



Daimler-Benz
Annual Report
1980

Daimler-Benz Worldwide¹⁾ — Highlights

	1980	1979	Change 80 to 79 in %
Number of Employees (at year-end)	183,392	174,431	+ 5.1
Domestic	146,323	142,164	+ 2.9
Foreign	37,069 ¹⁾	32,267	+ 14.9
Personnel costs (in millions of DM)	9,816²⁾	7,574	+ 29.6
Personnel costs without old-age pension ³⁾ (in millions of DM)	8,107	7,109	+ 14.0
Production			
Cars	429,078	422,159	+ 1.6
Commercial Vehicles	272,868	256,467	+ 6.4
Domestic	203,041	188,772	+ 7.6
Foreign	69,827	67,695	+ 3.1
Net Sales⁴⁾	31,054	27,367	+ 13.5
Domestic	13,855	12,938	+ 7.1
Foreign	17,199	14,429	+ 19.2
Capital Investments	2,140	1,969	+ 8.7
Depreciation	1,447	1,342	+ 7.8
Net Income	1,102⁵⁾	638	
Dividends⁶⁾	297	270	+ 10.0
Dividend + Bonus per Share of DM 50 (in DM)⁶⁾⁷⁾	10.- +1.-	10.-	

Note: Daimler-Benz worldwide comprises Daimler-Benz AG and those domestic and foreign companies in which Daimler-Benz share interest, directly or indirectly, is more than 50%, and which are consolidated.

¹⁾ A portion of the increase is due to the purchase of foreign companies.

²⁾ Inclusive of extraordinary pension provisions in the amount of DM 1.4 billion on account of the restructuring of pension benefits for Daimler-Benz AG employees.

³⁾ Exclusive of pension expenses of DM 1,709 million (of which DM 1,408 million extraordinary expense), last year DM 465 million.

⁴⁾ The following amounts in millions of DM.

⁵⁾ Inclusive of dissolved reserves at Daimler-Benz AG in the amount of DM 391 million.

⁶⁾ Proposed or paid.

⁷⁾ Plus DM 6.19 (last year DM 5.62) tax credit for our stockholders who are subject to income tax in Germany.

Daimler-Benz
Aktiengesellschaft
Stuttgart

Annual Report
1980

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Agenda

for the 85th Stockholders' Meeting

taking place on Wednesday July 1, 1981 at 10 o'clock in the museum building of the company at Mercedes Street, Stuttgart-Untertuerkheim.

1. Presentation of the audited financial statements as of December 31, 1980, the reports of the Board of Management and the Supervisory Board together with the consolidated financial statements and the consolidated annual report.

2. Resolution for the disposition of the balance sheet profit.

Board of Management and Supervisory Board propose to distribute the balance sheet profit of

DM 480,655,400.—

as follows:

3 1/3% dividend on the eligible preferred share capital of DM 1,921,500.—

DM 64,050.—

DM 10.— dividend for each eligible common share of DM 50.— par value

DM 270,125,970.—

DM 1.— bonus for each eligible common share of DM 50.— par value

DM 27,012,597.—

DM 297,202,617.—

Transfer to unallocated retained earnings

DM 126,123,788.—

Additional expense upon resolution of this proposal

DM 57,328,995.—

Balance sheet profit

DM 480,655,400.—

3. Resolution of the Board of Management's actions.

Board of Management and Supervisory Board propose resolution.

4. Resolution of the Supervisory Board's actions.

Board of Management and Supervisory Board propose resolution.

5. Resolution concerning capital stock increase for cash and change of by-laws.

Board of Management and Supervisory Board propose that the capital stock of the company be increased against the receipt of cash payment. Aside from the resolution of the shareholders at the Annual Meeting, the resolutions to be passed are to be voted upon separately by the common stockholders and preferred stockholders:

The common share capital of DM 1,358,955,500.— is to be increased
by DM 169,869,500.—
to DM 1,528,825,000.— by the issuance of

new common stock, registered in the name of the owner, through cash payment at par with full dividend entitlement for the 1981 business year.

The new shares will be taken over by a syndicate with Deutsche Bank AG as lead bank. The syndicate is obliged to offer new shares at the ratio of 8 to 1 to the stockholders. The issue price shall be DM 50.— per share of DM 50.— par value.

The stockholders are to be given a purchase right, excluding a fractional amount of the total share capital not divisible by eight.

The Board of Management is authorized to establish in agreement with the Supervisory Board, the details of the capital stock increase which is to be completed by December 31, 1981 at the latest.

Section 3 of the by-laws (capital stock) will be changed to Section 3 paragraph 1 with the following text:

"Section 3 Capital stock

(1) The capital stock of the company amounts to
DM 1,528,825,000.-

It comprises:

DM 1,526,903,500.- common stock, namely
 1,469,000 shares with a par value of DM 1,000,- each,
 397,854 shares with a par value of DM 100,- each,
and 362,362 shares with a par value of DM 50,- each,
DM 1,921,500,- preferred stock, namely
 1,919 shares with a par value of DM 1,000,- each,
 22 shares with a par value of DM 100,- each,
and 6 shares with a par value of DM 50,- each."

6. Resolution concerning the establishment of an authorized share capital and change of by-laws.

Board of Management and Supervisory Board propose to authorize the Board of Management to increase the capital stock - during the period to June 30, 1986, and with the approval of the Supervisory Board - in one amount or in partial amounts of up to DM 350,000,000 — through the issuance of common stock against cash payments. The stockholders shall be given a purchase right, excluding a fractional amount of the total share capital not divisible by eight. The new shares are to be taken over by banking institutions with the obligation to offer such shares to the stockholders.

Section 3 of the by-laws (capital stock) is amended by paragraph 2 with the following text:

"(2) The Board of Management is authorized to increase the capital stock - during the period to June 30, 1986 and with the approval of the Board - in one amount or in partial amounts of up to DM 350,000,000.- through the issuance of common shares against cash payments. The stockholders shall be given a purchase right, excluding a fractional amount of the total share capital not divisible by eight."

Aside from the resolution of the shareholders at the Annual Meeting, the resolutions to be passed are to be voted separately by the common stockholders and the preferred stockholders.

7. Election of auditors for the year 1981.

The Supervisory Board proposes to elect Deutsche Treuhand-Gesellschaft AG, Wirtschaftsprüfungsgesellschaft, Frankfurt (Main), as independent auditor for the business year 1981.

8. Election to fill vacancies on the Supervisory Board.

Mr. Robert Dhom, Koenigstein (Taunus), will resign from the Supervisory Board with the conclusion of the Annual Meeting on July 1, 1981.

The Supervisory Board proposes to elect in his place Dr. jur. Walter Seipp, Frankfurt (Main), member of the Board of Management of the Commerzbank AG, as member of the Supervisory Board, representing stockholders, and for the remaining term of office of the other Board members.

In conformity with Section 96 paragraph 1, Section 101 paragraph 1 of the Company Act and Section 7 paragraph 1 subsection 1 N° 3 of the Co-determination Law the Supervisory Board comprises 10 members representing the stockholders and 10 members representing labor.

The Annual Meeting is not bound by the election proposals.

Supervisory Board (Aufsichtsrat)

Hermann J. Abs, Frankfurt (Main) Honorary Chairman, Deutsche Bank AG	Honorary Chairman
Dr. rer. pol. Wilfried Guth, Frankfurt (Main) Member of the Board of Management, Deutsche Bank AG	Chairman
Herbert Lucy, Mannheim*) Chairman of the Labor Council, Daimler-Benz AG	Deputy Chairman
Karl Aspacher, Stuttgart*) Member of the Labor Council, Untertuerkheim Plant and Main Office	
Dr.-Ing. Hans Bacher, Stuttgart Member of the Board of Management, Robert Bosch GmbH	
Willi Boehm, Kandel*) Member of the Labor Council, Woerth Plant	
Robert Dhom, Koenigstein (Taunus)	
Dr. rer. pol. Friedrich Karl Flick, Duesseldorf Managing Partner Friedrich Flick KG	
Prof. Dr. jur. Gunther Hartmann, Cologne Member of the Board of Management, Mercedes-Automobil-Holding AG	
Dr. rer. pol. Alfred Herrhausen, Duesseldorf Member of the Board of Management, Deutsche Bank AG	
Erich Hirth, Gaggenau*) Chairman of the Labor Council, Gaggenau Plant	
Rudolf Kuda, Frankfurt (Main)*) Departmental Manager within the Board of Management, Metal Workers' Union	
Hugo Lotze, Reinhardshagen*) Chairman of the Labor Council, Kassel Plant	
Dr. jur. Heribald Naerger, Munich Member of the Board of Management, Siemens AG	
Dr. rer. pol. Wolfgang Roeller, Frankfurt (Main) Member of the Board of Management, Dresdner Bank AG	
Alfred Schaible, Renningen*) Chairman of the Labor Council, Sindelfingen Plant	
Franz Steinkuehler, Stuttgart*) District Manager, Metal Workers' Union	
Dipl.-Ing. Maria-Christine Fuerstin von Urach, Stuttgart*) Director	
Diplom-Kaufmann Guenter Vogelsang, Duesseldorf	
Bernhard Wurl, Hofheim (Taunus)*) Deputy Departmental Manager within the Board of Management, Metal Worker's Union	
Prof. Dr. jur. Joachim Zahn, Munich (since July 2, 1980)	

Retired from the Supervisory Board on July 2, 1980:

Dr. jur. Roland Schelling, Stuttgart

Lawyer

*) Elected by the employees.

Board of Management (Vorstand)

Dr. jur. Gerhard Prinz, Stuttgart
Chairman

Prof. Dipl.-Ing. Werner Breitschwerdt, Stuttgart
Research and Development

Heinz C. Hoppe, Stuttgart
Sales

Dr.-Ing. E. h. Werner Niefer, Stuttgart
Production

Dr. jur. Richard Osswald, Stuttgart
Personnel, Social Welfare and Administration

Edzard Reuter, Stuttgart
Finance

Walter Ulsamer, Stuttgart (deputy member)
Purchasing



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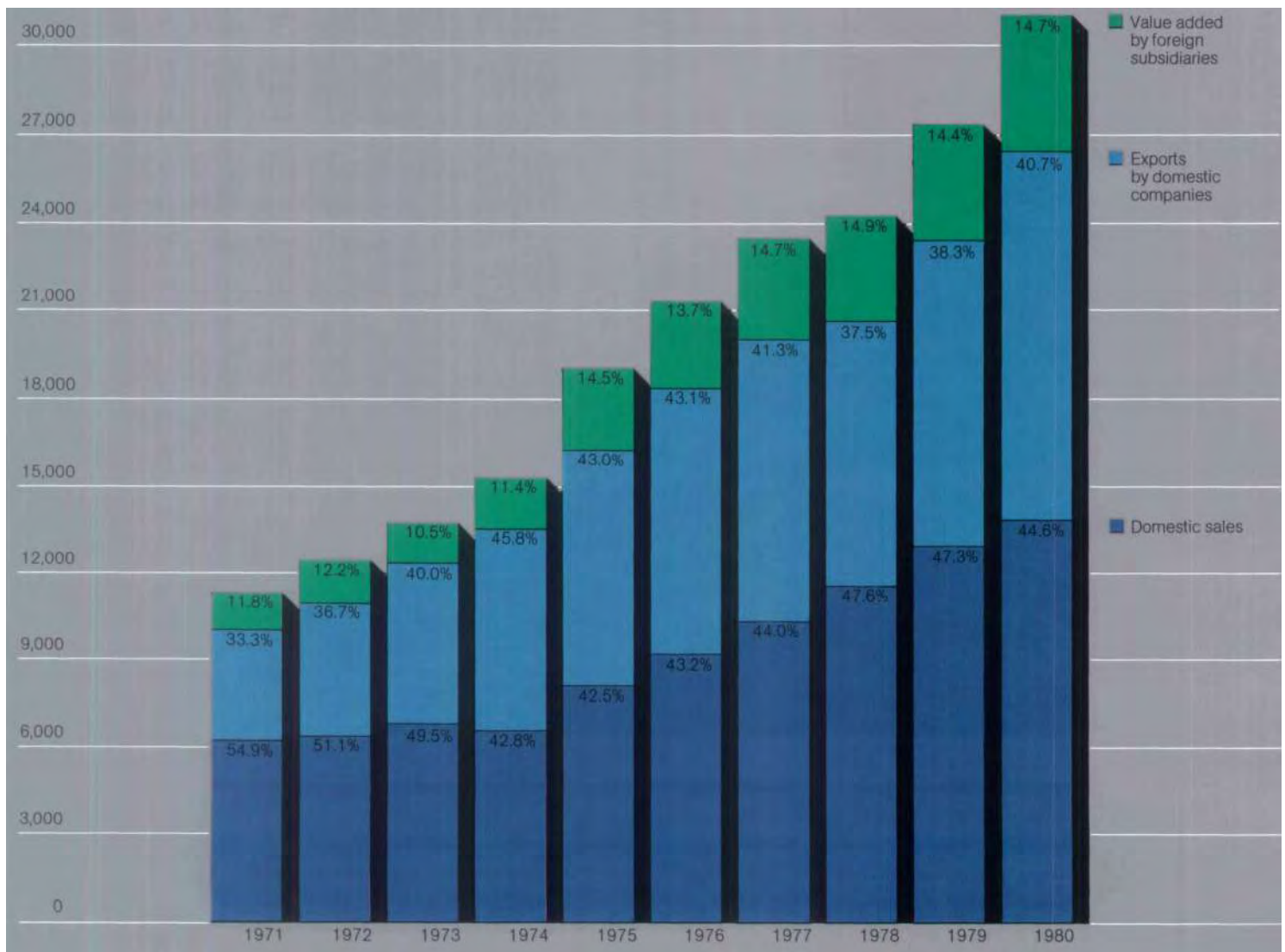


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Consolidated Sales

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
(in millions of D-Marks)										
Consolidated Sales	11,343	12,466	13,794	15,283	19,051	21,303	23,496	24,236	27,367	31,054
of which:										
Domestic sales	6,230	6,374	6,821	6,541	8,102	9,197	10,336	11,539	12,938	13,855
Foreign sales	5,113	6,092	6,973	8,742	10,949	12,106	13,160	12,697	14,429	17,199
of which:										
Value added by foreign subsidiaries	1,341	1,515	1,457	1,747	2,758	2,916	3,467	3,612	3,955	4,568
Export sales by domestic companies	3,772	4,577	5,516	6,995	8,191	9,190	9,693	9,085	10,474	12,631



Report of the Board of Management

to our shareholders

Status Report

Overall Assessment

The global economic trend in 1980 was characterized by the renewed drastic rise in oil prices. This heightened inflationary tendencies, severely limited the growth opportunities of countries dependent on oil imports, and strained their balance of payment accounts.

Although the unfavorable influences seriously impacted economic and market conditions worldwide, Daimler-Benz again successfully stood its ground in 1980. We were again able to increase car and commercial vehicle sales, and thus further consolidate the position of our "Mercedes-Benz" marque. Consolidated sales rose by more than 13% to over DM 31 billion. Plant capacities in all divisions were fully utilized throughout the year.

The favorable business trend benefited earnings. Moreover, the large excess of interest income over interest expense and the changes in currency rates were other factors contributing to profits. On the other hand, we had to absorb substantial cost increases for labor and materials.

The unusual combination of propitious circumstances led to rather gratifying results of operations for the year. This profit enabled us to further strengthen our capital resources, which we welcome especially in view of the large capital outlays ahead. Moreover, we propose to the shareholders, in addition to the dividend of DM 10, a bonus of DM 1 for each common share of DM 50 par value.

Overview

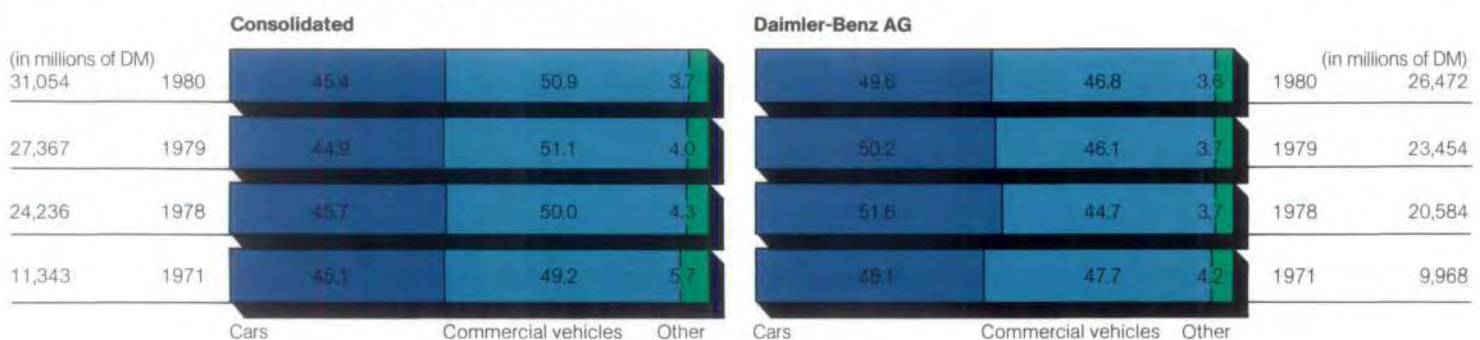
With the increase by DM 3.7 billion to DM 31.1 billion, consolidated sales have doubled in the past six years. In 1980, we achieved this expansion of business both at home and abroad. Domestic sales rose by 7.1% to DM 13.9 billion. Sales abroad increased at an appreciably higher rate, namely by 19.2% to DM 17.2 billion, largely due to a sizable increase in exports from our domestic plants.

Daimler-Benz AG alone had sales of DM 26.5 billion in 1980; the 12.9% increase is based mostly on real growth of business. Car sales rose by 11.6% to DM 13.1 billion, and commercial vehicle sales by 14.6% to DM 12.4 billion. Our two large divisions thus contributed to the rising sales in almost equal proportions.

Including domestic business, three-fourths of our sales came from European markets. The stronger expansive stimulants, however, came from oil-exporting countries. Thus, we were able to increase our exports to the Near East and to North Africa - particularly for commercial vehicles - by about DM 1 billion to DM 2.8 billion, surpassing the previous record volume of 1975. The United States was the largest single export market. Despite the continuing weakness of the American car market, we increased sales to the U.S. by 8% to DM 2.1 billion.

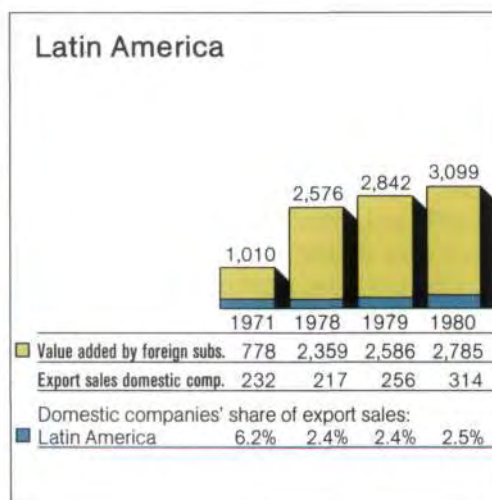
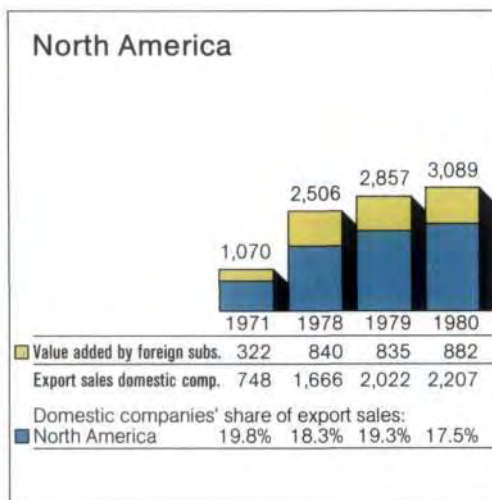
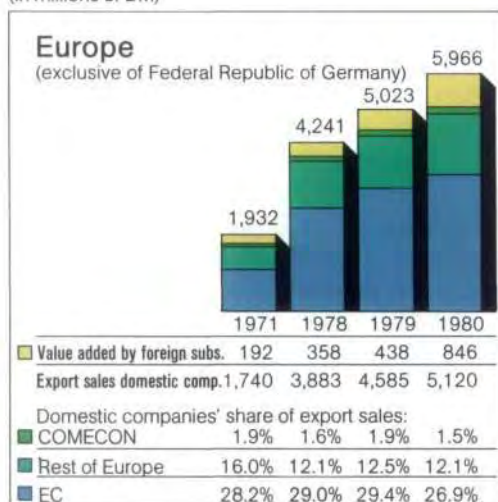
Sales Surge to Over DM 31 Billion

Sales by Product Lines in %



Structure of Foreign Sales

(in millions of DM)



Gratifying Earnings Trend

The full utilization of capacities in all plants favorably influenced earnings. The increase in production and the larger share of higher-value vehicles, particularly heavy-duty trucks, brought renewed improvement to our fixed cost coverage. In the non-operating sector, there was a substantial increase in interest income. Insofar as this income was earned by our foreign subsidiaries, however, it merely compensated, for the most part, for inflation-induced erosion of purchasing power in monetary assets. This applies particularly to Brazil. At Daimler-Benz AG, net interest income rose to DM 374 million (last year

DM 241 million) due to a further increase in liquidity and the generally high interest rate level. Earnings were negatively affected in 1980 through continuing cost increases, especially by substantially higher energy and raw material costs and wage and salary increases, which could be only partially offset by price adjustments.

The 1980 financial statements are influenced to a large degree by the restructuring of pension benefits for our employees in Germany. Owing to tax limitations for funding, it was not possible to fund the required amounts for existing Restructuring of Pensions

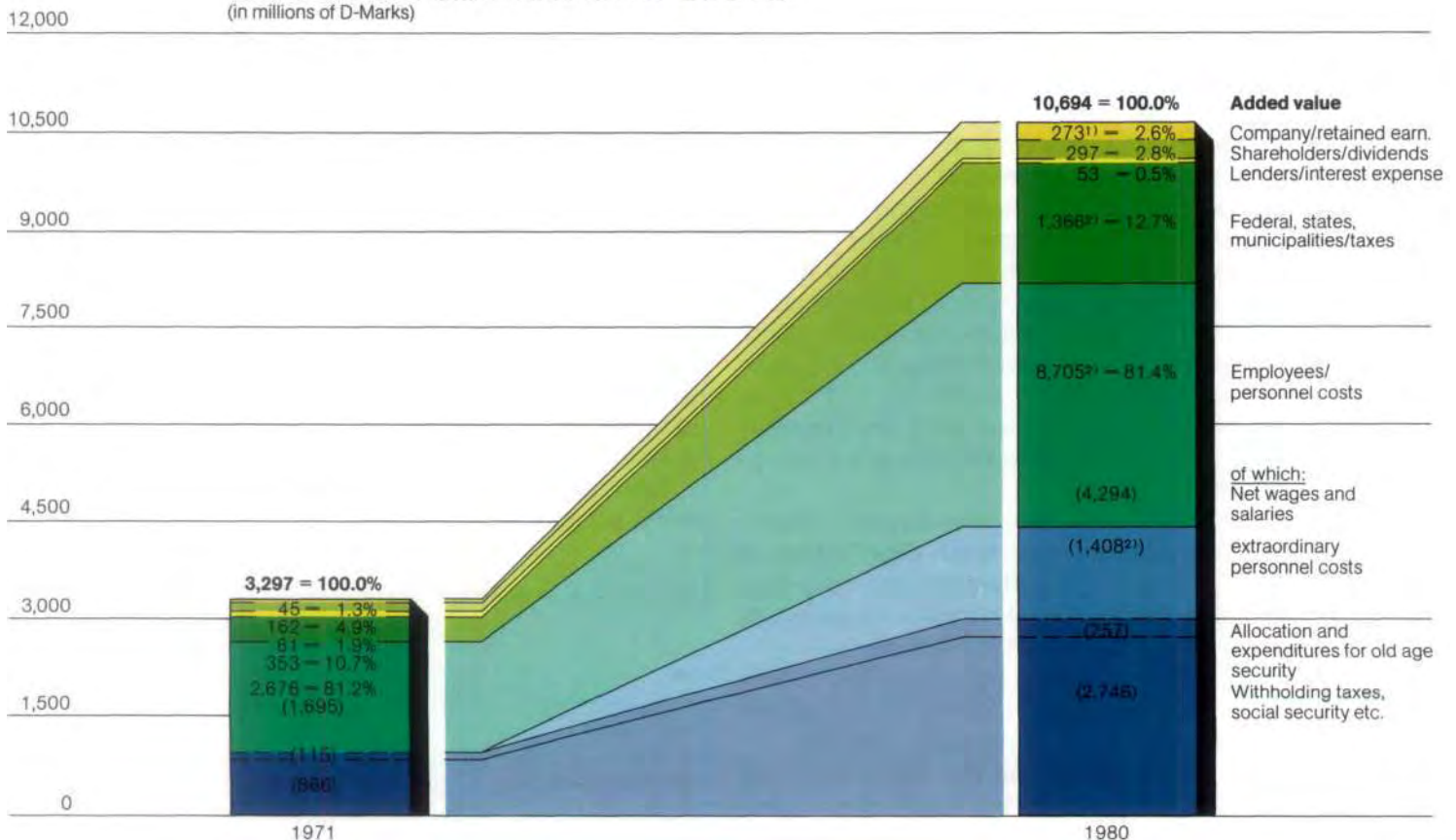
pension obligations in the Daimler-Benz Provident Fund. It would have been underfunded by about DM 1.4 billion as of December 31, 1980. Since Daimler-Benz AG is, in the final analysis, liable for pension benefits, we have restructured our pension obligations. The 1980 financial statements reflect this measure which has led to the elimination of the underfunded amount by providing an appropriate additional reserve for pension benefits for the purpose of properly allocating future benefit costs. Incidental to this necessary balance-sheet provision, there was a tax relief for 1980 amounting to about DM 875 million which, under normal circumstances, would not have been forthcoming until later years.

In connection with the restructuring, it was possible to credit back to income the tax-paid pension reserve, amounting to DM 391 million, which had been provided for the Provident Fund in earlier years to cover the underfunding. The resulting extraordinary income increased net income; it was used to increase unallocated retained earnings within the limits permitted by law.

Net income from worldwide operations amounted to DM 1,102 million in 1980; for Daimler-Benz AG the figure is DM 961 million. The profit comparable with the previous year rose from DM 638 million to DM 711 million for the consolidated companies and by 5.6% to DM 570 million (last year DM 540 million) for Daimler-Benz AG alone.

Net Income
for Year

Added Value Statement Daimler-Benz AG (in millions of D-Marks)



¹⁾ Excluding reserve credited back to income for underfunding of Provident Fund in the amount of DM 391 million.

²⁾ Restructuring of pension benefits with tax deductible extraordinary addition to pension reserves in the amount of DM 1.4 billion.

Proposals to the Shareholders

The favorable course of business overall and the confluence of the aforementioned profit-increasing factors together with consideration for the extraordinary measures reflected in the financial statements have allowed us to propose to our shareholders a dividend of, once again, DM 10 and, additionally, a bonus of DM 1 for each common share of DM 50 par value. This would raise the total dividend payment by 10% from DM 270 million to DM 297 million.

To further strengthen the equity capital base, we propose to add to unallocated retained earnings an additional amount of DM 126 million. Moreover, we propose to increase the capital stock at a ratio of 8 : 1 at par. The new shares will be fully eligible for dividends covering the year 1981.

As a financial precaution and to further improve entrepreneurial flexibility, we request the establishment of an authorized share capital of DM 350 million.

Events in 1980

We draw attention to the following significant events and developments for our company in 1980:

The new S-Class, which has met with favorable response at home and abroad, has given our car program a strong new element important for our image. The modern 4-cylinder gasoline engines for the models 200 and 230 E, the coupes and T-model stationwagons which were introduced in June of 1980, combine advanced engineering with contemporary economy. Despite higher performance, they are considerably more economical in fuel-consumption.

With our new generation of heavy-duty trucks and their wide range of powerful naturally-aspirated and turbocharged diesel engines, we expect to extend our competitive lead.

An electronically controlled "Anti-lock" Braking System (ABS) is now offered for our commercial vehicles.

In Belgium and the Netherlands we have entrusted the sales of our products to companies wholly-owned by

us. In Austria and Switzerland we acquired significant interests in distribution companies. These measures have put us into even closer touch with the market.

In Nigeria, the truck assembly plant established jointly with Nigerian partners was officially opened. The necessary ckd kits are supplied by our domestic plants.

In Spain, we acquired a majority interest in Mercedes-Benz Espana, S. A., (formerly "MEVOSA") and thus increased our managerial influence in production and sale of commercial vehicles and industrial engines by this company.

In the state of Virginia, U.S.A., an assembly plant for medium-duty trucks commenced operation. Component parts are supplied mainly by our manufacturing company in Brazil. The intended acquisition of Freightliner, a heavy-duty truck maker, is a further important step towards expansion of our commercial vehicle activities in the U.S.

In 1980, we continued our capital spending program as planned. Worldwide capital spending was DM 2.1 billion, of which DM 1.7 billion was accounted for by the domestic plants and branches.

The bulk of domestic spending went to the supplementation and further development of our vehicle programs and components. In manufacturing, bottlenecks were eliminated, plant capacities enlarged and environmental protection facilities further improved.

Domestic capital spending in the different areas was as follows:

	1980		1979	
	in millions of DM	% of total	in millions of DM	% of total
Cars	937	56	1,111	64
Commercial vehicles	398	24	346	20
Factory-owned branches	112	6	81	5
Engineering, testing	104	6	56	3
Leasing	132	8	149	8
	1,683	100	1,743	100

Worldwide Capital Spending DM 2.1 Billion

The slight decline from the previous year was in connection with construction delays on certain major projects. Capital spending abroad, totalling about DM 400 million, centered on our subsidiary in Brazil, the above-mentioned acquisition of distribution companies in Belgium and the Netherlands, and our Spanish subsidiary.

Investment
Financing
Through
Equity Capital

During the reporting year, investments in fixed and financial assets and the expansion of business volume could again be financed with resources generated internally. Assets and capital structures continue to be balanced.

In 1980, we created some 9,000 new jobs. Worldwide employment at year-end was 183,392, of which 146,323 are in Germany.

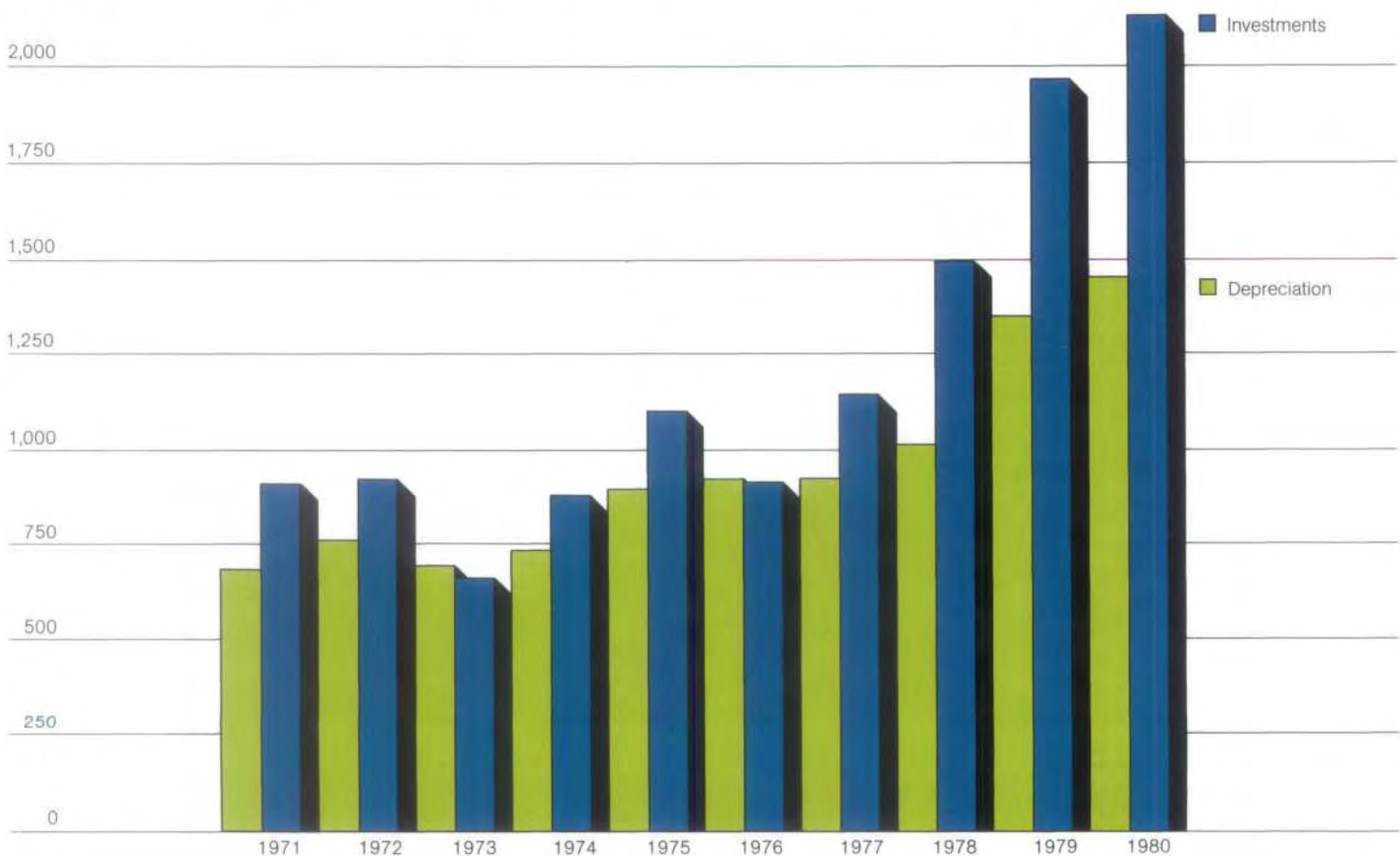
9,000
New Jobs

We thank all our employees and their representatives on the plant and general works councils for their constructive and successful cooperation. For many, 1980 was a difficult year demanding great efforts, willingness for cooperation and mutual understanding. This deserves our particular recognition in the annual report.

