

The Divisions



Electrifying. Mercedes-Benz SLS AMG Coupe Electric Drive – the world's most powerful electric super sports car.

Daimler's divisions generally performed well in an increasingly difficult market environment. Further growth was achieved at Mercedes-Benz Cars and Daimler Trucks, while the unit sales of Mercedes-Benz Vans and Daimler Buses decreased. The business volume of Daimler Financial Services increased significantly. In order to achieve our ambitious growth and profitability targets, far-reaching programs designed to increase our competitiveness are being implemented in all divisions.

4 | The Divisions

144 - 147 Mercedes-Benz Cars

- Unit sales and revenue at record levels
- “Fit for Leadership” supplements growth strategy
- Continued offensive in compact-car segment with new A-Class
- Launch of additional attractive new models
- Substantial investment in global production network
- CO₂ emissions reduced to an average of 140 g/km
- Numerous awards for Mercedes-Benz
- EBIT of €4.4 billion

148 - 151 Daimler Trucks

- Significant growth in unit sales
- “Daimler Trucks #1” secures profitability for the long term
- Launch of new Antos for heavy-duty distribution transport
- Production and sales start of BharatBenz brand and start of operation of new production plant in India
- Joint venture in China starts production
- Numerous additional innovative products presented
- New engines reduce fuel consumption and exhaust emissions
- EBIT lower than in prior year at €1.7 billion

152 - 153 Mercedes-Benz Vans

- Product portfolio significantly upgraded with Mercedes-Benz Citan
- Initiatives for efficiency improvements and internationalization
- Lower unit sales due to difficult market situation in Western Europe
- Sprinter very successful in North and Latin America
- Two world premieres for electric vans
- EBIT of €0.5 billion

154 - 155 Daimler Buses

- Unit sales significantly lower than in prior year due to development of demand for chassis in Latin America
- Start of “GLOBE 2013” growth and efficiency offensive
- Focus on cleaner drive systems
- EBIT of minus €0.2 billion

156 - 157 Daimler Financial Services

- Growth in new business and contract volume
- Strong insurance business
- Awards for customer and dealer satisfaction and for attractiveness as an employer
- Expansion of business with innovative mobility services
- EBIT of €1.3 billion at prior-year level

Mercedes-Benz Cars

2012 was another record year for Mercedes-Benz Cars. Our figures for unit sales, revenue, and production volume were at all-time highs. At €4.4 billion, EBIT did not reach the high level of the prior year. We set standards in the compact-car segment with our sporty new A-Class. Additional new model highlights in 2012 were the new SL, the CLS Shooting Brake, and the new GL. The E 300 BlueTEC HYBRID, which we have been offering to customers since June 2012, is the most fuel-efficient luxury sedan in the world. In 2012, we expanded our Mercedes-Benz 2020 growth strategy to include a new key component: Fit for Leadership.

4.01

Mercedes-Benz Cars

	2012	2011	12/11
Amounts in millions of euros			% change
EBIT	4,389	5,192	-15
Revenue	61,660	57,410	+7
Return on sales (in %)	7.1	9.0	.
Investment in property, plant, and equipment	3,495	2,724	+28
Research and development expenditure	3,863	3,733	+3
thereof capitalized	1,125	1,051	+7
Production	1,455,650	1,392,083	+5
Unit sales	1,451,569	1,381,416	+5
Employees (December 31)	98,020	99,091	-1

4.02

Unit sales Mercedes-Benz Cars

	2012	2011	12/11
In thousands			% change
Mercedes-Benz	1,346	1,279	+5
thereof A/B-Class	231	192	+20
C/CLK/SLK-Class	425	412	+3
E/CLS-Class	314	340	-8
S/CL/SL-Class/ SLR/SLS/Maybach	81	81	+0
M/R/GLK/GL/ G-Class	295	254	+16
smart	106	100	+6
Mercedes-Benz Cars	1,452	1,381	+5
thereof Western Europe	631	625	+1
thereof Germany	290	291	-0
NAFTA	342	288	+19
thereof United States	300	250	+20
China	208	223	-7
Japan	45	32	+37

New records set for sales and revenue. Mercedes-Benz Cars, comprising the brands Mercedes-Benz, Maybach and smart, continued to grow with sales of 1,451,600 vehicles in the year under review (2011: 1,381,400). ↗ 4.01 Revenue increased by 7% to the new record level of €61.7 billion, although major markets weakened in the second half of the year. At €4.4 billion, EBIT was lower than the high figure recorded in the prior year. This development was primarily due to extensive investment in the expansion of our production capacities, high advance expenditure for new vehicles and technologies, and difficult overall economic conditions – particularly in the second half of the year.

Fit for Leadership. To ensure we are able to achieve our targets for growth and margins – even under less favorable conditions – we have expanded our Mercedes-Benz 2020 growth strategy to include a new central component known as Fit for Leadership. This program combines existing efficiency actions and supplements them with additional, newly derived elements. Our main short-term goal here is to implement measures that will safeguard our earnings. Of particular importance, however, is our long-term component for optimizing our development, production and sales structures. One example of this optimization is the restructuring of our business activities in China, where we merged our two existing sales companies into a single and much more efficient sales organization, thereby creating the right conditions for further growth. In total, we intend to achieve a sustainable improvement in our cost structures of approximately €2 billion as a result of “Fit for Leadership” by the end of 2014.

Mercedes-Benz remains on course for growth. We set a new record in 2012 with unit sales of 1,345,800 Mercedes-Benz brand passenger cars (2011: 1,279,100). This achievement also enabled us to improve our position in key markets around the world. ↗ 4.02 The S-Class sedans, the M-Class, the CLS, the SLK and the C-Class coupe are worldwide market leaders in their categories.

The launch of our new and attractive SUVs led to a 16% increase in unit sales in that segment to 295,400 vehicles. Particularly high sales increases were recorded for the M-Class (+34%) and the updated GLK (+14%). We remained very successful in the S-Class segment with unit sales of 80,700 vehicles, and we were able to increase our sales in the C-Class segment by 3% to 425,000 units. Sales in the E-Class segment declined to 313,600 vehicles (-8%) due to lifecycle-related factors. Despite the model changeover of the A-Class



Presented in January 2013: The strong and dynamic styling makes the four-door coupe Mercedes-Benz CLA unmistakable.

in September 2012, unit sales in the compact segment rose by 20% to 231,100 vehicles. This positive development was mainly due to high unit sales of the B-Class (+57% to 150,200 vehicles). The market launch of the new A-Class was extremely successful. In fact, more than 70,000 orders had already been received by the time the model went on sale in September 2012.

