

DAIMLER



Interim Report Q3 2015.

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## Cover photo: Mercedes-Benz GLC.

The new GLC is on top form. In all operating conditions, the new mid-size SUV makes a great impression with the outstanding safety that is typical of the brand, the latest assistance systems and excellent energy efficiency. Fuel consumption is reduced by up to 19 percent compared with the previous model. At the same time, the AIR BODY CONTROL multi-chamber air suspension – a unique feature in this segment, the DYNAMIC SELECT extended driving dynamics program and 4MATIC permanent all-wheel drive enhance both ride comfort and the vehicle's sporty agility – no matter what surface it is driving on.

# Q3

## Key Figures Daimler Group

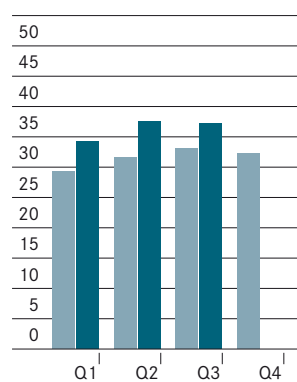
€ amounts in millions	Q3 2015	Q3 2014	% change
Revenue	<b>37,276</b>	33,122	+13 <sup>1</sup>
Western Europe	<b>12,349</b>	10,958	+13
thereof Germany	<b>5,388</b>	5,059	+7
NAFTA	<b>12,221</b>	9,498	+29
thereof United States	<b>10,817</b>	8,369	+29
Asia	<b>8,120</b>	7,883	+3
thereof China	<b>3,297</b>	3,564	-7
Other markets	<b>4,586</b>	4,783	-4
Investment in property, plant and equipment	<b>1,139</b>	1,169	-3
Research and development expenditure	<b>1,596</b>	1,414	+13
thereof capitalized development costs	<b>464</b>	285	+63
Free cash flow of the industrial business	<b>1,463</b>	5,375	-73
EBIT	<b>3,661</b>	3,732	-2
Net profit	<b>2,415</b>	2,821	-14
Earnings per share (in euros)	<b>2.23</b>	2.56	-13
Employees	<b>286,248</b>	279,972 <sup>2</sup>	+2

1 Adjusted for the effects of currency translation, increase in revenue of 7%.

2 As of December 31, 2014.

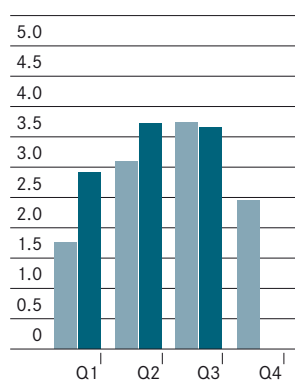
### Revenue

In billions of euros



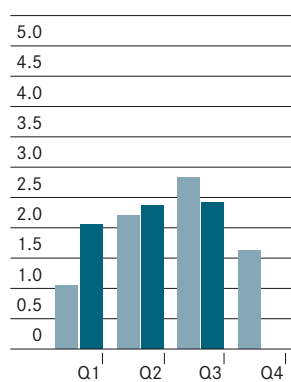
### EBIT

In billions of euros



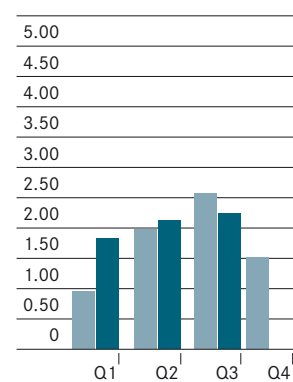
### Net profit

In billions of euros



### Earnings per share

In euros



■ 2014  
■ 2015

## Q1-3

## Key Figures Daimler Group

€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
Revenue	<b>109,039</b>	94,123	+16 <sup>1</sup>
Western Europe	<b>35,405</b>	31,866	+11
thereof Germany	<b>15,957</b>	15,149	+5
NAFTA	<b>35,081</b>	27,011	+30
thereof United States	<b>30,920</b>	23,651	+31
Asia	<b>24,816</b>	21,689	+14
thereof China	<b>10,655</b>	10,068	+6
Other markets	<b>13,737</b>	13,557	+1
Investment in property, plant and equipment	<b>3,211</b>	3,257	-1
Research and development expenditure	<b>4,743</b>	4,081	+16
thereof capitalized development costs	<b>1,296</b>	803	+61
Free cash flow of the industrial business	<b>4,828</b>	6,822	-29
EBIT	<b>10,285</b>	8,614	+19
Net profit	<b>6,837</b>	6,103	+12
Earnings per share (in euros)	<b>6.19</b>	5.48	+13
Employees	<b>286,248</b>	279,972 <sup>2</sup>	+2

1 Adjusted for the effects of currency translation, increase in revenue of 9%.

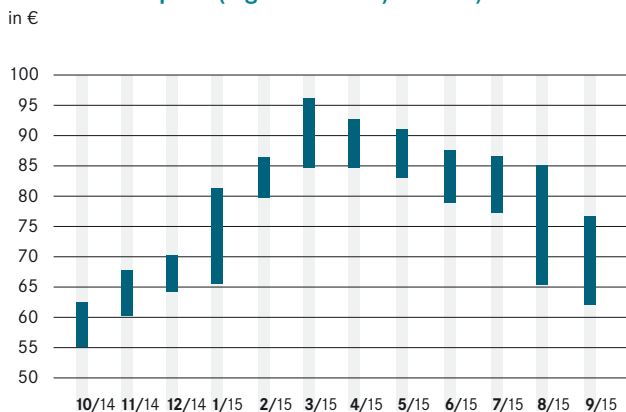
2 As of December 31, 2014.

# Daimler and the Capital Market.

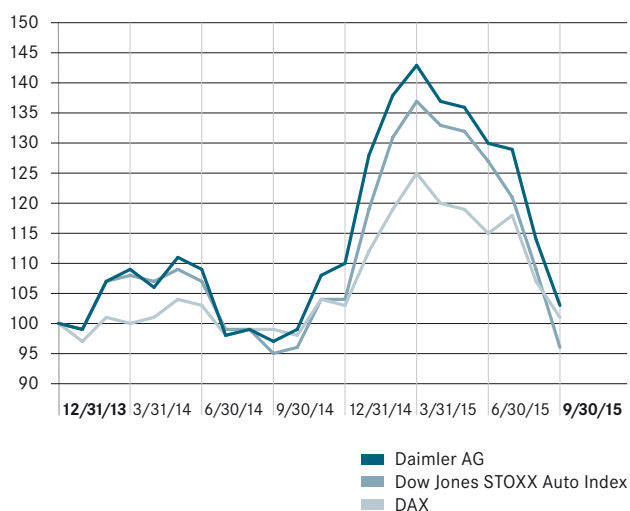
## Key figures

	Sept. 30, 2015	Sept. 30, 2014	% change
Earnings per share in Q3 (in €)	2.23	2.56	-13
Outstanding shares (in millions)	1,069.8	1,069.8	0
Market capitalization (€ billion)	69.38	64.97	+7
Xetra closing price (€)	64.85	60.73	+7

## Daimler share price (highs and lows) in 2014/2015



## Share-price development (indexed)



## Daimler's share price follows general downward trend of automotive sector also in third quarter

Daimler's share-price followed the general downward trend of the automotive sector in the third quarter of 2015 with ongoing volatility.

After equity prices had followed a relatively stable development in July, reports of a growth slowdown in China and the devaluation of the yuan in mid-August led to significant turbulence in the Chinese stock market. Due to the feared negative impact on the world economy, the stock exchanges of Europe and the United States weakened considerably as well. Automotive stocks were also affected by this development, due to the importance of the China business. An additional factor is that fears arose that the growth of the US economy might already have peaked. In this environment, Daimler's share price fell significantly within a short time. This was followed by a phase of recovery in advance of the Frankfurt Motor Show, which was supported by our ongoing good sales performance over the summer months. As of mid-September, reports of irregularities in connection with diesel emissions at Volkswagen led to significant share-price falls also for other automobile manufacturers and suppliers.

Daimler's share price ended the third quarter at €64.85, thus falling by 21%. The Dow Jones STOXX Auto Index (-24%) and the DAX (-12%) also fell during this period. Daimler's market capitalization at the end of the third quarter was €69.4 billion, which is €4.4 billion or 7% more than a year earlier.

## Favorable market environment used for benchmark emissions

The Daimler Group carried out two so-called benchmark emissions in the third quarter. In early August, Daimler Finance North America LLC issued bonds in one transaction in the US capital market with 18-month and two-, three-, five- and ten-year maturities and a total volume of US \$3.5 billion. In September, Daimler AG issued a two-year bond in the euro market in an amount of €500 million. In addition, two ABS (asset-backed securities) transactions were placed: US \$1.5 billion in the United States in July and €1.0 billion in Europe in September.



# Interim Management Report.

**Unit sales significantly above prior-year level at 720,000 vehicles (+13%)**

**Revenue up by 13% to €37.3 billion**

**Group EBIT of €3,661 million (Q3 2014: €3,732 million)**

**Net profit of €2,415 million (Q3 2014: €2,821 million)**

**Free cash flow of industrial business in first nine months of €4,828 million (Q3 2014: €6,822 million)**

**Significant growth in unit sales and revenue anticipated for full-year 2015**

**Group EBIT from ongoing business expected to be significantly higher than in 2014**

## Business development

### Ongoing moderate upswing of world economy

Although the **world economy** expanded also in the third quarter, it once again remained significantly below its long-term growth trend at an estimated rate of about 2.5%. So this was a continuation of the below-average performance of the global economy, which has been the situation for almost four years now. In the past three months, the main focus was on developments in China and the United States. In China, the massive slump of the stock market and the devaluation of the yuan caused considerable unease in the markets. Although the equity-price correction was long overdue as a result of the previous excessive increases, and devaluation of the yuan was rather low at 3%, concern about a possible hard landing of the Chinese economy increased significantly. Another factor causing uncertainty in the third quarter was the monetary policy of the US central bank, the Fed. After it had looked for a long time as though interest rates would be raised in September, the Fed has stuck to its zero-interest policy, now in its seventh year, mainly due to increased global risks. Compared with the end of prior-year third quarter, the price of crude oil fell by almost 50%. As other raw-material prices also fell, the situation of the commodity-exporting emerging economies remained very difficult, leading to significant losses for some currencies. Global share prices fell considerably as the quarter progressed.

Once again in the third quarter, **worldwide demand for cars** was only about at the level of the prior-year period, due to the continuation of falling demand in major emerging markets such as Russia and Brazil and the recent significant market weakening in China. After the growth of the Chinese market had already slowed down significantly in the previous quarter, sales of cars in the third quarter of this year were actually slightly lower than in the prior-year period. Against this backdrop, the Chinese authorities felt compelled to start a program designed to revive the car market, taking effect on October 1, 2015. However, developments in the US and Western European markets were still positive. In the United States, sales once again exceeded the high prior-year figure by 6%. In Western Europe, the strong recovery of demand continued with significant growth of 9%. The development of sales in Japan was less favorable; the expected market correction continued with another significant decrease in cars sales. Demand in the other major emerging markets was generally weak. The car markets of Russia and Brazil continued to suffer double-digit contraction. Only the Indian market was able to escape this negative trend and posted significant growth.

Demand for **medium- and heavy-duty trucks** continued to present a very mixed picture in the third quarter. The North American market developed dynamically in Classes 6-8 with another double-digit rise in demand. The European market also developed positively and its robust recovery continued, also with double-digit growth. The economic situation in Brazil was very different, where the market fell to just over 50% of its prior-year level due to the recession. The Japanese market for light-, medium- and heavy-duty trucks remained at its solid prior-year level. But the development of the overall Indonesian truck market was still very unfavorable. In a relatively weak economic environment, demand contracted once again in the third quarter, by more than 30% compared with the prior-year period. After a slightly weaker second quarter, the Indian market expanded slightly in the third quarter. The deep recession in Russia was reflected also in demand for trucks there. According to recent estimates, the market seems to have contracted to about 40% below its very weak prior-year level. Truck sales continued to fall at a significantly double-digit rate in China, the world's largest market in terms of unit sales. Lower growth in investment and the introduction of the new CN4 emission standard (similar to Euro IV) were the main reasons for the sharp market contraction there.

Demand for **vans** increased once again in Western Europe. While demand for medium-sized and large vans grew by 9%, the market volume for small vans expanded by 3%. In the United States, demand for large vans was significantly higher than in the prior-year quarter. In Latin America, the market for large vans expanded moderately in Argentina, while the Brazilian market contracted sharply.

The **bus market** in Western Europe continued its positive development, while the Latin American market was significantly smaller than in the third quarter of 2014 due to the economic situation in Brazil.

### Significant growth in third-quarter unit sales

In the third quarter of 2015, the Daimler Group sold 720,000 cars and commercial vehicles worldwide, surpassing the prior-year total by 13%.

Unit sales by **Mercedes-Benz Cars** increased by 18% to 508,400 vehicles in the third quarter. This means that the period under review was the quarter with the highest unit sales so far. Mercedes-Benz Cars sold 191,100 units in Western Europe, which is 19% more than in the prior-year period. The main growth drivers in this region were the United Kingdom (+25%), Italy (+28%) and Spain (+38%). In Germany, its domestic market, the division sold 73,400 vehicles of the Mercedes-Benz and smart brands in a highly competitive market (Q3 2014: 66,200). Mercedes-Benz Cars set a new record in the United States with sales of 88,100 units in the third quarter (+5%). Unit sales reached a new record level also in China, with growth of 39% to 105,700 vehicles. The development of unit sales by Mercedes-Benz Cars was particularly positive also in Australia (+39%) and South Korea (+20%).

**Daimler Trucks** increased its unit sales by 2% to 128,500 vehicles in the third quarter. In the NAFTA region, we set another record with sales of 52,200 units, representing growth of 19% compared with the prior-year quarter. In Western Europe, unit sales increased by 12% to 16,600 vehicles. Our sales situation in Latin America was impacted by difficult economic conditions also in the third quarter, resulting in a decrease of 37% to 7,800 vehicles. Sales of 36,100 units in Asia were significantly below the prior-year level, however, and developed very disparately within the region (Q3 2014: 38,600). In Indonesia, sales fell by 48% to 5,400 units in a very weak market. We increased our sales in India to 3,600 units (Q3 2014: 3,000) and in Japan to 11,700 units (Q3 2014: 10,700).

**Mercedes-Benz Vans** increased its unit sales to 75,700 vehicles (Q3 2014: 72,200), setting a new record for a third quarter. Unit sales in Western Europe rose by 2% to 48,100 vehicles. Unit sales by Mercedes-Benz Vans grew at double-digit rates in Spain, the Netherlands, Italy and Belgium. We sold more vans also in France (+4%). In Germany, sales of 19,500 units were below the prior-year level (Q3 2014: 20,700). Double-digit growth was recorded once again in Eastern Europe, with an increase of 21% to 8,500 vehicles; the main drivers here were Russia (+22%) and Turkey (+15%). Our growth path continued also in the NAFTA region (+18%). Despite the difficult market environment in Latin America, we sold 3,500 vehicles there and were therefore just slightly below the prior-year level (Q3 2014: 3,600). Unit sales in China were significantly lower than in the third quarter of last year at 1,700 vehicles (Q3 2014: 3,200). This was mainly due to the upcoming model change for our medium-sized vans.

**Daimler Buses** sold 7,400 buses and bus chassis worldwide in the third quarter of 2015 (Q3 2014: 8,600). The significant decrease in unit sales primarily reflects the weak business with bus chassis in Latin America. Growth above all in Germany, the United Kingdom and Turkey due to increased demand for complete buses only partially offset the lower unit sales of bus chassis in Brazil. In Western Europe, 1,800 units of the Mercedes-Benz and Setra brands were sold (Q3 2014: 1,900). In Latin America (excluding Mexico), sales of 3,500 units were significantly below the prior-year level, as expected (Q3 2014: 4,700). The difficult economic situation in Brazil continued to have a negative impact on the development of our sales in that region. In Mexico, we sold 1,200 units, which is 34% more than in the third quarter of last year.

