DAIMLER

Daimler International Finance B.V.

Interim Report

2013

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Supervisory Board

- U. Tüchter — Chairman
- Dr. B. Niess
- K. Schäfer
- P. Zirwes

Board of Management

- P. Derks
- A. Lerch
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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 June 30, 2013 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 shares are 100% owned by Daimler AG in Stuttgart, Germany.

The Euro Medium Term Note Program (EMTN) issues of Daimler International Finance B.V. are irrevocably guaranteed by Daimler AG. These bonds have long-term ratings of A3 (stable) from Moody's Investors Service, A- (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings. These ratings rely on the performance of the Daimler Group.
The bonds issued by Daimler International Finance B.V. are listed on the Luxembourg Stock Exchange. Two CHF bonds issued in 2011 are listed on the SIX Swiss Exchange.

The Company's liquid funds have been made available to companies within the Daimler Group and to minority shareholdings of Daimler AG by way of intercompany loans.

Development 1 st half of 2013

In the first half of 2013, Daimler International Finance B.V. issued one new Eurodollar bond with a fixed rate coupon under the Daimler EMTN Program in the amount of € 229 million (USD 300 million). The proceeds of the bond were allocated as intercompany loans to Daimler Group companies.

As of 31 March 2011 the Company started financing activities towards minority shareholdings of Daimler AG. At 30 June 2013, the Exposure amounts to € 6.5 million (2012: EUR 51.3 million).

In 2013 the total loans to affiliated companies of the Company decreased by € 1,119 million to a level of € 6,737 million as per June 30, 2013. The funding of the financial assets was realized through the issuance of a bond under the EMTN Program and group-internal loans.

The financial result after taxation amounts to a negative amount of € 7.2 million compared to a negative financial result of € 7.9 million during the first 6 months in 2012. The negative financial result can primarily be explained by the long term effect of the restructuring of part of the financial assets which occured in 2010. The restructured part of the financial assets (Loans to affiliated companies) caused a major shift in interest income and cash flows of the involved loans. Based on the applied accounting principles the Company recognised an early termination fee in the interest result in the year 2010, followed by corresponding negative results over the years 2011-2014. These negative results are booked against the retained earnings which were recognised in 2010.

The common interest result developed in line with the balance sheet development during the course of the year. The impact of valuations of hedging transactions positively influenced the interest result.

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. The EMTN notes are not in full extent lent onward at similar conditions. The Company assumes 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 interest rate swaps to match funding in terms of maturities and interest rates.

Liquidity risk comprises the risk, that a company cannot meet its financial obligations in full. Daimler International Finance B.V. manages its liquidity by holding adequate volume of cash and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this principle ensures that financial obligations generally have the same maturity profile as the financial assets and receivables and thus reduces the Company's liquidity risks.

The Company solely provides loans within the Daimler Group and to companies in which Daimler holds a minority share (Joint Ventures). 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 in compliance with the Daimler Global Counterparty Limits as provided by Daimler AG.

Outlook

The overall result of Daimler International Finance B.V. in 2013 is expected to be negative due to the aforementioned restructuring of the financial assets in 2010. The overall result will furthermore be affected by the developments in the valuation of derivatives, which are held for hedging purposes. Due to the integrated organisation of lending and funding activities within the Daimler Group, the Company expects no direct impacts arising from the market development.

Events after the closing date

Since the reporting date of June 30, 2013, there have been no occurrences that are of major significance for the Company.

According to new regulations of the Dutch Civil Law (Wet Toezicht Bestuur effective as of 1 January 2013) the companies´ Board of Management and Supervisory Board are unbalanced since less than 30% of the members is female. The Board members have been appointed based on qualifications and availability, irrespective of gender. In order to create more balance the Boards will take these regulations into account to the extent possible in future appointments of Board members.

