

DAIMLERCHRYSLER

Q2 2007 RESULTS CONFERENCE CALL

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

**Stuttgart
August 29, 2007**

TRANSFER OF MAJORITY INTEREST IN CHRYSLER TO CERBERUS COMPLETED

- **Closing in Q3 as announced despite weakened debt markets**
- **Conditions remained almost unchanged**
- **Final deal structure:**
 - **A Cerberus subsidiary now holds 80.1% of Chrysler Holding LLC**
 - **DaimlerChrysler holds a 19.9% equity interest in Chrysler Holding LLC**
 - **Chrysler Holding LLC holds 100% of Chrysler LLC and Chrysler Financial Services LLC**
 - **Chrysler was transferred completely free of debt**
 - **Pension and healthcare benefit obligations are retained by Chrysler companies**
 - **Obligation for DaimlerChrysler of \$1 billion payable in the event that Chrysler's pension plans terminate within the next five years**
 - **DaimlerChrysler take a portion of \$1.5 billion of a second-lien loan for Chrysler's automotive business priced at market conditions with a maturity of 7 years**

THE "NEW DAIMLER" WILL STAND ON A VERY SOLID FOUNDATION

- **The new Daimler will be committed to excellence in all its activities**
- **Our aim is to generate substantial profitable growth:**
 - **First: Operational excellence**
 - **Second: Further grow core business in traditional market segments and exploit new market opportunities on a regional basis.**
 - **Third: Further develop innovative, customer-oriented and tailor-made services and other activities, pursuing opportunities along the entire value chain.**
 - **Fourth: Strengthen leadership in areas such as sustainable, environmentally friendly and related technologies.**



This will provide for premium profits on an ongoing basis

SALES OUTLOOK 2007

- **The Mercedes Car Group continues to assume unit sales in full-year 2007 should at least equal the record level of the prior year.**
- **The Truck Group expects significantly lower unit sales than in 2006, reflecting significant decreases in the US, Canada and Japan, all related to stricter emission regulations. A positive development is anticipated for Europe and Latin America.**
- **Vans expects an increase in sales due to strong demand for the new Sprinter and Vito/Viano vans.**
- **Buses anticipates unit sales at the high level of the prior year.**

EARNINGS OUTLOOK 2007

- **The Mercedes Car Group expects to achieve significantly more than 7% ROS in 2007 and aims to increase its ROS to 10% by 2010 at the latest.**
- **The Truck Group expects earnings in the magnitude of the prior year despite market decline in the United States and Japan.**
- **Financial Services expects a stable development for the rest of 2007 but additional expenses due to the separation of its NAFTA business. However, it assumes it will achieve a return on equity of more than 14%.**
- **Group EBIT expected in the magnitude of EUR 8.5 billion, including:**
 - **a gain of EUR 1.4 billion from the transfer of interest in EADS**
 - **charges of EUR 0.3 billion related to the new management model**
- **The share buyback of up to EUR 7.5 billion reflects our confidence in the future of the “new Daimler”.**

DAIMLERCHRYSLER

Q2 2007 RESULTS CONFERENCE CALL

Bodo Uebber
Member of the Board of Management
Finance & Controlling / Financial Services

Stuttgart
August 29, 2007

IMPACT OF CHRYSLER TRANSACTION IN 2007

● Cash impact:

- Cash impact from transaction is negative at EUR 0.5 billion
- Additional cash outflow from transaction costs (EUR 0.3 billion) and
- from early redemption of Chrysler debt (EUR 0.5 billion)

● Net profit impact of EUR 2.5 billion expected

- Positive impact in Q2 from net profit from discontinued operations of EUR 0.4 billion:
 - Ongoing result from Chrysler of EUR +0.7 billion, positively impacted by discontinued depreciation of EUR 0.7 billion
 - Loss from early redemption of Chrysler debt in the amount of EUR -0.3 billion
- Negative impact of approx. EUR 3 billion in Q3 expected, primarily due to valuation of deferred tax assets as a consequence of temporary differences between the book and the tax base

SUMMARY

- **Revenues decreased by 3% to EUR 23.8 billion, reflecting lower unit sales and exchange-rate effects**
- **EBIT of EUR 2.1 billion (-10%), mainly reflecting:**
 - **Significantly improved profitability at the Mercedes Car Group and the Truck Group**
 - **Stable earnings at Financial Services**
 - **Expenditure for the new management model of EUR 42 million**
 - **Gains in Q2 2006 from the valuation of the EADS forward transaction**
- **Net profit from continuing operations decreased by 20% to EUR 1.4 billion**
- **Net profit of EUR 1.8 billion (Q2 2006: EUR 2.1 billion), reflecting higher income tax expense and the development of EBIT**

