DAIMLER

Daimler International Finance B.V.

Financial Report
2008

Contents

Page:

2	Supervisory Board Board of Management Registered office
3	Report of the Board of Management
5	Balance sheet as at 31 December 2008
7	Profit and loss account for the year ended 31 December 2008
8	Cash flow statement for 2008
9	Accounting principles for the financial statements
16	Notes to the annual accounts 31 December 2008
24	Other information

Supervisory Board

◇ U. Tüchter	Chairman
◇ Dr. B. Niess	
◇ P. Zirwes	(since 1 July 2008)
◇ K. Schäfer	(since 1 July 2008)

Board of Management

◇ P. Derks	
◇ H. Wendroth	(since 1 October 2008)
◇ Mr. M. van Pelt	(since 1 October 2008)
◇ M. Vrijaldenhoven	(until 30 September 2008)

Registered office

Van Deventerlaan 50
NL - 3528 AE Utrecht
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Report of the Board of Management

General

Daimler International Finance B.V. (or "the Company") finances part of the activities of the Daimler Group. As at 31 December 2008 the authorized capital of the Company was €2,500,000 divided into 5,000 ordinary shares of €500 nominal value, of which 1,000 shares have been issued and fully paid. Each share carries one vote at general meetings of shareholders.

The Euro Medium Term Note Programme (EMTN) issues of Daimler International Finance B.V. are irrevocably guaranteed by Daimler AG and have long-term ratings of A3, A- and A- from Moody's Investors Service, the Standard & Poor's Ratings Group and Fitch Ratings respectively which rely on the performance of the Daimler Group. As a result of a reassessment of the business prospects of the automotive industry in general, and, as a result, the profit and cashflow expectations for Daimler, Fitch lowered Daimler AG's long term rating to BBB+ with a stable outlook on 29 January 2009.
As of June 2008 the Company joined the Multi-currency Commercial Paper Programme of Daimler AG, first established on 26 October 1999, for the issuance, offer and sale of notes up to an aggregate principle amount of EUR 10,000,000,000.

As in previous years, the Company's liquid funds have been made available to companies within the Daimler Group by way of intercompany loans.

End of May 2008 Daimler International Finance moved the office to the site of Mercedes-Benz Nederland B.V.

Development 2008

In 2008 the financial fixed assets of the Company increased by €6,223 million to a level of €7,954 million as per end of 2008. The corresponding funding was realized through the issuance of bonds under the EMTN Programme. As a consequence of the increased activities the internal organization and staffing level was brought in line.
The financial result after taxation amounts to €8.8 million. This result developed in line with the balance sheet development during the course of the year.

Risk Management

The Board of Management is responsible for the internal control and the management of risks within the Company and for the assessment of the effectiveness of the control systems. These controls were set up in cooperation with Daimler Group to identify and manage foreign exchange, interest, liquidity and credit risks.

In the Company's business, the creation and management of a loan involves the assumption of a number of risks: credit risk, market interest rate risk, foreign exchange risk, structural/market risk and other operational risks. As of 2008 the EMTN notes are not in full extent lent onward at similar conditions. Daimler International Finance B.V. excepts market interest rate risk with respect to these loans. However this risk is shared with Daimler AG.

With respect to the loans obtained from affiliated companies, it is the Company's general policy to hedge the foreign exchange risk with foreign exchange swaps and cross currency interest rate swaps to match funding in terms of maturities and interest rates.

The Company solely provides loans within the Daimler Group. In cooperation with Daimler AG headquarters, assessments of credit risks are made and credit limits are set, which are periodically reviewed. In respect of cash at banks and financial derivatives, these are only deposited and / or entered into with banks of good reputation.

Outlook

The Company expects a profit in line with the planned balance sheet development. Due to the integrated organization of lending and funding activities within the Daimler group, Daimler International Finance B.V. expects no direct impacts arising from the financial crisis.

Events after the closing date

Since the end of the 2008 financial year, there have been no further occurrences that are of major significance for the Company.

