

# **Mercedes-Benz Australia/Pacific Pty Ltd**

**ABN 23 004 411 410**

## **INTERIM FINANCIAL REPORT**

**For the half year ended 30 June 2011**

**Mercedes-Benz Australia/Pacific Pty Ltd**

**Interim financial report for the half year ended 30 June 2011**

<b>Page</b>	<b>Item</b>
2	Interim Management Report
3	Responsibility Statement
4	Unaudited Condensed Statement of Financial Position
5	Unaudited Condensed Statement of Financial Performance
6	Notes to the Financial Statements

## **Mercedes-Benz Australia/Pacific Pty Ltd**

### **INTERIM MANAGEMENT REPORT For the half year ended 30 June 2011**

This interim management report is presented together with the interim financial report of Mercedes-Benz Australia/Pacific Pty Ltd ("the Company") for the half year ended 30 June 2011.

#### **Principal activities**

The principal activities of the Company during the half year ended 30 June 2011 were the importation, marketing and distribution of passenger and commercial motor vehicles and their component parts.

The Company is also involved in financing activities for its working capital management and on behalf of itself and some other related parties of the local Daimler group.

There were no significant changes in the nature of the Company's activities during the year.

#### **Operating and financial review**

The Company made a profit, after income tax, from continuing operations for the half year ended 30 June 2011 of \$26.179 million (2010: \$88.598 million).

#### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Company that occurred during the half year under review.

#### **Likely developments**

##### *Operations*

The Company will continue to pursue its policy of consolidating its key market share as well as maintaining its contribution to the Daimler global organisation.

The Company's financing activities for other related parties of the local Daimler group are expected to continue depending on the requirements of these related parties.

#### **Risk Report**

Many factors could directly or indirectly affect the Company's business, financial position, financial performance and cash flows. These factors include, but are not limited to, changes in economic and market conditions, credit risk and currency risk. Further information regarding the Company's risk management strategies are described in the Company's 2010 Annual Financial Report.

#### **Rounding off**

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, amounts in the financial report and interim management report have been rounded off to the nearest thousand dollars, unless otherwise stated

**Mercedes-Benz Australia/Pacific Pty Ltd**

**RESPONSIBILITY STATEMENT**

To the best of my knowledge, and in accordance with the applicable reporting principles, the condensed interim financial statements of Mercedes-Benz Australia/Pacific Pty Ltd ("the Company") provide a true and fair view of the Company's financial position as at 30 June 2011 and of its financial performance for the half year ended on that date. The Company's interim management report provides a fair review of the development and performance of the business and the position of the company for the half year ended 30 June 2011, together with a description of the principal opportunities and risks associated with the expected development of the Company.



Mr Kai Rauch  
*CFO and Director*  
Melbourne, 31 August 2011

**Mercedes-Benz Australia/Pacific Pty Ltd**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

	<b>30 June 2011 \$'000</b>	<b>31 Dec 2010 \$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	92,201	188,954
Trade and other receivables	1,561,472	1,606,412
Inventories	702,450	665,273
Derivative financial instruments	6,688	7,722
<b>Total current assets</b>	<b>2,362,811</b>	<b>2,468,361</b>
<b>Non-current assets</b>		
Trade and other receivables	1,155,027	1,116,509
Deferred tax assets	53,364	50,283
Property, plant and equipment	142,227	146,021
Derivative financial instruments	988	3,560
<b>Total non-current assets</b>	<b>1,351,606</b>	<b>1,316,373</b>
<b>Total assets</b>	<b>3,714,417</b>	<b>3,784,734</b>
<b>Current liabilities</b>		
Trade and other payables	401,784	431,270
Loans and borrowings	1,208,117	1,467,136
Derivative financial instruments	143,051	94,165
Provisions	126,827	116,555
Deferred income	13,823	13,669
<b>Total current liabilities</b>	<b>1,893,602</b>	<b>2,122,795</b>
<b>Non-current liabilities</b>		
Loans and borrowings	1,182,394	1,042,257
Derivative financial instruments	63,662	66,684
Provisions and other liabilities	53,388	57,806
<b>Total non-current liabilities</b>	<b>1,299,444</b>	<b>1,166,747</b>
<b>Total liabilities</b>	<b>3,193,046</b>	<b>3,289,542</b>
<b>Net assets</b>	<b>521,371</b>	<b>495,192</b>
<b>Total equity</b>	<b>521,371</b>	<b>495,192</b>

The notes on pages 6 to 7 are an integral part of these financial statements.

Mercedes-Benz Australia/Pacific Pty Ltd

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE SIX MONTHS ENDED 30 JUNE

	2011 \$'000	2010 \$'000
Revenue	1,141,980	1,263,725
Cost of sales	(1,005,917)	(1,055,128)
<b>Gross profit</b>	136,063	208,597
Other income	2,434	4,312
Employee expenses	(46,202)	(43,446)
Depreciation expenses	(2,656)	(2,777)
Other expenses	(43,026)	(41,290)
<b>Results from operating activities</b>	46,613	125,396
<b>Net finance costs</b>	(8,108)	1,564
<b>Profit before income tax</b>	38,505	126,960
Income tax expense	(12,326)	(38,362)
<b>Profit for the period</b>	26,179	88,598

The notes on pages 6 to 7 are an integral part of these financial statements.

## Mercedes-Benz Australia/Pacific Pty Ltd

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1. REPORTING ENTITY

Mercedes-Benz Australia/Pacific Pty Ltd (“the Company”) is a company domiciled in Australia. The address of the Company’s registered office is Lexia Place, Mulgrave, Victoria 3170.

The Company is primarily involved in the importation, marketing and distribution of passenger and commercial motor vehicles and their component parts.

#### 2. BASIS OF PREPARATION

##### (a) Statement of compliance

The condensed interim financial report has been prepared in order to meet certain requirements set out in Article 4 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the “Transparency Law”) and the Luxembourg Grand-Ducal decree dated 11 January 2008 on transparency requirements for issuers of securities (the “Transparency Regulation”).

The financial statements were authorised for issue by the Board of Management on 31 August 2011.

##### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- the defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

The financial statements have been prepared on a going concern basis.

##### (c) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Company’s functional currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand, unless otherwise stated.

#### 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2010.

#### 4. DETERMINATION OF FAIR VALUES

A number of the Company’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

##### (a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

##### (b) Loans and borrowings

**Mercedes-Benz Australia/Pacific Pty Ltd**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Fair value of loans and borrowings is determined for disclosure purposes. The fair value of loans and borrowings that are readily traded are revalued at reporting date to market value using quoted market prices or, if not readily traded, are measured based on present value of future expected principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**(c) Derivatives**

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on market values which approximate estimated future cash flows based on the terms of maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the entity and counterparty when appropriate.