

FOR IMMEDIATE RELEASE

REMARKS OF  
RICHARD C. BREEDEN, CHAIRMAN  
U.S. SECURITIES AND EXCHANGE COMMISSION  
REGARDING  
THE LISTING OF SHARES OF DAIMLER-BENZ  
IN THE U.S. SECURITIES MARKET  
NEW YORK, NEW YORK  
MARCH 30, 1993

Ladies and Gentlemen, meine Damen und Herren, Welcome and  
Wilkommen.

Spring is a delightful time of year, when the snows of winter  
give way to sunshine, daffodils, and here in North America, to the  
return of baseball. Throughout nature's kingdom it is a time of  
birth, a time of renewal.

Today, I am here with Dr. Gerhard Liener, the Chief Financial  
Officer of Daimler-Benz, AG ("Daimler-Benz") and a member of its  
Board of Management, to announce a new beginning in the world of  
corporate finance. We have successfully completed discussions  
concerning the procedures and transition measures that later this  
year will result in the filing by Daimler-Benz of a Form 20-F with  
the Securities and Exchange Commission. This filing will allow the  
shares of Daimler-Benz to be traded in the public securities  
markets of the United States, the largest in the world. As the

company will describe, it plans to list its shares on the New York Stock Exchange, and it will also be free to make public offerings of its shares in the U.S. Of course whether or when to make any such offering is a matter for the company to decide.

This development is a "win" for Daimler-Benz, which is one of the world's leading integrated high technology enterprises. Henceforth it will have direct access to America's capital market. This will supplement the company's existing internal and external sources of capital, putting its financial structure on the same global basis as its business operations.

This development is also a "win" for public investors in the United States and worldwide. In the future, the company plans to publish financial information prepared in accordance with U.S. generally-accepted accounting principles ("GAAP"), together with its traditional reports under German procedures. As a result, investors will have access to more detailed financial information concerning the results of operations, financial condition and cash flow of the company than has ever been true before. Both of these developments should strengthen the company's capital base and enhance shareholder value.

As most of you know, this development has been a long time in the making. During the past few years, there has been a literal flood of foreign companies entering the U.S. securities markets.

During the past 3 1/2 years, more than 200 foreign companies have entered the public markets of the United States for the first time. Indeed, foreign companies from all over the world have registered offerings of more than \$75 billion with the SEC since October, 1989.

The capital obtained through America's securities markets is today at work with Mexican and Chilean telephones, Chinese minivans, Korean steel, Australian minerals, and Japanese consumer electronics. That capital is at work in French telecommunications, Italian apparel, Dutch records, and British pharmaceuticals.

Until today, one country, Germany, was conspicuously absent from the U.S. market. It took a special company, Daimler-Benz, and I might add personally a very special man, Dr. Gerhard Liener, to make a breakthrough. In the course of several discussions, we sought to find practical solutions to the issues created by different accounting systems.

During the course of those meetings, we discovered that Daimler-Benz and the SEC shared certain common attributes, despite the obvious differences between a large business enterprise and a government agency. First was a shared global perspective.

Daimler-Benz certainly began as a German company. Just over a century ago Stuttgart engineer Gottlieb Daimler introduced a

self-propelled carriage. As early as 1868, Mannheim inventor Karl Benz tested a three-wheeled gas-engine vehicle. Joining forces in 1926, the resulting company helped steer the world into an era of unprecedented speed and mobility.

The Daimler-Benz of today doesn't forget its heritage, but it operates in a very different world. Here in America there are 13,000 employees of the company, which also manufactures and sells vehicles, airplanes, electronics and other products in many countries around the world. One half of the company's 400,000 shareholders also live outside of Germany. Thus, Daimler-Benz has become much more than simply a German company. It has become a global company, headquartered in Germany.

The SEC too has become much more globally-oriented in its thinking. Last year 121 foreign companies from 23 countries conducted public offerings of securities in the U.S. -- on average once every two and a half days. In each case we worked closely with the company to find ways to make the smoothest transition possible to the U.S. markets. Where necessary we adjusted particular requirements where developing specific data -- particularly historic information -- would be costly to the issuer and not material to investors.

Another factor we discovered that we share in common was a deep dedication to quality. Daimler-Benz understandably prizes the

reputation of its products for their quality, and constantly tries to achieve higher quality engineering and manufacturing. In recent years, Daimler-Benz was the first company to make airbags standard equipment in passenger cars, and to put ABS brakes into production use. But actually, its list of "firsts" is a large one, including the first fuel injected engine, the first diesel powered cars and trucks, and even the first motorcycle. In a sense, today's announcement that it will be the first German company to put its capital base on a global footing shows the same willingness to innovate to achieve higher quality. This time, it is quality in the financial information that the company provides to investors.