All in all, we managed to increase sales in many markets, despite facing difficult economic conditions. Mercedes-Benz successfully defended its position as the most successful premium brand in Germany with shipments of 261,100 vehicles last year (2011: 262,300). This positive sales momentum was generated primarily by the B-Class, the M-Class, the upgraded GLK and, from the fourth quarter on, the new A-Class. In addition, we succeeded in improving our position in nearly all markets in Western Europe excluding Germany. Total unit sales of 300,100 vehicles exceeded the prior-year level by nearly 5% despite weak markets in the countries of Southern Europe. Sales in the United States reached a new record level of 289,300 vehicles (+17%); this development was primarily a result of the success of our new SUVs. Retail sales were up also in China, increasing by 1% to a record of 196,200 vehicles. As of the third quarter, sales were stimulated by the launch of the new B-Class. In order to optimize the inventories of our Chinese sales partners, we simultaneously reduced unit sales, i.e. shipments to our dealer network, by 9%. In 2012, sales of Mercedes-Benz passenger cars developed especially dynamically in Japan (+37%), Russia (+27%), Mexico (+27%), Switzerland (+23%) and the United Kingdom (+20%).

The heartbeat of a new generation. The highlight of the Mercedes-Benz presentation at the Geneva Motor Show in March 2012 was the world premiere of the new A-Class. With this model, we ushered in a new era for the compact-car segment. The new A-Class is exceptionally emotive in terms of design, dynamic thanks to new engines, and highly efficient with emission values starting at 92 grams of CO₂ per kilometer. The model's fuel consumption is up to 28% lower than that of its predecessor, despite a significant increase in engine performance. At the same time, the new A-Class underscores the fact that safety is not a question of cost at Mercedes-Benz. For example, the vehicle is offered with the radar-based COLLISION PREVENTION ASSIST system as standard equipment. The model's ability to seamlessly integrate iPhones® is also making the Mercedes-Benz brand particularly attractive to younger customers.

CLS Shooting Brake: A sports car with cargo space. With the all-new CLS Shooting Brake, which was first delivered to customers in October 2012, Mercedes-Benz offers yet another highlight in its lineup of innovative luxury vehicles. Although the model clearly has the proportions of a coupe, its five doors and a roof that stretches to the rear of the vehicle also offer impressive new possibilities. As a sports car with five seats and a large rear hatch, the vehicle is a unique option for customers who desire both a sporty driving experience and plenty of room for cargo.

Additional new models in 2012. The completely redesigned SL celebrated its world premiere at the Detroit Auto Show at the beginning of the year. This automobile is made almost entirely of aluminum and weighs up to 140 kilograms less than its predecessor. Its new BlueDIRECT engines are more powerful and up to 30% more fuel-efficient than the engines of the predecessor generation.

We also upgraded our range of SUVs in 2012 by launching new generations of the compact GLK and the G-Class as well as the new GL. With their new designs, more exclusive appointments, pioneering assistance systems, and powertrains that are both efficient and agile, all of these vehicles underscore the Mercedes-Benz claim to leadership in the SUV segment.

The E 300 BlueTEC HYBRID, which we began offering to customers in June 2012, is the most fuel-efficient luxury sedan in the world. The vehicle's modular hybrid concept, which includes a lithium-ion battery, stands out thanks to its exceptional driving performance and fuel consumption of only 4.1 liters of diesel per 100 kilometers (107 g CO₂/km).

[see page 165](#)

The new highlights of 2012 also included two very environmentally friendly versions of the new B-Class: the Concept B-Class Electric Drive and the Mercedes-Benz B 200 Natural Gas Drive model. [see page 165](#)

In April 2012, Mercedes-Benz presented a four-door concept coupe with an avant-garde design at the Auto China show. The new CLA coupe, which was presented in January 2013 in Detroit, seamlessly integrates the design of the Concept Style Coupe into a series-production model. [see page 37](#)

Launch of the new smart fortwo electric drive. The new generation of the smart fortwo electric drive was launched in June 2012. The electric smart accelerates from 0 to 60 km/h in 4.8 seconds and has a top speed of 125 km/h. The vehicle's powerful lithium-ion battery enables it to travel 145 kilometers on a single charge. smart now also offers a new sales model that makes switching over to electric driving more appealing. With sale&care, customers can purchase, finance or lease the car at favorable terms and rent the battery for a monthly fee. Daimler has also been offering customers electricity from a new wind power facility – and thus from a completely renewable energy source – since the vehicle's market launch. In this way, we are ensuring that new smart fortwo electric drive models purchased in Germany are fully CO₂ neutral.

We also began offering the smart ebike to our customers in July 2012. With its unconventional design and a highly efficient and high-performance drive-system package, the smart ebike occupies an exceptional position on the market. The brand will also be expanding its urban electric mobility concept with the introduction of the smart scooter in 2014.

We sold a total of 105,700 smart fortwo cars in 2012, an increase of 6% compared with the prior year. The smart fortwo was particularly successful in the United States, Canada, Japan and China.

AMG – cutting-edge technology and a fascinating driving experience. Impressive results in motor sports and a unique array of high-performance vehicles continue to underscore AMG's reputation as the successful performance brand from Mercedes-Benz. The brand motto of "driving performance" has guaranteed the most sophisticated technology and a fascinating driving experience for 45 years now. As the first vehicle developed independently by Mercedes-AMG, the SLS AMG super sports car impressively highlights the expertise and passion that are hallmarks of the company's headquarters in Affalterbach. The spectacular gullwing model was followed by the open-top SLS AMG Roadster, two GT versions of the super sports car and the customer sports racecar SLS AMG GT3.

In the autumn of 2012, AMG continued the almost legendary tradition of its Black Series with the introduction of the SLS AMG Black Series coupe. AMG will also launch its new SLS AMG Electric Drive coupe in 2013. Getting behind the wheel of this fascinating electric super sports car is the most exclusive and dynamic way of experiencing what it means to drive an electrically powered vehicle. AMG will enter the compact class as well in 2013 with the introduction of the A 45 AMG. Additional AMG high-performance compact cars are also almost ready for market launch.

Continuous expansion of production network. Due to strong demand, the production plants of Mercedes-Benz were very well utilized also in the year 2012. To ensure that we fulfilled all of our customers' wishes, we implemented numerous special shifts and holidays were shortened. In this way, it was possible to produce over 1.35 million Mercedes-Benz automobiles: more than ever before.

Important product launches such as the new A-Class and the SL were mastered in top quality. A special prize was awarded to the plants in Sindelfingen and East London: the renowned J.D. Power Silver Plant Quality Award. The most important milestone in the year 2012 was the opening of our new Mercedes-Benz plant in Kecskemét, Hungary, which since then has been producing the new generation of Mercedes-Benz compact cars together with the plant in Rastatt. A total of €800 million has been invested in the Kecskemét plant, which meanwhile employs more than 3,000 people. Production of the B-Class started there after the plant was opened, followed by the new four-door compact coupe CLA in January 2013. The production network for our new compact cars allows us to significantly enhance our flexibility.

