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Stuttgart - After authorization by the Supervisory Board of DaimlerChrysler, the Board of Management today has taken all appropriate actions for hedging 7.5% out of its 30% stake in the European Aeronautic Defence and Space Company (EADS).

With this step DaimlerChrysler will further focus on its core automotive business. Today's market value of the 7.5% stake amounts to approximately €2.0 billion. There will be no impact on the net income in 2006. As the settlement of the transaction is intended to take place between January and April 2007, the impact of the transaction on net income in the magnitude of around €1 billion will occur in 2007.

Today, DaimlerChrysler and international investment banks have entered into a forward sales agreement on EADS shares. The DaimlerChrysler Group will be lending the shares to the banks which then will place the shares in the market.

This transaction has been prepared in close cooperation with the French Lagardère SCA which also intends to reduce its indirect 15% stake in EADS to 7.5%. On the basis of the existing contractual relationships the step has been coordinated with all major shareholders of EADS.

DaimlerChrysler and Lagardère SCA are determined to further support the continued success of EADS and remain core shareholders. The sustained increase of the EADS share price strongly underscores the substantial global investor interest and high demand for a participation in EADS. Both DaimlerChrysler and Lagardère SCA respond to this demand by substantially increasing the free float of EADS. This will broaden the shareholder basis of EADS and enhance its access to and position in the international capital markets.

Through these transactions, EADS' balanced Corporate Governance among the core shareholders remains unchanged.