

# DAIMLER



Annual Financial Statements 2009. Daimler AG.

**Cover:**

**Mercedes-Benz E 350 CGI. CGI (stratified charged gasoline injection) transports fuel precisely to the spark plugs and is regarded as a key technology to reduce the fuel consumption of gasoline engines while optimizing their performance.**

# Daimler AG

## Annual Financial Statements 2009

The Management Report of Daimler AG is combined with the Group Management Report in accordance with Section 315 (3) of the German Commercial Code (HGB) and published in the Group Annual Report 2009.

The Annual Financial Statements and the summarized Management Report of Daimler AG for the year 2009 are filed with the operator of the electronic version of the German Federal Gazette and published in the electronic version of the German Federal Gazette.

The Annual Financial Statements of Daimler AG and the Group Annual Report 2009 can be found in the “Investor Relations” section of our website ([www.daimler.com/ir/reports](http://www.daimler.com/ir/reports)).



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## Balance Sheet of Daimler AG

	Notes	12/31/2009	12/31/2008
€ in million			
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	(1)	231	148
Property, plant and equipment incl. equipment on operating leases	(2)	7,430	9,448
Financial assets	(3)	37,787	37,454
		<b>45,448</b>	47,050
<b>Non-fixed assets</b>			
Inventories	(4)	4,872	6,033
Trade receivables	(5)	1,449	2,024
Receivables from affiliated companies	(5)	13,095	10,182
Other receivables and other assets	(5)	1,543	1,993
Securities	(6)	4,754	230
Cash and cash equivalents	(7)	2,251	772
		<b>27,964</b>	21,234
<b>Prepaid expenses</b>			
		<b>53</b>	93
		<b>73,465</b>	68,377

	Notes	12/31/2009	12/31/2008
€ in million			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	(8a)	3,045	2,768
(conditional capital € 415 million)			
Capital reserves	(8b)	11,123	14,204
Retained earnings	(8c)	5,721	5,396
Unappropriated profit	(8d)	-	556
		<b>19,889</b>	22,924
<b>Provisions</b>			
Provisions for pensions and similar obligations	(9)	12,981	12,658
Other provisions	(10)	11,204	10,905
		<b>24,185</b>	23,563
<b>Liabilities</b>			
Trade liabilities	(11)	3,118	3,431
Liabilities due to affiliated companies	(11)	18,576	13,247
Other liabilities	(11)	5,885	4,899
		<b>27,579</b>	21,577
<b>Deferred income</b>			
	(12)	<b>1,812</b>	313
		<b>73,465</b>	68,377

# Income Statement of Daimler AG

	Notes	2009	2008
€ in million			
<b>Revenues</b>	(13)	<b>47,177</b>	63,682
Cost of sales	(14)	(44,503)	(57,064)
<b>Gross profit</b>		<b>2,674</b>	6,618
Selling expenses	(14)	(4,389)	(5,553)
General administrative expenses	(14)	(2,178)	(2,573)
Other operating income	(15)	1,118	1,353
Other operating expenses	(16)	(1,186)	(1,359)
Result from investments in affiliated and related companies	(17)	955	2,523
Interest income	(18)	(467)	127
Other financial income	(19)	(891)	(1,291)
<b>Income from ordinary activities</b>		<b>(4,364)</b>	(155)
Income taxes	(20)	(401)	(177)
<b>Net loss</b>	(21)	<b>(4,765)</b>	(332)
<b>Profit carried forward</b>		-	100
<b>Transfer from retained earnings</b>		-	788
<b>Transfer from capital reserves</b>		<b>4,765</b>	-
<b>Unappropriated profit</b>		-	556

# Notes to the Financial Statements of Daimler AG

## Accounting policies and methods

The financial statements of Daimler AG have been prepared in accordance with the accounting principles of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG); the amounts shown are in millions of euros (€) and the comparable figures for the year ended December 31, 2008 are also shown. The items summarized in the balance sheet and the income statement are listed individually and explained in these notes.

For the sake of clarity, the system of presentation has been modified in accordance with Section 266 of the HGB. Other receivables and other assets comprise receivables from related companies and other assets. Other provisions comprise provisions for taxes and other provisions. Other liabilities comprise liabilities to related companies, loans and bonds, liabilities to banks and other liabilities. No use was made of the possibility to net off liabilities to subsidiaries from the transfer of losses with receivables.

The income statement has been prepared according to the internationally predominant cost-of-sales method. The system of presentation according to Section 275 of the HGB has been modified to improve clarity with regard to financial activities. Financial activities are presented as income from investments in affiliated and related companies, interest income and other financial income.

## Recognition and measurement

*Intangible assets* are measured at cost of acquisition, reduced by systematic straight-line amortization. Most of them have a useful life between 3 and 30 years.

*Property, plant and equipment* are measured at cost of acquisition or production, reduced by systematic depreciation.

The production costs of self-constructed assets comprise individual items as well as prorated material and production overheads, including depreciation, to the extent that they are caused by the production process.

Systematic depreciation for technical equipment and machinery, other equipment and operating and office equipment is usually based on a useful life of 3 to 10 years. Correspondingly shorter periods apply for equipment used in multiple shifts.

Movable fixed assets which have been recognized before January 1, 2008, are generally depreciated using the declining-balance method. The method of depreciation is changed from declining-balance to straight-line as soon as the equal distribution of the carrying value over the remaining useful life leads to higher depreciation amounts. Movable fixed assets, which have been recognized after January 1, 2008, are depreciated using the straight-line method. In general, the maximum depreciation rates permitted for tax purposes are applied. Impairments are recognized if an asset has to be measured at a lower value.

From January 1, 2008 low-value assets up to costs of 150 € are written off immediately. For assets with costs of 150 € to 1,000 €, recognized from January 1, 2008, a collective item is built which is depreciated straight-line 20 % p.a.

*Leased assets* are measured at cost of acquisition or production and systematically depreciated. Systematic depreciation is based on a useful life of 3 to 21 years. Leased assets, which have been recognized after January 1, 2008, are reduced by systematic depreciation using the straight-line method. Depending on the various lessees, leased assets, which have been recognized before January 1, 2008, are depreciated using the straight-line method or the declining-balance method. The method of depreciation is changed from declining-balance to straight-line as soon as the equal distribution of the carrying value over the remaining useful life leads to higher depreciation amounts.



*Shares in affiliated, related companies and other financial assets* are measured at cost of acquisition, or, if there is an indication of permanent impairment, at the lower fair value. Loans bearing low interest or no interest are measured at their present value.

For the sake of better clarity, we have supplemented the statement of non-current assets with the item of leased assets under property, plant and equipment and with the item of special asset Pension Trust under financial assets.

*Raw materials, manufacturing supplies and goods* are measured at the lower of cost of acquisition or fair value, *unfinished and finished products* are measured at cost of production. Cost of production comprises direct material and labor as well as the prorated material and production overheads, including depreciation, to the extent that they are caused by the production process. Impairments for inventory risks are recognized to an appropriate extent. The principle of loss-free valuation is applied in accordance with applicable tax regulations.

*Receivables and other assets* are measured at their nominal values with consideration of all recognizable risks. If they have a remaining maturity of more than one year and are non-interest bearing, they are discounted to their present value on the balance sheet date. General allowances are recognized for doubtful accounts.

*Securities* are measured at the lower of cost of acquisition or fair value on the balance sheet date.

Expenditures prior to the balance sheet date that represent expenses for a specific period after that date are reported as *prepaid expenses*.

*Provisions for pensions and similar obligations* are measured with the use of the projected unit credit method. This method has been used for the measurement of pension obligations in accordance with IFRS (IAS 19), i.e. in accordance with the accounting method applied for the consolidated financial statements, and leads to a higher amount than the method according to Section 6a of the German Income Tax Act. When using the projected unit credit method, the obligation at the balance sheet date is recognized in accordance with the expected claims with consideration of expected future increases in wages and salaries.

*Provisions for taxes and other provisions* are calculated in accordance with the principle of reasonable commercial judgment.

*Derivative financial transactions* (especially currency futures and currency option transactions and interest rate swaps) are pooled as a unit of valuation with an underlying transaction, provided there is a direct hedging context between the financial transaction and the underlying transaction.

In these cases, the results of currency contracts concluded as foreign exchange hedges are not recognized until maturity. Financial transactions for which no units of valuation are formed are measured individually at fair value. Any resulting unrealized losses are expensed.

*Liabilities* are measured at their repayment amounts.

*Receivables and liabilities denominated in foreign currencies* are translated into euros at the exchange rate on the date of the book-keeping entry or at the exchange rate on the balance sheet date if that is lower or higher, respectively.

Cash receipts prior to the balance sheet date that represent income for a specific period after that date are reported as *deferred income*.

Daimler AG recognizes *revenues* from sales of vehicles, spare parts, leasing and other related products. Revenue is recognized net of discounts, cash sales incentives, customer bonuses and rebates granted. For transactions with multiple deliverables, such as when vehicles are sold with free service programs, Daimler AG allocates revenue to the various elements based on their objectively and reliably determined fair values. Outstanding elements are stated as deferred income according to the group's financial statements.

## Fixed Assets Schedule

	Cost of acquisition or production					Depreciation/Amortization/Write-ups						Book value	
	01/01/ 2009	Addi- tions	Reclasi- fications	Dispos- als	12/31/ 2009	01/01/ 2009	Current year	Write- ups	Reclasi- fications	Dispos- als	12/31/ 2009	12/31/ 2009	12/31/ 2008
€ in million													
<b>Intangible assets</b>													
Concessions, industrial prop- erty rights and similar rights and values, as well as licenses to such rights and values	304	116	3	44	379	177	47	-	.	43	181	198	127
Advance payments made	21	13	(1)	-	33	-	-	-	-	-	-	33	21
	325	129	2	44	412	177	47	-	.	43	181	231	148
<b>Property, plant and equip- ment</b>													
Technical equipment and machinery	10,028	482	156	153	10,513	7,868	854	-	.	150	8,572	1,941	2,160
Other equipment, factory and office equipment	7,627	625	89	203	8,138	5,636	897	-	.	196	6,337	1,801	1,991
Leased assets	7,122	1,145	-	3,104	5,163	2,225	890	-	-	1,129	1,986	3,177	4,897
Advance payments and con- struction in progress	405	391	(247)	33	516	5	-	-	-	-	5	511	400
	25,182	2,643	(2)	3,493	24,330	15,734	2,641	-	.	1,475	16,900	7,430	9,448
<b>Financial assets</b>													
Shares in affiliated companies	28,762	1,406	79	92	30,155	859	78	-	61	-	998	29,157	27,903
Loans to affiliated companies	333	73	-	48	358	12	3	(7)	-	-	8	350	321
Shares in related companies	1,053	78	(79)	326	726	493	18	-	(61)	172	278	448	560
Other loans	22	.	-	1	21	1	-	.	-	1	.	21	21
Special assets Pension Trust	9,558	82	-	48	9,592	909	872	-	-	-	1,781	7,811	8,649
	39,728	1,639	-	515	40,852	2,274	971	(7)	-	173	3,065	37,787	37,454
<b>Fixed assets</b>	<b>65,235</b>	<b>4,411</b>	<b>-</b>	<b>4,052</b>	<b>65,594</b>	<b>18,185</b>	<b>3,659</b>	<b>(7)</b>	<b>.</b>	<b>1,691</b>	<b>20,146</b>	<b>45,448</b>	<b>47,050</b>

# Notes to the Balance Sheet

## 1 Intangible assets

Intangible assets of € 231 million primarily comprise acquired licenses and similar values. Systematic amortization amounted to € 47 million in 2009.

