

# **DAIMLERCHRYSLER**

## **Q1 2006 RESULTS CONFERENCE CALL**

**Bodo Uebber  
Chief Financial Officer**

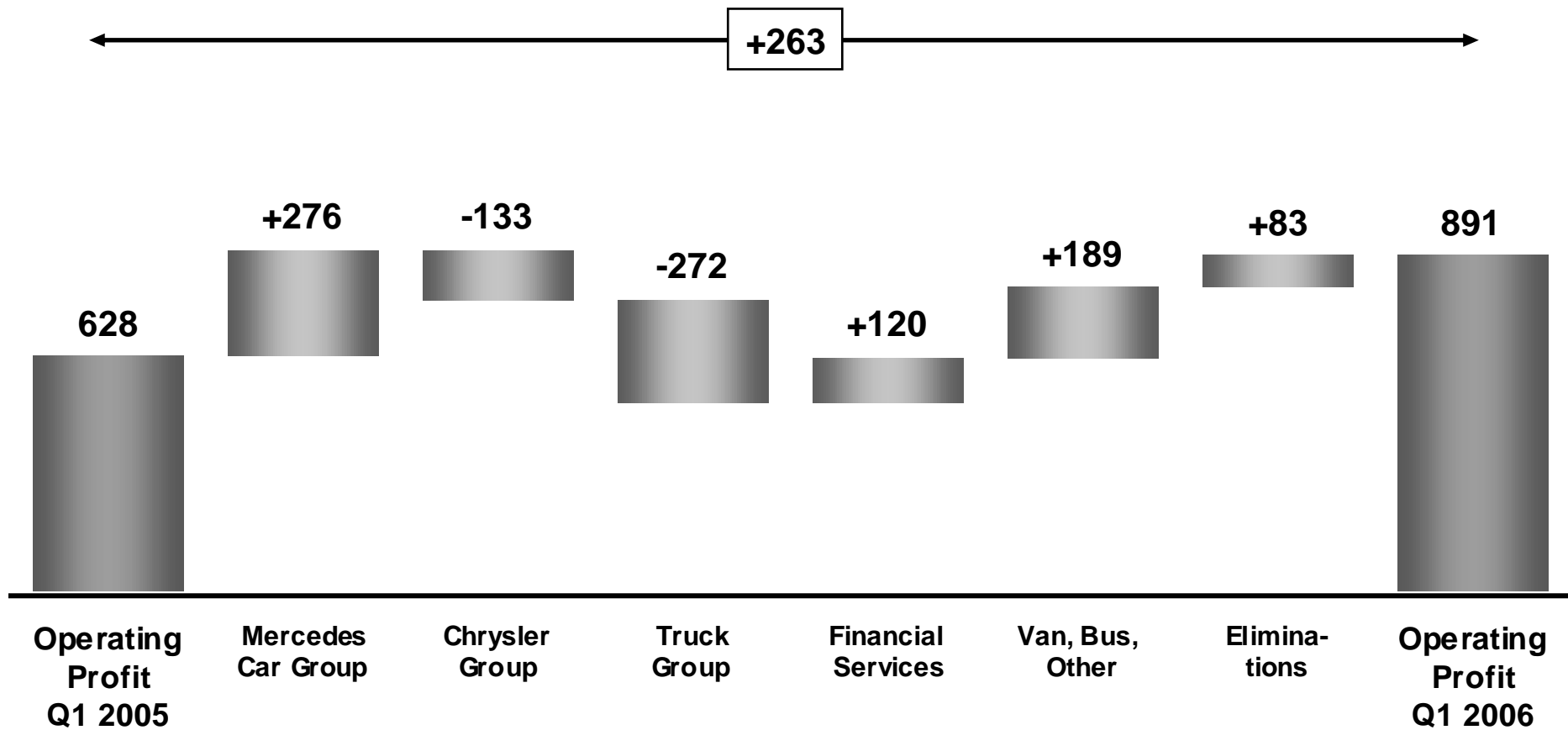
**Stuttgart  
April 27, 2006**

## KEY FIGURES Q1 2006

- **Unit sales up 6% to 1.2 million vehicles**
- **Revenues increased by 17% to EUR 37.2 billion**
- **Operating profit of EUR 0.9 billion (+42%), including:**
  - EUR 982 million for focusing on smart fortwo
  - EUR 203 million related to headcount reduction at Mercedes Car Group
  - a gain of EUR 234 million on the disposal of DaimlerChrysler Off-Highway
- **Net income up 4% to EUR 299 million**

