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**DAIMLERCHRYSLER**

**Corporate Presentation  
Paris**

**Dr. Manfred Gentz  
Chief Financial Officer  
June 16, 2003**

## KEY INFORMATION YEAR TO DATE 2003

- **Mercedes Car Group: high profit level of previous year exceeded in first quarter**

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- **Chrysler Group: Improved operating profit in first quarter in a tough market environment, second quarter losses of around EUR 1.0 billion expected**

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- **Commercial Vehicles: positive results despite difficult markets in first quarter**

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- **Services: significantly improved profitability in first quarter**

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- **DaimlerChrysler Group: Despite difficult markets strong operating performance and improvements in profitability in first quarter. Chrysler to negatively impact second quarter performance.**

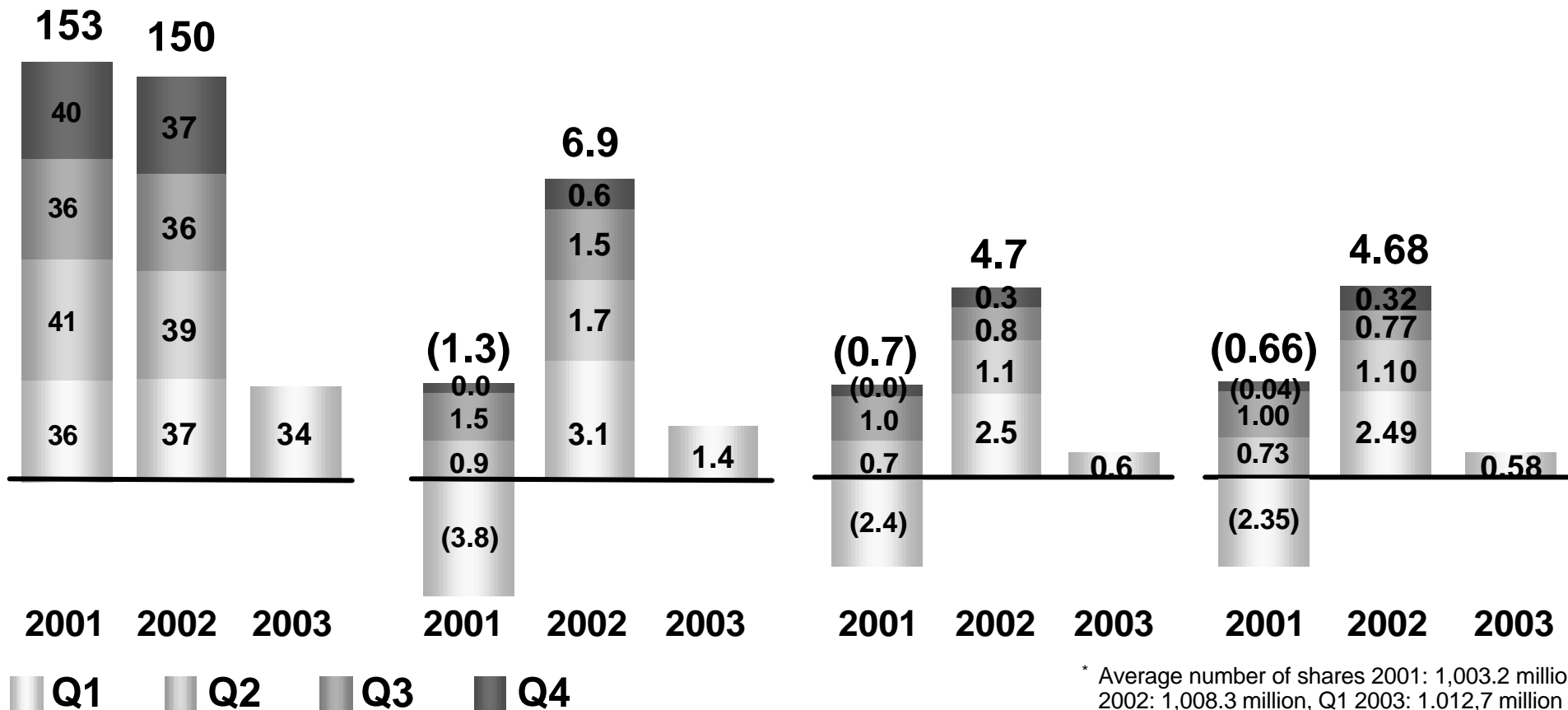
# KEY FIGURES

**Revenues**  
- in billions of EUR -

**Operating Profit**  
- in billions of EUR -

**Net Income**  
- in billions of EUR -

**Earnings per share\***  
- in EUR -



\* Average number of shares 2001: 1,003.2 million, 2002: 1,008.3 million, Q1 2003: 1.012,7 million <sup>3</sup>

## KEY BALANCE SHEET FIGURES

- in billions of EUR -	Dec. 31 2002	Mar. 31 2003
Gross liquidity Group	12.4	14.5
<b>Gross liquidity industrial business</b>	<b>11.1</b>	<b>12.5</b>
Group equity*	33.4	34.2
Equity ratio Group	17.8%	18.1%
<b>Equity ratio industrial business</b>	<b>24.8%</b>	<b>24.7%</b>
Financial liabilities Group**	77.5	77.1
<b>Financial liabilities industrial business**</b>	<b>10.6</b>	<b>12.2</b>
Net debt Group	(65.0)	(62.6)
<b>Net cash (net debt) industrial business</b>	<b>0.5</b>	<b>0.3</b>

\* Excluding dividend payment for 2002

\*\* Adjusted by the effects of the mark-to-market valuation according to SFAS 133

## FINANCIAL FLEXIBILITY

### ● Financial Flexibility Targets of DaimlerChrysler Group - in billion USD -

<b>Group Liquidity:</b>	<b>~ 15</b>
<b>Receivables ready for sale (ABS):</b>	<b>~ 15</b>
<b>USD 18 bn Global Credit Facility:</b>	<b>18</b>
<b>Asset Backed Commercial Paper Backup Facility:</b>	<b>3</b>
<b>Total Flexibility:</b>	<b>~ 50</b>

### ● Facilities for daily operating business

<b>utilized:</b>	<b>13.4</b>
<b>unutilized:</b>	<b>4.8</b>
<b>Total as of Mar 31, 2003 (in bn EUR):</b>	<b>18.2</b>

