

DAIMLERCHRYSLER

Q2 AND FIRST HALF 2006 RESULTS CONFERENCE CALL

Dr. Dieter Zetsche
Chairman of the Board of Management /
Head of Mercedes Car Group



Stuttgart
July 27, 2006

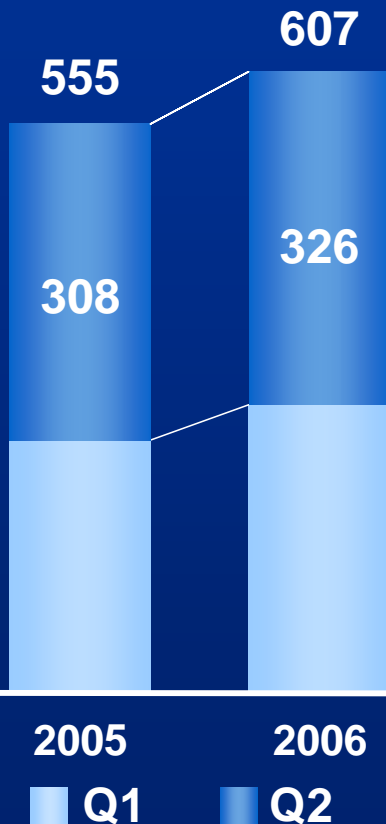
KEY FINANCIAL FIGURES Q2 2006

– in billions of EUR –

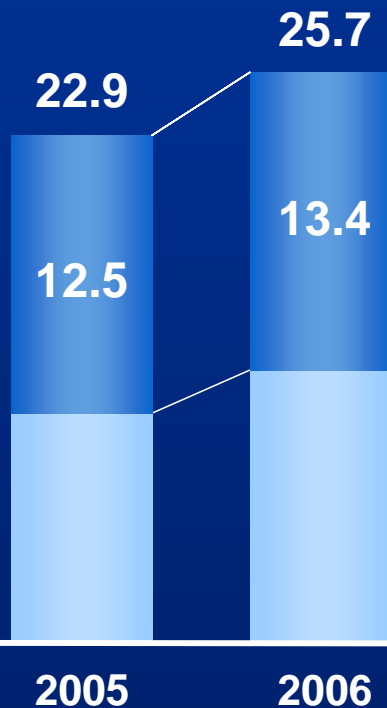
	Q2 2005	Q2 2006
Unit Sales (in thousands of units)	1,335	1,290
Revenues	38.4	38.6
Operating Profit	1.7	1.9
Net Income	0.7	1.8
Earnings per Share (in EUR)	0.73	1.77
Free Cash Flow Industrial Business (Jan. - June)	2.2	1.6
Net Liquidity Industrial Business (at period end)	5.5	5.3

MARKET SUCCESS OF NEW PRODUCTS

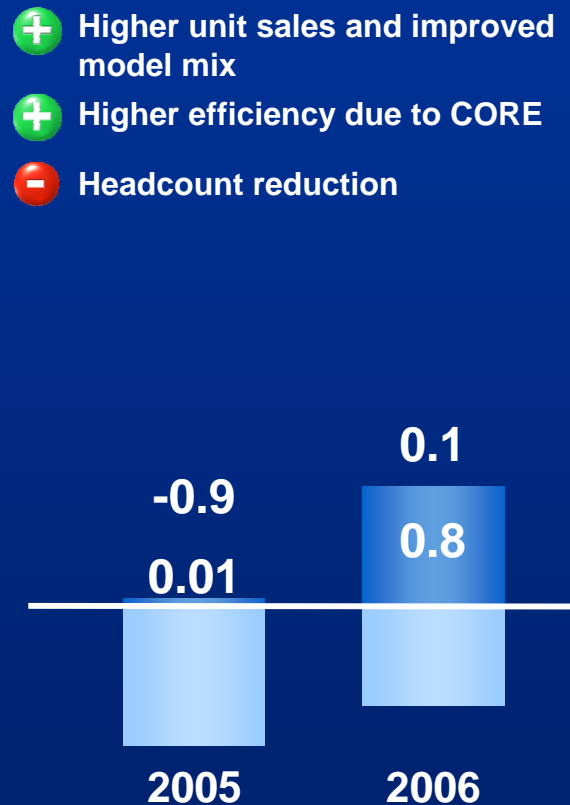
Unit Sales
- in thousands of units -



Revenues
- in billions of EUR -



Operating Profit
- in billions of EUR -



- + Higher unit sales and improved model mix
- + Higher efficiency due to CORE
- Headcount reduction