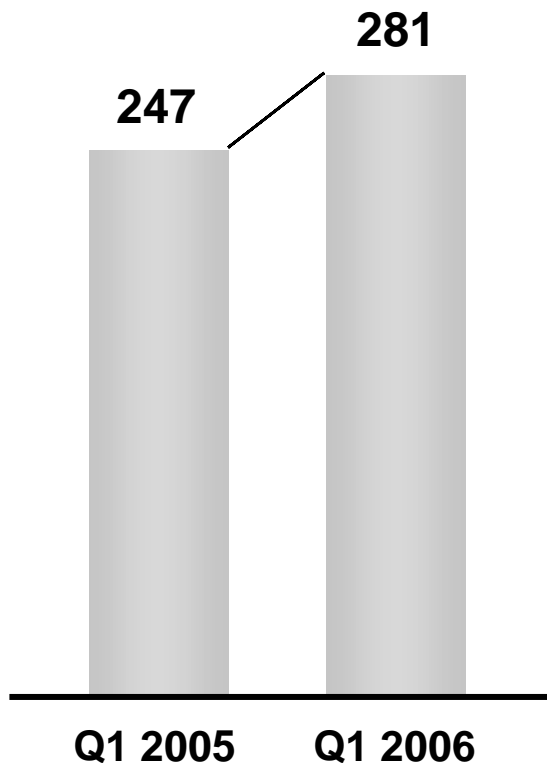
# EARNINGS OF BOTH QUARTERS SIGNIFICANTLY AFFECTED BY SPECIAL ITEMS

– in millions of EUR –

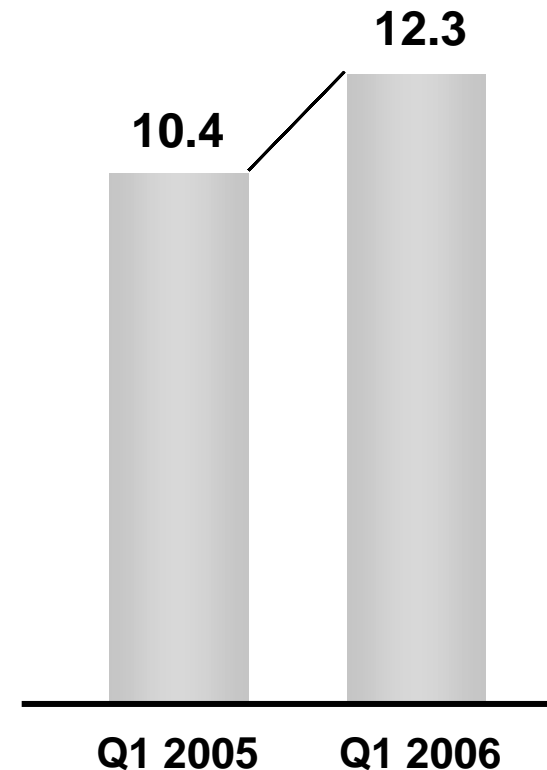


## HIGHER UNIT SALES AND REVENUES REFLECT MARKET SUCCESS OF NEW PRODUCTS

**Unit Sales**  
- in thousand units -

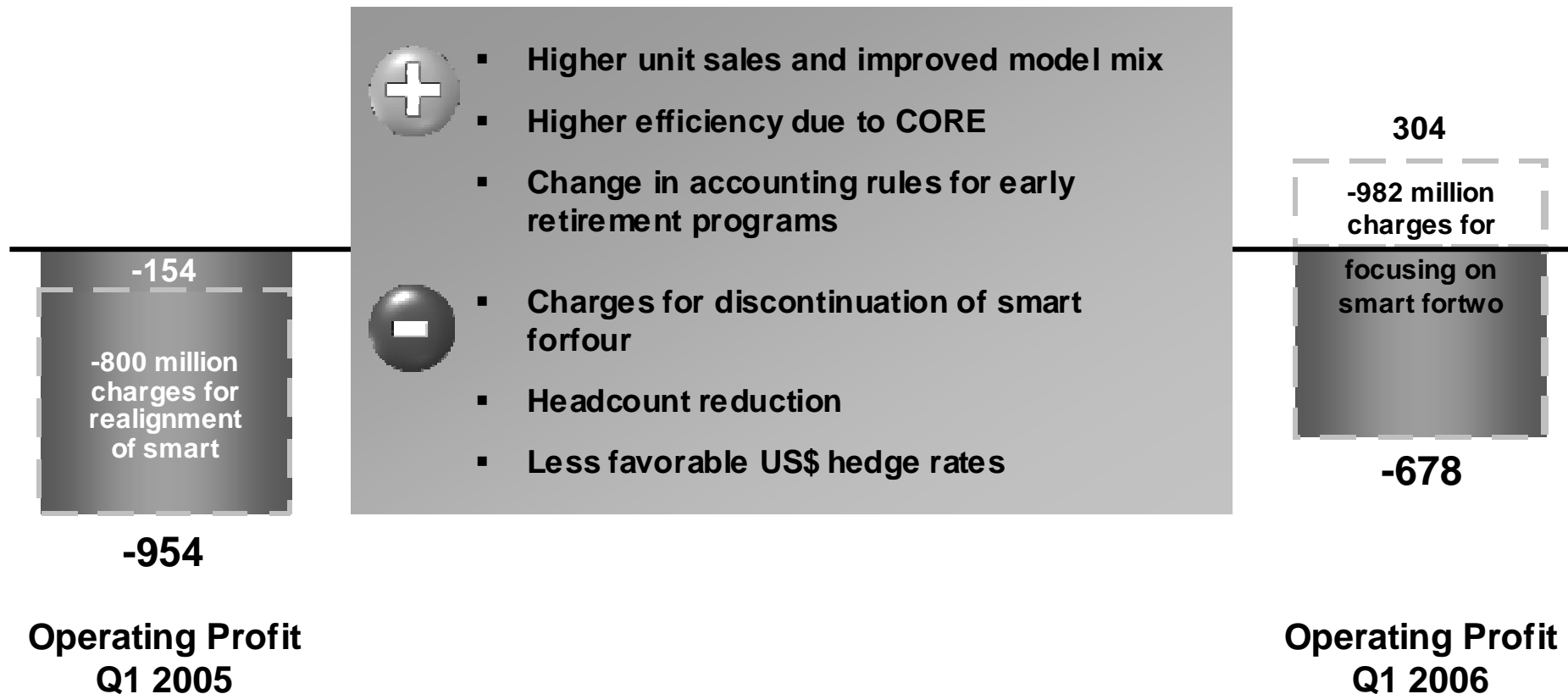
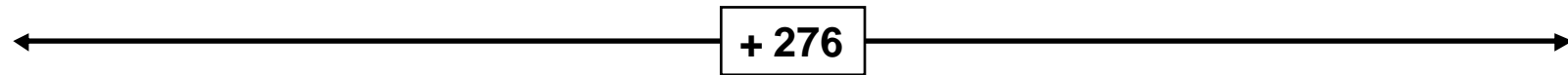


**Revenues**  
- in billions of EUR -



# EARNINGS IMPACTED BY CHARGES FOR HEADCOUNT REDUCTION AND FOCUSING ON SMART FORTWO

– in millions of EUR –



## FOCUSING ON SMART FORTWO

- **Measures to enhance smart business model:**
  - Discontinuation of production of smart forfour
  - Clear focus on smart fortwo
  - Complete integration of smart into the Mercedes-Benz organization
- **Costs are estimated to impact earnings by around EUR 1 billion, of which EUR 982 million is included in Q1 2006**
- **New smart fortwo to be launched in 2007**
- **Positive earnings expected from 2007 onwards**