Utrecht, 31 March 2009

Daimler International Finance B.V.
The Board of Management

Mr. M. van Pelt | P. Derks | H. Wendroth

Daimler International Finance B.V.
Balance sheet as at 31 December 2008
(before profit appropriation x €1,000)

	Notes	31-12-2008		31-12-2007	
ASSETS					
FIXED ASSETS					
◊ Financial fixed assets					
Affiliated companies	1	7,777,846		1,729,342	
Other financial assets	2	176,419		1,697	
			7,954,265		1,731,039
CURRENT ASSETS					
◊ Receivables:					
Affiliated companies	3	132,302		67,369	
Tax receivables	4	-		9	
			132,302		67,378
◊ Cash at bank and in hand	5		21,564		29
			8,108,131		1,798,446

Some of the comparative figures have been restated for comparison purposes, mainly as a result of a change in accounting principles. As per 1 January 2007 the loans to affiliated companies are measured at amortized cost. Reference is made to section 'Change in accounting principles' of the Accounting principles for the financial statements.

Daimler International Finance B.V.
Balance sheet as at 31 December 2008
(before profit appropriation x € 1,000)

	Notes	31-12-2008		31-12-2007	
LIABILITIES					
◊ **Shareholders' equity**	6				
Issued capital		500		500	
Other reserves		10,455		10,038	
Profit for the year		8,809		925	
			19,764		11,463
◊ **Provisions**	7		44		44
◊ **Deferred tax liabilities**	8		1,603		-
◊ **Long-term liabilities**					
EMTN issues	9	4,882,865		995,858	
Affiliated companies	9	1,353,338		660,326	
Other financial liabilities	2	12,553		1,323	
			6,248,756		1,657,507
◊ **Short-term liabilities**					
Loans from affiliated companies	9	1,688,099		62,825	
Other liabilities affiliated companies		43,507		11,742	
Taxation and social security premiums	10	1,068		16	
Other liabilities and accruals	11	105,290		54,849	
			1,837,964		129,432
			8,108,131		1,798,446

Some of the comparative figures have been restated for comparison purposes, mainly as a result of a change in accounting principles. As per 1 January 2007 the liabilities to affiliated companies as well as the bonds and EMTN issues are measured at amortized cost . Reference is made to section 'Change in accounting principles' of the Accounting principles for the financial statements.

Daimler International Finance B.V.
Profit and loss account for the year ended 31 december 2008
(x €1,000)

	Notes	2008		2007	
◊ Interest income		308,479		85,019	
◊ Interest expenses		(294,825)		(82,715)	
Net interest result			13,654		2,304
◊ External costs and other					
Operating costs		(244)		(124)	
Commissions in relation to EMTN issues		(1,390)		(811)	
Wages and salaries		(290)		(120)	
Social security charges		(14)		(11)	
Pension charges and early retirement costs		(10)		-	
			(1,948)		(1,066)
PROFIT BEFORE TAX			11,706		1,238
◊ Taxation	12		(2,897)		(313)
NET PROFIT FOR THE YEAR			8,809		925

Cash Flow statement (x € 1,000)

	2008	2007
Profit before tax	11,706	1,238
Adjustments for:		
Change in provisions	-	(10)
Change in deferred tax liabilities	1,603	-
Change in tax receivables	9	(3)
Change in value adj. to other financial assets / liabilities	(164,000)	(374)
Income tax expense	(2,897)	(313)
Tax paid	(330)	(333)
Change in operating assets and liabilities:		
Change in financial fixed assets	(6,048,504)	(681,114)
Change in receivables aff. companies	(64,933)	(10,703)
Change in other liabilities	51,823	289
Cash flow from operating activities	**(6,215,523)**	**(691,323)**
Cash flow from investing activities	-	-
Cash flow from financing activities		
Proceeds from EMTN issues	3,887,007	-
Change in loans from aff companies	2,350,051	691,345
Net cash from financing activities	**6,237,058**	**691,345**
Net increase in cash and cash equivalents	**21,535**	**22**
Cash at beginning of period	29	7
Cash at end of period	21,564	29
Net increase in cash and cash equivalents	**21,535**	**22**

Accounting principles for the financial statements

General information

The company was established on 4 April 1986 as a private limited company (B.V.). The shares are 100% owned by Daimler AG in Stuttgart, Germany.

Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in title 9, Book 2 of the Netherlands Civil code.

If not stated otherwise, assets and liabilities are shown at nominal value. All financial information presented in Euro has been rounded to the nearest thousand, unless otherwise stated.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value;
- recognized financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged.

