

**Daimler Finance North America
LLC**

Annual Report 2009

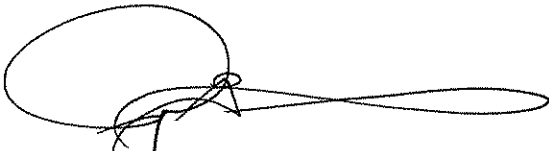
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Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the 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 and risks associated with the expected development of the company.

Montvale, April 13, 2010



Ruben Simmons
CEO & President



Sandro Ringeling
Chief Accounting Officer

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(all amounts in thousands of U.S. dollars)

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 U.S. 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. DAG issued full and unconditional guarantees for DFNA’s obligations incurred under its outstanding notes and bonds programs. DFNA and DNA have entered into intercompany loan agreements which are 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.

DFNA and DNA have also entered into an agreement according to which DNA reimburses DFNA for any and all fees incurred by DFNA in the course of the administration of the above programs.

This annual 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 United States 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 United States, which may affect the funding requirements of these 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 years ended December 31, 2009 and 2008, which were prepared using International Financial Reporting Standards. Note 3 to the financial statements provides an overview of the Company’s significant accounting policies.

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.

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Earnings

Interest Income

Interest income was \$1,370,758 in 2009 compared to \$1,213,778 in 2008, a 13% increase, due to additional intercompany loan agreements entered into with DNA.

Interest Expense

Interest expense was \$1,370,758 in 2009 compared to \$1,213,778 in 2008, a 13% increase, as a result of the notes transfer mentioned above.

Other financial income (expense), net

Other financial income (expense), net was zero for both 2009 and 2008, as foreign exchange gains and losses resulting from the valuation of the notes and bonds payable were offset by corresponding gains and losses on the receivables from DNA, which mirror the development of the notes and bonds payable.

Guarantee Fees

Guarantee fees charged by DAG were \$19,529 in 2009, compared to \$16,366 in 2008, as the Company was holding more notes and bonds in 2009 than in 2008.

Administrative Expenses

Administrative expenses were \$1,068 and \$1,005 for 2009 and 2008, respectively.

Reimbursement of Expenses from DNA

The reimbursement of expenses from DNA amounted to \$20,597 in 2009 and \$17,371 in 2008.

Net Income

Net income was zero in both 2009 and 2008.

Financial Position

Total assets were \$22,762,246 at December 31, 2009 compared to \$18,472,667 at December 31, 2008, an increase of \$4,289,579 or 23%. The increase was primarily due to the transfer of notes and bonds from DNA of \$12,614,588 and the issuance of new notes and bonds offset partially by the repayment of notes and bonds, which increased receivables with DNA accordingly.

Total liabilities also increased, from \$18,472,667 at December 31, 2008 to \$22,762,246 at December 31, 2009, mainly reflecting the transfer of notes and bonds from DNA of \$12,614,588 and the issuance of new notes and bonds offset partially by the repayment of notes and bonds.

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 2009, \$493,104 of new notes and bonds were issued, while there were no new notes issued in 2008. The transfer of notes and bonds mentioned above, and the corresponding issuance of intercompany receivables did not have any impact on the Company's liquidity and capital resources. The Company had neither cash nor cash equivalents as of December 31, 2009 and 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 below.

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Economic Risks

A lack of improvement in economic conditions could have significant adverse effects on the Daimler business in the US and, as a result, on the future financial position of the Company. Tightening of credit in the financial industry and the resulting downturn of the U.S. and worldwide economies have resulted in a significant decline in consumer confidence and resulting declines in investment activity and consumer demand in United States and worldwide.

Industry Risks

Overcapacity and intense price competition in the automotive industry could continue to force the Daimler companies in the United States, which are financed by DFNA, to decrease production, reduce capacity or increase sales incentives, each of which would be costly and would indirectly affect the financial position of the Company significantly.

In addition, the financial services that Daimler offers in connection with the sale of vehicles involve several risks. These include the potential inability to recover the investments in leased vehicles or to collect the sales financing receivables if the resale prices of the vehicles securing these receivables fall short of the carrying value, which may lead to additional funding requirements through DFNA.

