

## Investor Relations Release

May 16, 2018

### **Settlement achieved with Federal Government - arbitration proceedings concluded**

- **Daimler AG and Deutsche Telekom AG reach an agreement with the Federal Government on ending the Toll Collect arbitration proceedings**
- **The end of the arbitration proceedings after 14 years facilitates a fresh start for Toll Collect**

Stuttgart/Bonn/Berlin. Daimler AG reached an agreement via its subsidiary Daimler Financial Services AG with Deutsche Telekom AG (syndicate partner) and the German Federal Government on concluding the arbitration proceedings on the matter of Toll Collect. Subject to the approval of all committees and of the court of arbitration, this therefore creates the prerequisites for a swift conclusion through a settlement to a dispute which has lasted for 14 years.

The agreed total settlement amounts to 3.2 billion euros. This includes allocated compensations since 2006 and the penalties paid (incl. interest on the amounts retained), the overall valuation of Toll Collect GmbH and the honoring of the overall toll collection quality (bonus malus system). Furthermore, it also includes a final payment amounting to 1.1 billion euros, which is equally divided between Daimler AG and Deutsche Telekom AG. For Daimler AG, as a result of the settlement, currently still subject to committee approval, a one-off negative EBIT effect amounting to 0.6 billion euros could arise that would impact the Daimler Group result in the current quarter and would be taken into consideration at Daimler Financial Services. Based on this negative one-time effect, Daimler now assumes that the result of Daimler Financial Services in 2018 will be in the magnitude of prior-year's level. The expectation for the Group EBIT remains unchanged slightly higher level than in the previous year.

The settlement reached together with the Federal Ministry of Transport and Digital Infrastructure and Deutsche Telekom AG is regarded by Daimler as fair and sensibly concludes for all involved a long-standing out-of-court dispute. The end of the arbitration proceedings after 14 years facilitates a fresh start for Toll Collect.

The currently valid contract regarding operations ends on August 31, 2018. On September 1, 2018 the Federal Republic of Germany will acquire shares in Toll Collect GmbH and is then seeking to award the company at the end of award procedure by March 1, 2019.

### **More than 53 billion in toll revenues since system start**

In retrospect, toll collection by Toll Collect has been a joint success story for all involved. From the system's launch to the end of 2017, the system has collected over 53 billion euros toll for the Federal Government, which has benefited Germany's infrastructure. Currently, the technical extension of the system is in progress in order to be able to collect tolls according to the Federal Government's plans from July 1, 2018 on all Federal highways.

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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