DAIMLER

Daimler International Finance B.V.

Interim Report

2016

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- K. Schäfer
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- Mr. M. van Pelt

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Report of the Board of Management

General

Daimler International Finance B.V. (or “the Company”) was established on 4 April 1986 as a private limited company (B.V.). As at June 30, 2016 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 Company’s purpose is to finance part of the activities of the Daimler Group. The needed funding is managed by borrowing from Group companies and the capital markets by issuing bonds, notes and commercial paper.

The Euro Medium Term Note Program (EMTN) issues and the European Commercial Paper Program (CP) issues of Daimler International Finance B.V. are both irrevocably guaranteed by Daimler AG. The bonds have long-term ratings of A3 (positive) from Moody’s Investors Service, A- (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings as at June 30, 2016. 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. One CHF bond issued in 2011 is listed on the SIX Swiss Exchange.

The funding obtained by the Company has been made available to companies within the Daimler Group and to minority shareholdings of Daimler AG by way of intercompany loans, with a focus on European financial services companies and Daimler treasury centres.

Development 1st half of 2016

In the first half of 2016, Daimler International Finance B.V. repaid one bond issued under the Daimler EMTN Program in the total amount of € 130 million.
Daimler International Finance B.V. issued CPs for a total amount of € 100 million under the Daimler European Commercial Paper Program with tenors between 1 and 12 months. At June 30, 2016, the CP outstanding amounts to € 180 million. The proceeds of the CP were allocated as intercompany loans to Daimler Group companies.

In 2016 the total loans to affiliated companies of the Company decreased by € 212 million to a level of € 1,833 million as per June 30, 2016. All new funding of the financial assets was realized through the issuance of CPs under the European CP Programs and through group-internal loans.

The interest margin developed positively to € 2.570 million compared to € 1.217 million in the first half of 2015. On the other hand the financial result of the year was negatively affected by the valuation impact of derivatives which turned out to be ineffective. The net profit after taxation amounts to a negative amount of € 2.9 million compared to a positive financial result of € 0.4 million in the first half of 2015.

Since all the EMTN / CP issued are guaranteed by Daimler AG the general risk profile of the Company and its solvency heavily depend on the solvency of the Daimler Group as a whole.

The number of employees at June 30, 2016 was 5 (2015: 5).

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, market risk and other operational risks. The funds obtained with the issuance of EMTN notes and CP are in general lent onward at similar conditions to 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 the funding requirements 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. Therefore the Company's exposure to credit risk is influenced mainly by the characteristics of Daimler Group related default risk. 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

In 2016 the net interest income on operating activities is expected to develop in line with the balance sheet development during the course of the year. Furthermore, volatility in the fair market values of derivative instruments may have impact to the profit before taxation of the Company in case of ineffectiveness of underlying derivatives.

The financing activities will develop in line with the strategy of Daimler AG. For the year 2016 management expects a higher level of outstanding EMTN notes which will impact the financing activities to group companies. The Company is expected to continue its current core activities and will actively support all major changes in the treasury operations deemed necessary to ensure even further the efficiency and effectiveness of financing the capital needs of the Daimler Group.

The board of directors consider that the current level of employees will remain unchanged in the near future.

Events after the closing date

Since the reporting date of June 30, 2016, Daimler AG decided to increase the equity of Daimler International Finance B.V. by € 500 million. Purpose of the increase is to strengthen Daimler International Finance B.V. in its role as a strategic financing hub for the Daimler Group. At the end of July the Company received € 500 million as a share premium reserve.

According to new regulations of the Dutch Civil Law (Wet Toezicht Bestuur 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 22, 2016

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 2016** gives a true and fair view of the assets, liabilities, financial position and profit or loss of Daimler International Finance B.V. The Report of the Board of Management 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 22, 2016

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, 2016
(before profit appropriation x €1,000)

-unaudited-

	Note	30-06-2016		31-12-2015	
ASSETS					
FIXED ASSETS					
◊ **Tangible fixed assets**			21		21
◊ **Deferred tax assets**	7		1,739		617
◊ **Financial fixed assets**					
Loans to affiliated companies	1	1,179,788		1,176,039	
Other financial assets	2	15,607		15,642	
			1,195,395		1,191,681
CURRENT ASSETS					
◊ **Receivables:**					
Loans to affiliated companies	1	653,449		869,537	
Interest receivables affiliated companies	3	10,442		27,645	
Taxation	4	184		-	
			664,075		897,182
◊ **Cash and cash equivalents**	5		13,934		8,644
			1,875,164		2,098,145

Daimler International Finance B.V.
Balance sheet as at June 30, 2016 (before profit appropriation x €1,000)
-unaudited-

