

DAIMLER



Interim Report Q1 2015.

Contents.

A Key Figures	4
B Daimler and the Capital Market	5
C Interim Management Report	6 - 16
Business development	6
Profitability	8
Cash flows	9
Financial position	11
Workforce	13
Important events	13
Risk and opportunity report	13
Outlook	14
D The Divisions	17 - 21
Mercedes-Benz Cars	17
Daimler Trucks	18
Mercedes-Benz Vans	19
Daimler Buses	20
Daimler Financial Services	21
E Interim Consolidated Financial Statements	22 - 41
Consolidated Statement of Income	22
Consolidated Statement of Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Cash Flows	25
Consolidated Statement of Changes in Equity	26
Notes to the Interim Consolidated Financial Statements	28
F Addresses – Information – Financial Calendar	43

Cover photo: Following the worldwide success of the SLS AMG, the new GT is the second sports car developed completely by Mercedes-AMG. It thrills sports-car enthusiasts all over the world with its breathtaking design and extreme agility. Fascinating, dynamic and versatile – the GT enters a new segment and epitomizes the dream of the authentic Mercedes-AMG sports car.

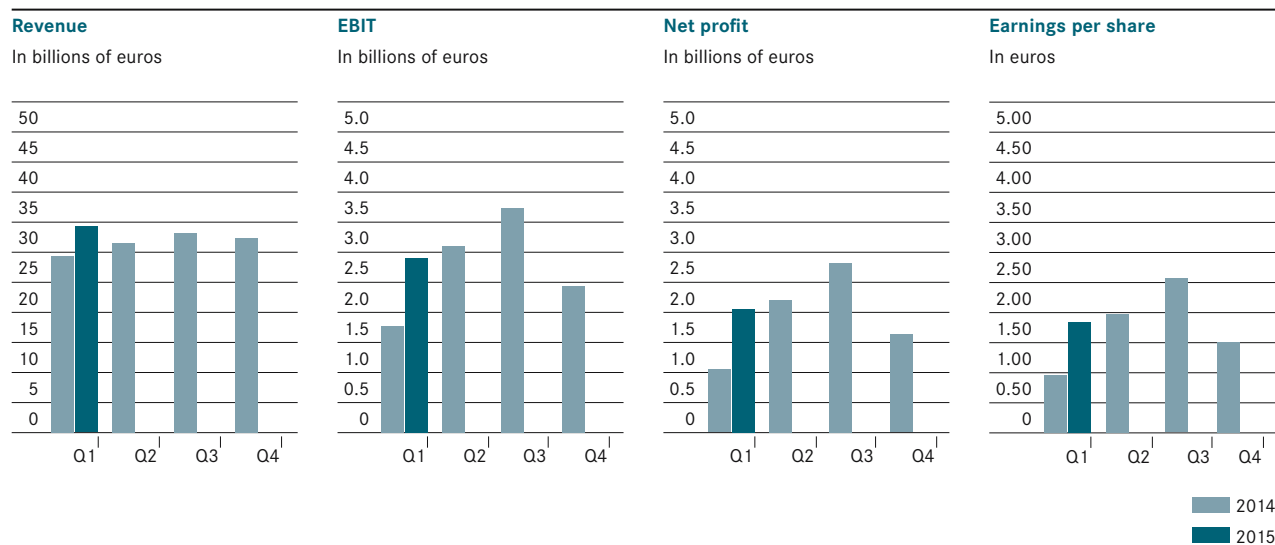
Q1

Key Figures Daimler Group

Amounts in millions of euros	Q1 2015	Q1 2014	% change
Revenue	34,236	29,457	+16 ¹
Western Europe	11,025	10,056	+10
thereof Germany	5,054	4,813	+5
NAFTA	10,730	8,330	+29
thereof United States	9,502	7,347	+29
Asia	8,243	7,050	+17
thereof China	3,558	3,277	+9
Other markets	4,238	4,021	+5
Investment in property, plant and equipment	1,027	1,043	-2
Research and development expenditure	1,526	1,351	+13
thereof capitalized development costs	400	275	+45
Free cash flow of the industrial business	2,292	694	+230
EBIT	2,906	1,787	+63
Net profit	2,050	1,086	+89
Earnings per share (in euros)	1.83	0.96	+91
Employees	283,541	279,972 ²	+1

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

2 As of December 31, 2014.



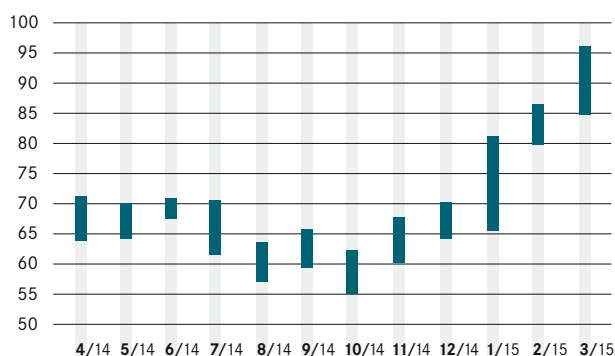
Daimler and the Capital Market.

Key figures

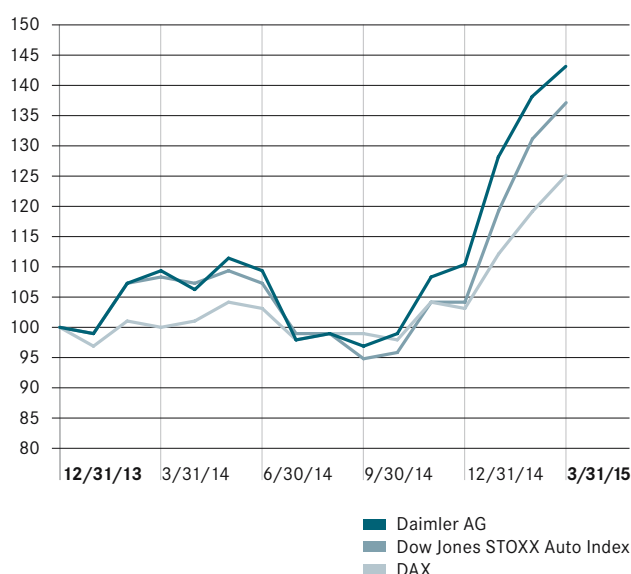
	March 31, 2015	March 31, 2014	% change
Earnings per share in Q1 (in €)	1.83	0.96	+91
Outstanding shares (in millions)	1,069.8	1,069.8	+0
Market capitalization (€ billion)	96.00	73.38	+31
Xetra closing price (in €)	89.73	68.59	+31

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

in €



Share-price development (indexed)



Daimler share price develops better than DAX in Q1

Already in early 2015, share prices increased significantly on European stock markets. The DAX was boosted by the announcement of the ECB's program to purchase government bonds, the continuation of the low oil price and the strong US dollar, resulting in significant share-price gains in particular for industrial companies with high export ratios.

On the basis of the product offensive, the good development of earnings in 2014 and the positive outlook, Daimler's share price increased until the day that our figures for financial year 2014 were published, reaching €82.78. This development was supported by the announcement of an attractive dividend of €2.45 per share for the year 2014, with which we emphasized our policy of providing our shareholders with a sustainable dividend development.

The positive development continued in the second half of the first quarter. Daimler shares were listed on March 16 at €95.79, which led to profit-taking.

Overall, Daimler's share price increased in the first quarter of 2015 by 30% to reach €89.73 at closing on March 31, following a similar development to that of the Dow Jones STOXX Auto Index (+32%) and significantly better than the DAX (+22%). Market capitalization at the end of the quarter was €96.0 billion.

Capital market used for attractive financing

The Daimler Group once again undertook refinancing at attractive conditions in the international money and capital markets in the first quarter of 2015. In early March, Daimler Finance North America LLC issued bonds with maturities of two, three and five years and a total volume of \$3.0 billion in the US capital market. In addition, we conducted several smaller issuances in various countries and currencies. In January and April 2015, we conducted asset-backed securities (ABS) transactions in the United States with volumes of approximately \$2 billion and \$1 billion respectively.

Interim Management Report.

Unit sales significantly above prior-year level at 641,600 units

Revenue up by 16% to €34.2 billion

Group EBIT of €2,906 million (Q1 2014: €1,787 million)

Net profit of €2,050 million (Q1 2014: €1,086 million)

Free cash flow of industrial business of €2.3 billion (Q1 2014: €0.7 billion)

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

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

Business development

Ongoing moderate expansion of world economy

The **world economy** seems to have continued the rather moderate expansion of the previous months in the first quarter of 2015. Although the dynamism of the US economy is likely to have been rather weaker for weather reasons, the fundamental conditions there for solid growth remain intact. In the European Monetary Union, lower energy prices, rising real incomes and the depreciation of the euro have had a positive impact on business and consumer sentiment in the first months of the year. As a result, the economy of the euro zone seems to have continued to revive despite the uncertainty in connection with Greece. However, economic developments in some emerging markets are a concern, above all Russia and Brazil, with recessive tendencies tending to worsen during the first quarter. In China, the weakening of economic growth seems to have continued, but it probably remained within the range targeted by the government. In view of the ongoing expansive actions of most central banks, especially in Europe and Japan, stock markets made some gains, in some cases quite substantial ones. As expected, the euro tended to be significantly weaker in the first quarter.

Worldwide demand for cars continued its moderate expansion in the first quarter. Once again, the Chinese and the US markets were the main growth drivers. Market growth in China continued at a lively pace of close to 10%. The US market also grew at a strong rate of nearly 6%; however, this partially reflects the rather weak first quarter of the previous year due to the weather in that period. In addition to China and the United States, the ongoing recovery of the Western European market also made a significant contribution to the worldwide growth. Demand for cars in that region was 9% higher than in the prior-year period. All of the region's major individual markets recorded significant growth, so the positive market trend was broadly based. The development of demand was less favorable in Japan, where the anticipated market correction occurred: The sharp contraction of minus 18% is mainly the result of the boost in demand ahead of last year's increase in value-added tax. The car markets of the major emerging economies other than China once again developed disparately. There was a moderate increase in demand in India. But car sales in Russia slumped by approximately 35% due to very weak demand in the volume segment, and a weakening of demand is meanwhile apparent also in the premium segment.

Demand for **medium- and heavy-duty trucks** was still very mixed at the beginning of the year. The North American market continued to be robust with strong expansion of nearly 20% in Classes 6 to 8. Positive tendencies were apparent also in the European market. In line with the improving economy, new registrations were approximately 10% higher than in the first quarter of last year. The situation was completely different in Brazil, where the economic weakness was reflected by a drastic contraction of the truck market of nearly 40%. The Japanese market for light-, medium- and heavy-duty trucks developed positively, however. Sales nearly reached the high level of the prior-year period. The Indonesian market developed well below expectations, however. Despite rather better economic conditions, the truck market contracted substantially by about 30% compared with the first quarter of 2014. The Indian market for medium- and heavy-duty trucks remained on a course of recovery from a low level. The severe recession in Russia was reflected in the demand for trucks. According to recent estimates, the market probably contracted by a significant double-digit rate. The drop in demand for trucks in China, the world's biggest market, was of a similar magnitude. The main reason for the distinct market weakness there was the introduction of the new CN4 emission standards (similar to Euro IV).

Demand for **vans** in Western Europe continued to grow, with a 10% increase in market volume for medium-sized and large vans. Demand for small vans increased by 7%. The US market for large vans also continued its strong expansion with a plus of 17%. But due to unfavorable economic conditions, the market for large vans in Latin America contracted sharply.

In the first quarter of 2015, the **bus market** in Western Europe expanded compared with the weak prior-year period by 15%. As a result of the difficult economic situation, the Brazilian market remained significantly below its prior-year level with a decrease of approximately 20%.

First-quarter unit sales significantly above prior-year level

In the first quarter of 2015, Daimler sold 641,600 cars and commercial vehicles worldwide, which is 13% more than in the same period of last year.