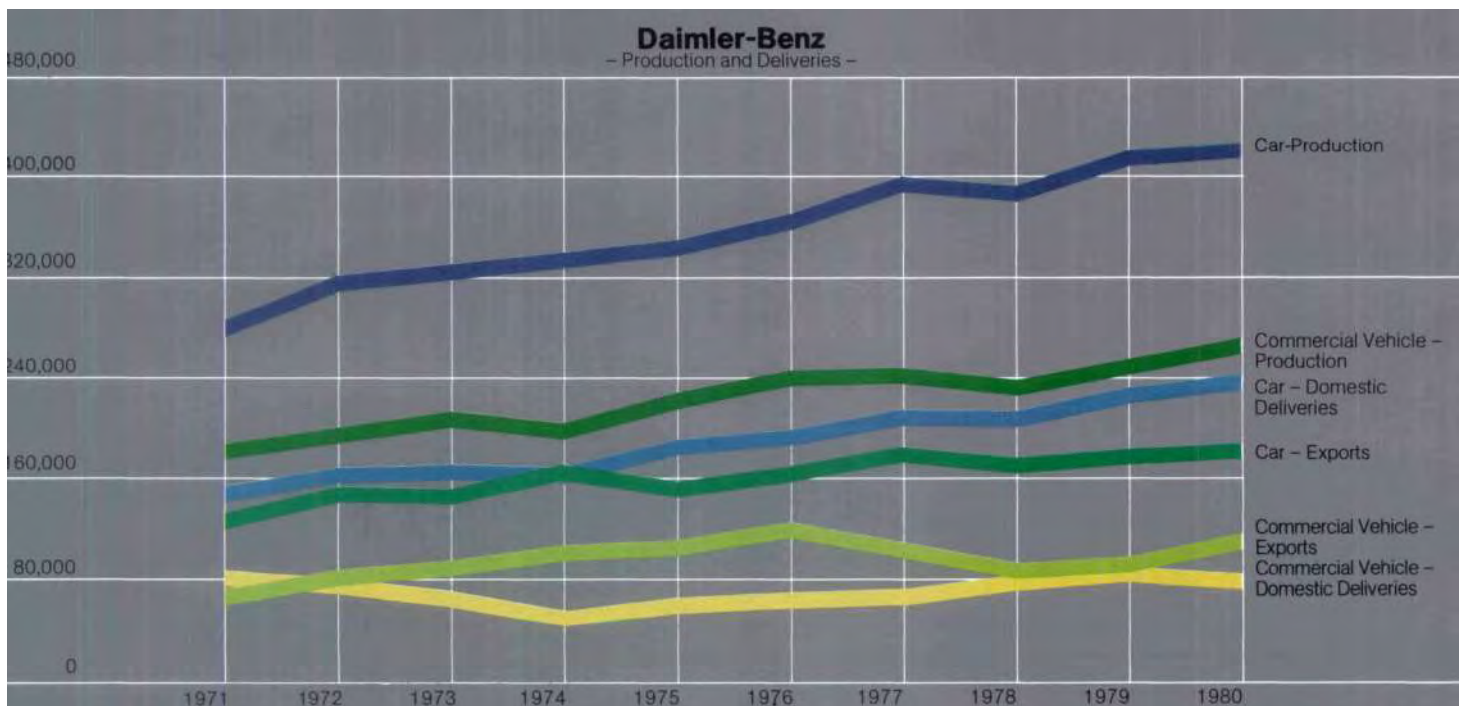
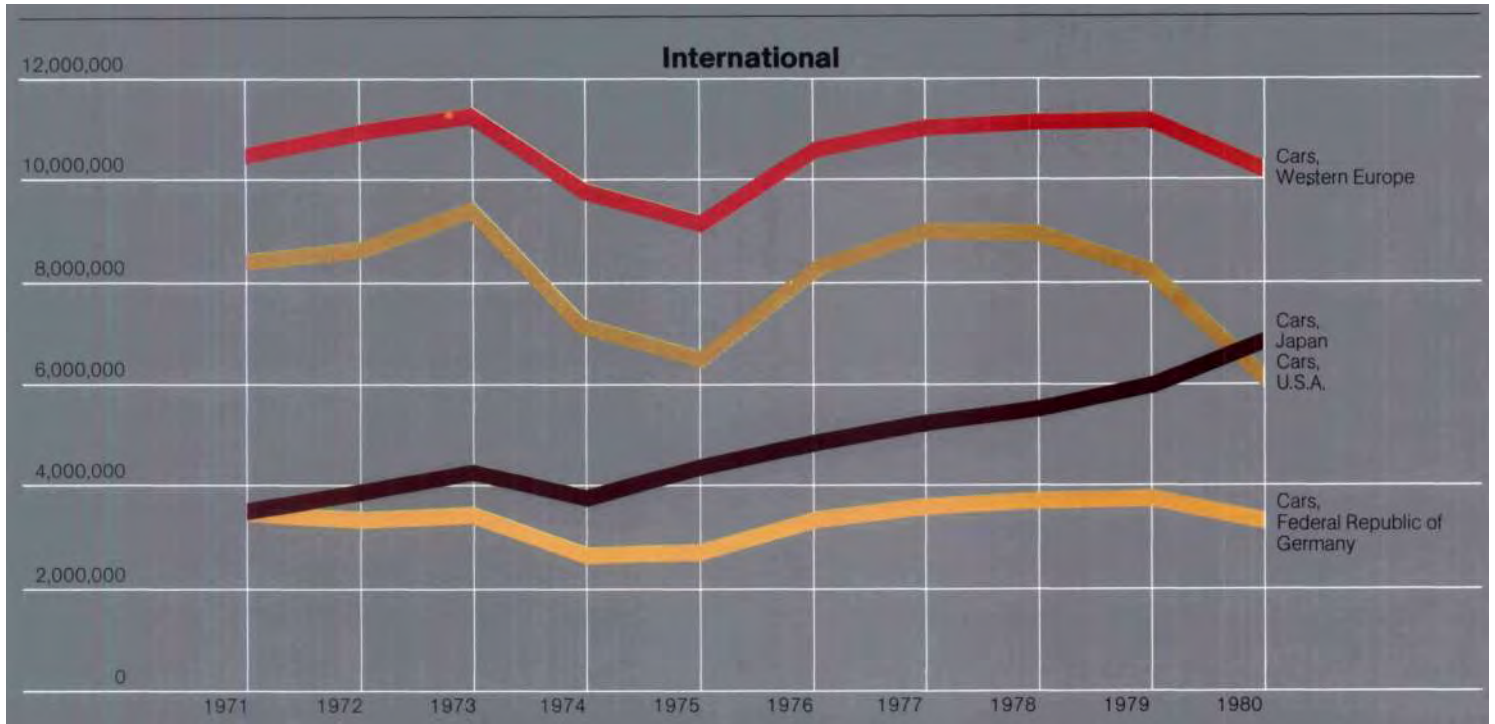
Investments and Depreciation-Consolidated

(in millions of DM)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Investments	906	915	654	871	1,096	908	1,140	1,498	1,969	2,140
Depreciation	677	760	688	731	884	917	918	1,013	1,342	1,447



Automobile Production 1971-1980



Note: Daimler-Benz commercial vehicle-production consolidated.

Car Demand
Declining
Worldwide

Cars

The worsened world economy and the cyclical downswing of car demand were the determining factors in almost all major car markets. World car output fell 7 % to 29.2 million units. The necessity of accomplishing an extensive change-over to compact and more fuelefficient cars, corresponding more to European cars, severely hurt the American auto industry, which had to cut back production by 24% to 6.4 million units, the lowest level since 1961. Thus, for the first time, Japanese car output of 7 million units surpassed American output in 1980.

The Japanese car industry again was able to raise exports considerably. For the Japanese industry the U.S.A. continues to be the single most important market. A significant sign of the shifts which have taken place in the structure of the international automobile industry is also the decline in the U.S. share of total world output from 32.7% in 1971 to 21.8% in 1980. In the same period, Western Europe's share decreased from 40.7% to 35.6% (West Germany's from 14.1 % to 12.1 %), while Japan's share rose from 14.2% to 24.1%.

West Germany:
New Car
Registrations
Down 7.5%

In the Federal Republic of Germany, new car registrations of 2.43 million units were 7.5% below the high level of the previous year. The decline corresponds to the expected adjustment to the long-term demand trend following years of heavy sales expansion. Whereas in 1980 11% fewer cars of German makes were newly registered, registrations of foreign makes rose 5%, thus increasing their share of the German car market to 26.3% (last year 23.2%). This growth solely benefitted the Japanese car industry, which sold 70% more cars in the Federal Republic of Germany in 1980 than the year before. Their market share almost doubled to 10.4%. For the first time, it is higher than the French makers' share (9.4%).

The foreign markets, which the year before had offset falling sales in the domestic market, provided no stimulus in 1980. German car exports declined 6.2% to 1.87 million units. Employment in the German car industry slipped as a consequence of reduced sales opportunities. Several makers had to introduce shortened working hours. In all, German car production decreased 10.5% to 3.52 million units - a volume which had already been reached in 1970.

6% Decline
in Exports

In contrast, the car business of Daimler-Benz again continued its steady growth in 1980. We were the only German manufacturer to increase new car registrations in the domestic market, namely by 2.9% to 241,000 units. Our market share thus rose to over 10% (last year 9.1 %). With the new S-Class we were able to resist the downtrend clearly visible in the sales of all other manufacturers in the upper market segment. New registrations of Mercedes-Benz models of the S-Class, the

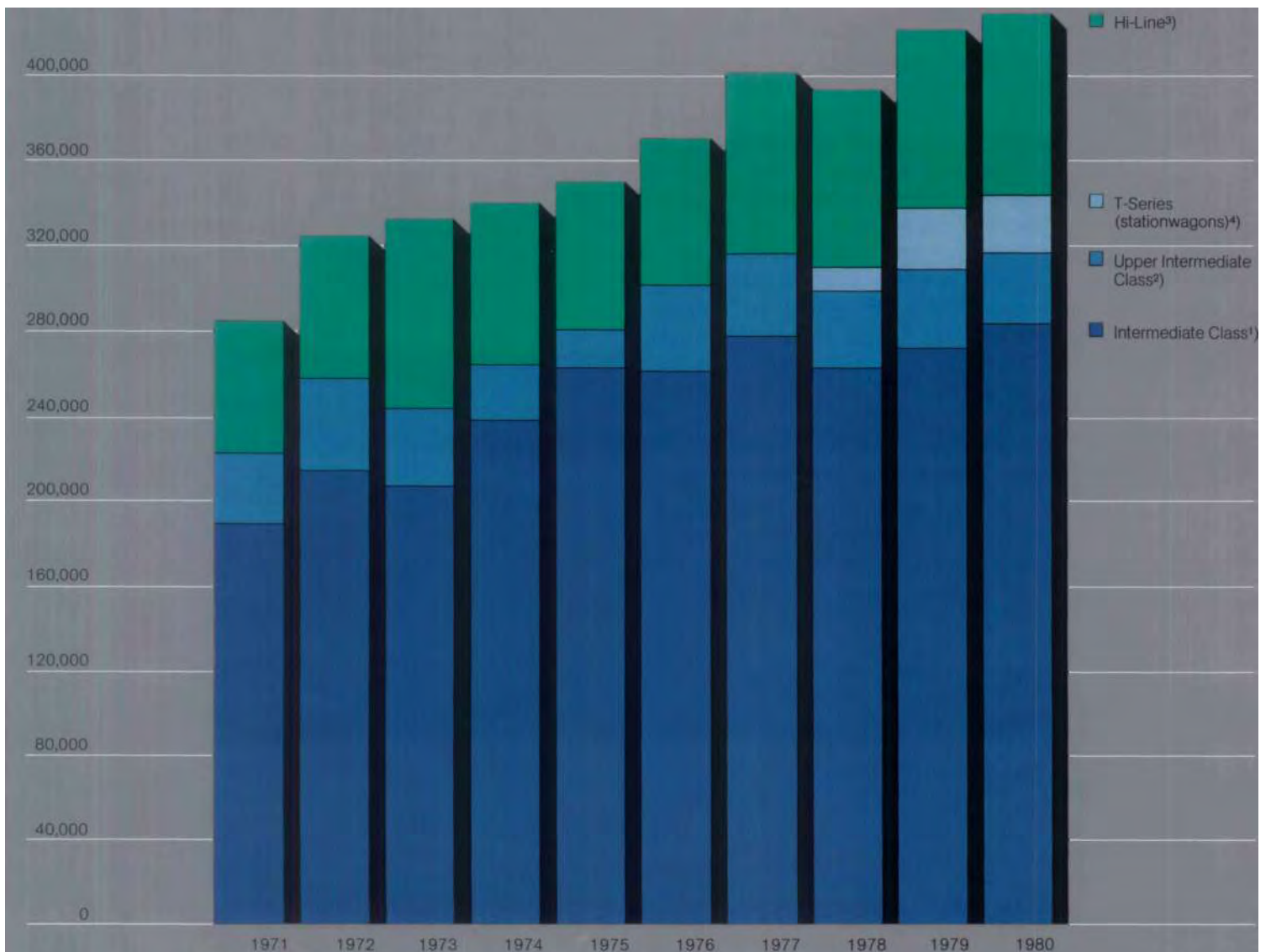
Daimler-Benz:
Continued
Growth

More efficient and more economical. These are the main features of the new 4-cylinder gasoline engines for the car models 200 and 230 E.



Car Production

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 to 71
Total Production	284,230	323,878	331,682	340,006	350,098	370,348	401,255	393,203	422,159	429,078	+ 51.0%
of which:											
Intermediate Class ¹⁾	189,076	214,317	206,549	239,668	262,966	262,062	278,411	262,773	273,055	283,346	
Upper Intermediate Class ²⁾	34,452	44,170	37,071	25,536	17,375	35,188	37,736	36,742	35,742	33,509	
Hi-Line ³⁾	60,702	65,391	88,062	74,802	69,757	73,098	85,108	83,107	84,957	84,993	
T-Series (stationwagons) ⁴⁾	-	-	-	-	-	-	-	10,581	28,405	27,230	



¹⁾ Models 200-250 and 200 D-300 D
²⁾ Models 280-280 E, 230 CE-280 CE and 300 CD
³⁾ Models from 280 S and SL
⁴⁾ Models 200 T-280 TE and 240 TD-300 TD

} in prior years in each case the corresponding models



The new S-Class: through optimum aerodynamic design, air resistance of the vehicles was reduced to a particularly low level for production sedans.

SL and SLC models rose by about a quarter.

We managed to boost our car exports in 1980 by 2.7% to 188,000 units and again raise sales in the U.S.A. by 2% to 53,800 units despite the 16% decline in the overall market. Our diesel cars contributed appreciably to this success. About half of our exports were delivered to European countries. We had high growth rates in Italy, Belgium, Switzerland and Finland.

mand for diesel models has again strengthened considerably in recent months. The lower price of diesel fuel in comparison to gasoline, the lower fuel consumption, and the excellent durability of our cars in conjunction with their high resale value play a dominant part in this trend.

In the S-Class, which combines substantial advances in economy with increasing utility value, the newly developed light-alloy engines (V-8's with 3.8 liters and 5 liters displacement) have satisfied all expectations. Together with the particularly favorable aerodynamics for a sedan car body, newly developed automatic 4-speed transmissions, and the use of weight-saving materials, they have led to a

Innovations in the Car Program

429,000
Mercedes Cars
Manufactured

Owing to the very good sales situation at home and abroad in comparison with the rest of the industry, we were able to raise car output in 1980 from 422,159 to 429,078 units or 1.6%. Diesel models accounted for the higher proportion of the increase and attained 48.4%. De-



The desired room and performance. The Mercedes-T-Series (station-wagons) with six models, among which the 300 TD with turbo-diesel engine.



more than 10% reduction in fuel consumption. The new Mercedes 500 SE/SEL was selected "Best Sedan of all Classes" by the readers of a leading car magazine.

With our 4-cylinder gasoline engines, which came out at midyear, we introduced technical innovations that yield up to 13% better fuel economy. We were able to achieve these advances through improved efficiency in engines and axle ratio.

With the new 300 TD Turbodiesel stationwagon, we supplemented our "T" models with an attractive variant which distinguishes itself by high performance and low fuel consumption.

At the same time, the turbocharged 3-liter diesel engine was adapted to the

new S-Class models intended for the U.S. market. The most widely read American car magazine awarded the distinctions "Import Car of the Year" and "Best Production Car in the World" to the Mercedes 300 SD and thus, for the first time, to a diesel car.

In March of 1980, we introduced our improved new hi-line models of the SL and SLC series. Since that time, the models 380 SL/SLC and 500 SL/SLC have been equipped with the new 8-cylinder light-alloy engines and the new 4-speed automatic transmission of the S-Class. For these cars, too, fuel consumption could be cut while improving performance through increased efficiency and improved matching of engine, transmission and power train.

Daimler-Benz is intensively working on alternative power trains and fuels - from research to practical test performance.

Good Year for Commercial Vehicles - Except in the U.S.A.

Commercial Vehicles

With continuing strong demand for capital goods and with substantial demand coming from oil-producing countries, output and sale of commercial vehicles rose in most countries. But not in the U.S.A.: low rates of capacity utilization and poor sales expectations dampened propensity to invest. In the world's largest commercial vehicle market, demand contracted dramatically. American manufacturers were forced to cut back production by 46% to 1.6 million vehicles. In terms of units U.S. output dropped to less than half that of the Japanese. In Japan, the large proportion of small models, which are a direct offshoot of large-scale car production, must, however, be taken into account. Particularly as a result of the decline in the U.S.A., world commercial vehicle output fell 8% to 9.6 million.

In the Federal Republic of Germany, commercial vehicle sales still rose by 3.1 % in 1980 to 175,527 units. However, the initially good demand from all sectors of the capital goods industry, particularly the building industry, weakened as the year progressed. The share of foreign vehicles rose to 16.4 % (last year 15.3 %), with a heavy increase in vans.

In export markets, German commercial vehicles held their own despite a further stiffening of competition. Exports rose 18.3%, topping 210,000 units for the first time. The keen foreign demand enabled a 12.8% boost in production, which at 357,619 units reached its highest level ever.

In spite of the fact that our plants were operating at full capacity, we were not able to meet all demands in 1980. Worldwide output climbed 6.4% to 272,868 commercial vehicles. Our domestic plants produced more than 200,000 units for the first time (+7.6%); our South American subsidiaries 69,827 units (+3.1%). A strike in our Brazilian factory prevented stronger expansion in South America.

273,000 Mercedes Commercial Vehicles Worldwide

At 85,845 units, new registrations of Mercedes commercial vehicles in the Federal Republic of Germany almost equalled the high level of the previous year (87,846). An increase of 2% to 26,600 units was obtained in the van market (up to 4 tons GVW). The slowdown in the building industry affected heavy truck registrations during the course of the year.

We raised truck exports for the whole range of the program by 21.9% to 105,526 units. Demand from OPEC countries and several African states was especially strong.

In Western Europe we were also able to increase sales substantially in several important markets, for example in Italy and Switzerland. As the largest European manufacturer of trucks of more than 6 tons GVW, Daimler-Benz holds about a 25% share of the market in Western Europe and an 11 % share of the region's total truck market.

Operating efficiency, comprehensive transport performance and fuel economy are dominant features of our commercial vehicles. The emphasis of our engineering work in 1980 was not so much on the improvement of the already favorable specific fuel consumption values but rather on the even better adaption of engine, transmission and axle ratio to the different vehicle models and operating conditions. The wide engine range was enlarged by turbocharged V-8 engines with favorable torque. With turbocharging alone they develop an output of 243 kW (330 DIN/hp). Additionally equipped with charge air cooling, our most powerful commercial vehicle engine develops 276 kW (375 DIN/hp).

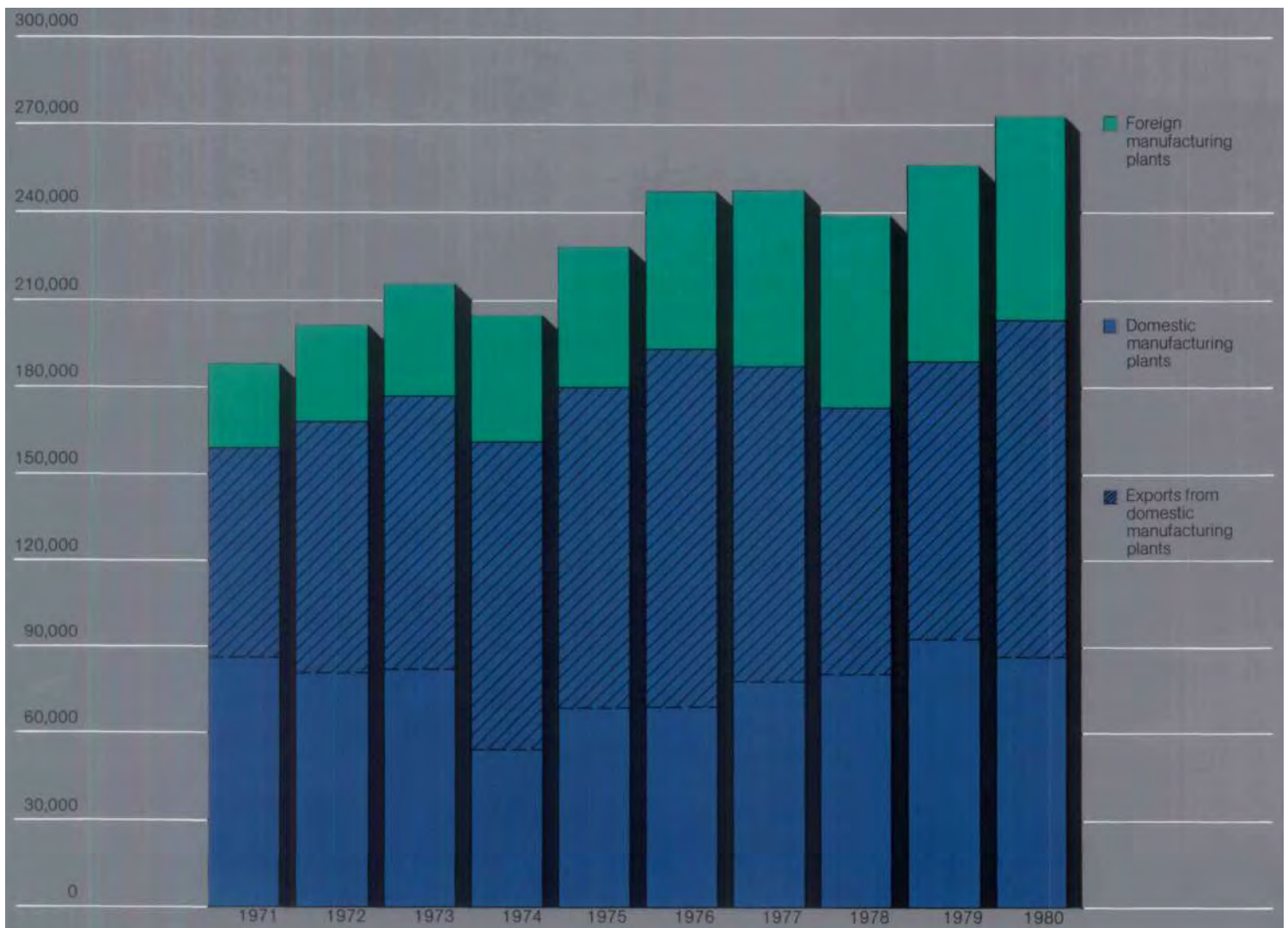
Innovations in the Commercial Vehicle Program

Bus sales continued to be strong. In the domestic market we sold 3,186 units (last year 2,694), mainly commuter buses for transit systems. However, earnings just in this area are particularly unsatisfactory. In exports, we raised sales an additional 2.6% to 6,347 units

Buses

Commercial Vehicle Production

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1980 to 71
Total Production	188,095	201,937	215,935	205,344	229,302	247,756	248,100	239,702	256,467	272,868	+ 45.1%
DOMESTIC	159,677	168,482	177,061	161,400	180,005	193,204	187,298	173,101	188,772	203,041	+ 27.2%
of which:											
Delivery vans											
to 4 tons ¹⁾	35,524	47,447	45,292	30,597	29,975	41,878	40,257	47,333	51,815	53,353	
over 4 to 6 tons ¹⁾	38,176	35,536	36,256	24,726	25,470	29,906	30,358	26,481	28,270	30,624	
Trucks											
over 6 to 8 tons ¹⁾	14,018	16,560	18,012	13,953	15,924	18,658	18,228	18,746	17,141	17,213	
over 8 to 15.9 tons ¹⁾	31,143	28,555	31,186	33,465	34,007	32,330	28,940	23,721	24,242	29,047	
16 tons and up ¹⁾	24,479	21,994	26,424	34,789	53,831	47,844	48,375	39,310	48,625	53,241	
Buses	8,047	10,997	12,100	13,726	13,344	12,824	11,595	8,210	8,529	9,643	
Unimog and MB-trac	8,290	7,393	7,811	10,144	7,454	9,764	9,545	9,300	10,150	9,920	
Exports from domestic manufacturing plants	73,580	87,476	95,570	107,468	111,575	124,965	110,100	93,163	97,022	116,431	+ 58.2%
FOREIGN	28,418	33,455	38,874	43,944	49,297	54,552	60,802	66,601	67,695	69,827	+ 145.7%



¹⁾ Gross vehicle weight.



Mercedes-Benz model G. A cross-country vehicle program with four engines, two wheel bases, three bodies and numerous options.

following the already large increase of the year before (+ 26.1 %) and strengthened our leading position in major markets. 9,643 units were manufactured by our domestic plants in Mannheim, Duesseldorf, Bremen and Woerth (+13.1%). World output rose to 29,963 Mercedes buses and bus chassis (last year 27,474).

In October 1980, the first long-distance high-deck touring coach 0 303 RHD with panoramic windscreen rolled off the assembly line in Mannheim. This luxury-class coach is distinguished by high performance and appreciably improved passenger convenience: more comfortable seats, particularly low interior noise levels and optimal heating and ventilation.

Unimog and MB-trac

We were able to almost offset a decline in domestic deliveries of Unimog and MB-trac (- 8.5%) by increased exports (+ 7.4%). Output totalled 9,920 vehicles (- 2.3%).

At the 56th Exhibition of the German Agricultural Association in Hanover in 1980 we introduced two new all-wheel drive tractors, the MB-trac 700 S and the MB-trac 1500. The MB-trac 1500 is equipped with a turbocharged 110 kW (150 DIN/hp) diesel engine. It is the most powerful model of our MB-trac line, which comprises five performance categories from 48 kW (65 DIN/hp) and up.

Industrial engine and vehicle component sales of DM 240 million were about the same as last year. Whereas our deliveries to makers of special-purpose vehicles and generating sets increased, demand from agricultural machinery makers declined. Within our diesel engine program, with output from 17 to 452 kW (23 to 615 DIN/hp), engines over 150 kW (200 DIN/hp) were in brisk demand. We were able to boost vehicle component sales by 6% (transmissions, steering units).

Industrial Engines and Vehicle Components



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Outlook

Changed Economic Conditions

High inflation, diminished growth or even genuine decline of the GNP in various countries, insufficient capacity utilization and rising unemployment impacted economic activities worldwide. The conditions have seriously deteriorated as a result of the drastic rise of oil prices. The transfer of purchasing power to the oil-exporting countries also portends limited scope for growth in oil-importing countries in the years ahead. More and greater efforts are required to reduce dependency on imported oil and to change supply and production structures.

Automobile industry trends are very closely linked to general economic activities. The industry, therefore, initiated the necessary adjustment process as early as the mid-seventies and has systematically pursued this course since then. The new fuel-saving models introduced in the market are proof of this. All auto makers are planning and carrying out extraordinarily large capital spending programs. The motivation for this structural change was the necessity to use the energy required for driving as economically as possible and in accordance with basic economic criteria.

A similarly determined action, and promotion of the necessary structural adjustment with clear goals for the future, has not as yet been seen in the area of energy policy. Also indispensable is a clearcut statement of priorities when political decisions must be made between opposing demands for "more environmental protection" and "less fuel consumption". This is of special importance to the automobile industry. It is not possible at the same time to fulfill exaggerated demands for reduction of harmful emissions, reduce noise appreciably, cut fuel consumption substantially and, on top of that, continuously improve the active and passive safety of automobiles. Physical laws dictate this. Consequently, it is essential to establish internationally coordinated long-range priorities and adhere to them. In the interest of a healthy German

economy, energy conservation continues to be the primary goal. German manufacturers, nevertheless, will continue to develop the technical and economical capabilities to further reduce pollution in future. They have proven this in the past, not only by the constant reduction of contaminants in motor vehicle exhaust emissions, but also through increasing investments for more sweeping prevention of noise and emissions in their own plants.

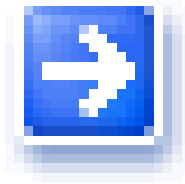
On the other hand, laws and regulations, which often only apply to individual countries, prevent uniform, and thus economically tenable compromises between the objectives of energy conservation, motor vehicle safety and environmental protection. Moreover, far greater contributions to fuel consumption reduction could be achieved in the areas of highway construction, traffic control and driving habits than through ever more sophisticated motor vehicle engineering, which may hardly be affordable anymore. Moreover, omissions in the construction of environmentally safer, fuel-saving road bypasses and the improvement of traffic flow in urban areas are likely to negate the purpose of many technical efforts.

Notwithstanding the willingness of the automobile industry to do what is in its power and what is acceptable to consumers in building still more economical vehicles, savings measures in the areas of the much higher stationary energy consumption yield more, quantitatively and technically, and are often simpler and more economical.

While the European car industry is faced with a linear and continuing development of its vehicles, the American industry is undergoing a radical structural change on a great scale. The American motor companies are forced to completely revise their program policies and structures and largely replace their production facilities, initially due to stringent energy conservation laws, and

U.S. Auto Industry Undergoing Change

The new S-Class of Mercedes-Benz: future-oriented engineering and today's necessary economy.



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secondly because of a sharp shift in the demand pattern in favor of compact, economical cars resulting from the abrupt decontrol of oil prices. This necessitates huge investments which place the highest - often too high - demands on productive capacity and financial resources. But with the changeover successfully completed, the American carmakers will have substantially improved their ability to compete through modern production techniques and economies of scale, with the help of which they will try first and foremost to roll back the high foreign imports.

Japanese
Export
Offensive

The major manufacturing and export successes of the Japanese automobile industry, which has expanded rapidly in the last few years, are based less on manufacturing technology, workmanship or superior marketing than on the fact that Japanese makers operate with considerably lower labor costs per man-hour. Moreover, the productivity advantages based on appreciably longer working hours and thus inherently better utilization of equipment contribute to lower costs. In contrast to the mere free-market advantages, the government-controlled, government-encouraged promotion of industries and enterprises typical of Japan is not compatible with our understanding of free-enterprise competition.

With their fast-moving export offensive and their aggressive expansion of capacities, the Japanese are increasingly running the risk of incurring protectionist countermeasures in Europe and the U. S. to the detriment not only of the free exchange of goods, but also of their own future export opportunities, which they themselves are dependent on to fully use the production capacities they have created. Already, car imports from Japan are restricted in certain European countries such as Great Britain, France and Italy. In other countries, most notably the U.S.A., there is increasing demand for and consideration of protective measures. With regard to

the Federal Republic of Germany, this problem cannot - we believe and have stated repeatedly - be resolved by protectionist measures considering that the German auto industry itself exports about half of its production and is thus dependent on the free exchange of goods.

The German automobile industry, which ranks dangerous first internationally in labor costs per man-hour, will be even more dependent in future on cultivating and further strengthening its traditional competitive advantages, among them top-rate engineering, first-class workmanship and reliable service. Loss of its lead in engineering, at the current level of labor costs, would lead to further setbacks in the market place, with drastic effects on employment and on the German trade balance.

