

# DAIMLERCHRYSLER

## Q3 2005 RESULTS CONFERENCE CALL

Bodo Uebber  
Chief Financial Officer



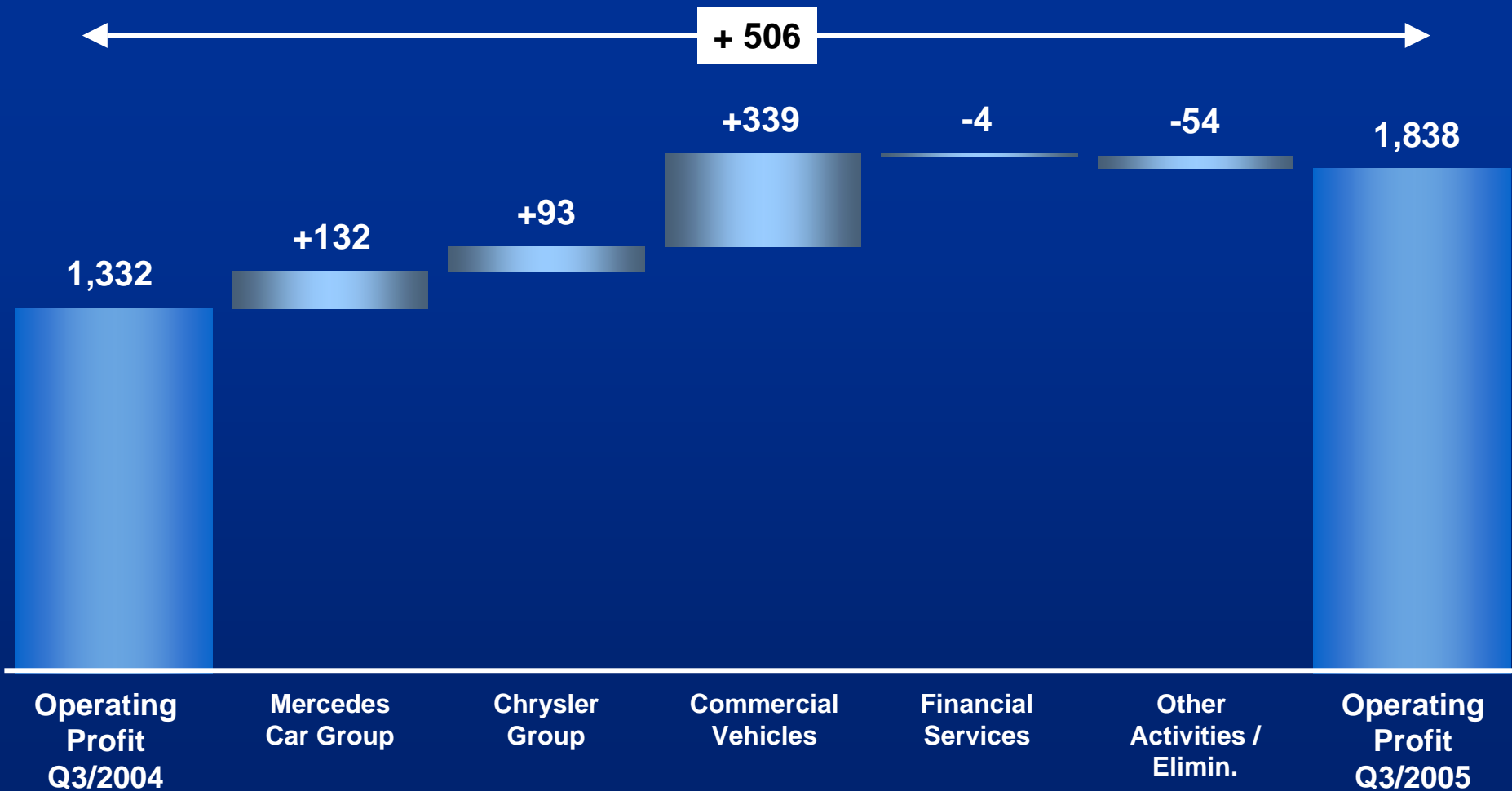
October 26, 2005

## KEY FINANCIAL FIGURES Q3/2005

- in EUR -	Q3 2004	Q3 2005
<b>Unit Sales</b> (in thousand units)	1,077	1,178