SMART GOES USA



- Two strong partners (UnitedAuto and smart).
- The right product, at the right time, for the right market.
- Meeting the strong public demand and the increasing economical & environmental consciousness in the US.



Introducing the smart fortwo to the USA starting Feb 2008 !



NEW CL-CLASS



NEW PRODUCTS



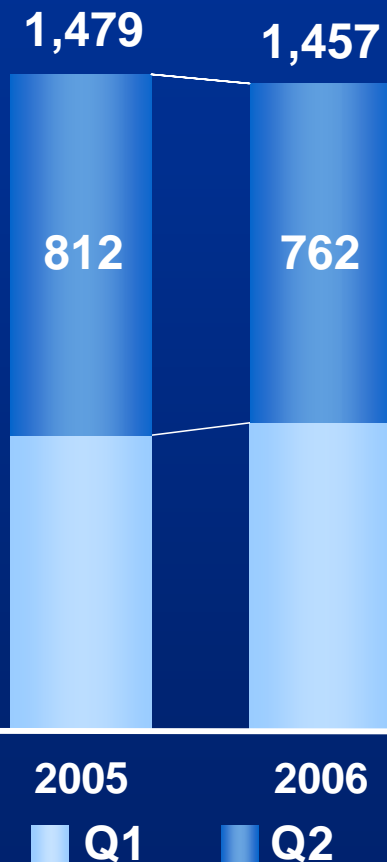
GL-Class
(May 2006)



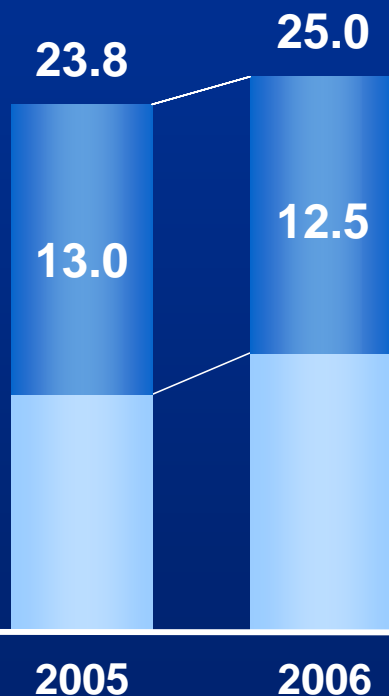
E-Class
(June 2006)

LOWER UNIT SALES IN THE NORTH AMERICAN MARKET

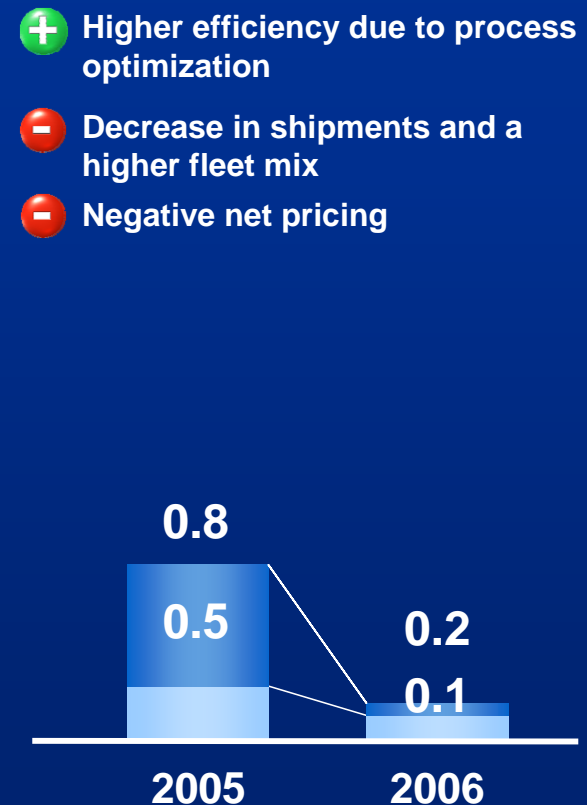
Unit Sales / Shipments
- in thousands of units -



