# Daimler-Benz Annual Report 1981

# Daimler-Benz Worldwide – Highlights

| | 1981 | 1980 | Change 81 to 80 in % |
|---|---|---|---|
| **Sales** (in millions of DM) | 36,661 | 31,054 | +18.1 |
| Domestic | 13,577 | 13,855 | − 2.0 |
| Foreign | 23,084[1] | 17,199 | +34.2 |
| **Production** | | | |
| Cars | 440,778 | 429,078 | + 2.7 |
| Commercial Vehicles | 268,925 | 272,868 | − 1.4 |
| Domestic | 196,076 | 203,041 | − 3.4 |
| Foreign | 72,849 | 69,827 | + 4.3 |
| **Number of Employees** (at year-end) | 187,961 | 183,392 | + 2.5 |
| Domestic | 149,096 | 146,323 | + 1.9 |
| Foreign | 38,865 | 37,069 | + 4.8 |
| **Personnel Costs**[2] | 9,993 | 8,408[3] | +18.9 |
| of which: Wages, salaries and social benefits | 9,175 | 8,107 | +13.2 |
| **Capital Investments** | 3,114 | 2,140 | +45.5 |
| **Depreciation** | 1,688 | 1,447 | +16.7 |
| **Net Income** | 826 | 711[4] | +16.2 |
| **Dividends**[5] | 304[5] | 297 | + 2.4 |
| **Dividend per Share of DM 50** (in DM)[5][6] | 10[5] | 10 + 1[7] | |

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

1) A portion of the increase is due to the purchase of companies in 1981.
2) Information hereafter in millions of DM.
3) Exclusive of extraordinary addition to pension reserves totalling DM 1.4 billion in connection with the restructuring of pension benefits for employees of Daimler-Benz AG.
4) After deducting extraordinary income of DM 391 million from dissolution of reserves provided for in prior years at DBAG, and which are no longer required.
5) Proposed or paid, respectively; the capital stock, which was increased at the end of 1981 at a ratio of 8 to 1 at par, is entitled to the full dividend.
6) Plus DM 5.62 (last year DM 6.19) tax credit for our stockholders who are subject to income tax in Germany.
7) Dividend plus bonus.

# Daimler-Benz Aktiengesellschaft Stuttgart

# Annual Report 1981

# Table of Contents

# Agenda

# for the 86th Stockholders' Meeting

taking place on Wednesday July 7, 1982 at 10 o'clock at the International Congress Center (ICC) in Berlin

1. **Presentation of the audited financial statements as of December 31, 1981, the reports of the Board of Management and the Supervisory Board together with the consolidated financial statements and the consolidated annual report for the year 1981.**

2. **Resolution for the disposition of the unappropriated surplus.**

| | | | |
|---|---|---|---|
| Board of Management and Supervisory Board propose to distribute the unappropriated surplus of | | DM | 304,033,770 |
| as follows: | | | |
| $3^1/_3$ % | dividend on the eligible preferred share capital of DM 1,921,500 | DM | 64,050 |
| DM 10 | dividend for each eligible common share of DM 50 par value | DM | 303,969,720 |
| Unappropriated surplus | | DM | 304,033,770 |

3. **Ratification of the Board of Management's actions.**

   Board of Management and Supervisory Board propose ratification.

4. **Ratification of the Supervisory Board's actions.**

   Board of Management and Supervisory Board propose ratification.

5. **Election of auditors for the business year 1982.**

   The Supervisory Board proposes to elect Deutsche Treuhand-Gesellschaft AG, Wirtschaftspruefungsgesellschaft, Frankfort (Main), as independent auditor for the business year 1982.

# Supervisory Board (Aufsichtsrat)

**Hermann J. Abs, Frankfurt (Main)** — **Honorary Chairman**
Honorary Chairman, Deutsche Bank AG

**Dr. rer. pol. Wilfried Guth, Frankfurt (Main)** — **Chairman**
Member of the Board of Management, Deutsche Bank AG

**Herbert Lucy, Mannheim*)** — **Deputy Chairman**
Chairman of the Labor Council, Daimler-Benz AG

**Karl Aspacher, Stuttgart*)**
Member of the Labor Council, Untertuerkheim Plant and Main Office

**Dr.-Ing. Hans Bacher, Stuttgart**
Member of the Board of Management, Robert Bosch GmbH

**Willi Boehm, Kandel*)**
Member of the Labor Council, Woerth Plant

**Dr. rer. pol. Friedrich Karl Flick, Duesseldorf**
Managing Partner Friedrich Flick KG

**Prof. Dr. jur. Gunther Hartmann, Koeln**
Member of the Board of Management, Mercedes-Automobil-Holding AG

**Dr. rer. pol. Alfred Herrhausen, Duesseldorf**
Member of the Board of Management, Deutsche Bank AG

**Erich Hirth, Gaggenau*)**
Chairman of the Labor Council, Gaggenau Plant

**Rudolf Kuda, Frankfort (Main)*)**
Departmental Manager within the Board of Management, Metal Workers' Union

**Hugo Lotze, Reinhardshagen*)**
Chairman of the Labor Council, Kassel Plant

**Dr. jur. Heribald Naerger, Muenchen**
Member of the Board of Management, Siemens AG

**Dr. rer. pol. Wolfgang Roeller, Frankfort (Main)**
Member of the Board of Management, Dresdner Bank AG

**Alfred Schaible, Renningen*)**
Chairman of the Labor Council, Sindelfingen Plant

**Dr. jur. Walter Seipp, Frankfort (Main) (since July 1, 1981)**
Chairman of the Board of Management, Commerzbank AG

**Franz Steinkuehler, Stuttgart*)**
District Manager, Metal Workers' Union

**Dipl.-Ing. Maria-Christine Fuerstin von Urach, Stuttgart*)**
Director

**Diplom-Kaufmann Guenter Vogelsang, Duesseldorf**

**Bernhard Wurl, Mainz*)**
Deputy Departmental Manager within the Board of Management, Metal Workers' Union

**Prof. Dr. jur. Joachim Zahn, Muenchen**

**Retired from the Supervisory Board on July 1, 1981:**

**Robert Dhom, Koenigstein (Taunus)**

*) Elected by the employees.

# Board of Management (Vorstand)

**Dr. jur. Gerhard Prinz, Stuttgart**
Chairman

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

**Heinz C. Hoppe, Stuttgart**
Sales

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

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

**Edzard Reuter, Stuttgart**
Finance

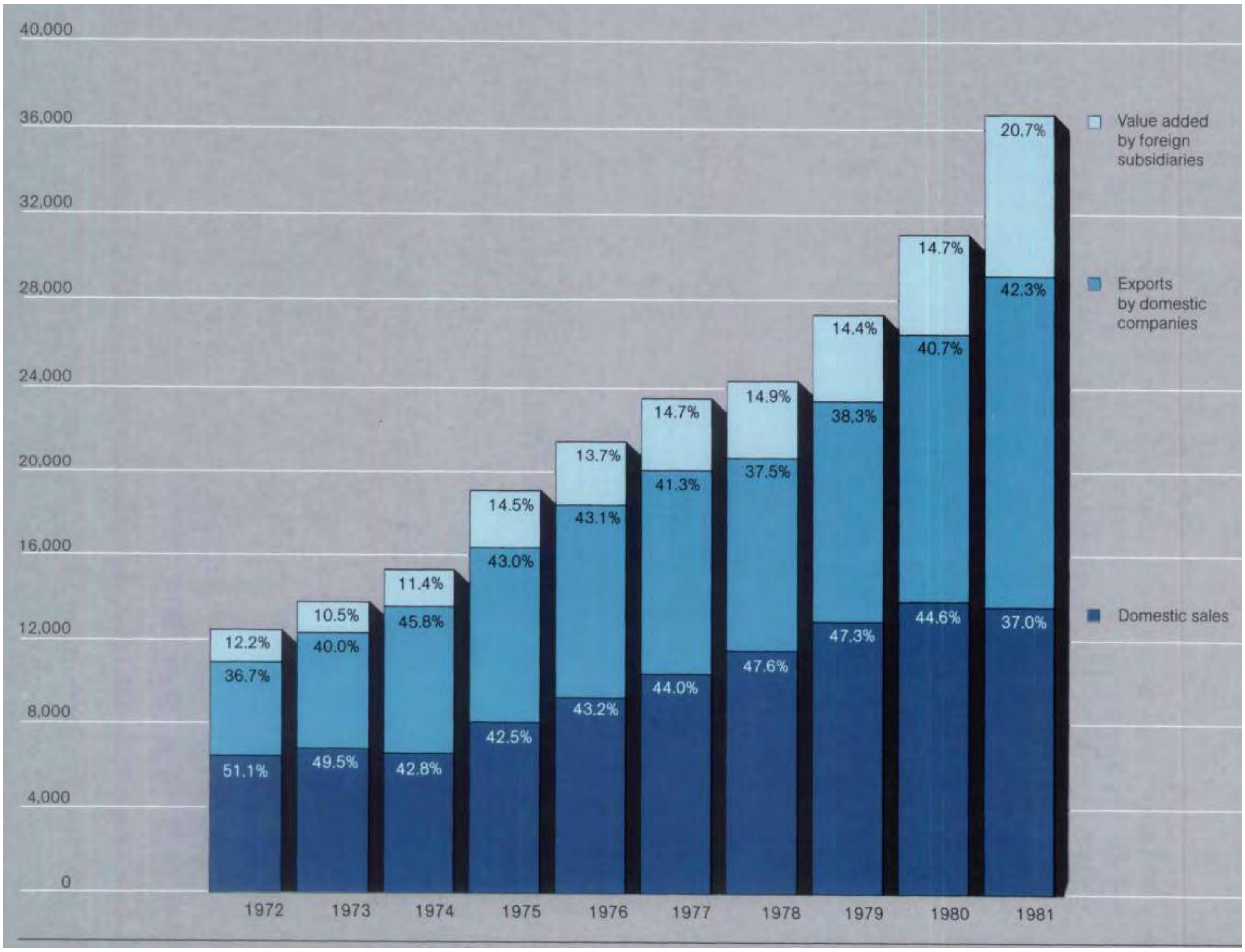
**Walter Ulsamer, Stuttgart**
Purchasing

**Hans-Juergen Hinrichs, Stuttgart (deputy member)**
(since July 1, 1981)
Sales

**Dr. rer. pol. Gerhard Liener, Stuttgart (deputy member)**
(since March 1, 1982)
Subsidiary and Affiliated Companies

# Group Sales

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| (in millions of D-Marks)<br>**Group Sales** | **12,466** | **13,794** | **15,283** | **19,051** | **21,303** | **23,496** | **24,236** | **27,367** | **31,054** | **36,661** |
| of which:<br>Domestic sales | 6,374 | 6,821 | 6,541 | 8,102 | 9,197 | 10,336 | 11,539 | 12,938 | 13,855 | 13,577 |
| Foreign sales | 6,092 | 6,973 | 8,742 | 10,949 | 12,106 | 13,160 | 12,697 | 14,429 | 17,199 | 23,084 |
| of which:<br>Value added by foreign subsidiaries | 1,515 | 1,457 | 1,747 | 2,758 | 2,916 | 3,467 | 3,612 | 3,955 | 4,568 | 7,575 |
| Export sales by domestic companies | 4,577 | 5,516 | 6,995 | 8,191 | 9,190 | 9,693 | 9,085 | 10,474 | 12,631 | 15,509 |



# REPORT
# OF THE BOARD OF MANAGEMENT
to our Shareholders

# Status Report

## OVERVIEW

*General Economic Situation*

High interest rates, persistent inflation, absence of growth and rising unemployment characterized the world economy in 1981. The recession also continued in large sections of the German economy. Domestic demand, in particular, declined. Only the strong expansion of exports prevented a more serious drop in overall production and employment. At the same time, German exporters were benefitted by the improved competitiveness, owing to more favorable exchange rates for the D-Mark.

The general deterioration of economic and market conditions rendered the international automobile business even more difficult. Motor vehicle demand in most Western countries continued to decline. Underemployment of capacity, in some cases short-time work, were the result.

Daimler-Benz was nonetheless able again to raise employment and sales and continue the steady growth of the past years. We further consolidated the market position of our cars and commercial vehicles.

*18% Increase in Sales to DM 36.7 billion*

Group sales rose DM 5.6 billion to DM 36.7 billion in 1981. Included for the first time were Mercedes-Benz Espana with DM .5 billion and the Freightliner Group with DM .6 billion (for the period August through December, 1981). To the extent comparable with the previous year, sales increased by 14 %.

Daimler-Benz AG alone had sales of DM 29.1 billion. Both car and truck divisions contributed in approximately equal shares to the rise of 10%: Car sales increased to DM 14.4 billion (last year DM 13.1 billion); commercial vehicle sales to DM 13.7 billion (last year DM 12.4 billion).

*Growth in Business Abroad*

Our growth in 1981 was achieved solely in foreign business, whose share of Group sales rose to 63 % (last year 55 %). Currency-related influences were also at work here, however. Substantial increases were obtained in markets outside Europe, both through higher exports and greater contributions by our foreign subsidiaries. We were able to boost exports to the countries of the Middle East and North Africa by DM 1.8 billion to DM 4.6 billion and thereby succeeded in compensating in some areas for the poor demand in the European commercial vehicle markets and generally ensuring employment at most of our domestic commercial vehicle plants. The production capacities of the car division were utilized at high rates throughout the year.

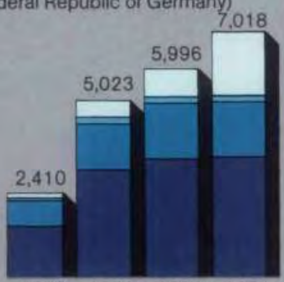
Although deliveries to neighboring European countries could be maintained at DM 5.2 billion (last year DM 5.1 billion), their share of overall exports fell to 33.4 % (last year 40.5 %); inclusive of the business in Germany, we were still able to obtain about two thirds of parent company sales in European markets in 1981 — mostly in the Common Market. But the significance which the non-European markets - for example Mideast countries in commercial vehicle sales and the U.S.A. in car sales - have acquired for the employment of our domestic factories also becomes clear.

The value added by the foreign subsidiaries to overall sales amounted to DM 7.6 billion (last year DM 4.6 billion) after deducting intercompany sales. The increase of DM 3 billion illustrates the growing importance of these companies. Either as distribution companies or as companies which have their own manufacturing facilities,

# Sales Structure

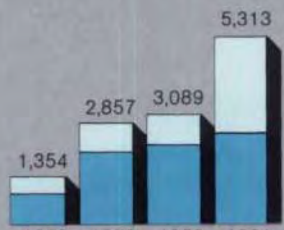
## Foreign
(in millions of DM)

### Europe
(exclusive of Federal Republic of Germany)



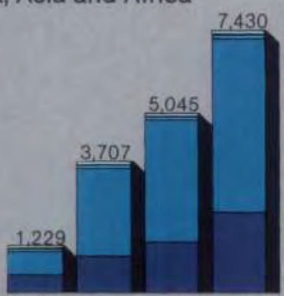

| | 1972 | 1979 | 1980 | 1981 |
|---|---|---|---|---|
| Value added by foreign subs. | 132 | 438 | 846 | 1,841 |
| Export sales domestic comp. | 2,278 | 4,585 | 5,120 | 5,177 |
| Domestic companies' share of export sales: | | | | |
| COMECON | 1.1% | 1.9% | 1.5% | 1.1% |
| Rest of Europe | 16.3% | 11.6% | 11.7% | 10.2% |
| EC | 32.3% | 30.3% | 27.3% | 22.1% |

### North America



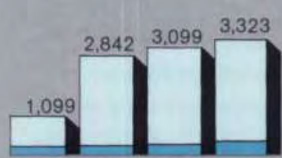

| | 1972 | 1979 | 1980 | 1981 |
|---|---|---|---|---|
| Value added by foreign subs. | 467 | 835 | 882 | 2,716 |
| Export sales domestic comp. | 887 | 2,022 | 2,207 | 2,597 |
| Domestic companies' share of export sales: | | | | |
| North America | 19.4% | 19.3% | 17.5% | 16.8% |

### Australia, Asia and Africa



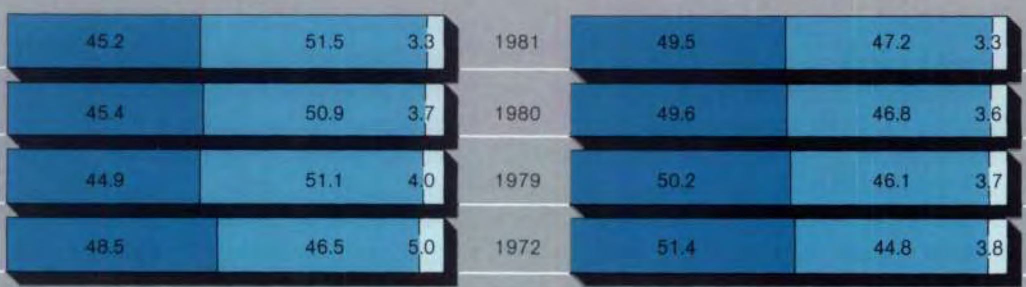

| | 1972 | 1979 | 1980 | 1981 |
|---|---|---|---|---|
| Value added by foreign subs. | 37 | 96 | 55 | 117 |
| Export sales domestic comp. | 1,192 | 3,611 | 4,990 | 7,313 |
| Domestic companies' share of export sales: | | | | |
| Australia | 1.6% | 2.0% | 1.2% | 1.4% |
| Asia | 12.7% | 22.7% | 26.6% | 30.9% |
| Africa | 11.8% | 9.8% | 11.7% | 14.8% |

### Latin America




| | 1972 | 1979 | 1980 | 1981 |
|---|---|---|---|---|
| Value added by foreign subs. | 879 | 2,586 | 2,785 | 2,901 |
| Export sales domestic comp. | 220 | 256 | 314 | 422 |
| Domestic companies' share of export sales: | | | | |
| Latin America | 4.8% | 2.4% | 2.5% | 2.7% |

## Group / Daimler-Benz AG



| Group (in millions of DM) | Group: Cars | Group: Commercial vehicles | Group: Other | | Daimler-Benz AG: Cars | Daimler-Benz AG: Commercial vehicles | Daimler-Benz AG: Other | Daimler-Benz AG (in millions of DM) |
|---|---|---|---|---|---|---|---|---|
| 36,661 | 45.2 | 51.5 | 3.3 | 1981 | 49.5 | 47.2 | 3.3 | 29,084 |
| 31,054 | 45.4 | 50.9 | 3.7 | 1980 | 49.6 | 46.8 | 3.6 | 26,472 |
| 27,367 | 44.9 | 51.1 | 4.0 | 1979 | 50.2 | 46.1 | 3.7 | 23,454 |
| 12,466 | 48.5 | 46.5 | 5.0 | 1972 | 51.4 | 44.8 | 3.8 | 10,909 |

Note: Sales by product lines in %.

they give us a direct presence in major markets.

*Sales Financing*

Developments of the past years have shown that suitable customer financing benefits our sales in many markets. This is particularly true for the commercial vehicle business. Thus, for example, in Italy, commercial vehicle business has been promoted for many years by our local sales financing unit, Merfina. In France, as well, Mercedes-Benz France will acquire an interest in a sales financing company. The Freightliner Credit Corporation acquired by us in February, 1982, as part of the Freightliner purchase, will serve sales of all our products in the North American market as a financing instrument.

*North American Holding Company*

Considerations of optimal business practices in America lead us to create the Daimler-Benz of North America Holding Company, Inc. as the repository of ownership of Mercedes-Benz of North America (for car import and distribution), Euclid, Freightliner and Freightliner Credit Corporation. The entrepreneurial responsibility of the managing bodies in each of the companies and their connections with the management of the parent company are not affected by this.

*Worldwide Capital Investment DM 3.1 billion*

In 1981, we continued our capital investment program as planned. Worldwide capital investment increased to DM 3.1 billion (last year DM 2.1 billion). DM 2.3 billion were invested in the domestic plants and branches (last year DM 1.7 billion). This represents our highest spending level to date.

The bulk of domestic spending went to the car division again in 1981, mainly to supplement and enlarge our car range, concentrating on preparations for the production start-up of our new W 201 car series. The investments also served to further improve product quality and the flow of production, to eliminate bottlenecks and to increase the flexibility of the production program; there was only very limited expansion of production capacities.

We also systematically continued our investments in the commercial vehicle division. Spending here was directed towards the supplementation of our vehicle program and, in addition, the further streamlining of production structure by centralizing similar manufacturing operations. The efficiencies obtained by these measures reduce manufacturing costs and thereby secure jobs.

We endeavor to further improve working conditions with new facilities and to free employees from heavy manual labor as much as possible. In 1981, we also continued to enlarge and modernize the equipment and facilities designated for environmental protection.

Domestic capital investment in the different areas was as follows:

| | 1981 | | 1980 | |
|---|---|---|---|---|
| | in millions of DM | in % | in millions of DM | in % |
| Cars | 1,315 | 58 | 937 | 56 |
| Commercial vehicles | 477 | 21 | 398 | 24 |
| Factory-owned branches | 126 | 6 | 112 | 6 |
| Engineering, experimental | 140 | 6 | 104 | 6 |
| Leasing | 196 | 9 | 132 | 8 |
| | 2,254 | 100 | 1,683 | 100 |

Capital investment abroad, DM .8 billion (last year DM .4 billion), was largely related to the acquisition of properties, plants and equipments of the Freightliner Group.

*Financing of Investments Through Equity Capital*

In 1981, we were again able to finance the increased investments in fixed and financial assets with resources generated internally. Assets and capital structures continue to be balanced.

*2,800 New Jobs in Germany*

In 1981, we created some 2,800 additional jobs in our domestic car and truck factories. Employment in Germany rose to 149,096 (last year 146,323), of which 8,260 (last year 8,052) were trainees and students undergoing practical training. Worldwide employment — inclusive of our new subsidiaries in Spain and the U.S.A. - rose to 187,961 (last year 183,392).

We thank all our employees and their representatives on the plant and general works councils for their constructive cooperation. It took much willingness and mutual understanding to accomplish the difficult tasks successfully. This deserves our particular recognition in the Annual Report.

*Satisfactory Earnings*

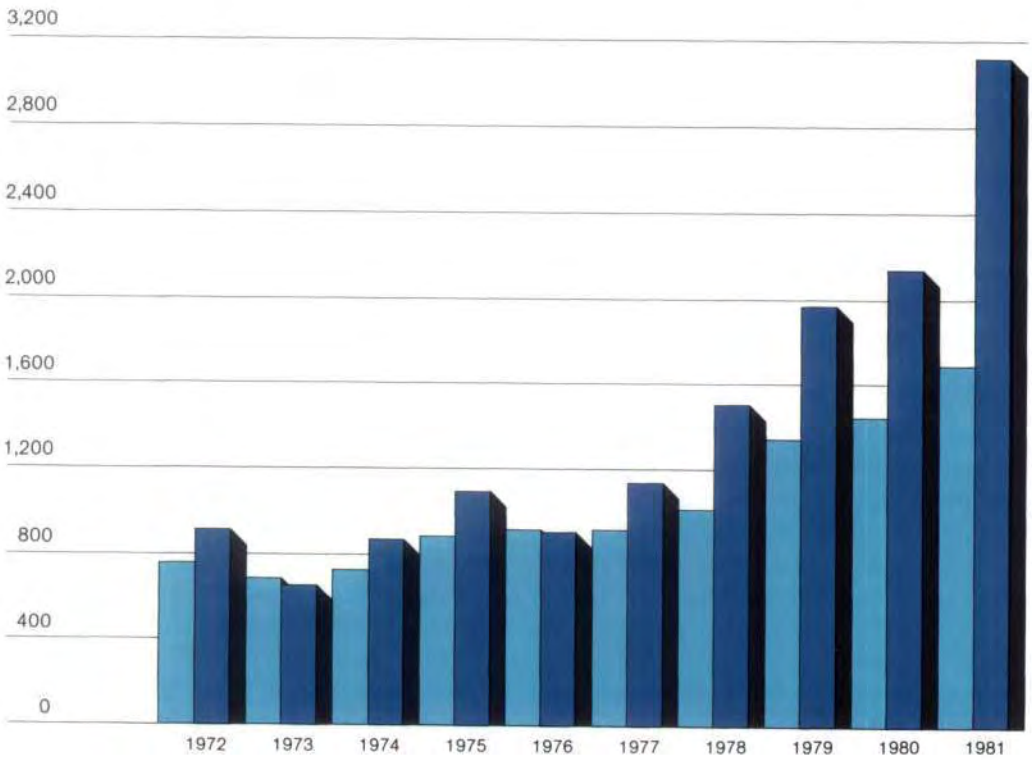
Earnings were influenced by contradicting factors. On the one hand, considerable burdens were imposed by the steady rise in costs as a result of wage and salary increases and higher prices for purchased material (owing particularly to higher prices for energy and raw materials). In addition, we had to cope with the unsatisfactory utilization of production capacities of our German van factories and our South American production companies, which resulted in insufficient coverage of fixed costs.

On the other hand, the favorable employment levels in the car plants and in our Woerth truck plant, as well as the sharply higher sales of high-value cars and commercial vehicles abroad, favorably affected earnings. Declines in earnings at our South American subsidiaries, particularly in Argentina, were offset by improved earnings in our North American operations.

In the non-operating sector, interest income rose again. At Daimler-Benz AG, excess interest income over interest expense increased to DM 554 million (last year DM 374 million) due especially to the higher interest rate level. However, the interest income earned by our Brazilian subsidiary in large part merely compensates for inflation-induced erosion of purchasing power in monetary assets.

**Investments and Depreciation – Group**
(in millions of DM)

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| Investments | 915 | 654 | 871 | 1,096 | 908 | 1,140 | 1,498 | 1,969 | 2,140 | 3,114 |
| Depreciation | 760 | 688 | 731 | 884 | 917 | 918 | 1,013 | 1,342 | 1,447 | 1,688 |



Net income at Daimler-Benz AG rose 6.6 % to DM 608 million (last year DM 570 million). Combined net income of all the foreign subsidiaries rose 2.8 % to DM 194 million (last year DM 189 million). As a result of the consolidation methods used, worldwide net income showed a greater increase over the comparable total of the previous year, going up 16.2 %, from DM 711 million to DM 826 million.

*Proposal for Application of Unappropriated Surplus*

The favorable earnings overall enabled us to further strengthen the equity base of the Company. We feel this is necessary especially in view of the extraordinary volume of investments to be made in the coming years. We propose to our shareholders to pay a dividend of DM 10 for each common share of DM 50 par value. The new shares from the capital stock increase of 8 to 1 at par, transacted only at the end of December, 1981, are already eligible for dividends for the full year. In proportion to the paid-in capital stock, this year's dividend payment is thus equal to last year's payment for 1980. The total dividend payment increases from DM 297 million to DM 304 million.

## CARS

*Worldwide Car Demand Declines Again*

In all major markets, overall car demand is in keeping with the poor trend of business in general. World car output fell again by 4 % (last year 7 %) to 28 million units.

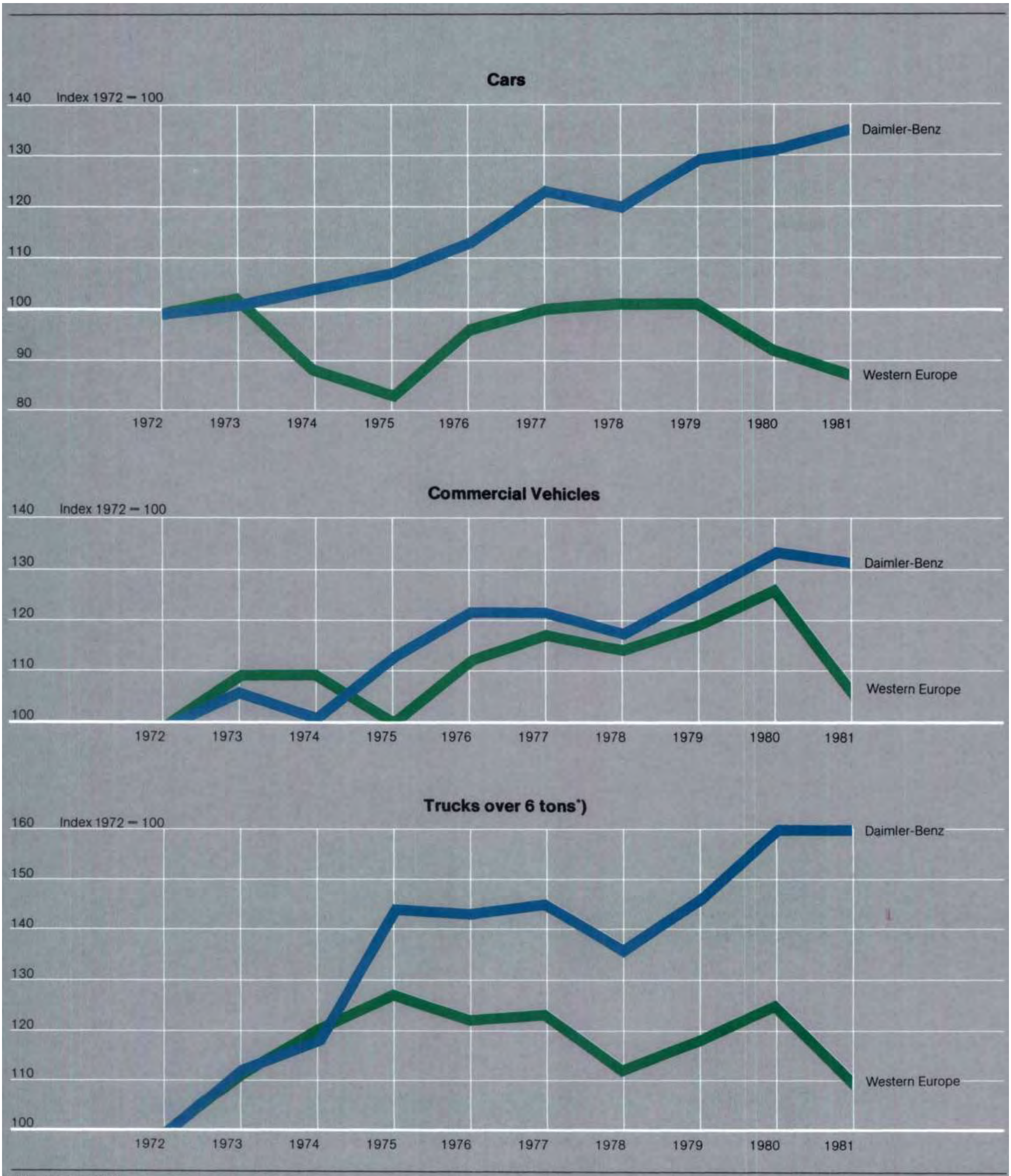
The car industry continues to go through a period of profound changes in which it constantly endeavors, with large expenditures and investments, to adapt its products to the changed demand stemming from fuel price increases. The success of these efforts up to now has been appreciable.

For the last three years, the American auto industry has been undergoing a particularly difficult process of conversion from formerly very large cars with high fuel consumption to more compact and economical models. Sales of U.S. makers declined again in 1981, by 6 %. The share of imported cars rose to 27.3 % (last year 26.7 %). About three quarters of the imports - 1.86 million units (last year 1.91 million) - come from Japan. Although U.S. makers cut car output by 2 % (last year 24 %) to 6.25 million units - the lowest output in the last twenty years - inventories of unsold cars rose dangerously.

On the Japanese market, car demand stalled, and car output fell 1 % in 1981 to

Tops in engineering and quality: Our Mercedes-Benz S-Class models, since 1981, more economical through application of the "Mercedes-Benz Energy Concept".

# Automobile Production Trends 1972-1981




*) Gross vehicle weight.


Mercedes-Benz intermediate class with gasoline and diesel engines:
Further improved economy, safety and riding comfort.

7.0 million units since, in contrast to previous years, exports no longer increased. The Japanese makers have strongly expanded their production capacities in the last few years. The limitation of exports to the U.S.A. and several Western European countries now leads to problems of capacity utilization.

In Western Europe, sales totalled 9.8 million cars (-1 %) and production totalled 10.1 million (-5 %) in 1981. The "net overseas export" thus amounted to .3 million units - only one tenth of the volume of 1971!

*Higher Exports Stimulate Production*

When competing in foreign markets, German manufacturers were able to improve their position again, thanks to the high-quality engineering of their cars. German car exports rose 4.1 % to 1.95 million units. In important European markets the German car industry - also in direct competition with Japanese makers — partly regained ground it had lost in the years before.

It was solely attributable to the increase in exports that employment increasingly stabilized in the course of the year and total car output rose 1.6 % to 3.58 million units.

*Federal Republic of Germany: New Registrations Decline 4 %*

In the German car market, new registrations in 1981 declined 4 % to 2.33 million units. This is 12.5 % less than the all-time high of 1978. Causes of the further decline were, among other things, the burden of higher energy prices on private households, the high interest rates, and the generally pessimistic assessment of the economic outlook. The fuel tax increase which took effect at the beginning of April, 1981, further impaired demand for cars. The foreign car share of new domestic registrations dropped to 25.3% (last year 26.3%). The Japanese makes, with 10.0% (last year 10.4%), just held their market position, which they extended strongly in prior years.

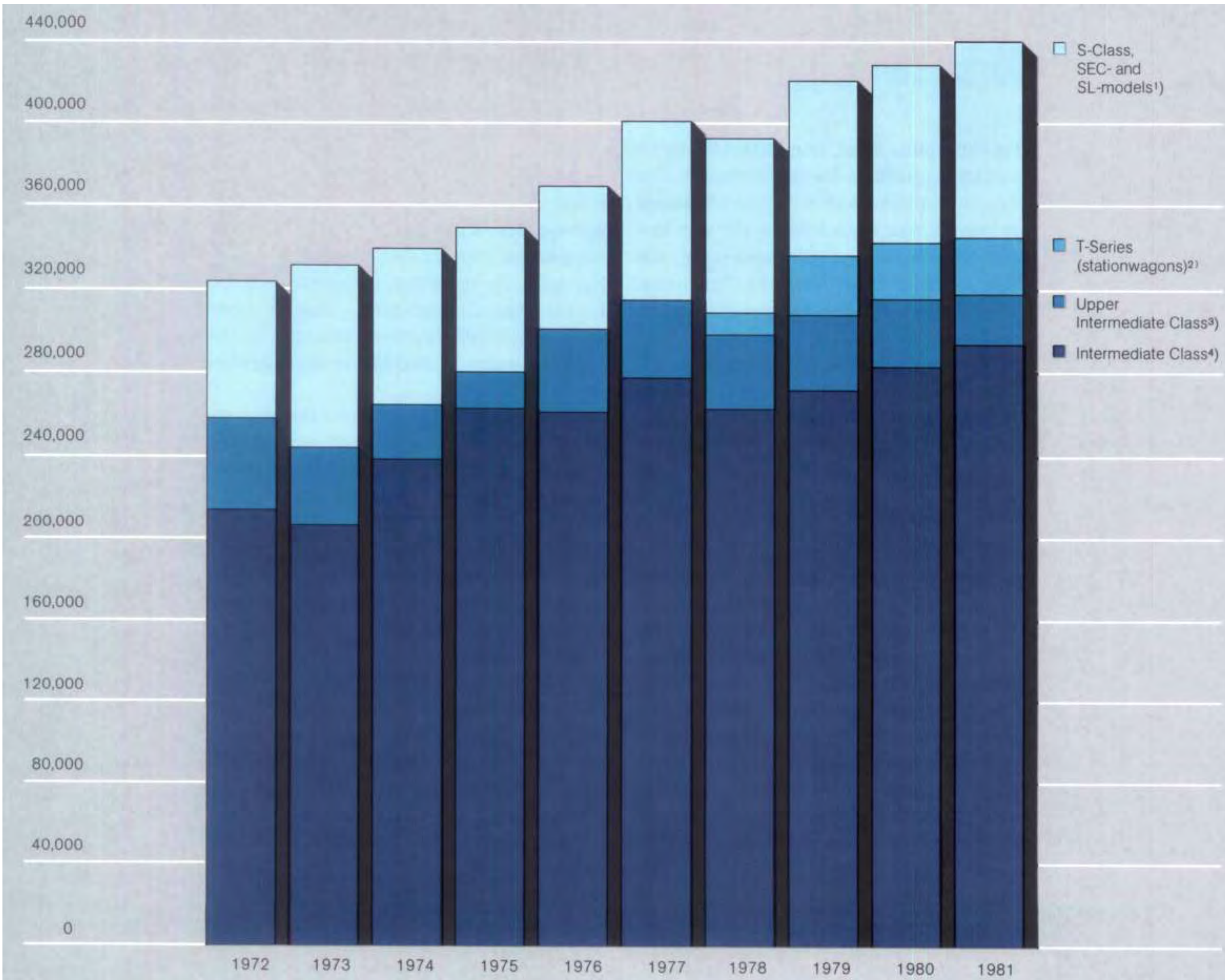
*Daimler-Benz: Sales and Output Up*

New registrations of 239,000 Mercedes-Benz cars in Germany did not quite match the volume of the previous year. However, we were able to maintain our market share at 10.5 % (last year 10.2 %). Sales of our models 200 and 230 E, equipped with the new, very smooth 4-cylinder gasoline engines, which have extraordinary fuel economy for engines of their performance, showed a particularly gratifying trend.

Domestic demand for our diesel models steadied in the course of 1981. Playing a special part in this were the price advantage of diesel fuel (which has meanwhile been slimmed considerably), lower fuel con-

# Car Production

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1981 to 1972 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Production** | **323,878** | **331,682** | **340,006** | **350,098** | **370,348** | **401,255** | **393,203** | **422,159** | **429,078** | **440,778** | **+36.1%** |
| of which: S-Class, SEC- and SL models[1]) | 65,391 | 88,062 | 74,802 | 69,757 | 73,098 | 85,108 | 83,107 | 84,957 | 84,993 | 95,804 | |
| T-Series (stationwagons)[2]) | – | – | – | – | – | – | 10,581 | 28,405 | 27,230 | 26,251 | |
| Upper Intermediate Class[3]) | 44,170 | 37,071 | 25,536 | 17,375 | 35,188 | 37,736 | 36,742 | 35,742 | 33,509 | 24,980 | |
| Intermediate Class[4]) | 214,317 | 206,549 | 239,668 | 262,966 | 262,062 | 278,411 | 262,773 | 273,055 | 283,346 | 293,743 | |




[1]) Models 280 S–500 SEL, 380 and 500 SE Coupé, 280–500 SL Roadster
[2]) Models 200 T–280 TE and 240 TD–300 TD Turbo
[3]) Models 280–280 E, 230 CE–280 CE and 300 CD Turbo
[4]) Models 200–250 and 200 D–300 D Turbo

} in prior years in each case the corresponding models sumption, reduced maintenance requirements, exceptional durability and the high resale value of the cars.

