

# Daimler and the Capital Market.

Daimler's share price increased by 10% over the course of the year and thus once again outperformed the DAX and the Dow Jones STOXX Auto Index. Numerous stock indices reached all-time highs and central banks continued their expansionary monetary policies. The Board of Management and the Supervisory Board propose an increased dividend of €2.45 per share (prior year: €2.25). We offer investors and analysts a comprehensive range of investor relations services. Daimler took advantage of the high level of liquidity on international capital markets to refinance its operations at attractive terms.

## A.01

### Development of Daimler's share price and of major indices

	End of 2014	End of 2013	14/13 % change
Daimler share price (in euros)	<b>68.97</b>	62.90	+10
DAX 30	<b>9,806</b>	9,552	+3
Dow Jones Euro STOXX 50	<b>3,146</b>	3,109	+1
Dow Jones Industrial Average	<b>17,823</b>	16,577	+8
Nikkei	<b>17,451</b>	16,291	+7
Dow Jones STOXX Auto Index	<b>501</b>	482	+4

## A.02

### Key figures per share

	2014	2013	14/13 % change
Amounts in euros			
Net profit	<b>6.51</b>	6.40	+2
Net profit (diluted)	<b>6.51</b>	6.40	+2
Dividend	<b>2.45</b>	2.25	+9
Equity (December 31)	<b>40.81</b>	39.90	+2
Xetra price at year end <sup>1</sup>	<b>68.97</b>	62.90	+10
Highest <sup>1</sup>	<b>71.14</b>	63.15	+13
Lowest <sup>1</sup>	<b>56.01</b>	38.65	+45

<sup>1</sup> Closing prices

**New all-time highs on the world's stock markets.** Global stock markets remained volatile in 2014 and markets in some regions finished the year with substantial gains. In general, the markets benefited from the continued availability of liquidity from the major central banks, as well as from interest rates that remained low.

The development of global stock markets over the first three months of the year was relatively uneven and marked by major fluctuation. The markets were impacted during this phase by the Federal Reserve's tapering of monthly bond purchases beginning in January 2014. Other influencing factors were turbulence in key emerging markets and political tensions.

Following this initial phase, global markets resumed their upward trend, although this positive development was intermittently interrupted by increasing concerns regarding the escalation of the crisis in Ukraine. The announcement by the European Central Bank (ECB) that it would implement further monetary measures to counteract deflationary tendencies and the weak development of credit volume in the euro zone had a particularly positive effect on investors. The DAX reached record highs during this phase in the middle of the year.

Stock-market sentiment was negatively impacted in the subsequent phase by geopolitical tensions and concerns about the pace of economic growth in Europe. European markets thus went into a significant decline during the summer months. But it did not take long for the markets to recover, and many sectors were able to recoup at least some of their previous share-price losses. In all likelihood, this positive development was primarily driven by the ECB's announcement that it would implement further monetary support measures. Share prices then declined again at the beginning of the fourth quarter due to renewed concerns regarding global economic activity and growth. However, this development was counteracted by the publication of largely solid third-quarter corporate results, as well as by expectations of a continuation of the expansionary monetary policy in Europe. As a result, stock markets developed positively throughout the remainder of the fourth quarter. In this environment – and despite the discontinuation of bond purchases by the Federal Reserve in October 2014 – many indices either reached new all-time highs or came close to breaking long-standing records during the last two months of the year.

The index of the most important shares in the euro zone, the Dow Jones Euro STOXX 50, rose by 1% in 2014. The leading German index, the DAX, performed slightly better, rising by 3%. The DAX broke the 10,000 mark for the first time ever in July 2014 and reached a new all-time high of 10,087 on December 5. In the United States, the Dow Jones rose by 8% during the year, while Japan's Nikkei index gained 7%. [↗ A.01](#)

**Daimler share price up by 10% over the year.** Financial markets responded very favorably to the publication of the Daimler Group's results for 2013 and the recommendation that the dividend be increased to €2.25 per share. This helped the share price to rise by 9% in the first quarter of 2014 alone.

On April 4, 2014, the Daimler share price stood at €71.14. This was the highest price for the year and also the highest value for Daimler shares in more than seven years. However, the Daimler share price did not remain unaffected by the subsequent growing concerns regarding the escalation of the Ukraine crisis. It was only after the ECB announced that it would implement measures to counteract the weak development of credit volume in the euro zone that our share price began to rise again significantly in line with general market developments. The share price remained above €70 in June and early July.