In addition to the substantial investment in Germany, we are also expanding our international production facilities so that we can manufacture our products closer to our markets and customers, especially in the growth regions. In China for example, together with our partner BAIC, we are investing a total of approximately €2 billion over several years in the expansion of local car production in Beijing. Last September, we laid the foundation stone for a plant that will produce the new generation of compact cars. And good progress has been made with the development of a new plant for the production of four-cylinder gasoline engines, which will go into operation in 2013.

As well as the systematic expansion of the production network, the productivity of the existing facilities is also being improved continuously. In this way, we are creating the right conditions also in the area of production to allow us to achieve the targets set by our Mercedes-Benz 2020 growth strategy.

Further reduction of CO₂ emissions. Our new economical engines and extremely efficient model variants once again enabled us to substantially reduce the average CO₂ emissions of the cars we sold in the European Union in 2012 – this time from 150 g/km to 140 g/km. We thus once again achieved an above-average reduction in the CO₂ emissions of our vehicle fleet, simultaneously undercutting the EU targets for this year. The new A- and B-Class models played a major role in this accomplishment. Our overall objective is to reduce the average CO₂ emissions of our fleet of new cars in the European Union to 125 g/km by 2016. [see pages 100 and 164 ff](#)



Pioneering technology and a new design: The extensively modernized new E-Class will be delivered to our customers as of April 2013.

Intelligent drive. This concept stands for a new dimension of driving at Mercedes-Benz. In the future, intelligent assistance systems will analyze complex situations and utilize improved sensor technology in order to identify potential danger on the road even better than is possible today. With many new systems, the new S-Class will make driving even more comfortable and even safer. Some of these innovations will already be implemented in the new E-Class. [see pages 48 ff and 166 f](#)

Numerous awards for Mercedes-Benz passenger cars.

In 2012, a series of international design prizes such as the coveted “red dot award: product design” demonstrate that we were once again able to impress our customers with the forward-looking design and cultivated sportiness that typifies the Mercedes-Benz brand.

In the ADAC AutomarX study, Mercedes-Benz occupies the top position as Germany’s strongest automobile brand and the A-Class has been voted “Germany’s favorite car” in the ADAC prize Yellow Angel 2013. The brand’s A-, C-, and E-Class models all received top marks in their respective segments in the J.D. Power market research institute’s Vehicle Ownership Satisfaction Study for Germany. In addition, Mercedes-Benz was proclaimed to be the best automotive brand in Germany in the same study. The Ökotrend environmental institute named the S 250 CDI BlueEFFICIENCY and the ML 250 BlueTEC 4MATIC the most environmentally friendly vehicles in their respective classes, while readers of Auto Bild magazine voted the A-Class Germany’s most beautiful car in the Auto Bild Design Award competition. Mercedes-Benz also won the Quality Trophy 2012, which is presented by Auto Zeitung magazine and the Association for Technical Inspection (GTÜ) to the company providing the best quality and dependability. This coveted top-class award is based on three criteria: the results of some eight million general technical inspections conducted by GTÜ, findings from the quality and service report published by Auto Zeitung, and magazine readers’ responses that reflect their own personal experience.

Our service also received top marks in the year under review. The Mercedes-Benz company-owned and authorized sales and service outlets that were examined in the workshop tests carried out by auto motor und sport magazine were all designated as providing very good service quality. In addition, Mercedes-Benz workshops once again achieved the grade “very good” in tests conducted by Germany’s ADAC automobile association.

Focusing on younger customer groups. In 2012, we added new chapters to the success story of the Mercedes-Benz brand. For example, we enhanced the fascination and appeal of the Mercedes star with a comprehensive product and communication offensive whose activities centered on the brand motto “The Best or Nothing.” New models such as the unique CLS Shooting Brake and in particular the progressively designed new A-Class enabled us to open up the Mercedes-Benz brand to new target groups. We also adopted new approaches to communication and marketing. In addition to existing Mercedes-Benz customers, who continue to enjoy the traditional brand attributes of premium quality, safety and longevity in the new A-Class, the new model specifically addresses young and contemporary-minded target groups who are particularly interested in sporty design and the ability to integrate digital media into their automobiles.

[see pages 32 ff and 38 ff](#)

We therefore designed our various campaigns to be expressive and modern in order to attract more customers from those target groups. Among other things, our communication activities here focus on innovative digital media and social networks such as Facebook and Twitter.

Daimler Trucks

2012 was a multifaceted year for Daimler Trucks. The Antos for heavy distribution transportation, the new medium-duty engine generation and the completely new model range of the BharatBenz brand once again demonstrated our innovative capabilities and substantially expanded the product lineup for our customers. The joint venture with Chinese manufacturer Foton took over the production of Auman brand trucks last summer. Despite higher unit sales, EBIT was lower than in 2011.

4.03

Daimler Trucks

	2012	2011	12/11
Amounts in millions of euros			% change
EBIT	1,714	1,876	-9
Revenue	31,389	28,751	+9
Return on sales (in %)	5.5	6.5	.
Investment in property, plant, and equipment	989	1,201	-18
Research and development expenditure	1,197	1,321	-9
thereof capitalized	180	251	-28
Production	450,622	435,918	+3
Unit sales	461,954	425,756	+9
Employees (December 31)	80,519	77,295	+4

4.04

Unit sales Daimler Trucks

	2012	2011	12/11
In thousands			% change
Total	462	426	+9
Western Europe	58	61	-6
thereof Germany	31	31	-0
United Kingdom	7	8	-9
France	7	8	-9
NAFTA	135	114	+18
thereof United States	114	97	+17
Latin America (excluding Mexico)	46	62	-25
thereof Brazil	29	44	-34
Asia	164	135	+21
thereof Japan	35	27	+30
Indonesia	69	62	+10

Another significant increase in unit sales and revenue.

After many truck markets had posted strong sales growth in the first half of the year, all core markets saw demand slow down or even decrease in the third and fourth quarters. In Europe, the sovereign-debt crisis and the resulting economic weakness led to a marked decline in purchases, and economic constraints limited demand in the NAFTA region to the procurement of essential replacement vehicles. Although reconstruction activities led to an upswing in Japan following the earthquake, this development slowed considerably. In Brazil, weak economic growth and the introduction of tougher emissions standards led to a significant drop in unit sales throughout the year. In spite of these difficulties, Daimler Trucks managed to further increase its revenue and unit sales. As a result, the division was able to grow, particularly in Asia and the NAFTA region. We sold 462,000 vehicles during the year under review, or 9% more than in 2011. Revenue totaled €31.4 billion (+9%). Due to lower unit sales in Brazil and Western Europe as well as scheduled expenses for the current product offensive, EBIT of €1.7 billion was 9% below the prior-year level. ↗ 4.03

Daimler Trucks #1 safeguards the division's sustainable profitability. With the launch of the "Daimler Trucks #1" excellence initiative, Daimler Trucks aims to become a leader also in terms of profitability. DT#1 is part of the Global Excellence Strategy and encompasses excellence programs at the individual operating units as well as cross-business initiatives. DT#1 has precise targets and is expected to contribute €1.6 billion in earnings by the end of 2014 from both additional business activities and cost-cutting measures. Daimler Trucks aims to achieve a significant portion of the cost reduction by the end of 2013.

