

Risks from other legal proceedings. Following the settlement decision by the European Commission adopted on July 19, 2016 concluding the trucks antitrust proceedings, Daimler AG and Daimler Truck AG are facing customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected. Daimler takes appropriate legal remedies to defend itself.

As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions we have recognized for them could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.

It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above, individually or in the aggregate, may materially adversely impact the profitability, cash flows and financial position of the Group or any of its segments.

Although the final result of any such litigation may influence the Group's earnings and cash flows in any particular period, Daimler believes that any resulting obligations are unlikely to have a sustained effect on the Group's financial position.

Further information on legal proceedings is provided in  [Note 30](#) of the Notes to the Consolidated Financial Statements.

Tax risks and opportunities

Daimler AG and its subsidiaries operate in many countries worldwide and are therefore subject to numerous different statutory provisions and tax audits. Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities – especially in the field of cross-border transactions – may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows.

Positive effects on the Group's net profit and cash flows are also possible as a result of retroactive legislation, future court rulings or changes in the opinions of the tax authorities.

Any changes or interventions by the fiscal authorities are continuously monitored by the tax department and measures are taken if required.

In addition, if future taxable income is not earned or is too low, there is a risk that the tax benefit from loss carryforwards and tax-deductible temporary differences may not be recognized or may no longer be recognized in full, which could have a negative impact on net profit. However, there is an accounting opportunity that tax benefits currently not recognized in full may be utilized or recognized in future years and could thus also have a positive impact on the Group's net profit.

Overall assessment of the risk and opportunity situation

The overall view of the Group's risk and opportunity situation is the sum of the described individual risks and opportunities of all risk and opportunity categories.

In addition to the risk categories described above, unforeseeable events can have a negative impact on the business operations and thus on the Daimler Group's profitability, cash flows, financial position and reputation. In particular, legal risks or social violations by partners and suppliers can have a negative influence on the reputation of the Daimler Group, the environment and the employees of partner companies and suppliers. As one of the basic principles of corporate activity, Daimler therefore pays particular attention to compliance with legal and ethical rules – also when selecting partners and suppliers. In order to recognize risks and opportunities at an early stage and to deal successfully with the current risk and opportunity situation, the established risk and opportunity management system is continuously monitored and further developed.

The overall risk and opportunity situation of the Daimler Group remains essentially unchanged. No risks are recognizable – neither on the balance sheet date nor at the time of preparing the consolidated financial statements – that either alone or in combination with other risks could endanger the continued existence of the Group.