

Investor Relations Release

February 10, 2005

DaimlerChrysler achieves an operating profit of €5.8 billion

- **Net income of €2.5 billion (2003: €0.4 billion)**
- **Earnings per share of €2.43 (2003: €0.44)**
- **Revenues up 4% to €142.1 billion**
- **Operating Profit in 2005 expected to be slightly higher than in 2004**

Stuttgart/Auburn Hills - DaimlerChrysler (stock-exchange abbreviation DCX) has today published its preliminary consolidated financial statements and the divisions' results for the year 2004.

The operating profit with €5.8 billion was, as stated before, considerably higher than €5.1 billion, the operating profit of Full Year 2003 excluding restructuring expenditures at the Chrysler Group and excluding the capital gain realized on the sale of MTU Aero Engines. This increase was primarily due to the improved earnings of the Chrysler Group and in the Commercial Vehicles divisions. The profit contribution from the Services division was at the high level of the prior year, despite the charge from Toll Collect. The contribution to the Group's operating profit from the Mercedes Car Group decreased sharply, however. The Group's result was negatively impacted by considerable charges from Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Toll Collect.

The Chairman of the Board of Management of DaimlerChrysler AG, Prof. Jürgen E. Schrempp, stated at the Annual Results Press Conference in Sindelfingen: "One of DaimlerChrysler's key strengths is its ability not only to compensate at the Group level for differing cycles in the divisions and varying regional developments, but also to achieve growth in earnings. The year 2004 shows that our strategy works well – even in such a challenging competitive environment."

Net income rose from €0.4 billion to €2.5 billion. Earnings per share of €2.43 were also significantly higher than in the prior year.

The Board of Management will propose to the Supervisory Board that an unchanged **dividend** of €1.50 per share should be distributed (2003: €1.50). This proposal takes account not only of the development of operating profit and cash flow in 2004, but also of expectations for the coming years.

The Group's workforce will also participate from the positive business developments. DaimlerChrysler's management and representatives of its employees have together fixed the details of the **profit-related bonus** for 2004. For some 144,000 employees of DaimlerChrysler AG in Germany, the bonus for 2004 has been set at €1,100. It will be paid out together with wages and salaries in April 2005. Consistent with the collective bargaining agreement, this year's profit-related bonus for the 68,000 entitled employees of the Chrysler Group in the United States will average \$1,500 and will be paid out in March 2005.

The total compensation of the Board of Management decreased by 22.5% from €40.8 million to €31.6 million in 2004. The compensation for the activities of the members of the Supervisory Board of DaimlerChrysler AG amounted to €2.0 million (2003: €2.8 million). In the industrial business, DaimlerChrysler generated a free cash flow of €1.8 billion. The net liquidity of the industrial business thus continued to improve from €1.8 billion to €2.2 billion – despite an allocation to the pension funds of €1.6 billion and despite the high dividend distribution (€1.5 billion) in 2004.

Growth in unit sales and revenues

DaimlerChrysler sold a total of 4.7 million vehicles in 2004, surpassing the level of the prior year by 8%. The DaimlerChrysler Group's revenues increased by 4% to €142.1 billion. Adjusted for currency-translation effects and changes in the consolidated Group, revenues were actually 7% higher than in the prior year.

The workforce

As of December 31, 2004, DaimlerChrysler employed 384,723 people worldwide (end of 2003: 362,063). This was an increase of more than 6%. Of this total, 185,154 were employed in Germany (2003: 182,739) and 98,119 in the United States (2003: 102,391). Employment rose sharply in the Commercial Vehicles division in particular, due to new recruitment in Europe and North America and above all the consolidation of Mitsubishi Fuso Truck and Bus Corporation (MFTBC) with 18,281 employees. Adjusted for changes in the consolidated Group, the DaimlerChrysler workforce grew by 2% (+8,355).

Investing to secure the future

Last year, the DaimlerChrysler Group invested a total of €6.4 billion in property, plant and equipment (2003: €6.6 billion). The focus of the investment of €2.3 billion by the Mercedes Car Group was on expanding the plants in Rastatt and Tuscaloosa/USA for the production of the new A-Class and M-Class vehicle families, production preparations for the next S-Class model, and the expansion of production facilities for the new diesel and gasoline engines. The Chrysler Group's investments of €2.6 billion were primarily applied to prepare for the production of the nine new models launched in 2004, including the very successful Chrysler 300C and the Dodge Magnum, and at least five additional models to come in the year 2005. Important projects in the Commercial Vehicles division, which invested a total of €1.2 billion, included the new Euro-4 truck engines and preparations for the successor to the Sprinter.

