

We are on track.

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Stuttgart, February 2015

Dear Shareholders,

In last year's season, our Silver Arrows won everything that was to be won in Formula 1 racing: the drivers' championship and the constructors' championship. That's a fantastic achievement – for which our drivers and our engineers in Brackley, Brixworth and Stuttgart worked with great determination and perseverance. But it isn't just our motorsport colleagues who in recent years have made good progress step by step, but the entire Daimler Group.

2014 was a very good year for Daimler. That is to the credit of our approximately 280,000 employees around the world, and they have therefore earned the special gratitude of the entire Board of Management. Never before have so many customers decided in favor of our vehicles: We sold more than 2.5 million of them. As a result, we generated total revenue of 129.9 billion euros – 10 percent more than in the previous year. The Group's EBIT amounted to 10.8 billion euros. And our EBIT from the ongoing business increased at almost three times the rate of revenue growth to 10.1 billion euros. So we achieved what we promised you: profitable growth.

At the Annual Shareholders' Meeting, the Board of Management and the Supervisory Board will propose an increase in the dividend to 2.45 euros per share. With this proposal, we are letting our shareholders participate in the company's success and at the same time expressing our confidence that Daimler can achieve even more.

Mercedes-Benz Cars made the main contribution to last year's excellent results. With unit sales of 1.72 million vehicles, we sold more cars than ever before. This is our fourth record year in succession. Our compact cars were an important driver of unit sales – thanks also to the new GLA. In addition, we also

sold more S-Class automobiles in 2014 than ever before in the history of this model series. We focused last year not only on the new products, but also on the expansion of our international production network. Our new C-Class was a milestone in this respect: In less than six months, we started production of this car on four continents. It is now produced in parallel in Germany, the United States, South Africa and China.

But 2014 was also the year of smart at Daimler. Two new models were presented simultaneously: the fortwo and the forfour. smart retains its unique maneuverability, but it is now even more comfortable and even safer. The new smart models are also a good demonstration of our cooperation with Renault-Nissan. They show that synergies in development and an absolutely independent automobile character are not incompatible.

At Daimler Trucks, we are today more broadly and strongly positioned than ever before with our six own brands and 54 models. In addition, we have trucks that we produce and distribute in joint ventures with local partners. This allows us to offer appropriate products to our customers in every region of the world. The most exciting new vehicles from Daimler Trucks last year definitely included the Mercedes-Benz Future Truck 2025: This study demonstrates how autonomous driving will revolutionize goods transport – it will become safer, more efficient and more connected. In business terms, the year 2014 differed widely from region to region for Daimler Trucks. In Europe and Latin America, political uncertainty had a negative impact on market development. But we profited from very good demand for trucks in Japan and North America. In India, we have built up a new brand within a very short time under the name BharatBenz – with new products, a new production site and a new sales network. Our next step is to enter the Indian bus market, which is why we are investing in a new bus plant in Chennai, to be completed in 2015.

The focus at Mercedes-Benz Vans in 2014 was on the launch of the new generation of mid-size vans. For private customers, we put the new V-Class and the travel and leisure vehicles of the Marco Polo product series on the market. On the commercial side, the new Vito was launched. The attractive product range brought the vans division record unit sales of 295,000 vehicles, an increase of 9 percent compared with 2013.

We can also be satisfied with the development of Daimler Buses. The measures taken for more growth and efficiency are showing their effects. We were able to raise the division's earnings forecast as the year progressed. We significantly surpassed the EBIT of 2013 already after the first three quarters of the year – although unit sales did not quite match the prior-year level.

For Daimler Financial Services, 2014 was the most successful year yet. We concluded more new financing agreements than ever before. Our car-sharing provider car2go is the market leader and is already profitable at some of its locations. For Daimler, car sharing is not just a concept, but a business model. DFS is also first class as an employer: In the “Great Place to Work” study, our financial services division is the first German company to be ranked amongst the world’s top 25 employers.

All of these achievements are the result of a clear strategy and its consistent implementation. And we will continue in exactly the same way in 2015.

By the end of this year, Mercedes-Benz Cars will launch a total of eight new or upgraded car models, half of which will be SUVs, including the new GLE Coupe. China will continue to play a major role for our profitable growth. We want to increase our unit sales there to well over 300,000 cars – two thirds of them will also be produced in China in the coming years.

China is an important market also for Daimler Trucks: Together with our Chinese partner Foton and the truck brand Auman, we intend to grow rapidly there in the coming years. In India, we will expand our product portfolio in the second half of the year with a new BharatBenz heavy-duty truck. We are systematically developing our platform strategy in order to protect our globally leading position. In the past, the platform concept mainly focused on the powertrain – we are now applying it to the entire vehicle.

moovel is also a kind of platform, with which we utilize the opportunities on the interface between mobility and mobile Internet. Using the app, it is possible not only to compare various mobility options such as car2go, bus, train or taxi, but also to book them and pay for them. Just recently, the use of moovel was extended to business trips. Our mobility services already have a customer base of significantly more than one million customers.

The bottom line is that also in the coming years, we want to further strengthen what has traditionally differentiated Daimler from the competition, exceptional quality and technological leadership for example. At the same time, we aim to reach a level of profitability that is unprecedented at this company. To get there, we are implementing structural changes in all our divisions. This will give us more “water under the keel” to secure our growth strategy over the long term also against headwinds. And it will also make sure we have the financial resources to continue investing in what we do best and where it pays off the best: in fascinating products and technologies.

Sincerely yours,



Dieter Zetsche