# NEW PRODUCTS



**GL-Class**



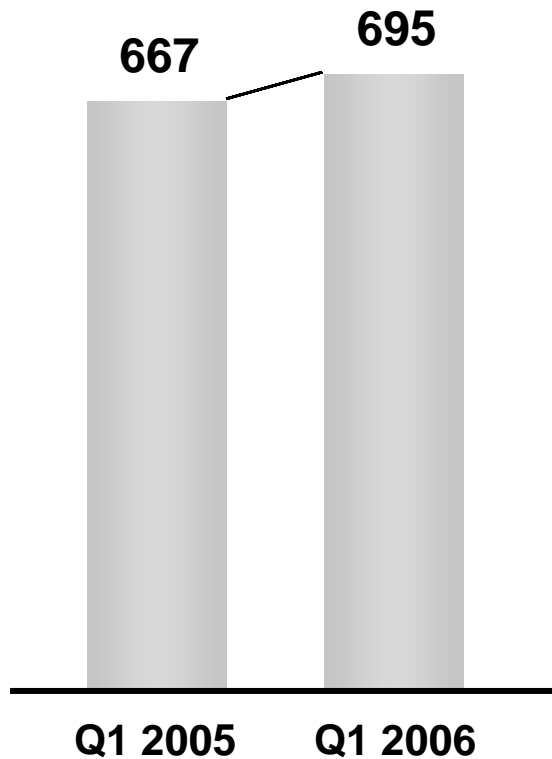
**E-Class**



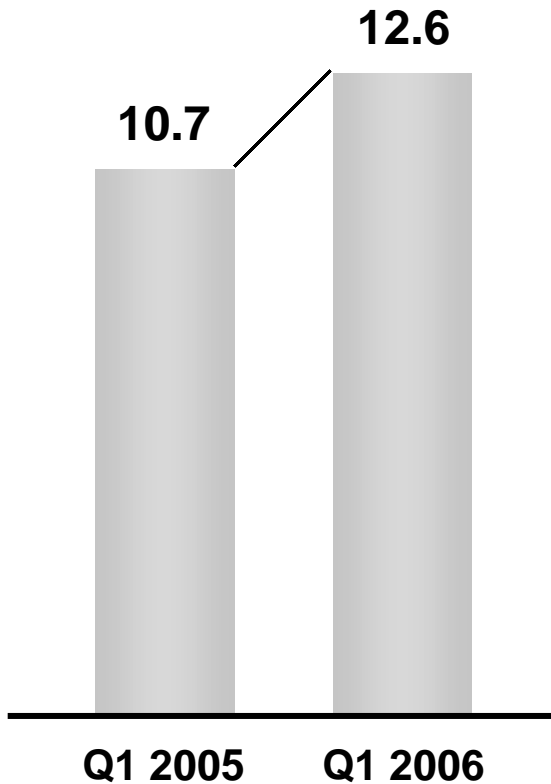
**SL-Class**

# UNIT SALES AND REVENUES INCREASED IN A DIFFICULT MARKET ENVIRONMENT

Unit Sales / Shipments  
- in thousand units -



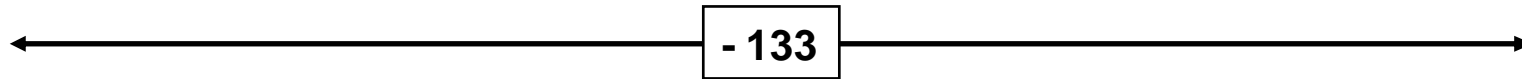
Revenues  
- in billions of EUR -





# EARNINGS REFLECT A HIGHLY COMPETITIVE MARKET ENVIRONMENT



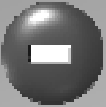
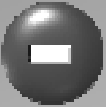
– in millions of EUR –



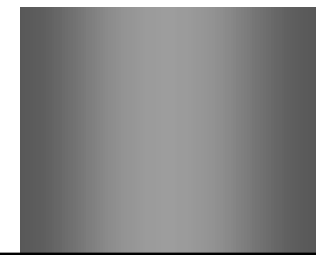
252



Operating Profit  
Q1 2005

-  Increase in shipments
-  Higher efficiency due to ongoing process optimization
-  Negative net pricing
-  Less favorable mix