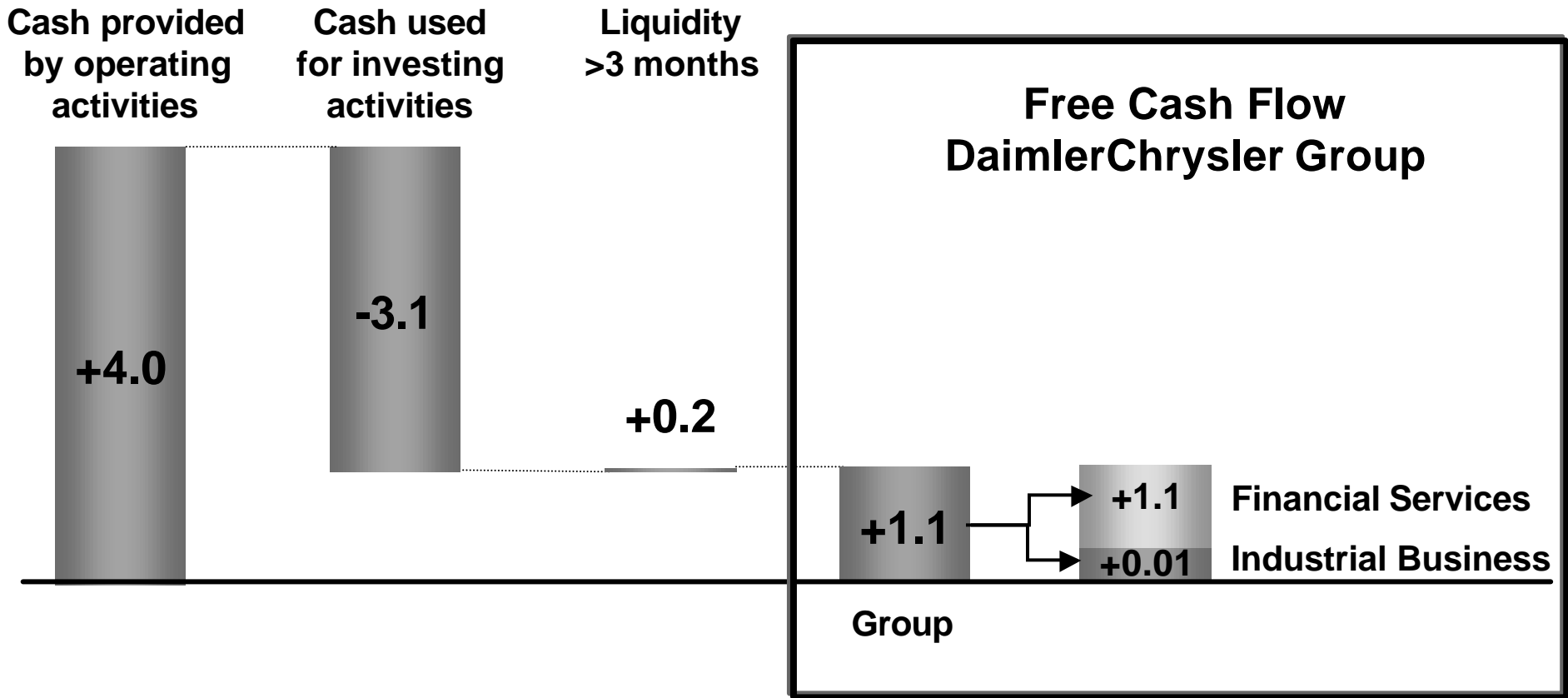
## PENSION STATUS

	Dec. 31 2002	March 31 2003			
- in billions of EUR -	DC Group	DC Group	German Plans	US* Plans	Other
Projected benefit obligations (PBO)	(33.0)	(32.8)	(11.1)	(21.4)	(0.3)
Plan assets	24.6	23.1	6.5	16.4	0.2
<b>Over / (under) funded position</b>	<b>(8.4)</b>	<b>(9.7)</b>	<b>(4.6)</b>	<b>(5.0)</b>	<b>(0.1)</b>
Pension accruals	7.4	7.5	3.6	3.8	0.1
<b>Over / (under) funded PBO position net of accruals</b>	<b>(1.0)</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>(1.2)</b>	<b>0.0</b>

\* including Canada Plans

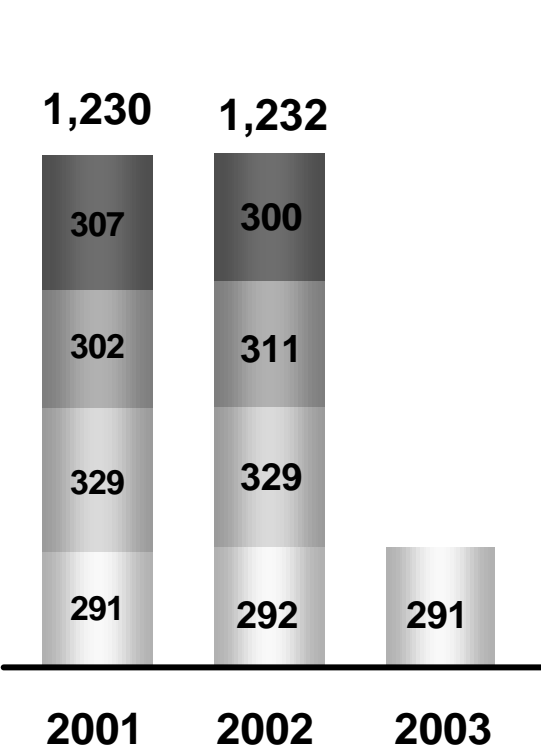
# RECONCILIATION TO FREE CASH FLOW Q1 2003

