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SEMI-ANNUAL REPORT

Fiscal Year (2007)

From: January 1, 2007

To: June 30, 2007

DAIMLERCHRYSLER AG

(0279)

SEMI-ANNUAL REPORT

From: January 1, 2007

To: June 30, 2007

To: Director General of the Kanto Local Finance Bureau

Date of Filing: September 28, 2007

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Place at which Copy of the Present
Semi-Annual Report is Offered
for Public Inspection: Not applicable

(Number of Pages including front pages: 75 in Japanese)

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Notes:

- (1) In this Semi-annual Report, unless otherwise noted, the term "Company" means DaimlerChrysler AG, "we," "us," "our," "DaimlerChrysler," the "DaimlerChrysler Group" or the "Group" refers to DaimlerChrysler AG and its consolidated subsidiaries, or any one or more of them, as the context may require. "Germany" means the Federal Republic of Germany.
- (2) The term "€" or "EUR" in this Semi-annual Report, unless otherwise noted, "Euro" refers to Euro. For the convenience of the Japanese reader, conversion into Japanese Yen has been made at the exchange rate of Euro 1.00 = ¥158.57 (the means of the Telegraphic Transfer Spot Selling and Buying Exchange Rates of The Bank of Tokyo-Mitsubishi UFJ, Ltd. on August 31, 2007)*.
- (3) Where figures in tables in this Semi-annual Report have been rounded, the totals may not necessarily agree with the sum of the figures.
- (4) Unless otherwise indicated, "shares" in this document refer to ordinary shares of the Company.
- (5) 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 the European Aeronautic Defence and Space Company (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 in section III Description of Business under "4. Risk Factors" in the Securities Report filed on May 11, 2007 and 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. 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.

*In this translation the Euro amounts converted into Japanese Yen are omitted.

PART 1. COMPANY'S INFORMATION

I. Outline of the Legal and other Systems of the Company's Country of Incorporation

There has been no material change during the six-month period ended June 30, 2007 as well as since the filing of the Securities Report.

II. Outline of the Company

1. Changes in Major Management Accounts, etc.

In July 2002, the European Parliament and the European Council adopted Regulation no. 1606/2002 on the application of International Financial Reporting Standards (IFRS). Under the regulation, all companies domiciled in a European Union (EU) member state whose securities are listed on a regulated market of a member state must prepare their consolidated financial statements in accordance with IFRS for financial years beginning on or after January 1, 2005. EU member states are allowed, however, to defer the mandatory application of IFRS until 2007 for companies that have only debt securities listed or that already apply internationally accepted accounting standards for purposes of stock-exchange listings outside the EU. The latter applies in particular to companies such as DaimlerChrysler that are listed on the New York Stock Exchange and prepare their consolidated financial statements in accordance with United States Generally Accepted Accounting Principles (US GAAP). In Germany, the deferment option was implemented in December 2004 within the context of the Financial Statements Law Reform Act (Bilanzrechtsreformgesetz).

DaimlerChrysler has begun primary IFRS reporting with the first quarter of 2007. As a basis for this change in financial reporting, DaimlerChrysler has prepared its consolidated financial statements for the year 2006 (including the comparative period 2005) also in accordance with IFRS (2006 IFRS consolidated financial statements), which can be downloaded from the Group's website under www.daimlerchrysler.com. DaimlerChrysler is providing the 2006 IFRS consolidated financial statements (or abstracts of them) solely as supplemental information. Accordingly, DaimlerChrysler's primary financial reporting for fiscal year 2006 remains based on US GAAP for purposes of the legal requirements of the German Commercial Code and the reporting requirements of the US Securities and Exchange Commission (SEC) as they apply to DaimlerChrysler's 2006 Annual Report on Form 20-F. The same applies for the Japanese reporting requirements, in particular the Securities Report and its attachments filed with the Director General of the Kanto Local Finance Bureau on May 11, 2007.

Please note that the IFRS financial information for the financial years 2006 and 2005 contained in this report is not directly comparable to the US GAAP financial information included in the Securities Report and its attachments filed with the Director General of the Kanto Local Finance Bureau on May 11, 2007.

The reporting structure used for the first half of 2007 and the first half of 2006 in this report already reflects the new structure of the Group. The figures shown for the Financial Services division no longer include the financial services related to Chrysler in the NAFTA region. Chrysler and the related financial services business are reported as "discontinued operations".

The following table sets out the development of major management accounts of DaimlerChrysler Group. If not otherwise indicated, the consolidated financial statements of DaimlerChrysler have been prepared in accordance with IFRS. This report includes segment profit determined according to IFRS 8. For a reconciliation of the segment results to IAS 14, please read note 12 to the Unaudited Interim Condensed Consolidated Financial Statements. Our financial statements are denominated in euros, which is the currency of our home country, Germany.

DaimlerChrysler Group (amounts in millions of EUR)	1 st half ended June 30 ² (unaudited)			Year ended Dec. 31, (audited)	
	2007 ³ (IFRS)	2006 ³ (IFRS)	2005 ³ (US GAAP)	2006 ³ (IFRS)	2005 ³ (IFRS)
Revenues	47,214	47,964	70,167	152,809	150,790
of which Germany	10,419	10,361	9,796	22,387	21,381
of which USA	9,929	12,296	31,531	65,176	67,955
Employees (at period-end)	271,486	279,018	388,758	360,385	382,724
Investments in property, plant and equipment	1,544	1,638	3,081	5,874	6,480
Research and development expenditure	1,805	1,860	2,672	5,234	5,542
thereof: capitalized development costs	332	270	—	1,006	1,150
EBIT	5,426	2,619	—	5,489	6,076
Operating profit	—	—	2,299	—	—
Net profit ¹	3,821	2,927	—	3,783	4,215
Net income ¹	—	—	1,025	—	—
Earnings per share (in EUR) ¹					
Basic	3.64	2.84	1.01	3.66	4.09
Diluted	3.60	2.82	1.01	3.64	4.08
Net profit from continuing operations	4,158	2,006	—	—	—
Earnings per share (in EUR)					
Basic	3.97	1.94	—	—	—
Diluted	3.92	1.92	—	—	—
Cash provided by operating activities ¹	7,576	7,549	6,969	14,337	11,032
Cash used for investing activities ¹	(1,232)	(7,190)	(4,667)	(15,857)	(10,237)
Cash provided by (used for) financing activities ¹	(7,004)	(2,277)	(2,886)	2,396	(1,284)
Cash and cash equivalents ¹					
At beginning of period	8,409	8,063	7,381	8,063	7,846
At end of period	7,674	5,789	7,329	8,409	8,063

DaimlerChrysler Group (amounts in millions of EUR)	As of June 30 ² (unaudited)			As of December 31, (audited)	
	2007 (IFRS)	2006 (IFRS)	2005 (US GAAP)	2006 (IFRS)	2005 (IFRS)
Equity attributable to shareholders of DaimlerChrysler AG ¹	39,772	36,574	—	37,028	35,648
Minority interest ¹	1,514	406	—	421	412
Equity ¹	41,286	36,980	34,049	37,449	36,060
Total assets ¹	215,745	217,634	197,181	217,634	228,012

1) Including discontinued operations (Chrysler and the related financial services business).

2) European rules regarding the transition to IFRS require issuers to restate their financial statements for one comparable period only. As a result, half-year figures accounted according to IFRS are available for the first half of 2006 and 2007 only. To comply with Japanese regulation we show the US GAAP figures for the first half of 2005 as reported in the prior year's Semi-Annual Report in addition. However, those figures are absolutely not comparable with the half-year figures for 2006 and 2007 as a result of different accounting rules that have been applied and the differences in the consolidated Group (e.g. discontinued operations) which they reflect.