At **Daimler Financial Services**, new business of €14.6 billion was 18% above the volume of the third quarter of last year. Contract volume reached €111.0 billion at the end of September and was thus 12% higher than at the end of 2014. Adjusted for exchange-rate effects, there was an increase of 10%. The insurance business continued to develop very positively.

The Daimler Group's third-quarter **revenue** amounted to €37.3 billion, which is 13% higher than in the third quarter of last year. Adjusted for exchange-rate effects, revenue grew by 7%.

Mercedes-Benz Cars' revenue of €20.7 billion was 11% higher than in the prior-year period. A major contribution to this growth came from increased unit sales in Western Europe. At Daimler Trucks, higher unit sales in the NAFTA region and Western Europe as well as exchange-rate effects contributed to the rise in revenue to €9.7 billion. Mercedes-Benz Vans increased its revenue by 9% to €2.8 billion. Daimler Buses' revenue of €1.0 billion was slightly lower than in the prior-year quarter.

## C.01

### Unit sales by division

	Q3 2015	Q3 2014	% change
Daimler Group	720,016	637,423	+13
Mercedes-Benz Cars	508,350	431,041	+18
Daimler Trucks	128,496	125,556	+2
Mercedes-Benz Vans	75,732	72,207	+5
Daimler Buses	7,438	8,619	-14

## C.02

### Revenue by division

In millions of euros	Q3 2015	Q3 2014	% change
Daimler Group	37,276	33,122	+13
Mercedes-Benz Cars	20,707	18,677	+11
Daimler Trucks	9,650	8,463	+14
Mercedes-Benz Vans	2,752	2,515	+9
Daimler Buses	1,018	1,034	-2
Daimler Financial Services	4,702	3,998	+18

## Profitability

The **Daimler Group** achieved EBIT of €3,661 million in the third quarter of 2015 (Q3 2014: €3,732 million) **↗ C.03**

Mercedes-Benz Cars in particular was able to significantly surpass its earnings of the third quarter of last year, as a result of further growth in unit sales. The other automotive divisions also increased their earnings significantly compared with the prior-year period. Daimler Financial Services achieved higher third-quarter earnings than last year, primarily due to its increased contract volume. The implemented efficiency programs and changes in exchange rates had an additional positive impact on operating profit.

Earnings in the third quarter of last year were influenced in particular by the sale of shares in Rolls-Royce Power Systems Holding GmbH (RRPSH), resulting in proceeds of €1,006 million. Excluding special items, EBIT from the ongoing business of €3,657 million in the third quarter of 2015 was significantly higher than the prior-year figure of €2,787 million.

The special items shown in table **↗ C.04** affected EBIT in the third quarter and the first nine months of 2015 and 2014.

## C.03

### EBIT by segment

In millions of euros	Q3 2015	Q3 2014	% change	Q1-3 2015	Q1-3 2014	% change
Mercedes-Benz Cars	2,183	1,584	+38	6,251	4,176	+50
Daimler Trucks	791	588	+35	1,945	1,384	+41
Mercedes-Benz Vans	193	176	+10	642	541	+19
Daimler Buses	89	64	+39	180	167	+8
Daimler Financial Services	378	355	+6	1,232	1,088	+13
Reconciliation	27	965	-97	35	1,258	-97
Daimler Group	3,661	3,732	-2	10,285	8,614	+19

## C.04

### Special items affecting EBIT

In millions of euros	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
<b>Mercedes-Benz Cars</b>				
Restructuring of own dealer network	+21	-	-15	-
Relocation of headquarters of MBUSA	+1	-	-10	-
Sale of real estate in the United States	-	-	+87	-
Impairment of investments in the field of alternative drive systems	-	-30	-	-30
<b>Daimler Trucks</b>				
Workforce adjustments	-10	-30	-35	-106
Restructuring of own dealer network	-4	-	-23	-
Sale of Atlantis Foundries	-	-	-55	-
<b>Mercedes-Benz Vans</b>				
Restructuring of own dealer network	-3	-	-11	-
Relocation of headquarters of MBUSA	-	-	-2	-
Reversal of impairment of investment in FBAC	-	-	-	+61
<b>Daimler Buses</b>				
Restructuring of own dealer network	-1	-	-2	-
Business repositioning	-	-	-	-9
<b>Reconciliation</b>				
Remeasurement of Tesla shares	-	-	-	+718
Hedge of Tesla share price	-	-1	-	-230
Sale of shares in RRPSH	-	+1,006	-	+1,006
Measurement of put option for RRPSH	-	-	-	-118



In the third-quarter of 2015, the EBIT of the **Mercedes-Benz Cars** division of €2,183 million was significantly higher than the figure for the prior-year period of €1,584 million. The division's return on sales was 10.5% (Q3 2014: 8.5 %). ↗ **C.03**

The development of earnings primarily reflects the growth in unit sales in all regions. Strong contributions came from the new C-Class and the SUV segment. Efficiency programs and strong pricing also had a positive impact on EBIT. There were opposing effects on earnings from the regional sales structure.

The EBIT of the **automotive divisions** were also affected by the restructuring of the own dealer network. In this context, we refer to the information provided in Note 4 of the Notes to the Consolidated Financial Statements.

**Daimler Trucks'** EBIT of €791 million was significantly higher than in the prior-year period (Q3 2014: €588 million). The division's return on sales reached 8.2% (Q3 2014: 6.9 %). ↗ **C.03**

The positive development of earnings was primarily driven by higher unit sales in the NAFTA region and Europe, favorable exchange-rate-effects and the realization of further efficiency improvements. Earnings were negatively affected by lower unit sales in Latin America and Indonesia. EBIT was additionally reduced by expenses for capacity expansions and advance expenditure for new technologies and vehicles. Workforce actions in the context of the ongoing optimization programs in Brazil and Germany resulted in expenses of €10 million.

**Mercedes-Benz Vans** posted an operating profit in the third quarter of 2015 of €193 million, significantly surpassing the prior-year earnings of €176 million. The division's return on sales was 7.0%, the same as for the third quarter of last year. ↗ **C.03**

Third-quarter revenue and EBIT were influenced by the very good development of demand in Europe and the NAFTA region. Improved pricing continued to have a positive impact on earnings.

The **Daimler Buses** division's EBIT of €89 million was significantly above the prior-year level (Q3 2014: €64 million); the return on sales increased from 6.2% to 8.7%. ↗ **C.03**

The development of earnings was primarily driven by very positive exchange-rate effects. This was particularly a reflection of the weakness of the Brazilian real against the US dollar in connection with the export business from Brazil. This significantly overcompensated for the decrease in unit sales in Latin America – due to the difficult economic situation there.

The **Daimler Financial Services** division posted third-quarter EBIT of €378 million, thus surpassing its prior-year earnings (Q3 2014: €355 million). ↗ **C.03**

The strong earnings were primarily the result of increased contract volume and the favorable development of exchange rates. Earnings were reduced by additional expenses in connection with the expansion of business activities.

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 income of €11 million (Q3 2014: €947 million). The higher income in the prior-year quarter mainly reflects the proceeds of €1,006 million realized on the sale of RRPSH shares.

The elimination of intra-group transactions resulted in income of €16 million in the third quarter of 2015 (Q3 2014: €18 million).

**Net interest expense** improved by €20 million to €129 million in the third quarter of 2015 (Q3 2014: €149 million). Expenses in connection with pension and healthcare benefit obligations decreased, primarily due to lower applicable interest rates. Other interest result improved, mainly because of the successive expiry of refinancing at high interest rates.

The expense of €1,115 million entered under **income-tax expense** increased by €355 million compared with the third quarter of last year. In the prior-year period, the income-tax expense was relatively low in relation to profit before income taxes because the gain on the sale of RRPSH shares was largely tax free. Adjusted for this gain, the normally taxed income in the third quarter of this year was higher than in 2014, which led to a corresponding increase in the income-tax expense. Another factor is that the prior-year figure included gains on the reversal of impairments of deferred tax assets, while additional impairment of deferred tax assets had to be recognized in the third quarter of 2015.

**Net profit** for the third quarter of 2015 amounts to €2,415 million (Q3 2014: €2,821 million). Net profit of €30 million is attributable to **non-controlling interests** (Q3 2014: €86 million). Net profit **attributable to the shareholders of Daimler AG** amounts to €2,385 million (Q3 2014: €2,735 million); representing **earnings per share** of €2.23 (Q3 2014: €2.56).

The calculation of earnings per share (basic) is based on an unchanged average number of outstanding shares of 1,069.8 million.

## Cash flows

**Cash provided by operating activities** ↗ **C.05** amounted to €1.5 billion in the first nine months of 2015 (Q1-3 2014: €3.3 billion), and was affected in particular by the implementation of our growth strategy. New business in leasing and sales financing was €3.6 billion above the high level of the prior-year period. Another factor was a higher increase in working capital of €1.2 billion. Positive effects resulted from profit before income taxes, which improved by €1.8 billion to €10.0 billion (Q1-3 2014: €8.2 billion). Furthermore, there were higher tax refunds in the first nine months of 2015 from the final tax assessment of the previous years.

**Cash used for investing activities** ↗ **C.05** amounted to €4.7 billion (Q1-3 2014: €1.6 billion). The change compared with the prior-year period resulted primarily from acquisitions and disposals of shares in companies. The first nine months of 2014 included proceeds of €2.4 billion from the sale of RRPSH shares. On the other hand, the first nine months of this year were affected in particular by capital increases carried out at our financial investments. Cash used for investing activities also reflects the increased investments in intangible assets.

## Cash provided by / used for financing activities ↗ C.05

resulted in a cash inflow of €5.5 billion (Q1-3 2014: cash outflow of €0.5 billion). The change resulted almost solely from the renewed increase in financing liabilities. There were opposing effects from increased dividend payments to the shareholders of Daimler AG and to minority shareholders of subsidiaries.

Cash and cash equivalents increased compared with December 31, 2014 by €2.4 billion to €12.1 billion. Total liquidity, which also includes marketable debt securities, increased by €2.1 billion to €18.4 billion.

## C.05

### Condensed consolidated statement of cash flows

In millions of euros	Q1-3 2015	Q1-3 2014	Change
<b>Cash and cash equivalents at beginning of period</b>	<b>9,667</b>	11,053	-1,386
Cash provided by operating activities	<b>1,475</b>	3,270	-1,795
Cash used for investing activities	<b>-4,700</b>	-1,557	-3,143
Cash provided by/used for financing activities	<b>5,526</b>	-457	5,983
Effect of exchange-rate changes on cash and cash equivalents	<b>89</b>	301	-212
<b>Cash and cash equivalents at end of period</b>	<b>12,057</b>	12,610	-553

## C.06

### Free cash flow of the industrial business

In millions of euros	Q1-3 2015	Q1-3 2014	Change
Cash provided by operating activities	9,874	7,603	2,271
Cash used for investing activities	-4,974	-1,737	-3,237
Change in marketable debt securities	5	-1	6
Other adjustments <sup>1</sup>	-77	957	-1,034
Free cash flow of the industrial business	4,828	6,822	-1,994

1 The effects on cash provided by operating activities from the financing of the Group's own dealerships are deducted in the other adjustments.

## C.07

### Net liquidity of the industrial business

In millions of euros	Sept. 30, 2015	Dec. 31, 2014	Change
Cash and cash equivalents	10,742	8,341	2,401
Marketable debt securities	5,131	5,156	-25
<b>Liquidity</b>	<b>15,873</b>	<b>13,497</b>	<b>2,376</b>
Financing liabilities	2,829	3,193	-364
Market valuation and currency hedges for financing liabilities	825	263	562
<b>Financing liabilities (nominal)</b>	<b>3,654</b>	<b>3,456</b>	<b>198</b>
<b>Net liquidity</b>	<b>19,527</b>	<b>16,953</b>	<b>2,574</b>

## C.08

### Net debt of the Daimler Group

In millions of euros	Sept. 30, 2015	Dec. 31, 2014	Change
Cash and cash equivalents	12,057	9,667	2,390
Marketable debt securities	6,391	6,634	-243
<b>Liquidity</b>	<b>18,448</b>	<b>16,301</b>	<b>2,147</b>
Financing liabilities	-95,875	-86,689	-9,186
Market valuation and currency hedges for financing liabilities	820	270	550
<b>Financing liabilities (nominal)</b>	<b>-95,055</b>	<b>-86,419</b>	<b>-8,636</b>
<b>Net debt</b>	<b>-76,607</b>	<b>-70,118</b>	<b>-6,489</b>

The parameter used by Daimler to measure the financial capability of the Group's industrial business is the **free cash flow of the industrial business** ↗ C.06, which is derived from the reported cash flows from operating and investing activities.

The cash flows from the acquisition and sale of marketable debt securities included in cash flows from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow.

Other adjustments relate to additions to property, plant and equipment that are allocated to the Group as their beneficial owner due to the form of their underlying lease contracts. Furthermore, effects from the financing of dealerships within the Group are adjusted. In addition, the calculation of the free cash flow includes those cash flows to be shown under cash provided by financing activities in connection with the acquisition or disposal of interests in subsidiaries without the loss of control.

The free cash flow of the industrial business in the first nine months of 2015 amounted to €4.8 billion (Q1-3 2014: €6.8 billion). The decrease resulted primarily from the purchase and sale of shares in companies. The figure for the prior-year period includes proceeds from the sale of shares in RRPSH, while the figure for the period under review is affected in particular by the capital increases carried out at our financial investments. In addition to increased investments in intangible assets, there was also a higher increase in working capital, defined as the net change in inventories, trade receivables and trade payables. A positive impact resulted from the higher profit contribution from the automotive divisions.

The **net liquidity of the industrial business** ↗ C.07 is calculated as the total amount as shown in the statement of financial position of cash, cash equivalents and marketable debt securities included in liquidity management, less the currency-hedged nominal amounts of financing liabilities.

To the extent that the Group's internal refinancing of the financial services business is provided by the companies of the industrial business, this amount is deducted in the calculation of the net debt of the industrial business. The Group's internal refinancing was of a higher volume than the financing liabilities originally taken on in the industrial business due to the application of the industrial business's own financial resources. This resulted in a positive value for the financing liabilities of the industrial business, thus increasing net liquidity, so the net liquidity of the industrial business exceeds the gross liquidity presented here.

Compared with December 31, 2014, the net liquidity of the industrial business increased from €17.0 billion to €19.5 billion. The increase mainly reflects the free cash flow of €4.8 billion. Opposing effects resulted from the dividend payments to the shareholders of Daimler AG (€2.6 billion) and to the minority shareholders of subsidiaries (€0.3 billion). Positive exchange-rate effects and capital increases at financial services companies led in total to an increase in net liquidity of €0.5 billion.

Net debt at Group level, which primarily results from refinancing the leasing and sales financing business, increased compared with December 31, 2014 by €6.5 to €76.6 billion. ↗ C.08

The Daimler Group once again utilized attractive conditions in the international money and capital markets for **refinancing** in the first nine months of 2015.

In the first nine months of 2015, Daimler had a cash inflow of €13.9 billion from the issuance of **bonds** (Q1-3 2014: €10.1 billion); bonds were redeemed in an amount of €8.5 billion (Q1-3 2014: €9.0 billion). ↗ C.09

In the third quarter, the Daimler Group carried out two so-called benchmark emissions. In early August, Daimler Finance North America LLC issued bonds in one transaction in the US capital market with 18-month and two-, three-, five- and ten-year maturities and a total volume of US \$3.5 billion. In September, Daimler AG issued a two-year bond in the euro market in an amount of €500 million.

In addition to the emissions shown in table ↗ C.09, multiple **smaller emissions** were undertaken in various countries. In August for example, a four-year bond was issued in the Canadian capital market by Daimler Canada Finance Inc. with a volume of CAD 450 million.

Furthermore, **ABS (asset-backed securities)** transactions were conducted in amounts of US \$1.5 billion in the United States in July and €1.0 billion in Europe in September.

