

July 26, 2017

Daimler continues along successful path with record unit sales and revenue

- Unit sales significantly above prior-year level at 822,500 vehicles (+8%)
- Revenue up by 7% to €41.2 billion
- Significant increase in Group EBIT to €3.7 billion (Q2 2016: €3.3 billion)
- Net profit of €2.5 billion (Q2 2016: €2.5 billion)
- Free cash flow of industrial business of €3.0 billion in first half of year (Q1-2 2016: €2.1 billion)
- Significant growth in unit sales and revenue anticipated for full-year 2017
- Group EBIT expected to be significantly higher than in 2016
- Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars: “We had an excellent second quarter. Our strategy is taking effect. We have set ourselves ambitious targets. And we are achieving them – in terms of unit sales and of profitability.”
- Bodo Uebber, Member of the Board of Management of Daimler AG responsible for Finance & Controlling and Daimler Financial Services: “We are successfully utilizing growth opportunities and making systematic use of business potential as well as the opportunities of digitization. We have the financial resources that are required for this growth path.”

Stuttgart, Germany - Daimler AG (ticker symbol DAI) continued along its successful growth path in the first half of 2017 and set new records for unit sales and revenue in the second quarter. In the months of April through June, Daimler sold 822,500 cars and commercial vehicles worldwide (+8%), which is another record for **unit sales**. Contributions to the Group’s best-ever unit sales came from all automotive divisions, in particular the records set by Mercedes-Benz Cars (595,200 vehicles, +9%) and Mercedes-Benz Vans (103,400 vehicles, +4%) and the sales growth at Daimler Trucks (116,400 vehicles, +8%). **Group revenue** reached the best-ever figure of

€41.2 billion and was thus 7% higher than in the second quarter of last year. Page 2
Adjusted for exchange-rate effects, revenue increased by 5%.

The **Daimler Group** achieved **EBIT** of €3,746 million in the second quarter of this year, which is a significant 15% higher than the EBIT of €3,258 million posted in the prior-year quarter. **Net profit** improved slightly to €2,507 million (Q2 2016: €2,452 million). Net profit attributable to the shareholders of Daimler AG amounted to €2,439 million (Q2 2016: €2,429 million), equivalent to **earnings per share** of €2.28 (Q2 2016: €2.27).

“We had an excellent second quarter. This strong core business is the best basis to exploit new business models around the CASE topics,” stated Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars. CASE stands for the four strategic pillars of connectivity (Connected), autonomous driving (Autonomous), flexible use (Shared & Services) and electric drive (Electric), which Daimler is linking up intelligently. “Our strategy is taking effect. We have set ourselves ambitious goals. And we are achieving them – in terms of unit sales and profitability. Step by step, we are optimizing efficiency throughout the Group. The transformation of Daimler is going ahead at full speed. And we have everything we need for it: the resources to invest and the scope to innovate.”

The significant earnings growth at the Mercedes-Benz Cars division in the second quarter of 2017 was aided by the positive development of unit sales of the new E-Class and the SUV models. An additional factor is that special items had a negative impact on earnings in the second quarter of last year. Earnings at the Daimler Trucks division reflect expenses for customer-service measures at Mercedes-Benz Trucks, and despite efficiency gains, did not match the earnings of the prior-year quarter. Mercedes-Benz Vans and Daimler Buses achieved high levels of EBIT but lower than the amounts posted in the prior-year quarter. In the automotive business, the operating return on sales once more achieved its target at 9.2% (Q2 2016: 8.3%). The Daimler Financial Services division’s EBIT slightly surpassed the prior-year figure. Exchange-rate effects had a positive impact on operating profit at all divisions.

“We are successfully utilizing growth opportunities and making systematic use of business potential as well as the opportunities of digitization,” said Bodo Uebber, Member of the Board of Management of Daimler AG responsible for Finance & Controlling and Daimler Financial Services. “We will therefore invest more and comprehensively in the future, so from today’s perspective, investment in property, plant and equipment and research and development expenditure will be increased significantly this

year and in the coming years. We have the financial resources that are required for this growth path.”

