
Investor Relations Release

February 28, 2000

DaimlerChrysler Reports Record 1999 Operating Profit of € 11.0/\$ 11.1 billion, up 28 %

- **Adjusted for one-time effects, operating profit is up 20 % to €10.3/\$ 10.4 billion**
- **Adjusted net income increased by 16 % to €6.2/\$ 6.3 billion, adjusted earnings per share of €6.21/\$ 6.25**
- **Revenues jump 14 % in 1999 to reach a new high of €150/\$ 151 billion**

Stuttgart/Auburn Hills - DaimlerChrysler AG (stock exchange symbol: DCX) today reported a record operating profit of € 11.0/\$ 11.1 billion in 1999, the company's first full year of operations. This is an increase of 28 % compared to the 1998 figure of € 8.6/\$ 8.7 billion. Adjusted for one-time effects, principally the sale of debitel shares and restructuring expenses at Adtranz, operating profit grew by 20 % to € 10.3/\$ 10.4 billion. Operating profit thus outpaced revenues which rose by 14 % to a record € 150.0/ \$ 151.0 billion.

DaimlerChrysler's 1999 net income increased to € 5.7/\$ 5.8 billion, a 19 % gain over 1998. Earnings per share (eps) were € 5.73/\$ 5.77, compared to € 5.03/\$ 5.06 in 1998. Net income on an adjusted basis increased to € 6.2/\$ 6.3 billion (1998: € 5.4/\$ 5.4 billion). Adjusted earnings per share were at € 6.21/\$ 6.25 (1998: € 5.58/\$ 5.62).

The company posted a record 1999 fourth quarter operating profit of € 2.4/\$ 2.4 billion, up 37 % on a year ago. Adjusted for one-time effects, operating profit was € 2.7/\$ 2.7 billion, up 37 %. Net income in the fourth quarter was € 1.1/\$ 1.1 billion and on an adjusted basis € 1.6/\$ 1.6 billion. Earnings per share in the fourth quarter were € 1.13/\$ 1.14 compared to € 0.61/\$ 0.61 a year ago (adjusted eps: € 1.59/\$ 1.60, 1998: € 1.22/\$ 1.23). Revenues in the fourth quarter increased by 20 % to € 41.4/\$ 41.7 billion.

DaimlerChrysler will propose an unchanged dividend of € 2.35/\$ 2.37 per share to its shareholders at its April 19 Annual Meeting in Berlin. The total dividend pay-out of € 2.4/\$ 2.4 billion is the highest annual dividend among companies included in the German share index DAX. Additionally, the company will ask shareholders at the Annual Meeting to authorize a plan to implement a share buyback program.

Presiding over their last conference together, DaimlerChrysler Chairmen Robert J. Eaton and Juergen E. Schrempp thanked employees for their outstanding performance in 1999.

“In an increasingly challenging business environment, our dedicated employees throughout the world planned, executed and delivered one of the best performances in the global automotive industry,” said Eaton.

With a return on net assets after tax (RONA) of 13.2 % (1998: 12.7 %), the company exceeded its cost of capital of 9.2 %. This translated into an economic value added of € 2.1/\$ 2.2 billion, an increase of € 387/\$ 390 million, measuring the value contribution the company makes beyond the cost of capital.

“Our strategy of focusing on premium segments, innovation leadership and a balanced portfolio of first-class-brands proved successful in 1999,” Schrempp said. “We launched nine new models last year, and they became success stories. In 2000, we will bring another 12 car and truck models to the market - all of them designed to impress customers with leading technology, trend-setting design and value.”

Strong Growth in the Automotive Businesses

Continued positive sales trends in the European Union and North America contributed significantly to total revenues of € 128.9/\$ 129.8 billion in the company's automotive business, an increase of 15 % on 1998. Sales of DaimlerChrysler passenger cars, light trucks and commercial vehicles worldwide increased to almost 4.9 million units (1998: 4.5 million).