119



Operating Profit  
Q1 2006

**NEW PRODUCTS**

**Jeep Patriot**



**Dodge Caliber**

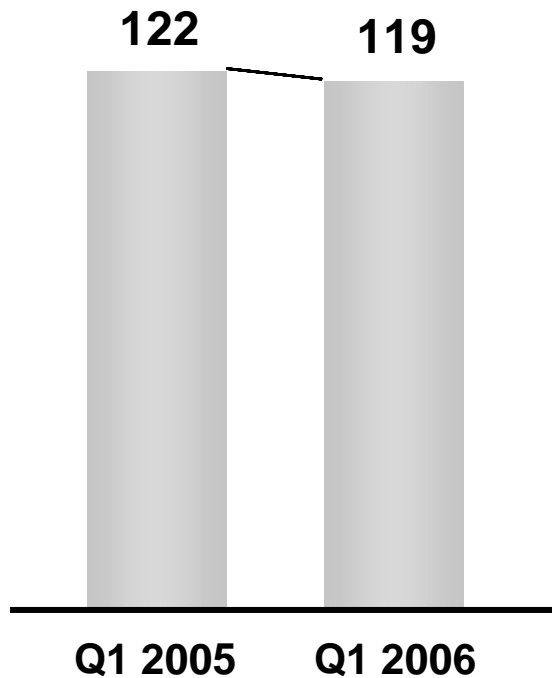


**Dodge Nitro**

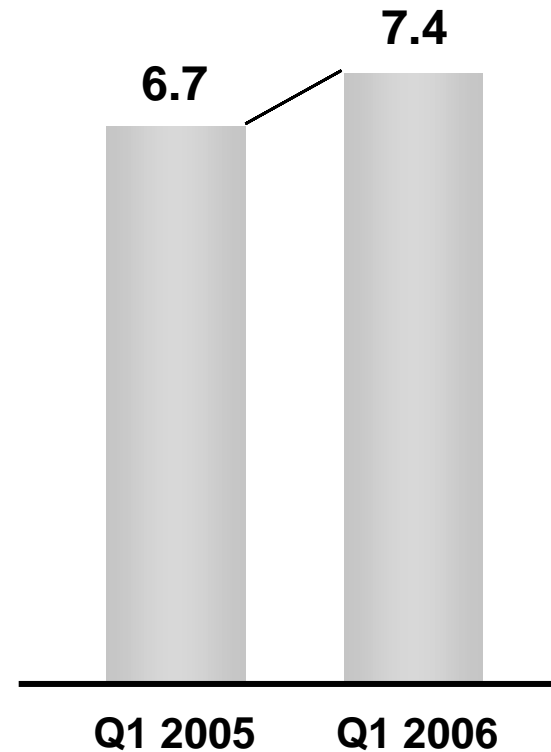
**Chrysler Aspen**

# REVENUES INCREASED IN A FAVORABLE MARKET ENVIRONMENT

**Unit Sales**  
- in thousand units -

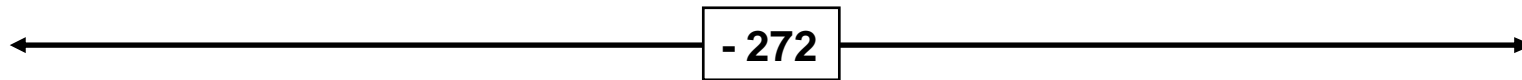


**Revenues**  
- in billions of EUR -






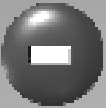
# FURTHER IMPROVEMENT IN OPERATING PROFITABILITY

– in millions of EUR –



698



-  Improved model mix
-  Further efficiency enhancements
-  Change in accounting rules for early retirement programs
-  Q1 2005 included income from MMC settlement