Even if we succeed in maintaining technical and other product advantages, we must reduce the existing difference in costs - particularly the level of labor costs - between us and our competitors. We concede, however, that this cannot be done abruptly.

But an immediate change of thought in this direction and a conduct geared to the changed requirements will be decisive for the future success of German industry and German auto makers. It is also a question of providing secure jobs which would be jeopardized to an unprecedented extent if we do not again improve our competitiveness in costs and prices. Only through greater efforts shall we be able to exploit the opportunities for technical innovation and qualitative industry growth resulting from the radical structural changes. This is predicated on economic and political conditions which do not make excessive demands on either vehicle owners or the industry and leave car makers adequate and clearly defined room to maneuver in developing vehicles of high quality and technical excellence.

Cost Disadvantages for the
German Auto
Industry

Sharper Fluctuations, More Pressures on Car Demand

With increasing saturation of car markets in the industrial nations of the West, we can expect competition to become more pronounced as the proportion of replacement demand - which is deferrable - grows. Largely parallel business cycles in Germany and abroad, due to the close interlocking of economic relationships internationally, limit the opportunities which were available in earlier years for offsetting declining demand at home through exports. On the German car market we do not expect a general turnaround in 1981 because of the lowered expectations for the economy as a whole and the additional burdens imposed on the automobile — for example, the drastic increase in the gasoline tax on April 1, 1981.

sions, on improved aerodynamics and weight reduction, and on diesel engine technology, including turbocharging.

In the future, as well, the diesel principle with its favorable overall efficiency will occupy a premier position in power train technology. Consequently, we endeavor to exploit and extend our longstanding leadership in this field. We will strive to improve, besides fuel economy, the time-tested qualities of our Mercedes cars, such as active and passive safety, environmental compatibility, durability and top workmanship.

Car Business at Daimler-Benz

MB-trac and Unimog with enlarged program. Power output ranges from 38 kW (52 DIN/hp) to 110kW (150 DIN/hp)

In our operations, a favorable overall order situation continues to ensure healthy employment. Our model policy is in keeping with the steady trend to economical cars of high technical quality with high standards of equipment. Achieving further fuel savings remains our main goal. We will continue to devote great efforts to our work on new engine technologies and transmis-

The struggle for market shares will gain in intensity in the commercial vehicle markets. The situation is aggravated on the sellers' side by still growing capacities resulting from new alignments of producers, and on the demand side by import restrictions and the sealing off of markets. Nevertheless, we estimate the long-term prospects for commercial vehicle sales to be positive overall.

Contested Commercial Vehicle Markets

The trend of the commercial vehicle business shows a softening of demand in the domestic market and in the rest of Europe, particularly for light trucks. Adding to this is stiffer competition in van





Heavy-duty trucks with power-efficient, economical engines.

sales from Japanese manufacturers. Overseas demand, especially from OPEC countries, is steady and strong.

Commercial Vehicle Division of Daimler-Benz

Taking a long-range view, we see favorable market opportunities for our diversified full-line program. To make possible economies of scale and still offer numerous model variants, we shall expand and intensify the efficient modular system with production methods allowing variations among related parts and components. We will further improve flexibility in manufacturing so as to be able to react quickly and surely to market changes.

Without impairing employment in our domestic plants, we will step up our international activities in markets that are not easily or not at all accessible to exports from the Federal Republic of Germany.

Acquisition of Freightliner

The intended acquisition of Freightliner, which is based in Portland, Oregon, serves to open up the U.S. market for heavy-duty trucks over 15 tons. Negotiations on a final binding agreement have not been concluded, but we expect to come to terms within the



The most economical solution: for each task the precisely tailored Mercedes-Benz van.



tion in the medium-duty market, exports to the U. S. of trucks over 15 tons GVW (class 8) are not possible for us because of the large differences in customer market requirements, in the pattern of overall business, in vehicle design and in vehicle licensing regulations. Purchase of a U. S. manufacturer is thus an indispensable prerequisite for establishing ourselves in the heavy-duty truck market.

Trucks with the Freightliner nameplate have a good reputation in the U.S. They have a market share of 8% to 10%. With the aid of this company we will strive to expand the commercial vehicles business in excess of 9 tons GVW, and in the long run establish a firm and successful position in the U.S. market.

framework of the "letter of intent" exchanged by us with Freightliner's parent company, Consolidated Freightways of San Francisco.

The purchase is in line with efforts pursued by us over many years to gain a foothold in the heavy-duty vehicle market in the U.S.A. Up to now we are only represented in the 9 to 15 ton truck classes (class 6 and 7). Unlike the situa-

Our medium-term investment plan, which now encompasses the period from 1981 through 1985, earmarks domestic spending on a level of more than DM 2 billion annually. These expenditures will benefit the engineering, quality and economy of our cars and commercial vehicles. Efforts will concentrate particularly on the car program, which is to be supplemented by an addi-

Capital Spending Program 1981 Through 1985

100,000 buses came from the Mannheim plant from 1949 to 1980.





New high-deck luxury touring coach O 303 RHD with superior comfort.

tional model, the so-called W 201. When setting up the capacities required for this model, we shall see to it that flexible production techniques will put us in a position to react to changing market conditions in a responsive manner.

**Daimler-Benz:
Upward Trend
in 1981**

In the first three months of 1981, Daimler-Benz manufactured 105,500 cars and 52,000 commercial vehicles on the strength of continuing favorable demand for Mercedes vehicles in the home market. In addition, 22,400 commercial vehicles were manufactured by our production companies in Brazil, Argentina and Spain; the latter is included in the consolidated figures for the first time. Consolidated sales totaled DM 8.3 billion in the first quarter of 1981 as compared with DM 7.5 billion DM for the same period last year.

For the remainder of 1981, we expect output and sales of our cars and commercial vehicles generally to again match or in some areas even exceed the high volume of 1980.

Daimler-Benz sees itself confronted - as does the whole automobile industry - with complex, far-reaching demands in the years to come. Our large capital

spending program is an expression of our favorable assessment of the market prospects for our vehicle programs. Also in the future we shall take advantage of the long-term sales opportunities for our cars and commercial vehicles through a cautious but purposeful capacity policy.

The most important goal of our broadly based research and development work remains that of maintaining the strong competitive position of our Mercedes-Benz products. In introducing modern production technologies, our aim continues to be a balanced synthesis of productivity, quality and improvement in working conditions. We shall further expand our worldwide sales and service system with its close proximity to the markets.

In our efforts to fulfill the demanding tasks of the future we place our confidence in our engineering capacity, our strong market position, our sound financial base and, last but not least, the proven dedication of our employees.

*

The following sections of this Report will cover details of the various company divisions and activities:

Continuity
and Stability
for the Future



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Research and Development

In 1980, the traditional policy of our research and development work has proven itself once again. Maintaining the high technical standard of the Mercedes-Benz products is still receiving first priority. Our areas of emphasis were the further reduction of fuel consumption, the continued improvement of the active and passive safety of our vehicles, and the reduction of environmental pollution.

More Than DM 1 Billion for R & D

We spent more than DM 1.1 billion for research and development in 1980. More than 9,000 people are engaged in this work, including about 400 researchers. In 1980, about DM 100 million was spent on the enlargement and modernization of testing facilities, including facilities for emission and noise test stands and for safety and corrosion testing.

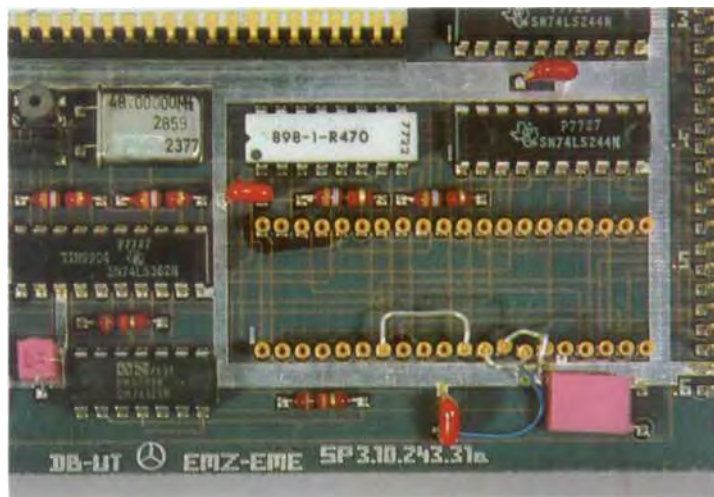
Electronics in Motor Vehicles

Electronics in the motor vehicle are acquiring evergrowing importance-also in the area of safety. In the autumn of 1980, the electronically controlled "Anti-Block" Braking System (ABS) has become available for our complete car program.

An ABS system for our commercial vehicles is now also ready for production. The great variety of vehicle types and operating conditions in the commercial vehicle field necessitated totally new solutions which were worked out jointly with our partner in the commercial vehicle brake system development. This "Anti-Block" Braking System will be offered initially on buses and heavy-duty tractors.

As a supplement to the standard car seatbelts, we have developed a combination of an electronically controlled airbag for the driver and a belt pre-tensioner for the front seat passenger, which will initially be offered as optional equipment on S-Class cars. Both systems further diminish the consequences of a head-on collision for the occupants, even at high speeds.

Laser scanning is employed for projecting that cross-section effective with regard to air-resistance.

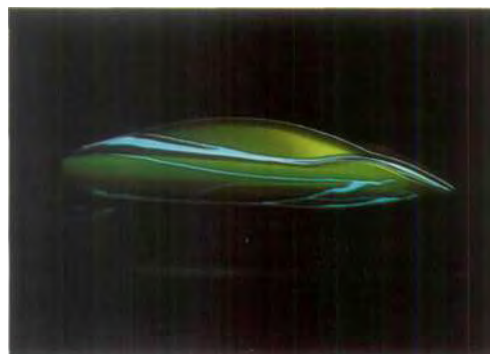


In addition, we are working on various other electronic systems; for example, for controlling combustion in the engine, for improving vehicle safety, and for vehicle monitoring as well as driver orientation and route selection. These include radar controlled distance warning, fluid level and tire pressure indicators, route and navigation computers and a driver communication system. Our decisions for electronic systems are based solely on practicability and reliability. Our guiding principle is: electronics not whenever possible or alluring in advertising, but whenever technical or economical improvements can be accomplished.

Section of a printed circuit board, developed and built in the Daimler-Benz test center. It is used in research and development of vehicle electronics.

Insufficient international coordination of motor vehicle construction and certification regulations continues to bind a large portion of our development capacity. Within Europe, we are still far from

No Harmonized Construction and Certification Regulations



Exhibiting the air current dispersion on an extremely low air-resistant experimental shape.



Computer calculations: here for the design of the new 4-cylinder gasoline engines.

achieving the necessary harmonization of the regulations pertaining to vehicle safety, noise abatement and other aspects of environmental protection, the objectives of which are often conflicting with each other. Such conflicting goals arise for example from the emission and fuel economy laws for cars in the U.S.A., where also far-reaching changes in emission standards and measuring procedures for commercial vehicles are presently being prepared.

Actions of individual countries, such as Switzerland, where more stringent noise laws are in effect, and repeal of the ECE car exhaust emission regulations is under consideration, take up additional development capacity. Such isolated actions result not only in higher energy consumption but also - to the disadvantage of consumers - in a reduction of the variety of models, and in higher car prices.

The role of the automobile in the economy and in society is often a sub-

ject of emotional, biased discussion. Respective proposals of lawmakers concerning technical matters and traffic policy often foster uncertainty and impede technically feasible and economically tenable solutions. They jeopardize the international competitiveness of the German automobile industry, which is dependent on high-volume production and which cannot do without exports in view of a limited domestic market. Therefore, we support all political efforts to coordinate regulations internationally. We see such efforts as important steps in preventing further protectionist threats.

During 1980, we continued our extensive work in the areas of alternative energies and alternative power systems. The intensive study of fuels and power systems has shown that there is no comparable alternative to the classic liquid fuels and the reciprocating engine in the foreseeable future. Technologies exist for operating vehicles with alcohol, liquified gases or hydrogen. Departing from petroleum would mean that these alternative fuels would have to be produced synthetically, for which the necessary facilities and energies would first have to be made available.

Alternative Energies and Power Systems

Daimler-Benz is participating with some 150 vehicles from its car and commercial vehicle programs in the demonstration and research project "alternative energies for road traffic", which is sponsored by the Federal Ministry for Research and Technology, and which runs through 1982. The practical application of alcohol fuels, hydro-

High speed photography is used for recording mixture formation, flame development and air intake in diesel engines.





Introduction of the first Mercedes-Benz track-guided bus line in Essen. 21 Mercedes-Benz articulated pusher buses model O 305 G are in operation.

gen technology and electro-traction drive is being investigated in this large-scale experiment. Daimler-Benz is the only vehicle maker represented in all three project groups.

Research work on the gas turbine continued in 1980. It can be operated on different liquid and gaseous fuels, it is smooth in operation and has a low level of harmful emissions. We broke new ground with our research, especially in the area of highly stressed turbine blades made of ceramics, a material able to withstand high operating temperatures.

Research and Development Work Abroad

With the help of the R & D departments at our overseas plants, we took up the specific tasks arising in those countries. An example of this is the adaption of our commercial vehicles in Brazil for op-

eration with ethanol produced from sugar cane.

We determinedly continued development of the piston engine and its components. The main efforts were concentrated on carburation and injection systems, ignition and combustion. The essential objective here is the reduction of fuel consumption and adaption to different fuel types and grades.

Extensive studies dealt with noise generation through combustion in engines, through inertia forces and through mechanical transmission of torque and motion. Research work on better sound-absorbing materials and acoustic insulation have the purpose of reducing conduction and radiation of noise.

Improvement of the Piston Engine

Reduction of Emissions



The computer-operated vibration test stand for commercial vehicles eliminates the necessity of durability on test tracks.



Municipal vehicles in the noise test stand facility (left). Electronic measuring and recording devices for noise tests (below).



Considerable effort went into the study of the process of soot formation in diesel engines and ways of controlling it. To further reduce pollutants in exhaust emissions and simultaneously cut fuel consumption, we are analysing the combustion process in the engine theoretically and experimentally, making use of new kinds of computer programs and high-speed film techniques, along with other methods.

'Road Transport Systems'

Through extensive research and development work dealing with the whole complex of "road transport systems" we have provided the scientific groundwork and created prototypes for new technologies, products and systems. Thus, in September of 1980, the first track-guided bus line operating 21 Mercedes-Benz articulated pusher buses, model O 305 G, was introduced in Essen. The buses are fitted with our mechanical track guidance equipment. This reasonably-priced system enables the optimum combination of flexibility in suburban Operation with the advantages of track guidance in congested urban areas.

To continue technical research on our vehicles, and to demonstrate proof of compliance with the numerous statutory requirements, we are in urgent need of a new test track. After consultation with the state and local authorities involved, we purchased land for this purpose in the Boxberg region in Main/Tauber county, an area of weak economic structure. We have discussed with the public on numerous occasions both the necessity of this project for our Company and the beneficial effects on the economy of the region. Additional jobs for the Boxberg region and the security of the existing jobs in our enterprise are at stake here. Employment can be maintained in the long run only if we can base development, production and sale of our vehicles on reliable test results.

New Test Track

The application for a building permit has been submitted, and land consolidation is in progress. Nothing can be said about construction start-up as yet, because of the activities of a small group of opponents to the test track.

Steel coils - weighing several tons - in the material warehouse of the Sindelfingen plant.

Purchasing

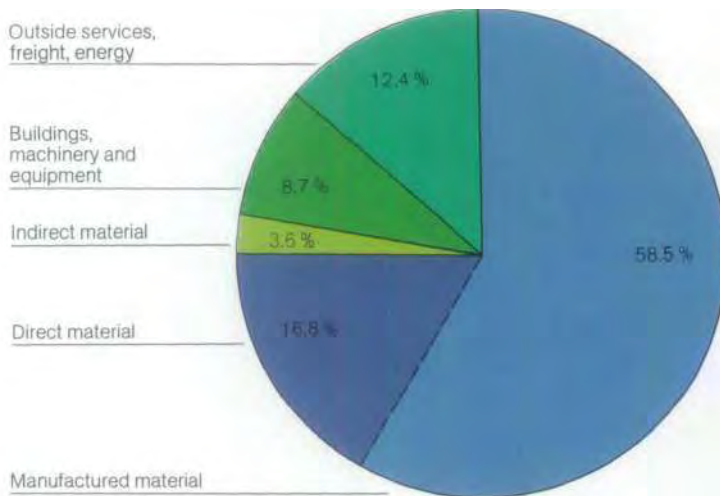
Higher Prices for Materials

The prices of parts purchased from suppliers rose strongly in 1980 in comparison to last year. Improved efficiencies of our suppliers contrasted with increased prices for non-ferrous metals and worldwide sharply higher prices for energy and oil-based products. Higher vendors' labor costs led to higher prices for parts purchased from them.

Volume of Purchases

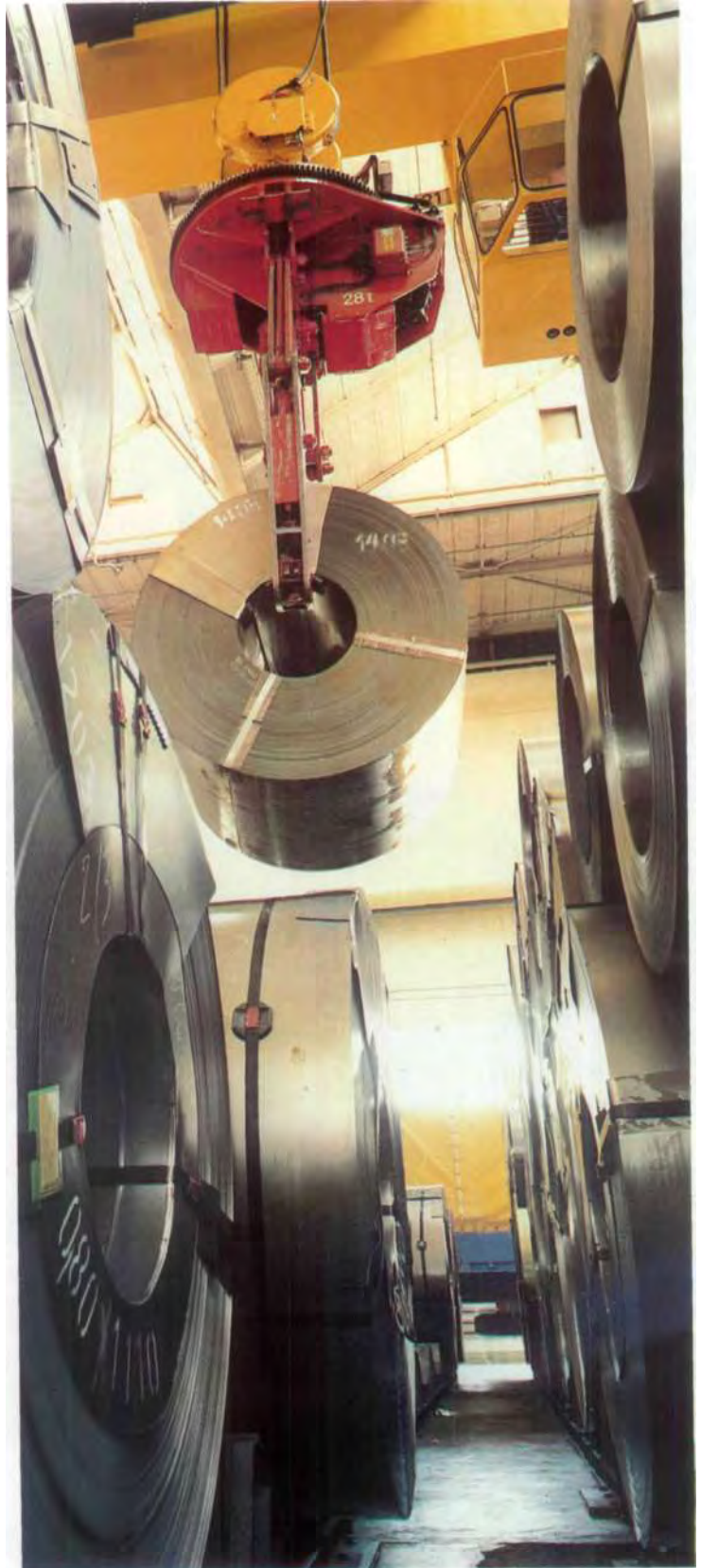
With worldwide expenditures of more than DM 18 billion for suppliers' parts, materials and capital outlays, Daimler-Benz makes a considerable contribution to employment in the mostly small and medium-scale supplier industry.

Consolidated Purchase Volume: DM 18.5 billion in 1980



Smooth Supply of Materials

Appreciably higher production, the frequent short-term changes in manufacturing schedules, particularly in the area of commercial vehicles, and production start-ups of a number of new vehicle models and components, also demanded great adaptability on the part of our suppliers. Only through their willingness—and through the commitment of those who transport materials to our plants—could a smooth flow of materials be affected. We wish to especially thank all those concerned for this achievement and for the continued high quality standards.





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Production

Melting operation in the Mannheim plant foundry.

We have striven with success to enhance production quality further; the reliability and durability of our Mercedes-Benz products depend on it. One of our most important goals is to improve efficiency in production by raising productivity, and to ensure a high degree of flexibility by appropriate technological measures. We continued to stress improvements in general working conditions and in environmental protection.

Modern Production Technologies

In building the facilities for the new 4-cylinder gasoline engines in our Untertuerkheim plant, we have taken a step in the direction of updated manufacturing technology with a high degree of automation and increased productivity. This applies equally to casting operations, machining and assembly. In the new facilities, we replaced conventional machining operations in part with energy- and material-saving casting and shaping processes. The facilities are exemplary with respect to modern workplace design. At many stations, assembly is carried out on tiltable workpieces, which is advantageous from an ergonomical viewpoint.

Stamping line for car body parts in the newly-built stamping plant III at Sindelfingen.



Automatic change installation for 30 different tools. Computer-operated processing center for commercial vehicle automatic transmissions at the sub-plant Rastatt of the Gaggenau plant.

The new S-Class replaced the successful predecessor model of which we built 473,000 units in eight years. The necessary expansion of the Sindelfingen plant to accommodate the successor model involved the body shell facility, a new stamping facility, a new paint shop and a partly mechanized assembly line. Notable examples of the modern production techniques are the extensive automation of body shell building with industrial robots; the considerable reduction of set-up time in the stamping plant by the use of the so-called sliding table technique for retooling, with resultant better utilization of capacity; and the painting of bodies by industrial robots.

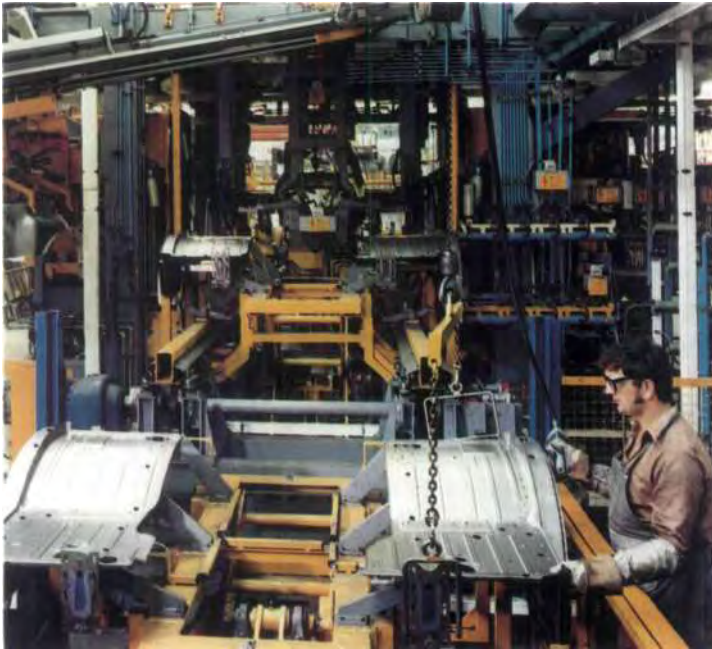
The market demands that vehicles be adapted as closely as possible to the often very diverse transport tasks. Vehicles have therefore become more and more differentiated, with more special versions. This necessitates a high degree of flexibility in production. For engines, transmissions and axles, we have increasingly introduced numerically controlled processing machines and systems with automatic feed, which enable retooling and conversions at short notice. The intermediate storage for truck cabs set up at the Woerth plant

Flexible Commercial Vehicle Manufacture

Construction site for engine assembly in the Untertuerkheim plant.



In the Woerth plant: Pivoting equipment for welding operations on truck cabs.



Steering production at Duesseldorf.



also serves flexible production. It permits free access to all cabs, the most advantageous sequence of models on the assembly line, and thus the best utilization of capacity.

The millionth truck built by the Woerth plant rolled off the assembly line in 1980. The Mannheim plant sold its 100,000ths bus.

By centralizing similar manufacturing operations, we endeavor to take advantage of a unit cost decrease through increased volume, to improve efficiency and, last but not least, to assure continuous employment at our plants. Consequently, the remaining conventional truck and ckd packing operations were consolidated at the Woerth plant, while production of gear sets and differentials for commercial vehicles was concentrated at our Kassel axle plant. We transferred production of additional plastic parts to Woerth, and of textile parts to Mannheim.

Production Arrangement

In Bremen we began with the site preparation and construction for the planned enlargement of car production capacity for the new model W 201.

Expansion of Capacities in Bremen

**Assuring
Quality
Manufacture**

We invest a great deal of time and effort toward increasing the quality consciousness of our employees through continuous training. Moreover, increasing use of automated production systems makes work easier and largely eliminates sources of error. Electronic systems for quality assurance in combination with automatic measuring equipment guide production.

Because of increasing demands on corrosion resistance, we have now introduced cathaphoretic-dip priming for all Duesseldorf vans and "T" models to improve protection of rust still further. Currently, preparations are being made to use this priming technique for the Woerth program.



Production line of the new 4-cylinder car engines at Untertuerkheim.

**Energy Savings
in the
Production
Process**

To save energy in production, we have installed power limitation systems for electricity users. Waste heat is used to air-condition production bays and heat water for industrial use. We attach particular importance to heat insulation when making structural alterations or putting up new buildings. By these means it has been possible to almost balance the higher energy consumption caused by growing automation.

Nevertheless, rising production has resulted in higher overall energy requirements. The share of oil in total energy consumption has been cut from 47% to about 33% since 1973.

In 1980, we invested DM 75 million in facilities designed solely to prevent air and water pollution and to eliminate waste. Environmental protection includes the prudent use of natural resources. Thus, our newly installed galvanizing facilities produce almost no waste water because a large number of ultrafiltration units enable extended reuse of the required water. The facilities for recycling residues accumulating in the production process were also expanded.

**Environmental
Protection
is Costly**

In our foreign plants in 1980, attention centered on measures for expanding capacities, particularly in Brazil. Machine tools and equipment were replaced on a large scale. An extensive exchange of experience took place as part of the increasingly closer cooperation with the German plants, for example, in setting up facilities for the new 4-cylinder gasoline engines and the new S-Class in South Africa, and for the new improved van in Spain.

**Expansion
Abroad**



Relief from heavy manual work. In the Sindelfingen car plant, industrial robots spray PVC undercarriage protection.

Sales and Service Organization

Our sales organization again proved particularly flexible under difficult market conditions and stiff competition. Once more in 1980, the often abrupt changes in demand placed heavy burdens on the organization.

On the one hand, we see a substantial competitive advantage in the linkage of the car and commercial vehicle business through a largely homogeneous sales and service organization, and on the other, in the balance between factory-owned branches and independent dealerships at home, and factory-owned distribution companies and independent distributors abroad. We made great efforts to get closer to the markets and invested considerable sums in our factory-owned branches and distribution companies. Our domestic and foreign associates also contributed sizable expenditures to further consolidate and extend our market position.

Spare parts express in France. Urgently needed parts are delivered to the service workshops during the night.

The domestic sales organization presently comprises 98 factory-owned branches and sub-branches. In 1980, we invested DM 112 million in numerous projects to expand and modernize service and sales facilities.

Together with our independent dealers, we have in West Germany more than 1,200 sales and service outlets for cars and commercial vehicles, and another 560 for Unimog and MB-trac. Some 60,000 employees, of which 17,182 are in factory-owned branches, serve our customers nationwide.

Through our subsidiary "Mercedes-Leasing-GmbH", and as a special service, we offer leasing agreements for the complete vehicle program. Rental and vehicle sales revenue rose 40% to DM 133 million in 1980. The number of vehicles under lease was increased by 18% to about 4,000 units. New leasing

1,700 Sales and Service Points in Germany

Mercedes-Leasing



amounted to DM 132 million. Commercial vehicles once again accounted for the bulk of the leasing business in 1980, particularly vehicles in the 2 to 8 ton class, which represents about 60% of the total business. In the years to come, we expect substantial expansion of the leasing business.

4,500 Service and Sales Points Abroad

We have more than 4,500 outlets in some 170 countries, employing about 68,000 people in sales and service. We further enlarged our worldwide network of service facilities, especially for commercial vehicles, in close cooperation with our distributors. We increased by 13 (to 51) the number of mobile service units of the Mercedes-Benz "Trans-Europa-Service." This organization provides road service (not only for Mercedes-Benz vehicles) and assists existing service facilities, largely in countries with heavy international traffic.

We improved the in-house professional training for the staff of our distributors with the aid of modern teaching systems. This training takes place partly at our new training center in Esslingen-Bruehl and partly on the job. In addition, advice and support for government agencies and fleet customers is constantly growing in importance.

Parts Service Expanded

The parts service, an indispensable component of technical and economic services to the customer, was further expanded at home and abroad. Years of experience with our central parts depot for commercial vehicles in Woerth has confirmed that maximum parts availability and economic efficiency are achievable simultaneously. For this reason, we have concentrated parts supply for our car models at the Sindelfingen plant, where daily orders for more than 14,000 items are handled in the newly-built 100,000 square meter central car parts depot. More than 100,000 different parts are available there, two-thirds of which are no longer standard production items.



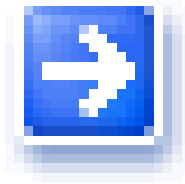
Storage and inventory control for about 100,000 car parts at the Sindelfingen plant.

In our new computer center for the parts division, the logistical systems for stock control, order processing and parts information are integrated in such a way that incoming orders are to a large extent automatically processed from receipt to invoicing. Our two central parts depots can deliver any desired part anywhere in Europe within the shortest possible time.

Our promotion of the use of "Mercedes-Benz Original Parts" signifies our continued commitment supplying customers quickly from a particularly broad range of parts comprising more than 250,000 different items. By the same token, we want to keep the lead with our technical documentation, so essential to the repair business.



Training of mechanics in Nairobi, Kenya.



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Employment and Benefits

Continuity of Personnel Policy

In 1980, we maintained our course of a continuing personnel policy geared to long-range goals.

Our employment policy preserved a continuity that avoids recurrent short-term increases and reductions in manpower based solely on output and sales. We thus managed again in 1980, aided by the Company's good growth, to avoid shortened work hours or more stringent personnel measures.

Our employees' capacity and willingness to perform play a vital role in our long-range personnel planning and in maintaining the Company's manufacturing ability. The 1980 objectives were directed in particular to the improvement-in some cases restructuring - of fringe benefits, to workplace planning and design, and to renewed large investments in training and education.

We are grateful that in all areas of the Company our employees' willingness to perform contributed to successfully meeting these objectives.

A basis for our successful labor policy in 1980 was, of course, also the fact that reasonable compromises were achieved with the general and plant works councils on sometimes difficult issues.

In the metal working industry, wage and salary increases of 6.8% took effect on February 1, 1980. In addition, vacations were again extended in 1980 in accordance with the 1979 agreement. The average annual vacation increased by 1.3 days. Employees had an average of 29.6 days paid vacation in 1980, including supplementary - contractual and statutory - vacation for disabled persons and high-seniority employees.

Again in 1980 we attentively followed the trend of labor court judgements at all levels. During the year under review, 164 labor court cases were instituted against Daimler-Benz AG. That amounts to about one lawsuit per thousand employees. We lost three suits.

Daimler-Benz is actively engaged in social policy discussions and opinion formation with members of the social benefit committees. About 130 employees functioned as employer or employee representatives in committees dealing with pension, health and accident insurance and labor administration. Of significance in 1980 was the increase of the wage base for social security contributions to DM 4,200.

Worldwide employment at the end of 1980 was 183,392 (last year 174,431), including 146,323 (last year 142,164) in Germany and 37,069 (last year 32,267) abroad. The workforce of Daimler-Benz AG grew by 4,000 employees in 1980, following the large increase by 7,000 in 1979. In the period from 1970 to 1980 we thus created just under 30,000 new jobs in the Federal Republic of Germany alone. Taking personnel turnover into account, one of our tasks in 1980 was to integrate more than 11,700 new employees (including those who completed their training); 2,600 new trainees began their apprenticeship.

Daimler-Benz AG had 145,532 employees at the end of 1980 (last year 141,401), including a management and supervisory staff of 11,000.