The overall goal of the business units' growth and optimization programs is to ensure that the division either remains or becomes the market leader in each region. The associated measures encompass the entire value chain.

For example, we have determined that there is great potential in the optimization of production and the reduction of material costs and fixed costs. Moreover, our current product offensive will play a key supporting role as we strive to meet our growth and efficiency targets.



A global reach with a unique portfolio of truck brands is a key element of our strategy for the future growth of Daimler Trucks.

In order to optimally exploit the advantages of our global reach, we have created programs at the various operating units as well as new cross-business excellence initiatives. For example, as part of its module strategy, Daimler Trucks aims to achieve a much higher rate of shared parts in its products without eliminating the key distinctions between the various brands. Reduced complexity and a smaller range of parts generate not only cost benefits in procurement, but also significant economies of scale in production and logistics. Furthermore, we are now realigning our R&D organization to optimally harmonize our development activities with our global platform and module strategy. Closer cooperation, including the systematic sharing of best practices, will also help us achieve our goal in the aftersales business. At the same time, a global growth strategy for component remanufacturing will enable us to exploit additional earnings potential. By expanding our regional activities and product range, we aim to increase the revenue from our remanufacturing business by 30% in the medium term. Finally, we are working on an integrated business model for Asia that will enable us to benefit from the region's growth potential even more than was previously the case.

Significant growth in worldwide unit sales. ↗ 4.04 Weak economic developments combined with the sovereign-debt crisis led to fewer purchases in **Western Europe**, thus causing the market to contract. At 58,000 units, sales at Daimler Trucks were down by 6% from the prior-year level. The year-on-year declines were particularly severe in southern European markets such as Italy and Spain. However, those two countries account for only a relatively small share of Daimler Trucks' sales in Western Europe (6%; 2011: 8%). In contrast, we once again reached or slightly surpassed the prior year's unit sales in Germany and the Netherlands. Despite facing a challenging market environment, Daimler Trucks was able to maintain its good position. In both Western Europe as a whole and Germany, its home market, Mercedes-Benz strengthened its market leadership by further increasing its market share in the medium and heavy segments. In the year under review, our market share was 22.9% in Western Europe (2011: 22.3%); in Germany it was 39.2% (2011: 37.5%).

The situation was similar in Turkey, where demand was very high in 2011 before dropping last year, particularly in the key heavy-truck segment. As a result, Daimler Trucks saw sales in Turkey fall slightly by 8% to 18,300 units. Despite this decrease, we substantially increased Mercedes-Benz Trucks' market share in the country to 45.4% (2011: 37.3%) and consequently extended our market leadership. At the end of August, we also added the Fuso Canter to our truck lineup in Turkey. Thanks to a favorable market environment, we sold 7,100 Mercedes-Benz and Fuso brand vehicles in Russia, representing an increase of more than 30%. This positive development is partly due to our joint venture's successful cooperation with Kamaz, the country's market leader for heavy trucks.

In **Latin America**, a substantial worsening of the overall economy and the introduction at the beginning of the year of tougher emissions standards in the region's main market, Brazil, caused sales to drop considerably to 46,200 vehicles (2011: 61,900). The change in emission limits from Euro III to Euro V not only required vehicles to use significantly more advanced technology, but also placed great demands on the infrastructure. For example, it became necessary to ensure the availability of suitable diesel fuel and AdBlue, an important exhaust gas treatment, throughout the country. The Brazilian government responded to the weakening of the economy by substantially improving the terms of the FINAME support program. Favorable financing conditions and short amortization periods are intended to serve as additional sales incentives and should eventually cause the truck business to rebound.

Developments in the **NAFTA region** were very promising at the beginning of 2012. At the end of the first half of the year, demand for Class 6 to 8 trucks was approximately 30% higher than it had been at the same time in 2011. The relatively high average age of the vehicles in this region continues to generate demand for substantial numbers of replacement trucks. However, increasing numbers of truck customers postponed their purchases in the second half of the year due to the deteriorating economic outlook. As a result, demand stagnated compared with 2011. Despite these developments, sales of 135,000 vehicles in the NAFTA region represent a substantial increase of 18%. With a market share of 34.0% (2011: 31.9%) for the Class 6 to 8 segment and 32.9% (2011: 30.9%) for heavy-duty trucks, we have further strengthened our leading position in this key market. We significantly boosted sales not only in our main market, the United States, where sales of 113,800 vehicles surpassed the prior-year figure by 17%, but also in Mexico, where sales rose by 28%. Daimler Trucks is the only manufacturer in the NAFTA region which has engines, axles and transmissions completely from its own production (from the component brand Detroit) and can thus offer its customers optimally tailored products.

At 163,700 units, Daimler Trucks sold many more vehicles in **Asia** this year than in 2011 (134,900). Our vehicle sales were up by 30% in Japan, where demand remained strong this year as a result of the extensive reconstruction work that was necessary following the natural disaster in March 2011. Our Fuso vehicles gained market share especially in the attractive heavy-duty truck segment (+2.4 percentage points). Despite intensified competition, we greatly increased our truck sales in Indonesia once again, selling a total of 68,500 units there. Although our market share declined slightly in Indonesia, we continue to be the undisputed leader in the overall truck segment with a market share of 43.7% (2011: 48.7%).

One of the high points of 2012 was the start of the production and sales of BharatBenz brand vehicles in India. We put a new production plant into operation in India last April after a record set-up time of only about 24 months. 85% of the parts and components for BharatBenz trucks are manufactured in India. In addition to truck assembly and powertrain production, the facility encompasses an R&D center and a test track. The plant in Chennai has been producing heavy-duty trucks of the new Daimler Trucks brand BharatBenz since the summer of 2012; sales of the vehicles commenced in September. Since early October, the company has also been producing and selling medium-duty trucks. Although not much time had elapsed since sales commenced, we had already sold 1,100 medium and heavy-duty vehicles by the end of the year.

Our premium brand, Mercedes-Benz, is already very successful in the Chinese truck market. Last year, we increased our sales in China above all in the country's construction vehicle segment. Those vehicles were manufactured at the truck plant in Wörth and adapted for their specific applications. We also sell Fuso models in China. During the year under review, Daimler Trucks sold a total of 6,900 vehicles in China under its various brands, thus increasing its sales volume there by 6%, although the overall market contracted significantly.

