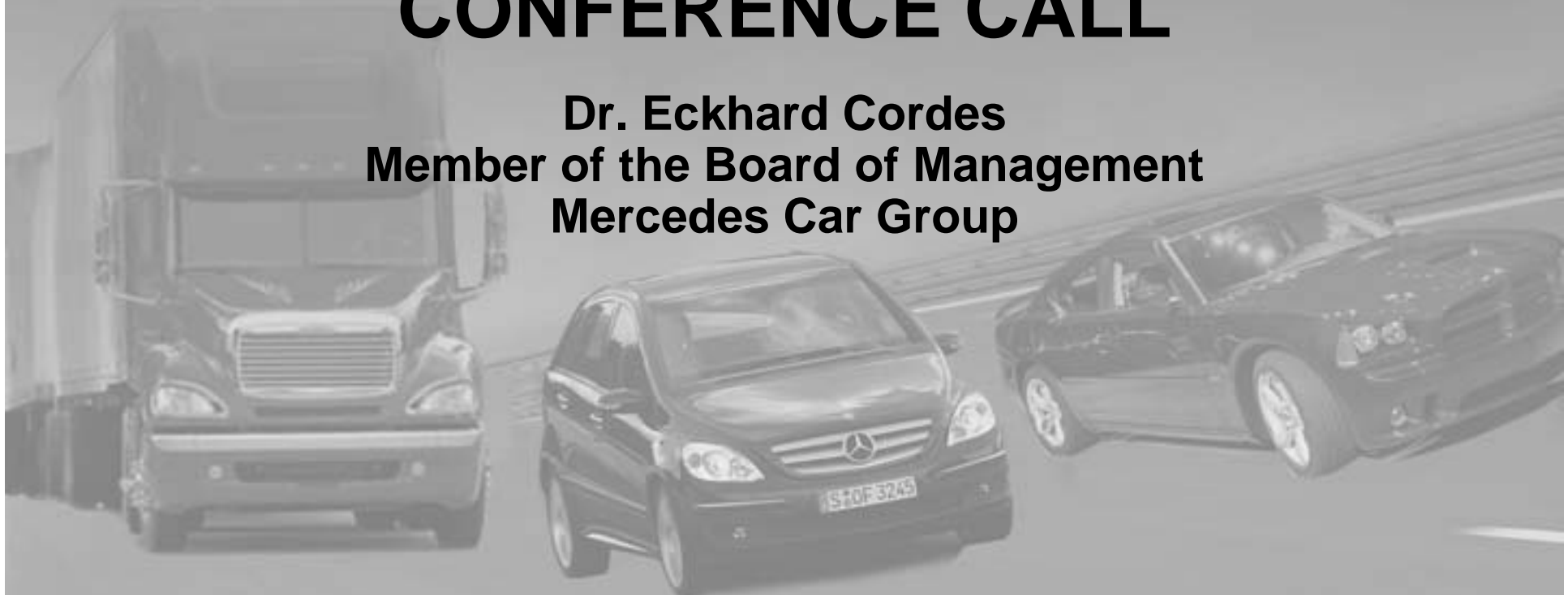


# **DAIMLERCHRYSLER**

## **Q2 AND FIRST HALF 2005 RESULTS CONFERENCE CALL**

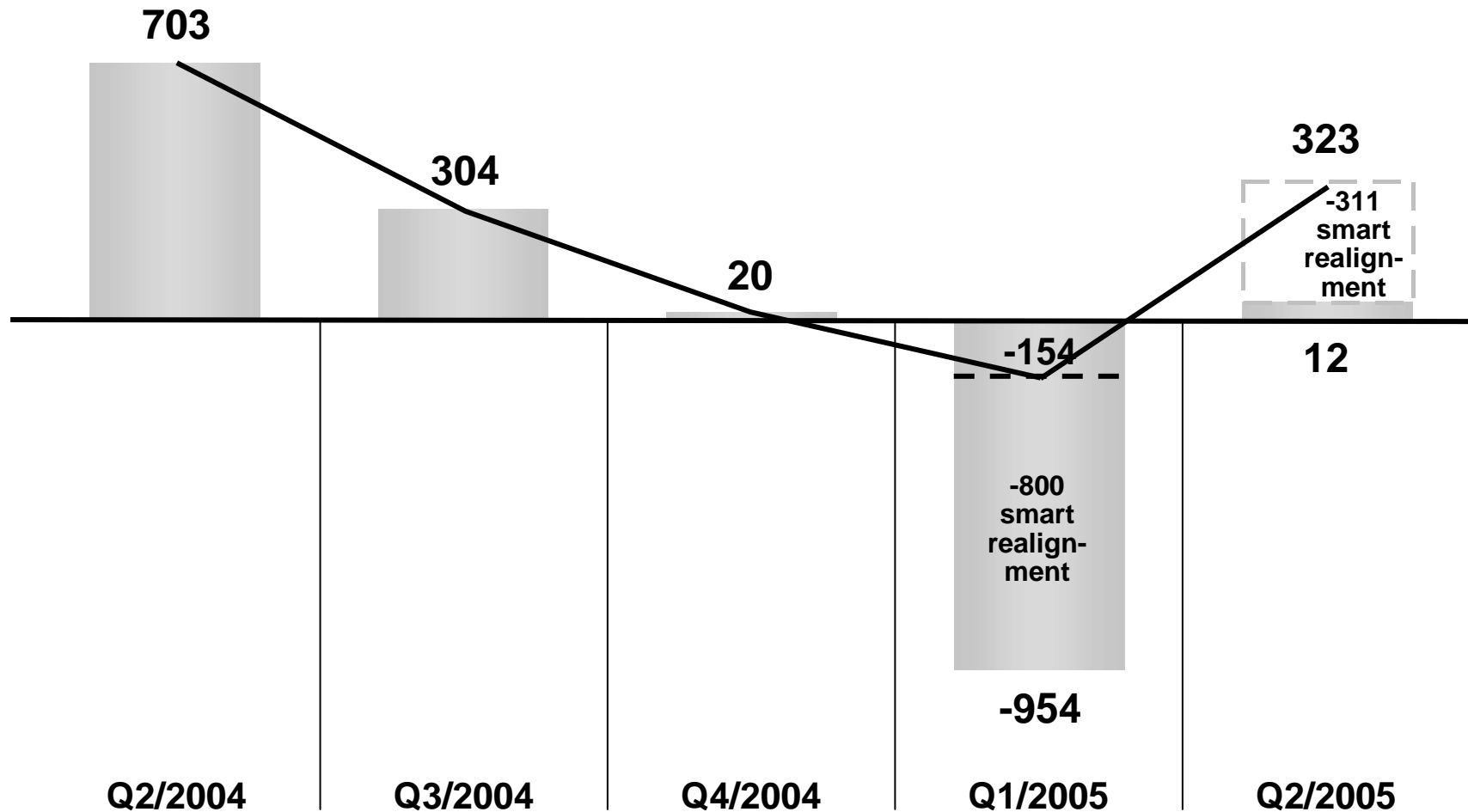
**Dr. Eckhard Cordes  
Member of the Board of Management  
Mercedes Car Group**

**July 28, 2005**



# 12 MONTHS OPERATING PROFIT DEVELOPMENT

– in millions of EUR –