Changes in accounting principles

Until 1 January 2008, the loans and liabilities to affiliated companies as well as the EMTN issues were carried at nominal value. Due to harmonization of the accounting principles with the group accounting policy the Company changed the accounting principle for the valuation of loans and liabilities to affiliated companies as well as the EMTN issues. As per 1 January 2008 the loans and liabilities to affiliated companies as well as the EMTN issues are measured at amortized cost using the effective interest method. The change in accounting principle amounting to €4.142 million has been applied retrospectively on 1 January 2007. This change has no impact on the equity since the loans and liabilities to affiliated companies and EMTN issues are back-to-back financed.

The use of estimates and assumptions in the preparation of the financial statements

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are continionsly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Foreign currency transactions

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Specific accounting principles

General

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be reliably measured. A liability is disclosed in the balance sheet when it is expected to result in an outflow from the Company of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate. Revenue is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Offsetting

Financial assets and liabilities are offset and the net amount reported on the balance sheet if there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the items on a net basis, or to settle the asset and the liability simultaneously. If these conditions are not fulfilled, amounts will not be offset.

Financial instruments

Financial instruments include cash items, loans and other financing commitments. Financial instruments also include derivative financial instruments.
Financial instruments are initially recognized at fair value. If instruments are not carried at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.
The Company uses derivative financial instruments such as swaps, forward rate agreements for the purpose of hedging interest rate and currency risks that arise from its financing activities.
After initial recognition, financial instruments are valued in the manner described below.

Loans and liabilities

The loans and liabilities to affiliated companies as well as the EMTN issues are measured at amortized cost using the effective interest method, less a provision for impairment if necessary.
Recognized loans and liabilities as well as the EMTN issues designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged.

Derivatives

Derivative financial instruments, such as forward contracts and cross currency interest rate swaps are measured at fair value upon entering into the contract.

The fair value of the Company's derivatives depends on the type of instrument and is based on a discounted cash flow model. The Company recognises derivatives with a positive market value as assets and derivatives with a negative market value as liabilities.

Hedge Accounting

The Company uses derivatives as part of asset and liability management and risk management. These instruments are used for hedging interest rate and foreign currency risks, including the risks of future transactions.

The Company can designate certain derivatives as either (1) a hedge of the fair value of a recognised asset or liability (fair value hedge); or (2) a hedge of a future cash flow that can be attributed to a recognised asset or liability, an expected transaction or a definite obligation (cash flow hedge).

Hedge accounting is applied for derivatives that are thus designated and that satisfy the conditions set by the Company. The Company sets the following conditions for the application of hedge accounting:

- formal documentation of the hedging instrument, the hedged position, the risk management objective, strategy and relationship of the hedge is completed before hedge accounting is applied;
- the documentation shows that the hedge is expected to be effective in offsetting the risk in the hedged position for the entire hedging period;
- the hedge continues to be effective during the term.

A hedge is considered to be effective if the Company, at the inception of and during the term, can expect that adjustments in the fair value or cash flows of the hedged position will be almost fully offset by adjustments in the fair value or cash flows of the hedging instrument, insofar as they are attributable to the hedged risk, and the actual results remain within a bandwidth of 80% to 125%. The Company ceases hedge accounting as soon as it has been established that a derivative is no longer an effective hedge, or when the derivative expires, is sold, terminated or exercised; when the hedged position expires, is sold or redeemed; or when an expected transaction is no longer deemed highly likely to occur.

Fair value hedge accounting

Derivatives designated as a hedge of the fair value of recognised assets or of a definite obligation are stated as fair value hedges. Changes in the fair value of the derivatives that are designated as a hedge are recognised immediately in the income statement and reported together with corresponding fair value adjustments to the hedged item attributable to the hedged risk.

If the hedge no longer meets the conditions for hedge accounting, an adjustment in the book value of a hedged financial instrument is amortized and taken to the income statement during the expected residual term of the hedged instrument.
If the hedged instrument is no longer recognised, in other words, if it is sold or redeemed, the non-amortized fair value adjustment is taken directly to the income statement.

Cash flow hedge accounting

Derivatives can be designated as a hedge of the risk of future variability of the cash flows of a recognised asset or liability or highly likely expected transaction. Adjustments in the fair value of the effective portion of derivatives that are designated as a cash flow hedge and that meet the conditions for cash flow hedge accounting are stated in the cash flow hedge reserve as a separate component of shareholders' equity. The underlying transaction, which is designated as part of a cash flow hedge, does not change as far as the administrative processing is concerned.

