

Investor Relations Release

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Dieter Zetsche at the Annual Shareholders' Meeting: “At Daimler, we take advantage of the opportunities that arise from change. That’s why we occupy the top spot today.”

- **2017 was the most successful year in the company’s history**
- **Daimler is undergoing the greatest transformation in its history with a focus on five strategic areas**
- **Shareholders vote on highest-ever dividend of €3.65 per share to date**
- **Changes in the Supervisory Board**

Berlin, Germany – “Daimler AG mastered many challenges extremely well in financial year 2017 and achieved outstanding results. New records were set for unit sales, revenue, earnings and profitability,” stated Manfred Bischoff, Chairman of the Supervisory Board of Daimler AG, when welcoming the expected approximately 6,000 shareholders at the company’s Annual Shareholders’ Meeting held at CityCube in Berlin today. “Daimler is now more successful than ever before. In the mobility sector, which is currently being reinvented, further fundamental changes will be necessary also for Daimler in order to stay successful,” said Bischoff. He believes this includes not only technical and social developments that will significantly change the industry, but also the planning required for the Group’s organizational realignment.

“The goal is to reshape individual mobility with sustainable products and innovative services. And to get there, the key to success will be intermeshing mobility concepts with drive technologies,” continued Bischoff. “The planned organizational realignment through Project Future will make Daimler faster, more flexible and more digital, and will thus secure its future strength.”

“At Daimler, we take advantage of the opportunities that arise from change. That’s why we occupy the top spot today,” said Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars, at the Annual Shareholders’ Meeting. “In recent years, we have demonstrated more than once that Daimler can do more.”

Daimler AG systematically continued along its profitable growth path in 2017, and once again set records for unit sales, revenue, Group EBIT and net profit. With a workforce of over 289,300 **employees**, the Group sold approximately 3.3 million **vehicles**. **Revenue** amounted

to €164.3 billion and **EBIT** amounted to €14.7 billion, which is significantly higher than in the previous year. **Net profit** increased to the new high of €10.9 billion (2016: €8.8 billion). **Earnings per share** therefore increased to €9.84 (2016: €7.97).

The Board of Management and the Supervisory Board proposed to the Annual Shareholders' Meeting that the **dividend** be increased to €3.65 per share (previous year: €3.25), representing the highest dividend ever paid out in the company's history. The **total dividend distribution** thus also increases to the record amount of €3.9 billion (previous year: €3.5 billion).

Changes in the Supervisory Board

In its meeting on December 7, 2017, the Supervisory Board dealt with the specific election proposals and decided to propose to the Annual Shareholders' Meeting that Sari Baldauf and Dr. Jürgen Hambrecht be reelected and that Marie Wieck, General Manager at IBM Blockchain, be newly elected to the Supervisory Board as a member **representing the shareholders**. Sari Baldauf and Jürgen Hambrecht were both elected as members of the Supervisory Board for the first time at the Annual Shareholders' Meeting in 2008. Baldauf is a member of the Nomination Committee and is to continue to be active in that role also in her coming period of office. Hambrecht is a member of the Presidential Committee and of the Mediation Committee, and is to be reelected to both of those committees.

The Annual Shareholders' Meeting 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.

In March and April 2018, elections were held of the members of the Supervisory Board **representing the employees**. On Wednesday, almost 700 voting delegates from the plants and offices of the Daimler Group elected to the Supervisory Board of Daimler AG the ten representatives of the employees (seven employees of the Group, including a representative of the management staff, and three trade-union representatives).

Some of the existing Supervisory Board members representing the employees were confirmed in office by the election: The reelected members are Michael Brecht, Ergun Lümalı, Elke Tönjes-Werner, Wolfgang Nieke and Michael Bettag as workforce representatives along with Sibylle Wankel and Roman Zitzelsberger as representatives from the IG Metall. Dr. Sabine Zimmer and Raymond Curry Jr. have been newly elected to the Supervisory Board. Raymond Curry Jr. will continue as a trade-union representative from outside Germany in the Supervisory Board of Daimler AG. Dr. Frank Weber was reelected as a member of the Supervisory Board and will represent the management staff during the new term of office. The term of office of the employee representatives will begin at the end of this year's Annual Shareholders' Meeting and ends after five years at the end of the Annual Shareholders' Meeting in 2023.

The Supervisory Board of Daimler AG has decided to comply with the statutory quota of 30% female members. On the shareholder side, 30% of the members were women with Petraea Heynike and also Sari Baldauf and Marie Wieck with their election by the Annual Shareholders' Meeting. The required quota of women is fulfilled on the employee side with Elke Tönjes-Werner, Sibylle Wankel and Dr. Sabine Zimmer. The legal requirements are therefore fully complied with.