Revenues
- in billions of EUR -



Operating Profit
- in billions of EUR -



- + Higher efficiency due to process optimization
- Decrease in shipments and a higher fleet mix
- Negative net pricing

NEW PRODUCTS



Jeep Patriot
(December 2006)



Jeep Compass
(August 2006)



Jeep Wrangler Unlimited
(September 2006)



Jeep Wrangler
(October 2006)

NEW PRODUCTS



**Dodge Ram
Chassis Cab**
(October 2006)



Chrysler Sebring
(November 2006)



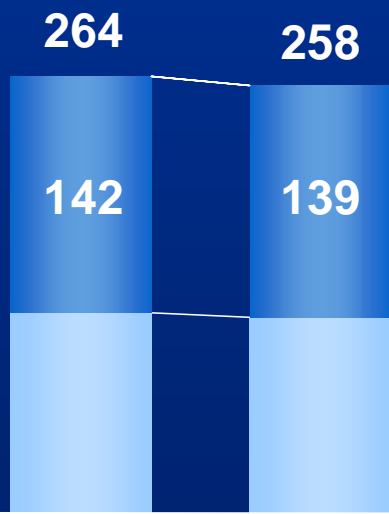
Chrysler Aspen
(September 2006)



Dodge Nitro
(October 2006)

CONTINUED STRONG MARKETS

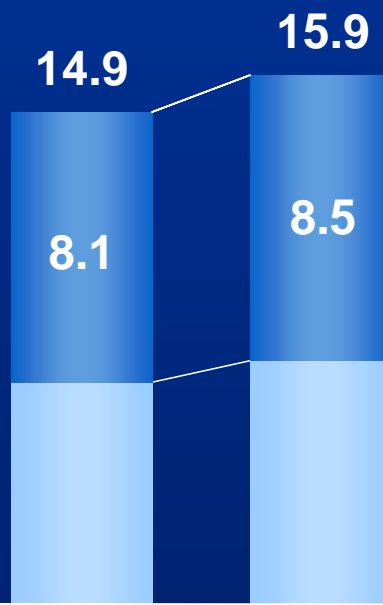
Unit Sales
- in thousands of units -



2005 2006

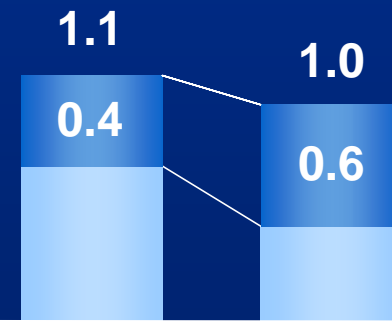
■ Q1 ■ Q2

Revenues
- in billions of EUR -



2005 2006

Operating Profit
- in billions of EUR -



2005 2006

- + Improved model mix
- + Further efficiency enhancements
- Expenses for new vehicles and component projects to meet new emission standards

NEW PRODUCTS



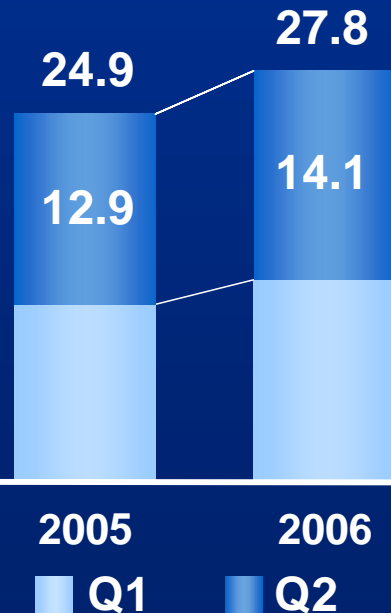
**Western Star
Stratosphere**
(October 2006)

