DAIMLER

Interim Report Q1 2013

Contents

Cover photo:
The name of the new heavy-duty truck for the construction industry is Mercedes-Benz Arocs. The truck is part of Daimler Trucks' continuing product offensive in heavy commercial vehicles with Euro VI drive systems in 2013. The start was made in 2011 with the new Actros for long-distance road transport, followed by the Antos for heavy-duty distribution transport last year, and now the Arocs as "the new force in construction". Starting from May, the Arocs will be introduced successively in Europe with the product variants "Loader" for optimized-payload trucks with a low curb weight and "Grounder" – as shown in the photo – with high stability and load capacity for extreme construction conditions. In addition to their maximum eco-friendliness thanks to Euro VI, the special construction vehicles have three outstanding characteristics: power, efficiency and robustness.

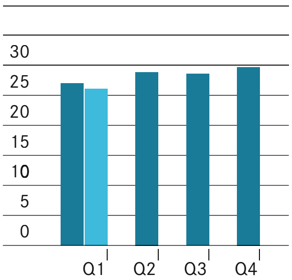
Q1

Key Figures Daimler Group

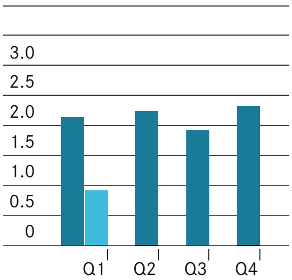
Amounts in millions of euros	Q1 2013	Q1 2012	% change
Revenue	**26,102**	27,011	-3 [1]
Western Europe	**9,017**	9,461	-5
thereof Germany	**4,280**	4,687	-9
NAFTA	**7,529**	7,365	+2
thereof United States	**6,523**	6,262	+4
Asia	**5,216**	6,299	-17
thereof China	**2,152**	2,833	-24
Other markets	**4,340**	3,886	+12
Employees (March 31)	**274,555**	274,127	+0
Investment in property, plant and equipment	**1,058**	1,042	+2
Research and development expenditure	**1,332**	1,380	-3
thereof capitalized development costs	**319**	339	-6
Free cash flow of the industrial business	**-1,152**	-1,977	.
EBIT [2]	**917**	2,098	-56
Net profit [2]	**564**	1,425	-60
Earnings per share (in euros) [2]	**0.50**	1.26	-60

1 Adjusted for the effects of currency translation, decrease in revenue of 1.5%.
2 The previous year's figures were adjusted for the effects of the application of the revised IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

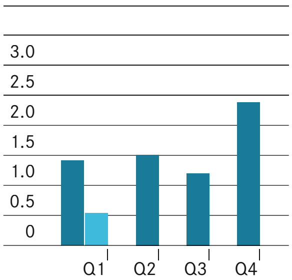
Revenue
In billions of euros



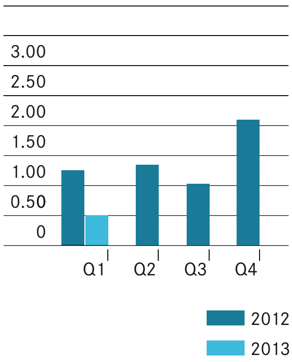
EBIT
In billions of euros



Net profit
In billions of euros



Earnings per share
In euros



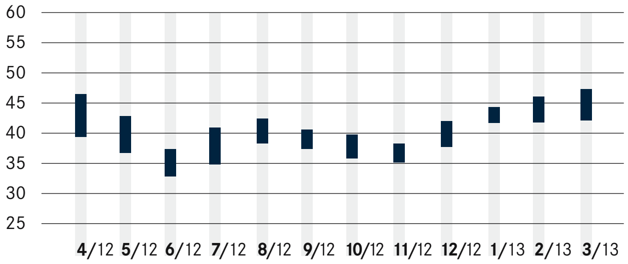
Daimler on the Capital Market

Key figures

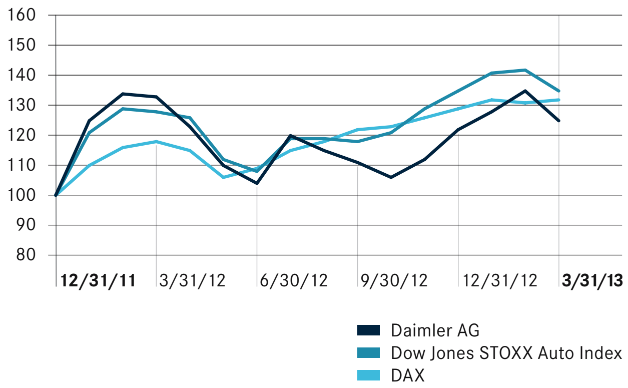
	Q1 2013	Q1 2012	% change
Consolidated earnings per share (in €)	0.50	1.26	-60
Outstanding shares (million)	1,067.9	1,066.4	+0
Market capitalization (€ billion)	45.33	48.21	-6
Xetra closing price (€)	42.45	45.21	-6

Highs and lows of Daimler stock, 2012/2013

In euros



Development of the share price (indexed)



Daimler shares develop better than DAX in Q1

The global stock markets developed amicably at the start of the year, supported by the provisional agreement to avoid the "fiscal cliff" in the USA and positive signs of growth from China. The continued expansionary monetary policy of the large central banks brought high liquidity to the markets, which investors increasingly channeled into stocks, and key indexes edged back up to multi-year highs. In February, the European markets started the month off at a slower pace in response to the political uncertainty in Italy. The publication of Daimler Group results for the year 2012 was received positively by the capital market. The proposal for an unchanged dividend of €2.20 per share and the outlook for the year 2013 were key for bringing the share price up by 2.8% at the reporting date. In March, the mood on the capital markets was dampened by the uncertainty surrounding the rescue package in Cyprus. The stock markets again surrendered a large part of their quarterly gains. Daimler shares could not escape this development. Overall, in the first quarter of 2013 our share rose by 3% to €42.45, thus developing rathermore strongly than the Dow Jones STOXX Auto Index (+0%) and the DAX (+2%). The Daimler share price peaked in early March at €46.66, but could not hold the gains in the weaker market environment in the second half. Market capitalization at the end of the quarter was €45.3 billion.

Favorable interest environment used for refinancing

The Daimler Group took advantage of the favorable refinancing conditions on the international money and capital markets in the first quarter of 2013. In January 2013, Daimler Finance North America LLC issued bonds with two-, three- and five-year terms for an aggregate volume of US$3 billion. In March 2013, Daimler AG floated bonds with a volume of €1.5 billion maturing in July 2016 and March 2023 in the framework of a benchmark issue.

Interim Management Report

Group sales of 501,600 units at previous year's level
Revenue of €26.1 billion under previous year's level
Group EBIT of €917 million (Q1 2012: €2,098 million)
Net Profit of €564 million (Q1 2012: €1,425 million)
Growth in unit sales and revenue expected for full year 2013
Group EBIT from the ongoing business is expected to be below the previous year’s level
Significant improvements are expected for the following quarters due to planned new models, the increasing impact of the efficiency programs and the expected market development

Business development

Moderate upward trend in world economy

The **world economy** continued to grow in the first quarter of 2013, albeit at a slower pace. The economy remained disappointingly weak, particularly in Western Europe, due to partly recessive developments in a number of national economies. On the other hand, the US economy developed better than expected and showed solid expansion despite the continuing fiscal problems. The economies of a number of emerging markets, in particular in the Asian economic region, remained relatively robust. In the overall view, a sustained economic recovery did not set in despite a positive trend in key global economic indicators. The global stock markets profited from the expansionary monetary policy of the major central banks and posted some strong gains since the beginning of the year.

First-quarter global **demand for passenger cars** was noticeably above the high level of the previous year, due mainly to the significant growth in the US and Chinese markets. Sales in the USA were up by 6% despite the uncertain fiscal policy. With a seasonally adjusted annual rate of 15.3 million units, demand was at its highest level in five years. The Chinese market posted double-digit growth at the start of the year, spurned by the somewhat more dynamic economic development. Car registrations in Western Europe, which developed below the expectations, were still disappointing. With the exception of the United Kingdom, which posted significant increases, all volume markets, including Germany, had to accept double-digit decreases in the first quarter. As a result, demand in Western Europe dropped by another 10% from the already historic low of the previous year, thus sliding below the lowest point of the global financial crisis in 2008/9. The Japanese market recovered from the losses following the end of the government buying incentives, but missed the unusually high level supported by these incentives by around 9%. Unit sales in Russia remained nearly constant at the previous year’s level. The Indian market performed below the expectations with a significant drop under the previous year’s volumes.

First-quarter demand for **medium-duty and heavy-duty trucks** was retrograde in many core markets. The weak economy continued to impact on the West European market, which posted a significant double-digit decline. Reliable signs of a trend reversal were still not evident. On the other hand, despite the recent volatility, there are growing indications of a market stabilization in North America. The demand was still 10% in the minus compared to the strong quarter in the previous year, but incoming orders in the industry clearly indicate a pending market recovery. The Japanese market developed moderately under the previous year’s level. The effects of the new economic package on truck demand have thus far been only rudimentary. The Brazilian market continued on its course of moderate recovery, although the first-quarter figures did not come up to the previous year’s level. According to the most recent estimates, the Russian market was slightly above the previous year. Truck sales in India and the world’s biggest market, China, were still significantly under the previous year’s levels.

First-quarter unit sales in line with previous year

In the first quarter of 2013, Daimler sold 501,600 passenger cars and commercial vehicles worldwide and thus remained nearly constant at the previous year’s level.

In the first quarter of 2013, **Mercedes-Benz Cars** again posted high sales of 341,500 units (Q1 2012: 338,300). Despite the difficult start of the automotive market in 2013, which fell short of the expectations, Mercedes-Benz was able to gain new market shares thanks to the great success of the new compact class. First-quarter sales in the strongly lagging German market totaled 61,100 units (Q1 2012: 64,700); and 149,700 units in Western Europe (Q1 2012: 156,300). While group sales in the USA lagged slightly by 1% to 68,000 vehicles, we posted the strongest first quarter sales to date with 71,500 deliveries to end customers in that country. The brand also posted strong first-quarter months for unit sales in Russia and Japan. The first quarter in China was dominated by the reorganization of the sales structures and the upcoming model changes. Group sales were above the lower production level of the previous year (+9%).

Daimler Trucks sales, which totaled 101,400 vehicles in the first quarter, were 6% down from the previous year’s level, due mainly to the continued strained economic situation in many core markets and the direct effects on the local truck demand. Our truck sales in Western Europe dropped by 8% to 12,000 units, while our sales of 6,200 vehicles on the German market were almost at the previous year’s level. Nevertheless, we managed to maintain respectively to gain market shares in Western Europe and in Germany.

Our sales in Eastern Europe decreased, in particular due to the general drop in demand on the Turkish market, which is significantly below the demand seen in the preceding two strong years. At 30,600 units, our vehicle sales in the NAFTA region decreased by 6%, not least due to pending political decisions in connection with the government deficit in the USA. Nevertheless, we were again able to increase our market share in classes 6-8 from 37.0% to 43.6%. In line with the expected market recovery in Brazil, our sales in Latin America surged by 31% to 13,000 vehicles. At 8,900 units, truck sales in Japan were 9% down from the previous year's high level due to the lack of discernible impetus from the recently announced economic package in Japan.

First-quarter sales of **Mercedes-Benz Vans** increased slightly to 52,600 units (Q1 2012: 51,200 units) despite the difficult market environment in Western Europe. Thanks to our new city van Citan, which was received positively by the market, our sales in Western Europe decreased only slightly to 32,600 units (Q1 2012: 34,400 units). In Latin America we posted high double-digit sales growth (+39%) to 4,100 units. In the USA, the van division grew sales by 12% to 4,000 units.

In the first quarter of 2013, **Daimler Buses** grew global sales by 23% to 6,000 units due to the rising demand for bus chassis in Latin America. We sold 4,100 chassis of the Mercedes-Benz brand in this region. The business with complete buses in Western Europe was below the prior-year level.

Daimler Financial Services grew its new business by 4% to €8.6 billion. The contract volume of €81.7 billion was 2% over the 2012 year-end volume. Adjusted for currency effects, the contract volume rose by 1%.

Daimler's first-quarter **revenue** was €26.1 billion or 3% below the previous year's level. Adjusted for exchange rate effects, a revenue decrease of 1.5% was posted.

Mercedes-Benz Cars posted a revenue decrease by 6% despite higher unit sales. The decrease was attributable mainly to changes in the sales structure introduced in connection with the upcoming model change of the S-Class and the new E-Class. The revenue decrease at Daimler Trucks and Mercedes-Benz Vans by 5%, respectively, resulted from the falling demand in many of our core markets. The revenue at Daimler Buses increased by 3% compared to the first quarter of the previous year, but the changed model mix following the repositioning of the North American business model put a damper on revenue growth.