KEY FINANCIAL FIGURES

– in billions of EUR –

	Q2 2006	Q2 2007
Unit sales (in thousands of units)	536.6	516.4
Revenues	24.6	23.8
EBIT	2.4	2.1
Net profit from continuing operations	1.8	1.4
Net profit	2.1	1.8
Earnings per share (in EUR)	2.07	1.74
Free cash flow industrial business (January - June)	2.2	4.6
Net liquidity industrial business (2006: year end)	9.9	13.9

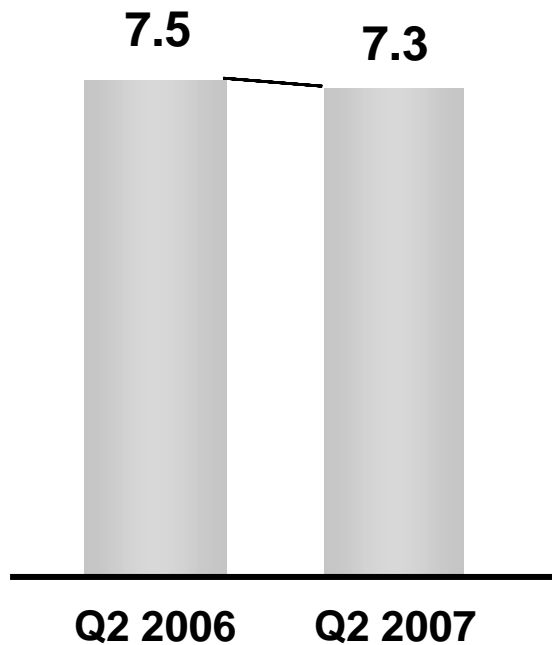
EBIT BY SEGMENT

– in millions of EUR –

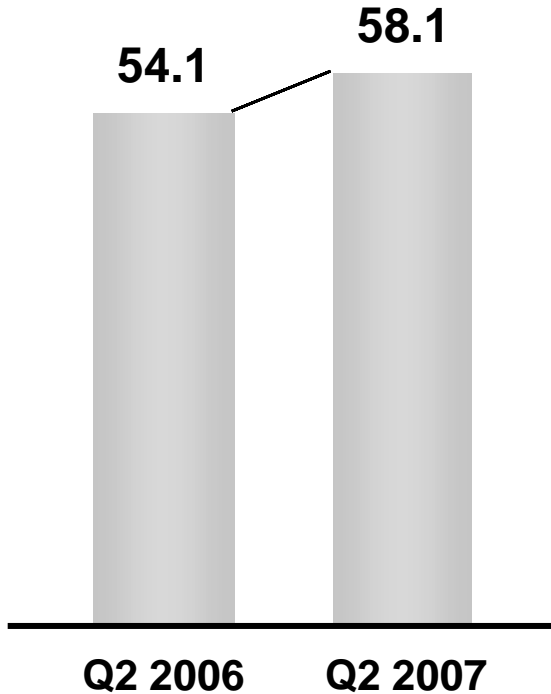
	Q2 2006	Q2 2007	Change
Mercedes Car Group	690	1,204	+74%
Truck Group	585	601	+3%
Financial Services	220	220	–
Van, Bus, Other	1,121	257	-77%
Reconciliation / Elimination	(242)	(148)	+39%
DaimlerChrysler Group	2,374	2,134	-10%

INCREASE IN CONTRACT VOLUME

New Business
- in billions of EUR -

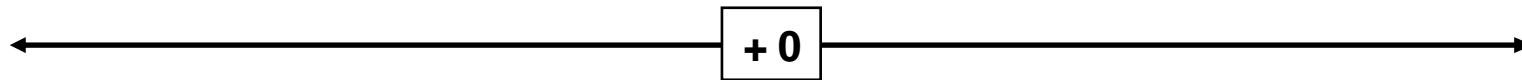


Contract Volume
- in billions of EUR -



STABLE EARNINGS DESPITE HIGHER INTEREST RATES



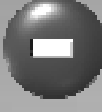
– in millions of EUR –



220



EBIT
Q2 2006

-  Higher volume
-  Release of provisions in non-automotive services business
-  Higher interest rates

