

New method of accounting for EADS shares at Daimler

March 27, 2013

- Daimler is withdrawing from current EADS shareholder pact as planned
- Therefore end of “at equity”-method accounting and revaluation of EADS shares
- One-time positive EBIT effect of approximately €2,7 billion with no cash-flow effects
- Earnings per share effect of plus €1.25 in 2013
- Cash-flow boost from future sale of EADS shares
- Bodo Uebber, Daimler CFO: „As a founding member, we have successfully supported EADS on its way to becoming the global market leader over a period of more than ten years. At the same time, we want to focus on our core business, so we intend to sell our remaining shares in EADS as we have previously announced.”

(Stuttgart) – The resolutions passed by today’s extraordinary shareholders’ meeting of EADS will result in changes in the consolidated financial statements of Daimler AG because the current shareholder pact, of which Daimler is a member, will be terminated in the next few days. This means that Daimler will lose significant influence over EADS, which is relevant for accounting, with the following effects on the measurement of the shares in its books:

- As of the second quarter, Daimler's EADS shares will no longer be measured using the "at-equity method". They will be remeasured at their current, higher stock-market value.
- This remeasurement will increase the Group's second-quarter EBIT by approximately €2.7 billion. Of that total, about €1.35 billion is related to the approximately 7.5% EADS shares held by Daimler and about €1.35 billion is related to the EADS shares held by the Dedalus consortium.
- The remeasurement of the approximately 7.5% of EADS shares (61.1 million shares) held by Daimler will increase Daimler's earnings per share (EPS) in 2013 by approximately €1.25.

The impact of the revaluation on EBIT is purely a book gain without any effects on cash flows. The aforementioned EBIT and EPS effects are calculated with an assumed EADS share price of €38. The finally relevant EADS share price depends on the exact date when the current governance structure of EADS is terminated.

"As a founding member, we have successfully supported EADS on its way to becoming the global market leader over a period of more than ten years. We welcome the reorganization of the shareholder structure with a free float of approximately 70 percent that has been decided upon today. Together with the protective mechanism of restricted voting rights, this means that EADS is ideally positioned for the future," stated Bodo Uebber, CFO of Daimler AG and Chairman of the Administrative Board of EADS until last year.

"At the same time, we want to focus on our core business, so we intend to sell our remaining shares in EADS as we have previously announced. No decision has yet been made on exactly when the shares will be sold," continued Uebber.

The disposal of the remaining approximately 7,5% of EADS shares would have a positive impact on the cash flow, as did the sale of EADS shares in 2012.

Table: Effects on key figures ¹	
Number of EADS shares	122,225,136
Effect on EBIT ¹	plus €2,702 million
Income taxes	- €20 million
Effect on net profit ¹	plus €2,682 million
thereof attributable to non-controlling interests	€1,346 million
therefore attributable to Daimler shareholders	€1,336 million
Effect on earnings per share ¹	plus €1.25
¹ calculated on the basis of an EADS share price of €38; in the case of a disposal, transaction cost will have to be considered.	

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an 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 euro zone; a deterioration of our funding 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 as well as to 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 governmental 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 incorrect, then our actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward looking statements. Any forward-looking statement speaks only as of the date on which it is made.

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Further Investor Relations information on Daimler is available on the Internet via www.daimler.com/investors and on handhelds via www.daimler.mobi/ir.

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