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**Chairman of the Board of Management of
DaimlerChrysler AG**

Speech at the Annual General Meeting

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Speech valid as delivered

Good morning ladies and gentlemen, shareholders of DaimlerChrysler,

On behalf of my colleagues and myself, let me bid you a warm welcome to this year's Annual General Meeting here in Berlin.

In the run up to this meeting, you have told us what you think about a number of matters in numerous letters, phone calls and e-mails. And in some cases, the opinions expressed have been critical.

So much communication clearly demonstrates both your extraordinary interest in DaimlerChrysler and your high expectations for the company.

And it makes us aware of our responsibilities.

Each member of the Board of Management and each individual employee is conscious of this responsibility. And believe me, we take your suggestions seriously.

In fiscal year 2003, Mercedes Car Group and DaimlerChrysler Services achieved excellent results. Commercial Vehicles also made great progress. However, these developments were accompanied by a significant drop in earnings at Chrysler Group.

I would like to begin today's report with a review of this eventful year.

After that, I will describe the measures we plan to implement in order to drive your company forward.

A review of 2003

Ladies and gentlemen,

In 2003, we achieved an operating profit of 5.1 billion euros from our ongoing business and thus reached the profit target that we had set ourselves as a Group.

Chrysler Group came very close to attaining its goal of achieving a breakeven in its ongoing business.

The other divisions also did very well last year:

The Mercedes Car Group posted record-breaking earnings for the sixth year in a row.

The Commercial Vehicles division once again reported substantial profits.

And DaimlerChrysler Services posted the best operating result in its entire history.

All of these success stories are a tribute to the efforts and tremendous dedication of our employees.

I would like to take this opportunity to express my sincere thanks to each and every one of them.

Ladies and gentlemen,

Today we are asking you to approve an unchanged dividend of 1.50 euros per share. At 1.5 billion euros, the total paid in dividend by the Group is the highest of any company listed in the DAX, the German stock exchange index.

Our proposal takes into account current developments within the Group as well as the positive outlook for the years ahead.

Let me now talk in some detail about the individual divisions:

Mercedes Car Group

The Mercedes Car Group continued to consolidate its market position and was able to increase its share in key markets.

With an operating profit of 3.1 billion euros, it once again surpassed the previous year's high result.

Mercedes-Benz is still the world's most successful premium brand. Let me give you just two examples to back up this statement:

With unit sales of more than 300,000, the E-Class models were especially popular.

In spite of the large number of new models produced by our competitors, the S-Class remains the market leader by a huge margin and once again

increased its sales last year. That's a remarkable performance, considering that it's been on the market for six years now.

The Maybach fulfills our customers' most demanding requirements when it comes to perfection and customized delivery.

And with more than 20,000 roadsters sold last year, the smart successfully positioned itself in the market as a multiproduct brand.

Chrysler Group

The business activities of the Chrysler Group were affected by the fiercest price war ever experienced by the automotive industry.

The U.S. automakers fought over every customer. For the first time ever, sales incentives exceeded 4,000 dollars per vehicle on average.

So how did Chrysler Group respond to this challenge?

It cut costs even further, significantly boosted efficiency and productivity, and launched new products.

Thanks to these achievements, Chrysler Group was able to turn a loss in the second quarter into a profit in the third quarter. It posted satisfactory results for the fourth quarter as well.

The new Chrysler Crossfire and the Chrysler Pacifica helped Chrysler Group to achieve this success. The new models of our bestsellers – the Dodge Durango and the Dodge Ram Pickup – have also been selling extremely well.

Our measures to improve quality are also having an impact on the market, as was recently confirmed by an article in "Consumer Report."

Commercial Vehicles

The Commercial Vehicles division took a major step forward last year.

With more than 500,000 vehicles sold, DaimlerChrysler once again strengthened its position as the undisputed global market leader in this segment.

The operating profit increased to 855 million euros – a clear improvement on last year's figure.

We have clearly succeeded in turning things around.