For the well-being of the economy in general, a balanced proportion of diesel cars in total registrations is desirable to conserve fuel. This requires that the oil companies' price policies be geared to the long-term rather than be guided solely by considerations of short-term profit maximization. Price policies should allow for the difference in production costs between gasoline and diesel oil, as only in this way is the purchaser of a diesel car enabled to reliably compare operating expenses.

We were able to increase car exports by 6.4 % to 199,919 units. Foreign demand for our new S-Class models had a particular impact. We were able to improve our standing in important European markets such as France, Italy and the United Kingdom. In other countries, with declining overall markets, our sales also fell. In the U.S.A., we boosted car sales by 17% to more than 63,000 units. Our diesel cars contributed substantially to this result. Traditionally, the U.S. market has extraordinary significance for our large coupes and SL models. More than half of total output of these models was sold there.

Due to the higher sales we were able to raise car output by 2.7 % to 440,778 units (last year 429,078). The increment was chiefly attributable to the S-Class. S-Class output, including the large coupes and SL models, reached an all-time high of 95,804 units (+12.7 %).

*New Products in the Car Range*

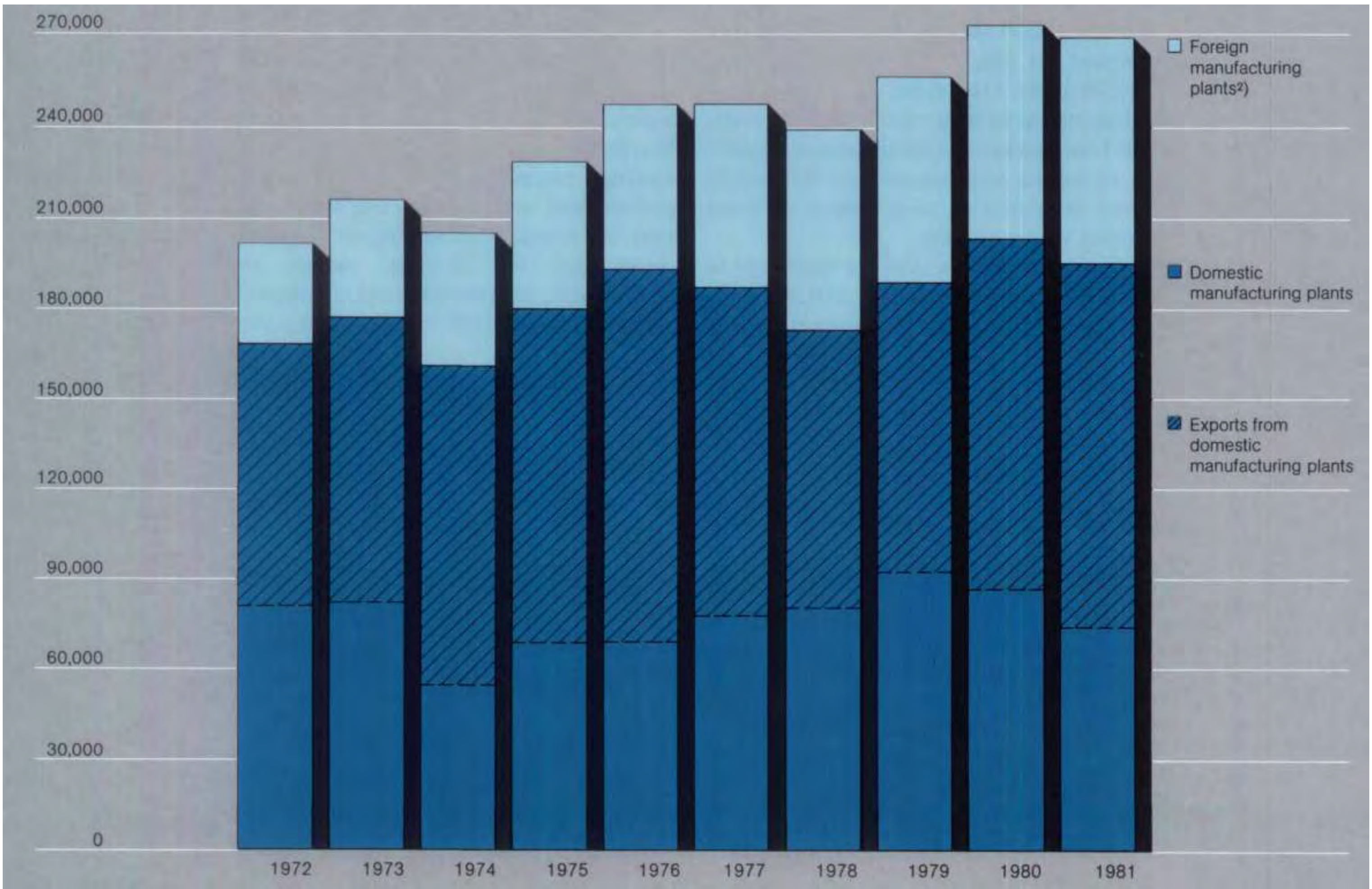
We presented a variety of technical innovations at the 1981 International Auto Show in Frankfort. Our new coupe with models 380 SEC and 500 SEC, our top-of-the-line car, met with an excellent response. Its advanced and mature engineering and aesthetic design - in the judgement of motor journalists and customers - make the coupe a valuable asset to the Mercedes-Benz nameplate. The large number of orders received at home and abroad, which far exceeds our production capacity, documents the success of this car series.

In keeping with our traditional principle of building automobiles of high utility value and economy, we have been offering our cars with the "Mercedes-Benz Energy Concept" since the autumn of 1981. This concept makes for a further substantial reduction of fuel consumption - in the case of our light-alloy V-8 engines as much as 22 %. Besides economy, we further improved emission control without detracting from performance and comfort. For the second year, the readers of a leading car magazine chose our top S-Class model, the 500 SE/SEL, as "Best Sedan of all Classes", placing it far ahead of all other contenders.

Stylistically attractive and of high utility value - the versatile cars of the Mercedes-Benz T-series (stationwagons).

# Commercial Vehicle Production

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1981 to 1972 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Production** | **201,937** | **215,935** | **205,344** | **229,302** | **247,756** | **248,100** | **239,702** | **256,467** | **272,868** | **268,925** | **+ 33.2%** |
| DOMESTIC | 168,482 | 177,061 | 161,400 | 180,005 | 193,204 | 187,298 | 173,101 | 188,772 | 203,041 | 196,076 | + 16.4% |
| of which: Delivery vans | | | | | | | | | | | |
| to 4 tons[1]) | 47,447 | 45,292 | 30,597 | 29,975 | 41,878 | 40,257 | 47,333 | 51,815 | 53,353 | 45,200 | |
| over 4 to 6 tons[1]) | 35,536 | 36,256 | 24,726 | 25,470 | 29,906 | 30,358 | 26,481 | 28,270 | 30,624 | 24,157 | |
| Trucks | | | | | | | | | | | |
| over 6 to 8 tons[1]) | 16,560 | 18,012 | 13,953 | 15,924 | 18,658 | 18,228 | 18,746 | 17,141 | 17,213 | 13,905 | |
| over 8 to 15.9 tons[1]) | 28,555 | 31,166 | 33,465 | 34,007 | 32,330 | 28,940 | 23,721 | 24,242 | 29,047 | 31,280 | |
| 16 tons and up[1]) | 21,994 | 26,424 | 34,789 | 53,831 | 47,844 | 48,375 | 39,310 | 48,625 | 53,241 | 61,957 | |
| Busses | 10,997 | 12,100 | 13,726 | 13,344 | 12,824 | 11,595 | 8,210 | 8,529 | 9,643 | 9,647 | |
| Unimog and MB-trac | 7,393 | 7,811 | 10,144 | 7,454 | 9,764 | 9,545 | 9,300 | 10,150 | 9,920 | 9,930 | |
| *Exports from domestic manufacturing plants* | *87,476* | *95,570* | *107,468* | *111,575* | *124,965* | *110,100* | *93,163* | *97,022* | *116,431* | *121,510* | *+ 38.9%* |
| FOREIGN | 33,455 | 38,874 | 43,944 | 49,297 | 54,552 | 60,802 | 66,601 | 67,695 | 69,827 | 72,849[2]) | +117.8% |




[1]) Gross vehicle weight
[2]) For the first time inclusive of Mercedes-Benz España (14,238 vans were produced in 1981) and of Freightliner group (taken over August 1, 1981; production August to December 4,243 heavy-duty trucks)

## COMMERCIAL VEHICLES

*Declining Commercial Vehicle Sales*

Declining cargo traffic in most Western European countries and the U.S.A. and the slow capital goods business have seriously impaired commercial vehicle sales. The continued high demand from the OPEC countries prevented a more extensive drop in production by European makers. In the U.S.A., truck sales have fallen by more than a third in the last two years. In Japan, on the other hand, the commercial vehicle output destined for export, chiefly small vans and pickups, was raised further.

The bulk of the total world commercial vehicle production of 9.5 million units is small vans and pickup trucks derived from car design. International competition has stiffened particularly in this segment - also owing to the penetration of the Japanese makers into new markets. In the class of trucks over 6 tons gross vehicle weight, about one million vehicles were manufactured worldwide in 1981. Daimler-Benz was able to maintain its position in this important market segment worldwide.

*West Germany: Difficult Commercial Vehicle Business*

Adverse factors also dominated in the German commercial vehicle market in 1981. New registrations dropped 15.4 % to 148,558 units. Particularly hard hit were sales of heavy-duty construction vehicles and long-haul trucks.

In the area of vans and light commercials, the pressure of competition has grown, not only because of the declining market but also due to the appearance of new contenders from Europe and Japan. The Japanese makers substantially increased their sales in the Federal Republic of Germany, as in other West European countries, and boosted their market share to 6.4 % (last year 3.9 %) in the class up to 6 tons gross vehicle weight. Foreign makes, whose market share has more than tripled in the last ten years, accounted in all for 19.4 % (last year 16.4 %) of domestic sales.

In 1981, 203,848 commercial vehicles were shipped abroad from the Federal Republic of Germany (-3.3 %). Trends differed widely according to vehicle classes and export countries. Exports of vans and light trucks - for the most part to the European market - fell sharply, whereas deliveries of heavy-duty trucks from 16 tons upwards to countries of the Middle East increased. Total commercial vehicle output fell 10.7% to 319,200 units. Some manufacturers had to work short time.

*269,000 Commercial Vehicles in the Daimler-Benz Group*

Our sales of commercial vehicles were also affected by the cyclically induced softness of the domestic market as described above. We sold 68,588 (last year 85,845) vans, trucks, busses and Unimogs. By contrast, we increased commercial vehicle exports by 4.4% to 121,510 units. The heavy-duty truck share of exports rose substantially as opposed to domestic sales.

In keeping with the overall pattern, demand for Mercedes-Benz trucks from Middle Eastern countries and from North Africa was particularly keen. We were able to increase deliveries to this region by 15,500 units over last year. Even though our sales to European countries outside Germany declined by 11,500 vehicles, we succeeded in enlarging our market shares in all classes. As Europe's largest manufacturer of trucks over 6 tons GVW we hold a 26 % market share in Western Europe; our market share for trucks of all classes is about 11%.

Only the large shipments abroad of medium and heavy-duty trucks enabled us to maintain output of our domestic plants at the level of 196,076 units (last year 203,041). Without the increased exports, a severe slump in sales and employment would have been inevitable. Our van plants, in particular, suffered from reduced employment. By contrast, in our Woerth program, that is trucks over 6 tons GVW, we recorded a new annual output high of 110,000 units. The share of heavy-duty trucks of 16 tons GVW and up rose 16.4 % to 62,000 units.

The commercial vehicle production of our foreign plants came to 72,849 units (last year 69,827). This figure includes for the first time the vans of Mercedes-Benz Espana (14,238) and the heavy-duty trucks from Freightliner (4,243 units for the period August through December 1981). Our South American subsidiaries had to curtail production sharply in the second half of 1981 due to the severe decline of the Argentine and Brazilian markets. Although these companies were able to defend and even extend their market shares, they produced only about 54,000 trucks and busses (last year about 70,000). Therefore, our total worldwide commercial vehicle output of 268,925 units did not quite match the previous year's level of 272,868.

*Freightliner*

The Freightliner Group's results met our expectations. In the U.S. heavy-duty truck market, where sales sagged again in comparison with 1980, Freightliner slightly increased its market share to approximately 10%.

*Innovations in the Commercial Vehicle Program*

With our new engine and drive train technology for medium and heavy-duty trucks and the "Anti-Block Braking System" (ABS) for commercial vehicles, which will initially be offered in heavy-duty trucks, tractors and large busses, we have further enhanced our product range. To the van line, new higher-payload versions were added. For the first time, we also installed our proven 5-cylinder diesel engine from the car program in commercial vehicles.

*Busses*

The bus business suffered particularly under the high interest rates and the generally poor business conditions. In the receding domestic market we were still able to perceptibly increase our share of registrations in 1981, but barely managed to maintain sales volume (3,159 units) at last year's level (3,186 units). In the absence of large orders, our exports declined 5.8 % to 5,977 busses and bus chassis.

In the bus business, profits earned on busses sold for use by public transportation systems were extremely poor. As a result, the bus division suffered to such an extent that the necessary future expenditures can only be paid for from the profits of other divisions - a situation which is unsatisfactory and fills us with grave concern, particularly in view of the promotion of public transportation by public authorities.

In 1981, the Mannheim, Duesseldorf and Bremen factories manufactured 9,647 busses (last year 9,643). Worldwide output of busses and bus chassis with the Mercedes-Benz nameplate was 29,716 (last year 29,963).

In time for the 1981 International Auto Show in Frankfort (Main), we added a so-called Club model, an especially comfortable holiday touring coach, to the high-deck coach program of the O 303 series.

*Unimog and MB-trac*

Unimog and MB-trac output of 9,930 units attained the volume of the previous year. Our domestic sales dropped 7.4 % to 4,878 units; several large foreign orders enabled us to increase our exports by 16.7 % to 5,320 units, thus giving us total sales of 10,198 units.

*Mercedes-Benz Cross-Country Vehicles*

Effective October 1, 1981, we revised the cooperation arrangement with Steyr-Daimler-Puch AG and took over full entrepreneurial responsibility for the cross-country vehicle we developed. In the process, we sold our 50% share in the Austrian- based " Gelaendefahrzeug- Gesellschaft mbH" to Steyr-Daimler-Puch AG. The Mercedes-Benz cross-country vehicle is now assembled in Steyr's Graz plant on a commission order basis. To represent our interests at this production location we founded the "UBG-Beratungsgesellschaft mbH".

In 1981, 6,455 Mercedes-Benz cross-country vehicles were manufactured and sold by us.

Earnings in this sector are still unsatisfactory. After having incurred substantial investments for the future development of this line, the product has now been accepted by the market as a genuine "Mercedes-Benz" among the cross-country vehicles. A package of specific measures is planned to improve the profits from this business.

4 engines, 5 bodies, 40 variants.
All Mercedes-Benz cross-country vehicles are as safe on the road as they are superior off the road.

*Industrial Engines and Vehicle Components*

Sales of industrial engines and vehicle components rose 16 % to DM 278 million. Through larger deliveries of engines for special-purpose vehicles, and for generators and pump sets, we were able to more than compensate for the drop in demand from domestic manufacturers of fork lifts and construction machinery. Outside Germany, we increased sales of industrial engines particularly to European countries and the Middle East. Our diesel engine program with outputs ranging from 17 to 452 kW (23 to 610 hp) was supplemented by new engine models for wide-ranging applications.

*Reorganization of Commercial Vehicle Activities in Switzerland*

We currently are engaged in negotiations with the Adolph Saurer concern in Arbon, Switzerland, and the Oerlikon-Buehrle group (Oerlikon-Buehrle Holding AG) in Zuerich on the restructuring of the Swiss commercial vehicle business on a partnership basis. The Saurer nameplate is to be retained in accordance with market requirements. A joint declaration of intent will be made after conclusion of the ongoing studies for the future integration of the commercial vehicle activities of Saurer and our affiliate FBW-Fahrzeug AG, Wetzikon, into a new company. We would hold a 40% share interest in this company. It would concentrate its activities on the assembly of vehicles for civilian and government use and the continued supply of parts for the current Saurer and FBW product lines. Our distribution company Mercedes-Benz (Schweiz) AG would look after sales and service. We expect that the negotiations will take on more definite shape during the coming months and can be brought to a successful conclusion.

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

# Outlook

*Dangerous Protectionism*

In the first months of 1982, the recession in most industrial countries continues. The business turnaround forecast for the second half of the year appears extremely uncertain. All industrial nations, with the exception of Japan, must expect the high structural job shortage to persist.

In this situation, in many countries, the tendency towards protectionism, a danger to free world trade, is growing. But not one of the economic problems, either in the national or the international arena, is going to be solved by government controls. Protectionism can only impede, not promote, the improvement of productivity necessary for healthy growth.

Even from the domestic viewpoint, trade restrictions cannot be a remedy, because international division of labor has progressed to the point where any shielding of individual markets to outsiders would boomerang before long.

*No Panaceas for Unemployment*

The discussion of the advantage and drawbacks of a program to create employment in the Federal Republic of Germany has shown that there are no panaceas to reduce unemployment.

We consider the basic attitude towards business, investments and economic growth to be more important than specific measures. In the discussion among politicians and the public, this basic attitude still continues to be distorted by numerous unrealistic reports and commentaries.

Moreover, too heavy emphasis on endeavors and initiatives for the protection of the environment - which is basically justified, but which has gone well beyond reasonable bounds - impedes investments which are necessary in the national interest.

The experience of post-war history in the Federal Republic of Germany plainly teaches us that the economy has always been healthy when we had an atmosphere favoring investments in products and manufacturing capacity. In other words, willingness by the business community to invest was influenced favorably when it considered investments as being sound, promising and profitable. The reestablishment of such basic conditions, which encourage investments, is the most important prerequisite for productivity, competitiveness and employment to increase anew.

The improved German balance of trade in 1981, to which successful efforts at energy conservation contributed, and the reduced balance of payments deficit are first successes, to be sure. A further improvement of the performance of the German economy is necessary in order to attract additional foreign demand - with correspondingly beneficial effects on employment. If this is successful, it will generate strong impulses for domestic economic activity and a protracted upturn on a healthy basis.

*Auto Industry in a Phase of Restructuring*

As we have stated, all over the world the automobile business finds itself in a restructuring phase involving radical changes in demand, technology, production conditions and in the currents of trade. Car demand, particularly in heavily motorized countries, reacted sharply to changes in fuel prices and the general economic climate.

The automobile industry has actively accepted the challenge posed by these many changes. Product programs are being changed over to more fuel-efficient vehicles and manufacturing processes to new technologies at extraordinary expense — and not merely in financial terms. Individual countries and companies find themselves in different phases of this adjustment process, depending on the sort of products they formerly had.

However, auto industry efforts are frequently hampered by the absence - internationally, and often even nationally - of clear-cut priorities for such important development goals as energy efficiency, vehicle safety and environmental compatibility. From a technical standpoint, these goals often tend to opposite directions; in some cases they are mutually exclusive not to mention their impact on costs and prices.

But the designer must know which goals should be given priority, otherwise he cannot adopt the correct course quickly, efficiently and at reasonable cost. Of particular

Exceptionally well received by the press and the public: The new Mercedes-Benz coupe with the models 380 SEC and 500 SEC - exemplary in design and engineering. Introduced at the 1981 Frankfort International Auto Show (IAA).

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

significance in this connection is that the development of a large volume production series of cars to the production stage requires moderate to long periods and is not correctable within the short term.

*Reliable Orientation Points Necessary*

Policymakers should, therefore, feel obligated to set carefully balanced, realistic guidelines for the future automobile; the energy, safety and environmental aspects of these guidelines must take technological and economic feasibility into account. It is the automobile industry's belief that, within reasonable limits of additional costs and prices, the goals of lower fuel consumption as well as passive and active safety demand priority. However, environmental considerations must not be neglected.

The trend of vehicle engineering in recent years has shown it possible to achieve considerable improvements in many areas without legal compulsion. The fuel savings obtained in the Federal Republic of Germany in the past year confirm, for example, that adherence to market economy principles - sometimes assisted by voluntary agreements between industry and government based on expert knowledge — is likely to result in realistic solutions satisfactory to all.

The demand for fuel-efficient automobiles has caused manufacturers to increase their efforts in this direction. By a multitude of technical measures and design changes, the fuel consumption of newly registered German-built cars was cut by about 11 % since the early seventies. In addition, the German automobile industry will strive to reduce the fuel consumption of new cars 15 % by 1985 as compared to 1978. The technical and economic possibilities for further improving the safety and environmental compatibility of cars are also being systematically pursued at great expense and with considerable investments.

*U.S. Auto Industry under the Pressure of Structural Change*

To provide the U.S. carmakers, hard-pressed by the restructuring process, more room for maneuver, the U.S. government has refrained from further tightening the already very stringent standards on fuel consumption and emissions. The continued deep recession has prompted the U.S. automobile workers' union to make remarkable concessions with the goal of reducing labor costs. The further loss of jobs in this industry, which has such great importance for the whole American economy, is hoped to be prevented in this way. The cost advantage and the low prices of the Japanese models offered in the market played no small part in this development. The pressure on Japanese makers to limit their deliveries to the U.S.A. is more likely to increase than decrease in 1982, as we see it.

*Japanese Export Offensive*

After a long period of most vigorous expansion of output and exports, the Japanese companies also are faced with a new situation now. In 1981, they were no longer able to increase sales in foreign markets, particularly in Western Europe and the U.S.A., and therefore had to do without further growth in output. However, we do not believe this to mean the end of Japan's export offensive or that they are easing their competitive pressure in the automobile markets. Temporary self-restraint by the Japanese makers, who want to prevent the protectionist measures repeatedly threatened by the affected countries, is the more likely explanation.

The Japanese carmakers have considerably enlarged their market shares in the last few years in the U.S.A. and, increasingly, also in Europe. It has reached more than 20 % in several European countries with no auto industries of their own, such as Denmark, Austria and Switzerland. Several other countries with domestic auto industries such as the United Kingdom, France and Italy have sharply limited Japanese car imports. As for the Federal Republic of Germany, however, we are firmly convinced that the problem of Japanese imports cannot be solved by protectionist measures, especially as the German automobile industry itself is dependent on the unimpeded export of its vehicles for more than half of its production.

Powerful and economical long-distance truck-trailer/semi-trailer combination: Here a 1633 S tractor-trailer with 243 kW/330 hp engine, extra roomy cab, and air deflector (left).

Large-capacity transit/intra-city bus Mercedes-Benz O 305 G. Technologically advanced and particularly economical. Room for 184 passengers.

*German Auto Industry in 1982*

The traditional competitive advantages in engineering, workmanship, flexibility and service, in conjunction with the real depreciation of the D-Mark, have resulted in a partial recovery of foreign market shares by German manufacturers. If these successes are to endure and be extended - and that must be our endeavor — we must continue efforts to reduce competitive handicaps stemming from the cost of labor and material. This alone will enable us to hold the line and once again increase employment in this important industry. It demands great effort of all of us, but also offers us opportunities for qualitative and quantitative growth.

*Stronger Fluctuations in Car Demand*

The car industry sees itself faced with a whole array of problems in 1982. With increasing saturation of the markets in the Western industrial nations, competition will further stiffen. With growing motorization, the importance of replacement demand - which is postponable -increases. As the experience of the past decades shows, the automobile market follows the business cycle with sharper deflections. This tendency is reinforced by the noticeably diminished real purchasing power in many countries.

We expect a more moderate trend in the German car market this year. A repeated increase in the fuel tax would result in a direct impairment of domestic demand. Unless unforeseen events occur, car exports should remain steady and may even increase.

*Daimler-Benz: Boost in Car Output*

In our Mercedes-Benz car division the favorable order situation continues to ensure good employment. In 1982, we want to raise again output. Our model policy is in line with the unbroken trend towards economical cars with high-quality engineering. Further fuel savings, through new engine and transmission technologies as well as improved aerodynamics and weight reduction, remain a special objective of our development work. At the same time, we will not neglect the traditional goals of our product philosophy. That means that we will do everything in our power to maintain and extend our lead in engineering, safety, design and manufacturing quality, in ride comfort, in maximum utility value paired with outstanding economy - in short, in the balanced overall concept of our cars.

*Commercial Vehicle Market Strongly Contested*

In the international commercial vehicle markets, a further stiffening of competition in prices and terms is to be expected. Extraordinary sales increments are not likely in the coming years. In the long run, however, the commercial vehicle industry has a growing market potential due to large latent demand, particularly in developing countries. To secure the markets in developing and so-called threshold countries and to preserve jobs in Europe through component deliveries, the traditional manufacturers must increasingly participate in setting up assembly and manufacturing plants in these countries.

Because of the current economic situation and the continuing high interest rate level, we believe that there is little probability of an upswing in the domestic commercial vehicle market in 1982. We also do not expect an appreciable rise in demand as a consequence of the employment program recommended by the Federal government. Since last year's high volume of exports probably will not be attained again, particularly because of fewer orders from OPEC countries, the commercial vehicle industry must be prepared for a further output decline in 1982.

*Commercial Vehicle Division of Daimler-Benz*

On the strength of our full, comprehensive line of commercial vehicles we hope to be able to maintain our level of sales in the European markets. For our Woerth program we anticipate, on the whole, a still satisfactory capacity utilization rate, though lower than last year. In this product segment, to an increasing degree we will feel the effects of a slackening of demand from oil-exporting countries. In the van and bus departments we must attune ourselves to the prospect of continued unsatisfactory employment.

To compensate as much as possible for differences in capacity employment at individual factories we will again practice employment pooling within all plants in 1982. Production flexibility will be further improved by additional investments; we thus want to establish a basis for reacting as quickly as possible to changes in demand. In this connection, we already benefit from an

Mercedes-Benz van 207 D with cargo bed. One of more than 200 different versions.

200 tons mobile crane with 2 Mercedes-Benz diesel engines. Vehicle engine: turbocharged 12-cylinder(386 kW/ 525 hp). Crane engine: 8-cylinder (181 kW/ 246 hp).

extensive "building block" system, involving a high degree of component and parts interchangeability.

Our South American companies must again reckon with a drop in production in 1982, due to the extremely difficult overall economic situation in Argentina and Brazil. In the U.S.A. this year, on account of the continuing poor state of the overall market, we will probably not be able to increase our sales of Freightliner and Mercedes-Benz trucks.

*Capital Investment Program*

Our medium-range planning provides for increasing our domestic investments over the next few years to well over DM 2.5 billion annually. Spending continues to concentrate particularly on the car program, to which the new W 201 series will be added at the turn of the year 1982/83. In tooling up for this series, new manufacturing technologies are being applied and workplaces further improved.

In the commercial vehicle division we will concentrate all our energies on further developing our vehicle programs and raising productivity in order to further improve our product offering and counter rising costs. Based on these efforts, we are confident with respect to the medium and long-term outlook despite the intensifying struggle for market shares in the national and international commercial vehicle business. We proceed on the assumption that there will be no economic alternative to the diesel engine in commercial vehicles for a long time to come; we shall, therefore, work systematically to improve it.

*Path of Continuity and Stability*

The many different initiatives, the developments in the area of products and the carefully directed large investment programs reveal our positive assessment of the market prospect for Mercedes-Benz cars and commercial vehicles; we will systematically expand both product divisions. We attach great importance to a worldwide presence, in the interest of a wide distribution of risk. We therefore invest considerable funds in consolidating existing markets and opening up new ones, and in the worldwide

6 basic models with numerous equipment options, able to mount several hundred different implements: the efficient all-wheel drive tractor MB-trac.

sales and service network. Our broadly based research and development work also serves to safeguard the future. We will continue to strive to further improve the design, the production quality, the economy and the many other "classic qualities" of our vehicles through innovations in development work and production technology. We intend in this way to put ourselves in the position to satisfy the further growing demand.

We place confidence in the great dedication of our employees, our great technological potential, our good market position and our sound financial base.

*Daimler-Benz: 1982 First Quarter Trend*

In the first three months of 1982, Daimler-Benz manufactured 120,700 cars and 47,700 commercial vehicles. In addition, 8,400 commercial vehicles were built in our plants in South America and 3,700 in Spain. Our North American subsidiary Freightliner produced 2,260 heavy-duty trucks, and Euclid 180 heavy-duty haulers. Group sales in the first quarter of 1982 totalled DM 9.6 billion compared to DM 8.4 billion for the same period last year.

For the remainder of 1982, we expect car output to rise once more; in commercial vehicles, we will not be able to avoid a drop in sales. Nonetheless, on the whole we expect to maintain satisfactory employment within Daimler-Benz AG.

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

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

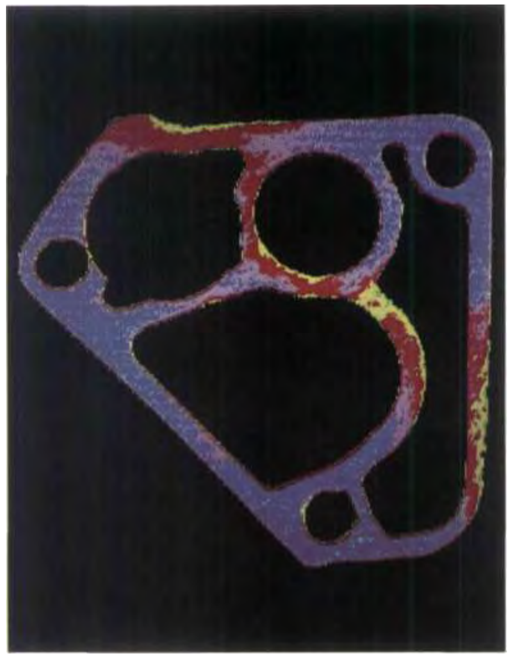
Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

# Research and Development

In 1981, we stepped up our research and development efforts. Our chief objective remained the enhancement of the high standards of our whole line of products and the transfer of these standards to the products of our subsidiaries throughout the world. In addition, we endeavor to augment the economy of our vehicles by cutting fuel consumption even more, but without sacrificing safety, comfort and product life, in other words, product and transportation quality.



Stress tests proving durability: Here the stress distribution at an oil filter flange, measured with digital image processing.

*DM 1.2 Billion for Research and Development*

We spent more than DM 1.2 billion for research and development in 1981. 9,900 employees are currently engaged in this work. In 1981 alone, we invested about DM 140 million in modern testing facilities and the extension of the engineering department building, with the aim to further improve on the efficiency of our development work.

*Differing Design and Certification Regulations*

Internationally, regulatory standards for the automobile are still not uniform; and in 1981 little progress was made in the urgently needed harmonization of these regulations. In some areas, there were even setbacks. Switzerland, for example, established new limits for noise emissions and introduced completely new exhaust emission standards. Like Sweden, Switzerland is not adopting the ECE emission standards for passenger cars. In the U.S.A. by contrast, certain of the existing regulations are not being tightened further - part of a program to aid the ailing automobile industry. The emission standards for cars and commercial vehicles which have long been in force will remain as they are, but they will continue to differ from the European standards. For Europe and the U.S.A., therefore, we shall have to apply different design approaches to emission problems. The often isolated and abrupt actions of certain countries take up much of the engineering capacities, they sometimes reduce the variety of models available and at the same time make cars more expensive - all to the disadvantage of motorists!

Methanol gas engine with energy recuperation. Mercedes-Benz busses with environmentally compatible, non-oil-based methanol gas engines are already being tested.

In addition to varying construction regulations, which often create trade barriers, national certification requirements - frequently arbitrary - hamper free access to the market. We support and promote all efforts directed toward uniform international automobile regulations; in an effort to counteract their protectionist impact.

*Frankfort International Auto Show 1981*

At the 1981 Frankfort International Auto Show (IAA), we presented significant results of our research and development activities. Considerable interest was shown in our study projects which deal with the future of the automobile, and which concentrate particularly on fuel economy, resource conservation, driver comfort systems, environmental protection and transportation economy.

*New Coupes*

Our new coupe, with models 380 SEC and 500 SEC, continues the long tradition of distinguished, limited-production cars. The perfect synthesis of sportiness, functionality and aerodynamic bodywork with a drag coefficient of only .34 is the result of the successful cooperation of stylists and airflow engineers.

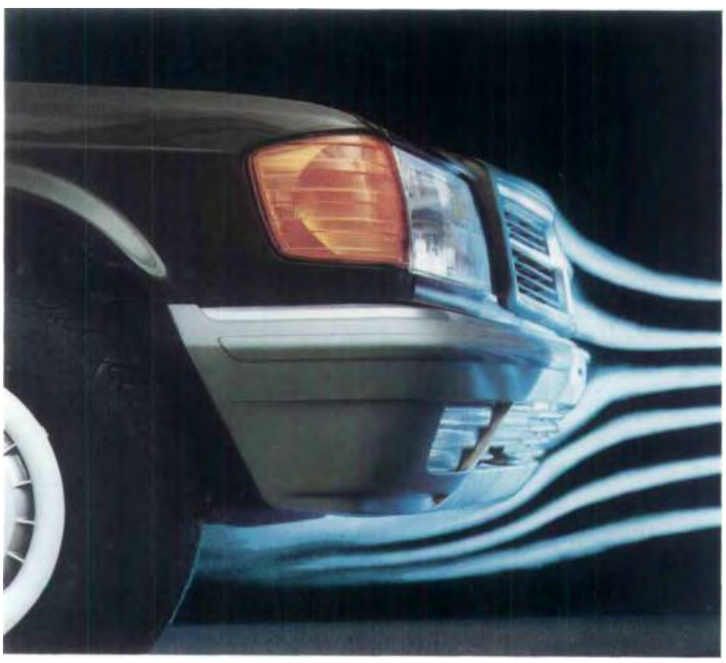
*"Mercedes-Benz Energy Concept"*

The "Mercedes-Benz Energy Concept" is a comprehensive package of consumption-cutting measures, ranging from improved engines to optimized transmissions and axle ratios. The fuel consumption of our cars with light-alloy V-8 engines was cut by as much as 22 %, and in the so-called urban cycle (according to DIN) by as much as 28%.

*Research Car*

Our Mercedes-Benz Research Car ("Auto 2000") incorporates a multitude of technical innovations which are mostly in a very early stage of development. Three different drive systems are being tested for this vehicle: an electronically controlled fuel-injected V-8 gasoline engine with anti-knock control and cylinder cutoff; a light-alloy V-6 diesel engine with two-stage turbocharging; an electronically controlled gas turbine. The Research Car features electronic driver information systems, a computer-controlled indicator system, and a driving program selector permitting control of engine and automatic transmission. A modified version of the "Anti-Block Braking System" (ABS) has been designed to prevent the drive wheels from spinning during acceleration on surfaces with poor traction.

Balanced design and lowest possible aerodynamic drag. The new coupe is the product of sucessful cooperation between styling and aerodynamics.



So far, we have spent more than DM 55 million on this project. We are receiving about DM 24 million from the Federal Ministry for Research and Technology under the "Road Transportation" development program.

During the Frankfort Auto Show we introduced a Mercedes-Benz model 200 for autogas operation. The growing demand for vehicles equipped to run on autogas has prompted us to include them in our car program starting in the autumn of 1982.

*Commercial Vehicles with further Improved Fuel Economy*

Through new engine and power train technologies we have been able to further improve the fuel economy, particularly of our heavy-duty commercial vehicles. The goal of the development work is to combine high performance with low fuel consumption, as well as limited exhaust and noise emissions.

To further reduce fuel consumption, we have designed a wind deflector for truck cabs, in place of the familiar air shield, which appreciably reduces wind resistance even in diagonal air flow.

*ABS for Commercial Vehicles*

In cooperation with one of our suppliers we have adapted the electronically controlled "Anti-Block Braking System" (ABS) to the requirements of commercial vehicles; this system is now ready for production. This brake system has been offered since last autumn, initially for heavy-duty trucks and busses. We intend to make this system successively available for our whole commercial vehicle program.

For special bodies, particularly for heavy payloads, we have designed the new four-axle truck 3328/8 x 4/4 featuring two steered and two driven axles. In Germany, the vehicle can only be registered as a so-called self-propelled work machine owing to the legal limits on axle loads. Abroad, registration is possible also for general road use.

*Quiet Commercial Vehicles*

In November 1981, we introduced a number of quiet commercial vehicles. These vehicles - delivery vans, municipal vehicles, heavy-duty trucks and touring

Quiet commercial vehicles with encapsulated power plants - demonstration of the results achieved to date of a research project at the Hockenheim Motodrome in November, 1981.

coaches - were developed partly in connection with a research project sponsored by the Federal Office for Environmental Protection ("Umweltbundesamt"). We have thus taken a further step in the development of environmentally more acceptable commercial vehicles. An essential prerequisite for the successful completion of this research project was our noise test facility for commercial vehicles; it has been in operation for three year. However, there are still numerous technical problems to be solved before our findings can be incorporated in large-scale production.

Since 1973, we have been offering quiet city busses with encapsulated engines as standard. To date, more than 6,000 busses have been sold of this version. Before these "noise reducing packages" are accepted by the customer, however, there are also economic barriers to be cleared. The noise-dampening engine encapsulation causes added weight of between 130 and 275 lbs. Smaller payloads and additional costs both for production and maintenance are the consequence. Lawmakers should, therefore, not rush to institute nationwide regulations on noise limitation, but should proceed step by step in this area and take initial action only where noise abatement yields the greatest benefit.

*Alternative Energies for Road Traffic*

As part of the demonstration and research project "Alternative Energies for Road Transportation", sponsored by the Federal Ministry for Research and Technology, we have in Berlin more than 50 vehicles in operation, part of which run on a gasoline-methanol mixture (M 15), part on pure methanol (M 100). We monitor these vehicles, which are very close to the production version, at our Berlin branch. So far, there has been no evidence of any specific problems. Final verdicts as to the suitability for everyday use can be expected by the end of this year (for M 15) and by the end of 1983 (for M 100). Although public funds to support this project have been curtailed, we intend to ensure the quality of the scientific results of our engagement.

In parallel studies, we are developing vehicle designs specially adapted to methanol operation that permit more efficient utilization of the energy contained in this fuel.

The "Anti-Block Braking System"(ABS) for commercial vehicles - a contribution to traffic safety.
Demonstration of this newly developed electronically controlled brake system in the Finnish winter.