## CORE TARGETS

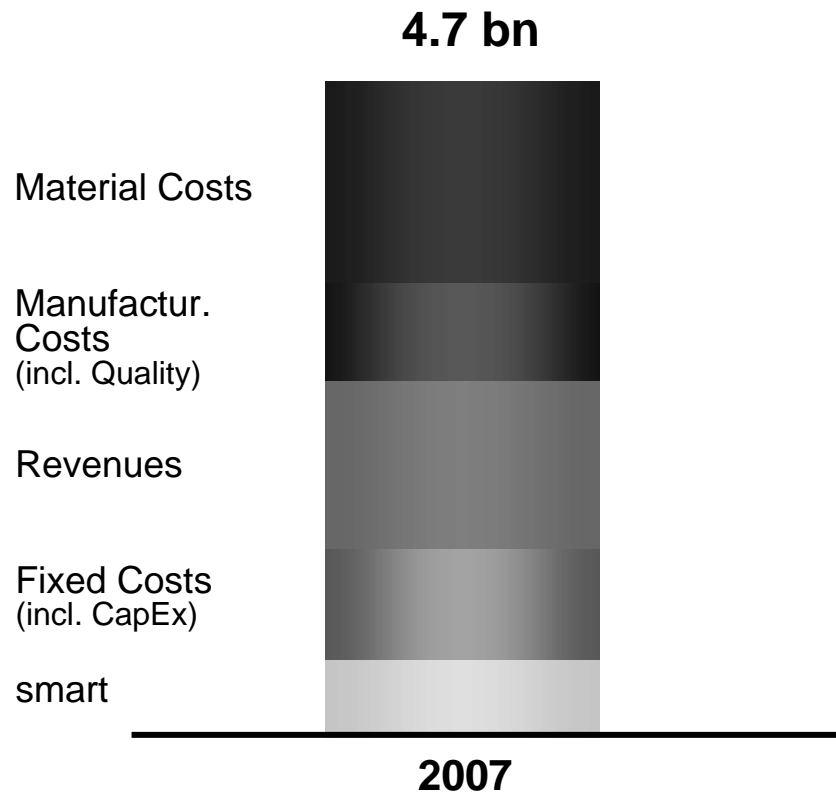
- **Cost reduction and increase in revenues**
- **Entire value chain being assessed**
- **7% return on sales in 2007**
- **In order to achieve EUR 3.5 bn improvement in operating profit, measures of EUR 4.7 bn have to be generated**