There are two reasons for this success:

One is the consistent implementation of our efficiency-boosting programs in all of our business units. At Freightliner, for instance, we were able to successfully complete the restructuring program at the end of 2003, a whole year ahead of schedule.

The other reason is the launch of successful new products. The Actros – the Truck of the Year 2004 – is selling so well that we have had to organize additional shifts at the Würth production plant.

DaimlerChrysler Services

The success of our DaimlerChrysler Services division has been overshadowed in recent months by developments at Toll Collect.

DaimlerChrysler Services has a 45-percent stake in the Toll Collect operating company.

The creation of the world's first satellite-supported toll-collection system is an extremely difficult undertaking. And Toll Collect has found it to be even more complex than we expected.

The results to date have been very disappointing, and of course have led to strong public criticism.

But now that we have reached an agreement with the German government, it's time to work together to solve the remaining problems and to look forward in a constructive spirit. After all, in order to exploit the potential of this pioneering system throughout Europe, we first have to succeed at the national level.

And here I'm not just referring to the business opportunities associated with this challenging project. The global reputation of the German industry is also at stake.

That's why I appeal to everyone in Germany who wants to get things done – rather than just complain about what needs to be done – to support us as we strive to implement a major project geared for the future in Germany and Europe.

Despite losses in the region of 250 million euros due to Toll Collect, DaimlerChrysler Services was able to post a spectacular operating profit of 1.2 billion euros in 2003.

DaimlerChrysler Services plays a vital role when it comes to supporting our vehicle business: altogether, one-third of the vehicles sold by the Group were financed or leased by our Services division.

EADS

We have a 33-percent stake in EADS, the world's second largest aerospace company.

In spite of a difficult market environment, 2003 was a positive year: In fact, Airbus made aviation history last year, by overtaking its main competitor Boeing in terms of the number of aircraft delivered.

There are already 129 firm orders and 51 options for the Airbus A380 – the world's largest passenger aircraft – two years before deliveries are scheduled to begin. That's enough work to keep the production plants operating at full capacity for several years.

Mitsubishi Motors

Our alliance partner in Japan, Mitsubishi Motors, experienced a very difficult business year.

The company achieved a turnaround in Europe, considerably boosted its earnings in its home market and doubled its sales in China. However, all these achievements were not enough to offset the losses incurred in the U.S.

In mid-February, Mitsubishi Motors announced that its losses for the business year 2003/2004 will therefore be higher than expected.

I will return to Mitsubishi in more detail later on.

Strategy

Ladies and gentlemen,

Of course we are not satisfied with the overall results for the business year 2003.

That's especially true if we compare the present stage of DaimlerChrysler's development with our own high expectations. And here I'm talking about our share-price performance as well.

But there's one thing we're very sure of: When faced with an operational problem, we don't alter our underlying strategy. Instead, we put our business operations in order. Take Freightliner, for example: We didn't abandon our commercial-vehicle subsidiary prematurely and – following two disappointing years – the company is once again posting significant profits.

When the going gets tough, running away or changing a winning strategy is not the right course of action.

Even though one part of a company might not be operating successfully, it's important not to lose sight of the big picture. At DaimlerChrysler three divisions are doing extremely well – and only one has had to overcome difficulties during the past year.

I believe that we ought to take a look at your company's current situation against the background of developments over the past few years:

Since 1995 we have been consistently focusing on our automotive business. The most recent step in this direction was our sale of MTU Aero Engines.

We have played an active part in the consolidation process that is going on within our industry. The merger of Daimler-Benz and Chrysler and the strategic alliance with Mitsubishi has enabled us to occupy the right market position at exactly the right time.

We have prepared the Group to meet the challenges of the future by consistently building on four strategic pillars:

A strong global presence in all the major automotive markets.
Attractive and unique brands.
A comprehensive product portfolio.
And finally, our role as a leader in terms of technology and innovation.

How do things stand at the moment?

