

RESULTS AND OUTLOOK 2000 - 2003

Investors and Analysts Conference

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Chairman of the Board of Management**

**Stuttgart,
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STRATEGIC HIGHLIGHTS - 2000

We further focused on vehicle operations

- Establishment and IPO of EADS
- IT-Joint venture with Deutsche Telekom
- Sale of 100% stake in Adtranz to Bombardier¹⁾ initiated

We expanded our vehicle business

- Alliance with Mitsubishi Motors
- Equity stake in Hyundai Motor
- Acquisition of Western Star and Detroit Diesel

We harnessed e-business potential

- Covisint - the largest e-commerce platform
- Foundation of DCX.NET - Concentration of all e-business activities

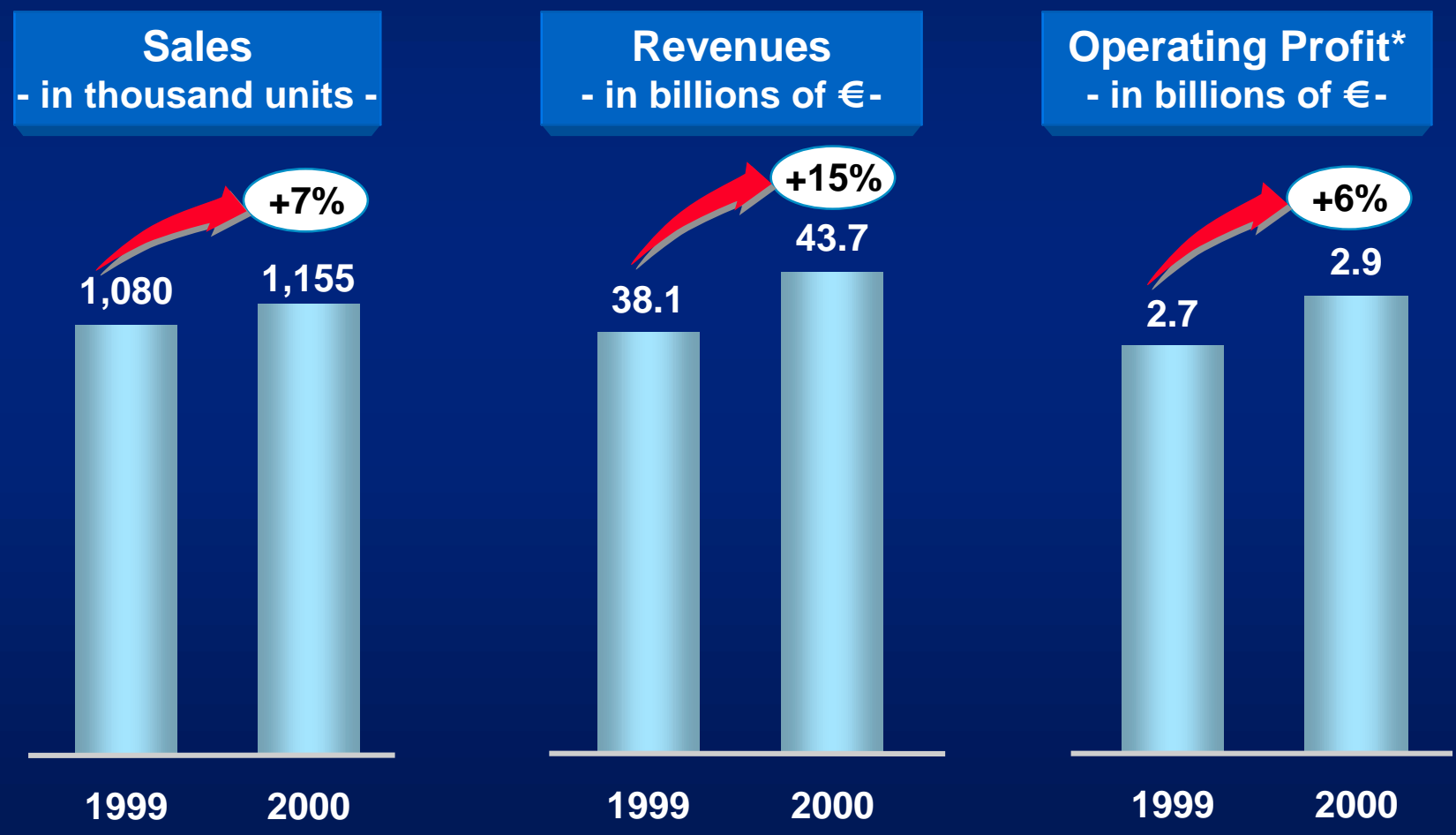
1) Subject to clearance through anti-trust authorities