First-quarter unit sales by **Mercedes-Benz Cars** increased by 18% to 459,700 vehicles, the highest number in a first quarter so far. In Western Europe (excluding Germany), the division achieved a new record of 111,000 units, selling 19% more vehicles than in the prior-year period. The main growth driver in this region was the United Kingdom (+17%). In Germany, the domestic market, we sold 65,400 vehicles of the brands Mercedes-Benz and smart (Q1 2014: 59,100). Mercedes-Benz Cars set a record also in the United States, selling 87,700 units (+14%). In China, we continued along our successful path and increased our unit sales to a new high of 87,400 vehicles (+24%). Unit sales by Mercedes-Benz Cars developed very positively also in Japan (+23%) and South Korea (+20%) in the first quarter.

Unit sales by **Daimler Trucks** increased by 4% to 112,400 vehicles in the first quarter of 2015. This sales growth was primarily driven by the development in North America, where our unit sales of 40,800 vehicles were a significant 18% higher than in the prior-year period. Sales of 11,500 units in Western Europe were slightly below the prior-year number, however (-2%). In Latin America, our sales of 7,200 units were significantly lower than in the first quarter of last year (-29%). The continuation of difficult economic conditions had a clear impact on demand for trucks. Due in particular to the sharp decrease in trucks sold in Indonesia, overall sales in Asia of 37,300 units were significantly lower than in the prior-year period (-8%). The number of 12,300 trucks sold in Japan was 8% fewer than in the first quarter of 2014. Unit sales in India increased significantly, however.

Mercedes-Benz Vans increased its first-quarter unit sales by 4% to 63,800 vehicles. In its core region of Western Europe, the division achieved further significant growth of 7% to sales of 41,700 units in the first quarter, with strong growth in Germany (+15%). Growth continued also in Eastern Europe with a plus of 16%; due to the substantial increase in Turkey (+24%), unit sales in this region rose from 6,000 to 7,000 vehicles. The development of unit sales in the NAFTA region was once again positive in the first quarter, with particularly strong growth of 24% to 6,200 units in the United States. In Latin America, sales of 3,700 units were at the level of the prior-year quarter. Sales in China decreased significantly to 900 units (Q1 2014: 2,700), primarily due to the upcoming model change for mid-size vans in that market.

Daimler Buses' sales of 5,700 buses and bus chassis in the first quarter were significantly lower than the unusually high prior-year number of 6,700 units. The decrease is primarily due to the weaker business with bus chassis in Latin America, which was not offset by the ongoing good development of demand for our complete buses in Western Europe and Turkey. In Western Europe, we sold 1,200 units, representing an increase of 15% compared with the prior-year period. In Latin America (excluding Mexico), sales of 2,900 units were significantly lower than in the prior-year period (Q1 2014: 4,000).

At **Daimler Financial Services**, new business grew by 34% compared with the first quarter of last year to €13.2 billion. Contract volume amounted to €108.7 billion at the end of the interim reporting period, which is 10% higher than at the end of 2014. Adjusted for exchange-rate effects, there was an increase of 3%. The insurance business continued to develop very positively.

The Daimler Group's first-quarter **revenue** amounted to €34.2 billion, which is 16% higher than in the first quarter of last year. Adjusted for exchange-rate effects, revenue grew by 9%.

Mercedes-Benz Cars achieved revenue of €19.5 billion, which is 15% higher than in the first quarter of last year. Revenue at Daimler Trucks grew by 18%, primarily due to the very positive business development in the NAFTA region, and reached €8.4 billion. Mercedes-Benz Vans increased its revenue by 9% to €2.4 billion and Daimler Buses' revenue of €0.9 billion was slightly above the level of the prior-year period.

C.01

Unit sales by division

	Q1 2015	Q1 2014	% change
Daimler Group	641,614	565,799	+13
Mercedes-Benz Cars	459,708	389,476	+18
Daimler Trucks	112,424	108,529	+4
Mercedes-Benz Vans	63,805	61,119	+4
Daimler Buses	5,677	6,675	-15

C.02

Revenue by division

In millions of euros	Q1 2015	Q1 2014	% change
Daimler Group	34,236	29,457	+16
Mercedes-Benz Cars	19,509	17,004	+15
Daimler Trucks	8,414	7,121	+18
Mercedes-Benz Vans	2,415	2,212	+9
Daimler Buses	877	859	+2
Daimler Financial Services	4,549	3,809	+19

Profitability

The **Daimler Group** achieved first-quarter EBIT of €2,906 million, which is significantly higher than the figure for the prior-year period (Q1 2014: €1,787 million). [↗ C.03](#)

Mercedes-Benz Cars primarily contributed to the increase in earnings. The development of the division's earnings was mainly the result of further growth in unit sales in all regions. Earnings significantly increased also at Daimler Trucks and Mercedes-Benz Vans. Due to market conditions, Daimler Buses did not match its very high earnings of the prior-year period. Daimler Financial Services' earnings increased primarily due to the higher contract volume. Changes in exchange rates had a positive impact on operating profit.

C.03

EBIT by segment

In millions of euros	Q1 2015	Q1 2014	% change
Mercedes-Benz Cars	1,841	1,183	+56
Daimler Trucks	472	341	+38
Mercedes-Benz Vans	215	123	+75
Daimler Buses	34	53	-36
Daimler Financial Services	409	397	+3
Reconciliation	-65	-310	.
Daimler Group	2,906	1,787	+63

C.04

Special items affecting EBIT

In millions of euros	Q1 2015	Q1 2014
Mercedes-Benz Cars		
Restructuring of sales organization in Germany	-20	-
Relocation of headquarters of MBUSA	-20	-
Sale of real estate in the United States	+87	-
Daimler Trucks		
Workforce adjustments	-5	-5
Sale of Atlantis Foundries	-55	-
Restructuring of sales organization in Germany	-4	-
Mercedes-Benz Vans		
Restructuring of sales organization in Germany	-4	-
Relocation of headquarters of MBUSA	-2	-
Daimler Buses		
Business repositioning	-	-1
Restructuring of sales organization in Germany	-1	-
Reconciliation		
Measurement of put option for RRPSTH	-	-118
Hedge of Tesla share price	-	-161

Furthermore, the special items shown in table [↗ C.04](#) affected EBIT in the first quarter of 2015 and 2014. Earnings in the first quarter of 2014 were affected by expenses in connection with hedging of the Tesla Motors Inc. (Tesla) share price and the remeasurement of the put option on shares in Rolls-Royce Power Systems Holding GmbH (RRPSH).

First-quarter EBIT of the **Mercedes-Benz Cars** division of €1,841 million was significantly higher than the figure for the prior-year period of €1,183 million. The division's return on sales was 9.4% (Q1 2014: 7.0%). [↗ C.03](#)

The development of earnings primarily reflects the growth in unit sales in all regions. Strong contributions came from the new C-Class and the expanded range of compact cars. Mercedes-Benz Cars achieved earnings growth also as a result of better pricing. In addition, efficiency actions had a positive impact on EBIT. However, the development of earnings featured a changed regional structure of unit sales, due for example to the higher proportion of cars produced locally in China. Furthermore, earnings were affected by expenses for the enhancement of products' attractiveness, capacity expansion, advance expenditure for new technologies and vehicles, and exchange-rate changes. Furthermore, effects of the relocation of the headquarters of Mercedes-Benz USA, LLC and from the sale of real estate in the United States are included in EBIT.

All **automotive divisions** were also affected by the restructuring of the Group's own sales organization in Germany. In this context, we refer to the information provided in Note 4 of the Notes to the Consolidated Financial Statements.

Daimler Trucks' EBIT of €472 million was significantly higher than in the prior-year period (Q1 2014: €341 million). The division's return on sales amounted to 5.6% (Q1 2014: 4.8%). [↗ C.03](#)

There were positive effects on the development of earnings in particular from increased unit sales in the NAFTA region and foreign exchange rates. The realization of further efficiencies and the settlement of a healthcare plan in the United States also had a positive impact on earnings. Negative effects on the earnings posted by Daimler Trucks resulted above all from lower unit sales in Latin America and Indonesia, higher warranty costs and expenditure for capacity expansion. In addition, there were expenses from the measurement at fair value of Atlantis Foundries (Pty.) Ltd., the sale of which was decided upon in late February. EBIT was reduced also by workforce actions in the context of the ongoing optimization programs in Brazil.

Mercedes-Benz Vans achieved a significantly higher EBIT of €215 million in the first quarter of 2015 (Q1 2014: €123 million). The division's return on sales increased to 8.9% from 5.6% in the prior-year period. [↗ C.03](#)

First-quarter unit sales, revenue and earnings were influenced by a very positive product mix. This was additionally driven by the good development of demand in Europe and the NAFTA region, as well as by improved efficiency. There were negative effects on the development of earnings from changes in exchange rates.

Daimler Buses' first-quarter EBIT amounted to €34 million, but was due to market conditions below the very high prior-year level of €53 million. The division's return on sales was 3.9% (Q1 2014: 6.2%). **↗ C.03**

Earnings were significantly reduced by the economic situation in Brazil and the resulting decrease in demand for bus chassis. High demand for our complete buses, a positive product mix in Western Europe and positive exchange-rate effects partially offset the lower unit sales in Latin America.

In the first quarter of 2015, the **Daimler Financial Services** division achieved earnings of €409 million and thus surpassed the prior-year figure (Q1 2014: €397 million). **↗ C.03**

This was mainly the result of strong growth in contract volume in all regions, as well as positive exchange-rate effects. There were opposing effects from expenditure for the expansion of business activities.

The **reconciliation** of the divisions' EBIT to Group EBIT comprises gains and/or losses at the corporate level and the effects on earnings of eliminating intra-group transactions between the divisions.

Other items at the corporate level resulted in an expense of €80 million (Q1 2014: €314 million). The first quarter of 2014 included an expense of €161 million from hedging the price of Tesla shares and an expense of €118 million from exercising the put option on the shares held in RRPSh.

The elimination of intra-group transactions resulted in income of €15 million in the first quarter of 2015 (Q1 2014: €4 million).

Net interest expense amounted to €103 million (Q1 2014: €135 million). Expenses in connection with pension and healthcare benefit obligations were slightly below the prior-year level. Other interest result improved due in particular to the successive expiry of refinancing at high interest rates.

The expense of €751 million entered under **income-tax expense** increased by only €187 million compared with the first quarter of last year despite a substantial increase in profit before income taxes. This primarily reflects the tax benefits applicable in the year 2015 in connection with the tax assessment of previous years.

Net profit for the first quarter of 2015 amounts to €2,050 million (Q1 2014: €1,086 million). Net profit of €87 million is attributable to non-controlling interests (Q1 2014: €59 million).

Net profit **attributable to the shareholders of Daimler AG** amounts to €1,963 million (Q1 2014: €1,027 million), representing **earnings per share** of €1.83 (Q1 2014: €0.96). The calculation of earnings per share (basic) is based on an average number of outstanding shares of 1,069.8 million (Q1 2014: 1,069.8 million).

Cash flows

Cash provided by operating activities **↗ C.05** increased by €0.2 billion to €1.9 billion. This increase is primarily due to the higher level of profit before income taxes (plus €1.2 billion). There was an opposing effect from the renewed increase in new leasing and sales-financing business resulting from the implementation of our growth strategy, which was €1.8 billion above the high level of the prior-year period. In addition, there was a higher increase in working capital than in the first quarter of the previous year. Positive effects resulted from the development of other operating assets and liabilities, which was affected by the business expansion and in particular due to higher expenses for dealer bonuses, cash inflows from sales with service and maintenance contracts and sales with residual-value guarantees. There was also an impact from cash inflows in connection with the value-added tax. Furthermore, there were higher tax refunds in the first quarter of 2015 in connection with the final tax assessment of previous years.

Cash used for investing activities **↗ C.05** amounted to €1.5 billion (Q1 2014: €0.8 billion). The change compared with the prior-year period resulted primarily from acquisitions and disposals of securities in the context of liquidity management. Those transactions resulted in a low net cash outflow in the reporting period, whereas disposals of securities significantly exceeded acquisitions in the prior-year quarter.

Cash provided by / used for financing activities **↗ C.05** resulted in a cash inflow of €1.5 billion (Q1 2014: cash outflow of €38 million). The change resulted almost solely from the increase in financing liabilities (net).

Cash and cash equivalents increased compared with December 31, 2014 by €2.6 billion, after taking currency translation into account. Total liquidity, which also includes marketable debt securities, rose by €2.7 billion to €19.0 billion.

