

DAIMLER

Interim Report Q3 2013



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Cover photo:

Setra presents a new superlative generation of vehicles which are destined to give a new quality to traveling by coach. The elegant and dynamic coaches of the Setra TopClass 500 epitomize a style of travel offering the highest levels of luxury and functionality.

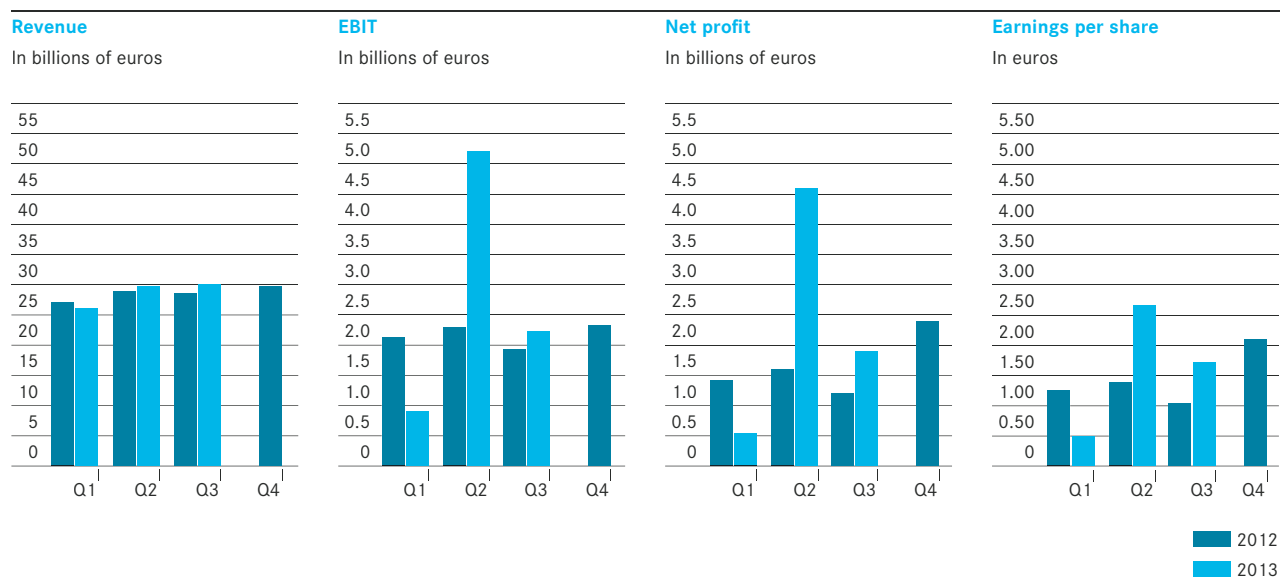
These exclusive long-distance buses take the aspects of design, exclusivity and safety to a new dimension, in combination with the exceptionally good economic characteristics of the previously launched Setra ComfortClass 500.

Key Figures Daimler Group

Amounts in millions of euros	Q3 2013	Q3 2012	% change
Revenue	30,099	28,572	+5 ¹
Western Europe	10,315	9,427	+9
thereof Germany	5,220	4,800	+9
NAFTA	8,282	8,205	+1
thereof United States	7,201	7,066	+2
Asia	6,485	6,327	+2
thereof China	2,858	2,290	+25
Other markets	5,017	4,613	+9
Employees (September 30)	276,320	275,451	+0
Investment in property, plant and equipment	1,126	1,021	+10
Research and development expenditure	1,288	1,431	-10
thereof capitalized development costs	295	379	-22
Free cash flow of the industrial business	1,577	-209	.
EBIT ²	2,231	1,923	+16
Net profit ²	1,897	1,238	+53
Earnings per share (in euros) ²	1.72	1.06	+62

1 Adjusted for the effects of currency translation, increase in revenue of 11%.

2 The previous year's figures have been adjusted, primarily for effects arising from application of the amended version of IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.



Q1-3

Key Figures Daimler Group

Amounts in millions of €	Q1-3 2013	Q1-3 2012	% change
Revenue	85,893	84,467	+2 ¹
Western Europe	29,513	29,016	+2
thereof Germany	14,512	14,688	-1
NAFTA	24,198	23,308	+4
thereof United States	20,948	19,790	+6
Asia	17,677	19,197	-8
thereof China	7,829	8,367	-6
Other markets	14,505	12,946	+12
Employees (September 30)	276,320	275,451	+0
Investment in property, plant and equipment	3,221	3,373	-5
Research and development expenditure	3,968	4,192	-5
thereof capitalized development costs	969	1,066	-9
Free cash flow of the industrial business	3,879	-1,181	.
EBIT ²	8,390	6,289	+33
Net profit ²	7,044	4,228	+67
Earnings per share (in euros) ²	4.87	3.71	+31

1 Adjusted for the effects of currency translation, increase in revenue of 5%.

2 The previous year's figures have been adjusted, primarily for effects arising from application of the amended version of IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

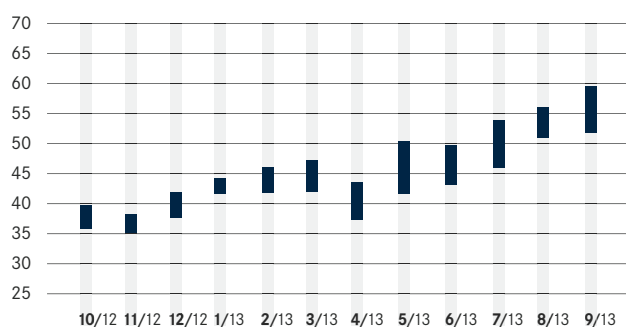
Daimler and the Capital Market

Key figures

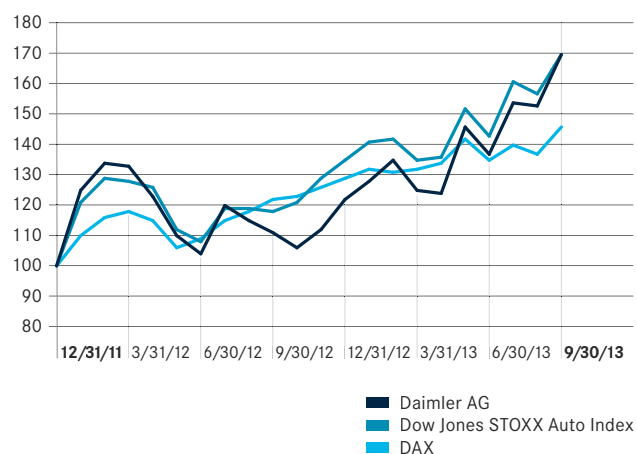
	Sept. 30, 2013	Sept. 30, 2012	% change
Earnings per share in Q3 (in €)	1.72	1.06	+62
Outstanding shares (in millions)	1,069.6	1,067.3	+0
Market capitalization (€ billion)	61.63	40.20	+53
Xetra price at end of Q3 (€)	57.62	37.67	+53

Daimler share price (highs and lows) in 2012/2013

in €



Share-price development (indexed)



Daimler share price develops better than the DAX once again in the third quarter

Equity markets continued their positive development during the third quarter of this year. Although disturbances in the Middle East led to investor uncertainty in the middle of the quarter, it had already subsided again by mid-September. The economic situation stabilized in Europe, the United States and China, which revived stock markets worldwide. The DAX reached a new all-time high of 8,694 on September 19, and Daimler's shares performed very well in this environment. The market reacted positively to our second-quarter results, which were better than the capital markets had expected. An additional factor stimulating interest in our shares was the positive response to our new products and the dynamic growth of unit sales in the car business. Daimler used the Frankfurt Motor Show to let capital-market players experience the products close up and to present the innovations of Mercedes-Benz Intelligent Drive. On September 20, Daimler Trucks carried out a capital markets day for analysts and investors in Würth. The division's management explained the current development of the truck business and the strategy of Daimler Trucks. Daimler's share price reached €58.43 on September 19, its highest level in more than two and a half years. Overall, our share price climbed by 24% to €57.62 in the third quarter, thus performing better than the Dow Jones STOXX Auto Index (+19%) and the DAX (+8%). Market capitalization at the end of the quarter was €61.6 billion.

Agreement with international bank consortium on new credit facility

The Daimler Group took advantage of ongoing attractive refinancing conditions in the international money and capital markets in the third quarter of 2013. In July 2013, Daimler Finance North America LLC issued bonds with three- and five-year terms in a total volume of US \$3 billion. In September, Daimler AG issued bonds in an amount of €1.25 billion maturing in October 2016 and April 2020. In addition, an ABS transaction with a volume of just under US \$1 billion was successfully placed in the United States in July 2013. In September 2013, Daimler reached an agreement with a consortium of international banks on a new credit facility with a volume of €9 billion. Running for a period of five years and with two extension options, it provides Daimler with financial flexibility until the year 2020. The new credit facility was substantially oversubscribed and has favorable conditions. Daimler does not plan to utilize this credit line.

Interim Management Report

Unit sales up by 13% to 594,900 vehicles

Revenue above prior-year level at €30.1 billion

Group EBIT of €2,231 million (Q3 2012: €1,923 million)

Net profit of €1,897 million (Q3 2012: €1,238 million)

Growth in unit sales and revenue anticipated for full-year 2013

Group EBIT from ongoing business expected to be around €7.5 billion

Group EBIT from ongoing business in the fourth quarter expected to be higher than in the prior-year period

Business development

Ongoing recovery of world economy

In the third quarter of 2013, the world economy continued along the path of relatively moderate growth it had followed in the previous quarter. The main drivers of this development were the United States and Japan, but solid expansion of the Chinese economy is also likely to have contributed. Following further improvements of many leading indicators in the European Monetary Union, at least slight growth should have occurred in the past quarter. The financial markets' expectation that the US Federal Reserve (Fed) would reduce its bond buyback program led to perceptible capital outflows from the emerging markets, particularly in the summer months, putting some of their currencies under pressure and causing a global increase in long-term interest rates. But after the Fed decided in mid-September at first to continue with its expansive monetary policy, some of those developments went into reverse. The main currency to profit was the euro, which climbed against the US dollar. Geopolitical risks triggered a rise in the price of crude oil to nearly US \$120 per barrel in August; but by the end of the quarter, it had fallen again to approximately US \$110 per barrel.

Worldwide demand for cars continued its robust growth trend in the third quarter and remained significantly higher than in the prior-year period. This was primarily due to the ongoing positive market development in the United States and China. In a positive economic environment, the US market expanded by about 9% compared with the third quarter of last year. Sales of cars in China once again exceeded the volume of the prior-year quarter by a double-digit rate, supported by the recently improved economic development. The demand in Western Europe has meanwhile stabilized, and registrations of new cars grew again moderately compared with the prior-year period after falling for seven consecutive quarters. But in view of the very low registrations in the third quarter of last year, it is still too early to describe the current development as an upswing. Only a small drop in sales was recorded in the German market, and other major markets also displayed some stabilizing tendencies. The British market continued to develop significantly better than all the other markets of Western Europe and once again expanded by more than 10%. Demand for cars in Japan was slightly higher than in the prior-year period, in which, however, it had been dampened by the expiry of state incentives for car buyers. Sales of cars in Russia and India decreased significantly, reflecting the continuation of those countries' relatively weak economic growth.

Demand for **medium and heavy-duty trucks** in the key markets developed disparately in the third quarter. The North American market remained rather sluggish with a volume just below the prior-year level. In the Western European market, however, there were increasing positive effects from purchases being brought forward in connection with the upcoming introduction of Euro VI emission regulations. Registrations of new trucks have increased perceptibly in recent months, but there is still a considerable drop during the year to date. The Japanese market showed an upward tendency with significantly higher sales than in the prior-year quarter, although this growth was partially due to the relatively low comparative base. Brazil's market recovery continued, and this is now largely independent of the country's still relatively weak economic development. The key factors here seem to be favorable financing conditions and catch-up effects following the slump in demand in 2012. According to the latest estimates, the Russian market contracted compared with the prior-year period, and demand for trucks in India fell sharply. But China, the world's largest truck market, expanded significantly, although at a rather lower rate than in the previous quarter.

Significant growth in third-quarter unit sales

In the third quarter of 2013, the Daimler Group sold 594,900 passenger cars and commercial vehicles worldwide, surpassing the prior-year total by 13%.

Mercedes-Benz Cars once again achieved a record level of unit sales in the third quarter of 2013. Total sales by the car division grew by 14% to 395,400 units. In a volatile European market environment, Mercedes-Benz Cars performed very well and was able to increase its share of many markets. Its unit sales in Western Europe rose by 6% to 151,400 vehicles. In the sharply declining German market, Mercedes-Benz Cars posted slight growth of 2% and sold 69,900 units. The development was particularly positive in the third quarter in China, where unit sales increased by 38% to 64,800 vehicles. In the United States, we sold more cars than ever before in a third quarter with sales of 80,100 units. Mercedes-Benz was the best-selling premium brand in the USA. The division performed very well also in Russia (+28%) and Japan (+22%).

Daimler Trucks sold 124,500 vehicles in the third quarter, surpassing the volume of the prior-year quarter by 4%. Our brands in the core regions delivered strong contributions to the division's unit sales despite the continuation of difficult market conditions. The number of trucks sold in Western Europe increased to 16,700 (Q3 2012: 14,200). Mercedes-Benz Trucks maintained its leading position in the segment of medium and heavy-duty trucks in this region with a market share of 24.3% (Q3 2012: 24.0%). The recovery of demand continued in Brazil,

Latin America's major market; our sales of trucks there increased compared with the prior-year quarter by 27% to 10,400 units and our market share amounted to 24.5% (Q3 2012: 25.3%). Despite the continuation of slight market contraction in the NAFTA region, sales of 35,100 units there by Daimler Trucks remained at the prior-year level; our market success is apparent from the significant growth of market share in Classes 6-8 to 38.2% (Q3 2012: 33.4%). In Asia, however, our unit sales fell by 4% to 41,100 trucks, due to weaker overall demand in combination with intense competition in major markets such as Indonesia and Taiwan. But in Japan, we participated in the market revival and increased our sales by 23% to 10,100 units. The ramp-up of our new brand in India, BharatBenz, continued very successfully and we sold a total of 1,800 trucks in the Indian market in the third quarter.

3.01

Unit sales by division

	Q3 2013	Q3 2012	% change
Daimler Group	594,874	528,559	+13
Mercedes-Benz Cars	395,446	345,418	+14
Daimler Trucks	124,465	119,142	+4
Mercedes-Benz Vans	65,314	55,742	+17
Daimler Buses	9,649	8,257	+17

3.02

Revenue by division

In millions of euros	Q3 2013	Q3 2012	% change
Daimler Group	30,099	28,572	+5
Mercedes-Benz Cars	16,521	15,238	+8
Daimler Trucks	7,982	8,095	-1
Mercedes-Benz Vans	2,253	2,084	+8
Daimler Buses	1,127	951	+19
Daimler Financial Services	3,657	3,524	+4

Preliminary note:

In June 2011, IASB published amendments to IAS 19 Employee Benefits, which were endorsed by the EU in June 2012. The amendments to IAS 19 must generally be applied retrospectively in financial statements for annual periods beginning on or after January 1, 2013. The figures reported here for the previous year have been adjusted, primarily for effects arising from application of the amended version of IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

Mercedes-Benz Vans increased its unit sales by 17% to 65,300 vehicles in the third quarter of 2013. Despite the ongoing difficult market situation in many parts of Europe and the resulting sluggish demand, in its core region of Western Europe, Mercedes-Benz Vans increased its sales to 39,500 units (Q3 2012: 33,100). In Eastern Europe, especially in Russia and Turkey, Mercedes-Benz Vans' sales success continued; sales in this region rose from 5,800 to 7,200 units. Due to the negative market development in the United States we did not match our prior year figure in this market with third-quarter sales of 5,500 units (Q3 2012: 5,800). In Latin America, however, our van sales grew by 20% to 5,200 vehicles in the third quarter of 2013. In Brazil and Argentina, the Sprinter defended its leading market position in the large-van segment. Mercedes-Benz Vans recorded renewed strong growth also in China, where its sales rose by 53% to 3,500 units.

