

Investor Relations Release

February 20, 2002

Earnings target achieved despite difficult market conditions

- **Operating Profit (adjusted for one-time effects) of €1,345 million is within the announced target range**
- **Adjusted Net Income of €730 million**
- **Another record year for Mercedes-Benz and smart: adjusted Operating Profit up to €2,961 million**
- **Adjusted Operating Loss lower than expected at Chrysler (€2,183 million)**
- **Commercial Vehicles division achieves Operating Profit (adjusted for one-time effects) of €51 Mio.; position as world's leading manufacturer maintained**
- **DaimlerChrysler Services achieves Operating Profit (adjusted for one-time effects) of €578 million**

Stuttgart/Auburn Hills - DaimlerChrysler today published its consolidated financial statements and its divisional results for the year 2001. At the presentation of the Annual Report 2001, DaimlerChrysler stated that despite difficult market conditions it had been able to achieve its earnings target.

DaimlerChrysler Group

The Group attained Revenues of €152.9 billion in 2001. Adjusted for changes in the consolidated Group, Revenues were virtually unchanged against the previous year.

Excluding one-time effects, Operating Profit was €1,345 million – within the target range announced in February 2001, despite a more difficult economic environment. In the year under review, there were negative one-time effects totaling €2.7 billion, primarily due to the turnaround activities at Chrysler Group, Freightliner and Mitsubishi Motors.

Including one-time effects, there was a Group Net Loss of €662 million, and a loss per share of €0.66. Excluding one-time effects there was a Group Net Income of €730 million and earnings per share of €0.73.

At the end of the year, DaimlerChrysler employed 372,470 people worldwide.

The reduction compared with the previous year was partly due to the fact that the employees of TEMIC and Adtranz are no longer included in the DaimlerChrysler Group. In addition, there were workforce reductions as a result of measures taken to improve profitability, in particular at Chrysler Group and Freightliner.

Last year, DaimlerChrysler invested a total of €8.9 billion in property, plant and equipment, and €6.0 billion in research and development.

Dividend

The Board of Management and the Supervisory Board will propose to the shareholders at the Annual Meeting that a dividend of €1.00 per share be distributed. The total dividend distribution will therefore amount to €1,003 million. The dividend level proposed is related to the year's earnings. However, DaimlerChrysler is confident that it will take profits to much higher levels in the future.

Mercedes-Benz Passenger Cars & smart

The Mercedes-Benz Passenger Cars & smart division again achieved new record figures for Unit Sales, Revenues and Operating Profit. Worldwide, 1,229,700 vehicles were sold, of which 116,200 were smart cars. Revenues rose to €47.7 billion. Excluding one-time effects, Operating Profit reached €2,961 million, despite high expenditure for the development and launch of new models.

Chrysler Group

In spite of the difficult market conditions in North America, Chrysler Group's Operating Loss excluding one-time effects of €2,183 million was lower than the target range set at the beginning of the year (Operating Loss of €2.2-2.6 billion). The implementation of the turnaround plan achieved cost savings and efficiency improvements that were substantially greater than originally planned, offsetting the negative impact of declining Unit Sales and Revenues. Worldwide, Chrysler Group sold 2.8 million cars, SUVs, minivans and light trucks. Its Revenues amounted to €63.5 billion.

Commercial Vehicles

With Revenues of €28.6 billion, DaimlerChrysler remains the largest manufacturer of commercial vehicles in the world. Unit Sales of 492,900 trucks, vans and buses by the Commercial Vehicles division did not equal the high level of the previous year due to the severe decline of markets in North America and Argentina. Demand in Western Europe also weakened distinctly during the course of the year.

The division's Operating Profit excluding one-time effects decreased to €51 million. The main reason for this was the loss sustained by Freightliner in the United States, where a comprehensive turnaround plan was initiated in October 2001.

DaimlerChrysler Services

DaimlerChrysler Services achieved Revenues of €16.9 billion in 2001. Adjusted for the revenues of debis Systemhaus, which remained consolidated for the first nine months of the previous year, Revenues increased by 12%. As expected, new business was slightly below the level of 2000 at €54.8 billion. With new business of €35.7 billion, the United States remained DaimlerChrysler Services' most important market.

The division's Operating Profit amounted to €612 million. Operating profit for the year under review includes a one-time gain on the sale of the remaining shares of debitel AG to Swisscom, a Swiss telecommunications company, of €292 million, as well as one-time losses of €115 million caused by the devaluation of the Argentinean peso against the US dollar and of €166 million for the sale of parts of the capital services portfolio in the United States that was agreed on in January 2002. Excluding one-time effects there was an Operating Profit of €578 million.

Other Activities

The Other Activities segment comprises of the MTU Aero Engines business unit, our equity interests in EADS, TEMIC, Mitsubishi Motors Corporation; until the end of April 2001, the segment also included the Rail Systems business unit, which was sold last year. It also includes our Corporate Research department, our real-estate activities, and the holding and finance companies.

Despite the negative effects of the terrorist attacks of September 11, 2001, **MTU Aero Engines** continued its extremely positive development of recent years. In 2001, the business unit's Revenues climbed 18% to €2.5 billion.

Compared with its pro-forma Revenues of 2000, **EADS** improved its performance by 27% to €30.8 billion. Adjusted for the effects of the formation of Airbus SAS, there was growth of 10%.

In the first half of the 2001/2002 financial year, which ends on March 31, 2002, **Mitsubishi Motors Corporation** achieved Unit Sales of 658,000 vehicles and Revenues of 1.533 billion yen (€14.2 billion). As expected, MMC recorded an operating loss in the first half of 2001/2002 of 13.1 billion yen (€121 million). However, this loss was 44% lower than that in the first half of the previous year (23.2 billion yen).

Excluding one-time and special effects, the segment reached an Operating Profit of €0.2 billion.

Outlook

DaimlerChrysler expects Group Operating Profit for 2002 excluding one-time effects to exceed twice the 2001 level by a very significant amount. The Group is confident that it will achieve results similar to those projected one year ago, but at slightly later dates.

This Investor Relations Release contains forward-looking statements that reflect the current views of DaimlerChrysler management with respect to future events. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" and "should" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties, including, but not limited to: changes in general economic and business conditions, especially an economic downturn in Europe or North America; changes in currency exchange rates and interest rates; introduction of competing products; lack of acceptance of new products or services, including increased competitive pressures on the general level of sales incentives and pricing flexibility; inability to implement the turnaround plans for the Chrysler Group and Freightliner promptly and successfully, especially an inability to meet revenue enhancement, efficiency and cost reduction initiatives; the ability of Mitsubishi Motors to implement its restructuring plan successfully; 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 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. DaimlerChrysler does not intend or assume any obligation to update these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made.

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