3) The full-year figures for 2006 and 2005 as well as the half-year figures for 2005 do not exclude the discontinued operations, which the half-year figures for 2006 and 2007, except for those specified in footnote 1, do exclude. Thus, only the first half-year figures for 2006 can be compared with those for 2007.

2. Contents of Business (as of the end of August, 2007)

With the approval of the Supervisory Board to transfer a majority interest in the Chrysler Group and the related financial services business in North America to a subsidiary of Cerberus Capital Management on May 16, 2007, these units have been presented in the Group's income statements as "discontinued operations". The structure of segment reporting has been changed accordingly; the earnings measure EBIT, shown in the following tables, applies solely to the Group's continuing operations. The DaimlerChrysler Group now operates in three reportable segments (Mercedes Car Group, Truck Group, Financial Services) and one all other segment (Van, Bus, Other).

The prior-year figures have been adjusted to the new segment reporting structure. The operating results of the Chrysler Group and the related financial services business are included under "net profit (loss) from discontinued operations".

Cerberus acquires majority interest in the Chrysler Group and the related financial services business. On May 14, 2007, DaimlerChrysler announced its concept for the future of the Chrysler Group and the realignment of DaimlerChrysler AG. On August 3, 2007, DaimlerChrysler and Cerberus Capital Management, L.P., a private equity firm based in New York, consummated the final agreement on the transfer of a majority interest in the Chrysler Group and the related North American financial services business to Cerberus (closing).

CG Investor LLC, a subsidiary of Cerberus Capital Management, has made a capital contribution of EUR 5.2 billion (US \$7.2 billion) in return for an 80.1% equity interest in Chrysler Holding LLC. DaimlerChrysler holds a 19.9% equity interest in this new company. Chrysler Holding LLC holds 100% of both Chrysler LLC, which produces and sells Chrysler, Jeep® and Dodge vehicles, and Chrysler Financial Services LLC, which provides financial services for these vehicles in the NAFTA region.

DaimlerChrysler transferred the industrial business of the Chrysler Group to Cerberus completely free of debt at the time when the transaction was completed.

The Chrysler Group's financial obligations towards its employees and the employees of Chrysler Financial Services for pensions and healthcare benefits are retained by the Chrysler companies. DaimlerChrysler has provided a guarantee of US \$1 billion to be paid in the event that the Chrysler Group's pension plans terminate within the next five years. The pension plans are significantly over-funded at present.

In June, DaimlerChrysler redeemed three long-term bonds ahead of schedule in accordance with the contractual conditions and announced a redemption offer for an additional bond. This resulted in a prepayment penalty of approximately EUR 0.4 billion. There are no changes to the other bonds issued and guaranteed by DaimlerChrysler AG. In the financial services business of the Chrysler, Jeep® and Dodge brands, Cerberus took over the financing from DaimlerChrysler AG when the transaction was closed; this led to a cash inflow of EUR 25.6 billion.

In light of highly volatile US loan markets DaimlerChrysler and Cerberus have agreed to support the financing of the majority takeover of Chrysler by Cerberus. Both companies will subscribe US \$2 billion of second-lien loan for Chrysler's automotive business, to be drawn within 12 months. DaimlerChrysler's portion will be US \$1.5 billion. The debt will be priced at market conditions. The maturity of this loan is 7 years. As of August 3, 2008, DaimlerChrysler has the right to sell this loan in the credit market.

DaimlerChrysler's 19.9% interest in Chrysler Holding LLC will be included in the Van, Bus, Other segment using the equity method of accounting as of the third quarter of 2007.

3. Description of Related Companies

The material change regarding to the Chrysler Group has already been described under "2. Contents of Business". For further details please refer to note 2 and note 3 to the Unaudited Interim Condensed Consolidated Financial Statements.

4. Description of Employees (as of June 30, 2007)

At the end of the first half of 2007, 271,486 people were employed in the Group's continuing operations (end of June 2006: 279,018). Of this total, 166,581 were employed in Germany and 24,559 were employed in the United States (end of June 2006: 169,582 and 28,598 respectively).

The size of the workforce decreased compared to employment figures at the end of the first half of 2006, mainly due to the implementation of the new management model. By the end of June 2007, approximately 2,700 employees had signed contracts. The number of employees at the Mercedes Car Group decreased slightly by 1% over the previous twelve months. The Truck Group had to reduce its staffing levels due to the anticipated lower demand in the NAFTA region (-4%). The number of persons employed at Financial Services was also lower than a year earlier (-5%).

The table below provides the number of employees by segments as of June 30, 2007:

Number of Employees	As of June 30	
	2007	2006
Mercedes Car Group	97,634	98,635
Truck Group	80,853	83,922
Financial Services	6,649	6,986
Van, Bus, Other	35,056	34,073
Other*	51,294	55,402
DaimlerChrysler Group	271,486	279,018

* Includes the Group's corporate functions and sales & marketing organization.

III. Description of Business

1. Outline of Business Results, etc.

a) Transition to IFRS

Starting with the 2007 financial year, DaimlerChrysler has changed over its financial reporting from US GAAP to IFRS.

The performance measure operating profit, which was previously used to report the profitability of the Group and its divisions, has now been replaced by EBIT (earnings before interest and taxes) as shown in the income statement.

This EBIT is the measure of segment profit/loss used in segment reporting according to IFRS 8 and comprises gross profit, selling and general administrative expenses, research and non-capitalized development costs, other operating income, net and share of profit (loss) from companies accounted for using the equity method, net, as well as other financial income (expense), net.

The main changes between EBIT and former operating profit relate to (i) differences between previous GAAP and IFRS, (ii) the complete incorporation of the share of profit (loss) from companies accounted for using the equity method, net, (iii) the incorporation of all other financial income (expense), net in EBIT, (iv) the implementation of an accounting policy for revenue recognition for sales between the industrial business segments and the Financial Services segment which is in accordance with IFRS, and (v) the exclusion of earnings from discontinued operations before taxes.

The expenses for corporate research activities, which were previously shown in the Van, Bus, Other segment, are now allocated directly to the relevant segments. The prior-year figures have been adjusted to the new structure for comparative purposes. The changeover to IFRS does not affect the management of the Group or the return targets of the divisions.

b) Changes in segmentation

With the approval of the Supervisory Board to transfer a majority interest in the Chrysler Group and the related financial services business in North America to a subsidiary of Cerberus Capital Management on May 16, 2007, these units have been presented in the Group's income statements as "discontinued operations". The structure of segment reporting has been changed accordingly; the earnings measure EBIT, shown in the following tables, applies solely to the Group's continuing operations. The prior-year figures have been adjusted to the new segment reporting structure. The operating results of the Chrysler Group and the related financial services business are included under "net profit (loss) from discontinued operations".

The structure of the consolidated balance sheet at June 30, 2007 is significantly impacted by the disposal of Chrysler Group activities and the related financial services business in North America. All of the assets and liabilities of these operations are presented as "assets held for sale" or "liabilities held for sale" in separate lines of the balance sheet. The consolidated balance sheet at December 31, 2006 remains unchanged, however. For further details, please read the comments under section "(c) DaimlerChrysler Group" in subsection "Balance Sheet Structure" hereunder.

