DAIMLERCHRYSLER

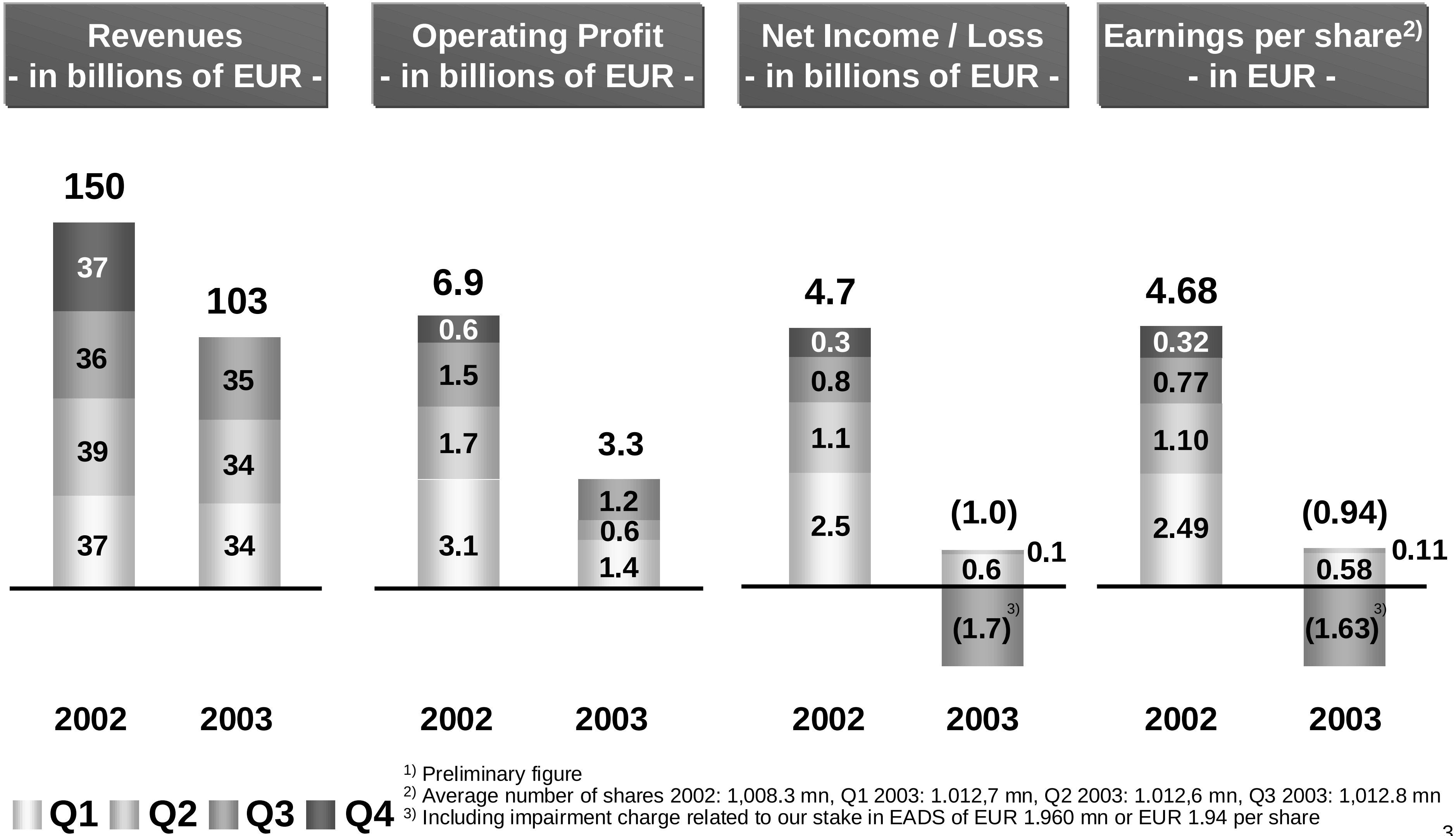
PRESENTATION TO AUTOMOTIVE ANALYSTS OF NEW YORK

Manfred Gentz, Chief Financial Officer
Dieter Zetsche, President/CEO, Chrysler Group

Ritz Carlton, Dearborn
January 7, 2004

AGENDA

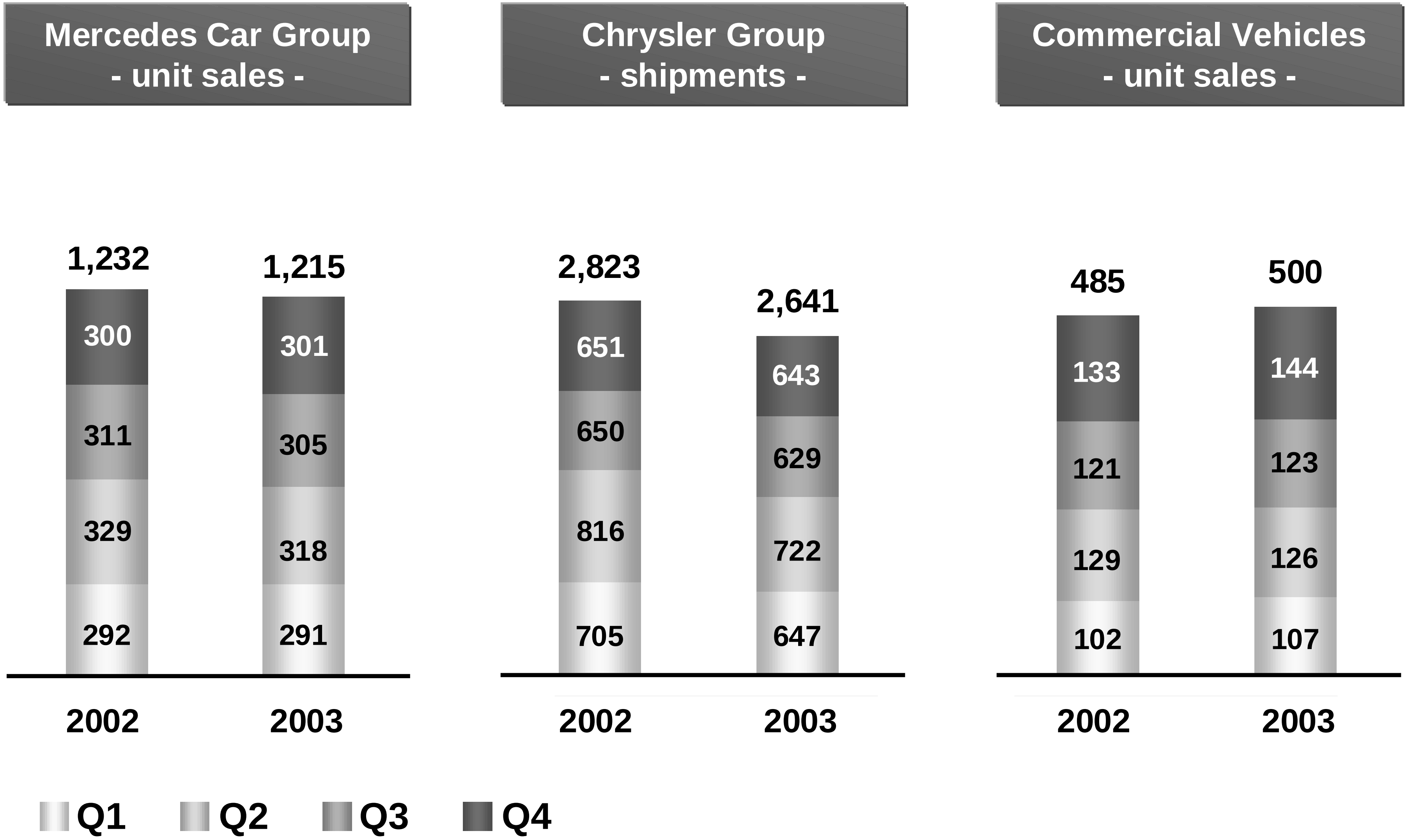
KEY FIGURES



[1] Preliminary figure
[2] Average number of shares 2002: 1,008.3 mn, Q1 2003: 1.012,7 mn, Q2 2003: 1.012,6 mn, Q3 2003: 1,012.8 mn
[3] Including impairment charge related to our stake in EADS of EUR 1.960 mn or EUR 1.94 per share

