DAIMLER

Interim Report Q2 2010

Contents

Cover photo:
In April, Mitsubishi Fuso Truck and Bus Corporation (MFTBC) unveiled the new generation of the Fuso Super Great featuring an engine with BLUETEC technology from Daimler Trucks' new heavy-duty engine generation. The Fuso flagship will initially be sold in Japan and is the first MFTBC truck to fulfill the strict emission limits set by JP09 (Japan New Long-Term Emission Regulation). The Fuso Super Great also includes numerous safety features such as the ESP stability program and the Active Mitigation Brake (AMB), which is applied automatically in the case of an impending collision.

Q2

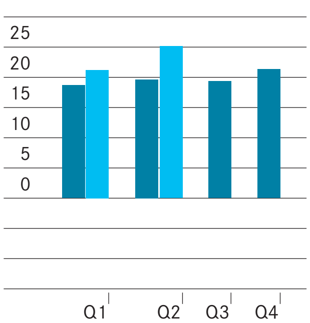
Key Figures

Amounts in millions of €	**Q2 2010**	Q2 2009	% change
Revenue	**25,107**	19,612	+28 [1]
Western Europe	**9,626**	9,264	+4
thereof Germany	**4,830**	4,730	+2
NAFTA	**5,879**	4,853	+21
thereof United States	**4,982**	4,130	+21
Asia	**5,472**	2,956	+85
thereof China	**2,796**	992	+182
Other markets	**4,130**	2,539	+63
Employees (June 30)	**257,658**	257,427	+0
Investment in property, plant and equipment	**643**	554	+16
Research and development expenditure	**1,236**	1,160	+7
thereof capitalized development costs	**386**	358	+8
Cash provided by operating activities	**2,642**	3,900	-32
EBIT	**2,104**	(1,005)	.
Net profit (loss)	**1,312**	(1,062)	.
Earnings (loss) per share (in €)	**1,18**	(0.99)	.

1 Adjusted for the effects of currency translation, increase in revenue of 21%

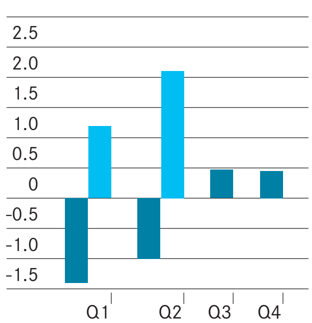
Revenue

in billions of €



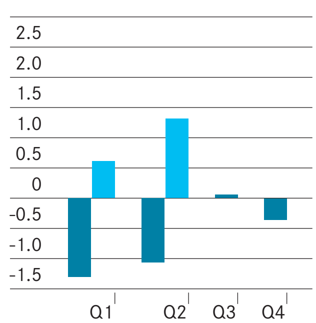
EBIT

in billions of €



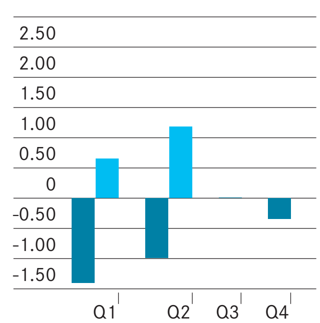
Net profit (loss)

in billions of €



Earnings (loss) per share

in €



2009
2010

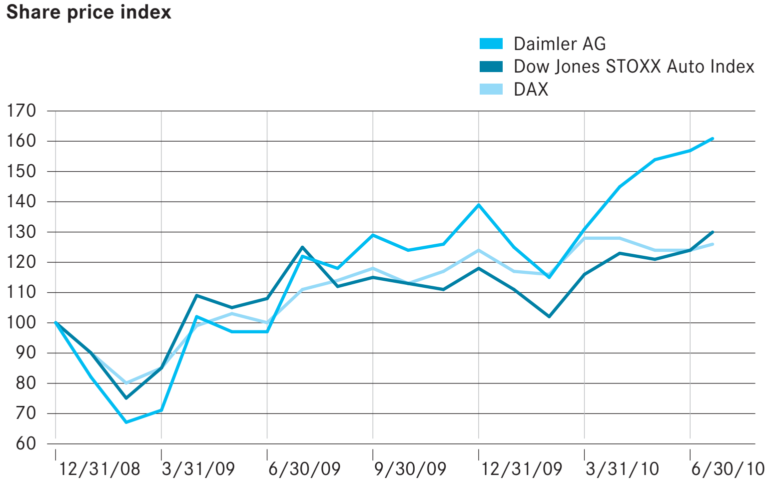
Q1-2

Key Figures

Amounts in millions of €	**Q1-2 2010**	Q1-2 2009	% change
Revenue	**46,294**	38,291	+21 [1]
Western Europe	**18,329**	18,100	+1
thereof Germany	**9,037**	9,257	-2
NAFTA	**11,242**	9,666	+16
thereof United States	**9,666**	8,329	+16
Asia	**9,179**	5,659	+62
thereof China	**4,296**	1,777	+142
Other markets	**7,544**	4,866	+55
Employees (June 30)	**257,658**	257,427	+0
Investment in property, plant and equipment	**1,381**	1,242	+11
Research and development expenditure	**2,370**	2,276	+4
thereof capitalized development costs	**722**	689	+5
Cash provided by operating activities	**4,599**	6,426	-28
EBIT	**3,294**	(2,431)	.
Net profit (loss)	**1,924**	(2,348)	.
Earnings (loss) per share (in €)	**1,84**	(2.37)	.

1 Adjusted for the effects of currency translation, increase in revenue of 18%

Share price index



Interim Management Report

Dynamic development of unit sales, revenue and earnings in the second quarter
Revenue significantly above prior-year level at €25.1 billion
Group EBIT of €2,104 million (Q2 2009: minus €1,005 million)
Net profit of €1,312 million (Q2 2009: net loss of €1,062 million)
Significant increase in unit sales and revenue anticipated for full-year 2010
EBIT from ongoing business of €6 billion targeted for the Daimler Group

Business development

Ongoing expansion of world economy

Although the **world economy** continued to recover in the second quarter of 2010, uncertainty about the sustainability of the upswing actually increased. Driven by the dynamic growth of the emerging markets and favorable developments in North America and Japan, the global economy is likely to have expanded significantly in the first half of this year compared to the same period of 2009. However, due to moderate domestic demand, the development of the Western European economies was less positive, with the exception of export-oriented countries such as Germany. The second quarter was marked by the problem of government debt and the return of significant financial-market difficulties, particularly in the euro zone. Ultimately, the governments of the EU member states together with the International Monetary Fund were forced to agree on a comprehensive emergency package with a volume of €750 billion. The European Central Bank took measures to provide additional support. But financial markets remained volatile, showing that there is still a high degree of uncertainty about whether the measures taken will really be effective enough. The second quarter featured sharp fluctuations in share prices, a significant drop in the price of oil and not least the ongoing weakness of the euro.

The world's regional **automotive markets** recovered to very different extents also in the second quarter. Overall, global demand for cars was still significantly stronger than in the prior-year quarter. This was primarily due to strong growth in the Asian emerging markets, but unit sales in the United States were also 18% higher than in the weak prior-year period, which was hit by the economic crisis. In Western Europe, however, demand actually fell due to the end of car-scrappage incentives; the drop in Germany was the sharpest, with unit sales falling by 30%. Unit sales in Japan, where state incentive programs continued, increased by more than 20%. Growth in demand in China and India remained strong, although not quite as dynamic as recently. Unit sales in Russia profited for the first time in the second quarter from a recently launched scrappage incentive and were significantly higher than in the second quarter of 2009. Brazil's incentive program ended in March, so that market was no longer able to surpass its prior-year level.

Thanks to ongoing rapid growth in Asia and Latin America, global demand for trucks was once again significantly higher than in the prior-year quarter. The growth of demand in Western Europe and the United States was still rather moderate, but the situation was better in Japan, where unit sales of medium and heavy-duty trucks grew at a strong double-digit rate thanks to support from state incentive schemes. In Western Europe, demand for trucks continued to stabilize in recent months and surpassed the prior-year level for the first time in two years this June. Although unit sales in the US market were significantly higher than the historically weak prior-year level, there was still no dynamic recovery. Strong double-digit growth rates were recorded in the truck markets of China and Brazil, and demand actually more than doubled in India. Of the BRIC states, recovery has been moderate only in Russia.

Unit sales up by 27% in the second quarter

In the second quarter of 2010, Daimler sold 496,500 cars and commercial vehicles worldwide, surpassing the prior-year volume by 27%.

Mercedes-Benz Cars increased its unit sales by 19% to 342,500 vehicles in the second quarter, due in particular to ongoing strong growth in sales of the E-Class and S-Class models and the positive development of nearly all major markets. For the Mercedes-Benz brand, this was the strongest ever second quarter. Daimler Trucks increased its second-quarter unit sales by 29,700 to 83,800 vehicles. All of the division's key markets contributed towards this positive development, especially Indonesia (+130%), the United States (+44%), Brazil (+50%) and Europe (+39%). As a result of the market recovery, Mercedes-Benz Vans' unit sales increased significantly to 59,400 vehicles (Q2 2009: 41,900). At Daimler Buses, unit sales grew by 31% to 10,800 buses and chassis. There was a renewed rise in demand from Latin America, mainly due to the positive development in Brazil, while unit sales in Western Europe were similar to the prior-year level. Daimler Financial Services' contract volume increased to €63.8 billion, which is 9% above the level at the end of 2009. Adjusted for exchange-rate effects the portfolio remained stable. New business reached €7.9 billion in the second quarter (Q2 2009: €6.5 billion).

The Daimler Group's second-quarter revenue increased significantly from €19.6 billion in 2009 to €25.1 billion this year; adjusted for exchange-rate effects, revenue grew by 21%.

Profitability

EBIT by segment

Amounts in millions of €	**Q2 2010**	Q2 2009	% change	**Q1-2 2010**	Q1-2 2009	% change
Mercedes-Benz Cars	**1,376**	(340)	.	**2,182**	(1,463)	.
Daimler Trucks	**300**	(508)	.	**430**	(650)	.
Mercedes-Benz Vans	**127**	(10)	.	**191**	(101)	.
Daimler Buses	**79**	49	+61	**120**	114	+5
Daimler Financial Services	**171**	79	+116	**290**	(88)	.
Reconciliation	**51**	(275)	.	**81**	(243)	.
Daimler Group	**2,104**	(1,005)	.	**3,294**	(2,431)	.

Daimler recorded EBIT of €2,104 million for the second quarter of 2010 (Q2 2009: minus €1,005 million) and thus once again surpassed the good level of earnings attained in the previous quarter.

The upward trend and the positive business development continued in all divisions in the second quarter. Compared to the second quarter of 2009, in particular Mercedes-Benz Cars and Daimler Trucks were able to considerably improve their operating results. In addition to the general market recovery and our attractive product range, this was also due to realized efficiency improvements.

The programs for the repositioning of Daimler Financial Services in Germany as well as Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation led to expenses of €92 million in the second quarter of this year (Q2 2009: €217 million).

There were positive effects on EBIT from lower charges for the compounding of non-current provisions (Q2 2010: €20 million; Q2 2009: €278 million) as well as slightly positive exchange-rate effects. The agreements reached with Chrysler, Cerberus and the Pension Benefit Guaranty Corporation (PBGC) and the valuation of Chrysler-related assets resulted in expenses of €387 million in the second quarter of last year.

The special items in the following table affected EBIT in the second quarters and the first halves of the years 2010 and 2009:

Special factors affecting EBIT

Amounts in millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Daimler Trucks				
Repositioning of Daimler Trucks North America	**(4)**	(13)	**(16)**	(58)
Repositioning of Mitsubishi Fuso Truck and Bus Corporation	**(10)**	(204)	**(15)**	(204)
Daimler Financial Services				
Repositioning of business activities in Germany	**(78)**	-	**(78)**	-
Sale of non-automotive assets	**26**	6	**(20)**	(22)
Reconciliation				
Sale of equity interest in Tata Motors	**-**	-	**265**	-
Chrysler-related expenses	**-**	(387)	**-**	(347)

Mercedes-Benz Cars achieved second-quarter EBIT of €1,376 million, which is an increase of €1.7 billion compared to the prior-year period. The division's return on sales was 9.8% (Q2 2009: minus 3.2%).

This very positive earnings trend was primarily the result of increased vehicle shipments (+19%), especially in China, as well as an improved product mix. The significant improvement in profitability was also caused by better pricing, efficiency enhancements and slightly positive exchange-rate effects.

The **Daimler Trucks** division also achieved a significant improvement of its operating result in the second quarter, with EBIT of €300 million (Q2 2009: minus €508 million) and a return on sales of 5.1% (Q2 2009: minus 12.0%).

The key factor for the earnings trend was the good development of unit sales in all of our major markets. There were also positive effects from the measures taken to reduce costs, in particular the repositioning of our subsidiaries Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation. Due to the ongoing implementation of these programs, second-quarter EBIT was reduced by €14 million (Q2 2009: €217 million).

Mercedes-Benz Vans posted EBIT of €127 million (Q2 2009: minus €10 million); the return on sales improved to 6.4% (Q2 2009: minus 0.7%).