## 2 Property, plant and equipment

Additions of € 2,643 million include € 1,145 million of leased assets. These are primarily vehicles sold with leasing contracts. Further additions consist only of movable assets. Systematic depreciation on property, plant and equipment amounted to € 2,641 million (2008: € 3,024 million). The reduction of leased assets is mainly due to leased vehicles, which are sold to Mercedes-Benz Leasing GmbH since February 1, 2009.

## 3 Investments and long term financial assets

Shares in affiliated and related companies increased by € 1,142 million to € 29,605 million (2008: € 28,463 million).

This increase is mainly caused by the group-internal transfer of the shares in Daimler AG & Co. Finanzanlagen OHG from Daimler Verwaltungsgesellschaft für Grundbesitz mbH to Daimler AG. The transferred company was merged on Daimler AG & Co. Wertpapierhandel OHG in 2009. Further additions are related to the acquisition of a 49.9 % share in Li-Tec Battery GmbH, a manufacturer of lithium ion battery cells for automotive applications, investments in Daimler India Commercial Vehicles Pvt. Ltd. and in Financial Services activities. Disposals mainly relate to the partial sale of shares of the McLaren Group Ltd. In the fiscal year 2009, shares in affiliated and related companies were written down by € 96 million (2008: € 227 million).

Pursuant to Section 285 of the HGB, a list of the principal holdings of Daimler AG is given below on pages 32 to 35 of the notes.

The special assets Pension Trust comprise the financial assets transferred to the Daimler Pension Trust e.V. These assets and their yields are solely used for the purpose of meeting the pension obligations.

Decreases in value of the special assets Pension Trust assessed to be persistent, have led to a write-down of € 872 million in 2009 (2008: € 909 million). After the write-down the book value of the Pension Trust assets is € 7,811 million at December 31, 2009, fair value is € 7,850 million.

The development of fixed assets is presented in the fixed assets schedule.

## 4 Inventories

€ in million	12/31/2009	12/31/2008
Raw material and manufacturing supplies	962	1,124
Unfinished products, unfinished services	760	885
Finished products and goods	3,187	4,070
<b>Inventories before netting advance payments received</b>	<b>4,909</b>	6,079
Advance payments received	(37)	(46)
<b>Inventories</b>	<b>4,872</b>	6,033

Finished products and goods comprise vehicles and spare parts produced both in the plants of Daimler AG and in the context of contract manufacturing. Used vehicles are also included.

## 5 Receivables and other assets

€ in million	12/31/2009	12/31/2008
Trade receivables	1,449	2,024
thereof more than 1 year until maturity	1	4
Receivables from affiliated companies	13,095	10,182
thereof more than 1 year until maturity	2,169	918
Receivables from related companies	151	350
thereof more than 1 year until maturity	-	-
Other assets	1,392	1,643
thereof more than 1 year until maturity	175	69
<b>Receivables and other assets</b>	<b>16,087</b>	<b>14,199</b>
thereof more than 1 year until maturity	2,345	991

Receivables from affiliated companies primarily consist of receivables that originally arose from invoicing within the consolidated group within the context of central financial and liquidity management (€ 11,001 million, 2008: € 8,015 million), as well as from the supply of goods and services to companies of the consolidated group in Germany and abroad (€ 2,094 million, 2008: € 2,167 million). Receivables from related companies primarily comprise trade receivables that originally arose from companies of the consolidated group in Germany and abroad (€ 147 million, 2008: € 349 million).

Other assets include tax-refund claims (€ 633 million, 2008: € 909 million), premiums for currency options (€ 201 million, 2008: € 144 million) and receivables to employees (€ 121 million, 2008: € 70 million).

## 6 Securities

€ in million	12/31/2009	12/31/2008
Treasury shares	311	-
Other securities	4,443	230
	<b>4,754</b>	<b>230</b>

The Board of Management decided, with the consent of the Supervisory board, to use part of the treasury shares acquired in the share buyback program 2008 to meet the obligations of former AEG shareholders determined through the final verdict reached by the higher regional court in Frankfurt am Main in November 2009. These 8.35 million shares are no longer designated for the purpose of cancellation and are therefore shown on the asset side as of December 31, 2009. These shares are representing € 23.97 million of the capital stock, equivalent to 0.79 %.

The employee share purchase plan of Daimler AG was discontinued in 2009. Therefore in the financial year Daimler AG did not purchase treasury shares as a part of this program.

The increase of other securities by € 4,213 million primarily results from the increase of commercial papers. Bonds existing in the previous financial year have been sold in 2009.

## 7 Cash and cash equivalents

Cash and cash equivalents amounted to € 2,251 million at the end of the year (2008: € 772 million) and consisted of bank balances, cash in hand and checks.

Liquidity also includes securities (€ 4,754 million, 2008: € 230 million).

## 8 Equity

€ in million	12/31/2009	12/31/2008
Share capital	3,045	2,768
Capital reserves	11,123	14,204
Retained earnings	5,721	5,396
Unappropriated profit	-	556
<b>Equity</b>	<b>19,889</b>	<b>22,924</b>

### a) Share capital

€ in million	2009	2008
<b>Share capital</b>		
<b>Balance at 01/01</b>	<b>2,768</b>	2,766
Contribution from exercise of options	1	2
Increase in share capital	276	-
<b>Balance at 12/31</b>	<b>3,045</b>	2,768

	2009	2008
<b>Number of shares</b>		
<b>Shares outstanding at 01/01</b>	<b>927,440,601</b>	1,013,868,596
Reacquired but not cancelled shares from share buyback program (previous year)	37,116,831	-
Reacquired and cancelled shares from share buyback program	-	(49,808,314)
Creation of new shares by exercise of Stock option plans	218,350	497,150
Creation of new shares by increase in share capital	96,408,000	-
<b>Shares issued at 12/31</b>	<b>1,061,183,782</b>	964,557,432
Reacquired but not cancelled shares from share buyback program	(37,116,831)	(37,116,831)
<b>Shares outstanding at 12/31</b>	<b>1,024,066,951</b>	927,440,601

The capital stock is allocated into no par value shares. All shares are fully paid up. Each share grants one vote at the Annual Meeting of Daimler AG and, if applicable except for new shares potentially not entitled to dividend, an equal portion of the profits as defined by the dividend distribution resolved at the Annual Meeting. Each share represents approx. € 2.87 of the capital stock.

**Share buyback program.** On April 9, 2008, the Annual Meeting authorized Daimler AG to acquire, until October 9, 2009, treasury shares for certain predefined purposes, i. e. for the purpose of cancellation and to meet the subscription rights arising from stock option programs, up to 10 % of the capital stock in the amount of € 2,766 million issued as of the day of the resolution. Between June 18, 2008 and October 23, 2008, Daimler AG partly exercised the authorization by repurchasing a total of 37.28 million shares representing approx. € 107 million of the capital stock as of the time of the Annual Meeting, equivalent to approx. 3.87 %, for a total consideration of € 1,449 million. In 2008 0.17 million shares repurchased were used to meet subscription rights arising from stock option programs. 37.12 million treasury shares are still held by Daimler AG as of December 31, 2009.

Insofar as the resolution issued by the Annual Meeting on April 9, 2008 had not been utilized to acquire treasury shares, it was terminated by resolution of the Annual Meeting on April 8, 2009. Simultaneously Daimler AG was again authorized to acquire, until October 8, 2010, treasury shares for certain predefined purposes, i. e. for the purpose of cancellation and to meet subscription rights arising from stock option programs, treasury shares up to 10 % of the share capital as of date of that resolution.

**Authorized and conditional capital.** By way of a resolution adopted at the Annual Meeting on April 9, 2008, the Board of Management was authorized, with the consent of the Supervisory Board, to increase Daimler AG's capital in the period until April 8, 2013 by a total of € 500 million by issuing new registered no par value shares in exchange for cash contributions and by a total of € 500 million by issuing new registered no par value shares in exchange for non-cash contributions (Authorized Capital I and II). The Board of Management was also authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights under certain conditions. Under partial utilization of the Authorized Capital I, the Board of Management decided, with the consent of the Supervisory Board of March 22, 2009, to increase Daimler AG's share capital of € 2,768 million by € 276 million to € 3,044 million in exchange for cash contributions, excluding any shareholders' subscription rights, by issuing 96.4 million new registered no par value shares at an issue price of € 20.27 per share to Semare Beteiligungsgesellschaft mbH. Semare Beteiligungsgesellschaft mbH is an indirect subsidiary of Aabar Investments PJSC. The capital increase became effective upon entry in the Commercial Register on March 24, 2009. The new shares are entitled to dividend for the first time for the financial year beginning on January 1, 2009.

The Annual Meeting on April 8, 2009 authorized the Board of Management again, with the consent of the Supervisory Board, to increase Daimler AG's share capital in the period until April 7, 2014 by a total of € 1,000 million 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 2009). Among other things, the Board of Management was authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights under certain conditions. In this context, the Annual Meeting further resolved to cancel the former Authorized Capital I and II with effect as of the time when the new Approved Capital 2009 becomes effective, but

only to the extent that it had not been utilized. The new Approved Capital 2009 and the cancellation of the remaining former Authorized Capital I and II came into effect with their entry in the Commercial Register on June 5, 2009.