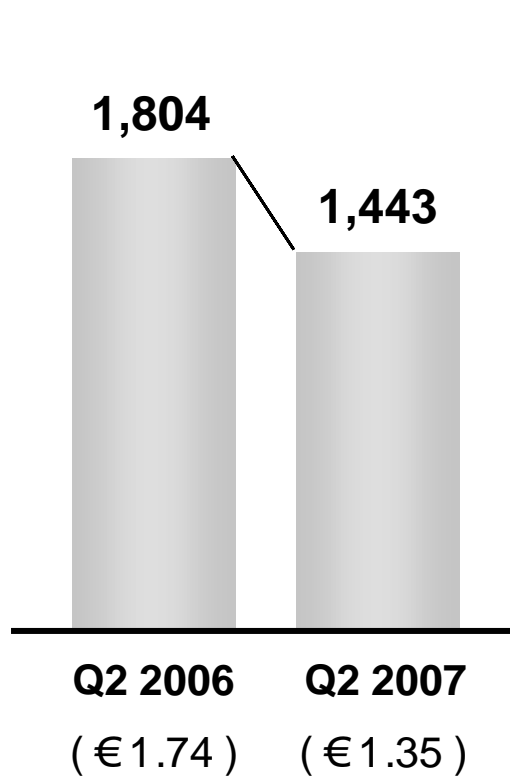
220



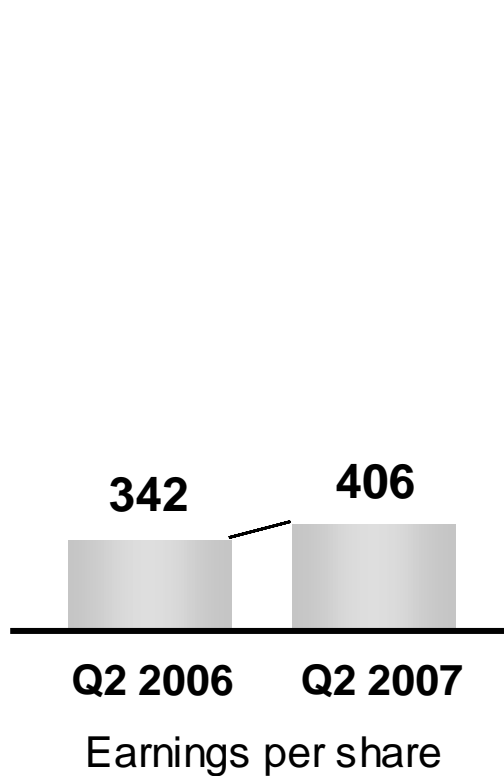
EBIT
Q2 2007

NET PROFIT LOWER DUE TO HIGH GAIN FROM THE EADS TRANSACTION IN THE PRIOR YEAR

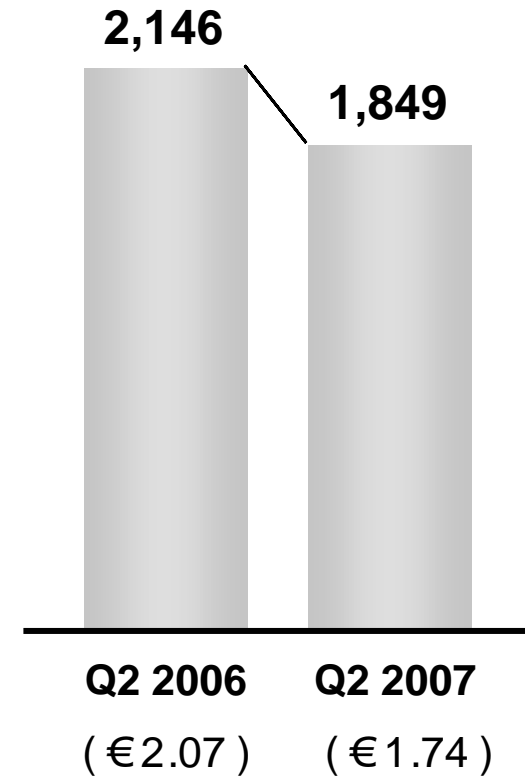
Net Profit from continuing operations
- in millions of EUR -



Net Profit from discontinued operations
- in millions of EUR -



Net Profit Group
- in millions of EUR -



KEY BALANCE SHEET AND FINANCIAL FIGURES

- in billions of EUR -	Dec. 31 2006	June 30 2007
Free cash flow (January – June)		
▪ Group ¹⁾	2.2	4.7
▪ Industrial business	2.2	4.6
DaimlerChrysler Group		
▪ Equity ratio ²⁾	16.5%	19.1%
▪ Gross liquidity	14.4	13.5
Industrial Business		
▪ Equity ratio ²⁾	27.2%	33.1%
▪ Net liquidity	9.9	13.9