The earnings improvement at Mercedes-Benz Vans was primarily the result of a significant increase in unit sales compared to the second quarter of last year (+42%). Negative exchange-rate effects were more than offset by sustained efficiency gains.

The **Daimler Buses** division also surpassed its earnings of the prior-year period with EBIT of €79 million in the second quarter of this year (Q2 2009: €49 million). The return on sales was 6.6% (Q2 2009: 4.4%).

The main factors behind this earnings development were positive exchange-rate effects as well as higher revenue resulting from increased chassis sales.

Daimler Financial Services improved its operating result significantly in the second quarter of 2010 to €171 million (Q2 2009: €79 million).

The earnings increase was mainly caused by lower expenses for risk provisions and higher interest margins. In addition, gains were realized in connection with the sale of non-automotive assets (€26 million). Expenses of €78 million were incurred for the repositioning of the business activities in Germany.

The **reconciliation** of the divisions' EBIT to Group EBIT reflects our proportionate share in the results of our equity-method investment in EADS, other gains or losses at the corporate level, and the effects on earnings of eliminating intra-group transactions between the divisions.

Daimler's proportionate share of the net profit of EADS amounted to €5 million in the second quarter (Q2 2009: €15 million). Although revenue increased, the contribution to earnings from EADS decreased, primarily due to negative exchange-rate effects.

Other effects at the corporate level in the prior-year period included Chrysler-related expenses totaling €387 million, partially incurred in connection with the completed disposal of the remaining 19.9% interest in Chrysler.

The elimination of intra-group transactions resulted in income of €35 million in the second quarter (Q2 2009: €118 million).

Net interest expense increased slightly to €220 million (Q2 2009: €207 million). Higher expenses in connection with pension benefit obligations were partially offset by an improved other interest result.

The second-quarter **income-tax expense** of €572 million (Q2 2009: income-tax benefit of €150 million) was the result of the Group's pre-tax profit (Q2 2009: pre-tax loss).

The positive EBIT development led to a significant improvement in earnings with a **net profit** of €1,312 million (Q2 2009: net loss of €1,062 million). Earnings per share amounted to €1.18 (Q2 2009: loss per share of €0.99).

For the **first half of 2010**, **Daimler** posted EBIT of €3,294 million (Q1-2 2009: minus €2,431 million).

This extremely positive earnings development is reflected by an ongoing upward trend in nearly all divisions. In addition to the Mercedes-Benz Cars division, which achieved significantly positive earnings in the first half of 2010 in particular due to increased unit sales in the full-size and luxury segments, Daimler Trucks, Daimler Financial Services and Mercedes-Benz Vans were also able to significantly improve their earnings compared to the prior-year period. Efficiency gains supported this positive earnings trend.

The sale of our equity interest in Tata Motors, an Indian automotive group, resulted in a gain of €265 million during the first half of this year. There was an opposing effect from a negative contribution to earnings from our equity-method investment in EADS, which reduced the Group's EBIT by minus €264 million.

The programs for the repositioning of Daimler Financial Services in Germany, Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation resulted in expenses totaling €109 million in the first half of 2010 (Q1-2 2009: €262 million).

Charges from the compounding of non-current provisions were lower than in the prior-year period (Q1-2 2010: €104 million; Q1-2 2009: €638 million), but exchange-rate effects were partially negative in the first half of 2010.

Earnings in the prior-year period were also reduced by Chrysler-related expenses (€347 million).

The EBIT of **Mercedes-Benz Cars** improved in the first half of 2010 compared to the prior-year period by €3.6 billion to €2,182 million. The division's return on sales rose to 8.5% (Q1-2 2009: minus 7.5%).

The key factors behind this strong earnings improvement were the positive development of unit sales, especially in China and the United States, as well as a more advantageous product mix and better pricing. Exchange-rate effects had a negative impact on earnings, however.

With EBIT of €430 million, the **Daimler Trucks** division also significantly improved its operating profitability in the first half of 2010, after EBIT of minus €650 million in the prior-year period. The return on sales increased accordingly to 4.0% (Q1-2 2009: minus 7.1%).

This pleasing earnings trend is primarily due to the good development of unit sales in all of our core markets. There were also positive effects from the measures taken to reduce costs, especially at Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation. The implementation of the optimization programs at Daimler Trucks North America and Mitsubishi Fuso Truck and Bus Corporation had a negative impact mainly on the first half of the prior year (Q1-2 2010: minus €31 million; Q1-2 2009: minus €262 million).

Mercedes-Benz Vans also achieved a significant earnings improvement in the first half of 2010 with EBIT of €191 million (Q1-2 2009: minus €101 million). Return on sales was 5.2% (Q1-2 2009: minus 3.6%).

The main reason for this earnings trend was the increase in unit sales compared to the prior-year period, especially in Western Europe. Negative exchange-rate effects were offset by efficiency gains and cost savings.

The **Daimler Buses** division posted EBIT of €120 million in the first half of 2010, slightly surpassing the high result of the prior-year period (Q1-2 2009: €114 million). Return on sales amounted to 5.4% (Q1-2 2009: 5.7%).

The positive development of earnings in Latin America resulting from higher unit sales of bus chassis as well as positive exchange-rate effects and efficiency measures compensated for the negative impact on earnings from decreased sales of complete buses (especially in Europe).

Daimler Financial Services posted EBIT for the first half of the year of €290 million, which is a significant improvement on the result of minus €88 million in the first half of 2009.

Lower expenses for risk provisions and higher interest margins contributed to this earnings improvement. On the other hand, there was a negative impact from expenses for the repositioning of the division's business activities in Germany (€78 million), as well as charges relating to the sale of non-automotive assets (€20 million).

Items included in the **reconciliation** of the divisions' EBIT to Group EBIT had an impact of plus €81 million on EBIT for the first half of the year (Q1-2 2009: minus €243 million). Daimler's share of the net result of EADS in the first half of the year amounted to minus €264 million (Q1-2 2009: plus €98 million). The sharp decrease in this earnings contribution is primarily due to additional provisions recognized by EADS in its 2009 consolidated financial statements relating to the A400M military transport aircraft. On the other hand, the sale of Daimler's 5.3% equity interest in Tata Motors led to a pre-tax gain of €265 million.

In the prior-year period, Group EBIT was reduced by Chrysler-related expenses of €347 million, partially connected with the completed disposal of the remaining 19.9% interest in Chrysler.

The elimination of intra-group transactions resulted in income of €43 million (Q1-2 2009: €139 million).

Net interest expense increased slightly to €418 million (Q1-2 2009: €412 million). Higher expenses in connection with pension benefit obligations were nearly fully offset by an improved other interest result.

The **income-tax expense** for the first half of the year of €952 million (Q1-2 2009: income-tax benefit of €495 million) was the result of the Group's pre-tax profit (Q1-2 2009: pre-tax loss).

First-half **net profit** amounted to €1,924 million (Q1-2 2009: net loss of €2,348 million), equivalent to earnings per share of €1.84 (Q1-2 2009: loss per share of €2.37).

Cash flows

Cash provided by operating activities in the first six months of 2010 amounted to €4.6 billion (Q1-2 2009: €6.4 billion). The positive impact of the significantly improved net profit was partially offset by the development of inventories, which increased slightly in the first half of 2010 but decreased substantially in the same period of last year. Other effects compared to the prior-year period resulted from the higher new business in leasing and sales financing as well as from higher interest payments, mainly related to the bonds issued in the prior year. Another factor is that corporate income tax was paid in the first half of 2010 whereas net tax refunds were received in the prior-year period. The effects from trade receivables and trade liabilities, which both increased in line with unit sales and production volumes, nearly offset each other compared to the prior-year period.

Cash flows from investing activities in the first half of the year resulted in a net cash outflow of €0.7 billion (Q1-2 2009: €5.7 billion). The reduced cash outflow compared to the prior-year period was primarily the result of acquisitions and sales of securities carried out in the context of liquidity management, which led to a net cash inflow of €1.2 billion in the first half of 2010 compared to a net cash outflow of €3.8 billion in the first half of last year. The reporting period was also affected by proceeds from the sale of shares in Tata Motors (€0.3 billion). There were cash outflows for the payment made in connection with the cross-shareholding with Renault-Nissan (€0.1 billion) and for increased investments in property, plant and equipment and intangible assets.

Cash flows from financing activities resulted in a net cash outflow of €6.4 billion in the period under review, almost all of which reflects the repayment of financing liabilities. The cash inflow in the prior-year period of €6.4 billion was primarily due to new financing liabilities and the capital increase from the issue of new shares (€1.95 billion), offset to a small extent by the payment of the dividend for the year 2008 (€0.6 billion).

Cash and cash equivalents with an original maturity of three months or less decreased compared to December 31, 2009 by €1.9 billion, after taking the effects of currency translation into account. Total liquidity, which includes deposits and marketable securities with an original maturity of more than three months, decreased by €2.9 billion to €13.3 billion, mainly because of the cash outflows from financing activities. The high level of liquidity is likely to continue decreasing in the course of 2010, primarily due to the repayment of financing liabilities as they fall due.

The **free cash flow of the industrial business**, the parameter used by Daimler to measure the Group's financing capability, was positive and increased significantly by €2.5 billion to €2.8 billion.

The main reason for the increase in the free cash flow was the increase in earnings of the divisions, which more than offset the negative effects of inventory developments, higher interest payments and higher investments in property, plant and equipment and intangible assets. The sale of shares in Tata Motors was an additional factor with a positive impact on the free cash flow.

Free cash flow of the industrial business

Amounts in millions of €	**Q1-2 2010**	Q1-2 2009	10/09 change
Cash flow from operating activities	**4,549**	2,118	2,431
Cash flow from investing activities	**(1,083)**	(4,790)	3,707
Change in cash (> 3 months) and marketable securities included in liquidity	**(695)**	2,941	(3,636)
Free cash flow of the industrial business	**2,771**	269	2,502

The **net liquidity of the industrial business** increased by €2.1 billion to €9.4 billion.

Net liquidity of the industrial business

Amounts in millions of €	**June 30, 2010**	Dec. 31, 2009	10/09 change
Cash and cash equivalents	**6,534**	6,735	(201)
Marketable securities and long-term deposits	**4,461**	5,073	(612)
Liquidity	**10,995**	11,808	(813)
Financing liabilities	**(1,266)**	(5,516)	4,250
Market valuation and currency hedges for financing liabilities	**(332)**	993	(1,325)
Financing liabilities (nominal)	**(1,598)**	(4,523)	2,925
Net liquidity	**9,397**	7,285	2,112

The increase in net liquidity was mainly caused by the positive free cash flow, with smaller opposing effects from currency translation.

Net debt at Group level, which is primarily related to the refinancing of the leasing and sales-financing business, increased by €2.1 billion compared to December 31, 2009. The increase was primarily due to movements in currency exchange rates, partially offset by opposing effects from the industrial business.

Net debt of the Daimler Group

Amounts in millions of €	**June 30, 2010**	Dec. 31, 2009	10/09 change
Cash and cash equivalents	**7,886**	9,800	(1,914)
Marketable securities and long-term deposits	**5,401**	6,342	(941)
Liquidity	**13,287**	16,142	(2,855)
Financing liabilities	**(56,237)**	(58,294)	2,057
Market valuation and currency hedges for financing liabilities	**(332)**	993	(1,325)
Financing liabilities (nominal)	**(56,569)**	(57,301)	732
Net debt	**(43,282)**	(41,159)	(2,123)

Financial position

Compared to December 31, 2009, the **balance sheet total** increased by €7.4 billion to €136.2 billion at the end of the second quarter. Adjusted for currency translation, there was a decrease of €1.2 billion.

The financial services business accounts for €68.1 billion of the balance sheet total (December 31, 2009: €65.1 billion), equivalent to 50% of the Daimler Group's total assets (December 31, 2009: 51%).

Current assets are almost unchanged at 42% of the balance sheet total. Both receivables and inventories increased, while cash and cash equivalents decreased. Current liabilities account for 37% of the balance sheet total (December 31, 2009: 37%).

Intangible assets increased to €7.3 billion (December 31, 2009: €6.8 billion). Adjusted for currency translation, the increase of €0.4 billion primarily reflects higher capitalized development costs.

The increase in **property, plant and equipment** to €16.9 billion (December 31, 2009: €16.0 billion) was mainly due to exchange-rate effects. In addition, investments at various locations including Kecskemét and Kölleda contributed to the increase in property, plant and equipment.

Equipment on operating leases and **receivables from financial services** increased by €5.6 billion to €62.6 billion (December 31, 2009: €57.0 billion). Adjusted for currency translation, there was an increase of €0.3 billion. As a proportion of the balance sheet total, these items amounted to 46% (December 31, 2009: 44%).

Investments accounted for using the equity method of €3.7 billion mainly comprise the carrying amounts of our investments in EADS, Tognum and Kamaz. The decrease of €0.6 billion relates primarily to our investment in EADS, and was caused by the proportionate negative result as well as effects in other comprehensive income due to the evaluation of derivative financial instruments.

Inventories increased by €1.7 billion to €14.6 billion, accounting for 11% of the balance sheet total. The increase was primarily attributable to exchange-rate effects and the development of production and unit sales.