By way of a resolution adopted at the Annual Meeting on April 6, 2005, the Board of Management was authorized, with the consent of the Supervisory Board, to issue convertible bonds and/or option notes with warrants with a total face value of up to € 15 billion at terms not exceeding 20 years and to grant the bearers or creditors of these bonds convertible or option rights to new Daimler shares with an allocable portion of the capital stock of up to € 300 million, in line with the specified conditions, by April 5, 2010 (Conditional Capital I). This authorization has not been exercised yet. The share capital is conditionally increased by up to € 115 million through the issue of new registered shares of the company (remaining Conditional Capital II). The remaining Conditional Capital II covers the subscription rights of stock options issued until 2004.

**Stock Option Plan.** As of December 31, 2009, approx. 22 million options of the 2000 stock option plan with a nominal amount of € 64 million had not yet been exercised.

## b) Capital reserves

Capital reserves		
€ in million	2009	2008
<b>Balance at 01/01</b>	<b>14,204</b>	14,185
Transferred from exercise of options	7	19
Increase in share capital	1,677	-
Withdrawal to offset net loss 2009	(4,765)	-
<b>Balance at 12/31</b>	<b>11,123</b>	14,204

Capital reserves amount to € 11,123 million at the end of 2009. The net loss of the financial year was offset by a transfer from capital reserves. During 2009, € 7 million was transferred to capital reserves as a result of the exercise of share options from Stock Option Plan 2000. Increasing capital reserves result from the agio related to issuing new shares to Semare Beteiligungsverwaltungsgesellschaft mbH in connection with the utilization of authorized capital.

## c) Retained earnings

Reserve for treasury shares		
€ in million	2009	2008
<b>Balance at 01/01</b>	<b>-</b>	-
Reclassification from other retained earnings	325	-
Reversal from valuation of treasury shares	(14)	-
<b>Balance at 12/31</b>	<b>311</b>	-
Other retained earnings		
€ in million	2009	2008
<b>Balance at 01/01</b>	<b>5,396</b>	6,188
Applied for share buyback	-	(4,160)
Transfer decision of the Annual Meeting 2008 for 2007	-	4,156
Withdrawal from retained earnings	-	(788)
Capitalization of treasury shares from share buyback	325	-
Recognition of reserve for treasury shares	(325)	-
Reversal from valuation of treasury shares	14	-
<b>Balance at 12/31</b>	<b>5,410</b>	5,396

At December 31, 2009, retained earnings amounted to € 5,721 million.

**AEG settlement.** Through a final verdict reached by the higher regional court in Frankfurt am Main in November 2009, the exchange ratio, specified in the domination and profit and loss transfer agreement between the former Daimler-Benz AG and AEG AG from 1988 was specified from 5 AEG shares for one old Daimler-Benz share to a ratio of 2.9 to 1. Accordingly, the compensation payment for unpaid AEG-dividends determined in the domination and profit and loss transfer agreement was increased from a rate of 20 % up to 34.5 % of the respective Daimler dividends. Parts of the stock of treasury shares are used to meet the obligations of former AEG shareholders from this verdict. Due to the change of the designated purpose approx. 8.35 million shares were capitalized and a reserve for treasury shares transferred from other retained earnings was recognized accordingly.

#### d) Unappropriated Profit

As allowed by Section 158 (1) of the AktG unappropriated profit is determined as follows:

Unappropriated Profit 12/31/2009	
€ in million	
Net loss 2009	(4,765)
Withdrawal from capital reserves	4,765
<b>Unappropriated Profit</b>	<b>-</b>

To compensate net loss € 4,765 million have been withdrawn from capital reserves.

#### Share-based payment

As of December 31, 2009, the Company has the following awards outstanding that were issued under a variety of plans: the 2005-2009 Performance Phantom Share Plan ("PPSP") and the Stock Option Plan ("SOP") 2000-2004. The plans of share-based payments are measured according to the probability of their claiming at the balance sheet date.

The PPSP is paid off at the end of the stipulated holding period; earlier, pro-rated pay off is only possible in case of leaving the Daimler Group if certain defined conditions are met. For the SOP Plan the waiting period has passed, so that the plan is exercisable except for special vesting periods and under consideration of the exercise prices.

**Performance Phantom Share Plan.** In 2009, Daimler AG adopted a "Performance Phantom Share Plan", similar to that used in 2005 to 2008, under which eligible employees are granted phantom shares entitling them to receive cash payments provided that predefined targets are met in the three years performance period. The amount of cash paid to eligible employees is based on the number of vested phantom shares (determined depending on the target achievement over a three-year performance period) multiplied by the quoted price of Daimler's ordinary shares (calculated as an average price over a specified period at the end of the four years of service). The number of phantom shares that vest will depend on the achievement of corporate performance goals, based on return on net assets and return on sales in comparison to competitors.

**Stock Option Plan.** In April 2000, the Annual Meeting approved the Daimler SOP, which grants stock options for the purchase of Daimler ordinary shares to eligible employees. Options granted under the SOP are exercisable at a reference price per Daimler ordinary share, which is determined in advance, plus a 20 % premium. The options become exercisable in equal installments on the second and third anniversaries from the date of grant. All unexercised options expire ten years from the date of grant. If the market price per Daimler ordinary share on the date of exercise is at least 20 % higher than the reference price, the holder is entitled to receive a cash payment equal to the original exercise premium of 20 %. After 2004 no new stock options were granted.

In case of exercise Daimler AG has mainly issued new shares.

Exercise prices of the stock option plan are between € 34.40 and € 74.76.

**Stock Appreciation Rights Plan.** In 1999, Daimler established a stock appreciation rights plan (the "SAR Plan 1999"), which provides eligible employees with the right to receive cash equal to the appreciation of Daimler ordinary shares subsequent to the date of grant. The stock appreciation rights granted under the SAR Plan 1999 vest in equal installments on the second and third anniversaries from the grant date. All unexercised SARs expire ten years from the grant date. The SAR Plan 1999 has expired on February 24, 2009.

## 9 Provision for pensions and similar obligations

€ in million	12/31/2009	12/31/2008
Provisions for pensions	12,981	12,658

The measurement of provisions for pensions is based upon the projected unit credit method in accordance with IFRS (IAS 19).

Additions to provisions were determined at the beginning of the financial year 2009 based on the pension liabilities of the company and the assets of Daimler Unterstützungskasse GmbH. The assumptions used in calculating the actuarial values according to the "Richttafeln 2005 G" (actuarial mortality assumptions) of Dr. Klaus Heubeck for the pension liabilities were a discount rate of 5.9 % (2008: 5.4 %), a long-term rate for increasing remunerations from 2009 of 3.5 % (2008: 3.1 %), an increase in living costs respectively future annual increase in benefits of 1.8 % (2008: 1.9 %) and an expected long-term rate of return on plan assets (Daimler Unterstützungskasse GmbH) of 6.5 % (2008: 6.5 %).

The calculation of Defined Benefit Obligation (DBO) is based on "Richttafeln 2005 G" (actuarial mortality assumptions) of Dr. Klaus Heubeck. The valuation of DBO at December 31, 2009 is based on a discount rate of 5.3 % (2008: 5.9 %) and the estimated annual increase of cost of living respectively future annual increase in benefits of 1.8 % (2008: 1.8 %).

## 10 Other provisions

€ in million	12/31/2009	12/31/2008
Provisions for taxes	2,706	1,888
Other provisions	8,498	9,017
	11,204	10,905

The provisions recorded for income and other taxes relate to income taxes for years not yet finally assessed.

Other provisions consist mainly of accrued warranty costs, accrued personnel and social costs, obligations from sales business, reserves for lawsuits, unrealized losses from valuation of forward exchange dealings as well as obligations for end-of-life vehicles. Additionally, other provisions include accruals for deferred maintenance to be carried out in the first quarter of the following year. The change in other provisions compared to the prior year mainly results from a decrease in personnel and social obligations, accrued warranty costs as well as unrealized losses from the measurement of forward exchange transactions. On the other hand risks from buy back obligations and reserves for lawsuits have increased.

## 11 Liabilities

Liabilities	12/31/2009	12/31/2008
€ in million		
Notes/Bonds and Commercial Paper	2,657	2,434
of which due in less than 1 year	108	1,746
of which due in more than 5 years	75	75
Liabilities to financial institutions	1,571	1,233
of which due in less than 1 year	3	63
of which due in more than 5 years	400	-
Trade liabilities	3,118	3,431
of which due in less than 1 year	3,118	3,431
of which due in more than 5 years	-	-
Liabilities due to affiliated companies	18,576	13,247
of which due in less than 1 year	13,806	11,489
of which due in more than 5 years	287	169
Liabilities due to related companies	15	17
of which due in less than 1 year	15	17
of which due in more than 5 years	-	-
Other liabilities	1,642	1,215
of which due in less than 1 year	1,319	1,149
of which due in more than 5 years	-	-
of which tax liabilities	169	146
of which obligations concerning social security	50	79
<b>Total of liabilities</b>	<b>27,579</b>	<b>21,577</b>
of which due in less than 1 year	18,369	17,895
of which due in more than 5 years	762	244



Liabilities due to affiliated companies include intragroup (cash) payables and trade liabilities within the scope of the central financial and liquidity management (€ 18,056 million, 2008: € 12,866 million) as well as trade liabilities with domestic and foreign affiliated companies (€ 520 million, 2008: € 381 million).

Liabilities to related companies contain intragroup (cash) payables and trade liabilities within the scope of the central financial and liquidity management (€ 8 million, 2008: € 8 million) as well as trade liabilities with domestic and foreign group companies (€ 7 million, 2008: € 9 million).

Notes, Bonds and Commercial Papers are mainly European medium term notes to the amount of € 2,223 million.

Liabilities to financial institutions (€ 1,571 million, 2008: 1,233 million) are mainly based on loans (€ 1,569 million, 2008: 1,170 million).

Other liabilities (€ 1,642 million, 2008: € 1,215 million) include mainly liabilities of wages and salaries, withheld income tax and social security contributions as well as option premiums. Furthermore liabilities are included which relate to future payments to Chrysler pension plans.

## 12 Deferred income

€ in million	12/31/2009	12/31/2008
Deferred income	1,812	313

The increase of deferred income is mainly caused by forfeiting of receivables of future leasing rents to Mercedes-Benz Bank on April 1, 2009. The accrual of these future revenues is the main reason for the increase of deferred income. The release of deferred income corresponds to the maturity of the underlying leasing contracts.

