

Investor Relations Release

February 14, 2007

DaimlerChrysler achieves €5.5 billion operating profit in 2006

- **Net income of €3.2 billion (2005: €2.8 billion)**
- **Earnings per Share of €3.16 (2005: €2.80)**
- **Revenues up 1% to €151.6 billion**

Stuttgart/Auburn Hills - DaimlerChrysler (stock exchange abbreviation DCX) today published its preliminary Group and divisional results for the year 2006.

DaimlerChrysler recorded an **operating profit** of €5,517 million in 2006, compared with €5,185 million in 2005.

The development of the Group's operating profit was primarily impacted by the significant decline in earnings at the Chrysler Group. This was more than offset by the substantial earnings improvement at the Mercedes Car Group and the repeated increase in earnings at the Truck Group and the Financial Services division. The contribution to earnings from the Van, Bus, Other segment was lower than in the prior year. The earnings trend was affected by special items in both years, which are shown in the table on pages 8 and 9.

Net income increased by €0.4 billion to €3.2 billion (2005: €2.8 billion). Based on the reported net income, earnings per share amounted to €3.16 compared with €2.80 in 2005.

The Board of Management proposes to the Supervisory Board that a **dividend** of €1.50 per share should be distributed for the year 2006 (2005: €1.50). This proposal takes account not only of the development of operating profit and cash flow in 2006, but also of expectations for the coming years.

Unit sales and revenues

DaimlerChrysler sold a total of 4.7 million vehicles in 2006 (2005: 4.8 million), while the Group's total revenues increased by 1% to €151.6 billion. Adjusted for exchange-rate effects and changes in the consolidated Group, the increase in revenues amounted to 2%.

The workforce

As of December 31, 2006, DaimlerChrysler employed a workforce of 360,385 people worldwide (2005: 382,724). Of this total, 166,617 were employed in Germany (2005: 182,060) and 94,792 in the United States (2005: 97,480).

The implementation of the new management model is running according to plan. By the end of January 2007, approximately 2,000 employees worldwide had either signed voluntary severance agreements or had already left the Group. DaimlerChrysler has been working with the new structures since August 1, 2006. Important processes have been made faster and more efficient, allowing substantial efficiency gains. The total expenditure for the implementation of the program in the years 2006 through 2008 is likely to be in the region of €2 billion. Of this total, €393 million was incurred in the year 2006.

Investing to safeguard future

Worldwide, the DaimlerChrysler Group invested a total of €5.9 billion in property, plant and equipment in 2006 (2005: €6.6 billion). Capital expenditure at the Mercedes Car Group of €1.7 billion was slightly higher than in the prior year (€1.6 billion). To continue its product offensive and to make its production facilities more flexible, the Chrysler Group invested €2.9 billion in property, plant and equipment (2005: €3.1 billion). The Truck Group invested €907 million in 2006, mainly related to new technologies, powertrains and safety concepts (2005: € 966 million).

Expenditure for research and development totaled €5.3 billion in 2006 (2005: €5.6 billion). The most important projects at the Mercedes Car Group were the new generation of the E-Class, the new version of the CL-Class, and preparations for the model change for the C-Class in 2007. The Chrysler Group's focus was on the development of the new minivan generation as well as on hybrid vehicles. The Truck Group's major projects included the successor models for the Mercedes-Benz Actros and Axor, for the Freightliner Premium Class and for the Mitsubishi Fuso Super Great. Additional key areas of R&D activities at DaimlerChrysler were the further development of powertrain technologies, alternative propulsion systems such as hybrid drive and fuel cells, and electronic systems for the improvement of vehicle safety.

During the planning period of 2007 through 2009, DaimlerChrysler will presumably invest a total of €17.5 billion in property, plant and equipment and €16.2 billion in research and development activities. This adds up to total of investment in safeguarding the future of €33.7 billion.

Mercedes Car Group

The Mercedes Car Group division, comprising the brands Mercedes-Benz, Maybach, smart, Mercedes-Benz AMG and Mercedes-Benz McLaren, sold 1,251,800 vehicles in 2006 (2005: 1,216,800).