Our holdings make further progress. Our cooperation with the Chinese truck manufacturer Foton gives Daimler Trucks access to China's attractive volume segment. After the Chinese Ministry of Commerce had given Daimler and Foton the final approval for a joint venture in the fall of 2011, the partnership's operational phase began in Beijing in 2012. Since July, the joint venture company Beijing Foton Daimler Automotive Co., Ltd. (BFDA) has been manufacturing all of the Auman brand's trucks. In addition to completing a second Auman truck production plant, the joint venture will also set up a manufacturing facility for engines in the future. Daimler will contribute its technological expertise, especially in the areas of diesel engines and exhaust gas systems.

Through a partnership between Fuso and Nissan, Daimler Trucks is also continuing to expand its product range in Japan. An agreement signed in November regulates the mutual supply of light trucks. As a result, Fuso will add the Fuso Canter Guts to its vehicle lineup in 2013.

In Russia, Daimler Trucks is benefiting from its modular system as it cooperates with its partner Kamaz. Beginning in 2013, Mercedes-Benz Axor cabs will be installed in Kamaz's new generation of trucks on the basis of a licensing agreement. Since November 2012, we have also been supplying diesel and natural gas engines as well as axles to Kamaz as part of a supply agreement. In this way, Daimler Trucks is expanding the partnership, which also encompasses two local joint ventures established to produce and sell Mercedes-Benz and Fuso trucks in Russia.

Product offensive proceeding as planned. Besides introducing the new BharatBenz brand, Daimler Trucks also presented numerous new products last year.

The Mercedes-Benz Antos for example is the first vehicle class designed specifically for use in heavy-duty distribution transportation. The Antos is being rolled out with a wide range of EURO VI diesel engines. Featuring three displacements and outputs ranging from 175 kW to 375 kW, these engines allow customers to select the right powertrain for their needs. In all of the versions, power is transmitted by the fully automated PowerShift 3 transmission. As a result, even trucks and semitrailer tractors that are only occasionally fully loaded have a good operating performance. Specific models are also offered for special applications. For the first time ever, all of the assistance systems used in the Actros long-haulage truck are now also available for distribution transportation.

In May 2012, Daimler Trucks presented the new Freightliner Cascadia Evolution, which becomes available in the US market in 2013. The new truck consumes up to 7% less fuel than the current EPA10 Cascadia model. These fuel savings were demonstrated during a 2,400-mile test drive and have also been confirmed by an independent institute. The large savings were made possible by equipping the truck with the new Detroit DD15 engine and implementing aerodynamic measures.



The Aerodynamics Trailer saves about 2,000 liters of diesel per semi-trailer truck each year while reducing CO₂ emissions by five tons.

Also in May, we began selling the new Fuso Canter Eco Hybrid in Japan. The truck has also been available in Europe and other international markets since the third quarter of 2012. This vehicle boasts great fuel efficiency, economy and comfort, thanks to the first-ever combination of a dual-clutch transmission and hybrid drive. As the cleanest vehicle in its class, the Fuso Canter Eco Hybrid generates 30% less nitrogen oxide and particulate emissions than the limit stipulated by Japanese regulations. In addition, it reduces fuel consumption by more than 25% compared with the current Canter model with a conventional diesel engine. The Fuso Canter Eco Hybrid has been awarded prizes by Japanese automotive experts for its innovative technology.

After introducing the new heavy-duty engine generation, Daimler Trucks presented its all-new OM 93x series of medium-duty engines last spring. This is the first time that all of the units of a commercial vehicle engine series meet the future Euro VI emissions standard without exception. The new engines are tailored to meet the requirements associated with light, medium, and heavy-duty distribution transportation; light and medium-duty construction site work; long-haul operations; and city and intercity bus services.

Daimler Trucks also offers a broad range of new and optimized driver assistance systems that provide customers with substantial benefits. For example, Predictive Powertrain Control is an anticipatory cruise control system that reduces fuel consumption by up to 3%. The system can optimize fuel consumption by recognizing the topography of the road ahead. To achieve this goal, the system is also able to change gears.

The third generation of Active Brake Assist (ABA3) enables us to greatly reduce the risk of front-end collisions. ABA3 was enhanced on the basis of the proximity control system. However, unlike the automatic adaptive cruise control, ABA3 independently initiates an emergency braking maneuver if a front-end collision with moving or stationary obstacles appears imminent. The system also warns other drivers on the road by sounding the horn and turning on the hazard warning lights.

After running a successful pilot project in several core markets in Asia and the Middle East, Fuso is now greatly expanding its aftersales business with its Diamond Value Parts brand. Although the quality, reliability, and efficiency of this secondary brand's spare parts are much better than those of competing products, they are much less expensive than original parts.

Shaping Future Transportation – as far as Daimler Trucks is concerned, this motto means using resources sparingly, reducing emissions of all kinds, and simultaneously ensuring the greatest possible degree of road safety. With its Aerodynamics Truck & Trailer initiative, Daimler Trucks aims to dramatically reduce wind resistance and fuel consumption. And with the new Actros, Mercedes-Benz has the world's most fuel-efficient heavy-duty truck in its model range. The vehicle was recently joined by the Aerodynamics Trailer, whose drag coefficient has been reduced by approximately 18%. The prototype Aerodynamic Truck, whose cab is based on the Actros ClassicSpace, also boasts optimized wind resistance. Thanks to better aerodynamics, which have been improved by approximately 12%, the truck's fuel consumption on highways has been reduced by about 3%. The Aerodynamic Truck and Trailer are currently undergoing further test drives.

At the beginning of 2012, the Environmental Protection Agency certified Daimler Trucks North America's (DTNA) complete range of Freightliner and Western Star on-highway, vocational and medium-duty trucks as fully compliant with the Greenhouse Gas 2014 (GHG14) regulations. DTNA is the first US truck manufacturer to receive this certification.

There are also plans to further optimize the new Freightliner Cascadia Evolution. When this vehicle is equipped with an automated Detroit DT12 transmission, wide tires with low roll resistance and an aerodynamically shaped semitrailer, it has been shown to have an outstanding fuel efficiency rating of 10.67 miles per US gallon (22 liters/100 km).

Mercedes-Benz Vans

In 2012, Mercedes-Benz Vans launched the new Citan city van, which ideally supplements our existing product range. The sovereign-debt crisis in Western Europe led to market contractions that affected our business. EBIT of €541 million was lower than the high level recorded in the prior year. Our top-selling Sprinter van continued to be very successful in North and Latin America. Because our standards are high, we have further intensified initiatives aimed at boosting the efficiency of the division and increasing its international scope.