1) After net debt financing Financial Services

2) Excluding dividend payment

OPTIMIZATION OF BALANCE SHEET STRUCTURE WITH A SHARE BUYBACK PROGRAM

Reasons for a share buyback:

- **Reducing excess liquidity in the industrial business**
- **Optimizing the capital structure**
- **Improving financial leverage**
- **Letting shareholders participate in the company's business success**

Volume parameters:

- **Cash out of up to EUR 7.5 billion within 12 months**
- **Buyback of nearly 10% of the outstanding shares during that period**

THE BUYBACK WILL BE REALIZED IN TWO STEPS

- **First buyback phase:**
 - Up to EUR 3.5 billion, equivalent to the FY2006 retained earnings of DaimlerChrysler AG
 - Purchase of shares through the stock exchange
 - Starting immediately

- **Second buyback phase:**
 - Up to EUR 4 billion, equivalent to the FY2007 anticipated retained earnings of Daimler AG
 - Precise volume depends on the amount of FY2007 retained earnings
 - Starting in March 2008

- **Further programs subject to development of earnings, cash flows and net liquidity**

DAIMLERCHRYSLER

Q2 2007 RESULTS CONFERENCE CALL

- Q & A -

Stuttgart
August 29, 2007

SPECIAL ITEMS AFFECTING EBIT

		2nd Quarter		January - June	
		2006	2007	2006	2007
- in millions of EUR -					
MCG	Discontinuation of smart forfour	(13)	-	(995)	-
	Headcount reduction in the context of CORE	(20)	-	(223)	-
	Financial support for suppliers	-	-	-	(82)
TG	Sale of real estate in Japan	-	68	-	68
VBO	Transfer of interest in EADS	814	(39)	756	1,524
	Restructuring program at EADS	-	-	-	(114)
	Disposal of off-highway business	-	-	238	-
Rec.	New management model	(137)	(42)	(137)	(93)

IMPACT OF TRANSFER OF CHRYSLER ON THE STATUS OF PENSION BENEFITS

	Pensions – current status –		Pensions – continuing operations –	
	Dec. 31 2006	June 30 2007	Dec. 31 2006	June 30 2007
- in billions of EUR -				
Benefit obligations	(37.5)	(37.4)	(17.1)	(17.4)
Plan assets	35.2	36.4	13.3	13.7
Funded status	(2.3)	(1.0)	(3.8)	(3.7)

IMPACT OF TRANSFER OF CHRYSLER ON FUNDING OF HEALTH CARE BENEFITS

	Health Care – current status –		Health Care – continuing operations –	
	Dec. 31 2006	June 30 2007	Dec. 31 2006	June 30 2007
- in billions of EUR -				
Benefit obligations	(17.3)	(17.0)	(0.9)	(0.9)
Plan assets	1.9	2.0	-	-
Sub-total	(15.4)	(15.0)	(0.9)	(0.9)
Reimbursement Medicare Act	1.3	1.3	0.1	0.1
Funded status	(14.1)	(13.7)	(0.8)	(0.8)