PRELIMINARY SALES FIGURES 2003

- in thousand units -

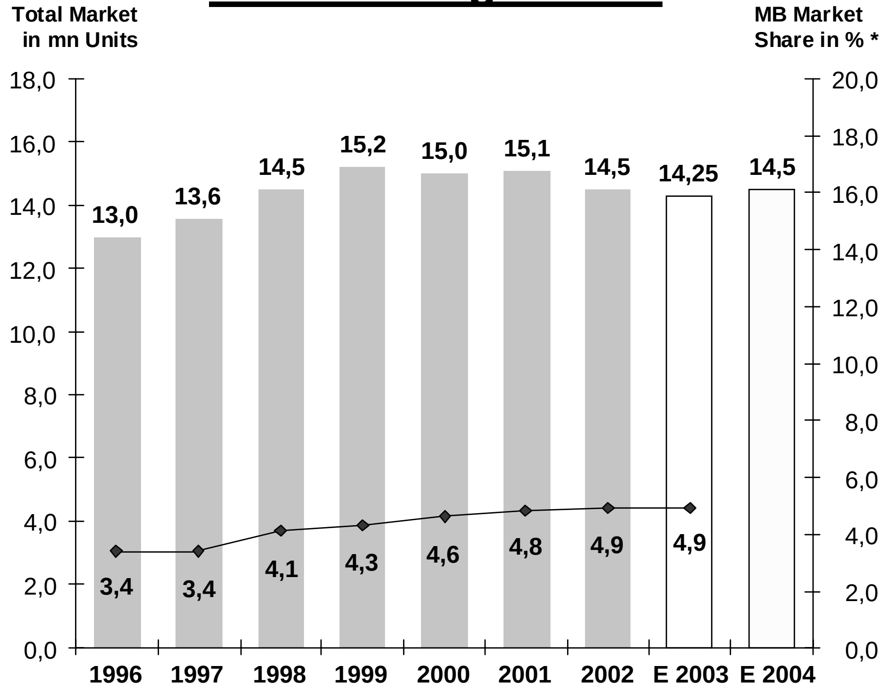


AGENDA

MERCEDES CAR GROUP

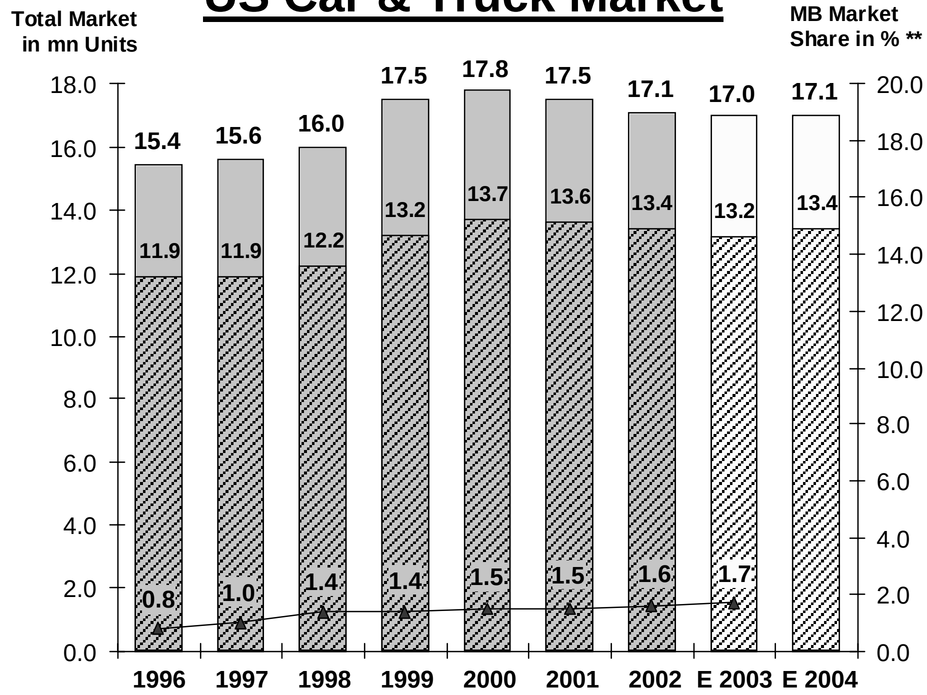
DEVELOPMENT OF MAJOR MARKETS

WE Passenger Cars



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

US Car & Truck Market



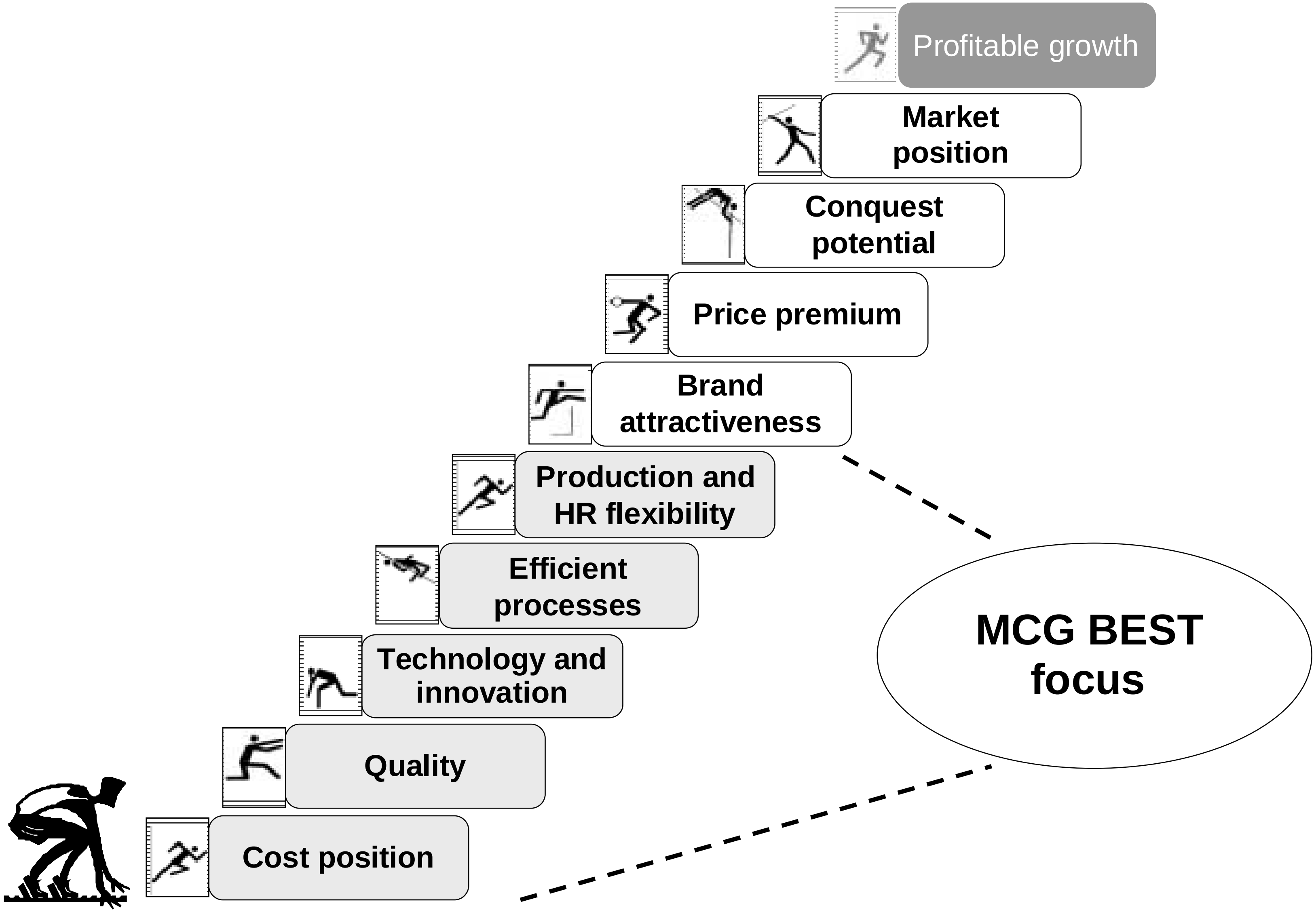
** Market share of Mercedes-Benz passenger cars (excl. smart) in % of US passenger car market ( )

- **Modest decrease in Western European markets in 2003, mainly driven by France. German market stabilize at a volume of 3.3 million units**
- **As a result of significant customer incentives, US market volume (SAAR) was effectively stable at around 17.0 million vehicles**
- **In 2004 Western European markets are expected to increase modestly to 2002 levels. German market expected to increase in 2004 for the first time since 1999. The US passenger car market is expected to improve slightly to 2002 levels**

EXPAND PREMIUM AND LUXURY POSITION

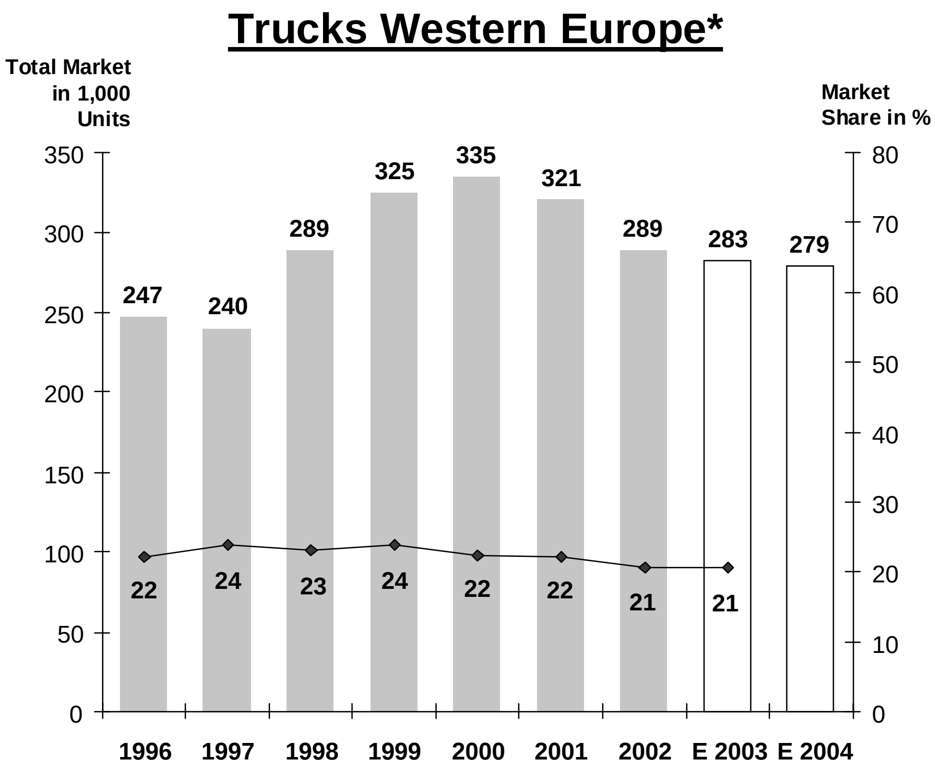
1. Further enhance efficiency
2. Create new products and new segments
3. Strengthen technology leadership through innovation

MCG BEST ADDRESSES MAIN DRIVERS OF PARADIGM CHANGE AND SECURES FUTURE PERFORMANCE

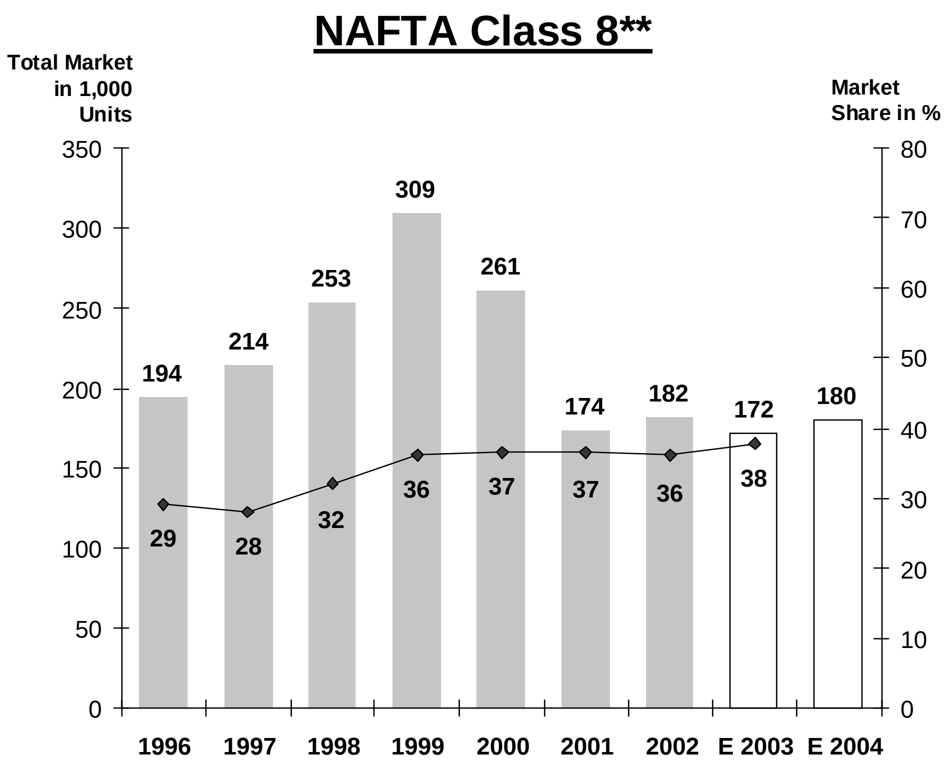


COMMERCIAL VEHICLE DIVISION

MARKET DEVELOPMENT



* Medium & heavy duty trucks based on new segmentation



** Since 2000 including Western Star

- In 2003 the Western European market volume was slightly below 2002 levels
- The NAFTA market volume for heavy duty trucks declined in 2003, reflecting lower than expected economic recovery, high energy prices and the pre-buy effect due to changing emission regulations in 2002
- For 2004 demand in Western Europe remains sluggish. In the NAFTA market volume is expected to recover slightly on a low level