Utrecht, August 20, 2013

Daimler International Finance B.V.
The Board of Management

Mr. M. van Pelt P. Derks A. Lerch

Responsibility Statement by Management

To the best of our knowledge, and in accordance with the applicable reporting principles for annual financial reporting, the **Interim Report 2013** gives a true and fair view of the assets, liabilities, financial position and profit or loss of Daimler International Finance B.V. The management report includes a fair review of the development and performance of the business and the position of Daimler International Finance B.V., together with a description of the principal opportunities and risks associated with the expected development of Daimler International Finance B.V.

Utrecht, August 20, 2013

Daimler International Finance B.V.
The Board of Management

Mr. M. van Pelt P. Derks A. Lerch

Daimler International Finance B.V.
Balance sheet as at June 30, 2013
(before profit appropriation x €1,000)
-unaudited-

	Note	30-06-2013		31-12-2012	
<u>ASSETS</u>					
<u>FIXED ASSETS</u>					
◊ **Tangible fixed assets**			21		21
◊ **Financial fixed assets**					
Loans to affiliated companies	1	2,731,328		5,316,356	
Other financial assets	2	8,132		93,721	
			2,739,460		5,410,077
<u>CURRENT ASSETS</u>					
◊ **Receivables:**					
Loans to affiliated companies	1	4,006,126		2,540,168	
Interest receivables affiliated companies	3	142,898		227,089	
Tax receivables	4	205		-	
			4,149,229		2,767,257
◊ **Cash at bank and in hand**	5		10,332		9,257
			6,899,042		8,186,612

Daimler International Finance B.V.
Balance sheet as at June 30, 2013
(before profit appropriation x €1,000)
-unaudited-

	Note	30-06-2013		31-12-2012	
LIABILITIES					
◊ **Shareholders' equity**	6				
Issued capital		500		500	
Other reserves		39,230		49,506	
Cash flow hedge reserve		(5,367)		(9,725)	
Retained earnings		(7,238)		(10,276)	
			27,125		30,005
◊ **Provisions**	7		47		54
◊ **Deferred tax liabilities**	8		2,360		5,014
◊ **Long-term liabilities**					
EMTN issues	9	2,407,060		5,240,594	
Affiliated companies	9	267,000		176,000	
Other financial liabilities	2	72,555		49,604	
			2,746,615		5,466,198
◊ **Short-term liabilities**					
EMTN issues	9	3,731,947		2,178,325	
Loans from affiliated companies	9	240,000		264,454	
Other liabilities affiliated companies	10	18,412		30,637	
Taxation and social security premiums	11	45		279	
Other liabilities and accruals	12	132,491		211,646	
			4,122,895		2,685,341
			6,899,042		8,186,612

Daimler International Finance B.V.
Profit and loss account for the half-year ended June 30, 2013
(x €1,000)
-unaudited-

	Note	30-06-2013		30-06-2012	
◊ **Interest income**	14	182,026		229,715	
◊ **Interest expenses**					
Interest expense excl. valuation impact of derivatives		(187,926)		(232,955)	
Valuation impact of derivatives	15	286		(3,672)	
Interest margin			(5,614)		(6,912)
◊ **External costs and other**					
Operating costs		(286)		(291)	
Commissions in relation to EMTN issues	16	(3,649)		(3,108)	
Wages and salaries		(178)		(163)	
Social security charges		(15)		(15)	
Pension charges and early retirement costs		69		(29)	
			(4,059)		(3,606)
PROFIT BEFORE TAX			(9,673)		(10,518)
◊ **Taxation**	17		2,435		2,640
NET PROFIT (LOSS)			**(7,238)**		**(7,878)**

Cash Flow statement (x €1,000)