3.01
Unit sales by division

	Q1 2013	Q1 2012	% Change
Daimler Group	501,600	502,086	-0
Mercedes-Benz Cars	341,511	338,303	+1
Daimler Trucks	101,433	107,664	-6
Mercedes-Benz Vans	52,623	51,223	+3
Daimler Buses	6,033	4,896	+23

3.02
Revenue by division

In millions of euros	Q1 2013	Q1 2012	% Change
Daimler Group	26,102	27,011	-3
Mercedes-Benz Cars	14,110	14,937	-6
Daimler Trucks	7,024	7,383	-5
Mercedes-Benz Vans	1,986	2,088	-5
Daimler Buses	751	730	+3
Daimler Financial Services	3,577	3,140	+14

Preliminary note:
In June 2011, IASB published revisions to IAS 19 "Employee Benefits", which were endorsed by the EU in June 2012. The revisions to IAS 19 must be applied retrospectively in financial statements for annual periods beginning on or after January 1, 2013. The figures reported for the previous year were adjusted for the effects arising from the adoption of the revised IAS 19. Additional information on the adjustments is provided in Note 1 of the Notes to the Interim Consolidated Financial Statements.

Profitability

The **Daimler Group** posted EBIT of €917 million in the first quarter of 2013 (Q1 2012: €2,098 million) which was significantly below the previous year's level. ↗ 3.03

The decline in earnings reflects a shift in the regional sales structure and a different model mix at Mercedes-Benz Cars and Mercedes-Benz Vans, as well as the unit sales decrease at Daimler Trucks. The increase in vehicle sales at Daimler Buses led to an EBIT improvement, while EBIT of Daimler Financial Services remained nearly stable.

The compounding of long-term provisions and effects of lower interest rate factors led to charges of €47 million (Q1 2012: €170 million), which were offset by slightly positive exchange rate effects.

The special items shown in the table ↗ 3.04 affected EBIT in the first quarter of 2013 and 2012.

3.03
EBIT by segment

In millions of euros	Q1 2013	Q1 2012[1]	% change
Mercedes-Benz Cars	460	1,230	-63
Daimler Trucks	116	376	-69
Mercedes-Benz Vans	81	167	-51
Daimler Buses	-31	-105	.
Daimler Financial Services	314	344	-9
Reconciliation	-23	86	.
Daimler Group	917	2,098	-56

1 The previous year's figures were adjusted for the effects arising from the revised IAS 19. Additional information on the adjustments is provided in Note 1 of the Consolidated Notes to the Interim Report.

3.04
Special items affecting EBIT

In millions of euros	Q1 2013	Q1 2012
Daimler Trucks		
Workforce adjustment	-13	-
Daimler Buses		
Business repositioning	-4	-36

Mercedes-Benz Cars posted first-quarter 2013 EBIT of €460 million, which was significantly below the previous year's level (Q1 2012: €1,230 million). Return on sales amounted to 3.3% (Q1 2012: 8.2%). ↗ 3.03

First-quarter earnings were affected by a shift in the regional sales structure and a different model mix. Additional negative effects on EBIT resulted from expenses for product enhancements and capacity increases as well as advance expenditures for new technologies and vehicles. A slight positive effect came from exchange-rate effects.

Daimler Trucks posted EBIT of €116 million, which was below the previous year's level (Q1 2012: €376 million). Return on sales was 1.7% (Q1 2012: 5.1%). ↗ 3.03

Earnings were affected by the overall retrograde development of unit sales and revenues attributable to the weaker demand in some core markets. In addition, the result was negatively affected by the production expansion in India and China, production adaptations particularly in the NAFTA region and Europe, and higher warranty costs.

Mercedes-Benz Vans posted EBIT of €81 million in the first quarter of 2013 (Q1 2012: €167 million). Accordingly, return on sales decreased from 8.0% in the previous year's period to 4.1%. ↗ 3.03

In the market environment characterized by restrained demand and intensive competition in the European sales markets, Mercedes-Benz Vans unit sales in the first quarter of 2013 were slightly above the previous year's level. However, a significant decline in earnings was posted as the main result of changes in the product mix and the regional sales structure. Advance expenditures for new products and the launch of the Sprinter Classic in Russia also impacted negatively on earnings.

Daimler Buses posted negative EBIT of €31 million (Q1 2012: minus €105 million); return on sales was minus 4.1%. (Q1 2012: minus 14.4%) ↗ 3.03

Compared to the previous year, EBIT rose as a result of the increase in vehicle sales (+23%). We posted significantly more chassis deliveries, in particular in Latin America. On the other hand, the business in Europe developed heterogeneously: While the demand for city buses recovered, coaches posted a sales decrease. Exchange rate effects and the initiated efficiency measures had a positive impact on earnings. The expenditures for the business repositioning in Europe were significantly reduced to €4 million (Q1 2012: €36 million).

With earnings of €314 million in the first quarter of 2013, **Daimler Financial Services** was below the level of the previous year (Q1 2012: €344 million). ↗ 3.03

This development was due mainly to lower interest margins and normalizing credit risk costs. As an opposing effect, the increased contract volume impacted positively on earnings.

The **reconciliation** of the divisions' EBIT to Group EBIT is comprised of our proportionate share of the results of our equity-method investment in EADS, other gains and losses at the corporate level, and the effects on earnings of eliminating intra-group transactions between the divisions.

Daimler's share of the net profit of EADS in the first quarter of 2013 amounted to €34 million (Q1 2012: €133 million). The decrease in investment income was also due to the reduction of our participating interest in EADS through the sale of a shares package in December 2012.

The reconciliation also includes expenses at corporate level of €91 million (Q1 2012: €35 million). The elimination of inter-company transactions in the first quarter of 2013 resulted in income of €34 million (Q1 2012: expense of €12 million).

First-quarter **net interest expense** amounted to €157 million (Q1 2012: €105 million). The increase in other interest expenses related mainly to the high level of gross liquidity accompanied by an increase in financing liabilities. As a result of the significantly lower level of investment interest compared to refinancing costs, other interest decreased compared to the same quarter in the previous year. The expenses in connection with pension and healthcare obligations increased slightly compared to the previous year.

The **income taxes** of minus €196 million reported in the first quarter of 2013 were lower by €372 million compared to the previous year, due mainly to the lower pre-tax profit.

Net profit for the first quarter of 2013 amounted to €564 million (Q1 2012: €1,425 million). Net profit of €28 million is **attributable to non-controlling interests** (Q1 2012: €78 million) and net profit of €536 million is **attributable to the shareholders of Daimler AG** (Q1 2012: €1,347 million). **Earnings per share** therefore amount to €0.50 (Q1 2012: €1.26).

The calculation of earnings per share (basic) was based on the average number of outstanding shares of 1,067.7 million (Q1 2012: 1,066.4 million).

Cash flows

Cash flow from operating activities ↗ 3.05 rose by €0.9 billion to €0.4 billion. Consolidated earnings before taxes were retrograde (minus €1.2 billion). In comparison to the previous period, the development of working capital gave rise to positive effects resulting from the lower increase in inventories, the minor increase in trade receivables and the higher increase in trade payables. The growth of new business from leasing and sales financing remained at the high level of the prior-year period.

3.05

Condensed consolidated statement of cash flows

In millions of euros	Q1 2013	Q1 2012	Change
Cash and cash equivalents at beginning of period	10,996	9,576	1,420
Net cash provided/used by operating activities	434	-473	907
Net cash used in investment activities	-2,260	-1,123	-1,137
Net cash from financing activities	2,119	3,886	-1,767
Effect of exchange-rate effects on cash and cash equivalents	66	-29	95
Cash and cash equivalents at end of period	11,355	11,837	-482

3.06

Free cash flow of the industrial business

In millions of euros	Q1 2013	Q1 2012	Change
Net cash from/used in operating activities	454	-277	731
Net cash used in investment activities	-1,964	-1,061	-903
Change in marketable debt securities	430	-630	1,060
Other adjustments	-72	-9	-63
Free cash flow of the industrial business	-1,152	-1,977	825

3.07

Net liquidity of the industrial business

In millions of euros	31.03.2013	31.12.2012	Change
Cash and cash equivalents	10,348	9,887	461
Marketable debt securities	4,284	3,841	443
Liquidity	14,632	13,728	904
Financing liabilities	-4,943	-2,883	-2,060
Market valuation and currency hedges for financing liabilities	330	663	-333
Financing liabilities (nominal)	-4,613	-2,220	-2,393
Net liquidity	10,019	11,508	-1,489

3.08

Net debt of the Daimler Group

In millions of euros	31.03.201	31.12.2012	Change
Cash and cash equivalents	11,355	10,996	359
Marketable debt securities	6,331	5,598	733
Liquidity	17,686	16,594	1,092
Financing liabilities	-78,844	-76,251	-2,593
Market valuation and currency hedges for financing liabilities	332	665	-333
Financing liabilities (nominal)	-78,512	-75,586	-2,926
Net debt	-60,826	-58,992	-1,834

Net cash used in investing activities ↗ 3.05 led to a cash outflow of €2.3 billion (Q1 2012: €1.1 billion). The change compared to the previous year resulted mainly from purchases and sales of securities carried out in the context of liquidity management. The reporting period was characterized by a net outflow of cash; in the previous year's period, sales of securities significantly exceeded the purchases. The slight increase in investments in intangible assets had a negative effect on cash. In the previous period, cash outflows were posted for capital contributions to Engine Holding and the joint venture of Daimler Trucks in China.

Net cash from financing activities ↗ 3.05 resulted in a net cash inflow of €2.1 billion in the first quarter (Q1 2012: €3.9 billion), which almost solely reflects new (net) borrowing.

Adjusted for currency effects cash and cash equivalents increased by €0.4 billion compared to the level reported at December 31, 2012. Total liquidity, which also includes marketable debt securities, increased by €1.1 billion to €17.7 billion.

The parameter used by Daimler for measuring the financial strength of its industrial activities is the **free cash flow of the industrial business** ↗ 3.06, which is derived on the basis of the published cash flows from operating and investing activities. On that basis, a correction is made in the amount of the cash flows from the acquisition and sale of marketable securities included in cash flows from investing activities, since those securities are allocated to liquidity and changes in them are thus not 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. The adjustments also include acquisitions of non-controlling interest in subsidiaries, which are reported as part of cash from financing activities.

The free cash flow in the first quarter of 2013 amounted to minus €1.2 billion.

The positive profit contributions of the industrial business were offset by the increase in working capital, defined as the net change in inventories, trade receivables and trade payables, which totaled €0.4 billion. Positive effects resulted from the factoring of trade receivables by companies in the industrial business to Daimler Financial Services. High investments in property, plant and equipment and intangible assets had a negative effect. The free cash flow from the industrial business was additionally reduced by income tax and interest payments.

The **net liquidity of the industrial business** ↗ 3.07 is calculated as the total amount of cash and cash equivalents and marketable debt securities included in liquidity management shown in the balance sheet less the currency-hedged nominal amounts of financing liabilities.

To the extent the Group's internal refinancing of the financial services business is provided by companies of the industrial business, the relevant amount is deducted in the calculation of net debt of the industrial business.

Compared to December 31, 2012, net liquidity of the industrial business decreased by €1.5 billion to €10.0 billion. The decrease was mainly attributable to the negative free cash flow of €1.2 billion.

The net debt at Group level, which resulted primarily from the refinancing of the leasing and sales financing business, increased by €1.8 billion compared to December 31, 2012. The increase was primarily attributable to the development of the free cash flow of the industrial business. ↗ 3.08

In the first quarter of 2013, the Daimler Group used the favorable conditions in the international money and capital markets for **refinancing** purposes. In January 2013, Daimler Finance North America LLC issued a multi-tranche transaction with two-, three- and five-year terms in the US capital market and a total volume of US$3 billion. In March 2013, Daimler AG issued a benchmark transaction with a volume of €1.5 billion maturing in July 2016 and March 2023. In the first quarter, bonds in the amount of €4.7 billion have been issued (Q1 2012: 4.6 billion); cash outflows for the redemption of maturing bonds amounted to €1.5 billion (Q1 2012: €3.1 billion).

Financial position

Compared to December 31, 2012, the **balance sheet total** increased from €163.1 billion to €168.4 billion; adjusted for the effects of currency translation, the increase amounted to €4.1 billion. The financial services business accounted for €87.2 billion (December 31, 2012: €85.5 billion) or as in the previous year 52% of the Daimler Group's balance sheet total.

The rise in the balance sheet total was primarily due to the increase in the financial services business, the higher liquidity (cash and cash equivalents and marketable debt securities) and increased inventories. The increase is accompanied on the liabilities side by higher financing liabilities and trade payables, as well as by an increase in equity. Current assets, which accounted for 42% of total assets, were above the previous year's level (41%). Current liabilities accounted for 36% of total equity and liabilities, as in the previous year.

3.09

Condensed consolidated statement of financial position

In millions of euros	March 31, 2013	Dec. 31, 2012[1]	% change
Assets			
Intangible assets	9,009	8,885	+1
Property, plant and equipment	20,905	20,599	+1
Equipment on operating leases and receivables from financial services	76,658	75,118	+2
Investments accounted for using the equity method	4,391	4,304	+2
Inventories	18,959	17,720	+7
Trade receivables	8,058	7,543	+7
Cash and cash equivalents	11,355	10,996	+3
Marketable debt securities	6,331	5,598	+13
Other financial assets	5,903	5,960	-1
Other assets	6,785	6,339	+7
Total assets	168,354	163,062	+3
Equity and liabilities			
Equity	40,181	39,330	+2
Provisions	25,000	24,474	+2
Financing liabilities	78,844	76,251	+3
Trade payables	10,161	8,832	+15
Other financial liabilities	8,112	8,449	-4
Other liabilities	6,056	5,726	+6
Total equity and liabilities	168,354	163,062	+3

1 The previous year's figures were adjusted for the effects arising from the revised IAS 19. Additional information on the adjustments is provided in Note 1 of the Consolidated Notes to the Interim Report.