MODULARIZATION OF PRODUCTS AS WELL AS REGIONAL EXPANSION IN ASIA DRIVES ECONOMIES OF SCALE

1. Profitability enhancement programs in every business unit
2. Expand position in Asia
3. Turning scale into profit

EFFICIENCY PROGRAMS IN EVERY COMMERCIAL VEHICLE BUSINESS UNIT

Trucks
- Truck^{PLUS}
- Business Excellence Program
- STEP

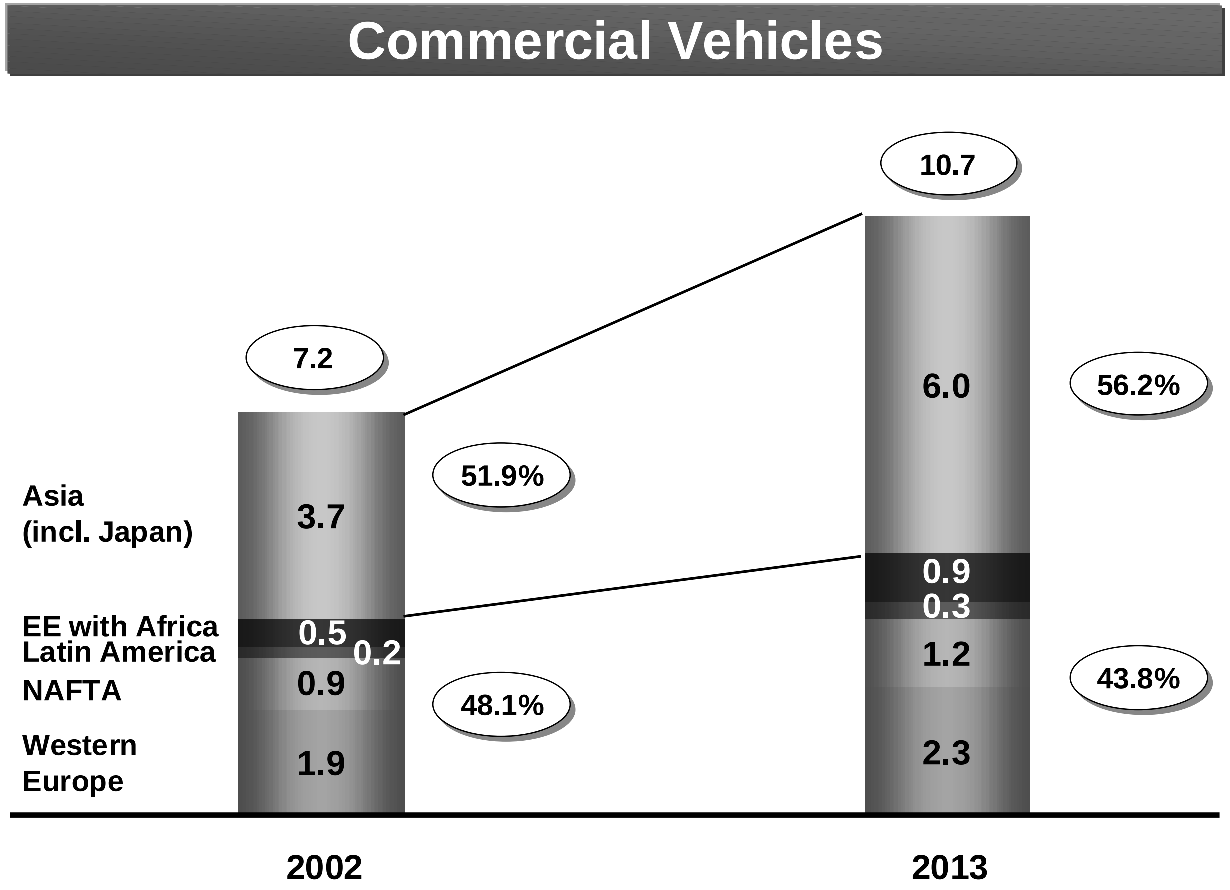
Buses& Coaches
- EvoBus “Erfolgsprogramm”

Vans
- Top Van

Off-Highway
- MTU Top

IMPORTANCE OF ASIAN MARKET INCREASING

- regional market distribution in million vehicles -



WORLDWIDE INTEGRATED PRODUCT CREATION TRUCKS ENSURES PROFITABLE APPROACH

Trucks Europe Latin America	Trucks Nafta
Product Planning	
Product Engineering	
Production Strategy and Planning	
Procurement	
Brands: Mercedes-Benz	Brands: Freightliner, Sterling Trucks, Western Star Trucks

Fuso*

* non consolidated alliance Partners

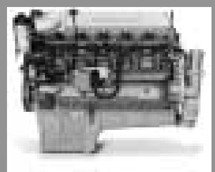
Several hundred million EUR synergies expected mid-term.

WORLD HEAVY DUTY ENGINE PLATFORM

Today	Tomorrow: New Heavy Duty Engine Family

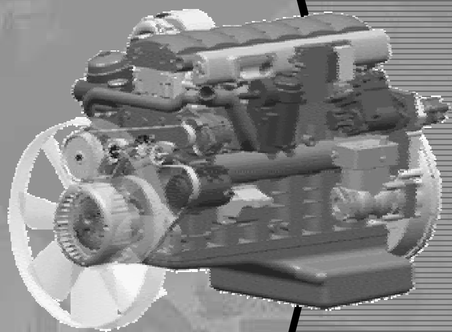
European V-engines

NAFTA engines



Latin American engines

Asian engines



- Global module concept with local applications
- Start of production 2007
- 170.000 units
- 30% lower production costs

DaimlerChrysler Services

DEDICATED FINANCIAL SERVICES SUPPORT FOR AUTOMOTIVE BUSINESS

1. Strengthen cooperation with brands
2. Additional automotive related services

AGENDA

CROSS-DIVISIONAL INITIATIVES TO LEVERAGE STRATEGY IMPLEMENTATION

Mercedes Car Group | Chrysler Group | Commercial Vehicles | Services | Alliance Partner MMC

Cross divisional implementation initiatives

1 **Global Presence** → **Asia**

2 **Strong Brands** → **Multi-Brand-Management**

3 **Broad Product Range** → **Long Range Product Plan**

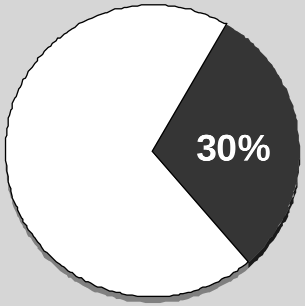
4 **Technology Leadership** → **Innovation Calendar**

DaimlerChrysler

FUSO PARTNER FOR THE JAPANESE CV-MARKET

Today (2003 Forecast)

Future



Domestic market share

- **Unit sales**
  165,000 units
- **Revenues**
  ¥ 850 bn (~ EUR 6.3 bn)
- **Operating profit**
  ¥ 30 bn (~ EUR 231 mn)

- 20% growth of international business
- Reduction of material cost by 20% by 2005
- Close cooperation with Mercedes-Benz Commercial Vehicles

DC TARGET: SUCCESSFUL CHINESE-BUSINESS WITH SELECTED PARTNERS

	Current activities	Framework agreement
Passenger vehicles	**Beijing Jeep Production since 1984** 	**Production of Mercedes-Benz E- and C-Class sedans** 
Commercial vehicles	**Bus Production Yaxing-Benz since 1997** 	■ **Medium + Heavy Truck JV** ■ **Van production** ■ **Component business** 

In 2002 we generated around Euro 900 mill in revenue in China and sold around some 18.300 Passenger Cars*

*incl. 4.800 S-Class

PROGRAMS IN PLACE FOR SUSTAINABLE PROFITABILITY

Leverage Group Strengths

Mercedes Car Group	Chrysler Group	Commercial vehicles	DaimlerChrysler Services
Expand premium and luxury position	Transformation to a successful competitor	Turning scale into profit	Support for automotive business

AGENDA

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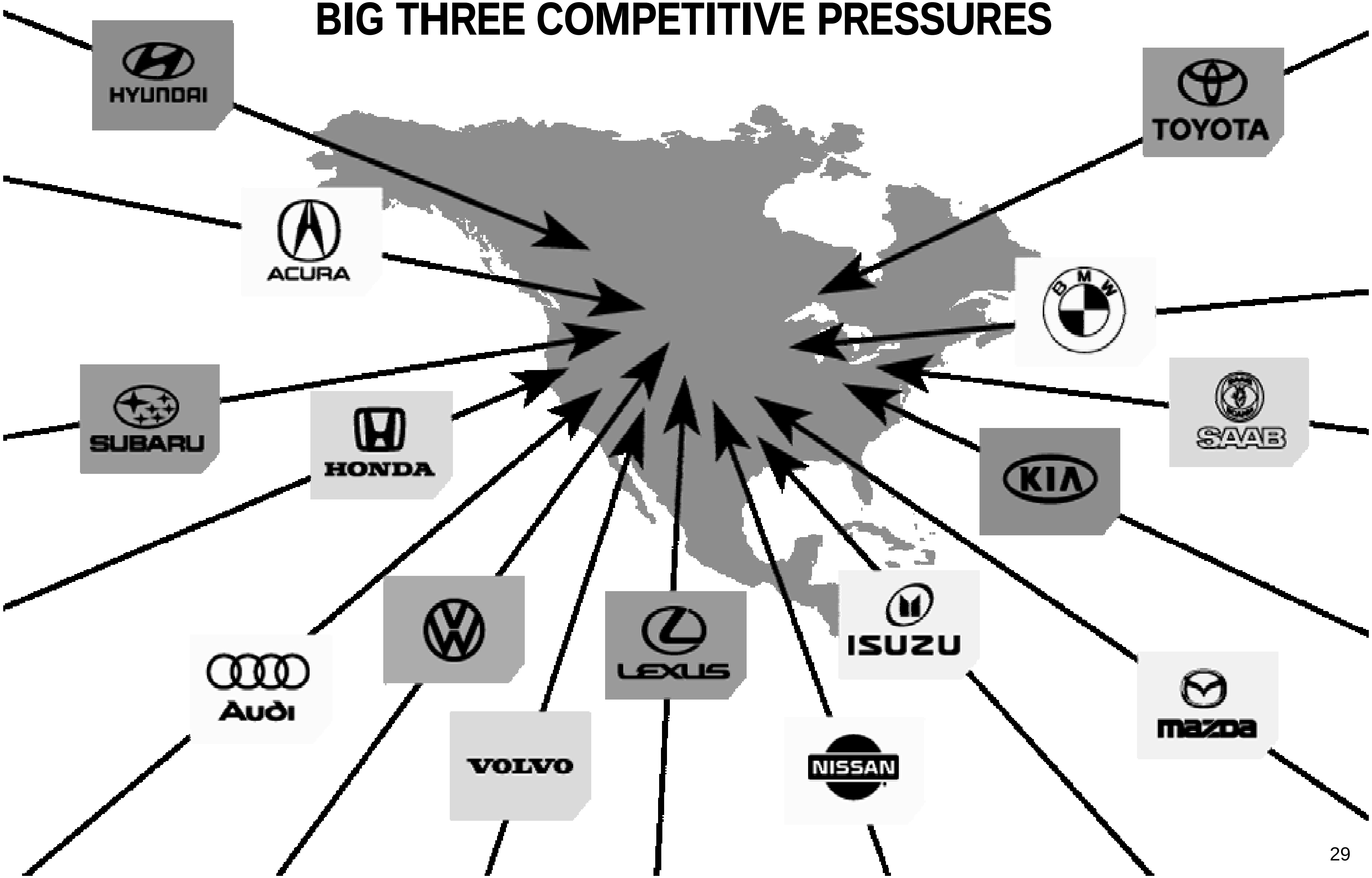
THE FUTURE IS
NOW!