Free cash flow and net liquidity

In the first half of 2017, the **free cash flow of the industrial business** amounted to €3.0 billion (Q1-2 2016: €2.1 billion). This increase resulted primarily from the positive business performance and the development of working capital. A cash inflow of €0.4 billion resulted from the dividend distributed by Beijing Benz Automotive Co. (BBAC). The sale of real estate by Mitsubishi Fuso Truck and Bus Corporation at the Kawasaki site in Japan led to a cash inflow of €0.3 billion. Opposing effects resulted from increased investments in intangible assets and property, plant and equipment and from the acquisition of an interest in LSH Auto International Limited.

Compared with December 31, 2016, the **net liquidity of the industrial business** decreased from €19.7 billion to €18.4 billion. The dividend payment to shareholders of Daimler AG and exchange-rate effects at the balance-sheet dates led to a decrease in net liquidity that was partially offset by the positive free cash flow.

“On the basis of our financial strength, we undertake refinancing on the international money and capital markets at attractive conditions,” stated Bodo Uebber. “We use those funds for our automotive financial services, to make attractive offers for end-customers, dealerships and fleet managers, thus providing additional support for our growth path.”

In the first half of 2017, Daimler had a cash inflow of €10.7 billion from the issuance of bonds (Q1-2 2016: €12.6 billion). In June, Daimler AG issued a multi-tranche bond in the European capital market with a volume of €4.1 billion and maturities of up to 20 years. Furthermore, in early May, Daimler Finance North America LLC issued bonds with maturities of eighteen months, three years and five years in a total volume of \$2.0 billion in the US capital market.

Workforce

At the end of the second quarter of 2017, the Daimler Group had 290,867 **employees** worldwide (end of 2016: 282,488, end of June 2016: 286,860). Of that total, 174,909 were employed in Germany (end of 2016: 170,034) and 23,705 in the United States (end of 2016: 21,857). Our consolidated companies in China had 3,944 employees at the end of June (end of 2016: 3,696).

The second quarter of this year had the **strongest quarterly unit sales** in the history of **Mercedes-Benz Cars**. Worldwide, 595,200 automobiles of the Mercedes-Benz and smart brand were sold in the months of April through June (+9%). Record unit sales were posted for example in Europe (+6%), the United Kingdom, France, Belgium, Switzerland and Sweden, as well as China including Hong Kong (+28%). Unit sales increased in Germany by 2%, in South Korea by 42% and in Australia by 22%. Second quarter unit sales in the United States were lower than last year (-10%), while unit sales increased in the other NAFTA countries (+8% in Canada and +57% in Mexico).

Revenue increased by 7% to €23.6 billion. In the second quarter of 2017, the division's **EBIT** was €2,404 million, which is considerably higher than the prior-year figure of €1,410 million. Its **return on sales** was 10.2% (Q2 2016: 6.4%). The positive development of earnings in the second quarter of 2017 was influenced by growing unit sales of the new E-Class and the SUVs. Positive exchange-rate effects also had a favorable impact on EBIT. However, there were negative effects on earnings from advance expenditure for new technologies and future products. In the second quarter of the previous year, it was mainly expenses in connection with Takata airbags of €440 million and net expenses from the measurement of inventories of €284 million that had negative effects on earnings.

Unit sales by **Daimler Trucks** of 116,400 vehicles were higher than in the second quarter of last year (Q2 2016: 108,300). Unit sales of 20,400 vehicles in the EU30 region (European Union, Switzerland and Norway) were at the prior-year level. In Germany, sales remained slightly below the prior-year quarter at 8,100 units (Q2 2016: 8,300). Sales in Turkey decreased to 2,900 units as a result of the generally weak market (Q2 2016: 3,100). In the NAFTA region, unit sales increased slightly to 42,300 vehicles (Q2 2016: 40,600). Unit sales in Latin America were higher than in the prior-year period. While unit sales increased significantly in Argentina, sales of 2,900 units in Brazil were slightly below the low level of the previous year (Q2 2016: 3,000). Unit sales in Asia increased significantly. This was mainly due to significantly increased sales of 9,800 units in Indonesia (Q2 2016: 5,600). In Japan, sales of 10,200 vehicles were below the prior-year level (Q2 2016: 11,000). In India, sales also decreased to 3,600 units (Q2 2016: 3,900). Sales of Auman trucks by the joint venture BFDA in China increased significantly to 28,600 units (Q2 2016: 21,300). Unit sales increased significantly also in the Middle East, where 6,400 vehicles were sold (Q2 2016: 3,900).