However, in the weeks that followed, political conflicts and a disappointing economic outlook for Europe once again dampened the mood on stock markets. Many investors temporarily dropped out of the market and moved into less risky types of investment. Cyclical securities such as automotive stocks performed particularly poorly in this environment, with our share price reaching its low point of the year at €56.01 on October 10.

As of mid-October, Daimler shares then benefited from a more favorable stock-market environment and from the solid development of our business operations. Our share price increased again substantially until the end of the financial year and closed at €68.97 on December 30. At the end of the year, the company had a market capitalization of €73.8 billion.

Daimler's share price thus increased by 10% over the course of the year, outperforming the Dow Jones STOXX Auto Index (+4%) and the DAX (+3%). When the dividend payout of €2.25 per share is included, our shareholders saw the value of their investment rise by 13%.

After a quiet start to the year 2015, significant share-price increases occurred later in January, especially in the European stock markets. The announcement of the ECB program to buy government bonds caused the DAX to climb to a new all-time high. Daimler's shares were listed at €80.48 at the end of January, which is 17% above the closing price at the end of 2014 and the highest price in more than 15 years.

**Dividend of €2.45.** [↗ A.02](#) The Board of Management and the Supervisory Board will recommend a dividend of €2.45 (2013: €2.25) per share at the Annual Shareholders' Meeting on April 1, 2015. With this proposal, we are letting our shareholders participate in the company's financial success while also expressing our confidence about the ongoing course of business. The total dividend will amount to €2,621 million (2013: €2,407 million).

**A broad shareholder structure.** [↗ A.07](#) Daimler continues to have a broad shareholder base of approximately 900,000 shareholders. The Kuwait Investment Authority (KIA) currently owns 6.8% of the company's stock, making it Daimler AG's largest single shareholder. In September 2014, Daimler AG and KIA held a ceremony to celebrate their 40-year partnership. The Renault-Nissan Alliance continues to hold 3.1% of Daimler's shares.

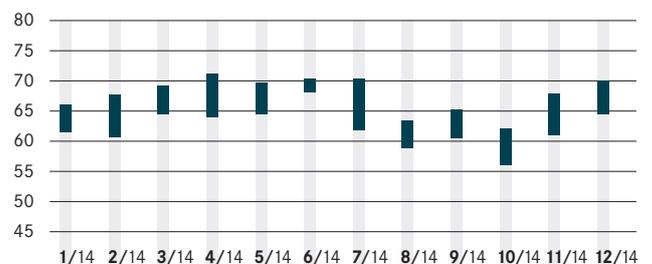
BlackRock Inc., New York, still holds a stake above the 5% reporting limit as defined by Germany's Securities Trading Act (WpHG). In December 2014, BlackRock notified us that it held 5.03% of Daimler's shares on December 23.

The Norwegian Finance Ministry informed us that at the beginning of April 2014, the shares held by Norges Bank, Oslo, had dropped below the reporting limit of 3% as stipulated by Section 21 of the WpHG. On April 24, 2014, this limit was once again exceeded, and the bank held 3.17% of the voting rights in Daimler as of that date.