<b>Revenues</b>	34.9 bn	38.2 bn
<b>Operating Profit</b>	1.3 bn	1.8 bn
<b>Net Income</b>	951 mn	755 mn
<b>Earnings per Share</b>	0.94	0.74
<b>Free Cash Flow Industrial Business</b>	(0.7) bn	(0.7) bn

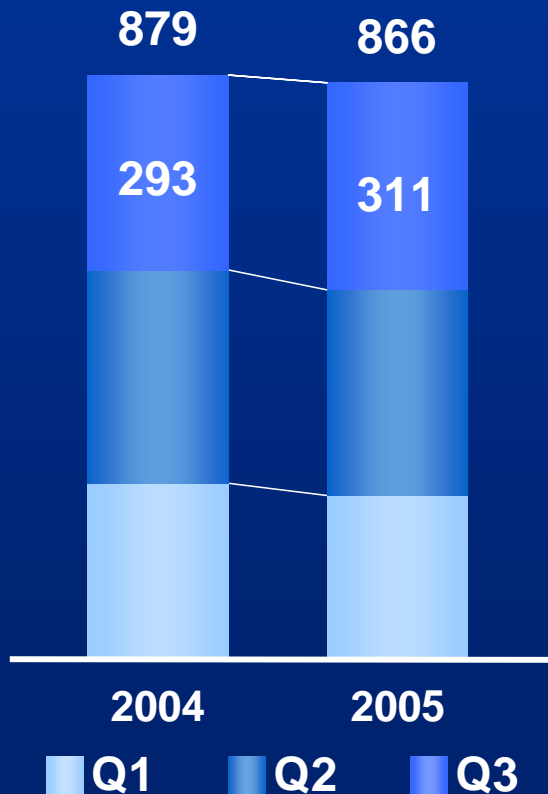
# Q3 RESULTS IMPROVED IN ALL AUTOMOTIVE DIVISIONS

