
DAIMLERCHRYSLER

2005 RESULTS

ANNUAL PRESS CONFERENCE

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Stuttgart
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FY 2005 FROM A FINANCIAL PERSPECTIVE

● Further improvements in profitability within a very challenging market environment

- Less favorable US dollar hedge rates
 - Increasing raw material prices, in particular steel and oil
 - Highly competitive US passenger car market
 - Increasing competition in European markets
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● Key earnings indicators

- Operating profit of EUR 5.2 billion slightly above the guidance
 - Net income increased 15% to EUR 2.8 billion
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● Key financial metrics improved

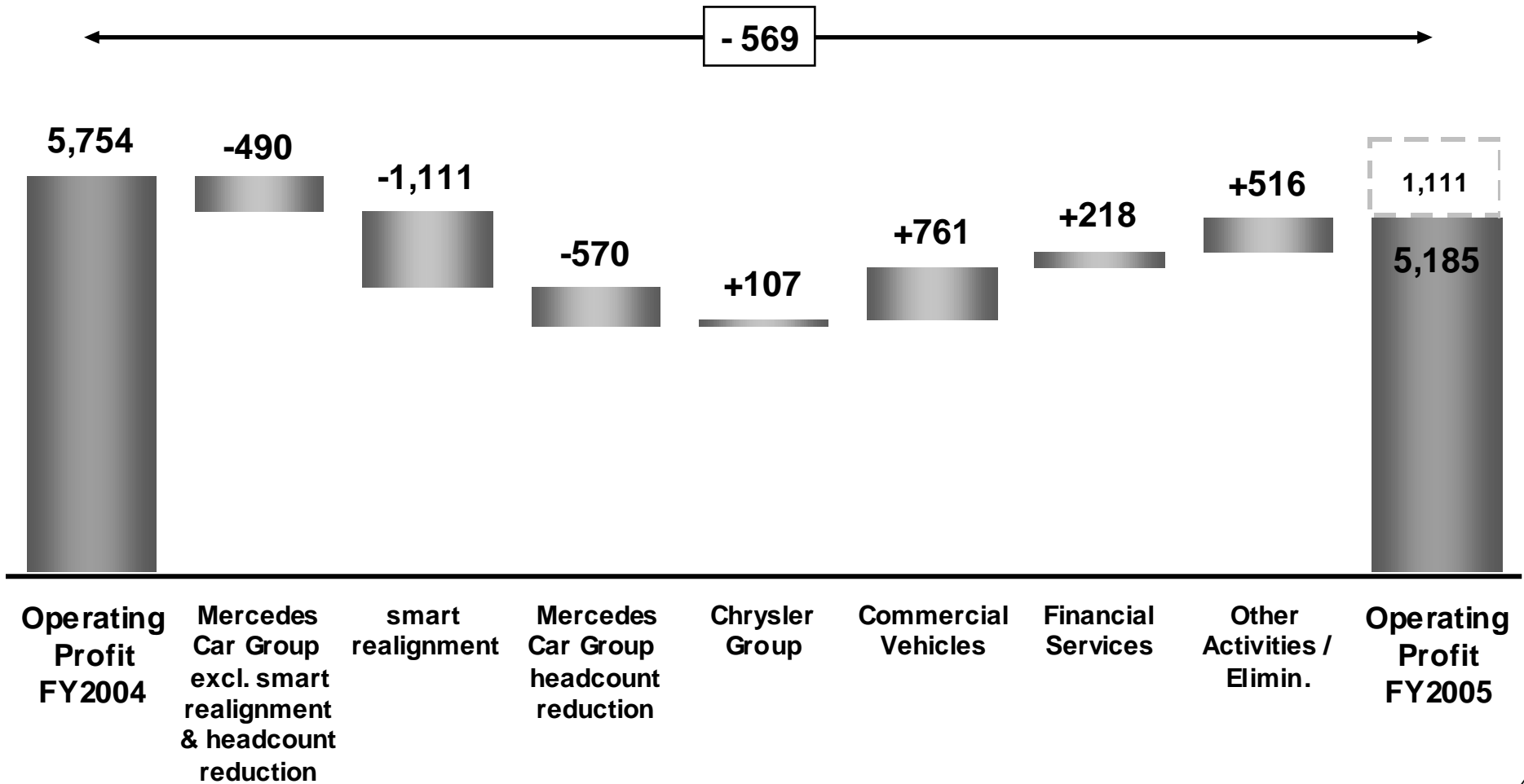
- Positive free cash flow in the industrial business of EUR 2.1 billion
- Net liquidity of the industrial business at EUR 7.3 billion