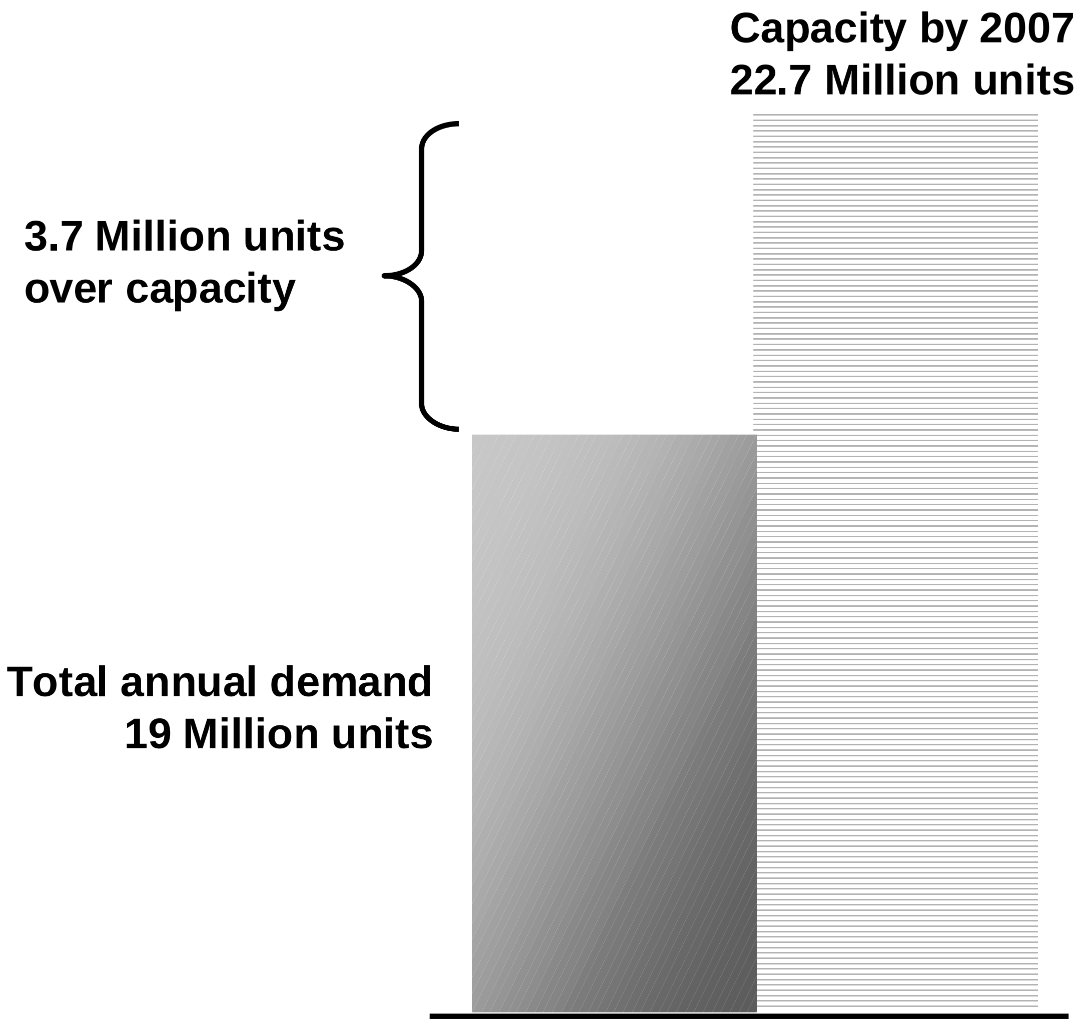
Dr. Dieter Zetsche

President & CEO – Chrysler Group

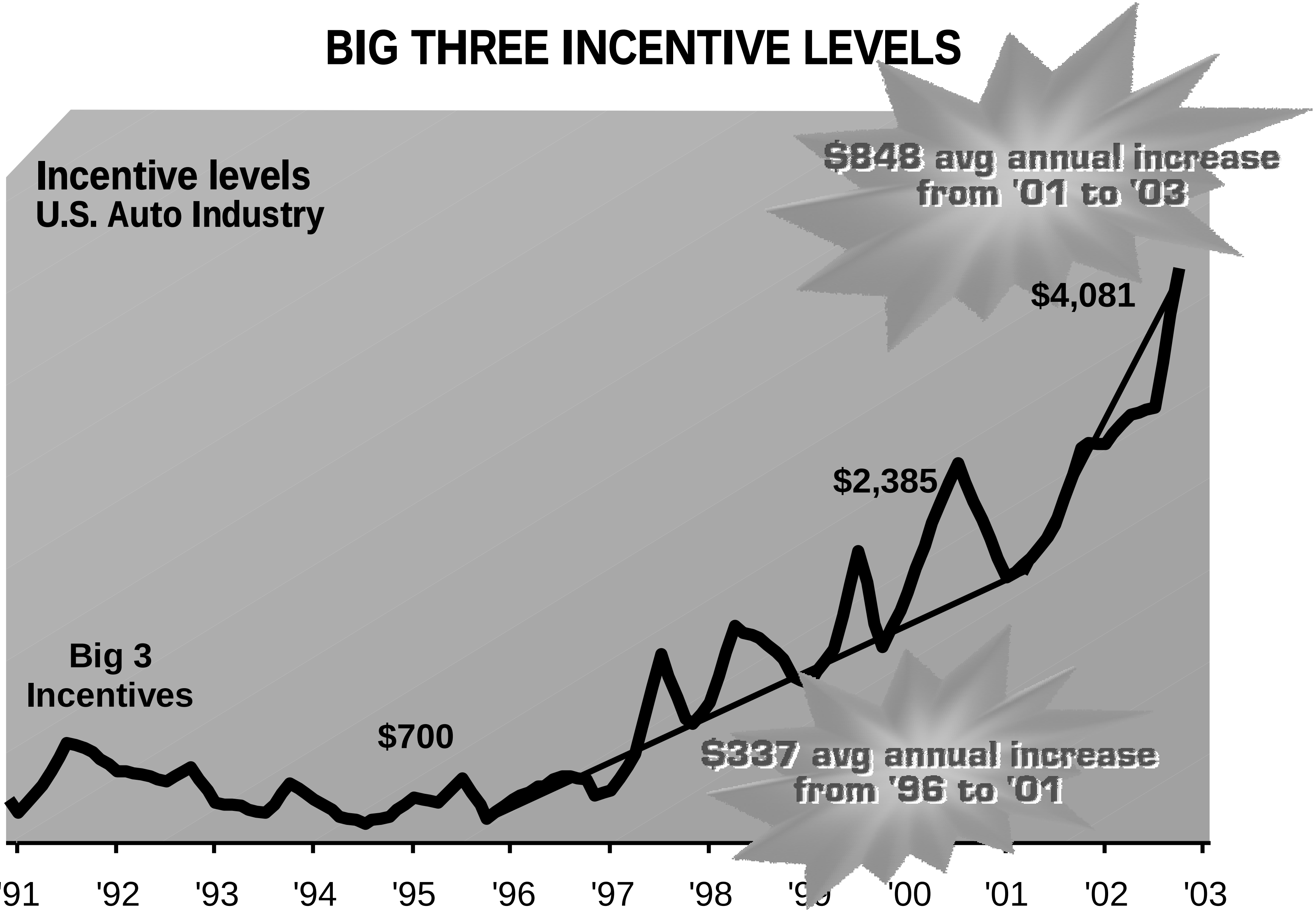
BIG THREE COMPETITIVE PRESSURES



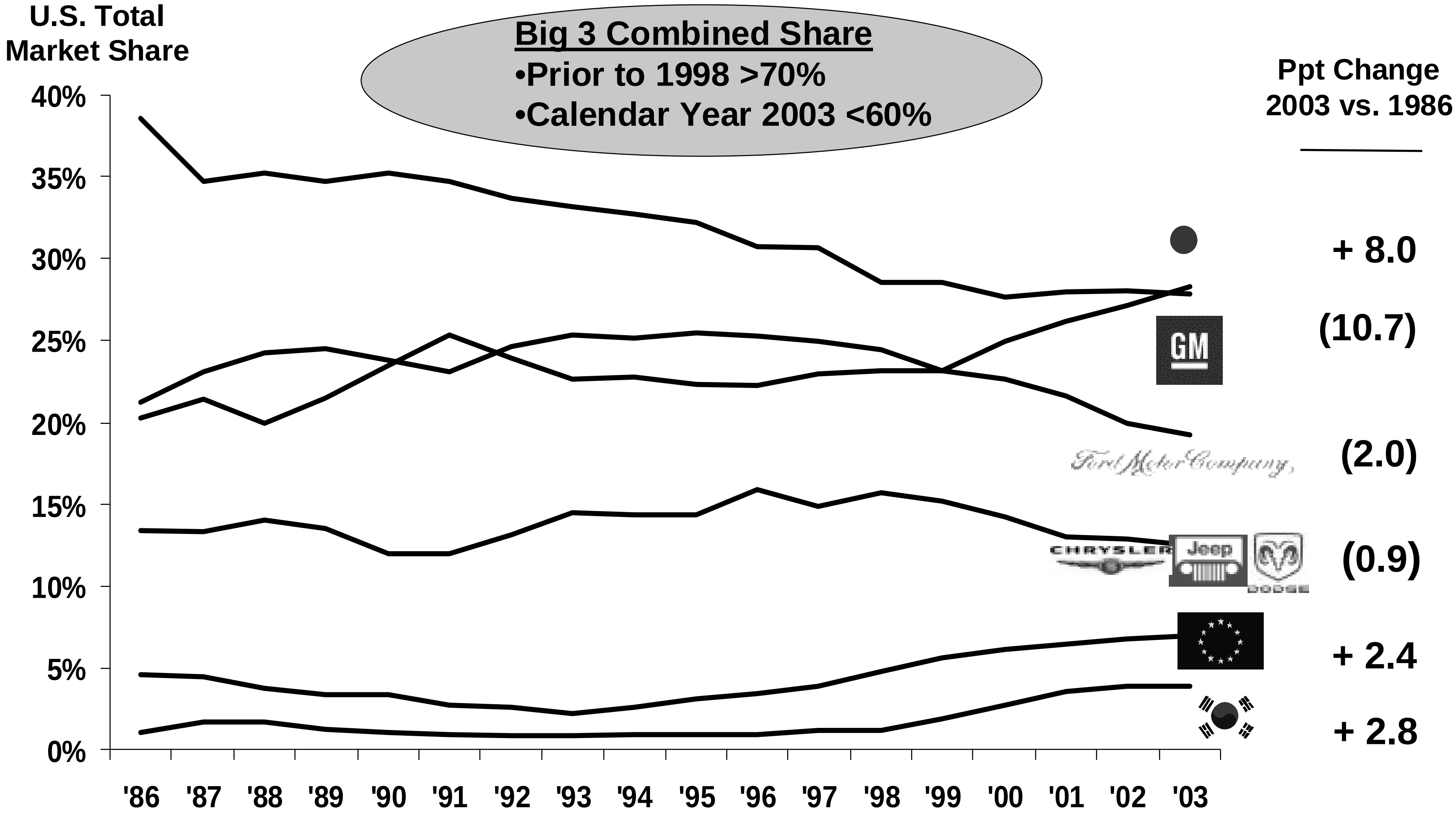
NORTH AMERICA DEMAND AND CAPACITY



BIG THREE INCENTIVE LEVELS



GM HAS MOST SIGNIFICANT LOSS OF SHARE



Source: Total U.S. SIR Yearly Inquiry by Manufacturer, Cytd Sept 03 2003 Share includes 1.4% for Heavy Truck