### A.03

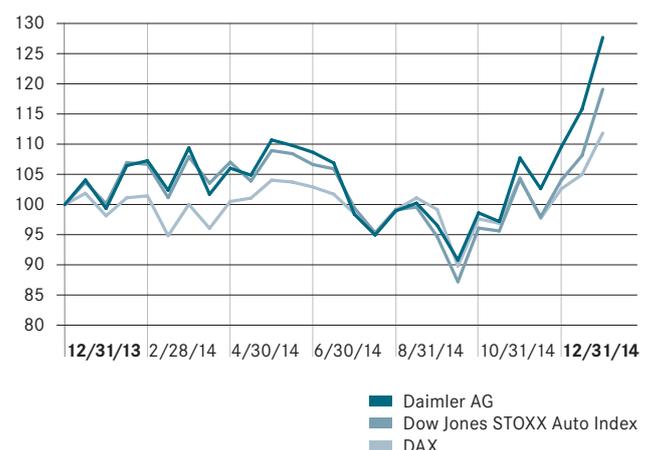
Daimler share price (high/low), 2014

In euros



### A.04

Share price index



## A.05

### Key figures for Daimler shares

	End of 2014	End of 2013	14/13 % change
Share capital (in millions of euros)	3,070	3,069	+0
Number of shares (in millions)	1,069.8	1,069.8	+0
Market capitalization (in billions of euros)	73.8	67.3	+10
Number of shareholders (in millions)	0.9	0.9	0
Weighting in share indices			
DAX 30	8.51%	7.74%	
Dow Jones Euro STOXX 50	3.46%	3.23%	
Long-term credit ratings			
Standard & Poor's	A-	A-	
Moody's	A3	A3	
Fitch	A-	A-	
DBRS	A (low)	A (low)	

## A.06

### Stock-exchange data for Daimler shares

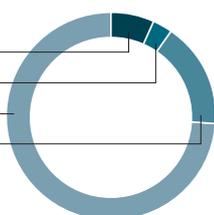
ISIN	DE0007100000
German Securities Identification Number	710000
Stock-exchange symbol	DAI
Reuters ticker symbol	DAIGn.DE
Bloomberg ticker symbol	DAI:GR

## A.07

### Shareholder structure as of December 31, 2014

By type of shareholder

Kuwait Investment Authority	6.8%
Renault-Nissan	3.1%
Institutional investors	73.7%
Retail investors	16.4%

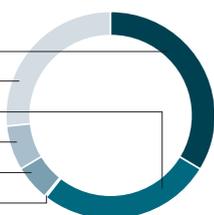


## A.08

### Shareholder structure as of December 31, 2014

By region

Germany	33.7%
Europe, excluding Germany	26.6%
USA	26.9%
Kuwait	6.8%
Asia	5.6%
Rest of the world	0.4%



In April 2014, we received notifications of voting rights also from UBS AG, DekaBank Deutsche Girozentrale and Commerzbank AG. According to those statements, the banks' directly or indirectly held voting rights in Daimler had risen above the 3% limit in the run-up to our Annual Shareholders' Meeting, before dropping significantly below that limit again in the two weeks that followed. In January 2014, Deutsche Bank AG notified us that its voting rights in Daimler had risen above the 3% reporting limit for a brief period and then once again dropped below that limit and back to 0.02% on January 28, 2014.

The aforementioned voting-rights notifications and the notifications relating to other financial instruments prescribed by law since 2012 are published on the Internet at [daimler.com/investor-relations/daimler-shares/shareholder-structure](http://daimler.com/investor-relations/daimler-shares/shareholder-structure).

Institutional investors hold a total of 74% of our equity capital while private investors own 16%. Approximately 60% of our capital is in the hands of European investors and around 27% is held by US investors. [↗ A.08](#)

Daimler shares' weighting in major indices rose further during the reporting year as a result of the overall share price increase. With a weighting of 8.51% (2013: 7.74%), Daimler was ranked third in the German DAX 30 index at the end of 2014. [↗ A.05](#) In the Dow Jones Euro STOXX 50 index, our shares had a weighting of 3.46% (2013: 3.23%), which put it in seventh place. Daimler shares are listed on the stock exchanges in Frankfurt and Stuttgart. A total volume of 957 million shares were traded in Germany in 2014 (2013: 1,029 million). Daimler shares are also increasingly being traded on multilateral trading platforms and in the over-the-counter market.

### Employee share purchase plan implemented once again.

Staff members entitled to purchase employee shares were able to once again do so in March 2014. As was the case in the prior year, the employees received a discount as well as bonus shares. At 15.4%, the participation rate was lower than in 2013 (19.2%). This was probably due in part to the significantly higher share price compared to the previous year. A total of 26,600 employees took part in the program. Those staff members purchased a total of 390,000 shares.

### Annual Shareholders' Meeting once again sparks considerable visitor interest.

Approximately 5,500 shareholders (2013: 5,000) attended the Annual Shareholders' Meeting at the International Congress Center (ICC) in Berlin on April 9, 2014. At 39.25%, a much higher proportion of equity capital was represented at the meeting than in the previous year (2013: 29.3% – both figures include actual attendees and shareholders who voted by absentee ballot). A large majority of the shareholders approved each of the agenda points proposed by the company's management. Among other things, the meeting's participants elected Dr. Bernd Bohr, Joe Kaeser and Dr. Bernd Pischetsrieder to the Supervisory Board as representatives of the shareholders for five years. All of the documents and information regarding the Annual Shareholders' Meeting can be found at [daimler.com/ir/am2014](http://daimler.com/ir/am2014). In the exhibition areas of the ICC, Daimler presented its technological expertise and broad product range with a focus on the new C-Class and the S-Class coupe.