Research and development expenditure totaled €5.7 billion in 2004 (2003: €5.6 billion). Of this total, €2.6 billion was accounted for by the Mercedes Car Group. This division's most important projects were the B-Class and R-Class sports tourers and the successors to the M-Class and S-Class models as well as completely new engine families. Research and development work at the Chrysler Group was influenced by the product offensive; efficiency improvements were achieved once again in terms of the yield on the funds applied. R&D expenditure by the Chrysler Group was at €1.6 billion. €1.2 billion was applied for research and development by Commercial Vehicles (2003: €0.9 billion).

In the planning period of 2005 through 2007, DaimlerChrysler expects to invest a total of €21 billion in property, plant and equipment. DaimlerChrysler plans to invest substantial funds in the context of the Group's involvement in China. For research and development activities, DaimlerChrysler will spend a total of €17 billion in the period of 2005 through 2007, thus maintaining the high level of recent years.

Mercedes Car Group

The Mercedes Car Group sold 1,226,800 vehicles in 2004 (2003: 1,216,900). For model life-cycle reasons, unit sales of the Mercedes-Benz brand were 2% lower than in the prior year, however. smart's unit sales increased by 22% due to the launch of the smart forfour.

The division's revenues decreased slightly to €49.6 billion (2003: €51.5 billion). This development was due to exchange-rate effects and the changed model mix of Mercedes-Benz passenger cars, which was primarily caused by lifecycle-related factors.

At €1.7 billion, operating profit was significantly lower than the €3.1 billion posted in 2003. This was due partially to the changed model mix and exchange-rate effects, but also due to the high launch costs for new products and the costs of the quality offensive at Mercedes-Benz. In addition, the contribution from the smart brand was significantly negative as a result of higher marketing expenses and launch costs for the smart forfour.

The Mercedes Car Group started a comprehensive program designed to improve efficiency and increase earnings. With the CORE program, the Mercedes Car Group aims to improve its performance by more than €3 billion. As a result, the division should once again achieve a return on sales of 7% in 2007. It also expanded its quality offensive in 2004. For the smart brand, a business model is now being prepared with the goals of increasing unit sales as a result of measures taken in the sales network, improving cost structures and boosting productivity.

With its product and marketing offensive, the Mercedes-Benz brand has succeeded in making its product range even more attractive and significantly younger, and in defending its position as the world's most successful premium brand, despite intense competition.

The second-generation SLK roadster, which was presented to the public in the spring of 2004, is Number 1 worldwide in its segment. In April 2004, deliveries to customers began of the new super sports car Mercedes-Benz SLR.

In the early summer, Mercedes-Benz launched the new generation of the C-Class. The response to the new C-class has been very positive, with the model becoming the global market leader in its segment shortly after it was launched. In September 2004, the first units of the new CLS-Class were delivered to customers; this is the first four-door coupe in the world to go into series production. Demand is very strong for the new A-Class, deliveries of which also began in September.

At the 2004 Paris Motor Show, the European version of the "Vision R" grand sports tourer, and for the first time also the new "Vision B" compact sports tourer were presented to the public. The response from both the public and the press was very positive. These two vehicles will be launched in the summer of 2005 as the R-Class and the B-Class. They will extend the M-Class and the A-Class into product families. With these models and the new S-Class to be launched in the fall of 2005, the Mercedes-Benz brand intends to further extend its leading position in the premium segment in the coming years.

More than 500 exclusive Maybach sedans were delivered to customers worldwide in the year 2004.

A sales offensive was started for the smart brand, which has become well established with its unique products in many markets within just a few years. The goal is to utilize the potential of the brand even better than before. At the same time, new markets were gradually added. And with the smart forfour, which was launched in April 2004, smart established itself as a multi-product brand.

Chrysler Group

Worldwide, the Chrysler Group posted factory unit sales (shipments) of 2.8 million passenger cars, minivans, sport-utility vehicles and light trucks of the Chrysler, Dodge and Jeep® brands in 2004, a 5% increase over 2003. Worldwide retail sales increased by 4% to 2.7 million vehicles.

The Chrysler Group's revenues of €49.5 billion were at the same level as in the prior year; calculated in US dollars, the increase was 10%.