426



Operating Profit  
Q1 2005

Operating Profit  
Q1 2006

**PRODUCTS**



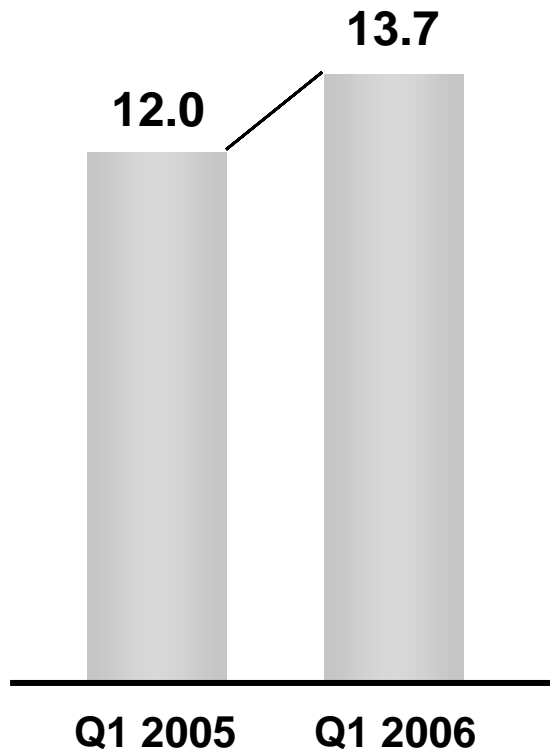
**Freightliner  
Class 8**

**Mercedes-Benz  
Actros**

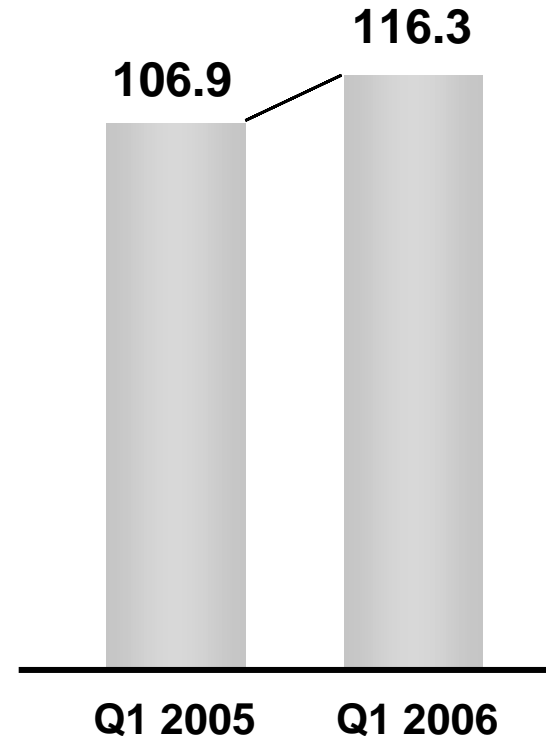
**Mitsubishi Fuso  
Hybrid Canter**

# CONTINUED GROWTH DUE TO ATTRACTIVE RANGE OF FINANCIAL SERVICES PRODUCTS

**New Business**  
- in billions of EUR -

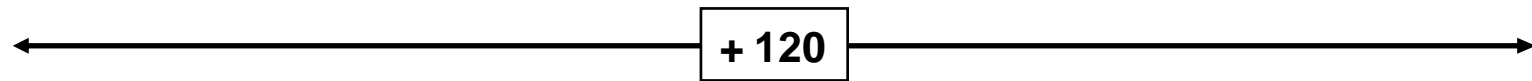


**Contract Volume**  
- in billions of EUR -



# SOLID EARNINGS





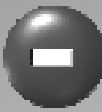
– in millions of EUR –



328



Operating Profit  
Q1 2005

-  Higher contract volume
-  Lower cost of risk
-  Improvement at Toll Collect
-  Positive effects from currency translation
-  Increased interest rates