4.05

Mercedes-Benz Vans

	2012	2011	12/11
Amounts in millions of euros			% change
EBIT	541	835	-35
Revenue	9,070	9,179	-1
Return on sales (in %)	6.0	9.1	.
Investment in property, plant, and equipment	223	109	+105
Research and development expenditure	371	358	+4
thereof capitalized	137	126	+9
Production	257,496	268,851	-4
Unit sales	252,418	264,193	-4
Employees (December 31)	14,916	14,889	+0

4.06

Unit sales Mercedes-Benz Vans

	2012	2011	12/11
			% change
Total	252,418	264,193	-4
Western Europe	164,907	178,335	-8
thereof Germany	71,044	77,585	-8
Eastern Europe	24,026	22,646	+6
United States	21,474	18,027	+19
Latin America (excluding Mexico)	13,954	13,659	+2
China	8,836	13,514	-35
Other markets	19,221	18,012	+7

Unit sales and earnings impacted by crisis in Europe.

Mercedes-Benz Vans' global sales of Sprinter, Vario, Vito, Viano, and Citan vehicles decreased to 252,400 units last year (2011: 264,200). This development was due in particular to the difficult market situation in Western Europe. Revenue was also slightly lower than in the prior year at €9.1 billion (2011: €9.2 billion). EBIT decreased from €835 million to €541 million, primarily due to lower unit sales in Western Europe. Expenses were incurred for the market launch of new products. Furthermore, there were expenses of €64 million in connection with the impairment of the Chinese joint venture Fujian Benz Automotive Corporation. [↗ 4.05](#)

Initiatives for boosting efficiency and making the division more international.

At Mercedes-Benz Vans, we launched the "Performance Vans 2013" short-term program to further intensify previous initiatives aimed at continuously boosting efficiency. The new program was conceived to counteract unfavorable market developments in Western Europe and help us deal with intensified competition in key markets. With this program, we intend to realize efficiency improvements in the magnitude of €100 million. At the same time, we are retaining the key pillars for achieving further profitable growth. The elements of those pillars include measures to increase the international scope of the division and to expand its product range. We refer to this strategy as "Vans goes global." [👁 see page 153](#)

The Sprinter remains successful in North and Latin America.

Due to Europe's sovereign-debt crisis and a challenging market environment, Mercedes-Benz Vans saw its unit sales decline by 8% in Western Europe to 164,900 vehicles. [↗ 4.06](#) The Western European volume markets in particular were unable to match their high levels of 2011. Because of market developments, our unit sales were especially low in Germany and France compared with the prior year. By contrast, sales developed very well in Eastern Europe, where Mercedes-Benz Vans once again saw unit sales grow rapidly (+6%) in 2012 following excellent results in the prior year. Due to the market success of the Sprinter in the United States and Canada, sales once again rose substantially in the NAFTA region to 26,400 units, representing an increase of 18% over the prior year. The high level of customer acceptance is also reflected in our increasing market share. In Latin America, we sold 14,000 vehicles (+2%). After the introduction of the current generation of the European Sprinter in the spring of 2012, unit sales rose in Latin America, particularly during the second half of the year. However, sales in China declined to 8,800 units (-35%), due to the contraction of those segments of the market in which



Mercedes-Benz Sprinter: The current version of the global van has been produced also in Argentina since 2012.

we are active. We sold 159,000 Sprinters worldwide in 2012 (-3%). Sales of the Vito and Viano models decreased after record unit sales in 2011 by 15% to 83,700 units, and we sold 2,700 Vario vans (2011: 2,900). The new Citan city van, which was launched in September, accounted for sales of 7,100 units. Despite the difficult market environment, Mercedes-Benz Vans retained its market position for medium-sized and large vans in the European Union and defended its market share of 18%.

Full-line supplier with the new Mercedes-Benz Citan. In 2012, Mercedes-Benz Vans launched a new vehicle that made the division a full-line supplier of vans. The Mercedes-Benz Citan city van marks our entry into the rapidly growing small-van segment. By taking this step, we plan to strengthen our leading position in the European market. The Citan is the first vehicle to be created as a result of the strategic partnership between Daimler and Renault-Nissan, and made its debut at the IAA Commercial Vehicles show in Hanover in September 2012. The Citan is designed for commercial customers and is offered in panel van and crewbus variants, as well as in a "Mixto" version with two rows of seats and a small cargo area. The city van is available in three lengths based on two different wheelbases and two different gross vehicle weights. The Citan is one of the most fuel-efficient vans of its class in both the gasoline and the diesel-powered variants. The Citan BlueEFFICIENCY has fuel consumption of 4.3 l/100 km and CO₂ emissions of 112 g/km. No conventionally powered city van consumes less fuel or produces lower emissions. At the same time, the Citan ensures optimal driving comfort and high performance while keeping operating costs low.

"Vans goes global" in Latin America, Russia, China and North America. The worldwide success of the Sprinter is one of the key elements of our "Vans goes global" growth strategy. The Sprinter, which is the designation for an entire class of vehicles, is a best-selling export model and a truly global van. The Sprinter impresses customers worldwide and is now being produced in several key growth regions. Since the beginning of 2012, we have been manufacturing the current Mercedes-Benz Sprinter generation at our plant in Buenos Aires, Argentina, where it is primarily produced as a bus variant. The upgraded product range will enable Mercedes-Benz Vans to benefit

from the anticipated sharp increase in demand for passenger transport systems in Latin America. The success of the new-generation Sprinter has already been demonstrated by the van's steadily increasing sales figures in the second half of 2012. We plan to invest more than €80 million in the production of new van models at the Buenos Aires plant over the next few years. In the process, we will create 700 new jobs there. We have also taken an important step forward in Russia, where we have formed a partnership for the production of Mercedes-Benz vans. We are currently implementing this project in cooperation with the Russian commercial vehicle manufacturer GAZ. The project's aim is to pave the way for the production of the proven Sprinter Classic, engines and other components at the GAZ facility in Nizhny Novgorod. Production is scheduled to begin during the first half of 2013. The vehicles will be sold and serviced by the existing Mercedes-Benz dealership network, which will be greatly expanded. At present, the Russian van market is growing faster than any other van market in Europe. In China, Mercedes-Benz Vans is the only manufacturer to date that produces vans locally. We have been producing the Vito and Viano in China since 2010, and our joint venture Fujian Benz Automotive Corporation also began manufacturing a bus version of the Sprinter in 2011. With its Sprinter, Mercedes-Benz Vans is also performing very successfully in North America. Unit sales of the Sprinter increased at a double-digit rate, thanks to an outstanding retail network and the use of a consistent two-brand strategy (Mercedes-Benz and Freightliner) in the United States.

Two electric vans celebrate world premieres. One of the key elements of Mercedes-Benz Vans' strategy is its goal of technological leadership in the sector. This leadership will be maintained by developing environmentally compatible technologies that provide customers with real utility. In this connection, we celebrated two world premieres during the year under review. At the Geneva Motor Show in March 2012, we presented the Mercedes-Benz Vito E-CELL crewbus. This crewbus is the world's first locally emission-free series-produced seven-seat vehicle. Another van, the Sprinter E-CELL concept, made its public debut at the IAA Commercial Vehicles show. This vehicle greatly expands the possibilities of locally emission-free transportation.