Labor Contracts

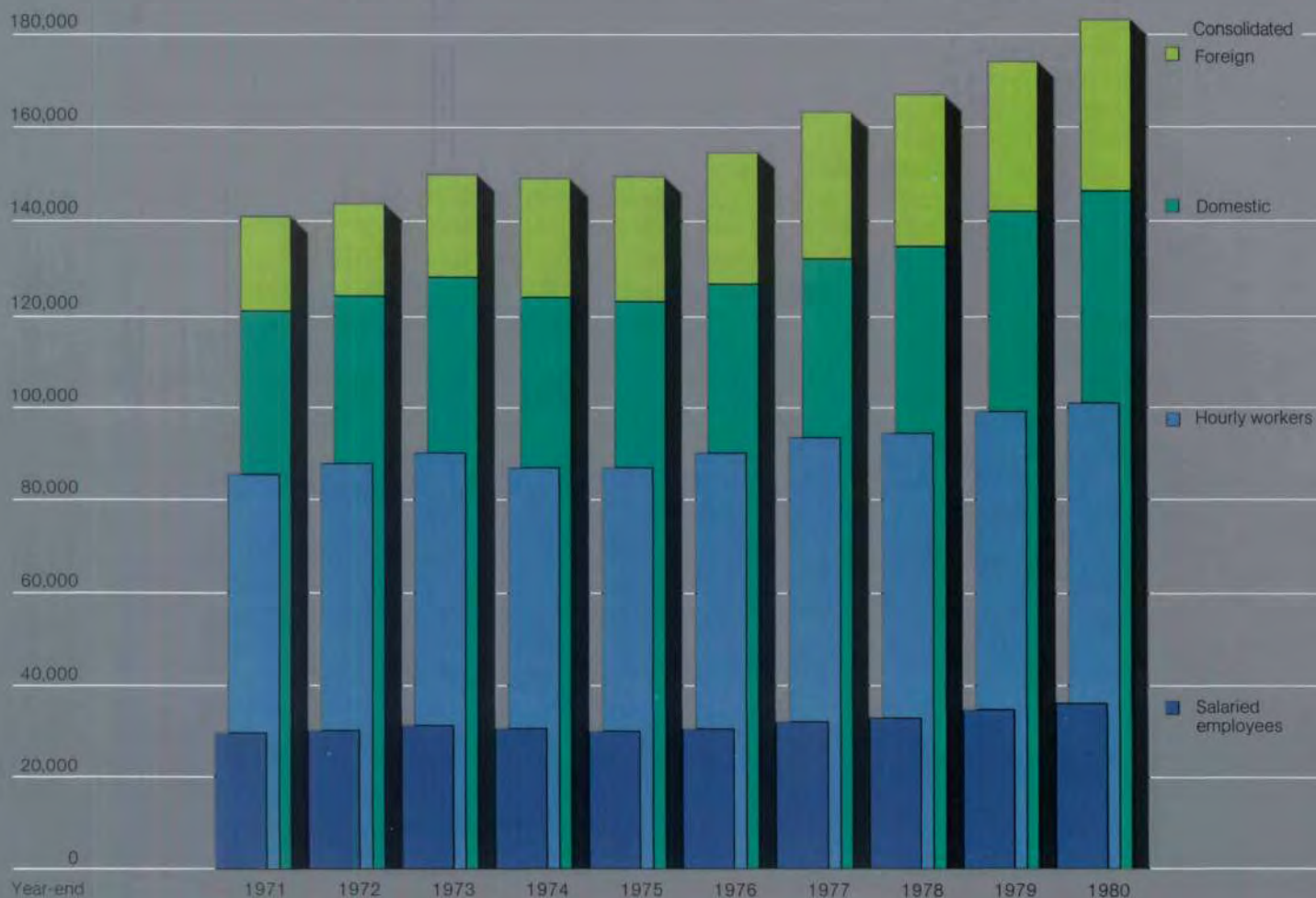
Industrial Law

Social Welfare Law

Employees

Employees

Figures at year-end	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Consolidated	141,083	143,793	150,014	149,175	149,742	155,003	163,302	167,165	174,431	183,392
Foreign	19,605	19,498	21,638	25,135	26,597	27,985	31,088	31,890	32,267	37,069
Domestic	121,478	124,295	128,376	124,040	123,145	127,018	132,214	135,275	142,164	146,323
of which:										
Daimler-Benz AG	119,029	122,601	126,855	122,899	122,775	126,652	131,807	134,437	141,401	145,532
of which:										
Main Office ¹⁾	5,798	6,100	6,735	6,599	6,533	6,728	7,220	7,649	8,180	8,810
Plants										
Untertuerkheim ²⁾	21,725	22,794	23,411	22,469	22,095	22,950	24,115	24,495	25,054	25,565
Sindelfingen	28,113	30,567	31,580	30,682	30,955	33,232	34,359	34,558	36,551	37,194
Mannheim	12,350	12,373	12,730	12,863	12,900	12,901	13,383	13,584	14,053	14,619
Woerth	6,737	7,458	8,201	8,400	8,687	8,430	8,853	8,774	9,622	10,192
Gaggenau	8,381	7,968	8,397	8,704	8,680	8,608	8,696	8,860	9,177	9,354
Bremen	3,872	4,099	3,923	3,496	4,099	4,293	4,727	5,994	6,571	6,515
Duesseldorf	4,750	4,652	4,712	4,476	4,401	4,572	4,664	4,621	4,954	5,118
Kassel	4,631	3,795	4,012	3,774	3,838	3,931	4,089	3,969	4,086	4,341
Berlin	2,438	2,504	2,754	2,723	2,886	2,895	3,065	3,054	3,191	3,252
Hamburg-Harburg	1,919	2,065	1,875	1,706	1,736	2,184	2,265	2,385	2,475	2,535
Bad Homburg	620	660	696	685	692	715	736	767	814	855
Branches	16,227	16,537	17,162	15,689	14,705	14,693	15,157	15,727	16,673	17,182



¹⁾ Including research and development in Untertuerkheim, excluding experimental
²⁾ including experimental



On-the-job-training at the Kassel axle plant. Sectional model of a truck rear axle.

Rising Share of "Monthly Wage Earners"

By substantially enlarging the group of employees with "monthly pay status", Daimler-Benz undertook a further step to standardize the contractual status of wage earners and salaried employees. At the end of 1980, we employed some 22.000 monthly wage earners, which is 21 % of the total.

Disabled Persons

The number of employees recognized as disabled reached about 7,800 at the end of 1980. This is 5.7% of all workers and salaried employees. Moreover, we place a considerable amount of orders with workshops for the handicapped and thus secure additional jobs for this group. In view of the proportion of such employees, our personnel policy of providing appropriate jobs for employees with reduced efficiency takes on special significance.

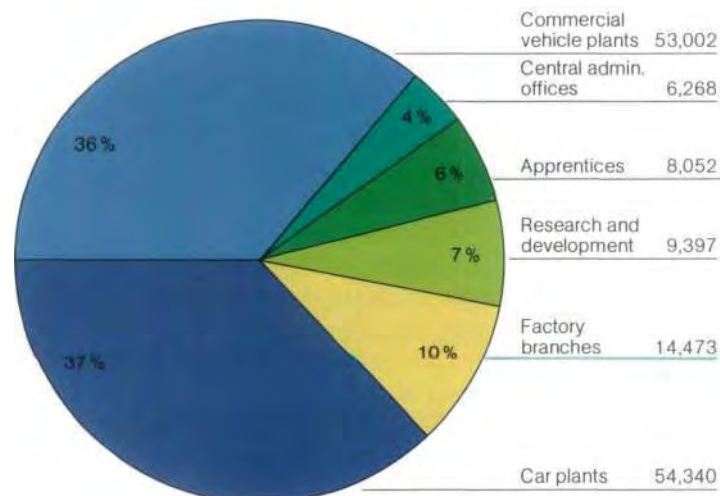
Foreign Employees

The proportion of foreign employees in the work force declined slightly from 21.1 % to 21.0%. We have expanded educational programs for foreign workers, particularly measures designed to further vocational training for young "second-generation foreigners."

Retirement pensions for employees of Daimler-Benz AG have been partly restructured in 1980. We had pointed out in previous years the inadequacy of tax laws which do not allow sufficient funding in the Daimler-Benz Provident Fund. The Provident Fund's assets of almost DM 2.1 billion are not sufficient to fully cover the actuarially calculated pension, disability and survivor benefits

Social Security

Employment Daimler-Benz AG 1980: 145,532 employees





Specially equipped work stations for deaf employees.

as promised by the Company. After exhaustive talks with the general works council, we pledged to transfer some pension obligations from the Daimler-Benz Provident Fund to Daimler-Benz AG and concluded an agreement with the general works council on a new pension plan. Under the agreement, all benefits to employees' survivors, and a portion of the vested pension and disability rights, were assumed by Daimler-Benz AG. The bulk of pension and disability benefits continue to be administered by the Daimler-Benz Provident Fund.

In 1980, the Provident Fund disbursed DM 101 million (last year DM 97 million) for current pension benefits to 30,044 (last year 28,177) pensioners, widows and children. Assistance payments to employees who retired in 1980 averaged DM 510 (last year DM 471) per month. At the end of 1980, 1,400 former employees (about 50 % of them foreigners) had vested pension rights. Transition payments of DM 15 million were made to retirees or their survivors. Moreover, we were able to assist 5,400 employees in individual cases with one-time payments.

In addition to part-time physicians engaged by our branches and sub-branches, we had 154 full-time physicians, auxiliary medical and ambulance personnel in our employ at the end of 1980.

The efforts, in particular of management and job safety specialists, to reduce the rate and seriousness of accidents were successful in 1980. Seventy two accidents with 737 lost workdays occurred per million productive man-hours. The accident rate has thus fallen 18% since 1975.

By contrast, the sickness level trend remains unsatisfactory. In relation to the number of hours that should have been worked, the sickness level was 8.7% (workers 10.1%, salaried employees 5.1%).

Labor costs - wages and salaries, including employee benefits - per productive man-hour rose 8% in 1980. Total employee expense - excluding the special allocation to the pension reserve - amounted to 27.3% of total revenue. (Refer to graph on page 74)

In determining the amount of the Christmas bonus and the special remuneration we took particular account of the favorable capacity utilization, the performance of our employees and the improvement in business. Because of these factors, we increased the Christmas bonus and special remuneration in 1980 to DM 328 million (last year DM 280 million). The average payment for each eligible employee (trainees not included) rose from DM 2,094 to DM 2,348.

In addition to the contractually guaranteed DM 624, every employee received a voluntary payment of DM 156 for capital-forming investments in 1980. Employees are able to choose between employee shares and company debt certificates. More than 10,000 opted for the company debt certificates. The

Health, Service,
Job Safety

Labor Costs

Christmas
Bonus, Special
Remuneration

Employee
Capital
Formation

Summary of Personnel Costs - Daimler-Benz AG

	1973		1979		1980		1980 to 1973
	millions of DM	in % of wages and salaries	millions of DM	in % of wages and salaries	millions of DM	in % of wages and salaries	Change in %
Wages and salaries	2,273.1	100.0	3,884.1	100.0	4,311.0	100.0	+ 89.7%
Total vacation and public holidays	402.0	17.7	938.2	24.1	1,081.7	25.1	+169.1%
Paid public holidays	93.7		169.1		190.1		
Paid vacations	238.8		511.6		598.3		
Vacation allowances	69.5		257.5		293.3		
Contributions for employee benefits, wage and salary continuation during illness	560.0	24.6	1,081.8	27.9	1,216.7	28.2	+117.3%
Medical and social security contributions	371.7		730.4		817.5		
Contributions to employee trade associations	27.2		52.8		58.1		
Wage and salary continuation during illness	161.1		296.1		337.6		
Contribution to Pension Insurance Association	—		2.5		3.5		
Other employee benefit expenditures	210.6	9.3	358.3	9.2	430.1	10.0	+104.2%
Christmas and special remuneration	137.4		279.5		328.1		
Formation of personal capital	73.2		78.8		102.0		
Personnel costs (without old-age pension)	3,445.7	151.6	6,262.4	161.1	7,039.5	163.3	+104.3%
Old-age pensions	165.6	7.3	438.6	11.3	1,665.1*)	38.6	
Total personnel costs	3,611.3	158.9	6,701.0	172.5	8,704.6*)	201.9	+141.0%

*) Inclusive extraordinary pension provisions in the amount of DM 1.4 billion on account of the restructuring of pension benefits.

number of employee stockholders rose impressively to 62,110 in all (44,010 the year before). Since 1973, our employees have purchased a total of 203,000 employee shares.

In view of the difficult situation on the housing market, Daimler-Benz has systematically continued its home building promotion program, extending loans totalling DM 28.7 million for the construc-

tion of 1,700 employee-owned apartments or homes in 1980.

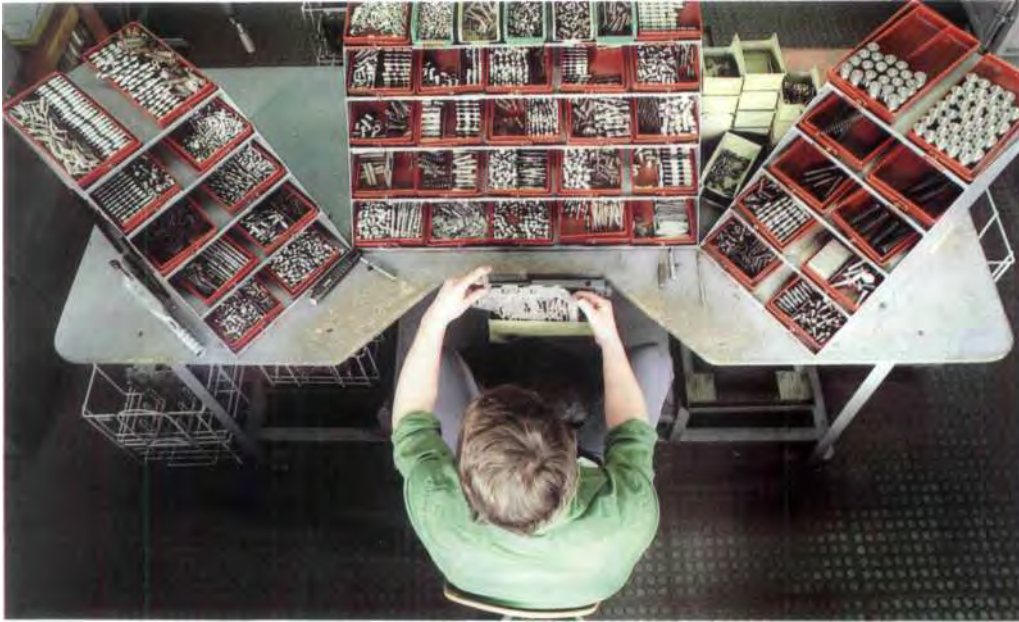
Again in 1980, we continued our efforts in planning for a quality workplace. The newly introduced MTM-system proved an effective means of improving working conditions right from the planning phase. Our personnel policy is less directed toward spectacular individual

Working Conditions



During restoration work on "Old Timers", apprentices learn to understand technical operations and functions; they also learn how to handle material.

Clearly visible and easily reachable components distinguish this assembly work station which is designed in accordance with economical and ergonomical requirements.



measures concerning "humanization of work" than to more mundane but more effective long range planning which permits incorporation of humane workplace design in the original plans.

84,000 went for a suggestion involving mounting supports for alternators.

Suggestion Program

We view the promotion of the company suggestion program as an important tool of management. 6,400 employees submitted more than 13,000 suggestions for improvements, for which awards totalling DM 2.8 million were paid. The largest single award of DM

In 1980, Daimler-Benz made important decisions relating to working conditions in multi-shift operation. Shift Work

Our judgment was based on the conclusion that technology and productivity needs of the Company compel us to continue our two-shift operation. However, we plan further to reduce three-shift operation (with night shift). Moreover, we expressed our willingness to take additional socio-political measures to prevent injury to the health of employees who must continue to work on a three-shift basis. These measures include regular check-ups by our plant physicians, prophylactic sanatorium stays, and gradual transition to retirement through part-time employment and, where this is not possible, through early retirement. Since conditions in two-shift operation (without night shift) are basically different, a socio-political program especially adapted to areas of two-shift operation is planned.

Furthermore, Daimler-Benz will sponsor a research project to investigate scientifically the effects of multi-

Working with micro-processors is also part of the training program.



Basic and Continuing Training

shift operation on employees. With the results, discussion of shift work will be put upon a more reliable basis.

Again in 1980, the enlarged training capacities enabled us to recruit more trainees, 2,616 youngsters in all: an increase of 1.3%. Training capacity has been raised in the past five years by about 45% to the present 7,700 training positions in 36 technical and 10 administrative occupations. An additional 200 openings were provided for German and foreign students undergoing practical training. Thus, about every 18th employee of Daimler-Benz AG is a trainee. In the past years we have invested around DM 50 million in the training facilities of the plants and branches and in our "Haus Laemmerbuckel" in the Swabian Jura, which was dedicated in October of 1980.

For socio-political reasons, but also with a view to a declining number of school graduates, we appeal increasingly to new applicant groups to satisfy our demand for junior employees. This includes, for example, increased training of girls in technical occupations, and also the training of youths with learning

impediments. We also participated on a larger scale in measures for vocational and social integration of foreign youths.

The vocational lecture courses for high school students and the vocational academy for high school graduates also serve to diversify the training opportunities offered.

In 1980, some 35,000 employees took advantage of our internal and external courses which allow them to adapt their skills to the changing demands of professional life. Moreover, 5,000 German and foreign participants in continuing management training courses had the opportunity to discuss in small study groups their management responsibilities to both employees and the Company. We advise and assist our subsidiaries and affiliates and our independent distributors at home and abroad in their educational work. In 1980, they maintained 25 training facilities with a total capacity for more than 2,000 trainees. We expect a further enlargement of capacity in the coming years with the completion of training centers which are being set up with our help at our South African affiliate and our Brazilian subsidiary.



Training in accordance with the best tradition of craftsmanship: shown here the upholstery apprentice shop at the Bremen plant.

Principal Subsidiaries and Affiliates — Summary

Manufacturing Companies

	Share in %	Sales ¹⁾ in millions of D-Marks		Employees at year-end	
		1980	1979	1980	1979
Domestic					
MTU Motoren- und Turbinen-Union Muenchen GmbH, Muenchen	50.0	1,551.3	1,244.4	12,696	12,369
MTU Motoren- und Turbinen-Union Friedrichshafen GmbH, Friedrichshafen (83.8%)					
* Holzindustrie Bruchsal GmbH, Bruchsal	100.0	72.8	56.3	482	416
Foreign					
* Mercedes-Benz do Brasil S.A., São Bernardo do Campo	100.0	2,063.9	2,055.0	20,194	18,059
* Sociedade Técnica de Fundições Gerais S.A., São Paulo (100.0%)		106.6	111.2	3,487	3,471
* Mercedes-Benz Argentina S.A., Buenos Aires	100.0	986.2	690.6	3,934	3,887
* Euclid, Inc., Cleveland, Ohio	100.0	320.5	443.6	1,145	1,431
Mercedes-Benz España, S.A., Madrid (formerly: „MEVOSA“)	52.8	578.3	462.6	4,042	4,019
Geländefahrzeug Gesellschaft mbH, Graz	50.0	224.9	76.5	652 ²⁾	889
Anambra Motor Manufacturing Company Ltd. (ANAMMCO), Enugu	40.0	25.2	—	565	7
FBW-Fahrzeug AG, Wetzikon	49.0	26.6	—	340	330
Otobüs ve Motorlu Araçlar Sanayii A.S., Istanbul	36.0	160.2	142.7	1,340	1,275
P.T. German Motor Manufacturing, Jakarta	33.3	36.0	17.7	1,879	1,266
P.T. Star Motors Indonesia, Jakarta	49.0	246.5	123.0	339	282
Iranian Diesel Engine Manufacturing Company, Tabriz	30.0	89.0	56.3	1,314	1,252
UCDD (Pty.) Ltd., Pretoria Car Distributors Assembly (Pty.) Ltd., East London (100.0%)	26.7	781.7	550.1	2,794	2,640
National Automobile Industry Company Ltd., Jeddah	26.0	488.9	349.9	477	470
Bajaj-Tempo Ltd., Poona ³⁾	26.1	114.5	93.6	4,592	3,890
Tata Engineering and Locomotive Company Ltd., Bombay (Automobile Division) ³⁾	11.9	1,016.5	883.0	7,473	7,583

Distribution Companies

	Share in %	Sales ¹⁾ in millions of D-Marks		Change of 1980 sales versus prior year in %
		1980	1979	
Foreign				
* Daimler-Benz of North America Inc., New York Mercedes-Benz Canada Inc., Toronto (100.0%)	100.0	2,822.9	2,463.4	+ 14.6
* Mercedes-Benz of North America Inc., Montvale, N.J.	100.0			
* Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Melbourne	100.0	194.2	279.5	- 30.5
* Mercedes-Benz (United Kingdom) Ltd., Hayes/London	100.0	656.1	630.5	+ 4.1
* Sofidel S.A., Rocquencourt Mercedes-Benz France S.A., Rocquencourt (100.0%)	96.3	1,453.8	1,249.8	+ 16.3
* Mercedes-Benz Italia S.p.A., Rom	75.0	306.2	215.7	+ 42.0
* Mercedes-Benz (Schweiz) AG, Zuerich	51.0	329.9 ⁴⁾	116.6	.
* Mercedes-Benz Belgium S.A./N.V., Bruessel (Group)	100.0	582.5	—	.
* Mercedes-Benz Nederland B.V., Utrecht (Group)	95.0	694.3	—	.

¹⁾ Included in consolidated sales figures.

²⁾ Net sales of our foreign subsidiaries were converted at average annual exchange rates; changes in currency relations resulted in significant variances, sometimes preventing comparability.

³⁾ Includes 600 (last year 849) employees from Steyr-Daimler-Puch who are employed for Geländefahrzeug Gesellschaft mbH.

⁴⁾ These companies manufacture commercial vehicles under their own trademark; they do have, however, licenses for individual Daimler-Benz components.

⁵⁾ Sales figures are not comparable; from 1980 on inclusive of car sales.

Subsidiaries and Affiliates

<p>MTU-Muenchen/ MTU-Friedrichshafen</p>	<p>Domestic In 1980, consolidated sales of "MTU Motoren und Turbinen Union Muenchen GmbH" and of "MTU Motoren- und Turbinen-Union Friedrichshafen GmbH" rose by 25% to DM 1.6 billion (last year DM 1.2 billion). Because of large orders for aircraft and other engines, and with an order backlog of about DM 3.2 billion (last year DM 3.9 billion), we expect a continuing favorable utilization of capacity in the Munich and Friedrichshafen plants. The employees of the two companies totalled 12,696 (last year 12,369) at year-end. The MTU group invested DM 99 million (last year DM 71 million); DM 55 million was financed through depreciation. After due provision for income taxes, the two shareholders, Daimler-Benz and M.A.N, each received DM 7.3 million in accordance with the income distribution agreement.</p>	<p>This subsidiary, which largely supplies truck components and bodies to our plants, increased sales by 29% to DM 72.8 million. The profit of DM 1.3 million (last year DM .9 million) was paid out to Daimler-Benz AG.</p>	<p>Holzindustrie Bruchsal</p>
<p>Deutsche Automobilgesellschaft mbH</p>	<p>Deutsche Automobilgesellschaft mbH, Hanover, a jointly owned subsidiary of Daimler-Benz AG and Volkswagenwerk AG, continued to carry on its research and development work in the field of electric power and storage systems. The results were equally shared by both partners in accordance with the income distribution agreement. For the future utilization of certain research results in the area of industrial batteries, a cooperation agreement was concluded and a joint company was formed between Deutsche Automobilgesellschaft and the Accumulatorenwerk Hoppecke Claus Zoellner & Sohn, Hoppecke.</p>	<p>Foreign We have continued our concept of maintaining the growth of our Company through factory-owned manufacturing and distribution companies abroad. Including our distribution companies, almost one third of our consolidated sales is accounted for by our foreign subsidiaries. During the year, we acquired distribution companies in Belgium, in the Netherlands and substantial share interests in those of Austria and Switzerland. Thus we have become directly engaged also in these countries, just as we have been in France, Great Britain and Italy.</p>	<p>Concept: Establish and Maintain Growth</p>
<p>Hanomag-Henschel</p>	<p>The company is carrying on the spare parts business for Hanomag-Henschel vehicles; sales totalled DM 67 million (last year DM 76.7 million). Employment amounted to 294 at year-end. As a result of the old age pension restructuring, the company had a loss of DM 2 million which was taken over by Daimler-Benz AG.</p>	<p>In the United States during the past years we have gradually increased the business operations of our largest distribution company. In addition to car sales, truck sales were built up. As already mentioned, we started operations of an assembly plant for medium-duty trucks during the reporting year. In Brazil and Argentina, our commercial vehicle plants already have been an important economic factor for a long period of time; they maintain an established market position. In Spain, during 1980, we enlarged our manufacturing interests through the acquisition of the controlling shares in "MEVOSA", now doing business under the name of "Mercedes-Benz Espaha, S. A." In 1980, sales of our foreign subsidiaries, which are included in the consolidation, amounted to DM 10.3 billion. Included therein are "integrated" companies with their own manufacturing facilities with sales of DM 3.2 billion, and distribution companies with sales of DM 7.1 billion. The substantially higher</p>	<p>Successful Foreign Subsidiaries</p>

sales figures of our distribution companies is largely attributable to the inclusion in the consolidated financial statements of newly acquired distribution companies. The values added by our foreign subsidiaries amounted to DM 4.6 billion versus DM 4.0 billion last year.

Results of operations were satisfactory overall. Net income rose to DM 189 million versus DM 131 million the year before. A large portion of this increase was exchange-related. We have again left by far the greater part of these earnings in our subsidiaries to strengthen equity capital.

At home and abroad, our policy will be guided by the principles laid down by the "OECD Rules for Multinational Companies".

The foreign manufacturing and assembly companies with Daimler-Benz ownership manufactured or assembled commercial vehicles and engines in the following countries:

Production Companies

Mercedes-Benz do Brasil S.A., Sao Bernardo do Campo, our largest subsidiary, was able to increase its production. The main plant was affected in April/May by a six-week long strike in the metal working industry in Brazil.

The strike resulted in a production loss of about 7,000 commercial vehicles. Nevertheless, annual production increased by 2% to 60,030 (last year 58,943) trucks and buses; production of engines and engines for equipment manufacturers rose by 12% to 32,897 units.

With a market share of 46% (last year 51 %) in trucks (from 3 tons GVW) and 93% (last year 96%) in buses and bus chassis, our marque "Mercedes-Benz" was able to maintain its leading position in the Brazilian commercial vehicle market. The company exported 11,546 (last year 8,398) commercial vehicles (+37%) with a sales value in excess of DM 450 million. Our main buyer was the U.S.A. with 5,228 units. Sales into the neighboring South American countries and into some African states were also increased.

Mercedes-Benz do Brasil

	Share in %	1980 Units	1979 Units	Change in %
Commercial vehicles				
Consolidated companies				
Mercedes-Benz do Brasil, Brazil	100.0	60,030	58,943	+ 1.8
Mercedes-Benz Argentina, Argentina	100.0	9,933	8,832	+ 12.5
Euclid, U.S.A.	100.0	647	893	- 27.5
Mercedes-Benz España, Spain	52.8	10,800	14,596	- 26.0
Other affiliates				
Gelaendefahrzeug Gesellschaft, Austria	50.0	7,523	2,812	+167.5
UCDD/CDA, South Africa	26.7	5,091	4,578	+ 11.2
OTOMARSAN, Turkey	36.0	1,001	919	+ 8.9
PT German Motor Manufacturing, Indonesia	33.3	3,348	2,185	+ 53.2
National Automobile Industry, Saudi-Arabia	26.0	5,921	4,785	+ 23.7
ANAMMCO, Nigeria	40.0	795	-	
total		105,089	98,543	+ 6.6
Industrial engines and Engines for equipment manufacturers				
Consolidated companies				
Mercedes-Benz do Brasil, Brazil	100.0	32,897	29,455	+ 11.7
Mercedes-Benz Argentina, Argentina	100.0	1,808	2,125	- 14.9
Mercedes-Benz España, Spain	52.8	11,758	11,397	+ 3.2
Other affiliates				
Iranian Diesel Engine Manufacturing, Iran	30.0	8,196	6,978	+ 17.5
total		54,659	49,955	+ 9.4

The new Campinas plant of our subsidiary Mercedes-Benz do Brasil (right).

The transfer of bus production to the new Campinas plant permitted an increase in capacity for trucks and components in our main Sao Bernardo do Campo plant. The company also launched the construction of a central spare parts depot. Capital investments amounted to DM 105 million. The employment was increased by 12% to 20,194; the Campinas plant is now employing 3,120 (last year 2,050) salaried and hourly workers. In 1980, sales rose by 103% to Cr\$ 59.1 billion (mostly inflation-caused); sales converted into D-Marks were DM 2.1 billion, about the same level as last year. Earnings were satisfactory; because of a considerably smaller devaluation of the Cruzeiros in terms of foreign exchange rates when contrasted to the actual domestic inflation rate, net income in D-Marks rose substantially - which was plainly only currency-related.



**SOFUNGE
Brazil**

SOFUNGE S.A., Sao Paulo, a wholly owned subsidiary of Mercedes-Benz do Brasil, supplies its parent and also other Brazilian automakers with castings; in 1980, about 70,000 tons (+ 11 %) were produced. The company only broke even on account of significantly higher material costs.

amounted to only 23%. This resulted in considerable distortions upon conversion of Pesos into D-Marks. Sales rose by 105% in local currency, in D-Marks by 43% to DM 986 million.

**Mercedes-Benz
Argentina**

Despite a stagnating economy in Argentina, our subsidiary there increased its sales by 8% to 9,764 commercial vehicles manufactured in its own plants. Moreover, 323 Mercedes commercial vehicles, mostly vans from our Spanish plant, could be imported. Our market share for trucks over 3 tons increased to 48% (last year 45%).

After removal of import restrictions for cars, which had been in effect for many years, sales of Mercedes-Benz cars rose to 1,077 (last year 463) units in 1980. The company had favorable results of operations. In 1980, the inflation rate in Argentina was - for the first time since 1974 - below 100%. In contrast, the devaluation of the Peso

A continuing weak economy in the Euclid, U.S.A. U.S.A., particularly in the building and mining industries, has adversely affected the business of Euclid Inc., Cleveland, Ohio. Thus, only 542 (last year 890) heavy-duty haulers were sold in 1980. The drop in sales to - converted - DM 321 million (last year DM 444 million) has caused a loss.



Dump truck of Mercedes-Benz Argentina in operation.

The company further improved its product line. In the fall of 1980, it added a 120-ton vehicle with a diesel-electric power train. An improvement in the North American economy and the expansion of coal strip mining should again lead to an increase in demand and to an improvement in business.

Mercedes-Benz
Espana

In November of 1980, we acquired the controlling interest (52.8%) in the Spanish subsidiary, now doing business under the name of Mercedes-Benz Espana, S.A., Madrid (formerly MEVOSA). In concert with the growing integration of Spain into the European Community, we are striving to enlarge the position for our Mercedes-Benz products in the market there. The two production facilities of the company, the engine plant in Barcelona and the commercial vehicle assembly plant in Vitoria, will be more strongly integrated into the production and distribution network of Mercedes. The first model of a new van series was put into production in the fall of 1980; this model was specifically adapted to the Spanish market. The necessary retooling caused a decline in production; correspondingly, sales decreased to 11,892 commercial vehicles from 13,866 last year.

After the liberalization of imports, we were able to increase car sales in 1980 to 6,444 (last year 2,899). Despite a 25% higher sales volume (when converted into D-Marks), results of operations were not satisfactory.

Gelaende-
fahrzeuge
Gesellschaft
Austria

This company, in which Daimler-Benz AG and Steyr-Daimler-Puch AG each own 50 %, was able to sell 7,494 cross-country vehicles in its first full year of production, 6,656 of which under the name of "Mercedes-Benz". The model line was augmented by additional vehicle configurations, among others by the model 280 GE with a more powerful engine; it is equipped with a modified 2.8 liter passenger car injection engine, which can be operated on regular

gasoline. Sales-converted to D-Marks - amounted to DM 225 million. The company's earnings are unsatisfactory.

Via the Daimler-Benz Holding AG, Zurich, we acquired a 49% share interest in FBW-Fahrzeug AG, Wetzikon, Switzerland. The company, which is steeped in tradition, will continue its broadly based product line of heavier-duty commercial vehicles; we shall make available our "know-how" in research and manufacturing. Moreover, it is contemplated that the company produce Mercedes-Benz special vehicles for Switzerland and that it adapt a portion of our imported commercial vehicles there to the special requirements of this market.

FBW-
Fahrzeug AG
Switzerland

Business of UCDD (Pty.) Ltd., Pretoria, was favorably affected by the economic recovery. After the bottlenecks in gasoline supply were overcome, the pent-up demand led to a distinct stimulation in demand for cars. UCDD increased its car sales by 13% to 8,056, and its commercial vehicles sales to 5,305 units (last year 4,626). Satisfactory results of operations were achieved on sales of DM 782 million (last year DM 550 million). Apart from the favorable market development, the revaluation of the South African Rand has significantly contributed to this trend.