KEY FINANCIAL FIGURES FY2005

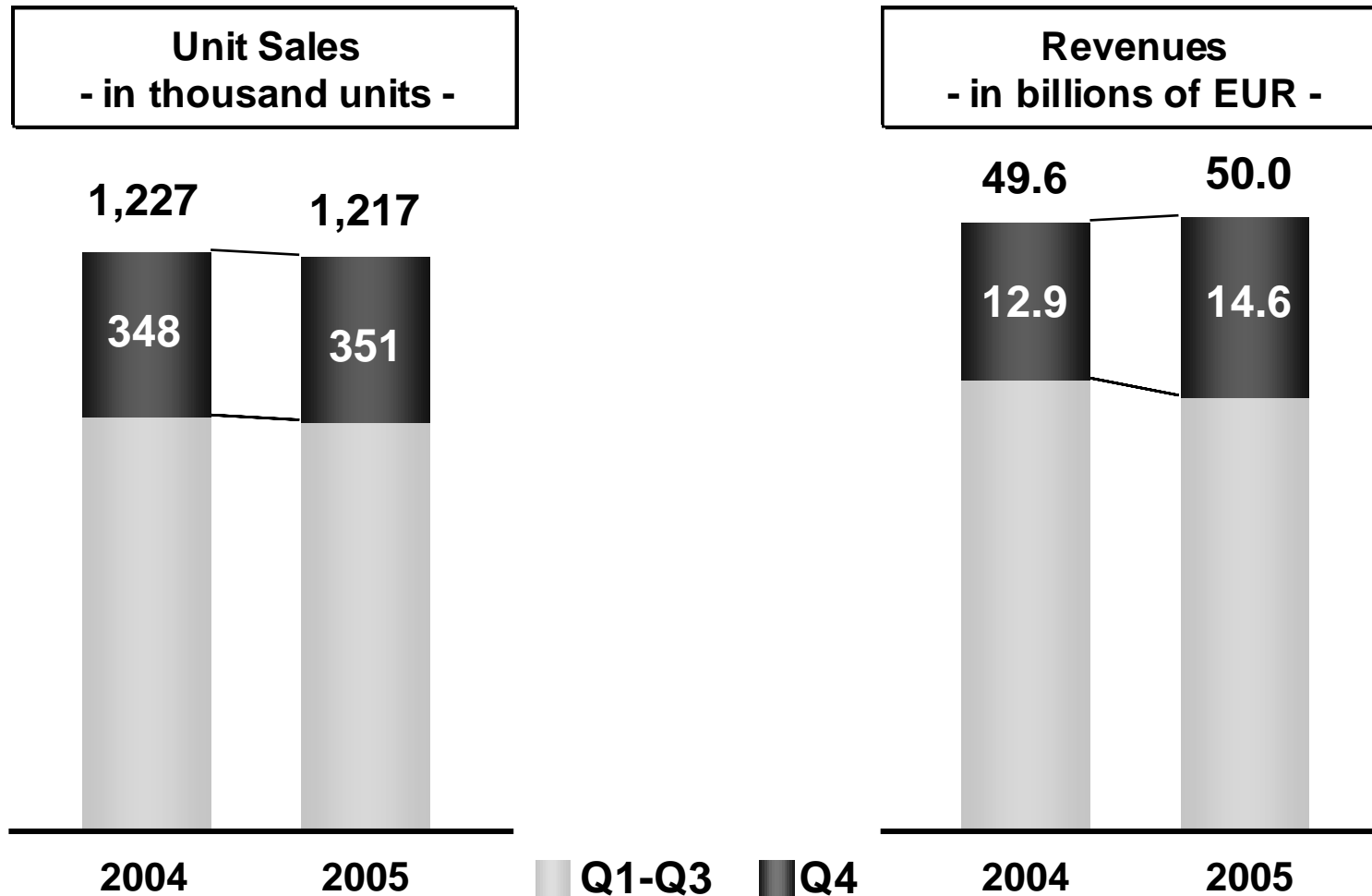
| | FY2004 | FY2005 |
|---|--------------|--------------|
| - in billions of EUR - | | |
| Unit Sales (in thousand units) | 4,702 | 4,829 |
| Revenues | 142.1 | 149.8 |
| Operating Profit | 5.8 | 5.2 |
| Net Income | 2.5 | 2.8 |
| Earnings per Share (in EUR) | 2.43 | 2.80 |
| Free Cash Flow Industrial Business | 1.8 | 2.1 |
| Net Liquidity Industrial Business | 2.2 | 7.3 |