Revenue reached €9.0 billion (Q2 2016: €8.7 billion). The division's **EBIT** of €543 million is significantly below the prior-year figure (Q2 2016: €621 million). Its **return on sales** was 6.0% (Q2 2016: 7.2%). Customer service measures at Mercedes-Benz Trucks affected EBIT negatively. Efficiency enhancements increased the division's EBIT.

Mercedes-Benz Vans increased its **unit sales** by 4% to the new record of 103,400 vehicles in the second quarter of 2017. In the EU30 region, second-quarter unit sales increased by 1%. The van division achieved strong growth in Austria (+25%), Poland (+16%) and Norway (+12%). In the important German market, Mercedes-Benz Vans once again had a very good second quarter with sales of 27,400 vehicles, which is slightly higher than last year (Q2 2016: 26,800). The development of unit sales was positive also in the NAFTA region, with growth of 3%. Second-quarter unit sales increased also in Latin America (+31%), aided by the significant market recovery in Argentina. In China, Mercedes-Benz Vans further improved its position and posted its best-ever sales in a quarter with an increase of 49%.

Compared with the prior-year period, there was a slight decrease in **revenue** of 3% to €3.3 billion. The division achieved **EBIT** of €358 million, which is significantly below the very high prior-year level (Q2 2016: €401 million). Its **return on sales** decreased to 10.8%, compared to 11.7% in the second quarter of last year. Despite lower warranty costs, earnings did not match the prior-year period, as a result of higher expenses from advance expenditure for new technologies and future products as well as the end of a contract manufacturing arrangement.

Daimler Buses' second-quarter **unit sales** increased by 8% to 7,500 units. In the EU30 region, Daimler Buses sold 2,200 complete buses and bus chassis of the Mercedes-Benz and Setra brands (-2%). In Germany, the domestic market, the bus division maintained its undisputed market leadership and improved its sales by 12%. Due to the currently difficult market situation in Turkey, sales there decreased significantly to 140 units (Q2 2016: 300). Despite the continuation of the difficult market situation in Brazil, the division's second-quarter sales of 3,400 bus chassis in Latin America (excluding Mexico) were significantly higher than in the previous year (Q2 2016: 3,000). In Mexico, Daimler Buses sold 1,000 units, which is substantially more than in the prior-year period (Q2 2016: 600), while a total of 400 units were sold in Asia (Q2 2016: 500).

Revenue of €1.2 billion was slightly higher than in the second quarter of last year (Q2 2016: €1.1 billion). Daimler Buses' **EBIT** of €64 million was significantly lower than the very high earnings in the prior-year period (Q2 2016: €88 million). This resulted in a **return on sales** of 5.5% (Q2 2016: 7.8%). Further efficiency enhancements did not quite offset the

decrease in earnings due to lower unit sales in Turkey and higher inflation-related costs in Latin America.

Daimler Financial Services increased its **new business** once again in the second quarter of 2017. Worldwide, 477,000 new leasing and financing contracts were concluded with a total volume of €17.9 billion, which is 16% more than in the prior-year period. **Contract volume** reached €134.2 billion at the end of June and was thus at the level of year-end 2016. Adjusted for exchange-rate effects, contract volume grew by 5%. In the insurance business, Daimler Financial Services brokered 519,000 contracts in the second quarter (+20%). The number of car2go customers increased to 2.6 million worldwide by the end of June. The fleet was expanded with the addition of new vehicle models (including the Mercedes-Benz B-Class Electric Drive). The number of 13.7 million customers registered with Daimler' mobility services at the end of June was more than double the number a year earlier.

In the second quarter of 2017, Daimler Financial Services' **earnings** of €522 million surpassed the prior-year figure of €479 million. The division's **return on equity** was 18.8% (Q2 2016: 19.3%). The positive development of earnings was mainly the result of increased contract volume and an improved cost-of-risk situation. On the other hand, the higher level of interest rates impacted earnings negatively.

The **reconciliation** of the divisions' EBIT to Group EBIT comprises gains and/or losses at the corporate level and the effects on earnings of eliminating intra-group transactions between the divisions. Items at the corporate level resulted in expenses of €152 million in the second quarter of 2017 (Q2 2016: income of €237 million). In the prior-year quarter, EBIT was reduced by expenses of €400 million related to legal proceedings. On other hand, the EBIT of the prior-year period was strengthened by the contribution into the pension plan assets of the shares of each of Renault S.A. and Nissan Motor Company Ltd. in an amount of €605 million. The elimination of intra-group transactions resulted in an income of €7 million in the second quarter of 2017 (Q2 2016: €22 million).

