

# Daimler and the Capital Market.

Daimler's share price gains 52% over the year. Global stock markets developed very positively in 2013, supported by the expansive monetary policy of the central banks and the easing of the European sovereign debt crisis. The Board of Management and the Supervisory Board propose an increased dividend of €2.25 per share (prior year: €2.20). We offer investors and analysts a comprehensive range of investor relations services. Daimler took advantage of the high level of liquidity on international capital markets to refinance its operations at attractive terms.

## A.01

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

	End of 2013	End of 2012	13/12 % change
Daimler share price (in euros)	62.90	41.32	+52
DAX 30	9,552	7,612	+25
Dow Jones Euro STOXX 50	3,109	2,636	+18
Dow Jones Industrial Average	16,577	13,104	+27
Nikkei	16,291	10,395	+57
Dow Jones STOXX Auto Index	482	351	+37

## A.02

### Key figures per share

	2013	2012	13/12 % change
Net profit	6.40	6.02	+6
Net profit (diluted)	6.40	6.02	+6
Dividend	2.25	2.20	+2
Equity (December 31)	39.90	35.51	+12
Xetra price at year end <sup>1</sup>	62.90	41.32	+52
Highest <sup>1</sup>	63.15	48.45	+30
Lowest <sup>1</sup>	38.65	33.40	+16

<sup>1</sup> Closing prices

**A good year on the world's stock markets.** Global stock markets developed very positively in 2013. At the beginning of the year, stock markets were buoyed by positive growth signs in China and by a preliminary agreement for preventing the United States from falling off a "fiscal cliff." With major central banks continuing to pursue an expansionary monetary policy, investors increasingly allocated the resulting high market liquidity to purchase equities. As a result, key stock-market indices rose to all-time highs during the year. However, the return of uncertainty regarding the sovereign debt crisis in Europe caused shares to lose some of their gains in the first quarter and at the beginning of the second quarter. But confidence in the economic development of the European Monetary Union improved again later in the year. This caused investors' demand for shares to grow even more – a development that especially benefited cyclical stocks. In the middle of the year, statements by the Federal Reserve Bank concerning a possible tapering of its expansionary monetary policy caused share prices to fall worldwide. This sell-off was intensified by higher interest rates in China and by concerns regarding a decrease in the availability of credit there.

However, stock markets developed very favorably once again in the third quarter. This was mainly due to the stabilization of the macroeconomic situation in Europe, the United States and China, which offset concerns regarding the political situation in the Middle East. The budget conflict in the US and the debate about the country's debt ceiling had only a temporary effect on share prices. In conjunction with positive economic indicators, the continued expansionary monetary policy of key central banks – including the European Central Bank's surprise interest rate cut – helped share prices to increase across the board later in the year. Under these conditions, many stock market indices rose to all-time highs in the last two months of the year.

The index of the most important shares in the euro zone, the Dow Jones Euro STOXX 50, rose by 18% in 2013, although the entire increase occurred in the second half of the year. Due to the robust condition of the German economy, the leading German index, the DAX, did even better, rising by 25%. The DAX reached a new all-time high of 9,589 on December 27. In the United States, the Dow Jones rose by 27% during the year, while Japan's Nikkei index was even 57% higher at the end of 2013 than at the beginning. ↗ [A.01](#)

**Daimler share price up by 52% over the year.** With a gain of 52%, Daimler shares were able to substantially outperform most stock market indices. Financial markets responded favorably to the publication of the Daimler Group's results for 2012, the outlook for 2013, and the recommendation that dividends should remain unchanged at €2.20 per share. This helped the share price to increase slightly in the first quarter. However, the Daimler share price was not unaffected by the uncertainties associated with the European sovereign debt crisis and the Cyprus bailout. In addition, business did not develop as well in the first quarter as had been expected at the beginning of the year. During this phase, the Daimler share price dropped to its lowest point of the year when it fell to €38.65 on April 18.

However, when we published our financial statements for the first quarter, we emphasized that we expected results to improve during the course of the year. In the following weeks, the share price was also boosted by the very positive feedback regarding the newly introduced products. Investors responded especially positively to the presentation of the new S-Class and the Concept GLA. In this environment, the Daimler share price rose substantially until mid-May and temporarily peaked at €50.37 on May 20. However, statements made by the Federal Reserve Bank and the Chinese central bank in June caused the Daimler share price to follow the general market trend and lose some of its gains.