GROUP EARNINGS IMPACTED BY RESTRUCTURING AT MERCEDES CAR GROUP

– in millions of EUR –

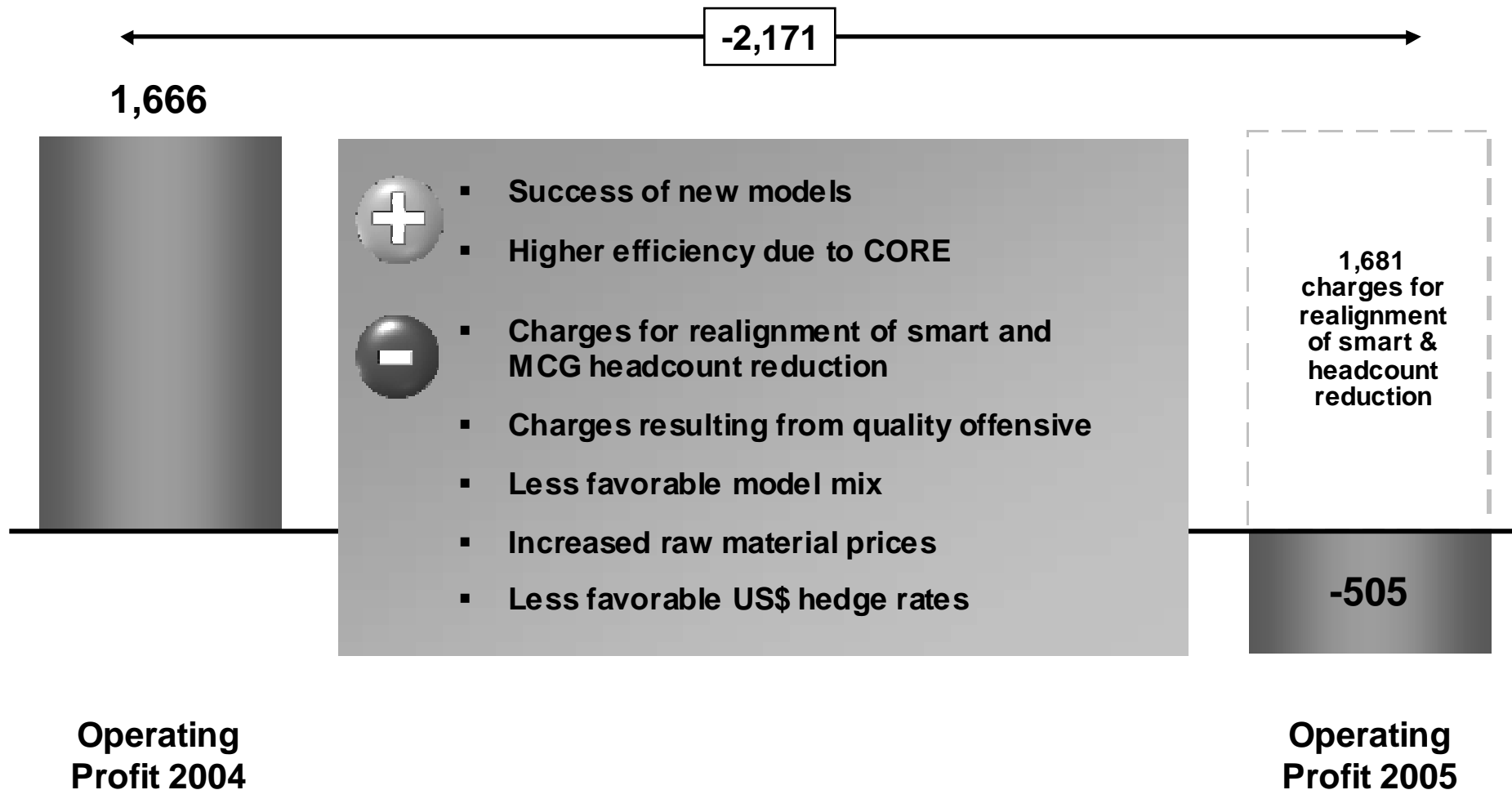


NEW PRODUCTS RESULTED IN STRONGER UNIT SALES IN THE SECOND HALF



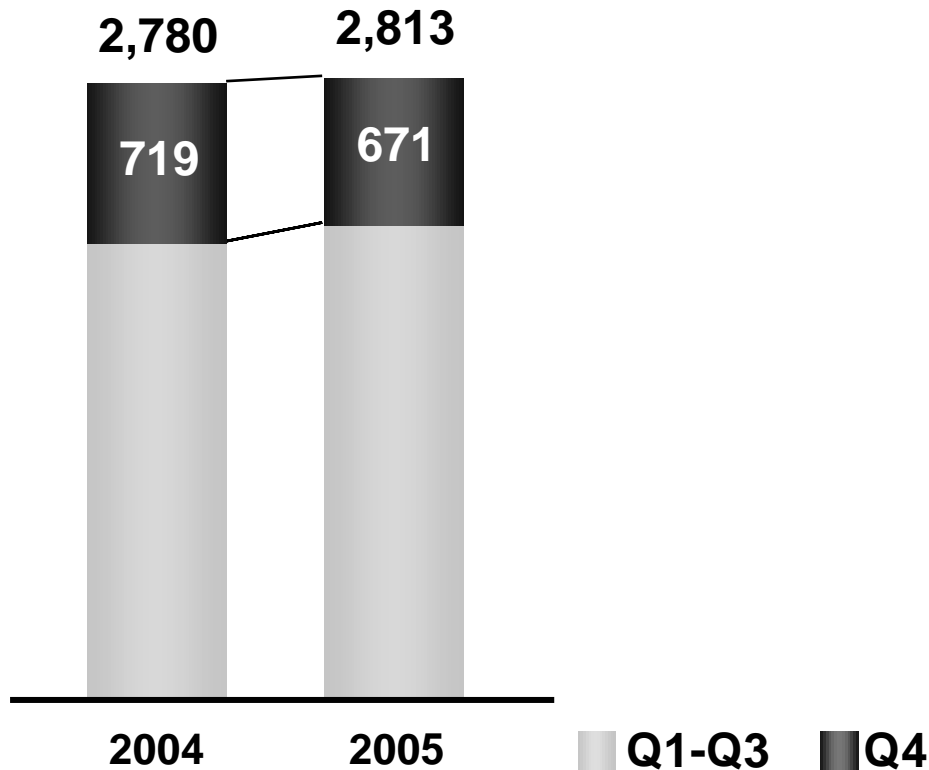
OPERATING PROFIT STRONGLY IMPACTED BY CHARGES FOR SMART AND HEADCOUNT REDUCTION

– in millions of EUR –

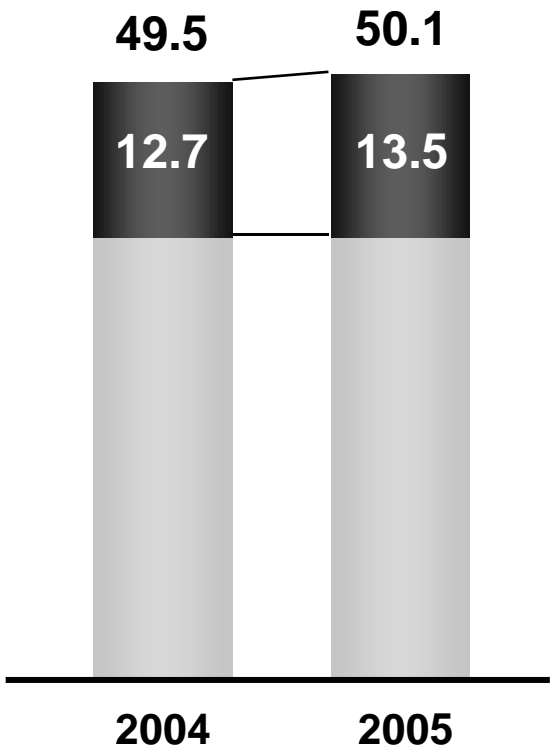


HIGHER SHIPMENTS AS A RESULT OF SUCCESSFUL NEW PRODUCTS

Unit Sales / Shipments
- in thousand units -

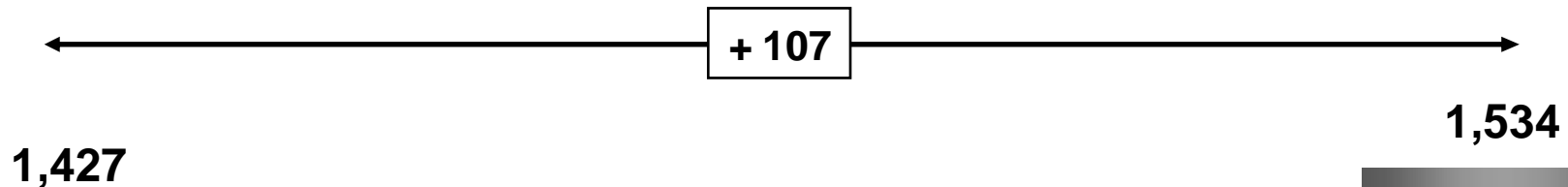



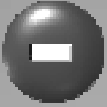
Revenues
- in billions of EUR -



SLIGHT INCREASE IN OPERATING PROFIT

– in millions of EUR –



- 
 - Continued success of new products & increase in shipments
 - Higher efficiency due to ongoing process optimization
 - Gain on sale of real estate
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 - Negative net pricing
 - Material costs and financial support for a major supplier
 - Increase in days of supply