C.05

Condensed consolidated statement of cash flows

In millions of euros	Q1 2015	Q1 2014	Change
Cash and cash equivalents at beginning of period	9,667	11,053	-1,386
Cash provided by operating activities	1,876	1,693	183
Cash used for investing activities	-1,517	-828	-689
Cash provided by/used for financing activities	1,543	-38	1,581
Effect of exchange-rate changes on cash and cash equivalents	650	-61	711
Cash and cash equivalents at end of period	12,219	11,819	400

C.06

Free cash flow of the industrial business

In millions of euros	Q1 2015	Q1 2014	Change
Cash provided by operating activities	3,795	2,062	1,733
Cash used for investing activities	-1,685	-890	-795
Change in marketable debt securities	129	-465	594
Other adjustments	53	-13	66
Free cash flow of the industrial business	2,292	694	1,598

C.07

Net liquidity of the industrial business

In millions of euros	Mar. 31, 2015	Dec. 31, 2014	Change
Cash and cash equivalents	11,095	8,341	2,754
Marketable debt securities	5,316	5,156	160
Liquidity	16,411	13,497	2,914
Financing liabilities	3,751	3,193	558
Market valuation and currency hedges for financing liabilities	360	263	97
Financing liabilities (nominal)	4,111	3,456	655
Net liquidity	20,522	16,953	3,569

C.08

Net debt of the Daimler Group

In millions of euros	Mar. 31, 2015	Dec. 31, 2014	Change
Cash and cash equivalents	12,219	9,667	2,552
Marketable debt securities	6,751	6,634	117
Liquidity	18,970	16,301	2,669
Financing liabilities	-93,764	-86,689	-7,075
Market valuation and currency hedges for financing liabilities	352	270	82
Financing liabilities (nominal)	-93,412	-86,419	-6,993
Net debt	-74,442	-70,118	-4,324

C.09

Benchmark emissions

Issuer	Volume	Month of emission	Maturity
Daimler Finance North America	\$250 million	Mar. 2015	Mar. 2017
Daimler Finance North America	\$1,500 million	Mar. 2015	Mar. 2018
Daimler Finance North America	\$1,250 million	Mar. 2015	Mar. 2020

The parameter used by Daimler to measure the financial capability of the Group's industrial business is the **free cash flow of the industrial business** ↗ C.06, which is derived from the reported cash flows from operating and investing activities. The cash flows from the acquisition and sale of marketable debt securities included in cash flows from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow.

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

The free cash flow amounted to €2.3 billion in the first quarter of 2015. The positive profit contributions of the industrial business were offset by the increase in working capital, defined as the net change in inventories, trade receivables and trade payables, in a total amount of €0.4 billion. The positive development of other operating assets and liabilities was related to the business expansion and is primarily due to payments received from sales with service and maintenance contracts and sales with residual-value guarantees. The assessment of value-added tax also resulted in cash inflows. Cash outflows resulted from the high investments in property, plant and equipment and intangible assets, and reduced the free cash flow of the industrial business.

The increase in free cash flow of €1.6 billion was mainly due to higher profit contributions from the automotive divisions. The effect of the increase in working capital was more than offset by the positive development of other operating assets and liabilities. There was also a positive impact from higher income-tax refunds from the final tax assessment of previous years.

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

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

Compared with December 31, 2014, the net liquidity of the industrial business increased from €17.0 billion to €20.5 billion. The increase mainly reflects the free cash flow of €2.3 billion and positive exchange-rate effects.

Net debt at Group level, which primarily results from refinancing the leasing and sales financing business, increased by €4.3 billion to €74.4 billion compared to December 31, 2014.

➤ C.08

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

In the first quarter of 2015, Daimler had a cash inflow of €4.1 billion from the issuance of bonds (Q1 2014: €4.4 billion). The redemption of bonds resulted in cash outflows of €2.6 billion (Q1 2014: €3.3 billion). A large proportion of the emission volume was carried out in the form of a so-called benchmark bond. In early March, Daimler Finance North America LLC issued bonds in a transaction in the US capital market with maturities of two, three and five years and a total volume of \$3.0 billion. ➤ C.09

In addition to the emissions shown in the table, multiple smaller emissions were undertaken in various countries and currencies. In January for example, a bond was issued by Daimler AG in the context of the Euro Medium Term Note (EMTN) program with a volume of £250 million.

Furthermore, in January and April 2015, asset-backed securities (ABS) transactions were conducted in the United States with volumes of approximately \$2.0 billion and \$1.0 billion respectively.

Financial position

The Group's **balance sheet total** increased compared with December 31, 2014 from €189.6 billion to €209.3 billion; the increase includes currency-translation effects of €10.3 billion. Daimler Financial Services accounts for €115.2 billion of the balance sheet total (December 31, 2014: €105.5 billion), equivalent to 55% of the Daimler Group's total assets (December 31, 2014: 56%).

The increase in total assets after adjusting for exchange-rate effects is primarily due to the increased financial services business, high inventories and higher cash and cash equivalents. On the liabilities side of the balance sheet, there were increases in derivative financial instruments and provisions. Current assets account for 41% of total assets, on prior-year level. Current liabilities account for 36% of total equity and liabilities (December 31, 2014: 35%).

C.10

Condensed consolidated statement of financial position

In millions of euros	Mar. 31, 2015	Dec. 31, 2014	% change
Assets			
Intangible assets	9,539	9,367	+2
Property, plant and equipment	23,735	23,182	+2
Equipment on operating leases and receivables from financial services	104,227	94,729	+10
Equity-method investments	2,794	2,294	+22
Inventories	23,516	20,864	+13
Trade receivables	9,413	8,634	+9
Cash and cash equivalents	12,219	9,667	+26
Marketable debt securities	6,751	6,634	+2
Other financial assets	6,634	5,987	+11
Other assets	10,441	8,277	+26
Total assets	209,269	189,635	+10
Equity and liabilities			
Equity	46,580	44,584	+4
Provisions	31,217	28,393	+10
Financing liabilities	93,764	86,689	+8
Trade payables	12,293	10,178	+21
Other financial liabilities	14,843	10,706	+39
Other liabilities	10,572	9,085	+16
Total equity and liabilities	209,269	189,635	+10

Intangible assets of €9.5 billion include €7.3 billion of capitalized development costs and €0.8 billion of goodwill. The Mercedes-Benz Cars division accounts for 70% of the development costs and the Daimler Trucks division accounts for 21%.

Property, plant and equipment increased to €23.7 billion (December 31, 2014: €23.2 billion). In the first quarter of 2015, a total of €1.0 billion was invested for new products and technologies, the expansion of production capacities and modernization, primarily at our production and assembly sites. The sites in Germany accounted for investment in property, plant and equipment of €0.8 billion (Q1 2014: €0.8 billion). Most of the increase in property, plant and equipment was caused by the effects of currency translation.

Equipment on operating leases and receivables from financial services increased to €104.2 billion (December 31, 2014: €94.7 billion). €6.7 billion of the increase is the result of currency translation. The increase after adjusting for exchange-rate effects reflects the increased new business at Daimler Financial Services, especially in the United States and China. Those assets' share of total assets of 50% is at the level of year-end 2014.

Equity-method investments of €2.8 billion (December 31, 2014: €2.3 billion) mainly comprise the carrying amounts of our equity interests in Beijing Benz Automotive Co., Ltd. (BBAC) and BAIC Motor Corporation Ltd. in the area of cars, and in Beijing Foton Daimler Automotive Co., Ltd. and Kamaz OAO in the truck business. The increase reflects the effects of currency translation as well as the positive earnings from the investments, in particular from BBAC.

Inventories increased from €20.9 billion to €23.5 billion, equivalent to 11% of total assets, as at year-end 2014. Apart from exchange-rate effects of €1.1 billion, the increase reflects the continued growth and the continuation of the model offensive. This led to higher stocks of new vehicles, especially at the Mercedes-Benz Cars division.

Trade receivables increased by €0.8 billion to €9.4 billion. The Mercedes-Benz Cars division accounts for 46% of these receivables and the Daimler Trucks division accounts for 33%.

Cash and cash equivalents increased compared with the end of the year 2014 by €2.6 billion to €12.2 billion. Adjusted for exchange-rate effects, the increase amounted to €1.9 billion.

Marketable debt securities increased compared with December 31, 2014 from €6.6 billion to €6.8 billion. These assets include the debt instruments that are allocated to liquidity, most of which are publicly traded. They generally have an external rating of A or better.

Other financial assets increased by €0.6 billion to €6.6 billion. They mainly comprise investments – in Renault and Nissan for example – and derivative financial instruments, as well as loans and other receivables due from third parties. The change reflects the positive development of listed equity instruments.

Other assets of €10.4 billion (December 31, 2014: €8.3 billion) primarily comprise deferred tax assets and tax refund claims. The increase in deferred tax assets primarily relates to non-profit effects from derivative financial instruments as well as from pensions and similar obligations.

The Group's **equity** increased compared with December 31, 2014 from €44.6 billion to €46.6 billion. Equity attributable to the shareholders of Daimler AG increased to €45.5 billion (December 31, 2014: €43.7 billion). The increase is primarily a reflection of currency translation (plus €2.7 billion) and from the valuation of investments in Renault and Nissan (plus €0.5 billion). The net profit of €2.1 billion was offset by the remeasurement of derivative financial instruments (minus €2.7 billion). In addition, actuarial losses from defined-benefit pension plans (minus €0.6 billion) affected retained earnings. This includes positive effects related to the tax assessment of previous years of €0.4 billion. Compared with the increase in equity of 4%, the balance sheet total increased disproportionately by 10%. Due to the effects described above, the Group's **equity ratio** of 21.0% was lower than at the end of 2014 (22.1%); the equity ratio for the industrial business was 37.7% (end of 2014: 40.8%). The equity ratios are adjusted for the dividend payment for the year 2014.

Provisions increased to €31.2 billion (December 31, 2014: €28.4 billion); as a proportion of the balance sheet total, they amounted to 15%, which is the same as the prior-year level. The effects of currency translation account for €0.8 billion of the increase in provisions. They primarily comprise provisions for pensions and similar obligations of €14.8 billion (end of 2014: €12.8 billion), which mainly consist of the difference between the present value of defined benefit pension obligations of €33.0 billion (end of 2014: €30.1 billion) and the fair value of the pension plan assets applied to finance those obligations of €19.5 billion (end of 2014: €18.6 billion). The fall in discount rates, especially for the German plans from 1.9% at December 31, 2014 to 1.5% at March 31, 2015, led to an increase in the present value of the defined benefit pension obligations. Provisions also relate to liabilities from income taxes of €1.8 billion (end of 2014: €1.6 billion), from product warranties of €5.2 billion (end of 2014: €5.0 billion) and from personnel and social costs of €3.9 billion (end of 2014: €3.9 billion), as well as other provisions of €5.5 billion (end of 2014: €5.1 billion).

Financing liabilities of €93.8 billion were above the level of December 31, 2014 (€86.7 billion). As well as currency effects of €4.6 billion, the increase primarily reflects the refinancing of the growing leasing and sales-financing business. 51% of the financing liabilities are accounted for by bonds, 26% by liabilities to financial institutions, 11% by deposits in the direct banking business, and 8% by liabilities from ABS transactions.

Trade payables increased to €12.3 billion (December 31, 2014: €10.2 billion), primarily due to the higher volume of business. The Mercedes-Benz Cars division accounts for 61% of those payables and the Daimler Trucks division accounts for 27%.

Other financial liabilities of €14.8 billion were higher than the level of €10.7 billion at December 31, 2014. They mainly consist of liabilities from derivative financial instruments, residual value guarantees, accrued interest expenses on financing liabilities, liabilities from wages and salaries, and deposits received. The increase is due not only to the effects of currency translation of €1.2 billion, but in particular also to increased liabilities from derivative financial instruments.

Other liabilities increased primarily because of exchange-rate effects from €9.1 billion to €10.6 billion. They consist mainly of accruals and deferrals, tax liabilities and deferred taxes.