The transformation of the automotive industry and of Daimler AG

Daimler has been pushing forward with the transformation of the automotive industry for several years and is playing a key role in shaping it from the very top. "We have ambitious plans for the future as well. Daimler is undergoing the biggest transformation in its history," Zetsche told the shareholders. "Once again we are going to demonstrate that Daimler can do more."

In this context, Daimler is concentrating on **five strategic areas**: expanding the core business, pushing forward with the CASE topics, further developing the corporate culture, optimizing the Group structure and, above all, focusing on the customer.

With **CORE**, Daimler understands the expansion of its core business. "It is our economic backbone, which we will strengthen even further," emphasized Zetsche. For that purpose, Daimler will invest above all in new products, with more than a dozen new car models to be launched by 2018. In the first three months of this year, among others the new Mercedes-Benz G-Class, the new A-Class and the Mercedes-AMG GT four-door have already been presented. Zetsche promised: "Our product offensive is maintaining its fast pace." The highlight of 2018 from Mercedes-Benz Vans is the new Sprinter. In addition, ultramodern combustion engines are being further developed and will contribute towards further reductions in CO₂ emissions.

In this connection, Zetsche emphasized the responsibility of the automotive industry: "It is absolutely clear that we automakers are responsible for reconciling individual mobility with climate protection and clean air." To this end, Daimler is also adjusting its production to a mix of drive systems to allow every model to be produced on every assembly line in the next decade. By the end of this decade, four new plants in Poland, Hungary, Russia and China will be added to the global production network in order to achieve that goal.

According to Zetsche, a decisive factor for success in the future is the second strategic area: **CASE**: "For a long time, our business model was clearly defined: We develop, build and sell outstanding vehicles. We will continue to do that. But it is no longer the whole story." With connectivity (**C**onnectivity), autonomous driving (**A**utonomous), shared mobility (**S**hared) and electric mobility (**E**lectric), an almost infinite number of additional opportunities will be created to delight the customers.

Zetsche looked back: "At Daimler, we initiated the transformation from an automobile manufacturer into a mobility provider about ten years ago." In order to accelerate this

development, Daimler and BMW plan to combine their forces in the field of mobility services. The two companies signed an agreement to that effect in late March. “That way, we can offer our customers a complete package that ranges from car sharing to ride sharing, and to parking, and charging.”

Daimler also flipped the switch in the field of electric mobility long ago: Mercedes-Benz will offer at least one electrified version in each segment by 2022. smart is already completely electric in North America and the changeover will take place in Europe by 2020. “At the same time, we are electrifying our vans, trucks and buses. And we have many more plans – also going beyond our products,” added Zetsche.

The further development of the corporate culture is summarized under **CULTURE**. In addition to a lasting efficiency culture, this also includes the desire for change throughout the company. This is why the Leadership 2020 initiative was launched early in 2016. “If we want real change, it’s not enough simply to revise our guidelines. Above all, it requires the right internal mindset,” emphasized Zetsche. To this end, a focus in 2018 will be on the principles according to which employees want to work: even more active involvement rather than being managed.

With **COMPANY STRUCTURE**, the company is optimizing its positioning. “We want our corporate structure to support the entrepreneurial spirit that we are promoting with Leadership 2020,” explained Zetsche. “Because internal mindset and external structure should complement each other.” It is planned to further develop the divisions into legally independent entities with their own entrepreneurial responsibility. With a view to the customers, they will then be able to work in a more focused manner. “All of this will boost our impact and make us even more attractive to investors and partners,” added Zetsche.

The company’s fifth and overarching strategic field is the focus on the customer: **CUSTOMER**. “So Daimler is changing in almost every respect: technologically, economically, culturally and structurally,” said Zetsche. “But one thing was, is and will remain the same: The focal point of our strategic thinking is the customer.” He emphasized: “We will only be as successful in the future as our products and services are in the market.”

Zetsche summarized the development of the automotive industry and the company: “The changes at Daimler have one overall objective: making sure that we continue to fulfill our customers’ wishes and requirements to the best of our ability.”

Daimler aims to achieve a sustainable **return on sales** of 9% in its automotive business across market and product cycles. This is based on the returns targeted: 8 to 10% for Mercedes-Benz Cars, 8% for Daimler Trucks, 9% for Mercedes-Benz Vans and 6% for Daimler Buses.

“Since we invented the automobile, the world has changed,” stated Zetsche. “The success of the automobile has become its biggest challenge. Our task is to solve this paradox,” he summarized at the Annual Shareholders’ Meeting. “Our passion to create better future is part

of our DNA. We know this is a very ambitious goal. But that's exactly what our founding fathers did. And it's time to do it again.”

Links to the Daimler website for the Annual Shareholders' Meeting 2018:

German: www.daimler.com/ir/hv2018/video/

English: www.daimler.com/ir/am2018/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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