

DAIMLER FINANCE NORTH AMERICA LLC

Interim Report as of and for the six months ended June 30, 2009

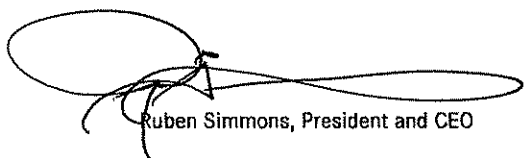
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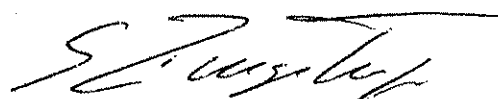
Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim financial statements of Daimler Finance North America LLC provide a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the company's management report provides a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities associated with the expected development of the company.

Montvale, August 4, 2009



Ruben Simmons, President and CEO



Sandro Ringeling, Chief Accountant

Management Report

General

Daimler Finance North America LLC (“DFNA” or the “Company”), is a wholly-owned subsidiary of Daimler North America Corporation (“DNA”), which is in turn a wholly-owned subsidiary of Daimler AG (“DAG” or “Daimler”).

DFNA accesses US and foreign capital markets to raise funds, which it lends to DNA through a consolidated funding and cash management system. As such, it has relationships with other subsidiaries of DAG. In July 2007, DFNA was substituted for DNA as an issuer of notes and bonds and assumed all of the rights and obligations for such notes, amounting to \$25,948 million. DAG issued full and unconditional guarantees for DFNA’s obligations incurred under its outstanding notes and bonds programs. At the same time, DFNA and DNA entered into an intercompany loan agreement which is intended to mirror DFNA’s external borrowings such that interest expense with third parties is offset by corresponding interest income from DNA.

On April 2, 2009, DFNA and DNA entered into an agreement through which DFNA replaces DNA as the issuer of notes established under a multi-currency euro medium term note program. As a result, DFNA assumed notes with a nominal amount of Euro 9.5 billion that were previously issued by DNA under that program. DFNA’s obligations under the program are fully and unconditionally guaranteed by its ultimate parent company, DAG.

This interim report contains forward looking statements that reflect our current views about future events. Words such as “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should” and similar expressions are being used to identify forward looking statements. These statements are subject to many risks and uncertainties, including:

- a lack of improvement in or a further deterioration of economic conditions globally and in the US in particular;
- a continuation or worsening of the turmoil in the credit and financial markets, which could result in ongoing high borrowing costs or limit our funding flexibility;
- changes in currency exchange rates and interest rates;
- changes in laws, regulations and government policies that may affect the company or any of its sister companies; and
- the business outlook of the Company’s sister companies in the US, which may affect the funding requirements of such sister companies in the automotive and financial services businesses.

The following discussion should be read in conjunction with the Company’s financial statements as of and for the six months ended June 30, 2009 and June 30, 2008, which were prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The percentages in the following discussion were computed using exact dollar amounts and numbers. Some of those percentages may, therefore, not reflect the ratio between the rounded amounts presented below.

Earnings

Revenues

Revenues were \$915 million for the six months ended June 30, 2009, a 40% increase compared to the six months ended June 30, 2008 (\$652 million), as the receivables from DNA increased following the transfer of the notes in April 2009.

Expenses

Interest Expenses

Interest expenses were \$915 million for the six months ended June 30, 2009, compared to \$652 million for the six months ended June 30, 2008, a 40% increase. This increase is due to the interest expenses incurred for the Euro-denominated debt that was transferred in April 2009.

Guarantee Fees

Guarantee fees charged by DAG were \$9 million for the six months ended June 30, 2009, compared to \$9 million for the six months ended June 30, 2008.

Administrative Expenses

Administrative expenses were \$0.6 million for the six months ended June 30, 2009 as compared to \$0.5 million for the six months ended June 30, 2008.

Reimbursement of Expenses from DNA

DFNA and DNA are parties to an agreement based on which DNA reimburses DFNA for any and all expenses incurred in connection with the administration of DFNA's notes program.