# CORE PROJECT SETUP & RESPONSIBILITIES

Schmückle				
	R&D	Sourcing	Production	Marketing/ After-Sales Administration
Dr. Weber	Projects			
Koch	Fixed Costs, Net Assets			
Weingarten	Efficiency Production			
Schmückle	Material Costs			
Dr. Maier			Revenue Offensive	
Schmückle	Quality/Warranty			
Walker	smart			

# TARGETS & MEASURES OF CORE

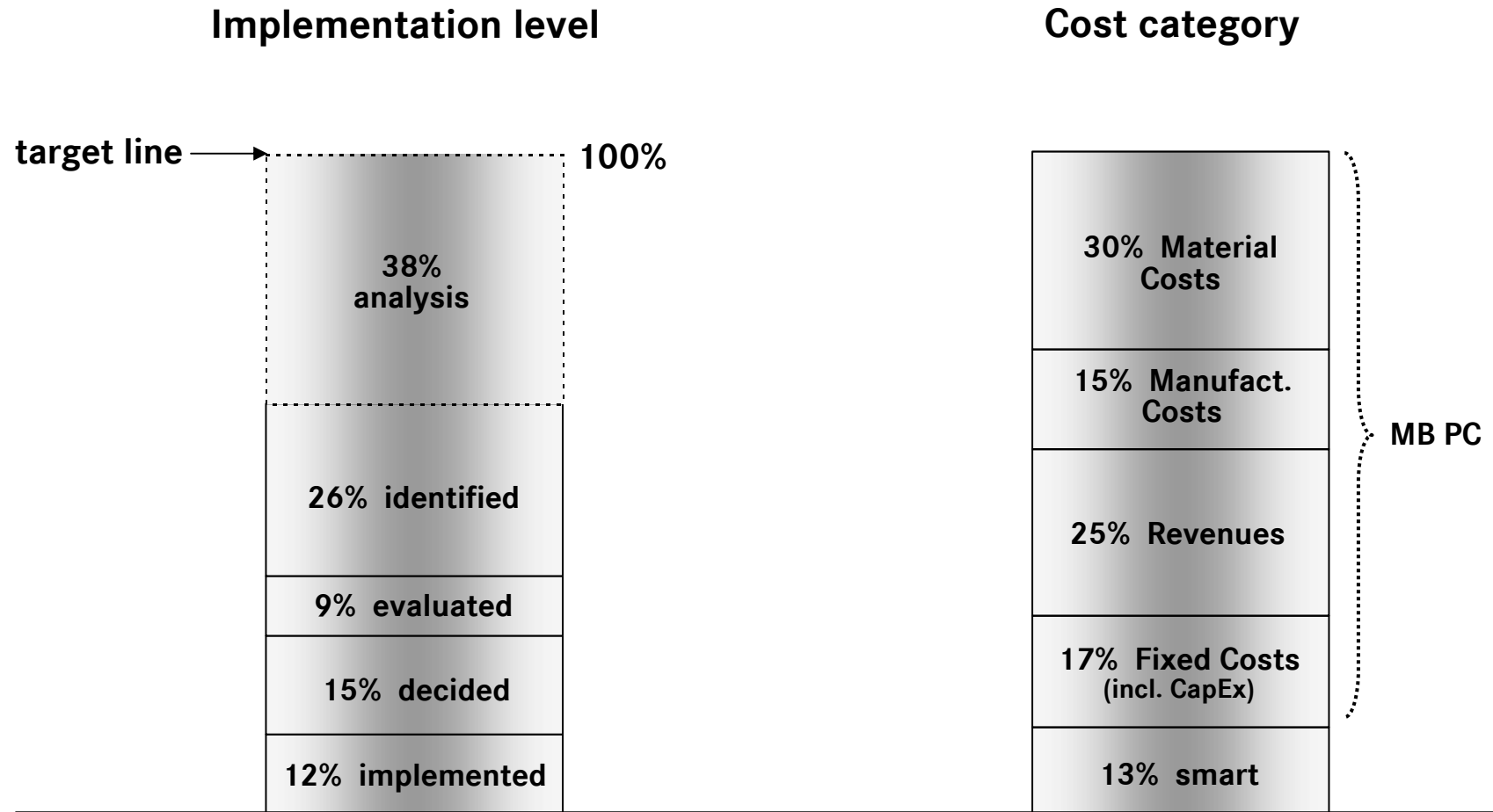
Cumulative CORE Improvement  
- in billions of EUR -