- in billions of EUR -

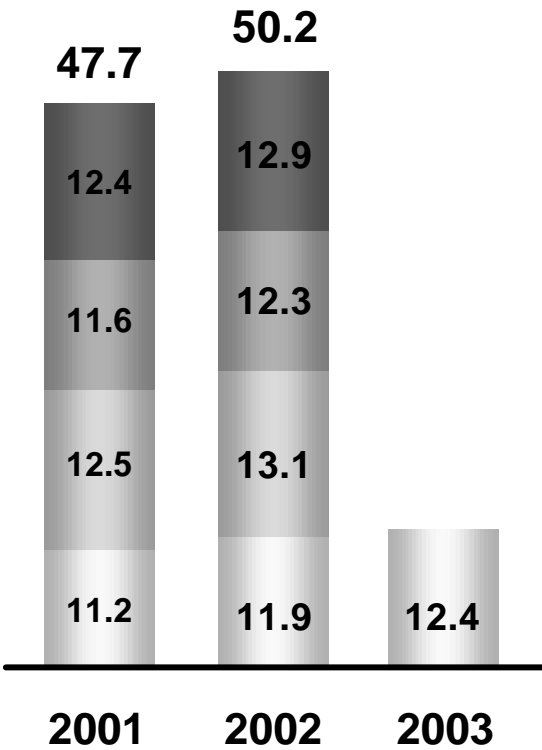


# HIGH PROFIT LEVEL OF PREVIOUS YEAR EXCEEDED

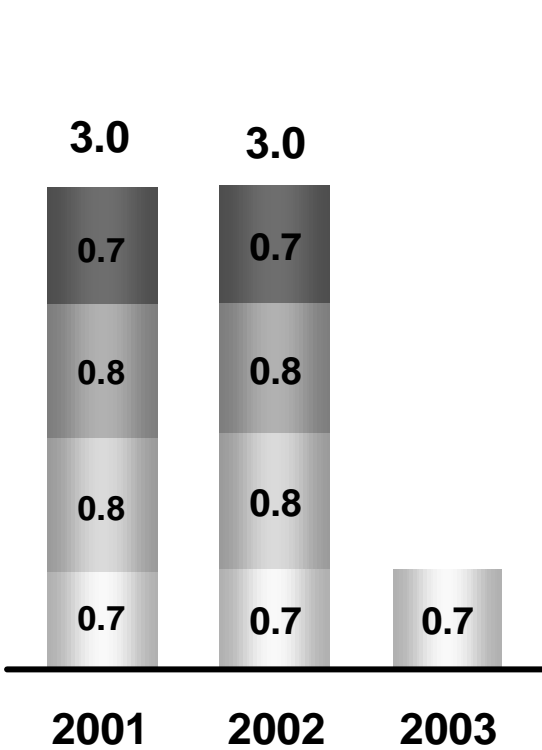
**Sales**  
- in thousand units -



**Revenues**  
- in billions of EUR -



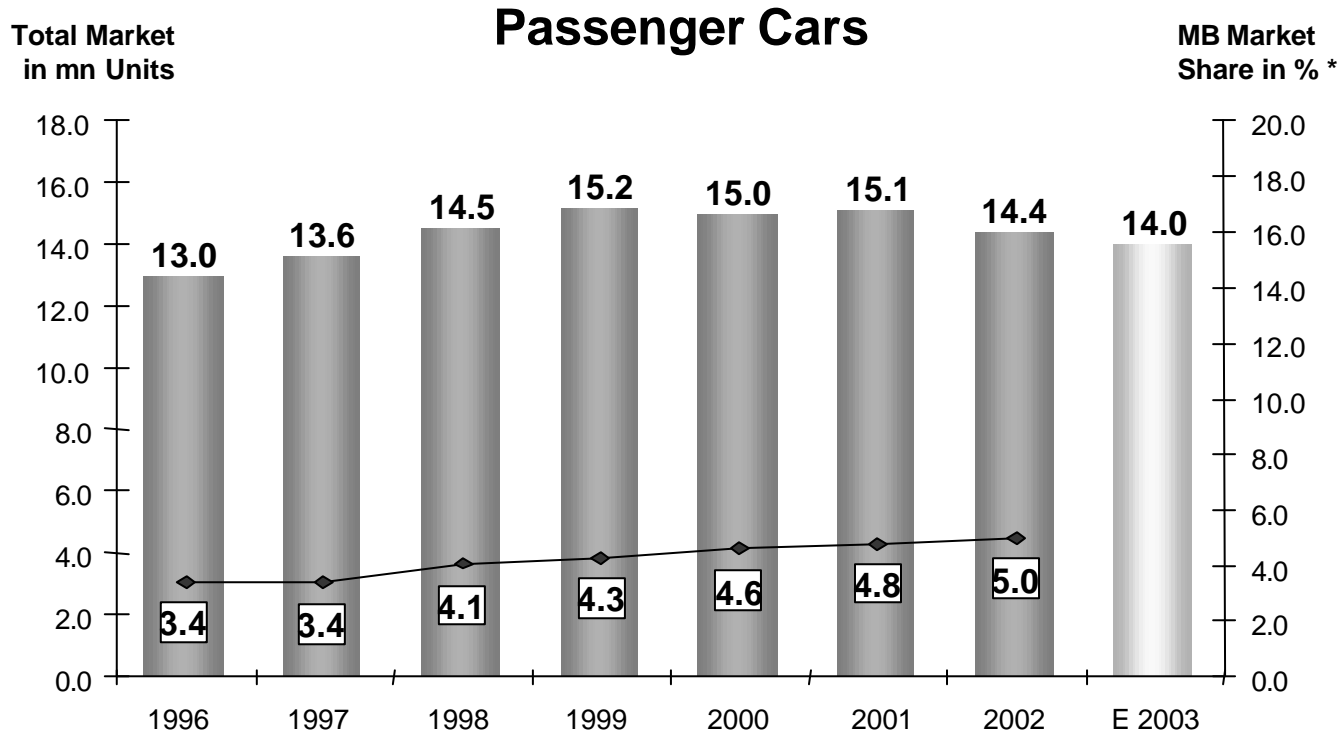
**Operating Profit**  
- in billions of EUR -



■ Q1   ■ Q2   ■ Q3   ■ Q4



# WESTERN EUROPEAN MARKET DEVELOPMENT



- 2002 shows an overall decrease in demand
- 2003 expected to show a further reduction, driven by the main markets France, UK and Italy
- German market is expected to decrease further from 3.25 mn to 3.21 mn units

\* Market share of Mercedes-Benz passenger cars (excl. smart) in % of total Western European passenger car market

## EXPAND PREMIUM AND LUXURY POSITION

- 1** Strengthen technology leadership through innovation
- 2** Further enhance efficiency
- 3** Create new products and new segments

