

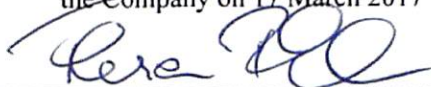
Mercedes-Benz Finans Danmark A/S

**Digevej 114, 4.
2300 København S**

CVR no. 16 04 76 86

Annual report for 2016

The annual report was presented and
adopted at the annual general meeting of
the Company on 17 March 2017



Florian Peterl

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mercedes-Benz Finans Danmark A/S for the financial year 1 January - 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

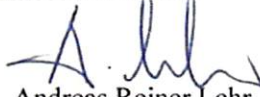
It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the result of the Company's operations for the year 1 January - 31 December 2016.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 February 2017

Executive Board




Andreas Reiner Lehr
CEO

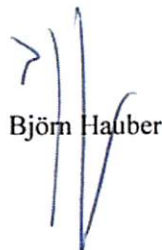


Florian Peterl
CFO


Board of Directors



Christian Peters
Chairman



Björn Hauber



Andreas Reiner Lehr

Independent auditor's report

Independent auditor's report

To the shareholders of Mercedes-Benz Finans Danmark A/S

Opinion

We have audited the financial statements of Mercedes-Benz Finans Danmark A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

Independent auditor's report

is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

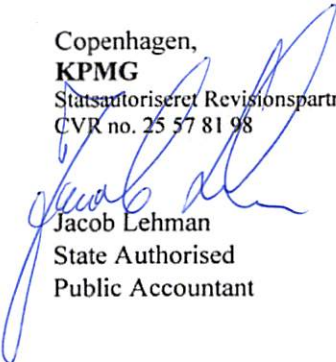
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen,
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Jacob Lehman
State Authorised
Public Accountant

Management's review

Company details

The Company

Mercedes-Benz Finans Danmark A/S
Digevej 114
Postboks 132
2300 København S

Telephone: 33 78 89 00
Fax: 33 78 89 01
E-mail: kundeservice@daimler.com
Website: www.mercedes-benz.dk

CVR no.: 16 04 76 86
Financial Period: 1 January - 31 December
Incorporated: 25 March 1992
Municipality of reg. office: Copenhagen

Board of directors

Christian Peters, Chairman
Björn Hauber
Andreas Reiner Lehr

Executive Board

Andreas Reiner Lehr, CEO
Florian Peterl, CFO

Auditors

KPMG P/S
Dampfærgevej 28
2100 København Ø

General meeting

The annual general meeting is held on 17 March 2017

Management's review

	2016	2015	2014	2013	2012
	DKKm	DKKm	DKKm	DKKm	DKKm
Key figures					
Profit/loss					
Income from leases and purchase contracts, etc.	314	278	272	261	287
Profit/loss from leases and purchase contracts, etc.	125	104	96	100	84
Operating profit/loss from ordinary activities	82	61	58	61	45
Net profit/loss for the year	64	51	51	48	34
Balance sheet					
Investment in property, plant and equipment	441	291	270	247	272
Non-current assets	3,395	2,808	2,428	2,093	1,680
Current assets	849	808	653	523	473
Total assets	4,245	3,615	3,081	2,616	2,153
Share capital	58	58	58	58	58
Equity	235	222	223	216	202
Provisions	142	115	104	106	107
Non-current liabilities other than provisions	1,479	1,158	1,030	670	435
Current liabilities other than provisions	2,387	2,119	1,724	1,624	1,409
Ratios					
Net profit ratio	26,0%	21,9%	21,3%	23,5%	15,8%
Return on assets	2,1%	1,8%	2,0%	2,6%	2,1%
Cost ratio	1,1%	1,3%	1,3%	1,6%	1,8%
Solvency ratio	5,5%	6,1%	7,2%	8,3%	9,4%
Return on equity	28,1%	23,0%	23,2%	22,9%	17,0%
Average number of employees	8	8	7	6	5

Reference is made to definitions and terms under accounting policies.

Management's review

Operating review

Principal activities

The Company's principal activities comprise credit granting in the form of financing and leasing of new and used Mercedes-Benz cars, vans and trucks as well as other makes of vehicles marketed by Mercedes-Benz authorised dealers.

Development in activities and financial position

Profits from ordinary activities amounted to DKK 81.6 million (2015: DKK 61.0 million), which is an increase in comparison to last year's result and significantly above last year's outlook. The increase of the profit can mainly be attributed to higher portfolio volume.