## C.09

### Benchmark emissions

Issuer	Volume	Month of emission	Maturity
Daimler Finance North America	\$250 million	Mar. 2015	Mar. 2017
Daimler Finance North America	\$1,500 million	Mar. 2015	Mar. 2018
Daimler Finance North America	\$1,250 million	Mar. 2015	Mar. 2020
Daimler Finance North America	\$1,050 million	May 2015	May 2018
Daimler Finance North America	\$1,300 million	May 2015	May 2020
Daimler Finance North America	\$650 million	May 2015	May 2025
Daimler Finance North America	\$150 million	Aug. 2015	Feb. 2017
Daimler Finance North America	\$1,000 million	Aug. 2015	Aug. 2017
Daimler Finance North America	\$1,000 million	Aug. 2015	Aug. 2018
Daimler Finance North America	\$850 million	Aug. 2015	Aug. 2020
Daimler Finance North America	\$500 million	Aug. 2015	Aug. 2025
Daimler AG	€500 million	Sept. 2015	Sept. 2017

## Financial position

The Group's **balance sheet total** increased compared with December 31, 2014 from €189.6 billion to €211.1 billion; the increase includes currency-translation effects of €2.2 billion. Daimler Financial Services accounts for €117.8 billion of the balance sheet total (December 31, 2014: €105.5 billion), equivalent to 56% of the Daimler Group's total assets, as at year-end 2014.

The increase in total assets is primarily due to the increased financial services business and the sales-driven higher inventories. On the liabilities side of the balance sheet, there were increases primarily in financing liabilities and equity. Current assets account for 43% of total assets, above the prior-year level (41%). Current liabilities are unchanged at 35% of total equity and liabilities.

## C.10

### Condensed consolidated statement of financial position

In millions of euros	Sept. 30, 2015	Dec. 31, 2014	% change
<b>Assets</b>			
Intangible assets	9,796	9,367	+5
Property, plant and equipment	23,489	23,182	+1
Equipment on operating leases and receivables from financial services	106,572	94,729	+13
Equity-method investments	2,951	2,294	+29
Inventories	24,836	20,864	+19
Trade receivables	9,381	8,634	+9
Cash and cash equivalents	12,057	9,667	+25
Marketable debt securities	6,391	6,634	-4
Other financial assets	7,838	5,987	+31
Other assets	7,742	8,277	-6
<b>Total assets</b>	<b>211,053</b>	<b>189,635</b>	<b>+11</b>
<b>Equity and liabilities</b>			
Equity	50,814	44,584	+14
Provisions	28,172	28,393	-1
Financing liabilities	95,875	86,689	+11
Trade payables	12,595	10,178	+24
Other financial liabilities	11,939	10,706	+12
Other liabilities	11,658	9,085	+28
<b>Total equity and liabilities</b>	<b>211,053</b>	<b>189,635</b>	<b>+11</b>

**Intangible assets** of €9.8 billion include €7.6 billion of capitalized development costs and €0.7 billion of goodwill. The Mercedes-Benz Cars division accounts for 72% of the development costs and the Daimler Trucks division accounts for 19%.

**Property, plant and equipment** increased to €23.5 billion (December 31, 2014: €23.2 billion). In the first nine months of this year, a total of €3.2 billion was invested for new products and technologies, the expansion of production capacities and modernization, primarily at our production and assembly sites. The sites in Germany accounted for investment in property, plant and equipment of €2.3 billion.

**Equipment on operating leases and receivables from financial services** increased to €106.6 billion (December 31, 2014: €94.7 billion). €1.7 billion of the increase is the result of currency translation. The increase after adjusting for exchange-rate effects reflects the growth in new business at Daimler Financial Services, especially in the United States, China, South Korea and Western Europe. Those assets' share of total assets of 51% is above the level of year-end 2014 (50%).

**Equity-method investments** of €3.0 billion (December 31, 2014: €2.3 billion) mainly comprise the carrying amounts of our equity interests in Beijing Benz Automotive Co., Ltd. (BBAC) and BAIC Motor Corporation Ltd. in the area of cars, and in Beijing Foton Daimler Automotive Co., Ltd. and Kamaz OAO in the truck business. The increase reflects the positive proportionate earnings and the capital increase at BBAC.

**Inventories** increased from €20.9 billion to €24.8 billion, equivalent to 12% of total assets, which is slightly higher than at the end of 2014 (11%). The increase reflects the Group's continued growth and the ongoing model offensive. This led to higher stocks of new vehicles, especially at the Mercedes-Benz Cars division.

**Trade receivables** increased by €0.7 billion to €9.4 billion. The Mercedes-Benz Cars division accounts for 48% of those receivables and the Daimler Trucks division accounts for 32%.

**Cash and cash equivalents** increased compared with the end of the year 2014 by €2.4 billion to €12.1 billion.

**Marketable debt securities** decreased compared with December 31, 2014 from €6.6 billion to €6.4 billion. Those assets include the debt instruments that are allocated to liquidity, most of which are publicly traded. They generally have an external rating of A or better.

**Other financial assets** increased by €1.9 billion to €7.8 billion. They mainly comprise investments – in Renault and Nissan for example – and derivative financial instruments, as well as loans and other receivables due from third parties. Derivative financial instruments account for part of the increase.

**Other assets** of €7.7 billion (December 31, 2014: €8.3 billion) primarily comprise deferred tax assets and tax refund claims.

The Group's **equity** increased compared with December 31, 2014 from €44.6 billion to €50.8 billion. The increase is mainly a result of the net profit of €6.8 billion. It also reflects the positive effects of currency translation (€1.1 billion). Other factors are the actuarial gains on defined-benefit pension plans (€1.3 billion) including positive effects of €0.4 billion connected with the tax assessment of previous years. There were negative effects from the payment of the dividend to the shareholders of Daimler AG in an amount of €2.6 billion and from the measurement of derivative financial instruments (€0.3 billion). Equity attributable to the shareholders of Daimler AG increased to €49.9 billion (December 31, 2014: €43.7 billion). The Group's **equity ratio** of 24.1% was higher than at the end of 2014 (22.1%); the equity ratio for the industrial business was 44.3% (December 31, 2014: 40.8%).

**Provisions** decreased to €28.2 billion (December 31, 2014: €28.4 billion), equivalent to 13% of the balance sheet total, which is below the prior-year level (15%). Provisions primarily comprise provisions for pensions and similar obligations of €12.0 billion (December 31, 2014: €12.8 billion), which mainly consist of the difference between the present value of defined benefit pension obligations of €28.9 billion (December 31, 2014: €30.1 billion) and the fair value of the pension plan assets applied to finance those obligations of €18.1 billion (December 31, 2014: €18.6 billion). The increase in discount rates, especially for the German plans from 1.9% at December 31, 2014 to 2.4% at September 30, 2015, led to a decrease in the present value of the defined benefit pension obligations. Provisions also relate to liabilities from income taxes of €1.6 billion (December 31, 2014: €1.6 billion), from product warranties of €5.1 billion (December 31, 2014: €5.0 billion) and from personnel and social costs of €4.0 billion (December 31, 2014: €3.9 billion), as well as other provisions of €5.6 billion (December 31, 2014: €5.1 billion).

**Financing liabilities** of €95.9 billion were above the level of December 31, 2014 (€86.7 billion). The increase primarily reflects the refinancing of the growing leasing and sales-financing business. 52% of the financing liabilities are accounted for by notes/bonds, 26% by liabilities to financial institutions, 11% by deposits in the direct banking business, and 8% by liabilities from ABS transactions.

**Trade payables** increased to €12.6 billion (December 31, 2014: €10.2 billion), primarily due to the higher volume of business. The Mercedes-Benz Cars division accounts for 62% of those payables and the Daimler Trucks division accounts for 25%.

**Other financial liabilities** of €11.9 billion were higher than the level of €10.7 billion at December 31, 2014. They mainly consist of liabilities from derivative financial instruments, residual-value guarantees, accrued interest expenses on financing liabilities, liabilities from wages and salaries, and deposits received. The increase is due amongst other things to increased liabilities from derivative financial instruments.

**Other liabilities** increased from €9.1 billion to €11.7 billion. They consist mainly of deferred income of €7.2 billion (December 31, 2014: €6.0 billion), tax liabilities and deferred taxes.

Further information on the Group's assets, equity and liabilities is provided in the consolidated statement of financial position, the consolidated statement of changes in equity and the relevant notes in the Notes to the Interim Consolidated Financial Statements.



## Capital expenditure and research activities

The Daimler Group invested €1.1 billion in property, plant and equipment in the third quarter of 2015 (Q3 2014: €1.2 billion). Most of that investment volume, €0.8 billion, was at the Mercedes-Benz Cars division (Q3 2014: €0.9 billion). The main area of capital expenditure was on production preparations for new models, in particular the new E-Class and its derivatives, the additional derivatives of the C-Class, and investments for new transmissions and engine versions. Another area of capital expenditure was for the ongoing expansion of our international production and component plants.

The Daimler Group's research and development spending in the third quarter of this year amounted to €1.6 billion (Q3 2014: €1.4 billion), of which €0.5 billion was capitalized (Q3 2014: €0.3 billion). More than two thirds of the research and development spending was at the Mercedes-Benz Cars segment. The main areas were new vehicle models, particularly fuel-efficient and environmentally friendly drive systems, and new safety technologies.

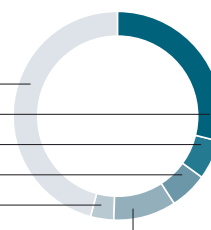
## Workforce

At the end of the third quarter of 2015, Daimler employed 286,248 people worldwide (end of 2014: 279,972). Of that total, 172,561 were employed in Germany (end of 2014: 168,909), 24,588 in the United States (end of 2014: 22,833), 11,759 in Brazil (end of 2014: 12,313) and 11,195 in Japan (end of 2014: 11,400). Our consolidated companies in China had 3,027 employees at the end of September 2015 (end of 2014: 2,664). [↗ C.11](#)

### C.11

#### Employees by division at September 30, 2015

Daimler Group	286,248
Mercedes-Benz Cars	131,271
Daimler Trucks	83,181
Mercedes-Benz Vans	17,246
Daimler Buses	17,079
Daimler Financial Services	9,785
Group Functions & Services	27,686



## Important events

### **Daimler acquires HERE digital mapping business together with Audi and BMW**

Daimler AG, AUDI AG and the BMW Group agreed in August 2015 with Nokia Corporation to acquire HERE, its business for mapping and location-based services. This step is intended to secure for the long term the availability of the products and services of HERE as an open, independent and value-adding platform for cloud-based maps and mobility services. The digital maps of HERE lay the foundation for the next generation of mobility and location-based services, which in turn form the basis for new assistance systems going as far as fully automated driving. Extremely precise digital maps are combined with real-time vehicle data in order to increase road safety and facilitate innovative products and services. The three partners are acquiring equal shares in HERE. Daimler's share of the purchase price will amount to approximately €0.85 billion. Subject to the approval of the responsible antitrust authorities, the transaction is expected to be concluded by the end of the first quarter of 2016.

## Risk and opportunity report

The risks and opportunities that can have a significant influence on the profitability, cash flows and financial position of the Daimler Group as well as detailed information on our risk and opportunity management system are presented on pages 132 to 145 of our Annual Report 2014. In addition, we refer to the notes on forward-looking statements provided at the end of this Interim Management Report.

At the beginning of the fourth quarter of 2015, economic risks for the world economy have tended to increase. This is primarily due to increased uncertainty concerning the ongoing development of the Chinese economy. Considerable anxiety exists once again about its possible "hard landing" and the then inevitable negative consequences for the global economy. There is also concern about the economic weakness of major emerging markets such as Brazil and Russia, and also about the susceptibility of those economies that depend on the inflow of capital due to external trade deficits. There is a danger here not only of massive exchange-rate volatilities, but also of growth slowdowns. On the other hand, risks in connection with the consequences of a possible exit from the euro zone by Greece have receded. But worries about the possibility of deflation remain. If these worries become more founded, there could be a negative impact on economic developments in the euro zone. Furthermore, in connection with the very expansive monetary policy of the European Central Bank, there is concern about the extent to which that has increased the danger of speculative bubbles in equity and bond markets. Greater turbulence in the financial markets would then have a direct impact on the economic outlook. Although the situation has stabilized somewhat in recent months, there is still the risk of potential escalation in the tension between Russia and the West. In the United States, the newly flared-up debate about reaching the federal debt ceiling and the possibility of temporary closures of government offices could lead to unforeseen economic effects. Another factor is the uncertainty about the future monetary policy of the US central bank. The risks relating to legal and political frameworks have tended to become greater at the beginning of the fourth quarter of 2015. A stricter regulatory environment seems likely especially in the area of emission standards. Opportunities consist on the one hand of the rapid economic recovery of the emerging markets, and on the other hand of a strong revival of the euro zone's economy. A sustained reduction in tension in the Middle East would also have a positive impact on the world economy.

Overall, our assessment of risks and opportunities in the year 2015 has not changed significantly since publication of Annual Report 2014.

## Outlook

At the beginning of the fourth quarter, the prospects for the **world economy** are rather restrained. Although major leading economic indicators suggest that the moderate growth will continue, they also reveal a significant increase in uncertainty on the part of investors and consumers. This means that no significant acceleration of the global growth can be expected in the foreseeable future, despite ongoing support from most central banks and the influence of low raw-material prices. During the year to date, the situation has been particularly difficult for the emerging economies, which are dependent either on above-average exports of raw materials, or on the Chinese economy, or on the steady flow of foreign capital due to their external debt. It is therefore not surprising that the currently weak growth of the world economy is primarily caused by the emerging markets. We assume that those countries, some of which are actually in recession (including Brazil and Russia), will lose nearly one percentage point of growth this year compared with 2014. With projected growth of 3.5%, the emerging economies overall would experience one of their weakest years of late. However, the more advanced economies should grow slightly faster than last year at a rate of about 2%. This is due not only to the stable US economy, which is mainly consumer driven and should reach growth of about 2.5%, but also to the solid economic recovery of the European Monetary Union. In this region, growth expectations have improved during the year, despite the discussion about Greece, and suggest that the strongest growth since 2011 will be possible with a rate of at least 1.5%. The outlook for the German economy is also positive with expected growth of about 1.8%. For the world economy, a lot will depend in the coming quarters on further developments in China. We continue to assume that the political decision makers will succeed in avoiding a "hard landing" by means of timely countermeasures and fine tuning. Overall, we anticipate moderate growth in output of about 2.7% for the world economy in the year 2015, in the magnitude of the past three years.

With regard to **worldwide demand for cars**, the market volume in full-year 2015 is likely to be in the magnitude of the previous year. The main reason for the further reduction in our expectation is the recent weakening of market growth in China, where we meanwhile anticipate only a slight increase in demand. However, the recent weakening of demand has caused the Chinese authorities to start a market-stimulus program. This could provide a noticeable boost to car sales in the remaining months of the year, resulting in more growth for the full year than recently expected. As a result, worldwide growth could also turn out to be more pronounced than described above. This year, positive contributions to the development of the world market will mainly come from the traditional markets in North America and Western Europe. The US market should expand slightly again from its already high level and approach its historic high with sales of approximately 17 million cars and light trucks. The recovery of demand for cars in Western Europe has gained further dynamism this year, so we meanwhile anticipate significant market growth on a broad base. On the other hand, the pronounced decline of the Japanese market is having a negative impact on the world market; following several years of artificially high demand, we now expect a significant correction of the market volume there. An additional negative impact on the world market comes from sharply falling demand in some large emerging markets. Car sales in Russia and Brazil in particular will decrease drastically due to the significant economic recessions in both countries. The situation is more encouraging in India, where we continue to anticipate a demand revival.