Daimler Buses increased its worldwide sales by 17% to 9,600 units in the third quarter of 2013, primarily as a result of increased demand in Western Europe and Latin America. In Western Europe, we achieved growth in the business with complete buses; sales rose by 4% to 1,700 units. In Latin America, Daimler Buses' sales of 5,800 units were 20% higher than in the prior-year period, although in Brazil, the region's biggest market, demand for bus chassis was somewhat restrained also during the reporting period due to politically rooted market uncertainty.

At **Daimler Financial Services**, new business of €10.4 billion was 4% higher than the level of the prior-year quarter. Contract volume reached €82.0 billion at the end of September and was thus 2% higher than at the end of 2012. Adjusted for exchange-rate effects, there was an increase of 6%. The insurance business continued to develop very positively.

The Daimler Group's third-quarter **revenue** amounted to €30.1 billion, which is 5% higher than in the third quarter of last year. Adjusted for exchange-rate effects, revenue grew by 11%.

The Mercedes-Benz Cars division increased its revenue compared with the prior-year quarter by 8% to €16.5 billion. Due to the higher share of unit sales accounted for by compact cars, revenue growth was slightly lower than the growth in unit sales. Daimler Trucks' revenue of €8.0 billion was at the level of the prior-year period. Exchange-rate movements, in particular the depreciation of the Japanese yen, had a significant negative impact on the division's revenue. Adjusted for exchange-rate effects, revenue grew by 8%. Mercedes-Benz Vans was able to increase its revenue by 8% to €2.3 billion. Growth was even stronger at Daimler Buses, with an increase of 19%.

Profitability

The **Daimler Group** posted EBIT of €2,231 million for the third quarter of 2013, which was significantly higher than the prior-year figure (Q3 2012: €1,923 million). ↗ **3.03**

This earnings improvement was due in particular to the good development of unit sales at the automotive divisions as well as increasing impact of the efficiency programs. Daimler Financial Services equaled its EBIT of the prior-year period.

The compounding of non-current provisions and the effects of discount rates led to an expense of €57 million in the third quarter (Q3 2012: €181 million). The development of currency exchange rates resulted also in slightly negative effects.

The special items shown in table ↗ **3.04** affected EBIT in the third quarter and the first nine months of 2013 and 2012.

3.03

EBIT by segment

In millions of euros	Q3 2013	Q3 2012 ¹	% change	Q1-3 2013	Q1-3 2012 ¹	% change
Mercedes-Benz Cars	1,200	973	+23	2,701	3,540	-24
Daimler Trucks	522	501	+4	1,072	1,401	-23
Mercedes-Benz Vans	152	75	+103	437	442	-1
Daimler Buses	59	-36	.	55	-200	.
Daimler Financial Services	322	322	0	955	1,004	-5
Reconciliation	-24	88	.	3,170	102	.
Daimler Group	2,231	1,923	+16	8,390	6,289	+33

¹ The previous year's figures have been adjusted, primarily for effects arising from application of the amended version of IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

3.04

Special items affecting EBIT

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Daimler Trucks				
Workforce adjustment	-8	-	-103	-
Daimler Buses				
Business repositioning	-2	-16	-26	-98
Reconciliation				
EADS - remeasurement and sale of the remaining shares	13	-	3,222	-

The EBIT of €1,200 million achieved by **Mercedes-Benz Cars** in the third quarter of 2013 was significantly higher than the prior-year figure (Q3 2012: €973 million). The division's return on sales was 7.3% (Q3 2012: 6.4%). ↗ 3.03

The development of earnings primarily reflects the ongoing growth in unit sales, especially in China, the United States and Western Europe. A major contribution came from our expanded range of compact cars. We achieved earnings growth also as a result of better pricing. Furthermore, efficiency actions taken as part of our Fit for Leadership program had an increasingly positive impact on earnings. The changed model mix had a negative effect on earnings. There was an additional negative effect from expenses connected with product enhancements.

The EBIT posted by **Daimler Trucks** of €522 million was higher than the €501 million achieved in the prior-year quarter. The division's return on sales was 6.5% (Q3 2012: 6.2%). ↗ 3.03

The development of earnings reflects a slight revival of unit sales. On the one hand, there was a market recovery in Brazil; on the other hand, there were positive effects from the business in Western Europe, partially resulting from vehicle purchases brought forward due to the upcoming introduction of Euro VI emission regulations in 2014. However, earnings were negatively affected by increased warranty expenses and exchange-rate effects. Furthermore, there were expenses of €8 million for workforce adjustments in the context of an optimization program in Germany and Brazil. The efficiency actions of the Daimler Trucks #1 program had an increasingly positive influence on earnings.

Mercedes-Benz Vans achieved third-quarter EBIT of €152 million (Q3 2012: €75 million). The division's return on sales improved to 6.7% from 3.6% in the prior-year period. ↗ 3.03

In a market environment that was still affected by weak demand and intense competition in Europe, unit sales by Mercedes-Benz Vans were significantly higher than in the third quarter of last year (+17%). In addition to the increased unit sales, better pricing also had a positive impact. Continued efficiency improvements were apparent in the form of lower material and development expenses as well as lower warranty expenses.

Daimler Buses posted EBIT of plus €59 million for the third quarter, which was significantly better than in the prior-year period (Q3 2012: minus €36 million). The division's return on sales was plus 5.2% (Q3 2012: minus 3.8%). ↗ 3.03

This positive development was driven by unit-sales growth in Western Europe and Latin America. Other factors leading to the earnings improvement were ongoing efficiency progress in the European business system and lower expenses for the repositioning of the European and American business systems. There were opposing, negative effects on EBIT compared with the third quarter of last year from increased research and development expenses.

With third-quarter EBIT of €322 million, **Daimler Financial Services** equaled its earnings of the prior-year period. ↗ 3.03

Positive effects on earnings from the increased contract volume were offset by negative exchange-rate effects and lower interest margins.

The **reconciliation** of the divisions' EBIT to Group EBIT comprises income and expenses at the corporate level as well as effects on earnings from the elimination of intra-group transactions between the divisions.

At the corporate level, there was an expense of €30 million (Q3 2012: income of €98 million).

The elimination of intra-group transactions resulted in income of €6 million in the third quarter of 2013 (Q3 2012: expense of €10 million).

Net interest expense in the third quarter amounted to €159 million (Q3 2012: expense of €235 million). While the expenses in connection with the pension and healthcare benefits obligations were close to the prior-year level, other interest result improved due to the positive development of the fair values of interest-rate hedges for refinancing.

The tax expense of €175 million entered under **income-tax expense** decreased by €275 million despite the increase in pre-tax earnings. This decrease is primarily due to tax benefits related to the tax assessment of previous years.

Net profit for the third quarter of 2013 amounted to €1,897 million (Q3 2012: €1,238 million). Net profit of €61 million is attributable to non-controlling interest (Q3 2012: €103 million) and net profit of €1,836 million is **attributable to the shareholders of Daimler AG** (Q3 2012: €1,135 million); **earnings per share** therefore amount to €1.72 (Q3 2012: €1.06).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 1,069.4 million (Q3 2012: 1,067.0 million).

Cash flows

Cash provided by operating activities ↗ 3.05 increased in the first nine months of 2013 compared with the prior-year period by €3.6 billion to €3.2 billion. The increase in the Group's profit before income taxes includes the gain of €3.4 billion on the remeasurement of the EADS shares, which has no impact on cash. The development of working capital had positive effects. They result from the higher increase in trade payables, the lower inventory increase and the lower increase in trade receivables. Growth in new business in leasing and sales financing was slightly higher than the high level of the prior-year period. Lower tax payments were another factor.

3.05

Condensed consolidated statement of cash flows

In millions of euros	Q1-3 2013	Q1-3 2012	Change
Cash and cash equivalents at beginning of period	10,996	9,576	1,420
Cash provided by/used for operating activities	3,160	-415	3,575
Cash used for investing activities	-4,159	-6,934	2,775
Cash provided by financing activities	777	10,109	-9,332
Effect of exchange-rate changes on cash and cash equivalents	-159	-57	-102
Cash and cash equivalents at end of period	10,615	12,279	-1,664

3.06

Free cash flow of the industrial business

In millions of euros	Q1-3 2013	Q1-3 2012	Change
Cash provided by operating activities	6,430	4,112	2,318
Cash used for investing activities	-4,183	-6,301	2,118
Change in marketable debt securities	1,736	1,162	574
Other adjustments	-104	-154	50
Free cash flow of the industrial business	3,879	-1,181	5,060

3.07

Net liquidity of the industrial business

In millions of euros	Sept. 30, 2013	Dec. 31, 2012	Change
Cash and cash equivalents	9,862	9,887	-25
Marketable debt securities	5,523	3,841	1,682
Liquidity	15,385	13,728	1,657
Financing liabilities	-2,892	-2,883	-9
Market valuation and currency hedges for financing liabilities	84	663	-579
Financing liabilities (nominal)	-2,808	-2,220	-588
Net liquidity	12,577	11,508	1,069

3.08

Net debt of the Daimler Group

In millions of euros	Sept. 30, 2013	Dec. 31, 2012	Change
Cash and cash equivalents	10,615	10,996	-381
Marketable debt securities	7,219	5,598	1,621
Liquidity	17,834	16,594	1,240
Financing liabilities	-76,325	-76,251	-74
Market valuation and currency hedges for financing liabilities	86	665	-579
Financing liabilities (nominal)	-76,239	-75,586	-653
Net debt	-58,405	-58,992	587

Cash used for investing activities ↗ 3.05 amounted to €4.2 billion (Q1-Q3 2012: €6.9 billion). The change compared with the prior-year period resulted primarily from the cash flows related to acquisitions and disposals of shares in companies. In the first nine months of 2013, there was an impact from the sale of the remaining shares in EADS (€2.3 billion) and the capital increase at Beijing Benz Automotive Co., Ltd. (BBAC). In total, there was a net cash inflow in the first nine months, while payments for acquisitions were significantly higher than sale proceeds in the prior-year period. Capital expenditure decreased slightly while investment in intangible assets increased.

Cash provided by financing activities ↗ 3.05 amounted to €0.8 billion (Q1-Q3 2012: €10.1 billion). The decrease resulted almost solely from the lower increase in financing liabilities (net). There was an opposing effect from lower dividend payments to minority shareholders of subsidiaries.

Cash and cash equivalents decreased compared with December 31, 2012 by €0.4 billion, after taking currency translation into account. Total liquidity, which also includes marketable debt securities, rose by €1.2 billion to €17.8 billion.

The parameter used by Daimler to measure the financial capability of the Group's industrial business is the **free cash flow of the industrial business** ↗ 3.06, which is derived from the reported cash flows from operating and investing activities. The cash flows from the acquisition and sale of marketable debt securities included in cash flows from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow.

Other adjustments relate to additions to property, plant and equipment that are allocated to the Group as their beneficial owner due to the form of their underlying lease contracts. Furthermore, effects from the financing of dealerships within the group are adjusted. In addition, the cash flows to be shown under cash provided by financing activities in connection with the acquisition or sale of interests in subsidiaries without the loss of control are included in the calculation of the free cash flow.

The free cash flow amounted to €3.9 billion in the first nine months of 2013.

The positive profit contributions of the automotive divisions were offset by the increase in working capital, defined as the net change in inventories, trade receivables and trade payables, in a total amount of €0.7 billion. Positive effects resulted from the sale of trade receivables of companies in the industrial business to Daimler Financial Services. The free cash flow of the industrial business was positively influenced also by the cash inflow from the sale of the remaining shares in EADS. There were negative effects from high investments in property, plant and equipment and intangible assets as well as from the capital increase at Beijing Benz Automotive Co., Ltd. (BBAC). In addition, income-tax and interest payments reduced the free cash flow of the industrial business.

The **net liquidity of the industrial business** ↗ 3.07 is calculated as the total amount as shown in the statement of financial position of cash, cash equivalents and marketable debt securities included in liquidity management, less the currency-hedged nominal amounts of financing liabilities.

To the extent that the Group's internal refinancing of the financial services business is provided by the companies of the industrial business, this amount is deducted in the calculation of the net debt of the industrial business.

Compared with December 31, 2012, the net liquidity of the industrial business increased by €1.1 billion to €12.6 billion. The increase is primarily the result of the positive free cash flow of the industrial business; there was an opposing effect from the dividend payment to the shareholders of Daimler AG for the year 2012 (minus €2.3 billion), the dividend payment to the minority shareholders of subsidiaries (minus €0.2 billion) as well as capital increases at Daimler Financial Services and dividends from Daimler Financial Services (minus €0.3 billion).

Net debt at Group level, which primarily results from the refinancing of the leasing and sales financing business, decreased by €0.6 billion compared with December 31, 2012. ↗ 3.08

The Daimler Group utilized the favorable conditions in the international money and capital markets in the first nine months of 2013 for **refinancing**. In the reporting period, Daimler had a cash inflow of €9.3 billion from the issuance of bonds (Q1-3 2012: €13.0 billion); outflows for the redemption of maturing bonds amounted to €5.2 billion (Q1-3 2012: €4.4 billion).

Financial position

The Group's **balance sheet total** increased compared with December 31, 2012 from €163.1 billion to €166.8 billion; adjusted for currency effects, the increase amounts to €8.5 billion. Daimler Financial Services accounts for €86.8 billion of the balance sheet total (December 31, 2012: €85.5 billion), equivalent to 52% of the Daimler Group's total assets, as at the end of 2012.

The increase in total assets is primarily due to the growth of the financial services business, higher liquidity (cash and cash equivalents and marketable debt securities) and increased inventories. The sale of shares in EADS led to a decrease in investments accounted for using the equity method. On the liabilities side of the balance sheet, the increase is accompanied by increased equity and higher trade payables. Current assets account for 42% of total assets (December 31, 2012: 41%). Current liabilities account for 36% of total equity and liabilities (December 31, 2012: 36%).

Intangible assets of €9.2 billion (December 31, 2012: €8.9 billion) include €7.3 billion of capitalized development costs and €0.7 billion of goodwill. The Mercedes-Benz Cars division accounted for 67% of the development costs and the Daimler Trucks division accounted for 25%.

Capital expenditure was higher than depreciation, causing **property, plant and equipment** to rise to €21.0 billion (December 31, 2012: €20.6 billion). In the first nine months of 2013, a total of €3.2 billion was invested primarily at the sites in Germany for the ramp-up of new products, the expansion of production capacities and modernization.

Equipment on operating leases and receivables from financial services increased to €77.3 billion (December 31, 2012: €75.1 billion). The increase after adjusting for currency effects of €4.9 billion was the result of increased new business due to the higher volumes of unit sales by the automotive divisions. Those assets' share of total assets is nearly unchanged at 46%.

Investments accounted for using the equity method of €2.9 billion (December 31, 2012: €4.3 billion) mainly comprise the carrying amounts of our investments in Rolls-Royce PSH, the Chinese joint ventures Beijing Foton Daimler Automotive for the truck business and Beijing Benz Automotive for cars, as well as Kamaz. The decrease mainly reflects the dissolution of the previous shareholders' pact and the loss of significant influence on EADS in April 2013.

Inventories increased from €17.7 billion to €19.0 billion, equivalent to 11% of total assets (December 31, 2012: 11%). The launch of new models, especially in the Mercedes-Benz Cars division, led to an increase in finished goods of €0.9 billion to €14.1 billion.