-unaudited-

	30-06-2013	30-06-2012
Profit after tax	**(7,238)**	**(7,878)**
Adjustments for:		
Interest income	(182,026)	(229,715)
Interest expenses	187,926	232,955
Income tax expense	(2,435)	(2,640)
Valuation impact derivatives	(286)	3,672
Changes in:		
Change in provisions	(7)	(2)
Change in tax receivables	(205)	319
Other liabilities (excluding interest on debts)	(97)	-
Cash flow from operating activities:		
Interest received	267,951	390,945
Interest paid	(275,699)	(392,931)
Additions to loans to affiliated companies	(514,879)	(2,089,091)
Repayments of loans to affiliated companies	1,615,140	2,249,736
Derivative assets and liabilities	(37,049)	(23,894)
Tax paid	(663)	110
Net cash from operating activities	**1,050,433**	**131,586**
Cash flow from investing activities	**-**	**-**
Cash flow from financing activities:		
Proceeds from additional EMTN issues	229,085	1,790,659
Repayments of EMTN	(1,345,000)	(1,980,283)
Additional short term loans received from aff. companies	31,000	96,000
Additional long term loans received from aff. companies	149,000	80,000
Repayments of loans from affiliated companies	(113,443)	(130,000)
Net cash from financing activities	**(1,049,358)**	**(143,624)**
Net de / increase in cash and cash equivalents	**1,075**	**(12,038)**
Cash at beginning of period	9,257	18,538
Cash at end of period	10,332	6,500
Net de / increase in cash and cash equivalents	1,075	(12,038)

Statement of recognised income and expenses (x €1,000) –unaudited-

	30-06-2013		30-06-2012	
Net result after tax attributable to the company		(7,238)		(7,878)
Unrealized revaluation of cash flow hedges charged directly to shareholders equity	4,358		(3,028)	
Total of items recognised directly in shareholders' equity of the company		4,358		(3,028)
Total result of the legal entity		**(2,880)**		**(10,906)**

NOTES TO THE ANNUAL ACCOUNTS as at June 30, 2013

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.

The interest rate of the loans to affiliated companies is in conformity with the Group-wide Intercompany pricing policy ensuring at arm's-length conditions.

Loans to affiliated companies for a total amount of € 1.8 billion (2012: € 2.7 billion) 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 is determined based on the rate of exchange as of reporting date. As at June 30, 2013 there are no loans which are designated for hedge accounting.

The fair value of the loans to affiliated companies per June 30, 2013 is € 7.0 billion (2012: € 8.3 billion).

2 Other financial assets and liabilities

The fair values of the derivatives are as follow:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2012		31 Dec. 2012	
Instrument type:				
Interest rate swaps	-	7,172	-	3,481
Cross currency swaps	8,132	65,383	93,721	46,123
Total	8,132	72,555	93,721	49,604

The notional amount of the swaps amounts to € 2.7 billion (2012: € 3.8 billion) of which € 2.6 billion (2012: € 2.7 billion) is designated for hedge accounting purposes.

Fair value hedges
The Company uses interest rate swaps to hedge its exposure to changes in the fair values of its fixed rate loans, bonds and advances attributable to changes in market interest rates. Interest rate swaps are matched to specific issuances of fixed rate loans.
The fair value of fair value hedges is determined on the basis of the discounted expected future cash flows; whereby the market interest rates valid for the remaining terms of the financial instruments are used.

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

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2012		31 Dec. 2012	
Instrument type:				
Interest rate swaps	-	5,765	-	-
Cross currency swaps	3,155	48,176	61,507	4,553
Total	3,155	53,941	61,507	4,553

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:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2012		31 Dec. 2012	
Instrument type:				
Interest rate swaps	-	1,331	-	3,337
Cross currency swaps	4,834	16,004	31,221	16,031
Total	4,834	17,335	31,221	19,368

During 2013 net gains of € 4.4 million (2012: net losses of € 2.2 million) relating to the effective portion of cash flow hedges were recognized in equity.

The positive fair value of derivatives for which no hedge accounting is applied (natural hedges) amount up to € 0.1 million (2012: € 1.0 million). The natural hedges with a negative fair value amount up to € 1.3 million (2012: € 25.7 million).

