DAIMLER

Investor Relations Release

December 22, 2017

Ad hoc Release: Significant increase of Group Net Income as a result of the tax reform in the U.S.

Stuttgart, Germany – The law signed by the President of the USA for a comprehensive tax reform (“Tax Cuts and Jobs Act”), includes the reduction of the nationwide federal corporate income tax rate from 35% to 21%, starting January 01, 2018. Due to the broadly based U.S. industrial and financial services business, combined with a material value added, Daimler – similar to many other local U.S. companies – benefits from the decided tax reform.

At the U.S. subsidiaries of Daimler, the deferred tax liabilities exceed the deferred tax assets – both calculated with the nationwide federal corporate income tax rate of 35%. The reduction of the federal corporate income tax rate from 35% to 21% requires the revaluation of the net deferred tax liabilities and results in an income tax benefit increasing the Net Income of the Group for the year 2017 by approximately €1.7 billion. The positive income tax benefit will not impact the Free Cash Flow of the Industrial Business or the Group EBIT for the year 2017.

Furthermore, the law includes several other measures. The impact of the other measures on Daimler are analyzed in detail at the moment.

Opposite to the positive impact from the U.S. tax reform, we currently expect other issues not connected with the U.S. tax reform, which will increase the tax expenses and will lead to an overall increase of Group Net Income by approximately only €1 billion net.

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