Daimler Buses

As the market leader in its core markets, Daimler Buses focuses on ecologically responsible innovations that also meet the financial requirements of its customers. With its presentation of the new Mercedes-Benz Citaro Euro VI and Setra ComfortClass 500 models, Daimler Buses is setting new standards in the premium bus segment. Market-related declines in demand for bus chassis in Latin America and the ongoing difficult situation in the European bus market had a negative impact on revenue and earnings last year. We began reorganizing our bus operations in 2012, thus creating the conditions for further growth at Daimler Buses.

4.07

Daimler Buses

	2012	2011	12/11
Amounts in millions of euros			% change
EBIT	-232	162	.
Revenue	3,929	4,418	-11
Return on sales (in %)	-5.9	3.7	.
Investment in property, plant, and equipment	82	103	-20
Research and development expenditure	222	225	-1
thereof capitalized	23	32	-28
Production	31,384	40,391	-22
Unit sales	32,088	39,741	-19
Employees (December 31)	16,901	17,495	-3

4.08

Unit sales of Daimler Buses

	2012	2011	12/11
			% change
Total	32,088	39,741	-19
Western Europe	5,851	5,943	-2
thereof Germany	2,039	2,214	-8
NAFTA	3,943	4,042	-2
Latin America (excluding Mexico)	17,800	25,048	-29
Asia	1,886	1,667	+13
Other markets	2,608	3,041	-14

Unit sales down from the prior year. Daimler Buses sold 32,100 buses and chassis worldwide in 2012 (2011: 39,700) and was able to defend its market leadership in its core markets in the segment for buses over eight tons gross vehicle weight. ↗ 4.07 The decline in sales volume compared with 2011 was largely due to lower orders for bus chassis in Latin America. The decrease in unit sales caused revenue to fall by €0.5 billion to €3.9 billion. At minus €232 million, EBIT was substantially lower than the figure recorded in 2011. Earnings were negatively affected also by expenditure of €155 million on the repositioning of our European and North American business systems.

Reorganization of European and North American business systems. Daimler Buses launched a growth and efficiency campaign known as “GLOBE 2013” in order to generate additional growth potential and strengthen the division’s competitiveness, particularly in Europe. This program for safeguarding sustainable profitability is being rolled out along the entire value chain and at all locations, and aims to utilize potential for an earnings improvement in the magnitude of €200 million, to be realized by the end of 2014. One of its objectives is to intensify the links between all business locations in the European production network. As part of “GLOBE 2013,” Daimler Buses will also exploit existing growth potential in its traditional markets and further expand business in new ones. In response to the continually decreasing demand for city buses in North America in recent years, we decided to discontinue production of Orion buses in the United States and Canada. The American bus manufacturer Motor Coach Industries International (MCI) became the exclusive distributor of Setra coaches in the USA during the year under review, and we received a 10% share in MCI in return.

Varying business development in the regions. In Western Europe, the Daimler Buses brands Mercedes-Benz and Setra offer a complete range of city buses, intercity buses and coaches, as well as Mercedes-Benz bus chassis. The sovereign-debt crisis had a dampening effect on customer demand in this region, but sales of 5,900 units were nonetheless at the level of the previous year. ↗ 4.08 Daimler Buses was thus able to further strengthen its leading market position in Western Europe with a market share of approximately 28% (2011: 27%). In Turkey, we sold 1,100 units (2011: 1,100), benefiting from a larger number of public-sector orders for city buses than was the case in 2011. Sales of Mercedes-Benz bus chassis in Latin America (excluding Mexico) declined by 29% to 17,800 units. In Brazil, the stricter Euro V emissions stan-



The Setra S 517 HD – a model of the new ComfortClass 500.

dards were introduced in early 2012. In anticipation of this development, many purchases that would otherwise have been made in 2012 were concluded in 2011. With a market share of approximately 43% (2011: 43%), we were able to clearly maintain our leading market position in Latin America. The stable development of the Mexican market enabled Daimler Buses to sell 3,500 units there, just as it had done in the prior year. In addition, our market share of roughly 48% (2011: 50%) once again allowed us to defend our leading market position in Mexico last year. In the context of repositioning our North American bus business, sales of Orion city buses were discontinued in 2012.

Major orders for city buses and chassis from Brazil.

Brazil's major cities are already renewing their bus fleets and improving traffic infrastructures in preparation for the huge influx of visitors and traffic expected for the World Cup soccer championship in 2014 and the Olympic Games in 2016. With its order for 135 new Mercedes-Benz city buses equipped with BlueTec 5 technology, the city of Fortaleza is just one of many environmentally conscious municipalities that are striving to modernize their local public transport fleets in anticipation of these events. We also received a major order from the Ribeirão Preto transportation company in São Paulo province for just under 390 Mercedes-Benz bus chassis. In addition, we will supply 2,600 school buses for the Brazilian educational program. The chassis will be built up as school buses together with a Brazilian bodybuilder and will be delivered in 2013.

New Mercedes-Benz Citaro named "Bus of the Year 2013."

The new Citaro with its Euro VI-compliant engine greatly impressed the international jury of experts who selected the winner of the "Bus of the Year 2013" award. The new Citaro – the first series-produced regular-service bus to comply with Euro VI – was praised for the economical and forward-looking transport solution it embodies. Our main goal in developing the Citaro was to combine environmental compatibility and economy with advances in performance, safety and comfort.

New ComfortClass 500 sets the benchmark. The Setra brand's new-generation ComfortClass 500 coach sets new benchmarks for design, comfort, safety, and efficiency. The two-axle S 515 HD, the two- and three-axle S 516 HD and the three-axle S 517 HD were all launched in the fall of 2012. The new aerodynamic design of the Setra ComfortClass 500 reduces fuel consumption. Aerodynamic adjustments have lowered the bus's wind resistance by 20%, which translates into a 5% decrease in fuel consumption. With the help of additional individual measures, the Setra ComfortClass 500 now boasts a drag coefficient of 0.33, a figure unmatched in the industry.

Daimler Buses continues to work on clean drive systems.