# Notes to the Income Statement

## 13 Revenues

€ in million	2009	2008
<b>Revenues classified by type:</b>		
Passenger cars	34,353	42,206
Commercial vehicles	12,824	21,476
	<b>47,177</b>	63,682
<b>Revenues classified by region:</b>		
Domestic	20,006	20,426
Foreign	27,171	43,256
	<b>47,177</b>	63,682
<b>Allocation of foreign revenues:</b>		
Western Europe (excl. Germany)	11,379	18,036
Asia	5,825	7,047
USA	5,314	8,901
Other American countries	1,422	2,216
Other markets	3,231	7,056
	<b>27,171</b>	43,256

Since February 1, 2009 the change of the domestic leasing business became effective. Vehicles are now billed to Mercedes-Benz Leasing GmbH. Revenues were positively influenced by this development.

## 14 Functional costs

Functional costs reported in the income statement are broken down into the categories cost of sales, selling expenses and general administrative expenses.

Cost of goods sold consists of manufacturing costs. These costs mainly consist of the costs of production materials, purchased services, personnel expenses, depreciation and rental expenses for the production departments. Cost of goods sold also includes € 3,754 million (2008: € 4,078 million) of research and development expenses as well as gains or losses from hedging activities conducted by the industrial business segment.

Selling costs include mainly purchased services, e.g. advertising and marketing expenses. Furthermore, personnel expenses, commissions, outgoing freight costs and rental expenses of the selling and distribution organization are also included in selling costs.

General administrative expenses include mainly purchased services (e.g. IT costs), personnel expenses, consulting fees and rental expenses of the general administration.

Other taxes and customs duties amounting to € 66 million (2008: € 90 million) are included within functional costs.

Fees of the auditors are specified in the notes of the consolidated financial statements.

## 15 Other operating income

Other operating income totaling € 1,118 million (2008: € 1,353 million) consists of income from other deliveries and services, cost reimbursements, reimbursements of social insurance contributions from the federal employment office regarding the short-time work as well as rent and lease income.

Other operating income includes € 461 million (2008: € 685 million) of income assignable to prior financial periods and relates mostly to income from the release of provisions and reserves, income from the write-off of liabilities, income from insurance payments and income from fixed asset disposals.

## 16 Other operating expenses

Other operating expenses of € 1,186 million (2008: € 1,359 million) comprise expenses regarding Chrysler, additions to provisions and the adjustment of Formula 1 activities.

Other operating expenses include € 45 million (2008: € 58 million) of expenses attributable to prior financial periods. These expenses are mostly related to disposals of fixed assets and write-off of other receivables.

## 17 Income from investments in affiliated and related companies

€ in million	2009	2008
Income from profit and loss transfer agreements	1,004	1,718
Thereof: Daimler Vermögens- und Beteiligungsgesellschaft mbH	766	909
Mercedes-Benz Accessories GmbH	117	154
EvoBus GmbH	65	-
Expenses related to loss assumptions	(204)	(17)
Income from affiliated companies	163	912
Income from related companies	44	19
Depreciation of investments in affiliated and related companies	(96)	(227)
Earnings from disposals of investments in affiliated and related companies	44	129
Losses from disposals of investments in affiliated and related companies	-	(11)
	955	2,523

The decrease in income from investments in affiliated and related companies is mainly caused by lower profits and higher loss assumptions from transfer agreements compared to last year. Expenses from loss assumptions mainly comprise transfers from EHG Elektroholding GmbH and Daimler Financial Services AG.

Income from affiliated and related companies is also declining compared to the prior year. It primarily contains dividend distributions of Mercedes-Benz (China) Ltd. (€ 43 million), Mercedes-Benz Türk A.S. (€ 36 million), Mercedes-Benz Schweiz AG (€ 25 million) and Mercedes-Benz Malaysia Sdn. Bhd. (€ 20 million).

Earnings from disposals of investments in affiliated and related companies contain profits of € 25 million resulting from the sale of Mercedes-Benz Finance Co., Ltd. to the affiliated company Daimler Japan, Ltd.

## 18 Interest Income

€ in million	2009	2008
Income from other securities and loans of financial assets	27	23
thereof from affiliated companies	21	15
Other interest and similar income	1,162	995
thereof from affiliated companies	587	559
Interest and similar expenses	(1,661)	(1,167)
thereof to affiliated companies	(1,057)	(809)
Interest income Pension Trust	5	276
	(467)	127

The reduction in interest income is mainly due to lower distributions from Pension Trust and higher interest costs.

## 19 Other financial income

€ in million	2009	2008
Currency result	77	.
Other income	28	4
Other expenses	(112)	(291)
Other financial income Pension Trust	(884)	(1,004)
	(891)	(1,291)

The increase of the other financial income is mainly due to lower allowances for financial receivables from related companies and lower expenses from write-down of Pension Trust assets (€ 872 million, 2008: € 909 million).

## 20 Income taxes

Daimler AG is also a taxpayer with respect to the management and profit sharing agreements concluded with its affiliated companies. The most important affiliated companies with existing agreements are Daimler Vermögens- und Beteiligungsgesellschaft mbH, Daimler Luft- und Raumfahrt Holding AG, Daimler Financial Services AG, Mercedes-Benz Ludwigsfelde GmbH and EvoBus GmbH.

Income tax expenses amount to € 401 million and are due to prior year tax assessments.

## 21 Net loss

In the financial year 2009, net loss is € 4,765 million. After withdrawal of € 4,765 million from capital reserves pursuant to Section 150 (4) of the AktG unappropriated profit amounts to € 0 million.

## Other Notes

### Personnel expenses/Employees

€ in million	2009	2008
Wages and salaries	7,566	8,420
Social contributions	1,436	1,440
Pension costs	896	685
	<b>9,898</b>	10,545
<b>Personnel (annual average)</b>		
Hourly employees	85,342	90,054
Salaried employees	53,635	52,996
Trainees/Apprentices	9,180	9,497
<b>Annual average</b>	<b>148,157</b>	152,547
<b>Personnel (year ended)</b>	<b>147,052</b>	152,097

Wages and salaries include direct labor, salaries, severance payments, holiday bonus, special bonus and changes in provisions for personnel expenses. The reimbursements received from the federal employment office regarding the short-time work are netted with wages and salaries.

The social contributions relate to the employer's contributions to pension, unemployment, nursing care and medical insurance plans.

The pension costs include the current year's additions to pension accruals and contributions to the German Pension Protection Association.

### Cost of materials

€ in million	2009	2008
Cost of raw materials, supplies and purchased goods	28,432	42,332
Cost of purchased services	6,925	9,105
	<b>35,357</b>	51,437

## Derivative financial instruments

Derivative financial instruments solely serve the purpose of hedging interest-rate and exchange-rate risks, equity-price risks, and raw-material price risks. They cover the underlying transactions of the companies of the Daimler Group and the original financial transaction. In connection with risk management and monitoring, at Group level market risks are quantified using the value-at-risk method, which is commonly used among banks. Limits have also been set for the limitation of risks relating to contracting parties and types of business. Hedging transactions are only conducted with international financial institutions or with companies of the Daimler Group.

According to an assessment of the contracting parties by respected rating agencies, the general credit risk is minimal. The transactions are carried out under strict functional separation into trading, processing, documentation and controlling transactions.

### Nominal value

€ in million	12/31/2009	12/31/2008
Foreign exchange contracts	20,257	26,407
Interest rate contracts	24,632	19,181
Pricing contracts	46	38
Commodity contracts	388	385
	<b>45,323</b>	46,011

The currency hedging contracts primarily comprise forward exchange transactions and currency options. They mainly serve to hedge receivables and liabilities in the vehicle business and to hedge transactions in the currencies of large industrial countries. The interest rate contracts primarily comprise interest-rate swaps, which are used to minimize the risk of changes in interest rates. The commodities contracts currently consist solely of commodity swaps on raw materials for the purpose of hedging the price risk. The pricing contracts are forward sales and options, which are used for hedging share prices. The nominal values represent the non-netted off totals of all purchase and sales contracts of the derivative financial transactions.

€ in million	12/31/2009		12/31/2008	
	Book Value	Fair Value	Book Value	Fair Value
<b>Assets</b>				
Foreign exchange contracts	177	671	144	1,806
Interest rate contracts	24	587	-	804
Pricing contracts	-	26	-	1
Commodity contracts	-	102	-	17
	<b>201</b>	<b>1,386</b>	144	2,628
<b>Liabilities</b>				
Foreign exchange contracts	(269)	(267)	(339)	(632)
Interest rate contracts	(93)	(638)	(48)	(873)
Pricing contracts	-	(3)	-	-
Commodity contracts	-	(34)	(90)	(106)
	<b>(362)</b>	<b>(942)</b>	(477)	(1,611)
<b>Balance</b>	<b>(161)</b>	<b>444</b>	(333)	1,017

The book values are taken from the items of the balance sheet (other assets, other liabilities and other provisions). The fair values are derived from the amounts at which the relevant derivative financial instruments are sold or listed on the balance sheet date, without taking into consideration opposing value developments from the underlying transactions. If no market values were available, the fair values were arrived at with the use of recognized calculating methods.

The fair values of forward exchange transactions are determined on the basis of current ECB reference rates, taking into consideration the respective forward premium or discount. Currency and interest rate options are measured with the use of exchange rate lists or option price models. The fair values of interest rate and pricing contracts (e.g. interest swaps, interest/currency swaps) are arrived at on the basis of the discounted expected future cash flows; whereby the market interest rates valid for the remaining terms of the financial instruments are used. The fair value of the commodities futures are determined on the basis of current price listings on the commodity exchanges, taking forward premiums and discounts into consideration.

## Contingent liabilities

Contingent liabilities are possible future liabilities which only become certain on the occurrence of a future obligation. Neither this can be seen as possible, nor could it be excluded. At December 31, 2009, contingent liabilities particularly consist of guarantees amounting to € 38,853 million (2008: € 34,849 million). These guarantees include guarantees to domestic and foreign affiliated companies amounting to € 38,354 million (2008: € 33,773 million) which primarily comprise guarantees against creditors of our subsidiaries for loans and bonds they have issued and liabilities to banks.