The reporting structure used in this report already reflects the new structure of the future Daimler Group. The Group is conducting its business activities through the following segments: Mercedes Car Group (d); Truck Group (e); Financial Services (f); and Van, Bus, Other (g). The figures shown for the Financial Services division no longer include the financial services related to Chrysler in the NAFTA region. Chrysler and the related financial services business are reported as “discontinued operations”. The following table sets forth revenues and earnings (loss) before interest and taxes (EBIT) for each segment:

	1st half ended June 30			
	2007		2006	
	Revenues	EBIT	Revenues	EBIT
(amounts in millions of EUR)				
Mercedes Car Group	24,628	1,996	24,434	(45)
Truck Group	14,220	1,129	15,869	1,007
Financial Services	4,247	434	4,027	439
Van, Bus, Other	6,258	2,129	6,426	1,487
Reconciliation / Elimination	(2,139)	(262)	(2,792)	(269)
Total	47,214	5,426	47,964	2,619

c) DaimlerChrysler Group

Unit Sales and Revenues

The Mercedes Car Group and Truck Group divisions and the Vans and Buses units sold a total of 976,600 vehicles in the first six months of this year (H1 2006: 1,002,100).

Unit sales by the Mercedes Car Group of 591,200 vehicles were slightly lower than in the first half of 2006 (607,000). As expected, the Truck Group’s first-half sales of 231,300 units were below the prior-year level (-6%) due to weak demand for trucks in the United States, Canada and Japan. The Vans unit continued its very positive development and increased its unit sales by 8% to 135,500 vehicles. DaimlerChrysler Buses slightly exceeded its very high unit sales of the prior-year period, selling 18,600 buses and chassis (H1 2006: 18,100). The Financial Services division increased its contract volume by 8% to EUR 58.1 billion; adjusted for exchange-rate effects, its portfolio grew by 10%.

In the first half of 2007, the Group’s revenues decreased by 2% to EUR 47.2 billion; adjusted for exchange-rate effects and changes in the consolidated group, revenues increased by 1%.

EBIT

For the first six months of 2007, DaimlerChrysler achieved EBIT of EUR 5,426 million, an increase of EUR 2,807 million compared to the EBIT recorded for the prior-year period.

This EBIT improvement is primarily due to the Mercedes Car Group, whose earnings development was positively impacted by the realized efficiency improvements and a more favorable sales structure. In addition, the prior-year result was reduced by expenses of EUR 1,218 million related to the discontinuation of the smart forfour as well as staff reductions at the Mercedes Car Group. Furthermore, financial support provided to suppliers by the Mercedes Car Group in the first half of 2007 resulted in expenses of EUR 82 million.

Despite its lower level of unit sales, the Truck Group also improved its EBIT in the first six months by EUR 122 million to EUR 1,129 million. Financial Services' operating result of EUR 434 million was at the prior-year level.

The Van, Bus, Other segment's first-half EBIT improvement of EUR 642 million is primarily a result of exceptional gains realized in connection with our equity interest in EADS (H1 2007: EUR 1,524 million; H1 2006: EUR 756 million), but is reduced by expenses of EUR 114 million in the first quarter of 2007 incurred in connection with the Power8 restructuring program at EADS. The result for the first quarter of 2006 also included a gain of EUR 238 million from the disposal of the off-highway business.

The positive effect on earnings resulting from the optimized utilization of our production equipment amounted to EUR 440 million in the first half of 2007; of that total, EUR 303 million is attributable to the Mercedes Car Group, EUR 58 million to the Truck Group and EUR 79 million to Van, Bus, Other.

The special items shown in the table below influenced EBIT in the first six months of the years 2007 and 2006:

Special items effecting EBIT	1st half ended June 30	
	2007	2006
(amounts in millions of EUR)		
Mercedes Car Group		
Financial support for suppliers	(82)	—
Discontinuation of smart forfour	—	(995)
Headcount reductions in the context of CORE	—	(223)
Truck Group		
Sale of real estate properties in Japan	68	—
Van, Bus, Other		
Income/expenses relating to the transfer of interest in EADS	1,524	756
Restructuring program at EADS	(114)	—
Disposal of the off-highway business	—	238
Reconciliation / Elimination		
New management model	(93)	(137)

Net profit

Unaudited Consolidated Statements of Income (amounts in millions of EUR)	1st half	
	2007	2006
Revenues	47,214	47,964
Cost of sales	(36,102)	(38,163)
Gross profit	11,112	9,801
Selling expenses	(4,153)	(4,604)
General administrative expenses	(1,825)	(2,103)
Research and non-capitalized development costs	(1,473)	(1,590)
Other operating income, net	210	225
Share of profit from companies accounted for using the equity method, net	1,679	333
Other financial income (expense), net	(124)	557
Earnings before interest and taxes (EBIT)¹	5,426	2,619
Interest income (expense), net	190	(143)
Profit before income taxes	5,616	2,476
Income tax expense	(1,458)	(470)
Net profit from continuing operations	4,158	2,006
Net profit (loss) from discontinued operations	(337)	921
Net profit	3,821	2,927
Minority interest	(53)	(29)
Profit attributable to shareholders of DaimlerChrysler AG	3,768	2,898

Interest income. The improvement in interest income (expense), net, in the first six months of this year by EUR 333 million to EUR 190 million was mainly the result of the positive development of net liquidity, but also benefited from improved results from the valuation of derivative financial instruments.

Income tax expense. Income tax expense amounted to EUR 1,458 million (H1 2006: EUR 470 million). The relatively low income tax expense in both periods is due to the composition of earnings before taxes, which included the largely tax-free gains realized in connection with the transfer of interest in EADS.

Net profit from continuing operations. At EUR 4,158 million, net profit from continuing operations was significantly higher than the prior-year result of EUR 2,006 million. The improvement is mainly due to the development of the EBIT and, to a lesser extent, the result of improved net interest income (expense). Earnings per share were EUR 3.97 (H1 2006: EUR 1.94).

Net profit (loss) from discontinued operations. In the first half of the year, the Group posted a net loss from discontinued operations of EUR 337 million (H1 2006: net profit of EUR 921 million). Included in the loss of 2007 is an extinguishment loss after tax of EUR 0.3 billion resulting from the early redemption of long-term debt of the Chrysler Group. Furthermore, charges of EUR 919 million before taxes resulting from the Chrysler Group's Recovery and Transformation Plan burdened the result from discontinued operations in 2007.

¹ EBIT includes expenses from compounding of provisions (H1 2007: EUR 207 million; H1 2006: EUR 169 million).

Net profit. In the first six months of 2007, net profit amounted to EUR 3,821 million and earnings per share amounted to EUR 3.64 (H1 2006: EUR 2,927 million and EUR 2.84, respectively).

DaimlerChrysler anticipates a charge against earnings in the magnitude of EUR 3 billion as a consequence of transferring a majority interest in the Chrysler activities in the third quarter of 2007. This charge results primarily from the valuation of deferred tax assets which are recognized at DaimlerChrysler. It will be necessary to assess the recoverability of these deferred tax assets due to the Chrysler-transaction.

Furthermore, due to the reduction in the German income-tax rate as part of the German Corporation Tax Law Reform Act in 2008, there will be a one-time deferred tax expense in the third quarter of 2007 due to the impairment of deferred tax assets in Germany when the new tax rate is applied. DaimlerChrysler is currently calculating the effects of this change.

Cash Flow

The presentation of cash flows has not changed compared to the prior-year period, and also includes the cash flows of the discontinued Chrysler operations.

