

09.02.2007 11:36

DaimlerChrysler AG: DaimlerChrysler disposes of EADS shares to investor consortium DaimlerChrysler AG / Strategic Company Decision

Ad hoc announcement according to § 15 WpHG transmitted by DGAP - a company of EquityStory AG.

The issuer is solely responsible for the content of this announcement.

- Agreement covers reduction from 22.5% to 15% of EADS stake
- DaimlerChrysler to retain its present voting rights
- Balanced corporate governance between major shareholders remains intact
- Cash inflow in the magnitude of €1.5 billion in 2007

Stuttgart - DaimlerChrysler today reached an agreement with a consortium of private and public-sector investors by which it will effectively reduce its shareholding in EADS from 22.5% to 15% as planned, while maintaining the balance of voting rights between Germany and French controlling shareholders.

DaimlerChrysler has placed its entire 22.5% equity interest in the European Aeronautic Defence and Space Company (EADS) into a new company, in which the consortium of investors will acquire a one-third interest through a special-purpose entity. This effectively represents a 7.5% stake in EADS.

In return for granting the indirect shareholding in EADS, DaimlerChrysler will receive approximately €1.5 billion, with a corresponding effect on DaimlerChrysler's cash flow. The transaction will be executed in the first quarter of 2007. As compensation for the indirect ownership of EADS shares, the investors will receive from DaimlerChrysler a preference dividend on the 7.5% indirect investment of 175% of the normal EADS dividend.

DaimlerChrysler has the option of dissolving the new structure on July 1, 2010 at the earliest. If the structure is dissolved, DaimlerChrysler has the right either to provide the investors with EADS shares or to pay cash compensation. If EADS shares are provided, the German State, and the French State and Lagardère through Sogéade, will be entitled to preempt such EADS shares to retain the balance between the German and the French side.

DaimlerChrysler will continue to control the voting rights of the entire 22.5% package of EADS shares. The structure of this transaction underscores DaimlerChrysler's links with EADS as one of its industrial partners and its main German shareholder.

This agreement has been coordinated with the German Government as well as with the French State and Lagardère through Sogéade; SEPI, EADS's Spanish shareholder, has been consulted with. The DaimlerChrysler Supervisory Board has also approved the transaction.

The investor consortium comprises 15 investors, 7 from the private sector and 8 from the public sector. The private-sector investors will acquire 60% of the total investment volume, while the public-sector investors will acquire 40%.

The private-sector investors are Allianz, Commerzbank, Credit Suisse, Deutsche Bank and Goldman Sachs, which will each acquire 10% of the shares in the special-purpose company, as well as Morgan Stanley and Sal. Oppenheim, which will each acquire 5%.

The public-sector investors are the KfW banking group with 13% of the special-purpose company, HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsverwaltung (state of Hamburg) with 10%, Hannoversche Beteiligungsgesellschaft (state of Lower Saxonia) with 5%, Bayerische Landesbodenkreditanstalt, Anstalt der Bayerischen Landesbank and LfA Förderbank Bayern with 3.5% and 1.5% respectively, Landesbank Baden-Württemberg and the Landeskreditbank Baden Württemberg – Förderbank (L-Bank) with 2.5% each, and the Bremer Investitions-Gesellschaft (state of Bremen) with 2%.

Commerzbank, Deutsche Bank, Goldman Sachs and KfW have played the role of lead investors, representing the entire group of investors in the structuring of the transaction.

The first 7.5% reduction in DaimlerChrysler's shareholding in EADS that was announced in April 2006 has meanwhile been completed, and resulted in a cash inflow for DaimlerChrysler of approximately €2 billion.

The impacts of both transactions on DaimlerChrysler's net income will be announced with the disclosure of the results for the first quarter of 2007.

Further information from DaimlerChrysler is available on the internet at www.media.daimlerchrysler.com