Mercedes-Benz Passenger Cars & smart

The Mercedes-Benz Passenger Cars & smart division increased sales to a new high of 1.08 million units and increased its share in nearly all important markets. The division posted record revenues of € 38.1/\$ 38.4 billion (1998: € 32.6/\$ 32.8 billion). The division's operating profit grew 36 % to € 2.7/\$ 2.7 billion, also a new record.

Sales of Mercedes-Benz passenger cars increased by over 10 % to a new high of 1,000,400 units worldwide and became the top selling luxury car brand in the United States for the first time. In the European Union, sales of Mercedes-Benz cars were up 8 %, while smart achieved its goal of 80,000 units worldwide in 1999.

Chrysler Group

The Chrysler Group division with its Chrysler, Dodge, Jeep® and Plymouth brands sold more than 3.2 million vehicles in 1999 (1998: 3.1 million). Revenues increased 14 % to € 64.1/\$64.5 billion (1998: € 56.4/\$ 56.8 billion). Adjusted operating profit rose 22 % to € 5.2/\$ 5.2 billion.

Chrysler brand sales grew 3 % to 455,500 vehicles. Jeep sales in 1999 reached an all-time high of 680,700 units, up 20 % on 1998, paced by the brand's flagship Grand Cherokee with a 41 % increase. Dodge brand sales increased 4 % in 1999 to 1.8 million units.

Commercial Vehicles

The Commercial Vehicles division which includes Mercedes-Benz, Freightliner, Sterling, Setra, and Thomas Built Buses, increased unit sales of trucks, vans and buses to a record high of 554,900 (1998: 489,700). Revenues rose by 15 % to € 26.7/\$ 26.9 billion.

Reflecting buoyant demand in North America and the European Union, operating profit increased by 13 % to € 1.1/\$ 1.1 billion.

DaimlerChrysler Services (debis)

In its 10th year, DaimlerChrysler Services (debis) continued its success story and achieved record figures for revenues and operating profit. Revenues increased by 29 % to € 12.9/\$ 13.0 billion, reflecting strong international growth. Operating profit was at € 1.0/\$ 1.0 billion, excluding primarily a gain of € 1.14/\$ 1.15 billion resulting from the sale of 42.4 % of debitel's shares, i.e. the telecommunications unit. debis created about 3,600 new jobs in 1999.

DaimlerChrysler Aerospace (Dasa)

In 1999, the Aerospace division increased revenues by 5 % to € 9.2/\$ 9.3 billion and operating profit by 17 % to € 730/\$ 735 million. Revenue growth was especially strong at the Commercial Aircraft business unit, where higher sales of Airbus aircraft and aircraft components led to a growth of 13 %. Dasa holds a 37.9 percent stake in the European Airbus consortium, which in 1999 was ranked No. 2 in the world for passenger aircraft sales, and for the first time ranked No. 1 for incoming orders.

The upcoming merger of Dasa, the French company Aérospatiale Matra and CASA of Spain to form EADS will create the largest aerospace company in Europe and the third-largest worldwide.

Other industrial businesses

Revenues at Adtranz, the rail systems business unit, were up 7 % to € 3.6/\$ 3.6 billion. However, earnings remained negative. In December 1999, Adtranz began a comprehensive restructuring program that is expected to achieve a turnaround at the rail systems company in 2000.

The Automotive Electronics business unit (TEMIC) posted a 18 % increase in revenues to € 0.9/\$ 0.9 billion. Earnings also increased.

The MTU/Diesel Engines business unit recorded slightly increased revenues of € 1.0/\$ 1.0 billion and was also able to improve earnings slightly.

Exchange rate used for conversion: 1 U.S.-\$ = € 1.0070 (Noon Buying Rate of the Federal Reserve Bank of New York on December 31, 1999).

This Investor Relations Release contains forward-looking statements based on beliefs of DaimlerChrysler management. When used in this release, the words "anticipate," "believe," "estimate," "expect," "intend," "plan," and "project" are intended to identify forward-looking statements. Such statements reflect the current views of DaimlerChrysler with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, year end accounting adjustments, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. DaimlerChrysler does not intend or assume any obligation to update these forward looking statements.

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