Trade receivables increased by €2.2 billion to €7.5 billion, due to higher unit sales and exchange-rate effects.

Other financial assets (€10.4 billion) mainly comprise securities, investments, derivative financial instruments, loans and other receivables due from third parties. The decrease of €1.1 billion primarily reflects the reduction in the securities included in liquidity management and the development of derivative financial instruments. The increase in investments is due to the cross-shareholding arising from the strategic cooperation with the Renault-Nissan Alliance, and was partially offset by the sale of Daimler's interest in Tata Motors. For the acquisition of the shares in Renault and Nissan, mainly treasury shares were used.

Cash and cash equivalents decreased compared to December 31, 2009 by €1.9 billion to €7.9 billion.

The **assets held for sale** from non-automotive leasing portfolios amounted to €0.1 billion (December 31, 2009: €0.3 billion).

Provisions accounted for 14% of the balance sheet total. Most of them relate to warranty, personnel and pension obligations and at €19.6 billion were above the level of December 31, 2009 (€18.4 billion). Beside exchange-rate effects, the increase was mainly due to higher provisions for pensions and other personnel obligations.

Trade payables increased by €2.3 billion to €8.0 billion, partially due to the higher production volumes.

Financing liabilities decreased by €2.1 billion to €56.2 billion. Adjusted for currency translation, the decrease amounted to €5.2 billion. Financing liabilities accounted for 41% of the balance sheet total (December 31, 2009: 45%) and primarily relate to the leasing and sales-financing business. The liabilities arising from customer deposits in Mercedes-Benz Bank's direct banking business decreased by €1.9 billion to €10.7 billion.

Other financial liabilities (€12.1 billion) mainly comprise liabilities from residual-value guarantees, derivative financial instruments and payrolls, as well as accrued interest on financing liabilities. Adjusted for currency translation, the increase of €0.7 billion was mainly due the evaluation of hedging instruments relating to the weak euro.

The **Group's equity** increased compared to December 31, 2009 by €2.8 billion to €34.6 billion. Net profit of €1.9 billion and positive exchange-rate effects of €1.7 billion were partially offset by negative effects from the mark-to-market valuation of financial instruments. The **equity ratio** was 25.4% for the Group (December 31, 2009: 24.7%) and 43.0% for the industrial business (December 31, 2009: 42.6%).

Workforce

At the end of the second quarter of 2010, Daimler employed 257,658 people worldwide (June 30, 2009: 257,427). Of that total, 163,507 people were employed in Germany (June 30, 2009: 162,818). Due to the current order situation and the revival of demand around the world, short-time work was terminated as of June 30, 2010, with the exception of a small number of employees. Against this backdrop, the Board of Management also decided to terminate the reduction in working hours as of May 31, 2010, which is one month earlier than was originally planned.

Changes in the Supervisory Board and the Board of Management

Effective January 5, 2010, Mr. Jörg Spies was elected to the Supervisory Board as a representative of the employees and as successor to Mr. Helmut Lense.

On April 14, 2010, the Annual Meeting of Daimler AG elected Dr. Paul Achleitner to the Supervisory Board as successor to the departing member, Arnaud Lagardère. Mr. Achleitner, a member of the Board of Management of Allianz SE, has been elected as a member of Daimler's Supervisory Board until the end of the Annual Meeting held in 2015.

Dr. Wolfgang Bernhard has been appointed as a member of the Board of Management of Daimler AG effective February 18, 2010. Mr. Bernhard is responsible for Production and Procurement Mercedes-Benz Cars and for the Mercedes-Benz Vans division.

Daimler and Renault-Nissan agree on strategic cooperation

On April 7, 2010, Daimler AG and the Renault-Nissan alliance reached an agreement on far-reaching strategic cooperation which will result in advantages for both companies from a series of specific projects and from the shared use of best practices. Based on comprehensive and constructive discussions, specific projects have been agreed upon and will be implemented without delay. Those projects include a new, shared architecture for small cars, the joint use of fuel-efficient diesel and gasoline engines, and cooperation in the area of light commercial vehicles. In addition, a cross-shareholding has been agreed upon: The Renault-Nissan alliance received treasury shares constituting a 3.1% equity interest in Daimler, and Daimler received a 3.1% interest in Renault and a 3.1% interest in Nissan.

Daimler terminates listing on the New York Stock Exchange (NYSE)

On May 14, 2010, Daimler informed the NYSE of its intention to terminate the listing of Daimler shares and of the 8.5% US-dollar bond maturing on January 18, 2031 issued by Daimler Finance North America LLC and the related Daimler guarantee. After the delisting took place on June 7, 2010, an application was submitted for the deregistration of all securities registered with the US Securities and Exchange Commission (SEC) and the termination of reporting obligations pursuant to the US Securities Exchange Act 1934. Deregistration is expected to take place in September. The main reason for terminating the listing on the NYSE and the registration with the SEC is a significant change in the behavior of our investors, who now trade in Daimler shares predominantly in Germany and on electronic trading platforms. An additional objective is to reduce the complexity of financial reporting as well as administrative expenses and fees. Independently of the delisting and deregistration, Daimler will maintain a high degree of transparency in its financial reporting and will continue to fulfill the requirements of international investors.

BYD Company Limited and Daimler AG sign agreement on the establishment of a joint venture for the development of electric vehicles in China

On May 27, 2010, BYD Company Limited and Daimler AG signed an agreement on the establishment of a 50:50 joint venture, "Shenzhen BYD Daimler New Technology Co. Ltd," for the development of an electric vehicle for the Chinese market.

BYD and Daimler will invest a total of 600 million renminbi (approximately €71 million) in the joint venture. The new-generation electric vehicle to be developed by the joint venture combines Daimler's expertise in the fields of automotive architecture and safety with BYD's expertise in the fields of battery technology and electric drive systems. The vehicle will be marketed under a new brand, to be jointly created by Daimler and BYD. The two companies will also share the brand rights.

Daimler increases equity interest in KAMAZ

Russian Technologies, Daimler AG and the European Bank for Reconstruction and Development (EBRD) successfully completed an increase in their strategic investments in Kamaz, a Russian truck manufacturer, on June 17, 2010. On February 11, 2010, the strategic partners signed a memorandum of understanding relating to the acquisition of 5% of KAMAZ shares held by Troika Dialog. Daimler has thus increased its equity interest in KAMAZ by one percentage point to 11%, while the remaining 4% of those KAMAZ shares are legally held by the EBRD. Due to the contractual situation, Daimler is deemed to be the economic owner of the shares held by the EBRD pursuant to IFRS.

Outlook

The statements made in the Outlook section of this Interim Report are based on the current assumptions of the Daimler management. In turn, those assumptions are based on the expectations for general economic developments described below and the targets set by our divisions. Expectations for future business developments reflect the opportunities and risks arising from prevailing market conditions and competitive situations as the year progresses.

With regard to existing opportunities and risks, we refer to the statements made in our Annual Report 2009 and the notes on forward-looking statements at the end of this Management Report. In our assessment, market risks have decreased so far this year.

At the beginning of the second half of 2010, most available indicators point towards a sustained expansion of the **world economy**. However, it is also apparent that the speed of expansion will tend to decrease during the second half of the year. The special and one-time items that have so far had an impact – such as restocking depleted inventories and various governments' comprehensive economic stimulus programs – are gradually coming to an end. At the same time, the measures that have already been taken to consolidate public finances and even just the announcement of such planned measures are having a negative effect on growth. In some European countries such as Greece, Spain or Portugal, this may even lead to further recession. The core countries of the euro zone should continue their moderate recovery as the year progresses, but with significantly lower growth rates than the United States and Japan. Within Europe, economies with a focus on exports and capital goods such as Germany will prosper because they will benefit simultaneously from the expansion of world trade and the weakness of the euro. The emerging markets will continue to post the strongest growth rates, although there are some signs of a slight slowdown also in those economies. That was actually intended in the case of China in view of the danger of economic overheating there. Overall, there is a reasonable chance that global economic output will expand by 3.5% in 2010, following negative growth in the prior year. But in view of great uncertainty on the financial markets, the world economy will remain very fragile and susceptible to external disturbances.

Worldwide markets for **motor vehicles** will grow again significantly this year, due in particular to rapidly growing demand in the Asian emerging markets. Global demand for cars is likely to expand by more than 8%. In addition to the Asian markets, the gradual recovery of the US market will also contribute to global growth. New car registrations in Western Europe will be significantly lower than in 2009, however, following the expiry of state scrappage incentives. Among the volume markets, the decrease will be the biggest in Germany at about 25%. On the other hand, demand in Japan will continue to be boosted by state incentives for car buyers in 2010, and should be significantly higher than in the prior year. The car markets of India and China will continue their dynamic growth and are likely to expand by approximately 20% in the full year. In Russia, the scrappage program introduced in March should lead to a distinct revival of demand for cars.

Overall global demand for trucks will also rise this year thanks to the expansionary dynamism of the emerging markets. But the recovery of the big three economic regions, especially Western Europe and the United States, will be less pronounced. Unit sales of trucks in Europe will probably be 5 to 10% higher than the prior-year level. In the NAFTA region, total demand for trucks is likely to rise by 10 to 15%. For the Japanese market, however, significant growth of 20 to 30% is to be anticipated. Dynamic growth can also be expected in the major emerging markets, with double-digit rates likely in the Asian growth markets and Latin America. But only hesitant market recovery is projected for Russia.

In the year 2010, we expect significant market growth in Western Europe in the segment of medium-sized and large vans and in the United States in the segment of large vans.

For our Buses division, we anticipate a continuation of good market conditions for bus chassis in Latin America this year. We expect a slight decrease in business in Europe, especially in the segment of city buses.

Based on the divisions' planning, Daimler expects **total unit sales** to increase significantly in 2010 (2009: 1.6 million vehicles).

Mercedes-Benz Cars will profit this year from the full availability of the new E-Class models. Following the very successful market launches in 2009 of the E-Class sedan, coupe and station wagon, the new E-Class convertible was launched in the first quarter of 2010. And unit sales will also be boosted by the new super sports car Mercedes-Benz SLS AMG, and as of autumn 2010 by the new generations of the R-Class and the CL-Class. Furthermore, we are continually launching additional fuel-efficient and environmentally friendly versions of existing models. Starting in the third quarter of 2010, new and particularly efficient six and eight-cylinder gasoline engines will become available. Our already extensive portfolio of BlueEFFICIENCY models will be expanded to 85 model versions by the end of 2010. For the smart brand, we anticipate an increase in demand following the launch of a new generation of the smart fortwo in the third quarter of 2010. On the basis of our attractive and competitive range of vehicles, we assume that unit sales of the Mercedes-Benz brand will increase at a double-digit rate in 2010.

For the second half of the year 2010, the Mercedes-Benz Cars division expects the positive trend of the first two quarters to continue, but no longer with the same dynamism. Although we anticipate a continuation of stable global sales markets and an improving economic environment, there are still risks of a growth slowdown in some regions. An additional factor is that personnel expenses will increase in the second half of the year due to the termination of reduced working hours as of May 31, and the exchange rates of currencies important to us are highly volatile. There will be opposing, positive effects, however, from the consistent implementation of the efficiency program and an optimized product range. In total, we are targeting EBIT of €4 billion in full-year 2010.

Due to the stabilizing market situation in many of our major markets and the availability of new models, **Daimler Trucks** expects a significant increase in unit sales this year compared to 2009. Indonesia, the United States, Brazil and Europe will probably remain the main drivers. In addition, we anticipate market recovery also in Japan and Turkey.

Daimler Trucks also expects significant sales impetus from the upgraded Mercedes-Benz Atego and Axor models, which can be ordered as of the IAA Commercial Vehicles Show with deliveries starting at the end of this year. The newly launched engines in the United States of the new heavy-duty engine generation with BLUETEC technology and complying with the EPA10 emission regulations will lead to increased demand for Freightliner trucks. Customer demand will also be stimulated by the new Fuso Super Great with BLUETEC engines from Daimler Trucks' new heavy-duty engine generation and by the new medium-duty Fuso Fighter.

For full-year 2010, we anticipate EBIT from the ongoing business of approximately €1 billion.

Against the backdrop of rising demand and the market recovery in the van business, **Mercedes-Benz Vans** anticipates a significant increase in unit sales compared to 2009. Following efficiency enhancements and taking negative exchange-rate effects (especially with the British pound) into consideration, we expect the division to post EBIT in the magnitude of €350 million for the year 2010.

Daimler Buses anticipates growth in unit sales for full-year 2010, primarily due to the development of chassis sales in Latin American markets. In Western Europe, however, unit sales will remain below the prior-year level for market reasons. We expect EBIT of €180 million, in line with the result for the prior year.

Daimler Financial Services anticipates a reduction in worldwide credit-risk costs and further efficiency improvements in full-year 2010. We expect distinctly positive earnings also in the second half of the year. For the full year, Daimler Financial Services expects to achieve EBIT from its ongoing business of approximately €800 million. Adjusted for exchange-rate effects, we anticipate a stable development of contract volume in the second half of the year.