The world's population is steadily growing and becoming increasingly urbanized. The need for mobility is therefore increasing worldwide, and this development is affecting the climate and the environment. Because buses will play a key role in the mobility networks that will be required in the future, Daimler Buses is developing pioneering drive technologies to address the associated challenges. For example, it is optimizing vehicles by equipping them with ultramodern combustion engines. In particular, Daimler Buses introduced two additional Euro VI-compliant models in 2012 – the Mercedes-Benz Citaro Euro VI and the Setra ComfortClass 500. Euro VI emission limits will become obligatory in early 2014, leading to a further drastic reduction of pollutant emissions. The two buses impressively demonstrated how emission reductions can be combined with enhanced fuel economy during the Record Run Buses 2012 comparative test. During this five-day event, which was monitored by neutral parties, five buses covered a total distance of almost 18,000 kilometers. The emission and fuel consumption performance of the Euro VI-compliant buses was then compared with that of their predecessors. The anticipated fuel savings of 4-6% (Citaro) and 5-6% (Setra) were not only achieved, but also significantly exceeded. In fact, both models cut fuel consumption by more than 8% compared to their predecessors and produced lower emissions thanks to their compliance with Euro VI.

Daimler Financial Services

Daimler Financial Services achieved further growth in new business and contract volume in 2012. We expanded our financial services portfolio particularly in Asia. By the end of 2012, our car2go mobility concept was being used by some 270,000 customers in 18 cities. Daimler Financial Services once again received awards in the areas of customer satisfaction, dealer satisfaction and employer attractiveness.

4.09

Daimler Financial Services

	2012	2011	12/11
Amounts in millions of euros			% change
EBIT	1,292	1,312	-2
Revenue	13,550	12,080	+12
New business	38,076	33,521	+14
Contract volume	79,986	71,730	+12
Investment in property, plant, and equipment	23	21	+10
Employees (December 31)	7,779	7,065	+10

Further growth in new business and contract volume.

Business at Daimler Financial Services once again developed favorably in 2012. New business increased by 14% to the record figure of €38.1 billion. Contract volume, which expresses the value of all leasing and financing contracts managed by Daimler Financial Services, rose by 12% to €80.0 billion. Adjusted for exchange-rate effects, contract volume increased by 13%. EBIT of €1,292 million was at the same level as in the prior year (€1,312 million). ↗ 4.09

Positive business development in Europe. Daimler Financial Services concluded new financing and leasing contracts worth €18.2 billion in the Europe region in 2012. The development of new business was particularly dynamic in Russia (+127%), Turkey (+43%) and the United Kingdom (+39%). Contract volume in Europe totaled €34.5 billion at the end of the year under review, which is an increase of 11% compared to 2011. In Germany, the contract volume of Mercedes-Benz Bank increased by 4% to €17.8 billion.

In 2012, we successfully completed the realignment of Mercedes-Benz Bank and the transfer of Daimler Financial Services' global headquarters from Berlin to Stuttgart. We expect the resulting efficiency gains to generate savings of more than €10 million each year. At €12.1 billion, Mercedes-Benz Bank's deposit volume in the direct banking business was 10% higher than a year earlier.

Growth in the Americas region. New business in the Americas region increased compared with the prior year by 16% to €14.6 billion in 2012. Business developments were particularly positive in Canada (+27%), the United States (+22%) and Mexico (+19%). However, new business in Brazil declined due to the general economic development there. Contract volume in the Americas region increased by 11% to a total of €34.1 billion at the end of the year under review.

Dynamic growth in Asia. The Africa & Asia-Pacific region once again recorded the strongest growth in 2012. At €5.3 billion, new business was up by 17% from the prior year. In Japan, the volume of new leasing and financing contracts rose by 43% to €1.4 billion. Total contract volume in the Africa & Asia-Pacific region reached €11.3 billion, which is 14% higher than in 2011. In August 2012, Daimler Financial Services became the first automotive financial services provider in China's premium segment to offer leasing contracts. Financing activities designed to support the Group's new BharatBenz commercial vehicle brand in India were successfully launched last year. In Malaysia, the new Mercedes-Benz Services Malaysia subsidiary began operating in November.

Insurance business passes the one-million mark. In the insurance business, Daimler Financial Services brokered over one million policies for the first time in one year. The number of new insurance contracts signed increased by 13% to approximately 1,100,000. Policies brokered in China were up by 22% compared with 2011, while our Russian subsidiary recorded nearly twice as many policies as in the prior year. Our cooperation with major insurance partners makes it possible for Mercedes-Benz customers to obtain exclusive vehicle insurance conditions for the brand's typical safety features. In the event that a vehicle of one of our customers is damaged, it will be repaired in authorized workshops by highly skilled mechanics using genuine Mercedes-Benz spare parts. This arrangement also supports the Group's service centers and spare parts business.



Daimler Financial Services offers tailored financial services packages also for younger people.

Growth of business with fleet customers. Daimler Financial Services once again helped small and medium-sized commercial customers as well as major international companies in many countries to finance and manage their fleets of vehicles. We were able to grow in this sector as well, with new business increasing by 6% to 126,000 units. We managed a total of 328,000 vehicles for commercial customers by the end of 2012, representing an increase of 6% compared with a year earlier. With approximately 700 customers from all industries, the Daimler Financial Services subsidiary Daimler Fleet Management is one of the biggest providers of fleet management services in Germany.

Numerous awards for customer and dealer satisfaction. Daimler Financial Services was once again honored many times in 2012 for the outstanding quality of its services. For the fourth consecutive year, Germany's "Autohaus" magazine named Mercedes-Benz Bank the best premium-segment provider of automotive financial services. Daimler Financial Services ranked first in several categories of the J.D. Power and Associates study of dealer satisfaction in the United States and Canada. The division's Australian subsidiary finished first in a local dealer satisfaction study for the third time in succession.

A highly attractive employer. Daimler Financial Services is highly regarded as an employer. This fact was confirmed in 2012 by external institutes. For example, the highly respected Great Place to Work Institute reported that Daimler Financial Services' US subsidiary is among the country's 25 most attractive employers in its segment. Daimler Financial Services in China was also singled out for praise by the Great Place to Work Institute.

Further expansion of business with innovative mobility services. Daimler Financial Services is increasingly supplementing its automotive financial services operations with activities in the rapidly growing market for mobility services. The division's innovative car2go car-sharing concept is now up and running in 18 cities in Europe and North America. As a result, the number of car2go locations more than doubled during the year under review. car2go was launched in Stuttgart at the end of November with a fleet of 300 fully electric vehicles. At the end of 2012, car2go had some 270,000 customers worldwide (2011: 60,000). Starting at the beginning of 2013, Daimler Financial Services also concentrated all activities related to innovative mobility services in the subsidiary Daimler Mobility Services GmbH and assumed responsibility for the "moovel" mobility platform, which enables customers to compare various mobility options on their smartphones.

Expansion of Toll Collect system. This system, which is used to collect truck tolls on German autobahns, continued to run smoothly and reliably during the year under review. On August 1, 2012, the system was extended to cover approximately 1,100 kilometers of four-lane non-autobahn highways in Germany. A total of 741,900 onboard systems for automatic toll collection were in use at the end of 2012. Tolls were collected for a total distance of 26.6 billion kilometers during the year under review. Daimler Financial Services holds a 45% equity interest in the Toll Collect consortium.