have made us so successful today: We are making targeted investments in new products and services. We are ensuring that our sales organization and our production are geared toward global growth, and we are continually improving our efficiency. We have also identified several fundamental changes that are taking place in the automotive industry. We have summarized them under the acronym CASE, which stands for the four future-oriented fields of connectivity, autonomous driving, sharing and electric mobility. Each of these areas has the potential to turn our industry on its head – and we at Daimler want to be the leader in all four of them.

We're moving ahead in the field of electric mobility. Given the fast development in battery technology, we are convinced that now is the time to step up the pace. In the years ahead, Daimler will invest ten billion euros in electric vehicles and another billion euros in our global battery production. Between now and 2025, we will launch more than ten new electric models, ranging from the smart to a large SUV. We believe that by then, between 15 and 25 percent of all newly registered vehicles from Mercedes-Benz will be equipped with an electric drive system. And because many vehicles will continue to have combustion engines, we will also invest three billion euros in an engine offensive during the same period. The four-cylinder diesel engine from the E-Class will be followed in 2017 by four additional members of our new engine family.

We are also consolidating all of our electric-mobility activities under a new brand known as EQ, which comprises an electric-mobility ecosystem. More specifically, EQ covers everything from the electric vehicles themselves to home energy storage devices, inductive charging systems and battery recycling. At the same time, our concept of fascinating automobiles extends far beyond new drive systems. That's why we will further enhance our leading position in the area of autonomous driving. For the same reason, we will also exploit the huge potential that vehicle connectivity offers in areas such as health and fitness. We are firmly convinced that those who offer the best overall package will be the most successful – and that's exactly what we're working on. A key role will be played by development and by sales as a link to our customers. The Board of Management members who are now responsible for these two corporate functions – Ola Källenius and Britta Seeger – possess the outstanding qualities that are needed here.

In the interest of our customers, we are also strengthening our cooperation with external partners. Among other things, this will enable us to accelerate our innovation processes. As part of this approach, we have teamed up with several other automakers to launch a joint venture that will expand the electric-vehicle charging infrastructure in Europe. In a very short time, we will set up a high-performance network of fast-charging stations, which will speed up the creation of a mass market for electric mobility. Another example is HERE, a company

specializing in highly precise digital maps that we acquired together with BMW and Audi. Since then, additional companies have invested in HERE and are now contributing their specific expertise. Together, we and our partners in HERE will further advance digital map technology, which is crucial for the development of autonomous driving. Just two days ago, we also announced our plans to cooperate with Uber on developing autonomous driving systems. By combining the technological expertise of Daimler and Uber, we will make it possible for more people to enjoy mobility at the push of a button.

After Daimler Trucks was the first truck manufacturer to focus on autonomous driving, the topic now plays a major role throughout the industry. We are setting the pace also with electric mobility. Battery technology has developed at such a rapid pace that it's now possible to achieve a range of up to 200 kilometers for a heavy-duty truck. Although this range is too short for long-distance haulage, it does enable applications for delivery transportation in cities. That's where our Urban eTruck comes in. In the future, electric trucks like the Urban eTruck will be used to deliver food and merchandise, because increasing urbanization around the globe is leading to greater restrictions on vehicle access to inner cities. With this in mind, we are launching a small-batch production of the third generation of Fuso's electric light-duty eCanter truck in 2017. We will also develop the Urban eTruck to the series-production stage by the beginning of the next decade.

Our plans extend beyond the vehicles themselves also in connection with trucks. For example, we have more than 300 experts working on new connectivity ideas for our trucks. They include an app that displays the remaining battery charging capacity at the push of a button, a scanner whose cameras and sensors detect damage to trucks that have returned to their base, and systems that help drivers find parking spaces and plan rest periods. The truck of the future will be fully connected and fully loaded. The time it spends in traffic jams will be minimized, and it will almost always be ready for immediate use.

Even as we work on these future-oriented topics, we continue to systematically optimize our core business. For example, we intend to increase our investment in the planned efficiency measures at Daimler Trucks by a further €400 million by the end of 2018, which will bring the total to €1.4 billion. We believe there's great potential to boost efficiency at Mercedes-Benz Trucks in particular.