Investment in the future

Property, plant and equipment of €26.5 billion were at the prior-year level (December 31, 2016: €26.4 billion). In the first six months of 2017, €2.7 billion was invested worldwide, in particular at our production and assembly sites for new products and technologies and for the expansion and modernization of the production facilities. The sites in Germany accounted for €1.8 billion of capital expenditure (Q1-2 2016: €1.7 billion).

The Daimler Group's **research and development spending** in the first half of the year amounted to €4.3 billion (Q1-2 2016: €3.6 billion). This already includes a substantial amount of advance expenditure for the mobility of the future, as well as for new vehicle models, more efficient drive systems, and the intensification of the modular strategy at Mercedes-Benz Cars. Daimler Trucks invested primarily in emission reductions, alternative drive systems and future technologies, as well as in products and technologies especially for the markets in Latin America and China.

Outlook for the markets

The outlook for the **world economy** continues to be favorable at the beginning of the third quarter of 2017, so global growth could accelerate slightly this year. Current growth forecasts for full-year 2017 are meanwhile for about 3%.

According to recent assessments, **worldwide demand for cars** is likely to **increase** from its already high level **by 1-2%** in 2017. This would be the eighth consecutive year of growth for the world market. Only slight growth is expected for the **Chinese car market**, however, after tax incentives for cars with small engines were reduced this year. Although the **US market** for cars and light trucks remains at a high level, it will probably be slightly smaller than last year's volume. Slight growth is anticipated for the **European car market**. Following the strong revival of demand of recent years, the market in **Western Europe** should grow again slightly compared with 2016. In **Russia**, a significant recovery from a low level can be assumed. Daimler anticipates slight growth in demand in the **Japanese market** and significant growth in **India**.

Following the cyclical downturn of the previous year for the **truck market** in the **NAFTA region**, demand can be expected to recover gradually as the year progresses. In full-year 2017, sales in classes 6-8 are likely to be slightly lower than in 2016, however. A rather weaker development is anticipated in the segment of heavy-duty trucks (class 8).

In the **EU30 region**, Daimler expects demand to stay at about the solid prior-year level. In the **Brazilian market**, it is to be assumed that truck sales will once again slightly decrease from last year's extremely weak level. Following last year's dramatic slump in demand in **Turkey**, another significant decline is to be expected in 2017. The **Russian market** should recover significantly. The most important **Asian markets** from Daimler's perspective are likely to develop disparately in 2017. In **Japan**, demand for light-, medium- and heavy-duty trucks is likely to see a stable development at a solid level. The overall **Indonesian truck market** should be significantly above its level of 2016, following several years of significant

contraction. In **India**, the reform of the country's goods and services tax that was implemented in the middle of the year should stimulate the market somewhat in the second half of 2017; a slight increase in market volume is anticipated in the full year. In **China**, a normalization of demand is anticipated during the rest of this year, but the market is likely to expand significantly in the full year compared with 2016.

For the year 2017, in the **EU30 region**, slight market growth in the segment of mid-size and large **vans** as well as for small vans is expected. In the **United States**, demand for large vans should remain fairly stable. The market for large vans in **Latin America** should revive again significantly in 2017, but from a very low level. In **China**, Daimler now anticipates stable demand in the market it addresses there.

The **bus market** in the **EU30 region** is expected to grow slightly compared with 2016. Market developments in **Latin America** continue to be affected by the currently difficult economic situation, especially in Brazil. Following the significant declines of recent years, Daimler assumes that demand bottomed out in the year 2016. So a significant recovery is anticipated in 2017, especially in **Brazil**, although the market volume will remain very low.

Outlook for the divisions

On the basis of the assumptions presented above on the development of the markets important for the Group and of the division's current assessments, Daimler expects to **significantly increase its total unit sales** in the year 2017.

In the second quarter of 2017, **Mercedes-Benz Cars** continued along its successful path of the previous quarters and achieved the highest half-year unit sales in the company's history. In full-year 2017, the division plans to **significantly increase its unit sales** once again. This will be primarily driven by the new E-Class family, which will be completed in September with the market launch of the E-Class Cabriolet. In addition, the comprehensively modernized and further developed S-Class sedan is available as of July. The market launch of the GLC 63 4MATIC+ und GLC 63 S 4MATIC+ as SUV and coupe will start in September, in time for the 50th anniversary of **Mercedes-AMG**, the Affalterbach-based sports-car and performance brand. Further sales impetus is anticipated from the new fully electric smart models. Fourth-generation electric driving can be enjoyed not only in the smart fortwo coupe and smart forfour, but also with the roof down in the smart fortwo cabrio. This makes smart the first manufacturer to offer a fully electric convertible.