Intangible assets totaled €9.0 billion (December 31, 2012: €8.9 billion), comprised of €7.2 billion of capitalized development costs and €0.7 billion of goodwill, as in the previous year. Development costs were recognized by the Mercedes-Benz Cars segment (67%) and by the Daimler Trucks segment (26%).

Capital expenditures in **property, plant and equipment** exceeded the depreciation, thus bringing total property, plant and equipment up to €20.9 billion (December 31, 2012: €20.6 billion). In the first quarter of 2013, total capital expenditures of €1.1 billion were invested in the launch of new products, the expansion of production capacities, and modernization measures – mainly at the sites in Germany.

Equipment on operating leases and receivables from financial services rose to a total of €76.7 billion (December 31, 2012: €75.1 billion). The currency-adjusted increase of €0.7 billion was caused by the higher level of new business due to growth in the unit sales of the automotive divisions. The proportion of total assets remained nearly constant at 46%.

Investments accounted for using the equity method, which amounted to €4.4 billion (December 31, 2012: €4.3 billion), include primarily the carrying amounts of our equity interests in EADS, the Engine Holding, the Chinese joint ventures Beijing Foton Daimler Automotive for the truck business and Beijing Benz Automotive in the passenger car area, as well as Kamaz. The increase is due mainly to the equity result from these companies.

Inventories increased by €1.2 billion to €19.0 billion and account for 11% of the balance sheet total, as in the previous year. The launch of new models, particularly in the Mercedes-Benz Cars division, led to an increase in finished goods by €0.9 billion to €14.1 billion.

Trade receivables rose due to higher unit sales by €0.5 billion to €8.1 billion.

Cash and cash equivalents increased by €0.4 billion compared to the 2012 year-end to a total of €11.4 billion.

Marketable debt securities rose from €5.6 billion at December 31, 2012 to €6.3 billion. They consist of debt instruments traded in an active market and are allocated to liquidity. The debt instruments generally have an external rating of "A" or better.

Other financial assets decreased by €0.1 billion to €5.9 billion. They principally comprise investments, among others, in Renault and Nissan, derivative financial instruments and credits and other receivables due from third parties.

Other assets, which totaled €6.8 billion (December 31, 2012: 6.3 billion) primarily comprise deferred tax assets and tax refund claims.

The Group's **equity** was up by €0.9 billion compared to December 31, 2012, rising to a total of €40.2 billion. The equity attributable to the shareholders increased to €38.8 billion (December 31, 2012: €37.9 billion). The currency adjusted increase of €0.7 billion reflects the positive net profit of €0.6 billion.

The **equity ratio** for the Group was 22.5% (December 31, 2012: 22.7%); the equity ratio for the industrial business was 38.3% (December 31, 2012: 39.8%). The equity ratios for 2012 are adjusted by the dividend payment for the 2012 financial year.

Provisions increased to €25.0 billion (December 31, 2012: €24.5 billion), and account for 15% of the balance sheet total, as in the previous year. They are comprised in particular of the provisions for pensions and similar obligations (€11.3 billion) as well as the provisions for product warranties (€5.0 billion), for personnel and social costs (€2.9 billion), and for income taxes (€2.0 billion).

Financing liabilities rose by €2.6 billion to €78.8 billion. The currency-adjusted increase of €2.0 billion is attributable mainly to the growing leasing and sales-financing business. Of the total financing liabilities, 50% comprise bonds, 25% liabilities to financial institutions, 16% deposits in the direct banking business, and 6% liabilities from ABS transactions.

Trade payables increased to €10.2 billion due to the production progress during the year (December 31, 2012: €8.8 billion).

Other financial liabilities decreased by €0.3 billion to €8.1 billion. They mainly consist of liabilities for residual value guarantees, down-payments received, liabilities from wages and salaries, derivative financial instruments, and accrued interest on financing liabilities.

Other liabilities of €6.1 billion (December 31, 2012: €5.7 billion) are comprised primarily of deferred tax liabilities, income tax liabilities and deferred income.

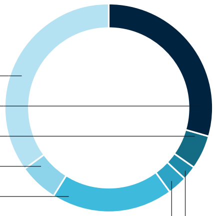
Further information on the Group's assets, equity and liabilities is provided in the Consolidated Statement of Financial Position ↗ 5.03, the Consolidated Statement of Changes in Equity ↗ 5.04 and the respective notes in the Notes to the Interim Consolidated Financial Statements.

Workforce

At the end of the first quarter of 2013 Daimler had a workforce of 274,555 employees worldwide (end of Q1 2012: 274,127). The total included 166,265 employees in Germany (end of Q1 2012: 168,017); 21,702 in the USA (end of Q1 2012: 21,520), 14,622 in Brazil (end of Q1 2012: 14,737) and 11,242 in Japan (end of Q1 2012: 11,344). At the end of the first quarter, our consolidated subsidiaries in China operated with 1,743 employees (end of Q 1 2012: 2,269). The headcount change in China resulted from the transfer of the sales organizations in the passenger car unit in a non-consolidated joint venture. In addition, employees with sales functions in South Africa who were previously allocated to the Mercedes-Benz Cars division are now reported under the sales organization.

3.10
Employees by division

Daimler Group	274,555
Mercedes-Benz Cars	96,219
Daimler Trucks	80,743
Mercedes-Benz Vans	14,913
Daimler Buses	16,713
Sales Organization	51,903
Daimler Financial Services	7,792
Other	6,272



Important events

Changes in the Supervisory Board and the Board of Management
The Annual Shareholders' Meeting of Daimler AG on April 10, 2013 elected Andrea Jung to the Supervisory Board as successor to the departing member Lynton R. Wilson. She is elected as member of the Supervisory Board of Daimler AG until the end of the Annual Shareholders' Meeting in 2018.

The Annual Shareholders' Meeting of Daimler AG also extended the terms of office of Sari Baldauf and Dr. Jürgen Hambrecht as shareholders' representatives to the Supervisory Board, respectively, by five years.

Moreover, the employee representatives to the Supervisory Board were elected on March 13, 2013. Elke Tönjes-Werner and Wolfgang Nieke were elected as successors of the previous members Ansgar Osseforth and Uwe Werner. Sabine Maaßen succeeds Dr. Thomas Klebe as trade union representative to the Supervisory Board and Dr. Frank Weber will represent executive management in place of Prof. Dr. Heinrich Flegel. The election came into effect with the closing of the Annual Shareholders' Meeting on April 10, 2013.

In February 2013, the Supervisory Board unanimously voted to extend the contract of Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes-Benz Cars, until December 31, 2016. The contract of Prof. Dr. Thomas Weber, Management Board Member responsible for Group Research and Mercedes-Benz Cars Development was also extended until December 31, 2016.

Andreas Renschler took over the Board of Management responsibility for Manufacturing and Procurement Mercedes-Benz Cars & Mercedes-Benz Vans effective from April 1, 2013. Concurrently, Dr. Wolfgang Bernhard took over the Board of Management responsibility for Daimler Trucks.

Additional information is provided in the current Annual Report.

Daimler AG acquires twelve-percent stake in BAIC Motor
Daimler AG and Beijing Automotive Group (BAIC) will significantly deepen their already close strategic partnership: On February 1, 2013, representatives of the two companies signed a binding agreement, according to which Daimler will invest around €0.6 billion in BAIC Motor. BAIC Motor is the passenger car division of the BAIC Group, one of the leading automotive companies in China. This important strategic move comes ahead of an intention by BAIC Motor to launch an initial public offering in the future. The investment will be realized through the issuance of new Daimler shares corresponding to a twelve percent stake in BAIC Motor. The agreement must still be approved by the competent authorities. The permit for the closing of the transaction will take at least nine months to obtain.

Events after the interim balance sheet date

On March 27, 2013 the Extraordinary General Meeting of EADS approved the new management and shareholder structure. Subsequently, the shareholders' pact concluded in the year 2000 was dissolved and replaced by a new shareholders' pact without participation by Daimler on April 2, 2013. Concomitantly, EADS shares which were previously held by Daimler but were constructively allocable to the Dedalus investors were transferred to the Dedalus investors. With the dissolution of the previous shareholders' pact, Daimler lost its significant influence in EADS. As a result of the loss of significant influence and the transfer of the EADS shares, on April 2 the EADS shares were remeasured with effect on earnings at the higher current stock price of the EADS share. Overall, income of approximately €2.9 billion will be posted to Group EBIT in the second quarter of 2013, allocable in equal parts to Daimler shareholders and the Dedalus investors. The amount comprises a book gain without an inflow of cash.

On April 16, 2013, the Group announced that it would sell its remaining stake of approximately 7.4% in EADS through an accelerated placement procedure. The sale, which took place on April 17, 2013 at an offer price of €37 per EADS share, will lead to estimated additional expenses of approximately €0.2 billion in Group EBIT in the second quarter of 2013, resulting from the decrease in the EADS stock price since April 2, 2013. The sale will bring a cash inflow of approximately €2.2 billion in the second quarter of 2013. Following the offering, Daimler does not hold any residual shares in EADS. Moreover, the Group has entered into cash-settled contracts with both Goldman Sachs and Morgan Stanley which will allow a certain upside participation in the EADS share price until the 2013 year-end.

Risk report

Daimler's business divisions are exposed to a large number of risks, which are inextricably connected with entrepreneurial activity. With regard to the existing opportunities and risks, we refer to the statements made on pages 125 to 132 and on page 137 of our Annual Report as of December 31, 2012 as well as to the notes concerning forward-looking statements provided at the end of this Interim Report.

At the beginning of the second quarter of 2013, the economic risks have been slightly mitigated but are in no way resolved. In the European Monetary Union (EMU), the latest upheavals on the financial markets show that the government debt crisis is far from over. Although the danger of the collapse of the Euro zone has become significantly less pronounced since last summer, a resurgence of the crisis cannot be ruled out. In addition to the problems of the small peripheral countries, the financial markets will be watching the upcoming developments in Italy and Spain. The far-reaching consequences of the fiscal cliff were avoided in the USA, but there is still significant need for action with respect to fiscal policy. This applies equally to the lifting of the government deficit ceiling and the design of the automatic budget cuts in the future. In China, the months ahead will show whether the initiated measures will actually lead to a resumption of a solid growth course. The geopolitical tensions in the Near and Middle East are nearly unchanged, as reflected in the high price volatility on the commodity markets, led by crude oil. The latest tensions on the Korean peninsula also give cause for uncertainty. Another potential source of risks lies in the extremely expansionary monetary policy of a number of central banks – and that not only with respect to inflationary dangers or possible exchange rate distortions. In view of the relatively moderate development of the world economy, there is a surplus of globally available liquidity that is searching for channels and can lead to speculative bubbles and overheating of the markets.

Outlook

At the start of the second quarter, the world economy is still performing significantly below its long-term growth trend. However, the early indicators such as the business and consumer climate, incoming orders or trade in goods give reason to hope that the global economy could gain some momentum in the quarters ahead, so that the first quarter of 2013 could mark the low point for the year. A decisive contributing factor will be whether the economy of the European Monetary Union can finally also begin to recover. However, even in the event of a moderate recovery in the second half of the year, the stagnation of economic performance at last year's level will be a very challenging task for the EMU to deal with. If the disappointing development of the first quarter continues, a new decline will be unavoidable. The outlook in the USA is significantly more positive, but here too more buoyant development is hindered by austerity measures. After the previous forecast of 8% growth for China, the publication of 7.7% actual growth for the first quarter could lead to slightly lower expectations for the full year. Fortunately, Brazil and India are expected to post higher growth rates than in the previous year, although Brazil is coming out of the crisis with slower momentum than originally hoped. Assuming a general recovery in the industrial countries and emerging markets, this year, the world economy should grow by around 2.5%, up to a maximum of 3%. However, in view of the weak starting position and continuing risks, the further development of the world economy continues to be extremely fragile and will be susceptible to external disturbances.

According to the current estimates, the **worldwide demand for passenger cars** should grow in the range of 2% to 4% in the current year, driven primarily by the continued strong increase in the demand in the USA and the further expanding Chinese market. While the growth rate in the US market is expected to be only in the single-digits, at a projected volume significantly in excess of 15 million units, this is to be the highest level of registrations in the last six years. The Chinese market could grow at a slightly higher rate thanks to the economic recovery. On the other hand, as a result of the continuing economic weakness, a decline is again expected on the West European market. Demand will thus continue to move around a 20-year low. The German market cannot decouple itself from this development and is expected to fall significantly short of the previous year's level. A decline is also expected on the Japanese market, after the previous year's level, which was unusually high as a result of the government buying incentives. With the exception of China, the growth prospects for the passenger car markets in the large BRIC states tend to be rather modest. Growth in India will probably weaken significantly compared to the previous year. Vehicle sales in Russia should show another moderate increase.