# STRENGTHEN TECHNOLOGY LEADERSHIP THROUGH INNOVATION

## Safety

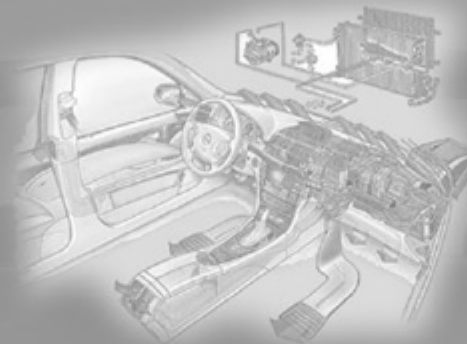


Adaptive curve light



Pre-safe

## Comfort



Thermotronic



Dynamic multi-contour seat

## Environment



CDI engine



Zero emission car

# NEW E-CLASS AND CLK-CLASS



**E-Class**  
**Sedan & Estate**

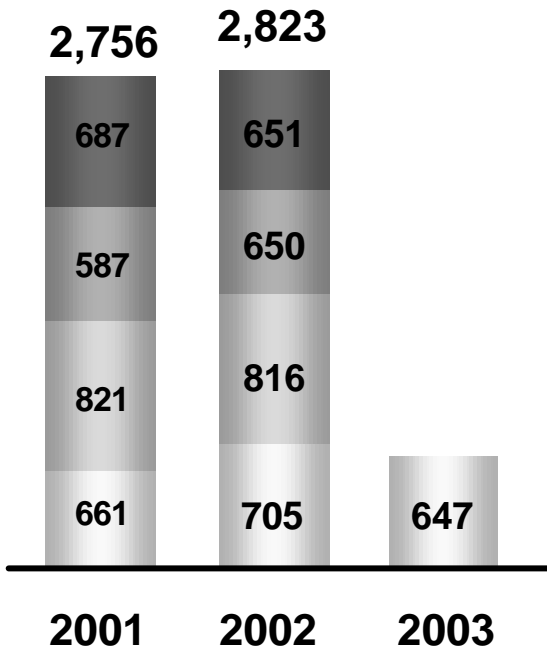


**CLK-Class**  
**Coupe & Convertible**

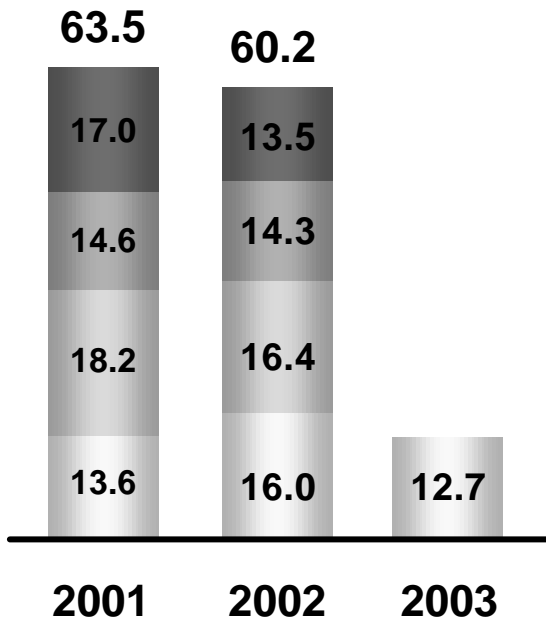


# POSITIVE OPERATING PROFIT IN FIRST QUARTER

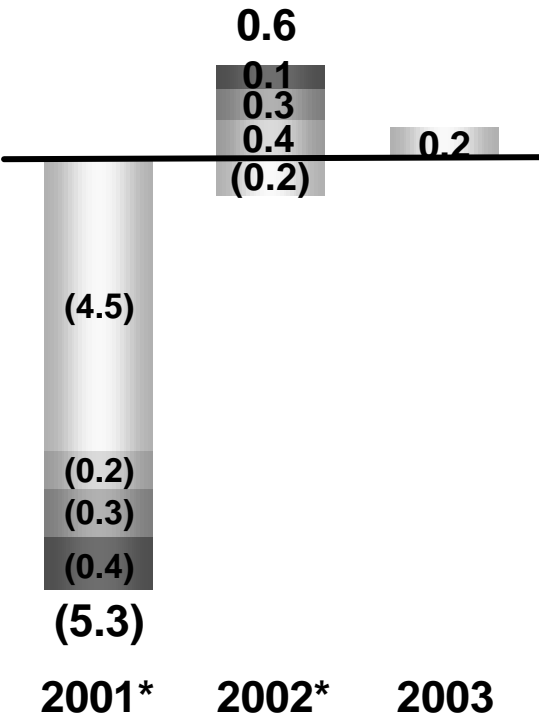
**Sales \*\***  
- in thousand units -



**Revenues**  
- in billions of EUR -



**Operating Profit**  
- in billions of EUR -



\*\* Corresponds to Chrysler shipments

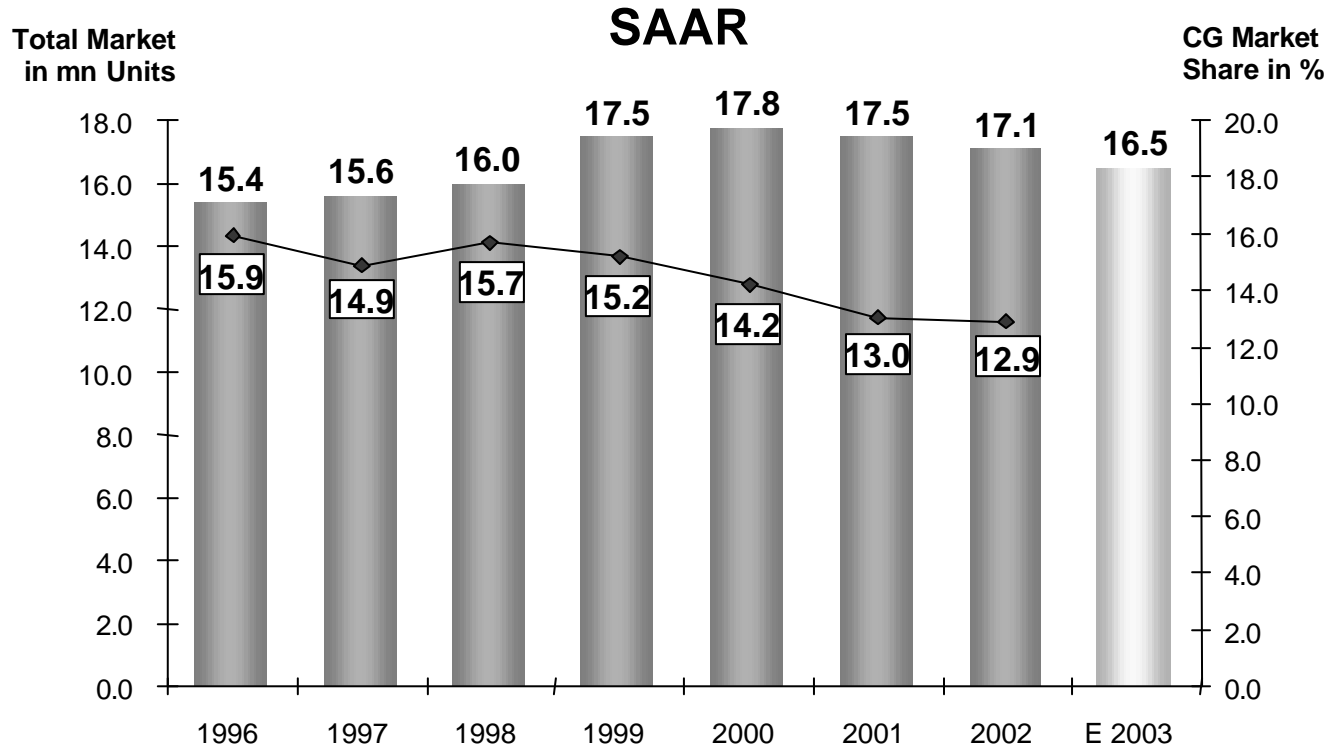
■ Q1   ■ Q2   ■ Q3   ■ Q4

\* Including one-time effects of €(3.1) bn (2001) and €(0.7) bn (2002)

## RECENT DEVELOPMENTS

- **Chrysler will likely record an operating loss of around EUR 1 billion in second quarter reflecting:**