In terms of market capitalization and the absolute level of our operating profit, we're Number 3 in the automotive industry.
And we're Number 2 when it comes to revenues.
What's more, we're Number 1 in the premium and luxury-vehicle segment and Number 1 as far as trucks and buses are concerned.
So far, however, we are only Number 6 when it comes to profitability.

Without a doubt, we haven't yet reached all the goals we've set ourselves.

We are our own harshest critics. But we're also aware of our strengths, and we have a clear roadmap for the future:

First: Improve the business areas that are not yet operating successfully.

Second: Expand those parts of the Group that are doing very well.

And third: Promote integration throughout the Group so that all of its parts can benefit from one another on a permanent basis. Meanwhile this is daily business for us.

MMC's contribution to the strategy

What contribution will our alliance with Mitsubishi Motors make to this strategy?

Nearly 90 percent of the growth in the global automotive markets in the next 10 years will take place in the emerging markets. And the lion's share of this growth will occur in Asian countries.

Asia already accounts for one-third of the global passenger-car market.

Neither Mercedes-Benz nor Chrysler is ideally equipped to fulfill customer requirements in these markets across the board.

We have therefore become a shareholder of Mitsubishi Motors in order to tap a market characterized by some of the greatest growth potential in our industry.

After all, Mitsubishi Motors has:

well-established access to Asian markets,
an extensive dealership network, and
many years of experience when it comes to compact cars.

In spite of the problems I've just mentioned, our cooperation with Mitsubishi Motors has already borne fruit in a number of areas:

The development of shared platforms, such as those involving the smart forfour and the Mitsubishi Colt or the Chrysler Sebring and the Mitsubishi Lancer.

The development of shared engines – for example, our four-cylinder “World Engine.”

Or the restructuring of our existing passenger-car joint venture in China.

Our alliance with Mitsubishi Motors has also given us crucial access to Fuso, Japan's leading producer of commercial vehicles. Fuso accounts for more than 30 percent of the Japanese market.

That has enabled us to consolidate our truck business. Today, 50 percent of all commercial vehicles are already being sold in Asia, and this dynamic market continues to grow at a rapid pace.

We have also increased our share in Fuso to 65 percent. As a result, we have been able to integrate Fuso's procurement, development and production activities into our worldwide commercial-vehicle organization.

In short: We already benefit from our involvement with Mitsubishi in several areas and will continue to do so in the future.

I must add, however, that Mitsubishi Motors' operational passenger car business is far from satisfactory.

In addition to the restructuring program that was initiated in 2001, Mitsubishi Motors' management is currently working with the utmost commitment and urgency to develop a new medium-term business plan.

All of the operational areas and the financial structure of the business in Japan and abroad is being investigated in detail.

As a strategic partner of Mitsubishi Motors, we are supporting the company as it strives to develop its new business plan.

The aim of the plan is to determine whether:

the company's product offensive has the right focus,
its business activities can be put on a solid financial foundation,
the company fulfills the basic requirements necessary for a return to profitable operations.

Details of the business plan should be available by the end of April. For us – as well as for the other shareholder groups – this plan will form the basis on which we make our decisions regarding future developments.

Until then, we will be keeping all of our options open.

Chrysler's contribution to the strategy

Ladies and gentlemen,

Although Chrysler Group had to overcome difficulties in its operational business last year, it remains a key element of our strategy.

The challenges that all manufacturers currently face on the U.S. automotive market cannot be allowed to threaten our long-term strategy.

After all, the brands, products and regional focus of Chrysler Group and the Mercedes Car Group do not overlap. On the contrary: They complement each other perfectly.

In the coming decade, the U.S. market will record particularly high growth in the Light Truck and SUV segments – areas in which Chrysler Group excels.

Any claims that Chrysler is being subsidized by other parts of the Group are simply false. They have nothing to do with the facts. Chrysler is not the Group's poor relation.

Since the merger of Daimler-Benz and Chrysler in 1998, Chrysler Group has on balance made a huge positive contribution to the success of the Group as a whole. And here I'm talking about both the operating profit and the cash flow. Even in 2003, when Chrysler posted a negative operating profit, its cash flow – after investments - remained positive. And here we're talking in the billions range.