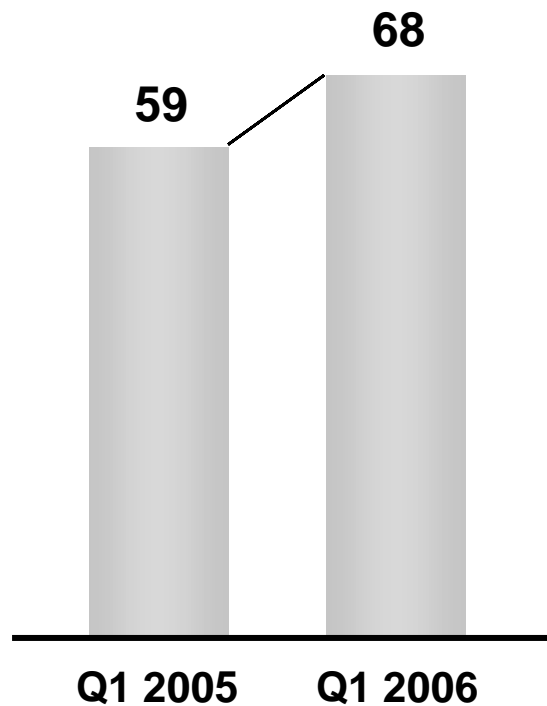
448



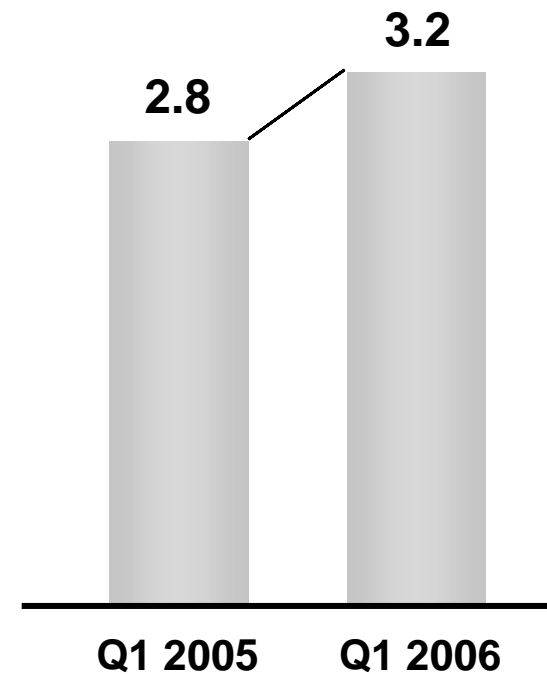
Operating Profit  
Q1 2006

## POSITIVE BUSINESS DEVELOPMENT AT VANS AND BUSES

**Unit Sales**  
- in thousand units -



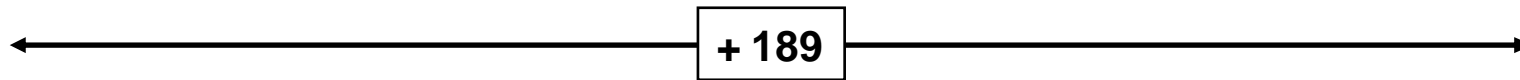
**Revenues**  
- in billions of EUR -





# SOLID OPERATING PERFORMANCE AND GAIN ON DISPOSAL OF OFF-HIGHWAY BUSINESS

– in millions of EUR –



234



Operating Profit  
Q1 2005



- Gain on the disposal of Off-Highway business
- Higher sales of vans

423



Operating Profit  
Q1 2006

# NEW PRODUCTS



**Mercedes-Benz  
Travego**

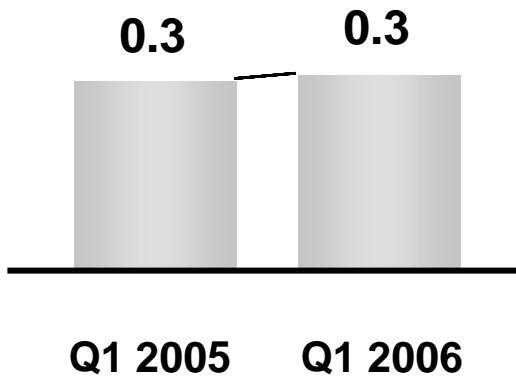
**Setra  
Multi Class**

**Mercedes-Benz  
Citaro**

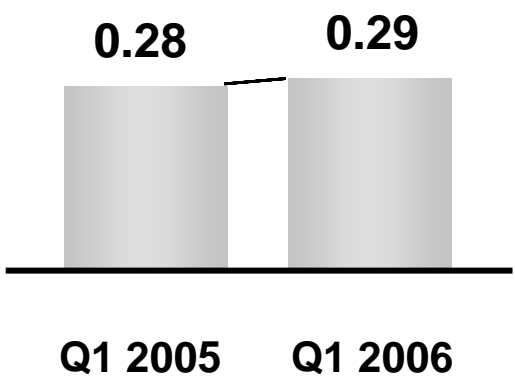
**Mercedes-Benz  
Sprinter**

# NET INCOME AND EARNINGS PER SHARE

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



**Earnings per Share**  
- in EUR -



## KEY BALANCE SHEET FIGURES

- in billions of EUR -	Dec. 31 2005	March 31 2006
<b>DaimlerChrysler Group</b>		
▪ Equity ratio <sup>1)</sup>	17.3%	17.6%
▪ Gross liquidity	12.6	11.0
▪ Financial liabilities <sup>2)</sup>	80.9	79.7
<b>Industrial Business</b>		
▪ Equity ratio <sup>1)</sup>	24.8%	25.5%
▪ Gross liquidity	11.4	9.6
▪ Financial liabilities <sup>2)</sup>	4.1	2.5
▪ Net liquidity	7.3	7.1