The Danish market environment improved during 2016. Credit reserves for bad and doubtful debts were lower in 2016 compared to 2015. A more favourable credit risk situation was resulted in a much lower cost of risk. Write-offs were higher in 2016 compared to 2015. The improved portfolio quality is a result of a tightened debt recovery process, and a stricter underwriting policy during the last years. Refinancing costs were stable.

New business acquisitions increased significantly, and the Company's total assets increased to DKK 4.2 billion (2015: DKK 3.6 billion).

Capital resources

At 31 December 2016, the Company's equity amounted to DKK 235.4 million (31 December 2015: DKK 222.3 million) corresponding to a solvency ratio of 5.5% (31 December 2015: 6.1%). Management considers the Company's capital resources to be satisfactory.

Outlook

Significant improvements in market conditions were observed in 2016. The Company has made investments to further improve processes and systems. This will further enhance the Company's value propositions towards costumers.

Supported by the strong forecasted sales of Mercedes-Benz vehicles in the Danish market, the Company's assets are planned to increase further in 2017. A profit on the same level as 2016 is expected in 2017.

Management's review

Operating review

Special risks

The Company's risks primarily include credit risks, market risks and liquidity risks.

Credit risks

The decisive basis for decision for the Company's credit granting is the borrower's repayment ability. In order to further minimise the risk, the majority of the Company's credits are also hedged through underlying assets subject to restrictions on title. Significant fluctuations in the market prices of the underlying assets will therefore affect the Company's credit risk.

The Company's risk diversification is sound. This is a result of the fact that the Company has relatively few large-scale borrowers and the majority of customers have commitments including only one or a few cars.

Market risks

The Company's most significant market risks are interest rate and liquidity risk. For both risk areas, the Company is following the matched funded principle to minimise the exposure. The existing portfolio is analysed and the expected new volume is simulated on a monthly basis to determine the funding requirements.

The majority of the Company's loans and leases consist of lease agreements where the interest rate and lease payment, respectively, are adjusted in relation to the development of the short-term market rate. Similarly, the Company's refinancing consists of loan arrangements adjusted in relation to the development in the short-term market rate.

The Company is continuously matching the Company's loans and depreciation of leases to refinancing with similar terms. If funding cannot be raised with the required terms through external banks, funding is raised through Daimler AG Group.

Liquidity risks

Mercedes-Benz Finans Danmark A/S funds itself with external bank loans and Daimler group internal financing. The structure of the funding is done in a way to eliminate any liquidity risk. Mercedes-Benz Finans Danmark A/S runs a monthly Asset Liability Management analysis takes into account the run-off of the portfolio and the financial liabilities as well as non-interest bearing assets and liabilities. Based on those results as well as the new acquisitions in the Company's portfolios the funding is determined and executed.

Management's review

Operating review

Social responsibility

At Mercedes-Benz Finans Danmark AS, we believe corporate social responsibility is an integral part of our identity as a global company. The Company is therefore participating as part of the Daimler Financial Services Group in multifaceted activities reflecting its social commitment. The global key focus areas are education and community advancement where Daimler Financial Services assists through donations, cash contributions and the development of sustainable programmes.

For example, for many years now, Daimler Financial Services helped company founders in numerous countries achieve lasting success. The company founders' innovative business ideas have been deserving of support and the entrepreneurs' courage and new ideas serve as the basis of a flourishing and dynamic economy. They create jobs and thereby give people security. Entrepreneurs have a positive impact on their environment, each in his or her own way - for example, in Mozambique, Scotland, and South Africa.

Consumer demand for individual mobility is growing worldwide. Daimler wants to continue to satisfy this demand as optimally as possible in the future, and this is only possible with concepts and products for sustainable mobility. Above all, this includes safe, fuel-efficient, and low-emission vehicles. One of our goals is to minimise our products' impact on the climate and the environment - from production and operation all the way to end-of-life vehicle recycling. On the "Road to Emission free Mobility," our focus is on innovative drive concepts supplemented by improved and alternative fuels. During the development phase, we optimise consumption of primary energy, the use of raw materials, and recyclability.