Our Vision Van offers a preview of future logistics systems that will extend to the last mile of a delivery. We plan to connect the entire delivery process – from distribution centers to the recipients of goods. The Vision Van is equipped with a fully automated cargo area. Today, the manual loading of a van generally takes up to one and a half hours – but a one-step automated loading process can be completed in just five minutes. This reduces idle vehicle time at distribution centers to a minimum. The system uses up-to-the-minute location data to assign the right parcels to the right delivery drivers at the right time. We believe that delivery drones will also be used in future logistics systems. Such drones can autonomously deliver several parcels by air on one flight. The vans in which they are based will have to stop less often, which will improve traffic flows and save a lot of time. We believe that the efficiency in the last mile of the logistics chain can be increased by 50 percent. So the Vision Van points the way ahead for the Mercedes-Benz Vans strategy of transforming itself from a van manufacturer to a provider of entire transportation systems. To this end, we will invest approximately €500 million in digitization, automation and robotic systems for vans between now and 2020.

Our Future Bus offers a preview of what public transportation might look like in the future. The bus operates autonomously to a very large extent. It detects obstacles, brakes

autonomously, automatically pulls up to bus stops with an accuracy of a few centimeters, and communicates with traffic lights. All of this increases safety, reduces fuel consumption, and makes bus trips more comfortable for passengers. The bus also offers proof of the benefits we enjoy as a linked group of companies, as the technology employed in the Future Bus is based on the Highway Pilot system used in our trucks. A further highlight of our efforts to shape the future of local public transportation will be the launch of an electric bus in 2018.

Digital mobility services will also play a major role in urban transport in the future. Daimler invented the concept of flexible car sharing. car2go now has 2.2 million customers and is the global market leader in this sector. We continue to move ahead here as well. For example, we're currently testing peer-to-peer car sharing with CROOVE in Munich, and mytaxi now has the biggest app-based taxi network in Europe. And Mercedes pay will enable customers to conveniently pay for our services via smartphone in the future. The greatest long-term potential lies in the combination of connectivity, autonomous driving, sharing, and electric mobility. At some point, we will be able to use an app to get an autonomous electric vehicle to come to us when we need it. We recently launched a new test fleet that operates in real traffic conditions on the roads of Baden-Württemberg to develop this combined approach.

If we want to achieve all the goals we have set for ourselves, we will need to redefine ourselves at Daimler as well. Last year, we launched the Leadership 2020 program, and I can tell you now that we've already made good progress. We have combined more than 150 ideas into eight topic areas, and we've already begun implementing some of these ideas. We are streamlining our processes for example. In the future, no more than two levels of our hierarchy will be involved in decision-making about specific issues. We are also utilizing swarm organizations in many projects – and 20 percent of our employees will be working in this manner in the near future. We are simplifying job rotation, especially of a cross-functional nature. We are establishing a new culture of feedback from and to managers and between employees. We are promoting the pioneering spirit of our workforce and supporting this process by providing venture capital to enable the implementation of new ideas. These are just a few examples – and that's only the beginning. Still, I have never experienced more optimism at Daimler than I do today.

So, what exactly can we expect to see in 2017? The global economy is likely to develop rather more positively than it did in 2016. We expect to see economic growth of between 2.5 and three percent. According to current estimates, global demand for cars will increase by one to two percent. We also expect to see slight growth in total demand for vans and buses across our core markets in 2017. Truck markets will likely remain challenging in the regions that are relevant to us. We plan to slightly increase unit sales of cars and to maintain stable unit sales of trucks. We aim to achieve a slight increase for vans and a significant increase for buses. Our financial services target further growth.

On this basis, we anticipate the following earnings at the divisions:

Cars:	significantly above the prior-year level,
Trucks:	slightly below the prior-year level,
Vans:	significantly below the prior-year level,
Buses:	slightly above the prior-year level,
Financial Services:	in the magnitude of the prior-year level.

We expect to see a slight increase in Group EBIT once again in 2017. In other words, Daimler will stay in the fast lane.

The foundation of our success today is change – and by that I mean everything from the renewal of our products to the restructuring of our operations in China. The even more fundamental changes that we are now initiating will form the basis of our success in the future. We will continue to move ahead in 2017 – with the implementation of our growth strategy, our development of the technologies of tomorrow and the transformation of the entire Group. The mobility of the future offers Daimler a wealth of new opportunities. We're going to take full advantage of them.

And now I'll be happy to answer your questions. Thank you very much!

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

Forward-looking statements:

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 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 or of investigations requested by governments 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.