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## **Daimler intends to change its equity interest in Rolls-Royce Power System**

- **Board of Management decides on sale of 50-percent equity interest in Rolls-Royce Power Systems Holding (RRPSH) to Rolls-Royce**
- **Rolls-Royce is the best conceivable owner**
- **Daimler will further develop its business with diesel engines and continue the close cooperation with Rolls-Royce and RRPS**
- **The expected cash inflow will be invested in the expansion of the core business**
- **Dr. Dieter Zetsche, CEO of Daimler AG: “All parties involved will benefit from this move: Daimler as well as RRPS and its workforce.”**

Stuttgart – Daimler AG (ticker symbol DAI) is to sell its 50-percent equity interest in the joint venture Rolls-Royce Power Systems Holding Ltd. (RRPSH) to its partner Rolls-Royce plc. Daimler is making use of a put option on its stake in RRPSH that was agreed upon with Rolls-Royce in 2011. The Board of Management of Daimler AG has passed the required resolutions. In the course of the transaction, Daimler expects a significant cash inflow. According to the procedure agreed upon with Rolls-Royce the financial terms of the transaction will be finally determined in the upcoming months.

Rolls-Royce is the best conceivable owner for Rolls-Royce Power Systems AG (RRPS). The acquisition of Daimler's shares will allow Rolls-Royce to strengthen RRPS by contributing more of its own activities and technologies. On the basis of long-term supply agreements, Daimler will continue to be an important supplier of heavy-duty and medium-duty diesel engines to RRPS going forward. Furthermore, Daimler plans to further expand its business with engines and drive systems for professional applications apart from buses and trucks ("off-highway").

"After the successful cooperation with Rolls-Royce and the positive development of RRPS, we are now taking the next logical step and are transferring our shares to our joint-venture partner," stated Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG. "All parties involved will benefit from this move: Daimler as well as RRPS and its workforce."

Dr. Wolfgang Bernhard, Daimler's Board of Management Member for trucks and buses, added: "With its globally leading expertise in the area of industrial propulsion systems, Rolls-Royce is the best conceivable owner for RRPS. Irrespective of the ownership situation, we will remain closely connected with the company based on our supply relationship. In close coordination with Rolls-Royce, we will further drive the business for heavy-duty and medium-duty diesel engines."

Bodo Uebber, Member of the Board of Management of Daimler AG for Finance & Controlling and Daimler Financial Services: "This transaction makes economic sense. Daimler is going to use the proceeds of the transaction to strengthen its core business."

John Rishton, CEO of Rolls-Royce said: "Rolls-Royce Power Systems has added scale and capability to our reciprocating engines business. It has outstanding technology, operates in long term

growth markets and has proved a valuable addition to our Marine and Industrial Power Systems division.”

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The transaction is subject to the merger control approvals and foreign-trade law approvals.

Daimler and Rolls-Royce acquired RRPS via a 50:50 joint venture in 2011. The company, based in Friedrichshafen on Lake Constance, was operating at that time under the name Tognum AG. Rolls-Royce took over the industrial management of RRPS and has since then consolidated the company. In the past three years, RRPS has developed positively under the industrial management of Rolls-Royce.

Since the beginning of the cooperation, Rolls-Royce and Daimler engaged in an ongoing and close dialog on the best possible industrial development of RRPS. For this purpose, it was concluded that the complete acquisition of the joint-venture company by Rolls-Royce would create optimal prerequisites. The supply relationships until 2025 agreed upon between Daimler and RRPS are unaffected by the sale of the shareholding. This means that there will be no impact at Daimler on its manufacture of products for RRPS. Each year, Daimler supplies RRPS with an average of about 18,000 heavy-duty and medium-duty diesel engines, i.e. engines in the so-called low-power range (LPR). In view of the successful development of RRPS in the past years and the long-term supply agreements, this partnership no longer needs to be backed by an equity participation.

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 and Opportunity 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.

Further Investor Relations information on Daimler is available on the Internet via [www.daimler.com/investors](http://www.daimler.com/investors) and on handhelds via [www.daimler.mobi/ir](http://www.daimler.mobi/ir).

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