3.09

Condensed consolidated statement of financial position

In millions of euros	Sept. 30, 2013	Dec. 31, 2012	Change in %
Assets			
Intangible assets	9,226	8,885	4
Property, plant and equipment	21,003	20,599	2
Equipment on operating leases and receivables from financial services	77,264	75,118	3
Investments accounted for using the equity method	2,914	4,304	-32
Inventories	18,968	17,720	7
Trade receivables	7,666	7,543	2
Cash and cash equivalents	10,615	10,996	-3
Marketable debt securities	7,219	5,598	29
Other financial assets	6,217	5,960	4
Other assets	5,665	6,339	-11
Total assets	166,757	163,062	2
Equity and liabilities			
Equity	41,789	39,330	6
Provisions	23,802	24,474	-3
Financing liabilities	76,325	76,251	0
Trade payables	10,288	8,832	16
Other financial liabilities	7,681	8,449	-9
Other liabilities	6,872	5,726	20
Total equity and liabilities	166,757	163,062	2

1 The prior-year figures have been adjusted primarily for the effects arising from application of the amended version of IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

Trade receivables increased by €0.1 billion to €7.7 billion.

Cash and cash equivalents decreased compared with the end of the year 2012 by €0.4 billion to €10.6 billion.

Marketable debt securities increased compared with December 31, 2012 from €5.6 billion to €7.2 billion. Those assets include the debt instruments that are allocated to liquidity, most of which are publicly traded. They generally have an external rating of A or better.

Other financial assets increased by €0.3 billion to €6.2 billion. They mainly comprise investments – in Renault and Nissan for example – and derivative financial instruments, as well as loans and other receivables due from third parties. The increase primarily reflects the development of Renault und Nissan share prices.

Other assets of €5.7 billion (December 31, 2012: €6.3 billion) primarily comprise deferred tax assets and tax refund claims.

The Group's **equity** increased compared with December 31, 2012 from €39.3 billion to €41.8 billion. Net profit of €7.0 billion was primarily offset by the distribution of the dividend for the year 2012 to the shareholders of Daimler AG in an amount of €2.3 billion. In addition, equity decreased by €2.4 billion with no effect on earnings due to the transfer of EADS shares to the Dedalus investors. Equity attributable to the shareholders of Daimler AG increased to €41.1 billion (December 31, 2012: €37.9 billion).

The **equity ratio** was 25.1% for the Group (December 31, 2012: 22.7%) and 43.9% for the industrial business (December 31, 2012: 39.8%). The equity ratios at December 31, 2012 are adjusted for the dividend payment for the year 2012.

Provisions decreased to €23.8 billion (December 31, 2012: €24.5 billion), equivalent to 14% of the balance sheet total, which is slightly below the level at the end of 2012. They primarily comprise provisions for pensions and similar obligations (€10.9 billion) as well as liabilities from product warranties (€4.8 billion), from personnel and social costs (€2.9 billion) and from income taxes (€1.2 billion). The decrease in provisions for income taxes is related to the tax assessment of previous years.

Financing liabilities of €76.3 billion were at the level of year-end 2012. The increase of €2.8 billion after adjusting for exchange-rate effects is mainly the result of the growing leasing and sales financing business. Of the financing liabilities, 50% are accounted for by bonds, 24% by liabilities to financial institutions, 15% by deposits in the direct banking business and 7% by liabilities from ABS transactions.

Trade payables increased compared with the end of 2012 to €10.3 billion, due to changes in production volumes during the year (December 31, 2012: €8.8 billion).

Other financial liabilities decreased by €0.8 billion to €7.7 billion. They mainly consist of liabilities from residual-value guarantees, deposits received, liabilities from wages and salaries, derivative financial instruments and accrued interest on financing liabilities.

Other liabilities of €6.9 billion (December 31, 2012: €5.7 billion) primarily comprise deferred taxes, tax liabilities and deferred income.

Further information on the Group's assets, equity and liabilities is provided in the consolidated statement of financial position [↗ 5.03](#), the consolidated statement of changes in equity [↗ 5.04](#) and the relevant notes in the Notes to the Interim Consolidated Financial Statements.

The funded status of the Group's **pension benefit obligations**, defined as the difference between the present value of the pension obligations and the fair value of pension plan assets, amounted to minus €9.5 billion at September 30, 2013, compared with minus €9.7 billion at December 31, 2012. At September 30, 2012, the Group's pension obligations amounted to €23.6 billion, compared with €23.9 billion at the end of last year. The decrease was primarily due to the increase in discount rates, especially for the German and US plans. As a result, the actuarial losses from defined benefit pension plans that are recognized in equity under retained earnings decreased by €0.5 billion before taxes. The volume of plan assets available to finance the pension obligations decreased from €14.2 billion to €14.1 billion at September 30, 2013.

Capital expenditure and research activities

The Daimler Group invested €1.1 billion in property, plant and equipment in the third quarter of this year (Q3 2012: €1.0 billion). Most of this investment volume, €0.8 billion, was at the Mercedes-Benz Cars division (Q3 2012: €0.7 billion). The main area of capital expenditure was on preparing for the production of new models, in particular the new S-Class and its model variants, the successor models to the current C-Class and the smart, and the GLA, our compact SUV. Other areas of expenditure were for the ongoing expansion of our international production and component plants. At the Mercedes-Benz Vans division, capital expenditure was primarily for the new Vito and the V-Class.

The Daimler Group's research and development spending in the third quarter amounted to €1.3 billion (Q3 2012: €1.4 billion), of which €0.3 billion was capitalized (Q3 2012: €0.4 billion). Approximately two thirds of research and development spending was at the Mercedes-Benz Cars segment, mainly comprising advance expenditure for the renewal of existing models and the development of new ones, as well as the further development of drive systems and safety technologies.

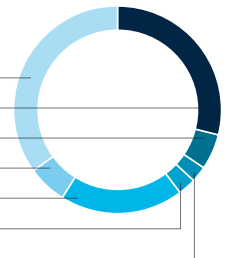
Workforce

At the end of the third quarter of 2013, Daimler employed 276,320 people worldwide (end of Q3 2012: 275,451). Of that total, 167,727 were employed in Germany (end of Q3 2012: 166,888), 21,330 in the United States (end of Q3 2012: 21,930), 14,340 in Brazil (end of Q3 2012: 14,709) and 11,323 in Japan (end of Q3 2012: 11,337). Our consolidated subsidiaries in China employed 1,882 people at the end of the third quarter (end of Q3 2012: 2,648). The decreased headcount in China resulted from the integration of the sales organizations for cars into a non-consolidated joint-venture company. In South Africa, employees in sales functions were previously allocated to the Mercedes-Benz Cars division and are now reported within the sales organization.

3.10

Employees by division

Daimler Group	276,320
Mercedes-Benz Cars	97,155
Daimler Trucks	80,130
Mercedes-Benz Vans	15,288
Daimler Buses	16,716
Sales Organization	52,498
Daimler Financial Services	7,946
Other	6,587



Important events

Start of contract assembly of Mercedes-Benz A-Class at Valmet Automotive

The first Mercedes-Benz A-Class rolled off the production line of the specialist manufacturer Valmet Automotive in Uusikau-punki, Finland, in late August. The production of automobiles at this site thus started as planned approximately 13 months after an agreement was reached on contract assembly. Production at Valmet will now be continuously ramped up and flexibly adjusted to the required numbers until the year 2016 with close cooperation between Daimler and Valmet Automotive. During this period, a total of more than 100,000 A-Class cars are to be built in Finland.

New plant planned for Mercedes-Benz Cars in Brazil

Daimler AG is expanding the global car production network of Mercedes-Benz Cars with a new site in Brazil. At a new plant in Iracemápolis near São Paulo, the next generation of the C-Class and the GLA will be produced for the local market. According to current planning, the first customers' cars are to already roll off the assembly lines there in 2016. Approximately €170 million is to be invested in the first step of the plant's development and an annual output of up to 20,000 cars is planned. About 1,000 new jobs will be created at this site, as well as around another 3,000 jobs that should be created at supplier companies.

Daimler strengthens its customer focus

In order to implement the growth strategies of all the Group's divisions in a sustainable manner and to sharpen the focus on customers and markets, the Board of Management of Daimler AG has decided to strengthen the organization of the divisions. Responsibility for the main sales functions and the important sales markets will be directly anchored in each division. Cross-divisional functions at the country level will be streamlined. The functional Board of Management areas will in organizational terms be focused on the requirements of divisions. Following the successful start of the product offensives for cars and commercial vehicles, the further development of our structures is now the next strategic step to enable us to achieve our growth targets. This is not primarily a matter of cost advantages, but of achieving more direct customer relations and higher unit sales.

Events after the end of the interim reporting period

Since the end of the third quarter of 2013, no events have occurred that are of major significance for Daimler. The course of business in the first weeks of the fourth quarter of 2013 confirms the statements made in the "Outlook" section of this Interim Management Report.

Risk report

Daimler's business divisions are exposed to a large number of risks which are inextricably connected with entrepreneurial activity. With regard to the existing opportunities and risks, we refer to the statements made on pages 125 to 132 and on page 137 of our Annual Report 2012, as well as to the notes on forward-looking statements provided at the end of this Interim Management Report.

At the beginning of the fourth quarter of 2013, economic risks continue to exist for the world economy, some of which are quite considerable, such as the risks relating to the European Monetary Union. Although there are meanwhile signs that the economic situation there is stabilizing and that even slight growth is possible, the sovereign-debt crisis can break out again at any time. The latest uncertainty surrounding the Italian government coalition is a major factor in this respect. One of the crucial points will be whether the reform and consolidation efforts are continued and whether social stability can be maintained in view of high unemployment rates. Another risk is connected with the hard-to-predict effects of a less expansive monetary policy. As the US Federal Reserve had not yet implemented such restrictions in mid-September, such action may well be taken by the end of the year. Uncertainty in the financial markets during the summer months has made it very clear how sensitive the markets are at present. In the United States, there are also some fiscal-policy challenges that necessitate agreement between the political parties there. A considerable risk for the world economy would arise if growth rates fell again in the emerging markets. This applies above all to the Chinese economy, which is seeking transition from excessive dependence on credit and investment to a more consumer-based economy. Geopolitical tension in the Middle East is almost unchanged, as reflected by high price volatility in commodity markets, especially of crude oil. Despite the aforementioned possible winding down of expansionary monetary policy, there is still too much liquidity in the global system, which in view of the world economy's below-average growth may lead to speculative bubbles and thus to overheating.

According to EU Directive 2006/40/EC, since January 1, 2011, vehicles can only receive type approval if their air-conditioning systems are filled with a refrigerant that fulfills certain criteria with regard to climate friendliness. The Directive allows for an introductory period until December 31, 2016 for implementation in all new vehicles. Mercedes-Benz had originally planned with the earliest possible application of the new refrigerant (R1234yf) in its new vehicle models and therefore did not intend to make use of this transitional period. However, due to the safety risks identified by Mercedes-Benz in the summer of 2012, Daimler has now decided not to apply the new refrigerant R1234yf in its vehicles. All Mercedes-Benz vehicles have a valid type approval from Germany's Federal Office for Motor Vehicles, which permits the continued use of the current refrigerant R134a. This is generally valid all over Europe and is registered with the authorities in all European markets. Only the relevant French authority (SIV France) had not yet carried out the formal

act of registration for the new A-Class and B-Class and for the CLA and the SL. As a result, these models from Mercedes-Benz with a date of production after June 12, 2013 could temporarily not be registered in France. With its decision of August 27, 2013, the country's highest administrative court has obliged the French government by means of a temporary injunction to resume allowing the vehicles to be registered. Contrary to the view of the French government, the court saw no serious environmental danger from the refrigerant used by Daimler. This decision is of a temporary nature and a final judgment is still pending. In the case that the final judgment should be different, negative effects on our unit sales, revenue and earnings cannot be ruled out.

We are not aware of any risks that could jeopardize the continued existence of the Daimler Group.

Outlook

At the start of the fourth quarter, most forecasts suggest that the **world economy** will continue along its course of moderate expansion. Key leading indicators such as the indices of purchasing managers' business confidence show that the global economy is now gaining more support than it was just a few months ago. But unlike in recent years, it is now mainly the industrialized countries upon which this positive assessment is based. Indicators of business confidence in key emerging markets, including India, Brazil and Russia, are only moderate, however. The beginning of the fourth quarter has been affected by a renewed increase in uncertainty in the financial markets. The main negative factor is the fiscal-policy problem in the United States with the conflict about the budget, which has even led to a temporary shutdown of government agencies and public facilities, and the required increase in the debt ceiling. Although a debt default was avoided at the last minute, it is not yet clear how the ongoing uncertainty about future limits on the debt ceiling will affect consumer and investor behavior. Another source of uncertainty is the European Monetary Union, where the critical political situation in Italy and questions about possible new rescue packages are having an impact. However, if it is possible to convert the positive tendencies regarding business and consumer confidence into real economic activity, the European economy should be able to grow slightly for the third consecutive quarter. Supported by far-reaching stimulating actions, the Japanese economy should remain on its growth path. China's solid development is crucial for the world economy. Already in the third quarter, it seemed that the country's growth slowdown had not continued. Although economic forecasts for most emerging markets have been revised downwards substantially during the course of this year, they are likely to achieve growth of 4 to 4.5% in full-year 2013. However, this is their lowest growth rate of the past ten years apart from crisis year 2009. But this means that the emerging markets continue to expand significantly faster than the industrialized countries, which should only achieve only about 1% growth due to the weak start to the year. For the world economy, this would mean growth of nearly 2.5%, which is not only significantly below the long-term average, but also continues to be very sensitive to external disturbances.

From today's perspective, **worldwide demand for cars** seems likely to expand by about 3% this year. Growth will primarily be driven by ongoing strong increases in demand in the United States and China. Although growth in the US market will no longer be at the double-digit rates of recent years, new registrations will reach their highest level in six years at probably about 15.5 million cars and light trucks. Growth in the Chinese market should be at a double-digit rate once again despite more moderate economic dynamism than last year. Demand for cars has meanwhile stabilized at a low level in Western Europe, and a gradual improvement of the market situation is to be anticipated in the rest of the year. As the general economic environment is still difficult, this will be too weak to compensate for the significant market losses of the first half of the year. A decrease is therefore expected for the full year. The German car market should follow a similar path in the fourth quarter, but will also be smaller in 2013 than last year. Market contraction is anticipated also in Japan, primarily due to unusually strong demand in the previous year caused by state incentives for car buyers.

Apart from China, growth prospects for car markets in the major emerging economies have become significantly less favorable. From today's perspective, significant market contraction is to be expected for both Russia and India.

From the current perspective, the best that can be expected for **global demand for medium and heavy-duty trucks** in 2013 is a volume equal to the previous year. If the sharp market downturn in India continues unabated and market growth in China is significantly slower than recently expected, slight contraction of the world market cannot be ruled out. Due to political uncertainty in the United States, no significant upward trend is likely for North America in the remaining months of the year. We therefore continue to anticipate market contraction of up to 5% for the full year compared with 2012. In the European truck market, purchases brought forward in connection with the upcoming introduction of the Euro VI emission regulations should be increasingly apparent in sales of new vehicle in the coming months. As new registrations of Euro V vehicles are possible under certain conditions also in early 2014, the special effect anticipated for the fourth quarter of 2013 is still hard to quantify. From today's perspective, the market is likely to contract by about 5% in the full year. In Japan, the economic stimulus program that was approved this spring has helped to counteract the weakness of demand that was still apparent at the beginning of the year. We therefore assume that the market's volume will be of the magnitude of last year. Growth of up to 10% is to be expected for the Brazilian market, despite a less optimistic economic outlook. Demand for trucks in Russia will be lower this year than last, however. In India, a significant double-digit drop in truck sales is anticipated due to the continuation of below-average economic growth.

We expect the overall European **van market** to contract by approximately 5% in full-year 2013 due to sluggish demand in the countries of southern Europe. The US market for large vans in 2013 should have a volume equal to that of 2012, following a negative development in the third quarter. In Latin America, the market for large vans should expand again following the significant decline of last year. In China, we anticipate a slight recovery of the market we address there.

We expect the Western European market for **buses** to have a volume similar to that of last year. Demand for buses in Latin America should increase again after the significant decline of 2012. This should result from a revival of the Brazilian market following the introduction of Euro V emission regulations in 2012.

On the basis of the divisions' planning, Daimler expects its **total unit sales** to increase again in the year 2013.