The Chrysler Group's business development was very positive in 2004, despite the continuation of difficult market conditions in North America: After reporting an operating loss of €506 million in the prior year, in 2004 the Chrysler Group achieved an operating profit of €1.4 billion. Lower average price incentives also contributed to the better result.

In the past four years, the Chrysler Group significantly improved its product quality and raised its manufacturing productivity, resulting in a sustained improvement in its competitive position. According to the "Harbour Report 2004," the Chrysler Group increased manufacturing productivity by 7.8%. This is the second consecutive year in which the Chrysler Group posted the largest year-over-year improvement among all automotive manufacturers. And according to the "Initial Quality Survey" carried out by J.D. Power, the quality of Chrysler, Jeep® and Dodge vehicles improved by 11% compared with the prior year.

In the year 2004, the Chrysler Group continued its product offensive with nine new products. This represents the greatest number of new models in a single year in the company's history, and gives it one of the youngest product line-ups in the industry. The model offensive will continue in the years to come. For example, the company will launch several highly anticipated products in 2005, including the Dodge Charger and the Jeep® Commander, which will be the first Jeep® vehicle ever with three-row seating.

With the 300 and 300C sedans, the Chrysler Group has made an impact on the US market for passenger cars: these models quickly achieved a market share of about 30% in their segment during nine months in the market place. The 300C has also been very well received in Europe. Additional new Chrysler models in the year 2004 were the Chrysler PT Cruiser convertible and the Chrysler Crossfire roadster, which continue the brand's long and successful tradition of open-air driving. Last year's new products from the Dodge brand included the Dodge Magnum, the Dodge Dakota and the Dodge Ram SRT-10. Chrysler Group vehicles received more than 70 awards in 2004.

Commercial Vehicles

In a favorable economic environment in 2004, the Commercial Vehicles division boosted its unit sales by 42% to 712,200 trucks, vans and buses. This figure includes 118,100 vehicles of the business unit MFTBC, which was consolidated in April 2004. With the acquisition of a majority stake in MFTBC, DaimlerChrysler has further extended its position as global market leader for commercial vehicles. Even without the consolidation of MFTBC, the number of 594,100 units sold significantly exceeds the previous record set in 1999 (554,000). The increase in unit sales excluding MFTBC amounted to 19% in 2004. Revenues also grew substantially to €34.8 billion (2003: €26.8 billion). Once again, even without MFTBC there would still have been strong growth of 16%.

Operating profit of €1.3 billion was far higher than the prior-year earnings of €0.8 billion. This strong result was achieved although the Commercial Vehicles division was burdened by charges of €475 million relating to the expenditure arising at MFTBC for quality measures and recall campaigns. The main reasons for the earnings improvement were the substantially higher unit sales and the successful implementation of efficiency programs.

DaimlerChrysler has meanwhile successfully claimed compensation for the quality problems at MFTBC. At the beginning of this week, the DaimlerChrysler Supervisory Board and the Board of Directors of Mitsubishi Motors Corporation approved a letter of intent regulating compensation for the expenses that DaimlerChrysler has incurred due to those quality problems. An appropriate contract will now be prepared on this basis.

Thanks to the success of the new products and increased demand in the key markets, as well as the full consolidation of MFTBC, sales by Trucks business segment increased by 57% to 403,300 vehicles. With unit sales of 137,400 vehicles, the Trucks Europe/Latin America (Mercedes-Benz) business unit sold 24% more vehicles than in the prior year, thus setting a new record. The Trucks NAFTA business unit (Freightliner, Sterling, Thomas Built Buses) also achieved a strong increase in truck sales of 22% to 152,400 vehicles. MFTBC recorded unit sales of 118,100 trucks and buses. Its decrease in Japan was offset by strong growth in South East Asia, the Middle East and in Europe. The Mercedes-Benz vans business unit posted sales of 260,700 units in 2004 (2003: 230,900). The DaimlerChrysler Buses business unit achieved a new record with sales of 32,800 units (+16%).