If the expected transaction leads to the actual inclusion of an asset or a liability, the accumulated gains and losses that were previously taken to the cash flow hedge reserve are transferred to the income statement and classified as income or expense in the period during which the hedged transaction influences the result.
When determining the portion of the fair value adjustment that is included in the cash flow hedge reserve, the portion of the gain or loss on the hedging instrument that is considered an effective hedge of the cash flow risk is included in shareholders' equity, while the ineffective portion is recognised in the income statement.

If the hedging instrument itself expires or is sold, terminated or exercised, the accumulated gain or loss that was included in the cash flow hedge reserve, remains in the cash flow hedge reserve until the expected transaction actually takes place. If the hedging instrument no longer satisfies the conditions for hedge accounting, the accumulated gain or loss that was included in shareholders' equity remains in shareholders' equity until the expected transaction takes place.

Interest

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the income statement include:

- interest on financial assets and liabilities at amortised cost calculated on an effective interest basis;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period that the hedged cash flows affect interest income / expense;
- fair value changes in qualifying derivatives (including hedge ineffectiveness) and related hedged items in fair value hedges of interest rate risk.

Tax

The corporate income tax in the profit and loss account is calculated using the statutory tax rate, taking permanent and prior year tax differences into account.
Deferred tax is included in income tax expense and reflects the changes in deferred tax assets and liabilities except for changes recognized directly in equity.

Cash flow statement

The cash flow statement is prepared according to the indirect method, and distinguishes between cash flows from operational, investment and financing activities. Cash flows in foreign currency are converted at the exchange rate applicable on the transaction date. With regard to cash flow from operations, the operating result before taxation is adjusted for gains and losses that did not result in income and payments in the same financial year and for movements in provisions and accrued and deferred items.

In the context of the cash flow statement, cash and cash equivalents are equal to the balance sheet item cash and cash equivalents

Risk Management

In the Company's business, the creation and management of a loan involves the assumption of a number of risks: credit risk, market risk, interest rate risk, foreign currency risk, structural/market risk and other operational risks. As of 2008 the EMTN notes are not in full extent lent onward at similar conditions. Daimler International Finance B.V. assumes market interest rate risk with respect to these loans. However this risk is shared with Daimler AG.

Foreign currency risk
It is the objective of the Company to eliminate foreign currency risk. The Company enters into currency contracts and cross currency swaps in order to hedge the Company's currency exchange exposure. The related assets and liabilities are translated into Euro at the balance sheet date. The related derivatives used to hedge the exchange exposure are included in the balance sheet in accordance with the fair value hedging.

Credit risk
The Company solely provides loans within the Daimler Group. In cooperation with Daimler AG head-quarters, assessments of credit risks are made and credit limits are set, which are periodically reviewed. In respect of cash at banks and financial derivatives, these are only deposited and / or entered into with banks of reputation.

Interest risk
It is the Company's policy that interest exposures with a duration of more than one year are being hedged, by entering into interest rate swaps. The related derivatives used to hedge the interest exposure are included in the balance sheet in accordance with the fair value hedging model.

Hedging and hedge accounting
The Company uses derivatives to manage market risks on an economic basis. The Company uses various hedge strategies to cover its interest rate, market value and exchange rate risks. To achieve this, it uses instruments such as cross currency swaps, (foreign currency) interest rate swaps and (interest rate) options.

Derivatives are valued at fair value in the balance sheet and any changes in the fair value must be accounted for in the income statement. In the event that changes in fair value of hedged risks are not accounted for through the income statement, a mismatch occurs in the accounting of results, making these results more volatile. In these cases, hedge accounting is applied as much as possible to mitigate accounting mismatching and volatility. The Company makes a distinction in hedge accounting between fair value hedge accounting and cash flow hedge accounting.

In fair value hedge accounting, the developments in fair value of the hedged risk are processed through profit or loss. This compensates for the fair value movements of the accompanying derivatives. In cash flow hedge accounting, the movements in fair value of the derivates are accounted for in a separate (revaluation) reserve in total equity. This cash flow hedge reserve is released over the period in which the cash flows from the hedged risk are realized.