  - **lower revenues from ongoing sales**
  - **revaluation of dealer stocks and residual values**
  
- **Chrysler expects to report a better second half and thus a slightly positive operating profit (before restructuring expenses) for 2003 reflecting:**
  - **additional cost savings in areas of material, fixed and plant costs**
  - **refocusing of efforts in revenue management**
  - **strong new product line up**
  - **some improvement in overall market dynamics**

# US SAAR MARKET DEVELOPMENT



- 2002 SAAR was 17.1 million units, much higher than originally expected. U.S. Market share was at 12.9%.
- For 2003 US volumes should be around 16.5 million. Year-to-date (May) U.S. market share for Chrysler Group is 13.2%.

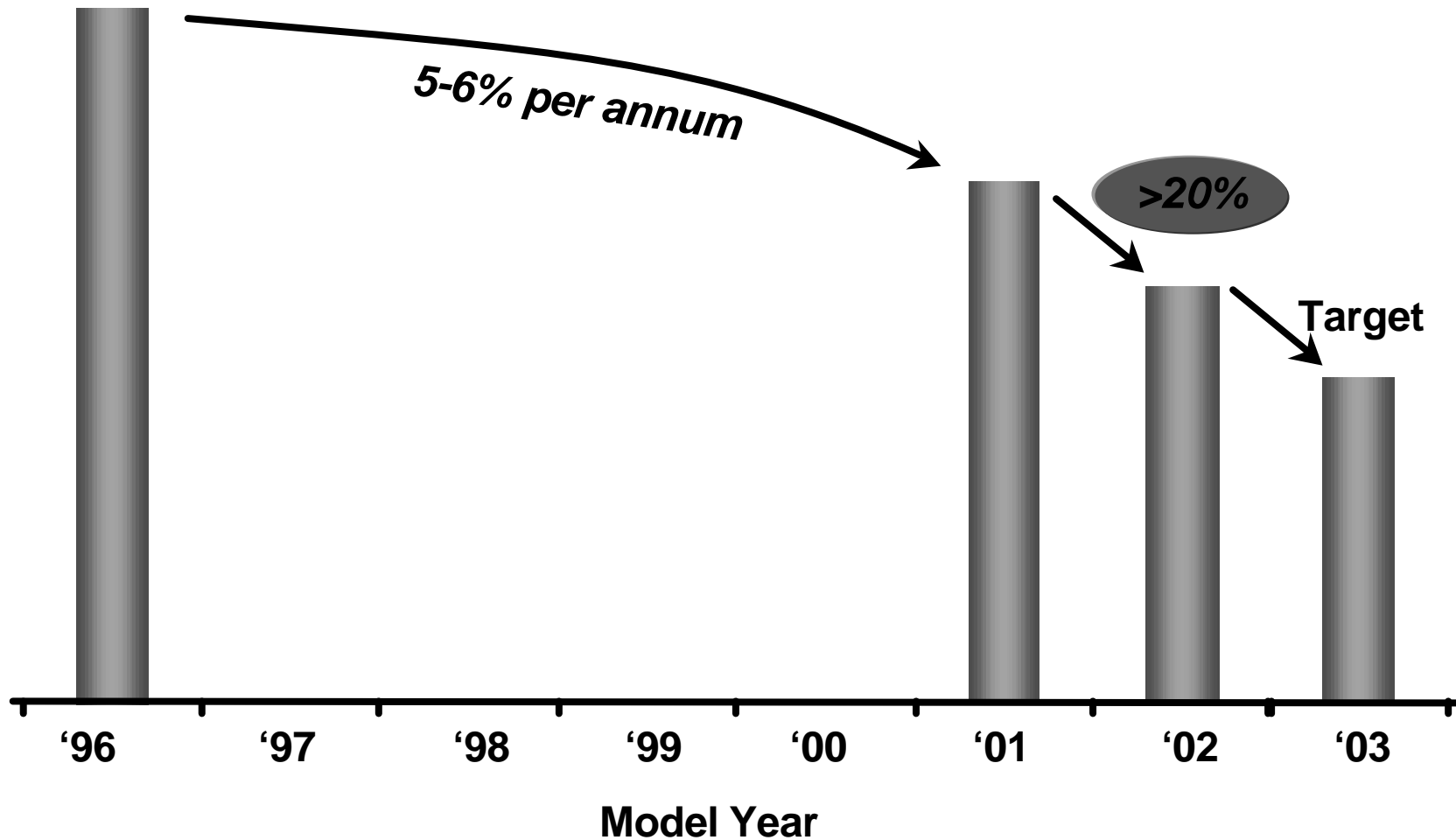
## **FROM PUSH TO PULL**

- 1 Create a unique selling proposition**
- 2 Enhance quality and perception**
- 3 Continue efficiency improvements**