Financial Risks

Changes in interest rates may have substantial adverse effects on the Company's cash flows. Adverse effects may also arise from downgrades of the long-term debt ratings of the Company's ultimate parent company, Daimler AG, and the ability of the Company to issue debt in the U.S. and European markets. Lower demand for the Company's debt instruments could increase the borrowing costs or otherwise limit DFNA's ability to fund the Daimler operations in the United States.

Note 6 to the Company's financial statements describes the risk management strategies employed by the Company to address such risks.

Outlook

In case of increased funding requirements of Daimler's U.S. automotive and financial services business we expect the Company to issue new debt. We expect net profit and equity to be zero in 2010.



KPMG LLP

Independent Auditors' Report

The Board of Directors
Daimler Finance North America LLC:

We have audited the accompanying statements of financial position of Daimler Finance North America LLC (the "Company") as of December 31, 2009 and 2008 and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daimler Finance North America LLC as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG LLP

New York, New York
April 13, 2010

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Statements of Comprehensive Income

	Note	Year ended December 31,	
		2009	2008
Interest income – DNA		1,370,758	1,213,778
Interest expense – third parties		(1,370,758)	(1,213,778)
Net interest income		-	-
Other financial income (expense), net	3	-	-
Guarantee fees – DAG	4	(19,529)	(16,366)
Administrative expenses	4	(1,068)	(1,005)
Reimbursement of expenses from DNA	4	20,597	17,371
Net profit		-	-
Total comprehensive income		-	-

The accompanying notes are an integral part of the financial statements.

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Statements of Financial Position

	Note	December 31,	
		2009	2008
Assets			
Receivables from DNA	4	14,218,498	11,309,820
Total non-current assets		14,218,498	11,309,820
Receivables from DNA	4	8,038,207	6,864,353
Accrued interest income from DNA	5	505,541	298,494
Total current assets		8,543,748	7,162,847
Total assets		22,762,246	18,472,667
Equity and liabilities			
Total equity		-	-
Notes and bonds payable	5	14,218,498	11,309,820
Total non-current liabilities		14,218,498	11,309,820
Payables to related parties	4	12,291	25,928
Notes and bonds payable	5	8,025,916	6,838,425
Accrued interest expense	5	505,541	298,494
Total current liabilities		8,543,748	7,162,847
Total liabilities		22,762,246	18,472,667
Total equity and liabilities		22,762,246	18,472,667

The accompanying notes are an integral part of the financial statements.

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Statements of Changes in Equity

	Member's Investment	Retained Earnings	Other Reserves	Total Equity
Balance at January 1, 2008	-	-	-	-
Net profit	-	-	-	-
Total comprehensive income	-	-	-	-
Capital contribution	-	-	-	-
Balance at December 31, 2008	-	-	-	-
Net profit	-	-	-	-
Total comprehensive income	-	-	-	-
Capital contribution	-	-	-	-
Balance at December 31, 2009	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Statements of Cash Flows

	Year ended December 31,	
	2009	2008
Net profit		-
Net decrease in receivables from DNA	9,654,659	6,004,090
Net (decrease) increase in payables to related parties	(13,637)	17,371
Cash provided by operating activities¹	9,641,022	6,021,461
Cash provided by investing activities	-	-
Repayments of notes and bonds payable	(10,134,125)	(6,021,461)
Issuances of notes and bonds payable	493,103	-
Cash used in financing activities¹	(9,641,022)	(6,021,461)
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	-	-
Supplemental information²:		
Interest paid	(1,163,711)	(1,289,661)
Interest received	1,163,711	1,289,661

1 On April 2, 2009, DFNA assumed notes with a nominal amount of Euro 9,500,000 (\$12,614,588) that were previously issued by DNA. DFNA has reimbursement agreements with DNA for intercompany loan agreements that are intended to mirror these external borrowings. These were non-cash transactions.

2 All cash flows from interest are included in cash provided by operating activities. The Company does not have any cash flows from income taxes.

The accompanying notes are an integral part of the financial statements.

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Notes to the financial statements

1. Reporting entity

Daimler Finance North America LLC (“DFNA” or the “Company”) 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.

DFNA accesses U.S. and foreign capital markets to raise funds, which it lends to DNA through a consolidated funding and cash management system.