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

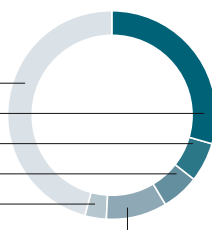
Workforce

At the end of the first quarter of 2015, Daimler employed 283,541 people worldwide (end of 2014: 279,972). Of that total, 170,296 were employed in Germany (end of 2014: 168,909), 23,399 in the United States (end of 2014: 22,833), 12,384 in Brazil (end of 2014: 12,313) and 11,294 in Japan (end of 2014: 11,400). Our consolidated companies in China had 2,769 employees at the end of the first quarter (end of 2014: 2,664).

C.10

Employees by division

Daimler Group	283,541
Mercedes-Benz Cars	130,736
Daimler Trucks	83,421
Mercedes-Benz Vans	16,615
Daimler Buses	16,891
Daimler Financial Services	9,287
Group Functions & Services	26,591



Important events

Changes in the Board of Management and the Supervisory Board

In its meeting on February 13, 2015, the Supervisory Board of Daimler AG extended the contract of service of Hubertus Troska, Board of Management Member for Greater China, until December 31, 2020.

As of the end of the Annual Shareholders' Meeting held on April 1, 2015, the period of office ended of Dr. Paul Achleitner as a member of the Supervisory Board. The Annual Shareholders' Meeting reelected Dr. Paul Achleitner, Chairman of the Supervisory Board of Deutsche Bank AG, as a member of the Supervisory Board of Daimler AG representing the shareholders. His new period of office began at the end of the Annual Shareholders' Meeting in 2015 and ends with the Annual Shareholders' Meeting in 2020.

Risk and opportunity report

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

At the beginning of the second quarter of 2015, the risks for the world economy have tended to become rather more serious. This is primarily a reflection of higher political risks, especially the possible escalation of tension between Russia and the Western nations, whereby the first stage would be an accelerating spiral of sanctions and countersanctions. On the other hand, the considerable tension in the Middle East is a significant source of potential risk. Furthermore, those economies that are dependent on capital inflows due to foreign-trade deficits continue to be subject to major exchange-rate volatilities and growth setbacks. In the United States, the expected change in monetary policy could lead to unforeseen effects, particularly on investment. In the European Monetary Union, there is considerable uncertainty in connection with Greece, even including possible exit scenarios. Such an event could trigger the risk of contagion for other member countries. Although the threat of deflation seems to have receded recently, if this danger returns, the negative effects on domestic demand could be significant. In connection with the very expansive monetary policy of the European Central Bank, there is growing concern about the extent to which this has increased the danger of speculative bubbles on stock markets and bond markets. Greater turbulence in the financial markets would then have direct effects on the economic outlook. Opportunities consist on the one hand of the rapid economic recovery of the emerging markets, and on the other hand of a strong revival of the economy of the euro zone. A sustained reduction in tension in the Middle East would also have a positive impact on the world economy.

Apart from the aforementioned factors, our assessment of risks and opportunities has not changed significantly since the publication of Annual Report 2014.

Outlook

At the beginning of the second quarter, there are still good prospects that the world economy will continue its expansion. But in view of the substantial decrease in the price of crude oil, the ongoing supportive monetary-policy actions by major central banks and very low inflation rates, the momentum of the world economy remains rather moderate, with an expected growth rate of just under 3%. This has less to do with the industrialized countries, which should achieve growth in gross domestic product of just over 2% this year. The moderate speed of expansion of the world economy is primarily due to the weak development of the emerging markets, which are likely to lose another half percentage point of growth this year compared with 2014. Within the industrialized countries, above all the US economy should continue to deliver important growth impetus. In view of solid improvements in the labor market and rising real incomes, significant growth in private consumption is to be expected.

Although a departure from the present zero-interest policy seems likely this summer, most analysts assume that it will take place rather smoothly with no perceptible impact on domestic demand. For the European Monetary Union, the available leading indicators suggest that lower energy prices, the weaker euro and the expansive measures taken by the European Central Bank will increasingly have positive effects. After growth of less than one percent in 2014, a rate of about 1.5% seems feasibly for the region in 2015. In Japan, the disappointing year 2014 should be followed this year by growth in gross domestic product of approximately 1%. The ongoing development in China is crucial for the world economy. But although we assume that the country's overall growth rate will continue to fall, we also still expect the political decision makers to succeed in restructuring the economy without an excessive slowdown. The economic development of the South American economies will remain extremely difficult. After a disappointing start to the year, it must be assumed that gross domestic product will contract, especially in Brazil. But economic prospects are unfavorable for the coming quarters also in other South American countries. The economic downturn is likely to be the most severe this year in Russia, where a deep recession is now expected. Overall, we anticipate growth of the world economy in the magnitude of 3% this year. The biggest risks for the still rather fragile global economy come from the geopolitical side.

In line with the continuation of moderate economic dynamism, **worldwide demand for cars** is expected to increase by about 3% in 2015. Demand in China, the world's biggest car market, should grow again significantly and make by far the biggest contribution to global growth. The US market should also show solid development. Although total unit sales have meanwhile returned to the pre-crisis level and are thus close to market saturation, slight growth is to be expected once again in 2015.

With a market volume of up to 17 million units, more cars and light trucks will probably be sold than since 2005. In Western Europe, an ongoing demand revival is to be expected, whereby the initial situation of the individual markets continues to differ significantly. The market of the United Kingdom should grow again significantly from its already high level, but growth in France is likely to be restrained in relation to the comparatively weak prior-year level. In the German car market, moderate expansion and total sales of just over three million units are anticipated. The Japanese market has been at an artificially high level for several years as a result of various special effects. For the year 2015, a correction is therefore expected with a lower level of demand. The picture for the major emerging markets excluding China remains varied in 2015. A recovery of demand for cars is anticipated in India. In Russia, however, a drastic fall in car sales must be assumed due to the country's severe economic crisis. As there have been increasing signs of weaker demand also for premium automobiles, a substantial decrease in unit sales must be expected also in this segment.

In the worldwide **market for medium- and heavy-duty trucks**, another drop in demand is expected in 2015 following last year's significant decrease. Furthermore, the situation will remain varied from one region to another. The NAFTA region once again promises to have the most positive development. The main economic indicators there suggest that the truck market will remain favorable with demand likely to increase by 10-15%. The economic prospects for the European market have brightened since the beginning of the year, so we now anticipate market growth of 5-10%. Market conditions in Brazil have deteriorated significantly once again. Starting from a low level, we must now assume that demand will fall again substantially by approximately 30%. The Japanese market for light-, medium- and heavy-duty trucks appears to be relatively robust despite the sluggish economy, so we anticipate a market volume in 2015 in the magnitude of the previous year. But following a very weak start to the year in Indonesia, we must assume that demand there will be about 20% lower than in 2014. The deep recession in Russia will continue to affect the market, so demand is likely to strongly fall once again. But a significant market recovery is anticipated in India, thanks to the slightly improved economic prospects there. Demand for trucks in China is currently under pressure due to the introduction of the CN4 emissions standards (similar to Euro IV). We therefore expect the market to contract significantly compared with its prior-year level.

We assume that the market for medium-sized and large **vans** in Europe will grow slightly in 2015, as will the market for small vans. Significant growth is anticipated in the US market for large vans. In Latin America, we expect significant contraction in the market for large vans. In China, we foresee demand at the level of the previous year in the market we address there.

We anticipate a market volume for **buses** in Europe in 2015 that is slightly above the very low level of the previous year. In Brazil, demand for buses is likely to decrease again significantly this year.

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

Mercedes-Benz Cars is continuing last year's success in 2015 and is further strengthening its market position. After the best-ever first quarter, we intend to achieve significant growth in unit sales once again in full-year 2015, thus setting a new record for unit sales. Major contributions will come from the C-Class sedan and wagon models. As the year progresses, we will continue our product offensive and thus create impetus for additional growth. A total of eight new or upgraded car models will be launched in 2015. This started with the Mercedes-Maybach S-Class in February, the first product of the new sub-brand. It was followed in March by the Mercedes-AMG GT and the CLA Shooting Brake, which complements the successful family of compact cars with its unique design. The focus in the second half of the year will be on the new SUV models as important growth drivers. In July, we will have the launch of the new GLE coupe, which already had its world premiere in Detroit this January. Four more models will come onto the market by the end of the year, including two SUVs. With these vehicles, Mercedes-Benz will meet the still-rising demand for premium SUVs, thus facilitating further growth. The two smart models will also contribute to a significant increase in unit sales; they will be available in all key markets this year and can also be ordered with the twinamic double-clutch transmission.

Daimler Trucks anticipates a significant increase in unit sales in the year 2015. In Western Europe, we expect growing investment activity, accompanied by rising demand for trucks to replace older models. Unit sales in this region should therefore be higher than in the previous year. In Turkey, we anticipate a significant number of purchases being brought forward to the year 2015 because of the coming introduction of Euro VI emission standards in 2016. The economic situation in Brazil has further exacerbated in recent months. The political situation and unfavorable financing conditions are crippling investment activity, so we have to anticipate significant falls in unit sales. For the NAFTA region, we assume that our unit sales will once again significantly surpass the prior-year figure, in line with the expected market development. The new and successful products should safeguard our market leadership in this region. In Asia, we anticipate unit sales at about the same level as in 2014. The further expansion of our dealer network should allow significant growth in unit sales in India. Furthermore, the expanded range of FUSO vehicles from Chennai should stimulate

additional sales growth outside India. In Indonesia, demand for trucks in the first quarter was once again significantly below the prior-year level following last year's decrease. We therefore do not yet expect a reversal of the weaker market trend in the full year. In Japan, we assume that unit sales will be of the same magnitude as the high prior-year level.

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

Daimler Buses assumes that it will be able to defend its market leadership in its core markets for buses above 8 tons with innovative and high-quality new products. For the year 2015, we now anticipate a significant decrease in total unit sales. We expect unit sales to fall significantly in Latin America, accompanied by a stable development in Europe and rising unit sales in Mexico.

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

We assume that the **Daimler Group's revenue** will increase significantly in 2015. In regional terms, we anticipate the strongest growth in Asia and North America, but our business volumes should expand also in the other regions.

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

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

- Mercedes-Benz Cars: significantly above the prior-year level,
- Daimler Trucks: significantly above the prior-year level,
- Mercedes-Benz Vans: significantly above the prior-year level,
- Daimler Buses: significantly below the prior-year level, and
- Daimler Financial Services: slightly above the prior-year level.

The anticipated development of earnings in the automotive divisions will have a positive impact on the **free cash flow of the industrial business** in 2015. When comparing with 2014, it is necessary to consider that the free cash flow from the industrial business in that year was influenced by the sale of our shares in Rolls-Royce Power Systems Holding GmbH and Tesla, as well as by the extraordinary contribution to the German pension plan assets and the settlement of a healthcare plan in North America. In the year 2015, we expect a free cash flow from the industrial business in a significantly higher amount than the dividend payment in 2015 of €2.6 billion. As we will slightly increase our investment in property, plant and equipment and significantly increase our research and development spending, we assume, however, that the free cash flow of the industrial business will be significantly lower than in 2014 (€5.5 billion). Against the backdrop of the development in the first quarter, from today's perspective, we are aiming for the upper end of this bandwidth.

Due to the generally very favorable business development that we expect for 2015, production volumes will continue rising. At the same time, the efficiency-enhancing measures we have implemented at all divisions in recent years will now take full effect. The medium- and long-term programs for structural improvements of our business processes should facilitate further efficiency progress. We therefore assume that the **number of employees** worldwide will increase only slightly.

Forward-looking statements:

This document contains forward-looking statements that reflect our current views about future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements.

These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a worsening of the sovereign-debt crisis in the euro zone; an increase in political tension in Eastern Europe; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading "Risk and Opportunity Report" in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

Mercedes-Benz Cars.