We assume that the Daimler Group will achieve significant **revenue growth** in the full year (2009: €78.9 billion).

In view of the good business development in all divisions and supported by the favorable development of important exchange rates, we are targeting EBIT from the ongoing business of €6 billion for the **Daimler Group** in 2010.

This expectation is based on the continuation of a stable economic development and the ongoing market success of our products. We see the biggest risks in the high volatility of the financial markets, as well as in a worsening of the macroeconomic environment.

As a result of the upturn in demand, we assume that the size of our worldwide **workforce** will remain constant or will increase slightly compared to the end of 2009.

Mercedes-Benz Cars

Unit sales up by 19% compared to prior-year quarter
Significantly improved model mix
Full capacity utilization at our main car plants
EBIT improves to €1,376 million (Q2 2009: minus €340 million)

Amounts in millions of €	**Q2 2010**	Q2 2009	% change
EBIT	**1,376**	(340)	.
Revenue	**14,018**	10,568	+33
Unit sales	**342,461**	287,243	+19
Production	**326,020**	243,626	+34
Employees (June 30)	**94,922**	93,873	+1

Unit sales	**Q2 2010**	Q2 2009	% change
Total	**342,461**	287,243	+19
Western Europe	**177,867**	171,634	+4
Germany	**81,956**	87,564	-6
United States	**51,318**	50,714	+1
China	**48,511**	14,846	+227
Other markets	**64,765**	50,049	+29

Substantial improvements in unit sales, revenue and earnings
The Mercedes-Benz Cars division increased its unit sales by 19% to 342,500 vehicles; for the Mercedes-Benz brand, this was the strongest second quarter ever. Revenue rose by 33% to €14.0 billion. Due to the positive market development, Mercedes-Benz Cars improved its EBIT to €1,376 million (Q2 2009: minus €340 million).

Significantly improved model mix
We nearly doubled sales of E-Class models to 97,000 units (Q2 2009: 50,700), with the E-Class sedan confirming its position as the market leader in its segment. Sales in the luxury segment rose by a strong 48% to 21,500 units (Q2 2009: 14,500), making the S-Class the global market leader once again. In the SUV segment, unit sales increased by 14% to 48,800 vehicles (Q2 2009: 42,900). With sales of 85,300 cars, unit sales of C-Class models were very close to the prior-year level (Q2 2009: 86,600), while unit sales of A- and B-Class models rose by 7% to 61,800 (Q2 2009: 57,900).

In Western Europe, sales of 177,900 units were 4% higher than in the prior-year period (Q2 2009: 171,600). In Germany, we gained market share once again. In the United States, unit sales increased to 51,300 vehicles (Q2 2009: 50,700), making Mercedes-Benz the best-selling German premium brand in that market. In China, Mercedes-Benz Cars was able to triple its unit sales to 48,500 vehicles (Q2 2009: 14,800) and continues to be the fastest-growing premium brand in China. For lifecycle reasons, sales of the smart fortwo decreased to 27,100 units (Q2 2009: 33,500). The new generation of the two-seater will be available as of the third quarter of 2010.

Exciting new models
Mercedes-Benz laid the foundations for further dynamic growth at the Auto China motor show in April with the long version of the E-Class, which was specially developed for the Chinese market. Mercedes-Benz also presented its new shooting-break concept in Beijing; this is a groundbreaking study with numerous innovations providing a glimpse of the brand's future styling.

On the engines side, Mercedes-Benz set new efficiency benchmarks in the premium segment with its newly developed V6 and V8 engines. For example, the S 350 with the new V6 engine and start-stop system consumes an average of just 7.6 liters of gasoline per 100 kilometers. And with the S 350 BlueTEC, Mercedes-Benz supplies the most efficient S-Class to date, which is one of the world's cleanest diesel automobiles thanks to its AdBlue® emission control system.

Affirmation of top quality
In line with the brand motto of "the best or nothing" we received numerous awards during the reporting period. For example, J.D. Power attested that our customers in Germany have the highest level of satisfaction with their vehicles as well as with customer service. Furthermore, in J.D. Power's latest quality study, three Mercedes-Benz plants were rated as among the best four in the Europe/Africa region. And in the current ADAC breakdown statistics, we were overall winners with three first places in eight vehicle categories.

Full capacity utilization at our main car plants
Due to the increased unit sales and ongoing strong demand, the plants in Rastatt, Bremen and Sindelfingen were operating at full capacity utilization. The number of vehicles produced in the second quarter was very close to the pre-crisis level, so it was possible to terminate the short-time working arrangements at our car plants.

Q1-2

Amounts in millions of €	**Q1-2 2010**	Q1-2 2009	% change
EBIT	**2,182**	(1,463)	.
Revenue	**25,613**	19,635	+30
Unit Sales	**619,578**	518,436	+20
Production	**633,846**	451,996	+40
Employees (June 30)	**94,922**	93,873	+1

Unit sales	**Q1-2 2010**	Q1-2 2009	% change
Total	**619,578**	518,436	+20
Western Europe	**312,936**	305,019	+3
Germany	**135,751**	147,558	-8
United States	**107,463**	94,641	+14
China	**75,366**	26,061	+189
Other markets	**123,813**	92,715	+34

Daimler Trucks

Second-quarter unit sales of 83,800 trucks exceed prior-year level by 55%
Mercedes-Benz flagship Actros to be produced also in Turkey and Brazil
Fuso launches new models in Japan
EBIT of €300 million significantly better than in prior-year period (Q2 2009: minus €508 million)

Amounts in millions of €	Q2 2010	Q2 2009	% change
EBIT	300	(508)	.
Revenue	5,853	4,217	+39
Unit sales	83,797	54,134	+55
Production	84,409	45,547	+85
Employees (June 30)	70,647	70,438	+0

Unit sales	Q2 2010	Q2 2009	% change
Total	83,797	54,134	+55
Western Europe	11,686	9,262	+26
Germany	6,320	4,965	+27
United States	15,545	10,812	+44
Latin America (excluding Mexico)	14,208	8,433	+68
Asia	29,310	16,655	+76
Other markets	13,048	8,972	+45

Significant improvement in unit sales, revenue and earnings
Daimler Trucks increased its second-quarter unit sales by 29,700 to 83,800 vehicles this year. All the division's major markets contributed to this positive development. Revenue of €5.9 billion was also significantly higher than in the prior-year period (Q2 2009: €4.2 billion). EBIT of €300 million was substantially better than in the second quarter of last year (Q2 2009: minus €508 million).

Growth in major markets
Trucks Europe/Latin America (Mercedes-Benz) increased its unit sales by 39% to 30,700 vehicles in the second quarter. The strongest contribution towards this growth came from the Brazilian market. This was due not only to the economic revival, but also to state support with the provision of favorable financing packages and the extension of tax relief until the end of the year. Unit sales increased also in Europe, especially Germany and Turkey, to 14,200 compared to 10,800 in the prior-year quarter.

Trucks NAFTA (Freightliner, Western Star, Thomas Built Buses) increased its unit sales from 13,200 to 18,600 vehicles. The strongest growth was in the United States (+35%), where a market revival is now apparent.

Trucks Asia (Fuso) achieved strong growth in unit sales: from 18,900 to 34,500 vehicles. The strongest growth within this region was in Indonesia (+129%), primarily due to strong domestic demand combined with state economic stimulus, Taiwan (+275%) and the Middle East (+104%). The increase in unit sales in Japan remained moderate, however, at 8%.

Due to higher levels of orders received, we terminated short-time work at the Wörth and Gaggenau plants one month earlier than planned; at the Mannheim and Kassel plants, short-time work was terminated as planned at the end of June. Trucks NAFTA adjusted its production levels to the sharp increase in demand for the Freightliner Cascadia and the BLUETEC engines, and therefore recruited approximately 540 employees at three plants in July.

Actros to be produced also in Turkey and Brazil
As of 2011, Mercedes-Benz Trucks will integrate the former car plant in Juiz de Fora into its production network and will produce the Mercedes-Benz Actros there, as well as in Aksaray (Turkey) as of late 2010. This will allow Mercedes-Benz to react more quickly and flexibly to rising demand in the various regions.

Daimler Trucks North America invests in engine plant
Daimler Trucks North America (DTNA) will invest approximately US$200 million in the Detroit Diesel engine plant in Redford, Michigan, significantly expanding its production capacity. This investment is supported by the state of Michigan with various tax incentives.

New Fuso models launched in Japan
In April, Mitsubishi Fuso Truck and Bus Corporation (MFTBC) unveiled the new generation of its heavy-duty truck Fuso Super Great, featuring an engine from Daimler Trucks' new generation of heavy-duty engines. And since June, new versions of the medium-duty truck Fuso Fighter have been available in Japan.

Q1-2

Amounts in millions of €	Q1-2 2010	Q1-2 2009	% change
EBIT	430	(650)	.
Revenue	10,726	9,135	+17
Unit sales	154,354	119,539	+29
Production	158,177	104,349	+52
Employees (June 30)	70,647	70,438	+0

Unit sales	Q1-2 2010	Q1-2 2009	% change
Total	154,354	119,539	+29
Western Europe	21,152	21,478	-2
Germany	11,049	11,784	-6
United States	30,634	24,560	+25
Latin America (excluding Mexico)	27,222	15,715	+73
Asia	51,397	38,790	+33
Other markets	23,949	18,996	+26

Mercedes-Benz Vans

Significant increase in unit sales to 59,400 vehicles (Q2 2009: 41,900)
Major orders for Mercedes-Benz Vans
First customers' vehicles roll off the assembly line in China
EBIT of €127 million (Q2 2009: minus €10 million)

Amounts in millions of €	Q2 2010	Q2 2009	% change
EBIT	**127**	(10)	.
Revenue	**1,977**	1,481	+33
Unit sales	**59,393**	41,871	+42
Production	**61,261**	34,765	+76
Employees (June 30)	**15,003**	15,773	-5

Unit sales	Q2 2010	Q2 2009	% change
Total	**59,393**	41,871	+42
Western Europe	**41,450**	32,915	+26
Germany	**16,005**	15,999	+0
Eastern Europe	**4,002**	3,186	+26
United States	**2,736**	40	.
Latin America (excluding Mexico)	**3,196**	2,071	+54
Other markets	**8,009**	3,659	+119

Unit sales, revenue and EBIT increase after market recovery
Unit sales by Mercedes-Benz Vans increased to 59,400 vehicles in the second quarter of 2010 (Q2 2009: 41,900). Second-quarter revenue of €2.0 billion was also well above last year's level (Q2 2009: €1.5 billion). EBIT amounted to €127 million (Q2 2009: minus €10 million).

Mercedes-Benz Vans achieves strong growth in unit sales
Mercedes-Benz Vans raised its second-quarter unit sales by 42% to 59,400 vehicles. In Western Europe, the division's most important sales market, growth in unit sales of 26% to 41,500 vehicles was achieved in the second quarter of 2010. Unit sales increased significantly in the United Kingdom, France, Italy, Spain and the Netherlands. In Eastern Europe, Mercedes-Benz Vans achieved strong double-digit growth in unit sales in the second quarter of 2010 (+26%).

Mercedes-Benz Vans made a very successful start with its new sales organization in the United States and Canada. Unit sales in the NAFTA region rose to 3,400 vehicles (Q2 2009: 200). Mercedes-Benz Vans also achieved very positive growth in Latin America, where unit sales of 3,200 vehicles were 54% above the level of the prior-year quarter.

Worldwide sales of the Sprinter increased by 48% compared with the second quarter of last year to 37,100 units. And the Vito and Viano models posted growth in unit sales of 16%.

In a recovering market environment, Mercedes-Benz Vans defended its market leadership in the segment of medium-sized and large vans in the European Union in the second quarter of 2010, increasing its share of the market by 0.9 percentage points compared to the prior-year period to 17.4%.

Major orders for Mercedes-Benz Vans
In the second quarter of 2010, the division succeeded in gaining major orders from the Federal Ministry of the Interior (Germany) and from Belgacom (Belgium) for a total of approximately 1,800 Mercedes-Benz Sprinters. In addition, Mercedes-Benz CharterWay will take over maintenance and vehicle management for that Belgian customer.

First customers' vehicles roll off the assembly line in China
In China, the first Mercedes-Benz Viano vans produced for a customer by Fujian Daimler Automotive (FJDA) rolled off the assembly line in Fuzhou this April. FJDA is a joint venture established in 2007 between the Fujian Motors Group (FJMG), China Motor Corp. (CMC) and Daimler AG. A total of 3,000 units of the Vito and the Viano from local production were sold in that period.