The new medium-duty truck Atego 2 and the new Axor 2 were presented in 2004. The two trucks use a large number of shared parts and feature numerous innovations. With the launch of the Atego in Brazil in the summer of 2004, the business unit Trucks Europe/Latin America continued to implement its strategy of selling the European product range in all of the business unit's key markets and thus achieving economies of scale. This goal is also served in the NAFTA region by assembling axles that share many parts with the axles produced in Europe. The increase in unit sales by the Vans business unit is mainly due to the success of the Sprinter, the Vito, and the Viano model series, which were in great demand in all major regions. The new Vito introduced in 2003 was named "Van of the Year 2005." The positive development of DaimlerChrysler Buses was primarily a result of the continuous further enhancement of the full-line product portfolio and the business unit's technology leadership.

Services

The Services division continued its positive business development in the year 2004. Its operating profit of €1.25 billion was at last year's high level (2003: €1.24 billion), despite the charges of €472 million from Toll Collect.

New business increased by 7% to €50.9 billion primarily due to the close cooperation with the vehicle divisions. The increase was also assisted by specialized programs, which were given a very positive reception by customers. An additional factor was that DaimlerChrysler Services launched new financial services products in 2004. Contract volume rose to €102.4 billion (2003: €98.2 billion). In total, the portfolio consisted of 6.6 million leased and financed vehicles in 39 countries at the end of 2004.

In order to increase new business and profitability in North America, bonus programs were introduced, and activities designed to enhance customer retention were further expanded. DaimlerChrysler Services Truck Finance introduced a full-service leasing program for the Freightliner brand that allows customers to supplement their financing and leasing contracts with an additional maintenance contract.

DaimlerChrysler Bank continued with the expansion of its core areas of leasing and financing in 2004. New business increased by 9% to €8.2 billion, and contract volume was up 10% to €14.5 billion. DaimlerChrysler Bank also expanded its portfolio in 2004 to include new attractive products such as auto insurance.

In China, preparations continued for the launch of financing activities in that country. In November, DaimlerChrysler Services received a provisional permit to commence business activities, and it plans to support sales of Group vehicle brands in China with its own financing company.

Following the successful execution of important tests of the satellite-based toll-collection system and a full trial confirming the functionality and compatibility of the various system components, Toll Collect was granted a provisional operating permit at the end of 2004. The toll system then started smoothly on January 1, 2005.

Other Activities

The Other Activities segment consists of the Group's 33% holding in the European Aeronautic Defence and Space Company (EADS) and, since January 1, 2004, the DaimlerChrysler Off-Highway business unit. The prior-year figures have been adjusted for comparability. As DaimlerChrysler did not participate in a capital increase for Mitsubishi Motors Corporation (MMC), the Group's ownership interest in MMC decreased from 37% to 19.7% at the end of 2004. As a result, since June 30, 2004, the shareholding in Mitsubishi Motors has been included in the consolidated financial statements as a financial investment shown at fair value.

The Other Activities' operating profit decreased from €1.3 billion to €0.5 billion last year. The reason for the reduction is that the operating profit for the prior year included the profit contribution from MTU Aero Engines, as well as the gain of €1.0 billion realized on the disposal of this unit.

At €1.75 billion, DaimlerChrysler Off-Highway's revenues in 2004 were about 2% higher than in the prior year. The business unit's incoming orders totaled €1.84 billion, 7% higher than the figure for 2003.

Thanks to increased demand in the civil-aviation sector, EADS performed very well in 2004, and significantly increased its contribution to Group operating profit. The company publishes its figures for the 2004 financial year on March 9, 2005.

Outlook

Assuming a moderate increase in the worldwide demand for automobiles, the **DaimlerChrysler** Group expects total unit sales to increase in 2005 and the following years. Higher unit sales by all divisions will contribute to this development. Revenues should also continue rising.

After a weaker first and second quarter, for the full-year 2005 DaimlerChrysler expects a slightly higher operating profit than in the previous year. Significant earnings improvements are to be expected as of the year 2006, when the Mercedes Car Group's product offensive takes full effect and additional new models become available from the Chrysler Group. A key contribution to this positive earnings development will also be made by the efficiency-enhancing programs which will be pushed steadily forward in all divisions.

A fundamental condition for the targeted increase in earnings is a generally stable economic and political situation and a further moderate up-turn in worldwide demand for automobiles that is expected for the years of 2005 through 2007. Challenges may arise, however, from a continuation of the weak US dollar and high raw-material prices.

Due to the planned development of unit sales and the expected productivity advances, DaimlerChrysler assumes that employee numbers will remain fairly constant in the years of 2005 through 2007, both for the Group as a whole and in the individual divisions.