**UCDD
South Africa**

Otobus ve Motorlu Araglar Sanayii Anonim Sirketi, Istanbul (OTOMARSAN), was able to increase its sales by 16% to 1,008 buses (last year 867 buses), even though material supplies were interrupted during the first six months of the year as a result of strikes. Its market share was about 80%.

OTOMARSAN
Turkey

Sales rose by 12% to DM 160 million; profits were favorable.

Earning foreign currency entitlements through exports - despite the continuing difficult foreign exchange situation in Turkey - will probably enable the company to utilize its capacities to a large degree again in 1981.



IDEM, Iran

During the reporting year, Iranian Diesel Engine Manufacturing Company, Tabriz (IDEM), and the two commercial vehicle licensees of Daimler-Benz AG were the only engine and vehicle manufacturers in Iran which were able to maintain a sizeable production. Despite the continuing economic stagnation and the political tensions, the company increased its sales-after the severe drop last year - by 14% to 8,427 engines.

The jump in sales by 58% to DM 89 million is partly the result of the restructuring of the production program. Because sales prices were not allowed to be raised in relation to the strong cost increases, results of operations remained unsatisfactory. Again in 1980, we had no influence in the business decisions of the company.

Sahara expedition with the dependable Unimog (above).

The Indonesian companies, P.T. German Motor Manufacturing, Jakarta (assembly) and P.T. Star Motors Indonesia, Jakarta, (import and marketing) were able to continue the favorable trend of the past years. A total of 3,339 commercial vehicles were sold (+ 38%); car sales almost doubled with 915 units.

Sales rose to DM 247 million (last year DM 123 million). At full utilization of capacities, earnings showed gratifying results.

The move of the entire assembly plant to Wanaherang is proceeding as planned. For a year now, buses have been produced in the new plant. The construction of the other production facilities was completed in the spring of 1981.

German Motor and Star Motors Indonesia



NAI
Saudi-Arabia

Business at National Automobile Industry Company Ltd. (NAI), Jeddah, was again satisfactory. Already in April of 1980, the ten-thousandth Mercedes-Benz truck had been assembled in Saudi-Arabia. In 1980, the company increased its sales by 21 % to 5,888 commercial vehicles (last year 4,880).

Sales of DM 489 million (last year DM 350 million) were 40% higher than last year; profits improved accordingly.

On account of the favorable economic conditions in the largest oil-exporting country, Saudi-Arabia, and the high demand for commercial vehicles, prospects for the company are very encouraging.

ANAMMCO
Nigeria

In July of 1980, the facilities of Anambra Motor Manufacturing Co., Ltd. (ANAMMCO), Enugu, Anambra State (Nigeria), were officially opened in the presence of the Nigerian president. By year-end, 795 medium-duty trucks had been assembled; output will be increased to about 5,000 units in 1981. For the near future, the plant will employ about 1,200 people.

Difficulties in the Yugoslavian economy, caused by drastic foreign exchange and import restrictions and a 30% Dinar devaluation, have adversely affected the business of our joint venture partner FAP-FAMOS, Beograd. Nevertheless, the company was able to produce 6,514 commercial vehicles (last year 6,829). Because of the modest allotment of foreign currencies, which are necessary for the import of parts from our factories, only 829 Mercedes-Benz trucks (last year 1,727) were manufactured in 1980. Sales declined to DM 68c million (last year DM 769 million).

FAP-FAMOS
Yugoslavia

Distribution Companies

The trend in our foreign distribution companies was favorable overall. However, the renewed oil price increase accelerated the economic downturn in important countries.

Mercedes-Benz of North America, Inc., Montvale, Daimler-Benz of North America, Inc., New York and Mercedes-Benz Canada, Inc. Toronto, were able to increase sales in the United States and Canada by 2% to 55,967 Mercedes-

Mercedes-Benz
of North
America



Heavy transport through the desert. Water pipes on their way from Aigiers to North Nigeria.

Benz cars, despite a generally strong downward market trend.

Our diesel cars enjoyed strong demand, particularly the 300 SD Turbo diesel. The share of the fuel-efficient diesel models relative to total Mercedes sales in the U.S.A. rose to over 70%. With this increase and with the advancement in engineering for all our U.S. models, we were able to clearly stay below the presently mandated average fuel consumption.

During the past years, we have systematically built up our distribution organization for Mercedes-Benz trucks. What has helped in the United States is the fact that the diesel power plant has asserted itself more and more to the forefront in medium-duty trucks. Although total demand for trucks in class 6 and 7 (9 to 15 tons GVW) dropped off sharply, we were able to strengthen our market position with sales of 3,747 vehicles (last year 3,284). Our new truck assembly plant in Hampton, Virginia, has commenced operations, as already mentioned; by year-end 1,217 vehicles had been assembled there, mostly from ckd (completely knocked down) kits supplied by Mercedes-Benz do Brasil.

During the year, sales of our North American distribution companies rose by 15 % to DM 2.8 billion. Results of operations, which were also affected by currency changes, were satisfactory.

Mercedes-Benz France S.A., Rocquencourt, was able to increase sales by 6% to 14,648 cars, while the overall car market in France dropped 5%. There was also a shift to smaller cars. The high commercial vehicle sales volume of last year could again be achieved with sales of 14,262 units. In the truck class above 5.3 tons GVW, our share of the market is around 19%.

Sales rose by 16% to DM 1.5 billion. Despite strongly higher distribution costs, results of operations were satisfactory.

Mercedes-Benz France



Opened in the summer of 1980: our truck assembly plant in Hampton, Virginia, U.S.A.

Mercedes-Benz touring bus in Sydney.



Mercedes-Benz United Kingdom

Because of a several month long strike in the British steel industry and the accelerating recession in the economy in Great Britain during the course of the year, demand for cars and commercial vehicles dropped markedly. The business of Mercedes-Benz (United Kingdom) Ltd., Hayes/London, was also adversely affected. Our van and truck registrations dropped by 18% to 5,110 units, after the considerable increase in the previous years. In contrast to the 12% drop in the overall British car market, sales of our car registrations increased by 12% to 8,876 units.

Sales rose - converted - by 14% to DM 656 million nearly exclusively as a result of the higher £-exchange rate. Despite inflation-caused cost increases in the sales area earnings were satisfactory overall.

Mercedes-Benz Italia S.p.A., Rome, was able to considerably broaden its commercial vehicle business. Sales rose by 18% to 6,113 trucks; high growth rates were registered particularly by heavy-duty vehicles. Sales increased by 42% to DM 306 million. The company's earnings were favorable.

Merfina S.p.A., Rome which finances the majority of heavy-duty trucks sales, has contributed largely to this favorable trend. Our Italian customers use more and more of our financing opportunities. The two Italian companies work closely together with Autostar S.p.A., Rome, our general representative for Mercedes-Benz cars.

In 1980, car sales of Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Melbourne, were impacted by the restriction on tax depreciation for cars to a maximum amount of A\$18,000. As a result, sales dropped by 42% to 1,909 cars. Commercial vehicle sales declined to 687 vehicles (-10%) with the fulfillment of bus orders. Despite a sales drop by 31% to DM 194 million, results of operations were satisfactory.

Mercedes-Benz Italia

Mercedes-Benz Australia

Mercedes-Benz
Switzerland

Mercedes-Benz (Schweiz) AG, Zurich, which from January 1980 assumed the distribution for our cars, was able to sell 4,459 units (last year 4,113) in a market which had been very stagnant. Commercial vehicle sales increased by 24% to 3,034 units.

Sales - for the first time inclusive of cars - reached DM 330 million; operations were profitable.

Mercedes-Benz
Netherlands

Effective January 1, 1980, we acquired the Dutch general representative (AGAM/MEHACO), which was re-named Mercedes-Benz Nederland B.V., Utrecht.

The difficult economic situation in the Netherlands has led to a sharp drop in sales of cars and commercial vehicles, particularly during the second half of 1980. With 7,965 cars sold, volume was 21 % lower than last year. Sales of commercial vehicles declined by 23% to 8,183 units. Total sales amounted to DM 694 million. The difficult market situation adversely affected net income.

Our subsidiary Mercedes-Benz Belgium S.A./N.V., Brussels, which emerged from our Belgium general agencies (IMA/MATINAUTO), was able to expand the market position for Mercedes cars and barely maintain it for commercial vehicles, despite a recessionary trend in automobile sales. Car sales rose to 10,650 units (last year 10,201 units), while commercial vehicles sales declined slightly to 3,976 units (last year 4,090 units). With sales of DM 583 million, results of operations were good.

From 1980 on, the exclusive rights for our cars and commercial vehicles were transferred to Daimler-Benz Osterreich Vertriebsgesellschaft-mbH, Salzburg, in which we have a 50% share interest. Because of a weaker economy, our sales declined to 6,522 cars (last year 7,718) and to 4,494 commercial vehicles (last year 4,644). Strong price increases for diesel fuel have adversely affected our diesel car sales.

Mercedes-Benz
Belgium

Daimler-Benz
Austria



In August of 1960 our new Mercedes-Benz truck assembly plant was put into operation in Enugu (Nigeria).

Daimler-Benz AG and its Principal Subsidiaries and Affiliates

Subsidiary Companies

Domestic

**Holzindustrie
Bruchsal GmbH
Bruchsal**

DM 7,500,000.-
100% owned

**Maschinenfabrik
Esslingen AG
Esslingen a.N.**

DM 32,000,000.-
96.3% owned

**Württ. Baumwoll-
Spinnerei und -Weberei
bei Esslingen am Neckar AG
Esslingen a.N.**

DM 4,511,250.-
82.3% owned

**Industrie- und
Handelsbeteiligungen GmbH
Stuttgart**

DM 7,500,000.-
100% owned

**Pro-Data
EDV-Beratung GmbH
Weinheim**

DM 100,000.-
75% owned

**Hanomag-Henschel GmbH
Hanover**

DM 4,000,000.-
100% owned

**Mercedes-Leasing-GmbH
Stuttgart**

DM 20,000,000.-
100% owned

**Industriehandel
Handels- und Industrie-
ausrüstungsgesellschaft mbH
Stuttgart**

DM 5,000,000.-
100% owned

**Mercedes-
Versicherungsdienst GmbH
Stuttgart**

DM 20,000.-
100% owned

**Chemie- und
Textilgesellschaft mbH
Friedrichshafen
Friedrichshafen**

DM 4,000,000.-
95% owned

**Maschinen-
und Werkzeugbau
Zuffenhausen AG
Stuttgart**

DM 4,000,000.-
94.8% owned

**Porcher & Meffert GmbH
Stuttgart**

DM 7,000,000.-
100% owned

**Daimler-Benz
Project Consult GmbH
Stuttgart**

DM 10,000,000.-
100% owned

**2 Daimler-Benz
Grundstücks-GmbH's
Stuttgart**

DM 1,400,000.-
95.4% owned

**Reparaturwerk
Böblingen GmbH
Böblingen**

DM 20,000.-
100% owned

**Rohtext AG
für Textilrohstoffe
Stuttgart**

DM 2,400,000.-
100% owned

**Daimler-Benz -
Wohnungsbau
Gesellschaft mbH
Stuttgart**

DM 8,500,000.-
100% owned

Foreign

**EUCLID, Inc.
Cleveland, Ohio/USA**

US \$ 40,000,000.-
(DM 78.4 million)
100% owned

**Mercedes-Benz España, S.A.,
Madrid/Spain
(formerly: „MEVOSA“)**

Ptas. 2,945,250,000.-
(DM 72.9 million) 52.8% owned

**Mercedes-Benz
Argentina S. A.
Buenos Aires/Argentina**

a \$ 52,000,000,000.-
(DM 50.8 million)
100% owned

**Mercedes-Benz
of North America Inc.
Montvale, N.J./U.S.A.**

US \$ 6,000,000.-
(DM 11.8 million)
100% owned

**Daimler-Benz
of North America Inc.
New York/U.S.A.**

US \$ 1,000,000.-
(DM 2.0 million)
100% owned

**Mercedes-Benz
Canada Inc.
Toronto/Canada**

Can. \$ 5,000,000.-
(DM 8.2 million)
100% owned

**Mercedes-Benz
(Australia) Pty. Ltd.
Mulgrave/Melbourne/
Australia**

A \$ 1,200,000.-
(DM 2.8 million) 100% owned

**Mercedes-Benz
do Brasil S. A.
São Bernardo do Campo/
Brazil**

Cr \$ 16,000,000,000.-
(DM 477.4 million) 100% owned

**Sociedade Técnica
de Fundições Gerais S. A.
(SOFUNGE)
São Paulo/Brazil**

Cr \$ 700,000,000.-
(DM 20.9 million) 100% owned

**INVAL S.R.L.
Buenos Aires/Argentina**

a \$ 9,283,790.-
(DM 0.01 million)
100% owned

**SOFIDEL S.A.
Rocquencourt/France**

FF 34,100,000.-
(DM 14.7 million)
96.3% owned

**Mercedes-Benz
France S. A.
Rocquencourt/France**

FF 50,000,000.-
(DM 21.6 million)
100% owned

**Mercedes-Benz
Italia S.p.A.
Rom/Italy**

Lit. 2,700,000,000
(DM 5.7 million)
75% owned

**Mercedes-Benz
(United Kingdom) Ltd.
Hayes/London/Great Britain**

£ 4,500,000.-
(DM 21.1 million)
100% owned

**Mercedes-Benz
Belgium S.A./N.V.
Brüssel/Belgium**

bfrs 420,000,000.-
(DM 26.1 million)
100% owned

Affiliated Companies

Domestic

Foreign

Daimler-Benz Holding AG
Zürich/Switzerland
sfr. 102,000,000.-
(DM 113.2 million)
100% owned

Daimler-Benz Finanz AG
Zürich/Switzerland
sfr. 30,000,000.-
(DM 33.3 million)
100% owned

Daimler-Benz Finanz-Holding S.A.
Luxemburg
sfr. 25,000,000.-
(DM 27.7 million)
100% owned

Brasfinanz AG
Zürich/Switzerland
sfr. 7,000,000.-
(DM 7.8 million)
100% owned

Merfina S.p.A.
Rom/Italy
Lit. 3,000,000,000
(DM 6.3 million)
70% owned

Handelsgesellschaft für DB-Erzeugnisse AG
Zürich/Switzerland
sfr. 3,000,000.-
(DM 3.3 million)
100% owned

Mercedes-Benz (Schweiz) AG
Zürich/Switzerland
sfr. 6,000,000.-
(DM 6.7 million)
51% owned

Mercedes-Benz Nederland B.V.
Utrecht/Holland
fl. 40,000,000.-
(DM 36.8 million)
95% owned

MTU Motoren- und Turbinen-Union München GmbH
München
DM 110,000,000.-
50% owned

MTU Motoren- und Turbinen-Union Friedrichshafen GmbH
Friedrichshafen
DM 50,000,000.-
83.8% owned

MTU-Maintenance GmbH
Hanover
DM 10,000,000.-
100% owned

Heizkraftwerk Stuttgart GmbH
Stuttgart
DM 9,000,000.-
33.3% owned

Deutsche Automobil-gesellschaft mbH
Hanover
DM 5,000,000.-
50% owned

Entwicklungsgesellschaft für Turbomotoren mbH
München
DM 1,000,000.-
50% owned

14 Wohnungsbau-gesellschaften darunter:
Sindelfinger Wohnstätten GmbH
Sindelfingen
DM 28,250,000.-
50% owned

Wohnbau Gaggenau GmbH
Gaggenau
DM 2,500,000.-
50% owned

Wohnbau Wörth a. Rh. GmbH
Wörth a. Rh.
DM 3,500,000.-
50% owned

Anambra Motor Manufacturing Co. Ltd. (ANAMMCO)
Enugu/Nigeria
N 24,000,000.-
(DM 86.4 million)
40% owned

National Automobile Industry Company Ltd. (NAI)
Jeddah/Saudi Arabien
SR 30,000,000.-
(DM 17.5 million)
26% owned

Iranian Diesel Engine Manufacturing Company (IDEM)
Tabriz/Iran
RI 2,000,000,000.-
(DM 56.0 million)
30% owned

Tata Engineering and Locomotive Comp. Ltd. (TELCO)
Bombay/India
IR 315,088,700.-
(DM 83.8 million)
11.9% owned

Bajaj-Tempo Ltd.
Poona/India
IR 31,855,858.-
(DM 8.5 million)
26.1% owned

P. T. German Motor Manufacturing
Jakarta/Indonesia
Rupiahs 1,275,743,196.-
(DM 4.0 million)
33.3% owned

P. T. Star Motors Indonesia
Jakarta/Indonesia
Rupiahs 846,720,000.-
(DM 2.6 million)
49% owned

FBW-Fahrzeug AG
Wetzikon/Switzerland
(through DB Holding AG)
sfr. 1,000,000.-
(DM 1.1 million)
49% owned

Otobüs ve Motorlu Araçlar Sanayii Anonim Şirketi (OTOMARSAN)
Istanbul/Turkey
TL 26,500,000.-
(DM 0.6 million) 36% owned

UCDD (Pty.) Ltd
Pretoria/South Africa
R 1,500,000.-
(DM 4.0 million)
26.7% owned

Car Distributors Assembly (Pty.) Ltd. (CDA)
East London/South Africa
R 256,000.-
(DM 0.7 million)
100% owned

Geleändefahrzeug Gesellschaft mbH
Graz/Austria
öS 490,000,000.-
(DM 69.1 million)
50% owned

Daimler-Benz Österreich Vertriebsgesellschaft mbH
Salzburg/Austria
öS 1,000,000.-
(DM 0.1 million)
50% owned

- Manufacturing and assembly companies
- Sales and service companies
- Real estate, finance and holding companies
- Other companies

(1) Share capital translated into D-Marks at year-end exchange rates
● New additions or changes respectively in 1980

Daimler-Benz Throughout the World

Daimler-Benz Domestic

	Scope of Activities, Principle Products	Number of Employees as of December 31, 1980
Main Office Untertuerkheim	Main Office Areas, Administration, Research and Development	8,810
Manufacturing plants		
Untertuerkheim area	Engine production, axle and transmissions fabrication, foundry, forge	25,565
Sindelfingen	Body and assembly plant for cars, central spare parts depot for cars	37,194
Mannheim	Production of trucks and industrial engines, body and assembly plant for buses, foundry	14,619
Woerth	Truck assembly including cab construction, central spare parts depot for commercial vehicles	10,192
Gaggenau	Body and assembly plant for Unimog and MB-trac; production of commercial vehicle transmissions and planetary gear axles	9,354
Bremen	Body and assembly plant for vans up to 4 t GVW and "T"-Series (stationwagons)	6,515
Duesseldorf	Body and assembly plant for vans and mini-buses from 4 tons, production of steering units for cars and commercial vehicles	5,118
Kassel	Production of commercial vehicle axles	4,341
Berlin-Marienfelde	Parts manufacture for car and commercial vehicle engines, production of discontinued engines and of exchange engines for trucks, production of heavy-duty drive shafts for trucks	3,252
Hamburg-Harburg	Manufacture of chassis parts and small components for cars and commercial vehicles, production of medium-duty drive shafts for commercial vehicle	2,535
Bad Homburg	Production of engine valve train components	855
Hanomag-Henschel GmbH, Hanover	Spare parts depot	294
Holzindustrie Bruchsal GmbH, Bruchsal	Sawmill, wood processing	482
98 branches and sub-branches		17,182
Engine plants*)		
MTU Muenchen	Aircraft engines, gas turbines	6,594
MTU Friedrichshafen	High speed, high performance diesel engines	6,102



*) Daimler-Benz and M.A.N. each have a 50% interest in MTU Muenchen, which itself owns 83.8% of MTU Friedrichshafen.

Daimler-Benz Abroad

Production and Assembly

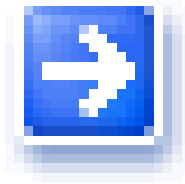
Production (all with DB-investment)	15
Assembly (of which 4 with DB-investment)	25
Licenseses	2

Number of Mercedes-Benz Sales and Service Outlets

Europe	2,366
Africa	324
America	1,092
Asia	293
Australia	183
Total	4,258

of which: General Representatives (among them 17 distribution companies with DB investment)	143
Representatives	37
Dealers	3,245
Service Workshops	833





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Notes to Financial Statements Daimler-Benz AG

BALANCE SHEET

Asset and Capital Structure

Investments in property, plant and equipment and in financial assets amounted to DM 1,640.8 million. Depreciation and asset disposal totalled DM 1,233.0 million. Fixed assets rose by DM 407.8 million to DM 3,623.3 million, its share of assets of DM 13,038.5 million, however, dipped to 27.8% (last year 28.8%). Current assets rose disproportionately by DM 1,481.3 million to DM 9,415.2 million and reached 72.2% (last year 71.2%) of total assets. In particular, cash on hand and in banks, securities and other assets increased by DM 874.8 million to DM 4,362.2 million, and receivables rose by DM 467.6 to DM 2,337.2 million.

Equity (capital stock, plus retained earnings and special equity reserves) increased through allocation of DM 480.6 million and DM 14.4 million from net income to retained earnings and to

special equity reserves, respectively, a total increase of DM 495.0 million to DM 3,801.0 million; nevertheless, its share of the balance sheet total declined to 29.2% (last year 29.7%), on account of the sharply higher reserve for old-age pensions. Within liabilities and reserves, it was the reserves-particularly in connection with the restructuring of old-age pensions at Daimler-Benz - which increased by DM 1,342.3 million to DM 5,456.4 million; they now account for 41.8% (last year 36.9%) of the balance sheet total.

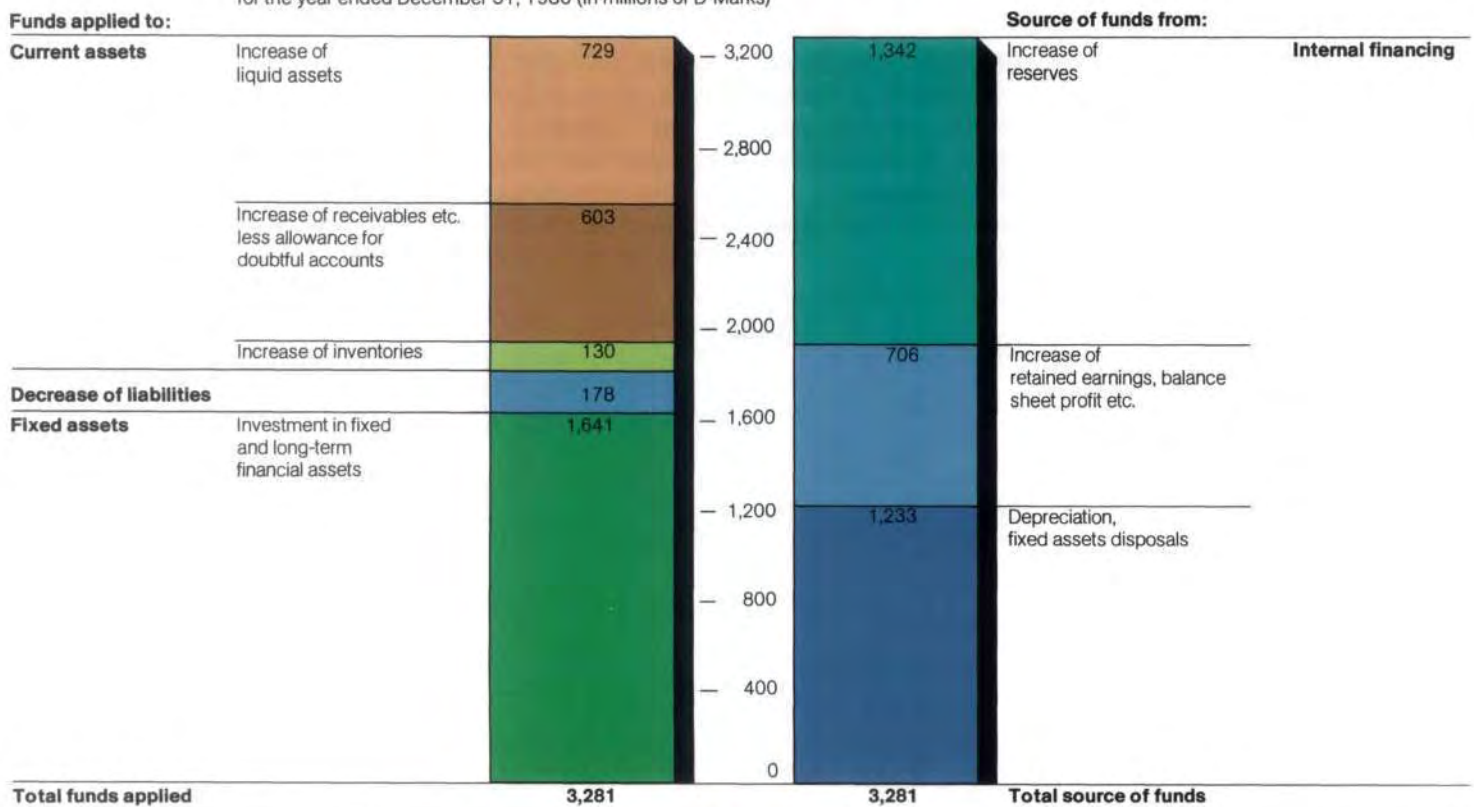
The ratio of stockholders' equity to fixed assets has increased to 104.9% (last year 102.8%), because the addition to retained earnings was in excess of that to fixed assets. Inventories and major portions of other current assets are also financed long and medium-term.

Fixed Assets Coverage

Economy means more than mere saving of fuel. Apprentices of Daimler-Benz AG develop a diesel-economy-vehicle. Next to it a vehicle of our new S-class.

Statement of Source and Application of Funds, Daimler-Benz AG

for the year ended December 31, 1980 (in millions of D-Marks)



Property,
Plant and
Equipment

Assets

Property, plant and equipment rose by DM 311.0 million to DM 2,968.2 million. They are valued at acquisition costs and manufacturing costs, respectively, reduced by depreciation. The manufacturing costs of in-house output include direct material, direct labor and manufacturing overhead expenses (excluding depreciation and administrative expenses). Depreciation methods are unchanged from past years and are calculated predominantly using the following useful lives:

<u>20 to 30 years for buildings</u>
<u>8 to 15 years for site improvements</u>
<u>3 to 10 years for machinery and equipment</u>
<u>2 to 10 years for plant and office equipment</u>

Movable property with a useful life of four years or more is depreciated using the declining-balance method; machines used in multi-shift operations are depreciated using correspondingly lower useful lives. Assets with a minimal value are expensed in the year of acquisition.

Opportunities regarding accelerated depreciation, particularly in connection with section 14 of the Berlin Assistance Act, section 3 of the Border Area Assistance Act and section 7d of the Income Tax Act (environmental protection investments), were fully utilized.

Additions and transfers in 1980 were depreciated as follows:

	Additions inclusive of transfers in millions of DM	Depreciation in millions of DM
Land and land rights with office, plant and other buildings	441.6	47.6
with residential buildings	9.1	1.5
Buildings on leased land	12.8	1.3
Machinery and plant fixtures	623.7	238.0
Plant and office equipment	527.1	335.3
Construction in progress and construction advances	– 94.0	9.2
	<u>1,520.3</u>	<u>632.9</u>

On December 31, 1980, the company had nine (last year four) leasing agreements for buildings and building equipment; rental expenses under these leases amounted to DM 6.1 million (last year DM 5.4 million).

With additions of DM 103.0 million less write-offs of DM 23.3 million, investments in affiliated companies increased by DM 79.7 million to DM 541.7 million. Additions were largely for the purchase of Mercedes-Benz Belgium (DM 57.8 million) and capital stock increases at Anambra Motor Manufacturing Company Ltd., Nigeria (DM 18.2 million), Mercedes-Benz Espana, S.A., Madrid, (DM 13.6 million) and MTU Motoren- und Turbinen Union Muenchen GmbH (DM 5.0 million).

Write-offs were for investments in developing countries; DM 20.5 million of these write-offs relate to additions during the year.

The inventory increase of DM 130 million to DM 2,665.6 million was not commensurate with increases in sales and total revenue. The increase was largely caused by higher finished good inventories, particularly commercial vehicles.

The valuation method was unchanged from prior years. Raw materials and supplies were valued at cost. Finished goods include direct material, direct labor and manufacturing overhead (without depreciation and administration overhead). Reasonable deductions were made for obsolete items after long storage or after design changes.

Investments in
Affiliated
Companies

Inventories

Receivables

Total receivables rose by DM 467.6 million to DM 2,337.2 million. Trade accounts and notes receivable rose commensurate with the volume increase; the share of domestic receivables dropped to 46% versus 48% last year. Receivables from affiliated companies have increased as a result of the larger number of our foreign affiliated companies and the noticeably higher business volume at Mercedes-Leasing-GmbH, Stuttgart.

Receivables - if not interest bearing - are stated at present value. All known risks have been taken into account in the valuation of receivables.

Cash and Securities

Cash and securities rose by DM .5 billion to DM 2.5 billion. Together with other short-term liquid items which are shown under "other assets", total liquidity amounted to about DM 4 billion. It is a solid basis for the financing of our extensive investment programs during the next years.

Treasury Stock

For the purpose of issuing shares under the stock purchase plan, 61,500 shares (with a par value of DM 3.1 million = .23% of total common stock) were purchased at an average price of approximately DM 268 a share. They were acquired in:

	Number
February	2,950
July	25,000
August	12,700
September	10,850
October	5,000
November	5,000
Total	61,500

In August, 55,363 shares (with a par value of DM 2.8 million - about .2% of total common stock) were sold to our employees at a preferential purchase price of DM 156 per share.

As of December 31, 1980, 118,083 shares (with a value of DM 5.9 million = .43% of total common stock) were held in the treasury; of these, 47,998 shares and 8,585 shares were purchased in 1979 and 1978 respectively.

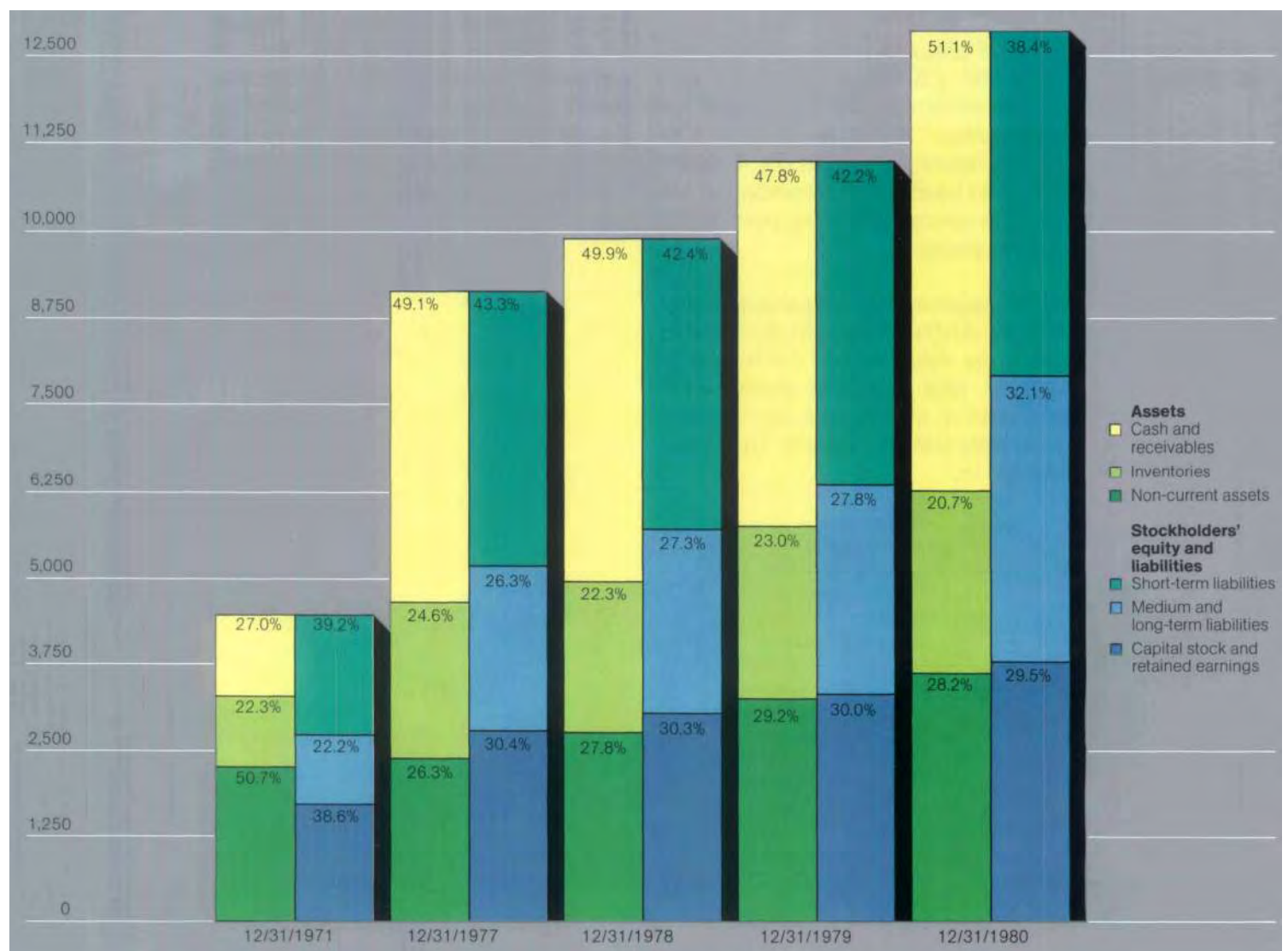
The shares purchased in prior years were valued at DM 121.50 each, those purchased in 1980 at DM 156.