CORPORATE OVERVIEW - FINANCIAL PERFORMANCE 2000

	2000	Change on 1999
Revenues	€162.4bn	+8%
Operating profit		
■ with one-time-effects	€9.8bn	- 11%
■ without one-time-effects	€5.2bn	- 49%
Net income		
■ with one-time-effects	€7.9bn	+ 37%
■ without one-time-effects	€3.5bn	- 44%
Unchanged dividend	€2.35	-

Mercedes-Benz Passenger Cars & smart

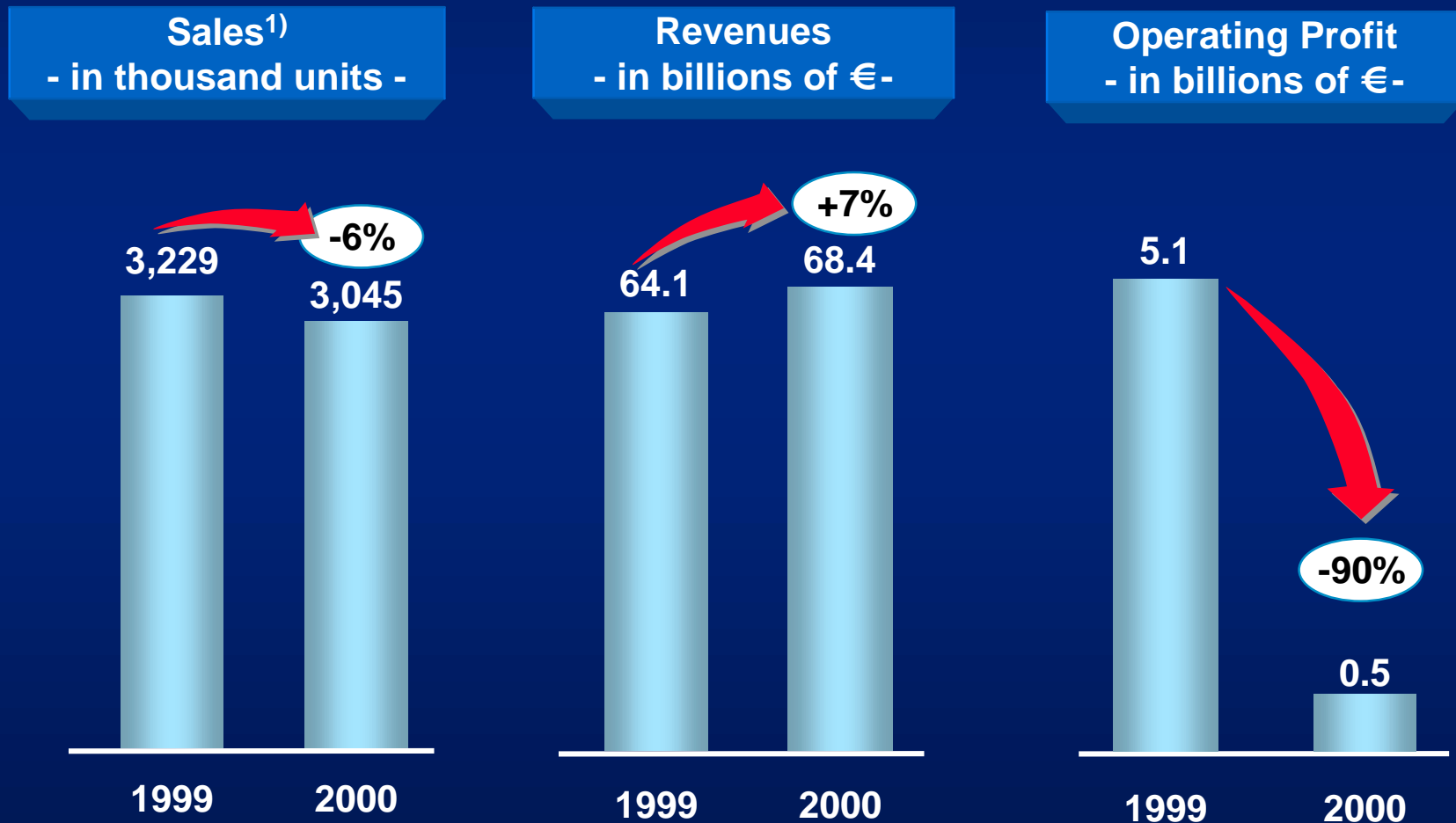
RECORD EARNINGS IN 2000



* Adjusted for one-time effects

Chrysler Group

PROFIT DETERIORATION IN A TOUGH COMPETITIVE ENVIRONMENT



1) Corresponds to Chrysler shipments

REASONS FOR PERFORMANCE DECLINE AT CHRYSLER GROUP IN 2000

Operative losses in Q3/Q4

- Record market but downturn in NAFTA in fourth quarter
- High incentive spending
- High inventory levels because of push strategy
- Aggressive competition in Chrysler's key segments, particularly from new imports
- Impact of new product launches
- Loss of cost leadership

Initiatives started

- Comprehensive restructuring program underway

CHRYSLER GROUP – PERFORMANCE OUTLOOK

● Operating performance excluding one-time effects expected to be:

- 2001: loss in the range of €2.2 - €2.6 bn
- 2002: breakeven over the year
- 2003: profit > €2.0 bn

● Restructuring costs expected to be:

- 2001 - 2003: up to €4.0 bn
- of which in Q1, 2001: €3.0 bn

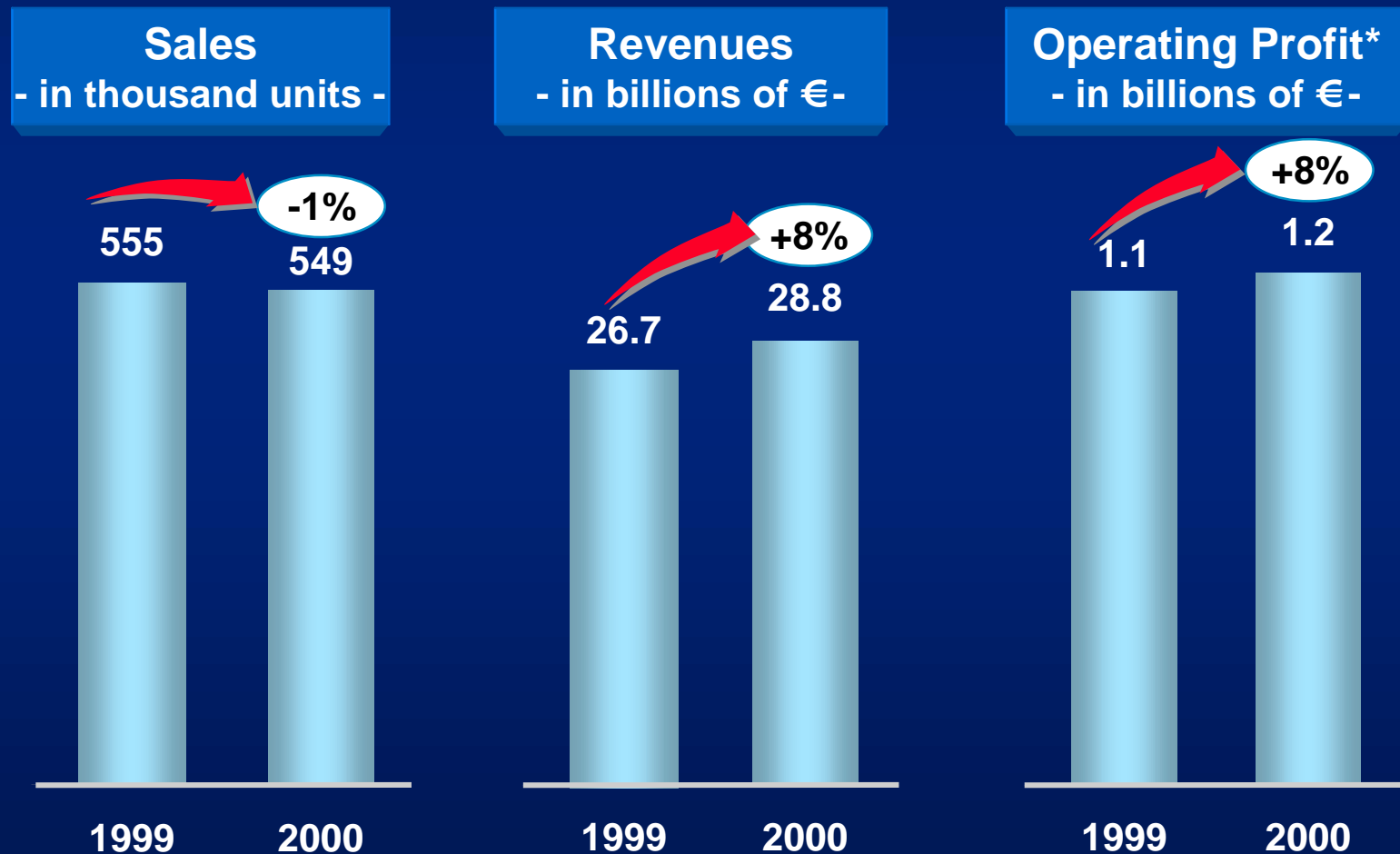
● ROS of around:

- 4% by 2003
- 5% over time

Assumptions: - Exchange rate 2001: 1€ = \$0.93; 2002/2003 strengthening of the euro against the US\$ expected
- Stable economic developments in our most important markets
- Continuation of relatively high unit sales levels in most automotive markets during 2001 - 2003, weakening demand in North America (2001 in USA 16 mn. vehicles)

Commercial Vehicles

PROFIT UP DESPITE NAFTA DOWNTURN



* Adjusted for one-time effects

INITIATIVES TO FURTHER STRENGTHEN PERFORMANCE

**Stable
performance
in 2000**

- **Strong performance in Europe and Latin America**
- **Collapsing demand in NAFTA in second half of year**
- **Ongoing Sprinter success story**
- **Successful new vehicle launches**

**Initiatives
started**

- **Freightliner turnaround program**
- **Global integration of truck and bus operations**
- **Integration of component operations into new Powersystems entity**

FREIGHTLINER TURNAROUND PLAN UNDERWAY

Market situation

- Collapsing NAFTA market affected all competitors
- Freightliner defended market share