Additional charts showing figures for the 2004 fiscal year can be found on the Internet at:

http://www.daimlerchrysler.com/ir/2004_e

These figures are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor. Publication of Annual Report and Consolidated Financial Statement is scheduled for February 23, 2005. Publication of Form 20-F Report is scheduled for February 28, 2005.

This Investor Relations Release contains forward-looking statements that reflect management's current views with respect to future events. The words „anticipate,“ „assume,“ „believe,“ „estimate,“ „expect,“ „intend,“ „may,“ „plan,“ „project“ and „should“ and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: an economic downturn in Europe or North America; changes in currency exchange rates and interest rates; introduction of competing products; increased sales incentives; and decline in resale prices of used vehicles. If any of these or other risks and uncertainties occur (some of which are described under the heading "Risk Report" in DaimlerChrysler's most recent Annual Report and under the heading "Risk Factors" in DaimlerChrysler's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission), or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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DaimlerChrysler – Figures for 2004

DaimlerChrysler-Group	2004		2003
	U.S.-\$	€ (Euro)	€ (Euro)
Revenues, in millions	192,319	142,059	136,437
Operating Profit, in millions	7,790	5,754	5,686
Net Income, in millions	3,338	2,466	448
Per Share (EPS)	3.29	2.43	0.44
Dividend proposed		1.50	1.50
Employees (at year-end)	384,723		362,063

Operating Profit (Loss) by Segments	2004		2003
	U.S.-\$	€ (Euro)	€ (Euro)
in millions			
Mercedes Car Group	2,255	1,666	3,126
Chrysler Group	1,932	1,427	(506)
Commercial Vehicles ¹⁾	1,803	1,332	811
Services	1,692	1,250	1,240
Other Activities ¹⁾	617	456	1,329

Revenues by Segments	2004		2003
	U.S.-\$	€ (Euro)	€ (Euro)
in millions			
Mercedes Car Group	67,189	49,630	51,446
Chrysler Group	67,010	49,498	49,321
Commercial Vehicles ¹⁾	47,064	34,764	26,806
Services	18,871	13,939	14,037
Other Activities ^{1) 2)}	2,978	2,200	4,084

Unit Sales by Segments	2004	2003
Mercedes Car Group	1,226,800	1,216,900
Chrysler Group	2,779,900	2,637,900
Commercial Vehicles	712,200	501,000

Rate of exchange: 1 € = U.S.-\$ 1.3538 (based on the noon buying rate on Dec. 31, 2004)

1) Figures for previous year have been adjusted to reflect the reallocation of the DaimlerChrysler Off-Highway business unit from the Commercial Vehicles Division to the segment Other Activities. Since March 31, 2004 Mitsubishi Fuso Truck and Bus Corporation (MFTBC) is included with a time lag of one month in the Commercial Vehicles Division.

2) In 2003 figure for discontinued operations (MTU Aero Engines) included.

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DaimlerChrysler – Figures for the 4th Quarter 2004

DaimlerChrysler-Group	Q4/2004		Q4/2003
	U.S.-\$	€ (Euro)	€ (Euro)
Revenues, in millions	51,099	37,745	35,211
Operating profit, in millions	1,063	785	2,396
Net income (Loss), in millions	712	526	1,404
Per Share (EPS)	0.70	0.52	1.39
Employees (at year-end)	384,723		362,063

Operating Profit (Loss) by Segments in millions	Q4/2004		Q4/2003
	U.S.-\$	€ (Euro)	€ (Euro)
Mercedes Car Group	27	20	784
Chrysler Group	523	386	143
Commercial Vehicles ¹⁾	592	437	344
Services	196	145	203
Other Activities ¹⁾	(28)	(21)	1,144

Revenues by Segments in millions	Q4/2004		Q4/2003
	U.S.-\$	€ (Euro)	€ (Euro)
Mercedes Car Group	17,407	12,858	13,059
Chrysler Group	17,210	12,712	12,312
Commercial Vehicles ¹⁾	13,527	9,992	7,696
Services	4,955	3,660	3,451
Other Activities ^{1) 2)}	1,106	817	1,274

Unit Sales by Segments	Q4/2004	Q4/2003
Mercedes Car Group	348,300	302,400
Chrysler Group	718,800	639,600
Commercial Vehicles	208,700	145,000

Rate of exchange: 1 € = U.S.-\$ 1.3538 (based on the noon buying rate on Dec. 31, 2004)

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