

March 29, 2017

Dieter Zetsche at the Annual Shareholders' Meeting: "We look back on a very successful year. From this position of strength, we are continuing with Daimler's development."

- **2016 was Daimler's most successful year so far**
- **The biggest transformation in Daimler's history was initiated last year**
- **Shareholders vote on a dividend of €3.25 per share**
- **Proposed reelection of Clemens Börsig and election of Bader Mohammad Al Saad as representatives of the shareholders**

Berlin, Germany – "Daimler has had a lot of success in its history of more than 130 years, but our company has never been as successful as now," states Manfred Bischoff, Chairman of the Supervisory Board of Daimler AG, to an expected audience of approximately 6,000 shareholders at today's Annual Shareholders' Meeting at the CityCube in Berlin. "Daimler's success is based on the strategic changes that were initiated several years ago and which have been systematically implemented since then," continues Bischoff. "But further fundamental changes will be required also for Daimler to remain successful. With a far-reaching transformation we want to shape the profound transformation of the automotive industry, which is primarily being driven by digitization, from the forefront."

Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars, states to the shareholders: "The ideas, the skills and dedication of our workforce have made Daimler into a pioneer of mobility for more than 130 years. But we have never been as successful."

Daimler grew profitably once again in financial year 2016, setting new records for unit sales, revenue and net profit. With a total **workforce** of 282,488 employees (2015: 284,015), the Group for the first time sold approximately 3 million **vehicles** worldwide (2015: 2.9 million), generated

revenue of €153.3 billion (2015: €149.5 billion) and achieved **EBIT** of €12.9 billion (2015: €13.2 billion). As a result of favorable business developments in most of its divisions, Daimler slightly surpassed its **EBIT adjusted for special items** of €13.8 billion in 2015 with a new record of €14.2 billion in 2016. **Net profit** increased to the best-ever figure of €8.8 billion (2015: €8.7 billion). **Earnings per share** increased accordingly to €7.97 (2015: €7.87).

Due to the good results and the successful course of business in 2016, the Board of Management and the Supervisory Board proposes to the Annual Shareholders' Meeting the distribution of an unchanged **dividend** of €3.25 per share. The total dividend distribution amounts to €3,477 million (prior year: €3,477 million) and is the highest of the DAX 30 companies to date. The payout ratio is 40.8% of net profit attributable to the Daimler shareholders (prior year: 41.3%).

Election of Supervisory Board members

In its meeting on December 8, 2016, the Supervisory Board of Daimler AG decided to propose to the Annual Shareholders' Meeting of Daimler AG the reelection of Mr. Clemens Börsig for a further period of office as a member of the Supervisory Board representing the shareholders. In addition, the Supervisory Board announced that following Börsig's reelection, it would also reelect him as a member of the Audit Committee. Börsig has been a member of the Supervisory Board and Audit Committee of Daimler AG since 2007 and the Chairman of the Audit Committee since 2014.

In its meeting on February 10, 2017, the Supervisory Board decided to propose Bader Mohammad Al Saad, Managing Director of the Kuwait Investment Authority, for election as a member of the Supervisory Board representing the shareholders. In the interests of the company, Bernd Bohr had previously declared his intention to step down from the Supervisory Board with effect at the end of the 2017 Annual Shareholders' Meeting. In return, the Supervisory Board expressed its intention to propose Bernd Bohr for reelection to the Supervisory Board in the next two years.

The Annual Shareholders' Meeting today will vote on the proposed candidates for election to the Supervisory Board. When a person is elected, his or her period of office begins at the end of the Annual Shareholders' Meeting for a period of five years.

Changes in the Board of Management

The Supervisory Board of Daimler AG has appointed Britta Seeger (47) as a member of the Board of Management effective January 1, 2017. Britta

Seeger took over responsibility for Mercedes-Benz Cars Marketing and Sales from Ola Källenius (47), who at the same time took over responsibility for Group Research & Mercedes-Benz Cars Development from Thomas Weber. Britta Seeger has been appointed as a member of the Board of Management until December 31, 2019. Ola Källenius has been a member of the Board of Management of Daimler AG since January 1, 2015; his appointment expires on December 31, 2022.