Besides these factors, our product strategy also focuses on vehicle safety. We are therefore employing a range of different safety technologies as we progress along the "Road to Accident-free Driving." A key role is played here by innovative assistance systems, which can prevent accidents. They are very effective in protecting the life and health of vehicle occupants and other road users. Further information can be found on <http://www.daimler.com/sustainability>

Statutory statement regarding gender quotation in Management

For further information regarding the gender quotation in the Mercedes-Benz Danmark Group, we refer to the annual report for 2016 of Mercedes-Benz Danmark A/S, cf. section 99b of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Income from leases and purchase contracts, etc.	2	313,621	278,447
Cost relating to leases and purchase contracts, etc.	3	<u>-188,801</u>	<u>-174,738</u>
Profit from leases and purchase contracts, etc.		124,820	103,709
Distribution costs and administrative expenses	4, 5	<u>-43,203</u>	<u>-42,697</u>
Profit/loss before tax		81,617	61,012
Tax on profit for the year	7	<u>-17,365</u>	<u>-9,888</u>
Net profit/loss for the year		<u>64,252</u>	<u>51,124</u>

Financial statements 1 January - 31 December

Balance Sheet

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Assets			
Lease automobiles		770,690	604,918
Fixtures and fittings, tools and equipment		<u>91</u>	<u>91</u>
Property, plant and equipment	8	<u>770,781</u>	<u>605,009</u>
Finance leases		2,023,103	1,573,495
Purchase contracts		<u>601,412</u>	<u>629,061</u>
Investments	9	<u>2,624,515</u>	<u>2,202,556</u>
Total non-current assets		<u>3,395,296</u>	<u>2,807,565</u>
Financing of inventories, distributors	10	607,288	462,553
Receivables from leases and purchase contracts		149,317	69,962
Receivables from affiliated companies		12,102	195,807
Other receivables		18,299	35,175
Prepayments		<u>62,308</u>	<u>44,175</u>
Receivables		<u>849,314</u>	<u>807,672</u>
Total current assets		<u>849,314</u>	<u>807,672</u>
Total assets		<u>4,244,610</u>	<u>3,615,237</u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Equity and liabilities			
Equity	11	57,500	57,500
Retained earnings		113,674	113,674
Proposed dividend for the year		<u>64,252</u>	<u>51,124</u>
Total equity		<u>235,426</u>	<u>222,298</u>
Deferred tax	12	<u>142,465</u>	<u>115,343</u>
Total provisions		<u>142,465</u>	<u>115,343</u>
Bank loans and overdrafts		385,000	150,000
Loans from group enterprises		<u>1,094,395</u>	<u>1,008,357</u>
Non-current liabilities other than provisions	13	<u>1,479,395</u>	<u>1,158,357</u>
Bank loans and overdrafts	13	250,258	535,044
Trade payables		41,369	30,438
Amounts owed to group enterprises		101,939	37,305
Loans from group enterprises	13	1,845,709	1,450,717
Other payables		82,717	51,144
Deferred income		<u>65,332</u>	<u>14,591</u>
Current liabilities other than provisions		<u>2,387,324</u>	<u>2,119,239</u>
Total liabilities other than provisions		<u>3,866,718</u>	<u>3,277,596</u>
Total equity and liabilities		<u>4,244,610</u>	<u>3,615,237</u>
Contingent liabilities and security	14		
Related parties	15		

Financial statements 1 January - 31 December

Statement of changes in equity

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Share Capital at 1 January 2016	57,500	113,674	51,124	222,298
Paid dividend	0	0	-51,124	-51,124
Transferred; see the profit appropriation	<u>0</u>	<u>0</u>	<u>64,252</u>	<u>64,252</u>
Equity at 31 December 2016	<u>57,500</u>	<u>113,674</u>	<u>64,252</u>	<u>235,426</u>

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of Mercedes-Benz Finans Danmark A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C enterprises (large) under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Income Statement

Income from leases and purchase contracts etc.

Income for the year from leases and purchase contracts, etc., comprises interest income, fees, and service income, etc., from finance leases, purchase contracts, financing of inventories for distributors and lease payments from operating leases.

Costs relating to leases and purchase contracts etc.

Costs relating to leases and purchase contracts etc. comprise interest expense concerning financing of the portfolio, depreciation of assets comprised by operating leases, service costs as well as losses on contracts, etc.

Financial statements 1 January - 31 December

Notes

Distribution costs and administrative expenses

Distribution costs and administrative expenses comprise costs and expenses incurred during the year for marketing, management and administration of the Company, including costs for staff, management, advertising, office premises and office expenses, and depreciation.

Interest income and expense and similar items

Interest income and expense and similar items for the year comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Mercedes-Benz Group's Danish subsidiaries.

The parent company Mercedes-Benz Danmark A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis to the anticipated scrap value over the expected useful lives of the assets of 3-5 years.

Financial statements 1 January - 31 December

Notes

Depreciation is recognised in the income statement as distribution costs and administrative expenses, respectively.

Fixtures and fittings, tools and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of fixtures and fittings, tools and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains and losses are recognised in the income statement as distribution costs and administrative expenses, respectively.