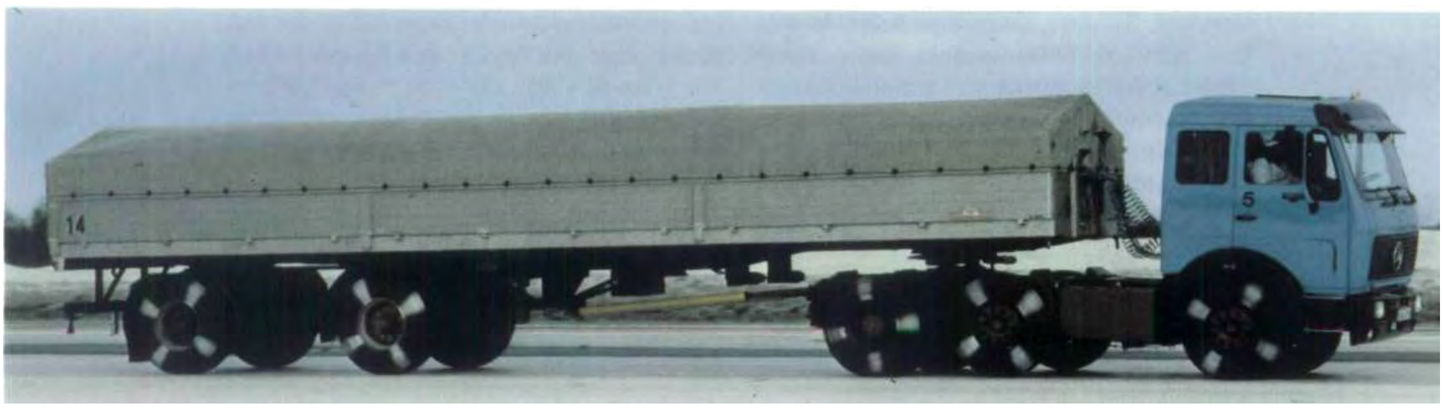
Pictures 1-3:
Without ABS, the tractor-trailer jackknifes during panic stop.
The vehicle with ABS holds track and remains steerable even on icy, slippery surfaces (photo below).

## *Alternative Drive Systems for Public Transportation*

Our planning for the transportation systems of the future is based on the assumption that the existing dual system of transportation — private and public transportation combined - must continue to be developed and improved. More than 10,000 units of our O 305 city bus have proven themselves over the past years. With a view to the requirement of the eighties, together with the Association of Public Transportation Companies, we developed the successor to this bus, a project called S 80. Ten of these busses are already undergoing testing in regular service in Hamburg, Kassel, Stuttgart and Kiel. To meet further requirements, we have also included the intercity touring bus in our work under the project designation U 80, prototypes of which are already in operation.

In connection with our research work on the future of urban bus-transport, we are taking a hard look at alternatives to the conventional diesel drive, currently the power source for all large busses. At the present, we are gathering experience with the following alternative power systems:

- A methanol-gas engine which uses part of its waste heat to vaporize the methanol.
- A diesel engine running on ethanol with a chemical additive to aid ignition. This method was jointly developed with our Brazilian subsidiary and is already being tested in city service in Sao Paulo.
- A hybrid bus with electric drive, which can operate emission-free in downtown areas. Its batteries can be recharged by a diesel generator in outlying areas.



In the Mercedes-Benz Research Car ("Auto 2000"), numerous research projects dealing with energy saving, environmental protection, safety and reduction of driver stress are realized, tested and developed further.

- A Duo-bus which taps power from overhead electric wires to operate its electric drive and recharges the batteries it carries with it. In another version, a conventional diesel engine is used on routes without overhead wires, eliminating the need for the heavy batteries.
- The once common trolleybus with electric drive featuring a small gasoline engine with generator as a standby power plant.

*'O-Bahn System'*

The "O-Bahn" or track-guided bus system, development of which we have been engaged in for years, serves to further improve public transit. This system can be gradually introduced and extended to meet local transportation requirements. Track-guided O 305 G articulated pusher busses are already in operation in Essen. Preparations for their introduction are under way in Regensburg. We also have inquiries from foreign countries for large-scale projects. From the articulated pusher bus we have meanwhile developed a large-capacity bus comprising several sections and is designed to hold 240 passengers.

*Driving Simulator*

For the work of our "Research Group Berlin", at our Berlin-Marienfelde plant we will spend some DM 25 million for the installation of a driving simulator, construction of which was begun in 1981. We are fully aware that, so far, satisfactory simulation of a motor vehicle in operation has not been possible. Only the use of microprocessors has permitted improvements of simulation techniques and yields results sufficiently accurate for our purposes. The research work planned with the driving simulator will center on technical problems and on questions dealing in particular with the consequences of driver behavior in traffic.

*New Test Track*

The competitiveness of our products, and thus the jobs in our factories, depends to an ever growing extent on the availability of suitable test tracks, urgently needed to test our vehicles, and to demonstrate compliance with regulatory requirements. Although we are in possession of sufficient land in the economically weak Boxberg region of Main/Tauber county, and although we received a building permit in October of 1981, we cannot as yet begin construction. The delay can be attributed to the activities of a small group of people opposed to the test track: a petition has been filed against the zoning plan, objections have been raised against the construction permit, and the legality of the court order initiating the land clearance is to be reviewed. We trust that a final court order confirming initial approval will soon enable us to begin construction, as our test track in Untertuerkheim no longer suffices to handle the necessary testing and urgently needs relief.

# Purchasing

*Higher Purchase Volume*

The volume of purchases of finished parts, raw materials, supplies as well as capital goods and services rose again substantially in 1981. Worldwide expenditures totalled more than DM 22 billion (last year DM 18.5 billion). Purchases by Daimler-Benz AG alone came to DM 17 billion (last year DM 15 billion).

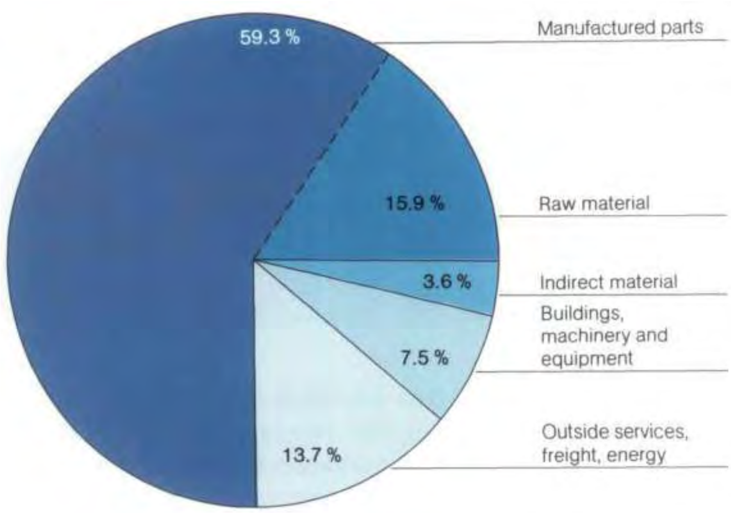
Apart from price increases, this reflects the higher production volume and the ambitious capital spending program. With the steadily rising investment volume, the significance of the Daimler-Benz Group as a customer of both the German and international supply industry grows even more.

Our domestic plants are doing business with more than 30,000 enterprises. Besides large and medium-size companies, these include numerous small companies and the small-scale crafts and trades, for whom Daimler-Benz AG had been a steady customer in the economically difficult year of 1981.

*Higher Prices for Materials*

The prices of materials and parts purchased from suppliers rose again in 1981. Our vendors were only partially able to absorb, through increased efficiency, the distinctly higher prices for energy and oil-dependent products and higher labor costs.

*Consolidated Purchasing Volume: More than DM 22 Billion in 1981*




Our suppliers in the metalworking industry - and Daimler-Benz directly - were gravely impacted by the price increases for bulk and high-grade structural steel, which were took place in 1981 and approved for 1982. We can appreciate that the steel industry views an improvement in its earnings as a question of survival. However, the frequency, the amount and the abruptness of the price increases, which represent an additional, extraordinary burden for


Material and parts worth several billion D-Marks are delivered each year to our Sindelfingen car factory alone.

Modern storage techniques for tens of thousands of parts: Here our material warehouse at the Bremen plant.

the automobile industry and its suppliers, especially in a period of low business activity, are disturbing to us, as are the drastic interventions of national and European governments in our most important procurement market.

*Inventory and Material Flow*

In 1981, we placed special emphasis on optimal control of inventories and material flow. The high interest rate level was an important reason.

Through selective measures, in part already introduced last year, we succeeded in further reducing average inventories of materials and supplies without having to reduce the availability of materials. A substantial contribution came from optimization of the flow of materials, for example through use of suitable storage forms and efficient EDP systems. Moreover, we are maintaining our traditionally good working relationship with our suppliers and carriers.

*Smooth Supply of Materials*

The higher production, several production start-ups of new vehicle models and components in the car and commercial vehicle divisions and the necessity to adapt quickly to changing market situations placed great demands on our suppliers. Their high degree of commitment and cooperation ensured the smooth supply of materials to our production facilities in 1981. The traditionally high standard of quality was fully maintained. We wish to thank our suppliers and all those who handled shipments to our plants for these achievements.

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

# Production

Variations in the utilization of production capacities in the different areas of manufacture placed considerable demands on us in 1981; nevertheless, we were able to maintain an uninterrupted and efficient production process.

We persisted in our efforts towards greater flexibility and productivity, in which we see the only possible answer to the structural market changes which call for ever greater product diversity. Particular emphasis was placed on the continued improvement of the quality standard of our products and of the production techniques so essential to quality.

*Increased Productivity in Car Component Production*

After the production startup of new car engines, transmissions and axles in 1980, we directed our efforts towards increasing the productivity of manufacturing operations at the Untertuerkheim plant and its subplants Mettingen and Hedelfingen. Through increased use of ceramic and diamond tools for high-speed cutting, for example in the production of our light-alloy engines, we succeeded in better utilizing machine capacities.

With the help of freely programmable control systems, which incorporate monitoring and diagnostic systems, we were able to increase machine availability considerably. In 1981, we doubled the number of such machines in our factories. These machines permit a greater dimensional accuracy of the workpieces and thus, continuing improvement in quality.

We also improved quality and productivity in other areas of component manufacture. Examples are the fully automated core assembly operation at the Mettingen foundry, the automatic pressing, broaching and hardening of axle joints, and the painting of axles with industrial robots. At the same time, this enriches job content and improves working conditions.

The new production facilities for the components of the W 201 car series will be designed exclusively with efficient, quality-assurance programs and modern, humanly engineered work stations in mind.

*Automation in Car Body Production*

At our body and assembly plant in Sindelfingen, preparations for the production startup of the W 201 accounted for the bulk of capital investment. In the bodyshell production, we took a decisive step towards economical automation with the use of multiple-axis, freely programmable industrial robots, especially for the S-Class. Due to the greater precision attained with these robots, we were able to improve quality to a considerable degree. Industrial robots will also assure uniform welding quality in the W 201. In assembly, we have continued our past approach for achieving optimum work station design through ergonomic measures and smoother assembly line speed, and through further progress in job enrichment and through modern, state-of-the-art assembly techniques and inspection.

To improve surface protection even more, we have set up a new corrosion prevention center in which corrosion damage is analyzed and effective technologies are developed to prevent corrosion.

*Quality Improvements in Commercial Vehicle Manufacture*

In commercial vehicle manufacture it was our goal to adjust to rapid market shifts with an equally flexible production system so as to meet our customers' exacting demands for quality. We have developed a mobile measuring and data recording system for engine production at the Mannheim plant with which we monitor the quality of manufactured parts and, if necessary, intervene as required.

Bus assembly at our Mannheim plant.

Grinding of main shafts for manual car transmissions on fully automatic, self-adjusting and interconnected machines (right).

Through systematically increased use of flexible, numerically controlled machine tools with integrated measuring controls we have obtained even more uniform quality in engine and axle manufacture in our commercial vehicle component factories. These modern techniques have proven their value both in turbocharged engines as well as the new commercial vehicle axles.

With the start-up of production of the heavy-duty transfer cases and the first 5-speed manual transmissions for vans we have further expanded commercial vehicle transmission manufacture at our Gaggenau plant. We made important advances in the automated gear manufacturing process and in computer-aided quality control gear measuring devices and their evaluation.

*Expanded CKD Deliveries*

At the Woerth plant, we handled in 1981 the highest production volume to date and at the same time, for example, added 40 new forward-control models to the product range. In addition, we raised daily CKD deliveries by 33 % to 140 units. New computer-assisted control systems have further improved quality. The temporary CKD shipping facilities will be replaced during the next few years through planned expansion.

In Duesseldorf, the 500,000th van rolled off the assembly line.

*Optimal Production*

In connection with the reorganization of the production pooling system of our domestic plants, we are systematically enlarging the Bremen plant - in a first stage to handle the bodyshell parts production for the W201.

We commenced production of the 4.6 ton GVW version of our light van at the Duesseldorf plant in 1981. Manufacturing operations were transferred to concentrate axles in Kassel and commercial vehicle transmissions in Gaggenau. These measures are a part of our efforts to combine similar manufacturing operations to obtain larger volume. They also facilitate the balancing of employment between our factories in reaction to cyclical fluctuations of demand for cars and commercial vehicles.

*Applied Environmental Protection*

We put into service an active carbon solvent-recovery system to clean the air exhausted by paint dryers, the first facility of its kind in the automobile industry. We appreciably cut our water requirements and the production of waste water once more by expanding the waste water treating facilities and installing additional circulating sys-

The only manual operation is loading: fully automatic interconnected lathe transfer system for machining of front wheel brake discs at the Mettingen plant.

terns. Our new galvanizing facility, which produces fewer residues and waste water, is another major contribution to environmental protection and conservation of resources.

In 1981, our investments in environmental protection totalled DM 66 million. The regular costs of pollution prevention have been rising in recent years.

*Decreased Power Consumption*

We continued to systematically cut down on energy use in our plants by a host of ad hoc measures centering around heat insulation, heat recovery and structural conductivity in new buildings as well as the optimum use of energy in operations requiring much power, such as foundries, forges and paintshops. In this way, we succeeded in offsetting the higher energy requirements caused by automation and modern workplace design.

*Production Abroad*

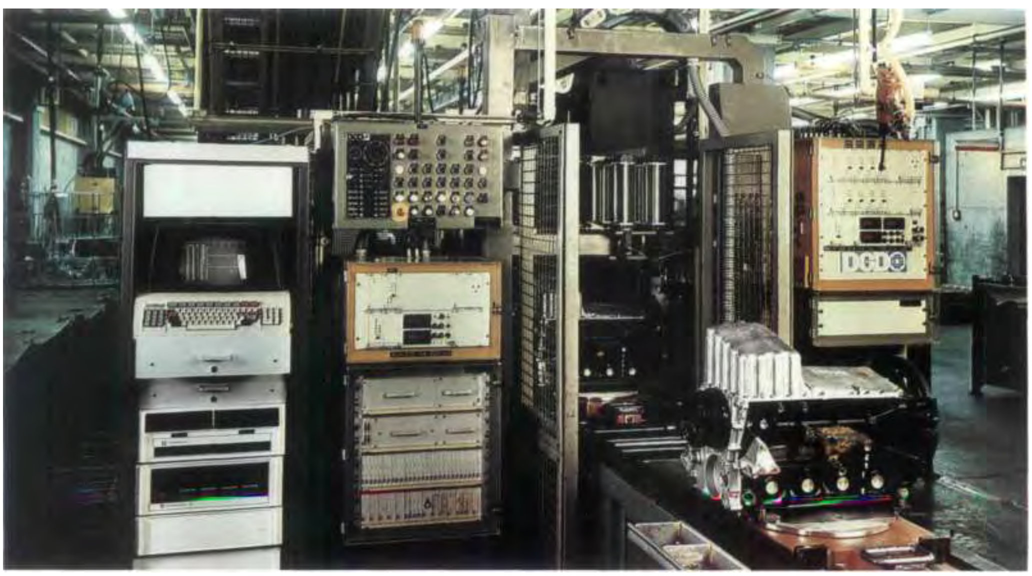
Production facilities and manufacturing techniques in the foreign plants are planned on the basis of the intensive interchange of know-how and experience with the German factories, which is in line with our efforts towards thorough technical integration within the Group.

At our South African subsidiary UCDD, a long-term expansion program has been launched for the purpose of increasing capacity. To permanently ensure the supply of engines we were the project leader in planning the engine factory of Atlantis Diesel Engines (Pty.) Ltd., near Cape Town. The plant has since commenced production and is delivering commercial vehicle engines of our 300 and 400 series.

We reorganized van and engine manufacture in the factories of Mercedes-Benz Espana. The first model MB 150 and MB 170 vans rolled off the assembly lines.

Based on our plans, the Indonesian assembly plant in Wanaherang was completed as scheduled at the end of 1981. It is considered the country's most up-to-date industrial facility.

Assembly of heavy commercial vehicle engines at our Berlin-Marienfelde plant: Here the crankshaft is being fitted.



Electronically controlled automatic bolting station in car engine assembly at the Untertuerkheim plant.

# Sales Organization

*Demanding Markets*

The keen competition in the international motor vehicle markets and the often abrupt changes in demand and sales structure - particularly involving commercial vehicles - once again placed great demands on the sales and service organization. More than ever, success in the market is determined by an efficient, flexible service organization. Our declared goal is to make our service match our Mercedes-Benz engineering.

The balance between factory-owned branches and independent dealerships at home and factory-owned sales companies and independent distributors abroad once again proved its value. In addition, we were benefitted by the combination of the car and commercial vehicle business in a largely homogeneous sales and service organization. Also in 1981, we invested considerable sums in our factory-owned branches and distribution companies. Moreover, our domestic and foreign associates made sizeable expenditures which also contribute to consolidating our market position.

*Expansion of Service Capacity*

In Germany, we currently have 40 factory-owned branches with 59 subbranches. DM 126 million in capital investment went especially for continuous shop modernization, along with replacement of equipment, as well as for the construction of new showrooms and vehicle facilities. Through even more productive service capacities we want to further shorten the time our customers' vehicles spend in the service shops. On average, Mercedes-Benz service shops in Germany can provide maintenance and repairs for about 25,000 cars and commercial vehicles daily.

Through our service activities we obtain valuable information on how our vehicles stand up in practice under almost any imaginable condition. This data is carefully evaluated and is an important basis for developing new vehicles and improving existing models, especially in regard to serviceability. Thus, experience in service in conjunction with intensive research and development work enabled us to introduce a new maintenance system for medium and heavy-duty trucks and for busses in 1981. The system permits a substantial reduction of vehicle downtime, lower maintenance costs, and appreciably increased vehicle availability to the customer, a major factor in economic operation. An emergency service for cars and commercial vehicles is ready to serve our customers 24 hours a day.

*1,700 Sales and Service Points in Germany*

Together with our independent dealers, in Germany we have more than 1,200 sales and service points for cars and commercial vehicles, and another 560 for Unimog and MB-trac. Our entire domestic sales and service system employs more than 57,000 people, including 17,000 in our factory-owned branches.


Our customer services also include the mobile "Mercedes-Benz Touring Service" in the major European vacationing areas.

*Vehicle Leasing Business Expanded*

As a special service we offer our customers leasing agreements for our vehicle program through our subsidiary "Mercedes-Leasing GmbH". Lease and vehicle sales revenue rose 43 % to DM 191 million in 1981. The company leased 5,600 (last year 4,000) vehicles in the period covered by this Report, investing DM 196 million (last year DM 132 million) for this purpose. Commercial vehicles, particularly in the 2 to 8 ton GVW range, accounted for about half of new leasing business. We expect the high growth rates in the leasing business to continue in the coming years.

*4,800 Sales and Service Points Abroad*

Some 4,300 outlets in more than 170 countries make up the Mercedes-Benz sales organization abroad. The heavy-duty Euclid haulers and the heavy-duty trucks from Freightliner are sold under their own nameplate and are serviced in 280 and 190 centers, respectively.

More than 67,000 people are employed in service and sales in foreign countries. The service network was further extended. The capacities for commercial vehicle maintenance, in particular, were increased. Mobile service units of the Mercedes-Benz "Trans-Europa-Service" and the "Touring-Service" supplement our after-sales service in Europe. They provide road service and support existing service facilities mainly in countries with heavy international traffic.

Parallel to the expansion of technical capacities, service employees are given thorough training to raise their professional level. Training takes place in our central training facility in Esslingen-Bruehl or on the job. In 1981, we also stepped up our direct advice and support to public authorities and fleet customers.

*Parts Service Further Improved*

Parts supply — an essential element of our service effort - was further improved. Parts must be available quickly, on the one hand; on the other hand, service must also take economic aspects into account because of the enormous amount of capital tied up in parts depots.

For years, we have systematically refined our "parts logistics". With the aid of electronic data processing, optimum inventories are determined so that parts can be kept ready for every contingency and distributed through an efficient transport system. Our central parts depots in Woerth (for commercial vehicles) and Sindelfingen (for cars) can deliver any part requested to anywhere in Europe in the shortest possible time. Express service in the Federal Republic of Germany and the neighboring countries and airfreight shipment overseas ensure speedy parts supply. More than 30,000 order items are handled every day. A computer microfilm system provides immediate, accurate information on each of the more than 300,000 parts, with illustrations, applicability and numerous other important data.

Promotion of the use of "Mercedes-Benz Original Parts" continues to represent a commitment to us. It also ensures in service the same high quality the customer gets when purchasing a new Mercedes-Benz. Only an Original Part is the guarantee that the part has been developed, tested and inspected under our control and meets the precisely defined specifications, for example as to material, tolerances, hardness, accuracy and function.

The new delivery center at the Sindelfingen car plant. Every year, tens of thousands of customers personally pick up their Mercedes-Benz here.

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

# Employment and Benefits

*Emphasis of our Personnel Policy*

The central objective of our personnel policy in 1981 continued to be the assurance of steady employment to the greatest possible extent in all areas of our company. In view of the labor market problems, we consider our ability to add about 2,800 new jobs of significance for the whole economy. At certain foreign subsidiaries, employment levels could not be maintained on account of general economic and market trends; however, working with all parties concerned, we were able to make arrangements that gave appropriate consideration to the social aspects.

Of increasing significance for our labor policy is the continuing adaptation of working conditions in production and administration to the employee's needs, while at the same time maintaining technical and economic efficiency. New technologies, the necessity of economic use of equipment and the changed expectations of employees must be synthesized in a way that is acceptable to both the employees and the company. To achieve this, additional effort must be invested in training and education, both basic and advanced, as well as in individual career development and the maintenance of good relations between management and employees.

The labor cost trend requires that strict standards be applied to the medium-range planning of personnel requirements in the indirect production, planning and administrative sectors.

Constructive cooperation with the general and plant works councils based on mutual trust acquires an even greater significance in view of the growing tasks. We are very happy, therefore, that we can again report having reached a consensus in talks on all major issues of mutual concern during the year 1981, despite frequent differences in our initial positions.

*Labor Contracts*

In the metal working industry, wage and salary increases of 4.9 % became effective on April 1, 1981. A lump-sum of DM 160 was paid for each of the months of February and March, 1981. In addition, the next-to-last stage on the way to a contractual six-week vacation for all employees took effect as provided for in the 1979 agreement. The average vacation entitlement of our employees already passed the 30-day mark last year, including the contractual and statutory vacation supplement for high seniority employees and disabled persons.

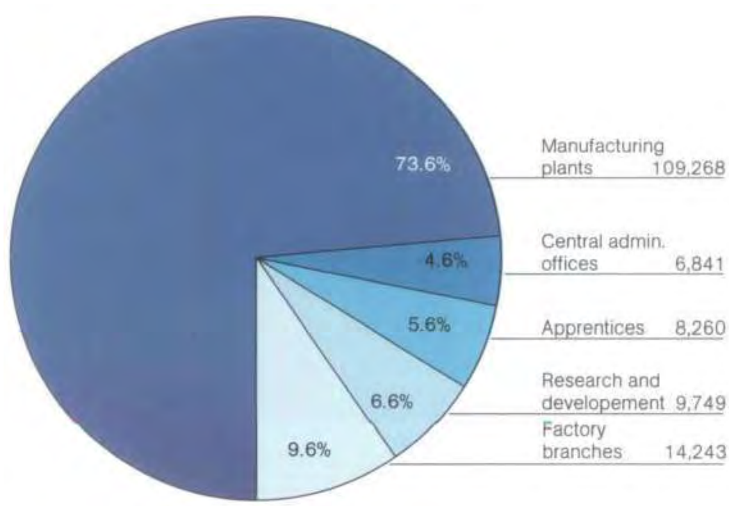
*Social Welfare Law*

The increase in the social security contribution rate and in the social security wage base (to DM 4,400), with proportionate effects on unemployment and health insurance, contributed to a further rise in personnel expenses in 1981. Some 150 employees were active as employer or employee representatives on committees dealing with pension, health and accident insurance and labor administration; Daimler-Benz has actively participated in discussions and opinion-forming processes concerning the meaningful dampening down of costs in all areas of social security.

*Employees*

In the last five years, our company has created about 22,000 new jobs in the Federal Republic of Germany. Of significance

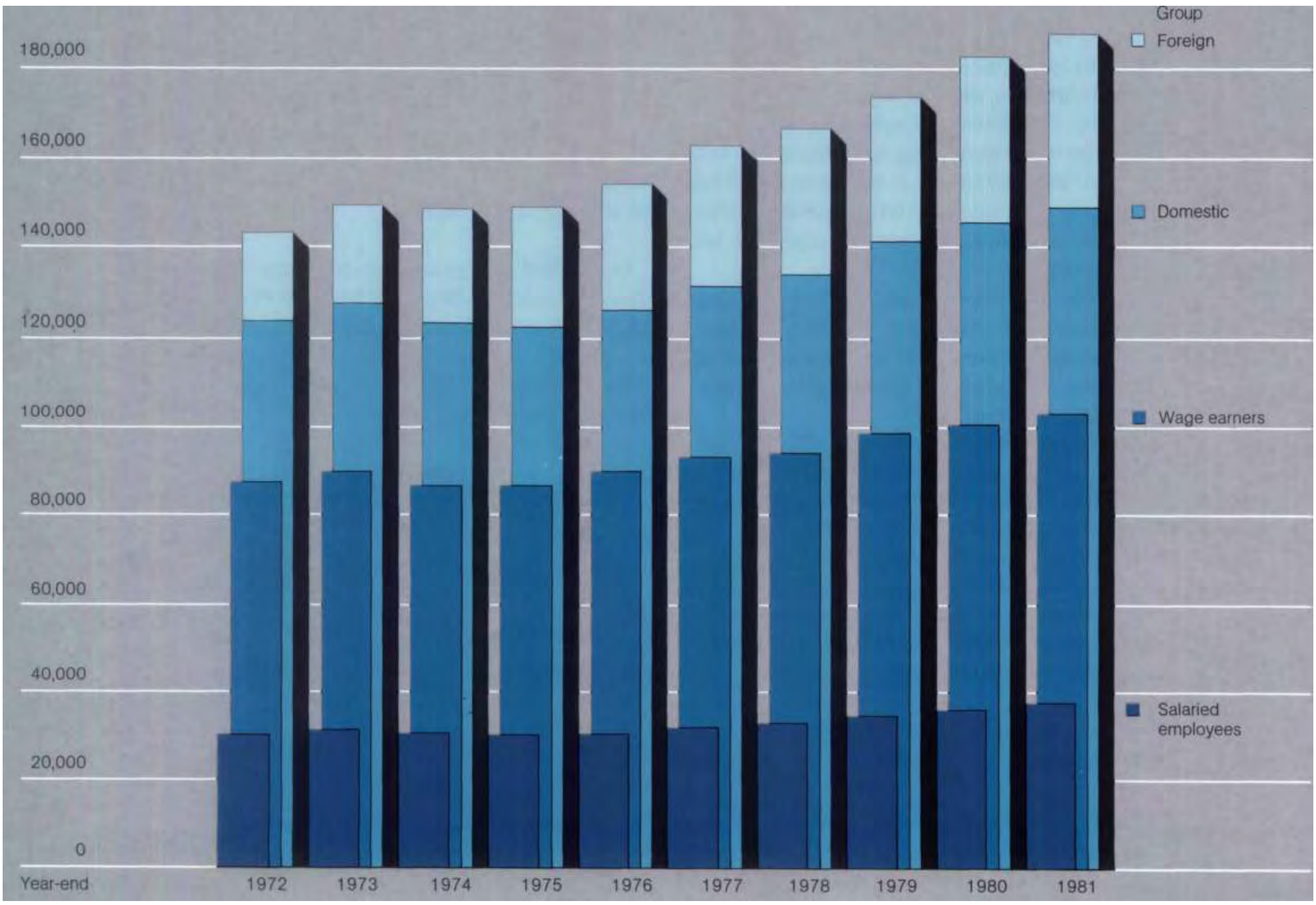
*Daimler-Benz AG 1981:*
*148,361 Employees*



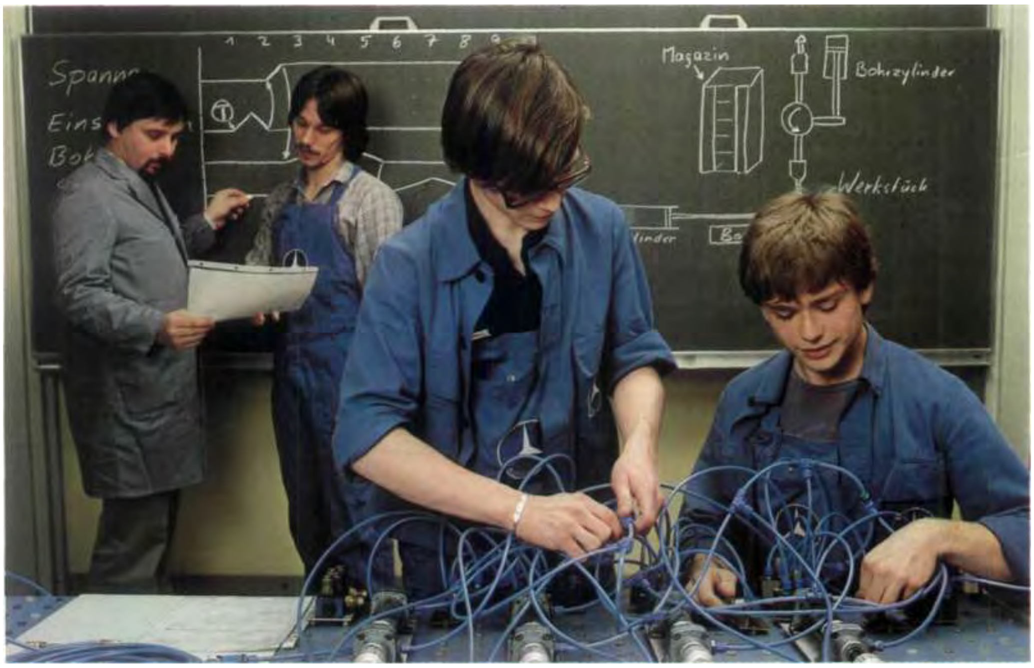

Efficient work methods and economically designed work-places are developed through team effort in the early planning phase.

# Employees

| Figures at year-end | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | **143,793** | **150,014** | **149,175** | **149,742** | **155,003** | **163,302** | **167,165** | **174,431** | **183,392** | **187,961** |
| Foreign | 19,498 | 21,638 | 25,135 | 26,597 | 27,985 | 31,088 | 31,890 | 32,267 | 37,069 | 38,865 |
| Domestic | 124,295 | 128,376 | 124,040 | 123,145 | 127,018 | 132,214 | 135,275 | 142,164 | 146,323 | 149,096 |
| of which: **Daimler-Benz AG** | **122,601** | **126,855** | **122,899** | **122,775** | **126,652** | **131,807** | **134,437** | **141,401** | **145,532** | **148,361** |
| of which: Main Office[1]) | 6,100 | 6,735 | 6,599 | 6,533 | 6,728 | 7,220 | 7,649 | 8,180 | 8,810 | 9,487 |
| Plants Untertuerkheim[2]) | 22,794 | 23,411 | 22,469 | 22,095 | 22,950 | 24,115 | 24,495 | 25,054 | 25,565 | 25,573 |
| Sindelfingen | 30,567 | 31,580 | 30,682 | 30,955 | 33,232 | 34,359 | 34,558 | 36,551 | 37,194 | 38,353 |
| Mannheim | 12,373 | 12,730 | 12,863 | 12,900 | 12,901 | 13,383 | 13,584 | 14,053 | 14,619 | 14,521 |
| Woerth | 7,458 | 8,201 | 8,400 | 8,687 | 8,430 | 8,853 | 8,774 | 9,622 | 10,192 | 11,055 |
| Gaggenau | 7,968 | 8,397 | 8,704 | 8,680 | 8,608 | 8,696 | 8,860 | 9,177 | 9,354 | 9,707 |
| Bremen | 4,099 | 3,923 | 3,496 | 4,099 | 4,293 | 4,727 | 5,994 | 6,571 | 6,515 | 6,309 |
| Duesseldorf | 4,652 | 4,712 | 4,476 | 4,401 | 4,572 | 4,664 | 4,621 | 4,954 | 5,118 | 5,058 |
| Kassel | 3,795 | 4,012 | 3,774 | 3,838 | 3,931 | 4,089 | 3,969 | 4,086 | 4,341 | 4,359 |
| Berlin | 2,504 | 2,754 | 2,723 | 2,886 | 2,895 | 3,065 | 3,054 | 3,191 | 3,252 | 3,473 |
| Hamburg-Harburg | 2,065 | 1,875 | 1,706 | 1,736 | 2,184 | 2,265 | 2,385 | 2,475 | 2,535 | 2,613 |
| Bad Homburg | 660 | 696 | 685 | 692 | 715 | 736 | 767 | 814 | 855 | 881 |
| Branches | 16,537 | 17,162 | 15,689 | 14,705 | 14,693 | 15,157 | 15,727 | 16,673 | 17,182 | 16,972 |




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




Understanding and being able to handle hydraulic systems is part of our training program for technical occupations.

for the whole economy is, above all, the fact that the steady growth of employment at our Company was not only possible in areas with comparatively low unemployment rates, such as the Middle Neckar region, but, to our satisfaction, also in economically depressed regions.

It was our endeavor again in 1981 to differentiate job status solely on the basis of function. Accordingly, the differentiation between wage earners and salaried employees plays an increasingly smaller role. Meanwhile, nearly a third of all wage earners have the so-called "monthly wage" contracts; in this way, a far reaching assimilation of job status between wage earners and salaried employees has been achieved.

*Disabled Persons*

More than 8,300 of our employees were recognized as disabled at the end of 1981. That is about 6 % of our work force. Even without the "Year of the Handicapped" in Germany, we have always considered it our duty to create as many jobs as possible for the handicapped, or to design jobs to meet their special needs. Daimler-Benz has been exempt for years from paying the so-called equalization levy for not employing a specified percentage of disabled persons under the law. We also place a large number of orders with workshops for the handicapped. The total volume of such orders was about DM 13 million in 1981.

*Foreign Employees*

The proportion of foreign employees in the work force of 21.8 % is essentially unchanged from last year's 21.7 %. We have further expanded educational programs for foreign employees, particularly for young "second-generation foreigners". Thus, for example, at the Stuttgart-Untertuerkheim plant, foreigners now make up more than 8 % of the newly hired apprentices in commercial and technical occupations.

*Social Security*

The following information clearly shows the financial volume and the current high level of retirement payments made according to the rules of the Daimler-Benz Provident Fund:

In 1981, DM 127 million were disbursed for current benefits to 31,493 pensioners, widows and children. Payments to employees who retired in 1981 averaged DM 539 monthly. At the end of 1981,

## SUMMARY OF PERSONNEL EXPENSES – DAIMLER-BENZ AG

| | 1981 millions of DM | 1981 in % of wages and salaries (basic expenditure) | 1980 millions of DM | 1980 in % of wages and salaries (basic expenditure) | 1981 to 1980 Change in % |
|---|---|---|---|---|---|
| **Wages and salaries (basic expenditure)** | **4,234.3** | **100.0** | **3,954.3** | **100.0** | + 7.1 |
| **Paid vacation and other time off** | **1,693.0** | **40.0** | **1,558.9** | **39.4** | + 8.6 |
| Normal paid vacation (Union contract) | 665.6 | | 600.1 | | |
| Additional paid vacation | 324.6 | | 293.3 | | |
| Holiday pay | 203.5 | | 190.1 | | |
| Wage and salary continuation pay during illness | 352.4 | | 339.9 | | |
| Other time off and convalescence | 146.9 | | 135.5 | | |
| **Contribution for employee benefits** | **960.8** | **22.7** | **879.1** | **22.2** | + 9.3 |
| Medical and social security contributions | 893.3 | | 817.5 | | |
| Contributions to employee trade associations | 60.3 | | 58.1 | | |
| Contributions to Pension Insurance Association | 7.2 | | 3.5 | | |
| **Special payments** | **469.1** | **11.1** | **430.1** | **10.9** | + 9.1 |
| Christmas and special remuneration | 363.7 | | 328.1 | | |
| Formation of personal capital | 105.4 | | 102.0 | | |
| **Pay during training periods**[1] | **188.6** | **4.4** | **170.8** | **4.3** | +10.4 |
| **Social services**[1] | **166.1** | **3.9** | **157.7** | **4.0** | + 5.3 |
| deduct-amounts included twice | −122.4 | − 2.9 | −111.4 | − 2.8 | + 9.9 |
| **Personnel expenses** (without old-age pensions) | **7,589.5** | **179.2** | **7,039.5** | **178.0** | + 7.8 |
| **Old-age pensions** | **688.1** | **16.3** | **1,680.5** | **42.5** | · |
| of which: extraordinary pension provisions | – | – | (1,408.0) | (35.6) | · |
| **Total personnel expenses**[2] | **8,277.6** | **195.5** | **7,312.0** | **184.9** | +13.2 |
| of which: shown under "other expenses" | 17.6 | | 15.4 | | · |
| **Personnel expenses as shown in "Statement of Income"** | **8,260.0** | | **8,704.6** | | − 5.1 |

[1] without allocated overhead, [2] in 1980, without extraordinary pension provisions

1,886 former employees who had resigned - more than half of them foreigners - had vested pension rights. In 150 cases, pension benefits are already being paid. Pensioners, or their survivors, received transition payments totalling DM 15 million. Moreover, we were able to assist 6,000 employees in individual cases with one-time payments. It is particularly gratifying that the proportion of disability cases has declined among new pension recipients.

Mercedes-Benz companies abroad train thousands of local youths year after year. Training at our affiliate UCDD in South Africa.

*Health, Job Safety*

The health services at our factories were further extended through construction of new and alteration of existing buildings as well as improvements in medical facilities and equipment. At the end of 1981, 155 physicians and medical assistants were employed at Daimler-Benz, to which the private physicians under contract by our branches and sub-branches must be added. More and more, the work of our plant physicians also includes their contributions of medical know-how to workplace design and work assignment.