# CLOSE GAP IN QUALITY AND PERCEPTION: REDUCTION IN WARRANTY EXPENSES

Warranty Expense per Unit Sold



## 2003 CY



### Chrysler Crossfire (Spring)

- Karmann Manufacturing
- 12-15,000 units in 2003  
(20-30,000 units annually)

### SRT-4 (Spring)

- Belvidere Assembly Plant
- ~5,000 units in 2003



### Chrysler Pacifica (Spring)

- Windsor Assembly Plant
- ~100,000 units in 2003
- Zero Downtime (rolling launch)



### Dodge Durango (Fall)

- Newark Assembly Plant
- 30,000 units in 2003  
(~180,000 units annually)

### Dodge Sprinter (Spring)

- Import
- ~7,500 units in 2003

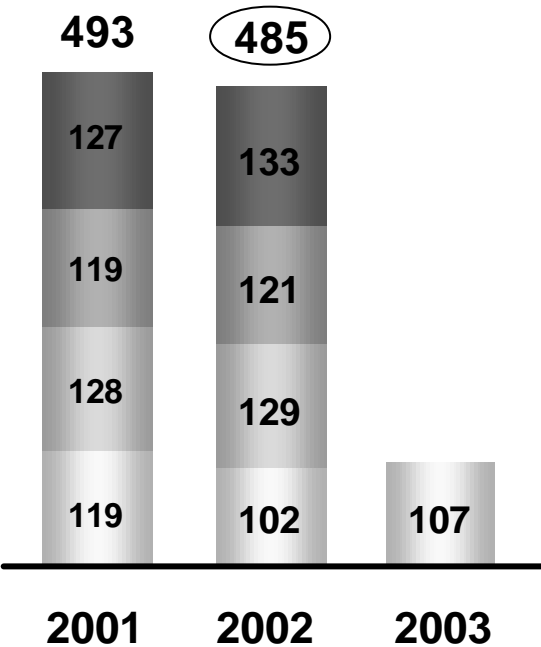


### Dodge SRT-10 (Fall)

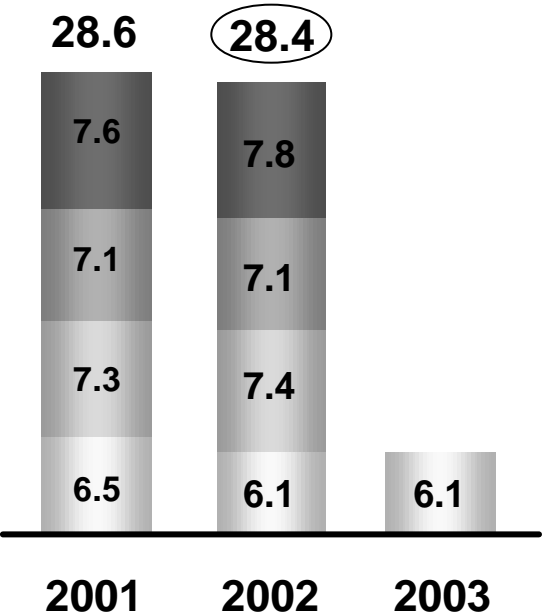
- Saltillo Assembly Plant
- ~3,000 units annually

# POSITIVE RESULT DESPITE DIFFICULT MARKETS

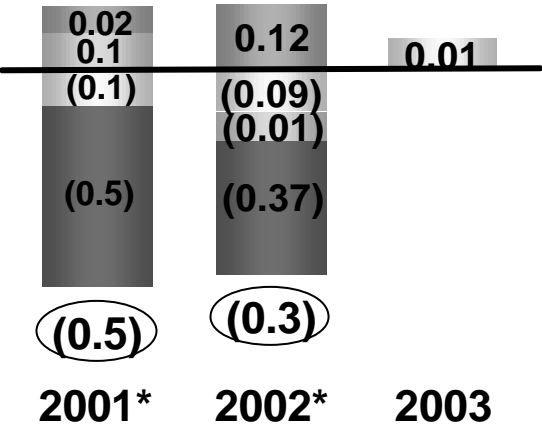
**Sales**  
- in thousand units -



**Revenues**  
- in billions of EUR -



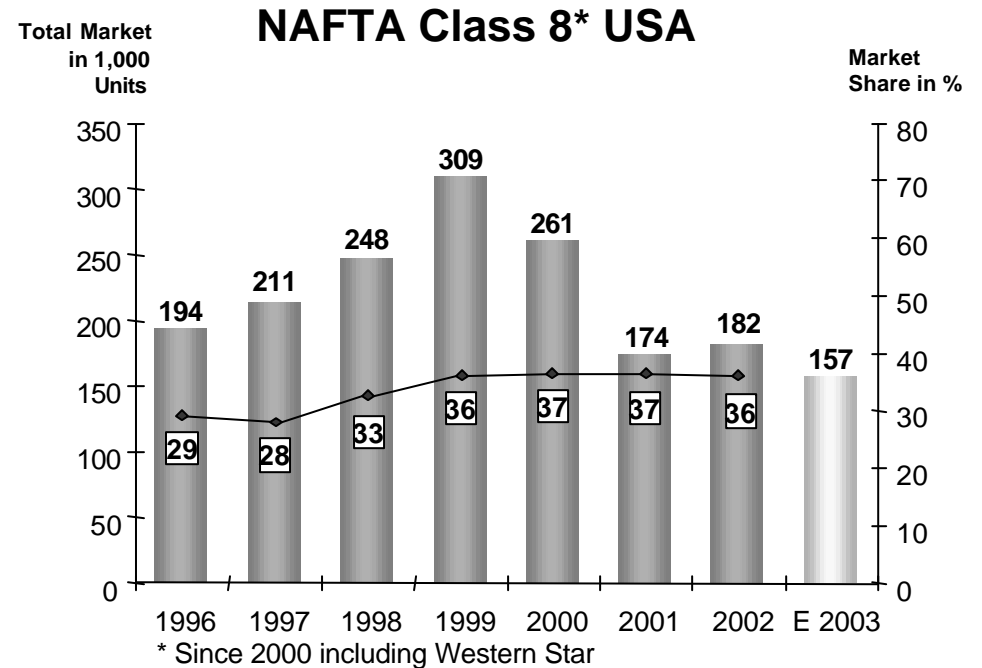
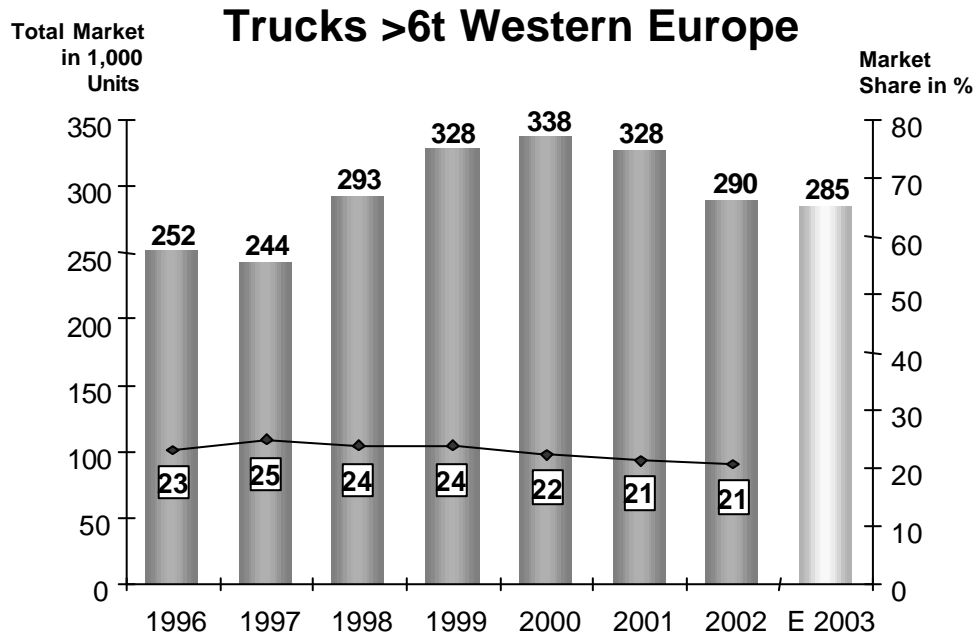
**Operating Profit**  
- in billions of EUR -