Thomas Weber (62) retired from the company at his own request and by mutual agreement upon expiry of his contract of service on December 31, 2016. Weber had been a member of the Board of Management since January 1, 2003 and was responsible for Group Research & Mercedes-Benz Cars Development since January 1, 2004.

The contract of service of Wilfried Porth (58) as a member of the Board of Management with responsibility for Human Resources and Labor Relations Director, IT & Mercedes-Benz Vans was extended by the Supervisory Board for five years until April 30, 2022. Porth was first appointed to the Board of Management in 2009.

In February 2017, the Supervisory Board appointed Martin Daum (57) as a member of the Board of Management with responsibility for Daimler Trucks and Daimler Buses effective March 1, 2017. The appointment is for a period of five years. From June 2009 onwards, Daum had been President and Chief Executive Officer of Daimler Trucks North America (DTNA) and of the related companies Freightliner Trucks, Western Star Trucks, Thomas Built Buses, Freightliner Custom Chassis Corporation and Detroit Diesel Corporation.

Wolfgang Bernhard (56) stepped down from the Board of Management of Daimler AG at his own request effective February 10, 2017. Bernhard was appointed to the Board of Management of Daimler AG in February 2010. Until March 2013, he was a member of the Board of Management with responsibility for Production and Procurement Mercedes-Benz Cars & Mercedes-Benz Vans; as of April 2013, he was responsible for the Daimler Trucks & Buses divisions.

Daimler and the transformation of the automobile industry

“We demonstrated once again in 2016: The combination of financial strength and innovativeness is stronger than ever at Daimler,” emphasizes Zetsche. “At the same time, we initiated the biggest transformation in our company history last year.” Daimler is developing further from a position of strength for the next generation of customers, employees and shareholders.

“Together with 282,000 colleagues, we are shaping the transformation of our industry in order to be even more successful.”

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Superficially, the future of the car industry is challenged by opposites: electric drive versus combustion engines, autonomous driving versus driving pleasure, owning a car versus shared mobility, or human versus robot. Zetsche sees no contradiction here, but is convinced that mobility will become even more multifaceted: “It is necessary to do one thing without stopping with the other. That’s why we are strengthening both: the new and the old.”

Daimler’s corporate strategy focuses on **emission-free driving**. In the coming years, the company will invest €10 billion in the expansion of its electric portfolio and will bring more than ten new electric cars in series by 2022. On the way to emission-free driving, all available means will be utilized to reduce CO₂ emissions. For this reason, efficient combustion engines will continue to be a significant element of the solution during the transitional period. A key bridge technology along the way to electric mobility is plug-in hybrid drive, with which Mercedes-Benz already has eight models on the market. The next technology leap will soon follow with the new S-Class as a plug-in hybrid. With the latest lithium-ion technology, its range will increase to around 50 kilometers depending on the style of driving and external factors. Further models will follow. The current stage of battery technology meanwhile allows a range that would be interesting even for heavy-duty trucks. In 2016, Daimler presented the Urban eTruck, which will be launched this year as a small series. Zetsche states at the Annual Shareholders’ Meeting: “We believe in the simple principle: Alternative drive systems must be attractive drive systems.”

Another focus is on the development of **autonomous driving**. The car has always been more than just a means of transport, and autonomous driving will allow a new dimension of individual freedom and safety. Already today, series-produced cars from Mercedes-Benz can, if the driver desires, independently change lanes, apply the brakes in an emergency, or park themselves. As well as cars, the trucks and buses from Daimler are also pioneers for autonomous driving in their respective sectors.

For several years, Daimler has been developing from being an automobile manufacturer into a leading provider of **mobility services**. With car2go, Daimler is the global market leader for flexible car sharing – the company is currently testing peer-to-peer car sharing with privately owned cars with Croove in Munich. With mytaxi, Daimler has the biggest app-based taxi network in Europe. And with Mercedes pay, it will be possible to pay for services by smartphone in the future. The mobility app moovel provides simple and direct access to several mobility services – including booking

and payment. “The decisive point is not what we want. The decisive point is what customers want,” states Zetsche with regard to the development from premium manufacturer into a mobility provider. “At Daimler, we offer both: emotional products that people want to own, and innovative mobility concepts for those who don’t necessarily want to have a car of their own.”