For each million productive man-hours, only 69 accidents occurred, with an average of nine workdays lost per accident. The 1981 accident rate was cut by more than 4 % from 1980. We shall continue to intensify our program to reduce industrial accidents.

In 1981, the sickness level trend changed direction for the first time in years. In relation to the number of hours that should have been worked, the overall sickness level declined from 8.7 to 8.5 % (wage earners 9.8 %, salaried employees 4.9 %).

Improved working conditions through specially designed workplaces for employees who are no longer able to perform with peak efficiency.

*Personnel Expenses*

No direct comparison of 1980 and 1981 personnel expenses is possible because of the special allocation of DM 1.4 billion to the pension reserve in 1980 (cf. p. 48, table "Summary of Personnel Expenses"); for share of total personnel expenses in terms of total net product of Daimler-Benz AG, see relevant chart (p. 50). The ratio of personnel expenses to total sales has hovered around the 28% mark for years (cf. chart p. 76). Personnel expenses - wages, salaries and social benefits - rose mainly due to the larger number of employees; eliminating work force growth, the rate of increase is 5.5 %.

*Christmas Bonus and Special Remuneration*

We were able to raise the Christmas bonus and the special remuneration as a result of the good employment situation, the performance of our employees and the favorable trend of business. The average payment per eligible employee (excluding trainees) rose to DM 2,561 (last year DM 2,348). The total expenditure came to DM 364 million as compared to DM 328 million in 1980.

*Employee Capital Formation*

The total volume of our contributions to employee capital formation rose once again. In addition to the contractually guaranteed DM 624, every employee received a voluntary payment of DM 156 for capital-forming investments in 1981. Employees were able to choose between employee shares and company debt certificates. We are happy to say that the number of employee shareholders increased still more and now numbers 74,800 (last year 62,100). Our employees have purchased some 270,000 employee shares since 1973. This total does not include the new shares from the exercise of subscription rights. Over 9,000 employees took company debt certificates in 1981.

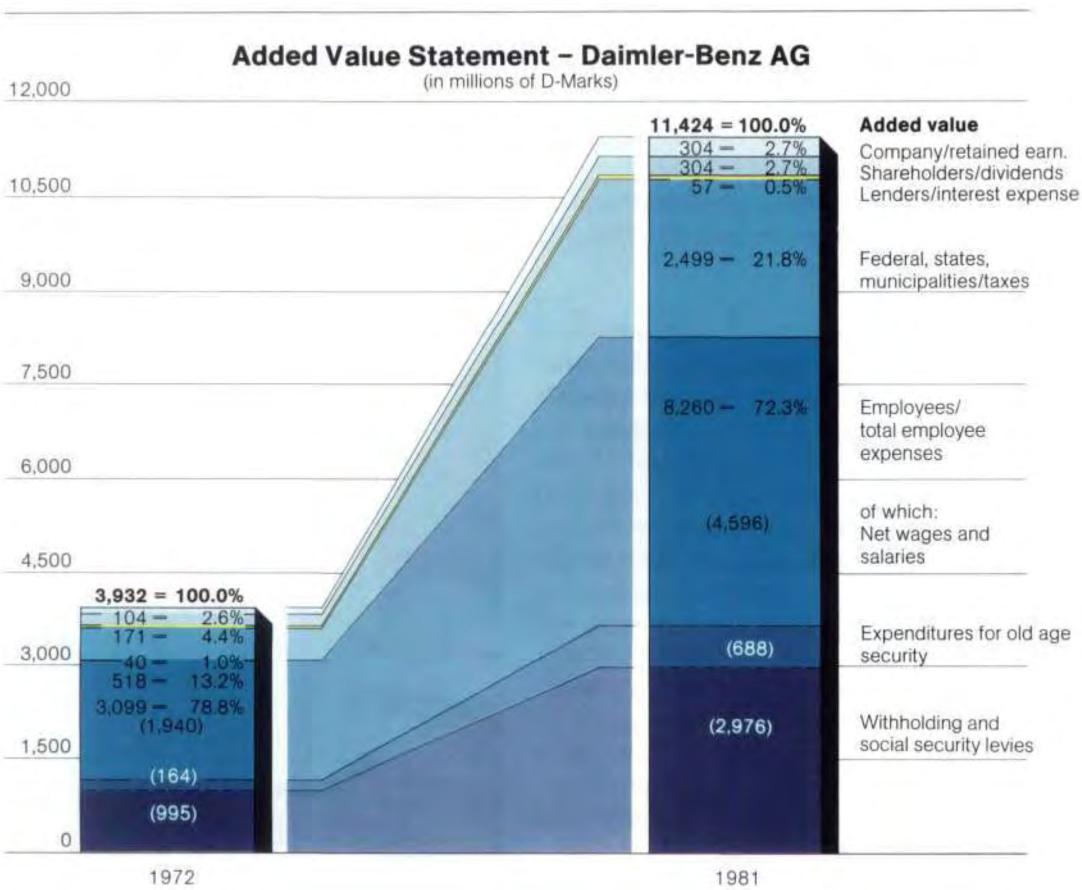
We specifically promoted personal capital formation by our employees in the form of home or apartment purchases again in 1981. By contrast, in view of the situation on the housing market, we were, in only a few cases, able to assist in the construction of rental apartments. In all, we extended loans totalling DM 33.4 million for the construction of about 1,650 employee-owned apartments or homes in 1981.

A pre-assembly station for transmission shafts at the Gaggenau plant relieves workers of heavy manual labor (right).

*Shift Work, Working Conditions*

Initial experience with our social benefit program "Shift Work" has confirmed to us the appropriateness of the course we are pursuing with preventive health care, particularly for employees engaged in three-shift operation. We will continue to attach special importance to the medical check-ups and prophylactic sanatorium stays. We systematically carried on our vigorous efforts to improve working conditions in 1981. Our program, focusing on specific objectives, included the following measures:

- We want to raise the quality of workplace planning: aspects of workplace design, more human work flow and job environment are already taken into account in the early phases of planning. This goal creates the need for employees with commensurate qualifications in the production planning departments. We have, therefore, devised and introduced a comprehensive training program.
- The know-how and experience in workplace design are incorporated during installation of new manufacturing facilities. This involves a number of measures ranging from greatest possible reduction of so-called overhead work to rational use of industrial robots and from buffering to removal of preparatory operations from assembly line production.
- In view of the age structure of our work force, we will increase our efforts to provide more jobs for older workers and employees with reduced job efficiency.
- The comprehensive exchange of information on new approaches to workplace design will be intensified. Our Company task force considering "Organization of Human Labor" has, as its members, employees of the production and planning departments, the personnel department, but also representatives of the general works council.



*Suggestion Program*

The promotion of the Company suggestion program remains an important tool of management. Just under 7,000 employees submitted some 14,500 suggestions in 1981, for which awards totalling DM 3.2 million were paid.

*Educational Policy*

We continued our efforts to further differentiate the training opportunities offered by us according to Company requirements and the applicants' prior education. Today we offer training in 35 technical and eight commercial occupations, in vocational lecture courses for high school students, and at the Baden-Wuerttemberg Vocational Academy for high school graduates.

We again increased the number of openings for apprentices in 1981. With 2,500 youngsters commencing training, the total number of apprentices and students undergoing practical training reached its highest level ever at the end of 1981 at 8,260. By this increase in training capacity, we want to do our part to make qualified training available to young people born in the baby boom years and now entering the job market, and thereby improve their job prospects. Included in this capacity are, in particular, training positions for youngsters who have left school without graduating, special-school students, youths with learning impediments and young foreigners, whom we want to better equip for integration into our society by providing them a good vocational education.

In our continuing training programs, technical, economic and social changes confront us with bigger tasks. Thus, within the past five years, we have tripled our training activities just in the area of familiarization of workers with modern control techniques alone. We are increasingly developing and implementing training programs in cooperation with the individual departments. These activities will also contribute significantly towards maintaining the efficiency of our employees in the future. In addition, about a third of our managerial staff took part in continuing management training courses.

Every day, more than a thousand employees dine at the newly built cafeteria at our Kassel plant.

The most important event with respect to advising and assisting our foreign subsidiaries and affiliates in matters of basic and continuing training in 1981 was the opening of a training center at our South African affiliate. In keeping with the principles of Daimler-Benz personnel policy, this training center is open to all applicants regardless of race. In accordance with the composition of the work force, the trainees are mostly colored. A training center will be opened shortly at our Brazilian subsidiary.

Nothing unusual any more at Daimler-Benz: Female apprentices in industrial occupations.

# Principal Subsidiaries and Affiliates - Summary

## Subsidiary Companies

| Manufacturing Companies | Share in % | Sales[1]) in millions of D-Marks 1981 | 1980 | Employees at year-end 1981 | 1980 |
|---|---|---|---|---|---|
| Mercedes-Benz do Brasil S.A., São Bernardo do Campo | 100.0 | 2,616.2 | 2,063.9 | 15,082 | 20,194 |
| Sociedade Técnica de Fundições Gerais S.A., São Paulo | 100.0 | 115.6 | 106.6 | 2,222 | 3,487 |
| Mercedes-Benz Argentina S.A., Buenos Aires | 100.0 | 599.1 | 986.2 | 2,711 | 4,055 |
| Freightliner Corp., Portland Oregon (group) | 100.0 | 606.1[2]) | – | 4,776 | – |
| Euclid, Inc., Cleveland Ohio (group) | 100.0 | 601.9 | 320.5 | 1,497 | 1,145 |
| Mercedes-Benz España S.A., Madrid | 53.4 | 673.8 | 578.3 | 3,929 | 3,782 |
| Holzindustrie Bruchsal GmbH, Bruchsal | 100.0 | 80.6 | 72.8 | 456 | 482 |
| **Distribution Companies** | | | | | |
| Mercedes-Benz of North America, Inc., Montvale<br>Mercedes-Benz Canada, Inc., Toronto (100%) | 100.0 | 4,093.5 | 2,822.6 | 1,808 | 1,872 |
| Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Melbourne | 100.0 | 305.4 | 194.2 | 266 | 193 |
| Mercedes-Benz (United Kingdom) Ltd., Hayes/London | 100.0 | 746.0 | 656.1 | 964 | 977 |
| Mercedes-Benz Nederland B.V., Utrecht (group) | 100.0 | 646.5 | 694.3 | 1,268 | 1,360 |
| Mercedes-Benz Belgium S.A./N.V., Bruessel (group) | 100.0 | 580.0 | 582.5 | 1,151 | 1,155 |
| Sofidel S.A., Rocquencourt<br>Mercedes-Benz France S.A., Rocquencourt (100%) | 96.3 | 1,663.9 | 1,453.8 | 2,618 | 2,496 |
| Mercedes-Benz Italia S.p.A., Rom | 75.0 | 348.4 | 306.2 | 133 | 117 |
| Mercedes-Benz (Schweiz) AG, Zuerich | 51.0 | 394.5 | 329.9 | 169 | 156 |

## Affiliated Companies

| | | | | | |
|---|---|---|---|---|---|
| MTU Motoren- und Turbinen-Union Muenchen GmbH, Muenchen<br>MTU Motoren- und Turbinen-Union Friedrichshafen GmbH, Friedrichshafen (83.8%) | 50.0 | 1,828.1 | 1,551.3 | 12,757 | 12,696 |
| Anambra Motor Manufacturing Company Ltd. (ANAMMCO), Enugu | 40.0 | 353.3 | 25.2 | 1,219 | 565 |
| Otobüs ve Motorlu Araçlar Sanayii A.S., Istanbul | 36.0 | 255.9 | 160.2 | 1,589 | 1,340 |
| P.T. German Motor Manufacturing, Jakarta | 33.3 | 49.1 | 36.0 | 1,661 | 1,879 |
| P.T. Star Motors Indonesia, Jakarta | 49.0 | 310.5 | 246.5 | 351 | 339 |
| Iranian Diesel Engine Manufacturing Company, Tabris | 30.0 | 170.4 | 89.0 | 1,431 | 1,314 |
| UCDD (Pty.) Ltd., Pretoria<br>Car Distributors Assembly (Pty.) Ltd., East London (100%) | 26.7 | 1,145.4 | 781.7 | 3,919 | 2,794 |
| National Automobile Industry Company Ltd., Jeddah | 26.0 | 632.4 | 488.9 | 497 | 477 |
| Bajaj-Tempo Ltd., Poona[3]) | 26.1 | 149.8 | 114.5 | 4,864 | 4,592 |
| Tata Engineering and Locomotive Company Ltd., Bombay (Automobile Division)[3]) | 11.9 | 1,465.9 | 997.1 | 7,035 | 7,473 |

[1]) Net sales for our foreign subsidiaries were converted at average annual exchange rates; changes in currency relations resulted in significant variances, sometimes preventing comparability.
[2]) For the period from August to December 1981.
[3]) These companies manufacture commercial vehicles under their own trademark; they do have, however, licenses for individual Daimler-Benz components.

# Subsidiaries and Affiliates

*Concept: Expand and Safeguard Sales*

With a view to the employment of our German factories, our basic policy continues to be the safeguarding and expansion of sales in the world markets.

The strengthening of our factory-owned distribution companies abroad serves to achieve this goal, as does the assembly and manufacture of commercial vehicles in countries in which the import of completely built-up commercial vehicles is not permitted or is hampered by prohibitive requirements. That such industrial undertakings in the long run sometimes end in complete independence from parts deliveries from the parent factories cannot cast doubt on their legitimacy.

In these cases, too, we are able to keep up large deliveries through a long transition phase and thereby assure employment for our domestic plants. Moreover, commercial relations are cultivated which have usually proven beneficial to overall sales. This generally holds opportunities open for us, for example, to tap new program segments or develop neighboring regional markets - opportunities which otherwise would certainly remain closed to us. In other cases - as for example heavy-duty trucks in the U.S.A. - a market can be successfully entered only through establishment of a production base or acquisition of a manufacturer already established in the market.

Since the middle of 1981 we have been offering in the United States, in addition to Mercedes-Benz trucks and Euclid haulers, Freightliner heavy-duty trucks.

## CONSOLIDATED COMPANIES

*Subsidiaries Successful as a Whole*

The subsidiaries included in consolidation increased customer sales 33 % to DM 13.9 billion (last year DM 10.4 billion). Of this total, companies with their own manufacturing facilities accounted for DM 4.9 billion (last year DM 3.2 billion) and distribution companies for DM 9.0 billion (last year DM 7.2 billion). The results of operations varied considerably at the individual companies. The contribution of the foreign subsidiaries to consolidated net income - converted from local currency to D-Mark and thus subject to the influence of currency patterns — came to DM 194 million, on the same level as last year (DM 189 million).

Our policies at home and abroad were again in accordance with the "OECD Rules for Multinational Companies" in the year under review.

## CONSOLIDATED COMPANIES WITH THEIR OWN MANUFACTURING FACILITIES

*Mercedes-Benz do Brasil*

At the end of 1980, the Brazilian government took drastic steps designed to change the structure of the economy within the medium term. Other measures taken in the first half of 1981 to combat inflation, reduce debt and eliminate the disequilibrium of Brazil's balance of payments caused the brisk growth that had prevailed to turn into a recession in many industry branches within a short period of time.

The automobile industry was affected with particular severity. Sales in the commercial vehicle market fell drastically from mid-1981 on. Commercial vehicle sales in the second half of 1981 were 42 % below the sales of the comparable period last year.

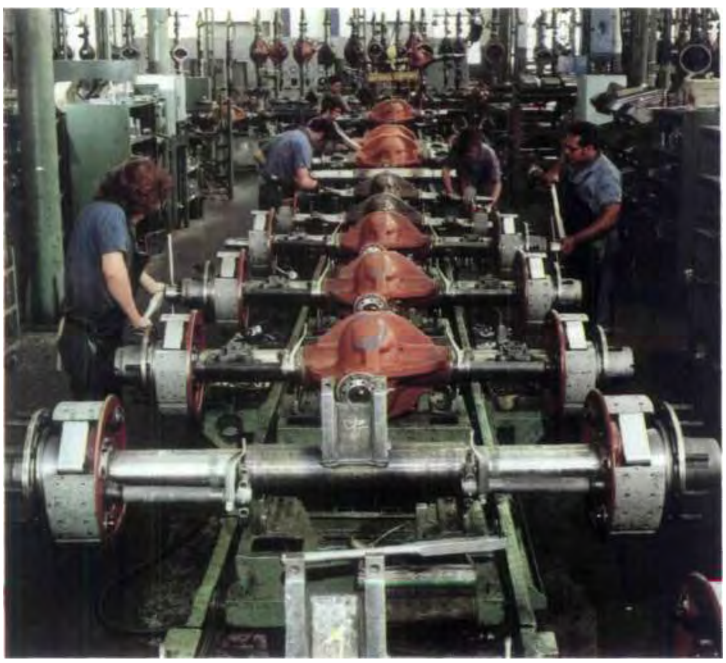
Mercedes-Benz do Brasil S.A., Sao Bernardo do Campo, could not escape this market trend. Its sales for the entire year declined 20 % to 47,042 units (last year 58,738). Nevertheless, our subsidiary was able to increase its share of the truck market substantially from 46 to 52 %.

There was no change in the high market penetration of 92 % for busses and bus chassis. Exports dropped to 10,445 units (last year 11,546) due to the slowdown of business in important purchasing countries, including the United States.

In the second half of the year, our company had to lay off 5,200 employees. In addition to the severance payments required by law, we made substantial discretionary payments to smooth the way into other lines of employment for the affected employees. These layoffs did not suffice to adjust output to the diminished sales prospects. Excessive vehicle inventories also had to be reduced. The company was, therefore, repeatedly forced to shut down operations or work short hours.

Sales in local currency rose - due solely to inflation - by 76 % to Cr$104 billion. Converted to D-Marks, they increased by 27% DM to 2.6 billion (last year DM 2.1 billion) owing to the strength of the U.S. dollar, to which the cruzeiro is tied. Earnings for the year were still satisfactory on the whole because of the favorable business conditions in the first half of the year.

The above developments notwithstanding, the company will implement that part of its investment program serving to round out and modernize its model line, essentially without cutbacks. This is the only way for the company to consolidate its leading



Commercial vehicle axle assembly at the Sao Bernardo do Campo plant of Mercedes-Benz do Brasil (left).

Sugarcane harvest in Brazil.

position in this market, which will be difficult medium-term but nevertheless promising in the long run.

*SOFUNGE, Brazil*

SOFUNGE S.A., Sao Paulo, a wholly owned subsidiary of Mercedes-Benz do Brasil S.A., supplies its parent and also other Brazilian motor vehicle makers with castings. In reaction to the poorer demand, the company had to cut back output in 1981 by 29 % to 49,000 tons (last year 70,000 tons). The work force was accordingly pared to 2,222 (last year 3,487). SOFUNGE made a small profit in 1981.

*Mercedes-Benz Argentina*

The recession which began in Argentina in mid-1980 took a sharp turn for the worse in 1981. Several drastic devaluations of the Argentine peso, dwindling exchange reserves, high domestic interest rates and the continued rise of inflation resulted in the severest economic crisis of the past 25 years.

In the motor vehicle industry, sales particularly of commercial vehicles fell sharply beginning in the second quarter of 1981. Output and sales of our subsidiary Mercedes-Benz Argentina declined accordingly. Unit sales fell 42 % to 5,705 (last year 9,765). However, the company increased its share of the commercial vehicle market to 58 % (last year 51 %). Owing to the policy of import liberalization which the Argentinian government continued to pursue and the relatively favorable peso/D-Mark exchange rate in the first half of the year, 1,638 (last year 1,077) Mercedes-Benz cars and 225 Mercedes-Benz commercial vehicles could be imported and sold.

The company's critical sales situation compelled it to curtail output to 6,007 commercial vehicles (last year 9,933), accompanied by a reduction in the number of employees to 2,711 (last year 4,055). The company also had to work short hours repeatedly.

Sales in local currency rose solely as a result of inflation. Sales converted to D-Marks dropped to DM 599 million (last year DM 986 million). The sharp devaluation of the peso against the D-Mark contributed to this drop. The severe decline of business volume led to losses and thus to an unsatisfactory capital structure. Daimler-Benz AG consequently increased the subsidiary's equity capital by DM 48 million at the end of 1981.

The first quarter trend does not permit us to expect a major improvement in sales and employment for 1982. The acutely intensified dispute about the Falkland Islands at the beginning of April has led to a further general paralysis of economic activities in Argentina with corresponding consequences for our subsidiary company.

*Freightliner, U.S.A.*

As reported on a number of occasions, Daimler-Benz acquired Freightliner Corporation and Consolidated Metco, Inc., both based in Portland, Oregon, from Consolidated Freightways, Inc., San Francisco, on August 1, 1981. Freightliner belongs to the group of American heavy-duty truck makers. The company manufactures chiefly cab-over-engine and conventional trucks with GVW ratings of 15 tons and above, mostly for use in long-distance freight haulage. At the end of 1981, the company had 4,776 employees.

With the acquisition of Freightliner, Daimler-Benz has involved itself for the first time in the North American heavy-duty truck market. This market, even with an unusually low volume of about 110,000 units in 1981, is still the largest in the world. More than other world markets, however, for decades it has been subject to very pronounced cyclical fluctuations, which is shown by a comparison of 1981 to the year 1979, in which 200,000 heavy-duty trucks were sold. Declining truck demand since the end of 1979, as a consequence of the poor business conditions and the high interest rates, has impaired the growth of the whole industry. The market remains sluggish in 1982.

In the past years, Freightliner has managed to slightly improve its position in the heavy-duty diesel truck market in the United States. A market share of just under

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

| | Share in % | 1981 Units | 1980 Units | Change in % |
|---|---|---|---|---|
| **COMMERCIAL VEHICLES** | | | | |
| **Consolidated companies** | | | | |
| Mercedes-Benz do Brasil, Brazil | 100.0 | 48,899 | 60,030 | − 18.5 |
| Mercedes-Benz Argentina, Argentina | 100.0 | 6,007 | 9,933 | − 39.5 |
| Mercedes-Benz of North America, USA | 100.0 | 2,866 | 1,217 | +135.5 |
| Freightliner Corp., USA | 100.0 | 4,243[1]) | – | + · |
| Euclid, USA | 100.0 | 604 | 647 | − 6.6 |
| Mercedes-Benz España, Spain | 53.4 | 14,238 | 10,800 | + 31.8 |
| **Other affiliates** | | | | |
| ANAMMCO, Nigeria | 40.0 | 4,352 | 795 | +447.4 |
| OTOMARSAN, Turkey | 36.0 | 1,412 | 1,001 | + 41.1 |
| P.T. German Motor Manufacturing, Indonesia | 33.3 | 3,911 | 3,348 | + 16.8 |
| UCDD/CDA, South Africa | 26.7 | 5,985 | 5,091 | + 17.6 |
| National Automobile Industry, Saudi-Arabia | 26.0 | 6,535 | 5,921 | + 10.4 |
| **total** | | **99,052** | **98,783** | **+ 0.3** |
| **INDUSTRIAL ENGINES AND ENGINES FOR EQUIPMENT MANUFACTURERS** | | | | |
| **Consolidated companies** | | | | |
| Mercedes-Benz do Brasil, Brazil | 100.0 | 28,872 | 32,897 | − 12.2 |
| Mercedes-Benz Argentina, Argentina | 100.0 | 814 | 1,804 | − 54.9 |
| Mercedes-Benz España, Spain | 53.4 | 6,182 | 11,758 | − 47.4 |
| **Other affiliates** | | | | |
| Iranian Diesel Engine Manufacturing, Iran | 30.0 | 13,099 | 8,198 | + 59.8 |
| **total** | | **48,967** | **54,655** | **− 10.4** |

[1]) for the period from August to December 1981

10 % was attained in 1981. In Canada, the Freightliner market share was 5 %. The total output of 10,544 units for the whole of 1981 almost matched the volume of the previous year (10,749). Because of the cyclically-induced underemployment of production capacity, results of operations were not satisfactory.

Again in 1982, we do not expect a significant increase in demand. With a 1982 market volume estimated at 100,000 heavy-duty trucks, Freightliner sales will continue at about the level of the previous year.

In the meantime, the consolidation of the marketing and parts operations of the Freightliner sales organization with those of Mercedes-Benz of North America for the medium-duty trucks assembled in Hampton has been initiated. We have developed a plan for strengthening our position in the North American commercial vehicle market and improving our product range. Realization of this plan is a medium-term undertaking, however.

*Euclid, U.S.A.*

The North American market for heavy-duty haulers was impaired to a large extent again in 1981 as a consequence of the overall economic situation and the accompanying sharp decline in building activity. Demand declined another 15 % following the sharp drop of 35 % the year before. Demand outside North America was also weak. Euclid could nevertheless boost its market share in the U.S. to 30 % (last year 24 %). Successful efforts in the export markets caused the export share to rise to 64 % (last year 49 %). 712 units were sold in all (last year 542). Dollar sales totalled $ 266 million (last year $ 176 million). Converted to D-Marks, sales increased 88 % to DM 602 million as a result of the much higher dollar exchange rate. In local currency, Euclid almost broke even for the year.

The company will introduce a 120 tons vehicle with diesel-mechanical drive in the current year. In the lower tonnage class, vehicles with Mercedes-Benz engines will be offered for the first time in the European market. These measures are part of long-range product planning designed to help us strengthen our competitive position.

*Mercedes-Benz Espana*

With the new Spanish Mercedes-Benz van line, particularly with the inclusion in the program of the production of two additional models with payloads of 1.5 tons and 1.7 tons in mid-1981, Mercedes-Benz Espaha succeeded in raising its domestic market share to 42 % (last year 33 %). Sales of our company rose 10 % to 13,076 units (last year 11,892) in an overall market characterized by persisting weakness.

Sales of imported Mercedes-Benz commercial vehicles rose to 598 units (last year 381) despite the continued difficulties for imports caused by burdensome duties. In addition, we sold 3,756 cars in 1981 (last year 2,913).

Company sales totalled the equivalent of DM 674 million (last year DM 578 million). The results of operations were still not satisfactory in 1981.

Van assembly plant of Mercedes-Benz Espana in Vitoria.

## DISTRIBUTION COMPANIES

*Mercedes-Benz of North America*

In North America in 1981, our distribution companies Mercedes-Benz of North America, Inc., Montvale (MBNA), and Mercedes-Benz Canada, Inc., Toronto (MBC), were again able to maintain the steady growth of the past years in the face of a general market downtrend. Car sales increased 18% to 65,810 units (last year 55,967). This favorable trend was based mainly on the great success of the new S-Class, including our Turbodiesel model 300 SD, as well as continued strong demand for our coupes and roadsters. Diesel cars, accounting for 78 % of sales (last year 73 %), continue to be of extraordinary significance. We expect further growth in 1982.

Mercedes-Benz trucks are assembled in Hampton Newport News, U.S.A.; parts kits are supplied by our Brazilian subsidiary.

The truck market in the 9 to 15 tons GVW range contracted by 18 % in the year covered by this report, after an already sharp decline of 25 % in 1980. But we were still able to maintain the sales level of our vehicles at 4,054 units (last year 4,051) which were imported semi-knocked-down from Brazil and assembled in Hampton, Virginia.

The sales revenue of our North American distribution companies rose to the equivalent of DM 4.1 billion (last year DM 2.8 billion). Results of operations were quite satisfactory.

*Mercedes-Benz France*

The car sales of our subsidiary Mercedes-Benz France S.A., Rocquencourt, increased 26% to 18,409 units (last year 14,648). Our models 200 and 230 E, above all, contributed to this result. The diesel car share of our sales was more than 60 %.

The reluctance to invest, and observable after mid-1981, influenced the commercial vehicle business. The truck market (over 5.3 tons GVW) declined 10 %. Truck sales of Mercedes-Benz France, by contrast, rose 5 % to 14,985 units (last year 14,262). In terms of value, sales rose 14 % to DM 1.7 billion (last year DM 1.5 billion). Results of company operations in local currency were satisfactory.


Matching the typical style of the Champs Elysees. Showroom of Mercedes-Benz France in Paris.

*Mercedes-Benz United Kingdom*

The car sales of our company rose slightly in 1981 to 10,262 units (last year 10,194). Commercial vehicle sales, on the other hand, showed a strong increase of 24 % to 6,011 units (last year 4,865). A conspicuous increase in light van sales contrasted with a marked decline for vehicles over 3.5 tons GVW.

Sales revenue, partly influenced by the predominantly strong position of the pound sterling during the past year, rose 14 % to the equivalent of DM 746 million. Company earnings were satisfactory.

*Mercedes-Benz Netherlands*

In the Netherlands, the difficult overall economic situation showed no change. The market for motor vehicles contracted further. Our car sales dropped to 7,339 units from 7,965 last year.

The commercial vehicle sales of Mercedes-Benz Nederland B.V., Utrecht, declined to 6,590 units - a drop of 19 % from the 8,183 units the year before. We were able to increase our share of the van (over 2 tons) and truck market to more than 24%.

Company sales totalled DM 647 million (last year DM 694 million). Results of operations were unsatisfactory.

*Mercedes-Benz Belgium*

Our subsidiary, Mercedes-Benz Belgium S.A./N.V., Brussels, stood up well in the sharply recessionary Belgian motor vehicle market. While the market for cars in the 2-liter and over category was declining by 28 %, we were just short of last year's volume (10,650 units) with sales of 10,499 cars.

The difficult economic situation, especially in the construction and transportation industries, sent sales of commercial vehicles down 10% to 3,569 units (last year 3,976). However, we managed to improve our market position. Our market share in the class over 6 tons GVW rose from 22 % to 24%.

The sales of DM 580 million were on the scale of the previous year. The company had satisfactory earnings.

*Mercedes-Benz Italia*

Mercedes-Benz Italia S.p.A., Rome, which until now has only conducted the commercial vehicle business, was able to raise sales by 11 % to 6,772 units (last year 6,113). The performance of van sales was especially gratifying.

The financing arrangements offered to customers in cooperation with our sales financing company Merfina S.p.A., of

Rome, proved conducive to sales. Customers made increasing use of financing because of the credit restrictions in Italy.

With 14 % higher sales of DM 348 million, Mercedes-Benz Italia again had positive earning results. Starting in mid-1982, our subsidiary will take over the car business from our present general distributors, Autostar S.p.A., Rome.

*Mercedes-Benz Switzerland*

Mercedes-Benz (Schweiz) AG, Zurich, repeated the good sales performance of last year, selling 4,464 cars. Our new S-Class, in particular, enjoyed brisk demand. Commercial vehicle sales declined slightly to 2,965 units (last year 3,034) because of the general business trend, but Mercedes-Benz market share rose in the class over 3.5 tons. Sales increased 20% to DM 395 million (last year DM 330 million). Results of operations were once again satisfactory.

*Mercedes-Benz Australia*

The car sales of Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Melbourne, rose 42 % in 1981 to 2,704 units (last year 1,909). Introduction of the new S-Class stimulated sales. Commercial vehicle sales, on the other hand, dropped 34 % to 454 units (last year 687). This is attributable chiefly to the fact that, following the delivery of bus orders in 1980, follow-up orders are not due for delivery until 1982. We, therefore, anticipate higher commercial vehicle sales again in the current year.

Sales in local currency were 26 % higher; converted to D-Marks, they reached DM 305 million (last year DM 194 million). Some of the monetary increase over last year was partially due to the exchange rate development of the Australian dollar. The company's earnings were satisfactory.

*Mercedes- Benz Hellas*

In November of 1981, together with our former general distributors for Greece, we formed Mercedes-Benz Hellas, domiciled in Athens, which took over the operations of the general distributor as of January 1, 1982. Mercedes-Benz Hellas was provided with a capital stock of Drs. 510 million (DM 20.1 million), of which Daimler-Benz AG holds 95%.

## OTHER AFFILIATES

*MTU-Muenchen/ MTU-Friedrichshafen*

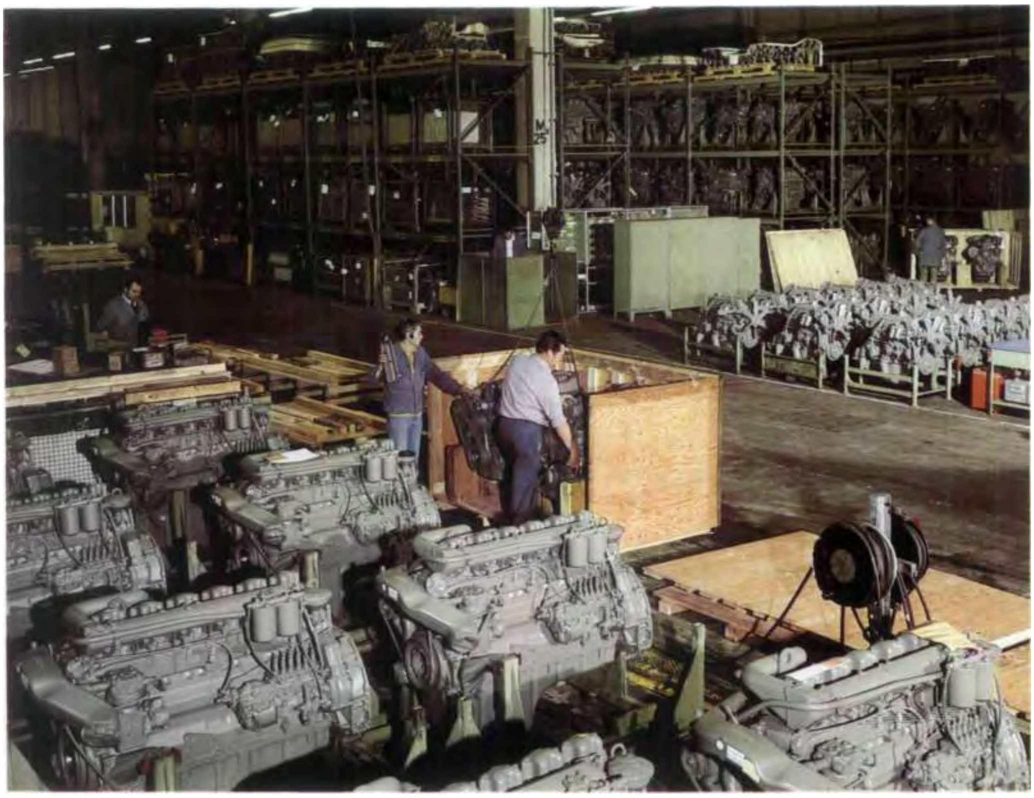
In 1981, consolidated sales of MTU Motoren- und Turbinen-Union Muenchen GmbH and MTU Motoren- und Turbinen-Union Friedrichshafen GmbH rose 18 % to DM 1.8 billion (last year DM 1.6 billion). Owing to major orders for aircraft and other engines and with an order backlog valued at DM 2.8 billion (last year DM 3.2 billion), we expect continued favorable capacity utilization in the Muenchen and Friedrichshafen plants in the coming years. This large order backlog reflects the successful efforts of MTU-Muenchen to expand its activities in the civilian aircraft engine field. In this connection, the newly formed MTU-Maintenance, Hanover, commenced business in the autumn of 1981. The company is engaged in the maintenance and repair of civilian aircraft engines. MTU-Muenchen and MTU-Friedrichshafen combined had 12,757 employees at year-end (last year 12,696).

Investments by the MTU Group totalled DM 96 million (last year DM 99 million); DM 63 million of that was financed through depreciation (last year DM 55 million). After due provision for income taxes, the two shareholders, Daimler-Benz and M.A.N., each received DM 5.7 million in accordance with the profit and loss transfer agreement.

*FBW-Fahrzeug AG Switzerland*

FBW-Fahrzeug AG, Wetzikon, Switzerland, in which we hold a 49% interest, posted sales of DM 29.9 million in 1981 (last year DM 26.6 million). This company will also be included in the joint planning

Machining of bodyshell parts at the car assembly plant of UCDD/CDA in South Africa.



In addition to complete trucks, parts kits (CKD) for assembly in foreign countries are also produced at our Woerth plant.

with Saurer and Oerlikon-Buehrle concerning the reorganization of the Swiss commercial vehicle production. Within the framework of this cooperation, it is contemplated that this company will take over activities which appear specifically suited to it (central parts supply for Mercedes-Benz, Saurer and FBW products).

*UCDD, South Africa*

The continuing favorable market conditions, the addition to the car line of the new models 200/230 E and the introduction of the new S-Class to South Africa have been a boon for UCDD (Pty.), Ltd., Pretoria. The company increased car sales by 41 % to 11,362 units and commercial vehicle sales by 16% to 6,167 units.

Sales of the UCDD Group rose 47 % to the equivalent of DM 1.1 billion. Results of operations were gratifying because of the high utilization of production capacity and the favorable Rand/D-Mark exchange rate especially in the first half of 1981. Despite first indications of a slowdown, we expect the sales and employment situation of our South African affiliate to be good again in the current year.

*ANAMMCO, Nigeria*

The first full year of operation of Anambra Motor Manufacturing Company, Ltd., Enugu, Anambra State, Nigeria, was very encouraging despite certain problems having their roots in the country's infrastructure. The assembly program, which originally comprised only a few models, was gradually extended to include heavy-duty commercial vehicles, so that the model program is now balanced. ANAMMCO rapidly expanded its dealer network and places particular emphasis on assisting its dealers in service and employee training in the start-up phase.

Sales in 1981 amounted to 4,215 units. Allowing for the initial difficulties, results of operations can be considered satisfactory.

On the whole, a confident assessment of the order backlog and employment situation is justified because of the excellent response our products have received in this country. However, due to the current surplus of crude oil on the world market and, coupled therewith, a drastic decline of Nigerian oil sales and prices, signs of an economic slowdown are also evident in this market which we must watch closely.

*NAI, Saudi Arabia*

The trend of business at National Automobile Industry Company, Ltd., Jeddah, was very gratifying again in 1981. The company sold a total of 6,388 commercial vehicles (+ 8 %), posting a 29 % higher sales volume - equivalent to DM 632 million. Earnings were satisfactory. The company's future prospects can be judged favorably overall.

*OTOMARSAN, Turkey*

Unit sales of Otobues ve Motorlu Araclar Sanayii Anonim Sirketi (OTOMARSAN), Istanbul, rose 36 % in 1981 to 1,375 busses of the types O 302 and O 309 (last year 1,008).

Due to the weakness of the domestic market caused by economic policies, the company satisfied mainly foreign demand, but maintained its Turkish market share of about 80%. The large proportion of exports - OTOMARSAN is now the Turkish motor vehicle industry's biggest exporter - secured foreign currency entitlements for the company and thus the import of parts from our German factories.

Sales rose 60% in 1981 to DM 256 million (last year DM 160 million), though partly because of inflation. Results of operations were satisfactory due to the favorable utilization of production capacity and satisfactory export revenues.

*IDEM, Iran*

The Iranian Diesel Engine Manufacturing Company (IDEM), Tabriz, in which we have a 30 % interest, and the two commercial vehicle licenses were again the only makers of engines and commercial vehicles in Iran with any appreciable output in 1981. IDEM managed to sell 12,659 engines (+50%) despite the continuing economic difficulties.