Cash flow provided by operating activities. Cash flow provided by operating activities in the first half of 2007 amounted to EUR 7.6 billion, almost unchanged compared to the first half of last year. Compared with the prior-year period, especially the business development of the Chrysler Group had a negative impact. Positive effects resulted from lower severance payments in the context of the CORE staff-reduction program (EUR 0.6 billion), partially offset by payments of EUR 0.2 billion in connection with the implementation of the new management model. There were additional positive effects from lower tax payments. Overall, cash provided by operating activities includes EUR 3.0 billion (2006: EUR 5.3 billion) attributable to discontinued operations. Without these effects, there would have been an increase of EUR 2.3 billion compared to the prior-year period.

Cash used for investing activities. Cash used for investing activities of EUR 1.2 billion was significantly lower than in the first half of 2006 (EUR 7.2 billion). The change is primarily due to the cash inflows resulting from the transfers of equity interests in EADS (EUR 3.5 billion), compared with cash inflows from the disposal of the off-highway business (EUR 0.8 billion) in the prior-year period. In addition, there were further cash inflows from the sale of real-estate properties by Mitsubishi Fuso Truck and Bus Corporation (EUR 1.0 billion) as well as from the sale of receivables from the leasing and sales-financing business (EUR 0.7 billion). Lower investments than in the prior-year period in property, plant and equipment and leased vehicles by the financial services business also contributed to this general development. The discontinued operations accounted for a cash outflow of EUR 1.8 billion (2006: EUR 4.9 billion).

Cash used for financing activities. Cash used for financing activities amounted to EUR 7.0 billion in the first half of this year (2006: EUR 2.3 billion). In both periods, the cash outflow was related to the payment of the dividend for the respective previous year as well as the (net) repayment of financial liabilities. However, there were opposing effects – particularly in the period under review – from cash inflows connected with the exercise of stock options.

Cash and cash equivalents. Cash and cash equivalents with an original maturity of three months or less at June 30, 2007 were EUR 0.7 billion higher than at December 31, 2006, after taking currency translation effects into consideration. Total liquidity, which also includes deposits and marketable securities with an original maturity of more than three months, decreased by EUR 0.9 billion to EUR 13.5 billion.

Share buyback program. On August 29, 2007, the Supervisory Board of DaimlerChrysler AG approved a share buyback program so that available liquidity can be used to optimize the company's capital structure. It is planned to acquire nearly to 10% of the outstanding shares for a maximum total price of EUR 7.5 billion by the end of August 2008.

Balance Sheet Structure

The structure of the consolidated balance sheet at June 30, 2007 is significantly impacted by the disposal of Chrysler Group activities and the related financial services business in North America. All of the assets and liabilities of these operations are presented as "assets held for sale" or "liabilities held for sale" in separate lines of the balance sheet. The consolidated balance sheet at December 31, 2006 remains unchanged, however.

Within the context of classifying "liabilities held for sale", there are some specific effects related to the Group's internal refinancing of the financial services business; the Group's internal financing liabilities of these activities were repaid by the purchaser at the closing of the transaction, and at June 30, 2007 were presented solely in the balance sheet of the financial services business as "liabilities held for sale". As the Group will not repay the related external financial liabilities directly in the context of the transaction, these financing liabilities have not been reclassified in the consolidated balance sheet as "liabilities held for sale". Accordingly, the liabilities held for sale of the industrial business were reduced and reclassified as financial liabilities of the industrial business. At August 3, 2007, the Group received a cash inflow of EUR 24.7 billion from the repayment of the internal financing liabilities.

The balance-sheet total did not change as a result of the reclassification of assets and liabilities held for sale; compared to December 31, 2006, there was a decrease of EUR 2.4 billion due to currency effects.

The Group's Equity was EUR 3.8 billion higher than at December 31, 2006. Besides net profit, positive effects on equity resulted mainly from the increase in minority interests caused by the issuance of equity interests in a subsidiary that holds an interest in EADS. The exercise of stock options also had a positive effect on equity. These increases were partially offset by the valuation of derivative financial instruments (with no impact on earnings).

The Group's equity ratio at June 30, 2007 was 19.1% (December 31, 2006: 16.5%); the increase is primarily due to the increase in equity and the slight decrease in total assets. The equity ratio for the industrial business was 33.1% (December 31, 2006: 27.2%).

Outlook for the Group (See note (5) under the Table of Contents)

The statements made in the Outlook section of this interim report are based on the current assessments of the management. In turn, these assessments are based on the expectations for general economic developments described below, which are in line with assessments issued by renowned economic research institutes. Expectations for business developments reflect the opportunities and risks arising from market conditions and the competitive situation until the end of the year.

With regard to existing risks, we refer to the statements made in our Annual Report 2006 and the 2006 Consolidated Financial Statements according to IFRS, as well as note 5 to the Table of Contents in this report. With the transfer of a majority interest in the Chrysler Group and the related financial services business, the future Daimler Group will be significantly less dependent on the volatile North American volume market for passenger cars. In addition, the transfer considerably reduces risks related to existing pension plans and healthcare obligations as well as risks associated with pending lawsuits.

DaimlerChrysler assumes that although the growth of the world economy will continue to decelerate slightly towards the end of the year, solid growth of approximately 3.5% can be expected in 2007 (2006: 4.1%). While we anticipate a rate of 2.2% in North America, higher rates are expected for Western Europe (+2.6%), Japan (+2.3%) and especially the dynamic growing emerging markets (+6.6%). Of these emerging markets, Asia is likely to deliver the biggest growth stimulus for the world economy. However, current uncertainty in international finance markets may give rise to risks for the ongoing development.

In the second half of this year, we expect the expansion of global automotive markets – for both passenger cars and commercial vehicles – to slow down compared to the same period of 2006. This is primarily due to developments in the triad markets. In full-year 2007, demand for passenger cars in the markets of North America, Western Europe and Japan is likely to fall slightly. However, we anticipate significant increases in demand for both passenger cars and commercial vehicles in the emerging markets of Asia and Latin America, as well as in Eastern Europe. Demand for trucks in North America is expected to fall sharply. The market volume for trucks in Japan should also be significantly lower than in the prior year. In view of the positive economic conditions in Western Europe, we anticipate slightly positive market developments. Total global demand for passenger cars and commercial vehicles should increase by approximately 3% in 2007 (2006: 4%).

For full-year 2007, we anticipate unit sales in a similar magnitude to the prior year (2006: 2.1 million vehicles).

The Mercedes Car Group continues to assume that its unit sales in the year 2007 should at least be equal to the record level of the prior year. Following the launch of two high-volume models in spring – the new C-Class sedan and the new smart fortwo, the station-wagon version of the C-Class will be presented at the Frankfurt Motor Show in September and will be available for sale by the end of the year. We will continue to implement the CORE efficiency-improvement program in order to achieve profitable growth and create sustained value. For full-year 2007, the Mercedes Car Group expects to achieve a return on sales of significantly more than 7%. Despite increased expenditure for more efficient and alternative drive systems, we aim to increase the return on sales to 10% by the year 2010.

The Truck Group anticipates significantly lower unit sales in 2007 than in the prior year. This is primarily due to a sharp drop in demand caused by stricter emission regulations in the United States, Canada and Japan. However, there will be positive effects from rising unit sales in Europe and Latin America and from the implementation of the Global Excellence Program. Earnings are expected to be in the magnitude of the level achieved in 2006 despite market decline in the United States and Japan.