STRATEGIC TRANSFORMATION PLAN

Where We Were — **Where We Are** — **Where We're Going**

Turnaround Plan (2001-2003)

- Efficient capital spending with expanded product plan
- Quality improvements in fact without movement in brand perception
- Accelerating productivity improvements
- Restructured field and retail network
- Failure to stabilize revenue and volume deterioration

Pre-Turnaround (Before 2001)

- Inefficient product development
- Manufacturing productivity gaps
- Poor quality image
- Weak brand identity and positioning
- Uncompetitive distribution system

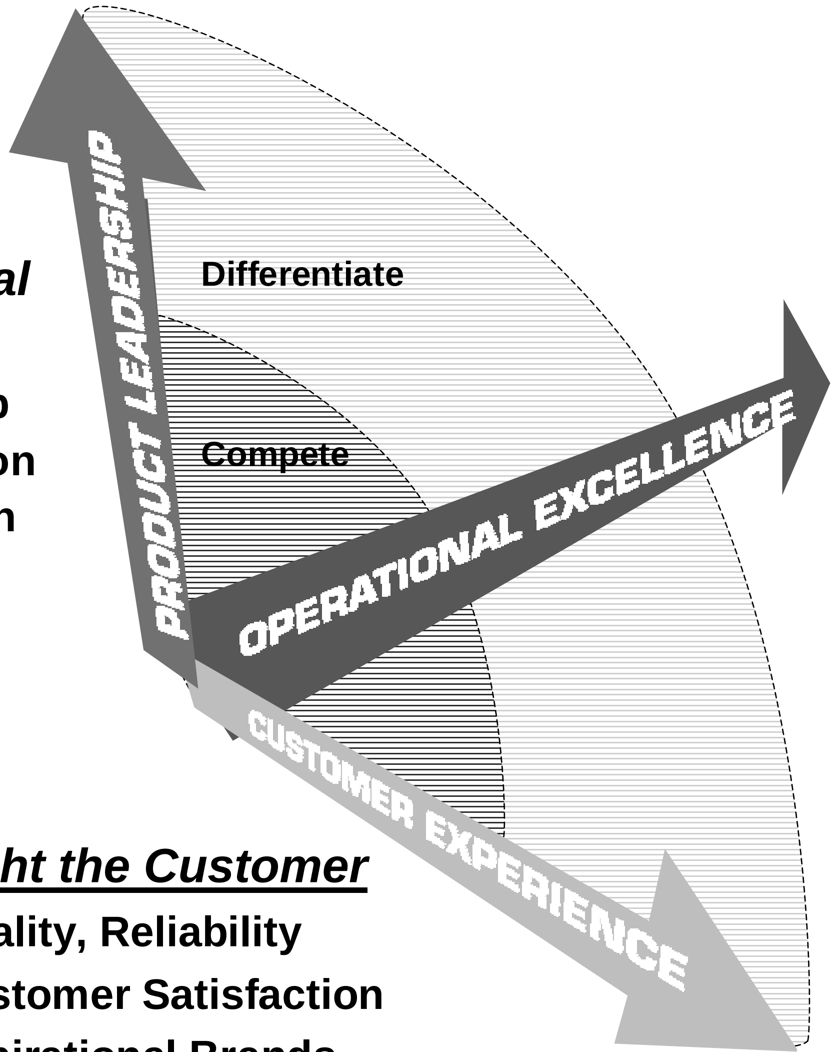
Strategic Transformation Plan (through 2007)

- Customer Experience
- Operational Excellence
- Product Leadership

STRATEGIC TRANSFORMATION PLAN (through 2007)

Deliver Aspirational <u>Products</u>

- **Styling Leadership**
- **Segment Innovation**
- **Product Innovation**



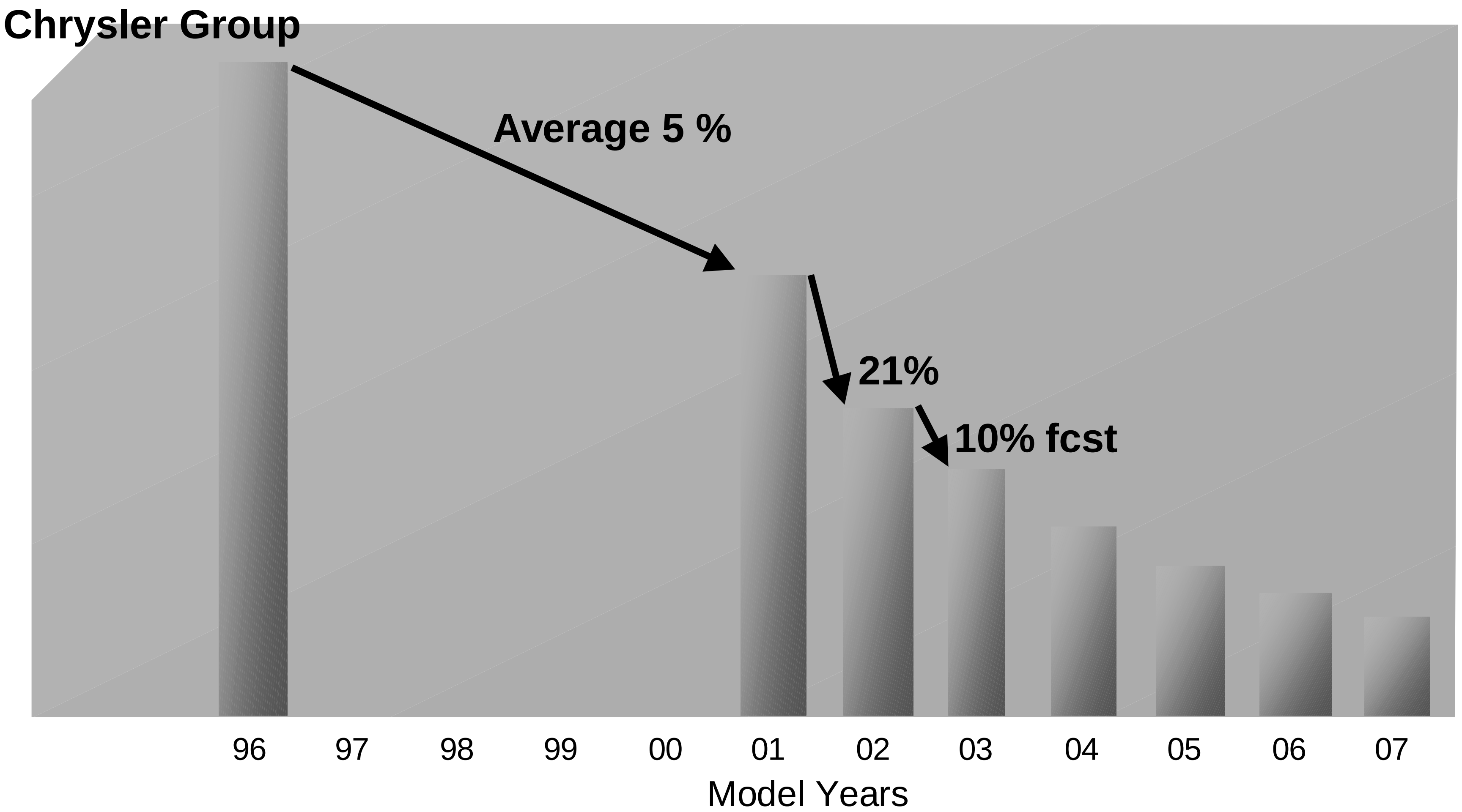
Achieve Lean <u>Processes</u>

- **Speed**
- **Cost**
- **Productivity**

<u>Delight the Customer</u>

- **Quality, Reliability**
- **Customer Satisfaction**
- **Aspirational Brands**

QUALITY IMPROVEMENTS
(Warranty Expense per Unit)



MATERIAL COST REDUCTIONS

Accelerated our
material cost savings

Driving down material costs at twice
the rate of our competition

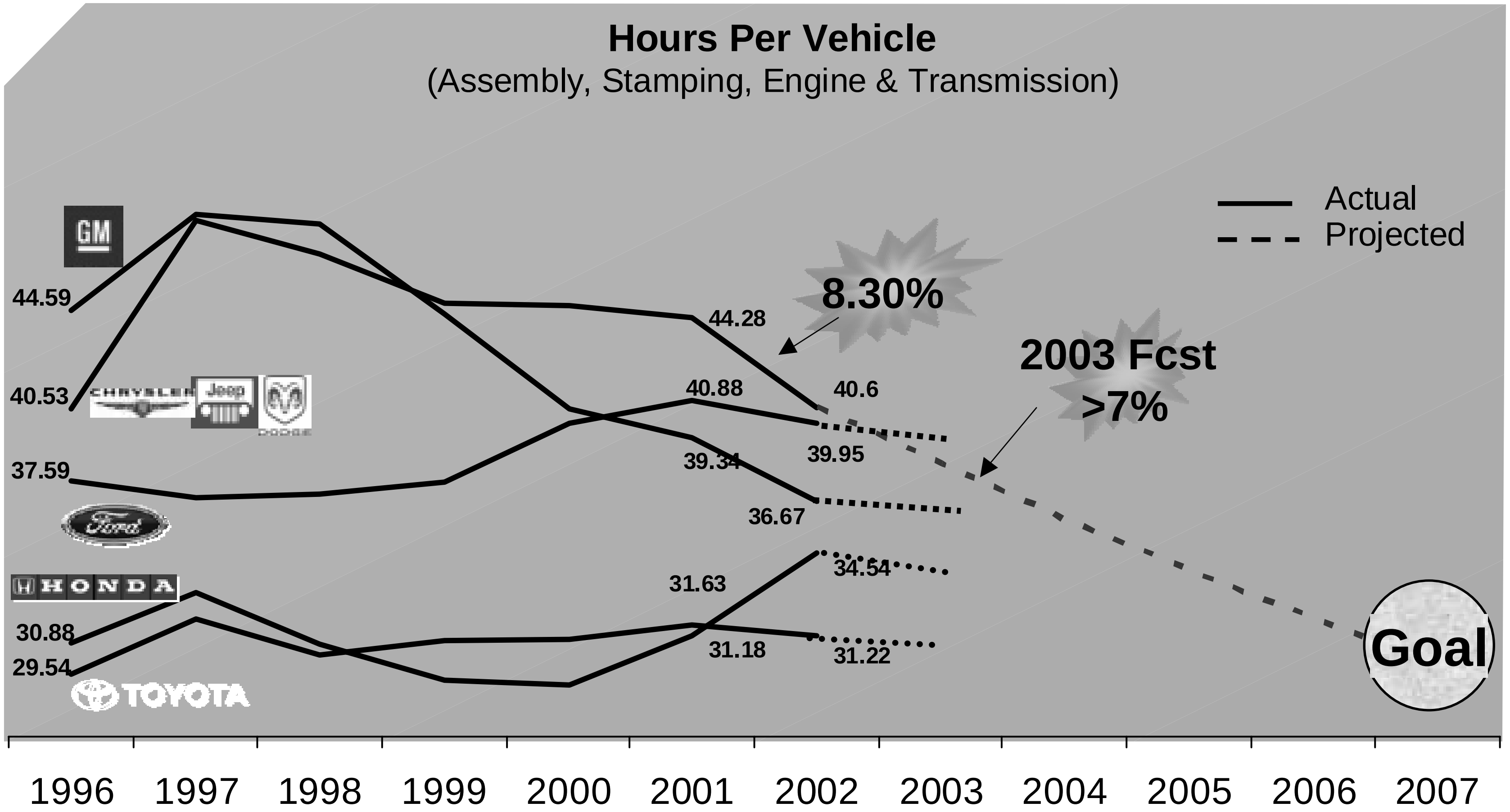
Reduced costs by more than 15%
over last 3 years