Sales rose to the equivalent of DM 170 million (last year DM 89 million). Since capacities were insufficiently utilized and selling prices were not allowed to be adjusted to the higher costs, the earnings situation was still extremely unsatisfying. It is still not possible for us to influence business policy.

*German Motor and Star Motors, Indonesia*

The Indonesian affiliates P.T. German Motor Manufacturing, Jakarta (assembly and manufacture), and P.T. Star Motors Indonesia, Jakarta (import and marketing), continued the favorable commercial vehicle business trend in 1981. A total of 3,705 units were sold (+11%). However, car sales of 582 units fell well short of last year's volume of 915. The entire market for cars with more than 2 liters engine displacement suffered from marked consumer reluctance.

Sales rose to the equivalent of DM 311 million (last year DM 247 million). This growth was partly influenced by the strength of the local currency, which is coupled to the U.S. dollar. This also applies to the earnings results of the two companies which were once again satisfactory.

The relocation of the assembly plant to the new site Wanaherang went off smoothly and was completed at the end of 1981. Under the Indonesian industrialization policies as they pertain to commercial vehicles, the government will probably prohibit the import of complete engines in the foreseeable future. In the interest of retaining this most important Far Eastern commercial vehicle market, we have succeeded in obtaining a license for the production of engines.

*FAP FAMOS, Yugoslavia*

Yugoslavia's economic problems, such as balance of payments deficit, large foreign debt and foreign exchange restrictions, made business of our joint venture partner FAP FAMOS, Beograd, very difficult again in 1981. Output was nevertheless raised to 6,691 commercial vehicles (last year 6,514), but the share of Mercedes-Benz commercial vehicles declined to 505 units (last year 829). Lack of foreign exchange was the cause. Sales rose 19 % to the equivalent of DM 811 million (last year DM 683 million).

Well-packed truck kits are shipped to more than 20 assembly plants abroad.

*Daimler-Benz Austria*

The Daimler-Benz Oesterreich Vertriebsgesellschaft mbH, Salzburg, in which we have a 50 % interest, coordinates our car and commercial vehicle sales in Austria.

Car sales declined 17 % to 5,442 units in 1981 due largely to tax measures of the Austrian Federal government, particularly affecting cars in our market segment. In addition, the high price of diesel fuel also impaired our car sales.

The commercial vehicle business declined markedly due to generally unfavorable market conditions, persistent high interest rates and low investment activity in the building industry. Sales of our commercial vehicles dropped accordingly, by 30 % to 3,157 units (last year 4,494).

The company took over the direct sale of busses as of January 1,1982. With this step, we aim to intensify our efforts in this segment of the market.

*Deutsche Automobilgesellschaft*

Deutsche Automobilgesellschaft mbH, Hanover, a jointly owned subsidiary of Daimler-Benz AG and Volkswagenwerk AG, carried on its research and development work in the field of electric drive and storage systems in 1981. The results were equally shared by both partners in accordance with the profit and loss transfer agreement.

The "DAUG-Hoppecke-Gesellschaft fuer Batteriesysteme mbH", formed last year by Deutsche Automobilgesellschaft and Accumulatorenwerk Hoppecke Carl Zoellner & Sohn GmbH & Co. KG, Brilon, utilizes selected research findings in the field of industrial batteries.

# Daimler-Benz AG and its Principal Subsidiaries and Affiliates

## Subsidiary Companies

### Domestic

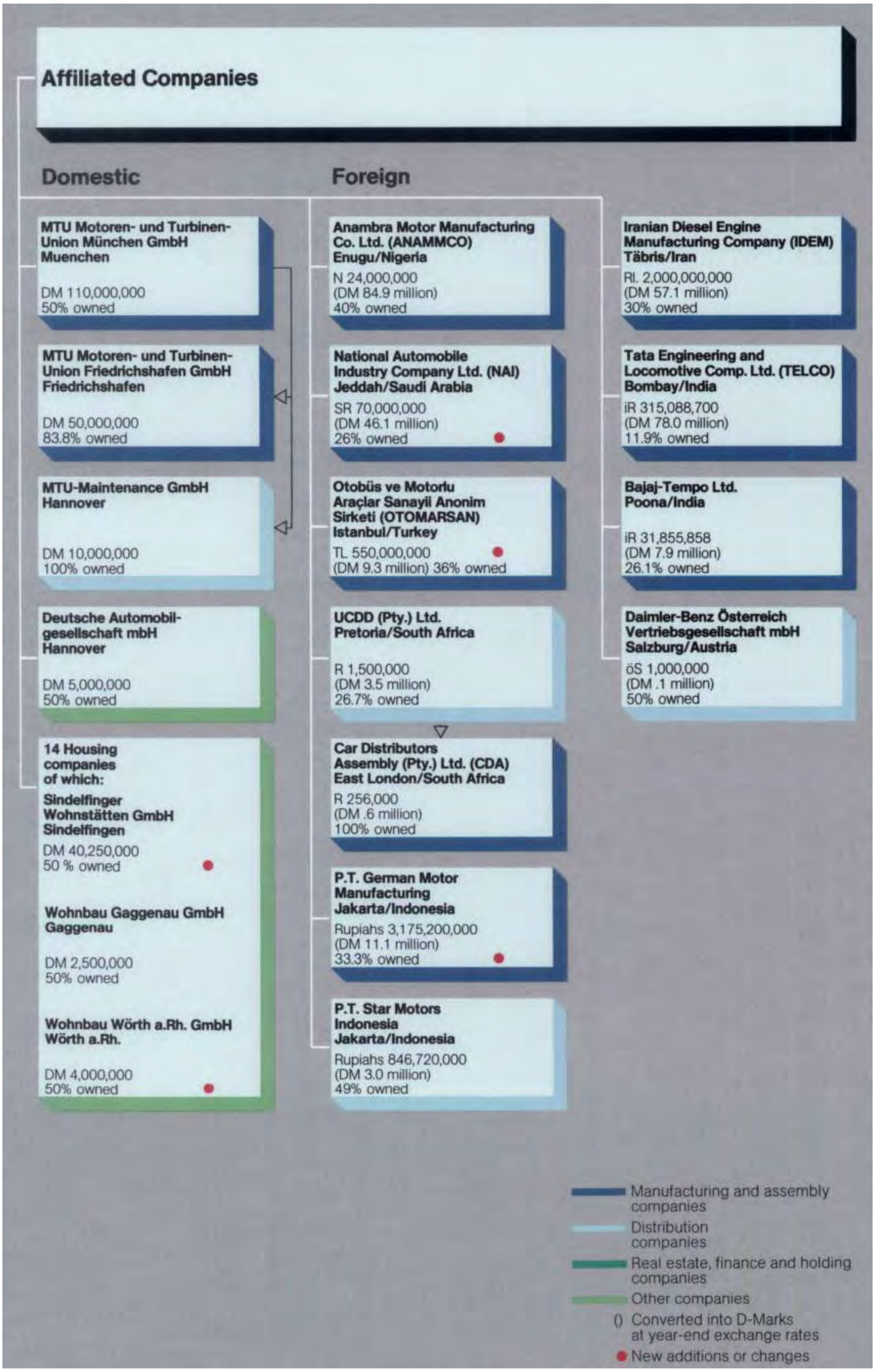
- **Holzindustrie Bruchsal GmbH, Bruchsal** — DM 7,500,000; 100% owned
- **Maschinenfabrik Esslingen AG, Esslingen a.N.** — DM 32,000,000; 96.3% owned
- **Württ. Baumwoll-Spinnerei und -Weberei bei Esslingen am Neckar AG, Esslingen a.N.** — DM 4,511,250; 82.3% owned
- **Maschinen- und Werkzeugbau Zuffenhausen AG, Stuttgart** — DM 4,000,000; 94.8% owned
- **Hanomag-Henschel GmbH, Hannover** — DM 4,000,000; 100% owned
- **Industriehandel Handels- und Industrieausrüstungsgesellschaft mbH, Stuttgart** — DM 5,000,000; 100% owned
- **Mercedes-Leasing-GmbH, Stuttgart** — DM 20,000,000; 100% owned
- **Daimler-Benz-Wohnungsbau Gesellschaft mbH, Stuttgart** — DM 15,000,000; 100% owned

### Foreign

- **Daimler-Benz of North America Holding Company, Inc., New York/USA** — US $ 35,932,628 (DM 81.0 million); 100% owned
- **Mercedes-Benz of North America, Inc., Montvale, N.J./USA** — US $ 60,000,000 (DM 135.3 million); 100% owned
- **Mercedes-Benz Canada, Inc., Toronto/Canada** — Can. $ 5,000,000 (DM 9.5 million); 100% owned
- **Freightliner Corp., Portland, Oregon/USA** — US $ 175,000,000 (DM 394.6 million); 100% owned
- **Freightliner Credit Corp., Portland, Oregon/USA** — US $ 47,050,000 (DM 109.8 million); 85% owned
- **Euclid, Inc., Cleveland, Ohio/USA** — US $ 80,000,000 (DM 180.4 million); 100% owned
- **Mercedes Benz Argentina S.A., Buenos Aires/Argentina** — a $ 342,239,000,000 (DM 73.2 million); 100% owned
- **Mercedes-Benz España S.A., Madrid/Spain** — Ptas. 4,176,900,000 (DM 97.5 million); 53.4% owned

- **Mercedes-Benz do Brasil S.A., São Bernardo do Campo/Brasil** — Cr $ 30,000,000,000 (DM 533.6 million); 100% owned
- **Sociedade Técnica de Fundições Gerais S.A. (SOFUNGE), São Paulo/Brasil** — Cr $ 1,100,000,000 (DM 19.6 million); 100% owned
- **SOFIDEL S.A., Rocquencourt/France** — FF 34,100,000 (DM 13.4 million); 96.3% owned
- **Mercedes-Benz France S.A., Rocquencourt/France** — FF 62,200,000 (DM 24.5 million); 100% owned
- **Mercedes-Benz Italia S.p.A., Rom/Italy** — Lit. 18,000,000,000 (DM 33.8 million); 75% owned
- **Mercedes-Benz (United Kingdom) Ltd., Hayes/London/Great Britain** — £ 4,500,000 (DM 19.4 million); 100% owned
- **Mercedes-Benz Belgium S.A./N.V., Brüssel/Belgium** — bfrs. 420,000,000 (DM 24.5 million); 100% owned
- **Mercedes-Benz Hellas S.A., Athen/Greece** — Dr. 510,000,000 (DM 20.1 million); 95% owned
- **Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Melbourne/Australia** — A $ 1,200,000 (DM 3.0 million); 100% owned

- **Daimler-Benz Holding AG, Zürich/Switzerland** — sfr. 102,000,000 (DM 127.7 million); 100% owned
- **Daimler-Benz Finanz AG, Zürich/Switzerland** — sfr. 30,000,000 (DM 37.6 million); 100% owned
- **Daimler-Benz Finanz-Holding S.A., Luxemburg** — sfr. 25,000,000 (DM 31.3 million); 100% owned
- **Merfina S.p.A., Rom/Italy** — Lit. 3,000,000,000 (DM 5.6 million); 70% owned
- **Mercedes-Benz (Schweiz) AG, Zürich/Switzerland** — sfr. 6,000,000 (DM 7.5 million); 51% owned
- **Mercedes-Benz Nederland B.V., Utrecht/Holland** — hfl. 40,000,000 (DM 36.4 million); 100% owned


Affiliated Companies
Domestic
Foreign
MTU Motoren- und Turbinen-Union München GmbH
Muenchen
DM 110,000,000
50% owned
MTU Motoren- und Turbinen-Union Friedrichshafen GmbH
Friedrichshafen
DM 50,000,000
83.8% owned
MTU-Maintenance GmbH
Hannover
DM 10,000,000
100% owned
Deutsche Automobilgesellschaft mbH
Hannover
DM 5,000,000
50% owned
14 Housing companies of which:
Sindelfinger Wohnstätten GmbH
Sindelfingen
DM 40,250,000
50 % owned
Wohnbau Gaggenau GmbH
Gaggenau
DM 2,500,000
50% owned
Wohnbau Wörth a.Rh. GmbH
Wörth a.Rh.
DM 4,000,000
50% owned
Anambra Motor Manufacturing Co. Ltd. (ANAMMCO)
Enugu/Nigeria
N 24,000,000
(DM 84.9 million)
40% owned
National Automobile Industry Company Ltd. (NAI)
Jeddah/Saudi Arabia
SR 70,000,000
(DM 46.1 million)
26% owned
Otobüs ve Motorlu Araçlar Sanayii Anonim Sirketi (OTOMARSAN)
Istanbul/Turkey
TL 550,000,000
(DM 9.3 million) 36% owned
UCDD (Pty.) Ltd.
Pretoria/South Africa
R 1,500,000
(DM 3.5 million)
26.7% owned
Car Distributors Assembly (Pty.) Ltd. (CDA)
East London/South Africa
R 256,000
(DM .6 million)
100% owned
P.T. German Motor Manufacturing
Jakarta/Indonesia
Rupiahs 3,175,200,000
(DM 11.1 million)
33.3% owned
P.T. Star Motors Indonesia
Jakarta/Indonesia
Rupiahs 846,720,000
(DM 3.0 million)
49% owned
Iranian Diesel Engine Manufacturing Company (IDEM)
Täbris/Iran
Rl. 2,000,000,000
(DM 57.1 million)
30% owned
Tata Engineering and Locomotive Comp. Ltd. (TELCO)
Bombay/India
iR 315,088,700
(DM 78.0 million)
11.9% owned
Bajaj-Tempo Ltd.
Poona/India
iR 31,855,858
(DM 7.9 million)
26.1% owned
Daimler-Benz Österreich Vertriebsgesellschaft mbH
Salzburg/Austria
öS 1,000,000
(DM .1 million)
50% owned
Manufacturing and assembly companies
Distribution companies
Real estate, finance and holding companies
Other companies
() Converted into D-Marks at year-end exchange rates
New additions or changes

# Daimler-Benz Worldwide

## Daimler-Benz Domestic

| | Scope of Activities, Principle Products | Number of Employees as of December 31, 1981 |
|---|---|---|
| **Main Office Untertuerkheim** | Main Office Areas, Administration, Research and Development | 9,487 |
| **Manufacturing plants** | | |
| Untertuerkheim | Engine production, axle and transmissions fabrication, foundry, forge | 25,573 |
| Sindelfingen | Body and assembly plant for cars, central spare parts depot for cars | 38,353 |
| Mannheim | Production of trucks and industrial engines, body and assembly plant for buses, foundry | 14,521 |
| Woerth | Truck assembly including cab construction, central spare parts depot for commercial vehicles | 11,055 |
| Gaggenau | Body and assembly plant for Unimog and MB-trac; production of commercial vehicle transmissions and planetary gear axles | 9,707 |
| Bremen | Body and assembly plant for vans up to 4 t GVW and "T"-Series (stationwagons) | 6,309 |
| Duesseldorf | Body and assembly plant for vans and mini-buses from 4 tons, production of steering units for cars and commercial vehicles | 5,058 |
| Kassel | Production of commercial vehicle axles | 4,359 |
| Berlin-Marienfelde | Parts manufacture for car and commercial vehicle engines, production of discontinued engines and of exchange engines for trucks, production of heavy-duty drive shafts for trucks | 3,473 |
| Hamburg-Harburg | Manufacture of chassis parts and small components for cars and commercial vehicles, production of medium-duty drive shafts for commercial vehicle | 2,613 |
| Bad Homburg | Production of engine valve train components | 881 |
| **Hanomag-Henschel GmbH, Hanover** | Spare parts depot | 251 |
| **Holzindustrie Bruchsal GmbH, Bruchsal** | Sawmill, wood processing | 456 |
| **40 branches with 59 sub-branches** | | 16,972 |
| **Engine plants** [1] | | |
| MTU-Muenchen | Aircraft engines, gas turbines | 6,615 |
| MTU-Friedrichshafen | High speed, high performance diesel engines | 6,142 |


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

[2] In addition 280 Euclid and 190 Freightliner service points (Sales not under MB trademark)

## Daimler-Benz Abroad

**Production and Assembly**

| | |
|---|---|
| Production | 11 |
| Assembly (of which 4 with DB-investment) | 25 |
| Licenses | 6 |

**Number of Mercedes-Benz Sales and Service Outlets**

| | |
|---|---|
| Europe | 2,402 |
| Africa | 319 |
| America | 1,076 |
| Asia | 301 |
| Australia | 186 |
| **Total** | **4,284**[2)] |

| | |
|---|---|
| of which: General Representatives 144 (among them 18 distribution companies with DB investment) | |
| Representatives | 35 |
| Dealers | 3,281 |
| Service workshops | 824 |

Hier gab es ein Produkt- oder Stimmungsbild ohne Text oder Zahlen.

Es wurde in der PDF-Datei weggelassen, um eine nutzerfreundliche Dateigröße zu erreichen.

Here was a product or mood picture without text or figures.

It was omitted in the pdffile to improve the usability of the file size.

# Notes to Financial Statements Daimler-Benz AG

## Balance Sheet

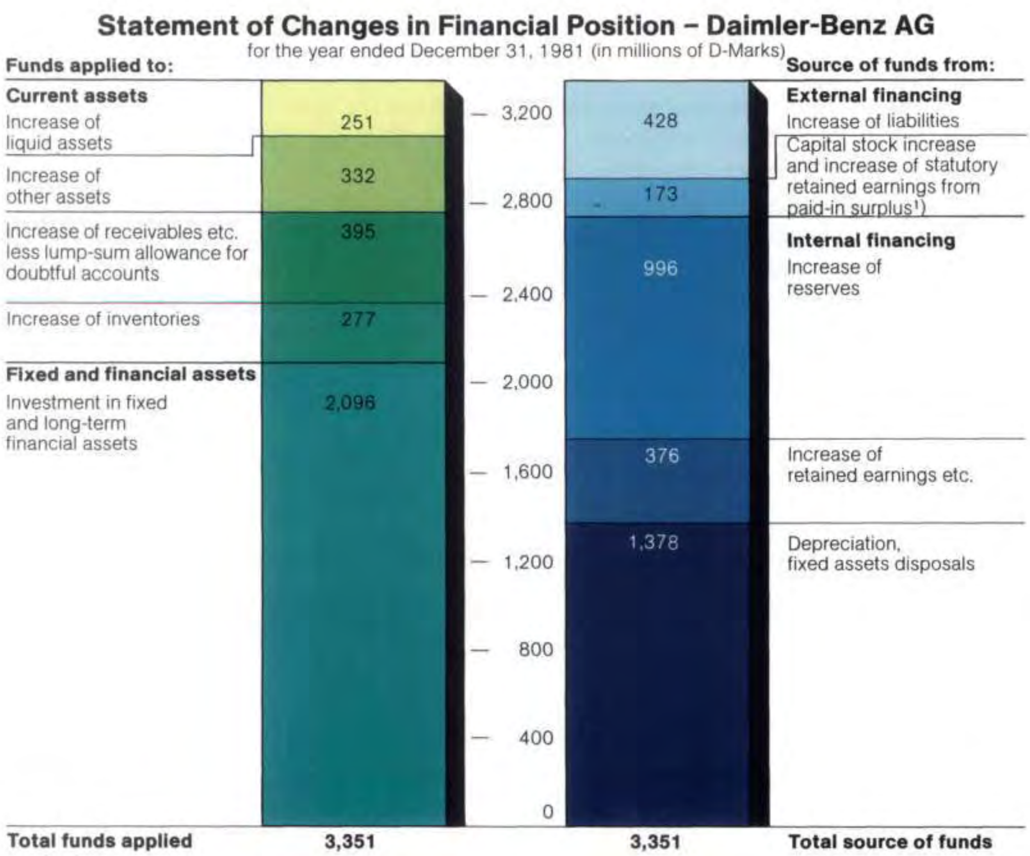
*Asset and Capital Structure*

In 1981, investments in fixed and financial assets amounted to DM 2,095.7 million. Depreciation and fixed asset disposals totalled DM 1,378.4 million. *Fixed and financial assets* rose by DM 717.3 million to DM 4,340.6 million; their share of total assets increased from 27.8 % to 28.8 %. *Current assets* rose by DM 1,293.0 million to DM 10,708.2 million. Of this increase, DM 360.3 million was attributable to receivables, DM 331.9 million to other assets, DM 277.4 million to inventories and DM 250.9 million to cash and temporary investments in securities.

*Stockholders' equity* (capital stock, retained earnings and special equity reserves) increased to DM 4,525.7 million (last year DM 3,801.0 million). The rise in stockholders' equity by DM 724.7 million was due to the capital stock increase at the end of 1981 in the amount of DM 169.9 million, to allocation to retained earnings of DM 432.8 million (of which DM 304.0 million was allocated from 1981 net income, DM 126.1 million from the 1980 unappropriated surplus as approved by the July 1,1981 annual meeting and DM 2.7 million from capital contributed in excess of par value upon sale of new shares) and through provision of special equity reserves amounting to DM 122.1 million. Stockholders' equity in terms of total assets thus reached 30.1% (last year 29.2 %). Within *liabilities*, reserves rose to DM 6,452.4 million (last year DM 5,456.4 million); they account for 42.9 % (last year 41.8%) of total assets. Source and application of funds are shown in the "Statement of Changes in Financial Position".

*Fixed Asset Coverage*

The ratio of stockholders' equity to fixed assets of 104.3% remained at last year's level (104.9%), since equity capital and fixed assets rose in approximately the same proportion. Inventories and major portions of other current assets continue to be financed on a long and medium-term basis.




¹) Paid-in surplus represents capital contributed for shares in excess par value.

Mercedes-Benz car exhibit at the International Auto Show in Frankfort in 1981. The "Mercedes-Benz Energy Concept", the new coupe and the "Research Car" were special attractions for approximately one million visitors.

## ASSETS

*Property, Plant and Equipment*

Property, plant and equipment rose by DM 666.7 million to DM 3,634.9 million; as in prior years, they are valued at acquisition or manufacturing costs, reduced by accumulated depreciation. The manufacturing costs of in-house output include direct material, direct labor and manufacturing overhead (excluding depreciation and administrative expenses).

Buildings are mainly depreciated over 17 to 25 years, site improvements over 10 to 17 years, machinery and equipment over 3 to 10 years and fixtures, furniture and office equipment over 2 to 10 years; machines used for multi-shift operations are depreciated using correspondingly lower useful lives. Movable property with a useful life of four years or more is depreciated using the declining-balance method; the depreciation rate for additions has been raised somewhat on account of the continuously increasing investment risk.

We change from the declining-balance method to the straight-line method of calculating depreciation when the equal distribution of the remaining net book value over the remaining useful life leads to higher depreciation amounts. Consistent with previous practice, assets of small value are expensed in the year of aquisition.

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

Depreciation on 1981 additions, including transfers from construction in progress and advance payments for fixed assets from prior years, was as follows:

| | Additions including transfers in millions of DM | Depreciation in millions of DM |
|---|---|---|
| Land and leasehold rights with office, factory and other buildings | 376.6 | 57.5 |
| with residential buildings | 3.4 | 0.3 |
| without buildings | 0.2 | – |
| Buildings on leased land | 11.7 | 1.0 |
| Machinery and equipment | 454.2 | 187.9 |
| Fixtures, furniture and office equipment | 596.9 | 399.2 |
| Construction in progress and advance payments for fixed assets | 511.0 | 9.5 |
| | 1,954.0 | 655.4 |

Daimler-Benz AG has recorded leasehold rights in facilities constructed by contract partners on land owned by the company.

At December 31, 1981, there were eleven (last year nine) leasing agreements for buildings and building improvements; payments for such leases totalled DM 7.1 million (last year DM 6.1 million).

*Investments in Affiliated Companies*

Investments in affiliated companies increased by DM 53.1 million to DM 594.8 million, the result of new investments totalling DM 136.6 million less write-downs and disposals of DM 83.5 million. Additions were largely for the incorporation of Mercedes-Benz Hellas S.A., Athens (DM 19.2 million) and capital stock increases at Mercedes-Benz Argentina S.A., Buenos Aires (DM 48.1 million), Mercedes-Benz Italia S.p.A., Rome (DM 22.7 million), Mercedes-Benz Espana, Madrid (DM 16.4 million) and National Automobile Industry Company Ltd., Jeddah (DM 6.9 million).

Write-downs of DM 66.5 million - of which DM 64.5 million relate to investments in 1981 - were mostly for investments in developing countries.

Disposals of investments totalling DM 17.0 million were the result of the sale of our share in Gelaendefahrzeug Gesellschaft, Graz, to Steyr-Daimler-Puch AG.

*Inventories*

The increase of DM 277.4 million to DM 2,943.0 million was mainly due to higher inventories of finished goods; in comparison to the volume expansion, other inventory items have not increased proportionately.

The valuation method remained unchanged from prior years. Raw materials and supplies were valued at the lower of cost or market; finished goods include direct material, direct labor and manufacturing overhead. Reasonable deductions were made for obsolete items after long storage or after design changes.

*Receivables*

Total receivables rose by DM 360.3 million to DM 2,697.5 million. As a result of the expanded export business, the share of foreign trade accounts and notes receivable now amounts to 58 % (last year 54 %). Receivables from affiliated companies increased only slightly, mostly relating to Mercedes-Benz Leasing GmbH, Stuttgart.

Receivables from members of the Board of Management and receivables from other companies, in which members of the DBAG Board of Management are members of the Supervisory Board (Section 89 of the Company Act), increased to DM 11.8 million (last year DM .2 million) largely as a result of a loan to P.T. German Motor Manufacturing, Jakarta.

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

*Cash and Temporary Investments in Securities*

Cash and temporary investments in securities rose to DM 2.8 billion (last year DM 2.5 billion). Of this increase, DM 170 million is due to the capital stock increase at the end of December 1981. Other liquid funds were invested in short and medium-term securities, which represent by far the single largest item in the balance sheet caption "Other Assets".

*Treasury Stock*

For the purpose of issuing shares under the employee stock purchase plan, 69,375 shares (with a par value of DM 3.5 million = .23 % of total common stock) were purchased at an average price of about DM 312 a share, namely 10,000 shares in each of the months of April and May, 6,700 shares in September, 10,150 shares in October, 1,150 shares in November and 31,375 shares in December.

In August, 66,360 shares (with a par value of DM 3.3 million = .22 % of total common stock) were sold to our employees at a preferential purchase price of DM 156 a share.

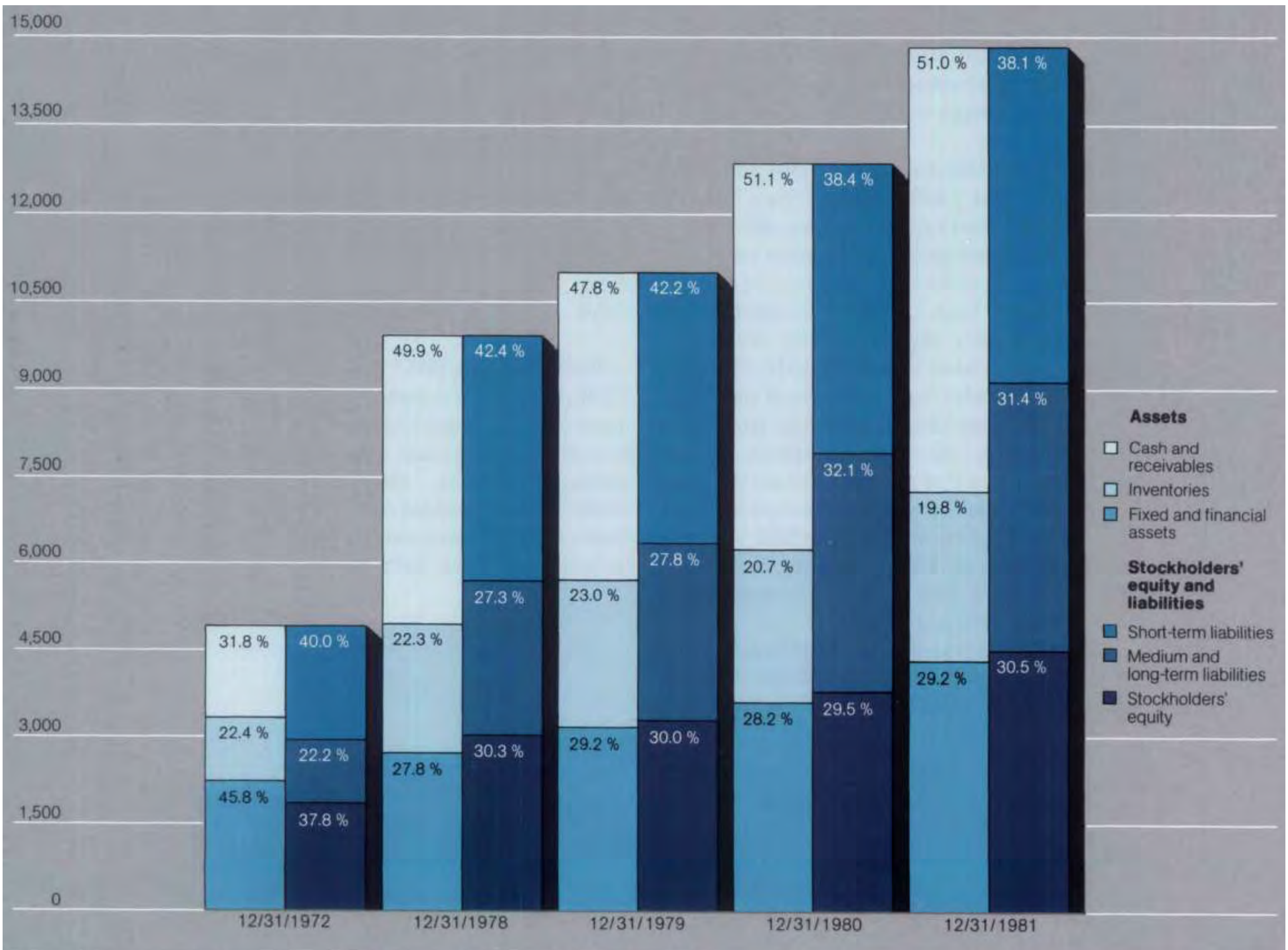
As of December 31, 1981, we held 121,098 shares (with a par value of DM 6.1 million = .40 % of total common stock); of these, 51,723 shares were purchased in 1980. All shares are valued at DM 156.

*Other Assets*

The increase by DM 331.8 million to DM 2,138.5 million is mainly due to the investment of liquid funds in short and medium-term time deposits and similar debt instruments. Moreover, interest receivable, claims for value-added tax and receivables from profit and loss transfer agreements are included under this balance sheet caption.

# Balance Sheet Structure - Daimler-Benz AG

| | 1972 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|
| (in millions of D-Marks)<br>**Balance sheet total[1])** | **4,911** | **9,936** | **11,003** | **12,873** | **14,845** |
| **Assets** | | | | | |
| Cash and receivables[1]) | 1,560 | 4,963 | 5,252 | 6,584 | 7,561 |
| Inventories | 1,101 | 2,216 | 2,536 | 2,666 | 2,943 |
| Fixed and financial assets | 2,250 | 2,757 | 3,215 | 3,623 | 4,341 |
| **Stockholders' equity and liabilities** | | | | | |
| Short-term liabilities | 1,963 | 4,211 | 4,639 | 4,943 | 5,654 |
| Medium and long-term liabilities | 1,091 | 2,714 | 3,058 | 4,129 | 4,665 |
| Stockholders' equity | 1,857 | 3,011 | 3,306 | 3,801 | 4,526 |




Reduced by the lump-sum allowance for doubtful accounts shown on the liability side of the balance sheet

## STOCKHOLDERS' EQUITY, LIABILITIES ETC.

*Capital Stock and Retained Earnings*

At the annual meeting on July 1, 1981, stockholders approved a capital stock increase at a ratio of 8 to 1 at par. This increase was effected in December of 1981. *Capital stock* increased by DM 169.9 million to DM 1,528.8 million.

Moreover, at this annual meeting, an "authorized share capital" in the amount of DM 350 million was approved. The authorization to increase share capital in one lump-sum or in partial amounts, is due to expire June 30, 1986.

We added DM 19.7 million to *retained earnings allocated under statute.* Of this addition, DM 17.0 million was derived from net income for the year and DM 2.7 million from capital contributed for shares in excess of par value.

In adjusting treasury stock to the balance sheet value, DM 2.4 million was added to *retained earnings allocated for treasury stock.*

*Unallocated retained earnings* increased by DM 126.1 million through a transfer from the 1980 unappropriated surplus as approved by the stockholders at the annual meeting on July 1, 1981 and by DM 284.6 million from 1981 net income.

According to the information received by us under Section 20 Sub-Section 1 of the Company Act, "Deutsche Bank Aktiengesellschaft", Frankfort (Main), and Mercedes-Benz Holding Aktiengesellschaft, Frankfort (Main) own more than 25 % of the capital stock of our company.

*Special Equity Reserves*

Special equity reserves are established or dissolved in accordance with existing tax regulations. After additions of DM 145.1 million and dissolutions of DM 23.0 million, the balance sheet amount increased by DM 122.1 million to DM 257.1 million. Of this amount, DM 135.1 million pertains to reserves for investments in developing countries (Section 1 Sub-Section 1 of the Income Tax Act for Developing Countries), DM 94.3 million to reserve for losses of foreign subsidiaries (Section 3 Sub-Section 1 of the Foreign Investment Act) and DM 27.3 million to reserves for price increases (Section 74 of the Income Tax Regulation).

*Lump-Sum Allowance for Doubtful Accounts*

The lump-sum allowance for doubtful accounts, which is calculated at 10 % (a percentage unchanged from last year) of trade receivables, notes receivable and advance payments to suppliers other than for fixed assets, covers the general credit risk at home and abroad. Because of higher receivables, the allowance for doubtful accounts rose by DM 37.9 million to DM 203.6 million.

*Reserves for Old-Age Pensions*

Reserves for old-age pensions increased by DM 520.5 million to DM 3,053.7 million. It should be noted that another portion of vested pension and disability benefits was transferred from the DB Provident Fund to Daimler-Benz AG as allowed by pension regulations.

Pension reserves were computed actuarially, using the individual level premium method, whereby a partial amount was taken into account for the first time for adjustment risks to December 31, 1981, allowed under Section 16 of the Pension Law.

The assets of the Daimler-Benz Provident Fund now amount to DM 2.3 billion after receipt of DM 100.0 million from DBAG.

*Reserve for Deferred Maintenance*

During the year, not all scheduled maintenance work could be carried out on account of the high utilization of production capacities. We have provided reserves in the amount of DM 101.4 million for this work.

*Other Reserves*

Other reserves increased by DM 466.1 million to DM 3,297.3 million. They reflect primarily provisions for our worldwide warranty obligations and for legal and litigation risks. They also cover risks for future tax assessments, possible losses inherent in existing order backlogs and liabilities in the employee benefit area.

*Long-Term Liabilities*

The reduction by DM 12.5 million to DM 138.2 million represents the difference between loan repayments of DM 24.0 million and new borrowing of DM 11.5 million which was almost exclusively used to finance capital investments in Berlin. In 1982, planned loan repayments amount to about DM 27.0 million.

*Other Liabilities*

The increase in other liabilities by DM 599.2 million to DM 3,268.4 million was largely the result of a greater purchasing volume and increased tax and commission liabilities.

*Contingent Liabilities*

Notes receivable discounted amounted to DM 42.5 million. Guarantees of liabilities amounted to DM 229.6 million; they were given for domestic and foreign subsidiaries.

The payment guarantee of DM 60.0 million in favor of bondholders related to the 8 % DM-bond issued by Daimler-Benz Finanzholding S.A., Luxemburg, in 1970.

The obligation arising from stock subscriptions, contingent liabilities arising from capital subscriptions in limited liability company (Section 24 of the Limited Liability Company Act) and guarantees by cooperatives owned by subsidiaries amount to DM 30.2 million.

We are liable jointly and severally for two partnerships which have profit and loss transfer agreements with parent companies.

Under the assumption that the proposed dividend is ratified by the stockholders at the annual meeting, remuneration for the members of the Board of Management amounted to DM 6,846,737. Disbursements to former members of the Board and their survivors and to members of the Supervisory Board totalled DM 3,073,737 and DM 1,093,840 respectively (including value-added tax).

# Statement of Income

*Total Revenue*

The increase in total revenue by DM 2.8 billion to DM 29.5 billion was due to higher sales and inventories.

*Expenses for Materials*

Expenses for raw materials, supplies, other materials and purchased merchandise rose by 13.0 % to DM 15.2 billion. This was caused by the increased car production, a higher share of material-intensive heavy-duty trucks and higher price levels for materials.

*Excess Interest Income over Interest Expense*

With interest income of DM 610.5 million and interest expense of DM 56.9 million, excess interest income over interest expense rose to DM 553.6 million versus DM 373.9 million last year. This increase reflects the generally higher interest levels and the existing liquidity.

*Income from Dissolution of Reserves*

This income declined from DM 470.4 million to DM 87.9 million; last year's amount was inclusive of extraordinary gains totalling DM 391.0 million from the dissolution of reserves in connection with the restructuring of our pension plan.