■ Q1   ■ Q2   ■ Q3   ■ Q4

\* Including one-time effects of €(0.54) bn (2001) and €(0.52) bn (2002)

## MARKET DEVELOPMENT

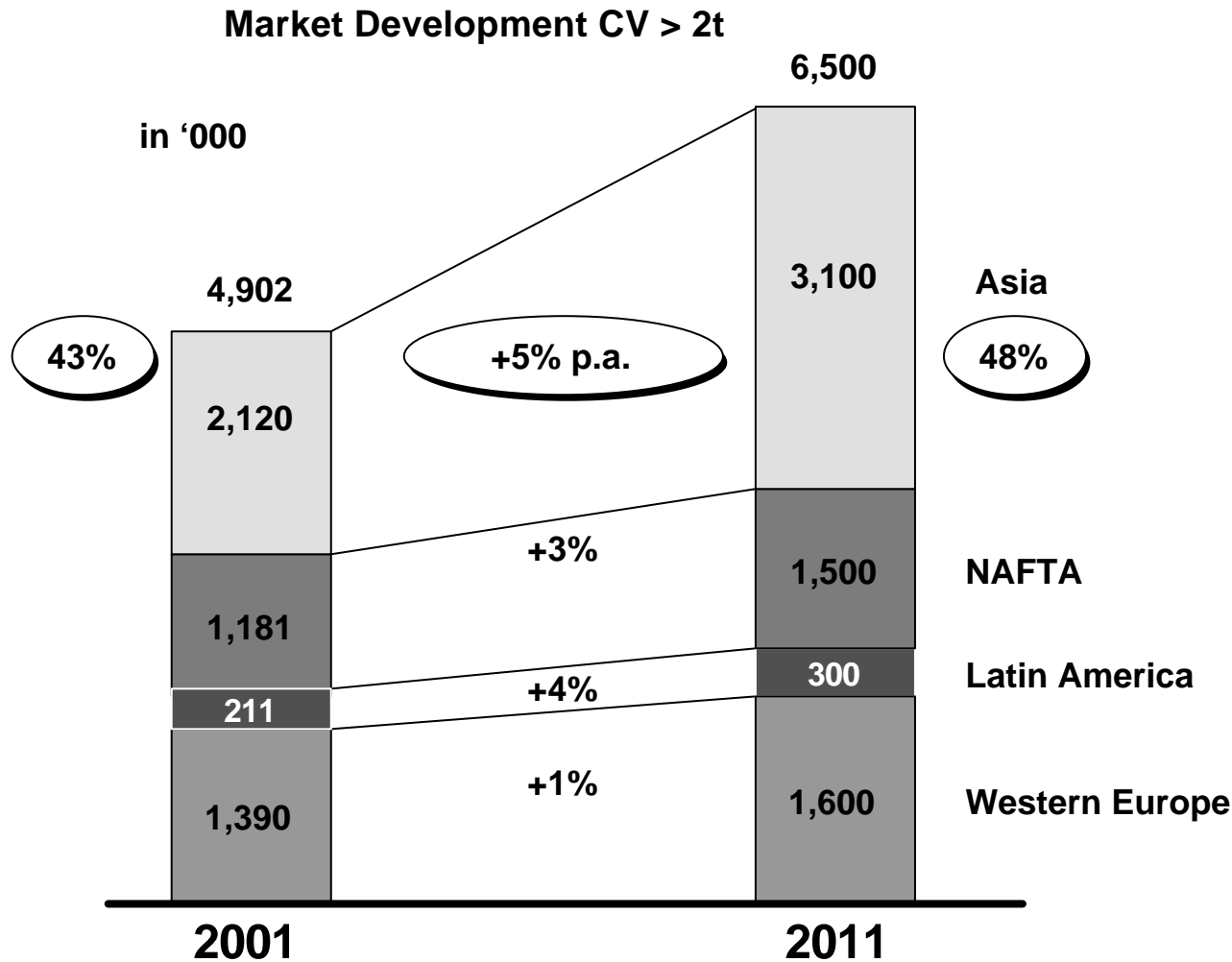


- Decline in market volume for medium and heavy duty trucks, vans and buses in major markets
- Tough competitive pricing in all markets
- New products will strengthen the leading position of the Commercial Vehicles Division
  - New Business Class M2
  - Accelo Light Truck (Brazil)
  - New Actros
  - MB Midi Coach
  - Sprinter Facelift and Nafta Version
  - Unimog North America
  - New Van Family Vaneo and Vito
  - Orion VII Hybrid
  - Setra TopClass USA