Best-ever first quarter for unit sales with 459,700 vehicles sold (+18%)

Successful start of CLA Shooting Brake, Mercedes-Maybach and Mercedes-AMG GT

Foundation stone laid for new production plant in Brazil

EBIT of €1,841 million (Q1 2014: €1,183 million)

D.01

Amounts in millions of euros	Q1 2015	Q1 2014	% change
EBIT	1,841	1,183	+56
Revenue	19,509	17,004	+15
Unit sales	459,708	389,476	+18
Production	494,970	407,458	+21
Employees	130,736	129,106 ¹	+1

¹ As of December 31, 2014

D.02

Unit sales	Q1 2015	Q1 2014	% change
Total	459,708	389,476	+18
Western Europe	176,345	152,329	+16
Germany	65,394	59,106	+11
United States	87,714	76,851	+14
China	87,426	70,343	+24
Other markets	108,223	89,953	+20

Best-ever first quarter for unit sales

Unit sales by Mercedes-Benz Cars increased in the first quarter of 2015 by 18% to 459,700 vehicles. This made the first three months of this year the best first quarter for unit sales so far. Revenue increased by 15% to €19.5 billion and EBIT amounted to €1,841 million (Q1 2014: €1,183 million).

In Western Europe (excluding Germany), Mercedes-Benz Cars sold 111,000 vehicles, 19% more than in the first quarter of last year and a new record. The main growth driver in this region was the United Kingdom (+17%). In Germany, the domestic market, we sold 65,400 vehicles of the brands Mercedes-Benz and smart (Q1 2014: 59,100). In the United States, Mercedes-Benz Cars also set a new record in the first quarter with sales of 87,700 units (+14%). In China, we continued along our successful path and increased our unit sales to a new high of 87,400 vehicles (+24%). Mercedes-Benz Cars' unit sales developed extremely well in the first quarter also in Japan (+23%) and South Korea (+20%).

Ongoing success of new C-Class

Amongst the Mercedes-Benz model series, the compact cars continued to be very popular in the first quarter. Worldwide, 128,600 customers (+28%) decided in favor of a model of the compact cars. In the C-Class segment, we continued to be faced with high demand for the C-Class sedan and wagon models. In the first quarter, 113,500 units were sold in this segment, or 51% more than in the prior-year period, which was affected by the model change. 70,500 units were sold in the E-Class segment (Q1 2014: 80,900). Our leadership in the luxury segment continued with the S-Class, the world's best-selling luxury sedan. From January through March, we sold 31,600 automobiles in the S-Class segment (+8%), more than ever before in the first quarter of a year. Worldwide sales of our SUVs increased by 5% to 85,500 units. The new smart models were also in strong demand in the first quarter: A total of 30,000 units of the two-door and four-door versions of the city car were sold (+32%).

Continuation of model offensive

Since March 28, the CLA Shooting Brake has been the fifth member of the successful family of compact cars from Mercedes-Benz. And with the launch of the Mercedes-Maybach in February and the Mercedes-AMG GT in March, two more new models without predecessors are on the market in Europe.

Start of "Fit for Leadership Next Stage"

Following the successful first phase of the "Fit for Leadership" program with a focus on safeguarding earnings in the short term, we are now focusing on long-term, structural changes in phase two of the program. This will optimize the business system of Mercedes-Benz Cars and will create the right structures for the growth targets defined in the framework of "Mercedes-Benz 2020."

Production startups on three continents

Our car-body and powertrain plants continue to operate at high levels of capacity utilization. With the start of production of the CLA Shooting Brake at the Mercedes-Benz plant in Kecskemét, the start of the GLA at our joint venture in Beijing and of the GLE coupe at the Mercedes-Benz plant in Tuscaloosa, we are further expanding our production portfolio as part of our growth strategy. In early February, we laid the foundation stone for a new Mercedes-Benz plant in Iracemápolis (Brazil) – a further step in the continuous expansion of our flexible and efficient global production network.

Daimler Trucks.

Unit sales increase to 112,400 vehicles (Q1 2014: 108,500)

SuperTruck study surpasses efficiency targets

New Euro VI gas engine sets environmental standards

EBIT significantly higher than prior-year level at €472 million (Q1 2014: €341 million)

D.03

Amounts in millions of euros	Q1 2015	Q1 2014	% change
EBIT	472	341	+38
Revenue	8,414	7,121	+18
Unit sales	112,424	108,529	+4
Production	122,236	122,094	+0
Employees	83,421	82,743 ¹	+1

¹ As of December 31, 2014

D.04

Unit sales	Q1 2015	Q1 2014	% change
Total	112,424	108,529	+4
Western Europe	11,453	11,632	-2
NAFTA region	40,844	34,558	+18
Latin America (excluding Mexico)	7,236	10,151	-29
Asia	37,277	40,640	-8
Other markets	15,614	11,548	+35
BFDA (Auman Trucks)	15,902	26,643	-40
Total (including BFDA)	128,326	135,172	-5

Unit sales, revenue and EBIT above prior-year level

Daimler Trucks' unit sales increased by 4% to 112,400 vehicles in the first quarter of this year. In particular in North America, we sold significantly more trucks than in the prior-year period. However, the development of unit sales was slowed down by substantial market contraction in some emerging markets. Revenue amounted to €8.4 billion (+18%) and EBIT of €472 million was significantly above the prior-year level (Q1 2014: €341 million).

Growth in unit sales in still volatile market environment

First-quarter growth in unit sales was primarily driven by developments in North America. The ongoing strength of the economy caused a further increase in demand for trucks in the NAFTA region. With 40,800 vehicles sold, our unit sales rose significantly by 18% compared with the prior-year period. And with a gain in market share of 1.2 percentage points, we once again defended our market leadership in Classes 6-8.

Our unit sales of 11,500 trucks in Western Europe were slightly below the prior-year number (-2%). We continued to be the market leader in this region with our Mercedes-Benz trucks, attaining a market share of 21.1% (Q1 2014: 22.0%). We also defended our top position in our core market of Germany with a market share of 33.2% (Q1 2014: 38.1%).

Demand for trucks in Latin America was significantly impacted by the continuation of difficult economic conditions. Our unit sales in that region of 7,200 trucks were therefore significantly lower than in the prior-year period (Q1 2014: 10,200). In Brazil, our sales of 4,200 units were 41% below the prior-year period. In the medium- and heavy-duty segment, we achieved a market share in Brazil of 22.9% (Q1 2014: 23.7%).

Our unit sales in Asia were perceptibly lower than in the prior-year period, due in particular to the unexpectedly weak market development in Indonesia, where our sales decreased to 10,000 vehicles (Q1 2014: 14,200). Also in Japan, our sales of 12,300

units were below the prior-year level (Q1 2014: 13,400). Our market share in the region of 18.5% did not quite match the prior-year level (Q1 2014: 19.6%). Our still young business in India continued along its growth path with significant growth in unit sales to 3,600 vehicles (Q1 2014: 2,200).

Agreement on sale of Atlantis Foundries (Pty.) Ltd.

Daimler Trucks is working continuously on improving its competitiveness and will therefore focus even more intensively on its core business in the future. In line with this strategy, it was decided in late February to sell the South African foundry company. The new owner is an established supplier that will continue to supply us with high-quality cylinder crankcases. The transfer will be completed in the second quarter of 2015, as soon as the required approvals are granted by the relevant authorities.

Daimler Trucks impresses visitors to biggest US commercial-vehicle show with efficiency advances

At the Mid-America Trucking Show, Daimler Trucks provided further evidence of our technological leadership with the new SuperTruck study. We initiated the SuperTruck research and development project in 2010 and received financial support from the US Department of Energy. The goal of the Department of Energy was to improve the transport efficiency of Class 8 trucks by 50%. Daimler significantly surpassed this goal with the SuperTruck, which achieves an efficiency gain of 115% over a comparable truck from the year 2009. The focus here was on demonstrating technical, not economic, feasibility.

Expansion of Euro VI engine family with a gas engine

The first gas engine of the new Euro VI generation was produced in March. Thanks to innovative technology, the new six-cylinder engine achieves the performance of a diesel engine while setting new standards for noise and exhaust emissions. The use of biogas results in a further improvement in the CO₂ footprint.

Mercedes-Benz Vans.

Unit sales above prior-year level at 63,800 vehicles (Q1 2014: 61,100)

Mercedes-Benz Vans continues along on growth path in Europe and the NAFTA region

Attractive product portfolio to be expanded with a Mercedes-Benz pickup

EBIT increases to €215 million (Q1 2014: €123 million)

D.05

Amounts in millions of euros	Q1 2015	Q1 2014	% change
EBIT	215	123	+75
Revenue	2,415	2,212	+9
Unit sales	63,805	61,119	+4
Production	74,722	73,939	+1
Employees	16,615	15,782 ¹	+5

¹ As of December 31, 2014

D.06

Unit sales	Q1 2015	Q1 2014	% change
Total	63,805	61,119	+4
Western Europe	41,720	39,057	+7
Germany	18,001	15,657	+15
Eastern Europe	6,982	5,994	+16
NAFTA	7,540	6,320	+19
Latin America (excluding Mexico)	3,658	3,647	+0
China	892	2,695	-67
Other markets	3,013	3,406	-12

Unit sales, revenue and EBIT above prior-year levels

Mercedes-Benz Vans increased its unit sales in the first quarter of 2015 by 4% to 63,800 vehicles. Revenue grew compared with the first quarter of last year by €0.2 billion to €2.4 billion. The van division achieved EBIT of €215 million, surpassing its earnings of the prior-year period by 75% (Q1 2014: €123 million).

Mercedes-Benz Vans continues along its growth path

In its core region of Western Europe, Mercedes-Benz Vans achieved further significant growth of 7% in unit sales to 41,700 vehicles in the first quarter of 2015. We had strong growth in Germany (+15%), France (+9%), Spain (+28%) and Belgium (+40%), while our sales in the United Kingdom were below the prior-year level (-17%). Our growth continued also in Eastern Europe with a plus of 16%; due to a significant increase in Turkey (+24%), unit sales in this region rose from 6,000 to 7,000 units.

The development of unit sales in the NAFTA region was once again positive. Mercedes-Benz Vans increased its unit sales in this region by 19% to 7,500 vehicles in the first quarter. In the United States, we achieved particularly strong growth in unit sales of 24% to 6,200 vehicles.

In Latin America, first-quarter sales of 3,700 units were at the prior-year level. In a difficult market environment in this region, sales in Argentina rose by 22% to 900 units in the first quarter, while a significant decrease was recorded in Brazil. Unit sales in China decreased significantly to 900 vehicles (Q1 2014: 2,700), primarily due to the upcoming model change for the mid-size vans.

We sold 40,900 units of the Sprinter worldwide in the first quarter of 2015, which is 10% more than in the prior-year period. A total of 19,100 units were sold in the segment for mid-size vans (Q1 2014: 19,000). The V-Class multipurpose vehicle was very well received by private customers: 5,900 units were sold in the first quarter. The Mercedes-Benz Citan accounted for sales of 3,800 units (Q1 2014: 4,700).

First Mercedes-Benz pickup

Before the end of this decade, we will expand our product portfolio into another promising segment with the first pickup from a premium manufacturer. In the context of our “Mercedes-Benz Vans goes global” strategy, the pickup is the ideal vehicle for the international expansion of our attractive product range with a newly developed model. We will be present also in the pickup segment with an unmistakable design and all of the brand’s typical automotive attributes in terms of safety, comfort, powertrain and quality. Versatile pickup vehicles with high all-round qualities and a payload of about one ton are popular all over the world and therefore offer good sales potential. The first markets targeted for the new Mercedes-Benz pickup are Latin America, South Africa, Australia and Europe.

\$500 million for new Sprinter plant in the USA

A new production plant of Mercedes-Benz Vans is being established in Charleston in the US state of South Carolina. In the future, this plant will optimally supply our customers in North America with the next generation of the Sprinter. In the coming years, Mercedes-Benz Vans will invest approximately half a billion US dollars in the new van plant in Charleston. Construction of the new factory will start in 2016 and will include a completely new body shop, a paint shop and final assembly for the Sprinter. In this way, we will further develop our worldwide production network and will reach a new milestone in our “Mercedes-Benz Vans goes global” growth strategy.

Daimler Buses.