The Financial Services division anticipates a stable development of business and earnings during the rest of the year. The separation of the financial services business in the NAFTA region will cause additional expenses. Financial Services, however, assumes that it will achieve a return on equity of more than 14% once again in full year 2007.

As a result of strong demand for the Sprinter and the very positive development of the Vito/Viano models, we expect unit sales of vans to increase compared to the year 2006. And despite cyclical market downturns in some key bus markets, we anticipate unit sales of buses at the high level of the prior year due to very positive market developments in Latin America.

For the Group, we anticipate total revenues in the same magnitude as in 2006 (EUR 99 billion).

The size of the workforce is likely to continue decreasing throughout the year as a result of the staff-reduction programs that have already been initiated.

We expect the Group in its new structure to achieve EBIT in the magnitude of EUR 8.5 billion in full-year 2007 (2006: EUR 5.0 billion). Significant special factors affecting earnings in 2007 are the gain of EUR 1.4 billion realized on the transfer of interest in EADS and charges of EUR 0.3 billion resulting from the implementation of the new management model.

d) Mercedes Car Group

Amounts in millions of EUR	1st half 2007	1st half 2006	% change
EBIT	1,996	(45)	—
Revenues	24,628	24,434	+1
Unit Sales	591,209 ¹	606,959	-3
Production	612,195	629,883	-3
Employees (June 30)	97,634	98,635	-1

Sales and Revenues

The Mercedes Car Group sold 591,200 vehicles in the first six months of the year, compared to 607,000 in the first half of 2006. Despite lower unit sales, revenues increased slightly by 1% to EUR 24.6 billion.

¹ Including 5,216 Mitsubishi L200 pickups and Pajeros made in South Africa; these vehicles were reported in the Van, Bus, Other segment in the prior year.

Mercedes-Benz brand. First-half sales of 543,500 Mercedes-Benz brand passenger cars were 1% below the high prior-year figure. C-Class sales were at 163,300 units. The decrease of 1% was for model-lifecycle reasons and reflects a 6% decrease in the first quarter and an increase of 4% in the second quarter. The new C-Class sedan was launched throughout Europe on March 31, 2007. 17,200 of the new C-Class model were sold in June alone, although it has not been launched in other major markets and additional engine versions before August. With sales of 52,700 units (H1 2006: 52,300), the S-Class was once again the clear market leader in the luxury segment in the first half. Sales of the new-generation E-Class rose by 10% to 110,100 vehicles. In the SUV segment, however, unit sales decreased by 1% to 82,000 vehicles of the M-/R-/GL- and G-Class. Unit sales of 135,100 A- and B-Class cars were lower than the high prior-year figure for lifecycle reasons (H1 2006: 146,600).

smart brand. As expected, unit sales of the smart brand decreased to 42,500 units due to the discontinuation of the smart forfour and the model change of the smart fortwo at the end of March (H1 2006: 60,700). Unit sales of the new smart fortwo have been developing very positively. Second-quarter unit sales of the smart fortwo increased by 44% compared with the prior year.

In Western Europe, unit sales were 6% below the prior year's level. While Western European sales decreased 11% in the first quarter, second quarter unit sales were of the same magnitude as in the prior-year quarter, reflecting important model changeovers in that region in March 2007 and the discontinuation of the smart forfour. Shipments to dealers in the United States decreased in anticipation of the changeover to the 2008 model year by 8%. Growth of unit sales was particularly strong in Eastern Europe and China.

EBIT

For the first six months, the Mercedes Car Group achieved EBIT of EUR 1,996 million, which was a significant increase compared with the loss of EUR 45 million in the same period of last year. The prior-year result was substantially impacted by charges relating to the discontinuation of the smart forfour (EUR 995 million) and expenses for headcount reductions in the context of the CORE program (EUR 223 million). In the first half of 2007, financial support for troubled suppliers led to charges of EUR 82 million.

Even without the effects of these special items, the Mercedes Car Group still increased its operating results significantly. This improvement resulted from the positive development of the sales structure as well as from efficiency improvements achieved as a part of the CORE program. However, EBIT was reduced by exchange-rate effects during the first half.

e) **Truck Group**

Amounts in millions of EUR	1st half 2007	1st half 2006	% change
EBIT	1,129	1,007	+12
Revenues	14,220	15,869	-10
Unit Sales	231,272	245,783 ¹	-6
Production	232,480	244,448	-5
Employees (June 30)	80,853	83,922	-4

Unit sales and Revenues

The Truck Group sold 231,300 vehicles in the first six months of this year, which as expected was lower than the high prior-year figure (H1 2006: 245,800). This was primarily due to a drop in demand caused by stricter emission regulations in the United States, Canada and Japan. Revenues of EUR 14.2 billion were 10% below the figure for the first half of last year.

Trucks Europe/Latin America. Trucks Europe/Latin America's unit sales increased 10% to 73,400 vehicles. The sales trend was particularly positive in Latin America (+24%) and Eastern Europe (+25%). In Western Europe, however, 1% fewer trucks were sold than in the prior-year period.

Trucks NAFTA. Trucks NAFTA sold 70,600 vehicles of the Freightliner, Sterling, Western Star and Thomas Built Buses brands, compared with 91,500 units in the first half of the prior year. The substantial decrease in unit sales is primarily a result of the EPA07 emission regulations, which came into effect this year and led to purchases being brought forward to 2006.

Trucks Asia. Trucks Asia sold 87,400 vehicles of the Mitsubishi Fuso brand (H1 2006: 88,400). Unit sales recovered from the market slump of the prior year in Indonesia and also increased significantly in the Middle East and Australia. In Japan, however, unit sales decreased by 13% to 28,700 vehicles. The decrease was primarily caused by exceptionally high demand during the previous year.

EBIT

The Truck Group posted half-year EBIT of EUR 1,129 million (H1 2006: EUR 1,007 million). Earnings were positively impacted by the development of unit sales in Europe and Latin America, improved product positioning and further efficiency improvements. On the other hand, there were negative effects from lower truck sales in the NAFTA region and in Japan. The sale of real-estate properties in Japan resulted in a capital gain of EUR 68 million in the first half of 2007.

¹ The figure reported last year for unit sales in the first half of 2006 included an additional 12,120 Sprinter vans produced by Trucks NAFTA.

Cooperation agreement signed with Foton

In January, DaimlerChrysler and Chinese truck manufacturer Foton signed an agreement by which DaimlerChrysler acquires a 24% equity interest in Foton. In addition, a memorandum of understanding was signed on a feasibility study concerning cooperation on the production and distribution of medium-duty and heavy-duty trucks. The relevant approval from the Chinese Economics Ministry is expected to be granted in the course of this year.

Reorganization of Mitsubishi Fuso's dealer network

In April, Mitsubishi Fuso Truck and Bus Company (MFTBC) started to develop a new sales and service organization in Japan to improve the quality, speed and efficiency of its customer service. Operating times are being extended to nights and weekends, and additional vehicles are being deployed for mobile service. In line with focusing on its core business, MFTBC disposed of 184 real-estate properties in Japan in June 2007. However, these properties will continue to be available for dealer operations through lease-back agreements.

f) **Financial Services**

Amounts in millions of EUR	1st half 2007	1st half 2006	% change
EBIT	434	439	-1
Revenues	4,247	4,027	+5
New Business	14,116	13,968	+1
Contract Volume	58,120	54,065	+8
Employees (June 30)	6,649	6,986	-5

Due to the disposal of the North American financial services business related to Chrysler, which took effect with the closing of the transaction on August 3, the figures for the Financial Services division are shown for the first time without Chrysler Financial. The prior-year figures have been adjusted accordingly.

