

DaimlerChrysler AG: Focusing on the smart fortwo  
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Focusing on the smart fortwo

- New smart fortwo to be launched in 2007
- Cancellation of production of smart forfour intended, subject to negotiations with Mitsubishi Motors Corporation (MMC) and other partners
- Sustainable profitability confirmed

Stuttgart – DaimlerChrysler AG is planning to focus on the smart fortwo to ensure the long-term sustainability of its smart brand. Thus, the profitability of smart will be confirmed, with positive results expected from 2007 onward.

The planned measures for a further enhancement of the business model of smart include the following items:

- The clear focus on the smart fortwo;
- the intention to cancel production of the smart forfour;
- the manifestation of smart and especially the smart fortwo as a long-term and important part of DaimlerChrysler's product portfolio;
- as well as the complete integration of smart into the Mercedes organization.

Overall, these measures are likely to result in a headcount reduction of 300 employees at smart in Böblingen.

The smart forfour is produced by MMC through its wholly-owned subsidiary Netherlands Car B.V. (Nedcar) in Born, Netherlands. The cancellation of the forfour production is still subject to negotiations to be carried out with MMC and all other partners.

The measures described above are still subject to approval by both the Board of Management and the Supervisory Board of DaimlerChrysler AG. The cost for DaimlerChrysler related to these measures are estimated to be in the magnitude of approximately €1 billion.