Mercedes-Benz Cars is consistently pursuing the "Mercedes-Benz 2020" offensive. Numerous model changes and new products will ensure that the division reaches a new record level of unit sales in 2013. The new E-Class and in particular the new compact cars will make major contributions to the expected growth in unit sales. The models of the A-Class and B-Class and the new CLA are very popular in the market. In order to satisfy the high demand for the A-Class, Daimler has arranged for this car to be additionally assembled by the Finnish production specialist Valmet Automotive. The new E-Class coupes and convertibles have added sales impetus since June. In the future, Mercedes-Benz anticipates significant growth in the luxury

segment, primarily due to the launch of the new S-Class in major markets such as China and the United States. The new S-Class, which was launched in Europe this July, is the most important new model of 2013. It sets new standards with regard to comfortable and safe driving with pioneering innovations packaged under the name of Mercedes-Benz Intelligent Drive. Furthermore, the Mercedes-Benz brand continues to profit from the great market success of its models in the SUV segment. Despite its advancing lifecycle, the smart brand with its unique two-seater aims to achieve unit sales in the magnitude of last year in the highly competitive micro-car segment.

Daimler Trucks anticipates slightly higher unit sales in full-year 2013 than in the previous year. In line with our expectations, demand in the first half of the year was significantly lower than in the prior-year period due to the continuingly difficult economic situation. In recent months, the situation has improved slightly in some key markets. At the same time, with our completely renewed model range, we have gained market share in many important segments and have thus strengthened our market position. Furthermore, some purchases are being brought forward in Europe due to the upcoming introduction of stricter emission limits in 2014. This will help to increase Daimler Trucks' unit sales during the rest of the year. In the NAFTA region, we have been able to maintain stable sales figures despite the recent decline in demand from the market, which has led to significant growth in market share in Classes 6-8. This sales trend should continue in the coming months. In Brazil, the market recovery is continuing and should contribute towards significant growth in unit sales in the full year. In Asia, we continue to anticipate disparate developments in the various markets. Due in part to state incentives for truck buyers in Japan, we assume that we will increase our unit sales there. Our business volumes in India continue to grow following the launch of the BharatBenz brand, and we are using our presence in the country also to develop new export markets. In other Asian markets, our unit sales should remain at about the prior-year levels as a result of weak demand and tough price competition.

Mercedes-Benz Vans assumes that it will increase its unit sales in 2013. On the product side, the new Mercedes-Benz Citan and the new Sprinter should contribute to that growth. Local production of the Sprinter Classic in Russia should allow us to further increase our unit sales also in that growth market.

Daimler Buses assumes that its unit sales of both chassis and complete buses will increase significantly in 2013. In Latin America, Daimler Buses foresees a significant revival of demand in the full year. For the business with complete buses in Western Europe, we expect to see a significantly positive development of sales in a stable market environment, so that our market share should improve significantly.

Daimler Financial Services anticipates further growth in new business and contract volume in full-year 2013.

Following significant growth in 2012, we assume that the **Daimler Group's revenue** will increase again in 2013. The main source of the revenue growth will be the successful product offensive of Mercedes-Benz Cars. In regional terms, we anticipate above-average growth rates for the emerging markets as a whole and also for North America.

On the basis of our current market assessments, we expect Group **EBIT from the ongoing business** of around €7.5 billion for full-year 2013.

For the individual divisions, we anticipate EBIT from the ongoing business in the following magnitudes:

- Mercedes-Benz Cars: around €4.0 billion
- Daimler Trucks: around €1.7 billion
- Mercedes-Benz Vans: around €0.6 billion
- Daimler Buses: around €0.1 billion
- Daimler Financial Services: around €1.25 billion

In the fourth quarter, we expect Group EBIT from the ongoing business to be higher than in the prior-year period, based on the expectation of continued strong sales performance of our new models, benefits from the initiated efficiency measures, the assumptions made for the development of our key markets and less favorable currency exchange rates.

On the basis of current market assessments, we expect improvements in earnings from the ongoing business for all the automotive divisions and at the Group in the following years. This assessment is supported by the consistent implementation of our efficiency and growth programs, especially Fit for Leadership at Mercedes-Benz Cars and Daimler Trucks #1. At Daimler Financial Services, we anticipate an ongoing stable earnings development.

Within the framework of our global growth strategy, we want to make effective use of the opportunities offered by the international automotive markets. This will require substantial investment also this year in local production facilities, new products and new technologies. In particular to support the product offensives at Mercedes-Benz Cars and Mercedes-Benz Vans, we will once again increase the Group's **capital expenditure** (2012: €4.8 billion).

We expect **research and development spending** to be in the magnitude of last year (€5.6 billion). Key projects are the successor models to the C-Class and the E-Class and the new smart models. We will also invest substantial funds in new, low-emission and fuel-efficient engines, alternative drive systems and innovative safety technologies.

From today's perspective, we assume that the **number of employees** worldwide at year-end will remain stable compared with the end of 2012.

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 worsening of the sovereign-debt crisis in the Eurozone; an exacerbation of the budgetary situation in the United States; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preference towards smaller, lower-margin vehicles; or 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 in 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 of 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 and the conclusion 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. If any of these risks and uncertainties materialize 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 publication date.

Mercedes-Benz Cars

Mercedes-Benz Cars achieves record unit sales of 395,400 vehicles in the third quarter (Q3 2012: 345,400)

Successful market launch of the new S-Class

World premiere of the new GLA at the Frankfurt Motor Show

EBIT of €1.2 billion (Q3 2012: €973 million)

4.01

Q3

Amounts in millions of euros	Q3 2013	Q3 2012	% change
EBIT	1,200	973	+23
Revenue	16,521	15,238	+8
Unit sales	395,446	345,418	+14
Production	391,934	367,199	+7
Employees (September 30)	97,155	97,718	-1

New record for unit sales in the third quarter

Mercedes-Benz Cars once again set a record for unit sales in the third quarter of 2013: The total sales of the car division increased by 14% to 395,400 units. Third-quarter revenue grew by 8% to €16.5 billion and EBIT amounted to €1.2 billion (Q3 2012: €973 million).

Increased unit sales in many markets worldwide

Mercedes-Benz Cars performed well in a volatile European market environment and increased its share of many markets. Unit sales in Western Europe grew by 6% to 151,400 vehicles. In the slightly contracting German market, Mercedes-Benz Cars achieved growth of 2% with sales of 69,900 units. The third quarter was particularly successful for Mercedes-Benz Cars in China, where unit sales rose by 38% to 64,800 vehicles. In the United States, we were the number one premium brand with total sales of 80,100 units – more vehicles than ever before in a third quarter. Unit sales developed very positively also in Russia (+28%) and Japan (+22%).

Strong demand for new compact cars and the new E-Class

Of the Mercedes-Benz model series, the compact cars were once again extremely successful in the third quarter: 97,200 units of the A-Class, the B-Class and the CLA were sold from July through September 2013 (+90%). Mercedes-Benz recorded strong growth also in the E-Class segment: Of the sedan and wagon models alone, 75,100 units were sold in the third quarter of this year (+43%). Due to model changes and lifecycles, unit sales in the S-Class and C-Class segments were below the levels of the prior-year period. The Mercedes-Benz SUVs continued their positive development with worldwide sales in the third quarter totaling 81,700 units (+20%). And we sold 18,000 units of the smart, our compact two-seater (Q3 2012: 23,000).

4.03

Q1-3

Amounts in millions of euros	Q1-3 2013	Q1-3 2012	% change
EBIT	2,701	3,540	-24
Revenue	46,955	45,539	+3
Unit sales	1,141,668	1,054,105	+8
Production	1,177,984	1,086,786	+8
Employees (September 30)	97,155	97,718	-1

4.02

Q3

Unit sales	Q3 2013	Q3 2012	% change
Total	395,446	345,418	+14
Western Europe	151,438	143,183	+6
Germany	69,908	68,479	+2
United States	80,106	74,247	+8
China	64,808	47,127	+38
Other markets	99,094	80,861	+23

Passion and innovative strength – Mercedes-Benz at the Frankfurt Motor Show

At the Frankfurt Motor Show (IAA), in addition to the GLA, four pioneering new S-Class models attracted great attention. The emotional highlight was the Concept S-Class Coupe, providing a glimpse of the next generation of the brand's large coupe. The highly convincing dynamic highlight was the S 63 AMG. The most powerful high-performance sedan in the luxury segment lays down markers for driving dynamics, lightweight construction and efficiency. With the S 500 INTELLIGENT DRIVE, we are the first carmaker to prove that autonomous driving is possible also in long-distance and urban traffic. And the brand's expertise is underscored by the most economical S-Class of all time: the S 500 PLUG-IN HYBRID. The third hybrid car in the model series achieves NEDC fuel consumption of only 3.0 liters per 100 kilometers and CO2 emissions of 69 grams per kilometer.

The GLA is the fourth member of our compact-car family

With the new GLA model, Mercedes-Benz is consistently continuing its offensive in the growth market of premium compact cars. Presented at the Frankfurt Motor Show, the new GLA completes our broad range of SUVs and is the fourth of five new compact models from Mercedes-Benz.

Product offensive and high use of capacity at our plants

The product offensive of Mercedes-Benz continues: Preparations for the start of production of the new GLA in Rastatt and of the new C-Class in Bremen are progressing as planned. In general, our production plants continue to have very high levels of capacity utilization. Due to the high demand for our products, most of the plants continued to operate through the summer months. Furthermore, numerous special shifts are being planned for the rest of the year.

4.04

Q1-3

Unit sales	Q1-3 2013	Q1-3 2012	% change
Total	1,141,668	1,054,105	+8
Western Europe	479,376	468,804	+2
Germany	210,812	214,058	-2
United States	224,580	208,303	+8
China	171,263	149,331	+15
Other markets	266,449	227,667	+17

Daimler Trucks

Renewed growth in unit sales to 124,500 vehicles (Q3 2012: 119,100)

Start of sales for Europe's most powerful heavy-duty tractor unit with a Euro VI engine

Orders received for almost 20,000 Cascadia Evolution trucks since the start of production

EBIT of €522 million (Q3 2012: €501 million)

	Q3		
Amounts in millions of euros	Q3 2013	Q3 2012	% change
EBIT	522	501	+4
Revenue	7,982	8,095	-1
Unit sales	124,465	119,142	+4
Production	128,289	118,892	+8
Employees (September 30)	80,130	81,044	-1

Slight growth in unit sales and revenue

Daimler Trucks' third-quarter unit sales were 4% above the prior-year level at 124,500 vehicles. Revenue reached €8.0 billion (-1%). EBIT amounted to €522 million (Q3 2012: €501 million), including expenses of €8 million for previously announced personnel actions.

Good product acceptance in ongoing situation of weak demand

The number of trucks sold in Western Europe increased to 16,700 units. In this region, Mercedes-Benz Trucks maintained its market leadership in the medium and heavy-duty segment with a market share of 24.3% (Q3 2012: 24.0%). Despite the continuation of strong demand for Euro V trucks due to purchases being brought forward, the proportion of Euro VI vehicles sold in the third quarter was already 16% and in Germany it was actually 23%. With a market share of 50.3% and 4,600 (Q3 2013: 4,400) vehicles sold in Turkey, our Mercedes-Benz trucks reinforced their excellent market position there. Demand continued to recover in Brazil, Latin America's main market, and our unit sales there increased by 27% to 10,400 trucks, giving us a market share of 24.5% (Q3 2012: 25.3%) in the medium and heavy-duty segment. In the NAFTA region, we maintained our unit sales at a stable level despite the continuation of restrained market demand, thus significantly increasing our market share in Classes 6-8 from 33.4% to 38.2%. In Asia, however, the number of 41,100 trucks sold was 4% below the prior-year level. The development of sales in that region was negatively affected by weaker overall demand in combination with intense competition in important markets such as Indonesia and Taiwan.

	Q1-3		
Amounts in millions of euros	Q1-3 2013	Q1-3 2012	% change
EBIT	1,072	1,401	-23
Revenue	22,971	23,607	-3
Unit sales	349,661	349,023	+0
Production	366,840	354,369	+4
Employees (September 30)	80,130	81,044	-1

	Q3		
Unit sales	Q3 2013	Q3 2012	% change
Total	124,465	119,142	+4
Western Europe	16,662	14,193	+17
NAFTA	35,125	35,177	-0
Latin America (excluding Mexico)	16,204	12,541	+29
Asia	41,115	42,698	-4
Other markets	15,359	14,533	+6
BFDA (Auman Trucks)	24,129	13,942	+73
Total (including BFDA)	148,594	133,084	+12

In Japan, however, we participated in the slight market revival and increased our sales by 23% to 10,100 units. One year after the market launch of our new BharatBenz brand in India, production continues to be ramped up as planned and 1,800 vehicles were sold by Daimler Trucks in the third quarter.

New heavy-duty truck in Euro VI pulls loads up to 250 tons

With the start of sales in late September, the Mercedes-Benz SLT is so far the only heavy-duty tractor unit in the European market available with a Euro VI engine. Daimler's truck conversion specialist, Custom Tailored Trucks in Molsheim, Germany, is responsible for both the development and the production of this vehicle. The basic chassis will be delivered to customers as of December 2013 and the all-wheel-drive versions will be available as of April 2014.

Almost 20,000 Cascadia Evolution trucks ordered in 2013

Since the start of production in March 2013, Freightliner has received orders for almost 20,000 units of its Cascadia Evolution heavy-duty truck in the NAFTA region. Thanks to the new Detroit DD15 engine with the tried-and-tested Daimler BlueTec emission technology and aerodynamic improvements, customers profit from fuel savings of up to 7% compared with the predecessor EPA 2010-compliant truck.

Chinese joint venture sells 24,100 vehicles

In China, we hold a 50% interest in Beijing Foton Daimler Automotive Co., Ltd. (BFDA), a joint venture with Beiqi Foton Motor Co., Ltd. Start of production was in July 2012. BFDA sold 24,100 trucks under the Auman brand name in the third quarter of this year (Q3 2012: 13,900).

	Q1-3		
Unit sales	Q1-3 2013	Q1-3 2012	% change
Total	349,661	349,023	+0
Western Europe	42,900	42,300	+1
NAFTA	100,691	102,389	-2
Latin America (excluding Mexico)	45,242	32,681	+38
Asia	118,291	128,938	-8
Other markets	42,537	42,715	-0
BFDA (Auman Trucks)	75,359	13,942	.
Total (including BFDA)	425,020	362,965	+17

Mercedes-Benz Vans

Significant increase in unit sales to 65,300 vehicles (Q3 2012: 55,700)

Continued success for Mercedes-Benz Vans in the growth markets

Start of production of the new Mercedes-Benz Sprinter

EBIT of €152 million (Q3 2012: €75 million)

	4.09	Q3	
Amounts in millions of euros	Q3 2013	Q3 2012	% change
EBIT	152	75	+103
Revenue	2,253	2,084	+8
Unit sales	65,314	55,742	+17
Production	62,843	55,159	+14
Employees (September 30)	15,288	14,959	+2

	4.10	Q3	
Unit sales	Q3 2013	Q3 2012	% change
Total	65,314	55,742	+17
Western Europe	39,528	33,085	+19
Germany	17,323	14,409	+20
Eastern Europe	7,180	5,821	+23
United States	5,546	5,836	-5
Latin America (excluding Mexico)	5,176	4,307	+20
China	3,466	2,270	+53
Other markets	4,418	4,423	-0

Significant increases in unit sales, revenue and EBIT

Mercedes-Benz Vans increased its unit sales by 17% to 65,300 vehicles in the third quarter of 2013. Revenue of €2.3 billion was also significantly higher than in the prior-year period (Q3 2012: €2.1 billion). EBIT reached €152 million (Q3 2012: €75 million).