In the event of non-payment by DFNA, DAG irrevocably and unconditionally guarantees the noteholders the payment of the amounts corresponding to the principal of, and interest on the respective notes and bonds as they become due. DFNA and DNA entered into intercompany loan agreements which are intended to mirror DFNA’s external borrowings such that interest expense with third parties is offset by corresponding interest income from DNA.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

On April 6, 2010, the Board of Directors of DFNA authorized the financial statements for issue.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in U.S. dollars (“\$”), which is the Company’s functional currency. The Company reports financial information in thousands of U.S. dollars, except where indicated otherwise.

(d) Presentation in the statement of financial position

Presentation in the statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they mature within one year. Certain prior-year amounts have been reclassified to conform with the current presentation.

(e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management’s critical estimates relate to the fair values of the Company’s notes and bonds payable and receivables from DNA. Refer to Note 5 for additional information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are applied prospectively.

(f) New accounting pronouncements

In November 2009, the IASB published IFRS 9 “Financial Instruments” as part of its project of a revision of the accounting guidance for financial instruments. The new standard provides guidance on the accounting of financial assets as far as classification and measurement are concerned. The standard will be effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

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3. Summary of significant accounting policies

(a) Interest income and expense

Interest income and expense are recognized in the statement of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or 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 except future credit losses.

(b) Foreign currency translation

Transactions in foreign currencies are translated into U.S. dollars at the spot exchange rate prevailing at the date of the transaction. Monetary liabilities denominated in foreign currencies at the reporting date are retranslated into U.S. dollars at the spot exchange rate at that date. Since the Company's receivables from DNA are intended to mirror its external borrowings, any resulting gain or loss on the notes and bonds payable are offset by the corresponding gains and losses on the receivables. The gains and losses from such remeasurement are recognized in the statement of comprehensive income in the line "other financial income (expense), net" and offset to zero.

Foreign exchange gains and losses were the following in 2009 and 2008:	2009	2008
Foreign exchange gains	552,190	-
Foreign exchange losses	(552,190)	-
Total	-	-

In the year 2008, the Company did not have any assets or liabilities denominated in foreign currency.

(c) Income taxes

The Company is a single member limited liability company. As such, the Company is not a taxable entity for federal and state income tax purposes. Rather, taxable income or loss is included in its member's federal and state income tax returns and any resulting income taxes are paid by the member.

(d) Transactions with related parties

DFNA is wholly owned by DNA and indirectly by DAG. Transactions with these and other related companies in the normal course of business are recorded at the agreed upon exchange amount.

(e) Financial assets

Financial assets consist of receivables from DNA, which arise from intercompany loans. These receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in profit or loss.

(f) Financial liabilities

Financial liabilities include notes and bonds payable and accrued interest expense.

New notes and bonds issuances are recognized at fair value based on quoted prices on the day of issuance. After initial recognition, they are subsequently measured at amortized cost using the effective interest method.

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4. Transactions with related parties

At December 31, 2009 and 2008, DFNA had receivables from DNA of \$22,256,705 and \$18,174,173, respectively.

The receivables from DNA bear interest at largely fixed rates ranging from 1.09% to 8.5%, with a weighted average interest rate of 5.6%. Interest income is recorded using the effective interest method. As of December 31, 2009, aggregate annual maturities of receivables from DNA were as follows:

2010	8,038,207
2011	6,284,827
2012	2,572,803
2013	3,880,116
> 2013	1,480,752
Total	22,256,705

The following table sets forth amounts payable to related parties:

	December 31,	
	2009	2008
DAG	7,260	24,764
Daimler North America Finance Corporation	5,031	-
DNA	-	1,164
Total	12,291	25,928

DFNA is charged fees for the full and unconditional guarantees on its outstanding notes and bonds payable 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 \$19,529 and \$16,366 for the years ended December 31, 2009 and 2008, respectively.

The Company is charged for administrative overhead expenses by DNA. These expenses were \$1,068 and \$1,005 for the years ended December 31, 2009 and 2008, respectively, and are included in administrative 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 and bonds payable. These reimbursements are recognized in income.

The authority and responsibility for planning, directing and controlling the activities of DFNA resides within DAG's Corporate Treasury department rather than with the directors of the entity. Accordingly, the company does not have key management personnel as defined in IAS 24, "Related Party Transactions." Certain directors of the Company participate in the Daimler AG employee share-based compensation plans.

5. Financial instruments

(a) Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of the Company's financial instruments by IAS 39 "Financial Instruments: Recognition and Measurement" measurement category. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market.