Daimler Trucks now assumes that its total **unit sales** in 2017 will be **slightly higher than in the previous year**. In the NAFTA region, the truck division expects to further consolidate its strong market position and to sell slightly more trucks than in 2016. This will be aided by the new Freightliner Cascadia, the flagship in the North American market. In the EU30 region, Daimler Trucks anticipates unit sales in the magnitude of last year. In Japan, where the latest generation of the FUSO Super Great heavy-duty truck was presented in the second quarter, unit sales are expected to be similar to the prior-year level. Unit sales in Brazil are likely to be at about the very low level of 2016. In Indonesia and India, unit sales should be higher than in the previous year.

Mercedes-Benz Vans plans to achieve **significant growth in unit sales** in 2017. The van division anticipates significant increases in sales of vans also in the EU30 region. In the context of the »Mercedes-Benz Vans goes global« strategy for the division, the V-Class multipurpose vehicle and the Vito van were launched in 2016 also in China, the world's biggest market for motor vehicles. This will additionally boost demand there. And towards the end of this year, Mercedes-Benz Vans will enter the midsize-pickup segment with the X-Class, thus further increasing its worldwide unit sales in the long term.

Daimler Buses assumes that it will be able to defend its market leadership in its traditional core markets for buses above 8 tons with innovative, future-oriented and high-quality products. For the year 2017, the bus division expects **significant growth in unit sales** with a moderate increase in the EU30 region. After the substantial decrease in unit sales in Brazil last year, Daimler Buses expects a significant recovery in 2017, but still at a very low level. In Mexico, a significant decrease in unit sales is anticipated.

Daimler Financial Services anticipates **significant growth in new business** and **further growth in contract volume** in the year 2017. This will continue to be driven by the good sales developments of the automotive divisions, especially Mercedes-Benz Cars. An additional factor is that new market potential is being utilizing especially in Asia, and new and digital possibilities for customer contacts are being applied – in particular through the systematic further developing of online sales channels. The division continues to see good growth opportunities worldwide also in the field of innovative mobility services.

Outlook for Daimler

Daimler assumes that **Group revenue** will **increase significantly** in the year 2017. On the basis of the significant growth in unit sales, the Mercedes-Benz Cars, Daimler Buses, and Daimler Financial Services divisions assume that their revenues will be significantly higher than in

2016. Mercedes-Benz Vans anticipates slight revenue growth and the Daimler Trucks division now also expects its revenue to be slightly higher than in the previous year. In regional terms, the strongest growth is expected in Asia and Europe.

On the basis of expected market developments and the current assessments of the divisions, Daimler assumes that **Group EBIT** will **increase significantly** once again in 2017.

The individual **divisions** have the following expectations for EBIT for the year 2017:

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

The anticipated development of earnings in the automotive divisions will have a positive impact on the **free cash flow of the industrial business** also in the year 2017. Despite a further increase in advance expenditure for new products and technologies, the free cash flow from the industrial business should be slightly above the level of 2016, and thus higher than the dividend distribution in 2017.

In order to achieve its ambitious growth targets, Daimler will once again significantly increase its already very high **investment in property, plant and equipment** in the year 2017 (2016: €5.9 billion). Capital expenditure in 2017 at both Mercedes-Benz Cars and Daimler Trucks will primarily be for successor generations for existing products, new products, global component projects and the optimization of the worldwide production network.

With its **research and development activities**, Daimler anticipates a total volume **significantly above last year's spending** of €7.6 billion. Key projects at Mercedes-Benz Cars include successor models for the current S-Class and C-Class. In addition, the Group is investing in more efficient engines, alternative and conventional drive systems, autonomous driving and connectivity. At Daimler Trucks, the main areas of investment continue to be for improved fuel efficiency, alternative drive systems and future technologies, as well as the development of tailored products and technologies, especially for Latin America and China.

