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## Investor Relations Release

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February 26, 2001

### **DaimlerChrysler Reports Full Year and Divisional Results for 2000**

- **Group Operating Profit down 11% to EUR 9.8 billion; excluding one-time effects a decline of 49% to EUR 5.2 billion**
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- **Commercial Vehicles Operating Profit up 8% to EUR 1.2 billion in 2000**
- **Chrysler Group Operating Profit down by 90% to EUR 0.5 billion**
- **DaimlerChrysler Services Operating Profit declined 38% to EUR 0.6 billion (adjusted for one-time effects).**

Stuttgart / Auburn Hills – DaimlerChrysler AG (stock symbol DCX) announced today full year figures for 2000, including the performance of its operating divisions.

Details of the turnaround plan for the Chrysler Group will be announced later this morning in a separate release.

#### **DaimlerChrysler Group**

In 2000, Revenues increased 8% to a record EUR 162.4 billion (1999: EUR 150 billion), on a comparable basis, Revenues increased by 12%.

Operating Profit was hit by Second Half losses in North America. Including one-time effects, Operating Profit fell by 11% to EUR 9.8 billion (1999: EUR 11.0 billion). Net Income rose 37% to EUR 7.9 billion (1999: EUR 5.7 billion) and EPS increased from EUR 5.73 to

EUR 7.87, due mainly

to a lower tax burden. Excluding one-time effects, which had a net positive effect of EUR 4.5 billion, Operating Profit declined by 49% to EUR 5.2 billion (1999: EUR 10.3 billion). Net Income declined by 44% to EUR 3.5 billion, with EPS of EUR 3.47, down from EUR 6.21.

### **Dividend**

The Board of Management and the Supervisory Board will recommend at the Annual Meeting on April 11, 2001 in Berlin, an unchanged dividend of EUR 2.35 per share.

### **Mercedes-Benz Passenger Cars and smart**

Mercedes-Benz Passenger Cars and smart had another record year. Worldwide sales increased by 7% to 1,154,900 units (1999: 1,080,300). Revenues rose from EUR 38.1 billion in 1999 to EUR 43.7 billion, an increase of 15%. Operating Profit adjusted for one-time effects was EUR 2.9 billion (1999: EUR 2.7 billion), up 6%.

The division increased its share of the German market, despite a declining market trend. For the first time, more than 200,000 Mercedes-Benz vehicles were sold in the USA.

The new C-Class with sales of 147,900 was extremely well received, as were the M-Class and the S-Class. The S-Class sedan was again the leader in its segment with a worldwide market share of 53%. Sales of the smart totaled 102,100 units (1999: 79,900).

### **Chrysler Group**

The Chrysler Group had an extremely difficult year in 2000 and is in the midst of a wide-ranging turnaround plan. Unit sales declined slightly to 3.0 million vehicles (1999: 3.2 million) . Revenues were up 7% to EUR 68.4 billion (1999: EUR 64.1 billion), mainly due to the strength of the US Dollar against the Euro. Measured in US dollars, Chrysler Group's revenue fell by 8%. Operating Profit went down by 90% to EUR 0.5 billion

(1999: EUR 5.2 billion) as a result of losses incurred in the second half of the year due to a combination of intense competition in the US, higher spending on incentives and costs associated with new model launches.

## **Commercial Vehicles**

Although Unit Sales of commercial vehicles declined slightly from 554,900 in 1999 to 549,000 in 2000, revenues increased by 8% to EUR 28.8 billion (1999: EUR 26.7 billion). Operating Profit rose from EUR 1.1 billion to EUR 1.2 billion despite a significant slowdown in the second half at Freightliner in the USA. On the other hand, truck markets in Brazil and Turkey recovered.

Commercial Vehicles launched a number of new models in 2000 including the heavy duty Actros SLT, the Unimog module carrier U500, the Medio minibus, the OC500 bus chassis, and a redesigned Sprinter van. Two significant acquisitions were made: Western Star, the Canadian premium manufacturer of heavy trucks and its bus brand Orion; and Detroit Diesel, one of the world's leading manufacturers of heavy-duty diesel engines for on-highway applications.

## **DaimlerChrysler Services**

To reflect a sharper focus on financial services along the automotive chain, the division's name has been changed from debis to DaimlerChrysler Services AG.

In 2000, Revenues grew strongly rising 36% to EUR 17.5 billion (1999: EUR 12.9 billion). However, Operating Profit (adjusted for one-time effects) declined 38% from EUR 1.0 billion to EUR 0.6 billion, particularly as in the second half of 2000, growing pressure on margins and rising interest rates led to more intensive competition in financial services and a significant decline in earnings in the USA. The one-time effects were caused, on the one hand, by a gain of EUR 2.3 billion from the disposal of a controlling interest in debis Systemhaus. On the other hand falling used-car prices – especially in the US – led to a value adjustment of leased vehicles by EUR 0.5 billion.

## **Aerospace**

Last July, DaimlerChrysler's Aerospace (Dasa), France's Aerospatiale Matra and Spain's Casa merged to form the European Aeronautic Defence and Space Company (EADS). It is the largest aerospace company in Europe and the third largest in the world.

EADS enjoyed a successful Initial Public Offering (IPO) on the stock market and DaimlerChrysler became the largest shareholder with a stake of approximately 33%. It resulted in a one-time gain in Operating Profit of EUR 3.3 billion.

As a result of the changes in ownership, Dasa has only been included in DaimlerChrysler's consolidated financial statements for the first half of 2000. Since July 1, 2000 EADS is included at equity, in proportion to the stake held in EADS by Daimler Chrysler.

Due to consolidation effects, Revenues of EADS declined 41% to EUR 5.4 billion in 2000, while Operating Profit fell 38% to EUR 0.5 billion (1999: EUR 0.7 billion).

## **Other Industrial Businesses**

In 2000, the sale of Adtranz, DaimlerChrysler's rail systems unit, to Bombardier was agreed, subject to approval by EU regulators. In 2000, Adtranz Revenues rose 9% to EUR 3.9 billion (1999: EUR 3.6 billion), incoming orders were up 24% to EUR 4.1 billion, and break-even was achieved.

Automotive Electronics (TEMIC) had a good year with a 20% growth in Revenues to EUR 1.1 billion (1999: EUR 0.9 billion). Incoming Orders were up 13% at EUR 1.2 billion.

MTU/Diesel Engines increased Revenues by 8% to EUR 1.0 billion, primarily in commercial applications for ships and distributed power systems.

This Investor Relations Release contains forward-looking statements based on beliefs of DaimlerChrysler management. When used in this release, the words "anticipate," "believe," "estimate," "expect," "intend," "plan," and "project" are intended to identify forward-looking statements. Such statements reflect the current views of DaimlerChrysler with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results to be materially different, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. DaimlerChrysler does not intend or assume any obligation to update these forward looking statements.

If you have any questions, please contact our Investor Relations Team.

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