As far as Chrysler Group is concerned, we are convinced that we have set the right course for attaining positive results on a sustainable basis:

We have considerably improved the cost situation.

We've made tremendous progress in terms of productivity.

We have improved product quality in ways that customers can experience directly.

And finally, we have developed many fascinating new vehicles.

This year alone, 9 new vehicles will be hitting the road. Over the coming 3 years, that figure will increase to 25.

In 2006, two-thirds of all new vehicles sold will be Chrysler Group models that have been on the market for less than 3 years.

This product offensive will enable Chrysler Group to face the future with confidence.

The positive earnings trend during the first quarter of 2004 that has started since the third quarter of last year is further evidence for this.

The strategic contribution of the Mercedes Car Group

Our employees at the Mercedes Car Group have always done an excellent job.

It is this consistently high performance that has kept Mercedes-Benz at the top for such a long time.

Mercedes-Benz is the most valuable automotive brand in the world, and protecting the status of this crown jewel is our highest priority.

The famous star continues to shine because Mercedes is able to focus on the hallmark of its success: premium quality.

That's another reason why we've been able to defend ourselves against all attempts to topple Mercedes-Benz from its unique position – regardless of whether the attacks have come from Japan, England, northern Germany or Bavaria.

Mercedes-Benz has remained at the top for so long because it is able and willing to continually reassess itself through self-criticism and consistently improve itself in all areas.

Besides the second product offensive, the primary focus is here on quality at the moment. Our activities clearly demonstrate this.

We're working hard to fully deliver on the claim made by Mercedes-Benz products.

Our quality offensive, which is running at full steam, is also directed at supplier interfaces. And, believe me, we're making great progress.

Today, the Mercedes Car Group has not just the most attractive but also the most innovative product portfolio in the industry:

The new generation C-Class, for example, is captivating customers because it's classier and sportier than ever before.

The new SLK is more powerful, safer and even more fun to drive.

And we are determined to further hone our competitive edge. In fact, Mercedes-Benz is currently in the midst of the most extensive investment program in its history:

With the introduction of the Mercedes-Benz CLS, we will become the first automobile manufacturer to offer a four-door series-production coupe.

We are expanding the A-Class and the M-Class into product families.

The GST is the world's first premium sports tourer.

The smart forfour is redefining the compact segment.

Altogether, the Mercedes Car Group will launch more than 10 fascinating new products between 2004 and 2006.

Although upcoming model changeovers led to lower sales in the first quarter of 2004 than in 2003, we will maintain our leadership in the premium segment.

More specifically, we expect sales, revenues and earnings for the year as a whole to reach the high levels recorded in 2003.

The strategic contribution of Commercial Vehicles

Our Commercial Vehicles division provides an excellent example of your company's ability to integrate and to turn things around.

Every business unit is now operating profitably - in the U.S., Europe and Asia. However, this wasn't always the case. The success of our commercial vehicles clearly demonstrates the potential that can be exploited through a global presence.

Our goal is to transform the high production volumes resulting from our position as world market leader into further cost reductions and thus even higher profits.

Over the short term we're seeing cost savings potential through bundling the procurement of identical or highly similar parts. In the medium and long term we plan to align more closely the development of components that were previously created separately for each brand.

In other words, we will develop the basic systems for our products only once. Our brands will then adapt the components to suit their customers' specific requirements.

One example of this approach is our electric-electronic architecture. We're also pursuing a similar strategy with regard to engines, transmissions and axles. In 2007 we will introduce a single new engine generation for all heavy-duty trucks throughout the Group. At 170,000 units per year, this engine will be the world's most widely produced base component for such trucks.

The commercial-vehicle business involves more than just sober cost calculations, however: Truckers get just as excited about a new vehicle as passenger-car customers do.