FIXED COST REDUCTIONS

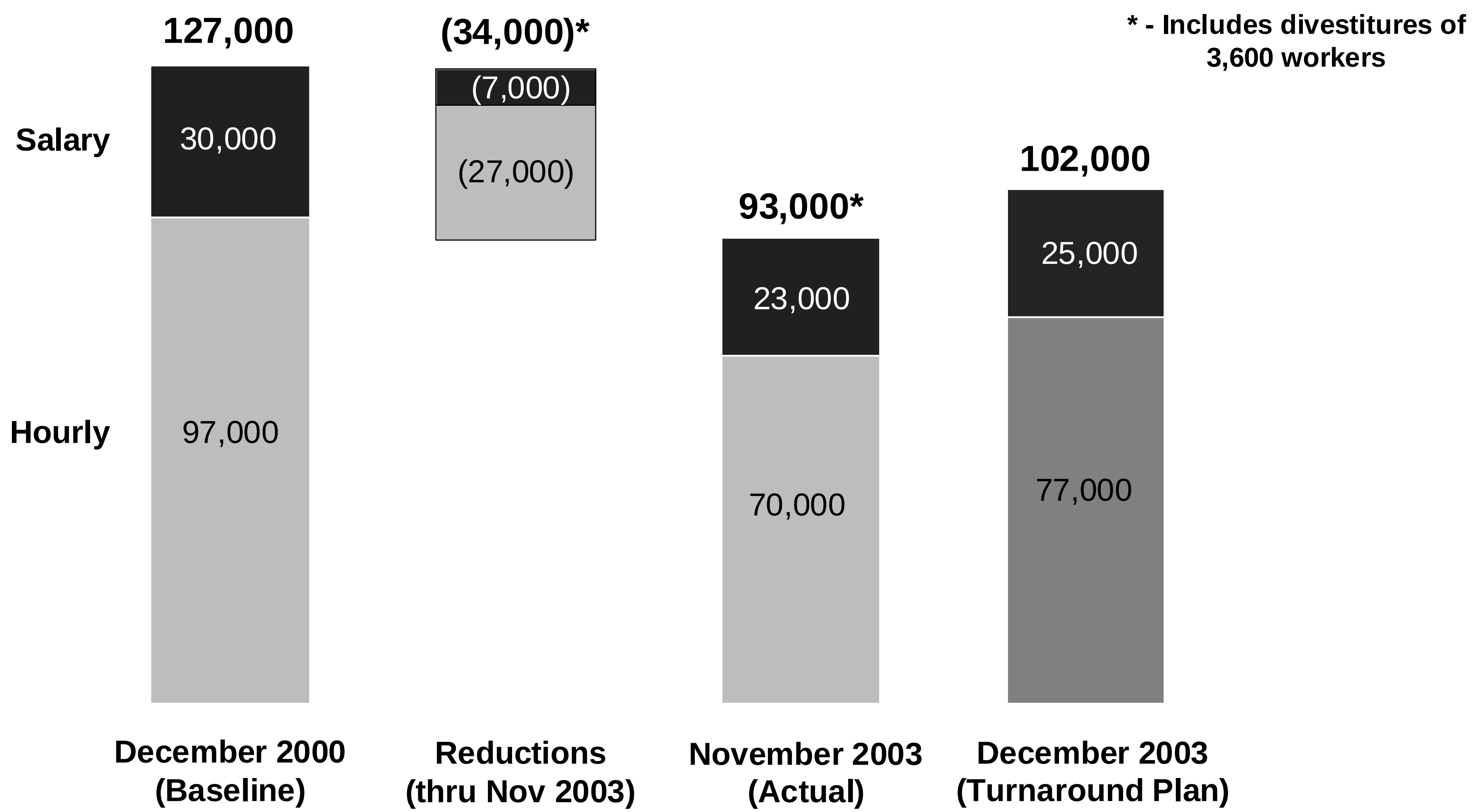
Fixed Costs
reduced by 25%
in 3 years to 1996 levels

PRODUCTIVITY IMPROVEMENT STRATEGY: REACH INDUSTRY BENCHMARK BY 2007

(About 5-6% annual improvement)



WORKFORCE LEVELS
(ACTUAL VERSUS TURNAROUND PLAN)



WHAT DOES THIS MEAN?

- We are here to stay
  - Quality improving
  - Productivity improving
  - Costs improving (material, plant and fixed)
- Time to play offense (game plan = brands)
- Execution through new product
  - Revenue management
  - Quality
  - Craftsmanship / touch points
  - Safety enhancements
  - Fuel economy – CAFÉ

    2003 Light Truck CAFÉ ahead of Ford, GM and Toyota

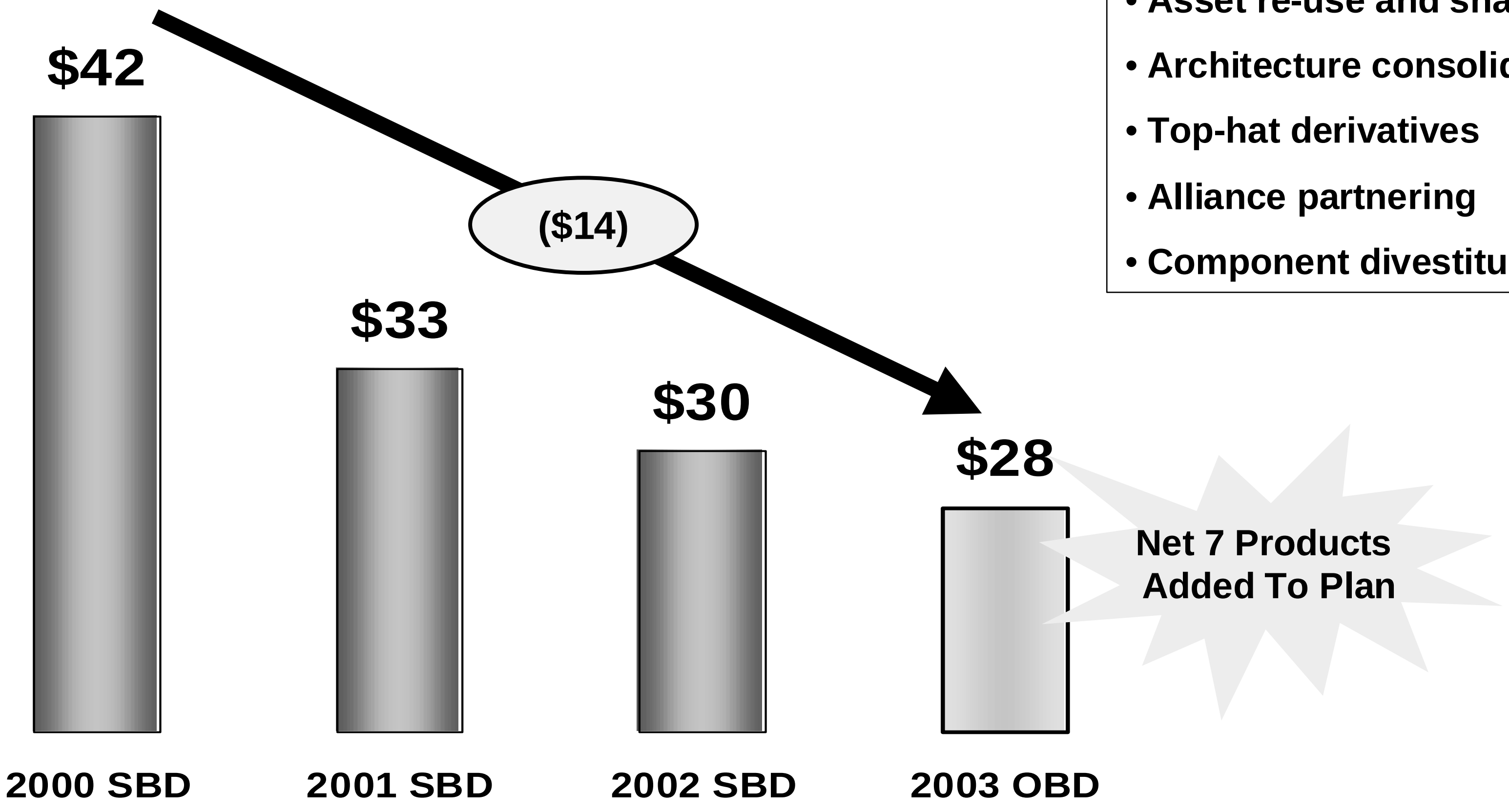
    2003 Domestic Car CAFÉ ahead of Ford, GM and Nissan

BRAND POSITIONING FOR THE FUTURE

Chrysler	**"American Dream Machines"** **"Drive & Love"**	**Reposition from a "mainstream" brand to a "*premium craftsmanship*" brand**
Jeep	**"Only in a Jeep"**	**Expand and differentiate line-up from competitors with:** • **Derivatives** • **Luxury and performance models** • **Entry level models**
Dodge	**"Street Smart"** **"Grab Life by the Horns"**	• **Bold and powerful cars and trucks** • **Cars to be unique and fully differentiated from shared platforms**