– in millions of EUR –

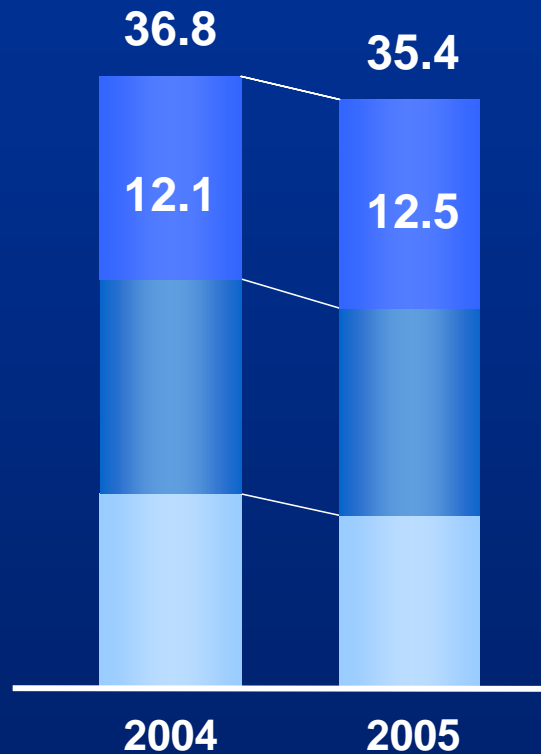


# CONTINUED POSITIVE EARNINGS TREND

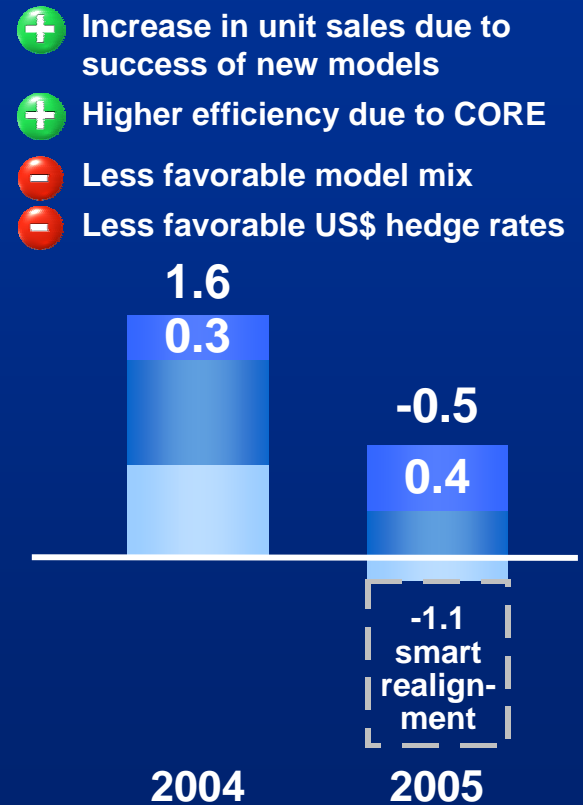
**Unit Sales**  
- in thousand of units -



**Revenues**  
- in billions of EUR -



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



## CORE PROGRAM IS ON TRACK

- **A comprehensive set of measures defined to achieve 7% ROS**
  - **Quality and customer satisfaction**
  - **Cost reductions (bottom-line improvements)**
  - **Net revenue improvements**
  - **Realignment of the smart business model**

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- **All measures being implemented to realize our targets**

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- **Substantial reduction of fixed cost at smart**

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- **Integration of smart's procurement, design and IT functions**