3 Interest receivables from affiliated companies

The intercompany receivables consist of interest on financial fixed assets and are due within 1 year.

Receivables from affiliated companies for a total amount of € 12.9 million (2012: € 9.6 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 there is no matching with interest liabilities. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

4 Tax receivables

The specification is as follows:

(x €1,000)	30 June 2013	31 Dec. 2012
Corporate income tax	205	-
Total	205	-

The tax receivable as at 30June, 2013 will be settled in 2013.

5 Cash at bank and in hand

Cash at bank is stated at nominal value and freely disposable. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

6 Shareholders' equity

Summary of movements in shareholders' equity in 2013 and 2012:

(x €1,000)	1 January 2013	Profit distribution in 2013 for 2012	Dividend distribution in 2013	Changes in fair value cash flow hedges	Result for reporting period	30 June 2013
Share capital:						
Authorised capital	2,500					2,500
Not issued capital	(2,000)					(2,000)
Issued capital	500	-	-		-	500
Other reserves	49,506	(10,276)	-			39,230
Cash flow hedge reserve	(9,725)			4,358		(5,367)
Profit for the year	(10,276)	10,276			(7,238)	(7,238)
Total shareholders' equity	30,005	-	-	4,358	(7,238)	27,125

(x €1,000)	1 January 2012	Profit distribution in 2012 for 2011	Dividend distribution in 2012	Changes in fair value cash flow hedges	Result for reporting period	31 December 2012
Share capital:						
Authorised capital	2,500					2,500
Not issued capital	(2,000)					(2,000)
Issued capital	500	-	-		-	500
Other reserves *	61,339	(11,833)	-			49,506
Cash flow hedge reserve	(7,550)			(2,175)		(9,725)
Profit for the year	(11,833)	11,833			(10,276)	(10,276)
Total shareholders' equity	42,456	-	-	(2,175)	(10,276)	30,005

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 June 30, 2013 1,000 shares have been issued and fully paid.

The other reserves are considered to be legal statutory reserves both in 2012 and 2013. These reserves are not freely distributable to shareholders for the amount of the positive fair values related to the derivatives that are not designated for hedge accounting purposes. The positive fair value of the derivatives for which no hedge accounting is applied (natural hedges) amount up to € 0.1 million (2012: € 1.0 million) (note 2).

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. This cash flow hedge reserve is released during the period that the cash flows from the hedged risk are realised. The cash flow hedge reserve is not freely distributable. The movement in the cash flow hedge reserve can be specified as follows:

- the effective portion of changes in fair value of cash flow hedges amounting to € 2.9 million (2012: € (0.2) million),
- the net change in fair value of matured cash flow hedges reclassified to P&L amounting to € 1.4 million (2012: € (2.0) million).

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 in accordance with the 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 June 30, 2013, a deferred tax liability of € 2.4 million for temporary differences was recognized.
The deferred tax liabilities comprises the tax effect of the temporary differences between the profit determination for financial reporting purposes and for tax purposes.

Deferred tax liabilities are attributable to the following:

Movements in 2013:

(x €1,000)	1 January 2013	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	30 June 2013
Valuation of derivatives	105	-	-	-	(412)	-	(307)
Early termination premium	4,909		-	-	(2,242)	-	2,667

Movements in 2012:

(x €1,000)	1 January 2012	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	31 December 2012
Valuation of derivatives	956	-	-	-	(851)	-	105
Early termination premium	8,262		-	-	(3,353)	-	4,909

9 Short/Long-term liabilities

Daimler International Finance B.V. obtains funds from the market by issuing corporate bonds/notes under the Euro Medium Term Notes Program and obtains funds from affiliated companies by entering into loan agreements. The notes issued under the EMTN Program (totalling € 6.1 billion) are unconditionally and irrevocably guaranteed by Daimler AG for which the Company pays a guarantee fee. The bonds issued by Daimler International Finance B.V. are listed on the Luxembourg Stock Exchange. The, in 2011, issued CHF Bonds (€ 0.3 billion) are listed on the SIX Swiss Exchange.