Likewise, the SEC's mission is to produce the highest quality market for investors. In a global market investors can easily choose to conduct transactions in many different locations. For our entire history -- 60 years next year -- we have rigorously dedicated ourselves to providing the highest possible quality of disclosure and market integrity for public investors. We have learned through experience that honesty and integrity need to be backed up with careful but firm oversight of the market to prevent fraud and other abuses of investors. Finding ways to raise the quality of accounting principles and disclosure -- not engaging in a global race to the bottom -- is our objective.

Some scoff that this dedication to quality is an anachronism, a quaint vestige of the past. I disagree, and the proof is there

for everyone to see. Last year the funds raised in the U.S. public securities market equalled or exceeded the capital raised in every other market in the world put together. That could not happen without investor confidence in the quality of the market. It is said that the price of liberty is eternal vigilance. In a sense, you can say that the price of a broad and deep securities market is eternal commitment to full and accurate disclosure to investors.

The framework of our agreement was for the company to provide more information to its shareholders, giving them the opportunity to review the basic German financial statements together with financial information prepared in accordance with U.S. GAAP. While German accounting principles have many strong points, they were not designed to provide the public capital markets with the level of information concerning financial results, cash flows, internal rates of return and other types of data used by investors today to compare investments in companies in dozens of countries. That financial data is, in a sense, the market's language. Therefore, we agreed that the company would meet the basic financial disclosure requirements of the SEC.

At the same time, we also agreed that it was not necessary for the company to incur inordinate costs to develop every detail of information with respect to prior years' financial statements called for by U.S. GAAP. Therefore, we identified the information in the company's historic financial statements that was not

available to the company and could be omitted without harm to investors.

It isn't every day that you can accomplish a result that benefits so many people. The employees and the shareholders of Daimler-Benz, both of today and of the future, will be better off as a result of the company's broadening of its capital base. At the same time, the public will have new investment opportunities in an efficient trading market operating with all the protections of U.S. law. Achieving these results required a global perspective, it required a spirit of innovation, and it required a commitment to quality. Those elements add up to something called leadership, and the capital markets will be the better for it.

Thank You.

# FOREIGN ISSUERS

## COUNTRY

CANADA	283
UNITED KINGDOM	51
ISRAEL	41
AUSTRALIA	21
JAPAN	18
NETHERLANDS	11
IRELAND	8
BRITISH VIRGIN ISLANDS	7
SPAIN	7
BERMUDA	6
FRANCE	6
MEXICO	6
SWEDEN	6
CAYMAN ISLANDS	5
ITALY	5
NETHERLANDS ANTILLES	5
BAHAMAS	4
NORWAY	4
PHILIPPINES	4
KOREA	3
NEW ZEALAND	3
CHILE	2
DENMARK	2
FINLAND	2
ISLE OF MAN	2
LIBERIA	2
LUXEMBOURG	2
BELIZE	1
BOTSWANA	1
BRAZIL	1
HONG KONG	1
PANAMA	1
PORTUGAL	1
SINGAPORE	1
SOUTH AFRICA	1
VENEZUELA	1
ZAMBIA	1
TOTAL	<hr/> <hr/> 526



## NEW FOREIGN ISSUERS ENTERING THE U.S. MARKETS

	Issuers	Countries
10/11/89 – 12/31/89	10	6
1990	45	12
1991	40	12
1992	94	21
1/1/93 (as of 3/26/93)	14	6

## TOTAL FOREIGN SECURITIES REGISTERED (In millions)

Year	Equity	Debt	Total
1989 (since 10/11/89)	\$2,486.01	\$619.06	\$3,105.07
1990	\$5,272.88	\$2,439.68	\$7,712.56
1991	\$14,947.40	\$10,082.55	\$25,029.95
1992	\$14,796.76	\$18,317.60	\$33,114.36
1993 (as of 3/26/93)	\$1,068.89	\$5,750.00	\$6,818.89
<b>TOTALS</b>	<b>\$38,571.94</b>	<b>\$37,208.89</b>	<b>\$75,780.83</b>

## **DRAMATIC INCREASE IN PUBLIC OFFERINGS BY FOREIGN PRIVATE ISSUERS**

Foreign private issuers offered a record \$51.3 billion of securities in the U.S. markets in 1992, with offerings in the public market substantially outpacing the private market for the first time in eight years.