Revenues of €54.6 billion were 9% higher than the prior year's level.

The Mercedes Car Group achieved an operating profit of €2,415 million in 2006, compared with an operating loss of €505 million in the prior year. The results of both years were significantly affected by special items. There were expenses of €946 million in connection with the discontinuation of production of the smart forfour in 2006, while the realignment of the smart business model in 2005 resulted in charges of €1,111 million. Charges relating to staff reductions at Mercedes-Benz Passenger Cars in the context of the CORE program decreased to €286 million in 2006 (2005: €570 million). Additional special items with effects on the results of both years are shown in the table on page 8.

The substantial increase in the division's operating profit is due in particular to the efficiency improvements achieved in the context of the CORE program. Other positive factors were the higher unit sales of Mercedes-Benz passenger cars and the improved model mix due to the launch of the new S-Class as well as the M- and GL-Class models. A negative impact on operating profit in 2006 resulted from currency effects.

The Mercedes-Benz brand increased unit sales in the year under review by 5% to 1,149,100 vehicles. As a result, the brand was able to boost its market share in key regions, despite tougher competition. This positive result was primarily due to the very successful new model launches in 2005, particularly of the new S-Class, which went on sale in the United States in February 2006. Like the new CL- and GL-Class models, the updated E- and SL-Class vehicles launched in 2006 were also very well received by the market and contributed to the Mercedes-Benz brand's success in the year under review. On October 15, 2006, the division launched the E320 BLUETEC – the world's cleanest diesel passenger car – in the United States and Canada.

The extensive measures being implemented to further improve the quality of DaimlerChrysler's vehicles are having very positive effects. This claim is supported by internal analyses and many external studies. The J.D. Power Initial Quality Study 2006 concluded that the Mercedes-Benz brand has a positive trend in the category of initial quality. Improvements were achieved in nearly all of the issues that were addressed in last year's study (IQS 2005).

Unit sales of the smart brand totaled 102,700 vehicles in the year under review (2005: 124,300). Unit sales of the smart fortwo developed especially well throughout the year, with the model's production volume once again exceeding the planned target in the vehicle's ninth year of production. More than 750,000 smart fortwos have been sold since the vehicle's market launch. Despite an increase in production at the beginning of the year, nearly all smart fortwo models built had been sold by the end of 2006. Sales of the last smart roadsters and smart forfour models proceeded according to plan; nearly all remaining stocks of these vehicles had been sold by the end of the year under review.

In November 2006, smart unveiled the new smart fortwo, which will be launched in Europe in April 2007. Starting in 2008, the new smart fortwo will also be available in the United States, which has become a promising market for smart due to increasing traffic volumes and rising fuel prices. The second-largest automobile retail organization in the United States – the UnitedAuto Group – will act as the exclusive importer of smart brand vehicles.

Chrysler Group

Worldwide, the Chrysler Group shipped 2.7 million Chrysler, Jeep® and Dodge branded passenger cars, sports tourers, minivans, SUVs and light trucks to its dealerships in 2006 (2005: 2.8 million). Worldwide retail sales decreased by 5% in 2006 to 2.7 million units.

As a result of lower volumes and a weaker US dollar on average for the year, the Chrysler Group's revenues for the year of €47.1 billion were significantly lower than in 2005 (€50.1 billion).

The Chrysler Group posted an operating loss of €1,118 million in 2006, compared with an operating profit of €1,534 million in 2005.

The deterioration in operating results was primarily the result of negative net pricing, unfavorable product and sales market mix, and a decline in factory unit sales in the United States. These factors reflect the continuing difficult market environment in the United States during 2006 marked by an overall decline in market volume, a shift in consumer demand towards smaller, more fuel-efficient vehicles due to higher fuel prices, as well as the impact of higher interest rates. These negative factors were partially offset by the market success of the new models, most of which were launched in the second half of the year. Several of these vehicles target this shift in consumer demand, resulting in a positive contribution to earnings in the fourth quarter of the year.

