

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

**ABN 23 004 411 410**

## **INTERIM FINANCIAL REPORT**

**For the half year ended 30 June 2014**

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

**Interim financial report for the half year ended 30 June 2014**

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

**INTERIM MANAGEMENT REPORT  
For the half year ended 30 June 2014**

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 2014.

**Principal activities**

The principal activities of the Company during the half year ended 30 June 2014 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 2014 of \$40.356 million (2013: \$28.036 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 increasing 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 2013 Annual Financial Report.

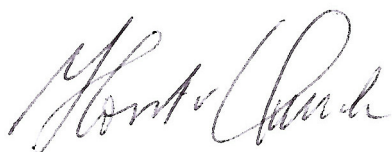
**Rounding off**

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 2014 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 2014, together with a description of the principal opportunities and risks associated with the expected development of the Company.



Mr Horst von Sanden  
*CEO and Director*  
Melbourne, 28 August 2014



Mr Ruediger Schrage  
*CFO and Director*  
Melbourne, 28 August 2014

Mercedes-Benz Australia/Pacific Pty Ltd

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2014 \$'000	31 Dec 2013 \$'000
<b>Current assets</b>		
Cash and cash equivalents	64,987	44,933
Trade and other receivables	1,933,270	2,092,223
Inventories	792,839	808,309
Assets held for sale	0	0
Derivative financial instruments	2,413	12,165
<b>Total current assets</b>	<u>2,793,510</u>	<u>2,957,630</u>
<b>Non-current assets</b>		
Trade and other receivables	1,418,470	1,167,025
Deferred tax assets	50,195	46,162
Property, plant and equipment	167,059	170,286
Derivative financial instruments	1,479	1,385
<b>Total non-current assets</b>	<u>1,637,203</u>	<u>1,384,858</u>
<b>Total assets</b>	<u>4,430,712</u>	<u>4,342,488</u>
<b>Current liabilities</b>		
Trade and other payables	647,690	688,761
Loans and borrowings	1,525,057	1,742,158
Derivative financial instruments	12,262	8,214
Employee benefits	16,558	14,475
Provisions	121,874	109,367
Deferred income	22,083	16,789
<b>Total current liabilities</b>	<u>2,345,524</u>	<u>2,579,764</u>
<b>Non-current liabilities</b>		
Loans and borrowings	1,436,250	1,153,981
Derivative financial instruments	3,140	274
Employee benefits	2,697	2,970
Provisions	70,470	71,193
Deferred income	19,900	21,930
<b>Total non-current liabilities</b>	<u>1,532,456</u>	<u>1,250,348</u>
<b>Total liabilities</b>	<u>3,877,980</u>	<u>3,830,112</u>
<b>Net assets</b>	<u>552,732</u>	<u>512,376</u>
<b>Total equity</b>	<u>552,732</u>	<u>512,376</u>

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

Mercedes-Benz Australia/Pacific Pty Ltd

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

	2014 \$'000	2013 \$'000
Revenue	1,441,821	1,347,634
Cost of sales	(1,282,124)	(1,198,632)
<b>Gross profit</b>	159,697	149,003
Other income	7,512	8,759
Employee expenses	(50,521)	(44,959)
Depreciation expenses	(3,080)	(2,735)
Other expenses	(47,162)	(43,594)
<b>Results from operating activities</b>	66,447	66,474
<b>Net finance costs</b>	(7,677)	(1,938)
<b>Profit before income tax</b>	58,769	64,536
Income tax expense	(18,413)	(36,500)
<b>Profit for the period</b>	40,356	28,036

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

**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 28 August 2014.

**(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 2013.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

**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**

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 estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a market rate of interest at the reporting date.

The fair value of interest rate and cross currency swaps are based on market values which approximate estimated future cash flows based on the terms of maturity of each contract and using observable market interest and foreign exchange rates at the reporting 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.