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	December 31, 2009		December 31, 2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables				
Receivables from DNA	22,256,705	23,595,150	18,174,173	16,253,385
Accrued interest income from DNA	505,541	505,541	298,494	298,494
Total loans and receivables	22,762,246	24,100,691	18,472,667	16,551,879
Total financial assets	22,762,246	24,100,691	18,472,667	16,551,879
Financial liabilities at amortized cost				
Notes and bonds payable	22,244,414	23,582,859	18,148,245	16,227,457
Payables to related parties	12,291	12,291	25,928	25,928
Accrued interest expense	505,541	505,541	298,494	298,494
Total financial liabilities at amortized cost	22,762,246	24,100,691	18,472,667	16,551,879
Total financial liabilities	22,762,246	24,100,691	18,472,667	16,551,879

The fair values of financial instruments were calculated on the basis of market information available at the balance sheet date using the methods and assumptions presented below. Due to the short nature of accrued interest income and interest expense and payables to related parties, management assumes that their fair values are equal to the carrying amounts.

Receivables from DNA

DFNA intends to hold receivables from DNA to maturity. None of these receivables have been derecognized or are impaired, and the company does not believe that these receivables are at risk of being impaired. The Company believes that the fair value of the receivables from DNA approximates the fair value of the external notes and bonds payable at December 31, 2009 and 2008, as the receivables from DNA are intended to mirror DFNA's external borrowings such that interest expense and debt maturities with third parties are offset by corresponding interest income and loan maturities from DNA.

Notes and bonds payable

The fair values of bonds are calculated as the present values of the estimated future cash flows, using a discounted cash flow analysis based on market interest rates for similar types of instruments issued by other Daimler entities, which approximate quoted market prices. If the counterparty can request payment at different dates, the discounted cash flows are measured on the basis of the earliest date on which DFNA can be required to pay.

(b) Notes and bonds payable

On April 2, 2009, DFNA and DNA entered into an agreement through which DFNA replaced 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.

Contemporaneously, DFNA and DNA entered into an agreement according to which DNA reimburses DFNA for any and all fees incurred by DFNA in the course of the administration of the above program.

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Terms and conditions of notes and bonds payable outstanding at December 31, 2009, are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Australian Dollar bonds	AUD	7.000%	2013	90,034	88,622
Euro bonds					
Global Bond	EUR	3 months EURIBOR +45	2010	1,080,450	1,080,228
Global Bond	EUR	4.375%	2010	2,881,200	2,879,232
Global Bond	EUR	5.750%	2010	1,800,750	1,799,084
Global Bond	EUR	3.130%	2011	216,090	215,997
Global Bond	EUR	4.250%	2011	1,800,750	1,797,609
Global Bond	EUR	5.000%	2012	1,080,450	1,075,904
Global Bond	EUR	4.375%	2013	1,800,750	1,795,929
Total Euro bonds				10,660,440	10,643,983
US-Dollar notes					
Various Medium Term Notes	USD	4.25% - 5.45%	2010	75,527	75,134
Medium Term Note	USD	4.875%	2010	1,000,000	999,247
Medium Term Note	USD	8.000%	2010	1,000,000	999,648
Various Medium Term Notes	USD	5.2% - 6.85%	2011	28,715	28,410
Medium Term Note	USD	5.880%	2011	1,251,731	1,249,835
Medium Term Note	USD	5.750%	2011	1,500,000	1,495,246
Medium Term Note	USD	7.750%	2011	1,500,000	1,497,729
Medium Term Note	USD	7.300%	2012	1,500,000	1,496,901
Medium Term Note	USD	6.500%	2013	2,000,000	1,995,564
Medium Term Note	USD	8.500%	2031	1,500,000	1,480,751
Total US Dollar notes				11,355,973	11,318,465
Japanese Yen bonds	JPY	1.090%	2010	194,738	193,344
Total				22,301,185	22,244,414

In October 2009, the Company, together with DAG and another DAG subsidiary, entered into a Euro 3 billion 2 year credit facility with a syndicate of international banks. The facility serves as a backup for commercial paper drawings in U.S. dollars and provides funds for general corporate purposes. Prior approval from DAG is required before the Company can access this credit line. At the end of 2009 and through the issuance date of these financial statements, this facility was not utilized. The liquidity runoff shown in the following table provides an insight into how the liquidity situation of the Company is affected by the cash flows from financial liabilities as of December 31, 2009. It comprises a runoff of the undiscounted principal cash outflows of the financing liabilities and undiscounted payments from the other financial liabilities.

