

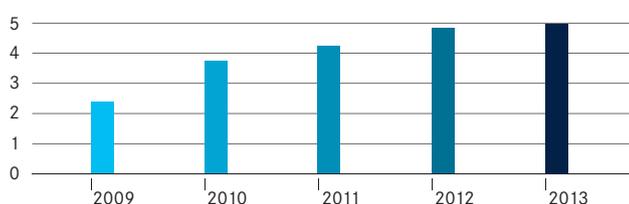
Investment in property, plant and equipment

Renewed increase in investment. In the context of our global growth strategy, we want to make good use of the opportunities presented by international automotive markets. This requires substantial investment in new products and new technologies as well as in the expansion of our worldwide production network. In 2013, we therefore once again increased our investment in property, plant and equipment to €5.0 billion (2012: €4.8 billion) and thus reached the magnitude announced in Annual Report 2012. Of that capital expenditure, €3.2 billion was invested in Germany (2012: €3.3 billion). As of December 31, 2013, no material financial obligations exist in connection with future investment in property, plant and equipment.

C.29

Investment in property, plant and equipment

In billions of euros



C.30

Investment in property, plant and equipment by division

	2013	2012	13/12 % change
In millions of euros			
Daimler Group	4,975	4,827	+3
in % of revenue	4.2	4.2	
Mercedes-Benz Cars	3,710	3,495	+6
in % of revenue	5.8	5.7	
Daimler Trucks	839	989	-15
in % of revenue	2.7	3.2	
Mercedes-Benz Vans	288	223	+29
in % of revenue	3.1	2.5	
Daimler Buses	76	82	-7
in % of revenue	1.9	2.1	
Daimler Financial Services	19	23	-17
in % of revenue	0.1	0.2	

At Mercedes-Benz Cars, investment in property, plant and equipment increased by 6% to €3.7 billion in 2013. The most important projects included the production of the new S-Class and preparations for the new C-Class, which will be produced in Bremen as well as Tuscaloosa (United States), Beijing (China) and East London (South Africa) as of 2014. We also made substantial investments in the modernization and expansion of transmission production in Untertürkheim and in the expansion of our production capacities in the United States. The main areas of investment at Daimler Trucks were for the Arocs (the new heavy-duty construction-site truck) as well as various projects for the global standardization of engines and other main components. We also invested in the expansion of our production capacities in Brazil and in the new Bharat-Benz plant in India. Total investment in property, plant and equipment at Daimler Trucks amounted to €0.8 billion (2012: €1.0 billion). At the Mercedes-Benz Vans division, the focus of investment was on the successor generation of the Vito goods van and the Viano passenger van. We also invested in the new generation of the Sprinter and the production of the Sprinter Classic by our partner GAZ in Russia. The main investments at Daimler Buses in 2013 were in new products and the modernization of production facilities.

In addition to capital expenditure on property, plant and equipment, we also invested substantial amounts in associates and joint ventures in 2013. Those investments include the acquisition of a 12% equity interest in our Chinese partner BAIC Motor and the investments in our Chinese joint ventures.

We also capitalized development costs of €1.3 billion in 2013 (2012: €1.5 billion); this is presented under intangible assets.

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Refinancing

The funds raised by Daimler in the year 2013 primarily served to refinance the leasing and sales-financing business. For that purpose, Daimler made use of a broad spectrum of various financing instruments in various currencies and markets. They include bank credit, commercial paper in the money market, bonds with medium and long maturities, customer deposits at Mercedes-Benz Bank and the securitization of receivables from customers in the financial services business (asset backed securities, ABS).

Various issue programs are available for raising longer-term funds in the capital market. They include the Euro Medium Term Note program (EMTN) with a total volume of €35 billion, under which Daimler AG and several subsidiaries can issue bonds in various currencies. Other local capital-market programs exist, significantly smaller than the EMTN program however, in markets such as South Africa, Mexico, Thailand and Argentina. Capital-market programs allow flexible, repeated access to the capital markets.