Combined A3/B1
#1 - Good

BLOOMBERG TERMINAL PROJECT

FINANCE-201-M01

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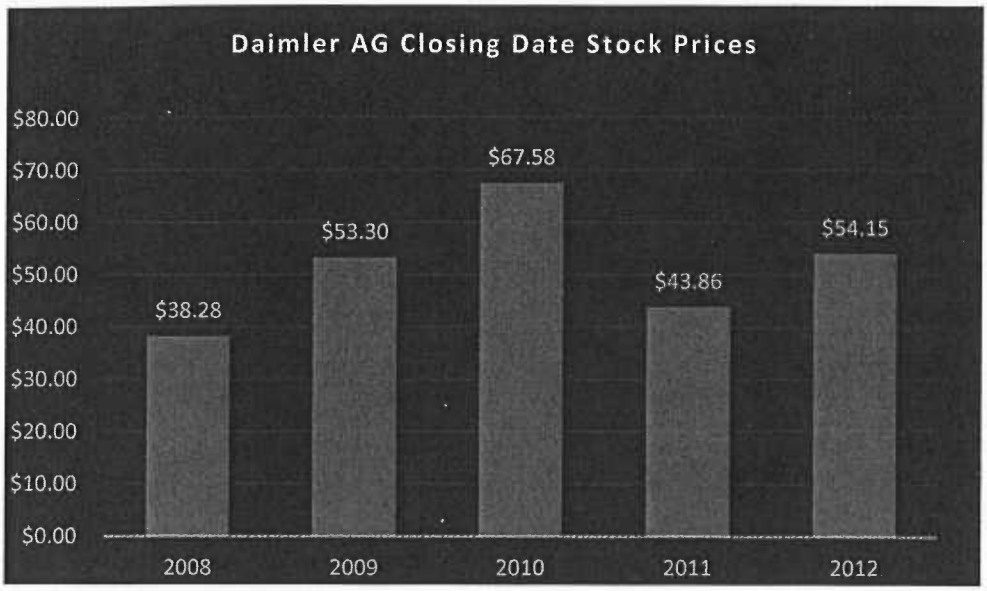
Common Stock Prices & Number of share outstanding(2008-2012)

Daimler AG (DDAIF) EUR

	2008	2009	2010	2011	2012
Common Stock Prices	$38.28	$53.30	$67.58	$43.86	$54.15
Outstanding Shares	960 Mil	1,004 Mil	1,052 Mil	1,067 Mil	1,067 Mil



Ford Motor (F) EUR

	2008	2009	2010	2011	2012
Common Stock Prices	$2.46	$10.00	$16.79	$10.76	$12.87
Outstanding Shares	2,273 Mil	2,992 Mil	4,178 Mil	4,111 Mil	4,015 Mil

TOTAL AMOUNT OF DIVIDENDS PAID OUT (2008-2012)

Daimler AG (DDAIF)

Fiscal Years	Dividends Paid (US Dollars)
2008	$777.6 million
2009	$0
2010	$2,640 million
2011	$3,190 million
2012	$3,190million

Ford Motor Group (F)

Fiscal Years	Dividends Paid (US Dollars)
2008	$0.00
2009	$0.00
2010	$0.00
2011	$0.00
2012	803,000

Capital Gains Yield & Dividend Yield (2008-2012)

Daimler AG (DDAIF)

Fiscal Year	Capital Gains Yield % (CGY)= (P_1- P_0)/ P_0	Dividednd Yield % (DY) = Annual Dividend Per Share / Price Per Share
2008	62.39%	2%
2009	39.24%	0%
2010	26.8%	3.70%
2011	35.1%	6.80%
2012	23.46%	5.50%

Ford Motor Group (F)

Fiscal Year	Capital Gains Yield % (CGY)= (P_1-P_0)/ P_0	Dividednd Yield % (DY) = Annual Dividend Per Share / Price Per Share
2008	63.45%	0%
2009	30.7%	0%
2010	67.9%	0.00%
2011	35.9%	0.00%
2012	19.60%	1.55%

Daimler AG (DDAIF) Financial Ratios (EUR)