Q1-2

Amounts in millions of €	Q1-2 2010	Q1-2 2009	% change
EBIT	**191**	(101)	.
Revenue	**3,674**	2,772	+33
Unit sales	**106,048**	70,705	+50
Production	**111,081**	65,319	+70
Employees (June 30)	**15,003**	15,773	-5

Unit sales	Q1-2 2010	Q1-2 2009	% change
Total	**106,048**	70,705	+50
Western Europe	**76,205**	54,789	+39
Germany	**28,724**	25,558	+12
Eastern Europe	**6,723**	5,345	+26
United States	**5,152**	288	.
Latin America (excluding Mexico)	**5,941**	3,947	+51
Other markets	**12,027**	6,336	+90

Daimler Buses

Unit sales above prior-year level at 10,800 buses and chassis (Q2 2009: 8,300)
EvoBus Ibérica produces 10,000th chassis
EBIT above prior-year level at €79 million (Q2 2009: €49 million)

Amounts in millions of €	Q2 2010	Q2 2009	% change
EBIT	**79**	49	+61
Revenue	**1,205**	1,103	+9
Unit sales	**10,830**	8,292	+31
Production	**10,757**	7,784	+38
Employees (June 30)	**16,754**	17,424	-4

Unit sales	Q2 2010	Q2 2009	% change
Total	**10,830**	8,292	+31
Western Europe	**1,724**	1,669	+3
Germany	**481**	615	-22
NAFTA	**1,133**	957	+18
Latin America (excluding Mexico)	**6,779**	4,159	+63
Other markets	**1,194**	1,507	-21

Growth in unit sales, revenue and EBIT
In the second quarter of 2010, Daimler Buses sold 10,800 buses and bus chassis worldwide (Q2 2009: 8,300). The division's revenue of €1.2 billion was also higher than in the prior-year period (Q2 2009: €1.1 billion). EBIT amounted to €79 million (Q2 2009: €49 million).

Positive development of unit sales in Latin America
Daimler Buses increased its unit sales by 31% to 10,800 buses and bus chassis in the second quarter of 2010 (Q2 2009: 8,300). In Western Europe, 1,700 buses and chassis of the Mercedes-Benz and Setra brands were sold (Q2 2009: 1,700). Whereas unit sales of intercity buses and coaches recovered slightly, unit sales of city buses did not achieve the level of the prior-year period.

Due to the recovery of the Mexican market, sales in the NAFTA region rose by 18% to 1,100 units.

In Latin America (excluding Mexico), Daimler Buses achieved further growth in unit sales to 6,800 chassis of the Mercedes-Benz brand (Q2 2009: 4,200). Growth in demand was particularly strong in Brazil, the region's biggest market (+59%).

10,000th Mercedes-Benz chassis produced in Sámano
The twelve-year success story of EvoBus Ibérica reached another milestone with the handover of the 10,000th chassis to Sanfiz S.L. The Spanish subsidiary of EvoBus, which belongs to the Daimler Group, has produced chassis for various bus segments since 1998. EvoBus Ibérica has an ultramodern production plant located in Sámano and employs approximately 260 persons. The plant specializes in the production of chassis for city buses and coaches and in 2003 became the Europe competence center for Mercedes-Benz chassis.

Readers vote: first place for Tourino and Citaro
In the 14th poll of readers by the EuroTransportMedia publishing house, professionals in the field of commercial vehicles voted for the "Best Commercial Vehicle 2010" and the "Best Brand." Among 171 candidates, Mercedes-Benz commercial vehicles achieved seven first places. For example, the Mercedes-Benz Tourino successfully defended its first place in the midi-bus category. And in the city-bus category, Mercedes-Benz repeated its first place of the prior year with the Citaro; since 1998, more than 29,000 units of this bestselling city bus have been produced. Being used in nearly all of Europe's metropolises and beyond has helped the Mercedes-Benz Citaro city bus to become well known all over the world.

Q1-2

Amounts in millions of €	Q1-2 2010	Q1-2 2009	% change
EBIT	**120**	114	+5
Revenue	**2,216**	2,007	+10
Unit sales	**19,226**	15,112	+27
Production	**19,601**	15,465	+27
Employees (June 30)	**16,754**	17,424	-4

Unit sales	Q1-2 2010	Q1-2 2009	% change
Total	**19,226**	15,112	+27
Western Europe	**2,796**	2,788	+0
Germany	**899**	1,044	-14
NAFTA	**1,618**	2,113	-23
Latin America (excluding Mexico)	**12,621**	7,525	+68
Other markets	**2,191**	2,686	-18

Daimler Financial Services

New business above prior-year level
Repositioning of business activities in Germany
Mercedes-Benz dealerships equipped with Apple iPads™ in the United States
EBIT of €171 million (Q2 2009: €79 million)

Amounts in millions of €	Q2 2010	Q2 2009	% change
EBIT	171	79	+116
Revenue	3,322	3,108	+7
New business	7,851	6,543	+20
Contract volume	63,771	60,298	+6
Employees (June 30)	6,803	6,839	-1

New business above prior-year level
Daimler Financial Services' contract volume increased to €63.8 billion at the end of the second quarter of 2010, which is 9% above the level at the end of 2009. Adjusted for exchange-rate effects, the portfolio remained stable. New business reached €7.9 billion (Q2 2009: €6.5 billion). EBIT amounted to €171 million (Q2 2009: €79 million).

Stable business development in Europe
In the Europe region, contract volume of €28.5 billion was 1% lower than at the end of 2009. The contract volume of Mercedes-Benz Bank in Germany decreased over the same period from €16.1 billion to €15.7 billion. In the direct banking business, Mercedes-Benz Bank's total deposit volume decreased from €12.6 billion to €10.7 billion.

During the second quarter, Mercedes-Benz Bank presented a new iPhone application for drivers who are involved in an accident. With the "Sternenhelfer" application, customers can directly record the insurance claim on the spot and can send a report by e-mail. This facilitates quick and easy claims processing.

Strategic repositioning in Germany
In the second quarter, Daimler Financial Services and Mercedes-Benz Bank decided to reposition their business activities in Germany by the end of 2012 and to concentrate them at three locations. The head office of Daimler Financial Services will move from Berlin to Stuttgart and will be co-located with the headquarters of Mercedes-Benz Bank under one roof.

By 2012, Mercedes-Benz Bank will set up a new service center in the Berlin area, bringing together various functions of the automotive financial services business which are currently located at eight business centers as well as at Mercedes-Benz Bank's headquarters in Stuttgart. This strategic repositioning will result in streamlined structures and improved processes, securing a leading competitive position in the long-term. In the medium term, there will be cost savings of approximately €50 million per annum.

Apple iPads™ for Mercedes-Benz dealers in the United States
Contract volume in the Americas region of €26.9 billion at the end of the second quarter was higher than at the end of 2009 (€22.9 billion). Adjusted for exchange-rate effects, there was an increase of 0.5%. During the second quarter of this year, receivables of Mercedes-Benz Financial in the United States were securitized as asset backed securities in a magnitude of US $1 billion.

Mercedes-Benz Financial in the United States is the first autobank to equip its dealerships with Apple iPads™, providing direct access to the dealership system at the point of sale. This will improve customer advice and support, for example by means of quicker responses to credit applications and the more efficient return of leased vehicles.

Further growth in Africa & Asia/Pacific
Contract volume in the Africa & Asia/Pacific region increased by 23% in the first half of the year to €8.3 billion. Adjusted for exchange-rate effects, there was an increase of 6%. Once again, growth in China was particularly dynamic; the division's portfolio there has grown since the beginning of this year by 81% to €861 million.

Q1-2

Amounts in millions of €	Q1-2 2010	Q1-2 2009	% change
EBIT	290	(88)	.
Revenue	6,383	6,258	+2
New business	14,054	12,405	+13
Contract volume	63,771	60,298	+6
Employees (June 30)	6,803	6,839	-1

Unaudited Consolidated Statement of Income (Loss) Q2

In millions of €	Consolidated Q2 2010	Consolidated Q2 2009	Industrial Business (unaudited additional information) Q2 2010	Industrial Business (unaudited additional information) Q2 2009	Daimler Financial Services (unaudited additional information) Q2 2010	Daimler Financial Services (unaudited additional information) Q2 2009
Revenue	**25,107**	19,612	**21,785**	16,504	**3,322**	3,108
Cost of sales	**(19,209)**	(16,491)	**(16,329)**	(13,654)	**(2,880)**	(2,837)
Gross profit	**5,898**	3,121	**5,456**	2,850	**442**	271
Selling expenses	**(2,279)**	(1,899)	**(2,157)**	(1,821)	**(122)**	(78)
General administrative expenses	**(834)**	(798)	**(686)**	(681)	**(148)**	(117)
Research and non-capitalized development costs	**(850)**	(802)	**(850)**	(802)	**-**	-
Other operating income	**197**	120	**187**	108	**10**	12
Other operating expense	**(112)**	(70)	**(102)**	(61)	**(10)**	(9)
Share of profit (loss) from investments accounted for using the equity method, net	**42**	7	**43**	8	**(1)**	(1)
Other financial income (expense), net	**42**	(684)	**42**	(685)	**-**	1
Earnings before interest and taxes (EBIT)[1]	**2,104**	(1,005)	**1,933**	(1,084)	**171**	79
Interest income	**202**	279	**201**	278	**1**	1
Interest expense	**(422)**	(486)	**(419)**	(483)	**(3)**	(3)
Profit (loss) before income taxes	**1,884**	(1,212)	**1,715**	(1,289)	**169**	77
Income tax benefit (expense)	**(572)**	150	**(495)**	176	**(77)**	(26)
Net profit (loss)	**1,312**	(1,062)	**1,220**	(1,113)	**92**	51
(Profit) loss attributable to minority interest	**(64)**	46				
Profit (loss) attributable to shareholders of Daimler AG	**1,248**	(1,016)				
Earnings (loss) per share (in €) for profit (loss) attributable to shareholders of Daimler AG						
Basic	**1.18**	(0.99)				
Diluted	**1.18**	(0.99)				

1 EBIT includes expenses from the compounding of provisions (2010: €20 million; 2009: €278 million).

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

Unaudited Consolidated Statement of Income (Loss) Q1-2

	Consolidated		Industrial Business (unaudited additional information)		Daimler Financial Services (unaudited additional information)	
In millions of €	**Q1-2 2010**	Q1-2 2009	**Q1-2 2010**	Q1-2 2009	**Q1-2 2010**	Q1-2 2009
Revenue	**46,294**	38,291	**39,911**	32,033	**6,383**	6,258
Cost of sales	**(35,828)**	(32,895)	**(30,199)**	(26,943)	**(5,629)**	(5,952)
Gross profit	**10,466**	5,396	**9,712**	5,090	**754**	306
Selling expenses	**(4,073)**	(3,772)	**(3,877)**	(3,608)	**(196)**	(164)
General administrative expenses	**(1,610)**	(1,720)	**(1,358)**	(1,484)	**(252)**	(236)
Research and non-capitalized development costs	**(1,648)**	(1,587)	**(1,648)**	(1,587)	**-**	-
Other operating income	**319**	269	**300**	252	**19**	17
Other operating expense	**(180)**	(156)	**(145)**	(145)	**(35)**	(11)
Share of profit (loss) from investments accounted for using the equity method, net	**(214)**	88	**(214)**	86	**-**	2
Other financial income (expense), net	**234**	(949)	**234**	(947)	**-**	(2)
Earnings before interest and taxes (EBIT)[1]	**3,294**	(2,431)	**3,004**	(2,343)	**290**	(88)
Interest income	**402**	572	**401**	571	**1**	1
Interest expense	**(820)**	(984)	**(814)**	(978)	**(6)**	(6)
Profit (loss) before income taxes	**2,876**	(2,843)	**2,591**	(2,750)	**285**	(93)
Income tax benefit (expense)	**(952)**	495	**(841)**	476	**(111)**	19
Net profit (loss)	**1,924**	(2,348)	**1,750**	(2,274)	**174**	(74)
(Profit) loss attributable to minority interest	**(9)**	15				
Profit (loss) attributable to shareholders of Daimler AG	**1,915**	(2,333)				
Earnings (loss) per share (in €) for profit (loss) attributable to shareholders of Daimler AG						
Basic	**1.84**	(2.37)				
Diluted	**1.84**	(2.37)				

1 EBIT includes expenses from the compounding of provisions (2010: €104 million; 2009: €638 million).

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

Unaudited Consolidated Statement of Comprehensive Income (Loss) Q2

In millions of €	Q2 2010	Consolidated Q2 2009
Net profit (loss)	**1,312**	(1,062)
Unrealized gains (losses) on currency translation adjustments	**1,001**	(105)
Unrealized gains (losses) on financial assets available for sale	**(180)**	50
Unrealized gains (losses) on derivative financial instruments	**(673)**	33
Unrealized losses on investments accounted for using the equity method	**(406)**	(167)
Other comprehensive loss, net of taxes	**(258)**	(189)
Thereof loss attributable to minority interest	**(97)**	(52)
Thereof loss attributable to shareholders of Daimler AG	**(161)**	(137)
Total comprehensive income (loss)	**1,054**	(1,251)
Thereof loss attributable to minority interest	**(33)**	(98)
Thereof income (loss) attributable to shareholders of Daimler AG	**1,087**	(1,153)