Unit sales below prior-year level at 5,700 buses and bus chassis
Continuation of strong demand for complete buses in Western Europe
BusStore is number one in European used-bus business
EBIT of €34 million (Q1 2014: €53 million)

D.07

Amounts in millions of euros	Q1 2015	Q1 2014	% change
EBIT	34	53	-36
Revenue	877	859	+2
Unit sales	5,677	6,675	-15
Production	7,758	7,736	+0
Employees	16,891	16,631 ¹	+2

¹ As of December 31, 2014

D.08

Unit sales	Q1 2015	Q1 2014	% change
Total	5,677	6,675	-15
Western Europe	1,249	1,086	+15
Germany	321	533	-40
Mexico	577	725	-20
Latin America (excluding Mexico)	2,932	3,992	-27
Asia	138	86	+60
Other markets	781	786	-1

Unit sales and EBIT below prior-year levels

Daimler Buses' first-quarter unit sales of 5,700 buses and bus chassis were significantly lower than the unusually high prior-year figure of 6,700 units. The decrease in unit sales was mainly caused by the weaker business with bus chassis in Latin America, which was not offset by the continuation of good demand for our complete buses in Western Europe and Turkey. Due to the stronger increase in sales of complete buses, revenue of €877 million was slightly higher than in the prior-year period (Q1 2014: €859 million). EBIT amounted to €34 million (Q1 2014: €53 million).

Significant decrease in unit sales in Latin America

In Western Europe, the division sold 1,200 complete buses and bus chassis of the Mercedes-Benz and Setra brands in the first quarter, which is 15% more than in the prior-year period. While further growth was achieved in the coach business, unit sales of city buses decreased compared with the strong first quarter of 2014. In Germany in particular, the high level of the prior-year period was not matched. We sold 300 units in Turkey (Q1 2014: 200).

In Latin America (excluding Mexico), first-quarter unit sales of 2,900 bus chassis were well below the number sold in the prior-year period (Q1 2014: 4,000). Demand for chassis was severely impacted in particular by the difficult economic situation in Brazil, the region's biggest market.

In Mexico, we sold 600 units; this number did not match the prior-year level (Q1 2014: 700).

Used-bus brand BusStore is number one in European used-bus business

With our BusStore brand, under which we have been selling used buses for more than a year now, we have meanwhile become established as the biggest supplier of used buses in Europe. This fact was underscored by the BusStore Show in Neu-Ulm. In addition to the existing sales outlets for complete buses with 16 locations in Europe, BusStore presented new additional services for our customers during a two-day event. Another new feature is the BusStore guarantee for the drivetrains of coaches and public-transport buses of Mercedes-Benz and Setra. Service contracts for young used buses are also offered by BusStore.

First chassis from India delivered to Egypt

The first bus chassis produced in Chennai, India, have been delivered to MCV, the division's business partner in Egypt. MCV subsequently adds bodies to the 9-ton chassis and the buses are then sold under the Mercedes-Benz brand. The OF 9t front-engine chassis from India are specially modified for use in buses and facilitate entry into the Egyptian bus market.

Setra receives German Design Award 2015

The Setra TopClass 500 and ComfortClass 500 coaches received the "Special Mention 2015" of the "German Design Award" in the category "Excellent Product Design – Transportation and Public Design." The jury particularly praised the elegant and luxurious impression made by the coaches. The German Design Award 2015 is already the second prize received by the division within a short period: The Setra TopClass 500 had previously been recognized with the "Red Dot Award Product Design 2014."

Daimler Financial Services.

New business grows by 34%

Contract volume surpasses the €100 billion mark

Increase of 21% in the insurance business

EBIT of €409 million (Q1 2014: €397 million)

D.09

Amounts in millions of euros	Q1 2015	Q1 2014	% change
EBIT	409	397	+3
Revenue	4,549	3,809	+19
New business	13,227	9,838	+34
Contract volume	108,728	98,967 ¹	+10
Employees	9,287	8,878 ¹	+5

¹ As of December 31, 2014.

New business up by 34%

Daimler Financial Services concluded approximately 342,000 new leasing and financing contracts in the first quarter of this year (+19%), increasing its new business compared with the prior-year period by 34% to €13.2 billion. Contract volume surpassed the mark of €100 billion for the first time, reaching €108.7 billion at the end of the first quarter. Compared with year-end 2014, contract volume grew by 10%; adjusted for exchange-rate effects, there was growth of 3%. EBIT amounted to €409 million (Q1 2014: €397 million).

Europe: significant growth in new business

In the Europe region, new business increased by 16% to €5.3 billion. Growth was particularly strong in Italy (+63%) and Spain (+57%). Daimler Financial Services' contract volume in Europe of €41.8 billion was slightly higher than at the end of 2014. The deposit volume of Mercedes-Benz Bank in the direct banking business amounted to €10.4 billion (-7%).

The Americas: strong gains in the NAFTA region

In the Americas region, leasing and financing contracts were concluded in a total amount of €5.2 billion, representing an increase of 45%. Strong growth was achieved in the NAFTA region, whereas new business decreased in Brazil and Argentina. Contract volume in the Americas region of €48.4 billion at the end of March was 12% higher than at the end of 2014.

Africa & Asia-Pacific: triple-digit growth in China and India

In the Africa & Asia-Pacific region, the value of newly concluded leasing and financing contracts increased compared with the first quarter of last year by 62% to €2.8 billion. Once again, triple-digit growth was achieved in India (+135%) and China (+125%). Nearly all the other countries in the region also reported growth, in some cases of high double-digit percentages. Contract volume in Africa & Asia-Pacific increased compared with the end of 2014 by 20% to €18.4 billion.

21% more insurance policies brokered

In the insurance business, Daimler Financial Services brokered 21% more automotive-related policies than in the prior-year period. Worldwide, approximately 377,000 new insurance contracts were concluded. In China, insurance was brokered with seven out of every ten vehicles delivered.

Dialog on the future of mobility: www.move-forward.com

Daimler Financial Services further expanded its activities in the field of innovative mobility services in the first quarter of this year. Worldwide, more than one million customers were registered with the mobility services at the end of March. The flexible mobility concept car2go was available at 29 locations by the end of the first quarter. In January, the new online platform www.move-forward.com went into operation; it has been established to encourage and promote an international dialog about the future of individual mobility. January also saw the start of the Germany-wide campaign “#FromAtoBeyond” of the moovel mobility app. The innovative power of moovel was recognized with the Focus Digital Star Award at the Munich digital conference DLD (Digital, Life, Design).

Consolidated Statement of Income (unaudited).

E.01

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
In millions of euros						
Revenue	34,236	29,457	29,687	25,648	4,549	3,809
Cost of sales	-26,706	-23,045	-22,852	-19,861	-3,854	-3,184
Gross profit	7,530	6,412	6,835	5,787	695	625
Selling expenses	-2,920	-2,675	-2,791	-2,567	-129	-108
General administrative expenses	-909	-752	-736	-631	-173	-121
Research and non-capitalized development costs	-1,126	-1,076	-1,126	-1,076	-	-
Other operating income	455	305	433	295	22	10
Other operating expense	-116	-86	-111	-81	-5	-5
Profit/loss on equity-method investments, net	148	22	149	25	-1	-3
Other financial expense, net	-158	-365	-158	-364	-	-1
Interest income	51	34	51	34	-	-
Interest expense	-154	-169	-153	-167	-1	-2
Profit before income taxes¹	2,801	1,650	2,393	1,255	408	395
Income taxes	-751	-564	-617	-430	-134	-134
Net profit	2,050	1,086	1,776	825	274	261
thereof profit attributable to non-controlling interests	87	59				
thereof profit attributable to shareholders of Daimler AG	1,963	1,027				
Earnings per share (in euros)						
for profit attributable to shareholders of Daimler AG						
Basic	1.83	0.96				
Diluted	1.83	0.96				

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

Consolidated Statement of Comprehensive Income/Loss (unaudited).

E.02

	Consolidated Group	
	Q1 2015	Q1 2014
In millions of euros		
Net profit	2,050	1,086
Unrealized gains/losses on currency translation	2,741	-73
Unrealized gains/losses on financial assets available for sale	529	163
Unrealized gains/losses on derivative financial instruments	-2,676	-146
Unrealized gains/losses on investments accounted for using the equity method	3	-
Items that may be reclassified to profit/loss	597	-56
Actuarial gains/losses from pensions and similar obligations	-569	-860
Items that will not be reclassified to profit/loss	-569	-860
Other comprehensive income/loss, net of taxes	28	-916
thereof income/loss attributable to non-controlling interest, after taxes	108	-1
thereof income/loss attributable to shareholders of Daimler AG, after taxes	-80	-915
Total comprehensive income/loss	2,078	170
thereof income/loss attributable to non-controlling interests	195	58
thereof income/loss attributable to shareholders of Daimler AG	1,883	112

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

Consolidated Statement of Financial Position (unaudited).

E.03

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	March 31, 2015	Dec. 31, 2014	March 31, 2015	Dec. 31, 2014	March 31, 2015	Dec. 31, 2014
In millions of euros						
Assets						
Intangible assets	9,539	9,367	9,371	9,202	168	165
Property, plant and equipment	23,735	23,182	23,673	23,125	62	57
Equipment on operating leases	35,980	33,050	14,808	14,374	21,172	18,676
Equity-method investments	2,794	2,294	2,765	2,264	29	30
Receivables from financial services	38,892	34,910	-47	-49	38,939	34,959
Marketable debt securities	1,320	1,374	6	6	1,314	1,368
Other financial assets	4,419	3,634	-472	-1,140	4,891	4,774
Deferred tax assets	6,060	4,124	5,503	3,610	557	514
Other assets	515	555	-2,184	-2,178	2,699	2,733
Total non-current assets	123,254	112,490	53,423	49,214	69,831	63,276
Inventories	23,516	20,864	22,762	20,004	754	860
Trade receivables	9,413	8,634	8,427	7,824	986	810
Receivables from financial services	29,355	26,769	-21	-25	29,376	26,794
Cash and cash equivalents	12,219	9,667	11,095	8,341	1,124	1,326
Marketable debt securities	5,431	5,260	5,310	5,150	121	110
Other financial assets	2,215	2,353	-7,861	-7,099	10,076	9,452
Other assets	3,866	3,598	972	772	2,894	2,826
Total current assets	86,015	77,145	40,684	34,967	45,331	42,178
Total assets	209,269	189,635	94,107	84,181	115,162	105,454
Equity and liabilities						
Share capital	3,070	3,070				
Capital reserves	11,899	11,906				
Retained earnings	29,881	28,487				
Other reserves	691	202				
Equity attributable to shareholders of Daimler AG	45,541	43,665				
Non-controlling interests	1,039	919				
Total equity	46,580	44,584	38,114	36,967	8,466	7,617
Provisions for pensions and similar obligations	14,798	12,806	14,587	12,630	211	176
Provisions for income taxes	843	851	843	850	-	1
Provisions for other risks	7,026	6,712	6,896	6,590	130	122
Financing liabilities	54,400	50,399	11,587	10,325	42,813	40,074
Other financial liabilities	3,772	2,644	3,280	2,231	492	413
Deferred tax liabilities	1,505	1,070	-1,564	-1,618	3,069	2,688
Deferred income	3,988	3,581	3,478	3,101	510	480
Other liabilities	12	14	10	14	2	-
Total non-current liabilities	86,344	78,077	39,117	34,123	47,227	43,954
Trade payables	12,293	10,178	11,781	9,852	512	326
Provisions for income taxes	953	757	874	679	79	78
Provisions for other risks	7,597	7,267	7,134	6,830	463	437
Financing liabilities	39,364	36,290	-15,338	-13,518	54,702	49,808
Other financial liabilities	11,071	8,062	8,911	6,198	2,160	1,864
Deferred income	2,734	2,413	1,891	1,674	843	739
Other liabilities	2,333	2,007	1,623	1,376	710	631
Total current liabilities	76,345	66,974	16,876	13,091	59,469	53,883
Total equity and liabilities	209,269	189,635	94,107	84,181	115,162	105,454

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

Consolidated Statement of Cash Flows (unaudited).