The increase by DM 354.7 million to DM 1,806.7 million is mainly for investments of liquid assets in time deposits and similar debt instruments. Moreover, claims for value-added tax, interest receivables and receivables arising from income distribution agreements are included under this balance sheet caption.

Other Assets

Balance Sheet Structure Daimler-Benz AG

	1971	1977	1978	1979	1980
(in millions of D-Marks)					
Balance sheet total¹⁾	4,459	9,117	9,936	11,003	12,873
Assets					
Cash and receivables ¹⁾	1,203	4,474	4,963	5,252	6,584
Inventories	993	2,247	2,216	2,536	2,666
Non-current assets	2,263	2,396	2,757	3,215	3,623
Stockholders' equity and liabilities					
Short-term liabilities	1,747	3,944	4,211	4,639	4,943
Medium and long-term liabilities	991	2,402	2,714	3,058	4,129
Capital stock and retained earnings	1,721	2,771	3,011	3,306	3,801



¹⁾ Reduced by the allowance for doubtful accounts shown on the liability side of the balance sheet.

Capital Stock and Retained Earnings	Stockholders' Equity, Liabilities, etc.	The allowance for doubtful accounts of 10% (a percentage unchanged from last year) of trade receivables, notes receivable and advance payments to suppliers covers the general credit risk at home and abroad. Because of higher receivables, the allowance for doubtful accounts increased by DM 19.7 million to DM 165.7 million.	Allowance for Doubtful Accounts
	<u>Total capital stock</u> remains unchanged and amounted to DM 1,359.0 million.	In connection with the restructuring of old-age benefits, a tax deductible addition of DM 1,408.0 million was made. As a result of this measure, the non-tax deductible provisions amounting to DM 391.0 million in the years 1977 to 1979, which had been made because of actuarial underfunding in the Daimler-Benz Provident Fund at that time, had to be credited back to income. Provisions for the other pension obligations resulting from pension promises rose by DM 117.2 million.	Reserve for Old-Age Pensions
Special Equity Reserves	According to the information received by us under Section 20 sub-section 1 of the Company Act, "Deutsche Bank Aktiengesellschaft", Frankfurt (Main), and "Mercedes-Automobil-Holding Aktiengesellschaft", Frankfurt (Main) each own more than 25% of the capital stock of our company.	Pension reserves have thus increased by DM 1,134.2 million to DM 2,533.2 million; the provisions were determined actuarially using the individual level cost method.	Reserves for Deferred Maintenance
	<u>Retained earnings</u> rose by DM 480.6 million to DM 2,307.0 million through allocation from net income.	A major portion of old-age security continues to be provided by the Daimler Benz Provident Fund. Assets of the fund - after receiving DM 110.0 million from DBAG - amount to approximately DM 2.1 billion.	For maintenance programs, which were intended for 1980 but could not be carried out in view of the high utilization of capacity, we made provisions totalling DM 92.0 million.
Unallocated retained earnings have been combined with retained earnings allocated for branch extension and for plant modernization. A total of DM 464.1 million was added to unallocated retained earnings. As allowed under Section 150a of the Company Act, an amount of DM 16.5 million was transferred for the first time from net income to "Retained earnings allocated for Treasury Stock", an amount equal to Treasury Stock shown on the asset side of the balance sheet.	Special equity reserves are created and dissolved, respectively, in accordance with the existing tax regulations. After additions of DM 46.6 million and dissolutions of DM 32.2 million, the balance sheet amount increased by DM 14.4 million to DM 135.0 million. Of this amount DM 64.6 million is for investments in developing countries (Section 1 Sub-section 1 of Income Tax Act for developing countries), DM 48.8 million for losses of foreign subsidiaries (Section 3 Sub-section 1 of the Foreign Investment Act) and DM 20.4 million for price increases (Section 74 of the Income Tax Regulation).		

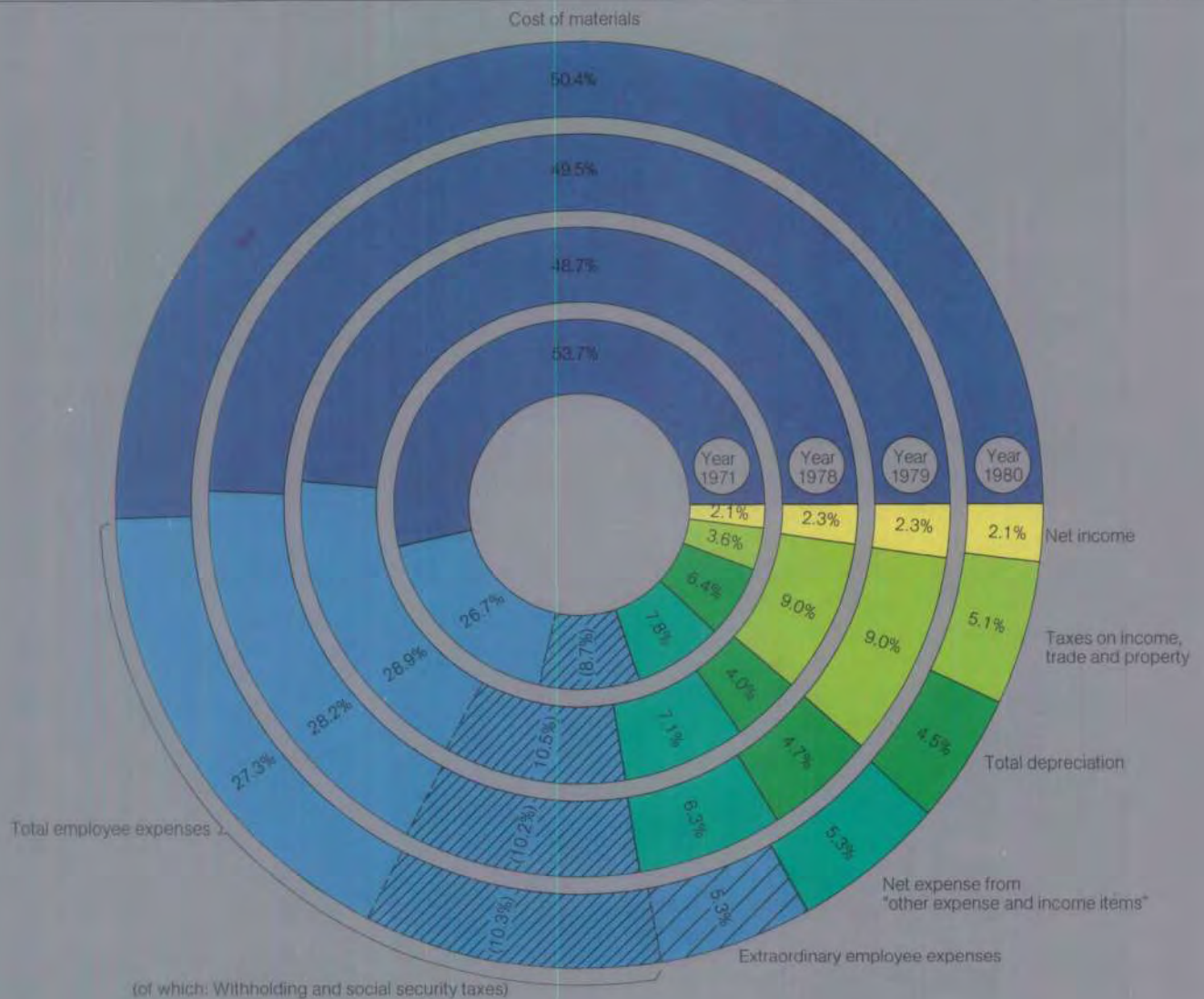
Other Reserves	Other reserves rose by DM 197.1 million to DM 2,831.2 million. They reflect provisions for our worldwide warranty obligations, for legal and litigation risks, unassessed taxes, for possible losses inherent in existing order backlogs and liabilities in the employee benefit area. For the first time, liabilities for future jubilee payments were determined actuarial using the level cost method.	Notes payable amounted to DM 45.3 million. Pledges totalled DM 218.1 million; they were given for domestic and foreign subsidiaries.	Contingent Liabilities
Long-term Liabilities	The decline by DM 100.8 million to DM 150.7 million represents the net difference from principal repayments of DM 118.6 million and from new borrowings of DM 17.8 million which almost exclusively served the financing of Berlin investments. The planned repayments of principal will amount to about DM 25 million in 1981.	<p>The payment guarantee of DM 75.0 million in favor of bondholders relates to the 8% DM-bonds issued by Daimler-Benz Finanz-Holding S.A., Luxembourg, in 1970.</p> <p>The obligations arising from stock subscriptions and legal liabilities pursuant to Section 24 of the Limited Liability Company Law and pledges by cooperatives owned by subsidiaries amount to DM 28.2 million.</p> <p>We are liable jointly and severally for two companies which have income distribution agreements with subsidiary companies.</p> <p style="text-align: center;">*</p>	
Other Liabilities	These liabilities declined by DM 38.6 million to DM 2,669.2 million. While liabilities for taxes and sales commissions decreased more strongly, trade payables increased only lightly.	<p style="text-align: center;">*</p> <p>Under the assumption that the proposed dividend is ratified by the shareholders at the annual meeting, the remunerations for the members of the Board of Management amount to DM 5,688,360. Disbursements to former members of the Board and their survivors and to members of the Supervisory Board totalled DM 3,047,312 and DM 1,206,840 (including value-added-tax), respectively.</p>	

STATEMENT OF INCOME

Total Revenue	Total revenue increased by DM 3.0 billion to DM 26.7 billion. This increase was mostly due to higher car and commercial vehicle sales. Sales increased by 15,400 cars and 13,800 commercial vehicles, of which more than 10,000 units were medium- duty and heavy-duty trucks.	With nearly unchanged receipts from income distribution agreements, income from affiliated companies rose by DM 6.4 million to DM 33.4 million, particularly in connection with the dividend payments by our South American subsidiaries:	Excess Income from Affiliated Companies
Expenditures for Materials	Expenditures for raw materials, supplies, other materials and for purchased goods rose by 14.6% to DM 13.5 billion and have thus gone up faster than total revenue (+12.5%). This is largely due to the higher share of material-intensive commercial vehicles.		
Excess Interest Income over Interest Expense	With nearly unchanged interest expenses of DM 53.4 million, but again higher interest income of DM 427.3 million (last year DM 295.5 million), the excess interest income amount rose by DM 132.8 million to DM 373.9 million. This was due to generally higher interest levels and the renewed liquidity improvement.		
Income from Dissolution of Reserves	This item contains substantially the income of DM 391.0 million from the dissolution of the reserve for actuarial underfunding of the Provident Fund. This reserve, which was not allowed for tax purposes, had to be dissolved as a result of the restructuring of old-age benefits. The amount dissolved led to a corresponding increase in 1980 net income.		
Other Income	The income items combined here totaling DM 138.5 million include - apart from investment tax credits, administrative expenses charged to non-consolidated companies etc. - mostly income from individual valuation adjustments. With higher total receivables, the risk structure has improved, thus reducing the need for valuation adjustments.		

	1980 in millions of DM	1979 in millions of DM
<u>Earnings from income distribution agreements</u>		
MTU Motoren- und Turbinen-Union Muenchen GmbH, Muenchen	7.3	6.5
Daimler-Benz Project Consult GmbH, Stuttgart	0.5	0.5
Other	0.5	0.7
	+ 8.3	+ 7.7
<u>Losses from income distribution agreements</u>		
Daimler-Benz-Wohnungsbau GmbH, Stuttgart	2.2	3.3
Hanomag-Henschel GmbH, Hanover	2.0	—
Other	—	0.5
	— 4.2	— 3.8
<u>Dividends received</u>		
Mercedes-Benz do Brasil S. A., São Bernardo do Campo	14.2	12.7
Maschinenfabrik Esslingen AG, Esslingen a. N.	4.3	3.9
FAP FAMOS, Beograd	2.8	2.2
Mercedes-Versicherungsdienst GmbH, Stuttgart	2.6	2.0
Mercedes-Benz Argentina S. A., Buenos Aires	2.3	—
Other	7.2	6.2
	+33.4	+27.0
Excess income	+37.5	+30.9

Expenditures in Terms of Total Revenue Daimler-Benz AG



	1971 in millions of DM	1978 in millions of DM	1979 in millions of DM	1980 in millions of DM
Total Revenue (excluding value-added tax)	10,003	20,645	23,736	26,714
■ Cost of materials	5,368	10,055	11,748	13,462
■ Total employee expenses	2,676	5,972	6,701	8,705 ¹⁾
of which:				
Net wages and salaries	(1,695)	(3,374)	(3,851)	(4,294)
▨ Withholding and social security taxes	(866)	(2,163)	(2,411)	(2,746)
Expenditures for old age security	(115)	(435)	(439)	(257)
▨ Extraordinary employee expenses				(1,408) ¹⁾
■ Net expense from "other expense and income items"	778	1,465	1,482	1,405
■ Depreciation	637	827	1,122	1,212
■ Taxes on income, trade and property	337	1,852	2,143	1,360 ¹⁾
■ Net income	207	474	540	570 ²⁾
of which:				
Additions to retained earnings	(45)	(231)	(270)	(273)
Dividends	(162)	(243)	(270)	(297)

¹⁾ Restructuring of pension benefits through tax-deductible addition to pension reserve in the amount of DM 1.4 billion.

²⁾ Without dissolution of reserve in the amount of DM 391 million which was credited back to income on account of underfunding of Daimler-Benz Provident Fund.

Personnel Costs	The increase by DM 2.0 billion to DM 8.7 billion was largely due to the extraordinary addition of DM 1.4 billion to the pension reserve; thus, total personnel costs - particularly the item "expenditures for old-age pension and assistance", is not comparable with last year. Salaries and wages (including new employees) rose 12.5%. Further explanations are given under "Employment and Benefits" (see page 45 and page 74).	These expenses, which increased by DM 132.1 million to DM 1,976.0 million, comprise - as heretofore - administrative and selling expenses including sales commissions, rental expenses and additions to reserves, the latter to the extent that they have to be shown under this caption.	Other Expenses
Losses from Valuation Adjustments	Of DM 58.3 million, about one half refer to individual and lump-sum allowances for bad debts and one third to write-downs of securities.	Net income for 1980 amounted to DM 961.3 million. As explained before, it is inclusive of DM 391.0 million of income resulting from the dissolution of the reserve for pension benefits which had been provided for the purpose of the hitherto underfunded Provident Fund.	Net Income
Taxes on Income, Trade and Property	Taxes on income, trade and property dropped by 37% to DM 1,344.7 million. This decline is tied in with the extraordinary addition of DM 1,408.0 million to pension reserves and a DM 210.3 million higher balance sheet profit which is subject to a lower income tax rate.	According to our calculations, net income shown includes no inflationary profits. Systematic write-offs for fixed assets were calculated on the basis of acquisition costs. They are below comparable depreciation on the basis of replacement costs, we were; however, able to compensate for this difference through tax-deductible special depreciation charges and through valuation adjustments of asset items as allowed under the law.	

Proposal for the Application of Unappropriated Income

The financial statements as of December 31, 1980, which have been confirmed jointly by the Supervisory Board and the Board of Management, show unappropriated income of DM 480,655,400.—.

It is proposed to the Annual Meeting of Stockholders that the unappropriated income be applied as follows:

3 1/3% dividend on the eligible preferred stock of DM 1,921,500.—	DM	64,050.—
DM 10.— dividend per eligible common share of DM 50.— par value	DM	270,125,970.—
DM 1.— bonus per eligible common share of DM 50.— par value	DM	27,012,597.—
	DM	297,202,617.—
Addition to unallocated retained earnings	DM	126,123,788.—
Additional expense upon resolution of this proposal	DM	57,328,995.—
Balance sheet profit	DM	480,655,400.—

Stuttgart-Untertuerkheim, March 27, 1981

The Board of Management

Handwritten signatures of the Board of Management members, including names like Pögg, Thüchtemann, Moore, Niefer, Gmünd, Kente, and Schmitt.

Report of the Supervisory Board

Covering the Business Year January 1 to December 31, 1980

In the Supervisory Board meeting of the past year, in numerous individual meetings, and by means of written and verbal reports we have been informed in detail and have consulted with the Board of Management on the state of the corporation and on principal matters of corporate policy. In particular, these discussions centered on employment trends, results of operations and medium and long-range corporate planning including capital spending policy. Furthermore, we discussed important business transactions and made business decisions which by law or by-laws had to be submitted to us for approval.

We have examined the financial statements, the annual report, and the recommendations for the payment of dividends. The financial statements as of December 31, 1980, the annual report and the accounting principles used were verified by the Deutsche Treuhand-Gesellschaft AG, Wirtschaftspruefungsgesellschaft, Frankfurt/Main, and have been found to be in accordance with the books and with the pertinent legal requirements. The Supervisory Board has approvingly noted the result of the audit.

The results of the examinations made by the Supervisory Board and the auditors have shown no cause for question. The Supervisory Board has reviewed the consolidated financial statements, the consolidated annual report and the report of the auditors.

The financial statements of the corporation as submitted by the Board of Management are hereby ratified and approved, and we concur with the recommendations of the Board of Management regarding the payment of dividends, the increase of the share capital through cash payments, and the creation of an authorized share capital.

Concurrent with the conclusion of the annual meeting on July 2, 1980, Dr. jur. Roland Schelling retired from the Supervisory Board of Daimler-Benz AG to which he had belonged since 1975. For his effective and trustful cooperation, we wish to express our special gratitude. As a new member Prof. Dr. jur. Joachim Zahn, Munich, long-time chairman of the Board of Management of Daimler-Benz AG, has been appointed to the Supervisory Board.

Stuttgart-Untertuerkheim, April 1981.

The Supervisory Board



Chairman

Balance Sheet of Daimler-Benz Aktiengesellschaft as of December 31, 1980

ASSETS	Balance Jan. 1, 1980	Additions	Transfers	Deductions	Depreciation expense	Balance Dec. 31, 1980	Balance Dec. 31, 1979 in thousands of DM
	DM	DM	DM	DM	DM	DM	
Fixed assets							
Property, plant, equipment and intangible assets							
Land and land rights							
with office, plant and other buildings	1,065,871,661	267,632,378	+ 173,941,879	3,254,077	150,069,499	1,354,122,342	1,065,872
with residential buildings	10,729,649	8,324,175	+ 764,396	3,127,330	2,044,409	14,646,481	10,730
without buildings	354,025	-	-	-	-	354,025	354
Buildings on leased land	13,043,788	10,348,159	+ 2,447,888	365,784	4,722,645	20,751,406	13,044
Machinery and plant fixtures	713,533,144	407,183,799	+ 216,555,515	5,290,436	518,815,832	813,166,190	713,533
Plant and office equipment	287,151,403	480,977,138	+ 46,088,056	2,336,611	503,865,145	308,014,841	287,151
Construction in progress and construction advances	566,552,012	345,793,214	- 439,797,734	6,126,249	9,233,915	457,187,328	566,552
	2,657,235,682	1,520,258,863	-	20,500,487	1,188,751,445	2,968,242,613	2,657,236
Long-term financial assets							
Investments in affiliated companies	461,941,884	103,016,996	-	2,750	23,269,751	541,686,379	461,942
Investments in long-term securities	95,717,447	16,706,697	-	21,673	243,125	112,159,346	95,717
Receivables maturing							
after four years	647,115	800,410	-	190,123	-	1,257,402	647
of which secured by mortgages							
DM 364,511 (last year DM 505,378)							
	558,306,446	120,524,103	-	214,546	23,512,876	655,103,127	558,306
	3,215,542,128	1,640,782,966	-	20,715,033	1,212,264,321	3,623,345,740	3,215,542
Current assets							
Inventories							
Raw materials and supplies						739,241,330	740,590
Work in process						653,002,436	624,081
Finished goods						840,988,089	762,125
Spare parts						432,331,404	408,762
						2,665,563,259	2,535,558
Other current assets							
Advance payments to suppliers						29,549,120	26,284
Trade accounts receivable						1,384,482,360	1,252,419
of which due beyond one year		DM 10,123,610 (last year DM 20,537,627)					
Notes receivable						270,241,574	201,901
of which: discountable at German Federal Bank		DM 52,519,897 (last year DM 23,676,037)					
export related notes receivable due beyond one year		DM 22,100,201 (last year DM 23,724,850)					
from affiliated companies		DM 153,627,001 (last year DM 116,909,931)					
Checks						191,343	318
Cash on hand, in German Federal Bank and in post office checking accounts						2,958,541	2,470
Cash in banks						1,217,884,068	1,022,909
Securities						1,334,509,987	1,009,766
Treasury stock of the parent company	Par value DM	5,904,150 (last year DM 5,597,300)				16,468,834	13,601
Receivables from affiliated companies						682,531,155	415,343
Receivables from members of the Board of Management (Section 89 of the Company Act)						157,449	219
Other current assets						1,806,693,388	1,451,991
						6,745,667,819	5,397,221
Prepaid and deferred charges						3,899,166	1,030
Total assets						13,038,475,934	11,149,351

Statement of Income Daimler-Benz Aktiengesellschaft for the Year Ended December 31, 1980

	1980		1979	
	DM	DM	in thousands of DM	in thousands of DM
Sales	26,471,852,594		23,453,933	
Increase of work in process and finished goods inventories including spare parts	124,010,038	26,595,862,632	186,644	23,640,577
Other capitalized in-house output		118,038,670		95,696
Total revenue	26,713,901,302		23,736,273	
Expenditures for raw materials, supplies, other materials and purchased goods	13,462,111,867		11,747,800	
Excess of total revenue over expenditures for raw materials etc.	13,251,789,435		11,988,473	
Income from profit distribution agreements with affiliated companies	8,263,602		7,701	
Income from investments in affiliated companies	33,442,755		27,046	
Income from other financial investments	7,489,114		6,389	
Other interest and similar income	427,263,111		295,461	
Gain from disposal of fixed assets	4,810,766		18,272	
Gain from reduction of allowance for doubtful accounts	-		19,941	
Gain from dissolution of reserves	470,406,775		54,768	
Gain from dissolution of special equity reserves	32,162,708		7,969	
Other income	138,544,409		102,754	
of which extraordinary	DM 12,462,209 (last year DM 22,019,029)	1,122,383,240		540,301
		14,374,172,675		12,528,774
Wages and salaries	6,160,427,773		5,476,656	
Mandatory employee benefits	879,114,155		785,753	
Expenditures for old-age pension and assistance	1,665,095,978		438,577	
Depreciation of fixed assets	1,188,751,445		1,094,317	
Write-down of financial assets	23,512,876		27,203	
Losses from reduction in value of or from sales of current assets excluding inventories and addition to allowance for doubtful accounts	58,335,804		51,488	
Losses from sale of fixed assets	7,104,053		4,147	
Interest and similar charges	53,379,414		54,326	
Taxes				
a) on income, trade and property	DM 1,393,169,228			
of which back-payments covered by other reserves	DM 32,784,843			
	DM 1,360,384,385			
of which charges to subsidiary companies	DM 15,694,418	1,344,689,967	2,130,086	
b) other		5,658,080	44,464	
Equalization of Share-of Burden Levy		-	462	
Losses from income distribution agreements with affiliated companies	4,204,382		3,762	
Additions to special equity reserves	46,558,515		33,940	
Other expenses	1,976,030,133	13,412,862,575	1,843,890	11,989,071
Net income		961,310,100		539,703
Transfer from reserve for Equalization of Share-of Burden Levy		-		460
				540,163
Transfer from net income to retained earnings				
Allocated for treasury stock	16,468,834			
Unallocated	464,185,866	480,654,700	269,841	269,841
Balance sheet profit (after allocation to retained earnings)		480,655,400		270,322

In 1980, pension payments to retirees and payments to the Daimler-Benz Provident Fund GmbH for current obligations amounted to DM 115,604,219. In the following five years payments - not considering adjusted obligations pursuant to section 16 of the corporation pension law - will in all likelihood be made amounting to 87, 93, 99, 105, 111 % of this amount. The reduction of these percentages versus last year is due to the restructuring of pension benefits in 1980.

Stuttgart-Untertuerkheim, March 27, 1981

Daimler-Benz Aktiengesellschaft
Board of Management

Prinz Breitschwerdt Hoppe
Niefer Osswald
Reuter Ulsamer

The accounting, the annual financial statements and the management report, which we have examined with due care, comply with the law and the company's by-laws.

Frankfort (Main), April 15, 1981

Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftspruefungsgesellschaft

Dr. Goerdeler Dr. Koschinsky
Wirtschaftspruefer Wirtschaftspruefer
(independent auditors)

Consolidated Annual Report

Notes to Consolidated Financial Statements

COMPANIES INCLUDED IN THE CONSOLIDATION

The consolidated financial statements include domestic and foreign companies in which Daimler-Benz AG (hereinafter referred to as "DBAG") has a direct or indirect interest of more than 50%.

Besides DBAG, we have included in the 1980 consolidated financial statements the individual statements of 20 (last year 19) domestic and 72 (last year 46) foreign companies; these consolidated companies are shown on page 89.

New Consolidated Companies

The enlargement of the composition of consolidated companies is mainly due to the acquisition of a majority interest in distribution companies in Belgium, the Netherlands, Switzerland and in our Spanish manufacturing companies including those companies affiliated therewith.

Subsidiary companies providing payments for old-age security were not consolidated as they are not considered subsidiaries under the law. The following Provident Fund domestic companies fall in this category:

Daimler-Benz Unterstuetzungskasse GmbH, Stuttgart
Holzindustrie Bruchsal Unterstuetzungskasse GmbH, Bruchsal
Bruehler Unterstuetzungskasse GmbH der Wuerttembergischen Baumwoll-Spinnerei und -Weberei bei Esslingen a. N., Esslingen a. N.

As in previous years, we did not consolidate some foreign subsidiaries with no business functions or with negligible business volume.

All the non-consolidated companies had no transactions which would have materially affected the company's financial statements in 1980.

PRINCIPLES OF CONSOLIDATION

The individual domestic financial statements of consolidated companies were prepared and audited in compliance with the German Company Act. The individual foreign financial statements - which were prepared and audited in accordance with laws of the respective countries - have been adjusted to conform to the presentation and valuation requirements of the German Company Act.

The consolidated financial statements were prepared - as in prior years - fundamentally taking into account the recommendation given by the study group "Consolidated Financial Statements" of the Schmalenbach Society for Business Administration.

The accounts of foreign subsidiaries are translated into D-Marks on the basis of historical rate of exchange for fixed assets, at year-end exchange rates for current assets, liabilities and the balance sheet profit. Stockholders' equity in D-Marks is the remaining difference between translated assets less liabilities and balance sheet profit. As a result of the rate fluctuations of individual local currencies in relation to the D-Mark, changes in the D-Mark net equity occur always in such instances where net equity differs from the amount of fixed assets translated at historical rate of exchange. Because the majority of our foreign subsidiaries also finance a portion of current assets with equity capital, there was again a negative translation difference largely due to the high devaluations of the currencies applicable to our South American manufacturing companies. Because of the rate improvement of some currencies vis-a-vis the D-Mark, particularly the U.S. Dollar and the English Pound, this negative amount is noticeably lower, however, than in 1979.

Classification and Valuation

Currency Translation

This translation difference was charged off to profit and loss as in previous years; it thus neutralized the high inflationary profits of the South American companies.

Revenues and expenses are translated at average annual exchange rates. Excepted therefrom are depreciation of fixed assets and profit and loss from asset disposals, which are translated at historical rates. The translation difference of balance sheet and profit and loss items at different rates was reflected in the income statement.

After making allowance for these measures, 1980 net income of our foreign subsidiaries rose to DM 188.8 million (last year DM 131.2 million). The increase of DM 57.6 million is due to the overall satisfactory local results of operations and to the currency changes.

Capital consolidation was effected in accordance with the principle of "First Consolidation" whereby the parent's acquisition costs are eliminated against the relevant share capital and retained earnings at time of acquisition. The difference resulting from this elimination is shown in the balance sheet as "Cost of Investments in Consolidated Subsidiaries in Excess of or Below Book Value at Acquisition".

Profits earned by foreign subsidiaries in subsequent years and in 1980 - excluding minority interests - are added to retained earnings. Thus, the consolidated balance sheet profit of DM 480.7 million equals the balance sheet profit of DBAG.

Inter company receivables and payables between subsidiary companies have been eliminated; intercompany profits in fixed assets and inventories were likewise eliminated. The consolidated income statement is presented on a fully consolidated and detailed basis, i.e. intercompany sales and intercompany earnings were offset against the relevant cost of sales and expenses, respectively.

Capital
Consolidation

Other
Eliminations

CONSOLIDATED BALANCE SHEET

Asset and Capital Structure

Approximately three quarters of the consolidated balance sheet total is accounted for by DBAG. Particulars are given on page 91.

The balance sheet total rose by 23.8% to DM 17,479.1 million versus last year (DBAG +16.9%). Apart from the aforementioned enlargement of the composition of consolidation, the higher increase for consolidated companies is largely due to the translation of the foreign balance sheets from local currency into DM, because the national inflation rate of countries important to our company has not, or only partly, led to a corresponding change of the external value of money.

Fixed assets rose by DM 606.0 million to DM 4,452.5 million and current assets by DM 2,729.1 million to DM 12,999.2 million. The ratio of fixed assets to total assets amounted to 25.5% (last year 27.3%).

Stockholders' equity (capital stock, unallocated retained earnings, minority interests in subsidiaries and special equity reserves) rose by DM 634.7 million to DM 5,315.3 million. Its ratio to the balance sheet total was 30.4% (last year 33.2%).

The ratio of fixed assets to stockholders' equity amounted to 119.4% (last year 121.7%).

Liabilities and reserves amounted to DM 11,888.1 million (last year DM 9,227.3 million). The increase is largely due to the pension reserves at DBAG in connection with the restructuring of retirement benefits.

Assets

Property, plant and equipment rose by DM 566.2 million to DM 4,122.4 million; capital investments amounted to DM 2,057.2 million as contrasted with disposals and depreciation totalling DM 1,491.0 million.

About 80% of capital investments were made in the Federal Republic of Germany, largely at DBAG and Mercedes-Leasing GmbH.

Capital investments abroad were mostly made by our South American manufacturing companies, Mercedes-Benz do Brasil S.A. and Mercedes-Benz Argentina S.A. Because of the inclusion of new subsidiaries for the first time, capital investments increased by DM 171.3 million.

Approximately 83% and 11 % of depreciation was accounted for by DBAG and our foreign subsidiaries, respectively, mostly our South American manufacturing companies.

These investments increased slightly to DM 132.0 million. Shown here are investments in affiliated companies which are not consolidated. They comprise investments in MTU Motoren- und Turbinen-Union Muenchen GmbH and Gelaendefahrzeug Gesellschaft mbH, Graz.

Because of the inclusion of Merfag, AG, Zurich-renamed Mercedes-Benz (Schweiz) AG, Zurich in 1980-and of MEVOSA, Madrid - meanwhile renamed Mercedes-Benz Espana, S.A., Madrid - in the consolidated statements, these companies are no longer included in the balance sheet caption "Investments in Affiliated Companies".

Property, Plant and Equipment

Investments in Affiliated Companies

Cost of Investments in Consolidated Subsidiaries in Excess of Book Value at Acquisition

This amount represents the difference between the cost of investments in consolidated subsidiaries in excess of book value and those below book value at the time of acquisition.

Offsetting the debit amounts (cost in excess of book value) of DM 119.2 million (last year DM 60.5 million) against the credit amounts (cost below book value) of DM 91.8 million (last year DM 90.9 million) results in a net debit balance of DM 27.4 million (DM 30.4 million credit balance last year).

The increase in the debit amounts (cost in excess of book value) by DM 58.7 million is in connection with the reserves taken over from the newly acquired companies in Belgium and the Netherlands.

The credit amounts (cost below book value) arose largely in connection with the purchase of our South American subsidiaries in the 1950's when portions of the contractual capital stock increases were paid for with tangible fixed assets (particularly machinery and equipment). The increase in the credit amounts is due to Mercedes-Benz (Schweiz) AG, Zurich being consolidated for the first time.

Inventories

Of the increase of DM 1,020.6 million to DM 4,473.5 million, DM 133.7 million and DM 886.9 million is accounted for by domestic (mostly DBAG) and foreign companies, respectively.