Fiscal Year (FY)	2012	2011	2010	2009	2008
Total Debt (TD)	117468	106795	97877	96994	99495
Total Assets (TA)	162978	148132	135830	128821	132219
Debt (Leverage) Ratio= (Total Debt/Total Assets)	72.08%	72.09%	72.06%	75.29%	75.25%
Revenue	114297	106540	97761	78924	95873
Total Assets (TA)	162978	148132	135830	128821	132219
Total Assets Turnover Ratio= (Revenue/Assets)	70.13%	71.92%	71.97%	61.27%	72.51%
Net Income	6095	5667	4498	-2640	1348
Revenue	114297	106540	97761	78924	95873
Net Profit Margin Ratio= (Net Income/Revenue)	5.33%	5.32%	4.60%	-3.34%	1.41%
Net Income	6095	5667	4498	-2640	1348
Total Assets (TA)	162978	148132	135830	128821	132219
Return on Assets (ROA) = (Net Income/Total Assets)	3.74%	3.83%	3.31%	-2.05%	1.02%
Net Income	6095	5667	4498	-2640	1348
Total Equity	45510	41337	37953	31827	32724
Return on Equity (ROE) = (Net Income/Total Equity)	13.39%	13.71%	11.85%	-8.29%	4.12%
Net Income	6095	5667	4498	-2640	1348
Outstanding Number of Shares	1,067	1,067	1,052	1,004	960
Earnings Per Share (EPS) = Net Income/Outstanding Number of Shares	5.71%	5.32%	4.28%	-2.63%	1.41%
Tax Rate	16%	29%	30%	N/A	39%

Ford Motors CO (F) Financial Ratios (EUR)

Fiscal Year (FY)	2012	2011	2010	2009	2008
Total Debt (TD)	176055	164177	166435	202788	237474
Total Assets (TA)	192366	179248	165793	195006	222947
Debt (Leverage) Ratio (Total Debt/Total Assets)	91.52%	91.59%	100.39%	103.99%	106.52%
Revenue	134252	136264	128954	116283	145114
Total Assets (TA)	192366	179248	165793	195006	222947
Total Assets Turnover Ratio(Revenue/Assets)	69.79%	76.02%	77.78%	59.63%	65.09%
Net Income	5665	20213	6561	2717	-14766
Revenue	134252	136264	128954	116283	145114
Net Profit Margin Ratio (Net Income/Revenue)	4.22%	14.83%	5.09%	2.34%	-10.18%
Net Income	5665	20213	6561	2717	-14766
Total Assets (TA)	192366	179248	165793	195006	222947
Return on Assets (ROA) (Net Income/Total Assets)	2.94%	11.28%	3.96%	1.39%	-6.62%
Net Income	5665	20213	6561	2717	-14766
Total Equity	16311	15071	-642	-7782	-14527
Return on Equity (ROE) (Net Income/Total Equity)	34.73%	134.12%	-1022%	-34.91%	101.65%
Net Income	5665	20213	6561	2717	-14766
Outstanding Number of Shares	4,015	4,111	4,178	2,992	2,273
Earnings Per Share (EPS) (Net Income/Outstanding Number of Shares)	1.42%	4.94%	1.66%	0.86%	-6.46%

Tax Rate = (Net Income/Pretax income)	27%	N/A	8.30%	2.30%	N/A

Statement of Cash Flows (2008-2012)

COMPANY: **Daimler AG** TICKER SYMBOL: **(DDAIF)** **Cash Flow** For **MERCEDES-BENZ**

Fiscal Year (FY)	2012	2011	2010	2009	2008
Cash Flow from Investing Activities					
Disposal of Fixed Assets	196	252	329	280	1501
Capital Expenditures	-4827	-4158	-3653	-2423	-3559
Increase in Investments	-8089	-5478	-11710	-17782	-10134
Decrease in Investments	4742	5241	16035	12407	10341
Other Investing Activities	-886	-2394	-1314	-1432	-6952
Cash From Investing Activities	-8864	-6537	-313	-8950	-8803
Cash Flow from Financing Activates					
Dividends Paid	-2346	-1971	-93	-657	-2020
Change in Short-Term Borrowings	-68	2589	-28	-2332	1525
Increase in Long-Term Borrowings	36904	26037	13828	24900	28825
Decrease in Long-term Borrowings	-22590	-20560	-21482	-22807	-27122
Increase in Capital Stocks	65	71	278	1953	95
Decrease in Capital Stocks	-25	-28	-54	N/A	-4218
Other Financing Activities	-556	46	423	-180	-206
Cash from Financing Activities	11384	6184	-7128	877	-3121
Net Changes in Cash	1420	-1049	1103	2888	-8719
Cash Flow from Operating Activities					
Net Income	6095	5667	4498	-2640	1348
Depreciation & Amortization	4067	3575	3364	3264	5729
Other Non-Cash Adjustments	-1868	-4226	2175	2064	1000
Changes in Non-Cash Capital	-9394	-5712	-1493	8273	-4872
Cash From Operations	-1100	-696	8544	10961	3205