CASH FLOW FIGURES FOR THE PERIOD OF JANUARY THROUGH JUNE

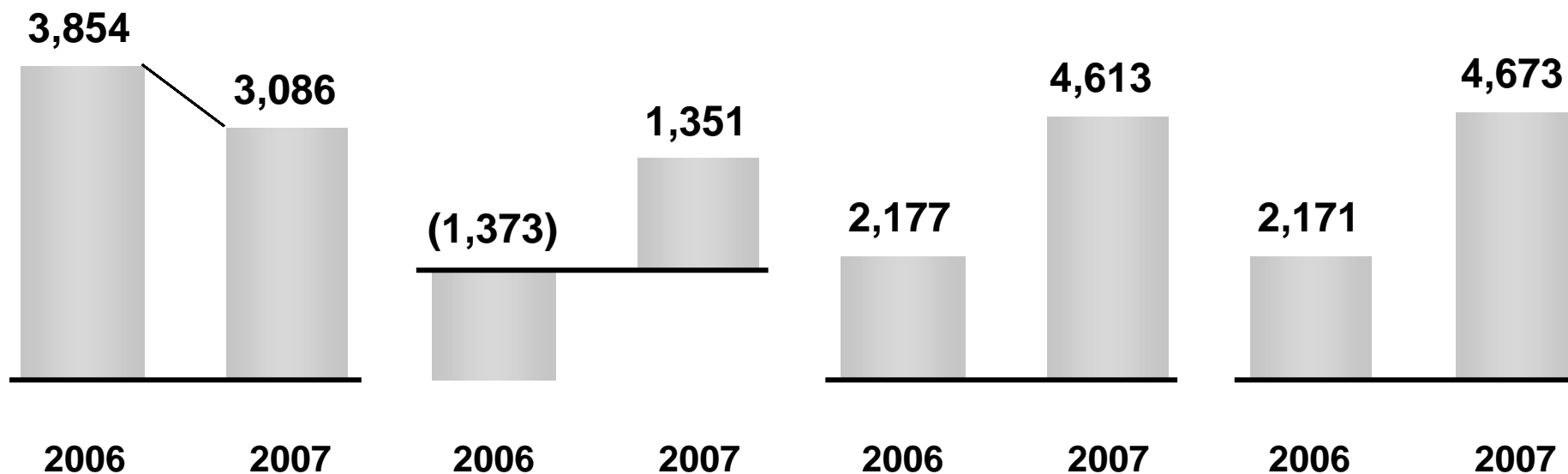
– in millions of EUR –

Cash provided by operating activities Industrial Business

Cash provided by (used for) investing activities Industrial Business

Free cash flow Industrial Business

Free cash flow Group*



*) After net debt financing Financial Services

DAIMLERCHRYSLER

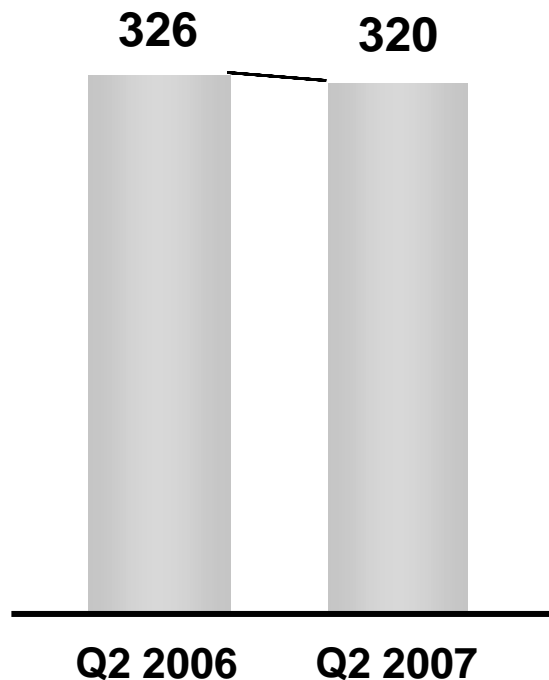
Q2 2007 RESULTS CONFERENCE CALL

- The following charts were already disclosed on July 25, 2007 -