In the **worldwide market for medium- and heavy-duty trucks**, another pronounced drop in demand is expected in 2015 following last year's significant decrease. Furthermore, the situation will remain highly varied from one region to another. Market prospects for the NAFTA region and Europe continue to be positive. In North America, the main economic indicators continue to suggest that demand for trucks will remain favorable, supporting expectations of growth in demand in the magnitude of 10 to 15%. Thanks to the relatively solid economic recovery in Europe, we anticipate market growth of 10 to 15% here as well. However, market conditions in Brazil are still extremely unfavorable. Starting from a low level, we have to expect another sharp decline of up to 50%. The Japanese market for light-, medium- and heavy-duty trucks appears to be relatively robust despite the country's sluggish economy, so we anticipate a market volume in 2015 in the magnitude of the previous year. But following a very weak development this year to date in Indonesia, we must meanwhile assume that the overall truck market there will be up to 35% smaller than in 2014. The deep recession in Russia will continue to affect the market, so demand will fall sharply once again. But a significant market recovery is anticipated in India, thanks to the slightly improved economic prospects there. Demand for trucks in China is currently under great pressure due to the economic slowdown and the introduction of the CN4 emissions standards (similar to Euro IV). We therefore expect the market to contract by about 30% compared with its prior-year level.

We assume that the market in Europe for medium-sized and large **vans** will grow significantly in 2015, and expect slight growth in the market for small vans. We anticipate significant growth in the US market for large vans. In China, we now expect significant contraction of the market we address there. Also in Latin America, we expect significant contraction in the market for large vans.

We anticipate a market volume for **buses** in Europe in 2015 that is slightly above the very low level of 2014. In Brazil, demand for buses is likely to decrease by at least 35% compared with last year.

On the basis of the divisions' planning, Daimler expects its **total unit sales** to increase significantly in the year 2015.

The past three months were the strongest quarter for **Mercedes-Benz Cars** so far. We intend to continue along this successful path in the fourth quarter, and thus to significantly increase our unit sales in the full year. Among other models, the new C-Class coupe will contribute to the success of the Mercedes-Benz brand. The third member of the C-Class family will be in the showrooms this December. The year of Mercedes-Benz SUVs will be rounded off in November with the world premiere of the new generation of the GLS. The S-Class family will also be expanded: The new S-Class convertible is the sixth version of the current S-Class family and can be ordered as of the end of this year. In November, another Mercedes-Benz icon will have its world premiere: the new generation of the SL roadster. The two smart models will be available in all major markets this year and will also contribute to the significant increase in unit sales.

**Daimler Trucks** now anticipates a slight increase in unit sales in full-year 2015. In Western Europe, we continue to expect a significantly positive development of truck sales. In Turkey, we expect a significant increase compared with 2014, but growth dynamism has decreased sharply in the course of the year due to the weak economic development and the uncertain political situation in the region. In Brazil, we anticipate a substantial decrease in unit sales, as the overall economic situation and unfavorable financing conditions are severely dampening demand for trucks. We assume that our unit sales in the NAFTA region will increase significantly, however. Our successful products will continue to secure our market leadership in this region. Unit sales in Asia are affected by the very weak market development in Indonesia, where we meanwhile anticipate a substantial decrease in unit sales. On the other hand, we assume that our unit sales in India will increase significantly due to the steady growth of the BharatBenz model range and the further expansion of our dealer network. We expect a noticeable increase in our truck deliveries also in Japan this year.

**Mercedes-Benz Vans** plans to achieve significant growth in unit sales in 2015. In Europe, our core market, we anticipate significant increases in sales of medium-sized and large vans. This development is likely to be primarily driven by the new Vito for commercial use and the V-Class multipurpose vehicle for private use. Both those models are now fully available following their launch in 2014. We anticipate a significant increase in unit sales also in the NAFTA region. In the context of our "Mercedes-Benz Vans goes global" strategy for the division, we are launching the Vito in North and South America, stimulating additional demand there. We aim to achieve further growth in those markets also with the Sprinter, which we will produce also in North America in the future.

**Daimler Buses** assumes that it will be able to defend its market leadership in its core markets for buses above 8 tons. For the year 2015, we anticipate a significant decrease in total unit sales for market-related reasons. We expect unit sales to fall significantly in Latin America, while we anticipate a positive development in Europe.

**Daimler Financial Services** anticipates significant growth in new business and contract volume in the year 2015. This will result from the growth offensives of the automotive divisions, the specific targeting of younger customers, the expansion of business especially in Asia, and the further development of our online sales channels. We will also systematically expand our range of mobility services.

We assume that the **Daimler Group's revenue** will grow significantly in the year 2015. In regional terms, we anticipate the strongest increases in Asia and North America, but we expect significant growth also in Europe.

On the basis of the anticipated market development and the planning of our divisions, we assume that **EBIT from the ongoing business** will increase significantly in the year 2015.

For the individual divisions, we aim to achieve the following EBIT targets from the ongoing business in full-year 2015:

- Mercedes-Benz Cars: significantly above the prior-year level,
- Daimler Trucks: significantly above the prior-year level,
- Mercedes-Benz Vans: significantly above the prior-year level,
- Daimler Buses: slightly below the prior-year level, and
- Daimler Financial Services: significantly 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** in 2015. Although we will continue our product and growth offensive with higher expenditure for property, plant and equipment as well as research and development, we now assume that the free cash flow of the industrial business will be slightly higher than in 2014 and thus significantly higher than the dividend payment in 2015.

In order to achieve our ambitious growth targets, we will once again slightly increase our already very high **investment in property, plant and equipment** in the year 2015 (2014: €4.8 billion). In addition to capital expenditure, we are developing our position in the emerging markets by means of targeted financial investments in joint ventures and equity interests.

With our **research and development expenditure**, we anticipate a total volume significantly above the previous year's spending of €5.7 billion. Key projects include the successor models of the E-Class and the compact class as well as the GL and GLE SUVs. In addition, we are investing in all automotive divisions in new, low-emission and fuel-efficient engines, alternative drive systems, innovative safety technologies, autonomous driving and digital connectivity.

From today's perspective, we assume that the **number of employees** worldwide will increase slightly compared with the end of 2014.

#### **Forward-looking statements:**

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 worsening of the sovereign-debt crisis in the euro zone; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, epidemics, acts of terrorism, political unrest, 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 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.

# Mercedes-Benz Cars.

**Strongest quarter for unit sales so far with 508,400 vehicles sold (Q3 2014: 431,000)**

**Successful market launch of GLE coupe, GLE, GLC and A-Class**

**World premiere of the new S-Class convertible, C-Class coupe and smart convertible**

**EBIT up by 38% to €2,183 million**

D.01	Q3		
€ amounts in millions	Q3 2015	Q3 2014	% change
EBIT	2,183	1,584	+38
Revenue	20,707	18,677	+11
Unit sales	508,350	431,041	+18
Production	540,200	459,259	+18
Employees	131,271	129.106 <sup>1</sup>	+2

<sup>1</sup> As of December 31, 2014

## Best quarter for unit sales so far

Mercedes-Benz Cars' sales volume increased in the third quarter of 2015 by 18% to 508,400 vehicles, making that quarter the best so far in terms of unit sales. Revenue rose by 11% to €20.7 billion and EBIT amounted to €2,183 million (Q3 2014: €1,584 million).

In Western Europe, Mercedes-Benz Cars sold 191,100 vehicles, which is 19% more than in the third quarter of last year. The main growth drivers in this region were the United Kingdom (+25%), Italy (+28%) and Spain (+38%). In Germany, its domestic market, the division sold 73,400 vehicles of the Mercedes-Benz and smart brands in a highly competitive market (Q3 2014: 66,200). In the United States, Mercedes-Benz Cars set a new record with sales of 88,100 units (+5%). In China, our unit sales also increased to the new record of 105,700 vehicles (+39%). The development of unit sales by Mercedes-Benz Cars was particularly strong in the third quarter also in Australia (+39%) and South Korea (+20%).

## Growth driven by compact cars and C-Class

With the Mercedes-Benz model series, ongoing strong demand for the A-/B-Class models led to record unit sales in this segment: In the third quarter, a total of 106,700 units of the A- and B-Class, the CLA and the CLA Shooting Brake were sold (+8%). Sales of the C-Class increased by 50% to the record number of 130,400 units sold in the third quarter. In the E-Class segment, 82,100 units were sold (+5%). And 22,400 units were sold in the S-Class segment (Q3 2014: 28,800); the S-Class continues to be the world's bestselling luxury sedan. In the GL segment,

D.02	Q3		
Unit sales	Q3 2015	Q3 2014	% change
Total	508,350	431,041	+18
Western Europe	191,126	160,264	+19
Germany	73,445	66,201	+11
United States	88,073	84,085	+5
China	105,675	76,233	+39
Other markets	123,476	110,459	+12

worldwide sales of the GLA, GLC, GLE, GLE coupe, GL and G-Class increased by 19% to a new record of 134,200 units. The positive development of the new smart continued with 24,700 units of the two- and four-door subcompact city cars sold in the third quarter (+39%). The smart has been available in China since August and in the United States since September.

## Four new Mercedes-Benz models available in the market

In the year of the SUVs, the GLE, the GLE coupe and the GLC were launched in the third quarter. The new generation of the A-Class has been at the dealerships since September. The S-Class convertible had its world premiere at the Frankfurt Motor Show as the sixth member of the S-Class family. The new C-Class coupe was also unveiled at that event. And the smart brand presented a world first at the Frankfurt Motor Show: the new smart fortwo convertible.

## Start of production of new products

Our vehicle and powertrain production plants continued to have high capacity utilization in the third quarter of this year. All Mercedes-Benz-sites continued producing during the summer months without any vacation breaks. In Bremen, production of the new C-Class coupe started in the third quarter. In Sindelfingen, preparations were made for the start of production of the S-Class convertible. We are continuously expanding our global manufacturing network in the context of our growth strategy. One example of this expansion is the laying of the foundation stone for the future compact-car plant in Mexico.

D.03	Q1-3		
€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
EBIT	6,251	4,176	+50
Revenue	61,352	53,452	+15
Unit sales	1,468,752	1,239,202	+19
Production	1,539,120	1,273,356	+21
Employees	131,271	129.106 <sup>1</sup>	+2

<sup>1</sup> As of December 31, 2014

D.04	Q1-3		
Unit sales	Q1-3 2015	Q1-3 2014	% change
Total	1,468,752	1,239,202	+19
Western Europe	568,410	484,493	+17
Germany	217,528	198,528	+10
United States	266,170	242,850	+10
China	284,253	214,637	+32
Other markets	349,919	297,222	+18



# Daimler Trucks.

Unit sales up by 2% to 128,500 vehicles

Latest engine generation with further fuel savings

Approval for partially autonomous driving with series-production Actros on German highways

EBIT of €791 million (Q3 2014: €588 million)

## D.05 Q3

€ amounts in millions	Q3 2015	Q3 2014	% change
EBIT	791	588	+35
Revenue	9,650	8,463	+14
Unit sales	128,496	125,556	+2
Production	129,890	124,366	+4
Employees	83,181	82,743 <sup>1</sup>	+1

<sup>1</sup> As of December 31, 2014

## D.06 Q3

Unit sales	Q3 2015	Q3 2014	% change
Total	128,496	125,556	+2
Western Europe	16,614	14,822	+12
NAFTA region	52,185	43,868	+19
Latin America (excluding Mexico)	7,831	12,528	-37
Asia	36,081	38,582	-6
Other markets	15,785	15,756	+0
BFDA (Auman Trucks)	14,292	18,051	-21
Total (including BFDA)	142,788	143,607	-1

### EBIT reaches a new high

Daimler Trucks' unit sales increased compared with the third quarter of last year by 2% to 128,500 vehicles. Revenue rose significantly to €9.7 billion (+14%). EBIT reached €791 million, setting a new high (Q3 2014: €588 million).

### Growth in the NAFTA region, Western Europe and Japan

Our truck sales in Western Europe, Japan and particularly in the NAFTA region developed very positively in the third quarter. Unit sales in Latin America and Indonesia remained weak, however.

Daimler Trucks set another record for unit sales in the NAFTA region of 52,200 vehicles (Q3 2014: 43,900), thus further extending its market leadership in Classes 6-8 with 38.1% of that market (Q3 2014: 37.1%).

In Western Europe, Daimler Trucks increased its deliveries by 12% to 16,600 units. Mercedes-Benz trucks maintained their market leadership in the medium- and heavy-duty segment with a share of 22.8% (Q3 2014: 24.7%). We were the market leader also in Germany with a share of 38.7% (Q3 2014: 39.4%).

The ongoing significant market slump in Brazil meant that Daimler Trucks' sales in Latin America decreased to 7,800 units (Q3 2014: 12,500). In this environment, we were able to take over the market leadership in Brazil in the medium- and heavy-duty segment with a share of 28.8% (Q3 2014: 27.1%).

In Asia, our sales of 36,100 units were significantly lower than in the prior-year period (Q3 2014: 38,600). Sales in Indonesia

fell by 48% to 5,400 units in a very weak market. We achieved growth in India with sales of 3,600 units (Q3 2014: 3,000) and in Japan with 11,700 units sold (Q3 2014: 10,700). With our new BharatBenz vehicles, we were able to increase our share of the upper medium- and heavy-duty truck segment in India to 7.4% (Q3 2014: 5.6%). In Japan, we expanded FUSO's share of the overall truck market to 22.4% (Q3 2014: 21.4%). Due to significant market contraction in China, unit sales of Auman Trucks by our joint venture BFDA decreased by 21% to 14,300 vehicles.

### Mercedes-Benz Trucks presents latest engine generation

Several innovations were presented at the "Shaping Future Transportation" event in early July: We emphasized our pioneering role in the field of efficiency with the new generation of the OM 471 heavy-duty truck engine. Its fuel consumption is up to 3% lower than that of its predecessor, thus reducing operating costs and CO<sub>2</sub> emissions. And we are enhancing our leading position in the field of safety with the further development of new assistance systems. In the near future, we will launch the blind-spot monitoring system, which recognizes pedestrians, cyclists and stationary objects and can thus avoid accidents and save lives, especially in urban traffic.

### Approval for Daimler Trucks to test its Highway Pilot on highways

In September, Daimler Trucks has received special approval to test a series-produced Actros fitted with the Highway Pilot system on German highways. The Highway Pilot in the Actros model links up the latest assistance systems to allow the heavy truck to be driven in partially autonomous mode. This approval is an important step on the way to application of the system in series production.

## D.07 Q1-3

€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
EBIT	1,945	1,384	+41
Revenue	27,505	23,550	+17
Unit sales	366,033	360,151	+2
Production	379,098	374,111	+1
Employees	83,181	82,743 <sup>1</sup>	+1

<sup>1</sup> As of December 31, 2014

## D.08 Q1-3

Unit sales	Q1-3 2015	Q1-3 2014	% change
Total	366,033	360,151	+2
Western Europe	43,301	39,695	+9
NAFTA region	142,417	119,568	+19
Latin America (excluding Mexico)	23,616	34,610	-32
Asia	108,774	122,060	-11
Other markets	47,925	44,218	+8
BFDA (Auman Trucks)	49,123	75,936	-35
Total (including BFDA)	415,156	436,087	-5

# Mercedes-Benz Vans.

**Best-ever unit sales of 75,700 vehicles in third quarter (Q3 2014: 72,200)**

**Mercedes-Benz Vans continues along its growth path**

**Awards for Mercedes-Benz Sprinter and Vito**

**EBIT above prior-year level at €193 million (Q3 2014: €176 million)**

D.09	Q3		
€ amounts in millions	Q3 2015	Q3 2014	% change
EBIT	193	176	+10
Revenue	2,752	2,515	+9
Unit sales	75,732	72,207	+5
Production	77,425	73,140	+6
Employees	17,246	15,782 <sup>1</sup>	+9

<sup>1</sup> As of December 31, 2014

D.10	Q3		
Unit sales	Q3 2015	Q3 2014	% change
Total	75,732	72,207	+5
Western Europe	48,114	47,116	+2
Germany	19,549	20,707	-6
Eastern Europe	8,488	7,006	+21
NAFTA region	9,235	7,852	+18
Latin America (excluding Mexico)	3,478	3,574	-3
China	1,704	3,208	-47
Other markets	4,713	3,451	+37

## New record levels of unit sales and revenue

Mercedes-Benz Vans increased its unit sales to 75,700 vehicles in the period under review, a new record for a third quarter (Q3 2014: 72,200). Revenue of €2.8 billion was also significantly higher than in the prior-year period (Q3 2014: €2.5 billion). EBIT reached €193 million (Q3 2014: €176 million).