This temporary slump ended in mid-June. In the second half of the year, the Daimler share price once again benefited from a more favorable stock market climate and the positive business development. For example, the capital markets responded positively to Daimler's second-quarter results, which were better than most market participants had expected. In addition, the good response to the new products and increasingly dynamic car sales boosted investors' interest in Daimler shares. Daimler used the Frankfurt Motor Show to enable capital market representatives to experience the new products at first hand. And on September 20, Daimler Trucks held a Capital Market Day in Würth. At the event, the division informed analysts and investors about the latest developments in the truck business and our ongoing strategy. Under these conditions, the Daimler share price rose to €58.43 on September 19, achieving its highest value in more than two and a half years.

The Daimler share price then continued to increase in line with the general stock market upswing, rising to €63.15 on December 27. This was not only its high for the year 2013 but also the highest price in more than five years. The Daimler share price closed the year on December 30 at €62.90. At the end of the year, the company had a market capitalization of €67.3 billion.

The Daimler share price thus increased by 52% during the year, performing better than the Dow Jones STOXX Auto Index (+37%) and the DAX (+25%). When the dividend payout of €2.20 per share is also considered, our shareholders had an overall value gain of 58%.

In the first two weeks of the year 2014, stock-market prices at first continued to rise, especially in Europe and North America. Global equity prices weakened significantly after that, resulting in falls of nearly all major stock-exchange indices in January overall.

**Increased dividend of €2.25.** ↗ **A.02** At the Annual Shareholders' Meeting on April 9, 2014, the Board of Management and the Supervisory Board will propose an increase in the dividend to €2.25 per share (prior year: €2.20). With this proposal, we are letting our shareholders participate in Daimler's financial success while expressing our confidence about the ongoing course of business. The total dividend will thus amount to €2,407 million (prior year: €2,349 million).

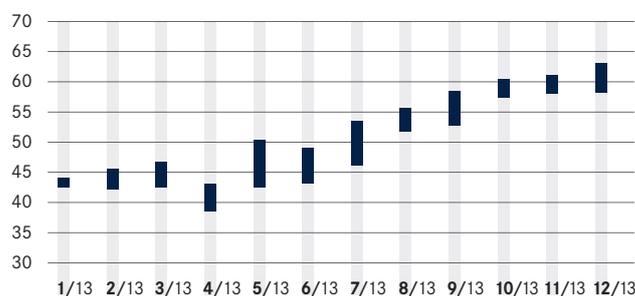
**A broad shareholder structure.** ↗ **A.07** Daimler continues to have a broad shareholder base of approximately 900,000 shareholders. However, the number of shareholders has decreased by around 100,000 compared with the prior year. After slightly increasing its holding in Daimler AG in 2012, the Kuwait Investment Authority (KIA) readjusted its stake to its original strategic level during 2013. At the end of the reporting year, KIA owned 6.8% of Daimler's shares. The Renault-Nissan Alliance continues to hold 3.1% of Daimler's shares.

BlackRock Inc., New York, still hold a stake above the 5% reporting limit as defined by Germany's Securities Trading Act (WpHG). In August 2011, BlackRock notified us that it owned 5.7% of Daimler's shares.

### A.03

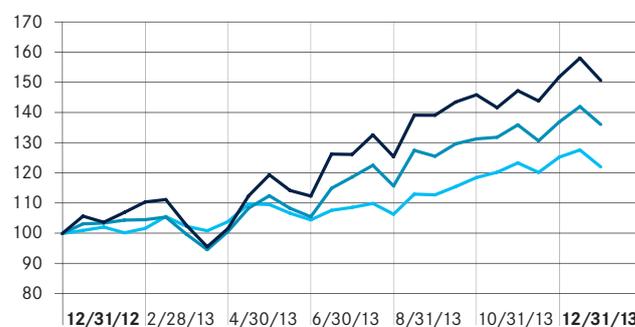
Daimler share price (high/low), 2013

In euros



### A.04

Share price index



■ Daimler AG  
 ■ Dow Jones STOXX Auto Index  
 ■ DAX

## A.05

### Key figures for Daimler shares

	End of 2013	End of 2012	13/12 % change
Share capital (in millions of euros)	3,069	3,063	+0
Number of shares (in millions)	1,069.8	1,067.6	+0
Market capitalization (in billions of euros)	67.3	44.1	+53
Number of shareholders (in millions)	0.9	1.0	-10
Weighting in share indices			
DAX 30	7.74%	6.16%	
Dow Jones Euro STOXX 50	3.23%	2.58%	
Long-term credit ratings			
Standard & Poor's	A-	A-	
Moody's	A3	A3	
Fitch	A-	A-	
DBRS	A (low)	A (low)	