# NEW S-CLASS

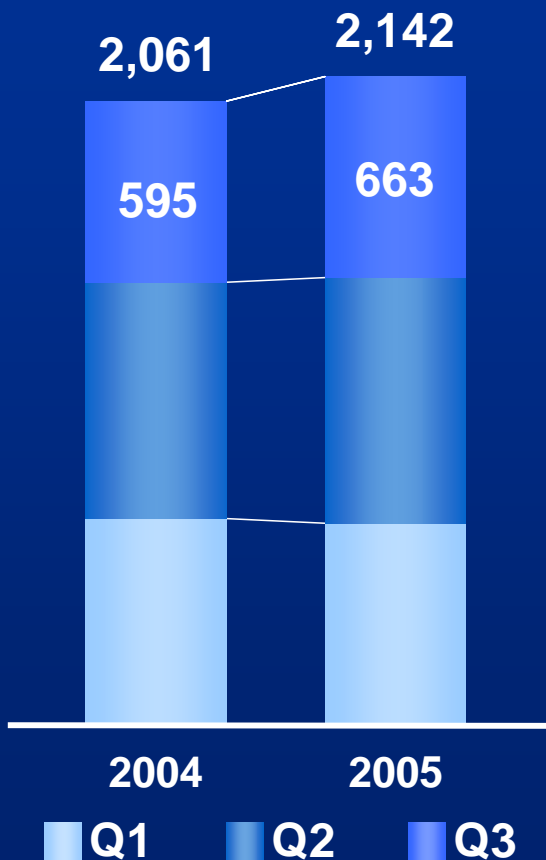


## NEW R-CLASS

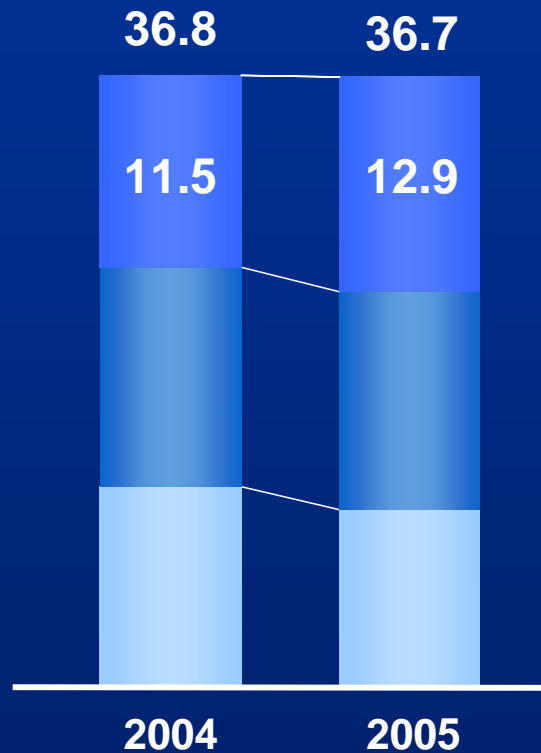


# INCREASE IN OPERATING PROFIT

Unit Sales / Shipments  
- in thousand units -

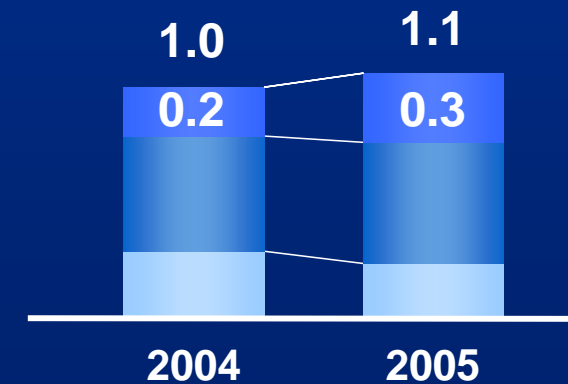


Revenues  
- in billions of EUR -



Operating Profit  
- in billions of EUR -

- + Continued success of new products
- + Increase in shipments
- + Lower restructuring charges
- Slightly negative net pricing
- Material cost and financial support for a major supplier





