

DaimlerChrysler AG: Mercedes Car Group and Truck Group above market expectations in Q3 2006  
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- Mercedes Car Group: Operating profit of €991 million (+127%)
- Chrysler Group: Operating loss of €1,164 million
- Truck Group: Operating profit of €556 million (+57%)
- Financial Services: Operating profit of €445 million (+9%)
- Group operating profit of €892 million (Q3 2005: €1,838 million)
- Net income of €541 million (Q3 2005: €855 million)
- Group operating profit in the magnitude of €5 billion anticipated for full-year 2006

Stuttgart - DaimlerChrysler (stock abbreviation DCX) achieved a third quarter operating profit of €892 million (Q3 2005: €1,838 million).

The continuation of the very positive earnings trend at the Mercedes Car Group, the distinct increase in operating profit at the Truck Group as well as the Financial Services' operating profit, which is above the high level of earnings in the prior-year quarter, only partially compensated for the loss contributed by the Chrysler Group.

Net income amounted to €541 million in the third quarter (Q3 2005: €855 million). Earnings per share amounted to €0.53, compared with €0.84 in the third quarter of 2005.

The Mercedes Car Group increased its operating profit by 127% to €991 million. This significant increase in earnings is primarily due to the efficiency improvements achieved in the context of the CORE program. An additional factor was that earnings were favourably impacted by the improved model mix since the launch of the new S-Class and M-/R-/GL-Class. Exchange-rate effects had a negative impact on operating profit.

The Chrysler Group posted an operating loss of €1,164 million in the third quarter of 2006, compared with an operating profit of €310 million in the same quarter of last year. The operating loss was primarily the result of a decrease in worldwide factory unit sales, an unfavorable shift in product and market mix, and negative net pricing. These factors reflect a continuing difficult market environment in the United States as the Chrysler Group faced increased dealer inventory levels from the prior quarter, a shift in consumer demand toward smaller vehicles due to higher fuel prices, and increased interest rates.

The Truck Group posted an operating profit of €556 million (Q3 2005: €354 million). This significant increase in earnings was due to higher unit sales, a high utilization of capacity combined with strong productivity, and an improved model mix. In addition, further efficiency improvements were realized in the context of the Global Excellence program, which more than compensated for the higher expenses incurred for new vehicle projects and the fulfillment of future emission regulations.

The Financial Services division continued its positive business trend in the third quarter, and improved its operating profit to €445 million, compared with €408 million in the third quarter of last year. This increase in earnings was assisted by the higher volume of new business and improved efficiency. There were opposing effects from increased risk costs, which had been extremely low in the prior-year quarter.

The Van, Bus, Other segment posted a third-quarter operating profit of €315 million (Q3 2005: €379 million), including expenses of €72 million for the implementation of the new management model, mainly for the voluntary headcount reduction program in administrative areas. The sale of real estate properties not required for operating purposes led to a gain of €86 million in the third quarter.

The contribution to earnings from the European Aeronautic Defence and Space Company (EADS) amounted to €247 million, which was slightly below the result of €256 million in the prior-year quarter. This was primarily caused by less favorable currency-hedging rates. The delays with the delivery of the Airbus A380 did not affect the profit contribution from EADS to DaimlerChrysler in the third quarter, as the results of EADS are consolidated by the DaimlerChrysler Group with a three-month time lag.

#### Outlook

The Mercedes Car Group anticipates full-year unit sales at least as high as in 2005. The division assumes that unit sales by Mercedes-Benz will exceed last year's figure as a result of the market success of the brand's new products. The Mercedes Car Group will continue to effectively implement the CORE efficiency-improving program. The division's positive earnings trend is expected to continue in the fourth quarter.

Due to intense competition and the shift in demand towards smaller vehicles, the Chrysler Group assumes that unit sales (factory shipments) in 2006 will be lower than in the prior year. Eight new models, many of which are in the growing segments of passenger cars and small SUVs, are now being launched or will be launched this year. The Chrysler Group will implement further cuts in production volumes during the fourth quarter in order to reduce dealer inventories and clear the way for the current product offensive. DaimlerChrysler expects the division to post a loss of approximately €1 billion for full-year 2006.

The Truck Group expects full-year unit sales at least to reach 2005 sales figures. Due to positive market developments in the core markets of Europe, the United States and Japan in connection with upcoming new emission regulations, the ongoing strong demand for its products and further improvements in productivity and efficiency, the Truck Group expects to significantly exceed the prior year's earnings.

The Financial Services division anticipates a continuation of its stable business development in the remaining months of the year 2006, despite the higher level of interest rates and falling growth in consumption in the United States. Enhanced process quality and efficiency will help to further improve the division's competitive position. Operating profit in full-year 2006 should be higher than in the prior year.

The Vans unit expects lower unit sales than in 2005 due to the Sprinter model change. Unit sales of buses are likely to exceed the high level of the prior year. In connection with the revised delivery planning for the Airbus A380, EADS revoked its original earnings forecast at the beginning of October. EADS has not issued any new earnings guidance since then.

On September 15, DaimlerChrysler reduced the Group's operating-profit target for 2006 to an amount in the magnitude of €5 billion. Although the company now has to assume that the profit contribution from EADS will be €0.2 billion lower than originally anticipated because of the delayed delivery of the Airbus A380, DaimlerChrysler is maintaining this earnings target due to very positive business developments in the divisions Mercedes Car Group, Truck Group and Financial Services.

This forecast also includes charges for the implementation of the new management model (€0.5 billion), the focus on the smart fortwo (€1 billion) and the staff reductions at the Mercedes Car Group (€0.4 billion). There are positive effects from gains on the disposal of the off-highway business (€0.2 billion), the sale of real estate no longer required for operating purposes (€0.1 billion) and the release of provisions for retirement-pension obligations (€0.2 billion).

This press release 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 raw material prices; the 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; the ability of the Chrysler Group to reduce dealer inventories with current incentive programs and to respond to a shift in market demand for smaller, more fuel efficient vehicles; lower profit contributions by EADS due to delays in deliveries of the Airbus A380; disruption of production or vehicle deliveries, resulting from shortages, labor strikes or supplier insolvencies; the resolution of pending governmental investigations; and a 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.

Further information from DaimlerChrysler is available on the internet at [www.media.daimlerchrysler.com](http://www.media.daimlerchrysler.com)