Net Income

Net income was zero for both the six months ended June 30, 2009 and the six months ended June 30, 2008.

Financial Position

Total assets were \$28,395 million at June 30, 2009 compared to \$18,473 million at December 31, 2008, an increase of \$9,922 million or 54%. Total liabilities also increased to \$28,395 million at June 30, 2009 from \$18,473 million at December 31, 2008. These increases result from the transfer of notes from DNA to DFNA in April 2009.

Liquidity and Capital Resources

In the ordinary course of business, the Company issues notes and bonds in the US and foreign capital markets the proceeds of which are lent to DNA. In 2007, the funds received from the transfer of notes were lent to DNA. There were no new notes issued in 2007, 2008 and 2009. The Company had neither cash nor cash equivalents as of June 30, 2009 and December 31, 2008.

Risk Report

Many factors could directly and indirectly, through the close affiliation with DFNA's sister companies, affect the Company's business, financial condition, and cash flows. The results of operations would not be affected due to the existing reimbursement agreements with DNA. The principal risks are described in DFNA's annual report 2008, which was submitted to the Luxembourg stock exchange on June 10, 2009.

Outlook

In case of increased funding requirements of Daimler's US automotive and financial services business we expect the Company to issue new debt.

Unaudited Statements of Income

	Note	Six months ended June 30, 2009	Six months ended June 30, 2008
(in thousands of \$)			
Revenues			
Interest income – DNA		915,402	652,411
Total revenues		915,402	652,411
Interest expense – third parties		(915,402)	(652,411)
Guarantee fees – DAG	2	(9,419)	(8,651)
Administrative expenses	2	(610)	(503)
Reimbursement of expenses from DNA		10,029	9,154
Total expenses		(915,402)	(652,411)
Net income		-	-

The accompanying notes are an integral part of these unaudited interim financial statements.

Unaudited Statements of Comprehensive Income

	Six months ended June 30, 2009	Six months ended June 30, 2008
(in thousands of \$)		
Net profit (loss)	-	-
Unrealized gains (losses) from currency translation adjustments	-	-
Unrealized gains (losses) from financial assets available for sale	-	-
Unrealized gains (losses) from derivative financial instruments	-	-
Unrealized gains (losses) from investments accounted for using the equity method	-	-
Other comprehensive income (loss), net of taxes	-	-
Total comprehensive income (loss)	-	-

The accompanying notes are an integral part of these unaudited interim financial statements.

Unaudited Statements of Financial Position

	Note	At June 30, 2009	At December 31, 2008
(in thousands of \$)			
Assets			
Receivables from DNA	2	18,543,262	11,309,820
Total non-current assets		18,543,262	11,309,820
Receivables from DNA	2	9,344,612	6,864,353
Accrued interest income from DNA		506,843	298,494
Total current assets		9,851,455	7,162,847
Total assets		28,394,717	18,472,667
Equity and liabilities			
Retained earnings		-	-
Total equity		-	-
Notes and bonds payable	3	18,543,262	11,309,820
Total non-current liabilities		18,543,262	11,309,820
Payables to affiliated companies	2	36,110	25,928
Notes and bonds payable	3	9,308,502	6,838,425
Accrued interest expenses		506,843	298,494
Total current liabilities		9,851,455	7,162,847
Total liabilities		28,394,717	18,472,667
Total equity and liabilities		28,394,717	18,472,667

The accompanying notes are an integral part of these unaudited interim financial statements.

Unaudited Statements of Changes in Equity

	Member's Investment	Retained earnings	Other reserves	Total equity
(in thousands of \$)				
Balance at January 1, 2008	-	-	-	-
Net income	-	-	-	-
Total income for period	-	-	-	-
Capital contribution	-	-	-	-
Balance at June 30, 2008	-	-	-	-
Balance at January 1, 2009				
Net income	-	-	-	-
Total income for period	-	-	-	-
Capital contribution	-	-	-	-
Balance at June 30, 2008	-	-	-	-

The accompanying notes are an integral part of these unaudited interim financial statements.