Continued success for Mercedes-Benz Vans in the growth markets

Despite the ongoing difficult market situation in many parts of Europe and the resulting restrained demand, Mercedes-Benz Vans increased its unit sales in its core region of Western Europe to 39,500 vehicles in the third quarter (Q3 2012: 33,100). Growth was particularly strong in Germany (+20%), the United Kingdom (+27%) and France (+21%). Mercedes-Benz Vans' sales success continued also in Eastern Europe, especially in Russia and Turkey; unit sales in the region increased from 5,800 to 7,200 vehicles.

Due to the negative market development in the third quarter in the United States, our sales of 5,500 units in that market were lower than in the prior-year period. In Latin America, however, Mercedes-Benz Vans' unit sales grew strongly once again in the third quarter of 2013 (+20%). In Brazil and Argentina, the Sprinter defended its leading market position in the large-van segment.

Mercedes-Benz Vans recorded substantial growth once again also in China, where unit sales increased by 53% to 3,500 vehicles.

All van model series were very successful in the third quarter of 2013. We sold 41,900 units of the Sprinter worldwide, representing an increase of 8% compared with the prior-year period. Of the two models Vito and Viano, a total of 17,500 units were sold in the third quarter of this year (Q3 2012: 16,400). 5,000 units of the Mercedes-Benz Citan were sold.

The new Mercedes-Benz Sprinter rolls off the assembly line

After more than eight million test kilometers driven and €25 million invested in the two German van plants in Düsseldorf and Ludwigsfelde, production started and the first new Mercedes-Benz Sprinter rolled off the assembly line in Düsseldorf on July 1. Mercedes-Benz Vans has thus opened a new chapter in the success story of the Sprinter and once again sets the benchmark in the van sector.

Local production of the Sprinter Classic starts in Russia

Mercedes-Benz Vans has reached another important milestone in its worldwide strategy "Vans goes global." Together with Russia's biggest van manufacturer, GAZ, Mercedes-Benz Vans has been producing the Sprinter Classic locally for the Russian market since the third quarter of 2013.

Major order for 620 Mercedes-Benz vans

In the third quarter of 2013, Mercedes-Benz Vans received a major order from the Avis Budget Group to supply 620 vans of the models Vito, Viano and Sprinter. The vehicle-hire company is thus once again restocking its fleet in Southern Europe with vehicles from Mercedes-Benz.

	4.11	Q1-3	
Amounts in millions of euros	Q1-3 2013	Q1-3 2012	% change
EBIT	437	442	-1
Revenue	6,673	6,592	+1
Unit sales	187,373	176,289	+6
Production	198,823	185,928	+7
Employees (September 30)	15,288	14,959	+2

	4.12	Q1-3	
Unit sales	Q1-3 2013	Q1-3 2012	% change
Total	187,373	176,289	+6
Western Europe	114,654	113,998	+1
Germany	48,491	48,686	-0
Eastern Europe	19,636	16,915	+16
United States	15,630	15,703	-0
Latin America (excluding Mexico)	14,447	9,599	+51
China	9,147	5,689	+61
Other markets	13,859	14,385	-4

Daimler Buses

Significant rise in unit sales to 9,600 buses and bus chassis (Q3 2012: 8,300)

Strong demand for new city bus Mercedes-Benz Citaro

Market launch of exclusive coach generation Setra TopClass 500

Turnaround achieved with EBIT of plus €59 million (Q3 2012: minus €36 million)

4.13

Q3

Amounts in millions of euros	Q3 2013	Q3 2012	% change
EBIT	59	-36	.
Revenue	1,127	951	+19
Unit sales	9,649	8,257	+17
Production	9,488	9,207	+3
Employees (September 30)	16,716	17,166	-3

Significant improvement in EBIT

Daimler Buses increased its worldwide unit sales in the third quarter of 2013 by 17% to 9,600 buses and bus chassis, as a result of increased demand in Western Europe and Latin America. Revenue of €1.1 billion was also significantly higher than in the prior-year period (+19%). EBIT improved by €95 million to €59 million.

Positive development of unit sales in main markets

In its core markets of Western Europe and Latin America, Daimler Buses increased its unit sales in the third quarter of this year. In Western Europe, we achieved growth in the business with complete buses with a 4% sales increase to 1,700 units. Strong demand for our buses of the Mercedes-Benz and Setra brands, especially for the new Citaro city bus, had a positive impact on our unit sales in Germany, which rose by 50% to 600 vehicles. Daimler Buses thus significantly increased its market share in Germany from 44.2% to approximately 56%. In Western Europe we maintained our market share at the high level of 33.5% (Q3 2012: 33.9%). In Latin America, sales of 5,800 units were 20% above the prior-year level; however, demand for bus chassis in Brazil was somewhat restrained due to politically rooted market uncertainty.

Like in the previous quarters, our unit sales in the NAFTA region decreased as expected following the repositioning of the North American business system in 2012 and the discontinued production of Orion buses. Sales of 900 units in Mexico were at the level of the prior-year quarter.

4.15

Q1-3

Amounts in millions of euros	Q1-3 2013	Q1-3 2012	% change
EBIT	55	-200	.
Revenue	2,812	2,697	+4
Unit sales	23,595	21,571	+9
Production	26,115	23,449	+11
Employees (September 30)	16,716	17,166	-3

4.14

Q3

Unit sales	Q3 2013	Q3 2012	% change
Total	9,649	8,257	+17
Western Europe	1,696	1,625	+4
Germany	573	382	+50
NAFTA region	944	1,026	-8
Latin America (excluding Mexico)	5,750	4,807	+20
Asia	435	390	+12
Other markets	824	409	+101

Continuation of model offensive with Setra TopClass 500 and Mercedes-Benz Tourismo K

With the Setra TopClass 500, Daimler Buses has presented a new vehicle generation in the premium segment. The elegant and dynamic coaches of the Setra brand allow a traveling experience combining the highest levels of luxury and functionality. The model portfolio of the Tourismo coach family will be extended with a midibus variant, the Mercedes-Benz Tourismo K.

Setra ComfortClass 500 is "Coach of the Year 2014"

The Setra ComfortClass 500 has been voted "Coach of the Year 2014" by an international jury of experts. Following extensive tests, the "Bus and Coach of the Year" panel of experts awarded the prestigious prize to the S 515 HD.

Reorganization of used-vehicle activities under the new "BusStore" brand

Within the context of its repositioning, Daimler Buses has created a bus-specific and pan-European network for marketing used vehicles with the launch of the "BusStore" brand. In this way, Daimler Buses is strengthening the used-bus business and offering its customers a large selection of pre-owned vehicles from Mercedes-Benz, Setra and all other established brands.

Agreement on cooperation with Wrightbus in India

After Daimler Buses successfully consolidated and integrated its bus business in India this April under the umbrella of Daimler India Commercial Vehicles (DICV), a cooperation agreement has now been signed with the British body manufacturer Wrightbus. Wrightbus will be responsible for building and fitting the vehicles' bodies on chassis produced locally by Daimler Buses.

4.16

Q1-3

Unit sales	Q1-3 2013	Q1-3 2012	% change
Total	23,595	21,571	+9
Western Europe	3,722	3,634	+2
Germany	1,307	1,051	+24
NAFTA region	2,022	2,690	-25
Latin America (excluding Mexico)	14,420	12,286	+17
Asia	1,188	1,212	-2
Other markets	2,243	1,749	+28

Daimler Financial Services

New business above prior-year level
Contract volume up by 2% to €82 billion
500,000 customers for car2go
EBIT of €322 million (Q3 2012: €322 million)

4.17

Q3

Amounts in millions of euros	Q3 2013	Q3 2012	% change
EBIT	322	322	+0
Revenue	3,657	3,524	+4
New business	10,379	9,968	+4
Contract volume (September 30)	81,962	77,464	+6
Employees (September 30)	7,946	7,630	+4

New business once again above prior-year level

Daimler Financial Services concluded approximately 296,000 new leasing and financing contracts with a total value of €10.4 billion in the third quarter, achieving growth of 4% compared with the prior-year period. Contract volume reached €82.0 billion at the end of September, which is 2% higher than at the end of 2012. Adjusted for exchange-rate effects, the increase was 6%. EBIT of €322 million equaled the result of the third quarter of last year.

Successful business development in Europe

In Europe, around 161,000 new leasing and financing contracts were concluded with a total volume of €4.9 billion, which is about 5% more than in the prior-year period. The development of business was particularly positive in the Benelux countries (+25%) and the United Kingdom (+16%). In Germany, the new business of Mercedes-Benz Bank increased compared with the third quarter of 2012 by 3% to €2.3 billion and its deposit volume in the direct banking business amounted to €11.4 billion (-6%). The bank monitor of Germany's Autohaus trade magazine named Mercedes-Benz Bank the best provider of automotive financial services in the categories of premium vehicles and niche products. Contract volume in Europe reached €35.9 billion at the end of September, which is 4% higher than at the end of 2012.

Strong gains in Argentina and Brazil

In North and South America, new business of €4.1 billion was 6% above the high level of the prior-year period. A decrease in Canada was more than offset by strong growth in Argentina (+28%), Brazil (+17%) and the United States (+10%). Contract volume in the region amounted to €34.8 billion and was thus 2% above the level at the end of 2012.

4.18

Q1-3

Amounts in millions of euros	Q1-3 2013	Q1-3 2012	% change
EBIT	955	1,004	-5
Revenue	10,782	9,924	+9
New business	29,290	27,605	+6
Contract volume (September 30)	81,962	77,464	+6
Employees (September 30)	7,946	7,630	+4

New online portals set-up in Asia-Pacific

New business in the Africa & Asia-Pacific region decreased compared with the third quarter of 2012 by 5% to €1.4 billion. Compared with year-end 2012, contract volume also fell by 2% to €11.1 billion at the end of September. Adjusted for exchange rate effects, there was an increase of 9%. In order to make contract management as convenient as possible for the customers of Daimler Financial Services, new online portals were set up in Singapore, Malaysia, Thailand and Taiwan in the third quarter.

Ongoing growth for insurance activities

The number of insurance policies brokered by Daimler Financial Services increased compared with the prior-year period by 30% to 340,000. The development of the insurance business was extremely successful in China, where nearly 40,000 policies were brokered between July and September – an increase of more than 60% compared with the same quarter of last year. The development was positive also in Turkey, where the number of policies brokered tripled compared with the third quarter of 2012 to 4,000.

car2go now has more than half a million customers

The mobility concept car2go has been available since the third quarter also in Milan and Minneapolis. The world's first station-independent car-sharing system is now available in 23 cities and operates a total fleet of more than 9,000 smart fortwo cars. Worldwide, car2go has gained approximately 230,000 new customers so far this year, which is an increase of approximately 85% compared with the end of 2012. By the end of September, car2go already had more than 500,000 customers, making it the clear market leader in the field of flexible short-period car leasing.

Consolidated Statement of Income (Unaudited) Q3

5.01

In millions of euros	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q3 2013	Q3 2012 (adjusted) ¹	Q3 2013	Q3 2012 (adjusted) ¹	Q3 2013	Q3 2012 (adjusted) ¹
Revenue	30,099	28,572	26,442	25,048	3,657	3,524
Cost of sales	-23,486	-22,261	-20,381	-19,308	-3,105	-2,953
Gross profit	6,613	6,311	6,061	5,740	552	571
Selling expenses	-2,622	-2,604	-2,515	-2,495	-107	-109
General administrative expenses	-985	-925	-860	-788	-125	-137
Research and non-capitalized development costs	-993	-1,052	-993	-1,052	-	-
Other operating income	363	372	356	354	7	18
Other operating expense	-84	-79	-80	-75	-4	-4
Share of profit/loss from investments accounted for using the equity method, net	4	107	4	116	-	-9
Other financial expense, net	-65	-207	-64	-199	-1	-8
Earnings before interest and taxes (EBIT)²	2,231	1,923	1,909	1,601	322	322
Interest income	63	45	63	45	-	-
Interest expense	-222	-280	-220	-278	-2	-2
Profit before income taxes	2,072	1,688	1,752	1,368	320	320
Income taxes	-175	-450	1	-341	-176	-109
Net profit	1,897	1,238	1,753	1,027	144	211
Thereof profit attributable to non-controlling interest	61	103				
Thereof profit attributable to shareholders of Daimler AG	1,836	1,135				
Earnings per share (in €) for profit attributable to shareholders of Daimler AG						
Basic	1.72	1.06				
Diluted	1.72	1.06				

1 Information related to the adjustments of the prior-year figures is disclosed in Note 1.

2 EBIT includes expenses from the compounding of provisions and the effects of changes in discount rates (Q3 2013: €57 million; Q3 2012: €181 million).

Consolidated Statement of Income (Unaudited) Q1-3

5.02

In millions of euros	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1-3 2013	Q1-3 2012 (adjusted) ¹	Q1-3 2013	Q1-3 2012 (adjusted) ¹	Q1-3 2013	Q1-3 2012 (adjusted) ¹
Revenue	85,893	84,467	75,111	74,543	10,782	9,924
Cost of sales	-67,378	-65,289	-58,286	-57,097	-9,092	-8,192
Gross profit	18,515	19,178	16,825	17,446	1,690	1,732
Selling expenses	-8,010	-7,501	-7,661	-7,223	-349	-278
General administrative expenses	-2,842	-2,915	-2,449	-2,479	-393	-436
Research and non-capitalized development costs	-2,999	-3,126	-2,999	-3,126	-	-
Other operating income	940	1,038	904	1,000	36	38
Other operating expense	-260	-209	-246	-199	-14	-10
Share of profit/loss from investments accounted for using the equity method, net	3,329	242	3,341	262	-12	-20
Other financial expense, net	-283	-418	-280	-396	-3	-22
Earnings before interest and taxes (EBIT)¹	8,390	6,289	7,435	5,285	955	1,004
Interest income	168	176	168	176	-	-
Interest expense	-668	-696	-663	-688	-5	-8
Profit before income taxes	7,890	5,769	6,940	4,773	950	996
Income taxes	-846	-1,541	-418	-1,203	-428	-338
Net profit	7,044	4,228	6,522	3,570	522	658
Thereof profit attributable to non-controlling interest	1,838	269				
Thereof profit attributable to shareholders of Daimler AG	5,206	3,959				
Earnings per share (in €) for profit attributable to shareholders of Daimler AG						
Basic	4.87	3.71				
Diluted	4.87	3.71				

¹ Information related to the adjustments of the prior-year figures is disclosed in Note 1.

² EBIT includes expenses from the compounding of provisions and the effects of changes in discount rates (Q1-3 2013: €91 million; Q1-3 2012: €428 million).

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income (Unaudited) Q3

5.03

In millions of euros	Consolidated Group	
	Q3 2013	Q3 2012 (adjusted) ¹
Net profit	1,897	1,238
Unrealized losses on currency translation	-406	-247
Unrealized gains/losses on financial assets available for sale	12	-73
Unrealized gains on derivative financial instruments	199	465
Unrealized losses on investments accounted for using the equity method	-18	-444
Items that may be reclassified to profit/loss	-213	-299
Actuarial losses on investments accounted for using the equity method	-	-144
Actuarial gains/losses from defined benefit pension plans	181	-1,020
Items that will not be reclassified to profit/loss	181	-1,164
Other comprehensive income, net of taxes	-32	-1,463
Thereof income/loss attributable to non-controlling interest, net of taxes	-10	-205
Thereof income/loss attributable to shareholders of Daimler AG, net of taxes	-22	-1,258
Total comprehensive income	1,865	-225
Thereof income/loss attributable to non-controlling interest	51	-102
Thereof income/loss attributable to shareholders of Daimler AG	1,814	-123

¹ Information related to the adjustments of the prior-year figures is disclosed in Note 1.