## A.06

### Stock-exchange data for Daimler shares

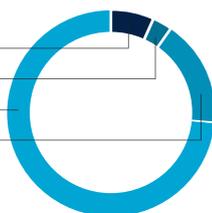
ISIN	DE0007100000
German Securities Identification Number	710000
Stock-exchange symbol	DAI
Reuters ticker symbol	DAIGn.DE
Bloomberg ticker symbol	DAI:GR

## A.07

### Shareholder structure as of December 31, 2013

By type of shareholder

Kuwait Investment Authority	6.8%
Renault-Nissan	3.1%
Institutional investors	73.4%
Retail investors	16.7%

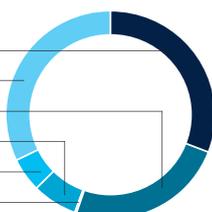


## A.08

### Shareholder structure as of December 31, 2013

By region

Germany	32.2%
Europe, excluding Germany	31.1%
USA	24.4%
Kuwait	6.8%
Asia	5.3%
Rest of the world	0.2%



The Norwegian Finance Ministry informed us that the shares held by Norges Bank, Oslo, had dropped below the reporting limit of 3% stipulated by Section 21 of the WpHG in March 2013. In April 2013, this limit was once again exceeded and the bank held 3.04% of the voting rights in Daimler as of April 26, 2013.

In April 2013, we also received notifications of voting rights from Credit Suisse AG, SEB AG and Commerzbank AG. According to those statements, the banks' directly or indirectly held voting rights in Daimler had risen above the 3% limit in the run-up to our Annual Shareholders' Meeting before dropping significantly below this limit again two weeks later. In September, Deutsche Bank AG notified us that its holding of Daimler shares rose above the 3% reporting limit on September 19, 2013, and that it had once again dropped below this limit on September 23, 2013, at 0.29%. Deutsche Bank AG notified us in December that its shareholding had fallen to 0.02% as of December 12, 2013.

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

Institutional investors hold a total of 73% of our equity capital while private investors own 17%. Approximately 63% of our capital is in the hands of European investors and around 24% is held by US investors. [↗ A.08](#)

Daimler shares' weighting in major indices increased during the reporting year as a result of the share price increase and the growth in the free-float. In the German DAX 30 index, Daimler was ranked in fourth place at the end of 2013 with a weighting of 7.74% (2012: 6.16%). [↗ A.05](#) In the Dow Jones Euro STOXX 50 index, our stock had a weighting of 3.23% (2012: 2.58%) with seventh ranking. Daimler shares are listed on the stock exchanges in Frankfurt and Stuttgart. In 2013, 1,029 million shares (2012: 1,421 million) were traded on stock exchanges in Germany. In addition, Daimler shares are increasingly being traded on multilateral trading platforms and in the over-the-counter market.

**Participation in the employee share purchase plan once again at a high level.** Staff members entitled to purchase employee shares were able to do so once again in March 2013. As was the case in the previous year, the employees received a discount as well as bonus shares. At 19.2%, the participation rate was slightly higher than in 2012 (17.3%). The 33,200 employees who took part in the program purchased a total of 519,000 shares.

**Annual Shareholders' Meeting once again sparks considerable visitor interest.** On April 10, 2013, around 5,000 shareholders (2012: 5,700) attended the Annual Shareholders' Meeting at the International Congress Center (ICC) in Berlin. At 29.3%, much less equity capital was represented at the meeting than in the previous year (2012: 44.1%). The participants included actual attendees as well as shareholders who voted by absentee ballot. The substantial decline in shareholder attendance (which occurred for all DAX-listed companies with registered shares) was caused by a decision of the Cologne Higher Regional Court concerning nominee shareholders' obligation to submit voting rights notifications, which generated uncertainty among foreign institutional investors. Many of those investors therefore decided to stay away from annual share-

holders' meetings in Germany. A large majority of the shareholders approved each of the agenda points proposed by the company's administration. Among other things, the meeting's participants reelected Sari Baldauf and Dr. Jürgen Hambrecht as members of the Supervisory Board representing the shareholders for another five years. The participants, for the first time, elected Andrea Jung to the Supervisory Board, also for five years.

All of the documents and information regarding the Annual Shareholders' Meeting can be found at [daimler.com/ir/am](http://daimler.com/ir/am). In the exhibition areas of the ICC, Daimler presented its technological expertise and broad product range with a focus on the new E-Class and the new compact cars.