*Other Income*

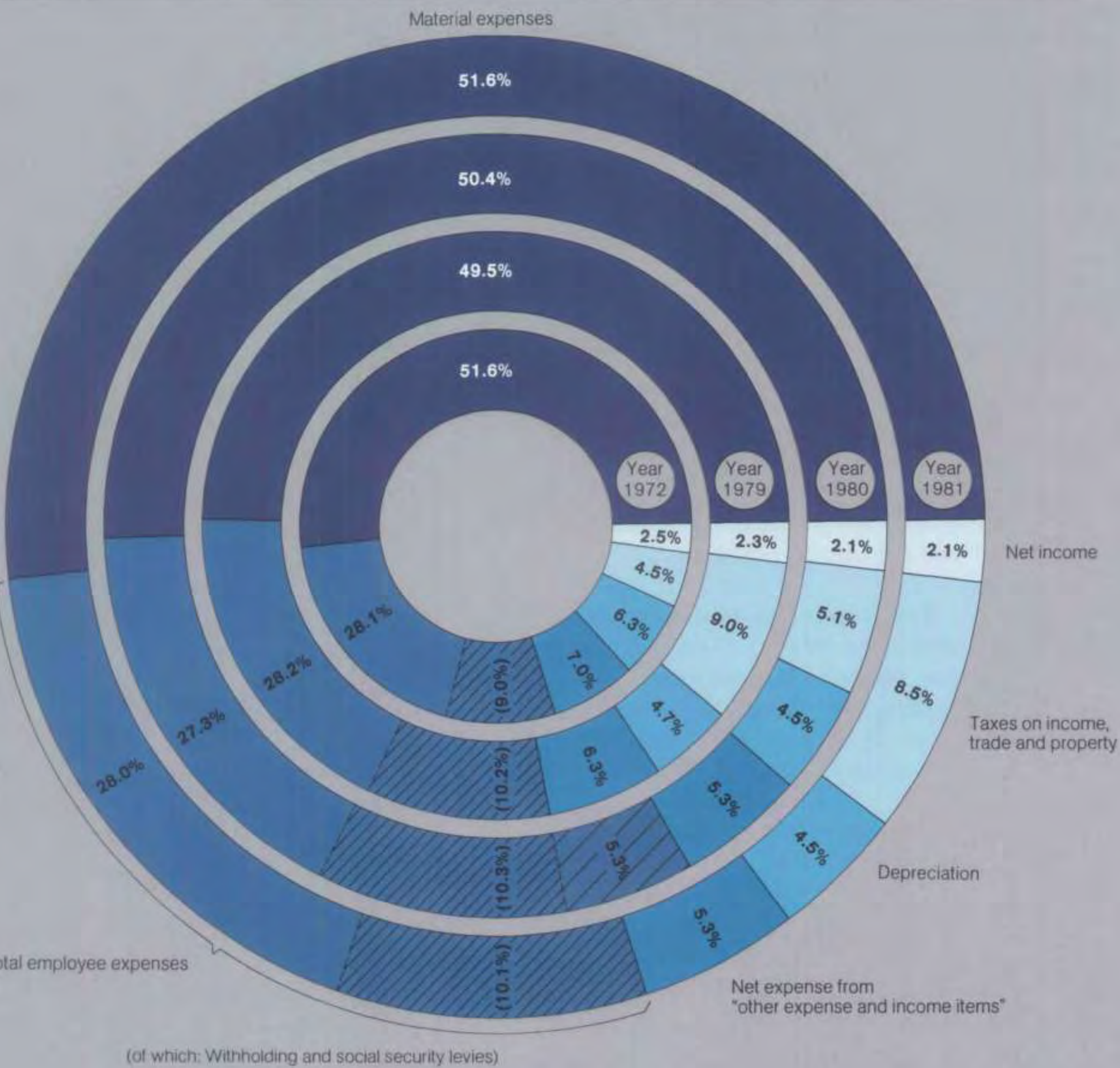
The various income items combined here and totalling DM 127.6 million (last year DM 138.5 million) represent, among others, investment tax credits, income from allocation of administrative expenses and credits back to income with respect to prior years' write-offs of individual customers' accounts.

*Excess Income over Losses from Affiliated Companies*

The improvement of income from affiliated companies is largely due to higher dividends received from companies in Brazil and Saudi-Arabia for fiscal 1980.

| | 1981 in millions of DM | 1980 in millions of DM |
|---|---|---|
| Income Transferred from Affiliated Companies under Profit and Loss Transfer Agreements | | |
| MTU Motoren- und Turbinen-Union Muenchen GmbH, Muenchen | 5.7 | 7.3 |
| Daimler-Benz Project Consult GmbH, Stuttgart | 0.4 | 0.5 |
| Other Companies | 0.8 | 0.5 |
| | + 6.9 | + 8.3 |
| Losses Transferred from Affiliated Companies under Profit and Loss Transfer Agreements | | |
| Daimler-Benz-Wohnungsbau GmbH, Stuttgart | 1.0 | 2.2 |
| Hanomag-Henschel GmbH, Hannover | 0.3 | 2.0 |
| | – 1.3 | – 4.2 |
| Dividends Received | | |
| Mercedes-Benz do Brasil S.A., São Bernardo do Campo | 21.1 | 14.2 |
| National Automobile Industry Company Ltd., Jeddah/Saudi-Arabia | 7.0 | – |
| Maschinenfabrik Esslingen AG, Esslingen a.N. | 4.8 | 4.3 |
| FAP FAMOS, Belgrad | 3.5 | 2.8 |
| Mercedes-Benz Versicherungsdienst GmbH, Stuttgart | 2.4 | 2.6 |
| Mercedes-Benz Argentina S.A., Buenos Aires | – | 2.3 |
| Other Companies | 17.6 | 7.2 |
| | +56.4 | +33.4 |
| Excess Income | +62.0 | +37.5 |

# Expense Structure in Terms of Total Revenue - Daimler-Benz AG




| (in millions of D-Marks) | 1972 | 1979 | 1980 | 1981 |
|---|---|---|---|---|
| **Total Revenue** | **11,041** | **23,736** | **26,714** | **29,461** |
| Material expenses | 5,698 | 11,748 | 13,462 | 15,216 |
| Total employee expenses | 3,099 | 6,701 | 8,705[1]) | 8,260 |
| of which: Net wages and salaries | (1,940) | (3,851) | (4,294) | (4,596) |
| Withholding and social security levies | (995) | (2,411) | (2,746) | (2,976) |
| Expenditures for old age security | (164) | (439) | (257) | (688) |
| Extraordinary employee expenses | | | (1,408)[1]) | |
| Net expense from "other expense and income items" | 775 | 1,482 | 1,405 | 1,553 |
| Depreciation | 697 | 1,122 | 1,212 | 1,333 |
| Taxes on income, trade and property | 497 | 2,143 | 1,360[1]) | 2,491 |
| Net income | 275 | 540 | 570[2]) | 608 |
| of which: Additions to retained earnings | (104) | (270) | (273) | (304) |
| Dividends | (171) | (270) | (297) | (304) |

[1]) Restructuring of pension benefits through tax-deductible addition to pension reserve in the amount of DM 1.4 billion.
[2]) Without dissolution of reserve in the amount of DM 391 million which was credited back to income on account of underfunding of Daimler-Benz Provident Fund.

*Personnel Expenses*

"Wages and salaries" and "social security levies" rose - particularly because of a rise in the total employment of 2,800 new employees and labor contract wage increases of 4.9 % - to almost DM 7.6 billion from DM 7.0 billion last year. Disregarding the higher employment level, the increase amounts to 5.5 %. Expenses for "old-age pension and support payment to dependants" dropped - after the extraordinary addition to the pension reserves in 1980 - to DM 0.7 billion (DM 1.7 billion last year). More explanations are given under "Employment and Benefits", (see page 45).

*Write-down of Financial Assets*

The major portion of the DM 181.4 million write-down pertains to present value adjustments of trade and loan receivables and an increase in the lump-sum allowance for doubtful accounts. The largest amount of the present value adjustment pertained to interest-free loans to the Daimler-Benz-Wohnungsbau GmbH, Stuttgart.

*Taxes on Trade Income and Property*

Taxes on income, trade and property rose to DM 2,476.0 million. When comparing this amount with last year's amount of DM 1,344.7 million, it should be noted that taxes were reduced in 1980 by DM 875 million as a result of the extraordinary addition to pension reserves and by additional taxes of DM 57.3 million on account of the resolution passed at the annual stockholders' meeting.

*Other Expenses*

This summary account increased by 5.8 % to DM 2,089.7 million, which is less than the overall business expansion. As heretofore, it comprises predominantly administrative and selling expenses including sales commissions, rental and lease expenses, and additions to reserves insofar as such additions are not shown under other captions.

*Net Income*

Net income for 1981 amounted to DM 608.0 million; it rose by 6.6% from the comparable prior year's amount of DM 570.3 million.

According to our calculations, net income for the year includes no "inflationary profits". The principle of capital preservation could be met through tax-deductible extraordinary depreciation charges and through use of options available for the valuation of assets.

# Proposal for the Application of Unappropriated Surplus

The annual financial statements as of December 31, 1981, as submitted by the Board of Management, approved by the Supervisory Board and thus confirmed, shows an unappropriated surplus of DM 304,033,770.

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

| | | | |
|---|---|---|---|
| $3\frac{1}{3}\%$ | dividend on the eligible preferred share capital of DM 1,921,500 | DM | 64,050 |
| DM 10 | dividend per eligible common share of DM 50 par value | DM | 303,969,720 |
| Unappropriated surplus | | DM | 304,033,770 |

Stuttgart-Untertuerkheim, April 22, 1982.

**The Board of Management**

# REPORT OF THE SUPERVISORY BOARD

covering the Business Year January 1 to December 31, 1981

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

We have examined the financial statements, the annual report, and the recommendations for the payment of dividends. The financial statements as of December 31, 1981, the annual report and the accounting principles used were verified by the Deutsche Treuhand-Gesellschaft AG, Wirtschaftspruefungsgesellschaft, Frankfort/Main, and have been found to be in accordance with the books and with the pertinent legal requirements. The Supervisory Board has noted the result of the audit with approval.

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

The financial statements of the corporation as submitted by the Board of Management are hereby ratified and approved, and we concur with the recommendations of the Board of Management regarding the application of the unappropriated surplus.

Concurrent with the conclusion of the annual meeting on July 1, 1981, Mr. Robert Dhom retired from the Supervisory Board of Daimler-Benz AG to which he had belonged since 1977. For his effective and trustful cooperation, we wish to express our special gratitude. As a new member, Dr. Walter Seipp, Frankfort/Main, has been appointed to the Supervisory Board in his place.

Mr. Hans-Juergen Hinrichs has been appointed deputy member of the Board of Management, effective July 1, 1981. Together with Mr. Heinz C. Hoppe, he is responsible for "Sales".

At the meeting on March 1, 1982, Dr. rer. pol. Gerhard Liener has been appointed deputy member of the Board of Management; he is responsible for "Subsidiary and Affiliated Companies".

Stuttgart-Untertuerkheim, May 1982

**The Supervisory Board**

Chairman

# Balance Sheet of Daimler-Benz Aktiengesellschaft as of December 31, 1981

## ASSETS

| | Balance January 1, 1981 DM | Additions DM | Transfers DM | Disposals DM | Depreciation expense DM | Balance Dec. 31, 1981 DM | Balance Dec. 31, 1980 in thousands of DM |
|---|---|---|---|---|---|---|---|
| **Fixed and financial assets** | | | | | | | |
| **Property, plant and equipment** | | | | | | | |
| Land and leasehold rights | | | | | | | |
| with office, plant and other buildings | 1,354,122,342 | 268,020,729 | +108,586,757 | 9,809,503 | 173,488,812 | 1,547,431,513 | 1,354,123 |
| with residential buildings | 14,646,481 | 2,325,809 | + 1,095,217 | 3,840,544 | 771,293 | 13,455,670 | 14,647 |
| without buildings | 354,025 | 173,785 | – | 178,883 | – | 348,927 | 354 |
| Buildings on leased land | 20,751,406 | 4,182,615 | + 7,508,425 | 492,942 | 3,722,967 | 28,226,537 | 20,751 |
| Machinery and equipment | 813,166,190 | 373,399,836 | + 80,847,068 | 7,547,221 | 519,129,129 | 740,736,744 | 813,166 |
| Fixtures, furniture and office equipment | 308,014,841 | 562,422,896 | + 34,480,301 | 4,048,772 | 552,616,145 | 348,253,121 | 308,015 |
| Advance payments for fixed assets | 457,187,328 | 743,506,105 | −232,517,768 | 2,242,033 | 9,512,374 | 956,421,258 | 457,187 |
| | 2,968,242,613 | 1,954,031,775 | – | 28,159,898 | 1,259,240,720 | 3,634,873,770 | 2,968,243 |
| **Financial assets** | | | | | | | |
| Investments in subsidiary and affiliated companies | 541,686,379 | 136,618,120 | – | 17,000,001 | 66,536,362 | 594,768,136 | 541,686 |
| Investments in long-term securities | 112,159,346 | 4,952,707 | – | 178,900 | 7,111,956 | 109,821,197 | 112,159 |
| Loans made for a term of | | | | | | | |
| at least four years | 1,257,402 | 83,900 | – | 157,285 | – | 1,184,017 | 1,258 |
| of which secured by mortgage | | | | | | | |
| DM 991,917 (last year DM 364,511) | | | | | | | |
| | 655,103,127 | 141,654,727 | – | 17,336,186 | 73,648,318 | 705,773,350 | 655,103 |
| | **3,623,345,740** | **2,095,686,502** | **–** | **45,496,084** | **1,332,889,038** | **4,340,647,120** | **3,623,346** |

| | | Balance Dec. 31, 1981 DM | Balance Dec. 31, 1980 in thousands of DM |
|---|---|---|---|
| **Current assets** | | | |
| **Inventories** | | | |
| Raw materials and supplies | | 769,155,690 | 739,241 |
| Work in process | | 709,204,827 | 653,003 |
| Finished goods and purchased merchandise | | 1,004,209,540 | 840,988 |
| Spare parts | | 460,443,091 | 432,331 |
| | | **2,943,013,148** | **2,665,563** |
| **Other current assets** | | | |
| Advance payments to suppliers other than for fixed assets | | 75,854,004 | 29,549 |
| Trade accounts receivable | | 1,729,245,990 | 1,384,482 |
| of which due after one year | DM 23,991,022 (last year DM 10,123,610) | | |
| Notes receivable | | 261,998,455 | 270,242 |
| of which: discountable at German Federal Reserve Bank | DM 48,914,110 (last year DM 52,519,897) | | |
| export related notes receivable due after one year | DM 22,538,553 (last year DM 22,100,201) | | |
| from affiliated companies | DM 138,195,638 (last year DM 153,627,001) | | |
| Checks | | 120,140 | 191 |
| Cash on hand, in German Federal Reserve Bank and in post office checking accounts | | 2,976,641 | 2,959 |
| Cash in banks | | 1,308,058,783 | 1,217,884 |
| Temporary investments in securities | | 1,495,345,126 | 1,334,510 |
| Treasury stock | Par value DM 6,054,900 (last year DM 5,904,150) | 18,891,288 | 16,469 |
| Receivables from affiliated companies | | 706,325,539 | 682,531 |
| Receivables from members of the Board of Management etc. (Section 89 of the Company Act) | | 11,799,181 | 158 |
| Other current assets | | 2,138,549,007 | 1,806,693 |
| | | **7,749,164,154** | **6,745,668** |
| **Prepaid and deferred charges** | | **16,020,951** | **3,899** |
| | | **15,048,845,373** | **13,038,476** |

## STOCKHOLDERS' EQUITY, LIABILITIES ETC.

| | | DM | Balance Dec. 31, 1981 DM | Balance Dec. 31, 1980 in thousands of DM |
|---|---|---|---|---|
| **Capital stock** | | | | |
| Common stock | 30,538,070 votes | | 1,526,903,500 | 1,357,034 |
| Preferred stock | 38,430 votes | | 1,921,500 | 1,922 |
| in special cases of Section 17 of the bylaws | 1,152,900 votes | | | |
| | | | **1,528,825,000** | **1,358,956** |
| **Retained earnings, as allocated** | | | | |
| Allocated under statute | | | | |
| Balance at beginning of period | | 136,142,067 | | |
| Capital contributed for shares in excess of par value | | 2,657,955 | | |
| Transfer from net income | | 16,986,950 | 155,786,972 | 136,142 |
| Allocated for treasury stock | | | | |
| Balance at beginning of period | | 16,468,834 | | |
| Transfer from net income | | 2,422,454 | 18,891,288 | 16,469 |
| Unallocated | | | | |
| Balance at beginning of period | | 2,154,420,731 | | |
| Transfer from last year's unappropriated surplus | | 126,123,788 | | |
| Transfer from net income | | 284,612,326 | 2,565,156,845 | 2,154,421 |
| | | | **2,739,835,105** | **2,307,032** |
| **Special equity reserves** | | | **257,059,074** | **135,012** |
| Reserves in accordance with Sections 1 and 3 of the Foreign Investment Law, Section 1 of the Tax Law with respect to Developing Countries, Section 74 of the Income Tax Regulation | | | | |
| **Lump-sum allowance for doubtful accounts** | | | **203,580,000** | **165,670** |
| **Reserves** | | | | |
| Old-age pensions | | | 3,053,646,230 | 2,533,201 |
| Deferred maintenance | | | 101,400,00 | 92,000 |
| Other | | | 3,297,317,300 | 2,831,159 |
| | | | **6,452,363,530** | **5,456,360** |
| **Liabilities with a term of at least four years** | | | | |
| Liabilities to banks | | | 130,178,418 | 141,700 |
| of which secured by mortgage | DM 130,178,418 (last year DM 141,700,694) | | | |
| Other liabilities | | | 7,981,856 | 9,034 |
| of which secured by mortgage | DM 3,817,143 (last year DM 6,076,582) | | | |
| Due within four year | DM 77,685,132 (last year DM 83,971,350) | | | |
| | | | **138,160,274** | **150,734** |
| **Liabilities to the Daimler-Benz Provident Fund GmbH, Stuttgart** | | | **154,063,344** | **312,775** |
| **Other liabilities** | | | | |
| Accounts payable-trade | | | 1,604,622,697 | 1,287,202 |
| Notes payable | | | 31,346,482 | – |
| of which to affiliated companies | DM 6,132,499 (last year DM–) | | | |
| Advance payments received | | | 104,886,928 | 84,306 |
| Accounts payable to affiliated companies | | | 79,792,090 | 74,189 |
| Other liabilities | | | 1,447,703,028 | 1,223,460 |
| | | | **3,268,351,225** | **2,669,157** |
| **Deferred credits** | | | **2,574,051** | **2,125** |
| **Unappropriated surplus** | | | **304,033,770** | **480,655** |

| | 1981 | 1980 |
|---|---|---|
| Contingent liabilities from: | DM | DM |
| Trade acceptances | 42,540,361 | 45,289,353 |
| of which to affiliated companies | (10,299,400) | (26,036,839) |
| Guarantees | 229,565,830 | 218,109,149 |
| Payment guarantee for DM-Bond of the Daimler-Benz Finanz-Holding-S.A., Luxemburg | 60,000,000 | 75,000,000 |

| | | |
|---|---|---|
| Total | **15,048,845,373** | **13,038,476** |

# Statement of Income Daimler-Benz Aktiengesellschaft for the Year Ended December 31, 1981

| | | 1981 | | 1980 | |
|---|---|---|---|---|---|
| | | DM | DM | in thousands of DM | in thousands of DM |
| **Sales** | | 29,083,584,831 | | 26,471,853 | |
| Increase of work in process and finished goods inventories including spare parts | | 255,914,723 | 29,339,499,554 | 124,010 | 26,595,863 |
| Other capitalized in-house output | | | 121,297,852 | | 118,038 |
| **Total revenue** | | | 29,460,797,406 | | 26,713,901 |
| Expenses for raw materials, supplies, other materials and purchased merchandise | | | 15,216,449,653 | | 13,462,112 |
| **Excess of total revenue over expenses for raw materials etc.** | | | 14,244,347,753 | | 13,251,789 |
| Income transferred from affiliated companies under profit and loss transfer agreements | | 6,897,233 | | 8,264 | |
| Income from investments in affiliated companies | | 56,354,146 | | 33,443 | |
| Income from other financial investments | | 9,179,366 | | 7,489 | |
| Other interest and similar income | | 610,509,068 | | 427,263 | |
| Gain from disposal of fixed assets | | 17,591,733 | | 4,811 | |
| Gain from dissolution of reserves | | 87,870,567 | | 470,407 | |
| Gain from dissolution of special equity reserves | | 23,065,841 | | 32,163 | |
| Other Income | | 127,595,281 | | 138,544 | |
| of which extraordinary | DM 26,080,833 (last year DM 12,462,209) | | 939,063,235 | | 1,122,384 |
| | | | 15,183,410,988 | | 14,374,173 |
| Wages and salaries | | 6,611,133,378 | | 6,160,428 | |
| Social security levies | | 960,822,773 | | 879,114 | |
| Expenditures for old-age pension and support payments to dependants | | 688,123,450 | | 1,665,096 | |
| Depreciation of fixed assets | | 1,259,240,720 | | 1,188,752 | |
| Write down of financial assets | | 73,648,318 | | 23,513 | |
| Losses from reduction in value of or from sale of current assets excluding inventories | | | | | |
| and addition to lump-sum allowance for doubtful accounts | | 181,384,720 | | 58,336 | |
| Losses from disposal of fixed assets | | 23,850,014 | | 7,104 | |
| Interest and similar charges | | 56,868,307 | | 53,379 | |
| Taxes | | | | | |
| a) on income, trade and property | DM 2,654,959,127 | | | | |
| of which payments for prior years which were covered by other reserves | DM 164,043,115 | | | | |
| | DM 2,490,916,012 | | | | |
| of which charged to parent companies | DM 14,870,264 | 2,476,0045,748 | | 1,344,690 | |
| b) other | | 8,140,498 | | 5,658 | |
| Losses transferred from affiliated companies under profit and loss transfer agreements | | 1,302,246 | | 4,204 | |
| Additions to special equity reserves | | 145,112,720 | | 46,559 | |
| Other expenses | | 2,089,682,596 | 14,575,355,488 | 1,976,030 | 13,412,863 |
| **Net income** | | | 608,055,500 | | 961,310 |
| Transfer from net income to: | | | | | |
| Retained earnings allocated under statute | | 16,986,950 | | – | |
| Retained earnings allocated for treasury stock | | 2,422,454 | | 16,469 | |
| Unallocated retained earnings | | 284,612,326 | 304,021,730 | 464,186 | 480,655 |
| **Unappropriated surplus** | | | 304,033,770 | | 480,655 |

In 1981, pension payments to retirees and payments to the Daimler-Benz Provident Fund GmbH for current obligations amounted to DM 167,826,760. In the following five years, payments - not considering adjusted obligations pursuant to section 16 of the corporation pension law - will in all likelyhood be made amounting to 90, 96, 102, 108,114 % of this amount.

Stuttgart-Untertuerkheim, April 22, 1982

**Daimler-Benz Aktiengesellschaft**

**Board of Management**

Prinz Breitschwerdt Hoppe
Niefer Osswald Reuter
Ulsamer Hinrichs Liener

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

Frankfort (Main), April 22, 1982

**Deutsche Treuhand-Gesellschaft**
Aktiengesellschaft
Wirtschaftspruefungsgesellschaft

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

# Consolidated Annual Report

# Notes to Consolidated Financial Statements

## COMPANIES INCLUDED IN THE CONSOLIDATION

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

Besides DBAG, we have included in the 1981 consolidated financial statements the individual statements of 20 (last year 20) domestic and 79 (last year 72) foreign companies; these consolidated companies are individually shown on page 91. As in previous years, we did not consolidate some foreign subsidiaries with no business functions or with negligible business volume; these companies had no transactions which would have had a material effect on the Corporation's financial statements.

Subsidiary companies providing for old-age pension payments were not consolidated as they are not considered subsidiaries under the law (Section 18 Subsection 1 Paragraph 1 of the Company Act). The following Provident Fund companies in Germany fall under this category:

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

*New Subsidiaries*

The companies included in consolidation have been enlarged by the Freightliner Group in the United States and Canada, a distribution company in Greece, and one retail company in the United States and one in France.

In restructuring our North American activities, the former import company has been merged with Mercedes-Benz of North America; further, we have merged two real estate companies in France with Mercedes-Benz of France.

## PRINCIPLES OF CONSOLIDATION

*Classification and Valuation*

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

*Currency Translation*

The accounts of foreign subsidiaries are translated into D-Marks on the basis of historical rates of exchange for fixed assets at the time of acquisition, and at year-end exchange rates for current assets, liabilities and unappropriated surplus. Stockholders' equity in D-Marks is the remaining difference between translated assets less translated liabilities and unappropriated surplus.

As a result of the foreign exchange fluctuations of individual local currencies in relation to the D-Mark, changes in the D-Mark net equity always occur when its amount differs from the amount of fixed assets translated at historical exchange rates. The majority of our foreign subsidiaries also finance a portion of current assets with equity capital. Negative translation differences were thus largely due to the high devaluations of the South American currencies against the D-Mark and positive translation differences due to rate improvements (particularly the U.S. dollar).

The remaining negative translation difference was charged to profit and loss as in previous years; it thus neutralized the high inflationary profits, notably from our Brazilian companies.

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

*Capital Consolidation*

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

Profits earned by foreign subsidiaries after date of acquisition plus the unappropriated surplus for 1981 - excluding minority interests - are added to retained earnings. Thus, the unappropriated surplus of DM 304.0 million in the consolidated financial statements equals the unappropriated surplus of DBAG.

*Other Eliminations*

Intercompany receivables and payables between subsidiary companies have been eliminated; intercompany profits in fixed assets and inventories were likewise eliminated.

Valuation adjustments recorded on the books of the parent company for the decline in asset values of subsidiaries have been eliminated in consolidation. These elimination measures have increased retained earnings correspondingly.

The consolidated income statements are presented on a fully consolidated and detailed basis, i.e. intercompany sales and intercompany earnings were eliminated against the relevant cost of sales and expenses, respectively.

# Consolidated Balance Sheet

*Asset and Capital Structure*

As in prior years, the share of DBAG in the Group's assets and net equity plus liabilities amounted to about 75 %. Particulars can be seen from the "Comparison of balance sheets as of December 31, 1981" (page 93).

*Total assets* of the Group rose by 16.9 % to DM 20,427.7 million in comparison to last year (DBAG 15.4% to DM 15,048.8 million). The greater increase of the Group is due to new acquisitions on the one hand and on the other to the translation of foreign balance sheets from the local currency to D-Marks, particularly as a result of the exchange rate increase of the U.S. dollar.

Total *fixed and financial assets* rose by DM 1,274.5 million to DM 5,727.0 million and *current assets* by DM 1,637.6 million to DM 14,636.8 million. The ratio of fixed assets to total assets amounted to 28 % (last year 25.5%).

*Stockholders' equity* (capital stock, allocated retained earnings, minority interests and special equity reserves) increased by DM 950.7 million to DM 6,266.0 million. The ratio of stockholders' equity to total assets amounted to 30.7 % (last year 30.4 %). The ratio of fixed and financial assets to stockholders' equity decreased from 119.4% to 109.4% on account of the high investment volume.

*Liabilities and reserves* rose by DM 1,958.1 million to DM 13,846.2 million. The ratio of stockholders' equity to liabilities and reserves of about one third to two thirds has remained unchanged.

## ASSETS

*Property Plant and Equipment*

The net increase of DM 1,286.7 million to DM 5,409.1 million was the result of additions totalling DM 3,033.1 million less disposals of DM 113.4 million and depreciation of DM 1,633.0 million.

About 73.6% of capital investments were made in the Federal Republic of Germany, largely at DBAG, Mercedes-Benz Leasing GmbH and Maschinenfabrik Esslingen AG. Capital investments abroad were mostly made by our South American subsidiaries. Other capital investments were concentrated on the expansion and construction of spare parts depots in our European sales distribution companies. The additions are also inclusive of fixed assets of the newly acquired Freightliner Group. About 77.1 % of depreciation was accounted for by DBAG and 11.3 % by the South and North American manufacturing companies.

*Investments in Affiliated Companies*

Shown here are investments in affiliated companies which are not consolidated. The amounts of DM 112.6 million (last year DM 132.0 million) mostly comprise our investments in MTU Motoren- und Turbinen-Union Muenchen GmbH. The decrease was primarily for Gelaendefahrzeug Gesellschaft mbH. Graz; we have transferred our share interest in this company to Steyr-Daimler-Puch.

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

This amount represents the difference between the cost of investments in subsidiaries and the book value at the time of acquisition. Offsetting the debit amounts (cost in excess of book value) of DM 155.8 million (last year DM 119.2 million) against the credit amounts (cost below book value) of DM 91.9 million (last year DM 91.8 million) resulted in a net debit balance of DM 63.9 million (last year DM 27.4 million).

The DM 36.5 million increase in the net debit balance was largely due to the increase of debit amounts in connection with the acquisition of the remaining shares of our distribution company in the Netherlands where the cost of our investment in the subsidiary exceeded net assets. The credit amounts arose largely in connection with the purchase of our South American subsidiaries in the 1950's when portions of the contractual capital stock increases were paid for with tangible fixed assets (particularly machinery and equipment).

*Inventories*

The increase in inventories of DM 343.1 million to DM 4,816.6 million is due to an increase at DB AG and at subsidiaries totalling DM 277.4 and DM 65.7 million, respectively.

Reduced inventories at our European sales companies were offset by inventories of the newly acquired Freightliner Group. DBAG accounted for 61 %, our sales companies for 20 % and our manufacturing companies for 19 % of inventories.

*Receivables*

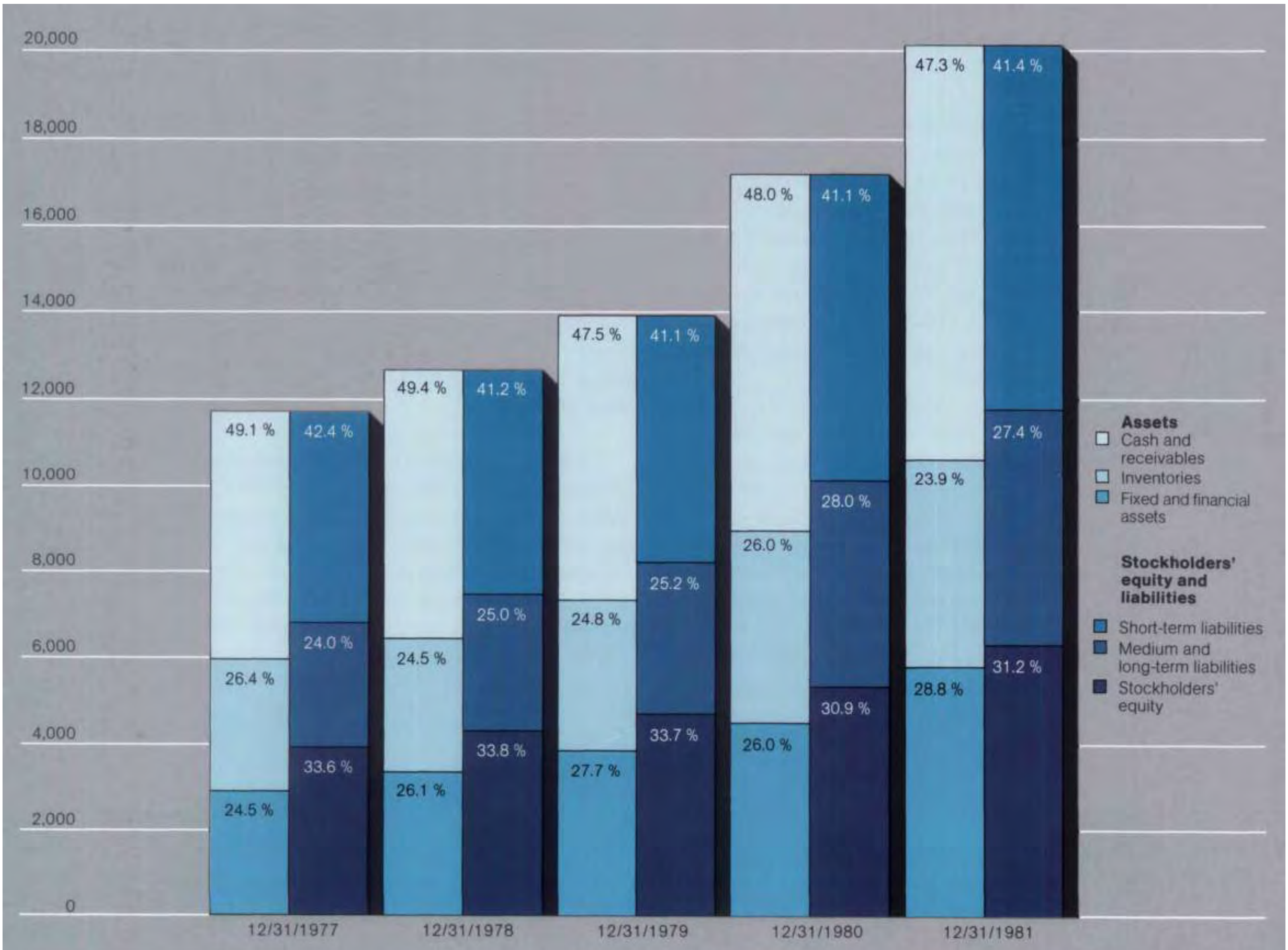
Trade accounts receivable, notes receivables and receivables from non-consolidated companies rose by DM 479.8 million to DM 2,996.0 million. About 75 % of the increase pertains to DBAG. Foreign customers accounted for about two-thirds of total receivables.

*Cash and Temporary Investments in Securities*

Cash and temporary investments in securities increased by DM .4 billion to DM 4.1 billion. Of this increase, about two-thirds pertain to DBAG and about one-third to consolidated companies abroad. At DBAG, further liquid assets are invested in short-term debt instruments which are shown under "Other Assets".

# Balance Sheet Structure - Consolidated

| | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|
| (in millions of D-Marks) **Balance sheet total[1])** | **11,700** | **12,633** | **13,908** | **17,203** | **20,112** |
| **Assets** | | | | | |
| Cash and receivables[1]) | 5,741 | 6,241 | 6,609 | 8,250 | 9,504 |
| Inventories | 3,086 | 3,094 | 3,453 | 4,473 | 4,817 |
| Fixed and financial assets | 2,873 | 3,298 | 3,846 | 4,480 | 5,791 |
| **Stockholders' equity and liabilities** | | | | | |
| Short-term liabilities | 4,956 | 5,201 | 5,719 | 7,074 | 8,327 |
| Medium and long-term liabilities | 2,809 | 3,156 | 3,508 | 4,814 | 5,519 |
| Stockholders' equity | 3,935 | 4,276 | 4,681 | 5,315 | 6,266 |




[1]) Reduced by the lump-sum allowance for doubtful accounts shown on the liability side of the balance sheet.

## STOCKHOLDERS´ EQUITY, LIABILITIES ETC.

*Capital Stock and Retained Earnings*

The *capital stock* in the consolidated balance sheet is identical to the capital stock of DBAG, which in 1981 increased by DM 169.9 million to DM 1,528.8 million.

The *paid-in-surplus* rose to DM 5.0 million. The 1981 addition represents capital contributions in excess of par value in connection with last year's capital stock increase.

*Retained earnings* of DM 4,364.2 million (last year DM 3,712.0 million) comprise retained earnings of DBAG which were allocated from net income, and from retained earnings and unappropriated surplus earned by subsidiaries subsequent to their acquisition. Moreover, elimination amounts affecting income are debited or credited here.

*Minority Interests in Subsidiaries*

This item comprises outside third-party interests in the net equity and unappropriated surplus of consolidated companies. The balance sheet amount rose by DM 6.4 million to DM 50.0 million and pertained largely to outside interests in the capital of Mercedes-Benz Schweiz, Mercedes-Benz Espana and Mercedes-Benz Italia.

*Special Equity Reserves*

This balance sheet caption increased by DM 119.5 million to DM 318.0 million; of the balance sheet amount, DM 257.1 million and DM 52.7 million pertain to DBAG and Mercedes-Benz France, respectively.

*Lump-Sum Allowance for Doubtful Accounts*

The increase by DM 39.8 million to DM 315.5 million was due to higher receivables. The lump-sum allowance is computed at about 10% of total receivables, a percentage unchanged from last year.

*Reserves*

The reserves increased by DM 1,113.6 million to DM 7,275.0 million versus last year. DBAG's relatively high share of 89 % in the reserves is largely due to the fact that 94 % of pension reserves are provided for by DBAG; furthermore, warranty obligations, guarantee and litigation risks are mostly borne by DBAG.

*Long- Term Liabilities*

These liabilities rose by DM 125.2 million to DM 542.7 million; debt repayments were contrasted by higher liabilities at European and North American companies. The bond obligations of DM 60.0 million pertained to Daimler-Benz Finanz-Holding S.A. which issued an 8 % Luxemburg bond in 1970 maturing in 1985.

*Liabilities to Provident Fund*

These are mostly for borrowings by DBAG and Daimler-Benz-Wohnungsbau GmbH from the Daimler-Benz Provident Fund GmbH.

*Other Liabilities*

Short-term liabilities have increased by DM 1,114.9 million to DM 5,549.4 million. Of this increase, about 50 % is attributable to DBAG and approximately DM 250.0 million to companies which were acquired in 1981. Bank liabilities in the amount of DM 973.0 million (last year DM 718.9 million) pertained nearly exclusively to foreign subsidiaries.

# Consolidated Statement of Income

*Net Sales*

In 1981, sales totalled DM 36.7 billion; the increase amounted to DM 5.6 billion (18.1 %) versus last year.

*Expenses for Materials*

The expenses for raw materials, supplies, other materials and purchased merchandise rose by DM 2.9 billion to DM 19.5 billion; they increased almost proportionately to sales.

*Excess Interest Income over Interest Expense*

Interest income of DM 1,259.0 million was reduced by interest expenses of DM 454.8 million; the interest balance of DM 804.2 million was DM 206.4 million higher than last year. The increase is almost exclusively accounted for by DBAG where the general interest level and the existing liquidity have had their effect. The excess interest income over interest expense of our foreign subsidiaries, totalling DM 270.0 million was derived mostly from liquidity investments of our Brazilian companies at inflation-caused high interest rates. The inflationary profit contained in this interest income was to a large degree offset in the income statement by charges for the negative exchange differences resulting from the conversion of the individual balance sheets; they are shown under "Other expenses".

*Gain from Dissolution of Reserves*

These gains dropped by DM 350.6 million to DM 162.4 million; this was largely in connection with the extraordinary gain resulting from the dissolution of reserves at DBAG in 1980.

*Other Income*

Income summarized under this caption rose to DM 477.1 million (last year DM 277.6 million) and includes investment credits, commissions earned, income from administrative cost allocations and credits from receivables previously written off.

*Personnel Expenses*

Personnel expenses (salaries and wages, social security levies, old age pensions and support payments for dependants) rose by DM .2 billion to DM 10.0 billion. Salaries, wages and social security levies were higher, particularly as a result of higher employment levels, while payments for old-age-pensions and support to dependants were lower, since DBAG made an extraordinary pension provision of DM 1.4 billion in 1980.

*Taxes on Income, Trade and Property*

Taxes on income, trade and property rose to DM 3,091.0 million (last year DM 1,692.8 million). In comparison to last year, it is particularly the tax reduction caused by the extraordinary pension provision at DBAG in 1980 which must be taken into account.

*Other Expenses*

Other expenses of DM 3,519.3 million are mostly for administrative and selling expenses, including sales commissions, rental and lease expenses, additions to reserves — insofar as they are not shown under other captions - and charges for exchange differences resulting from the conversion of individual foreign balance sheets from domestic currency to D-Mark.

