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Daimler denies devising poison pill defence

By John Reed in London

Daimler's finance chief has said the German group would "never" put in place a poison pill structure to thwart an unwanted takeover, after a report that it had made provisions to ward off a hostile advance.

Investors in the producer of trucks, buses and Mercedes-Benz cars have been rattled recently by unconfirmed reports that Aabar Investments, the Abu Dhabi sovereign wealth fund, might exit its anchor shareholding, potentially leaving the company open to a hostile takeover.

But Bodo Uebber, Daimler's chief financial officer, denied that the company would design a poison pill provision to defend itself.

"I would regard this as a very difficult topic for our broad shareholder base if we would implement that," Mr Uebber told reporters in London after meeting investors at a roadshow.

"They would hate it – never, I would never go down this path."

Aabar reduced its holding to 3 per cent, the company disclosed in its annual report in February, but it retains the right to reacquire its full original 9 per cent equity stake in the Stuttgart-based group.

At the weekend Automobilwoche, a German trade publication, reported that Daimler was working with banks and its partners to complicate any hostile takeover, including by withdrawing credit facilities worth more than €8bn.

Daimler declined to comment on what it called "speculation about the shareholder structure".

Before the banking crisis, Daimler was seen in financial circles as a potential takeover target because, unlike its closest peers BMW and Volkswagen, it does not have a strong controlling family shareholder. The company earned net profit of €6bn last year on revenues of €106.5bn.

Some shareholders and analysts believe the group is undervalued and think it should split its cars from its trucks division to unlock value in both divisions.

Credit Suisse, in a research note published last week, noted that Volvo, the Swedish trucks group, and BMW had a combined market capitalisation of €63.2bn, compared with about €42bn at Daimler, despite having slightly lower combined sales.

At Fiat, in 2010 chief executive Sergio Marchionne split the company's cars division off from its Iveco trucks and other industrial businesses.

However, Mr Uebber dismissed calls for a similar spin-off, noting the company shared hybrid and other technology across all divisions, including vans, trucks, buses and cars.

"We have clearly given a message to the market that with this management you see one Daimler, and it will stay one Daimler," he said.

"I will not compare the Mercedes-Benz brand with other examples in the world where you split up cars and trucks."

Separately, Daimler said a strike by the IG Metall union that saw some workers walk out had no serious effect on production. The company would not comment on the dispute, in which the union is seeking a 6.5 per cent wage increase.