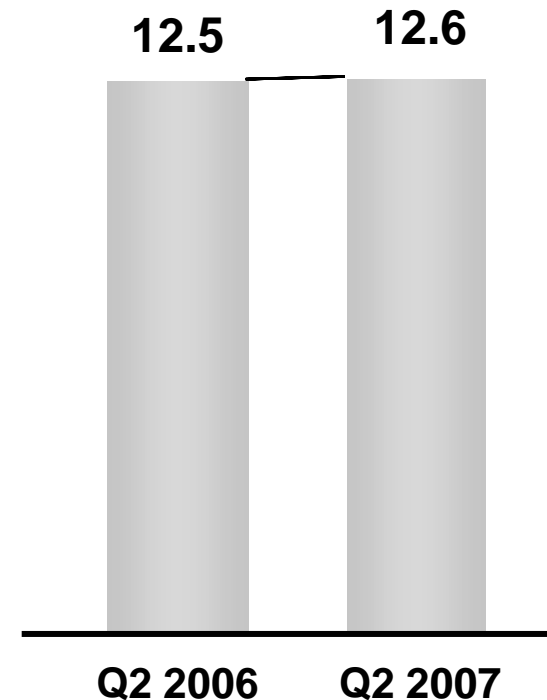


LOWER UNIT SALES BUT HIGHER REVENUES DUE TO IMPROVED SALES STRUCTURE

Unit Sales
- in thousand units -

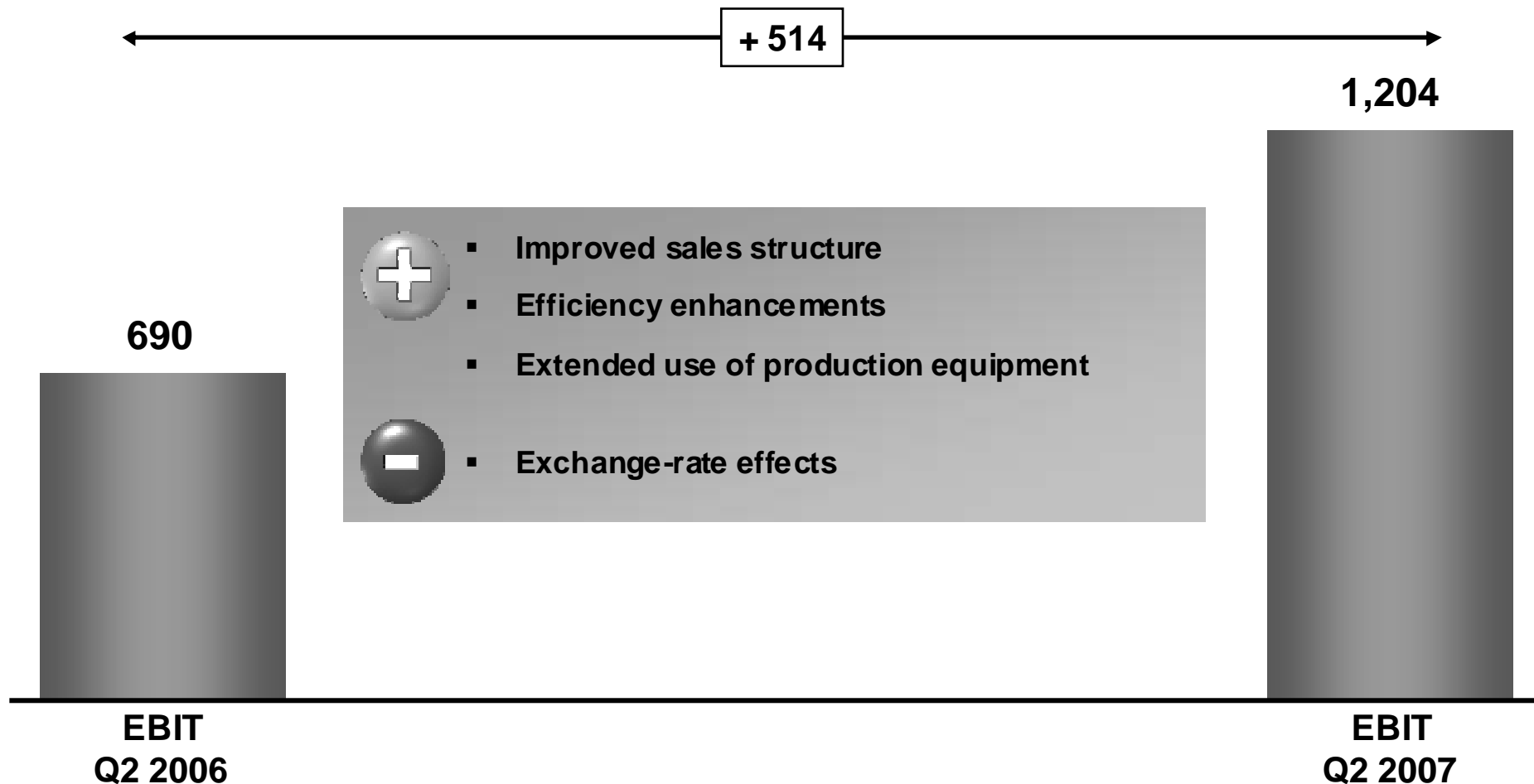


Revenues
- in billions of EUR -



IMPROVED EARNINGS REFLECT SUCCESS OF NEW PRODUCTS AND FURTHER EFFICIENCY ENHANCEMENTS

– in millions of EUR –



NEW C-CLASS



C-Class C 63 AMG

(February 2008)

C-Class Elegance

(March 2007)

NEW SMART FORTWO



Convertible

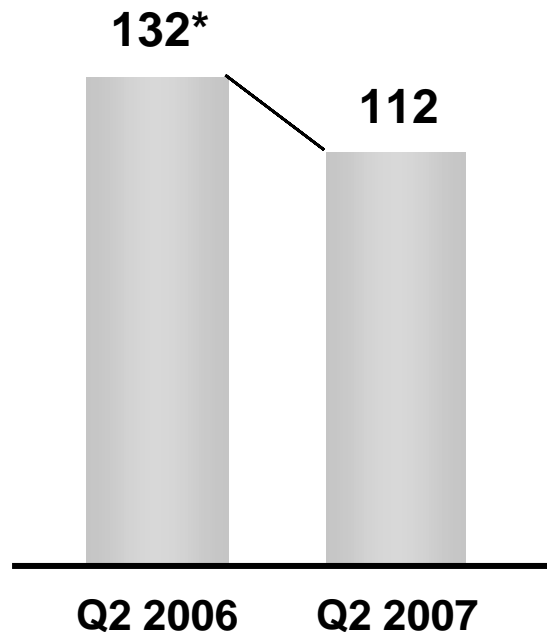
(March 2007)