In addition, the financial support provided to supplier Collins & Aikman led to a charge of €66 million in 2006, compared to €99 million in 2005. The Chrysler Group's prior-year operating profit was positively impacted by a €240 million gain on the sale of the Arizona Proving Grounds vehicle testing facility. Further special items that affected earnings in 2005 are shown in the table on page 8.

The Chrysler Group launched a total of ten attractive new models in 2006, and significantly expanded its sales outside the NAFTA region (+22% to 214,400 vehicles). Dodge launched its compact five-door car – the Dodge Caliber, as well as its first mid-size SUV – the Dodge Nitro, and the new Dodge Ram 3500 Chassis Cab. The new positioning of the Jeep® brand portfolio continued with the launch of the compact Jeep® Compass. Other new models launched were the Jeep® Grand Cherokee SRT8, the new Jeep® Wrangler, the four-door Jeep® Wrangler Unlimited and the Jeep® Patriot. The Chrysler brand launched the Aspen, its first full-size SUV, while the new Chrysler Sebring is intended to strengthen the Chrysler Group's competitive position in the mid-size sedan category.

The Chrysler Group also made more progress in the field of vehicle quality in 2006. Internal measurements show that the quality of the division's vehicles is better than ever before, a fact which is confirmed by external quality studies: The Chrysler brand ranked in the top ten in the 2006 J.D. Power Initial Quality Study.

All three Chrysler Group brands also made gains in the 2006 J.D. Power Vehicle Dependability Study, showing that customer perception of quality continues to improve as new vehicles replace older models in the product range.

The new manufacturing flexibility strategies have helped to improve the Chrysler Group's efficiency, allowing the division to better utilize its assets, such as the Belvidere (Illinois) Assembly Plant, where the Dodge Caliber is built with the use of highly flexible robots and free of vehicle-specific heavy tooling. Over the four years of 2002 through 2005, the Chrysler Group posted a cumulative 24% productivity improvement, with a 6% improvement in 2005, as confirmed by the 2006 Harbour Report, a recognized industry study that measures the productivity of North American automotive manufacturers.

One year after the start of production by the Global Engine Manufacturing Alliance (GEMA), the second World Engine plant opened in Dundee (Michigan) in October 2006. The two plants in Dundee are part of a five-factory global venture developed by DaimlerChrysler, Hyundai Motor and Mitsubishi Motors.

Truck Group

In 2006, the Truck Group built on the very successful developments of the prior year, increasing unit sales by 1% to a new record of 537,000 vehicles.

The higher sales volume and an improved model mix also led revenues to rise sharply by 5% to €32.0 billion.

The Truck Group achieved an operating profit of €2,020 million in 2006, a significant increase from the previous year's result of €1,606 million. The operating profit posted in 2005 included exceptional income of €276 million from the settlement reached with Mitsubishi Motors Corporation relating to expenditure for quality actions and recall campaigns at Mitsubishi Fuso Truck and Bus Corporation. The impact of other special factors on the earnings of the two years is shown in the table on page 9.

The increase in operating profit was primarily the result of efficiency improvements realized in the context of the Global Excellence Program as well as improved product positioning and model mix. In addition, higher unit sales, which were mainly the result of purchases brought forward because of stricter emission limits in important markets, contributed to the higher earnings. Higher expenses for new vehicle projects, for the fulfillment of future emission regulations as well as currency effects had a negative impact on operating profit.

Trucks Europe/Latin America (Mercedes-Benz) once again increased its unit sales in the core markets of Western Europe. However, due to a market downturn in Brazil and lower sales in the Near and Middle East, total unit sales of 142,100 vehicles were slightly below the prior year's high level. Operating in a very positive market environment, the Trucks NAFTA unit (Freightliner, Sterling, Western Star, Thomas Built Buses) increased its sales by 3% in 2006 to the record level of 208,300 vehicles. Trucks Asia (Mitsubishi Fuso) sold 186,600 vehicles in 2006, a sharp increase (+4%) on the prior year.