Guarantees were issued for the benefit of third parties with a total amount of € 421 million (2008: € 1,076 million). From this amount, € 115 million relates to a payment guarantee given in the context of a 45 % capital share of Toll Collect GmbH. With the selling of Chrysler shares in June 2009 the payment guarantees with a total amount of US\$ 1,000 million in favor of the Pension Benefit Guaranty Corporation for the pension liabilities of Chrysler companies has been returned and replaced by a new guarantee in an amount of US\$ 200 million with the same purpose.

## Other financial liabilities

Other financial liabilities total € 11,040 million (thereof due in 2010: € 7,367 million). Financial liabilities to affiliated companies amount to € 4,204 million (thereof due in 2010: € 2,681 million).

In connection with vehicle sales and leasing, vehicle buyback obligations common in the industry exist towards third parties and affiliated companies of Daimler AG.

Other financial liabilities resulting from rental and leasing agreements amount to € 2,425 million (thereof due in 2010: € 872 million). Other financial liabilities include guarantees to affiliated companies amounting to € 1,517 million (thereof due in 2010: € 718 million). Rental obligations towards the property management company Grundstücksverwaltungsgesellschaft Mercedes-Benz AG & Co. OHG amount to € 1,195 million (thereof due in 2010: € 591 million).

The remaining financial liabilities, in particular the purchase commitment for expansionary investment, are of a magnitude typical of the industry.

## Related party relationships according to Section 285 No. 21 of the HGB (German Commercial Code)

**Affiliated and associated companies.** Most of the goods and services supplied within the ordinary course of business between Daimler AG and related parties comprise transactions with affiliated and associated companies and are included in the following table:

in million €	Affiliated companies	Associated companies
Sales of goods and services and other income in 2009	4,293	1,463
Purchases of goods and services and other expenses in 2009	1,789	875
Receivables at December 31, 2009	2,499	209
Payables at December 31, 2009	2,635	194

Income and expenses resulting from transactions with Chrysler that occurred before the redemption of the remaining 19.9 % equity interest in Chrysler Holding LLC on June 3, 2009 are included in the above table in the column "associated companies." In addition, Daimler has agreed to pay US\$ 600 million in total to Chrysler's pension plans in connection with the redemption of the 19.9 % equity interest in Chrysler Holding LLC; the respective expenses resulting from this agreement are also included in the above table. Due to the redemption of the equity interest in Chrysler Holding, receivables and payables at December 31, 2009 did not have to be reported.

In November 2009, in connection with the realignment of the Group's Formula 1 activities, Daimler agreed with McLaren Group Ltd., to change the form of cooperation. In two steps, McLaren Group Ltd. will buy-back the 40 % equity interest in McLaren Group Ltd. owned by Daimler AG; in November 2009, McLaren Group Ltd. already took over a 28.6 % interest from Daimler AG. The remaining stake will be acquired by McLaren Group Ltd. by the end of 2011. As a result of disposing of its equity interest, Daimler AG no longer has a significant influence on McLaren's business operations. For this reason, the inclusion of McLaren Group Ltd. in the consolidated financial statements using the equity method of accounting was discontinued in November 2009. Income and expenses resulting from transactions with McLaren Group Ltd. that occurred before that date are included in the above table.

In addition major sales and purchases of goods and services relate to transactions with Tognum AG. In 2008, the Group has acquired an equity interest in Tognum AG. Beijing Benz-DaimlerChrysler Automotive Co., Ltd. assembles and distributes Mercedes-Benz vehicles for the Group in China. Both companies are included in the above table in the column "associated companies." In connection with the Group's 45 % equity interest in Toll Collect GmbH, Daimler has provided a guarantee for Toll Collect, which is not included in the table above.

**Board members.** Throughout the world, Daimler AG has business relationships with numerous entities that are also customers and/or suppliers of the Daimler AG. Those customers and/or suppliers include companies that have a connection with some of the members of the Supervisory Board or of the Board of Management of Daimler AG or its subsidiaries.

**Shareholders.** Daimler AG distributes vehicles in Turkey through a dealership which also holds a minority interest in one of the Group's subsidiaries. In addition, the Group has business relationships with vehicle importers in certain other countries that also hold minority interests in Group companies.

### Legal proceedings

Various legal proceedings, claims and governmental investigations are pending against Daimler AG and its subsidiaries on a wide range of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, product warranties, environmental matters, and shareholder matters. Some of these proceedings allege defects in various components in several different vehicle models or allege design defects relating to vehicle stability, pedal misapplication, brakes or crashworthiness. Some of these proceedings are filed as class action lawsuits that seek repair or replacement of the vehicles or compensation for their alleged reduction in value, while others seek recovery for damage to property, personal injuries or wrongful death. Adverse decisions in one or more of these proceedings could require us to pay substantial compensatory and punitive damages or undertake service actions, recall campaigns or other costly actions.

On August 17, 2009, the Official Committee of Unsecured Creditors of OldCarCo LLC (formerly Chrysler LLC) filed a lawsuit with the United States Bankruptcy Court, Southern District of New York, against Daimler AG, Daimler North America Corporation and certain (former) board members of Chrysler LLC. The Committee claims unspecified damages based on theories of constructive and intentional fraudulent transfer, breach of fiduciary duty, and other legal theories, alleging that the consideration received in certain transactions effected in connection with the investment by Cerberus in Chrysler LLC was not fair consideration. Daimler considers these claims and allegations to be without merit and will defend itself vigorously.

The Federal Republic of Germany initiated arbitration proceedings against Daimler Financial Services AG, Deutsche Telekom AG and Toll Collect GbR and submitted its statement of claims in August 2005. It seeks damages, contractual penalties and the transfer of intellectual property rights to Toll Collect GmbH. In particular, the Federal Republic of Germany is claiming

- lost revenue of € 3.33 billion for the period September 1, 2003 through December 31, 2004 plus interest (€ 1.1 billion through May 18, 2009 plus 5 % per annum over the respective base rate since then),
- and contractual penalties of approximately € 1.65 billion through July 31, 2005 plus interest (€ 107 million through July

31, 2005 plus 5 % per annum over the respective base rate since then),

- plus refinancing costs of € 56 million.

Since, among other things, some of the contractual penalties are dependent on time and further claims for contractual penalties have been asserted by the Federal Republic of Germany, the amount claimed as contractual penalties may increase.

Defendants submitted their response to the statement of claims on June 30, 2006. The Federal Republic of Germany delivered its reply to the arbitrators on February 15, 2007, and the defendants delivered their rebuttal on October 1, 2007. The arbitrators held the first hearing on June 16 and 17, 2008. Additional briefs from the claimant and the defendants were filed in May 2009. Following a motion by defendants to disqualify the arbitrator nominated by plaintiff, the arbitration panel cancelled a hearing scheduled for October 2009. We do not expect the hearing to be rescheduled before the motion to disqualify has been finally resolved. Daimler believes the claims are without merit and will continue to defend itself vigorously.

As previously reported, the US Securities and Exchange Commission ("SEC") and the US Department of Justice ("DOJ") are conducting an investigation into possible violations of law by Daimler including the anti-bribery, record-keeping and internal control provisions of the US Foreign Corrupt Practices Act ("FCPA"). Daimler has voluntarily shared with the DOJ and the SEC information from its own internal investigation of certain accounts, transactions and payments, primarily relating to transactions involving government entities, and has provided the agencies with information pursuant to outstanding subpoenas and other requests. Daimler has also had communications with and provided documents to the offices of German public prosecutors regarding the matters that have been under investigation by the DOJ and SEC.

Daimler has completed its internal investigation and has determined that in a number of jurisdictions, primarily in Africa, Asia and Eastern Europe, improper payments were made which raise concerns under the FCPA, under German law, and under the laws of other jurisdictions. Daimler has taken various actions designed to address and resolve the issues identified in the course of its investigation and to safeguard against the recurrence of improper conduct. These include establishing a company-wide compliance organization, evaluating and revising Daimler's governance policies and internal control procedures and taking personnel actions.

Daimler has been in discussions with the DOJ and SEC regarding consensually resolving the agencies' investigations. There can be no assurance about whether and when settlements with the DOJ or SEC will become final and effective.

Litigation is subject to many uncertainties and Daimler cannot predict the outcome of individual matters with assurance. Daimler AG establishes provisions in connection with pending or threatened litigation if a loss is probable and can be reasonably estimated. Since these provisions, which are reflected in the financial statements, represent estimates, it is reasonably possible that the resolution of some of these matters could require us to make



payments in excess of the amounts accrued in an amount or range of amounts that could not be reasonably estimated at December 31, 2009. It is also reasonably possible that the resolution of some of the matters for which provisions could not be made may require the Company to make payments in an amount or range of amounts that could not be reasonably estimated at December 31, 2009. Although the final resolution of any such matters could have a material effect on Daimler's operating results and cash flows for a particular reporting period, Daimler believes that it should not materially affect Daimler AG's financial position.

## Remuneration of the members of the Board of Management and the Supervisory Board

The following information regarding the remuneration of the members of the Board of Management and of the Supervisory Board is disclosed on an individual basis in the Remuneration Report, which is part of the Management Report.

**Board of Management.** The total remuneration to the members of the Board of Management of Daimler AG is calculated from the total amounts of remuneration paid in cash (base salary and annual bonus), the value of the share-based remuneration at the time granted in February 2008 and 2009 (Performance Phantom Share Plan – PPSP), and the total of non-cash benefits in kind that are subject to income tax. For further information on share-based remuneration see Notes to the financial statements, page 14.

In 2009, total remuneration comprised € 4.8 million as fixed, i.e. non-performance-related remuneration (2008: € 6.2 million); € 1.8 million as short-term variable, i.e. short-term performance-related remuneration (2008: € 1.5 million); and € 5.2 million as variable performance-related remuneration with a medium and long-term incentive effect granted in 2009 (2008: € 8.9 million). In total, this adds up to a total of € 11.8 million for the year 2009 (2008: € 16.6 million).

The decline of the fixed remuneration is based on the voluntary waiver of the Board of Management regarding 15 % of their fixed remuneration effective from May 1, 2009 until June 30, 2010 due to the labor costs reduction measures that were agreed group wide and the reduced number of Board of Management members in 2009.