	Note	30-06-2016		31-12-2015	
LIABILITIES					
◊ **Shareholders' equity**	6				
Issued capital		500		500	
Other reserves		27,002		28,124	
Cash flow hedge reserve		1,812		1,081	
Retained earnings		(2,869)		(1,122)	
			26,445		28,583
◊ **Deferred tax liabilities**	7		-		-
◊ **Long-term liabilities**					
EMTN issues	8	891,603		956,860	
Loans from affiliated companies	8	200,000		182,000	
Other financial liabilities	2	88,143		86,752	
			1,179,746		1,225,612
◊ **Short-term liabilities**					
EMTN issues	8	137,993		242,536	
CP issues	8	179,927		181,905	
Loans from affiliated companies	8	341,000		392,000	
Other liabilities to affiliated companies	9	5,675		5,842	
Taxation and social security premiums	10	20		265	
Other liabilities and accruals	11	4,358		21,402	
			668,973		843,950
			1,875,164		2,098,145

Daimler International Finance B.V.
Profit and loss account for the half-year ended June 30, 2016
(x €1,000)

-unaudited-

	Note	30-06-2016		30-06-2015	
◊ **Interest income**	13	31,523		68,266	
◊ **Interest expenses**		(28,953)		(67,049)	
Interest margin			2,570		1,217
◊ **Result financial transactions**	14		(5,354)		1,575
◊ **External costs and other**					
Operating costs		(124)		(169)	
Commissions in relation to EMTN issues	15	(729)		(1,917)	
Wages and salaries		(147)		(114)	
Social security charges		(17)		(15)	
Pension charges and early retirement costs		(24)		(23)	
			(1,041)		(2,238)
PROFIT BEFORE TAX			(3,825)		554
◊ **Taxation**	16		956		(130)
NET PROFIT (LOSS)			**(2,869)**		**424**

Cash Flow statement (x €1,000) –unaudited-

	30-06-2016	30-06-2015
Profit after tax	**(2,869)**	**424**
Adjustments for:		
Interest income	(31,523)	(68,266)
Interest expenses	28,953	67,049
Income tax expense	(956)	130
Result financial transactions	5,354	(1,575)
Changes in:		
Change in provisions	-	-
Change in tax receivables	(594)	8
Other liabilities (excluding interest on debts)	15	(64)
Cash flow from operating activities:		
Interest received	49,751	72,290
Interest paid	(47,726)	(68,935)
Additions to loans to affiliated companies	(1,525,000)	(6,580,554)
Repayments of loans to affiliated companies	1,718,088	8,649,382
Derivative assets and liabilities	485	(8,440)
Tax paid	(600)	(470)
Net cash from operating activities	**193,378**	**2,060,979**
Cash flow from investing activities	**-**	**-**
Cash flow from financing activities:		
Proceeds from additional EMTN and CP issues	100,000	1,256,000
Repayments of EMTN and CP	(255,088)	(2,564,702)
Additional short term loans received from aff. companies	1,310,000	4,477,873
Additional long term loans received from aff. companies	40,000	320,000
Repayments of loans from affiliated companies	(1,383,000)	(5,544,788)
Net cash from financing activities	**(188,088)**	**(2,055,617)**
Net de / increase in cash and cash equivalents	**5,290**	**5,362**
Cash at beginning of period	8,644	5,805
Cash at end of period	13,934	11,167
Net de / increase in cash and cash equivalents	5,290	5,362

Statement of comprehensive income (x €1,000) –unaudited-

	30-06-2016		30-06-2015	
Net result after tax attributable to the company		(2,869)		424
Unrealized revaluation of cash flow hedges charged directly to shareholders equity	731		2,891	
Total of items recognised directly in shareholders' equity of the company		731		2,891
Total result of the legal entity		**(2,138)**		**3,315**

NOTES TO THE ANNUAL ACCOUNTS as at June 30, 2016

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:

(x €1,000)	30 June 2016	31 Dec. 2015
Value as at the 1 January	2,045,576	5,234,874
Changes in fair value as a result of hedge accounting	-	-
Exchange rate differences	(19,251)	118,495
Additions in the year	1,525,000	7,389,033
Repayments in the year	(1,718,088)	(10,696,826)
Value as at the 30 June	1,833,237	2,045,576

€ 0.7 billion (2015: € 0.9 billion) of the principle portions outstanding is due and repayable within 1 year and € 1.2 billion (2015: € 1.2 billion) is due and repayable between 1 and 5 years.

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

Loans to affiliated companies for a total amount of € 1.0 billion (2015: € 1.1 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 lent on in the same currency. The valuation of the loans is determined based on the year-end foreign exchange rate. As at June 30, 2016 there are no loans which are designated in a fair value hedge accounting relationship (2015: € 0.0 million).

The fair value of the loans to affiliated companies per June 30, 2016 is € 1.8 billion (2015: € 2.1 billion).