Because of the newly consolidated foreign subsidiaries, inventories rose by DM 364.8 million. When translating inventories - particularly the South American manufacturing companies - from local currency into DM, we obtained higher inventory values because the inflation-caused higher acquisition and manufacturing costs are offset by disproportionately lower devaluations of the local currencies.

DBAG accounted for 60%, our foreign distribution companies for 22% and our foreign manufacturing companies for 18% of inventories.

Trade accounts receivable, notes receivable and receivables from non-consolidated companies increased by DM 565.9 million to DM 2,516.2 million, two-thirds of which are from customers abroad. The increase occur largely at DBAG, and because of newly acquired non-consolidated companies.

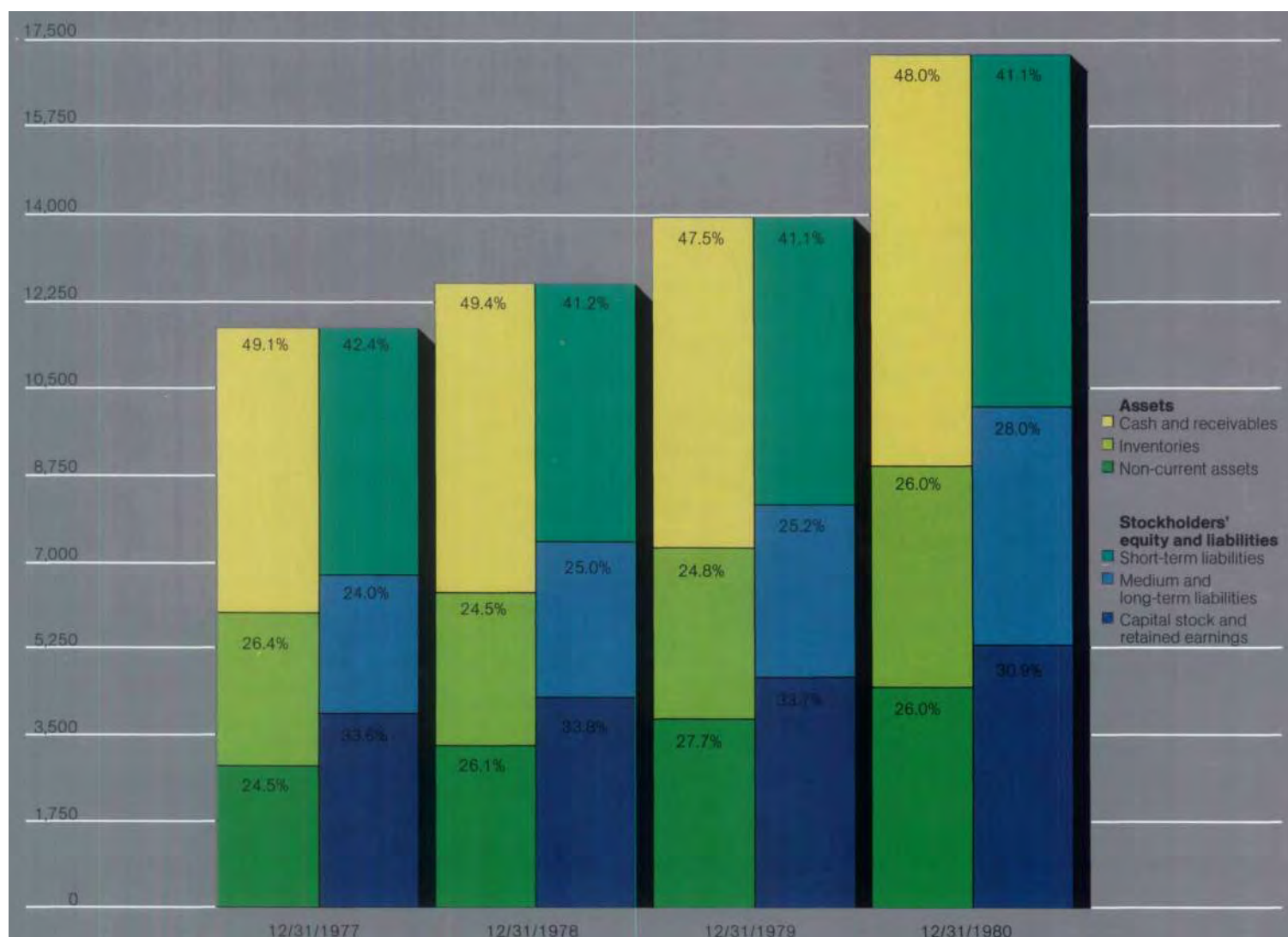
Cash and securities rose by DM .7 billion to almost DM 3.8 billion; DBAG accounted for about two-thirds and our foreign subsidiaries for about one-third of the increase. Together with the liquidity investments at DBAG, which are shown under other assets, total worldwide liquidity rose to over DM 5 billion.

Receivables

Cash and Securities

Balance Sheet Structure — Consolidated

	1977	1978	1979	1980
(in millions of D-Marks)				
Balance sheet total¹⁾	11,700	12,633	13,908	17,203
Assets				
Cash and receivables ¹⁾	5,741	6,241	6,609	8,250
Inventories	3,086	3,094	3,453	4,473
Non-current assets	2,873	3,298	3,846	4,480
Stockholders' equity and liabilities				
Short-term liabilities	4,956	5,201	5,719	7,074
Medium and long-term liabilities	2,809	3,156	3,508	4,814
Capital stock and retained earnings	3,935	4,276	4,681	5,315



¹⁾ Reduced by the allowance for doubtful accounts shown on the liability side of the balance sheet.

Capital Stock and Retained Earnings	<p>Stockholders' Equity, Liabilities, etc. The <u>capital stock</u> of DM 1,359.0 million in the consolidated balance sheet is identical to the capital stock at DBAG and is unchanged from last year.</p> <p>The <u>capital surplus</u> of DM 2.4 million, the same as last year, represents the difference between par value and amounts paid in for new shares as a result of the 1977 capital stock increase.</p> <p><u>Unallocated retained earnings</u> of DM 3,712.0 million (last year DM 3,102.2 million) are comprised of unallocated retained earnings of DBAG (including an amount newly allocated for treasury stock) and income earned by subsidiary companies subsequent to their acquisition. Moreover, elimination amounts affecting income are debited or credited here.</p>	<p>They increased by DM 1,620.5 million to DM 6,161.4 million versus last year; 82.8% of the increase is accounted for by DBAG, where pension reserves alone increased by DM 1,134.2 million. The relatively large share of DBAG in the reserve (88.6%) is mainly attributed to the fact that 96% of pension reserves are for DBAG and that warranty obligations and guarantee and litigation risks are primarily borne by DBAG.</p>	Reserves
Minority Interests in Subsidiaries	<p>This item totalling DM 43.6 million comprises third-party minority interests in the stockholders' equity and balance sheet profits or losses, respectively, of consolidated companies. Particularly because of third-party interests in Stockholders' equity of Mercedes-Benz (Schweiz) AG, Zurich (third-party interest 49%) and of Mercedes-Benz Espaha, S.A., Madrid (third-party interest 47%) which were consolidated for the first time, this balance sheet item increased by DM 33.6 million versus last year.</p>	<p>At DM 417.6 million, these liabilities are nearly unchanged from last year; principal repayments at DBAG are about equal to bank liabilities of subsidiaries which are consolidated for the first time. DM 75 million of the Daimler-Benz Finanz-Holding S.A., Luxemburg long-term liabilities are for an 8 % Luxemburg bond issued in 1970 and maturing in 1985.</p>	Long-term Liabilities
Special Equity Reserves	<p>This item increased by DM 21.9 million to DM 198.5 million, of which DM 135.0 million is accounted for by DBAG. In accordance with French regulations, equity reserves totalling DM 51.3 million were provided for at Mercedes-Benz France S.A.</p>	<p>These are mostly for borrowings by DBAG and Daimler-Benz-Wohnungsbau GmbH from the Daimler-Benz Provident Fund GmbH totalling DM 390.7 million.</p>	Liabilities to Provident Fund
Allowance for Doubtful Accounts	<p>The increase by DM 67.0 million to DM 275.7 million was due to higher receivables from which an about 10% allowance, a percentage unchanged from last year, was calculated.</p>	<p>The increase by DM 862.2 million to DM 4,434.5 million is mainly due to higher trade payables at our South American manufacturing companies and to increased liabilities to banks at our foreign subsidiaries. A large portion of the increase in bank liabilities is accounted for by subsidiaries which were consolidated for the first time.</p>	Other Liabilities

CONSOLIDATED STATEMENT OF INCOME

Net Sales Sales rose by DM 3.7 billion to DM 31.1 billion versus last year (+13.5%).

Expenditures for Materials The increase in expenditures for raw materials, supplies, other materials and purchased goods by 16.8% to DM 16.6 billion is in excess of the 13.5% sales increase. This is largely the consequence of the changed manufacturing structure in favor of the more material-intensive commercial vehicles.

Excess Interest Income Over Interest Expense The difference between interest income and interest expense amounted to DM 597.8 million net interest income. The increase of DM 89.9 million is mostly accounted for by DBAG. Net interest income of our foreign subsidiaries was DM 232.9 million. It was mostly earned by our South American companies at inflation-caused high interest rates. The inflationary profit inherent in this interest income is largely offset in the income statement by charges for the losses from currency translations.

Other Income Other income of DM 277.6 million remained nearly unchanged from last year. It was mostly earned by DBAG and Mercedes-Benz do Brasil S.A.

Personnel Costs Personnel costs (salaries and wages, mandatory employee benefits, expenditures for old-age pension and assistance) increased by DM 2.2 billion to DM 9.8 billion. About DM 2.0 billion of this increase is attributed to DBAG, particularly as a consequence of the extraordinary addition of DM 1.4 billion to the pension reserve at DBAG.

Taxes on Income, Trade and Property The decrease by DM 685.2 million to DM 1,692.8 million is solely in connection with the aforementioned restructuring of old-age pension benefits at DBAG.

The expenses combined here amounted to DM 2,735.9 million; they are mostly for administrative and selling expenses including sales commissions, expenses for leased property, and measures taken for the purpose of capital preservation as a result of currency translations of the individual financial statements of foreign subsidiaries.

Other Expenses

The consolidated net income resulted as follows: **Net Income**

	1980 in millions of DM	1979 in millions of DM
Net income of DBAG after elimination of intercompany dividends of DM 24.0 million (last year 19.1 million)	937.3	520.6
Net income of domestic subsidiaries	14.4	9.0
Net income of foreign subsidiaries after elimination of intercompany profits	188.8	131.2
Charges to income as a result of consolidation measures	— 38.5	— 23.0
	1,102.0	637.8

Net consolidated income rose by DM 464.2 million; as already mentioned, DM 391.0 million of this increase is due to extraordinary income as a result of the dissolution of a reserve at DBAG in connection with the restructuring of old-age pension benefits.

*

In addition to the contingent liabilities shown on the DBAG balance sheet, there were other obligations with respect to subsidiaries included in the consolidation totalling DM .7 million. They comprise liabilities for stock subscriptions, joint and several liability in accordance with Section 24 of the Limited Liability Company Act, and guarantees for cooperatives owned by consolidated companies. Moreover, payment guarantees for liabilities of subsidiary companies were given in the amount of DM 8.2 million.

Status of Guarantees not Evident in Consolidated Financial Statements

COMPANIES INCLUDED IN THE CONSOLIDATION

Domestic Companies:

Daimler-Benz Aktiengesellschaft,
Stuttgart

Maschinenfabrik Esslingen AG,
Esslingen a. N.

Wohnungsbau GmbH Weinstraße
Mettingen, Esslingen a. N.

Mercedes-Leasing-GmbH, Stuttgart

Daimler-Benz Project Consult GmbH,
Stuttgart

Daimler-Benz-Wohnungsbau GmbH,
Stuttgart

Industrie- und Handelsbeteiligungen
GmbH, Stuttgart

Pro-Data EDV-Beratung GmbH,
Weinheim¹⁾

Holzindustrie Bruchsal GmbH,
Bruchsal

Porcher & Meffert GmbH, Stuttgart

Industriehandel Handels- und
Industrierausrüstungsgesellschaft mbH,
Stuttgart

Württembergische Baumwoll-Spinnerei
und -Weberei bei Esslingen am Neckar
Aktiengesellschaft, Esslingen a.N.

Hanomag-Henschel GmbH, Hannover

Maschinen- und Werkzeugbau
Zuffenhausen AG, Stuttgart

Chemie- und Textil-Gesellschaft mbH
Friedrichshafen, Friedrichshafen

Rohtex Aktiengesellschaft
für Textilrohstoffe, Stuttgart

Daimler-Benz Grundstücksgesellschaft
Hamburg mbH, Sitz Stuttgart

Daimler-Benz Grundstücks-
gesellschaft Bremen mbH,
Sitz Stuttgart

Reparaturwerk Böblingen GmbH,
Böblingen

Mercedes-Versicherungsdienst
GmbH, Stuttgart

Foreign Companies:

Mercedes-Benz do Brasil S.A.,
Sao Bernardo do Campo/Brazil

Sociedade Tecnica de Fundigoes
Gerais S.A., Sao Paulo/Brazil

Euclid Inc., Cleveland/U.S.A.

Euclid Canada Ltd., Guelph/Canada

Euclid International Sales Corporation,
Cleveland/U.S.A.

Euclid Australia Pty. Ltd.,
Brisbane/Australia

Euclid Parts Sales Company,
Cleveland/U.S.A.

Euclid Belgium S.A., Brüssel/Belgium

Euclid (South Africa) (Proprietary) Ltd.,
Johannesburg/South Africa

Mercedes-Benz Argentina S.A.,
Buenos Aires/Argentina

Circulo Cerrado S.A. de Ahorro para Fi
Determinados, Buenos Aires/Argentina

INVAL S.R.L., Buenos Aires/Argentina

Mercedes-Benz Espana, S.A.,
Madrid/Spain (formerly: "MEVOSA")¹⁾

Comercio e Industria Alaveses
del Automóvil S.A., Madrid/Spain¹⁾

Daimler-Benz Holding AG, Zürich/
Switzerland

Daimler-Benz Finanz AG, Zürich/
Switzerland

Daimler-Benz Finanz-Holding S.A.,
Luxemburg/Luxembourg

Brasfinanz AG, Zürich/Switzerland

Merfina S.p.A., Rom/Italy

Handelsgesellschaft für Daimler-Benz
Erzeugnisse AG, Zürich/Switzerland

Société Immobilière du 83 Boulevard
Gambetta à Nice, Rocquencourt/France

Société Immobilière du Pied de Digue,
Rocquencourt/France¹⁾

Interstar S.A., Nizza/France¹⁾

Sofidel S.A., Rocquencourt/France

Mercedes-Benz France S.A.,
Rocquencourt/France

Société Immobilière Grande
Armée Brunei S.A.,
Rocquencourt/France

¹⁾ Added to consolidation in 1980

Societe Boulonnaise du Poids Lourd S.A., Saint-Martin les Boulogne/France ¹⁾	Mercedes-Benz (United Kingdom) Ltd., Hayes/Great Britain
Sorevit-Metz S.A., Metz/France	Woking Motors Ltd., Hayes/Great Britain
Société de Réparation et Vente de Véhicules Industriels et de Tourisme S.A. (Sorevit-Nantes), Saint-Herblain/France ¹⁾	Charles Sidney Ltd., Hayes/Great Britain
OLVI-Omnium Lyonnais de Véhicules Industriels S.A., Saint Genis-Laval/ France	Mercedes-Benz (Commercial) G.B. Ltd., Hayes/Great Britain
Fechtig Diesel S.A., Fenouillet/France	Mercedes-Benz Belgium S.A., Brüssel/Belgium ¹⁾
Longchamp Rond-Poit S.A. Paris/France	N.V. Europa Automobilen Leuven, Leuven/Belgium ¹⁾
Société Civile Immobilière Genève de Pressensé, Saint-Denis/France	N.V. I.M.A.-Gent, Gent/Belgium ¹⁾
Société Lyonnaise d'Automobiles S.A., Lyon/France	S.A. I.M.A.-Charleroi, Charleroi/Belgium ¹⁾
Sorevit-Bourges S. A., Bourges/France	N.V. I.M.A.-Antwerpen, Antwerpen/Belgium ¹⁾
COVI-Comptoir de Véhicules Industriels S.A., Saint-Georges de Reneins/France	S.A. I.M.A.-Liège, Liège/Belgium ¹⁾
Société Civile Immobilière La Fontaine aux Bretons, La Courneuve/France	S.A. Etablissements Paul-E. Cousin, Brüssel/Belgium ¹⁾
Société Civile Immobilière L'Etang du Parc de Rocquencourt, Rocquencourt/France	S.A. Europa Automobiles Waterloo, Waterloo/Belgium ¹⁾
Société Civile Immobilière Le Val du Parc de Rocquencourt, Rocquencourt/France	S.A. Europa Automobiles, Brüssel/Belgium ¹⁾
Société Civile Immobilière Les Hauts du Parc de Rocquencourt, Rocquencourt/France	Anciens Etablissements de Carrosserie S.A. Vesters & Neirinck, Anderlecht/Belgium ¹⁾
Société Civile Foncière de la Commanderie, Bourges/France	N.V. Varna, Antwerpen/Belgium ¹⁾
RAFIC S.A., Rocquencourt/France	S.A. Fimarent, Brüssel/Belgium ¹⁾
Mercedes-Benz of North America Inc., Montvale/U.S.A.	Mercedes-Benz Nederland B.V., Utrecht/Netherland ¹⁾
Mercedes-Benz Service Corporation, Wilmington/U.S.A.	Vastgoed Nijkerk N.V., Utrecht/Netherland ¹⁾
Daimler-Benz of North America Inc., New York/U.S.A.	AGAM Financiering B.V., Utrecht/Netherland ¹⁾
Mercedes-Benz Canada Inc., Toronto/Canada	Nedan N.V., Willemstad/Curacao ¹⁾
	Cloosterman's Expeditiebedrijf B.V., Utrecht/Netherland ¹⁾
	Helmes Assurantien B.V., Utrecht/Netherland ¹⁾
	Daimler-Benz (Australia) Pty. Ltd., Mulgrave/Australia
	Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Australia
	Mercedes-Benz Italia S.p. A., Rom/Italy
	Mercedes-Benz (Schweiz) AG, Zürich/Switzerland ¹⁾

¹⁾ Added to consolidation in 1980

Comparison of Balance Sheets as of December 31, 1980

(in condensed form)

	Consolidated Balance Sheet in millions of DM	Daimler-Benz AG Balance Sheet in millions of DM	Daimler-Benz AG in % of Consolidated Balance Sheet
ASSETS			
Fixed assets	4,452.5	3,623.3	81
Property, plant and equipment	4,122.4	2,968.2	
Investment in affiliated companies	132.0	541.7	
Other long-term financial assets	198.1	113.4	
Cost of investments in consolidated subsidiaries in excess of book value at acquisition	27.4	-	-
Current assets	12,999.2	9,415.2	72
Inventories	4,473.5	2,665.6	
Receivables	2,516.2	2,337.2	
Cash and marketable securities	3,781.2	2,555.6	
Other current assets	2,228.3	1,856.8	
Total assets	17,479.1	13,038.5	75

STOCKHOLDERS' EQUITY, LIABILITIES ETC.

Stockholders' equity	5,315.3	3,801.0	72
Capital stock (Daimler-Benz AG)	1,359.0	1,359.0	
Unallocated retained earnings	3,712.0	2,307.0	
Other allocated retained earnings and minority interests	45.9	-	
Special equity reserves	198.4	135.0	
Allowance for doubtful accounts	275.7	165.7	60
Liabilities	11,888.1	9,071.8	76
Reserves	6,161.4	5,456.4	
Long-term liabilities	417.5	150.7	
Liabilities to Provident Funds	390.7	312.8	
Other liabilities and deferred credits	4,437.8	2,671.2	
Balance sheet profit	480.7	480.7	
Total stockholders' equity, liabilities etc.	17,479.1	13,038.5	75

Consolidated Balance Sheet as of December 31, 1980

	Balance Jan. 1, 1980	Additions	Transfers	Deductions	Depreciation	Balance Dec. 31, 1980	Balance Dec. 31, 1979
	DM	DM	DM	DM	DM	DM	in thousands of DM
ASSETS							
Fixed assets							
Property, plant, equipment and intangible assets							
Land and land rights							
with office, plant and other buildings	1,494,149,327	353,617,633	+221,772,738	4,499,797	192,176,302	1,872,863,599	1,494,149
with residential buildings	25,887,154	15,953,425	+ 1,363,886	3,538,380	3,909,681	35,756,404	25,887
without buildings	30,588,751	17,459,298	- 9,522,566	-	-	38,525,483	30,589
Buildings on leased land	23,933,611	18,903,824	+ 1,341,228	9,966	2,567,234	41,601,463	23,934
Machinery and plant fixtures	835,036,416	444,262,032	+247,034,155	6,087,421	590,596,901	929,648,281	835,036
Plant and office equipment	531,291,639	717,891,077	+ 57,418,285	32,804,095	635,962,184	637,834,722	531,292
Construction in progress and construction advances	615,230,290	488,436,143	-519,407,726	9,431,568	9,233,915	565,593,224	615,230
Licenses, trademarks and similar rights	65,005	654,875	-	-	165,078	554,802	65
	3,556,182,193	2,057,178,307	-	56,371,227	1,434,611,295	4,122,377,978	3,556,182
Long-term financial assets							
Investments in affiliated companies	122,149,722	35,339,450	+ 3,462,814	17,170,621	11,737,028	132,044,337	122,150
Investments in long-term securities	101,127,776	18,815,703	- 3,462,814	204,319	914,415	115,361,931	101,128
Receivables maturing							
after four years	66,987,983	28,779,011	-	13,062,998	29,212	82,674,784	66,988
of which secured by mortgages							
DM 57,823,004 (last year DM 51,844,507)							
	290,265,481	82,934,164	-	30,437,938	12,680,655	330,081,052	290,266
	3,846,447,674	2,140,112,471	-	86,809,165	1,447,291,950	4,452,459,030	3,846,448
Cost of investments in consolidated subsidiaries in excess of book value at acquisition						27,364,902	-
Current Assets							
Inventories						4,473,540,430	3,452,904
Other current assets							
Advance payments to suppliers						44,736,227	52,721
Trade accounts receivable						2,274,230,387	1,748,278
of which due beyond one year		DM 71,757,081 (last year DM 51,386,973)					
Notes receivable						236,097,693	189,166
of which: discountable at German Federal Bank		DM 73,294,794 (last year DM 24,323,153)					
export related notes due beyond one year		DM 79,609,107 (last year DM 23,724,850)					
Checks						9,703,130	8,515
Cash on hand, in German Federal Bank and in post office checking accounts						7,325,263	3,742
Cash in banks						2,125,077,836	1,800,296
Securities						1,639,071,271	1,240,391
Treasury stock of the parent company	Par value DM	5,904,150 (last year DM 5,597,300)				16,468,834	13,601
Receivables from affiliated companies						5,866,527	12,814
Receivables from members of the Board of Management (Section 89 of the Company Act)						2,162,018	1,808
Other current assets						2,131,128,651	1,726,634
						8,491,867,837	6,797,966
Prepaid and deferred charges							
Bond discount						3,538,809	1,398
Other						30,351,267	17,804
						33,890,076	19,202
Total assets						17,479,122,275	14,116,520

STOCKHOLDERS' EQUITY, LIABILITIES ETC.

		Balance Dec. 31, 1980 DM	Balance Dec. 31, 1979 in thousands of DM
Capital stock			
Common stock	27,140,680 votes	1,357,034,000	1,357,034
Preferred stock	38,430 votes	1,921,500	1,922
in special cases of Section 17 of the bylaws	1,152,900 votes		
		1,358,955,500	1,358,956
Surplus and retained earnings			
Capital surplus ¹⁾		2,364,325	2,364
Cost of investments in consolidated subsidiaries below book value at acquisition		-	30,446
Retained earnings ¹⁾		3,711,952,680	3,102,155
		3,714,317,005	3,134,965
Minority interests in subsidiaries			
of which: share in profits	DM 5,322,912 (last year DM 1,208,855)		
share in losses	DM 2,805,057 (last year DM 356,103)		
		43,580,332	9,968
Special equity reserves			
Reserves in accordance with Sections 1 and 3 of the foreign investment law, Section 1 of the tax law for developing countries, Section 74 of the income tax regulation, Section 6 b of the Income Tax Act, the Belgian, French, Italian and Dutch regulations		198,488,253	176,640
Allowance for doubtful accounts			
		275,654,860	208,657
Reserves			
Old-age pensions		2,640,081,231	1,475,766
Maintenance deferred		107,104,324	90,196
Other		3,414,241,918	2,974,950
		6,161,427,473	4,540,912
Liabilities with a term of more than four years			
Bonds		75,000,000	90,000
Liabilities to banks		234,039,753	299,960
of which secured by mortgages	DM 155,003,402 (last year DM 145,358,211)		
Other liabilities		108,528,945	28,729
of which secured by mortgages	DM 38,009,386 (last year DM 11,855,301)		
Due within four years	DM 290,428,838 (last year DM 193,426,879)		
		417,568,698	418,689
Liabilities to Provident Funds of Daimler-Benz AG and subsidiary companies			
		390,677,022	424,044
Other liabilities			
Accounts payable-trade		1,864,736,197	1,584,721
Notes payable		43,294,486	37,669
Bank loans		718,914,817	296,810
Advance payments from customers		154,824,309	122,155
Accounts payable to non-consolidated companies		2,856,211	1,022
Other liabilities		1,649,840,425	1,529,931
		4,434,466,445	3,572,308
Deferred credits			
		3,331,287	1,059
Balance sheet profit (after allocation to retained earnings and deduction for minority interests)			
		480,655,400	270,322
Contingent liabilities from:	1980	1979	
	DM	DM	
Trade acceptances	167,709,939	117,939,011	
Assignment of trade receivables	20,383,978	19,086,509	
Guarantees	259,675,876	162,261,336	
Total stockholders' equity, liabilities etc.		17,479,122,275	14,116,520

¹⁾ The consolidated "Capital Surplus" and consolidated "Retained Earnings", respectively, are inclusive of the "Statutory Retained Earnings" in the amount of DM 136,142,067 and the "Retained Earnings Allocated for Treasury Stock" in the amount of DM 16,468,834 of Daimler-Benz AG.

Consolidated Statement of Income for the Year Ended December 31, 1980

	1980		1979	
	DM	DM	in thousands of DM	in thousands of DM
Sales	31,053,691,648		27,367,395	
Increase of work in process and finished goods inventories including spare parts	807,008,449	31,860,700,097	520,020	27,887,415
Other capitalized in-house output		266,126,515		260,276
Total revenue		32,126,826,612		28,147,691
Expenditures for raw materials, supplies, other materials and purchased goods		16,556,232,337		14,176,689
Excess of total revenue over expenditures for raw materials etc.		15,570,594,275		13,971,002
Income from profit distribution agreements with				
affiliated companies		7,371,050		6,737
Income from investments in affiliated companies		6,293,194		5,066
Income from other financial investments		7,568,387		6,774
Other interest and similar income		795,553,281		641,378
Gain from disposal of fixed assets		12,641,632		24,078
Gain from reduction of allowance for doubtful accounts		–		18,976
Gain from dissolution of reserves		513,044,959		129,200
Gain from dissolution of special equity reserves		41,347,991		12,020
Other income		277,640,533		278,354
of which extraordinary	DM 19,400,174 (last year 28,169,523)	1,661,461,027		1,122,583
		17,232,055,302		15,093,585
Wages and salaries		7,021,201,751		6,151,297
Mandatory employee benefits		1,085,722,037		958,023
Expenditures for old-age pension and assistance		1,708,868,237		464,835
Depreciation of fixed assets and amortization of intangible assets		1,434,611,295		1,313,307
Write-down of financial assets		12,680,655		28,982
Amortization of cost of investments in consolidated subsidiaries in excess of book value at acquisition		8,952,361		7,345
Losses from reduction in value of or from sales of current assets excluding inventories				
and addition to allowance for doubtful accounts		131,862,433		81,467
Losses from sale of fixed assets		7,980,378		19,415
Interest and similar charges		197,773,802		133,489
Taxes				
a) on income, trade and property	DM 1,736,213,997			
of which back-payments covered by other reserves	DM 32,784,843			
	DM 1,703,429,154			
of which charged to a non-consolidated subsidiary company	DM 10,667,000	1,692,762,154		2,377,976
b) other		32,102,929		59,712
Equalization of Share-of-Burden Levy		–		646
Losses from income distribution agreements with affiliated companies		59,705,960		42,561
Other expenses		2,735,879,896	16,130,103,888	2,816,681
Net income		1,101,951,414		637,849
Transfer from reserve for Equalization of Share-of-Burden Levy		–		515
		1,101,951,414		638,364
Transfer to consolidated retained earnings from net income		617,778,159		367,189
Income applicable to minority shareholders		5,322,912		1,209
Losses applicable to minority shareholders		1,805,057	3,517,855	356
Balance sheet profit (after allocation to retained earnings and deduction for minority interests)		480,655,400		270,322

The consolidated financial statements and the reports relating thereto, which we have examined with due care, comply with the statutory requirements.

Stuttgart-Untertuerkheim, March 27, 1981

Frankfort (Main), April 15, 1981

Daimler-Benz Aktiengesellschaft
Board of Management

Deutsche Treuhand-Gesellschaft
Wirtschaftspruefungsgesellschaft

Prinz Breitschwerdt Hoppe
Niefer Osswald
Reuter Ulsamer

Schnicke Dr. Koschinsky
Wirtschaftspruefer Wirtschaftspruefer
(independent auditors)

Appendix

Daimler-Benz Highlights 1971-1980

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Number of employees (at year-end)										
Consolidated	141,083	143,793	150,014	149,175	149,742	155,003	163,302	167,165	174,431	183,392
of which: Domestic	121,478	124,295	128,376	124,040	123,145	127,018	132,214	135,275	142,164	146,323
Foreign	19,605	19,498	21,638	25,135	26,597	27,985	31,088	31,890	32,267	37,069
Daimler-Benz AG	119,029	122,601	126,855	122,899	122,775	126,652	131,807	134,437	141,401	145,532
Production (in units)										
Cars	284,230	323,878	331,682	340,006	350,098	370,348	401,255	393,203	422,159	429,078
of which: Diesels	99,294	114,794	116,120	146,701	156,668	157,685	165,818	175,915	201,854	207,781
Share of total production in %	34.9	35.4	35.0	43.1	44.8	42.6	41.3	44.7	47.8	48.4
Mercedes-Benz Cross Country Vehicles	-	-	-	-	-	-	-	-	2,508	6,667
Commercial vehicles (excl. major components)	188,095	201,937	215,935	205,344	229,302	247,756	248,100	239,702	256,467	272,868
of which: Domestic plants	159,677	168,482	177,061	161,400	180,005	193,204	187,298	173,101	188,772	203,041
Foreign plants	28,418	33,455	38,874	43,944	49,297	54,552	60,802	66,601	67,695	69,827
(in millions of D-Marks)										
Sales										
Consolidated	11,343	12,466	13,794	15,283	19,051	21,303	23,496	24,236	27,367	31,054
of which: Domestic sales	6,230	6,374	6,821	6,541	8,102	9,197	10,336	11,539	12,938	13,855
Foreign sales	5,113	6,092	6,973	8,742	10,949	12,106	13,160	12,697	14,429	17,199
Foreign share in %	45.1	48.9	50.5	57.2	57.5	56.8	56.0	52.4	52.7	55.4
of which: Car sales	5,121	6,047	6,772	7,085	8,116	9,354	10,882	11,082	12,285	14,088
Commercial vehicle sales	5,581	5,793	6,385	7,374	10,118	11,056	11,662	12,109	13,984	15,818
Other sales	641	626	637	824	817	893	952	1,045	1,098	1,148
Daimler-Benz AG	9,968	10,909	12,294	13,489	16,258	18,353	20,012	20,584	23,454	26,472
of which: Domestic sales	6,196	6,332	6,780	6,496	8,070	9,169	10,321	11,522	12,987	13,845
Export sales	3,772	4,577	5,514	6,993	8,188	9,184	9,691	9,062	10,467	12,627
Export share in %	37.8	42.0	44.9	51.8	50.4	50.0	48.4	44.0	44.6	47.7
of which: Car sales	4,793	5,609	6,569	6,865	7,506	8,848	10,363	10,622	11,775	13,136
Commercial vehicle sales	4,755	4,891	5,299	6,109	8,208	8,903	8,956	9,208	10,818	12,393
Other sales	420	409	426	515	544	602	693	754	861	943
Capital investments and depreciation										
Consolidated										
Total investments	906	915	654	871	1,096	908	1,140	1,498	1,969	2,140
of which: in property, plant and equipment										
Domestic	822	772	555	724	911	740	892	1,239	1,718	1,663
Foreign	70	63	65	109	120	124	195	207	187	394
in financial assets	14	80	34	38	65	44	53	52	64	83
Depreciation of fixed assets	677	760	688	731	884	917	918	1,013	1,342	1,447
of which: of property, plant and equipment										
Domestic	618	684	631	673	834	830	772	850	1,162	1,272
Foreign	50	56	38	41	47	68	129	151	151	162
of financial assets	9	20	19	17	3	19	17	12	29	13
Daimler-Benz AG										
Investments in property, plant and equipment	731	636	503	672	869	697	832	1,133	1,560	1,520
Additions to investments in affiliated companies (net)	69	9	11	35	9	26	104	48	47	100
Depreciation of property, plant and equipment	574	633	573	629	786	785	726	804	1,094	1,189

Note - "World-wide" comprises consolidated companies Daimler-Benz AG plus domestic and foreign companies in which Daimler-Benz' direct or indirect investment is more than 50 %.