PRODUCT PORTFOLIO EXPANDED WHILE LOWERING PROGRAM SPENDING PLAN

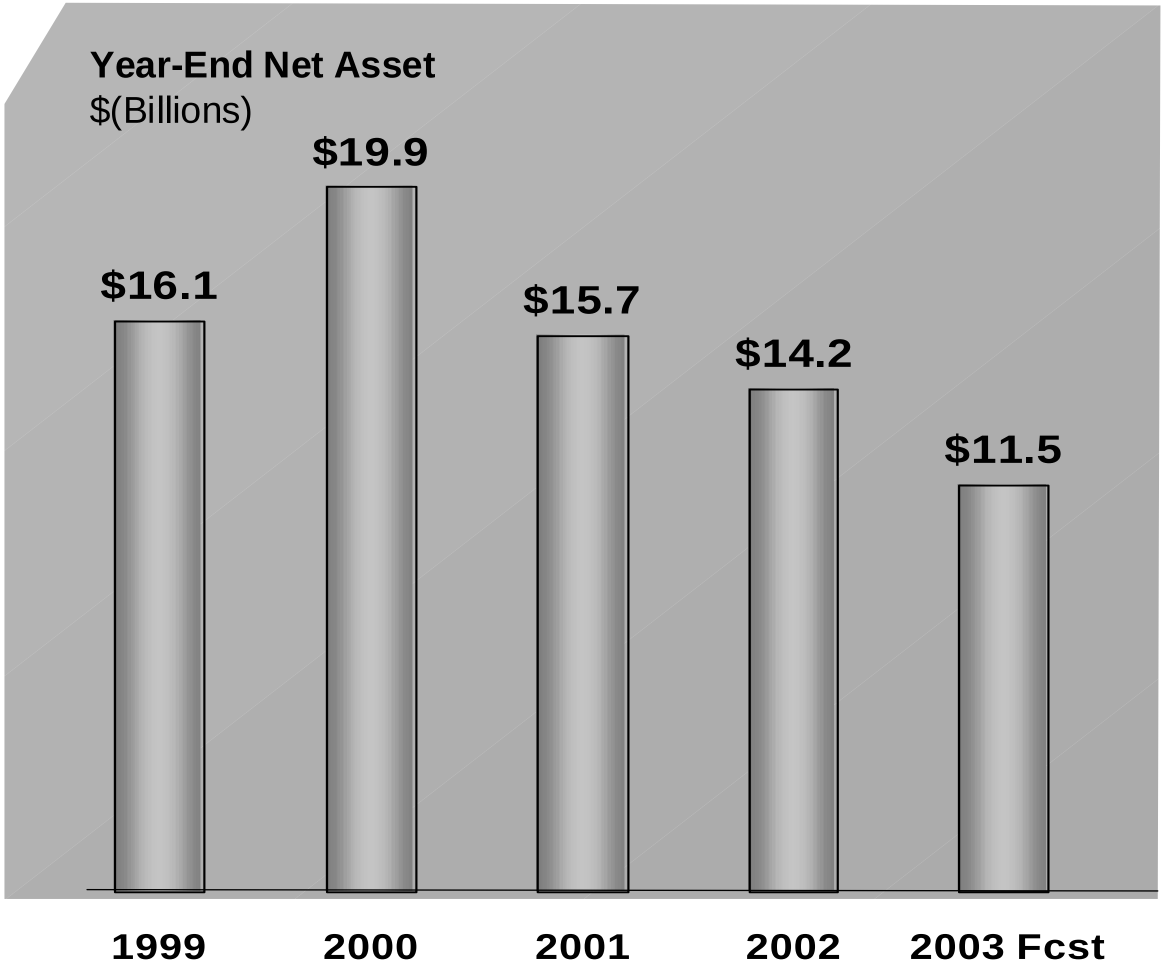
5-year Program Spending Plan
$(Billions)



Enablers:

- **Limit non-product spending to critical items**
- **Asset re-use and sharing**
- **Architecture consolidation**
- **Top-hat derivatives**
- **Alliance partnering**
- **Component divestitures**

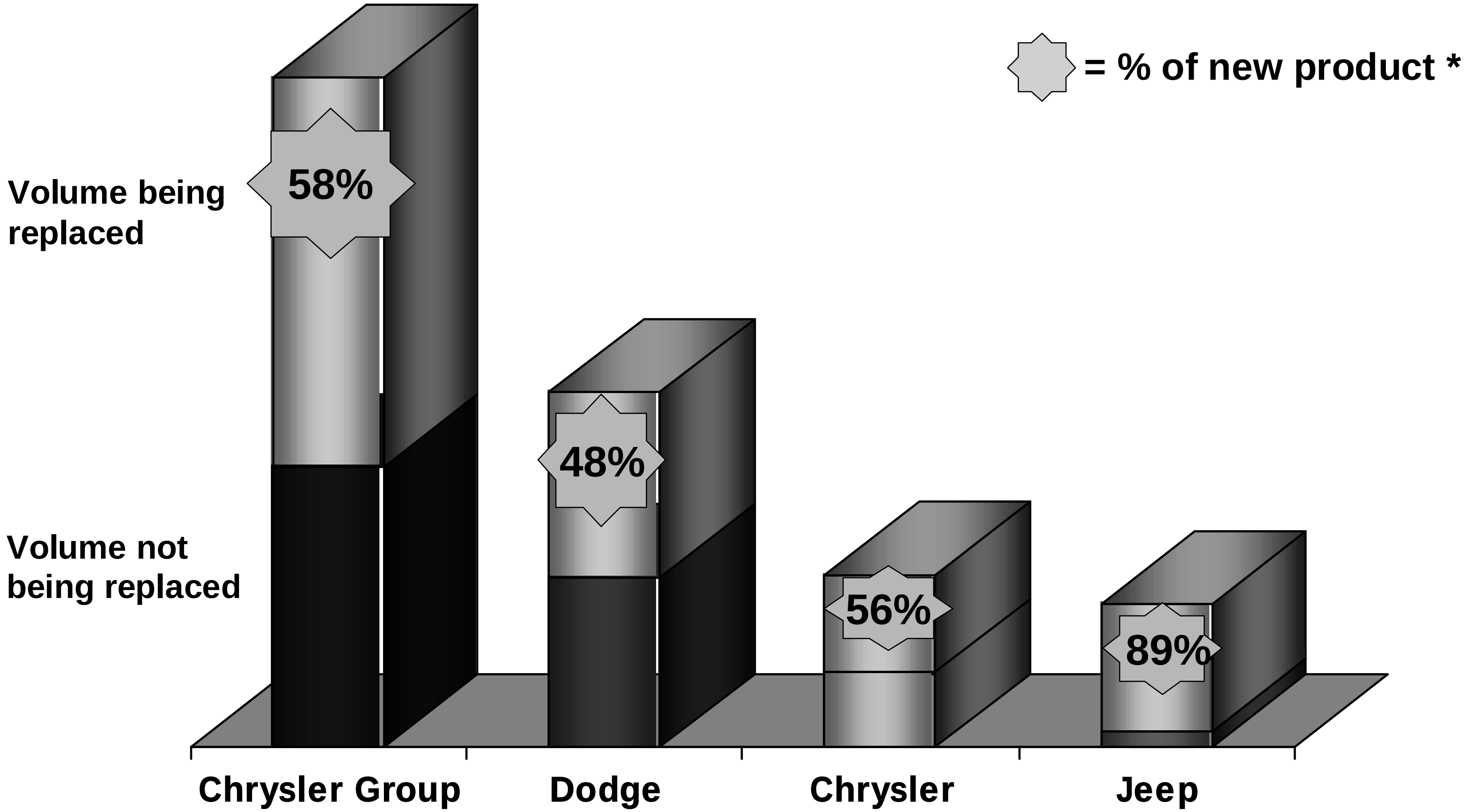
REDUCTION OF NET ASSETS FROM REDUCED PRODUCT SPENDING AND DIVESTING / CLOSING PLANTS



Divestitures/Closures:

- Toluca Transmission & Engine (Mexico)
- Lago Alberto (Mexico)
- Pentastar Aviation
- Dayton Thermal
- Eurostar
- Mound Rd. Engine
- Pillette Assembly Plant
- Ajax Trim
- McGraw Glass
- Pending Sales:
  - Huntsville Electronics
  - New Castle Machining
  - New Venture Gear

ANNUALIZED IMPACT OF PRODUCT ACTIONS
(FALL ’03 – FALL ’04)



* - Includes Refreshenings

Chrysler

2004 Pacifica and Crossfire

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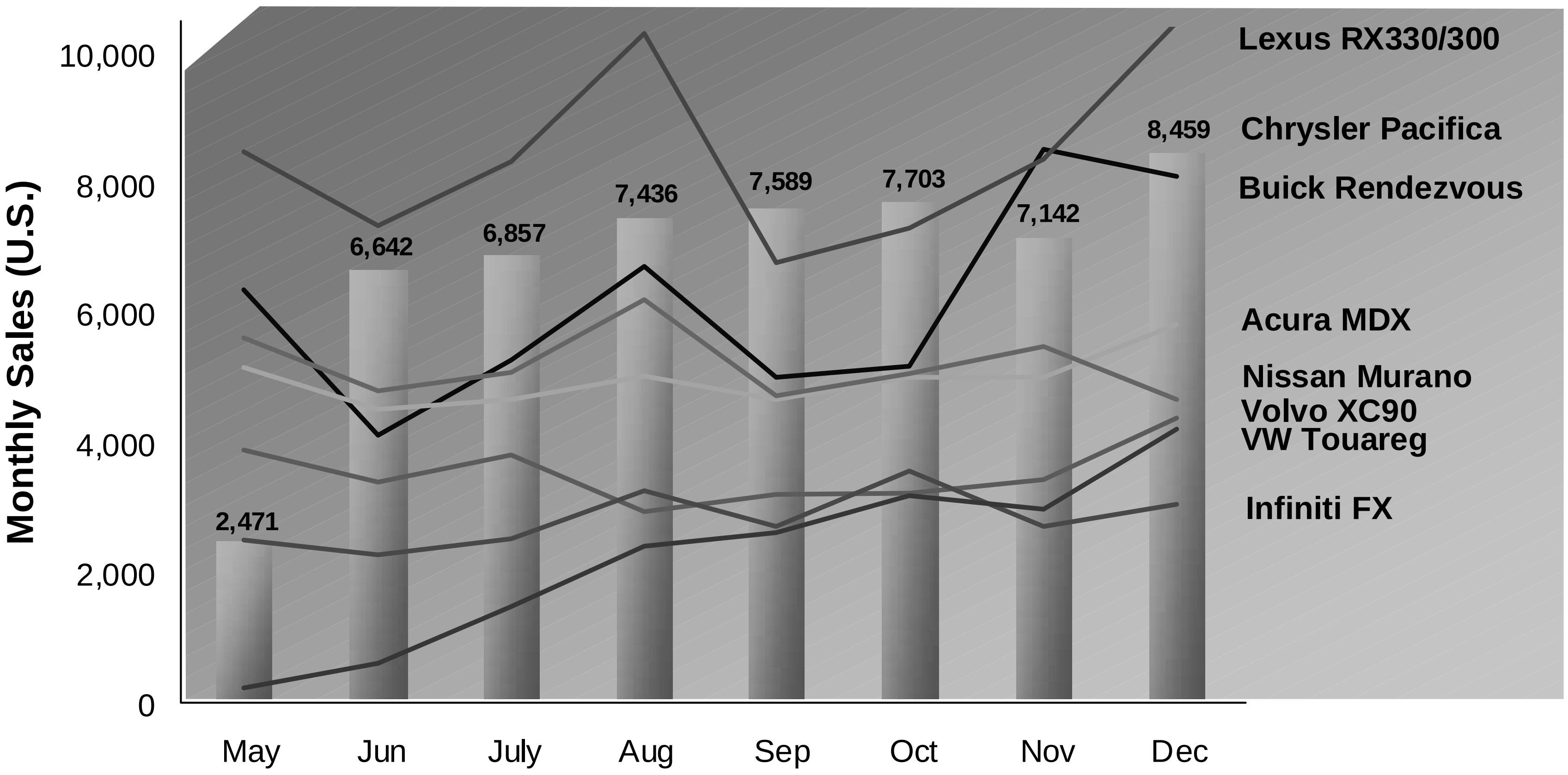
PACIFICA – MOMENTUM CONTINUING

Pacifica Safety Features

- **Five Star rating all around**
- **Side curtain air bags – full-length coverage for all three rows of seats**
- **Inflatable driver-side knee-blocker**