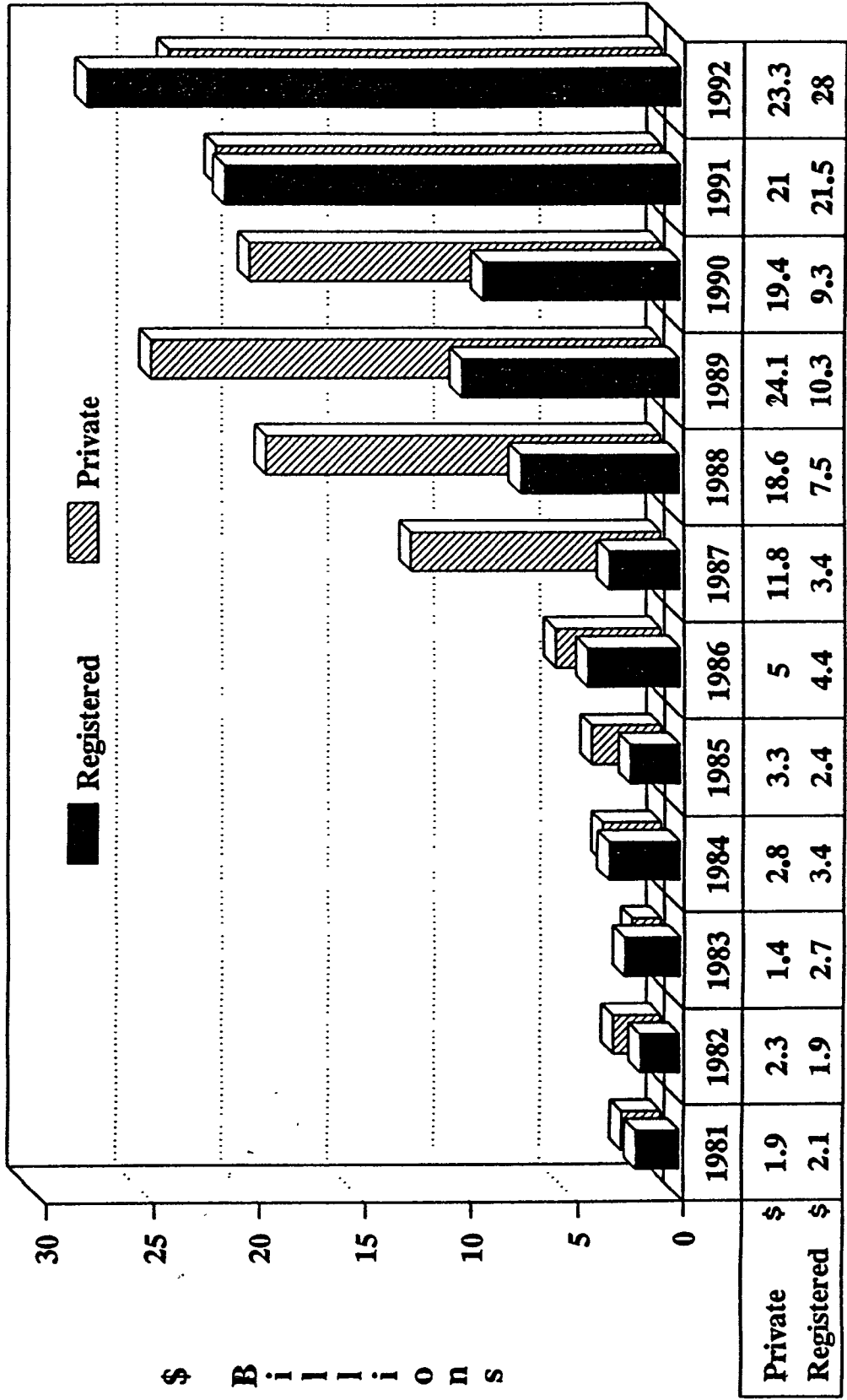
121 foreign private issuers from 23 countries registered \$33.1 billion of securities with the SEC in 1992.

In 1992, 94 foreign private issuers for 21 countries entered the U.S. public markets for the first time.

At the end of 1992, 517 foreign private issuers from 36 countries were filings reports with the SEC.

In contrast to other major public securities markets around the world, the U.S. public markets are attracting a steadily increasing number of foreign private issuers.

# Foreign Issuer Private Placements and Registered Offerings



Source: SEC & Securities Data Corp.