In the summer of 2006, as part of a roadshow through 12 major European cities the division presented the Mercedes-Benz Safety Truck, which combines all of the currently available assistance and safety systems, including Active Brake Assist (emergency braking support), Lane Assistant, Adaptive Cruise Control, and the Stability Program. Large-scale trials have shown that accident frequency can be reduced by 50% by the Mercedes-Benz Safety Package. Furthermore, The Truck Group's Hybrid Technology Competence Center passed one of its first milestones with the introduction of Fuso's Canter Eco Hybrid in Japan.

In 2006, to ensure that it is ideally prepared to face future challenges, the Truck Group began to build a Development and Testing Center in the vicinity of the Wörth, Germany, truck assembly plant. The first stage of construction is scheduled to be completed during the year 2007.

Coinciding with Group-wide implementation of the new management model, the Truck Group was launched on August 1, 2006 with a modified organizational structure. The division now consists of three operating units: Trucks Europe/Latin America, Trucks NAFTA, and Trucks Asia, each of which is responsible for production and sales operations in its respective region. In order to more extensively exploit synergies as early as the product creation phase – and to allow the enhanced harmonization of parts and components – the former Truck Product Creation unit was split into two powerful units: Truck Product Engineering, which is responsible for the three vehicle development centers in Stuttgart, Portland and Kawasaki as well as the integrated development of large components, and Truck Powertrain Operations & Manufacturing Engineering, which oversees worldwide component production and production planning for vehicle and component plants.

Financial Services

The Financial Services division once again developed positively and further improved its market position in 2006. Financial Services significantly improved its operating profit from €1,468 million in 2005 to €1,714 million in 2006, thus achieving record earnings for the fifth consecutive year. The increase in operating profit was the result of higher new business and ongoing efficiency improvements. These factors more than offset higher expenses resulting from higher interest rates and increased cost of risk. In addition, the business development at Toll Collect also contributed to the positive earnings trend.

New business increased by 10% to €53.0 billion, while contract volume of €113.3 billion was 4% lower than in the prior year. Adjusted for exchange-rate effects, contract volume rose by 5%. At the end of 2006, Financial Services' portfolio comprised 6.5 million leased and financed vehicles.

The Americas region (North and South America) managed a total contract volume of €80.4 billion at the end of 2006 (end of 2005: €85.9 billion). This was once again the highest volume recorded by any Financial Services region, accounting for 71% of the total portfolio. Adjusted for exchange-rate effects, the portfolio in the region expanded by 4%. The Europe, Africa & Asia/Pacific region also developed positively in 2006. Contract volume of €32.9 billion was 3% higher than the prior year's level.

In Germany, DaimlerChrysler Bank further improved its market position: contract volume at the biggest European national company rose by 5% to €16.0 billion. DaimlerChrysler Bank welcomed its one-millionth customer in May 2006.

DaimlerChrysler Financial Services expanded its financing activities for commercial vehicles in Japan by establishing the new Fuso Financial business unit. Since September 2006, Fuso Financial is in charge of Mitsubishi Fuso's entire dealer network in Japan.

Van, Bus, Other

Within the framework of the new management model, DaimlerChrysler decided that the vans and buses activities, which until 2005 were part of the Commercial Vehicles division, would be directly managed as separate units. In addition, the Corporate Research department and the development departments of the Mercedes Car Group were merged; as a result, they are now directly allocated to the Mercedes Car Group.

The Van, Bus, Other segment recorded an operating profit of €913 million in 2006 (2005: €1,091 million). Operating profit in 2006 includes charges of €393 million for the implementation of the new management model. These charges were mainly incurred for workforce reductions in the DaimlerChrysler Group's administrative areas. Exceptional income was achieved in 2006 from the sale of real estate not required for operating purposes (€133 million) and the consummation of the sale of the off-highway business (€248 million). Operating profit for 2005 included a positive contribution from the off-highway business of €144 million. The Van and Bus operating units again achieved positive results. The impact of special items on the earnings in 2006 is shown in the table on pages 9.

