

April 16, 2014

## **Daimler and Rolls-Royce agree on valuation of Daimler's equity interest in Rolls-Royce Power Systems**

- **Total fair market value of Daimler's equity interest in Rolls-Royce Power Systems (RRPS) determined at EUR 2.43 billion**
- **Daimler plans to invest the proceeds in the expansion of its core business**
- **Daimler will further develop its business with diesel engines and continue the close cooperation with Rolls-Royce and RRPS**

Stuttgart/London – Daimler AG (ticker symbol DAI) and Rolls-Royce plc today announce that they have agreed on the valuation of Daimler's 50-percent equity interest in the joint venture Rolls-Royce Power Systems Holding Ltd. (RRPSH). Both parties have determined the fair market value of Daimler's shares due to be acquired by Rolls-Royce at a total of EUR 2.43 billion. The transaction is expected to close within this year and is subject to the usual regulatory approvals. Daimler will recognize the financial impact at the time of closing.

This follows the announcement on March 7, 2014 that the Board of Management of Daimler AG has decided to exercise the put option relating to its shareholding in Rolls-Royce Power Systems AG (RRPS). Rolls-Royce is the best conceivable owner for 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”).

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John Rishton, CEO of Rolls-Royce said: "We have enjoyed an outstanding working relationship with Daimler and this agreement represents a good outcome for both of our companies. Rolls-Royce Power Systems has added scale and capability to our reciprocating engines business. It has world class technology, operates in long term growth markets and has proved a valuable addition to our Marine and Industrial Power Systems division."

Dr. Wolfgang Bernhard, Daimler’s Board of Management Member for trucks and buses, added: “We are pleased to reach an agreement with Rolls-Royce in such a short period of time. This underlines the profound partnership established during the past years. Irrespective of the ownership situation, we will keep connections to RRPS based on our existing supplier relationship. We will also further develop our business for heavy-duty and medium-duty diesel engines in off-highway applications.”

Bodo Uebber, Member of the Board of Management of Daimler AG for Finance & Controlling and Daimler Financial Services: “Both parties have agreed on a fair valuation. We are convinced that both strategically as well as economically this is the best solution going forward for all partners involved. Daimler is going to use the proceeds of this transaction to strengthen its core business.”

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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