

DCX posts operating profit of EUR1.7 billion in 2nd quarter of 2005
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Business Development 2005

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- Group operating profit of EUR2.0 billion, excluding charges related to the realignment of the smart business model
 - Net income increased by EUR160 million to EUR737 million (+28%)
 - Excluding charges related to the realignment of the smart business model, Group operating profit for the full year still expected to increase slightly compared with 2004 (EUR5.8 billion)

Stuttgart/Auburn Hills - DaimlerChrysler recorded an operating profit of EUR1.7 billion in the second quarter of 2005, compared with EUR2.1 billion in the same period of last year. This result is significantly above analysts' estimates. As previously announced, the realignment of the smart business model caused additional expenses during the second quarter. Excluding these charges, the Group's second-quarter operating profit amounted to EUR2.0 billion, which was close to the level recorded in Q2 2004.

Net income of EUR737 million is reported for the second quarter of 2005, which is EUR160 million higher than in the same period of last year (+28%). The decrease in operating profit was more than offset by the improved financial income (expense), net, and lower income taxes. Earnings per share amounted to EURO.73, compared with EURO.57 in the second quarter of 2004.

DaimlerChrysler's second-quarter revenues also increased by 4% to EUR38.4 billion.

After an operating loss in the first quarter of this year, the Mercedes Car Group recorded slightly positive earnings in this quarter (Q2 2004: EUR703 million), thereby achieving the turning point in operating performance. The division's operating profit of EUR12 million includes further expenses of EUR311 million for the realignment of the smart business model. Excluding these expenses for smart, the division's result would have been an operating profit of EUR323 million in the second quarter.

The Chrysler Group posted an operating profit in a difficult market environment of EUR544 million in the second quarter of 2005, compared with an operating profit of EUR521 million in the second quarter of 2004.

With a second-quarter operating profit of EUR524 million, the Commercial Vehicles Division once again increased its earnings compared with the prior-year period (+12%).

The operating profit of the Financial Services division remained at a high level of EUR385 million (Q2 2004: EUR472 million).

Other Activities' operating profit of EUR144 million represented an improvement of EUR59 million compared with the second quarter of 2004.

DaimlerChrysler AG
Epplestr. 225
70546 Stuttgart
Deutschland