Measures taken

- Cost cutting program launched
- Workforce reduction of 6,200

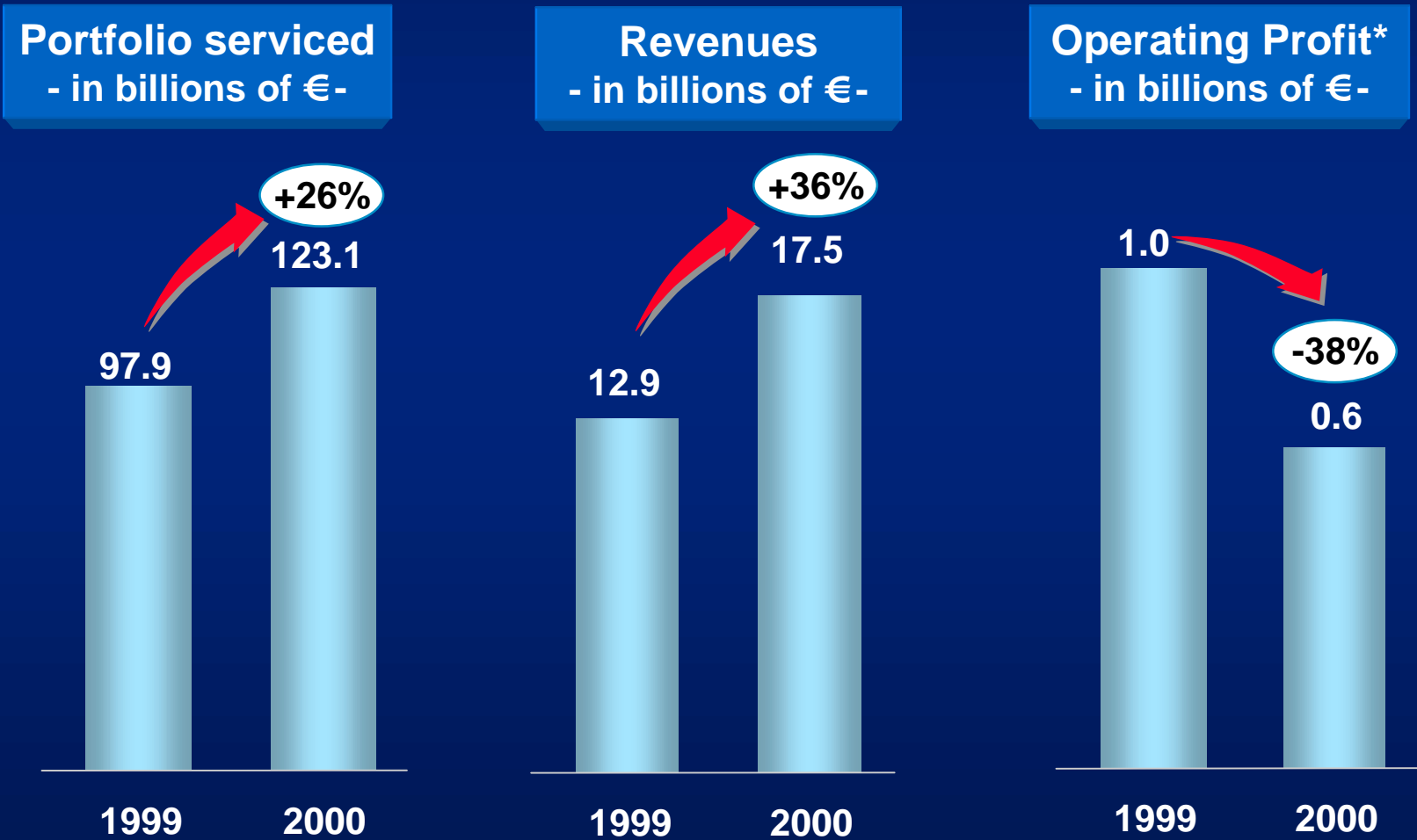
Expected outcome

- More than €300 mn annual savings as of 2001

Expected return to profitability in 2002

DaimlerChrysler Services

NAFTA/CHRYSLER CAUSES PROFIT DECLINE



* Adjusted for one-time effects

NAFTA SITUATION ADDRESSED

Reasons for NAFTA profit decline

- Margin squeeze due to higher interest rates and increased competition
- Residual value loss due to high incentives

Measures taken

- Portfolio rebalanced to reduce risk and enhance earnings
- Efficiency improvement and cost reduction program
- Remarketing strategy for used vehicles

Mitsubishi Motors

MITSUBISHI MOTORS TURNAROUND PLAN

- 15% material cost reduction by 2003
- 20% capacity reduction
Closure of one plant to reduce excess capacity under consideration
- 14% workforce reduction: 9,500 employees
- Focusing of product program – design initiative
- Platform reduction, component sharing and common architectures (e.g. electronics)
- Quality and credibility initiative

Mitsubishi Motors expects to breakeven in FY 2001,
Operating Margin around 2.5% in FY 2002, around 4.5% in FY 2003