Coupe

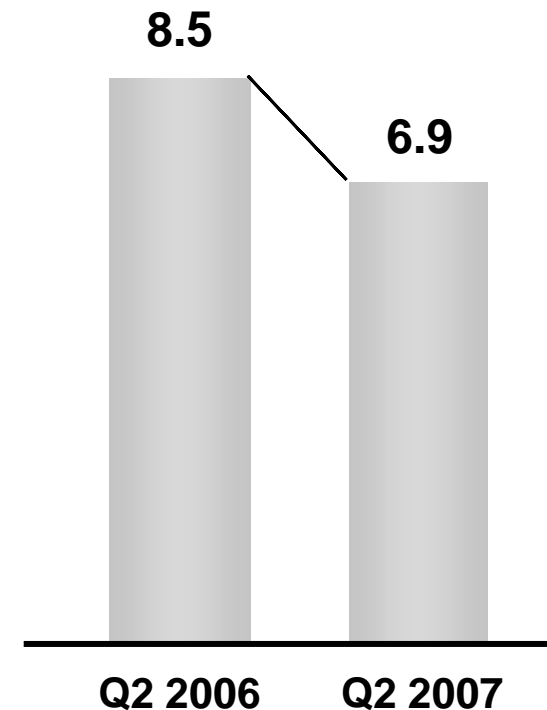
(March 2007)

VOLUME IN NAFTA AND JAPAN AFFECTED BY STRICTER EMISSION REGULATIONS

Unit Sales
- in thousand units -



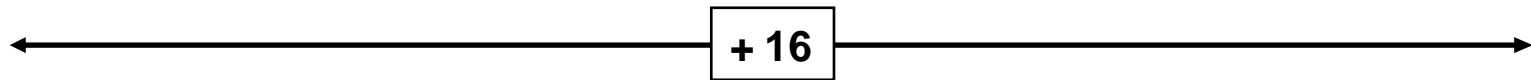
Revenues
- in billions of EUR -



* The figure reported in Q2 2006 included an additional 6,154 Sprinter vans produced by Trucks NAFTA.

STRONG EARNINGS LEVEL REFLECTS SUCCESSFUL MANAGEMENT OF CYCLE

– in millions of EUR –



585



EBIT
Q2 2006

-  Higher volume and improved product positioning in Europe and Latin America
- Efficiency enhancements
- Extended use of production equipment
- Sale of real estate in Japan
-  Market decrease in NAFTA and Japan

601



EBIT
Q2 2007

PRODUCTS



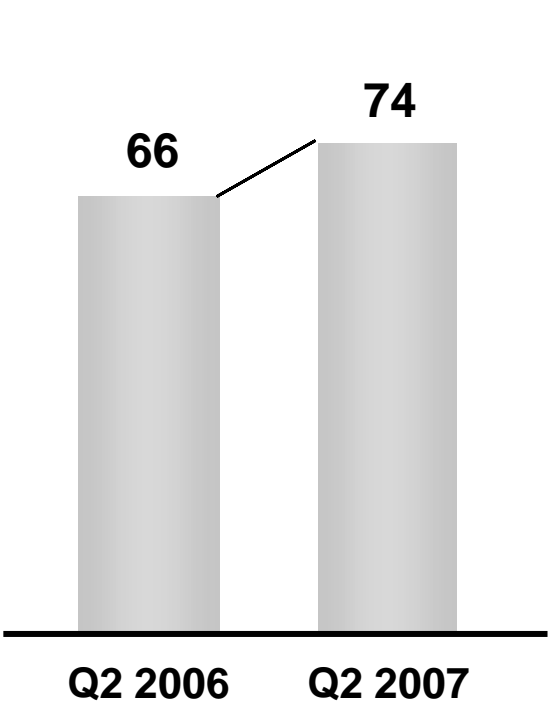
**Freightliner
Cascadia**
(May 2007)

Fuso Super Great
(April 2007)

