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DaimlerChrysler AG: DaimlerChrysler achieves €5.5 billion operating profit in 2006
DaimlerChrysler AG / Final Results

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- 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.

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%.

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.

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.

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.

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.

Van, Bus, Other

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).

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.

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.

Further information about DaimlerChrysler is available on the Internet at: www.media.daimlerchrysler.com