## Mercedes-Benz Vans continues along its growth path

Unit sales by Mercedes-Benz Vans in Western Europe increased by 2% to 48,100 vehicles. The division's unit sales grew at double-digit rates in Spain, the Netherlands, Italy and Belgium. More vehicles were sold also in France (+4%). In Germany, sales of 19,500 units were lower than in the prior-year period (Q3 2014: 20,700). In Eastern Europe, Mercedes-Benz Vans once again achieved double-digit growth with an increase of +21% to 8,500 units; the main drivers in this region were Russia (+22%) and Turkey (+15%). Mercedes-Benz Vans continued along its growth path also in the NAFTA region: Unit sales increased in Canada by 26% and in the United States by 13% to 7,400 vehicles. Despite the difficult market environment in Latin America, Mercedes-Benz Vans sold 3,500 units there and was just slightly below the prior-year level (Q3 2014: 3,600). In China, sales fell significantly to 1,700 units (Q3 2014: 3,200), primarily due to the upcoming model change for the medium-sized vans.

The market success was driven in the third quarter of 2015 in particular by our vehicles in the mid-size segment, where overall unit sales grew by 16%. The V-Class multipurpose vehicle was very well received by customers also in the third quarter; unit

sales of 6,200 vehicles were significantly higher than in the prior-year period. In the commercial segment, the Vito achieved substantial growth of 25% with sales of 16,300 vans. The Sprinter accounted for sales of 47,500 units (Q3 2014: 47,100). Sales of 5,000 units of the Mercedes-Benz Citan were at the prior-year level.

## 20 years of the Sprinter in Düsseldorf

In September, we celebrated the 20th production jubilee of the Sprinter at the van plant in Düsseldorf. The Mercedes-Benz Sprinter established the new segment of large vans in 1995. It gave this class of vehicles its name and has made its mark on it since then. More than 2.9 million Sprinters have been delivered to customers since the start of production, and it is sold in more than 130 countries. This makes the Sprinter one of the most successful commercial vehicles of all time, one of the bestsellers in the Daimler product portfolio and a genuine world van. For the next generation of this successful model, Mercedes-Benz Vans will invest approximately €1 billion in the production facilities in Germany and the United States.

## Awards for the Mercedes-Benz Sprinter and Vito

Mercedes-Benz Vans gained a double victory in the competition "KEP Van of the Year 2015." The Vito 111 CDI and the Sprinter 316 CDI succeeded against strong competition. The new Mercedes-Benz Vito took first place in the category of "Vans up to 3.0 tons," while the Mercedes-Benz Sprinter defended its leading position of recent years in the category of "Vans up to 3.5 tons." The vehicles were assessed by a jury of experts from the courier, express and postal sectors (KEP).

D.11	Q1-3		
€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
EBIT	642	541	+19
Revenue	7,996	7,221	+11
Unit sales	221,148	209,335	+6
Production	238,654	228,566	+4
Employees	17,246	15,782 <sup>1</sup>	+9

<sup>1</sup> As of December 31, 2014

D.12	Q1-3		
Unit sales	Q1-3 2015	Q1-3 2014	% change
Total	221,148	209,335	+6
Western Europe	144,088	135,752	+6
Germany	60,100	57,890	+4
Eastern Europe	23,317	19,412	+20
NAFTA region	27,112	22,834	+19
Latin America (excluding Mexico)	10,914	11,251	-3
China	4,505	9,780	-54
Other markets	11,212	10,306	+9

# Daimler Buses.

Unit sales significantly below prior-year level at 7,400 buses and bus chassis

Continuation of strong demand for complete buses in Europe

Sales decline in Brazil

EBIT significantly above prior-year level at €89 million (Q3 2014: €64 million)

## D.13 Q3

€ amounts in millions	Q3 2015	Q3 2014	% change
EBIT	89	64	+39
Revenue	1,018	1,034	-2
Unit sales	7,438	8,619	-14
Production	7,070	8,034	-12
Employees	17,079	16,631 <sup>1</sup>	+3

<sup>1</sup> As of December 31, 2014

## D.14 Q3

Unit sales	Q3 2015	Q3 2014	% change
Total	7,438	8,619	-14
Western Europe	1,835	1,857	-1
Germany	535	493	+9
Mexico	1,226	917	+34
Latin America (excluding Mexico)	3,471	4,692	-26
Asia	251	420	-40
Other markets	655	733	-11

### EBIT significantly above prior-year level

Daimler Buses sold 7,400 buses and bus chassis worldwide in the third quarter of 2015 (Q3 2014: 8,600). The significant decrease primarily reflects the weak business with bus chassis in Latin America. Growth primarily in Germany, the United Kingdom and Turkey due to increased demand for complete buses only partially offset the drop in unit sales of bus chassis in Brazil. As a result of falling unit sales in Latin America, Daimler Buses' revenue of €1.0 billion was also slightly lower than in the prior-year period. EBIT reached €89 million, which is significantly higher than in the third quarter of last year (Q3 2014: €64 million).

### Significantly lower unit sales in Latin America

In Western Europe, we sold 1,800 complete buses and chassis of the brands Mercedes-Benz and Setra in the third quarter (Q3 2014: 1,900), thus matching the volume of the prior-year period. While unit sales increased significantly in Germany and the United Kingdom, they decreased significantly in Italy. Sales in Turkey rose by 13% to 200 units.

In Latin America (excluding Mexico), sales of 3,500 bus chassis in the third quarter were significantly below the prior-year figure, as expected (Q3 2014: 4,700). The difficult economic situation in Brazil continued to have a negative impact on our sales development. In Mexico, we sold 1,200 units, surpassing the prior-year number by 34%.

### Daimler Buses presents broad product portfolio at a preview of "Busworld Kortrijk"

Within the context of a press conference in advance of the "Busworld Kortrijk" international bus exhibition, Daimler Buses allowed a preview of its complete product spectrum: from minibus to double-decker and a wide range of services. As well as the world premiere of the Mercedes-Benz Citaro NGT fueled by natural-gas, the new, highly efficient Mercedes-Benz OM 471 heavy-duty engine was presented. This in-line six-cylinder unit will be used in our three-axle Setra coaches. Service innovations in the field of depot management and the new BusStore app in the used-vehicle business round off the Daimler Buses product offering. These products and other attractive services from Daimler Buses could be experienced at the "Busworld Kortrijk" international bus exhibition in October.

## D.15 Q1-3

€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
EBIT	180	167	+8
Revenue	2,932	2,941	-0
Unit sales	20,456	23,391	-13
Production	22,800	24,625	-7
Employees	17,079	16,631 <sup>1</sup>	+3

<sup>1</sup> As of December 31, 2014

## D.16 Q1-3

Unit sales	Q1-3 2015	Q1-3 2014	% change
Total	20,456	23,391	-13
Western Europe	4,853	4,649	+4
Germany	1,547	1,754	-12
Mexico	2,748	2,640	+4
Latin America (excluding Mexico)	9,710	12,974	-25
Asia	631	817	-23
Other markets	2,514	2,311	+9

# Daimler Financial Services.

**New business grows by 18%**

**Contract volume reaches €111 billion**

**Acquisition of GlobeSherpa, a mobile-ticketing expert in the United States**

**EBIT of €378 million (Q3 2014: €355 million)**

## D.17

## Q3

€ amounts in millions	Q3 2015	Q3 2014	% change
EBIT	378	355	+6
Revenue	4,702	3,998	+18
New business	14,589	12,406	+18
Contract volume	110,956	98,967 <sup>1</sup>	+12
Employees	9,785	8,878 <sup>1</sup>	+10

<sup>1</sup> As of December 31, 2014

### Worldwide new business grows by 18%

Daimler Financial Services concluded approximately 379,500 new leasing and sales-financing contracts in the third quarter (+12%), increasing its new business by 18% compared with the prior-year period to €14.6 billion. Contract volume reached €111 billion at the end of September, which is 12% higher than at the end of 2014. Adjusted for exchange-rate effects, contract volume grew by 10%. EBIT amounted to €378 million (Q3 2014: €355 million).

### Double-digit growth in new business in Europe

In the Europe region, new business increased compared with the prior-year period by 16% to €6.3 billion. Growth rates were particularly strong in Spain (+65%) and the United Kingdom (+28%). But also in Germany, our second-largest market worldwide, the value of all leasing and financing contracts concluded increased by 12%. The deposit volume in the direct-banking business of Mercedes-Benz Bank amounted to €10.5 billion at the end of the quarter. Under the title of "Silver Arrow Compartment 6," Mercedes-Benz Bank placed asset-backed securities in a volume of more than one billion euros in the market in late September. Total contract volume of €43.9 billion in Europe was 9% higher than at the end of 2014. Daimler Fleet Management continued along its growth path with market entry in Poland, Austria and Switzerland.

### Strong growth also in the Americas

In the Americas region, Daimler Financial Services concluded leasing and financing contracts in a total volume of €5.5 billion, representing growth of 11% compared with the prior-year quarter. While growth was particularly strong in Canada (+27%) and the United States (+17%), new business in Brazil decreased

significantly due to the general economic development there.

Contract volume in the Americas region of €48.5 billion at the end of September was 12% higher than at the end of 2014.

### Further business expansion in Asia

In the Africa & Asia-Pacific region, the value of newly concluded leasing and financing contracts increased compared with the third quarter of last year by 36% to €2.8 billion. New business grew significantly once again especially in India (+107%) and China (+70%). But also in Malaysia, a comparatively young market for financial services from Daimler, the value of all newly concluded contracts rose by 90%. Contract volume in the Africa & Asia-Pacific region reached €18.5 billion at the end of September, which is 20% higher than at the end of 2014.

### Very dynamic growth of insurance business

Daimler Financial Services brokered 19% more vehicle related insurance policies than in the prior-year quarter. Demand for the insurance that we broker was particularly strong in China and Italy. Worldwide, approximately 428,000 new automobile related insurance contracts were concluded.

### Acquisition of GlobeSherpa by RideScout

Our car2go car-sharing-service had more than 1.1 million users at 30 locations in Europe and North America at the end of September 2015. Our American mobility platform RideScout acquired the US startup GlobeSherpa at the beginning of the third quarter. GlobeSherpa was founded in 2010 and is an ambitious provider in the field of mobile ticketing in the United States. GlobeSherpa is active in cities such as San Francisco, Portland and Chicago.

## D.18

## Q1-3

€ amounts in millions	Q1-3 2015	Q1-3 2014	% change
EBIT	1,232	1,088	+13
Revenue	14,020	11,635	+20
New business	42,581	33,759	+26
Contract volume	110,956	98,967 <sup>1</sup>	+12
Employees	9,785	8,878 <sup>1</sup>	+10

<sup>1</sup> As of December 31, 2014

# Consolidated Statement of Income (unaudited) Q3.

## E.01

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
In millions of euros						
Revenue	37,276	33,122	32,574	29,124	4,702	3,998
Cost of sales	-29,245	-25,622	-25,212	-22,228	-4,033	-3,394
<b>Gross profit</b>	<b>8,031</b>	7,500	<b>7,362</b>	6,896	<b>669</b>	604
Selling expenses	-2,863	-2,920	-2,722	-2,809	-141	-111
General administrative expenses	-867	-856	-689	-706	-178	-150
Research and non-capitalized development costs	-1,132	-1,129	-1,132	-1,129	-	-
Other operating income	497	380	465	366	32	14
Other operating expense	-89	-173	-83	-172	-6	-1
Profit/loss on equity-method investments, net	109	17	109	17	-	-
Other financial income/expense, net	-27	911	-29	912	2	-1
Interest income	32	40	31	40	1	-
Interest expense	-161	-189	-159	-187	-2	-2
<b>Profit before income taxes<sup>1</sup></b>	<b>3,530</b>	3,581	<b>3,153</b>	3,228	<b>377</b>	353
Income taxes	-1,115	-760	-986	-619	-129	-141
<b>Net profit</b>	<b>2,415</b>	2,821	<b>2,167</b>	2,609	<b>248</b>	212
thereof profit attributable to non-controlling interest	30	86				
thereof profit attributable to shareholders of Daimler AG	<b>2,385</b>	2,735				
<b>Earnings per share (in euros)</b> for profit attributable to shareholders of Daimler AG						
Basic	2.23	2.56				
Diluted	2.23	2.56				

1 The reconciliation of Group EBIT to profit before income taxes is presented in Note 19.

# Consolidated Statement of Income (unaudited) Q1-3.

## E.02

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
In millions of euros						
Revenue	109,039	94,123	95,019	82,488	14,020	11,635
Cost of sales	-85,127	-73,371	-73,211	-63,562	-11,916	-9,809
<b>Gross profit</b>	<b>23,912</b>	20,752	<b>21,808</b>	18,926	<b>2,104</b>	1,826
Selling expenses	-8,928	-8,407	-8,518	-8,077	-410	-330
General administrative expenses	-2,641	-2,414	-2,118	-1,991	-523	-423
Research and non-capitalized development costs	-3,447	-3,278	-3,447	-3,278	-	-
Other operating income	1,381	1,062	1,302	1,020	79	42
Other operating expense	-323	-412	-305	-399	-18	-13
Profit/loss on equity-method investments, net	349	867	351	880	-2	-13
Other financial income/expense, net	-25	438	-27	439	2	-1
Interest income	119	104	118	104	1	-
Interest expense	-441	-546	-436	-541	-5	-5
<b>Profit before income taxes<sup>1</sup></b>	<b>9,956</b>	8,166	<b>8,728</b>	7,083	<b>1,228</b>	1,083
Income taxes	-3,119	-2,063	-2,707	-1,673	-412	-390
<b>Net profit</b>	<b>6,837</b>	6,103	<b>6,021</b>	5,410	<b>816</b>	693
thereof profit attributable to non-controlling interests	220	237				
thereof profit attributable to shareholders of Daimler AG	6,617	5,866				
<b>Earnings per share (in euros)</b>						
for profit attributable to shareholders of Daimler AG						
Basic	6.19	5.48				
Diluted	6.19	5.48				

1 The reconciliation of Group EBIT to profit before income taxes is presented in Note 19.



# Consolidated Statement of Comprehensive Income/Loss (unaudited) Q3.

## E.03

	Consolidated Group	
	Q3 2015	Q3 2014
In millions of euros		
<b>Net profit</b>	<b>2,415</b>	2,821
Unrealized gains/losses on currency translation	-689	1,301
Unrealized gains/losses on financial assets available for sale	-429	36
Unrealized gains/losses on derivative financial instruments	1,117	-1,017
Unrealized gains/losses on equity-method investments	-2	8
<b>Items that may be reclassified to profit/loss</b>	<b>-3</b>	328
Actuarial gains/losses from pensions and similar obligations	-1,052	-855
<b>Items that will not be reclassified to profit/loss</b>	<b>-1,052</b>	-855
<b>Other comprehensive income/loss, net of taxes</b>	<b>-1,055</b>	-527
thereof income/loss attributable to non-controlling interests, after taxes	-24	39
thereof income/loss attributable to shareholders of Daimler AG, after taxes	-1,031	-566
<b>Total comprehensive income/loss</b>	<b>1,360</b>	2,294
thereof income/loss attributable to non-controlling interests	6	125
thereof income/loss attributable to shareholders of Daimler AG	1,354	2,169