According to the current status, **global demand for medium-duty and heavy-duty trucks** is expected to grow perceptibly in 2013. However, this depends very decisively on the development of the world's biggest market, China, which should experience a perceptible recovery in demand; however, the start of the year proved to be below the expectations. The demand in North America should stabilize in the coming months. However, from the current perspective we expect a market drop of up to 5% for the full year. In view of the continued weak economic environment, we expect a drop of around 5% under the previous year's level for the European truck market. The market volume in Japan could drop by up to 5% below the level of the prior year; the possible effects of the new economic package of the Japanese government are still difficult to assess. A moderate recovery and growth by as much as 10% are expected for the Brazilian market, thanks to the improved economic outlook and favorable financing conditions. The Russian market has already returned to near-pre-crisis levels and is expected to grow again moderately in the year 2013. On the other hand, a drop in truck demand is expected for India due to the continued below-average economic momentum.

After the weak development in the European **vans market** in the first quarter of 2013, we are expecting a step-wise recovery of demand in the remaining quarters of the current year, and a decrease of around 5% for the full year. Continued weak demand is expected for the countries in Southern Europe. The outlook for the USA is positive: There we expect another increase in the market for large vans. The market for large vans in Latin America is expected to grow again after the significant decline in the previous year. In China, we expect a slight recovery in the market addressed by us.

In Western Europe we expect market volume for **buses** in the magnitude of the previous year. The demand for buses in Latin America is expected to increase moderately after the significant decline in the year 2012. The market for buses in Brazil is expected to recover in the medium-term, also under the aspect of the upcoming world soccer championship in 2014 and the Olympic Games in 2016.

On the basis of the planning of the divisions, **Daimler** expects another increase in its total unit sales in the year 2013.

Mercedes-Benz Cars is consistently moving ahead with the "Mercedes-Benz 2020" offensive. Numerous model changes and new products are to ensure that the division will achieve yet another record in unit sales in the year 2013. The new models in the high-volume compact car segment will make a major contribution to sales growth. After the successful start of the A-Class and B-Class, in the middle of April 2013, the four-door CLA coupé came on the market as the third model based on the new compact car architecture. The extensively revised new E-Class sedan and station wagon are also available at Mercedes-Benz sales & service outlets and sales partners since April. From June 2013, the new E-Class coupés and convertibles will also provide added sales momentum. The electrically driven, locally emission-free super sports car SLS AMG Coupé Electric Drive will come on the market in June 2013. Mercedes-Benz expects significant growth in the luxury segment for the second half of 2013, due mainly to the launch of the all-new S-Class. As the most important new model of the year 2013, the new S-Class equipped with trailblazing innovations will set new standards of comfortable and safe driving under the umbrella term “Mercedes-Benz Intelligent Drive”. In addition, the Mercedes-Benz brand will continue to profit from the market success of the models in the SUV segment in 2013.

The smart brand sees a good chance that the unique two-seater can continue to defy its advancing life cycle in the highly competitive micro-car segment in 2013 and can achieve unit sales in the previous year’s range again.

Daimler Trucks expects a slight increase in unit sales for the current year. In the first half of the year, however, the continued weak state of the economy will probably lead to a rather modest or even negative development of unit sales in a number of core markets. The extensive product offensive, which is now largely complete in all relevant regions, will provide a counterbalance for the difficult economic conditions. As a result of this offensive, we are in a very good starting position: In Europe, sales will get added impetus from the full product range of Actros, Antos and the new Arocs for the construction sector, as well as the new Atego, that is already in line with Euro VI standards significantly before the effective date of the regulation. We will maintain our competitive position in the NAFTA region with our excellent vehicle offering in combination with strong Detroit components. A convincing sales argument in favor of the Freightliner Cascadia Evolution, for example, is the optimization of the vehicle aerodynamics and power train, which yields additional fuel savings of 5% compared to its predecessor, the previous benchmark on the market.

Our Fuso and BharatBenz brands will continue to make an important contribution to sales growth in 2013. In future, trucks of the Fuso brand will also be produced in Chennai and exported to the Asian markets outside India and to Africa. The Fuso Canter and his hybrid versions, which are also produced in Europe since 2012, should provide additional stimuli for demand. In addition, we will bring additional models of our BharatBenz truck on the market in India and will continue to expand the sales and service network. In Russia and China we are progressively expanding the collaboration with our local partners Kamaz and Foton and are thus creating the conditions for further exploitation of these growth markets.

Mercedes-Benz Vans expects to achieve an increase in unit sales for the year 2013. On the product side, the new Mercedes-Benz Citan and – from mid 2013 – the new generation of the Sprinter should also contribute to sales and earnings. Moreover, the start of local production of the Sprinter Classic in Russia from the second quarter of 2013 should enable us to continue to increase our unit sales in this growth market.

Daimler Buses expects a significant increase in unit sales for the year 2013, with an increase in bus chassis as a percentage of total unit sales. We expect a significant recovery of demand for the year 2013, especially for Latin America. We expect stable development at a persistently weak level for the complete bus business in Europe.

Daimler Financial Services expects a further increase of new business and contract volume for the full year 2013.

After the significant increase in the year 2012, we expect that Daimler **Group revenue** will further increase in the full year 2013. In the regions, we expect above-average growth rates in the emerging markets and in North America.

On the basis of the planned new models, the increasing effects of the efficiency programs that we have initiated and the assumptions made for the development of markets important to Daimler, we expect earnings to improve in the second half of 2013 compared with the level of the first half. Due to the fact that there will be no further equity-method results from EADS in the course of the year as well as lowered market expectations and the weaker than expected EBIT in the first quarter, **Group EBIT from the ongoing business** in full-year 2013 is expected to be below the previous year's level.

Mercedes-Benz Cars anticipates full year EBIT below the level of 2012. Daimler Trucks and Mercedes-Benz Vans expect EBIT from ongoing business in the magnitude of the prior year, while Daimler Buses should exceed the EBIT for 2012. In 2014 and the following years, we expect an improvement in operating profit for all automotive divisions and for the Group. For Daimler Financial Services we anticipate a stable development of earnings in the next two years.

From today’s perspective we assume that the **number of employees** worldwide will remain largely stable compared to the 2012 year-end.

Mercedes-Benz Cars

Unit sales at a high level
Successful start of model offensive in luxury-class segment
World premiere of CLA and B-Class Electric Drive
EBIT of €460 million (Q1 2012: €1,230 million)

4.01

Amounts in millions of euros	Q1 2013	Q1 2012	% Change
EBIT	460	1,230	-63
Revenue	14,110	14,937	-6
Unit sales	341,511	338,303	+1
Production	374,041	364,009	+3
Employees (March 31)	96,219	99,858	-4

4.02

Unit sales	Q1 2013	Q1 2012	% Change
Total	341,511	338,303	+1
Western Europe	149,691	156,274	-4
Germany	61,130	64,668	-5
USA	67,998	68,603	-1
China	46,412	42,518	+9
Other markets	77,410	70,908	+9

New record for first-quarter unit sales
Mercedes-Benz Cars posted yet another high level of unit sales in the first quarter of 2013. Total sales of the passenger car division climbed to 341,500 units (Q1 2012: 338,300). First-quarter revenue dropped by 6% to €14.1 billion. EBIT amounted to €460 million (Q1 2012: €1,230).

Despite the difficult start of the automotive market in 2013, which fell short of the expectations, Mercedes-Benz Cars was able to gain market shares through the great success of the new compact class. First-quarter sales in the strongly lagging German market totaled 61,100 units (Q1 2012: 64,700); and 149,700 units in Western Europe (Q1 2012: 156,300). Vehicle deliveries to end customers in the USA totaled 71,500 units since January (+12%), thus giving the company the strongest first quarter in that country to date. The wholesale volume in the USA decreased slightly. Mercedes-Benz Cars posted strong sales months in the first quarter in Russia (+9%) and Japan (+7%). In China, the first quarter was dominated by the reorganization of the sales & marketing structures and the upcoming model changes. Unit sales were above the production-related low level of the previous year (+9%).

Strong show for new compacts and SUVs
The new compacts of the Mercedes-Benz model series performed especially well in the first quarter, with sales of 79,200 A-Class and B-Class vehicles from January to March (+52%). The successful development of the SUVs with the star also continued with first-quarter sales of 72,100 units worldwide (+18%). New sales records were posted by the GLK, the GL, the M-Class and the G-Class. Our smart fortwo sales from January to March totaled 26,400 units (Q1 2012: 27,300).

Model offensive in luxury-class and compact segment
Mercedes-Benz launched its broad-based product offensive in the luxury class segment with the world premiere of the new E-Class at the North American International Auto Show. Many new assistance systems from the future S-Class are already available in all E-Class models – bundled under the heading “Mercedes-Benz Intelligent Drive”. Another significant improvement was ensured by the powerful new BlueDIRECT four-cylinder gasoline engines with direct injection technology. The E-Class has thus now reached efficiency Class A. Mercedes-Benz also premiered the new CLA-Class in Detroit. Equipped with the world’s best aerodynamics (cw 0.22), an avant-garde coupé design and a 4MATIC all-wheel drive, the CLA is in a segment of its own.

Emission-free with a star
Locally emission-free electric vehicles are a key component of the Mercedes-Benz strategy for sustainable mobility. The new B-Class Electric Drive celebrated its world debut at the New York Auto Show at the end of March. Thanks to its high-torque electric motor and powerful battery, the B-Class Electric Drive guarantees locally emission-free driving pleasure with a range of 200 km. Its generous and variable interior makes it into a high-value recreation and family car with many uses. The B-Class Electric Drive can be ordered in the USA from the fall.

Fit for Leadership program progressing as planned
The generation of measures in the framework of the Fit for Leadership efficiency and growth program is progressing as planned. Efficiency measures will increasingly lead to positive effects in the results during the year.

Successful launches and high capacity utilization at the plants
The first quarter of 2013 saw the launches of important new, top-quality products of Mercedes-Benz: The new four-door compact Coupé CLA is being produced at the Kecskemét Plant since January 2013. In Sindelfingen, production of the new E-Class began in March. Passenger car production continues with very good capacity utilization. To enable fulfilling all customer wishes, numerous special shifts are being added.

Daimler Trucks

Unit sales affected by weak market development
Product offensive brings strong vehicles and components worldwide
Concrete measures launched in efficiency and growth program Daimler Trucks #1
EBIT of €116 million (Q1 2012: €376 million)

4.03

Amounts in millions of euros	Q1 2013	Q1 2012	% Change
EBIT	116	376	-69
Revenues	7,024	7,383	-5
Unit Sales	101,433	107,664	-6
Production	111,150	114,563	-3
Employees (March 31)	80,743	79,032	+2

4.04

Unit Sales	Q1 2013	Q1 2012	Change in %
Total	101,433	107,664	-6
Western Europe	11,968	13,066	-8
USA	26,641	27,432	-3
Latin America (without Mexico)	12,987	9,931	+31
Asia	35,221	40,047	-12
Other Markets	14,616	17,188	-15
BFDA (Auman Trucks)	23,001	0	.
Total (including BFDA)	124,434	107,664	+16

Unit sales below previous year's level
Unit sales of Daimler Trucks decreased by 6% to 101,400 units in the first quarter. Revenue reached €7.0 billion (-5%). EBIT amounted to €116 million (Q1 2012: €376 million).

Unite sales affected by weak market development
The continued strained economic situation in Western Europe led to a drop in demand in the segment of medium- and heavy-duty trucks. At 12,000 vehicles, our sales here were 8% down on the previous year. At 3%, the unit sales decrease was more moderate in Germany. We continue to be the clear market leader in both Western Europe and in the core market of Germany, with market shares of 22.5% and 41.2%, respectively. In Eastern Europe, truck sales were impacted particularly by the fall in demand in Turkey. At 30,600 vehicles sold, our unit sales in the NAFTA Region were 6% lower than in the previous year. The weaker development of the market is attributable to its relatively high level of the previous year. On the other hand, it also resulted from impending decisions in connection with the government deficit in the USA. We nevertheless again managed to increase our market share in classes 6-8 from 37.0% to 43.6%. As expected, the market in Latin America moved on a course of moderate recovery, and our unit sales there rose by 31% to 13,000 units. A significant cooling off was evident in the Asian market, where unit sales dropped by 12% to 35,200 units. In the demanding competitive environment, the recently announced economic stimulus package in Japan has not yet brought a significant impetus.

Implementation of concrete measures with Daimler Trucks #1
In the beginning of the year, we announced workforce measures at several locations with a view to adapting our capacities to the lower demand in the NAFTA region and improving our structural cost position in Europe and Brazil. In addition, we are implementing a new business model for Asia, with which we will bundle and optimize our activities on that continent. The goal is to realize growth and synergy potential in Procurement, Production and Sales, as well as in the product portfolio.

Accordingly, in future we will also produce trucks of the Fuso brand in the Indian city of Chennai, which we will then export to markets outside India, primarily to Asia and Africa.

Daimler Trucks completes Euro VI offensive
With the presentation of the new Arocs for construction uses as the third variant of the new heavy-duty series, and the new Atego, Daimler Trucks completes its Euro VI range significantly ahead of the effective date of the regulation at the turn of the year.