*Net Income*

Consolidated net income is made up as follows:

| | 1981 in millions of DM | 1980 in millions of DM |
|---|---|---|
| Net Income of DBAG (with comparable amounts last year) | 608.0 | 570.3 |
| plus extraordinary income from pension reserve dissolution as a result of the restructuring of old-age pensions | – | 391.0 |
| | 608.8 | 961.3 |
| Less intercompany dividends, etc. | — 29.5 | — 24.0 |
| | 578.5 | 937.3 |
| Net income of domestic subsidiaries | 16.4 | 14.4 |
| Net income of foreign subsidiaries after elimination of intercompany profits | 194.1 | 188.8 |
| Other elimination measures | 37.3 | — 38.5 |
| Consolidated net income | 826.3 | 1,102.0 |

Net consolidated income rose against the comparable prior year amount - i.e. excluding extraordinary gain from dissolution of reserve in connection with the restructuring of old-age pension benefits at DBAG - from DM 711.0 million to DM 826.3 million (+16.2%). The main reason for the higher rate of increase of the Group as compared to DBAG (+6.6%) and to foreign subsidiaries (+ 2.8 %) are additions in connection with internal elimination activities.

*Contingent Liabilities*

Apart from the obligations shown for DBAG, there are no significant contingent liabilities for companies included in consolidation for obligations arising from stock subscriptions, for liabilities arising from capital subscriptions in limited liability companies (Section 24 of the Limited Company Liability Act) and for guarantees of liabilities of cooperatives owned by consolidated companies. Payment guarantees for subsidiary companies totalled DM 5.0 million.

**COMPANIES INCLUDED IN THE CONSOLIDATION**

*Domestic Companies*

Daimler-Benz AG, Stuttgart
Maschinenfabrik Esslingen AG, Esslingen a. N.
Wohnungsbau GmbH Weinstraße Mettingen, Esslingen a. N.
Mercedes-Leasing-GmbH, Stuttgart
Daimler-Benz Project Consult GmbH, Stuttgart
Daimler-Benz-Wohnungsbau GmbH, Stuttgart
Industrie- und Handelsbeteiligungen GmbH, Stuttgart
Pro-Data EDV-Beratung GmbH, Weinheim
Holzindustrie Bruchsal GmbH, Bruchsal
Porcher & Meffert GmbH, Stuttgart
Industriehandel Handels- und Industrieausriistungsgesellschaft mbH, Stuttgart
Wuerttembergische Baumwoll-Spinnerei und -Weberei bei Esslingen am Neckar Aktiengesellschaft, Esslingen a. N.
Hanomag-Henschel GmbH, Hannover
Maschinen- und Werkzeugbau Zuffenhausen AG, Stuttgart
Chemie- und Textil-Gesellschaft mbH Friedrichshafen, Friedrichshafen
Rohtex Aktiengesellschaft fur Textilrohstoffe, Stuttgart
Daimler-Benz Grundstuecksgesellschaft Hamburg mbH, Sitz Stuttgart
Daimler-Benz Grundstuecksgesellschaft Bremen mbH, Sitz Stuttgart
Reparaturwerk Boeblingen GmbH, Boeblingen
Mercedes-Versicherungsdienst GmbH, Stuttgart

*Foreign Companies*

Mercedes-Benz do Brasil S.A., Sao Bernardo do Campo/Brazil
Sociedade Tecnica de Fundicoes Gerais S.A., Sao Paulo/Brazil
Freightliner Corporation, Portland/USA[1)]
Freightliner Liquidating Corporation, Portland/USA[1)]
Metco Acquisition Corporation, Portland/USA[1)]
Consolidated Metco Inc., Portland/USA[1)]
Freightliner Market Development Corporation, Portland/USA[1)]
Freightliner of Canada Ltd., Vancouver/Canada[1)]
Freightliner Financial Services Ltd., Vancouver/Canada[1)]
Euclid Inc., Cleveland/USA
Euclid Canada Ltd., Guelph/Canada
Euclid International Sales Corporation, Cleveland/USA
Euclid Australia Pty. Ltd., Brisbane/Australia

1) Added to consolidation in 1981

Euclid Parts Sales Company, Cleveland/USA
Euclid Belgium S.A., Bruessel/Belgium
Euclid (South Africa) (Proprietary) Ltd., Johannesburg/South Africa
Mercedes-Benz Argentina S.A., Buenos Aires/Argentina
Circulo Cerrado S.A. de Ahorro para Fines Determinados, Buenos Aires/Argentina
INVAL S.R.L., Buenos Aires/Argentina
Mercedes-Benz Espana, S.A., Madrid/Spain
Comercial Mercedes-Benz S.A., Madrid/Spain[2)]
Daimler-Benz Holding AG, Zurich/Switzerland
Daimler-Benz Finanz AG, Zuerich/Switzerland
Daimler-Benz Finanz-Holding S.A., Luxemburg/Luxemburg
Brasfinanz AG, Zuerich/Switzerland
Merfina S.p.A., Rom/Italy
Handelsgesellschaft fuer Daimler-Benz Erzeugnisse AG, Zuerich/Switzerland
Societe Immobiliere du 83 Boulevard Gambetta a Nice, Rocquencourt/France
Societe Immobiliere du Pied de Digue, Rocquencourt/France
Interstar S.A., Nizza/France
Sofidel S.A., Rocquencourt/France
Mercedes-Benz France S.A., Rocquencourt/France
Societe Boulonnaise du Poids Lourd S.A., Saint-Martin les Boulogne/France
Sorevit-Metz S.A., Metz/France
Sorevit-Nantes S.A., Nantes/France
OLVI-Omnium Lyonnais de Vehicules Industriels S.A., Saint Genis-Laval/France
Fechtig Diesel S.A., Fenouillet/France
Societe d'Exploitation de Vehicules Industriels Groine & Cie SARL, Aubiere/France[1)]
Societe Civile Immobiliere Geneve de Pressense, Saint-Denis/France
Societe Lyonnaise d'Automobiles S.A., Lyon/France
Sorevit-Bourges S.A., Bourges/France
COVI-Comptoir de Vehicules Industriels S.A., Saint-Georges de Reneins/France
Societe Civile Immobiliere La Fontaine aux Bretons, La Courneuve/France
Societe Civile Immobiliere L'Etang du Parc de Rocquencourt, Rocquencourt/France
Societe Civile Immobiliere Le Val du Parc de Rocquencourt, Rocquencourt/France
Societe Civile Immobiliere Les Hauts du Parc de Rocquencourt, Rocquencourt/France
Societe Civile Fonciere de la Commanderie, Bourges/France
RAFIC S.A., Rocquencourt/France
Mercedes-Benz of North America Inc., Montvale/USA
Mercedes-Benz Manhattan Inc., New York/USA[1)]
Mercedes-Benz Service Corporation, Montvale/USA
Mercedes-Benz Canada Inc., Toronto/Canada
Mercedes-Benz (United Kingdom) Ltd., Hayes/Great Britain
Woking Motors Ltd., Hayes/Great Britain
Charles Sidney Ltd., Hayes/Great Britain
Mercedes-Benz (Commercial) G.B. Ltd., Hayes/Great Britain
Mercedes-Benz Belgium S.A., Bruessel/Belgium
N.V. Europa Automobilien Leuven, Leuven/Belgium
N.V. I.M.A.-Gent, Gent/Belgium
S.A. I.M.A.-Charleroi/Belgium
N.V. I.M.A.-Antwerpen, Antwerpen/Belgium
S.A. I.M.A.-Liege, Liege/Belgium
S.A. Etablissements Paul-E. Cousin, Brussel/Belgium
S.A. Europa Automobiles Waterloo, Waterloo/Belgium
S.A. Europa Automobiles, Brussel/Belgium
Anciens Etablissements de Carrosserie S.A. Vesters & Neirinck, Anderlecht/Belgium
N.V. Varna, Antwerpen/Belgium
S.A. Fimarent, Bruessel/Belgium
Mercedes-Benz Nederland B.V., Utrecht/Netherlands
Vastgoed Nijkerk B.V., Utrecht/Netherlands
AGAM Financiering B.V., Utrecht/Netherlands
Nedan N.V., Willemstad/Curacao
Cloosterman's Expeditiebedrijf B.V., Utrecht/Netherlands
Helmes Assurantien B.V., Utrecht/Netherlands
Daimler-Benz (Australia) Pty. Ltd., Mulgrave/Australia
Mercedes-Benz (Australia) Pty. Ltd., Mulgrave/Australia
Mercedes-Benz Italia S.p.A., Rom/Italy
Mercedes-Benz (Schweiz) AG, Zuerich/Switzerland
Mercedes-Benz Hellas S.A., Athen/Greece[1)]

[1)] Added to consolidation in 1981
[2)] formerly: Comercio e Industria Alaveses del Automovil S.A., Madrid/Spain

# Comparison of Balance Sheets as of December 31, 1981

(in condensed form)

| ASSETS | Consolidated Balance Sheet in millions of DM | Daimler-Benz AG Balance Sheet in millions of DM | AG's-Balance Sheet in % of Consolidated Balance Sheet |
|---|---|---|---|
| **Fixed and financial assets** | **5,727.0** | **4,340.6** | **76** |
| Property, plant and equipment | 5,409.1 | 3,634.9 | |
| Investment in affiliated companies | 112,6 | 594,8 | |
| Other long-term financial assets | 205.3 | 110.9 | |
| **Cost of investments in consolidated subsidiaries in excess of book value at acquisition** | **63,9** | **–** | **–** |
| **Current assets** | **14,636.8** | **10,708.2** | **73** |
| Inventories | 4,816.6 | 2,943.0 | |
| Receivables | 2,996.0 | 2,697.5 | |
| Cash and marketable securities | 4,142.6 | 2,806.5 | |
| Other current assets | 2,681.6 | 2,261.2 | |
| **Total assets** | **20,427.7** | **15,048.8** | **74** |

## STOCKHOLDERS' EQUITY, LIABILITIES ETC.

| | | | |
|---|---|---|---|
| **Stockholders' equity** | **6,266.0** | **4,525.7** | **72** |
| Capital stock (DBAG) | 1,528.8 | 1,528.8 | |
| Retained earnings of consolidated companies/ appropriated retained earnings (DBAG) | 4,364.2 | 2,739.8 | |
| Paid-in surplus, minority interests | 55.0 | – | |
| Special equity reserves | 318.0 | 257.1 | |
| **Lump-sum allowance for doubtful accounts** | **315.5** | **203.6** | **65** |
| **Liabilities** | **13,846.2** | **10,319.5** | **75** |
| Reserves | 7,275.0 | 6,452.4 | |
| Long-term liabilities | 542.7 | 138.2 | |
| Liabilities to Provident Funds | 165.2 | 154.1 | |
| Other liabilities and deferred credits | 5,559.3 | 3,270.8 | |
| Unappropriated surplus | 304.0 | 304.0 | |
| **Total stockholders' equity, liabilities etc.** | **20,427.7** | **15,048.8** | **74** |

# Consolidated Balance Sheet as of December 31, 1981

## ASSETS

| | Balance Jan. 1, 1981 DM | Additions DM | Transfers DM | Disposals DM | Depreciation DM | Balance Dec. 31, 1981 DM | Balance Dec. 31, 1980 in thousands of DM |
|---|---|---|---|---|---|---|---|
| **Fixed and financial assets** | | | | | | | |
| **Property, plant, equipment and intangible assets** | | | | | | | |
| Land and leasehold rights | | | | | | | |
| with office, plant and other buildings | 1,872,863,599 | 479,020,239 | +244,540,406 | 19,966,668 | 239,729,723 | 2,336,727,853 | 1,872,864 |
| with residential buildings | 35,756,404 | 4,866,855 | + 1,342,320 | 5,458,441 | 1,795,973 | 34,711,165 | 35,756 |
| without buildings | 38,525,483 | 929,109 | + 3,171,869 | 185,107 | 79,475 | 42,361,879 | 38,526 |
| Buildings on leased land | 41,601,463 | 28,200,563 | − 1,390,491 | 1,345,754 | 3,590,425 | 63,475,356 | 41,601 |
| Machinery and equipment | 929,648,281 | 456,476,530 | +158,559,415 | 8,183,490 | 610,695,336 | 925,805,400 | 929,648 |
| Fixtures, furniture and office equipment | 637,834,722 | 924,491,958 | + 63,784,008 | 60,276,340 | 760,750,964 | 805,083,384 | 637,835 |
| Construction in progress and | | | | | | | |
| advance payments for fixed assets | 565,593,224 | 1,133,221,395 | −470,007,527 | 17,950,310 | 10,502,615 | 1,200,354,167 | 565,593 |
| Franchises, trademarks, licences and similar rights | 554,802 | 5,895,242 | – | – | 5,842,969 | 607,075 | 555 |
| | 4,122,377,978 | 3,033,101,891 | – | 113,366,110 | 1,632,987,480 | 5,409,126,279 | 4,122,378 |
| **Financial assets** | | | | | | | |
| Investments in affiliated companies | 132,044,337 | 34,271,965 | − 3,462,791 | 19,182,934 | 31,044,566 | 122,630,011 | 132,044 |
| Investments in long-term securities | 115,361,931 | 12,336,309 | + 3,462,791 | 1,627,299 | 8,179,549 | 121,354,183 | 115,362 |
| Loans made for a term of | | | | | | | |
| at least four years | 82,674,784 | 33,912,210 | | 17,147,437 | 15,542,574 | 83,896,983 | 82,675 |
| of which secured by mortgage | | | | | | | |
| DM 77,952,340 (last year DM 57,823,004) | | | | | | | |
| | 330,081,052 | 80.,520,484 | – | 37,957,670 | 54,762,689 | 317,881,177 | 330,081 |
| | **4,452,459.030** | **3,113,622,375** | **–** | **151,323,780** | **1,687,750,169** | **5,727.007,456** | **4,452,459** |
| **Cost of investments in consolidated subsidiaries in excess of book value at acquisition** | | | | | | **63,873,124** | **27,365** |
| **Current assets** | | | | | | | |
| **Inventories** | | | | | | **4,816,625,098** | **4,473,540** |
| **Other current assets** | | | | | | | |
| Advance payments to suppliers other than for fixed assets | | | | | | 84,423,618 | 44,736 |
| Trade accounts receivable | | | | | | 2,737,010,081 | 2,274,230 |
| of which due after one year | | DM 37,915,496 (last year DM 71,757,081) | | | | | |
| Notes receivable | | | | | | 257,200,246 | 236,098 |
| of which: discountable at Central Bank | | DM 78,573,487 (last year DM 73,294,784) | | | | | |
| export related notes due after one year | | DM 22,538,553 (last year DM 79,609,107) | | | | | |
| Checks | | | | | | 12,105,606 | 9,703 |
| Cash on hand, in Central Bank and in post office checking accounts | | | | | | 7,277,688 | 7,325 |
| Cash in banks | | | | | | 2,116,060,004 | 2,125,078 |
| Temporary investments in securities | | | | | | 2,007,184,735 | 1,639,071 |
| Treasury stock of the parent company | | Par value DM 6,054,900 (last year DM 5,904,150) | | | | 18,891,288 | 16,469 |
| Receivables from affiliated companies | | | | | | 1,798,890 | 5,867 |
| Receivables from members of the Board of Management etc. (Section 89 of the Company Act) | | | | | | 13,593,972 | 2,162 |
| Other current assets | | | | | | 2,531,764,942 | 2,131,129 |
| | | | | | | **9,787,311,070** | **8,491,868** |
| **Prepaid and deferred charges** | | | | | | | |
| Bond discount | | | | | | 323,128 | 3,539 |
| Other | | | | | | 32,590,453 | 30,351 |
| | | | | | | **32,913,581** | **33,890** |
| **Total assets** | | | | | | **20,427,730.329** | **17,479,122** |

## STOCKHOLDERS' EQUITY, LIABILITIES ETC.

| | | | Balance Dec. 31, 1981 of DM | Balance Dec. 31, 1980 in thousands of DM |
|---|---|---|---|---|
| **Capital stock of Daimler-Benz AG** | | | | |
| Common stock | 30,538,070 votes | | 1,526,903,500 | 1,357,034 |
| Preferred stock | 38,430 votes | | 1,921,500 | 1,922 |
| in special cases of Section 17 of the bylaws | 1,152,900 votes | | | |
| | | | **1,528,825,000** | **1,358,956** |
| **Surplus and retained earnings** | | | | |
| Paid-in surplus[1] | | | 5,022,280 | 2,364 |
| Retained earnings[2] | | | 4,364,171,721 | 3,711,953 |
| | | | **4,369,194,001** | **3,714,317** |
| **Minority interests in subsidiaries** | | | **49,954,485** | **43,580** |
| of which: share in profits | DM 7,357,501 (last year DM 5,322,912) | | | |
| share in losses | DM 11,304,059 (last year DM 1,805,057) | | | |
| **Special equity reserves** | | | **318,012,066** | **198,488** |
| Reserves in accordance with Sections 1 and 3 of the Foreign Investment Law, Section 1 of the Tax Law with respect to Developing Countries, Section 74 of the Income Tax Regulation, Section 6b of the Income Tax Act, the Belgian, French, Italian and Dutch regulations | | | | |
| **Lump-sum allowance for doubtful accounts** | | | **315,479,644** | **275,655** |
| **Reserves** | | | | |
| Old-age pensions | | | 3,249,923,549 | 2,640,081 |
| Deferred maintenance | | | 122,382,142 | 107,104 |
| Other | | | 3,902,673,239 | 3,414,242 |
| | | | **7,274,978,930** | **6,161,427** |
| **Liabilities with a term of at least four years** | | | | |
| Bonds | | | 60,000,000 | 75,000 |
| Liabilities to banks | | | 310,525,839 | 234,040 |
| of which secured by mortgage | DM 145,147,286 (last year DM 155,003,402) | | | |
| Other liabilities | | | 172,238,858 | 108,529 |
| of which secured by mortgage | DM 55,112,221 (last year DM 38,009,386) | | | |
| Due within four years | DM 290,230,906 (last year DM 290,428,838) | | | |
| | | | **542,764,697** | **417,569** |
| **Liabilities to Provident Funds** (subsidiary companies) | | | **165,180,253** | **390,677** |
| **Other liabilities** | | | | |
| Accounts payable-trade | | | 2,100,996,361 | 1,864,736 |
| Notes payable | | | 162,011,496 | 43,295 |
| Bank loans | | | 972,981,429 | 718,915 |
| Advance payments received | | | 211,609,614 | 154,824 |
| Accounts payable to non-consolidated companies | | | – | 2,856 |
| Other liabilities | | | 2,101,763,950 | 1,649,841 |
| | | | **5,549,362,850** | **4,434,467** |
| **Deferred credits** | | | **9,944,633** | **3,331** |
| **Unappropriated surplus** | | | **304,033,770** | **480,655** |
| | 1981 | 1980 | | |
| Contingent liabilities from: | DM | DM | | |
| Trade acceptances | 166,441,178 | 167,709,939 | | |
| Assignment of trade receivables | 4,166,823 | 20,383,978 | | |
| Guarantees | 306,484,224 | 259,675,676 | | |
| | | | **20,427,730,329** | **17,479,122** |

[1]) Corresponds to capital contributed for shares in excess of par value; it is included at DBAG in "retained earnings allocated under statute".
[2]) Inclusive of "retained earnings allocated under statute" (without capital contributed for shares in excess of par value) of DM 150,764,692 (last year DM 133,777,742) and retained earnings allocated for treasury stock of DM 18,891,288 (last year DM 16,468,834) of DBAG.

# Consolidated Statement of Income for the Year Ended December 31, 1981

| | | 1981 DM | 1981 DM | 1980 in thousands of DM | 1980 in thousands of DM |
|---|---|---|---|---|---|
| **Sales** | | 36,660,733,791 | | 31,053,692 | |
| Increase of work in process and finished goods inventories including spare parts | | 558,108,426 | 37,218,842,217 | 807,008 | 31,860,700 |
| Other capitalized in-house output | | | 334,428,888 | | 266,126 |
| **Total revenue** | | | 37,553,271,105 | | 32,126,826 |
| Expenses for raw materials, supplies, other materials and purchased merchandise | | | 19,496,916,424 | | 16,556,232 |
| **Excess of total revenue over expenses for raw materials etc.** | | | 18,056,354,681 | | 15,570,594 |
| Income transferred from affiliated companies under | | | | | |
| profit and loss transfer agreements | | 5,799,047 | | 7,371 | |
| Income from investments in affiliated companies | | 22,974,606 | | 6,293 | |
| Income from other financial investments | | 10,931,320 | | 7,568 | |
| Other interest and similar income | | 1,258,977,281 | | 795,553 | |
| Gain from disposal of fixed assets | | 26,534,674 | | 12,642 | |
| Gain from dissolution of reserves | | 162,373,067 | | 513,045 | |
| Gain from dissolution of special equity reserves | | 33,298,206 | | 41,348 | |
| Other income | | 477,059,850 | | 277,641 | |
| of which extraordinary | DM 37,915,916 (last year DM 19,400,174) | | 1,997,948,051 | | 1,661,461 |
| | | | 20,054,302,732 | | 17,232,055 |
| Wages and salaries | | 7,936,288,520 | | 7,021,202 | |
| Social security levies | | 1,238,745,898 | | 1,085,722 | |
| Expenditures for old-age pension and support payments to dependants | | 818,348,677 | | 1,708,868 | |
| Depreciation of fixed assets and amortization of intangible assets | | 1,632,987,480 | | 1,434,611 | |
| Write-down of financial assets | | 54,762,689 | | 12,681 | |
| Amortization of cost of investments in consolidated subsidiaries in excess of book value at acquistion | | 2,370,102 | | 8,953 | |
| Losses from reduction in value of or from sales of current assets excluding inventories. | | | | | |
| and addition to lump-sum allowance for doubtful accounts | | 230,512,144 | | 131,862 | |
| Losses from disposal of fixed assets | | 33,722,083 | | 7,980 | |
| Interest and similar charges | | 454,797,161 | | 197,774 | |
| Taxes | | | | | |
| a) on income, trade and property | DM 3,263,405,243 | | | | |
| of which payments for prior years covered by other reserves | DM 164,043,115 | | | | |
| | DM 3,099,362,128 | | | | |
| of which charged to a non-consolidated | | | | | |
| parent company | DM 8,377,500 | 3,090,984,628 | | 1,692,762 | |
| b) other | | 58,190,878 | | 32,103 | |
| Additions to special equity reserves | | 157,005,861 | | 59,706 | |
| Other expenses | | 3,519,294,831 | 19,228,010,952 | 2,735,880 | 16,130,104 |
| **Net income** | | | 826,291,780 | | 1,101,951 |
| Transfer from net income to retained earnings | | | 526,204,568 | | 617,778 |
| Income applicable to minority shareholders | | 7,357,501 | | 5,323 | |
| Losses applicable to minority shareholders | | 11,304,059 | 3,946,558 | 1,805 | 3,518 |
| **Unappropriated surplus** | | | 304,033,770 | | 480,655 |

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

Stuttgart-Untertuerkheim, April 22, 1 982

**Daimler-Benz Aktiengesellschaft**

**Board of Management**

Prinz Breitschwerdt Hoppe
Niefer Osswald Reuter
Ulsamer Hinrichs Liener

Frankfort (Main), April 22, 1982

**Deutsche Treuhand-Gesellschaft**
Aktiengesellschaft
Wirtschaftspruefungsgesellschaft

Schnicke, Wirtschaftspruefer
Dr. Koschinsky, Wirtschaftspruefer
(independent auditors)

# Appendix

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Number of employees** (at year-end) | | | | | | | | | | |
| **Group** | **143,793** | **150,014** | **149,175** | **149,742** | **155,003** | **163,302** | **167,165** | **174,431** | **183,392** | **187,961** |
| of which: Domestic | 124,295 | 128,376 | 124,040 | 123,145 | 127,018 | 132,214 | 135,275 | 142,164 | 146,323 | 149,096 |
| Foreign | 19,498 | 21,638 | 25,135 | 26,597 | 27,985 | 31,088 | 31,890 | 32,267 | 37,069 | 38,865 |
| **Daimler-Benz AG** | **122,601** | **126,855** | **122,899** | **122,775** | **126,652** | **131,807** | **134,437** | **141,401** | **145,532** | **148,361** |
| **Production** (in units) | | | | | | | | | | |
| **Cars** | **323,878** | **331,682** | **340,006** | **350,098** | **370,348** | **401,255** | **393,203** | **422,159** | **429,078** | **440,778** |
| of which: Diesels | 114,794 | 116,120 | 146,701 | 156,668 | 157,685 | 165,818 | 175,915 | 201,854 | 207,781 | 200,480 |
| Share of total production in % | 35.4 | 35.0 | 43.1 | 44.8 | 42.6 | 41.3 | 44.7 | 47.8 | 48.4 | 45.5 |
| **Mercedes-Benz Cross Country Vehicles** | – | – | – | – | – | – | – | **2,508** | **6,667** | **6,455** |
| **Commercial vehicles** (excl. major components) | **201,937** | **215,935** | **205,344** | **229,302** | **247,756** | **248,100** | **239,702** | **256,467** | **272,868** | **268,925** |
| of which: Domestic plants | 168,482 | 177,061 | 161,400 | 180,005 | 193,204 | 187,298 | 173,101 | 188,772 | 203,041 | 196,076 |
| Foreign plants | 33,455 | 38,874 | 43,944 | 49,297 | 54,552 | 60,802 | 66,601 | 67,695 | 69,827 | 72,849 |
| (in millions of D-Marks) | | | | | | | | | | |
| **Sales** | | | | | | | | | | |
| **Group** | **12,466** | **13,794** | **15,283** | **19,051** | **21,303** | **23,496** | **24,236** | **27,367** | **31,054** | **36,661** |
| of which: Domestic sales | 6,374 | 6,821 | 6,541 | 8,102 | 9,197 | 10,336 | 11,539 | 12,938 | 13,855 | 13,577 |
| Foreign sales | 6,092 | 6,973 | 8,742 | 10,949 | 12,106 | 13,160 | 12,697 | 14,429 | 17,199 | 23,084 |
| Foreign share in % | 48.9 | 50.5 | 57.2 | 57.5 | 56.8 | 56.0 | 52.4 | 52.7 | 55.4 | 63.0 |
| of which: Car sales | 6,047 | 6,772 | 7,085 | 8,116 | 9,354 | 10,882 | 11,082 | 12,285 | 14,088 | 16,572 |
| Commercial vehicle sales | 5,793 | 6,385 | 7,374 | 10,118 | 11,056 | 11,662 | 12,109 | 13,984 | 15,818 | 18,862 |
| Other sales | 626 | 637 | 824 | 817 | 893 | 952 | 1,045 | 1,098 | 1,148 | 1,227 |
| **Daimler-Benz AG** | **10,909** | **12,294** | **13,489** | **16,258** | **18,353** | **20,012** | **20,584** | **23,454** | **26,472** | **29,084** |
| of which: Domestic sales | 6,332 | 6,780 | 6,496 | 8,070 | 9,169 | 10,321 | 11,522 | 12,987 | 13,845 | 13,579 |
| Export sales | 4,577 | 5,514 | 6,993 | 8,188 | 9,184 | 9,691 | 9,062 | 10,467 | 12,627 | 15,505 |
| Export share in % | 42.0 | 44.9 | 51.8 | 50.4 | 50.0 | 48.4 | 44.0 | 44.6 | 47.7 | 53.3 |
| of which: Car sales | 5,609 | 6,569 | 6,865 | 7,506 | 8,848 | 10,363 | 10,622 | 11,775 | 13,136 | 14,396 |
| Commercial vehicle sales | 4,891 | 5,299 | 6,109 | 8,208 | 8,903 | 8,956 | 9,208 | 10,818 | 12,393 | 13,737 |
| Other sales | 409 | 426 | 515 | 544 | 602 | 693 | 754 | 861 | 943 | 951 |
| **Investments and depreciation** | | | | | | | | | | |
| **Group** | | | | | | | | | | |
| **Total investments** | **915** | **654** | **871** | **1,096** | **908** | **1,140** | **1,498** | **1,969** | **2,140** | **3,114** |
| of which: in property, plant and equipment | | | | | | | | | | |
| Domestic | 772 | 555 | 724 | 911 | 740 | 892 | 1,239 | 1,718 | 1,663 | 2,233 |
| Foreign | 63 | 65 | 109 | 120 | 124 | 195 | 207 | 187 | 394 | 800 |
| in financial assets | 80 | 34 | 38 | 65 | 44 | 53 | 52 | 64 | 83 | 81 |
| **Total depreciation** | **760** | **688** | **731** | **884** | **917** | **918** | **1,013** | **1,342** | **1,447** | **1,688** |
| of which: of property, plant and equipment | | | | | | | | | | |
| Domestic | 684 | 631 | 673 | 834 | 830 | 772 | 850 | 1,162 | 1,272 | 1,379 |
| Foreign | 56 | 38 | 41 | 47 | 68 | 129 | 151 | 151 | 162 | 254 |
| of financial assets | 20 | 19 | 17 | 3 | 19 | 17 | 12 | 29 | 13 | 55 |
| **Daimler-Benz AG** | | | | | | | | | | |
| Investments in property, plant and equipment | 636 | 503 | 672 | 869 | 697 | 832 | 1,133 | 1,560 | 1,520 | 1,954 |
| Additions to investments in affiliated companies (net) | 9 | 11 | 35 | 9 | 26 | 104 | 48 | 47 | 100 | 120 |
| Depreciation of property, plant and equipment | 633 | 573 | 629 | 786 | 785 | 726 | 804 | 1,094 | 1,189 | 1,259 |

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

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| (in millions of D-Marks) | | | | | | | | | | |
| **Daimler-Benz Group** | | | | | | | | | | |
| Fixed and financial assets | 2,250 | 2,174 | 2,223 | 2,348 | 2,261 | 2,873 | 3,298 | 3,846 | 4,452 | 5,727 |
| Current assets | 2,723 | 3,444 | 3,824 | 4,513 | 5,745 | 9,035 | 9,563 | 10,271 | 13,027 | 14,701 |
| Capital stock | 951 | 951 | 1,189 | 1,189 | 1,189 | 1,359 | 1,359 | 1,359 | 1,359 | 1,529 |
| Retained earnings | 906 | 1,011 | 897 | 1,012 | 1,182 | 2,576 | 2,917 | 3,322 | 3,956 | 4,737 |
| **Stockholder's equity** | **1,857** | **1,962** | **2,086** | **2,201** | **2,371** | **3,935** | **4,276** | **4,681** | **5,315** | **6,266** |
| in % of fixed and financial assets | 82.6 | 90.3 | 93.8 | 93.7 | 104.9 | 136.9 | 129.7 | 121.7 | 119.4 | 109.4 |
| Long and medium-term liabilities[1] | 1,091 | 1,299 | 1,463 | 1,729 | 2,014 | 2,809 | 3,156 | 3,508 | 4,814 | 5,519 |
| **Stockholders' equity plus long and medium-term liabilities** | **2,948** | **3,261** | **3,549** | **3,930** | **4,385** | **6,744** | **7,432** | **8,189** | **10,129** | **11,785** |
| in % of fixed and financial assets | 131.0 | 150.0 | 159.6 | 167.4 | 193.9 | 234.7 | 225.3 | 212.9 | 227.5 | 205.8 |
| Total assets | 4,973 | 5,618 | 6,047 | 6,861 | 8,006 | 11,908 | 12,861 | 14,117 | 17,479 | 20,428 |

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

## Daimler-Benz AG

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total revenue | 11,041 | 12,629 | 13,656 | 16,414 | 18,312 | 20,407 | 20,645 | 23,736 | 26,714 | 29,461 |
| Cost of materials and outside services | 5,698 | 6,437 | 7,187 | 8,523 | 9,080 | 10,278 | 10,055 | 11,748 | 13,462 | 15,216 |
| **Total employee expenses** | **3,099** | **3,611** | **4,117** | **4,632** | **5,205** | **5,868** | **5,972** | **6,701** | **7,297[2])** | **8,260** |
| Average cost per employee (DM) | 25,876 | 29,201 | 33,395 | 38,108 | 41,833 | 45,183 | 46,765 | 48,679 | 50,596 | 56,343 |
| Average sales per employee (DM) | 91,097 | 99,416 | 109,416 | 133,756 | 147,506 | 154,091 | 161,181 | 170,381 | 183,553 | 198,386 |
| Taxes on income, trade and property | 497 | 618 | 661 | 927 | 1,392 | 1,734 | 1,852 | 2,143 | 1,360[3]) | 2,491 |
| Net income | 275 | 277 | 269 | 310 | 392 | 445 | 474 | 540 | 570[4]) | 608 |
| in % of sales of Daimler-Benz AG | 2.5 | 2.3 | 2.0 | 1.9 | 2.1 | 2.2 | 2.3 | 2.3 | 2.2 | 2.1 |
| Included in total employee expenses: Christmas and special remuneration | 104 | 137 | 144 | 146 | 176 | 213 | 232 | 280 | 328 | 364 |
| Formation of personal capital | 65 | 73 | 74 | 73 | 73 | 73 | 77 | 79 | 102 | 105 |
| Expenditures for old age security | 164 | 166 | 238 | 340 | 427 | 503 | 435 | 439 | 1,680[3]) | 688 |
| **Total expenditures to employees for special social purposes** | **333** | **376** | **456** | **559** | **676** | **789** | **744** | **798** | **2,110[3])** | **1,157** |
| Dividends (paid or proposed) | 171 | 171 | 178 | 202 | 225 | 228 | 243 | 270 | 297 | 304 |
| in % of sales of Daimler-Benz AG | 1.6 | 1.4 | 1.3 | 1.2 | 1.2 | 1.1 | 1.2 | 1.2 | 1.1 | 1.0 |
| Dividend per share of DM 50 par value (in DM) | 9.00 | 9.00 | 7.50[5]) | 8.50 | 9.50 | 9.00[6]) | 9.00 | 10.00 | 10.–+1.–[7]) | 10.00[8]) |
| Tax credit per share of DM 50 par value (in DM)[9]) | | | | | | 5.06 | 5.06 | 5.62 | 6.19 | 5.62 |
| Dividend per share of DM 50 par value as adjusted[10]) | 5.83 | 5.83 | 6.07 | 6.88 | 7.69 | 7.73 | 8.15 | 9.06 | 9.96[7]) | 10.00 |
| Tax credit per share of DM 50 par value as adjusted[9]) | | | | | | 4.35 | 4.58 | 5.09 | 5.60 | 5.62 |

[1]) Comprising: Liability reserves of a long and medium-term nature, long-term liabilities to banks and to the Daimler-Benz Provident Fund.
[2]) Exclusive of extraordinary expense for old age pension in the amount of DM 1,408 million.
[3]) Restructuring of old age pension with tax-deductible extraordinary addition to pension reserves.
[4]) Excluding dissolution of reserve in the amount of DM 391 million. This amount was previously set up for underfunding in the Provident Fund.
[5]) Full dividend entitlement of new shares from capital increase out of retained earnings (4 to 1).
[6]) 50% dividend entitlement of the new common shares as a result of the capital increase in December (7 to 1 issued at par).
[7]) Dividend and bonus.
[8]) Full dividend entitlement of the new common shares as a result of the capital increase in December (8 to 1 issued at par).
[9]) For our stockholders who are liable for income taxes in the Federal Republic of Germany.
[10]) Allowing for capital stock increases.