## 2005 CONCEPT VEHICLES



Jeep Patriot

Jeep Compass

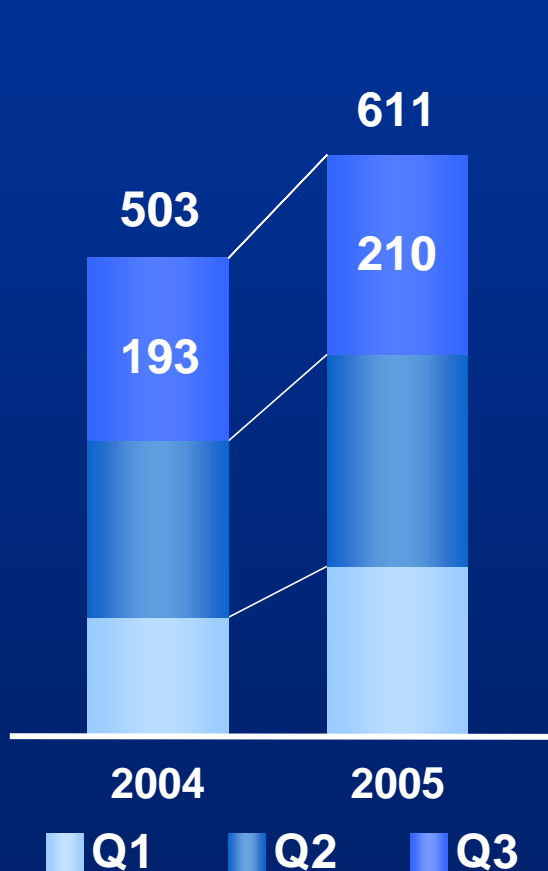


Dodge Nitro

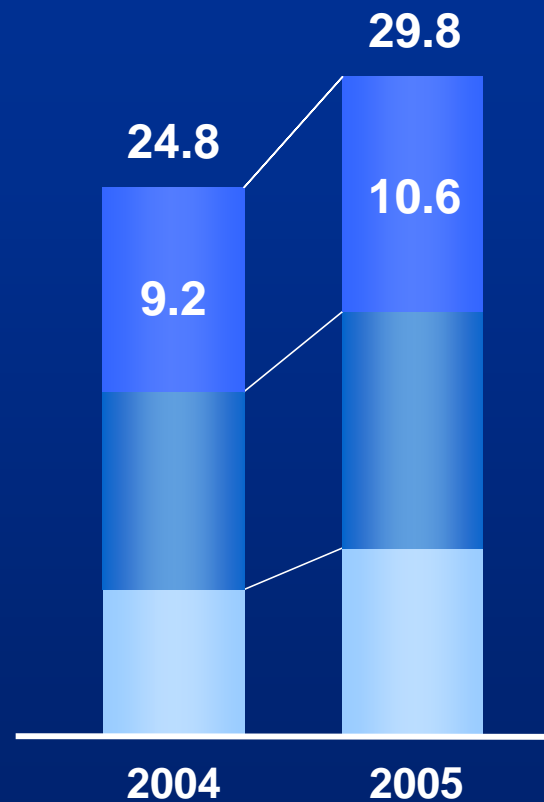
Dodge Caliber

# ONGOING POSITIVE DEVELOPMENT OF ALL BUSINESS UNITS

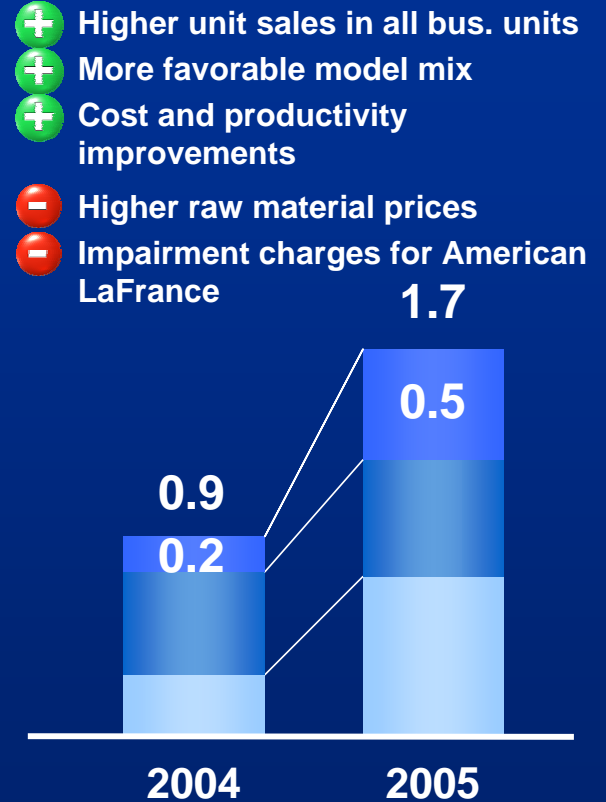
**Unit Sales**  
- in thousand units -



**Revenues**  
- in billions of EUR -



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



- ⊕ Higher unit sales in all bus. units
- ⊕ More favorable model mix
- ⊕ Cost and productivity improvements
- ⊖ Higher raw material prices
- ⊖ Impairment charges for American LaFrance