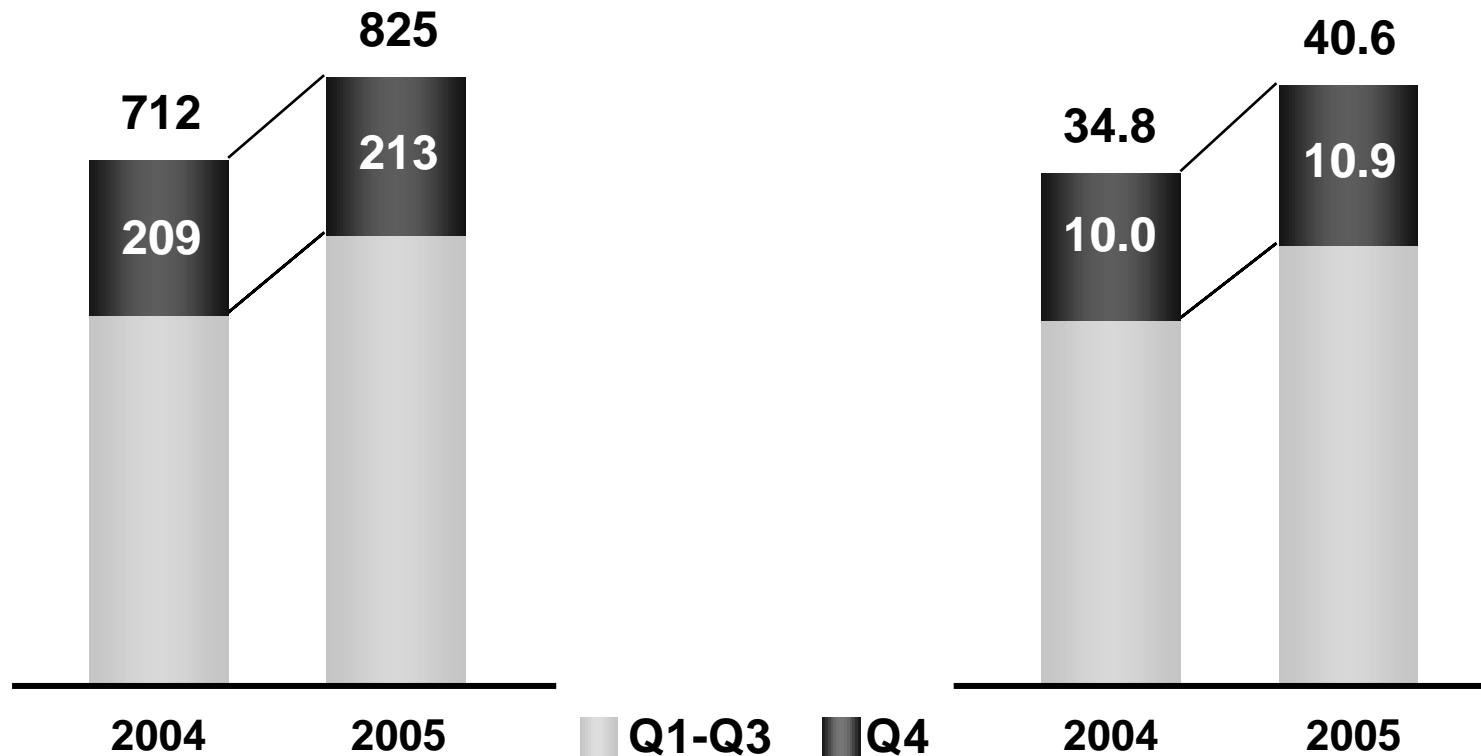
Operating Profit 2004

Operating Profit 2005

HIGHER UNIT SALES IN ALL BUSINESS UNITS REFLECT AN ATTRACTIVE PRODUCT PORTFOLIO

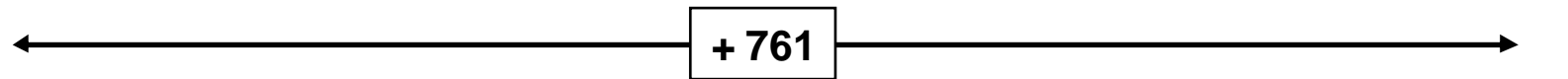
Unit Sales
- in thousand units -

Revenues
- in billions of EUR -



SHARP INCREASE IN OPERATING PROFIT


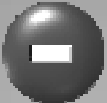
– in millions of EUR –



1,332



Operating Profit 2004

-  Higher unit sales in all business units
- Strong demand for heavy-duty trucks
- Cost and productivity improvements
- Settlement with MMC on FUSO
-  Higher raw-material prices

