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Dr. Dieter Zetsche at the Annual Shareholders' Meeting: "Our determination is paying off."

- **Investment program is bearing fruit**
- **Implementation of efficiency programs running as planned**
- **Further development of strategic growth areas**
- **Voting on highest dividend of Daimler AG of €2.25 per share**

Berlin – "Our determination is paying off. The company's situation is good, but the future outlook is even better." This is how Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars, summed up financial year 2013 at today's Annual Shareholders' Meeting. "The products and technologies we benefit from today have their origins in strategic decisions made in the past," continued Zetsche according to the text of his speech. "After all, even though the pace of our business has accelerated, achieving success in the automotive industry requires a great deal of patience."

"2013 was a year in which we got off to a difficult start but gradually picked up speed," commented Zetsche on the past financial year before an expected audience of approximately 5,000 shareholders at the Berlin Trade Fair Center. The Group achieved record levels of unit sales, revenue, EBIT and net profit. Worldwide, Daimler sold nearly 2.4 million vehicles and achieved **group revenue** of €118 billion (2012: €114.3 billion). Group EBIT increased by 23% to €10.8

billion (2012: €8.8 billion); Group EBIT from the ongoing business amounted to €7.9 billion (2012: €8.2 billion). **Net profit** increased by 28% to €8.7 billion (2012: €6.8 billion); value added rose by 38% to €5.9 billion (2012: €4.3 billion).

Due to the good results and the course of business in 2013, the Board of Management and the Supervisory Board have proposed to the Annual Shareholders' Meeting the distribution of a **dividend** of €2.25 per share (prior year: €2.20). The total dividend payout amounts to €2.4 billion (prior year: €2.3 billion) and the dividend payout ratio is 35%. The proposed dividend is the highest in the history of Daimler AG.

Implementation of efficiency programs running as planned

Zetsche sees the successes as confirmation of the company's long-term goals and strategy: "Our strategy is paying off!" He continued: "We will hold fast to our course." Daimler's stated goal is to grow sustainably and profitably.

In addition to its growth targets, Daimler also has ambitious earnings targets. The company aims to achieve an average return on sales of 9% from its automotive business across all market and product cycles in the medium term, and a return on equity of 17% for Daimler Financial Services.

Implementation of the **efficiency programs** 'Fit for Leadership' at Mercedes-Benz Cars and 'Daimler Trucks Number One' is progressing very successfully. The car division aims to improve its cost position by approximately €2 billion by the end of 2014, of which 30% was to be achieved in the past financial year. With an improvement of €800 million, that target was significantly surpassed. The goal for the trucks division is to implement measures that will result in improvements of €1.6 billion by the end of this year. As planned, 30% of that total was already achieved in 2013.

In order to achieve those goals, four strategic growth areas have been defined for the entire Group:

In **strengthening the core business**, the focus is on the product offensives in the automotive business. Strengthening the core business is not limited to the existing model series. “We are also seeking to gain new customers by entering new segments for Mercedes-Benz,” explained Zetsche with regard to the first growth area. Mercedes-Benz Cars is in the middle of the biggest product offensive in its history. By 2020, it plans to introduce 12 completely new models that do not have any predecessors.

Opening up new markets is the second strategic growth area. Zetsche: “Our job is to develop clean, safe and fascinating products to meet the increasing demand for mobility in the future.” That includes the expansion of all activities in China, such as the development of the DENZA electric car with the partner BYD, the doubling of production capacities by 2015 to approximately 200,000 cars, the enormous expansion of the dealer network in China with 100 new dealerships set to open this year alone, and refinancing in the Chinese capital market. In the trucks segment, there is a focus on India. The strategy there involves developing customized products based on proven Daimler technology and manufacturing them with a high level of local content. Following the successful start of BharatBenz in the truck market, the next step will be to enter the bus segment.

The third growth area is the **extension of technological leadership**, which involves alternative drive systems as well as safety technologies. “Over the past five years, we have reduced both the fuel consumption and the emissions of our fleet in Europe by 25 percent – more than any other premium automaker,” stated Zetsche as evidence of Daimler’s claim to be a pioneer with **green technologies**. The two-seater smart Electric Drive was the market

leader in its segment in Germany in 2013. In 2014, the B-Class Electric Drive will be launched with a competitive range of operation.