The key to all these topics of the future is to **link up human and artificial intelligence**. Intelligent interaction between people and machines offers great opportunities in various applications. In production, workplaces can be made more ergonomic, assembly times reduced, capacities increased and maximum quality delivered. Through **digitization** and **electrification**, tasks and requirements for companies and employees will change. For Zetsche, employee protection has priority instead of the protection of job descriptions. At Daimler, the plants in Germany will continue to form the backbone of the worldwide production network. With regard to electrification, Daimler plans to invest more than €1 billion in its global battery production network, about half of which will be invested at the Daimler subsidiary Deutsche ACCUMOTIVE in Kamenz.

In order to fulfill its claim to technology leadership, Daimler is selectively entering into a number of **cooperative ventures**. “We want to have control over what differentiates us from the competition. In other areas, we are increasingly cooperating with other companies,” explains Zetsche. For example, Daimler is setting up a fast-charging network for electric vehicles in Europe together with other automobile manufacturers, and is working with ChargePoint in the United States on new products and services connected with electric mobility so that electric cars get established in the market faster. Another example is HERE. Together with BMW and Audi, Daimler acquired the specialist for high definition digital maps in 2015. Meanwhile further companies joined the consortium bringing in their own expertise – bringing forward this key technology for autonomous driving with combined forces. “Building cars is like a decathlon. Anyone who wants to be in the lead on a sustained basis has to master many disciplines,” Zetsche emphasizes. For this reason, existing strengths are being further developed while new challenges and areas for learning are being accepted with openness and the will to change.

Along with the **cultural transformation** at the company and the »**Leadership 2020**« project that was introduced in 2015, teams are being organized at Daimler that work like startups with fast decision making and greater freedom. As Zetsche sees it: “Perfection and entrepreneurial spirit are not a question of ‘either/or’ – we are strengthening both.” For example, Daimler is encouraging its employees’ pioneering spirit by providing risk capital for the implementation of new ideas or with streamlined decision processes on two hierarchy levels. Further ideas and activities are being

developed by teams of employees. Zetsche: “We are not inventing ourselves only because we have to. But we want to.” Page 6

2017 – Status quo and expectations

Mercedes-Benz Cars has started this year very successfully and has continuously increased its unit sales compared with the prior-year period every month for four years. In the first two months of this year, the division sold 351,243 vehicles (retail; +15.6%). The Mercedes-Benz brand posted its 48th record month in succession in February with 153,862 units sold (retail; +15.0%). This was primarily due to very good demand for the new E-Class sedan and the new E-Class wagon, ongoing strong demand for the C-Class and great demand worldwide for the SUVs. The generally very positive development of unit sales continued in March, so the company expects to achieve its highest ever quarterly unit sales.

The division will continue its »Mercedes-Benz 2020« strategy in the year 2017 and aims to **slightly increase its total unit sales** to a new record level. This is based on an attractive and young model portfolio, which is more diverse than ever before. By the end of this year, the entire E-Class family will be available with sedan, wagon, coupe and convertible models. In addition, a new and particularly versatile version of the E-Class will be on the market for the first time: the All-Terrain. Ongoing success will be supported also by the SUVs launched in 2016, several model upgrades (e.g. for the compact cars) and above all the new S-Class. Furthermore, the »Best Customer Experience« sales and marketing strategy will be continued, for example, with the expanded »Mercedes me connect« range of services. The smart brand anticipates growth impetus from the new electric **smart** (electricity consumption combined: 13.1–12.9 kWh/100 km; CO₂ emissions combined: 0 g/km), which is available as both fortwo and forfour models.

At **Daimler Trucks**, unit sales in North America in the first several weeks of this year remained lower than the comparatively high numbers sold at the beginning of 2016, as expected. Sales in the EU 30 region in recent weeks were similar to the prior-year numbers, also in line with expectations. Overall, Daimler anticipates a decrease in first-quarter unit sales. The development of orders received is healthy, so Daimler Trucks expects **full-year unit sales in the magnitude of 2016**.