Contract Volume & New Business

The business development of Financial Services was generally stable in the first six months of 2007. By the end of the first half, contract volume increased by 8% to EUR 58.1 billion. Adjusted for exchange-rate effects there was an increase of 10%. New business increased slightly from EUR 14.0 billion to EUR 14.1 billion; adjusted for exchange-rate effects there was an increase of 5%.

Europe, Africa & Asia/Pacific. Contract volume in the region Europe, Africa & Asia/Pacific of EUR 33.2 billion surpassed the high prior-year figure by 6%. Developments were particularly dynamic in the United Kingdom and South Africa. Within Europe, we further harmonized our business systems and processes. In Germany, DaimlerChrysler Bank's portfolio grew to EUR 16.1 billion (end of H1 2006: EUR 15.4 billion). The total deposit volume increased significantly over the

previous year to EUR 3.8 billion (+17%).

Americas region. One of the main features in the Americas region was the preparation to separate Chrysler Financial. In order to ensure a smooth transition and the full functionality of both units, we deployed an Operations Committee and Workstream Teams comprising members of both organizations.

The contract volume in the Americas region amounted to EUR 20.9 billion at the end of the first half (end of H1 2006: EUR 19.6 billion). Adjusted for exchange-rate effects, the portfolio grew by 12%.

Truck Financial supports the sales of the new Freightliner Cascadia truck with special financing offers, a leasing model, and a filling-station card supplied with a starter credit balance. Already at the beginning of the year, the CompleteLease product launched in 2006 was extended to Sterling dealerships. The mobility package combines financing or leasing with an appropriate maintenance and repair contract. The goal of the program is to take a large share of the growth market of small to medium-sized commercial fleets.

EBIT

The Financial Services division posted EBIT of EUR 434 million in the first six months of the year (H1 2006: EUR 439 million). Despite rising interest rates in Europe, earnings were of the same magnitude as the high result of the prior-year period, partially due to the release of certain valuation allowances in the non-automotive financial services business. In addition, earnings were partially impacted by currency effects. These effects, however, were almost offset by an increased profit contribution of the slightly increased portfolio.

g) Van, Bus, Other

Amounts in millions of EUR	1st half 2007	1st half 2006	% change
EBIT	2,129	1,487	+43
Revenues Segment	6,258	6,426	-3
Revenues Vans	4,343	3,978	+9
Revenues Buses	1,889	1,877	+1
Unit Sales Vans	135,526	125,298	+8
Unit Sales Buses	18,640	18,135	+3

The Van, Bus, Other segment primarily comprises the Vans and Buses units, our equity interest in EADS, and our real-estate activities. In the future, this segment will also include our equity interest in Chrysler Holding LLC.

EBIT

The Van, Bus, Other segment posed first half EBIT of EUR 2,129 million, compared to EUR 1,487 million on the prior year. The earnings improvement was primarily due to gains realized in connection with the Group's equity interest in EADS.

In the first half of 2007, the execution of a derivatives transaction in connection with the transfer of a 7.5% equity interest in EADS led to a gain of EUR 762 million. There was an additional gain of EUR 724 million, resulting from the issue of equity interests in a subsidiary that holds the EADS shares. The valuation of a hedging transaction relating to a 3% interest in EADS led to a positive effect of EUR 38 million (H1 2006: gains of EUR 168 million). In the first half of 2006, changes in the valuation of financial instruments used to hedge the price of EADS shares resulted in gains of EUR 756 million; most of this valuation gain was accounted for by a derivative transaction that was finally concluded in the first quarter of 2007.

DaimlerChrysler's interest in the earnings of EADS amounted to EUR 1,784 million in the first half of 2007, compared to EUR 996 million in the prior year period. This includes expenses of EUR 114 million incurred in the first half of 2007 in connection with the Power8 restructuring program at EADS.

The Van and Bus units posted positive results once again. EBIT at Mercedes-Benz Vans developed positively compared with the first half of the prior year. This is partially due to the launch of the new Sprinter in the prior-year. The Buses unit improved its operating result due to positive business development especially in Latin America which could partially offset negative effects like material prices and unfavorable currencies.

The result of the prior-year first half was positively affected by EUR 238 million from the disposal of the off-highway business.

Vans

The Mercedes-Benz Vans unit increased its unit sales by 8% compared with the prior-year period to 135,500 vehicles. Due to the high demand for the new Sprinter, production capacities in the Düsseldorf and Ludwigsfelde plants are fully utilized. 80,358 Sprinter vans were sold worldwide during the first six months of the year, compared to 75,834 in the prior year. With the production start of the new Sprinter in Buenos Aires in February and Charleston (South Carolina) in March, we have created the right conditions for the new Sprinter to continue the success story of the previous model.

Unit sales of the Vito/Viano models rose by 13% to 52,862 vehicles. Demand for the Viano was particularly strong in the first half, leading to a 34% increase in sales to 11,050 units. In the first half of the year, also unit sales of the Vario van were on previous year's level with 2,200 units.

Buses

DaimlerChrysler Buses sold 18,600 buses and chassis of the Mercedes-Benz, Setra and Orion brands in the first half, surpassing the prior-year figure by 3% and thus maintaining its worldwide market leadership.

The increase in unit sales is primarily due to positive developments in Latin America (+12%), the NAFTA region (+8%) and Eastern Europe (+14%). However, it was not possible to reach the high level of the prior year in Western Europe (-11%), which was mainly driven by strong registrations due to the analogue tachograph deadline in April 2006.

The Buses unit received several major orders in the first half of the year. One of them was to supply 600 Mercedes-Benz Intouro interurban buses to a customer in the Czech Republic until the end of 2009. Another one was an order to supply 285 Mercedes-Benz and Setra buses to the city transport service of German Railways, to be delivered before the end of this year.

EADS

EADS profited from the ongoing strong demand for civil aircraft in the first half of 2007. Airbus received orders for 680 aircraft in the first six months of 2007 (H1 2006: 117). Deliveries of 231 aircraft were slightly higher than in the prior-year period (H1 2006: 219). As of June 30, 2007, there was an order backlog of 2,925 Airbus aircraft (June 30, 2006: 2,055).

2. Results of Production, Orders Received and Sales

Unit sales and revenues have already been discussed under “III. Description of Business, 1. Outline of Business Results, etc.” Therefore, the tables below just show the unit sales by regions and the total number of production for the Mercedes Car Group and the Truck Group.

Mercedes Car Group

Unit sales	1 st half 2007	1 st half 2006	% change
Western Europe	368,057	389,857	-6
Germany	161,845	166,567	-3
United States	104,760	113,373	-8
Japan	19,310	24,755	-22
Other markets	99,082	78,974	+25
Unit Sales	591,209¹	606,959	-3
Production	612,195	629,883	-3

Truck Group

Unit sales	1 st half 2007	1 st half 2006	% change
Western Europe	40,058	41,330	-3
Germany	17,844	18,036	-1
United States	58,878	80,551	-27
Latin America (excl. Mexico)	25,130	19,529	+29
Asia	65,453	65,603	-0
Other markets	41,753	38,770	+8
Unit Sales	231,272	245,783²	-6
Production	232,480	244,448	-5

¹ Including 5,216 Mitsubishi L200 pickups and Pajeros made in South Africa; these vehicles were reported in the Van, Bus, Other segment in the prior year.

² The figure reported last year for unit sales in the first half of 2006 included additional 12,120 Sprinter vans produced by Trucks NAFTA.