**Another year of comprehensive investor relations activities.** In 2013, we once again provided institutional investors, analysts, rating agencies and private investors with timely information regarding the company's business development. We organized road shows for institutional investors and analysts in the finance capitals of Europe, North America, Asia and Australia. We also held many one-on-one meetings at investor conferences. This was especially the case at the international motor shows in Geneva, Frankfurt and Paris. We regularly reported on our quarterly results in conference calls and webcasts. The presentations can be watched on our website at [daimler.com/ir/event/e](http://daimler.com/ir/event/e).

The talks with analysts and investors focused on the latest earnings expectations for 2013 as well as on the business development and profitability of the individual divisions and regions. In mid-June, Daimler also organized a product-focused capital market event in Berlin, where it presented the new S-Class flagship vehicle from Mercedes-Benz. The feedback was extremely positive. In June, Daimler also took part in an investor conference in Beijing, where it explained the company's strategy and provided information regarding its position in the important Chinese market. At a conference on the occasion of the Frankfurt Motor Show, the IR team informed numerous investors about the latest developments at Daimler and accompanied them to presentations of important new products. In addition, the capabilities of the "INTELLIGENT DRIVE" driver assistance systems were explained. Another highlight of 2013 was the Capital Market Day, which was held at the Würth truck plant at the end of September. At that event, Daimler Trucks' new management team provided information about the division's strategies, focus areas and objectives. Audio recordings and presentation graphics of the event can be accessed on our website [daimler.com/ir/event/e](http://daimler.com/ir/event/e).

As a supplementary offer, we also invited sustainability-oriented investors and analysts to take part in the Daimler Sustainability Dialogue 2013. At this event in Stuttgart, representatives of non-government organizations, associations, trade unions and municipalities debated with Daimler representatives about the company's key sustainability-related issues.

**Online offers are well-established on many channels.** Our online activities offer a broad range of information that is reaching more and more people. In addition to maintaining a well-established presence at [daimler.com](http://daimler.com) and [daimler.mobi](http://daimler.mobi), Daimler has further intensified its social media activities.

The Daimler app enables iPhone® and iPad® users to obtain up-to-the-minute information about not only the Group, its brands and its products, but also about issues related to technology and innovation. In addition, it provides users with comprehensive and up-to-date information from the Investor Relations unit.

The printed and online versions of the 2012 Annual Report were the winners of several international competitions. The contents of the online annual report were not only offered for desktop computers but also optimized for tablet computers and smartphones. In this way, we are responding to the growing number of users of mobile devices.

**Number of online shareholders remains at a high level.** Our shareholders are increasingly taking advantage of our offers for personalized electronic information and communication: Approximately 88,000 shareholders (2012: 86,000) received the invitation and agenda for the Annual Shareholders' Meeting no longer by post but by e-mail in 2013. We would like to thank those shareholders for helping to protect the environment and cut costs. As was the case in the past, these shareholders once again had the opportunity to win attractive prizes in a prize draw. To access the e-service for shareholders and obtain additional information, go to <https://register.daimler.com>.

**Refinancing benefits from the high level of capital market liquidity and a good rating.** The central banks' expansionary monetary policy also impacted bond markets in 2013. Due to the high level of liquidity, companies with investment-grade ratings saw their risk premiums decline once again compared to the prior year. Daimler benefited from this as well.

In 2013, Daimler primarily covered its refinancing needs by issuing bonds. Many of these bonds were sold as benchmark bond issues (bonds with high nominal volumes) on markets using the euro or the US dollar. In the US capital market, for example, Daimler Finance North America LLC issued bonds worth a total of \$6 billion in January and August 2013. The bonds had terms of two, three and five years. Daimler AG issued bonds in a total volume of €4.5 billion during the course of the year, including issued bonds with longer terms of eight and ten years. Many smaller bonds were also issued in a variety of currencies in the euro market as well as in Canada, South Africa, Mexico, Thailand, Brazil, Argentina and South Korea.

At the end of 2013, companies of the Daimler Group had issued bonds that were still outstanding in a volume of €38.7 billion (2012: €35.7 billion).

Besides raising finance through the issuance of bonds, Daimler also issued a small volume of commercial paper in 2013. Due to the very favorable market situation, Daimler also conducted several asset-backed security (ABS) transactions in the United States and Germany during the reporting year. In the US, for example, the company refinanced its operations by issuing \$4.3 billion of ABS papers backed by receivables from leasing or loan contracts. Furthermore, Mercedes-Benz Bank sold €0.9 billion of ABS bonds to European investors. These bonds are collateralized by receivables from loans.

[see pages 96 f](#)