2 Other financial assets and liabilities

The fair values of the derivatives are as follows:

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2016		31 Dec. 2015	
Instrument type:				
Interest rate swaps	166	-	-	1,838
Cross currency swaps	15,441	88,143	15,642	84,914
Total	15,607	88,143	15,642	86,752

Fair value hedges
The Company uses interest rate swaps to hedge its exposure to changes in the fair values of its fixed rate, bonds attributable to changes in market interest rates. Interest rate swaps are matched to specific issuances of fixed rate loans.

The fair value of these derivatives 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 in which the counterparty and own credit risk are taken into account.

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

(x €1,000)	Assets	Liabilities	Assets	Liabilities
	30 June 2016		31 Dec. 2015	
Instrument type:				
Interest rate swaps	166	-	-	1,838
Cross currency swaps	-	88,143	-	84,914
Total	166	88,143	-	86,752

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 2016		31 Dec. 2015	
Instrument type:				
Interest rate swaps	-	-	-	-
Cross currency swaps	15,441	-	15,642	-
Total	15,441	-	15,642	-

During 2016 net gains of € 0.7 million (2015: net gains of € 2.6 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 € 0.0 million (2015: € 0.0 million). The natural hedges with a negative fair value amount up to € 0.0 million (2015: € 0.0 million).

3 Interest receivables from affiliated companies

The intercompany receivables consist of interest on financial fixed assets and on loans to affiliated companies and are due within one year. The fair value of this financial instrument stated on the balance sheet is approximately equal to their carrying amount.

Receivables from affiliated companies for a total amount of € 2.3 million (2015: € 2.2 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.

4 Tax receivables

The specification is as follows:

(x €1,000)	30 June 2016	31 Dec. 2015
Corporate income tax	184	-
Total	184	-

The tax receivable relates to the financial years 2016 and will be settled within 1 year.

5 Cash and cash equivalents

Cash and cash equivalents 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 2016 and 2015:

(x €1,000)	1 January 2016	Profit distribu-tion in 2016 for 2015	Dividend distribu-tion in 2016	Changes in fair value cash flow hedges	Result for reporting period	30 June 2016
Share capital:						
Authorised capital	2,500					2,500
Not issued capital	(2,000)					(2,000)
Issued capital	500	-	-		-	500
Other reserves	28,124	(1,122)	-			27,002
Cash flow hedge reserve	1,081			731		1,812
Profit for the year	(1,122)	1,122			(2,869)	(2,869)
Total shareholders' equity	28,583	-	-	731	(2,869)	26,445

(x €1,000)	1 January 2015	Profit distribu-tion in 2015 for 2014	Dividend distribu-tion in 2015	Changes in fair value cash flow hedges	Result for reporting period	31 December 2015
Share capital:						
Authorised capital	2,500					2,500
Not issued capital	(2,000)					(2,000)
Issued capital	500	-	-		-	500
Other reserves	29,156	(1,032)	-			28,124
Cash flow hedge reserve	(1,549)			2,630		1,081
Profit for the year	(1,032)	1,032			(1,122)	(1,122)
Total shareholders' equity	27,075	-	-	2,630	(1,122)	28,583

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, 2016 1,000 shares have been issued and fully paid.

The other reserves are considered to be legal statutory reserves both in 2015 and 2016.
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 € 0.7 million (2015: € 2.6 million);
- the net change in fair value of matured cash flow hedges reclassified to P&L amounting to € 0.0 million (2015: € 0.0 million).

7 Deferred tax assets and liabilities

At June 30, 2016 a deferred tax asset of € 1.7 million for temporary differences was recognized.
The deferred tax assets and liabilities comprises the tax effect of the temporary differences between the profit determination for financial reporting purposes and for tax purposes.
Deferrals with a residual term of one year or less amount to € 0.5 million (2015: € 0.2 million).
Deferred tax assets and liabilities are attributable to the following:

Movements in 2016:

(x €1,000)	1 January 2016	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	30 June 2016
Valuation of derivatives	617	-	1,122	-		-	1,739
Early termination premium							

Movements in 2015:

(x €1,000)	1 January 2015	Re-classi-fication	Provi-sions made	Provi-sions used	Provi-sions released	Other	31 December 2015
Valuation of derivatives	(381)	-	998	-		-	617
Early termination premium							

8 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 and Commercial Paper under the European Commercial Paper Program and obtains funds from affiliated companies by entering into loan agreements. The issues under the EMTN and CP Programs (totalling € 1.4 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 CHF Bond issued in 2011 (€ 0.1 billion) is listed on the SIX Swiss Exchange.

The notional amounts of the EMTN notes which are designated for hedge accounting amount to € 0.8 billion (2015: € 1.0 billion).