**Mitsubishi Fuso
Canter Eco Hybrid**
(July 2006)

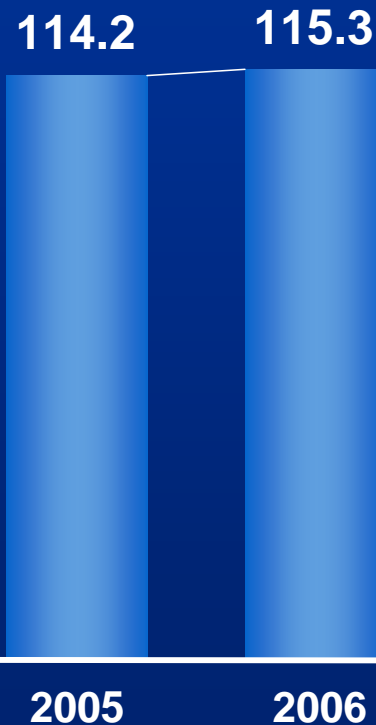
**Mercedes-Benz
Safety Truck**
(October 2006)

ONGOING POSITIVE DEVELOPMENT AT FINANCIAL SERVICES

New Business
- in billions of EUR -



Contract Volume
- in billions of EUR -



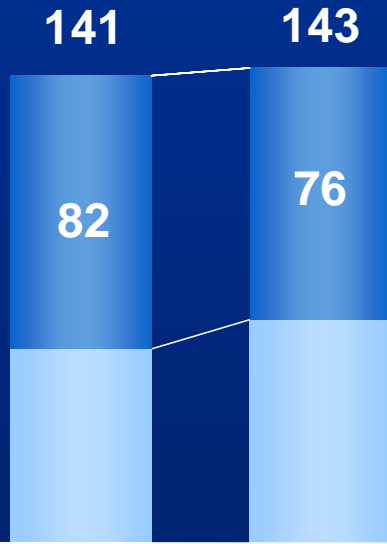
Operating Profit
- in billions of EUR -

- + Higher contract volume
- + Turnaround at Toll Collect
- Increased interest rates



EARNINGS IMPACTED BY CHARGES RELATED TO THE NEW MANAGEMENT MODEL

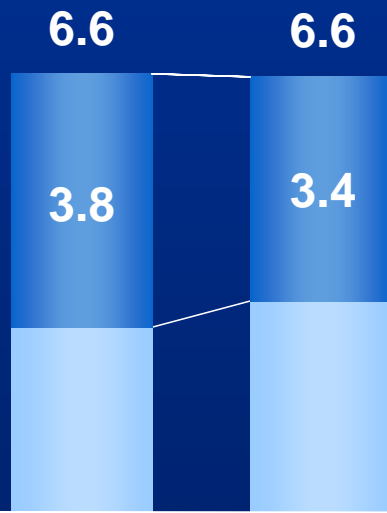
Unit Sales*
- in thousands of units -



2005 2006

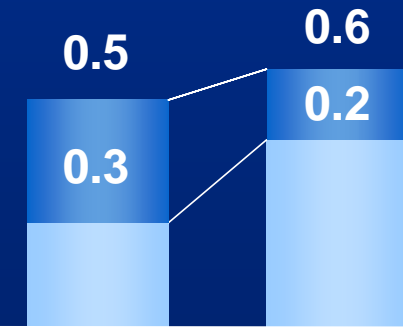
■ Q1 ■ Q2

Revenues
- in billions of EUR -



2005 2006

Operating Profit
- in billions of EUR -



2005 2006

- ⊕ Higher sales of buses
- ⊕ Improved efficiency at DaimlerChrysler Buses
- ⊕ Higher contribution from EADS
- ⊖ Launch costs for new Sprinter
- ⊖ Charges for new management model

*) Unit sales of van & bus business only

NEW PRODUCTS



Mercedes-Benz Travego
(March 2006)