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	Total	2010	2011	2012	2013	2014	>2014
Notes and bonds – principal	22,301,185	8,032,665	6,297,286	2,580,450	3,890,784	-	1,500,000
Notes and bonds – interest	4,960,323	1,163,168	771,962	451,358	342,585	127,500	2,103,750
Payables to related parties	12,291	12,291	-	-	-	-	-
Total	27,273,799	9,208,124	7,069,248	3,031,808	4,233,369	127,500	3,603,750

If the counterparty can request payment at different dates, the liability is included on the basis of the earliest date on which DFNA can be required to pay.

6. Risk management

(a) Introduction

The global nature of the Daimler businesses in the US exposes DFNA indirectly to the risks listed below:

- credit risk
- liquidity risk
- market risks.

However, the resulting effects of these risks on the Company's financial position, cash flows and profitability are all offset by the existing reimbursement agreements between DFNA and DNA as well as the unconditional guarantee issued by DAG for DFNA's outstanding notes and bonds. As a result, the Company is exposed to DNA's, and indirectly to its ultimate parent DAG's, intent and ability to effect the repayment of these receivables and is exposed directly to DAG's intent and ability to honor the unconditional guarantee.

This note presents information about the Company's exposure to each of the above risks, and the objectives, policies and processes for measuring and managing risk. As part of its policies and processes for managing and measuring these risks, the Company monitors DAG's liquidity position, as necessary. DAG's financial statements are publicly available.

Debt ratings are an assessment by the rating agencies of the credit risk associated with DAG and are based on information provided by DAG or other sources. Lower ratings generally result in higher borrowing costs and reduced access to capital markets. Standard & Poor's Rating Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings Ltd. ("Fitch") and DBRS rate DAG's commercial paper (short-term) and senior unsecured long-term debt (long-term). DAG's ratings as of December 31, 2009 were as follows:

	S&P	Moody's	Fitch	DBRS
Short-term debt	A-2	P-2	F2	R-1(low)
Long-term debt	BBB+	A3	BBB+	A (low)

(b) Risk management framework

DFNA applies the guidelines established by its ultimate parent company, DAG, and when necessary, establishes its own guidelines unique to the transactions of the Company. The guidelines are established for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to operating financial activities, settlement, accounting and controlling of financial instruments. The guidelines upon which the Company's risk management processes are based are designed to identify and analyze these risks, to set appropriate risk limits and controls and to monitor the risks by

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means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and businesses.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. It encompasses both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risks.

The Company's assets consist entirely of receivables from DNA. As a result, the Company is exposed to DNA's, and indirectly to its ultimate parent DAG's, intent and ability to effect the repayment of these receivables. The maximum exposure to credit risk at the reporting date from receivables is equal to the carrying amount, which is equal to the total assets of the Company. As part of its policies and processes for managing and measuring, if necessary, the Company's exposure to credit risk, the Company monitors DAG's liquidity position.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities.

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full when due. DFNA's source of liquidity is its external borrowings. The funds are primarily used to finance working capital and capital expenditure requirements as well as the cash needs of the lease and financing business of the DNA subsidiaries.

Depending on its cash needs and market conditions, DFNA issues bonds, notes and commercial paper in various currencies. Adverse changes in the capital markets could increase DFNA's funding costs and limit the Company's financial flexibility.

(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The global nature of the Daimler businesses in the US exposes DFNA indirectly to market risks resulting from foreign currency exchange rates and changes in interest rates. However, the resulting effects of these market risks on the Company's financial position, cash flows and profitability are all offset by the existing reimbursement agreements between DFNA and DNA. DFNA maintains risk management control systems independent of Corporate Treasury and with a separate reporting line.

7. Capital management

DFNA is subject to the capital management at the DAG parent level. DAG uses "net assets" as its basis for capital management. Net assets are managed on a divisional level at DAG rather than at a regional or company level. Accordingly, the net assets of the Company are not subject to review for capital management, but rather the net assets of the individual DAG subsidiaries in the divisions to which they are allocated.

The Company is part of the worldwide financial management that is performed for all Daimler Group entities by DAG's Corporate Treasury. Financial management operates within a framework of guidelines, limits and benchmarks; for DFNA, these are described in more detail in note 6.