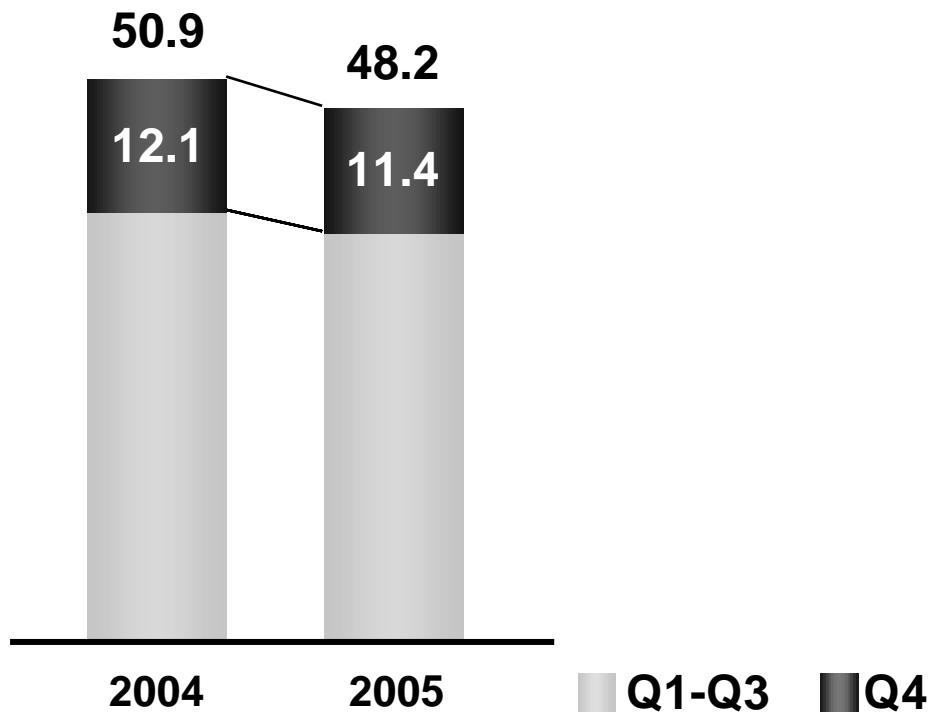
2,093



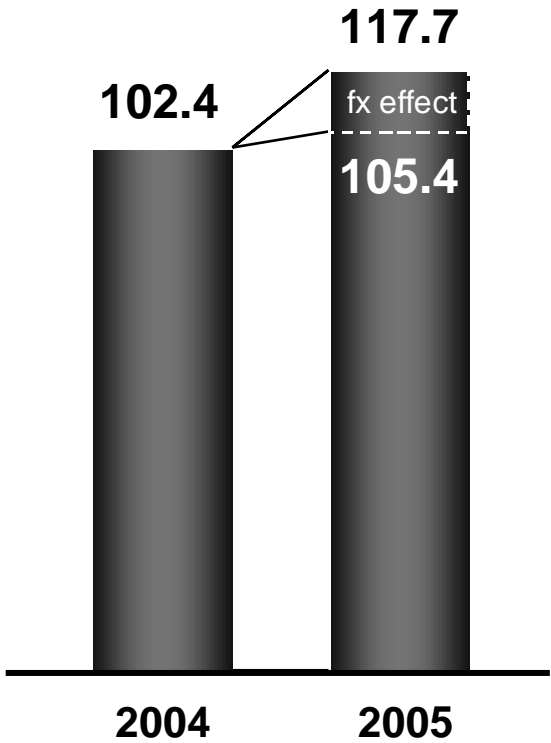
Operating Profit 2005

ATTRACTIVE FINANCIAL SERVICES PRODUCTS SUPPORTED AUTOMOTIVE DIVISIONS

New Business
- in billions of EUR -

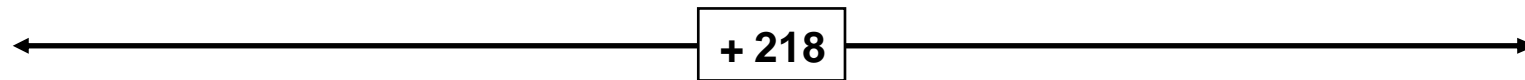


Contract Volume
- in billions of EUR -



HIGH OPERATING PROFIT DESPITE INCREASED INTEREST RATES



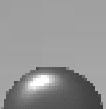
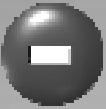
– in millions of EUR –



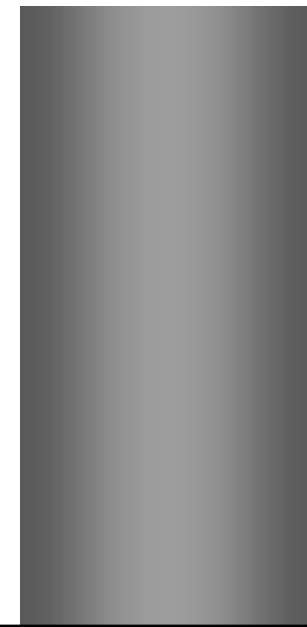
1,250



Operating Profit 2004

-  Operating efficiency further improved
-  Lower cost of risk
-  Lower charges from Toll Collect
-  Increased interest rates