**Continuation of comprehensive investor relations activities.** In 2014, we once again provided institutional investors, analysts, rating agencies and private investors with timely information regarding the company's business development. We organized road shows for institutional investors and analysts in the finance capitals of Europe, North America, Asia and Australia. We also held many one-on-one meetings at investor conferences. This was especially the case at the international motor shows in Geneva and Paris. We regularly reported on our quarterly results in conference calls and webcasts. The presentations can be seen on our website at [daimler.com/ir/event/e](http://daimler.com/ir/event/e).

The talks with analysts and investors focused on the latest earnings expectations for 2014, as well as on the business development and profitability of the individual divisions and regions. Daimler also organized a technology-focused capital-market event at the beginning of July. During that event, Daimler sent its Mercedes-Benz Future Truck 2025 on a drive along a cordoned-off section of autobahn near the city of Magdeburg in order to demonstrate how autonomous driving will change the nature of freight transport in the future. Autonomous driving involves the targeted and automated operation of a vehicle under normal traffic conditions without the intervention of a human driver. The feedback and the media response to the event were extremely positive. During a capital-market day held in Beijing in September, Daimler presented its strategy and position in the key Chinese market with presentations, discussions and plant tours. The audio recordings and charts and illustrations from that event are available at [daimler.com/ir/event/e](http://daimler.com/ir/event/e).

**Online offers are well-established on many channels.**

The broad range of information that we offer online is provided by our well-established presence at [daimler.com](http://daimler.com) and via our social-media activities. The informative and attractive print version and the innovative, high-content online version of the Annual Report 2013 led to several prestigious national and international awards in 2014. The contents of the 2013 online annual report and of the three 2014 online interim reports were provided not only for desktop computers but also optimized for tablet computers and smartphones. In this way, we are responding to the growing number of users of mobile devices.

**Number of online shareholders remains at a high level.**

Our shareholders continue to take good advantage of our provision of personalized electronic information and communication. Approximately 84,000 shareholders no longer received the invitation and agenda for the Annual Shareholders' Meeting by post but instead by e-mail in 2014. We would like to thank those shareholders for helping to protect the environment and cut costs. As was the case in the past, those shareholders once again had the opportunity to win attractive prizes in a lottery. Access to the e-service for shareholders and additional information can be found at <https://register.daimler.com>.

**Refinancing benefits from a high level of capital-market liquidity and a good rating.** The ongoing expansionary monetary policies at central banks also impacted bond markets during the year under review. As a result of the high level of liquidity, companies with investment-grade ratings saw their risk premiums decline once again compared to the prior year, which was also to the benefit of Daimler.

In 2014, Daimler primarily covered its refinancing needs by issuing bonds. A large proportion of these bonds were sold as benchmark bond issues (bonds with high nominal volumes) in euro and US-dollar markets. In the US capital market, for example, Daimler Finance North America LLC issued bonds worth a total of \$4.65 billion in March and August 2014. The bonds had terms of three, five, seven or ten years. In addition, Daimler AG issued euro bonds in benchmark format with a total volume of €1.25 billion and terms of eight and ten years. In 2014, Daimler AG also became the first foreign company to issue bonds in China (so-called Panda bonds). Furthermore, many smaller bonds were issued by the Daimler Group in a variety of currencies in the euro market as well as in Mexico, Brazil, Argentina, South Africa, Thailand and South Korea.

At the end of 2014, companies of the Daimler Group had issued bonds that were still outstanding in a volume of €43.2 billion (2013: €38.7 billion). Besides raising funds through the issuance of bonds, Daimler also issued a small volume of commercial paper in 2014.

Daimler also conducted several asset-backed security (ABS) transactions in the United States, Canada and Germany during the reporting year. In the United States, for example, the company generated a refinancing volume US\$3.1 billion through two issuances. A further C\$0.5 billion was placed in Canada directly with investors for the first time. In addition, Mercedes-Benz Bank used the Silver Arrow Platform to sell ABS bonds to European investors once again. This issuance had a total volume of €1.0 billion.