Consolidated Statement of Comprehensive Income (Unaudited) Q1-3

5.04

In millions of euros	Consolidated Group	
	Q1-3 2013	Q1-3 2012 (adjusted) ¹
Net profit	7,044	4,228
Unrealized losses on currency translation	-951	-14
Unrealized gains on financial assets available for sale	239	58
Unrealized gains on derivative financial instruments	583	178
Unrealized gains/losses on investments accounted for using the equity method	23	-301
Items that may be reclassified to profit/loss	-106	-79
Actuarial losses on investments accounted for using the equity method	-	-226
Actuarial gains/losses from defined benefit pension plans	599	-1,151
Items that will not be reclassified to profit/loss	599	-1,377
Other comprehensive income, net of taxes	493	-1,456
Thereof loss attributable to non-controlling interest, net of taxes	-1	-187
Thereof income/loss attributable to shareholders of Daimler AG, net of taxes	494	-1,269
Total comprehensive income	7,537	2,772
Thereof income attributable to non-controlling interest	1,837	82
Thereof income attributable to shareholders of Daimler AG	5,700	2,690

¹ Information related to the adjustments of the prior-year figures is disclosed in Note 1.

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Financial Position (unaudited)

5.05

In millions of euros	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Sept. 30, 2013	Dec. 31, 2012 (adjusted) ¹	Sept. 30, 2013	Dec. 31, 2012 (adjusted) ¹	Sept. 30, 2013	Dec. 31, 2012 (adjusted) ¹
Assets						
Intangible assets	9,226	8,885	9,136	8,808	90	77
Property, plant and equipment	21,003	20,599	20,955	20,546	48	53
Equipment on operating leases	27,512	26,058	12,924	12,163	14,588	13,895
Investments accounted for using the equity method	2,914	4,304	2,913	4,291	1	13
Receivables from financial services	27,591	27,062	-33	-33	27,624	27,095
Marketable debt securities	1,647	1,539	6	9	1,641	1,530
Other financial assets	3,710	3,890	-466	-216	4,176	4,106
Deferred tax assets	2,082	2,733	1,538	2,178	544	555
Other assets	499	534	-1,703	-1,753	2,202	2,287
Total non-current assets	96,184	95,604	45,270	45,993	50,914	49,611
Inventories	18,968	17,720	18,483	17,075	485	645
Trade receivables	7,666	7,543	6,981	6,864	685	679
Receivables from financial services	22,161	21,998	-16	-17	22,177	22,015
Cash and cash equivalents	10,615	10,996	9,862	9,887	753	1,109
Marketable debt securities	5,572	4,059	5,517	3,832	55	227
Other financial assets	2,507	2,070	-6,638	-6,625	9,145	8,695
Other assets	3,084	3,072	450	536	2,634	2,536
Total current assets	70,573	67,458	34,639	31,552	35,934	35,906
Total assets	166,757	163,062	79,909	77,545	86,848	85,517
Equity and liabilities						
Share capital	3,069	3,063				
Capital reserves	11,867	12,026				
Retained earnings	25,473	22,017				
Other reserves	694	799				
Treasury shares	-	-				
Equity attributable to shareholders of Daimler AG	41,103	37,905				
Non-controlling interest	686	1,425				
Total equity	41,789	39,330	35,090	33,238	6,699	6,092
Provisions for pensions and similar obligations	10,902	11,299	10,744	11,151	158	148
Provisions for income taxes	544	727	539	726	5	1
Provisions for other risks	5,447	5,150	5,308	4,992	139	158
Financing liabilities	43,753	43,340	11,728	10,950	32,025	32,390
Other financial liabilities	1,557	1,750	1,446	1,613	111	137
Deferred tax liabilities	725	268	-1,513	-1,808	2,238	2,076
Deferred income	2,549	2,444	2,112	1,989	437	455
Other liabilities	22	38	20	32	2	6
Total non-current liabilities	65,499	65,016	30,384	29,645	35,115	35,371
Trade payables	10,288	8,832	9,980	8,515	308	317
Provisions for income taxes	611	1,006	536	900	75	106
Provisions for other risks	6,298	6,292	5,912	5,983	386	309
Financing liabilities	32,572	32,911	-8,836	-8,067	41,408	40,978
Other financial liabilities	6,124	6,699	4,092	5,023	2,032	1,676
Deferred income	1,900	1,640	1,382	1,153	518	487
Other liabilities	1,676	1,336	1,369	1,155	307	181
Total current liabilities	59,469	58,716	14,435	14,662	45,034	44,054
Total equity and liabilities	166,757	163,062	79,909	77,545	86,848	85,517

¹ Information related to the adjustments of the prior-year figures is disclosed in Note 1.

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Changes in Equity (Unaudited)

5.06

In millions of euros	Share capital	Capital reserves	Retained earnings (adjusted) ^{1, 2}	Currency translation (adjusted) ¹	Financial assets available for sale
Balance at January 1, 2012 before adjustments	3,060	11,895	24,228	1,049	71
Effects from first-time adoption of IAS 19R	-	-	-3,862	-52	-
Effect from adjustment of early retirement and partial retirement plans	-	-	-34	-	-
Balance at January 1, 2012 after adjustments	3,060	11,895	20,332	997	71
Net profit	-	-	3,959	-	-
Other comprehensive income before taxes	-	-	-2,338	-14	58
Deferred taxes on other comprehensive income	-	-	1,038	-	-1
Total comprehensive income/loss	-	-	2,659	-14	57
Dividends	-	-	-2,346	-	-
Share-based payment	-	-	-	-	-
Capital increase/Issue of new shares	2	25	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-12	-	-	-
Balance at September 30, 2012	3,062	11,908	20,645	983	128
Balance at January 1, 2013 before adjustments	3,063	12,026	27,977	530	234
Effects from first-time adoption of IAS 19R	-	-	-5,919	-14	-
Effect from adjustment of early retirement and partial retirement plans	-	-	-41	-	-
Balance at January 1, 2013 after adjustments	3,063	12,026	22,017	516	234
Net profit	-	-	5,206	-	-
Other comprehensive income before taxes	-	-	798	-922	242
Deferred taxes on other comprehensive income	-	-	-199	-	-4
Total comprehensive income/loss	-	-	5,805	-922	238
Dividends	-	-	-2,349	-	-
Share-based payment	-	2	-	-	-
Capital Increase/Issue of new shares	6	66	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-23	-	-	-
Other	-	-204	-	-	-
Balance at September 30, 2013	3,069	11,867	25,473	-406	472

1 Information related to the adjustments of the prior-year figures is disclosed in Note 1.

2 Retained earnings include items that will not be reclassified to profit or loss. Actuarial losses from defined benefit pension plans amount to €5,548 million net of tax as of September 30, 2013 (December 31, 2012: €6,147 million net of tax).

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Derivative financial instruments	Other reserves items that may be reclassified in profit/loss	Share of investments accounted for using the equity method	Treasury shares	Equity attributable to shareholders of Daimler AG (adjusted) ¹	Non-controlling interest (adjusted) ¹	Total equity (adjusted) ¹	In millions of euros
-651	-28	-	-	39,624	1,713	41,337	Balance at January 1, 2012 before adjustments
-	-	-	-	-3,914	-131	-4,045	Effects from first-time adoption of IAS 19R
-	-	-	-	-34	-	-34	Effect from adjustment of early retirement and partial retirement plans
-651	-28	-	-	35,676	1,582	37,258	Balance at January 1, 2012 after adjustments
-	-	-	-	3,959	269	4,228	Net profit
243	-291	-	-	-2,342	-270	-2,612	Other comprehensive income before taxes
-65	101	-	-	1,073	83	1,156	Deferred taxes on other comprehensive income
178	-190	-	-	2,690	82	2,772	Total comprehensive income/loss
-	-	-	-	-2,346	-378	-2,724	Dividends
-	-	-	-	-	-	-	Share-based payment
-	-	-	-	27	8	35	Capital increase/Issue of new shares
-	-	-	-25	-25	-	-25	Acquisition of treasury shares
-	-	-	25	25	-	25	Issue and disposal of treasury shares
-	-	-	-	-12	76	64	Other
-473	-218	-	-	36,035	1,370	37,405	Balance at September 30, 2012
50	-1	-	-	43,879	1,631	45,510	Balance at January 1, 2013 before adjustments
-	-	-	-	-5,933	-206	-6,139	Effects from first-time adoption of IAS 19R
-	-	-	-	-41	-	-41	Effect from adjustment of early retirement and partial retirement plans
50	-1	-	-	37,905	1,425	39,330	Balance at January 1, 2013 after adjustments
-	-	-	-	5,206	1,838	7,044	Net profit
831	39	-	-	988	12	1,000	Other comprehensive income before taxes
-248	-43	-	-	-494	-13	-507	Deferred taxes on other comprehensive income
583	-4	-	-	5,700	1,837	7,537	Total comprehensive income/loss
-	-	-	-	-2,349	-218	-2,567	Dividends
-	-	-	-	2	-	2	Share-based payment
-	-	-	-	72	4	76	Capital Increase/Issue of new shares
-	-	-	-24	-24	-	-24	Acquisition of treasury shares
-	-	-	24	24	-	24	Issue and disposal of treasury shares
-	-	-	-	-23	-2,433	-2,456	Changes in ownership interests in subsidiaries
-	-	-	-	-204	71	-133	Other
633	-5	-	-	41,103	686	41,789	Balance at September 30, 2013

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Cash Flows (Unaudited)

5.07

In millions of euros	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1-3 2013	Q1-3 2012 (adjusted) ¹	Q1-3 2013	Q1-3 2012 (adjusted) ¹	Q1-3 2013	Q1-3 2012 (adjusted) ¹
Profit before income taxes	7,890	5,769	6,940	4,773	950	996
Depreciation and amortization	3,255	3,049	3,236	3,032	19	17
Other non-cash expense and income	-3,273	-236	-3,312	-281	39	45
Gains/losses on disposals of assets	157	-37	157	-37	-	-
Change in operating assets and liabilities						
Inventories	-1,862	-2,544	-1,980	-2,580	118	36
Trade receivables	-403	-724	-384	-230	-19	-494
Trade payables	1,700	779	1,698	784	2	-5
Receivables from financial services	-2,988	-2,400	70	284	-3,058	-2,684
Vehicles on operating leases	-2,069	-2,538	-207	-100	-1,862	-2,438
Other operating assets and liabilities	1,600	-349	844	-633	756	284
Income taxes paid	-847	-1,184	-632	-900	-215	-284
Cash provided by/used for operating activities	3,160	-415	6,430	4,112	-3,270	-4,527
Additions to property, plant and equipment	-3,221	-3,373	-3,207	-3,359	-14	-14
Additions to intangible assets	-1,494	-1,331	-1,469	-1,317	-25	-14
Proceeds from disposals of property, plant and equipment and intangible assets	88	143	79	139	9	4
Investments in share property	-253	-627	-249	-622	-4	-5
Proceeds from disposals of share property	2,383	50	2,383	49	-	1
Acquisition of marketable debt securities	-5,483	-4,965	-5,061	-3,812	-422	-1,153
Proceeds from sales of marketable debt securities	3,790	3,196	3,325	2,650	465	546
Other	31	-27	16	-29	15	2
Cash provided by/ used for investing activities	-4,159	-6,934	-4,183	-6,301	24	-633
Change in financing liabilities	3,340	12,805	744	7,265	2,596	5,540
Dividends paid to shareholders of Daimler AG	-2,349	-2,346	-2,349	-2,346	-	-
Dividends paid to non-controlling interest	-218	-378	-217	-377	-1	-1
Proceeds from issuance of share capital	92	53	89	50	3	3
Acquisitions of treasury shares	-24	-25	-24	-25	-	-
Acquisitions of non-controlling interests in subsidiaries	-73	-	-73	-	-	-
Proceeds from disposals of interests in subsidiaries without loss of control	9	-	9	-	-	-
Internal equity transactions	-	-	-319	-184	319	184
Cash provided by/used for financing activities	777	10,109	-2,140	4,383	2,917	5,726
Effect of foreign exchange-rate changes on cash and cash equivalents	-159	-57	-132	-45	-27	-12
Net increase/decrease in cash and cash equivalents	-381	2,703	-25	2,149	-356	554
Cash and cash equivalents at beginning of period	10,996	9,576	9,887	8,908	1,109	668
Cash and cash equivalents at end of period	10,615	12,279	9,862	11,057	753	1,222

¹ Information related to the adjustments of the prior-year figures is disclosed in Note 1.

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Notes to the Interim Consolidated Financial Statements (Unaudited)

1. Presentation of the Interim Consolidated Financial Statements

General. These unaudited interim consolidated financial statements (interim financial statements) of Daimler AG and its subsidiaries (“Daimler” or “the Group”) have been prepared in accordance with Section 37x Subsection 3 of the German Securities Trading Act (WpHG) and International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim financial statements comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Daimler AG is a stock corporation organized under the laws of the Federal Republic of Germany. Daimler AG is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 137, 70327 Stuttgart, Germany.

The interim financial statements of the Daimler Group are presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros. All figures shown are rounded in accordance with standard business rounding principles.

All significant intercompany accounts and transactions have been eliminated. In the opinion of the management, the interim financial statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of the Group. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full fiscal year. The interim financial statements should be read in conjunction with the December 31, 2012 audited and published IFRS consolidated financial statements and notes thereto. The accounting policies applied by the Group in these interim financial statements are principally the same as those applied in the audited IFRS consolidated financial statements for the year ended December 31, 2012, with the exception of the accounting policies outlined below.

Commercial practice with respect to certain products manufactured by Daimler necessitates that sales financing, including leasing alternatives, be made available to the Group’s customers. Accordingly, the Group’s consolidated financial statements are also significantly influenced by the activities of its financial services business. To enhance readers’ understanding of the Group’s financial position, cash flows and operating results, the accompanying interim consolidated financial statements also present information with respect to the Group’s industrial business and Daimler Financial Services business activities. Such information, however, is not required by IFRS and is not intended to, and does not represent the separate IFRS results of operations, cash flows and financial position of the Group’s industrial business or Daimler Financial Services business activities. Eliminations of the effects of transactions between the industrial business and the Daimler Financial Services business have generally been allocated to the industrial business columns.

Preparation of interim financial statements in conformity with IFRS requires management to make estimates, assessments and assumptions which can affect the amounts and reporting of assets and liabilities, the reporting of contingent assets and liabilities at the balance sheet date and the amounts of income and expense reported for the period. Actual amounts can differ from those estimates. Changes in the estimates, assessments and assumptions can have a material impact on the consolidated financial statements.

Prior-year period adjustments. In June 2011, IASB published amendments to IAS 19 Employee Benefits, which were endorsed by the EU in June 2012. The amendments to IAS 19 must be applied retrospectively in annual financial statements for annual periods beginning on or after January 1, 2013. Daimler has adjusted the figures reported for the previous year for effects arising from application of the amended version of IAS 19.

At Daimler, the amendments to IAS 19 lead to the following significant effects.

Pensions and similar obligations. The Group has previously used the corridor method, which is no longer permitted under the revised IAS 19. As a result, actuarial gains and losses have a direct effect on the consolidated statement of financial positions and lead to an increase in provisions for pensions and similar obligations and a reduction in equity. Going forward, the consolidated statement of income will remain free from the effects of actuarial gains and losses, which will be recognized directly in other comprehensive income. Moreover, the net interest cost approach for discounting the net pension obligation at the rate used for the measurement of the gross pension obligation will be applied. Since the net pension obligation is reduced by any plan assets, the same discount rate is assumed for discounting plan assets.

Obligations for part-time early retirement. As a result of the revised definition of termination benefits provided in IAS 19, the top-up amounts agreed in the framework of the part-time early retirement agreements now represent other long-term employee benefits. The pro-rata accumulation of top-up amounts over the relevant active service period of employees who receive part-time early retirement benefits leads to a reduction in provisions for part-time early retirement.

The following table shows the effects of the application of IAS 19 on the line items of the consolidated statement of financial position as of January 1, 2012 and December 31, 2012.