Unit sales at the **Vans** unit totaled 256,900 vehicles worldwide in the year under review (2005: 267,200). This slight decrease in sales was due to the Sprinter model changeover and associated production bottlenecks at the Düsseldorf plant. **DaimlerChrysler Buses** comprises the bus operations of the Mercedes-Benz, Setra and Orion brands. The unit sold 36,200 buses and chassis worldwide in 2006 (2005: 36,200). The Buses unit thus repeated the high level of unit sales it achieved in the prior year and maintained its position as the global market leader.

EADS contributed €649 million to the segment's operating profit, which was below the prior-year result of €757 million. The reduction is primarily related to delays with the delivery of the Airbus A380. EADS will publish its results for the 2006 financial year on March 9, 2007.

Outlook

On the basis of the divisions' planning, DaimlerChrysler expects the Group's total unit sales to increase slightly in the year 2007. DaimlerChrysler assumes that total revenues in 2007 will be at least in the magnitude of the prior year.

Based on the divisions' projections, DaimlerChrysler should achieve a significant increase in profitability in the planning period of 2007 through 2009.

A fundamental condition for the targeted increase in earnings is a generally stable economic and political situation, as well as the moderate rise in the worldwide demand for passenger cars and commercial vehicles expected for the years 2007 through 2009. Opportunities and risks may arise from the development of currency exchange rates and raw-material prices.

In the year 2007, DaimlerChrysler will change over its accounting and financial reporting to the International Financial Reporting Standards (IFRS). The present main performance measure, operating profit according to US GAAP, will then be replaced with EBIT (earnings before interest and taxes). The earnings outlook will be put into more detail with the publication of the interim report on the first quarter of 2007.

In both 2006 and 2005, the development of earnings was affected by special items, which are shown in detail in the following table:

Amounts in millions of €	2006	2005
Mercedes Car Group		
Expenses relating to the discontinuation of the smart forfour and the realignment of the smart business model	-946	-1,111
Expenses relating to staff reductions in the context of CORE	-286	-570
Income due to the adjustment of a provision for early retirement obligations	91	-
Income due to the release of a provision after a favorable verdict in a case concerning the infringement of EU competition law	-	60
Chrysler Group		
Gain on the sale of the Arizona Proving Grounds vehicle testing facility	-	240
Expenses relating to financial support for supplier Collins & Aikman	-66	-99
Contractual penalties and asset impairment charges in connection with the reduction of purchasing volumes for the Chrysler Crossfire	-	-107
Lower depreciation expense for production equipment	-	105

Amounts in millions of €	2006	2005
Truck Group		
Income from the settlement with Mitsubishi Motors Corporation (MMC) concerning expenses for quality actions at Mitsubishi Fuso Bus and Truck Corporation (MFTBC)	-	276
Impairment charges associated with the sale of American LaFrance	-	-87
Income due to the adjustment of a provision for early retirement obligations	55	-
Gain on the disposal of the off-highway business	13	-

Van, Bus, Other		
Expenses associated with the new management model	-393	-
Gain on the disposal of the off-highway business	248 ¹⁾	-
Income from the sale of real estate no longer required for operating purposes	133	-
Income due to the adjustment of a provision for early retirement obligations	20	-