That's why our product offensive for commercial vehicles is continuing at full speed as well: In the next three years alone, we will be launching 17 new trucks, vans and buses.

Thanks to our continually improving cost situation, each introduction of a new product will further leverage the earnings potential.

In the first quarter we expect to register a significant increase in sales compared with the same period last year – especially in our global truck business. Moreover, the level of new orders is also developing favorably.

The strategic contribution of DC Services

Automobile-related financial services are becoming increasingly important as a supplement to traditional vehicle sales.

Potential customers in this sector are extremely interesting from a business perspective.

Compared to customers who pay cash,
they display more loyalty to their brand,
purchase twice as many vehicles in a given period of time,
and select more expensive equipment options.

We are tapping into this growing potential

by providing customized leasing and financing solutions

and by offering additional services that boost customer loyalty – such as DaimlerChrysler Bank's expanded range of financial services.

DaimlerChrysler Services actively supports the Group's focus on the automotive business and our brands' sales activities.

This will remain the case, both in established markets and in dynamic growth regions such as Eastern Europe and Asia.

Cross-divisional cooperation

Ladies and gentlemen,

every one of our divisions is making a tremendous effort to further improve our competitive position.

Above and beyond this, we are also promoting integration throughout our company through close cooperation between our divisions.

Let me explain to you what I mean with a few concrete examples:

We now coordinate the lifecycles of our vehicles and components across all brands.

We are standardizing our production processes in order to improve quality and reduce costs.

We are harmonizing a variety of vehicle components – without diluting the unique identity of our brands. This measure alone is saving us billions in procurement and development costs.

China is another Group-wide issue:

In the future, we plan to assemble Mercedes-Benz C and E-Class sedans in China. We also plan to produce Mercedes-Benz vans there.

Additional activities in the commercial vehicle and services areas are currently being examined in various projects.

Technological leadership

Ladies and gentlemen,

If there's one thing that makes us an especially attractive business partner, it's our more than 115-year tradition as a leader in the automotive industry when it comes to technology and innovation.

Your company's innovations have set worldwide standards for the future.

One reason for our success here is our high level of investment. In fact, we invest more in research and development than any other German company.

For example, DaimlerChrysler is playing a pioneering role in the development of both passive and active safety systems.

We've also been working intensively on reducing fuel consumption and exhaust emissions:

Over the last ten years, DaimlerChrysler has significantly reduced the carbon-dioxide emissions of its passenger-car fleet in Europe. No other automaker can match our achievements here.

Thanks to new common-rail direct-injection systems, fuel consumption of diesel passenger cars has decreased by 25 percent during the same period.

In mid-2003 we presented the first fuel ever made from biomass. The amount of carbon dioxide released during combustion of this fuel is no greater than the amount of CO₂ absorbed by the plants involved during their growth phase.

We're also working very hard on the development of alternative drive systems. Here, we view hybrid technology as an important interim step on the road to our long-term objective – the fuel-cell drive.

In 2003, vehicles equipped with fuel-cell drives were put through their paces in tests under everyday operating conditions. In other words, fuel cells have matured beyond the research stage.

This year, a total of approximately 60 A-Class vehicles and 30 buses will be undergoing practical tests. That will make DaimlerChrysler the automaker with the largest fleet of fuel-cell vehicles in daily use.

Employees

Ladies and gentlemen,

A look at our activities shows that:

We are leading the way when it comes to technology and innovation.
We are the best-positioned automaker in global markets.
Our brands enable us to offer a greater proportion of premium vehicles than any other major automaker.
Our product pipeline has never been as well-filled as it is today.

But you know as well as I do that:

Products live from ideas,
brands from emotion,
and innovation from enthusiasm for progress.

That's why we must never forget what really sets us apart from the rest:
our more than 360,000 employees around the world, be it:

the engineer in Sindelfingen,
the designer in Auburn Hills,
the head of the assembly-line in East London,
or the customer-service expert in Tokyo.

These are the people that shape DaimlerChrysler.