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Zetsche sees the key to more **safety** in road traffic in intelligent vehicles. The safest form of driving is gradually becoming reality at Daimler: the autonomous automobile. With both cars and commercial vehicles, the focus is on active safety and thus accident prevention by means of various safety and assistance systems.

“We regard ourselves not only as a vehicle manufacturer but also as a provider of **mobility solutions**,” is how Zetsche explained the fourth strategic growth area. This involves new mobility solutions and digitalization, brought together under the ‘Mercedes me’ brand, which was presented in March. With ‘Mercedes move me’, Daimler is further extending its leadership in mobility services. ‘Mercedes finance me’ provides support with vehicle financing or leasing. Additional service offerings are ‘Mercedes assist me’, ‘Mercedes inspire me’ and ‘Mercedes connect me’. **Mercedes me** aims to continue what was started with the new compact cars: expanding the customer base.

2014 – Status quo and expectations

Zetsche summarized the current business development: “We are beginning 2014 at the same pace with which we finished 2013.” Although the markets were uneven in the first three months of 2014, Daimler sold more cars, trucks, vans and buses in the **first quarter of 2014** than in the prior-year period.

Mercedes-Benz Cars set new records for unit sales in March as well as in the first three months of 2014 (Q1: +14.0%; retail +13.5%), and was thus the world’s fastest-growing premium brand in the first quarter. The division assumes that it will significantly increase its unit sales in full-year 2014 and will reach a new record figure. The car division is systematically continuing its product offensive and in the full year once again intends to grow faster than the overall

market, which is expected to expand by 4 to 5%. Sales impetus will be provided by the high demand for the new S-Class, the models of the compact class, the new S-Class coupe, the new V-Class, the new C-Class family, the GLA compact SUV, and the new generation of the CLS and the CLS Shooting Brake. The smart brand will present the successor model of the smart fortwo and the new four-seater smart forfour in 2014.

Daimler Trucks increased its unit sales by 7% in the first three months of this year and anticipates a significant increase also for the full year. The division presented seven new trucks in the first quarter, with more to come later this year. Full availability of the new model range and high acceptance in the market should further strengthen the very good position of Daimler Trucks.

Unit sales by **Mercedes-Benz Vans** in the first three months were 16% higher than in the prior-year period. The van division expects unit sales to rise significantly also in full-year 2014. Growth impetus will come from the Citan, the new Sprinter and the new Vito. Within the framework of the “Vans goes global” strategy, Mercedes-Benz Vans aims to achieve further growth in North and South America and in China.

First-quarter unit sales by **Daimler Buses** grew significantly (+11%). The bus division plans to significantly increase its sales figures in full-year 2014 and to defend its market leadership in the core markets of buses above 8 tons gross vehicle weight. The satisfying order intake contributes to this confidence. Overall, the division does not expect the markets to provide much impetus.

The growth of the vehicle divisions is reflected in the development of **Daimler Financial Services**: New business in the first quarter was 14% higher than in the prior-year period. For full-year 2014, the division anticipates significant growth in new business and contract volume. The main growth drivers are the product offensives of the

automotive divisions, business expansion especially in Asia, and the development of innovative mobility services.

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Based on assumptions concerning the development of key sales markets and the divisions' planning, **Daimler** expects to significantly increase the **Group's unit sales** in 2014. Daimler also assumes that **Group revenue** will grow significantly in 2014.

Daimler assumes that it will significantly increase its **Group EBIT** from the ongoing business in 2014. It has set the following **EBIT targets** for the **divisions** in the year 2014:

- Mercedes-Benz Cars: significantly above the prior-year level,
- Daimler Trucks: significantly above the prior-year level,
- Mercedes-Benz Vans: at the prior-year level,
- Daimler Buses: slightly above the prior-year level, and
- Daimler Financial Services: at the prior-year level.

"The good times have only just begun. Our company can accomplish a great deal more in the future," Zetsche is convinced that the long-term goals will be achieved on a sustainable basis.

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 and on handhelds via www.daimler.mobi/ir.

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