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

# Consolidated Statement of Comprehensive Income/Loss (unaudited) Q1-3.

## E.04

	Consolidated Group	
	Q1-3 2015	Q1-3 2014
In millions of euros		
<b>Net profit</b>	<b>6,837</b>	6,103
Unrealized gains/losses on currency translation	1,076	1,554
Unrealized gains/losses on financial assets available for sale	165	306
Unrealized gains/losses on derivative financial instruments	-299	-1,667
Unrealized gains/losses on equity-method investments	-3	7
<b>Items that may be reclassified to profit/loss</b>	<b>939</b>	200
Actuarial gains/losses from pensions and similar obligations	1,302	-2,075
<b>Items that will not be reclassified to profit/loss</b>	<b>1,302</b>	-2,075
<b>Other comprehensive income/loss, net of taxes</b>	<b>2,241</b>	-1,875
thereof income/loss attributable to non-controlling interests, after taxes	56	46
thereof income/loss attributable to shareholders of Daimler AG, after taxes	2,185	-1,921
<b>Total comprehensive income/loss</b>	<b>9,078</b>	4,228
thereof income/loss attributable to non-controlling interests	276	283
thereof income/loss attributable to shareholders of Daimler AG	8,802	3,945

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

# Consolidated Statement of Financial Position (unaudited).

## E.05

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2015	Dec. 31, 2014
In millions of euros						
<b>Assets</b>						
Intangible assets	9,796	9,367	9,630	9,202	166	165
Property, plant and equipment	23,489	23,182	23,433	23,125	56	57
Equipment on operating leases	37,417	33,050	15,550	14,374	21,867	18,676
Equity-method investments	2,951	2,294	2,923	2,264	28	30
Receivables from financial services	37,763	34,910	-57	-49	37,820	34,959
Marketable debt securities	1,153	1,374	6	6	1,147	1,368
Other financial assets	4,752	3,634	-510	-1,140	5,262	4,774
Deferred tax assets	3,289	4,124	2,721	3,610	568	514
Other assets	570	555	-2,233	-2,178	2,803	2,733
<b>Total non-current assets</b>	<b>121,180</b>	<b>112,490</b>	<b>51,463</b>	<b>49,214</b>	<b>69,717</b>	<b>63,276</b>
Inventories	24,836	20,864	24,181	20,004	655	860
Trade receivables	9,381	8,634	8,515	7,824	866	810
Receivables from financial services	31,392	26,769	-12	-25	31,404	26,794
Cash and cash equivalents	12,057	9,667	10,742	8,341	1,315	1,326
Marketable debt securities	5,238	5,260	5,125	5,150	113	110
Other financial assets	3,086	2,353	-7,502	-7,099	10,588	9,452
Other assets	3,883	3,598	729	772	3,154	2,826
<b>Total current assets</b>	<b>89,873</b>	<b>77,145</b>	<b>41,778</b>	<b>34,967</b>	<b>48,095</b>	<b>42,178</b>
<b>Total assets</b>	<b>211,053</b>	<b>189,635</b>	<b>93,241</b>	<b>84,181</b>	<b>117,812</b>	<b>105,454</b>
<b>Equity and liabilities</b>						
Share capital	3,070	3,070				
Capital reserves	11,911	11,906				
Retained earnings	33,785	28,487				
Other reserves	1,085	202				
<b>Equity attributable to shareholders of Daimler AG</b>	<b>49,851</b>	<b>43,665</b>				
Non-controlling interests	963	919				
<b>Total equity</b>	<b>50,814</b>	<b>44,584</b>	<b>41,318</b>	<b>36,967</b>	<b>9,496</b>	<b>7,617</b>
Provisions for pensions and similar obligations	11,981	12,806	11,813	12,630	168	176
Provisions for income taxes	813	851	813	850	-	1
Provisions for other risks	6,937	6,712	6,805	6,590	132	122
Financing liabilities	58,322	50,399	14,429	10,325	43,893	40,074
Other financial liabilities	2,642	2,644	2,108	2,231	534	413
Deferred tax liabilities	2,085	1,070	-1,299	-1,618	3,384	2,688
Deferred income	4,637	3,581	3,981	3,101	656	480
Other liabilities	18	14	18	14	-	-
<b>Total non-current liabilities</b>	<b>87,435</b>	<b>78,077</b>	<b>38,668</b>	<b>34,123</b>	<b>48,767</b>	<b>43,954</b>
Trade payables	12,595	10,178	12,127	9,852	468	326
Provisions for income taxes	781	757	706	679	75	78
Provisions for other risks	7,660	7,267	7,156	6,830	504	437
Financing liabilities	37,553	36,290	-17,258	-13,518	54,811	49,808
Other financial liabilities	9,297	8,062	7,175	6,198	2,122	1,864
Deferred income	2,582	2,413	1,785	1,674	797	739
Other liabilities	2,336	2,007	1,564	1,376	772	631
<b>Total current liabilities</b>	<b>72,804</b>	<b>66,974</b>	<b>13,255</b>	<b>13,091</b>	<b>59,549</b>	<b>53,883</b>
<b>Total equity and liabilities</b>	<b>211,053</b>	<b>189,635</b>	<b>93,241</b>	<b>84,181</b>	<b>117,812</b>	<b>105,454</b>

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

# Consolidated Statement of Cash Flows (unaudited).

## E.06

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
In millions of euros						
Profit before income taxes	9,956	8,166	8,728	7,083	1,228	1,083
Depreciation and amortization/impairments	3,976	3,673	3,930	3,650	46	23
Other non-cash expense and income	-396	-829	-444	-879	48	50
Gains (-)/losses (+) on disposals of assets	-146	-971	-145	-971	-1	-
Change in operating assets and liabilities						
Inventories	-3,899	-3,420	-4,093	-3,592	194	172
Trade receivables	-593	-201	-567	-30	-26	-171
Trade payables	2,284	2,640	2,143	2,571	141	69
Receivables from financial services	-7,052	-4,714	262	-939	-7,314	-3,775
Vehicles on operating leases	-3,102	-1,806	-126	33	-2,976	-1,839
Other operating assets and liabilities	1,693	2,097	1,331	1,830	362	267
Income taxes paid	-1,246	-1,365	-1,145	-1,153	-101	-212
<b>Cash provided by/used for operating activities</b>	<b>1,475</b>	<b>3,270</b>	<b>9,874</b>	<b>7,603</b>	<b>-8,399</b>	<b>-4,333</b>
Additions to property, plant and equipment	-3,211	-3,257	-3,191	-3,243	-20	-14
Additions to intangible assets	-1,565	-1,010	-1,538	-990	-27	-20
Proceeds from disposals of property, plant and equipment and intangible assets	302	120	290	110	12	10
Investments in share property	-470	-137	-423	-62	-47	-75
Proceeds from disposals of share property	24	2,436	-103	2,436	127	-
Acquisition of marketable debt securities	-1,697	-2,209	-1,687	-2,170	-10	-39
Proceeds from sales of marketable debt securities	1,931	2,498	1,682	2,171	249	327
Other	-14	2	-4	11	-10	-9
<b>Cash provided by/used for investing activities</b>	<b>-4,700</b>	<b>-1,557</b>	<b>-4,974</b>	<b>-1,737</b>	<b>274</b>	<b>180</b>
Change in financing liabilities	8,377	2,108	4,299	1,049	4,078	1,059
Dividend paid to shareholders of Daimler AG	-2,621	-2,407	-2,621	-2,407	-	-
Dividends paid to non-controlling interests	-265	-154	-264	-153	-1	-1
Proceeds from issuance of share capital	62	32	26	30	36	2
Acquisition of treasury shares	-27	-26	-27	-26	-	-
Acquisition of non-controlling interests in subsidiaries	-	-10	-	-10	-	-
Internal equity and financing transactions	-	-	-4,019	-2,821	4,019	2,821
<b>Cash provided by/used for financing activities</b>	<b>5,526</b>	<b>-457</b>	<b>-2,606</b>	<b>-4,338</b>	<b>8,132</b>	<b>3,881</b>
Effect of foreign exchange rate changes on cash and cash equivalents	89	301	107	286	-18	15
<b>Net increase/decrease in cash and cash equivalents</b>	<b>2,390</b>	<b>1,557</b>	<b>2,401</b>	<b>1,814</b>	<b>-11</b>	<b>-257</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,667</b>	<b>11,053</b>	<b>8,341</b>	<b>9,845</b>	<b>1,326</b>	<b>1,208</b>
<b>Cash and cash equivalents at end of period</b>	<b>12,057</b>	<b>12,610</b>	<b>10,742</b>	<b>11,659</b>	<b>1,315</b>	<b>951</b>

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

# Consolidated Statement of Changes in Equity (unaudited).

## E.07

	Share capital	Capital reserves	Retained earnings	Currency translation	Financial assets available for sale
In millions of euros					
<b>Balance at January 1, 2014</b>	3,069	11,850	27,628	-969	261
Net profit	-	-	5,866	-	-
Other comprehensive income/loss before taxes	-	-	-3,073	1,504	358
Taxes on other comprehensive income	-	-	998	-	-52
Total comprehensive income/loss	-	-	3,791	1,504	306
Dividends	-	-	-2,407	-	-
Capital increase/Issue of new shares	1	2	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	54	-	-	-
<b>Balance at September 30, 2014</b>	3,070	11,906	29,012	535	567
<b>Balance at January 1, 2015</b>	<b>3,070</b>	<b>11,906</b>	<b>28,487</b>	<b>775</b>	<b>460</b>
Net profit	-	-	6,617	-	-
Other comprehensive income/loss before taxes	-	-	1,446	1,029	166
Taxes on other comprehensive income	-	-	-144	-	-1
Total comprehensive income/loss	-	-	7,919	1,029	165
Dividends	-	-	-2,621	-	-
Capital increase/Issue of new shares	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	5	-	-	-
<b>Balance at September 30, 2015</b>	<b>3,070</b>	<b>11,911</b>	<b>33,785</b>	<b>1,804</b>	<b>625</b>

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Other reserves							
Items that may be reclassified to profit/loss							
Derivative financial instruments	Equity-method investments	Treasury shares	Equity attributable to shareholders of Daimler AG	Non-controlling interest	Total equity		
In millions of euros							
853	-12	-	42,680	683	43,363	<b>Balance at January 1, 2014</b>	
-	-	-	5,866	237	6,103	Net profit	
-2,367	7	-	-3,571	45	-3,526	Other comprehensive income/loss before taxes	
704	-	-	1,650	1	1,651	Taxes on other comprehensive income	
-1,663	7	-	3,945	283	4,228	Total comprehensive income/loss	
-	-	-	-2,407	-154	-2,561	Dividends	
-	-	-	3	10	13	Capital increase/Issue of new shares	
-	-	-26	-26	-	-26	Acquisition of treasury shares	
-	-	26	26	-	26	Issue and disposal of treasury shares	
-	-	-	54	-14	40	Other	
-810	-5	-	44,275	808	45,083	<b>Balance at September 30, 2014</b>	
-1,032	-1	-	43,665	919	44,584	<b>Balance at January 1, 2015</b>	
-	-	-	6,617	220	6,837	Net profit	
-442	-3	-	2,196	58	2,254	Other comprehensive income/loss before taxes	
134	-	-	-11	-2	-13	Taxes on other comprehensive income	
-308	-3	-	8,802	276	9,078	Total comprehensive income/loss	
-	-	-	-2,621	-265	-2,886	Dividends	
-	-	-	-	41	41	Capital increase/Issue of new shares	
-	-	-27	-27	-	-27	Acquisition of treasury shares	
-	-	27	27	-	27	Issue and disposal of treasury shares	
-	-	-	5	-8	-3	Other	
-1,340	-4	-	49,851	963	50,814	<b>Balance at September 30, 2015</b>	

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

# Notes to the Interim Consolidated Financial Statements (unaudited).

## 1. Presentation of the Interim Consolidated Financial Statements

**General.** These unaudited interim consolidated financial statements (interim financial statements) of Daimler AG and its subsidiaries (“Daimler” or “the Group”) have been prepared in accordance with Section 37x Subsection 3 of the German Securities Trading Act (WpHG) and International Accounting Standard (IAS) 34 Interim Financial Reporting.

The interim financial statements comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Daimler AG is a stock corporation organized under the laws of the Federal Republic of Germany. Daimler AG is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 137, 70327 Stuttgart, Germany.

The interim financial statements of the Daimler Group are presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros. All figures shown are rounded in accordance with standard business rounding principles.

All significant intercompany accounts and transactions have been eliminated. In the opinion of the management, the interim financial statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the profitability, liquidity and capital resources, and financial position of the Group. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full fiscal year. The interim financial statements should be read in conjunction with the December 31, 2014 audited and published IFRS consolidated financial statements and notes thereto. The accounting policies applied by the Group in these interim financial statements basically correspond with those applied for the consolidated financial statements for the year ended December 31, 2014.

In order to support the distribution of certain products manufactured by Daimler, sales financing, including leasing alternatives, is made available to the Group’s customers. Accordingly, the Group’s consolidated financial statements are also significantly influenced by the activities of its financial services business. To enhance readers’ understanding of the Group’s profitability, liquidity and capital resources, and its financial position, the accompanying interim consolidated financial statements also present information with respect to the Group’s industrial business and Daimler Financial Services’ business activities.

Such information, however, is not required by IFRS and is not intended to, and does not represent the separate IFRS profitability, liquidity and capital resources, and the financial position of the Group’s industrial business or Daimler Financial Services business activities. Eliminations of the effects of transactions between the industrial business and Daimler Financial Services have generally been allocated to the industrial business.

Preparation of interim financial statements in conformity with IFRS requires management to make estimates, assessments and assumptions which can affect the amounts and reporting of assets and liabilities, the reporting of contingent assets and liabilities as at the end of the reporting period and the amounts of income and expense reported for the period. Actual amounts can differ from those estimates. Changes in the estimates, assessments and assumptions can have a material impact on the interim consolidated financial statements.

## 2. Significant disposals of equity investments

**Atlantis Foundries.** At the end of February 2015, Daimler decided to sell its equity interest in Atlantis Foundries (Pty.) Ltd., which had been allocated to the Daimler Trucks segment, to Neue Halberg-Guss GmbH. Subsequently, the assets and liabilities of the company were classified as assets held for sale. The remeasurement of the assets and liabilities led to an impairment loss of €55 million in the first quarter of 2015. The transaction was closed in the second quarter of 2015. It had no significant effects on the consolidated statement of income and the EBIT of Daimler Trucks in the second quarter of 2015.

**RRPSH.** In the first quarter of 2014, the Board of Management and the Supervisory Board of Daimler AG decided to sell the 50% equity interest in Rolls-Royce Power Systems Holding GmbH (RRPSH) to the partner Rolls-Royce Holdings plc (Rolls-Royce). For that purpose, Daimler exercised a put option on its stake in RRPSH that had been agreed upon with Rolls-Royce in 2011. The measurement of the put option resulted in an expense of €118 million in the first quarter of 2014. The transaction was closed in the third quarter of 2014, and the purchase price of €2.43 billion, which had been agreed upon in the middle of April 2014, was received.



### 3. Revenue

Revenue at Group level is comprised as follows:

#### E.08

##### Revenue

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Revenue from the sale of goods	32,625	29,158	95,195	82,562
Revenue from the rental and leasing business	3,574	3,045	10,666	8,917
Interest from the financial services business at Daimler Financial Services	970	812	2,843	2,330
Revenue from the provision of other services	107	107	335	314
	37,276	33,122	109,039	94,123

### 4. Functional costs

**Optimization programs.** Measures and programs with implementation costs that materially impacted the EBIT of the segments are briefly described below.

In the course of the organizational focus on the divisions, Daimler started a restructuring program for its sales organization in Germany in 2014. Selected sales-and-service centers and outlets are being combined into car and commercial-vehicle outlets in order to steadily increase the profitability of Daimler's own dealer activities in the highly competitive German market. In addition, selected operations of the Group's current sales network in Germany and abroad are being sold. The measures affect all automotive segments, but mainly the Mercedes-Benz Cars segment. At September 30, 2015, these measures had resulted in a net expense of €51 million.