Lease automobiles

Lease automobiles, which comprise operating lease contracts are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis to the anticipated scrap value over the term of the lease agreement.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as costs regarding leases and purchase contracts, etc.

Lease automobiles are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of leasing automobiles are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains and losses are recognised in the income statement as costs regarding leases and purchase contracts, etc.

Investments

Leases

Finance leases are recognised as a financial receivable from the lessee. At the conclusion of the contract, the receivable is measured at the cost of the underlying asset.

Lease payments are divided into interest and instalments according to the principle of annuities. Interest is recognised in the income statement whereas instalments reduce the amount owed by the lessee.

Financial statements 1 January - 31 December

Notes

Leases are measured at the balance due from the lessee. Provisions are made for losses according to an individual assessment.

Gains and losses from the disposal of the underlying assets are calculated as the difference between the selling price less distribution costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as income from leases and purchase contracts, etc.

Purchase contracts

Purchase contracts are measured at the nominal value at the balance sheet date less provision for losses according to an individual assessment.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Prepayments

Prepayments comprise costs incurred in connection with the conclusion of leases and purchase contracts as well as bonus to distributors. The costs are recognised in the income statement as interest is added to the contracts.

The item also comprises costs incurred concerning subsequent financial years.

Capital and reserves – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

According to the joint taxation rules, the Company's liability towards the tax authorities is settled in line with payment of joint taxation contribution to the administrative company.

Joint taxation contribution payable and receivable is recognised separately in the balance sheet.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial statements 1 January - 31 December

Notes

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning the establishment of purchase contracts. The income is recognised in the income statement as interest payments are added to the contracts.

The item also comprises payments received concerning income in subsequent years.

Cash Flow Statement

Pursuant to section 86(4) of the Danish Financial Statements Act. The Company has not prepared a cash flow statement, as the Company is included in the consolidated financial statements of Daimler AG.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Net profit ratio:	$\frac{\text{Profit / loss from ordinary activities before tax} \times 100}{\text{Income from leases and purchase contracts etc.}}$
Return on assets:	$\frac{\text{Profit / loss from ordinary activities before tax} \times 100}{\text{Average operating assets}}$
Cost ratio:	$\frac{\text{Distribution costs and administrative expenses} \times 100}{\text{Average total assets}}$
Solvency ratio:	$\frac{\text{Equity, ex. minority interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity:	$\frac{\text{Profit / loss for the year} \times 100}{\text{Average equity, ex. minority interest}}$

Financial statements 1 January - 31 December

Notes

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
2 Income from leases and purchase contracts, etc.		
Operational leasing	190,282	166,773
Financial leasing and loans	92,088	81,867
Other income	<u>31,251</u>	<u>29,807</u>
	<u>313,621</u>	<u>278,447</u>

Revenue is generated in Denmark

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
3 Cost relating to leases and purchase contracts, etc.		
Operational leasing	150,247	130,383
Financial leasing and loans expense	31,792	40,106
Financial expenses from group entities	6,762	4,249
	<u>188,801</u>	<u>174,738</u>

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
4 Distribution costs and administrative expenses		
Wages and salaries	7,862	7,540
Pensions	428	455
Other social security costs	11	22
Other staff costs	<u>232</u>	<u>956</u>
	<u>8,533</u>	<u>8,973</u>

Average number of employees	8	8
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Distribution costs and administrative expenses include DKK 19,021 thousand in relation to salary recharges from Mercedes-Benz Finans Sverige AB. Wages to the Executive Board is included in the recharges.

Financial statements 1 January - 31 December

Notes

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
5 Fee paid to auditors appointed at the general meeting		
KPMG:		
Total fees	216	229
Hereof other non-audit services	0	30
	<u>2016</u> DKK'000	<u>2015</u> DKK'000
6 Profit appropriation		
Proposed dividend for the year	64,252	51,124
Retained earnings	<u>0</u>	<u>0</u>
	<u>64,252</u>	<u>51,124</u>
	<u>2016</u> DKK'000	<u>2015</u> DKK'000
7 Tax on profit for the year		
Adjustment of deferred tax	27,122	11,088
Adjustment of deferred tax concerning previous years	<u>-9,757</u>	<u>-1,200</u>
	<u>17,365</u>	<u>9,888</u>
Tax on profit/loss for the year is calculated as follows:		
Calculated tax on profit/loss for the year before tax	17,956	13,423
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	32	24
Adjustment of provision for deferred tax due to change of tax rate	9,134	-2,359
Adjustment of tax concerning previous years	<u>-9,757</u>	<u>-1,200</u>
	<u>17,365</u>	<u>9,888</u>
Effective tax rate	21.3 %	16.2 %