Unaudited Consolidated Statement of Comprehensive Income (Loss) Q1-2

In millions of €	Q1-2 2010	Consolidated Q1-2 2009
Net profit (loss)	**1,924**	(2,348)
Unrealized gains on currency translation adjustments	**1,681**	171
Unrealized gains (losses) on financial assets available for sale	**(438)**	55
Unrealized losses on derivative financial instruments	**(1,009)**	(142)
Unrealized losses on investments accounted for using the equity method	**(508)**	(373)
Other comprehensive loss, net of taxes	**(274)**	(289)
Thereof loss attributable to minority interest	**(105)**	(112)
Thereof loss attributable to shareholders of Daimler AG	**(169)**	(177)
Total comprehensive income (loss)	**1,650**	(2,637)
Thereof loss attributable to minority interest	**(96)**	(127)
Thereof income (loss) attributable to shareholders of Daimler AG	**1,746**	(2,510)

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

Daimler AG and Subsidiaries

Consolidated Statement of Financial Position

In millions of €	Consolidated June 30, 2010 (unaudited)	Consolidated Dec. 31, 2009	Industrial Business (unaudited additional information) June 30, 2010	Industrial Business (unaudited additional information) Dec. 31, 2009	Daimler Financial Services (unaudited additional information) June 30, 2010	Daimler Financial Services (unaudited additional information) Dec. 31, 2009
Assets						
Intangible assets	**7,272**	6,753	**7,212**	6,690	**60**	63
Property, plant and equipment	**16,880**	15,965	**16,825**	15,911	**55**	54
Equipment on operating leases	**19,844**	18,532	**9,339**	8,651	**10,505**	9,881
Investments accounted for using the equity method	**3,727**	4,295	**3,676**	4,241	**51**	54
Receivables from financial services	**24,278**	22,250	**(33)**	(24)	**24,311**	22,274
Other financial assets	**3,583**	4,017	**2,744**	2,719	**839**	1,298
Deferred tax assets	**2,394**	2,233	**1,881**	1,830	**513**	403
Other assets	**407**	496	**194**	305	**213**	191
Total non-current assets	**78,385**	74,541	**41,838**	40,323	**36,547**	34,218
Inventories	**14,565**	12,845	**14,064**	12,337	**501**	508
Trade receivables	**7,464**	5,285	**7,231**	5,073	**233**	212
Receivables from financial services	**18,458**	16,228	**(40)**	(37)	**18,498**	16,265
Cash and cash equivalents	**7,886**	9,800	**6,534**	6,735	**1,352**	3,065
Other financial assets	**6,768**	7,460	**(256)**	676	**7,024**	6,784
Other assets	**2,512**	2,352	**(1,325)**	(1,346)	**3,837**	3,698
Sub total current assets	**57,653**	53,970	**26,208**	23,438	**31,445**	30,532
Assets held for sale from non-automotive leasing portfolios	**149**	310	**-**	-	**149**	310
Total current assets	**57,802**	54,280	**26,208**	23,438	**31,594**	30,842
Total assets	**136,187**	128,821	**68,046**	63,761	**68,141**	65,060
Equity and liabilities						
Share capital	**3,046**	3,045				
Capital reserves	**11,774**	11,864				
Retained earnings	**17,985**	16,163				
Other reserves	**463**	632				
Treasury shares	**(21)**	(1,443)				
Equity attributable to shareholders of Daimler AG	**33,247**	30,261				
Minority interest	**1,382**	1,566				
Total equity	**34,629**	31,827	**29,252**	27,157	**5,377**	4,670
Provisions for pensions and similar obligations	**4,639**	4,082	**4,455**	3,901	**184**	181
Provisions for income taxes	**2,835**	2,774	**2,833**	2,772	**2**	2
Provisions for other risks	**4,956**	4,696	**4,817**	4,585	**139**	111
Financing liabilities	**33,438**	33,258	**8,855**	13,390	**24,583**	19,868
Other financial liabilities	**3,277**	2,148	**3,212**	1,985	**65**	163
Deferred tax liabilities	**311**	509	**(3,218)**	(2,987)	**3,529**	3,496
Deferred income	**2,078**	1,914	**1,675**	1,305	**403**	609
Other liabilities	**80**	75	**70**	66	**10**	9
Total non-current liabilities	**51,614**	49,456	**22,699**	25,017	**28,915**	24,439
Trade payables	**7,955**	5,622	**7,729**	5,422	**226**	200
Provisions for income taxes	**562**	509	**(249)**	75	**811**	434
Provisions for other risks	**6,656**	6,311	**6,341**	6,070	**315**	241
Financing liabilities	**22,799**	25,036	**(7,589)**	(7,874)	**30,388**	32,910
Other financial liabilities	**8,839**	7,589	**7,481**	6,280	**1,358**	1,309
Deferred income	**1,569**	1,397	**1,134**	755	**435**	642
Other liabilities	**1,564**	1,074	**1,248**	859	**316**	215
Total current liabilities	**49,944**	47,538	**16,095**	11,587	**33,849**	35,951
Total equity and liabilities	**136,187**	128,821	**68,046**	63,761	**68,141**	65,060

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

Unaudited Consolidated Statement of Changes in Equity

In millions of €	Share capital	Capital reserve	Retained earnings	Other reserves: Currency translation adjustment	Other reserves: Financial assets available for sale	Other reserves: Derivative financial instruments	Other reserves: Share of investments accounted for using the equity method	Treasury shares	Equity attributable to shareholders of Daimler AG	Minority interest	Total equity
Balance at January 1, 2009	2,768	10,204	19,359	(487)	23	576	222	(1,443)	31,222	1,508	32,730
Net loss	-	-	(2,333)	-	-	-	-	-	(2,333)	(15)	(2,348)
Unrealized gains (losses)	-	-	-	181	60	(194)	(428)	-	(381)	(172)	(553)
Deferred taxes on unrealized gains (losses)	-	-	-	-	(5)	53	156	-	204	60	264
Total comprehensive income (loss)	-	-	(2,333)	181	55	(141)	(272)	-	(2,510)	(127)	(2,637)
Dividends	-	-	(556)	-	-	-	-	-	(556)	(52)	(608)
Share-based payment	-	-	-	-	-	-	-	-	-	-	-
Issue of new shares	276	1,671	-	-	-	-	-	-	1,947	-	1,947
Other	-	(5)	-	-	-	-	-	-	(5)	(9)	(14)
Balance at June 30, 2009	3,044	11,870	16,470	(306)	78	435	(50)	(1,443)	30,098	1,320	31,418
Balance at January 1, 2010	**3,045**	**11,864**	**16,163**	**(213)**	**270**	**268**	**307**	**(1,443)**	**30,261**	**1,566**	**31,827**
Net profit	**-**	**-**	**1,915**	**-**	**-**	**-**	**-**	**-**	**1,915**	**9**	**1,924**
Unrealized gains (losses)	**-**	**-**	**-**	**1,626**	**(444)**	**(1,444)**	**(528)**	**-**	**(790)**	**(187)**	**(977)**
Deferred taxes on unrealized gains (losses)	**-**	**-**	**-**	**-**	**6**	**436**	**179**	**-**	**621**	**82**	**703**
Total comprehensive income (loss)	**-**	**-**	**1,915**	**1,626**	**(438)**	**(1,008)**	**(349)**	**-**	**1,746**	**(96)**	**1,650**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(82)**	**(82)**
Share-based payment	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**
Issue of new shares	**1**	**14**	**-**	**-**	**-**	**-**	**-**	**-**	**15**	**-**	**15**
Acquisition of treasury shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(54)**	**(54)**	**-**	**(54)**
Issue and disposal of treasury shares	**-**	**(110)**	**(93)**	**-**	**-**	**-**	**-**	**1,476**	**1,273**	**-**	**1,273**
Other	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**(6)**	**(1)**
Balance at June 30, 2010	**3,046**	**11,774**	**17,985**	**1,413**	**(168)**	**(740)**	**(42)**	**(21)**	**33,247**	**1,382**	**34,629**

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

Unaudited Consolidated Statement of Cash Flows

In millions of €	Consolidated Q1-2 2010	Consolidated Q1-2 2009	Industrial Business (unaudited additional information) Q1-2 2010	Industrial Business (unaudited additional information) Q1-2 2009	Daimler Financial Services (unaudited additional information) Q1-2 2010	Daimler Financial Services (unaudited additional information) Q1-2 2009
Net profit (loss) adjusted for	**1,924**	(2,348)	**1,750**	(2,274)	**174**	(74)
Depreciation and amortization	**1,654**	1,623	**1,638**	1,606	**16**	17
Other non-cash expense and income	**586**	(914)	**1,149**	(749)	**(563)**	(165)
Gains on disposals of assets	**(309)**	6	**(309)**	5	**-**	1
Change in operating assets and liabilities						
– Inventories	**(731)**	3,332	**(766)**	3,297	**35**	35
– Trade receivables	**(1,643)**	1,054	**(1,634)**	1,103	**(9)**	(49)
– Trade payables	**1,990**	(595)	**1,974**	(585)	**16**	(10)
– Receivables from financial services	**(274)**	2,272	**(37)**	(259)	**(237)**	2,531
– Vehicles on operating leases	**171**	1,251	**(117)**	65	**288**	1,186
– Other operating assets and liabilities	**1,231**	745	**901**	(91)	**330**	836
Cash provided by operating activities	**4,599**	6,426	**4,549**	2,118	**50**	4,308
Additions to property, plant and equipment	**(1,381)**	(1,242)	**(1,375)**	(1,235)	**(6)**	(7)
Additions to intangible assets	**(786)**	(740)	**(783)**	(737)	**(3)**	(3)
Proceeds from disposals of property, plant and equipment and intangible assets	**152**	140	**148**	133	**4**	7
Investments in businesses	**(157)**	(126)	**(156)**	(126)	**(1)**	-
Proceeds from disposals of businesses	**341**	12	**336**	11	**5**	1
Acquisition of securities (other than trading)	**(7,024)**	(7,615)	**(7,024)**	(6,730)	**-**	(885)
Proceeds from sales of securities (other than trading)	**8,175**	3,826	**7,715**	3,826	**460**	-
Change in other cash	**(66)**	56	**56**	68	**(122)**	(12)
Cash provided by (used for) investing activities	**(746)**	(5,689)	**(1,083)**	(4,790)	**337**	(899)
Change in financing liabilities	**(6,346)**	5,070	**(4,139)**	6,318	**(2,207)**	(1,248)
Dividends paid (including profits transferred from subsidiaries)	**(82)**	(608)	**(81)**	(608)	**(1)**	-
Proceeds from issuance of share capital (including minority interest)	**120**	1,947	**120**	1,947	**–**	-
Purchase of treasury shares	**(54)**	-	**(54)**	-	**–**	-
Internal equity transactions	**–**	-	**(52)**	(113)	**52**	113
Cash provided by (used for) financing activities	**(6,362)**	6,409	**(4,206)**	7,544	**(2,156)**	(1,135)
Effect of foreign exchange-rate changes on cash and cash equivalents	**595**	(130)	**539**	(104)	**56**	(26)
Net increase (decrease) in cash and cash equivalents	**(1,914)**	7,016	**(201)**	4,768	**(1,713)**	2,248
Cash and cash equivalents at the beginning of the period	**9,800**	6,912	**6,735**	4,664	**3,065**	2,248
Cash and cash equivalents at the end of the period	**7,886**	13,928	**6,534**	9,432	**1,352**	4,496

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

Notes to the Unaudited Interim Consolidated Financial Statements

1. Presentation of the Interim Consolidated Financial Statements

General. These unaudited interim consolidated financial statements (interim financial statements) of Daimler AG and its subsidiaries ("Daimler" or "the Group") have been prepared in accordance with Section 37w Subsection 3 of the German Securities Trading Act (WpHG) and International Accounting Standard (IAS) 34 Interim Financial Reporting. The interim financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union and as approved by the International Accounting Standards Board (IASB).

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

The interim financial statements of the Daimler Group are presented in euros (€).

All significant intercompany accounts and transactions have been eliminated. In the opinion of the management, the interim financial statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of the Group. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full fiscal year. The interim financial statements should be read in conjunction with the December 31, 2009 audited and published IFRS consolidated financial statements and notes thereto. The accounting policies applied by the Group in these interim financial statements are principally the same as those applied in the IFRS consolidated financial statements as at and for the year ended December 31, 2009.

Commercial practice with respect to certain products manufactured by Daimler necessitates that sales financing, including leasing alternatives, be made available to the Group's customers. Accordingly, the Group's consolidated financial statements are also significantly influenced by the activities of its financial services business. To enhance readers' understanding of the Group's financial position, cash flows and operating results, the accompanying interim consolidated financial statements also present unaudited information with respect to the Group's industrial business and Daimler Financial Services business activities. Such information, however, is not required by IFRS and is not intended to, and does not represent the separate IFRS results of operations, cash flows and financial position of the Group's industrial business or Daimler Financial Services business activities. Eliminations of the effects of transactions between the industrial business and Daimler Financial Services' business have generally been allocated to the industrial business columns.

Preparation of interim financial statements requires management to make estimates and judgments related to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses for the reporting period. Actual amounts could differ from those estimates.

IFRSs issued but neither EU endorsed nor yet adopted. In November 2009, the IASB published IFRS 9 Financial Instruments as part of its project of revising of the accounting guidance for financial instruments. The new standard provides guidance on the classification and measurement of financial assets. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Group will not early adopt IFRS 9 Financial Instruments for 2010. Daimler will determine the expected effects on the Group's consolidated financial statements.