5.08

Effects of the revised IAS 19 on the consolidated statement of financial position

In millions of euros	Dec. 31, 2012	Jan. 1, 2012
Investments accounted for using the equity method	-342	-357
Other assets	-33	-37
Total equity	-6,139	-4,045
Provisions for pensions and similar obligations	8,264	4,682
Provisions for other risks	-347	-334
Balance of deferred tax assets and deferred tax liabilities	-2,153	-697

The effects on the consolidated statement of income for the three- and nine-month periods ended September 30, 2012 are presented in the following table:

5.09

Effects of the revised IAS 19 on the consolidated statement of income

In millions of euros	Q3 2012	Q1-3 2012
Cost of sales	-8	-26
Selling expenses	-1	-3
General administrative expenses	-	-1
Share of profit/loss from investments accounted for using the equity method, net	1	2
Other financial expense, net	13	30
EBIT	5	2
Interest result	47	139
Income taxes	-17	-44
Net profit	35	97

Basic and diluted earnings per share increased in the three- and nine-month periods ended September 30, 2012 by €0.03 and €0.08 respectively.

Table 7 5.10 and 7 5.11 show the effects on the Group's consolidated statement of financial position and consolidated statement of income if the Group had not applied IAS 19R as of January 1, 2013.

5.10

Effects of the retention of IAS 19 on the consolidated statement of financial position

In millions of euros	Sept. 30, 2013
Investments accounted for using the equity method	-51
Other assets	33
Total equity	5,047
Provisions for pensions and similar obligations	-7,417
Provisions for other risks	462
Balance of deferred tax assets and deferred tax liabilities	1,890

5.11

Effects of the retention IAS 19 on the consolidated statement of income

In millions of euros	Q3 2013	Q1-3 2013
EBIT	4	-541
Interest result	-15	-48
Income taxes	9	63
Net profit	-2	-526

Basic and diluted earnings per share would have decreased by €0.49 in the nine months ended September 30, 2013. Basic and diluted earnings per share in the third quarter would have been unchanged.

The EBIT effect from the retention of IAS 19 included in the nine-month period ended September 30, 2013 mainly results from the disposal of the investment in EADS. If the corridor method had still been applied, the equity investment would have been increased by the actuarial losses. As a result, this would have led to a decreased disposal gain.

The changeover to the revised IAS 19 led to a review of the calculation of the pension obligations for part-time early retirement benefits. Subsequently, the obligations from the outstanding settlement amount pursuant to IAS 8.42 recorded as of December 31, 2012 and January 1, 2012 were adjusted by €58 million and €48 million respectively. The effects on the consolidated statement of income and earnings per share in the third quarter and the nine months ended September 30, 2012 are not material.

Application of IFRS 13. In May 2011, IASB published IFRS 13 Fair Value Measurement, which combines the regulations for fair value measurement that were previously contained in the individual IFRSs in a single standard and replaces them with a uniform IFRS framework for measuring fair value. IFRS 13 must be applied prospectively for financial years which begin on or after January 1, 2013. The initial application of the standard does not lead to significant changes in the measurement of assets and liabilities. Changes are required in particular in the notes to the consolidated financial statements. Disclosures on the fair values of financial instruments and classification of financial instruments, which previously had to be made only in the year-end financial statements, now also have to be made in the interim reports. Further information is provided in Note 16.

2. Revenue

Revenue at Group level is comprised as follows:

5.12

Revenue

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Revenue from the sale of goods	26,489	25,004	75,182	74,421
Revenue from the rental and leasing business	2,771	2,673	8,144	7,395
Interest from the financial services business at Daimler Financial Services	739	804	2,272	2,382
Revenue from the provision of other services	100	91	295	269
	30,099	28,572	85,893	84,467

3. Functional costs

Optimization programs. Measures and programs with implementation costs that materially impact EBIT of the segments are briefly described below:

Daimler Trucks. At the end of January 2013, Daimler Trucks announced workforce adjustments as part of its goal of increasing its profitability by stronger utilization of scale effects. In the administrative sector in Brazil, a reduction of approximately 850 people (including Daimler Buses) is expected, for which a voluntary redundancy program was launched in the first quarter of 2013. Furthermore, in non-productive areas in Germany, a headcount reduction of approximately 800 people is planned for which a program was started in May 2013, based on socially acceptable voluntary measures.

Daimler Buses. In 2012, Daimler Buses decided to restructure some sections of its business system to improve efficiency and generate growth in order to increase its market shares for buses in Western Europe, to adapt the product portfolios to changed market requirements and to reduce cost positions. These measures also included a reduction of up to 10% of the workforce in Western Europe. The activities of Daimler Buses in North America were already restructured in 2012. In this context, the production of Orion city buses was discontinued and the workforce was scaled down by about 900 employees. In addition, further optimization measures were initiated in non-productive areas in Brazil for which the voluntary redundancy program described under Daimler Trucks was started in the first quarter of 2013.

The following table shows the expenses related to the optimization programs which have had an effect on the EBIT of the segments. Furthermore, the table shows the cash flows associated with the implementation of the programs.

5.13

Optimization programs

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Daimler Trucks				
EBIT	-8	-	-103	-
Cash outflow	-13	-	-38	-
Daimler Buses				
EBIT	-2	-16	-26	-98
Cash outflow/inflow	-9	-7	-25	3

These expenses primarily relate to personnel measures and are included in the line items within the consolidated statement of income as shown in the following table.

5.14

Income and expenses associated with optimization programs at Daimler Trucks and Daimler Buses

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Cost of sales	-7	-11	-57	-53
Selling expenses	-	-1	-13	-14
General administrative expenses	-2	-1	-41	-9
Research and non-capitalized development costs	-1	-	-12	-9
Other operating expenses	-	-3	-9	-13
Other operating income	-	-	3	-
	-10	-16	-129	-98

For the optimization programs at Daimler Trucks, the Group anticipates expenses of up to €250 million; thereof up to €150 million in 2013. In addition to the costs from 2012, Daimler Buses expects further expenses of approximately €30 million.

The provisions recognized for the measures at Daimler Trucks amounted to €65 million as of September 30, 2013. At Daimler Buses, the provisions recognized for the measures amounted to €33 million as of September 30, 2013 (€58 million as of December 31, 2012).

Cash outflows resulting from the optimization programs are expected until the end of 2017.

4. Interest income and expense

Interest income and expense are comprised as follows:

5.15

Interest income and expense

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Interest income				
Net interest income on net defined benefit pension plan assets	.	3	1	5
Interest and similar income	63	42	167	171
	63	45	168	176
Interest expense				
Net interest expense for the net obligation from defined benefit pension plans	-89	-85	-266	-257
Interest and similar expenses	-133	-195	-402	-439
	-222	-280	-668	-696

5. Intangible assets

Intangible assets are comprised as follows:

5.16

Intangible assets

In millions of euros	Sept. 30, 2013	Dec. 31, 2012
Goodwill	702	729
Development costs	7,309	7,160
Other intangible assets	1,215	996
	9,226	8,885

7. Equipment on operating leases

At September 30, 2013, the carrying amount of equipment on operating leases amounted to €27,512 million (December 31, 2012: €26,058 million). In the nine months ended September 30, 2013, additions and disposals amounted to €11,506 million and €6,378 million respectively (2012: €10,392 million and €5,326 million). Depreciation for the nine months ended September 30, 2013 was €3,247 million (2012: €2,819 million). Other changes primarily include effects from currency translation.

6. Property, plant and equipment

Property, plant and equipment are comprised as follows:

5.17

Property, plant and equipment

In millions of euros	Sept. 30, 2013	Dec. 31, 2012
Land, leasehold improvements and buildings including buildings on land owned by others	6,750	6,973
Technical equipment and machinery	7,051	6,523
Other equipment, factory and office equipment	4,994	4,844
Advance payments relating to plant and equipment and construction in progress	2,208	2,259
	21,003	20,599

8. Investments accounted for using the equity method

The key figures of investments accounted for using the equity method are as follows:

5.18

Investments accounted for using the equity method

in millions of euros	EADS	RRPSH	BBAC	BFDA	Kamaz	Others ¹	Total
September 30, 2013							
Equity interest (in %)	-	50.0	50.0	50.0	15.0	-	-
Equity investment	-	1,434	705	305	161	309	2,914
Equity result (Q3 2013) ²	-	18	11	1	5	-31	4
Equity result (Q1-3 2013) ²	3,397	12	42	-22	12	-112	3,329
December 31, 2012							
Equity interest (in %)	14.9	50.0	50.0	50.0	15.0	-	-
Equity investment	1,388	1,549	510	328	165	364	4,304
Equity result (Q3 2012) ²	105	9	28	-	8	-43	107
Equity result (Q1-3 2012) ²	255	22	52	-	20	-107	242

1 Also including joint ventures accounted for using the equity method.

2 Including investor-level adjustments.

EADS. On March 27, 2013, the Extraordinary Shareholders' Meeting of EADS approved the new management and shareholder structure. Subsequently, the shareholders' pact concluded in the year 2000 was dissolved and replaced with a new shareholders' pact without the participation of Daimler on April 2, 2013. At the same time, EADS shares which were previously held by Daimler but were economically allocable to the Dedalus investors were transferred to the Dedalus investors. With the dissolution of the previous shareholders' pact, Daimler lost its significant influence on EADS. As a result of the loss of significant influence and the transfer of the EADS shares, on April 2, 2013, the EADS shares were remeasured through profit or loss at the higher current stock-market price of EADS shares. Overall, this resulted in income of €3,356 million, which was recognized in Group EBIT in the second quarter of 2013. Of that amount, €1,669 million is allocable to Daimler shareholders and €1,687 million is allocable to the Dedalus investors. The income of €3,356 million was disclosed within investments accounted for using the equity method and is therefore solely a book gain with no impact on cash. Furthermore, in addition to the measurement using the equity method from the first quarter of 2013 (€34 million), income of €7 million was recognized in the second quarter of 2013.

On April 16, 2013, the Group announced that it would sell its remaining stake of approximately 7.4% in EADS through an accelerated placement procedure. The sale, which took place on April 17, 2013 at an offer price of €37 per EADS share, led to additional expenses of €184 million in Group EBIT in the second quarter of 2013. The additional expenses are disclosed within other financial expenses, net, and resulted from the decrease in the EADS share price since April 2, 2013. The sale generated a cash inflow of €2,239 million in the second quarter of 2013. Following conclusion of the transaction, Daimler no longer holds any shares in EADS. Moreover, the Group has entered into cash-settled contracts with both Goldman Sachs and Morgan Stanley, which will allow a limited upside participation in the EADS share price until the end of 2013. This resulted in income of €43 million disclosed within other financial expenses, net, for the nine months ended September 30, 2013.

Rolls-Royce Power Systems Holding (formerly Engine Holding). The control and profit transfer agreement with Tognum AG was entered in the commercial register on December 19, 2012. On January 1, 2013, Rolls-Royce Holdings plc. (Rolls-Royce) assumed, as contractually agreed, control over Rolls-Royce Power Systems Holding GmbH (RRPSH) and RRPSH is included as a subsidiary in the consolidated financial statements of Rolls-Royce.

The decision of the regional court of Frankfurt am Main of November 15, 2011 to transfer Tognum AG shares which are not already owned by RRPSH in return for compensation (squeeze-out under takeover law) took effect in March 2013 and RRPSH has held 100% of Tognum's shares since then.

The objections against the decision were withdrawn because the appellant's representatives and RRPSH agreed to an out-of-court settlement. The minority shareholders of Tognum AG, whose shares were transferred to RRPSH in the context of the squeeze-out under takeover law, and the former shareholders of Tognum AG, who accepted the compensation of the control and profit and loss transfer agreement effective December 19, 2012, received compensation of €31.61 per share according to the out-of-court settlement.

Engine Holding GmbH was renamed as Rolls-Royce Power Systems Holding GmbH. This change was entered in the commercial register on May 21, 2013.

BBAC. The investment and the proportionate share in the results of Beijing Benz Automotive Co., Ltd. (BBAC) are allocated to the Mercedes-Benz Cars segment. In the second quarter of 2013, Daimler participated in a capital increase and made a payment of approximately €160 million. The Chinese partner took part in the same amount.

Others. The investment in Li-Tec Battery GmbH is reported within other investments. As of September 30, 2013, expenses of €70 million (September 30, 2012: €67 million) resulting from this investment are included in equity result. The investment is allocated to the Mercedes-Benz Cars segment.

9. Receivables from financial services

Receivables from financial services are shown in the following table:

5.19

Receivables from financial services

In millions of euros	September 30, 2013			December 31, 2012		
	Current	Non-current	Total	Current	Non-current	Total
Receivables from						
Retail	13,181	26,022	39,203	13,289	25,379	38,668
Wholesale	9,282	1,668	10,950	8,995	1,687	10,682
Other	107	419	526	102	546	648
Gross carrying amount	22,570	28,109	50,679	22,386	27,612	49,998
Allowances for doubtful accounts	-409	-518	-927	-388	-550	-938
Carrying amount, net	22,161	27,591	49,752	21,998	27,062	49,060

10. Inventories

Inventories are comprised as follows:

5.20

Inventories

In millions of euros	Sept. 30, 2013	Dec. 31, 2012
Raw materials and manufacturing supplies	2,137	2,137
Work in progress	2,679	2,292
Finished goods, parts and products held for resale	14,104	13,235
Advance payments to suppliers	48	56
	18,968	17,720

11. Equity

Employee share purchase plan. In the nine months ended September 30, 2013, 0.5 million Daimler shares were purchased and reissued to employees in connection with an employee share purchase plan.

Dividend. The Annual Shareholders' Meeting held on April 10, 2013 authorized Daimler to distribute a dividend of €2,349 million (€2.20 per share) from Daimler AG's distributable profit for 2012. The dividend was paid out on April 11, 2013.

12. Pensions and similar obligations

Pension cost. The components of pension cost included in the consolidated statement of income are as shown in tables [↗ 5.21](#) and [↗ 5.22](#).

Contributions to plan assets. In the three- and nine-month periods ended September 30, 2013, contributions to the Group's pension plans were €23 million and €107 million respectively (2012: €43 million and €227 million).

5.21

Pension cost for the three-month periods ended September 30

In millions of euros	Total	Q3 2013		Total	Q3 2012	
		German plans	Non-German plans		German plans	Non-German plans
Current service cost	-136	-112	-24	-99	-75	-24
Net interest expense	-75	-63	-12	-72	-58	-14
Net interest income	-	-	-	3	-	3
	-211	-175	-36	-168	-133	-35

5.22

Pension cost for the nine-month periods ended September 30

In millions of euros	Total	Q1-3 2013		Total	Q1-3 2012	
		German plans	Non-German plans		German plans	Non-German plans
Current service cost	-407	-336	-71	-292	-226	-66
Curtailments and settlements	-	-	-	-2	-	-2
Net interest expense	-224	-195	-29	-207	-174	-33
Net interest income	1	-	1	5	-	5
	-630	-531	-99	-496	-400	-96

13. Provisions for other risks

Provisions for other risks are comprised as shown in the following table.

5.23

Provisions for other risks

In millions of euros	September 30, 2013			December 31, 2012		
	Current	Non-current	Total	Current	Non-current	Total
Product warranties	2,226	2,556	4,782	2,562	2,528	5,090
Personnel and social costs	1,251	1,655	2,906	1,302	1,356	2,658
Other	2,821	1,236	4,057	2,428	1,266	3,694
	6,298	5,447	11,745	6,292	5,150	11,442

14. Financing liabilities

Financing liabilities are comprised as follows:

5.24

Financing liabilities

In millions of euros	September 30, 2013			December 31, 2012		
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	11,126	27,243	38,369	7,770	27,926	35,696
Commercial paper	1,431	-	1,431	1,768	-	1,768
Liabilities to financial institutions	9,431	9,246	18,677	11,629	8,581	20,210
Deposits in the direct banking business	7,638	3,761	11,399	8,481	3,640	12,121
Liabilities from ABS transactions	2,403	2,704	5,107	2,505	2,644	5,149
Liabilities from finance leases	33	290	323	55	320	375
Loans, other financing liabilities	510	509	1,019	703	229	932
	32,572	43,753	76,325	32,911	43,340	76,251

15. Legal proceedings

As previously reported, the term of the Deferred Prosecution Agreements was extended until December 31, 2012. On December 31, 2012, both deferred-prosecution agreements expired and the Honorable Louis J. Freeh completed his role as post-settlement monitor as planned on April 1, 2013.