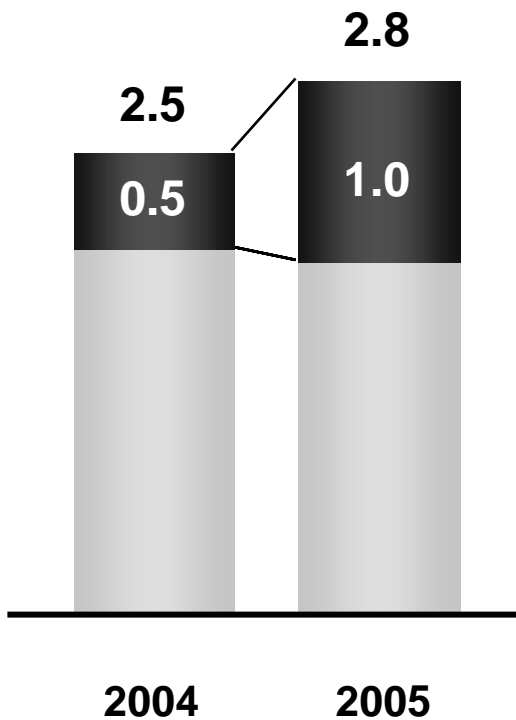
1,468



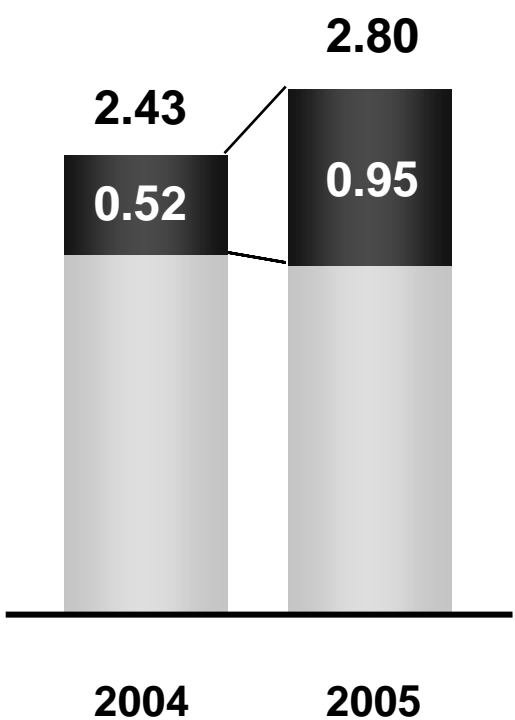
Operating Profit 2005

NET INCOME AND EARNINGS PER SHARE

Net Income
- in billions of EUR -

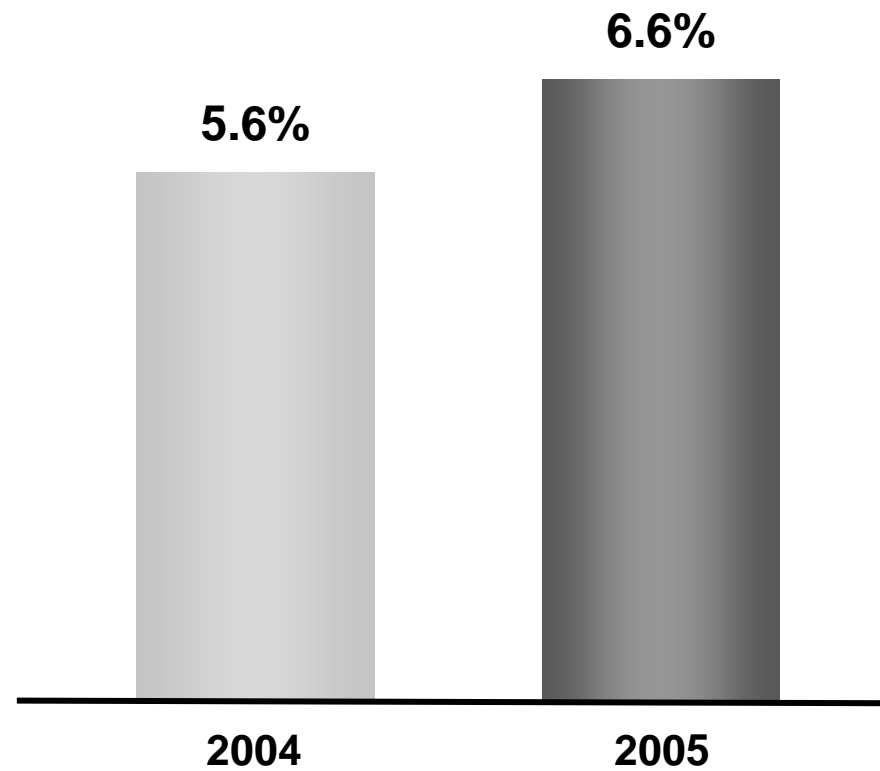


Earnings per Share
- in EUR -



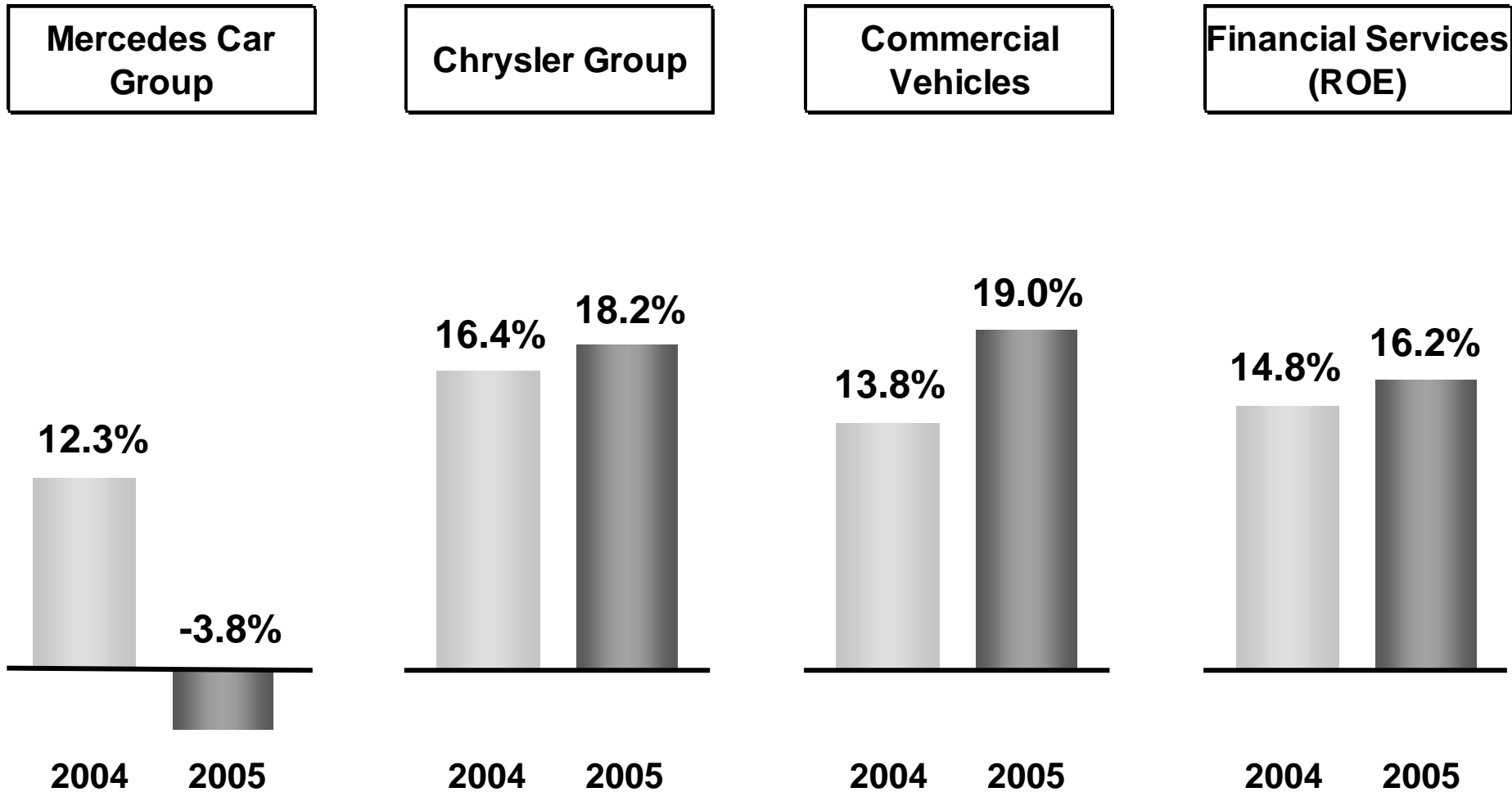
RETURN ON NET ASSETS

– after tax at Group level –



RETURN ON NET ASSETS OF THE DIVISIONS

– before taxes –

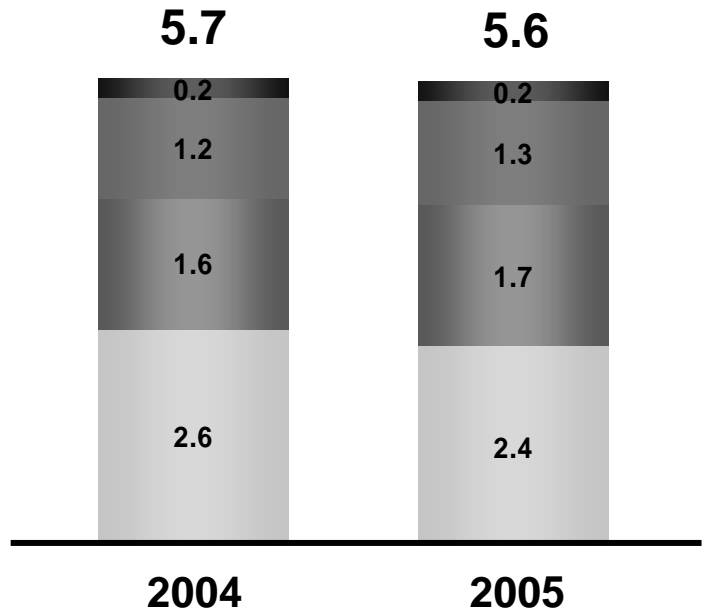
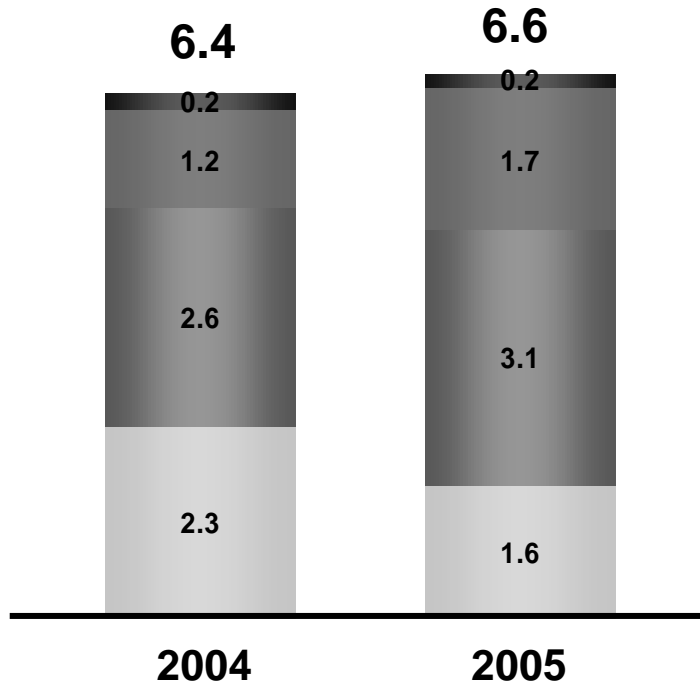


EUR 12 BILLION EXPENDITURE FOR THE FUTURE

– in billions of EUR –

Capital Expenditure*

Research & Development Expenditure



* Capital expenditure in property, plant & equipment

KEY BALANCE SHEET FIGURES

- in billions of EUR -

| | Dec. 31 2004 | Dec. 31 2005 |
|---------------------------------------|-----------------|-----------------|
| DaimlerChrysler Group | | |
| ▪ Equity ratio ¹⁾ | 17.5% | 17.3% |
| ▪ Gross liquidity | 11.7 | 12.6 |
| ▪ Financial liabilities ²⁾ | 76.0 | 80.9 |
| Industrial Business | | |
| ▪ Equity ratio ¹⁾ | 25.2% | 24.8% |
| ▪ Gross liquidity | 10.3 | 11.4 |
| ▪ Financial liabilities ²⁾ | 8.1 | 4.1 |
| ▪ Net liquidity | 2.2 | 7.3 |

1) Excluding dividend payment

2) Adjusted for the effects of the mark-to-market valuation according to SFAS 133

