

## Investor Relations Release

July 26, 2018

### **Consistent Continuation of Strategy: Daimler Lines Up for the Future**

- **Board of Management and Supervisory Board of Daimler AG approve divisional structure of the Group**
- **Future structure of three legally independent entities – Mercedes-Benz AG, Daimler Truck AG and Daimler Mobility AG – under the umbrella of Daimler AG**
- **New structure makes Group fit for the future with greater entrepreneurial freedom for divisions, even stronger market and customer focus, as well as faster and more flexible partnerships**
- **Manfred Bischoff, Chairman of the Supervisory Board of Daimler AG: “The new structure positions Daimler to tackle the rapid pace of change in the mobility sector and the corresponding strategic challenges. Legally independent divisions will sharpen our focus on the future success of the business.”**
- **Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars: “PROJECT FUTURE is the consistent continuation of our strategy. We are reshaping our organization to put Daimler in the best position for the future: technologically, culturally – as well as structurally. At the heart of all these changes are the needs of our customers around the world: With this new structure we will be able to offer them mobility solutions even better tailored to their needs.”**
- **Bodo Uebber, Member of the Board of Management of Daimler AG for Finance & Controlling and Daimler Financial Services: “The new structure involves reassigning more than 700 subsidiaries in over 60 countries. With this new structure we will sharpen our focus, increase entrepreneurial responsibility and protect our synergies and economies of scale.”**
- **One-time costs including tax charges in the high three-digit million euro range**
- **Shareholders to vote on the new structure at the Annual General Meeting on May 22, 2019**
- **After further implementation steps, planned focused and flexible corporate structure expected to be in place by January 1, 2020**
- **Extensive reconciliation of interests agreed with employee representatives to safeguard jobs until end of 2029**

Stuttgart – The Board of Management and Supervisory Board of Daimler AG approved the new corporate structure for Daimler AG. The associated global assessment of the organizational and tax implications was successfully completed. In the fall of 2017 the first

preparatory measures were initiated to transform the current divisions Cars and Vans, as well as Trucks and Buses, into legally independent entities. The most comprehensive due diligence in Daimler's 130-year corporate history has been undertaken in this context. Under the new structure Daimler plans to give its divisions greater entrepreneurial freedom, position them even closer to their markets and customers, while empowering them to enter partnerships more easily and quickly. Following approval by the Board of Management and Supervisory Board the corporation can now move into the implementation phase of what it calls "PROJECT FUTURE". The steps toward implementation will be taken in 2018 and 2019 on the basis of clear business and technical criteria. The measures approved by the boards today require the final approval of the shareholders as a next step. The new structure shall be submitted for approval by shareholders at the Annual General Meeting of Daimler AG in 2019.

Manfred Bischoff, Chairman of the Supervisory Board of Daimler AG: "The new structure positions Daimler to tackle the rapid pace of change in the mobility sector and the corresponding strategic challenges. Legally independent divisions will sharpen our focus on the future success of the business."

Once the new structure has been fully implemented the Mercedes-Benz Cars & Vans division, under the leadership of Mercedes-Benz AG, will have around 175,000 employees (status: end of March 2018) worldwide, while the Daimler Trucks & Buses division, under the leadership of Daimler Truck AG, will have around 100,000 employees worldwide. Already legally independent, Daimler Financial Services AG will be called Daimler Mobility AG in the future. With its around 13,000 employees, the division today already stands for mobility services within the Group. Three powerful divisions will give the Daimler Group a more flexible and focused structure. The operative businesses of Mercedes-Benz Cars & Vans and Daimler Trucks & Buses will be transferred to the new legal entities, which will then operate as strong divisions with a clear focus, independent corporate responsibility and higher potential for value creation. They will be able to enter even more focused cooperative ventures and partnerships. All three companies will be German co-determined stock corporations ("Aktiengesellschaften") based in Stuttgart.

Daimler AG, the parent company, will exercise corporate governance, strategy and management functions and provide cross-divisional business services. This will also ensure that synergies [between the entities] remain as before. As an operational holding company, responsibility for the funding of the entire Group will continue to lie with Daimler AG, as the only company in the corporate group to be listed on the stock exchange. There are no plans for the corporation to divest individual divisions.

Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars, explains: "PROJECT FUTURE is the consistent continuation of our strategy. We are reshaping our organization to put Daimler in the best position for the future: technologically, culturally – as well as structurally. At the heart of all these changes are the needs of our customers around the world: With the new structure we will be able to offer them mobility solutions even better tailored to their needs."

PROJECT FUTURE is part of the “5C” corporate strategy to prepare Daimler for the challenges and opportunities of the new automotive era. With a strong core business (CORE), the transition to new technologies (CASE), an open and agile culture across the entire company (CULTURE) and the right structure (COMPANY), the corporation is laying a foundation that will align it even more closely with customer needs (CUSTOMERS). The Daimler family of companies is securing the necessary investments in technological transformation and digitalization and addressing changes in customer behavior and the volatility of markets.

Bodo Uebber, Member of the Board of Management of Daimler AG responsible for Finance & Controlling and Daimler Financial Services: “The new structure involves reassigning more than 700 subsidiaries in over 60 countries. Additionally, we examined the pros and cons of the new structure very closely and reached the conclusion that the advantages clearly prevail. With this new structure we will sharpen our focus, increase entrepreneurial responsibility and protect our synergies and economies of scale.”

The one-time costs for the changes in our corporate structure until the year 2020 are expected to be in the high three-digit million euro range, including tax charges arising from the reorganizations required under corporate law. This includes Daimler’s investment in the reorganization of its global business in international markets. The implementation of PROJECT FUTURE will also incur additional running costs in the coming years. These costs will increase until 2020 and peak at an annual amount in the very low three-digit millions of euros. Comprehensive initiatives will be concurrently introduced to reduce these costs step-by-step and offset them entirely in the medium term.

One important building block of PROJECT FUTURE is the reconciliation of interests for employees in agreement with the Management and General Works Council. Michael Brecht, Deputy Chairman of the Supervisory Board and Chairman of the General Works Council: “With the works agreement on PROJECT FUTURE, we have secured a reconciliation of interests that is unprecedented in Germany. The job guarantee through the end of 2029 is an important signal for safeguarding our jobs in Germany. Having negotiated the right to co-determine the vertical scope of manufacture we have, for the first time, the opportunity to have a say on new investments and the question of in-house production versus outsourcing.”

Other key elements of the reconciliation of interests are the agreement on largely funding pension obligations and the extension of the unified profit sharing bonus at Daimler AG through 2025. The reconciliation of interests also includes an agreement to invest 35 billion euros in Germany in the period from 2018 through 2024.

The precondition for these agreements is a vote by the shareholders at the next Annual General Meeting to approve the hive-downs necessary to implement the new structure. Owing to the size and complexity of the project, the next Annual General Meeting of Daimler AG will take place on May 22, 2019. Following a positive vote by the shareholders and the entry in the German commercial register, the hive-downs could become legally effective in the fall of 2019. The focused and flexible corporate structure that PROJECT FUTURE aims to achieve is expected to be accomplished as of January 1, 2020.

**Please click here for the PROJECT FUTURE video:**

<https://youtu.be/pW-CmSBbTtQ>

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 and tariff regulations; 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.

If you have any questions, please contact our Investor Relations Team:

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