Mercedes-Benz Citaro
(June 2006)



Mercedes-Benz Sprinter
(April 2006)

IMPLEMENTATION OF THE NEW MANAGEMENT MODEL

- Agreement with labor council in Germany achieved
- Organizational structures are finalized; starting on August 1 realization of new management model at the operational level
- The majority of the planned total reduction of management positions will be achieved by the end of 2006
- Implementation of measures started

SALES OUTLOOK 2006

- **The Mercedes Car Group expects unit sales at least as high as in 2005, while the model mix is expected to improve.**
- **The Chrysler Group assumes that shipments will be in the range of last year as a result of a large number of product launches in the second half of the year.**
- **The Truck Group anticipates unit sales at the prior year's level, reflecting pull-forward effects from upcoming stricter emission regulations in Europe, the United States and Japan.**

DIVISIONAL EARNINGS OUTLOOK 2006

- **The Mercedes Car Group expects further improvements in operating profit for the next quarters and is thus on track to achieve its 7% RoS target in 2007.**
- **At Chrysler Group, reduced production and shipment levels together with launch costs are expected to cause an operating loss of up to EUR 0.5 billion in Q3 2006, while the launch of eight new models during H2 should result in positive earnings in Q4 2006. For full-year 2006 Chrysler Group plans for a positive result.**
- **The Truck Group should continue to achieve a high level of earnings, due to strong markets and efficiency-improvement programs.**
- **Financial Services expects to continue its stable business and earnings development. However, rising interest rates will be a challenge.**

GROUP PROFIT OUTLOOK 2006

- **The DaimlerChrysler Group continues to anticipate an operating profit in excess of EUR 6 billion.**

- **This guidance includes:**
 - **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,**
 - **a gain of EUR 0.2 billion on the disposal of the off-highway business,**
 - **gains of EUR 0.1 billion from sale of real estate,**
 - **and the release of early retirement provisions of EUR 0.2 billion.**

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– Additional information –



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SPECIAL ITEMS AFFECTING OPERATING PROFIT

- in millions of EUR -

		2nd Quarter		January - June	
		2005	2006	2005	2006
MCG	Workforce reduction MCG	-	(20)	-	(223)
	Restructuring smart	(311)	(13)	(1,111)	(995)
	Release of provision for early retirement	-	-	-	91
TG	MMC settlement on Fuso	-	-	276	-
	Impairment American LaFrance	(24)	-	(24)	-
	Release of provision for early retirement	-	-	-	55
VBO	Disposal of off-highway business	-	-	-	234*
	Release of provision for early retirement	-	-	-	20
	New Management Model	-	(145)	-	(145)

*) Including ongoing result of EUR 35 million

KEY BALANCE SHEET FIGURES

- in billions of EUR -

	Dec. 31 2005	March 31 2006	June 30 2006
DaimlerChrysler Group			
▪ Equity ratio ¹⁾	17.3%	17.6%	18.6%
▪ Gross liquidity	12.6	11.0	9.6
▪ Financial liabilities ²⁾	80.9	79.7	79.1
Industrial Business			
▪ Equity ratio ¹⁾	24.8%	25.5%	27.6%
▪ Gross liquidity	11.4	9.6	8.2
▪ Financial liabilities ²⁾	4.1	2.5	2.9
▪ Net liquidity	7.3	7.1	5.3