The terms and conditions of outstanding EMTN notes were as follows:
(x € 1,000)

(x €1,000)	Currency	Nominal interest rate	Date of drawing	Date of maturity	Nominal value	Book value 30-06-2016	Market value 30-06-2016
EMTN	CHF	1.625%	10/12/2011	10/12/2016	121,290	137,992	138,749
EMTN	USD	1.750%	4/10/2013	4/10/2018	229,253	269,993	271,921
EMTN	GBP	3.500%	2/6/2012	6/6/2019	603,726	621,611	643,769
Total	EUR				954,269	1,029,596	1,054,439

CP notes (x € 1,000)

(x €1,000)	Currency		Nominal value	Book value 30-06-2016
CP	EUR		180,000	179,927
Total	EUR		180,000	179,927

The due date of the CPs varies from December 2016 to March 2017, the interest rates between 0.045% and 0.115%.

EMTN notes include both hedged and unhedged notes.

◊ The due date of the loans obtained from affiliated companies varies from July 2016 to June 2019. The interest rates of the loans obtained from affiliated companies vary between -/- 0.074% and 1.315% and are in conformity with the Group-wide intercompany pricing standards ensuring at arm's-length conditions.

◊ As at June 30, 2016 there are no liabilities to affiliated companies denominated in a currency other than Euro (2015: € 0.0 million). 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 the loans from affiliated companies per June 30, 2016 is € 0.5 billion (2015: € 0.6 billion).

◊ The fair value of EMTN notes per June 30, 2016 is € 1.1 billion (2015: € 1.2 billion).The fair value of EMTN notes is derived from the market quotation.

9 Other liabilities to affiliated companies

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

As at June 30, 2016 there are no liabilities to affiliated companies denominated in a currency other than Euro (2015: € 0.0 million). 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.

10 Taxation and social security premiums

The specification is as follows:

(x €1,000)	30 June 2016	31 Dec. 2015
Corporate income tax	-	226
Value-added tax	-	20
Payroll tax and social security charges	20	19
Total	20	265

11 Other liabilities and accruals

The specification is as follows:

(x €1,000)	30 June 2016	31 Dec. 2015
Interest debts to third parties	4,051	21,110
Other liabilities / accruals	307	292
Total	4,358	21,402

12 Risk Management

General

During the normal course of business the Company is exposed to interest rate risk, currency risk, liquidity 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 in general lent onward at similar conditions to affiliated companies.

Interest rate risk

As a result from its issuing and lending business, the Company is exposed to interest rate risks. The interest rate risk exposure is frequently monitored and assessed. It is the Company's general policy to mitigate interest rate risk by applying a matched funding in terms of maturities and interest rate and to hedge interest rate exposures by entering into Derivative Financial Instruments, such as interest rate swaps. Changes in fair values of derivatives are compensated by changes in the fair value of the respective underlying.

Foreign currency risk

It is the objective of the Company to eliminate foreign currency risk. Therefore, the Company enters into Derivative Financial Instruments in order to hedge its foreign currency exposures. As a result the company incurred only limited foreign currency risk from its ordinary issuance and lending activities. The related Derivative Financial Instruments are recognized on the balance sheet against fair value.

The Company incurs a foreign currency risk on the cash (equivalents) position, which is recognized against the exchange rate applying to the balance sheet date. Gains and losses are taken to the profit and loss account under result financial transactions.

Credit risk

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. 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 (positive) from Moody's Investors Service, A- (stable) from Standard & Poor's Ratings Group and A- (stable) from Fitch Ratings as at June 30, 2016.

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 cash flow hedge 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.

13 Interest income

The interest income is based on loans provided to group companies in the EU (2016: 61.1% and 2015: 77.6%), the US (2016: 38.9% and 2015: 22.1%) and Australia (2016: 0.0% and 2015: 0.3%).

14 Result financial transactions

Result financial transactions comprises the valuation impact of derivatives and the translation gains and losses.
Hedge accounting is applied 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.
The Company incurs a foreign currency risk on the cash (equivalents) position, which is recognized against the exchange rate applying to the balance sheet date. The total result from translation gains and losses amount to EUR 0.6 million (loss).

15 Commissions in relation to EMTN notes and Commercial Paper

Commissions in relation to EMTN notes and Commercial Paper consist of guarantee fees paid by the Company to Daimler AG, guarantor under the EMTN and CP Programs.

16 Corporation tax

The applicable nominal tax rate is 25% (2015: 25%). The tax amount recognized in the profit and loss account for 2016 amounts to EUR 1.0 million, or 25% of the result before tax (2015: 25%).

(x €1,000)	30 June 2016	30 June 2015
Tax liability for current financial year	(165)	(404)
Deferred tax asset / liability	1,121	274
Total	956	(130)

17 Contingent liabilities and (off-balance sheet) commitments

As at June 30, 2016 the Company has no off balance sheet commitment (2015: € 0.0 million).