Modular strategy also implemented in new Cascadia
The Gaggenau Plant is now also producing transmissions for use in the Freightliner Cascadia. With the "DT12" automatic transmission Daimler Trucks has taken yet another step in the modular and common parts strategy since the PowerShift models are already being built into the new Actros and the Fuso Super Great. A further development of the proven Freightliner truck that is in production since the beginning of 2013, the Cascadia Evolution, is starting on the market with 5% more fuel economy than its predecessor – which held the previous benchmark on the US market – achieved through optimization in the vehicle aerodynamics and power train.

Expansion of the BharatBenz Model Range
Since February, in addition to the heavy-duty models from 25 to 31 tonnes, medium-duty trucks from 9 to 12 tonnes are also available in India. Thus, Daimler Trucks is successively rolling out the broad-based portfolio of trucks "Made in India". The new medium-duty models will set new standards on India's roads with their efficiency and dynamics.

Successful start for Chinese Joint Venture
In China, we hold a 50% interest in Beijing Foton Daimler Automotive Co., Ltd. (BFDA), a joint venture with Beiqi Foton Motor Co, Ltd. In the reporting period, BFDA sold 23,000 vehicles under the Auman brand name.

Mercedes-Benz Vans

Sales of 52,600 units slightly above prior-year level (Q1 2012: 51,200)
Mercedes-Benz Vans on growth course in USA, Latin America and Russia
Citan is "Van of the Year" in Spain
EBIT of €81 million (Q1 2012: €167 million)

4.05

Amounts in millions of euros	Q1 2013	Q1 2012	% change
EBIT	81	167	-51
Revenue	1,986	2,088	-5
Unit sales	52,623	51,223	+3
Production	63,169	62,974	+0
Employees (March 31)	14,913	14,907	+0

4.06

Unit sales	Q1 2013	Q1 2012	% change
Total	52,623	51,223	+3
Western Europe	32,646	34,394	-5
Germany	12,595	13,445	-6
Eastern Europe	5,213	4,597	+13
USA	3,976	3,557	+12
Latin America (excluding Mexico)	4,109	2,946	+39
China	2,371	1,061	+123
Other markets	4,308	4,668	-8

Revenue and EBIT impacted by market decline in Western Europe
Despite the difficult market environment in Western Europe, unit sales of Mercedes-Benz Vans increased slightly in the first quarter of 2013 to 52,600 units (Q1 2012: 51,200). Revenue decreased slightly to €2.0 billion (Q1 2012: €2.1 billion). EBIT amounted to €81 million (Q1 2012: €167 million).

Mercedes-Benz Vans on growth course in USA, Latin America and Russia
The decline in the demand for mid-sized and large vans on the West European markets also continued in the first quarter of 2013, as expected. Thanks to the new city van Citan, which was received positively by the market, Mercedes-Benz Vans managed to nearly offset the weaker sales number of the established model series Sprinter, Vito and Viano; at 32,600 units sales in Western Europe were slightly below the previous year's level (Q1 2012: 34,400).

Russia continues to be our growth driver in Eastern Europe; we sold 5,200 vans in this region (Q1 2012: 4,600).

The development of unit sales outside Europe remained positive: In Latin America, we posted significant double-digit growth of 39% compared to the prior-year period with sales of 4,100 units. The launch of the current Sprinter generation has been followed by a continuous increase in the sales volume in that country.

In the USA, Mercedes-Benz Vans grew sales by 12% to 4,000 units in the first three months of the year. In the dynamic Chinese market, Mercedes-Benz Vans more than doubled its unit sales compared to the same quarter in the previous year.

Our sales of the Sprinter in the first quarter of 2013 totaled 31,300 units worldwide (Q1 2012: 32,700 units). For the Vito and Viano models we posted a sales decline to 16,600 units (Q1 2012: 17,900). The new city van Citan accounted for 4,100 units.

Mercedes-Benz Vans again sets new safety standards
In the spring, Mercedes-Benz Vans showed how safe vans will be in the near future and set new standards in this class with five new assistance systems. Three systems celebrated their world debut in vans: the Crosswind Assist, Distance Control Assist and Blindspot Assist. Supplemented by the High-Beam and Lane Assist, all safety systems will be available in our vans soon. Mercedes-Benz Vans is thus underscoring its role as safety technology pioneer and innovation driver.

New R&D center inaugurated at Fujian Benz in China
Mercedes-Benz Vans celebrated a milestone in the global growth strategy "Vans goes global" at the end of March with the official opening of the new research and development center of the Chinese van joint venture "Fujian Benz Automotive Corporation" in Fuzhou. This is the first R&D center of the Van division outside Germany. It is equipped with a test track, test benches, exhaust emission laboratory and endurance run workshop facility, among others. The focus is on the vehicles which Mercedes-Benz Vans produces and sells locally in China: Sprinter, Vito and Viano.

Citan is "Van of the Year" in Spain
It has hardly come on the market and has already been crowned with an award: The new city van Mercedes-Benz Citan has been voted "Van of the Year" in Spain. The jury panel of a reputable Spanish auto magazine included more than 190 fleet specialists from the largest transport and intra-company transport operations in Spain. The Citan won with a big edge over four other competitors in the small vans category.

Daimler Buses

Unit sales significantly above prior-year level at 6,000 buses and chassis
New Sales & Marketing structure
Series start of Setra ComfortClass 500
EBIT of minus €31 million (Q1 2012: minus €105 million)

4.07

Amounts in millions of euros	Q1 2013	Q1 2012	% change
EBIT	-31	-105	.
Revenue	751	730	+3
Unit sales	6,033	4,896	+23
Production	7,358	6,370	+16
Employees (March 31)	16,713	17,569	-5

4.08

Unit sales	Q1 2013	Q1 2012	% change
Total	6,033	4,896	+23
Western Europe	538	632	-15
Germany	231	209	+11
NAFTA	366	552	-34
Latin America (excluding Mexico)	4,141	2,790	+48
Asia	404	269	+50
Other markets	584	653	-11

Unit sales, revenue and EBIT exceed prior-year level
In the first quarter of 2013, Daimler Buses grew global sales by 23% to 6,000 units due to the rising demand for bus chassis in Latin America. The complete bus business in Western Europe was below the prior-year level. Revenue increased by 3% to €751 million (Q1 2012: €730 million). However, the changed model mix following the repositioning of the North American business system had a dampening effect on revenue growth. EBIT improved to minus €31 million (Q1 2012: minus €105 million).

Stronger demand in Latin America supports overall positive unit sales development
First-quarter sales in Western Europe amounted to 500 complete buses and bus chassis of the Mercedes-Benz and Setra brands (Q1 2012: 600). The city bus business posted new growth while unit sales in the coach business decreased. In Germany Daimler Buses increased sales by 11% to 200 units.

Following the repositioning of the North American business system in 2012, our sales in the NAFTA region fell back to 400 units (Q1 2012: 600 units), as expected.

Latin America and especially the biggest market in the region, Brazil, showed the expected recovery in the first quarter of 2013. Accordingly, we sold 4,100 bus chassis of the Mercedes-Benz brand with growth of 48% compared to the previous year.

New Sales & Marketing structure for Germany
At the start of 2013, a new Sales & Marketing structure went into effect for Germany. Thus, the responsibility for the sales & marketing of Mercedes-Benz and Setra in Germany, as in all other core markets, is now combined into one function.

Series start of ComfortClass 500
Series production of the first ComfortClass 500 coaches began in February 2013. The first customer deliveries also began in the same month with an S 517 HD. With the Setra ComfortClass 500, Daimler Buses presented the first complete coach concept in the world to be developed completely in line with Euro VI requirements at the end of last year.

Bus business in India integrated in Daimler India Commercial Vehicles
To enable increased utilization of synergy effects between Daimler Trucks and Daimler Buses, we are bundling the bus and commercial vehicle activities in India under the umbrella of Daimler India Commercial Vehicles (DICV). DICV will also take over responsibility for the local Marketing and Sales & Services activities of Mercedes-Benz Buses.

Daimler Financial Services

New business grows by 4%
Number of car2go customers rises above 350,000
Entry in car rentals with the new brand Mercedes-Benz Rent
EBIT of € 314 million (Q1 2012: € 344 million)

4.09

Amounts in millions of euros	Q1 2013	Q1 2012	% change
EBIT	314	344	-9
Revenue	3,577	3,140	+14
New business	8,619	8,257	+4
Contract volume (March 31)	81,656	71,587	+14
Employees (March 31)	7,792	7,262	+7

Solid business development in the first quarter
The business of Daimler Financial Services continued to develop positively in the first quarter. Worldwide, around 253,000 new lease and financing contracts with a total value of €8.6 billion were concluded, with growth of 4% compared to the first quarter of 2012. The total contract volume of €81.7 billion posted at the end of the first quarter was 2% higher than the level at the 2012 year-end. Adjusted for currency effects, the contract volume increased by 1%. EBIT reached €314 million (Q1 2012: €344 million).

Rise in new business in Europe
New business in Europe increased by 4% compared to the first quarter of 2012 to a total of €4.0 billion. Significant growth was posted in Russia (+32%) and the United Kingdom (+25%), among others. The contract volume of €34.4 billion was slightly below the level at the 2012 year-end. The deposit volume of Mercedes-Benz Bank in the direct banking business amounted to €12.6 billion (+4%). Since the first quarter of 2013, Mercedes-Benz Bank is also offering car rentals in Germany under the new Mercedes-Benz Rent brand: Customers can rent vehicles on a short-term basis at the German Mercedes-Benz sales & service outlets and can thus meet the most varied of mobility requirements. The Daimler Fleet Management unit repositioned its activities in the framework of the “DFS 2020” strategy in the first quarter and will be significantly expanding the presence in Europe, among others.

New gains in the Americas region
In the Americas region, lease and financing agreements with a total value of €3.4 billion were concluded – an increase of 8%. The business developed particularly strongly in Argentina (+40%) and in Mexico (+23%). The contract volume reached € 35.6 billion and was thus 6% above the level at the 2012 year-end.

Largely stable development in Africa & Asia-Pacific
In the Africa & Asia-Pacific region, new business decreased by 4% compared to the first quarter of 2012 to a total of €1.2 billion. Adjusted for currency effects the value of the newly concluded lease and financing agreements was 2% higher than in the first quarter of 2012. Strong growth was posted in Thailand (+116%) and Korea (+50%). The total contract volume for the region amounted to €11.6 billion, 2% higher than at the 2012 year-end.

Insurance business maintains double-digit growth
In the insurance business, Daimler Financial Services sold 14% more automotive insurance policies than in the first quarter of 2012. Worldwide, around 235,000 insurance contracts were concluded – as many as never before in a first quarter. Business development was particularly successful in China with 27,000 insurance policies sold in the first three months of the year. The demand for insurance contracts with the star also developed very positively in Turkey, where the number of new contracts quadrupled to over 3,000 units.

car2go wins new customers
Growth in the area of innovative mobility services continued in the first quarter of 2013. The flexible mobility concept car2go was able to win around 78,000 new customers – with growth of 29% compared to the 2012 year-end. Altogether, at the end of March, over 350,000 customers in 18 cities were registered at car2go.

Consolidated Statement of Income (Unaudited)

5.01

In millions of euros	Consolidated Group Q1 2013	Q1 2012 (adjusted)[1]	Industrial Business (unaudited additional information) Q1 2013	Q1 2012 (adjusted)[1]	Daimler Financial Services (unaudited additional information) Q1 2013	Q1 2012 (adjusted)[1]
Revenue	26,102	27,011	22,525	23,871	3,577	3,140
Cost of sales	-20,761	-20,706	-17,738	-18,141	-3,023	-2,565
Gross profit	5,341	6,305	4,787	5,730	554	575
Selling expenses	-2,579	-2,392	-2,467	-2,303	-112	-89
General administrative expenses	-938	-932	-810	-798	-128	-134
Research and non-capitalized development costs	-1,013	-1,041	-1,013	-1,041	-	-
Other operating income	291	289	280	281	11	8
Other operating expense	-91	-74	-88	-69	-3	-5
Share of profit/loss from investments accounted for using the equity method, net	2	98	8	103	-6	-5
Other financial expense, net	-96	-155	-94	-149	-2	-6
Earnings before interest and taxes (EBIT)[2]	917	2,098	603	1,754	314	344
Interest income	70	88	70	88	-	-
Interest expense	-227	-193	-226	-190	-1	-3
Profit before income taxes	760	1,993	447	1,652	313	341
Income taxes	-196	-568	-80	-449	-116	-119
Net profit	564	1,425	367	1,203	197	222
Thereof profit attributable to non-controlling interest	28	78				
ereof profit attributable to shareholders of Daimler AG	536	1,347				
Earnings per share (in €) for profit attributable to shareholders of Daimler AG						
Basic	0.50	1.26				
Diluted	0.50	1.26				

1 Information related to the adjustments of the prior-year figures is disclosed in note 1.
2 EBIT includes expenses from the compounding of provisions and the effects of changes in discount rates (2013: minus €47 million; 2012: minus €170 million).