1 Financial fixed assets

Loans to Affiliated companies:

The financial fixed assets stated in the balance sheet are intercompany receivables and are carried at amortized cost.
Recognized financial assets designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged.

Movements in financial fixed assets:

	2008	2007
Value as at the 1 January	1,729,342	1,048,228*
Changes in fair value as a result of hedge accounting	(41,813)	
Exchange Differences	(34,397)	-
Additions in the year	14,809,844	760,788
Repayments in the year	(8,685,130)	(79,674)
Value as at the 31 December	7,777,846	1,729,342

* This amount has been restated for comparison purposes. Reference is made to section 'Changes in accounting principles' of the Accounting principles for the financial statements.

EUR 7.6 billion of the principal portions outstanding is due and repayable within 5 years.

Loans to affiliated companies for a total amount of EUR 2,685 million (2007: EUR 453 million) are denominated in a currency other than Euro for which the Company has entered into foreign exchange contracts to hedge foreign currency risks as far as they are not back-to-back. The valuation of the loans are determined based on the year-end rate of exchange.

The Fair Value of the loans to affiliated companies per 31 December 2008 is EUR 8.269 billion.

2 Other financial assets and liabilities:

	Assets	Liabilities	Assets	Liabilities
	31 Dec. 2008		31 Dec. 2007	
Instrument type:				
Interest rate swaps	111,764	6,460	520	188
Cross currency swaps	64,655	6,093	1,177	1,135
Total	176,419	12,553	1,697	1,323

Fair value hedges

The Company uses interest rate swaps to hedge its exposure to changes in the fair values of its fixed rate loans and advances attributable to changes in market interest rates. Interest rate swaps are matched to specific issuances of fixed rate loans.

The fair values of derivatives designated as fair value hedges are as follows:

	Assets	Liabilities	Assets	Liabilities
	31 Dec. 2008		31 Dec. 2007	
Instrument type:				
Interest rate swaps	64,340	6,431	-	-
Cross currency swaps	51,776	693	-	-
Total	116,116	7,124	-	-

Cash flow hedges

The Company uses interest rate and cross-currency swaps to hedge the foreign currency and interest rate risks arising from granting floating rate loans denominated in foreign currencies.

The fair values of derivatives designated as cash flow hedges are as follows:

	Assets	Liabilities	Assets	Liabilities
	31 Dec. 2008		31 Dec. 2007	
Instrument type:				
Interest rate swaps	-	2	-	-
Cross currency swaps	6,631	5,390	-	-
Total	6,631	5,392	-	-

During 2008 net losses of €0,5 million relating to the effective portion of cash flow hedges were recognized in equity.

3 **Receivables from affiliated companies**

The intercompany receivables consist of interest on financial fixed assets and are due within one year.

Receivables from affiliated companies for a total amount of EUR 24.0 million (2007: EUR 9.0 million) are denominated in a currency other than Euro for which the Company has entered into foreign exchange contracts to hedge foreign currency risks.

4 **Tax receivables**

The specification is as follows:

	31 Dec 2008	31 Dec 2007
Value added tax	-	9
Total	-	9

5 **Cash at bank and in hand**

The cash at bank is stated at nominal value and freely disposable.

6 **Shareholders' equity**

Summary of movements in shareholders' equity in 2007 and 2008:

	1 January 2007	Profit distribution in 2007 for 2006	Dividend distribution in 2007	Result for financial year 2007	31 December 2007
Share capital:					
Authorised capital	2,500				2,500
Not issued capital	(2,000)				(2,000)
Issued capital	500	-	-	-	500
Other reserves	9,253	785	-		10,038
Profit for the year	785	(785)		925	925
Total shareholders' equity	10,538	-	-	925	11,463

	1 January 2008	Profit distribution in 2008 for 2007	Dividend distribution in 2008	Unrealized revaluations from cash flow hedges	Result for financial year 2008	31 December 2008
Share capital:						
Authorised capital	2,500					2,500
Not issued capital	(2,000)					(2,000)
Issued capital	500	-	-		-	500
Other reserves	10,038	925	-			10,963
Cash flow hedge reserve	-			(508)		(508)
Profit for the year	925	(925)			8,809	8,809
Total shareholders' equity	11,463	-	-	(508)	8,809	19,764

The authorized capital of Daimler International Finance B.V. amounts to €2,500,000 consisting of 5,000 shares with a par value of €500. At 31 December 2007 1,000 shares have been issued and fully paid.