PRODUCT LAUNCHES 2005



Vito 4 x 4

Actros  
1860 LS

Axor + Atego  
BlueTec

FUSO  
Canter HEV

Hybrid  
Sprinter



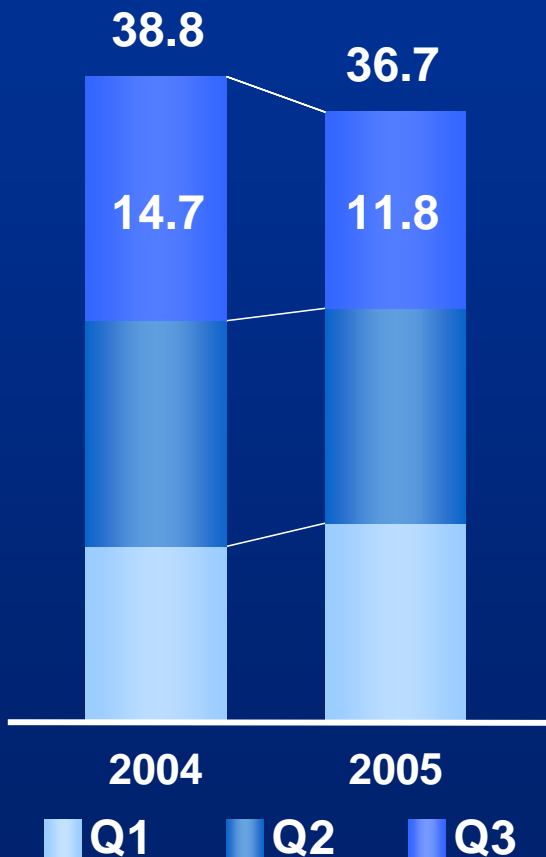
MB Citaro LE

Setra MultiClass 400

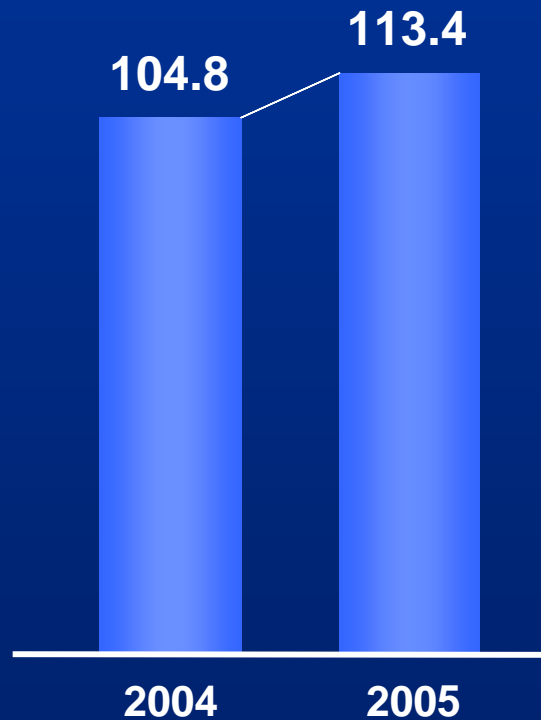
MB Travego

# OPERATING PROFIT AT PRIOR YEAR'S LEVEL DESPITE INCREASED INTEREST RATES

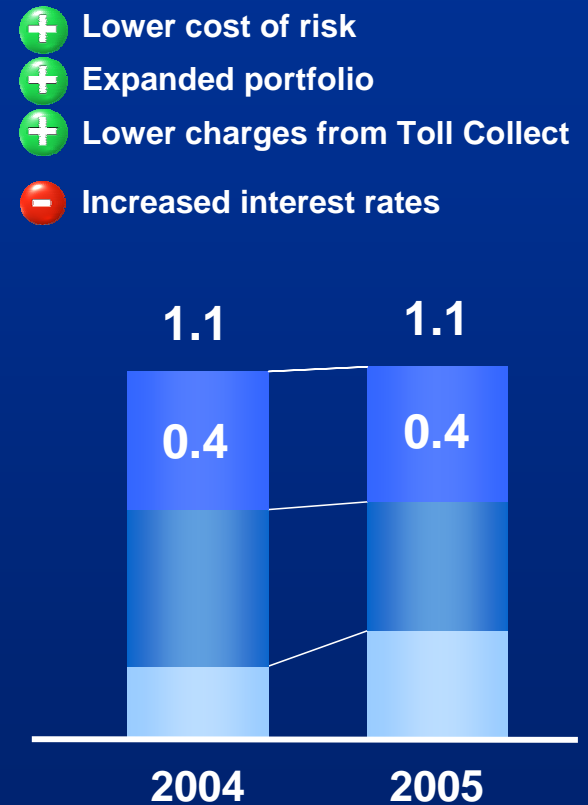
**New Business**  
- in billions of EUR -



