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DaimlerChrysler Chairman Dieter Zetsche Urges Americans to Rethink Diesel: Next Generation Clean Diesel BLUETEC Reduces Fuel Consumption, Improves Emissions

- Encourages U.S. policymakers to provide consumers with equal incentives on fuel-saving technologies
- Outlines Company's commitment in all areas of alternative fuel technologies
- Unveils 2007 Dodge Ram first pick up truck to meet stringent 2010 truck emissions standards in all 50 states, three years before deadline

Washington, D.C. - Today at the Washington (D.C.) Auto Show, Dr. Dieter Zetsche, Chairman of the Board of Management of DaimlerChrysler AG and the Head of Mercedes Car Group, called the nation's attention to the new generation of clean diesels — branded BLUETEC — while encouraging U.S. lawmakers to set regulations that support a diversity of approaches to reducing the country's dependence on foreign oil.

To emphasize the point, he introduced the 2007 Dodge Ram 2500 and 3500 with 6.7-liter Cummins turbodiesel engine offered with B5 and B20 biodiesel, available to consumers in March. The first to do so and three years before the deadline, the heavy duty truck will meet stringent 2010 truck emissions standards in all 50 states. He also announced the Dodge Ram clean, light-duty turbodiesel engine that will provide up to 30-percent improved fuel economy, meet 50-state, 2010 emissions standards, available after 2009.

With fuel economy improvements of 20 to 40 percent and a reduction of oxides of nitrogen (NOx) by as much as 90 percent, Zetsche stressed that clean diesel technology is a viable solution to reducing dependence on oil and improving air quality. Zetsche also urged U.S. policymakers to stimulate greater demand and consumer choice for fuel-saving technologies — such as diesel — by providing equal incentives on powertrains that achieve lower fuel consumption with clean emissions.

"American policy-makers must adopt a new and unique formula... that encourages more technologies and more (customer) choice," said Zetsche. "I've always thought CAFÉ — in the country that is the world's model for a free-

market economy – to be a bit of a contradiction. It’s an attempt to regulate supply and not to use market forces to stimulate demand for more fuel-efficient vehicles.”

Zetsche reasoned that “trying to sell people what they don’t want is not a winnable business proposition. And it is that ‘anti-free market element’ of CAFÉ that makes life difficult for us. We’ve learned to live with CAFÉ and its modest increases.” He added that we would be open to revisiting the CAFÉ discussion for cars, as they did recently for trucks and make the regulation “size based” and not “fleet based”.

Zetsche offered that the automotive companies should “look to innovation, and to increasingly substituting petroleum products with biofuels.” He pointed to the modern diesel engine which has “plenty of the former, and great potential for the latter.”

He mentioned a current study that expects diesel takes rates in the U.S. to hit 15 percent by 2015. Zetsche also detailed the significant advantages of modern diesel engines where the ultra-modern BLUETEC diesel vehicles provide their owners with clean and economical performance.

The Mercedes brand has been pioneering BLUETEC in Europe, where it’s been on the road for several years. Since 2005, the Company has sold more than 40,000 BLUETEC Mercedes-Benz trucks and buses in Europe, “where they’ve performed exceptionally well in everyday heavy-duty service,” added Zetsche.

Mercedes-Benz intends to systematically broaden its BLUETEC portfolio. In addition to the recently introduced Mercedes E 320 BLUETEC, three additional BLUETEC models will join the line-up, the R-Class, the ML-Class and the GL Class that will all be assembled at the Company’s plant in Alabama.

He also submitted that DaimlerChrysler “is not pursuing diesel to the exclusion of other alternate fuel technologies.” Zetsche listed many on-going initiatives including the Company’s fuel cell activities where DaimlerChrysler has invested more than \$1 billion and has more fuel-cell vehicles on the road today than any other manufacturer.

The Company also has about 1,500 Orion VII diesel-electric buses in service or on order for municipal fleets in Toronto, San Francisco and New York City/New Jersey. And, working with GM and BMW, DaimlerChrysler is jointly developing a state-of-the-art, two-mode, full hybrid propulsion architecture for applications in Chrysler Group, Mercedes Car Group, GM and BMW vehicles. The first DaimlerChrysler vehicle to use this system will be the Dodge Durango, coming in 2008.

Unveiled during Zetsche’s keynote address, and available in dealerships next month, was the new Dodge Ram Heavy Duty BLUETEC featuring an all-new 6.7-liter Cummins turbodiesel engine, the first to meet 2010 truck emissions standards in all 50 states. It is the first BLUETEC vehicle from the Chrysler Group.

“Several years ago, when the EPA set stringent 2010 diesel emissions standards for heavy-duty pickup trucks, we didn’t shake our heads and say ‘no’,” said Zetsche. “We went to work with Cummins, the long-time diesel engine partner for Dodge Ram heavy-duty three-quarter and one-ton pickup trucks, to meet the challenge.”

The new 2007 Dodge Ram Heavy Duty engine uses a diesel particulate filter to virtually eliminate particulate matter emissions and an absorber catalyst to reduce NOx by as much as 90 percent and virtually eliminate particulate matter emissions.

In addition to the heavy duty pick up truck, DaimlerChrysler revealed another addition to its diesel lineup. Tom LaSorda, Chrysler Group President and CEO, announced an all-new diesel engine for its light duty Dodge pickup trucks that

will be available after 2009. Armed with new Cummins clean-diesel technology, the new engine will provide a dramatic increase in low-end torque, up to a 30-percent improvement in fuel efficiency and a 20-percent reduction in carbon dioxide (CO₂) emissions when compared to an equivalent gasoline engine. The new clean turbodiesel engine will meet 50-state emissions standards for 2010.

LaSorda also announced pricing on the 2007 Jeep® Grand Cherokee, 3.0-liter common rail turbodiesel (CRD) that will begin to arrive at Jeep dealerships in March. The Manufacturer's Suggested Retail Price (MSRP) for the Jeep Grand Cherokee Limited CRD will begin at \$38,475, including \$695 destination. The 3.0-liter CRD engine will be available on the Jeep Grand Cherokee Limited and Overland 4x2 and 4x4 models.

BLUETEC represents the cleanest diesel vehicles in the world. These next-generation vehicles meet the most stringent emissions regulations worldwide, including emissions standards in all 50 U.S. states.

BLUETEC is the DaimlerChrysler-owned brand name that stands for the cleanest diesel engines in their respective classes, i.e., those that meet 50-state emissions standards.

BLUETEC is just one of the many fuel saving technologies from DaimlerChrysler, including advanced gasoline, Flex-Fuel, hybrids and zero-emission fuel-cell vehicles.

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Additional information and news from DaimlerChrysler is available on the Internet at: <http://media.daimlerchrysler.com>