1) Excluding dividend payment

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

## STATUS OF PENSIONS AND POSTRETIREMENT HEALTH CARE BENEFITS

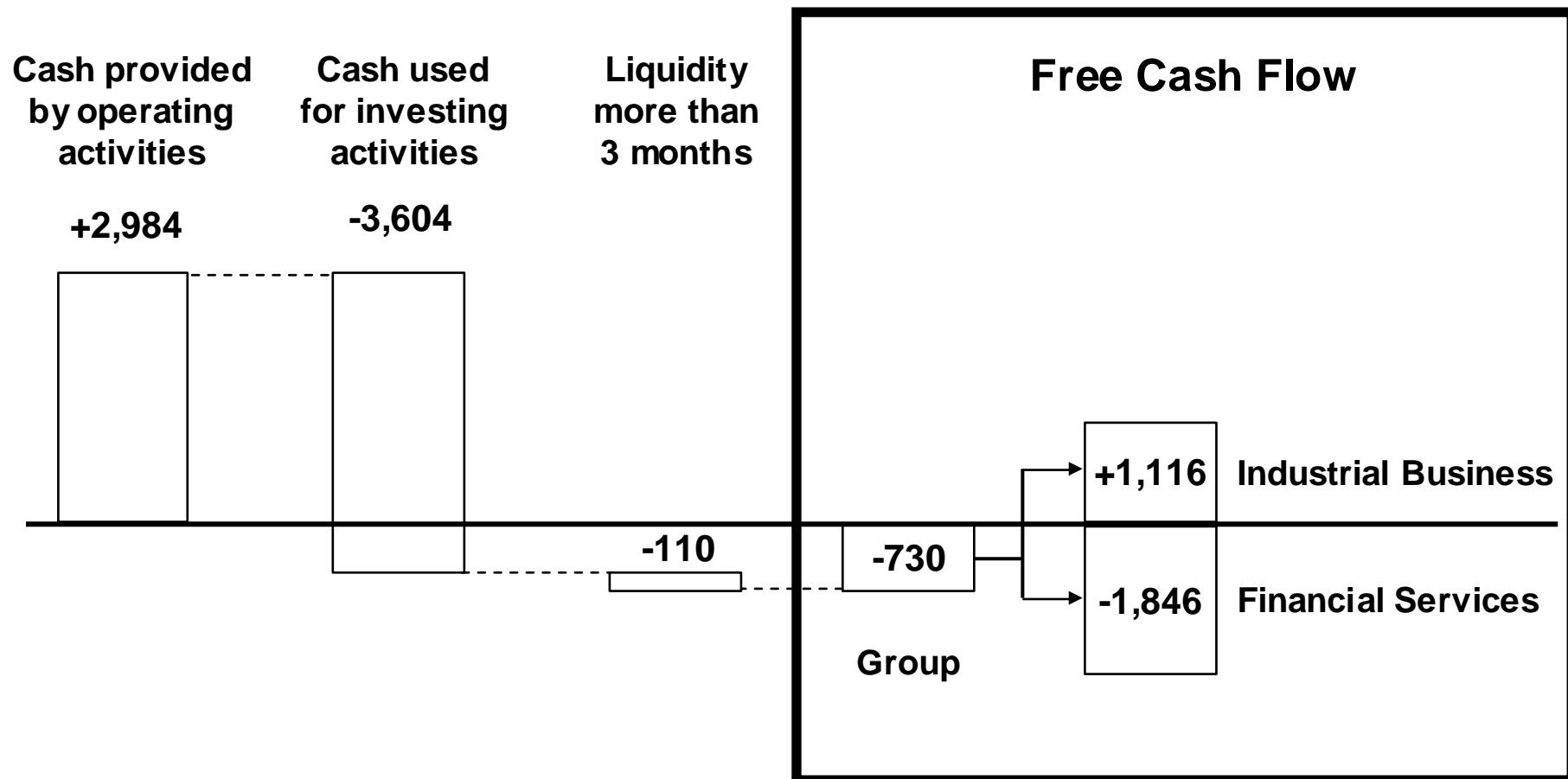
- in billions of EUR -	Pensions		Health Care	
	Dec. 31 2005	March 31 2006	Dec. 31 2005	March 31 2006
PBO <sup>1)</sup> / APBO <sup>2)</sup>	(41.5)	(40.6)	(17.7)	(16.7)
Plan assets	34.3	35.0	1.9	1.9
<b>Funded status</b>	<b>(7.2)</b>	<b>(5.6)</b>	<b>(15.8)</b>	<b>(14.8)</b>
Accruals	5.3	5.4	9.8	9.7
<b>Funded position net of accruals</b>	<b>(1.9)</b>	<b>(0.2)</b>	<b>(6.0)</b>	<b>(5.1)</b>

1) PBO = projected benefit obligations

2) APBO = accumulated postretirement benefit obligations

# RECONCILIATION TO FREE CASH FLOW JANUARY – MARCH 2006

– in millions of EUR –



## NEW MANAGEMENT MODEL

- **Key issues to be achieved by 2008:**
  - Higher level of integration of G&A functions to make the organization faster, more flexible, leaner and more efficient
  - Intensified cross-divisional cooperation
  - G&A costs to be reduced by EUR 1.5 billion per year
  - G&A staff to be reduced by up to 6,000 employees over three years
  
- **From 2006 to 2008, expenditures of EUR 2 billion expected, of which EUR 0.5 billion is anticipated to be charged in 2006**

## SALES OUTLOOK 2006

- **The Mercedes Car Group expects unit sales in the magnitude of 2005, while the model mix is expected to improve**
- **The Chrysler Group expects shipments at 2005 levels in a difficult market environment**
- **For the Truck Group we expect unit sales at the prior year's level**



## PROFIT OUTLOOK 2006

- **The DaimlerChrysler Group anticipates operating profit to exceed EUR 6 billion, including:**
  - **Charges of EUR 1 billion for focusing on the smart fortwo**
  - **EUR 0.5 billion for the implementation of the new management model**
  - **EUR 0.4 billion related to the Mercedes Car Group headcount reduction**
  - **and a gain on the disposal of the Off-Highway business (EUR 0.2 billion)**

## 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, 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; disruption of production or vehicle deliveries, 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.