The pension agreements of the German Board of Management members, which were concluded before 2005, included a commitment to an annual retirement pension, calculated as a proportion of the base salary and depending on the years of service. Those pension rights remain and have been frozen at that level (70 % for Dr. Dieter Zetsche, 69 % Guenther Fleig, 60 % for Dr. Ruediger Grube and Dr. Thomas Weber, 50 % for Andreas Renschler and Bodo Uebber, and 35 % for Wilfried Porth). The pension payments begin in the form of a retirement pension when a member's contract of service ends or after his 60th birthday, or in the form of an invalidity pension when a member's service contract ends before his 60th birthday due to disability. An annual increase of 3.5% (Wilfried Porth: in accordance with applicable law) is effected. Similar to the retirement pension of the German workforce, arrangements for widows and orphans are also included. The pension rights of Mr. Porth were determined in 2005 as well, however related to his then position and compensation on an executive level reporting to the Board of Management.

Effective January 1, 2006, those pension agreements were converted into a new pension system. Each Board of Management member is credited with a capital component each year. This capital component comprises an amount equal to 15 % of the sum of the Board of Management member's fixed base salary and the annual bonus that was actually achieved, multiplied by an age factor equivalent to a certain rate of return, at present 6 % (Wilfried Porth: 5 %). This pension is payable at the age of 60 at the earliest.

In the year 2009, the pension provision was increased by service costs of € 1.7 million (2008: € 2.5 million).

No severance payments are foreseen for Board of Management members in the case of early termination of their service contracts. Solely in the case of early termination of a service contract by mutual consent, the Board of Management service contracts, which are in general concluded for a period of three years only, include a commitment to payment of the base salary and to provision of a company car until the end of the original service period. Such persons are only entitled to payment of the performance-related component of remuneration pro rata for the period until they leave the Group. Entitlement to payment of the performance-related component of remuneration with a long-term incentive is defined by the exercise conditions specified in the respective plans. For the period beginning after the end of original service period, Board of Management members can receive pension payments in the amounts of the commitments granted until 2005 as described in the previous section, as well as the use of a company car.

As a result of these provisions and the fact that in accordance with a Supervisory Board resolution of 2006, Daimler AG Board of Management service contracts - both initial contracts and extensions - generally have a term of only three years, Daimler AG is significantly below the limit for severance compensation of two years' remuneration suggested by the German Corporate Governance Code.

The payments made in 2009 to former members of the Board of Management of Daimler AG and their survivors amounted to € 16.0 million (2008: € 19.0 million). The pension provisions for former members of the Board of Management and their survivors amounted to € 192.8 million as of December 31, 2009 (2008: € 167.0 million).

No advances or loans were made to members of the Board of Management of Daimler AG.

**Supervisory Board.** The remuneration paid in 2009 to the members of the Supervisory Board of Daimler AG for their services to the Group totaled € 2.6 million (2008: € 2.8 million).

In the Supervisory Board meeting on April 30, 2009, the Supervisory Board members decided unanimously to waive 10 % of the respective individual Supervisory Board remuneration to support the labor cost reductions, effective from May 1, 2009, until June 30, 2010. The remuneration of the members of the Supervisory Board includes no performance-related variable components.

Except for the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment, no remuneration was paid for services provided personally beyond the aforementioned board and committee activities, in particular for advisory or agency services in 2009, 2008 and 2007.

No advances or loans were made to members of the Supervisory Board of Daimler AG.

## Reportable procedures according to Section 160 (1) No. 8 of the AktG (German Stock Corporation Act)

As of December 31, 2009 the following participations in the company exist, which are communicated according to Section 21 (1) of the German Securities Trading Act (WpHG):

“By letter dated 07.12.2009, the announcing entities **BlackRock Financial Management, Inc.**, New York, NY, USA; **BlackRock Holdco 2, Inc.**, New York, NY, USA and **BlackRock, Inc.**, New York, NY, USA, have notified us, the issuer Daimler AG, Mercedesstrasse 137, 70327 Stuttgart, Germany, pursuant to section 21 (1) of the Securities Trading Act (Wertpapierhandelsgesetz - 'WpHG') as follows:

1. We should hereby like to inform you pursuant to Sections 21 Paragraph 1 and 24 WpHG that the percentage holding of the voting rights of BlackRock Financial Management, Inc. in Daimler AG exceeded the threshold of 3 % on 01.12.2009 and amounts to 3.78 % (40,118,914 voting shares) on that day.

All of the voting rights are attributable to BlackRock Financial Management, Inc. pursuant to Section 22 Paragraph 1 Sentence 1 No. 6 in connection with sent. 2 WpHG.

2. We should hereby like to inform you pursuant to Sections 21 Paragraph 1 and 24 WpHG that the percentage holding of the voting rights of BlackRock Holdco 2, Inc. in Daimler AG exceeded the threshold of 3 % on 01.12.2009 and amounts to 3.78 % (40,118,914 voting shares) on that day.

All of the voting rights are attributable to BlackRock Holdco 2, Inc. pursuant to Section 22 Paragraph 1 Sentence 1 No. 6 in connection with sent. 2 WpHG.

3. We should hereby like to inform you pursuant to Sections 21 Paragraph 1 and 24 WpHG that the percentage holding of the voting rights of BlackRock, Inc. in Daimler AG exceeded the threshold of 3 % on 01.12.2009 and amounts to 3.90 % (41,372,761 voting shares) on that day.

All of the voting rights are attributable to BlackRock, Inc. pursuant to Section 22 Paragraph 1 Sentence 1 No. 6 in connection with sent. 2 WpHG.”

“**Semare Beteiligungsverwaltungs GmbH**, Vienna, Republic of Austria, has notified us pursuant to Section 21, paragraph 1 of the German Securities Trading Act that its voting rights in Daimler AG exceeded the thresholds of 3 % and 5 % on 24 March 2009 and that it holds 9.087 % (96,408,000 voting rights) as per this date. All voting rights are directly held by Semare Beteiligungsverwaltungs GmbH.

Furthermore, Gutiba Beteiligungsverwaltungs GmbH, Vienna, Republic of Austria, has notified us pursuant to Section 21, paragraph 1 of the German Securities Trading Act that its voting rights in Daimler AG exceeded the thresholds of 3 % and 5 % on 24 March 2009 and that it holds 9.087 % (96,408,000 voting rights) as per this date. All voting rights are attributed to Gutiba Beteiligungsverwaltungs GmbH pursuant to Section 22 paragraph 1 sentence 1

no. 1 German Securities Trading Act. An attribution is conducted via Semare Beteiligungsverwaltungs GmbH whose attributed voting rights are 3 % or more.

Furthermore, Aabar Investments PJSC, Abu Dhabi, United Arab Emirates, has notified us pursuant to Section 21, paragraph 1 of the German Securities Trading Act that its voting rights in Daimler AG exceeded the thresholds of 3 % and 5 % on 24 March 2009 and that it holds 9.087 % (96,408,000 voting rights) as per this date. All voting rights are attributed to Aabar Investments PJSC pursuant to Section 22 paragraph 1 sentence 1 no. 1 German Securities Trading Act. An attribution is conducted via Semare Beteiligungsverwaltungs GmbH and Gutiba Beteiligungsverwaltungs GmbH whose attributed voting rights are each 3 % or more.

Furthermore, International Petroleum Investment Company, Abu Dhabi, United Arab Emirates, has notified us pursuant to Section 21, paragraph 1 of the German Securities Trading Act that its voting rights in Daimler AG exceeded the thresholds of 3 % and 5 % on 24 March 2009 and that it holds 9.087 % (96,408,000 voting rights) as per this date. All voting rights are attributed to International Petroleum Investment Company pursuant to Section 22 paragraph 1 sentence 1 no. 1 German Securities Trading Act. An attribution is conducted via Semare Beteiligungsverwaltungs GmbH, Gutiba Beteiligungsverwaltungs GmbH and Aabar Investments PJSC whose attributed voting rights are each 3 % or more.

Finally, the Government of the Emirate of Abu Dhabi, Emirate of Abu Dhabi, has notified us pursuant to Section 21, paragraph 1 of the German Securities Trading Act that its voting rights in Daimler AG exceeded the thresholds of 3 % and 5 % on 24 March 2009 and that it holds 9.087 % (96,408,000 voting rights) as per this date. All voting rights are attributed to the Government of the Emirate of Abu Dhabi pursuant to Section 22 paragraph 1 sentence 1 no. 1 German Securities Trading Act. An attribution is conducted via Semare Beteiligungsverwaltungs GmbH, Gutiba Beteiligungsverwaltungs GmbH, Aabar Investments PJSC and International Petroleum Investment Company whose attributed voting rights are each 3 % or more.”

**Kuwait Investment Authority** has informed us on April 2, 2002, acting as agent for the Government of the State of Kuwait, that its voting rights in former DaimlerChrysler AG, now called Daimler AG, Stuttgart, amount to 7.26 % on April 1, 2002.

## Declaration of Compliance with the German Corporate Governance Code

The obligatory statement pursuant to Section 161 of the AktG was executed by the Board of Management and the Supervisory Board and is permanently accessible on [www.daimler.com/corpgov\\_e](http://www.daimler.com/corpgov_e).

## Members of the Board of Management and their mandates

### Members of the Board of Management

### Supervisory Board Memberships/Directorships

#### Dr.-Ing. Dieter Zetsche

Stuttgart  
Chairman of the Board of Management Daimler AG /  
Head of Mercedes-Benz Cars  
Appointed until December 2013

#### *Internal Directorships*

None

#### *External Directorships*

RWE AG

#### Dr. Wolfgang Bernhard

Stuttgart  
Manufacturing and Procurement Mercedes-Benz Cars &  
Mercedes-Benz Vans  
(since February 18, 2010)  
Appointed until February 2013

#### *Internal Directorships*

Daimler Vans Manufacturing, LLC - Chairman  
Mercedes-Benz Espana, S.A.  
Mercedes-Benz Ludwigsfelde GmbH

#### *External Directorships*

Österreichische Industrieholding AG (ÖIAG)

#### Wilfried Porth

Stuttgart  
Human Resources & Labor Relations Director  
(since April 8, 2009)  
Appointed until April 2012

#### *Internal Directorships*

Daimler Financial Services AG

#### *External Directorships*

European Aeronautic Defence and Space Company EADS N.V.