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
(in millions of D-Marks)										
Daimler-Benz Consolidated										
Fixed assets	2,263	2,250	2,174	2,223	2,348	2,261	2,873	3,298	3,846	4,452
Current assets	2,256	2,723	3,444	3,824	4,513	5,745	9,035	9,563	10,271	13,027
Capital stock	761	951	951	1,189	1,189	1,189	1,359	1,359	1,359	1,359
Retained earnings	988 ¹⁾	906	1,011	897	1,012	1,182	2,575	2,917	3,322	3,956
Shareholders' equity	1,749	1,857	1,962	2,086	2,201	2,371	3,934	4,276	4,681	5,315
in % of fixed assets	77.3	82.6	90.3	93.8	93.7	104.9	136.9	129.7	121.7	119.4
Long and medium-term liabilities ²⁾	991	1,091	1,299	1,463	1,729	2,014	2,809	3,156	3,508	4,814
Stockholders' equity plus long and medium-term liabilities	2,740	2,948	3,261	3,549	3,930	4,385	6,743	7,432	8,189	10,129
in % of fixed assets	121.1	131.0	150.0	159.6	167.4	193.9	234.7	225.3	212.9	227.5
Balance sheet total	4,519	4,973	5,618	6,047	6,861	8,006	11,908	12,861	14,117	17,479

Note: Up to 1976, figures are taken from the Daimler-Benz AG balance sheet.

Daimler-Benz AG

Total revenue	10,003	11,041	12,629	13,656	16,414	18,312	20,407	20,645	23,736	26,714
Cost of materials and services	5,368	5,698	6,437	7,187	8,523	9,080	10,278	10,055	11,748	13,462
Payroll and employee benefits	2,676	3,099	3,611	4,117	4,632	5,205	5,868	5,972	6,701	7,297³⁾
Average cost per employee (DM)	23,470	25,876	29,201	33,395	38,108	41,833	45,183	46,765	48,679	50,596
Sales per employee average for the year (DM)	87,424	91,097	99,416	109,416	133,756	147,506	154,091	161,181	170,381	183,553
Taxes on income, trade and property	337 ⁴⁾	497	618	661	927	1,392	1,734	1,852	2,143	1,360 ⁵⁾
Net income for the year	207	275	277	269	310	392	445	474	540	570 ⁶⁾
in % of sales of Daimler-Benz AG	2.1	2.5	2.3	2.0	1.9	2.1	2.2	2.3	2.3	2.2
Included in payroll and employee benefits:										
Christmas and special bonus	85	104	137	144	146	176	213	232	280	328
Payments for employee capital formation ⁴⁾	30	65	73	74	73	73	73	77	79	102
Payments for old age security	115	164	166	238	340	427	503	435	439	1,665 ⁵⁾
Total expenditures to employees for special social purposes	230	333	376	456	559	676	789	744	798	2,095⁴⁾
Dividends (paid or proposed)	162	171	171	178	202	225	228	243	270	297
in % of sales of Daimler-Benz AG	1.6	1.6	1.4	1.3	1.2	1.2	1.1	1.2	1.2	1.1
Dividend per share of DM 50 par value (in DM)	8.50 ⁷⁾	9.--	9.--	7.50 ⁸⁾	8.50	9.50	9.-- ⁹⁾	9.--	10.--	10.-- +1.-- ¹⁰⁾
Tax credit per share of DM 50 par value (in DM) ¹¹⁾							5.06	5.06	5.62	6.19
Dividend per share of DM 50 par value adjusted ¹²⁾	6.08	6.44	6.44	6.70	7.60	8.49	8.53	9.--	10.--	10.-- +1.-- ¹⁰⁾
Tax credit per share of DM 50 par value adjusted ¹¹⁾							4.80	5.06	5.62	6.19

¹⁾ Including additions to retained earnings as ratified by the shareholders at the Annual Meeting.

²⁾ Comprising: Liability reserves of a long and medium-term nature, long-term liabilities to banks and to the Daimler-Benz Provident Fund.

³⁾ Exclusive of extraordinary expense for old age pension in the amount of DM 1,408 million.

⁴⁾ Including additional taxes as a result of the resolution by the shareholders at the Annual Meeting.

⁵⁾ Restructuring of old age pension with tax-deductible extraordinary addition to pension reserves.

⁶⁾ Excluding dissolution of reserve in the amount of DM 391 million, which amount was credited back to income, as a result of underfunding in the Provident Fund.

⁷⁾ Retroactive dividend entitlement of new shares from capital increase out of retained earnings (4 to 1) in 1972.

⁸⁾ Full dividend entitlement of new shares from capital increase out of retained earnings (4 to 1).

⁹⁾ 50 % dividend entitlement of the new common shares as a result of the capital increase in December (7:1).

¹⁰⁾ DM 1 bonus

¹¹⁾ For our stockholders who are liable for income taxes in the Federal Republic of Germany.

¹²⁾ Allowing for capital stock increases.

Production and Sales

1971 1972 1973 1974 1975 1976 1977 1978 1979 1980

Cars

(in thousands of units)

Production

Federal Republic	3,697	3,522	3,650	2,840	2,908	3,547	3,791	3,890	3,933	3,521
Daimler-Benz AG	284	324	332	340	350	370	401	393	422	429

New car registrations

Federal Republic	2,152	2,143	2,031	1,693	2,106	2,312	2,561	2,664	2,623	2,426
of which: Domestic marques	1,609	1,581	1,506	1,241	1,584	1,812	2,019	2,079	2,016	1,787
Daimler-Benz AG	156	168	173	170	191	197	214	214	234	241
Foreign marques	543	562	525	452	522	500	542	585	607	639
Share in %	25.2	26.2	25.9	26.7	24.8	21.6	21.1	21.9	23.2	26.3

Exports

Federal Republic	2,146	2,027	2,173	1,707	1,476	1,837	1,939	1,904	1,997	1,873
Daimler-Benz AG	132	155	153	172	159	170	185	177	183	188

Export share of total production in %

Federal Republic	58.1	57.6	59.5	60.1	50.8	51.8	51.2	49.0	50.8	53.2
Daimler-Benz AG	46.4	47.9	46.0	50.5	45.5	45.9	46.0	44.9	43.4	43.8

Commercial Vehicles*)

Production

Federal Republic	286	294	299	260	278	321	314	296	317	358
Daimler-Benz AG	160	168	177	161	180	193	187	173	189	203
Consolidated	188	202	216	205	229	248	248	240	256	273

New commercial vehicle registrations

Federal Republic	163	149	138	108	109	137	138	156	170	176
Daimler-Benz AG	90	78	73	53	58	69	69	80	88	86

Exports

Federal Republic	147	161	174	174	178	206	189	169	178	211
Daimler-Benz AG	74	87	96	107	112	125	110	93	97	116

Export share of total production in %

Federal Republic	51.3	54.7	58.3	66.7	63.8	64.2	60.1	57.1	56.2	58.9
Daimler-Benz AG	46.1	51.9	54.0	66.6	62.0	64.7	58.8	53.8	51.4	57.3

*) Figures of Daimler-Benz including all Unimog vehicles and MB-trac.

Production and Sales Data

Changes compared to prior year in %

1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 Change 1980 : 1971 in % Average yearly change in %

Cars

Production

Federal Republic	+ 4.8	- 4.7	+ 3.6	-22.2	+ 2.4	+22.0	+ 6.9	+ 2.6	+ 1.1	-10.5	- 4.8	- 0.5
Daimler-Benz AG	+ 1.4	+13.9	+ 2.4	+ 2.5	+ 3.0	+ 5.8	+ 8.3	- 2.0	+ 7.4	+ 1.6	+51.0	+ 4.7

New car registrations

Federal Republic	+ 2.1	- 0.4	- 5.2	-16.6	+24.4	+ 9.8	+10.8	+ 4.0	- 1.5	- 7.5	+12.8	+ 2.8
of which: Domestic marques	- 1.5	- 1.7	- 4.8	-17.5	+27.7	+14.3	+11.5	+ 3.0	- 3.0	-11.3	+11.1	+ 1.1
Daimler-Benz AG	+ 7.2	+ 8.0	+ 2.5	- 1.7	+12.3	+ 3.6	+ 8.5	- 0.3	+ 9.7	+ 2.9	+54.5	+ 5.0
Foreign marques	+14.5	+ 3.5	- 6.3	-14.2	+15.4	- 4.1	+ 8.3	+ 7.9	+ 3.9	+ 5.1	+17.7	+ 1.8

Exports

Federal Republic	+10.3	- 5.6	+ 7.2	-21.5	-13.5	+24.5	+ 5.6	- 1.8	+ 4.9	- 6.2	-12.7	- 1.5
Daimler-Benz AG	+ 0.4	+17.6	- 1.6	+12.6	- 7.2	+ 6.6	+ 8.6	- 4.3	+ 3.6	+ 2.7	+42.5	+ 4.0

Commercial Vehicles*)

Production

Federal Republic	- 9.0	+ 3.0	+ 1.6	-13.0	+ 7.0	+15.4	- 2.3	- 5.6	+ 7.1	+12.8	+25.1	+ 2.5
Daimler-Benz AG	- 6.8	+ 5.5	+ 5.1	- 8.8	+11.5	+ 7.3	- 3.1	- 7.6	+ 9.1	+ 7.6	+27.2	+ 2.7
Consolidated	- 4.1	+ 7.4	+ 6.9	- 4.9	+11.7	+ 8.0	+ 0.1	- 3.4	+ 7.0	+ 6.4	+45.1	+ 4.2

New commercial vehicle registrations

Federal Republic	- 1.1	- 8.5	- 7.4	-21.9	+ 1.2	+26.0	+ 0.4	+13.2	+ 9.0	+ 3.1	+ 7.7	+ 0.8
Daimler-Benz AG	+ 4.0	-13.1	- 6.2	-27.4	+ 9.5	+17.9	- 0.2	+16.3	+10.1	- 2.3	- 4.7	- 0.5

Exports

Federal Republic	- 6.8	+ 9.7	+ 8.3	- 0.5	+ 2.2	+16.2	- 8.6	-10.4	+ 5.4	+18.3	+43.6	+ 4.1
Daimler-Benz AG	- 3.6	+18.9	+ 9.3	+12.4	+ 3.8	+12.0	-11.9	-15.4	+ 4.1	+20.0	+58.2	+ 5.2

*) Figures of Daimler-Benz including all Unimog vehicles and MB-trac.

Car Industry of Leading Countries

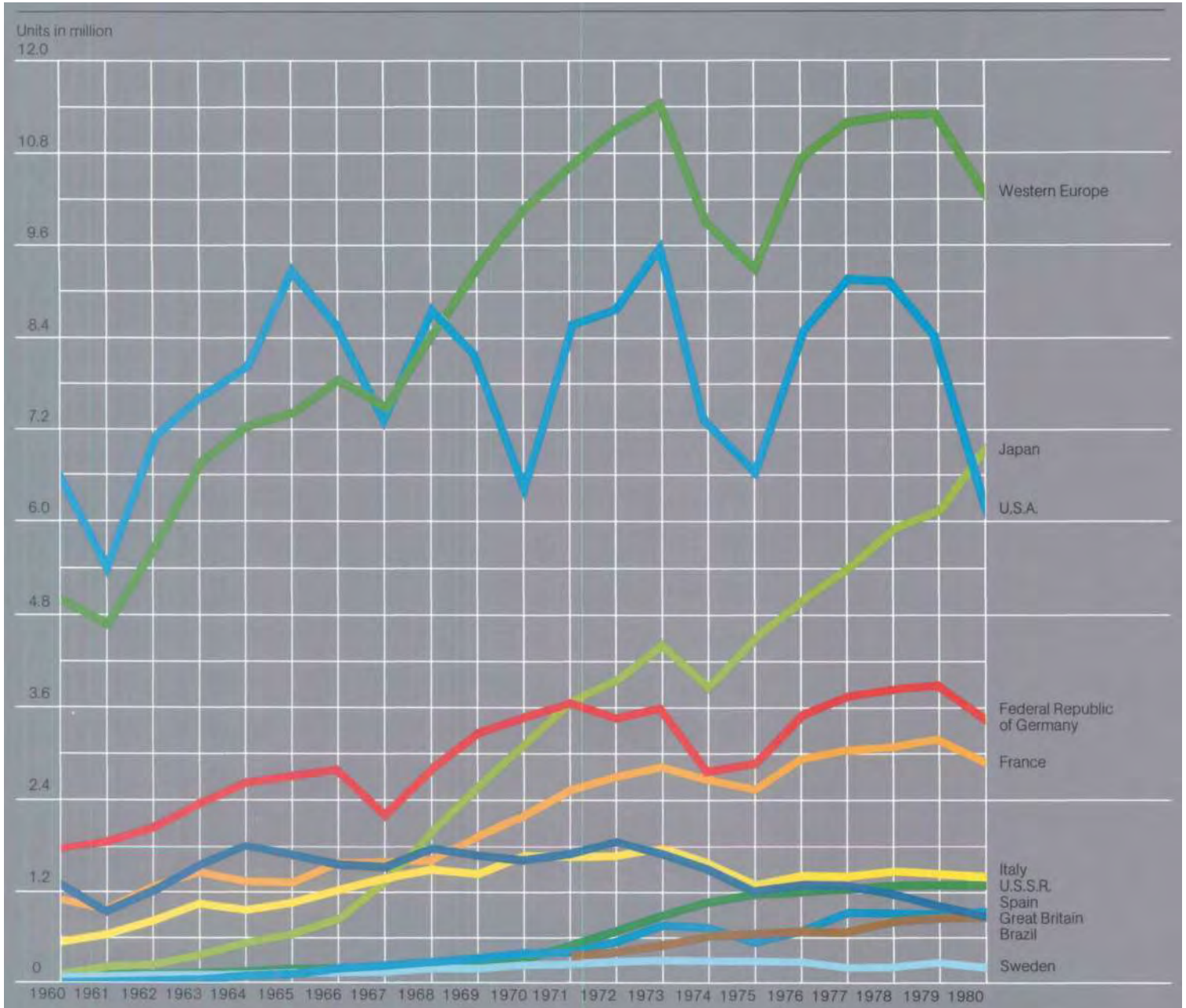
	1971	1976	1977	1978	1979	1980*)	Change compared to prior year in %					
							1971	1976	1977	1978	1979	1980*)
(in thousands of units)												
Worldwide production	26,227	29,152	30,906	31,715	31,525	29,191	+ 16	+16	+ 6	+ 3	- 1	- 7
Federal Republic of Germany												
Production	3,697	3,547	3,791	3,890	3,933	3,521	+ 5	+22	+ 7	+ 3	+ 1	-10
Imports	770	845	949	1,054	1,041	1,031	+ 20	+11	+12	+11	- 1	- 1
Exports	2,146	1,837	1,939	1,904	1,997	1,873	+ 10	+25	+ 6	- 2	+ 5	- 6
of which: to Europe	1,060	1,318	1,303	1,289	1,491	1,381	+ 8	+38	- 1	- 1	+16	- 7
to U.S.A.	869	344	466	412	331	335	+ 15	- 8	+35	-12	-20	+ 1
New car registrations	2,152	2,312	2,561	2,664	2,623	2,426	+ 2	+10	+11	+ 4	- 2	- 8
France												
Production	2,466	2,980	3,092	3,111	3,220	2,939	+ 10	+17	+ 4	+ 1	+ 4	- 9
Imports	357	604	582	572	604	660	+ 20	+51	- 4	- 2	+ 6	+ 9
Exports	1,258	1,504	1,621	1,579	1,698	1,530	+ 6	+10	+ 8	- 3	+ 8	-10
of which to Europe	1,028	1,247	1,330	1,290	1,407	1,203	+ 9	+12	+ 7	- 3	+ 9	-15
New car registrations	1,469	1,858	1,907	1,945	1,976	1,873	+ 13	+25	+ 3	+ 2	+ 2	- 5
Great Britain												
Production	1,742	1,333	1,328	1,257	1,102	959	+ 9	+ 5	- 0	- 5	-12	-13
Imports	281	534	698	802	1,061	863	+ 78	+19	+31	+15	+33	-19
Exports	721	496	475	466	410	359	+ 4	- 4	- 4	- 2	-12	-12
of which to Europe	352	185	183	150	164	143	+ 4	+13	- 1	-18	+ 9	-13
New car registrations	1,284	1,288	1,326	1,594	1,718	1,516	+ 19	+ 8	+ 3	+20	+ 8	-12
Italy												
Production	1,685	1,471	1,440	1,509	1,481	1,445	- 1	+ 9	- 2	+ 5	- 2	- 2
Imports	396	487	464	516	626	800	- 14	+29	- 5	+11	+21	+28
Exports	640	696	644	640	647	511	+ 1	+ 5	- 8	- 1	+ 1	-21
of which to Europe	506	536	512	483	480	385	+ 3	+15	- 5	- 6	- 1	-20
New car registrations	1,435	1,188	1,219	1,194	1,397	1,533	+ 5	+13	+ 3	- 2	+17	+10
Sweden												
Production	287	317	235	254	297	235	+ 3	+ 0	-26	+ 8	+17	-21
Imports	118	242	173	132	162	142	- 4	+18	-29	-24	+23	-12
Exports	201	202	181	207	238	189	+ 10	- 7	-11	+14	+15	-21
of which to Europe	110	128	105	110	131	88	+ 8	+20	-18	+ 5	+19	-33
New car registrations	198	313	241	200	215	193	- 3	+10	-23	-17	+ 7	-11
Spain												
Production	453	753	989	986	966	1,029	+ 1	+ 8	+31	- 0	- 2	+ 7
Exports	78	166	314	373	397	492	+110	+15	+89	+19	+ 6	+24
U.S.S.R.												
Production	529	1,239	1,280	1,312	1,314	1,340	+ 54	+ 3	+ 3	+ 3	+ 0	+ 2
Exports	157	360	362	387	393	400	+ 71	+16	+ 1	+ 7	+ 2	+ 2
Japan¹⁾												
Production	3,718	5,028	5,431	5,748	6,176	7,038	+ 17	+10	+ 8	+10	+ 7	+14
Imports	19	40	41	55	65	46	- 3	-11	+ 1	+32	+19	-29
Exports	1,299	2,539	2,959	2,819	3,102	3,947	+ 79	+39	+17	+ 3	+10	+27
of which to Europe	193	633	661	648	806	1,003	+ 90	+31	+ 5	- 2	+25	+24
to U.S.A.	677	1,081	1,375	1,440	1,588	1,887	+ 99	+48	+27	+ 5	+10	+19
New car registrations	2,403	2,449	2,500	2,857	3,037	2,854	+ 1	-11	+ 2	+14	+ 6	- 6
U.S.A.												
Production	8,584	8,498	9,214	9,177	8,434	6,376	+ 31	+27	+ 8	- 0	- 8	-24
Imports	2,587	2,537	2,791	3,025	3,006	3,150	+ 29	+22	+10	+ 8	- 1	+ 5
Exports ²⁾	463	660	688	672	741	560	+ 29	+ 3	+ 4	- 2	+10	-25
of which to Europe	10	24	26	42	67	52	- 8	+21	+ 9	+59	+61	-22
New car registrations	9,821	9,761	10,820	10,840	10,857	8,761	+ 17	+18	+11	+ 1	- 5	-15
Brazil												
Production	405	764	729	875	921	937	+ 30	+ 6	- 5	+20	+ 5	+ 2
Exports	0	61	55	79	78	115		+17	-10	+42	- 1	+47
New car registrations	402	699	680	800	839	798	+ 28	+ 5	- 3	+18	+ 5	- 5

*) Figures are partly estimated.

1) From 1978 on, actual figures excluding major component sets.

2) Including exports to Canada.

Car Production Trends of Leading Countries 1960-1980



Share of Total World Production in %

1960	1965	1970	1975	1976	1977	1978	1979	1980
14.2	14.2	15.6	11.5	12.2	12.3	12.3	12.5	12.1
9.0	7.1	10.0	10.1	10.2	10.0	9.8	10.2	10.0
10.6	8.9	7.0	5.0	4.6	4.2	3.9	3.4	3.3
4.4	5.7	7.6	5.4	5.0	4.7	4.8	4.7	4.9
0.9	0.9	1.2	1.3	1.1	0.8	0.8	0.9	0.8
0.3	0.8	2.0	2.6	2.6	3.2	3.1	3.1	3.5
1.1	1.1	1.5	4.6	4.2	4.1	4.1	4.2	4.6
1.3	3.6	14.1	18.1	17.2	17.6	18.1	19.6	24.1
52.4	48.6	29.0	26.6	29.2	29.8	29.0	26.8	21.8
0.3	0.5	1.1	3.1	2.9	2.5	2.9	3.0	3.4

Export Share of Total Production in %

1960	1965	1970	1975	1976	1977	1978	1979	1980
47.6	51.9	55.2	50.8	51.8	51.2	49.0	50.8	53.2
44.7	37.0	52.6	53.5	50.5	52.4	50.8	52.7	52.1
42.1	36.4	42.1	40.7	37.2	36.1	38.1	38.3	37.5
33.2	28.2	36.8	49.0	47.3	44.7	42.4	43.7	35.4
44.7	46.3	66.9	68.7	63.8	76.7	81.3	80.3	80.2
		8.2	20.8	22.0	31.8	37.9	41.1	47.8
	24.2	26.7	25.8	29.1	28.3	29.5	29.9	29.9
4.2	14.5	22.8	40.0	50.5	54.5	49.0	50.2	56.1
2.2	2.2	5.5	9.5	7.8	7.5	7.3	8.8	8.8
			7.3	8.0	7.6	9.0	8.5	12.3

Commercial Vehicle Industry of Leading Countries

Comparability is limited because of strongly varying definitions from country to country for "commercial vehicles" and because of differing sales structures.

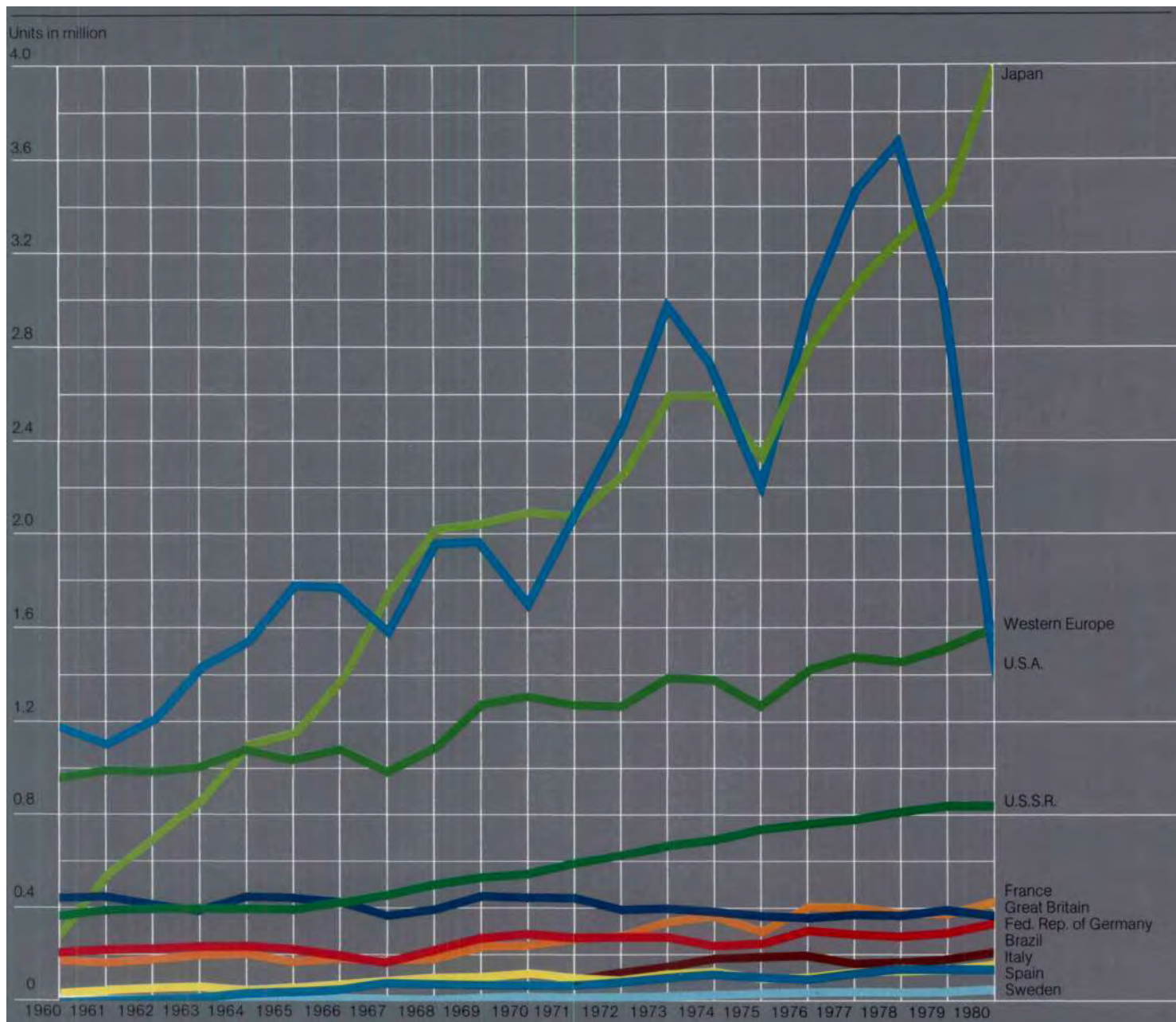
(in thousands of units)	1971	1976	1977	1978	1979	1980*)	Change compared to prior year in %					
							1971	1976	1977	1978	1979	1980*)
Worldwide production	6,934	9,236	10,231	10,734	10,481	9,636	+ 6	+ 19	+ 11	+ 5	- 2	- 8
Federal Republic of Germany												
Production	286	321	314	296	317	358	- 9	+ 15	- 2	- 6	+ 7	+13
Imports	20	26	29	35	42	43	-41	+ 17	+ 10	+21	+19	+ 3
Exports	147	206	189	169	178	211	- 7	+ 16	- 9	-10	+ 5	+18
of which to Europe	94	108	110	99	119	130	- 4	+ 39	+ 2	-10	+20	+10
New commercial vehicle registrations	163	137	138	156	170	176	- 1	+ 26	+ 0	+13	+ 9	+ 3
France												
Production	281	423	415	397	393	440	+ 9	+ 34	- 2	- 5	- 1	+12
Imports	37	92	99	87	108	117	+30	+129	+ 7	-11	+24	+ 8
Exports	110	144	148	153	162	178	+13	+ 5	+ 3	+ 3	+ 6	+10
of which to Europe	63	69	71	80	87	88	+22	+ 32	+ 3	+13	+ 9	+ 2
New commercial vehicle registrations	227	293	298	300	315	323	+ 9	+ 42	+ 2	+ 0	+ 5	+ 2
Great Britain												
Production	456	372	386	385	408	389	- 0	- 2	+ 4	- 0	+ 6	- 5
Imports	19	27	37	47	68	74	+80	+ 7	+ 35	+26	+45	+ 9
Exports	195	188	192	142	141	122	+13	+ 5	+ 2	-26	- 1	-14
of which to Europe	54	84	92	75	75	65	+ 3	+ 41	+ 10	-19	+ 1	-14
New commercial vehicle registrations	267	215	231	262	306	272	+ 1	- 5	+ 8	+14	+17	-11
Italy												
Production	116	119	144	148	151	167	-14	+ 8	+ 21	+ 3	+ 2	+10
Imports	15	55	59	58	63	69	+18	+ 71	+ 7	- 2	+ 9	+10
Exports	40	49	70	75	78	80	+ 4	- 1	+ 43	+ 7	+ 5	+ 3
of which to Europe	28	34	50	60	68	64	- 5	+ 50	+ 46	+20	+14	- 6
New commercial vehicle registrations	79	95	112	93	113	122	- 7	+ 30	+ 18	-17	+21	+ 9
Sweden												
Production	30	51	52	51	58	63	- 5	+ 0	+ 2	- 0	+14	+ 8
Imports	11	20	21	18	23	25	+ 6	+ 24	+ 2	-15	+29	+11
Exports	23	42	41	42	51	53	+ 1	+ 6	- 4	+ 4	+22	+ 3
of which to Europe	18	24	27	28	32	33	+ 3	+ 8	+ 14	+ 3	+14	+ 3
New commercial vehicle registrations	17	19	20	17	17	20	-12	+ 14	+ 4	-15	+ 1	+17
Spain												
Production	79	113	141	158	157	153	-10	- 4	+ 24	+12	- 0	- 3
Exports	8	10	29	45	49	46	-24	- 29	+180	+55	+ 9	- 8
U.S.S.R												
Production	614	786	800	839	859	905	+ 7	+ 3	+ 2	+ 5	+ 2	+ 5
Exports	39	37	43	50	55	57	- 1	- 3	+ 15	+16	+10	+ 4
Japan¹⁾												
Production	2,093	2,814	3,083	3,186	3,460	4,005	- 1	+ 19	+ 10	+ 7	+ 9	+16
Imports	1	1	1	1	2	2	+14	- 8	+ 44	+ 4	+69	+ 6
Exports	480	1,171	1,394	1,451	1,461	2,020	+33	+ 38	+ 19	+12	+ 1	+38
of which to Europe	22	72	95	95	146	216	-11	+ 59	+ 32	- 0	+54	+48
New commercial vehicle registrations	1,618	1,655	1,694	1,825	2,117	2,161	- 6	+ 5	+ 2	+ 8	+16	+ 2
U.S.A.												
Production	2,088	3,000	3,489	3,723	3,047	1,632	+20	+ 32	+ 16	+ 7	-18	-46
Imports	239	164	226	377	276	335	+55	+ 32	+ 38	+67	-27	+22
Exports ²⁾	139	245	263	291	296	203	+10	- 9	+ 7	+11	+ 2	-31
of which to Europe	2	7	8	14	12	10	-22	- 4	+ 20	+81	-15	-21
New commercial vehicle registrations	1,993	3,058	3,509	3,963	3,472	2,477	+11	+ 28	+ 15	+13	-12	-29
Brazil												
Production	111	216	187	187	201	224	+ 7	+ 2	- 14	+ 0	+ 7	+12
Exports	0	19	13	18	27	40	-	- 7	- 28	+31	+54	+47
New commercial vehicle registrations	109	196	172	170	175	181	+ 5	+ 2	- 12	- 1	+ 3	+ 4

*) Figures are partly estimated.

1) From 1978 on, actual figures excluding major component sets.

2) Including exports to Canada.

Commercial Vehicle Production Trends of Leading Countries 1960-1980



Share of Total Production in %

Export Share of Total Production in %

1960	1965	1970	1975	1976	1977	1978	1979	1980	1960	1965	1970	1975	1976	1977	1978	1979	1980
7.4	4.9	4.8	3.6	3.5	3.1	2.7	3.0	3.7	49.3	44.5	50.1	63.8	64.2	60.1	57.1	56.2	58.9
6.0	3.8	3.9	4.1	4.6	4.0	3.7	3.8	4.6	29.0	22.7	37.6	43.4	34.0	35.7	38.7	41.2	40.5
14.3	9.2	7.0	4.9	4.0	3.8	3.6	3.9	4.0	31.9	36.5	37.7	47.2	50.6	48.2	36.9	34.5	31.3
1.5	1.4	2.1	1.4	1.3	1.4	1.4	1.4	1.7	12.3	26.8	28.9	44.7	40.9	48.8	50.4	51.6	48.2
0.6	0.5	0.5	0.7	0.6	0.5	0.5	0.6	0.6	61.8	57.5	76.3	79.2	83.2	78.7	82.3	88.1	84.1
0.5	1.5	1.3	1.5	1.2	1.4	1.4	1.4	1.6			11.3	12.4	9.2	20.8	28.7	31.5	29.8
11.9	8.4	8.8	9.8	8.5	7.8	7.8	8.2	9.4		4.1	6.9	5.0	4.7	5.4	6.0	6.4	6.3
9.8	23.8	32.2	30.6	30.5	30.2	29.7	33.0	41.6	10.0	7.9	17.1	35.8	41.6	45.2	45.5	42.2	50.4
37.4	36.4	26.5	29.2	32.5	34.1	34.6	29.1	16.9	18.0	7.5	7.3	11.9	8.2	7.5	7.8	9.7	12.5
3.0	1.7	2.5	1.9	1.6	1.4	1.3	1.5	1.9				9.4	8.6	7.2	9.4	13.5	17.7

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