2005 Chrysler 300C

- Redefines classic American car – long hood and short deck
- Rear wheel drive – Electronic Stability Control with brake assist, traction control and ABS
- Available HEMI engine (0-60 in 6.3 seconds) with cylinder deactivation
- Best-in-class interior cabin space
- Advance air bag protection

2005 Chrysler PT Cruiser Convertible

- Distinctive styling – *"The most exciting convertible ever"*
- Versatility – only convertible with pass-through trunk, and fold & tumble rear seats
- Passenger comfort - 10" more rear leg room than Beetle and Mustang convertibles
- Performance and handling – Stiffer body structure and available turbocharged engine
- Quietest convertible in segment with top up and down

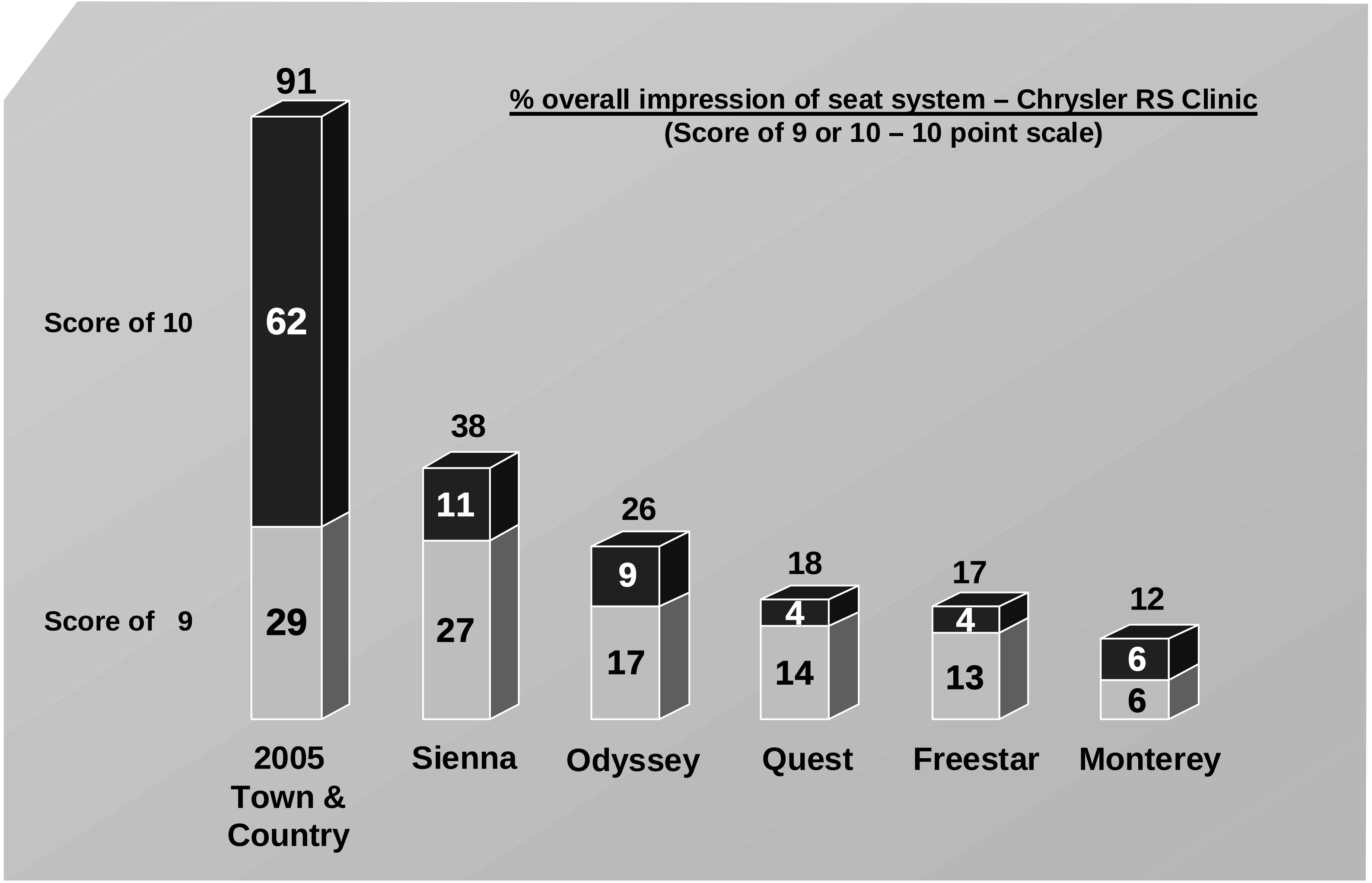
2005 Chrysler Town & Country

"Leap frogging the competition… again"

- **2nd & 3rd row "Stow 'n Go" seating (from 7 to 2 seats in 30 seconds)**
- **Large in-the-floor storage bins with covers**
- **Movable/removable overhead storage bins**
- **Advanced air bag protection including occupant classification system**
- **Inflatable driver knee blocker and 3 row side curtain air bags**

2005 MY MINIVANS – "STOW-'N-GO" FEATURE

2005 MY MINIVANS - SEAT SYSTEM IS A CLEAR WINNER



2005 Chrysler Crossfire Roadster

- World class vehicle dynamics and high body stiffness
- State of the art soft top
- High performance Z-rated all-weather tires

Jeep

2005 Wrangler Unlimited Soft-Top

"Longer, more capable and more open air fun"

- **15 inches longer, 13 inches more cargo space, 2 inches more in 2nd row leg room**
- **Best-in-segment towing capability to 3,500 lbs**
- **More refined on-road ride based on 10 inch longer wheelbase**
- **Improved off-road capability for steep hill climbs**

2005 Jeep Grand Cherokee

"The all-new Jeep Grand Cherokee… Power, Capability and Sophistication… a work of art!"

- **Available 5.7L V-8 engine produces 47% more power, improved fuel efficiency and lower emissions**
- **Next level of leading 4x4 technology**
- **Segment leading on-road ride and comfort**
- **Jeep Trail Rated**

2005 Jeep Liberty (Refresh)

- **Front end refresh of Sport and Limited, unique design for Renegade**
- **Most powertrain combinations in the segment**
- **2.8L CRD diesel – a U.S. segment first**
  - **25% average improved fuel economy over 3.7L V-6**
  - **Class-leading torque – 295 ft/lbs**
  - **Best-in-segment – 5,000 lb. towing capacity**

Dodge

2004 Dodge Durango

"Big size, smooth ride, HEMI power"

Rated 4 Stars (out of Four) by Detroit Free Press

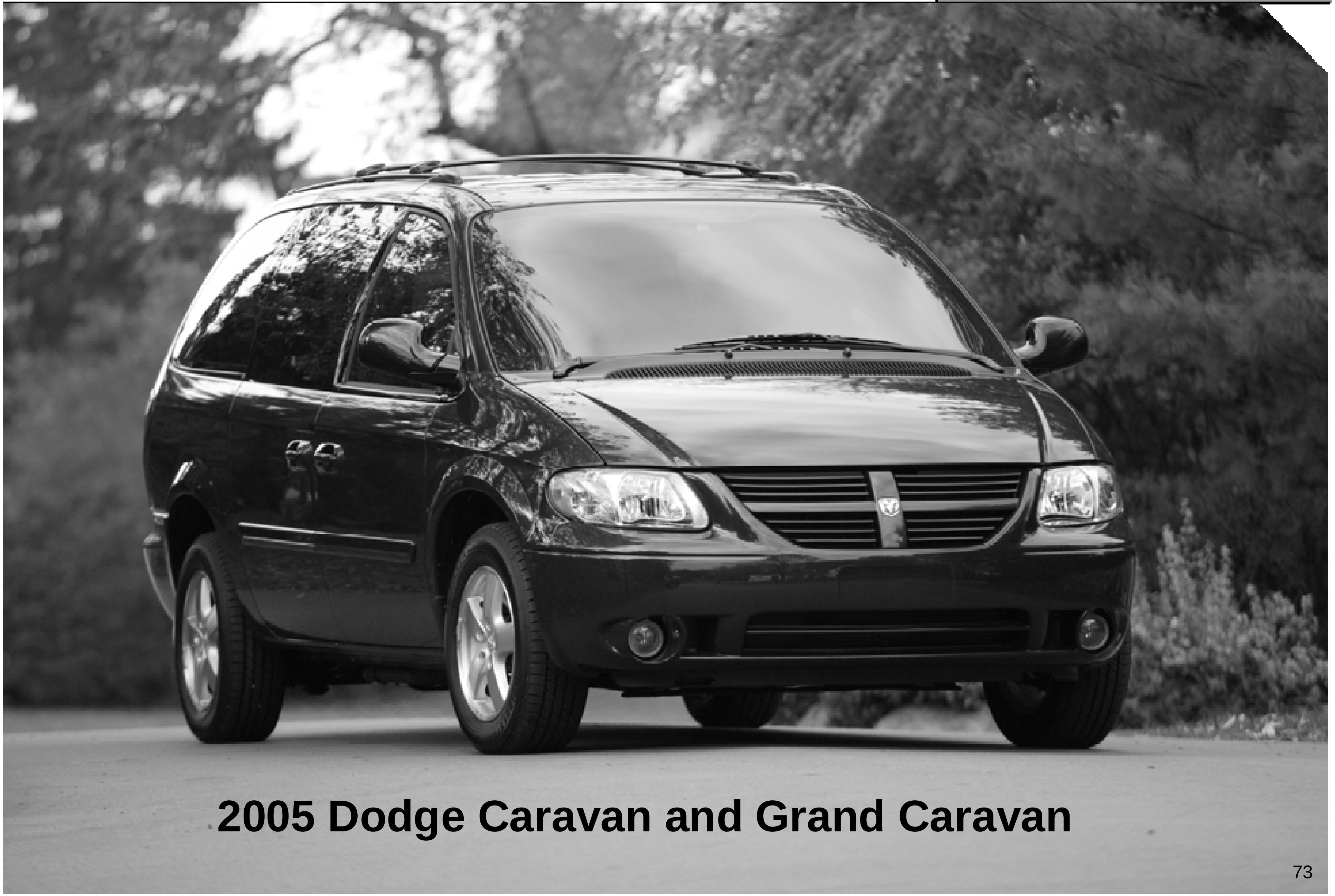
- **Best combination of space, power and capability**
- **Best-in-class**
  - **5.7L HEMI V-8 horsepower and torque**
  - **Towing – @ 8,950 (better than most large SUV's)**
  - **GVWR – 6,600 pounds**
- **New patented octagonal front frame rails which absorb energy in a frontal crash**
- **Lower bumper and frame - within height of passenger car bumper zones**
- **Available 3 row side air bags**

Launched: November 15, 2003

2005 Dodge Magnum

“Super-sized, fast and affordable”

- **New shape of American muscle**
- **Rear wheel drive with Electronic Stability Control**
- **Best-in-class horsepower (340) and towing capacity (3,800 lbs) with HEMI engine**
- **Smart space – unique easy access tailgate, flexible interior**



2005 Dodge Caravan and Grand Caravan

2005 Dodge Dakota

"Ram DNA in a mid-size truck"

- **"True" mid-size – between compact and full-size pickups**
- **Quad cab offers four true doors – 6 passengers and best-in-class overall interior space**
- **Only V-8 engine in segment**
  - **Best-in-class:**

    horsepower

    torque

    towing

PRODUCT OFFENSIVE

***25* New vehicles to market**

Over the next 36 months

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.