#### Andreas Renschler

Stuttgart  
Daimler Trucks  
Appointed until September 2013

#### *Internal Directorships*

Daimler Financial Services AG  
EvoBus GmbH - Chairman  
Mitsubishi Fuso Truck and Bus Corporation

#### *External Directorships*

Deutsche Messe AG  
Tognum AG

#### Bodo Uebber

Stuttgart  
Finance & Controlling /  
Daimler Financial Services  
Appointed until December 2011

#### *Internal Directorships*

Mercedes-Benz Bank AG  
Daimler Financial Services AG - Chairman  
Daimler Luft- und Raumfahrt Holding AG - Chairman

#### *External Directorships*

Dedalus GmbH & Co. KGaA  
EADS Participations B.V. - Chairman  
European Aeronautic Defence  
and Space Company EADS N.V. - Chairman  
Talanx AG

#### Dr.-Ing. Thomas Weber

Stuttgart  
Group Research &  
Mercedes-Benz Cars Development  
Appointed until December 2013

#### *Internal Directorships*

MB-technology GmbH - Chairman  
Mercedes-AMG GmbH  
Mercedes-Benz HighPerformanceEngines Ltd.

#### *External Directorships*

None

## Personnel changes in the Board of Management

### Retired from the Board of Management:

#### **Günther Fleig**

Stuttgart

Human Resources & Labor Relations Director

Retired April 8, 2009

#### **Dr. phil. Rüdiger Grube**

Stuttgart

Corporate Development

Retired April 30, 2009

## Members of the Supervisory Board and their mandates

### Members of the Supervisory Board

### Supervisory Board Memberships/Directorships

#### Dr. Manfred Bischoff

Munich

Chairman of the Supervisory Board of Daimler AG

Fraport AG

Royal KPN N.V.

SMS GmbH - Chairman

UniCredit S.p.A.

Voith AG

#### Erich Klemm \*)

Sindelfingen

Chairman of the General Works Council, Daimler Group and

Daimler AG;

Deputy Chairman of the Supervisory Board of Daimler AG

#### Sari Baldauf

Helsinki

Former Executive Vice President and General Manager  
of the Networks Business Group of Nokia Corporation

Hewlett-Packard Company

F.Secure Corporation

CapMan OYj

Fortum OYj

#### Dr. Clemens Börsig

Frankfurt am Main

Chairman of the Supervisory Board of Deutsche Bank AG

Linde AG

Bayer AG

Emerson Electric Co.

#### Prof. Dr. Heinrich Flegel \*)

Stuttgart

Director Research Materials, Lightweight Design and Manufacturing,

Daimler AG;

Chairman of the Management Representative Committee,

Daimler Group

#### Dr. Jürgen Hambrecht

Ludwigshafen

Chairman of the Board of Executive Directors of BASF SE

Deutsche Lufthansa AG

#### Jörg Hofmann \*)

Stuttgart

German Metalworkers' Union (IG Metall), District Manager,  
Baden-Württemberg

Robert Bosch GmbH

Heidelberger Druckmaschinen AG

#### Dr. Thomas Klebe \*)

Frankfurt am Main

General Counsel of the German Metalworkers' Union (IG Metall)

Daimler Luft- und Raumfahrt Holding AG

ThyssenKrupp Materials International GmbH

#### Gerard Kleisterlee

Amsterdam

President and CEO of Royal Philips Electronics N.V.

(since April 8, 2009)

De Nederlandsche Bank N.V.

\*) Representative of the employees

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**Members of the Supervisory Board****Arnaud Lagardère**

Paris

General Partner and CEO of Lagardère SCA

**Supervisory Board Memberships/Directorships**

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Hachette SA  
EADS N.V.  
EADS Participations B.V.  
Hachette Livre (SA)  
Lagardère Services (SAS) – Chairman  
Lagardère Active (SAS) – Chairman  
Lagardère (SAS)  
Lagardère Capital & Management (SAS)  
Arjil Commanditée – Arco (SA)  
Lagardère Ressources (SAS)  
Lagardère Sports (SAS) – Chairman  
SOGEADE Gérance (SAS)  
Lagardère Unlimited INC – President  
Lagardère Unlimited LLC

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**Jürgen Langer \*)**

Frankfurt am Main

Chairman of the Works Council of the Frankfurt/Offenbach  
Dealership, Daimler AG**Helmut Lense \*)**

Stuttgart

Chairman of the Works Council, Untertürkheim Plant, Daimler AG  
(until December 31, 2009)**Ansgar Osseforth \*)**

Sindelfingen

Manager Mercedes-Benz Research and Development;  
Member of the Works Council, Sindelfingen Plant, Daimler AG**Valter Sanches \*)**

São Paulo

Secretary of International Relations of Confederação  
Nacional dos Metalúrgicos/CUT**Dr. Manfred Schneider**

Leverkusen

Chairman of the Supervisory Board of Bayer AG

Linde AG - Chairman

RWE AG - Chairman

TUI AG

**Stefan Schwaab \*)**

Gaggenau

Vice Chairman of the General Works Council,  
Daimler Group and Daimler AG,  
Vice Chairman of the Works Council, Gaggenau Plant, Daimler AG

\*) Representative of the employees

## Members of the Supervisory Board

## Supervisory Board Memberships/Directorships

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### Lloyd G. Trotter

Plainville

Former Vice Chairman General Electric,  
President & CEO of the General Electric Group's Industrial Division;  
Managing Partner, Founder, GenNx360 Capital Partners  
(since April 8, 2009)

PepsiCo Inc.

Textron Inc.

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### Dr. h.c. Bernhard Walter

Frankfurt am Main

Former Spokesman of the Board of Management of  
Dresdner Bank AG

Bilfinger Berger AG - Chairman

Deutsche Telekom AG

Henkel AG & Co. KGaA

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### Uwe Werner \*)

Bremen

Chairman of the Works Council, Bremen Plant, Daimler AG

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### Lynton R. Wilson

Toronto

Chairman of the Board of CAE Inc.;  
Chancellor, McMaster University

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## Appointed by resolution of the local district court since January 5, 2010:

### Jörg Spies\*)

Stuttgart

Chairman of the Works Council, Headquarters, Daimler AG

## Retired from the Supervisory Board:

### William A. Owens

Kirkland

Former President and Chief Executive Officer of  
Nortel Networks Corporation;  
Chairman of AEA Capital, Asia  
(retired April 8, 2009)

### Dr. Mark Wössner

Munich

Former CEO and Chairman of the  
Supervisory Board of Bertelsmann AG  
(retired April 8, 2009)

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## Committees of the Supervisory Board:

### Committee pursuant to Section 27 (3) of the German Codetermination Act (MitbestG)

Dr. Manfred Bischoff - Chairman

Erich Klemm \*)

Dr. Manfred Schneider

Dr. Thomas Klebe \*)

### Presidential Committee

Dr. Manfred Bischoff - Chairman

Erich Klemm \*)

Dr. Manfred Schneider

Dr. Thomas Klebe \*)

### Audit Committee

Dr. h.c. Bernhard Walter - Chairman

Dr. Clemens Börsig

Erich Klemm \*)

Stefan Schwaab \*)

### Nomination Committee

Dr. Manfred Bischoff - Chairman

Dr. Manfred Schneider

Lynton R. Wilson

\*) Representative of the employees



# Statement of Investments in affiliated and related companies

according to Section 285 No. 11 and No.11a in conjunction with Section 286 (3) No. 1 of the HGB (German Commercial Code)

## Investments in companies with a capital share of 20 % or more

Name and domicile of the company	Capital share <sup>1)</sup> %	Equity € in million	Net income (Net loss) € in million	
<b>Automotive business</b>				
<b>Domestic</b>				
Anlagenverwaltung Daimler AG & Co. OHG Berlin, Schönefeld	100.00	233	14	4)
Daimler Vermögens- und Beteiligungsgesellschaft mbH, Stuttgart	100.00	7,899	–	2)
EvoBus GmbH, Stuttgart	100.00	281	–	2)
Grundstücksverwaltungsgesellschaft EvoBus GmbH & Co. OHG, Schönefeld	100.00	127	14	
Grundstücksverwaltungsgesellschaft Mercedes-Benz AG & Co. OHG, Schönefeld	100.00	4,392	475	4)
Maschinenfabrik Esslingen AG & Co. OHG, Schönefeld	100.00	204	30	4)
MBtech Group GmbH & Co. KGaA, Sindelfingen	100.00	17	–	2)/4)
MDC Equipment GmbH, Kölldeda	100.00	1	–	2)/4)
Mercedes-AMG GmbH, Affalterbach	100.00	21	–	2)
Mercedes-Benz Accessories GmbH, Stuttgart	100.00	5	–	2)
Mercedes-Benz Ludwigsfelde GmbH, Ludwigsfelde	100.00	84	–	2)
<b>Foreign</b>				
Atlantis Foundries (Pty.) Ltd., Atlantis, Republic of South Africa	100.00	37	(12)	4)
Daimler Buses North America, Inc., Oriskany, USA	100.00	16	19	4)
Daimler India Commercial Vehicles Pvt. Ltd., Chennai, India	100.00	75	(9)	
Daimler North East Asia Ltd., Beijing, PR China	100.00	88	12	
Daimler South East Asia Pte. Ltd., Singapore, Singapore	100.00	106	22	
Daimler Trucks North America LLC, Portland, USA	100.00	575	(318)	4)/5)
Daimler Vehículos Comerciales Mexico S. de R.L. de C.V., Mexico City, Mexico	100.00	152	39	4)
Fujian Daimler Automotive Co. Ltd., Fuzhou, PR China	50.00	118	(31)	4)
Mercedes-Benz (China) Ltd., Beijing, PR China	51.00	296	132	
Mercedes-Benz Argentina S.A., Buenos Aires, Argentina	100.00	33	65	3)
Mercedes-Benz Australia/Pacific Pty. Ltd., Mulgrave, Australia	100.00	249	42	4)
Mercedes-Benz Belgium Luxembourg S.A., Brussels, Belgium	100.00	13	(32)	
Mercedes-Benz Canada, Inc., Toronto, Canada	100.00	67	23	4)
Mercedes-Benz do Brasil Ltda., Sao Bernardo do Campo, Brazil	100.00	1,286	151	
Mercedes-Benz Espana, S.A., Madrid, Spain	99.96	205	(33)	
Mercedes-Benz France SAS, Rocquencourt, France	100.00	379	31	