## **KEY ISSUES**

- 1 Complete Freightliner turnaround**
- 2 Expand position in Asia**
- 3 Turning scale into profit**

# THE IMPORTANCE OF ASIAN MARKET IS INCREASING: WILL BECOME AROUND 50% OF THE GLOBAL CV MARKET

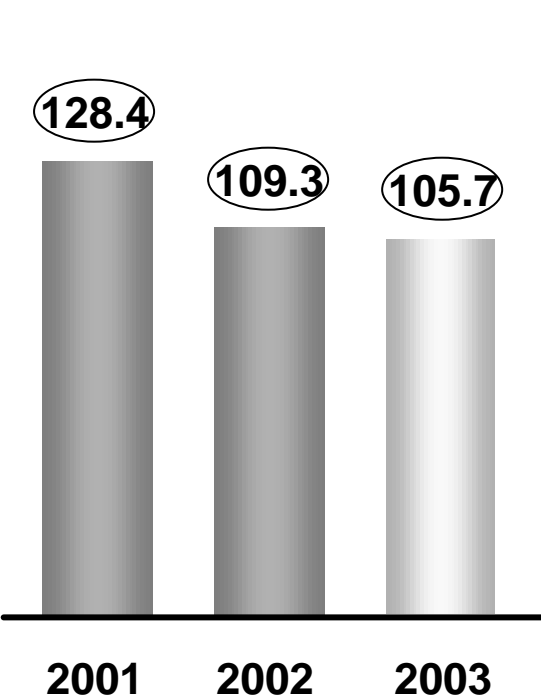


**Peer Group**

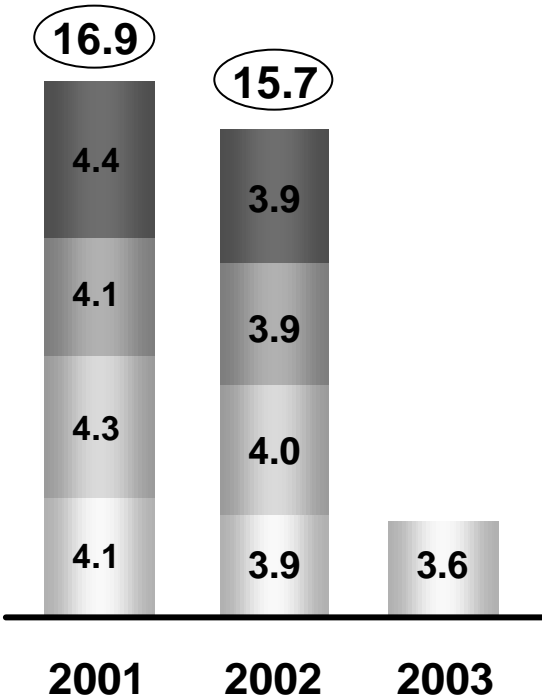
- Continued consolidation in Japanese Truck market (Isuzu, Nissan Diesel)
- Toyota/ Hino with ambitious growth targets for Asian and Non-Asian markets (e.g.: Cooperation with Scania)

# SIGNIFICANTLY IMPROVED PROFITABILITY

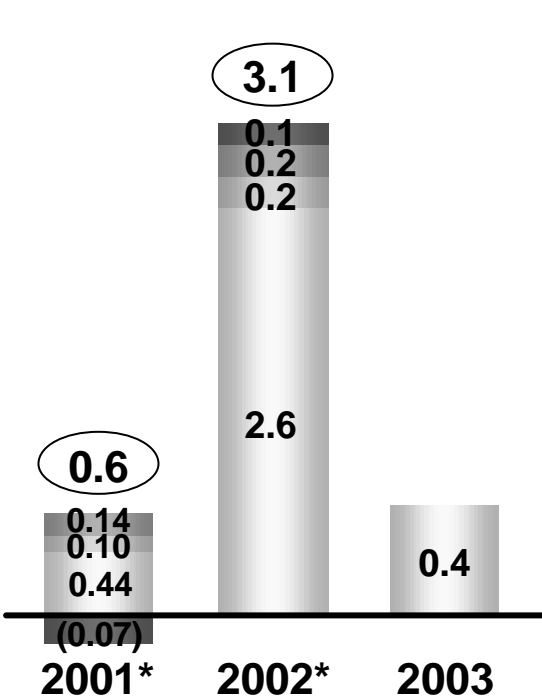
Contract Volume  
- in billions of EUR -



Revenues  
- in billions of EUR -



Operating Profit  
- in billions of EUR -



■ Q1   ■ Q2   ■ Q3   ■ Q4

\* Including one-time effects (net) of €(0.07) bn (2001) and €2.3 bn (2002)

## DEDICATED FINANCIAL SERVICES SUPPORT FOR AUTOMOTIVE BUSINESS

1

**Strengthen cooperation with brands**

2

**Additional automotive related services**



## MMC RESTRUCTURING ON TRACK – GROWTH ON ITS WAY

- Turnaround ahead of schedule, most targets achieved one year ahead of expectations
  - Domestic capacity reduction: 26% compared to a target of 20%
  - Material cost reduction: 15% 2003 target level
  - Headcount adjustment: 16% compared to a target of 14%

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● Return to revenue growth after five years

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● Successful launch of new MPV 'Grandis' mid-May 2003 in Japan

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● 12-14 new products in each region between 2003 and 2007



## OUTLOOK 2003

- **Mercedes Car Group:** Expects to reach the high levels of previous years in terms of unit sales, revenues and operating profit.

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- **Chrysler Group:** Expects to report a slightly positive operating profit (before restructuring expenses) for the year as a whole

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- **Commercial Vehicles division:** High restructuring expenditure of past years expected to result in higher operating profit than in 2002.

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- **Services division:** More favorable refinancing conditions, measures to reduce costs and more efficient risk controls should lead to a higher ongoing operating result in 2003.

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- **DaimlerChrysler Group:** Although global economic situation remains very difficult, we will endeavour to achieve an operating profit from ongoing business of about €5.0 billion at a Group level.

## DISCLAIMER

**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 and interest rates; introduction of competing products; increased sales incentives; 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 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.**