Due to their minor impact on the Group's profitability, liquidity and capital resources, and financial position, the assets and liabilities held for sale of the German locations are not presented separately in the consolidated statement of financial position. At September 30, 2015, the disposal group's assets amounted to €310 million (December 31, 2014: €300 million) and its liabilities amounted to €12 million (December 31, 2014: €27 million). Daimler already sold parts of the disposal group during the nine-month period ended September 30, 2015. In 2015 and 2016, the Group anticipates negative effects on earnings of up to €0.4 billion in Germany.

In January 2013, Daimler Trucks announced workforce adjustments as part of its goal of increasing its profitability by stronger utilization of efficiencies. In Brazil, a redundancy program was launched in the first quarter of 2013. This program has led to a reduction of approximately 3,000 jobs in the administrative and productive areas as of September 30, 2015, mostly through voluntary severance agreements. These workforce adjustments also affected Daimler Buses to a small extent.

In addition, in non-productive areas of Daimler Trucks in Germany, a program based on socially acceptable voluntary measures that ran between May 2013 and December 2014 and led to a reduction of approximately 600 jobs as of December 31, 2014 was continued in the third quarter of 2015.

The Group anticipates expenses of up to €50 million in 2015 for the optimization program at Daimler Trucks.

Table 7 E.09 shows the expenses and income related to the optimization programs which affected the EBIT of the segments. The cash inflows and outflows associated with the implementation of the programs are also shown.

## E.09

### Optimization programs

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Mercedes-Benz Cars				
EBIT	21	-	-15	-
Cash inflow	60	-	115	-
Daimler Trucks				
EBIT	-14	-30	-58	-106
Cash outflow	-10	-8	-62	-142
Mercedes-Benz Vans				
EBIT	-3	-	-11	-
Cash outflow	-	-	-	-
Daimler Buses				
EBIT	-1	-	-2	-9
Cash outflow	-	-3	-	-22

The provisions recognized for the optimization programs are shown in Table 7 E.10.

## E.10

### Provisions recognized for optimization programs

	Sept. 30, 2015	Dec. 31, 2014
In millions of euros		
Mercedes-Benz Cars	59	-
Daimler Trucks	15	6
Mercedes-Benz Vans	13	-
Daimler Buses	2	13

The EBIT effects listed in table 7 E.09 primarily reflect, beside the gains and losses on the sale of individual sale centers, the expenses for personnel measures, and are included in the line items within the consolidated statement of income as shown in table 7 E.11.

## E.11

### Income and expenses associated with optimization programs

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Cost of sales	-8	-10	-29	-61
Selling expenses	-6	-3	-92	-11
General administrative expenses	-1	-15	-3	-31
Research and non-capitalized development costs	-1	-2	-2	-12
Other operating expenses	-26	-	-34	-
Other operating income	45	-	74	-
	3	-30	-86	-115

Cash effects resulting from the optimization programs are mainly expected until 2017.

## 5. Other operating income

Table [7 E.12](#) shows the components of other operating income.

### E.12

#### Other operating income

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Income from costs recharged to third parties	266	236	748	635
Gains on sales of property, plant and equipment	75	15	188	43
Government grants and subsidies	13	44	40	75
Rental income not relating to sales financing	22	12	56	40
Reimbursements under insurance policies	6	6	18	15
Other miscellaneous income	115	67	331	254
	497	380	1,381	1,062

In the nine-month period ended September 30, 2015, gains on sales of property, plant and equipment include gains of €87 million from the sale of real-estate properties in the United States in the first quarter.

## 6. Other financial income/expense, net

Table [7 E.13](#) shows the components of other financial income/expense, net.

### E.13

#### Other financial income/expense, net

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Income and expense from compounding of provisions and effects of changes in discount rates <sup>1</sup>	-42	-84	-24	-215
Miscellaneous other financial income/expense, net	15	995	-1	653
	-27	911	-25	438

<sup>1</sup> Excluding the income/expense from compounding provisions for pensions and similar obligations.

In the third quarter of 2014, miscellaneous other financial income/expense, net included income of €1,006 million from the disposal of the 50% equity interest in RRPSH.

Furthermore, in the nine-month period ended September 30, 2014, miscellaneous other financial income/expense, net included expenses of €118 million from the measurement of the RRPSH put option as well as expenses of €230 million from hedging the share price of Tesla Motors, Inc. (Tesla).

## 7. Interest income and interest expense

Interest income and interest expense are comprised as follows:

### E.14

#### Interest income and interest expense

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Interest income				
Net interest income on the net assets of defined benefit pension plans	1	1	3	2
Interest and similar income	31	39	116	102
	<b>32</b>	40	<b>119</b>	104
Interest expense				
Net interest expense on the net obligation from defined benefit pension plans	-73	-81	-212	-258
Interest and similar expense	-88	-108	-229	-288
	<b>-161</b>	-189	<b>-441</b>	-546

## 8. Intangible assets

Intangible assets are comprised as follows:

### E.15

#### Intangible assets

	Sept. 30, 2015	Dec. 31, 2014
In millions of euros		
Goodwill	721	740
Development costs	7,624	7,245
Other intangible assets	1,451	1,382
	<b>9,796</b>	9,367

## 10. Equipment on operating leases

At September 30, 2015, the carrying amount of equipment on operating leases amounted to €37,417 million (December 31, 2014: €33,050 million). In the nine-month period ended September 30, 2015, additions and disposals amounted to €15,691 million and €8,150 million respectively (2014: €13,476 million and €8,148 million). Depreciation for the nine-month period ended September 30, 2015 was €4,442 million (2014: €3,479 million). Other changes primarily include the effects of currency translation.

## 9. Property, plant and equipment

Property, plant and equipment are comprised as follows:

### E.16

#### Property, plant and equipment

	Sept. 30, 2015	Dec. 31, 2014
In millions of euros		
Land, leasehold improvements and buildings including buildings on land owned by others	7,127	6,942
Technical equipment and machinery	8,477	8,120
Other equipment, factory and office equipment	5,787	5,609
Advance payments relating to plant and equipment and construction in progress	2,098	2,511
	<b>23,489</b>	23,182

## 11. Equity-method investments

Table 7 E.17 shows the carrying amounts and profits/losses from equity-method investments.

Table 7 E.18 presents key figures on interests in associated companies accounted for using the equity method in the Group's consolidated financial statements.

### E.17

#### Summarized carrying amounts and profits/losses from equity-method investments

	Associated companies	Joint ventures	Joint operations	Subsidiaries	Total
In millions of euros					
<b>At September 30, 2015</b>					
Equity investment <sup>1</sup>	2,439	470	41	1	2,951
Equity result (Q3 2015) <sup>1</sup>	120	-13	2	-	109
Equity result (Q1-3 2015) <sup>1</sup>	367	-21	3	-	349
<b>At December 31, 2014</b>					
Equity investment <sup>1</sup>	1,795	448	44	7	2,294
Equity result (Q3 2014) <sup>1</sup>	34	-20	1	2	17
Equity result (Q1-3 2014) <sup>1</sup>	839	22	4	2	867

1 Including investor-level adjustments.

### E.18

#### Key figures on interests in associated companies accounted for using the equity method

	RRPSH	BBAC	BAIC Motor <sup>2</sup>	Kamaz <sup>3</sup>	Others	Total
In millions of euros						
<b>At September 30, 2015</b>						
Equity interest (in %)	-	49.0	10.1	15.0	-	-
Equity investment <sup>1</sup>	-	1,393	765	65	216	2,439
Equity result (Q3 2015) <sup>1</sup>	-	113	8	-6	5	120
Equity result (Q1-3 2015) <sup>1</sup>	-	298	73	-6	2	367
<b>At December 31, 2014</b>						
Equity interest (in %)	-	49.0	10.1	15.0	-	-
Equity investment <sup>1</sup>	-	852	686	71	186	1,795
Equity result (Q3 2014) <sup>1</sup>	-	19	13	1	1	34
Equity result (Q1-3 2014) <sup>1</sup>	13	85	26	-1	716	839

1 Including investor-level adjustments.

2 The proportionate share of unaudited earnings of BAIC Motor Corporation Ltd. (BAIC Motor) are included in Daimler's consolidated financial statements with a three month time lag. The investment in BAIC Motor was acquired in November 2013. Therefore, Daimler's proportionate share of the earnings of BAIC Motor for the nine-month period ended September 30, 2014 relates to the earnings of BAIC Motor for the months of December 2013 through June 2014.

3 Kamaz OAO

**BBAC.** In the first and second quarter of 2015, capital increases of €72 and €133 million took place at Beijing Benz Automotive Co., Ltd. (BBAC). Daimler plans to contribute additional equity of €0.2 billion according to its shareholding ratio to BBAC in 2015 and 2016.

**BAIC Motor.** In the second quarter of 2015, the shareholders of BAIC Motor Corporation Ltd. (BAIC Motor) decided to pay a dividend. The portion of €34 million attributable to Daimler decreased the investment's carrying amount accordingly.

**RRPSH.** In March 2014, Daimler decided to sell its 50% equity interest in the joint venture Rolls-Royce Power Systems Holding GmbH (RRPSH) to its partner Rolls-Royce. To do so, Daimler exercised a put option on its stake in RRPSH that was agreed upon with Rolls-Royce in 2011. In the middle of April 2014, a sale price of €2,433 million was agreed upon. The transaction was consummated on August 26, 2014, when antitrust-law and foreign-trade-law approvals had been obtained; the board members and management representatives from Daimler in RRPSH companies resigned. The proceeds of the sale of €1,006 million were classified as "Other financial result" and, in the segment reporting, were presented in the reconciliation of total segments' EBIT to Group EBIT.

**Others.** Since the Annual Shareholders' Meeting of Tesla Motors, Inc. (Tesla) on June 3, 2014 no representative of Daimler has been a member of the Board of Directors. Therefore, Daimler's significant influence on Tesla ended on the day of the Annual Shareholders' Meeting and the equity interest has been recognized as a "financial asset available for sale" at fair value based on the stock-market price since then. The difference between the first-time fair value measurement on June 3, 2014 using the stock-market price and the carrying amount measured by applying the equity method resulted in a non-cash gain of €718 million affecting Group EBIT in the second quarter of 2014. The carrying amount, which was previously assigned to the Mercedes-Benz Cars segment and the remeasurement gain have been reallocated as corporate items in the reconciliation of total segments' figures to Group figures in the segment reporting.

Furthermore, the Group's equity-method investments include its interest in the **joint venture** Fujian Benz Automotive Co., Ltd. (FBAC), which is allocated to the Mercedes-Benz Vans segment. In 2012, an impairment loss was recognized on the investment in FBAC; in the second quarter of 2014, the impairment was reversed based on improved profit expectations, leading to a gain of €61 million. FBAC received a capital increase of €18 million in the second quarter of 2015.

In addition, the equity-method results of the joint ventures in 2014 include startup losses in the area of alternative drive systems, which are allocated to the Mercedes-Benz Cars segment. In the third quarter of 2014, an impairment of €30 million was recognized on an investment.

## 12. Receivables from financial services

Receivables from financial services are shown in the following table:

### E.19

#### Receivables from financial services

	September 30, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Sales financing with customers	12,319	24,156	36,475	10,307	22,852	33,159
Sales financing with dealers	14,062	2,448	16,510	11,786	2,203	13,989
Finance-lease contracts	5,466	11,707	17,173	5,084	10,368	15,452
Gross carrying amount	31,847	38,311	70,158	27,177	35,423	62,600
Allowances for doubtful accounts	-455	-548	-1,003	-408	-513	-921
Net carrying amount	31,392	37,763	69,155	26,769	34,910	61,679

At September 30, 2015, finance-lease contracts included non-automotive assets from contracts of the financial services business with third parties (leveraged leases) in the amount of €319 million (December 31, 2014: €365 million).

Within the context of the ongoing concentration on the automotive business, Daimler Financial Services sold a non-automotive asset that was subject to a finance-lease contract in the nine-month period ended September 30, 2014. This resulted in a total cash inflow of €69 million. The pre-tax income from this transaction amounted to €45 million in the nine months ended September 30, 2014 and was allocated to the EBIT of the Daimler Financial Services segment.

### 13. Inventories

Inventories are comprised as follows:

#### E.20

##### Inventories

In millions of euros	Sept. 30, 2015	Dec. 31, 2014
Raw materials and manufacturing supplies	2,791	2,409
Work in progress	3,641	2,936
Finished goods, parts and products held for resale	18,245	15,412
Advance payments to suppliers	159	107
	<b>24,836</b>	20,864

### 14. Equity

**Approved capital.** The Annual Shareholders' Meeting held on April 9, 2014 authorized the Board of Management, with the consent of the Supervisory Board, to increase the share capital of Daimler AG in the period until April 8, 2019 by a total of €1.0 billion in one lump sum or by separate partial amounts at different times by issuing new, registered no par value shares in exchange for cash and/or non-cash contributions (Approved Capital 2014). Among other things, the Board of Management was authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights under certain conditions and within defined limits.

**Conditional capital.** By resolution adopted at the Annual Shareholders' Meeting on April 1, 2015, the Board of Management, with the consent of the Supervisory Board, was authorized to issue bearer and/or registered convertible bonds and/or bonds with warrants or a combination of these instruments ("bonds") with a total face value of up to €10.0 billion and a maturity of no more than ten years, until March 31, 2020. The Board of Management is allowed to grant the holders of these bonds conversion rights or warrant rights for new registered no-par-value shares in Daimler AG with an allocable portion of the share capital of up to €500 million in accordance with the details defined in the terms and conditions of the bonds. The bonds can be issued for cash or non-cash payment, including interests in other companies. The conditions can stipulate obligatory conversions and options of the bonds. The bonds can be issued once or several times, wholly or in installments or simultaneously in various tranches and also by affiliated companies of Daimler AG, in accordance with Sections 15 ff of the German Stock Corporation Act (AktG). The Board of Management was also authorized, under certain specified conditions and within defined limitations and with the consent of the Supervisory Board, to exclude shareholders' subscription rights for the bonds.

In order to redeem the bonds issued under the aforementioned resolution, the Annual Shareholders' Meeting held on April 1, 2015 passed a resolution to increase the share capital conditionally by up to €500 million (Conditional Capital 2015). Conditional Capital 2010 was cancelled.

**Treasury shares.** By resolution of the Annual Shareholders' Meeting on April 1, 2015, Daimler AG was authorized until March 31, 2020 to acquire treasury shares up to 10% of the share capital for all legally permissible purposes. Among other things, the treasury shares may be used, under exclusion of the shareholders' rights to subscribe to the Company's treasury shares, to acquire companies and/or interest in companies, or may be sold to third parties for cash, whereby the transaction price must not be materially below the stock price at the date of the transaction. In addition, the Board of Management was authorized, with the consent of the Supervisory Board, to exclude the shareholders' rights to subscribe to the Company's treasury shares in additional defined cases. Treasury shares can also be canceled. Up to 5% of the share capital, Daimler AG was also authorized to acquire treasury shares using derivatives (put or call options, forwards or a combination of these financial instruments), whereby the terms of the derivatives may not exceed 18 months and must be terminated on March 31, 2020 at the latest.

The resolution adopted by the Annual Shareholders' Meeting on April 14, 2010 that authorized Daimler AG to acquire treasury shares, including the resolution of the same Annual Shareholders' Meeting to use derivatives to acquire treasury shares, was terminated when the new authorization took effect.

**Employee share purchase plan.** In the first quarter of 2015, 0.3 million (2014: 0.4 million) Daimler shares were purchased and reissued to employees in connection with employee share purchase plans.

**Dividend.** The Annual Shareholders' Meeting held on April 1, 2015 authorized Daimler to pay a dividend of €2,621 million (€2.45 per share) from the distributable profit of Daimler AG (separate financial statements) for the year 2014 (2014: €2,407 million and €2.25 per share). The dividend was paid out on April 2, 2015.



## 15. Pensions and similar obligations

**Pension cost.** The components of pension cost included in the consolidated statement of income are as shown in tables [↗ E.21](#) and [↗ E.22](#).