Name and domicile of the company	Capital	Equity	Net income	
	share <sup>1)</sup>		(Net loss)	
	%	€ in million	€ in million	
Mercedes-Benz Hong Kong Ltd., Hong Kong, PR China	100.00	38	11	
Mercedes-Benz Italia S.p.A., Rome, Italy	100.00	382	22	
Mercedes-Benz Korea Ltd., Seoul, South Korea	51.00	33	12	
Mercedes-Benz Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	51.00	57	18	
Mercedes-Benz Manufacturing (Thailand) Ltd., Bangkok, Thailand	100.00	53	13	4)
Mercedes-Benz Nederland B.V., Utrecht, Netherlands	100.00	268	15	
Mercedes-Benz Portugal, S.A., Mem Martins, Portugal	100.00	58	(18)	
Mercedes-Benz Romania S.R.L., Bucharest, Romania	100.00	14	(16)	
Mercedes-Benz Schweiz AG, Schlieren, Switzerland	100.00	160	11	
Mercedes-Benz South Africa (Pty) Ltd., Pretoria, Republic of South Africa	100.00	749	92	
Mercedes-Benz Türk A.S., Istanbul, Turkey	66.91	355	59	6)
Mercedes-Benz U.S. International, Inc., Vance, USA	100.00	341	(3)	4)
Mercedes-Benz UK Ltd., Milton Keynes, Great Britain	100.00	172	97	4)
Mercedes-Benz USA, LLC, Montvale, USA	100.00	446	193	4)
Mitsubishi Fuso Truck and Bus Corporation, Kawasaki, Japan	85.01	260	54	3)
Starauto Comercio de Veiculos Ltda., Sao Bernardo do Campo, Brazil	99.99	26	14	4)
Starexport Trading S.A., Sao Paulo, Brazil	100.00	302	120	4)
P.T. Mercedes-Benz Distribution Indonesia, Jakarta, Indonesia	95.00	52	13	

### Aerospace and industrial business

#### Domestic

DADC Luft- und Raumfahrt Beteiligungs AG, Munich	25.00	574	5	3)/4)
Daimler Aerospace GmbH & Co. KG, Stuttgart	66.67	1,617	36	4)
Daimler Luft- und Raumfahrt Holding AG, Ottobrunn	99.95	3,445	–	2)
EHG Elektroholding GmbH, Stuttgart	100.00	1,115	–	2)
Tognum AG, Friedrichshafen	28.43	709	228	3)/4)

#### Foreign

European Aeronautic Defence and Space Company EADS N.V., Leiden, Netherlands	22.50	11,022	1,572	3)/4)
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### Daimler Financial Services

#### Domestic

Daimler Export and Trade Finance GmbH, Berlin	100.00	5	–	2)/4)
Daimler Financial Services AG, Berlin	100.00	1,209	–	2)
Daimler Fleet Management GmbH, Stuttgart	100.00	.	–	2)/4)
Mercedes-Benz Bank AG, Stuttgart	100.00	916	–	2)/4)
Mercedes-Benz CharterWay GmbH, Berlin	100.00	1	–	2)/4)
Mercedes-Benz Leasing GmbH, Stuttgart	100.00	36	–	2)/4)
Mercedes-Benz Mitarbeiter-Fahrzeuge Leasing GmbH, Stuttgart	100.00	.	–	2)/4)
Toll Collect GmbH, Berlin	45.00	421	62	4)/7)

Name and domicile of the company	Capital share <sup>1)</sup> %	Equity € in million	Net income (Net loss) € in million	
<b>Foreign</b>				
Daimler Capital Services LLC, Farmington Hills, USA	100.00	251	67	4)/6)/8)
DCFS Canada Corporation, Mississauga, Canada	100.00	136	17	4)/6)/8)
DCFS USA LLC, Farmington Hills, USA	100.00	1,346	(42)	4)/6)/8)
Mercedes-Benz Financial Services España E.F.C., S.A., Alcobendas, Spain	100.00	43	(16)	4)/6)
Mercedes-Benz Financial Services Italia S.p.A., Rome, Italy	100.00	137	(27)	6)
Mercedes-Benz Financial Services South Africa (Pty) Ltd., Centurion, Republic of South Africa	100.00	106	(28)	4)/6)
Mercedes-Benz Financial Services UK Ltd., Milton Keynes, Great Britain	100.00	259	(20)	4)/6)
Mercedes-Benz Finansman Türk A.S., Istanbul, Turkey	100.00	41	11	6)
<b>Regional holding and financial companies</b>				
<b>Domestic</b>				
Daimler AG & Co. Wertpapierhandel OHG, Schönefeld	100.00	2,791	56	
<b>Foreign</b>				
Daimler Coordination Center SCS, Brüssel, Belgium	100.00	622	25	4)/9)
Daimler International Finance B.V., Utrecht, Netherlands	100.00	17	11	
Daimler Investments US Corporation, Montvale, USA	100.00	12,857	(3,157)	4)/8)
Daimler Japan, Ltd., Tokyo, Japan	100.00	354	36	
Daimler North America Corporation, Montvale, USA	100.00	1,889	(1,606)	8)
Daimler North America Finance Corporation, Newark, USA	100.00	29,243	(29)	4)/8)
Daimler UK PLC, Milton Keynes, Great Britain	100.00	364	4	
<b>Others</b>				
<b>Domestic</b>				
Daimler Unterstützungskasse GmbH, Stuttgart	100.00	1,315	(77)	6)/10)
Daimler Verwaltungsgesellschaft für Grundbesitz mbH, Schönefeld	100.00	2,898	–	2)
DAI.NET GmbH, Stuttgart	100.00	72	13	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. OHG, Schönefeld	100.00	403	44	4)

**Investments in companies according to Section 267 (3) of the HGB (German Commercial Code) with a proportion of voting rights of more than 5 % (if not mentioned above)**

<b>Name and domicile of the company</b>	<b>Capital share <sup>1)</sup></b> <b>%</b>
KAMAZ OAO, Naberezhnye Chelny, Russia	10.00

**Companies with Daimler AG as an unlimited partner**  
(if not mentioned above)

**Name and domicile of the company**

Daimler AG & Co. Anlagenverwaltung OHG, Ludwigsfelde  
Daimler-Benz AG & Co. „AMICITIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „CUSTODIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „DIALOGA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „DIGNITAS“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „EFFICIENTIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „FIDELIS“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „GENEROSA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „GEOMETRIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „HABITUDO“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „JUVENTA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „LEGITIMA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „NEGOTIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „NOBILITAS“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „OPTIMA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „PROSPERA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „PRUDENTIA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „REGINA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „VEHICULA“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Daimler-Benz AG & Co. „VERITAS“ Grundstücksvermietung Potsdamer Platz OHG, Schönefeld  
Grundstücksverwaltungsgesellschaft Auto-Henne GmbH & Co. OHG, Schönefeld  
Grundstücksverwaltungsgesellschaft Taunus-Auto-Verkaufs-GmbH & Co. OHG, Schönefeld  
Mercedes-Benz AG & Co. Grundstücksvermietung Objekt Germersheim Betriebsvorrichtungen OHG, Schönefeld  
Mercedes-Benz AG & Co. Grundstücksvermietung Objekt Rhein-Main Betriebsvorrichtungen OHG, Schönefeld  
Mercedes-Benz AG & Co. Grundstücksvermietung Objekt Rhein-Main OHG, Schönefeld  
Mercedes-Benz AG & Co. Grundstücksvermietung Objekte Baden-Baden und Dresden OHG, Düsseldorf

- 1) Relating to Daimler AG
- 2) Profit and loss transfer agreement with Daimler AG (direct or indirect)
- 3) Financial statements 2008
- 4) Indirect interest
- 5) Consolidated group financial statements
- 6) Preliminary financial statements
- 7) Financial statements September 1, 2008 - August 31, 2009
- 8) Financial statements according to IFRS
- 9) Financial statements December 1, 2008 - November 30, 2009
- 10) Financial statements November 1, 2008 - October 31, 2009

## Board of Management

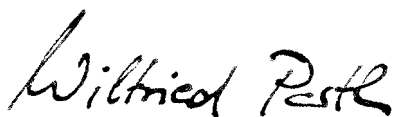
Stuttgart, March 1, 2010



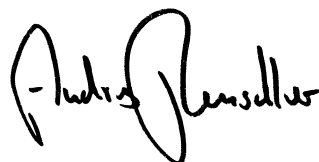
Dieter Zetsche



Wolfgang Bernhard



Wilfried Porth



Andreas Renschler



Bodo Uebber



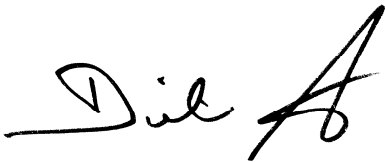
Thomas Weber

# Responsibility Statement

in accordance with Section 37v (2) no. 3 of the WpHG (German Securities Trading Act) in conjunction with Section 264 (2), 3 and Section 289 (1), 5 of the HGB (German Commercial Code)

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Daimler AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of Daimler AG.

Stuttgart, March 1, 2010



Dieter Zetsche



Wolfgang Bernhard



Wilfried Porth



Andreas Renschler



Bodo Uebber



Thomas Weber

## Auditors' Report (Translation)

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and its report on the position of the Company and the Group prepared by the Daimler AG, Stuttgart, for the business year from January 1 to December 31, 2009. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [Handelsgesetzbuch: German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Board of Management, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of Daimler AG in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Stuttgart  
March 1, 2010

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Meyer  
Wirtschaftsprüfer  
[German Public Auditor]

Zeitler  
Wirtschaftsprüfer  
[German Public Auditor]

## 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,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including a lack of further improvement or a renewed deterioration of global economic conditions, in particular a renewed decline of consumer demand and investment activity in Western Europe or the United States, or a downturn in major Asian economies; a continuation or worsening of the tense situation in the credit and financial markets, which could result in a renewed increase in borrowing costs or limit our funding flexibility; changes in currency exchange rates or interest rates; the ability to continue to offer fuel-efficient and environmentally friendly products; a permanent shift in consumer preference towards smaller, lower margin vehicles; the introduction of competing, fuel-efficient products and the possible lack of acceptance of our products or services, which may limit our ability to adequately utilize our production capacities or raise prices; price increases in fuel, raw materials and precious metals; disruption of production due to shortages of materials, labor strikes, or supplier insolvencies; a further decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization programs at all of our segments, including the repositioning of our truck activities in the NAFTA region and in Asia; the business outlook of companies in which we hold an equity interest, most notably EADS; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe in this Report. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our 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. Any forward-looking statement speaks only as of the date on which it is made.



**These documents represent the English translation of the German “Jahresabschluss”, which is the sole authoritative version.**