2. Significant acquisitions and dispositions of interests in companies and other disposals of assets and liabilities

Renault-Nissan. In April 2010, within the framework of a wide-ranging strategic cooperation with the Renault-Nissan Alliance, the Group entered into a cross-shareholding structure. In this regard, Daimler received a 3.1% equity interest in Renault SA (Renault) as well as 3.1% of the shares of Nissan Motor Company Ltd. (Nissan) from Renault in an equivalent total amount of €1.3 billion. Daimler used treasury shares for the acquisitions and additionally paid €90 million in cash. See Note 9 for information on the number of treasury shares used.

Tata Motors. In March 2010, the Group sold its equity interest of approximately 5% in Tata Motors Limited to various groups of investors through the capital market. In the six months ended June 30, 2010, this transaction resulted in a cash inflow of €303 million and a gain before income taxes of €265 million. The gain is included in “other financial income (expense), net” in the consolidated statement of income (loss) and in the reconciliation from total segments’ EBIT to Group EBIT within the segment reporting.

Daimler Financial Services. Most of the non-automotive assets subject to finance leases that were presented separately as held for sale in the consolidated statement of financial position at December 31, 2009 were sold in the first half of 2010. These transactions resulted in a cash inflow of €274 million and a pre-tax expense of €1 million in the first half of 2010.

Furthermore, additional non-automotive assets subject to finance leases which were classified as held for sale in the first quarter of 2010 were partly sold in the second quarter of 2010. These transactions resulted in a cash inflow of €77 million and a pre-tax gain of €15 million in the second quarter and the first half of 2010, respectively.

The measurement of the remaining assets presented separately as held for sale (carrying amount as of June 30, 2010: €149 million) resulted in a pre-tax gain of €11 million for the three months ended June 30, 2010 and a pre-tax expense of €34 million for the six months ended June 30, 2010.

In the three- and six-month periods ended June 30, 2009, Daimler Financial Services achieved a cash-inflow of €285 million and €613 million, respectively, from the sale of non-automotive finance leases. These sales resulted in a pre-tax gain of €6 million and a pre-tax expense of €22 million, respectively.

The results of the above-mentioned transactions are included in “cost of sales” in the consolidated statement of income (loss). The expense is allocated to the Daimler Financial Services segment.

Chrysler. In June 2009, Daimler, Cerberus and the Pension Benefit Guaranty Corporation entered into a redemption agreement covering issues relating to Chrysler. Furthermore, the forgiveness of Daimler’s receivables in connection with a subordinated loan and a drawn credit line as well as payments of US $600 million into Chrysler’s pension plans were agreed contractually. As a result, EBIT for the second quarter of 2009 was negatively impacted by €378 million; the EBIT effect was included in the reconciliation of total segments’ EBIT to Group EBIT.

In each of June 2009 and June 2010, Daimler has paid US $200 million into Chrysler’s pension plans. The remaining amount is due in the second quarter of 2011.

In connection with the legal transfer of Chrysler’s international sales activities to Chrysler in the first quarter of 2009 and due to the valuation of Chrysler-related assets, the Group recorded a total pre-tax loss of €9 million and a pre-tax gain of €31 million for the three- and six-month periods ended June 30, 2009. These amounts are included in the reconciliation of total segments’ EBIT to Group EBIT in the segment reporting.

3. Functional costs

Optimization programs. The following table shows implementation costs of measures and programs that materially impacted the EBIT of individual segments:

In millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Daimler Financial Services				
EBIT	**78**	-	**78**	-
Daimler Trucks				
Mitsubishi Fuso Truck and Bus Corporation (MFTBC)				
EBIT	**10**	204	**15**	204
Cash outflow	**23**	2	**65**	2
Daimler Trucks North America LLC (DTNA)				
EBIT	**4**	13	**16**	58
Cash outflow	**12**	60	**33**	111

Daimler Financial Services. In May 2010, the Board of Management decided to restructure the business activities of Daimler Financial Services AG and Mercedes-Benz Bank AG by the end of 2012. Among other effects, this repositioning will result in streamlined structures and harmonized processes. Expenses recorded in the second quarter of 2010 in this regard primarily relate to personnel measures.

Daimler Trucks. The programs at MFTBC and DTNA, which provide for a wide-ranging repositioning of the business operations of these subsidiaries, were decided upon in May 2009 and October 2008, respectively.

Costs associated with these programs are included in the following line items within the consolidated statement of income (loss):

In millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Cost of sales	**1**	44	**2**	63
Selling expenses	**49**	127	**49**	143
General administrative expenses	**42**	31	**58**	41
Research and non-capitalized development costs	**-**	13	**-**	13
Other operating expense	**-**	2	**-**	2
	92	217	**109**	262

4. Interest income and expense

Interest income and expense are comprised as follows:

In millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Interest income				
Expected return on pension and other post-employment benefit plan assets	**155**	168	**308**	336
Interest and similar income	**47**	111	**94**	236
	202	279	**402**	572
Interest expense				
Interest cost for pension and other post-employment benefit plans	**(253)**	(236)	**(502)**	(478)
Interest and similar expenses	**(169)**	(250)	**(318)**	(506)
	(422)	(486)	**(820)**	(984)

5. Intangible assets

Intangible assets are comprised as follows:

In millions of €	**June 30, 2010**	Dec. 31, 2009
Goodwill	**755**	694
Development costs	**5,737**	5,353
Other intangible assets	**780**	706
	7,272	6,753

6. Investments accounted for using the equity method

Key figures of investments accounted for using the equity method are as follows:

In millions of €	EADS	Tognum	Kamaz	Others[1]	Total
June 30, 2010					
Equity interest (in %)	**22.5**	**28.4**	**15.0**	**-**	**-**
Equity investment	**2,359**	**666**	**156**	**546**	**3,727**
Equity result (Q2 2010)[2]	**5**	**-**	**1**	**36**	**42**
Equity result (Q1-2 2010)[2]	**(264)**	**3**	**(2)**	**49**	**(214)**
December 31, 2009					
Equity interest (in %)	22.5	28.4	10.0	-	-
Equity investment	3,112	671	87	425	4,295
Equity result (Q2 2009)[2]	15	(3)	(9)	4	7
Equity result (Q1-2 2009)[2]	98	(3)	(9)	2	88

1 Also including joint ventures accounted for using the equity method.
2 Including investor-level adjustments.

EADS. For the purpose of its 2009 consolidated financial statements, EADS determined its loss provision regarding the A400M military transporter program based on the best estimate of its management. The amount recognized at EADS reflects in particular the status of some elements of the ongoing negotiations between EADS and the Launch Nations as of December 31, 2009, and adjustments to actual values as well as the expected total costs of the A400M program as updated in December 2009. This resulted in expenses, which Daimler had to recognize in its equity result for the three months ended March 31, 2010 due to the recognition of the proportionate results with a three-month time lag. The Group's proportionate share in those expenses was €237 million.

On March 13, 2007, a subsidiary of Daimler which holds Daimler's 22.5% interest in EADS issued equity interests to investors in exchange for €1,554 million of cash. In this regard, Daimler has the option beginning on July 1, 2010 to exchange the newly issued equity interests for a 7.5% equity interest in EADS or for a cash equivalent to the fair value of the 7.5% equity interest in EADS at that time. In March 2010, Daimler decided not to make use of this option. Therefore, Daimler will continue to base its equity-method accounting of EADS on a 22.5% equity interest.

In connection with the stronger US dollar, the measurement of cash flow hedges resulted in negative amounts recognized in equity without an effect on earnings at EADS in the first quarter of 2010. This led to a decrease of Daimler's equity investment in EADS of approximately €0.5 billion in the second quarter of 2010. Also in future periods, amounts on the measurement of cash flow hedges without an effect on earnings at EADS due to a high hedging ratio and currently volatile exchange rates could lead to major changes in Daimler's equity investment in EADS.

7. Inventories

Inventories are comprised as follows:

In millions of €	**June 30, 2010**	Dec. 31, 2009
Raw materials and manufacturing supplies	**1,595**	1,517
Work in progress	**2,066**	1,626
Finished goods, parts and products held for resale	**10,809**	9,666
Advance payments to suppliers	**95**	36
	14,565	12,845

8. Assets held for sale from non-automotive leasing portfolios

As of June 30, 2010, non-automotive assets subject to leveraged leases are presented separately as assets held for sale in the consolidated statement of financial position. The carrying amount of these assets amounted to €149 million as of June 30, 2010. The Group expects to sell these assets within the next 6 months. Prior to the classification as assets held for sale, the leveraged lease contracts were included in receivables from financial services. For further information, see also Note 2.

9. Equity

Share buy-back program. The resolution issued by the Annual Meeting on April 8, 2009 that authorized Daimler AG to acquire, until October 8, 2010, treasury shares for certain predefined purposes up to 10% of the share capital as of the day of the resolution was terminated by resolution of the Annual Meeting on April 14, 2010 insofar as it had not been utilized. Simultaneously, the Board of Management, with the consent of the Supervisory Board, was again authorized to acquire, until April 13, 2015, treasury shares for all legally permissible purposes, up to 10% of the share capital as of date of that resolution. Among other things, the purposes could be to cancel the acquired shares, or to use them, under exclusion of the shareholders' rights to subscribe to the Company's treasury shares, to acquire companies and/or interest in companies, or to sell them to third parties for cash, whereas the transaction price must not be materially below the stock price at the date of the transaction. In addition, the Board of Management was authorized to acquire, with the consent of the Supervisory Board, treasury shares for the aforementioned purposes using derivatives (put or call options or a combination both). In this case, shareholders' subscription rights are excluded and the authorization is limited to an amount of up to 5% of the share capital as of the day of that resolution. The period of the individual options may not exceed 18 months and all options must terminate on April 13, 2015 at the latest.

Treasury shares. During the first half of 2010, approximately 38 million treasury shares in an amount of €1,462 million were used to fulfill obligations of the Daimler Group. Approximately 3 million shares were used to settle obligations towards former AEG shareholders from the final judgment in the litigation regarding the domination and profit and loss transfer agreement between the former Daimler-Benz AG and the former AEG AG (Spruchverfahren). Furthermore, approximately 35 million shares were reissued in connection with the cross-shareholding structure between Daimler AG, Renault SA and Nissan Motor Company Ltd (see also Note 2). In the course of the transactions Daimler used its treasury stock acquired in previous periods as well as treasury shares that were newly acquired in the second quarter of 2010. The remaining treasury shares held by Daimler AG amount to approximately 1 million as of June 30, 2010.

In 2010, Daimler purchased and reissued 0.4 million Daimler shares to employees in connection with an employee share purchase plan. In 2009, Daimler shares were neither purchased nor reissued to employees.

Authorized capital. The Annual Meeting of April 8, 2009 authorized the Board of Management, 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 €1.0 billion in one lump sum or by separate partial amounts at different times by issuing new, registered no-par-value shares in exchange for cash and/or non-cash contributions (Approved Capital 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. The new Approved Capital 2009 came into effect with its entry in the Commercial Register on June 5, 2009.

Conditional Capital. As the resolution adopted at the Annual Meeting on April 6, 2005 to issue convertible bonds and/or option notes with warrants expired on April 5, 2010 without being exercised, a resolution was passed at the Annual Meeting on April 14, 2010 to cancel the existing Conditional Capital I and to grant authorization to issue a new Conditional Capital 2010. By this resolution, the Board of Management, with the consent of the Supervisory Board, was authorized to issue bearer and/or registered convertible bonds and/or bonds with warrants or a combination of these instruments ("bonds") with a total face value of up to €10.0 billion and a maturity of no more than ten years, until April 13, 2015. The Board of Management is allowed to grant the holders of these bonds conversion rights or warrant rights for new registered no-par-value shares in Daimler AG with an allocable portion of the share capital of up to €500 million in accordance with the details defined in the terms and conditions of the bonds. The bonds can, with the consent of the Supervisory Board, also be issued by majority-owned direct or indirect subsidiaries of Daimler AG. They can also be issued once or several times, wholly or in installments or simultaneously in various tranches. Among other things, the terms and conditions can stipulate obligatory conversions of the bonds. The Board of Management was also authorized, under certain specified conditions and with the consent of the Supervisory Board, to exclude shareholders' subscription rights for the bonds. The resolution of the Annual Meeting on the creation of Conditional Capital 2010 was recorded in the Commercial Register on June 15, 2010.