1) Excluding dividend payment

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

STATUS OF PENSIONS AND POSTRETIREMENT HEALTH CARE BENEFITS

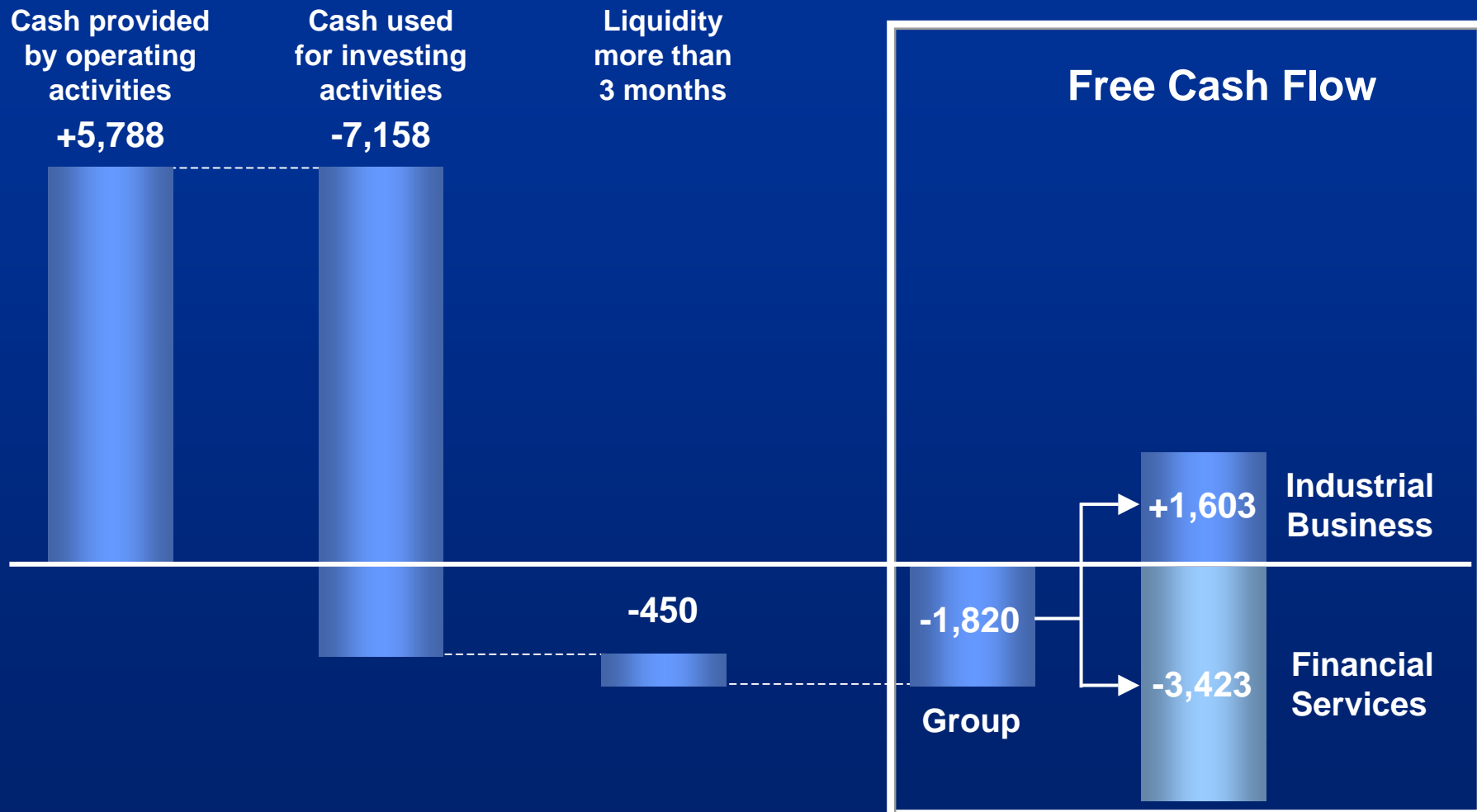
	Pensions		Health Care	
	Dec. 31 2005	June 30 2006	Dec. 31 2005	June 30 2006
- in billions of EUR -				
PBO ¹⁾ / APBO ²⁾	(41.5)	(39.5)	(17.7)	(16.0)
Plan assets	34.3	32.9	1.9	1.8
Funded status	(7.2)	(6.6)	(15.8)	(14.2)
Accruals	5.3	5.5	9.8	9.4
Funded position net of accruals	(1.9)	(1.1)	(6.0)	(4.8)

1) PBO = projected benefit obligations

2) APBO = accumulated postretirement benefit obligations

RECONCILIATION TO FREE CASH FLOW JANUARY – JUNE 2006

– in millions of EUR –



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.