On August 17, 2009, the Official Committee of Unsecured Creditors of OldCarCo LLC (formerly Chrysler LLC) filed a lawsuit with the United States Bankruptcy Court, Southern District of New York, against Daimler AG, Daimler North America Corporation and others. The Committee which has meanwhile been replaced with the Liquidation Trust, claimed unspecified damages based on theories of constructive fraudulent transfer and other legal theories, alleging that the consideration received in certain transactions effected in connection with the investment by Cerberus in Chrysler LLC was not fair consideration. Daimler had successfully submitted miscellaneous legal defense arguments, so that the Bankruptcy Court dismissed all claims with prejudice as of May 12, 2011. The appeal of the Liquidation Trust led to a confirmation of the Bankruptcy Court's decision by the United States District Court of the Southern District of New York. A second appeal by the Liquidation Trust to the United States Court of Appeals for the Second Circuit, New York on December 19, 2011 was unsuccessful. On January 30, 2013, the US Court of Appeals unanimously affirmed the judgment of the Bankruptcy Court. The decision is now final.

16. Financial instruments

The following table shows the carrying amounts and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market.

5.25

Carrying amounts and fair values of financial instruments

In millions of euros	September 30, 2013		December 31, 2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Receivables from financial services	49,752	50,237	49,060	49,722
Trade receivables	7,666	7,666	7,543	7,543
Cash and cash equivalents	10,615	10,615	10,996	10,996
Marketable debt securities				
Available for sale financial instruments	7,219	7,219	5,598	5,598
Other financial assets				
Available for sale financial assets ¹	2,214	2,214	2,031	2,031
Financial assets recognized at fair value through profit or loss	274	274	341	341
Derivative financial instruments used in hedge accounting	1,426	1,426	1,364	1,364
Other receivables and assets	2,303	2,303	2,224	2,224
	81,469	81,954	79,157	79,819
Financial liabilities				
Financing liabilities				
Trade payables	76,325	77,614	76,251	77,661
	10,288	10,288	8,832	8,832
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	331	331	253	253
Derivative financial instruments used in hedge accounting	414	414	620	620
Miscellaneous other financial liabilities	6,936	6,936	7,576	7,576
	94,294	95,583	93,532	94,942

¹ Includes equity interests measured at cost whose fair value cannot be determined with sufficient reliability (September 30, 2013: €552 million; December 31, 2012: €591 million).

The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date. The following methods and premises were used for financial instruments recognized at fair value:

Marketable debt securities and other financial assets.

Financial assets available for sale include:

- Debt and equity instruments measured at fair value; these instruments were measured using quoted market prices at September 30. Otherwise, the fair value measurement of these debt and equity instruments is based on inputs that are either directly or indirectly observable on active markets. Equity instruments measured at fair value predominantly comprise the investments in Renault and Nissan.

- Equity interests measured at cost; for these financial instruments, fair values could not be determined because market prices or fair values are not available. These equity interests comprise investments in non-listed companies for which no objective evidence existed at the balance sheet date that these assets are impaired and whose fair values cannot be determined with sufficient reliability. It is assumed that the fair values approximate the carrying amounts. Daimler does not intend to sell the equity interests which are presented as of September 30, 2013.

Financial assets recognized at fair value through profit or loss include derivative financial instruments not used in hedge accounting. These financial instruments and the *derivative financial instruments used in hedge accounting* comprise:

- Derivative currency hedging contracts; the fair values of currency forwards and cross currency interest rate swaps are determined on the basis of the discounted estimated future cash flows using market interest rates appropriate to the remaining terms of the financial instruments. Currency options were measured using price quotations or option pricing models using market data.
- Derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of the discounted estimated future cash flows using the market interest rates appropriate to the remaining terms of the financial instruments.
- Derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices in consideration of forward premiums and discounts.

Financial assets recognized at fair value through profit or loss also include the option held by Daimler to sell shares in RRPSH to Rolls-Royce.

Other financial liabilities. *Financial liabilities recognized at fair value through profit or loss* comprise derivative financial instruments not used in hedge accounting. For information regarding these financial instruments as well as *derivative financial instruments used in hedge accounting*, see the notes above under “Marketable debt securities and other financial assets.”

At the end of each reporting period, Daimler reviews the necessity of reclassification between the fair value hierarchies.

For the determination of the credit risk from derivative financial instruments which are allocated to the Level 2 fair value hierarchy, we apply the exception described in IFRS 13.48 (portfolios managed on the basis of net exposure).

Table 7 5.26 provides an overview of the classification of financial assets and liabilities measured at fair value in the fair value hierarchy.

5.26

Fair value hierarchy of financial assets and liabilities measured at fair value

In millions of euros	September 30, 2013				December 31, 2012			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
Assets measured at fair value								
Financial assets available for sale	8,881	6,711	2,170	-	7,038	3,902	3,136	-
Financial assets recognized at fair value through profit or loss	274	-	146	128	341	-	163	178
Derivative financial instruments used in hedge accounting	1,426	-	1,426	-	1,364	-	1,364	-
	10,581	6,711	3,742	128	8,743	3,902	4,663	178
Liabilities measured at fair value								
Financial liabilities recognized at fair value through profit or loss	331	-	331	-	253	-	253	-
Derivative financial instruments used in hedge accounting	414	-	414	-	620	-	620	-
	745	-	745	-	873	-	873	-

1 Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2 Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 Fair value measurement for the asset or liability based on inputs that are not observable market data.

The development of financial assets recognized at fair value through profit or loss and classified as Level 3 can be seen in the following table.

5.27

Development of financial assets recognized at fair value through profit or loss classified as Level 3

In millions of euros	2013
Balance at January 1	178
Losses recognized in other financial expense, net	-50
Balance at September 30	128
Losses of period relating to financial assets held at September 30	-50

The financial assets shown as classified as Level 3 and presented in the table [7 5.26](#) consist solely of Daimler's option to sell the shares it holds in RRPSH to Rolls-Royce.

The fair value measurement for the RRPSH put option will be carried out on the basis of a binomial model, with measurement on a quarterly basis. In the course of the valuation process, the required market data will be collected and the non-observable parameters will be examined and updated as required on the basis of the internally available current information. In particular, the premises of the company value of RRPSH determined using the discounted cash flow method will be validated in each quarter. The results of the measurement of the RRPSH put option, as well as any significant changes in the input parameters and their respective effects on the value of the option, will be reported to management on a quarterly basis.

5.28

Information relating to fair value measurement of financial assets and liabilities using unobservable input parameters (Level 3)

Description	Unobservable input parameters	Value of unobservable input parameters
Measurement of fair value of the RRPSH put option	Expected volatility of company value of RRPSH	25% p.a.
Determination of company value of RRPSH	Expected revenue growth of RRPSH	2% - 15% p.a.
Determination of company value of RRPSH	Weighted average cost of capital rate of RRPSH	9% p.a.

Parameters with a significant influence on the measurement of the option are the value of RRPSH as determined with the use of a discounted cash flow method and the expected volatility of that value. A sensitivity analysis shows that a 10% increase in the value of RRPSH would lead to a reduction in the value of the option of €31 million. On the other hand, a 10% decrease in the value of RRPSH would increase the value of the option by €41 million. A 10% increase in the expected volatility of the value of RRPSH would lead to an increase in the value of the option of €36 million. However, a 10% decrease in the expected volatility of the value of RRPSH would reduce the value of the option by €32 million.

17. Segment reporting

Segment information for the three-month periods ended September 30, 2013 and September 30, 2012 is as follows:

5.29

Segment reporting for the three-months periods ended September 30

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
Q3 2013								
Revenue	15,887	7,502	2,170	1,112	3,428	30,099	-	30,099
Intersegment revenue	634	480	83	15	229	1,441	-1,441	-
Total revenue	16,521	7,982	2,253	1,127	3,657	31,540	-1,441	30,099
Segment profit (EBIT)	1,200	522	152	59	322	2,255	-24	2,231
Thereof share of profit/loss from investments accounted for using the equity method	-36	39	1	1	-	5	-1	4
Thereof expense from compounding of provisions and changes in discount rates	-32	-15	-5	-1	-1	-54	-3	-57

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
Q3 2012								
Revenue	14,778	7,467	2,049	933	3,345	28,572	-	28,572
Intersegment revenue	460	628	35	18	179	1,320	-1,320	-
Total revenue	15,238	8,095	2,084	951	3,524	29,892	-1,320	28,572
Segment profit (EBIT)	973	501	75	-36	322	1,835	88	1,923
Thereof share of profit/loss from investments accounted for using the equity method	-9	24	-5	-	-9	1	106	107
Thereof expenses from compounding of provisions and changes in discount rates	-114	-40	-16	-2	-1	-173	-8	-181

Segment information for the nine-month periods ended September 30, 2013 and September 30, 2012 is as follows:

5.30

Segment reporting for the nine-month periods ended September 30

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
Q1-3 2013								
Revenue	45,134	21,434	6,417	2,770	10,138	85,893	-	85,893
Intersegment revenue	1,821	1,537	256	42	644	4,300	-4,300	-
Total revenue	46,955	22,971	6,673	2,812	10,782	90,193	-4,300	85,893
Segment profit (EBIT)	2,701	1,072	437	55	955	5,220	3,170	8,390
Thereof share of profit/loss from investments accounted for using the equity method	-80	21	2	1	-12	-68	3,397	3,329
Thereof expenses from compounding of provisions and changes in discount rates	-50	-23	-8	-3	-1	-85	-6	-91

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
Q1-3 2012								
Revenue	44,123	21,934	6,340	2,666	9,404	84,467	-	84,467
Intersegment revenue	1,416	1,673	252	31	520	3,892	-3,892	-
Total revenue	45,539	23,607	6,592	2,697	9,924	88,359	-3,892	84,467
Segment profit (EBIT)	3,540	1,401	442	-200	1,004	6,187	102	6,289
Thereof share of profit/loss from investments accounted for using the equity method	-37	55	-12	-	-20	-14	256	242
Thereof expenses from compounding of provisions and changes in discount rates	-262	-91	-38	-9	-3	-403	-25	-428

Reconciliation. Reconciliation of the total segments' profit (EBIT) to profit before income taxes is as shown in table [5.31](#).

The reconciliation includes corporate items for which headquarters is responsible. Transactions between the segments are eliminated in the context of consolidation and the eliminated amounts are included in the reconciliation.

5.31

Reconciliation of the total segments' profit (EBIT)

In millions of euros	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Total segments' profit (EBIT)	2,255	1,835	5,220	6,187
Share of profit from investments accounted for using the equity method ¹	-1	106	3,397	256
Other corporate items	-29	-8	-295	-119
Eliminations	6	-10	68	-35
Group EBIT	2,231	1,923	8,390	6,289
Interest income	63	45	168	176
Interest expense	-222	-280	-668	-696
Profit before income taxes	2,072	1,688	7,890	5,769

¹ Q1-3 2013 includes the Group's proportionate share in the result of EADS.

18. Related party relationships

Associated companies and joint ventures. Most of the goods and services supplied within the ordinary course of business between the Group and related parties comprise transactions with associated companies and joint ventures and are included in table [5.32](#).

A large proportion of the sales and purchases of goods and services with associated companies results from business relations with MBtech Group GmbH & Co. KGaA (MBtech Group), Rolls-Royce Power Systems Holding GmbH (RRPSH) and/or Tognum AG (Tognum), which is a subsidiary of RRPSH.

In connection with the Group's 45% equity interest in Toll Collect GmbH, Daimler has provided a number of guarantees for Toll Collect, which are not included in table [5.32](#) (€110 million as of September 30, 2013 and as of December 31, 2012).

The transactions with joint ventures predominantly relate to the business relationship with Beijing Benz Automotive Co., Ltd. (BBAC). BBAC assembles and distributes Mercedes-Benz vehicles for the Daimler Group in China.

To enable the Group to fully exploit the huge growth potential of the Chinese market and to intensify the cooperation with its local partner, Beijing Automotive Group Co., Ltd., Daimler already contributed additional equity of €0.2 billion to the joint venture BBAC in the second quarter of 2013. In addition, Daimler plans to contribute further equity of €0.2 billion to the joint venture. Additional funds needed by BBAC to fund its investments will be directly raised on the capital markets by BBAC.

On February 1, 2013, Daimler, Beijing Automotive Group Co., Ltd. (BAIC Group) and BAIC Motor Corporation Ltd. (BAIC Motor) signed a binding agreement according to which Daimler will invest approximately €0.6 billion in BAIC Motor. BAIC Motor is the passenger-car unit of BAIC Group, one of the leading automotive companies in China. The investment will take place through the issuance of new shares to Daimler representing a 12% stake in BAIC Motor. Daimler's shareholding in BAIC Motor is subject to the approval of the relevant authorities. The approvals for this transaction are expected within 2013. According to the agreement, Daimler will receive two seats on the board of directors of BAIC Motor. Furthermore, the two companies agreed that BAIC Motor will increase its stake in BBAC by 1% to 51%. At the same time, Daimler will increase its stake in the integrated sales joint venture Beijing Mercedes-Benz Sales Service Co., Ltd. by 1% to 51%. Daimler does not expect the last-mentioned two transactions to materially impact its financial statements.

In December 2011, the joint venture company Beijing Foton Daimler Automotive Co., Ltd. (BFDA) was established by Daimler and the Chinese truck manufacturer Beiqi Foton Motor Co., Ltd. Daimler committed to making a cash contribution to the joint venture company and to establishing the production of a truck engine at BFDA. In 2012, capital of €344 million was injected.

Until the end of March 2013, further significant sales and purchases of goods and services were related to Mercedes-Benz Österreich Vertriebsgesellschaft, which distributes cars and spare parts of the Group. In March 2013, the remaining shares of the entity were acquired together with other Pappas Group entities.

The Group also has substantial business relations with the Chinese joint venture Fujian Benz Automotive Co. Ltd. (FBAC). FBAC produces and distributes vans under the Mercedes-Benz brand name in China. In the first quarter of 2013, a new research and development center of Mercedes-Benz Vans was opened in China. A total of approximately € 60 million was invested in the new center.

The joint ventures Mercedes-Benz Trucks Vostok OAO and Fuso Kamaz Trucks Rus Ltd., which have been established with Kamaz OAO, another of the Group's associates, produce and distribute trucks of the Mercedes-Benz and Fuso brands and distribute buses of the Mercedes-Benz and Setra brands in Russia. As part of their strategic partnership, Daimler and Russian truck manufacturer Kamaz signed licensing agreements on Axor and Atego cab production and also a contract covering the supply of engines and axles for the Russian company's trucks and buses.

5.32

Related party relationships

In millions of euros	Sales of goods and services and other income				Purchases of goods and services and other expense			
	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012	Q3 2013	Q3 2012	Q1-3 2013	Q1-3 2012
Associated companies	180	215	480	620	91	109	282	291
Joint ventures	703	708	1,825	2,124	125	85	205	222

In millions of euros	Receivables		Payables	
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2013	Dec. 31, 2012
Associated companies	189	212	33	69
Joint ventures	787	627	26	21

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This report and additional information on Daimler are available on the Internet at **www.daimler.com**

Concept and contents

Daimler AG
Investor Relations

Publications for our shareholders

Annual Reports (German, English)
Interim Reports on first, second and third quarters (German, English)
Sustainability Report (German, English)
www.daimler.com/ir/reports

Financial Calendar

Interim Report Q3 2013

October 24, 2013

Annual Press Conference and Investors' and Analysts' Conference Call

February 6, 2014

Presentation of Annual Report 2013

February 21, 2014

Annual Meeting 2014

Messe Berlin
April 9, 2014

Interim Report Q1 2014

April 30, 2014

Interim Report Q2 2014

July 23, 2014

Interim Report Q3 2014

October 23, 2014

As changes to the above dates cannot be ruled out, we recommend checking on the Internet shortly before each scheduled date at www.daimler.com/ir/calendar.