10. Pensions and similar obligations

Net pension cost. The components of net pension cost from defined benefit plans for the three-month periods ended June 30, 2010 and 2009 are as follows:

			Q2 2010			Q2 2009
In millions of €	Total	German plans	Non-German plans	Total	German plans	Non-German plans
Current service cost	**84**	**66**	**18**	74	55	19
Interest cost	**217**	**184**	**33**	212	183	29
Expected return on plan assets	**(154)**	**(126)**	**(28)**	(166)	(142)	(24)
Amortization of net actuarial losses	**20**	**17**	**3**	6	4	2
Past service cost	**8**	**-**	**8**	-	-	-
Net periodic pension cost	**175**	**141**	**34**	126	100	26
Curtailments and settlements	**-**	**-**	**-**	10	-	10
	175	**141**	**34**	136	100	36

For the six-month periods ended June 30, 2010 and 2009, the components of net pension cost from defined benefit plans are as follows:

			Q1-2 2010			Q1-2 2009
In millions of €	Total	German plans	Non-German plans	Total	German plans	Non-German plans
Current service cost	**167**	**132**	**35**	150	112	38
Interest cost	**430**	**368**	**62**	424	366	58
Expected return on plan assets	**(304)**	**(252)**	**(52)**	(331)	(284)	(47)
Amortization of net actuarial losses	**40**	**33**	**7**	13	7	6
Past service cost	**8**	**-**	**8**	-	-	-
Net periodic pension cost	**341**	**281**	**60**	256	201	55
Curtailments and settlements	**-**	**-**	**-**	11	-	11
	341	**281**	**60**	267	201	66

Contributions by the employer to plan assets. In the three- and six-month periods ended June 30, 2010, contributions by Daimler to the Group's pension plans were €35 million and €52 million.

11. Provisions for other risks

Provisions for other risks are comprised as follows:

			June 30, 2010			December 31, 2009
In millions of €	Current	Non-current	Total	Current	Non-current	Total
Product warranties	**2,869**	**2,773**	**5,642**	2,874	2,615	5,489
Sales incentives	**1,071**	**1**	**1,072**	914	-	914
Personnel and social costs	**1,011**	**1,219**	**2,230**	803	1,251	2,054
Other	**1,705**	**963**	**2,668**	1,720	830	2,550
	6,656	**4,956**	**11,612**	6,311	4,696	11,007

12. Financing liabilities

Financing liabilities are comprised as follows:

In millions of €	June 30, 2010 Current	Non-current	Total	December 31, 2009 Current	Non-current	Total
Notes/bonds	**6,454**	**21,366**	**27,820**	7,972	22,123	30,095
Commercial paper	**96**	**-**	**96**	176	-	176
Liabilities to financial institutions	**7,010**	**7,812**	**14,822**	6,066	6,934	13,000
Deposits from the direct banking business	**7,736**	**2,958**	**10,694**	9,403	3,195	12,598
Liabilities from ABS transactions	**1,020**	**802**	**1,822**	753	539	1,292
Liabilities from finance leases	**46**	**375**	**421**	49	348	397
Loans, other financing liabilities	**437**	**125**	**562**	617	119	736
	22,799	**33,438**	**56,237**	25,036	33,258	58,294

13. Legal Proceedings

On April 1, 2010, Daimler announced a settlement of the previously disclosed US Securities and Exchange Commission (SEC) and US Department of Justice (DOJ) investigations into possible violations by Daimler of the anti-bribery, record-keeping, and internal-controls provisions of the US Foreign Corrupt Practices Act (FCPA).

Pursuant to the settlement reached with the SEC, the SEC filed a civil complaint against Daimler AG in the US District Court for the District of Columbia (the Court). Without admitting or denying the allegations in the complaint, Daimler AG consented to the entry by the Court of a final judgment. Pursuant to the Court's judgment: (i) Daimler AG disgorged US $91.4 million in profits, (ii) Daimler AG is enjoined from violating the anti-bribery, record-keeping and internal-controls provisions of the FCPA, and (iii) the Honorable Louis J. Freeh is Daimler AG's post-settlement monitor for a three-year period.

Pursuant to the settlement reached with the DOJ, Daimler AG entered into a deferred-prosecution agreement with a three-year term under which the DOJ filed with the Court a two-count criminal information against Daimler AG charging it with: (i) conspiracy to violate the record-keeping provisions of the FCPA, and (ii) violating the record-keeping provisions of the FCPA. Herewith, Daimler AG agreed to pay a maximum criminal fine of US $93.6 million, to engage the Honorable Louis J. Freeh as post-settlement monitor for a two-year period, and to continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws. In addition, a China-based subsidiary, Daimler North East Asia, Ltd. (DNEA), entered into a deferred-prosecution agreement with the same term with the DOJ under which the DOJ filed with the Court a two-count criminal information against DNEA.

In addition, a Russia-based subsidiary, Mercedes-Benz Russia S.R.O. (MB Russia), and a Germany-based subsidiary, Daimler Export and Trade Finance GmbH (ETF), each entered into plea agreements with the DOJ with a three-year probation period under which they pleaded guilty to: (i) conspiracy to violate the anti-bribery provisions of the FCPA, and (ii) violating the anti-bribery provisions of the FCPA. Under their respective plea agreements, the Court sentenced MB Russia to pay a criminal fine of US $27.36 million and sentenced ETF to pay a criminal fine of US $29.12 million. These amounts were deducted from the maximum fine Daimler AG agreed to pay.

As a result of the SEC and DOJ settlements, Daimler paid a total of US $185 million in fines and civil disgorgement. Daimler previously recognized sufficient provisions to cover these fines. In addition, Daimler has taken personnel and remedial actions to ensure that its conduct going forward complies with the FCPA and similar applicable laws, including establishing a company-wide compliance organization and evaluating and revising Daimler's governance policies and internal-control procedures.

Daimler's failure to comply with the terms and conditions of either the SEC or the DOJ settlement, including the terms of the deferred-prosecution agreements, could result in resumed prosecution and other regulatory sanctions.

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.

14. Segment reporting

Segment information for the three-month periods ended June 30, 2010 and 2009 is as follows:

In millions of €	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q2 2010								
Revenue	**13,621**	**5,299**	**1,853**	**1,199**	**3,135**	**25,107**	**-**	**25,107**
Intersegment revenue	**397**	**554**	**124**	**6**	**187**	**1,268**	**(1,268)**	**-**
Total revenue	**14,018**	**5,853**	**1,977**	**1,205**	**3,322**	**26,375**	**(1,268)**	**25,107**
Segment profit (EBIT)	**1,376**	**300**	**127**	**79**	**171**	**2,053**	**51**	**2,104**
Thereof share of profit (loss) from investments accounted for using the equity method	**27**	**11**	**-**	**-**	**(1)**	**37**	**5**	**42**

In millions of €	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q2 2009								
Revenue	10,274	3,772	1,394	1,098	2,933	19,471	141	19,612
Intersegment revenue	294	445	87	5	175	1,006	(1,006)	-
Total revenue	10,568	4,217	1,481	1,103	3,108	20,477	(865)	19,612
Segment profit (loss) (EBIT)	(340)	(508)	(10)	49	79	(730)	(275)	(1,005)
Thereof share of profit (loss) from investments accounted for using the equity method	4	(8)	(1)	-	(1)	(6)	13	7

Segment information for the six-month periods ended June 30, 2010 and 2009 is as follows:

In millions of €	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q1-2 2010								
Revenue	**24,761**	**9,826**	**3,486**	**2,197**	**6,024**	**46,294**	**-**	**46,294**
Intersegment revenue	**852**	**900**	**188**	**19**	**359**	**2,318**	**(2,318)**	**-**
Total revenue	**25,613**	**10,726**	**3,674**	**2,216**	**6,383**	**48,612**	**(2,318)**	**46,294**
Segment profit (EBIT)	**2,182**	**430**	**191**	**120**	**290**	**3,213**	**81**	**3,294**
Thereof share of profit (loss) from investments accounted for using the equity method	**35**	**16**	**(4)**	**-**	**-**	**47**	**(261)**	**(214)**

In millions of €	Mercedes-Benz Cars	Daimler Trucks	Mercedes-Benz Vans	Daimler Buses	Daimler Financial Services	Total segments	Recon-ciliation	Daimler Group
Q1-2 2009								
Revenue	19,095	8,361	2,633	1,992	5,932	38,013	278	38,291
Intersegment revenue	540	774	139	15	326	1,794	(1,794)	-
Total revenue	19,635	9,135	2,772	2,007	6,258	39,807	(1,516)	38,291
Segment profit (loss) (EBIT)	(1,463)	(650)	(101)	114	(88)	(2,188)	(243)	(2,431)
Thereof share of profit (loss) from investments accounted for using the equity method	7	(13)	(4)	-	2	(8)	96	88

Reconciliation. Reconciliation of the total segments' profit (loss) (EBIT) to profit (loss) before income taxes is as follows:

In millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Total segments' profit (loss) (EBIT)	**2,053**	(730)	**3,213**	(2,188)
Share of profit (loss) from investments accounted for using the equity method[1]	**5**	13	**(261)**	96
Other corporate items	**11**	(406)	**299**	(478)
Eliminations	**35**	118	**43**	139
Group EBIT	**2,104**	(1,005)	**3,294**	(2,431)
Interest income	**202**	279	**402**	572
Interest expense	**(422)**	(486)	**(820)**	(984)
Profit (loss) before income taxes	**1,884**	(1,212)	**2,876**	(2,843)

1 Mainly comprises the Group's proportionate shares in the results of EADS and Tognum. For further information see Note 6.

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

15. Related party relationships

Associated companies and joint ventures. Most of the goods and services supplied within the ordinary course of business between the Group and related parties comprise transactions with associated companies and joint ventures and are included in the following table:

				Sales of goods and services and other income				Purchases of goods and services and other expense
In millions of €	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009	**Q2 2010**	Q2 2009	**Q1-2 2010**	Q1-2 2009
Associated companies	**152**	317	**260**	723	**45**	560	**63**	994
Joint ventures	**342**	138	**442**	291	**15**	6	**40**	21

		Receivables		Payables
In millions of €	**June 30, 2010**	Dec. 31, 2009	**June 30, 2010**	Dec. 31, 2009
Associated companies	**139**	146	**30**	27
Joint ventures	**315**	106	**168**	178

The transactions with associated companies shown in the table above include transactions between the Group and our associated company Tognum AG (Tognum). Tognum purchases engines, parts and services from the Group.

In the prior-year periods, income and expenses resulting from transactions with Chrysler Holding LLC (Chrysler Holding) are also included in the above table in the line “Associated companies.” Therein also included is a gain before income taxes of €0.1 billion in connection with the legal transfer of Chrysler’s international sales activities to Chrysler LLC. Due to the redemption of the equity interest in Chrysler Holding on June 3, 2009, receivables and payables at December 31, 2009 did not have to be reported.

In addition, in the prior year, major other goods and services supplied or received by the Group relate to McLaren Group Ltd. (McLaren). The respective income and expenses are also included in the above table in the line “Associated companies.” After the agreement was reached with McLaren in November 2009 to change the form of cooperation, McLaren was no longer a related party to the Group.

The transactions with joint ventures predominantly comprise the business relationship with Beijing Benz Automotive Co. Ltd. (BBAC). BBAC assembles and distributes Mercedes-Benz vehicles for the Group in China.

Since the second quarter of 2010, further material sales of goods and services relate to the business relationship with the Chinese joint venture Fujian Daimler Automotive Co. Ltd. (FJDA). FJDA assembles and distributes vans under the brand name Mercedes-Benz in China.

Further transactions with joint ventures in the prior-year periods relate to transactions with the joint venture MTU Detroit Diesel Australia Pty. Ltd. (MTU). MTU sold off- and on-highway engines and transmissions for commercial vehicles. Income resulting from these transactions is also included in the table above in the line “Joint ventures.”

In connection with the Group’s 45% equity interest in Toll Collect GmbH, Daimler has provided a number of guarantees for Toll Collect, which are not included in the table above (€115 million as of June 30, 2010 and as of December 31, 2009).

Shareholders. The Group 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. In the three- and six-month periods ended June 30, 2010, revenue generated transactions with these entities amounted to €70 million and €118 million (2009: €67 million and €99 million) and expenses amounted to €6 million and €12 million (2009: €7 million and €14 million). The expenses primarily resulted from the depreciation of purchased vehicles.

Responsibility Statement

in accordance with Section 37y of the WpHG (German Securities Trading Act)
in conjunction with section 37w (2) no. 3 of the WpHG

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

Stuttgart, July 27, 2010

Dieter Zetsche

Andreas Renschler

Wolfgang Bernhard

Bodo Uebber

Wilfried Porth

Thomas Weber

Auditors' Review Report

To the Supervisory Board of Daimler AG:

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, the statement of income (loss), the statement of comprehensive income (loss), the statement of cash flows, the statement of changes in equity and selected explanatory notes – together with the interim group management report of the Daimler AG, Stuttgart, for the period from January 1 to June 30, 2010 that are part of the semi annual report according to § 37 w WpHG („Wertpapierhandelsgesetz": „German Securities Trading Act"). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the IASB, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the IASB, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, July 27, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Nonnenmacher
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This report and additional information on Daimler are available on the Internet at
www.daimler.com

Concept and contents

Daimler AG
Investor Relations

Publications for our shareholders:
Annual Reports (German, English)
Interim Reports on 1st, 2nd and 3rd quarters (German, English)
Sustainability Report (German, English)
www.daimler.com/ir/reports

Financial Calendar 2010 | 2011

Interim Report Q2 2010
July 27, 2010

Interim Report Q3 2010
October 28, 2010

Annual Meeting 2011
Messe Berlin
April 13, 2011

Interim Report Q1 2011
April 28, 2011

Interim Report Q2 2011
July 26, 2011

Interim Report Q3 2011
October 26, 2011

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