COMPANY: **Ford Motor Co** TICKER SYMBOL: **(F)** **Cash Flow** For **FORD**

Cash Flow from Investing Activities					
Disposal of Fixed Assets	0	0	0	0	0
Capital Expenditures	-5488	-4293	-4092	-4059	-6696
Increase in Investments	-39151	-35845	-28811	-26392	-44562
Decrease in Investments	32333	33964	37757	40013	42479
Other Investing Activities	-2036	4047	4979	1558	8375
Cash From Investing Activities	-14342	-2127	9833	11120	-404
Cash Flow from Financing Activities					
Dividends Paid	-763	0	0	0	0
Change in Short-Term Borrowings	1208	2841	-1754	-5881	-5120
Increase in Long-Term Borrowings	32436	35921	30821	45993	42163
Decrease in Long-term Borrowings	-29411	-43095	-48079	-59449	-45875

Increase in Capital Stocks	0	0	1339	2450	756
Decrease in Capital Stocks	-125	0	0	0	0
Other Financing Activities	-715	-2970	-8410	-3822	-1421
Cash from Financing Activities	2630	-7303	-26083	-20709	-9497
Net Changes in Cash	-1489	2343	-6089	-910	-13234
Cash Flow from Operating Activities					
Net Income	5665	20213	6561	2717	-14766
Depreciation & Amortization	6222	5456	6603	7841	13100
Other Non-Cash Adjustments	874	(11922)	-2161	-3860	10243
Changes in Non-Cash Capital	-2538	-1974	-842	1981	-11910
Cash From Operations	10223	11773	10161	8679	-3333

Introduction

The automobile industry has many key players that makeup the booming industry, with two major players Mercedes Benz (Foreign Multinational Company) and Ford (domestic company). The automobile industry consist of design, development, producing, and manufacturing, marketing and selling of automobiles. The industry began to boom in 18th century right before the Great Depression took place. The analysis report will benchmark the two automobile industries accordance to their performance analysis through the Income, balance, cash flow, and ratio statements all retrieved from the Bloomberg terminal.

EVA (Economic Value Added)

To verify the EVA (Economic value added), there are few things to know. EVA is the value that has been remained after deducting the cost of the capital from the business profits after the tax, and it is calculated by summing the amount of return on investment due to the present value of cash flow which exceeds the business profits. The meaning of the cost of capital is that the cost which has been provided by the investors is the invested capital and it is also the WACC of cost of equity capital that has been provided by the stakeholder due to the external borrowings. And the reason of EVA being unusable is that it is difficult to compute or calculate the cost of the capital even though EVA is the useful management index which can assess the maximization of the enterprise value.

Followings are the EVA for Daimler AG (Mercedes-Benz). At 2007, the EVA was 33,456,709 with the calculation of [(9,181) (1,019)]-[(2,766) (15,478)]. At 2008, the EVA was

7,344,197 with the calculation of [(2,795) (897)]-[(2,768) (3,559)]. At 2009, the EVA was 6,557,649 with the calculation of [(2,298) (357)]-[(3,045) (2,423)]. At 2010, the EVA was 3,296,810 with the calculation of [(6,628) (1188)]-[(3,058) (3,653)]. At 2011, the EVA was 11,068,904 with the calculation of [(8,449) (2,816)]-[(3,060) (4,158)]. At 2012, the EVA was 1,430,417 with the calculation of [(7,718) (2,101)]-[(3,063) (4,827)].

The EVA for the Ford Motor Co. are here too in the followings. At 2007, the EVA was 44,518,070 with the calculation of [(12,571) (222)]-[(7,856) (6,022)]. At 2008, the EVA was 72,935,928 with the calculation of [(64) (685)]-[(10,899) (6,696)]. At 2009, the EVA was 63,360,186 with the calculation of [(6,438) (763)]-[(16,820) (4,059)]. At 2010, the EVA was 84,173,796 with the calculation of [(15,383) (72)]-[(20,841) (4,092)]. At 2011, the EVA was 86,269,356 with the calculation of [(13,629) (267)]-[(20,934) (4,293)]. At 2012, the EVA was 111,043,849 with the calculation of [(12,513) (343)]-[(21,016) (5,488)].

MVA (Market Value Added)

In order to acquire the MVA (Market value added) for every year, we have to understand what it is first. MVA is the difference between the current market value of a company and the book value of a firm's equity or the capital distributed by the investors. The firm would have the added value if the MVA is positive. On the other hand, the company would destroy the value if the value is negative. In order to have it, the firm should have greater amount of value added than the amount that firm's investor could achieve. If cost of the capital has been used for the discounting, the MVA is economically same as the NPV of worth by evaluating after-tax cash flow. Also, MVA is the present value of EVA values' series. Here is the formula for getting the MVA which is Stock Price (P) x Number of Shares – Book value (Total Equity).