STATUS OF PENSIONS AND POSTRETIREMENT HEALTHCARE BENEFITS

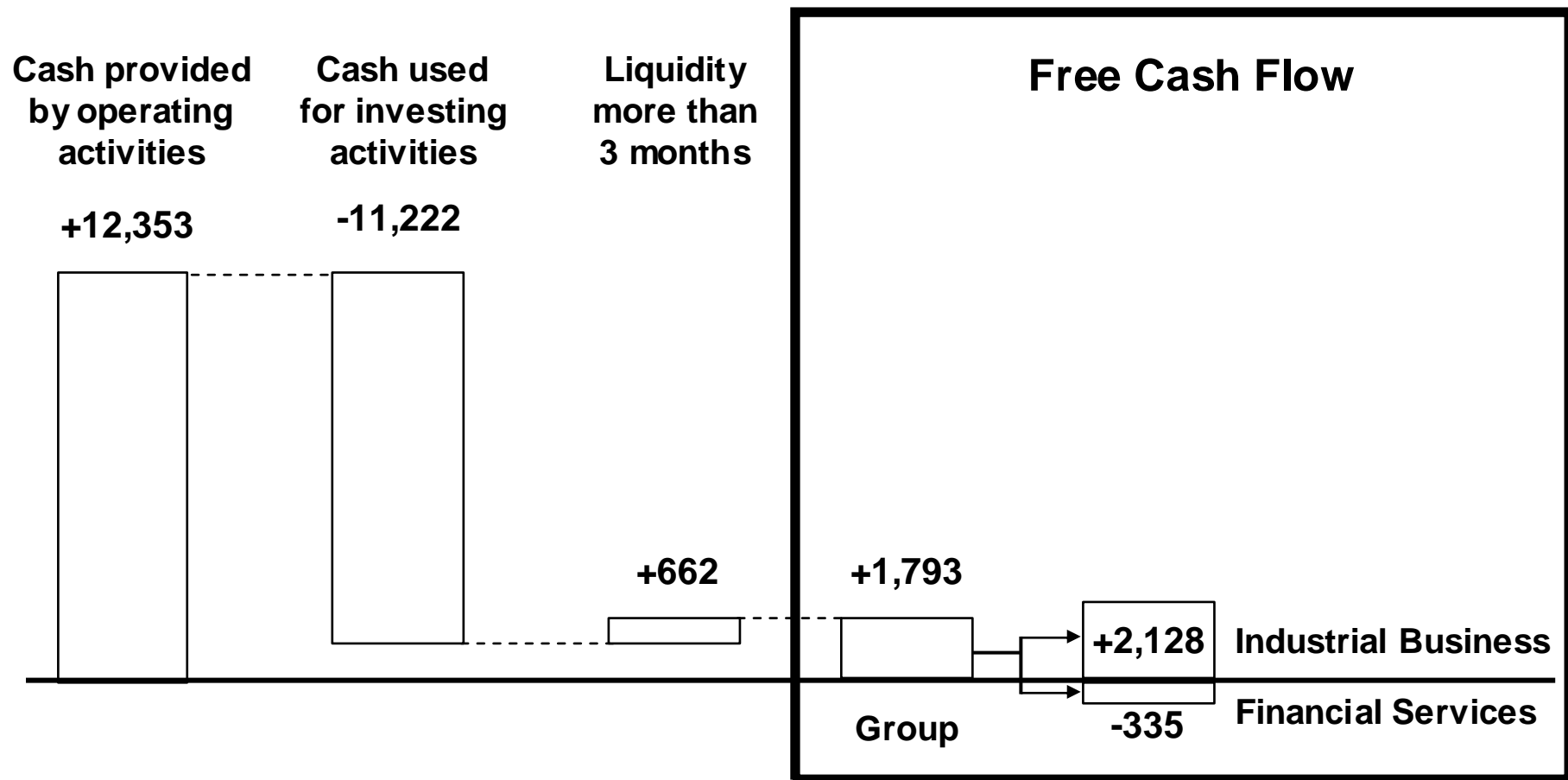
| | Pensions | | Healthcare | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Dec. 31 2004 | Dec. 31 2005 | Dec. 31 2004 | Dec. 31 2005 |
| - in billions of EUR - | | | | |
| PBO ¹⁾ / APBO ²⁾ | (34.4) | (41.5) | (14.4) | (17.7) |
| Plan assets | 27.8 | 34.3 | 1.6 | 1.9 |
| Funded status | (6.6) | (7.2) | (12.8) | (15.8) |
| Accruals | 5.6 | 5.3 | 8.0 | 9.8 |
| Funded position net of accruals | (1.0) | (1.9) | (4.8) | (6.0) |

1) PBO = projected benefit obligations

2) APBO = accumulated postretirement benefit obligations

RECONCILIATION TO FREE CASH FLOW FY 2005

– in millions of EUR –



ASSUMPTIONS FOR THE AUTOMOTIVE MARKETS IN 2006

- **Stable car markets in Western Europe and the NAFTA region**

- **Slight growth of car markets in Japan**

- **Slight growth in truck markets in the NAFTA region and Japan;
stable market development in Western Europe**

- **Further growth in emerging markets**

FINANCIAL OUTLOOK 2006

Sales outlook

- Mercedes Car Group expects unit sales in the magnitude of 2005, while the model mix is expected to improve
 - Chrysler Group expects shipments at 2005 levels in a difficult market environment
 - For Commercial Vehicles we expect unit sales to reach the level of 2005
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Profit outlook

- Improved profitability anticipated in 2006

DISCLAIMER

These figures are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

This presentation contains forward-looking statements that reflect management's current views with respect to future events. The words „anticipate,“ „assume,“ „believe,“ „estimate,“ „expect,“ „intend,“ „may,“ „plan,“ „project“ and „should“ and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in Europe or North America; changes in currency exchange rates, interest rates and in raw material prices; introduction of competing products; increased sales incentives; the effective implementation of our New Management Model, and the CORE program, including the new business model for smart, at the Mercedes Car Group; renewed pressure to reduce costs in light of restructuring plans announced by our major competitors in NAFTA; supply interruptions of production materials, resulting from shortages, labor strikes or supplier insolvencies; the resolution of pending governmental investigations; and decline in resale prices of used vehicles. If any of these or other risks and uncertainties occur (some of which are described under the heading "Risk Report" in DaimlerChrysler's most recent Annual Report and under the heading "Risk Factors" in DaimlerChrysler's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission), or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.