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

Consolidated Statement of Comprehensive Income (Unaudited)

5.02

In millions of euros	Consolidated Group Q1 2013	Q1 2012 (adjusted)[1]
Net profit	564	1,425
Unrealized gains/losses on currency translation	185	-278
Unrealized gains on financial assets available for sale	137	282
Unrealized gains/losses on derivative financial instruments	-161	481
Unrealized gains/losses on investments accounted for using the equity method	135	-123
Items that probably will be reclassified in profit/loss	296	362
Actuarial losses on investments accounted for using the equity method	-7	-81
Actuarial gains from pension benefit plans	162	83
Items that will not be reclassified in profit/loss	155	2
Other comprehensive income, net of taxes	451	364
Thereof income/loss attributable to non-controlling interest, after taxes	67	-91
Thereof income attributable to shareholders of Daimler AG, after taxes	384	455
Total comprehensive income	1,015	1,789
Thereof income/loss attributable to non-controlling interest	95	-13
Thereof income attributable to shareholders of Daimler AG	920	1,802

1 Information related to the adjustments of the prior-year figures is disclosed in note 1.

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

Consolidated Statement of Financial Position (unaudited)

5.03

In millions of euros	Consolidated Group March 31, 2013	Consolidated Group Dec. 31, 2012 (adjusted)[1]	Industrial Business (unaudited additional information) March 31, 2013	Industrial Business (unaudited additional information) Dec. 31, 2012 (adjusted)[1]	Daimler Financial Services (unaudited additional information) March 31, 2013	Daimler Financial Services (unaudited additional information) Dec. 31, 2012 (adjusted)[1]
Assets						
Intangible assets	9,009	8,885	8,930	8,808	79	77
Property, plant and equipment	20,905	20,599	20,851	20,546	54	53
Equipment on operating leases	26,679	26,058	12,207	12,163	14,472	13,895
Investments accounted for using the equity method	4,391	4,304	4,384	4,291	7	13
Receivables from financial services	27,599	27,062	-27	-33	27,626	27,095
Marketable debt securities	1,827	1,539	9	9	1,818	1,530
Other financial assets	3,808	3,890	-515	-216	4,323	4,106
Deferred tax assets	2,909	2,733	2,342	2,178	567	555
Other assets	550	534	-1,960	-1,753	2,510	2,287
Total non-current assets	97,677	95,604	46,221	45,993	51,456	49,611
Inventories	18,959	17,720	18,568	17,075	391	645
Trade receivables	8,058	7,543	7,182	6,864	876	679
Receivables from financial services	22,380	21,998	-14	-17	22,394	22,015
Cash and cash equivalents	11,355	10,996	10,348	9,887	1,007	1,109
Marketable debt securities	4,504	4,059	4,275	3,832	229	227
Other financial assets	2,095	2,070	-6,509	-6,625	8,604	8,695
Other assets	3,326	3,072	1,090	536	2,236	2,536
Total current assets	70,677	67,458	34,940	31,552	35,737	35,906
Total assets	168,354	163,062	81,161	77,545	87,193	85,517
Equity and liabilities						
Share capital	3,064	3,063				
Capital reserves	12,015	12,026				
Retained earnings	22,708	22,017				
Other reserves	1,028	799				
Treasury shares	-	–				
Equity attributable to shareholders of Daimler AG	38,815	37,905				
Non-controlling interest	1,366	1,425				
Total equity	40,181	39,330	33,435	33,238	6,746	6,092
Provisions for pensions and similar obligations	11,321	11,299	11,172	11,151	149	148
Provisions for income taxes	976	727	971	726	5	1
Provisions for other risks	5,486	5,150	5,332	4,992	154	158
Financing liabilities	45,218	43,340	12,107	10,950	33,111	32,390
Other financial liabilities	1,535	1,750	1,403	1,613	132	137
Deferred tax liabilities	227	268	-1,973	-1,808	2,200	2,076
Deferred income	2,416	2,444	1,972	1,989	444	455
Other liabilities	35	38	31	32	4	6
Total non-current liabilities	67,214	65,016	31,015	29,645	36,199	35,371
Trade payables	10,161	8,832	9,757	8,515	404	317
Provisions for income taxes	998	1,006	941	900	57	106
Provisions for other risks	6,219	6,292	5,902	5,983	317	309
Financing liabilities	33,626	32,911	-7,164	-8,067	40,790	40,978
Other financial liabilities	6,577	6,699	4,685	5,023	1,892	1,676
Deferred income	1,735	1,640	1,243	1,153	492	487
Other liabilities	1,643	1,336	1,347	1,155	296	181
Total current liabilities	60,959	58,716	16,711	14,662	44,248	44,054
Total equity and liabilities	168,354	163,062	81,161	77,545	87,193	85,517

1 Information related to the adjustments of the prior-year figures is disclosed in note 1.

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

Consolidated Statement of Changes in Equity (Unaudited)

5.04

In millions of euros	Share capital	Capital reserves	Retained earnings (adjusted)[1, 2]	Currency translation (adjusted)[1]	Financial assets available for sale (adjusted)[1]
Balance at January 1, 2012 before adjustments	3,060	11,895	24,228	1,049	71
Effects from first-time adoption IAS 19R	-	-	-3,862	-52	-
Effect from adjustment early retirement and partial retirement plans	-	-	-34	-	-
Balance at January 1, 2012 after adjustments	3,060	11,895	20,332	997	71
Net profit	-	-	1,347	-	-
Other comprehensive income before taxes	-	-	-384	-261	286
Deferred taxes on other comprehensive income	-	-	415	-	-4
Total comprehensive income/loss	-	-	1,378	-261	282
Dividends	-	-	-	-	-
Share-based payment	-	2	-	-	-
Capital increase/Issue of new shares	-	1	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-5	-1	-	-
Balance at March 31, 2012	3,060	11,893	21,709	736	353
Balance at January 1, 2013 before adjustments	**3,063**	**12,026**	**27,977**	**530**	**234**
Effects from first-time adoption IAS 19R	-	-	-5,919	-14	-
Effect from adjustment early retirement and partial retirement plans	-	-	-41	-	-
Balance at January 1, 2013 after adjustments	**3,063**	**12,026**	**22,017**	**516**	**234**
Net profit	-	-	536	-	-
Other comprehensive income before taxes	-	-	189	188	139
Deferred taxes on other comprehensive income	-	-	-34	-	-2
Total comprehensive income/loss	-	-	691	188	137
Dividends	-	-	-	-	-
Capital Increase/Issue of new shares	1	8	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-19	-	-	-
Balance at March 31, 2013	**3,064**	**12,015**	**22,708**	**704**	**371**

1 Information related to the adjustments of the prior-year figures is disclosed in note 1.
2 Retained earnings include items that will not be reclassified in profit or loss. Actuarial gains/losses from pension benefit plans amount to €5,985 million net of tax as of March 31, 2013 (December 31, 2012: €6,147 million net of tax)

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

Other reserves items that probably will be reclassified in profit/loss						
Derivative financial instruments	Share of investments accounted for using the equity method	Treasury shares	**Equity attributable to share-holders of Daimler AG** (adjusted)[1]	Non-controlling interest (adjusted)[1]	**Total equity** (adjusted)[1]	In millions of euros
-651	-28	-	39,624	1,713	41,337	**Balance at January 1, 2012 before adjustments**
-	-	-	-3,914	-131	-4,045	Effects from first-time adoption IAS 19R
-	-	-	-34	-	-34	Effect from adjustment early retirement and partial retirement plans
-651	-28	-	35,676	1,582	37,258	**Balance at January 1, 2012 after adjustments**
-	-	-	1,347	78	1,425	Net profit
676	-118	-	199	-123	76	Other comprehensive income before taxes
-195	40	-	256	32	288	Deferred taxes on other comprehensive income
481	-78	-	1,802	-13	1,789	Total comprehensive income/loss
-	-	-	-	-278	-278	Dividends
-	-	-	2	-	2	Share-based payment
-	-	-	1	4	5	Capital increase/Issue of new shares
-	-	-25	-25	-	-25	Acquisition of treasury shares
-	-	25	25	-	25	Issue and disposal of treasury shares
-	-	-	-6	2	-4	Other
-170	-106	-	37,475	1,297	38,772	**Balance at March 31, 2012**
50	-1	-	43,879	1,631	45,510	**Balance at January 1, 2013 before adjustments**
-	-	-	-5,933	-206	-6,139	Effects from first-time adoption IAS 19R
-	-	-	-41	-	-41	Effect from adjustment early retirement and partial retirement plans
50	-1	-	37,905	1,425	39,330	**Balance at January 1, 2013 after adjustments**
-	-	-	536	28	564	Net profit
-233	97	-	380	93	473	Other comprehensive income before taxes
72	-32	-	4	-26	-22	Deferred taxes on other comprehensive income
-161	65	-	920	95	1,015	Total comprehensive income/loss
-	-	-	-	-132	-132	Dividends
-	-	-	9	-	9	Capital Increase/Issue of new shares
-	-	-24	-24	-	-24	Acquisition of treasury shares
-	-	24	24	-	24	Issue and disposal of treasury shares
-	-	-	-19	-22	-41	Other
-111	64	-	38,815	1,366	40,181	**Balance at March 31, 2013**

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

Consolidated Statement of Cash Flows (Unaudited)

5.05

In millions of euros	Consolidated Group Q1 2013	Consolidated Group Q1 2012 (adjusted)[1]	Industrial Business (unaudited additional information) Q1 2013	Industrial Business (unaudited additional information) Q1 2012 (adjusted)[1]	Daimler Financial Services (unaudited additional information) Q1 2013	Daimler Financial Services (unaudited additional information) Q1 2012 (adjusted)[1]
Profit before income taxes	760	1,993	447	1,652	313	341
Depreciation and amortization	1,059	1,019	1,053	1,014	6	5
Other non-cash expense and income	19	-98	4	-108	15	10
Gains/losses on disposals of assets	-5	-19	-5	-24	-	5
Change in operating assets and liabilities						
Inventories	-1,156	-1,726	-1,368	-1,803	212	77
Trade receivables	-498	-945	-312	-903	-186	-42
Trade payables	1,324	769	1,233	708	91	61
Receivables from financial services	-395	-153	31	-	-426	-153
Vehicles on operating leases	-378	-610	1	-31	-379	-579
Other operating assets and liabilities	170	-281	-261	-457	431	176
Income taxes paid	-466	-422	-369	-325	-97	-97
Net cash from/used in operating activities	434	-473	454	-277	-20	-196
Additions to property, plant and equipment	-1,058	-1,042	-1,053	-1,038	-5	-4
Additions to intangible assets	-568	-390	-562	-387	-6	-3
Proceeds from disposals of property, plant and equipment and intangible assets	43	55	40	54	3	1
Investments in interests in companies	-37	-267	-37	-262	-	-5
Proceeds from disposals of interests in companies	24	6	24	6	-	-
Acquisition of marketable debt securities	-2,706	-775	-1,740	-572	-966	-203
Proceeds from sales of marketable debt securities	1,987	1,351	1,310	1,202	677	149
Other	55	-61	54	-64	1	3
Net cash used in investing activities	-2,260	-1,123	-1,964	-1,061	-296	-62
Change in financing liabilities	2,180	3,909	2,366	3,358	-186	551
Dividends paid to non-controlling interest	-30	-3	-29	-2	-1	-1
Proceeds from issuance of share capital	9	5	9	5	-	-
Purchase of treasury shares	-24	-25	-24	-25	-	-
Purchase of non-controlling interest in subsidiaries	-16	-	-16	-	-	-
Internal equity transactions	-	-	-394	-17	394	17
Net cash from financing activities	2,119	3,886	1,912	3,319	207	567
Effect of foreign exchange-rate changes on cash and cash equivalents	66	-29	59	-27	7	-2
Net increase/decrease in cash and cash equivalents	359	2,261	461	1,954	-102	307
Cash and cash equivalents at beginning of period	10,996	9,576	9,887	8,908	1,109	668
Cash and cash equivalents at end of period	11,355	11,837	10,348	10,862	1,007	975

1 Information related to the adjustments of the prior-year figures is disclosed in note 1.

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 results of operations and the 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, 2012 audited and published IFRS consolidated financial statements and notes thereto – except the subsequently discussed adjustments of the prior period values. The accounting policies applied by the Group in these interim financial statements are principally the same as those applied in the audited IFRS consolidated financial statements for the year ended December 31, 2012.

Commercial practice with respect to certain products manufactured by Daimler necessitates that sales financing, including leasing alternatives, be 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 financial position, cash flows and operating results, 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 results of operations, cash flows and 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 the Daimler Financial Services business have generally been allocated to the industrial business columns.

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 at the balance sheet date 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 consolidated financial statements.

Prior period adjustments. In June 2011 IASB published the revisions to IAS 19 "Employee Benefits", which were subsequently endorsed by the EU in June 2012. The revised standard IAS 19 requires full retrospective application, with limited exceptions, in annual financial statements for financial years beginning on or after January 1, 2013. Consequently, Daimler has adjusted the figures reported for the previous year by the effects arising from the revisions of IAS 19.

At Daimler, the revisions of IAS 19 lead to the following significant effects.

Pensions and similar obligations. The Group has previously used the corridor method, which is no longer permitted under the revised IAS 19. As a result, actuarial gains and losses have a direct effect on the consolidated statement of financial positions and lead to an increase in the provisions for pensions and similar obligations and a reduction in equity. Going forward, the consolidated statement of income will remain free from the effects of actuarial gains and losses, which will be recognized immediately in other comprehensive income. Moreover, the net interest cost approach for discounting the net pension obligation at the rate used for the measurement of the gross pension obligation will be applied. Since the net pension obligation is reduced by any plan assets, for discounting plan assets the same discount rate is assumed.