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8 Property, plant and equipment

	<u>Fixtures and fittings, tools and equipment</u>	<u>Lease automobiles</u>	<u>Total</u>
Cost at 1 January 2016			
Additions during the year	2,937	854,243	857,180
Disposals during the year	0	440,791	440,791
Cost at 31 December 2016	<u>0</u>	<u>-266,855</u>	<u>-266,855</u>
Depreciation at 1 January 2016	<u>2,937</u>	<u>1,028,179</u>	<u>1,031,116</u>
Depreciation for the year	2,846	249,325	252,171
Depreciation of disposed assets	0	149,337	149,337
Depreciation at 31 December 2016	<u>0</u>	<u>-141,173</u>	<u>-141,173</u>
Carrying amount at 31 December 2016	<u>2,846</u>	<u>257,489</u>	<u>260,335</u>
	<u>91</u>	<u>770,690</u>	<u>770,781</u>
Depreciated over			
	<u>3-5 years</u>	<u>3-5 years</u>	

9 Investments

	<u>Finance leases</u>	<u>Purchase contracts</u>	<u>Total</u>
Residual value at 1 January 2016	1,600,363	640,576	2,240,939
Additions for the year	1,574,602	178,606	1,753,208
Instalments and repayments	<u>-1,134,222</u>	<u>-212,526</u>	<u>-1,346,748</u>
Residual value at 31 December 2016	<u>2,040,743</u>	<u>606,656</u>	<u>2,647,399</u>
Impairment and write downs at 1 January 2016	26,868	11,515	38,383
Adjustments for the year	<u>-9,228</u>	<u>-6,271</u>	<u>-15,499</u>
Impairment and write downs at 31 December 2016	<u>17,640</u>	<u>5,244</u>	<u>22,884</u>
Carrying amount at 31 December 2016	<u>2,023,103</u>	<u>601,412</u>	<u>2,624,515</u>

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	<u>2016</u> DKK'000	<u>2015</u> DKK'000
10 Financing of inventories, distributors		
External distributors	<u>607,288</u>	<u>462,553</u>
	<u>607,288</u>	<u>462,553</u>

Financing of inventories, distributors, comprises financing of distributors' purchase of Mercedes-Benz automobiles. Financing is granted against security provided in automobiles.

11 Equity

The equity consists of 57,500 shares of DKK 1,000 each. All shares carry equal voting rights. There have been no changes in the share capital within the last five years.

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
12 Deferred tax		
Deferred tax at 1 January	115,343	104,255
Adjustment in respect of prior year	9,757	1,200
Adjustment for the year of deferred tax	<u>17,365</u>	<u>9,888</u>
	<u>142,465</u>	<u>115,343</u>
Lease automobiles	153,044	123,982
Currents assets	1,361	-2,348
Liabilities other than provisions	10,324	6,925
Retained earnings	<u>-22,264</u>	<u>-13,216</u>
	<u>142,465</u>	<u>115,343</u>

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	<u>2016</u> DKK'000	<u>2015</u> DKK'000
13 Loans		
Loans raised to finance leases and purchase contracts, etc., are recognised in the balance sheet as follows:		
Long-term liabilities other than provisions	1,479,395	1,158,357
Short-term liabilities other than provisions	<u>2,095,967</u>	<u>1,985,761</u>
	<u><u>3,575,362</u></u>	<u><u>3,144,118</u></u>
The liabilities fall due as follows:		
Within 1 year	2,095,967	1,985,761
Between 1 and 5 years	1,398,360	1,125,522
After 5 years	<u>81,035</u>	<u>32,835</u>
	<u><u>3,575,362</u></u>	<u><u>3,144,118</u></u>

14 Contingent liabilities and security

Contingent liabilities

The Company is jointly taxed with the Danish group companies in Daimler group. As Group Company, the Company has joint and several unlimited liability for Danish corporation taxes within the joint taxation.

Security

The Company's assets are not provided as security.

15 Related parties

Mercedes-Benz Finans Danmark A/S' related parties comprise:

Control

Mercedes-Benz Danmark A/S, Digevej 114. 4., P.O. Box 132, 2300 København S owns all the shares.

Daimler AG with head offices in Stuttgart, Germany, is the Company's ultimate parent company. The Company is included in the consolidated financial statements of Daimler AG. The consolidated financial statements of Daimler AG can be obtained by contacting the Company in writing.

Significant influence

The Company's related parties exercising significant influence comprise the Executive Board and the Board of Directors. Further, related parties comprise companies in which the above persons have substantial interests.