3. Matters to be Dealt with

The material contracts, agreements, business developments and competition are described under:

- “2. Contents of Business” in “II. Outline of Business”,
- “5. Activities on Research and Development” in “III. Description of Business”,
- “2. Plans for Installation and Removal of Facilities” in “IV. Conditions of Facilities”,
- and note 2 to note 4 to the Unaudited Interim Condensed Consolidated Financial Statements included in this document.

Furthermore, the automotive industry is subject to extensive government regulation. Laws in various countries regulate the emission levels, fuel economy, noise, and safety of vehicles, as well as the levels of pollutants generated by the plants that produce them. These regulations often impose differing standards and substantial testing and certification requirements. The cost of complying with these varying regulations can be significant, and we expect to incur significant compliance costs in the future. We recognize, however, that leadership in environmental protection and safety is an increasingly important competitive factor in the marketplace.

For a full description of risk factors influencing the Group’s business development, please refer to section “III. Description of Business” subsection “4. Risk Factors” of the Securities Report filed on May 11, 2007 and consider note 5 of the Table of Contents of this document.

4. Material Contracts Relating to Business

On August 3, 2007, DaimlerChrysler and Cerberus Capital Management, L.P., a private equity firm based in New York, consummated the final agreement on the transfer of a majority interest in the Chrysler Group and the related North American financial services business to Cerberus.

For further information about the transfer of the majority interest in the Chrysler Group, please refer to “2. Contents of Business” under “II. Outline of the Company”. In addition, please read note 3 to the Unaudited Interim Condensed Consolidated Financial Statements.

5. Activities on Research and Development

In the first half of 2007, DaimlerChrysler spent a total of EUR 1.8 billion on research and development (H1 2006: EUR 1.9 billion). Total research and development costs reached 4% of the Group’s total revenues. EUR 0.3 billion or 18% of the research and development costs have been capitalized.

The Group’s activities on research and development did not change material, compared to those described in the Securities Report filed on May 11, 2007.

IV. Conditions of Facilities

1. Conditions of Major Facilities

No material change during the six-month period ended June 30, 2007.

2. Plans for Installation and Removal of Facilities

No material change during the six-month period ended June 30, 2007. However, to be able to react quickly to fluctuations in demand, over the coming years and as part of the efficiency-improvement programs at the Mercedes Car Group, the Truck Group, and our van and bus businesses, the automotive divisions will further improve its manufacturing flexibility and modernize its production equipment.

V. Description of the Company

1. Description of Shares, Etc.

(1) Total Number of Shares, Etc. (as of June 30, 2007)

<u>(i) Authorized number of Shares:</u>	1,634,474,140	
Issued and outstanding Shares:	1,054,133,171	
Shares not yet issued:	580,340,969	
	192,307,692	(authorized capital I)
	192,307,692	(authorized capital II)
	10,000,000	(authorized capital III)
	115,384,615	(conditional capital I)
	54,691,020	(conditional capital II)
	15,649,950	(residually conditional capital III)

Authorized Capital I: The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of EUR 500,000,000.00, in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash contributions.

Authorized Capital II: The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of EUR 500,000,000.00, in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for non-cash contributions.

Authorized Capital III: The Board of Management is authorized to increase the capital stock of the corporation through April 8, 2008 by a total of EUR 26,000,000.00, in one lump sum or by separate partial increases at different times, upon the approval of the Supervisory Board, by issuing new, no par value registered shares in exchange for cash or non-cash contributions in order to issue the new shares to employees of DaimlerChrysler AG and its subsidiaries. The shares to be issued to employees of DaimlerChrysler AG and its subsidiaries may also be procured as part of securities lending, and the new shares may be used to fulfill the obligations arising from this securities lending.

Conditional Capital I: The capital stock of the corporation shall be conditionally increased by an amount not to exceed EUR 300,000,000.00. The conditional capital increase shall be undertaken only to the extent that

- a) the holders or creditors of conversion rights or option certificates attached to the convertible bonds and notes with warrants to be issued by DaimlerChrysler AG or its majority owned direct or indirect subsidiaries up to April 5, 2010, in accordance with the enabling resolution of the Annual Meeting of the Shareholders on April 6, 2005, actually exercise their conversion or option rights or

- b) the holders or creditors of the convertible bonds to be issued by DaimlerChrysler AG or its majority-owned direct or indirect subsidiaries up to April 5, 2010, in accordance with the enabling resolution of the Annual Meeting of the Shareholders on April 6, 2005, fulfill their conversion obligation.

Conditionally Capital II: The capital stock of the corporation shall be conditionally increased by an amount not to exceed EUR 142,196,652.00 through the issuance of up to 54,691,020 no par value registered shares. The conditional capital increase shall be undertaken only to the extent that the holders of option rights, issued by DaimlerChrysler AG in the period up to April 18, 2005, in conformity with the resolution passed at the Annual Meeting held on April 19, 2000, actually exercise their options and the corporation does not grant any of its own shares in fulfillment of the options.

Residually Conditional Capital III: The capital stock shall be conditionally increased by EUR 40,689,870.00, allocated into up to 15,649,950 no par value registered shares with a proportionate amount of the capital stock of EUR 2.60 allotted to each share (Residually Conditional Capital III). This conditional capital increase shall be undertaken only to the extent that the holders of the convertible bonds attached to the 5.9%-DM-convertible bonds of 1996/2006, to the 5.3%-DM-convertible bonds of 1997/2007, and to the 4.4%-DM-convertible bonds of 1998/2008, issued by Daimler-Benz Aktiengesellschaft upon the authorization of the Annual Meeting of May 22, 1996, in conjunction with the supplementary authorization of the Annual Meeting held on May 28, 1997, have conversion rights and exercise their conversion rights after the effective date of the merger with Daimler-Benz Aktiengesellschaft.

For further details on the before mentioned authorized and conditional capital, please refer to section II. Capital Stock and Shares, paragraph 3 of the Company's Memorandum and Articles of Incorporation.

(ii) Issued and outstanding shares:

Kind:	registered ordinary shares, no par value
Number of shares:	1,054,133,171
Stock Exchanges on which the Shares are listed or Securities Dealers Associations with which the Securities are registered:	The principal trading markets for DaimlerChrysler ordinary shares are the Frankfurt Stock Exchange and the New York Stock Exchange. The ordinary shares are also listed on the stock exchange in Stuttgart, Germany.
Reference:	N/A

(2) Description of Number of Issued and Outstanding Shares and Share Capital

<u>Date or time</u>	<u>Increase in share capital</u>	<u>Total share capital after the increase/change</u>	<u>Remarks</u>
	in EUR	in EUR (ten thousand Yen)	
Balance as of Dec. 31, 2006	1,028,163,751 shares	2,673,225,752.60 (42,389,341)	End of fiscal 2006
Fiscal 2007 (1 st half)	67,520,492.00 (25,969,420 shares)	2,740,746,244.60 (43,460,013)	Exercise of stock options
Balance as of June 30, 2007	1,054,133,171 shares	2,740,746,244.60 (43,460,013)	End of first half 2007

Since the end of the first half of 2007, additional 1,639,080 shares had been issued until the end of August 2007 due to the exercise of stock options granted to the company's management. As a result, the number of issued and outstanding shares increased accordingly from 1,054,133,171 shares to 1,055,772,251 shares at August 31, 2007.