Obligations for part-time early retirement. As a result of the revised definition of termination benefits provided in IAS 19, the top-up amounts agreed in the framework of the part-time early retirement agreements now represent other long-term employee benefits. The pro-rata accumulation of top-up amounts over the relevant active service period of employees who receive part-time early retirement benefits leads to a reduction in the provisions for part-time early retirement.

The following table shows the effects of the application of IAS 19 on the line items of the consolidated statement of financial position as of January 1, 2012 as well as December 31, 2012.

5.06

Effects of the revised IAS 19 on the consolidated statement of financial position

In millions of euros	Dec.31, 2012	Jan. 1, 2012
Investments accounted for using the equity method	-342	-357
Other assets	-33	-37
Total equity	-6,139	-4,045
Provisions for pensions and similar obligations	8,264	4,682
Provisions for other risks	-347	-334
Balance of deferred tax assets and deferred tax liabilities	-2,153	-697

The effects on the consolidated statement of income for the period from January 1 to March 31, 2012 are presented in the following table:

5.07

Effects of the revised IAS 19 on the consolidated statement of income

In millions of euros	Q1 2012
Cost of sales	-38
Selling expenses	-1
General administrative expenses	-1
Other financial expense, net	10
EBIT	-30
Interest result	46
Income taxes	-6
Net profit	10

Diluted and undiluted earnings per share increase by €0.01 in Q1 2012.

Table ↗ 5.08 and ↗ 5.09 show the effects on the Group's consolidated statement of financial position and consolidated statement of income, if the Group had not applied IAS 19R as of January 1, 2013.

5.08

Effects of the retention of IAS 19 on the consolidated statement of financial position

In millions of euros	March 31, 2013
Investments accounted for using the equity method	355
Other assets	33
Total equity	5,959
Provisions for pensions and similar obligations	-8,016
Provisions for other risks	376
Balance of deferred tax assets and deferred tax liabilities	2,068

5.09

Effects of the retention IAS 19 on the consolidated statement of income

In millions of euros	Q1 2013
EBIT	-29
Interest result	-17
Income taxes	20
Net profit	-26

Diluted and undiluted earnings per share had decreased by €0.02 in Q1 2013.

The conversion to the revised IAS 19 led to a review of the calculation of the pension obligations for part-time early retirement benefits. Subsequently, the obligations from the outstanding settlement amount pursuant to IAS 8.42 recorded as of December 31, 2012 and January 1, 2012 were adjusted by €58 million and €48 million, respectively. The effects on the consolidated statement of income and earnings per share in Q1 2012 are not material.

Application of IFRS 13. In May 2011, IASB published IFRS 13 “Fair Value Measurement”, which combines the regulations for fair value measurement that were previously contained in the individual IFRS into a single standard and replaces them with a uniform IFRS framework for measuring fair value. IFRS 13 must be applied prospectively for financial years which begin on or after January 1, 2013. The initial application of the standard does not lead to significant changes in the measurement of assets and liabilities. Changes are required in the consolidated notes, according to which the disclosures on the fair values of financial instruments and classification of financial instruments, which previously had to be made only in the year-end financial statements, now also have to be made in the interim reports. Further information is provided in Note 16.

2. Revenue

Revenue at Group level consists of the following:

5.10
Revenue

In millions of euros	Q1 2013	Q1 2012
Revenue from the sale of goods	22,596	23,847
Revenue from the rental and leasing business	2,637	2,297
Interest from the financial services business at Daimler Financial Services	766	785
Revenue from the provision of other services	103	82
	26,102	27,011

3. Functional costs

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

Daimler Trucks. At the end of January 2013, Daimler Trucks announced workforce adjustments as part of its goal to increase its profitability by stronger utilization of scale effects. In Brazil, approximately 1,400 production employees have already been reemployed following the current layoff, in the administrative sector a reduction of approximately 850 people is expected, for which a voluntary redundancy program has already been started. Furthermore, in non-productive areas in Germany a headcount reduction of approximately 800 employees is planned, which is to be achieved by means of socially acceptable voluntary measures.

Daimler Buses. In 2012 Daimler Buses decided to restructure some sections of its business system to improve efficiency and generate growth in order to increase the market shares of buses in Western Europe, to adapt the product portfolios to changed market requirements and to reduce cost positions. These measures also included a reduction of up to 10% of the workforce in Western Europe. Furthermore, the Board of Management decided to restructure the activities of Daimler Buses in North America. In this context, the production of Orion city buses was discontinued and the workforce was scaled down by about 900 employees. In addition, further optimization measures were initiated in non-productive areas in Brazil for which a voluntary redundancy program has already been started.

The following table shows the expenses related to the optimization programs which have had an effect on the EBIT of the segments. Furthermore, the table shows the cash outflows associated with the implementation of the programs.

5.11
Optimization Programs

In millions of euros	Q1 2013	Q1 2012
Daimler Trucks		
EBIT	-13	-
Cash Outflow	-7	-
Daimler Buses		
EBIT	-4	-36
Cash Outflow	-21	-

The Group anticipates expenses for Daimler Trucks and Daimler Buses of up to €250 million and up to €30 million, respectively.

These expenses primarily relate to personnel measures and are included in the line items within the consolidated statement of income as shown in the following table.

5.12
Expenses associated with optimization programs at Daimler Trucks and Daimler Buses

In millions of euros	Q1 2013	Q1 2012
Cost of sales	-8	-27
Selling expenses	-1	-4
General administrative expenses	-8	-2
Research and non-capitalized development costs	-	-3
	-17	-36

The provisions recognized for the measures at Daimler Trucks amounted to €6 million as of March 31, 2013. At Daimler Buses the provisions recognized for the measures amounted to €41 million as of March 31, 2013 (€58 million as of December 31, 2012).

Cash outflows resulting from the optimization programs at Daimler Buses are expected until the end of 2017.

4. Interest income and expense

Interest income and expense are comprised as follows:

5.13
Interest Income and expense

In millions of euros	Q1 2013	Q1 2012
Interest income		
Interest income on pension and other post-employment benefit plan assets	-	1
Interest and similar income	70	87
	70	88
Interest expense		
Interest cost for pension and other post-employment defined benefit obligations	-88	-81
Interest and similar expenses	-139	-112
	-227	-193

5. Intangible assets

Intangible assets are comprised as follows:

5.14
Intangible assets

In millions of euros	March 31, 2013	Dec. 31, 2012
Goodwill	734	729
Development costs	7,215	7,160
Other intangible assets	1,060	996
	9,009	8,885

6. Property, plant and equipment

Property, plant and equipment consist of the following:

5.15
Property, plant and equipment

In millions of euros	March 31, 2013	Dec. 31, 2012
Land, leasehold improvements and buildings including buildings on land owned by others	6,910	6,973
Technical equipment and machinery	6,715	6,523
Other equipment, factory and office equipment	4,970	4,844
Advance payments relating to plant and equipment and construction in progress	2,310	2,259
	20,905	20,599

7. Equipment on operating leases

At March 31, 2013, the carrying amount of equipment on operating leases amounted to €26,679 million (December 31, 2012: €26,058 million). In the three months ended March 31, 2013, additions and disposals amounted to €3,357 million and €1,957 million respectively (2012: €2,970 million and €1,519 million). Depreciation for the first quarter of 2013 was €1,101 million (2012: €868 million). Other changes primarily include effects from currency translation.

8. Investments accounted for using the equity method

The key figures of investments accounted for using the equity method are as follows:

5.16

Investments accounted for using the equity method

in millions of euros	EADS	Engine Holding	BBAC	BFDA	Kamaz	Others[1]	Total
March 31, 2013							
Equity interest (in %)	**14.8**	**50.0**	**50.0**	**50.0**	**15.0**	**-**	**-**
Equity investment	**1,559**	**1,437**	**547**	**321**	**173**	**354**	**4,391**
Equity result (first quarter of 2013)[2]	**34**	**-18**	**20**	**-17**	**5**	**-22**	**2**
December 31, 2012							
Equity interest (in %)	14.9	50.0	50.0	50.0	15.0	-	-
Equity investment	1,388	1,549	510	328	165	364	4,304
Equity result (first quarter of 2012)[2]	133	9	-11	-	7	-40	98

1 Also including joint ventures accounted for using the equity method.
2 Including investor-level adjustments.

EADS. On March 27, 2013 the Extraordinary Shareholders' Meeting of EADS approved the new management and shareholder structure. Subsequently, the shareholders' pact concluded in the year 2000 was dissolved and replaced by a new shareholders' pact without participation by Daimler on April 2, 2013. Concomitantly, EADS shares which were previously held by Daimler but were constructively allocable to the Dedalus investors were transferred to the Dedalus investors. With the dissolution of the previous shareholders' pact, Daimler lost its significant influence in EADS. As a result of the loss of significant influence and the transfer of the EADS shares, on April 2, 2013 the EADS shares were remeasured with effect on earnings at the higher current stock price of the EADS share. Overall, income of approximately €2.9 billion will be posted to Group EBIT in the second quarter of 2013, allocable in equal parts to Daimler shareholders and the Dedalus investors. The amount comprises a book gain without an inflow of cash.

On April 16, 2013, the Group announced that it would sell its remaining stake of approximately 7.4% in EADS through an accelerated placement procedure. The sale, which took place on April 17, 2013 at an offer price of €37 per EADS share, will lead to estimated additional expenses of approximately €0.2 billion in Group EBIT in the second quarter of 2013, resulting from the decrease in the EADS stock price since April 2, 2013. The sale will bring a cash inflow of approximately €2.2 billion in the second quarter of 2013. Following the offering, Daimler does not hold any residual shares in EADS. Moreover, the Group has entered into cash-settled contracts with both Goldman Sachs and Morgan Stanley which will allow a certain upside participation in the EADS share price until the 2013 year-end.

Engine Holding. The control and profit transfer agreement with Tognum AG has been entered in the commercial register on December 19, 2012. Since January 1, 2013, Roll-Royce Holdings plc. (Rolls-Royce) assumed, as contractually agreed, control over Engine Holding and Engine Holding is included as a subsidiary company in the consolidated financial statements of Rolls-Royce.

The decision of the regional court Frankfurt a. M. as of November 15, 2011 to transfer Tognum AG shares which are not already owned by Engine Holding against compensation (squeeze-out under takeover law) took effect in March 2013 and Engine Holding holds 100% of Tognum shares since then.

The objections against the decision were withdrawn because the appeals' representatives and Engine Holding agreed to an out-of-court settlement. The minority shareholders of Tognum AG, whose shares were transferred to Engine Holding in the context of the squeeze-out under takeover law, and the former shareholders of Tognum AG, who accepted the compensation of the control and profit transfer agreement effective at December 19, 2012, received a compensation of €31,61 according to the out-of-court settlement.

9. Receivables from financial services

Receivables from financial services are shown in the following table:

5.17
Receivables from financial services

In millions of euros	Current	Non-current	March 31, 2013 Total	Current	Non-current	December 31, 2012 Total
Receivables from						
Retail	13,277	25,994	39,271	13,289	25,379	38,668
Wholesale	9,422	1,672	11,094	8,995	1,687	10,682
Other	108	493	601	102	546	648
Gross carrying amount	22,807	28,159	50,966	22,386	27,612	49,998
Allowances for doubtful accounts	-427	-560	-987	-388	-550	-938
Carrying amount, net	22,380	27,599	49,979	21,998	27,062	49,060

10. Inventories

Inventories are comprised as follows:

5.18
Inventories

In millions of euros	March 31, 2013	Dec. 31, 2012
Raw materials and manufacturing supplies	2,162	2,137
Work in progress	2,601	2,292
Finished goods, parts and products held for resale	14,141	13,235
Advance payments to suppliers	55	56
	18,959	17,720

11. Equity

Employee share purchase plan. In the first quarter of 2013, 0.5 million Daimler shares were purchased and reissued to employees in connection with an employee share purchase plan.

Dividend. The Annual Shareholders’ Meeting held on April 10, 2013 authorized Daimler to distribute a dividend of €2,349 million (€2.20 per share) from Daimler AG’s distributable profit for 2012. The dividend was paid out on April 11, 2013.

12. Pensions and similar obligations

Pension cost. The components of pension cost included in the consolidated statement of income are as shown in table ↗ 5.19.

Contributions by the employer to plan assets. In the three months ended March 31, 2013, contributions by Daimler to the Group's pension plans were €18 million (2012: €51 million).

5.19
Components of net periodic pension cost

In millions of euros	Total	German plans	Q1 2013 Non-German plans	Total	German plans	Q1 2012 Non-German plans
Current service cost	-135	-112	-23	-97	-75	-22
Net interest expense	-75	-66	-9	-68	-58	-10
Net interest income	-	-	-	1	-	1
	-210	-178	-32	-164	-133	-31

13. Provisions for other risks

Provisions for other risks are comprised as shown in the following table.

