

DCAG:Headcount Reductions at Mercedes Car Group in Germany
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Personnel

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- Reductions of 8,500 jobs at Mercedes Car Group in Germany
 - Charges of EUR950 million for DaimlerChrysler are to be compensated
 - Earnings outlook 2005 remains unchanged

Stuttgart -Today, the Board of Management of DaimlerChrysler AG has set a reduction target of 8,500 jobs for the Mercedes Car Group Business Division. The Supervisory Board has authorized the Board of Management for the provision of the required funds.

The headcount reductions are to be achieved through voluntary termination agreements within the next 12 months. They are required in order to ensure that production at the location Germany can be maintained in a sustainable way.

The decision of the Board of Management and the Supervisory Board will lead to charges of EUR950 million. The major portion of the charges will be posted in the fourth quarter of 2005. The charges are to be compensated by extraordinary income as well as from improvements in the ongoing operative business. Therefore, the profit outlook for the Group for the year 2005 remains unchanged: DaimlerChrysler continues to expect a slight increase in operating profit compared with the prior year (EUR5.8 billion), excluding charges related to the realignment of the smart business model.

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