Unaudited Statements of Cash Flows

	Six months ended June 30, 2009	Six months ended June 30, 2008
(in thousands of \$)		
Net income	-	-
(Increase) Decrease in receivables from DNA	(9,108,836)	5,052,449
Net increase (decrease) in payables to affiliated companies	10,182	8,492
Cash provided by (used in) operating activities	(9,098,654)	5,060,941
Transfer of notes and bonds payable from DNAC	13,905,295	(7,817)
Repayments of notes and bonds payable	(4,806,641)	(5,053,124)
Cash provided by (used in) financing activities	9,098,654	(5,060,941)
Net increase (decrease) in cash	-	-
Cash at the beginning of the period	-	-
Cash at the end of the period	-	-

The accompanying notes are an integral part of these unaudited interim financial statements.

Notes to the Unaudited Interim Financial Statements

1. Presentation of the Interim Financial Statements

These unaudited interim financial statements of Daimler Finance North America LLC (“DFNA” or the “Company”) have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

DFNA is a limited liability company organized under the laws of Delaware. The Company is a wholly-owned subsidiary of Daimler North America Corporation (“DNA”), which is in turn a wholly-owned subsidiary of Daimler AG (“DAG”). Its registered office is located at 1209 Orange Street, Wilmington, Delaware 19801, USA.

The interim financial statements are presented in US dollars (“\$”).

In the opinion of management, the interim financial statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of DFNA. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or the full fiscal year. The interim financial statements should be read in conjunction with the December 31, 2008 audited IFRS financial statements and notes which were submitted to the Luxembourg Stock Exchange on June 10, 2009. The accounting policies applied by DFNA in these interim financial statements are the same as those applied in the audited IFRS financial statements as at and for the year ended December 31, 2008.

With the amendment of IAS 1 “Presentation of Financial Statements” the interim financial statements contain a statement of comprehensive income in addition to the statement of income. The statement of comprehensive income comprises the profit or loss of the reporting period as well as the equity changes other than those changes resulting from the transactions with owners in their capacity as owners that are not recognized in profit or loss (other comprehensive income or loss).

Preparation of interim financial statements in conformity with IFRS requires management to make estimates and judgments related to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts if revenue and expenses for the reporting period. Actual amounts could differ from those estimates.

2. Transactions with affiliated companies

At June 30, 2009 and December 31, 2008, DFNA had receivables from DNA of \$27,887,874 thousand and \$18,174,173 thousand, respectively.

The following table sets forth amounts payable to affiliated companies:

	June 30, 2009	December 31, 2008
(in thousands of \$)		
DNA	25,494	1,164
DAG	10,616	24,764
	36,110	25,928

DFNA is charged fees for the full and unconditional guarantees on its outstanding notes and bonds programs by DAG. These fees are calculated as a set percentage of the outstanding notes and bonds for any given year. These guarantee fees were \$9,419 thousand and \$8,651 thousand for the six months ended June 30, 2009 and June 30, 2008, respectively.

The Company is charged for administrative overhead expenses by DNA. These expenses were \$610 thousand and \$503 thousand for the six months ended June 30, 2009 and June 30, 2008, respectively, and are included in administrative and other expenses.

DFNA and DNA are also parties to an agreement pursuant to which DNA reimburses DFNA for any and all expenses incurred in connection with the administration of DFNA's notes program. These reimbursements are recognized in income.

3. Notes and bonds payable

On April 2, 2009, DFNA and DNA entered into an agreement through which DFNA replaces DNA as the issuer of notes established under a multi-currency euro medium term note program. As a result, DFNA assumed notes with a nominal amount of Euro 9.5 billion that were previously issued by DNA under that program. DFNA's obligations under the program are fully and unconditionally guaranteed by its ultimate parent company, DAG.

In addition, \$4,806,641 thousand of debt matured during the first six months of 2009.