5.20
Provisions for other risks

			March 31, 2013			December 31, 2012
In millions of euros	Current	Non-current	Total	Current	Non-current	Total
Product warranties	2,329	2,676	5,005	2,562	2,528	5,090
Personnel and social costs	1,348	1,560	2,908	1,302	1,356	2,658
Other	2,542	1,250	3,792	2,428	1,266	3,694
	6,219	5,486	11,705	6,292	5,150	11,442

14. Financing liabilities

Financing liabilities are comprised as follows:

5.21
Financing liabilities

In millions of euros		March 31, 2013			December 31, 2012	
	Current	Non-current	Total	Current	Non-current	Total
Notes/bonds	9,736	29,340	39,076	7,770	27,926	35,696
Commercial paper	1,699	-	1,699	1,768	-	1,768
Liabilities to financial institutions	11,085	8,725	19,810	11,629	8,581	20,210
Deposits in the direct banking business	8,293	4,288	12,581	8,481	3,640	12,121
Liabilities from ABS transactions	2,199	2,292	4,491	2,505	2,644	5,149
Liabilities from finance leases	45	310	355	55	320	375
Loans, other financing liabilities	569	263	832	703	229	932
	33,626	45,218	78,844	32,911	43,340	76,251

15. Legal proceedings

As already reported, the DOJ and Daimler AG have been discussing a possible extension of the term of the Deferred Prosecution Agreement to align the Deferred Prosecution Agreements' provisions more closely with the Monitor's review period and to provide Daimler with additional time to improve the sustainability of its compliance systems. Based on these discussions and to complete the ongoing and vigorous remediation of certain challenges that have arisen, the DOJ, Daimler AG and Daimler North East Asia, Ltd. mutually agreed on March 30, 2012 to extend the terms of their respective Deferred Prosecution Agreement until December 31, 2012. On December 31, 2012, both deferred-prosecution agreements expired and the Honorable Louis J. Freeh completed his role as post-settlement monitor as planned on April 1, 2013.

16. Financial instruments

The following table 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.

5.22
Carrying amounts and fair values of financial instruments

In millions of euros	Carrying amount	March 31, 2013 Fair Value	Carrying amount	December 31, 2012 Fair Value
Financial assets				
Receivables from financial services	49,979	50,679	49,060	49,722
Trade receivables	8,058	8,058	7,543	7,543
Cash and cash equivalents	11,355	11,355	10,996	10,996
Marketable debt securities				
Available for sale financial instruments	6,331	6,331	5,598	5,598
Other financial assets				
Available for sale financial assets[1]	2,167	2,167	2,031	2,031
Financial assets recognized at fair value through profit or loss	264	264	341	341
Derivative financial instruments used in hedge accounting	1,104	1,104	1,364	1,364
Other receivables and assets	2,368	2,368	2,224	2,224
	81,626	82,326	79,157	79,819
Financial liabilities				
Financing liabilities	78,844	80,299	76,251	77,661
Trade payables	10,161	10,161	8,832	8,832
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	383	383	253	253
Derivative financial instruments used in hedge accounting	787	787	620	620
Miscellaneous other financial liabilities	6,942	6,942	7,576	7,576
	97,117	98,572	93,532	94,942

1 Includes equity interests measured at cost whose fair value cannot be determined with sufficient reliability (March 31, 2013: €596 million; December 31, 2012: €591 million).

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 for financial instruments recognized at fair value:

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 March 31. Otherwise, the fair value measurement of these debt and equity instruments is based on inputs that are either directly or indirectly observable on active markets. Equity instruments measured at fair value predominantly comprise the investments in Renault and Nissan.
- equity interests measured at cost; for these financial instruments fair values could not be determined because market prices or fair values are not available. These equity interests comprise investments in non-listed companies for which no objective evidence existed at the balance sheet date that these assets are 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 shown as of March 31, 2013.

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 currency forwards and 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. 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 in consideration of forward premiums and discounts.

Financial assets recognized at fair value through profit and loss also include the option held by Daimler to sell shares in Engine Holding to Rolls-Royce.

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 of a reclassification between the fair value hierarchies.

Table ↗ **5.23** provides an overview of the classification of financial assets and liabilities measured at fair value in the fair value hierarchy.

5.23

Fair value hierarchy of financial assets and liabilities measured at fair value

	March 31, 2013				December 31, 2012			
In millions of euros	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]
Assets measured at fair value								
Financial assets available for sale	7,902	4,817	3,085	-	7,038	3,902	3,136	-
Financial assets recognized at fair value through profit or loss	264	-	101	163	341	-	163	178
Derivative financial instruments used in hedge accounting	1,104	-	1,104	-	1,364	-	1,364	-
	9,270	4,817	4,290	163	8,743	3,902	4,663	178
Liabilities measured at fair value								
Financial liabilities recognized at fair value through profit and loss	383	-	383	-	253	-	253	-
Derivative financial instruments used in hedge accounting	787	-	787	-	620	-	620	-
	1,170	-	1,170	-	873	-	873	-

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.

The development of financial assets recognized at fair value through profit or loss and classified as level 3 can be seen in the following table.

5.24

Development of financial assets recognized at fair value through profit or loss classified as level 3

in millions of euros	2013
Balance at January 1	178
Losses recognized in other financial income/ expense, net	-15
Balance at March 31	**163**
Losses of period relating to financial assets held at March 31	-15

The financial assets shown as classified as level 3 and presented in the table ↗ 5.24 consist solely of Daimler's option to sell the shares it holds in Engine Holding to Rolls-Royce.

The fair value measurement for the Engine Holding put option will be carried out on the basis of a binomial model, with measurement on a quarterly basis. In the course of the valuation process the required market data will be collected through Bloomberg surveys and the non-observable parameters will be examined and updated as required on the basis of the internally available current information. In particular the premises of the company value of Engine Holding determined using the discounted cash flow method will be validated in each quarter. The results of the measurement of the Engine Holding put option, as well as any significant changes in the input parameters and their respective effects on the value of the option, will be reported to Management on a quarterly basis.

5.25

Information relating to fair value measurement of financial assets and liabilities using unobservable input parameters (level 3)

Description	Unobservable input parameters	Value of unobservable input parameters
Measurement of fair value of the Engine Holding put option	Expected volatility of company value of Engine Holding	25% p.a.
Determination of company value of Engine Holding	Expected revenue growth of Engine Holding	2% - 12% p.a.
Determination of company value of Engine Holding	Weighted average cost of capital rate of Engine Holding	8.5% - 10% p.a

Parameters with a significant influence on the measurement of the option are the value of Engine Holding as determined with the use of a discounted cash flow method and the expected volatility of that value. A sensitivity analysis shows that a 10% increase in the value of Engine Holding would lead to a reduction in the value of the option of €35 million. On the other hand, a 10% decrease in the value of Engine Holding would increase the value of the option by €46 million. A 10% increase in the expected volatility of the value of Engine Holding would lead to an increase in the value of the option of €41 million. However, a 10% decrease in the expected volatility of the value of Engine Holding would reduce the value of the option by €38 million.

17. Segment reporting

Segment information for the three-month periods ended March 31, 2013 and March 31, 2012 is as follows:

5.26
Segment reporting

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q1 2013								
Revenue	13,556	6,534	1,909	737	3,366	26,102	-	26,102
Intersegment revenue	554	490	77	14	211	1,346	-1,346	-
Total revenue	14,110	7,024	1,986	751	3,577	27,448	-1,346	26,102
Segment profit (EBIT)	460	116	81	-31	314	940	-23	917
Thereof share of profit/loss from investments accounted for using the equity method	2	-28	-	-	-6	-32	34	2
Thereof expenses from compounding of provisions and changes in discount rates	-30	-10	-3	-1	-	-44	-3	-47

In millions of euros	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q1 2012								
Revenue	14,400	6,908	2,013	722	2,968	27,011	-	27,011
Intersegment revenue	537	475	75	8	172	1,267	-1,267	-
Total revenue	14,937	7,383	2,088	730	3,140	28,278	-1,267	27,011
Segment profit (EBIT)	1,230	376	167	-105	344	2,012	86	2,098
Thereof share of profit/loss from investments accounted for using the equity method	-46	20	-3	-	-6	-35	133	98
Thereof expenses from compounding of provisions and changes in discount rates	-102	-33	-16	-3	-2	-156	-14	-170

Reconciliation. Reconciliation of the total segments' profit (EBIT) to profit before income taxes is as shown in table ↗ 5.27.

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

5.27

Reconciliation of the total segments' profit (EBIT)

In millions of euros	Q1 2013	Q1 2012
Total segments' profit (EBIT)	940	2,012
Share of profit/loss from investments accounted for using the equity method [1]	34	133
Other corporate items	-91	-35
Eliminations	34	-12
Group EBIT	917	2,098
Interest income	70	88
Interest expense	-227	-193
Profit before income taxes	760	1,993

1 Comprises the Group's proportionate share in the result of EADS.

18. Related party relationships

Associated companies and joint ventures. Most of the goods and services supplied within the ordinary course of business between the Group and related parties comprise transactions with associated companies and joint ventures and are included in table ↗ 5.28.

A large proportion of the sales and purchases of goods and services with associated companies results from business relations with MBtech Group GmbH & Co. KGaA (MBtech Group), Engine Holding GmbH (Engine Holding) and/or Tognum AG (Tognum), which is a subsidiary of Engine Holding. Tognum purchases engines, parts and services from the Group.

In connection with the Group's 45% equity interest in Toll Collect GmbH, Daimler has provided a number of guarantees for Toll Collect, which are not included in table ↗ 5.28 (€110 million as of March 31, 2013 and as of December 31, 2012).

The transactions with joint ventures predominantly relate to the business relationship with Beijing Benz Automotive Co., Ltd. (BBAC). BBAC assembles and distributes Mercedes-Benz vehicles for the Group in China.

To enable the Group to fully exploit the huge growth potential of the Chinese market and to intensify the cooperation with its local partner, Beijing Automotive Group Co., Ltd., Daimler has already contributed additional €0.1 billion equity to the Joint Venture BBAC as of December 31, 2012. In addition, Daimler plans to further contribute €0.3 billion equity to the Joint Venture. Additional funds needed by BBAC to fund its investments will be directly raised on capital markets by BBAC.

In December 2012, the joint venture company Beijing Mercedes-Benz Sales Services Co., Ltd. (BMBS) was established by Daimler and its strategic partner Beijing Automotive Group (BAIC). The new car sales company bundles as a Management-Company all sales activities for imported and locally produced Mercedes-Benz cars in China.

On February 1, 2013, Daimler, Beijing Automotive Group Co., Ltd. (BAIC Group) and BAIC Motor Corporation Ltd. (BAIC Motor) signed a binding agreement according to which Daimler will invest approximately €0.6 billion in BAIC Motor. BAIC Motor is the passenger car unit of BAIC Group, one of the leading automotive companies in China. The investment will take place through the issuance of new shares to Daimler representing a 12% stake in BAIC Motor. Daimler's shareholding in BAIC Motor is subject to the approval of the relevant authorities. The approvals for the closing of the transaction will require at least nine months. The agreement includes the stipulation that Daimler will receive two seats on the board of directors of BAIC Motor. Furthermore, the two companies agreed that BAIC Motor will increase its stake in the joint venture Beijing Benz Automotive Co., Ltd. (BBAC) by 1% to 51%. At the same time, Daimler will increase its stake in the integrated sales joint venture Beijing Mercedes-Benz Sales Service Co., Ltd. by 1% to 51%.

In December 2011, the joint venture company Beijing Foton Daimler Automotive Co., Ltd. (BFDA) was established by Daimler and the Chinese truck manufacturer Beiqi Foton Motor Co., Ltd. Daimler has committed to making a cash contribution to the joint venture company and to establishing the production of a truck engine at BFDA. In 2012, capital of €344 million was injected.

Further significant sales and purchases of goods and services relate to die Mercedes-Benz Österreich which distributes cars and spare parts of the Group. In March 2013, the remaining shares of the entity were acquired together with other Pappas-group entities.

The Group has also substantial business relations with the Chinese joint venture Fujian Benz Automotive Co. Ltd. (FBAC). FBAC produces and distributes vans under the Mercedes-Benz brand name in China. In the first quarter of 2013 a new product development center of Mercedes-Benz Vans in China was opened. A total of approximately € 60 million was invested in the new center.

The joint ventures Mercedes-Benz Trucks Vostok OAO and Fuso Kamaz Trucks Rus Ltd., which have been established with Kamaz OAO, produce and distribute trucks of the Mercedes-Benz and Fuso brands in Russia. Furthermore, buses of the Mercedes-Benz and Setra brands are sold in Russia. As part of their strategic partnership, Daimler and Russian truck manufacturer Kamaz signed a contract in November 2012 covering the supply of engines and axles for the Russian company's trucks and buses. In this way, the Group plans to expand its component network in Russia.

See Note 12 for information on contributions to pension plan assets.

5.28
Related party relationships

	Sales of goods and services and other income		Purchases of goods and services and other expense		Receivables		Payables	
In millions of euros	Q1 2013	Q1 2012	Q1 2013	Q1 2012	March 31, 2013	Dec. 31, 2012	March 31, 2013	Dec. 31, 2012
Associated companies	182	186	83	39	312	212	31	69
Joint ventures	551	692	34	68	641	627	14	21

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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

Financial Calendar

Interim Report Q1 2013
April 24, 2013

Interim Report Q2 2013
July 24, 2013

Interim Report Q3 2013
October 24, 2013

Annual Meeting 2014
Messe Berlin
April 09, 2014

As we cannot rule out changes of dates, we recommend checking the current status on the Internet shortly before the scheduled date at www.daimer.com/ir/calendar.

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