# Production and Sales

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cars** (in thousands of units) | | | | | | | | | | |
| **Production** | | | | | | | | | | |
| Federal Republic | 3,522 | 3,650 | 2,840 | 2,908 | 3,547 | 3,791 | 3,890 | 3,933 | 3,521 | 3,578 |
| Daimler-Benz AG | 324 | 332 | 340 | 350 | 370 | 401 | 393 | 422 | 429 | 441 |
| **New car registrations** | | | | | | | | | | |
| Federal Republic | 2,143 | 2,031 | 1,693 | 2,106 | 2,312 | 2,561 | 2,664 | 2,623 | 2,426 | 2,330 |
| of which: Domestic products | 1,581 | 1,505 | 1,241 | 1,581 | 1,812 | 2,019 | 2,079 | 2,016 | 1,787 | 1,740 |
| Daimler-Benz AG | 168 | 173 | 170 | 191 | 197 | 214 | 214 | 234 | 241 | 239 |
| Foreign products | 562 | 526 | 452 | 525 | 500 | 542 | 585 | 607 | 639 | 590 |
| Share in % | 26.2 | 25.9 | 26.7 | 24.9 | 21.6 | 21.1 | 21.9 | 23.2 | 26.3 | 25.3 |
| **Exports** | | | | | | | | | | |
| Federal Republic | 2,027 | 2,173 | 1,707 | 1,476 | 1,837 | 1,939 | 1,904 | 1,997 | 1,873 | 1,949 |
| Daimler-Benz AG | 155 | 153 | 172 | 159 | 170 | 185 | 177 | 183 | 188 | 200 |
| **Export share of total production in %** | | | | | | | | | | |
| Federal Republic | 57.6 | 59.5 | 60.1 | 50.8 | 51.8 | 51.2 | 49.0 | 50.8 | 53.2 | 54.5 |
| Daimler-Benz AG | 47.9 | 46.0 | 50.5 | 45.5 | 45.9 | 46.0 | 44.9 | 43.4 | 43.8 | 45.4 |
| **Commercial Vehicles*)** (in thousands of units) | | | | | | | | | | |
| **Production** | | | | | | | | | | |
| Federal Republic | 294 | 299 | 260 | 278 | 321 | 314 | 296 | 317 | 358 | 319 |
| Daimler-Benz AG | 168 | 177 | 161 | 180 | 193 | 187 | 173 | 189 | 203 | 196 |
| Group | 202 | 216 | 205 | 229 | 248 | 248 | 240 | 256 | 273 | 269 |
| **New commercial vehicle registrations** | | | | | | | | | | |
| Federal Republic | 149 | 138 | 108 | 109 | 137 | 138 | 156 | 170 | 176 | 149 |
| Daimler-Benz AG | 78 | 73 | 53 | 58 | 69 | 69 | 80 | 88 | 86 | 69 |
| **Exports** | | | | | | | | | | |
| Federal Republic | 161 | 174 | 174 | 178 | 206 | 189 | 169 | 178 | 211 | 204 |
| Daimler-Benz AG | 87 | 96 | 107 | 112 | 125 | 110 | 93 | 97 | 116 | 122 |
| **Export share of total production in %** | | | | | | | | | | |
| Federal Republic | 54.7 | 58.3 | 66.7 | 63.8 | 64.2 | 60.1 | 57.1 | 56.2 | 58.9 | 63.9 |
| Daimler-Benz AG | 51.9 | 54.0 | 66.6 | 62.0 | 64.7 | 58.8 | 53.8 | 51.4 | 57.3 | 62.0 |

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

# Production and Sales Data

| | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | Change 1981 to 1972 in % | Average yearly change in % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Changes compared to prior year in % | | | | | | | | | | | |
| **Cars** | | | | | | | | | | | | |
| **Production** | | | | | | | | | | | | |
| Federal Republic | − 4.7 | +3.6 | −22.2 | + 2.4 | +22.0 | + 6.9 | + 2.6 | + 1.1 | −10.5 | + 1.6 | + 1.6 | +0.2 |
| Daimler-Benz AG | +13.9 | +2.4 | + 2.5 | + 3.0 | + 5.8 | + 8.3 | − 2.0 | + 7.4 | + 1.6 | + 2.7 | +36.1 | +3.5 |
| **New car registrations** | | | | | | | | | | | | |
| Federal Republic | − 0.4 | −5.2 | −16.6 | +24.4 | + 9.8 | +10.8 | + 4.0 | − 1.5 | − 7.5 | − 4.0 | + 8.7 | +0.9 |
| of which: Domestic products | − 1.7 | −4.8 | −17.5 | +27.4 | +14.6 | +11.5 | + 2.9 | − 3.0 | −11.3 | − 2.6 | +10.1 | +1.1 |
| Daimler-Benz AG | + 8.0 | +2.4 | − 1.7 | +12.3 | + 3.6 | + 8.5 | − 0.3 | + 9.7 | + 2.9 | − 0.9 | +41.8 | +4.0 |
| Foreign products | + 3.5 | −6.5 | −14.0 | +16.0 | − 4.6 | + 7.9 | + 8.3 | + 3.9 | + 5.1 | − 7.6 | + 5.0 | +0.5 |
| **Exports** | | | | | | | | | | | | |
| Federal Republic | − 5.6 | +7.2 | −21.5 | −13.5 | +24.5 | + 5.6 | − 1.8 | + 4.9 | − 6.2 | + 4.1 | − 3.8 | −0.4 |
| Daimler-Benz AG | +17.6 | −1.6 | +12.6 | − 7.2 | + 6.6 | + 8.6 | − 4.3 | + 3.6 | + 2.7 | + 6.4 | +28.9 | +2.9 |
| **Commercial Vehicles*)** | | | | | | | | | | | | |
| **Production** | | | | | | | | | | | | |
| Federal Republic | + 3.0 | +1.6 | −13.0 | + 7.0 | +15.4 | − 2.3 | − 5.6 | + 7.1 | +12.8 | −10.7 | + 8.4 | +0.9 |
| Daimler-Benz AG | + 5.5 | +5.1 | − 8.8 | +11.5 | + 7.3 | − 3.1 | − 7.6 | + 9.1 | + 7.6 | − 3.4 | +16.4 | +1.7 |
| Group | + 7.4 | +6.9 | − 4.9 | +11.7 | + 8.0 | + 0.1 | − 3.4 | + 7.0 | + 6.4 | − 1.4 | +33.2 | +3.2 |
| **New commercial vehicle registrations** | | | | | | | | | | | | |
| Federal Republic | − 8.5 | −7.4 | −21.9 | + 1.2 | +26.0 | + 0.4 | +13.2 | + 9.0 | + 3.1 | −15.4 | − 0.3 | −0.0 |
| Daimler-Benz AG | −13.1 | −6.2 | −27.4 | + 9.5 | +17.9 | − 0.2 | +16.3 | +10.1 | − 2.3 | −20.1 | −12.4 | −1.5 |
| **Exports** | | | | | | | | | | | | |
| Federal Republic | + 9.7 | +8.3 | − 0.5 | + 2.2 | +16.2 | − 8.6 | −10.4 | + 5.4 | +18.3 | − 3.3 | +26.6 | +2.7 |
| Daimler-Benz AG | +18.9 | +9.3 | +12.4 | + 3.8 | +12.0 | −11.9 | −15.4 | + 4.1 | +20.0 | + 4.4 | +38.9 | +3.7 |

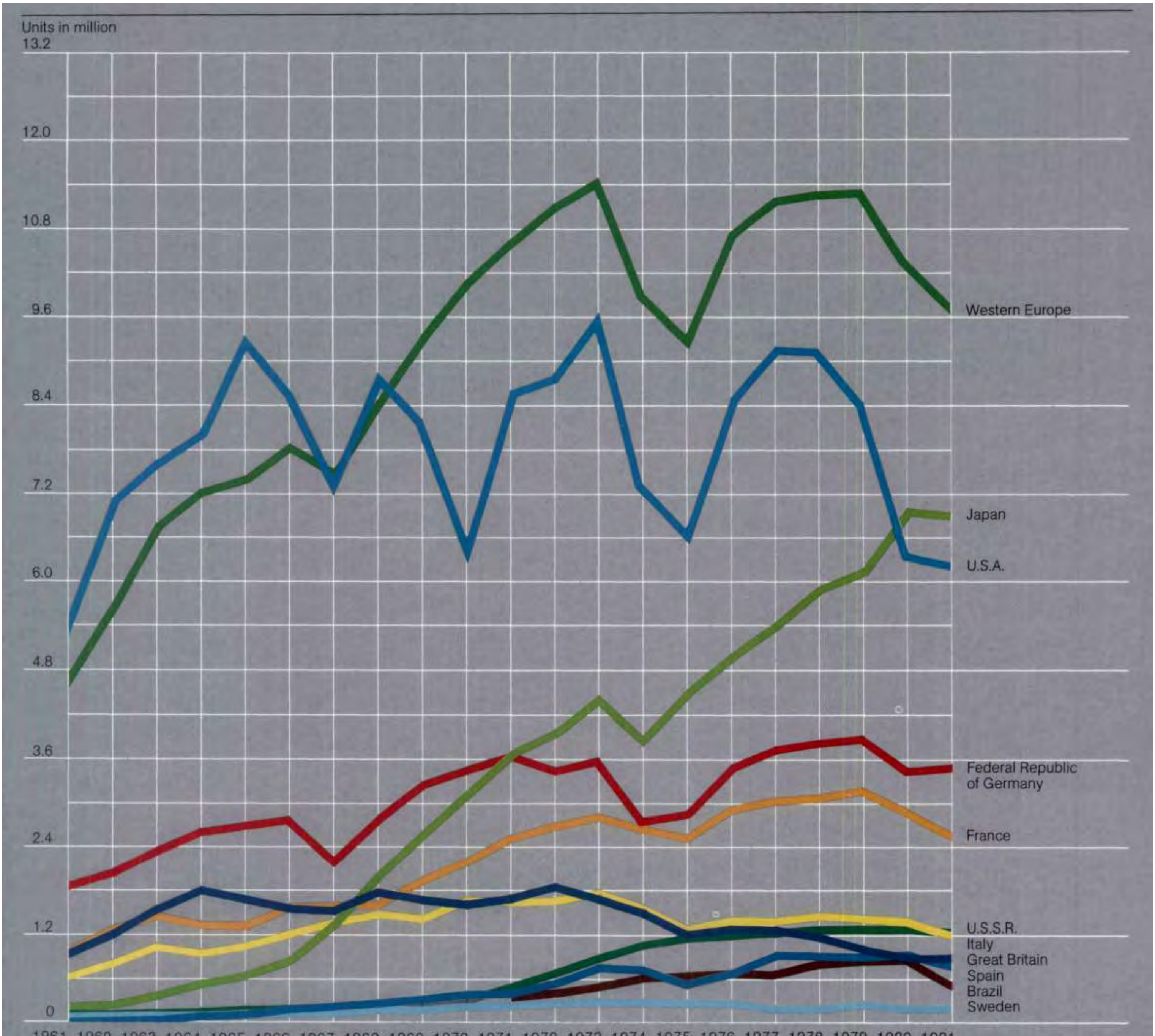
*) Figures of Daimler-Benz including all Unimog vehicles and MB-trac.

# Car Industry of Leading Countries

| | 1972 | 1977 | 1978 | 1979 | 1980 | 1981*) | Change compared to prior year in % 1972 | 1977 | 1978 | 1979 | 1980 | 1981*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in thousands of units) | | | | | | | | | | | | |
| **Worldwide production** | 27,551 | 30,906 | 31,715 | 31,528 | 29,253 | 27,979 | + 5 | + 6 | + 3 | + 1 | − 7 | − 4 |
| **Federal Republic of Germany** | | | | | | | | | | | | |
| Production | 3,522 | 3,791 | 3,890 | 3,933 | 3,521 | 3,578 | − 5 | + 7 | + 3 | + 1 | −10 | + 2 |
| Imports | 773 | 949 | 1,054 | 1,041 | 1,013 | 937 | +12 | +12 | +11 | − 1 | − 3 | − 8 |
| Exports | 2,027 | 1,939 | 1,904 | 1,997 | 1,873 | 1,949 | − 6 | + 6 | − 2 | + 5 | − 6 | + 4 |
| of which: to Europe | 1,100 | 1,303 | 1,289 | 1,491 | 1,381 | 1,538 | + 4 | − 1 | − 1 | +16 | − 7 | +11 |
| to U.S.A. | 732 | 466 | 412 | 331 | 335 | 242 | −16 | +35 | −12 | −20 | + 1 | −28 |
| New car registrations | 2,143 | 2,561 | 2,664 | 2,623 | 2,426 | 2,330 | − 0 | +11 | + 4 | − 2 | − 8 | − 4 |
| **France** | | | | | | | | | | | | |
| Production | 2,719 | 3,092 | 3,111 | 3,220 | 2,939 | 2,612 | +10 | + 4 | + 1 | + 4 | − 9 | −11 |
| Imports | 412 | 582 | 572 | 604 | 660 | 795 | +15 | − 4 | − 2 | + 6 | + 9 | +20 |
| Exports | 1,378 | 1,621 | 1,579 | 1,698 | 1,530 | 1,394 | +10 | + 8 | − 3 | + 8 | −10 | − 9 |
| of which: to Europe | 1,151 | 1,330 | 1,290 | 1,407 | 1,203 | 1,038 | +12 | + 7 | − 3 | + 9 | −15 | −14 |
| New car registrations | 1,637 | 1,907 | 1,945 | 1,976 | 1,873 | 1,835 | +12 | + 3 | + 2 | + 2 | − 5 | − 2 |
| **Great Britain** | | | | | | | | | | | | |
| Production | 1,921 | 1,328 | 1,257 | 1,102 | 959 | 955 | +10 | − 0 | − 5 | −12 | −13 | − 0 |
| Imports | 450 | 698 | 802 | 1,061 | 863 | 830 | +60 | +31 | +15 | +33 | −19 | − 4 |
| Exports | 627 | 475 | 466 | 410 | 359 | 310 | −13 | − 4 | − 2 | −12 | −12 | −14 |
| of which: to Europe | 300 | 183 | 150 | 164 | 143 | 134 | −15 | − 1 | −18 | + 9 | −13 | − 6 |
| New car registrations | 1,640 | 1,326 | 1,594 | 1,718 | 1,516 | 1,487 | +28 | + 3 | +20 | + 8 | −12 | − 2 |
| **Italy** | | | | | | | | | | | | |
| Production | 1,719 | 1,440 | 1,509 | 1,481 | 1,445 | 1,257 | + 2 | − 2 | + 5 | − 2 | − 2 | −13 |
| Imports | 421 | 464 | 516 | 626 | 908 | 940 | + 7 | − 5 | +11 | +21 | +45 | + 4 |
| Exports | 659 | 644 | 640 | 647 | 511 | 424 | + 3 | − 7 | − 1 | + 1 | −21 | −17 |
| of which: to Europe | 530 | 512 | 483 | 480 | 385 | 346 | + 5 | − 4 | − 6 | − 1 | −20 | −10 |
| New car registrations | 1,470 | 1,219 | 1,194 | 1,397 | 1,530 | 1,806 | + 3 | + 3 | − 2 | +17 | +10 | +18 |
| **Sweden** | | | | | | | | | | | | |
| Production | 318 | 235 | 254 | 297 | 235 | 258 | +11 | −26 | + 8 | +17 | −21 | +10 |
| Imports | 146 | 173 | 132 | 162 | 142 | 133 | +24 | −29 | −24 | +23 | −12 | − 6 |
| Exports | 227 | 181 | 207 | 238 | 189 | 209 | +12 | −11 | +14 | +15 | −21 | +11 |
| of which: to Europe | 133 | 105 | 110 | 131 | 88 | 101 | +21 | −18 | + 5 | +19 | −33 | +15 |
| New car registrations | 221 | 241 | 201 | 215 | 193 | 189 | +12 | −23 | −17 | + 7 | −11 | − 2 |
| **Spain** | | | | | | | | | | | | |
| Production | 601 | 989 | 986 | 966 | 1,029 | 855 | +33 | +31 | − 0 | − 2 | + 7 | −17 |
| Exports | 104 | 314 | 374 | 397 | 492 | 433 | +34 | +72 | +19 | + 6 | +24 | −12 |
| **U.S.S.R.** | | | | | | | | | | | | |
| Production | 730 | 1,280 | 1,312 | 1,314 | 1,327 | 1,324 | +38 | + 3 | + 3 | + 0 | + 1 | − 0 |
| Exports | 204 | 362 | 387 | 379 | 329 | 331 | +30 | + 1 | + 7 | − 2 | −13 | + 1 |
| **Japan**[1]) | | | | | | | | | | | | |
| Production | 4,022 | 5,431 | 5,748 | 6,176 | 7,038 | 6,974 | + 8 | + 8 | + 6 | + 7 | +14 | − 1 |
| Imports | 25 | 41 | 55 | 65 | 46 | 32 | +33 | + 1 | +32 | +19 | −29 | −31 |
| Exports | 1,407 | 2,959 | 2,819 | 3,102 | 3,947 | 3,947 | + 8 | +17 | − 5 | +10 | +27 | − 0 |
| of which: to Europe | 328 | 661 | 648 | 806 | 1,003 | 946 | +70 | + 5 | − 2 | +25 | +24 | − 6 |
| to U.S.A. | 618 | 1,375 | 1,440 | 1,588 | 1,887 | 1,814 | − 9 | +27 | + 5 | +10 | +19 | − 4 |
| New car registrations | 2,627 | 2,500 | 2,857 | 3,037 | 2,854 | 2,867 | + 9 | + 2 | +14 | + 6 | − 6 | + 0 |
| **U.S.A.** | | | | | | | | | | | | |
| Production | 8,828 | 9,214 | 9,177 | 8,434 | 6,376 | 6,253 | + 3 | + 8 | − 0 | − 8 | −24 | − 2 |
| Imports | 2,486 | 2,791 | 3,025 | 3,006 | 3,150 | 3,002 | − 4 | +10 | + 8 | − 1 | + 5 | − 5 |
| Exports[2]) | 471 | 688 | 672 | 741 | 560 | 506 | + 2 | + 4 | − 2 | +10 | −25 | −10 |
| of which: to Europe | 9 | 26 | 42 | 67 | 24 | 20 | −13 | + 9 | +59 | +61 | −64 | −17 |
| New car registrations | 10,684 | 10,826 | 10,946 | 10,357 | 8,761 | 8,444 | + 9 | +11 | + 1 | − 5 | −15 | − 4 |
| **Brazil** | | | | | | | | | | | | |
| Production | 470 | 729 | 875 | 921 | 937 | 584 | +16 | − 5 | +20 | + 5 | + 2 | −38 |
| Exports | 1 | 55 | 79 | 78 | 116 | 156 | +19 | −10 | +42 | − 1 | +48 | +35 |
| New car registrations | 501 | 678 | 798 | 836 | 794 | 449 | +15 | −11 | +18 | + 5 | − 5 | −44 |

*) Figures are partly estimated.
[1]) From 1978 on, actual figures excluding major components.
[2]) Including exports to Canada.

# Car Production Trends of Leading Countries 1961-1981




**Share of Total World Production in %**

| Country | 1960 | 1965 | 1970 | 1975 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|
| Fed. Rep. of Germany | 14.2 | 14.2 | 15.6 | 11.5 | 12.3 | 12.3 | 12.5 | 12.1 | 12.7 |
| France | 9.0 | 7.1 | 10.0 | 10.1 | 10.0 | 9.8 | 10.2 | 10.1 | 9.3 |
| Great Britain | 10.6 | 8.9 | 7.0 | 5.0 | 4.2 | 4.0 | 3.5 | 3.3 | 3.4 |
| Italy | 4.4 | 5.7 | 7.6 | 5.4 | 4.7 | 4.7 | 4.7 | 4.9 | 4.5 |
| Sweden | 0.9 | 0.0 | 1.2 | 1.3 | 0.8 | 0.8 | 0.9 | 0.8 | 0.9 |
| Spain | 0.3 | 0.8 | 2.0 | 2.8 | 3.2 | 3.1 | 3.1 | 3.5 | 3.0 |
| U.S.S.R. | 1.1 | 1.1 | 1.5 | 4.8 | 4.1 | 4.1 | 4.2 | 4.4 | 4.6 |
| Japan | 1.3 | 3.6 | 14.1 | 18.1 | 17.6 | 18.1 | 19.6 | 24.1 | 24.8 |
| U.S.A. | 52.4 | 48.6 | 29.0 | 26.6 | 29.8 | 28.9 | 26.7 | 21.8 | 22.3 |
| Brazil | 3.0 | 0.5 | 1.1 | 3.1 | 2.5 | 2.9 | 3.1 | 3.4 | 2.1 |

**Export Share of Production in %**

| Country | 1960 | 1965 | 1970 | 1975 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|
| Fed. Rep. of Germany | 47.6 | 51.9 | 55.2 | 50.8 | 51.2 | 49.0 | 50.8 | 53.2 | 54.5 |
| France | 43.7 | 37.0 | 52.6 | 53.5 | 52.4 | 50.8 | 52.7 | 52.1 | 53.4 |
| Great Britain | 42.1 | 36.4 | 43.3 | 40.7 | 35.8 | 37.1 | 37.2 | 37.5 | 32.5 |
| Italy | 33.2 | 28.2 | 37.0 | 49.0 | 44.7 | 42.4 | 43.7 | 35.4 | 33.7 |
| Sweden | 44.7 | 48.5 | 65.5 | 68.7 | 76.7 | 81.3 | 80.3 | 80.2 | 81.0 |
| Spain | . | . | 8.2 | 22.1 | 31.8 | 37.9 | 41.1 | 47.8 | 50.6 |
| U.S.S.R. | . | 24.2 | 26.7 | 25.8 | 28.3 | 29.5 | 28.8 | 25.3 | 25.0 |
| Japan | 4.2 | 14.5 | 22.8 | 40.0 | 54.5 | 49.0 | 50.2 | 56.1 | 56.6 |
| U.S.A. | 2.2 | 2.2 | 5.5 | 9.5 | 7.5 | 7.3 | 8.8 | 8.8 | 8.1 |
| Brazil | . | . | . | 7.3 | 7.6 | 9.0 | 8.5 | 12.3 | 26.7 |

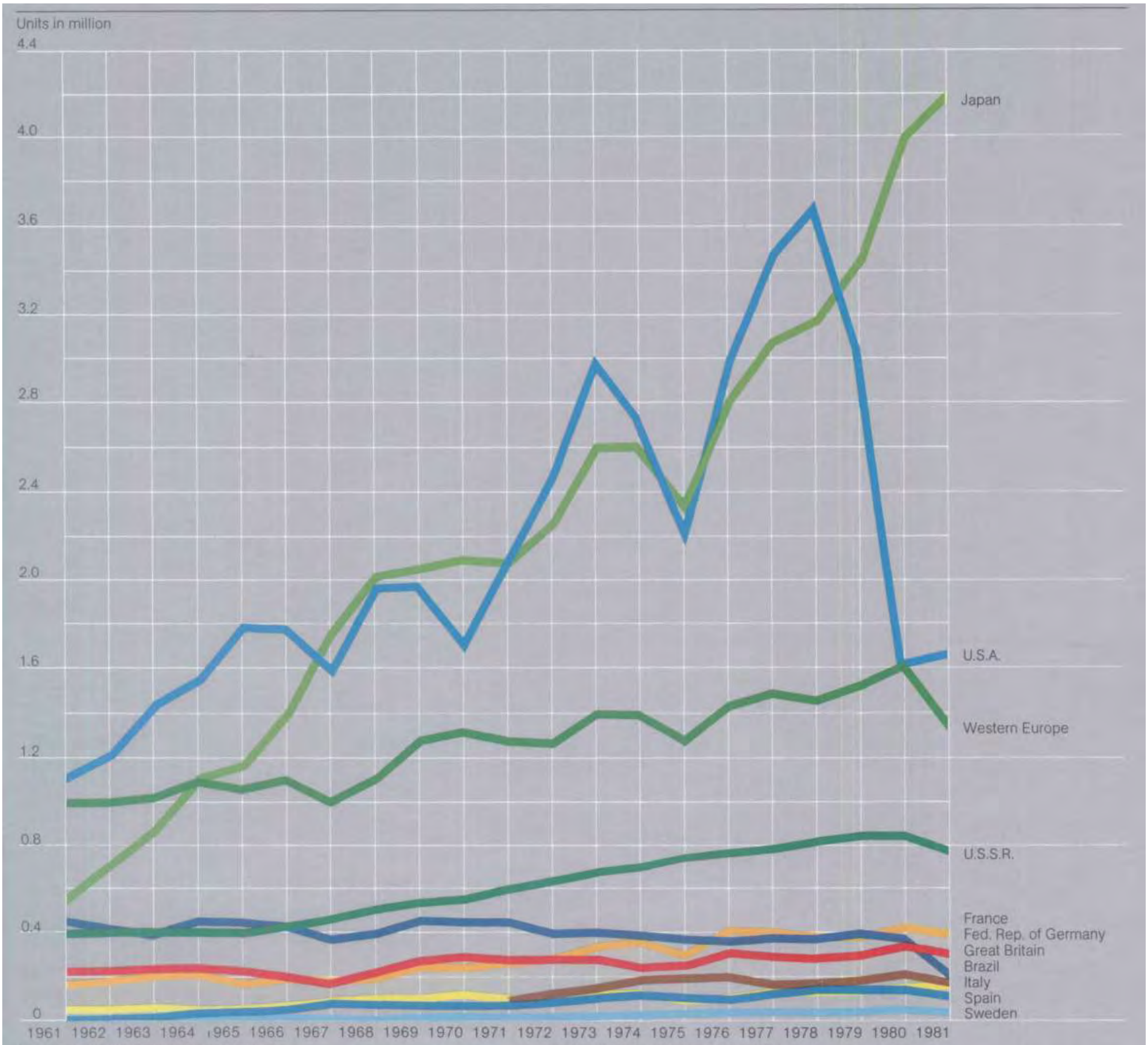
# Commercial Vehicle Industry of Leading Countries

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

| | 1972 | 1977 | 1978 | 1979 | 1980 | 1981*) | Change compared to prior years in % 1972 | 1977 | 1978 | 1979 | 1980 | 1981*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in thousands of units) **Worldwide production** | 7,647 | 10,141 | 10,639 | 10,381 | 9,490 | 9,453 | +10 | +11 | + 5 | − 2 | − 9 | − 0 |
| **Federal Republic of Germany** | | | | | | | | | | | | |
| Production | 294 | 314 | 296 | 317 | 358 | 319 | + 3 | − 2 | − 6 | + 7 | +13 | −11 |
| Imports | 20 | 29 | 35 | 42 | 43 | 43 | + 0 | +10 | +21 | +19 | + 3 | + 0 |
| Exports | 161 | 189 | 169 | 178 | 211 | 204 | +10 | − 9 | −10 | + 5 | +18 | − 3 |
| of which: to Europe | 113 | 110 | 99 | 119 | 130 | 102 | +20 | + 2 | −10 | +20 | +10 | −22 |
| New commercial vehicle registrations | 149 | 138 | 156 | 170 | 176 | 149 | − 9 | + 0 | +13 | + 9 | + 3 | −15 |
| **France** | | | | | | | | | | | | |
| Production | 298 | 415 | 397 | 393 | 440 | 408 | + 6 | − 2 | − 5 | − 1 | +12 | − 7 |
| Imports | 44 | 99 | 87 | 108 | 117 | 119 | +18 | + 7 | −11 | +24 | + 8 | + 2 |
| Exports | 81 | 148 | 153 | 162 | 178 | 157 | −27 | + 3 | + 3 | + 6 | +10 | −12 |
| of which: to Europe | 37 | 71 | 80 | 87 | 88 | 70 | −41 | + 3 | +13 | + 9 | + 2 | −20 |
| New commercial vehicle registrations | 249 | 298 | 300 | 315 | 323 | 334 | +10 | + 2 | + 0 | + 5 | + 3 | + 4 |
| **Great Britain** | | | | | | | | | | | | |
| Production | 408 | 386 | 385 | 408 | 389 | 230 | −11 | + 4 | − 0 | + 6 | − 5 | −41 |
| Imports | 35 | 37 | 47 | 68 | 74 | 77 | +88 | +35 | +26 | +45 | + 9 | + 4 |
| Exports | 140 | 192 | 142 | 141 | 122 | 90 | −28 | + 2 | −26 | − 1 | −13 | −26 |
| of which: to Europe | 49 | 92 | 75 | 75 | 70 | 60 | − 8 | +10 | −19 | + 1 | − 7 | −14 |
| New commercial vehicle registrations | 282 | 231 | 262 | 306 | 272 | 218 | + 7 | + 8 | +14 | +17 | −11 | −20 |
| **Italy** | | | | | | | | | | | | |
| Production | 107 | 144 | 148 | 151 | 167 | 176 | − 7 | +21 | + 3 | + 2 | +10 | + 7 |
| Imports | 24 | 59 | 58 | 63 | 71 | 78 | +60 | + 7 | − 2 | + 9 | +13 | +10 |
| Exports | 41 | 70 | 75 | 78 | 80 | 91 | + 1 | +43 | + 7 | + 5 | + 3 | +13 |
| of which: to Europe | 27 | 50 | 60 | 68 | 64 | 70 | − 6 | +46 | +20 | +14 | − 6 | + 9 |
| New commercial vehicle registrations | 82 | 112 | 93 | 113 | 122 | 143 | + 4 | +18 | −17 | +21 | + 8 | +17 |
| **Sweden** | | | | | | | | | | | | |
| Production | 33 | 52 | 51 | 58 | 63 | 55 | +11 | + 2 | − 0 | +14 | + 8 | −12 |
| Imports | 12 | 21 | 18 | 23 | 25 | 15 | + 4 | + 2 | −15 | +29 | +12 | −43 |
| Exports | 26 | 41 | 42 | 51 | 53 | 49 | +15 | − 4 | + 4 | +22 | + 3 | − 8 |
| of which: to Europe | 19 | 27 | 28 | 32 | 33 | 26 | +10 | +14 | + 3 | +14 | + 3 | −23 |
| New commercial vehicle registrations | 16 | 20 | 17 | 17 | 20 | 19 | − 9 | + 4 | −16 | + 1 | +17 | − 4 |
| **Spain** | | | | | | | | | | | | |
| Production | 95 | 141 | 158 | 157 | 153 | 132 | +19 | +24 | +12 | − 0 | − 3 | −14 |
| Exports | 9 | 29 | 45 | 49 | 46 | 40 | +20 | +84 | +55 | + 9 | − 8 | −12 |
| **U.S.S.R** | | | | | | | | | | | | |
| Production | 649 | 800 | 839 | 859 | 872 | 874 | + 6 | + 2 | + 5 | + 2 | + 2 | + 0 |
| Exports | 42 | 43 | 50 | 55 | 52 | 51 | + 6 | +15 | +16 | +10 | − 5 | − 2 |
| **Japan[1])** | | | | | | | | | | | | |
| Production | 2,272 | 3,083 | 3,186 | 3,460 | 4,005 | 4,206 | + 9 | +10 | + 3 | + 9 | +16 | + 5 |
| Imports | 1 | 1 | 1 | 2 | 2 | 1 | + 5 | +44 | + 4 | +69 | + 6 | − 9 |
| Exports | 558 | 1,394 | 1,451 | 1,461 | 2,020 | 2,102 | +16 | +19 | + 4 | + 1 | +38 | + 4 |
| of which: to Europe | 37 | 95 | 95 | 146 | 216 | 236 | +68 | +32 | − 0 | +54 | +48 | + 9 |
| New commercial vehicle registrations | 1,739 | 1,694 | 1,825 | 2,117 | 2,161 | 2,260 | + 8 | + 2 | + 8 | +16 | + 2 | + 5 |
| **U.S.A.** | | | | | | | | | | | | |
| Production | 2,482 | 3,489 | 3,723 | 3,046 | 1,635 | 1,680 | +19 | +16 | + 7 | −18 | −46 | + 3 |
| Imports | 250 | 226 | 377 | 276 | 343 | 342 | + 5 | +38 | +67 | −27 | +25 | − 0 |
| Exports[2]) | 152 | 263 | 291 | 296 | 203 | 187 | +10 | + 7 | +11 | + 2 | −31 | − 8 |
| of which: to Europe | 2 | 8 | 14 | 12 | 9 | 7 | − 8 | +20 | +81 | −15 | −23 | −22 |
| New commercial vehicle registrations | 2,514 | 3,509 | 3,963 | 3,472 | 2,477 | 2,185 | +26 | +15 | +13 | −12 | −29 | −12 |
| **Brazil** | | | | | | | | | | | | |
| Production | 138 | 187 | 187 | 201 | 224 | 193 | +25 | −14 | + 0 | + 7 | +12 | −14 |
| Exports | 1 | 13 | 18 | 27 | 42 | 55 | + . | −28 | +31 | +54 | +54 | +32 |
| New commercial vehicle registrations | 100 | 174 | 173 | 177 | 186 | 133 | +30 | −14 | − 1 | + 3 | + 5 | −29 |

*) Figures are partly estimated.
[1]) From 1 978 on, actual figures excluding major components.
[2]) Including exports to Canada.

# Commercial Vehicle Production Trends of Leading Countries 1961-1981




**Share of Total World Production in %**

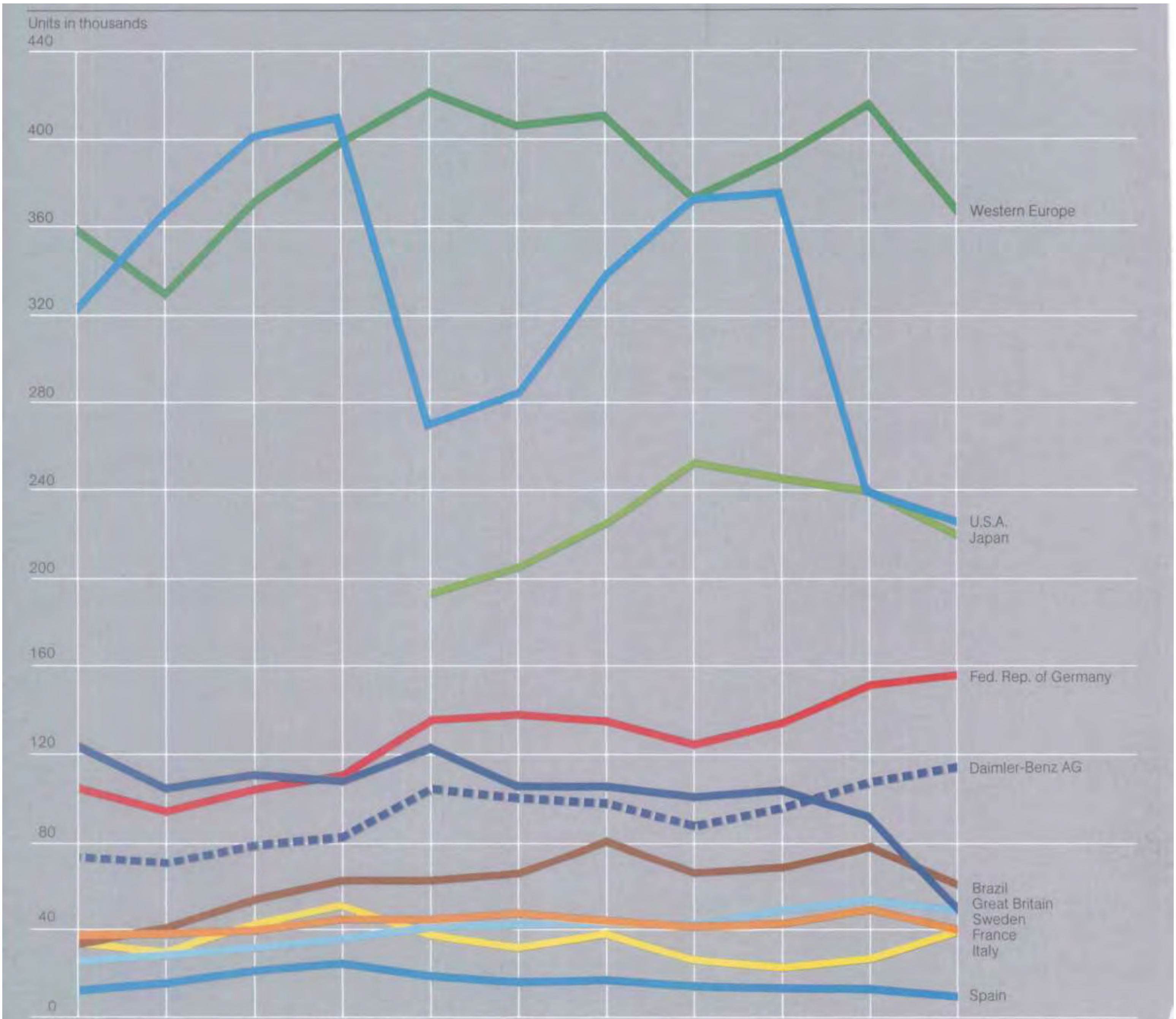
| Country | 1960 | 1965 | 1970 | 1975 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|
| Fed. Rep. of Germany | 7.4 | 4.9 | 4.8 | 3.6 | 3.1 | 2.8 | 3.1 | 3.8 | 3.4 |
| France | 6.0 | 3.8 | 3.9 | 4.1 | 4.1 | 3.7 | 3.8 | 4.7 | 4.3 |
| Great Britain | 14.3 | 9.2 | 7.0 | 4.9 | 3.8 | 3.6 | 3.9 | 4.1 | 2.4 |
| Italy | 1.5 | 1.4 | 2.1 | 1.4 | 1.4 | 1.4 | 1.5 | 1.8 | 1.9 |
| Sweden | 0.6 | 0.5 | 0.5 | 0.7 | 0.5 | 0.5 | 0.5 | 0.7 | 0.6 |
| Spain | 0.5 | 1.5 | 1.3 | 1.5 | 1.4 | 1.5 | 1.5 | 1.6 | 1.4 |
| U.S.S.R. | 11.9 | 8.4 | 8.8 | 9.8 | 7.9 | 7.9 | 8.2 | 8.4 | 8.4 |
| Japan | 9.8 | 23.8 | 32.2 | 30.6 | 30.4 | 29.9 | 33.3 | 42.5 | 44.6 |
| U.S.A. | 37.4 | 36.4 | 26.5 | 29.2 | 34.4 | 35.0 | 29.3 | 17.3 | 17.8 |
| Brazil | 3.0 | 1.7 | 2.5 | 1.9 | 1.5 | 1.3 | 1.6 | 1.9 | 2.0 |

**Export Share of Production in %**

| Country | 1960 | 1965 | 1970 | 1975 | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|---|---|---|---|
| Fed. Rep. of Germany | 49.3 | 44.5 | 50.1 | 63.8 | 60.1 | 57.1 | 56.2 | 58.9 | 63.9 |
| France | 29.0 | 22.7 | 37.6 | 43.4 | 35.7 | 38.7 | 41.2 | 40.5 | 38.6 |
| Great Britain | 31.9 | 36.5 | 37.7 | 47.2 | 49.7 | 36.9 | 34.5 | 31.3 | 39.2 |
| Italy | 12.3 | 26.8 | 28.9 | 44.7 | 48.5 | 50.4 | 51.6 | 48.2 | 51.7 |
| Sweden | 61.8 | 55.9 | 72.3 | 79.2 | 78.7 | 82.3 | 88.1 | 84.1 | 88.3 |
| Spain | . | . | 11.3 | 14.5 | 20.8 | 28.7 | 31.5 | 29.8 | 30.4 |
| U.S.S.R. | . | 4.1 | 6.9 | 5.0 | 5.4 | 6.0 | 6.4 | 6.6 | 6.5 |
| Japan | 10.0 | 7.9 | 17.1 | 35.8 | 45.2 | 45.5 | 42.2 | 50.4 | 50.0 |
| U.S.A. | 18.0 | 7.5 | 7.3 | 11.9 | 7.5 | 7.8 | 9.7 | 12.4 | 11.1 |
| Brazil | . | . | . | 9.4 | 7.2 | 9.4 | 13.5 | 17.7 | 28.5 |

# Truck Production Trends of Leading Countries 1971-1981

(over 6 tons gross vehicle weight)




| 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 360,848 | 331,800 | 372,799 | 400,247 | 423,061 | 407,912 | 412,323 | 374,677 | 393,845 | 417,481 | 369,000 | Western Europa |
| 325,000 | 368,000 | 403,000 | 411,577 | 271,790 | 285,490 | 340,007 | 373,853 | 376,969 | 240,714 | 227,443 | U.S.A. |
| | | | | 195,130 | 207,071 | 227,192 | 253,899 | 246,893 | 241,074 | 222,115 | Japan |
| 106,983 | 96,201 | 105,983 | 112,629 | 136,714 | 139,341 | 136,423 | 125,714 | 135,252 | 153,037 | 157,552 | Fed. Rep. of Germany |
| *75,988* | *72,865* | *81,028* | *84,792* | *106,482* | *102,447* | *100,302* | *89,793* | *98,037* | *110,000* | *116,418* | *of which: Daimler-Benz* |
| 35,183 | 42,156 | 55,144 | 64,150 | 64,197 | 67,601 | 82,988 | 67,918 | 70,185 | 80,269 | 62,365 | Brazil |
| *15,879* | *18,746* | *22,480* | *25,064* | *28,997* | *31,756* | *33,515* | *37,164* | *37,929* | *38,917* | *30,964* | *of which: MBB[1]* |
| 125,969 | 106,462 | 113,259 | 110,049 | 124,504 | 107,551 | 107,792 | 102,809 | 105,832 | 93,810 | 51,819 | Great Britain |
| 27,201 | 30,296 | 33,648 | 37,672 | 42,678 | 43,465 | 44,858 | 44,006 | 50,269 | 55,105 | 49,132 | Sweden |
| 39,519 | 39,794 | 41,225 | 46,292 | 45,845 | 49,121 | 45,514 | 43,059 | 44,131 | 50,788 | 41,473 | France |
| 35,617 | 31,326 | 43,791 | 52,603 | 39,345 | 33,723 | 39,984 | 28,055 | 24,363 | 28,570 | 39,726 | Italy |
| 13,781 | 16,665 | 22,669 | 26,252 | 20,205 | 17,581 | 18,984 | 15,606 | 14,935 | 14,407 | 11,329 | Spain |

[1] Mercedes-Benz do Brasil

Daimler-Benz
Aktiengesellschaft
Postfach 202
D-7000 Stuttgart 60
Telephone (0711)30 21
Telex 72 524-0 db d