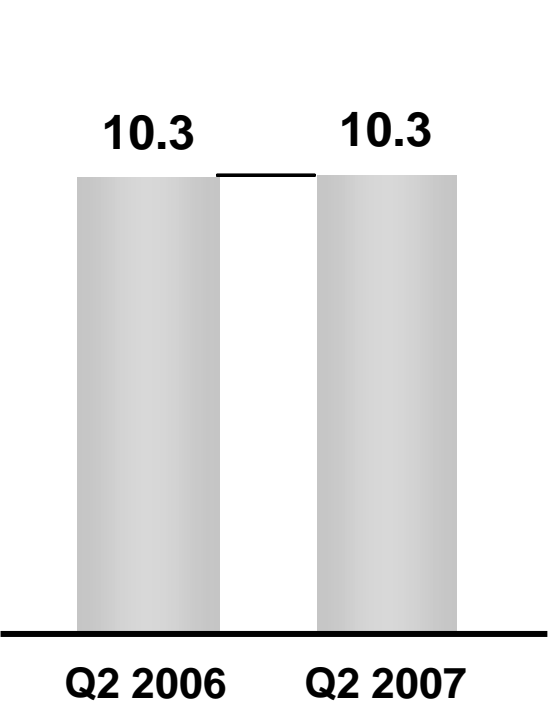
**Mercedes-Benz
Actros BLUETEC**
(February 2005)

SUCCESS OF NEW SPRINTER DRIVES GROWTH IN VOLUME

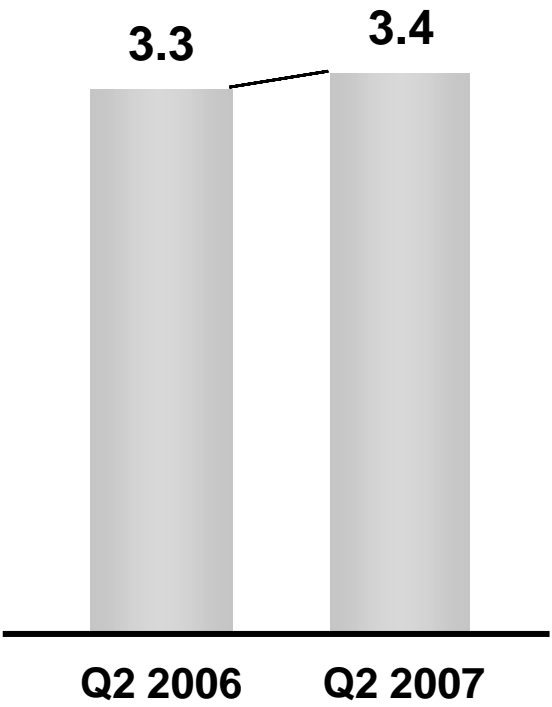
Unit Sales Vans
- in thousand units -



Unit Sales Buses
- in thousand units -

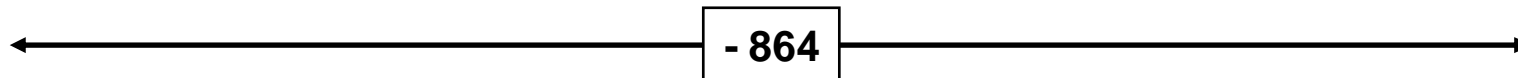


Revenues
- in billions of EUR -



LOWER EARNINGS DUE TO HIGH SPECIAL GAIN (EADS) IN THE PRIOR-YEAR QUARTER



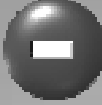
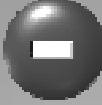
– in millions of EUR –



1,121



EBIT
Q2 2006

-  Higher sales of vans
-  Extended use of production equipment
-  Lower contribution from EADS
-  Gain in Q2 2006 from valuation of EADS forward transaction

257



EBIT
Q2 2007

PRODUCTS



**Setra
Top Class 400**

**Mercedes-Benz
Citaro**

**Mercedes-Benz
Sprinter**

DISCLAIMER

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an economic downturn or slow economic growth, especially in Europe or North America; changes in currency exchange rates and interest rates; introduction of competing products and possible lack of acceptance of our products or services; competitive pressures which may limit our ability to raise prices and reduce sales incentives; price increases in fuel, raw materials, and precious metals; disruption of production or delivery of new vehicles due to shortages of materials, labor strikes, or supplier insolvencies; a decline in resale prices of used vehicles; the business outlook of Chrysler in which we hold an equity interest, including the ability to successfully implement its Recovery and Transformation Plan; the business outlook for our Truck Group, which may experience a stronger than originally expected decline in demand as a result of accelerated purchases in 2006 made in advance of the effectiveness of stricter emission regulations; effective implementation of cost reduction and efficiency optimization programs, including our new management model; the business outlook of our equity investee EADS, including the financial effects of delays in and potentially lower volume of future aircraft deliveries; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety, the resolution of pending governmental investigations and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk Report” in DaimlerChrysler’s most recent Annual Report and under the headings “Risk Factors” and “Legal Proceedings” in DaimlerChrysler’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward-looking statements prove incorrect, then our actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.