¹⁾ Including ongoing result of €35 million

The figures in this document are preliminary and have neither been approved yet by the Supervisory Board nor audited by the external auditor.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project”, “should” and similar expressions are used to identify forward looking statements. These statements are subject to many risks and uncertainties, including an economic downturn or slow economic growth, especially in Europe or North America; changes in currency exchange rates and interest rates; the introduction of competing products and possible lack of acceptance of our products or services; competitive pressures which may limit our ability to reduce sales incentives and raise prices; price increases in fuel, raw materials, and precious metals; disruption of production or delivery of new vehicles due to shortages of materials, labor strikes, or supplier insolvencies; the ability of the Chrysler Group to reduce costs, especially in light of restructuring activities underway at some of our major competitors in the NAFTA region, and to respond to shifts in market demand towards smaller, more fuel-efficient vehicles; effective implementation of cost-reduction and efficiency-optimization programs, including our new management model; the business outlook of our equity investee EADS, including the financial impact of delays in and potentially lower volume of future aircraft deliveries; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety, the resolution of pending governmental investigations and the outcome of pending or threatened future legal proceedings; a decline in resale prices of used vehicles; and other risks and uncertainties, some of which we describe in the current Annual Report under the heading “Risk Report”. If any of these risks and uncertainties materialize, or if the assumptions underlying any of our forward looking statements prove incorrect, then our actual results may be materially different from those we express or imply by such statements. We do 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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DaimlerChrysler – Figures for 2006

DaimlerChrysler Group	2006	2005
Revenues, in millions of €	151,589	149,776
Operating profit, in millions of €	5,517	5,185
Net income, in millions of €	3,227	2,846
Earnings Per Share (EPS), in €	3.16	2.80
Dividend proposed, in €	1.50	1.50
Employees (at year-end)	360,385	382,724

Operating profit (loss) by divisions	2006	2005
in millions	€ (Euro)	€ (Euro)
Mercedes Car Group	2,415	(505)
Chrysler Group	(1,118)	1,534
Truck Group	2,020	1,606
Financial Services	1,714	1,468
Van, Bus, Other	913	1,091

Revenues by divisions	2006	2005
in millions	€ (Euro)	€ (Euro)
Mercedes Car Group	54,579	50,015
Chrysler Group	47,116	50,118
Truck Group	31,988	30,368
Financial Services	17,154	15,439
Van, Bus, Other	13,439	14,835

Unit sales by divisions and operating units	2006	2005
DaimlerChrysler Group ¹⁾	4,700,400	4,829,200
Mercedes Car Group	1,251,800	1,216,800
Chrysler Group	2,654,700	2,813,000
Truck Group	537,000	529,500
Vans	256,900	267,200
Buses	36,200	36,200

1) Due to eliminations (Sprinter vans sold under the Freightliner and Dodge brand), the sum of the divisions does not add up to the Group total. Mitsubishi L200 pickup and Mitsubishi Pajero vehicles manufactured in South Africa are included only at Group level.

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DaimlerChrysler – Figures for the 4th Quarter 2006

DaimlerChrysler Group	Q4/2006	Q4/2005
Revenues, in millions of €	40,666	41,454
Operating profit, in millions of €	1,877	1,048
Net income (Loss), in millions of €	577	966
Earnings Per Share (EPS), in €	0.56	0.95
Employees (at year-end)	360,385	382,724

Operating profit (loss) by divisions in millions	Q4/2006 € (Euro)	Q4/2005 € (Euro)
Mercedes Car Group	1,295	1
Chrysler Group	(124)	428
Truck Group	487	144
Financial Services	399	347
Van, Bus, Other	16	201

Revenues by divisions in millions	Q4/2006 € (Euro)	Q4/2005 € (Euro)
Mercedes Car Group	15,384	14,641
Chrysler Group	12,572	13,464
Truck Group	8,033	7,694
Financial Services	4,466	4,147
Van, Bus, Other	3,677	4,599

Unit sales by divisions and operating units	Q4/2006	Q4/2005
DaimlerChrysler Group ¹⁾	1,246,000	1,227,900
Mercedes Car Group	337,400	350,900
Chrysler Group	693,200	670,700
Truck Group	137,100	127,000
Vans	72,800	79,100
Buses	9,400	10,100

1) Due to eliminations (Sprinter vans sold under the Freightliner and Dodge brand), the sum of the divisions does not add up to the Group total. Mitsubishi L200 pickup and Mitsubishi Pajero vehicles manufactured in South Africa are included only at Group level.

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