E.04

	Consolidated Group		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
In millions of euros						
Profit before income taxes	2,801	1,650	2,393	1,255	408	395
Depreciation and amortization	1,367	1,218	1,349	1,211	18	7
Other non-cash expense and income	-145	4	-159	-11	14	15
Gains/losses on disposals of assets	-83	11	-83	11	-	-
Change in operating assets and liabilities						
Inventories	-1,587	-1,759	-1,723	-1,905	136	146
Trade receivables	-382	158	-259	248	-123	-90
Trade payables	1,717	1,508	1,548	1,480	169	28
Receivables from financial services	-2,085	-531	75	2	-2,160	-533
Vehicles on operating leases	-653	-368	16	-43	-669	-325
Other operating assets and liabilities	939	39	572	-19	367	58
Income taxes paid/refunded	-13	-237	66	-167	-79	-70
Cash provided by/used for operating activities	1,876	1,693	3,795	2,062	-1,919	-369
Additions to property, plant and equipment	-1,027	-1,043	-1,019	-1,038	-8	-5
Additions to intangible assets	-480	-387	-477	-378	-3	-9
Proceeds from disposals of property, plant and equipment and intangible assets	139	56	135	53	4	3
Investments in share property	-92	-69	-92	-43	-	-26
Proceeds from disposals of share property	4	4	-123	4	127	-
Acquisition of marketable debt securities	-691	-457	-689	-421	-2	-36
Proceeds from sales of marketable debt securities	633	1,056	560	886	73	170
Other	-3	12	20	47	-23	-35
Cash provided by/used for investing activities	-1,517	-828	-1,685	-890	168	62
Change in financing liabilities	1,615	16	669	832	946	-816
Dividends paid to non-controlling interests	-45	-33	-44	-32	-1	-1
Proceeds from issuance of share capital	-	5	-	3	-	2
Acquisition of treasury shares	-27	-26	-27	-26	-	-
Internal equity and financing transactions	-	-	-553	-821	553	821
Cash provided by/used for financing activities	1,543	-38	45	-44	1,498	6
Effect of foreign exchange-rate changes on cash and cash equivalents	650	-61	599	-48	51	-13
Net increase/decrease in cash and cash equivalents	2,552	766	2,754	1,080	-202	-314
Cash and cash equivalents at beginning of period	9,667	11,053	8,341	9,845	1,326	1,208
Cash and cash equivalents at end of period	12,219	11,819	11,095	10,925	1,124	894

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

Consolidated Statement of Changes in Equity (unaudited).

E.05

In millions of euros	Share capital	Capital reserves	Retained earnings	Currency translation	Financial assets available for sale
Balance at January 1, 2014	3,069	11,850	27,628	-969	261
Net profit	-	-	1,027	-	-
Other comprehensive income/loss before taxes	-	-	-1,248	-65	162
Taxes on other comprehensive income	-	-	388	-	1
Total comprehensive income/loss	-	-	167	-65	163
Dividends	-	-	-	-	-
Capital increase/Issue of new shares	1	2	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-14	-	-	-
Balance at March 31, 2014	3,070	11,838	27,795	-1,034	424
Balance at January 1, 2015	3,070	11,906	28,487	775	460
Net profit	-	-	1,963	-	-
Other comprehensive income/loss before taxes	-	-	-1,640	2,629	532
Taxes on other comprehensive income	-	-	1,071	-	-3
Total comprehensive income/loss	-	-	1,394	2,629	529
Dividends	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-
Issue and disposal of treasury shares	-	-	-	-	-
Other	-	-7	-	-	-
Balance at March 31, 2015	3,070	11,899	29,881	3,404	989

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

Other reserves						
Items that may be reclassified to profit/loss						
Derivative financial instruments	Share of investments accounted for using the equity method	Treasury shares	Equity attributable to shareholders of Daimler AG	Non-controlling interest	Total equity	In millions of euros
853	-12	-	42,680	683	43,363	Balance at January 1, 2014
-	-	-	1,027	59	1,086	Net profit
-221	-	-	-1,372	1	-1,371	Other comprehensive income/loss before taxes
68	-	-	457	-2	455	Taxes on other comprehensive income
-153	-	-	112	58	170	Total comprehensive income/loss
-	-	-	-	-40	-40	Dividends
-	-	-	3	2	5	Capital increase/Issue of new shares
-	-	-26	-26	-	-26	Acquisition of treasury shares
-	-	26	26	-	26	Issue and disposal of treasury shares
-	-	-	-14	1	-13	Other
700	-12	-	42,781	704	43,485	Balance at March 31, 2014
-1,032	-1	-	43,665	919	44,584	Balance at January 1, 2015
-	-	-	1,963	87	2,050	Net profit
-3,819	3	-	-2,295	107	-2,188	Other comprehensive income/loss before taxes
1,147	-	-	2,215	1	2,216	Taxes on other comprehensive income
-2,672	3	-	1,883	195	2,078	Total comprehensive income/loss
-	-	-	-	-69	-69	Dividends
-	-	-27	-27	-	-27	Acquisition of treasury shares
-	-	27	27	-	27	Issue and disposal of treasury shares
-	-	-	-7	-6	-13	Other
-3,704	2	-	45,541	1,039	46,580	Balance at March 31, 2015

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

Notes to the Interim Consolidated Financial Statements (unaudited).

1. Presentation of the Interim Consolidated Financial Statements

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

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

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

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

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

In order to support the distribution of certain products manufactured by Daimler, sales financing, including leasing alternatives, is made available to the Group's customers. Accordingly, the Group's consolidated financial statements are also significantly influenced by the activities of its financial services business. To enhance readers' understanding of the Group's profitability, liquidity and capital resources and its financial position, the accompanying interim consolidated financial statements also present information with respect to the Group's industrial business and Daimler Financial Services' business activities. Such information, however, is not required by IFRS and is not

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

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

2. Significant disposals of equity investments

Atlantis Foundries. At the end of February 2015, Daimler decided to sell its shares in Atlantis Foundries (Pty.) Ltd. to Neue Halberg-Guss GmbH. The transaction is expected to be closed in the first half of 2015. The remeasurement of the assets and liabilities of Atlantis Foundries resulting from the classification as assets held for sale led to an impairment loss of €55 million as of March 31, 2015, which was allocated to the Daimler Trucks segment. Due to the minor significance for the Daimler Group's profitability, liquidity and capital resources and its financial position, the disposal of these assets and liabilities is not presented separately in the consolidated statement of financial position.

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

See Note 11 for further information on RRPSH.

3. Revenue

Revenue at Group level is comprised as follows:

E.06

Revenue

	Q1 2015	Q1 2014
In millions of euros		
Revenue from the sale of goods	29,745	25,718
Revenue from the rental and leasing business	3,468	2,882
Interest from the financial services business at Daimler Financial Services	911	749
Revenue from the provision of other services	112	108
	34,236	29,457

4. Functional costs

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

In the course of the organizational focus on the divisions, Daimler started a restructuring program for its sales organization in Germany in 2014. Selected sales-and-service centers and outlets are being combined into car and commercial-vehicle outlets in order to steadily increase the profitability of Daimler's own dealer activities in the highly competitive German market. In addition, the restructuring program includes the plan to sell selected operations of the Group's current sales network, primarily by the end of 2015. Due to their minor impact on the Group's profitability, liquidity and capital resources and financial position, the assets and liabilities held for sale are not presented separately in the consolidated statement of financial position. At December 31, 2014, this disposal group's assets amounted to €300 million and its liabilities amounted to €27 million. Due to the partial sale of the disposal group, its remaining assets amounted to €270 million at March 31, 2015. It no longer had any liabilities. In the first quarter of 2015, Daimler recorded expenses of €29 million. For these restructuring measures, the Group anticipates negative effects on earnings of up to €0.5 billion in 2015 and 2016. This program affects all automotive segments, but mainly the Mercedes-Benz Cars segment.

Moreover, in January 2013, Daimler Trucks announced workforce adjustments as part of its goal of increasing its profitability by stronger utilization of efficiencies. In Brazil, a voluntary redundancy program launched in the administrative area in the first quarter of 2013 was continued in April 2014 mostly in the productive area, leading to a reduction of approximately 2,500 jobs as of March 31, 2015. These workforce adjustments also affected Daimler Buses to a small extent.

In addition, in non-productive areas of Daimler Trucks in Germany, a program based on socially acceptable voluntary measures ran between May 2013 and December 2014 leading to a reduction of approximately 600 jobs as of December 31, 2014.

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

Table 7 E.07 shows the expenses related to the optimization programs which affected the EBIT of the segments. The cash outflows associated with the implementation of the programs are also shown.

E.07

Optimization programs

	Q1 2015	Q1 2014
In millions of euros		
Mercedes-Benz Cars		
EBIT	-20	-
Cash flow	-4	-
Daimler Trucks		
EBIT	-9	-5
Cash flow	-37	-64
Mercedes-Benz Vans		
EBIT	-4	-
Cash flow	-1	-
Daimler Buses		
EBIT	-1	-1
Cash flow	-	-9

The provisions recognized for the optimization programs are shown in Table [7 E.08](#).

E.08

Provisions for optimization programs

	March 31, 2015	Dec. 31, 2014
In millions of euros		
Mercedes-Benz Cars	17	-
Daimler Trucks	5	6
Mercedes-Benz Vans	4	-
Daimler Buses	1	13

The expenses listed in table [7 E.07](#) primarily relate to personnel measures and are included in the line items within the consolidated statement of income as shown in table [7 E.09](#).

E.09

Income and expenses associated with optimization programs

	Q1 2015	Q1 2014
In millions of euros		
Cost of sales	-5	-3
Selling expenses	-32	-
General administrative expenses	-	-3
Other operating income	3	-
	-34	-6

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

5. Other operating income

Table [7 E.10](#) shows the components of other operating income.

E.10

Other operating income

	Q1 2015	Q1 2014
In millions of euros		
Income from costs recharged to third parties	226	173
Gains on sales of property, plant and equipment	95	20
Government grants and subsidies	15	20
Rental income, not relating to sales financing	15	14
Reimbursements under insurance policies	7	5
Other miscellaneous income	97	73
	455	305

Gains on sales of property, plant and equipment include gains from the sale of real-estate properties in the United States of €87 million.

6. Other financial income/expense, net

Table [7 E.11](#) shows the components of other financial income/expense, net.

E.11

Other financial income/expense, net

	Q1 2015	Q1 2014
In millions of euros		
Expense from compounding of provisions and effects of changes in discount rates ¹	-112	-66
Miscellaneous other financial income/expense, net	-46	-299
	-158	-365

¹ Excluding the expense from compounding provisions for pensions and similar obligations.

In 2014, expenses of €161 million from hedging the share price of Tesla Motors, Inc. (Tesla) and of €118 million from the measurement of the RRPSH put option are included in miscellaneous other financial income/expense, net.

7. Interest income and interest expense

Interest income and interest expense are comprised as follows:

E.12

Interest income and expense

	Q1 2015	Q1 2014
In millions of euros		
Interest income		
Net interest income on the net assets of defined benefit pension plans	1	.
Interest and similar income	50	34
	51	34
Interest expense		
Net interest expense on the net obligation from defined benefit pension plans	-81	-84
Interest and similar expense	-73	-85
	-154	-169

8. Intangible assets

Intangible assets are comprised as follows:

E.13

Intangible assets

	March 31, 2015	Dec. 31, 2014
In millions of euros		
Goodwill	753	740
Development costs	7,348	7,245
Other intangible assets	1,438	1,382
	9,539	9,367

9. Property, plant and equipment

Property, plant and equipment are comprised as follows:

E.14

Property, plant and equipment

	March 31, 2015	Dec. 31, 2014
In millions of euros		
Land, leasehold improvements and buildings including buildings on land owned by others	7,213	6,942
Technical equipment and machinery	8,255	8,120
Other equipment, factory and office equipment	5,887	5,609
Advance payments relating to plant and equipment and construction in progress	2,380	2,511
	23,735	23,182

10. Equipment on operating leases

At March 31, 2015, the carrying amount of equipment on operating leases amounted to €35,980 million (December 31, 2014: €33,050 million). In the three months ended March 31, 2015, additions and disposals amounted to €4,632 million and €2,499 million respectively (2014: €3,762 million and €2,307 million). Depreciation for the first quarter of 2015 was €1,480 million (2014: €1,114 million). Other changes primarily include the effects of currency translation.

11. Equity-method investments

Table 7 E.15 shows the carrying amounts and profits/losses from equity-method investments.

Table 7 E.16 presents key figures on interests in associated companies accounted for using the equity method in the Group's consolidated financial statements.