The cash flow hedge reserve comprises the effective portion of the accumulated net change in the fair value of cash flow hedge instruments for hedged transactions that have not yet occurred. In cash flow hedge accounting, the changes in the fair value of derivatives are accounted for in the cash flow hedge reserve. This cash flow hedge reserve is released during the period that the cash flows from the hedged risk are realized.

7 Provisions

The provisions are related to a stock option plan for employees of Daimler International Finance B.V., which plan is governed by Daimler AG, Stuttgart.
This provision was made according to accounting principles and is calculated by multiplying the Fair Value of the option per compliance date by the number of shares. The provision will be supplied over the length of validity.

8 Deferred tax liabilities

At 31 December 2008, a deferred tax liability of EUR 1.6 million for temporary differences was recognized.
The deferred tax liabilities relates to the tax impact of the temporary differences between commercial and tax profit determination.

The deferrals with a residual term more than one year amount to EUR 1.6 million.

	1 January 2008	Re-classification	Addition	Usage	Provisions released	Other	31 December 2008
Fair value valuation derivatives	-	-	1,603	-	-	-	1,603

9 Short/Long-term liabilities

Movements in 2007:

1) EMTN Issues	Falling due within 1 year	Due > 1 Year and < 5 year	Due > 5 years	Total
Position as at 1 January 2007	-	1,000,000	-	1,000,000
Change in accounting principles	-	(4,142)	-	(4,142)
Due date reclassification	-	-	-	-
Repayments in the year	-	-	-	-
Position as at 31 December 2007	-	995,858	-	995,858

2) Loans from Affiliated companies	Falling due within 1 year	Due > 1 Year and < 5 year	Due > 5 years	Total
Position as at 1 January 2007	23,424	19,067	-	19,067
Due date reclassification	9,223	(9,223)	-	(9,223)
Repayments in the year	(79,464)	-	-	-
Additions in the year	109,642	650,482	-	650,482
Position as at 31 December 2007	62,825	660,326	-	660,326

Movements in 2008:

1) EMTN Issues	Falling due within 1 year	Due > 1 Year and < 5 year	Due > 5 years	Total
Position as at 1 January 2008	-	995,858	-	995,858*
Change in accounting principles	-	3,084,061	743,013	3,827,074
Change in fair value as a result of hedge accounting	-	59,933	-	59,933
Position as at 31 December 2008	-	4,139,852	743,013	4,882,865

2) Loans from Affiliated companies	Falling due within 1 year	Due > 1 Year and < 5 year	Due > 5 years	Total
Position as at 1 January 2008	62,825	660,326	-	660,326
Exchange rate difference	-	(76,123)	-	(76,123)
Due date reclassification	375,958	(375,958)	-	(375,958)
Repayments in the year	(63,836)	-	-	-
Additions in the year	1,313,152	1,145,093	-	1,145,093
Position as at 31 December 2008	1,688,099	1,353,338	-	1,353,338

* Recognized liabilities and EMTN issues designated as hedged items in qualifying fair value hedge relationships are adjusted for changes in fair value attributable to the risk being hedged.

Daimler International Finance B.V. obtains funds from the market by issuing corporate bonds/notes under the Euro Medium Term Notes programme and obtains funds from affiliated companies by entering into loan agreements. The notes issued under the EMTN programme (totaling EUR 4.8 billion) are unconditionally and irrevocably guaranteed by Daimler AG for which the Company pays a guarantee fee.

The terms and conditions of outstanding Bonds were as follows:

	Currency	Nominal interest rate	Date of drawing	Date of maturity	Nominal value	Book value
EMTN	Euro	8,000%	16-12-08	17-06-10	600,000	596,139
EMTN	Euro	7,000%	21-03-01	21-03-11	1,000,000	996,664
EMTN	Euro	5,875%	05-09-08	08-09-11	1,500,000	1,555,289
EMTN	Euro	9,000%	08-12-08	30-01-12	1,000,000	991,946
EMTN	Euro	6,125%	05-09-08	08-09-15	750,000	742,827
Total					**4,850,000**	**4,882,865**

◊ The due date of the loans from affiliated companies varies from January 2009 to January 2013.