The notional amounts of the EMTN notes which are designated for hedge accounting amount to € 2.0 billion (2012: € 1.9 billion).
The terms and conditions of outstanding EMTN notes were as follows:

Currency	Nominal interest rate	Date of drawing	Date of maturity	Nominal value	Book value 30-06-2013
SEK	3M Stibor + 1,10%	1/24/2012	7/24/2013	34,114	34,179
NOK	3.375%	8/30/2011	8/30/2013	64,332	63,540
EUR	3M Euribor + 0,5%	9/30/2011	9/30/2013	40,000	39,998
EUR	3M Euribor + 0,40%	5/18/2011	11/18/2013	200,000	199,977
GBP	2.125%	6/15/2011	12/10/2013	227,346	233,715
GBP	2.125%	11/17/2011	12/10/2013	87,908	87,410
GBP	2.125%	1/12/2012	12/10/2013	120,404	116,612
GBP	2.125%	1/26/2012	12/10/2013	29,833	29,148
EUR	7.875%	1/16/2009	1/16/2014	2,000,000	1,997,325
CHF	1.250%	6/30/2011	3/31/2014	165,744	162,113
NOK	4.250%	4/19/2011	4/22/2014	77,282	76,403
NOK	4.250%	6/27/2011	4/22/2014	51,392	50,801
EUR	3M Euribor + 0,37%	5/16/2012	5/16/2014	200,000	200,000
GBP	1.750%	5/21/2012	5/21/2014	309,609	292,147
NOK	3.375%	11/23/2011	5/23/2014	64,817	63,281
SEK	3.750%	6/10/2011	6/10/2014	82,532	85,300
AUD	5.250%	9/12/2011	9/12/2014	75,605	71,380
SEK	3.000%	9/5/2011	12/15/2014	54,958	57,460
NOK	3.625%	9/5/2011	1/15/2015	65,157	63,182
NOK	3.625%	9/21/2011	1/15/2015	32,228	31,930
NOK	3.625%	9/21/2011	1/15/2015	12,893	12,780
EUR	3M Euribor + 0,80%	9/20/2011	1/20/2015	100,000	99,953
NZD	4.375%	2/8/2012	2/5/2015	63,235	59,406
NOK	3.000%	5/18/2012	5/18/2015	164,533	158,041
NZD	3.875%	5/22/2012	5/22/2015	59,656	59,348
EUR	6.125%	9/5/2008	9/8/2015	750,000	747,379
NOK	3.625%	1/20/2012	1/20/2016	130,548	127,367
CHF	1.625%	10/12/2011	10/12/2016	121,290	121,190
USD	1.750%	4/10/2013	4/10/2018	229,253	222,671
GBP	3.500%	2/6/2012	6/6/2019	603,726	574,972
EUR				6,218,396	6,139,007

EMTN notes include both hedged and un-hedged notes.

◊ The due date of the loans from affiliated companies varies from July 2013 to July 2016. The interest rate of the loans to affiliated companies is in conformity with the Group-wide intercompany pricing policy ensuring at arm's-length conditions.

◊ As at June 30 there are no liabilities to affiliated companies (2012: € 0.5 million) which are denominated in a currency other than Euro. When they occur the Company will enter into foreign exchange contracts to hedge foreign currency risks as far as they are not back-to-back. The valuation of the loans is determined based on the year-end rate of exchange.

◊ The fair value of EMTN notes and loans per June 30, 2013 is € 6.4 billion (2012: € 8.3 billion).

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10 Other liabilities to affiliated companies

The intercompany liabilities consist of interest on intercompany loans and are due within 1 year.