Mercedes-Benz Vans posted further growth in unit sales in the first two months of this year. The van division expects sales in the first quarter to be higher than in the prior-year period. The division plans to achieve a **slight increase in unit sales** in the year 2017. As part of the division's »Mercedes-Benz Vans goes global« strategy, the V-Class multipurpose vehicle and the Vito van were launched in China in 2016 and will stimulate

additional demand there in 2017. The division aims to achieve further growth with the Sprinter as well, which is to be produced also in the United States. And towards the end of the year, Mercedes-Benz Vans will enter the midsize-pickup segment with the X-Class, with a positive impact on worldwide unit sales over the long term.

Daimler Buses also started this year with growth in unit sales, and first-quarter unit sales are expected to be above the prior-year level. The division assumes that it will defend its market leadership in its traditional core markets for buses above 8 tons with innovative, future-oriented and high-quality new products. For the year 2017, the division anticipates **significant growth in unit sales** overall, with moderate growth in the EU30 region. Following the significant decrease in Brazil in 2016, a significant recovery is expected for this year although unit sales will remain at a very low level. Daimler Buses anticipates a continuation of the positive development of unit sales in Mexico.

Daimler Financial Services slightly increased its contract volume in January and February. New business increased compared with the prior-year period due to strong unit sales at Mercedes-Benz Cars and Mercedes-Benz Vans. The division expects a continuation of the positive business development in March and the first quarter. Daimler Financial Services aims to achieve further growth in the coming years. For the year 2017, the division anticipates a **slight increase in new business** and **further growth in contract volume**. This is mainly based on the growth of the automotive divisions, especially Mercedes-Benz Cars. In addition, the division is utilizing new market potential above all in Asia, and is using new and digital possibilities for customer contacts, primarily through the systematic further development of online sales channels. Daimler Financial Services sees good growth opportunities also with innovative **mobility services** under its car2go, moovel and mytaxi brands, as well as through its investments in Blacklane and FlixBus.

“Our business continues to be a growth business,” says Zetsche. “In 2025, approximately 100 million cars could be sold worldwide.” Based on assumptions on the development of important sales markets and the divisions’ planning, Daimler expects to **slightly increase Group revenue** in 2017. Daimler also anticipates **slight revenue growth** in 2017. This reflects the generally positive development of unit sales in the automotive divisions.

Daimler assumes that **Group EBIT** will once again **increase slightly in 2017**. The individual **divisions** have the following expectations for **EBIT** in the year 2017:

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

As already announced at the Annual Press Conference in early February, the expected decrease in earnings at Daimler Trucks is primarily based on expenses in connection with the ongoing optimization of fixed costs. The Group anticipates a total expense in the magnitude of up to €500 million, mainly in 2017. This will be partially offset by income of approximately €250 million from the sale of real estate at the site in Kawasaki, Japan. Mercedes-Benz Vans achieved very high EBIT and return on sales in 2016, and the van division anticipates a very high level of earnings compared with its long-term average once again in 2017. The expected significant decrease compared with 2016 is mainly the result of high advance expenditure for the renewal and expansion of the product portfolio.

Daimler aims to achieve an annual average **return on sales** of 9% in the automotive business – across market and product cycles and on a sustainable basis. This is based on the return on sales of the divisions in 2016, nearly all of which achieved their targets: 10% for Mercedes-Benz Cars, 8% for Daimler Trucks, 9% for Mercedes-Benz Vans and 6% for Daimler Buses.

“Those who want to stay in front must constantly develop. That applies to cars and to companies,” says Zetsche with a view to the future. “After all, questioning the established mobility system was our starting point also with the invention of the automobile more than 130 years ago.”

Links to Daimler’s webpage for the 2017 Annual Shareholders’ Meeting:

German: www.daimler.com/ir/hv2017/video

English: www.daimler.com/ir/am2017/webcast

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 deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; 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 for 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 for 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 or of investigations requested by governments 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 the current Annual Report. If any of these risks and uncertainties materializes 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 date of publication.

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