**Contributions to pension plan assets.** In the three- and nine-month periods ended September 30, 2015, contributions to the Group's pension plans amounted to €19 million and €115 million respectively (2014: €37 million and €168 million).

**Other post-employment benefits.** In May 2014, Daimler Trucks North America LLC and the United Auto Workers union (UAW) entered into an agreement to settle a healthcare plan as part of a collective bargaining agreement. As a result of this agreement, the obligation to the active eligible employees was settled in the fourth quarter of 2014. The transfer of the obligation to the retirees became legally binding with expiration of the deadline for notices of appeal at the end of January 2015. This transaction resulted in a cash outflow of €63 million and income of €49 million in the first quarter of 2015; the income is included in the EBIT of the Daimler Trucks segment.

### E.21

#### Components of net periodic pension cost for the three-month periods ended September 30

	Q3 2015			Q3 2014		
	Total	German plans	Non-German plans	Total	German plans	Non-German plans
In millions of euros						
Current service cost	-178	-149	-29	-130	-108	-22
Past service cost	-	-	-	-25	-25	-
Net interest expense	-61	-49	-12	-72	-62	-10
Net interest income	1	-	1	1	-	1
	<b>-238</b>	<b>-198</b>	<b>-40</b>	<b>-226</b>	<b>-195</b>	<b>-31</b>

### E.22

#### Components of net periodic pension cost for the nine-month periods ended September 30

	Q1-3 2015			Q1-3 2014		
	Total	German plans	Non-German plans	Total	German plans	Non-German plans
In millions of euros						
Current service cost	-530	-447	-83	-387	-324	-63
Past service income/cost	20	-	20	-25	-25	-
Net interest expense	-175	-145	-30	-216	-186	-30
Net interest income	3	-	3	2	-	2
	<b>-682</b>	<b>-592</b>	<b>-90</b>	<b>-626</b>	<b>-535</b>	<b>-91</b>

## 16. Provisions for other risks

Provisions for other risks are comprised as shown in table

➤ E.23.

### E.23

#### Provisions for other risks

In millions of euros	September 30, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Product warranties	2,193	2,858	5,051	2,423	2,565	4,988
Personnel and social costs	1,871	2,102	3,973	1,806	2,135	3,941
Other	3,596	1,977	5,573	3,038	2,012	5,050
	<b>7,660</b>	<b>6,937</b>	<b>14,597</b>	<b>7,267</b>	<b>6,712</b>	<b>13,979</b>

## 17. Financing liabilities

Financing liabilities are comprised as follows:

### E.24

#### Financing liabilities

In millions of euros	September 30, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	9,454	40,292	49,746	9,914	33,262	43,176
Commercial paper	1,335	8	1,343	2,269	8	2,277
Liabilities to financial institutions	13,346	11,242	24,588	11,101	11,792	22,893
Deposits in the direct banking business	7,938	2,734	10,672	8,350	2,503	10,853
Liabilities from ABS transactions	4,788	3,347	8,135	4,114	1,875	5,989
Liabilities from finance leases	23	243	266	40	245	285
Loans, other financing liabilities	669	456	1,125	502	714	1,216
	<b>37,553</b>	<b>58,322</b>	<b>95,875</b>	<b>36,290</b>	<b>50,399</b>	<b>86,689</b>

## 18. Financial instruments

Table 7 E.25 shows the carrying amounts and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market.

### E.25

#### Carrying amounts and fair values of financial instruments

	September 30, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Financial assets				
Receivables from financial services	69,155	69,510	61,679	62,057
Trade receivables	9,381	9,381	8,634	8,634
Cash and cash equivalents	12,057	12,057	9,667	9,667
Marketable debt securities				
Available-for-sale financial assets	6,391	6,391	6,634	6,634
Other financial assets				
Available-for-sale financial assets	2,584	2,584	2,269	2,269
thereof equity instruments measured at fair value	1,818	1,818	1,647	1,647
thereof equity instruments carried at cost	766	766	622	622
Financial assets recognized at fair value through profit or loss	228	228	97	97
Derivative financial instruments used in hedge accounting	1,876	1,876	1,296	1,296
Other receivables and assets	3,150	3,150	2,325	2,325
	104,822	105,177	92,601	92,979
Financial liabilities				
Financing liabilities				
Trade payables	12,595	12,595	10,178	10,178
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	233	233	359	359
Derivative financial instruments used in hedge accounting	2,853	2,853	2,317	2,317
Miscellaneous other financial liabilities	8,853	8,853	8,030	8,030
	120,409	120,452	107,573	108,927

The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date. The following methods and premises were used:

**Marketable debt securities and other financial assets.**

*Financial assets available for sale* include:

- debt and equity instruments measured at fair value; these instruments were measured using quoted market prices at September 30. Otherwise, the fair value measurement of these debt and equity instruments is based on inputs that are either directly or indirectly observable in active markets. Equity instruments measured at fair value predominantly comprise the investments in Nissan Motor Co., Ltd. (Nissan) and Renault SA (Renault).
- equity interests measured at cost; fair values could not be determined for these financial instruments because no stock exchange or market prices are available. These equity interests comprise investments in non-listed companies for which no objective evidence existed at the balance sheet date that these assets were impaired and whose fair values cannot be determined with sufficient reliability. It is assumed that the fair values approximate the carrying amounts. Daimler does not intend to sell the equity interests which are presented at September 30, 2015.

*Financial assets recognized at fair value through profit or loss* include derivative financial instruments not used in hedge accounting. These financial instruments as well as *derivative financial instruments used in hedge accounting* comprise:

- derivative currency hedging contracts; the fair values of cross-currency interest rate swaps are determined on the basis of the discounted estimated future cash flows using market interest rates appropriate to the remaining terms of the financial instruments. The valuation of currency forwards is based on market quotes of forward curves; currency options were measured using price quotations or option pricing models using market data.
- derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of the discounted estimated future cash flows using the market interest rates appropriate to the remaining terms of the financial instruments.
- derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices with consideration of forward premiums and discounts.

**Other financial liabilities.** *Financial liabilities recognized at fair value through profit or loss* comprise derivative financial instruments not used in hedge accounting. For information regarding these financial instruments as well as *derivative financial instruments used in hedge accounting*, see the notes above under marketable debt securities and other financial assets.

At the end of each reporting period, Daimler reviews the necessity for reclassification between the fair value hierarchies.

For the determination of the credit risk from derivative financial instruments, which are allocated to the Level 2 fair value hierarchy, we apply the exception described in IFRS 13.48 (portfolios managed on the basis of net exposure).

Table 7 E.26 provides an overview of the classification into measurement hierarchies of financial assets and liabilities measured at fair value (according to IFRS 13).

## E.26

### Fair value hierarchies of financial assets and liabilities measured at fair value

	September 30, 2015				December 31, 2014			
	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>
In millions of euros								
Assets measured at fair value								
Financial assets available for sale	8,209	6,413	1,796	-	8,281	6,158	2,123	-
thereof equity instruments	1,818	1,812	6	-	1,647	1,642	5	-
thereof marketable debt securities	6,391	4,601	1,790	-	6,634	4,516	2,118	-
Financial assets recognized at fair value through profit or loss	228	-	228	-	97	-	97	-
Derivative financial instruments used in hedge accounting	1,876	-	1,876	-	1,296	-	1,296	-
	10,313	6,413	3,900	-	9,674	6,158	3,516	-
Liabilities measured at fair value								
Financial liabilities recognized at fair value through profit and loss	233	-	233	-	359	-	359	-
Derivative financial instruments used in hedge accounting	2,853	-	2,853	-	2,317	-	2,317	-
	3,086	-	3,086	-	2,676	-	2,676	-

1 Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2 Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 Fair value measurement for the asset or liability based on inputs that are not observable market data.

## 19. Segment reporting

Segment information for the three-month periods ended September 30, 2015 and September 30, 2014 is as follows:

### E.27

#### Segment reporting for the three-month periods ended September 30

	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
In millions of euros								
<b>Q3 2015</b>								
External revenue	20,019	9,158	2,708	1,002	4,389	37,276	-	37,276
Intersegment revenue	688	492	44	16	313	1,553	-1,553	-
Total revenue	20,707	9,650	2,752	1,018	4,702	38,829	-1,553	37,276
Segment profit (EBIT)	2,183	791	193	89	378	3,634	27	3,661
Thereof share of profit/loss from equity-method investments	117	-9	-6	1	-	103	6	109
Thereof income/expense from compounding of provisions and changes in discount rates	-27	-10	-2	-1	-	-40	-2	-42

	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
In millions of euros								
<b>Q3 2014</b>								
External revenue	18,007	7,925	2,424	1,019	3,747	33,122	-	33,122
Intersegment revenue	670	538	91	15	251	1,565	-1,565	-
Total revenue	18,677	8,463	2,515	1,034	3,998	34,687	-1,565	33,122
Segment profit (EBIT)	1,584	588	176	64	355	2,767	965	3,732
Thereof share of profit/loss from equity-method investments	-8	11	1	-	-	4	13	17
Thereof income/expense from compounding of provisions and changes in discount rates	-55	-21	-7	-2	-1	-86	2	-84

Segment information for the nine-month periods ended September 30, 2015 and September 30, 2014 is as follows:

## E.28

### Segment reporting for the nine-month periods ended September 30

	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
In millions of euros								
<b>Q1-3 2015</b>								
External revenue	59,238	26,049	7,754	2,884	13,114	109,039	-	109,039
Intersegment revenue	2,114	1,456	242	48	906	4,766	-4,766	-
Total revenue	61,352	27,505	7,996	2,932	14,020	113,805	-4,766	109,039
Segment profit (EBIT)	6,251	1,945	642	180	1,232	10,250	35	10,285
Thereof share of profit/loss from equity-method investments	296	-9	-11	3	-2	277	72	349
Thereof income/expense from compounding of provisions and changes in discount rates	11	-20	-6	-4	-	-19	-5	-24

	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
In millions of euros								
<b>Q1-3 2014</b>								
External revenue	51,445	21,987	6,947	2,896	10,848	94,123	-	94,123
Intersegment revenue	2,007	1,563	274	45	787	4,676	-4,676	-
Total revenue	53,452	23,550	7,221	2,941	11,635	98,799	-4,676	94,123
Segment profit (EBIT)	4,176	1,384	541	167	1,088	7,356	1,258	8,614
Thereof share of profit/loss from equity-method investments	47	24	64	-	-13	122	745	867
Thereof income/expense from compounding of provisions and changes in discount rates	-141	-52	-18	-3	-1	-215	-	-215



**Reconciliation.** Reconciliation of the total segments' profit (EBIT) to profit before income taxes is as shown in table [E.29](#).

The reconciliation includes corporate items for which head-quarter is responsible. Transactions between the segments are eliminated in the context of consolidation and the eliminated amounts are included in the reconciliation.

In the nine-month period ended September 30, 2015, the line item share of profit/loss from equity-method investments includes the proportionate earnings of BAIC Motor of €73 million. The prior-year profit includes the gain on the remeasurement of the equity investment in Tesla (€718 million) as well as the proportionate earnings of BAIC Motor (€26 million).

In the nine-month period ended September 30, 2014, other corporate items included the expenses from hedging the share price of Tesla of €230 million and from the measurement of the RRPSH put option of €118 million, which were presented under other financial expense, net. Furthermore, they included expenses in connection with legal proceedings.

## E.29

### Reconciliation of the total segments' profit (EBIT)

	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros				
Total segments' profit (EBIT)	3,634	2,767	10,250	7,356
Result from the disposal of the RRPSH shares	-	1,006	-	1,006
Share of profit/loss from equity-method investments	6	13	72	745
Other corporate items	5	-72	-75	-524
Eliminations	16	18	38	31
Group EBIT	3,661	3,732	10,285	8,614
Amortization of capitalized borrowing costs <sup>1</sup>	-2	-2	-7	-6
Interest income	32	40	119	104
Interest expense	-161	-189	-441	-546
Profit before income taxes	3,530	3,581	9,956	8,166

<sup>1</sup> Amortization of capitalized borrowing costs is not considered in the internal performance measure "EBIT," but is included in cost of sales.

## 20. Related party relationships

Related parties are deemed to be associated companies, joint ventures, joint operations and unconsolidated subsidiaries, as well as persons who exercise a significant influence on the financial and business policy of the Daimler Group. The latter category includes all persons in key positions and their close family members. At the Daimler Group, those persons are the members of the Board of Management and of the Supervisory Board.

Most of the goods and services supplied within the ordinary course of business between the Group and related parties comprise transactions with associated companies, joint ventures and joint operations, and are shown in table [7 E.30](#).

**Associated companies.** A large proportion of the Group's sales of goods and services with associated companies as well as receivables results from business relations with Beijing Benz Automotive Co., Ltd. (BBAC). See Note 11 for further information on BBAC.

In the first quarter of 2014, significant transactions of goods and services also took place with Rolls-Royce Power Systems AG (RRPS), which is a subsidiary of RRPSH. RRPSH was sold in the third quarter of 2014.

The purchases of goods and services shown in table [7 E.30](#) were primarily from MBtech Group GmbH & Co. KGaA (MBtech Group). MBtech Group develops, integrates and tests components, systems, modules and vehicles worldwide.

**Joint ventures.** Significant sales of goods and services took place with Fujian Benz Automotive Co. Ltd. (FBAC), as well as with Mercedes-Benz Trucks Vostok OOO, a joint venture established with Kamaz OAO, another of the Group's associated companies.

In 2014, Daimler provided a joint and separate liability guarantee to external banks which provided a syndicate loan to the joint venture Shenzhen BYD Daimler New Technology Co. Ltd. (SBDNT). The guarantee provided by Daimler amounts to RMB 750 million (approximately €105 million as of September 30, 2015) and equates to the Group's share in the loan granted to SBDNT based on its 50% equity interest in SBDNT. €88 million of this loan had been utilized as of September 30, 2015.

In connection with its 45% equity interest in Toll Collect GmbH, Daimler has issued guarantees which are not shown in table [7 E.30](#) (€100 million at September 30, 2015 and at December 31, 2014).

**Joint operations.** Joint operations primarily relate to significant business transactions with Beijing Mercedes-Benz Sales Service Co., Ltd. (BMBS), which provides advisory and other services relating to marketing, sales and distribution in the Chinese market.

## E.30

### Related party relationships

	Sales of goods and services and other income				Purchases of goods and services and other expense			
	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014	Q3 2015	Q3 2014	Q1-3 2015	Q1-3 2014
In millions of euros								
Associated companies	800	633	2,365	1,736	96	79	227	224
thereof BBAC	742	577	2,204	1,453	8	11	51	21
Joint ventures	124	155	379	492	18	33	61	87
Joint operations	4	3	12	8	62	56	193	149

	Receivables		Payables	
	Sept. 30, 2015	Dec. 31, 2014	Sept. 30, 2015	Dec. 31, 2014
In millions of euros				
Associated companies	875	764	84	65
thereof BBAC	837	726	51	16
Joint ventures	125	195	8	6
Joint operations	37	44	11	22

# Addresses | Information.

# Financial Calendar.

## **Investor Relations**

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are available on the Internet at  
**[www.daimler.com](http://www.daimler.com)**

## **Concept and contents**

Daimler AG  
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## **Publications for our shareholders**

Annual Reports (German, English)  
Interim Reports on first, second and third quarters  
(German, English)  
Sustainability Report (German, English)  
[www.daimler.com/ir/reports](http://www.daimler.com/ir/reports)

## **Interim Report Q3 2015**

October 22, 2015

## **Annual Press Conference**

February 4, 2016

## **Investor and Analyst Conference**

February 5, 2016

## **Annual Meeting 2016**

Berlin  
April 6, 2016

## **Interim Report Q1 2016**

April 22, 2016

## **Interim Report Q2 2016**

July 21, 2016

## **Interim Report Q3 2016**

October 21, 2016

As changes to the above dates cannot be ruled out, we  
recommend checking on the Internet shortly before each  
scheduled date at [www.daimler.com/ir/calendar](http://www.daimler.com/ir/calendar).