The CORE program will lead to an operating profit improvement of EUR 3.5 bn.

MCG ROS target 7% will be secured through CORE

# TARGET LEVEL ACHIEVEMENT 2007



## VISIBLE IMPROVEMENTS IN QUALITY PERCEPTION

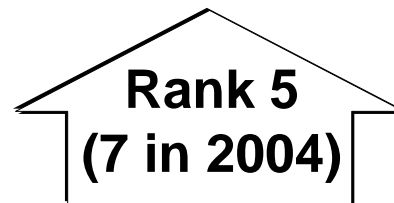
### Quality Indicators

- **JD Power IQS (2004-2005)**



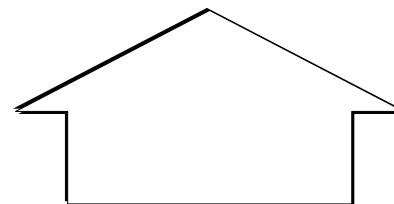
- MB among best five brands
- Slightly better than luxury average

- **JD Power APEAL Interim (2004-2005)**



- MB improves in all APEAL measures

- **ADAC Breakdown Statistics (2004)**



- Rank 1 for A-, M-Class
- Rank 2 for S-Class
- Rank 3 for E-Class

## NEW BUSINESS MODEL FOR SMART

- **Restructuring plan finalized – plan is on track**
- **Revenue increase**
  - **Distribution network expanded through additional shop-in-shop solutions, 193 new dealerships and service points added so far this year**
  - **Agreement with the European smart dealers' association on adaptation of retail standards and improved margin concept**
  - **Increased efficiency through focused marketing approach**

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- **Cost savings**
  - **General agreement with employee representatives achieved to implement headcount reduction of 600 employees at HQ by end of 2005**
  - **Optimization of production costs**
  - **Integration of After Sales, Procurement & Supply and Design in 2nd half of 2005**

**We are making good progress in achieving our targets**

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## CORE PROGRAM IS ON TRACK

- **A comprehensive set of measures defined to address:**
    - **Quality and customer satisfaction**
    - **Cost reduction (bottom line improvements)**
    - **Net revenue improvements**
    - **Realignment of the smart business model**
- 
- **All measures being implemented to realize our targets**

## NEW M-CLASS



## NEW R-CLASS AND NEW B-CLASS



NEW S-CLASS



## DISCLAIMER

**This presentation contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “project” and “should” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in Europe or North America; changes in currency exchange rates, interest rates and in raw material prices; introduction of competing products; increased sales incentives; the successful implementation of the new business model for smart; supply interruptions of production materials, resulting from shortages, labor strikes or supplier insolvencies; and decline in resale prices of used vehicles. If any of these or other risks and uncertainties occur (some of which are described under the heading “Risk Report” in DaimlerChrysler's most recent Annual Report and under the heading “Risk Factors” in DaimlerChrysler’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission), or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.**