(3) Major shareholders

Our capital stock consists of ordinary shares without par value (Stückaktien). Our ordinary shares are issued in registered form. Under our memorandum and articles of incorporation (Satzung), each ordinary share represents one vote. Major shareholders do not have different voting rights.

Under the German Securities Trading Act (Wertpapierhandelsgesetz), shareholders of a listed German company must notify the company of the level of their holding whenever it reaches, exceeds, or falls below specified thresholds. These thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of a company's outstanding voting rights.

As of June 30, 2007, the Kuwait Investment Authority as agent for the Government of the State of Kuwait, held 73,169,320 shares or 6.9% of our outstanding shares. It was the only shareholder holding more than 5% of our ordinary shares as of that date.

On March 23, 2007, Deutsche Bank AG informed us that it directly holds 4.34% of the voting rights in DaimlerChrysler AG. In addition Deutsche Bank AG notified us that 0.02% of the voting rights in DaimlerChrysler AG are assigned to Deutsche Bank AG pursuant to Article 22 Section 1 Sentence 1 No. 1 of the German Securities Trading Act.

On April 12, 2007, WestLB AG of Düsseldorf, a German bank, has informed us that on April 4, 2007, the volume of DaimlerChrysler shares that it held for trading purposes exceeded the thresholds of 3%, 5% and 10% of the voting rights in DaimlerChrysler AG and that it held an equity interest of 14.006%. In addition, WestLB AG informed us that these were purely financial transactions, which were completely hedged with futures, and that the number of DaimlerChrysler shares held by WestLB is to be reduced again to well below 3% of the capital stock in the foreseeable future.

On April 19, 2007, WestLB AG, notified us that as of April 18, 2007, the voting rights in DaimlerChrysler AG held by WestLB AG fell below the threshold participation interest of 10%, 5% and 3%, and that their share in the aforementioned voting rights now amounts to 0%.

On May 7, 2007, UBS AG, CH-8098 Zurich, Switzerland, notified us that as of May 1, 2007 the voting share of UBS AG in DaimlerChrysler AG exceeded the threshold participation interest of 3%, and that it held 4.52% of the voting stock (46,986,884 voting rights).

On May 9, 2007, UBS AG notified us that as of May 3, 2007 the voting share of UBS AG in DaimlerChrysler AG fell below the threshold participation interest of 3%, and that it held 2.94% of the voting stock (30,547,014 voting rights).

On June 20, 2007, UBS AG notified us that as of June 18, 2007 the voting share of UBS AG in DaimlerChrysler AG exceeded the threshold participation interest of 3%, and that it held 3.02% of the voting stock (31,670,134 voting rights).

On June 21, 2007, UBS AG has notified us pursuant that as of June 22, 2007 the voting share of UBS AG in DaimlerChrysler AG fell below the threshold participation interest of 3%, and that it held 2.36% of the voting stock (24,772,534 voting rights) as of that date.

2. Trends in Stock Prices

Monthly High and Low Stock Prices of Shares for each of the Last Six Months in the Period

Following to the delisting of our company's shares from Tokyo Stock Exchange on July 28, 2006, the table below shows the highest and lowest stock prices on the *Frankfurt Stock Exchange* – the primary stock market of DaimlerChrysler shares - for each of the first six months of the year:

Month:	Jan 07	Feb 07	Mar 07	Apr 07	May 07	June 07
Stock price per share (in EUR)						
Highest:	49.76	56.08	62.00	62.33	68.15	69.18
Lowest:	46.30	48.00	50.46	58.49	58.65	64.49

3. Directors, Officers and Statutory Auditors

(1) The Supervisory Board

On September 1, 2007, Mr. Ron Gettelfinger resigned from his position in the Supervisory Board as a result of the transfer of a majority in Chrysler to Cerberus. He will be succeeded by Brazilian Valter Sanches, a member of the World Employee Committee until May 2007 and Secretary General of the CNM/CUT (the Brazilian metalworkers' union), by way of a court successor appointment.

Valter Sanches, born on February 2, 1964, is from the DaimlerChrysler plant in Sao Bernardo da Campo, Brazil, where he started work in 1988. From 1989 onwards, he was an employee representative there in various leading positions. From 2002 until 2007, he represented Brazil in DaimlerChrysler's World Employee Committee. Since 2004, he has been an Organizing Secretary, and since the summer of 2007 Secretary General of the Executive Committee of the CNM/CUT, the metalworkers' union in Brazil. Mr. Sanchez holds no DaimlerChrysler shares.

(2) The Board of Management

The composition of the Board of Management has changed as a result of the closing of the transaction on transfer of majority interest in Chrysler to Cerberus Capital Management. As of August 3, 2007 the Board of Management of DaimlerChrysler AG was reduced to six members: Tomas W. LaSorda (Chrysler Group), Eric R. Ridenour (Chief Operating Officer Chrysler Group), and Tomas W. Sidlik (Global Procurement & Supply), are no longer members. Within the Board of Management, Bodo Uebber additionally assumes responsibility for procurement.

VI. Financial Conditions

The unaudited condensed consolidated financial statements, prepared according to IFRS, and additional explanations required under Japanese law have been omitted. They are included on pages 29 to 73 of the original Japanese version.

VII. Trends in Foreign Exchange Rates

Omitted because the foreign exchange rates between Yen and Euro, currency used in the Company's financial statements, have been published for the last 6 months in more than one Japanese newspaper concerning current events.

VIII. Reference Information of the Company

The following documents have been filed from the beginning of the relevant fiscal year to the date of filing of this Semi-Annual Report.

- 1 Securities Report and its attachments filed with the Director General of the Kanto Local Finance Bureau on May 11, 2007
(For the fiscal year from January 1, 2006 through December 31, 2006)
- 2 Extraordinary Reports
 - (i) Extraordinary Report filed with the Director General of the Kanto Local Finance Bureau on April 20, 2007 (pursuant to Article 24-5, Paragraph 4 of the Securities and Exchange Law of Japan and Article 19, Paragraph 2, Item 4 of the Cabinet Office Ordinance Concerning Disclosure of the Contents, etc. of Companies).
 - (ii) Extraordinary Report filed with the Director General of the Kanto Local Finance Bureau on April 27, 2007 (pursuant to Article 24-5, Paragraph 4 of the Securities and Exchange Law of Japan and Article 19, Paragraph 2, Item 4 of the Cabinet Office Ordinance Concerning Disclosure of the Contents, etc. of Companies).
 - (iii) Extraordinary Report filed with the Director General of the Kanto Local Finance Bureau on May 30, 2007 (pursuant to Article 24-5, Paragraph 4 of the Securities and Exchange Law of Japan and Article 19, Paragraph 2, Item 19 of the Cabinet Office Ordinance Concerning Disclosure of the Contents, etc. of Companies).
 - (iv) Extraordinary Report filed with the Director General of the Kanto Local Finance Bureau on August 20, 2007 (pursuant to Article 24-5, Paragraph 4 of the Securities and Exchange Law of Japan and Article 19, Paragraph 2, Item 9 of the Cabinet Office Ordinance Concerning Disclosure of the Contents, etc. of Companies).

3 Amendment

- (i) An Amendment Report (an amendment report to the Extraordinary Report described in 2 (iii) above) filed with the Director General of the Kanto Local Finance Bureau on August 20, 2007.
- (ii) An Amendment Report (an amendment report to the Extraordinary Report described in 2 (iii) above) filed with the Director General of the Kanto Local Finance Bureau on September 6, 2007.

PART 2. INFORMATION CONCERNING GUARANTOR, ETC.

Not applicable.