As at June 30 there are no liabilities to affiliated companies (2012: € 0.1 million) which are denominated in a currency other than Euro. In cases there is no matching with interest receivables the Company has entered into foreign exchange contracts to hedge foreign currency risks. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

11 Taxation and social security premiums

The specification is as follows:

(x €1,000)	30 June 2013	31 Dec. 2012
Corporate income tax	-	239
Value-added tax	34	15
Payroll tax and social security charges	11	25
Total	45	279

12 Other liabilities and accruals

The specification is as follows:

(x €1,000)	30 June 2013	31 Dec. 2012
Interest debts to third parties	131,878	210,936
Other liabilities / accruals	613	710
Total	132,491	211,646

13 Risk Management

General

During the normal course of business the Company is exposed to interest rate risk, currency risk, credit risk and other operational risks. In order to avoid or reduce these risks, Derivative Financial Instruments such as (but not limited to) Interest Swaps, Currency Contracts and Cross Currency Swaps are used. The Company does not trade in these Derivative Financial Instruments.

The EMTN notes issued by the Company are not in full extent lent onward at similar conditions. The Company assumes market interest rate risk with respect to these loans. However this risk is shared with Daimler AG.

Interest risk

It is the Company's policy to hedge interest rate exposures by entering into Derivative Financial Instruments. Over the course of the reporting period the average EURO amount exposed to interest rate risk remained below 2% of the balance sheet total. Swaps which include upfront payments/receivables are amortized over the term of the related contract.

Foreign currency risk

It is the objective of the Company to eliminate foreign currency risk. The Company enters into Derivative Financial Instruments in order to hedge its foreign currency exposure. As a result the company did not incur a foreign currence risk from its ordinary issuance and lending activities. The related Derivative Financial Instruments are recognized in the balance sheet against fair value.

Credit risk

The Company solely provides loans within the Daimler Group and to companies in which Daimler holds a minority share (Joint Ventures). Therefore the company's exposure to credit risk is influenced mainly by the characteristics of Daimler Group related default risk. Daimler Group is rated by credit rating agencies and has a rating of A3 (stable) from Moody's Investors Service, A- (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings.

In respect of cash at banks and Derivative Financial Instruments, these are only deposited and / or entered into in compliance with the Daimler Global Counterparty Limits as provided by Daimler AG.

Liquidity risk
Liquidity risk comprises the risk, that a company cannot meet its financial obligations in full. Daimler International Finance B.V. manages its liquidity by holding adequate volume of cash and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this principle ensures that financial obligations generally have the same maturity profile as the financial assets and receivables and thus reduces the Company's liquidity risks.

Hedging and Hedge Accounting
Derivative Financial Instruments 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 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 derivatives 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.

14 Interest income

In 2010 the Company restructured part of its financial assets (Loans to affiliated companies). The disposal has been concluded against fair value and as a result the Company realized an early termination premium. The early termination premium amounted to approximately € 51 million and has been recognized in the 2010 interest income. The new loans which have been concluded against the market conditions with another affiliated party result in corresponding negative interest margins in the years 2011-2014, given the higher interest expenses on the back to back funding on the designated EMTN notes.

15 Valuation impact of derivatives

Hedge accounting is practiced in accordance with Group policy and hedge accounting requirements as stated in RJ 290. Since the derivatives are held until maturity the overall valuation impact tends to zero towards the respective maturity date.

16 Commissions in relation to EMTN notes

Commissions in relation to EMTN notes consist of guarantee fees paid by the Company to Daimler AG, guarantor under the EMTN Program.

17 Corporation tax

The applicable nominal tax rate is 25% (2012: 25%). The tax expense recognized in the profit and loss account for 2013 amounts to EUR 2.4 million, or 25% of the result before tax (2012: 25%).

(x €1,000)	30 June 2013	30 June 2012
Tax liability for current financial year	(219)	(209)
Deferred tax asset / liability	2,654	2,849
Total	2,435	2,640

18 Contingent liabilities and (off-balance sheet) commitments

The Company did not have any contingent liabilities as at June 30, 2013.