Against the backdrop of further efficiency enhancements in the context of the medium- and long-term programs for the structural improvement of

business processes, Daimler assumes that its ambitious growth targets can be achieved with only a **slight increase** in the size of the **workforce**.

Important events

On June 1, 2017, in the presence of the German Chancellor, Dr. Angela Merkel, and the Chinese Prime Minister, Li Keqiang, Daimler AG and its Chinese partner, **BAIC Group**, signed a **framework agreement** on the further **deepening of their strategic cooperation** by means of investment for vehicles with alternative drive systems in China. The investment agreement includes the planned acquisition of a **minority interest** in **Beijing Electric Vehicle Co. (BJEV)**, a subsidiary of the BAIC Group, with the goal of strengthening strategic cooperation with BAIC in the field of vehicles with alternative drive systems. China is now the world's biggest market for electric vehicles.

On July 5, 2017, also in the presence of the German Chancellor, Dr. Angela Merkel, and the Chinese President, Xi Jinping, Daimler and the BAIC Group announced a **framework agreement** on the further **deepening of cooperation** in the German-Chinese production joint venture **Beijing Benz Automotive Co. (BBAC)**. The two companies agreed on a joint investment of approximately RMB 5 billion (equivalent to €655 million) in the production of battery-electric vehicles of the Mercedes-Benz brand at the local production facility of BBAC in Beijing. As part of this strategic framework agreement, until 2020, Daimler and BAIC Motor will prepare for the local production of **battery-electric vehicles** as well as the **establishment of battery production** and will provide the required research and development capacities.

Daimler is investing a total of approximately €1 billion in a global **battery production network**. This includes a second battery factory with an investment of approximately €500 million at the subsidiary **ACCUMOTIVE** in Kamenz in the German federal state of Saxony. In mid-May, the foundation stone was laid there for one of the world's largest and most modern battery factories. After Kamenz and Beijing, another battery production facility will be established at the Mercedes-Benz plant in **Untertürkheim**, Stuttgart.

With planned investment of more than €250 million, Mercedes-Benz laid in June the foundation stone for a **new car plant in Russia**. It is to be located in the Moscow region and to start local production in 2019, at first with the new E-Class sedan, then to be followed by SUV models. In this way, Daimler is strengthening its industrial involvement in Russia, which has so far focused on truck production. More than 1,000 jobs are to be created in the Moscow region.

The **new Mercedes-Benz S-Class** will be launched in July with numerous innovations. The highlights include an all-new, highly efficient range of engines with an array of new technologies for the electrification of the drive train. With the S-Class, the undisputed peak of the premium segment, **intelligent drive** is taking a further step towards **autonomous driving**. The Mercedes-Benz flagship maintained its position as the world's bestselling luxury sedan once again in 2016. Well over 300,000 units of this model have been sold since 2013.

In mid-July, the Daimler Board of Management approved a comprehensive plan for the future of **diesel engines**. This initiative includes the extension of the ongoing **voluntary customer service activities** on vehicles in customers' hands, as well as the rapid market launch of a completely new family of diesel engines. Daimler anticipates related expenses of approximately €0.2 billion in the third quarter of 2017.

In June, **Daimler** and **Landesbank Baden-Württemberg (LBBW)** for the first time together applied **blockchain technology** for **financial transactions**. In parallel to the process required by the regulatory authorities, the automobile manufacturer and the financial institute have thus successfully tested the innovative technology for capital-market processes. Through LBBW, Daimler placed a promissory-note loan with a volume of €100 million and a maturity of one year with the banks Kreissparkasse Esslingen-Nürtingen, Kreissparkasse Ludwigsburg and Kreissparkasse Ostalb, as well as with LBBW itself. The entire transaction was carried out completely digitally on a blockchain with the IT subsidiaries TSS (Daimler) and Targens (LBBW) – from initiation to placement, assignment and contractual closing, as well as payment of interest and confirmation of repayment.

Daimler AG and **Lei Shing Hong Ltd.** are further deepening their longstanding and successful cooperation with an investment by Daimler in LSH Auto International Limited. In May, Daimler acquired a **minority interest** of 15% in the company, which is responsible for the Mercedes-Benz retail business of the Lei Shing Hong Group. The transaction was closed after receiving the approval of the relevant antitrust authorities.