And there are plenty of young faces among them:

More than 2,800 trainees began their professional careers at our company last year.
40 percent of all trainees in the German automotive industry are learning their skills at DaimlerChrysler.
We were able to recruit 2,400 college graduates and experienced young professionals worldwide last year.

Young people remain highly interested in the prospect of a career at DaimlerChrysler.

In fact, various studies show that we are one of the most popular employers worldwide.

What's more, the continual advanced training we offer our employees is creating the basis for ensuring that we will remain competitive in the future.

Corporate social responsibility

Even though we are fully committed to achieving our business goals, we never lose sight of our social responsibilities.

In fact, we view social responsibility as an important competitive factor. After all, only those companies that are respected and valued can hope to remain successful when it comes to attracting and keeping customers.

There's no doubt that our company can make the most effective contribution to positive social development in areas that are directly or indirectly related to our core expertise: mobility.

We therefore support the use of renewable raw materials in vehicle production and the use of organic fuels. We also maintain a very active dialogue with environmental protection organizations.

The term "mobility" has several meanings. One of them involves overcoming national barriers.

That's why we launched "Mondialogo" – the world's biggest school competition – in cooperation with UNESCO. More than 24,000 students from 125 countries are currently participating in this intercultural exchange program.

Germany

We are very much aware of our global responsibilities.

At the same time, however, Germany naturally has a special place in our hearts.

We cannot automatically assume that our country will always be a key player on the global market.

We are falling behind other countries because there is too much talk and too little action.

In essence, we fail to see clearly enough the opportunities offered by globalization, and we often become paralyzed by perceived dangers.

We have to summon up the courage to boldly enter uncharted territory.

The fact is that the world will not simply stand still and wait for Germany.

Fortunately, certain economic policy decisions taken over the last few months indicate that the long period of inactivity on the economic reform front is slowly coming to an end.

But there are also disturbing signs that this reform movement, which has only just begun, could be stalled as a result of the large number of elections scheduled to take place in Germany this year.

Instead, the opposite must occur: This year, we have to make changes that go beyond the lowest common denominator.

The foundation exists – Germany has enormous potential. The country has clever and hard-working people and the necessary will to succeed.

Germany wants to get moving again.

And we will do everything we can to ensure that it succeeds.

This year alone we will invest more than 6 billion euros in Germany.

Outlook

We will invest a total of 38 billion euros in the future of your company over the next three years.

During that same period, we will bring some 50 new products to the market.

Without a doubt, we are currently facing a range of operational challenges. However, we have the resources to further develop our company.

Our philosophy is

in the short term, to continue doing the things that make us competitive, while not neglecting the things we need to do to ensure our long-term competitiveness.

So what are our prospects?

For the first quarter of this year we expect group earnings at last year's level. This already includes further impacts that are due to the new agreement of Toll Collect with the Federal Government.

For 2004 as a whole, our goal is to achieve a slight increase in operating profit from ongoing business compared to last year.

We then expect a significant improvement in earnings in 2005 and 2006, when the vehicles from our current product offensive become fully available.

Ladies and gentlemen,

We are living in times marked by great uncertainty, volatility in the global economy, and a lack of courage to invest in the future.

In such times your company is maintaining its workforce level, training young people in numbers that go beyond its own requirements, maintaining its commitment to social issues, and investing billions in research and development.

Last year we posted earnings of more than 5 billion euros.

We succeeded in significantly improving free-cash-flow from our industrial business. And we raised the equity ratio.

Two of our four divisions, Mercedes Car Group and DaimlerChrysler Services, posted record earnings.

The commercial vehicle division achieved a turnaround and is now performing very well.

And the Chrysler Group has reached breakeven, and first-quarter indicators are positive.

We can expect to face great challenges in the future.

Nevertheless, our earnings outlook for the coming years is positive.

I want to continue doing everything in my power to help shape the future of DaimlerChrysler.

Not just because it's our job, but because DaimlerChrysler is our passion.

And we are convinced that this great company is firmly on course to a successful future.

Thank you.