E.15

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

	Associated companies	Joint ventures	Joint operations	Subsidiaries	Total
In millions of euros					
At March 31, 2015					
Equity investment ¹	2,258	488	47	1	2,794
Equity result ¹ (Q1 2015)	159	-12	1	-	148
At December 31, 2014					
Equity investment ¹	1,795	448	44	7	2,294
Equity result ¹ (Q1 2014)	36	-15	1	-	22

¹ Including investor-level adjustments.

E.16

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

	RRPSH	BBAC	BAIC Motor ²	Kamaz ³	Others	Total
In millions of euros						
At March 31, 2015						
Equity interest (in %)	-	49.0	10.1	15.0	-	-
Equity investment ¹	-	1,162	818	87	191	2,258
Equity result ¹ (Q1 2015)	-	117	41	2	-1	159
At December 31, 2014						
Equity interest (in %)	-	49.0	10.1	15.0	-	-
Equity investment ¹	-	852	686	71	186	1,795
Equity result ¹ (Q1 2014)	13	29	2	-3	-5	36

¹ Including investor-level adjustments.

² Earnings of BAIC Motor Corporation Ltd. (BAIC Motor) are included in Daimler's consolidated financial statements with a three month time lag.

BAIC Motor's figures are unaudited and based on local GAAP. The investment in BAIC Motor was acquired in November 2013. Therefore Daimler's proportionate share in the earnings of BAIC Motor for the first quarter of 2014 relates to the earnings of BAIC Motor for the month of December 2013.

³ Kamaz OAO

BBAC. In the first quarter of 2015, a capital increase of €72 million took place at Beijing Benz Automotive Co., Ltd. (BBAC). Daimler plans to contribute additional equity of €0.3 billion according to its shareholding ratio to BBAC in 2015.

RRPSH. In March 2014, Daimler decided to sell its 50% equity interest in the joint venture RRPSH to its partner Rolls-Royce. To do so, Daimler exercised a put option on its stake in RRPSH that was agreed upon with Rolls-Royce in 2011. The transaction was closed in the third quarter of 2014.

12. Receivables from financial services

Receivables from financial services are shown in the following table:

E.17

Receivables from financial services

	March 31, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Sales financing with customers	10,904	25,672	36,576	10,307	22,852	33,159
Sales financing with dealers	13,619	2,454	16,073	11,786	2,203	13,989
Finance-lease contracts	5,280	11,329	16,609	5,084	10,368	15,452
Gross carrying amount	29,803	39,455	69,258	27,177	35,423	62,600
Allowances for doubtful accounts	-448	-563	-1,011	-408	-513	-921
Net carrying amount	29,355	38,892	68,247	26,769	34,910	61,679

At March 31, 2015, finance-lease contracts included non-automotive assets from contracts of the financial services business with third parties (leveraged leases) in the amount of €345 million (December 31, 2014: € 365 million).

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

13. Inventories

Inventories are comprised as follows:

E.18

Inventories

	March 31, 2015	Dec. 31, 2014
In millions of euros		
Raw materials and manufacturing supplies	2,711	2,409
Work in progress	3,423	2,936
Finished goods, parts and products held for resale	17,258	15,412
Advance payments to suppliers	124	107
	23,516	20,864

14. Equity

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

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

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

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

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

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

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

15. Pensions and similar obligations

Pension cost. The components of pension cost included in the consolidated statement of income are as shown in table [7 E.19](#).

Contributions by the employer to plan assets. In the three months ended March 31, 2015, contributions by Daimler to the Group's pension plans were €28 million (2014: €37 million).

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

E.19**Components of net periodic pension cost**

	Q1 2015			Q1 2014		
	Total	German plans	Non-German plans	Total	German plans	Non-German plans
In millions of euros						
Current service cost	-176	-149	-27	-129	-108	-21
Net interest expense	-70	-60	-10	-70	-61	-9
Net interest income	1	-	1	-	-	-
	-245	-209	-36	-199	-169	-30

16. Provisions for other risks

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

E.20**Provisions for other risks**

	March 31, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	2,339	2,838	5,177	2,423	2,565	4,988
Personnel and social costs	1,783	2,149	3,932	1,806	2,135	3,941
Other	3,475	2,039	5,514	3,038	2,012	5,050
	7,597	7,026	14,623	7,267	6,712	13,979

17. Financing liabilities

Financing liabilities are comprised as follows:

E.21**Financing liabilities**

	March 31, 2015			December 31, 2014		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Notes/bonds	10,652	36,839	47,491	9,914	33,262	43,176
Commercial paper	2,636	3	2,639	2,269	8	2,277
Liabilities to financial institutions	12,670	11,772	24,442	11,101	11,792	22,893
Deposits in the direct banking business	7,883	2,645	10,528	8,350	2,503	10,853
Liabilities from ABS transactions	4,864	2,304	7,168	4,114	1,875	5,989
Liabilities from finance leases	39	256	295	40	245	285
Loans, other financing liabilities	620	581	1,201	502	714	1,216
	39,364	54,400	93,764	36,290	50,399	86,689

18. Financial instruments

Table 7 E.22 shows the carrying amounts and fair values of the Group's financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved in the market.

E.22

Carrying amounts and fair values of financial instruments

	March 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Financial assets				
Receivables from financial services	68,247	68,595	61,679	62,057
Trade receivables	9,413	9,413	8,634	8,634
Cash and cash equivalents	12,219	12,219	9,667	9,667
Marketable debt securities				
Available-for-sale financial assets	6,751	6,751	6,634	6,634
Other financial assets				
Available-for-sale financial assets	2,813	2,813	2,269	2,269
thereof equity instruments measured at fair value	2,179	2,179	1,647	1,647
thereof equity instruments carried at cost	634	634	622	622
Financial assets recognized at fair value through profit or loss	161	161	97	97
Derivative financial instruments used in hedge accounting	1,192	1,192	1,296	1,296
Other receivables and assets	2,468	2,468	2,325	2,325
	103,264	103,612	92,601	92,979
Financial liabilities				
Financing liabilities	93,764	95,237	86,689	88,043
Trade payables	12,293	12,293	10,178	10,178
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	329	329	359	359
Derivative financial instruments used in hedge accounting	6,023	6,023	2,317	2,317
Miscellaneous other financial liabilities	8,491	8,491	8,030	8,030
	120,900	122,373	107,573	108,927

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

Marketable debt securities and other financial assets.

Financial assets available-for-sale include:

- debt and equity instruments measured at fair value; these instruments were measured using quoted market prices at March 31. Otherwise, the fair value measurement of these debt and equity instruments is based on inputs that are either directly or indirectly observable on active markets. Equity instruments measured at fair value predominantly comprise the investments in Nissan Motor Co., Ltd. (Nissan) and Renault SA (Renault).
- equity interests measured at cost; fair values could not be determined for these financial instruments because no stock exchange or market prices are available. These equity interests comprise investments in non-listed companies for which no objective evidence existed at the balance sheet date that these assets were impaired and whose fair values cannot be determined with sufficient reliability. It is assumed that the fair values approximate the carrying amounts. Daimler does not intend to sell the equity interests which are presented as of March 31, 2015.

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

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

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

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

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

Table 7 E.23 provides an overview of the classification into measurement hierarchies of financial assets and liabilities measured at fair value (according to IFRS 13).

E.23

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

	March 31, 2015				December 31, 2014			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Assets measured at fair value								
Financial assets available for sale	8,930	6,881	2,049	-	8,281	6,158	2,123	-
thereof equity instruments	2,179	2,173	6	-	1,647	1,642	5	-
thereof marketable debt securities	6,751	4,708	2,043	-	6,634	4,516	2,118	-
Financial assets recognized at fair value through profit or loss	161	-	161	-	97	-	97	-
Derivative financial instruments used in hedge accounting	1,192	-	1,192	-	1,296	-	1,296	-
	10,283	6,881	3,402	-	9,674	6,158	3,516	-
Liabilities measured at fair value								
Financial liabilities recognized at fair value through profit and loss	329	-	329	-	359	-	359	-
Derivative financial instruments used in hedge accounting	6,023	-	6,023	-	2,317	-	2,317	-
	6,352	-	6,352	-	2,676	-	2,676	-

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

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

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

19. Segment reporting

Segment information for the three-month periods ended March 31, 2015 and March 31, 2014 is as follows:

E.24

Segment reporting

	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Reconciliation	Daimler Group
In millions of euros								
Q1 2015								
Revenue	18,818	7,955	2,323	862	4,278	34,236	-	34,236
Intersegment revenue	691	459	92	15	271	1,528	-1,528	-
Total revenue	19,509	8,414	2,415	877	4,549	35,764	-1,528	34,236
Segment profit (EBIT)	1,841	472	215	34	409	2,971	-65	2,906
Thereof share of profit/loss from equity-method investments	115	-5	-2	-	-1	107	41	148
Thereof expenses from compounding of provisions and changes in discount rates	-58	-34	-11	-5	-	-108	-4	-112
In millions of euros								
Q1 2014								
Revenue	16,327	6,621	2,123	846	3,540	29,457	-	29,457
Intersegment revenue	677	500	89	13	269	1,548	-1,548	-
Total revenue	17,004	7,121	2,212	859	3,809	31,005	-1,548	29,457
Segment profit (EBIT)	1,183	341	123	53	397	2,097	-310	1,787
Thereof share of profit/loss from equity-method investments	24	-2	1	-	-3	20	2	22
Thereof expenses from compounding of provisions and changes in discount rates	-43	-16	-5	-1	-	-65	-1	-66

Reconciliation. Reconciliation of the total segments' profit (EBIT) to profit before income taxes is as shown in table [E.25](#).

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

In the prior year, other corporate items include the expenses from hedging the share price of Tesla of €161 million and from the measurement of the RRPSH put option of €118 million, which are disclosed within other financial expense, net.

E.25

Reconciliation to Group figures

	Q1 2015	Q1 2014
In millions of euros		
Total segments' profit (EBIT)	2,971	2,097
Share of profit from equity-method investments ¹	41	2
Other corporate items	-121	-316
Eliminations	15	4
Group EBIT	2,906	1,787
Amortization of capitalized borrowing costs ²	-2	-2
Interest income	51	34
Interest expense	-154	-169
Profit before income taxes	2,801	1,650

1 Comprises the Group's proportionate share in the results of BAIC Motor.

2 Amortization of capitalized borrowing costs is not considered in internal performance measure "EBIT," but is included in cost of sales.

20. Related party relationships

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

Most of the goods and services supplied within the ordinary course of business between the Group and related parties comprise transactions with associated companies, joint ventures and joint operations, and are shown in table [E.26](#).

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

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

The purchases of goods and services shown in table [E.26](#) were primarily from MBtech Group GmbH & Co. KGaA (MBtech Group). MBtech Group develops, integrates and tests components, systems, modules and vehicles worldwide.

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

In 2014, Daimler provided a joint and separate liability guarantee to external banks which provided a syndicate loan to the joint venture Shenzhen BYD Daimler New Technology Co. Ltd. (SBDNT). The guarantee provided by Daimler amounts to RMB 750 million (approximately €112 million as of March 31, 2015) and equates to the Group's share in the loan granted to SBDNT based on its 50% equity interest in SBDNT. €64 million of this loan has been utilized as of March 31, 2015.

In connection with its 45% equity interest in Toll Collect GmbH, Daimler has issued guarantees which are not shown in table [E.26](#) (€100 million at March 31, 2015 and at December 31, 2014).

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

E.26

Transactions with related parties

	Sales of goods and services and other income		Purchases of goods and services and other expense		Receivables		Payables	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	March 31, 2015	Dec. 31, 2014	March 31, 2015	Dec. 31, 2014
In millions of euros								
Associated companies	656	503	81	70	646	764	58	65
thereof BBAC	611	381	33	8	616	726	33	16
Joint ventures	128	154	20	27	163	195	4	6
Joint operations	3	2	59	45	46	44	19	22

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are available on the Internet at
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Concept and contents

Daimler AG
Investor Relations

Publications for our shareholders

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

Financial Calendar

Interim Report Q1 2015

April 28, 2015

Interim Report Q2 2015

July 23, 2015

Interim Report Q3 2015

October 22, 2015

Annual Meeting 2016

Berlin
April 6, 2016

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