Together with **T-Systems** and **DKV EURO SERVICE**, **Daimler** established the **joint venture Toll4Europe** in April. Toll4Europe plans to start operations at first in Belgium and Germany in 2018, to be followed soon after by France, Austria and other countries. The goal is to offer a one-stop shop so that truck tolls charged in different countries of Europe can be paid with one onboard unit and one invoice.

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.

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

Bjoern Scheib

Tel. +49/711-17-95256

Lutz Deus

Tel. +49/711-17-92261

Christian Crusen

Tel. +49/711-17-97778

Rolf Bassermann

Tel. +49/711-17-95277

Julian Krell

Tel. +49/711-17-99320

Edith Callsen

Tel. +49/711-17-97366

Daniel Eichele

Tel. +49/711-17-92104

Johannes Schmalzriedt

Tel. +49/711-17-70314

E-mail: ir.dai@daimler.com

Figures for the 2nd Quarter 2017/First Half-Year 2017

Daimler Group	Q2 2017	Q2 2016	Change 17/16	YTD 2017	YTD 2016	Change 17/16
Revenue, in millions of EUR	41,158	38,616	+ 7 %	79,934	73,663	+ 9 %
EBIT, in millions of EUR	3,746	3,258	+ 15 %	7,754	5,406	+ 43 %
Net profit, in millions of EUR	2,507	2,452	+ 2 %	5,308	3,852	+ 38 %
Earnings per share (EPS), in EUR	2.28	2.27	+ 0 %	4.81	3.54	+ 36 %
Employees (June 30)	290,867	286,860	+ 1 %	290,867	286,860	+ 1 %
Net liquidity (industrial business, June 30), in millions of EUR	18,382	17,448	+ 5 %	18,382	17,448	+ 5 %
Free cash flow (industrial business), in millions of EUR	1,093	1,856	- 41 %	3,038	2,120	+ 43 %

EBIT by Divisions in millions of EUR	Q2 2017	Q2 2016	Change 17/16	YTD 2017	YTD 2016	Change 17/16
Mercedes-Benz Cars	2,404	1,410	+ 70 %	4,638	2,805	+ 65 %
Daimler Trucks	543	621	- 13 %	1,211	1,137	+ 7 %
Mercedes-Benz Vans	358	401	- 11 %	715	702	+ 2 %
Daimler Buses	64	88	- 27 %	129	127	+ 2 %
Daimler Financial Services	522	479	+ 9 %	1,046	911	+ 15 %

RoS by Divisions in %	Q2 2017	Q2 2016	Change 17/16	YTD 2017	YTD 2016	Change 17/16
Mercedes-Benz Cars	10.2	6.4	+ 3.8 %pts.	10.0	6.7	+ 3.3 %pts.
Daimler Trucks	6.0	7.2	- 1.2 %pts.	7.1	6.7	+ 0.4 %pts.
Mercedes-Benz Vans	10.8	11.7	- 0.9 %pts.	11.3	11.2	+ 0.1 %pts.
Daimler Buses	5.5	7.8	- 2.3 %pts.	6.3	6.5	- 0.2 %pts.
Daimler Financial Services (RoE)	18.8	19.3	- 0.5 %pts.	19.1	18.4	+ 0.7 %pts.

Revenue by Divisions in millions of EUR	Q2 2017	Q2 2016	Change 17/16	YTD 2017	YTD 2016	Change 17/16
Mercedes-Benz Cars	23,571	22,122	+ 7 %	46,294	42,102	+ 10 %
Daimler Trucks	9,028	8,666	+ 4 %	16,968	16,870	+ 1 %
Mercedes-Benz Vans	3,324	3,441	- 3 %	6,317	6,256	+ 1 %
Daimler Buses	1,154	1,122	+ 3 %	2,054	1,952	+ 5 %
Daimler Financial Services	5,930	5,014	+ 18 %	11,841	9,876	+ 20 %

Sales in units	Q2 2017	Q2 2016	Change 17/16	YTD 2017	YTD 2016	Change 17/16
Daimler Group	822,504	761,340	+ 8 %	1,576,763	1,445,225	+ 9 %
Mercedes-Benz Cars	595,178	546,517	+ 9 %	1,163,248	1,043,273	+ 11 %
Daimler Trucks	116,429	108,282	+ 8 %	210,436	213,946	- 2 %
Mercedes-Benz Vans	103,393	99,583	+ 4 %	190,171	176,230	+ 8 %
Daimler Buses	7,504	6,958	+ 8 %	12,908	11,776	+ 10 %