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



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



- + Lower cost of risk
- + Expanded portfolio
- + Lower charges from Toll Collect
- Increased interest rates

■ Q1   ■ Q2   ■ Q3

## MARKET ENTRANCE IN CHINA WITH AN OWN FINANCE COMPANY

- **Official approval received during Q3 2005**

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- **Market entrance planned for Q4 2005**

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- **Supporting sales of all the Group's brands in China:**
  - **Retail financing of passenger cars & commercial vehicles**
  - **Wholesale financing**
  - **Insurance brokerage**

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- **Preparations on track**

# NET INCOME AND EARNINGS PER SHARE



## KEY BALANCE SHEET FIGURES

- in billions of EUR -	Dec. 31 2004	June 30 2005	Sept 30 2005
Gross liquidity Group	11.7	12.6	11.6
<b>Gross liquidity industrial business</b>	<b>10.2</b>	<b>11.2</b>	<b>10.1</b>
Group equity <sup>1)</sup>	32.0	34.0	35.5
Equity ratio Group <sup>1)</sup>	17.5%	17.3%	18.0%
<b>Equity ratio industrial business <sup>1)</sup></b>	<b>25.3%</b>	<b>24.3%</b>	<b>25.2%</b>
Financial liabilities Group <sup>2)</sup>	76.0	78.6	78.1
<b>Financial liabilities industrial business <sup>2)</sup></b>	<b>8.0</b>	<b>5.6</b>	<b>4.9</b>
Net debt Group	64.3	66.0	66.4
<b>Net liquidity industrial business</b>	<b>2.2</b>	<b>5.5</b>	<b>5.2</b>

1) Excluding dividend payment for 2004

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	Sept 30 2005	Dec. 31 2004	Sept 30 2005
	DC Group	DC Group	DC Group	DC Group
- in billions of EUR -				
PBO / APBO	(34.4)	(37.6)	(14.4)	(16.9)
Plan assets	27.8	32.5	1.6	1.8
<b>Funded status</b>	<b>(6.6)</b>	<b>(5.1)</b>	<b>(12.8)</b>	<b>(15.1)</b>
Accruals	5.6	5.7	8.0	9.5
<b>Funded position net of accruals</b>	<b>(1.0)</b>	<b>0.6</b>	<b>(4.8)</b>	<b>(5.6)</b>



# RECONCILIATION TO FREE CASH FLOW

## January – September 2005

– in millions of EUR –

Cash provided  
by operating  
activities

+11,006



Cash used  
for investing  
activities

-8,998



Liquidity  
more than  
3 months

+1,033



Free Cash Flow  
DaimlerChrysler Group

+3,041



Group

+1,537

+1,504

Industrial Business

Financial Services

## MARKET OUTLOOK 2005

- **Assumptions for the automotive markets:**
  - **Only slight increases for car markets in Western Europe, NAFTA and Japan**
  - **Another increase for truck markets**
  - **Further growth in emerging markets**

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- **DaimlerChrysler: Slight increase in unit sales expected**

## CHALLENGES FOR 2005 AND AHEAD

- **Intensely competitive car market, especially in the US**

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- **Further rise in interest rates**

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- **High oil prices**

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- **Translation effects from exchange rates**

## PROFIT OUTLOOK 2005

- **Reductions of 8,500 jobs at the Mercedes Car Group in Germany over the next 12 months are expected to lead to charges of EUR 950 million.**

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- **The major portion thereof is expected to be posted in Q4 2005.**

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- **The charges are assumed to be offset by income from special items and improvements in the ongoing operative business.**

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- **Therefore the profit outlook for the Group remains unchanged: DaimlerChrysler continues to expect a slight increase in operating profit compared with the prior year (EUR 5.8 billion), excluding charges related to the realignment of the smart business model.**

## 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 successful implementation of the CORE program by the Mercedes Car Group and the new business model for smart; 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.