Followings are the MVA for Daimler AG (Mercedes-Benz). At 2008, the MVA was 4,024.8 by the calculation of 38.28*960-32,724. At 2009, the MVA was 21,686.2 by the calculation of 53.30*1004-31,827. At 2010, the MVA was 33,141.16 by the calculation of

67.58*1052-37,953. At 2011, the MVA was 5,461.62 by the calculation of 43.86*1067-41,337. At 2012, the MVA was 12,268.05 by the calculation of 54.15*1067-45,510.

The MVA for the Ford Motor Co. are here too in the followings. At 2008, the MVA was -8,935.42 by the calculation of 2.46*2,273-14527. At 2009, the MVA was 22,138 by the calculation of 10.00*2,992-7,782. At 2010, the MVA was 69,506.62 by the calculation of 16.79*4,178-642. At 2011, the MVA was 29,163.36 by the calculation of 10.76*4,111-15,071. At 2012, the MVA was 35,362.05 by the calculation of 12.87*4,015-1, 6311.

The firm would have the added value if the MVA is positive. On the other hand, the company would destroy the value if the value is negative. In order to have it, the firm should have greater amount of value added than the amount that firm's investor could achieve. If cost of the capital has been used for the discounting, the MVA is economically same as the NPV of worth by evaluating after-tax cash flow. Also, MVA is the present value of EVA values' series.

DuPont Return of Equity (Profit Margin)(TATR)(EQUITY MULTIPLIER)

	Daimler Mercedes-Benz %	Ford %
2008	13.38%	34%
2009	13.67%	13.4%
2010	11.8%	-10.23%
2011	8.26%	-34%
2012	4.10%	-10%

	Daimler AG	Ford Motors	Toyota Motors	General Motors	Honda Motors	Industry Average
Market Cap.	88.82B	67.33B	198.13B	53.68B	76.35B	96.86B
P/E	11.87	12.03	14.36	16.48	19.7	14.88
PEG	0.28	0.81	0.43	0.98	0.69	0.64
P/B	1.66	3.29	1.51	1.86	1.4	1.94
Profit Margin	5.33%	3.90%	6.00%	3.10%	3.70%	4.40%
ROE	13.39%	31.20%	11.40%	17.10%	7.70%	16.16%
ROA	3.74%	2.90%	4.00%	3.00%	2.90%	3.31%
EPS (TTM)	5.71	1.42	8.71%	2.35	2.15	4.07
Debt/Equity	1.86	5.4	1.14	1.11	0.98	2.03

International auto-manufacturing company Daimler AG (DDAIF), according to our peer and industry analysis, is undervalued and a company with stable growth, and in comparison U.S. auto-manufacturing giant Ford (F) is over-valued, and is also extremely volatile. And Daimler AG's growth through debt financing (debt to equity) is below the auto manufacturing average, which is a healthy indication, that the company will have less volatile earnings, and Ford is aggressively financing its growth with debt, which in return created volatile earnings performance, as Fords net earnings went to 5665(Bill.) from -14766 (Bill.). Return on Equity (ROE) for Daimler from year 2010-2011 trend upward by approximately 1.86% to 13.71, and went slightly below by 0.2% to 13.39 by 2012, and over all within a five year horizon (2008-2012), increased from 4.12% to 13.39, as Ford's ROE decreased significantly 66.92% to 34.73 with the five year horizon (2008-2012). We also see stable growth in Return on Assets (ROA), as ROA grew by 2.72% to 3.74, from FY 2008 to 2012, indicating Daimler is utilizing invested capital (assets) efficiently to create more income, and in comparison Ford's volatility is reflected as major shifts also occurs in ROA, going from -6.62 FY 2008 to 2.94 FY 2012. Ford at ROA 2.90 is below industry average of 3.31, an indication the company is in need of utilizing invested capital more efficiently in order to convert the money it has to invest into income. Profit margins for FY 2012 is 5.33, and is above the industry average of 4.40, reflecting Daimler profitability within the industry, as Ford is a laggard at 3.90 in comparison to both Daimler and the industry. Price to Earnings Growth (PEG) indicates, that Daimler at PEG of approximately 0.28 is well below the industry average of 0.68, and in comparison Ford at PEG 0.81 is above both Daimler and the Industry average. In conclusion to our data and analysis, we believe Daimler is undervalued, and Ford is overvalued. Daimler' stable growth will enable its value to increase over time, and have the market make a correction, and in comparison, we believe Ford's erratic performance will be reflected in the future, and Ford's market value will be discounted respectively.

SOURCES: **(1)**http://corporate.ford.com/our-company/investors **(2)**http://finviz.com/
(3)http://www.daimler.com/investor-relations/en