◊ Liabilities to affiliated companies for a total amount of EUR 1,867 million (2007: EUR 556.0 million) are denominated in a currency other than Euro for which the Company has entered into foreign exchange contracts to hedge foreign currency risks as far as they are not back-to-back. The valuation of the loans are determined based on the year end rate of exchange.

◊ The Fair Value of EMTN issues and loans per 31 December 2008 is EUR 8.498 billion.

10 Taxation and social security premiums

The specification is as follows:

	31 Dec 2008	31 Dec 2007
Corporate income tax	1,062	13
Payroll tax and social security charges	6	3
Total	1,068	16

11 Other liabilities and accruals

The specification is as follows:

	31 Dec 2008	31 Dec 2007
Interest debts to third parties	105,257	54,849
Other liabilities / accruals	33	-
Total	105,290	54,849

12 Corporation tax

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. The statutory corporation tax rate amounts to 25,5%.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

13 Contingent liabilities and commitments

The company did not have any contingencies or commitments as at 31 December 2008.

14 Managing Board and Supervisory Board

The members of the Managing Board received during 2008 a total remuneration of €220,000 (2007: €120,000).

The members of the Supervisory Board did not receive a remuneration during 2008 (2007: €0).

15 Pension

The pension plan for the Company qualifies as a defined contribution plan. The employer has no obligation to pay supplementary contributions in the event of a shortfall in the pension fund, other than payment of future contributions. Equally the employer has no claim to any surplus in the pension fund. Consequently, this pension plan has been accounted for as a defined contribution plan.

16 Employees

In 2008 the number of employees increased by 3 to 5 employees at the end of 2008. As of 2008 the new employees are participating in the pension plan.

17 Transactions with related parties

Transactions with related parties include relationships between the Company, the Company's participating interests and the company's directors and executive officers (key management personnel).

Daimler International Finance B.V. obtains funds from the market by issuing corporate bonds/notes under the Euro Medium Term Notes programme and obtains funds from affiliated companies by entering into loan agreements. The net proceeds of these notes are lent on in the form of inter-company loans. The notes issued under the EMTN programme (total EUR 4.85 billion) are unconditionally and irrevocably guaranteed by Daimler AG for which the Company pays a guarantee fee to Daimler AG. These funds represent currently 62% of the borrowed funds.

Daimler International Finance B.V. also obtains funds amounting to some EUR 3,041 million as per 31 December 2008 (2007: 723 million) from other group companies. Together with the equity those funds are made available to affiliated companies.

Due to the Company's general policy to match funding in terms of maturities and interest rate risks and to hedge possible foreign exchange and market rate risks, the funds obtained are lent onward at similar conditions. As a consequence the terms in respect of currencies, maturities and interest rate on the in – and outbound loans correspond. The Company only assumes and subsequently bears foreign exchange risk and/or market rate risk in respect of loans provided from equity funds.

The loans are provided at arm's-length interest rates.

The remuneration of Board of Management and Supervisory Board is included in note 14.

Other information

Provisions in the Articles of Association concerning the appropriation of profit

Article 14 of the Articles of Association states:

1. The company profit is wholly at the disposal of the general meeting of shareholders.

2. The company may only make distributions to the shareholders and other parties entitled to the profit available for distribution in so far as its capital and reserves exceed the paid-up and called part of the reserves required to be held under law.

3. Distribution of profit takes place after adoption of the annual accounts indicating such distribution to be justified.

4. The company may only make interim distributions if the requirement in clause two has been satisfied.

5. Entitlements to profit distributions lapse after a period of five years after the date on which they became payable.

Appropriation of profit 2007

Following the decision of the shareholders' meeting the profit of the year 2007 amounting to €924,592 has been added to the other reserves.

Proposal for the appropriation of profit

The Board of Management proposes to add the profit of 2008 amounting to €8,808,670 to the other reserves.

Auditors' report

The auditors' report is shown on page 25.

To: the Management Board of Daimler International Finance B.V.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2008 of Daimler International Finance B.V., Utrecht, which comprise the balance sheet as at 31 December 2008, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Daimler International Finance B.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 31 March 2009

KPMG ACCOUNTANTS N.V.

M.L.M. Kesselaer RA